



# **ANNUAL REPORT 2017**

**New Zealand Milking Shorthorn  
Association (Inc)**





Official Publication  
of the  
NEW ZEALAND  
MILKING SHORTHORN  
ASSOCIATION (INC)

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## Board of Directors | 2016-2017

President	Ross Soffe	Stratford
Directors	David Wood	Palmerston North
	Ian Dibble	Te Aroha
	Chris Bailey	Kaipoi
	Sandy Simmons	Invercargill

**Notice of the 104<sup>th</sup> ANNUAL GENERAL MEETING 2017**  
**and**  
**REPORT and STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 31 December 2016**

The Annual General Meeting of members of the New Zealand Milking Shorthorn Assn (Inc) will be held at Ibis Hotel, Hamilton, on Thursday 30 March 2017, commencing at 9.00 am.

**BUSINESS**

1. Welcome
2. Present
3. Notice of Meeting
4. Apologies
5. Obituaries
6. Minutes of the 2016 Annual General Meeting
7. Matters arising from the previous minutes
8. To receive and adopt the Presidents Report
9. To receive and adopt the Statement of Financial Performance
10. Remits
11. Notices of Motion
12. Reports           (i)     Red Breeds  
                         (ii)     Publicity  
                         (iii)    Dairy Breeds Federation & TOP Advisory  
                         (iv)     Secretary
13. Board Meeting Report
14. Election of Officers   (i)     President  
                                 (ii)     Vice President  
                                 (iii)    Treasurer  
                                 (iv)     Patron
15. General Business

By order of the Board  
Mrs P M Goodin, Secretary  
10 March 2017  
595 Ruakura Rd, R D 6, Hamilton 3286

**CONFERENCE PROGRAMME**

- |                    |   |
|--------------------|---|
| Tuesday 28 March   | Bus Trip & Board Meeting<br>Dinner at Hotel with Quiz Night |
| Wednesday 29 March | Bus trip  |
| Thursday 30 March  | Annual General Meeting<br>AGM & Prizegiving Dinner          |

You may have received a Herd Book with this Annual Report. This is the last piece in the upgrade of the Database to accommodate the registration changes made to our rules a few years ago now. This herd book covers four years of registrations and production information.

You should have, recently, also received a “what if” list for the registration of your 2016 animals which when completed will mean that all registrations will be completed up to date.

I must thank Pam and the Jersey Office staff for their efforts in getting this work done through a period which had some difficulties and much frustration.

Our Breed Scheme continues to produce a number of outstanding bulls. Thanks to our current convenor David Wood for his drive and enthusiasm he brings to this position.

A field day will be held in Canterbury, at Mark and Jenny McDonalds, to highlight this year’s bull team and the Brecon herd. Thanks again to our Breeders who supply bulls to our bull scheme and those who buy semen from our Breed Scheme bulls. I cannot stress enough how important it is for you all to support this Breed Scheme. Thanks again to SEMEX for their continuing support of our Bull Scheme.

Most of you will be aware that Karl Wood was highly placed in the NZ Dairy Industry Awards Farm Trainee of the year. Congratulations Karl and thank you for highlighting the Milking Shorthorn Breed in the many newspaper articles that you were featured in.

At the recent NZ Dairy Event Karl also won the World Wide Sires All Breeds Youth Judging Competition - another outstanding achievement.

Our members and their stock continue to perform well at various shows and events around NZ with more Milking Shorthorns being highly placed in All Breeds. This is an indication of the progress that our cattle are making in this area. It also reflects the improvements that we are seeing in our T.O.P results and the importance to our breed of having as many two year old heifers inspected as possible. Thanks to those members who continue to classify their herds.

Thanks to our Board members for the work that they continue to do in support of their Branches and our Breed. Thanks again to the Jersey Office, Pam and the other office staff members for their work over past year.

*Ross Soffe*

President

## Vision – New Zealand Milking Shorthorn Association

Grow the breed profitably within the NZ Dairy Industry.

### Values:

- To encourage and expect all members and staff to display a progressive, confident and positive breed image.
- To promote unique and economically important breed advantages.

### 12 Month Action Plan:

- To implement changes to the Herd Book to better reflect the current registration practices.
- To clarify and redefine the current eligibility for showing and production awards.
- Improve the promotion of the breed with the intent to increase semen sales.

