

s9(2)(a)

**From:** LANGLEY, Jeff (AUS)  
**Sent:** Friday, 3 October 2014 2:20 p.m.  
**To:** ALLEN, John (CEO); Peter Chrisp -WLG <s9(2)(a)>  
**Cc:** MATHESON, Alex (ECO); MacMASTER, Hamish (RIY);  
s9(2)(a) (MEA); Peter Bailey -WLG  
(DS APE); CRAIG, Sarah (CEO Office)  
**Subject:** Saudi Agri-Hub: MFAT/NZTE CEO Telecon

Key points covered in the telecon earlier this afternoon between MFAT and NZTE CEOs on the Saudi AgriHub live sheep issue:

- There are three pieces of information to come in over the next 24 hours:
  - Feedback from Ministers
  - Reporting from Riyadh on any progress
  - Outcome of discussions between Brownrigg, Agriculture and Singapore Airlines
- Decision deadline on go/no go for the flight will be 5:00pm (NZT) Saturday 4 October, unless Brownrigg is able to secure Singapore Airlines Agreement to delay a decision without incurring penalties, at which point the decision deadline becomes 5pm (NZT) Monday 6 October.
- Decisions on go/no go to be taken by the project governance group based on the information mentioned above (I will pass on direct to s9(2)(a) and s9(2)(a) any feedback from Ministers and the Post).
- CEOs expected there to be no progress at the Saudi end with the likely outcome that the flight will be cancelled. There was little appetite to put a further \$270k at risk unless there was a strong signal from ministers that the door should be kept open for another week.
- Noted that the goodwill created by the project will continue to accrue even if the flight does not take place (given the origin of the problem and NZ willingness to engage and good faith throughout the live sheep issue and wider project).

Subsequent to our conversation I received the following feedback from MFA's office:

- MFA clearly unhappy that this issue was not identified and resolved earlier by NZ officials.
- did not take a position on options B or C
- decision on whether the flight will be able to go should be taken by officials
- - s6(a)
- expected the system to be doing everything it could to make the flight happen (again, assured that this was so)
- expected to be updated this afternoon

The not for MFA has also been sent to Mr Groser's office. No feedback yet.

**Jeff Langley**  
Manager, Australia Division (Acting Manager, Middle East and Africa Division)  
Ministry of Foreign Affairs and Trade  
Ph:  
M: s9(2)(a)

**LANGLEY, Jeff (MEA)**

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**From:** LANGLEY, Jeff (AUS)  
**Sent:** Thursday, 2 October 2014 10:03 a.m.  
**To:** MacMASTER, Hamish (RIY)  
**Cc:** S9(2)(a) (MEA); S9(2)(a) (MEA); S9(2)(a) (MEA)  
**Subject:** RE: FORMAL MESSAGE: SAUDI ARABIA: LIVE SHEEP FOR BREEDING IMPORTATION COMPLICATION

Hamish, thanks for this very useful update. If you've not already done so, it will be good to signal to Al Khalaf and the deputy minister that we'll have to take a decision on our Saturday on whether the flight can proceed based on our contractual arrangement with the airline. The risk to manage will be that if we decide to cancel the flight they could still come back mid next week telling us "S6(9)" and the flight can now happen. So we'll need them to understand that if a decision is not forthcoming before Saturday, any future decision will only impact on Plans B, C and D (which we're working on) and not on the current shipment.

I understand from Alex and Peter that a delayed flight (by a couple of weeks or a month) will not work as MPI vets will not let the sheep travel as they are already at the outer limit of the possible with respect to gestation cycles and our own animal welfare rules. So plans B, C and D are expected to cover options looking out into the new year.

Cheers  
Jeff

Rest of document released in  
earlier email chain.

2/10/19

### Saudi New Zealand Agri Hub Project

As reported by Riyadh, the Saudi General Authority for Civil Aviation (GACA) has refused to issue an import licence for the live sheep airfreight consignment due to leave New Zealand on 11 October.

S6(a), S9(2)(j)

There are a number of deadlines related to both contractual arrangements with Singapore Airlines and livestock health and welfare that will need to be addressed in the coming days. If the airfreight consignment does not proceed, there are also a range of options available to the project to preserve the goodwill accumulated so far – these are outlined below.

Currently there are 1,300 in-lamb ewes being grazed in the Hawkes Bay that are included in the airfreight sub-project. This sub-project is one many that make up the overall Agri Hub demonstration farm project. The other sub-projects are animal technologies, breeding and forages research, woolshed and yards, drafting yards and abattoir. To date these sub-projects are progressing on schedule (update attached).

#### Deadlines

The contract between project's commercial agent, Brownrigg Agriculture, and Singapore Airlines contains the following provisions regarding cancellation:

- Lose 10% deposit (\$54,000) if cancelled before 5/10
- Liable for payment of 50% (\$271,000) if cancelled between 5/10 – 9/10
- Liable for payment of 100% (\$542,000) if cancelled after 9/10

S9(2)(b)(ii)

If we have not received hard assurances from Saudi Arabia by Saturday 4 October that the import licence will be issued in time for the flight, the course of action with the lowest risk will be to cancel the contract with Singapore Airlines.

It is possible the Saudi authorities could provide us with the necessary assurances and issue the import licence in the days immediately following the cancellation of the contract and before the flight is due to depart. However our contractual deadlines have been well signalled to Saudi contacts and this risk can be managed – including through the options outlined below and the positive ongoing impact of the wider project.

A further issue is that if the flight were to be delayed beyond 11 October MPI would be unlikely to approve the shipment as most, if not all, of the in-lamb ewes would be too far into their gestation cycle to travel safely. This effectively rules out any airfreight consignment after 11 October.

## Options

If the ewes are not airfreighted from NZ to KSA on 11 October there are options to consider regarding their management and possible future relocation to KSA. These will need to be further developed by the project governance group and consulted with Al Khalaf and all interested parties.

Airfreighting the ewes to a neighbouring country for subsequent ground transportation to Saudi Arabia has been considered as an option but it would introduce a range of risks associated with time, cost and animal welfare as they relate to various elements including transit, ground transportation and re-export licencing. It may be necessary to negotiate a government-to-government understanding with any transit country. We cannot fully scope these risks in the time available and this option is not recommended.

