



Canadian Livestock Records Corporation 2015 Annual General Meeting Minutes

The one hundred and tenth Annual Meeting of Canadian Livestock Records Corporation (formerly Canadian National Live Stock Records) was held at the Southway Hotel, Ottawa, Ontario on April 15, 2015.

1. Call to order

- As Chair, Dan Stephenson called the meeting to order.
- Dan recognized CIBC for their contribution including sponsoring the luncheon.
- Out of 43 Member Associations, we require 15 in attendance, and we have exactly 15.

2. Identification of Representatives and Special Guests

- Dan Stephenson introduced Jim Washer, General Manager replacing Ron Black who has taken his retirement.
- Dan Stephenson invited all members and guests in attendance to introduce themselves.

There was a total of 15 voting representatives as follows:

Canadian Blonde d'Aquitaine Association: Myrna Flesch (CLRC Director)
Canadian Dexter Cattle Association: Ian Payne
Canadian Goat Society: Melissa McLaughlin
Canadian Highland: Dean Davidson
Canadian Morgan Horse Association: Michelle Coffey
Canadian Sheep Breeders' Association: Trenholm Nelson, Glen Parker, Stacey White (CLRC Director)
Canadian Shorthorn Ass'n: Dan Stephenson (CLRC Director), Sheryl Blackburn (CLRC Director)
Canadian Sport Horse Association: Lu Lancaster, Paul Morgan
Canadian Swine Breeders' Association: Jim Donaldson (CLRC Director)
Kathadin Sheep Association: Jim Sabin
Welsh Pony & Cob Society of Canada: Mary Cork (CLRC Director)

Also present: David Trus (Agriculture and Agri-Food Canada), Adrian Hykaway (Dexter Cattle Association), Rita Hykaway, Luis Fiallo (Peruvian Horse Association), Ron Black (Association Secretary and Past General Manager), and Jim Washer (CLRC General Manager)

Dan Stephenson referred to the recent survey that was sent out, and requested feedback. The reaction was positive. Dan recognized that every breed has different issues, and it is important to CLRC that we get input and feedback.

Sheryl Blackburn provided an overview of question 3 of the survey reflecting positive feedback including; there was a positive response of 666 people on the English survey, and 61 French

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responses. The responses positively acknowledged the staff, and the bilingualism, the web and electronic herd book, the search capacity, in breeding co-efficient, database, printable forms, free on-line services, exposure to general public and marketplace, quick turn around and reasonable cost for service.

Adrian Hykaway suggested that dead animals be removed from the database and herd books, and questioned if it is up to CLRC or individuals to get the records back to CLRC. Dan Stephenson indicated that individuals are supposed to report it, but it is difficult to monitor. David Trus commented that it is not a requirement of the APA. Sheryl Blackburn commented that it is up to each Association to monitor, and suggested that if an association wanted, CLRC would be happy to add a note on the website reminding people to update their animals. Dan Stephenson suggested that there could be thousands of inactive animals and it could be very taxing on staff to update.

There was a question regarding the turn around time, and if there is a target. Dan Stephenson responded that CLRC has a target of between 8 and 12 days, however there are many factors currently affecting turn around, but we are addressing the turn around time.

There was a suggestion that CLRC develop a tracking system so applicants can know that their information has been received, their money deposited and what stage their application is at. Jim Washer responded that this has also been raised as an item of Strategic Planning.

Stacey White provided a summary of the Survey Responses of what people would like to see improved. There were over 500 responses, and comments included two main areas;

1. People would like to see improvements of on-line functions (being able to register and track on-line, having accessible forms.
2. The other was turn around times. The recent turn around times have been slower than traditionally.

Jim Donaldson commented that the turnaround time for swine has been good. Jim explained that they register whole litters, and that the registrations are all completed electronically. Jim suggested that this may be something that CLRC could develop for all breeds, as it certainly speeds up the registration process. Jim further explained that CSBA are linked to the national testing program through CCSI.

Dan Stephenson commented that some associations have opted out of electronic herd books, on-line registries and electronic payments. CLRC does what the associations request, but encouraged members to encourage their associations to use electronic services. It was suggested that CLRC charge a higher fee for manual registries. It was agreed that CLRC will be looking at electronic services as part of Strategic Planning.

