



MINUTES OF THE ANNUAL MEETING of the NEW ZEALAND MEAT BOARD

held by video conference
on Friday, 24 March, 2023
commencing at 12 noon

BOARD MEMBERS IN ATTENDANCE:

A Morrison (Chairman)	M Coup
S Gower	D Walker
K Acland	N Hyslop
P Conley	A Guilleux
S Paterson	

GUEST SPEAKER: Mel Poulton, Special Agriculture Trade Envoy on The SATE role – supporting the interests of the NZ Food and Fibre sectors.

IN ATTENDANCE:

S McIvor (*Chief Executive Officer*), C Spooner (*Board Secretary*), N Beeby (*General Manager Quota*),

Please also refer to the list of registered attendees appended to these minutes.

WELCOME

The Chairman opened the 2023 Annual Meeting at 12 noon covering the 2021-22 financial year and noted that the meeting is held virtually to enable getting the message across to more farmers via the use of the video conferencing technology.

It was confirmed that there is a quorum of livestock farmers who have voted online and registered to attend the online AGM.

The Chairman outlined the agenda and noted the following 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

Apologies were received from George Tatham.

MINUTES FROM THE ANNUAL MEETING HELD ON THE 15 MARCH 2022 - ONLINE

The Chairman reported that the minutes of the 2022 Annual Meeting, held on the 15 March 2022 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 March 2022.

MEETING PROCEDURES

The Chairman outlined the procedures for the meeting. It was noted that any voting was on the basis of one livestock farmer, one vote. Voting has been conducted by poll - digital and post – which closed on 22 March and results will be advised next week after they have been collated.

CHAIRMAN'S REPORT

The Chairman presented his report, key points were as follows:

- NZMB Vision Statement: NZ Farmer and industry prosperity through safeguarding and realising the value of quota markets and reserves.
- Centennial Update (1922-2022): This was a momentous step in the NZMB history celebrating 100 years of the meat industry in New Zealand and 140 years since the first exports of frozen sheepmeat to the United Kingdom on the ship Dunedin. Noted a publication "Meeting Change" was launched in June 2022.
- Noted the NZ Meat Board has two functions – quota management and managing farmer reserves.
- Trade Environment: The UK-NZ Free Trade Agreement was signed on 28 February 2022. There will be total elimination of quotas and tariffs after 15 years. MFAT, MPI, the Minister for Agriculture and B+LNZ Staff were commended for securing the agreement.
- The EU-NZ Free Trade Agreement was signed on 30 June 2022. MFAT, MPI and the Minister for Agriculture were thanked for their deliberation in securing the agreement.

CHIEF EXECUTIVE OFFICER'S REPORT

The CEO presented his report, key points were as follows;

- Summary of Year: Deficit of \$4.3million - \$49k surplus from quota management; \$4.4m deficit from reserves management including investment losses of \$5million. Farmer reserves – negative 4.1% return on the Jarden Managed Investment Portfolio after fees and taxes. The volatility of equity markets was noted and it was stated that the NZMB are investors for the long term.
- Our Quota Management Systems must meet the requirements of the Act – ie Meet international treaty and market obligations and comply with rules and requirements applied by an importing company.
- Quota Management: The quota goal is to facilitate the capture of best returns for quota markets. Quota management must be efficient, effective, take into account the longer term interests of NZ and the meat industry; deliver credible, reliable accurate systems and processes to meet international obligations. We also monitor and respond to trade, market and regulatory requirements.
- Quota Management Reserves are in deficit by \$280k, which will be recovered over the medium term from quota holders.
- We are in a strong financial position with net assets of \$77.8 million.
- Informing NZ Beef Programme: Reserves Management has funded \$900k of industry good funding for the Informing NZ Beef Programme run by B+LNZ. This funding is proposed to be continued in the 2023 financial year, subject to farmer voting.
- Quota Compliance Statutory Audit: We are subject to statutory audit on a three yearly basis by MPI. The audit findings were that we achieve substantial compliance however there were opportunities for improvement. We reviewed our Verification Programme (QCVP) in consultation with the industry and launched a new single code of compliance verification system which was implemented in October 2022. The benefits of the new system were outlined.
- UK-NZ Free Trade Agreement Preparedness Planning: The activities undertaken and ongoing discussions with UK authorities were outlined.
- US Beef and Veal (USBV) Digital Certification and US Customs Data Share: The launch of the paperless certification for USBV was outlined. Canary Data Solutions were acknowledged for their support in delivering the project.
- Business Improvement – Looking Ahead: Farmer communication and engagement; UK-NZ FTA preparedness; Article XXVIII WTO Post Brexit Quota Reapportionment; Quota Allocation Mechanism Review and NZ-EU FTA preparedness (late 2023/early 2024) are all in the pipeline.
- The NZMB has provided world class quota management services to our industry, has been a competent custodian of our industry reserves and will aim to be better again in 2023.
- Thanks were recorded to the NZMB staff for their outstanding work in a very demanding year.
- Noted this is Chairman Andrew Morrison's final AGM. On behalf of the NZMB staff the CEO thanked and acknowledged Andrew for his forward looking, wise, conscientious and supportive leadership which we have benefited immensely from.

QUESTIONS AND ANSWERS:

Long term price trends for sheep and beef do not reflect rising on farm costs. What pressure can be put on meat processors to ensure adequate returns to farmers' margins continue to be eroded, yet protected and increased for the processors. The model has been flawed and should not be adopted.

