



NZDFA
NZ Deer Farmers Association

Annual Report
2019/20

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Cover photos:

Top: Discussion at a trade stand during 2019 deer industry conference.

Photo: *Lindsay Keats*

Bottom: Advance Party members from Hawke's Bay visiting Clayton Station during their "southern safari" in November 2019.

Photo: *Phil Stewart*

NOTICE OF MEETING

New Zealand Deer Farmers' Association: 45th Annual General Meeting



Notice is hereby given that the 45th Annual General Meeting of the New Zealand Deer Farmers' Association (Inc) will be held on Thursday 21st May 2020 commencing at 7.30pm.

Owing to the Government's emergency measures to combat Covid-19, this meeting cannot be held in person as planned but will instead be held via online conferencing. To join the meeting please click on the following link at the time and date advised above: <https://us02web.zoom.us/j/88642734449>. Please ensure that your device's audio functions are operating when you join.

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

AGENDA

45th NZDFA AGM, Thursday 21st May 2020 commencing at 7.30pm

1. Apologies
2. Obituaries
3. Notification of further items of general business
4. Confirmation of agenda
5. Confirmation of the minutes of the 44th AGM of the NZDFA (Inc)
6. Matters arising from the minutes
7. Executive Committee Chair's report
8. Financial report
 - a. Approval of the 2019/20 reviewed financial statements
 - b. 2020/21 Budget (motion of approval sought)
 - c. Motion of confirmation for Executive Committee honoraria
 - d. Motion of appointment of financial accounts Reviewer
9. Constitutional amendments (if any)
10. Executive Committee remits (if any)
11. NZDFA branch remits (if any)
12. DINZ Board producer appointment. Candidate addresses to the AGM. (In lieu of an in-person AGM, the statement from the sole candidate, Kris Orange, is included in this report)
13. General business
 - a. Confirmation of NZDFA Executive Committee and SAP appointments
 - b. Any other business

MINUTES OF THE NEW ZEALAND DEER FARMERS' ASSOCIATION 44th ANNUAL GENERAL MEETING

Thursday 16 MAY 2019, at 8.30am
Te Wharewaka, Wellington Waterfront

The NZDFA Chair John Somerville called the 44th AGM to order at 8.30am and called for notification of any apologies.

1. APOLOGIES

Branch Chairs

Dean Orsler, Adrian Moody, Rex Cowley, Richard Broughton

Life Members

John Burrowes, Don Gregson, Marie Spiers, Murray Powell, Jeff and Trish Pearse, Helen Parkes, Clive Jermy, Sir Tim Wallis

Members

Jan and Brychan Morgan, Lorna Humm, Malcolm Gilbert, Keith Orange, Andy Russell, Andrew Peters, Andy Macfarlane, Janet Horrell

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

Moved: Barry Mackintosh, **Seconded:** Graham Peck
CARRIED

2. SCRUTINEERS

Moved: *"That Phil Stewart and Cenwynn Philip are appointed as Scrutineers for the 44th AGM of the NZDFA, 16 May 2019"*

Moved: Ian Bristow, **Seconded:** Bruce Allan
CARRIED

3. OBITUARIES AND REMEMBRANCE

Don Johnston	Southland
Charlie Meredith	Kaipara
Brian Kenton	SCNO

Remembrance:

Matt and Nick Wallis Wanaka

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

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

Moved: John Somerville, **Seconded:** Grant Charteris

4. CALL FOR FURTHER ITEMS OF GENERAL BUSINESS

No further items were notified.

5. ACCEPTANCE OF MEETING AGENDA

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

Moved: Justin Stevens, **Seconded:** Edmund Noonan
CARRIED

6. CONFIRMATION OF THE MINUTES OF THE 43rd ANNUAL GENERAL MEETING

Confirmation of the Minutes of the 43rd Annual General Meeting of the NZDFA, held at Caroline Bay Hall, Timaru 15 May 2018 at 11.00am.

Minutes were read and published and circulated in the NZDFA's Annual Report 2018/19 and posted in the NZDFA Annual Report on the www.deernz.org website.

Moved: *"That the 43rd AGM minutes as circulated be taken as read."*

Moved: John Somerville, **Seconded:** Justin Stevens
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 43rd Annual General Meeting of the NZDFA, as circulated, be accepted as a true and accurate record."*

Moved: Tony Gray, **Seconded:** Campbell Clarke
CARRIED

7. CHAIR'S REPORT

Circulated in the Annual Report 2018/19 and posted as part of the NZDFA Annual Report on the www.deernz.org website

John Somerville addressed the AGM and asked that his report taken as read. He addressed the AGM by way of presentation and a summary of the following key points:

- **Obituaries:** The Chair recorded personal respect and a 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:** As in the previous year, we are farming in increasingly challenging climatic conditions that have significant local variability. Spring rain in many areas had created issues with timing of cultivation, confounded for some with a following dry spell.
- **Venison:** The venison returns were exceptionally strong, but we had seen a return to the traditional chilled season/frozen season timings and subsequent off-season decrease in values, albeit at very attractive levels. The very high prices had some risk of making the protein uncompetitive, although a decent premium was still anticipated. The Chair supported the need for sustained new market development initiatives, especially while returns and investment options

were very attractive for companies and industry. DFA fully supports the P2P market development programmes.

- **Velvet antler:** The season had a strong start and a sure but steady price improvement as it advanced. The success of marketing the increased tonnage, and the ongoing rapid rise of the healthy functional food sector and their commitment to NZ velvet is encouraging. DFA strongly supported the Regulated Control Scheme (RCS) programme, now in year 2, and recognised the positive response to the audit outcomes and QA that has resulted. The Chair noted the trial work around new velvet tags and traceability options including UHF chips and a branded tag.
- **Velvet competitions and related social activity:** The annual velvet competitions and associated North Island, Rising Stars and national competitions were a key part of NZDFA activity and a social highlight for most branches. The RCS also applied at these competitions and adhering to hygiene and keeping product frozen was an important part of the process. It was pleasing to see that branches had worked hard in this area. It was particularly pleasing to see the Rising Stars competition flourishing and back under the jurisdiction of NZDFA branches as directed by the 2016 remit from the SCNO branch at that AGM.
- **NZDFA membership:** It was disappointing that membership had declined by 58 to 1,182 although there had been strong pressure on numbers through cessation of farming and retirements. Based on a current estimate of 1,400 active deer farmers, a DFA membership of 1,200 was a very solid effort for a voluntary subscription. The Executive Committee had remained focused on the DFA mission, alongside succession and Next Generation programmes within the NZDFA and branches, deer farmer representatives on the DINZ Board and all the other representation within the industry. The value of good and frequent communication was also recognised.

There was to be a small rise in annual subscription to \$120/plus GST with capitation to branches rearing at \$25/head
- **Next Generation:** Keeping branches strong with potential new leaders emerging was strongly supported and founded in the Next Generation Programme, a key part of DFA and supporting branches' local activity. The 6th annual Next Generation conference in Hamilton was very successful, although the real value for this emerging group is the ongoing activity at branch level.
- **P2P, Advance Parties and Communication:** The Advance Party programme has been tremendously successful and the DFA has played a significant leadership role in setting many of these up. Regional workshops should be a key activity for branch members to keep in touch with that innovation, although in a wider sense the AP programme had replaced some of the more usual branch activity. Branches should be actively involved in supporting regional workshops.
- **Environment and policy:** The Chair is a strong advocate for all deer farmers in having constructive, active engagement and this is the top priority for the Executive Committee. He acknowledged DINZ's contribution via Dr Lindsay Fung in

lobbying regional councils.

It is the DFA's and industry's aim that by end of 2020 all farmers have completed a risk assessment of their environmental challenges and formally recorded these and the required mitigation options in a Farm Environment Plan (FEP). Across the country there are many changes and positive aspects to FEPs and people's understanding and commitment to risk management, waterways protection and soil conservation. The Chair acknowledged the recent addition via P2P of an Environmental Stewardship Group Manager led by Phil McKenzie and strongly supported establishment of Deer Industry Environmental Groups as a huge aid in completion of FEPs and wider activity.

- **Acknowledgements:** The Chair acknowledged the input of the Executive Committee and SAP and particularly David Morgan who was retiring from the Executive Committee after 8 years of input. 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 their effort and communications. He wished Cenwynn well for her upcoming planned year of maternity leave.

He thanked all DINZ staff involved in marketing, science and policy, NVSB, environment and quality assurance, acknowledging their commitment to keeping 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 for all members, fighting for issues, local and national. That involvement extends to societies and individuals on the Cervena Trust, John's Management Ltd, Focus Farm farmers, Advance Party farmer members and the facilitators.

In conclusion, John Somerville acknowledged incoming Executive Committee member, Mark McCoard, (Taihape) and Steve Borland, (Waikato) on the SAP, also acknowledging the service of Brian Russell who retired from the SAP, and returning SAP member Donald Whyte, who has made a strong commitment to the Board selection process.

Somerville then **Moved:** *"That the Chair's report for the year ending March 2019 is adopted"* and called for a seconder. The motion was **seconded** by former DFA Chair and DFA life member, David Stevens, Southland .

David Stevens noted that the industry is in a great position with excellent unparalleled venison returns and an appearance of stability. The flat schedule of the previous year was again characterised by a return, at good prices, to a seasonal chilled peak, which was somewhat of a reality check.

He noted the integrity and discipline of the marketers over the past year and hoped that the current pricing was sustainable for all. While some of this can be attributed to supply, the processing companies working with a common vision is a vital part of current profitability.

In an overview of the velvet season he noted the past 12 months for velvet antler under the now mandatory RCS had also produced excellent returns, although balancing supply and demand was not easy. Buyer discipline has seen the development of a strong, stable platform as supply continues to grow,

but that discipline needs to be maintained. Velvet quality and the embracing of the RCS have been features of the season and he congratulated the DFA at national and branch level for their ongoing work with the NVSB and for field days and velvet competitions.

On the upcoming new velvet traceability initiatives, he commented that the temptation to overcomplicate the system should be avoided, as there were enough databases operating in agriculture already. He was confident that with NVSB and DINZ overview of the scheme, an effective and necessary new era of accountability would evolve.

Stevens also noted that the estimated paid-up membership of the DFA at 78 percent of all active farmers was commendable. He strongly supported new initiatives to encourage membership, and the effort being made with succession workshops and the Next Generation programme.

He emphasised that the DFA was a relevant, respected and key part of the industry, but like many organisations it has to keep pace with the times and an evolving role. The branch structure had been critical in the growth and success of Advance Parties, but in part that also impacted on regional branch work and constructive engagement.

Stevens noted that the building of the relationship between the NZDFA and DINZ Board has been greatly beneficial. The annual meeting with the National Branch Chairs' conference and Next Generation programme continue as key highlights.

Stevens also understands that there is a huge challenge ahead with regards to the environment and commends the Executive Committee for engaging with DINZ to employ Lindsay Fung, who is a great advocate for the industry. Stevens re-endorsed the development of the Environmental Code of Practice and the DINZ and DFA objectives for all deer farmers to have an FEP completed by 2020. In conclusion, Stevens knows there will always be challenges for the industry and the NZDFA, but he is confident these will be overcome and congratulated the Executive Committee on a job well done over the previous year as it has been for many years.

The Chair thanked David Stevens for his kind words.

John Somerville then put the motion for formal adoption of the 2018/19 NZDFA Chair's Report (**Moved:** John Somerville **Seconded:** David Stevens) which was **carried unanimously**.

8. FINANCIAL REPORT

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

Presented by Justin Stevens, Treasurer, NZDFA Executive Committee.

Circulated in the Annual Report 2018/19 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 2019.

Statement of Financial performance for the year ending 31 March 2019

Main features

- Surplus of income over expenditure of \$2,029 (post taxation) against a budget surplus of \$0. This was made possible by savings in travel, electronic annual report, increase on

membership compared to budget as well as contributions from DINZ Producer Manager and NZDFA branches towards industry good initiatives and research programmes and sponsorship (\$2,978) from Rural Livestock Ltd and PGG Wrightson.

- Subscription income was \$107,804 from 1,182 members against a budgeted 1,200 subscriptions but a decrease of 58 from the previous year.
- Reserves carried forward increased slightly after taxation on interest (\$1,217) to \$172,581, up from \$170,552 to YE 31 March 2018.
- The majority of expenditure items were on budget but there were considerable savings in travel, Executive Committee expenses and savings with no election costs (coded to general expenses and sundry income).
- The Income and Expenses balance sheet also recoded the Sustainable Farming Fund Succession Workshops income in the current account and included the income and costs associated with the 138 DFA branded jackets that had been ordered over the year. This was not a fundraising initiative.

