



NZDFA

New Zealand Deer Farmers' Association

**NZDFA**

# Annual Report

*2003/2004*





NZDFA  
New Zealand Deer Farmers' Association

### NZDFA 29<sup>th</sup> Annual General Meeting

To be held at the Wairakei Resort Taupo on  
Tuesday 22<sup>nd</sup> June, 2004 at 2.00pm

The Chairman and Executive Committee welcome  
members to the 29<sup>th</sup> Annual General Meeting of the  
New Zealand Deer Farmers' Association

Notice is hereby given that the 29<sup>th</sup> Annual General meeting of  
the New Zealand Deer Farmers' Association Inc, will be held in  
the Karapiti Room, Wairakei Resort Taupo, Tuesday 22<sup>nd</sup> June  
2004 commencing at 2.00pm.

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Cover Photo: Colin and Maree Smith, Winton.  
The Warnham and Woburn Photographic Awards 2002.

## Agenda

1. Apologies
2. Appointment of scrutineers
3. Obituaries
4. Notification of further items of general business
5. Confirmation of the minutes of the 28th Annual General Meeting 2003
6. Matters arising from the minutes
7. Chairman's report
8. Financial report
  - Approval of the 2003/04 financial statements
  - 2004/05 Budget (motion for approval sought)
  - Executive Committee motions for discussion and confirmation.
  - Commodity levy
  - Honoraria
  - Appointment of auditors
9. Constitutional amendments
  - a) Elected member
  - b) Proxy return time
  - c) Proxy form wording
10. Branch remits
11. General business
  - Life membership confirmation
  - John's Research Group report
  - NVSB report
  - DEEResearch report
  - Notification of Selection and Appointments Panel North Island election results
  - Appointment of officers of the Executive Committee and Selection and Appointments Panel
  - Any other business

## Minutes of the New Zealand Deer Farmers' Association 28<sup>th</sup> Annual General Meeting,

held at the Caroline Bay Hall, Timaru on Tuesday 27<sup>th</sup> May 2003, at 1.30pm

### WELCOME

The Chairman of the South Canterbury/North Otago Branch, Mr Peter Aitken, called everyone to order at 1.40 pm.

Mr Aitken advised that his branch had much pleasure in hosting this occasion and noted that their branch has, over the years, helped produce many progressive farmers.

Mr Aitken had much pleasure in introducing Sir Peter Elworthy to the AGM, advising that Sir Peter is the Founding President for this Association and an Inaugural Life Member. Mr Aitken added that Sir Peter is an innovator and administrator, who has played a critical role during restructuring, and it is these qualities that truly fit this Conference theme of "Vision and Values".

Sir Peter Elworthy then spoke, stating that he was truly honoured to be invited to open the 28<sup>th</sup> Deer Industry

Conference and that the South Canterbury/North Otago branch was indeed proud to host you all.

Sir Peter feels that we need to embrace and act on the need for change, reflecting that the district has made many significant contributions to date, with a strong and active local branch who joined with the rest of New Zealand with innovation. Innovation, he said, was about vision and values – the theme of this conference.

Sir Peter Elworthy then dedicated the opening of this conference to Andrew Orbell. Andrew had been a man who provided stimulus to issues, and who had a strength and honesty for openness to discussion. Sir Peter felt that Andrew had the attributes of a skilled communicator, who welcomed questioning – the old, the new and the status quo. Andrew had enjoyed life, showing humour and having fun, whilst being delighted in the practical application of agriculture.

Sir Peter outlined that Andrew was never afraid of hard toil and application and had passed from this life doing just that.

So it was to Andrew, Ruth (his wife), Nicola, Hamish and Phillipa, of Clayton Station, that Sir Peter dedicated this conference.

### **1. VISION AND VALUES, PAST AND PRESENT, LOOKING CONFIDENTLY TO THE FUTURE**

An Industry Partner, Rabobank was then acknowledged, with Donald Kennedy advising of their appreciation to have the opportunity to be involved. Mr Kennedy, in his opening address, advised that Rabobank specialised as an agri-business bank, aiming to differentiate from other banks in four ways.

These being:

- (1) to be customer focused.
- (2) to have a credit rating of AAA (Triple A).
- (3) to be New Zealand's only specialist rural bank.
- (4) to have a knowledge strategy.

Mr Kennedy wished everyone well for the remainder of the Conference.

The Chairman, Errol Croad, then took control of the meeting and called for apologies.

### **2. APOLOGIES**

Apologies were received from Cecil Brown, John Burrowes, Dorothy Carter, John Carter, Alby Cooper, Ken Ferguson, Colin and Hilary Guild, Gordon Hope, John Kempthorne, Colin MacNicol, Norm Parks, Murray Powell, Mark Shadbolt, Bufty Trafford and Russell Waite.

MOVED (Tim Aitken/Richard Broughton)

"That Apologies be accepted". CARRIED

### **3. OBITUARIES/REMEMBRANCE**

Obituaries were noted for Eddie De Cleen and Andrew Orbell. A minute's silence was then observed in remembrance of these people.

### **4. APPOINTMENT OF SCRUTINEERS**

MOVED (Andrew Mitchell/Mike McCormick)

"That Philip Irwin (Convenor), Katherine Gordon, Tony Cochrane and Graham Kinsman be appointed as scrutineers for the 2003 Annual General Meeting." CARRIED

### **5) CONFIRMATION OF MINUTES**

It was agreed that the Minutes from the 27<sup>th</sup> Annual General Meeting of the New Zealand Deer Farmers' Association, held in the Founders Theatre, Te Papa, Wellington, on Friday 24<sup>th</sup> May 2002 be taken as read.

Andrew Mitchell advised of two corrections/amendments to these minutes:-

- (1) In Section 10 – Branch Remits – Waikato Branch – Remit 2, the mover should read "John Carter" rather than "Eric Clark".
- (2) In Section 11 – General Business – Proxy Votes, the name "Brian Waddington" should read "Brian Wellington".

MOVED (Andrew Mitchell/Vince Connolly)

"That these Minutes, with amendments, are a true and accurate record." CARRIED

There were no matters arising from the Minutes.

## **6. CHAIRMANS REPORT**

The Chairman, Mr Errol Croad, then presented his Report to the AGM. This report has been published in Issue 4 – April 2003 – *Deer Industry News* magazine, on Pages 35 and 36, however a summary follows.

Mr Croad welcomed everyone to the Annual Conference, this being the first for the new NZDFA structure and the DINZ administration.

Errol said that as his period as inaugural Chairman of the Executive Committee draws to an end, he was pleased to report that, after the settling in period, all is running very well. He felt that Tony Pearse, our Producer Manager, fits his role like a glove, with his dedication being beyond the call of duty. Errol felt the DFA is very fortunate to have Tony, advising that he has already visited most Branches.

Mr Croad also felt the office structure is working well, with Susan Gee (nee Watson) giving regular budget updates and investment advice. He said that trying to predict outcomes within the deer industry has not changed, and noted that we have a cash surplus for the year of \$27,000, so we are at present looking healthy.

The Executive Committee is required to set a budget and the level of subscriptions needed to cover this, thus it has been recommended that subscriptions be increased to \$45 plus GST to responsibly balance the budget without affecting reserves, and to invite debate.

Mr Croad feels that membership is an inexpensive investment and that the NZDFA service to members has never been stronger and more focused. Currently we have 2,700 members.

Major activities of the Executive Committee during the past year have included:

#### **SAP – Code of Practice**

A new operating Code of Practice has been developed; this seeks a clearer system for selection of producer-appointed Board Members and deals with the issue of conflict of interest. At this point Errol took the opportunity to recognise the contribution made by Stewart Stevens, who is retiring as a SAP member after four years' service.

#### **Animal Health Board**

Errol has been our representative on the AHB Funding partners' body, which is trying to achieve a resolution with long-term agreement of the funding formula, on a fair and equitable basis, for the Board Strategy.

#### **Research**

After the establishment phase of the DEERresearch partnership, John Cusdin has retired and Errol acknowledged the contribution that both John and Peter Fitzgerald have made to this critical research partnership. Dr Noel Beatson has been appointed for a two-year term.

Submissions

Mr Croad advised that one of the benefits of the new structure is the ability to take effective action at short notice (submissions).

Deer Industry News

Errol advised that we now have a new logo, Deer Notes and that the joint publication of Deer Industry news, replacing Stagline and Market Report, has been well received.

Guide to Branch activities and functions

The Executive has updated this guide, with branches being sent a comprehensive re-edited Function of the Branches handbook.

Game and Forest Foundation (GAFF)

Mr Croad advised that the DFA continues a watching brief and association with GAFF.

Health and Safety Council (OSH/ACC)

Errol advised that new ATV guidelines were officially launched last October and that the Executive Committee will continue to work with the Health and Safety Council to come up with Guidelines, Codes of Practice and Best Management Practice documents to make farms a safer working environment.

In concluding Mr Croad said that it had been an exciting year and thanked the Executive Committee and their wives. Errol also thanked Andrew Fraser and Andrew Mitchell, and noted Peter Fitzgerald is retiring this year. Peter was wished well in any future direction his life takes, with his contribution to the industry being appreciated. M J Loza and the staff at DINZ, especially Susan Gee, were thanked along with Tony Pearse, who Errol felt has made his job so much easier.

