



2013 Annual Report



Canadian Jerseys
Efficiency • Profitability • Opportunity



Our Vision
Canadian Jerseys
 Efficiency • Profitability • Opportunity

Our Mission
 To develop the Jersey breed in Canada by maintaining the integrity of the herdbook and providing tools to increase profitability.

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Jersey Canada Board of Directors



Back Row: David Morey, Jimmy Kohler, Tim Sargent, Mark Anderson, Patrick MacDougall, John Vander Wielen
 Front Row: Brian Raymer (2nd Vice), Matthew Graye (President), Mathieu Larose (1st Vice), Robert Jarrell (Past President)

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www.jerseycanada.com

President's Message

Matthew Graye



On behalf of the Board of Directors of Jersey Canada I would like to welcome those of you that are here with us in Winnipeg. The members of the Manitoba Jersey Club are very pleased to host this annual meeting and show off some western hospitality.

It seems to me the older we get the faster the years seem to roll by. 2013 was no exception. Before writing this report I checked Kathryn's blog where she listed off the accomplishments of Jersey Canada in 2013. WOW – as an association we have been very busy. A couple of highpoints that hit me right away were that 78 new prefixes were registered with Jersey Canada and we registered almost 300 more calves in 2013 over 2012.

With regard to the Board's activities, this was the first full year since we realized the re-organization of Directors to three in Ontario, three in Quebec, two in the Western provinces, and one in the Atlantic Provinces. This increased the ability to adequately represent the larger number of members in Quebec and Ontario.

Early last fall the Board had a conference call prior to our strategic planning session which included Neal Smith from the American Jersey Cattle Association, Peter Gould from Dairy Farmers of Ontario, and Neil Petreny from CanWest DHI. Mr. Petreny made the comment that in the neighbourhood of 16% of herds on milk recording have at least one Jersey cow milking. Our fieldman Jean Marc claims that in Quebec that number may be even higher. This indicates to me that there is significant potential for more members as herds increase their Jersey cow numbers.

Another important event was the completion of the cost of production comparison of all dairy breeds which was done by the University of Guelph. For Jersey Canada members the information provided is not anything new, but now we have the results of an independent study to prove that the Jersey breed is right up there on top of the list as an efficient and economic dairy breed.

I am completing my term as President of Jersey Canada and my fifth year as a member of the Board of Directors. It has been a learning experience for me and I have enjoyed the opportunity to have some input into the direction the association is taking for the future. Over the years I have had the opportunity to serve on other organizations within the dairy industry. I have always used the same philosophy as I do on my own farm – I don't think it is a lot different than many of you. Despite the saying "If it's not broken, don't fix it", we must continually challenge what we are doing to make sure we are on the right course. On our farm we are continually trying new ideas – the list is endless – ways to save labour, be more productive, more profitable, striving to build a business that we can pass on to the next generation that will provide an easier life than we have had. So too is the challenge of Jersey Canada.

Actually, as the margins of the dairy industry become smaller, this is the case not only for our association, but for all breed associations. We continually have to question how we can keep growing our membership and increase Jersey cow numbers while at the same time increasing the profitability of their future owners. I wish I had the easy answer. I feel that we have to continue to work with all of our industry partners to find the right answers for continued growth and success.

In conclusion I would like to thank Kathryn and the staff of Jersey Canada for making the Board's job much easier and enjoyable. I want to especially thank my wife Debbie and my son Glendon for making it possible for me to get involved in things off the farm.

Respectfully submitted,

Thank you to our partners:

American Jersey Cattle Association
 Canadian Dairy Network
 CanWest DHI
 Dairy Farmers of Ontario
 Holstein Canada
 RLB
 Chartered Accountants
 Valacta



General Manager's Report

Kathryn Kyle

Operations Committee

Brian Raymer (Chair)

Matthew Graye

Robert Jarrell

Mathieu Larose

2013 was another record-breaking year at Jersey Canada: a total of 9257 Jerseys were registered. This is the most registrations processed in 46 years, when 9737 registrations were filed in 1967. Rolling 3-year registry averages show that the Jersey population has been climbing steadily over the past decade.

Effective marketing of the Jersey breed, combined with timely support for new owners of Jerseys has resulted in notable expansion all across Canada – not only in the number of Jerseys registered, but also in the number of herds milking Jerseys. CanWest DHI and Valacta report that in 2013, 16.3% of herds (almost 1 in 6) enrolled in milk recording included at least one Jersey in the milking herd. This represents explosive growth since 2000, when 1 in 30 herds on test had a least one Jersey.

We are enjoying a steady increase in the Canadian Jersey population, thanks largely to the marketing and support programs offered by the four Regional Jersey Associations and Jersey Canada. Each of Jersey Canada's marketing channels have helped us to promote the efficiencies and profitability of the Jersey breed to dairy producers across the country.