Stacey White reported on the next Survey question "What other services do you wish CLRC could provide". There were 222 responses, 60 indicating they had no concerns, were happy with the services or had no other comment. The next most common response was related to having additional data on the website for pedigrees, performance data, links to other registries etc. The next response was an interest to see on-line registrations, on-line payments and on-line links to other associations. The next response was to have additional animal data on registration papers or accessible on the website. Another response was to see coordinated genetic testing and real time tracking. The final response suggested having pictures of the animals.

Adrian Hykaway suggested that it would be good to have historical information on breeders. This becomes a privacy issue and is the right of a breeder not to have their personal information posted.

Stacey White reported on the last question “What additional services could CLRC provide to help you do business”. There were 222 responses, with the most common being no comment, then assist with breed promotion, to have a classified ad section, more collaboration with associations, improve on-line registration processes, breeder web site links, and assistance with understanding and promoting the Animal Pedigree Act.

Dan Stephenson asked if there were any additional ideas, issues or concerns. Luis Fiallo questioned the security of on-line payments and whether the CLRC website was encrypted. Jim Washer reported that his understanding is that the web site is not, but the services we offer are. Luis’s concern was that when credit card information is provided there is a risk if the website is not encrypted.

Glen Parker commented on the positive work that has been done on the Survey and recognized the Board for the effort to initiate this process.

Dan Stephenson then provided an update on the Strategic Planning outcome.

The Vision is: **“To provide world renowned animal registry services”**. Globally recognized for our registry services. Jim Donaldson commented that the registry program is very important to his breed and he uses this as part of their promotional materials. CLRC is one of the biggest providers of registry services within Canada. Luis Fiallo added that the North American Peruvian Horse Association NAPHA uses CLRC services and they are very happy with what CLRC offers.

The Mission is: **“Leading edge value, services and quality in sustainable registry operations.”** We are trying to capture that we want to evolve and develop, and be proactive in the industry. Dan further explained that we have to have feedback and communication with the breed associations to solicit input from breeders.

It was questioned who CLRC’s competitors are. Dan Stephenson responded that Holstein Canada and Angus Association offer their services to other breeds. There are also others outside Canada like the Jockey Club. Maine Anjou also provide their own registry services. Any of the large beef breeds have the capacity to offer their services to others, and CLRC is aware of this. CLRC offers their services to all breeds and species, and can provide a customized service depending on the breed.

Service: Dan indicated that we have had good communication with our associations, but CLRC will try to be more proactive in communicating with associations. It was suggested that CLRC could provide a report to the association AGM’s on the activities of the year. Another suggestion was that associations post the CLRC logo on their websites to promote the partnership.

It was questioned if the Business Plan will be posted on the website. Dan responded that once it is complete it would be, but there is still a lot of work to be done first.

Dan continued with communication, quality service and education and training. Jim Donaldson added that comments on the Survey indicated the need for training breeders on the electronic registration process and explained how we were considering a youtube video to be available on the website. Sheryl

Blackburn also suggested that CLRC staff members could attend association AGM's to meet their members and to describe updates or provide orientation to the registry process. Mary Cork added that it could be possible to hold the CLRC AGM at the same time as some of the Associations, providing an opportunity to share resources.

Sustainability: Dan explained that sustainability is one of the most important areas. If we don't plan our business well or if we don't do things the way they should be done, we won't be able to move forward. We have to plan for staff succession, as many of our staff have been with CLRC for many years and are approaching retirement age. We also have to plan for financial sustainability.

Governance: Dan indicated that this addresses financial management, Board operations, management and staffing, and the APA. There was a question whether the roles are defined between the Board, the management and the staff, or if this is a work in progress. Sheryl Blackburn responded that it has been clearly defined in the past 12 years. Dan added that there are many new staff but he believes that it is defined and people understand who is responsible for what. Stacey White commented that with the Sheep association there is a process book, which details the roles and responsibilities of Board and staff. Dan explained that this is a work in progress.

