



## MINUTES OF THE ANNUAL MEETING

of

### BEEF + LAMB NEW ZEALAND LTD

Held at Landing Services Conference Centre,  
Timaru  
on Thursday, 21 March 2019  
Commencing at 10.30 am

#### IN ATTENDANCE:

Andrew Morrison (*Chairman*)  
George Tatham  
Bill Wright

Kirsten Bryant  
Martin Coup  
Sam Lewis

Melissa Clark-Reynolds  
Phil Smith  
Mark Clarkson

#### IN ATTENDANCE:

S McIvor (*Chief Executive Officer*)  
C Spooner (*Chief Operating Officer*)  
B+LNZ Senior Executive Team  
Livestock farmers, invited guests and staff  
G Rutherford (New Zealand Meat Board Director)  
S Paterson (New Zealand Meat Board Director)  
A Nelson (B+LNZ Associate Director)

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The Chairman welcomed guests to the 16<sup>th</sup> annual meeting of Beef + Lamb New Zealand.

The Chairman acknowledged MP's Mark Patterson, Andrew Falloon, Todd Muller (flight delayed) and acknowledged all board members – Martin Coup, Kirsten Bryant, George Tatham, Phil Smith, Bill Wright, Mark Clarkson, Sam Lewis, Melissa Clark Reynolds.

He also acknowledged the McNamara's who were attending their fourth Annual Meeting and who travelled round New Zealand to do so.

He also acknowledged the past Chairman – James Parsons, who was present along with the hard work of the Senior Executive Team members.

#### APOLOGIES:

Apologies were received from:

Nicky Hyslop, Haydon Black, Alan Gordon, Anne Munro, Christine Christiansen, Leon Black, Tony O'Boyle, Greg Anderson, Bevan Proffitt, Claire Christenson and Kate Acland who was currently in Germany.

It was moved by Mark Clarkson and seconded by Bill McCall that the apologies be accepted. This was carried.

The Chairman went through the official meeting procedures.

The Chief Operating Officer confirmed a quorum had been reached.

## MINUTES FROM THE ANNUAL MEETING HELD ON 22 MARCH 2018 IN GISBORNE

The Chairman reported that the minutes of the 2018 Annual Meeting, held on 22 March 2018 at Gisborne (*copy included in 2019 Annual Meeting information packs at the meeting*) were accepted as being a true and accurate record of that meeting by the Beef + Lamb New Zealand Board at a subsequent Board meeting.

### CHAIRMAN'S ADDRESS

The Chairman presented his address to the meeting covering the following key points over the last year:

- Thanked the Farmer Council for hosting the meeting and stated it was very important to have the Annual Meeting in each region
- Has been in role 12 months has seen – “M. bovis”, change of government, climate change, water quality, expectations around traceability, one farm plans, Brexit,
- There was also the release of the Environment Strategy relating to climate change and water quality
- People and Capability Review – restructure of vocational training
- M. bovis and impact on regions to national issues. B+LNZ has entered GIA with Government – it was the right decision in going for eradication – it was the responsible decision to make. He noted B+LNZ is very aware of the human element and we have to be able to get people through this and out the other side. This will not be the last biosecurity incursion NZ has
- B+LNZ will be consulting with farmers on the response costs under GIA for M. bovis– B+LNZ is proposing \$2 per animal slaughtered. There will be no levies on cull dairy cows. This may not be the levying structure for the future events but in this case it is only beef cows. The M. bovis response costs are split Government 68% and Industry 32% split. Dairy NZ pays 94% of that and beef 6% . There was a thorough and agreed process and DairyNZ and B+LNZ agreed to abide by the decision and work through it
- Strategy development over the last year was– acknowledged James Parsons and outgoing directors, Kirsten Bryant, Sam Lewis and Bill Wright who helped to develop strategy before they left
- He referred to page 10 – 11 of the annual report and how much industry has changed. He stressed that we are there to help farmers
- Insights to be focus in our organisation, i.e. climate change – a very complex debate
- Environment strategy- climate change or water quality – very important
- The Chairman thanked the group for supporting the Taste Pure Nature strategy and advised once we take licences from the pilot to California and China decisions will be made.
- The Chairman drew attention to the fact that never before had a national farm assurance programme been rolled out and never before has a red meat sector origin brand been developed and launched for New Zealand.

