
NHIA News

Herd Improvement Newsletter

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Past CEO gets recognised

Mr Jim Saunders, past CEO of National Herd Improvement Association was recently awarded the Order of Australia Medal (OAM).

Bestowed on Australia day this year, the Medal was awarded in recognition “For service to the Dairy Industry particularly through industry reform and to Agricultural Education”.

Jim and his wife, Val, are understandably very proud of the award, for which they did not know Jim had been nominated.

An image of the medal is included below.

As CEO of NHIA from 1993 to 2005, Jim oversaw a reformation of the Association and ensured it had a strong base on which to operate.

The board and membership at NHIA thank Jim on his contributions to the industry and congratulate him as a worthy recipient of this award.



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the
National
Herd
Improvement
Association
of Australia
Inc

**The roots of
education
are bitter -
but the
fruits are
sweet
Aristotle**

New Member Profile

Dairy Beef Alliance recently joined NHIA as a full member.

Currently based in Benalla, Dairy Beef Alliance is a distribution business for Wagyu beef semen for use in Holstein cattle. Appropriately fed, Holstein Wagyu cross progeny grow out to make ideal carcasses of fine textured and consistent marbled beef.

This beef is highly sought in global markets and is developing a stronger franchise in the local Australia market.

Part owned by Gerry Harvey of Harvey Norman, Dairy Beef Alliance plans to build a dedicated meat processing facility in Wangaratta. This will ensure even better control of the processes from semen collection and transport, calf rearing, feedlotting and processing.

Dairy Beef Alliance operates a quality system that ensures business processes are tracked. For instance, all batches of semen are tested at Sydney University with morphology, motility and sperm count and consignments that pass have in the order of 25-35 million sperm per straw. This is well above the level of approximately 6 million sperm for maximum fertility.

The reason Dairy Beef Alliance are so concerned about sperm quality is that they are after the progeny. The sale price on the sperm is low which shows they are not looking to make money from the semen—they want high conception rates to feed the ever increasing demand for Wagyu beef.

Dairy Beef Alliance joined NHIA, in part, to participate in our Semen and Embryo Handlers Accreditation program. They are keen to show they have systems that can delivery quality—every time.

Staff Safety is the Employer's Responsibility

This article does not constitute legal advice and the reader is advised to seek independent advice from a suitably qualified source.

Workplace health and safety issues continue to gain prominence in the administration of businesses, whether they are large or small. This is the result of society's expectations to be able to feel safe together with the legislation in various states that is becoming increasingly onerous on employers.

One recent query from a member was, "Who is responsible if my staff member gets injured on farm, the farmer or me?"

NHIA subscribes to an Human Resources (HR) advisory service. They employ HR lawyers but most of the queries are handled by a lady with a masters degree in HR and industrial relations.

Anyway, NHIA raised the question about who is responsible for staff safety when they go onto farm. The following is a summary of her response.

The farmer has a normal duty of care to provide a safe working environment and facilities that are suitable for the purpose of animal restraint, staff protection, etc, etc.

However, the employer of the staff member is responsible for the safety of the staff. That is, if your AI tech injures himself on farm, work cover will come looking for you.

In this regard, normal Occupational Health & Safety (OH&S) policies and procedures are your best course and therefore, you should do the following:

- Ensure that you have an OH&S Policy and that the policy covers on farm activities.
- Ensure that the policy has been given to every

staff member.

- Ensure that the policy is clearly visible in a common area (like the tea room, etc).
- For the on farm component of the policy, you can't describe every possible event, so you have to generalise with language that your staff can reasonably be expected to understand.

You do have to be explicit that the policy says something like: If the facilities are not satisfactory or the work space represents a hazard, staff are instructed to refuse to perform work in that environment until the area is safe.

The legislation is deliberately very onerous on the employer. However, your best defence is if you can show that you have taken all the necessary steps to ensure staff know that they must not work in dangerous situations.

If a staff member knows the policies but chooses to act in a dangerous manner and becomes injured, they may be deemed partially or substantially responsible.

NHIA has a range of policies and forms that may be appropriate to use in your business. These include:

- OH&S Policy
- Incident and Accidents Forms
- Equal Opportunity Policies
- Harassment and Bullying Policies
- Etc, etc.

Many of these policies were written in conjunction with an HR lawyer, Angela Costin of Aitken Walker & Strachan. For more specific advice, Angela can be contacted on 03 8600 6000.

NHIA is working to become an accredited trainer so we can offer free (or cheap) OH&S training on site.

About NHIA . . .

Interested in any of the material covered?

