

ANNUAL REPORT 31 March 2016





Official Publication of the NEW ZEALAND AYRSHIRE ASSOCIATION (INC)

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Board of Directors

President	Donald Green	Leeston
Directors	Brian Hutchings	Dargaville
	Roger Hancock	Ohinewai
	Vince Steiner	Tokoroa
	Gordon Glentworth	Kaponga
	Graeme Emslie	Norsewood
	Stewart Riley	Collingwood
	Peter Allison	Outram

The Ayrshire VS

CORE IDEOLOGY

Core Values

- Genetic gain of the Ayrshire population
- Always look for the opportunity
- Maintain a financially sustainable business
- Foster camaraderie among Ayrshire members
- Always maintain a professional image

Purpose

Ayrshire New Zealand will develop, promote and maintain the Ayrshire breed as a credible option for New Zealand dairy farmers.

ENVISIONED FUTURE

Ultimate Goal To be the number one dairy population within the world, among all breeds, under the NZ payment system.

Vision

- Ayrshire (A14+) will make up 10% of the national herd
- Ayrshire BW/GW and PW will increase and be comparable to other breeds.
- Ayrshire cows will be included in national statistics and trials.
- Ayrshire cows will be financially rewarding for those who farm them.
- Ayrshire NZ will have united, vibrant members who are proud to belong.
- Ayrshire NZ members will be proactive and engaged in striving to achieve Association goals.
- Ayrshire NZ and its members are progressive and are perceived to be innovative.

Xey Performance Indicators (XPI)

- 1. Membership: The Association membership will be 30% of farmers who have a proportion of Ayrshire in their herds.
- 2. Registration: 40% of available animals will be registered.
- 3. Semen Sales: The Semayr / LIC partnership will have 85% of the Ayrshire semen sales.
- 4. Ace Herd
 - (a) Nucleus Herd will be in the top 3% of NZ Ayrshire herds.
 - (b) The venture will generate income to fund the registration goal.
 - (c) The venture will provide financial security for the Association by maintaining an appreciating asset.

NOTICE OF 107th ANNUAL GENERAL MEETING 2016

and

ANNUAL REPORT, STATEMENT OF FINANCIAL PERFORMANCE and STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2016

To be presented to the Annual General Meeting of the Association to be held at SUDIMA LAKE ROTORUA HOTEL ROTORUA

on

FRIDAY 10 JUNE, at 9.00 am.

BUSINESS

- 1. Notice of Meeting.
- 2. Apologies.
- 3. Minutes of the 2015 Annual General Meeting (see Bulletin No. 164).
- 4. Matters arising from the previous minutes.
- 5. To Receive and Adopt the President's Report.
 - (a) Obituaries
- To Receive and Confirm the Statements of Financial Performance and Position.
- 7. Appointment of Auditor.
- 8. Results of Elections Wards 1, 5 and 7
- 9. Notices of Motion.
- 10. Remits.
- 11. Reports from Committee Convenors.
- General Business.

595 Ruakura Rd, R D 6 HAMILTON 27 May 2016 By order of the Board P M Goodin Board Secretary

Notice of special meeting to be held on conclusion of the AGM. Confirmation of Notices of Motion

P M Goodin Board Secretary

Annual Meeting Programme

Tuesday 7 June Opening Dinner and Awards Presentation

Wednesday 8 June Bus trip including herd visits and Paradise Valley Springs

Culture night

Thursday 9 June Bus trip including herd visits and Timber museum visit

Dinner, sale and Youth auction

Friday 10 June Annual General Meeting

Dine & Dance

Presidents Report



Donald Green President

It is with pleasure that I present my Presidents Report for the year ending 31st March 2016.

Over the years I have been involved in many organisations and groups when at the end of the year or the end of my term in charge I have had to report on the events of that year. This year I would have to say I have found it to be extremely difficult being in charge of an organisation that is heavily reliantly on a successful NZ dairy industry.

For once the weather has played its part in most of the dairying districts of NZ with the exception of the east coast of the South Island and most farmers speak of good grass growth. The hot topic has been the major drop in milk price back from over \$8 two seasons ago to less than \$4 predicted for our current season. This has put huge pressure on many of our member's farming operations forcing them to make big decisions around their on farm expenditure and future involvement in farming.

It is noted that along with many dairy farming businesses making a loss, we as an Association, have seen our assets in the form of our livestock devalued to the point that we have recorded a loss also for the past year. A positive, is the revaluation of the lease on the Bull Farm. Our Cash position remains positive and the Balance Sheet is still sound. I do have concerns around our income for this current season and like many budgets, ours will need some serious reviewing. The Ace farming enterprise has provided our Association with an income in the past and in times of high payout was well received but I can't say the same at present. In regards to the Ace Farm I feel the decision of the Board to lease out the herd was the right one given that we were unable to secure another sharemilking position and a least it buys us some time to consider our future with this venture.

Our Association has had its first full year under our new administration. Our Memorandum of Understanding with Jersey NZ is in my opinion is working extremely well and already we are seeing cost savings to our Association through office efficiencies and job sharing. I for one, appreciate the work that Pam Goodin and her staff put into making our administration run smoothly as they continue to offer a full range of services to our members.

Semayr has again provided a selection of 22 young bulls for sire proving. Sales of semen from these bulls were very good but unfortunately sales from the proven team were not so good. The Proven team has had a big cull and replaced with a new team. The Bull Farm remains a very important part of Semayr and I need to acknowledge the input that Gordon and Jonathan Glentworth along with their many helpers put into maintaining this property for our Association.

Promotion and publicity as always is important for our Breed and I would like to thank and congratulate all of those breeders who have made the effort to promote our breed be it on farm production or in the show ring in what has been a difficult year.

I have been Youth Convenor now for a number of years and the enthusiasm of our young members never fails to amaze me. Again, I congratulate our Youth Committee for organising a very successful Youth Seminar this year in Otago/Southland. I cannot express enough, how much we need to support our young members for they are our breed's future.

As I commented earlier, I have found this year very challenging not only for myself but also for the Board. We have had two legal challenges to deal with along with other complaints from time to time. I do feel that some of the issues can be dealt with before they get to Board level. I would like to thank the Directors for their input throughout the year and also their wives and partners for supporting them as we all know Director's time is voluntary with limited expenses claimed. I would like to thank my wife, Anne, for her continued support and also my two sons who give me the time off from our family business to attend to Association matters.

Obituaries: To the members who have suffered bereavements during the past year, I offer the sympathy and condolences of the Association and members. The following obituaries of past and present members have been noted: Mr B Johnstone, Mr B Jenkins, Mr D Blumhardt, Mr B Sargeson and Mr R Livingstone.

I look forward to catching up with as many members as possible at the Rotorua AGM and some positive discussion on Association and Breed matters.

