



New Zealand Deer Farmers' Association



# *Annual Report*

2007/2008

# **NOTICE OF MEETING**

## **NZDFA 33<sup>rd</sup> Annual General Meeting**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the New Zealand Deer Farmers' Association (Inc) will be held in the Conference Rooms of the

**Ascot Park Hotel, Racecourse Road, Invercargill, on Wednesday 14<sup>th</sup> May, 2008, commencing at 2.00pm.**

The Chairman and Executive Committee of the NZDFA invite all levy payers and members to attend.

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New Zealand Deer Farmers' Association

### **AGENDA 33rd AGM**

1. Apologies
2. Appointment of Scrutineers
3. Obituaries
4. Notification of further items of General Business
5. Confirmation of Agenda
6. Confirmation of the Minutes of the 32<sup>nd</sup> AGM of the NZDFA (Inc)
7. Matters arising from the Minutes
8. Executive Committee Chairman's Report
9. Financial Report
  - a. Approval of the 2007/08 financial statements
  - b. 2008/09 Budget (Motion of approval sought)
  - c. Motion of Confirmation for Executive Committee Honoraria
  - d. Motion of Appointment of Auditors
10. Executive Committee Motions
11. Constitutional Amendments
  - a. National Constitution - Levy payer membership class definition
  - b. NZDFA Branch constitution - Validation and update
12. NZDFA Branch Remits
13. DINZ Board Producer appointment - Candidate address to the AGM
14. General Business
  - a. Notification of NI SAP election results
  - b. Confirmation of NZDFA Executive Committee and SAP appointments
  - c. Any other business

*Cover photo: Tony Pearse  
Whiterock Station Focus Farm field day, February 2008.*

# **Minutes of the New Zealand Deer Farmers' Association 32<sup>nd</sup> Annual General Meeting, held at the Kingsgate Hotel, Hamilton, on Wednesday, 23<sup>rd</sup> May 2007, at 2.00 pm.**

The NZDFA Chairman Andrew Mitchell called the 32<sup>nd</sup> AGM to order at 2.00 pm and welcomed approximately 164 members, and interested friends of the industry. The Chairman advised that the meeting was represented also through 77 proxies from members.

## **1. APOLOGIES**

### **Branch Chairmen**

Pip Rutland, Ken Ferguson, Craig Bryant.

### **Life members**

Bob & Frances Swann, Mike Pattison, Helen Parkes, John Burrowes, Jenny Pinney, Hester Ford, Lady Fiona Elworthy.

### **Members**

Keith & Ruth Orange, Graham and Leslie Hunter, Donald Johnston, Warren Moyes, Noel Beatson.

MOVED: "That the apologies be sustained."

MOVED John Carter SECONDED Campbell Clarke

CARRIED UNANIMOUSLY

## **2. SCRUTINEERS**

The Chairman put the resolution that "That Craig North, Paul Lampp, Phil Stewart be appointed as Scrutineers for the 32<sup>nd</sup> AGM of the NZDFA, 23<sup>rd</sup> May 2007."

MOVED Andrew Mitchell SECONDED Bill Taylor

CARRIED UNANIMOUSLY

## **3. OBITUARIES AND REMEMBRANCE**

Obituaries were recognised for Jo Acland, Keith Severinsen and Alan White. The meeting recognised the loss of these NZDFA members and industry participants with a minute of silence.

## **4. CALL FOR FURTHER ITEMS OF GENERAL BUSINESS**

The Chairman asked for notification of any further items of general business.

- Canterbury Branch requested an update on Remit 7, 2006.

- Executive Committee – Life Membership proposal

## **5. ACCEPTANCE OF AGENDA OF MEETING**

MOVED Andrew Mitchell SECONDED Tim Aiken

CARRIED UNANIMOUSLY

## **6. CONFIRMATION OF MINUTES OF THE 31<sup>st</sup> AGM**

It was agreed that the Minutes of the 31<sup>st</sup> Annual General Meeting of the New Zealand Deer Farmers Association, held in Copthorne Commodore Hotel, Memorial Avenue, on Wednesday 24<sup>th</sup> May 2006, as published in the meeting Agenda, and in the 2006/07 Annual Report, be taken as read.

MOVED Andrew Mitchell SECONDED Bill Taylor

CARRIED UNANIMOUSLY

The Minutes were opened for discussion. No amendments were notified.

MOVED: "That the Minutes of the 31<sup>st</sup> NZDFA AGM as amended be accepted as a true and accurate record".

MOVED Andrew Mitchell, SECONDED Tim Aiken

CARRIED UNANIMOUSLY

## **7. MATTERS ARISING FROM MINUTES**

The Producer Manager reported that the wholesale price of tuberculin to distributors had risen to \$0.36 per dose for Bovine PPD and \$0.80 for avian PPD as discussed in the Waipa Remit 14 of 2006.

## **8. CHAIRMAN'S REPORT**

Mr. Andrew Mitchell presented his report to the meeting. This report was published in the *Deer Industry News*, Issue 24, April 2007.

Andrew Mitchell formally moved the adoption of his report and called for a seconder.

MOVED Andrew Mitchell SECONDED Clive Jermy.

Clive Jermy, in seconding the adoption of the Chairman's report, acknowledged the Chair and congratulated Andrew Mitchell on a job well done wishing him well for retirement and time with his new family.

CARRIED UNANIMOUSLY

## **9. FINANCIAL REPORT**

Financial statements were introduced by Mr. Tim Aitken, Executive Committee Financial portfolio. These statements had also been published in the *Deer Industry News*, Issue 24 April 2007.

It was moved "That the 2006/07 financial report be taken as read".

MOVED Tim Aitken SECONDED Mark Hawkins

CARRIED UNANIMOUSLY

## **FORMAL FINANCIAL MOTIONS**

(Motion 1, Budget 2008 was deferred to follow Motion 4 pending passage of Executive Committee motions 2, 3 and 4)

### **Motion 2 - COMMODITY LEVY**

*"That the NZDFA Commodity Levy (Farmed Deer Products) 2001 on venison and velvet be fixed at NIL for the NZDFA financial year 2007/08 until that levy order is deemed to be revoked under the requirements of the Commodity Levies Act, 1990 (sec 13.1) on 16th September 2007, at the 6<sup>th</sup> anniversary of the granting of the current commodity levy."*

MOVED Tim Aitken SECONDED Bill Taylor

CARRIED

### **Motion 3 - REMUNERATION OF ELECTED OFFICERS**

*"That the Executive Committee honoraria for the 2007/08 financial year be fixed at \$9000 for the elected Chairman and \$6000 for each other Executive Committee member."*

MOVED Mike McCormick SECONDED John Spiers

CARRIED

### **Motion 4 - APPOINTMENT OF AUDITORS**

*"That Deloitte be appointed as NZDFA auditors for the ensuing year of 2007/08."*

Note: This assumes that discussions with Deloitte as current auditors on the ongoing fee for services basis are satisfactory and will be confirmed to the Executive Committee by 2 May 2007.

MOVED Tim Aitken SECONDED Bill Taylor

CARRIED

## **Motion 1 - BUDGET TO YEAR ENDING 31 MARCH 2008**

*"That the NZDFA budget of expenditure for the year ending 31st March 2007 be approved."*

Key points raised were that the budget included:

Break-even target

Subscriptions set at \$60 plus GST

2050 target membership

Branch Capitation fee increased to \$20

Equivalent expenditure to 2006/07

Reserves aimed to maintain a minimum \$100k

Audit fees confirmed as \$2.5k on a quote from Deloitte

### **Budget 2007/08 Approval**

It was moved "*That the NZDFA Budget of Income and Expenditure for the year ending 31st March 2008 be approved.*"

MOVED Tim Aitken SECONDED Mark Hawkins

CARRIED UNANIMOUSLY

There was a question from the floor asking how confident the committee was with the potential increase in subscriptions. The response from the committee was "confident".

## **10. CONSTITUTIONAL AMENDMENTS**

### **Selection and Appointments Panel**

Constitutional change: Clause 37.12

**37.12 Selection Process:** As soon as possible after the closing date for nominations the Returning Officer shall publish to all Branches and in "Stagline" a full list of the persons nominated, together with any declarations of interests received from them. On the date determined from the selection (but not later than the end of July each year), the Selection and Appointment Panel shall convene, interview and select from the nominees as many Association representatives as are required to fill available vacancies on DINZ.

The motion is: *"That the date determined for selection be not later than the end of June each year."*

MOVED Andrew Mitchell SECONDED Tim Aitken

CARRIED UNANIMOUSLY WITHOUT FURTHER DISCUSSION.

