

Tabled at Hearing. 30/09/14.

**Before the Independent Commissioners**

In the Matter of                      the Resource Management Act 1991

And

In the Matter of                      the hearing of submissions and further submissions on  
Proposed Variation 1 to the Proposed Canterbury Land  
and Water Regional Plan

**Evidence in Chief of Mark Eric Clarkson  
on behalf of ANZCO Foods Limited  
(Submitter ID 52274)**

Dated: 30 September 2014

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**Lane Neave**  
LAWYERS

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1. My full name is Mark Eric Clarkson. I am the Managing Director of ANZCO Foods Limited (**ANZCO**).
2. I have held this position for ten years and have worked in the meat industry for over 40 years.
3. I am currently a Meat Industry Association councillor and a Director of Beef + Lamb New Zealand and the New Zealand Meat Board. I am also involved in various industry and primary sector forums.

### **ANZCO**

4. The ANZCO group of companies employs over 3,000 people worldwide (the majority of whom are employed in New Zealand).
5. ANZCO is the third largest meat company in New Zealand and this year is expecting a turnover of in excess of \$1.3B with assets of \$550m.
6. ANZCO is jointly owned by Itoham, Nippon Suisan Kaisha Limited and directors and management. Each shareholder group owns more than 25% of the company.
7. I believe ANZCO has an unsurpassed reputation as an exporter of quality lamb and beef livestock products. For example, ANZCO is the only New Zealand meat company to supply chilled lamb to premium United Kingdom food retailer, Waitrose.
8. I believe ANZCO has been able to access this type of market by having some of the highest food standards in the world as well as high quality environmental systems and verification systems. Our customers demand to know where and how their meat has been grown and processed and the sustainability of our operations is important to them.
9. For example, all ANZCO lamb suppliers must be "farm assured". All suppliers must operate and record in accordance with best practise manuals. Results are independently audited and then analysed as a basis for knowledge to be shared with the supplier producer groups.
10. Producer groups are aligned with specific customers and these provide an additional forum for discussions on technical matters and customer

requirements which promotes continuous improvements and overall excellence.

### **The Meat Industry**

11. The meat industry has come along way since the subsidy days of the early to mid 1980s. “Freezing works” are a thing of the past.
12. However, while the meat industry has necessarily become more sophisticated, it is still very much an extremely competitive industry with high fixed overheads and low margins. Further, it is capital intensive but has, of necessity, underutilised facilities because of the seasonal nature of the industry.
13. For meat processors to survive, they must continue to be market leaders in sustainable practices because that is what international markets demand. The meat industry is particularly vulnerable to bad performance that detrimentally affects the “NZ Inc” brand.
14. The meat industry must also continue to be innovative.

### **ANZCO – The Future**

15. Currently ANZCO is undertaking ground breaking research with the development of medical-assisting and health-benefiting, pharmaceuticals, nutraceuticals, cosmeceuticals, dietary and food product solutions.
16. As part of the Government’s growth agenda to significantly increase exports, ANZCO has committed investment of \$43.5m in partnership with the Crown, in a seven year \$87m total project to develop markets for new products from these areas.
17. ANZCO is also financially involved with a Government Primary Growth Partnership programme for the red meat sector, “Red Meat Profit Partnership”, which is directed at behind farm gate productivity improvement.
18. This seven year programme, costing \$64 million, involves most of the significant meat processing players and aims to ensure that *“red meat producers consistently have access to and are able to effectively use the*

*best available farm and business management practices, by addressing gaps in technology transfer and ensuring strong co-ordination between organisations and individuals working with farmers.”*

#### **Wastewater and Water - Variation 1**

19. The provision of water is a major component of meat processing. Strict food hygiene standards both in New Zealand and overseas mean that there is no room for error in terms of quality and quantity of processing water and therefore certainty in terms of the provision of water is paramount for ANZCO.
20. As ANZCO looks to the future, it will continue to be reliant on the supply of water for all of its operations, in addition to the ability to dispose of wastewater in an appropriate manner. This is particularly so for its Rakaia Plant, which is located in Knyvetts Road, Raikaia, within the Selwyn-Te Waihora catchment.
21. As with ANZCO's other Canterbury operations, the Rakaia Plant is located in a rural area with no access to Council services. Consequently, ANZCO is dependent on its existing resource consents for its operations.
22. It is therefore important that, at the very least, ANZCO has the ability to seek resource consents:
  - (a) when current consents expire;
  - (b) to alter existing consents to take account of changing conditions; and
  - (c) to further develop the business in response to opportunities.
23. ANZCO continues to be comfortable about meeting appropriate regulatory controls because proper controls are important to ensure the credibility of the industry as exporters and promote the New Zealand brand.
24. As a company ANZCO understands the way it manages its environmental effects is strongly related to the long term economic viability and ANZCO's reputation as a trustworthy and ethical business – ANZCO refers to these as “The Three E's”.

25. However ANZCO is particularly concerned to ensure Variation 1 includes rules that are:
- (a) soundly based;
  - (b) appropriate to the industry; and
  - (c) recognise the role meat processing and exporting plays in the community.

**Mark Eric Clarkson**

30 September 2014