

A letter to our community from CMP Rangitikei

CMP

10 December 2011

CMP Rangitikei has recently been in the news because of a dispute with the New Zealand Meat Workers' Union.

As with any dispute of this kind, there are always two sides to the story and we'd like to take this opportunity to explain to our community more about our side.

CMP Rangitikei near Marton, is a lamb processing plant that's been operating for six years. Since we opened, lambs available for slaughter have decreased by 21%.

This year, high wage costs and a shift structure designed for much larger processing capacity meant we had to re-negotiate major changes to our collective employment agreement with the Union.

We had to do this to avoid the plant becoming yet another casualty of the meat industry.

We have been talking with the Union since April and unfortunately we still have no agreement over the new terms and conditions we proposed.

We have reduced costs in many areas of our business and we are now asking our production employees to take a pay rate reduction to bring their wages in line with the middle ground in the industry. The wages we are offering are between \$21 and \$25 per hour based on an average kill tally. The new shift structure means more hours are available for employees to work if they want to, and there is also no longer a need to work weekends.

The fact is the wage packet being paid is between a 1% decrease and a 15% increase. But yes instead of working a 35 hour week under the previous contract, employees will now work 40 hours to earn that money. Reports of a 20-30% pay cut on annual income are totally untrue.

We have over 230 employees who have signed individual employment agreements directly with the company. They have been working under the new contract and structure for almost two months now.

We began the night shift last week and with more livestock available we are looking forward to a good season for our employees, customers, trade suppliers and the business. We are also greatly appreciative of the continuing support from our farmer suppliers.

We are keen to reach an agreement for a new collective soon so that everyone can come back to work. Unfortunately the process is being slowed by the Union actively picketing our customers, and trying to damage the business, which does not help anybody. It is important to note that one business targeted is McDonald's, who is not even supplied by CMP Rangitikei, as we only process lamb, not beef.

CMP Rangitikei is valuable to the region. We employ over 300 people year-round and this number increases to over 400 in the peak season.

We have had to make some difficult decisions to ensure the future of the plant. We would really like to have all our employees back at work, and we hope that the Union will return to talks prepared for realistic negotiations.

Yours sincerely,



Darryl Mackenzie
CMP Rangitikei General Manager
www.cmp.co.nz