

# *Annual Report*

2013/2014



 NZDFA  
Your Voice Our Future



## NOTICE OF MEETING

### **New Zealand Deer Farmers' Association: 39th Annual General Meeting**

Notice is hereby given that the 39th Annual General Meeting of the New Zealand Deer Farmers' Association (Inc) will be held in the Mount Hutt Conference and Heritage Centre, Main Street, Methven, on Tuesday 20 May 2014, commencing at 11.00am.

The Chairman and Executive Committee of the NZDFA invite all NZDFA members and industry interested parties to attend.

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## AGENDA

39th NZDFA AGM, Tuesday, 20 May 2014,  
commencing 11.00am

1. Apologies
2. Appointment of scrutineers
3. Obituaries
4. Notification of further items of general business
5. Confirmation of agenda
6. Confirmation of the minutes of the 38th AGM of the NZDFA (Inc)
7. Matters arising from the minutes
8. Executive Committee Chairman's Report
9. Financial report
  - a. Approval of the 2013/14 financial statements
  - b. 2014/15 Budget. (Motion of approval sought)
  - c. Motion of confirmation for Executive Committee honoraria
  - d. Motion of appointment of financial accounts reviewer
10. Constitutional amendments
11. Executive Committee remits (if any)
12. NZDFA Branch Remits (if any)
13. DINZ Board Producer Appointment. Candidate addresses to the AGM
14. General business
  - a. Confirmation of NZDFA Executive Committee and SAP appointments
  - b. Any other business

**Cover photo:** Willie Aspinall

# MINUTES OF THE NEW ZEALAND DEER FARMERS' ASSOCIATION

38TH ANNUAL GENERAL MEETING, HELD AT THE AMORA HOTEL, WAKEFIELD STREET, WELLINGTON,  
SATURDAY, 25 MAY 2013, AT 11.40AM

The NZDFA Chairman Kris Orange called the 38th AGM to order at 11.40am and welcomed approximately 80 members and interested friends of the industry and called for apologies.

## 1. APOLOGIES

### Branch Chairmen

Ken Ferguson, Dean Orsler, Rex Cowley, Richard Burdon, Paul Mucalo, Kim Rowe, Ken Swainson, Richard Lawson, Andrew Peters, Graeme Lawson.

### Life members

John and Jan Burrowes, Don Gregson, Bob and Frances Swann, Elsie Jermy.

### Members

John and Mary Cusdin, Jerry Bell, Chris Petersen, Tony Bayliss, Malcolm Gilbert, Murray Matuschka, Warwick Wright, Hamish Orbell, Richard Currie, Dave Allen, Peter Allan, Hub and Suzie Hall, Brian Russell, John Falconer, John Scurr, Warwick Gregory, Robert Wilson, John Acland, Mandy Bell, Bob Sharp.

Seventeen members represented by proxies

Moved *"That the apologies as notified be accepted"*

**Moved:** John McLean, **Seconded:** Ian Bristow **Carried**

## 2. SCRUTINEERS

*"That Phil Stewart, Amy Wills and Philip Irwin be appointed as Scrutineers for the 38th AGM of the NZDFA, 25 May, 2013"*

**Moved:** Kris Orange, **Seconded:** Ron Schroeder **Carried**

## 3. OBITUARIES AND REMEMBRANCE

Obituaries were recognised

**Jim Budden**, Central Regions.

The meeting recognised the passing of this NZDFA member with a minute of silence.

## 4. CALL FOR FURTHER ITEMS OF GENERAL BUSINESS

The Chairman notified a motion to award Honorary Membership and to recognise the services of the DINZ CEO. Clive Jermy advised he also wished to propose a motion from the floor.

## 5. ACCEPTANCE OF MEETING AGENDA

No further items of general business were notified. It was moved that the agenda be accepted as presented:

**Moved:** Kris Orange, **Seconded:** Jeff Pearse **Carried**

## 6. CONFIRMATION OF MINUTES OF THE 36TH AGM

Confirmation of the minutes of the 37th Annual General Meeting of the NZDFA, held at the Lake Wanaka Centre, on 15th May 2012, at 11.00am, circulated in the 2012/13 NZDFA Annual Report and posted in the Annual Report on **www.deernz.org**

**Moved:** "That the 37th AGM minutes as circulated be taken as read"

**Moved:** Kris Orange, **Seconded:** Clive Jermy **Carried**

There was no discussion and no amendments to the minutes were notified by the meeting.

The motion:

*"That the minutes of the 37th Annual General meeting of the NZDFA, held at the Lake Wanaka Centre, Ardmore Street, Wanaka, Tuesday 15 May 2012, be accepted as a true and accurate record."*

**Moved:** John Spiers, **Seconded:** Grant Lindsay **Carried**

## 7. MATTERS ARISING FROM MINUTES

There were no matters arising.

## 8. CHAIRMAN'S REPORT

Circulated in the Annual Report 2012/13, published on <http://deernz.org/publications>

*"That the Chairman's report of 2013 be adopted"*

**Moved:** Kris Orange, **Seconded:** Clive Jermy **Carried**

In the traditional seconder's reply from the floor following Kris Orange's Chairman's Report, Clive Jermy congratulated the Executive Committee for taking a good hard look at the Association's role for the years ahead. He said he was especially pleased that the DFA was confronting the issue of industry shrinkage. "This is our number one issue. We've seen five solid years of profitability and yet we still can't sustain ourselves." He commented on the professional approach of the DFA Executive and their keen desire to engage with the wider livestock sector and lift deer farming's image and reach. Development of a vision and a mission statement, and bringing these to life were a key part of the DFA's new feel.

He said key initiatives such as the Productivity Improvement Programme (Passion 2 Profit, P2P), environmental management, Johne's research and improved linkages with other farming organisations are designed to add to farmers' bottom lines and help them to help themselves improve performance, while maintaining the important role of political representation.

"I think you have re-energised the Association and whatever the NZDFA does to attract and hold people in the industry will be welcome and applauded."

Clive Jermy also encouraged the DFA to fully review the P2P approach, to find their own leadership position within this and a wider DFA fit with it then and recognise and promote a strong role for the Association in delivering P2P benefits for farmers and the industry.

The adoption of the Report was **carried** without further discussion.

## 9. FINANCIAL REPORT

Prepared Sandra Windley, Accountant, NZDFA Accounts Manager. Presented by Producer Manager, Tony Pearse.

Circulated in the Annual Report 2012/13, and posted on the DINZ website 26 April 2013, (pages 10–16) as an audited review of the accounts and financial statements for the year ending 31 March 2013.

Statement of Financial Performance for the Year Ending 31 March 2013.

## **Main Factors**

### Income

Decrease in subscription levels of 3% reduced markedly from the 9% of the previous year.

### Expenses

- Contributions to MPI's Sustainable Farming Fund projects out of income not reserves: projects were the Focus Farms Project (\$3,000) and Landcare Manual Project (\$1,000).
- Savings in expenditure, particularly travel and accommodation (8% lower than budget).
- Spending on leadership development with two facilitated workshops was \$9,374 and covered from revenue rather than reserves of the research/leadership auction funds.
- A taxation liability at ~30% of the earned interest on investments now exists as previous taxation credits have now been used.
- Opening equity was \$125,329 and current net assets \$111,527

An explanatory note about DEEResearch was tabled:

- As at March 2012, NZDFA as a 25% shareholding in DEEResearch Ltd and the financial reporting standards required that the financial statements incorporate NZDFA's interest in the associate. As a result, NZDFA's surplus before tax of \$1,542 was reduced by the reduction in the net assets of DEEResearch Ltd during the reporting period of \$5,367 giving a loss after tax of \$5,336.
- On 1 April 2012, NZDFA transferred the shareholding in DEEResearch Limited to Deer Industry New Zealand for \$1 consideration. This resulted in a loss on disposal of the investment in the associate of \$11,741 being recognised in the Statement of Financial Performance for the year ended 31 March 2013. With NZDFA having a zero ownership in DEEResearch Limited this equity method will no longer apply.
- In the contract for services agreement between DINZ and NZDFA, it was agreed:
  - that the NZDFA will continue to have an interest in DEEResearch governance directed through an NZDFA-appointed Board member (currently Dr Noel Beatson)
  - in the advent of any cessation of relationship between DINZ and the NZDFA, the former 25% shareholding will revert to the NZDFA for a consideration of \$1.00
  - that the NZDFA will continue to be consulted by DEEResearch for its views on policy and direction and any other matters that DEEResearch consider of importance to producers in that sense or in a wider context.

