



MINUTES OF THE ANNUAL MEETING OF BEEF + LAMB NEW ZEALAND LTD

Held on Thursday, 30 March 2023 from 10.30am to 3.32pm
At the Devon Hotel, New Plymouth

PRESENT:

Andrew Morrison (Chair)
Nicky Hyslop
Bayden Barber

Scott Gower
Martin Coup
Peter Conley

George Tatham
Kate Acland

IN ATTENDANCE:

Sam McIvor (Chief Executive Officer)
Cros Spooner (Chief Operating Officer)
Glen McDonald (Associate Director)
David Walker (NZMB Directors)
Members of the B+LNZ Leadership Team
E Edwards (Minutes)

APOLOGIES:

Alex Guilleux, Dougal Stringer, David Kidd, Sandra Faulkner, Fi Dalgety, Roger Dalrymple, Jim Van Der Pol, Nathan Guy, David Turner, Sarah Coogan, Paul Olsen, Laura Akers, Andrew Thomas, Megan Bates, Heather Gee-Taylor.

WELCOME/REGISTERED ATTENDEES:

The Chair welcomed those livestock farmers, invited guests and staff attending and also those watching the livestreamed broadcast. It was confirmed that there is a quorum – i.e. over 50 farmers present in person and those represented by proxies who had voted online or by post.

The Chair acknowledged Lindsay and Belinda McNamara from Southland who have been attending B+LNZ Annual meetings since 2015. He thanked them for attending today.

OPENING COMMENTS FROM THE CHAIR

The Chair welcomed everyone to the Beef + Lamb New Zealand (B+LNZ) 20th Annual General Meeting. He acknowledged special guests and introduced the Board. He noted George Tatham had agreed to remain on the board for a further month until the North Island Election could be completed (which was delayed due to the cyclone). He noted the order of the day had been revised in order to accommodate all the remits and the Board was present to listen to the remits.

MINUTES FROM THE ANNUAL MEETING HELD ONLINE ON 15 MARCH 2022

The Chair reported that the minutes of the 2022 Annual Meeting, held online on 15 March 2022 were accepted as being a true and accurate record of that meeting by the Beef + Lamb New Zealand Board at a subsequent Board meeting on 13 April 2022. There was no discussion.



CHAIR'S REPORT

The Chair presented his report.

Key points were as follows:

- It is a pivotal time in our sector for many reasons. We are living in a world none of us have experienced before. It is appropriate for levy payers to ask questions and hold the Board to account. He has every confidence the Board will listen to the remits and make the right response.
- It has been a difficult year. Two years previously had been one of the most profitable for the sector over the last decade and now we faced reduced returns, higher inflation and costs and increased regulation.
- Challenges faced – Carbon farming – The Board does not and have never supported carbon farming, which is one of the reasons for the “Back NZ Farmers Campaign”. He noted the government stated they had started to listen but there were no changes. B+LNZ is not against trees in the right place.
- Emissions Pricing – He Waka Eke Noa - We are the only country in the world with split gases recognised in regulation. We do not agree with the targets, and we have committed to work with industry bodies and other groups to get the target linked to warming impact. The 2019 legislation remains and agriculture is in the ETS and requires amended legislation to be removed – we have to put forward a credible alternative. It's not the world we wish we operated in, it's the world we are in. If we had failed with this initiative farming would have been in the ETS in 2022.
- We will never sign farmers up to a bad deal or a price which will compromise farming businesses or without recognition of genuine sequestration. We will also not support policy that is not equitable.
- Essential Fresh Water: We worked collectively with the Southland Wintering Group in conjunction with Federated Farmers, Fish and Game. We are still debating with government on slope maps and stock exclusion. We agreed at the time farmers could either get a wintering consent or submit a farm plan.
- Biodiversity rules have not been introduced. The Government was going to amend the criteria of SNAs though this has not yet eventuated.
- We have acted in your interests to get the best outcomes. This has been all consuming for the Board and management. That's half of what we do. We had an example of our R&D work in the morning session before the annual meeting.
- Ratification of the Free Trade Agreement's will be massive for our sector. We need to provision to new markets and put the China Plus Strategy in place.

