

NEW ZEALAND  
MEAT BOARD

**ANNUAL  
REPORT  
2024**









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# FOREWORD FROM THE CHAIR

As we reflect on the past year, it's clear that the New Zealand Meat Board (NZMB) continues to play a vital role in helping the industry navigate uncertain times and volatile markets.

Global trading conditions remain challenging, but our sector's resilience is strengthened by the critical role our quota system plays in securing tariff-free access to key markets like the European Union (EU), the United Kingdom (UK), and the United States (US).

In a period where conditions in our key market of China are unpredictable, maintaining access to the EU, UK and US has never been more important.

The Board has three key roles.

First, we work to achieve the best possible returns from sheepmeat and beef exports to international quota markets.

Currently, we oversee \$2.6 billion of red meat exports to the quota markets of the EU, UK, and US, generating tariff savings of \$934 million a year for the sector.

This critical work ensures New Zealand's red meat continues to compete on the global stage, allowing New Zealand exporters to capitalise on market opportunities even when facing unpredictable global conditions. For the second year in a row, exports under the US beef quota remained high, underscoring the importance of this access.

Secondly, the Board also administers significant farmer reserves, which currently stand at \$88 million. These reserves serve as a contingency fund, designed to protect New Zealand's red meat sector in the event of a biosecurity incursion or disruption in quota markets. This safety net helps ensure that the sector can quickly re-enter export markets if faced with unexpected challenges.

In addition to safeguarding market access and reserves, the Board allocates interest and dividends (after reserve expenses) to support industry-good projects in consultation with farmers.

We are proud to back initiatives like *Informing New Zealand Beef (INZB)*, which provides valuable insights to improve the performance of New Zealand's beef sector, and the *Eliminating Facial Eczema Impacts (EFEI)*

programme, which addresses a major animal health issue with real impacts on farm productivity and animal welfare.

Internally, we are focused on building greater efficiency and resilience into our systems. We are reviewing our end to end administration processes to incorporate further efficiencies and reducing costs to ensure the Board remains a robust and agile institution, capable of supporting the sector through both smooth and challenging times.

In these volatile times, the Board's role in supporting preferential access into quota markets, managing contingency reserves, supporting industry innovation through funding critical research is more important than ever. We are proud of what we have achieved this year and look forward to continuing our work alongside our partners as we navigate the evolving global landscape.

On a personnel note, the Board acknowledges Sam McIvor's eight years as CEO of NZMB supporting its statutory role and delivery. Sam resigned in April 2024 to take up another leadership role at OSPRI. Nick Beeby, NZMB's general manager, is supporting NZMB's statutory functions including a strategic review of NZMB's operations focusing on compliance, efficiency and process improvement.



A stylized, handwritten signature in black ink, consisting of the letters 'KA' with a long horizontal stroke extending to the right.

**Kate Acland**  
CHAIR



# PERFORMANCE AGAINST STATEMENT OF INTENT

New Zealand Meat Board 2023/2024  
Statement of intent review

## Mission

To grow the position of the New Zealand sheepmeat, goatmeat and beef industries by:

- facilitating the capture of the best possible ongoing returns through sound management of New Zealand administered country-specific tariff rate quotas; and
- prudently administering and investing the Board's financial reserves.

## NZMB vision and values

### Our Vision

New Zealand farmer and industry prosperity through safeguarding and realising the value of quota markets and reserves.



### Our Values



#### Trusted partner and custodian

As trustees safeguarding valuable resources we enable opportunities for realising value of quota markets and reserves



#### Delivering excellence to stakeholders

We are proud and passionate providers of reliable and credible services



#### Connected and future focused

We are connected to farmers, industry and government to ensure maximum value and opportunity

## PART I: QUOTA AND INFORMATION

The quota management systems operated by the Board must meet the requirements of the Act, meet New Zealand’s international treaty obligations in relation to market access and comply with any rules and requirements governing imports that may be applied by an importing country.

To meet its statutory object of “[facilitating] the capture, for New Zealand and in the interests of the meat industry, of the best possible ongoing returns available from quota markets”, the quota management systems operated by the Board must:

- Be efficient and effective.
- Take into account the longer-term interests of New Zealand and the meat industry.
- Deliver credible, accurate and reliable allocation and certification systems and processes which conform to our international obligations.
- Monitor, and on occasion react to, trade, market and regulatory developments in the quota markets that could impact on New Zealand’s interests and presence in those markets.

Deliverable	Measure	Status
<b>Initiative 1: EU FTA Implementation</b>		
<ul style="list-style-type: none"> <li>▪ Develop preparedness planning for quota allocation, certification, verification systems and supporting legal and administration processes.</li> <li>▪ Consult industry on proposals for quota allocation mechanism and certification requirements.</li> <li>▪ Prepare and conduct testing of quota allocation and certification systems in anticipation of entry into force early 2024.</li> <li>▪ Communication to industry regarding implementation of new EU FTA administration.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Proposals consulted on with meat industry.</li> <li>▪ Changes are implemented with industry and government support in accordance with the Board’s statutory objectives.</li> </ul> <p><b>CONCLUDED</b> EU FTA quotas implemented for 1 May 2024 entry into force.</p>	●
<b>Initiative 2: Quota Compliance Statutory Audit</b>		
<ul style="list-style-type: none"> <li>▪ Comply with statutory obligations relating to compliance audit requested by the Minister of Agriculture under s.38 of the Meat Board Act 2004.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Audit completed and implementation plan agreed for any issues identified</li> </ul> <p><b>CARRIED OVER</b></p> <ul style="list-style-type: none"> <li>▪ The Government Audit Report not received at 30 September 2024.</li> </ul>	●
<b>Initiative 3: Quota Allocation Mechanism Review (QAMR)</b>		
<ul style="list-style-type: none"> <li>▪ Phase I - Economic study analysing alternative quota allocation mechanisms and their ability to meet statutory requirements.</li> <li>▪ Phase II - development of quota allocation mechanism review for consultation with registered meat exporters.</li> <li>▪ Phase III - implementation of agreed quota allocation mechanism(s) into administration systems and processes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A quota allocation mechanism review is conducted in accordance with statutory review timeframe set by the Meat Board Act 2004.</li> </ul> <p><b>CONCLUDING</b></p> <ul style="list-style-type: none"> <li>▪ QAMR amendments incorporated into Manuals; and changes to the QMS are being tested.</li> </ul>	●
<b>Initiative 4: Cost Recovery Review</b>		
<ul style="list-style-type: none"> <li>▪ Phase I: Develop scope, terms of reference and timeline for cost recovery review of quota administration operations and repaying quota jeopardy drawdowns.</li> <li>▪ Phase II: Undertake analysis of financial requirements to inform cost recovery requirements over short/medium term.</li> <li>▪ Phase III: Consult industry on cost recovery [amendments] report including implementation timeline.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost of administering quotas are reviewed and efficiency gains realised.</li> <li>▪ Stakeholders satisfied with decisions and value they receive.</li> </ul>	●

Initiative 5: Delivery of NZMB statutory functions		
<ul style="list-style-type: none"> <li>Operation of quota management systems (s8(1)(a) Meat Board Act 2004).</li> <li>Collection, processing and maintenance of information to support the operation of quota management systems (s8(1)(b) Meat Board Act 2004).</li> <li>Provision to the industry good organisation, on request, of information held by NZMB (s8(1)(e) and s79 Meat Board Act 2004).</li> <li>Maintenance of meat export registrations (s52 Meat Board Act 2004).</li> <li>Development of strategic roadmap for maintainability and user experience upgrades to quota management system (QMS).</li> </ul>	<ul style="list-style-type: none"> <li>Quota certification services maintained.</li> <li>Business continuity processes maintained.</li> <li>Export registration and re-registration processes are maintained.</li> <li>Agreed roadmap meets 5-year strategic needs for maintaining user and process efficiency. Development of plan and funding ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>
Initiative 6: Trade Policy Monitoring and Response		
<ul style="list-style-type: none"> <li>Continual scanning for, and assessment of, trade policy issues with implications for quotas administered by NZMB.</li> </ul>	<ul style="list-style-type: none"> <li>No unexpected developments occur that impact on quota administration.</li> <li>NZMB has strong engagement with the NZ Government and other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>
Initiative 7: Personnel and Succession Planning		
<ul style="list-style-type: none"> <li>NZ (contracted from B+LNZ) and Brussels-based staff have opportunities to extend their skills and experience, and the Board has enough trained staff to ensure its core activities are not compromised.</li> </ul>	<ul style="list-style-type: none"> <li>Staff development plans, tailored to circumstances of staff, are in place and process failure does not occur because of staff absences or departures.</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>

## PART II: RESERVES MANAGEMENT - SPECIFIC INITIATIVES & DELIVERABLES

The Act provides that the Board must:

- At all times have a Reserves Policy.
- Consult farmers before setting or changing the Reserves Policy.
- Consult farmers before allocating funds for industry-good projects.
- Make the Policy available to farmers on request.
- Comply with its Reserves Policy.

The Board is also required to maintain a prudent level of net assets to avoid jeopardising quota markets and the integrity of the quota management systems. To the extent that the net assets are not fees paid by quota applicants, they are defined as reserves.

Deliverable	Measure	Status
Initiative 8: Reserves Policy		
<ul style="list-style-type: none"> <li>Reserves Policy which includes industry good funding complied with.</li> <li>Report for milestone delivery for approved Industry Good Funding – Informing New Zealand Beef and Eliminating Facial Eczema Impacts.</li> </ul>	<ul style="list-style-type: none"> <li>No non-compliance reported.</li> <li>Grant funding is matched to approved milestone delivery for the Informing NZ Beef programme.</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> </ul>
Initiative 9: Statement of Investment Policies and Objectives (SIPO)		
<ul style="list-style-type: none"> <li>Investment management is conducted in accordance with the approved SIPO.</li> <li>Professional management of relationships with the financial sector.</li> <li>Investment fund performance is benchmarked against the required 4.0 % after fees, tax and inflation (Note this is subject to completion of the SIPO review currently underway).</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly reporting for investment fund performance and compliance.</li> <li>Jarden and Cambridge partners surveyed annually.</li> <li>Investment fund is benchmarked against the required 4.0% after fees, tax and inflation.</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> </ul>
Initiative 10: Stakeholder Trust and Satisfaction		
<ul style="list-style-type: none"> <li>The Meat Board proactively consults and communicates with farmers regarding Reserves Management obligations.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback shows that farmers are informed, trust NZMB and are satisfied with its performance.</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>

# RESERVES MANAGEMENT

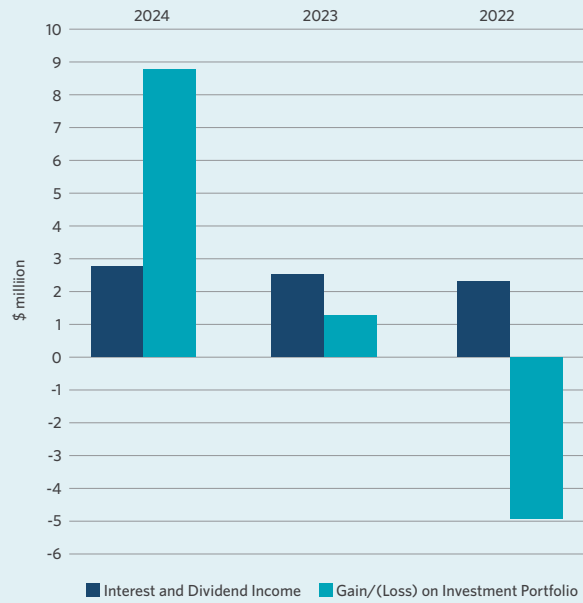
The Board generates returns from its reserves from two sources: interest and dividends and unrealised gains or losses from the portfolio value.

Investment income (Interest and dividends) generated from reserves management was \$2.77 million (yield of 3.1% on total assets) compared with \$2.51 million (3.1% yield) in 2023.

Net finance income of \$8.8 million (2023 \$1.3 million) represents the gain on the investment portfolio managed by Jarden.

Reserve management expenses were \$675,000 (2023: \$712,000), representing 0.8% of total assets (2023 0.9%).