Leading Edge: Dan explained that this includes new technologies and service models, indicating that some of these may take some time and can be complicated. Ex. SNP testing. CLRC is not currently set up to handle the programming and it can be quite costly to set up. David Trus further explained that SNP (Single Nucleotide Polymorphism), is different from DNA microsatellite markers, and prior to that, blood testing. Blood testing was limited for parentage testing. DNA microsatellites also identify parentage through a small number of markers but proved to be more accurate and provided additional information. The SNP panels can predict certain traits up to several thousand markers, offering a much larger range of predictability to certain traits of economic interests ex predicting intramuscular fat. Just as when moving from blood testing to microsatellites where there were a lot of issues in transition and breeders had to retest their animals using the new technology, there may be as well to transitioning to SNP.

Adrian Hykaway indicated that last year Delta Genomics received funding to support the costs for associations to transition, and the cost was very reasonable as it was subsidized. David explained that he is aware that they have applied for additional funding to support other associations to convert all the pedigrees. Adrian added that he is aware of a current funding application but does not believe it has yet been approved. Adrian also questioned for confirmation that the initial cost for CLRC is to re-program to accept SNP. Dan confirmed that this was his understanding. Dan further added that there will be a cost for CLRC to develop and could not be sure of the timing to implement the change.

Adrian indicated that he has heard that micro satellites are going to eventually be discontinued. David described the benefits of SNP and that genomics are being used more in the dairy industry and is displacing the microsatellite markers. David assumes that other species will follow suit.

Dan provided a final summary of the Education component of the Strategic Planning process and asked if there were any additional comments. Glen Parker indicated that as representative of a Canadian Breed Association, he sees the struggle of educating their members of the value of the registration paper, and questions if there is a way to work with CLRC to develop that more, including educating members of the benefits to belonging to CLRC, registering and transferring their animals. Dan

recognized that this past year has not been good for sheep, and replied that CLRC is lucky to have several other species that are up this year. It is difficult to get members to maintain their registrations when the market is not good. Glen further added that it is difficult for producers to incur additional costs when the markets are not favourable, and we need to promote the advantages. David added that the breed associations themselves need to promote the advantages to their members.

Dan suggested that the associations need to look at their own costing structure as they charge quite a lot for the transfers, and it might be in their interests to lower their fees to encourage the transfer and registration in the herd book. David added that a requirement of the APA includes that for any animal sold as purebred or registered, the seller is obligated by law to provide the buyer with papers with 6 months of sale.

Dan provided a final summary of the sustainability section of the Strategic Planning process, including the intent to further develop financial management, short and long term plans for capital purchases and reserves, Board succession planning and looking to try to recruit new members to the Board, identifying the roles and responsibilities of CLRC, staffing and programming, governance, business development and promoting membership in all breeds.

There was a question regarding staffing and intended retirements. Dan replied that several of the staff have many years' service and will be eligible for retirement in the next few years.

Dan was thanked for his presentation, and the meeting broke for lunch break.

3. Approval of Agenda

Motion: Moved by Myrna Flesch, seconded by Jim Donaldson that the agenda be approved as presented. Carried.

4. Moment of Reflection

- Dan Stephenson called for a **Minute of Silence** in consideration for breeders who had passed away during the past year.

5. Chair's Address

- Dan Stephenson referred to his report as printed in the 2014 Annual Report.
- Dan added comments to additional items including the initiation of a Strategic Plan, the Survey that was sent out to all members and Associations soliciting their input for the strategic plan, welcoming Jim Washer as the new General Manager, recognition of new breeds interested in CLRC, and current opportunities for CLRC.

6. Minutes of the last meeting

- Dan referred to the minutes and noted a correction on pg. 5, regarding the date of the Auditor's Report which should read "...accounts at the end of 2013 that had been collected in 2014".

Motion: Moved by Sheryl Blackburn, seconded by Jim Donaldson that the minutes of the Canadian Livestock Records Corporation Annual Meeting held April 5, 2014 in Calgary, Alberta be accepted as amended. Carried

7. Business arising from the last minutes

- Glen Parker asked if there was any update on the Animal Pedigree Act, as this had been quite an issue last year. David Trus commented that he would be reporting on this later in his presentation.

8. General Manager's report

- Jim Washer referred to his written report presented in the 2014 Annual Report. Jim added additional comments including
 - Working with the Board to develop Strategic planning.
 - In-house developments include the hiring of a Finance and Operations Assistant.
 - Partnership outreach. Jim recently attended the swine AGM and looks forward to attending other Association events as time and budget permits.
 - Jim is working with Association representatives to develop SNP testing and hopes to advance this process, working with several Associations and Labs to offer SNP testing to all interested Associations.

