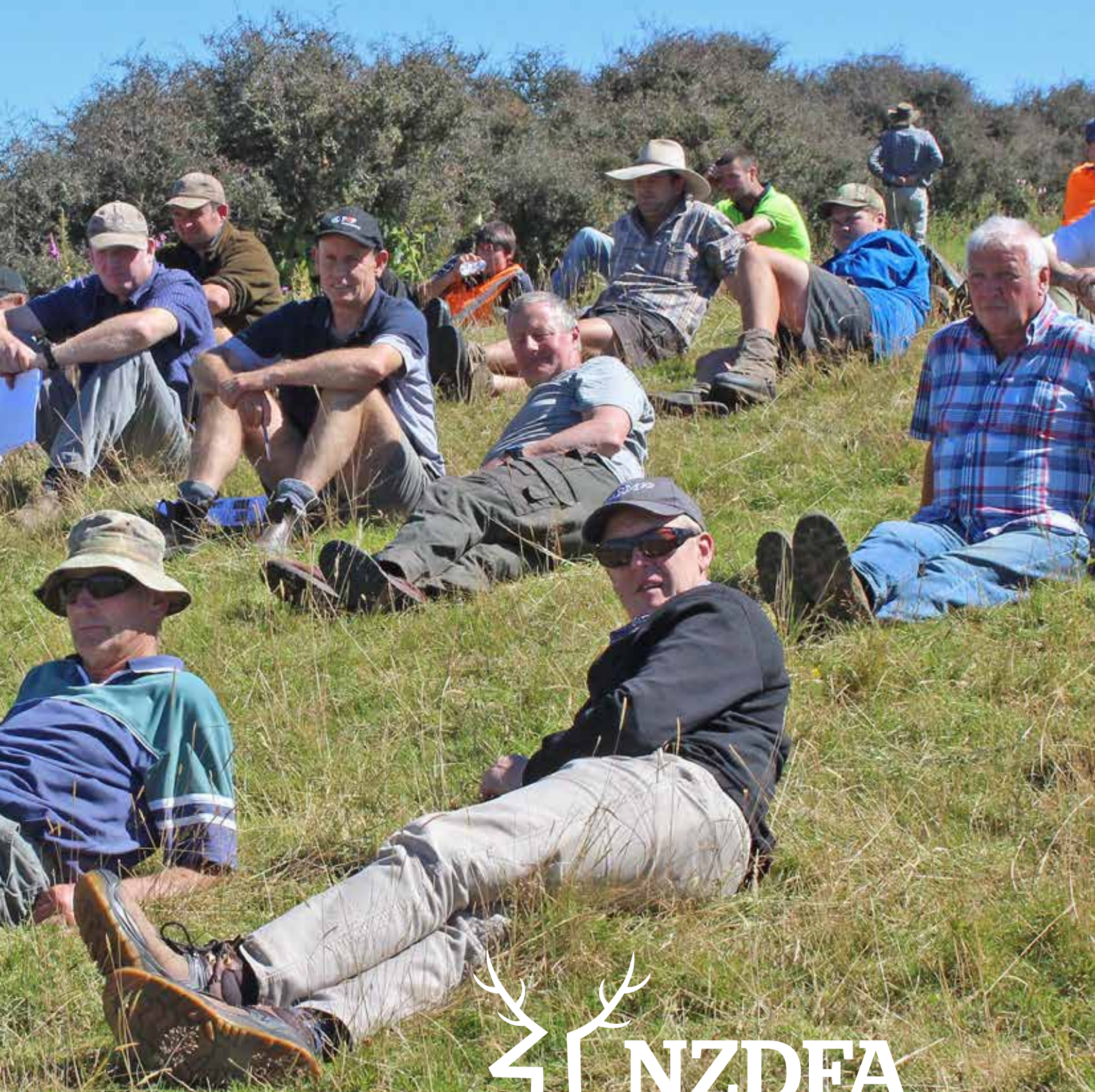


Annual Report

2016/2017



NOTICE OF MEETING

New Zealand Deer Farmers' Association: 42nd Annual General Meeting

Notice is hereby given that the 42nd Annual General Meeting of the New Zealand Deer Farmers' Association (Inc) will be held in the Te Wharewaka Function Centre, Wellington on Saturday 27 May 2017, commencing at 11.00am.

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

Front cover: Visitors to a P2P Regional Workshop at Landcorp's Stuart Block, March 2017.

Back cover: Velveting stags on kale at Maranoa, Hawke's Bay, taken during the first P2P Regional Workshop, August 2016.

Photos: Phil Stewart

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AGENDA

42nd NZDFA AGM, Saturday, 27 May 2017, 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 41st AGM of the NZDFA (Inc)
7. Matters arising from the minutes
8. Executive Committee Chairman's report
9. Financial report
 - a. Approval of the 2016/17 financial statements
 - b. 2017/18 Budget (motion of approval sought)
 - c. Motion of confirmation for Executive Committee honoraria
 - d. Motion of appointment of financial accounts reviewer
10. Constitutional amendments (if any)
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

MINUTES OF THE NEW ZEALAND DEER FARMERS' ASSOCIATION

41ST ANNUAL GENERAL MEETING, HELD AT THE DUNEDIN TOWN HALL, THE OCTAGON, DUNEDIN, TUESDAY 10 MAY 2016, AT 11:00AM

The NZDFA Chairman Kris Orange called the 41st AGM to order at 11:10am. He welcomed approximately 70 members and interested friends of the industry and called for apologies.

1. APOLOGIES

Branch Chairmen

Ian Bristow, Dean Orsler, Rex Cowley, Paul Mucalo, Graham Peck

Life members

Don Gregson, Jeffrey Pearse, Elsie Jermy

Members

Rodney Dixon, Brian Wellington, Keith Orange, Ross Andrews, Tim Aitken, Mandy Bell and Jerry Bell, Brychan Morgan, Hayden Roberts, Adrian Campbell, Ian Page, Ron Schroeder, Kelly Bennett, Peter Allan

Additionally eight members were represented by proxies:

Lindsay Matthews, Grant Hasse, Mike Henriksen, Malcolm Gilbert, Dan Harper, Stuart Stokes, Dave France, Hamish Orbell

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

Moved: Kris Orange, **Seconded:** Mike Salvesen **Carried**

2. SCRUTINEERS

Moved: *"That Phil Stewart and Trevor Walton be appointed as Scrutineers for the 41st AGM of the NZDFA, 10th May, 2016"*

Moved: Donald Whyte, **Seconded:** John Somerville **Carried**

3. OBITUARIES AND REMEMBRANCE

Obituaries were recognised for:

Roger Yates, Murray Hayes, Anne Managh, Stewart Stevens, David Hughes, Raewynn Holland, Michael Rice.

The meeting recognised the passing of these NZDFA members and industry notables with a minute of silence.

Moved: Kris Orange, **Seconded:** Richard Cook

4. CALL FOR FURTHER ITEMS OF GENERAL BUSINESS

Linda Gray of *The Deer Farmer* asked for a short space of time to introduce a project based around 50 years of New Zealand deer farming.

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:** Grant Charteris **Carried**

6. CONFIRMATION OF MINUTES OF THE 40TH AGM

Confirmation of the Minutes of the 40th Annual General meeting of the NZDFA, held at the Napier War Memorial and Conference Centre on 26 May 2015 at 11.00am. Circulated in the Annual Report 2015/16 and posted in the NZDFA Annual report on the www.deernz.org website

Moved: *"That the 40th AGM minutes as circulated be taken as read"*

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

Discussion and matters arising: No amendments to the minutes were notified by the meeting and no further discussion on the minutes took place.

