
NHIA News

Herd Improvement Newsletter

Vol. 1 Issue 4 December 2006 (c)

Merry Christmas

'Tis the season to be jolly. And the staff at NHIA are going to have a jolly time over Christmas.

The office will be open until 5:00 pm on Friday 22nd of December.

The table below shows a shaded space against the various days of leave planned by Jenny, Denise and myself.

The office will be unattended between Christmas and New Year. However, Denise will be on duty and contactable by phone or email if you have general queries.

| Day | Date | Chris | Jenny | Denise |
|-----------|------------|-------|-------|--------|
| Monday | 25/12/2006 | P/H | P/H | P/H |
| Tuesday | 26/12/2006 | P/H | P/H | P/H |
| Wednesday | 27/12/2006 | | | |
| Thursday | 28/12/2006 | | | |
| Friday | 29/12/2006 | | | |
| Monday | 1/01/2007 | P/H | P/H | P/H |
| Tuesday | 2/01/2007 | | | |
| Wednesday | 3/01/2007 | | | |
| Thursday | 4/01/2007 | | | |
| Friday | 5/01/2007 | | | |

Jenny will be back in the office after New Years and Chris will be returning on the 8th of January.

The staff and the board at NHIA sincerely thank the member base for your efforts and for the achievements gained during 2006. 2007 is shaping up to be a good year for the Association's activities, despite the challenging trading environment that we will experience.

Merry Christmas to you and our best wishes to your family over the festive season.

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Association
of Australia
Inc

**You can't
build a
reputation
on what
you are
going to
do**
Henry Ford

Classification System for Exports

Since the last drought, the China export heifer trade surged and then has fallen back to lower levels. One of the factors affecting this trade has been the quality of stock supplied, potential issues over the breeds of animals shipped and the confidence of the buyer in the delivered product.

A Significant impediment in this trade has been the unwillingness of exporters to adopt segmentation in the market. That is, exporters have tended to be happy to classify all animals equally and pay the lowest amount for those animals, regardless of their underlying value.

In reality, some overseas buyers are willing to pay higher prices for better quality. They may also be willing to accept lower quality animals, so long as both the buyer and seller know the animal is inferior and that is reflected in the price.

Exporters in beef genetics have developed such a system for classifying animals according to their breeding and participation in Breedplan, the beef equivalent of Herd Recording.

On a 5 point scale from A1 to B2, the buyers define what they want and prices are set accordingly. In reality, very few animals trade in the A1 category—the elite seed stock animals. However trade in A3 and B1 animals has been brisk with buyers and customers happy.

There is a small but growing demand from some buyers for a similar system to work in dairy. The scale has not been defined, but might look something like:

- A1: Elite animals from top studs with full production records and an ASI on the dam, detailed pedigree, good sire, etc

Cont' Page 4

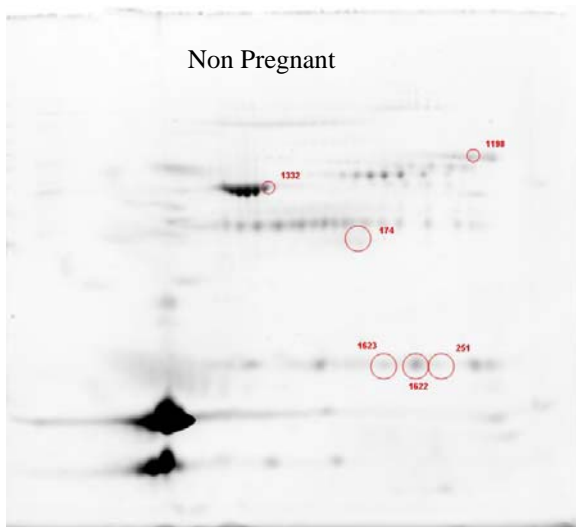
NHIA Invests in New Pregnancy Test in Milk

NHIA has invested in new research to look for markers of pregnancy in milk. The report is expected in March 2007, but to date, some of the results look promising.

