



New Zealand Deer Farmers' Association

# *Annual Report*

2011/2012





New Zealand Deer Farmers' Association

## NOTICE OF MEETING

### **New Zealand Deer Farmers' Association: 37th Annual General Meeting**

Notice is hereby given that the 37th Annual General Meeting of the New Zealand Deer Farmers' Association (Inc) will be held in the Lake Wanaka Centre, Ardmore Street, Wanaka on Tuesday 15 May 2012, commencing at 11.00am.

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

**Cover photo:**

Gail Simons, Inglewood.

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## AGENDA

37th NZDFA AGM, Tuesday, 15 May 2012,  
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 36th AGM of the NZDFA (Inc)
7. Matters arising from the minutes
8. Executive Committee Chairman's Report
9. Financial report
  - a. Approval of the 2011/12 financial statements
  - b. 2012/13 budget (Motion of approval sought)
  - c. Motion of confirmation for Executive Committee honoraria
  - d. Motion of appointment of auditors
10. Constitutional amendments
11. Executive Committee remits
12. NZDFA Branch Remits (if any)
13. DINZ Board Producer Appointment. Candidate address to the AGM
14. General business
  - a. Notification of NZDFA election results
  - b. Confirmation of NZDFA Executive Committee and SAP appointments
  - c. Any other business

# MINUTES OF THE NEW ZEALAND DEER FARMERS' ASSOCIATION

36TH ANNUAL GENERAL MEETING HELD AT THE SBS EVENTS CENTRE, AORANGI PARK, TIMARU  
TUESDAY, 17 MAY 2011, 11:00AM

The NZDFA Chairman, Bill Taylor, called the 36th AGM to order at 11:00am, welcomed approximately 87 members and interested friends of the industry and called for apologies. The Returning Officer advised that the meeting was also represented through 13 proxies from members.

## 1. APOLOGIES

### Branch Chairmen

Ken Ferguson, Rex Cowley, Dean Orsler, Richard Denley, Donald Whyte, Paul Mucalo, Graham Lawson, Ken Swainson

### Life members

Clive and Elsie Jermy, John and Jan Burrowes, Murray Powell, Don Gregson, Sir Tim and Lady Prue Wallis, Tom and Gaye Williams.

### Members

Ken Drew, John and Mary Cusdin, Pip Rutland, Ron Schroeder, Errol and Adele Croad, Alastair Porter, Shelly Dew Hopkins, Peter Aitken.

Special apologies: Ted Coats, Chairman NAIT

*"That the apologies as notified be accepted"*

**Moved:** David Clarke, **Seconded:** Justin Stevens **Carried**

## 2. SCRUTINEERS

*"That Phil Stewart and Jackie Bedford be appointed as Scrutineers for the 36th AGM of the NZDFA, 17 May 2011"*

**Moved:** Mike McCormick, **Seconded:** Malcolm Gilbert **Carried**

## 3. OBITUARIES AND REMEMBRANCE

Obituaries were recognised

Ross Green

Christine Mackie

Dr Erik van Schreven

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

## 4. CALL FOR FURTHER ITEMS OF GENERAL BUSINESS

There were no further items of general business notified.

## 5. ACCEPTANCE OF MEETING AGENDA

*"That the agenda be accepted as presented"*

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

## 6. CONFIRMATION OF MINUTES OF THE 35TH AGM

Confirmation of the minutes of the 35th Annual General meeting of the NZDFA, held at the War Memorial Conference Centre, Napier, Wednesday 19 May 2010, at 2.30pm, circulated in the Annual Report 2010/11, printed in *Deer Industry News* 47 April 2011, pages 3–6.

No discussion and no amendments to the minutes were notified.

*"That the Minutes of the 35th Annual General meeting of the NZDFA, held at the War Memorial Conference Centre, Napier, Wednesday 19 May 2010, be accepted as a true and accurate record."*

**Moved:** Andrew Fraser, **Seconded:** Andrew Jarden **Carried**

## 7. MATTERS ARISING FROM MINUTES

There were no matters arising from the minutes.

## 8. CHAIRMAN'S REPORT

The Chairman addressed the meeting and read the transcript of his annual report that was circulated in the NZDFA Annual Report 2010/11, Printed in *Deer Industry News* 47, April 2011, pages 7–8.

In commenting on the Chairman's report, former NZDFA Chairman, John Spiers, assuming the traditional role of seconder's commentary, observed that while New Zealand led the world as a producer and exporter of deer velvet, the current standoff between two major players in the velvet industry was frustrating progress. He said it would be a tragedy to let the current situation continue unresolved.

Spiers recognised that the DINZ staff, DFA members and AHB personnel who had worked so hard on industry-wide issues such as NAIT, John's research and the fight against bovine Tb deserved the thanks of all in the industry. He said the latest news that there were only four Tb-infected deer herds in New Zealand was very pleasing.

*"And finally, on behalf of the conference and all deer farmers I would like to thank Bill Taylor for his tenacity and 'dog-with-a-bone' approach to getting problems resolved. His strong leadership and commitment to the NZDFA are truly appreciated."*

John Spiers also sent good wishes and a speedy recovery to Clive Jermy and encouraged new members coming forward into industry leadership roles. He noted it was also good to see fresh faces coming forward.

The adoption of the report was carried without further discussion.

*"That the Chairman's report of 2011 be adopted"*

**Moved:** Bill Taylor, **Seconded:** John Spiers **Carried**

## 9. FINANCIAL REPORT

Sandra Windley, Account Manager

NZDFA Accounts Manager.

The Financial report was circulated in the Annual Report 2010/11, Printed in *Deer Industry News* 47 April 2011, pages 8–14 as an audited review of the accounts for the year to 31 March 2011.

Statement of Financial Performance for the Year Ending 31 March, 2011.

The report was presented by Tony Pearse on behalf of Sandra Windley as she was unable to attend the meeting as planned.