Owning a Jersey requires some unique management practices, compared to other breeds. We have found that the best way to turn new owners into long-term breeders is to ensure they get off on the right foot, including a herd visit from a representative of a Regional Association or Jersey Canada. During 2013, Jersey Canada's Extension Agent Jean Marc Pellerin completed 337 herd visits in the provinces of Quebec, Ontario, New Brunswick, and Nova Scotia. That is a 5.6% increase in the number of visits over 2012. An effective extension work

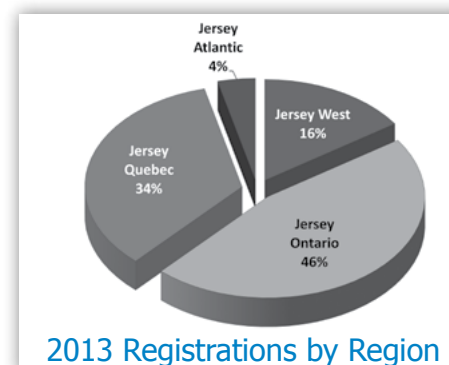
program is also a first-hand way to demonstrate the accessibility and openness of our association. In the summer of 2013, I had the pleasure of touring 21 Jersey farms in the Fraser and Okanagan Valleys of British Columbia.

A key component of the next edition of our strategic plan, "Jersey Impact," is to focus on the profitability that results from owning a Jersey. In early 2014, a team of researchers from the University of Guelph, headed by Associate Professor Elliott Currie, completed a study titled "Economic Analysis of Dairy Breeds." The study found that Jerseys require 3-10% lower fixed asset investments than other breeds to fill 90kg of quota, lower operating expenses (resulting from fewer difficult calvings, better conception, and less feed), and the best operating income with a 32% margin. The study concludes that, "Jerseys overall are the calculated superior breed due to the overall higher profit, all generated on lower investment. It is this superior financial performance that should be the significant factor when comparing performance between breeds and when seeking financial investment in a dairy operation."

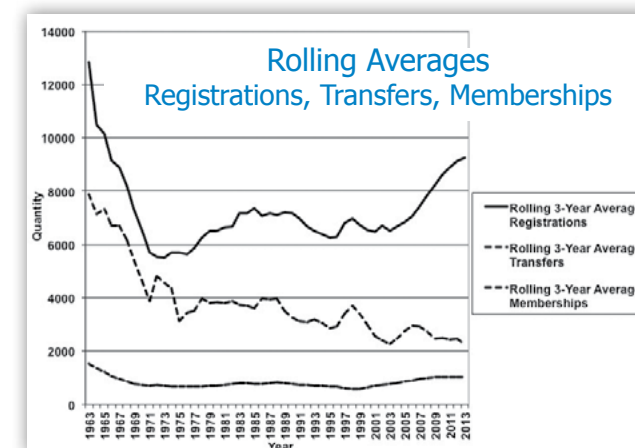
It is very satisfying to know that the "Economic Analysis of Dairy Breeds" confirms that Jerseys are the most efficient, most profitable, most financially rewarding breed in Canada. Now the challenge is to share this information with other producers, industry partners and financial institutions. Let's make it easier for new entrants to start off on a profitable foot with Jerseys. Let's spread the word far and wide: Jerseys are the best breed in Canada for profit and return on investment!

Respectfully submitted,

Kathryn



2013 Registrations by Region



Rolling Averages Registrations, Transfers, Memberships

"Thank you to our dedicated membership, committees, Board of Directors, and employees, for your tireless promotion of the Jersey breed, and support of Jersey Canada activities. Your hard work, dedication, attention to detail, patience, and forethought have resulted in a very successful 2013. Let's build on this momentum and make 2014 even more successful!"

Countries Importing Canadian Jerseys in 2013:
Brazil
USA

Countries Importing Canadian Embryos in 2013:
Australia
Brazil
Colombia
Cyprus
Finland
France
Italy
Japan
Korea
New Zealand
Spain
Switzerland
USA
Uruguay

REGISTRATIONS

TRANSFERS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Alberta	286	287	268	290	391	407	393	421	393	405
British Columbia	497	473	492	544	547	599	716	673	643	719
Manitoba	264	214	247	195	207	290	218	228	247	237
New Brunswick	181	183	203	151	195	146	191	160	199	218
Newfoundland	0	0	0	0	0	0	0	0	0	1
Nova Scotia	59	44	74	55	98	100	86	99	82	98
Ontario	4246	3994	3834	3921	3703	3861	4011	4044	4245	4265
Prince Edward Island	24	30	26	34	37	10	35	26	18	38
Quebec	968	1332	1613	1744	2011	2394	2622	2733	3106	3161
Saskatchewan	56	66	72	80	116	93	83	56	64	67
Foreign	11	7	12	12	3	2	1	0	3	48
Total	6592	6630	6841	7026	7308	7902	8356	8440	9000	9257