NHIA, The Gardiner Foundation and DPI Victoria are partners in a research project looking at changes in the protein fractions of milk during various stages of lactation.

Field scientists at DPI Victoria collected samples of milk from cows in various stages of lactation and from cows that were known to be pregnant and not pregnant. Laboratory scientists at The University of Melbourne removed large proteins like casein (the protein that forms cheese) and lactoglobulins (the major proteins in whey).

Detailed analysis of the remaining "micro" proteins shows at least six proteins are present in the milk of pregnant cows, but absent in non pregnant cows.

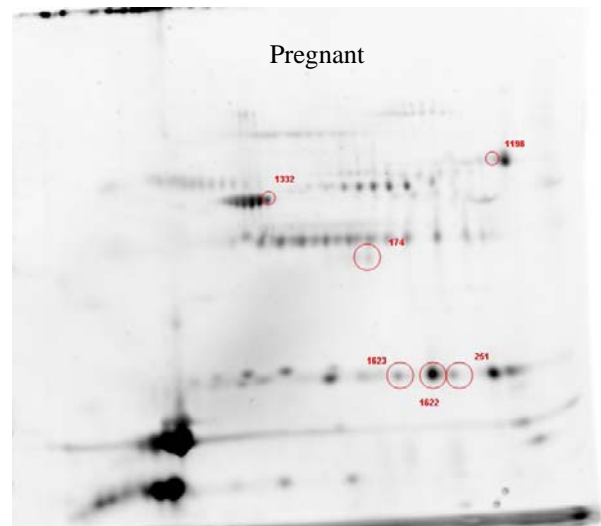


This is early research so far and we are a long way from developing a test for pregnancy. During early 2007, the scientists aim to identify the relevant proteins that can be visualised on the gel pad that enables separation (see images below).

Further work needs to be done on determining at what stage of lactation the proteins appear in milk and when they cease to be present.

It is hoped this research will lead to low cost ELISA tests that enable pregnancy tests to be done on cow's milk during the normal monthly herd test. This potential reduces the requirement for manual pregnancy tests and adds further value to herd recording services.

At Present, three herd recording laboratories have ELISA processing capabilities. This type of assay is not difficult to run and the equipment is relatively inexpensive. It is the sort of assay that can easily be adapted into existing herd test labs.



About NHIA . . .

Interested in any of the material covered?

Call Chris Braniff, General Manager

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**Rowing harder doesn't help
if the boat is headed in the
wrong direction**

Herd Recording delivers 2500 litres per cow

Recently released national data shows that, on average, herd recorded herds produce 6400 litres per cow. Non-recorded herds average only 3900 litres per cow.

The national production figures for the Australian dairy herd were recently released by Dairy Australia. They show that the average herd size has increased to 224 cows and the average production per cow has also increased to 5040 litres.

ADHIS data clearly shows that herd recorded herds average 6400 litres per cow. The table below shows that non-herd recorded cows only produce 3900 litres, on average. 53% of Australian herds use herd recording and 46% of the national herd is recorded. The average size of a herd recorded herd is 192 cows. Non-recorded herds are, on average 262 cows. So, on average, larger farms don't herd record to the same extent.

Why? What do we need to do to make herd recording relevant to larger farms? How do we present production information that fits into the farm's Management Information System such that larger farms find real value in herd recording?

The answer, in part, lies in making the herd test process easier. Three herd test centres now utilise Electronic Milk Meters. Most centres have incorporated NLIS animal identification systems into the way they identify cows and samples and centres are constantly looking to deliver a more flexible herd test system.

It is clear that per cow volume production is not a good indicator for farm profitability. Most farm advisors agree that return on assets and return on equity are the best measures of farm profit. ABARE also uses Farm Cash Income as a reasonable estimator of farm profitability.

ABARE data clearly shows the most profitable farms are in the 5000 to 6500 litre per cow range.