The Chair put the motion: *"That the Minutes of the 40th Annual General meeting of the NZDFA, as circulated, be accepted as a true and accurate record"*

Moved: Kris Orange, **Seconded:** Steve Borland **Carried**

7. CHAIRMAN'S REPORT

Circulated in the Annual Report 2015/16, and posted as part of the NZDFA Annual report on the www.deernz.org website

Kris Orange addressed the AGM and read his annual report. He moved:

"That the Chairman's report of for the year ending March 2016 be adopted"

Moved: Kris Orange, **Seconded:** John Spiers **Carried**

In seconding the Chairman's Annual Report John Spiers noted:

- The industry was progressing well with current improvements in returns and was in a positive position for further gains.
- The DFA leadership was working hard with DINZ on the new 2015–2020 strategy and P2P programme. It was now critical that the whole industry followed that example and committed to these programmes to ensure they were successful.
- Communication was clearly critical too; there had been a substantial lift in industry profile within the deer sector and in the wider agricultural context. In addition, social media was working well for the next generation and was an area that could expand across most deer interests.
- P2P and Advance Parties were attracting good interest and showing benefits as individual groups took charge of their own projects.
- Similarly the momentum and benefit of the Next Generation programme pointed to excellent results and underlying strength of the future DFA organisation.
- DFA finances were positive and it was pleasing to learn of the targeted projects DFA was supporting. These were all good pointers to reward for the hard work, initiatives and diligence from the current leadership groups.

The Chairman thanked John Spiers for his kind thoughts, and put the motion of adoption of the Annual Report which was **carried unanimously**.

8. FINANCIAL REPORT

Prepared by Sandra Windley, Beef + Lamb NZ, NZDFA, Accounts Manager.

Presented by Producer Manager, Tony Pearce

Circulated in the Annual Report 2015/16, and posted on the DINZ website as a formal Accountancy Review (Moore Stephens Markhams) of the accounts and financial statements for the year ending 31 March 2016.

Statement of Financial Performance for the Year Ending 31 March 2016

Main features including Statement of Financial Performance for Year Ending 31 March 2016

- Surplus of Income over expenditure of \$11,547 against a budget surplus of \$4,750 (made possible through savings in elections costs, travel, annual report electronic version, subscription income increase, and timing of DEERResearch director fees).
- Extended NZDFA Next Generation programme strongly supported by sponsorship (leadership initiatives).
- Saving to MPI's Sustainable Farming Fund projects (\$3,000).
- \$112,577 from 1,252 members against a budgeted 1,300 subscriptions.
- Subscription increase, to be stable for five years approved (\$90 plus capitation of \$25 plus GST).
- Reserves carried forward increased from \$116,000 to \$131,955.
- Most expenditure items were on budget except for Nationally Funded Projects (up \$6,920).

Proposed Budget 2016/17

Recommended income and expenditure from Executive Committee

Honoraria recommended to remain at the same levels as previous years (\$9,000 for Chairman, \$6,000 for Members)

Income:

- Subscription level target was reduced to 1,200, but the national subscription had been increased significantly to \$90 with the current \$25 capitation fee to branches remaining unchanged (total \$132.25 including GST).

The 2016/17 budget approval and honoraria levels require motions from the floor following the discussion alongside the motion allowing the Executive Committee to appoint an accountant to conduct an accountancy review.

Budget features

1. Subscriptions level \$90 nationally plus capitation at \$25.00/head plus GST (\$132.25) at a target 1,200 members
2. Proposed expenditure generally maintained at 2015/16 levels
3. Branch capitation fees remain at \$25.00
4. 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.

The current net assets representing net equity at the end of the 2015 financial year had increased to \$131,955.

Motion 1: Accounts 2015/16

"That the accountancy reviewed NZDFA financial statements and accounts for the year ending 31 March 2016 be received and approved."

Moved: Kris Orange, **Seconded:** Campbell Clarke **Carried**

Motion 2: Honoraria

"That the Executive Committee honoraria for the 2016/17 financial year be fixed at \$9,000 for the elected Chairman and \$6,000 for each other Executive Committee member."

Moved: Stephen Borland, **Seconded:** Graham Carr

Steve Borland thanked the Executive Committee for their willingness and the extent of work covered, and reinforced the reality that the honoraria level was out of step with the work load and commitment. He acknowledged that effort from the Committee, suggesting there is clearly reward in satisfaction as the industry recovers and more deer farmers engage with the DFA and branches and the new programmes. He thanked the Executive Committee for their voluntary contribution in time and service that all give to the DFA at so many levels.

The motion was put and **Carried**.

Motion 3: Accountancy review process

"That the NZDFA Executive Committee be authorised to appoint a chartered accountant to review the accounts of the NZDFA for the ensuing year (2016/17)."

It was noted that the intent was to reappoint Moore Stephens

Moved: Kris Orange, **Seconded:** John Spiers **Carried**

Motion 4: NZDFA budget 2016/17

"That the NZDFA budget for the year ending 31 March 2017 be approved"

Moved: Clive Jermy, **Seconded:** David Morgan **Carried**

9. NZDFA BRANCH REMITS 2016

Remit 1: North Island Branch Chairmen

Research extension

"That current research (2011–2016) findings, specifically Johne's disease research, the Deer Progeny Test results and DEER Link project outcomes, be made readily available to all deer farmers annually using Deer Facts."

Moved: Leith Chick, **Seconded:** Campbell Clarke

Mover **Leith Chick** argued that from his perspective there were many examples of research being done well, but results and recommendations at the user level were often too little too late or not made public at all. He cited the examples of Johne's disease where some strains of deer were more susceptible than others, yet these had yet to be identified.

Discussion

Grant Charteris supported the use of Deer Facts as a good medium for reporting as these were in useable form, in language that was user friendly and easily shared.

Dan Coup advised that if this was more a matter of developing better communication than DEEResearch and DINZ would work harder in this area. He commented that the use of Deer Facts as a new approach for summarised research was an excellent idea.

In relation to suggestions that DEEResearch was somewhat remote, he advised that this year there was a lot of work behind a move to have DEEResearch and VARNZ restructured into a single entity. It should allow better research commissioning and he would ensure that the inputs and outputs and learnings from research would be available and in useful lay form as well as in the scientific media. He certainly accepted the message inherent in the remit. Dan Coup also suggested that the DFA could nominate key people to be sounding boards for new efforts in communication of research, and suggest if there was a better way or a different emphasis for that audience, then that feedback was important.

Donald Whyte requested clarification that the remit's specification of *Deer Facts* as the advisory source was intended to be the only source and believed that many other options (including the formal report from DEEResearch that had been produced over the past two years) should also be used in written and electronic media. However he shared and supported the sentiment of the remit.

Geoff Asher (Leader of Deer Research Group, AgResearch, Invermay) committed to supporting any initiatives in the media beyond the pure science, research reporting and advised that AgResearch too was working on better media connection with farmers. While reporting generally had to meet science disciplines and accuracy, it was good to have an industry connection via *Deer Facts*, and in his view these were one of a number of new avenues to develop.

Campbell Clarke also suggested *Deer Facts* could be a ready guide to information about chemical products and do's and don'ts, similar to annually published guides for parasite treatments in sheep and cattle.

Further commentary suggested adding the words "including *Deer Facts*" to the remit. The meeting did think the intent was clear enough allowing discretion and use of as many avenues as possible, but agreed to support the amendment for certainty.

The amendment was moved Tony Pearse, seconded Leith Chick and carried. The amended remit was then moved and **Carried without dissent.**

Remit 2: Southland Branch

DEEResearch and practical relevance

"That research topics funded by DEEResearch have practical relevance to modern deer farming, and that the New Zealand Deer Farmers' Association, through formation of a DFA-based Research Advisory Group drawn from the branches, has input into selection of projects and is kept informed about this research including regular progress reports where possible."

