

EXIT

Annual Report

2017/2018

Next
Generation
Programme



NZDFA

NZ Deer Farmers Association

Steph Laughton
Chair

NOTICE OF MEETING

New Zealand Deer Farmers' Association: 43rd Annual General Meeting

Notice is hereby given that the 43rd Annual General Meeting of the New Zealand Deer Farmers' Association (Inc) will be held at the Caroline Bay Hall, waterfront Caroline Bay, Timaru, on Tuesday 15 May, commencing at 12.00 noon.

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

Front cover: Participants at the 2017 Next Generation conference enjoy a lighter moment.

Back cover: Restored wetland at Puketira Deer in North Canterbury, winner of the 2017 Duncan NZ award for vision and innovation in a demanding environment.

Photos: Phil Stewart

CONTENTS

| | |
|--|----|
| Agenda of the 43rd NZDFA AGM | 2 |
| Minutes of the 42nd NZDFA AGM, 27 May 2017 | 3 |
| NZDFA Executive Committee Chairman's report | 8 |
| NZDFA 2017 branch remit update | 11 |
| NZDFA formal financial motions..... | 11 |
| Candidate statements: DINZ Board and NZDFA Executive Committee..... | 12 |
| AgMardt/Disease Research Laboratory project report .. | 13 |
| NZDFA financial report | 13 |
| Review of accounts | 13 |
| Budget 2018/19 | 14 |
| Accountancy review report | 15 |
| Financial statements..... | 16 |
| 43rd AGM NZDFA AGM Proxy form | 19 |

AGENDA

43rd NZDFA AGM, Tuesday, 15 May 2018, commencing 12.00 noon.

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 42nd AGM of the NZDFA (Inc)
7. Matters arising from the minutes
8. Executive Committee Chair's report
9. Financial report
 - a. Approval of the 2017/18 reviewed financial statements
 - b. 2018/19 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



42ND ANNUAL GENERAL MEETING, SATURDAY
27 MAY 2017, AT 11:00AM, TE WHAREWAKA O
PŌNEKE, AOTEA WHARF, WELLINGTON

The NZDFA Chair David Morgan called the 42nd AGM to order at 11.13am and called for notification of any apologies.

1. APOLOGIES

Branch Chairs

Dean Orsler, Adrian Moody, Rex Cowley, Tahi Doonan, Richard Cook, Andrew Peters

Life members

Bob and Frances Swann, John and Jan Burrowes, Don Gregson

Members

Duncan Humm, Murray and Jan Coutts, Daniel Spiers, Mandy Bell, Graham and Vicki Paterson, Janet and Brychan Morgan

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

Moved: David Morgan **Seconded:** Campbell Clarke **Carried**

2. SCRUTINEERS

Moved: *"That Phil Stewart and Cenwynn Philip are appointed as Scrutineers for the 42nd AGM of the NZDFA, 27 May, 2017."*

Moved: David Morgan **Seconded:** Ian Bristow **Carried**

3. OBITUARIES AND REMEMBRANCE

John Spiers, Brian Wellington, Rodney Cyril Dixon, Stuart Rosie, Barry Moss, Jack Gaukrodger, Gavin Rodgers, Bev George

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

Moved: *"That the obituaries be recorded and acknowledged with a mark of respect."*

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

4. CALL FOR FURTHER ITEMS OF GENERAL BUSINESS

The Executive Committee asked for an extra slot at the end to thank Kris Orange for his time on the Executive Committee.

Lynda Gray of *The Deer Farmer* asked to update on her book based around 50 years of deer farming in New Zealand.

The Chair at this stage introduced Justin Stevens to the AGM, who had been appointed unopposed to replace Kris Orange, who retired by rotation. In confirming there were no objections, he invited Justin to join the current standing Executive Committee on stage.

5. ACCEPTANCE OF MEETING AGENDA

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

Moved: David Morgan **Seconded:** Grant Charteris **Carried**

6. CONFIRMATION OF MINUTES OF THE 41ST ANNUAL GENERAL MEETING

Confirmation of the Minutes of the 41st Annual General Meeting of the NZDFA, held in the Dunedin Town Hall on 10 May 2016 at 11.00am.

Minutes were and published and circulated in the NZDFA's 2016/17 Annual Report and posted in the NZDFA Annual Report on the www.deernz.org website.

Moved: *"That the 41st AGM minutes as circulated be taken as read"*

Moved: David Morgan **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 41st Annual General meeting of the NZDFA, as circulated, be accepted as a true and accurate record."*

Moved: David Morgan **Seconded:** Edmund Noonan **Carried**

7. CHAIR'S REPORT

Circulated in the Annual Report 2016/17, and posted as part of the NZDFA Annual report on the www.deernz.org website

David Morgan addressed the AGM and asked that his report taken as read. He then read a summary.

Key points:

- **Obituaries:** The Chair recorded personal respect and deep sense of loss for all, and especially acknowledged 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.
- **Season:** Morgan noted that we are farming in increasingly challenging climatic conditions that have significant local variability, so good planning and early decision making are needed in the face of these climate extremes and wet and dry cycles.
- **Venison:** Noting that competition and margins were increasingly being squeezed across all livestock sectors, the Chair observed that this past venison season, the positioning and pricing trends, has been a game changer but 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.
- **DINZ:** The NZDFA acknowledged the very strong performance of DINZ with the P2P initiatives over the past 5 years and he took time to especially acknowledge the input of retiring Chair, 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 through to the marketers,

giving the industry the confidence required to grow market share.

- **Velvet antler:** The Chair noted the frustrating start to the season and the uncertainty created by news of the Regulated Control Scheme, but was encouraged by the success of marketing the increased tonnage and the ongoing rapid rise of the healthy functional food sector and their commitment to NZ velvet.
- **NZDFA:** Morgan noted that as an Executive Committee, they had remained focused on the DFA mission, alongside succession within the NZDFA and branches, the deer farmer representatives on the DINZ Board and all the other representation within the industry and the value of good and frequent communication. He mentioned the value of *Stagline Online* which has grown both in scope and quality, and the success of the dedicated annual Next Generation conference. He noted one of the more rewarding jobs as an Executive Committee is when it meets in Wellington. A big part of the day's business involves formal briefing from DINZ Executives across their portfolios. He noted that the DFA fully supported the current DINZ Board policy of meeting out in the different branches associated with their scheduled Board meetings and the value gained in that.
- **P2P, Advance Parties and Communications:** The Chair covered this area in depth, noting how positive the on-farm contacts and Advance Party programme had become with ~15% of the farming sector involved. In spite of early fears that AP activity might impact negatively on DFA branch activity, its value is considerable and growing. He believed that the Regional Workshop concept was very good and urged all farmers to attend these. Part of the success was also in the excellent reporting by Phil Stewart in *Deer Industry News*.
- **Branch Chairs' meeting and DEERresearch:** The Chair believed it was a rare opportunity for any industry to have regional leaders, our New Faces and the DINZ Executive and Board members, along with DEERresearch, NVSB, the industry servicing sector plus outside deer industry key speakers on environment, health and safety, and the wider agriculture sector. The annual October event continued to grow in value. DFA appreciated DINZ CEO Dan Coup for his commitment and support of this event with his Executive team and the Board, Chair and others. More workshop projects this year had been introduced, especially in the wake of the AGM remits on DEERresearch projects, priorities, feedback and input into future planning. The Chair also thanked Catharine Sayer and her team and the Board of DEERresearch for their constructive response to the remit and approach to communication and feedback and setting research priorities for these times. He welcomed particularly the approach to understanding parasitism and new treatment options.
- **Next Generation:** This year's 4th Next Generation conference in Hanmer Springs attracted 67 attendees including 30 first timers. The Executive Committee asked a Next Generation steering group to put their ideas and interests first and organise the programme, which was then supported by the Executive Committee and the Producer Engagement team at DINZ. That worked very well and will be the model for the future.
- **Relationships with venison companies:** David Morgan observed that the industry had 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 and 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.