### Main Factors

#### Income

Decrease in subscriptions of 6%

#### Expenditure

- Contribution to JRG2 of \$10,000 (2nd and final instalment)
- Savings in expenditure, particularly travel and accommodation
- Strong conference sponsorship and support resulted in \$795 profit

- Honoraria maintained at same level as previous year
- Payment to JRG2 (\$10,000) offset from expense savings
- 26% saving in travel
- More teleconference costs but within budget
- SAP expenses up on budget
- Taxation liability now exists – approximately \$2,500pa.

With the cessation of tax losses carried forward for tax purposes, NZDFA is now in a tax paying position. It is based solely on the interest income at a rate of 30% with an exemption of \$1,000 earned. The tax calculation in last year's accounts had been understated by \$1,048 resulting in terminal tax to pay of \$133 against a refund owing of \$914, as had been shown in the 2009/10 accounts. This has been carried forward to the 2010/11 accounts.

The 2009 income tax liability had been calculated on interest earned and actually paid. This amount is less than interest received in the accounts as this included accrued interest that was not due for payment to DFA at 31 March 2009.

The accrued interest was paid to DFA in the March 2010 financial year. This amount had been included as income in the 2009 year, but should have been added to the taxable income in the 2010 year which was inadvertently overlooked. This omission led to an understatement of taxable income in the 2010 year.

#### **Proposed Budget 2011/12**

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

Note: Executive Committee recommends:

1. Honoraria to remain at the same levels as 2010/11 year (\$9,000 for Chairman, \$6,000 for Members)
2. Deloitte be commissioned as Auditors based on their current quote of \$2,625 plus GST
3. These recommendations require motions from the floor following the discussion.

The Executive Committee recommended the following figures for the listed expenditure items for approval. The budget for the year to March 2012 has been maintained at the same levels as for the year ending 31 March 2011 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 2010/11 year across all line items. There is no budget for any nationally funded projects in the 2011/12 year included.

#### **Budget features**

1. Subscriptions at same level as 2010/11 year, with slight increase in total paid due to 2.5% increase in GST.
2. 1,650 members (unchanged) (1,546 in 2010/11)
3. Proposed expenditure maintained at 2010/11 levels
4. Branch capitation fees remain at \$25.00
5. Further communications to members and non members in membership drive.

There was no further discussion or questions.

#### **FORMAL FINANCIAL MOTIONS**

##### **Motion 1: Accounts 2010/11**

*"That the Audited NZDFA financial statements and accounts for the year ending 31st March 2011 be received and approved.*

**Moved:** Earle Wells, **Seconded:** Edmund Noonan **Carried**

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

*"That the Executive Committee honoraria for the 2011/12 financial year be fixed at \$9,000 for the elected Chairman, and \$6000 for each other Executive Committee member."*

**Moved:** Harry Robinson, **Seconded:** John Spiers **Carried**

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

*"That Deloitte be appointed as NZDFA auditors for the year ended 31 March 2012"*

**Moved:** Earle Wells, **Seconded:** Justin Stevens **Carried**

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

*"That the NZDFA budget for the 2011–2012 year ending 31 March 2012 be approved."*

**Moved:** Malcolm Gilbert, **Seconded:** Edmund Noonan **Carried**

## 10. CONSTITUTIONAL MATTERS

### National Constitution NZDFA Amendments 2011

#### **Elected Member definition**

**Clause 5.1 Motion:** *That the current clause defining an Elected member in clause 5.1 Membership status, be DELETED and be REPLACED by:*

#### **Clause 5.1 Membership classes:**

Elected members: persons who, upon paying a full membership subscription, who do not qualify for full membership, but have been nominated by a Branch and subsequently approved by the Executive Committee (in its discretion) to be an Elected Member.

#### **Qualifiers 1:**

*It is anticipated that any such person would be actively involved in the functions of the branch; actively involved in the wider industry (including but not confined to the management and farming of deer), or in a professional working capacity in the deer sector.*

#### **Qualifiers 2:**

*And have been proposed and elected by a simple majority at a branch meeting properly constituted for that purpose, to be nominated as an Elected Member and that nomination be sent in writing to the Executive Committee for its approval.*

*The motion seeks to DELETE the associated sentence "The Executive Committee will review each of the Elected Members annually and if not meeting the criteria, may terminate that person's membership status as an Elected Member".*

This decision to seek a constitutional change at the 2011 AGM was **Moved** John Mace, (Rotorua Branch), **Seconded** John Somerville (Southland Branch) at the Branch Chairman's meeting on 28 October 2010 and **carried** without dissent.

The motion was opened for discussion with John Spiers cautioning delegates that this elected membership position was a rare request for those exceptional individuals who did not qualify as deer owners for full membership and there was a risk that individual cases could be quite complex in their association with a branch structure and activity. Bill Taylor agreed and responded by saying we need to aim for simplicity of understanding and application of the criteria and Executive Committee retained the final say if ever required.

**Moved:** Bill Taylor, **Seconded:** John Mace **Carried**

#### **NZDFA Branch Remits 2011**

##### **REMIT 1: SOUTHLAND**



### **NAIT: Sector Share funding**

*"That the NZDFA and DINZ do all they can to ensure that the NAIT sector share funding commitments, based on the agreed cost share formula, is determined by each sector, through developing their own preferred and appropriate methods of collecting their share of these costs."*

**Moved:** John Somerville, **Seconded:** David Stevens **Carried**

The remit attracted general support without specific comment from the floor; delegates agreed (as in the AHB model) that it was sensible and correct that each sector should determine its own funding systems and it was as important a discussion to have the proportional share basis agreed openly and fairly.

Russell Burnard, CEO NAIT, responded; he advised that at present NAIT tags couldn't economically differentiate between beef cattle and deer. It was suggested that different coloured ear tags for cattle and deer be chosen to allow this at the point of sale. Mark O'Connor (DINZ) advised that this had been suggested and advice from the tag companies was that there would be minimal cost difference to do this and no technical reason to prevent this (eg, impact on retention rates through risk of UV spoilage of plastic by changing from white to another colour). NAIT advised that this would be explored to facilitate deer industry's system funding request.