Donald Green



There are no remits





NB. This Notice of Motion may be withdrawn dependant on the results of the postal ballot being conducted.

Notice is given of the following proposed rule change by the Ayrshire New Zealand Board:

That the existing Rule 16 be revoked and replaced with the following:

16. The members of the Board shall be elected on the Ward system as follows, from Senior, Associate and Honorary Life Members of the Association, who actively own, breed and register annually (*where applicable) Ayrshire Cattle.

For the purpose of this rule members of the Association shall include the accredited representative of an institution owning and breeding Ayrshire cattle, a member of a partnership owning and breeding Ayrshire cattle, and in the case of a limited liability company owning and breeding Ayrshire cattle, a shareholder in that company holding shares in that company to the equivalent of at least \$200 of nominal value.

*Ayrshire animals eligible for registration.

The Ward Boundaries are:

- Ward 1:North of Auckland Harbour Bridge including Waitakere Ranges wards of Auckland Council One Director.
- Ward 2: South of the Auckland Harbour Bridge and Auckland Council wards including and south of Whau, Thames Coromandel, Hauraki, Matamata/Piako (North of the Hamilton/Morrinsville railway line, north of State Highway 26 from Morrinsville to Te Aroha and due east to Ward 4 Boundary), Waikato Districts (East of the Waikato River & North of the Hamilton/Morrinsville Railway line) – One Director.
- Ward 3:Hamilton City, Waikato (West of the Waikato River & South of the Hamilton/Morrinsville Railway line), Franklin (South & West of the Waikato River), Matamata/Piako (South of Hamilton/Morrinsville Railway line, south of State Highway 26 from Morrinsville to Te Aroha & due East to the Ward 4 Boundary), Waipa, Otorohanga, Waitomo Districts One Director.
- **Ward 4:**Western Bay of Plenty, Tauranga, South Waikato, Rotorua, Taupo, Whakatane, Kawerau, Opotiki, Gisborne & Wairoa Districts One Director.
- Ward 5:New Plymouth, Stratford, South Taranaki and Ruapehu Districts One Director.
- **Ward 6:**Wanganui, Rangitikei, Manawatu, Horowhenua, Kapiti Coast, Upper Hutt, Wellington, Hastings, Central Hawkes Bay, Tararua, Masterton, Carterton and South Wairarapa Districts One Director.
- Ward 7: West of the main divide to include West Coast region, Tasman and Nelson regions One Director.
- Ward 8: East of main divide from Marlborough to and including MacKenzie and Timaru Districts One Director.
- **Ward 9:**Waimate, Waitaki, Queenstown, Central Otago, Dunedin City, Clutha, Gore, Southland, Invercargill Districts One Director.



Senior Members	2016/17 195	2015/16 200	2014/15 203	2013/14 208	2012/13 204
Associate Members	67	73	65	64	63
Retired Members	24	24	25	24	27
Junior Members	23	20	27	23	14
Paid Life Members	35	37	38	40	40
Honorary Life Members	9	9	10	12	13
Ordinary Members	8	6	6	6	4
TOTALS	361	369	374	377	365

Registrations by Herd Book

	2014/15	2013/14	2012/13	2011/12	2010/11
Female - Main	3,099	3,233	3,411	3,027	2,559
- Supplementary	2,585	2,863	2,816	2,634	2,411
Male	208	204	201	208	211
TOTALS	5,892	6,300	6,428	5,869	5,181

Trust Fund Donors

DM Thomson, D & Mrs. NE Hutchings, CEC Webb, AF & Mrs. G Hutchings, AAC Weir, FS Hutchings, JF Burgess, DJ Ireland, Parlane Rose Bowl Fund, A & M Scott Shield donors, BC & Mrs. N Patrick, DW Wallace, Thistledown Farm.

Mayfield Trophy:

Top Herd for NZ, 50 or more pedigree cows, Fat and Protein -

G & S A Glentworth - 237 cows av. 7305 litres milk, 317 kg fat, 268 kg protein, 278 DIM

Smith Family Trophy: Top Pedigree Cow for NZ, Fat and Protein -

S D Carrington - Luckville Mar Debe ET, EX4, 18 yrs, 12896 litres milk,

696 kg fat, 437 kg protein, 305 DIM

Snowline Trophy:

Top Cow, 10 yrs and over, Fat and Protein -

S D Carrington - Luckville Mar Debe ET, EX4, 18 yrs, 12896 litres milk,

696 kg fat, 437 kg protein, 305 DIM

C.E.C. Webb Memorial Trophy: Breeder of Highest "Breeding Worth" Bull, NZ bred, 2014/15 Season

G J Travers – Pa Hill Blade Willy

Carmelglen Trophy: Highest Cow on High Production Worth list, with current lactation

G J Leech - Aotearoa Knights Sparkle, VHC

Certificates:

Total Milk Solids (Fat & Protein) for Top Herds four sizes -

50-100 cows - Roma Farm Ltd - R M & M J Morris, 84 cows av. 7101 litres milk, 316 kg fat,

260 kg protein (576 MS), 285 DIM

101-200 cows - Ngarangi Ayrshires - D & G Macky, 161 cows av. 6160 litres milk,

283 kg fat, 225 kg protein, (508 MS), 286 DIM

201-300 cows - G & S A Glentworth - 237 cows av. 7305 litres milk,

317 kg fat, 268 kg protein, (585 MS), 278 DIM

301 plus cows - Bonacord Farms Ltd - P & R, K & A Allison - 310 cows av. 5296 litres milk,

249 kg fat, 194 kg protein, (443 MS), 261 DIM

Certificates:

Top Cows - Milk, Fat, Protein, Dollar Earning -

S D Carrington, Luckville Mar Debe ET EX4, 18 yrs, Fat kg:

696 kg fat, 305 DIM

Protein kg: S D Carrington, Luckville Mar Debe ET EX4, 18 yrs,

437 kg protein, 305 DIM

Milk Litres: S D Carrington, Luckville Mar Debe ET EX4, 18 yrs, 12896 litres, 305 DIM

Certificates: Top Herd 50 or more Pedigree Cows Each Ward for Total Solids

Ward	Owner	Cows	Milk L	Fat kg	Prot kg	Solids	Days
1.	Lodore Farm Ltd - R M & J E Hutchings	434	4946	221	182	403	265
2.	Kaimore Farms Ltd - A J & N Maiden	50	6211	262	218	480	265
3.	Roma Farm Ltd - R M & M J Morris	84	7101	316	260	576	285
4.	Goldwyn Enterprises Ltd - B & L Hayward	92	7176	311	252	563	294
5.	G & S A Glentworth	237	7305	317	268	585	278
6.	MR&SJBooth	182	5708	254	212	466	273
7.	Riverlea Farm Ltd - S G & M Z Riley	297	4616	197	170	367	253
8.	Trinity Holdings (2001) Ltd - L J & W P Main	180	5733	253	217	470	271
9.	Bonacord Farms Ltd - PA & RJ, KJ & AA Allison	310	5296	249	194	443	261

