



---

## **STANDING COMMITTEE ON ECONOMIC AFFAIRS**

### **REPORT ON THE FIJI MEAT INDUSTRY BOARD ANNUAL REPORT 2013**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No.51 of 2016**



## Contents

CHAIR'S FOREWORD .....	3
1.0 INTRODUCTION .....	4
2.0 RECOMMENDATIONS.....	5
3.0 CONCLUSION .....	6
APPENDICES .....	7

---

*February 2017*

*Published and Printed by the Department of Legislature, Parliament House, SUVA*





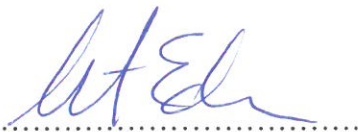
## **CHAIR'S FOREWORD**

The Standing Committee on Economic Affairs was tasked by Parliament to review the Fiji Meat Industry Board (FMIB) Annual Report 2013.

The Committee received numerous submissions from Relevant Stakeholders that were inclusive of FMIB, Ministry of Public Enterprises, Mr. Mosese Ratuki (Piggery Farmer), Hon. Balmindar Singh (dairy farmer), Fiji Co-operative Dairy Company Limited and Ministry of Agriculture and after thorough and lengthy deliberations, came to the conclusion that much work and cost would be required to revitalise FMIB. The Committee agrees with the direction suggested by the Ministry of Public Enterprises to divest and privatise FMIB as this will ultimately result in the establishment of more efficient and sustainable abattoirs throughout the country.

I thank the Hon Members involved in the production of this Report and also the Parliamentary Staff who assisted.

On behalf of the Standing Committee on Economic Affairs, I commend this Report to Parliament.

A handwritten signature in blue ink, appearing to read 'L. Eden', is positioned above a horizontal dotted line.

**HON. LORNA EDEN**  
**CHAIRPERSON**



## **1.0 INTRODUCTION**

The Fiji Meat Industry Board (FMIB) was established in 1976 under the Meat Industry Act 1969 and had been assigned various key functions, some of which were inclusive of but not limited to constructing and operating public slaughtering facilities, taking necessary steps for the protection, preservation and expansion of the meat industry in Fiji and purchasing, trading or dealing with livestock, meat and its by-products.



## **2.0 RECOMMENDATIONS**

### **Recommendation 1:**

Although FMIB recorded a profit of \$326,981 for the year 2013, their financial position is still very weak. The Committee agrees with the direction suggested by Ministry of Public Enterprises to divest and privatise FMIB which will result in more efficient and sustainable abattoirs operating throughout the country. Fiji has the potential to develop specialty beef under its own brand (Fijian Grown and Fijian Made) from regions such as Taveuni and parts of Vanua Levu whose climatic conditions are similar to that of Vanuatu, who are renowned for their premium beef. Having access to Abattoirs close to their farms is vital for this to succeed.

### **Recommendation 2:**

Integral to recommendation 1 above, that the Meat Industry Act 1969 be reviewed and updated.

### **Recommendation 3:**

The Committee feels that coordination between the relevant line ministries and agencies needs to be streamlined i.e. Ministry of Agriculture, Ministry of Health, Ministry of Public Enterprises, Fiji Development Bank, Ministry of Industry, Trade and Tourism and TLTB etc.

### **Recommendation 4:**

In view of the serious dwindling number of stock that threatens the viability of the industry, the Committee recommends that FMIB coordinates with the above named ministries and agencies:-

- a) To engage specialist services in research and development (R&D) and planning for better overall production.
- b) For more thorough testing (suggest minimum 2) to be conducted for tuberculosis and other diseases prior to slaughter.
- c) To strengthen the current beef development program in particular with small stock holders, revisit incentive packages for investors, ensure land tenure, encourage communal piggeries , entice younger generations and increase livestock security.



### **3.0 CONCLUSION**

The Standing Committee on Economic Affairs have conducted thorough and rigorous research within its parameters to better understand the constraints faced by the FMIB. Various oral and written submissions have also been received in order to have a clearer perspective into this industry.

After analysing the submissions and presentations made by the different stakeholders, the Committee has been able to grasp the true potential of the meat industry in Fiji and the benefits that correlate should a reform be considered.

In totality, four recommendations have been put forward by the Honourable members of the Committee which we believe will have an exceptional impact on the industry and the economy as a whole.





# APPENDICES





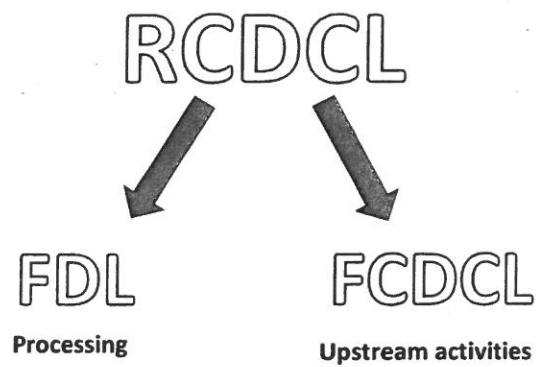
**COPIES OF WRITTEN SUBMISSIONS RECEIVED BY THE  
STANDING COMMITTEE ON ECONOMIC AFFAIRS**



# DAIRY INDUSTRY AND FCDCL

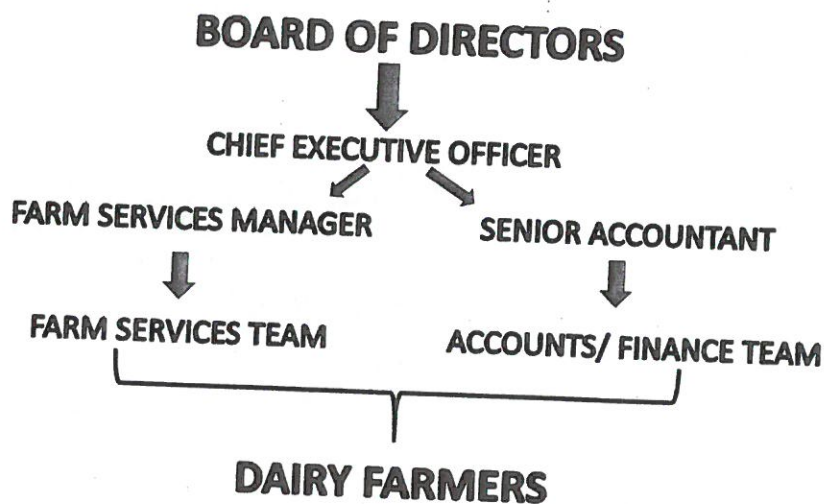


## THE BIGINING OF FCDCL





# ORGANISATIONAL STRUCTURE OF FCDCL



## KEY FUNCTIONS OF FCDCL

- Collection of milk from farmers (BUYING) and supply to FDL (SELLING);
- Procurements and supply of substitute supplement feed, drugs and farm implements to farmers;
- Provide technical support to farmers in farm practice, hygiene and animal health;
- Subsidise the cost of farm inputs such as copra, calf milk replacer, mill mix and molasses through bulk buying;
- Provide industry development services;
- Management and distribution of the farm gate subsidy;
- Revolving Funds Administration; and



