



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Consolidated Review Report of the Fiji Meats Industry Annual Reports 2018-2022

Annexures

7.0 Annexures

Fiji Meat Industry Board

"Linking Paddock to Plate"

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BRIEF HISTORY & OVERVIEW

- FMIB was established under the Fiji Meat Industry ACT 237 of 1970, Suva abattoir was established at Nasinu, Nine Miles in 1976 to cater for cattle, pigs, goats and sheep slaughtering services.
- Vuda Abattoir was established at Vuda Point in 1983.
- FMIB is committed to provide slaughtering and processing services in facilities that are internationally benchmarked for Food safety, food hygiene and food quality.
- FMIB is a public enterprise and must operate commercially.
- The Board (FMIB) directly reports to the Ministry of Public Enterprise and collaborates with the Ministry of Agriculture on technical issues.

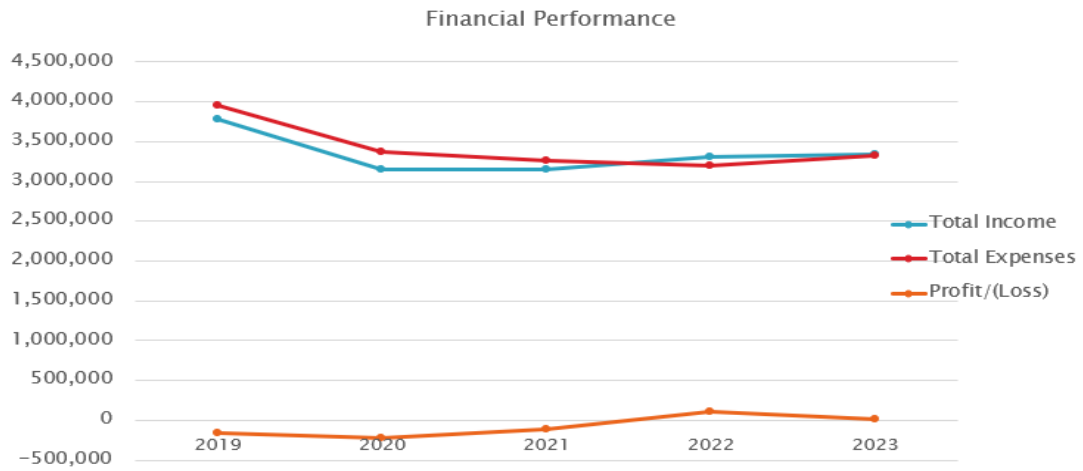
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FINANCIAL PERFORMANCE

- The low slaughter fee and decline in throughput continues to be the major factor in the loss situation over the years. FMIB, was only given approval to increase its slaughter fees from November 2023, after attempts dating back for 15 years.
- However, the increasing cost of operations and the increase in minimum wage rate has increased FMIB's operational cost in the past years and current year.
- The Company has an improved cashflow position now compared to past years as the Company has minimal debt with high receivables that are collected on timely basis.
- Despite these increasing costs and low throughput, FMIB is still required to maintain its operating standards against Food safety benchmarks to protect consumers and assist farmers maintain their markets.
- The Accounts for financial year 2023 has been audited and signed accounts provided to key stakeholders.
- The annual report for the year 2023 is in the design process.

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FINANCIAL PERFORMANCE cont'd



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FINANCIAL PERFORMANCE cont'd

Financial Dashboard					
2019-2023					
	2019	2020	2021	2022	2023
Total Income	3,784,809	3,154,176	3,143,364	3,306,728.69	3,342,046
Total Expenses	3,947,750	3,371,147	3,259,110	3,198,594.46	3,331,570
Profit/(Loss)	(162,941)	(216,971)	(115,746)	108,134	10,476
Total Current Assets	1,200,061	994,758	808,144	1,050,702	1,134,462
Total Non-Current Assets	33,656,079	33,828,618	34,159,451	34,266,448	34,368,737
Total Assets	34,856,140	34,823,376	34,967,595	35,317,150	35,503,199
Total Current Liabilities	553,262	494,969	582,260	472,416	458,698
Total Non-Current Liabilities	720,177	962,677	1,135,351	1,486,616	1,675,907
Total Liabilities	1,273,439	1,457,646	1,717,611	1,959,032	2,134,605
Total Equity	33,582,701	33,365,730	33,249,984	33,358,118	33,368,594
Financial Ratios	2019	2020		2021	2022
Profitability Ratio -Net Profit Ratio	-4%	-7%	-4%	3%	0%
Profitability Ratio -Return on Assets	-0.47%	-0.62%	-0.33%	0.31%	0.03%
Current Ratio	2.17	2.01	1.39	2.22	2.47
Debt Ratio	0.04	0.04	0.05	0.06	0.06

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KEY ISSUES FACED BY FMIB

- Livestock throughput – Low throughput over the years.
- Increase in Payroll Costs
- Old legislation – Meat Act Review
- Relocation