### **REMIT 2: CANTERBURY**

#### **NZDFA leadership development**

*"That the NZDFA Executive Committee as a priority develop and implement a strategy to encourage and develop leadership initiatives at all levels of the association to ensure future succession in its leadership."*

**Moved:** Malcolm Gilbert, **Seconded:** Edmund Noonan **Carried**

### **REMIT 3: CANTERBURY**

#### **Leadership development**

*"That the NZDFA Executive Committee in conjunction with the DFA's branches on an annual basis promote applicants to the Kellogg Rural Leadership programme or equivalent programmes and source funds to subsidise a proportion of the course fee for successful applicants from the deer industry to attend."*

**Moved:** Malcolm Gilbert, **Seconded:** Jeff Pearse **Carried**

In discussion it was noted that support for leadership training should not be limited to the Kellogg course. Branches were encouraged to nominate members for leadership training. (Newly-elected Executive Committee member, Kris Orange, has enrolled for the Kellogg programme.)

John Spiers noted that the Ian Spiers Memorial Trust would consider supporting leadership training proposals and encouraged Branches to transfer funds into the Trust to help boost the resources available to support future leaders. The Fallow Society of New Zealand had shown a fine example by donating \$18,000 to the fund.

### **INVITED SPEAKER**

**AHB: Ponty von Dadelszen (Chairman AHB Representatives' Committee)** spoke in lieu of the travel-delayed William McCook. He noted that AHB venison levies were likely to fall to 5-6 cents/kg next year from the current 7 cents/kg. This was made possible through the an agreement reached with the funding sectors to redress the deer industry share basis by \$400,000 in 2012. Reserves that have been applied over the past five years are now utilised. Von Dadelszen also advised that the Representatives' Committee has resolved to develop an agreed funding formula for the future in 2012. The concept of merging activities and

governance of NAIT and the AHB was still in development. Progress in infected herd reduction for deer had continued to be impressive and the four herds remaining were clearly as a result of vector-related cross infection. This was in contrast to recent rises in dairy herd infections where Tb transport of infected cows, especially in shifting to off-farm wintering and splitting herds, was creating some worrying issues.

## **11. GENERAL BUSINESS**

### **1. DINZ Board Candidates' Addresses**

**The Chairman welcomed the four nominated candidates to address the meeting as invited by the constitution.**

**Tim Aitken** (Hawke's Bay – 20 years' industry experience) recalled his enjoyment and growth during the Focus Farm tenure and expressed a long-term interest and commitment to industry affairs, the venison supply chain and a strong future for the deer industry.

**David Morgan** (South Canterbury – 28 years' industry experience) spoke of his commitment, passion, vision and values, his attitude to the "brand deer" and improving farm incomes through deer diversification as a major attraction for succession.

**William Oliver** (King Country – 15 years' industry experience) was unable to attend the AGM due to a prior commitment with the Education Board so he submitted a DVD presentation outlining a background in pastoral farming with deer well integrated into systems, an interest in forestry and involvement in the community.

**Bill Taylor** (Southland – 20 years' industry experience) spoke of our world food shortage and how the New Zealand deer industry has an opportunity to deliver premium red meats and velvet, with NAIT and industry and company programmes connecting us to the world through traceability and quality assurance programmes. Selection and Appointments Panel (SAP) Chairman, **David Stevens**, thanked candidates and wished them well for the selection process scheduled for 15 June 2011.

### **2. Appointments to Executive Committee and SAP**

There were two Executive Committee positions put to the vote this year. Bill Taylor reported 847 voting papers received, with one late and six declared invalid. The Chairman thanked all candidates for their participation and activity in campaigning.

Voting results were as follows:

#### **North Island Executive Committee:**

Rachael Mitchell: 185

Wilton Turner 217

**Wilton Turner** was declared elected to the Executive Committee.

#### **South Island Executive Committee:**

Malcolm Gilbert 164

Kris Orange 274

**Kris Orange** was declared elected to the Executive Committee.

There were two vacancies for the **SAP**, one each for the North Island (Ponty von Dadelszen retired by rotation) and South Island (David Stevens retired by rotation). Each retiring member was nominated to fill the vacancy and each was reappointed unopposed. Bill Taylor declared **Ponty von Dadelszen** and **David Stevens** both as elected.

*"That the Ballot papers be destroyed"*

**Moved:** Campbell Clarke, **Seconded:** Malcolm Gilbert **Carried**

### **Notification of NZDFA office bearers**

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

1. Selection and Appointments Panel: 2011/12
  - **David Stevens** (Southland) Appointed unopposed (2011)
  - **Mark Hawkins** (South Canterbury/North Otago)
  - **Ponty von Dadelzen** (Hawke's Bay) Appointed unopposed (2011)
  - **Andy Jarden** (Central Regions)
2. NZDFA Executive Structure: 2011/12  
**Executive Committee:**
  - **Edmund Noonan**, Canterbury
  - **Earle Wells**, Bay of Plenty

- NI Executive Committee – **Wilton Turner** Elected 2011
- SI Executive Committee – **Kris Orange** Elected 2011

## 12. CONCLUSION

There being no further items of General Business, the meeting was closed at 12:35pm.



To be signed as a true and accurate record

**Edmund Noonan, Chairman**

15 May 2012

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# NZDFA FORMAL FINANCIAL MOTIONS: 2012

### **MOTION 1: Financial accounts and statements for the year ending 2011/2012.**

***"That the Audited NZDFA financial statements and accounts for the year ending 31 March 2012 be received and approved."***

**Moved:** Earle Wells, **Seconded:** Kris Orange

### **MOTION 2: Honoraria**

***"That the Executive Committee honoraria for the 2011/12 financial year be fixed at \$9,000 for the elected Chairman, and \$6,000 for each other Executive Committee member."***

This recommendation from the Executive Committee requires a mover and seconder from the floor of the AGM.

### **MOTION 3: Auditors**

***"That Deloitte be appointed as NZDFA auditors for the ensuing year, 2012/13."***

**Moved:** Earle Wells, **Seconded:** Kris Orange

### **MOTION 4: Budget to year ending 31 March 2013**

***"That the NZDFA budget of expenditure for the year ending 31 March 2013 be approved."***

Key points in the 2012/13 budget include:

- Break-even target with subscriptions set at \$99.67 (GST at 15% inclusive) and subscriptions estimated at a 1530 target, a similar but slightly increased level to the past year. Branch capitation fees will be maintained at \$25.00 with an equivalent running costs to 2011/12.
- The reserves accounts are aimed to maintain a minimum of \$100,000 (currently \$114,000). An estimated tax liability of ~\$1,500 on interest earned is budgeted.
- Audit fees at \$3,500 + GST are subject to confirmation from Deloitte prior to the AGM.