Proposed Budget 2019/20

Recommended income and expenditure from Executive Committee

The Treasurer recommended that Honoraria should remain at the same levels as the previous 2017/18 year (\$12,000 for Chair, \$8,000 for Members).

Income:

- Subscription level budget maintained at 1,200 members. The subscription fee will rise (if approved) to \$120 plus GST. The Branch capitation fee remains the same at \$25 (total \$140.00 including GST).

Approval of the 2019/20 budget and honoraria 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 \$96.74 (nationally plus capitation at \$25 plus GST (\$140 total) at a target 1,200 members
2. Proposed expenditure generally maintained at 2018/19 levels
3. Branch capitation fee remains at \$25.00
4. Recommendations were that the Executive Committee honoraria remain at current levels (\$12,000 for Chair, and \$8,000 for Members) subject to motion being supported. The current net assets representing net equity at the end of the 2019 financial year (31 March 2019) increased by \$2,029 to \$172,581.

Justin Stevens then put the following motions and asked the Chair to put the four formal financial motions in turn as presented in the annual report.

Motion 1: Accounts 2018/19

"That the accountancy-reviewed NZDFA financial statements and accounts for the year ending 31 March 2019 be received and approved."

Moved: Justin Stevens, **Seconded:** Mark McCoard
CARRIED

Motion 2: Honoraria

“That the Executive Committee honoraria for the 2019/20 financial year be fixed at \$12,000 for the elected Chairman and \$8,000 for each other Executive Committee member.”

Moved: Ian Bristow, **Seconded:** Edmond Noonan

CARRIED

Motion 3: Accountancy review process

“That the NZDFA Executive Committee be authorised to appoint a chartered accountant to review the accounts of the NZDFA for the ensuing year (2019-20).”

It was noted the intent was to reappoint Moore Stephens Markham.

Moved: Justin Stevens, **Seconded:** Jason Rentoul

CARRIED

Motion 4: NZDFA budget 2019/20

“That the NZDFA budget for the year ending 31 March 2020 be approved.”

Moved: Barry Mackintosh, **Seconded:** Mat von Dadelszen

CARRIED

9. NZDFA BRANCH REMITS 2019

No remits were recorded from either the National Executive or the NZDFA branches for the 2019 AGM. A full report from the 2018 AGM Remit 1: Southland was printed in the 2018/19 Annual Report by way of update with extracts previously published in Deer Industry News and Stagline Online.

“The Southland Branch NZDFA asks that DINZ seek a review of the deer-specific sections of Overseer which relate to deer wallowing and fence pacing. The review should consider whether there are better ways to input data around the scale, risks and impacts of wallowing and fence pacing, and whether the associated nutrient losses are accurately reported.”

10. GENERAL BUSINESS

DINZ Board candidates

John Somerville introduced the two nominees, incumbent Ian Walker for the vacancy created by retirement by rotation, and Mark Harris for the extraordinary vacancy created by the rollover of the two-year term left by the early retirement of Andy Macfarlane after 12 months of a 36-month term.

SAP chair Paddy Boyd advised the AGM of his firm belief in the electoral college SAP interview process. He acknowledged the investment with the Institute of Directors, Wellington, for upskilling the SAP in a board’s mix and functions, and advice on the interview process against the background of the SAP’s Code of Practice. He expressed confidence in the process and principles of appointing the right people in the right roles on the DINZ Board, complimenting the Board on its mix of skills and professional governance of the deer industry.

Both Board candidates had submitted short statements supporting their candidature (published in the 2018/19 NZDFA Annual report, pp 11–12).

Ian Walker acknowledged with thanks the support from DFA and DINZ executive he’d had as DINZ chair over previous three years, a position he viewed as a privilege. He observed that there were elements of fun and stimulation in the range of

activities he and the Board worked with, in an expanded scope given the importance of the P2P and DINZ. These covered venison marketing and positioning, evolving new directions and strategy arising from the P2P, the emerging importance of velvet antler traceability, animal welfare, and industry reputation. That also demanded a response to emerging societal pressures around greenhouse gases and proactive environmental stewardship. Walker commented that the Board worked very well, and contribution was valuable given the robustness of discussion and commitment to the deer industry’s strategy and vision. He also acknowledged the strength of the DFA in industry activity and urged the audience to take the opportunity to get involved as well. He observed that the structure of producer appointments and mix of the three venison exporter seats and velvet antler expertise on the Board was a powerful combination.

Mark Harris thanked the DFA for the opportunity to have and enjoy his two-year term. He said it had been a fascinating experience related to P2P especially, and was keen to continue if his skill set was considered useful. He particularly enjoyed the engagement of a relatively young and progressive deer industry having a whole supply chain perspective within the Board and observed it was a coup to have the leading venison players represented. Harris thought the industry’s small size and cohesiveness decreased potential tensions and was complemented by a willingness to work together.

His working life was as an international marketing manager (animal products) for Gallagher Group. He thought that seeing the transition in the supply chain for velvet antler from traditional use to a healthy functional food was a tangible example of a supply chain working to maximise returns. Its success was also linked to less tension and a common interest in getting a strategy to work .

He believed the pastoral sector’s response to environmental legislation and pressures will be very important and the industry has the opportunity and reputation to be able to influence and inform some of the outcomes.

Confirmation of appointments to SAP and the Executive Committee

(Note: for the 2019/20 year no elections were required. Each of the four nominations received were for the four relevant vacancies created by retirement by rotation.)

NZDFA Executive Committee structure 2019/20

Executive Committee

- NI Executive Committee – **Grant Charteris** (Hawke’s Bay)
Appointed unopposed 2018
- At large – **Mark McCoard** (Taihape)
Appointed unopposed 2019
- SI Executive Committee – **Justin Stevens** (Marlborough)
Appointed unopposed 2019
- At large – **John Somerville** (Southland)
Appointed unopposed 2018

Selection and Appointments Panel (SAP)

- At large – **Donald Whyte** (SCNO)
Appointed unopposed 2019
- South Island – **Paddy Boyd** (SCNO)
Appointed unopposed 2018

- North Island – **Steve Borland** (SCNO)
Appointed unopposed 2019
- At large – **Leith Chick** (Waipa)
Appointed unopposed 2018

Executive Committee Item of General Business: Honorary Membership of the NZDFA

The Producer Manager outlined the DFA’s special membership class “Honorary Membership” that can be bestowed for a person not directly involved as a deer farmer per se, but who has made an outstanding commitment both privately and publicly as a supporter and tireless advocate of the NZDFA.

Formally:

- An Honorary Member shall be entitled to: attend all meetings of the Association and that member’s Branch; and receive, free of charge, one copy of each issue of the “Stagline” published during the period of membership and, if they would otherwise qualify as a Levy Paying Member, they shall be accorded all privileges of Full Membership. Previous Honorary members are Gay Williams, Trevor Walton and Mark O’Connor.

It was moved John Somerville, seconded David Morgan and passed with acclamation, that Words and Pictures principal, deer industry journalist/editor/photographer Phil Stewart be awarded Honorary membership of the NZDFA in recognition of his tireless reporting, attendance at DFA events and work as producer/editor of the industry flagship publication Deer Industry News (now in edition number 96 in its current form).

Phil Stewart was presented with a bronze roaring stag miniature as a token of DFA admiration and thanks and gave a short gracious acknowledgement of the recognition which meant a great deal to him and indeed was an honour to receive.

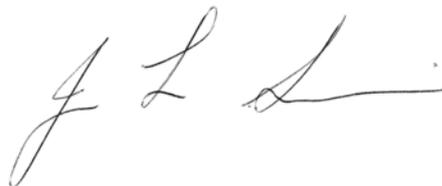
11. CONCLUSION

Executive Committee member John Somerville by leave of the meeting thanked David Morgan, who was not seeking re-election, for his 8 years of service and 2 years of leadership as the DFA Executive Committee’s Chair (2017–2019).

He commented that few deer farmers were more passionate about the industry than David Morgan and observed how hard he had worked on behalf of all deer farmers in the areas of DFA representation and, in particular, the environment response and next generation programme, noting in particular Morgan’s vision that all farmers should have a formal farm environment plan (FEP).

The Executive Committee presented David Morgan with a bronze stag miniature in recognition of his 8 years of service and acknowledged his passion for DFA, championing the need for FEPs and better environmental stewardship.

John Somerville thanked members and guests and then closed the 44th AGM of the NZDFA at 9.47 am.



To be signed as a true and accurate record

John Somerville 2019/20 Executive Committee Chair

NZDFA EXECUTIVE COMMITTEE REPORTS

FROM THE CHAIR



Welcome to our 45th New Zealand Deer Farmers' Association AGM, which is being held under the most extraordinary circumstances. Owing to the restrictions we are operating under to ensure that we beat the Covid-19 virus, we are holding our AGM via video link. Although this format has its limitations, please bear with us as we endeavour to complete this AGM as professionally as possible.

It is an honour for me to bring you this report in my second year as chair.

At this time of the year we take stock of where we are as an industry and organisation and where we plan to be in the future. This year shows us clearly that we have to be prepared for the unexpected. As we make changes in our personal lives to adapt to the new situation, we have to make sure from marketing down to grass roots farming that we can do the same to enable us to survive and grow in the new world that we will now be operating in.

We also take a moment to remember our members past and present who have passed away in the past year and the contribution they made to our organisation and to deer farming.

The season

The past 12 months has seen most parts of the country suffering under adverse weather and growing conditions. It's been a year of extremes and contrasts. Southern areas experienced cooler conditions and heavy rain events causing severe flooding. In contrast, much of the

north of the country has suffered severe drought conditions since the New Year. In some North Island areas the drought is being regarded as the worst in 50 to 70 years. This was causing major issues for farmers, compounded by a lack of processing space and a poor store stock market already putting many farmers under huge pressure long before the Covid-19 crisis arrived.

Venison

The venison season has been very mixed. Spring chilled prices were back on last season with a push back on premium cuts, plus the end of the pet food bonanza forcing prices down. As we saw last season, we are back into the seasonal pattern of higher prices in the spring chilled season, but nothing could have prepared us for Covid-19 and the ensuing international crisis that has unfolded since January 2020.

This is a stark reminder of why we as an industry have to continually invest in new market development and ensure that we are flexible enough to cope with the sudden market changes we are experiencing now.

Through the P2P programme we have to make the most of the government contribution to ensure we have a flexible marketing approach so that we have other options when existing markets soften. The NZDFA Executive Committee supports the DINZ Board in its P2P programme new marketing development, in which they have very close co-operation with all the venison processors. This is the envy of other red meat sectors.

Velvet

The velvet season has been strong with a slight decrease on last year's average prices. Tonnages continue to increase, up about 10 percent again this year. Early-season contracts led the way with all buyers purchasing at the same level and prices remaining stable. Luckily most of the product had been sold by the time the Covid-19 crisis hit. Again, the percentage of velvet going to the healthy food market in South Korea increased and it would be great to see this market

get traction in China. Sales traction may develop as demand grows in China and Korea for quality products that boost the immune system.

We have had the third year in the Regulated Control Scheme (RCS). Audits are going well, with good buy-in from farmers as they realise the importance of the scheme, the changing face of our market and the considerable improvement in on-farm facilities and the velvet process. New Zealand velvet is now recognised as number one in quality. We now have to back up this reputation with an absolute commitment to stag welfare, the NVSB's velvet harvest and pain relief systems and also to the innovation being developed with VelTrak farm gate to market traceability. Our traceability is going to be enhanced with better tags that survive freezing and heating, and will be easily recorded with UHF chips linked to a new database.

After a period of on-farm trials, the self-sticking band-type tag was selected, with an initial prototype without the chip being used this past season. We look forward to being able to use the final version with the chip when it is available.

Velvet competitions

As usual, velvet competitions are a big part of the NZDFA social calendar, from branch events to the Nationals, and rely on the many NZDFA volunteers to make them happen. They are a great vehicle to get all branch members involved. The quality and weight of velvet continued to impress as the genetic gain improves yearly.

This year we had planned to hold the NZDFA-hosted XCell Rising Stars hard antler and velvet competition on 18 April in Central Otago, supported by the Otago and South Canterbury branches. Due to the Covid-19 crisis we cancelled the event in March. Hopefully this popular event will be able to be held next year.