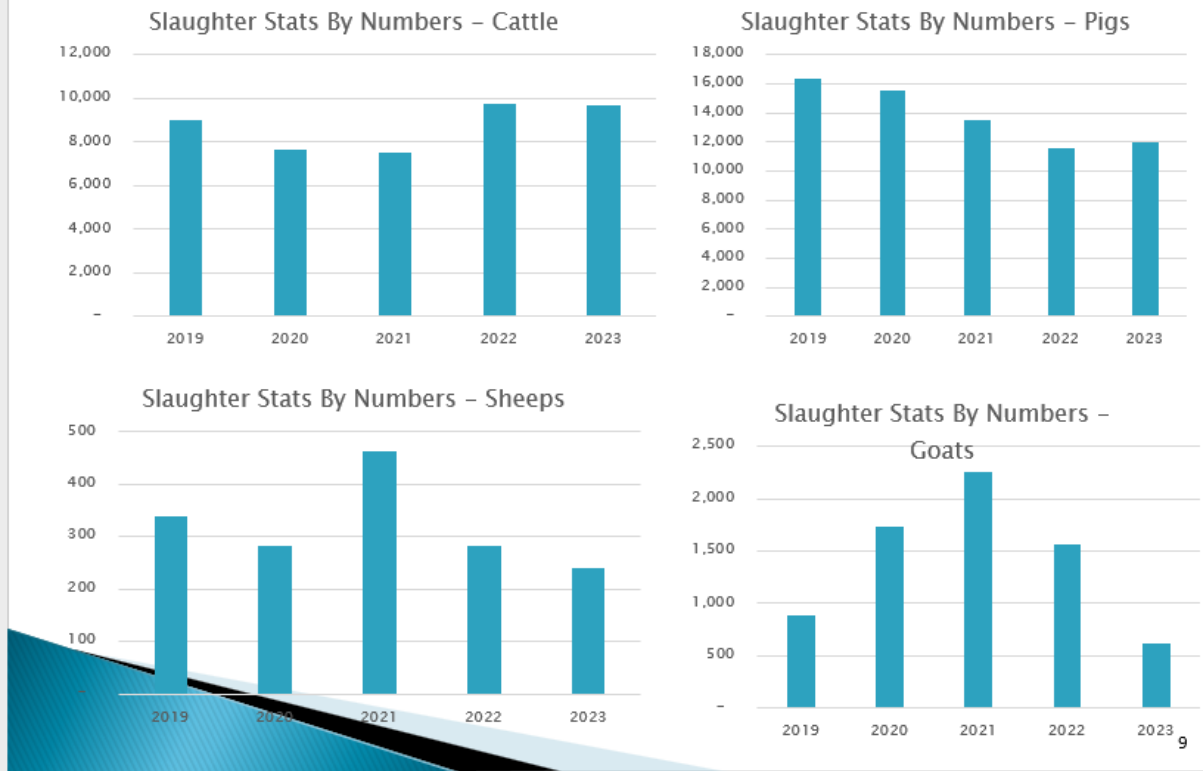
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LIVESTOCK THROUGHPUT

- ✓ **Decline in throughput continues to be one of the major factors affecting the operations and profitability of abattoir operations.**
- ✓ The throughput through our 2 abattoirs for the current financial year has been at an all-time low [YTD].
- ✓ FMIB currently receives on average of 10,000 cattle and 11,000 pigs for slaughter yearly.
- ✓ However, it needs approx. 20,000 cattle/year and 30,000 pigs/year for breakeven.

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LIVESTOCK THROUGHPUT cont'd



LIVESTOCK THROUGHPUT cont'd

Year	Cattle		Pig		Sheep		Goat	
	No	Weight (t)	No	Weight (t)	No	Weight (t)	No	Weight (t)
2007	7,575	1,908	17,936	977	99	1	1,207	14
2008	7,541	1,880	16,532	891	111	1	1,283	14
2009	6,668	1,680	17,563	946	57	1	946	11
2010	7,223	1,858	16,934	974	167	2	1,129	13
2011	7,121	1,942	15,599	898	177	3	1,129	12
2012	7,174	1,833	16,655	980	27	0	293	3
2013	7,160	1,849	16,109	967	50	1	169	2
2014	7,589	1,859	15,208	887	64	1	538	7
2015	8,471	2,042	16,181	977	33	0	603	8
2016	8,327	2,240	14,473	952	47	1	486	7
2017	8,381	2,068	14,083	917	84	1	801	9
2018	8,775	2,156	15,636	1,004	368	7	1,298	11
2019	9,019	2,163	16,376	1,018	338	4	884	10
2020	7,621	1,788	15,498	975	281	5	1,728	19
2021	7,539	1,763	13,539	863	464	5	2,259	25
2022	9,758	2,237	11,618	717	283	7	1,570	17
2023	9,706	2,102	11,977	714	240	4	624	7

INCREASE PAYROLL COSTS

- ✓ The payroll costs of FMIB has risen with the 50 cents increase in minimum wage rate from August 2024 and another 50 cents increase in April 2025.
- ✓ The impact of the increase in FMIB books – approx \$150,000 per year which is substantial for the Company.
- ✓ The all time decline in slaughter numbers in 2024 has hindered FMIB's ability to collect the projected revenue for 2024.
- ✓ The combined impact of the shortfall in revenue (\$120,000 YTD) and the increase in the payroll costs [\$150,000] will greatly impact FMIB's financial performance.