Jersey registrations have enjoyed a 29% increase over 10 years.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Alberta	70	86	121	172	100	82	47	75	46	52
British Columbia	57	62	191	209	178	146	91	92	162	44
Manitoba	75	33	67	37	7	216	26	3	22	14
New Brunswick	61	18	72	23	4	2	30	16	16	18
Newfoundland	0	0	0	0	0	0	0	0	0	0
Nova Scotia	15	9	9	7	18	20	27	16		1
Ontario	1298	1545	1608	1766	830	1020	1177	1038	1046	1139
Prince Edward Island	14	23	13	4	13	95	10	6	3	5
Quebec	456	602	674	705	936	835	844	1025	1332	899
Saskatchewan	71	66	22	47	224	79	21	25	13	1
Foreign	29	24	37	44	756	165	159	58	61	74
Total	2146	2468	2814	3014	3066	2660	2432	2354	2701	2247

Marketing & Publications Committee Report

Mathieu Larose (Chair)
 Ryan Barrett
 Kristie Gilchrist (Resource)
 Marie Claire Girod (Resource)
 Jimmy Kohler
 Patrick MacDougall
 Anita Norrish
 Jean-Marc Pellerin (Resource)
 Caroline Pelletier
 Brian Raymer
 Mike Slegers
 Andrew Vander Meulen
 John Vander Wielen

It is with great pleasure that I present to you the annual report for the Marketing and Publications Committee.

Firstly, I would like to thank the committee members for their time and effort – serving Jersey Canada alongside you is a great privilege! Also, I would be remiss if I did not recognize Shawna Berry's excellent work. The quality and efficiency of her work is truly remarkable. Thank you!

2013 was a year of many changes. We have become more active on multiple social media channels, and we currently have over 740 email addresses for sending Jersey news to our members and industry partners. For Publications, we have enjoyed increased revenues combined with decreased expenses, which has allowed us to significantly improve the profitability of the magazine.

Jersey Canada was present at the first ever Canadian Dairy Xpo (CDX), a very successful event with over 11,500 visitors. Also, by offering members and non-members the opportunity to vote online, in person, or by post, we experienced a 300% increase in the number of votes for the Cow of the Year competition compared to 2012!

Joint advertising campaigns with Jersey Ontario (*Milk Producer*) and Jersey Quebec (*Les Producteurs de lait du Quebec*) generated much interest in the breed, and we will continue to work with the regional associations to improve the Jersey presence in publications destined for dairy producers.

Finally, I wish to mention the research project, "*Economic Analysis of Dairy Breeds*," which was completed at the end of the year. A large portion of marketing efforts in 2014 will be focused on the results of this research, which were very positive for our breed... *who had any doubts?* None of us!

Respectfully submitted,

Mathieu Larose



Our Reach for 2013:

Email: distribution ↑ 77%

Facebook: over 2200 likes

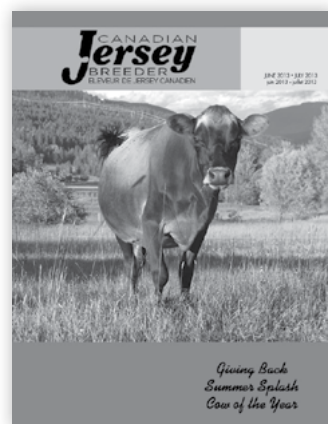
Twitter: followers ↑ 74%

Website:

- attracted over 144,150 page visits (12,000/month)
- logged 160+ updates
- 'sold out' advertising banners

Jersey Breeder:

- the bilingual voice of Jersey producers in Canada
- available in print & on-line
- distributed to over 1500 subscribers in over 20 countries
- created over 80 AD's in-house to help members market their assets and build their brand



Youth & Next Generation Committee Report

A big "thank you" goes out to the Youth and Next Generation Committee and the Jersey Canada Board of Directors, with their help we have been able to offer new and different initiatives with our Jersey Youth and Next Generation.

This year, we launched a new Facebook Photo Contest, which attracted 23 participants and 50 photo submissions. The interest in the contest drove Jersey Canada Facebook activity up by 10 times the normal rate - *outstanding*!

There was excellent youth participation at the 2013 Royal Agricultural Winter Fair, with 39 Showmanship competitors. We also received four applications for each of the *Explore the Royal Experience* and *Royal Jersey Ambassador* programs.

The committee also received nine applications for the Jersey Canada Youth Scholarships in 2013, where two scholarships are awarded each year. A total of 10 travel bursaries were provided for the Next Generation program at the Jersey Canada Annual General Meeting, where approximately 60 people participated. All who attended enjoyed outstanding presentations from Dr. Paul Tumman on '*reproductive management*', and Dr. John Hancock on '*calf care*'.