## Plan "B"

This plan will be an option if there is no airfreight approved. It essentially involves gifting the ewes to Al Khalaf in New Zealand, further developing the breeding programme in partnership with Al Khalaf, shipping the ewes by sea around this time next year as well as developing a programme in KSA in early 2015 using related genetic material. The key points are:

- In NZ the Agri Hub the project owns 1,300 in-lamb ewes. Plan "B" is to retain these ewes in NZ, lamb in November, and rear the progeny through to weaning in February 2015. After weaning, around 300 ewes may not be suitable for future breeding and culled.
- Of the lambs born, select 500 ewe lambs to be retained for replacements and future breeding. A small number of male lambs may be kept for breeding also. The remaining ewe and ram lambs will be sold to slaughter.
- In March 2015 a selection of the ewes will enter a breeding program where they will be super ovulated and mated by artificial insemination. Following mating the ewes will be flushed and viable embryos collected and frozen. At the same time a selection of rams will have semen collected from them and frozen.
- The 1,000 ewes will be re-mated in April/May to lamb in October/November. These ewes along with the 500 ewe hoggets will be shipped to KSA in September (along with the proposed sea shipment of 50,000 breeding ewes).
- In KSA, 1,000 breeding ewes will be purchased in January 2015 and become part of the breeding program. In April/May they will be implanted with the NZ embryos and/or artificially inseminated with NZ semen. They will lamb in October/November.
- At the end of 2015 with plan "B" there will be 1,500 NZ bred ewes and 1,000 KSA ewes mated with NZ genetics as part of the research breeding program. There will also be the 50,000 commercial ewes that will be used for future breeding programs.

## Plan "C"

This plan would be an option if the import licence is approved after the cancelation of the current airfreight contract. It essentially involves airfreighting the ewes and selected ewe lambs in early 2015. The ewes could be gifted to Al Khalaf in New Zealand, as above, or kept under the ownership of the project until delivery to KSA. Key points are:

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- Plan "C" is to retain the in-lamb ewes in NZ, lamb in November, and rear the progeny through to weaning in February 2015. After weaning, around 300 ewes may not be suitable for future breeding and culled.
- The remaining ewes and 500 weaned ewe lambs will be airfreighted in February.
- In KSA ewes will be mated in May to lamb in September.
- At the end of 2015 with plan "C" there will be 1,500 NZ bred ewes as part of the research breeding program. There will also be the September shipped 50,000 commercial ewes that will be used for future breeding programs.

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POL-144-316

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### The Agri Hub Demonstration Farm Other Sub-projects Update

Overall the Saudi NZ Agri Hub Demonstration farm is progressing well. There is a good project management and operational relationship between NZTE, MFAT, Brownrigg and the Al Khalaf group. A governance group oversees the project's implementation comprised of representatives from Brownrigg Agriculture, Al Khalaf group, MFAT and NZTE.

The five sub-projects are:

- Airfreight of ewes.
- Agri Hub technologies.
- Sheep genetics and breeding research.
- Abattoir and meat processing.
- Forages and nutrition research.

There are currently 16 New Zealand technology companies engaged in the Agri Hub project. The main companies are; Brownrigg Agriculture (lead provider), (abattoir), woolshed/covered yards and sheep/cattle handlers), and s9(2)(b)(ii). The other companies are; s9(2)(b)(ii)

The number of companies engaged is expected to increase twofold as the project proceeds.

The Agri Hub technologies sub-project will comprise of a four to six stand woolshed and covered yards at the sheep breeding feedlot, a set of covered yards at the lamb finishing feedlot and a covered handling facility at the cattle feedlot. The woolshed, covered yards and handling facilities are currently being shipped to Saudi Arabia in kitset form. Sheep and cattle auto handlers, drafters, weigh scales and associated technologies are also being shipped and are expected to be commissioned by January 2015.

The sheep breeding sub-project including research is well underway. The research includes the effects of ewe age, ewe breed and sire breed on reproduction and growth in Saudi's climate. There is also research being undertaken on the effects a late mating has on pregnancy. Finally overlaying these research programs is a progeny test of the New Zealand Awassi rams that have been used as sires when mating the ewes.

The specifications of the abattoir and meat processing have been agreed and will be capable of slaughtering 450 sheep and 50 cattle per day. Depending on 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.

**LANGLEY, Jeff (MEA)**

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**From:** LANGLEY, Jeff (AUS)  
**Sent:** Tuesday, 30 September 2014 12:20 p.m.  
**To:** ALLEN, John (CEO)  
**Cc:** CRAIG, Sarah (CEO Office); CORRY, Bede (DS ARE); Sb(a) (MEA)  
**Subject:** FW: Livestock

Hi John

Update on the Saudi sheep issue attached below. This seems to have taken everyone by surprise, including Saudi agriculture officials. Riyadh is working closely with the importer on sorting this out. MEA is in close touch with NZTE and Alex Matheson.  
Cheers  
Jeff

**From:** S9(2)(a) (MEA)  
**Sent:** Tuesday, 30 September 2014 11:59 a.m.  
**To:** LANGLEY, Jeff (AUS)  
**Subject:** Livestock

[IN CONFIDENCE]

Key points – airfreight of livestock to Saudi Arabia

Sb(a)

- The Embassy in Riyadh has been in contact with Sheikh Hmood who advised that:

Sb(a)

Sb(a) Minister Balghunaim hopes the issue will be discussed then and a ruling made;

- A response could be forthcoming from the Royal Court as early as tomorrow;
- Sheikh Hmood thanked the Embassy for the call, and said there is nothing the Embassy could do to assist at this time (noting the government shutdown in Saudi Arabia).
- The Embassy will stay in close touch with Sheikh Hmood and will seek an update from the Saudi Deputy Minister of Agriculture asap.
- We have until Saturday 4 October to cancel the flight without incurring a \$250,000 penalty from Singapore Airlines. Alex Matheson is seeking further advice on contractual issues and cost implications if the flight is cancelled.

- Alex Matheson and Peter Bailey (NZTE) are currently working on a 'plan b' in the event that the shipment cannot proceed.

s 9(2)(a)

Policy Officer  
Middle East and Africa Division  
Ministry of Foreign Affairs and Trade  
New Zealand Ministry of Foreign Affairs & Trade | Manatū Aorere

s 9(2)(a)

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[www.mfa.govt.nz](http://www.mfa.govt.nz) | [www.mfa.govt.nz](http://www.mfa.govt.nz) | [www.mfa.govt.nz](http://www.mfa.govt.nz) | [www.mfa.govt.nz](http://www.mfa.govt.nz)



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Out of Scope

**From:** LANGLEY, Jeff (AUS)  
**Sent:** Tuesday, 30 September 2014 11:50 a.m.  
**To:** CORRY, Bede (DS APE)  
**Subject:** RE: Live Sheep snag...?