Mr Croad concluded his report looking forward to working with Tony and all sectors of the industry in the next twelve months,

MOVED (Errol Croad/Sir Peter Elworthy)

“That the Chairman’s Report be adopted”

Sir Peter Elworthy, took much pleasure in seconding the motion. CARRIED

**7. 2002/2003 FINANCIAL STATEMENTS AND BUDGET TO MARCH 2004**

Financial Statements

Andrew Mitchell took everyone through the 2002/2003 Financial Statements. It was advised that these statements have been published in Issue 4 – April 2003 – Deer Industry News magazine, on Pages 40 to 42 inclusive.

Deer Industry New Zealand Finance Manager, Susan Gee, was on hand to answer questions of detail and procedure, however there were no points requiring clarification and no general discussion.

MOVED (Andrew Mitchell/Bill Taylor)

“That the 2002/2003 audited financial statements and accounts be adopted.” CARRIED

Budget

Andrew Mitchell then reviewed and commented on the Budget for the year ending 31 March 2004. This had also been printed

and available for review over the last couple of weeks – refer to Page 39 of the aforementioned magazine.

Andrew drew our attention to some figures that had been amended since publication, these being:-

	As Printed	Now Revised
<b>INCOME</b>		
Interest	5,250	6,300
<b>TOTAL INCOME</b>	<b>80,250</b>	<b>81,300</b>
<b>EXPENDITURE</b>		
Returning Officer Fees	2,200	-
Subscriptions	2,237	2,944
Printing – Annual Report	5,391	8,905
Ballot Papers, Candidate Profiles, etc	3,461	583
<b>TOTAL EXPENSES</b>	<b>(72,982)</b>	<b>(72,126)</b>
<b>Net Operating Surplus</b>	<b>7,268</b>	<b>9,174</b>

Mr Mitchell advised that they had had the responsibility of coming back with a balanced budget, a means of driving the organisation forward, as well as covering the cost of activities.

He also advised that consultation with branches had met with mixed reactions, and made a recommendation to increase the subscriptions to \$45, with branches receiving \$15 of this. He estimated that this would result in a net surplus of around \$9,000.

Questions were then called for, with one being put forward by Campbell Clark. Mr Clark asked when are we going to get back up to a \$200 subscription, like we used to pay?

Andrew Mitchell responded with the fact that, whilst looking hard at all elements in the budget, he doesn’t believe that we will get back to such a level.

MOVED (Andrew Mitchell/Jim Scorgie)

“That the Budget of expenditure for the year ending 31 March 2004 be approved.” CARRIED

**8. COMMODITY LEVY**

Moved (Andrew Mitchell/Tim Aitken)

“That the NZDFA Commodity Levy on venison and velvet be fixed at NIL for the NZDFA financial year 2003//2004.”

CARRIED WITHOUT DISCUSSION

**9. SUBSCRIPTIONS AND CAPITATION**

Subscriptions

MOVED (Andrew Mitchell/Mike McCormick)

“That the annual NZDFA membership subscription for the 2003/2004 financial year be set at \$45 plus GST per annum.”

CARRIED

Capitation Fee

MOVED (Andrew Mitchell/Mandy Bell)

“That the Capitation fee to Branches be fixed at \$15 plus GST as applicable per member of the nominated Branch.”

CARRIED

## 10. REMUNERATION OF ELECTED OFFICERS

MOVED (Tim Aitken/John Spiers)

“That the honoraria remain at the same levels for the NZDFA financial year 2003/2004 as currently, and be fixed at \$7,500 per annum for the Chairman and \$5,000 for each other member.”

CARRIED

## 11. APPOINTMENT OF AUDITORS

MOVED (Andrew Mitchell/Graeme Carr)

“That Deloitte Touche Tohmatsu be re-appointed as auditors for the ensuing year.” CARRIED

It was advised that a quotation has been received at \$1500 plus GST. At this stage (2-25 p.m.), a five minute break was taken, with proceedings re-commencing at 2-30 p.m.

## 12. REMITS

### ROTORUA BRANCH

Remit 1 – Membership Categories – Withdrawn

“Amend Rule 5.1 to include deer farm managers/workers as follows:

Full Members: persons who own deer and those bona fide deer farm managers/workers who have paid to the Association during the Association’s financial year, a full membership subscription.”

It was advised that this remit had been withdrawn in favour of Remit 6 – Membership Status, being put forward by Tongariro Branch.

Remit 2 – Subscription Rule – Withdrawn

“Amend Rule 7.2 to include the additional sentence:

One reminder notice shall be sent to all members failing to pay the appropriate annual subscription after two months, and their membership shall be terminated as allowed in Rule 9.2 if the subscription remains unpaid after a further month.”

It was advised that this remit had been withdrawn.

Remit 3 – Environmental Awards

“That this AGM endorses the importance of the annual NZDFA Environmental awards to the Industry and requests the commitment of Deer Industry New Zealand to the long term funding (through an annual grant from levy income) of an agreed budget for the organisation and annual running of these industry good awards.” MOVED (John Paterson/Mandy Bell)

John Paterson said that this programme was finishing and that up until now it had been a NZDFA baby, however the baby was now being put up for adoption.

Mandy Bell, in seconding this remit, felt that the environmental awards would be a showcase for the industry and that it would help if the awards were fully supported by DINZ.

Eric Clark advised that, whilst he supported the remit in principle, he couldn’t support the words “long term”.

Eddie Brock advised that Southland was against this remit as, although the awards have merit, they could become a commercial venture.

The suggestion was made that perhaps the North and South Islands should have turnabout at hosting these awards, i.e. biannually.

Other points raised included:

- the funds could be better used if put into marketing or research and development
- these awards are wonderful, but what if others come along later
- it is not that difficult to get sponsorship
- the award itself is not the most important thing, but the stimulation generated as to the importance of the environment.

Bill Taylor suggested that we should hear from the DINZ Executive as to their feelings. M J Loza advised that DINZ had met and considered the awards, endorsing them and suggesting consideration be given during the consultation round for next years budget.

In his right of reply, John Paterson said these awards could become a lot bigger and that if you get sponsorship for something you lose the naming right. He feels it is important we hold onto the naming right.

The remit was then put.

A card vote was conducted, resulting in 103 being in favour and 195 against. The remit was LOST

### SOUTH CANTERBURY/NORTH OTAGO BRANCH

Remit 4 – Johne’s Disease research support

“That the NZDFA make a determined case to Deer Industry New Zealand that, as a collaborative exercise, it should:

- (1) through DEERResearch encourage research proposals on Johne’s disease (JD) in addition to those currently funded; and
- (2) in its next budget-setting round, increase the levy by an amount, and for a time necessary (based on research proposals received and accepted), to provide specific funding for the costs of the research, extension and administration work required relating to developing solutions to mitigate the effects of Johne’s disease in deer, which has emerged as a major health and productivity issue.”

MOVED (Peter Aitken/Mike Holdaway)

It was advised that Canterbury, Southland and Otago Branches as members of the JRG have also endorsed this remit.

Peter Aitken provided background, stating that in essence the formation of a co-ordinated Johne’s Disease research programme with funding, needs to be put into effect. This stems from work done by a body established in 2002, known as the Johne’s Research Group (JRG). This group has developed an approach designed to secure solutions for deer farmers in four ways:

1. recognise that answers require a four pronged scientific approach dealing with:
  - (a) developing a vaccine that does not interfere with Tb test outcomes
  - (b) formulating a reliable and inexpensive form of diagnostic testing

- (c) undertaking an epidemiology programme that will tell us more about how the disease behaves and how that interacts with on farm management
- (d) establishing the place of heritability and resistance or susceptibility to JD
2. submitting a supporting application to AgResearch's bid for FoRST funding – thus committing JRC to providing \$75,000 in cash and \$100,000 in kind over three years. Funds for the first year are on hand but more will be required.
3. establishing partnerships with AgResearch, leading JD scientists, DEERresearch and other industry bodies to ensure work is not duplicated, that it is well focussed and directed to providing outcomes needed by deer farmers.
4. committing to disseminate information to deer farmers about managing the disease and already two documents have been produced and circulated.

Mike Holdaway, of Manawatu, in seconding this remit, said that this disease is one of the most serious on farm and that it also has ramifications in the market place. He felt that the sooner we get on and learn about it the better.

Bob Kingscote (Canterbury) and Mandy Bell (Otago) also spoke in support of the remit. Eddie Brock (Southland) wondered how much the levy amount might be increased by, with John Speirs asking if more details could be sought on this matter.

Eric Clark said that Waikato could not support this remit as they felt funds should not be singled out for any one particular issue – next year everyone will be knocking on the door!

Clive Jermy then spoke stating that Johne's Disease is a priority, however the deer industry has to be careful that it doesn't carry an unfair burden of costs. He said there is potential for collaboration with other industries and thus proposed an amendment to the remit as follows.

"That the NZDFA make a determined case to Deer Industry New Zealand that as a collaborating exercise it should:

1. through DEERresearch, develop costed research proposals on Johne's Disease in addition to those now funded, through national and international investigation and collaboration.
2. explore every potential option for onshore and offshore sources of funding for research.
3. at the next budget setting round of Deer Industry New Zealand, subject to the success or failure to attract sufficient funding for promoting research, that required funding be provided for in the budget for industry consultation."

MOVED (Clive Jermy/John Scurr)

John Scurr seconded the remit. He commended the group driving the research and hopes that the deer industry does not isolate themselves.

John Cusdin supported the amendment, saying that a balanced portfolio can now be put forward looking to research answers in combination with other pastoral industries.

Peter Aitken felt it unlikely to get funding from overseas and pointed out that if a vaccine were to be developed for deer it would not be able to be used on sheep or cattle. He said this has

to be done by deer farmers and that the remit was not asking for all the research funds to go into this one area, just that money be available.