This year a generous sponsorship of \$500 was received from the Earl Vander Meulen Memorial Fund, to be put toward Youth and Next Generation programming.

We enjoyed improved promotion of *Youth and Next Generation* activities through increased use of *envelope stuffers*, the Jersey Canada website, social media, and enhanced coverage in the Canadian Jersey Breeder magazine. Application forms were also updated and simplified so that a single form can be used for multiple programs.

Thank you for your participation.

Respectfully submitted,

Jimmy Kohler



Jimmy Kohler (Chair)
 Lauren Benoit
 Brianne Brown
 Jessica Burgess
 Katie Dayman
 Reg Dillman
 Linda Horner
 Jackie Jarrell
 Caitlin MacDougall
 Patrick MacDougall
 Sean Smith

Genetic Improvement Committee Report

Tim Sargent (Chair)
John Brand Jr
Gary Bowers
Kerry Fraser
Russell Gammon (Industry)
Mathieu Larose
Herby Lutz (Industry)
Callum McKinven
David Morey
Richard Osborne
Brian Raymer
Bruce Sayles
Peter Stern
John Vander Wielen

2013 has been a busy year for the GI Committee.

In the spring we completed the rescaling of the LPI formula, followed by more in depth discussions with Brian Van Doormall, General Manager of the Canadian Dairy Network, on whether to change the current LPI formula weightings. It was felt by the committee members that the current weightings are appropriately balanced between type and production, which leads to an accurate evaluation of the top LPI available sires.

It may be of interest to know that the LPI sire evaluation is based on all sires evaluated in the past 15 years, which would account for slight rebalancing changes each year or as a group of sires leaves the sire pool, and a new birth year is added to the base group. The current base is bulls born from 1993 to 2007 with an official proof in Canada. In April 2014, the base will increase by one birth year to 1994-2008.

In late September, a group of seven breeders met with Holstein Canada's Bethany Muir, Carolin Turner and Bruno Jubenville to review the classification system. It has been a concern for many breeders that first calf heifers were being underscored for having udders that may appear too deep for classification purposes. To help balance the problem an udder depth score of 4 (*as of June 2014*) will be considered ideal along with scores of 5 and 6.

It was perceived at the classification meeting that here is a great effort by Holstein Canada to inform and educate their staff members on the accurate evaluation of the Jersey Breed, which will only get better with the sharing of knowledge by all of the breeders using the system.

At our fall Board meeting, the Jersey Canada directors set several new goals for the Genetic Improvement Committee and they are as follows:

1. To increase the number of genotyped Jerseys in Canada by promoting the advantages of this technology as a management tool.
2. To have more sexed semen available for a greater number of genomic young sires and top proven bulls by working with AI companies, and promoting the benefits of sexed semen to Jersey breeders.
3. To offer more tailored advice from the Jersey Canada National Fieldman by budgeting for more herd visits throughout the year.
4. To improve the Jersey breed's feed efficiency and productivity by working with AI companies and researchers to identify efficient and productive bloodlines, and creating a feed efficiency rating.

I would like to thank the members of the GI Committee for their efforts and diligence. This is a very demanding committee that requires extra effort to help evaluate and improve the breed.

Respectfully submitted,

Tim Sargent

Show Committee Report

The Show Committee was able to cover this year's business in a single but very productive meeting.

The main topic of discussion focused on an issue that Shawna Berry, our Communications Specialist, brought forward concerning the efficiency of the office for the All Canadian Contest. As always, Shawna also brought some solutions. After discussion it was decided to rework the application forms, accept digital entry submissions and photos, as well as continue to look for ways to streamline the entire contest. The 2013 All Canadian Contest was once again a success, however we still need to recognize the enormous time commitment the office staff is investing in this program. With 168 entries and 108 nominees, this contest is a major project for Jersey Canada.

Also covered by the committee was the 2013 Royal National Jersey Show. Concerns were raised again about the footing in the showring, which again was forwarded to the RAWF. We are told it is being addressed. We had the opportunity to move our heifer show time up, which resulted in the use of the full ring and a much larger ringside audience. With the addition of some welcomed new sponsors, the show went on. A total of 252 head walked the ring which is a 7.7% increase over 2012.

Due to the great work of Jersey Canada staff and many volunteers, we had a phenomenal National Show. The added perk of course was our breed winning Supreme Dairy Champion.

I would like to thank all committee members for their great input and look forward to future discussions.

Respectfully submitted,

David Morey



David Morey (Chair)
Melissa Bowers
Remi Guay
Bobby Jarrell
Richard Osborne
Tim Sargent
Peter Stern
Jennifer Vander Meulen
Lexi Wright

RAWF
Representatives
Richard Osborne
Tim Sargent
Jennifer Vander Meulen

STRATEGIC PLAN

Jersey Impact: 2014-2016

Our Vision:

Canadian Jerseys
Efficiency · Profitability · Opportunity

Our Mission:

To develop the Jersey breed in Canada by maintaining the integrity of the herdbook and providing tools to increase profitability.