Moved: Richard Cook, **Seconded:** Brian Russell

The basis of this remit is that there is a feeling of disconnect between members of the branches and research, such that at times funding is provided for research which seems of low relevance to deer farmers in the field, and/or even if the research has a positive outcome there are practical reasons why there would be little or no uptake in the field.

It is also felt that better communication and discussion at branch level might assist with identifying and promoting topics that would benefit from more research.

Discussion

Mover **Richard Cook** advised the branch believed that research input from DFA members would result in a more robust direction in research that was better targeted at the coal face of deer production on farm. The remit arose out of concern in recent years that there was less information on research outcomes being passed on to farmers and that a gap between researchers, DEEResearch and grass roots farmers was widening. That included a slowdown in timeliness of research reporting, which also impacted on uptake of new research.

Graham Carr, supporting the motion, agreed with the remit's sentiments and asked for an explanation from DINZ of how feedback from farmers about research directions was sought these days, as a mechanism once existed to assess and rank projects. Under today's funding model that appeared to have been superseded.

DEEResearch Chair, **Collier Isaacs** agreed that research outcomes must be used out in the field. Relevance was always considered and there was a DFA-recommended Board member on DEEResearch (previously Dr Noel Beatson, now Dr Ian Walker). DEEResearch considered the annual meeting with the NZDFA branch chairs and release of the DEEResearch publication of deer science and future directions an important part of the advisory and feedback processes. DEEResearch was also kept well informed via DINZ and the DFA Executive Committee, through reporting from the P2P programme and Advance Parties on the on-farm issues that were considered in developing research priorities. He conceded that the issue being raised suggested these avenues may not be as effective as was thought, but the DEEResearch Board was committed to finding better ways to make the "research boat go faster".

Grant Charteris supported the remit but suggested the Executive Committee at national level should also step up more in communication and take more ownership of programmes alongside DINZ and DEEResearch, especially prior to reporting annually to DFA groups. He supported the concept of a DFA-based Research Advisory Group (RAG) in principle.

Geoff Asher, leader of the AgResearch Deer Research Group, said there was a responsibility for the group to be relevant and suggested that generally they were engaged, especially through DEERselect and the DPT. He supported a RAG concept if it was run effectively as it was really difficult to get good engagement with everyone every time. Consultation models were already working (the Parasite working group, and DEERselect reference group) and good engagement with the Deer Branch of NZVA. There was also good consultation with other stakeholders (processors and Landcorp) as well as deer farmers, DFA and DINZ. He also said that some core science development from the more speculative long-term Horizon 3 research was critical for innovation and while that may not appear to be an immediate short-term problem solver, there was a strong track record of directing future successes in research areas and productivity gain. AgResearch also funds DEEResearch at a level of \$3.1 :\$1 from the industry which was a unique, large and valued investment in the deer industry compared with other sectors. Science has to balance the investment into basic H1 work with fundamental science in H3 as its own investment in the future. Those aspects are always considered in ranking projects on relevance and priority.

John Somerville acknowledged that, but said there was still a fundamental grass roots input to practicality and on-farm relevance and potential uptake in some areas; a DFA perspective might be useful in this commentary.

Clive Jermy (also Chair of the Deer Industry Research Trust) suggested that there was value in starting feedback to DEEResearch as early as possible. He believed that all money spent had covered the short-, medium- and long-term needs well and there was more of a communications issue in general, perhaps around some of the feedback through consultation networks. Overall the industry has been very well served, he suggested, and there was always tweaking and modifying happening to projects to ensure maximum relevance.

Lorna Humm (Animal Health Theme Group manager in the P2P programme) was confident that as the three theme groups evolved and linked with deer framers in the Advance Parties, there would be additional producer views accessible to researchers and DEEResearch and that avenue would also be good for transferring results and practice change, and allowing immediate feedback on where to next.

John Sommerville said while he supported the idea of a RAG, such groups should not be established for the sake of it. Improving communications may be just as important.

Richard Currie argued that there was great expertise within the DFA and industry and that consulting with the branch chairs in the first instance may not be as effective as a targeted RAG.

Tim Aitken, while acknowledging that the DEERselect reference group worked well, said there has to be a limit to how many committees a small industry needed or should run. Support for the RAG concept also came from **Bill Taylor** and **Kris Orange**.

Andy Macfarlane agreed there had been an interesting point raised about the depth and direction of communication, and suggested that the current linkages may not be as clear as had been thought. A connection with the Next Generation viewpoint would be helpful, as that group becomes more prominent in succession. If there was a disconnect it was a serious risk, especially for the directors, and all would benefit if practical directions and applications of research were well communicated. That would also bring good feedback to the table.

Richard Cook as mover said he was heartened by the discussion and especially the perspectives and commitment for the future from Geoff Asher.

The Chairman put the motion but before voting **Mike Salvesen** said he would move that the Motion should be left on the table to allow the Executives of DINZ, DEEResearch and the Executive Committee of DFA to set up a system for active feedback, and report back next AGM.

Steve Borland raised a point of order, advising that as the Chair had put the motion following the discussion, it was not able to be modified or set aside for a year.

Sharon Love suggested a closed Facebook page be used in house for discussion and canvassing views as an alternative to a RAG, at least as a starting point.

Graham Sutton advised the meeting that the Motion was put and not open to further discussion. Following the initial voice vote, a show of hands was asked for.

The motion was **carried** 3:1 (24 for and 8 against)

10. GENERAL BUSINESS

a. DINZ Board candidates

Selection and Appointments Panel (SAP) Chairman, Paddy Boyd introduced the six candidates for the two vacancies created by the retirement by rotation of sitting DFA-appointed DINZ Board member **Andy Macfarlane**, and retiring after three terms, DFA-appointed member **Collier Isaacs**. The six

nominees, **Bryce Heard, Andy Jarden, Andy Macfarlane, Graeme Mulligan, William (Bill) Taylor, and Ian Walker** were invited to present a five-minute candidate overview to the AGM. Candidate profiles had been published in May's *Stagline-online*. (See review of candidates' views in Appendix 1, page 7.)

He advised that the SAP would meet and interview candidates on 27–28 June, to meet requirements for the SAP processes and appointment before 1 July, the start of the next DINZ Board year.

b. Notification of Executive Committee and Selection and Appointment Panel Appointments (Note: No elections were required. Each of the four nominations received were for the four relevant vacancies created by retirement by rotation.)

NZDFA Executive Structure 2016/17

Executive Committee

- NI Executive Committee – **Grant Charteris** (Hawke's Bay)
Appointed unopposed 2016
- At large – **David Morgan** (SCNO)
Elected 2015
- SI Executive Committee – **Kris Orange** (SCNO)
Elected 2015
- At large – **John Somerville** (Southland)
Appointed unopposed 2016

Selection and Appointments Panel 2016/17

- At large – **Brian Russell** (Southland)
Elected 2015
- South Island – **Paddy Boyd** (SCNO)
Appointed unopposed 2016
- North Island – **Donald Whyte** (SCNO)
Appointed unopposed 2015
- At large – **Leith Chick** (Waipa)
Appointed unopposed 2016

c. Lynda Gray, Journalist, *The Deer Farmer*

Lynda Gray advised the meeting that with the 50th anniversary of deer farming in New Zealand imminent, she was intending to write a definitive history of the development of the farmed deer industry, particularly about the key movers and shakers across all sectors: farming, research, innovation, processing and marketing. If people were interested she'd be pleased to receive any advice, direction, comments or feedback. This would be a large three-year project and a major commitment that will require sponsorship and innovative funding, for which she was developing applications.