- **Velvet Antler Competitions:** The Chair noted that for most branches these provided a local focal point and were tremendous value as showcases and for fostering a sense of DFA community. He paid special attention and congratulations to all three major national competitions: the Nationals in Southland, the EWSNZ and the Rising Stars Competition. He said they are extremely well run, popular and vital to showcase the velvet industry's genetic gain to today's amazing performance levels. He noted some frustration that the remit about Rising Stars submitted two years previously had made no headway, but acknowledged that as the DFA, the event and its objectives/outcomes were fully supported, and it was a critical showcase for young stags.
- **Environment and policy:** Morgan believed that across the country, there are many changes and positive aspects to Farm Environment Plans and people's understanding and commitment to risk management, waterway protection and soil conservation. However, the laborious and unforgiving nightmare for so many now captured and encased in regional council regulations, while consent after consent process rolls on, causes huge difficulties. The one constancy is frequent change, complications entangled in regulations and a punitive approach to getting it wrong. He was amazed 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. He said that the DFA hugely appreciates the support from DINZ through Lindsay Fung's input into regional councils' regulatory and planning process.
- **Acknowledgements:** The Chair acknowledged the input of the Executive Committee and SAP and particularly Kris Orange who was retiring from the EC. He was also generous with thanks for DINZ staff and especially CEO Dan Coup for his availability, support and skills and for DFA through Tony Pearse and Cenwynn Philip for the effort and communication. He thanked all DINZ staff involved in marketing, science and policy, NVSB, environment and quality assurance, acknowledging them as people whose commitments help keep this industry at the forefront.

He thanked Branch chairs for their continued support and efforts to keep the NZDFA as 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, Johne's Management Ltd, the Focus Farm farmers, Advance Party farmer members and the facilitators.

In conclusion, David Morgan suggested that this industry was in good shape and ready to grow with market development in both venison and velvet and become the most profitable integrated livestock of choice in drystock pastoral farming.

Morgan then moved: "*That the Chair's report for the year ending March 2017 is adopted*" and called for a seconder.

In seconding the Chair's report, **David Stevens (Southland and national Life Member)** noted:

- The industry is in a great position. While some of this can be attributed to supply, the processing companies working together is a vital part.

- All in the industry need to show discipline over the next 12 months.
- The building of the relationship between the NZDFA and DINZ Board has been greatly beneficial.
- The Next Generation programme is a great initiative but the real challenge will be to keep the more experienced ones engaged and interested.
- The DEEResearch section at the annual Branch Chairs' Meeting is a beneficial link, especially with engagement missing in the past in this area.
- There is a huge challenge ahead with regards to the environment and the Executive Committee is commended for engaging with DINZ to employ Lindsay Fung, who is a great advocate for the industry.
- From his experience, Stevens knows there will always be challenges for the industry and the NZDFA, but he is confident these will be overcome. He congratulated the Executive Committee on a job well done over the previous year.

The Chair thanked David Stevens for his kind words, and put the motion of adoption of the Chair's Report which was **carried unanimously**.

8. FINANCIAL REPORT

Prepared by Joanne Chan-Masun, Beef + Lamb NZ, NZDFA Accounts Manager.

Presented by Kris Orange, NZDFA Executive Committee.

Circulated in the 2016/17 Annual Report and posted on the DINZ website as a formal Accountancy Review (Moore Stephens Markham) of the accounts and financial statements for the year ending 31 March 2017.

Statement of Financial Performance for the Year Ending 31 March 2017

Main features

- Surplus of income over expenditure of \$39,451 against a budget surplus of \$0 (made possible by savings in travel, electronic annual report, increase on membership compared with budget as well as contributions from DINZ Producer Manager and NZDFA Branches towards industry good initiatives and research programmes).
- \$111,563 from 1,238 members against a budgeted 1,200 subscriptions. Orange noted that the EC view this as the membership returning to stability (a reduction of 14 from 2015/16).
- Reserves carried forward increase from \$131,955 to \$171,406 (this will decrease by ~\$27,000 when NZDFA Branch-committed funds are passed on to AgMardt project).
- Most expenditure items were on budget except for Nationally Funded Projects.

Proposed Budget 2017/18

Recommended income and expenditure from Executive Committee

Kris Orange recommended that the Honoraria should remain at the same levels as the previous years (\$9,000 for Chair, \$6,000 for Members)

Income:

- Subscription level was kept the same at 1,200 members. The subscription fee remains the same at \$90 and \$25 capitation fee to branches (total \$132.50 including GST).

The 2017/18 budget approval and honoraria levels required 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 plus GST (\$132.50) at a target 1,200 members
2. Proposed expenditure generally maintained at 2016/17 levels
3. Branch capitation fees remain at \$25.00
4. Recommendations were that the Executive Committee honoraria remain at current levels (\$9,000 for Chair, and \$6,000 for Executive Committee members) subject to motion being supported.

The current net assets representing net equity at the end of the 2016 financial year increase to \$171,406.

Orange asked the Chair to put the four formal financial motions in turn as presented in the annual report.

Motion 1: Accounts 2016/17

"That the accountancy reviewed NZDFA financial statements and accounts for the year ending 31 March 2017 be received and approved."

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

Motion 2: Honoraria

"That the Executive Committee honoraria for the 2017/18 financial year be fixed at \$9,000 for the elected Chair and \$6,000 for each other Executive Committee member."

Moved: David Morgan **Seconded:** Edmund Noonan

Discussion

Craig Hocken (Chair Central Regions) thanked the Executive Committee for their commitment and representation of the NZDFA.

He noted that the Honoraria had not moved for nine years and following informal discussion with other North Island Branch Chairmen, they thought that now would be the time for review. It was suggested for discussion that the Chair should receive \$12,000 and other Executive Committee member \$8,000pa as honoraria.

An amended motion was proposed:

"That the Executive Committee honoraria for the 2017/18 financial year be fixed at \$12,000 for the elected Chair and \$8,000 for each other Executive Committee member."

Moved: Craig Hocken **Seconded:** Leith Chick

In seconding, **Leith Chick** (Waipa) noted that back in 2000 the Executive Committee were getting \$7,000 but in light of tight annual margins had voluntarily taken a reduction so felt that this would be money well spent.

Steve Borland (Waikato) thought that even though the amount is not much, this is a small way that members are able to show their appreciation for all the hard work the Executive Committee does on their behalf.

The amended motion was put and **carried unanimously**.

Following further discussion that suggested it would be difficult to pass the other formal motions with this change in

honoraria without rewriting the Budget within the AGM as the Executive committee had established a breakeven position as a goal. It was agreed that the Executive Committee would prepare an amended budget for the 2018/19 year and would fund the increase and any shortfall in the coming year as a result of honoraria increase through judicial savings in current expenditure or if required to balance by an input from reserves which were in a healthy state (+ve \$171,000), well in excess of the minimum \$100,000 suggested as a core capital reserves.