CEO'S REPORT

The CEO, Sam McIvor reflected on the achievements of B+LNZ over the last year and highlighted the key points:

- Our vision is “Sustainable and profitable farmers, thriving rural communities, valued by New Zealanders”. He reflected on the recent challenges and noted farmers are valued and that their role in communities and the economy is valued.
- Our priorities are Supporting Farming Excellence, Championing the Sector and Increasing Market Returns.
- Supporting Farming Excellence: This priority includes extension, the Hill Country Futures Programme, Wormwise, Facial Eczema, Internal Parasites, B+LNZ Genetics including the Informing New Zealand Beef SFFF programme, and the Pastoral Greenhouse Gas Research Consortium.
- Championing the Sector: Key projects include the B+LNZ Awards, Ahuwhenua Trophy, Making Meat Better, Open Farms, Meat the Need and Kiwis backing farmers.



- **Increasing Market Returns:** We focus on unlocking new markets, creating new market opportunities. We have had some big wins this year in negotiation of two trade deals. UK FTA and EU FTA. 76% of our markets will be covered by FTAs which is an incredible achievement. We continue to work with the MIA for removal of non-tariff barriers which are estimated to cost the sector \$1.5 billion annually.
- Taste Pure Nature goes from strength to strength in both the USA and China. New Zealand is the most seen and heard country supplier of beef imported into China.
- **Financial Results for the 2022 year:** Net Operating Deficit: (-\$283,000); Balance Sheet \$24.4 million total equity. Challenges moving forward to fund all current activities, and other income is being actively sought.
- He thanked the B+LNZ team, industry partners, and for the opportunity to work with farmers.

Questions and Answers

Q. Neils Hansen, Taranaki: queried what the actual rules of engagement you have to follow? Is our community naïve in thinking you have permission to act by government to operate in that space, rather than giving the government good advice and trying to hold them to account.

The Chair noted B+LNZ is not constrained, we can take a position and represent that to government. We heard from farmers they wanted us to do advocacy and partner with industry partners (Federated Farmers/Dairy NZ – where historically sometimes there had been conflict).

The Chair stressed our engagement with government is not linked to the funding for research programmes and there is no policy trade off to secure research funding. The Chair noted he took the opportunity to front foot this on the basis that sometimes people have a view or a misunderstanding and he encouraged everyone to ask questions and seek clarity.

COMPANY RESOLUTIONS:

The Chair outlined that the resolutions were proposed to farmers in the Notice of Annual Meeting and explanatory notes had been mailed out to farmers. As the resolutions have been proposed in this Notice and voted by post and online, no mover or seconder is required for any of the resolutions. The Chair advised those with voting papers at the meeting to insert those into the Ballot Box held at the registration desk after the meeting concludes.

The Chair introduced the company resolutions and remits and noted discussion time would be limited to 20 minutes for each remit. The Chair noted the Board would not respond to the remits in the meeting on the basis that the B+LNZ response was included in writing in the meeting papers.

Resolution 1 Farmers' Ordinary Resolution – Appointment of Auditor.

“That KPMG be appointed as Beef + Lamb New Zealand Ltd.’s auditor for the year ending 30 September 2023.”

There was no discussion.



FARMER PROPOSALS (Remits)

1. FARMER PROPOSAL ONE

Proposer of remit: Hamish Carswell

Hamish spoke to the remit, key points were as follows:

- Turnout for farmer voting is often poor therefore larger entities can have a bigger influence.
- Suggested allowing a government owned entity to vote is totally unfair.
- Most voting systems in New Zealand are one person, one vote, imagine if voting could be manipulated by people who own 50% of properties.
- Suggested it is time B+LNZ consider a one farm, one voting system. This might be a step towards bringing back some trust to an organisation in which a good degree of farmer trust needs to be restored.

Steve Tickner, Pamu, Wellington: Pamu is a stand-alone, state-owned entity. Their success is linked to farmer success. They report to their own independent board. Their outcomes are not designed to influence anybody at all. They support the weighted vote and pay a levy like everyone else. They are not there to disrupt the industry and are proud of their position in the industry. They support the industry and collaborate with research organisations and support in kind with regard to industry good.

2. FARMER PROPOSAL TWO

Proposer of remit: Hamish Bielski

Hamish spoke to the remit and a number of other industry issues.

The Chair noted B+LNZ supported the remit and director contact details are now on the B+LNZ website.