The amendment was then put and was CARRIED.

The amendment then became the motion, and the amended motion was then put. CARRIED UNANIMOUSLY

#### **SOUTHLAND BRANCH**

Remit 5 – Cervena® promotion within New Zealand  
"That the New Zealand Deer Farmers' Association recommends to Deer Industry New Zealand that it develops and implements a positive strategy in promoting and encouraging the consumption of venison/Cervena® within New Zealand, especially the tourist areas."

MOVED (Eddie Brock/Harry Robinson).

Harry Robinson, in seconding this remit, said that if we can't put our meat in the market place with the schedule presently being at \$3-80, then we are in trouble.

There being no further discussion the remit was then put. CARRIED UNANIMOUSLY

With the time being 3.00 p.m. an afternoon tea break was taken, with proceedings re-commencing at 3.30 p.m.

#### **TONGARIRO BRANCH**

Remit 6 – Membership Status

"That the NZDFA Constitution be changed as indicated:

New Member Status – Elected Member:

Is a person who has paid the Association during the Association's financial year a full membership subscription and is voted by simple majority to full membership status by the Branch who has elected that person. An Elected Member shall have full member entitlements upon approval of an application in writing to the Executive Committee."

MOVED (Chris Parkinson/John Paterson)

Chris Parkinson advised that there were two main reasons for this remit.

- (1) Landcorp and other corporates are converting farms into deer farms, and it is felt these managers could be a great asset, however as the managers don't actually own the deer they can not hold office. If these managers are ignored we could be the instigators of our own demise.
- (2) Branch office holders, who sell their farm and have not yet found another also find themselves ineligible as a member. Chris advised this has happened to him and his wife and he felt it shouldn't have. The adopting of this remit today would eliminate a similar occurrence in the future.

It was pointed out that this remit does not give an elected member the automatic right to hold a position, they still have to be appointed by the majority of branch members, with the NZDFA also having to approve nominations. The remit would allow an avenue of progression for a farm manager, but only if desired. If that person was later to progress to the executive stage, by then it was thought they should own their own deer.

John Paterson in seconding this remit advised that it is not just Landcorp, there are other large privately managed farms.

John Rexene spoke in opposition to the remit as he felt that we, as deer farmers, have the right to determine – not farm managers. John felt that a change to the Associate Membership classification could cover this area, as Associate Members do not have a vote at the AGM.

Simon Vincent indicated that we should be encouraging involvement rather than discouraging it. He said he would be really disappointed if his farm worker could not join.

Brian Managh was also in favour, saying that many farm managers have the skills to hold such responsible positions. Also that many have the dream of owning their own farms and see their future in the industry.

Rodney Dixon agreed with the intent but felt uncomfortable with the idea of say 15-20 Landcorp managers voting together in one direction – this would almost be like weighted voting.

Tim Aitken said he had no problem with Managers as Associates but was not happy with them having full voting rights.

Bill Taylor advised that Southland was against the remit. They supported the intent but wanted to be more conversant with the constitution, especially in regard to farm managers as Associate members and at Branch Manager level, the bringing of proxy votes to conference. Tony Pearse then read Clause 23.1 out.

Mike McCormick, Hawkes Bay, said that managers should be encouraged to be members through to here, without full voting rights though – as we have the tie up in the capital. For this reason they had to be against the remit as it stands.

In his right of reply, Chris Parkinson referred to Sir Peter's words of this morning with regard to the need to change.

A card vote was conducted, resulting in 197 being in favour and 132 against. The remit was CARRIED

## WAIKATO BRANCH

### Remit 7

“That this meeting instruct the New Zealand Deer Farmers Association (NZDFA) to wind up the Deer Industry New Zealand (DINZ) and the New Zealand Game Industry (GIB) Boards starting immediately following this 2003 NZDFA 28th Annual General Meeting.

The New Zealand Deer Farmers' Association be reconstructed to handle the winding up process and to handle all matters political and otherwise on behalf of levy paying Industry.

The New Zealand Deer Farmers' Association set levies to cover annual costs. Winding up costs and all costs relating to the reconstruction of the NZDFA to come from reserves.”

MOVED (Eric Clark/George Thomas)

Eric Clark went over the background and history to date in regard to this remit. He said the Board has developed and gone a long way, with an excellent team now on the Board, however the vision/results don't seem to be reflected in the schedule price currently at \$3-80. Eric wanted this remit to be a clear message to the Board as to the results needed, that is a way of

telling the Board the industry is not happy. George Thomas was the seconder for this remit.

Rodney Dixon, Waikato, advised that their vote on this remit was not a unanimous decision but there was agreement with some of the remits intent.

John Scurr advised that he was against the remit. He felt there was emotion involved and that it was a knee jerk reaction looking for some one to blame. John pointed out that there had been two rounds of restructuring, but there is strong industry support for the Board, which he felt was servicing the industry well. John concluded by saying that this would be a damaging remit if it goes through.

Chris Hughes, Campbell Clark and Richard Broughton also advised of being against the remit.

Clive Jermy advised that GIB had been formed to assist with the marketing of products and that DINZ is a non-commercial entity incorporating all the players, and performing a huge range of industry good activity. He said that both GIB and DINZ had been endorsed by 90% of votes being for them. Clive pointed out that such action as requested in this remit would require industry wide consultation and a referendum for the Minister to take notice – he felt the action being requested was undemocratic and not technically possible.

Clive said that eight Board members were due to retire by rotation and that if the members weren't liked you can “toss” them out. He said it was no longer a them/us situation, we have to move forward united as an industry.

Chris Peterson advised that the velvet industry was doing very well.

Bob Kingscote expressed sadness that this remit had got to the Conference floor, saying that the remit is totally negative and that the Canterbury branch was totally against it. He said that the right Executive and governance was in place, with all in the industry being represented. Bob did acknowledge that we are going through a very hard commercial time, but said we should be looking at moving forward together.

Richard Valentine pointed out there is some dissatisfaction in the industry with a group of farmers who are not happy with performance. However Peter Aitken countered this by saying that South Canterbury/North Otago were impressed with the organisation and where it is going and are fully supportive and backing it.

Tim Aitken also felt the remit should not have made it to Conference and wondered how much branch dissatisfaction had been whipped up from last year.

Eric Clark, in his right of reply, said it was a branch remit. Eric said the branch had sent out a newsletter asking for proxy forms back and had got 59 qualifying ones. Tony Pearse advised that 61 had been received, with 2 not meeting the criteria. Eric expressed unhappiness with the \$3-80 schedule and suggestions were made that discussion could be entered into with DINZ for a better schedule. Eric Clark then advised that he had made his point and would now like to withdraw the motion.

The Chairman advised that he had called for the remit to be put and as such it could not now be withdrawn.

The remit was put to the meeting. LOST

#### Remit 8

“That the Deer Industry New Zealand Board urgently release the following information to Producer levy payers:

1. the current CIF price range of the various cuts of venison being exported to Germany
2. the current German wholesale prices to restaurants and retailers
3. the current retail/restaurant prices for these cuts in Germany
4. the current level of stock being held by exporters in Germany
5. The strategies that have been agreed to by exporters (through DINZ) that will raise the current schedule levels in the near future.”

MOVED (Eric Clark/George Thomas)

Eric Clark, in moving this remit, advised that this remit was asking a series of questions. George Thomas seconded the remit.

M J Loza said that with regard to Points 1 and 4, this is of a commercially sensitive nature. Points 2 and 3 are published in the Market Report, however he would be happy for branches to be faxed this information.

Tom Williams advised that he would be voting against the remit, saying that the Board has nothing to hide unless of a commercially sensitive nature.

Eric Clark pointed out that if you don't tell people something then they assume there is something to hide.

The remit was put to the meeting. LOST

#### **NELSON BRANCH**

##### Remit 9

“That the NZ Deer Industry finish restructuring and that Deer Industry New Zealand become part of a “Pastoral Board” and that the Deer Farmers Association become a sub section of Federated Farmers.”

MOVED (Simon Vincent/Richard Valentine)

Simon Vincent, in moving this remit, said that we certainly need to look at current issues, for example the Regional Council plans, and suggested joining with other parties to reduce costs.

Richard Valentine was the seconder for this remit.

Bob Kingscote felt this remit was a bit of a negative one. He thinks that Meat NZ and Sheep Co have got an uphill struggle and that if the NZ Pastoral Board does get going it may not be the place to be at present. Bob advised that the Canterbury branch is looking at becoming a member of Federated Farmers on a branch level and vice versa, so as to help with political issues locally, however he felt now was not the right time for such as suggestion as in this remit. He concluded that they had worked to co-operate with the environmental people.

Bill Taylor, Southland, said they could not support the remit either. It was advised that this industry has only been restructured one year and has five years, before consideration be given to any radical changes.

Clive Jermy advised that other industries have completed, are on the way, or have not started their restructuring and suggested that we watch, wait and see what happens. He said that since the reforming of the Board three years ago the venison levy had been halved, and that a tight/lean ship was being run.

Mike McCormick, Hawkes Bay, said not now but maybe in the future with regard to the Pastoral Board.

Sir Peter Elworthy, South Canterbury/North Otago, said he did not wish to see us being trampled by a larger body who does not have our interests at heart.

Eric Clark felt we could sit under the umbrella of others, with them incurring the overheads, etc. and it was thought this probably had some merit.

The movers right of reply was not exercised.