Supplementary One Award - ARC & ARD Production Award for Total Solids Certificate:

Age Litres Fat Prot Solids Days

Goldwyn Brooke S1A 8 12266 437 390 827 287 Goldwyn Enterprises Ltd - B & L Hayward

National Progeny Competition: Agri Feeds Don Hutchings Memorial Trophy - 5 daughters				
1	1. Goldwyn Enterprises Ltd - B & L Hayward	Plum Bottom Tridents Lot	1186.54 pts	
2	2. Goldwyn Enterprises Ltd - B & L Hayward	Sanrosa Royal Phillip	1177.91	
3	3. G & S A Glentworth	Ojaniityn Rumba	1175.34	
Dalemere Farms T	rophy - 10 daughters			
1	1. G & S A Glentworth	Asmo Tosikko	1184.16 pts	
2	2. G & S A Glentworth	Sanrosa Royal Phillip	1114.03	
3	3. G & S A Glentworth	Asmo Omatunto	1006.24	

Dairycare Somatic Cell Count Competition:

C	Overall Winner: Goldwyn Enterprises Ltd	- B & L Hayward
V	Ward Winners:	Cell Count
1	I.	
2	2. Tahuna Pastoral Co Ltd - P & A McFall, M Chat	field 54
3	3. Penoak Farms Ltd - D Mitchell & S Bourke	48
4	4. Goldwyn Enterprises Ltd - B & L Hayward	40
5	5. Hard Case Famliy Trust - D Gordon	84
6	5.	
7	7. Riverlea Farm Ltd - S G & M Z Riley	88
8	3. Willmor Pastures Ltd - M & L Williams	62
9	CNRAYR Ltd - M T Livingstone	81

Semayr Top BW Herd Award - Top BW, 50 or more Ayrshire cows

Overall Winner	Pineview Dairy Farm Ltd - AT & SA	A Thomas
Ward Winners:		BW
1. Lodore Farm Ltd	- R M & J E Hutchings	64
2. HR&EJSlack		37
3. Roma Farm Ltd -	R M & M J Morris	64
4. D & C Beuth		58
5. Mountside Farms	3	43
6. LR & C Burnell		50
7. Riverlea Farm Lt	d - S G & M Z Riley	41
8. Pineview Dairy F	arm Ltd - A T & S A Thomas	81
9. Trinity Farm Hold	lings Ltd - R & A, C & R Stevenson	76

Ayrshire Youth Achiever Competition

Ag	e Group 5 - 12		Age Group 13-17		Age Group 18-25
1.	Liam Newton	370	1. Robyn Gordon	710	1. Courtney Davies 830
2.	Gregory Capper-Conijn	350			2. Imogen Steiner 380
3.	Boyd Ferguson	270			

Alltech All New Zealand Photo Competition

Results to be announced at the Awards Night.

Show Season Awards 2015/16



Ingledale Trophy/Assn Photos:

North Island Champion Cow - J Baxter - Shardville Popstar S2A, E8-8 South Island Champion Cow - CE Ford - Broadlea CN Topaz, V8-9

Association Photographs:

Res Nth Island Champion Cow - VK & SL Steiner - Brookview PO Sakkarah, E8-8

Res Sth Island Champion Cow - Glenmore Farm, D & A, C & T Green - Glenmore B Lara, A8-8

Sire Progeny - (Waikato 2015) - VK & SL Steiner Scott Memorial Shield:

Ardgowan Trophy: Royal Champion Cow - n/a

Wrightson Medal Trophy: Best Female Royal Show - n/a

Autumn Show Points Shield: Most Points nom. Autumn Show 15/16 - (Rotorua 2016) - n/a

Sir Charles Fergusson Trophy: Most Points Royal Show - Premier Cattle Co Ltd

Young Handlers Award (Senior) - North Island - Karen Feek Fredrickson Trophy:

Young Handlers Award (Senior) - South Island - Luke Instone

Young Handlers Award (Junior) - North Island - Boyd Ferguson Greenlane Trophy:

Young Handlers Award (Junior) - South Island - Emily Instone

Arran Trophy: Ayrshire Young Judge Competition - Kylee Perrett

Special Awards

For the person or persons who contributed the most effort in Kiteroa Trophy

promoting the progress within the Ayrshire breed in the last 12

months both club wise and breed wise.

To be announced at the Awards Night.

For persons who have made some notable achievement in the Bell Booth Achiever Awards

Ayrshire Breed.

To be announced at the Awards Night.

Distinguished Member Awards For members who promote Ayrshires either nationally or locally by

always portraying a positive attitude for the breed, the NZ Ayrshire

Association and it's aims, directions and objectives.

To be announced at the Awards Night.

For the member who provides the best written article promoting the Graeme Knight Memorial Trophy

Ayrshire breed for either the Ayrshire Bulletin or any other farming

publication.

To be announced at the Awards Night.

To encourage an exhibitor to go further and/or continue showing Rob McIntosh Memorial Trophy

animals at local calf club days and A&P Shows.

To be announced at the Awards Night.



Crowe Horwath **New Zealand Audit Partnership**

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INDEPENDENT AUDITOR'S REPORT

To the Members' of the New Zealand Ayrshire Association Incorporated.

Report on the Financial Statements

We have audited the accompanying special purpose financial statements of New Zealand Ayrshire Association Incorporated ("the Society") on pages 5 to 13, which comprise the statement of financial position as at 31 March 2016, the statements of financial performance and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible on behalf of the entity for the preparation and fair presentation of these special purpose financial statements in accordance with the accounting policies as disclosed in Note 1 of the financial statements, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

Opinion

In our opinion, the special purpose financial statements on pages 5 to 13 present fairly, in all material respects, the financial position of the Society as at 31 March 2016, and its financial performance for the year then ended in accordance with the accounting policies set out in Note 1 of the financial statements.



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Emphasis of Matter

Without modifying our opinion, we draw attention to Note 13 to the financial statements, which discloses that the Society incurred a net loss of \$275,140 during the year ended 31 March 2016.

The financial statements have been prepared assuming that the Society is a going concern. In order for the Society to continue to operate as a going concern the Society is reliant upon the continuing financial support of its financier by way of existing banking facilities and further additional facilities as required in ensuing periods to meet its operating and cash flow requirements. Should this financial support not be continued then the Society may longer be able to continue as a going concern, and adjustments would need to be made to the Society's financial statements to reflect the situation that assets may need to be realised other than amounts at which they are currently recorded in the statement of financial position. In addition, the Society may have to provide for further liabilities that may arise and to reclassify non current assets and non current liabilities as current assets and current liabilities...