Under way. I've spoken to Sarah too.

**From:** CORRY, Bede (DS APE)  
**Sent:** Tuesday, 30 September 2014 11:49 a.m.  
**To:** LANGLEY, Jeff (AUS)  
**Subject:** FW: Live Sheep snag...?  
**Importance:** High

[SENSITIVE]

Could you have a chat to MEA about this?

**From:** CRAIG, Sarah (CEO Office)  
**Sent:** Tuesday, 30 September 2014 11:04 a.m.  
**To:** LANGLEY, Jeff (AUS); MacMASTER, Hamish (RTY)  
**Cc:** CORRY, Bede (DS APE)  
**Subject:** Live Sheep snag...?  
**Importance:** High

[SENSITIVE]

Hi Jeff – John has just rung from home (Out of Scope) to say that Pete Chrisp has been in touch about the live sheep export consignment to Saudi. Apparently this has hit a snag insofar as the shipment doesn't have an export licence? Pete understands that Hamish is onto it – so I assume MEA is in the loop.

John is keen to get across the issues here, s 6(a) and s 9(2)(j) Anticipating MFA concerns, he wants to know what's being done and what the problem

Could you look into it and get me a response asap? Sorry about this. Many thanks Sarah

Sarah Craig  
Special Adviser to the Chief Executive  
CEO  
Ministry of Foreign Affairs and Trade  
d/l/  
Mob: s 9(2)(a)

Ministry of Foreign Affairs and Trade | 100 Waterloo Street, Suite 200 | Wellington, New Zealand | 04 473 9400 | [www.mfa.govt.nz](http://www.mfa.govt.nz)

Updated September 2014

## SAUDI ARABIA NZ AGRIHUB COMMUNICATIONS STRATEGY

### QUESTIONS & ANSWERS

*These detailed questions and answers form part of the overall communications strategy for the Saudi Arabia New Zealand agribusiness-hub (agri-hub), and are provided to help all agencies involved answer various questions relating to the agri-hub in Um Alerrad, Saudi Arabia. This information can also be used in material being developed about the agri-hub, if needed, however the intention is that these are more for reactive use.*

#### **Why the investment**

*What is the agri-hub?*

New Zealand is investing in a demonstration farm (agri-hub) in Um Alerrad, Saudi Arabia.

This will showcase New Zealand agri-technology and is a pilot research project for the wider Gulf region.

This is the first project of its kind and the research that is being undertaken will show whether it is a viable operation for the wider Gulf region and can be replicated in other Gulf States.

Currently under construction, once completed in late 2015, the commercially run farm will be the first of its kind for New Zealand and will comprise 15 centre pivot irrigators, a feed mill, a sheep breeding operation, a lamb and cattle finishing feedlot, and an abattoir and processing facility.

The demonstration farm will also be a model for vertical integration, from cropping to fresh meat supply to the local market. It will be a full showcase of New Zealand agritechnology including technical services, farming systems, animal health, on-farm equipment, genetics and farm expertise. New Zealand will also provide a genetics programme which will include animals for breeding and research.

*How much is NZ investing in this and why?*

The New Zealand Government has committed NZ\$6 million to develop the pilot research project.

The farm is expected to open up other opportunities for New Zealand in the GCC and potentially elsewhere in the Arab world; Arab countries have little productive agricultural land and are actively looking to other countries to provide food and food systems.

New Zealand is well placed as a leader in agritechnology to provide a full range of agribusiness expertise, products and services throughout the GCC.

*Who is leading it and why?*

The contract for the lead provider to develop a consortium to deliver goods and services for the agribusiness hub was awarded to Brownrigg agriculture following a public Request for Proposals via GETS.

Brownrigg's experience in leading multi-company consortia; their experience in sheep farming; and their experience in the Middle East were factors in the decision to appoint them.

**Why are we doing this?**

The states of the Gulf are looking at ways to boost their food security and have sought support from experts in this area.

Our background and long history of agriculture production and technology has the potential to contribute to the food security solutions of the GCC countries.

Farming systems in the Gulf are presently mainly based on informal techniques. This agri-hub will introduce formal techniques of farming, as well as highlighting New Zealand's expertise and products.

**Why Saudi Arabia?**

There are a number of specific reasons why Saudi Arabia:

- Saudi Arabia, like other GCC countries has an acute need for future food security resulting from a shortage of arable land (only 1.25% of the land area of the GCC region is arable).
- Food security initiatives represent a priority for their government, and a number of GCC countries are actively seeking partners with a global reputation for innovation and expertise in food security, food production and agribusiness. New Zealand is seen to have this expertise.
- Saudi Arabia is looking to make its sheep and food production systems more sustainable, which includes developing or importing technology, techniques, tools and expertise in diverse specialities including environmental protection, herd management, breeding improvement programmes and feed improvement.
- New Zealand is well placed to partner with Saudi Arabia to provide this expertise
- Finally, the local developers and owners of the farm are located in Saudi Arabia.

**Why these partners?**

A project of this scale requires local expertise. Brownrigg agriculture is working with the local owner of the farm, to develop the agri-hub.

**What New Zealand companies are involved?**

To date (August 2014), 16 New Zealand companies are involved with the project including:

- s 9(2)(b)(i) (wool press and wool handling/harvesting equipment)
- Brownrigg Agriculture (lead provider)
- (ear tags and tagging tools)
- (woolshed/covered yards, sheep/cattle handlers and abattoir structures)
- (animal handling technologies)
- (fencing materials)
- (water reticulation materials)
- (air charter services)
- (sheep genetics and breeding)
- (forage seeds)
- (portable yards and auto drafter technologies)
- (abattoir)
- (environmental monitoring technologies)
- (digital presentations and design)
- (animal handling equipment),
- (weigh scales and EID technologies)

It is expected that closer to 30 New Zealand companies will be involved with the farm as the project develops.

**What are the benefits?**

This pilot project will allow New Zealand firms to demonstrate their wares in a farm setting in the Gulf.

If it proves successful, the farm is expected to open up other opportunities for New Zealand in the GCC and potentially elsewhere in the Arab world.

**Other potential questions – back pocket and if asked only**

*What does this mean for the GCC FTA?*

The FTA is still under negotiation. However this project is seen as a positive step towards it.

*Are we able to export animals?*

In March this year, New Zealand and Saudi Arabia signed a protocol providing the framework for exports of livestock for breeding purposes.