Our Key Priorities:

- 1 Education
- 2 Genetic Improvement
- 3 Marketing
- 4 Partnerships
- 5 Research
- 6 Youth

Our Values:

Accountability: Ensuring the reliability and transparency of all information provided by the association.

Accuracy: Overseeing the absolute integrity of the Canadian Jersey herdbook.

Growth: Providing tools for continuous breed development to meet the demands of a changing dairy industry.

Leadership: Shaping the dairy industry through education and member involvement.

Service: Delivering excellent customer service to all members and clients, regardless of location, language, or media preference.

Priority #1: Education

Strategic Objectives:

1. To have the "Economic Analysis of Dairy Breeds" research study included in economics curricula at Agriculture colleges and universities.

Complete by 2016

2. To provide breed-specific research to lenders and decision makers at financial institutions, and to have a presence at national lenders conferences.

Complete by 2015

3. To provide breed-specific nutrition and health information to agriculture colleges and universities, in order to help students understand the unique requirements of Jerseys.

Complete by 2016

4. To promote the Jersey's limited environmental impact to farm managers and industry partners, as a means of improving nutrient management and efficiency of resources.

Complete by 2015

Priority #1 Accountability: Board; Marketing & Publications Committee; Staff.

Priority #2: Genetic Improvement

Strategic Objectives:

1. To increase the number of genotyped Jerseys in Canada by promoting the advantages of this technology as a management tool.

Complete by 2014

2. To have more sexed semen available for a greater number of genomic young sires and top proven bulls by working with A.I. companies, and promoting the benefits of sexed semen to Jersey breeders.

Complete by 2014

3. To offer more tailored advice from the Jersey Canada National Fieldman by budgeting for more herd visits throughout the year.

Complete by 2014

4. To improve the Jersey breed's feed efficiency and productivity by working with A.I. companies and researchers to identify efficient and productive bloodlines, and creating a feed efficiency rating.

Complete by 2016

Priority #2 Accountability: Board; Genetic Improvement Committee; Staff.

Priority #3: Marketing

Strategic Objectives:

1. To promote Jersey Canada membership and to create an appealing member-exclusive benefit package.

Complete by 2014

2. To market the Canadian Jersey brand through a multi-media campaign.

Complete by 2014

3. To create consumer demand for Jersey products by developing Jersey beef and Jersey milk product brands.

Complete by 2016

4. To improve Jersey presence at farm tradeshow and industry meetings by sponsoring seminars and presentations.

Complete by 2015

Priority #3 Accountability: Board; Marketing & Publications Committee; Staff.

Priority #4: Partnerships

Strategic Objectives:

1. To partner with milk recording agencies to find unregistered Jerseys through mass-mailings, envelope inserts, and sharing herd information.

Complete by 2014

2. To partner with milk recording agencies to develop a Jersey-specific "Return-Over-Feed" calculator.

Complete by 2014

3. To build new export markets by establishing commercial relationships with developing markets, and having a prominent presence at international events.

Complete by 2016

Accountability for above 3 objectives: Board; Marketing & Publications Committee; Staff.

4. To collaborate with Regional Jersey Associations by hosting annual joint meetings, sharing meeting summaries, and joint governance training.

Complete by 2014

Accountability: Board; Regional Jersey Associations; Staff.

5. To research the benefits and drawbacks of participating in a multi-breed herdbook.

Complete by 2014

Accountability: Board; Staff.

Jersey Canada 2013 Annual Report

Priority #5: Research

Strategic Objectives:

1. To increase Jersey representation in research facilities by lobbying Agriculture universities and Agriculture & Agri-Food Canada to include Jerseys in their herds.

Complete by 2015

2. To research why somatic cell counts tend to be higher for Jerseys than for other breeds, in order to improve milk quality.

Complete by 2014

3. To approach Agriculture & Agri-Food Canada to research rumen function in Jerseys and why Jerseys produce 55% less phosphorus than other breeds.

Complete by 2016

4. To encourage milk marketing boards to research milk composition by breed, including A1/A2 Casein, and to lobby for changes to how Jersey milk is priced.

Complete by 2016

Priority #5 Accountability: Board; Staff.

Priority #6: Youth

Strategic Objectives:

1. To host four "Jersey: The Next Generation" programs across Canada, in conjunction with regional dairy events.

Complete by 2015

2. To engage agriculture students by visiting agriculture colleges and universities to discuss Jersey research.

Complete by 2014

3. To increase the value of Junior Membership by increasing age limits and offering special program discounts.

Complete by 2014

Priority #6 Accountability: Board; Youth & Next Generation Committee; Staff.