## **Proposed Budget 2013/14**

### **Recommended income and expenditure from Executive Committee**

#### Income

Membership budget was reduced to 1,460 members a small decrease over the 1467 (2013 year) membership as part of confidence in the membership drive and continuing to add value for subscribers.

- Honoraria recommended to remain at the same levels as 2011/12 year (\$9,000 for Chairman, \$6,000 for Members).
- Subscription level and capitation fee will remain unchanged.
- Deloitte to be commissioned as Auditors.

These required motions from the floor following the discussion.

The budget for the year to March 2014 has been maintained at the same levels as for the year ending 31 March 2013 and is budgeted to break even. The Executive Committee honoraria are budgeted to remain at the current year's rates (subject to passage of the motion approving this) and general expenditure is budgeted at a similar level to the 2012/13 year across all line items.

### **Budget features**

1. Subscriptions at same level as 2012/13 year
2. Target 1,460 members
3. Proposed expenditure maintained at 2012/13 levels
4. Branch capitation fees remain at \$25.00 subscriptions at \$97.67 nationally (GST inclusive).
5. Further communications to members and non-members in membership drive.
6. There had been no election costs this year, with a savings of ~\$3,500 expected, and savings in the electronic publishing of the Annual Report were also anticipated to be ~\$3,000.
7. Recommendations were that the Executive committee honoraria remain at current levels (\$9,000 for chairman, and \$6,000 for EC members) subject to that motion being supported.

**Discussion and questions:** John Spiers suggested that there were also provisions in the Ian Spiers Memorial Trust that would support leadership development initiatives.

### **FORMAL FINANCIAL MOTIONS**

#### **Motion 1: Accounts 2012/13**

*"That the Audited NZDFA financial statements and accounts for the year ending 31 March 2013 be received and approved."*

**Moved:** Kris Orange, **Seconded:** Grant Charteris **Carried**

#### **Motion 2: Honoraria**

*"That the Executive Committee honoraria for the 2013/14 financial year be set be fixed at \$9,000 for the elected Chairman and \$6,000 for each other Executive Committee member."*

**Moved:** Grant Lindsay, **Seconded:** Graeme Sutton **Carried**

#### **Motion 3: Appointment of Auditors**

Before the presentation of this motion, the Chairman invited discussion on the principle of the relatively straightforward accounts for the DFA to require such a strict audit process, which is expensive in terms of time and money. Supporting a change he advised that there was strong confidence in the current financial arrangement with the Beef + Lamb NZ services contract and the accountability systems.

Comments from the floor in general supported the move, and a draft motion from the Executive Committee was tabled for discussion.

Clive Jermy and Alastair Porter advised that in terms of procedure the Chairman should put the motion to appoint Deloitte as auditor as was tabled as a formal financial motion and allow the meeting to take appropriate further action as required.

*"That Deloitte be appointed as NZDFA auditors for the year ended 31 March 2014."*

**Moved:** Kris Orange

The Chair called for a seconder, but there was no response. The Chair then declared that the motion would lapse for want of a seconder and requested the meeting's permission to move an Executive Committee motion that had been amended since publication of remits and discussion with the Branch chairs.

*"That the Executive Committee be authorised to make the appointment of a Chartered Accountant to review the accounts of the NZDFA for the ensuing year."*

**Moved from the floor**, Graeme Sutton, **Seconded** Clive Jermy

The motion was put and **carried unanimously**

The Chairman thanked Messrs Sutton, Porter and Jermy in particular and the meeting for their input and the result. It was noted that this will need a constitutional change for future years to support this move. The Chair said he believed if members were uncomfortable with the level of review on the release of the annual accounts and after discussion with the branch chairs, that any AGM could institute a formal audit if they felt the need warranted it.

#### **Motion 4: NZDFA budget**

*"That the NZDFA budget for the 2013/14 year ending 31 March 2014 be approved."*

**Moved:** John Somerville, **Seconded:** Bobbie O'Hara **Carried**

## 10. CONSTITUTIONAL MATTERS

### **National Constitution NZDFA Amendments 2012**

None notified

## 11. NZDFA BRANCH REMITS 2013

### **Canterbury Branch: Land and environment planning**

In order to minimise deer farming's environmental impacts (through nutrient and sediment discharge) into the wider community environment, the NZDFA supports the principle of the use of individual Land and Environment Farm Plans (LEP) based on land capability assessment, incorporated into best deer farming practices.

*"That the NZDFA requests that DINZ adopts the LEP approach to environmental responsibility as part of the Industry Agreed Standards initiative."*

**Moved:** Edmund Noonan, **Seconded:** Mike Henricksen **Carried**

In moving the remit, Edmund Noonan suggested that as a mechanism to mitigate against excessive nutrient discharge levels, the use of Land and Environment Farm Plans (LEP) (established by Beef + Lamb NZ) should be adopted by New Zealand deer farmers as best practice. As part of a LEP, land capability assessment can be used as a mechanism to ensure the level of intensification is appropriate to the land class.

As the awareness of this environmental deterioration increases, the pressure to take action and mitigate has also increased. At central and local government level, this has meant an increase in regulatory mechanisms to control and monitor, along with proof of compliance of nutrient discharges from our farms.

Environment Court rulings and regional councils have indicated that even though low-intensity systems, in themselves, are not discharging significant levels of nutrients, the sheer number of these farming operations is contributing to the wider problem. Taking no action is not an option.

Ultimately, our actions will be judged by the marketplace. Jeopardising these markets and increasing the risk of even tighter regulations will be an inevitable consequence for farmers who fail to engage. LEPs are a mechanism to protect both farming business and the environment we all work and live in.

The remit was **carried** unanimously without further discussion.

### **South Canterbury North Otago: National deer competition**

*"That the NZDFA, with support from DINZ, over the next 12 months develops a template for a national competition for deer farmers based around quality deer farming systems\* and venison production parameters\*\*, to showcase the deer industry's commitment to excellence and its vision and pride in sustainable productivity and profitable land use."*

Notes:

\* including excellence in profitability, productivity, environmental management and responsibility, and quality assurance programmes

\*\* including growth rates, carcass conformation and yields, market fit, consumer appeal and eating quality

**Moved:** David Morgan, **Seconded:** Kris Orange

In supporting the remit, David Morgan said the concept would be developed over the following year for consultation. It was not a SCNO directive to suggest the scope and style of the competition. He suggested on behalf of Hamish Orbell, a passionate advocate of this concept, that the branch believes there are many examples of excellent profitable deer farming within the industry, and that we, like the beef, lamb and dairy industries should celebrate that excellence far more widely and publicly than within our own industry's programmes.

Examples from Beef + Lamb NZ's "Glammies" and "Steak of Origin", and the annual New Zealand Dairy awards competitions, suggest that these are highly sought-after awards that showcase and professionalise these industries in the public eye and national media, as well as creating an enthusiasm for improvement and commitment to best practice.

The branch envisages that a deer industry event should seek to cover all aspects of (initially at least) venison production (breeder-finishers or specialist finishers) from farming systems and management through slaughter and carcass processing to market-ready "on the plate" consumer portions.

The branch agrees that a competition should be developed with its own style and character (not just a copy) and be professionally managed and judged against an agreed set of standards and objectives, engaging expertise as required.

The meeting agreed with the sentiments expressed but felt that the remit in its current form was restrictive, especially around velvet antler production systems.

An amendment was proposed that removed "venison", allowing "production parameters" to allow to cover all aspects of deer farming.