Industry good funding of \$1.25 million from investment income was paid to Beef + Lamb New Zealand for the INZB programme \$700,000 and the EFEI programme \$550,000. In 2023, funding of \$1.4 million was paid to B+LNZ for the INZB programme.



## Quota Management Fees

The Board operates quota management activities on a breakeven basis over the medium term. Quota management fees are received from quota holders and applicants.

In the current year, a deficit of \$418,000 was made (2023: deficit \$222,000). The increased deficit arose from required EU Free Trade Agreement system changes, the quota allocation mechanism review and downsizing of the Brussels office.

Quota management activities include the cost of operating the New Zealand Meat Board office in Brussels.





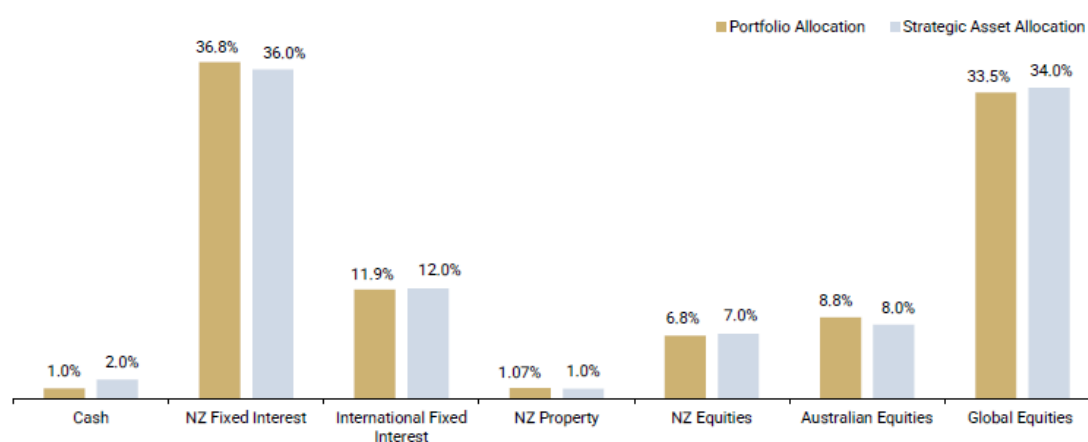
## Balance sheet

The New Zealand Meat Board is in a strong financial position with assets of \$89.5 million (2023: \$80.1 million) and equity of \$88.5 million (2023: \$79.3 million).

The investment portfolio is carried at market value \$86.6 million (Current and Non-Current assets) on the Balance Sheet (2023: \$76.9 million).

The Investment portfolio is allocated across a range of investments and equities, which are subject to market movements. These include domestic cash, fixed interest, property and equities, global cash, fixed interest and equities and Australian equities.

The allocation of the investment portfolio across asset classes at 30 September 2024 is shown below.



The Board operates five reserves as follows:

- Contingency Fund
- Quota Jeopardy Reserve
- Investment Fluctuation Reserve
- General Reserve, and
- Quota Management Reserve.

The Contingency Fund totals \$67.7 million and is held to contribute to recovering export market access in the event of a major industry crisis. The fund has been inflation adjusted since September 2019 and this year the inflation adjustment totalled \$1.5 million with annual inflation at 2.3% for the September 2024 year (2023:5.6%).

The Quota Jeopardy Reserve totals \$3.2 million and is held to avoid jeopardy to quota markets and quota system integrity. The fund has been inflation adjusted since September 2019 and this year the inflation adjustment totalled \$73,000.

The Investment Fluctuation Reserve comprises unit movements which includes the impact of foreign currency movements on the investment fund managed by Jarden.

This reserve totals negative \$2.1 million (2023 Negative \$9.1million). The investment fluctuation reserve funds from equity gains the inflation adjustment of the Contingency Fund, Quota Jeopardy and general reserve funds included in the investment fund. The positive equity returns on the fund less the inflation adjustment moved this reserve from a deficit of \$9.1 million in 2023 to a deficit of \$ 2.1 million.

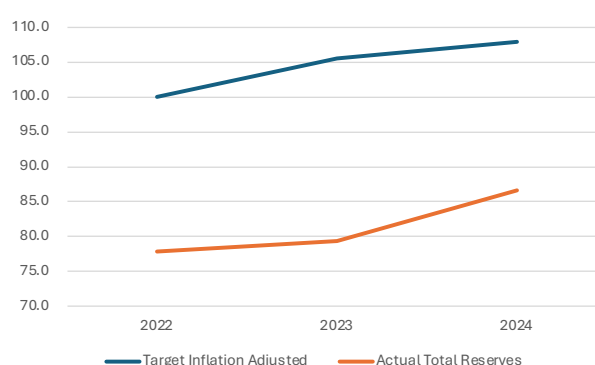
The General Reserve had a balance of \$20.6 million at 30 September 2024. In the situation that the Investment fund had to be sold down totally to fund a contingent event, this reserve would reduce by \$2.1 million, being the negative Investment Fluctuation Reserve.

The quota management function has a reserve deficit of total \$924,000 (2023: \$505,000 deficit).

In 2023, the Board, after farmer consultation, approved a policy of capping total reserves at \$100 million (2022 Reserves target) with the target inflation adjusted each year after which any additional reserves are best applied to support approved significant industry good initiatives in lieu of levy funding.

The 2024 year resulted in a substantial improvement in the reserves positions with actual reserves increasing to \$88.6 million compared to the target of \$107.9 million

### Inflation adjusted Maximum Reserves Target \$ million





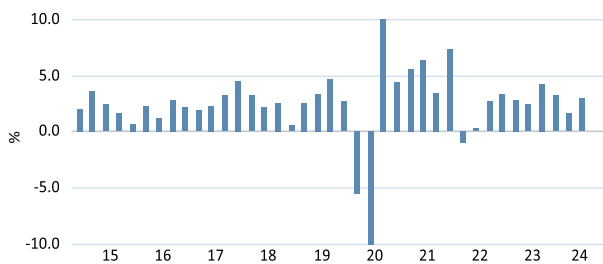
## Investment Performance

The New Zealand Meat Board Investment Portfolio produced an investment return (before tax and after fees) of 14.7% for the 12 months ended 30 September 2024. The portfolio remains well aligned with its Balanced Asset Allocation Strategy.

Elevated inflation was a key concern at the start of the financial year and restrictive monetary policy was required to slow global economic activity and reduce inflationary pressures back towards central bank targets. However, in late 2023, the focus in the key US market started to transition to an outlook for growth with expectations for cuts in interest rates in 2024 which buoyed equity markets, especially tech holdings which produced some outstanding results.

Key components of the US economy continued to produce better than anticipated economic results into 2024, with consumer spending positive, unemployment levels remaining low, acceptable GDP growth evident and early signs of inflation reducing. There was a positive vibe to US markets reflecting a view that the Federal Reserve may be able to engineer inflation reductions to their target levels without causing an economic recession.

### US GDP, quarterly annualised growth

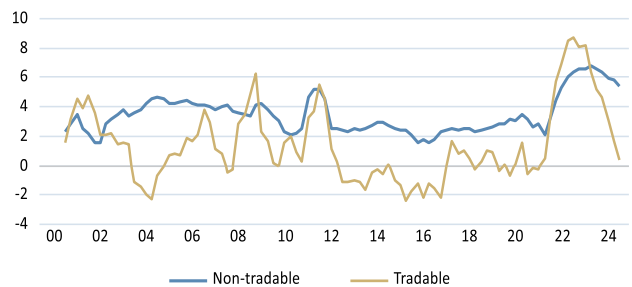


Source: LSEG Datastream, Bureau of Economic Analysis

It was a different story in New Zealand. The RBNZ had been one of the first central banks to initiate interest rate increases with a stated intention of causing a recessionary economic environment to gain control of inflation. The RBNZ achieved this objective with the New Zealand economy entering a technical recession at the end of 2023. Despite record levels of immigration, consumer spending remained weak and demand

destruction was evident. Notwithstanding a reduction in tradeable inflation (goods), non-tradeable inflation (services) remained strong, leaving the RBNZ with little option but to retain interest rates at elevated levels. In fact, as recently as May this year, the RBNZ advised it considered lifting rates to quell inflationary pressures.

### CPI non-tradeable and tradeable inflation (%)



Source: LSEG Datastream, Statistics New Zealand

Weak activity and high interest rates resulted in New Zealand equity market underperformance relative to offshore growth asset classes in the first half of the year.

Poor performance in markets reflected earnings downgrades as households trimmed spending and business activity fell. By mid year, inflation pressures were starting to ease and in July the RBNZ indicated they would likely pivot to a period where lower interest rates could be accommodated. In August the RBNZ reduced the OCR by 0.25% and indicated further cuts were to follow. NZ asset classes reacted accordingly with NZ Bonds and the interest rate sensitive NZ Property outperforming.

In the US, consumer spending and investor sentiment has remained relatively strong which supported equity markets, albeit there were lingering concerns about the prospect of a future recession with markets very sensitive to economic data releases. Tech stocks continued to outperform though this period.

In other markets, Chinese authorities recognised the slowing of their economy and unleashed a series of aggressive stimulus measures targeting lower interest rates, the stabilisation of their property market and the recapitalisation of big banks. They also indicated further fiscal stimulus was to come. This triggered a



strong rally in Chinese equities. Questions remain as to whether these are one off measures or a broader change in the regimes approach is underway.

### MSCI China Index



Looking forward the major event for the quarter is the US elections, the outcome of which remains uncertain. Whilst the presidential race receives most of the attention, the composition of the Senate and House of Congress are key factors that will determine the future policy direction of the US. It is clear however that both presidential candidates intend to continue to spend, increasing US debt issuance and therefore funding costs for the US Government. At this point we are not forecasting a recession in the US, with employment metrics remaining supportive for the consumer and therefore economic activity.

Elsewhere the tensions in the middle east have the potential to cause volatility in markets and possibly appreciation in oil prices restoking some inflationary pressures. The future actions of the Chinese authorities will also be important to encourage consumers to spend thus supporting domestic activity in the worlds second largest economy.

Whilst Tech equity valuations and fundamentals remain elevated compared to historical norms, valuations in other equity markets are closer to median levels, hence the broadening of the equity rally is likely to be supportive for returns. We expect central banks both in NZ and offshore to reduce short term interest rates sharply over the next year, whilst we expect long-term interest rates to experience more modest reductions. This divergence may lead to a steepening of the yield curve.



## INDUSTRY GOOD FUNDING

The New Zealand Meat Board supported two major red meat sector projects over the past 12 months.

The Board provided up to \$700,000 to the ground-breaking *Informing New Zealand Beef* genetics project (INZB) and up to \$1 million for the *Eliminating Facial Eczema Impacts* (EFEI) programme.

The decision follows consultation with sheep and beef farmers on the distribution of interest and dividends generated from the NZMB's \$79 million reserves fund towards industry good projects.

This funding is helping both INZB and EFEI drive major productivity gains behind the farm-gate for thousands of sheep, beef and dairy farmers across the country. This investment comes at a critical time for the sector, which is facing significant financial pressures.

INZB is providing farmers with the beef genetics tools to help drive productivity and profitability on farm. It is on track to achieve its goals of boosting the sector's profits by \$460m over the next 25 years.

The EFEI programme aims to equip farmers with tools, knowledge and solutions that can be adopted to combat a devastating livestock disease, and improve productivity in the red meat and dairy sectors.



### Informing New Zealand Beef

The seven-year Informing New Zealand Beef programme (INZB) aims to boost the sector's profits by \$460m over the next 25 years.

Supported by B+LNZ, the Ministry for Primary Industries (MPI) and the New Zealand Meat Board, it is focused on increasing the uptake of use of genetics in the beef industry.

The four main components are building a genetic evaluation and data infrastructure, progeny test herds, developing breeding objectives and indexes and developing new data sources.

As the programme reaches its midpoint, the focus is shifting towards education, extension, and promoting the use of high-quality genetics in the beef industry.

The programme rolled out a series of initiatives for farmers over the past 12 months.