Awards & Scholarship Programs

Presented Throughout the Year

Jersey Canada Youth Scholarships

Jonathan St-Yves Lambert
Louiseville, QC

Casey Morey
Rochester, AB

Explore the Royal Experience

Dannille Chard
Dewdney, BC

Royal Jersey Ambassador

Andrea Nixon
Rockwood, ON

Nola Brown Continuous Achievement Award

Alexandra Hayes
Creston, BC

Earl Vander Meulen Memorial Award

Dawn & George Van Kampen
Orangeville, ON

Production Awards

Platinum, Gold and Silver production award certificates and Star Brood Cow awards are available upon request throughout the year.

INDIVIDUAL AWARDS

Youth of Distinction

This award is presented to youth aged 18 to 25 years of age who are involved with the Jersey breed in Canada.

Casey Morey - Rochester, AB

Jersey Young Achievers

This award recognizes the accomplishments of Jersey breeders under the age of 40.

Dave Beaudoin
Ferme Gillard - Princeville, QC

Len & Sarah Congdon
Mazylake Jerseys - Bashaw, AB

Gerjan & Alberdien Keuper
Keuper Jerseys - Fallun, AB

Honourary Life Member

This award recognizes long-term leadership contributions to the Jersey breed.

Robert Mellow
Glenholme Jerseys - Caledon, ON
Bruce & Aileen Nixon
Rosalea Jerseys - Norval, ON

Ralph J. Barichello Memorial Award

This award recognizes an outstanding long-term contribution to the agricultural industry in Canada with particular emphasis on accomplishments made in the year prior to selection.

Dick Heapy
Blanshard Holsteins - Oakriver, MB

PERFORMANCE AWARDS

Presidents Cup

Presented to the cow with the leading living life-time milk, fat and protein production record.

Award for Butterfat

SPRUCE AVENUE BERRETTA BEV (10200507)
5313 Kilograms Fat
Owners: *Spruce Avenue Farms Inc. - Paris, ON*

Award for Protein

VALTALLINA DUNC FLICK (10204240)
4210 Kilograms Protein
Owners: *Valtallina Jerseys - Aldergrove, BC*

Hall of Fame Trophy

Honouring the 2013 Hall of Fame Cow with the highest composite BCA for protein and butterfat.

PARKVIEW C-GAR HARPER ET (116114314)
3-4 12,313M 628 5.10%F 479 3.89%P
BCA: 431-400-444
Composite BCA's – Fat & Protein: 844

Owners: *Lorne Ella & Hollylane Jerseys - Corbyville, ON*

MASTER & CONSTRUCTIVE BREEDERS

The Master and Constructive Breeder Awards are based on a points system for production, classification, sires, and Star Brood cows.

Constructive Breeders

Recognizing herds which excel in Jersey breeding over a shorter time frame.

Category 1 (5-9 registrations/year)
Lookout Jerseys (Lookout) - North Hatley, QC

Category 2 (10-24 registrations/year)
Alan & Julie Cunningham (Aland) - Caledon, ON

Category 3 (25+ registrations/year)
Rexlea Jerseys Inc (Rexlea) - Schomberg, ON

Master Breeder

Recognizing long-term excellence in breeding Jersey cows.

Lorne Ella (Rock Ella) - Milton, ON

Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2013

The Jersey Canada Operations Committee is pleased to present the 2013 financial report. As is evident from the Statement of Operations, 2013 ended with an overall surplus of \$14,697. This surplus is in contrast to a net loss realized in 2012, and is the result of careful management of Association expenses, combined with increased revenues. The following are line items which showed notable changes in 2013 compared with 2012:

DNA Testing

■ Revenue \$17,770 vs. \$24,430 in 2012 ■ Expenses \$16,483 vs. \$21,678 in 2012

In 2013 Jersey Canada began to accept SNP Genotype test results as a form of parentage verification (for domestic use only). As a result, fewer DNA Microsatellite tests were completed by Jersey owners, resulting in decreased revenue and expenses. A \$10 administration fee was implemented in the fall of 2013 for animals whose SNP Genotype results were used for parentage verification purposes.

Market Development

■ Revenue \$10,149 vs. \$5,453 in 2012 ■ Expenses \$8,318 vs. \$37,208 in 2012

The purchase and resale of *Dairy Queen* books were included under *Market Development* in 2013, as was the sale of several model cow statues. This revenue supplemented the usual income from promotional clothing sales. Also of note, the 2012 *Market Development* expenses included \$22,500 which was withdrawn from investments and earmarked for sponsoring a research project at the University of Guelph. \$10,000 was paid to the University to cover research expenses, while the balance of will be used in 2014 for marketing and promotion of the research study results.

Interest on Overdue Accounts

■ Revenue \$19,762 vs. \$17,347 in 2012

Jersey Canada employees make an ongoing effort to follow-up on accounts payable. As the number of Jersey owners increases, so too does the number of Jersey Canada accounts.