### CHIEF EXECUTIVE'S ADDRESS

- The Chief Executive presented his address noting the key issues farmers had raised:
- Noted that farmers confidence has been dented particularly by the uncertainty around water and climate change policy
- Insight – B+LNZ is developing a deep understanding of people and issues, and needs to know farmers and what impacts them before anyone else
- B+LNZ released findings on first biodiversity report last year detailing native forest on sheep and beef farms
- NZ Farm Assurance Programme overviewed and encouraged farmers to join this
- Brexit – noted that Ben O'Brien and Jeff Grant had been activity representing the industry in the UK

- Environment, discussed the four areas of the B+LNZ environment policy noting 32 catchment initiatives are working between B+LNZ and farmers
- RMPP ends in September 2020. There are 182 action network groups operating currently in New Zealand and this is an exciting initiative
- Capability – we are going to be concentrating more on training on- farm. Minister announced changes to training being considered following the Taratahi failure
- The CEO went through definition of farming excellence and advised that B+LNZ will be talking to farmers in the next three months on the pressing issues for the next five years
- Future Farms underway with a farm leased in Cheviot under a joint venture with a farming partnership
- Government and public insight and engagement. Water and climate change issues – we are advocating strongly and backing up with statistics
- Nine out of 10 New Zealander's still regularly eat red meat, only 2% are talking about reducing red meat from their diet
- Biosecurity – “M. bovis” is the main focus.

The Chairman then opened the floor to questions:

Ian Jackson asked does B+LNZ really think the M. bovis eradication programme is going well and where does the information come from. Dave Harrison responded noting the information comes from a number of sources and B+LNZ is confident in the progress made over twelve months. We are now moving to the point where forward tracing is almost getting ahead of the backwards tracing. A Morrison acknowledged it is a challenge for MPI and noted this will not be the last biosecurity incursion.

Bill Wright stated the key was timing and that our traceability system is adequate and its farmers responsibility to get it right at the farm gate.

Graham Evans queried how do you put a price on CO2. Jeremy Baker responded carbon is \$25 per tonne. Agriculture is not yet in an ETS. B+LNZ is concentrating on split gas approach for carbon and methane gas and the recognition of sequestration of native regeneration on farm recognised the big contribution of meeting the sectors emissions target. A report from the Environment Commissioner is due out next week.

## **Finance Report**

Cros Spooner, Chief Operating Officer presented the financial results for the year ended 30 September 2018. The presentation included:

- There was a \$1.9 million surplus – sheepmeat and beef levies were higher, no wool levy stream and the non-levy stream resources are applied to one off initiatives
- 40,000 head of cows have been killed as a result of “M. bovis”
- An additional \$3.4 million is contracted to RMPP for the remainder of the agreement from NZMB
- Other income of \$5 million – B+LNZ share of MBIE/research consortia funding
- \$2 million third party funding including sustainable farming, MPI funding and services provided by B+LNZ
- \$19 million of leverage for things like RMPP, B+LNZ Inc , training and research in addition to the levy funds received by B+LNZ
- RMPP - one more year funding \$3.4 million to come from the New Zealand Meat Board and then \$4 million from B+LNZ and levy funding
- Balance sheet has \$22.6 million equity in organisation; sheepmeat and beef reserves are well positioned



- There is some discussion about where sheep flock will end up –most optimistic is that it stabilises.

The Chairman then opened the floor for questions:

William Rolleston – queried Taste Pure Nature (TPN) and what licence fees are being recovered from those licenced to use the brand. He is concerned about going back up to \$8 million in marketing budgets. C Spooner handed over to Nick Beeby who noted that B+LNZ is not charging companies for a licence in order to encourage uptake but it does not mean there won't be a fee in the future. The program has been built up by our farmers and meat companies.

James Edgar – asked how low does sheepmeat production have to go before B+LNZ loses its effectiveness. C Spooner suggested if it goes below 20 million for a combined mutton and lamb, existing budgets would need to be reduced in the medium term.

## **COMPANY RESOLUTIONS REQUIRED BY THE CONSTITUTION OF BEEF + LAMB NEW ZEALAND**

The Chairman introduced the company resolutions

### **1. Resolution 1 Ordinary resolution**

It was moved by Phil Smith and seconded by Bill Wright

**“that the increase proposed to the total aggregate amount payable by way of directors’ fees from \$336,400 per annum to \$342,000 per annum (being an increase of \$5,600 per annum) for the 2018-19 financial year, to give effect to the recommendations of the Directors Independent Remuneration Committee, be approved”**

This increase represents an annual increase of \$1,000 for the Chairman to \$70,000 and \$650 for each director to \$34,000.