**Moved Earle Wells, Seconded Kris Orange**

## CONSTITUTIONAL MOTIONS

This motion is to approve a change from Island-based representation of Executive Committee and Selection Panel members from being entirely Island-based (two North and two South) to one from each Island and two members elected "at large" (ie, irrespective of geographic origin or representation).

This Executive Committee formal motion, as approved by the NZDFA Branch Chairmen in October 2011, for consideration at

the AGM, seeks to in part recognise an ability for members to elect best candidates for the vacant position unconstrained by Island or origin. It is recognised however that some geographical representation is valued. The Motion seeks to retain that in part.

### **Motion:**

"That the following clauses that describe the election and qualifying criteria of nominees for the NZDFA Executive Committee and NZDFA Selection and Appointment Panel be AMENDED to read:

### **PROPOSED CONSTITUTIONAL CHANGE**

#### **12. National Organisation**

***12.1 Executive Committee: The affairs of the Association shall be administered by the Executive Committee. The membership of the Executive Committee shall consist of four members being:***

- (a) **ONE member** duly elected to represent the South Island; and
- (b) **ONE member** duly elected to represent the North Island; and
- (c) **Two members** duly elected to represent all members (**to be known as Executive Committee Members at Large**)

Election of the Executive Committee shall be conducted in accordance with Rules 12.5 and 18.1.

***12.2 Nominations for Executive Committee: The Returning Officer shall call for written nominations for the Executive Committee by notice at least 21 days before the date on which nominations close. The following provisions shall apply to all nominations for Executive Committee:***

- (a) **For the geographical representatives** each nomination shall specify the Island which the nominee seeks to represent, shall be nominated and seconded by two other **Full, Elected or Life Members resident in that Island**, and shall be signed by the nominee; and

### **ADD:**

- (b) **For the members at large** each nomination shall be nominated and seconded by two other **Full, Elected or Life Members** and shall be signed by the nominee; and

- (c) **Note as to process:**

**The order of rotation of Island members shall be decided by lot on the approval of this amendment and thereafter rotate alternately between the Islands on an annual basis so that in any one year there be one Island-based vacancy and one at-large vacancy.**

**In year 1 the longest-serving elected incumbent Island vacancy shall be declared to be the initial member at large (and be the at-large vacancy in the following year).**

**Clause 18 Term of office: Future once the rotation has commenced (selection of island by ballot)**

**18.1 Executive Committee Members: At the Annual General Meeting in each year two Executive Committee members, for the time being,**

**ADD** **one elected to represent an Island (initially selected by lot) and one elected at large shall retire from office. (See clause 12.2c for initial process)** The Executive Committee members to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Executive Committee members on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Executive Committee member shall be eligible for re-election.

**Clause Amendments relevant to the Selection and Appointments Panel**

37.2 Selection Panel: Selection of the Association's DINZ representatives shall be made by the Selection and Appointment Panel. The Selection and Appointment Panel shall have eight members and shall consist of:  
(a) four members of the Executive Committee; and

CHANGE from Two to One

(b) **one** non-Executive Committee member from each of the North and South Islands.

ADD

(c) **and two non Executive Committee members at large**

37.5 **Term of Office:** At the Annual General Meeting in each year, two of the non-Executive Committee members of the Selection and Appointment Panel,

DELETE:

**for the time being, one elected to represent the North Island and one elected to represent the South Island Each year two members of the Selection Panel shall retire from office (see Clause 12c for process).**

The Selection and Appointment Panel members to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Selection and Appointment Panel members on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Selection and Appointment Panel member shall be eligible for re-election."

## EXECUTIVE COMMITTEE CHAIRMAN'S REPORT

Welcome ladies and gentlemen to the 37th AGM of the New Zealand Deer Farmers' Association. It has been another busy year for the Executive Committee and NZDFA Branches. Highlights for me have been attending the National Velvet and Hard Antler competition in Southland along with the Rising Stars National Hard Antler competition in the North Island; both events were up to their usual high standards. Unfortunately, I was unable to attend as many Focus Farms field days as I would have wished; the generally high attendance across the country indicates that farmers see real value in these programmes and in some areas are beginning to actively participate in discussion, benchmarking and debate on management options.

### MEMBERSHIP

Membership of the Association is approximately 60 percent of all the deer farmers. This is not of a bad figure for a voluntary organisation, but the total membership has been declining for several years. This, of course, has occurred in parallel with the general retraction of numbers in the deer industry itself. This is not a sustainable situation. As a voluntary subscription-based Association, the ability to offer services to members will be seriously constrained if this decline is not halted. Budgets are already stretched compromising the ability to run an effective Executive Committee, if our income continues to decline. Increasing the subscription rates to meet anticipated shortfalls and maintain current activity levels is no real answer unless accompanied by efficiency gain, better services, continually improving levels of advocacy on behalf of members and improved communication. The NZDFA strives to provide benefits for all deer farmers, perhaps to its cost, but that has been its legacy and commitment for the past 37 years.

A decade after the structural changes of the early 2000s, we have an obligation to continue to evaluate our structures and income streams to ensure we are delivering the most appropriate support to our members.

It is up to all members to help to convince non-members of the value of belonging to the NZDFA. Paying DINZ levies doesn't make you a NZDFA member!

Many of you will remember past issues where the Association has contributed significantly to practical and effective solutions: fencing regulations with DOC; drug residues in velvet and, currently, NAIT and an AHB/NAIT merger.

### LEADERSHIP

Leadership development is challenging in any organisation and the NZDFA is no exception. It takes time and resources to develop leaders. Encouragement must come from local NZDFA Branch members who can and must play a lead role in mentoring the younger members. Leadership development is not only for the Association, but also incorporates representation throughout the wider industry in NZDFA opportunities to promote deer farmers' views in response to endlessly encroaching rules, regulations and government administration.