Graham Sutton recommended that the EC review membership rates over the next year given the honoraria rise would create a deficit budget. He advised that as a strategy the DFA would be wiser to adopt a policy of regular review with small regular adjustments to honoraria, rather than a large shift. That was noted by the Executive Committee.

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 (2017/18)."

It was noted that the intent was to reappoint Moore Stephens

Moved: Kris Orange **Seconded:** Lorna Humm **Carried**

Motion 4: NZDFA budget 2017/18

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

Moved: David Morgan **Seconded:** Kris Orange (see discussion of EC honoraria in Motion 2 above).

9. NZDFA BRANCH REMITS 2017

Remit 1: Canterbury West Coast Branch

"That the NZDFA requests that the DINZ Environment Policy Manager and Chief Executive Officer enter into an investigation and negotiation with Environment Canterbury (and any other Regional Council following similar policies) concerning a very high charging structure for inspecting and approving Farm Environmental Plans where such costs and ongoing costs are not pro rata shared according to size, scale and stock units, rather the same cost regardless of size and scale of the property."

Moved: Russell Rudd **Seconded:** Clive Jermy

In discussion, Mr Rudd suggested that deer farmers were always an easy target and under pressure in recent years financially. The resource consent and requirement to audit Farm Environment Plans could add \$1,800–2,000 to compliance costs. Most will need to employ an adviser to verify and the threat of random auditing is almost a certainty. In seconding, Clive Jermy advised the meeting that this was far from just a Canterbury burden, and that regional councils across the country are poised to head down this track, increasing challenges and cost for current and future deer farmers.

Discussion was broadened with similar perspectives from Waikato and Waipa (Leith Chick) and Graham Sutton. The general message that would resonate with councils was an encouragement to be proactive with councils and demonstrate how committed the industry was to achieving GMP and demonstrating that, as the industry was taking these initiatives, there was less need for mandatory imposition of compliance and associated costs.

Dan Coup confirmed DINZ's awareness of the issues and confirmed the Board's and his support of the importance and

work in this area from Lindsay Fung. He advised that working with ECan constructively was a priority for the coming year. While recognising that these areas were very difficult to change, given the environmental challenges that were already established in areas like Canterbury, DINZ was committed to achieving the best outcomes for deer farmers across the country. He noted also that while the remit was based on Canterbury's current concerns, the issue was wider afield and in effect we were talking of a broad mandate of concern across the country. He noted that while DINZ in Wellington could and will do the basic work, the support, commitment and visibility of local DFA and deer farmers would ultimately carry more weight and influence outcomes than DINZ acting in isolation.

The motion was put and **carried without dissent**.

10. GENERAL BUSINESS

a. DINZ Board candidates

In the absence of Selection and Appointments Panel (SAP) Chair (Paddy Boyd), David Morgan noted the four candidates for the two vacancies created by the retirement by rotation of sitting NZDFA-appointed DINZ Board member Clive Jermy, and the exceptional retirement of NZDFA-appointed member and current Chair, Andy Macfarlane.

The four nominees, Mark Harris, Kris Orange, Andy Russell, and Mike Wilkins had presented a five-minute candidate overview in the final session of the Deer Industry Conference the day prior.

Candidate profiles had been published in May's Stagline Online and in the April/May 2017 issue of Deer Industry News.

David Morgan acknowledged the hard work, commitment and passion of Clive Jermy, Andy Macfarlane and also retiring velvet industry representative Colin Stevenson

He then advised that the SAP would meet and interview candidates on 15–16 June, to meet requirements for the SAP process and appointment before 1 July, the start of the next DINZ Board year.

Further discussion

Graham Sutton asked whether there was any need for outside or independent people to be part of the SAP process and included in the SAP group, e.g. 10-person selection team rather than 8.

He cited examples of other models like the Fonterra process with farmers directly engaging with its Shareholders Council and Primary ITO with a similar structure.

A lively discussion developed with the majority of views from current and past SAP members supportive of the SAP process as it is now. It was suggested that possibly the industry was unaware of the value of the association of the Institute of Directors (IOD) in SAP upskilling and overview of the interview process as it is today.

Leith Chick as a new SAP member described his experience as very positive, with the process robust. He said the ongoing association with the IOD in terms of understanding board structure and roles was valuable. He was confident that the SAP was a sound and effective process. The biggest issue was the lack of people standing on occasion

Messrs Steve Borland, David Stevens, Donald Whyte and William Oliver all spoke in support of the current process citing it as robust, professional and thorough.

Life member Mike Pattison, advised he was part of the group that set this process up in 1984 and it was the SAP's independence that set it apart from first-past-the-post election models, along with the dialogue with the DINZ chair about Board skills and direction with the SAP that added value to

the interview and selection process. He observed that there may well be some ignorance amongst farmers about how it worked and how effective the process was, but advised the DFA not to “bugger around with it”.

Clive Jermy observed that the DINZ regulations were silent on any opportunity to change. He supported the current structure and commended the SAP for their approach and thoroughness.

Current Executive Committee members Grant Charteris and John Somerville also spoke strongly in support of the current structure and its rigour.

(Note: for the 2017-18 year no elections were required. Each of the four nominations received were for the four relevant vacancies created by retirement by rotation.)

a. NZDFA Executive Structure 2017/18

Executive Committee

- NI Executive Committee – **Grant Charteris** (Hawke’s Bay)
Appointed unopposed 2016
- At large – **David Morgan** (SCNO)
Elected 2015
- SI Executive Committee – **Justin Stevens** (Marlborough)
Appointed unopposed 2017
- At large – **John Somerville** (Southland)
Appointed unopposed 2016

Selection and Appointments Panel (SAP)

- At large – **Brian Russell** (Southland)
Appointed unopposed 2017
- South Island – **Paddy Boyd** (SCNO)
Appointed unopposed 2016
- North Island – **Donald Whyte** (SCNO)
Appointed unopposed 2017
- At large – **Leith Chick** (Waipa)
Appointed unopposed 2016

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

Lynda Gray advised that she was writing a book reviewing the history of the industry and DFA for its 50th anniversary year. She was in the process of seeking and securing funding for the \$30,000 the project would cost for a portion of time and publication costs and acknowledged the initial \$10,000 already pledged from the DFA in support. She asked for anyone with recollections, historical documents and observations to share to get in touch. Most of the early work will be via interviews and resources from industry publications.

c. Lorna Humm, Canterbury

Lorna Humm acknowledged the support of the NZDFA and the Ian Spiers Memorial Trust to the Next Generation Programme and sponsorship of the Kellogg Leadership Development. She also thanked them for the direct support of her current Kellogg project.

d. Acknowledgement of Kris Orange’s term on the Executive Committee

David Morgan took the time to acknowledge Kris Orange’s six years on the Executive Committee, four as Chair. He noted Kris’ hard work and commitment and his continual growth over the two terms.

John Somerville said it had been great serving with Kris for all the years and thought if anything defines him and his passion for the NZDFA, it is the success of the Next Generation Programme. He recognised the big sacrifice that this has been for Kris over the years, as not only a farmer but also as a transport owner with a young family.

Grant Charteris remembered joining the Executive Committee when Kris had been on for a year already and had just stepped up to be Chair. Kris’ Chairmanship and focus on the future, supporting David, John and himself over the past years gives Grant the confidence that the Executive Committee will continue to thrive.

The Executive Committee presented Kris Orange with a bronze stag miniature as a tribute.