### Membership | 2017

	2017	2016	2015
Senior	33	36	38
Associate	33	31	30
Paid Life	9	9	9
Honorary Life	5	5	1
Junior	0	1	1
<b>Total</b>	<b>80</b>	<b>82</b>	<b>83</b>

### TOP Statistics | 2016

	2016	2015	2014
2 year	359	184	368
Older	111	6	88
Herds	12	7	9

The condolences of the Association and membership are offered to all members who have suffered bereavements during the year. The following obituary of a past and present member has been noted: D Pearson

**PRODUCTION 2015-16**

- Association Cup -** Highest Cow above standard  
Red Cow Farms Ltd – Brecon Turbo 277 SoS  
7257 litres, 340 kg fat, 309 kg protein (650 kg milk-solids) in 285 days at 6 years
- Mahora Challenge Cup -** Highest Herd Average 10-100 cows  
Four Ways Farm Ltd, 62 pedigree cows, 5411 litres milk, 236 kg fat, 195 kg protein, (431 kg MS) in 274 days
- Kaiwharehau Trophy -** Highest herd average 101 cows and over  
Red Cow Farms Ltd, 379 pedigree cows, 5394 litres milk, 230 kg fat, 197 kg protein (427 kg MS) in 270 days
- Gillett Trophy -** For highest five cow average for fat  
Rushbrook Farm Ltd – 348 kg fat
- Totara Park Trophy -** For highest five cow average for protein  
Red Cow Farms Ltd – 295 kg protein
- Webster Trophy -** For herd with highest increase over previous seasons, minimum 10 cows  
No eligible herds
- Barwell Trophy -** For cow seven yrs & over with highest quantity of milk & a minimum of 4.2 test  
Rushbrook Farm Ltd - Te Kiripi Tops Astra SoS, 7715 litres, 4.4 test, 10 yrs
- Top Three Cows Litres of Milk - One Herd**
- |                      |                     |             |
|----------------------|---------------------|-------------|
| Eyreton Lea Farm Ltd | Eyretonlea PDI Marg | 9682 litres |
|                      | Eyretonlea P Maggie | 8611 litres |
|                      | Eyretonlea RF Faint | 8140 litres |
- Merit Awards -** For Exc and VHC cows who have produced 500 - 630 kg milksolids in not more than 305 days  
Northbrook Maloney SoS, VHC, 568 kg MS in 277 days – Four Way Farms Ltd  
Edenmore Northern Rata SoS, VHC, 552 kg MS in 305 days – N Atkins  
Westell Lland Rose S1S, VHC, 551 kg MS in 248 days – Westell Properties  
Westell Jinny's Blue SoS, VHC, 542 kg MS in 294 days – Westell Properties  
Northbrook Wright Way SoS, VHC, 524 kg MS in 305 days – D R & J J Wood  
Keredene Skole Labby SoS, VHC, 506 kg MS in 305 days – D R & J J Wood  
Kaihere 07-52, VHC, 505 kg milksolids in 305 days – Tauhei Farms Ltd
- Elite Merit Awards -** For Exc and VHC cows who have produced more than 630 kg milk-solids in not more than 305 days  
No cows eligible

**OTHER AWARDS**

- Tairanga Milking Shorthorn Trophy - For outstanding contribution to Red Breed Genetics**  
C G & M S Bailey
- Ken Hall Memorial Trophy - For highest BW Milking Shorthorn bull on initial proof**  
Northbrook Phoenix SoS, BW -63/46
- Oregon Park Trophy - For the highest TOP score overall in 2016**  
D R & J J Wood

**ROYAL SHOW AWARDS 2016**

There were no Milking Shorthorn entries at the Royal Show 2016 (Hastings)

There are no remits

## Notices of Motion

2017

The Board of NZ Milking Shorthorn Assn (Inc) proposes the following Notices of Motion

That Rule 5 (c) be amended as follows:

- 5 (c) Members of the Board of Directors will be elected in rotation every three (3) years. Sitting members will be eligible for re-election.

The secretary shall at least three months prior to the Annual General Meeting send by post to each member of the Association resident in a Ward in which an election is to be held, notice of the intended election of a member to the Board of Directors.

Any financial member of the Association resident within such Ward will be entitled to nominate any other financial member residing in that Ward, such nominee to own and be actively engaged in breeding Milking Shorthorn Cattle. Such nomination to be in writing, signed by the proposing member and the member nominated and be in the hands of the Secretary no later than the 1<sup>st</sup> day of February preceding the Annual General Meeting.

If the number of candidates does not exceed the vacancies, such candidates shall be deemed to be duly elected and reported to the Annual General Meeting and represent that Ward at subsequent meetings of the Board for the term of their election.