The Directors Independent Remuneration Committee was established in 2015 to independently assess B+LNZ director fees compared to the market and other rural organisations.

DIRC makes a recommendation to the Board who must then decide whether to put a resolution to the annual meeting for approval.

The last fee increase for directors was approved at the 2018 annual meeting was 2% per director \$650 per director to equate to \$33,350 per director and there was no increase for the Chairman, though the NZMB Chairman's fee increased by \$850 to \$29,050 in total.

David Nelson Chairman of Directors Independent Remuneration Committee took the floor and spoke to the DIRC's recommendations. He outlined the process the committee goes through. They seek strategic pay report, Institute of Directors information and agricultural organisations across the primary sector in New Zealand and spoke to the Chairman, a retiring director and Chief Operating Officer about workload, changes in workload.

The floor was opened for discussion on the resolution. There was none and attendees were asked to mark their voting forms.



## 2. Resolution 2

It was moved by Mark Adams and seconded by Robert Peacock

The Constitution of Beef + Lamb New Zealand requires that we put a resolution to the vote at the Annual Meeting for the appointment of an auditor.

“That Farmers consider and, if thought fit, pass the following ordinary resolution:

**“that KPMG be appointed as Beef + Lamb New Zealand Ltd's auditor for the year ending 30 September 2019”**

The floor was opened for discussion on the resolution. There was none and attendees were asked to mark their voting papers.

### GENERAL BUSINESS

The Chairman opened the floor for general business.

John Gregan took to the floor and stated that B+LNZ need to do something about Ballance Farm Environment award that is “for livestock farmers except dairy farmers”.

He reiterated dairy and red meat are in this together and he thinks at times B+LNZ have been working against dairy farmers. Dairy NZ and B+LNZ need to work together to resolve nitrogen emissions policy and water policy, pastoral farming should be work together and at times does not think B+LNZ does.

A Morrison responded we do have to respond jointly for example he talks regularly with Jim van de Pool we are working as closely as possible and have achieve a lot. Joint letter from industry has been sent to Minister with respect to water policy. But realises we need to do better.

Mark Patterson – noted the commentary from Andrew Morrison on support we are getting from AgResearch, this week more scientists have been let go after Invermay and these are very senior people.

A Morrison responded that for some of our research programmes AgResearch are providing capability and B+LNZ been very mindful of this, i.e. Lincoln Hub and some of them are recognised worldwide scientists.

S McIvor noted the government is the biggest investor in research in our sector. We are working to give very clear signal to government as a sector for research priorities.

Graham Evans commented that if you live in a valley internet is not good. Connectivity is rubbish and a lot of farmers in the same boat. A Morrison responded that this is a subject that Federated farmers take the lead on with their policy team.

David Nelson – questioned vocational training centres and voiced real concern that 40% of Taratahi students coming out of urban need a pathway into the sector. ITO model will not make it. Jeremy Baker responded that Taratahi is only the last in a long line. A current Minister Review of vocations review is providing B+LNZ to influence a new vocational training direction in the sector.



## **ACKNOWLEDGEMENTS**

The Chairman acknowledged Bill Wright for his efforts over the past three years. Sam Lewis for his time over the past five years, Kirsten Bryant for her nine years' service, He also acknowledged Kate Acland, Associate director for the past twelve months.

Scott Gower has been elected as Western North Island electorate director and Nicky Hyslop as Central South Island electorate and B+LNZ is pleased to announce the appointment of Anna Nelson for the next twelve months as the Associate Director.

Bill Wright outgoing Central South Island Director then took the floor and commented that it has been a real privilege to be on the board. He acknowledged the senior executive team for implementing the new strategy has been a privilege to be part of it. He noted the next twelve months are going to be crucial. He thanked the extension team and Farmer Council for what they have achieved in the Central South Island and thanked the Board before acknowledging new directors to the board.

## **2020 Annual Meeting**

As has been our practice, the rotation of annual meetings through the regions the 2020 Annual Meeting being held in the Western North Island in March 2020.

The Chairman thanked attendees for their participation and declared the Annual Meeting closed at 12.05pm

A handwritten signature in black ink, appearing to read "Chris de Silva".

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**Chairman's Signature**