To encourage leadership, financial support will need to come from Branches, NZDFA and industry.

This year, the Executive Committee, along with senior Branch Chairmen and some of our younger members, developed a strategy initiated from Canterbury Branch remits passed at the 2011 conference, to coordinate the resources of NZDFA and industry to encourage participation in leadership roles. Although further work is needed to finalise details, the main principle must be to encourage all members of the NZDFA to engage in the Association. A vibrant Association adding value for its members and contributing to the overall value proposition for deer farming is dependent on its effective leadership.



## ANIMAL HEALTH BOARD AND TB FREE NEW ZEALAND

The recent introduction of the Closed Herd Testing Policy from the Animal Health Board (AHB) is another indication of the success of the New Zealand Tb programme. As the priorities change for the Tb programme with the introduction of the new National Pest Management Strategy in July 2011, it is critical that we continue to adapt and develop new tools and procedures to ensure ongoing success. Today there are only four Tb infected herds listed, all in Vector Risk Areas and now only in the South Island.

Farmers have been committed to the Tb scheme for many years. There is, however, an increasing risk of reluctance by some farmers to continue to Tb test annually. This is understandable because Tb testing can be stressful and challenging in terms of time and logistics. The new programme will allow some relief from testing for farmers who fulfil the scheme entry criteria. The scheme does have more risk for individual farmers but like anything in this world, there are always tradeoffs. The AHB and your Tb Free Working Committee believe they have reached a significant point of change and look forward to the AHB further evolving its national risk-based programmes across all areas that will further reduce testing costs and obligations without compromising gains made in the national Tb eradication objectives. There will be more paperwork required by farmers to prove compliance, including compliance with NAIT.

I sincerely thank Ponty von Dadelszen, Chairman of the AHB Representatives' Committee and DINZ CEO, Mark O'Connor, for successfully advocating for a fairer share basis of the AHB costs as expressed in a 2 cent reduction in the levy rate for 2012 and beyond. In addition they have the deer industry's interests very much at heart as the planned merger of AHB and NAIT evolves for 1 July 2013. This merger, expressing efficiency and cost saving, has been a long-time NZDFA position and it is gratifying to see this realised in a form that assures deer industry advocacy is protected.

## NAIT

This year, Parliament passed the Bill enabling the NAIT legislation. Traceability and food safety are essential components of a modern food supply industry. While some in the industry still express strong disquiet about imposed costs and regulation, I am sure common sense will prevail and the rules surrounding NAIT will eventually reflect a pragmatic approach to its efficient, long-term administration.

Although marketing considerations are important, on-farm productivity gains will provide the extra return to justify the capital investment required in the new RFID technology behind NAIT.

Further technology advances through ultra high frequency (UHF) tags will ultimately provide farmers with the opportunity to have even more information recorded. It will improve the capability of farmers to measure and monitor individual animal performance as well enhanced monitoring of performance and their management systems. In addition, NAIT systems will enable processors to improve full product traceability and support quality assurance programmes to our ultimate customers. Importantly, NAIT technology has the potential to enhance the individual identification of co-products and carcass characteristics, allowing this information to be fed back to farmers and add to country-of-origin identity and market assurance.

## TECHNOLOGY UPTAKE AND PRACTICE CHANGE

The Focus Farm programme is continuing to deliver on farm technology transfer for many farmers. In some areas, NZDFA Branches have started on their second Focus Farms. This is a testament to the success of the programme. Farmers learn by seeing and the collective wisdom of our farmers, scientists and other rural professionals being shared and seen in action on farm is proving to be a winning formula.

Thanks must go to all the committee members, chairs, facilitators and of course the farmers themselves for making their properties available. Focus Farms are one example of how the NZDFA Branches and the voluntary contribution of time and resources can contribute to industry in collaboration with the major funder, DINZ, and our other industry partners.

## ENVIRONMENT, LANDCARE AND SUSTAINABILITY

At a recent Landcare conference it was clear that expectations from the wider community towards farming in regard to environmental issues are increasing.

Care for the environment is everyone's responsibility.

Farmers are in a unique position because their businesses and homes are integrated into the local community. It just makes sense to care for the land you work and live in. This, of course, is not new to farmers who have always demonstrated stewardship for their land.

The pressure on New Zealand land and water resources has increased over the years. At the same time, most primary industry activities have also intensified, with obvious and not-so-obvious consequences. That New Zealand's land and water quality has degraded is beyond dispute. Farmers must accept that farming activities do affect the wider environment. We have a responsibility to mitigate negative outcomes from our farming activities. Most farmers accept this.

Pressures from our urban cousins are mounting for the farming community to demonstrate that their systems are sustainable and mitigate against unreasonable environmental outcomes.

National guidelines will be set for water quality standards that will be enforced by local and regional councils. In Canterbury, our regional council will require all farmers to have a landcare plan within the next few years. This will not be optional. A challenge for many farmers will not be the principle of sustainability or minimising their environmental impact, but the documentation to prove this.

Our customers expect high-quality products from sustainable systems produced in an ethical manner. Irrespective of the land stewardship argument, expectations from our customers are reason enough to act.

We must remember our customers are the only ones who provide an income to our supply chains.

Our new landcare manual will provide a practical tool to help farmers with their landcare challenges. It has been designed to be easily read and illustrates landcare principles. The case studies demonstrate the different levels of documentation that can be adopted using land and environmental plans.

The original 2004 manual has been revised with the help from Landcare Trust New Zealand, Hawke's Bay Regional Council, DINZ and NZDFA and a further MAF Sustainable Farming Fund project.

My thanks go to all those who contributed to this manual, particularly Janet Gregory from New Zealand Landcare Trust.

This resource is designed to give deer farmers the knowledge and incentive to continually improve their land management to meet community expectations and regulatory requirements. In the



end farmers will have no option but to comply. Regional councils will enforce land and water quality standards. Pressures from the wider community will only intensify, including demands from our markets. We should not wait until we are forced into action.