**Moved:** Jeff Pearse, **Seconded:** Campbell Clarke **Carried**

The amended motion was put to the meeting

*"That the NZDFA, together with support from DINZ, over the next 12 months develop a template for a national competition for deer farmers based around quality deer farming systems and production parameters, to showcase the deer industry's commitment to excellence and its vision and pride in sustainable productivity and profitable land use."*

**Moved:** David Morgan, **Seconded:** Graeme Sutton **Carried unanimously**

### **Southland Branch: NAIT tag levy**

*"That the NZDFA Executive and DINZ, as a matter of the utmost urgency appeal to OSPRI/NAIT to allow a "NAIT non tag levy" dispensation for a small percentage of animals who have lost their tags between farm and slaughter or for tags that are non-readable at slaughter."*

**Moved:** John McLean, **Seconded:** John Somerville

John McLean reported that some animals going to slaughter plants leave properties completely compliant with the mandatory NAIT tagging obligations, and yet are recorded as having no NAIT tag on kill sheet advices.

Owners of this small percentage of animals are being charged for non compliance (Impractical To Tag, or ITT levy, currently \$13.00 + GST), on the basis they have no NAIT tag recorded at slaughter.

1. These animals are either losing tags in transit or in holding yards at the slaughter premises.
2. Some tags have not been readable.

3. Some tags have read and not recorded on slaughter plant computer software.

A scan across five members of the Southland Branch Committee revealed that, since March, for deer in 10 different shipments, overall 11 of 904 (1 percent) of animals that were verified compliant on leaving the property were being charged the ITT levy.

NAIT has consistently assured farmers that they need not invest in any scanning equipment, if they chose not to for management purposes, especially as at least 70 percent of deer are sent direct to slaughter.

NAIT has continually assured farmers that the processing companies will record the movement to slaughter on their behalf.

It seems to farmers that the only practical way to avoid this potential dispute and significant unjustified cost is to scan the animals onto the truck and send that file to the processor in advance as evidence of 100 percent compliance, which would come at a significant cost and infrastructure investment. (We understand that this is how the Australian NILS scheme works).

The current situation leaves farmers without any recourse when a NAIT ITT levy is deducted on the basis that the tag was missing (or unreadable – “deaf”), when in fact animals are tagged correctly before leaving the property.

The Southland branch believes that suppliers who send animals that have been tagged correctly before transit to slaughter should not be carrying the cost of tags lost between farm and time of slaughter.

The branch asks how do these animals pose a traceability risk if the records are accessed on a mob basis and the rest of the mob is traceable; on most deer farms the only animals that meet whole-of-life traceability are those that were NAIT compliant and tagged younger than 6 months of age (this year’s weaners). For all older animals being tagged before slaughter to be NAIT compliant, there is no lifetime traceability. Until all these animals are out of the system a NAIT tag is no more than window dressing as far as lifetime traceability for these animals is concerned.

John McLean concluded that in the case of missing tags there is no disadvantage to anyone other than the farmer, who is left paying this fine/penalty/fee.

The branch believed that the actions proposed in this remit will relieve this situation over the transition period and maintain relationships between processors, farmers and NAIT.

**John Somerville** in seconding the motion confirmed that some tolerance in the system for the situations as described would reinforce confidence in the fairness of NAIT. He said plants should not be showing this type of variability and if a tag was lost when the rest of the group was compliant, they should have the foresight to check the system and allow some leeway.

In discussion there was widespread support for the remit. **Steve Borland** (Waikato) said it was disappointing that farmers were being punished for following their requirements to the letter. In his view there should have been a transition period that allowed the system to become fully operational; in advance **Grant Lindsay** (Fiordland) reminded the meeting that in addition to the \$13 charged in error, the \$5.00 cost of the lost tag was another imposed cost. **Ponty von Dadelsen** (Hawke’s Bay) argued that the system should accommodate “no fault no pay” in farmers’ favour if clearly the rest of the line was compliant. At 1-35 ITT charged incorrectly for lost tags it was quite clear that the line itself was NAIT compliant in terms of rules and traceability. **Cam Clarke** (Waipa) agreed and said in that area it was typical for 1.5 percent of a line to attract the ITT levy when they had been tagged fully on farm.

Discussion laid the responsibility fairly with NAIT and the plants, not the farmers.

**Russell Burnard**, CEO NAIT, was invited to speak to the meeting on the issue and raised the following points and suggestions.

There were three possible causes: tags lost on the truck (drivers occasionally find lost tags), unreadable tags (although measured failure rates are extremely low) or problems at the slaughter premises.

Burnard said better training of slaughter premises staff would help, and noted that the percentage of the animals attracting the ITT Levy had dropped from 12 percent in March to 5 percent in April. (The number of animals that had lost or unreadable tags was not known.)

He predicted the teething problems would resolve within weeks rather than months or years. If people raised the issue with their meat company and also advised NAIT, they could facilitate this conversation on behalf of the farmers – often with a good outcome.

Farmers should not be charged the \$13 levy if there was an unreadable (ie, deaf to the scanner) tag present. These were mandated to have a manual entry.

**Mark O’Connor** noted that the slaughter plant is acting as an intermediary and that the levy is ultimately collected for NAIT.

Russell Burnard advised farmers to talk to their processor if they think they are wrong. He said an AGM remit was probably not the best way to resolve the problem. Talking could sort out problems on a case by case basis. He noted that discussions with the DFA leadership and an in-plant survey had already been carried out.

In closing discussion, **Ian Scott** (Waikato) noted that while he supported NAIT and its advantages, the inability of NAIT and/or plants to be unable to cope with one or two aberrant animals in a clearly compliant line was not a smart way to start a mandated business at farmer expense.

The remit was put and **carried** unanimously

## 12. GENERAL BUSINESS

### (a) Clive Jermy: Memorial

*“That the Chairman of NZDFA collaborates with the DINZ Executive and Chairman to investigate a suitable and honourable memorial to those men who lost their lives in the development of our foundation herds, by way of identifying all those who died and a fitting memorial and suitable location, and reports to the industry with their recommendation.”*

Clive Jermy observed that this industry was unique in that many brave men had given their lives in the formative years in the aerial recovery of our seed stock. Many men (perhaps 50 or more), had been lost and we as an industry had not formally acknowledged and honoured them. It was a responsibility of the industry to do so. He advised the meeting that Sir Tim Wallis’s company alone had lost 14 men.

**Moved:** Clive Jermy, **Seconded:** Andrew Fraser

The motion was **carried** unanimously

### (b) Notification of Executive Committee Selection and Appointment Panel Appointments

The Chairman advised that there had been only single nominations for all Executive Committee and SAP positions and that the candidates had all been appointed unopposed. He noted that there also had been only two nominations for the two DINZ board vacancies (that of the existing Board members **Andy Macfarlane** and **Collier Isaacs**).

The new Member at Large positions were now in place

Confirmation of Officers of the NZDFA Executive Committee and Selection and Appointments Panel

Selection and Appointments Panel 2013/14

David Stevens (Southland) At large Appointed unopposed (2013)

Mark Hawkins (SCNO) South Island  
Appointed unopposed (2012)

Donald Whyte, (SCNO) North Island  
Appointed unopposed (2013)

Andy Jarden (Central Regions) At large  
Appointed unopposed (2012)

NZDFA Executive Structure 2013/14

Executive Committee

NI Executive Committee Grant Charteris (Hawke's Bay),  
Appointed unopposed 2012

At large – Wilton Turner (Central Regions) Appointed  
unopposed 2013

SI Executive Committee – Kris Orange (SCNO) Appointed  
unopposed 2013

At large – John Somerville (Southland) Elected 2012

**(c) Chairman SAP 2013/14**

David Stevens advised that the two incumbent board members (Andy Macfarlane and Collier Isaacs) had been interviewed on 24 May and reappointed.

**(d) Chairman's motion: Honorary Membership of the NZDFA**

*"That this 38th AGM of the New Zealand Deer Farmers' Association recognises the outstanding contribution that resigning DINZ CEO, Mark O'Connor, has made to the industry and the NZDFA in particular, through the awarding of an Honorary Membership of the NZDFA."*

In calling for a seconder, Kris Orange noted that this was only the second Honorary Membership awarded and for the NZDFA it was an award of great respect. He said Mark had been an inspiration to him and recalled that when he did a Kellogg leadership course and came to Wellington he had to bring someone along to a

meet and greet session. He took Mark because he was the most inspirational person in Wellington that he knew. Within 12 months he became NZDFA Chairman and had been working closely with Mark ever since.