NZDFA membership and branch strength

For this past year we fortunately saw our paid-up membership rise by 11 from last year to 1,193. This has been heartening

after last year's drop in memberships. Last year we increased the subscription. This was needed as costs rise and, as stated earlier, our model of membership has its limitations. This financial year we have ended up with a larger surplus due to the current Covid-19 crisis causing cancellation of Executive Committee activities for the last part of the financial year. Overall our membership is strong at nearly 80 percent of the country's total active deer farmers. This is very good for a voluntary subscription.

Next Generation conference

Keeping the branches strong with new people with leadership skills coming through is a big part of what the executive wants to see for future-proofing our organisation. An important part of that process is our Next Generation programme, which had its seventh conference last year in South Canterbury. It was hosted by the Klisser family and Paddy Boyd at Haldon station, and by Tom and Sam Macfarlane at Melior Genetics, Pleasant Point. It was a huge success again. With the group having an average age of 25 (boosted by the Future Farmers attendance under the P2P programme), we are hitting the mark in identifying young members in our industry. The programme brings them together for networking, exposing them to what our industry is about, and explaining the functions of NZDFA and DINZ. It is important that they are picked up at branch level to become involved in events and social activities so some may go on to become our future leaders.

NZDFA and Advance Parties

Many NZDFA branches played an important part in setting up Advance Parties (APs) and are strongly represented in them. The APs have been a huge success. They bring together many farmers to improve farm performance through small groups pointing out the strengths and weaknesses of each other's operations and collectively helping to improve one another's on-farm performance. The AP Regional Workshops have been well supported but have replaced almost all NZDFA branch field days that may have been run in the past. The downside of this is that many branches have no plans to organise anything outside their supporting role in AP workshops. As a priority, the Executive

Committee will encourage local branches to become more involved in planning and running Regional Workshops. Having at least one other event per year will foster the organising ability of branches and strengthen ties with their deer farming community.

With no branch meetings, workshops or AP activity during the past few months due to the Covid-19 lockdown, we have had to become versatile, keeping up contact by using online technology – just as we are today at our AGM. Because the world has changed and will remain a different place to do the business of the NZDFA, we have to be adaptable to move forward.

Environmental issues

The environment is the number one issue we face as an industry and has become our top priority. The NZDFA has been heavily involved in this at the regional policy level; our branches have been working with Lindsay Fung from DINZ giving us his professional help in supporting submissions to regional councils. This has worked very well with local farmers fronting up to councils supported by Lindsay's professional know-how.

The implications of the Government's Essential Freshwater policy caused everyone a headache with its haste and overreaching standards that supersede every regional council plan. These regional plans have a rigorous and lengthy submission process, which enables organisations like the NZDFA to submit and talk to it. In many cases we have had good results with more realistic rules. The government plan allowed only a very short time frame for submissions and no chance to present the case to them. The NZDFA put in a submission along with many branches and individuals (see attached as an Appendix to this annual report). We are hoping for more common sense from the Government in understanding it is a complicated process that takes time to get right.

The NZDFA had set itself the aspirational goal of all its members having completed a Farm Environment Plan (FEP) by 2020. With 2020 half-finished we might not have got everyone across the line, but we have given it a good push. NZDFA branches have been working with DINZ setting up the new P2P Environmental APs and organising workshops, which have been well attended. It was

heartening to see that most farmers attending had a good understanding of environmental issues on their farm and how to mitigate the impacts identified with critical source areas (CSAs) of major concern.

Through these groups and workshops we will go a long way towards giving every deer farmer the option to get a helping hand in completing their FEP. I encourage all branches to contact local farmers and encourage them to take up the industry help that is available. This could also help make farmers who are not involved in branches more aware of what we do, and might stimulate new interest at branch level.

Winter grazing on crop came under the spotlight last year, especially the animal welfare issue of animals in deep mud with no dry areas to sit on. Tony Pearse and Mark McCoard spoke to the Government's Winter Grazing Taskforce on behalf of deer farmers, with a positive response. As an industry we have to ensure that our members are doing the best for their animals through communicating good, practical ideas to mitigate this issue. If left unchecked, this issue could undermine our ability to use winter cropping, which is the main option on most deer farms for wintering. This remains a major work in progress and the deer industry is represented on the pan sector Winter Grazing Action Group, which was established in March 2020.

NZDFA Selection and Appointments Panel (SAP)

The annual selection process for the candidates who represent the four NZDFA-appointed positions on the DINZ Board is a very important part of our working year. The SAP is made up by our four Executive Committee members plus four elected non-Executive Committee members. In recent years we have worked with Kelly McGregor from the Institute of Directors who specialises in Board management skills and processes. She has upskilled and worked with us as we put together the questions for candidates, and sits in on the interviews. This gives us an independent evaluation of how we conducted the process. It has increased our professionalism in this crucial task that all of us in the SAP take very seriously, as we select the best people to represent us on the DINZ Board and take our industry forward.

DFA and DINZ

The Executive Committee has a very good relationship with the DINZ Board and executives, which makes our organisation and industry stronger. The NZDFA, through its branches, is the conduit between farmers and DINZ. We greatly appreciate DINZ's open door policy for ourselves and all farmers. That, combined with our smaller size, gives our farmers easy access right to the top, which is not so easily achieved in other industries.

I would like to thank Tony Pearse and Rebecca Norling, our NZDFA Producer Management team, who make sure everything happens and runs smoothly; your support is greatly appreciated. This has been Rebecca's first year in the role and she is doing a grand job with her graphic skills really appreciated.

Industry support and sponsorship

This formal acknowledgement is overdue, but I can assure you at regional and national level, the support and sponsorship of all the associated industry groups is both vital to the industry's events and media presence, and truly appreciated.

We are fortunate to have such a committed group of corporations, service companies, stock and station agents, individual businesses, deer studs, tag and recording equipment suppliers, velvet companies, computing support, nurseries, rural professionals, transporters and NGOs that willingly support industry events, nationally and locally, year on year.

Without such support, some of which has been committed uninterrupted over decades, velvet competitions couldn't

function, field days and associated after match functions would be without delicious venison treats, a social atmosphere and a couple of drinks and those all-important farmer connections and discussions. Sponsorship is critical for the annual conference. Without it they would flounder and be without character and colour.

On behalf of the NZDFA, its programmes like Next Generation and NZDFA branch field days and now supporting Advance Parties and Regional Workshops, I acknowledge and thank all business supporters, sponsors and the people from the companies who turn up and contribute with hard cash and their own expertise. This allows our social contact and deer farming events to operate and to add that value across the entire industry. We appreciate it greatly.

Election results

I would like to welcome Karen Middelberg onto our committee. Karen replaces Grant Charteris, who stood down after eight years of dedicated service on the executive. I wish Grant well with his future involvement in the industry. I re-stood and was returned unopposed. I would like to thank Mark McCoard, Justin Stevens and Grant Charteris for their great support over the past year. The Executive Committee is a team effort where everyone is frank in their opinions, but we all work to the common goal of representing our members in the best possible way.

For the SAP, Paddy Boyd and Leith Chick re-stood and were returned unopposed. Congratulations to all the successful nominees. Between the Executive Committee and the SAP we have a very strong team to take us forward.

"50 years of Deer Farming" NZDFA support

As signalled at the 2019 AGM, the Executive Committee resolved to support Otago author Lynda Gray (Editor of The Deer Farmer in Countrywide magazine) in her project and production of this major work that collates the history and individual stories of the past 50 years. Many of you will have taken part in the numerous interviews and conversations Lynda has completed as she researches the history of the New Zealand deer farming industry since the granting of deer farming licence No 1 to Rex Giles, Rahana Station, in 1971.

Lynda's book covers in parallel the impact and significance of the NZDFA's own story and people alongside the evolution of the wider deer industry. The NZDFA contributed \$10,000, about 25 percent of the estimated project and publication costs. This is to be covered from the NZDFA reserves which are currently about \$75,000 above the core reserves of \$100,000 that the NZDFA established as a minimum reserve fund level in 2002. We look forward to the publication and launch.

I now move the adoption of my Chair's report for the 2019/20 year and I invite a seconder.

John Somerville

Chair, NZDFA Executive Committee
2019/20

CHAIR'S REPORT, SECONDER

DAVID STEVENS (PAST NZDFA CHAIR) SOUTHLAND

Mr Chairman, I would like to second your annual report and, in doing so, take the opportunity to make some comments.

The past year has had its challenges. Parts of the North Island, particularly Hawke's Bay, have experienced their driest summer on record. In other regions, many deer farmers are experiencing a serious shortage of winter crop due to flooding and a very wet spring/summer. With the outbreak of Covid-19 and its challenges for urban communities during lockdown, we can be thankful as farmers to have had the good fortune of being able to carry out our businesses as usual as an essential service with little disruption.

As you have reported, it has been a mixed season for **venison**. We do have a premium product but with the outbreak of Covid 19 it has highlighted our dependence on the high-end market and, as we saw with the GFC, the takeaway outlets thrived but the restaurants struggled. The industry needs to continue with market development and diversification. Next season's outcome will depend on how long costumers take to regain confidence in dining out.

The **velvet** season was almost over when Covid-19 struck. All indications are for next season's average prices to be slightly back on this season, but as we saw with the SARS outbreak, demand grew as people increased purchases of health products. Once

again, congratulations to the NZDFA and NVSB on the work that has gone into the uptake of the Regulated Control Scheme. The farmgate-to-market traceability tags have been a success and we look forward to the new final version.

It must be satisfying to see the slight gain in **NZDFA membership** after you and the executive committee last year looked at different ways of encouraging new membership. As has been highlighted, the NZDFA branches need to continue to be seen to be representative and relevant. The branch structure is not only a great pathway for deer farmers to represent the industry at national level, but also a vital link between deer farmers and the NZDFA Executive.

The Next Generation and Advance Parties continue to be great initiatives and provide an excellent pathway to possible future representative roles within the deer industry. These groups have provided a wonderful opportunity for exchanging knowledge and benchmarking one another's on-farm performance.

In **environment** work, the NZDFA is doing an excellent job on behalf of deer farmers along with the support of Lindsay Fung. The Farm Environmental Plan workshops have been excellent and with winter almost upon us it is a timely reminder of the importance of an FEP. The NZDFA continues to face political challenges ahead with the Government's Essential Freshwater policy and the timeframe associated with any changes. These are important issues and the

NZDFA needs to continue to be in the room and be part of the conversation at all times. The Essential Freshwater policy outcomes could have a huge effect on the way we farm.

Deer farmers are very fortunate with the seamless structure of **NZDFA and DINZ**, the availability of the DINZ Board and executive, the NZDFA executive, Tony and Rebecca is a structure that is the envy of the other primary sectors and it is a testament to the people involved. Thank you.

Mr Chairman, congratulations on the 2019/20 year. Our thanks go to you and your executive for all of your hard work during the past year and I wish you all the best for the 2020/2021 year ahead.

The NZDFA has big challenges ahead. I have confidence in you and your executive in taking those challenges on head on. Also a thank you to Grant Charteris, for your contribution as a member of the executive for eight years. It's something you cannot do without the support of your family, so thanks to Sally and family also.

I would like to second the NZDFA Chair's Annual Report for 2019/20 year.

David Stevens

SUCCESSING IN UNPRECEDENTED TIMES



It's been a thoroughly enjoyable eight years on the NZDFA Executive Committee. I must admit when I first took on this role I didn't have much of an idea about my role or the overall roles of the NZDFA and DINZ in general! What I did have, and still have, is a passion for our industry and the people inside it to succeed. Not only has the experience been a great learning curve, but also a great way to connect with fellow deer farmers across the country.

This role, especially in a small industry that is widely geographically spread, allows you to interact with the grassroots farmers with a diversity of farming and deer operations that never ceases to amaze me. That innovative and resourceful approach extends across the industry in all sectors. This includes the CEOs of our main companies, the supply chains that distribute our high-end product throughout the world, the servicing sectors from researchers, veterinarians, stock agents, consultants and advisers, and the industry structures – DINZ leadership and executive and those who pick up the challenge of local NZDFA branch leadership.

The past 12 months climatically have been a game of two halves for us, a mild winter last year and an early growthy spring. That is where the good news ends as we went into a very dry summer. Apart from bits and pieces of teasing rain we are still struggling and praying for decent rain as we get very close winter with minimal to no growth!