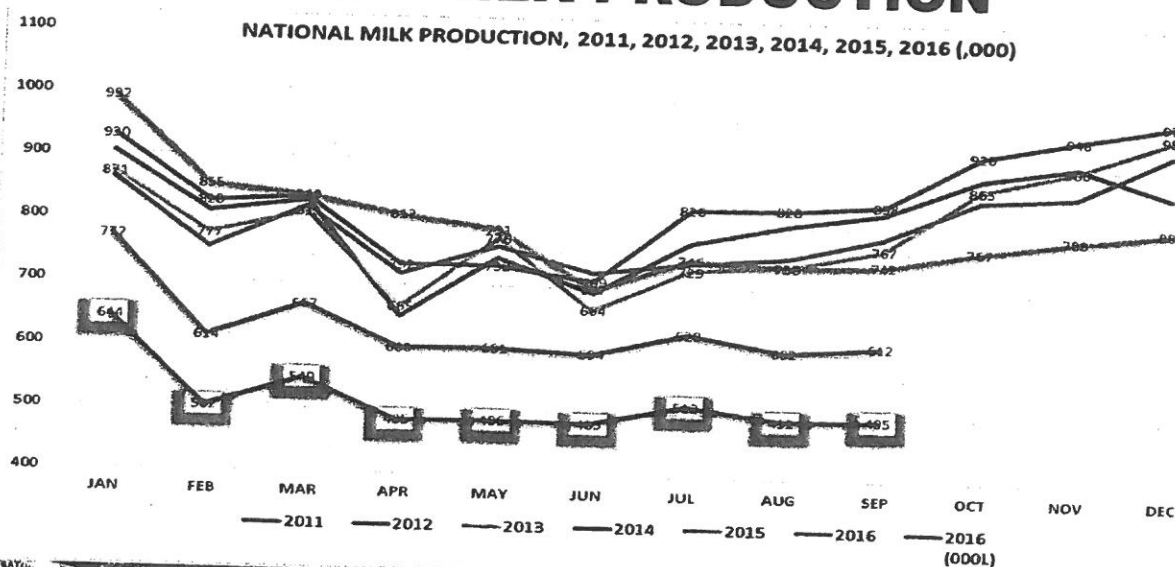
## RAW MILK PRICING STRUCTURE

Milk Category	Prices Before Reform (Before Dec 2011)	Price paid from December 2011 to August 2012 to		Price Paid after August 2012	
		FCDCL BUYS (VEP)	FCDCL SELLS (VEP)	FCDCL BUYS (VEP)	FCDCL SELLS (VEP)
Premium per ltr	\$0.63	\$0.90	\$1.00	\$0.783	\$0.870
1st Grade per ltr	\$0.60	\$0.87	\$0.97	\$0.652	\$0.739
2nd Grade per ltr	\$0.57	\$0.84	\$0.94	\$0.522	\$0.609
Base per ltr	\$0.54	\$0.81	\$0.91		
Subsidy per ltr	\$0.17				
Excess Butter Fat per kg	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50



## RAW MILK PRODUCTION

NATIONAL MILK PRODUCTION, 2011, 2012, 2013, 2014, 2015, 2016 (,000)





## PRODUCTION OF FCDCL SUPPLIERS

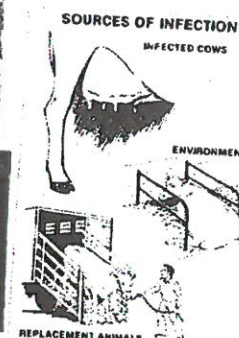
	2006 (000L)	2007 (000L)	2008 (000L)	2009 (000L)	2010 (000L)	2011 (000L)	2012 (000L)	2013 (000L)	2014 (000L)	2015 (000L)	2016 (000L)	Diff (000L)	% Increase
JAN	1042	991	845	921	895	862	903	801	805	819	644	-175	-21.8%
FEB	924	836	737	850	776	754	811	711	708	705	502	-203	-25.0%
MAR	1007	869	845	885	855	822	931	746	710	751	549	-202	-21.7%
APR	949	792	858	845	782	779	711	665	657	723	485	-238	-33.5%
MAY	975	877	839	905	825	763	745	706	657	702	486	-216	-29.0%
JUN	934	861	743	884	801	723	691	602	635	560	483	-77	-11.1%
JUL	968	937	819	896	841	740	772	649	691	626	513	-113	-14.6%
AUG	978	1000	848	974	866	752	804	673	694	621	492	-129	-16.0%
SEP	1000	976	900	945	884	786	825	674	713	624	495	-129	-15.6%
OCT	1008	998	903	1029	980	848	883	742	767	638			0.0%
NOV	1026	988	988	1018	875	857	906	767	796	660			0.0%
DEC	1039	972	1016	917	871	927	860	814	815	676			0.0%
TOTAL (m lbs)	11.85	11.097	10.341	11.069	10.251	9.613	9.842	8.55	8.648	8.105	4.649	0.858	15.6%



## CHALLENGES

### Diseases

- TB
- Mastitis
- Brucellosis
- Lameness





## BOVINE TB

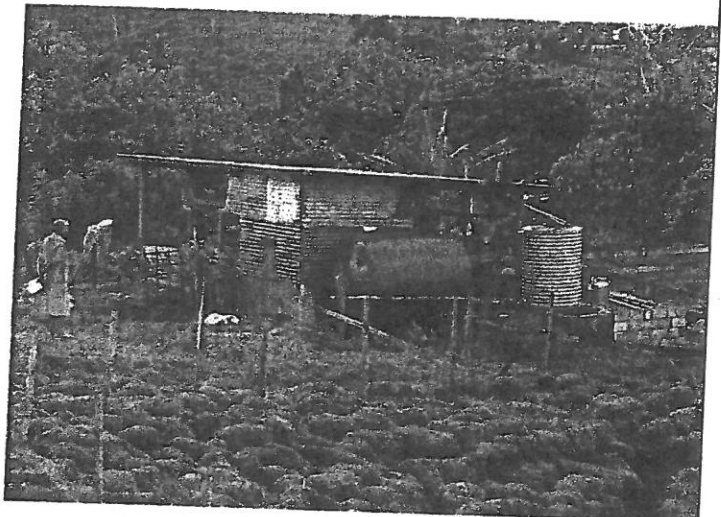
- Around 2000 animals culled in 2015 majority being milking cows and heifers
- 20% of the milking stock culled contributing to the decrease in production
- High percentage of NVL
- FCDCL is advocating for serological test before animal is culled
- Holding farm promised by ministry has not materialised.
- Infected animals still on the farm