This included 22 Better Beef Breeding workshops, an online version for those who couldn't attend in-person, and webinars covering topics such as 'Genetic Evaluation 101' and 'New Trait development'. The events were popular with attendance from farmers, stud breeders, scientists and rural professionals.

To support the development of Estimated Breeding Values (EBVs) for New Zealand's beef industry, B+LNZ also ran workshops to give stud breeders the tools to measure beef cow Body Condition Score and assign teat and udder scores. A 'how to' video on condition scoring was made available on the B+LNZ Knowledge Hub.

Fertility trials are ongoing at two pilot farms, with yearling heifers and rebreeding heifers at these sites tagged with CowManager cow health monitoring systems. As well as collecting data on fertility traits, the trial is exploring the use of wearable technologies in beef herds and the value they could offer to farmers.

In North Canterbury, a cutting-edge trial was launched to measure feed efficiency and methane emissions. B+LNZ Genetics, AgResearch and Te Mania Angus stud are working together to develop genetic tools that farmers can use to produce animals that feed more efficiently and emit less methane, without reducing the animal's productivity.

Angus and Hereford heifers from the Beef Progeny Test (BPT) were involved. Four other Hereford studs also supported the trial by putting their animals through the feed intake facility and AgResearch Portable Accumulation Chambers to get measures and assist geneticists in collecting a database of information they can use.

A field day on Lochinver Station in March drew over 80 people who took the opportunity to get an update on the across-breed Beef Progeny Test.

The Test, which compares bulls under commercial farming conditions, now has processing data from calves born into the programme and reproductive data from heifers born in 2021.

Commercial beef farmers continue to play an important role in INZB through their participation in the Next Generation programme. To date, 36 farmers have come onboard, with more joining in 2025.

## Eliminating Facial Eczema Impacts (EFEI) programme

Facial Eczema (FE) is a serious disease affecting sheep and cattle. It is caused by fungal spores which release a toxin, causing liver damage, reduced animal productivity and severe welfare issues, and can be fatal.

The \$20.75 million, seven-year programme is a cross-sector partnership between Beef+Lamb New Zealand, the Ministry of Primary Industries and multiple industry partners providing both cash funding and in-kind support.

It was officially launched on 1 April 2024 and will establish new research address critical knowledge gaps around FE and support co-development of mitigation tools.

### Understanding the basics

Over 200 farmers participated in the first season of EFEI's 'Sheep Poo' epidemiological study. This involved collecting poo samples fortnightly, across every region, from October to May.

Analysis of samples for fungal spores associated with FE will increase knowledge around prevalence of the disease and the potential impact on FE of a changing climate. The programme is also progressing work to better understand the genes associated with toxin production in the fungus.

Proposed criteria for consistently identifying cases of FE have been co-developed with vets and will be further evaluated throughout the programme.

### Understanding the impacts

National surveys will be rolled out in 2025 to allow researchers to understand and model the social and economic impacts of FE.

FarmSalus, a collection of resources created for rural professionals to use when discussing farm resilience with farmers and how their health and wellbeing are connected to it, is being expanded to better understand the wellbeing effects on farmers.

### Discovering tools and solutions

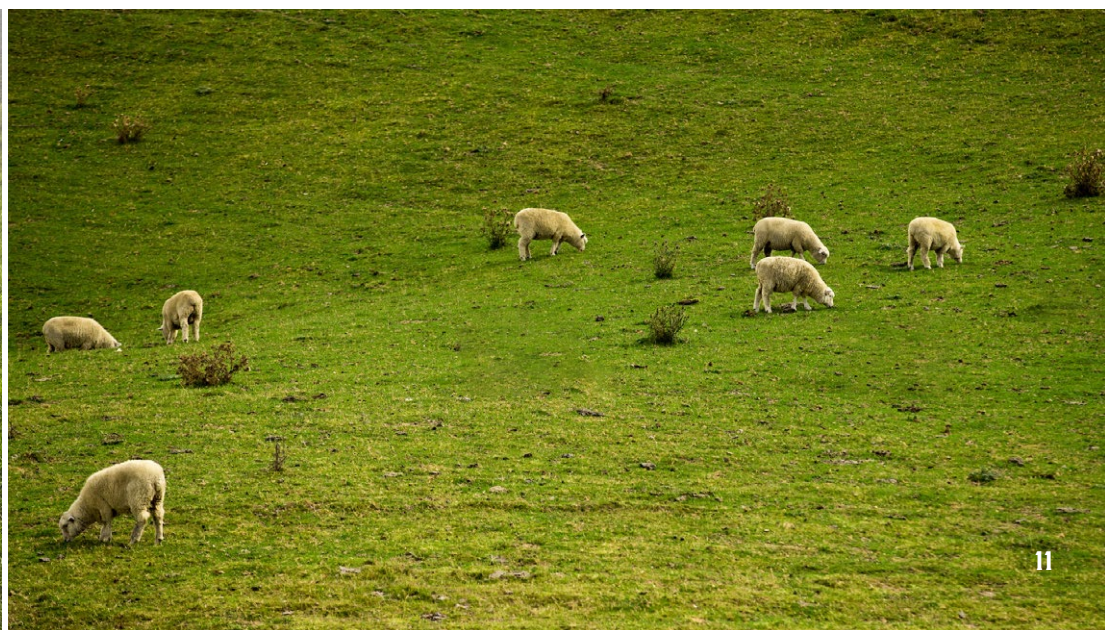
Efforts are underway to develop a rapid method for measuring sporidesmin and a DNA test to distinguish between toxin and non-toxin-producing *Pseudophthomyces* species.

A predictive model for FE using artificial intelligence is in development, alongside research into identify environmental triggers for sporidesmin production, optimal pasture mixes and potential biocontrol agents.

Additionally, samples have also been collected for future analysis of the rumen microbiome to explore possible tools or management strategies.

Literature reviews have been completed, to inform future research on early detection of FE, environmental factors affecting sporidesmin, and technologies for assessing FE risk.

There is also a strong emphasis on early knowledge transfer to the farming community through a farmer community of practice. Farmers and rural professionals are being actively engaged to raise awareness of EFEI and FE.





# TRADE POLICY

China's weak economic activity impacted global demand and global prices, particularly for sheepmeat. Increased Australian supply contributed significantly to suppressed lamb and mutton prices. Economic recovery and reduced domestic production in quota markets saw strong demand for red meat, particularly for beef in the US. However, the Chinese and Australian dynamics overshadowed this trend.

## Global shipping costs spiked

New Zealand's red meat exports were impacted by an increase in global shipping costs, which rose sharply in response to security issues in the Red Sea affecting passage to the Suez Canal. While shipping routes from New Zealand to the US west coast do not pass through canals, the flow-on effects and inefficiencies of global shipping have increased overall costs.

## Increased global competition

Record levels of processing and Australian exports of sheepmeat and beef to key markets in 2023/24 negatively impacted prices for New Zealand products. At the end of 2023/24, there were some signs that Australia's flock and herd size were beginning to downsize.

While Brazil continued to be the world's largest beef exporter, there have also been signs of the national beef cattle herd downsizing as drought across the country affects production. Despite Brazilian beef exports facing much significantly higher tariffs than New Zealand beef products, due to our tapestry of Free Trade Agreements and WTO country-specific quotas, Brazil continues to be significant competitors in key markets.

Argentina's competitiveness in beef remains subdued due to continued hyperinflation and dry conditions. However, removal of beef export restrictions led to record export levels in the first quarter of 2024. The majority of Argentina's beef is exported to China, adding to the increased competition in this key market.

## Key developments in quota markets

### The US

The US became New Zealand's biggest beef market in 2023/24 due to strong demand and an improved economy. The cattle herd in the US is currently at its lowest level in over 70 years with herd rebuilding slow to start as more droughts occurred over the summer months (June-September).

The US imported more beef to offset reduced domestic production. For example, the 'Other Countries' WTO quota was used almost entirely by Brazil in the first few months of the quota period (early 2024). As a result, some of our main competitors in the market have faced an out-of-quota-rate of up to 26.4 percent. The effects of drought and lower beef supply have flowed into Canada too with demand for imported beef being strong in this market as well.

### The UK

Exports to the UK rebounded from the lows experienced in 2022/23. Lower British lamb supply provided opportunities for New Zealand (and Australia) to export more to this market. The UK's breeding flock continued to fall. In December 2023, the flock was 4.3 percent lower than a year earlier. Fewer ewe replacements due to higher than usual lamb prices and a lower flock size indicate there may be more demand for imported lamb in the future.

The UK-New Zealand Free Trade Agreement entered into force on 31 May 2023 and provided valuable new access for beef due to the high out-of-quota rates on the existing beef quota. The improved market access settings led to an increase of New Zealand's beef exports into the market, but from very low levels. Quota utilisation is expected to increase as exporters form stronger commercial relationships with UK importers.



## Northern Ireland

In 2023/24, the UK and the European Union (EU) agreed on a mechanism to finally allow for the use of U.K. quotas when directly exporting to Northern Ireland from outside the UK and the EU. The solution covers all of New Zealand's WTO and UK FTA quotas.

Access to Northern Ireland under UK quotas will be limited to a pre-determined volume from the parent quota. The Northern Ireland quota sub-pot volumes will be administered by UK authorities and reflect existing settings e.g., quota periods and import licensing systems. It will be the responsibility of Northern Ireland importers to meet the conditions of access.

Beef + Lamb New Zealand, the Meat Industry Association and the NZMB are working with the New Zealand Government to ensure that the new mechanism is implemented in such a way that safeguards our preferential market access into both Northern Ireland and Great Britain.

## European Union

Inflation in key EU markets is largely under control, taking the pressure off consumers and driving demand for red meat. Lamb exports into the EU were strong in the 2023/24 due to recovery of the foodservice and tourism sectors. Additionally, EU sheepmeat production fell by 4.9 percent over this period, partly due to animal disease outbreaks.

The EU-New Zealand FTA entered into force on 1 May 2024, which led to an immediate increase in beef exports to the EU (albeit from a very small volume). Before the FTA, New Zealand's access to the EU for beef was very minimal with only a small WTO quota and very high out-of-quota tariffs. Disappointingly, the FTA only provides for a slight improvement to these market access settings.

The new FTA quota for beef starts at 3,333 tonnes steadily increasing to 10,000 tonnes after seven years. As this quota is calculated on a carcass weight equivalent (CWE) basis, and 99 percent of New Zealand's beef exports to the EU are in boneless form, the actual useable quota volume on a product weight basis is even smaller - around 2,570 tonnes upon entry into force rising to around 7,715 tonnes after seven years.

The in-quota tariff rate is set at 7.5 percent. The in-quota tariff rate for the WTO beef quota (1,102 tonnes) decreased under the FTA from 20 to 7.5 percent. Both quotas require EU importers to obtain an import licence from EU Member States' Competent Authorities. Under the FTA, the EU has agreed that these import licences will be issued on demand and without delay.

The EU FTA was an opportunity to provide commercially meaningful access to an important market for high value products, and meet the European demand for sustainably produced, high-quality, and safe red meat without providing any threat to domestic producers. However, the limited beef quota does not allow New Zealand exporters to make the most out of this opportunity. The FTA quota volume represents less than two percent of New Zealand's annual beef exports and approximately 0.2 percent of domestic EU production. The red meat sector will look to future upgrades of the FTA to resolve the market access shortfalls.

The red meat sector will also seek to use the FTA to facilitate the prevention and removal of non-tariff barriers. These barriers effectively act as unnecessary pre-border and post-border red tape that impedes the flow of goods and services between markets. New non-tariff barriers relating to sustainability issues, include the EU Deforestation Free Supply Chain Regulation. The New Zealand Government, along with B+LNZ and the Meat Industry Association, monitors these developments and works to ensure they are implemented in a way that causes minimal disruption to trade.

## UAE CEPA

On 26 September 2024, the Government announced the conclusion of the Comprehensive Economic Partnership Agreement between New Zealand and the UAE.

The market access outcomes for frozen beef and sheepmeat from New Zealand were positive - with all exports able to enter tariff-free from entry into force. Chilled products are already tariff-free. The UAE is currently New Zealand's 21st largest market worth \$47 million in export earnings with potential to grow.