## **11. BRANCH REMITS**

### **REMIT 1: WAIKATO Direct Elections for the DINZ Board**

*"That Direct Elections replace the SAP process for selecting farmer representatives to the DINZ Board."*

MOVED John Carter SECONDED Eric Clark

**J Carter** reported the rationale for the remit was that the Branch believed the last two SAP selection processes seem to have caused some controversy. Because the SAP process is confidential, NZDFA members never know the pros and cons of the selections. In view of these apparent controversies this branch believes direct elections will provide a transparency that is desirable. It is seen by many that SAP process could be open to influence from parties outside the committee.

**E Clark** commented that the selection process lacked credibility, no transparency and he was quite disillusioned with the process, although he had once been a member of the Selection and Appointments Panel and used to strongly support it as indeed was John Carter who now felt the same way. As a long-standing intelligent member he would like the opportunity to vote members onto the Board directly

and was in support of the remit also citing that there was transparency in direct elections and the NZDFA would benefit from a substantially cheaper expense.

**C Petersen** Advised didn't know who the participants for this years Selection and Appointments Panel were and therefore didn't vote, but supported the process – Fiordland was against the remit.

**E Noonan** Argued that the SAP is an effective way to conduct election. The SAP has more than one function, and it is also an industry watchdog with good dialogue with the Branch Chairmen and Board. Canterbury was therefore against the remit.

**M McCormick** opposed the remit saying this move is an insult to Selection and Appointments Panel and its integrity. He is confident in their ability, and believed that they can make informed decisions with comprehensive information they receive.

**B Russell** opposed the remit and endorsed the other comments against.

**J Acland** opposed the remit and also endorses other comment against agreeing that SAP were more informed on candidates.

**P McMillian** is in support of the remit noting that SAP is not a true democracy, it is an 'old boys network'. He was concerned within the SAP that the best man for job may not get elected if the majority were personally opposed and supporting another candidate out of friendship or relationship basis .

**B Kingscote (SAP Chairman)** in response to McMillian's comments, replied that the SAP is not an 'old boys network'. The members of SAP challenge each other and the candidates. They have a responsibility to the industry and act as a watchdog to the activities of the Board. The Board sits for three years and the election of candidates process operates with information, a standard questioning and integrity. The operating code practice is also reviewed each year to ensure its relevance and transparency fulfill responsibilities.

**B Cuttance** observed that as a candidate for the board he was frustrated by the 150 word background description and five minute speaking opportunity at the AGM. There is not enough time for candidates to speak and fully represent themselves.

In summarizing the discussion the mover **John Carter** argued that it appears to be a South against North issue however the remit has no intention to begin a witch hunt on any members of the SAP. It is the core principle and that this is the opportunity to debate the matter. Once again all concerns by the South have been raised and stated.

**E Clark** invited attendees to be innovative in light of the conference theme, and vote for this remit reminding delegates that farmers are competent and have clear ideas of whom they would like to stand for the DINZ Board.

The Motion was put by the Chairman Andrew Mitchell who was unwilling to call a decision on a voice vote and a card vote was requested. Results as advised by the Scrutineers were 40 votes for the remit with 89 votes against. The remit was declared LOST.

### **REMIT 2: SOUTHLAND Sustainable Farming**

*"That the New Zealand Deer Farmers' Association recommends DINZ not pursue the mandatory adoption of an electronic identification system for deer until there is*

**acceptance of the need for one from the majority of New Zealand deer farmers."**

MOVED Brian Russell SECONDED David Stevens

The Conference was advised that the original wording published in April had been modified to the current remit wording and was opened for discussion.

**B Russell** In moving the remit, advised he is not against traceability of animals however feels it is very important that the industry be involved in the process to ensure it works in to our benefit.

**D Stevens** speaking in support of the remit noted that he could see RFID and associated technology happening in the future, however currently it has become very confusing for farmers. External people have been spokespeople for deer farmers and the deer farmers do not like it. Information updates have been poor. The deer farmers would like their own input to set up and manage any system for its own future.

**E Noonan** is in support of this remit however does accept traceability will happen in the future.

**J Pearse** voted to defer this remit. B Wellington is concerned about the proposed costs to manage traceability and a database.

**M Hawkins** spoke against the remit. The current climate is too negative, he has experience in the markets that traceability is being demanded. He would like to see some positive input to a positive outcome rather than all this negativity.

**R Valentine** believed removal of the word 'deer' from the remit would return the remit to its original intent and remain a clear and strong message. Without the sheep industry involved there was no Biosecurity argument and this message should be reinforced. He was neither for nor against but advised he had predicted the impasse situation several years before.

**E Clark** agrees with the remit and is against electronic tagging for now. He is happy to wait for retinal scanning technology to catch up with the need and believed it would be suitable for with the deer industry.

**J Carter** noted the remit on the screen is different to what was written and sent out to the farmers.

**B Taylor** in response to J Carter's comment advised that he and DINZ Chairman had worked with the Branch to develop wording so that the remit was changed to accurately reflect the deer industry specific comments.

**M McCormick** suggested the remit should endorse what has been expressed and would be better not to read so negatively.

**R Valentine** raised a point of order that his amendment had not been addressed prior to further discussion and requested the amendment be discussed and put.

The amendment read "**that the word 'deer' be removed from the remit paragraph"**

MOVED Dick Valentine SECONDED Ken Swainson

The chairman put the amendment.

A card vote was requested resulting in 34 For and 113 Against. The Amendment was declared LOST.

The Remit was then put and CARRIED on a voice vote.

*The Chair requested an afternoon tea break at 3.30pm.*

*The AGM resumed at 3.55pm.*

*Sponsor presentation by Telford Rural Polytechnic.*

**BOARD NOMINEES/CANDIDATES for producer appointment and representation to the DINZ Board**

Presentations were made by the following candidates:

Rick Bettle, Barry Cuttance, Keith Neylon, John Scurr.

**REMIT 3: CANTERBURY Sustainable Farming**

**"That the Canterbury Branch request NZDFA to be proactive and promote the science-based approach to environmentally sustainable farming as policy, and to actively engage with like-minded organizations to facilitate this."**

Supporting statement:

The importance of sustainable farming systems cannot be underestimated. Our industry must promote the importance of sustainable technologies which are based on robust research and sound science, achieving improved outcomes for not only farmers and the environment but also the wider community. The deer industry has lead pastoral farming, promoting sustainable systems with research and publishing land sustainable manuals, we must continue this and ensure central and local government does not increase the layers of bureaucracy by ensuring measurable outcomes are promoted. We must encourage government to fund appropriate science programs to ensure government policies are based on accurate information to ensure the interests of all New Zealanders and the long-term sustainability of New Zealand farming systems are maintained. Strategies and objectives for research are of critical importance, with sustainable farming research having a long lead time it is important that our objectives are taken into consideration at the outset off any research project. We must find new tools to mitigate any potential negative outcomes of our farming systems. Not only for farmers who are actively engaged in improving their environment and farming systems but also to prove to the wider community that we are not only actively engaged in this process but can be shown to be doing so.

MOVED Ed Noonan SECONDED Bob Kingscote.

**E Noonan** endorses the promotion of sustainable farming and felt the promotion of Landcare manual and sensible regulations for deer farmers would be encouraged by a proactive policy of engagement with organisations of a similar view. He was attempting with the remit to have this as clear NZDFA policy.

The Remit was put and CARRIED UNANIMOUSLY

**REMIT 4: NORTHLAND Safer TB testing of mature stags WITHDRAWN**

**REMIT 5: JRG Johnes Disease Classification**

**WITHDRAWN** The topic was shifted to General Business as an update. Branch Chairmen will be asked for ongoing support of the principle while the document is still receiving feedback in consultation and being written in a more simple format.

**REMIT 6: CANTERBURY Focus Farms**

**"That the NZDFA requests DINZ to review funding options for Focus Farms, and to guarantee their minimum funding of \$20,000 per year for three years per focus farm."**

Supporting statement: Canterbury Branch believes Focus Farms is an industry-good project and therefore all deer farmers should be contributing a significant proportion of

the total budget. Focus Farms are a considerable financial burden for branches and Canterbury believes it is unfair that the NZDFA members should be asked to contribute such a high percentage of the total budget (estimated \$30k/year). The requirement for fundraising by local branches is an onerous task requiring a significant workload for committees, their commitment will not be directed to the project but on fundraising. Local branches will be required to contribute significant amounts of money via their branch funds and local sponsorship, this itself shows significant commitment to the project. Current funding options of a dollar for dollar to a maximum of \$15,000 by DINZ is simply not enough to guarantee the success of this very worthwhile and important project.

MOVED Edmond Noonan SECONDED John Acland

**E Noonan** in opening the discussion advised that for the sake of a small amount of money he did not want the Board to be known as DINZ the STINZ and asked that DINZ make at least a 2/3rds increased contribution to the Focus Farm project. It was thought unreasonable to ask the Branches to make high contributions as this would divert their energies away from making the Focus Farms a successful programme.