## CHALLENGES

### Small Holder Farms

- 1 to 10 cow milking units
- Natural vegetation
- No pasture development
- Limited resources
- Low producing animals



## CHALLENGES

### Low Investment

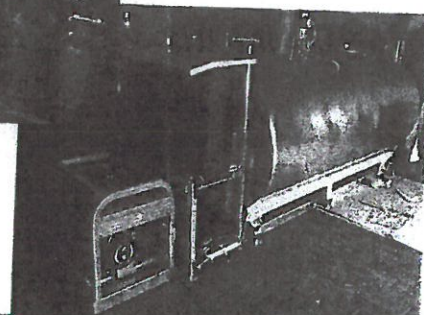
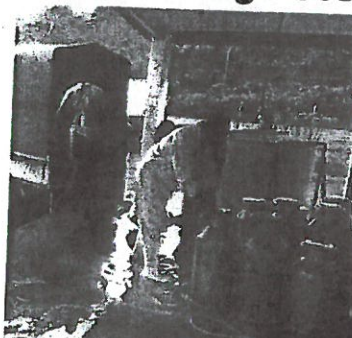
- Access to finance is limited
- Low financial literacy
- Unskilled farm hands
- High cost of labour
- Low ROI



## CHALLENGES

### Milk Collection Logistics- High Cost

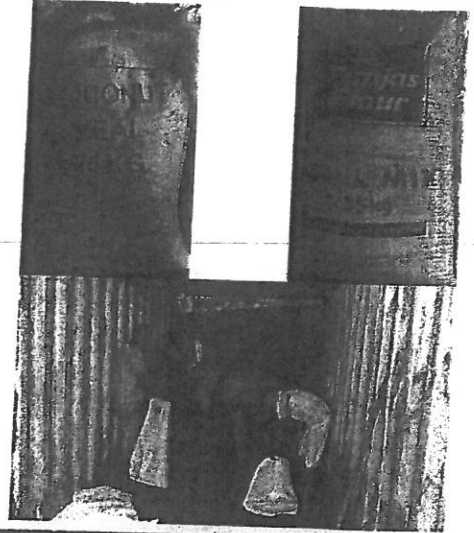
- High Cost
- Lack of trained personnel to handle milk
- Long distance travelled
- Time difference between milking and cooling



## CHALLENGES

### Feed Supply & Supplementary Feeding

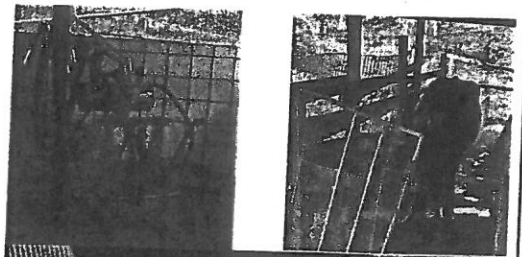
- Lack of interest in fodder crop
- Seasonal supply (long term availability at risk)
- Fluctuating prices
- importation of protein supplements.
- In adequate formulation and feeding



## CHALLENGES

### Farm Hygiene

- Milking equipment
- Cleaning and Disinfectants
- Water supply
- Detergents and disinfectants
- storage
- Building and surrounding
- Milker
- Animal





## CHALLENGES

### Short Lactation

#### Manage lactation curve can increase cow productivity

- Uncontrolled mating
- Poor feeding- 3 months before and after drying off.
- Non availability of balanced feed
- Poor animal selection
- Deficiencies in vitamins and minerals
- Low energy diet

ONE of the best ways to understand how to manage a dairy cow during her lactation is something called a Lactation Curve. A

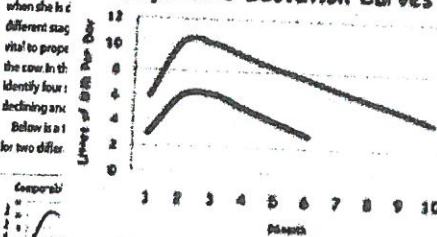
lactation curve varies over its entire life span. It is vital to proper the cow in the declining part. Below is a 1 for two differ

nutrition; the other does not receive enough nutrition whether from grass or concentrate feeds.

the lactation. Experts calculate that a 3 liter higher peak lactation (from 10 to 13 liters per day) results in between 600 and 750

the entire lactation. The difference in a cow with the a milk where one is the peak yield.

#### Comparable Lactation Curves



and three are the months with the highest potential for a cow to produce milk. This is when the cow must be fed the most. The aim is to set the highest possible peak for

This is the first of a number of articles on lactation curves written by Simon Lyle-Miller that will explore how understanding how a cow functions through her lactation can be used to make you more money.



## CHALLENGES

### Low Calving

- Poor breeding management
- Poor record management
- Feeding
- Poor calf management

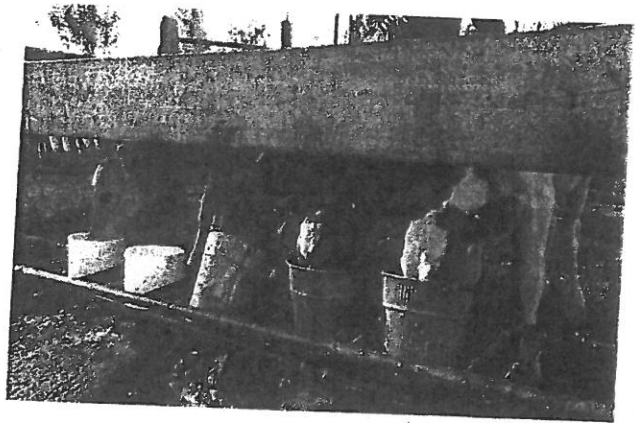
Ward	Milking Cows	Dry Cows	Total Cows	Ratio
Bulk Farmers	1,635	904	2,539	6.4 : 3.6
Burebasaga	189	202	391	4.8 : 5.2
Nalawai	1,194	1,016	2,210	5.4 : 4.6
Navua	244	381	625	3.9 : 6.1
Viti/Muaniweni	311	397	708	4.4 : 5.6
Waidallice	1,286	910	2,196	5.9 : 4.1
Waidawara	460	426	886	5.2 : 4.8
Grand Total	5,319	4,236	9,555	5.6 : 4.4



## CHALLENGES

### High Calf Mortality

- Poor hygiene
- Poor housing
- Poor Colostrum feeding
- Low or no Calf Milk Supplements
- Feed and water
- Overcrowding



