



# FOOD focus

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MAF

## Welcome

Our previous edition of Food Focus took a look at changes coming up for the Meat Act later this year, and the positive effects these are expected to have on the industry. The message of this month's Food Focus is; "but wait, there's more". For the changes to the Meat Act are but one of more than a dozen initiatives which add up to "changing times" for our nation's meat industry. Together they will leave the industry in a much stronger position to compete internationally.

## Reg

MAF  
Regulatory Authority; Information  
for the Agriculture and Seafood Industries



### Changing times in the New Zealand

## Meat Industry

A hundred or so years on from the advent of refrigeration and the positive changes it brought to the New Zealand meat industry, a new wave of change is moving through the industry; transforming the way standards are formed, implemented and monitored.

Strategic change is seldom easy, especially in the case of something as large, complex and contested as the New Zealand meat industry; a collision point for business, science, technology, domestic and international politics, and consumer affairs.

Compounding this is the scale and complexity of changes, and the need to negotiate them all with affected parties on the local and world stage. It has been difficult to conceive and communicate the final architecture with absolute confidence, but a decade of hard work is beginning to pay off. The picture is starting to become clear.

It is now apparent that the millennium will coincide with a promising new chapter in the story of our nation's meat industry, as shown by the fifteen themes outlined in this newsletter.

## Government Policy

New Zealand's decade and a half trend towards "less government" is now making itself felt in the agricultural, forestry and seafood sectors. Government policy is to minimise regulatory intervention and compliance costs while optimising trade conditions through macro economic policies.

Key points:

- minimal regulatory intervention
- minimise compliance costs
- optimise trade conditions

## International Agreements

These provide a framework for what New Zealand can and cannot achieve in its global trading activities. Traditionally burdened with politics, protection and emotion, the international playing field has been significantly levelled through the signing of two key WTO agreements; the Sanitary/Phytosanitary (SPS) Agreement (covering human, animal and plant health), and the TBT Agreement which covers other technical barriers to trade.

Key points:

- World Trade Organisation (WTO)
- SPS Agreement
- TBT Agreement

## Compliance

Compliance is about individual producers and processors earning their right to compete in

the marketplace by consistently meeting New Zealand standards and those demanded by trading partners, enabling official assurances to be provided by MAF Reg. A "verification agency" will ensure that companies have systems for complying with the standards, which then enables overseas reviewers to audit the systems, rather than carrying out expensive and stressful visits to individual premises.

Key points:

- meeting standards
- systems approach
- overseas reviewers

## Inside

Overview of the changes

The missing pieces (back page).

## Quality Quote

**"If you don't eat your meat, you can't have any pudding."**

Pink Floyd

## Optimal Regulatory Model

This model has been developed by MAF Reg to provide efficient assurance of New Zealand food products. It achieves high levels of transparency and accountability by clearly delineating the responsibilities of the various parties in the assurance chain. Parties include the “standard setter” (either MAF Reg or the importing country), the “verification agencies” (who ensure companies have systems in place to achieve the required standards and monitor performance), and the “regulated industries” (who must achieve the standards in order to achieve their right to export and compete in the market.) Key to this is that verification levels can be based on the performance of the individual industry members.

Key points:

- “standard setter”
- “verification agencies”
- “industry responsible for meeting standards”
- performance based audit

## International standards

Initiatives such as the World Trade Organisation and SPS and TBT Agreements have created a much more level playing field for international trade and created the need for a new “rule book” of common standards to ensure safety around the globe. One major source of the new “rules” for food is Codex Alimentarius Commission, a food standards organisation working through the United Nations Food and Agriculture Organisation and World Health Organisation. Codex also has a committee dedicated to Meat Hygiene which is chaired by New Zealand. The Office International des Epizooties (OIE) focuses on animal health but has important input into standards where animal diseases might create risks for humans.

Key Points:

- FAO/WHO - Codex Alimentarius Commission
- CODEX - Meat Hygiene
- OIE - Office International des Epizooties

## Bilateral Equivalence Agreements

It has historically been a stressful and expensive experience for New Zealand processing companies to replicate overseas standards and quality controls. Sometimes this “replication” was even counter-productive as it did not take account of issues particular to the New Zealand processing environment. A significant move in recent times has been the success of MAF Reg in negotiating recognition for the “equivalence” of New Zealand standards to those of some of our largest international markets, thus minimising stress and expense and in many cases achieving a superior quality outcome. The EU (European Union) Veterinary Agreement, signed in 1997, is one important case in point, and MAF continues to build strong international links.

Key Points:

- EU Veterinary Agreement
- other agreements
- equivalence not “replication”
- appropriate to New Zealand
- extensive networks of international relationships.



## Restructured MAF

MAF has been extensively restructured to enhance its support of the land-based industries and seafood exports. Changes include a merger with the Ministry of Forestry (March 1, 1998), re-focusing the Regulatory Authority as an assurance body (with business teams for Meat and Seafood, Plants, Dairy, Agricultural Compounds, Animal Health and Welfare and Forestry), and establishment of a separate Verification Agency within MAF Operations to audit the systems of processing companies for compliance with national standards and export market requirements. Meanwhile MAF Quality Management has been ring fenced away from core MAF and from 1 November 1998 will operate as two State Owned Enterprises, providing quality assurance services to the processing industries.