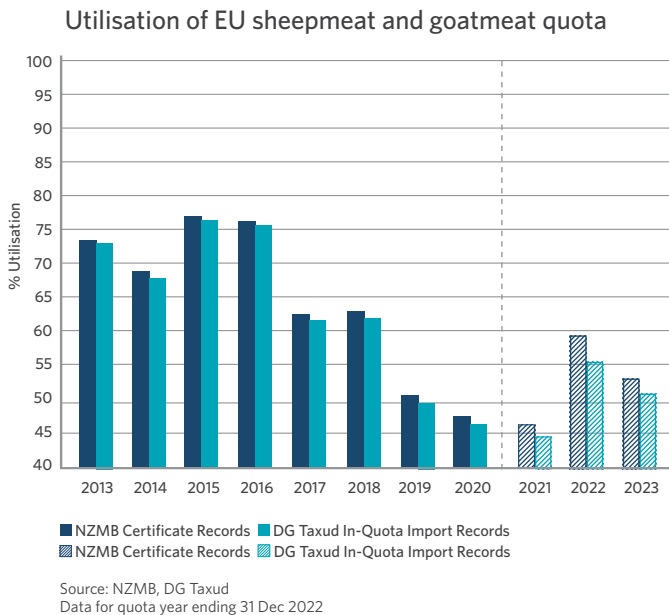
# QUOTA MANAGEMENT

## EU Sheepmeat & Goatmeat Tariff Rate Quota (TRQ)

For the quota year ending 31 December 2023, New Zealand recorded exports of 67,061.6 tonnes (carcase weight equivalent) of sheepmeat and goatmeat under the quota. The quota allows a maximum of 125,769 tonnes (c.w.e.). There were 3,799 EU quota certificates issued between New Zealand and Belgium offices.

The tariff rate quota volume increased to 125,769 tonnes (c.w.e.) for the EU Sheepmeat & Goatmeat TRQ in the quota year ending 31 Dec 2023. This was amended by negotiation between NZ and EU officials under Article XXVIII of the GATT Agreement.

This represented 53.3% utilisation of the TRQ according to New Zealand Meat Board certificate records, while European Commission Taxation and Customs Union recorded in-quota imports of 52.2%. This variation is due to a small amount of quota certificates not being drawn against by companies for various reasons.



NB: UK exited EU on 1 January 2021 resulting in quota apportionment between EU27 114,184 tonnes (cwe); and UK 114,205 tonnes (cwe)

Table 1: Comparison of utilisation of 2023 EU sheepmeat and goatmeat quotas

	Quota Volume tonnes (c.w.e.)	Quota Used tonnes (c.w.e.)	Utilisation %
New Zealand	125,769	65,680.0	52.2%
Argentina	19,090	806.4	4.2%
Australia	5,851	5,054.5	86.4%
Chile	8,628	1,192.7	13.8%
Uruguay	4,759	537.5	11.3%

Source: DG Taxud  
Data for quota year ending 31 Dec 2023

## USA Beef & Veal Tariff Rate Quota (TRQ)

The USA Beef and Veal Tariff Rate Quota for the year ending 31 December 2023 was 213,402 tonnes (product weight).

New Zealand Meat Board certificates show 83.6% of that quota was utilised and the US Customs and Border Protection recorded in-quota imports at 77.8% utilisation.

There were 11,209 USA quota certificates issued in Wellington, New Zealand and they covered 178,328.5 tonnes by product weight.

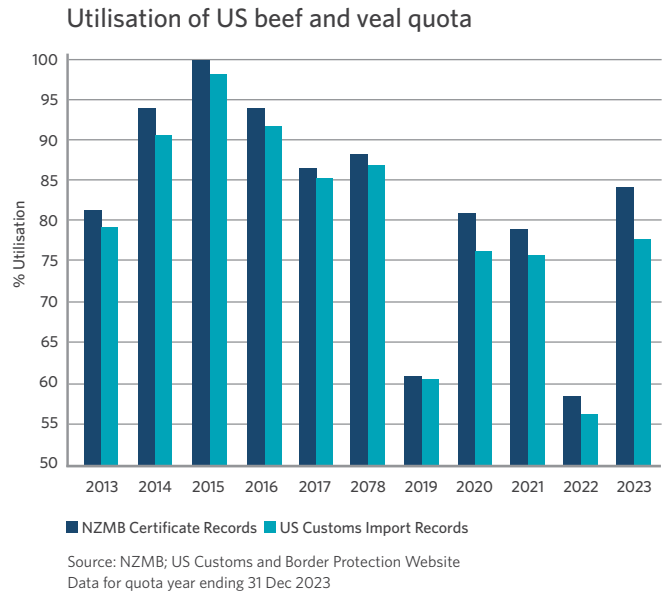


Table 2: Comparison of utilisation of 2023 US beef and veal quotas

	Quota Volume (tonnes)	Quota Used (tonnes)	Utilisation %
New Zealand	213,402	166,034.2	77.8%
Argentina	20,000	19,087.4	95.4%
Australia	378,214	210,568.9	55.7%
Uruguay	20,000	19,144.7	95.7%
Other	64,805	65,005.1	100.3%

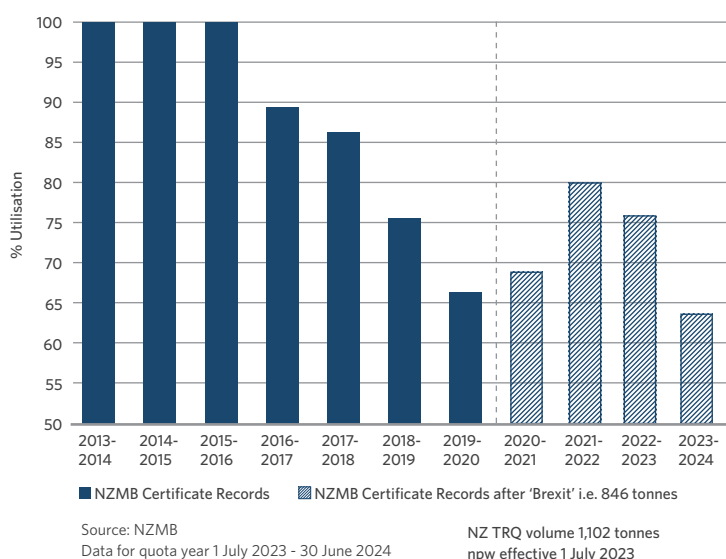
Source: US Customs and Border Protection Website  
Data for quota year ending 31 Dec 2023

### EU High-Quality Beef Tariff Rate Quota (TRQ)

New Zealand now has quota rights to 1,102 tonnes by product weight of high quality beef into the EU27 each quota year. In the quota year to 30 June 2024 63.4% of that quota was utilised and that represented 698.7 tonnes of high quality beef, by product weight.

This quota volume was increased from 846 tonnes (pw) to 1,102 tonnes (pw) effective 1 July 2023 and was applied due to Article XXVIII of the GATT Agreement amendments agreed between NZ and EU officials.

Utilisation of EU high-quality beef quota

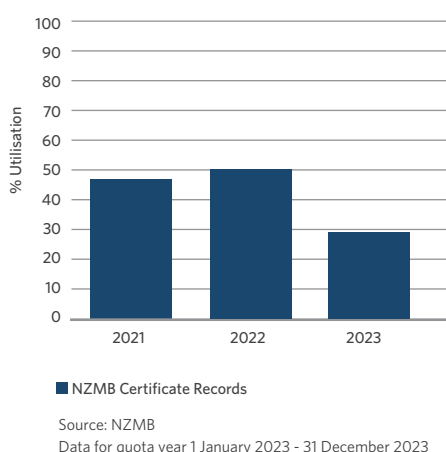


### UK Sheepmeat & Goatmeat Tariff Rate Quota (TRQ)

In the quota year ending 31 December 2023 New Zealand Meat Board certificates show 28.3% of that quota was utilised. This represented 32,319.1 tonnes (carcase weight equivalent) from 1,793 quota certificate records.

An adjustment of the TRQ volume under Article XXVIII of the GATT Agreement will apply from the quota year commencing 1 January 2024. The new volume for sheepmeat and goatmeat exports to UK will be 102,620 tonnes (c.w.e.).

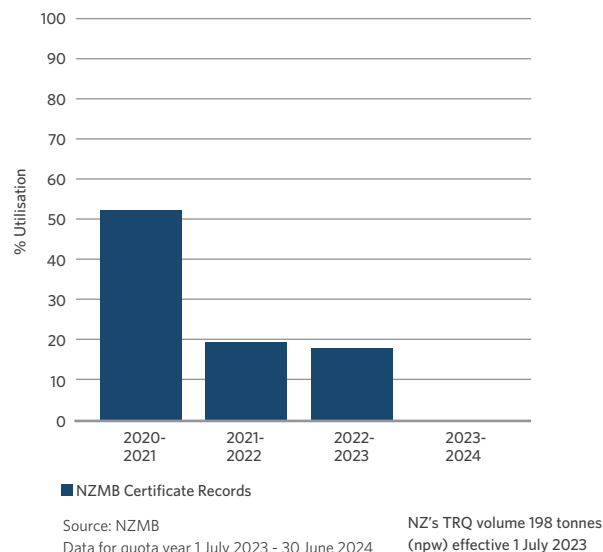
Utilisation of UK sheepmeat and goatmeat quota



### UK High-Quality Beef Tariff Rate Quota (TRQ)

An independent High Quality Beef Tariff Rate Quota for the UK was created when the UK exited the EU on 31 December 2020 allowing access of 454 tonnes (product weight) for New Zealand into the UK. This was reduced to 198 tonnes (product weight) in the quota year commencing 1 July 2023. While allocated for access no exports under this quota were made in the 2023-2024 quota year.

Utilisation of UK high-quality beef quota



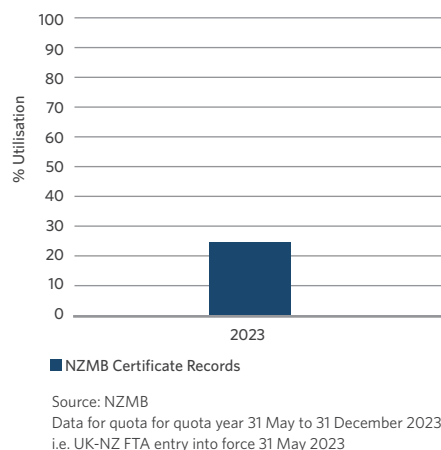
### UK Free Trade Agreement Beef (TRQ)

NZ and UK agreed a Free Trade Agreement (FTA) which entered into force on 31 May 2023 with access for beef exports totalling 7,068.4 tonnes (product weight) at 0% in-quota tariff.

New Zealand Meat Board certificates show 24% of that quota was utilised covering 1,701.5 tonnes (product weight) for the quota year ending 31 December 2023. 106 paperless certificates were issued covering these beef exports.

This UK FTA Beef will incrementally increase each quota year.

Utilisation of UK FTA beef quota





## GOVERNANCE STATEMENT

The Board has responsibility for the strategic direction of the NZMB and approving business strategy and objectives, monitoring performance of the Chief Executive Officer and service provision from B+LNZ.

The NZMB Board has adopted a Board Charter which sets out the responsibilities of the board, the delegations to management and a Board review of performance.

The Board comprises six producer directors, two industry directors and two Government appointed directors. Producer and industry directors are appointed to the NZMB Board by virtue of their Beef + Lamb New Zealand Ltd (B+LNZ) directorships.

The Board meets six times per annum with extra meetings if required.

The Board has one Committee shared with B+LNZ. **The Audit & Risk Committee** assists the Board with its governance responsibilities for financial reporting and external audit. The full NZMB Board oversees NZMB risk.

The Audit & Risk Committee comprises A Guilleux (Chair from April 2024), P Crawshaw, Geoffrey Young, David Walker (from May 2024), Martin Coup (Chair until March 2024), Bayden Barber (B+LNZ director only until June 2024) and Sarah Paterson (until May 2024).