The protocol will regulate the export of live sheep, goats and cattle from New Zealand to Saudi Arabia for breeding purposes. It covers animal welfare requirements relating to either sea or air freight, and contains a guarantee that the animals will be allowed to disembark upon reaching their destination.

*What does the sheep for research breeding part of the project involve?*

The provision of sheep for breeding is just one part of this project, and will involve the transportation of sheep from New Zealand to Saudi Arabia for a pilot research breeding programme focused on what breeds are best suited to the conditions in Saudi Arabia as well as reproduction and lamb production. The long-term aim is to keep a self-replacing flock of high quality New Zealand ewes on the demonstration farm for breeding and ongoing research.

*When will the sheep be transported to Saudi Arabia?*

The export of sheep to Saudi Arabia for breeding will begin with a pilot involving approximately 1000 sheep which will be air freighted to Saudi Arabia in October 2014.

*What will happen to the sheep exported to Saudi Arabia?*

The long-term aim is to keep a core flock of high quality New Zealand-bred Awassi ewes on the demonstration farm for breeding. A portion of the ewe lambs bred from the ewes exported from New Zealand will be part of an ongoing breeding programme. Some lambs bred from the ewes from New Zealand will be slaughtered in Saudi Arabia.

*Will New Zealand be exporting live sheep for slaughter?*

No. The export of some livestock (i.e. sheep, cattle, deer and goats) for slaughter is prohibited (Customs and Excise Act 1996 - Customs Export Prohibition (Livestock for Slaughter) Order 2013), "unless the risks to New Zealand's trade reputation can be adequately managed".

The Director-General of MPI may approve individual consignments on a case-by-case basis if judged that the risks can be adequately managed.

*Won't this damage our meat exports?*

No. The primary purpose of the breeding programme is to provide fresh meat for the local market at specific times. It is not expected to impact on our frozen meat trade which has been increasing in recent years.

New Zealand's exports of exports chilled and frozen meat (beef and sheep) to Saudi Arabia for the year ending June 2014 amounted to NZ\$131.3 million, an increase from the year before (NZ\$108.2 million).

Saudi Arabia's demand for meat far outweighs what New Zealand can provide.

*Won't you be removing sheep from NZ production systems?*

If the pilot is successful, we expect there will be increased demand for New Zealand meat, both that processed here and in Saudi Arabia.

*Does New Zealand regularly export animals for breeding?*

While New Zealand ceased exporting live sheep for slaughter in 2003, the export of livestock for breeding purposes has continued to grow with cattle, sheep and horses all shipped or air freighted every year.

New Zealand has agreed livestock import health conditions with dozens of countries. Dairy cows are mainly sea freighted to China where just over 35,000 were exported in 2013. Sheep exports for breeding averaged around 400 a year and nearly 3,000 race horses are air freighted annually.

*How will the welfare of the sheep be assured?*

Approval for export is only given when the Director General of MPI is satisfied that all conditions have been met, including animal welfare requirements. This applies to live animal exports to any destination and of any species.

*What happens if the sheep get ill en route?*

Once the ship departs New Zealand, the ship's Master becomes responsible for the management of the animals throughout the voyage, up through and including unloading. The sheep will be accompanied by suitably experienced stockmen, and at least one veterinarian, as well as medicines and equipment for treating the animals that become unwell during the journey. The ship's Master must also make provision for "hospital pens", where the sheep will be kept until they can be returned to their normal pens. If treatment is unsuccessful, provision is made for humane euthanasia.

If unusual levels of mortality or sickness occur during the voyage the ship's Master is to report this immediately to MPI. In addition, at the end of the voyage, the exporter is responsible for providing MPI with a written report, within 10 working days of completion of the voyage, which includes detailed information about the condition of the animals throughout the journey. Any lessons learned from the voyage can be applied to subsequent voyages in order to ensure continuous improvement of animal welfare during sea voyages. Once the sheep are unloaded, the importer becomes responsible for the welfare of the animals, and it is clearly in their own best interests to ensure the highest standards are maintained.

*What assurances do we have the animals won't be mistreated en route or in country?*

Prior to the export of any livestock to Saudi Arabia, MPI will have in place an agreement, with the Saudi Arabian Ministry of Agriculture, concerning this trade. In addition to the specific testing and treatment the livestock must undergo while in New Zealand, the Agreement will address animal welfare matters upon arrival in Saudi Arabia. For example, if there are any

concerns regarding the health condition of the sheep upon arrival, the Agreement ensures that they will be offloaded and transported to an appropriate quarantine station until the dispute can be resolved.

*Who is the Al Khalaf Group?*

The Al Khalaf Group, headed by Sheik Hmood Al Khalaf, is a Saudi Arabia company that has substantial investments in Saudi Arabia including assets in transportation, farming, abattoir, fishing, property development, and retail in Saudi Arabia. They are investing heavily into their main farm at Um Alerra near Dammam (the site of the demonstration breeding farm and operation). The Al Khalaf Group is a long-time investor in New Zealand and has established Awassi sheep farms in Hawke's Bay

*How do Saudi farms differ to NZ farms?*

New Zealand farms, with animals grazing on open pastures, are different to farms in many parts of the world including Saudi Arabia. Farms in Saudi Arabia generally feature covered feedlot pens on sand designed with different roof heights to cope with heat and to allow adequate airflow. Farms in Saudi Arabia usually have pivot irrigators to grow food stocks, as well as water wells and date palms.

# SAUDI-NZ AGRI HUB

## Governance Group Meeting

1.00 pm Friday 22<sup>nd</sup> August, 2014

Brownrigg Agriculture Boardroom

Hastings

## Agenda

### Governance Group Members:

Mike Taylor (Chairman)  
Alex Matheson  
Quentin Quin  
David Brownrigg

### Attending:

John Austin-Smith – Minutes  
Paul Muir  
Peter Bailey-NZTE  
Chris Tozer – Trade Commissioner Riyadh

1. Apologies  
Confirmation of Minutes of 24<sup>th</sup> June 2014 Meeting  
Matters Arising
2. Financials
  - Expenditure to date versus original forecast
  - Forecast expenditure to project completion
3. Project Updates
  - Airfreight
  - Sheep Research
  - Technologies
  - Abattoir
  - Forages
4. Other Business

Out of scope

From: RIYADH  
Sent: Wednesday, 25 June 2014 7:16 p.m.  
To: MEA; TND  
Cc:

69(2)(a)

Subject: FORMAL MESSAGE: SAUDI ARABIA VISIT OF MINISTER OF TRADE, 7-10 JUNE 2014

[RESTRICTED]

Out of scope

Summary

Out of scope

Action

Out of scope

Report

Out of scope

Call on HE Dr Fahd Balghunaim, Minister of Agriculture

Out of scope.