If the number of candidates so nominated exceeds the vacancies, the Secretary shall forthwith after closing of nomination, prepare a voting paper, approved by the Board, for each Ward in which an election is necessary and shall post one voting paper to each member resident within such Ward. Such voting paper to be returned to the Secretary by a date set by the Board.

Each financial member of the Association shall have one vote and no proxy voting will be permitted.

The Board shall appoint two (2) scrutineers to count votes validly recorded and the said scrutineers shall report in writing to the Annual General Meeting, the names of the members with the highest number of votes. The case of equity of votes, the member so elected shall be decided by lot by the Chairman of the Annual General Meeting.

That Rule 5 (e) be amended as follows:

- 5 (e) Vacancies occurring in the Board may be filled by the Board of Directors. Any such appointed Board Member shall remain in office until the original expiry of the term for which they were appointed.

As noted in the RBG Magazine Report for 2016, the 2016 NZMSA conference saw some new blood on the RBG Committee with the addition of Russell Tocker to the team. Each member of the RBG Committee has been assigned a specific area of responsibility. These are as follows:

Logan Kelly	-Southland
Chris Bailey	-Rest of the South Island
Ian Dibble	-Taupo north of the North Island
Ross Soffe	-Taupo south of the North Island
Russell Tocker	-New sires, worldwide scout
David Wood	-Convenor, marketing, updates and trouble shooter

Throughout the last year NZMSA members have been kept informed of RBG activities via updates in newsletters. I trust these are informative for you and beneficial. If you have any suggestions about these communications I would be interested in hearing from you.

### Sales

For the 2016 year two new young sires were brought into the team: Brecon Antonio and Brecon Tana and two sires were retained from the 2015 year: Northbrook T Wilson and Brecon Octavius. It is disappointing to report to you that the sales for 2016 were not one of our best years. However, it is understandable as the dairy downturn really started to bite.

The RBG Committee and the NZMSA Board are aware that we need to increase the sales of our young bull teams not just to our members but also to the commercial farmer. It is clear that, in terms of the market, there is a desire to see white bulls, roan bulls and bulls which are A2A2. The challenge to us as members of NZMSA is to breed such bulls.

### Bull Team Selection

The bull selection process for the 2017 team considered market needs. RBG presents a selection of bulls to Semex and in consultation with them the final selection is made. The 2017 bull team will include a roan bull, by Northbrook Duncan which is A2A2 and a red and white bull, by V Foske, which is A2A2.

I would like to remind members what they need to do if they think they have a potential young sire for the RBG Committee to consider:

1. Ensure your bull calf is identified on the database
2. Name your bull calf
3. Request a 3 GP from the NZMSA office
4. DNA the bull calf for parentage and A2A2
5. Contact myself or speak to your RBG liaison person, who will let the committee know
6. Send through, via email, the 3 GP

### General

I would like to thank those of you have put up animals for TOP inspection as this information feeds into the data for bull selection.

Finally, I would like to thank RBG Committee members for the work they do in the background on everyone's behalf.

*David Wood*

RBG Convenor

During 2016, as in previous years, NZMSA has had a presence at the New Zealand Dairy Event and the Central Districts Field Days. These two events are held annually and the NZMSA Board believes they provide the public and the commercial farmer with a shop front view of our breed.

Having said this, while the Central District Field Days are manned by members of the Central Districts and Taranaki branches, the New Zealand Dairy Event (NZDE) site is a static display. The reason for NZDE being a static display is that members are busy with exhibiting their stock. I think we need to determine if the Association is happy with this to continue or is there a better alternative.

Another aspect of NZDE which promotes our breed is the participation of youth. The cattle that they show are of a high quality and it is pleasing to see that they are challenging other breeds for places.

Other forms of advertising and publicity come from individual branch and breeder's Facebook pages as well as the NZMSA feeds. There is also some exposure via the Semex Catalogue and other semen catalogues.

The cost of paper advertising is exorbitant and for this reason has not occurred in recent years. Again, as an Association we need to determine if we wish to go down the route of advertising in farming papers.

While this next piece of information should really be included in the 2017 year for reporting, I would like to report on an opportunity that has arisen to publicise one of our young bulls for next year. In discussions with Mark McDonald and the Canterbury Branch it was agreed to hold a field day at Red Cow Farms Ltd on 6 April 2017 to promote Brecon Durango, a roan A2 A2 bull. To promote the field day an advert will be placed in the New Zealand Dairy Farmer. The advert can also be found numerous Facebook pages, both individual breeders and branches.

