

MINUTES OF THE ANNUAL MEETING
of the
NEW ZEALAND MEAT BOARD
held online from 6pm on Tuesday, 15 March 2022

BOARD MEMBERS IN ATTENDANCE:

A Morrison (Chairman)	M Coup
S Gower	G Tatham
K Acland	N Hyslop
T Egan	S Paterson
R Hogg	

IN ATTENDANCE:

S McIvor (*Chief Executive Officer*), C Spooner (*Board Secretary*), N Beeby (*General Manager Quota*), B Barber (*Independent Director*), C Nimmo (*Associate Director*)

ATTENDEES:

Refer to list of registrations appended to these minutes (60 registrations in total).

The Chairman opened the 2022 Annual Meeting at 6.00 pm which reported on the 2020/21 financial year, noting that the meeting was being held virtually due to COVID and also in order to open the meeting up to all farmers rather than the small numbers who are able to attend in person meetings.

The Chairman confirmed there was a quorum of livestock farmers who had either voted online, registered and were present for this meeting.

He acknowledged the attendees including the New Zealand Meat Board and staff and noted that the representatives of the New Zealand Meat Board - Sam McIvor – CEO; Nick Beeby - General Manager, and Cros Spooner - COO are available for questions at the end of the reports.

APOLOGIES

There had been no apologies received.

MINUTES FROM THE ANNUAL MEETING HELD ON THE 12th MARCH 2021 - ONLINE

The Chairman reported that the minutes of the 2021 Annual Meeting, held on the 12 March 2021 online (copy included in the Annual Meeting packs) had been approved by the Board, in line with convention at the subsequent meeting of the Board after the Annual Meeting held in April 2021.

MEETING PROCEDURES

The Chairman outlined the procedures for the meeting. It was noted that voting was on the basis of one livestock farmer, one vote for ordinary resolutions. Voting has been conducted online and will close at 8pm this evening. Results will be advised next week after they have been collated. There will be time for discussion later in the meeting.

CHAIRMAN'S ADDRESS AND REPORT

The Chairman was proud to announce the New Zealand Meat Board's Centennial Year, celebrating 100 years since the first board meeting was convened in March 1922; it was also 140 years since New Zealand's first export of frozen sheepmeat left these shores on the *Dunedin* for the United Kingdom. A book (*Meeting Change*) has been commissioned to record the changes in the industry and the significant industry progression by exporters, producers and industry contributors over the last 25 years.

The Chairman outlined the New Zealand Meat Board has two functions – quota management and management of the New Zealand Meat Board farmer reserves. The Chairman outlined the value to New Zealand of the quota savings and the purpose/use of the farmer reserves.

This year had been one of fluidity and resilience. With regard to the trade environment the UK left the EU single market on 31 December 2020. The New Zealand Meat Board now administers new UK sheepmeat and goatmeat and high quality beef WTO quotas from 1 January 2021. Noted it is critically important to retain quota administration in New Zealand.

The UK-NEW ZEALAND Free Trade Agreement was signed on 28 February 2022. Beef and sheepmeat access was initially liberalised with increased quotas and safeguards. There will be a total elimination of quotas and tariffs for sheepmeat after 15 years. The Chairman acknowledged the MFAT and MPI staff for their significant role in delivering the Agreement. The Minister had also done a fantastic job in negotiating and gaining of the final approvals for the agreement. Warm applause was received from participants.

CHIEF EXECUTIVE OFFICER'S REPORT

The CEO reflected on the past year and noted nine of the key deliverables under the Statement of Intent show excellent performance against the plan and the amber ranked items were either completed after the reporting period or were in hand.

Year Ended September 2021 Financial Results: The Board reported a surplus of \$5.8 million from reserves and quota management. Quota management activities recorded a deficit of \$331k and the Board continue to aim for a break even position over the medium term as this function is funded by quota holders and applicants. As anticipated quota management reserves have been drawn upon as the New Zealand Meat Board worked through BREXIT issues.

A surplus of \$6.1 million was reported from reserves management which includes investment gains of \$5.9 million. The investment reserve fund returned 10.2% after fees and taxes, compared to 2.91% in the previous year. The New Zealand Meat Board balance sheet is strong with net assets of \$82.2 million.

Quota Allocation Mechanism Review: The CEO noted the Act requires the New Zealand Meat Board to review its quota allocation mechanisms at least every five years. The review took place in 2020, concluding in 2021 with agreement to retain existing mechanisms. Noted the New Zealand Meat Board anticipates that a further review may be needed in the next 2-3 years depending on the outcomes from finalisation of FTA negotiations with the UK and EU.

Quota Compliance Statutory Audit: The CEO noted the three yearly audit of quota management systems was completed by MPI. The New Zealand Meat Board achieved substantial compliance with the Meat Board Act and the recommendations arising from the audit were completed by December 2021.

Industry Good Funding: \$1.0m was granted to Beef + Lamb New Zealand Genetics for research and uptake in the year ended 2021 and further investment is being recommended for the 2021-22 year (a transition to support the Informing New Zealand Beef Programme).

Informing New Zealand Beef Programme: This is the industry good funding proposal for the 2021-22 financial year and subsequent seven years as annual milestones are achieved. The programme is expected to deliver an extra \$460m in industry profit over the next 25 years.

Business Continuity and Business Improvement: COVID business continuity, staff welfare, farmer communication and engagement, quota compliance audit ongoing implementation, paperless certification and data exchange, cost recovery review and New Zealand-UK FTA preparedness for 1 January 2023 were all ongoing key focus areas.

