



Executive Committee Meeting Minutes

Meeting: Tuesday, 11 June 2019 commencing 10.00am.
At the offices of MPI, 149 Lambton Quay, Wellington.

Present: Mike Wilson (Chairman), Richard Brake (Secretary), Anna Hicks, Michelle Lang, Stephen Allington, Fred Hugues, John Karlake, Nigel King.

Apologies: Victoria Hamilton

Note: *Action Points in Italics*

Conduct during the meeting

The Chair reminded members that they should not put themselves at risk of any allegation of anti-competitive behaviour that could contravene the Commerce Act 1986. In particular, those present should not discuss prices, discounts or supply arrangements or any other matters that could be construed as lessening competition.

Apologies

The apology was accepted.

Minutes

The minutes of the meeting held 26th March 2019 were approved as a true record.
(moved Mike Wilson, seconded Stephen Allington, carried unanimously)

Matters Arising

There were no matters arising other than those recorded on the agenda.

Correspondence

Significant correspondence received and sent includes:

- Agenda, etc for the GAPFA Trade Facilitation meeting 25th April.
- Market Access Priorities Spreadsheet ex Bill Jolly
- Updated China OMAR published 27th March
- Draft EU OMAR for comment received from Rochelle Ferguson/Phil Ward; no issues
- Quote received from Lorraine at the Holiday Inn for conference 2019
- Skills Maintenance Memo received from Peter Brown and circulated primary processors
- Minutes of exec committee circulated 1st April
- Request sent to all associate members re ads for newsletters.
- Email to all primary processors re skills maintenance
- Email from Echo Tan re China cross-border e-commerce forwarded al all members
- Notes for exporters to China published 04-April
- Update on Tech Memo from Peter Brown, circulated all primary processors
- Proposal for AM course ex RMG Group received and accepted
- April Newsletter sent 10th April
- Associate membership application received from Cuddon Ltd 11th April
- Tim Hatry GM Meateor from John Sainsbury
- Letter of ‘Industry Support’ sent to RMG 11th April
- Letter to MPI requesting extension to Skills Maintenance Programme
- Report received from GAFA re OIE meeting, not circulated
- Enquiry from Candy Brokers re pet treat ex Sth America re labelling
- Consent to Assess form from RMG , signed and returned

- Letter from MPI accepting extension of skills maintenance to end of May received 17 April and note sent to all primary processors
- Query from Ryan Monaghan via Sam Real Petfoods re irradiation rules
- Minutes of the PFISC Meeting received from Anita 18 April
- Korea OMAR Updated and circulated exporters
- Letter sent to K9 Natural foods Ltd re “meat” definition
- GAPFA Nutrition workstream meeting 24 April
- GAPFA Trade Facilitation workstream meeting 25 April
- Note from Echo Tan re GACC risk levels, circulate export subcommittee
- Import/export stats received from Statistics NZ 26 April, summary circulated exec
- China OMAR 19/15 published 29-Apr
- Note to exporters to China published 02-May
- A round of outstanding invoices emails sent 03-May
- Note regarding “Bone to Pick” documentary circulated exec
- Note from KerryASUREQuality circulated primary subcommittee
- Query from Jenny NZ Retail re market figures on our website, sent latest
- Exchange of correspondence with Nick Li NZTE re export stats
- Draft Code chapter 2 received from Angela, circulated exec 07-May
- Young calf processors meeting held 07-May, agreement signed and sent to Angela & Peter
- Ad for NZCACV GM received and circulated exec
- Market data received from AC Nielsen 13-May
- May Newsletter circulated 15-May
- Discussion regarding horse disposal from Equine Magazine, article circulated primary processing subcommittee and agreed
- Exchange of correspondence GAPFA re dietetic diets
- Note on staffing changes at NZCAC received and circulated executive.
- Papers for the CEAWF meeting 28-May received and circulated primary processing committee
- Note from Richard McColl re update to the Commercial Slaughter Code of Welfare telecon 27-May, discussed with Anna
- Note from Victoria re MPI “Market Intelligence” paper on dogfood, circulated executive.
- Email sent to Associate Members seeking input to Newsletters
- Email from Euromonitor with exec summary of their latest petfood report, circulated executive.
- Slaughter statistics received from Beef + Lamb
- NZCAC Newsletter received, circulated executive
- Slaughter statistics received from Deer Industry
- Note from Denis McGee re Labelling Guidelines
- Sealed Air e-commerce report, circulated membership
- Agenda for PFISC meeting received from Anita
- China Omar received 7th June
- From Mike a note from Customs re Exporting to Europe
- Note to China exporters circulated 10th June

The correspondence was accepted

(moved Michelle Lang, seconded Anna Hicks, carried unanimously)

Membership

Associate membership application received from

- Eden Valley Foods of Mangere, Auckland (Alkesh Sharma)
- Cuddon Ltd of Blenheim (Blair Kibblewhite)

The Membership applications were accepted

(moved Mike Wilson, seconded Anna Hicks, carried unanimously)

Noted:

- Heidi Holland (raw food distribution) has expressed an interest in joining the Association
- Ben Rennell, Feedmyfurbaby (on-line petfood distributor of dry dogfood) has expressed an interest in joining the Association
- Jeremy Stewart has resigned from Pet Nutrition Ltd
- Lucy Shockledge has resigned from Kraft Heinz Ltd

- Aurelia Moly has resigned from Masterpet Ltd. Celeste Fraei (National Sales Manager) is now the contact.