Basis of Accounting

Without modifying our opinion, we draw attention to the accounting policies in Note 1 of the special purpose financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Society to meet the requirements of the Rules of the Association. As a result, the financial statements may not be suitable for another purpose.

Crowe Horwath New Zealand Audit Partnership CHARTERED ACCOUNTANTS

Crown Horwalk

27 May 2016

NZ AYRSHIRE ASSOCIATION (INCORPORATED) ACE AYRSHIRE HERD STATEMENT OF LIVESTOCK TRADING **FOR THE YEAR ENDED 31 MARCH 2016**

			2016	2015
Ace Cows & Heifers				
Sales			108,009	63,040
			108,009	63,040
Less - C <u>ost of Sales</u> Opening Stock			859,300	993,050
Purchases			-	-
Closing Stock			(577,900)	(859,300)
Total Cost of Sales			281,400	133,750
GROSS PROFIT (DEFICIT) ON LIVESTOCK TRADING FOR THE YEAR		(173,391)	(70,710)	
RECONCILIATION OF	STOCK NUMBERS		2016	2015
Opening Stock	Ace Herd		623	632
Less Sales	Ace Herd		164	87
Less Deaths	Ace Herd		18	12
Plus Purchases	Ace Herd		0	0
Plus Natural Increase	A 11 1		47	90
i lus i laturar morease	Ace Herd		47	90



NZ AYRSHIRE ASSOCIATION (INCORPORATED) SEMAYR LIVESTOCK AND BREEDING SERVICES **STATEMENT OF TRADING** FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
<u>Bulls</u>			
Sales		48,795	48,054
		48,795	48,054
Less - Cost of Sales			
Opening Stock		103,500	110,500
Purchases		24.250	20, 250
Purchases		21,250 21,250	26,250 26,250
Closing Stock		(96,250)	(103,500)
Total Cost of Sales		28,500	33,250
GROSS PROFIT (DEFICIT) OF	I	20,295	14,804
LIVESTOCK TRADING FOR T		· 	
		2016	2015
Breeding Services		2010	2010
Sales		87,710	100,755
Opening Semen Stock		28,347	27,323
Closing Semen Stock		34,793	28,347
GROSS PROFIT ON TRADING	OPERATIONS	94,156	101,779
FOR THE YEAR			
RECONCILIATION OF STOCK	<u> NUMBERS</u>	2016	2015
Opening Stock Numbers	Bulls	83	89
Plus Purchases	Bulls	17	22
Less Sales	Bulls	23	28
Closing Stock Numbers	Bulls	77	83



2015

2016

NZ AYRSHIRE ASSOCIATION (INCORPORATED) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2016

Notes

ACE AYRSHIRE HERD Gross Profit on Livestock Trading for the Year (173,391)(70,710)Milk Solids 21,265 250,502 Share of Bobby Calves 7,709 Dividend Income 2,368 Total Income on Ace Ayrshire Herd (149,758)187,501 Less - Aceayr Expenses 6 (117,871)(213,326)Net Surplus (Deficit) (267,629)(25,825)SEMAYR BREEDING SERVICES 20,295 14,804 Gross Profit on Livestock Trading for the Year Gross Profit from Breeding Services 94,156 101,779 Other Income 287 Total Income on Breeding Services 114,451 116,870 7 Less - Breeding Services Expenses (138,022)(120,457)**Net Surplus (Deficit)** (6,006)(21,152)**INCOME FROM OTHER SOURCES** Registration 17,380 18,122 Subscription 28,725 29,205 Other Income 47,351 38,569 Total Income from Other Operation 94,198 85,154 Less - Administration Expenses 8 (95,703)(127,050)**Net Surplus (Deficit)** (41,896)(1,505)**NET SURPLUS/(DEFICIT) TO ACCUMULATED FUNDS** (275,140)(88,873)



NZ AYRSHIRE ASSOCIATION (INCORPORATED) STATEMENT OF MOVEMENT IN EQUITY FOR THE YEAR ENDED TO 31 MARCH 2016

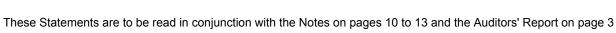
	2016	2015
Equity at start of Period	987,215	1,070,885
Net Surplus (Deficit) for the period	(275,140)	(88,873)
Total recognised Revenues and Expenses for the Period	(275,140)	(88,873)
Increase (Decrease) in Investment Funds Increase (Decrease) in Property Revaluation Reserve	1,904 129,000	5,203 -
Equity at End of the Period	842,979	987,215



NZ AYRSHIRE ASSOCIATION (INCORPORATED) STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

ACCUMULATED FUNDS	Note		2016	2015
Opening Balance Surplus (Deficit) for Year Closing Balance		620,757 (275,140)	345,617	709,630 (88,873) 620,757
Capital Reserve Property Revaluation Reserve LIC Share Adjustment Ravensdown Bonus Share Offer Youth Fund Special Projects Fund TOTAL MEMBERS & TRUST FUNDS	9	57,305 403,294 1,807 1,496 13,460 20,000	497,362 842,979	57,305 274,294 1,807 1,496 11,556 20,000 366,458 987,215
Represented by: CURRENT ASSETS Debtors Westpac - Ayrshire Westpac - World Conference Stock - Ayrshire Stock - Ace Herd Stock - Semayr - Livestock - Semen Total Current Assets		40,009 50,829 4 3,391 577,900 96,250 34,792	803,175	47,471 81,845 4 1,778 859,300 103,500 28,347 1,122,245
CURRENT LIABILITIES Creditors Collected on behalf of Clubs GST Holding Westpac Banking Corporation Total Current Liabilities WORKING CAPITAL	8	29,975 - (535) 372,604	402,044 401,131	62,947 - 360 24,000 87,307 1,034,938
SHARES LIC Shares - Ordinary - Investment (4372) CRT Shares Ravensdown - Bonus - Investment		663 9,652 640 1,329 1,353	13,637	781 7,288 640 1,329 1,353 11,391
FIXED ASSETS (REFER SCHEDULE) TERM LIABILITIES	2		988,792	874,071
Westpac Banking Corporation	8	560,581	560,581	933,185 933,185
NET ASSETS		_ _	842,979	987,215

President **Donald Green** Finance Convenor Graeme Emslie



N Z AYRSHIRE ASSOCIATION (INCORPORATED) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Statement of Accounting Policies 1.

