

MINUTES

CANADIAN LIVESTOCK RECORDS CORPORATION (CLRC)

2005 ANNUAL GENERAL MEETING

The one hundredth Annual Meeting of Canadian Livestock Records Corporation (formerly Canadian National Live Stock Records) was held at the Lord Elgin Hotel, Ottawa, Ontario on April 2, 2005.

CALL TO ORDER

Chairman Dan Stephenson called the meeting to order at 10:00 a.m. following registration and continental breakfast and welcomed those in attendance.

IDENTIFICATION OF REPRESENTATIVES AND GUESTS

Mr. Stephenson asked those present to introduce themselves. Voting representatives were present from 17 member associations as follows:

Canadian Blonde d'Aquitaine Ass'n: John Ferrier

Canadian Horse Breeders Ass'n: Gail Mosher, Michel Joly

Canadian Dexter Cattle Ass'n: Ed Post

Canadian Galloway Ass'n: Bob Airth (CLRC Director)

Canadian Goat Society: Sharon Hunt, Sylvie Poirier

Canadian Hays Converter Ass'n: Charles Argue

Canadian Highland Cattle Society: Tony Onufer, Joan Wort

Canadian Katahdin Sheep Ass'n: Jim Sabin

Canadian Llama & Alpaca Ass'n: Carol Bruin

Canadian Maine-Anjou Ass'n: Gord Ray

Canadian Morgan Horse Ass'n: Mary Martin, Jack Reeves

Canadian Percheron Ass'n: Kathy Ackles

Canadian Sheep Breeders Ass'n: Murray Emke (CLRC Director), Don Acres, Dwayne Acres, Trenholm Nelson

Canadian Shorthorn Ass'n: Dan Stephenson (CLRC Director), Sheryl Blackburn (CLRC Director)

Canadian Swine Breeders Ass'n: Don Dietrich (CLRC Director)

Canadian Warmblood Horse Breeders Ass'n: Colleen Embree-Jay, Barb Daley

Welsh Pony & Cob Society of Canada: Mary Cork (CLRC Director)

Also present: CLRC Staff: Ron Black (General Manager), Glenn Clark (Systems Manager), Dianne Richer, Jane Davy

Arnold Kittle, Gerry Lalonde, Ted Jansen, Gail Argue, Floyd Blackburn

APPROVAL OF AGENDA

MOTION: Don Dietrich/Mary Cork – That the agenda be approved as presented. Carried.

At this time there was a **MOMENT OF SILENCE** for those breeders who had passed away during the past year.

CHAIRMAN'S ADDRESS

In his remarks, Chairman Stephenson noted that the past year had again been a challenging one. The history of CLRC had proven, however, that the organization had successfully met many challenges through the years, and that it would succeed through the current one as well. He acknowledged, with thanks, the time that the Directors had spent in teleconference meetings through the year, and the cooperation received from the staff in accepting decreased working hours and salary, and a layoff, to deal with the decrease in work volume and revenue. He also commented on the successful banquet held the previous evening to mark CLRC's 100th anniversary.

MINUTES OF LAST ANNUAL MEETING

MOTION: Mary Cork/Ed Post – That the minutes of the Canadian Livestock Records Corporation Annual Meeting held April 3, 2004 in Calgary, Alberta be approved as circulated. Carried.

BUSINESS ARISING FROM MINUTES

There was no business arising from the minutes to be acted upon.

GENERAL MANAGER'S REPORT

General Manager Ron Black presented his report as follows:

"I am extremely pleased to welcome all of you to Ottawa to this, our 100th Annual Meeting.

It is very fitting that, at this moment, we are sitting just a few city blocks from where the National Livestock Records was formed on April 20, 1905.

The year since we last met in Calgary has, of course, been one of ongoing challenge for our industry, and for our organization. The statistics contained in our Annual Report indicate a decline in total business transacted of 13.5% compared to 2003, and 20.3% compared to 2002.

As has happened in the past in this organization, however, those challenges have been dealt with, and steps have been taken to preserve the vitality of CLRC, with as little impact as possible upon the member associations. A few examples of these steps include a reduction of floor space in the office, a reduction in work hours and salary for the staff, for which the staff are to be commended for the manner in which they accepted this necessity, and establishment and promotion of the CLRC Marketplace to generate revenue. Your Board of Directors and myself carefully monitored the entire financial situation all through the year by means of a series of teleconferences.