Kris reminded Mark that he and his family would always be welcome on any deer farm throughout New Zealand.

**Moved:** Kris Orange, **Seconded:** Grant Charteris **Carried unanimously with acclamation**

Mark O'Connor said he was deeply honoured. "It's been a privilege working for this industry. There's never been a day when I haven't been proud to work for you." He said the word "integrity" got bandied about these days, but in the case of the deer industry it was a core value. "Reputation is how others see you, but character is what you are – it's the character, resilience and true grit of the industry that's seen you through tough times. They will come again, but that character will see you through."

Mark said he had great faith and respect in the leadership of the industry. "You're doing the right things at the right times – that's not always easy – and you're putting the work in. That passion and enthusiasm with your qualities will see you right."

He said he was leaving DINZ in a good place, and that NZDFA was also in a good place.

On behalf of the DFA a framed Honorary Membership Certificate was presented by the Chairman, and the NZDFA bronze stag miniature on behalf of the Executive Committee was presented by Amy Wills. Mark O'Connor advised that he accepted that honour with genuine feeling and pride and accepted also on behalf of his wife Georgina.

## 13. CONCLUSION

There being no further items of General Business, the meeting was closed at 1.45pm.

To be signed as a true and accurate record



**Kris Orange, Chairman, 29 April 2014**

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## SPECIAL GENERAL MEETING

**Minutes of a Special General Meeting (SGM) of the New Zealand Deer Farmers' Association Inc, held in association with the annual NZDFA Branch Chairs meeting, Museum Hotel, Wellington 23–24 October 2013, at 3.00pm.**

**The NZDFA Executive Committee Chairman, Kris Orange, opened the meeting at 3.00pm.**

He was noted there were 42 present including the NZDFA's Executive Committee, the Selection and Appointments Panel, 20 Branch Chairs and five other members and interested parties attending the Branch Chairmen's conference.

**Apologies:** Ken Ferguson, Rex Cowley, Richard Broughton  
Five members were represented by proxies in favour of Kris Orange, NZDFA Chairman.

**Notification:** Members were formally advised of the SGM by public notice published in the Public Notices, *NZ Farmers Weekly* on 30 September 2013 in accordance with the constitution.

Members were also advised of the constitutional change proposed by email in the NZDFA members monthly electronic newsletters and by direct mail to the Branch Chairs for committee discussion.

The Chairman introduced the Returning Officer, AJ Pearse to explain the background of the proposed constitutional change

arising from discussion at the AGM in May 2013. That meeting discussed whether the costs and complexity of a full audit as has been customary with Deloitte was necessary these days for a body with an income of \$100,000 and similar expenditure, that was managed as a service, part of a DINZ contract for services with the NZDFA, through the strict accountancy services provided by Beef + Lamb New Zealand's accountancy scheme. It was agreed then, that financial responsibility and accountability under the current system was extremely robust and had integrity and formal checks and balances.

The AGM endorsed the move for change, recognising it may not be a substantial cost saving, but would be a considerably less complicated and arduous approach.

Advice to make this happen was sought from former NZDFA Treasurer and retired PWC partner, Chartered Accountant Don Gregson, and Cros Spooner, Chief Accountant, Beef + Lamb New Zealand.

**In order for that to happen a constitutional change was required as set out below.**

### **Amendments to Constitution of NZDFA**

#### **Rule 25 Administration**

Insert new clause after 25.1 (b) as 25.1 (c)

To present to members at the Annual General Meeting, financial statements for the past financial year which give a true and fair view of the financial position of the Association at balance date and its financial performance for the year, such statements having been reviewed by a Chartered Accountant.

and renumber (c) to (g) as (d) to (h)

#### Rule 26 Annual General Meeting

26.1 (a) Delete the words: (including the financial statements and Auditor's Report)

Replace with: and the *annual financial statements*. To then read:

(a) *To receive and consider the annual report of the Executive Committee and the annual financial statements;*

26.1 (c) Delete the clause

*To appoint an Auditor who shall be a member of the NZ Society of Accountants for the ensuing year;*

Replace with:

*To appoint a Chartered Accountant to carry out an Assurance Review of the financial statements of the Association for the ensuing year;*

The Chairman Kris Orange, read and put the motions as presented and called for a seconder.

John Somerville, Executive Committee, Southland, seconded the motion which was then opened for discussion. The Branch Chairs agreed without further discussion, having already ratified this course of action at the AGM in May 2013.

#### The motion to change the constitution with the amendments as written was then put and carried unanimously.

The Chairman called for support from the floor and moved "That Executive Committee be authorised to recruit and negotiate terms with the assistance of Beef + Lamb New Zealand's accountancy services a suitable Chartered Accountant to conduct assurance reviews of the NZDFA financial accounts as directed by the revised constitution, and to appoint that accountant to conduct an initial assurance review for the current 2013/2014 year."

**Moved:** Kris Orange, **Seconded:** Grant Charteris **Carried**

The Chairman called for any other items of general business.

There being none notified, the meeting closed at 3.15pm with a direction that this motion's outcomes be amended in the rules and the appropriate notification to the NZ Companies Registrar and other formalities be actioned. (AJ Pearse)

## MOTIONS AND REMITS

### NZDFA FORMAL FINANCIAL MOTIONS: AGM 20TH MAY 2014

#### MOTION 1: Financial accounts and statements for the year ending 31 March 2014

*"That the NZDFA financial statements and NZDFA Financial Report for the year ending 31 March 2014 be received and approved."*

**Moved:** Kris Orange, **Seconded:**

#### MOTION 2: Honoraria

*"That the Executive Committee honoraria for the 2014/15 financial year be fixed at \$9,000 for the elected Chairman and \$6,000 for each other Executive Committee member."*

**Moved:** **Seconded:**

#### MOTION 3: Review of accounts

*"That the NZDFA Executive Committee be authorised to appoint a Chartered Accountant to review the accounts of the NZDFA for the ensuing year (2014/15)."*

**Moved:** **Seconded:**

#### MOTION 4: Budget to year ending 31 March 2015

*"That the NZDFA budget of expenditure for the year ending 31 March 2015 be approved."*

**Moved:** Kris Orange, **Seconded:**

### BRANCH REMITS 2014

#### Waipa

*"That the DFA, in conjunction with DINZ and venison processors, investigate all aspects of the current slaughter policy.*

*This would include:*

1. *Optimum killing times*
2. *Weight ranges*
3. *Price differential between hinds and stags*
4. *Method of payment*
5. *Customer choice."*

**Moved:** Leith Chick (Waipa), **Seconded:** Campbell Clarke (Waipa)

#### Rationale

##### Optimum killing times

The "spring rush" results in many deer being killed in lean condition and, depending on breed and gender, 24-40% below their potential. An extra 15-25kg on the kill sheet would do wonders for the economics of the breeding hind. Deer do not reach their potential until January-February. This P2P Programme will not alter this. A larger, better-conditioned carcass would also be more economic to process.

##### Weight ranges

Weight ranges have barely changed in 30 years, yet deer have got bigger. Should the new prime be 60 to 80 or 90kg? Cattle and sheep schedules reward weight.

##### Gender differential

Hinds produce a higher percentage of prime cuts than stags and remain more tender, yet are discounted - supposedly because they don't have a pizzle - yet their tails are heavier and worth more than stags' tails. Hinds should be at least on par with stags.

##### Method of payment

Most of our processors are cash strapped. Apart from the chilled spring trade, stock has to be held. Do we need to "owner's account" our venison so processors are not forced to dump it for cash flow?

##### Customer choice

We have listened to the customer wants "mantra" for many years now. It seems our customers want the whole nine yards from us but will buy anything that's cheaper first.

The deer industry is shrinking and will continue to do so. To survive we must optimise every carcass.

Is it time to find new customers who will purchase a premium animal which has reached its potential?