Key points:

- MAF Regulatory Authority
- Verification Agency
- SOEs



## Risk based standards

Methodologies for developing and implementing standards are on the move. One example is the increasing use of “Risk Analysis,” a formal approach for identifying, assessing, managing and communicating risk. Its use ensures standards are risk based and scientifically justified rather than based on tradition and superstition. There is also an emphasis on practical, realistic and achievable standards, recognising that these are crucial to achieving high degrees of compliance.

Key points:

- risk based
- scientifically justified
- outcome focused
- practical, realistic, achievable

## Other strategic initiatives

MAF Reg is constantly attuned to ways of reducing the cost and complexity of compliance. Examples include the growing use of electronic certification of our exports and the use of the World Wide Web to provide direct access of processing companies and international trading partners to authoritative sources of the current standards. MAF Reg has also embarked on a project to improve the effectiveness of its communication.

Key points:

- electronic certification
- direct access to standards
- risk mitigating strategies
- communication

## National Microbiological Database

New Zealand meat premises have maintained extensive microbiological process control verification programmes since 1972. Since 1997, microbiological data for sheep and cattle slaughter and dressing has been maintained in a national database. This database is unique to New Zealand. It is an important strategic asset as it enables us to measure movements in levels of performance (including pathogen levels) and negotiate trade access accordingly. It allows comparison of performance between processors and assists in studying the effect of different standards and what they achieve in terms of microbiological outcomes.

Key points:

- unique
- real measurement of performance
- comparison between countries and between premises.

## Industry consultation

Standards and regulations are more likely to be effective if they are developed with respect for the every day market and workplace realities of the industries where they apply. They will be less effective if developed in a scientific or political vacuum. Accordingly, MAF Reg is putting considerable emphasis on involving stakeholder groups in setting up and running standards programmes, such as those for the meat, venison, fishing and poultry industries.

Key points:

- Meat Industry Standards Council
- Venison Industry Standards Council
- Fishing Industry Inspection and Certification Council
- Poultry Industry Standards Council.

## User-pays

In line with wider Government policies there is a considerable user-pays emphasis emerging in the standards programme for the meat industry. This model minimises cross-subsidisation and encourages cost-effectiveness through higher levels of transparency and scrutiny of spending. Higher levels of consultation also take place to establish the needs of users in the first place.

Key points:

- cost effectiveness
- transparency
- consultative

## HACCP approach

Formal process control and quality assurance systems are being introduced throughout the meat industry. Hazard Analysis Critical Control Point (HACCP) is one such system promoted by MAF Reg in New Zealand. It focuses on preventative measures rather than end-product testing, with monitoring to ensure that potential hazards (eg. micro organisms, chemical and physical hazards) are either prevented or reduced to negligible levels. Rather than providing a "one size fits all" approach, HACCP encourages a quality process which is tailored for the individual processes and premises.

- process control
- worldwide trend
- addresses real risks
- tailored for individual processes and premises
- based on good manufacturing process

# The missing pieces

Two further things must occur to cement the benefits of the changes.

## New Meat Act

Scheduled to be passed in November 1998, (although there will likely be some slippage in this time frame), the new Act promises to supersede a lot of obsolete, prescriptive and inflexible aspects of the old legislation and create greater "breathing space" for many of the initiatives outlined above. A key principle of the new Act is ensuring that animal material is processed under a risk management system so that the products are "fit for purpose". The whole thrust of the Act is enabling, rather than prescriptive and it is closely aligned with recent changes to other New Zealand food legislation, creating greater efficiencies for processors and regulatory authorities. Overall, it creates opportunities for significant economic gains.

Key points:

- risk management programmes
- equivalent to HACCP
- covers plough to plate
- outcome focused
- flexible
- seamless with Food Act and Dairy Industry Act.

## Industry uptake of responsibility

The New Zealand meat industry is on the cusp of a significant wave of change which opens up powerful possibilities for companies prepared to seize the ball and run with it. The new environment will require a significant change in philosophy. A century or more of centrist regulation, is being overtaken by a more decentralised approach, where each participant in the market, will now have a greater say over their own destiny. Systems remain in place to achieve safety and standards outcomes, but the methods used to reach those outcomes will be far more flexible. Consultative procedures are falling in place for the industry to articulate its needs to the regulatory agencies, and user-pays provides a greater transparency of demand and supply. In some respect, a lot of the hard work has now been done on the architecture of the system, and the whole equation has come down to a challenge to the New Zealand meat industry; over to you, help us make it work.

Key points:

- control our destiny
- work with government to achieve common objectives
- fuel partnerships and relationships.



## Meet our People

### Phil Ward Programme Manager (Generic)

Removing some of the more the onerous standards without compromising safety and quality, is one of the more satisfying aspects of Phil Ward's new role as Programme Manager (Generic) within MAF Reg's Meat and Seafood team. Phil and his team are on the case with technical policies, standards for registrations, approvals and engineering, residues programmes and publication of standards across meat, game, poultry and fish. A recent review of certification requirements for products moving within New Zealand resulted in the scrapping of many of the "more onerous" requirements for preparation and replacement of certificates. Armed with a BVSc from Massey, and a Member of the Royal College of Veterinary Surgeons (MRCVS), Phil also knows what it's like having to meet standards at the business end of the industry - outside of work hours he is "cheap labour" for the raising of calves and Salers (a French breed) cross beef cattle on his family farm.

## ABOUT FOOD FOCUS

MAF Reg Food Focus is issued four times a year by MAF Regulatory Authority. It provides an overview of issues impacting on the regulatory environment for the Meat and Seafood industries. If you require specific information you are invited to contact the Authority. Food Focus welcomes feedback and suggestions for future editions.

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