Reporting Entity

NZ Ayrshire Association (Inc) is a non-profit organisation registered under the Incorporated Societies Act 1908. These Financial Statements are a special purpose report that has been prepared as required by the 'Rules of the Association' for its members and internal management practices. The accounting policies are not in conformity with generally accepted accounting practice, accordingly should only be relied upon for the expressly stated purpose.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position have been applied on an historical cost basis except for the revaluation of the leasehold (Bull Farm) property. Accrual accounting is used to recognise revenues and expenses when they occur and reliance is placed on the fact that the Association is a going concern. The information is presented in New Zealand dollars.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied:

- **Fixed Assets and Depreciation** A.
- Fixed Assets are recorded at cost less Accumulated depreciation with the exception 1. of the leasehold (Bull Farm) property.
- The leasehold property at Kaweora Rd is re-valued every three years to its Rating 2. Valuation as performed by Quotable Value Limited.
- Depreciation has been charged at 2% diminishing value on office premises, 10% 3. diminishing value on office furniture, 33% on office equipment and 14% diminishing value on farm machinery. This method and rates are considered appropriate to the circumstances of the Association.

B. Accounting for G.S.T.

The financial statements have been prepared on a G.S.T. exclusive basis, with the exception of debtors and creditors which are stated inclusive of G.S.T.

C. **Biological Assets**

Stocks of semen and goods held for re-sale have been valued at the lower of historical cost or net realisable value on a FIFO basis. The ACE Ayrshire herd have been assessed at market value by Brian Robinson Livestock Ltd, a company that has the appropriate skills and experience to perform the valuation. Semayr Breeding Services bulls have been valued at the higher of historical cost or assessed standard value of \$1,000.00.

Investments

Investments in shares are valued at cost.

Income Tax

The Association is not liable for the payment of Income Tax by reason of its exemption under Section CW44(a) of the Income Tax Act 2007.

Accounts Receivable

Accounts Receivable are stated at their expected realisable value.

Changes in Accounting Policies

There have been no material changes in accounting policies since the preparation of the last financial accounts.



NZ AYRSHIRE ASSOCIATION (INCORPORATED) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Fixed Assets

			Accumulated	Closing Value
	<u>Cost</u>	Revaluation	Depreciation	31/03/15
Office Premises	40,375		16,355	24,020
Office Equipment	2,335		1,864	471
Farm Machinery	17,122		11,494	5,628
Bull Farm (leasehold property)	505.000	404,000		909,000
Bull Farm – Fences/Yards	<u>121,427</u>		<u>71,754</u>	49,673
	\$686,259	\$ 404,000	\$ <u>101,467</u>	\$988,792

Bull Farm \$1,010,000

The Bull Farm, situated on Kaweora Road, Opunake, is a 59.074 ha leasehold property (Section 10 Blk X Opunake Survey District) for which the Association holds a leasehold interest registered under Schedule 1 of the Maori Reserved Land Amendment Act 1977. The lease is perpetually renewable under and subject to the provision of the Maori Reserved Land Act 1955, and was varied in 2010, extending the term to 31 December 2031. The \$909,000 reflects the value of the Associations' (Lessees) interest in the property – refer to Note 9. The annual lease payments are \$9,440 (excl GST)

3. Related Party Transactions

There were no related party transactions during the year ended 31 March 2016 other than between the Association and its members in the normal course of business. (2015: Nil)

4. <u>Capital Commitments</u>

The Association has no capital commitments as at 31 March 2016. (2015: Nil)

5.	Aceayr Expenses
	Following cignificant expanses includes:

0.	Following significant expenses includes;	<u>2016</u>	<u>2015</u>
	Animal Health Fertiliser Cartage & Spreading Grazing Harvesting Costs Mortgage Interest	12,639 14,621 49,510 - 33,329	37,917 18,116 42,074 38,864 33,915
6.	Semayr Breeding Expenses Following significant expenses includes;	<u>2016</u>	<u>2015</u>
	Processing & Distribution Fertiliser & Spreading Mortgage Interest AE/Animal Registrations	35,696 - 24,895 8,550	36,364 17,720 27,245 11,700
7.	Administrative Expenses Administration expenses includes;	<u>2016</u>	<u>2015</u>
	Employee Expenses Administration Fee to Jersey NZ Audit Fee Depreciation Travel & Meeting	126 59,588 5,700 722 13,318	66,030 11,256 5,825 846 11,503



NZ AYRSHIRE ASSOCIATION (INCORPORATED) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

8.	Term Loan	Current <u>Amount</u>	Term <u>Amount</u>	Due <u>Date</u>	Interest <u>Rate</u>
	Westpac Banking Corporation Term Loan 91	\$372,604		16/11/2016	5.7%
	Term Loan 95 TOTAL	- \$372.604	<u>\$560,581</u> \$560.581	30/05/2018	5.7%

The loans are secured by way of a General Security Agreement over the Association's assets and undertakings, Specific Security Agreement dated 10 July 2001 over livestock owned by New Zealand Ayrshire Association (inc) and Registered First Mortgage over the rural property situated at Kaweora Rd, Opunake as legally described in Certificate of Title 49363.

2016

2015

9. Property Revaluation Reserve

	<u>2010</u>	2013
Opening Balance	274,294	274,294
Additions in the year	<u>129,000</u>	-
Closing Balance	403,294	274,294

The lease hold property at Kaweora Road, Opunake was revalued by Quotable Value Limited as at 1 September 2015. The valuation increase for the year ended 31 March 2016 of \$230,000 (2015: \$nil) is recognised directly in equity in the Property Revaluation Reserve, as shown in the Statement of Movements in Equity and the Statement of Financial Position.

10. **Contingent Liability**

The Association has collected "SNiP tax" from LIC from the sale of semen for the express purpose of DNA sampling animals for genomic selection in the amounts of \$13,005 in 2010, \$10,511 in 2011, \$11,292 in 2012, \$9,230 in 2013, \$9,113 in 2014, \$5,547 in 2015 and \$5,648 in 2016 which has been recorded as revenue in the respective years' financial accounts. The DNA sampling is now taking place progressively and the Association is likely to incur an additional cost of up to the gross amount collected.

Subsequent Events 11.

At the date of signing the audit report, there are no matters or events that have arisen, or been disclosed, subsequent to balance date that would require adjustment, or disclosure in, these financial statements (2015: No matters or event arisen or disclosed).

Changes in Operations - ACE Ayrshire Herd 12.

The sharemilking operation was discontinued on 31 May 2015, and the Association entered into agreement with 6 parties to lease the ACE herd at no charge in exchange for maintenance of the ACE herd for the year. The leases will be renewed on 1 June 2016 for a further year with three of the current lessees. The Board intends to run the herd under a sharemilking contract in the 2017/18 season.

There have been no issues with non-compliance or poor health under the agreements, and where animals have been culled, the society has received the proceeds.

13. Going Concern

The Association has incurred a deficit of \$275,140 from operations for the year ending 31 March 2016 and a deficit in the prior year ending 31 March 2015 in amount of \$88,170.

Management anticipate that in addition to the requirement to renew existing current bank facilities in the ensuing period, additional working capital at a minimum of \$27,000, will likely be required. Managements plans to make arrangements with its financier to put in place such banking facilities as required to meet any such shortfall, however both the renewal of the existing current bank facility and any additional bank facility are at the date of these financial statements unconfirmed. If necessary management have also confirmed that if required, they would arrange the sell off of some of the Ace Livestock.