11. CONCLUSION

The Chairman Kris Orange closed the 41st AGM of the NZDFA at 1.00pm



To be signed as a true and accurate record

David Morgan 2016–17 Executive Committee, Chairman

APPENDIX 1: DINZ BOARD CANDIDATES' ADDRESSES, 41ST AGM

1. Bryce Heard (Rotorua)



Bryce suggested no panacea was going to rapidly restore confidence and growth in the modern deer industry. Rather, it would require lots of hard work, which will need a change in attitude and performance, and some early pain. This was typical of normal commodity trading behaviour.

To survive, an awareness and acknowledgement of those threats during realignments was essential.

He supported the current P2P strategy, which he suggested would also grow the assertive nature of deer farming and farmers, increase confidence, passion and self-belief if the industry took a strong supportive stance behind these initiatives. A timid or half-hearted approach would result in little long-term change.

The industry was too focused on narrow traditional markets that once had successfully shifted more than twice the current volumes, but at relatively low returns. He believed there was a vast untapped non-traditional market interested in quality game meat and the story behind it, but it would require all working together.

Velvet antler, he believed, could also find a greater New Zealand niche if targeted at the home Chinese tourism boom, but like all velvet opportunities it required better cohesion between exporting groups and continued work on current and new routes to further market opportunities.

His experience in the forestry industry had involved similar issues: messy supply and marketing initially, which required work in finding new routes to market and new opportunities.

His major concerns were the risk of overshooting the velvet market's ability to absorb rapidly increasing volumes, and the double effect of shorting the venison market just as its demand needs are increasing. However, in this phase, a short-term production constraint may be a good problem to have.

Bryce has a long history in the corporate world. He was also interested and well involved in deer farming after many years in the red deer stud industry.

He offered his experience and supported collective action and planned succession. He committed to giving the deer industry the best that he could if appointed.

2. Andy Jarden (Whanganui)



Andy described an enjoyment and commitment to 29 years in the deer industry and always in some role within the DFA. He also headed ~70 staff in the newspaper industry. He believed this background has given him wide experience with people and knowledge in many fields, plus sound business acumen.

He had a history as a strong critic of some aspects of DINZ in the venison market and policy direction, and was hugely concerned by the disappearance of large numbers of breeding hinds and industry confidence. He believes much of that resulted from a disconnect between the DINZ Board and the reality of today's deer farmers.

It frustrated him immensely that there was a such a discounted schedule for the very animals that he and many others were capable of producing with today's genetics and feeding, i.e. the heavily discounted autumn schedule for 88kg 15-month crossbreeds that had grown well, produced spiker velvet and were prime for slaughter, rather than being sent to slaughter pre-prime, and contrary to their capacity for efficient growth.

He sees the need for an integrated velvet and venison production strategy based around 15-month and 24-month old peak carcass production. Additional gains were there for the taking in better-sized coproducts and velvet value. Such a focus encouraged optimal cost effective on-farm production and would boost confidence, keeping people in the industry.

While the industry returns have clearly turned a corner, he believed most of that was connected with a far-too-rapidly shrinking industry. That could not be considered success; rather it was a consequence of the failures at the root of the DINZ overview and strategies of recent years. Increasing competition creating a competitive increase in returns to farmers was not a good basis for future business. He supported a healthy tension between processors and producers. He believes the industry will ultimately benefit from focusing on the natural productive growth cycles of progeny and committing to new markets for (northern hemisphere) summer consumption, allowing producers to achieve the potential of their farming systems.

3. Andy Macfarlane (Mid Canterbury)



Andy was proud to have led a great and focused team effort within the DINZ Board and executive team and link current strategies and directions to producers, from development to execution. He had always envisaged this role, which had been full on and rewarding, but was at six-year commitment. He had been persuaded to stand again with a view of ensuring appropriate

succession within the Board, and had signalled that in advance. The time around the board table and recent progress in strategies coming to fruition also required that succession was transparent and well considered as the younger modern producers were stepping up to leadership roles.

If successful in appointment, he would step down as Chairman after 12 months in favour of younger talent.

Andy is proud of the industry engagement and commitment during this term, and particularly with the emergence of young people in leadership, at all levels via DFA, P2P and Advance Parties and in potential governance roles.

Looking to 2017, there were great options in all aspects of the industry.

4. Graeme Mulligan (Wellington)



Graeme's view is that now the stage is set for 2020 to have a profitable, growing and sustainable deer industry. DINZ's new 2015–2020 industry strategy related to provenance, new opportunities, premium positioning and value creation with a cohesive and respected industry is a great starting point and will require

considerable investment. This expense will also require a rigour of accountability at Board level related to outcomes and demands good governance and stewardship. He believed

that the concept of Advance Parties as these evolve will be really successful in transforming productivity. The outcomes of relevant research need to be incorporated onto farms and, as part of that, the role of DEERSelect and DPT cannot be underestimated. New developments on farm – the producers' equivalent to investment in new market development – provide animals that will fit emerging new market needs. Both parties – on farm and in market – have a critical role to play.

In his view it is paramount that our products are safe, produced under welfare systems that are second to none and embody today's community expectations for farming and product integrity.

Extension of the velvet antler trade into the healthy food market endorses best modern deer farming standards and market expectations across velvet growth, harvest, storage, delivery and traceability, a significant progression from the traditional market.

Landcorp's investment in the deer industry is long term and significant. Having 29 farms on much of the land type best suited to deer maintains interest and allows the company to develop and invest in talent, training and relevant research.

In Graeme's view, the new strategy signals further exciting opportunities and is why he is standing for Board selection, backed by a detailed understanding of the potential for the sector.

We are on the verge of expansion into new markets with multiple venison and velvet products that fit with increasing customer expectations related to quality, provenance and integrity. The Board must ensure that systems around QA are critical to meet the new rigour of customer expectations. In New Zealand that includes land and environment plans and encouraging farmers to meet regional council expectations. Part of DINZ's Board role is to ensure that on farm the growing safety culture is extended across the industry. With that overview, Graeme will offer the industry his commitment at Board level if appointed.

5. Bill Taylor (Southland)



Southland grass roots deer farmer Bill Taylor reflected that there are no miracles behind success in agricultural production and no miracle help for the New Zealand deer industry. It all has to come from within, driven by skills and passion. We were fortunate that our products are fantastic deer meat in farmed venison, and velvet antler – the closest to a miracle product you can get. He had been involved in the DFA for all his 30-year deer farming career, serving as Chairman from 2007–2011. At last conferences and deer farming activities were attracting new faces and the next generation, which is certainly needed.

Southlanders had encouraged him to stand for the Board seeking an improved connection with the Board for ordinary deer farmers. "That's me. Grass roots and ordinary."

Bill cited his intelligence and knowledge of the industry and its directions, respect and support of the ordinary deer farmer, and being driven by a passion for the industry. He is aware that there is always speculation over Board politics in a close-knit industry. That speculation is often uninformed, but a better connection with deer farmers must feature.

He believes the Board and industry must maintain the focus on market investment, traditional and new, with market support balanced by producer-based activity such as some of the emerging P2P initiatives. It's critical that deer farmers have a sense of well-being and are profitable. That mood will sustain the required investment in the good stuff, like the P2P programme and increasing environmental responsibility as part of the business drive on farm. "There is nothing like a healthy schedule to encourage that."

Bill believes the deer industry is poised to take on the mantle of New Zealand's premier option for pastoral production and would like to help guide current direction and be part of those next steps.

6. Ian Walker (Hawke's Bay)



Ian came early to the deer industry in 1978 ultimately as a farmer and a veterinarian in Hawke's Bay. His veterinary career was based around connecting sound science to practical solutions and applications on farm. That's evolved into an ongoing interest, passion and commitment to the deer industry.

