



**ANNUAL REPORT**

**2005  
2006**



**Your choice for profit**





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# MESSAGE FROM THE CHAIRMAN

Profitability and efficiency are the central themes in this Annual Report. 'Isn't it obvious that this should be the focal point?', you might ask. Yes, but to stay focussed on positive results means that we need to restructure our organisation from time to time.

In our previous completed financial year, "Vision 2010" was a major project where we converted strategic choices into actual steps to make the workflow (for example AI, milk recording and data processing) even more efficient. By enhancing our efficiency we should be able to control our expenses.

This takes me back to my first sentence. Making a profit is an absolute necessity for farmers to enable them to make the investment choices (buildings, quota, land and private) they have to make as entrepreneurs.

For our organisation this means that we can contribute to their profit by controlling our expenses as already mentioned, but also:

- by breeding bulls that sire trouble-free cows that will stay on farm for a long time (through our breeding program);
- by supporting and simplifying the on-farm processes (through our farm management information and support programs);
- by being an organisation farmers like to work with (because of our excellent service).

All this should have the effect that both now and in the future the saying 'farming is a way of life' will be converted to 'farming is a profitable way of life'.

I wish you a lot of pleasure in reading this Annual Report.

*Hans Huijbers*  
*Chairman CRV Holding BV*



A large, stylized handwritten signature in black ink. The signature is fluid and cursive, with a long horizontal line extending to the right from the end of the name. It is positioned to the right of the portrait photo.

# CRV HOLDING BV

## Profile

The Dutch-Flemish organisation CRV Holding BV operates globally in the field of cattle improvement. In the summer of 2006 CRV implemented a new structure. CRV now has three divisions: 'International & Breeding', 'Information & Support' and 'Sales & Services the Netherlands and Flanders'. 'HG' and 'NRS' have now become brand names for products and activities of CRV Holding. The shareholders in the holding include the Dutch Co-operative Cattle Improvement Delta (CR Delta) and the Flemish Cattle Improvement Association (VRV).

The international division of CRV includes subsidiaries in Brazil (Lagoa da Serra), the Czech Republic (CZ Delta), Germany (HG Deutschland), Luxembourg (GenLux), New Zealand (AmBreed) and Spain (HG España).

CRV's head office is located in the Dutch city of Arnhem. Beyond the domestic market of The Netherlands and Flanders, the products and services of CRV are marketed world-wide in more than 50 countries. In 2005-2006 a total of 6.4 million doses of semen were sold across the globe. In addition to AI activities CRV also offers many other services. One of these is milk recording, which is offered in The Netherlands, Flanders, Czech Republic and New Zealand.



## Mission

CRV is a leading cattle improvement co-operative that creates enduring added-value for cattle farmers through:

- offering quality products and services;
- active involvement of members and employees;
- on-going innovation;
- constant attention to trends in society.

## Strategy

- to operate in a market- and customer-orientated manner;
- to realise an increase in turnover internationally;
- to diminish our veterinary vulnerability;
- to create a financially healthy company development;
- to adhere to the concept of a co-operative.

## Executive Board CRV

Dr. J. Jansen – *President*

Dr. ir. J. Dommerholt – *NRS director*

Ing. A. Lindeboom – *HG director*

Ir. D. L. Volckaert – *Director sales divisions*

## Supervisory Board CRV

J. A. M. Huijbers, Wintelre – *Chairman*

P. Broeckx, Dessel (B.) – *Vice-Chairman*

E. J. F. Alderkamp, Zevenaar

J. Bakker, Engelum (*up to March 2006*)

C. Gorter, Makkinga (*from March 2006*)

R. W. J. M. Bonnier, Blaricum

L. M. J. M. Cox, Roermond

P. E. van der Grift, Bunnik

N. A. L. van Leeuwe, Sint Margriete (B.)

J. F. van Outryve, Linden (B.)

H. Schonewille, Zuidwolde

M. A. Siebenga, Lelystad

A. J. van Weele, Maarsse (*up to March 2006*)

J. Draijer (*from July 2006*)

*Executive Board CRV, f.l.t.r.: Ate Lindeboom, Jan Jansen,  
Jan Dommerholt en Denis Volckaert*





*Her Royal Highness Queen Beatrix visited the All Holland Dairy Show 2006*

# MAJOR EVENTS IN 2005-2006

## September 2005

The publication of the NRS AI-statistics revealed that Delta Olympic was the best selling bull in the fourth quarter of the financial year 2004-2005. With this, Olympic (Addison x Besne Buck) underlined the fact that he is the most popular bull among Dutch and Flemish dairy farmers.

## November 2005

Doolhof December died. Right from the start December, thanks to his excellent type transmission, enjoyed extreme popularity, not only in his home country, but also abroad. The first year after his graduation he entered straight at number two in the annual HG export list. In the consecutive year he was the number one.

## December 2005

In Harfsen the renovated lay-off facilities for bulls awaiting their proofs were opened. The facilities have been designed to provide extra comfort to the bulls, which should reduce involuntary culling. The barns have been designed to resemble a lay-off barn used by the Swedish company Svensk Avel.

## February 2005

Embryo sales through the Internet are taking off. Around 30% of the embryos are now ordered on line. At the start of the new financial year 2006/2007 this rate had gone up to 75%.