**J Acland** in seconding the motion also agreed. Funds were not currently available readily within the Branches especially given the amount of contribution made to the Johne's disease project. He endorsed the full support of the Focus Farms Projects by both Branches

*Discussion was opened to the floor:*

**DINZ CEO, M O'Connor** responded and agreed it may be a big ask from the Branches however DINZ did not want to own the projects. They should be owned by the community as it was a Branch initiative.

The **Waikato, Waipa** Branches spoke in favour of the remit .

**J Scorgie** expressed his reservations on asking for DINZ funding and believed that the Branch input was important and would revitalize local activity while DINZ had other priorities, There was no further discussion in opposition

The remit was put and CARRIED.

**John Scurr** and **Jim Scorgie** voted against the remit and asked that this be recorded.

#### **REMIT 7: OTAGO MAF Modified ETB**

**"That the NZDFA asks Deer Industry New Zealand to pursue with MAF and the AHB the urgent need to take a coordinated and proactive approach to ensure that the Modified ETB is verified and adopted as soon as possible."**

MOVED Grant Cochrane, SECONDED Ed Noonan.

The Chairman reported that this remit had been modified by the Branch Chairmen to encourage DINZ support as well as DFA for this important piece of work that had been ongoing for the past 12 months.

*Discussion was opened to the floor:*

The question was asked was this testing secondary to the CCT skin test option or a primary test. **E Noonan** clarified that this was a formal Ancillary test that allowed Johne's disease to be identified and animals so testing were not identified as positive Bovine Tb reactors and sent for slaughter as such.

**P Aitken** reported that there would be considerable savings to be made by pushing this initiative through. He would like more pressure applied to make this happen.

The remit was put and CARRIED UNANIMOUSLY.

#### **REMIT 8: CENTRAL REGIONS Review velvet grading system**

**"That the DFA request DINZ to review the current velvet grading system, so as to better reflect the market specifications in regard to size, density and colour."**

MOVED Chris Puller, SECONDED Wilton Turner

**C Pullar** argued that for any farming system it is essential to understand the measurable outcomes by which the enterprise is tested. The current velvet grading system is based on the supposition of "what the market wants" and is represented by over 50 possible grades of velvet stick. Following some planned in-house trial work he concluded that the grading process conducted in different parts of the NZ, by different companies, and in different situations vary greatly, have no recall for the producer, are light in reporting, and are not accountable. Resulting from this, for the serious velvet producer, there is no system of feedback and guidance on quality, size, desirability or specifications of the "marketplace". The issues that need to be answered or at least questioned are: Who monitors or audits the performance of Velvet Graders? What has happened to traceability in the velvet industry? Is the number of grades acceptable or necessary for this industry's future?

Whilst the VARNZ science processes are admirable, it is now timely to provide the producer with an effective and objective quality system of grading equity.

**W Turner** in seconding the remit believed that there were too many grades in grading system at present, the market was changing and it was time to put the system on a more scientific basis reflecting future market development and product mix.

*Discussion was opened to the floor:*

**B Russell** does not support the remit but suggested an independent audit throughout the country would be good for confidence in current systems.

**W Gregory** suggested we needed grader certification as a priority to ensure standards.

**J Scorgie** defended the last grading review. If the market wanted different product than currently presented by graders and sold it differently then this would warrant changing the grading. He advised we consider how it is processed and traded then determine grading and if any change is warranted.

**DINZ CEO M O'Connor**, advised that a review and changing grading system would require a month of executive time at present and in his view the 10% time commitment would lower the focus on other important mandates and marketing programmes.

**C Clarke** agreed there were too many grades.

**G Carr** also agreed that there are too many grades and suggested rationalizing the number of grades.

**E Clark** moved the remit be delayed.

**T Cochrane (PGG Wrightson)** responded that the grading process is fully accountable to the buyer and seller and should be transparent.

**C Pullar** challenged the accountability statement as the velvet could not be traced, could not be recognized. And asserted that grading should be based on what the market wants.

The remit was put and CARRIED.

Those opposed were **G Carr, J Acland, B Cuttance, J Carter** and **B Taylor**.

## 12. GENERAL BUSINESS

### JRG Report

### AHB Report

### Confirmation of Officers of the NZDFA Executive Committee

### Deer Industry New Zealand Board Nominees

### Life Membership

#### Johne's Research

Chairman **P Aitken** moved that the report be taken as read, seconded B Taylor.

There was one question from the floor: "What wildlife bring Johne's on farm?" The response was that all wildlife could be affected and therefore should be included in the management program.

#### AHB Report

Chairman **Andrew Mitchell** moved that the report be taken as read, seconded Tim Aitken.

#### Canterbury Remit 18, 2006

#### Velvet antler lower tynes removal

Cabterbury asked for an update on the position of this remit status. **DINZ** responded that the shortage of supply changes the relevance of this proposal. It was noted there was an increased demand in Korea and increase in price. **E Noonan** requested that this remit stay alive.

**P McMillan** responded not a good idea and should scrub this remit.

Chairman **Andrew Mitchell** noted the remit will stand

#### Executive Committee Election Results

#### NORTH ISLAND

Three nominations have been received for the single vacancy created by the retirement by rotation of Andrew Mitchell, who did not seek re-election. The nominees and votes received were:

Richard Broughton 51

Sharon Love 121

Earle Wells 44

Informal 4

A total of 220 votes were received. Sharon Love was declared the successful candidate.

#### SOUTH ISLAND

Bill Taylor (nominated Peter Allan, seconded Brian Russell) appointed unopposed.

#### SELECTION AND APPOINTMENTS PANEL

North Island vacancy received 3 nominations, voting being declared as:

Campbell Clarke 66

Keith Sutton 80

Ponty von Dadelzen 84

Informal 4

Ponty von Dadelzen was declared the successful North Island candidate.

#### NZDFA Life Membership Motion

**"That Jeff & Trish Pearse be nominated as life members of the NZDFA in recognition of outstanding commitment to progressing the aims and objectives of the NZDFA and their continuous services and contribution to the deer industry."**

MOVED Andrew Mitchell SECONDED Clive Jermy

Recognition was made to both Jeff and Trish Pearse for their service and contribution to NZDFA by James Guild and Peter Aitken. Jeff and Trish thanked the NZDFA with an address to those in attendance.

#### Acknowledgement to Executive Committee retiring Chairperson Andrew Mitchell

Bill Taylor presented Andrew and Rachel Mitchell on behalf of the Executive Committee with appreciation gifts. Acknowledgements were made on his accomplishments during his term as Chair, namely feral range and fencing debate with DOC and the Commodity Levy Status for the DFA.

*At 5.54pm Andrew Mitchell declared the 32<sup>nd</sup> AGM closed, as he thanked the members for attendance and the Scrutineers for their roles in the voting process.*

To be signed as a true and accurate record.

Bill Taylor, Chairman

14 May 2008

## Executive Committee Motions

### NZDFA FINANCIAL MOTIONS

#### Motion 1. Budget 2008/09

**"That the NZDFA Budget of Income and Expenditure for the year ending 31<sup>st</sup> March 2009 be approved."**

Proposed: Tim Aitken, seconded Mark Hawkins.

Note: The subscription levels were fixed at an Executive Committee meeting on 18<sup>th</sup> March 2008, following a re-forecast and discussion. Subscription notices have been sent out in April as required under the NZDFA constitution. There is no requirement to formally endorse the subscription levels for the 2008/09 year at the AGM. The fees remain the same at \$65 plus GST) including the Branch capitation fee (now \$20 per member).

#### Motion 2. Remuneration of Elected Officers

The recommendation is that the honoraria due elected officers' remains at \$9000 pa for the elected Chairman and \$6000 pa for other members of the Executive Committee.

The motion is:

**"That the Executive Committee honoraria for the 2007/08 financial year be set be fixed at \$9000 for the elected Chairman, and \$6000 for each other Executive Committee member."**

Proposed Tim Aitken, seconded Mark Hawkins.

#### Motion 3. Appointment of Auditors

**"That Deloitte be appointed as NZDFA auditors for the ensuing year 2008/09."**

Proposed Tim Aitken, seconded Bill Taylor.

Note: this assumes that discussions with Deloitte as current auditors on the ongoing fee for services basis are satisfactory and will be confirmed to the Executive Committee by 6th May 2008.