## CHALLENGES

### Poor Pasture

- Mostly relying on natural vegetation
- Infestation of weeds- Navua sedge
- Lack of interest in developed pasture
- Poor farm drainage
- High cost of land preparation

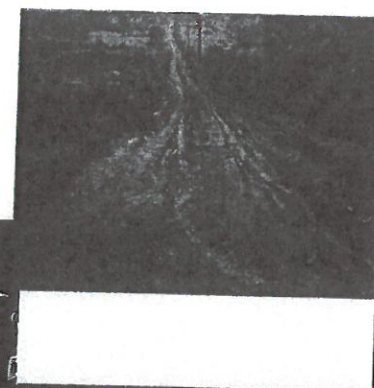




## CHALLENGES

### Dairy Roads and Drainage

- Poor Maintenance
- High cost of running vehicles
- Insufficient funding for road maintenance
- Greatly affects quality of milk supplied



## Opportunities

### Dairy Breeds

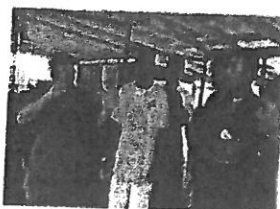
- Have the breeds here
- Adjusted to the climate
- Suited to the local environment
- Numbers available



## Opportunities Dairy Breeds

- AI to improve genetics
- Avoid inbreeding
- Have trained personnel
- Good dairy straws
- Opportunity for proper herd and breeding recording

### Artificial Insemination for better milk producing cows



Rob Hall talks to workshop participants.

FIVE days of training in Artificial Insemination for the dairy industry was conducted by trainers from CRV Ambreed New Zealand organized by the Fiji Co-operative Dairy

Company Limit (FCDCL) that could result in a significant increase in milk production in the country in the near future.

Seventeen participants including farmers, farm staff, representatives of the Ministry of Primary Industries and FCDCL took part in the training.

It is expected that 1,500 to 2000 cows will be a part of the breeding programme recently started and their offspring sired

from proven bull stock will provide better milk producers.

Rob Hall and Sue Duffy from CRV Ambreed New Zealand conducted the training.

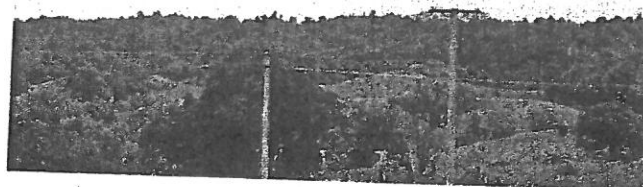
"Local farmers can be assured that the artificial insemination semen is sourced from brucellosis-free New Zealand as well as meeting Fiji's and New Zealand's stringent quarantine and bio-security standards," Mr. Nand said.

Training sessions were initially held at the Koronivia Research Station.



## Opportunities Abundance of Land

- Vast undeveloped area that can be used for Dairy
- Governments incentive of Tax Free area between Korovou and Rakiraki
- Beef and dairy can run together for starters
- Potential areas for further development are from Nayala to Rakiraki including Dobuilevu





## Opportunities

### Government Commitment to improve Dairy Industry

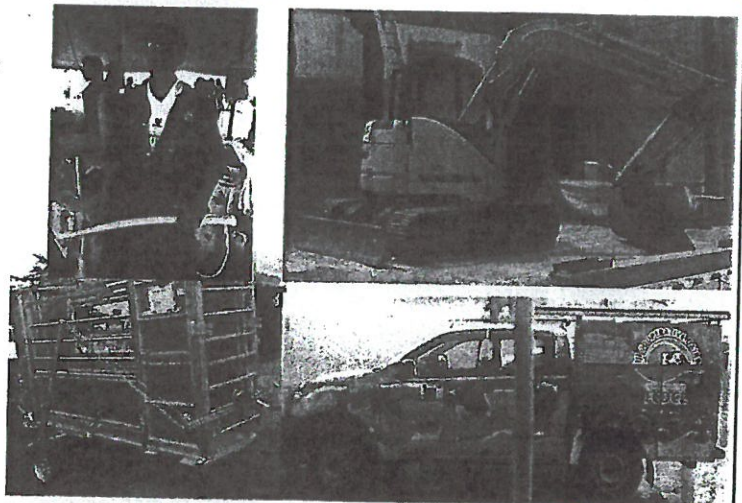
- Dairy Industry Restructure
- Continued support to FCDCL
- Dairy Industry Support Scheme
- Dairy development in Western Division and possibly in the North



## Opportunities

### FCDCL Investment

- Investment in technology
- Investment equipment
- Investment in trained personnel
- Investment in Infrastructure
- Investment In AI





## Opportunities FCDCL Investment

**Fiji Cooperative Dairy Company Limited**  
**FCDCL**

# DAIRY FEED

**CONTAINS APPROXIMATELY**

Nutrient Name	Units of Measure	Content
ENERGY	MI/KG	10.7
MOISTURE	PERCENT	9.4
CRUDE PROTEIN	PERCENT	16.7
DIGESTABLE PROTEIN	PERCENT	10.1
LYSINE (Amino Acid)	PERCENT	0.4
METHIONINE (Amino Acid)	PERCENT	0.1
DRY MATTER	PERCENT	90.6
CRUDE FIBRE	PERCENT	9.4
ACID DET. FIBRE	PERCENT	15.1
ASH	PERCENT	7.2
CALCIUM	PERCENT	2.1

Plus other Vitamins and minerals

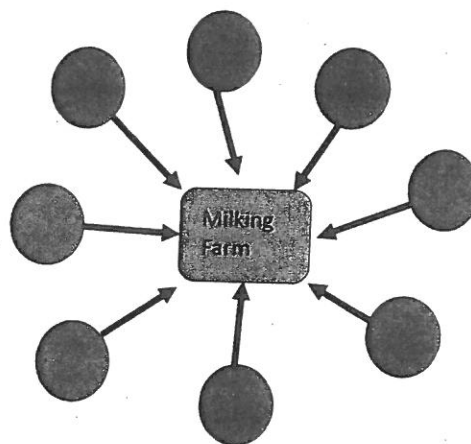
Formulated and packed by Fiji Cooperative Dairy Company Limited