The remit was put to the meeting. LOST

#### **NEW ZEALAND FALLOW DEER SOCIETY**

##### Remit 10

“That the NZDFA release the Executive Committee meeting minutes, conference calls, etc. to members, branches and affiliated societies on request.”

MOVED (Richard Valentine/Eric Clark)

Richard Valentine said that their Society feels the minutes should be available to all members/branches on request but advised that over the last couple of years this has not been happening. He said the Society had also received a legal opinion, which supports their view that all members are entitled to receive and view the same.

Eric Clark seconded this remit.

Andrew Mitchell replied to these comments by saying there was no issue at all regarding the release of Executive Committee meeting minutes and conference calls. Andrew did say the only condition was that members/branches were to send their requests in, in writing.

The remit was put to the meeting by card vote, resulting in 182 being in favour and 75 against. CARRIED

#### **OTAGO BRANCH**

##### Remit 11

“That the NZDFA recommends that the moratorium on GMO (genetically modified organisms) release be continued for a further three years, and that any GMO research be contained in the laboratory and not enter the food chain.”

MOVED (Mandy Bell/Paul Mutch)

Mandy Bell spoke regarding this remit. She said that it had come from their AGM without dissent, and pointed out that the remit is not saying never, just that now is not the right time.

Paul Mutch (Otago Branch) seconded the remit. Paul said that

our product is a sensitive product and that it is being rumoured that New Zealand is presently supporting GMO and it is in the food chain. It was suggested that our declining schedule may be due to it looking as though we are going the GM way.

Andrew Duncan advised he supported the remit, and that the industry was self-market led.

Simon Vincent expressed concern over previous consultation and felt that this is our target market.

Mike McCormick advised that he could not support the remit at present, as their branch had not had time to consult regarding this issue. However, he said that in the future it is likely they would support.

Mark Acland suggested this was a very emotive subject and that the remit may be wrongly directed. He said that we have got the ERMA to police this, if the deer industry went out on its own. However he said we shouldn't be closing out on our scientists.

At this point Bill Taylor proposed an amendment. This being:-

“That the NZDFA facilitates consultation and education before July 31, 2003 on whether the moratorium on GMO (genetically modified organisms) release be continued for a further three years and whether GMO research should be contained in the laboratory and not enter the food chain.”

MOVED (Bill Taylor/Richard Valentine)

Mandy Bell commented that her branch would be prepared to amend their remit, thus giving people more time.

Bill Taylor advised that this appeared to be the second best option so as to generate discussion.

The amended motion was then put. CARRIED

The amended motion was then up for discussion.

Jim Scorge said we are facing the reality of market reaction to things entering the food chain. What we are suggesting is a three year moratorium, as we don't want to change our present status until signals are received from the market place.

Mandy Bell, in her right of reply, felt we had heard most of the discussion now. Mandy said that as a vet she agrees with technology in science and that in time we will have the confidence to go with it. However this remit is about timing.

The amended motion was put to the Conference.  
CARRIED UNANIMOUSLY

## WAIPA BRANCH

### Remit 12

“That the NZDFA and Deer Industry New Zealand be proactive in watching developments and submitting our views and needs as landowners to the land access reference group.

Actions must include going as far as supplying directly submission forms and information to all deer farmers for their signature and return to the appropriate land access reference group or other bodies that may be developing new regulations relating to land access by the public.”

MOVED (Campbell Clarke/Leith Chick)

Campbell Clarke advised that 10-20% of rivers have a Queens chain. He asked those present how they would feel about having people walking across their property carrying guns or to grow marijuana.

Campbell said that all deer farmers would receive a submission form in the Stagline and requested they action this and post it to the Minister, pointing out that it was better to send responses in separately instead of together.

Leith Chick then seconded this remit.

James Guild advised that the submissions referred to by Mr Clarke did not go to the Minister and that they had closed some time ago.

Campbell said he did not know that they had actually closed, saying that in some way they must still come to us, or be open to us, as an industry before becoming law.

The remit was then put. CARRIED

## CONCLUSION

In concluding this conference, Errol Croad presented Susan Gee (nee Watson) with a bouquet of flowers in recognition for all she has done in relation to getting the finances/accounts sorted.

The meeting closed at 4.55 p.m.

Signed as a true and accurate record



Errol Croad, Chairman

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## Constitutional amendments 2004

### Amendment 1: Elected member

The following clauses and the amendments, insert the words “Elected member” in the appropriate clause. This results from the passage of Remit 6 from the Tongariro Branch NZDFA passed at the AGM in 2003. The Remit read:

*“Elected Member*

*That the NZDFA constitution be changed as indicated:  
New member status – Elected Member*

*Is a person who has paid the Association during the Association's financial year a full membership subscription and is voted by simple majority to full membership status by the Branch who elected that person. An Elected member shall have full membership entitlements upon approval of an application in writing to the Executive Committee.”*

That motion was carried.

The correct wording and definitions that fit with the NZDFA's constitutional requirements are presented below for ratification at the 29<sup>th</sup> AGM.

- 1.) Clause 5.1 Change the words five to six. Add the formal definition of Elected member. The clause will now read:
  - 5.1 Membership Categories: There shall be the following six categories of membership:

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

(It is anticipated that any such person would be fully involved in the management and practice of farming of deer and have been proposed and seconded and elected by a simple majority at a Branch Meeting properly constituted for that purpose to be nominated as an Elected Member.

The Executive Committee will review each of the Elected Members annually and if not meeting the criteria specified in this paragraph may terminate that person's membership.)

- 2) Clause 5.2 Add the clause Entitlements of elected members and explanatory clause The clause will now read:
  - 5.2 Membership Entitlements: Members shall have the following entitlements:

Elected Member: An elected member shall have the same entitlements and be accorded all privileges of Full Membership.

Accordingly, references in this Constitution to a Full member or Full membership shall be deemed to also include an Elected member or Elected membership.

Note: The following clauses are affected by Clause 5.2(b) that require addition of the Words "Elected member or Elected Membership"

- 9.2 Failure to Pay Subscriptions
- 12.3 Voting For Executive Committee
- 15.2 Qualification of Members
- 27.1.1 Special General Meeting
- 37.2 Selection panel
- 37.3 Nomination of Selection Panel Members
- 37.4 Election of Selection Panel Members
- 37.9 Nominations for GIB

### Amendments 2 and 3: Proxy

This change from the previous "noon" wording is a carry over from the 27th AGM in 2002. Moved C Parkinson, seconded V Connolly:

"That 29.4 (b) be amended to allow proxies to be accepted no later than 4.00pm on the day prior to the AGM."

The President on the day did not put the motion, noting that it was a procedural matter which would need to be brought to the next AGM as a constitutional amendment. This was overlooked in 2003 and the change is presented this year.

The changes proposed for 29(c) and (d) are a constitutional change for correctness. The expression "Chairman of the Branch" has been used informally previously. In common law the intention is patently clear and quite valid.

The proposal is to change the formal wording of the Proxy form to include nomination of the Chairman of any specific Branch of the NZDFA or its properly constituted Affiliated Society.

29.4 Proxies: Members may appoint proxies to vote on their behalf provided that:

- (b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Returning Officer not later than 4.00pm on the day prior to the day of commencement of the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid;
- (c) An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

I/We ..... of ..... being a member/ members of the Association, hereby appoint ..... of ..... or failing him/her ..... of ..... or the Chairman of the ..... Branch of the NZDFA, or its properly constituted affiliated society

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 ..... day of ..... 20 ..... and at any adjournment thereof. Signed this ..... day of ..... 20 .....

- (d) Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

I/We ..... of ..... being a member/ members of the Association, hereby appoint ..... of ..... or failing him/her ..... of ..... or the chairman of the ..... Branch of the NZDFA, or its properly constituted affiliated society 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 ..... day of ..... 20 ..... and at any adjournment thereof.

Signed this ..... day of ..... 20 .....

- \* This form is to be used \*in favour of the resolution. **against**
- \* Unless otherwise instructed, the proxy will vote as he/she thinks fit.
- \* Strike out whichever is not desired.

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## Executive Committee motions

### Financial

#### 1. Budget 2004/05

"That the Budget of expenditure for the year ending 31 March 2005 be approved."

Moved: Andrew Mitchell, Seconded: Andrew Fraser

Note: The subscription levels were fixed at an Executive Committee meeting on 8 February 2004 and that subscription notices have been sent in April as required by the Constitution. There is no requirement to endorse the subscription levels for

the 2004/05 year at the AGM. That traditional motion has been a courtesy at all previous AGMs.

## 2. Commodity levy

“That the NZDFA Commodity levy on venison and velvet be fixed at NIL for the NZDFA Financial year 2004/05.”

Moved: Andrew Mitchell, Seconded: Bill Taylor

## 3. Remuneration of elected officers

The recommendation is that the honoraria remain unchanged at \$7500 for the Chairman and \$5000 for the other members of the Executive Committee.

The motion is: “That the honoraria remain at the same levels for the NZDFA financial year 2004/05 as currently, and be fixed at \$7500 for the Chairman and \$5000 for each other member.”

Moved: Andrew Mitchell, Seconded: Errol Croad

## 4. Appointment of auditors

“That Deloitte Touche Tohmatsu be appointed as auditors for the ensuing year.”

Moved: Andrew Mitchell, Seconded: Bill Taylor

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## Branch remits (received by publication date)

### Remit 1: Tongariro Branch, NZDFA

#### Depopulation Contingency Fund

“That the NZDFA in conjunction with DINZ work with the Animal Health Board to develop and implement a policy, within six months of this remit being passed, that will provide a contingency fund to allow financial support for the depopulation of a deer herd on the infrequent occasion when it is deemed to be the only recourse to control a severe tuberculosis outbreak”.