4 Minister Balghunaim highlighted his admiration for New Zealand and exhibited a detailed knowledge of the agribusiness project near Dammam. He spoke of his gratitude for the manner in which he had been received in New Zealand and advised that his Ministry was getting feedback on the JMC from the other participating Saudi departments and would pass on any comments in due course. The abiding message was that the JMC had been a positive experience and we were in a good space on the relationship.

Out of scope

7 The Minister discussed the agribusiness hub in Dammam and the possibility of New Zealand providing assistance with the development of a modern abattoir.

§ 9(2)(b)(i)

Remainder of document is  
Out of Scope (8 pages)

# SAUDI-NZ AGRI HUB

## Informal Governance Group Meeting

1.00 pm Tuesday 24<sup>th</sup> June, 2014

Brownrigg Agriculture Boardroom

Hastings

### Agenda

#### Governance Group Members:

David Brownrigg (Acting Chairman)  
Alex Matheson  
Quentin Quin

#### Attending:

John Austin-Smith – Minutes  
Paul Muir  
Peter Bailey

1. Apologies – Mike Taylor (Chairman) and George Assaf  
Confirmation of Minutes of 18<sup>th</sup> March 2014 Meeting  
Matters Arising
2. Saudi-NZ Agri Hub Brief Project Updates
  - SOR Sea-freight
  - Forages
  - Sheep Research
  - Technologies
  - Abattoir
  - Airfreight
3. Other Business – NZTE /Marie Taylor PR visit
  - Future Meetings

59(2)(a)

From: 59(2)(a) (RIY)  
Sent: Friday, 23 May 2014 1:07 a.m.  
To: 59(2)(a) (MEA)  
Cc: AUSTIN, Jonathan (MEA); CURR. Jonathan (MEA); 59(2)(a) (RIY); 59(2)(a) (RIY); John Laxon 59(2)(a)  
Subject: MEETING BRIEFS - MINISTER GROSER VISIT TO SAUDI ARABIA  
Attachments: MEETING BRIEF MINISTER OF FINANCE JUNE 2014.docx; RIY BRIEF MEETING BRIEF CROWN PRINCE MINISTER GROSER JUNE 2014.docx; RIY BRIEF MEETING BRIEF DEPUTY CROWN PRINCE MINISTER GROSER JUNE 2014.docx; RIY BRIEF MEETING BRIEF MINISTER OF TRADE AND COMMERCE MINISTER GROSER VISIT TO SAUDI JUNE 2014.docx; RIY BRIEF MINISTER OF AGRICULTURE SAUDI ARABIA MINISTER GROSER VISIT JUNE 2014.docx; RIY OVERVIEW BRIEF SAUDI ARABIA MINISTER GROSER JUNE 2014.docx; RIY BRIEF MEETING BRIEF GCC SG AL ZAYANI MINISTER GROSER JUNE 2014.docx

59(2)(a)

Please find attached (and hyperlinked) 59(2)(a) and my meeting briefs for Minister Groser's upcoming visit to Saudi Arabia, including:

- General Overview Brief on Saudi Arabia  
out of scope
- Brief for call on the Deputy Crown Prince
- Brief for call on GCC Sec Gen Al-Zayani
- Brief for call on Minister of Agriculture

• out of scope

• out of scope

Best regards

59(2)(a)

## Bilateral Relationship with Saudi Arabia

Out of Scope

### Trade and economic relationship

Out of Scope

3 The agribusiness partnership with the Al Khalaf Group has the potential to develop into a broader food security partnership with Saudi Arabia and could present new and lucrative opportunities for New Zealand companies. In Saudi Arabia, and across the Gulf more broadly, food security is an important preoccupation due to the virtual absence of arable land. This makes New Zealand a natural partner. The current value of New Zealand agricultural exports to Saudi Arabia and the wider Gulf countries could be increased by securing the entry into force of the FTA and exporting higher value products and services.

Out of Scope

Out of Scope .

The following page is withheld under s6(b), s9(2)(j) and out of scope

Out of scope

#### **Saudi Arabia and the Haj**

13 The Haj is an Islamic pilgrimage to the city of Mecca that every Muslim, if they are able to, is required to undertake at least once in their lifetime. In 2012 the Saudi Arabia Ministry of Foreign Affairs estimated that 3.2 million pilgrims undertook the Haj. The Haj takes place during the festival of Eid, where Muslims traditionally slaughter animals and distribute the meat to the needy. Today, pilgrims buy a voucher in Mecca for sheep to be slaughtered in their name. This usually involves around 20 million sheep.

**MEETING BRIEF: MEETING WITH HRH PRINCE SALMAN BIN ABDUL AZIZ AL SAUD, CROWN PRINCE, FIRST DEPUTY PRIME MINISTER AND MINISTER OF DEFENCE**

**Time: MEETING IS TBC**

**Date: MEETING IS TBC**

**Venue: MEETING IS TBC**

- Update the Crown Prince on progress in resolving the live sheep issue, <sup>out of scope</sup> and now our agricultural expertise could assist Saudi Arabia meet its food security needs.

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**Key Participants:** HRH Crown Prince Salman bin Abdul Aziz Al Saud  
("Your Royal Highness")

NZ Officials

- HE Hamish MacMaster, Ambassador of New Zealand to the Kingdom of Saudi Arabia
  - Chris Tozer, P/S Minister of Trade
  - Greg Lewis, Deputy Head of Mission, New Zealand Embassy Riyadh
- 

Out of Scope .

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## Background Information

### *Livestock export issue*

5 Since New Zealand's last ministerial engagement with the Crown Prince earlier this year, we have resolved the livestock export issue, a significant irritant in our bilateral relationship.

39(2)(j) We are confident that this issue has now been resolved with the signing by Primary Industries Minister Hon Nathan Guy on 4 March 2014 in Riyadh of the *Arrangement for the Export of Livestock from New Zealand to Saudi Arabia for Breeding Purposes*.

6 The timing of the next step – export of livestock to Saudi Arabia for breeding – is now a commercial decision, although the first shipment could happen in the second half of this year.