**25kg When Packed**



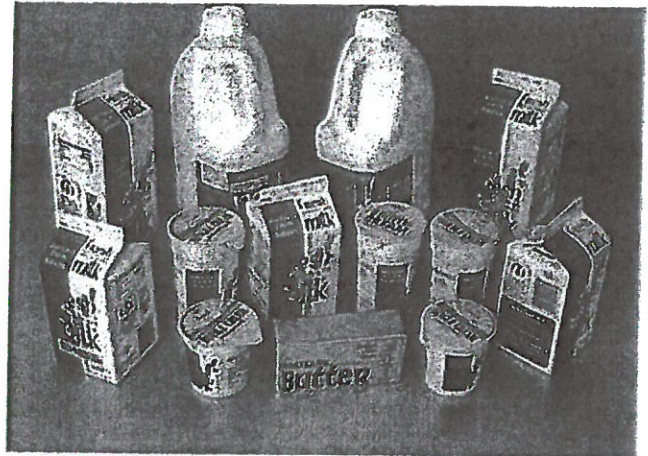
## Opportunities Cluster Supply

- Ability to pool resources
- Increase in production
- Good animal management
- Improvement in quality
- Sharing of responsibility
- Reduction in cost of production



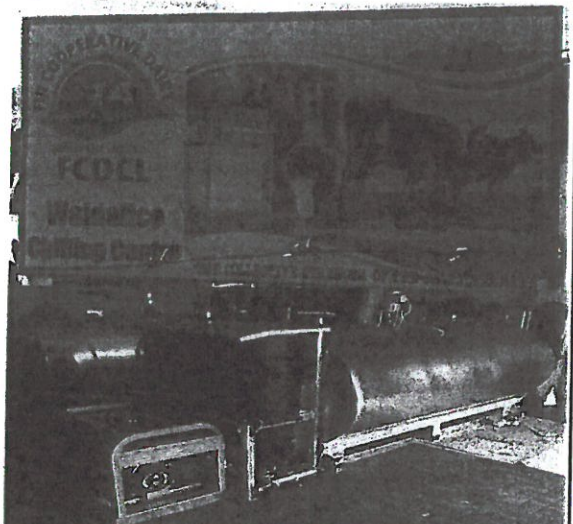
## Opportunities Value Addition

- Potential for FCDCL to do value addition to the raw milk.
- Protein drink possibility for schools
- Low fat flavoured drink in small packs



## Opportunities Satellite Collection System

- 5 existing Satellite Collections centres.
- Distribution/delivery of Feed and other dairy consumables.
- Mobile chilling trucks to increase access.
- Improvement in quality
- Opportunities for more sites towards Rakiraki

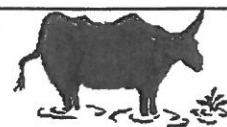


## Opportunities Cane Belt Areas

- Cane belt areas have a lot of animals potential for dairy farming.
- Ministry of Agriculture encouraging dairy in the west.
- The project is also getting assistance from the EU.
- Dairy expert from Columbia
- Looking at spreading the services to the North.



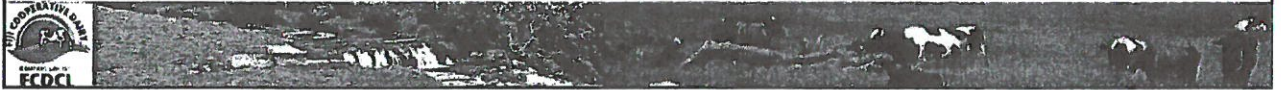
## Opportunities Improved Pasture



- Lot of dairy land under natural vegetation
- Potential for improved pasture
- Seeds readily available
- Technical advise both from Ministry of Agriculture and FCDCL available.



**Thank You**





**BRIEF PRESENTATION TO THE STANDING COMMITTEE**  
**ON ECONOMIC AFFAIRS (PIGGERY FARMING)**

**Re: Presenter Mosese Ratuki :- 29/11/2016**

**A. Background Information**

- Fijian can operate business in livestock

1. Cattle
2. Sheep
3. Aquaculture – Malea
4. Pigs

- A. 1 (a.) Cattle** - Operate a Beef farm than change to Dairy. Now run a small Dairy of twenty (20) milking cows.
- A. 2 (a.) Sheep** - Operate a 30 ewe herd but lost this Enterprise to wild dogs when Agriculture stops their programme of dog control on farms.
- A. 3 (a.) Aquaculture** - Have four (4) pond 50m x 30m with a holding capacity of 40,000 fish.  
- Now the biggest problem is **Theft**.  
:- People who is from outside now living in Kasavu.
- A. 4 (a.) Pigs** - To have a 30 sow Unit.  
- Finance by FDB, \$35,000.00(Not enough).  
- Took supplementary loan to reach \$290,000.00.
- (b.) Land** - Mataqali Land which is lease by us.
- (c.) Water** - (1.) Creak for washing and drinking.  
(2.) Went to borehole for drinking.  
(3.) **Now** need water which is supplied by Water Authority of Fiji.
- (e.) Feed** - 1. Home mix of skim milk plus cassava and swill. *kitchen rubbish*  
2. When FCDC wanted whole milk and the price of cassava got better, then turned to Dry mix of Mill mix, Coconut Meal, Rice Brain, Rice Pollard, Fish Meal, Meat Meal, Premix and molasses.  
3. The Dry mix are not always available - very expensive and of poor quality.

**B. Overview**

To run a sustainable and profitable Pig Farm that will provide employment for the Ratuki family and give us a reasonable, sustainable livelihood.

1. To build from 30 sows Unit to 100 sow Unit by 2017 and to have 150 by the end of 2019 - Selling 800 pigs in 2017 and 1,200 by 2019.
  - This will be only being possible if the Fiji Water Authority get water into the farm.
  - So far, 18 of us children have benefited from the Enterprise.

**C. Challenges**

1. High cost of inputs.

- 1a. Feed ingredients, changing of ration due to some key ingredients is not available and very expensive.

2. Can't get Technical Advice from AH & P for they have none i.e. Number of Farrowing create when going from 30 sows to 100 to 150.

i.) Formulation of ration.

ii.) Stock Build Up and lost days.

iii.) Theft – No support by Police

iv.) Market and price – Whaley's and Leyland have control of market and price.

#### **D. Difficulties**

1. Government communication channel in the District.

2. Request assistant on farm road and safe clean consistent and water supply.

3. Always looking for feed ingredient therefore, always changing ration then the ration quality is compromised.

4. Drugs not always available at AH & P, Clinic.

5. Purchase of Premix can only purchase from big farms.

6. Genetic improvement.

#### **E. How such challenges can be overcome.**

1. The Government to assist farmers that are progressive in Road, Water and electricity. This will very much improve to increase production and reduce lost.

2. Fiji Development Bank [FDB] to reduce or shorten their time in processing loans.

3. Price.

4. To encourage the next generation to go into farming.

#### **F. Other Information**

1. Fiji Meat Industry Board (FMIB) to subsidise Meat and Fish meal to Pig and Cattle farms.

2. Bank [FDB] to give result quicker for processing of loan.

3. AH & P, should always have drugs, ie, Iron (B12), Scourban, Stressoll and Antibiotic at all their outlets.

4. Agriculture should have specialist staff who can advise plan and formulate Rations on Pig Farm.

#### **G. Thank You**

Thank you for listening and any questions.

