

2015

Saudi-NZ Agri Hub

Governance Group Meeting Minutes

28<sup>th</sup> May, 2015

Withheld under  
sections S9(2)(b)(ii) +  
S9(2)(ba)

# SAUDI-NZ AGRI HUB

## Governance Group Meeting

2.00 pm Thursday 28<sup>th</sup> May, 2015

Brownrigg Agriculture Boardroom

Hastings

## Agenda

### Governance Group Members:

Mike Taylor (Chairman)  
Alex Matheson  
Quentin Quin  
David Brownrigg  
George Assaf

### Attending:

John Austin-Smith  
Peter Bailey  
Paul Muir

1. Apologies  
Confirmation of Minutes of 25<sup>th</sup> March 2015 Meeting  
Matters Arising
2. Interim Sheep Research Report
3. Update on Technologies Project
4. Financial summaries, including expenditure to date, and expenditure forecasts
5. Abattoir Update
6. Other business - Next Meeting  
- Other

1/1/15

IF ASKED Q&A FOR THE PM

out of ~~scope~~

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Page 2 is out of scope

POLI-244-411

out of scope

***Does your visit mean New Zealand will resume livestock exports to Saudi Arabia/the Gulf?***

New Zealand currently has a moratorium on the export of livestock for slaughter. New Zealand law allows the export of livestock for breeding purposes only – and under strict conditions.

***If asked: when last did New Zealand export livestock to Saudi Arabia?***

An air shipment of breeding ewes was exported to Saudi Arabia in October 2014 for the purpose of establishing a breeding flock. All the sheep arrived safe and healthy in Saudi Arabia. We export livestock for breeding purposes to many countries.

***Questions about the agribusiness hub near Dammam***

The New Zealand Government has invested \$6 million in an agribusiness hub near Dammam in partnership with a Saudi investor. The hub will showcase New Zealand agricultural technology and expertise. Over 30 New Zealand companies are involved.

***Will you visit the agribusiness hub?***

No, the travel schedule does not allow it [at least a five hour round trip from Riyadh].

Page 4 is out of scope

RESTRICTED

# New Zealand Trade Mission to the Gulf

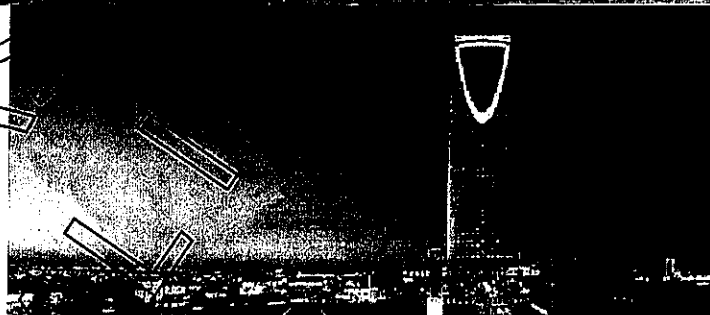
Prime Minister  
Rt Hon John Key

*out of scope*

Saudi Arabia and

*out of scope*

25 April - 2 May 2015



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE

*Pages 2 to 51 are out of scope*

out of scope

- The New Zealand government has invested \$6 million in an agribusiness hub model farm in Saudi Arabia's Eastern Province. Showcasing New Zealand agricultural technologies, the farm currently has a breeding flock of around 1000 New Zealand-born ewes.
- There is very little Saudi investment into New Zealand.

Per to Gulf  
8/4/15

Saudi Crown Prince: His Royal Highness Prince Muqrin bin  
Abdulaziz Al Saud

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out of scope

Pages 54 to 138 are  
out of scope



Saudi-NZ Agri Hub

Governance Group Meeting Minutes

25<sup>th</sup> March, 2015

Withheld under  
Sections s9(2)(b)(ii)  
+ s9(2)(ba)

# SAUDI-NZ AGRI HUB

## Governance Group Meeting

11.00 am Wednesday 25<sup>th</sup> March, 2015

Brownrigg Agriculture Boardroom

Hastings

## Agenda

### Governance Group Members:

Mike Taylor (Chairman)  
Alex Matheson  
Quentin Quin  
David Brownrigg  
George Assaf

### Attending:

John Austin-Smith  
Peter Bailey  
Paul Muir

1. Apologies  
Confirmation of Minutes of 10<sup>th</sup> February 2015 Meeting  
Matters Arising
2. Report on visit to Agri-hub the first week in March by MFAT and NZTE
3. Discussion – Revised project timetable discussed with the Al Khalaf Group during the March visit, and implications for planned activities and expenditure. (Project completion by end December 2015) No discussion papers circulated.
4. Update on pending visit by S9(2)(a) staff and shearing contractors to Um Alrad in April
5. Update on progress with abattoir project
6. Financial summaries, including expenditure to date, and expenditure forecasts
7. Other business - Next Meeting  
- Other