Registrations, Transfers, and Memberships

■ Revenue \$335,399 vs. \$308,478 in 2012

2013 represented a 46-year high in the number of registrations processed, including a notable number of older animals. The number of transfers remained consistent with 2012, however there was a decrease in the number of memberships sold.

RAWF Activities

■ Expenses \$10,636 vs. \$7,140 in 2012

All staff travel expenses for Jersey Canada employees to participate in 2013 RAWF activities were allocated to this line, rather than remaining under *Staff Travel* as was the case in 2012. This line also includes commercial booth space rental, and National Jersey Show awards.

Meetings

■ Expenses \$24,886 vs. \$31,555 in 2012

The 2013 *Mid-Year Board Meeting* returned to Guelph, resulting in reduced travel expenses and lower meeting space rental. The 2012 *Mid-Year Board Meeting* was held in Ottawa to accommodate a meeting with David Trus regarding the Animal Pedigree Act.

Staff Travel

■ Expenses \$9,720 vs. \$16,791 in 2012

A notable reduction in 2013 *Staff Travel* expenses is the result of properly allocating RAWF travel expenses, as well as a more strategic selection of which industry meetings were attended by the General Manager. Anticipate an increase for *Staff Travel* in 2014, as the World Jersey Cattle Bureau Conference will take place in South Africa in September.

CDN Contributions

■ Expenses \$1,400 vs. \$1000 in 2012

Each year, Jersey Canada pays \$1000 for membership with CDN. In addition, 2013 expenses included the registration fee for a Board Member to participate in the CDN Annual General Meeting.

Magazine/Publications

■ Revenue \$128,095 vs. \$135,453 in 2012 ■ Expenses \$107,793 vs. \$137,948 in 2012
■ 2013 Magazine/Publications surplus for the year of \$20,302 vs. net loss of -\$2,495 in 2012

There was an increase in advertising revenue for the magazine and internet banner ads in 2013, however there was also a lower grant allocation for April-December 2013 (the balance of the 2013 grant monies will be applied in early 2014). Lower *Internet Services* expenses resulted from the completion of Jersey Canada's website development. There was a dramatic decrease in printing costs as a result of magazine layout changes and strategic placement of black and white pages in each edition of the magazine.

Statement of Financial Position

AS AT DECEMBER 31, 2013

	2013	2012
ASSETS		
CURRENT		
Cash	\$ 0	\$ 32,650
Short term investments	207,032	166,276
Accounts receivable	159,794	152,791
Inventory	8,928	12,290
Prepaid expenses	6,099	5,914
Due from Jersey Canada Youth Fund	2,345	2,676
	<u>384,198</u>	<u>372,597</u>
CAPITAL ASSETS (note 3)	<u>141,539</u>	<u>152,582</u>
ASSETS UNDER CAPITAL LEASE (note 4)	<u>15,195</u>	<u>0</u>
OTHER		
Registry system development cost	92,175	92,175
System enhancements	10,435	10,435
Less: accumulated amortization	(102,610)	(102,610)
	<u>0</u>	<u>0</u>
RESTRICTED JERSEY CANADA YOUTH FUND (note 5)		
Cash	4,543	3,511
Investments	36,670	37,232
Due to Jersey Canada General Fund	(2,345)	(2,676)
	<u>38,868</u>	<u>38,067</u>
	<u>\$ 579,800</u>	<u>\$ 563,246</u>
LIABILITIES		
CURRENT		
Bank overdraft (note 11)	\$ 18,499	\$ 0
Accounts payable and accrued liabilities	38,999	87,621
Government remittances payable	6,480	4,867
Prepaid subscription revenue (note 10)	13,451	11,844
Registry advances (note 10)	16,038	15,929
Deferred government grant (note 10)	22,250	10,987
Current portion of capital lease obligation (note 8)	7,306	0
	<u>123,023</u>	<u>131,248</u>
CAPITAL LEASE OBLIGATION (note 8)	<u>10,082</u>	<u>0</u>
	<u>133,105</u>	<u>131,248</u>
NET ASSETS		
Net assets invested in capital assets	139,346	152,582
Restricted for Jersey Canada Youth	38,868	38,067
Unrestricted net assets	<u>268,481</u>	<u>241,349</u>
	<u>446,695</u>	<u>431,998</u>
	<u>\$ 579,800</u>	<u>\$ 563,246</u>