He has a wider experience refining deer production systems and management for clients and in his own deer farming background.

He believes the current strategy for the next five years is an excellent build on past directions, well thought out, but grounded in reality. He noted, however, that returns must stack up from this investment and we need strong and committed markets to allow farmers and industry to have a growing business. There are many challenges ahead, internationally and at home. Ian stands for the Board willing to be involved in these areas and believes that recent directions are a credit to all involved.

He has considerable experience in governance at local and national level, both in veterinary medicine and science and in a large complex practice, as well as deer industry programmes in velvet antler welfare and deer performance.

Having recently retired from the veterinary practice he has the time and preparedness to commit to the Board if selected and give back a lot to the industry that has been so good to him. He has started this process now with appointment to the DEEResearch Board and looks to extend that further. His commitment to stand for the DINZ Board is part of these new initiatives around P2P in market and on farm, and he believes there is great value to be had for the significant revenues that are being invested for the future success of the industry.



EXECUTIVE COMMITTEE NZDFA CHAIRMAN'S REPORT

Welcome ladies and gentlemen to our 42nd New Zealand Deer Farmers' Association Annual General Meeting here in the capital, Wellington.

Further to our formal tribute to the treasured members who passed on this year, I'd like to record my personal respect and deep sense of loss for all, and especially acknowledge the contributions, leadership and vision that so many of these great leaders and deer farmers have made to the DFA and the industry at so many levels.

THE SEASON

Parts of the country had some of the best springs in quite some time, which gave us good grass growth early on. But with our weather patterns that now seem to have more extremes, some parts suffered very dry conditions, thus putting pressure on the system. It does serve as a warning for the future. Those who reacted early and destocked now reap the benefit in a quick recovery when the moisture arrives. Having said this, those people who chose to offload stock had no problems in selling either for meat or live sales, because the shortage of stock in general. We are farming in increasingly challenging conditions, so good planning and early decision making are needed in the face of climate extremes.

VENISON

I am still very optimistic for our future through producing the world's best farm-raised venison and velvet and supplying the top end markets throughout, with no compromise in the quality of our production right through to our sales and marketing of this great industry.

We have yet again seen a shift in some areas in the use of grassland in the dry stock sector. Farmers are less likely to put all their eggs in one basket and are trying to diversify away from reliance on dairy support for income. This again has put pressure on store stock trade, resulting in margins being squeezed for the finisher. Achieving a balance between supply and demand in our industry has always been at the forefront of my mind. How do we break free of the old boom and bust scenario which can happen in a relatively small industry and has such a long history in our industry's behaviour?

The real edge we now have as an industry is the initiative with the five major venison companies working jointly to promote the venison we produce in a new joint initiative. This has been a great achievement and seen a resurgence of the Cervena® appellation and a new launch and drive in European markets as well as some new markets in the United States and China.

This past venison season, the positioning and pricing trends, has been a game changer. Establishing a fixed price for product from mid-November through to March, with this pattern looking set to continue, and more contracts out for the autumn/winter season, is a confidence boost. It allows planning to balance your grass supply, different deer enterprises and much better management options. I can only hope this is the start of a new era and is positive for all involved, acknowledging that some of these prices will be procurement driven.

As an industry we have a lot to thank the DINZ Board for over the past five or so years. I'd especially acknowledge the input of retiring chairman, Andy Macfarlane for his enthusiasm, drive and ambition to lead and make this project work with buy in from the Board. As farmers we want more of same with consistency and leadership throughout, from farmers right to the marketers, giving the industry the confidence required to grow market share.

VELVET

The 2016/17 velvet season was frustrating right from the start. Early on we had some negative commentary, which was not conducive to a good start. On the positive side, the tonnage shipped right through the season was on a par with previous years. While the average price was back as signalled, the message for well-cut and good style sticks was at the forefront of discussion this season, and ensures we have the quality to remain market leaders.

The real gains are to be made in supplying the healthy functional food business. You will all now know about the changes to the velvet handling standards on farm. This has been a lot of work and a very well thought out and debated process by the National Velvetting Standards Body (NVSB), led by Ian Scott. The timing of these changes, or what I would call necessary upgrades, will not suit all farmers, but with these changes we are meeting the requirements of the markets and opening the doors to more non-traditional type buyers. I am fully behind these new rules and changes. It puts us in a good position, and we must treat this with the respect it needs. We are in the high-quality food and new-look medicine business here.

NZDFA

I am very proud of our achievements over the past year and remind all involved in this industry that we still stand true to our mission statement to guide the future of our DFA, which reads "a strong, visionary association that inspires profitable growth for a sustainable future for all deer farmers, through effective leadership, representation and communication".

As an Executive Committee, we remain focused on our mission: succession within the NZDFA and branches, the deer farmer representatives on the DINZ Board and all the other representation within the industry. There is always a need for good and frequent communication in an industry-good organisation such as ours.

One of the more rewarding jobs in our portfolio as an Executive Committee is when it meets in Wellington, and a big part of the day's business involves formal briefing from all the DINZ Executives across their portfolios. CEO Dan Coup always makes himself available for good robust discussion and hearing our views on the industry from around the country. We, as DFA fully support the current Board policy of meeting out in the different branches associated with their scheduled Board meetings. This gives all deer farmers the opportunity to be heard by the Board.

I'd suggest the opportunities and workload in the wider industry just get busier and busier, but there are some huge benefits. I'd like to touch on the key areas by way of comment.

P2P AND ADVANCE PARTIES

The success of this major industry project and its integration into new markets is tangible, growing and exciting. On farm, to have ~230 people engaged in the Advance Party programme – about 15% of the industry's active participants – speaks for itself. What progress since concept was launched in 2013, exceeding the target of 15 Advance Parties, now at 26 and still rising. This is very credible and the work is certainly attracting



attention in other sectors. The engagement is spread across all age and experience ranges and communications from these activities is beginning to gain traction.

Such commitment is time consuming of course., Early on some feared that the Advance Parties would impact on local DFA branch activity. It's refreshing to see that, with teething problems now overcome, at least the first series of P2P Regional Workshops with DFA branches are getting the message of co-operation, shared advice and practical experiences from the projects. This is working in these days, in particular in the workshop breakout sessions. To me this appears to be a very good tech transfer model. I urge DFA members and local deer farmers to get right behind these Regional Workshop days when they come to your branch and region.

I'd certainly acknowledge the breadth of Phil Stewart and Deer Industry News' reporting as feature articles. That serves the industry well as a shop window, but adds vital information around practical implementation and complements the Deer Facts project, that initially seemed to attract some criticism around its value But today that resource is growing and is very relevant and valuable.

DEERESEARCH AND THE ANNUAL BRANCH CHAIRS' MEETING

This annual event in October continues to grow in value and importance. It's a rare opportunity for any industry to have regional leaders, our New Faces and the DINZ Executive and Board members, along with DEEResearch, NVSB, the industry servicing sector plus outside deer industry key speakers on environment, health and safety, and the wider agriculture sector.

I thank DINZ CEO Dan Coup for his commitment and support of this event with his executive team and the Board, Chairman and others. We introduced more workshop projects this year, especially in the wake of the AGM remits on DEEResearch projects, priorities, feedback and input into future planning.

I'd like to thank Catharine Sayer and her team and the Board of DEEResearch for their constructive response to the remit and approach to communication and feedback. The Branch Chairs' meeting spent time with researchers and in workshops on the issues raised. There has recently been distributed a priority list of six new projects identified from 12 areas of research interest along with the ongoing current work. That process also included a three-day workshop across the three major areas hosted by AgResearch, that had good input from key deer farmers, researchers, AgResearch and DEEResearch. It seems to be a very comprehensive and valuable process. Branches have been asked for feedback on these priority areas, which highlight the parasite issue in particular.

