

Chairman's Report



On behalf of the Board of Directors of Herd Improvement Co-operative Australia Ltd (Hico) it is my pleasure to present the eleventh Annual Report of Hico for the year ended 30 April 2019.

Our Financial Result

Our financial result to the end of April 2019 was an after tax loss of \$55,551. This was largely as a result of the reduced average spending by our customers with the continued low milk prices being paid to suppliers during this financial year, and continued high feed costs. Our annual turnover this year was \$9.77 million which was a 4.5% reduction from the prior year.

Laboratory

We had a small reduction in herd test samples during the year and so we elected to have all of our Western Victoria herd test samples tested through our Korumburra laboratory rather than use the National Herd Development laboratory in Terang.

Retirement

I would like to acknowledge the retirement of Phil Morter A.I Technician in 2018 after more than 10 years of service. It is with sadness that I acknowledge the passing of two employees during 2019. Long standing Maffra Artificial Breeding Technician, Dennis Butler passed away after 26 years of service and Korumburra Herd Test Courier driver Cain Boyd passed away after 10 years service.

Mistro Software

During the year we released the updated Mistro Finance 6 software together with the link to web based KeyPay payroll software. Our software developer David Gorst is now working on other software projects that we anticipate will be released to the market during late 2019.

Director Training

The Hico Board continues to foster potential new Directors by inviting them to attend Board Meetings, participate in discussions and strategic planning sessions to help them understand whether they would like to become a Director. It's not for everyone but for many of us we gain more than we give by becoming part of the Hico Board.

In late 2018 the Board Executive and Senior Managers visited New Zealand on a study and fact finding tour to learn from providers of dairy industry services in that country, such as: Livestock Improvement Co-operative, CRVAmbreed, Tru Test and Dairy TestNZ.

Year Ahead

The year ahead will have its own challenges but with the announcement of increased milk processor payments and hope of some relief in feed prices there is some positive signs for the future.

On behalf of the Board I wish to acknowledge the outstanding leadership and support General Manager, Michael Lee continues to provide the Board, in leading Hico and the management of the extensive team of dedicated professional staff who work for Hico.

I would like to thank all Directors for their unquestioned commitment to Hico and to welcome Criag Bennett who joined the Board during 2018.

In closing I would like to thank shareholders and past and present Directors for the opportunity to Chair Hico.



*Ross Anderson
Chairman
Hico Australia Ltd*