We must show the wider community and the world that deer farmers are prepared to collaborate to ensure these complex problems are resolved. We must show we understand the issues, accept that farming systems affect the environment and be prepared to take concrete action to mitigate unintended environmental consequences.

The clean green brand must be backed up with quality systems that mitigate environmental effects and at the same time prove we are doing so.

## THE FUTURE: PRODUCTIVITY IMPROVEMENT

The Productivity Improvement Programme is evaluating industry needs with the objective of allocating our scarce resources to the best advantage of the entire supply chain. This process will help to ensure industry research levies are spent wisely.

This is not a one-year exercise but must continue to review industry priorities and evaluate existing programmes. We must ensure that the deer industry continues to improve productivity and maintain a competitive advantage. The challenge is not the research programmes but the application of existing and new knowledge. Improving your system requires an understanding of the new technology, but not all technologies suit all farms. In addition to understanding, farmers must have the confidence to implement and change their systems. The potential and rewards are huge.

## DFA SUPPORT AND ACTIVITY

I would like to acknowledge DINZ's support of the NZDFA and in particular Tony Pearse and Amy Wills for their diligence and hard work. Stepping into the role of Producer Coordinator, Amy has

successfully grappled with the workload and the complexity of the deer industry and is fast making her mark with the Branches. I thank Tony Pearse for sharing his vast knowledge and experience and making my term as Chairman easier.

I would like to thank my fellow committee members for their hard work and commitment to the NZDFA. I wish to congratulate Kris Orange for completing the Kellogg Leadership programme and I would like to thank Wilton Turner for working with our Branches to encourage increased membership. I also acknowledge Earle Wells' contribution to the Executive Committee and his continuing work with the Tb Free committee.

I would also like to take this opportunity to thank the Selection and Appointments Panel, local Branch Chairmen and Committees and acknowledge the voluntary time selflessly given by individuals and groups for the benefit of the NZDFA and all deer farmers. Representation includes the Productivity Improvement Group, National Velvet Standards Body, Cervena Trust, Johnes Management Limited and DEEResearch.

As I step down as Chairman I am confident the NZDFA will continue its commitment to meet the challenges the industry will face, benefiting its members and the entire industry. I have enjoyed my tenure with NZDFA at this level and thank you the members for your support, advice and confidence in these times of good returns, strong prospects and an opportunity to enjoy the maturity and advantages that this challenging industry offers.



**Edmund Noonan**

Chairman New Zealand Deer Farmers' Association

4 April 2012

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# NZDFA FINANCIAL REPORT

## REVIEW OF ACCOUNTS FOR THE YEAR TO 31 MARCH 2012

This financial year resulted in a surplus of income over expenditure of \$31, against a break-even budget. This result is due to savings in expenditure in a number of areas, particularly travel and accommodation, which was 13% lower than budget. The impact of these savings was lessened by a number of factors, principally a 9% decrease in subscriptions received as compared to budget and co-funding capital contributions to two national Sustainable Farming Fund projects – the Focus Farms Project (\$3,000) and the Landcare Manual Project (\$2,500) – which were not initially budgeted as expenditure. NZDFA is committed to and supports a further contribution of \$3,000 for the next two years to this *After the Field day* Focus Farms Project.

Subscription income generated was \$93,000, based on 1,510 voluntary membership payments received against a budget of 1,650. There was no increase from the 2010/11 subscription level of \$61.67 (exclusive of GST and the Branch capitation fee of \$25 per member). The special introductory subscription rate of \$50 (inclusive of GST) was taken up by 20 new members. This, plus a further decline in membership from 1,546 members in 2010/11 resulted in subscriptions being 2% lower than in the previous year and 8% lower than the budget.

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 Chairmen's meetings and Executive Committee meetings during the period. These activities are included in the role that the new Producer Coordinator (Amy Wills) plays. These producer 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 items of expense being charged to the NZDFA. These included the cost of running the 2011 postal-based election for Executive Committee positions, publication of the Annual Report in *Deer Industry News* and the printing and postage of subscriptions and voting packs as major line items. Legal fees were higher than budget and the previous year due to an evaluation undertaken of the 2011 SAP Code of Operation.

Audit fees show an unbudgeted rise based on the need to audit the equity accounted results of the NZDFA share in DEEResearch.

Travel and accommodation costs for the Executive Committee were again reduced and in the current year were 32% lower than budget. The impact of this travel reduction was lessened by a significant increase in SAP expenses due to a full selection meeting held in June. Additional meetings with the DINZ Board were reduced to one, held in association with the Branch

Chairmen's meeting in November. Teleconferencing continues to play a greater role in governance.

The 2011 Conference was extended in scope and a new look event – the NZDFA AGM and DINZ FGM and two evenings, venison showcasing, an awards dinner and a specialist facilitated branch field day hosted by the South Canterbury/North Otago Branch. Sponsorship for the event was the strongest yet, ensuring that the fixed costs of the AGM and DFA's share of conference costs were kept to a minimum at \$374, with registration fees maintained at previous levels.

Honoraria of the Executive Committee remained at the previous level for the past four years, with \$9,000 being paid annually to the Chairman and \$6,000 each to the other three committee members. The DEEResearch director's fees remain at \$4,000 and have been funded from the general fund.

A \$3,000 contribution was made to support the Sustainable Farming Fund (SFF) *After the Field Day* programme. This was approved by the Executive Committee at the June 2011 Executive meeting, along with a commitment to make the same contribution in the next two 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 the Focus Farms.

A one-off contribution of \$2,500 to the SFF Landcare Manual project was also approved at the same meeting to gain leverage of \$24,000 from the SFF in a review and revamp of the industry's sustainability initiatives. These contributions were matched by similar amounts from DINZ.

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 with an exemption of \$1,000.

Closing reserves to be carried forward to the 2013 financial year are \$113,000, meeting the informal directive from NZDFA Branch Chairs to maintain reserves where possible at \$100,000.

## BUDGET FOR THE YEAR TO 31 MARCH 2013

The budget for the year to 31 March 2013 has been reduced in both expenditure and expected subscription levels as the industry continues to shrink and is budgeted to end with a small surplus.

