

Hon David Carter

Minister of Agriculture

Minister for Biosecurity



Speech

20 July 2009

Speech: NZ Pork Industry Board Conference

Good morning everyone. It is a pleasure to be speaking at your 2009 Conference, this time as your Minister of Agriculture and Minister for Biosecurity.

Thank you, Chris Trengrove for your introduction and I would also like to acknowledge other New Zealand Pork Board members, and your CEO Sam McIvor.

Few of you will be surprised to hear that I have had a lot to do with Chris and Sam recently, following some adverse media coverage your industry has received.

I want to dwell on this issue briefly before moving on to other subjects.

Immediately after the airing of the 'Sunday' programme, I went with Chris and visited two local Canterbury pig farms to get a better appreciation of the husbandry issues that pig producers have to deal with. The visit certainly opened my eyes to many of the challenges your sector faces.

The Mike King Sunday programme fixed public concern on your industry like never before. From the Prime Minister down, it was clear that most of New Zealand was not comfortable with the conditions shown in the footage.

A subsequent investigation certainly raised questions about the morality of the tactics used by groups such as SAFE. And questions also need to be asked about the balance and fairness of the media coverage.

But ultimately these aspects are not the real point.

The fundamental issue still remains that consumers, particularly the discerning consumers that buy your product, have genuine concerns around the integrity of production of the food they buy, and this definitely includes animal welfare.

These consumers are completely rational people whose conscience affects their purchasing decisions. This is their right and as an industry you ignore them at your peril. Proof of this was the decline in pork purchases in New Zealand immediately following the TV programme.

The next group of people who will not go away are the animal rights activists who are committed to the elimination of intensive farming methods. Rightly or wrongly these groups will utilise all manner of means to sell their message, both legal and illegal. If

you think they are not planning further attempts to discredit you, then you're dreaming.

The challenge for you is how you are going to respond.

In preparing this speech, I went back to a speech given by another Minister of Agriculture, Jim Sutton, to your conference in 2001.

In this speech, the Minister gave you a clear challenge, and I quote: "I believe it is time for you to take a good, long, hard look at yourselves."

He went on: "As I see it, you have a real opportunity here to take the initiative, to take the high ground. Stop letting other people lecture you about your industry and demonstrate your ability to lead."

Some of you have taken that message on board, but as an industry you haven't done well enough.

It is my belief that the NAWAC code delivered to you such a long lead-in – 2015 – that a degree of complacency crept in.

This is certainly not a criticism of NAWAC. The members of NAWAC do a wonderful job in the area of animal welfare. We as a nation are very lucky to have people prepared to serve New Zealand in this way.

But in hindsight, I think New Zealanders were going to be demanding real restrictions on the use of dry sow crates, or the eventual elimination of them altogether.

As you know, I have called on NAWAC to review your animal welfare code with urgency. I would hope this work is completed by the end of the year.

I am not going to pre-empt this review but I have made it clear that I personally feel that the 2015 date needs to come forward significantly.

Your industry can treat these welfare issues as an opportunity or as a challenge. I suggest opportunity.

Because one thing is for sure: this issue 'ain't going away any time soon'.

For a start, do what I saw recently in UK supermarkets. Get out there and present your product based on the integrity of its production. Where you can, proudly label that this pork chop is from a pig that was farmed outside, grazed on New Zealand pasture, in the best tradition of our 'clean green' image.

And, for those of you in a position to do so, aim for that 'organic' badge which adds more value to some consumers.

Unlike overseas competitors, your industry makes very little use of antibiotics, if any at all, and you certainly don't use growth hormones. This is something that we should all be proud of.

When I recently met with your Chairman, he made the following comment, "People like choice, but won't pay for it."

I suggest you need to be more positive. You and your industry body need to be proactive in educating people so that they can and will make the choice, and in doing

so will pay a premium for it.

In the past your industry has been great marketers. Do it again, but this time I suggest you use the merits of your product, not the words of a celebrity.

Now let's move to some positive news and the potential opportunities that Budget 09 may provide to your industry.

As the Prime Minister laid out last week, this Government has identified a significant focus on innovation as one of our six main economic policy drivers

That's why on Budget Day we announced some good news for the primary sector by way of the Primary Growth Partnership.

The primary sector is our economic foundation and it will drive us out of recession.