We have farmed through droughts before, but never to this extent. With it being so

widespread across the country, if winter feed and big decisions haven't already been made, we are in for a very long and tough winter. This, complicated by the onset of Covid-19, makes for very uncertain times ahead. Many are touting the agriculture sector as the goose that will lay the golden egg for New Zealand's post Covid-19 recovery, but we too will face unprecedented times in the next few years with disruption to logistics and the way we sell our products.

These are the times when we need to be clever and innovative (as we have always been) and able to succeed in an environment that has a new normal. What this period has taught me is that the world still has to eat.

Being able to access product remotely online will be vital. We have worked so hard to create a brand that delivers a premium product – we cannot afford to lose this heritage. We have to leverage off it and create new selling platforms. There are many reasons why I'm not processing and marketing our products, but I believe that we are lucky to have some pretty forward-thinking stars in our industry, so the long-term future is bright. We may just have a few bumps along the way.

A major highlight of my time on the Executive Committee was the creation of the Next Generation programme. From early brainstorming sessions it was easy to see that we had a huge amount of knowledge among our people but a gap in the area of younger guys and girls wanting to continue and grow our industry. At first, we thought we would struggle to get attendees each year, but soon realised that we would be capping numbers and creating waiting lists! This was mainly due to the fact that you could get passionate people in an environment where they were surrounded by like-minded people. We have seen attendees progress from attending Next Generation through to the New Faces programme at the annual NZDFA Branch Chairs' meeting in Wellington and onto leadership roles within their branches. This has been extremely satisfying for us.

Another highlight of the past eight years has been my role on the NZDFA's Selection and Appointments Panel (SAP). This is made up of the four Executive Committee and four other elected Members of the NZDFA. The

SAP interviews and appoints the candidates for the four producer positions on the DINZ Board as they become available. This process and the personal development that goes with it are extremely professional but also a lot of fun and have created additional skills that come in handy in life in general. The robust processes of the SAP is one of reasons why we have a great working relationship with the DINZ Board.

We have a unique working structure in the deer industry. When the DINZ Board and the NZDFA Executive Committee are working with mutual respect and a shared vision and interest, the communication flows and this in turn allows branches to effectively continue delivering the message through to producers.

I would like to thank all of the other Executive Committee members (past and present) for not only putting up with me, but for staying strong to your values and fighting for what you believe in. It is extremely rewarding when you can have robust debates about serious topics that affect us all but come up with sensible, workable solutions.

None of our ideas would grow the legs they do without Tony Pearse, Amy Wills, Cenwynn Phillips and Rebecca Norling. These people are the cogs that put everything into action and are the direct link between NZDFA and DINZ. Also big thanks to all of the DINZ executive team – I will miss your reports at our Wellington meetings. (Now I will be the person asking annoying questions at conference.)

Lastly but equally important is the social aspect of our industry. Let us continue to support our branch functions and activities and encourage, engage, and make it fun for the next generation to be involved. Let them run some events and let them judge some velvet competitions. The more they want to be involved the more likely they are to take a lead in our branches and into industry leadership roles. We are pretty proud of the products we produce. Why not use this as a platform for success?

No doubt I will still catch up with you all around the traps. It was a pleasure to serve for and with you!

Grant Charteris

NZDFA Executive Committee 2012–2020

BETTER AND STRONGER TOGETHER



Looking back at our 44th NZDFA AGM held in Wellington in May 2019, I would never have guessed that just 10 months later New Zealand would be responding to a worldwide pandemic in the form of Covid-19.

In our farming operations we face many challenges every day, from operating in isolation through to making do with what we have on hand to finish a job around the farm. We also have to make some pretty tough decisions just to keep on top of our businesses and to keep them running no matter what life throws at us. From droughts to floods and now the pandemic, we have had them all this past year. As farmers we are resilient and by keeping in contact with each other we will come out on the other side of the latest trials and tribulations better and stronger together.

Over the past 12 months the NZDFA goal as always has been to deliver the most to our members while keeping within our budget, which we have successfully managed to do once again.

Some of the projects that we have funded with your help over the past 12 months are the 7th Next Generation conference which was held in the Mackenzie Country and South Canterbury with more than 60 attendees at an average age of 25.

The NZDFA also supports the P2P “Big Deer Tour” programme, which is limited to four students in university study. It gives them an action-packed, four-day

whirlwind experience of the deer industry, led by DINZ and focused on all aspects of the industry. That experience also includes meeting local deer farmers and the NZDFA’s branch and national leadership.

“New Faces” has been running for more than 10 years now. All branches are able to send an NZDFA member with the branch chair to attend the Branch Chairs’ Conference held in Wellington each October. The end game is to encourage branch committee participation and potential leadership roles in any aspect of the NZDFA or wider industry. There is not an inbuilt obligation, simply encouragement

This is a very important initiative as it is a collaboration between the NZDFA and each NZDFA branch, and has truly helped with succession at branch level.

The above projects are only some of the activities that the NZDFA helps fund with your assistance, but they all have great importance in keeping our fabulous industry headed in the right direction.

All of the projects that the NZDFA has been involved with over the past year have been helped by sponsorship and support from a large number of people from within our industry. We look forward to building on the great work that has been done with projects that the NZDFA has been involved in.

In these uncertain times it’s impossible to predict the return to some sort of normality, and we have chosen to work with a “business as usual” steady-state, break-even budget and subscription level. This is more responsive than trying to guess the future. It may be that with the current and emerging communication platforms and smart technology that the Executive Committee will continue to do things differently. Without a consistent regional air network for the foreseeable future to enable travel to Wellington, NZDFA events such as those I’ve described may be impossible to present as before.

The NZDFA is not in the business of accumulating larger reserves so will look to

either reduce subscriptions in following years or add to the capitation base and return any surpluses to local branches through the capitation fee process while supporting and encouraging branch events and important national initiatives like the Rising Stars hard antler and velvet competition, the very successful Next Generation conference and national and regional Sustainable Food & Fibre Futures (SFFF) projects as they develop.

Justin Stevens

NZDFA Executive Committee and NZDFA Treasurer

THINKING BEYOND P2P



This season has been one of the most challenging in recent years. Drought has affected many regions and continues to make an impact as winter approaches, while southern areas have suffered persistent cold weather and flooding. To cap it all off we have moved into the Covid-19 crisis, which has had immediate impacts on the way we conduct our personal and business lives.

While these are transformational times, middle New Zealand once again has been reminded that agriculture is still the engine room of our economy and the valuable role it will play in getting the country back on its feet again.

After two or three years of being bombarded with potential regulation and legislation, we now have the opportunity to display the progress we have made on many of these issues, while being a critical part of the solution. If this exposure is managed well, it will give us the leverage required to find sensible, workable solutions that were falling on deaf ears before the Covid-19 crisis began.

While sorting these previous imbalances is important to our farming futures, equally important will be how we decide to progress in the uncertain world ahead. Issues such as close personal contact, supply chain disruptions and wild market fluctuations, to name a few, will bring their challenges. Industries and countries that adapt quickly will have

the best chance of success, with the phrase “where there is adversity, there is opportunity” perhaps a good starting point. Our venison and velvet have well-deserved international reputations as trusted high-quality food sources. These are great assets given current concerns around food safety.

The deer industry has always prided itself on being forward thinking and adaptable. When combined with our unique structure of all parties working together, this puts us in a strong position to navigate the challenges ahead. Regular and clear communication between all parties is going to be vital to ensure we can move fast enough to take advantage of opportunities as they present themselves, while also retaining confidence in our industry.

The NZDFA will also need to adapt and evolve to the changing landscape to best meet the needs of the farmers it represents. There have been plenty of robust discussions at Branch Chairs’ meetings and other forums on how best to progress as an organisation, but ultimately we need to hear directly from farmers about the challenges they face, as they are probably now markedly different to what they were three months ago.

P2P has been of great value to the deer industry, but the current funding model is ceasing in 2022. There have been discussions about a hybrid model combining the resources of established Advance Party groups, while utilising the wider NZDFA structure to include farmers who are not currently in groups, but would gain greatly by being involved in some way. This principle was used earlier in the year at a NAIT workshop in Taihape, which was very informative for all who attended and made good use of resources to benefit the farmers involved. There is plenty of discussion on how best to stimulate the New Zealand economy and the deer industry could also benefit greatly from having a plan ready to implement should additional funding become available.

Finally I wish to thank Grant Charteris for his eight years of valuable service to the NZDFA and wider deer industry. His knowledge, energy and input will be missed but I’m sure he will continue to be actively involved while stepping back from his current role. We now welcome Karen Middelberg to the team and she will no doubt continue to add a Hawke’s Bay perspective to the Executive Committee, enhanced with her own style, experience and initiatives.

Mark McCoard

NZDFA Executive Committee

DINZ PRODUCER MANAGEMENT TEAM

Highlights of a year with the NZDFA 2019/2020



The prospect of catching up with national and regional NZDFA leaders at conference has now passed, but this is to be rescheduled for next year – in Southland again – at conference 2021. It's timely, then, to reflect on the highly effective and functional relationship NZDFA has with DINZ, the P2P programme and a cohesive deer farming sector.

A key factor has been the level of communication and quality of information now arrives in both printed and electronic form. That's exemplified by the bi-monthly Deer Industry News that just clicked over 100 issues. There will be few who attend industry events from branch field days prior to P2P, Focus Farms, environmental awards and show case days, Advance Party and Regional Workshops that haven't drifted by the camera of DIN editor, Phil Stewart, or who have not been listened to, quoted and had those events expanded into the resources we have as our flagship journal.

It's also been gratifying to see the NZDFA's Stagline Online monthly newsletter progress, from the two-sided wall of bad typing of Executive Committees starting about 14 years ago to today, with issue 152 circulated via the internet to 1,100 NZDFA members and associates. It's also been a welcome addition to also have monthly inputs from DINZ executives commenting on recent activity in their portfolios and using Stagline to seek comment and reactions to DINZ programmes and initiatives.

The credit for that lies entirely with the great communications and administration managers that the Producer Management

portfolio within DINZ has benefitted from over the years: Natalie Fraser, Hannah Hsu, Amy Wills, Cenwynn Philip and Rebecca Norling. All have been multi-talented, efficient and creative in their communications and event development work. All have helped provide a stepwise positive change to the face of NZDFA communications through DINZ, far beyond the expectations of this role when it was created 18 years ago.

That innovation has also transferred seamlessly into the NZDFA's October Branch Chairs' meeting (and associated pre-conference meeting) along with the New Faces programme that introduces newcomers to NZDFA and DINZ reporting. DINZ, through the Producer Management budget, invests in the New Faces introduction to leadership. That programme has resulted in leadership roles for just about everybody who has been a New Face. Members of the DINZ Board (both the NZDFA-appointed and venison and velvet processor members) have also been diligent in attending the Branch Chairs' meeting when they can, making valuable contributions and taking part in social and networking activity.

This year's programme allowed us to share contributions from officials, CEOs and guest speakers from Ministry for Environment, Beef + Lamb NZ, Federated Farmers, Pāmu (Landcorp) and AgFirst. DINZ executives and Board also attended. Good ideas were shared at a workshop on deer wintering systems and the branch chairs also enjoyed the company of six New Faces from the branches.

This event concluded with an NZDFA thanks and farewell function for retiring DINZ CEO, Dan Coup. Dan's relationship with the NZDFA was characterised by his constructive support and continued accessibility of the NZDFA leadership to DINZ staff. Their portfolio updates, that today occupy a significant part of Executive Committee meetings, began with Dan's predecessor, Mark O'Connor. Contact with DINZ is no better expressed than in the current format of deer industry conferences. Even with the challenge of Covid-19, this is run as a combined DINZ and NZDFA annual event.

The final two key areas also involve early NZDFA initiatives. These have

been whole-heartedly supported in terms of shared resource of time and sourcing expertise through the annual Next Generation conference and the engagement of the Wellington Institute of Management Board Services Programme via Kelly MacGregor of the Institute of Directors. While these are different activities at two different levels, each is a key driver in developing leadership and engagement skills.

DINZ supports the Next Generation conference with administration, planning and programme development, working with the Executive Committee. In turn, the committee asks Next Generation attendees to identify what areas of the deer industry and individual upskilling appeal to them. Attendees are forming a large, cohesive group comprising both new deer farmers and those succeeding an earlier generation on well-established deer farms. This conference was again joined by the P2P Future Farmers Tour, that hosts young adults from non-tertiary agricultural training programmes.