	Board Meeting	Audit & Risk Committee
Number of Meetings	6	4
K Acland	6	
M Coup	2	2
P Conley	6	
P Crawshaw	6	4
S Gower	6	
A Guilleux	6	4
N Hyslop	6	
S Paterson*	5	3
G Young	4	4
D Walker	6	2
P Weir	4	

\*An additional meeting was as an observer as reappointment had not been confirmed

# BOARD OF DIRECTORS

As at 30 September 2024



**KATE ACLAND**  
CHAIR  
Northern South Island  
Farmer Director

Served since: 2014  
Term expires: 2027



**PHILLIP WEIR**  
Northern North Island  
Farmer Director

Served since: 2024  
Term expires: 2027



**PATRICK CRAWSHAW**  
Eastern North Island  
Farmer Director

Served since: 2023  
Term expires: 2026



**SCOTT GOWER**  
Western North Island  
Farmer Director

Served since: 2019  
Term expires: 2025



**NICKY HYSLOP**  
Central South Island  
Farmer Director

Served since: 2019  
Term expires: 2025



**ACTING CHIEF EXECUTIVE**  
**NICK BEEBY**



**GEOFFREY YOUNG**  
Southern South Island  
Farmer Director

Served since: 2023  
Term expires: 2026



**PETER CONLEY**  
Processor-Exporter Appointee

Served since: 2023  
Term expires: 2026



**ALEX GUILLEUX**  
Processor-Exporter Appointee

Served since: 2021  
Term expires: 2025



**DAVID WALKER**  
Government Appointee

Served since: 2022  
Term expires: 2025



**SARAH PATERSON**  
Government Appointee

Served since: 2018  
Term expires: 2027



# STATEMENT OF SERVICE PERFORMANCE

As at 30 September 2024

## About the New Zealand Meat Board

The New Zealand Meat Board (NZMB) is a statutory body governed by the Meat Board Act 2004. It has two objectives:

- to facilitate capturing the best possible ongoing returns from quota markets for New Zealand and its meat industry, and
- to manage the Board's reserves and other assets in the interests of livestock farmers.

To measure performance against these objectives, the NZMB looks at how it performs in three key areas:

- Quota market administration, including operating quota management systems and monitoring markets
- Reserves management in the interests of livestock farmers.
- Accountability to livestock farmers.

## Quota Market Administration

The quota management systems for New Zealand's meat industry must aspire to not only meet the requirements of the Act, fulfil New Zealand's international treaty obligations related to market access, and adhere to importing country regulations but also to:

- Operate with efficiency and effectiveness.
- Deliver credible, precise, and reliable allocation and certification systems and processes.
- Proactively monitor and swiftly respond to regulatory developments in the quota markets to safeguard New Zealand's interests.

### Quota market administration performance measures for the year ended 30 September

Measure	2024	2023	Comment
Issue quota certificates within a 24 hour working day period on receipt of complete and validated requests. The target turnaround is 95%.	96.3%	95.7%	Adoption of paperless certification has been extended to UK WTO quotas further enhancing efficiencies and service delivery improvement. This leaves all EU WTO and FTA quotas as paper based outputs pending EU regulatory change.  <i>NB: Reporting is for a full quota year ending 31 December for all quotas except High Quality Beef which are 30 June year end quotas.</i>
Monitor availability of market access resulting from actions under NZMB quota administration control.  The markets monitored are:	<b>All markets open</b>	<b>All markets open</b>	Monitoring results use the following definitions: <b>Open: No impairment to trade</b> <b>Minor Issues: Intervention required to ensure on going access.</b> <b>Access impaired: Market has been closed.</b>
EU WTO Sheepmeat & Goatmeat	Open	Open	The NZMB target is to have no quota market access issues created by the Board's administration function.
EU WTO High-Quality Beef	Open	Open	
UK WTO Sheepmeat & Goatmeat	Open	Open	<i>Note: There are access issues for NZ quota product into Northern Ireland under the NZ's UK tariff quotas due to the Northern Irish Protocol/Windsor Framework obligations (customs arrangements between EU and UK under Brexit) which are outside the control of the NZMB.</i>
UK WTO High-Quality Beef	Open	Open	
US Beef & Veal	Open	Open	
UK FTA Beef	Open	Open*	*Open from 31 May 2023 on entry into force of UK-NZ Free Trade Agreement
EU FTA Beef	Open**	NA	** Open from 1 May 2024 on entry into force of EU-NZ Free Trade Agreement
UK FTA Sheepmeat & Goatmeat (chilled/fresh)			
UK FTA Sheepmeat & Goatmeat (frozen)			

## Reserves Management

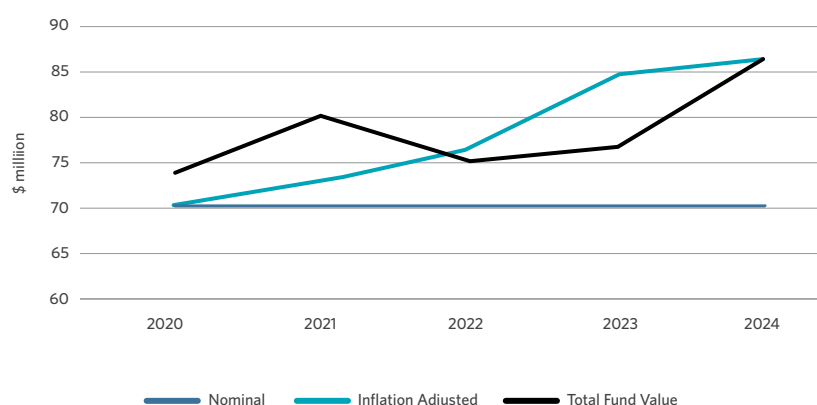
The NZMB takes pride in its stewardship of \$88.6 million in reserves on behalf of livestock farmers. Our role is to:

- Oversee the allocation of funds to ensure the meat industry's agile response to substantial industry crises.
- Commit to the maintenance of a prudent level of net assets to ensure the stability of quota markets and preserve the integrity of quota management systems.
- Support initiatives that drive excellence and prosperity across the industry.

The Board's investment objectives are:

- safeguard and enhance the real value of its investments.
- realise the full potential of investment returns while maintaining a steadfast commitment to prudent and calculated risk management.

Fund valuation over the past four years is shown in the table below, with the Inflation adjusted value being the target



The 12.6% annual return after fees tax and inflation and the retention of \$1.2 million of interest and dividend income has increased the fund value to \$86.6 million. This brings the fund into line with the inflation adjusted value of the \$70 million invested.

### Reserves Management performance measures for the year ended 30 September

Measure	2024	2023	Comment
A 4.0 % (2023: 3.3%) annual return on fund invested after fees, tax and inflation.	12.6%	Minus 1.2%	The 12.6 % return (2023: minus 1.2%) comprised the Fund return of 14.7% (2023: 4.4%) less inflation to 30 September 2.2% (2023: 5.6%).  The target annual return was increased to 4.0% when the SIPO was approved in the 2024 financial year. The increase in the fund performance was driven by a transition to growth expectations in the USA markets with buoyed equity markets especially in technology holdings.
Investment income provided for industry good activity.	\$700K funding for Informing New Zealand Beef Programme	\$1.4m funding for Beef + Lamb Genetics Informing New Zealand Beef Programme	The target funding for industry good activity for 2024 was \$1.7 million (2023: \$1.4 million) \$1.4 million based on interest and dividend projections for the year. The Board during the year capped funding at \$1.5 million to allow surplus investment earnings to be retained.
Target \$1.7 million	\$550K funding for the facial eczema programme		The Informing NZ Beef funding was on target, the Facial Eczema programme contract signing with MPI was delayed which in turn delayed the programme.



## Livestock Farmer Accountability

The NZMB manages reserves on behalf of livestock farmers.

The NZMB's primary channels for engaging farmers is through consultation on industry good funding and reserves policy and through its annual meeting process. In 2024, these were promoted to 14,277 (2023 14,950) farmers by mail and e-diary notices jointly with Beef + Lamb New Zealand (B+LNZ) in conjunction with B+LNZ director elections.

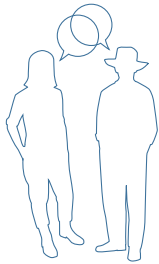
The NZMB is continually seeking improved engagement with livestock farmers and in 2023 reverted to a physical mailout to lift engagement. The target for engagement is to achieve 20 percent (3,000 farmers) a level being achieved by Beef + Lamb New Zealand through its annual meeting activity.



## Farmer engagement performance measures for the Year ended 30 September

### Measure

**Farmers consulted on industry good funding** - Target 3,000 farmers



**2024**  
141 responses



**2023**  
626 responses

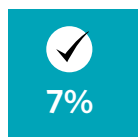
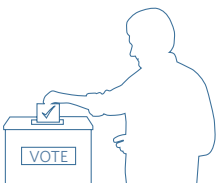
### Comment

- 69% (2023 68%) of responses supported funding the Informing NZ Beef programme
- 75% of responses supported funding the Eliminating the Impact of Facial Eczema
- 57% supported amending the Reserves Policy

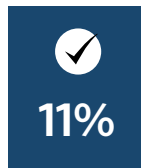
Eliminating the Impact of Facial Eczema and Reserves Policy are new questions for 2024.

### Measure

**Farmers participate in annual meeting target 20% of registered farmers**



**2024**  
1,029 farmers who voted  
(7% of registered farmers)



**2023**  
1,615 farmers who voted.  
(11% of registered farmers)

### Comment

Farmer engagement with the NZMB annual meeting process continues to be challenging.

# FINANCIAL STATEMENTS

## Statement of Comprehensive Revenue and Expense

For the year ended 30 September 2024

In thousands of New Zealand dollars	Note	2024	2023
Exchange Revenue			
Investment Income	4	2,768	2,507
Quota Revenue	4	1,622	1,521
Other Income	4	90	84
Other operating expenses	5	(3,908)	(3,784)
<b>Net operating (deficit) / surplus from operating activities</b>		<b>572</b>	<b>328</b>
<b>Net finance income</b>	<b>6</b>	<b>8,821</b>	<b>1,313</b>
<b>Surplus / (deficit) before income tax</b>		<b>9,393</b>	<b>1,641</b>
Taxation expense	7	149	157
<b>Surplus / (deficit) for the year</b>		<b>9,244</b>	<b>1,484</b>
<b>Total comprehensive income for the year</b>		<b>9,244</b>	<b>1,484</b>
Attributable to:			
Reserves Management		842	392
Quota Management		(419)	(221)
Investment Fluctuation Reserve		8,821	1,313
<b>Total comprehensive income for the year</b>		<b>9,244</b>	<b>1,484</b>

These statements are to be read in conjunction with the accounting policies and notes on pages 26 to 39.



## Statement of Changes in Equity

For the year ended 30 September 2024

### Retained Earnings

	Note	General Reserve	Quota	Contingency Fund	Quota Jeopardy Fund	Investment Fluctuation Reserve	Total Equity
In thousands of New Zealand dollars							
Balance at 01 October 2023		19,564	(505)	66,285	3,114	(9,136)	79,322
Surplus / (Deficit) for the year		842	(419)	-	-	8,821	9,244
Capital maintenance adjustment		283	-	1,459	73	(1,815)	-
Total comprehensive income for the year		1,125	(419)	1,459	73	7,006	9,244
Transactions with owners, recorded directly in equity	10	(42)	-	-	42	-	-
<b>Balance at 30 September 2024</b>		<b>20,647</b>	<b>(924)</b>	<b>67,744</b>	<b>3,229</b>	<b>(2,130)</b>	<b>88,566</b>

## Statement of Changes in Equity

For the year ended 30 September 2023

### Retained Earnings

	Note	General Reserve	Quota	Contingency Fund	Quota Jeopardy Fund	Investment Fluctuation Reserve	Total Equity
In thousands of New Zealand dollars							
Balance at 01 October 2022		18,385	(284)	62,770	3,040	(6,073)	77,838
Surplus / (Deficit) for the year		392	(221)	-	-	1,313	1,484
Capital maintenance adjustment		685	-	3,515	176	(4,376)	-
Total comprehensive income for the year		1,077	(221)	3,515	176	(3,063)	1,484
Transactions with owners, recorded directly in equity	11	102	-	-	(102)	-	-
<b>Balance at 30 September 2023</b>		<b>19,564</b>	<b>(505)</b>	<b>66,285</b>	<b>3,114</b>	<b>(9,136)</b>	<b>79,322</b>

These statements are to be read in conjunction with the accounting policies and notes on pages 26 to 39.