While we were all dismayed yet again recently when the border to the United States did not open to trade in live cattle, it is encouraging to see the steps being taken to make the Canadian industry less dependent on that trade with the U.S., and we hope that there will be positive effects of that upon our organization in the future.

During the course of 2004, the registry for the North American Lincoln Red Association, which was incorporated as the result of separation from the Canadian Shorthorn Association, was implemented. The registry for the Canadian Speckle Park Association is currently under development, and issuance of certificates for this Canadian-developed evolving breed will commence within the next few days. Significant enhancements were made to improve the exchange of data between CLRC and Maxxam Analytics Inc, which provides the DNA testing services for the horse breeds, and, at the request of Maxxam, CLRC assumed responsibility for fee collection and payment for all DNA tests for the equine member associations. During the year, we also experienced significant growth in the number of AVID microchips that we retailed to breeders.

During the year, I have continued my duties as Secretary of the four member associations that use our Secretarial Services, and I was involved in several meetings concerning the National Equine Identification strategy.

My research over the past several months into the history of CLRC verified to me that we are all part of a very strong and enduring organization that has dealt successfully with numerous challenges at various times during the past century. In large part that success, I believe, is due to the fact that certain guiding principles have endured and have been upheld through the years by breeders, breed associations, Record Committees and Boards of Directors, and by management and staff. Throughout the entire century, accuracy and integrity of the records, cost efficiency, and timely service have been foremost for this organization, and undoubtedly, if we continue to follow those principles that were laid out so clearly 100 years ago, our organization will remain strong in spite of the challenges.

In closing, I wish to express my appreciation to the staff, to the people in the various breed associations with whom we work, and to Chairman Dan Stephenson and the entire Board of Directors for all the support and encouragement this year.”

AUDITOR’S REPORT AND FINANCIAL STATEMENT

Ron Black presented the Auditor’s Report and the Financial Statement for 2004, explaining some of the major variations from the previous year in certain line items. The Financial Statement showed a deficit for the year of \$74,568; however, a high percentage of this loss is comprised of non-cash expenditures for amortization of equipment. Mr. Black responded to a few questions from the floor.

MOTION: Jim Sabin/Tony Onufer – That the Financial Statement for 2004 be accepted as presented. Carried.

APPOINTMENT OF AUDITORS

MOTION: Kathy Ackles/Jim Sabin – That Newton and Co. be appointed as auditors for 2005. Carried.

WORKSHOP REPORT

Bob Airth reported on the annual Workshop that had been held the previous day, with approximately 25 breed representatives and CLRC staff members present.

The first presentation of the day was by David Trus, who spoke of the Role of the Federal Government and Changing Trends in the Breeding Livestock Sector. David summarized the development of agriculture in Canadian society as it progressed from sustenance to a mature and competitive industry in a society where now only a very small part of the population is involved in farming. He noted the involvement of the Department of Agriculture in the creation of CLRC 100 years ago, and also highlighted the changes that occurred as the result of the Animal Pedigree Act passed in 1988. Several graphs noting the trends in registration of various breeds were also shown. Eric Lawlor of the Ontario Ministry of Agriculture and Food talked about the role of minor breeds and how to market those breeds, speaking extensively from his personal experience as a breeder of Dexter cattle. Eric noted that, first of all, you must know the characteristics of your breed, and decide which traits you will breed for, then in marketing your animal, you must decide who you are going to target, and how best to do that. Some marketing avenues include print advertising, Internet advertising, association advertising, shows, and direct contact with potential customers. The pros and cons of each were discussed.

After lunch, Dave Trus convened a panel discussion on genetic improvement and genetic diversity. Participants were Jacques Chesnais from the Semex Alliance, Yuefu Liu from the Canadian Centre for Swine Improvement, Bill desBarres from Equine Canada, and Eric Lawlor. Mr. Chesnais gave a brief presentation on genetic improvement in the dairy industry, especially Holsteins. He noted the increasing number of traits that are being tracked, including somatic cell counts as an indicator of animal health and stress, and the stayability of cows in a herd. Mr. Liu gave a presentation on molecular genetics and the use of particular genes in the swine industry. Mr. desBarres noted that the horse industry is not nearly so advanced, but there are definitely traits such as colour that are being tested. A general discussion involving the panel and those present followed.