The NZDFA's Selection and Appointments Panel (SAP) in its role to appoint producer representatives to the DINZ Board is a key group. It also meets with the Board to seek indications of required skills for new directors that will enhance Board in these changing times. The SAP also spends time with the Institute of Directors, upskilling their knowledge of interviewing, and their understanding of how boards operate and the principles and responsibilities of governance. NZDFA and DINZ are co-investors in these areas. Year on year, the benefits for both leadership groups is evident, but will thrive further when we also see greater interest in nominations for all positions from people drawn from inside and outside the industry.

Attendees from past and current Next Generation and New Faces programmes, Advance Party chairs and individuals are expected to emerge as leaders during the industry's next, post Covid-19 phase. There is certainly a great pool of talent and commitment out there.

Tony Pearce

Producer Manager DINZ

DINZ BOARD CANDIDATE STATEMENT



This statement was submitted on 10 April, so references to current lockdown measures may no longer apply.

As we get set for our third week in Lockdown Level 4, much of New Zealand and the world is reeling from the thought of this phenomenon, that has only existed since November 2019, could bring global business to its knees. Many businesses have had to completely stop and many will not re-open.

Deer farming is certainly not immune to the fallout; it has some significant challenges ahead.

Being classed as an essential service, deer farmers are in the privileged position to carry on day-to-day life. In some instances, not much has changed on farm. For others, the world has been turned on its head.

It has been a real privilege for me to have been a member of the DINZ Board for the past three years following on from being part of the NZDFA Executive Committee for six years.

The DINZ Board structure is the envy of other primary industries, having producers and processing/marketing all sitting around the table for the betterment of the deer industry. This is highlighted by the makeup of the current Board and its members with their diverse backgrounds and expertise. Our collective passion for the deer industry is greater than us all as individuals.

It has been a real highlight to follow on from the beginnings of P2P and getting that across the line, to now seeing some of that come to fruition, such as industry carcass weight averages rising by nearly 5kg. Farmers spending more time thinking, talking with other deer farmers through Advance Parties, to enhance their breeding programmes through Deer Select and gradually formulate robust animal health plans are other examples.

Our vision for venison:

Inspire the New Zealand deer industry to profitably grow and market the world's best red meat.

Our vision for velvet:

New Zealand deer velvet is recognised, valued and sold as the best in its class in Asian markets.

These two visions remain our focus and in light of what the world has just witnessed, New Zealand deer products with their traceability and integrity have a great future, unparalleled by our competitors in terms of hygiene standards and animal welfare.

A silver lining to the Covid-19 global shutdown is the dramatic change in perception of food producers. Even in these uncertain times, people have to eat. In times of adversity, people quickly realise they need farmers. Some of those attributes such as safe, sustainable and ethically raised, still remain. We will have to think differently, market differently and likely farm differently, but New Zealand is well placed to answer the call. Farming will evolve along with ingenuity.

Stay safe everyone.

Kia kaha.

Kris Orange

DINZ Board member

NZDFA ELECTIONS AND APPOINTMENTS

NZDFA Executive Committee

Nominations were called for two vacancies. Current members **John Somerville** and **Grant Charteris** retire by rotation at the AGM. Grant Charteris did not seek a further nomination.

Executive Committee Member (1 position)

For the vacancy created by retirement by rotation, a single nomination of sitting member **John Somerville, Southland**, (nominated **David Stevens**, seconded **Bruce Paterson**) was received and he is declared appointed for the 2020–2022 term.

Executive Committee (1 position)

For the vacancy created by retirement by rotation of **Grant Charteris**, Hawke's Bay, who has announced his retirement, the single nomination **Karen Middelberg**, Hawke's Bay, (nominated **George Williams**, seconded **Grant Charteris**) was received and she is declared appointed for the 2020–2022 term.

NZDFA Selection and Appointments Panel

The SAP consists of the four-person Executive Committee and four non-Executive Committee elected members. Two of the non-Executive Committee elected members of the Panel retire annually by rotation.

SAP (1 position)

A single nomination has been received for the vacancy created by the retirement by rotation policy, that of, **Paddy Boyd**, (nominated **Graham Peck**, seconded **Duncan Peck**) who is eligible for nomination and is declared appointed unopposed for a further two-year term.

SAP (1 position)

A single nomination has been received for the vacancy created by the retirement by rotation policy, that of, **Leith Chick**, (nominated **Jacqui Wellington**, seconded **John Hunter**) who is eligible for nomination and is declared appointed unopposed for a further two-year term.

MOTIONS AND REMITS

NZDFA FORMAL FINANCIAL MOTIONS: 45th AGM 21st May 2020

MOTION 1: Financial accounts and statements for the year ending 31 March 2020

“That the NZDFA financial statements and NZDFA Financial Report for the year ending 31 March 2020 be received and approved.”

Moved:

Seconded:

MOTION 2: Honoraria

“That the Executive Committee honoraria for the 2020/21 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 (2020/21).”

Moved:

Seconded:

MOTION 4: Budget to year ending 31 March 2021

“That the NZDFA budget of expenditure for the year ending 31 March 2021 be approved.”

Moved:

Seconded:

NZDFA FINANCIAL REPORT

	Year to 31 March 2021	Year to 31 March 2020	Year to 31 March 2020
	Budget \$	Actual \$	Budget \$
Income			
Subscriptions	112,000	110,986	112,100
Interest income	4,600	5,178	4,000
Sundry income	0	20,869	0
Sponsorships	2,000	2,250	2,000
Sustainable Farming Fund income	0	8,000	0
Total income	118,600	147,284	118,100
Less: expenditure			
<i>General expenses</i>			
Conference (virtual)	7,000	9,310	4,000
Election costs	0	0	2,000
General expenses	3,000	3,062	1,500
Postage	1,500	1,430	2,500
PR support and sponsorship	4,500	16,312	3,000
Printing and stationery	2,000	1,658	3,500
Promotions/Awards	1,600	1,376	2,500
Publications/Annual report	3,000	3,264	3,000
Telecommunications	2,000	949	1,000
	24,600	37,361	23,000
<i>Travel/Accommodation</i>			
Executive Committee travel/accom	16,000	12,222	18,000
SAP travel/accom, meals	8,000	11,114	13,000
Branch Chair's meeting	14,000	18,415	8,000
Other meeting expenses (catering, venues)	2,000	744	2,500
	40,000	41,136	41,500
<i>Professional fees</i>			
Audit review fees	3,300	3,247	3,120
Insurance	2,400	2,219	2,400
Legal/professional fees	0	0	1,000
Returning officer fees (SAP Process)	300	340	500
	6,000	5,806	7,020
<i>Honoraria/directors' fees</i>			
NZDFA Executive Committee	36,000	36,001	36,000
	36,000	36,001	36,000
<i>Nationally funded projects</i>			
Contract research	0	0	0
Leadership development	4,000	4,791	
Leadership development (Next Generation)	8,000	7,541	10,000
SFF project – succession workshops	0	8,488	0
	12,000	21,030	10,000
Total expenses	118,600	142,722	117,520
Operating (deficit)/surplus before taxation	0	4,562	580
Taxation	(0)	(1,207)	(0)
Operating (deficit)/surplus after taxation	0	3,355	580

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 2020 and the statement of financial performance, statement of movements in equity and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared in accordance the Tax Administration (Financial Statement) Order 2014.

Executives Committees' responsibility for the financial statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance the Tax Administration (Financial Statement) Order 2014, and for such internal control as the executive committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

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

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

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

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

Emphasis of Matter: Basis of Accounting

Without modifying our conclusion, we draw attention to the statement of accounting policies of the special purpose financial statements, which describes the basis for preparation. The financial statements are special purpose financial statements prepared in accordance with the Tax Administration (Financial Statement) Order 2014. As a result, the financial statements may not be suitable for any other purpose.

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 2020, and its financial performance for the year then ended, in accordance with the Tax Administration (Financial Statement) Order 2014.

Moore Markhams

STATEMENT OF FINANCIAL PERFORMANCE

New Zealand Deer Farmers' Association Incorporated

For the year ended 31 March 2020

	Note	2020	2019
		Actual	Actual
		\$	\$
Income			
Subscriptions		110,986	107,804
Interest income		5,178	5,080
Sundry Income		20,869	10,565
Sponsorships		2,250	2,978
Sustainable Farming Fund Income		8,000	13,000
Total Income		<u>147,284</u>	<u>139,427</u>
Expenditure			
Audit review fees		3,247	3,200
Conference	10	9,310	5,202
General Expenses		6,372	7,306
Honoraria	4	36,001	36,000
Insurance		2,219	2,089
Leadership Development (Next Generation)		12,541	8,943
Nationally Funded Projects		8,488	21,696
Postage		1,430	2,544
PR Support and Sponsorship		16,312	500
Printing & stationery		1,711	2,034
Promotion & Awards		1,376	0
Publications/Annual Report		3,264	2,651
Returning Officer fees (SAP Process)		340	0
Telecommunications		949	970
Travel and Accommodation		39,160	44,133
		<u>142,722</u>	<u>137,268</u>
Total Expenses		<u>142,722</u>	<u>137,268</u>
Operating Surplus Before Taxation		4,561	2,159
Taxation	5	(1,207)	(130)
Operating Surplus / (Deficit) After Taxation		<u>3,355</u>	<u>2,029</u>

MOORE
MARKHAMS

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

New Zealand Deer Farmers' Association Incorporated

As at 31 March 2020

As at:	2020	2019
	\$	\$
Current Assets		
Cash at Bank	39,640	27,654
Short Term Bank Deposits	145,000	150,523
Accounts Receivable	4,441	6,563
Resident Withholding Tax	737	692
	<u>189,817</u>	<u>185,432</u>
Current Liabilities		
Accounts Payable	13,881	12,851
Total Liabilities	<u>13,881</u>	<u>12,851</u>
Net Current Assets representing Net Equity	<u>175,936</u>	<u>172,581</u>
Net Equity comprises:		
Opening Balance	172,581	170,552
Result for the period	3,355	2,029
Total Equity	<u>175,936</u>	<u>172,581</u>

John Sommerville
Chairman of Executive Committee
Date: 4 May 2020



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STATEMENT OF MOVEMENTS IN EQUITY

New Zealand Deer Farmers' Association Incorporated

For the year ended 31 March 2020

		2020	2019
		\$	\$
Opening Balance		172,581	170,552
Net Surplus/(Deficit) for the Year	7	3,355	2,029
Closing Balance		<u>175,936</u>	<u>172,581</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

New Zealand Deer Farmers' Association Incorporated For the year ended 31 March 2020

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 in accordance with the Tax Administration (Financial Statement) Order 2014 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 prepared under the accounting policies and the minimum requirements of the Tax Administration (Financial Statement) Order 2014 for the year ending 31 March 2020 and have been prepared for the purpose of meeting the constitutional obligations.

The financial statements have been prepared on the going concern basis, and the accounting policies have been consistently applied throughout the period.

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy. These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

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 \$120.00 (excluding GST) per full membership and \$60.00 (excluding GST) per associate membership per annum. In 2020 1,193 subscriptions were received (2019: 1,182). This includes the \$25 per full member and \$15 per associate member capitation fee collected on behalf of the NZDFA Branches and remitted directly to them in December of each financial year. In 2020, this capitation fee represents membership fees collected on behalf of the NZDFA Branches of \$28,650 (2019: \$29,125). This has not been recognised as part of the subscriptions revenue in these financial statements.

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:

		2020	2019
		\$	\$
Honoraria	Chairman	12,000	12,000
	Executive Committee	24,000	24,000
	DEEResearch Directors Fees	0	0
		<u>36,000</u>	<u>36,000</u>

During the year Mark McCoard replaced David Morgan from 1 June 2019. (2019: nil)

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NOTES TO THE FINANCIAL STATEMENTS

New Zealand Deer Farmers' Association Incorporated For the year ended 31 March 2020

5. TAXATION

	2020	2019
	\$	\$
Taxable Income	5,178	4,711
Less IRD Allowance	<u>(1,000)</u>	<u>(1,000)</u>
	4,178	3,711
Tax Expense 2020	1,266	1,038
Prior Year Adjustment Refunded	<u>(59)</u>	<u>(908)</u>
Total Tax Expense	<u>1,207</u>	<u>130</u>

6. RELATED PARTIES

All transactions with related parties were conducted at arms length. There is a service agreement between DINZ and NZDFA. Administration costs of NZDFA and staff time is covered by DINZ. No payments are made from DINZ to NZDFA. Capitation payments are collected by NZDFA and this is paid to the branches in December based on member numbers.

