

SEMEN BUY-OUT FEE

Updated March 2024

An explanation and guide to the Registration and Semen Buy-Out Fee relating to Jersey bulls

1.0 There are two parts to registration fees for bulls.

1.1 A flat fee which applies for all New Zealand born bulls registered as follows:

	Bulls <1yr	Bulls >1yr	Industry Bulls <1yr	Overseas Resident bulls
Price <i>excl GST</i>	\$20	\$60	\$30	\$25

1.2 The semen buy-out fee only applies when semen is sold from a proven bull. There are options available to buy out from the semen fee before the proof of a bull is known.

Note: When a bull is registered after 1 October 2000 it is a condition of the registration service that any semen fee obligations that may subsequently arise will be paid to JerseyNZ. Where registered bulls are sold for semen production, they should be sold on the basis that the semen fee obligations transfer to the new owner.

2.0 Application of rules for semen fee and associated buy-out options:

2.1 The semen fee rules apply to bulls registered from 1 October 2000.

2.2 There are standard rules that apply to New Zealand resident bulls.

2.3 Special rules apply for overseas resident bulls already registered in another country and that are re-registered into the NZ system.

3.0 Standard rules for semen fee and associated buy out options: (apply to NZ resident bulls)

3.1 A bull can be bought out early from the semen fee for a one-off payment of \$120 plus GST if an application is received by 31 March in the year following the first distribution of semen from the bull. (Early buy-out option)

3.2 A bull can be bought out late from the semen fee for a one-off payment of \$225 plus GST if an application is received by 31 March in the year immediately prior to the proof of the bull becoming known. (Late buy-out option)

3.3 If a buy-out option is not used then a semen fee of 20 cents per straw of semen sold capped at \$7500 p.a. applies for semen sold once the proof of the bull is 60% or greater.

Please note it is JerseyNZ's intention to make you aware of any bulls that require the Semen Buy Out fee to be finalised. We will endeavor to remind you before point 3.3 will come into effect.

3.4 Where a registered, proven Jersey bull has not been administered through the Semen Buy-Out process by the original owner/marketer and is subsequently marketed via a lease/marketing arrangement by a third party, the Third party may apply for a special buy-out option. The buy-out fee will be a special one-off payment of \$150. The bull will be coded to the applicants file accordingly. The late application will be granted by JerseyNZ provided the application is received no later than six (6) months from the time the bull is marketed by the third party.

4.0 Timeline example for semen fee and associated buyout options

Yr	Event for bull	Typical timeline	Semen fee and buy out options	Buy-out deadline
1	Bull born	Apr - Sept	N/A	N/A
	Early registration	Nov - Mar		
2	Semen distributed	Sept - Dec	Early buyout - \$120	31 March
	Early buy out?	Jan - Mar		
3	Daughters born	July - Sept	Late buyout - \$225	N/A
	Late buy out?	All year		
4	Daughters mated	Sept - Dec	Late buyout - \$225	31 March (deadline)
	Late buy out?	By March		
5	Marketed by a third party agreement as a proven sire	Various	Special buy out fee of \$150. Within six months of marketing by the third party	
6	Daughters calve	July - Sept	Semen fee applies at 20 cents per straw capped at \$7500 pa once bull has proof \geq 60% reliability	

Note:

1. The semen fee and associated buy-out options apply to bulls registered after 1 October 2000.
2. If a buy-out option is not used the semen fee is payable on semen sold once the reliability of the bull's BW proof is 60% or greater.
3. It is the responsibility of the bull owner or semen marketer to apply to use a buy-out option before the deadline date.
4. All prices referred to are GST exclusive

4.0 Special rules for overseas resident bulls:

- 4.1 The special semen fee and associated buy-out rules apply to bulls resident in another country and that are already registered with the Jersey Breed Society in that country.
- 4.2 If the bull is registered with JerseyNZ within one year from when his semen is first sold in New Zealand, the semen fee can be bought out for \$0.
- 4.3 If the bull is registered with Jersey NZ after one year from when semen is first sold in New Zealand but before the bull receives a New Zealand proof of 60% or greater, the semen fee can be bought out for \$120 plus GST.
- 4.4 If the bull has a New Zealand proof of 60% or greater before he is registered in New Zealand, then the semen fee per straw of semen will apply.
- 4.5 A registration fee of \$25 plus GST still applies for all overseas resident bulls.

5.0 Frequently Asked Questions (FAQ)

6.1 Why was the Semen Buy Out established?

The semen fee was introduced by JerseyNZ in 2001 as part of the registration process and incorporates 2000 born bulls (born in New Zealand)

6.2 Why does the registration process for bulls differ from the female registration process?

We use a specialised programme called BreedIT to complete the registration of females into the NZ Jersey Herd Book.

There are several additional verification checks made when bulls are registered. These checks enable us to determine the status of the registration and confirm that the bull is of true Jersey type (essential when these bulls are used for breeding in several different ways).

These checks include (but are not limited to):

- Verification of the ancestry for the bull

- Verification of correct recording for the bull on database
- Verification of the breed content for the bull
- Verification of an official TOP & Classification record within two generations of the maternal lineage (refer registration explanation for appropriate years)
- Allocation of a registered name for the bull
- Allocation of the Herd Book section the bull will be allocated to upon registration
- Any and all upgrades of registered progeny for the bull in the future
- Any future upgrades in registration status for the bull

6.3 What does the early buy out fee include?

The Semen Buy out fee covers additional processing that JerseyNZ may have to complete should the bull have semen collected and distributed for use whether within New Zealand or in overseas markets.

Most export markets require a **verified copy** of a bull's **FIVE** generation pedigree and a **covering letter** from JerseyNZ verifying the animal's pedigree and also confirming there are no known genetic defects the bull is known to pass on to its progeny.

When semen is exported to other countries JerseyNZ verifies the bull's status within the New Zealand registration system and, if required, sends examples of progeny registered from the bull in question within the New Zealand system.

6.4 Why didn't you just increase the basic cost of registering a bull to include this fee?

We did not increase the base registration fee to include the Semen buy-out fee for one key reason - *not all bulls registered with JerseyNZ have semen collected and distributed to the wider market.*

A number of bulls are kept as tail end bulls or Herd Sires for members and the process reflects this.

6.5 Who is required to pay this buy out fee?

Any company, partnership or member is required to complete the semen buy-out process if they have (or intend to) distributed semen for other's use.

The rules are constant across the range of users and all fees remain static within that group (that is, there are no differing rates across users).

6.6 Why is the semen buy out fee only eligible for New Zealand born bulls?

Semen from overseas bulls is imported into the country. The bulls are not physically collected here nor are they born here.

The pedigree of an overseas born sire is checked within its country of birth by the relevant Jersey Breed Society.

When the semen is imported, used and subsequent progeny hit the ground, at the time the semen is first marketed JerseyNZ verifies the data supplied by the relevant Jersey breed society and registers the bull into the New Zealand system accordingly (we follow the classification supplied by the country of origin).

6.7 How often is the buyout fee reviewed?

The buyout fee is reviewed each year by JerseyNZ and any changes are circulated at the end of April in any given year.

6.8 How does JerseyNZ keep track of the bulls that have been processed with the Semen Buy-Out Fee?

JerseyNZ maintains a database with all bulls processed since 2001. This is updated on an annual basis when we receive notifications of new bull intakes each March. You may request a summary of the bulls processed under **YOUR** name/business. In compliance with the 1993 Privacy Act we will not share your data with anyone else without your permission, nor will we provide other entities data to you **without their written permission.**