I'd also like to thank the Branch Chairs for their commitment at a busy time of year and continue encourage them to take advantage of the New Faces programme that introduces experience building and planned succession into the branch structure.

NEXT GENERATION

This year's 4th Next Generation conference in Hanmer Springs attracted 67 attendees including 30 first timers. We asked a Next Generation steering group to put their ideas and interests first and organise the programme, which then was supported by the Executive Committee and the Producer Engagement team at DINZ. That worked very well and will be the model for the future. I acknowledge the time and wisdom of Sam Zino who hosted all at the field day. This programme has been really successful, but we need recognise that many of the early participants are now searching for new challenges.

Many are involved in the Advance Parties but we must also capture that experience and challenge within the Branches in roles, in field days and in representation.

VELVET AND HARD ANTLER COMPETITIONS

For most branches these annual local, regional and national events remain deer farmers' centre of passion and a showcase for the industry in all its variety of forms. They are also an important part of branch social activity and a way to share enjoyment of success and progress in this part of the industry, which continues to exceed expectations in terms of annual gain and value.

That's shown no more vividly than in the Rising Stars Competition, where progress and momentum is clear to see, especially in the astonishing achievements of hard antler growth in yearlings to three year olds. It graphically illustrates just how much influence the trophy antler industry has on our businesses.

I'd also like to congratulate Bruce Paterson on his chairmanship of the National Velvet and Hard Antler Competition, which is refining its approach to the awards and engagement. In the same vein the wonderful work that Sharon Love has done for the Rising Stars event must be acknowledged for that event's excellence.

While the DFA is frustrated we haven't yet been able to initiate progress on the Rising Stars and re-establishing a formal connection with the DFA as was passed in the Rising Stars remit of 2015, the work of the group that runs the competition, its sponsors and achieving its objectives is admired for the outcome and establishing this important industry event. I'd also congratulate the Elk and Wapiti Society for its superb competitions and functions as seen in the 30th anniversary of the Society event this year.

As this part of DFA life is so valued, it's timely to reinforce that the new regulations affecting hygiene and the integrity of storage will also have an impact on this very visible public showcase and we need to ensure these become a routine part of these events.

RELATIONSHIPS WITH VENISON PROCESSING COMPANIES

I believe that the industry has never been better served than by its current excellent producer-processor relationship. Farmers are now more interested in long-term relationships and aiming to secure seasonal stability. They have a good appreciation of the needs for supply timing and carcass and presentation quality, and enjoy sound and growing financial returns. The processors are acting with confidence in moving into new markets, knowing there is an understanding of their needs for timing, along with an appreciation of the realities of farming deer in increasingly volatile climates against competition from other drystock species. I sense there is growing confidence among producers buoyed by this late season strength in pricing and demand. Producers are reacting well to the relationships and communication and I feel this area in our industry is particularly well served at present.

ENVIRONMENT AND POLICY

Across the country, there are many changes and positive aspects to Farm Environment Plans, and people's understanding and commitment to risk management, waterways protection and soil conservation. However, the laborious and unforgiving nightmare for so many of us encased in regional council regulations, while consent after consent process rolls on, causes huge difficulties and affects

many. The one constancy is frequent change, complications entangled in regulations and a punitive approach to getting it wrong. It amazes me that it's still so difficult and expensive to work with councils using a resource consent approach when you've already completed OVERSEER and FEPs and are living within those limitations.

The DFA hugely appreciates the effort that DINZ has supported with Lindsay Fung's input into the regional councils' regulatory and planning process. He has kept the branches well informed and encouraged submissions with farmers speaking of how these impacts require adaptation of our farming reality.

I have a passion to see all deer farmers with at least a Level 1 Farm/Land Environment Plan produced and operating in the next 18 months. It's very important as we engage with MPI and the councils to demonstrate we understand the concerns and that this is an industry-based action to start and utilise this process as part of good land stewardship and responsible nutrient management. Thank you to the on-the-ground guys from Beef + Lamb NZ who willingly encourage us into their process and share expertise for our benefit. Right now this area is a priority for me and the Executive Committee.

ACKNOWLEDGEMENTS

I am very happy, proud and privileged with the workload, our achievements and support from John Somerville, Grant Charteris and Kris Orange as the Executive Committee representing our deer farmer members. The commitment, engagement and determination from these guys is very much appreciated. I also think we should recognise and thank our wives, partners and families, for tolerating the late phone calls and for accepting our being missing in action at times when we are needed on the home front.

We are seeing the retirement of Kris Orange this year. His broad industry knowledge is going to be a huge loss to us and we will recognise his contribution in the appropriate manner at the conference. This been said, we have in Justin Stevens a new Executive Committee member who brings good variety to the table with his deer farming and off-farm business experience and a member with a lifetime involvement in the industry.

I would like also to take this opportunity to thank Tony Pearce for his ongoing stewardship, organising and vast depth of knowledge which we continually draw on when needed. This

was recognised by the Hawke's Bay Branch, which made him a Branch Life Member this year. (I have sometimes quoted Tony to people as an institution and a constitution in his own right.) My thanks also to Cenwynn Philip for her support role in the office and really taking ownership of this job when she moved to full time. Cenwynn provides a great service to us all and is great in organising all our major events, and all the necessary travel arrangements around these, which is always appreciated.

Other thanks must go to Paddy Boyd and the DFA's important Selection and Appointments Panel. In recent years, time has been taken to upskill for the Board selection duties with the Institute of Directors in Wellington. This has helped and given good value, and ensures the SAP operates as a skilled and professional body in its primary role of appointing the producer-selected Board members.

One of the more rewarding parts of this job is seeing how well CEO Dan Coup has really got to grips with the issues on both sides of the farm gate. I thank him for his contribution to this industry; we are very fortunate in his industry-wide depth of skills. The same goes for his a very good support executive team in the office. I'd like to personally acknowledge, and thank all these staff involved in marketing, science and policy, NVSB, environment and quality assurance who all help keep this industry at the forefront.

To all the Branch Chairmen, thank you for your continued support and efforts to keep the NZDFA a positive, active and relevant Association to all the members, fighting for issues whether they be local or national. That involvement extends to societies and individuals on the Cervena Trust, John's Management Ltd, Focus Farm farmers, Advance Party farmer members and the facilitators. A big thank you to you all.

This industry I believe is in good shape and ready to grow with market development in both venison and velvet and become the leading most profitable integrated livestock of choice in drystock pastoral farming.

I now move the adoption of my report of the 2016/17 year and invite a seconder.



David Morgan

18 April 2017

MOTIONS

NZDFA FORMAL FINANCIAL MOTIONS: 42ND AGM 27 MAY 2017

MOTION 1: Financial accounts and statements for the year ending 31 March 2017

"That the NZDFA financial statements and NZDFA Financial Report for the year ending 31 March 2017 be received and approved."

Moved: **Seconded:**

MOTION 2: Honoraria

"That the Executive Committee honoraria for the 2017/18 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 (2017/18)."

Moved: **Seconded:**

MOTION 4: Budget to year ending 31 March 2018

"That the NZDFA budget of expenditure for the year ending 31 March 2018 be approved."

Moved: **Seconded:**

NZDFA FINANCIAL REPORT

REVIEW OF ACCOUNTS FOR THE YEAR TO 31 MARCH 2017

This financial year resulted in a surplus of income over expenditure of \$39,451, against a break even budget for the year. This result is largely due to funding contributions received and a slight increase in subscription income, savings in travel and accommodation and DEEResearch Director's fees and is partially offset by higher than budgeted expenditure on the AgMardt Parasite Research project.