## CONSTITUTIONAL MOTIONS

### (NZDFA National Constitution)

**Proposed Changes to New Zealand Deer Farmers' Association Constitution (33<sup>rd</sup> AGM, 14<sup>th</sup> May 2008) as recommended by the Executive Committee (12<sup>th</sup> March 2008).**

#### Motion 4: Clarification and Updating of Definitions

##### CLAUSE 2.1 Definitions

**DELETE "Commodity Levy"** means a commodity levy payable pursuant to the provisions of the Commodity Levies Order.

*Reason: Redundant, the Order has lapsed (16/09/2007).*

**DELETE "Commodity Levies Order"** means the Commodity Levies (Farmed Deer Products) Order 2001.

*Reason: Redundant, the Order has lapsed (16/09/07).*

**DELETE "GIB"** means the NZ Game Industry Board constituted pursuant to the GIB Regulations.

*Reason: Reference to the GIB within the Constitution was removed in 2006 on approval of the 31<sup>st</sup> AGM.*

**DELETE "GIB Regulations"** means the Game Industry Board Regulations 1985 (Replaced by Deer Industry New Zealand Regulations, 2004).

*Reason: Redundant terminology.*

**DELETE "Interim Period"** means the period from the conclusion of the 2002 Annual General Meeting of the Association to a date being 120 days before the date fixed for the 2003 Annual General Meeting, or the date on which the President and two members of the Executive Committee have resigned pursuant to Rule 12.6 whichever date first occurs;

*Reason: Redundant, Interim Period and any connection to it has long since passed.*

**"Stagline"** means the newsletter published under that name by the Association (under whatever name it may later be published). **DELETE, and, where that publication ceases to be published, means the publication specified by the Minister of Agriculture by notice in the New Zealand Gazette pursuant to the Commodity Levies Order.**

*Reason: Redundant, the Order has lapsed (16/09/2007).*

#### Constitutional Clause Changes

#### Motion 5: CLAUSE 5.1 Membership Classes

**AMEND to mean Deer Industry New Zealand levy payers:**

**Levy Paying Members:** all levy paying persons who are recorded on the Register of Deer Industry New Zealand and persons who have proven, to the satisfaction of the Executive Committee and DINZ that they have paid DINZ current or the previous financial year any Statutory levy due to DINZ. Such persons shall be deemed to be Levy Paying Members unless and until either they notify the Executive Committee of their wish not to be a member or their membership is terminated pursuant to Rule 9.

*Reason: Recommendation from Executive Committee to allow all active deer farmers to continue their current ability to vote on Executive Committee and Selection and Appointments Panel nominations that in turn make DINZ Board appointments.*

*Should a DINZ levy payer not wish to be included as a member under this membership class an out clause already exists whereby a levy payer can advise the NZDFA in writing that He/She does not wish to be involved (Clause 5.1 membership classes).*

#### Motion 6: CLAUSE 5.2 Membership Entitlements

##### ADDITION: A Levy Paying Member shall be entitled to:

Seek and accept nomination and/or election for any office, position or committee of the Association and that member's Branch and for any organisation in respect of which the Association has the right to appoint, elect or nominate a representative **provided however** that if the member's nomination or election to any such office, position or committee is successful then the member shall be required to become a Full Member of the Association as a condition precedent to accepting such nomination or election; vote on all motions and resolutions of members in all meetings, postal ballots and referenda of the Association and that member's Branch; and attend all meetings of the Association and that member's Branch.

##### ADDITION: A Levy Paying member shall NOT be entitled to:

Nominate any person for election to the NZDFA Executive Committee or NZDFA Selection and Appointments Panel unless the levy payer becomes a full financial member of the Association prior to making that nomination.

*Reason: Recommendation from Executive Committee. Executive Committee believe that only full financial members of the Association should have the right to nominate any other qualifying person to the Positions for election. A levy payer can be nominated, but the constitution currently requires the nominee to become a full financial member on acceptance of that nomination. This addition develops that consistency.*

#### Motion 7: CLAUSE 8.2 Proof of Qualification

**AMEND** levy definition from **Commodity Levy** to **Deer Industry New Zealand levy**.

A member or prospective member may be required to submit to the Executive Committee such evidence as the Executive Committee may require to satisfy it that the member or prospective member is the owner of deer or has paid a Deer Industry New Zealand Levy (if payable) during the relevant period (as the case may be).

*Reason: If levy paying membership class change supported definition of the levy requires a change from Commodity levy to Deer Industry New Zealand levy.*

#### Motion 8: CLAUSE 9.4 Qualification Criteria

**AMEND** levy definition from **Commodity Levy** to **Deer Industry New Zealand levy**.

Any Full Member who fails to satisfy the Executive Committee, after being requested to do so, that he or she owns deer and any Levy Paying Member (as defined in clause 5.1) who fails to satisfy the Executive Committee, after being requested to do so, that he or she has paid the Deer Industry New Zealand levy during the relevant period (if payable) shall, upon notice from the Executive Committee, cease to be such a member.

*Reason: If levy paying membership class change supported definition of the levy requires a change from Commodity levy to Deer Industry New Zealand levy.*

#### Motion 9: Definitions Clarification

##### Motion 9a: CLAUSE 12.6

**DELETE** reference to Interim period.

##### Motion 9b: CLAUSE 13.1

**AMEND** and remove reference to Interim period.

**Motion 9c: CLAUSE 13.2**

**DELETE** clause with reference to Interim period.

**Motion 9d: CLAUSE 17**

**DELETE** Vice President.

Reason: terminology is now redundant.

**Motion 10: CLAUSE 23 Local Organisation**

**DELETE** reference to Levy payer being able to form a branch.

**CLAUSE 23.1 Branches**

Any regional group of Full Members of the Association may, with the consent of the Executive Committee, form a Branch which shall adopt, to regulate the conduct of branch business, the Branch constitution and rules promulgated or accepted by the Executive Committee.

*Reason: Executive Committee recommendation that levy payers only membership class should NOT have influence at Branch level unless showing the commitment to join the Association.*

**Motion 11: CLAUSE 37.3 Nomination of Selection Panel Members**

The Returning Officer shall call for written nominations for the non-Executive Committee members of the Selection and Appointment Panel at least 21 days before the date on which nominations close. Nominations for the Selection and Appointment Panel shall be:

- (a) in writing and be nominated and seconded by two other Full Members or Elected Members; and
- (b) signed by the nominee.

*Reason: Executive Committee recommendation that levy payers only membership class should NOT have influence at Branch level unless showing the commitment to join the Association.*

**NZDFA BRANCH CONSTITUTION**

**Recommended Amendments**

To be presented for discussion and formal approval at the 33rd AGM of the NZDFA 14th May 2008.

**BACKGROUND**

The Branch constitution has remained unaltered (and to some extent largely ignored in action) since the NZDFA sought the Commodity Levy (Deer Products) in 1995 and remanded in 2001. Its upkeep and relevance have not been addressed since then and a hard copy dated 1998 has only recently surfaced in NZDFA files.

In its current form, a number of definitions, some of the language and timing, activities and rules around Branch committee structure, numbers and functions are either no longer applicable or in common practices differ substantially from that constitution.

It is proposed to bring the Branch constitution up to date in line with a change in the National Constitution.

That change proposes that the Current levy payer membership class which is currently broadly defined as any deer farmer who under a liability to pay a NZDFA Commodity Levy is a member of the NZDFA, be changed to be defined as a Deer Industry New Zealand levy payer.

As such a levy payer will continue will have voting rights for the NZDFA Executive Committee and Selection and Appointments Panel and all the rights nationally as a Full member who pays the NZDFA a voluntary subscription, but who cannot hold an office in the NZDFA (nationally or at

Branch level (Chairman, or Committee), without joining the Association via subscription and becoming a full member.

**CLARIFICATION OF BRANCH AUTONOMY AND RESPONSIBILITY**

(to be confirmed by legal counsel)

While the existing and proposed change to Clause 10 (Branch functions ie: the change is to have the same intent and wording in the branch constitution as it is in the national constitution) has some small reporting responsibility to the parent body (of membership changes that the branch may be aware of) there is a relatively clear view that although Branches share a common form of constitution dictated by the NZDFA, they are in fact individually constituted and are to all intents and purposes separate entities, recognised as such by the Inland Revenue for taxation purposes.

Only on a winding-up has the NZDFA any formal discussion over the remaining funds held by a Branch, and then only to decide which other Branch should receive the funds.

Branches have a right to invest their funds (subject to normal precautionary investment advice as detailed in the Constitution) and to apply their funds to promote the objects of the Branch, one of which is a very wide power - "to promote activities of general interest and benefit to the deer farming industry in that region".

In summary Branches are responsible for their own liabilities, and the NZDFA nationally does not have an obligatory bail out clause. Unless the NZDFA is acting in consort with the Branch in a particular venture, for instance a conference, the NZDFA is not liable for Branch debts.

**INTENT OF BRANCH FUNCTION**

Note, this clause is proposed is extended from the based the current Objects of the Branch clause to mirror the national clause so that there is consistency between the two constitutions.