## Statement of Financial Position

As at 30 September 2024

In thousands of New Zealand dollars	Note	2024	2023
<b>TOTAL EQUITY EMPLOYED</b>	11	88,566	79,322
<b>Represented by:</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,505	1,340
Trade and other receivables		214	290
Term Deposits	8	1,000	1,350
Jarden - Managed Investment Portfolio	9	5,397	7,270
<b>Total Current Assets</b>		<b>8,116</b>	<b>10,250</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		1	13
Intangible assets		163	147
Jarden - Managed Investment Portfolio	9	81,243	69,683
<b>Total Non-Current Assets</b>		<b>81,407</b>	<b>69,843</b>
<b>TOTAL ASSETS</b>		<b>89,523</b>	<b>80,093</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		836	632
Deferred Income		121	139
<b>Total Current Liabilities</b>		<b>957</b>	<b>771</b>
<b>TOTAL LIABILITIES</b>		<b>957</b>	<b>771</b>
<b>NET ASSETS</b>		<b>88,566</b>	<b>79,322</b>



K Acland  
Chair



A Guilleux  
Chair Audit & Risk Committee

The Board of Directors authorised these financial statements for issue on 3 December 2024.  
These statements are to be read in conjunction with the accounting policies and notes on pages 26 to 39.

## Statement of Cash Flows

For the year ended 30 September 2024

In thousands of New Zealand dollars	2024	2023
<b>OPERATING ACTIVITIES</b>		
<b>Cash was received from:</b>		
Receipts from Customers	1,733	1,552
Investment Income Received	2,543	2,322
Interest Received	200	123
Net GST received	49	-
	<b>4,525</b>	<b>3,997</b>
<b>Cash was applied to:</b>		
Payments to Suppliers, Employees and Statutory Expenses	2,022	2,038
Industry Grant Funding to Beef + Lamb New Zealand Ltd	1,360	1,320
Net GST paid	(49)	42
Taxation Paid	-	157
	<b>3,531</b>	<b>3,557</b>
<b>Net cash flows from operating activities</b>	<b>994</b>	<b>440</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash was received from:</b>		
Maturity of Investments	2,550	2,500
	<b>2,550</b>	<b>2,500</b>
<b>Cash was applied to:</b>		
Reinvestment of Jarden Fund	1,071	302
Purchase of fixed assets	-	1
Purchase of intangibles	108	102
Purchase of Investments	2,200	2,850
	<b>3,379</b>	<b>3,255</b>
<b>Net cash flows from investing activities</b>	<b>(829)</b>	<b>(755)</b>
Net increase / (decrease) in cash held	165	(315)
Add: Opening cash and cash equivalents	1,340	1,655
<b>Closing cash and cash equivalents</b>	<b>1,505</b>	<b>1,340</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Bank balances	179	373
Jarden Working Capital Account	1,326	967
	<b>1,505</b>	<b>1,340</b>

These statements are to be read in conjunction with the accounting policies and notes on pages 26 to 39.



# NOTES TO THE FINANCIAL STATEMENTS

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## 1. Reporting Entity

The financial statements are for the New Zealand Meat Board. The New Zealand Meat Board is a statutory body that operates under the Meat Board Act 2004. The objective of the New Zealand Meat Board is to facilitate the capture of, for New Zealand and in the interests of the meat industry, the best possible ongoing returns available from quota markets and to manage the Board's reserves and other assets in the interests of livestock farmers (persons engaged in New Zealand in the business of farming sheep, cattle and goats for the purpose of producing meat).

The Board is designated as a public benefit entity for financial reporting purposes.

## 2. Basis of Preparation

### (a) Statutory base

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013 and the Meat Board Act 2004.

### (b) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity Accounting Standards as appropriate for Tier 2 not-for profit public benefit entities.

They were authorised for issue by the Board of Directors on 3 December 2024.

### (c) Basis of measurement

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial report has also been prepared on a historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value.
- The methods used to measure fair values are disclosed in note 10.

### (d) Going concern

New Zealand Meat Board is a going concern and the financial statements are prepared on that basis.

### (e) Critical accounting estimates

The entity has not applied any critical accounting estimates or judgements in the preparation of the financial statements. The Jarden Managed Investment Portfolio is monitored, and fair values reported by FNZ, the custodian of the Investment Portfolio.

### (f) Foreign currency

#### *(i) Functional and presentation currency*

The financial statements are presented in New Zealand dollars, which is the Board's functional and presentation currency.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### (g) Changes in Accounting Policies

There have been no changes in accounting policies.

## 3. Statement of Reserves Management and Quota Performance

The NZMB has a statutory role for two specific functions reserves management and quota management. The financial results for these two activities are reported here.

For the year ended 30 September 2024

In thousands of New Zealand dollars	2024			2023		
	Reserve Management	Quota Management	Total	Reserve Management	Quota Management	Total
Revenue - Investment Income	2,765	3	2,768	2,505	2	2,507
Revenue - Quota Management Recoveries	-	1,622	1,622	-	1,521	1,521
Revenue - Service Recoveries	-	90	90	-	84	84
Other operating expenses	(1,775)	(2,133)	(3,908)	(1,955)	(1,829)	(3,784)
Capital grant expense	-	-	-	-	-	-
Net operating surplus / (deficit) from operating activities	990	(418)	572	550	(222)	328
Net finance income	8,821	-	8,821	1,313	-	1,313
Surplus / (Deficit) before income tax	9,811	(418)	9,393	1,863	(222)	1,641
Income tax expense	149	-	149	157	-	157
Surplus / (Deficit) for the year	9,662	(418)	9,244	1,706	(222)	1,484

## 4. Revenue

Revenue is recognised as follows:

### Revenue from exchange transactions

#### (i) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered.

Quota fee revenue is received from meat exporters in exchange for Quota allocation (in accordance with the Quota Allowance Allocation System) and certificates issued.

#### (ii) Investment income

Interest income on held to maturity deposits is recognised on a time-proportion basis using the effective interest method.

Interest income on cash and cash equivalents is earned on cash balances and term deposits with an original maturity of three months or less.

Dividends received are recognised when they are received into the cash account from the Jarden Managed Investment Portfolio.



## Revenue

For the year ended 30 September 2024

In thousands of New Zealand dollars	2024	2023
<b>Exchange Revenue</b>		
Interest Income on Held-to-Maturity investments	73	70
Interest Income on Cash and Cash Equivalents	126	66
Dividends and Interest received from Jarden - Managed Investment Portfolio	2,569	2,371
Quota Management Recoveries	1,622	1,521
Other Income	90	84
<b>Total Exchange Revenue</b>	<b>4,480</b>	<b>4,112</b>

In thousands of New Zealand dollars	2024	2023
<b>Other Income</b>		
Service fee recoveries	33	43
Courier certificate recoveries	29	15
Production history recoveries	28	26
<b>Total Other Income</b>	<b>90</b>	<b>84</b>

## 5. Other Operating Expenses

The following items of expenditure are included in operating expenses:

In thousands of New Zealand dollars	2024	2023
Audit Fees		
<i>Auditor remuneration to KPMG comprises:</i>		
Audit of financials statements	29	27
<b>Total auditor's remuneration</b>	<b>29</b>	<b>27</b>
Depreciation	12	3
Software amortisation	92	80
Rental expense relating to operating leases	49	54
Directors fees	182	181
Insurance	81	71
Service Fees paid to B+LNZ	935	934
IT Support	259	135
Other Operating Expenses - NZ	112	81
Other Operating Expenses - Overseas	62	56
Fees (Legal, Consultancy, Investment Manager)	447	494
Wages, Salaries and allowances	398	268
Operating Grant funding to Beef + Lamb New Zealand for:		
Industry good funding - Informing NZ Beef	700	1,400
Industry good funding - Facial Eczema	550	
	<b>3,908</b>	<b>3,784</b>

## 6. Finance Income and Expense

Finance income and expense comprises changes in the fair value of financial assets at fair value through the Statement of Comprehensive Revenue and Expense.

In thousands of New Zealand dollars	2024	2023
Gain on investments - Jarden Managed Investment Fund	8,821	1,313
<b>Finance Income</b>	<b>8,821</b>	<b>1,313</b>
<b>Finance Expense</b>	<b>-</b>	<b>-</b>
<b>Net finance income / (expense)</b>	<b>8,821</b>	<b>1,313</b>

## 7. Income Tax Expense

Unrecognised tax losses of \$73.0 million (2023: \$72.2 million) are available to the consolidated tax group (which includes the New Zealand Meat Board and Beef + Lamb New Zealand Limited), subject to assessment of the current year losses by the Inland Revenue Department. There has been no recognition of a deferred tax asset as future taxable profits with which to offset the tax losses is not deemed probable.

Taxation has been deducted at source for foreign currency investments and not all the tax deducted will be refundable.

## 8. Term Deposits

Term deposits classified as held to maturity and measured at amortised cost.

In thousands of New Zealand dollars	2024	2023
Current	1,000	1,350
	1,000	1,350

Funds held in the working capital account are invested in current term deposits.

## 9. Investment Portfolio

### Jarden – Managed Investment Portfolio

The Statement of Investment Policy and Objectives (SIPO) has been reviewed during the year by the Board. The required rate of return on the investment fund after fees, tax and inflation was increased to 4.0 % up from 3.3% in 2023.

The SIPO provides the policy framework that allowed the Board to effectively establish, implement, monitor and evaluate the investment portfolio activities.

The SIPO defines the Board's

- objectives, risk tolerance and strategic asset allocation
- duties and responsibilities
- investment parameters and guidelines
- risk management procedures
- investment performance objectives

The SIPO is to be reviewed at least three yearly or as required to ensure it reflects best practice.

The detailed SIPO can be read on the website [www.nzmeatboard.org/reserves/investment-policy](http://www.nzmeatboard.org/reserves/investment-policy)

### Objectives

The Board's primary investment objectives are:

- To protect and maintain the real value of the current investment assets and all future additions to investment assets.
- To maximise investment returns within reasonable and prudent levels of risk.
- To ensure all investments are liquid.
- To maintain an appropriate asset allocation in order to make distributions as required while preserving the real value of the Meat Board's capital from the effects of inflation.

### Investment Beliefs

The Board's approach to investing is framed by a set of clearly defined over-arching beliefs that drive investment decisions. The Board's investment philosophies are as follows:

- Strong governance and well-defined investment decision making structures enable appropriate investment decisions to be made.
- Setting a Strategic Asset Allocation that is appropriate to the objectives and risk tolerance is the primary determinant of long-term success.
- A broadly diversified portfolio, both across and within asset classes, improves the risk and expected return characteristics of the portfolio.
- The Board seeks to minimise overall investment costs.

### Investment Advisor

The Board appointed Cambridge Partners as its independent Investment Advisor who advised on the development and reviews of the SIPO and the selection of a fund manager. Cambridge Partners provide an independent overview of the quarterly portfolio compliance reporting from Jarden.

### Investment Manager

Jarden is Investment Fund Manager having been appointed at inception in 2018.