## March 2006

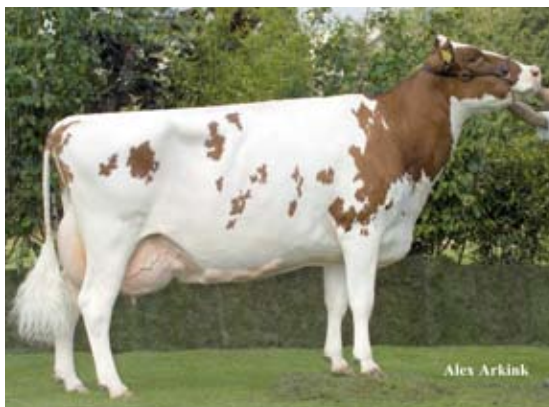
HG discovered a genetic marker that has a significant effect on the production of protein, durability and vitality. This 'profitability' marker can explain differences of up to 40 Euro of DPS between two animals. With immediate effect the marker has been added to the tools that are being used for the selection of young bulls.

## June 2006

At the All-European Dairy Show in Oldenburg (Germany) Liza 379 impressed the crowds when she took second position in her class of two-year-olds. The Classic daughter, owned by Stef Goossens from Beers (N.Br.), also grabbed the prize for 'best udder in class'.

## July 2006

The dam of Lowlands Fabian was the most beautiful Red Holstein cow at the All-Holland Dairy Show. The Excellent Tulip daughter Flora, owned by Floris Dorrestijn and Tine van Houselt, first won the Senior Championship title and was later crowned Grand Champion Red Holstein.



*Flora (v. Tulip), Grand Champion Red Holstein at the All Holland Dairy Show 2006*

## August 2006

A suspected outbreak of Blue Tongue was confirmed on a sheep farm in Kerkrade, in the south of the Netherlands. This resulted in a temporary ban on semen exports. Problems with the supply of semen to customers were limited, thanks to 'strategic stocks' stored in the main export markets.

# CRV INTERNATIONAL

## International sales

After the excellent results of the previous financial year it seemed almost impossible to surpass these in 2005-2006. However, nothing was further from the truth. HG semen exports exceeded well over 1.5 million doses. This meant an increase of just over 13% compared to the previous year and was realised across all breeds and countries. The ongoing professionalism of the international sales departments and distribution channels has borne fruit this year.

In a number of countries there was a change in distribution channel, which had the effects of a lower dependence on product and the formation of a more structured sales base. Even some new sales channels were added to the already extended network (HG is now exporting to approximately 60 countries), like Pakistan and Luxembourg. And they too are expected to deliver a large contribution to a further increase in export activities.

## Top five most sold bulls internationally

black & white

1. Olympic
2. Grandprix
3. December
4. Sherman
5. Rafael

red & white

1. Reno
2. Classic
3. Kian
4. Beautiful
5. Tulip



## CR Delta

The sales of products and services in the Dutch market showed some variation. Despite an overall market decrease, virtually the same number of doses of semen were sold compared to the previous financial year, which shows that HG has become more competitive. The use of AI-services showed a bigger decline than expected. Milk recording services were above budget, with the warm summer months of 2006 causing a higher demand. The number of users of the CR Delta mating program SAP increased to a total of almost 7,300 farms, while the number of farmers using the on-line service of receiving milk recording data via internet shows a steady increase with now 5,500 users. With 15,000 users the NRS product 'NRS-mineral', which assists farmers in their mineral bookkeeping, met a huge demand.

At the end of 2005, CR Delta inseminators handed out the first Fertility-Attention to farmers. Based on a number of calculated index figures, the Fertility-Attention report shows the farmer the strengths and weaknesses of his herd in terms of fertility.



*Leen and Minouche van den Berg from Leerdam received their first Fertility-Attention report this spring from their inseminator Pieter van Dusseldorp*

## Progeny showcases 2005-2006

At three locations, CR Delta showed a total of 20 progeny groups. Like every year these progeny groups attracted large crowds to the shows. Many farmers like to see offspring of sires they are using to learn what they can expect from them.

### demonstration of progeny groups 2005-2006

bull	location	bull	location
<b>Canvas rf</b>	Zwolle (2), Utrecht (1)	<b>Kian</b>	Zwolle (2), Utrecht (1)
<b>Classic</b>	Utrecht (1)	<b>Laurenzo</b>	Utrecht (1)
<b>Creylo</b>	Zwolle (2)	<b>Metallica</b>	Zwolle (2)
<b>Dustin</b>	Utrecht (1)	<b>Onedin</b>	Zwolle (2)
<b>Faber</b>	Utrecht (1)	<b>Paramount</b>	Utrecht (1)
<b>Fabian</b>	Utrecht (1)	<b>Penotti</b>	Utrecht (1)
<b>Fortune</b>	Zwolle (HHH) (3)	<b>Ramon</b>	Utrecht (1)
<b>Gertjan</b>	Zwolle (2)	<b>Russel</b>	Utrecht (1)
<b>Grandprix</b>	Zwolle (2), Utrecht (1)	<b>Stadel</b>	Utrecht (1)
<b>Jordan</b>	Utrecht (1)	<b>Stilist</b>	Zwolle (2)

(1) Utrecht, All Holland Dairy Show (30 June and 1 July 2006)