Thank You.

Prepared by,

*Animal Health & Production*  
**Mosese Ratuki**

**of Matasama Piggery- Kasavu, Naitasiri.**



---

**Ministry of Public Enterprises**

---

Level 4 Civic Tower  
Victoria Parade, Suva, Fiji  
PO Box 2278, Government  
Buildings, Suva, Fiji

Phone: +679 331 5577

Fax: +679 330 2060

---

24 October 2016

Honorable Vijay Nath  
Deputy Chairman  
Standing Committee on Economic Affairs  
PO Box 2352  
Government Buildings  
SUVA

Dear Honorable Vijay Nath

**CLARIFICATION OF ISSUES**

Sir, I refer to your letter on the above subject dated 19 October 2016.

Please find attached as Appendix 1, the Ministry's response to the Questions raised by the Standing Committee on Economic Affairs.

I look forward to providing our update to the Committee on Monday 24 October 2016 at 10.00am.

Sincerely,

David Kolutagane  
**PERMANENT SECRETARY**





**STANDING COMMITTEE ON ECONOMIC AFFAIRS  
(FIJI MEAT INDUSTRY BOARD - FMIB)**

**Questions raised by the Standing Committee on FMIB's Submission**

1. What are the tests carried out by the Ministry to detect cattle infected with TB?

The Ministry does not conduct any testing on cattle. The Ministry of Agriculture is responsible for conducting tests in detecting infected cattle with TB and other diseases.

2. Review of the cattle slaughter fee – The Committee notes that slaughter fee is approved by the FMIB and sent to the Minister responsible for endorsement. Since 2008, any recommendation for increases in slaughter fees has come to Cabinet for approval.

In 2013, FMIB approved slaughter fee and presented it to the Ministry of Agriculture and the Ministry of Public Enterprise. Why has there been no response since?

We can confirm that the last submission to Cabinet for increase in slaughter fees was made in 2007.

The 2013 submission for a further increase was only made to Ministry of Agriculture and not to the Ministry for Public Enterprises.

The Ministry of Public Enterprises was only involved from July 2015 after the Board Chairman requested the Ministry's assistance after following up FMIB's submission to the Ministry of Agriculture. Since then, numerous consultations and exchanges have been undertaken with relevant stakeholders particularly Ministry of Agriculture, Ministry of Economy and FMIB. Contrary to the above statement, the CEO is fully aware of the status of progress.

It is also important to note that while FMIB had submitted the initial cabinet paper in 2015, a lot more work was required on the paper as information were either incomplete or incorrect. Necessary consultations were required with key stakeholders to ensure that all regulatory requirements are met. The impact on company growth potentials, profitability as well as on future demands and customers must be considered. These fundamental issues were missing in the initial paper.

Looking ahead, government has plans for a better future of FMIB one with a more sustainable and a complete solution for a "modern abattoir". The Ministry did advertised Expressions of Interest this year for potential divestment and privatization of FMIB. We would also like to see how best private sector locally and international can also contribute to develop FMIB. There are a number of options that government is considering in formulating a long term solution for FMIB with one that ensures viability of its operations this 21<sup>st</sup> century.

3. The Committee notes that as per the instructions of the Ministry of Public Enterprises, contracts of FMIB staff must be sighted and the total remuneration approved by the Ministry before the Board's chairman can sign the same.

The Board had made recommendation to the Ministry over a year ago to sign the contracts of the Chief Executive Officer (Mr. Steven Ting) and General Manager Finance (Mr. Vimal Chand). Why has there been no feedback in this regard?

Again, part of the above statement is inaccurate and gives a wrong impression of the work conducted at the Ministry.

This is not an instruction from the Ministry of Public Enterprises but is a standard policy and process requirement by the Ministry. This policy is governed by the Higher Salaries Commission (Revocation) Decree 2011. This is a government policy that applies to all State Owned Entities. It is part of our governance policy and practice. Contrary to the FIMB update to the Committee, not all staff contracts require the Ministry of Public Enterprises approval. The Ministry only considers contracts for executive management.

The statement by the Chairman that FMIB submitted the CEO and GMF's contract to the Ministry over a year ago is again inaccurate and misleading. This submission was only received by the Ministry on 17 March 2016 as the respective contracts will only expire on 23 July 2016. The submission was incomplete as it did not comply with our standard policies and process. The proper independent salary assessment was only received by the Ministry in August 2016.

The Ministry has been working closely with FMIB in getting additional information with respect to the contracts. Obviously, they are fully aware of the progress. A decision on contract renewals will be finalized soon.

4. Dual reporting – What is the rationale behind the FMIB having to report to both the Ministry of Agriculture and the Ministry of Public Enterprises?

The current reporting structure is the approved channel of monitoring and communication to the shareholder ministries. This reporting is aligned with the current legislations that govern the operations at FMIB.

FMIB was established under the Meat Act 237 of 1970 and operations are provided for by the Meat Act. This legislation is under the portfolio of the Ministry of Agriculture.

FMIB was declared a Commercial Statutory Authority (CSA) in September 2005 and as such they are subject to the reporting requirements of the Public Enterprises Act 1996.

While MPE oversees the commercial viability and financial supervision of the company, Ministry of Agriculture with Ministry of Economy looks after the sector strategy and related policy. This is common in our state entities that run commercially but also has social and economic responsibilities.

Is there a possibility to report to a single line Ministry to reduce problems in processing requests?

This is a policy decision that will be considered by the Government.



## PRESENTATION TO THE STANDING COMMITTEE ON ECONOMIC AFFAIRS

## HISTORY

FMIB was established in 1976 with two registered abattoirs and a Tannery on Vitilevu. Nasinu Abattoir was established in 1976 on 35.42 ha of State Land to cater for the Central Division. Vuda Abattoir was established in 1983 on 16.35 ha to cater for the Western Division.

## VISION

To be a recognized regional provider of quality and value added meat, protein and their by-products.

## MISSION

FMIB is committed to providing slaughtering and processing services in facilities that are internationally benchmarked for safety, hygiene and quality. We will respond to the needs of diverse markets through humane practices, technological efficiency and adding value to meat and protein products.

In doing so, FMIB believes in continuous business success and growth built upon customer satisfaction, high ethical standards, good business practices and concern for the welfare of our employees. We are committed to fulfilling our responsibility to the government, the environment, our suppliers and the community in which we operate.