# EXECUTIVE COMMITTEE CHAIRMAN'S REPORT

Welcome ladies and gentlemen to the 39th AGM of the New Zealand Deer Farmers' Association. This year saw the resignation of Wilton Turner from the Executive Committee, creating a mid-term vacancy. The Executive chose to co-opt David Morgan, SCNO Branch, for the remainder of the current year. I would like to thank Wilton for his contributions to the deer industry over the six years he was part of the Executive Committee and we have wished him well for his new ventures.

Grant Charteris, John Somerville and David Morgan have all shown real commitment to continue the process of invigorating the NZDFA, at a time where loss of confidence and industry reduction are challenging realities. Added to this the continued impact of pockets of drought mainly in the North Island, the ageing of the industry, the need for succession planning and the lure of other land-use options, have combined to make this another trying year for the deer industry. These forces have generated a genuine desire by the Executive Committee for the NZDFA to be a driving force behind industry issues, new programmes and regaining competitive profitability.

## NZDFA MISSION STATEMENT

***A strong visionary Association that inspires profitable growth for a sustainable future for all deer farmers, through effective leadership, representation and communication.***

Following on from last year's planning strategy, NZDFA has continued to forge ahead with leadership initiatives, this year launching the "Next Generation" programme for the younger and emerging talent involved with deer farming. This programme, developed as a two-day structured meeting in Queenstown, was a great success with more than 50 delegates attending. Workshop groups of 10 engaged with speakers on topics of animal health planning, financial advice related to developing relationships with banking, breeding and DEERSelect, environmental risk management and velvet grading. This was topped off with a group night out in Queenstown, followed by a morning session at the Wilkins farming operation at Athol, including the venison outlook and demonstrating new technology such as ultrasound scanning and RFID in deer farming and recording.

Such was the success of this programme that it will be repeated this year. Sponsorship for the event was in the thousands of dollars and reflected the need seen by our valued industry partners for this type of event. The Branches too were forthcoming with support for logistics and delegates.

The Next Generation programme was followed by a New Faces programme funded by DINZ and Branches at the National Branch Chairmen's Conference in October and continued the momentum to get new people involved and inject new energy into existing branch structures and activity. It's notable that over the past eight years this initiative has been running, 10 of the largest Branches are now chaired by deer farmers who became involved following the New Faces programme. The same applies to all of the Executive Committee.

It was agreed at this meeting last year that there needed to be more building on these developments including a responsibility by the Branches to document activities and formulate a yearly planner to keep members involved and engaged.

The Executive Committee is a group of four and when combined with the Selection and Appointments panel becomes eight, but we cannot single-handedly keep Branches alive. Local branch activity will.

Succession within Branches and the Executive Committee right through to producer representatives on the DINZ Board is of high priority. Interaction with the DINZ Board has been stepped up. So too with DINZ executive, the level of engagement is encouraging.

Association with the Motivate Committee is another step where DINZ and NZDFA are working together to get results. The recent developments in working with the Primary Industry Training Organisation and offering a revamped formal series of qualifications in modern deer farming husbandry for deer farm staff has required considerable investment of time and resources.

From a ground base of zero we now have interest from up to 30 trainees across the country, and have just completed the first course in Southland. We are excited by the uptake of this training, which shows there was a shortfall in this area.

I would again like to mention the contribution to these projects by our industry partners, who have generously embraced the concept by sponsoring part of the course fees. This 2014 conference too has attracted record levels of support, without which we would not be able to attract the quality speakers and high standards of delivery seen at these events.

## 2013/14 VELVET SEASON AND COMPETITIONS

It has been another positive velvet season in both yields harvested and prices received. We have now had five years of reasonable stability in the velvet sector and a consistent, increasing price trend that is keeping ahead of inflation. All indicators show there is still a great demand for velvet in the market place, even now at this late stage! There is a large amount of ongoing investment in velvet processing in China and growth in the healthy functional foods sector. This bodes well for the sustainability of our velvet sector, but does come with its cautions. We have been strict with our loyalties of how and who we have sold our velvet to over the past few years, but with an increase in demand come more opportunistic buyers coming up our driveways. The last thing we need as an industry is to fragment even more.

There were changes in our velvet grading system in 2013, mainly because velvet was being grown out too far and knuckling and calcifying too much, meeting market resistance. The new guidelines have been generally welcomed and this was shown throughout our regional and national velvet competitions, with overgrown velvet being heavily penalised. Our main velvet buyers report that there is more shorter cut velvet coming through, especially in response to extremely high early cut regrowth prices. I would like to thank Grant Charteris for picking up this important portfolio.

## ENVIRONMENTAL

The DFA is represented on the deer industry's National Water Quality Committee, recently established by DINZ. Progress is being made in developing Good Management Practice (GMP) guidelines as we continue to provide positive environmental outcomes for deer farmers, partly in response to pressure from ECan and other livestock sectors in this region. But it is a national challenge and systems and advice being developed will have a national impact. Meeting GMP and excelling in environmental management will be the industry's front window.

Not only has environmental sustainability become an expectation, it is now the new norm. We will need to lead the world in this, particularly as we target high-end markets.

Edmund Noonan, Catharine Sayer and Janet Gregory from New Zealand Landcare Trust continue to focus on this area, which can often be a minefield. NZDFA and DINZ are supporting their



work through a Sustainable Farming Fund project led by the New Zealand Landcare Trust that seeks to ensure the knowledge and advice in the industry's Landcare Manual is understood used on deer farms, especially identifying risk areas and developing plans and actions to reduce these.

NZDFA and Landcare Trust have held a series of informative workshops, helping farmers with environmental plans, educating members of their environmental responsibility and ensuring regulatory requirements are understood and are able to be met at a manageable cost whilst understanding community needs and on-farm financial expectations.

I would like to thank John Somerville for his work and dedication on the National Water Quality Committee.

The group has the important task of coordinating a national plan to meet today's expectations in water quality, as established by the Government's National Fresh Water Accord. In turn this impacts as an industry response to the approaches by individual regional councils to meeting these targets in their own water quality plans. The group comprises Catherine Sayer (Chair, DINZ Science & Policy Manager) Dan Coup (DINZ CEO), Tim Aitken (DINZ Board), Tony Pearce (Producer Manager) and John Somerville (NZDFA).

This is one of the most important issues facing farming across all land uses. The committee's strength is in being able to give an overall direction because regions have differing rules, which makes it hard for farmers throughout the country to know where they stand. But one thing is certain: as an industry we have to be proactive.

The individual farm Land and Environment Plan (LEP) is a great way for farmers to recognise issues on farm and plan to overcome them. Councils will require LEPs alongside a nutrient budget (using OVERSEER). Fencing waterways comes at a huge cost and is impractical on many extensive farms, so as an industry we have to collaborate with councils on workable solutions. Because nutrient capping could be introduced, deer farmers along with all dry stock farmers, have to be careful that we don't get unfairly penalised and restricted in our ability to be productive and to compete with other higher mitigating land uses.

## PASSION 2 PROFIT (P2P)

As P2P gets under way, several Advance Parties are starting to operate. To date, all are parts of the DFA network. The Advance Party concept is just that – a concept or trial of something that is proposed to go much wider. There will be lessons along the way that can be used to streamline the way farmer engagement is managed. One thing is certain however – a strong and active DFA Branch structure will be a key part of spreading information from the Advance Parties through field days, branch events and one-on-one sharing of experience and progress. This is really a repeat of the early days where open communication was critical in the rapid establishment of deer farming and the development of the modern farm management systems that underpin the industry.

While an extra two dollars on the venison schedule would enhance profitability overnight, we must assess our own on-farm production and efficiency and look for ways to achieve better results. This is nothing new – the deer industry has been lifting performance since day one. This programme is designed to accelerate progress by providing a clearer pathway to achieving results. It is that extra two or three kilograms of meat or the opportunity presented by earlier kill dates that add to your EBIT.

Agreement with five main venison processors on a joint marketing strategy for premium venison (Cervena®) is positive. However I can't stress enough the urgency and the maturity that will be required to get this thing right. This could require some tight rope walking, but if successful, could be the catalyst for change in the entire red meat sector in New Zealand.

## VENISON INDUSTRY VISION

There is a lot of frustration and disappointment amongst venison producers, from the breeding store stock producer right through to the finisher. We all have to make decisions in our businesses, so farming deer is our choice. This could be for a raft of reasons: integration of livestock, a balanced mix of stock and land type and, more recently, the rules around nutrient leaching and environmental management where deer could have a role in reducing nitrogen as long as phosphates and soil loss are managed as part of land and environment planning.

We all know current venison returns are not sustainable for a growing business that needs reinvestment. I am glad to see the new initiative of positioning top-quality New Zealand farm-raised venison as Cervena, with all of the Industry Agreed Standards and quality specifications behind it, into new markets around the world.

This may be too late for some and not quick enough for others, but what we are doing here is the envy of the rest of the red meat sector because our aspirations for this coordinated approach are entirely consistent with the recommendations and findings arising from Beef + Lamb New Zealand's red meat sector strategy.

We are all aware that beyond the farm gate the existing model leaks value because of the large number of players competing at both ends of the value chain.

In this initiative the push has to be for:

- contracted and committed supply allowing efficient and aligned procurement
- shifting the focus of competition from the farm gate to the market place
- acting with scale through greater coordination of exports in new target markets
- improved and coordinated in-market behaviour
- creating a strong brand position in premium markets
- telling and selling the New Zealand story and quality venison production
- developing New Zealand farming systems best sector practice
- improving productivity at all stages in the supply chain right through to the end user
- ensuring suppliers are receiving fair and sustainable rewards for their performance
- increasing transparency of market information
- capturing the full market value potential.

Deer farmers can have a constructive role in enabling such a venture to succeed. Ultimately it is the farmer who decides where to market their products through a committed association with a processor of choice. Communication, discipline and good leadership are key to our future.

## FINANCES

With industry shrinkage still occurring it is pleasing to see our membership very close to this time last year. It is apparent that some smaller farmers are exiting the industry while other farms are expanding. This situation does not help with our membership income but once again it is the true reality.

We have kept the subscriptions at \$99.67 including GST, which it has been for the past five years. I would like to think this is seen as money well spent and not a cost.

## OSPRI

NAIT's inflexibility on rules that have a degree of impracticality continues to be problematic for deer farmers with impractical to tag charges (ITT) being applied to some fully compliant farmers.

At this point, OSPRI has been unwilling to give any leniency as proposed by the Southland remit last year. It seems a change in law is necessary; however, practicality must prevail.

Issues with Tb eradication and staff rationalisation by OSPRI are of concern to deer farmers. Some of these staff have huge experience and while no-one is irreplaceable, the potential loss of intellectual knowledge is vast. I urge affected branches to voice their concerns to OSPRI management.

The number of Tb-infected deer herds nationally remains at just three, an excellent result. We must continue to be vigilant to curb any spread of Tb from vector or stock movement-related breakdowns. The cost to deer farmers of whole-herd testing is understood, as is the cost of a large outbreak – something we don't ever want to see again.

## BRANCH ACTIVITIES

This year the Executive Committee has asked all Branches to adopt a yearly events planner. This is to increase the level of local activity for members, often addressing local issues. Frequently this revolves around velvet and hard antler competitions which have been well run and a key activity in many Branches. The quality and number of entries never ceases to amaze.

## RESEARCH, TECHNOLOGY TRANSFER AND SUSTAINABLE FARMING FUND ACTIVITY

The NZDFA has been active in this area this year, and I'd particularly like to thank the DEEResearch Board and the Deer Industry Research Trust for reviewing and supporting the Johne's disease research project from Prof. Frank Griffin and team at the Disease Research Laboratory, University of Otago. This project, "Development of diagnostic tests for susceptibility and resilience to Johne's disease in deer" has been advanced with a 1:1 funding commitment via the MBIE Callaghan Innovation Fund to the tune of \$250,000 over the two-year life of the research. The lab has just successfully completed its third milestone with a panel of 21 markers identified from 60 initial immune gene markers. This panel will now be redefined and developed for application as an industry-friendly and cost-effective diagnostic test that will initially identify Johne's-susceptible animals for removal from the herd. The intellectual property of the project rests with the DFA, which has committed to fund \$45,000 per year for two years. I'd like to thank the Branches and individuals who have committed to significantly contribute to the DFA share along with DFA national funds and support from JRG2.

The NZDFA along with DINZ also co-sponsors the New Zealand Landcare Trust's three-year Sustainable Farming Fund Project

"Adoption of Best Landcare Management Practice". As mentioned, Branches are currently hosting Land and Environment Planning workshops. I'd also acknowledge the roles that DFA Branches play in support of the Focus Farms project. DINZ has advised that Round Three is under development and the DFA welcomes that as a strong link to the Advance Party programme with its potential outreach to the wider farming community.

## ACKNOWLEDGEMENTS

As I conclude this report I would like to thank those who have assisted the Executive Committee and NZDFA Branches to address the issues. Tony Pearce and Amy Wills remain invaluable to the smooth every-day running of the NZDFA. They also support Branch committees and produce the monthly *Stagline-Online*. The Executive Committee are privileged to have regular contact with you both.

I would also like to acknowledge Dan Coup in his new role as CEO. The transition to working for DINZ has been seamless and the Executive Committee have quickly built a strong bond with Dan. Once again it has been great to have the opportunity to hear first hand from DINZ executive members of their roles in science and policy, QA and marketing. This contact enables the NZDFA to express their concerns and try to resolve them. The effort made by the DINZ Board to engage with DFA branches at some of their meetings is also appreciated. We have enjoyed the increased communication between the Executive Committee and DINZ Board and see this as a positive step. Thank you also to the rest of the Executive Committee for their efforts – they truly are a passionate group.

Thanks must also go out to the breed societies and to Mark Hawkins on the Cervena Trust. Thanks also to Paddy Boyd and Peter Allan as DFA appointees for their tireless attention to detail on the National Velvet Standards Body and also to Murray Coutts for his contribution on Johne's Management Ltd. Finally, my thanks to Advance Party members, Focus Farm farmers and their committees and facilitators.

I have pleasure in moving the adoption of my report and call for a seconder.



**Kris Orange**

Chairman New Zealand Deer Farmers' Association  
29 April 2014

# NZDFA FINANCIAL REPORT

## REVIEW OF FINANCIAL RESULTS FOR THE YEAR TO 31 MARCH 2014

This financial year resulted in a surplus of income over expenditure of \$4,064, against a budget deficit of \$8,400. This result is largely due to savings across a number of areas, particularly election costs and travel. NZDFA had also committed to a further contribution of \$3,000 to the *After the field day* Focus Farms project, but this contribution was provided by DINZ in March, with NZDFA's contribution being deferred to the coming year.

Subscription income generated was \$86,892, based on 1,409 voluntary membership payments received against a budget of 1,459. There was no increase from the 2012/13 subscription level of \$61.67 (exclusive of the branch capitation fee of \$25 per member). The further decline in membership from 1,467 members in 2012/13 resulted in subscription income being 4% down on the previous year and 3% below budget. This decline was significantly less than the annual attrition rate amongst deer farmers overall.

DINZ's industry good funding for producer support for specific activities (through the Producer Manager budget), was applied supporting activity including *Stagline-Online* DFA communications, the annual Wellington-based October Branch Chairman's meeting and Executive Committee meetings during the period. These activities are included in the role of the Producer Coordinator (Amy Wills). These producer-directed services remain a vital part of the NZDFA, extending into the regions to support NZDFA national and branch-assisted funding of the Focus Farms "*Making the Difference*" project funded by DINZ as part of the productivity strategy activities.

Expenses were kept to a minimum of necessity and in most cases were below budget, with many general office expenses being covered by DINZ through the contract for administrative services and only specific expense items being charged to the NZDFA. This included the printing and postage of subscriptions as a major line item.

Legal and professional fees were higher than the 2013 year due to legal advice in relation to constitutional changes as well as tax advice.

Audit fees this year are based on a review of the accounts rather than an audit. This is lower than the previous year where we had extra fees associated with the need to audit the equity accounted results of the NZDFA share in DEEResearch in the previous year with associated extra fees.

Travel and accommodation costs for the Executive Committee were again reduced and in the current year were 30% lower than budget. This was partly due to there being only three directors for one quarter of the year and the holding of Executive Committee

meetings in association with the P2P meetings. Teleconferencing continues to play a greater role in governance.