(2) Zwolle, CR Delta Cow-Expo (20 January 2006)

(3) Zwolle, HHH-show (25 and 26 November 2005)



The progeny group of Poos Stadel Classic at the All Holland Dairy Show in Utrecht



VERBODEN TE ROKEN DEFENSE DE FUMER

**MPR**  
NU OOK VIA  
INTERNET  
VRV



## VRV

In the past financial year the introduction of a new tariff structure (per visit and per service) hardly influenced the number of inseminations carried out by AI-vets. Non-return results are very good and with a non-return rate of 68.9%, Flanders finds itself among the best in Europe. Despite tough competition VRV again managed to sell more than 400,000 doses of semen. The excellent price-quality ratio and the reliability of the HG breeding program will certainly have contributed to this result. Belgian Blue was the most popular breed, with black-and-white Holstein in second position and Red Holstein in third. Most doses were sold from the black-and-white Holstein sire Delta Olympic, followed by Red Holstein sire Heide Henson and with Belgian Blue sire Gitan Du P Tit Mayeur in third position. During recent years the number of DIY inseminations has shown a steady increase. The ET-department had a good year in 2006-2006, with the number of flushes increasing to a total of 300.

Thousands of dairy farmers switched from standard milk recording to the MPR (milk production registration) service this year. MPR offers more options and for the same price. VRV welcomed over 100 new dairy farmers to this service.

## Ambreed (New Zealand)

The past year has been demanding for Ambreed given the highly competitive market. The highlights of the year have included the continued development of export sales, which has seen significant increases in some South American countries. Fifty percent of the current export sales are now going to South America.

The purchase of a 580-acre peninsula farm for development of an IBR-free facility has now been completed with most development work completed. The consolidation of Ambreed's new cow and sire index (NZMI) in the NZ market place has also gathered increasing acceptance from NZ dairy farmers. The Holstein Friesian sires are continuing to provide outcross options for our many international markets, while the domestic market has continued to be steady.

Herd Services, covering Herd Testing and Recording, continue to increase with more than 250,000 cows on recording this year. This data is now starting to provide enormous benefits by having a database of information to launch new and innovative products.



Photo left and above: Agribex 2005 Brussels

## **CZ Delta (Czech Republic)**

The number of cows in the Czech Republic has declined again during the past financial year. Despite subsidies from EU funds, the profitability of cattle breeding in the Czech Republic is becoming questionable, not helped by a sharp decrease of the milk price. As a result some farmers are reducing the number of cows or even are going out of business. There is also a clear move of cows from less successful farms to the more profitable ones.

The reduction countrywide in the number of dairy cows resulted in a gradual decline this year of the number of cows in CZ Delta milk recording. On the other hand CZ Delta was able to increase the number of inseminations, which is a very good result, and in additional services the number of pregnancy checks were almost 16% higher. Although the total market shows a downward trend, CZ Delta reported an operating profit that was above budget.

CZ Delta is trying to increase its market share in semen sales, by maintaining a good relationship with its current customers and building up contacts with new ones. For this purpose CZ Delta participated in several regional and national cattle shows. The most important event was a National Show of Farm Animals organised by CZ Delta. This was a very successful presentation of the company to farmers and other visitors.

Intensified co-operation with HG resulted in the housing of Dutch bulls in the Czech Republic. After a substantial renovation 46 active bulls can now be housed in large group facilities at the AI facilities in Zasmuky, where also a new semen production line was opened. In addition a completely new facility was built to house 360 Dutch and Czech waiting bulls.

A major achievement was the implementation of a new information system, which enables CZ Delta to run the mating program SireMatch for its customers.

## **HG Deutschland (Germany)**

Last year, again, was a record year for HG Deutschland. The turnover increased by 20% with the market share in both Germany and Austria increasing as well. It is mainly expanding farms that are rapidly discovering the advantages of the HG product, based on durability, production and protein. The base for the success is, besides the top products HG Deutschland are selling, a well-educated and highly-motivated sales team. In this field regularly (refresher) training sessions are organised for all employees. The goal for HG Deutschland in the coming years is to grow continuously. The potential market is unconstrained.



*The HG Deutschland team*

## HG España

In the 2004-2005 Annual Report, HG España reported the restructuring of its sales network and the fact that its new team was ready to grow. HG España's sales reached a historical level this financial year, and also increased its market share in semen imported into Spain. Popular sires were Olympic, Win 395, Marsh, Progress and Canvas. The number of farmers that are experiencing the performance of the daughters of HG sires shows a steady increase. They have confidence in the "5 Paths to Farm Profit" program.



*Around the All-Holland Dairy Show a delegation from HG España visited the 'Wilmers'-herd of the Kraaijeveld family*

## Lagoa da Serra (Brazil)

Lagoa proved to be able to return a profit in a year of crisis. The biggest beef crisis ever drew heavily on the semen market. The dairy segment had a good year, but couldn't compensate for the losses in the beef segment.

Such crisis situations bring about fierce competition within the semen market with dump pricing and exorbitant terms of payment. Lagoa wasn't tempted into taking part in this and stood by its choice to prefer profitability over market share. Market share can be regained in better times.