Subscription income generated was \$112,000, based on 1,238 voluntary membership payments received against a budget of 1,200 (3% higher than budgeted). The 2016/17 subscription level has remained at \$115 plus GST (inclusive of the branch capitation fee of \$25 per member). There has been a slight decrease in subscription income of 1% compared with 2015/16, with a slight decline in membership from 1,252 in 2015/16.

DINZ's industry-good funding for producer support for specific activities (through the Producer Manager budget), was applied supporting activity including Stagline-online DFA electronic communications, the annual Wellington-based October Branch Chairs' meeting and Executive Committee meetings during the period. These activities are included in the role that the Producer Management and Communications Coordinator (Cenwynn Philip) portfolio plays. These producer-directed services remain a vital part of the NZDFA, extending into the regions to support NZDFA national and branch-assisted projects, alongside the P2P activity.

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 items of expense being charged to the NZDFA. This included the printing and postage of subscriptions as a major line item.

Travel and accommodation costs for the Executive Committee were again reduced and in the current year were 24% lower than budget. This was partly due to the holding of Executive Committee meetings in association with the P2P meetings and two fewer meetings. Teleconferencing also continues to play a greater role in governance and communications.

The 2016 conference came to Dunedin, Otago, and was extended in scope and a new look event – starting with

the NZDFA AGM and DINZ FGM and two evenings, the first showcasing venison and the second the awards dinner. Opportunity was made to bring in a further series of outstanding speakers. The DEER Branch of the NZ Veterinary Association also held their Cervetec conference in Dunedin and while we couldn't share sessions, social events were combined and were well received by vets and deer farmers alike. The conference continued its commitment to create wider coverage, live streaming the event for the third year with 600 followers over the sessions.

Outstanding 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. Registration fees were maintained at previous levels. DFA's costs of \$2,200 were made up of registration and accommodation for life members and key guests and some communication and promotion.

Honoraria of the Executive Committee remained at previous level for the past eight years, with \$9,000 being paid annually to the Chair and \$6,000 each for the other three committee members. The DEEResearch director's fees were not required in the current year. This is recommended to stay at these levels for the ensuing year.

NZDFA contributed this year \$30,000 towards the AGMARDT Parasite Research project. This expenditure has been partially offset by the voluntary funding contributions received from several NZDFA branches totalling \$26,000. The \$39,000 balance is due in this current financial year, and has been budgeted for under the Nationally Funded Projects line item. The Executive Committee is extremely grateful to the branches that contributed so generously to this work.

With the cessation of available tax 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 2018 financial year are \$171,000, meeting the informal directive from NZDFA Branch Chairs to maintain reserves where possible at \$100,000 minimum.

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



Attendees at the 2016 NZDFA Next Generation conference, Hanmer Springs. Photo: Phil Stewart.

INCOME AND EXPENDITURE

	Year to March 2017 ACTUAL \$	Year to March 2017 BUDGET \$	Year to March 2018 BUDGET \$
Income			
Subscriptions	111,563	108,000	108,000
Interest Income	4,680	6,000	5,000
Funding Contributions	40,220	-	-
	156,463	114,000	113,000
Expenditure			
Audit Review Fees	3,050	3,000	3,000
Conference	2,176	2,500	3,500
DEEResearch Directors Fees	0	4,000	0
Election Costs	1,739	300	600
General Office	921	750	750
Honoraria	27,000	27,000	27,000
Insurance	1,998	2,000	2,000
Leadership Development	7,285	8,000	10,000
Legal Fees	499	1,000	1,000
Nationally Funded Projects	32,500	15,000	15,000
Postage	1,976	2,000	2,000
PR Support	3,235	2,000	3,000
Printing & Stationery	1,283	3,000	2,000
Promotions/Awards	249	1,500	1,500
Publications	3,191	3,200	3,200
Returning Officer Fees (SAP Process)	299	250	500
Telecommunications	979	1,000	1,000
Travel and Accommodation	27,455	36,000	36,000
	115,835	112,500	112,050
Surplus Before Tax	40,628	1,500	950
Taxation	1,177	1,500	950
Surplus After Tax	39,451	0	0

BUDGET FOR THE YEAR TO 31 MARCH 2018

The budget for the year to 31 March 2018 has resulted in a breakeven position as is the policy.

The budget for subscriptions remains at 1,200 paid memberships with the subscription level maintained at \$115 (inclusive of the Branch capitation fee of \$25 per member). The commitment is to hold this stable for the next two years. The membership rates will be monitored monthly and discretionary expenditure adjusted as required.

The Executive Committee honoraria are budgeted to remain at the current year's rates and general expenditure is budgeted to increase slightly from the 2015/16 year across some line items, in particular conference costs, printing and stationery

for increased activity in the environment area and travel and accommodation costs for additional training and upskilling for SAP members.

The 2017/18 budget includes \$10,000 for leadership development, up by 25%. NZDFA committed \$30,000 towards AGMARDT's Generic Parasite Research Project during the 2016/17 year and a further \$30,000 to the project in the 2017/18 year. (The project milestones covered ~16 months spread over two financial years for the DFA. Seven branches have committed a total of \$27,000 by way of assistance.)

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

Independent assurance practitioner's review report

To the Members of New Zealand Deer Farmers' Association Incorporated

We have reviewed the accompanying special purpose financial statements of New Zealand Deer Farmers' Association Incorporated, which comprise the statement of financial position as at 31 March 2017 and the statement of financial performance, statement of movements in equity and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements.

Executive Committees' responsibility for the financial statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements, and for such internal control as the Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ) 2400) "Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity". ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these financial statements.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, New Zealand Deer Farmers' Association Incorporated

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these special purpose financial statements do not present fairly, in all material respects, the financial position of New Zealand Deer Farmers' Association Incorporated as at 31 March 2017, and its financial performance for the year then ended, in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to the statement of accounting policies of the special purpose financial statements, which describes the basis for preparation. The financial statements have been prepared for the purpose of reporting the assets and liabilities of the Society as at 31 March 2017, and the revenues and expenses for the year then ended in accordance with the rules of the association. As a result, the financial statements may not be suitable for another purpose.

Moore Stephens

Moore Stephens Wellington Audit | Chartered Accountants, Wellington, New Zealand
13 April 2017

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2017

	<i>Note</i>	2017	2016
		\$	\$
Income			
Subscriptions		111,563	112,577
Interest		4,680	6,335
Funding Contributions	8	40,220	-
		<u>156,463</u>	<u>118,912</u>
Expenditure			
Audit Review Fees		3,050	3,000
Conference	11	2,176	1,619
Election Costs		1,739	3,313
General Office		921	719
Honoraria	4	27,000	27,000
Insurance		1,998	2,000
Leadership Development		7,285	7,684
Legal/Professional Fees		499	1,532
Nationally Funded Projects		32,500	16,920
Postage		1,976	1,180
PR Support		3,235	1,080
Printing & Stationery		1,283	2,426
Promotions & Awards		249	112
Publications		3,191	2,727
Returning Officer fees		299	260
Telecommunications		979	581
Travel and Accommodation		27,455	33,774
		<u>115,835</u>	<u>105,927</u>
Operating Surplus/(Deficit) Before Tax		40,628	12,985
Taxation	5	1,177	1,528
Net Surplus/(Deficit) After Tax		<u>39,451</u>	<u>11,457</u>

The accompanying notes on page 18 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash at Bank		47,833	23,240
Short Term Bank Deposits		125,148	112,518
Accounts Receivable		25,597	2,506
Resident Withholding Tax		793	800
		199,371	139,064
Current Liabilities			
Accounts Payable		27,965	7,109
		171,406	131,955
Net Current Assets representing Net Equity			
Equity comprises:			
General Funds	7	171,406	131,955

These financial statements were approved for issue by:



David Morgan, Chairman of Executive Committee, Date: 13 April 2017

STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 31 March 2017

	Note	2017 \$	2016 \$
Opening Balance		131,955	120,498
Net Surplus/(Deficit) for the Year	7	39,451	11,457
Closing Balance		171,406	131,955

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. REPORTING ENTITY

The New Zealand Deer Farmers' Association Inc ("NZDFA") is an Incorporated Society established to encourage, promote and advance New Zealand's deer farming industry. NZDFA is a 100% shareholder in two non-trading subsidiaries, NZDFA Holdings Ltd and Deer International Ltd.

