

New layoffs in New Zealand meat processing

John Braddock
31 March 2016

Amid an ongoing global restructuring of the meat processing industry, New Zealand company Affco laid off 214 workers at its Rangiora plant, in the Bay of Plenty, earlier this month.

About 50 workers briefly protested the layoffs outside the plant. The Meat Workers Union (MWU) said the company was targeting unionised senior staff, in apparent defiance of court orders. Veteran workers would normally be laid off last at the end of the killing season, but instead this time had gone first. Some workers had 35 to 45 years of service. The layoffs came three weeks earlier than usual, putting workers at least \$1,800 out of pocket.

Owned by the Talley Group, an agribusiness conglomerate, Affco is New Zealand's fourth largest meat processor. It has been in and out of court over the past year, following a lockout of MWU members who refused to sign individual contracts at several plants. The Rangiora layoffs came after the Employment Relations Authority ordered the reinstatement of two MWU delegates who had been sacked over their union activities.

The union declared it would return to court over the way the layoffs were carried through. This is a ploy to divert and suppress any united action by meat workers over deepening struggles within the industry. A series of fruitless court cases have been taken against Affco over repeated legal breaches, including lengthy lockouts and the denial of the union's access rights at processing plants.

Last August, the MWU called off a planned two-day strike by about 1,000 workers at eight Affco sheds in an 18-month dispute over Affco's demands for cuts to pay rates, a longer working day, an end to seniority for workers and changes to work breaks. The Employment Court had earlier dismissed court action by the MWU over Affco's move to lock out workers at the Rangiora plant. The court ordered the parties back into

mediation, which the MWU accepted but Affco walked away from.

Affco has continued attacks on jobs and conditions. In February, 170 Wairoa meat workers returned to work, ending a five-month lockout after the Employment Court declared that Affco unlawfully locked out workers and breached its "good faith" obligations under the Employment Relations Act when bargaining employment contracts.

These are the most recent in a series of assaults. A 65-day lockout of 110 meat workers at the Canterbury Meat Packers Rangitikei lamb and sheep plant in 2011 resulted in the MWU and the Council of Trade Unions agreeing to cuts to pay and conditions after the workers were virtually starved back to work. In early 2012, 1,300 Affco meat workers held a 5-day strike in support of 1,000 workers locked out from five plants over a collective agreement dispute.

Globally, US, Brazilian and other giants are rationalising production and slashing labour costs in pursuit of ever-greater corporate profits. Last November, Tyson Foods, the world's largest meat producer, announced that two of its US plants would close in 2016 at a cost of 880 jobs. Australian meat workers face ongoing demands for wage cuts, increased productivity, casualisation and job cuts following a series of industry takeovers.

In November 2014, financial commentator Rod Oram, an advisor to the industry "reform" group Meat Industry Excellence (MIE), warned in the *Sunday Star Times* that the New Zealand processing industry had entered a "death spiral." From 2003 to 2013, the number of sheep in New Zealand fell 22 percent, while beef cattle fell 20 percent as many farmers, seeking bigger profits, converted to dairying. The processing companies, Oram claimed, had failed to slash excess capacity. One report commissioned by MIE recommended the closure of up to 19 plants.

Confronted by worldwide cost-cutting, the two biggest companies operating in New Zealand, Alliance and Silver Fern Farms (SFF), are attempting to wipe out each other, along with their local rivals. In October 2015, SFF accepted an unprecedented 50/50 partnership proposal for an investment of \$261 million from China's largest meat processor and retailer Shanghai Maling.

Workers are bearing the brunt of the bitter fight for survival, facing an onslaught on jobs, wages, working conditions and living standards. In recent disputes, Affco has asserted its right of complete control over chain speeds, manning and tallies, and replaced seniority rights with performance-based job allocations.

Meatworkers operate under oppressive conditions. One, with 10 years' experience, told the WSWS he is normally required to work 12 hours a day, 6 days a week. If for any reason this is reduced to an 8-hour day, which can happen without any explanation, he finds his pay packet insufficient to live on.

Such conditions are the result of decades of attacks carried out by employers and governments with the full support of the trade union bureaucracy. Until the 1980s, meat processing was, for almost a century, the core of the organised working class in New Zealand.

Like all the unions, the MWU collaborated in the 1980s with the Labour government's pro-market agenda to open up the previously protected economy to international competition. Over the decade following 1984, 14,000 freezing workers' jobs were eliminated, and some 28 plants closed, devastating many provincial towns.

Workers initially resisted the onslaught with a series of strikes around the country. The MWU was instrumental in facilitating the closures, insisting they were inevitable and calling for "decent" redundancy payments. In 1988 at the South Island Fortex Seafield plant, amid mass picketing by workers, the MWU agreed to allow shift work, a first for the industry. This enabled the plant to run 22 hours a day, 6 days a week, opening the way for further assaults on long-established conditions won by meatworkers.

The MWU's betrayals flow from their nationalist, pro-employer perspective of ensuring that New Zealand companies are "internationally competitive." This means helping employers to cut costs to match the wages and conditions imposed on workers in other

countries, pitting meat workers against each other along national lines.

MWU organiser Roger Middlemass told the *Manawatu Standard* in October 2014 that the union supported closures if they led to more "stable" employment for the remaining workforce. Middlemass said: "We need to take a New Zealand Inc. approach ... We're a small country ... No-one wants to see the New Zealand meat industry owned by foreign countries."

Underlining the MWU's nationalist orientation, it has involved the Maori tribal "Iwi Leaders Group" (ILG) to help impose corporate-union deals on meat processing workers, who are largely Maori. The ILG represents the interests of the privileged Maori political and business elite, who are hostile to the working class. Its negotiators, who helped the MWU to cancel the planned strike across eight Affco sheds last August, include Ken Mair, an official of the Maori Party which is a partner in the National-led government and Tukoroirangi Morgan, a former MP in the right-wing populist NZ First Party.

Affco is not, as the MWU maintains, an "outlier" in the industry. All the meat companies have joined the offensive against workers. The MWU is keeping each group of workers in struggle isolated within their own plants in order to wear them down, often under conditions of lockout, and by tying up disputes in the courts, giving the union time to negotiate and impose settlements.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact