



## **STANDING COMMITTEE ON ECONOMIC AFFAIRS**

### **Review Report for the Fiji Meat Industry Board Annual Reports 2018, 2019, 2020, 2021 and 2022**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
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## Acronyms

FMIB	-	Fiji Meat Industry Board
HACCP	-	Hazard Analysis Critical Control Point
KPIs	-	Key Performance Indicators
SDGs	-	Sustainable Development Goals
SO	-	Standing Order
TB	-	Tuberculosis
YPCL	-	Yaqara Pastoral Company Pte Limited

## Chairperson's Foreword

The Standing Committee on Economic Affairs hereby submits to Parliament the Consolidated Review Report of the Meat Industry Board 2018 to 2022 Annual Reports.

Fiji Meat Industry Board ("FMIB") was established under the *Fiji Meat Industry ACT 237* of 1970. 1976 Suva abattoir was established at Nasinu, Nine Miles to provide slaughtering services in the Central Division. In the same year, a rendering plant was established next to the abattoir to make high-quality leather. The company ventured out into animal feed by using the by-products from the abattoir and fish processing facilities.

The Suva property sits on 35.4 hectares of state land. The land has a 75-year Crown lease granted on 1<sup>st</sup> July 1976.

Vuda Abattoir was established later at Vuda Point in 1983. It caters for the slaughter services in the Western Division. The Vuda property sits on 6.35 hectares of Native land. The land tenure is a 75-year Native lease granted on 01/01/1982.

The core function of FMIB is to provide slaughtering services for butchers in Fiji. It has now ventured into a Magiti concept where it also provides services for social obligations to meet our diverse markets.

FMIB is committed to providing slaughtering and processing services in facilities that are of international standard to meet safety, hygiene and quality standards. FMIB has also ventured into implementing a food safety program that complies with the Hazard Analysis Critical Control Point ("HACCP") principles and conforms to guidance issued by the Food Safety Act 2003, Food Safety Regulations 2009 and Meat Industry Act 1993.

Pertinent issues identified by the Committee are as follows:

- 1.0 FMIB incurred losses from 2018 to 2021 except in 2022, when it recorded a small profit of \$108,134. This profit is largely attributed to a reduction in the number of employees. The ongoing losses have been driven by low throughput and the rising cost of operation.
- 2.0 From 2018-2022, FMIB received an average of 8,542 cattle, 14,533 pigs, 347 sheep, and 1548 goats for slaughter annually. To break even, FMIB needs approximately 20,000 cattle per year and 30,000 pigs per year. Currently, the abattoir is not working at full capacity due to a decline in livestock numbers resulting in low number of livestock going through the abattoir.
- 3.0 The livestock numbers have steadily declined over the years due to the prevalence of diseases such as TB, Brucellosis and decline in sugarcane farmers engage in rearing livestock which has significantly impacted livestock populations. Additionally, poor pasture management and the rising cost of feed, have further contributed to the reduction in livestock numbers and lack of

interest by farmers. This decline poses a broader threat to the sustainability of the livestock industry in Fiji.

- 4.0 There are several challenges affecting FMIB such as:
  - 4.1 Need investment to modernize facilities to meet new requirements for food handling, hygiene and security.
  - 4.2 A review of Meat Act is urgently needed to address current issues facing meat industry.
  - 4.3 Bush slaughter needs to be curbed for health and commercial purposes.
  - 4.4 Meat grading needs to be introduced to protect consumers and farmers.
  - 4.5 Farmers are short changed where only carcass is weighed and paid and not the offals.
  - 4.6 Sharp increase in production cost.
  - 4.7 Low livestock numbers.
- 5.0 Poor coordination and collaboration between FMIB and the Animal Health Division at the Ministry of Agriculture and Waterways.
- 6.0 The incentives particularly the grant of around \$717,000 (fencing kit support for beef, goat and sheep, beef stock yard, goat and sheep shed, goat rearing, pig farrowing crates and piggery pan development) provided to livestock farmers have not led to any noticeable increase in livestock production.
- 7.0 FMIB and Yaqara Pastoral Company Pte Limited (“YPCL”) are not collaborating effectively to boost livestock production and move Fiji towards self-sufficiency.
- 8.0 FMIB still relies on external service providers to develop 5-year Strategic Plan and to prepare accounts at a cost.
- 9.0 FMIB has \$31.9 million worth of Investment Property, primarily consisting of land, which is yielding no returns for the company.
- 10.0 FMIB’s plan to improve profitability by setting up a restaurant, venturing into sausage production, and exporting pork and beef to the regional market raises concern. These initiatives are not the core business of FMIB, particularly when livestock production is declining.
- 11.0 The annual reports did not contain any performance matrix aligned with the Key Performance Indicators (“KPIs”), making it difficult to assess the performance of Fiji Meat Industry Board.
- 12.0 The Committee also noted that FMIB did not report on relevant Sustainable Development Goals (SDGs), which is a mandatory requirement of all Annual Reports presented to Parliament.

13.0 The Committee noted that although FMIB depends on animals as its primary input, the company has not considered the option of utilizing land for animal rearing or producing young calves, kids, lamb and piglets for distribution to interested farmers.

I wish to extend my gratitude to the Chairperson of FMIB Board, Dr. Kenneth Cokanasiga and his staff for their timely assistance in this inquiry.

At this juncture, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Sashi Kiran, Hon. Premila Kumar, Hon. Tomasi Tunabuna, Hon. Aliko Bia. I also thank the secretariat for their invaluable support.

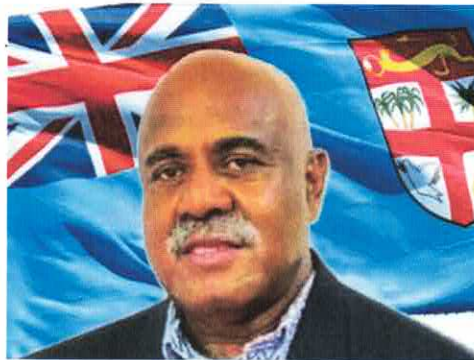
On behalf of the Standing Committee on Economic Affairs, I commend this Review Report to Parliament and request all members of this august House to take note of the report.



.....  
**Hon. Sakiusa Tubuna**  
**Chairperson**

## Committee Membership

The substantive members of the Standing Committee on Economic Affairs are:



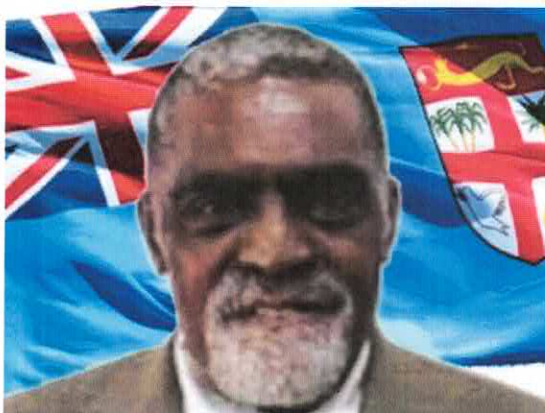
Hon. Sakiusa Tubuna  
**Chairperson**



Hon. Sashi Kiran  
**Deputy Chairperson**



Hon. Premila Kumar  
**Member**



Hon. Tomasi Tunabuna  
**Member**



Hon. Aliko Bia  
**Member**

## Committee Secretariat

### Secretariat Staff

- Ms. Marica Tuisoso
- Ms. Awantika Raj

### Committee contact details.

**Address:** Standing Committee on Economic Affairs Committee.  
Parliament of the Republic of Fiji  
Government Buildings  
SUVA, FIJI

**Phone:** +679 322 5600/ +679 8925 223

**Web:** <https://www.parliament.gov.fj/committees/standing-committee-on-economic-affairs/>



## 1.0 Introduction

The Standing Committee on Economic Affairs were referred the Fiji Meat Industry Board Annual Reports 2018-2022, pursuant to Standing Order 38(2) of the Standing Orders of the Parliament of the Republic of Fiji. The Committee was mandated to review the Annual Reports and table its findings to Parliament.

Standing Order 110(1)(c) authorizes the Standing Committee to *scrutinize the government departments with responsibility within the committee subject area, including by investigating, inquiring into, and make recommendations related to any aspect of such department's administration, legislation or proposed legislative program, budget, rationalization, restructuring, functioning, organisation, structure and policy formulation.*

## 1.1 Background

FMIB is a state-owned enterprise that operates on a commercial basis to contribute to Fiji's economy while meeting the needs of its stakeholders. It reports directly to the Ministry of Public Enterprise and collaborates with the Ministry of Agriculture on technical issues.

FMIB provides hygienic slaughtering and processing services for the public in accordance to the Meat Industry Act 1970. All livestock slaughtering is conducted under the supervision of the Government Meat Inspectors and Quality Assurance Officers.

Core Functions of FMIB are as follows:

1. **Slaughtering Services:** FMIB provides slaughtering services for butchers across Fiji. Whether it's beef, pork, goat, or sheep, they ensure humane practices and maintain facilities that meet international standards for safety, hygiene, and quality.
2. **Magiti Concept:** FMIB has also ventured into the Magiti concept, where they sell meat for social obligations to meet the diverse needs of our people.
3. **Food Safety Program:** FMIB takes food safety seriously. They've implemented a program that adheres to Hazard Analysis Critical Control Point (HACCP) principles. This program aligns with guidance issued by the Food Safety Act 2003, Food Safety Regulations 2009, and the Meat Industry Act 1993.

## 1.2 Committee Remit and Composition

The Committee is made up of five (5) Members of Parliament, three (3) from the Government and two from the Opposition. In accordance with Section 109 (2)(a), the Standing Committee on Economic Affairs is tasked with overseeing matters related to economic development, finance, banking, and taxation.

### **1.3 Procedure and Programme**

The Committee began its review of the Annual Report in August 2024. The review process agreed upon by consensus among Members, proceeded as follows.

The Committee carefully read through the Annual Reports and identified pertinent questions to be directed to FMIB for clarification. From this discussion the Committee wrote to the Chairperson of FMIB and arranged for a face-to-face site visit to their Nasinu operation site.

During the visit, the Committee had the opportunity to listen to a detailed presentation provided by the FMIB representatives. The presentation covered various aspects of their operations, including challenges faced, the need to review the Act and relocation of the business. This informative session was instrumental in enhancing our understanding of the company's strategies, operational and identifying areas for potential improvement.

## 2.0 Findings

The annual report was extensively reviewed and deliberated upon by the Committee with various findings highlighted below:

- 2.1 FMIB incurred losses from 2018 to 2021 except in 2022, when it recorded a small profit of \$108,134. This profit is largely attributed to a reduction in the number of employees. The ongoing losses have been driven by low throughput and the rising cost of operation.
- 2.2 From 2018-2022, FMIB received an average of 8,542 cattle, 14,533 pigs, 347 sheep, and 1548 goats for slaughter annually. To break even, FMIB needs approximately 20,000 cattle per year and 30,000 pigs per year. Currently, the abattoir is not working at full capacity due to a decline in livestock numbers resulting in low number of livestock going through the abattoir.
- 2.3 The livestock numbers have steadily declined over the years due to the prevalence of diseases such as TB, Brucellosis and decline in sugarcane farmers engage in rearing livestock which has significantly impacted livestock populations. Additionally, poor pasture management and the rising cost of feed, have further contributed to the reduction in livestock numbers and lack of interest by farmers. This decline poses a broader threat to the sustainability of the livestock industry in Fiji.
- 2.4 There are several challenges affecting FMIB such as:
  - 2.4.1 Need investment to modernize facilities to meet new requirements for food handling, hygiene and security.
  - 2.4.2 A review of Meat Act is urgently needed to address current issues facing meat industry.
  - 2.4.3 Bush slaughter needs to be curbed for health and commercial purposes.
  - 2.4.4 Meat grading needs to be introduced to protect consumers and farmers.
  - 2.4.5 Farmers are short changed where only carcass is weighed and paid and not the offals.
  - 2.4.6 Sharp increase in production cost.
  - 2.4.7 Low livestock numbers.
  - 2.4.8 Poor coordination and collaboration between FMIB and the Animal Health Division at the Ministry of Agriculture and Waterways.
- 2.5 The incentives particularly the grant of around \$717,000 (fencing kit support for beef, goat and sheep, beef stock yard, goat and sheep shed, goat rearing, pig farrowing crates and piggery pan development) provided to livestock farmers have not led to any noticeable increase in livestock production.
- 2.6 FMIB and Yaqara Pastoral Company Pte Limited (YPCL) are not collaborating effectively to boost livestock production and move Fiji towards self-sufficiency.