Moved: Chris Parkinson, Seconded: Geoff Burton

#### Discussion

Occasionally within New Zealand there are severe outbreaks of Tb, which spread very rapidly within a deer herd. It is believed that in some of these situations (say where infection is deemed to be affecting at least 70% of the herd), that the only sensible method of control is depopulation of that herd. Without the ability to achieve this there remains high risk of Tb spread either back into the vector population or to neighbouring properties. Depopulation results in severe financial strain on the herd owner, especially where it involves large numbers of reactors, weaners, and likelihood of a high percentage of condemned animals. Some will not be able to survive this outcome. Provision for financial assistance in these instances up to a level of full market rate, will allow a depopulation plan to proceed rapidly and thus minimise risk to the pest management strategy.

It is emphasised that this is not a compensation plan for covering reactors, and would only be utilised in instances where depopulation is deemed the only option in controlling an outbreak. We do not support full compensation in line with the dairy system or an increase in levy. Such a small amount could be reallocated from within AHB resources.

Finally, a quote from a respected Deer Farmer in our area,

“Farmers should remember but for the grace of god you don’t have TB. It is not if you get it, it’s when. All deer farmers need to accept this now”.

#### Policy and Funding Conditions

- Based on six depopulations per year.
- Compensation is only a top up from what is returned to the farmer after slaughter as Tb Reactors at a DSP. This is estimated to be around 40% of full Market Rates (FMR) to be funded.
- Average deer herd 500 animals
- Average price of hinds presently \$210.

Funding required per annum - \$252,000.

#### Funding Options in order of preference;

1. Change AHB policy and reallocate monies from existing funds.
2. Increase AHB levy.
3. Full collective funding as per dairy industry

### Remit 2: Taranaki Branch, NZDFA

#### Velvet grading

That this meeting direct DINZ to simplify the grading system for deer antler velvet by:

1. Reducing the number of grades more in line with the Korean mix.
2. Cancel all long top grades completely.

Moved: Graeme Hunter, Seconded: John Cusdin

#### Discussion

Over a number of years the velvet antler grading system has evolved into a large number grades (70+). The market signals arising from this have caused much confusion amongst velvet antler growers. Over the past couple of seasons buyers have made very little price difference variation between a range of grades especially medium and long. The biggest disappointment is the creating of a SA grade which has devalued a large proportion of Super A velvet rather than enhancing the price of SA2 as it was intended.

During the velvet seasons 2001-2002 a trial was conducted by a Taranaki deer farmer and a large velvet pool operator assessing the introduction of the long top grade and how it affected the values paid to farmers.

**Season 2001:** 31 stags were develteted with A1 and A2 heads, of these 31 heads, 13 of the A1 sides were graded long top.

**Season 2002:** the number of stags with A1 and A2 heads increased to 34 with 16 of the A1 sides being graded long top.

All stags were yarded weekly at button drop and drafted out – no buttons were left on. Both sides were velveted at the same time.

The conclusion drawn from this trial is that:

Side 1 – A2s grown properly get good value.

Side 2 – A1 LT grown from the same stag cut at the same time is of similar quality but gets downgraded to the long top grade and receives a discounted price. This is unfair and happens often.

### Remit 3: Canterbury Branch, NZDFA

#### Membership lists

“That Deer Industry New Zealand takes urgent action to remedy the accuracy of both the industry list and the list for paid members of all Branches, and ensure that these lists show appropriate and correct address format.”

Moved: Kelvin Kimber, Seconded: Dave Wilson

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## Chairman's Report

Welcome ladies and gentleman to the 29<sup>th</sup> Annual Deer Industry Conference.



The untimely death of Sir Peter Elworthy tends to dominate my thinking as I write this report. He was such an important part in this dynamic industry and proud of the vision for deer farming and a huge admirer of the qualities of the animal we farm.

I was fortunate to have known him and appreciated his quiet stewardship and advice through recent days of industry restructuring and the preservation of the ideals of the NZDFA for its producers.

The 2003 Timaru Deer Industry conference with 240 delegates was the biggest attended in recent times. There was an excellent mix of information sharing, provocative issues and sponsor participation along with a busy social programme.

### General activities

The October 2003 Branch Chairmen's meeting was held at the Westpac Stadium where all but one attended. This was a very full two days with Deer Industry New Zealand executive staff just back from the Anuga Food Fair in Germany, and the Producer board members available for a full and frank discussion.

However, it is disappointing that our industry has continued this year to receive unsustainable product returns, especially given the cautious message of better prospects from Anuga.

Low venison prices are now into the third year and many of our members are questioning how much longer they can hang on and commit to the industry. To add to this year's problems, velvet returns have taken a dive, driven mainly by the rising dollar. This double whammy has been just about the last straw for some.

These impacts have put our new structure to the test with concerns over our returns from venison and velvet adding to the governance and communication role.

The NZDFA has had a very active year. The Executive Committee with its own concerns and feedback from Branch Chairmen continue to ask the hard questions of our producer members on the Deer Industry New Zealand board. The Executive Committee and SAP have had good dialogue with the Board and are able to table their concerns and receive full and frank responses to the questions we ask on your behalf. Within the new structure, significant operating efficiencies and an ease of working together is clearly evident.

The Producer Manager is amongst our farmers throughout New Zealand on a daily basis and also reporting direct to the board. Make no mistake – your Executive Committee and the Deer Industry New Zealand board members know the issues.

Currently we are awaiting input from Branch Chairmen on the review the Executive undertook on its role and function. This review of the operation of the Executive Committee over the last two years makes recommendations on visibility, public profile and a more rigorous meeting and yearly calendar development.

Velvet issues around drug levels and minimum residue levels and the ability for farmers to continue to velvet and comply with the new rules, have taken a lot of our time and added cost. The NZVSB manager, Rob Gregory has displayed great commitment and has been outstanding in managing this crisis.

A planned review of the NVSB will see this important role by two DFA-elected members increase yet further as the issues continue to require more time and input. The DFA members will now receive honoraria. Developing the new welfare-based code for accredited farmer velvet antler removal will be a critical task. David Stevens and John Spiers are our current members and have done a tremendous job in a very trying year. Thank you both for your efforts.

### Finance

Andrew Mitchell has been overseer of finances. The support which the NZDFA has received in this financial year is very gratifying. With 2885 members, \$128,000 in reserves and a break-even budget for next year, the Association is in a strong financial position and exceeds expectations. Subscription levels have been held at last year's levels and were sent out at the start of the financial year with a huge and early response. Susan Gee, our financial manager, keeps a firm hand on the purse strings and we thank her for that.

### AHB

With the funding formula resolved and the deer industry now saving in excess of one million dollars per annum this has been a very hard fought and satisfying outcome. Under the AHB's National Pest Management Strategy to achieve less than 0.2% of infected Tb herds by 2012, there will be extra testing for some areas until they are sure that Tb has been eradicated from these problem areas and herds.

MJ Loza and I are currently working with the AHB on behalf of the Southland deer farmers who have issues with ensuring that testing programmes and spending resources on vector control are most efficiently aligned with a Tb eradication goal. Our case is not being helped by the deer statistics which show our herd numbers on movement control going up and the time to come off movement control takes three times longer than a cattle herd. When a deer herd breaks down, in some cases the number of animals affected is high. With no compensation and the cost of extra testing, the effects on individual farmers can be devastating.

The Executive Committee has been asked its view of a collective levy to fund Tb testing. This has not been supported previously, but perhaps it is time for deer farmers to review the situation given the changes in the testing of animals in vector-free areas.

## Research

The number of Expressions of Interest submitted for production research is very encouraging. Research and development is our future, but there is a cost and we need to spend what money we have wisely, where we will get the best return. The Executive Committee and Branches are actively involved in commenting on research preferences and production research directions. It is a complex task and I'm pleased to report that adding value to product and market support are just as important in a top 10 list as disease control and production issues. Thank you to the Branch Chairmen for their considerable input and Noel Beatson our representative on the DEEResearch Board.

## Landcare Manual

Bill Taylor has taken on the role of overseer and working with project convener John Paterson, the Producer Manager and journalist/writer, Annie Wright, to bring this four year project to publication. With the DFA contributing \$10,000 per year and a total now of \$138,000 from the Sustainable Farming Fund, this would have to be the biggest project the DFA has ever undertaken. Make no mistake: this has been a major and not always easy task with contributions from over 150 deer farmers and skilled staff in regional councils and research groups.

Congratulations to John Paterson and his committee for completing this demanding task.

## Game & Forest Foundation

At the October Branch Chairmen's meeting it was moved unanimously to become an Associate member of Game and Forest Foundation. Andrew Fraser is our representative, and he reports they have been active with the following issues:

- White tail deer on Stewart Island
- Proposal for managing the Wapiti area of Fiordland National Park
- Development of deer repellent and poison baits which significantly reduced deer by-kill
- The need for greater input to how Tahr in the Southern Alps will be managed in the future
- Sika deer in the Kaweka Mountain Beech Forest
- A closer working relationship with DOC is actively being established.

There is some activity over recent statements and unbalanced presentations in a TV current affairs programme that reported on Game Estate hunting. The NZDFA and the industry are at clear odds with statements from the NZ Deerstalkers' Association, and in combination have sought retraction and clarification on farm issues of food safety and farm practice that were discredited in the programme.