*David Wood*

Publicity

### T.O.P.

Unfortunately I have been unable to attend the meetings, however this season I understand there has been an increase in stock numbers being T.O.P inspected due to a better dairy farm economy.

The 2015-16 T.O.P results are looking promising with good progress made. We seem to be out in front of the other breeds on farmer traits and condition score. We need to continue to focus on udder improvement, especially the height of the rear udder.

I would like to thank all those members that T.O.P inspected their heifers as this "vital" information for the breed.

Also thanks to the T.O.P inspectors for all the work they do.

### Dairy Breeds Federation

Unfortunately I missed the last meeting. Items discussed:

1. World Wide Sires All breed junior judging competition.
2. Digad discussed (little progress).
3. R.A.S Breed meetings.
4. My Digad article.

*Ian Dibble*

Dairy Breeds Federation & TOP Advisory

It has been an extremely busy year in the office on behalf of the NZ Milking Shorthorn Association.

We have produced two magazines and all registrations are now up to date, with the Herd Book & Production Register issued. The changes to TOP awards have also now been implemented. Moving forward, we are processing 2016 born registrations which will close on 31 August 2017 and the next Herd Book will be produced in October. Also in October will be the next magazine, and members are reminded to have all material to the office by 31 August 2017.

The website has been replaced at [www.nzmilkingshorthorn.nz](http://www.nzmilkingshorthorn.nz). Thanks to Angela Makara for her work on the new website, and sourcing a no-cost solution. She will continue to update the material over the coming months. We are able to use our Customer Relationship programme to electronically contact members, and where possible newsletters and bulk e-mails are being used to keep in touch.

Registrations are now being processed by Melissa Goodman, we welcome her to the team.

*Pam Goodin*

General Manager – Jersey NZ

## INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

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To the Members of The New Zealand Milking Shorthorn Association  
(Incorporated)**Report on the Financial Statements**

We have reviewed the accompanying financial statements of The New Zealand Milking Shorthorn Association (Incorporated), which comprise the special purpose statement of financial position as at 31 December 2016 and the special purpose statement of performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Committee's' Responsibility for the Financial Statements*

The committee is responsible for the preparation and fair presentation of financial statements in accordance with the accounting policies adopted by the society.

*Assurance Practitioner's Responsibility*

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

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

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

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, The New Zealand Milking Shorthorn Association (Incorporated)

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these special purpose financial statements do not present fairly, in all material respects, the financial position of The New Zealand Milking Shorthorn Association (Incorporated) as at 31 December, 2016, and its financial performance for the year then ended, in accordance with the special purpose accounting policies adopted by the society set out under Note 1.

Crowe Horwath New Zealand Audit Partnership  
CHARTERED ACCOUNTANTS  
08 March 2017



**THE NEW ZEALAND MILKING SHORTHORN ASSOCIATION (INC)**

**SPECIAL PURPOSE STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2016**

2015	INCOME	2016
5,879	Red Breed Genetics	1,742
157	Centenary Book	157
739	TOP Classification	1,643
6,325	Interest	2,790
-	Magazine Advertising	3,705
95	Registrations	2,350
6,348	Subscriptions	6,026
111	Three Generation Pedigrees	65
-	Other Income	75
(2,070)	Opening Stock	(2,340)
2,340	Closing stock	2,208
<b>19,924</b>		<b>18,421</b>
	Less Expenditure	
5,729	Administration to Jersey NZ	9,875
1,635	Advertising	2,953
815	Financial Review	2,060
-	Bad debts written off	-
119	Bank Charges	174
739	TOP Classification	1,643
1,476	Council and Travelling Expenses	1,176
124	Depreciation	107
-	LIC and Red Breed Genetics	-
-	Magazines	2,285
-	Herd Book	-
305	Photocopying, Printing and Postage	1,092
-	Registrations	226
849	Administration	5,594
21	Three Generation Pedigree expenses	131
1,310	Royal Agricultural Society and Other Subs	310
<hr/>		<hr/>
		27,626
<b>13,123</b>		<b>27,626</b>
<hr/>		<hr/>
<b>6,800</b>	Excess (deficit) of Income over Expenditure	<b>(9,205)</b>
<hr/> <hr/>		<hr/> <hr/>

These special purpose financial statements should be read in conjunction with the accompanying notes and independent reviewer's report