3. FARMER PROPOSAL THREE

Proposer of remit: Hamish Bielski

Hamish spoke to the remit noting Sadly because of the loss of trust, the Councilors have lost the right to withhold their contact details. In order to rebuild the trust, there is the need to list the names on the website.

There was discussion on the difficulty of contacting directors and views from those present noting this disclosure would require Farmer Council agreement.

4. FARMER PROPOSAL FOUR

Proposer of remit: Hamish Bielski

Where the B+LNZ Farmer Council and other Farmer Reference Group members are used by the organisation as the "voice" for grassroots farmer feedback, they are not constrained in any way by B+LNZ through non-disclosure agreements or any other type of policy which will result in their views being suppressed. In addition, B+LNZ should clarify by what means all farmers have to feedback to the organisation in a way that will allow their voice to be heard.

Hamish spoke to the remit and his expectation that the Farmer Council to be more vocal and stand up to the HWEN proposals, however he has since heard that a lot of the Farmer Councilors did, but they were shut down and not able to speak.



Discussion followed with varying views and the need for two-way conversation. The need to be able to safely share confidential information was discussed.

5. FARMER PROPOSAL FIVE

Proposer of remit: Graeme Gleeson

Graeme spoke to the remit and suggested key principles to support a framework to assist and provide guidance. Noted the need for open, participative, transparent and open conversation which gives rise to an open, problem solving approach. This is not a top-down directive and spin doctoring. Modeling work at an early stage is required.

Discussion followed with the Chair noting it is appropriate the Board is challenged however sometimes an option to slow down is not there within timeframes imposed without withdrawing completely.

At this point the meeting adjourned for lunch break – 12.08 pm until 1pm.

6. FARMER PROPOSAL SIX

Proposer of remit: Jane Smith

Jane spoke to the remit.

- She outlined the rationale with regard to the need for an independent review and noted the recent engagement survey ranks farmer satisfaction at its lowest ever at 36%. Noted B+LNZ are potentially at a crossroads with its levy payers as Meat and Wool were a number of years ago.
- The risk of losing the levy in three years' time is real, hence the need for a review of current priorities.
- Now is a crucial time for the Board and levy payers to evaluate what "for farmers, by farmers" means.
- Jane rebutted the B+LNZ response to remit six that no correspondence would take place which was incorrect. It was proposed that no correspondence or undue influence of the board or management should occur.
- The tension between B+LNZ utilising crown funds whilst attempting to engage in real advocacy was noted.
- Delighted to see B+LNZ engaging in the Hill Country Futures Programme but there may not be a future for the Hill Country.
- Would love to see the MIA really step up and enter into the political fray up against the Dairy Companies, ie see less sub-contracting of their responsibility to B+LNZ and to work alongside B+LNZ.

Discussion followed concerning the lack of Govt engagement on biodiversity, freshwater where farmers are locked out and the challenges of farmer engagement.

7. FARMER PROPOSAL SEVEN

Proposer of remit: Jason Barrier

Jason spoke to the remit.

- HWEN has failed our industry and is leading us to a place where pine trees will bury our farms and homes, I'm just a farmer, I have no political axe to grind and no animosity to the Board. I want to acknowledge the amazing work B+LNZ staff do in other areas.
- Had HWEN produced a plan where farmers would be taxed appropriately for our additional warming footprint and rewarded for our cooling footprint/where we could walk side by side with other farmers in other countries I wouldn't be here today because that would be a plan we could all agree with.

- The trust us we've got this – you have nothing at present, it's a castle made by sand, shown in your own figures, government data. Even the ex-PM understood when the prices start to rise 30% of us high country boys will be out of a job.
- How did we get here – I blame no single person in this room, no farmer could have come up with such a ludicrous plan. Instead, I blame the Team Ag approach taken by HWEN. Which led us into places where belonging became confused with outcomes and we took one for the team one too many times.
- Where are the aspirational voices for this industry that has so much to offer. Where is the public and government acknowledgement that New Zealand lamb eaten overseas is a good thing due to our carbon footprint.
- I expect more from our leadership. Legislation can be changed. All governments pass, on a 30-year journey there is always more than one pathway forward. This idea of HWEN or the ETS has to stop. This is not about isolating ourselves, it's about independence.

Discussion followed including with a strong feeling of those present of looking for an alternative to HWEN.