The CEO noted he understood the pressure on farmers and would keep his response specific to the role of the Meat Board. He noted the NZMB role is to extract the best value possible for all the industry from our quota markets. \$790m of tariff savings have been achieved through managing quotas and it is important to maintain those as that goes back to farmers. Also how we allocate quota, we need to ensure exporters we allocate quota to are serious about the market, committed and perform – we have a review system that ensures the exporters use it responsibly and effectively. The third aspect is around how we administer the quota most cost effectively and efficiently and in that regard we have the five yearly review to take costs out, streamline and be as efficient as possible to increase returns to farmers. That's how I can see the NZMB can deliver the maximum value back to the industry and farmers.

How will NZ farmers benefit from the new beef access to the UK?

The Chair noted the significance. Historically pre Brexit NZ only had access for 1,300 tonnes to the EU, after Brexit it was 454 tonnes to the UK and the remainder to the EU. They have been highly restricted markets for beef access but we always had significant sheepmeat access. Those were commercially not significant amounts but now with 3,332 tonnes to the EU from day 1 it has become commercially significant so people can build programmes to extract value. We will continue to work with the MIA, MFAT, B+LNZ to increase our market access to different countries and different markets. The chair noted the Ministers and Ministries for delivering this. After 15 years into the UK there will be no quotas and no tariffs, which is a mammoth change, achievement and market opportunity for New Zealand.

Are there opportunities to expand the digital/paperless project into other quota markets?

NZMB undertook this project to increase efficiency at NZMB and in the meat processing partner businesses. The project achieved its objectives. There are opportunities to expand this into new quota markets. We are in active talks with the UK to ensure the new quotas can be transacted with digital certificates and are hopeful to expand the programme into the EU in the longer term. This has delivered real benefits to our sector.

COMPANY 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 \$155,500 per annum from \$147,500, a total increase of \$8,000 or 5.4%. This increase represents a fee increase for the Chairman to \$31,515 (currently \$29,900) and for farmer and industry directors to \$17,705 (currently \$16,800).”

There were no questions raised.

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

“That KPMG be appointed as the NZMB's auditor for the year ending 30 September 2023.”

There were no questions raised.

CONSULTATION – INDUSTRY GOOD FUNDING That farmers consider and, if thought fit, pass the following:

“Approve Industry Good Funding to Beef+LambNZ (for genetics research and uptake) of up to \$1.4 million for 2022/23 which is based upon reserves investment income less reserve management expenditure. Note the funding is for the Informing New Zealand Beef (INZB) Programme which is co-funded through B+LNZ with MPI (Sustainable Food and Fibre Futures Fund).”

Further details were included in the Annual Report and feedback had been received through the consultation process (which the Board would consider).

There were no questions raised.

ACKNOWLEDGEMENTS

The Chairman made the following acknowledgements:

- **David Surveyor** – who retired in February 2023 to return to Australia.
- **George Tatham** – who will retire after nine years serving on New Zealand Meat Board following completion of the Eastern North Island Director Election which has been postponed for two months due to Cyclone Gabrielle.
- **Renee Hogg** – who completed her term as a Government Appointed director in June 2022.
- **Ministry for Foreign Affairs and Trade (MFAT), the Ministry for Primary Industries (MPI) and the Minister for Agriculture** for their support in implementing the new quota arrangements.
- **NZMB Wellington, Brussels and London staff** were thanked for their tireless work to administer the quotas and enable the free flow of product into markets.

The Chairman noted the new director appointments as follows:

- **David Walker** Government Appointed Director with effect from July 2022
- **Peter Conley** Processor-Exporter Director appointed March 2023

2024 ANNUAL MEETING

The Chairman noted the Board proposed to hold the 2023 annual meeting be held in the first quarter of 2024. The Board will make the decision whether to continue with the online format or return to face to face.

FAREWELL TO ANDREW MORRISON

On behalf of the Board, Kate Acland noted this was Andrew Morrison's final meeting as Chair of the NZMB. Andrew has served the Board for nine years and as Chair for the last five years. She noted how well Andrew understood and articulates the importance of the role the Board plays in managing quota for the prosperity of our sector and country. The last five years have seen enormous changes through the BREXIT process and negotiation of FTA Agreements. Andrew has been the ultimate ambassador for our sector and has forged relationships at all levels of the industry and government in New Zealand and overseas. His Mana and leadership has served our sector well through this time. The value of the ongoing relationships is immeasurable. The Board thanked Andrew for his leadership and wished him well. A new Board member Geoffrey Young will be welcomed to the Board at the next meeting.

Andrew noted he has been pleased to work for the sector which he loves. Andrew thanked Sam McIvor and Nick Beeby for their sterling work.

The formal part of the Annual Meeting closed at 12.45pm.

Minutes signed as a true and correct record:

Chair's Signature:



Date: 4 April 2023

List of Registered Attendees

First Name	Surname	Location
Angela	Angus	Wellington
Dan	Brier	Waikato
Andrew	Burt	Wairarapa
Ashlin	Chand	MIA - Wellington
Oliver	Chow Worn	NZMB Wellington
Peter	Conley	Director Canterbury
Martin	Coup	Director 3979
Julie	Crawford	9771
Rob	Davison	6140
Frances	Duignan	6140
Megan	Gibson	NZMB
Scott	Gower	Director Ruapehu
Alex	Guilleux	Director 7901
Charlotte	Hargest-Slade	MFAT Wellington
Nicky	Hyslop	Director - South Canterbury
Nicholas	Jolly	Wellington
Sirma	Karapeeva	MIA Wellington
Lisa	Kearins	Waikato
Peter	Martin	Tirau
Sarah	Paterson	Director Wellington
Megan	Skiffington	4777
Stuart	Thomas	Canterbury
Dean	Williamson	4777
David	Walker	Director - Wellington