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## **Board of Directors Executive Summary – May 2011**

In conjunction with the 128<sup>th</sup> Annual General Meeting and National Convention of the Holstein Association of Canada, the Board of Directors held two meetings on May 13<sup>th</sup> and May 14<sup>th</sup>, 2011 at the Westin Nova Scotian Hotel in Halifax, Nova Scotia. The following is a summary of key discussion items, actions and recommendations stemming from these two meetings.

- Effective immediately following the Annual General Meeting, Harry Van Der Linden from Antigonish, NS and Robert Chabot from St-Patrice de Beauvillage, Qc joined the Holstein Canada Board of Directors. These elected directors respectively replace John Davidson from Bass River, NS, who has served the maximum allowable mandate of ten years, and Germain Lehoux from St-Elséar, Qc, who served eight years on the Board including President during 2009 and 2010.
- The Board received the audited financial statements for 2010, with operating revenue totalling \$12,034,482 and operating expenses at \$11,437,159, yielding an excess of revenue over expenses of \$597,323. Active member participation in herdbook, classification and genotyping activities combined with prudent control of expenses are key factors contributing to this successful outcome for 2010. Including the Reserve Fund, Development Fund and the 2012 World Conference Fund, total assets of the Association as of December 31, 2010 were \$12,964,657.
- The Board of Directors received the CEO report outlining key discussions and initiatives from the management team. These include (a) the priority list of internal projects for computer and web site development, (b) the pending agreement with the Holstein Association of Mexico for implementation of the Canadian type classification system, (c) the progress towards establishing a parentage verification service for members based on a panel with approximately 100 SNPs, and (d) the extensive list of business-related activities at the national and international levels.
- As follow-up to the Joint National and Branch Meeting held in March 2011 and a recommendation from the Governance Committee, the Board of Directors initiated a review process of the current structure and links between the National Association and its Branches, Clubs and members. Close discussion with input from the various Branches will be an important component of building a strong “Holstein Family” for the future.
- In accordance with the Association regulations, the Board of Directors approved 42 applications for new members and 5 for rejoining members for the period from February 2011 to March 2011.

- The Board of Directors received and approved recommended revisions to the National Director Handbook, as proposed by the Governance Committee, for sections related to the committees including mandates and procedures as well as member criteria and roles.
- The Board of Directors received a thorough analysis of possible efficiencies and cost estimates associated with a possible merger of Holstein Canada and Canadian Dairy Network (CDN). Given that the current office location of Holstein Canada in Brantford, Ontario is the most cost effective option for such a possible merger, the detailed analysis associated with incorporating CDN staff and equipment into the existing Holstein Canada building. The total initial cost with this approach is estimated at \$616,350, which includes capital expenses (\$74,750) as well as moving and transitional costs (\$541,600). During the first three years following such a merger, it is estimated that cost savings would reach \$559,000 per year, resulting from savings in staff salary and benefits (\$371,000), facility costs (\$84,000), administration (\$79,000) and Board expenses (\$25,000). The Board of Directors agreed to include a summary of the merger cost analysis in the President's presentation under the topic of the proposed amalgamation with CDN outlined on the agenda of the Holstein Canada Annual General Meeting.
- In terms of discussions related to the strategic direction towards amalgamation with Canadian Dairy Network (CDN), the Board of Directors appointed President Paul MacLeod, Vice-President Glen McNeil and director Orville Schmidt to the Amalgamation Team, which has its next meeting scheduled for Monday, July 25, 2011. In addition, the Board passed a recommendation to the Amalgamation Team that the Location Assessment Working Group cease activity at the present time given the merger cost analysis report presented to the Holstein Canada Board of Directors and membership at its Annual General Meeting.
- The Board also appointed its new Governance Committee, including Paul MacLeod, Glen McNeil, Ron Sleeth and Elyse Gendron from the Board of Directors as well as Martin Caron as an external appointment.
- The Holstein Canada Board of Directors confirmed its next meeting to be held in Kingston, Ontario, on July 25-27, 2011, jointly with the CDN Board of Directors.

If there are any questions, concerns or comments regarding the discussions and actions taken by the Holstein Canada Board of Directors, as outlined above, please feel free to contact Glen McNeil as Chairman of the Board ([heaholme@hurontel.on.ca](mailto:heaholme@hurontel.on.ca) or 519-524-4696), Paul MacLeod ([darcroft@sympatico.ca](mailto:darcroft@sympatico.ca) or 519-539-7219) as President, or Brian Van Doormaal at head office ([Brian@Holstein.ca](mailto:Brian@Holstein.ca) or 519-831-0028).