8. FARMER PROPOSAL EIGHT

Proposer of remit: Roger Dalrymple (presented by Kirsten Bryant)

Kirsten Bryant spoke to the remit.

- We were told this morning there is a different world - reality and the one we would wish to be in. The remit is kind of complimentary to Jason's proposals to pull out of HWEN. Roger's remit proposes that if B+LNZ genuinely believe they can achieve alterations for farmers by staying in HWEN that is what this remit is about.
- There has been common messaging this afternoon.
- Some speakers this morning perhaps assumed farmers don't want to pay a tax – I've not heard a farmer say pull out of responsibility to contribute to emission reductions, however no deal is better than a bad deal.
- The system needs a minimum price to generate revenue to cover its costs- another cost to farmers.
- It is gut wrenching to see the exodus of farming families from hill countries – to be replaced by carbon forestry.
- B+LNZ highlighted key issues in last week's Farmer's Weekly – we completely agree and have been saying this for over three months. The problem is, this is incongruous with the HWEN design – it's still unfair, unequitable, threatens farmer viability, it is wrong.
- Called on B+LNZ to be courageous and do the right thing for sheep and beef farming families, insist on a change of direction which can evolve to reflect new science, it's not too late. Farmers will back you in making a stand.
- It should never have been this or the ETS it should have been something achievable and aspirational.

Discussion followed in support and also those who agreeing with the criticism of consultation process by B+LNZ did note the BLNZ has been strong in influencing official through the partnership.

9. FARMER PROPOSAL NINE

Proposer of remit Rick Burke (Chairman: Farmers 4 Positive Change)

During any advocacy negotiations where there is a perceived or actual conflict between advocating for the Sheep and Beef sector versus the Dairy industry, this conflict must be declared by B+LNZ and the advocacy position taken will be from a sheep and beef sector standpoint.



Rick spoke to the remit.

- The group was set up in 2016. They believe the remit is of national importance for our sector as we have no organisation giving us 100% support. Levies have never been clearly defined and just go into a pool of funds. Dairy has the ability to lean on B+LNZ particularly in the advocacy space.
- Big business dairy are highly organised (numbers, weight) and will try to use this sector to offset their emissions footprint (as experienced in regional freshwater policy statements).
- Suggested MIA need to work with B+LNZ to support sheep and beef farmers to retain the critical mass in the industry.
- Suggested using the Taste Pure Nature principles to differentiate ourselves.

Discussion followed.

This was the conclusion of the remits.

The Chair thanked the speakers and that the Board was here today to listen. The Board will consider the remits voting, discussion today and other feedback at its next meeting.

GENERAL BUSINESS

Motion from the Floor: Hugh Gardyne tabled the motion; Seconded by Hamish Carswell, Laurie Paterson, Bryce McKenzie, Hamish Beilksi, Jane Smith

Vote of no confidence in the B+LNZ Ltd Board, specifically for the Board's involvement and support of the HWEN Report.

Hugh read the details as per the printed handouts tabled. The Chairman noted the motion will be voted on via a show of hands in the room. The Chairman responded with corrections to inaccurate material presented in the motion.

N Hyslop noted as a farmer and a Board member it is disappointing to have this motion put forward. She thanked those who had travelled to be here and the respectful debate today is encouraging/shows maturity about the sector. She noted the Board's ears are open. The debate speaks to the commitment everybody has for the sector and the want for B+LNZ to be successful. The Board will take the feedback on board and will discuss the remits and feedback at the Board meeting next week. Thanked everyone for their honesty.

P Conley: ANZCO CEO/MIA Council/B+LNZ Board: Reiterated it is disappointing for the motion to be moved. Takes a clear message away today that the Board need to lift their game and be better listeners/communicators. We are in this together, we need each other. Reflected on the privileged market position New Zealand has (over 85% of our product is exported), we need to protect that.

The Farmer Council Chair Paul Crick acknowledged the frustration in the room today. The Farmer Council share the frustrations and get it and have been articulating it, but equally they also get to see all the good things, how hard people work on a range of activities. It is important to remember that balance and what is going on.

The motion was put to the vote: The majority 36 voted against the motion and 12 supported the motion.

Cros Spooner, the COO counted the votes in the room.



C Spooner confirmed that only those livestock farmers in the room were eligible to vote (which was at the Chairman's discretion). It was noted that Hugh had been given the option to put the motion as a remit to be mailed out for farmers to vote on but declined.