Financials

The end of May financials and full year forecast were circulated.

Points to note:

- Total surplus of \$43.6k favourable.
- All income lines favourable and have some upside
- There may be some downside on meetings & travel expenses

Many invoices remain outstanding

Richard to follow up.

It was agreed that a term deposit be made.

Nigel to investigate how this might be done on the BNZ site.

Given the recent difficulties of approving payments, it was agreed that Stephen be added as a signatory (will then be two of four)

Nigel to follow up with the BNZ.

Password

Per the agreement at the last meeting the password was changed mid-May and will be passed on to paid-up members only.

Subcommittee Reports

Primary Processing

The subcommittee report was circulated and taken as read. (report attached)

- Training/Am-Pm Course: It was agreed that a payment of \$5k to facilitate the RMG Group's development of training modules be made available. A decision on future amortisation of the cost amongst future course participants will be made in due course

Anna to follow up.

- Skills Maintenance. At the PISC meeting Peter Brown circulated a note indicating that all primary members have completed their obligations.
- Animal Welfare: Noted that the pressure is on the industry to be less tolerated of poor animal welfare performers and to develop an "Animal Welfare Strategy"

To be further discussed by the subcommittee

Export Focus

The subcommittee report was circulated and taken as read. (report attached)

- The main focus has been on current China issues but other market access issues are on the agenda
- The Raw Material Nutrient Project will be separated from the routine subcommittee telecons and will include John & Michelle. It was also agreed that the health of pets will be at the forefront of discussions.

Richard to arrange separate session for Export and technical subcommittees to discuss progress to date and pull together a project plan.

Richard to follow up with Emma on proposed sampling and testing programme and associated costs.

- Noted that members exporting to Europe have received a note from NZ customs with questions as part of a NZ's discussions regarding an EU Free-trade Agreement.

Richard to circulate to the membership seeking feedback

- The Market Expectations Project may be able to tap into GAPFA expertise for key export markets.

Richard to follow up with GAPOFA associates.

Technical

The development of a Global Health Certificate discussion is progressing, using OIE criteria. Michelle attended the last telecon 7th June.

The NZ "undesirable substances" spreadsheet yet to be completed.

AGM and Conference 2020

Price indications have been received from the Waipuna, Holiday Inn and Sudima, which are not much different.

It was agreed that the Jet Park Hotel, close to the airport should be investigated.

Richard to follow up.

General Business

PFIAA

The PFIAA annual meeting is confirmed for Tue 10th and Wed 11th September in Melbourne.
A review of the AS 5812 is underway as part of the response to the review of petfood regulation.

There was no other General Business

Next meeting

The next executive committee meeting will be held Tuesday, 17 September 2019 commencing 10.00am at the offices of MPI, Wellington to be followed by the Petfood Industry Standards Council meeting at 1.00pm.

Following meeting is:

26 November (followed by the PFISC meeting) at MPI, Wellington

Meeting closed at 12.30pm.

Mike Wilson
Chairman

Richard Brake
Secretary



The New Zealand Petfood Manufacturers Association

PO Box 32-479, Devonport, Auckland 0744

Ph: 09 425 7678 Email: info@petfoodnz.co.nz

Primary Processing Subcommittee Report

For the executive committee meeting 11th June 2019

Committee: Anna Hicks, Stephen Allington, Richard Brake

Ante- and Post-mortem Examiners Skills Maintenance

Last year the Association successfully submitted to MPI that the (expensive) AsureQuality ante- and post-mortem examiners skills maintenance programme should be run only every two years. This is the first “off” year where primary processors are expected to run their own internal skills maintenance programme.

It was originally intended that the programme be complete by the end of April but concern from processors (short weeks, high work rate with the current M.bovis cull) resulted in the Association making application to MPI to delay the completion date to end of May, to which MPI agreed.

Processors have struggled to understand what is required. The committee has committed to assist with Anna in contact with the North Island processors and Stephen the South Island.

We believe the end of May target was met by primary processors. Comment from MPI (Peter Brown) expected at the PFISC meeting.

Training

AsureQuality have been the only providers of the petfood examiners ante- and post-mortem training course over the last fifteen years. Their service is poor, they are expensive and have little incentive to understand the industry’s requirements.

The Association has successfully gained approval from MPI for a change in the AC Specs so that the unit standards are required, not the AsureQuality course, which has opened the door to an alternative provider.

The committee has been working with an alternative, the Risk Management Group (RMG). RMG are in the process of gaining the PITO and NZQA approvals etc required to for them to provide the training. The Association has provided letters of support to RMG for their applications.

RMP are developing the programmes now. The Association has committed \$5,000 in funding to speed this process up. This could be recouped from course attendees in the future.

The subcommittee seeks approval from the executive for this spend and a decision on future reimbursement.