Kris Orange was humbled by the accolade. He thanked the others he had served on the Executive Committee and the Branch Chairs for their support over the past six years. He remembered when he was elected to the Executive Committee, the NZDFA was in a bit of a slump and he is very happy to have been involved in turning that around. He noted that he would really miss the team and the truly unique setup of interaction with Dan Coup and the DINZ team.

11. CONCLUSION

The Chair David Morgan formally acknowledged the efforts of Steve Borland as the Elworthy Environmental Award 2017 Supreme winner and also the well-deserved dual winners of the Matuschka award, Murray and Jan Coutts, and Craig and Chrissy Hocken. He then closed the 42nd AGM of the NZDFA at 12.35pm.



To be signed as a true and accurate record

David Morgan 2017/18 Executive Committee, Chair

NZDFA EXECUTIVE COMMITTEE CHAIR'S REPORT: 2017/18

Welcome ladies and gentlemen to our 43rd New Zealand Deer Farmers' Association AGM here in my home town of Timaru, capital of the South Island.

It is really an honour for me to be giving this report in this town as many of the older deer farming generation now have sons, daughters and grandchildren farming deer. These are some of the people who inspired me first to move to New Zealand and farm deer and second to move to this area which I have enjoyed to this day.

Further to our formal tribute to some of the members who have passed away during this year I would like to report my personal respect and deep sense of loss for all. I especially acknowledge the contributions, leadership and vision that so many of these great people and deer farmers have made to the NZDFA and the industry as a whole, on so many different levels.

THE SEASON

Increasingly our biggest challenge appears to be the vagaries of climate. We do prepare for this, but apart from planning a response, we can do little about it. However what a contrast this last spring has been compared with 2016, where most of us were wondering if we had enough grass through to Christmas and beyond. For some regions, people were starting to de-stock and take action early. A quick turnaround followed with some great rains throughout most regions over the Christmas holiday period. Locally we had rainfall and moisture at critical times, which is now leading into one of the best autumns we have seen for many years. Stock are in great condition, ready to go into winter. I appreciate that it's been really tough in other regions, like the lower South Island and Manawatu. But from what I've seen, there are smart, responsive farmers out there who make feeding to demand, irrespective of the seasonal challenges, their priority. That speaks for itself with the improvement in stock performance in venison and velvet growth.

VENISON

I have great optimism for our future producing the world's best farm-raised venison and velvet. The commitment to supply top markets throughout the year with no compromise on quality right through to our sales and marketing, has never been stronger. I am very confident going into the medium term.

The autumn weaner deer sales have so far been very strong. This has given a real boost of confidence and new spirit in our store stock and breeding operators, which is great to see. On that note I acknowledge the companies for putting out early forward contracts, giving people the confidence to be able to factor in what sort of margin they have to work on and build their purchasing, growth targets and management around this.

In honesty, I have a small air of caution about these high weaner prices, but I'm optimistic it is the new norm. With these tramline price ranges, we can now ratchet returns up on previous years. The marketers I've talked to advise that in general they are very comfortable with what is happening. Although some is related to supply and demand, the continued promotion of farm-raised venison and the Cervena® appellation, and new market development with the P2P programme working in some of these, have also played their part. Venison's true potential is reaching fruition and we are poised to reap the rewards. That's a key factor in creating more confidence to grow and expand this business.

But of course it's never straightforward. The new invigorated demand for our product is now putting pressure on some companies. It is quite a balancing act between supply and demand to retain existing customers and support stable relationships while pursuing new customers that are prepared to pay more for our product.

The phrase "game changer" is one I enjoy using, referring to the way our venison is now being marketed and purchased. For farmers this is a complete game change from our past. It occurs through establishing long-term fixed prices for both the farmers and the processors. It really does bring the industry together with a good collaborative approach. Practically it also gives farmers a much better opportunity to plan, balancing out their grass supplies with the different enterprises and provide better management options.

As I said in last year's report, I can only hope this is a start of a new era as the new norm and is positive for all involved. I do acknowledge, however, that some of these competitive schedule prices will be solely procurement driven.

DINZ has a major role in keeping farmers and processors in happy tandem, keeping both sides of the table well informed and I am thankful that this is happening. It's no accident. That is the unique position we have in the deer industry, having a DINZ Board with the whole industry at one table, a relationship that is the envy of other sectors.

As farmers we want more of the same with consistency in the message and the leadership, from the farmers right through to the marketers. That action creates the continued confidence the industry needs if we are to grow and succeed as a good integrated pastoral alternative.

VELVET ANTLER

The 2017/18 season kicked off with a bang. What a difference from the season before, when I thought the buyers and some of the people involved were just trifling with producers with a negative approach.

This year kicked off with a wholesale difference in another direction. Buyers came out with forward contracts wanting to lock in supply to meet demand from the new emerging processors and market opportunities.

We gained back last year's dip and then some. We also gave the industry and velvet buyers confidence that we can produce this high-end product consistently and will strive to meet any growing demand from offshore markets. We strive to keep our product well cut, supplying good sale sticks that will ensure we have the quality and the assurance to remain as market leaders in this new era. We continue to see gains in the healthy functional food business, helping reposition the product for future returns.

The further processing of velvet also takes serious capital and commitment, with processors' stainless steel storage and freezing capacity tied up to meet increasing new standards and regulations. Producers too have a considerable investment in land and highly selected velvet herds as well as their yards, velvetting areas and freezer storage. Together there is great commitment. Now we have to build on trust and good relationships.



The National Velveting Standards Body (NVSB) led by Ian Scott and his team must be praised for their sterling job keeping the programme running so efficiently and introducing the rules under the new Regulated Control Scheme (RCS). I fully support this scheme. It's critical if we are to keep providing quality velvet to these new and better-paying markets.

The RCS puts us in a great position which we must treat with respect as we are now entering the high-quality food sector and new-look medicine industry. I congratulate all velvet farmers for making that commitment, with almost all producers tidying up yards and presenting their velvet in great shape. Many farmers have been complimentary of this positive outcome and the communication and support at branch level and from NVSB. Long may it continue and as we strive for continuous improvement.

Executive Committee member Grant Charteris offers his perspective

It's safe to say that this past velvet season kicked off a lot better than the previous year's!

It is great to see a high level of confidence in the premium product that we take so much pride in producing and harvesting to the highest of standards. To have such a positive season backed up with good cash flow was great reward for all of the work that was done on and off farm towards understanding and adapting our sheds and routines to meet the high standards of MPI's new Regulated Control Scheme (RCS) in our velvet sector.

We now have a high standard of auditable hygiene procedures that ensures we stay at the top of the velvet market. This helps our continuing recognition as number one, not only in volume but, more importantly, in quality and compliance, across hygiene, cold chain supply integrity and antler traceability.

The RCS was a lot to take on board as far as upgrades to sheds went, especially for farmers with smaller numbers. From the outset, the NZDFA Executive Committee was invited to the first meetings with MPI and NVSB to understand the coming changes and their implications. With good planning and support from NVSB, the NZDFA got in behind it, and I acknowledge the keen support of local branch chairs and committees to spread the word. They arranged and had a lot of practical shed days and free-ranging discussion. Once farmers saw what they could do and understood that complying with the RCS was relatively easy, progress kicked in!

It's funny how many farmers now say they love working in a fresh clean environment! These refreshing attitudes bode well for our products in the future.

Once again the pride in our product was well represented in our velvet competitions, which were well supported from local branch competitions right through to regional and national level. This includes the Xcell Rising Stars competition held in Mount Maunganui and hosted by the Bay of Plenty Branch; it was well supported with great entries and superb organisation.

