



MINUTES OF THE ANNUAL MEETING of the NEW ZEALAND MEAT BOARD
held by video conference
on Friday, 15 March 2024
commencing at 12 noon

BOARD MEMBERS IN ATTENDANCE:

K Acland (Chair)	M Coup
S Gower	A Guilleux
S Patterson	N Hyslop
G Young	D Walker
P Crawshaw	

APOLOGIES FOR ABSENCE:

P Conley

IN ATTENDANCE:

S McIvor (Chief Executive Officer), N Beeby (General Manager Quota), M Gibson (Quota and Information Manager), D Brier (GM Farming Excellence), E Edwards (minute taker)

REGISTERED ATTENDEES:

L Kloppers, S Thomas, M Rose, I Blackwell, C Hargest-Slade, B Turnbull, S Karapeeva, B Holster.

WELCOME

The Chair opened the 2024 Annual Meeting (AM) at 12 noon covering the 2022/23 financial year and noted that the meeting is held virtually in order to engage with 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 AM. The agenda was outlined.

The apology for absence was received.

MINUTES FROM THE ANNUAL MEETING HELD ON THE 24 MARCH 2023 - ONLINE

The Chair reported that the minutes of the 2023 Annual Meeting, held on the 24 March 2023 online (copy included in the Annual Meeting packs) had been approved by the Board at its April 2023 meeting.

MEETING PROCEDURES

The Chair 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 13 March and results will be advised next week after they have been collated.

CHAIR'S REPORT

The Chair presented her report, key points were as follows:

- NZMB Functions and Objects were summarised.
- Trade Environment: This year saw completion of implementation of the UK Free Trade Agreement. Preparation for the EU Free Trade Agreement is underway.
- Quotas administered will increase from three to ten within 3.5 years.
- The Quota Allocation Mechanism is required to be reviewed every five years. A consultation document was released on 16 February, the consultation concludes today.

CHIEF EXECUTIVE OFFICER'S REPORT

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

- Summary of Year: (Refer to annual report).
- Quota Management: Revenue of circa \$1.5m; \$200k deficit from quota management (2022 surplus \$49k); Quota Management Reserves in deficit by \$220k which will be recovered over the medium term from quota holders. The Quota Jeopardy Reserve sits at \$3.1m.
- Farmer Reserves: Positive 4.4% return from the Jarden Managed Investment Portfolio (after fees and taxes). The organisation is in a strong financial position with total equity of \$79 million.
- Industry Good Funding – Objectives: The objectives of the programmes were outlined. Noted the Board proposes investment in two Industry Good Programmes for the 2023-24 financial year.
- Business Improvement – Looking Ahead: System improvement/security; improved farmer communication and engagement; the cost recovery review and concluding the consultation on the Quota Allocation Mechanism Review are key pieces of work.
- Thanks were recorded to the dedicated staff, government officials and quota users.

QUESTIONS AND ANSWERS:

With operating deficits and rising costs what is the NZMB doing to address operating costs for the farmer? The CEO responded that quota management costs are paid by certificate holders, there are no direct costs to NZ farmers. The staffing footprint and where our staff are based and technology improvements are being explored. Expansion of the use of electronic certification is also being explored as this has delivered significant savings in the USA quota, the aim is to duplicate the savings in other markets.

Why are reserves not being used to fund M.Bovis instead of continually placing more levies on farmers (ie remove the levy burden from farmers)? The CEO responded that in setting the reserves policy there is very clear criteria around the use of the reserves. The contingency fund is only available for re-launching NZ products in international markets should we have a crisis (eg a Foot and Mouth Disease event in NZ). The Board reviews the policy and has set the policy only to be used for this purpose.

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 (5.4%). This increase represents a fee increase for the Chair to \$30,000 (currently \$29,900) and for seven farmer and industry directors to \$18,000 (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 2024."

There were no questions raised.

CONSULTATION – INDUSTRY GOOD FUNDING That farmers consider the following:

Noted Industry Good Funding to B+LNZ of up to a total of \$1.5 million is proposed in 2023-2024 from interest and dividend income.

