



Meat Industry Association of New Zealand (Incorporated)

Submission to MBIE on the anti-competitive Land agreement review

25 August 2023

I. Introduction

1. The Meat Industry Association of New Zealand (Incorporated) (MIA) is a voluntary, membership-based organisation representing processors, marketers, and exporters of New Zealand red meat, rendered products, and hides and skins. MIA represents 99 percent of domestic red meat production and exports, making the meat industry New Zealand's second largest goods exporter with exports of \$12 billion.
2. The meat processing sector is New Zealand's largest manufacturing sector that employs over 25,000 people in about 60 processing plants, located mainly in the regions. The sector is a significant employer in many of New Zealand's rural communities and contributes over \$4 billion in household income.
3. A list of members is attached (Appendix A).

II. Overview

4. MIA thanks MBIE for the opportunity to comment on the anti-competitive Land agreement review.
5. Land agreements only arise when an entity who owns land (or pays the owner of the land) registers a land agreement. In reality, land agreements are likely to only be used on land that a meat processor already owns. The financial investment required to purchase land for the purpose of registering a land agreement and then selling that land again, is likely to be significant and therefore creates a disincentive from doing so. Such purchases and sales may create tax issues and mean that the vendor is deemed to be a property developer.

6. It is important that the Government acknowledges and respects the fundamental principles of land ownership. Any degradation of those principles must be demonstrably justified in a free and democratic society.
7. MIA wishes to raise three reasons supporting the use of land agreements:
8. Firstly, land agreements allow businesses to invest knowing that access to their farmer suppliers will not be eroded by a competitor opening nearby. Building a meat processing plant is a substantial investment for a company, with a considerable environmental impact.
9. Secondly, if the assets or shares are sold to a third party, land agreements could be used to support the goodwill of the business that has been sold and prevent the vendor opening in competition with the purchaser.
10. Thirdly, a meat processor may wish to sell surplus land adjoining their existing site. It would be inequitable to allow the new owner of the surplus land to then object to the operation of meat processor.
11. MIA welcomes any further engagement on this issue.

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Appendix A: MIA members and affiliate members as at 25 August 2023

Members	Affiliate members
Advance Marketing Ltd	Abattoirs Association of New Zealand
AFFCO New Zealand Ltd	AgResearch Ltd
Alliance Group Ltd	Alfa Laval New Zealand Ltd
Ample Group Ltd	Americold New Zealand Ltd
ANZCO Foods Ltd	AON New Zealand Ltd
Ashburton Meat Processors Ltd	Auspac Ingredients Pty Ltd
Auckland Meat Processors Ltd	Centreport Ltd
Bakels Edible Oils (NZ) Ltd	CMA-CGM Group Agencies (NZ) Ltd
Ballande New Zealand Ltd	Cooltranz 2014 Ltd
Black Origin Meat Processors	G-Tech New Zealand Ltd
Blue Sky Meats (NZ) Ltd	Haarslev Industries Ltd
BX Foods Ltd	Hamburg-Sud New Zealand Ltd
Columbia Exports Ltd	Hapag-Lloyd
Crusader Meats New Zealand Ltd	Intralox Ltd
Davmet (New Zealand) Ltd	Kemin Industries NZ Ltd
Farmlands Mathias International Ltd	Liqueo (HB) Ltd
Fern Ridge Ltd	Maersk NZ Ltd
Firstlight Foods Ltd	MJI Universal Pte Ltd
Garra International Limited	Moda Systems New Zealand Ltd
Global Life Sciences Solutions NZ Ltd t/a Cytiva	Oceanic Navigation Ltd
GrainCorp Commodity Management NZ Ltd	Port of Napier Ltd
Greenlea Premier Meats Ltd	Port Otago Ltd
Harrier Exports Ltd	PrimeXConnect
Integrated Foods Limited	Pyramid Trucking Ltd
Kereru Foods Limited	Rendertech Ltd
Kintyre Meats Ltd	Rockwell Automation (NZ) Ltd
Lowe Corporation	SCL Products Ltd
Ovation New Zealand Ltd	Scott Technology Ltd
Peak Commodities Ltd	Sealed Air (New Zealand)
Prime Range Meats Ltd	SHICO Limited
Progressive Meats Ltd	Suncorp New Zealand Ltd
PVL Proteins Ltd	Visy Industries Australia Pty Ltd
SBT Group Ltd	Wiley New Zealand Limited
Silver Fern Farms Ltd	
Standard Commodities NZ Ltd	
Taylor Preston Ltd	
Te Kuiti Meat Processors Ltd	
UBP Ltd	
Value Proteins Ltd	
Waimarie Meats Partnership	
Wallace Group	
Wilbur Ellis (NZ) Ltd	
Wilmar Gaviola Pty Ltd	