Motion: Moved by Jim Donaldson seconded by Sheryl Blackburn that the Chairman's Report and General Manager's Report be accepted as printed in the 2014 Annual Report. Carried.

9. Auditor's Report and Financial Statements

- Sheryl Blackburn presented the Auditor's Report and reviewed the Financial Statements of CLRC as prepared by BDO Canada LLP. The Financial Audit was performed according to normal auditing procedures and practices and presents fairly in all respects of CLRC as at December 31st, 2014.
- Sheryl noted that there was a decrease in the cash position, with a year-end deficit of \$76,703 due to a number of factors including;
 - Ron Black's retirement and subsequent pay out of sick leave and vacation pay.
 - Mavis MacDonald's retirement and subsequent pay out of sick leave and vacation pay. Mavis returned on contract working 4 days a week.
 - The engagement of a consultant for hiring a replacement General Manager.
- For the Statement of Operations, Sheryl explained the decrease in revenues, particularly associated with less units processed, and increases in expenses, related to Records Office which covers staff travel and expenses which were higher due to meetings in Calgary, increase for mailing due to increased rates by Canada Post, and increased consultant costs due to engagement of a hiring firm.
- Sheryl explained the investment funds in place, including Internally Restricted funds for staff coverage protection, Contingency fund in the event of a significant drop in units that would allow CLRC to continue to operate, and the General Reserve Fund representing accumulated surpluses or deficits used for calculation of the share for departing associations.
- Sheryl reported on Tangible Capital Assets including office equipment, the main server and that the equipment is amortized over a 5 year straight-line basis.
- For the Statement of Cash flow, Sheryl explained that there was a decrease due to year-end adjustments of association invoicing and we had cashed out some GIC's.

Sheryl asked if there were any questions, or comments. Glen Parker questioned the increase in sick leave provision. Sheryl reported that this is a fund for retiring staff, and as we had two staff retire this past year, they were paid their accumulated sick leave.

Motion: Moved by Jim Donaldson, seconded by Ian Payne that the Auditor's Report and Financial Statement for 2014 be accepted as presented. Carried.

10. Appointment of Auditors

Motion: Moved by Myrna Flesch, seconded by Stacey White that BDO Canada LLP be appointed as Auditors for 2015. Carried

11. Election of Directors

- Dan Stephenson indicated that each year we usually have three Directors whose terms of office are up, with the other three Directors' terms up the following year.
- This year, the three Directors whose terms expire are Sheryl Blackburn, Mary Cork and Jim Donaldson.
- Dan commented that as per discussions regarding succession planning, and being aware of new members interested in CLRC, he has resigned his position and will be stepping down as Chair, to allow room for someone new to step in.
- Dan commented that this therefore presents four positions available for nomination.
- Dan called for nominations.

- Myrna Flesch nominated Sheryl Blackburn.
- Lu Lancaster nominated Paul Morgan.
- Trenholm Nelson nominated Glen Parker.
- Sheryl Blackburn nominated Mary Cork.
- Stacey White nominated Jim Donaldson.

- Dan Stephenson called three more times for further nominations. There being no further nominations, and with five nominees for four positions, an election would be required.
- Dan then called for David Trus and Ron Black to act as election scrutineers.

- Dan invited each nominee to come forward to introduce themselves and present why they would like to be considered.

Sheryl Blackburn: Canadian Shorthorn Association

Sheryl indicated that she has fourteen years' experience as a Director of CLRC, has been Employee Representative, involved in the hiring committee for the new General Manager, has strong financial and budgeting understanding, and asked the electors for their vote of confidence.

Paul Morgan: Canadian Sport Horse Association

Paul indicated that he lives in Ashton, Ontario and is a past President and Treasurer of Sport Horse Association. Paul looks forward to the opportunity to positively impact CLRC and believes he can make a difference.

Glen Parker: Canadian Sheep Association

Glen commented that he runs 150 head of sheep, has been involved in livestock for many years, was involved with junior Herefords, served on the Calgary wholesale as President raising \$2.5 million in sales, has been on the Board of Directors for Alberta Sheep as President for seven years, has been on the Executive of CSBA and considers CLRC important, and looks forward to bringing a fresh perspective.