7. TOTAL EQUITY

Total equity is held in general funds as follows:

	2020	2019
	\$	\$
General Funds		
Opening balance	172,581	170,552
Net Surplus/(Deficit) for the Year	<u>3,355</u>	<u>2,029</u>
Closing General Funds	<u>175,936</u>	<u>172,581</u>

8. COMMITMENTS

As at 31 March 2020 there are no commitments (2019: NZDFA has committed \$10k towards the Sustainable Farming Fund Next Generation Succession planning and upskilling project during the financial year ending 31 March 2019. This included co-funding from DINZ \$6,000 and MPI's SFF \$21,000 for the year ending 31 March 2019. The net cost of this project for DFA is \$3,796. The project has been extended to 30 September 2019 with additional demand for workshops and will be covered by DFA on completion.)

9. CONTINGENCIES

As at the 31 March 2020 there are no contingencies (2019 Nil)

10. CONFERENCE COST

The cost to NZDFA of the 2019 conference was \$9,310 (2018: \$5,202)

11. SUBSEQUENT EVENTS

On 30 January 2020, the spread of novel Corona virus (COVID-19) was declared a public health emergency by the World Health Organisation. From 25 March 2020, New Zealand was placed into Alert Level 4 lockdown to combat the pandemic, for a minimum period of four weeks. From 28 April 2020 this was reduced to Alert Level 3 with some restrictions relaxed, for a minimum period of two weeks.

At the time of signing the financial statements it is unknown as to how long further restrictions will last. The Executive Committee will continue to monitor the impact of COVID-19 on the organisation however at the date of signing this report the Board consider the actual and expected financial impact on the organisation to be minimal.

Should this public health emergency continue for a prolonged period of time this has the potential to have an adverse financial impact on the organisation. Regardless, the Executive Committee maintain the view that the organisation has sufficient resources that it will continue to operate as a going concern.

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Guide to voting at the 45th NZDFA AGM

The 45th NZDFA AGM will be held virtually on a Zoom call at 7:30pm Thursday 21st May 2020.

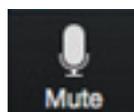
You can join the AGM by dialing in on a phone call, use your phone with the Zoom app or join on the computer. The AGM will be recorded and will be available to view if you miss it.

When joining the Zoom call you will be muted. This is to ensure there is no extra background noise for better call quality. Your video will also be off to help keep the call from stalling as there will be number of attendees in rural areas.

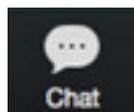
Voting may be called for during this meeting. When the Chair calls for a vote, everyone will be unmuted and can speak. Once voting is completed everyone will be muted again.

There will be a pause at the end of voting where the Chair will ask if there are any questions. If you have any questions or objections, you can turn your microphone on by clicking the headset or microphone icon to unmute yourself.

Computer/App button to mute/unmute yourself:



If you are unmuted but noone else can hear you, there is a chatbox option you can type in:

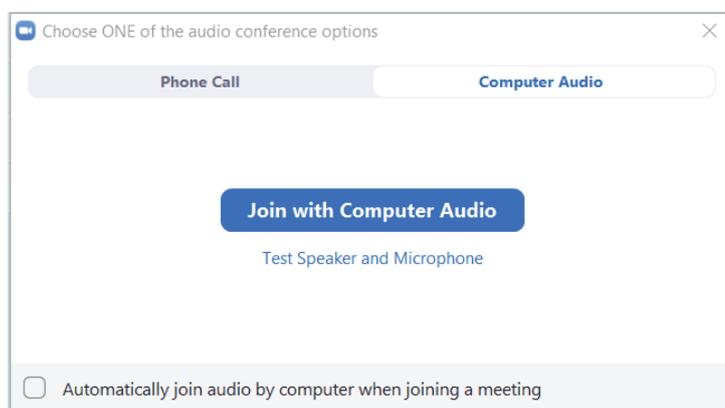


Mute/unmute yourself on a phone call:

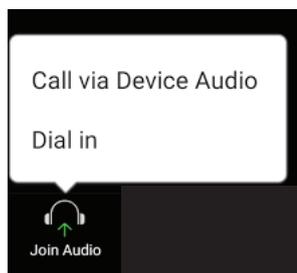
Press *6

Audio set up

Computer: After clicking the link to open the meeting, follow the prompts to open Zoom meetings then click 'Join with computer audio.'



Phone app: After you have joined the meeting a pop up will ask how you want to use sound. Click 'call via device audio.' If you want to turn your microphone on, click anywhere on the screen to pull up menu.



APPENDIX 1

SUBMISSION TO
THE MINISTRY FOR THE ENVIRONMENT

on

Action for healthy waterways

From the New Zealand Deer Farmers Association



31 October 2019

Contact for this submission:

Tony Pearse
Producer Manager
Deer Industry New Zealand
P O Box 10702
Wellington 6143

Phone: 04 471 6118/021 719 038

Email: tony.pearse@deernz.org

1. Introduction and background to the New Zealand Deer Farmer's Association (NZDFA)

- 1.1 The New Zealand Deer Farmers' Association welcomes the opportunity to make a submission to The Ministry for the Environment (MfE) in response to the consultation document "*Action for healthy waterways*" (MfE publication number: ME 1427).
- 1.2 New Zealand has the world's largest farmed deer industry. The main products marketed are venison and deer velvet antler. Approximately 95% of products are exported. In the year ending 30 September 2018, deer products were worth \$322 M in export receipts to New Zealand and the industry at present is showing some small expansion.
- 1.3 The NZDFA is a voluntary annual subscription-based industry-good body established in 1975 as an Incorporated Society to act for deer farmers as producers in the best interests of the NZ farmed deer industry. within the context of wider New Zealand agricultural directions, policy and ambition.
- 1.4 It is estimated that 80% of deer farmers also farm sheep and or cattle and have good working relationship and affiliation with Beef and LambNZ.
- 1.5 The NZDFA is nationally governed by an elected 4-person Executive Committee (including a Chairman) from nominees within NZ's deer farming community and Deer Industry New Zealand (DINZ) levy payers. The Executive Committee members are all active and experienced deer farmers
- 1.6 Regionally the NZDFA has a nationwide presence through 18 individual NZDFA Branches. While the Branches are most numerous in the North Island with ten, the seven South Island Branches contain 63% of the active moderate to large deer farms (1322) with 829 of these in the South Island predominately (761) In Southland and Fiordland (226) Otago (139) and Canterbury /South Canterbury (396)
- 1.7 The NZDFA business is serviced through a producer management portfolio housed within and funded via levies collected by DINZ. The NZDFA through its Selection and Appointments Panel appoints 4 of the 8 DINZ Board members in the process outlined in the DINZ (2004) regulations.
- 1.8 The DINZ Board and DINZ Executive team maintain a close working relationship with NZDFA and in 2016, responding to the NZDFA request to provide a formal executive position (Environment Stewardship Manager) established within DINZ to lead and coordinate the combined industry's environmental stewardship programme and include the DFA nationally and via the branches.
- 1.9 DINZ was established under Deer Industry New Zealand Regulations (2004) under the Primary Products Marketing Act 1953. DINZ's functions (under regulation 5(1)) include the following:

- a. to promote and assist the development of the deer industry in New Zealand;
 - b. to monitor, and from time to time report on, the economics and efficiency of all components of the deer industry; and
 - c. to report from time to time to the Minister and to the Minister of Foreign Affairs and Trade on movements of costs and prices or other factors likely to affect the economic stability of the deer industry.
- 1.10 The industry is the youngest pastoral-based industry in New Zealand (the first deer farm licence was issued in 1970) but provides diversified markets and additional revenue to and complementary land use with other pastoral farming industries.
- 1.11 The deer industry shares environmental and other producer-based activity with all the other pastoral-based industry bodies but has affinity with the drystock sector as:
- i. Deer farms tend to be multi-species (*i.e.* deer are farmed along with sheep and/or beef cattle);
 - ii. products derived from deer farms are similar (venison alongside beef and lamb, annual velvet harvesting alongside wool),
 - iii. deer farms occupy the same land classes and run similar production systems (breeding, venison finishing/velvet) and have similar levels of inputs.
- 1.12 For this reason this submission is confined to issues that will particularly impact on deer farming, but the NZDFA wishes to note that it supports the submission from Beef + Lamb New Zealand (B+LNZ) and has been closely associated with DINZ's own submission on "Action for healthy Waterways" and its development and supports that submission in its entirety
- 1.13 The NZDFA wishes to be heard in support of this submission.

2. Scope of Submission

- 2.1 NZDFA will confine the submission to the following proposals:
- 2.2 **Draft National Policy Statement for Freshwater Management** – alignment with the DINZ submission and endorsement of B+LNZ submission.
- 2.3 **Proposed National Environmental Standards for Freshwater.** The submission covers the following
- Part 2, sub part 1
- a) Wetlands
- Part 3 subparts¹ Various proposed clauses as follows:
- a. Feedlots (Clause 27)
 - b. Sacrifice paddocks (Clause 28)
 - c. Other stock holding areas (Clause 29)
 - d. Intensive winter grazing (Clause 30)
 - e. Freshwater module of farm plans (Clauses 37 – 41)
 - f. Nitrogen Cap (Clauses 42 – 48).
 - g. Draft stock exclusion regulations

Consultation document:

NZ Deer Farmers Association submission

Part 2 Subpart 1

3. Wetlands

- 3.1 The New Zealand Deer Farmers Association understands the importance of safeguarding the remaining wetlands in New Zealand and the vital role that they play in filtering our water systems and the many important plant and aquatic species they contain.

Farmers should be encouraged to restore wetlands where applicable or maintain existing ones. But the proposed rules relating to wetlands require many resource consents to facilitate this process.

- 3.2 While it is vital to ensure protection of wetlands from development activities, for farmers who want to create new or improve existing wetlands, NZDFA believes that they should be encouraged to do so by having local regional council expertise and professional help easily available. If our farmers must apply formally and expensively

for resource consents to undertake the considerable practical effort and expenses to complete these properly for these activities it will simply put them off doing the right thing. For example, in Marlborough we are advised that a resource consent can range from \$5000-\$10000 and currently takes up to 2 years for resolution).

We are also aware that a deer farmer in Canterbury wished to enhance an existing wetland while removing an established drain (i.e. disconnecting the drain and reestablishing inflows to the wetland as it was originally) but found this problematical due to presence of native fish species in the drain and the expensive consent process that would then result.

If advice is made freely available it will encourage people to safeguard their wetlands in contrast to reaction where too many regulatory roadblocks will mean that the right advice won't be sought and mistakes will be made and unwittingly risks taken for what is to be a critical and permanent project not just for the farmer but for their farming community and water catchment.

For this and many other farming activities national and regional government in our view needs to invest resources in support and advice services for farmers at this specialised end that complements the practical services and advice from the various livestock and other farming industry bodies.

Part 3 Subpart 1

a) Clause 27 Feedlots

NZDFA perspective

- 4.1 The proposed NES-FW makes no reference to the purpose and instead defines it in terms of two criteria: Duration of confinement (80 days in a 6-month period) and feeding regime (hand- or mechanically-fed). Our concern is by using this definition captures wintering barns/sheds that are successfully used by some deer farmers in the lower South Island – particularly in Southland.
- 4.2 The MPI Code of Welfare (Deer) 2018, developed in association with the deer industry) sets out precise requirements related to such in wintering facilities related to physical construction standards, stocking density, feed and water minimum standards, health and welfare needs for this practice which has been running successfully since the 1980's, (Sec 4.3. Minimum Standard No 6- Holding facilities (Pg17-19)
- 4.3 Wintering barns are used to house deer (typically mixed aged stags) over the winter (up to 90 days) where they are hand or mechanically-fed. The purpose for using wintering barns is to ensure that deer have access to adequate feed during times when pasture growth is minimal and pasture damage is likely if animals continue to

graze in the open and – more importantly, pasture growth is then compromised in the following spring/summer.

- 4.4 Mixed aged stags are the heaviest stock class for deer so are likely to create more soil damage in wet conditions. Further, deer do not produce much weight gain over winter, so the productivity aim for using barns is more to maintain weight and condition over winter.
- 4.5 In terms of environmental outcomes wintering barns are quite different from beef feedlots:
- Wintering barns result in less area used for winter grazing.
 - Deer effluent and dung is less than those of beef (or dairy) and are captured by bedding material in the barn. There is no leachate and the dry bedding material is applied over the paddocks when the barn is no longer needed and when weather conditions allow (once the deer return to the paddocks, the bedding can remain in the barn with no risk of leachate loss).
- 4.6 NZDFA agrees with the DINZ submission and wishes that the clause for defining a feedlot to:
- **Extend the confinement period to “more than 90 days”** (typically the longest period used in Southland deer wintering barns).
 - **Include the primary aims for the use of a feedlot** ((finishing an animal prior to slaughter)).