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NHIA Member Survey

This month, NHIA sent an email to the member base asking a few short questions. We received responses from 50% of the members and some reported that the survey was easy to do given that it was so short.

A full report will be included in next month's NHIA News, but some snippets are:

- 86% of respondents are happy with the newsletter
- 43% of respondents had business activities as Other (this reflects the diverse member base)
- 70% of members thought entertainment at the AGM dinner was not important

How do farmers get their Genetics Advice

Each year, the dairy industry runs a survey of dairy farmers and the last survey had about 1300 responses.

Most of the 70 odd questions are about production levels, heifer & cow numbers, herd intention and likelihood of staying in dairy. In large part, the survey informs the milk processing plants what the likely supply of milk will be over the next three years. Presumably they can adjust prices to maintain supply to fill forward market projections.

In the most recent survey, we were able to get a few questions included which were about genetic selection and herd recording. The following is a brief summary of the findings.

16% of respondents said they didn't use AI! Given that genetics provides 35% of all profitability gains and the average ASI of the bulls of natural matings is below zero, this high number is of concern.

Of those that did use AI, 42% said their main source of advice of which semen to purchase came from their local semen retailer. 19% said they take advice from their semen wholesaler representative and 12% used mating programs. Since these mating programs are often provided by the wholesalers, their influence might be greater than the 19% stated.

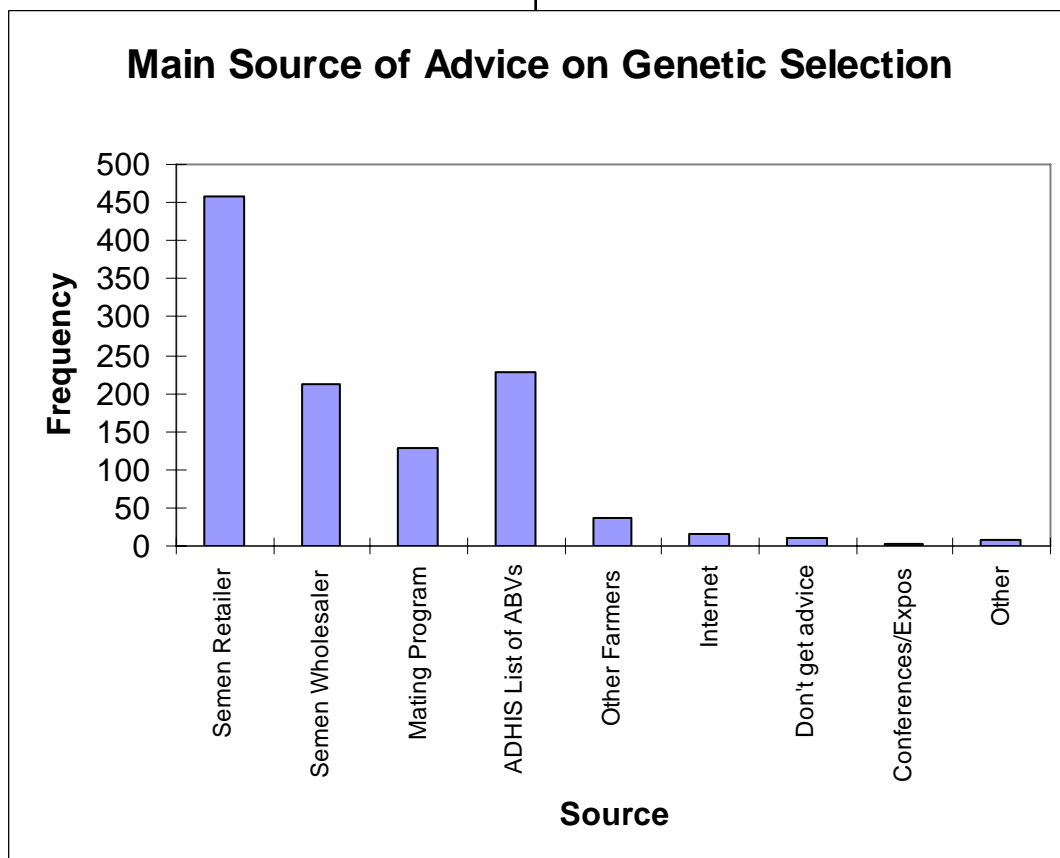
21% of farmers use the ADHIS tables of ABVs as their main advice. After that, it thins out (see table below). Only 0.2% of farmers take advice from what they hear at conferences and expos. The message here is there is no value in sponsoring a genetics expert at conferences.