- 2.7 FMIB still relies on external service providers to develop 5-year Strategic Plan and to prepare accounts at a cost.
- 2.8 FMIB has \$31.9 million worth of Investment Property, primarily consisting of land, which is yielding no returns for the company.
- 2.9 FMIB's plan to improve profitability by setting up a restaurant, venturing into sausage production, and exporting pork and beef to the regional market raises concern. These initiatives are not the core business of FMIB, particularly when livestock production is declining.
- 2.10 The annual reports did not contain any performance matrix aligned with the Key Performance Indicators (KPIs), making it difficult to assess the performance of Fiji Meat Industry Board.
- 2.11 The Committee also noted that FMIB did not report on relevant Sustainable Development Goals (SDGs), which is a mandatory requirement of all Annual Reports presented to Parliament.
- 2.12 The Committee noted that although FMIB depends on animals as its primary input, the company has not considered the option of utilizing land for animal rearing or producing young calves, kids, lamb and piglets for distribution to interested farmers.

### **3.0 Recommendations**

To further enhance FMIB's operational efficiency and financial performance, the Committee recommends the following:

- 3.1 The Committee commends FMIB for developing its 5-year Strategic Plan.
- 3.2 That, Fiji Meat Industry Board include a performance matrix aligned with the KPIs in all future annual reports to justify budgetary allocations, demonstrate accountability and ensure a thorough and transparent assessment of its performance.
- 3.3 That, Fiji Meat Industry Board should report on relevant SDGs in its annual reports as required by the Parliament, to align with Fiji's commitment to international goals.
- 3.4 The review of FMIB's pricing strategy is needed to mitigate ongoing losses. Additionally, operational efficiencies should be explored to reduce costs without compromising service quality.
- 3.5 To address the underutilization of the abattoir and the land, it is recommended that FMIB in collaboration with relevant stakeholders particularly with the Ministry of Agriculture and Waterways, implement strategies to increase livestock numbers. This includes providing targeted support to farmers to boost livestock production, to not only breakeven but to make profits and to make Fiji self-sufficient.
- 3.6 That, FMIB needs to relocate from the current site and to modernize its facilities to comply with current food handling and hygiene requirements. This will ensure that FMIB can meet current and future industry needs.
- 3.7 An urgent review of the Meat Act is recommended to address challenges facing the meat industry, including operation inefficiencies and regulatory gaps.
- 3.8 That, FMIB in collaboration with relevant authorities, take decisive action to curb bush slaughter practices to improve public health outcomes and to support the meat industry's commercial interests.
- 3.9 That, FMIB revising the payment process for farmers to include offal weights so that the farmers are compensated fairly for the entirety of their livestock.
- 3.10 The Committee suggests revisiting and possibly redesigning the incentives currently provided to farmers to increase livestock production to achieve self-sufficiency.

- 3.11 That, FMIB and YPCL strengthen their collaboration by sharing one Board to improve the full livestock value chain to boost livestock production to attain self-sufficiency in meat products.
- 3.12 That, FMIB explore options to maximize returns from its \$31.9m worth of investment in land which is lying idle.
- 3.13 That, FMIB reconsider its plans to diversify into non-core business activities, such as setting up a restaurant, sausage production and exports of pork and beef, especially in light of declining livestock production. The focus should remain on strengthening its core operations before venturing into new markets.
- 3.14 That, FMIB should work towards introducing meat grading system to protect consumers and farmers. This will ensure that they receive fair value for their products and purchases.
- 3.15 Since FMIB continues to operate at a commercially non-viable level, the Committee strongly recommends exploring the option of divesting shares as a potential solution.

## **4.0 Sustainable Development Goals**

Gender is a critical dimension to Parliamentary scrutiny. Standing Order 110(2) requires Committees to ensure full consideration be given to the principle of gender equality to ensure that impact benefit on both men and women equally.

The Committee noted that Fiji Meat Industry Board Annual Reports for the period under review does not capture any elements of SDGs.

## **5.0 Conclusion**

The Standing Committee's on Economic Affairs has reviewed FMIB Annual Reports and has identified to further improve its performance. The Committee acknowledged the development of a 5-year Strategic Plan to enhance the overall performance of FMIB operationally and commercially.



## 6.0 Committee Members' Signatures

 Hon. Sakiusa Tubuna <b>Chairperson</b>	
 Hon. Sashi Kiran <b>Deputy Chairperson</b>	 Hon. Premila Kumar <b>Member</b>
 Hon. Tomasi Tunabuna <b>Member</b>	 Hon. Aliko Bia <b>Member</b>

## **7.0 Annexure**

### **Published evidence**

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Written evidence, transcripts and supporting documents can be viewed on the Parliament website at the following link:

<https://www.parliament.gov.fj/committees/standing-committee-on-economic-affairs/>