**The National Constitution refers:**

24.1 The prime functions of each branch shall be to:

- (a) co-operate and liaise with the Executive Committee or any delegate of the Executive Committee;
- (b) attend to matters of local significance and to act in the best interests of the local development of the deer farming industry;
- (c) contribute at branch level to the administration and organisation of the Industry;
- (d) promote field days, seminars and educative sessions designed to inform and benefit those engaged or interested in the deer farming industry;
- (e) promote activities of general interest and benefit to the deer farming industry in that region;
- (f) maintain accurate lists of all known deer farmers within the geographic boundaries of the Branch and to provide an annual update on those deer farmers who have left or entered the industry;
- (g) appoint a deer representative to the relevant Regional Animal Health Committee (RAHC) at the Branch's Annual General Meeting and at a date as near as possible to the end of the Association's financial year. If more than one Branch is within a regional council's area, the relevant Branches shall liaise with each other and appoint an agreed representative to the RAHC. The appointed

representatives must report to all relevant Branches and liaise with the deer industry member on the Animal Health Board. Any dispute among Branch members as to the appointment of a representative shall be referred to the Executive Committee whose decision shall be final; and

- (h) deliver annually to the Executive Committee in such form and at such time as it requires, a statement containing the following particulars:
- (i) the income and expenditure of the Branch during its last financial year; and
  - (ii) the assets and liabilities of the Branch at the close of the said year.

## SUMMARY OF PROPOSED ALTERATIONS TO THE BRANCH RULES

### Motion 12: Clause 3: Membership (For decision)

**The Executive Committee propose for discussion that Branch membership excludes non financial members of the National Association**

Action: Define appropriate membership classes that would exclude levy payer by definition (accepting that the levy payer definition is amended nationally to mean Deer Industry New Zealand Statutory levy payers.)

Change to: **To Full, Elected, Associate, Honorary and Life Members of the NZDFA (INC)**

### Motion 13: Clause 4: New Members

Propose wording change:

Any person entitled to become a member of the branch shall become a member upon completion of **a written standard form of application, a copy of which shall be sent to the NZDFA National office to update the Registrar of Members**, following its acceptance by the Committee and on satisfying the requirements of:

- (i) **DELETE:** Current financial membership of the New Zealand Deer Farmers' Association Inc.  
*Note: If a levy payer definition is to be adopted, Clause 4(i) is to be deleted. The NZDFA has developed a standard membership application form.*
- (ii) Agreement to abide by the Constitution and Rules of the Branch.

### Motion 14: Clause 5: Membership Register

Change the emphasis from Branch responsibility to maintain a register to mean that function is of national responsibility under the Deer Industry New Zealand contract for services. That is part of the current database management services provided to NZDFA from Deer Industry New Zealand, and is an established activity now. Under the Clause 4 change, Branches will be required to advise any new membership application received by them, rather than at national level.

*Clause 5: Membership register:*

- (i) A register of Branch members shall be **AMEND TO maintained by the New Zealand Deer Farmers Association Inc, a copy of which shall be supplied to the Branch secretary as required from time to time.**
- (ii) The register shall show the NZDFA membership number, name and current address of every branch member.

### Motion 15: Clause 8: Alteration of Rules

For consistency and expediency it is proposed that the period of notification for rule change to be considered at the

AGM be changed to **21 days not 42 as defined**. The National constitution requires 21 days notice. A 42 day time frame with the current practice of a mid-May AGM compromises public and membership notification and postage deadlines for other Deer Industry News, AGM notifications and adds costs and time complications for no added value.

### Motion 16: Clause 9: Committee

Update in wording required, **CHANGE** President and Vice President **TO** (Branch) Chairman and Vice (Branch) Chairman. Existing terms are no longer in use.

**DELETE** restriction on committee size as limited to 10. A number of larger branches have substantially more than 10 members in practice. Committees also request the power to co opt from time to time to support projects, or may extend numbers when several branches amalgamate.

*Quorum of Committee.* **PROPOSE CHANGE** to accommodate the added open ended size of the committee to be not less than 5 members present, and to accommodate small committees define that quorum as being not less than half the total number being present

*Clause 9. Committee:*

- (i) The Committee shall be elected from amongst the members of the Branch.
- (ii) The Annual General Meeting will elect the following officers:  
President, (**DELETE** and **REPLACE** with **Branch Chairman**) Secretary/Treasurer and not less than three additional committee men; if desired the meeting may also elect a Vice-President **REPLACE** with **Vice Chairman**, separate the offices of Secretary and Treasurer, and elect additional committee members (**DELETE** number restriction clause) and provided that the office of President (**DELETE** and **REPLACE** with **Branch Chairman**) may only be held by New Zealand full members of the New Zealand Deer Farmers' Association Inc.
- (iii) The quorum of the committee **shall be not less than 5 members or if the committee comprises less than 10 members**, a quorum shall be not less than half of its total number.

### Motion 17: Clause 10: Functions of the Branch

To be consistent with NZDFA National Constitution delete present wording and adopt Clause 24 National Constitution (as printed in the introduction)

### Motion 18: Clause 13: Notice of Business

**CHANGE** Quorum Definition to cater for smaller branches (less than 45 members)

To Read the quorum shall be 15 members, personally present (**ADD** or if the total branch membership is less than 45, a quorum shall comprise one third of the total branch membership.

### Motion 19: Clause 14: Procedure at meetings

Terminology update:

**REPLACE** President with **Branch Chairman**

**REPLACE** Telex or telegram with **facsimile**

### Motion 20: Clause 15: Financing

Terminology update:

Sub clause (iv) for signatories **REPLACE** President with **Branch Chairman** and **Vice Chairman**

Further define Clause (vi) to include the same appropriate provisions for investment and application of funds as the National Constitution (replacing the word **Association** with **Branch** as required).

- (vi) The committee is entitled to invest such money of the Branch as is from time to time available for investment, or alternatively to transfer such money to the New Zealand Deer Farmers' Association Inc. who shall apply it solely towards the promotion of the objects of the Association.

The following provisions shall apply to the Branch's finances:

- (i) The income of the Branch from whatever source derived shall be applied towards the promotion of the objects of the Branch and in accordance with these Rules and no portion of the funds shall be paid or transferred directly or indirectly to members of the Branch unless in return for any service actually rendered to the Branch or in reimbursement of expenses or payments properly made on the Branch's behalf; and:
- (f) The Branch is entitled to invest such money of the Branch that is from time to time available for investment:
- (i) on deposit with any Bank registered in New Zealand;
- (ii) in New Zealand Government stock; or
- (iii) in secured debentures or stock (other than shares) of any company or organisation provide that the debenture or stock issue is rated AA or higher by an international credit agency.

#### **Clause 16: Financial year (for clarification)**

Presently no change is possible. Branches need to be reminded that the Financial year for Branches is 1<sup>st</sup> January to 31<sup>st</sup> December so to allow them to have the accounts completed (and or Audited) so that they can hold their AGM's prior to the National AGM In May.

#### **Motion 21: Any Other Clauses**

##### **Life Member of the Branch** - for discussion.

It has been noted that a number of Branches from time to time wish to honour an appropriate member with the title of **Life Member** of the Branch. Currently there is no specific Branch life membership class, but there is a Branch Rule that allows any Member of the NZDFA (which would include life members to belong to a branch).

##### **Proposal: Add a sub-clause to Clause 4: Membership**

- 4(iii) Membership categories – Life member of the Branch. Persons who, on the recommendation of the Branch Committee, are elected by the members of the Branch at a General Meeting as Life members of the Branch.
- 4(iv) Entitlements of Branch Life Members. Such a member shall be entitled to an annual subscription to the NZDFA to be payable by the Branch.

## **Draft Branch Remits 2008**

### **(notified as at 04/04/2008)**

Note: Draft remits are yet to be approved by branch AGMs and are offered in this form to allow discussion around the regions. Final wording and supporting statements will be collated as they are approved at AGMs and will be circulated via *Stagline Online*, posted on the Deer Industry New Zealand website and conference material and circulated to Branches. Further details will be also held available on request from the Deer Industry New Zealand office (attn: Natalie Fraser, (04) 471-6110, natalie.fraser@deernz.org).

## **1. SCNO – The NVSB processes**

Draft: "The South Canterbury-North Otago Branch requests that DINZ undertakes, within the next two months, an independent review of the NVSB's velvetizing regulations with a view to simplify compliance and formal programme requirements and potentially reducing the costs of the programme including:

- a. establishing a more appropriate balance of responsibility between farmer and veterinarian obligations in the velvetizing contract,
- b. clarifying and simplifying the NVSB's procedures and providing where necessary more appropriate drafting of the regulations,
- c. making recommendations that could, with due consideration by the DFA and DINZ, be adopted before the 2008/9 velvetizing season,
- d. For professional consistency and accuracy standardize the spelling particularly of the term velvetizing or de-velvetizing."