**THE NEW ZEALAND MILKING SHORTHORN ASSOCIATION (INC)**

**SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

2015	<b>Accumulated Funds</b>	2016
94,407	Opening Balance	101,207
6,800	Income over Expenditure ( Expenditure over Income )	(9,205)
<hr/>		<hr/>
101,207		<u>92,002</u>
<hr/> <hr/>		
	<b>Represented By:</b>	
	<b>Current Assets:</b>	
2,340	Stock on Hand	2,208
14,169	Westpac Cheque account	5,567
6,298	Westpac on Call account	6,343
71,603	Westpac Trust	74,933
3,138	Accrued Interest	2,515
4,589	Outstanding Debtors	<u>3,837</u>
<hr/>		<hr/>
102,137		<u>95,403</u>
<hr/> <hr/>		
	<b>Less Current Liabilities:</b>	
32	Goods & Services Tax	0
241	GST Holding	-798
1,418	Outstanding Creditors	<u>4,854</u>
<hr/>		<hr/>
1,691		<u>4,056</u>
<hr/> <hr/>		
100,445	Working Capital	<u>91,347</u>
<hr/> <hr/>		
	<b>Fixed Assets:</b>	
762	Semen Bank	<u>655</u>
<hr/>		<hr/>
		<u>655</u>
<hr/> <hr/>		
<u>\$101,207</u>	<b>Net Assets</b>	<u>\$92,002</u>

*R. J. Jeffe*

\_\_\_\_\_  
President

*D. R. Wood*

\_\_\_\_\_  
Treasurer

08/03/2017

\_\_\_\_\_  
Date

These special purpose financial statements should be read in conjunction with the accompanying notes and independent reviewer's report



**THE NEW ZEALAND MILKING SHORTHORN ASSOCIATION (INC)**

**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

1) Statement of Accounting Policies

The New Zealand Milking Shorthorn Association (Incorporated) is an Incorporated Society registered under the Incorporated Societies Act 1908. The financial statements are a special purpose report which has been prepared in accordance with the accounting policies below and the Rules of the Association.

Specific Accounting Policies

The following specific accounting policies having material effect on the measurement of results and financial position have been applied.

a) Accounts Receivable

Accounts receivable are stated at their net realisable value.

b) Fixed Assets

Fixed assets have been valued at cost less accumulated depreciation.

c) Depreciation

Depreciation is charged to the Statement of Financial Performance. The following rates and methods have been used to depreciate the assets.

<i>Asset</i>	<i>Rate &amp; Method</i>
Plant	14% DV

d) Bad and Doubtful Debts

All known losses have been written off against income during the financial year. A provision has been created for doubtful debts.

e) GST

The financial statements have been prepared on a GST exclusive basis, except for accounts payable and accounts receivable which are recorded inclusive of GST.

f) Stock

Stock is stated at cost.

g) Taxation Policy

The Association is not subject to income tax in accordance with CW51 (Herd Improvement Bodies) of the Income Tax Act 2007.

h) Revenue

Revenue is recognised in the accounting period in which the service is provided (in the rendering of services), and in the period in which the interest is accrued.

i) Creditors and other payables

Trade creditors and other payables are stated at cost.

j) Cash and cash equivalents

Cash is classified as the cash in the bank balance at the end of the financial year.



k) Investments

All term deposits in investment are classified as current assets.

Changes in Accounting Policies

The entity transitioned on 1 January 2016 from preparation of financial statements using GAAP to special purpose format reporting. Policies have been applied on a consistent basis during the reporting period.

2) Stock On Hand

		2016	2015
Badges	38 @ \$7.75	\$ 295	\$ 341
Centenary Books	67 @ \$28.55	\$ 1,913	\$ 1,999
		<u>\$ 2,208</u>	<u>\$ 2,340</u>

These figures have been confirmed by a stock take.

3) Contingent Liabilities

There were no contingent liabilities at balance date. (2015: Nil)

4) Principal Activity

The principal activity of the association is to administer the breeding of Milking Shorthorn cattle.

5) Capital Commitments

There are no capital expenditure commitments as at balance date (2015: Nil)

6) Events after Balance Date

At the date of signing the Review 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.

7) Related Parties

All Directors are members of the Association in their own right and as such use the services of the Association on an Annual basis. Examples of services they use are registrations, classification of animals, purchases of semen, participants in joint venture projects and advertising in the NZ Milking Shorthorn magazine. All transactions are charged at normal commercial rate.