## Health & Safety Council (OSH/ACC)

ATV accidents are still occurring, with two members of the Executive Committee adding to the long list in March. I sincerely ask you all "Do you have an approved helmet?"

The Council has a final draft for farm airstrips with all Branch Chairmen having an opportunity to make submissions towards this. We believe that by working with the appropriate authorities they will deliver the best outcomes.

## Deer Industry News

With six published this year, farmers are being kept informed with up to date information. Phil Stewart's Words & Pictures team have been keeping to the deadlines and ensure the high quality of the magazine which is such a valuable industry information source. MJ Loza's *Deer Notes* and *Market Report* along with conference calls with Branch Chairmen and Associated Societies after board meetings complete the information flow, which I believe is unparalleled in other industry sectors.

## Selection and Appointment Panel

Susie Hall, who has added balance and experience, and Chris Hughes with his excellent listening skills, but always ready to ask the hard questions, are retiring from SAP this year. I would like to thank both for the time and expertise given to this panel over the last few years.

The new group will have an important role this year as the Deer Industry New Zealand Board reduces to eight. Four quality candidates are offering themselves for the two vacant producer appointed positions. The SAP's role is tremendously important for the NZDFA and I am confident that its balance and code of operating practice developed over recent years is the right and proper industry selection process and fully supported by the majority of our producers.

## Conclusion

I would like to finish by thanking Deer Industry New Zealand for their support. The sound leadership of CEO MJ Loza, and his executive team, and the tireless efforts of their dedicated staff are appreciated.

To my Executive Committee: thank you for your input in this very difficult and trying year. The role of the Executive Committee has turned out to be bigger and more time consuming than envisaged under restructuring. Although the latest technologies help us to communicate this also tends to add more pressure with the expectation of instant response. As full time farmers, this is not always possible.

We have managed to meet our timelines and commitments and I thank you for the part you have played and particularly also to your partners and families for their understanding and support.

It has been a privilege to have worked with Tony Pearse in the role as Producer Manager. His ability and commitment continues to amaze and he has made my job that much easier. With the restructuring and improvement to the operating systems of the NZDFA, and the support of the Deer Industry New Zealand staff, things will fall into place and take far less of the Producer Manager's valuable time in the future.

Thank you for your tremendous support. I'm sure you will join me in congratulating them all for an outstanding achievement this past year.

Thank you

*Errol Croad, Executive Committee Chairman*

## Producer Manager's Report



This difficult year has required an enormous commitment from Branches, their Chairmen and Committees. The impact of extended periods of unsustainable returns has dominated meetings and has fuelled generally uniformed speculation in the media. This inevitably detracts from the positive steps

being taken in all sectors to correct and advance industry prospects. There has been a continuous sequence of events and issues that the Executive have been incredibly busy with in what will be seen in history as a milestone year for the industry.

### Communication

This year highlights the importance of the Producer Manager position, which allows direct reporting to the Deer Industry New Zealand Board of producer issues, moods and reactions and a rigorous interaction between Deer Industry New Zealand Executive and the NZDFA. Events and communication from levy payers at Branch and on-farm level are part of the daily background within the office and its dealings with industry issues. Communication to the Board is clear and direct, giving the Board a full understanding of producer concerns and emotion.

We have seen a further advance in two-way communication again this year. While the message may not have always been in line with current producer expectations, board response is always a commitment to improved and sustainable future returns of the industry and the industry structure of a integrated Deer Industry New Zealand/NZDFA and a partnership across all three sectors: producer, processor and customer.

Branches have been immersed with the considerable volume of underpinning industry-good activity that is undertaken for the industry's benefit. A brief review of these activities since Conference 2003 shows the extent and depth of the issues that the industry has faced in recent times.

### Industry views on GMO moratorium

Conference directed the NZDFA to survey members and develop a strong stance based on the lifting of the GMO moratorium. We received powerful support for the Deer Industry New Zealand policy that rejects the use and need for genetic modification in the deer industry at this time but a 50:50 mix on the need to extend the moratorium. These views were presented to the Parliamentary Select Committee with support for the need for controlled containment research and maintenance of a research and technology capability and skills base.

### Velvet removal

This work was followed almost immediately by velvet removal issues and the start of a huge volume of work through the NVSB. This work has included the development of a complex and comprehensive research programme, lobbying and a communication programme that has had great benefit to the industry as a whole.

The velvet removal road-shows were a constant evolution of new

information and changing views and attitudes but were incredibly valuable. Over 1600 farmers, veterinarians and velvet industry people attended. Some of the ideas offered now form the basis of critical research work and underpin the just-announced 5 year extended period to develop and improve velvet removal systems for the future. Equally important was the chance to talk of the ongoing uncompromising need for compliance to the NVSB programme and the systems and requirements for appropriate spiker welfare.

This year the awareness and levels of compliance have markedly improved with new registrations to the NVSB programme with sales and use of the Natur-O™ ring increasing despite its practical difficulties.

The Producer Manager attends NVSB meetings by invitation to present a farming view on issues and developments, but also to gain understanding of the issues being addressed. This is an important opportunity, if nothing else, to appreciate what challenges lie ahead for the NVSB as the velvet removal welfare code is developed and the removal systems and drug issues are finalised. This is a huge issue for the industry and has some particularly talented and dedicated people involved through the NVSB in particular.

### Land access

The land access issue was also signalled at last year's conference as one of potential concern to deer farmers. We attended a number of the working group meetings and presented a submission reinforcing the welfare and safety aspects involved with any public access to private land. The NZDFA is essentially supporting the working group's major findings that addressed safety and responsibility, rural fire implications, negotiated access and farmers' rights to decline access at any stage due to farming needs. The critical next step is the reaction from the Government to the working party's recommendations and any proposed legislation.

### Sustainable Farming Fund

#### Monitor farm

A major activity for the year involved the major Sustainable Farming Fund projects the industry secured. The National Deer Performance project has been finalised and launched outside Southland in association with the MWI monitor farm project in Canterbury. With an industry focused on improving returns, it is a difficult environment to launch such a project – although the gains in productivity made based on the DeerSouth experience are substantial and can in themselves boost profitability inside the farm gate. There will be further promotion of the programme around the Branches shortly once the Canterbury group is established.

#### Landcare Manual

A landmark project has been the successful development of the Landcare Manual that will be launched at Conference after 4 years in the making. This document owes its development to many people, not the least of whom have been the 100 plus farmers and experts who provide the vision and raw data. The manual's shape and content results from John Paterson's tireless stewardship as convenor. John has put hundreds of hours of

work into the Manual, collating all the views and words ready for the development of the final drafts and print ready copy. The committee and a contracted journalist have edited and refined the text and figures to produce what I believe is a major credit to the industry.

John's passion for this project and his contribution as an industry watchdog on environmental issues is immense. Without this the industry would be substantially behind in our understanding of the importance of environmental responsibility and the need for developing and implementing sustainable farming principles as an integral part of everyday deer farming.

Increasingly, we see regional councils and other environmental agencies potentially impacting on deer farming operations. The manual has a dual role in providing tested practical advice on avoiding or remedying environmental damage and also sets out case studies and the principles behind developing sustainable management plans that are readily understood and implemented.

This new emphasis on farming responsibility will increasingly become part of the daily farming routine with the advantage of adding value and extra production over time rather than being an imposed cost. Significantly, the manual links to the industry Deer QA On-Farm Programme and will also serve as the basis of market assurance programmes that demonstrate sustainable and environmentally responsive programmes.

### **Deer farming code of welfare**

Equally demanding has been the development of the draft deer farming welfare code, again seeking contribution and input from Branches. This document will shortly be sent to NAWAC for comment and approval of the legal minimum standards for welfare and the supporting recommended best practices and background information. NAWAC can also add to the standards, so the draft has sought to be comprehensive and cover all aspects of deer farming. The final draft is with Branches and other experts in a final consultation phase before submission. We expect the code to be released for public comment later this year. The code, too, will be an important part of market assurance in the future. It will add to the other features of quality production, food safety and management practices that enhance welfare and skilled management systems that underpin the global venison strategy and market initiatives in all major markets.

### **Other issues**

Also currently before Branches are important issues involving:

- national animal identification systems (LAPTYS)
- revised and farmer-friendly Animal Status Declaration forms (ASD)
- a request for branches to review and comment on the DeerQA quality assurance programmes.

The Executive Committee and Producer Manager aim to provide Branches with a proposed response to these types of issues for comment rather than putting the entire burden on Branches. There is a balance to be achieved between wanting to inform and keep Branches at the forefront where their views are

incorporated into final refinement of these projects, and overloading committees and individuals. Frankly, response levels are at times minimal. This applies also to the opportunity to comment on the Deer Industry New Zealand Board budget, DEEResearch expressions of interest and Executive Committee activities and requests for input. While we appreciate that there are a myriad of other things occupying our committees, this is a genuine chance for commentary that is very important. The Executive Committee and Producer Manager all contribute but there is real value in the wider view.

### **Executive Committee role and function**

With that in mind, the Executive Committee held a couple of workshops to review its own form and functioning after 18 months in operation. There had been some concern expressed following the October Branch Chairmen's meeting that the NZDFA had lost some of its independent voice and had developed a quieter leadership role. While the workload and commitment asked of the Committee is substantially more than first envisaged, those comments have been incorporated in a constructive schedule of work, a portfolio reporting responsibility and more formal media profile. It was also suggested that the Branch Chairmen might meet with the Executive Committee and others in smaller numbers where local issues can be explored. The South Island Branch Chairmen recently met in Christchurch where many issues were discussed in detail, including the draft global venison strategy.