Supporting statement:

It seems timely that the compliance procedures and processes of the NVSB should be reviewed with a view to considering ways of removing anomalies and inconsistencies, reducing compliance costs, improving efficiency, reducing heavy handed bureaucracy and being more farmer friendly.

Concerns have been triggered by formal NVSB correspondence to farmers inaccurately alleging breach of NVSB requirements, with implications of immediate removal from the programme, as much as five months after the compliance deadline, all consequential of inaction by the supervising veterinarian (in reality, the NVSB's concerns could have been inexpensively and promptly resolved by a phone call/email inquiry without threatening letters).

It is inappropriate for a farmer to be held responsible for the failings of a veterinarian, and unethical for the compliance system to potentially provide a financial benefit to a veterinarian for failing to meet his obligations, yet this situation appears to be tolerated by the NVSB. It should be noted that the velvetizing contract also provides for vets to be removed from the programme for inadequate performance

Specifically for NaturO ring application it is clear that an annual on farm consultation is not required (telephone or in-clinic consultation are so inconsequential as to be valueless) as the procedure is very simple, it has been made outstandingly better with the cable tied ring method, an audit is held once every five years, performance is tightly monitored through the DSPs and this confirms integrity.

A system that requires vets to check post event whether there has been a problem is pointless as if there is an issue the farmer will have already contacted the veterinarian.

If a farmer is successfully velvetizing with drugs for some years it would seem that an annual visit is also an unnecessary and expensive compliance measure

In addition to the specific concerns noted above it would seem that after several years of operation a comprehensive reassessment of the programme is needed to streamline the administration and reduce operating costs.

MOVED Peter Aitken.

## **2. SCNO – Standardising hard antler scoring at NZDFA competitions**

Draft: "That the NZDFA standardise the measurements recorded in NZDFA competitions under the modified SCI hard antler scoring systems so that all local and national NZDFA events score and record the same series of dimensions to bring consistency to the result and public recording of hard antler scores."

Supporting statement:

The branch believes that calling the score the 'NZDFA Competition Score' (based on modified SCI) will give consistency and suggest for discussion that the measurements based on the SCI system do not include span or burr measurements in competition.

## **3. Tongariro – NVSB, Reduction in requirement from Supervisory Visits**

Draft: *Velveting certification using local + physical restraint. NVSB Certification currently requires an annual Supervising Veterinarian visit.*

*"We propose that after 2 years of certification, a supervising vet visit every second year is sufficient."*

## **4. Southland – Emissions Trading Scheme, carbon credits and Government policy**

Draft: "That the NZDFA continue to use every resource available to reverse government policy concerning climate change and the Emissions Trading Scheme (Emissions Trading and Renewable Preference Bill)."

MOVED Lloyd Thayer, SECONDED Peter Allan.

Supporting statement: Farmers are expressing huge concerns about the future impact of proposed legislation that is going to be very difficult for the agricultural sector to support - both financially and to the principle involved.

## **5. Waikato – Direct elections for Deer Industry New Zealand Board**

Draft "That Direct Elections replace the SAP process for selecting farmer representatives to the DINZ Board."

Supporting statement: The previous election processes seem to have caused some controversy. Because the SAP process is confidential, NZDFA members never know the pros and cons of the selections. In view of these apparent controversies this branch believes direct elections will provide a transparency that is desirable. It is seen by many that SAP process could be open to influence from parties outside the committee.

## **6. Canterbury – (on the table from 2006 and 2007) Lower tyne removal**

### **(wording and submission to be confirmed)**

*"That in the absence of an accepted velvet marketing restructuring...that NZDFA request DINZ to ensure that NZFSA (New Zealand Food Safety Authority) requires removal/lower tynes from velvet antler (frozen or dried) destined for the Korean market, in accordance with Overseas Market Access Requirements (OMAR). The NZDFA requests DINZ to report conclusions and progress by beginning of 2008/09 selling season."*

## **Executive Committee Chairman's Report**

*Summary of key points - full report available on request or on www.deernz.org.*



The positive theme of this year's conference will, I believe, set the trend for our industry going forward. The difficulties brought about by the venison over-production bubble are behind us and I look forward to an industry working together to capitalise on the shift in supply versus demand.

### **Overview**

The last 12 months has provided challenges through the high dollar exchange rate and the severe drought conditions experienced in most parts of the country. While venison returns have continued to strengthen, the continuing rising cost of production, the difficult velvet season, and other land use options are resulting in an increasing number of deer farmers leaving the industry.

The large number of capital stock hinds that have been killed in recent months is a real threat to our future. It is obvious that by the spring of 2009 there will be considerably less stock available for processing, impacting on market supply ahead of good demand on processing capacity efficiencies, procurement competition and loyalties .

This year's velvet season can be best be described as disappointing. The exchange rate, an increase in out of season sales, unrealistic reserves, and the publicity surrounding Velconz have all been offered as reasons why there has been less interest in buying New Zealand velvet this season. If the support anticipated for Velconz does not eventuate, producers will have clearly signalled their disinterest in owning a velvet-marketing platform with the ability to deliver improved sustainable returns, and a real opportunity will have been lost.

### **NZDFA Activity**

The Executive Committee has met regularly through the year as well as hosting a successful Branch Chairman's meeting in October, well supported by the DINZ Executive and Board members, and is greatly valued by branch chairs. Three Regional Branch Chairman smaller forums have allowed for increased participation and a robust exchange of views.

Providing added services and information to our loyal membership has been a priority for the Executive Committee. For example the production of an electronic monthly newsletter, Stagline-Online, with a view to providing an enhanced service and improved communication has been launched to members and has now become a monthly feature.

Changes to the constitution proposed are related to membership inclusion for all active deer farmers and aim to simplify and provide the best possible representation for deer farmers. The changes are necessary due to the recent cessation of the NZDFA commodity levy order.

### **Finance**

Prudent budgeting and a small contribution from conference shows a small surplus of \$2,080. The Association's falling membership (1900 compared to last year's 2088) which mirrors the reducing number of deer farmers continues to put pressure on our budget. The Executive Committee have responded with a tight rein on expenditure. The 2008/09

financial year maintains subscriptions at current levels and budget to maintain expenditure in line with that of previous years. The Association has now used historical tax credits it has had available to it, and in future will have to budget for a tax liability on income other than subscriptions.

### **JRG**

As indicated last year, the Executive Committee paid the JRG \$10,000 on behalf of deer farmers to enable the completion of the epidemiology project. The NZDFA continues to be supportive of the JRG and JML. A proposal linking the JML concept and the JRG expertise has been developed for SFF consideration following a JRG workshop that looked at the Hazard and Critical Control Points ( HACCP) in the supply chain. If successful it will allow further case study reporting in the form of bulletins, promotion of the industry-agreed JD farm status classification scheme and support JML's activity.

The impact that JRG has made on behalf of deer farmers, substantially supported by the contributions from NZDFA branches, DINZ, the huge commitment from all of our research providers, the Otago University staff at Frank Griffins Disease Research laboratory and the Paralisa test has been major. Jamie Glossop's PhD work in this area has been an outstanding commitment of skills and association with farmers.

### **Animal Health Board**

The number of reactor deer herds continue to fall with the AHB's Annual Report listing 18 at 30 June 2007. Branch Chairs have been briefed, as will conference delegates, on the Board's review of the NPMS and their options and recommendations for the future. The Executive Committee are supportive in principle of the eradication strategy, however we do have concerns over the funding timeline, believing with eradication the goal, spreading the cost over a longer period and getting it right may benefit producers best.

### **Deer Industry Focus Farms, the "Making the DIFFERENCE" Project**

The NZDFA is working with DINZ on these regional projects and will be doing nationally and locally all we can to ensure the success of them. The Deer Industry Focus Farms Project covers four major New Zealand areas, with the model incorporating both a key Focus Farm and the potential to highlight other farmers or management in the broad area that add value to the regional emphasis through satellite visits. Common themes emerging include: tackling the impact of parasitism, glaringly this difficult year in managing drought - especially as it impacts through lactation and weaning, and autumn pastures and cropping systems.

### **Research**

Noel Beatson continues to represent the NZDFA on the Board of DEEResearch and I thank him for his efforts.

The aligning of most research under the Venison Supply System (VSS) project has given the industry a framework to build worthwhile research projects around and gain maximum funding from FRST which equates to a \$1.3M from FRST and a \$0.5M funding from industry (DEEResearch and Landcorp per year research spend for the next six years.)

The Focus Farms will play a huge part in transferring project results and findings to farmers, and while the direction of the VSS projects are in place, individual projects and

new opportunities are constantly under review by the DEEResearch Board and the Venison Supply Systems Governance Council, to which the NZDFA delegates a member.

### **In Conclusion...**

I believe the deer industry has a positive future, we have some very real challenges in tailoring supply to meet demand and ensuring selling systems are able to provide sustainable returns for our producers.

