

**STANDING COMMITTEE ON**  
**JUSTICE, LAW AND HUMAN RIGHTS**

**[Verbatim Report of Interview with the  
Fiji Meat Industry Board (FMIB)]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**MONDAY, 15TH APRIL, 2019**



**VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON JUSTICE LAW AND HUMAN RIGHTS HELD AT THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON WEDNESDAY, 15TH APRIL, 2019 AT 12.40 P.M.**

**Interviewee/Submittee:      Fiji Meat Industry Board**

In Attendance:

Mr. Steven Ting                      -                      Chief Executive Officer

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MR. CHAIRMAN.- Good afternoon, everyone, welcome back. I would like to welcome Mr. Steven Ting, Chief Executive Officer (CEO) from the Fiji Meat Industry Board (FMIB).

Sir, thank you very much for availing your time. Unfortunately, we had to call you, even though we had sent an apology, but this Bill was presented under Standing Order 51, so we do not have any options but to complete this Bill before the May Sitting.

Unfortunately, the Standing Order does not allow us to actually seek for any further time after 30 days, so we apologise for that. Nevertheless, we will not be taking too much of your time. The Honourable Members are here and so are you, so the floor is open for your comments with regards to the Public Enterprises Bill 2019. Thank you, Sir.

MR. S. TING.- Thank you very much. This afternoon, first of all, I would like to apologise for being coming in late and also my attire is not suitable. Unfortunately, I was not informed of this meeting this morning by my secretary. I was in a meeting with the Ministry of Agriculture on the Meat Industry Act, as we want to review the Meat Industry Act because we operate under the Meat Industry Act.

We also report to the Ministry of Public Enterprises, especially on our accounts and also on the financial aspects of the company. However, on the operation side of the company, as I had mentioned before, we operate under the Fiji Meat Industry Act.

At times, we have special duties to perform and also we have our social responsibilities. For example, recently we were slaughtering the Tuberculosis and Brucellosis cattle, which is a non-financial activity that we have to perform, but we are there to ensure that the disease does not spread to the public.

At times, it does not go along with the purpose or objectives of the company, that is to make profit. I probably would like to suggest that at times, social responsibilities should be considered, not only on the financial aspects of the company but also on all those social activities. Thank you, Sir.

MR. CHAIRMAN.- Thank you, CEO for those comments. We were also at Yaqara Pastoral Company Private Limited last week to get in submissions. Do you have some kind of communication or relation with them because they are the ones caring for the livestock and I believe, both these companies deal in the same line? So, is there some kind of agreement, et cetera?

MR. S. TING.- Sir, at the moment, there is no agreement. They have their own Board and FMIB has its own Board, but the Management closely work with them, especially on the slaughtering of cattle from Yaqara.

MR. CHAIRMAN.- So, what is the major objective of FMIB? How do you collect your revenue, et cetera?

MR. S. TING.- Sir, our revenue comes from the slaughter fees which is around 40 percent. We have submitted a Cabinet Paper for the review of the slaughter fees. It was reviewed since 2006 and because of the increase in the cost of production, we have asked Government to relook at our slaughter fees. The increase in slaughter fees will only be approved by Cabinet. Thank you, Sir.

MR. CHAIRMAN.- Honourable Members, any questions or comments?

HON. N. NAWAIKULA.- Mr. Ting, the same question we asked those who came before you, just run through the history of the FMIB from when it started, the issues that it wanted to address, the challenges and your hopes, going forward.

MR. S. TING.- Thank you, Sir. The FMIB was established in 1974 with two Abattoirs, one at Nasinu and the other one at Vuda. The purpose of the slaughterhouse is to provide the public with slaughtering facilities, not only the butchers but it is also open to the public. Since then there was no upgrade or major renovations on both Abattoirs, and with the Food Safety Act in place we have challenges. Although we have a HACCP Plan which we are working towards at the moment, and we have asked the Government for funding this year.

Sir, the major challenge, firstly, is the odour from the Rendering Plant, that is from the cooking of offal and fish waste. Because of the slaughter fees, we are not able to get the income that we want from the operations. So, we have to go into other business lines which is processing fish waste to Fish Meal and it gives our offal meal.

We have been surrounded by housing developments and also Nakasi Centre has been growing commercially with developments, so it is a challenge for us and we are working towards that. We have put submissions to the Government if we can upgrade the Rendering Plant.