New Zealand is the world's largest dairy and sheep meat exporter and a major player in the world trade of horticultural products. These industries generate 64 percent of our merchandise export earnings. They are the only major industries in which we have sufficient scale, market share and supply chains to be truly competitive in international trade.

In saying that, we are no longer the world's lowest cost producers – that mantle has passed to countries like China and Uruguay. We must produce quality food for the discerning domestic and international consumer.

The Primary Growth Partnership shows how committed National is to building innovation across the primary sector.

For 20 years we, as a nation, haven't invested enough in primary sector research and development. Many of the recent productivity increases we have achieved on-farm are as a result of research done almost 30 years ago.

The former Agriculture Minister, Jim Anderton, should be acknowledged for his vision for pastoral and food sector research and development with his promotion of the Fast Forward Fund.

But we decided we could do better.

Fast Forward was funded through a nebulous capital fund that was to be drawn down over a period of 15 years. The Primary Growth Partnership will be funded through an ongoing, annual government appropriation that will be matched by industry.

Based on the many statements of support from primary industry organisations, I am confident this will be easily achieved.

PGP is a bigger commitment than Fast Forward. It incorporates a transparent and accountable funding structure that is focused on results.

Budget 2009 provides \$190 million of Government funding over four years. It will start at \$30 million this year; go to \$40 million next year; \$50 million the following year; rising to \$70 million and ongoing from 2012/13. Funding will be increased as industry shows capacity and the need to spend even more.

Government does not see PGP as 'business as usual'. It is an ambitious project and

has an ambitious scope.

A real feature is how it has been closely developed with industry. It is unashamedly industry-led and simple in its structure.

Its priorities and strategic direction will be led by those industries that choose to be involved – and I would certainly hope that the pork industry is lining up to be part of it.

I want to talk now about Import Health Standards.

In April, MAF Biosecurity New Zealand issued provisional Import Health Standards for pig meat, pig meat products and by-products from Canada, Mexico, the EU and the USA.

I recognise there are strongly held opposing views on the risk associated with these provisional Import Health Standards, particularly with regard to Porcine Reproductive and Respiratory Syndrome.

This was the reason for the extension of the consultation period and consideration of all relevant published scientific information.

As a country that trades internationally for its very survival, New Zealand's import measures must be technically justifiable, based on best available science and consistent with our international obligations.

I am aware that the Pork Industry Board has advised MAF of a request for an independent review panel to consider this case and whether MAF has robustly analysed all scientific evidence.

The Director-General of MAF is considering that request and I, like you, await the outcome with interest. The Director-General must determine not only whether a panel is appointed, but also, if there is one, what its terms of reference will be.

But the law is quite clear. It is the Director-General who makes the decision, not me as the Minister.

The other issue I want to touch on this morning is resource management reform.

Minimising bureaucracy and cost by reforming the Resource Management Act is a top priority for this Government. For too many years, the RMA has been 'a handbrake on growth' and stifled industries such as yours.

This is unacceptable and has led to uncertainty around developments and stalled projects - many of which have been of national importance.

A pertinent and somewhat ironic example of this is your own member Colin Kay's attempt to get a trial pig farm up and running. This great initiative has been hampered time and time again by delays caused by the RMA.

The changes to the Act announced earlier this year are the first phase of a much wider legislative review. The intention is to reduce costs, speed up current processes and provide more certainty – but still ensure we adequately protect the environment.

We need to untangle the red tape affecting everyone from homeowners to businesses and the proposed changes will address concerns raised from a wide sector of the

community regarding timeliness and efficiency.

Phase One amendments will ensure both District and Regional plans, and the processes used to develop these, are more streamlined, easier to expedite and user-friendly.

Phase Two will look at more substantive and complex issues such as how to improve water allocation and better provide for much-needed infrastructure requirements such as water storage.

In conclusion, this has been a tough few months for your industry. There is no doubt that you face some continuing challenges in terms of public perception and animal welfare issues.

The way you respond to these challenges will shape your industry for many years to come.

But as I have said, you need to focus on the opportunities and use them to your advantage.

New Zealand Pork is a good product with a good story to tell. I want you all to focus on making it a great product with a great story to tell.

Thank you again for inviting me to address your Conference. I wish you all the best for your discussions throughout the day.

Media contact: Vanessa Rawson 021 245 9773