NZ AYRSHIRE ASSOCIATION (INCORPORATED) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13. Going Concern (Continued)

For the year ending 31 March 2018, management anticipate improvement in operating results from trading with the Ace Herd under new share milking arrangements which are expected to be put in place during that year ended.

Should such financial support from the Association's financiers not be forthcoming the Association may no longer be able to continue as a going concern, and adjustments would need then to be made to the

Association's financial statements to reflect the situation that assets may need to be realised other than amounts they are currently recorded in the statement of financial position. In addition the Association may have to provide for further liabilities that may arise, and to record non current assets and non current liabilities as current assets and current liabilities.







Pam Goodin Breeds' Services Manager

The first full year under the new administration arrangements has been a success for the most part. Members are becoming more used to dealing with other staff, some planned efficiencies are now in place and efficiencies of scale are apparent in the financial reporting. Each of three Breed Societies being administered have strengths and weaknesses in their administration and is it is particularly satisfying to be able to apply the strengths of one across the others, reducing weaknesses as a result. This will result in three much stronger organisations.

Throughout the year I have attended National Animal Evaluation User Group Meeting and TOP Advisory meetings. I am still the Secretary of the NZ Dairy Breeds Federation. There has been little progress of DIGAD in the past year and sadly we find ourselves in the same position as this time last year, waiting on LIC and CRV Ambreed to decide if they can come to a commercial agreement on access to data for Breed Societies. We did take the opportunity to discuss our concerns with the Core Data Access Panel earlier this year.

The Ministry of Business, Innovation and Employment released a discussion paper last year proposing replacing the Incorporated Societies Act. The major changes will not affect Ayrshire New Zealand apart from incorporating a couple of

new rules and greater clarification around liabilities of both members and officers. Once passed, the new Act will come into effect in 2018.

All publications throughout the year have been issued on time – the Spring and Autumn Bulletins, Herd Book and Production Register. The Bulletin has undergone a professional graphic design 'refresh' with a great response from members. The Ayrwaves was produced after each Board meeting and social media kept up to date. We are using bulk e-mail to members more regularly, and we are aware that more work is needed on the website.

During the year I attended both the South and North Island Championships in Ellesmere and Tokoroa respectively, along with the NZ Dairy Event in Feilding. The Board meeting was held in Taranaki in April. I also helped run the joint Ayrshire / Jersey TOP workshop in September.

The year has not been without it's challenges from an operational perspective. Following office redundancies in May 2015, the office operational team was reduced to four (including myself). Over the next eight months we experienced one major accident trauma and two medical issues requiring surgery and convalescence for all three staff, along with an extended period of leave from the General Manager. As a result, for that eight month period we did not have a full team at any time. Despite this all operational deadlines were met, although some of the planned efficiencies had to be delayed. General Manager Warwick Dowse finished with the Association in December, and I have taken on some of his responsibilities. Bronwyn Abbott, Member Services Administrator, who many of you had come to know resigned in April. Her replacement, Samantha Thornborough, joins the team shortly. We have taken the opportunity following Bronwyn's departure to re-examine staffing and the replacement role will be full time and incorporate administration for all genetic programmes. This means that Angela Makara as Promotions and Marketing Co-Ordinator will be able to concentrate on promotions, publications, websites and social media, event management and associated tasks. These changes will benefit both the team and the Breed Societies we administer, and we are hoping for a more settled year this year in the team.

In closing I would like to thank my team of Angela Makara and Carol Johns for their resilience in what has been a very stressful year. I have asked much of them, and we have implemented many changes in the office. They have risen to the challenge and embraced change with great humour. There is plenty more to come in the next year or so, and I hope that as members you will also embrace change for the enhancement of the services that we provide.

Pam Goodin Corporate Services Manager





Graeme Emslie Convenor

At the time of writing this report the Draft unaudited accounts for the financial year ended 31st March 2016 show a deficit for the financial year of \$275,140.

The deficit made up as follows:

Ace Herd	Trading Cash Profit Stock revaluation account Depreciation	\$45,915 (\$281,400) (\$917) (\$236,402)
Semayr	Trading Cash Loss Stock Revaluation account Depreciation	(\$655) (\$804) (<u>\$4,547)</u> (\$6,006)
Ayrshire	Trading Cash Loss Depreciation	(\$32,010) (\$722) (\$32,732)
Overall Trading Cash Surplus		\$13,250
Total Stock Revaluation account Total Depreciation Total Deficit		(\$282,204) (<u>\$6,186)</u> (\$275,140)

In all not a bad result with a small cash trading profit of \$13,250 remembering we had forecasted a deficit of \$60,000 in last year's annual report. This difference is mainly due to increased cull cows on a good beef schedule.

The overall deficit completed due to stock revaluation and lower animal tallies at balance date.

- Firstly MA cows marked down \$300 each in value and R1s down \$50 each.
- Secondly less R1s this year 47 versus 90.
- Thirdly Balance date 31st March. Cull cows sent late last season before going out to lease and more culls to works earlier this season than normal before balance date. So cull cows sent earlier this season that would normally be in next financial year.

2016-2017 year still 400 cows leased out to calve down with reduced yearling numbers of 50.

The balance sheet shows a decrease in net assets of some \$144K. The Deficit of \$275,000 was offset by the increase in the Bull farm valuation. Net worth on total assets still 50%.

Graeme Emslie

Convenor - Finance Committee

Semayr Breeding Services Report



Gordon Glentworth Convenor

In introducing this years Semayr report I would like to acknowledge the input into Semayr by Alastair Thomson. Alastair has served on Semayr since it's beginning in 1987, 29 years of dedication to the improvement of the Ayrshire breed. On behalf of us all I would like to thank Alastair for his input over that time, you could always rely on Alastair's level headed approach to any situation, thank you.

Pete McFall has replaced Alastair so the current Board is myself, Roger Hutchings, Graeme Emslie, Stewart Riley and Pete McFall. We have also co-opted on two other members for their input as well, they are Michael Booth and David Ackermann.

On the bull front we have had some success this past season will bulls being proved with good production and good type. Greenlane Toledo, BW 132 with +16 kg protein and +18 kg fat and with a very sound udder overall score of +.38. Toledo

is a Tosikko son from an Excellent rated Julli daughter. Lodore Jarrod ET also has a rating over 100 BW at 103 while a little less production than Toledo and smaller in liveweight, his udder overall is +.31. He being a Jarmo son and out of the Snowie family from Lodore. The dam is by Belbrae Peter who also left good udders.