Discussion took place as follows:

- *Queried if a remit was voted on at an Annual Meeting to make change and queried if remits were not binding?* The Chair confirmed remits were put to all levy payers and were voted on *but are not binding on the Board*. It was confirmed that the focus of today was for the Board to listen to the feedback.
- *How would you make a change for remits to be binding?* There would need to be a change to the Constitution. The COO confirmed a remit can be put at any time, a Special Meeting can be arranged, there would need to be a minimum of 5% of farmers voting supporting for a remit to be binding.

Lindy Nelson proposed a vote of thanks to Andrew Morrison for his leadership over the years. She wanted the Chair to leave today's meeting with his mana intact.

Thanks were recorded to everyone who had put remits to the meeting, noting they all took a tremendous amount of thorough work.

Graeme Evans asked the Board to consider paying the travel expenses to attend the annual meeting for those who had proposed remits to attend the annual meeting. The Chair recommended the new Board discuss this.

Graham Gleeson: On behalf of remit proposers, he thanked the Board and management for allowing an extended Annual Meeting for farmers to be heard and for the points to be discussed.

The Chair noted the big losers today were the Hockens' whose planned farm tour had to be cancelled to allow additional time for the AGM. He noted the Board planned to visit the farm at a later date.

ACKNOWLEDGEMENTS

- Geoffrey Young has been elected as the Southern South Island Director. Geoffrey acknowledged and thanked Andrew for his work over the last 9 years/last 6 years as Chair. He reflected on the move for change across the country. He wished Andrew well for the future. He thanked his supporters from the Southern Region who made his selection worthwhile, especially the grass roots farmers/levy payers who voted and made this change possible. He thanked the Board for welcoming him and noted he desires unity in the boardroom. He looks forward to working with the B+LNZ team.
- David Surveyor departed as the Meat Industry Association nominated Director in February 2023 and was replaced by Peter Conley (ANZCO).
- George Tatham will be stepping down after nine years after the East North Island ballot has been completed. George has agreed to stay on until the ballot is completed. The AGM reflected on George's workload and contribution over that time.
- Glen McDonald as Associate Director appointed 1 November 2023 replacing Courtney Nimmo.

Farewell to Andrew Morrison

On behalf of B+LNZ staff and the Board, Kate Acland acknowledged that this was Andrew Morrison's final meeting. Kate reflected on Andrew's leadership and mana which has served



the organisation well through trying times. She noted we are all better off today thanks to Andrew's commitment and dedication to the industry.

The meeting acknowledged and thanked Andrew Morrison for nine years of dedicated service and for making sheep and beef farming better in New Zealand.

Andrew noted this has been all consuming for him over the past nine years. He reflected on the last nine years. He noted B+LNZ have fought diligently for the sector and reflected on the impact of the M.Bovis incursion, COVID, the Red Meat Profit Partnership, NZFAP, Taste Pure Nature, eASD and noted the need to celebrate what we have achieved. He noted in addition to advocacy there is a lot of other requirements of the B+LNZ role. He noted the more we can do together will make our sector better. The importance of investment in R+D and work to negotiate export agreements was outlined. Growing our maturity around engagement with Māori agribusinesses was noted as being important. The ability for farming influencers to negotiate change with government was noted as being essential into the future.

He was concerned about biosecurity which could be a massive challenge into the future, noting eASD and traceability has to be taken seriously in the future. He noted his concern for us/the people, noting the need for the Board to listen and reset. He challenged everyone to consider how individual behaviours impact the sector and the need to call out bad behaviour and uphold our sector values.

He acknowledged the dedicated B+LNZ staff and noted when they are compromised by criticisms that is hard to take. He acknowledged the great B+LNZ Board, noting there are capable Directors who will vote in a new Chair, he was confident that the sector is in good hands.

2024 ANNUAL MEETING

The Chair outlined that the Constitution requires rotation of annual meetings through the regions and alternate islands each year. The 2024 Annual Meeting will be held in the North South Island Region.

The Chair thanked attendees for their participation and declared the Annual Meeting closed at 3.32pm.

Charles Taituha, B+LNZ Māori Agri-business Advisor, closed the meeting with a Karakia.

Chair's Signature

28 June 2023

Date