Audit fees have increased under pressure from changing accounting procedures meaning NZDFA now has to account for their share in DEEResearch and by association the Research Consortia, as was first seen last year. The advice is that NZDFA's shareholding basis could be reviewed as it has significant implications for the NZDFA accounts.

Subscriptions are reduced to 1,530 paid memberships. While this is moderately ambitious, the Executive Committee has committed to drive membership recruitment at the Branch level and has not increased subscription levels. 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 at a similar level to the 2011/12 year across all line items, apart from a reduction of 16% for travel and accommodation, and printing and stationery, postage and general expenses reduced to levels in common with the 2011/12 actual results. In the 2012/13 year there is a budget of \$3,000 to cover the NZDFA's contribution to the SFF Focus Farms project.

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

### NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED

## INCOME AND EXPENDITURE

	Year to March 2012 ACTUAL \$	Year to March 2012 BUDGET \$	Year to March 2013 BUDGET \$
<b>Income</b>			
Subscriptions	92,761	101,756	94,355
Interest Income	6,190	6,000	6,000
	<u>98,951</u>	<u>107,756</u>	<u>100,355</u>
<b>Expenditure</b>			
Audit Fees	3,625	2,500	3,675
Conference	374	2,000	1,000
DEEResearch Directors Fees	4,000	4,000	4,000
Election Costs	6,442	6,000	6,000
General Office	575	300	300
Honoraria	27,000	27,000	27,000
Insurance	1,840	2,000	2,000
Legal Fees	2,509	1,000	1,000
Nationally Funded Projects	5,500	0	3,000
Associated Fund Expenses	417	0	0
Postage	3,315	5,000	3,500
PR Support	2,175	3,150	2,600
Printing & Stationery	2,117	5,500	3,500
Promotions/Awards	821	1,500	1,000
Publications	5,253	6,500	6,000
Returning Officer Fees (SAP Process)	0	250	250
Telecommunications	1,398	2,750	2,750
Travel and Accommodation	30,048	37,000	31,000
	<u>97,409</u>	<u>106,450</u>	<u>98,400</u>
<b>Surplus Before Tax</b>	1,542	1,306	1,780
<b>Taxation</b>	1,511	1,300	1,500
<b>Surplus After Tax</b>	<u>31</u>	<u>6</u>	<u>280</u>

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED**

### **Report on the Financial Statements**

We have audited the financial statements of New Zealand Deer Farmers' Association Incorporated on pages 12 to 14, which comprise the statement of financial position as at 31 March 2012, and the statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Executive Committee's Responsibility for the Financial Statements***

The Executive Committee is responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with or interests in New Zealand Deer Farmers' Association Incorporated or its associate.

### ***Opinion***

In our opinion, the financial statements on pages 12 to 14 present fairly, in all material respects, the financial position of New Zealand Deer Farmers' Association Incorporated as at 31 March 2012, and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



**Chartered Accountants**  
11 April 2012  
Wellington, New Zealand

**STATEMENT OF FINANCIAL PERFORMANCE**

For the year ended 31 March 2012

	<i>Note</i>	2012 \$	2011 \$
<b>Income</b>			
Subscriptions		92,761	95,246
Interest		6,190	6,628
		<u>98,951</u>	<u>101,874</u>
<b>Expenditure</b>			
Research	4, 6	4,000	4,000
Audit Fees		3,625	2,620
Conference	12	374	(795)
Election Costs		6,442	5,917
General Office		575	208
Honoraria	4, 6	27,000	27,000
Insurance		1,840	2,000
Legal/Professional Fees		2,509	1,584
Nationally Funded Projects		5,500	10,000
Associated Funding Expenses		417	0
Postage		3,315	6,344
PR Support		2,175	1,581
Printing & Stationery		2,117	2,173
Promotions & Awards		821	1,191
Publications		5,253	5,576
Telecommunications		1,398	1,812
Travel and Accommodation		30,048	29,582
		<u>97,409</u>	<u>100,793</u>
Operating Surplus Before Tax		1,542	1,081
Movement in Equity Interest in Associate DEEResearch Ltd	8	<u>(5,367)</u>	<u>(3,871)</u>
Deficit Before Tax and after		(3,825)	(2,790)
Movement in Equity Interest in Associate		(3,825)	(2,790)
Taxation	5	1,511	2,570
Net (Deficit)		<u>(5,336)</u>	<u>(5,360)</u>

These financial statements were approved for issue by:



Edmund Noonan, Chairman of Executive Committee, Date: 11 April 2012



**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2012

	<i>Note</i>	<b>2012</b>	<b>2011</b>
		\$	\$
<b>Current Assets</b>			
Short Term Bank Deposits	9	128,118	116,925
Accounts Receivable		988	2,916
Resident Withholding Tax		835	440
Investment in DEEResearch Ltd	8	11,742	17,109
		<u>141,683</u>	<u>137,390</u>
<b>Current Liabilities</b>			
Accounts Payable		6,354	6,725
SFF Funding Held in Trust	9	10,000	0
<b>Net Current Assets representing Net Equity</b>		<b>125,329</b>	<b>130,665</b>
<b>Represented by:</b>			
General Funds	7	125,329	130,665
<b>Total Equity</b>		<b>125,329</b>	<b>130,665</b>

**STATEMENT OF MOVEMENTS IN EQUITY**

For the year ended 31 March 2012

	<i>Note</i>	<b>2012</b>	<b>2011</b>
		\$	\$
<b>Opening Balance</b>		<b>130,665</b>	<b>115,045</b>
Net Deficit for the Year		(5,336)	(5,360)
Total Recognised Revenue and Expenditure		(5,336)	(5,360)
Prior Period Equity Adjustment for Associate Interest in DEEResearch Ltd	7, 8	0	20,980
<b>Closing Balance</b>		<b>125,329</b>	<b>130,665</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2012

**1. REPORTING ENTITY**

The New Zealand Deer Farmers' Association Incorporated (the "NZDFA") is an Incorporated Society established to encourage, promote and advance New Zealand's deer farming industry. NZDFA is registered under the Incorporated Societies Act 1908.