59(2)(a)

**From:** RIYADH  
**Sent:** Friday, 13 March 2015 12:47 a.m.  
**To:** MEA  
**Cc:**

out of scope

**Subject:** FORMAL MESSAGE: SAUDI ARABIA: FOOD SECURITY PARTNERSHIP: AGRIHUB

out of scope

#### Summary

- A combined NZTE/MFAT delegation visited the Saudi-New Zealand Agrihub at the Al Khalaf farm in Um Alerrad to assess progress and discuss potential opportunities to further leverage the project;
- Despite some initial teething problems related to the breeding programme, development of the Agrihub is well underway and on track to be substantially completed in 2016 (with NZ's contractual commitments completed in 2015);
- Once fully established, the Agrihub will demonstrate New Zealand agricultural technology products and services operating in a Saudi commercial farming environment;
- As such the Agrihub will be integral part of the new generation NZ Inc GCC Strategy, encompassing further opportunities in areas such as agricultural training and food security in Saudi Arabia and the wider Gulf.
- A governance group oversees the project's implementation, and is comprised of representatives from Brownrigg Agriculture, Al Khalaf group, MFAT and NZTE.

#### Action

#### Report

On 5 March 2015 a combined NZTE/MFAT delegation (Clayton Kimpton, Alex Matheson, Peter Bailey, Quentin Quin, and Second Secretary) visited the Saudi-New Zealand Agrihub at Um Alerrad, near Damman to take stock of developments and assess progress. This visit provided a timely opportunity to meet with Saudi investors and partner Sheikh Hmood Al Khalaf (owner of the farm, CEO Al Khalaf Group) together with representatives from various parts of his organisation. There was general agreement that the development of the Agrihub is progressing well, and a good working relationship exists between all parties involved.

#### Update on farm developments

2 During the visit to the Agrihub it was clear that lessons had been learnt from the disappointing first lambing season. An initial high mortality rate of lambs had caused concern,

56(a)  
59(2)(b)(i)  
59(2)(b)(ii)

56(a)

3 A sheep breeding sub-project including research is being done in NZ. The research includes the effects of ewe age, ewe breed and sire breed on reproduction and growth. Research is also being undertaken on the effects a late mating has on pregnancy. Overlaying these research programs is a progeny test of the New Zealand Awassi rams that have been used as sires when mating the ewes.

4 The Agrihub is however more than just for the breeding and finishing of lambs. Other sub-projects include, building an abattoir for meat processing, building a four stand woolshed and covered yards, building sheep and cattle finishing feedlots and the provision of animal handling technologies. There are 31 New Zealand technology companies currently engaged in providing products and services to the Agri Hub project. The main companies are: Brownrigg Agriculture (lead provider), (abattoir), (woolshed/covered yards and sheep/cattle handlers), and (scales & EID technologies). Other companies involved include:

The first installation of woolshed, covered yards and handling facilities have now been completed following shipment to Saudi Arabia in kitset form from New Zealand. A second container of sheep and cattle auto handlers, drafters, weigh scales and associated technologies has also now been shipped and is set to be commissioned by May 2015.

6 The specifications of the abattoir and meat processing facility have been agreed and will be capable of slaughtering 450 sheep and 50 cattle per day. Depending on the number of hours and staffing levels per shift, this output could be doubled. The abattoir will be designed and kitset built in New Zealand and shipped to Saudi Arabia. While the building facility has the potential to be completed by December 2015, the operating processing technology will not likely be fully installed for commissioning until June 2016. New Zealand's financial contribution to the abattoir will however be completed by December 2015, as the majority of the cost for this sub-project is being borne by the Al Khalaf Group.

#### **What does this mean for New Zealand?**

Once complete, the Agrihub will be an important in showcasing New Zealand technology and expertise for the Kingdom and the wider Gulf. For example, there are approximately 1200 abattoirs in Saudi Arabia,

(i.e. using the higher New Zealand technology as a benchmark for how new Saudi abattoirs will operate). NZTE proposes to look at conducting research into this sector and use that information to work alongside the Al Khalaf Group to leverage this opportunity.

8 High level Saudi interest in the Agrihub has continued, reinforcing the concept of a bilateral food security partnership.

9 Post recommends that a visit to the Agrihub be included in the itinerary for the Minister of Primary Industries when he visits the Kingdom for the sixth Saudi-New Zealand Joint Ministerial Commission meeting in the second half of 2015.

10 The existing NZ Inc GCC Strategy outlines the New Zealand Government's commitment to establishing an agribusiness service hub/demonstration farm in the Gulf to fast track partnerships between New Zealand and GCC businesses. It forms an integral part of the concept of a food security partnership and is an excellent demonstration of New Zealand's competitive know-how in the agriculture sector. As such, the Agrihub should take a central role in the new generation NZ Inc GCC Strategy as it encompasses further opportunities such as agricultural training and building capability in Saudi Arabia and the wider Gulf.

