



REPORT BY THE PRESIDENT

ICAR GENERAL ASSEMBLY – JUNE 2nd, 2010 RIGA, LATVIA

NEIL PETRENY - PRESIDENT

Good morning ladies and gentlemen and welcome. It is my pleasure to call to order the first ever ICAR General Assembly to be held in Latvia. I wish to thank our Latvian hosts – the Ministry of Agriculture of Latvia. I have had the opportunity to spend a few days in Riga and enjoy the wonderful blend of culture, scenery and hospitality. My name is Neil Petreny and as the current ICAR President I will be chair of this morning's session.

This year marks ICAR's 59th anniversary as an organization committed to supporting world's farm animal improvement industry. We have completed another year of progress and in my report today I will touch on 3 areas:

1. Success and accomplishments
2. Future plans
3. Challenges and Opportunities

During the past four years there have been a number of changes that have taken place to ensure that ICAR is meeting the needs of its members. I will start my report by highlighting some of the changes and accomplishments. I believe it is a necessary part of every organization's growth to take time to reflect and ensure that they are meeting the challenges that they face.

Membership Growth

At the 2006 session in Kuopio, Finland, we introduced changes to the bylaws to provide for associate memberships and multiple memberships from the same country. During the past four years membership has grown by 37% from 62 members in 2006 to 85 members so far in 2010. This increased membership is an excellent indication of the value and growing network of ICAR.

Genomics

Genomics was only research 4 years ago. Since that time it has become a part of routine genetic evaluations in a growing number of countries. Through the Interbull Sub-committee, we have worked to address the many challenges associated with genomics through the introduction of workshops to exchange information and through the development of GMACE and validation processes via the efforts of the Interbull Centre staff. The leadership of the Interbull Steering Committee and the IB staff is to be commended.

Revised Standards for Recording Devices

As technology changes, so must we adapt. In 2008 we introduced changes to the standards for recording devices in anticipation of the new technologies. While we have

not seen significant changes in devices since the change, this should be considered as efforts by ICAR to stay ahead of technology.

On-Farm Milk Analysis Standards

We are expecting the approval of new standards for on-farm milk analysis devices at this week's session. This is a new category of devices and one for which no standards existed previously and which is only possible through developing technologies. I would fully expect that these standards will continue to be reviewed and modified as we learn more in the future. I wish to thank Olivier Leray and his team for taking the lead on the development of these standards – it has been a challenging process.

Manufacturer's Showcase

First introduced in 2004, this will be the seventh year for what has become a very popular opportunity to learn about some of the newest technologies being developed around the world. This is a win-win opportunity for both manufacturers and farm service organizations. I would encourage all our members to take advantage of this informative session.

Financial Stability

ICAR continues to operate with a solid financial foundation. The last fee increase was in 2006 and during the last 4 years our reserve fund has grown by 44% from 219,000 to 316,000 euro at the end of 2009. This ensures that your organization has the necessary resources to address any necessary issues or manage any unexpected surprises. During the same period, our fully owned subsidiary Service ICAR reserve has tripled from a modest 35,000 euro to 115,000 euro, which provides additional resources for specific customer service initiatives.

Managers Forum

Introduced in the off-year sessions, this initiative was introduced to provide a forum for herd recording managers to meet, learn and exchange ideas related to the delivery of services to farmers. I expect that we may see this event evolve to also include artificial insemination or herd book manager sessions in the future. There are very few other options for managers of breed improvement companies to share ideas and learn about service delivery related to their particular sectors.

Milk Analysis Sub-committee

The transition of the Milk Analysis Working Group to the status of a Sub-committee with an expanded role and responsibilities has also occurred during the past few years. This change highlighted the growing role of the Milk Analysis group in the area of developing standards and providing testing services for approval of new equipment.

Building International Relationships

We have been working to strengthen working ties with other international agencies. In particular, we established a working agreement with ISO related to the development and administration of animal ID standards thanks to the efforts of Ole Klejs Hansen and his ID sub-committee. FAO initiatives in developing countries has been enhanced through the efforts of Badi Besbes and his association with FAO. And we have been exploring opportunities to build and streamline efforts with IDF – to the point of considering a linked meeting in the future – possibly 2015. Avoiding duplication and supporting global standards is an end result of these efforts for all ICAR members.

Interest in hosting future ICAR sessions

I have been very pleased with the interest of member countries to host future ICAR sessions. We have received expressions of interest from Denmark, Germany and Poland to host sessions up to 2016. Session hosts have done outstanding work in the past and ICAR will be in good hands for many years to come. My appreciation to all these members for their support of ICAR activities.

Staff to assist SC activities

ICAR has 19 different sub-committees, working groups and task forces. Each group leads and performs important activities on behalf of all ICAR members. However, since each of the members are volunteers, it is sometimes challenging to add the administrative responsibilities to a regular workload. As a result, we have strengthened the support provide to sub-committees with the addition of ICAR staff resources to manage the administrative functions. This is largely associated with the management of device and ID testing activities.

Future Plans & Direction

The second area that I wish to address today is related planning. I strongly believe in planning and the need to create a clear vision of the direction that any organization will take. As the old saying goes – “If you don’t know where you are going, any path will take you there”.

The ICAR board has worked to develop and review our long term objectives over the past few years. We spent more time again this week looking ahead to ensure that we are heading the right direction and keep track of key and emerging issues that will face our industry and our member organizations.