Out of Scope

Out of scope

*Food security*

9 At the January 2014 meeting, Minister McCully and Saudi Finance Minister Al-Assaf agreed that there were opportunities to work bilaterally on food security opportunities in third countries (particularly Africa). Already Saudi Arabia was investing in agricultural projects in Argentina, Chile and the Philippines. We are exploring food security opportunities with the Saudi Arabian Investment and Livestock Corporation

Remainder of document  
is Out of Scope (1 page)



**MEETING BRIEF: GULF COOPERATION COUNCIL SECRETARY GENERAL ABDUL LATIF BIN RASHID AL ZAYANI**

**Time:** TBC  
**Date:** TBC  
**Venue:** TBC

**Objectives**

- Update SG Al-Zayani on the signing of the livestock for breeding arrangement with Saudi Arabia,

Out of scope

---

**Key Participants**

Secretary General Abdul Latif Bin Rashid Al Zayani

Officials

- HE Hamish MacMaster, Ambassador of New Zealand to the Kingdom of Saudi Arabia
- Chris Tozer, P/S Minister of Trade
- Greg Lewis, Deputy Head of Mission, New Zealand Embassy Riyadh

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**Key Points**

Out of scope

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**Background Information**

Out of scope

Page Out of Scope or Withheld  
under section 59(2)(j)

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Out of scope

Food security

Out of scope

13. New Zealand is exploring food security partnerships in the region. We are working , on establishing an Agribusiness Services Hub in Saudi Arabia,

Out of scope

Out of scope

14. New Zealand remains ready to work bilaterally with any member of the GCC that wishes to explore cooperation with New Zealand on food security, or more broadly in areas where New Zealand government departments and companies hold expertise or experience. This is an area that could be explored further with Al Zayani should he visit New Zealand.

Out of scope

Remainder of document  
is Out of scope (1 page).

**MEETING BRIEF: AGRICULTURE MINISTER DR FAHD BALGHUNAIM**

**Time:** TBC  
**Date:** TBC  
**Venue:** TBC

**Objectives**Out of scope  
S9(2)(j)**Key Participants**

Agriculture Minister Dr Fahd Balghunaim

**Officials**

- HE Hamish MacMaster, Ambassador of New Zealand to the Kingdom of Saudi Arabia
- Chris Tozer, P/S Minister of Trade
- Greg Lewis, Deputy Head of Mission, New Zealand Embassy Riyadh

**Key Points**Out of scope  
S9(2)(j)

- New Zealand is keen to explore areas of cooperation with the Saudi Ministry of Agriculture to build on the close relationship that has developed over recent years.

**Background Information****Previous engagement**

1. You met Minister Balghunaim most recently in Wellington in April 2014. Ministers McCully and Guy called on Minister Balghunaim in Riyadh in January and March 2014 respectively, the latter to sign the *Arrangement for the Export of Livestock from New Zealand to Saudi Arabia for Breeding Purposes*,

S9(2)(j)

**Joint Economic Commission**

2. Minister Balghunaim travelled to New Zealand in April 2014 for the Saudi-NZ Joint Economic Commission (JEC), hosted by you. The agenda covered a wide range of topics, including: (1) agriculture, food security, and developments in halal

certification; (2) trade in livestock for breeding; (3) NZ-GCC FTA; (4)  
 (5) Out of scope (6) Out of scope

3. The successful JEC visit supported the broader rehabilitation of the economic relationship with Saudi Arabia (following resolution of the livestock issue). Solid, practical outcomes were achieved for New Zealand on education and reducing the cost of business visas (both key priorities in terms of the NZ Inc GCC Strategy).

Out of scope

*Agribusiness Hub in Dammam and export of live goats for breeding*

6. MEA - Any update?

7. Hmood Al-Khalaf, the Saudi partner, has requested that the annexes of the Arrangement for the Export of Livestock to Saudi Arabia for Breeding Purposes be amended to include also the export of goats (in addition to sheep and cattle). Given that this requires minor changes to the certificates attached to the Arrangement, this sort of change can, in most markets, be undertaken at officials' level between the Ministry for Primary Industries and the foreign regulator. However, the Saudi Ministry of Agriculture has thus far refused, on the grounds that the Arrangement was signed between Ministers and thus the annexes cannot be amended by officials.

out of scope + 36(a)

59(2)(a)

*Suggested messages*

- New Zealand has in good faith addressed the livestock issue to the satisfaction of both the Saudi Government and the investor. 59(2)(5)

Out of scope

New Zealand Embassy Riyadh  
May 2014

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OFFICIAL INFORMATION ACT

Out of scope

**From:** RIYADH  
**Sent:** Monday, 5 May 2014 7:11 p.m.  
**To:** MEA  
**Cc:**

Out of scope

**Subject:** FORMAL MESSAGE: KUWAIT: VISIT BY MINISTER OF TRADE, 28 APRIL 2014

Out of scope

#### Summary

Out of scope

- Minister Groser reiterates the desire for greater agricultural cooperation, noting NZ produces 15% of all food consumed in the Gulf.

Out of scope

#### Action

Out of scope

Out of scope

#### Report

s 9(2)(a)

Minister Groser, accompanied by Chargé d'Affaires a.i. Lewis, undertook a day of high-level calls in Kuwait City on 28 April 2014.

NZTE Regional Director IMEA Kimpton,

Out of scope

Call on HE Dr Abdulmohsen Al-Madaj, Deputy Prime Minister and Minister of Commerce and Industry

Cut of scope

all on HE Eng. Jassem Mohamed Habib Al-Bader, General Director of the Public Authority for Agriculture Affairs and Fish Resources.

Out of scope

priority.

10 Minister Groser discussed the agrihub project in Saudi Arabia and New Zealand's policy to develop bilateral agricultural agreements with GCC members. The resolution of the Saudi Al-Khalaf issue was discussed and the recent discussions with UAE Minister Al-Mansouri.