These special purpose financial statements have been prepared for the members of the New Zealand Deer Farmers' Association Incorporated and should not be relied upon for any other purpose.

2. BASIS FOR PREPARATION

NZDFA is an incorporated society under the Incorporated Societies Act 1908. The financial statements are special purpose financial statements and have been prepared for the purpose of reporting the assets and liabilities of the Society as at 31 March 2017, and the revenues and expenses for the year then ended in accordance with the rules of the association.

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.

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 \$115.00 (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). This year a special subscription of \$43.48 (excluding GST) was offered to members who attend the Next Generation Programme and has been taken up by 3 members.

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:

	2017	2016
Honoraria	\$	\$
Chairman	9,000	9,000
Executive Committee	<u>18,000</u>	<u>18,000</u>
	<u>27,000</u>	<u>27,000</u>

There were no changes to the Executive Committee members during the year ending 31 March 2017.

5. TAXATION

	2017	2016
	\$	\$
Taxable Income	5,205	6,459
Less IRD Allowance	<u>(1,000)</u>	<u>(1,000)</u>
	4,205	5,459
Tax Expense 2017	1,177	1,528
Prior Year Adjustment	0	0
Total Tax Expense	<u>1,177</u>	<u>1,528</u>

6. RELATED PARTIES

All transactions with related parties were conducted at arm's length.

7. TOTAL EQUITY

Total equity is held in general funds as follows:

	2017	2016
	\$	\$
General Funds		
Opening balance	131,955	120,498
Net Surplus/(Deficit) for the Year	<u>39,451</u>	<u>11,457</u>
Closing General Funds	<u>171,406</u>	<u>131,955</u>

8. FUNDING CONTRIBUTIONS

	2017	2016
	\$	\$
Industry good funding from Deer Industry New Zealand	10,590	-
Funding from DFA branches for AGMARDT Parasite Project	26,521	-
Funding from DFA West Coast Branch for Memorial Plaque and research into drench resistance	3,109	-
	<u>40,220</u>	<u>-</u>

9. COMMITMENTS

NZDFA has committed \$30k towards AGMARDT's Generic Parasite Research Project during the financial year ending 31 March 2018 (2017: \$15k to the AGMARDT's Generic Parasite Research Project)

10. CONTINGENCIES

As at 31 March 2017 there are no contingencies, (2016: Nil)

11. CONFERENCE COST

The cost to NZDFA of the 2016 conference was \$2,716 (2015: \$1,619)

12. SUBSEQUENT EVENTS

There are no subsequent events noted.

PROXY FORM 2017



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 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 27 May 2017

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 Saturday 27 May 2017 at the Te Wharewaka Function Centre, Wellington and at any adjournment thereof (*rule 29.2*)

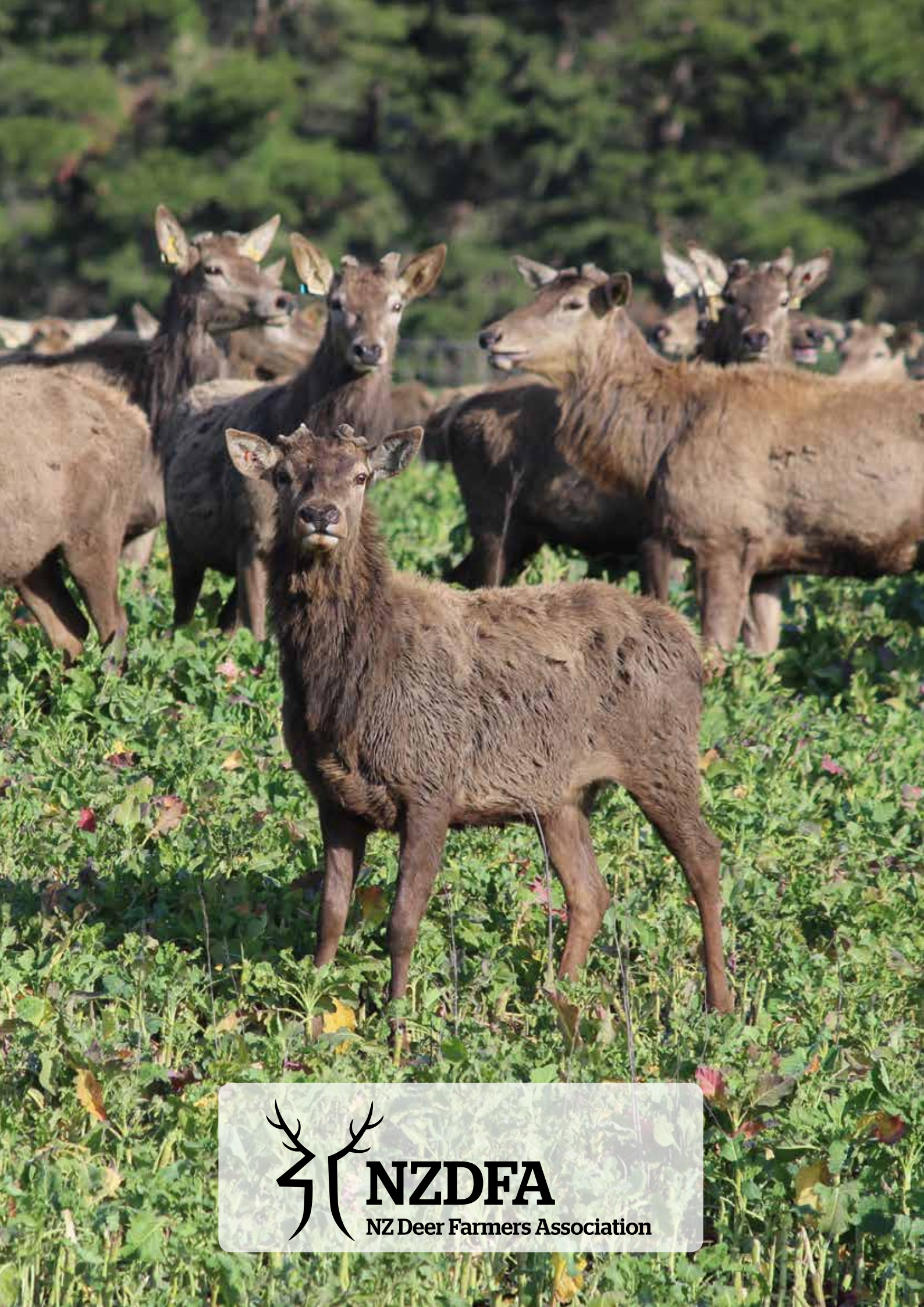
Signed this day of 2017

..... NZDFA member.

<p>Please provide a phone number and email contact if applicable, to assist in any proxy verification</p> <p>Farm trading name</p> <p>Phone (.....)..... Email.....</p>
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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 Friday 26 May 2017 (rule 29.4 (b))**

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



NZDFA

NZ Deer Farmers Association