We have worked towards a process of complementing our long-term goals with the support of annual goals. The annual goals are intended to allow us to address short-term issues, while also keeping a focus on our long-term direction.

Our current long term objectives focus our efforts on four primary goals:

Grow membership to 100 by 2012

Grow the number of countries represented by members to 60 countries by 2012

Grow the number of active Cert. of Quality assessments to 30 organizations by 2012

Introduce routine InterBeef evaluation services by 2011

We are making good progress in each of these areas. The board is currently reviewing these goals to ensure that the long term direction is appropriate.

In addition to our long-term direction we also establish annual goals. Our Secretary General, Andrea Rosati, will provide additional detail on our progress against our annual goals. Your board is also working on drafting our 2011 goals. Generally, our annual short term goals will be supportive of our long term goals.

Challenges and Opportunities

As we move into the future, there are some challenges and opportunities that have been identified that will need to be addressed by your organization. I wish to touch briefly on 5 of these issues today. In large part, these are challenges that will also be faced by many of our member organizations at some point in the future.

Responsiveness

Technology developments will come faster than we can imagine. ICAR will need to be able to quickly adapt to the impact of new technologies and concepts by revising the guidelines and standards in a timely fashion. This will be necessary to allow members to take advantage of new technologies as they become available. Without the ability to adapt quickly, ICAR will become outdated and irrelevant to our progressive members. Last year we proposed a process for faster approval of changes to our guidelines. We will be seeking your approval today to accept and introduce a process for speedier approval when necessary.

ICAR Infrastructure

In order to address issues related to guidelines, standards and testing services, it is important that our volunteer expert groups have the appropriate support resources available. In the case of Interbull, we have the Interbull Centre in Uppsala. In the case of the other three sub-committees (Devices, ID and Milk Analysis) the secretariat is assigning staff to provide the necessary support. As the workload increases, additional time is necessary to meet the demand. As we move ahead it will remain important that ICAR ensure sufficient resources to support our expert groups in the work and services they provide. This is not likely to be a significant financial issue, but rather a matter of principle as we evolve from an entirely volunteer run process to one that I will call volunteer lead – with support and routine activities managed by ICAR staff. In particular, the management of the testing centers and contracts related to ID and Devices are two key areas that have been very busy.

Expanded On-farm Data

As technology advances and data collection and storage becomes less costly, we are seeing a growth of data volumes at the farm. Most systems are designed around a single observation from once a month. Some of today's technologies allow us to capture real time milk flow from every cow from every milking. This approach can create a huge amount of data in addition to the simple 24 hour milk weights that we have historically used. How will we use this data and how will it change that traditional data collection methodologies that we have become accustomed to during the past two decades. This is not only a challenge – but an opportunity.

Data Transfer Standards

As more data is generated on the farm from an increasing number of different sources, we are finding that data movement and integration is becoming increasingly complex. This complexity ultimately adds to service costs and adds no value to the industry. The process of moving data from the farm to a central processing center will likely not change dramatically in the short term and provides an opportunity to work with industry to explore how to best address this issue. A universal solution will reduce duplication of effort and may allow service providers, manufacturers and developers to invest their resources in more valuable areas. It

will be important to coordinate such an effort with other organizations interested in addressing the same issue.

ICAR Fee Schedule Review

The current ICAR fee structure has changed little over the years, however, the nature and scope of our activities have changed significantly. The board has been exploring options for improving the member fee schedule. As the number of members has increased, so has the range of services used and the scope of business operated by the members. The board is interested in ensuring that the fees paid by members are fair. I consider such an approach as a standard business practice. The end objective is to have a logical fee schedule that is easy to understand. I also wish to point out that there is no intent to increase revenues, however, as with any adjustment, we should also expect fees to go up or down somewhat when the change is implemented.

These five areas are only some of the challenges that we face, however, I believe that they represent some of the largest challenges ahead in the short-term.

Closing Comments & Acknowledgements

Before I conclude, I wish to acknowledge the valuable contribution of many people that have contributed to ICAR success over the years.

As I noted earlier, we have 19 different SC, WG and TF's working to improve the guidelines and standards. More than 100 leading experts from around the world volunteer their time and expertise to help us collectively accomplish our goals. I also wish to thank their employers – both public and private organizations – which provide their time and support their expenses. We could not do this without their support.

I will specifically note the contributions of the sub-committee chairs whom have each committed a considerable amount of time to the performance of their responsibilities. Ole Klejs Hansen, Uffe Lauritsen, Olivier Leray and Reinhard Reents.

ICAR work is never done and thanks to the outstanding efforts of our Secretariat staff, we continue to progress. I wish to thank the entire ICAR staff and in particular our Secretary General Andrea Rosati for his commitment, enthusiasm and leadership to the success of ICAR.

As I conclude I would like to introduce the members of the Board to provide you with the opportunity to recognize those individuals working on your behalf.

In alphabetical order, the current ICAR Board members and Inspectors are:

Daniel Abernethy – Australia - VP

Badi Besbes - Italy

Clara Diaz Martin - Spain

Pierre-Louis Gastinel – France- TREASURER

Ole Klejs Hansen – Denmark

Uffe Lauritsen – Denmark - VP

Reinhard Reents – Germany - SECRETARY

Dainis Rungulis – Latvia

Marco Winters - UK

Kaivo Ilves (Inspector) – Estonia

Jay Mattison (Inspector) – United States