## Statutory Function of the Board

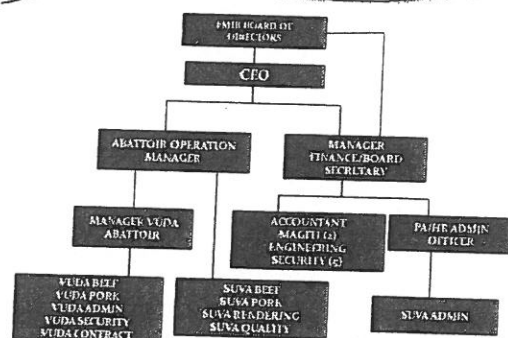
The Fiji Meat Industry Board was established in 1976 under the Meat Act Cap 237 of 1970.

The function of the Fiji Meat Industry Board is to:

- Construct and operate public slaughtering facilities
- Take steps deemed for the protection, preservation and expansion of the meat industry in Fiji
- Borrow funds as and when required to effectively discharge its function.
- Purchase funds as and when required to effectively discharge its function
- Purchase, trade or deal in livestock, meat and its by products.

In September 2005, The Fiji Meat Industry Board was designated a Commercial Statutory Authority (CSA). Its outlook and approach to abattoir service and products have always been commercial in perspective.

## FMIB Organisation structure





### CEO'S REPORT

- FMIB continued to perform well after achieving a net profit of \$326,981 in 2013 compared to \$375,361 in 2012.
- Despite the declining throughput, increasing cost of production and non renewal of slaughter fees FMIB managed its resources well to ensure profitability and sustainability of the company.
- A total bonus payout of \$27,471 was approved by the Board and the Minister for Public Enterprises as incentive for employees who work with due diligence, perseverance, and commitment.

7

### CATTLE

- A total of 7163 cattle were slaughtered producing 1,849 tons of Beef.
- The number of cattle slaughtered have declined by 11 compared to previous year, however total volume increased by 16 tons this was due to the increase in the number of Bulls slaughtered which increased by 21.07%.
- Average carcass weight had increased to 243kg compared to 234kg previous year.
- FMIB is working with the Ministry of Agriculture with the restriction placed on female slaughter of cattle, goats and sheep to build up the stock number in the near future.

8

### CATTLE

- Stakeholders should be working together to attract investors into beef farming business. This should include incentives from Lending Institution to provide low interest rate on borrowed capital and loan repayment after three years.
- Government should have policies to assist beef farmers with pasture development, improve genetics, better breeding stock and fencing material. Long term investment such as beef farming will require longer lease term of more than 30 years.

9

It is recommended that the term of the lease for beef farmers be 99 years; and that a more coordinated approach to beef development is taken

10

### Cattle Slaughter Numbers & Weights

Year	Days Run	Pigs Slaught	Pigs	(t)
2000	8303	2476	10779	2576
2001	8322	2567	10889	2740
2002	8245	2383	10628	2346
2003	6720	1952	8672	2223
2004	6733	1894	8627	2172
2005	6492	1940	8432	2130
2006	6634	1860	8494	2126
2007	5845	1730	7575	1908
2008	5899	1642	7543	1880
2009	5156	1512	6668	1680
2010	5251	1972	7223	1756
2011	5125	1996	7231	1943
2012	5115	2059	7174	1833
2013	5012	2151	7163	1849

11

### MAGITI MARKET

The Board provides a readily available market for more than 200 beef and pig farmers who cannot sell direct to the butchers.

The "Magiti" trade provides a convenient market especially for "itaukei" requirements where pig carcasses are required. Consumers are more health conscious who prefers to have to dressed carcasses from the Abattoirs that are hygienically slaughtered and more convenient.

12

### Cattle Magiti Market

Despite the increase in buying price for beef carcasses the number of cattle slaughtered for Magiti trade further declined to four hundred and one (401) compared to four hundred and forty one (441) slaughtered in 2012 and five hundred and ninety three (593) slaughtered in 2011.

### CALVES

A total of 203 calves were slaughtered compared to 358 slaughtered in 2012 this represent a decline of 43.3%. The numbers have declined significantly since the re-emergence of Brucellosis in 2010.

### PIGS

- Pig throughput slightly declined to 16109 compared to 16655 in 2012 the numbers have decline by 3.28%. Total volume of pork produced also declined by 1.33% with only 967 tons of pork produced compared to 980 tons in 2012. The decline was due to Parvo Virus and Glassers diseases affecting two major piggeries.
- Despite the decline in throughput and the volume of pork produced average carcass weight has increased to 60kg compared to 57.67kg in 2011 to 58.84kg in 2012.
- Pig farmers targeting to sell their pigs where growth rate is at peaked so that they could get the maximum return. Farmers are also changing their breed from local to exotic breed because of high feed efficiencies, high farrowing index and good litter sizes.
- Prices of pork increase dramatically for the local market due to the high demand for pork and products such as sausages, ham and bacon for the tourism market.

### Pig Slaughter Numbers & Weights

Year	Sows Nos	Pork (Tons)	Piglet (Tons)	Piglet Xtra
2000	19482	2930	13332	772
2001	18614	2153	12767	671
2002	18439	2167	12666	656
2003	11125	3092	14227	768
2004	11186	4672	15858	904
2005	12454	4741	17195	943
2006	122399	4333	16632	911
2007	13986	3956	17936	977
2008	12284	4248	16532	891
2009	12173	5390	17563	946
2010	11168	4957	16125	901
2011	16214	5774	15588	899
2012	12149	4586	16655	960
2013	11837	4270	16109	967

### PIG MAGITI TRADE

- Pig slaughter numbers for Magiti increases compared to 2012 and 2011 by 11.08% and 10.56% respectively. The increase was due to the consistent supply of pigs from Outrange Piggery in Ovalau.
- FMIB introduced a new pricing structure that pays premium price for carcass weight ranges between 15kg to 50kg based on customer preference.

### GOAT

- Total number of goats had declined drastically to 169 compared to 293 slaughtered previous year which represent a decline of 42.32%.
- There is a huge market for goat in the informal market or sold on the road side and slaughtered at back yards. The slaughter numbers at the Abattoirs is believed to represent a very low percentage compared to the size of the industry with goat population more than 101,196 (Agricultural Census 2009).
- Despite of the low slaughter fees of \$2.50 per head a high percentage of goats are believed to be slaughtered at the backyard for butcher sales and for special occasions.