Thanks to an excellent choice of sires in the major market segments Holstein (HG-product) and Nelore (show and profitability), and supported by the five hours a day in-house produced live TV-broadcasts, Lagoa was able to make a profit. And, the first year after its introduction, the new product sexed semen, with 20% already contributed substantially to Lagoa's turnover and profit.

Around the turn of the financial year Lagoa has started to ship semen by mail in ultra-light containers. In Brazil this meant a revolution, as the delivery time of semen was cut back from between 10 to 30 days to just one up to (a maximum of) three days.

## Pakistan

In July 2006 CRV Holding B.V. and The Blue Link B.V. came to an agreement to establish a joint venture to enter Pakistan. Together with local partners in Pakistan, the new company aims to sell bovine semen in one of Pakistan's provinces: the Punjab. The Dutch ministry of economic affairs supports the project with a substantial subsidy.



*CRV entered the market in Pakistan*



# DEVELOPMENT OF GENETIC PRODUCTS

## **HG breeding programme: full speed ahead towards profit**

'Durable cows that make an optimal contribution to farm profit', that is what the HG breeding programme is all about. By following this defined breeding goal HG is working hard to achieve this. The cow HG has in mind is a cow that has no trouble producing a lot of milk and is able to sustain this for many lactations. She has an excellent set of legs and feet, a quality udder that is carried high above the hock, and a robust frame. It is also essential that along with these high yields the cow should keep good condition. This breeding goal is the guideline for the HG breeding programme, and it applies to the selection of bull dams, the managing of the Delta nucleus herd, as well as the designation of young bulls for progeny testing.

Having a good breeding goal, however, on its own is not enough. The desired results can only be achieved with an effective and profitable breeding programme. Reason why HG continues to invest in innovation of its breeding programme and continuous research is being done into fertility, semen assessment, improvement of non-return rates and optimisation the moment of insemination.

Considerable progress was made in genetic marker research (see box). Genetic markers are giving an insight into the genetic characteristics an animal has inherited from its parents, and reveal the genetic make-up straightaway.

The developments are advancing very quickly. For HG the moment of harvesting has now come. This year HG has developed a selection tool where 3000 markers are being used, which can explain a significant part of the genetic differences between animals. This tool has been used first in the selection process of young bulls and next year will also be utilised in all other animals in the HG breeding programme, which will make the programme even more efficient and thus more profitable.

### **WHAT IS A GENETIC MARKER?**

A genetic marker is a piece of DNA that gives a reliable indication whether an animal has a specific genetic characteristic, or in which way a genetic characteristic will express itself. This is of major value for low heritability traits like many durability and health traits. To obtain reliable breeding values for these traits a substantial amount of daughter information is needed. By using information from thousands of markers this reliability is obtained a lot faster.



### **Delta nucleus herd: working together towards profit**

Discovering new cow families is one of the biggest challenges of the Delta nucleus herd. Evaluating bull dams under the same circumstances has proved to be a very reliable way to breed good bulls that are making a significant contribution to farm profit. The reverse also applies: farmers are contributing significantly to the output of the Delta nucleus herd, since one half of the evaluated heifers are breeder owned. Without this input Delta would clearly be less successful.

With more emphasis on the use of genetic markers within the nucleus herd the future will be even more challenging, but also more successful. This doesn't mean however that less breeder owned heifers will be evaluated.

## More demand for Delta embryos

This financial year saw a lot of interest in Delta embryos. Compared to the previous year, sales increased by almost 20%, with 450 farmers purchasing a total of 3,250 embryos. One of the most popular donor cows was Lorenzo daughter Delta Desire, who is out of a maternal sister to Delta Canvas RF.

## More proceeds from OPU-IVP

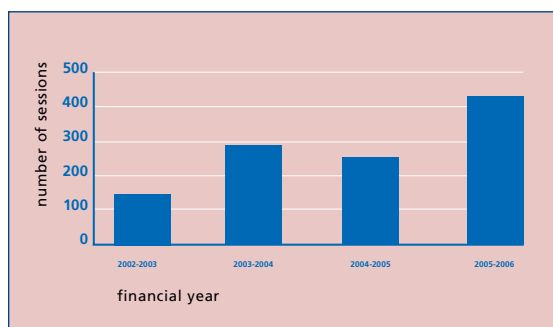
Although initially the OPU-IVP (Ovum Pick-Up, In-Vitro Production of embryos) was exclusively developed for the HG breeding programme, this technique has gained popularity in recent years among dairy farmers. As HG is now also carrying out OPU-IVP sessions for farmers, lab capacity is being used more efficiently which leads to a welcome cost reduction. Particularly this last financial year the number of OPU-IVP sessions carried out for farmers have seen a significant increase (see graph 1). Sybrand Merton, head of the Harfsen laboratory

explains: "This increase can, for a large part, be explained by more active advertising and by word of mouth, but certainly also by a lower cost price per embryo."