The third newly proven bull being offered is Lodore Tropical who is our highest bull on udder with an overall udder score of +.65. This is the highest udder score we have ever had with a Semayr proven bull. He is also a son of Tosikko and out of a Johde dam. There was a fourth bull we would have offered, this bull being Sanrosa Samuel, whose claim to fame was on production, with a protein BV of +22 and a fat BV of +32 with +891 litres for milk. This was the highest production bull we have ever proven through Semayr. His type proof was only average, with an udder overall score of +0.08. Unfortunately this bull was culled by mistake and this was not picked up until several months later. While I am still unsure as to how this happened, we have however secured 100 straws of semen from this bull.

It will be our intention to use this over cows that have very high udder conformation and over several generations, and also with good production levels measured through these animal's own breeding values for fat, protein and milk. We would then be looking to prove sons or grandsons from those matings. Another bull that was proven two years ago is only just behind Samuel for production in fact, higher in protein but lower in fat, that being Southwind Isabro. Isabro has had semen quality problems but we have been able to collect approx. 1000 straws, of which there is only about half that still in stock to be sold.

The young bull team for the coming year was selected with two different objectives in mind, one leaning to a high BW team while the other leaning towards high production BVs and with sound type backing but with lower BWs. 14 bulls were selected in one team and another 4 bulls selected in the high BV team. We also in our own brochure included some extra bulls including one proven bull, Southwind bull (Jacks Quentin) owned by Merv Livingstone and Donald Green. This bull has come out with a good BW gained from the daughters that are in milk. Until he is registered for TOP the only extra information that is obtainable is ancestry. In the brochure was have also included other young bulls. These bulls will only be collected if there are sufficient orders.

Semayr marketing continues to be done by the LIC. We have a new agreement as now all collection for semen from the proven and unproven bulls will be carried out by Animal Breeding Services. The only exception to this would be if a proven bull was to be collected for the European Union market, then this would be done at the LIC Awahuri centre. That centre is an IBR negative facility as are the bulls that are collected for that market. As all processing costs are now to be covered by ourselves the royalty payment per straw has increased to cover those costs. As a consequence to this change our young bulls which would normally be grazed at LIC from pick up time in December have been farmed at our bull farm until now. These young bulls have now been sent to ABS along with the three newly proven sires.

Continued over ...



Bull Farm: Weed spraying has been done and the farm is currently set up well with grass heading into the winter. We had one incident during the dry summer with water when the bulls broke out and got mixed. One bull had to be put down as his back end was paralysed, we did persevere with him for three weeks but after that time we gave up. The Board has approved the purchase of a solar pump and I am hopeful that in future this will solve the problem. Our current gravity feed system works well but if the farm below us has a float off or a broken water line then all the water is used by them. Normally in summer we only get water at night. With the solar pump it will only work in daylight hours and not at night so between to two systems all should work.

In conclusion to this report I would like to thank all Semayr Board Directors for their continued support and input over the past year. Thank you to the members that have supported us and I am hopeful that there are bulls that are of interest to most. We have taken in a wider spread of young bulls and while we have done this we are also conscious that we need to have bulls that perform well under our New Zealand grazing system, along with our NZ animal evaluation system. It is interesting to note that on the interbull evaluation listing and converted for the NZ evaluation system that we now have only five overseas bulls in the top 50. It was not that long ago when we only had one NZ bull in the highest 50 bulls. This is a concern to us, as it should be to all. While I leave you with that thought, I would like to add that the future and the direction of the Ayrshire breed in New Zealand is in our hands.

Gordon Glentworth

Chairman Semayr Breeding Services

Ace Herd Committee Report



Stewart Rilev Convenor

The Ace Herd committee is made up of board directors G Glentworth, R Hancock, G Emslie, P Allison, and S Riley.

An opportunity came up for a share milking job late in the season, but unfortunately we had already let the leases keep the cows for the season. The cows will be leased under the same contracts as last season.

The cows are now on four farms three in Canterbury and one in Otago. With culling done we have 398 in calf cows and heifers. Four empty cows are being carried over, by one of the farm owners where some of the cows are being milked. On one farm that leased cows, last season, that in its first season as a conversion, our cows there averaged 495 kg of milk solids.

We have reared 49 heifer calves this season, and they will, all be DNA shortly. The calves have all been grouped together from the different farms and now grazed, in the North Island.

We are working with a investor, who is confident that he will have a farm, ready for us in 2017-18 season. We still have a Kuhn mower and silage wagon and they are both for sale.

Thank you to all members and farmers who leased our cows for the 2015-16 season.

Stewart Riley

Convenor - Ace Herd Committee



Roger Hancock Convenor

In spite of the payout challenges to the dairy industry, another notable production season has seen the Sanrosa stud awarded the Mayfield Trophy for the 18th time in the last 28 years. While not quite achieving the 607 kg average of last year, this is a noteworthy achievement and congratulations go to the Glentworth family.

Another noteworthy achievement was the feat of Luckville Mar Debe ET at the age of 18 years in winning the Smith Family Trophy for the highest producing Ayrshire cow for the ninth time. Congratulations to the Carrington family. Also notable was that six out of the nine herds in the leading herd in each ward for the season category had an increase in average production.

To these members whose herds lead their ward, well done. To all other members keep up the good work. Hopefully our Ayrshire cows will get an index that accurately reflects her true value in future.

It has been a difficult year to get articles into farming papers as most stories have tended to concentrate on reducing cost structures or profitability. I am sure there are Ayrshire herds out there that fit these criteria but we need to be told who they are in order to publicise them. As a result most publicity has tended to be related to A & P shows.

A big than you to all those members who prepared and presented Ayrshires at these shows. Gratifying to see good numbers of top quality, well presented Ayrshires at the North and South Island Championships and the NZ Dairy Event.

Congratulations to all the major prize winners and well done to all entrants for making the Ayrshire classes such a spectacle. Of note was the youth of the leaders of some of the major award winners, a real positive for the future.

Committee: Roger Hancock, Donald Green, Vince Steiner, Pam Goodin.

Roger Hancock

Convenor - Production Promotion Committee

T.O.P. Classification / Judging Committee Report



Brian Hutchings Convenor

This committee is made up of Vince Steiner, Gordon Glentworth and myself. This year the number of animals TOP classified was down a little on last season. Considering the financial climate at present, the results were not too bad. It is good to see there are a good number of two year old cattle still being inspected. This gives us a better reliability on the sire proof for the future. The quality of animals we are endeavouring to breed seems to be coming through as there was a good number of Excellent cows this year.

A big thank you to our members for accommodating and feeding our inspectors while doing TOP runs. This does save our Association a lot of money, and it is appreciated. Thank you to our inspectors. It is a huge job and commitment, especially being away from our own farms and responsibilities.

This year unfortunately we didn't get around organising any Judging Schools. I apologise for this. For those who were needing to sit and weren't able to because of this you have a reprieve for this year. We will be getting back on track in the coming season.