Above this level returns start to diminish. Depending on the feed cost based on dollar per megajoule of metabolisable energy, additional feed costs may be more than the extra value of milk produced.

Back to herd recording: Despite the poor relationship between milk volume and profit, herd recording is one tool used by good farmers to manage their herd. It provides significant direct benefits.

Other differences seen with recorded herds include:

- Butterfat yields are 0.3% higher in recorded herds
- Protein Yields are 0.4% higher in recorded herds
- Herd recorded herds rate 150,000 less somatic cells in the milk.

Clearly, the process of milk testing does not create these differences. The differences accrue when farmers use the information to better manage the herd, cow and udder health, nutrition and culling. It is also commonly understood that better farmers herd record, but would likely have higher yields even without herd recording, because they are better farmers.

So what benefits can accrue from herd recording on its own? That is, what would happen if you took a bunch of farmers that didn't herd record and provided the service as well as some coaching so that they could integrate the data into their management practices? How much gain would you see?

NHIA is developing a model to determine how much benefit would accrue. This model will be developed in collaboration with various experts and stakeholders and is being supported under the Dairy Australia initiative, Advance in Dairy.

We expect to be able to demonstrate significant benefits to the farming enterprise when farmers who have never herd recorded start using the service. This will provide strong evidence that the whole of the dairy sector needs to support the herd improvement industry and will help justify the significant investment required in new herd test technology.

| | National Total | Herd Recorded Herds | Non Recorded Herds |
|-----------------------------|----------------|---------------------|--------------------|
| Number of Herds | 8844 | 4746 (53%) | 4098 |
| Number of Cows (000s) | 1985 | 910 (46%) | 1075 |
| Average Herd Size | 224 | 192 | 262 |
| Average Milk Yield (Litres) | 5084 | 6402 | 3968 |

International Dairy Dinner

Don't forget to RSVP for the dinner.

If you are inviting your international guests to join you, NHIA must have the guest names well in advance.

Failure to provide international guest names will mean that those guests will not receive due recognition. It is up to you to get the names to NHIA.

Classification System for Exports

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- A2: Animals from commercial herds with full production records and an ASI on the dam, detailed pedigree, good sire, etc
- B1: Animals with detailed pedigrees on both sides and sired by a proven bull with acceptable ASI and Type data
- B2: Animals with a pedigree on one side only
- C: Animals of unknown parentage, but true to type.

Recent activity in the market may follow a system very similar to this. It is likely the local buyers will have a schedule where they are happy to pay the farmer as low as \$700 for C class stock and upwards of \$1250 for A2 class stock.

This sort of trade would rely significantly on the local HI centre helping the buyers identify stock and charging a spotters fee for the service. Certification can be done through the herd testing centre.

It is likely that this system would be less prone to the corruption and falsifying of parentages that are rumored to exist in some sectors. If a real fee is paid for properly certified production data, it is in the HI centers' interest to ensure only valid certificates are issued—otherwise, the whole trading system is jeopardized.

To be involved in export stock procurement, call Chris at NHIA, 0438 347 451.

You Are Invited!



Please join us at
**The NHIA
 International Dairy Dinner
 for an Australian style BBQ**

The NHIA International Dairy Dinner is an opportunity for guests to relax with friends from around the globe during International Dairy Week.

Dinner commences with Happy Hour where the drinks are complimentary thanks to NHIA. During Happy Hour, BBQ styled finger food will be circulated.

Happy Hour will be followed by prawns, fish and steak from the BBQ, together with salads & sides then followed by dessert,

Details

Venue: Parklake Sundowner Hotel
 481 Wyndham Street
 Shepparton

Date: Tuesday 16th January 2007
 Time: 7:30 pm
 Cost: \$49 plus GST

RSVP

Strictly 29th December, 2006
 Jenny@nhia.org.au or fax 03 9328 3092

For more details, please visit
www.internationaldairyweek.com.au