I would like to acknowledge and thank all the Branch Chairmen and Secretaries for their contribution to the Association over the past 12 months, because you, like my fellow Executive Committee members who I also acknowledge and thank, are putting something extra into your industry.

The Executive Committee are losing two of our number this year and I would like to thank Mark Hawkins for his contribution and counsel over the last two years. Secondly, Tim Aitken for the four years he has put into the Executive Committee, especially for his stewardship of the Association's finances and the huge time commitment he has made to the NZDFA in general over the last 10 years.

I would like to thank Tony Pearse for his contribution, commitment, and the sheer hard work he does for the industry. Past Chairmen have called for extra support for the Producer Manager in their Annual Reports, and I am pleased to be able to acknowledge and thank Natalie Fraser for the excellent job she is doing.

Lastly, I would like to thank the remainder of the DINZ Executive and you, New Zealand deer farmers, for your support over the last 12 months. I have much pleasure in moving the adoption of this report.

Signed,

Bill Taylor, Chairman.

# NZDFA 2007/2008 Financial Report

## Review of accounts for the year to 31 March 2008

The result for this financial year was a surplus of income over expenditure of \$2,080 against a break-even budget. Subscription income generated was \$86k based on 1,900 voluntary membership payments received. The increase in the subscription for the 2007/08 year has resulted in 37% more income, although the membership decreased by 9% from 2088 members last year and was 7% less than the budgeted figure of 2050 members. This is somewhat less than the overall estimated 10% decline in active deer farmers recorded in industry surveys for the period.

Having achieved a creditable surplus, the Executive Committee have not called on any contribution under the contract for services agreement for the industry good aspects that DFA promote for all deer farmers. DINZ's contribution through the Producer Manager budget and other services remains a vital part of the NZDFA activities.

The lower than budgeted income was offset by lower general expenditure, largely in the areas of postage, printing and stationery, telecommunications and travel. Other expenses were kept to a minimum with many general office expenses being covered by DINZ and only specific items of expense being charged to the NZDFA.

The 2007 conference was returned to an expanded event - the NZDFA AGM and DINZ FGM and two evenings of entertainment, venison showcasing and awards dinner, plus a specialist branch fieldday in association. With the return of excellent sponsorship from loyal industry partners and trades the Conference returned a contribution of \$2.2K which offset a number of the joint fixed charges for FGM and AGM, substantially recovering conference commitments.

Honoraria of the Executive Committee were increased from the previous year's rates of \$7,500 annually to \$9,000 for the Chairman and from \$5,000 to \$6,000 each for the other three committee members.

The DEEResearch director's fees remaining at \$4k have been funded from the general fund.

The SAP appointment process for the 2007 Board members was conducted during June associated with planned Executive Committee meetings. The Selection and Appointments Panel met again with the Board and Branch Chairman in November. There was considerable savings this year in expenses and no additional meetings were held as originally planned.

The Executive Committee has approved a payment of \$10,000 for Year 3 of the NZDFA commitment to the JRG epidemiology research programme. A further \$10,000 has been approved by the Executive Committee to be funded from reserves for the 2008/09 financial year. Branches have made a substantial contribution over the working life of the JRG in excess of \$120K and the Executive Committee have agreed that this input should now come from the National Funds and reserves at \$10K to conclude the immediate JRG commitments and provide a funding base for the 2008 SFF project application.

Closing reserves to be carried forward to the 2008 financial year are \$123.6k meeting the informal directive from NZDFA Branch Chairs to maintain reserves where possible at a minimum of \$100K.

## Budget for the year to 31 March 2009

The budget for the year to 31 March 2009 is budgeted to break even.

Subscriptions are budgeted at a conservative level of 1950 paid membership, a 3% increase from the current year actual. The Executive Committee are determined to add attractiveness to Full membership with a number of further services and communication initiatives like the electronic Stagline Online monthly newsletter.

No allowance has again been made in this year's budget of a contribution from Deer Industry New Zealand of up to 20% of subscriptions, based on the contract for services negotiated from the MOU.

The Executive Committee honoraria are budgeted to remain at the current year's rates and general expenditure is budgeted at a similar level to the 2007/08 year across all line items.

This overall budget will enable reserves to be maintained in excess of \$112k.

### NEW ZEALAND DEER FARMERS' ASSOCIATION INC

#### INCOME AND EXPENDITURE

	Year to March 2008 ACTUAL \$	Year to March 2008 BUDGET \$	Year to March 2009 BUDGET \$
<b>Income</b>			
Subscriptions	85,508	92,250	87,750
Interest and Sundry Income	13,517	9,700	12,700
DINZ Industry Good Contribution	0	16,000	0
	<b>99,025</b>	<b>117,950</b>	<b>100,450</b>
<b>Expenditure</b>			
Audit Fees	2,400	2,500	2,500
Conference	1,982	2,000	3,000
DEEResearch Directors Fees	4,000	4,000	4,000
General Office	230	300	300
Honoraria	27,000	27,000	27,000
Insurance	2,000	2,500	2,000
Legal Fees	2,269	2,000	2,500
Nationally Funded Projects	10,000	10,000	0
Postage	2,315	6,000	4,000
PR Support	2,676	2,500	2,600
Printing & Stationery	5,427	8,600	7,000
Promotions/Awards	1,607	1,000	1,500
Publications	9,051	8,000	7,000
Returning Officer Fees (SAP Process)	104	550	550
Telecommunications	1,897	3,500	3,000
Travel and Accommodation	23,987	37,500	33,500
	<b>96,945</b>	<b>117,950</b>	<b>100,450</b>
<b>Surplus of Income over Expenditure</b>	<b>2,080</b>	<b>0</b>	<b>0</b>

**AUDIT REPORT****TO THE MEMBERS OF NEW ZEALAND DEER FARMERS' ASSOCIATION INCORPORATED**

We have audited the financial statements on pages 16 to 18. The financial statements provide information about the past financial performance of New Zealand Deer Farmers' Association Incorporated ('the Association') and its financial position as at 31 March 2008. This information is stated in accordance with the accounting policies set out on page 17.

**Executive Committee Responsibilities**

The Executive Committee of the Association is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly reflect the financial position of the Association as at 31 March 2008 and the results of its operations and cash flows for the year ended on that date.

**Auditors' Responsibilities**

It is our responsibility to express to you an independent opinion on the financial statements presented by the Executive Committee.

**Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Association.

**Unqualified Opinion**

We have obtained all the information and explanations that we have required.

In our opinion the financial statements on pages 16 to 18 fairly reflect the financial position of the Association as at 31 March 2008 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 9 April 2008 and our unqualified opinion is expressed as at that date.



Chartered Accountants  
WELLINGTON, NEW ZEALAND

### NEW ZEALAND DEER FARMERS' ASSOCIATION INC

#### STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2008

	Note	2008	2007
		\$	\$
Income			
Subscriptions		85,508	62,640
Interest		13,345	10,157
Sundry		172	338
DINZ Industry Good Contribution		0	12,516
		<u>99,025</u>	<u>85,651</u>
Expenditure			
Research	2,7	4,000	4,000
Audit Fees		2,400	2,250
Conference	11	1,982	4,718
General Office		230	301
Honoraria	2	27,000	22,500
Insurance		2,000	1,996
Legal/Professional Fees		2,269	1,100
Nationally Funded Projects		10,000	0
Postage		2,315	2,894
PR Support		2,676	1,190
Printing & Stationery		5,427	5,055
Promotions & Awards		1,607	782
Publications		9,051	7,776
Returning Officer Fees (SAP Process)		104	350
Telecommunications		1,897	1,757
Travel and Accommodation		23,987	28,924
		<u>96,945</u>	<u>85,593</u>
Operating Surplus/(Deficit)		<u>2,080</u>	<u>58</u>

### NEW ZEALAND DEER FARMERS' ASSOCIATION INC

#### STATEMENT OF CASH FLOWS

For the year ended 31 March 2008

	2008	2007
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Cash was provided from:		
Subscription Income	85,508	62,640
Interest Received	13,802	9,609
Other Operating Income	(1,178)	29,121
Cash was applied to:		
Payments to Suppliers	(101,409)	(85,946)
<b>Net Cash Flow from Operating Activities</b>		
	<u>(3,277)</u>	<u>15,424</u>
Net Decrease/(Increase) in Cash Held		
	<u>(3,277)</u>	<u>15,424</u>
Opening Cash Balance		
	132,875	117,451
Closing Cash Balance		
	<u>129,598</u>	<u>132,875</u>
RECONCILIATION OF OPERATING SURPLUS AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
	<b>2,008</b>	<b>2007</b>
	\$	\$
Reported Surplus	2,080	58
Add Non-Cash Items:		
Movements in Working Capital	(5,357)	15,366
Net Cash Flow from Operating Activities		
	<u>(3,277)</u>	<u>15,424</u>