We also have challenges with the cattle numbers. In the 1980s and early 1990s, the cattle numbers or the throughput is around 17,000. Then it plunged or declined over the years, so until now, it is only 7,500 to 8,500.

One reason could be the expiry of cane leases because mostly the cattle that come to the Abattoir are the working bullocks and the bulls from the cane farmers.

The second reason could be the closure of the Government Beef Stations like Yalavou, Uluisaivou and other beef schemes. At the moment, we are working closely with Tilivalevu Beef Scheme. We had an MOU with the Fiji Development Bank (FDB) and the farmers where we buy the cattle, the sales proceeds goes to FDB, they cut their loan repayments and the rest goes to the farmers and it is really working well. It has been going on for four years now and it has been working well. And we want to revive all the beef schemes in Fiji through that scheme where we have agreement with FDB, farmers and with the support of the Ministry of Agriculture. Probably, those are the main challenges that we are facing at the moment, Sir.

MR. CHAIRMAN.- Thank you. Honourable Bulitavu, any questions.

HON. M.D. BULITAVU.- Thank you. Through you, Honourable Chairman, thank you, CEO, for coming this morning and also given your busy schedule, you were able to make it to the Committee and we thank you for what you have already said today and we take note on the various activities that involve the company.

My question is on the performance and the measurable performance and the other commercial objectives, responsible management and transparent performance and other monitored performance done by the Government to the company. How are we complying and given the time we are in now, there is competition in the market, you are competing with other private sector organisations, how are you faring up with that and the various modern technologies that we have now and the market requirements?

MR. S. TING.- Thank you very much, Sir. At the moment, we are trying to upgrade the Abattoir to international standards or HACCP Standard. Last year, we had the dehairing machine, which is a grant from Government and also two delivery trucks which really assisted us with the compliance to the standard.

We are competing against a product from Australia. We believed that it is a subsidised, and it is from Europe. And for FMIB, we really have to manage it well and efficiently because we are competing against an overseas product. It is a big challenge to us, Sir.

This year we put in another submission to the Government for another dehairing machine for our abattoir in Vuda because we face a lot of competition on top products. So we often advise farmers and butchers that in order to compete, or to stay at that level, everyone has to be efficient and we had been efficient all along. Thank you, Sir.

HON. N. NAWAIKULA.- Mr. Ting, I just start by explaining the purpose of this Act. Entities like yours, they are established by Government, some are statutory authority and I think yours is a statutory authority, and some are incorporated by law, for example, Fiji Pine Limited, Fiji Hardwood Corporation Limited, and some companies go directly, they just incorporate and the Government becomes the shareholder.

The purpose of this law is to regulate those, but I think the main purpose comes in Division 2, Non-Commercial Obligations, because the Government setup is for the public. Then it becomes public, and then there is a worry, what about its social obligation, the one that you are saying?

So, it is allowed here that once you do that when a social obligation is given to you, for example, in your case to eradicate the TB disease, you have a Memorandum of Understanding (MOU) with the Government so that you will be able to recover your cost. In this one here, is the Government paying you to eradicate this disease on the cows or no?

MR. S. TING.- We have an MOU with the Ministry of Agriculture. We get 40 cents for every kilogramme.

HON. N. NAWAIKULA.- Is it enough to cover your cost?

MR. S. TING.- No, Sir. Unfortunately, the cattle that are slaughtered, half of it goes to the dump because they are condemned, they are not fit for human consumption and we do not get revenue from that. We do not get slaughter fees for that, but we are there to ensure that those cattle are slaughtered, inspected and ....

HON. N. NAWAIKULA.- My other question is on diversification because you can only operate with some kind of income, if the cattle industry or the beef industry is good. So, do you foresee a time when you will be owning some of those, for example, why does Yaqara and Yalavou not come under you? What about other areas you can branch into?

MR. S. TING.- Thank you, Sir. We have a plan for that. Because of the social obligations that we have, we can do that. FMIB have the money to set up a piggery, for example, but what about the smallholders, for those who have piggeries in the village, where will they sell their pigs to? Also, the same with the beef farmers, if we set up our farms, where will they sell their cattle to?

Probably, we can have a small piggery, instead of a fully commercial piggery to cater for our market. As I have said, Sir, it is a big responsibility to cater for the social responsibilities.

MR. CHAIRMAN.- Sir, do you people actually sell meat?