The 2013 conference came to Wellington and was extended in scope and a new-look event – the NZDFA AGM and DINZ FGM and two evenings, showcasing venison and an awards dinner. With no field day and a Thursday to Saturday event, the opportunity was taken to bring in a series of outstanding guest speakers and entertainment. Attendance peaked at 240. The conference and DFA also hosted a special "women in agriculture" breakfast seminar to provide a focal point for partners and deer farming women. Sponsorship for the event was again the strongest seen, ensuring that the fixed costs of the AGM and DFA's share of conference costs were kept to a minimum, and registration fees maintained at previous levels. DFA's costs of \$3,520 were made up of registration and accommodation for NZDFA executive, SAP and life members and guests.

Honoraria of the Executive Committee remained at the previous level for the past six years, with \$9,000 being paid annually to the Chairman and \$6,000 each for the other three committee members. The DEEResearch director's fees remain at \$4,000. This is recommended to stay at these levels for the ensuing year.

The \$3,000 contribution budgeted to support the SFF *After the Field Day* programme, was not required in the current year, but is budgeted to be paid next year. This had been approved by the Executive Committee at its June 2011 meeting, along with a commitment to make the same contribution for three years. This is part of the user contributions to this project that leverages \$90,000 from the SFF over three years, aimed to improve the form and quality of information developed at Focus Farms.

NZDFA contributed \$9,500 towards the University of Otago John's disease project.

With the cessation of available losses to be carried forward for tax purposes, NZDFA is now in a tax paying position. Taxation is based solely on the interest income received with an exemption of \$1,000.

Closing reserves to be carried forward to the 2015 financial year are \$116,000, meeting the informal directive from NZDFA Branch Chairs to maintain reserves where possible at \$100,000.

The Executive Committee took some heart from a solid financial report accepting that there was spending constraint without affecting services.

While the erosion of subscription income continues, it was much smaller in relative terms this year. At its February budget meeting the Executive Committee agreed to maintain the budget at the 2013/14 estimates across all expenditure areas for the 2014/15 year and agreed that no increase in subscription levels was necessary.

## BUDGET FOR THE YEAR TO 31 MARCH 2015

The budget for the year to 31 March 2015 has been maintained at the same level as last year. But with the NZDFA's commitment to fund the Disease Research Laboratory Johnne's disease research to develop a test for resistant and susceptible genotypes to the value of \$20,000 (\$10,000 of which will come from the research auction fund), it is budgeted to end with a loss of \$8,400 which will be funded from reserves. It is planned, however, to minimise this with a funding appeal at branch level.

With the accounts now being subject to a review rather than a full audit, fees have been reduced for the coming year and further savings will hopefully be made in this area.

The budget for subscriptions is kept at 1,460 paid memberships. While this is moderately ambitious, the Executive Committee has committed to drive membership recruitment at branch level and has not increased subscription levels. The membership rates will

be monitored monthly and discretionary expenditure adjusted as required. Further DFA membership-only deals such as the Leader NAIT tag and equipment discount of about 10 percent will be extended into other areas this year and should also attract members. The aim is to return any discounts negotiated to DFA members (and attract subscriptions in this manner). Farm fuel, stud stock deer and deer farm insurance have been targeted and negotiations begun.

Executive Committee honoraria are budgeted to remain at the current year's rates and general expenditure is budgeted at the same level to the 2013/14 year across all line items. In the 2014/15 year there is a budget of \$3,000 to cover the NZDFA's third and final contribution to the SFF Focus Farms project as well as the contribution to the Disease Research Laboratory Johnne's disease project.

This budget will enable reserves in excess of \$100,000 to be maintained.

## NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED

### INCOME AND EXPENDITURE

	Year to March 2014 ACTUAL \$	Year to March 2014 BUDGET \$	Year to March 2015 BUDGET \$
<b>Income</b>			
Subscriptions	86,892	90,000	90,000
Interest Income	6,052	6,000	6,000
	<u>92,944</u>	<u>96,000</u>	<u>96,000</u>
<b>Expenditure</b>			
Audit Fees	3,690	3,000	3,000
Conference	3,520	3,000	3,000
DEEResearch Directors Fees	4,000	4,000	4,000
Election Costs	0	4,000	4,000
General Office	585	300	300
Honoraria	25,500	27,000	27,000
Insurance	1,680	2,000	2,000
Leadership Development	788	3,000	3,000
Legal Fees	1,530	1,000	1,000
Nationally Funded Projects	10,450	13,000	13,000
Postage	1,664	2,500	2,500
PR Support	2,106	2,000	2,000
Printing & Stationery	1,894	2,500	2,500
Promotions/Awards	967	1,000	1,000
Publications	2,400	4,000	4,000
Returning Officer Fees (SAP Process)	0	100	100
Telecommunications	1,052	2,000	2,000
Travel and Accommodation	25,616	28,500	28,500
	<u>87,442</u>	<u>102,900</u>	<u>102,900</u>
<b>Surplus Before Tax</b>	5,502	(6,900)	(6,900)
<b>Taxation</b>	1,438	1,500	1,500
<b>Surplus After Tax</b>	<u>4,064</u>	<u>(8,400)</u>	<u>(8,400)</u>

29 April 2014

The Executive Committee  
The New Zealand Deer Farmers' Association Incorporated  
PO Box 1072  
**WELLINGTON**

Dear Executive Committee

## **REVIEW REPORT TO THE EXECUTIVE COMMITTEE OF NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED**

We have reviewed the financial statements on pages 15 to 18. The financial statements provide information about the past financial performance of the New Zealand Deer Farmers' Association Incorporated (the 'Association') and its financial position as at 31 March 2014. This information is stated in accordance with the accounting policies set out in the Association's annual financial statements on page 17.

This report is provided solely for your exclusive use. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence.

### **Executive Committee's Responsibilities**

The Executive Committee is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of the financial statements which fairly present the financial position of the Association as at 31 March 2014 and of the results of operations for the year ended on that date.

### **Independent Accountant's Responsibilities**

We are responsible for reviewing the financial statements presented by the Executive Committee in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

### **Basis of Opinion**

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Association for the year ended 31 March 2014 in accordance with the Review Engagement Standards issued by the External Reporting Board.

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

### **Opinion**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying financial statements on pages 15 to 18 do not present fairly the financial position of the Association as at 31 March 2014 and the results of its operations for the year ended on that date.

Our review was completed on 29 April 2014 and our review opinion is expressed as at that date.

Yours faithfully



**Chartered Accountants**  
Deloitte  
Wellington, New Zealand

**STATEMENT OF FINANCIAL PERFORMANCE**

For the year ended 31 March 2014

	<i>Note</i>	<b>Unaudited 2014 \$</b>	<b>Audited 2013 \$</b>
<b>Income</b>			
Subscriptions		86,892	90,470
Interest		<u>6,052</u>	<u>6,785</u>
		<u>92,944</u>	<u>97,255</u>
<b>Expenditure</b>			
Audit Fees		3,690	4,300
Conference	11	3,520	3,054
Election Costs		0	2,632
General Office		585	420
Honoraria	4	29,500	31,000
Insurance		1,680	1,680
Leadership Development		788	9,374
Legal/Professional Fees		1,530	39
Nationally Funded Projects		10,450	4,000
Postage		1,664	1,481
PR Support		2,106	2,008
Printing & Stationery		1,894	2,588
Promotions & Awards		967	820
Publications		2,400	6,294
Telecommunications		1,052	525
Travel and Accommodation		<u>25,616</u>	<u>27,752</u>
		<u>87,442</u>	<u>97,967</u>
Operating Surplus/(Deficit) Before Tax and Interest in Associate		5,502	(712)
Loss on disposal of Investment in DEEResearch	8	0	(11,741)
Taxation	5	1,438	1,349
Net Surplus/(Deficit) After Tax		<u>4,064</u>	<u>(13,802)</u>