## Jarden Managed Investment Portfolio

In thousands of New Zealand dollars	2024	2023
<b>Opening Portfolio Value</b>	76,953	75,529
Capital Out	(1,323)	(1,864)
<b>Capital Changes to Investments</b>		
Realised Capital Gain / (loss)	1,039	(246)
Unrealised Gain / (loss)	7,781	1,560
Accrued Interest	25	49
<b>Income</b>		
Interest	1,160	991
Dividends	1,383	1,332
<b>Less Costs</b>		
Tax	(149)	(157)
Management Fees	(229)	(241)
<b>Total Costs</b>	<b>(378)</b>	<b>(398)</b>
<b>Net Income</b>	<b>2,165</b>	<b>1,925</b>
<b>Net Gain / (loss) for the year</b>	<b>11,010</b>	<b>3,288</b>
<b>Closing Portfolio Value</b>	<b>86,640</b>	<b>76,953</b>
Gross Portfolio return for period	14.71%	4.61%
Net Portfolio Return after fees and taxes p.a	14.50%	4.40%
Expected return (after fees, tax and inflation)	4.00%	3.30%
Annual inflation to 30 September	2.20%	5.60%

Asset Allocation as at 30 September 2024	2024	2023
<b>Current Investments</b>		
NZ Cash and Cash Equivalents	908	1,212
NZ Fixed Interest	4,489	6,058
<b>Total Current</b>	<b>5,397</b>	<b>7,270</b>
<b>Non Current Investments</b>		
NZ Fixed Interest	27,407	22,662
NZ Property	928	887
NZ Equities	5,932	5,364
Australian Equities	7,659	6,374
Global Fixed Interest	10,305	8,917
Global Equities	29,012	25,479
<b>Total Non Current</b>	<b>81,243</b>	<b>69,683</b>
<b>Closing Portfolio Value</b>	<b>86,640</b>	<b>76,953</b>

Cash and Cash equivalents comprises cash and call balances and term deposits with an original maturity of three months or less.

Current Fixed Interest comprises fixed interest investments with an original maturity greater than three months and less than one year. Non-Current Investments comprises of investments with a maturity greater than one year.

## 10. Financial Instruments

The Board's policies do not allow any transactions that are speculative in nature to be transacted. The investment portfolio is managed by Jarden directed by the Statement of Investment Policies and Objectives.

### (a) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Board, causing the Board to incur a loss. The Board is exposed to credit risk through its investments and its trade receivables.

#### *(i) Investments – NZ Fixed Interest*

The Board's primary objective is the protection of its investment, and this is specifically referenced in the SIPO. Creditworthy counterparties (other than government) are selected on the basis of their current Standard & Poor's rating, which must be Investment Grade (BBB or better). Credit risk is further minimised by placing maximum issuer and portfolio limits.

### (b) Interest Rate and Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations associated with financial liabilities.

Within the SIPO, the New Zealand Meat Board also seeks to:

- ensure that investments are negotiable and liquid;
- maximise investment return; and
- manage potential capital losses if investments need to be liquidated before maturity.

Investments have been categorised as non-current for fixed-interest maturity dates that are beyond twelve months and equity and managed fund investments. All non-current investments are in investments that have a ready market to liquidate if required.

### (c) Market risk

#### *i. Foreign exchange risk*

The foreign currency denominated investments in the investment fund managed by Jarden is unhedged. Due to the likelihood of a contingency event coinciding with a negative currency event, it is the policy of the Board to invest funds in international equities and international fixed interest to retain purchasing power in offshore markets. The rationale to be unhedged is that if a contingent event occurred the NZD would depreciate and this would increase the value of the international portfolio in New Zealand dollars.

#### *ii. Equity market risk*

Equity market risk of \$42.602 million (2023: \$37.217 million) is held in equity securities which is subject to market movement. The portfolio includes domestic, global and Australian equities. The Board does not hedge to minimise market risk invested in equities and managed funds.

## (d) Quantitative disclosures

### *i. Foreign currency exchange risk*

The Board's exposure to foreign currency risk is as follows based on notional amounts:

In thousands of New Zealand dollars	USD	AUD
<b>2024</b>		
Jarden - Managed Investment Portfolio	39,705	7,906
Gross balance sheet exposure and net exposure	39,705	7,906
<b>2023</b>		
Jarden - Managed Investment Portfolio	34,397	6,374
Gross balance sheet exposure and net exposure	34,397	6,374

## (e) Classification and fair values

### *(i) Non-derivative financial instruments*

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, term receivables and other investments, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value, plus (for instruments not at fair value through profit or loss) any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

### **(f) Determination of fair values**

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### *(i) Investments in debt securities*

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted exit price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

#### *(ii) Equity investments*

The Jarden Managed Investment Portfolio has been designated as fair value through surplus or deficit as it is managed on a fair value basis and its performance is actively monitored.

This is reported in the unrealised gains and losses.



As at 30 September 2024

In thousands of New Zealand dollars	Other Financial Liabilities	Designated at Fair Value	Held to Maturity	Loans and receivables	Total carrying amount	Fair Value
<b>Assets</b>						
Cash and cash equivalents	-	-	-	1,505	1,505	1,505
Term deposits	-	-	1,000	-	1,000	1,000
Jarden - Managed Investment Portfolio	-	5,397	-	-	5,397	5,397
Trade and other receivables	-	-	-	214	214	214
<b>Total Current Assets</b>	-	<b>5,397</b>	<b>1,000</b>	<b>1,719</b>	<b>8,116</b>	<b>8,116</b>
Jarden - Managed Investment Portfolio	-	81,243	-	-	81,243	81,243
<b>Total Non-current Assets</b>	-	<b>81,243</b>	-	-	<b>81,243</b>	<b>81,243</b>
<b>Total Assets</b>	-	<b>86,640</b>	<b>1,000</b>	<b>1,719</b>	<b>89,359</b>	<b>89,359</b>
<b>Liabilities</b>						
Trade and other payables	836	-	-	-	836	836
<b>Total current liabilities</b>	<b>836</b>	-	-	-	<b>836</b>	<b>836</b>
<b>Total Liabilities</b>	<b>836</b>	-	-	-	<b>836</b>	<b>836</b>

As at 30 September 2023

In thousands of New Zealand dollars	Other Financial Liabilities	Designated at Fair Value	Held to Maturity	Loans and receivables	Total carrying amount	Fair Value
<b>Assets</b>						
Cash and cash equivalents	-	-	-	1,340	1,340	1,340
Term deposits	-	-	1,350	-	1,350	1,350
Jarden - Managed Investment Portfolio	-	7,270	-	-	7,270	7,270
Trade and other receivables	-	-	-	290	290	290
<b>Total Current Assets</b>	-	<b>7,270</b>	<b>1,350</b>	<b>1,630</b>	<b>10,250</b>	<b>10,250</b>
Jarden - Managed Investment Portfolio	-	69,683	-	-	69,683	69,683
<b>Total Non-current Assets</b>	-	<b>69,683</b>	-	-	<b>69,683</b>	<b>69,683</b>
<b>Total Assets</b>	-	<b>76,953</b>	<b>1,350</b>	<b>1,630</b>	<b>79,933</b>	<b>79,933</b>
<b>Liabilities</b>						
Trade and other payables	632	-	-	-	632	632
<b>Total current liabilities</b>	<b>632</b>	-	-	-	<b>632</b>	<b>632</b>
<b>Total Liabilities</b>	<b>632</b>	-	-	-	<b>632</b>	<b>632</b>

## 11. Capital

The New Zealand Meat Board's capital includes reserves and retained earnings.

The Meat Board Act 2004 ('the Act') requires the Board to maintain a prudent level of net assets to avoid jeopardising quota markets and the integrity of quota management systems. The Act also specifies that the Board must maintain, and comply with, a policy on the use of reserves developed in consultation with livestock farmers.

The Board complies with these requirements by maintaining a reserves policy and consulting livestock farmers on that policy at no more than three yearly review cycle. The key components of the reserves are:

- The Contingency Fund of \$67.744 million (2023: \$66.285 million) held to contribute to recovering export markets in the event of a major industry crisis. The contingency fund has been inflation adjusted 2.2% (2023: 5.6%) for the year and this adjustment was \$1.46 million (2023: \$3.52 million).
- The Quota Jeopardy Reserve of \$3.229 million inflation adjusted (2023: \$3.114 million) is held to avoid jeopardy to quota markets and quota system integrity. In the 2024 financial year the board approved to fund up to \$108K of capital projects from this fund to support electronic certification of quota certificates. \$150k was repaid to the fund from general quota reserves for amortisation charges. At 30 September 2024 the net impact on the fund was \$42K (2023 \$102K utilised).
- General Reserves: The remaining reserves representing accumulated surpluses made after reserve expenditure held to generate income for grant funding for industry-good activities, subject to farmer consultation and Board approvals. The Investment Fluctuation Reserve comprises unit price movements, which includes the impact of foreign currency fluctuations for the investment fund managed by Jarden and is from where the Contingency Fund and Quota Jeopardy Reserves are inflation adjusted. If the investment fund was liquidated at balance date the current deficit would be offset against the General Reserve.

## 12. Related Party Transactions and Balances

### Beef + Lamb New Zealand Limited

#### Transactions and balances with related parties

The New Zealand Meat Board provides grant funding to Beef + Lamb New Zealand Limited for industry-good projects in accordance with its reserves policy and the Meat Board Act 2004. These are disclosed in note 5.

The New Zealand Meat Board operates an office located in Brussels.

In thousands of New Zealand dollars	2024	2023
Service Recovery Fee: Overseas Offices	33	43

David Walker and Sarah Paterson are New Zealand Meat Board Directors only. All other New Zealand Meat Board Directors are also Directors of Beef + Lamb New Zealand Limited.

The New Zealand Meat Board pays costs in relation to services provided by Beef + Lamb New Zealand Limited. The staff of Overseas Offices are employed directly by the New Zealand Meat Board.

The following services were provided by B+LNZ over the financial year:

In thousands of New Zealand dollars	2024	2023
Governance	25	20
Administration and Information Technology	89	253
Communication and Insight	9	0
Finance	122	155
Trade Policy for Quota Administration	567	432
Trade Policy to London	123	74
	935	934

At balance date, the New Zealand Meat Board owed net total of \$ 239,600 to Beef + Lamb New Zealand Limited for expenses incurred on behalf of the New Zealand Meat Board (2023: \$9,012) and \$390,000 for Grant funding to Beef + Lamb New Zealand. (2023: \$500,000). Beef + Lamb New Zealand owed the New Zealand Meat Board \$nil (2023: nil).

Grant funding has been paid to Beef + Lamb New Zealand Limited for the following:

In thousands of New Zealand dollars	2024	2023
Informing NZ Beef	700	1,400
Facial Eczema	550	-



### Key management personnel compensation and transactions

Key management personnel compensation for the year is set out below. The key management personnel are the Directors of the company. Salaried management personnel are paid from Beef + Lamb New Zealand Limited and costs are recovered as appropriate via service fee income, given the nature of the shared services arrangement.

There are 10 directors covered under key management personnel.

In thousands of New Zealand dollars	2024	2023
Salaries, Directors fees and other short-term employee benefits	182	181

## 13. Commitments

Commitments are disclosed at the point a contractual obligation arises, to the extent that there are equally unperformed obligations.

### Operating Leases

The lease commitments are based on current rentals. The New Zealand Meat Board during the year exited its leased premises in Brussels and has reduced office space to lease from Ministry of Foreign Affairs and Trade to April 2027 (2023: lease period to May 2030).

The New Zealand Meat Board's non-cancellable lease commitments are as follows:

In thousands of New Zealand dollars	2024	2023
Within one year	16	51
Within one to two years	16	51
Within two to five years	9	153
Later than 5 years	-	255
<b>Total Operating leases</b>	<b>41</b>	<b>510</b>

### Funding and Contractual Commitments

The Board has grant funding available from annual investment income for Beef + Lamb New Zealand Limited funding application for the Informing NZ Beef programme. This funding is from investment income (interest and dividends) and funding is capped to investment income less reserve management expenses, which is budgeted to be \$1.5 million in the 2024-2025 financial year. This requires consultation with livestock farmers.

### Capital commitments

There are no capital commitments as at 30 September 2024. (2023: nil).

## 14. Contingencies

There are no contingent liabilities.

## 15. Events Occurring after Balance Sheet Date

There were no significant events after balance sheet date that would have a material impact on the financial statements.

## 16. Directors Fees

In thousands of New Zealand dollars	2024	2023
Chair	29.9	29.9
Producer Directors (5)	84.0	84.0
Commercial Directors (2)	33.6	33.6
Government Appointees (2)	33.6	33.6
	181.1	181.1

The above fees represent the annualised fees payable per Directors. The New Zealand Meat Board pays no other fees to Directors.