**2. BASIS FOR PREPARATION**

The financial statements of the NZDFA have been prepared in accordance with generally accepted accounting practices in New Zealand. NZDFA qualifies for differential reporting exemptions as it is not publicly accountable and is not large. All available differential reporting exemptions have been taken advantage of.

**3. STATEMENT OF ACCOUNTING POLICIES****GENERAL ACCOUNTING POLICIES****a. Measurement Base**

These financial statements have been prepared using the historical cost method. The financial statements are prepared on a going concern basis.

**SPECIFIC ACCOUNTING POLICIES****a. Changes in Accounting Policies**

In prior year no differential reporting exemptions were taken advantage of. In the current year NZDFA has taken advantage of all available differential reporting exemptions. There have been no changes to any other accounting policies from prior year. All policies have been applied consistently 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 \$86.67 (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. Associate**

NZDFA has a 25% shareholding in DEEResearch Limited, a joint venture with AgResearch Limited (50%) and Deer Industry New Zealand (25%). The objectives of this company are to research non-velvet related deer products.

An associate is an investee, not being a subsidiary or joint venture arrangement, over which the reporting entity has the capacity to exercise significant influence through participation in the financial and operating policy decisions of the associate.

The financial statements incorporate NZDFA's interest in the associate, using the equity method. In the Statement of Financial Position the investment is adjusted by NZDFA's share of the associate's annual profit or loss.

The financial statements record that NZDFA has an investment in DEEResearch Ltd at 31 March 2012 valued at \$11,742, being DEEResearch Ltd's share of the research consortium's net assets. A loss is reported in the Statement of Financial Performance arising from the reduction in the net assets of DEEResearch Ltd during the reporting period of \$5,367.

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

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

#### 4. FEES

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

	2012	2011
	\$	\$
Honoraria Chairman	9,000	9,000
Executive Committee	18,000	18,000
	<b>27,000</b>	<b>27,000</b>

Dr Noel Beatson received \$4,000 in his capacity as a director of DEEResearch Limited for the period April 2011 to March 2012. These fees make up the total research expense of \$4,000.

#### 5. TAXATION

	2012	2011
	\$	\$
Taxable Income	6,035	6,072
Less deductible expenses	<u>(1,000)</u>	<u>(1,000)</u>
	5,035	5,072
Tax Expense 2012	1,511	1,522
Tax Expense 2010 amended	0	1,048
<b>Total Tax Expense</b>	<b>1,511</b>	<b>2,570</b>

#### 6. RELATED PARTIES

During the year honoraria has been paid to Executive Committee members as well as \$4,000 paid to Dr Noel Beatson, a director of the associate entity DEEResearch Limited. Furthermore, Edmund Noonan (Chairman) is the primary liaison person for the Sustainable Farming Fund, to which NZDFA also provide funding.

There were no other transactions with related parties.

#### 7. TOTAL EQUITY

Total equity is held in general funds as follows::

	2012	2011
	\$	\$
<b>General Funds</b>		
Opening balance	130,665	115,045
Net Deficit for the Year	(5,336)	(5,360)
Prior Period Equity Adjustment for Associate Interest in DEEResearch Ltd	0	20,980
<b>Closing General Funds</b>	<b>125,329</b>	<b>130,665</b>

The 25% interest in DEEResearch Ltd was equity accounted for the first time in the 2011 financial statements. The share of net equity opening position was treated as a prior period adjustment in the financial statements for the year ended 31 March 2011. DEEResearch Ltd annual financial statements as at 30 June 2011 have been used to determine NZDFA's share of associate profit or loss as these are the last set of consolidated DEEResearch accounts practically available.

#### 8. INVESTMENT IN ASSOCIATE

	Note	2012	2011
		\$	\$
Opening Balance of Investment		17,109	0
Correction of Prior Period	7	0	20,980
Equity Adjustment for Associate Interest in DEEResearch Ltd			
Share of Associate Losses		(5,367)	(3,871)
<b>Investment in DEEResearch Ltd</b>		<b>11,742</b>	<b>17,109</b>

#### 9. MONEY HELD IN TRUST

NZDFA holds money in trust on behalf of the Sustainable Farming Fund ('SFF'), which is held in a separate bank account included under Short Term Bank Deposits in the Statement of Financial Position.

#### 10. COMMITMENTS

Collection of the 2001 Commodity Levy (Deer Products) formally ceased on 16 September 2007. As the NZDFA has fully committed existing research funds ongoing, Deer Industry New Zealand has an agreement to fund research to DEEResearch Limited on behalf of the NZDFA, at a level which is consistent with the NZDFA's previous level of research funding (currently 0.8c/kg of venison and 0.4c/kg of velvet).

There is a commitment to contribute to the Sustainable Farming Fund project "After the Field Day" at \$3,000 for the next two years.

#### 11. CONTINGENCIES

The NZDFA's associated entity, DEEResearch Limited, holds a direct interest in three unincorporated joint ventures, which are Pastoral Greenhouse Gas Research Consortium (1.5% holding), Pastoral Genomics Consortium (1.0% holding) and Johnes Disease Research Consortium (12.0%) respectively. DEEResearch Limited has unconditional guarantees to the other partners in the unincorporated joint ventures which:

- guarantee the due performance and observance of the guaranteed obligations by its subsidiary companies; and
- indemnify against any loss or damage due to any breach of the unincorporated joint venture agreements by its subsidiary companies.

#### 12. CONFERENCE COST

The conference resulted in a loss of \$374.

#### 13. SUBSEQUENT EVENTS

There are no subsequent events noted which are likely to have a material impact on these financial statements.

# PROXY FORM 2012



New Zealand Deer Farmers' Association

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 15 May 2012

**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 15 May, 2012 at the Lake Wanaka Centre, Ardmore Street, Wanaka and at any adjournment thereof (*rule 29.2*)

Signed this ..... day of ..... 2012

..... NZDFA member.

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

Farm trading name .....

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

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 14 May 2012** (*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 15 May 2012

**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 15th day of May, 2012, or at any adjournment thereof.

Signed this ..... day of ..... 2012.

\*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