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2014

	<b>Note</b>	<b>Unaudited 2014 \$</b>	<b>Audited 2013 \$</b>
<b>Current Assets</b>			
Cash at Bank		13,671	8,734
Short Term Bank Deposits		103,211	105,012
Accounts Receivable		6,365	7,027
Resident Withholding Tax		898	997
Investment in DEEResearch Ltd	8	0	0
		<u>124,145</u>	<u>121,770</u>
<b>Current Liabilities</b>			
Accounts Payable		8,554	10,243
		<u>115,591</u>	<u>111,527</u>
<b>Net Current Assets representing Net Equity</b>			
<b>Equity comprises:</b>			
General Funds	7	<u>115,591</u>	<u>111,527</u>

These financial statements were approved for issue by:



Kris Orange, Chairman of Executive Committee, 29 April 2014

**STATEMENT OF MOVEMENTS IN EQUITY**

For the year ended 31 March 2014

	<b>Note</b>	<b>Unaudited 2014 \$</b>	<b>Audited 2013 \$</b>
<b>Opening Balance</b>		<b>111,527</b>	<b>125,329</b>
Net Surplus/(Deficit) for the Year	7	4,064	(13,802)
<b>Closing Balance</b>		<u><b>115,591</b></u>	<u><b>111,527</b></u>



**NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2014

## 1. NATURE OF ACTIVITIES

The New Zealand Deer Farmers' Association Inc ("NZDFA") is an Incorporated Society established to encourage, promote and advance New Zealand's deer farming industry.

## 2. BASIS FOR PREPARATION

The financial statements of the NZDFA have been prepared in accordance with the requirements of the Financial Reporting Act, 1993. NZDFA qualifies for differential reporting exemptions as they are not publicly accountable and there is no separation between the owners and the Executive Committee. All available exemptions that apply to NZDFA have been taken advantage of.

## 3. STATEMENT OF ACCOUNTING POLICIES

### GENERAL ACCOUNTING POLICIES

#### a. Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position are on a historical cost and going concern basis.

### SPECIFIC ACCOUNTING POLICIES

#### a. Changes in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied in a manner consistent with prior periods.

#### b. Subscription Income

Subscriptions are measured at the fair value of the consideration received or receivable from the NZDFA's members through membership fees. This is set at \$99.67 (excluding GST) per full membership per annum (includes the \$25 per member capitation fee collected on behalf of the NZDFA Branches and remitted directly to them in December of each financial year).

#### c. Goods and Services Tax (GST)

These financial statements are prepared exclusive of GST except for accounts receivable and payable.

## 4. HONORARIA

The following fees were paid by the NZDFA to Executive Committee members:

	2014	2013
	\$	\$
Honoraria		
Chairman	9,000	9,000
Executive Committee	16,500	18,000
DEERResearch Directors' fees	4,000	4,000
	<u>29,500</u>	<u>31,000</u>

There were only 3 Executive Committee members during the quarter ending 30 September 2013.

Dr Noel Beatson received \$4,000 in his capacity as director of DEERResearch Limited for the period April 2013 to March 2014.

## 5. TAXATION

	2014	2013
	\$	\$
Taxable Income	5,813	6,179
Less deductible expenses	<u>(1,000)</u>	<u>(1,000)</u>
Net Taxable Income	4,813	5,179
Tax Expense 2014	1,348	1,450
Prior Year Tax Adjustment	91	(101)
<b>Total Tax Expense</b>	<u>1,439</u>	<u>1,349</u>

## 6. RELATED PARTIES

All transactions with related parties were conducted at arms length. During the year \$4,000 was paid to the director of DEERResearch Limited mentioned in Note 4.

There were no other transactions with related parties.

## 7. TOTAL EQUITY

Total equity is held in general funds as follows:

	2014	2013
	\$	\$
<b>General Funds</b>		
Opening balance	111,527	125,329
Net Surplus/(Deficit) for the Year	<u>4,064</u>	<u>(13,802)</u>
<b>Closing General Funds</b>	<u>115,591</u>	<u>111,527</u>

## 8. INVESTMENT IN ASSOCIATE

	2014	2013
	\$	\$
Opening Balance of Investment	0	11,742
Share of Associate Deficit for the Year	0	0
Proceeds from Share Transfer	0	(1)
Loss on Disposal	<u>0</u>	<u>(11,741)</u>
Investment in DEERResearch Ltd	0	0

As at 31 March 2012, NZDFA had a 25% shareholding in DEERResearch Limited, a joint venture with AgResearch Limited (50%) and Deer Industry New Zealand (25%). NZDFA's interest in DEERResearch Limited was recognised as an investment in an associate and accounted for using the equity method. The investment in DEERResearch Limited represented NZDFA's share of surplus funds held in the research consortium. These funds were not able to be distributed.

On the 1st April 2012, NZDFA transferred its 25% shareholding in DEERResearch Limited to Deer Industry New Zealand for \$1 consideration. This resulted in a loss on disposal of the investment in associate of \$11,741 being recognised in the Statement of Financial Performance for the year ended 31 March 2013.

## 9. COMMITMENTS

NZDFA has committed to contribute \$3,000 to the Sustainable Farming Fund project "After the Field Day" during the financial year ending 31 March 2015.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

Until 26 March 2013, NZDFA acted as a collection agent for monies received in relation to the SFF Landcare Manual Project. These received monies were held in the NZDFA's bank account with a corresponding liability recorded in the Statement of Financial Performance.

## 10. CONTINGENCIES

As at the 31 March 2014 there are no contingencies, (2013: Nil)

## 11. CONFERENCE COST

The cost to NZDFA of the 2013 conference was \$3,520  
(2012: \$3,054)

## 12. SUBSEQUENT EVENTS

There are no subsequent events noted.

# PROXY FORM 2014



To: New Zealand Deer Farmers' Association  
P O Box 10702  
**WELLINGTON**  
Fax 04 472 5549

I/We, ..... (name in full)

of..... (address)

being a member/members of the New Zealand Deer Farmers' Association entitled to attend and vote at meetings of the NZDFA, hereby appoint (**Either** )

..... (name)

of ..... (address)

**OR**

the Chairman of the ..... Branch (or Affiliated Society)  
of the New Zealand Deer Farmers' Association as at 20 May 2014

**OR failing him/her**, the Chairman of the Annual General Meeting,

as my/our proxy to vote for me/us at the Annual General Meeting of the Association to be held on Tuesday 20 May 2014 at the Mount Hutt Conference Hall and Heritage Centre, Methven and at any adjournment thereof (*rule 29.2*)

Signed this ..... day of ..... 2014

..... NZDFA member.

**Please provide a phone number and email contact if applicable, to assist in any Proxy Verification**

Farm trading name .....

Phone (.....)..... Email.....

**NOTE:** To be valid, proxy forms must be signed and either faxed/hand delivered or posted to be received by the NZDFA office by **4.00pm Monday 19 May 2014** (*rule 29.4 (b)*)

*PTO for any specific voting instructions request.*

NEW ZEALAND DEER FARMERS' ASSOCIATION  
LEVEL 5, WELLINGTON CHAMBERS, 154 FEATHERSTON STREET, PO BOX 10702, WELLINGTON  
PHONE 04 473 4500, FAX 04 472 5549

# PROXY FORM, PART 2: SPECIFIC INSTRUCTIONS TO PROXY

I/We, ..... (name in full)

of ..... (address)

being a member/members of the New Zealand Deer Farmers' Association, hereby appoint **(Either)**

..... (name)

of ..... (address)

**Or** the Chairman of the ..... Branch NZDFA,

(or Affiliated Breed Society) of the New Zealand Deer Farmers' Association as at 20 May 2014

**Or** failing them, the Chairman of the AGM

as my/our proxy to vote for me/us on my/our behalf at the Annual [or Extraordinary, as the case may be] General Meeting of the Association, to be held on the 20th day of May, 2014, or at any adjournment thereof.

Signed this ..... day of ..... 2014.

\*This form is to be used **\*in favour** or **\*against** the resolution(s) as described below.

*\* Strike out whichever is not desired.*

*\* Unless otherwise instructed, the proxy will vote as he/she thinks fit.*

Resolutions to which the instructions apply:

Resolution number	For	Against
	For	Against
	For	Against
	For	Against
	For	Against
	For	Against
	For	Against
	For	Against
	For	Against
	For	Against