The remainder of this document is withheld under sections 56(4) + 59(2)(i) or is out of scope (no access)



**From:** MEA  
**Sent:** Monday, 28 April 2014 12:29 p.m.  
**To:** RIYADH  
**Cc:** MEA; ...MEA POSTS; DS APE; DS TEG; TND; ECO; AUCKLAND; FM.P/S Trade; FM.P/S MFA; FM.P/S Economic Development; FM.P/S Agriculture; FM.NZTE (Seemail); FM.EducationNZ (Seemail); FM.Education Ministry (Seemail); FM.Immigration NZ (Seemail); FM.Culture & Heritage (Seemail); FM.Health Ministry (Seemail); FM.Internal Affairs (Seemail); FM.NAB (Seemail); FM.Social Development (Seemail); FM.MBIE Economic Development (Seemail)  
**Subject:** FORMAL MESSAGE: VISIT TO NEW ZEALAND BY SAUDI AGRICULTURE MINISTER DR FAHD BALGHUNAIM  
**Attachments:** Fifth Saudi- NZ JMC Agreed Minute.pdf

[RESTRICTED]

#### Handling Instructions

Education NZ:  
Ministry of Education:  
NZTE:  
MPI:  
Immigration:  
Culture and Heritage:  
Health:  
Internal Affairs:  
NAB:  
Social Development:  
MBIE:

#### Summary

A successful visit by Saudi Agriculture Minister, Dr Fahd Balghunaim, supported the broader rehabilitation of the economic relationship with Saudi Arabia following the recent resolution of the livestock issue.

out of scope

#### Action

For information.

out of scope

out of scope

## Report

The Saudi Agriculture Minister, Dr Fahd Balghunaim, visited New Zealand on 8-11 April to participate in the fifth New Zealand-Saudi Arabia Joint Ministerial Commission (JMC), which was co-chaired by Minister Groser.

out of scope

s9(2)(j)

out of scope

out of scope

Ministerial Calls

9 Minister Guy reiterated New Zealand's interest in assisting Saudi Arabia with food security, and the opportunity the new Saudi-NZ agrihub presented for showcasing New Zealand farming technologies. Minister Guy also noted the New Zealand interest in chilled meat exports to the Saudi market. Minister Baighunaim commented that the purchasing habits of Saudis were changing. Saudis used only to purchase locally slaughtered meat, but chilled and frozen imported product was becoming more popular.

5b(b)

Out of scope

Out of scope

Out of scope

Out of Scope

**Comment**

13 As our 18<sup>th</sup> largest export market, Saudi Arabia remains an important economic partner for New Zealand, and the JMC proved useful in the context of our efforts to place the economic relationship on a solid footing after the resolution of the livestock issue.

Out of Scope

Out of Scope

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OFFICIAL INFORMATION ACT

Agreed Minutes  
of  
The Fifth Session of the New Zealand - Saudi Arabia  
Joint Ministerial Commission  
9 April 2014  
Wellington - New Zealand

*out of Scope*

- The signing of the Arrangement for the Export of Livestock from New Zealand to Saudi Arabia for Breeding Purposes;

*out of Scope.*

*Pages 2 and 3 are withheld under s 6(6)  
and out of scope*

21. Both parties welcomed the development of a New Zealand Agri-business Hub in Dammam, Kingdom of Saudi Arabia, in partnership with Saudi investor Mr. Hmood Al Khalaf, and encouraged similar future investments into the New Zealand and Saudi agricultural sectors.

out of Scope

25. Both parties welcomed the signing on 4 March 2014 in Riyadh, Kingdom of Saudi Arabia, of the *Arrangement on the Export of Livestock from New Zealand to the Kingdom of Saudi Arabia for Breeding Purposes* and the subsequent visit to New Zealand by a veterinary delegation from the Ministry of Agriculture of the Kingdom of Saudi Arabia.

out of Scope

Out of Scope.

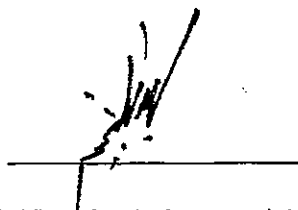
33. Done and signed in Wellington, New Zealand, on 9 April 2014 corresponding to 9 Jumada II 1435 in two originals in the Arabic and English languages, both texts being equally authentic.

The New Zealand Party



Hon Tim Groser  
Minister of Trade

The Saudi Party



Dr Fahd bin Abdulrahman Balghunaim  
Minister of Agriculture



## Cabinet

CAB Min (14) 12/3(16)

Copy No: 18

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

## Budget 2014: Vote Foreign Affairs and Trade Technical Initiatives

On 7 April 2014, Cabinet:

- 1 approved the Budget initiatives for the above Vote for inclusion in the 2014 Budget package, as listed in the summary below and detailed in the attached initiative documents;

## Summary of initiatives included in the attached initiative documents:

## Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
8252	Government-to-Government Commercial Partnerships	(1,000)	-	-	-	-
8253	Saudi Agribusiness Research Programme	(1,500)	-	-	-	-
Total Operating		(2,500)	-	-	-	-

- 2 approved the changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 agreed that the changes to appropriations and/or projected balances of net assets for 2013/14 above be included in the 2013/14 Supplementary Estimates;
- 4 authorised the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2013/14 Supplementary Estimates, the 2014/15 Estimates and the fiscal forecasts;
- 5 noted that all communications relating to the 2014 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Michael Smith  
Secretary of the Cabinet

Reference: CAB (14).160

Distribution: (see over)



Initiative No: 8252

Vote: Foreign Affairs and Trade

Title: Government-to-Government Commercial Partnerships

Description: Contribution towards the establishment of a Government-to-Government office hosted by New Zealand Trade and Enterprise

## Appropriation Changes

	Sm - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Operating Balance Impact	(1,000)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1,000)	-	-	-	-

	Sm - increase/(decrease)				
	2013/14	2014/15	2015/16	2016/17	2017/18 & Outyears
Departmental Output Expense:					
Policy Advice and Representation - Other Countries (funded by revenue Crown)	(1,000)	-	-	-	-
Total Operating	(1,000)	-	-	-	-
Total Capital	-	-	-	-	-

## Additional recommendation

- 6 noted that a corresponding initiative in Vote Economic Development will complete this fiscally neutral adjustment.

59(2)(a)

**From:** MEA  
**Sent:** Tuesday, 1 April 2014 11:25 a.m.  
**To:** 59(2)(a)  
**Cc:** CURR, Jonathan (MEA); AUSTIN, Jonathan (MEA)  
**Subject:** FW: FORMAL MESSAGE: PRIMARY INDUSTRIES MINISTER VISITS SAUDI ARABIA

**From:** RIYADH  
**Sent:** Monday, 31 March 2014 7:50 p.m.  
**To:** MEA  
**Cc:**

Out of scope

**Subject:** FORMAL MESSAGE: PRIMARY INDUSTRIES MINISTER VISITS SAUDI ARABIA

(RESTRICTED)

Out of scope

#### Summary

A two-day visit by Primary Industries Minister Nathan Guy provides an opportunity to sign with his Saudi counterpart an Arrangement for the export of livestock for breeding to the Kingdom. \* Minister calls on

Out of scope

the site of the New Zealand agribusiness hub operation also in the Eastern Province.