### Goat Slaughter Numbers & Weights

Year	Goats (Nos)	Yards (Nos)	FMBB (Tons)	FMBB (Tons)
2000	902	471	1373	15.3
2001	1109	349	1458	17
2002	1160	118	1188	14.7
2003	1016	67	1113	13.2
2004	1311	30	1341	15.5
2005	1403	55	1458	17
2006	1193	61	1254	14.6
2007	911	295	1207	13.61
2008	893	390	1283	13.83
2009	341	605	946	11.28
2010	633	451	1085	12.26
2011	671	457	1129	12.31
2012	131	161	293	3.30
2013	135	34	169	1.91

29

### SHEEP

- A total of 60 sheep were slaughtered in 2013 which produced 0.614 tons compared to 27 slaughtered in previous year with 0.410 tons.
- Sheep farming is still at developing stage despite its early introduction to the farmers more than twenty years ago. The slaughter numbers represent less than 0.6% of the total sheep population with more than 70% of the sheep population used for research and breeding at Government Research Stations.

30

### Sheep Slaughter Numbers & Weights

Year	Sheep (Nos)	Yards (Nos)	FMBB (Tons)	FMBB (Tons)
2000	4	1	5	0.09
2001	3	0	3	0.06
2002	10	0	20	0.32
2003	16	12	28	0.37
2004	73	34	107	1.12
2005	158	0	158	1.71
2006	85	0	85	0.89
2007	73	26	99	1.03
2008	81	30	111	1.23
2009	42	15	57	0.65
2010	38	129	167	2.29
2011	110	79	201	2.80
2012	4	23	27	0.410
2013	21	39	60	0.614

31

### RENDERING

- The Rendering Section produced more than 566 tons of Meat Meal and Fish Meal compared to 510 tons previous year. This was the highest production ever recorded since the established of the Abattoir.
- Processing fish waste into fish meal not only earned extra income for the company it also provides extra days of work for employees as slaughtering business operates only for three days.
- Furthermore, the Board assists not only pig farmers it also provides poultry farmers with the much needed feed ingredient with a crude protein level of 62%. The high protein Fish Meal boosts animal growth through better feed palatability and enhances nutrient uptake digestion and absorption.

32

It is recommended that Government provides funding to rebuild a new Rendering Plant

33

### Fish & Meat Meal Production

Year	FMBB	Tallow
2000	353.9	81.2
2001	382.9	81.4
2002	377.6	71.91
2003	446.3	67.31
2004	497.3	39.6
2005	384.5	28.57
2006	346.4	34.38
2007	340.9	30.06
2008	497.7	36.5
2009	527.0	35.11
2010	497.9	41.9
2011	523.4	40.5
2012	510.6	38.52
2013	566.7	28.59

34



### HIDE

- A total of 7122 hides were salted compared to 7078 salted previous year. The number of damaged hides also declined to 99 compared to 133 damaged in previous year.
- Hide quality has improved after the recruitment of a hide assistant who salts the hide straight after it comes out of the Abattoir instead of salting after all the cattle are slaughtered in the afternoon.
- Seven containers of hides were exported compared to six in 2012. The increase was due to the sizes of the processed hides which are much bigger than the ones processed previous year.

35

### Industry Development

- The unit has reduced its staff to streamline its operations to focus on its core functions of sourcing stock from other farms and also managing its own farm both at Nasinu and Vuda.
- Total of 75 cattle kept at Nasinu and 36 at Vuda carrying out husbandry practices such as drenching, dehorning, castration and weighing carried out on monthly basis to improve the health and the growth rate.
- A total of 401 cattle and 2499 pigs were sourced by the unit and sold at the Magiti outlet.
- The unit also monitors 21 contract farms whose contract comes to end in September. The monitoring includes their accounts with the Board, pig's growth rate and stock numbers which includes birth, death and sales. The Unit also liaises with livestock farmers who want to sell their livestock to the Abattoir.
- The Board continued to buy pregnant and underweight cattle that cannot be slaughtered. These cattle were bought on live weight basis and kept at Nasinu Abattoir until calving or when they reached the required slaughter weight.

36

### Quality Assurance

The Quality Assurance Team focuses more on Food Safety and Meat Hygiene monitoring slaughter, delivery, cleaning and also environmental related issues. The team also handle Customer complains, queries and Customer feedback. All information is, document and procedures procedures are put in place to ensure that the records are used to demonstrate achievement of the required quality and the effective operations of the quality system.

The monitoring data collated is analyzed for Audit purposes and general use for the Board. The team closely monitors chiller temperature, carcass temperature and delivery temperature to ensure the safety of finished product.

The Quality Assurance Team also monitors slaughtering against the Standard Operations Procedures, Quality Manual and the Hazard Analytical Critical Control Point.

37

### Compliance

- All deliveries from the Abattoirs to the Butchers are in compliance with the Food Safety Act.
- The Board continues to work with the Ministry of Agriculture on the restrictions on the slaughter of female cattle, sheep and goats..
- The slaughter of tuberculosis cattle follows the standard operation procedures for diseased animal to ensure health and safety of the worker. These cattle are slaughtered last with floor and equipment sanitized thoroughly after the detection of generalized tuberculosis on carcasses.

38

### Compliance

The aged abattoir facilities need to be upgraded as there was been no major renovation since both were established. This has adversely affected the Board's ability to enter and penetrate into new markets particularly in hotels which demands meat processed in HACCP facilities and conditions.

The HACCP plan for the Abattoir needs approval from the Ministry of Health Food Unit. The Board's capacity to fully implement the audit recommendations is currently severely strained given its cash flow situation.

39

- It is recommended that Government finance or find a donor to build or upgrade both abattoirs

40

### Manpower

The total workforce at the end of December 2013 was 88. FMIB lost nineteen (19) staff through terminations, retirement, end of contract and resignations. There were 5 recruitment carried out during the year.

### Income Statement

	2013	2012
<b>Revenue</b>		
Operating Income	3,592,004	3,535,350
Deferred Income	147,300	80,500
Other Income	116,309	160,174
	3,855,573	3,876,024
<b>Expenditure</b>		
Changes in Inventories	1,098,351	1,139,269
Raw Materials Used	158,851	206,290
Staff Cost	855,749	835,119
Depreciation	254,501	187,657
Other Expenditure	1,039,545	1,051,598
Finance Cost	91,535	100,730
	3,538,532	3,500,663
<b>Net Profit</b>	316,981	375,361

### Balance Sheet

<b>Assets</b>	\$	\$
Current Assets	920,241	793,715
Non Current Assets	2,106,686	1,771,314
<b>Total Assets</b>	<b>3,026,927</b>	<b>2,565,029</b>
<b>Liabilities</b>		
Current	399,268	437,014
Long Term	1,427,124	1,254,461
	1,826,392	1,691,475
<b>Equity</b>	<b>1,200,535</b>	<b>873,554</b>

### Challenges

- Review of Slaughter Fee
- Urgent Capital Expenditure
- Review of Meat Act
- Decline in cattle and pig numbers
- Relocation of FMIB
- Dual Reporting
- In efficiencies in Governments system to process requests