A massive thank you to all those who volunteer at a very busy time of the year to help run these events. They remain the backbone of branch social activity.

THE NZDFA

Once again it is a privilege to lead the NZDFA. I am very proud of some of the achievements made over the past year that follow our mission statement to guide the future. It aspires to be "a strong visionary association that inspires profitable

growth for a sustainable future for all deer farmers through effective leadership, representation and communication".

The Executive Committee find it very rewarding, particularly when we meet up in Wellington to discuss the business of the day. This frequently involves formal briefings from DINZ executive staff across all portfolios. DINZ CEO Dan Coup always makes himself available for good robust discussions and hearing our views on the industry from around the country.

Over the past couple of years, the DINZ Board has held two meetings a year out in the different branches, followed by an open discussion and meet-the-industry session. The NZDFA fully supports this initiative, as it gives all deer farmers an opportunity to be heard by the Board in a more informal and down-to-earth setting and for a dialogue on key issues.

NZDFA ANNUAL EVENTS

Branch Chairs' Meeting

This annual event in October continues to grow in value and remains a vital part of the NZDFA calendar. It's a great opportunity for the industry to have all the regional chairs and some new faces along with DINZ executive, Board members, DEERResearch, NVSB and other industry representatives via agents, processors and keynote speakers. This past year was no exception, with Neil Campbell (Lincoln University South Island Farmer of the Year), Dr Scott Champion (former CEO of Beef+Lamb NZ), and NZ Rural Trust by way of example. Other sessions touched on venison and velvet markets, NVSB and the regulatory changes, OSPRI, DEERResearch and VARNZ updates along with a focus on the environment.

Research reporting and discussion is a key part of the event with DINZ Science and Policy manager Catharine Sayer presenting a comprehensive programme update. She has embraced the feedback given to her by deer farmers on their needs and challenges and what research will be practically useful. We thank her for her continued support and commitment on this, particularly in working through parasite control and drench development.

Thanks should go to Dan Coup for his continued support and enthusiasm for this meeting and also the DINZ executive team for their contributions allowing for good robust discussions. Also to the DINZ Board, your time is truly appreciated and is an essential ingredient in the success of this meeting.

Next Generation

This year we took the 5th Next Generation Programme to AgResearch's Invermay Agricultural Centre in Mosgiel. The conference attracted 70 attendees, including 33 attending for the first time.

Once again we asked previous attendees for their thoughts on the programme. From this, we developed topics and themes for workshop sessions and invited expert speakers. This was a very informative and information-rich programme with highlights including velveting responsibilities, environmental issues, succession planning and a farm tour of Invermay. Thank you to AgResearch Invermay, GenomNZ, the Disease Research Laboratory, Duncan NZ and all speakers who helped make this year's event a success.

It was interesting listening to some of the youngsters opening up and getting into some really good discussions. William Robertson, who had been awarded the DINZ scholarship arising from the Waikato Rabobank Agri-leadership programme, was an exceptional young man and his speech left attendees impressed and motivated.

The NZDFA leadership has also had the good fortune to host parts of the P2P Big Deer Tour with outstanding current and



Body condition scoring session during Next Generation conference.

recently graduated farm management students from Massey and Lincoln universities.

ELECTIONS/NEW POSITIONS

As you will have recently heard, NZDFA Executive Committee members John Somerville and Grant Charteris re-stood for their positions unopposed and are now duly appointed. Similarly Paddy Boyd and Leith Chick re-stood unopposed for the Selection and Appointments Panel (SAP). William Oliver is the single nomination for the producer appointment vacancy on the DINZ Board and will return for a further 3 years following the SAP interview.

I encourage those in our Next Generation group who have shown interest in leadership to put your names forward for local involvement with NZDFA or related activities. If you have wider leadership plans, this practical local experience can be really useful when you are ready to move into community leadership roles or to take a larger step onto councils, industry producer boards or roles in industry organisations.

ENVIRONMENT AND POLICY

Environmental policy remains at the forefront for all agricultural sectors. In some cases, the goal posts are moving and it is hard to keep up with the play. As far as I am concerned, everything has been closely followed by the sterling stewardship out of the DINZ office. Society's expectations, expressed through regional councils and government policy, hardening attitudes and requirements, are applying pressure to the agricultural industry. We are indebted to DINZ for its commitment to helping us respond responsibly to these challenges.

Every deer farmer should have at least a deer management plan with an environmental awareness aspect and, in certain areas, a Farm Environmental Plan (FEP) to comply with regional rules. By having an FEP, each farmer is taking stock of their actions and taking ownership of their responsibility for land stewardship. We don't want to let this become a

tick box exercise with farmers doing only what they need to do, to scrape by. We must lift the bar so it becomes second nature and farmers become proud of what they are doing and achieving in their environmental space.

Executive Committee member John Somerville offers his perspective

The plans of regional councils being rolled out, or already implemented, around the country are taking up a lot of the NZDFA and DINZ's time and resources. Many of these rules affect all farming types but some, like riparian fencing rules, can affect deer farmers more than others thanks to our high fencing costs and a lot of extensive farms. In fighting these plans, the NZDFA is indebted to Lindsay Fung from DINZ for supporting branches as they put submissions together or talk face to face with their local council. Lindsay's professionalism and knowledge, along with branches' local farming knowhow, has greatly boosted branches' ability to respond to council policy and is great example of DINZ and NZDFA working together.

With FEPs now a part of most regional councils' policy, the NZDFA, as stated by our chair, wants every deer farmer to have one completed within the next few years. To help make this happen we have been supporting DINZ, which as part of the P2P programme has supported The Environmental Management Code of Practice, a comprehensive environmental resource compiled by Janet Gregory (NZ Landcare Trust) and Edmund Noonan (past NZDFA Chair) and the P2P Environmental Stewardship Group. This will enable all deer farmers to complete a plan with a user-friendly format, alongside some support. This will be officially launched at this year's deer industry conference in May.

FINAL THOUGHTS

In conclusion, I would like, on behalf of the NZDFA, to thank the DINZ executive for their commitment and engagement at all levels but particularly with the NZDFA.

The Executive Committee acknowledges with thanks the help of our Producer Manager, Tony Pearse and the great back up from Cenyynn Philip in the office.

Cenyynn produces *Stagline Online* (emailed monthly to NZDFA members) with great professionalism. This is an outstanding communication which has grown far beyond our expectations. When people ask what they get for their subscriptions, *Stagline Online* in itself represents huge value. For the success of the NZDFA, from the farmers through to deer farmer representation on the DINZ Board and across the industry, there is always a need for good frequent communication. As in many things, this industry punches above its weight, especially in this area.

I wish you all the best for an energetic, enjoyable and profitable 2018/19 and thank you all, especially the ~1250 NZDFA members, for their support.

I now move the adoption of my report for the 2017/18 year and invite a seconder.

David Morgan

17 April 2018

NZDFA 2017 BRANCH REMITS: UPDATE

Canterbury West Coast Branch

"That the NZDFA requests that the DINZ Environment Policy Manager and Chief Executive Officer enter into an investigation and negotiation with Environment Canterbury (and any other regional council following similar policies) concerning a very high charging structure for inspecting and approving Farm Environment Plans, where such costs and ongoing costs are not pro rata shared according to size, scale and stock units, rather the same cost regardless of size and scale of the property."

Moved: Russell Rudd, **Seconded:** Clive Jermy **Carried**

The key thrust of the remit was that of high cost structures and the potential for farmers to have little chance of showing on-farm realities around the costs of resource consents and the formal requirements of having a Farm Environment Plan as part of normal farming business.