A big thanks to the Judges who took time out of their farming businesses to go and judge shows around the country.

The nominations for the following three shows are as follows:

North Island Champs: Brian McDonald, Cheryl Ford, Gavin Travers

South Island Champs: Roger Hutchings, Barry Tippett, Michael Gilbert

Royal Show: Ross Morton, Craig Rapley, Donald Green

Brian Hutchings

Convenor - TOP / Judging Committee

T.O.P. Classification

	2015	2014	2013	2012	2011
Herds	56	66	70	68	76
Heifers	1481	1,746	1,779	1,826	1,871
SPS Heifer	457	360	196	414	364
Cows	675	965	1,349	1,167	1,678
Milking Shorthorn	190	456	494	305	353
TOTALS	2,803	3,527	3,818	3,712	4,266

Youth Committee Report



Donald Green Convenor

It is with pleasure that I present the Youth Committee Report for 2016.

The Youth Committee consists of Pam Goodin, Vince Steiner, David Ackermann, Courtney Davies, and Audrey Stevenson. David and Audrey were co-opted and Courtney was the successful nomination from the membership.

A highlight for the year was to announce at the 2015 AGM that we were offering sponsorship to both Imogen Steiner and Courtney Davies to attend the World Ayrshire Conference to be held in the USA, Sept/Oct 2016.

We received an invite from Sweden for a youth member to attend a youth conference being organised by their Association late October 2015. We called for expressions of interest and as a result selected Amy White from Blenheim to attend and offered her funding towards her travel.

I would like to congratulate all of our Youth for competing in the various Competitions that Ayrshire NZ has to offer. We ran with the Ayrshire Youth Achiever Award once again attracting seven completed entries over the three age groups. The successful Achievers were Liam Newton in the 5-12 years age group, Robyn Gordon in the 13-17

years category and Courtney Davies in the 18-25 years age group. As well as prize money, the winner in each age group receives a one year Youth, or Associate Membership to Ayrshire NZ.

The Ayrshire Young Judge Competition was held at the NZ Dairy Event at Fielding. Six young judges entered. Kylee Perrett was placed 1st and new member, Pete Smit placed 2nd, and this was the unprecedented third time that Kylee has won the Arran Trophy. Kylee also went on to win the All Breeds Young Judge, completing three years of Ayrshire success in this event.

The Young Handlers Competitions were held at the North Island Champs [Tokoroa] and South Island Champs [Ellesmere]. The winners of the Fredrickson Trophy [Senior] were: North Island, Karen Feek and South Island, Luke Instone. Winners of the Greenlane Trophy [junior] North Island, Boyd Ferguson and South Island, Emily Instone.

What has become our annual Youth Seminar was held once again this year. Ward 9 Otago/Southland was the region hosting this year and for the first time, we invited youth from the other NZ Dairy Breeds but no one chose to accept our invitation. As it was, we had fourteen people from our own Breed attend. A big thanks to Audrey and Ruth Stevenson for their time and effort for organising this Seminar. This year's programme covered a mix of agri-business and breed matters along with some very important social time. The location of the next Seminar is likely to be in the Bay of Plenty area but is yet to be confirmed by the Committee.

Big thanks to all the Clubs and breeders who organise activities and various events for our young members to participate in.

As President, I get a lot of satisfaction seeing our young members achieving and if we, as an Association, can help and encourage them, then I will fully support that. I note that there is to be another Youth Auction at this year's Conference so please get involved in this worthy cause.

Again, a big thank you to Pam she looks after the administration and reports on the various events involving our young members.

Donald Green

Convenor - Youth Committee



AYRSHIRE BREEDERS' ASSOCIATION OF CANADA ASSOCIATION DES ÉLEVEURS AYRSHIRE DU CANADA

4855, boul. Laurier Ouest, Saint-Hyacinthe, Ouébec, Canada J2S 3V4 Tél: (450) 778-3535 Fax: (450) 778-3531 Courriel: info@ayrshire-canada.com

Internet: www.ayrshire-canada.com



March 14th, 2016

World Ayrshire Federation Mary Creek, président 4865 Bld Laurier Ouest St-Hyacinthe, Qc J2S 3V4

Mrs Creek.

Ayrshire Canada's Board of Directors regularly has to face a certain issue, namely, respect for Ayrshire genetics. We are particularly concerned by: the absence of minimal international standards defining the Ayrshire breed, respect for the "Ayrshire" name, and genetic data availability.

Increasingly, we have to face the arrival, in our Herd Books, of bulls registered as "Ayrshire" but having some Holstein and/or other breed blood, without any international standards regarding minimum Ayrshire blood requirements. Our breeders are being offered bulls without regard to the Ayrshire breed and/or even, sometimes, as being "Ayrshire" despite any recognition from our Association. Obviously, we can decide to accept them, or not, in our Herd Book, but this is not the case everywhere.

The Holstein and Jersey breeds appear to have well-defined international standards, which is not the case for the Ayrshire breed. What should be included as "Ayrshire", in order to conserve the widest genetic pool possible, to ensure genetic progress, while also maintaining our breed's traits? Due to a lack of standards, the name "Ayrshire" has even been losing ground to a commercial brand named "Viking Red".

Unfortunately, in many countries where the Ayrshire breed is present and where genetic evaluations are being carried out, their "Ayrshire" genetic data is not available, made public, or free (male and female genomic analysis, etc.). As such, we are losing precious data that could improve genetic selection and database accuracy.

Ayrshire Canada is asking the World Ayrshire Federation:

- To discuss the topics listed above at their next Board Meeting;
- That these issues be presented and discussed at the next World Ayrshire Conference held in 2016;
- That standards be established to clearly define what constitutes an Ayrshire cow;
- That the Federation work intensely at preserving and promoting the Ayrshire name;
- That the World Federation work toward making Ayrshire databases available to all.

1/2

The right balance for a profitable future. Le parfait équilibre pour un avenir profitable.





AYRSHIRE BREEDERS' ASSOCIATION OF CANADA ASSOCIATION DES ÉLEVEURS AYRSHIRE DU CANADA

4855, boul. Laurier Ouest, Saint-Hyacinthe, Québec, Canada J2S 3V4 Tél: (450) 778-3535 Fax: (450) 778-3531 Courriel: info@ayrshire-canada.com Internet: www.ayrshire-canada.com

We are proposing that each country Member, prior to the next World Conference and on the World Federation's initiative, begin debating these issues and give directives to their delegates.

The World Ayrshire Federation has been aware of some of these issues in the past. We consider that it must now take a position and implement an action plan to face the current changes in the international marketplace.

We have informed our delegates of our requests, and they shall be following up with you at the next World Federation Meeting. We remain, of course, open to further discussion.

Kindest regards,

François Beaudry, President

Snancin Beaudy

Ayrshire Canada

FB/MB