Such that wintering barns or sheds are not included in this standard.

b) 28. Sacrifice Paddocks

5.1 The proposed rule states ‘This is a permitted activity as long as

(a) it is sited at least 50m away from waterbodies, water abstraction bores, drainage ditches and coastal marine areas.

(b) It does not include any critical source areas.

5.2 The NZDFA accepts that this makes sense except for the rule requiring a 50m separation zone of from waterbodies and drainage ditches. In common practice a sacrifice paddock is no greater risk than a cultivated forage/crop paddock for winter grazing that has a rule requiring a setback with winter grazing stock, which require a vegetated strip a minimum of 5m from any waterbody or drainage ditch.

5.3 A sacrifice paddock is grassed, adjacent /nearby to the current winter crop and in need of renewal. It will be a selected part of a crop transition and wintering rotation. Apart from having no critical source area, should there be any minor at-risk areas common practice over winter would be to temporarily fence these out from stock access with

the same temporary electric fences being used to break feed winter crops. The advantage of a sacrifice paddock is that it can be a safer refuge in bad weather than maintaining the herd on the crop and more confined in space and choice.

Relief requested This permitted activity needs changes to align with rule 30 Intensive winter grazing (1) (e) that requires a minimum 5m set back from water bodies and drainage ditches.

c) 29. Other stock holding

Restricted discretionary activity

(1) Holding stock in a stockholding area for more than 30 days in a 12-month period, or for more than 10 consecutive days, is a restricted discretionary activity.

:

- 6.1 A stock holding area is defined as “...a permanent or semi-permanent area, covered or uncovered, that is constructed to hold livestock at a stocking density that precludes the maintenance of pasture or vegetative groundcover, and:
- a) includes feed pads, winter pads, standoff pads, loafing pads; but
 - b) does not include areas used for animal husbandry purposes, such as stockyards, milking sheds, or woolsheds.”
- 6.2 This proposed clause affects deer wintering systems particularly in the southern part of New Zealand where deer, mainly MA stags and hinds are wintered in barns or pads for periods up to 90 days. For many this is a very good environmental alternative to winter crop and in areas where it is prevalent such as Southland, where it is a permitted activity, it only requires a consent when there are 250 animals or greater on one site. (Figure1)
- 6.3 The effluent (dung and urine) from deer is nothing like that from cows or cattle. In fully covered barns with straw, sawdust or wood chips, the bedding stays dry all winter, (Figure 2) then is taken from the shed and usually muck spread onto cultivated paddocks, to be worked in. As you can see by the attached photo it is very chaff-like when spread out and nothing like a liquid high-volume effluent.

Figure 1. Modern Indoor wintering barns for deer. Southland (Housed Mixed-age stags)



Figure 2. Deer shed bedding spread on ground (left) to be worked post winter.



6.4 In pad type areas where deer might have a loafing barn or dedicated resting area, the animals eat from a constructed self-feed silage stack with a moveable feed through gates system or baleage in purpose-built feeders.

The NZDFA believes the same permitted rule should also be applied, with the relevant criteria around distance from water and the requirement that any contaminants are kept within the site.

Many other uncovered pad situations fall under proposed Rule 28 “Sacrifice paddocks” as defined meaning “a paddock used temporarily to hold stock in such a way that the pasture is likely to be severely damaged and will require pasture renovation” which are also permitted activities in Southland.

6.5 The NZDFA believes that alternatives to grazing animals on winter crop *in situ* should be encouraged by having good rules around them as an established as a Permitted Activity. The NZDFA believes it is only necessary to concentrate on larger scale numbers and sites under the Resource Consent process.

6.6 NZDFA notes that this definition may also capture self-feeding silage pits that are commonly used in deer farming. Self-feeding silage pits are used for the same purpose as feed pads or winter pads, so will have similar environmental risks (with respect to siting and managing leachate). However, deer social and feeding behaviour reduces some of the risks associated with this practice compared with feed pads or winter pads used by other livestock species.

Two examples of deer self-feeding silage pits are shown here:

Figure 3 (Courtesy DINZ submission From the Deer industry code of environmental management 2018)



- The pit has a concrete base and is located at the top of a hill.
- To the right is a woodlot that the deer will spread out in when not actively feeding.
- See page 44 of The Deer Industry Environmental Management Code of Practice (2018).
- Additional good practice would be to install a sump to collect the leachate.

Figure 4 Self feeding silage movable pit feeding control barrier



And also illustrated here:

<https://www.stuff.co.nz/business/farming/agribusiness/95913721/feed-problem-solution-means-happy-farmers-and-deer>

6.7 A key feature for self-feeding silage pits is that the deer are only confined at the feeding face, and they require unimpeded access to a paddock or other “run-off” area such as a woodlot or disused quarry area or equivalent that allows the herd to spread out to rest and ruminate when not feeding. Deer browse rather than graze, so feeding is not a prolonged activity and there is a strong social hierarchy within the herd that allows timid or younger animals to have their own opportunities to feed to appetite while the balance of the herd is resting.

6.8 **Resources.** The NZDFA contributed experience and advice in the writing of the “Deer Industry Environmental Management Code of Practice 2018” that was published and distributed by DINZ in 2018

<https://www.deernz.org/deer-hub/farm-environment/environmental-management-code-practice#.XboQoZlzaUk>

Like DINZ, NZDFA considers there is sufficient guidance in that industry publication as well as the special single topic pages and “Deer Facts” that have been produced on best practice for winter feeding : Protecting waterways from wallow and feed pad run-off” as well as readily available industry support and advice that further minimise the risk that self-feeding silage pits pose to water bodies.

- 6.9 **The NZDFA seeks clarity that self-feeding silage pits will not require a restricted discretionary activity consent.** Currently the wording in the proposed standards is ambiguous: “*Holding stock in a stockholding area for more than 30 days in a 12-month period, or for more than 10 consecutive days, is a restricted discretionary activity.*” (Clause 29(1), page 14).

As self-feeding silage pits are only enclosed by three sides and deer are free to come and go, NZDFA assumes this does not result in deer being “held” in the area. Further while access to the silage pit is likely to be more than 10 consecutive days, this is not continuous (i.e. 10 consecutive days refers to 240 consecutive hours, rather than for example, 30 hours spread out over 10 days).

d) Clause 30. Intensive Winter Grazing

7.1 The Rule

Permitted activity

(1) Intensive winter grazing on a farm is a permitted activity if it complies with the following conditions:

- a) the grazing does not take place on land with a slope equal to or greater than 10 [15] degrees;
- b) the grazing does not take place over more than 30 ha [50 ha] or 5% [10%] (whichever is greater) cumulatively or in one contiguous area of the farm;
- c) any grazing on sloping land takes place progressively downhill from the top of the slope to the bottom of the slope;
- d) stock is not grazed in any critical source area;
- e) a vegetated strip of at least 5 m [20 m] that does not include any annual forage crop species is maintained between the grazed area and any water body or drainage ditch, and all stock are excluded from this strip during the grazing;
- f) the grazed paddock is re-sown within 1 month, or as soon as practicable, after the end of the grazing;
- g) pugging to a depth of more than an average of 20 cm [10 cm] does not occur over more than 50% of the paddock.

Figure 5&^6. Southland winter crop feeding: break fencing, paddock layout and buffer margins. Hinds On Swedes and break fence .



- 7.2 In the view of the NZDFA, the criteria that trigger a resource consent requirement is established at an extremely low decision point. In our view it should be at least 100ha or 12% of total farm area or when paddock slope averages 20 degrees and over. We note also that on the extensive large properties where overwintering on crop is a common and well managed process the area in crop can be considerable in itself and be confined to the lower specially cultivatable parts of the property and can exceed the ha limitation although remain a small fraction of the operation
- 7.3 The suggested lower values of 5% or 10%; 30ha or 50 ha; or 12.5 degrees and over would trigger applications for numerous Resource Consents for processing within the Regional Council's systems affecting most farms with winter crop.
- 7.4 In our view Regional Councils do not have the resources for this potential number of consents. The NZDFA believes that a farm's winter grazing programme should be a permitted activity with set criteria around that and regional resources should be concentrated on overseeing the large-scale areas or high percentage of crop areas which are the greater risk.
- 7.5 The burden over compliance greatly risks significant disruption in farmers' ability to get crops planted on time as timing is critical for germination, growth and yields and adds unwanted costs with Regional Councils who inevitably also seeking full value cost recovery for the required Resource Consents. Many councils monitor winter grazing with fly overs or others means to target people that are infringing at levels beyond the permitted activities.
- 7.6 Part (b), The definition of "contiguous", is problematic as many farms will have blocks that are close by but not physically connected. If you separate these blocks, they total a high percentage but in the overall farm system the percentage is below the threshold. To identify independent winter grazing blocks, specified minimum kilometre distance from main block is required or as an alternative discard the percentage terminology and use the total area of hectares involved to define its risk assessment.
- 7.7 Part (1c) 1 This rule states that any grazing on slope ground takes place progressively downhill from the top of the slope to the bottom.

While this can work in many circumstances in some cases it is impractical with stock pushing fodder crop and soil downhill causing soil damage and crop wastage. In addition, in practical terms can be hard to keep behind a 1.5m electric fence on a steeper slope.

For example, by leaving the steeper parts of a paddock until the later winter or early spring to graze when ground conditions are dryer is recommended by industry. Giving stock larger breaks when on these steeper areas will reduce soil damage improve crop utilization.

This rule needs more flexibility in its intent, for as long as it achieves the result of stopping the movement of sediment downhill and threatening waterbodies, the farmer is upholding his/her part of this permitted activity.

- 7.8 Part (e) which states “a vegetated strip of at least 5m (or 20m) between grazed area and any waterbody is required” would be problematic if the 20m rule was enacted.

The NZDFA submits that 20m is excessive in many deer farming and other dry stock situations, as many paddocks will have a considerable range of variable slopes within a single paddock. We believe that farmer’s own knowledge and discretion of the amount of buffer required to be effective should be for the farmer to decide. We accept the aim of 5m is a viable construct but believe it will need to be larger for steeper at risk slopes. Using arbitrary distances that don’t reflect the variabilities of paddocks is a blunt rule that doesn’t hand any flexibility and responsibility to the farmer in our view.

- 7.9 1(f) States that “a grazed paddock is to be re-sown within 1 month or as soon as possible”.

The NZDFA has significant concerns related to the practicality of this rule

While we accept that this is generally a feasible task in warmer parts of the country as grass can be sown quickly or crops are put in earlier to beat dry spells, further south, where considerable numbers of deer are farmed (South Canterbury, Otago and Fiordland/Southland contains approximately 40 % of all farmed deer), crops often aren’t sown until later November or early December due to wetter ground conditions.

Practically this is further complicated by the reality that if crops are sown too soon in these areas they will go to seed too early in the winter and lose feed value and palatability.

- 7.10 (g) “pugging to a depth of more than an average of 20 cm [10 cm] does not occur over more than 50% of the paddock.

The NZDFA opposes this subclause rule related to pugging and suggests while endeavouring to mitigate soil damage and possible animal welfare issues, the practical application will be very hard to apply.

In very wet winters the amount of pugging can be hard to control but it is best for farmers to ensure they have a grazing system that reduces the impact which will also incorporate the potential of run off blocks or standoff pads when weather events preclude responsible winter grazing and break fencing.

e) Subpart 3 – Freshwater module of farm plans FW-FP

8.1 **In general:** The NZDFA agrees that formal Farm Environmental Plans (FEP and transition to FW-FP) are a very useful planning and on farm management tool for the farmer to clearly define their farm’s environmental situation and the associated mitigation plans. The plan creates the means to prioritise critical risks of action and to put these into a well thought out ongoing management system. At the same time FEP and FW-FP will form the practical basis for working within the local Regional Council rules and timetables.