The total approved pool of Director fees for the Chairman, Producer Directors and Commercial Directors is \$147,500 (2023: \$147,500). The fee for Government appointed directors is set by the Minister of Agriculture.

The New Zealand Meat Board Directors and Officers are covered by Directors' & Officers' Liability Insurance.

## 17. Employee Remuneration

Set out below is the number of employees of New Zealand Meat Board who received remuneration and other benefits of \$100,000 or more during the year in their capacity as employees. New Zealand Meat Board domestic operations are provided through a service contract with Beef + Lamb New Zealand Limited.

The remuneration of staff resident outside New Zealand has been converted to New Zealand dollars for the purpose of this disclosure. The 2024 remuneration includes statutory entitlements due as a result of downsizing the Brussels office.

Remuneration Range \$000	Number of Employees	
	2024	2023
181-190	0	1
301-310	1	0

The Board approves the remuneration policy and is subject to statutory remuneration requirements in offshore markets.

# Independent Auditor's Report

To the stakeholders of New Zealand Meat Board (**Company**)

## Report on the audit of the financial report

### Opinion

We have audited the accompanying financial report which comprises:

- the statement of financial position as at 30 September 2024;
- the statements of financial performance, statements of other comprehensive revenue and expense, changes in equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the statement of service performance on pages 18 to 20.

In our opinion, the accompanying financial report of New Zealand Meat Board (the **Company**) on pages 18 to 39 presents fairly in all material respects:

- the Company's financial position as at 30 September 2024 and its financial performance and cash flows for the year ended on that date; and
- the service performance for year ended 30 September 2024 in accordance with the Company service performance criteria.
- In accordance with Public Benefit Entity Standards Reduced Disclosure Regime (**PBE Standards RDR**) issued by the New Zealand Accounting Standards Board.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**) and the audit of the statement of service performance in accordance with the New Zealand Auditing Standard 1 *The Audit of Service Performance Information* (**NZ AS 1**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of New Zealand Meat Board in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and NZ AS 1 are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

### Use of this independent auditor's report





This independent auditor's report is made solely to the stakeholders. Our audit work has been undertaken so that we might state to the stakeholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the stakeholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

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## Responsibilities of directors for the financial report

The directors, on behalf of the Company, are responsible for:

- the preparation and fair presentation of the financial report in accordance with PBE Standards RDR issued by the New Zealand Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error;
- service performance criteria that are suitable in order to prepare service performance information in accordance with generally accepted accounting practice in New Zealand (being PBE Standards RDR); and
- assessing the ability of the Company to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

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## Auditor's responsibilities for the audit of the financial report

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole and the statement of service performance is free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ and NZ AS 1 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-18/>

This description forms part of our independent auditor's report.

For and on behalf of:

KPMG

Wellington

3 December 2024

# USE OF STATUTORY POWERS

For the period 1 October 2023 – 30 September 2024

## Registration

Sections 48-56 of the Meat Board Act 2004 outline the requirements in relation to meat export registration. Export Registrations issued under the Meat Board Act 2004 are valid for a period of three years and expire on 30 September in the final year of the registration period, unless they are renewed earlier.

## Quota Management

Under Part 3 of the Act, the New Zealand Meat Board must consider the establishment and operation of mechanisms for the allocation of quota in country specific tariff quota markets. During the year, six quota allocation mechanisms operated in accordance with Part 3 of the Act: European Union sheepmeat and goatmeat, United Kingdom sheepmeat and goatmeat, United States beef and veal, European Union high-quality beef, United Kingdom high-quality beef and United Kingdom Free Trade Agreement Beef. The three new European Union Free Trade Agreement Beef, European Union Sheepmeat and Goatmeat (fresh/chilled) and (frozen) tariff rate quotas entered into force in May 2024.

11 Export Registrations were issued and 31 Export Registrations were cancelled.

As at 30 September 2024 a total of 203 Export Registrations were current.

**The holders of these Registrations are listed as follows:**

1014	Fern Ridge Ltd
1015	Garra International Ltd
1016	Harrier Exports Ltd
1019	ANZCO Foods Green Island Limited
1022	Wilson Hellaby Limited
1024	Kanematsu New Zealand Ltd
1029	Highford Marketing Group Ltd
1034	Garrett International Meats Ltd
1035	Prepared Foods Processing Ltd
1039	W H Grove & Sons Ltd
1040	OTOKI New Zealand Limited
1046	Silver Fern Farms Limited
1047	Taylor Preston Ltd
1049	Fresha Export Ltd
1054	Ballande NZ Ltd
1060	Waitaki Biosciences a division of Pharmazen Ltd
1062	Auckland Meat Processors Ltd
1065	Crosby Exports Limited
1074	South Pacific Sera Limited

1079	Prime Range Meats Limited
1083	Milton Marketing Limited
1091	Te Kuiti Meat Processors Ltd
1093	Musgrave Meat Holdings Ltd
1102	Tradexport Corporation Limited
1103	Alliance Group Ltd
1105	Ovation New Zealand Ltd
1107	Columbia Exports Ltd
1111	Comgroup New Zealand Ltd t/a Franklin Foods Ltd
1116	Genesis Bio-Laboratory Ltd
1119	Greenlea Premier Meats Ltd
1122	McCallum Industries Ltd
1123	Tara Exports Limited
1129	Nelson and Robertson Pty Ltd
1133	Lean Meats Limited t/a Atkins Ranch
1134	Swift & Company Trade Group
1139	Pacific Basin Exports Limited
1142	Canterbury Meat Packers Limited
1144	Norman Evans Limited
1145	Heinz Wattie's Limited
1150	JW Hartnell 2000 Ltd
1152	Advance Marketing Ltd
1159	FJ Ramsey Meats (Paerata) Limited
1160	Crusader Meats New Zealand Ltd
1166	Aroma NZ Limited
1199	Back Country Foods Ltd

1212	Mount Erin Exports (NZ) Ltd	1519	Samex Limited
1214	Blue Sky Meats (NZ) Limited	1524	Peter Stubbs Trading Ltd
1221	Lanexco Limited	1525	Food Partners Ltd trading as Leader Products
1236	Shinpoh NZ Ltd	1530	The Produce Company Ltd
1240	Juno Exports Ltd	1532	Firstlight Foods Limited
1256	Lowe Corporation Limited	1536	Archer Foods Limited
1259	RCI Limited	1544	Moregate Exports Ltd
1262	Farmlands Mathias International Ltd	1547	Food Chain Ltd
1270	LANZ Company Limited	1550	Kisco Foods International Ltd
1272	UBP Limited	1557	Pacific Vision Ltd
1273	ABBEX International Ltd	1559	Panamex New Zealand Ltd
1275	New Zealand Freight Management 2010 Limited NZ Agent for Dunnett & Johnston Group Pty Limited	1563	NEI BAA (NZ) Ltd
1279	Affco New Zealand Ltd	1576	Riclin Farms Ltd
1280	Ellis Agricultural Services Ltd	1580	Yik Lung Tong International New Zealand Limited
1288	Walcovit New Zealand Limited	1588	Latitude Commodities Ltd
1289	Riverlands Ltd	1589	NAC Trading Ltd
1296	NZ Meat & Seafood Exports Limited	1590	Khiwi International Ltd
1301	ANZCO Foods Limited	1591	New Zealand Meat Exports Ltd
1307	Alpine Export NZ Limited	1592	Quality New Zealand Ltd
1340	Lyford & Burkhart Exports (NZ) Ltd	1598	New Zealand Trade Centre Ltd
1342	Land Meat New Zealand Ltd	1608	CSI Foods Trading Ltd trading as Greenmount Foods
1347	Cabernet Foods Ltd	1611	Merit Meats Limited
1348	South Pacific Meats Limited	1620	Oravida NZ Limited
1364	Progressive Meats Ltd	1621	David J Hislop Ltd
1366	Treliske Farms Limited	1629	Brocklyn Trading Ltd
1370	The Neat Meat Company Ltd	1635	Tahi Pacific NZ Ltd
1374	Samex Australian Meat Co Pty Ltd	1636	Oasis Exports
1377	Shore Mariner Ltd	1639	Hellers Ltd
1381	Agri-Lab Co-Products Ltd	1654	Greenage Meats Export Limited
1392	Integrated Foods Marketing Ltd	1656	Grand & Pure Trading Limited
1404	Mountain River Venison Ltd	1658	Mua Export Ltd
1452	ORION 2000 Ltd	1663	Binxi Food NZ Ltd
1455	Tara International Limited	1664	S Foods NZ Limited
1462	Westalea Limited	1665	Deda International Company Limited
1468	Ziwi Limited	1667	Ample Group Limited
1472	Export Plus Ltd	1668	RTC Foods Limited
1483	Martin Brower New Zealand	1671	Kiwi Spring Premium Group Ltd
1490	GR8 Marketing Ltd	1676	Arex International NZ (2017) Ltd
1493	Country Imports & Exports Ltd	1678	Alpine Deer NZ LP
1495	Jack Links NZ Ltd	1680	Stellare Merchants Ltd.
1496	Farm Brands Limited	1681	Provenance Meat (NZ) Ltd
1501	Farmers Meat Export Ltd	1683	New Zealand Premium Goat Meat Ltd
1517	BHJ New Zealand Limited	1684	Azis Global Investments Ltd
		1686	Grocers International (NZ) Limited

1688	Home Paddock Foods Limited	1763	Finest Foods
1690	Wilkins Farming Company Limited	1764	Fayman International Group Pty Ltd
1694	Mana Services Ltd	1765	ANZ Exporters Pty Ltd
1695	New Zealand Green Farm Limited	1766	Supermilkbaba (NZ) Limited
1697	Circle Foods Limited	1767	Pacific Partners limited
1704	The Pure Food Co	1768	KAREAREA LANDING LIMITED
1705	Dynamic Supply Company NZ Limited	1769	High Top International Trading Limited
1708	The Produce Company International Limited	1770	Shopexports & Freight Limited
1712	Tasman Export Solutions Ltd	1771	Fayman New Zealand Limited
1714	Green Meadows Beef Limited	1772	Thermo Fisher Scientific New Zealand Limited
1715	Awanui Foods Limited	1773	Shiwase Kobe Cuisine Limited t/a Black Origin
1716	TradePoint Distribution Ltd	1774	Black Origin Meat Processors (Gore) Limited
1718	Whangara Global Beef Limited	1775	SFJ HOLDINGS LIMITED
1719	Peak Commodities Limited	1776	Costco Wholesale New Zealand Ltd
1720	Shoal Bay Ltd	1777	Paradigm Foods PTY LTD
1721	KaiEtica Ltd	1778	AFFINITY TRADING LIMITED
1722	Independent Meats Limited	1779	Turners & Growers Fresh Limited
1723	Kereru Foods Limited	1780	Starfish International Limited
1726	Edart Limited	1781	NZ Foods Export Limited
1729	Moreish Limited	1782	ANTAP NZ LIMITED
1730	NZ Wagyu Corporation Limited	1783	VAM NZ limited
1731	Cuisine360 Limited	1784	Pasifika International Supply Service Limited
1732	Davmet New Zealand (2020) Limited	1785	Spring Sheep Dairy NZ Limited Partnership
1735	Kaurifield Trading Limited	1786	Multinz Imports Ltd
1741	Waratah Farms Limited	1787	Evolution Foods Limited
1742	Streamlands Export NZ Ltd	1788	Champion Traders Limited
1744	Organic Farm New Zealand Ltd	1789	NZI Products and Services Limited
1745	Pacific Natural Gut String Co Ltd	1790	Mena Food Security Limited
1746	Kiwi Products Limited	1791	Prime Cuts International Limited
1750	Specialty Meats Ltd	1792	Black Origin Farms Limited
1752	Humble Freight & Trade Company Limited	1793	Northpo Limited
1753	Integrity Food Distributors Limited	1794	Golden Choice Food Ltd
1755	Green Farm Group Limited	1795	Tillyfour Farm Limited
1757	Henry Cumines NZ Ltd		
1758	The Health Lab Ltd		
1759	Dabbagh Foods Limited		
1760	Mr Beef and Seafood Ltd		
1761	Meateor Pet Food Limited Partnership		
1762	Empire Management NZ Limited		