Statement of Operations

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 BUDGET (note 7)	2013 ACTUAL	2012 ACTUAL
REVENUES			
D.N.A. testing	\$ 23,000	\$ 17,770	\$ 24,430
Market development	4,000	10,149	5,453
Commission	2,000	170	914
Interest on overdue accounts	13,000	19,762	17,347
Investment income (note 9)	5,500	267	4,992
Pedigrees / catalogues / reports	9,000	7,500	7,302
Registrations, transfers and memberships	334,300	335,399	308,478
Rental	2,400	2,372	2,372
Magazine/publications revenues (schedule 2)	156,100	128,095	135,453
Government grant - amortized capital purchases	0	5,529	9,129
Other	100	405	54
	<u>549,400</u>	<u>527,418</u>	<u>515,924</u>
EXPENSES			
Administration (schedule 1)	99,300	92,743	92,730
D.N.A. testing	20,000	16,483	21,678
RAWF activities	10,000	10,636	7,140
Building (schedule 1)	31,620	29,739	31,951
Magazine / publications expenses (schedule 2)	121,240	107,793	137,948
Meetings (schedule 1)	33,220	24,886	31,555
Pedigrees / catalogues / reports	100	42	19
Salaries and benefits (schedule 1)	132,477	151,738	155,359
National extension program	50,000	44,677	41,786
Staff travel	15,000	9,720	16,791
Special grants and memberships	2,500	1,552	2,081
CDN contributions	1,000	1,400	1,000
Market development	37,850	8,318	37,208
	<u>554,307</u>	<u>499,727</u>	<u>577,246</u>
(SHORTFALL) SURPLUS before the following:	<u>(4,907)</u>	<u>27,691</u>	<u>(61,322)</u>
Amortization (schedule 1)	(10,900)	(14,082)	(16,599)
Gain (loss) on foreign exchange	500	287	(259)
	<u>(10,400)</u>	<u>(13,795)</u>	<u>(16,858)</u>
(SHORTFALL) SURPLUS from operations for the year	<u>(15,307)</u>	<u>13,896</u>	<u>(78,180)</u>
JERSEY CANADA YOUTH FUND SURPLUS (note 5)	<u>0</u>	<u>801</u>	<u>197</u>
(SHORTFALL) SURPLUS for the year	<u>\$ (15,307)</u>	<u>\$ 14,697</u>	<u>\$ (77,983)</u>

To obtain a full copy of the complete audited financial statements:

1) Visit our website: www.jerseycanada.com/pages/annual-report.html

2) Contact our office: phyllis@jerseycanada.com or call (519) 821-1020

JERSEY CANADA MASTER BREEDERS

SINCE 1969

1969 Pierre Veillon, Wendybrook, QC
1970 Gilbert Robison, Campburn, NB
1971 Norman Bagg, Edgelea, ON
1972 R.T. Sayles, Spruce Avenue, ON
1973 Cecil Mortson, Mordale, ON
1974 John Batty, Crescent, ON
1975 Redelmeier Family, Don Head, ON
1976 Maurice Beatty, Lindale, ON
1977 R.T. Stenger & Son, Enniskillen, ON
1978 Featherstone Brothers, Avonlea, ON
1979 John S. Adamson, Dalcraig, NS
1980 D.H. McCaig & Son, Norval Acres, QC
1981 Rock Ella Jersey Farm, Rock Ella, ON
1982 Llolyn Farms Ltd., Llolyn, ON
1983 John White, Valleystream, ON
1984 Grant Butcher, Granclare, ON
1985 Floyd Dingwall, Spruce Vine, ON
1986 Brian Sayles, Bridon, ON
1987 William Fletcher, Pleasant Nook, ON
1988 Robert Anderlini, Valtallina, BC
1989 Albert Taylor, Pine Grove, ON
1990 Ralph Quadling, Longacres, BC
1991 Barry G Little, Meadow Lawn, ON
1992 Karl & Isolde Koeppe, Franken, ON

1993 Robert & Bruce Mellow, Glenholme, ON
1994 George Brown, Brownlane, NB
1995 Albert Boswell, Marshfield, PEI
1996 Roger E Ray & Diane Jarrell-Ray, Hollylane, ON
1997 John & Helen Sheardown, Rexlea, ON
1998 Sean McMahon, Shamrock, ON
1999 Lionel McKeown, Glenamore, ON
2000 Fred & Ruth Armstrong, Huronia, ON
2001 Dean Sayles, Spruce Avenue, ON
2002 James D Livock, Avonlea, ON
2003 Joan & Henry Westwick, Handen Farm, BC
2004 Chris & Valerie Richardson, Rich Valley, ON
2005 Leonard & Greg Mortson, Mordale, ON
2006 Brian & Linda Raymer, Bri-Lin, ON
2007 Dave & Anne Honderich, Willow Creek, ON
2008 Robert & April Jarrell, RJF, ON
Stephen Borland, Rapid Bay, QC
2009 Don & Evon Hendrickson, Gaymar, BC
2010 Paul & Lorraine Franken, Paullor, ON
2011 The Sayles Family, Bridon, ON
2012 Michael Stern, Potwell, Paris, ON
2013 Eric Thompson, Pine Haven, NS
2014 Lorne Ella, Rock Ella, ON