56(a) 59(2)(j)

Out of scope

#### Action

Out of scope

#### Report

59(2)(a)

2 Primary Industries Minister Nathan Guy accompanied by HOM MacMaster, MEA Unit Manager Curr, DHOM Lewis, Second Secretary 59(2)(a), MPI Chief Market Access Officer Zohrab, Dubai-based NZTE Consul General Kimpton, Government Commercial Partnerships Special Envoy Matheson and NZTE's Programme Leader- Global Agribusiness Smith, undertook a two-day visit to Saudi Arabia including calls in Dammam, Eastern Province, on 3 March and Riyadh on 4 March 2014. The delegation was well received and offered full facilitation by the Saudi Ministry of Agriculture.

56(a)

out of scope  
agribusiness hub model farm will be located.

the farm of Sheikh Hmood Al-Khalaf, where the New Zealand

**Call on Saudi Minister of Agriculture**

3 The purpose for Minister Guy's visit to Saudi Arabia was primarily to call on Minister Balghunaim and to sign the Arrangement for the Export of Livestock from New Zealand to Saudi Arabia for Breeding Purposes (attached)

s6(a)

Areas of future agriculture cooperation

s6(a)

s6(a) + s9(2)(ba)

s6(a) + s9(2)(ba)

out of scope

out of scope .

Out of Scope .

s6(a)+s9(2)(s)

s6(a) + s9(2)(j)

*Animal Welfare considerations*

11 Minister Guy noted that while New Zealand already exported live animals for breeding we did not export livestock for slaughter and had not done so for over 10 years. There were no plans to resume this trade. The Arrangement had not been easy because of the importance of animal welfare concerns to both the government and the New Zealand public. Ensuring a good relationship with Saudi Arabia was important.

s6(a)

s6(a) + s9(2)(j)

005

s6(a) + s9(2)(b2)

Out of Scope

Out of scope

#### Visit to Sheikh Hmood Al Khalaf Farm

19 On the return trip to Riyadh, the delegation called on Sheikh Hmood Al Khalaf at his farm and the future site of the New Zealand agribusiness hub and model farm. Despite being located in the middle of the desert, the farm boasted large date plantations, irrigated alfalfa and wheat fields, and significant feedlots for goats and sheep. The Minister and Sheikh Hmood discussed development of the agribusiness hub which will showcase New Zealand on-farm technology and include a breeding and feed programme for desert-suited Awassi sheep. The Arrangement signed the next day in Riyadh by Minister Guy and his counterpart Minister Balghunaim provides the framework for the export of breeding ewes from New Zealand to this model farm to serve as the nucleus of the breeding flock for the model farm.

#### Comment

20 The signing of the Arrangement has impacted positively on our bilateral relationship with Saudi Arabia and .. As the culmination of several years' efforts to address Saudi grievances, the conclusion and signing of the Arrangement potentially heralds a new era in New Zealand/Saudi relations. Both Ministers were keen to highlight that the relationship was now forward looking and would not reflect on past difficulties.

S 6(a) + S 9(2)(b)

21 The call on the Al-Khalaf farm was also well received, both by Sheikh Hmood and the Saudi Minister (the latter mentioned the fact he was a frequent visitor to the Al-Khalaf farm, having his own organics farm nearby). Minister Guy's visit to the farm underscored the importance of the agribusiness hub to New Zealand as a developing area of bilateral cooperation.

S 6(a) + S 9(2)(j)

Page 5 is withheld under S 6(a) and S 9(2)(j)

**Saudi-NZ Agri Hub**  
**Governance Group Meeting Minutes**  
18<sup>th</sup> March, 2014

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

# SAUDI-NZ AGRI HUB

## Governance Group Meeting

10.30 am, Tuesday 18<sup>th</sup> March, 2014

Brownrigg Agriculture Boardroom

Hastings

## Agenda

### Governance Group Members:

Mike Taylor - Chairman  
David Brownrigg  
Alex Matheson  
Haylon Smith  
George Assaf

### Attending:

John Austin-Smith – Minutes  
Paul Muir  
Malcolm Macfarlane  
Peter Bailey

1. Apologies  
Confirmation of Minutes of 26<sup>th</sup> February 2014 Meeting  
Matters Arising
2. Draft Saudi-NZ Agri Hub Costed Workplan
  - o Summary
  - o Project 2 Airfreight
  - o Project 3 R&D Sheep Breeding
  - o Project 4 Demonstration of NZ Technologies
  - o Project 5 Abattoir
  - o Project 6 Forages R&D

(Note: Electronic copies of proposals for each of the above projects will be circulated by Sunday 16<sup>th</sup> March electronically, with hard copies available at the meeting.)

3. Other Business - Future Meetings



COMMERCIAL IN CONFIDENCE

## AL KHALAF PARTNERSHIP - AIRFREIGHT SHIPMENT APPROVAL

## Purpose

1. This briefing seeks Ministers' approval of NZTE as the agency responsible for a one-off airfreight shipment of breeding ewes to Saudi Arabia as part of the Al Khalaf Partnership, and Hon Murray McCully as primary spokesperson.

Date: 03 March 2014

Deadline: 05 March 2014

Priority: High

## Action Sought

Minister for Economic Development

Minister of Foreign Affairs

Cc Minister of Trade

Note on Thursday 18 February NZTE's Board approved NZTE to implement the 200 business hub in Saudi Arabia, including responsibility for a one-off airfreight shipment of breeding ewes before November 2014, subject to Ministerial approval.

Note that Cabinet considered this issue on 24 February (ERD Min (14/2) refers) noting the costs of the proposal are estimated to be up to:

- NZ\$0.850 million for the airfreight of the pilot flock.

- NZ\$0.860 million of associated costs to enable the shipment.

Approve NZTE as the agency responsible for the one-off airfreight shipment of breeding ewes.

Note the Communications Plan agreed by MFAT, MPI and NZTE.

Agree Hon Murray McCully as primary spokesperson.

Any queries relating to this paper should be addressed to:

Contact	Position	First Contact	Mobile
Haydon Smith	Programme Leader	✓	S9(2)(a)
Kiona Acheson	Director - Board and Ministerial		S9(2)(a)

File site Number: 11479161

## THE FOLLOWING HAVE BEEN CONSULTED ON THIS REPORT:

- ✓ New Zealand Trade and Enterprise
- ✓ Ministry of Foreign Affairs and Trade
- ✓ Ministry for Primary Industries
- ☐ Callaghan Innovation