ENDS.

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Saudi-NZ Agri Hub

Governance Group Meeting Minutes

10<sup>th</sup> February, 2015

Withheld under  
sections 59(2)(b)(i)  
+ 59(2)(ba)

# SAUDI-NZ AGRI HUB

## Governance Group Meeting

1.00 pm Tuesday 10<sup>th</sup> February, 2015

Brownrigg Agriculture Boardroom

Hastings

## Agenda

### Governance Group Members:

Mike Taylor (Chairman)  
Alex Matheson  
Quentin Quin  
David Brownrigg  
George Assaf

### Attending:

John Austin Smith  
Peter Bailey  
Paul Muir

1. Apologies  
Confirmation of Minutes of 5<sup>th</sup> January 2015 Meeting  
Matters Arising
2. The Peter Bailey Report
  - Approval for report distribution,
  - Approval for proposed Sheep Management calendar of events for 2015
  - Budget and management of 2015 Sheep Management Programme
  - Discussion on merits of a resident stockman versus visiting stockman at Um Alerrad in 2015
3. Visit to Agri hub planned for the first week in March by MFAT and NZTE – purpose of visit and proposed visit outcomes
4. Discussion and approval of revised Sheep Breeding and Forages Project as circulated by e-mail.
5. Update on Airfreight, Sheep Breeding, Technologies, Forages and Abattoir Projects, plus updated financials and expenditure forecasts,
6. Other business

out of scope

**From:** Peter Bailey -WLG [mailto:\_\_\_\_\_]\_\_\_\_\_  
**Sent:** Monday, 9 February 2015 9:42 a.m.  
**To:** Brian McCulloch [TSY]; s9(2)(a)  
**Cc:** MATHESON, Alex (ECO)  
**Subject:** Agri Hub update

Dear Brian and s9(2)(a)

A lot has happened over the last couple of months. This is the first update on recent activities at the Saudi Agri Hub project, Um Alerrad. I have attached the last governance meeting minutes and a just approved report from a visit late last year.

The air shipment of 900 pregnant ewes arrived at the Agri Hub in excellent condition on 12 October. The ewes begin lambing late October, November. The Lead Provider Brownrigg Agriculture were notified there were losses of ewes and lambs occurring over the lambing period. The immediate response was to send myself and an experienced veterinarian and stockman to visit the Agri Hub to evaluate the situation. The attached report and calendar of operations was the outcome.

The rest of the project is progressing very well. The woolshed, covered yards, animal technologies and sheep research in New Zealand is all on track, with deliverables and milestones being met. The abattoir has been delayed still with issues with the engineering company in Saudi Arabia. The sheep and forage research has been cancelled to better focus investment in other Agri Hub projects that have now assumed a higher priority..

The attached minutes, sheep report and calendar of operations provide more detail.

The next Governance meeting is to be held on 10 February, after which Alex and I can meet with you and provide you with the minutes and a personal update. s9(2)(a)

MFAT (Alex Matheson and Jeff Langley et al) and NZTE are to prepare a brief paper for Ministers McCully, Guy and Joyce later this month and I will forward that to you.

Please let me know what date and time is suitable to meet and update you later this month, if required?

Regards

Peter



**Saudi-NZ Agri Hub**

**Governance Group Meeting Minutes**

5<sup>th</sup> January 2015

Withheld under  
Sections 59(2)(b)(i)  
& 59(2)(b)(ii)

# SAUDI-NZ AGRI HUB

## Governance Group Meeting

10.30 am Monday 5<sup>th</sup> January, 2015

Brownrigg Agriculture Boardroom

Hastings

## Agenda

### Governance Group Members:

Mike Taylor (Chairman)  
Alex Matheson  
Quentin Quin  
David Brownrigg

### Attending:

John Austin-Smith – Minutes  
Peter Bailey  
Paul Muir  
Jamie Molloy (Review of Peter Bailey Report)  
Malcolm Macfarlane

1. Apologies  
Confirmation of Minutes of 28<sup>th</sup> October 2014 Meeting  
Matters Arising
2. Presentation and discussion of the Draft Peter Bailey Report (to be circulated separately)
3. Learnings and way forward:
  - a. Where to now for NZ Sheep Breeding in Saudi?
  - b. Impact on future sea shipment plans
4. Finalisation of report and communication to stakeholders
5. Review of the Draft Peter Bailey Report and Findings with the Al Khalaf Group  
(Joined by Ahmed Al Khalaf and George Assaf at approx. 1.30 pm)
6. Financial Update - Project to Date
7. Other Business