The general message from the floor was an encouragement to be proactive with councils and demonstrate how committed the industry was to good management practices. Showing how these industry initiatives would reduce the need for mandatory imposition of compliance and associated costs was expected to resonate with councils.

Key actions

- DINZ facilitated a meeting between ECan planners and managers and NZDFA representatives (Executive Committee Chair, SCNO and Canterbury West Coast Branch Chairs, Edmund Noonan), held on 25 September 2017 where the remit concerns were raised.
- DINZ attends ECan-led groups for primary industries that monitor regional plan implementation (mainly around consenting awareness campaigns) and auditing of Farm Environment Plans.
- Canterbury deer farmers Stu Stokes and Dan Harper hosted ECan staff and the independent auditors to view two different deer farming systems on 1 March 2018. They discussed environmental challenges and deer industry good management practice. The auditors have expressed an interest in making this an annual educational event.
- South Canterbury farmers Marion and Lyal Cullen hosted ECan staff and the Orari Temuka Opihi Pareora (OTOP) water zone committee on 12 March 2018. The visit was to inform the committee on deer farming good management practice and understand the committee's concern for the risks to the zone's water quality.

Outcome

Fees for consent applications and processing are set by the council and are difficult to change, despite pan-primary industry concerns. However ongoing costs for auditing Farm Environmental Plans have some scope for reductions through coordinated auditing activity and encouragement of good farming practice. Continued dialogue between ECan, DFA, DINZ and deer farmers will build a more collaborative approach that is more likely to achieve good, cost-effective environmental outcomes and positive relationships

Context

Over 2017/18 DINZ and DFA have continued to work hard in this area of dialogue and increase regional councils' awareness of the issues from a deer farming perspective. This has been particularly targeted at Environment Waikato's One Plan, ECan generally and also the South Canterbury OTOPI catchment, and Environment Southland's Economic Project and the regional Water and Land Plan recently released. These all have major implications for deer farmers and in some the role of resource consents and permitted activity is a reality.

Dr Lindsay Fung is now a full time DINZ employee and has spearheaded engagement with many regional councils, in person and via submission and more importantly by creating the opportunity for deer farmers through DFA branches to engage with councils.

In addressing the remit further, DINZ and DFA in SCNO and Canterbury invited ECan officials and local catchment group members and officials and ECan planners onto well-run deer farms for an in-depth tour and discussion of deer farming systems, challenges and a demonstration of the significant investment made in waterways protection, shade and shelter and the commitment to risk identification and mitigation based on the reality of deer farming life. These projects were very beneficial and while the spectre of farming via resource consent remains in some areas, there have already been significant modifications made, especially in South Canterbury. DFA and DINZ thank the farmers who helped organise the farm visits, in particular Stu Stokes, Dan Harper and Marion and Lyal Cullen. Gratitude is also due to Janet Gregory (NZ Landcare Trust) who provided valuable support and advice.

In addition the Environmental Stewardship project within the P2P programme has had active involvement of senior ECan staff (Leo Fietje) in the development of the Environmental Management Code of Practice.

MOTIONS AND REMITS

NZDFA FORMAL FINANCIAL MOTIONS: 43RD AGM 15 MAY 2018

MOTION 1: Financial accounts and statements for the year ending 31 March 2018

"That the NZDFA financial statements and NZDFA Financial Report for the year ending 31 March 2018 be received and approved."

Moved: **Seconded:**

MOTION 2: Honoraria

"That the Executive Committee honoraria for the 2018/19 financial year be fixed at \$12,000 for the elected Chairman and \$8,000 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 (2018/19)."

Moved: **Seconded:**

MOTION 4: Budget to year ending 31 March 2019

"That the NZDFA budget of expenditure for the year ending 31 March 2019 be approved."

Moved: **Seconded:**

CANDIDATE STATEMENTS

Deer Industry New Zealand Board: William Oliver*



Candidates standing for appointment to the DINZ board traditionally write a biographical statement to give producers a feel for the people representing them. It's one of the many tests the DFA's Selection and Appointments Panel applies for suitability and capability. I'd like to share a different angle.

About me

I'm 51 and married to Karen. We have three children, two at university and one at secondary school. We run two farms near Te Kuiti totalling 1,500 hectares, with effective wintering of 20,000 stock units.

Deer make up a third of the business with 1,500 red hinds and fawns. We focus on venison for the traditional spring chilled market as well as velvet (280 adult stags).

Perspectives on industry and the DINZ Board

Timing is everything and in governance the success we now enjoy is a reflection of the foresight and work that was done five or six years ago. I want to acknowledge the people who put the current strategy together, whose progress genuinely means we all now enjoy our DINZ industry vision, that of "a confident and growing deer industry".

Over the past six years the Board has been driving the required work plans that developed from this vision in an incredibly complex role. My other governance roles tend to have a narrow business orientation; meetings are short and focused with a tight KPI orientation.

DINZ as an industry-good entity has a 360-degree range of responsibility and challenges; a typical board meeting might cover biosecurity, environment, farm and transport practice, market access, healthy functional foods, branding and a scientific paper on parasites. The next meeting may bring a whole new range of topics.

Dan Coup and the DINZ Executive team deal with this complexity every day. To manage such a wide range of responsibility, sometimes without direct control – only the ability to influence and achieve success – is amazing. Thank you to the DINZ team.

We have recently refreshed the industry strategy and work plan to build on our current success as processors and farmers to reinforce our sustainability and to continually satisfy the expectations of our stakeholders, especially end consumers.

Being on the board is a privilege and continually challenging. I look forward to the next three years serving our industry.

**William Oliver is a sitting DINZ Board member who retires by rotation. He is the sole nominee for the NZDFA-appointed position, which is for a three-year term.*

NZDFA Executive Committee: John Somerville**



I am pleased to have the opportunity to represent deer farmers on the NZDFA Executive Committee for another term. It will be great to continue to be part of a dedicated team that has deer farmers' interests at heart.

One challenge we face in the NZDFA is making our organisation visible to farmers so they understand our role and what we achieve on their behalf. Part of helping that visibility is ensuring that the branch structure stays strong, relevant and visible to farmers.

Being on the Executive Committee we are able help maintain the connectivity between the NZDFA and DINZ. This has been very strong in recent years and I will help ensure that it continues.

Ensuring that we tap into young people involved in our industry has been a very important part of the NZDFA programme in the past few years and has been very successful with the annual Next Generation conference. It is also essential in finding our industry's future leaders.

***John Somerville is a sitting member at large of the NZDFA Executive Committee and retires by rotation. He is the sole nominee for the vacancy and is re-elected unopposed.*

NZDFA Executive Committee: Grant Charteris, Hawke's Bay***



It's been a great past six years, being part of such a positive Executive Committee. When I came aboard we were at a "what now" and "where to" stage for the future. We took time as a new group to reflect where the industry had come from, but more importantly, what we wanted it to look like in 2020.

We put together a mission statement to ensure we had purpose and clarity:

"A strong visionary association providing effective leadership and representation that inspires profitable growth and a sustainable future for all deer farmers."

Looking back, the two most important things that NZDFA has had a major role in is the Next Generation programme and the setting up and guidance of the Advance Parties to support P2P.

Our NZDFA mission statement would be meaningless without a confident and capable group of deer farmers who can manage and adapt with new technologies to keep us at the top of our game and continue to punch above our weight as a small industry.