Animal Welfare

No regulatory changes are proposed.

The same MPI involvement (on-farm verification, follow-the-truck programme, etc) will be in place this coming season.

Discussions have been had with Richard Wild and Jane Riori regarding alerting MPI to issues of unexpected deliveries.

No issues expected.

Anna has attended the Farm-to-Processor Animal Welfare Forum (FPAWF) and Richard the Primary Industries Chief Executives Animal Welfare Forum (PICEAWF).

The pressure from these groups is for the Association to prepare an “Animal Welfare Strategy” and report on how the industry will become less tolerant of poor animal welfare performers.

Young Calf Processors

A meeting of young calf processors was held 7th May to discuss requirements for the coming season (reporting to MPI, processing agreement, supplier statements, animal welfare requirements, etc).

Minutes and agreement circulated to the executive.

The agreement was forwarded to MPI (Angela Yang, Colin O'Connor and Richard Wild)

No contentious issues

AC Specs Update

The main areas of concern for primary processors with the update of the AC Specs are in two areas:

- Post-mortem examination qualification for examiners of wild animals (MPI favours a formal unit standard qualification), and
- The status of within withholding period animal material (MPI favours it be deemed "Medium Risk")

The subcommittee will need to come to a view on these matters and discuss with MPI.

Richard Brake
Secretary



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Export Subcommittee Report

For the executive committee meeting 11th June 2019

Committee: Mike Wilson, Nigel King, Richard Brake

Market Access Issues

Collaboration

The committee is keen to foster a collaborative approach to maximising export potentials of the industry's exporters. Therefore, there is frequent contact between the committee and exporters, particularly those involved in contract processing.

China

MPI have published a China OMAR for the third time this year. Each one delaying implementation of OMAR requirements; now to come into effect 10th June.

After a visit to China by Market Access outstanding issues were resolved, namely:

- It was agreed that there will be two premises lists. One for retail-ready products, the other for product requiring further processing in China (which will be under the jurisdiction of GACC). Relabelling and "sticker" are not regarded as further processing, and
- The wording of the e-cert CN202 was agreed.

Therefore the OMAR is confirmed.

The Association has continued to update its "Note to Exporters" with advice on current understanding of requirements from both GACC and MARA. Several iterations have been circulated to all exporters since the last executive committee meeting.

Updates will be issued as more information comes to hand as companies go through the MARA registration process.

USA

A high priority for NZ is seeking an equivalence agreement with US FDA from animal consumption products. However, it seems to be well down the FDA priority list. Progress is slow. An update is expected at the PFISC meeting.

An issue has arisen with the implementation of California Proposition 65. Exporters have been asked to sign confirmation that products are free of contaminants (there's about 1000 chemicals on the list). The Association is in conversation with PFI. The matter is as yet unresolved.

Canada

Agreement has been reached with Canada for access of "wild" petfoods. We await the update of the OMAR.

Australia

Agreement has been reached with Australia for access of raw freeze-dried petfoods. We await the update of the OMAR.

Korea

Three issues have arisen, which are under discussion;

- Access of possum products is unclear. Product are in trade but has not been formally agreed between MPI and Korea authorities. MPI are reluctant to ask the question in case an answer is a problem.
- Access for “un-heat-treated” poultry (freeze-dried products) is not yet resolved
- Korean domestic standards are confusing as there are regional differences in requirements. MPI are reviewing this with a view to adding guidance to the OMAR. The Association has offered to take this up with NZTE and the KPFA.

Project Work

Nutrients;

A project to develop a database of raw material nutritional profiles is proposed, including species, age (or class) of stock, seasonal and regional variations.

Included will be key nutrients that may pose a risk to “truth of labelling”, particularly those that have maximums; including Vit A, Vit D, heavy metals, Omega 3 & 6.

It is recognised that smaller companies misunderstanding these issues pose a risk to the reputation of the industry

Scoping is underway. The project has been discussed with Emma Bermingham (AgResearch) and Dave Thomas (Massey University) and some initial funding has been secured from AgResearch.

Additional funding will be sort from MPI’s Primary Growth Partnership Programme and other sources, which will require applications from the Association.

The Association is currently collecting information of slaughter by livestock class (calf, heifer, cow, steer, bull, lamb, hogget, mutton, venison) by month by region. Then a sampling programme will be developed.

The intention is currently to draw a lot of samples, which can be “banked” for future study. The breadth of analysis is dependent on funding.

Further funding will be sought from MPI and other sources, which will require applications from the Association.

The executive is asked to support this programme.

Market Expectation Database:

A project to develop a database / matrix of market expectations is proposed, including key regulations by market (eg AAFCO in the US) and consolidation of lessons learned by exporters.

Such a matrix will reduce the double-up work amongst exporters (reducing wasted effort by multiple companies)

It is intended that this will be amended as required as new information comes to hand.

Again, it is recognised that smaller companies pose a risk to the reputation of the industry.

This is not an MPI issue. Discussions are underway with NZTE.

Funding will be sought from NZTE and other sources, which will require applications from the Association.

The executive is asked to support this programme.

Richard Brake
Secretary