It is hoped to extend the concept in the North Island later this year.

### **Johne's Research Group (JRG)**

Branches are to be commended for their support of the JRG which continues to work steadfastly to provide up to date practical information and advice regarding Johne's Disease and set up programmes that will rid farms of Johne's when discovered. Researchers share information about their programmes on vaccine development and quicker and more effective test development in an integrated approach. The epidemiological study has suffered a couple of setbacks in timing getting researchers in the field, but the JRG has provided assurances that the wider research project will begin shortly. The generous people who have offered their farms as part of that study are vital to its success. (A separate report from the convenor of the Johne's Research Group follows this report.)

### **Industry activities**

The most valuable part of the year has been the contact with the people and their skills, issues and insights in the Branches. We are committed to a programme of Branch visits as often as is requested or can be accommodated in what has been a year that seemed to become busier and busier. It has been notable in some of the well-run and wide ranging technical field days that there is a new generation of younger faces and new faces turning up to production based events. Companies have made major efforts to attend these events and provide insights into the new marketing programmes and the considerable efforts being expended to improve the current situation. Attending these events has also been world-leading researchers and farmers who have made astonishing developments in deer

production, breeding and feeding and in advanced technologies like AI and production recording. As the industry regains its momentum and returns to sustainable levels that reflect the quality and attributes of our products, NZDFA activities will extend to more of these events building on renewed confidence.

### Conclusion

I must acknowledge the strength of work and support that the Executive Committee and the Branch Chairmen have provided me. Also particular thanks are due to the rest of the Deer Industry New Zealand team who provide their own perspectives to the issues farmers raise, to the expressed concerns on viability and keen participation in building the future of this industry. I believe we all have a greater understanding of the future and what challenges lie ahead as the industry slowly but steadfastly regains its viability and as the visions of all partners become the new reality.

*Tony Pearse, Producer Manager. May 2nd 2004*

## Johne's Research Group (JRG): Update

The JRG was initiated in May 2002 to contribute to finding solutions to Johne's Disease (JD) in deer and disseminating practical information on JD to farmers. It has now begun to make significant progress. Recent developments include:

- The start, in collaboration with Massey University, of a comprehensive epidemiology survey to determine the characteristics of JD in deer. A German researcher (Esther Homfeld) has completed a series of preliminary case studies in The South Canterbury/Otago regions. The results will be published in June 2004. This information is expected to provide some insight on the spread of JD and to help determine the structure of the larger survey of 160 properties. About 50 properties have volunteered to date for this survey, but more farms are required.
- A programme of deer farmer focused publications has begun with the printing of a brochure on JD management advice. Other publications are being developed, including a technical manual for deer farmers and a brochure updating progress on developing a vaccine and better diagnostic tests for deer.
- The JRG is also looking at the possibility of playing a part in facilitating a better outcome regarding detained deer carcasses. It appears that many Tb suspect cases may be due to JD; a more specific diagnosis would be of value to farmers and, in turn, ease the backlog of detained suspect Tb cases in the plants and diagnostic laboratories.
- The JRG is planning to fund much of its extension work with the assistance of a substantial programme with the Sustainable Farming Fund. A submission for SFF funding has been encouragingly received and the JRG has gained approval for its case to go through to the next round of assessment.
- The JRG has recently received financial assistance from an additional seven DFA Branches and through sponsorship support of the 2004 Deer Industry Calendar. This contribution is greatly appreciated, not only for the resources needed to advance the JRG's work, but also for providing leverage to secure funding from other entities assisting agricultural research.

*Peter Aitken, Convenor.*



New Zealand Deer Farmers' Association

## Financial report

### Review of accounts for the year to 31 March 2004

Excluding spend on research activities made from the research fund, the result for this financial year was an operating surplus of \$13k against an original budget of \$9k. Subscription income generated was \$87k based on 2,885 payments being received, a healthy 15% above the original budget set of 2,500 members. Expenses were kept to a minimum with as many general office expenses as possible being covered by Deer Industry New Zealand and only specific items of expense being charged to the NZDFA.

The day to day running of the conference yielded a net profit of \$6,000, which reduced to a profit of \$1,000 when all other associated conference expenses were taken into account (including RAHC meetings, costs of life members, and Deer Industry News reporting).

Honoraria of the Executive Committee remained at previous year's rates of \$7,500 annually for the Chairman and \$5,000 each for the other three committee members.

Travel and accommodation was higher than budget mainly due to the cost of the Branch Chairman's meeting (\$4k, unbudgeted) and significantly more travel to meetings taking place for the Executive Committee Chairman than originally planned. Legal fees included constitutional advice relating to the elected member remit and proxy form changes.

This year the DEEResearch director's fees have been funded from the research fund, however all research funds have now been committed and all future payments must be made from the general fund, hence the inclusion in next year's budget.

Closing reserves to be carried forward to the 2005 financial year are \$128k.

### Budget for the year to 31 March 2005

The budget for the year to 31 March 2005 shows a net breakeven position. Subscriptions are budgeted at a conservative level of 2,650, an 8% decrease from the current year actual.

Postage costs are higher due to the separate mailout performed of the initial subscription invoice instead of with Deer Industry News as performed in previous years. There will be costs of approximately \$4k associated with the election process which were not required in the 2004 financial year.

Most other costs are budgeted at the same level as the 2004 year, although the conference is budgeted to breakeven.

This overall budget will enable reserves to be maintained at the level of \$128k.

*Susan Gee, Deer Industry New Zealand Finance Manager*

### NEW ZEALAND DEER FARMERS' ASSOCIATION INC INCOME AND EXPENDITURE

	Year to March 2004 ACTUAL \$	Year to March 2004 BUDGET \$	Year to March 2005 BUDGET \$
<b>Income</b>			
Subscriptions	86,555	75,000	79,500
Interest and Sundry income	8,523	6,300	7,700
	<u>95,078</u>	<u>81,300</u>	<u>87,200</u>
<b>Expenditure</b>			
Audit Fees	1,500	1,500	1,500
Legal Fees	1,620	-	1,000
AHB Director's Fees	5,700	-	3,000
DEEResearch Director's Fees	-	-	4,000
Conference (Surplus/Deficit)	(892)	4,034	0
Insurance	2,610	2,500	2,750
General office	56	2,000	350
Postage	1,506	3,000	5,700
Printing & Stationery	7,194	5,727	5,000
Annual Report	8,905	8,905	8,900
Election Printing	-	-	4,400
Honoraria	22,500	22,500	22,500
Logo Change	1,348	1,200	0
Telecommunications	3,105	3,900	3,100
Travel/Accommodation	26,600	16,860	25,000
	<u>81,752</u>	<u>72,126</u>	<u>87,200</u>
<b>Operating Surplus</b>	<u>13,326</u>	<u>9,174</u>	<u>0</u>

# Audit Report

To the Members of the New Zealand Deer Farmers' Association Incorporated.

We have audited the accompanying financial report on pages 18 to 21.

The financial report provides information about the past financial performance of the New Zealand Deer Farmers' Association Inc and its financial position as at 31 March 2004, including the transactions of the Association in respect of its accounting for levies raised under the Commodity Levies (Farmed Deer Products) Order 2001. This information is stated in accordance with the accounting policies set out in note 1.

## Executive Committee's Responsibilities

The Executive Committee of the Association is responsible for the preparation of a financial report, in accordance with New Zealand law and generally accepted accounting practice, which fairly reflects the financial position of the Association as at 31 March 2004 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 report 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 report. 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 give reasonable assurance that the financial report is 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 report.

Deloitte has provided tax support services to the New Zealand Deer Farmers' Association during the financial year. Other than this and in our capacity as auditors we have no relationship with or interests in the Association.

## Unqualified Opinion

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

In our opinion the accompanying financial report fairly reflects the financial position of the Association as at 31 March 2004 and the results of its operations and cash flows for the year ended on

that date, including the transactions of the Association in respect of its accounting for levies raised under the Commodity Levies (Farmed Deer Products) Order 2001.

Our audit was completed on 6 May 2004 and our unqualified opinion is expressed as at that date.