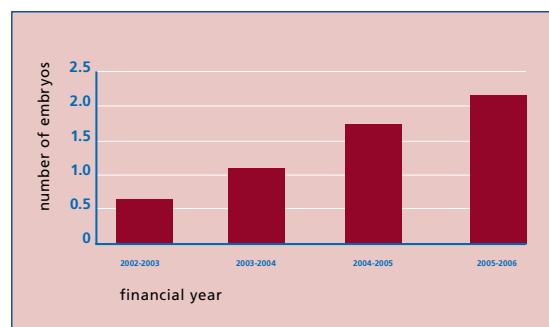
## Lower cost price

Graph 2 shows a significant increase in the number of embryos harvested per session. More embryos per session means a lower cost price per embryo. This is also credit to Sybrand Merton and his team, who developed a small change to the standard procedures. By adding a substance to the medium in which the ova are maturing, 'harmful radicals' are having a less detrimental effect on them. Implementation of this new technique has led to a 70% production improvement! Merton says: "In all those years never before we have had such a successful experiment." It is clear that this new technique has also resulted in a major efficiency advantage in the OPU-IVP embryos harvested for the HG breeding programme.

Graph 1 – number of opu-ivp-sessions



Graph 2 – Number of embryos per OPU session



## number of OPU-IVP sessions and number of embryos per session

year	number of sessions	number of embryos per session
2002-2003	164	0.72
2003-2004	285	1.09
2004-2005	263	1.76
2005-2006	413	2.13

## Bull dams

Last year HG's breeding programmes had four different selection programmes:

- Joint venture with Genex/CRI (bull dams from the USA);
- Euro donor Holstein and Red Holstein (bull dams from different countries in Europe, including The Netherlands and Flanders);
- Delta nucleus programme (own nucleus and influx from Euro donor);
- MRY-breed.



### **Ilse** (Rafael x Lord Lily x Lexus)

Owner.: fa. Boogaard, Oosterend (Texel)  
Prod.: 2.07 565d 16,312 4.46 3.57 121 LV  
4.04 305d 12,582 4.33 3.19 116 LV (record in progress)  
Conf.: VG89-Frame, VG88-Mamm, GP84-L&F, VG88-Total

*This bull dam impressed judges at the Opmeer Show, where she won her class and became fourth in the championship. She combines excellent production figures with very good conformation.*



### **Jantje 150** (Dustin x Stadel x Ronald)

Owner: W. & J. Raaben-Goossen, Neede  
Prod.: 2.00 368d 9,361 4.61 3.49 115 LV  
3.02 305d 10,754 4.36 3.43 101 LV (record in progress)  
Conf.: EX90-Frame, EX90-Dairy Strength, VG87-Mamm, VG89-L&F, VG89-Total

*This exceptionally good-looking bull dam by Dustin has a very high pedigree index for durability, udder health and fertility.*



### **Malina** (Ramos x Cash x Prelude)

Owner: Friedrich Niemeyer, Petershagen (Germany)  
Prod.: 2.00 261d 8,441 4.63 3.66 (record in progress)  
Conf.: GP84-Frame, GP83-Dairy Strength, VG85-Mamm, VG86-L&F, VG85-Total

*Malina is an early second-crop daughter of fitness specialist Ramos and she was sourced from Germany. Due to her unique pedigree, packed with durability and healthy udders, she has a great added value for the breeding programme.*



### **Nora 495** (Kian x Addison x Tulip)

Owner.: Baak-Pierik partnership, Bentelo  
 Prod.: 2.00 305d 8.616 4.40 3.50 119 LV  
 Conf.: VG89-Frame, VG88-Dairy Strength, VG89-Mamm, GP84-L&F, VG87-Total

*Bull dam Nora 495 has a no-nonsense pedigree that stands for profit and cows that are great to work with. The combination Kian x Addison stands out for protein production, udder health, robustness and legs and feet. The expectations for the management traits are also positive for this young and talented cow.*



### **Jana 216** (Matthijs x Koerier 114 x Netjes Bob)

Jana 216 (Matthijs x Koerier 114 x Netjes Bob)  
 Owner: G. M. van der Heijden, Oost-, West-, Middelbeers  
 Prod.: 2.00 305d 7,960 4.72 4.02 131 LV

*This bull dam is one of the most complete daughters of the top MRI sire Matthijs, one of last year's new graduates. With a Lactation Value of 131+ and an average protein percentage of 4.02%, she is by far the best cow in her owner's herd. She will be combined with sire of sons Daniel, to strengthen the protein level even more.*

## **Renovation and construction**

Location Harfsen, The Netherlands (completed):

- Renovation lay-off facilities; awaiting their proofs bulls are housed in large group compartments

Location Ambt-Delden, The Netherlands (completed):

- Transformation from rearing unit to lay-off facility; awaiting their proofs 116 young bulls are housed in large group compartments

CZ Delta, Czech Republic (start):

- Extensive renovation of AI bull barn; 46 proven bulls (Holstein and Fleckvieh breed) will be housed in large group compartments
- Construction of a lay-off facility to accommodate 360 young bulls awaiting their proofs

## **Semen production conference**

Guaranteeing dependable fertility and consistent quality of semen are paramount within the CRV Holding. And that's the reason why the week before the All-Holland Dairy Show a 'semen production conference' was organised, attended by all semen production departments within the CRV Holding. Participants came from Brazil (Lagoa da Serra), New Zealand (AmBreed), Czech Republic (CZ Delta) and obviously The Netherlands as HG was hosting the conference. Two speakers, Geert Hoflack (vet and research worker of the Veterinary Department of Ghent University, Belgium) and Henri Woelders (research worker at the Animal Sciences Group, Lelystad) showed the participants how to look critically at the in-house processes, which was followed by an open discussion.