MR. S. TING.- Yes, Sir, we also have a retail outlet to cater for the *magiti*, I am sorry it is a Fijian word is the *magiti* market. We are the only company that sells the whole caucus or *magiti* to the public. Butchers will not do that because of the low profit margin.

MR. CHAIRMAN.- The way we actually look at the Bill and the principles of actually public enterprises, if we have a public enterprise, it needs to make money, it needs to make more profit, it needs to give dividend to the Government, as well as there is another component as Honourable Niko Nawaikula had stated, the social responsibility. Any public enterprise at any point in time, we would actually prefer that company to be a standalone company on its own, not getting grants from the Government to actually run its operations, otherwise it is no use having those kind of public enterprises.

What you are actually saying with regards to these small farmers or people with livestock, since you are actually selling meat, buying from them while you actually have your own, because my other question is; are we able to meet the demand at this point in time, either it be pig, beef, goat, lamb, poultry?

If you are not, then I do not see any reason as to why the Board cannot go ahead and have its own livestock to actually fill in the demand that is not met by the current scenario. Yes, social responsibility is one side of it, but then they can actually sell their livestock to you, you can slaughter it and sell it because you have that mechanism.

MR. S. TING.- Thank you, Sir. We only get grant for refrigeration truck and one dehairing machine, we do not get operation grant from Government.

On that, Sir, we are working with the farmers, for example, goats. In past years, there were only about 200, 300 or 400 goats coming to the Abattoir, but last year it has increased to almost 2,000. And the increase comes from the Tilivalevu Beef Scheme that we are assisting and for that, we would like to extent that programme to other beef schemes that have faded away few years ago.

For pigs, we are meeting the demand, but only when it comes to Easter and Christmas we are not able to meet the demand. For beef, there is a shortage of beef at the moment, Sir, because the numbers just decreased three years ago because of TB coming into the Abattoir for slaughter and after the TB programme, it will go back to normal it will be around 7,000 or 7,500.

HON. N. NAWAIKULA.- Still on this, there is one interesting point you have said, the fish meal, like in animal feed, because in that you will also be competing with other producers. How viable is that area?

MR. S. TING.- We are getting 40 percent of our income from the fish meal. Sir, unfortunately, the order is unbearable to surroundings but we have to process fish meal because of our local farmers. If we are going to close, then where else can they get their protein source from because PAFCO is exporting fish meal? We can export fish meal but what about our local farmers? Our local farmers will die, if we stop processing fish meal. We are there for the farmers and also we are very mindful on the financial aspects of the company.

MR. CHAIRMAN.- Anything else, Honourable Members?

HON. M.D. BULITAVU.- Because he is the CEO, we can only ask questions on operations.

MR. CHAIRMAN.- CEO, do you have a fully-fledged Board ?

MR. S. TING.- Yes, Sir. We have a Board this year. Unfortunately, we were without a Board one year and this year, we have a Board.

MR. CHAIRMAN.- Maybe in the near future, we would like to have another meeting with your organisation to get some further details on how you operate. It is still a bit sketchy, as I believe you actually had to rush in without any proper presentation or anything.

MR. S. TING.- Sir, I would probably request to have a proper presentation in the future.

MR. CHAIRMAN.- If we are able to allocate time, we will inform you but I do not think it will be possible before the May Sitting because our programme is such that we are travelling and from tomorrow, we are closing the submissions for this Bill. Then we will be traveling for the next three weeks and by the time we come back, we are supposed to get our reports ready, and then present it to Parliament.

It is not necessarily for this particular Bill, but the Committee might want to sometimes. But if you have anything, apart from what you have said here this afternoon or if you want to give a written submission, you are more than welcome to give in your written submission. You email it to us and we will definitely consider that because we will be considering this Bill for another two weeks and then prepare the reports. So if anything can come in writing as well with regards to the Bill itself, it will be great for us.

MR. S.TING.- Thank you very much, Sir, for giving us an opportunity to give you our presentation.

MR. CHAIRMAN.- Yes, because whilst we are actually dealing with public enterprises, it is very important for the Committee to understand what the public enterprises - each and every entity, is all about, their operations, what they were, what they are and what they are going to be in the near future.

Nevertheless, I would like to actually thank you from my side for availing yourself in such a short notice this afternoon. Thank you very much, *vinaka*.

MR. S.TING.- Thank you very much, Sir.

The Committee adjourned at 1.07 p.m.