Chartered Accountants  
Wellington, NZ

## NEW ZEALAND DEER FARMERS' ASSOCIATION INC STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2004

	Note	2004 \$	2003 \$
<b>Income</b>			
Commodity Levy		-	264,912
Subscriptions		86,555	41,247
Interest		7,770	15,935
Sundry		2,296	11,145
		<u>96,621</u>	<u>333,239</u>
<b>Expenditure</b>			
Research		54,194	246,445
Audit Fees		1,500	5,083
Legal Fees		1,620	11,259
Insurance		2,610	2,413
Returning Officer Fees		-	3,306
Advisory Services		-	10,933
Conference (Surplus)/ Deficit		(892)	6,829
General Office		1,404	2,847
Postage		1,506	2,549
Printing & Stationery		7,194	16,518
Publications		8,905	34,007
Salaries & Honoraria	2	28,200	41,114
Telecommunications		3,105	6,591
Travel and Accommodation		26,600	58,470
Website Hosting		-	1,100
		<u>135,946</u>	<u>449,464</u>
<b>Operating Deficit</b>		<u>(39,325)</u>	<u>(116,225)</u>

## NEW ZEALAND DEER FARMERS' ASSOCIATION INC STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 31 March 2004

	2004 \$	2003 \$
Opening Balance	167,725	283,950
Operating Deficit	(39,325)	(116,225)
Closing Balance	<u>128,400</u>	<u>167,725</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**  
**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2004

	Note	2004	2003
		\$	\$
<b>Current Assets</b>			
Short Term Bank Deposits		133,498	177,106
Accounts Receivable		6,651	11,956
Tax Refund Due		207	2,861
		<u>140,356</u>	<u>191,923</u>
<b>Current Liabilities</b>			
Accounts Payable		11,956	24,198
<b>Net Current Assets</b>			
<b>representing Net Equity</b>		<u>128,400</u>	<u>167,725</u>
<b>Net Equity comprises:</b>			
General Funds	7	124,963	111,637
Research Funds		3,437	56,088
		<u>128,400</u>	<u>167,725</u>



**Errol Croad**, Chairman of Executive Committee  
6 May 2004

**NEW ZEALAND DEER FARMERS' ASSOCIATION INC**  
**STATEMENT OF CASH FLOWS**

For the year ended 31 March 2004

	2004	2003
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<i>Cash was provided from:</i>		
Commodity Levies	-	325,162
Subscription Income	85,865	42,777
Interest Received	6,785	7,792
Other Operating Income	2,296	931
<i>Cash was applied to:</i>		
Payments to Suppliers	(141,208)	(460,773)
Net Tax Refunded/(Paid)	2,654	(1,698)
<b>Net Cash Outflow from</b>		
<b>Operating Activities</b>	<u>(43,608)</u>	<u>(85,809)</u>
Net Decrease in Cash Held	(43,608)	(85,809)
Opening Cash Balance	177,106	262,915
Closing Cash Balance	<u>133,498</u>	<u>177,106</u>

**RECONCILIATION OF OPERATING SURPLUS AFTER TAX**  
**TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

	2004	2003
	\$	\$
Reported Deficit	(39,325)	(116,225)
Add Non-Cash Items:		
Movements in Working Capital	(4,283)	30,416
Net Cash Outflow from		
Operating Activities	<u>(43,608)</u>	<u>(85,809)</u>

**NEW ZEALAND DEER FARMERS' ASSOCIATION INC**  
**RESEARCH FUND: STATEMENT OF RECEIPTS**  
**AND PAYMENTS**

For the year ended 31 March 2004

	2004	2003
	\$	\$
Opening balance	56,088	201,996
<b>Receipts</b>		
Commodity Levy transfer	-	82,388
Interest	-	7,935
Research Auction	1,543	10,214
	<u>1,543</u>	<u>100,537</u>
<b>Payments</b>		
Research Grants		
DEEResearch Limited	36,221	225,692
Environmental Awards	8,657	4,539
Other	1,675	-
Landcare manual	-	6,666
Provision of technical materials	-	8,513
Administration and Travel	641	1,035
DEEResearch Limited Directors' Fees	7,000	-
	<u>54,194</u>	<u>246,445</u>
Closing Research Funds	<u>3,437</u>	<u>56,088</u>

**NEW ZEALAND DEER FARMERS' ASSOCIATION INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2004**

**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:

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
Chairman	7,500	11,875
Executive Committee	15,000	22,500

In addition, the Chairman received fees in the sum of \$5,700 for time spent representing the Association on the Animal Health Board committee from the period July 2002 to March 2004.

John Cusdin received \$4,000 in his capacity as director of DEEResearch Limited for the period August 2001 to June 2003, and Noel Beatson received \$3,000 in his capacity as director of DEEResearch Limited for the period July 2003 to March 2004.

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

**3. TAX LOSSES**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
Taxable Income	7,770	14,198
Less deductible expenses	(1,000)	(1,000)
	<u>6,770</u>	<u>13,198</u>
Losses brought forward from prior years	(63,599)	(76,797)
Losses carried forward to future years	<u>(56,829)</u>	<u>(63,599)</u>

The availability of the above losses of \$56,829 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**

The Commodity Levies (Farmed Deer Products) Order 1995 came into effect on 1 December 1995 at the initial rate of 1.5 cents per kilogram on venison and 10 cents per kilogram on velvet. From 1 July 1997, with the approval of the Annual General Meeting of members, the rates were increased to 2 cents per kilogram on venison and 13 cents per kilogram on velvet, and from 1 July 1998 the rates were decreased to 1.4 cents per kilogram on venison and 5 cents per kilogram on velvet. On 1 August 1999 the rates were increased to 1.8 cents per kilogram on venison and 9 cents per kilogram on velvet.

The Commodity Levies (Farmed Deer Products) Order 2001 came into effect on 1 November 2001 at the initial rate of 2.5 cents per kilogram on venison and 12 cents per kilogram on velvet. 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.

**6. RELATED PARTY TRANSACTIONS**

All transactions with related parties were conducted at arms length. During the year, the New Zealand Deer Farmers' Association provided a research grant to DEEResearch Limited in the sum of \$43,221 (2002: \$225,692). This figure is inclusive of the \$7,000 paid to the directors of DEEResearch Limited mentioned in note 2 above.

## 7. TOTAL EQUITY

Total equity is split between research and general funds as follows:

	2004	2003
	\$	\$
<b>General Funds</b>		
Opening balance	111,637	81,954
Operating surplus	13,326	120,006
Transfer to Research Fund	-	(90,323)
Closing General Funds	<u>124,963</u>	<u>111,637</u>
<b>Research Fund</b>		
Opening balance	56,088	201,996
Transfer from General Funds	-	90,323
Other Research Income	1,543	10,214
Research Expenditure	(54,194)	(246,445)
Closing Research Funds	<u>3,437</u>	<u>56,088</u>
<b>Total Equity</b>	<u>128,400</u>	<u>167,725</u>

## 8. COMMITMENTS

As the rate of collection of the commodity levy is currently set at nil, 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). Should the commodity levy collection rate be set at an amount greater than nil in future, the NZDFA would be required to reinstate research funding to DEEResearch Limited.

Commitments in respect of research contracts entered into by DEEResearch Limited, which are currently funded by Deer Industry New Zealand are as follows:

	2004	2003
	\$	\$
Not later than 1 year	222,500	238,500
Later than 1 year and not later than 2 years	172,500	222,500
Later than 2 years	18,750	191,250

## 9. 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:

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

## NEW ZEALAND DEER FARMERS' ASSOCIATION INC COMMODITY LEVY STATEMENT OF RECEIPTS AND EXPENDITURE

For the year ended 31 March 2004

	2004	2003
	\$	\$
LEVY INCOME RECEIVED	-	325,162
EXPENDITURE OF LEVY INCOME		
Section 10(2)(b)(i)		
Research	59,326	254,561
Section 10(2)(b)(iv)		
Industry Promotion	2,483	5,764
Section 10(2)(b)(vii)		
Communication with Levy payers	20,282	73,269
Section 10(2)(b)(viii)		
Administration		
(including Industry representation, Governance and Asset replacement)	510	88,789
	<u>82,601</u>	<u>422,383</u>
LEVY OVER EXPENDED	(82,601)	(97,221)
allocated to/(from) Research		

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2004

	2004	2003
	\$	\$
Accumulated Levies		
Research Funds	nil	nil
Represented by:		
Current Assets		
National Bank of New Zealand	nil	nil

## NOTES TO THE COMMODITY LEVY FINANCIAL STATEMENTS

### 1. Statement of accounting policies

These financial statements have been prepared on a cash basis in terms of the requirements of Section 25 of the Commodities Levies Act 1990.

### 2. Expenditure on approved purposes

Under Clause 16(2) of the Commodity Levies (Farmed Deer Products) Order 2001 the Association is required at each AGM to consult with producers and gain approval from members of the purposes for which Levy money is to be spent.

The levies collected in the period to 30 September 2002 have been spent on the purposes contained in the budget papers presented at the 2003 AGM, or have been carried forward for later spending on those purposes.

The purposes are research, industry promotion, dissemination of industry information, industry representation, governance and administration. Expenditure on these purposes is summarised in the Statement of Cash Flows on page 19. Income from other sources was also used to meet some of these expenses.

**NEW ZEALAND DEER FARMERS' ASSOCIATION BRANCHES AND ASSOCIATED SOCIETIES: CHAIRMEN AND SECRETARIES**

Current as at 29th April 2004

Please note that many of these details will have changed immediately following publication of this report. This is because most Branch AGMs are held after the publication deadline for this NZDFA annual report. Up-to-date contact details will be published in Deer Industry News, and on the NZDFA website as they become available.

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**Associated Societies**

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**Elk and Wapiti Society of New Zealand**

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**NZDFA**

New Zealand Deer Farmers' Association



# PROXY FORM 2004

**To: New Zealand Deer Farmers' Association  
P O Box 10702  
WELLINGTON**

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

of ..... (address)

being a member of the New Zealand Deer Farmers' Association entitled to attend and vote at meetings of the NZDFA,

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

of ..... (address)

**or** the Chairman of the ..... Branch (or Affiliated Breed Society) of the New Zealand Deer Farmers' Association as at 22<sup>nd</sup> June 2004

or failing him/her, the Chairman of the Annual General Meeting as my/our proxy to vote for me/us at the Annual General Meeting of the Association to be held on Tuesday 22<sup>nd</sup> June 2004 at the Wairakei Resort and at any adjournment thereof. (rule 29.2)

Signed this ..... day of ..... 2004

..... NZDFA member

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

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 noon on 21<sup>st</sup> JUNE 2004. (rule 29.4 (b))

**New Zealand Deer Farmers' Association  
P O Box 10702, Wellington  
Phone 04 382 8628, Fax 04 382 9143**

