

November 20, 2015



**ICAR Chief Executive
Report for SERVICE ICAR Board Meeting
08:00 – 09:00 CET, Friday 20th November 2015.**

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1 Financial

Appendix 1: S-ICAR Income Statement YTD 30th Sept 2015

Appendix 2: S-ICAR Balance YTD 30th Sept 2015

Appendix 3: Explanatory Notes for S-ICAR financials YTD

Appendix 4: ID Test Trends 2011 – 2015

Appendix 4a: ID Income Detail 2015 YTD 30th Sept 2015

Appendix 5: Draft S-ICAR budget 2016

As per Appendix 3 Point 6, the S-ICAR has seen a below than expected revenue for the second half of 2015 for two main reasons;

1. **Recording Devices:** The income expected from the ongoing tests amounts to 20,870 Euro compare to 80,000 Euro budgeted. The reduced income of **59,130 Euro** is due to cancelled tests or postponed til 2016 – namely Orion and Lactocorder which will now both fall into 2016. Next year 2016 was originally forecasted at 60,000 euro which we now have upped forecast income to 97,250.
2. **Identification Devices:** The income expected from the ongoing tests for rest of 2015 amounts to 97,769 Euro, bringing the total revenue for this activity in 2015 to 333,309 Euro compare to 385,000 budgeted. The reduced income of **51,691 Euro** is because of less than forecast requests for re-certification and environmental tests in second half of 2015. From speaking to key manufacturers it appears that a lot of their older ISO Registered products which were up for Re-Certification are obsolete so will not require Re-Certification – they have been replaced by newer products which are already certified. We expect this trend to sustain with manufacturers placing more emphasis on using their existing products to try and gain new markets.

We also notice an increase in Visual tags testing which have higher lab costs but margin is still good at 30%.

While ICAR will continue honour its ISO RA responsibilities the CE and secretariat approach for 2016 will be to promote our own ICAR Test and Certification of Visual tags. In summary we see our revenue is changing from mid volume RFID to lower

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volume Visual tags which we believe add best value for our members. For discussion and input from the ICAR Board. (See **Appendix 4a** ID Income Detail 31/10/15 and **Appendix 4** Trends in RFID testing 2011 - 2015).

A priority for 2016 S-ICAR needs to also turn the following potential services into real services that members will value and pay for;

Service	2015 Margin	2016 Margin?	Status/Action
GenoEx	-€20k	TBD	PSE-ITF expedite
Animal Data Exchange	€0	TBD	ADE Implementation TF (See ADE ICAR Board discussion)

Note: Global Reach will contribute by growth of membership in ICAR Full Members.

Also S-ICAR needs to start to get some or better margin from the following existing services;

Service	2015 Margin	2016 Margin?	Status/Action
Interbull	€0	TBD	ICAR/IBULL Ops TF
Interbeef	€0	TBD	ICAR/IBULL Ops TF
Milk Analysis PT	€0	TBD	P Trossat in Rome January
Cert of Quality	€18k	€20K +	New CR Process

With Regard to the 2016 budget right now we have to be conservative with ID forecast reducing the revenue originally which was originally forecast for €410k to now reduce it to €350k. Further meetings with key manufacturers is required to better predict accuracy of 2016 RFID forecast. (See **Appendix 5**. Initial Draft S-ICAR Budget 2016)

2 Legal

Standardised S-ICAR contracts for Manufacturers (ID devices, Recording Devices) who submit product for S-ICAR Test & Certification

The final standardisation work on contracts is the one for manufacturers. Service-ICAR has been in contact with Agathemis and have instructed them to draft a standard MFR contract – we plan to finalise this in December/January.

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3 S-ICAR “Service Providing” Groups - Updates

Update will be given in ICAR Board today 20th November 0900 to 1800

4 Future ICAR and Service ICAR Board Meetings

Meeting Schedule

The following table is the updated schedule of meetings for the ICAR Board and the Council of Service ICAR. Please note 2000hrs for all meetings (other than those at conferences/face to face).

Table 1. Future Meetings: Proposed January – June 2016.

Org'n	Meeting	Date	Start-finish (CET)	Venue	Notes
Service ICAR	Board	Tue 19/01/2015	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
ICAR	Board	Tue 26/01/2015	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
ICAR	Board	Tue 23/02/2016	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
Service ICAR	Board	Tue 22/03/2015	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
ICAR	Board	Tue 29/03/2016	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
ICAR	Board	Tue 26/04/2015	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
Service ICAR	Board	Tue 24/05/2015	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
ICAR	Board	Tue 31/05/2016	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio
ICAR	Board	Tue 28/06/2015	20:00 - 21:00	Rome	8:00 in NZ and 15:00 in Columbus, Ohio

Martin Burke, Chief Executive,

Date 13th November 2015.