# HERDBOOK ACTIVITIES

## Head classifiers meeting

From 14 till 18 September around 50 head classifiers from 26 different countries visited The Netherlands with the aim to harmonise the linear classifications internationally. Part of this four-day conference and workshop was a visit to Volendam, where a compulsory photograph was taken. The result is completely in line with the purpose of the conference: harmonisation.



*Fifty head classifiers wearing typical folklore Volendam clothing*

## Higher lifetime yields

The average herd life of Dutch dairy cows, which has shown a steady increase since the year 2000, has again made a sizeable leap forward and is now 2,109 days (see Table 1). With the older age of the national herd, average lifetime yields also saw a faster increase than ever seen before. Average lifetime yields now amount to 28,845kg of milk, 1,273kg of fat and 1,009kg of protein. Compared to the previous year, this is an increase of more than 1,100kg of milk, while the protein production exceeded the 1,000kg level for the first time. With these figures, The Netherlands are in the international top league for herd life and lifetime yields.

### herd life of the culled pedigree cows by year of culling

year of culling	number of cows*)	days till first calving	productive life**)	days after last milk recording	days herd life***)
2006	241,679	800	1.264	45	2.109
2005	269,862	800	1.224	43	2.067
2004	274,508	801	1.207	43	2.051
2003	237,945	802	1.183	43	2.028
2002	296,633	802	1.147	43	1.992
2001	228,102	803	1.132	48	1.983
2000	301,375	803	1.108	46	1.957
1999	292,824	803	1.121	45	1.968
1998	279,163	802	1.150	44	1.996
1997	334,377	801	1.133	43	1.977
1996	316,198	800	1.161	46	2.007
1995	252,770	801	1.206	48	2.054
1994	272,478	801	1.171	49	2.020
1993	277,990	800	1.179	49	2.028
1992	278,229	799	1.175	54	2.027

\*) = number of cows with less than 150 days between their last milk recording and culling date

\*\*) = days between first calving date and last milk recording

\*\*\*) = days between birth and culling date (sum of days until first calving, productive life and days after last milk recording)

## Fantastic European Championship in Oldenburg

'Beforehand I would have jumped at this result'. Head classifier Arie Hamoen reflects upon the results The Netherlands achieved at the All-European Championships in Oldenburg. 'I am extremely pleased, particularly with the results of the black-and-white Holsteins. For a country that doesn't particularly breed for show-type we have done well with a second placing in her class of Millenium and our country selection placing nicely in the middle. It was a pity that the room for selection among the Red Holsteins was limited due to a smaller number of IBR-free Red Holstein herds'. Despite this the Red Holsteins came third in the country competition.

# FINANCIAL INFORMATION

The turnover of the CRV group increased to 124.9 million Euro. The underlying operational result before amortisation of goodwill and non-operational income and expenditure amounted to 7.7 million Euro. The result after taxation and minority interest third parties was 3.4 million Euro.

## financial key figures CRV Holding

(x EUR thousand)	2005-2006	2004-2005	2003-2004	2002-2003
net turnover	124,935	122,124	115,151	108,627
profit after taxation	3,374	471	448	4,530
group equity	57,276	55,395	53,734	54,401
balance sheet total	93,152	88,273	91,770	79,956
solvency	61.5%	62.8%	58.6%	68.0%

The result reflects a provision on account of the re-organisation Vision 2010, as well as the book profit from the sale of the former property in Veldhoven. The key financial figures of the past four years are summarised in the table above. The Executive Board is satisfied with the level and stability of the operational results. The decrease of services and products in the domestic market varied. In spite of the overall shrinkage of the market virtually the same level of sales was achieved as last financial year in terms of semen straws. This means that HG has become more competitive. The sales of AI services declined more than expected. On the one hand the changed price setting will have played a role here, however CRV experiences clear competition on the other hand. MPR sales were above budget. Average participation in the Sire Advisory Programme (SAP) increased to nearly 7,300 participants. There were nearly 5,500 MPR-internet participants. Having nearly 15,000 participants, the product NRS-mineral clearly met a great need.

Cattle export had an exceptionally good year. The consequence for NRS was the issue of more than 50,000 export certificates. HG semen export topped 1.5 million straws for the first time in HG's history. More than a third of this was sold through the CRV subsidiaries. Blue Tongue was diagnosed in mid-August 2006 in The Netherlands and surrounding countries. As a consequence, there will probably be long term restrictions for the export of live cattle and other genetic material, mainly outside the EU.

During the financial year HG and CZ Delta took the first steps in merging their black-and-white Holstein programmes. Two proven bull barns were completely renewed at the Zasmuky location in the Czech Republic, resulting in accommodation for 56 proven bulls in total.

The next step is to build a new waiting bull barn in 2007, also to be realised by CZ Delta.

NRS completed the new information system NRS-IRIS, whilst the project 'Integration of information systems CR Delta and VRV' was also virtually completed. Transferring the processing of the MPR data to IRIS by VRV created more problems than wanted or anticipated. There were still too many mistakes (3%) in respect of mainly the entry of calf data, even at the end of the financial year. Although this is caused by the coupling with the Sanitel systems, it will be necessary for some Flemish farmers to observe more accuracy. The formal start of Intradis Data BV, which is a 50:50 subsidiary of Gezonde Dieren BV and CRV Holding BV, was at the beginning of March 2006. The goal of Intradis is to facilitate alterations in respect of I&R (Identification & Registration) and Herdbook for the benefit of I&R and the NRS and Gezonde Dieren information systems.