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Mary Cork: Welsh Pony and Cob

Mary introduced herself as President of Welsh Pony and Cob Society, past President of CLRC, is the only equine Representative, has a strong background with CLRC and is excited about the new initiatives of the Strategic Plan.

Jim Donaldson: Canadian Swine Breeders Association

Jim indicated that he has been Secretary and Manager of Canadian Swine Association, is President of Donaldson International, travelling all over the world promoting and selling swine, is a Director of CSBA and brings much experience as a recent Director of CLRC.

Sheryl Blackburn and Dan Stephenson distributed ballots to all eligible voting members. Dan asked that all voters choose 3 candidates, indicating that the candidate with the least votes would take the fourth position, replacing Dan Stephenson for the one remaining year of his term of office.

Results:

- Glen Parker was elected for a two year term.
- Due to a tie for the next three positions, Dan indicated that we would have to hold another election, with voters now choosing 2 candidates. The candidate with the least votes would assume the one year term.
- Sheryl Blackburn indicated that she was withdrawing her name from the process.
- The new Directors are therefore Mary Cork, Jim Donaldson, and Paul Morgan.
- Of the remaining candidates, it must still be determined who will sit for the one year term.

Motion: Moved by Jim Sabin, seconded by Glen Parker that the one year term position be determined at the Director's meeting following the Annual Meeting. Carried

Motion: Moved by Jim Donaldson, seconded by Dean Davidson that the ballots be destroyed. Carried.

Myrna Flesch took the opportunity to recognize and thank both Dan Stephenson and Sheryl Blackburn for their years of service, their dedication to CLRC and their many, many hours of contributions over the years. Myrna also commented on their astute attention to financial details.

12. New Business

12.1 Update from David Trus, Agriculture and Agri-Food Canada

David Trus provided an update from Agriculture and Agri-Food Canada on several subjects. First, he provided an update on the Animal Pedigree Act following last year's presentation. In 2014, John Ross spoke on the Government's potential repeal of the act. Following consultations, including the feedback provided by all Breed Associations contesting the proposed repeal, and following consultations with John Ross and Susie Miller, the review has been suspended. There is projected to be a follow up report to come out in the summer of 2015.

David then reported that he has been the Government Representative since 1996, and provided an updated address change. David indicated that CLRC is responsible to provide required documentation from Associations to Government and clarified what he requires; including:

- Annual updated list of officers, directors and contacts

- Annual report with audited financial statements. The Animal Pedigree Act (APA) says audited statements, however the meaning of audited may have changed over time. Larger Associations will require a full audit, while smaller ones with less money may not have to provide a full audit every year, as the cost of the audit could be more than their annual budget. The basic principle is that the finances are reviewed by an independent auditor who is deemed competent in the field of accounting, where there is no conflict of interest, and who provides a formal examination of the finances of the Association.
- Notice of annual general meetings
- Annual statistics
- Any proposed amendments to by-laws.

David also reported on the topic of the European Union banning clones and progeny of clones including A.I and embryos. The Canadian Government is working with the European Union and has good relations, however Canada has not approved clones. A few years ago, there was a notice sent out as such. David suggested you contact him directly if you have any questions or concerns, and also advised everyone to be aware if they have any clones, or are aware of any cloned animals. This used to apply only to a few breeds including cattle, alpaca and goats but now applies to all animals. This is important to protect the reputation of Canadian pedigree. Anyone who is aware can contact David and he will follow up with the individual breeders. David indicated that he would not publicly identify who was submitting the report.

12.2 CBBC Canadian Beef Breeders Council.

- Adrian Hykaway indicated that the Dexter Association recently joined the CBBC, and believes it would be a positive move for CLRC to consider the same.
- Adrian commented that he has mentioned this directly to both Jim Washer of CLRC, and Michael Latimer of CBBC, who is receptive to a partnership.
- Although CLRC cannot be a member, there is an opportunity for collaboration and hopes that we can work together. “The more we work together, the more we can accomplish”.

13. Adjournment

- Dan Stephenson acknowledged the sponsorship received from the Canadian Imperial Bank of Commerce for today’s luncheon.
- Dan Stephenson announced that the 2016 Annual Meeting will be held on Saturday, April 16, 2016 in Calgary.

Motion: Moved by Sheryl Blackburn that the meeting be adjourned.