### NEW ZEALAND DEER FARMERS' ASSOCIATION INC

#### STATEMENT OF FINANCIAL POSITION

As at 31 March 2008

	Note	2008	2,007
		\$	\$
<b>Current Assets</b>			
Short Term Bank Deposits			
		129,598	132,875
Accounts Receivable		3,606	2,649
		<u>133,204</u>	<u>135,524</u>
<b>Current Liabilities</b>			
Accounts Payable		9,609	14,009
<b>Net Current Assets representing Net Equity</b>			
		<u>123,595</u>	<u>121,515</u>
<b>Net Equity comprises:</b>			
General Funds	8	123,595	121,515

These financial statements were approved for issue by:

William Taylor  
Chairman of Executive Committee  
Date: 9/4/2008

### NEW ZEALAND DEER FARMERS' ASSOCIATION INC

#### STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 31 March 2008

	2008	2007
	\$	\$
Opening Balance		
	121,515	121,457
Total Recognised Revenue and Expenditure		
	2,080	58
Closing Balance		
	<u>123,595</u>	<u>121,515</u>

*The Accounting Policies and Notes form part of and should be read in conjunction with these financial statements.*

# NEW ZEALAND DEER FARMERS' ASSOCIATION INC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

### 1. STATEMENT OF ACCOUNTING POLICIES

The New Zealand Deer Farmers' Association Incorporated is a society established to encourage, promote and advance New Zealand's deer farming industry.

#### General Accounting Policies

The going concern concept has been adopted in the preparation of these financial statements, with historical cost as the measurement base.

#### Specific Accounting Policies

- No taxation expense has been provided on current year income due to the utilisation of prior year's losses. The New Zealand Deer Farmers' Association is liable to income tax on any income not derived from its members (mainly interest income), less an allowance of \$1,000 per annum.
- There have been no changes in accounting policies during the year. All policies have been applied in a manner consistent with prior periods.
- New Zealand Deer Farmers' Association has a 25% shareholding in DEEResearch Limited, a joint venture with AgResearch Limited (50%) and Group Research Holdings Limited (25%). The objectives of this company are to research non-velvet related deer products. Payments by the New Zealand Deer Farmers' Association to DEEResearch Limited are accounted for as research expenditure.

The equity provisions of FRS 38 have not been applied in respect of this associated entity as its application would not result in any material differences. An Annual Report for DEEResearch Limited is available on request from the New Zealand Deer Farmers' Association office.

### 2. FEES

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

	2008	2007
	\$	\$
Honoraria Chairman	9,000	7,500
Executive Committee	18,000	15,000
	<b>27,000</b>	<b>22,500</b>

Dr Noel Beatson received \$4,000 in his capacity as director of DEEResearch Limited for the period April 2007 to March 2008. These fees make up the total research expense of \$4,000.

### 3. TAX LOSSES

	2008	2007
	\$	\$
Taxable Income	13,345	10,157
Less deductible expenses	(11,000)	(1,000)
	<b>2,345</b>	<b>9,157</b>
Losses brought forward from prior years	(11,998)	(39,330)
Losses carried forward to future years	(9,653)	(30,173)
2007 adjustment for DINZ contribution	<b>12,516</b>	
	<b>(17,657)</b>	
2006 adjustment for taxable income	5,659	
Losses carried forward to future years (final)	(11,998)	

The availability of the above losses of \$9,653 to be offset against taxable income in future years is subject to the requirements of income tax legislation being met.

### 4. SEGMENTAL REPORTING

The Association operates in one field, being the advancement of deer farming in New Zealand.

### 5. COMMODITY LEVY

From 1 October 2002, with the approval of the Annual General Meeting of members, the rates were set at nil for venison and velvet, and have remained at this rate since then by annual agreement of formal motion at the NZDFA AGM.

No Commodity Levy financial statements have been prepared due to the non collection of levies since 30 September 2002. All brought forward surplus from levy income has now been expended.

Following agreement at the 31st AGM (2006) and endorsed at the 32nd (2007), the NZDFA agreed not to pursue the remandation of the current Commodity Levy (Deer Products) 2001. Consequently, this levy lapsed formally on 16 September 2007. Changes to the NZDFA constitution are proposed to recognise this fact for the 2008 AGM (14 May 2008).

### 6. FINANCIAL INSTRUMENTS

New Zealand Deer Farmers' Association is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, short term deposits, accounts receivables and accounts payables.

#### Fair Value

The fair value of the financial instruments in the financial statements is their carrying value.

#### Credit Risk

Financial instruments which potentially subject the NZDFA to credit risk consist primarily of short term bank deposits and accounts receivable. The NZDFA deposits its cash with trading banks. The credit risk with respect to accounts receivable is limited due to the number of debtors.

#### Interest Rate Risk

The NZDFA receives interest on its deposits at current market rates.

## **7. RELATED PARTY TRANSACTIONS**

All transactions with related parties were conducted at arms length. During the year \$4,000 was paid to the directors of DEEResearch Limited mentioned in note 2 above.

## **8. TOTAL EQUITY**

Total equity is held in general funds as follows:

	2008	2007
	\$	\$
General Funds		
Opening balance	121,515	121,457
Operating surplus	2,080	58
Closing General Funds	<u>123,595</u>	<u>121,515</u>

## **9. COMMITMENTS**

As the rate of collection of the commodity levy had been set at Nil until its formal cessation on 16 September 2007, and the NZDFA has fully committed existing research funds, Deer Industry New Zealand has an agreement to fund research to DEEResearch Limited on behalf of the NZDFA, at a level which is consistent with the NZDFA's previous level of research funding (currently 0.8c/kg of venison and 0.4c/kg of velvet).

There is a commitment to a maximum of \$10,000 (2007:\$7,500) to be funded from the reserves account for the NZDFA commitment to the JRG epidemiology research programme.

## **10. CONTINGENCIES**

The New Zealand Deer Farmers' Association's associated entity DEEResearch Limited has two wholly-owned subsidiary entities which have been established to hold DEEResearch Limited's interest in two unincorporated joint ventures, which are Pastoral Greenhouse Gas Research Consortium (2.34% holding) and Pastoral Genomics Consortium (1.1% holding) respectively. DEEResearch Limited has unconditional guarantees to the other partners in the unincorporated joint ventures which:

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

## **11. CONFERENCE EXPENSES**

The net cost to the DFA for conference including costs for Life members registration, Executive Committee meetings, Branch Chairman's meetings and fixed conference expenses (room hire, audio visual and AGM catering) was down from \$4,718 in 2006/07 to \$1,982 in 2007/08.

# PROXY FORM 2008

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



New Zealand Deer Farmers' Association

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

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

of.....(address)

**OR**

the Chairman of the.....Branch (or Affiliated Breed Society)  
of the New Zealand Deer Farmers Association as at 14th May 2008

**OR failing him/her**, the Chairman of the Annual General Meeting,  
as my/our proxy to vote for me/us at the Annual General Meeting of the Association to be held  
on Wednesday 14th May, 2008 at the Ascot Park Hotel, Racecourse Road, Invercargill and at any adjournment thereof. (*rule 29.2*)

Signed this .....day of.....2008

.....NZDFA member.

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

Farm trading name .....

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

**NOTE: To be valid, proxy forms must be signed and either faxed/hand delivered or posted to be received by the NZDFA office by 4.00pm Tuesday 13th May 2008 (rule 29.4 (b))**

*PTO for any specific voting instructions request.*

NEW ZEALAND DEER FARMERS' ASSOCIATION  
LEVEL 13, PCW TOWER, 113 THE TERRACE  
PO BOX 10702, WELLINGTON  
phone 04 473 4500 / fax 04 472 5549

## **Proxy Form, Part 2: Specific instructions to proxy**

I/We, .....

of .....  
being a member/members of the New Zealand Deer Farmers' Association,

hereby appoint (**either**) .....

of .....

**Or** the Chairman of the.....Branch NZDFA,  
(or Affiliated Breed Society)of the New Zealand Deer Farmers Association as at 14th May 2008

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

as my/our proxy to vote for me/us on my/our behalf at the Annual [or Extraordinary, as the case may be] General Meeting of the Association, to be held on the 14th day of May, 2008, or at any adjournment thereof.

Signed this.....day of.....2008.

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

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

Please **write number below** (Motion No., as described in Annual Report) and indicate: **FOR** or **AGAINST**.



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

**NOTE:** For a detailed summary paper covering all 21 Executive Committee and Constitutional National and Branch motions and AGM remits proposed please contact the DINZ Office for a separate directed proxy paper.

**Attn: Natalie Fraser, phone (04) 4716110, email natalie.fraser@deernz.org**

**OR: Tony Pearse, phone (021) 719 038, email tony.pearse@deernz.org**