The results of the foreign subsidiaries varied. Lagoa's result fell considerably, but had a good level nevertheless. The drop was caused by a difficult market due to the FMD problems and the considerable decline in the Nelore segment. The production of sexed semen was above expectation, but sales were slower to get off the ground than expected. At the end of the financial year Lagoa entered into a new agreement with Sexing Technologies Ltd. of Texas, USA, for a period of five years.

The Ambreed operational result was similar to last year's. Ambreed did lose market share, however. During the financial year it was decided to sell the existing waiting bull barn and to buy a new property on a small peninsula at the coast. Ambreed wants to keep its bulls free from IBR in the future (without vaccination). This requires a safe location from a veterinary point of view. This is required for export to the EU, but also gives prospects for a possible merger of breeding programmes and synergy within the CRV group.

CZ Delta showed a positive operational result for the first time and also experienced a strong growth in the HG semen share in the B&W Holstein sales. The construction of the two new proven bull barns resulted in closer contact between HG and CZ Delta. The construction was completed on time and the official opening was celebrated in the middle of October 2006.

The new daughter Genlux in Luxemburg knew a difficult start and will need some time to counterbalance the loss of turnover from the co-operation with the former SEG organisation. HG Deutschland and HG España both had a good year in terms of HG semen sales.

In July 2006 an agreement was made between HG and the Blue Link BV with the goal to market semen in the Punjab Province in Pakistan. This project is supported by the Ministry of Economic Affairs.



## key figures CRV Holding

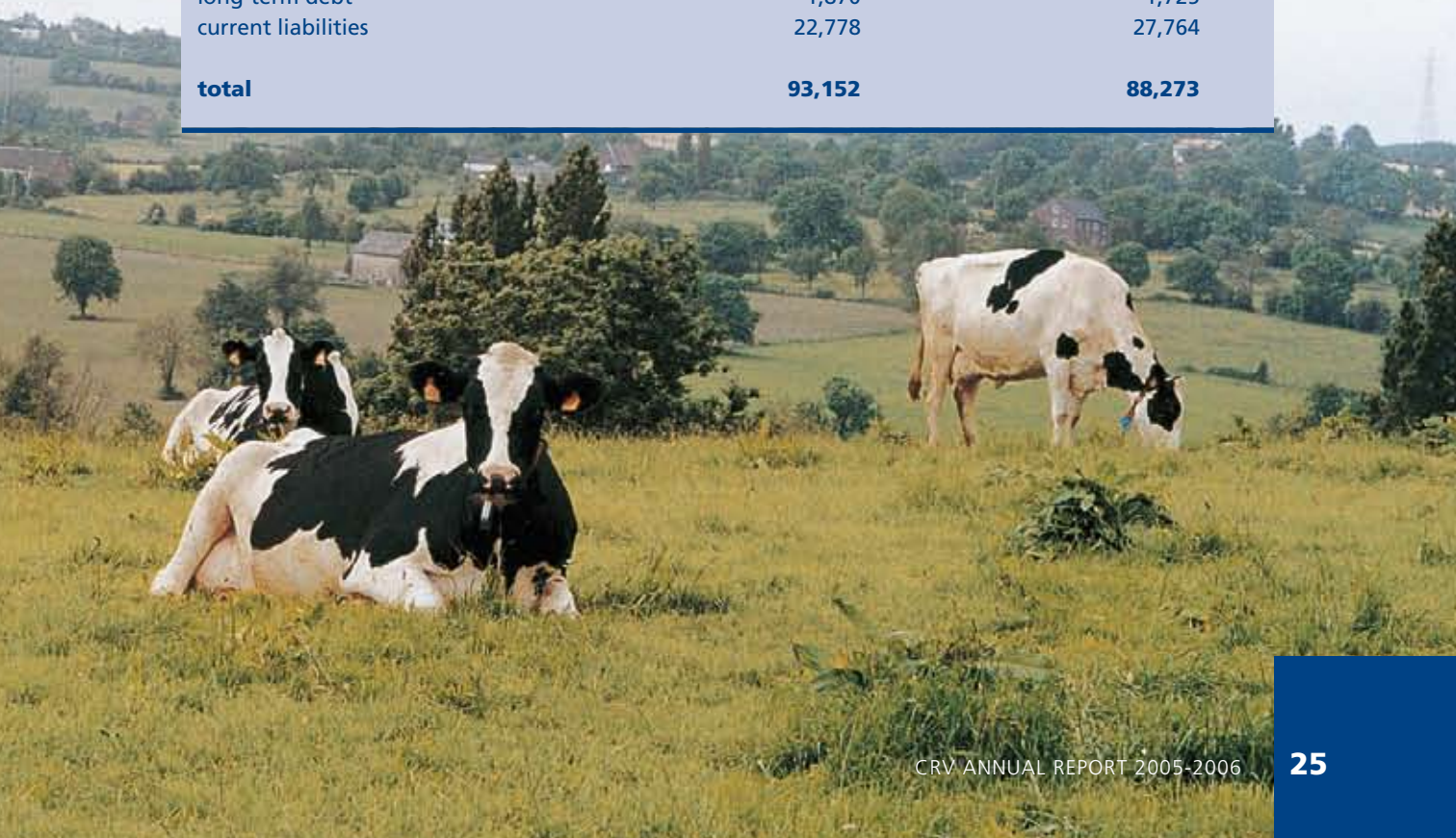
<b>general</b>	2005-2006	2004-2005
employees (full-time; on average)	1,234	1,286
milk-sample observers (full-time; on average)	217	233
<b>results (consolidated)</b>	2005-2006	2004-2005
net turnover (€ 1 mln)	124,9	122,1
operating result (€ 1 mln)	4,3	2,6
result after taxation and minority interest (€ 1 mln)	3,4	0,5
<b>balans sheet (consolidated)</b>	31-8-2006	31-8-2005
group equity (€ 1 mln)	57,5	55,7
balance sheet total (€ 1 mln)	93,2	88,3
solvency (group equity/ balance sheet total)	61.7%	63.1%
cash flow (€ 1 mln)	4,6	1,4