The outstanding work of the New Zealand Meat Board staff was acknowledged in the difficult conditions of COVID. The stakeholder's continued support was acknowledged.

The Chairman called for questions. There were no questions received.

GENERAL BUSINESS:

COMPANIES RESOLUTIONS (DIRECTORS REMUNERATION AND AUDITOR APPOINTMENT)

RESOLUTION ONE [ORDINARY RESOLUTION] That farmers consider and, if thought fit, pass the following ordinary resolution:

That the director fees pool for Farmer and industry (Processor-Exporter) directors be increased to \$147,500 per annum from \$144,200, a total increase of \$3,300. This increase represents a fee increase for the Chairman to \$29,900 (currently \$29,050) and for farmer and industry directors to \$16,800 (currently \$16,300).

The resolution was opened for discussion and questions. There were no questions asked.

RESOLUTION TWO [ORDINARY RESOLUTION] That farmers consider and, if thought fit, pass the following ordinary resolution:

That KPMG be appointed as the New Zealand Meat Board's auditor for the year ending 30 September 2022.

The resolution was opened for discussion and questions. There were no questions asked.

The Chairman outlined that a Request for Proposal process had been followed as part of the decision making with regard to the auditor appointment proposal. It was confirmed that the KPMG Audit Partner would change (on the basis that there is a seven year rotation of Audit Partners in place).

INDUSTRY GOOD FUNDING CONSULTATION:

It was noted that the consultation feedback is due by 8pm this evening following the conclusion of this meeting. The proposal relates to industry good funding to the B+LNZ Informing New Zealand Beef Programme of up to \$1million for 2021/2022 which is based upon reserves investment income less reserve management expenditure. It was noted the Informing New Zealand Beef Programme is co-funded with MPI.

The resolution was opened for discussion and questions. There were no questions asked.

There were no items of general business.

ACKNOWLEDGEMENTS

The Chairman made the following reflections and acknowledgements:

- **Tim Ritchie's** passing and significant contribution to meat industry.
- **Tony Egan** who retires after this meeting following three years' service.
- **Kate Acland** was voted in as new farmer director for northern South Island effective March 2021.
- **Alex Guilleux** who was appointed as the processor industry director to Beef + Lamb New Zealand and the New Zealand Meat Board in July 2021.

- **Ministry of Foreign Affairs and Trade and Ministry for Primary Industries** for their support to quota administration matters throughout the Brexit process.
- **Dave Harrison** who stood down as GM Quota & Information in September 2021 after four years.
- **Nick Beeby** for taking on the role of GM Quota & Information New Zealand Meat Board Wellington.
- **Brussels, New Zealand and London staff** for continuing to provide support quota export trade these past two years under disrupted working environments.

2023 ANNUAL MEETING

The Chairman noted the Board was proposing that the 2023 annual meeting be held in the first quarter of 2023. The Board will consider whether to continue with a digital meeting or revert to meeting face to face.

GUEST SPEAKER - MFAT

The formal business was followed by a pre-recorded presentation by guest speaker Vangelis Vitalis, Deputy Secretary Trade & Economic, MFAT on "New Zealand Trade Policy in the new world disorder: Priorities and Challenges".

The Chairman thanked Vangelis for his excellent presentation. The Chairman reflected on how the various Ministries were working to achieve great outcomes for the sector.

Question Jane Crystal: *How is sustainability coming into trade deals?*

In the UK deal sustainability was included the discussions. In the EU deal (under negotiation) sustainability will be included. There is a very strong message from the EU with regard to sustainability expectations from trading partners. Into the future the expectation is that sustainability expectations will escalate. New Zealand is in a strong position in this area and is taking appropriate steps.

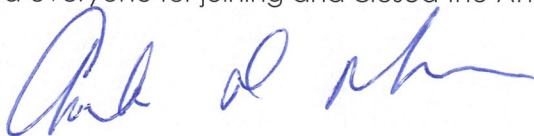
Question Brendan B: *The risk of protectionism has been in play for a couple of years – is this risk escalating/increasing?*

We are a world in crisis and need to be realistic. Protectionism in terms of retaining food in the producing regions was noted. New Zealand is great in that we have the agility to respond, which has given countries the confidence to do trade with New Zealand, which stands us in good stead.

CLOSE

The Chairman thanked everyone for joining and closed the Annual Meeting at 7.08pm.

Chairman's Signature



Date:

12 APRIL 2022.

PTO for – list of registered attendees

AGM Attendees – 15 March 2022

Jane	Chrystal	B+LNZ
Katrina	Stead	B+LNZ
Robert	Davison	B+LNZ
Fiona	Bowe	B+LNZ
Angie	Fisher	B+LNZ
Jason	Griffin	B+LNZ
Ron	Pellow	B+LNZ
Dan	Brier	B+LNZ
Glenys	Christian	Country-Wide
Alan	Deighton	Deighton Family Trust
Neal	Wallace	Farmers Weekly
Johnny	Cochrane	Jarden
Stuart	Thomas	Jarden
Rawson	Wright	Kaitoto Station
Emma	McNeill	MFAT
Sirma	Karapeeva	MIA
David	Cheng	Ministry of Foreign Affairs and Trade
Elaine	Edwards	Minute Taker
Richard	Borrie	MPI
Ed	Tregidga	MPI
John	Rogerson	
Megan	Gibson	New Zealand Meat Board
Angela	Angus	New Zealand Meat Board
Alan	McDermott	Pearl Pastures Ltd
Genevieve	Steven	Rabobank
Callum	Woodhouse	WRL