To conclude the Workshop session, Ron Black gave a brief update on the status of a national identification strategy for horses. He noted that the program, as approved at the recent Equine Canada convention, will be an industry-led, voluntary, phased-in program. Each horse will be assigned a Unique Equine Life Number (UELN). The data on each horse will include this number, the name of the horse, a description of colour and markings, a graphic similar to that used for Coggins tests, and the name and contact information of the owner of record. The unique numbers will be assigned by the various registries for pedigreed horses, and by an approved agency, yet to be designated, for non-pedigreed horses. It is hoped that breed associations will opt into the program early in the phase-in period. Research is still being carried out on physical devices for identifying horses, so no recommendation in that area has yet been made.

Dan Stephenson expressed thanks to Sheryl Blackburn for having organized the Workshop.

ELECTION OF BOARD OF DIRECTORS

Chairman Stephenson stated that there were three directors to be elected for a two-year term, and called for nominations.

Jack Reeves nominated Mary Cork

Trenholm Nelson nominated Don Dietrich

Murray Emke nominated Sheryl Blackburn

MOTION: Tony Onufer/Gord Ray – That nominations cease. Carried.

Dan Stephenson declared the three nominees elected by acclamation and congratulated them.

NEW BUSINESS

Chairman Stephenson asked if there was any new business to be brought forward.

Michel Joly asked a question regarding possible decreasing of DNA fees. It was explained that Maxxam Analytics Inc. had made the decision to have the administration, including fee collection and payment for their services, handled through CLRC. The fee that associations charge to breeders must cover the testing fee as well as CLRC's fees to issue the DNA test kits. It was reported that Maxxam had recently agreed to decrease the fee per test charged to CLRC to offset the costs that CLRC now has for administration.

Sylvie Poirier asked how the Board intended to deal with the current deficit in the reserve fund.

Dan Stephenson replied that the Board had considered the options, and had opted for a small increase in the unit cost so as to minimize the impact on the member association, who are also hurting. In addition the Board is always trying to identify possible new revenue sources. Beyond that, since a substantial portion of the loss over the past two years has been a non-cash loss regarding computer depreciation, part of the strategy also is to ride out the situation. It was suggested that an increase in the rates for secretarial services might be in order to increase revenue.

The meeting recessed for lunch at this point, and was called back to order following the lunch.

Sharon Hunt questioned the transfer of funds to the contingency reserve fund from the general reserve fund that is already in a negative position. It was acknowledged that this is unusual, but the Board had made the decision to continue to build the contingency reserve fund over time, and the auditors had concurred with those actions.

Colleen Embree-Jay and Barb Daley raised several questions on behalf of the Canadian Warmblood Horse Breeders Association, to which Board members responded. In particular, concerning errors on certificates, it was stated that these should always be brought to the attention of CLRC staff as soon as they occur. If there is a recurring problem, it should be directed to the attention of Ron Black, with specific details provided so that the cause of the situation can be addressed and corrected. On a question concerning fees charged, it was explained that CLRC collects the fee set by the association for each service and deposits those fees in the association's bank account, then invoices the association for processing costs.

PRESENTATION

General Manager Ron Black read a letter of congratulations to CLRC on its 100th anniversary from the Canadian Swine Breeders Association. He then gave a brief presentation to the meeting from the history he had prepared for the occasion. Carrying on from the presentation at the Centennial Banquet the previous evening, he highlighted some of the major developments in the years that followed the establishment of Canadian National Live Stock Records. He noted the numerous associations that were incorporated and affiliated with Live Stock Records in the first few years after formation. In particular he touched on the gradual decline and eventual elimination of government financial assistance, and on the various challenges the organization had met during the years, including two wars, a depression, periods of high inflation, and technological changes both within the industry and within the processing procedures. He closed by noting a few of the principles upon which the organization was founded and which it has followed throughout its first century. These include control of the records by the industry itself rather than by government, the devotion to accuracy and integrity, the sharing of resources by multiple associations, and the commitment to providing its services as cost effectively and timely as possible.

ADJOURNMENT

MOTION: Tony Onufer/Don Acres – That the meeting be adjourned. Carried.