My main driver as being part of your NZDFA is to help provide the tools and systems to allow us to fulfil these roles. That's why having an effective association, with its own succession plan, will allow us to continue to deliver on the mission statement we set up six years ago.

I really enjoy the role but most of all love working with positive people – that's where success lies! I look forward to the next three years.

****Grant Charteris is the sitting North Island member of the NZDFA Executive Committee and retires by rotation. He is the sole nominee for the vacancy and is re-elected unopposed.*

NEW APPROACHES TO CONTROL PARASITES

Parasitism ranks as the most costly type of infectious disease affecting New Zealand livestock, with annual losses of more than \$700m.

Currently the strategy to control parasitic disease involves repeated drenching of young animals with anthelmintics using protocols that have changed little in 40 years. Repeat drenching is expensive, produces chemical residues and leads to drug resistance, limiting long-term utility.

In a world of ever-increasing parasite resistance to chemical drenches, with consumer disapproval of resultant residues and with ever-tighter margins on production systems, it is time to consider alternative approaches to parasitism. This work could help enhance the production of residue-free food products in an ever discriminating international marketplace.

Research aims were twofold:

1. Diagnosis

When an animal is scouring or losing weight we wanted to be able to better diagnose why. To this end we have augmented our (existing) Johne's disease faecal test technology to concurrently detect endoparasite species commonly affecting red deer.

The goal has been to develop a composite diagnostic test for animals presenting with generalised, nonspecific clinical indicators of enteric disease such as scouring or progressive weight loss.

Distinguishing between Johne's and parasitic disease remains a continuing challenge in disease control and early differentiation will expedite informed and appropriately targeted treatment and management.

With this funding assistance from AgMardt and key funding support from the NZDFA nationally and via many individual branches, we have developed rapid, quantitative and species-specific DNA tests for parasite eggs and larvae shed in the dung of affected hosts as an alternative to conventional faecal egg counts and as an adjunct to routine Johne's testing.

2. Natural resistance to parasite infection

We have begun to investigate the emergence of natural resistance or susceptibility to parasitic infection evident in naturally exposed livestock populations.

To this end we have utilised methods we developed to monitor ruminant (cervine) immune responses to Johne's disease to monitor immune responses to parasitic infection.

Improved diagnostics will allow us to differentiate between diseased, susceptible animals, and resilient/resistant animals with protective immunity for further study. These exploratory studies are a logical prelude to research to develop immunodiagnosics that identify diseased/susceptible animals for targeted anthelmintic treatment.

By contrast, the identification of markers of immune protection/resilience will inform future vaccine development and support genetic selection of animals with superior resistance or resilience to parasites.

Dr Rory O'Brien, Senior Scientist, Otago Innovation Ltd Disease Research Laboratory

For the detailed research report, see: deernz.org/recent-wins-association

NZDFA FINANCIAL REPORT

REVIEW OF ACCOUNTS FOR THE YEAR TO 31 MARCH 2018

This financial year yielded a breakeven result with a small surplus of income over expenditure of \$363 before tax.

Taxation assessed as \$1,217 is derived from bank deposit interest (\$5,325) resulting in a net deficit for the year of \$854.

This result is largely due to a \$4,000 increase in subscription income, generous sponsorship (Rural Livestock) for the Next Generation conference and continued savings in expenditure. Savings were made in travel and accommodation and the conclusion of the AgMardt Research Project that had been significantly aided by DFA Branch contributions in the previous financial year (see separate summary report on this project).

The 2017 AGM moved a resolution to increase honoraria by \$3,000 for the Executive Committee Chair and by \$2,000 each for the Executive Committee members. This unbudgeted \$9,000 increase has been covered this year by savings in expenditure and is the first adjustment of honoraria since 2006.

Subscription income generated was \$112,671, based on 1,238 voluntary membership payments received against a budget of 1,200 (3% higher than budgeted). The 2017/18 subscription level has remained in this year 4 of a commitment for 5 years at \$115 plus GST (including the branch capitation fee of \$25 per member).

DINZ's industry-good funding for producer support of specific activities (through the Producer Manager budget) was applied

supporting activity including the Stagline-Online monthly DFA electronic newsletter, the annual Wellington-based October Branch Chairs' meeting, the increasingly important Next Generation conference and Executive Committee meetings during the period.

These activities are included in the role of Producer Management and Communications Coordinator, Cenwynn Philip. These producer-directed services remain a vital part of the NZDFA, extending into the regions to support NZDFA national and branch-assisted projects, alongside P2P activity.

Expenses were kept to a minimum 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 and SAP were 10% underspent. Within that budget the DFA also invests in upskilling projects with the Institute of Directors, covering board functions, interviewing skills, broad governance principles and the fit with SAP roles and Executive Committee functions.

Savings here were also made partly through holding Executive Committee meetings in association with P2P meetings. Teleconferencing plays an increasing role in governance and communication and includes a monthly debrief with DINZ CEO, Chair and producer-appointed members. It is also acknowledged that the Executive Committee and SAP members are extraordinarily committed to the DFA and their

roles and do not claim additional private travel, mileage or phone calls.

The 2017 conference returned to the capital, Wellington, and was extended in scope with a new-look event having access to politicians and the Wellington agribusiness community. The conference held a rural business breakfast and welcomed the Minister for the Environment the Hon Nick Smith, who also acknowledged the winners in the biennial deer industry environmental awards. The first of two evening events was a showcase for venison and the second was the awards dinner. Opportunity was made to bring in a further series of outstanding speakers. While always on a tight budget and targeted to at least break even, the challenge is to establish programmes that deer farmers find valuable and worth making the considerable effort to attend.

Outstanding sponsorship for the event was 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 \$904 were made up of registration and accommodation for life members and key guests and some communication and promotion.

NZDFA contributed \$30,000 this year towards the AGMARDT Parasite Research project. This expenditure has been partially offset by the voluntary funding contributions totalling \$26,000

by several NZDFA branches. The balance of the project (\$24,000) was 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 2018/19 financial year are very strong at \$170,500, meeting the informal directive from NZDFA Branch Chairs to maintain reserves where possible at a \$100,000 minimum. It is proposed that some of these reserves will be applied strategically to support DFA initiatives like the Next Generation conference and supporting trial work on farms (for example, the new registered drench formulation and proposed work from the NVSB improving post-velvetting healing and providing longer-acting pain relief).

The Executive Committee took some heart from a solid financial report, accepting that there was spending constraint without affecting services. The committee also acknowledges the efficiency and accuracy of the Beef+Lamb NZ contracted accounting services.