Most farmers answered the question a few times with as many as 7 responses from some. When you look at all these responses, 66% of farmers took some advice from retailers, 53% from wholesalers and 60% from ABV lists. 22% took some advice from mating programs.

There was one only question on herd recording, "Do you herd record?" The fact that 67% of respondents said yes shows there is uncertainty in the data. We know that only 53% of farmers herd test. The 67% figure may be because of bias in the people who responded, it might be because those that spot test said yes or it might be that the farmers that keep good herd records said yes, even if they don't herd test. In reality, its probably a bit of all three reasons.

The real interesting thing from this question was the 3% to over 5% of respondents in various areas who said they were 'thinking about it'. This begs the question that if there is latent demand in the market, why aren't we out there fulfilling it?

21% of farmers said they did record, but have stopped. That number is consistent with the trends we have mapped in the last 10-15 years. 9% had never herd recorded.



Herd Recording: What it really costs

By Geoff Potts (Originally printed in the Northern Dairyfarmer Magazine) (Feed and milk prices based on NSW data)

With the continuing dry weather and margins becoming smaller, many decisions are being made as to what expenses can be trimmed. Often farmers look at herd recording as an expense when it is really an investment in the farm's future.

From a cross sectional analysis of a range of different dairying operations, the actual cost of herd recording without using a contractor is about 0.30 c/l and for herds using a contractor with average production levels, around 0.50 c/l.

Actual costs taken from a cross section of herd sizes and production levels at Dairy Express in Armidale are included in the table below.

So for an investment of 0.3 to 0.5 of a cent per litre what can be achieved?

- Increasing the base milk price by 1.5 to 3 c/l by achieving factory cell count bonuses,
- Benchmarking minimum production levels each month to cover costs such as feed costs through identifying cows that are not covering preset cost benchmarks,
- Use of fat and protein tests to improve feed and animal management decisions and genetic selection,
- Using the lactation curve report to make more informed decisions when preparing budgets and cash flows and to enable better tracking of actual production against predicted production.

For example, if dairy meal costing \$390 delivered or 39 c/kg is fed at 8kg per cow per day that equates to \$3.12 per cow per day and if purchased hay costing \$350 per tonne landed or 35c/kg is also being fed at 5kg per cow per day this equates to \$1.75 per cow per day. As such, total purchased feed costs equates to \$4.87 per cow per day. In this example, assume the average price is 38c/l. A breakeven production would be 13 l/cow on purchased feed alone without home grown feed being costed into the equation. This approach is important with the cost of purchased feed during the drought constantly changing.

Herd recording gives you a more accurate picture of how individual cows are performing, rather than relying just on days since calving for making management decisions. By identifying the cows that are not covering the cost of purchased feed early and taking them out of the milking herd, the remaining cows in the herd have more home grown feed available.

If 10% of cows are not covering the cost of their inputs in a herd of 200, these 20 cows would be eating 7 to 10 kg of pasture dry matter per cow per day. The 140 to 200 kg of pasture DM when spread over the remaining cows gives them the potential to eat 0.7 to 1 kg in extra DM with the potential for an extra 0.5 litres per cow per day and across 180 cows at 38c/l that equates to an extra \$31.50 per day plus the saving of \$97.40 per day on the 20 cows purchased feed.

As can be seen from the above example, Herd Recording should not be seen as an expense but an investment in the farms future.

If you have any queries in how you can use herd recording to improve your bottom line I can be contacted at any time on (02) 6773 5242 or 0409 874 019.

Geoff Potts, Operations' Manager at Dairy Express

469 cows	6900 litres/ cow	3.2 million litres/year	469 cows @ \$13 = \$6,097 + Contractor @ \$2,035 = \$8,132 year	Cost to test = 0.25 c/l
700 cows	6500 litres/ cow	4.5 million litres/year	700 cows @ \$1.40/test X 11 tests = \$10,780 + MISDI X 11 tests = \$110 + Contractor = \$2,750 = \$13,640 year	Cost to test = 0.3 c/l
120 cows	4500 litres/ cow	0.54 million litres/year	120 cows @ \$13 = \$1,560 + Contractor = \$1,860 + Herd Management = \$360 = \$3,780 year	Cost to test = 0.7c/l
70 cows	5000 litres/ cow	0.35 million litres/year	70 cows @ \$13 = \$910 + MISDI X 11 = \$330 + Contractor \$770 = \$2,010 year	Cost to test = 0.57 c/l
100 cows	3500 litres/ cow	0.35 million litres/year	100 cows @ \$1.40/test X 11 tests = \$1,540 + Herd Management = \$330 + Contractor = \$1,100 = \$2,970 year	Cost to test = 0.84c/l