8.2 We believe that the farmer is the best person to complete their own farm plan outside the nutrient budget.

While some farmers will employ professionals to write their whole plan, this can lead to indifferent buy in by the farmer who may not have had working input into the realities of a plan. This is not just a tick box exercise, as it must continue to evolve and be refined as seasons change and the impact of ever-increasing application of best practice and become a formal but normal part of good farming business

8.3 Most industries, including the Deer Industry, have good support systems, enabling farmers to complete a plan. Professional help can be used if needed but it is vital that farmers put their own plans together as they are the best placed to understand their farm, their financial situation, and how to prioritise the mitigations. Under such a regime farmers also become more innovative and can develop their own practical ideas that evolve via experience and from other initiatives seen through the deer industry’s network of NZDFA field activities and DINZ’s Deer Industry Environment Groups that are flourishing across NZ as part of the Passion to Profit (P2P) Primary Growth Partnership

8.4 The deer industry has allocated considerable resources to support its farmers. It launched its formal Environmental Management Code of Practice in 2018 to help all its members in on farm mitigations, education on environmental issues and provided a template for putting their farm plan and practical implementation together.

(Reference <https://www.deernz.org/deer-hub/farm-environment/environmental-management-code-practice#.Xa6CKJIzaUk>)

8.5 Alongside this resource DINZ and the NZDFA run workshops in conjunction with Beef and LambNZ for farmers to develop their own FEPs but with a deer specific emphasis.

8.6 As mentioned above the industry have also set up Deer Industry Environmental Groups (DIEGs) of 6-10 farmers in regional locations using the collaborative approach by visiting each other’s farms to discuss issues and work the most practical mitigations and through this process put an effective long term environmental plan together.

- 8.7 Our industry has many of its members with a plan well under way and plans for a large percentage to have a completed plan by the end of 2020, with full compliance targeted for 2023 alongside B+LNZ's goal. If industry led initiatives like this one are overridden by high level compliance that doesn't take into account farmer and industry problem solving expertise that momentum will be diluted at best and risk being lost or alienated.
- 8.8 All the criteria listed in the freshwater module for farm plans (FW-FP) are being implemented in these industry-based plans now. There are also huge number of condensable activities that are proposed to be part of a plan. DFA believes that these should be cut dramatically as many should be permitted activities with set rules around them.
- 8.8 **In summary** The NZDFA believes that Farm Environmental Plans are a great way to educate farmers on their risk profile and then allow them to describe and document formally what are the risks and priorities and then most importantly how they plan to implement the required mitigations.

But it should not be a requirement that these plans have to be compiled by a professional as a mandatory input, as this will add unnecessary costs and bureaucracy. We also doubt that there are sufficiently qualified professionals available for the task and this resource will certainly never complete the task in the 2-year time frame.

The NZDFA contends that for effective progress and buy in if farmers are left to take ownership and seek the professional advice and direction where needed the best results and action will be the outcome and this will also establish a pattern of ongoing continual improvement. Plans will be completed more quickly especially with industry support. In the view of the NZDFA, MfE should be encouraging and supporting industry initiatives like these, not overriding them with unneeded levels of compliance.

Part 3 Sub part 4

f) Nitrogen Reductions

Option 1 Nitrogen loss cap in high nitrate nitrogen catchments (From the discussion document)

- 9.1 We understand and support the idea of targeted reduction of the top percentage of high nitrogen loss farms in the high nitrogen level catchments is reasonable, depending on how these actual at-risk catchments over all loading works is determined.
- 9.2 We submit that the threshold must be set low enough to allow farms at the lower end of nitrogen use room to increase N use if needed.

While this might seem at contradiction to the broad aim of reducing nitrogen loss, many farms with very low nitrogen loss might be viable due to low or no debt but they would be of no value for someone if sold as they could be entirely unprofitable without some increase in inputs.

- 9.3 Low input farms should not end up being the victims as the issue of high nitrogen loss in a catchment is the result of systems with extremely high inputs and resulting high outputs.

Option 2 National nitrogen fertiliser cap

- 9.4 While controlling nutrient inputs sounds like a good idea but will be hugely complicated and impractical to police. Using Overseer to monitor inputs will be easier and it allows farmers to understand their overall results so they can then have the flexibility to make the adjustments to inputs where they think they are appropriate to get the required result.
- 9.5 We believe the proposed timetables for establishing completed and effective nutrient budgets in the at-risk catchments are totally unrealistic essentially with the lack of available qualified people. to assist and drive this programme

g) Draft stock exclusion Section 360 regulations

- 10.1 The NZDFA acknowledges and supports the proposed rule that divides water ways into that one metre and greater and those less, but the rule itself must be enacted to make sure there is enough flexibility.
- 10.2 The mapping of all farms into the 4 zones 0-5, 6-7 and 8-10 and 11 degrees and greater in our view is arbitrary because of the highly variable nature and change of topography in short distance for many farms and particularly deer farms in the lowland hill and high country. Land that can be designated low slope, can equally have steep slopes amongst it. Similarly, parts of an extensive farm with low stocking rates can have low slope areas with waterways over one metre wide.

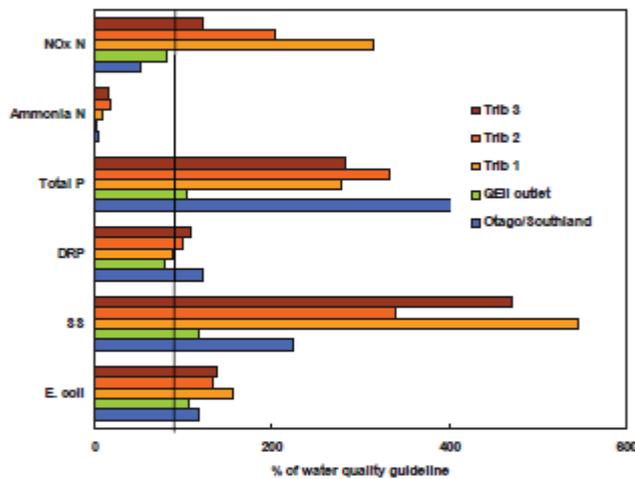
In our view low slope should be defined as 5 degrees and less.

- 10.3 Deer fencing is very expensive at \$20- 25 and upwards per metre installed. On extensive farmland with lower stocking rates, it is simply impractical to fence everything. It is more realistic to concentrate on fencing waterways out lower in the catchment and lower down using filter areas with sediment traps or natural wetlands to mitigate contaminates. This has been well documented in the Otago Focus farm era in the early 2000's in a project combining AgResearch, The DFA and DINZ and The Otago Regional Council and Telford polytechnic demonstrating successfully just how effective that mitigation is. The Plan as outlined in the consultation document plan does allow for this flexibility to be shown through farm plans.

Water quality on the Southland deer focus farm

Environment Southland has tested the water quality of three tributaries to a 5ha tussock QEII reserve and the water quality after the stream passed through the reserve over the past three years.

Figure 1: Median concentrations of water quality parameters at four sites in the Southland deer focus farm and from sites monitored in Otago and Southland relative to Australia and New Zealand guidelines for good water quality in lowland streams



The graph shows that the three tributaries have poor water quality. This is probably due to a number of wallows near or on each tributary. The QEII covenanted area cleaned the water to meet all but total phosphorus and E. coli guidelines.

The fenced-off riparian reserve has been established for a number of years and shows no sign of losing mitigation efficiency. Consequently, the Southland deer focus farm exhibits an example of good management practice, but additional measures should be adopted to ensure good water quality in the future.

(Excerpt from "Focus on Deer. An update from the Otago and Southland Focus Farms. Issue 9 – September 2008)

- 10.4 In the discussion document feedback is requested on riparian fencing. In our view It should be measured from the high-water mark of the waterway. The 5-metre distance is needed in cases of slope or higher banks but on creeks on very low slope with very short banks many farmers should deem it to be too large. Hence therefore many already have fencing in place at 3m (which was the standard for some regional councils). This fencing should not have to be moved if it achieves its purpose or in the case of intensive stocking i.e. winter grazing, temporary electric fencing can be erected further out to achieve enough set back.

- 10.5 The discussion document also understates the true nationwide cost of riparian fencing. While a large amount has already been completed it takes huge resources and time to achieve this. What is not considered is the associated immediate need to also install equally costly and time-consuming stock water reticulation systems as every paddock that has waterways fenced needs alternative stock water. Further, the costs of that can be very expensive with deep bore drilling required for enough water in some cases plus all the trough piping and installation costs that go with it. In many parts of the country, availability of fencing contractors is extremely limited in the same way as qualified nutrient advisors or farm plan consultants.
- 10.6 The time frame of all one metre and greater waterways fenced on low slope by 2025 is unrealistic in our view and we believe needs an extension to by 2030 due to the above issues stated above.
- 10.7 The use of stocking rates on farm or at paddock scale is a good idea depending how it is applied, and assumptions are correct. We presume the standard MPI stock units are being used as it is not stated in the document.
- 10.8 It is stated that at the paddock scale if the capacity rises to 18SU/ha or greater, stock should be fenced out of waterways on these higher slope properties. In our view it should stipulated that this is the case on these farms when animals are in intensive winter grazing systems on grass or fodder crop, because that is the high-risk period for lower stocked farms when stock are mobbed up during the winter period.
- 10.9 As an observation in the document general stock exclusion requirements part (c) states that 'landowners may seek an exemption from stock exclusion requirements or an extension of the phase- in time frames. This seems realistic on the surface but there is no further detail or explanation on the requirements for this.

NZDFA Summary overview of proposed National environmental standards for freshwater.

- 11.1 While we in the deer industry and particularly within the NZDFA understand the need to address the environmental issues that the standards target, we have great concern of the detailed depth and prescriptive rules and requirements that these proposals express.

Many of these rules go into the details that many Regional Council plans have already in place, but totally override them if they are less than any of these standards.

Most Regional Council plans went through a long and very costly submission and then environment court processes in which all organisations and individuals had a good chance to have input into the rules. Additionally, many regions have totally different climates, geography and environmental issues to deal with as well.

This proposal totally undermines the constructive outcomes of that regional process by the prescriptive weight and depth of the detail the proposal has outlined which is also aggravated by the very short time frames in which to respond.

The NZDFA reflects it is one thing setting regionals targets to improve their status but submit it should be left at the local regional level to plan and direct how they will implement the mitigations and meet those targets.



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31/10/2019

APPENDIX 2



Audit and Assurance

Report to the Executive Committee

New Zealand Deer Farmers' Association Incorporated

For the year ended 31 March 2020

Get in touch and let us help you thrive in a changing world

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Introduction

Report purpose

This report details the processes, findings and recommendations from our review of New Zealand Deer Farmers' Association incorporated ('the organisation') in accordance with International Standard on Review Engagements (NZ) 2400, *Review of Historical Financial Statements Performance by an Assurance Practitioner who is not the Auditor of the Entity*, and the terms of our engagement as set out in our engagement letter.

Our examination should not be relied upon to identify internal control weaknesses that may exist.

We would like to thank Joanne Chan-Masun and Phiry Sem for their cooperation extended to us during the course of the review.

Review report

Based on our review, we have issued an unqualified conclusion on the financial statements of the organisation.

Confirmation of independence

In conducting our review, we are required to comply with the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.

For the comfort of those charged with governance, we note that the following processes assist in maintaining our independence:

- No other work is permitted to be undertaken by any Moore Markhams office without the express approval of the engagement partner
- All services performed by any national Moore Markhams office will be reported to the those charged with governance.

We have no other relationship with, or interests in, the organisation.

Review findings – the overall result

Significant difficulties encountered

There were no significant difficulties encountered during the review process. We have received full and frank cooperation. There is nothing we wish to raise solely with those charged with governance.

The financial statements, supporting accounting work papers and other information were supplied to us at the outset of the review.

Summary of findings

There are no material weaknesses identified arising from review.

To enable management to set priorities on their action plans we have assessed our findings on the following basis, namely, critical, high, moderate, and low based on our assessment of the importance of each finding. Classifications of findings are detailed in Appendix 2: Finding ratings.

These findings and recommendations have been provided to the organisation's management for comment.

There have not been any other significant matters arising during the review that were discussed, or subject to correspondence with management, that have not otherwise been set out in this report.

	Critical	High	Moderate	Low
Number of findings	-	-	-	-

Provided below is a summary of key findings:

Item no	Findings and recommendations	Rating
1	Nil.	

Appendix 1: adjusted and unadjusted differences

Adjusted differences

There were no material adjusted differences identified from the Review.

We identified a small number of presentation differences arising from the review that have been adjusted in the financial statements at our request.

Unadjusted differences

There were no unadjusted differences at the conclusion of the review.

Appendix 2: finding ratings

The following framework for ratings has been developed to facilitate discussion with the organisation's management in order to prioritise issues according to their relative significance.

Rating	Definition
Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.

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