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MEAT ACT REVIEW

- The meat act review has also been pending for number of years and the amendments needed in the meat act is affecting FMIB and other stakeholders of meat industry.
- Some of the major amendments needed in meat act from FMIB perspective are as follows.
 - ✓ Discourage bush slaughter for commercial purposes
 - ✓ Butcher surveillance rights to be extended to FMIB – also able to monitor and restrict bush slaughter.
 - ✓ Carcass to be classified by grade and not class.
 - ✓ Slaughter fee review to be approved by the Board as and when needed and not through cabinet decision.
 - ✓ FAO has done a preliminary review of the meat act, and the report is available with MoA Management.
 - ✓ FMIB proposes two separate legislations during the meat act review, one for FMIB and one for meat industry in general- currently combined under one act.

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MEAT ACT REVIEW cont'd

- ✓ Payment of Carcass to be made on grades.
- ✓ Only the Carcass is weighed and paid to the farmers.
- ✓ Offals are not compensated by the butchers to farmers and FMIB is not able to charge cleaning fee.
- ✓ Reconsider restrictions on female slaughter in the act.

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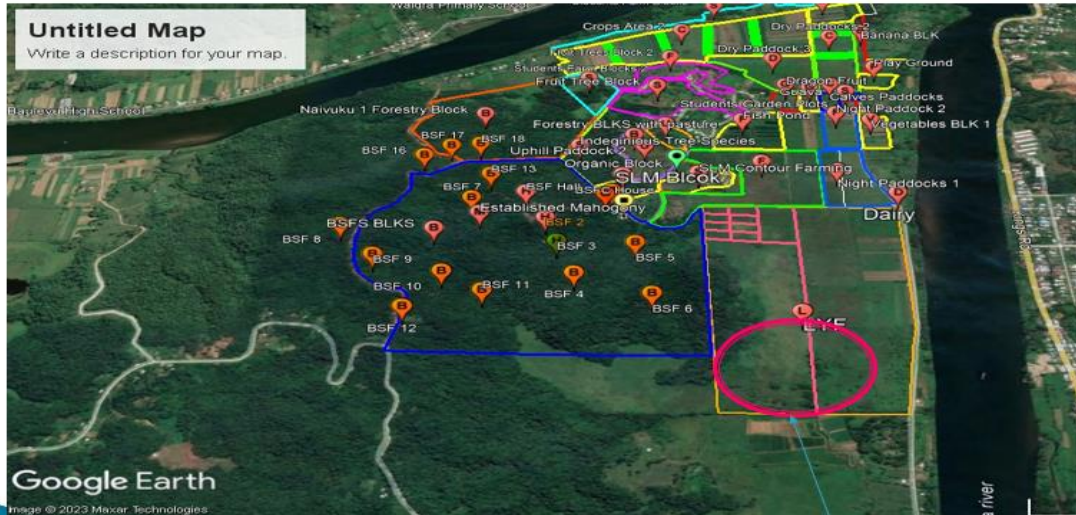
RELOCATION PROPOSAL

- The Suva Abattoir now has been in the heart of Nakasi and the odor from Rendering plant creates nuisance for the community which can create health issues.
- In view of the increasing development and population around the area and FMIB's strategic plan,
- Minsiter for Agriculture has instructed FMIB to treat relocation as a priority
- Options are being evaluated with a possible site identified.
- Negotiations started
- Further meetings and analysis will be done to confirm relocation site
- Finding for this relocation will be substantial- external funding assistance to be considered.

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RELOCATION PROPOSAL cont'd

PROPOSED LOCATION SITE MAP



PROPOSED AREA 15–20 acres

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KEY STRATEGIES

1. **5-year Strategic Plan** done by PWC & approved by Board.
2. **HACCP Certification** – being certified by HACCP Australia (Stages 1to 3 completed and final stage 4 in-progress)
3. **Strategies to improve Revenue and Cashflow**
 - FMIB has established a Sales & marketing department that is tasked to vigorously penetrate the untouched markets in Fiji.
 - FMIB has started to work on constructing a Restaurant in FMIB premises which is located near the road (opposite R B Patel Supermarket).
 - The Company shall utilize the off-cuts meat to value-add in the restaurant and generate value added revenue.
 - The Company also has plans to venture into Sausage production – negotiation with local market outlets undertaken..
 - Continue production of meat meal (incl fish meal) to support the Rendering Division and FMIB income.
 - Explore Regional market for export of Pork and Beef.
 - Explore investment opportunities using the land acreage under FMIB

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CONCLUSION & DISCUSSION

- FMIB Board & Management is committed to resolving technical and financial issues faced.
- Continue to Offer food safe and food hygiene slaughtering facilities.
- Upgrade abattoirs to meet HACCP standards.
- Offer meat training opportunities to workers.
- Improve staff welfare
- Improve animal welfare
- FMIB is committed to be efficient, diversify, venture into new markets, make profits and profitable returns to its shareholder.
- Financial support needed for its operational costs to offset continuing low throughput which is out of FMIB's control.

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