## consolidated balance sheet as at

	31-8-2006 (x € 1,000)	31-8-2005 (x € 1,000)
<b>fixed assets</b>		
intangible fixed assets	4,615	7,037
tangible fixed assets	41,183	40,439
financial fixed assets	574	634
<b>total fixed assets</b>	<b>46,372</b>	<b>48,110</b>
<b>current assets</b>		
inventories	7,087	6,828
accounts receivable	18,909	17,030
cash at bank and in hand	20,784	16,305
<b>total current assets</b>	<b>46,780</b>	<b>40,163</b>
<b>total</b>	<b>93,152</b>	<b>88,273</b>

	31-8-2006 (x € 1,000)	31-8-2005 (x € 1,000)
group equity	57,525	55,660
provisions	10,979	3,124
long-term debt	1,870	1,725
current liabilities	22,778	27,764
<b>total</b>	<b>93,152</b>	<b>88,273</b>



## consolidated profit and loss account

	2005-2006 (x € 1,000)	2004-2005 (x € 1,000)
<b>net turnover</b>		
genetic material	57,712	55,466
services	51,422	50,782
information products	12,001	12,287
management	3,800	3,589
<b>net turnover</b>	<b>124,935</b>	<b>122,124</b>
changes in inventories	168	-55
capitalised production	1,314	1,737
other operating income	696	618
<b>total operating income</b>	<b>127,113</b>	<b>124,424</b>
<b>operating expenses</b>		
purchases	5,150	4,392
production costs	21,799	22,242
staff costs	71,970	64,244
traveling and car expenses	7,702	7,561
accommodation expenses	2,708	2,860
depreciation, amortisation and book results	1,745	9,170
other operating expenses	11,963	11,359
<b>total operating expenses</b>	<b>123,037</b>	<b>121,828</b>
<b>operating result</b>	<b>4,076</b>	<b>2,596</b>
<b>various result components</b>		
financial income and expenses, on balance	222	-7
result from participating interests	-22	18
<b>total of various result components</b>	<b>200</b>	<b>11</b>
<b>result from ordinary operations before taxation</b>	<b>4,276</b>	<b>2,607</b>
taxes	-922	-2,253
<b>result after taxation</b>	<b>3,354</b>	<b>354</b>
minority interest	20	117
<b>result after taxation and minority interest</b>	<b>3,374</b>	<b>471</b>

## Consolidation

The consolidated balance sheet and profit and loss account have been derived from the financial statements of CRV Holding for the year ended 31 August 2006. KPMG Accountants in Eindhoven have expressed an unqualified opinion on these financial statements.

The consolidated financial statements of CRV Holding BV include the financial data of CRV Holding BV and its group companies. Koninklijke Coöperatie Rundveeverbetering Delta u.a. in Arnhem has a 80% share, and the Vlaamse Rundveeteelt Vereniging VZW in Oosterzele has a 20% share in CRV Holding BV.

### The consolidation includes:

	% interest
• CRV Holding BV, Arnhem (The Netherlands)	80%
and its subsidiaries:	
– HG BV, Arnhem (The Netherlands)	100%
– NRS BV, Arnhem (The Netherlands)	100%
– CR Delta Noord BV, Arnhem (The Netherlands)	100%
– CR Delta Oost BV, Arnhem (The Netherlands)	100%
– CR Delta Zuid-West BV, Arnhem (The Netherlands)	100%
– Vlaamse Rundvee Verbetering CVBA, Oosterzele (Belgium)	100%
– CRV International BV, Arnhem (The Netherlands)	100%
and its subsidiaries:	
– Lagoa da Serra Ltda, Sertaozinho (Brazil)	100%
– HG Espana S.L., Madrid (Spain)	100%
– HG Deutschland GmbH, Damme (Germany)	100%
– Ambreed NZ Limited, Hamilton (New Zealand)	100%
– CZ Delta spol s.r.o., Prague (Czech Republic)	94%*
– GenLux S.a.r.l., Ettelbruck (Luxemburg)	100%

\*) In the financial year 2005/2006 KESA PLUS s.r.o. and LICINIUS s.r.o. have been merged into CZ Delta. In the financial year 2005/2006 Avoncroft Sires Ltd. (Bromsgrove, UK) has been wound up.







[www.crvholding.com](http://www.crvholding.com)