A: Informing New Zealand Beef (INZB) Programme:

"Approve continuation of a programme that farmers have endorsed NZMB funding of in previous years. Noted the NZMB is proposing that it will continue to be a funding partner and provide up to \$700,000 from investment income in the 2024 financial year. INZB is a seven-year research project (now in year three) designed to generate more income for beef producers from the development and application of new genetic tools specific to New Zealand's farming conditions and markets. This project is co-funded through the Ministry for Primary Industries' (MPI) Sustainable Food & Fibre Futures (SFFF) programme.)."

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

The following question was asked:

INZB- is it tackling the low hanging fruit or chasing things that are not yet the drivers of profitability, national calving at 83% isn't even being addressed, it's worth discussion? The CEO agreed this is a point well made. He reflected on genetic progress achieved by the sheep industry vs the beef industry. Hybrid vigour is an obvious way to achieve better performance and this is a focus of the programme. A lot of genetic information and material available in the beef industry is not currently being utilised, so 20% of the budget is allocated to extension to demonstrate the results to farmers in order for them to maximise profit. He confirmed the programme is focussed on low hanging fruit.

B: Eliminating the Impact of Facial Eczema (EFEI):

"Approve funding of this programme up to \$1m to ensure all levy payers (sheep, beef and dairy) are beneficiaries. Noted the EFEI programme is proposed to be a \$20.763 million, seven-year partnership between Beef + Lamb New Zealand (B+LNZ) and multiple industry partners, providing both cash and in-kind support to eliminate the impacts of facial eczema (FE) as a livestock disease in New Zealand. This bold goal will make a significant difference for New Zealand's farmers as it is estimated that FE costs the sector around \$332 million per year. The programme will further understand the basics and impacts of FE, building on previous research and using new science to solve an old problem. The programme will utilise leading researchers from within and beyond the agricultural research space to develop new tools and solutions for farmers to manage FE. Central to the programme will be a farmer community of practice change, ensuring that the farmer's voice is heard from the start of the programme to ensure that any tools and solutions developed are practical behind the farm gate. Initial modelling indicates an annual saving to farmers of over \$100m/year, five years after the end of the programme. Testing indicates the traditional facial eczema areas are extending southward into the South Island".

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.

CONSULTATION – RESERVES POLICY That farmers consider the following:

"Approve quantifying a target for a maximum reserves balance. Noted the Board is proposing a target for maximum level of reserves at \$100 million in 2022 dollars. After this level is reached, investment returns are better applied to industry good initiatives, reducing the financial burden of levy payers at that time rather than continually building reserves.

Approve putting in place the ability to fund multi-year projects without ongoing consultation but subject to annual milestone review. Noted this change is to clarify that multi-year projects funded by NZMB, once approved, do not require ongoing consultation and will only be subject to annual milestone reviews with updated progress reported annually. If milestones are not being met, then NZMB funding may not continue.

Approve building future flexibility to access reserve funding through drawing upon increasing reserves balances (capital drawdown). Noted this allows industry good funding to be available from accumulated gains on the investment portfolio and would allow for funding in excess of the interest and dividend income received."

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.

GENERAL BUSINESS

There was no general business requiring discussion.

ACKNOWLEDGEMENTS

The Chairman made the following acknowledgements:

- **Martin Coup** – who will retire after six years of dedicated service to the New Zealand Meat Board.

- **Sarah Paterson** – Noted Sarah has been appointed as a Director (government appointee) for a further three-year term.
- **Ministry for Foreign Affairs and Trade (MFAT), the Ministry for Primary Industries (MPI) and the Minister for Agriculture** for their support in quota administration matters to conclude the UK FTA implementation process and the EU FTA preparedness process underway.
- **NZMB Wellington, Brussels and London staff** were thanked for their work to provide support to New Zealand's quota export trade and the value that ultimately delivers to farmers.

2025 ANNUAL MEETING

The Chair noted the Board proposed to hold the meeting in the first quarter of 2025.

The Annual Meeting closed at 12.30pm.

Minutes signed as a true and correct record:



Chair's Signature:

Date: 2 April 2024