Justin Stevens, NZDFA Finances and Treasurer

NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED

INCOME AND EXPENDITURE

| | Year to March 2018 ACTUAL \$ | Year to March 2018 BUDGET \$ | Year to March 2019 BUDGET \$ |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Income | | | |
| Subscriptions | 112,671 | 108,000 | 108,000 |
| Interest Income | 5,325 | 5,000 | 5,000 |
| Sponsorships | 1,850 | - | 1,000 |
| | 119,846 | 113,000 | 114,000 |
| Expenditure | | | |
| Audit Review Fees | 3,120 | 3,000 | 3,120 |
| Conference | 904 | 3,500 | 3,500 |
| DEEResearch Directors' Fees | 0 | 0 | 0 |
| Election Costs | 0 | 600 | 2,000 |
| General Office | 1,423 | 750 | 1,000 |
| Honoraria | 35,667 | 27,000 | 36,000 |
| Insurance | 2,000 | 2,000 | 2,000 |
| Leadership Development | 5,417 | 10,000 | 10,000 |
| Legal Fees | 980 | 1,000 | 1,000 |
| Nationally Funded Projects | 23,906 | 15,000 | 0 |
| Postage | 1,391 | 2,000 | 2,000 |
| PR Support | 2,242 | 3,000 | 3,000 |
| Printing & Stationery | 2,963 | 2,000 | 3,500 |
| Promotions/Awards | 2,162 | 1,500 | 2,000 |
| Publications | 3,210 | 3,200 | 3,200 |
| Returning Officer Fees (SAP Process) | 300 | 500 | 500 |
| Telecommunications | 994 | 1,000 | 1,000 |
| Travel and Accommodation | 32,804 | 36,000 | 39,000 |
| | 119,483 | 112,050 | 112,820 |
| Surplus / (Deficit) Before Tax | 363 | 950 | 1,180 |
| Less: Taxation | 1,217 | 950 | 1,120 |
| Surplus / (Deficit) After Tax | (854) | 0 | 60 |

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 2018, 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.

The responsibility of the executive committee for the special purpose financial statements

The executive committee are responsible on behalf of the entity for the preparation and fair presentation of these special purpose financial statements in accordance with the stated accounting policies and for such internal control as the executive committee determine is necessary to enable the preparation of special purpose 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 special purpose financial statements. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, "Review of Historical Special purpose 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 special purpose 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 special purpose 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 special purpose 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 2018, and its financial performance for the year then ended, in accordance with the stated accounting policies.

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 association as at 31 March 2018, and the revenues and expenses for the year then ended in accordance with the rules of the association and the stated accounting policies. As a result, the financial statements may not be suitable for another purpose.



Moore Stephens Wellington Audit | Chartered Accountants, Wellington, New Zealand
17 April 2018

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2018

| | Note | 2018 \$ | 2017 \$ |
|---|------|----------------|----------------|
| Income | | | |
| Subscriptions | | 112,671 | 111,563 |
| Interest | | 5,325 | 4,680 |
| Funding Contributions | 8 | 0 | 40,220 |
| Sponsorships | | 1,850 | 0 |
| | | <u>119,846</u> | <u>156,463</u> |
| Expenditure | | | |
| Audit Review Fees | | 3,120 | 3,050 |
| Conference | 11 | 904 | 2,176 |
| Election Costs | | 0 | 1,739 |
| General Office | | 1,423 | 921 |
| Honoraria | 4 | 35,667 | 27,000 |
| Insurance | | 2,000 | 1,998 |
| Leadership Development | | 5,417 | 7,285 |
| Legal/Professional Fees | | 980 | 499 |
| Nationally Funded Projects | | 23,906 | 32,500 |
| Postage | | 1,391 | 1,976 |
| PR Support | | 2,242 | 3,235 |
| Printing & Stationery | | 2,963 | 1,283 |
| Promotions & Awards | | 2,162 | 249 |
| Publications | | 3,210 | 3,191 |
| Returning Officer fees | | 300 | 299 |
| Telecommunications | | 994 | 979 |
| Travel and Accommodation | | 32,804 | 27,455 |
| | | <u>119,483</u> | <u>115,835</u> |
| Operating Surplus/(Deficit) Before Tax | | 363 | 40,628 |
| Taxation | 5 | 1,217 | 1,177 |
| Net Surplus/(Deficit) After Tax | | <u>(854)</u> | <u>39,451</u> |

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

| | <i>Note</i> | 2018 | 2017 |
|---|-------------|----------------|----------------|
| | | \$ | \$ |
| Current Assets | | | |
| Cash at Bank | | 37,736 | 47,833 |
| Short Term Bank Deposits | | 135,949 | 125,148 |
| Accounts Receivable | | 3,138 | 25,597 |
| Resident Withholding Tax | | 730 | 793 |
| | | <u>177,553</u> | <u>199,371</u> |
| Current Liabilities | | | |
| Accounts Payable | | 6,892 | 27,965 |
| Income in Advance | | 109 | 0 |
| | | <u>170,552</u> | <u>171,406</u> |
| Net Current Assets representing Net Equity | | <u>170,552</u> | <u>171,406</u> |
| Equity comprises: | | | |
| General Funds | 7 | <u>170,552</u> | <u>171,406</u> |

These financial statements were approved for issue by:



David Morgan, Chair of Executive Committee, Date: 17 April 2018

STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 31 March 2018

| | <i>Note</i> | 2018 | 2017 |
|------------------------------------|-------------|----------------|----------------|
| | | \$ | \$ |
| Opening Balance | | 171,406 | 131,955 |
| Net Surplus/(Deficit) for the Year | 7 | (854) | 39,451 |
| Closing Balance | | <u>170,552</u> | <u>171,406</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 2018, 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 6 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:

| | 2018 | 2017 |
|---------------------|---------------|---------------|
| | \$ | \$ |
| Honoraria | | |
| Chair | 12,000 | 9,000 |
| Executive Committee | <u>24,000</u> | <u>18,000</u> |
| | <u>36,000</u> | <u>27,000</u> |

There were no changes to the Executive Committee members during the year ending 31 March 2018.

5. TAXATION

| | 2018 | 2017 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Taxable Income | 5,347 | 5,205 |
| Less IRD Allowance | <u>(1,000)</u> | <u>(1,000)</u> |
| | 4,347 | 4,205 |
| Tax Expense 2018 | 1,217 | 1,177 |
| Prior Year Adjustment | 0 | 0 |
| Total Tax Expense | <u>1,217</u> | <u>1,177</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:

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| General Funds | | |
| Opening balance | 171,406 | 131,955 |
| Net Surplus/(Deficit) for the Year | <u>(854)</u> | <u>39,451</u> |
| Closing General Funds | <u>170,552</u> | <u>171,406</u> |

8. FUNDING CONTRIBUTIONS

| | 2018 | 2017 |
|--|----------|---------------|
| | \$ | \$ |
| Industry good funding from Deer Industry New Zealand | 0 | 10,590 |
| Funding from DFA branches for AGMARDT Parasite Project | 0 | 26,521 |
| Funding from DFA West Coast Branch for Memorial Plaque and research into drench resistance | 0 | 3,109 |
| | <u>0</u> | <u>40,220</u> |

9. COMMITMENTS

NZDFA has committed \$10k towards the Sustainable Farming Fund's Next Generation Succession planning and upskilling project during the financial year ending 31 March 2019 (2018: \$30k to the AGMARDT's Generic Parasite Research Project)

10. CONTINGENCIES

As at 31 March 2018 there are no contingencies, (2017: Nil)

11. CONFERENCE COST

The cost to NZDFA of the 2017 conference was \$904 (2016: \$2,176)

12. SUBSEQUENT EVENTS

There are no subsequent events noted.

PROXY FORM 2018



To: New Zealand Deer Farmers' Association
P O Box 10702
WELLINGTON
Fax 04 472 5549
Email info@deernz.org

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 Chair of the Branch (or Affiliated Society)
of the New Zealand Deer Farmers' Association as at 15 May 2018

Or failing him/her, the Chair 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 2018 at the Caroline Bay Hall, Timaru and at any adjournment thereof (*rule 29.2*)

Signed this day of 2018

..... 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> |
|--|

NOTE: To be valid, proxy forms must be signed and either faxed/emailed/hand delivered or posted to be received by the NZDFA office by **4.00pm Monday 14 May 2018 (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, EMAIL INFO@DEERNZ.ORG



NZDFA
NZ Deer Farmers Association