Fonterra unhappy with new levy imposed on exports to the US PAGE 3







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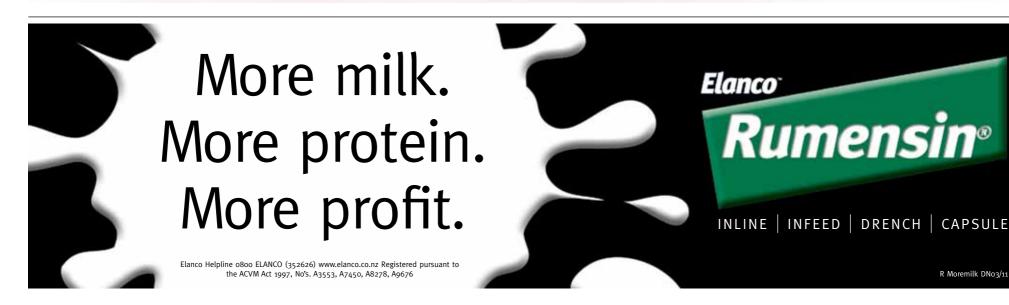
PAGE 7

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TOO SLOW?

Milk price probe catches industry off guard **PAGE 4**



















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NEWS





Full coverage of Dairy Business Conference

Pages 5, 7, 9



Farmers praised for helping keep Rotorua lakes clean



Feedpad shelters allow herd sizes to increase	Page 28
News	3-17
Opinion	
Agribusiness	20-21
Management	22-24
Animal Health	26-30
Animal Breeding	
Machinery & Products	

SUDESH KISSUN

FONTERRA EXPORTS to the US will from August 1 attract a new levy championed by US dairy farmers but opposed by global exporters.

The levy of 10c/cwt (45.5kg) on all dairy-based imports into the US will help pay for dairy research and consumption.

US dairy processors and marketers also oppose the levy, fearing a backlash from their export markets.

Fonterra says the levy will directly impact its cost of exports to the US, and sets a precedent when most countries are looking to open trade barriers.

"It is particularly hard to understand when the US itself is a net exporter of dairy products, and the third-largest dairy exporter in the world, and so has more to gain from removing trade impediments than from imposing them," a Fonterra spokesman told *Dairy News*.

The co-op says exporters in New Zealand, Australia, South America and the EU oppose the levy on the grounds it discriminates against imports.

After 10 years lobbying by the National Milk Producers Federation (NMPF), the final ruling was released last month by the US Department of Agriculture (USDA). It levies cheese and butter products, and dry ingredi-

ents such as casein and milk protein concentrates.

US levy eyes 'free riders'

The National Dairy Board will collect the money for nutrition research, consumer education, 'issues management' and building demand for dairy consumption.

"Foreign dairy products profit from our market but rely on US dairy farmers to promote it."

– Jerry Kozak

NMPF chairman Jerry Kozak says when the national dairy promotion programme was set up in 1983, imports were a smaller portion of domestic consumption. But times have changed, he says.

"Import shares have grown as a portion of the entire domestic US dairy market, which has also grown.

"US dairy farmers have spent billions over 27 years to build a compelling case for the consumption of cow milk in its various forms.

"Importers of foreign cheeses, as well as specialty ingredients, have benefitted from the huge surge in per capita cheese consumption. Yet not a single dollar has been spent by importers to help these efforts."

Kozak says dairy importers are "the classic example of the free-rider phenomenon".



Jerry Kozak

"Foreign dairy products profit from our market but rely on US dairy farmers to promote it.

"In two successive farm bills Congress has said it's time to end this free lunch for foreign dairy interests."

But US dairy manufacturers and marketers oppose the levy.

The International Dairy Foods Association, representing processors, is concerned how other countries will respond.

Top 20% farmers show the way

SUDESH KISSUN

NEW ZEALAND'S top 20% of farmers do things differently and make \$100,000 more annually than others.

Data collected by DairyBase shows the top 20% of farmers operate leaner and smarter to ensure they drive operating expenses down and profits up.

Statistics show for every cent/kgMS saved on basic expenses, the average dairy farmer would add \$1200 to their bottom line each year.

DairyBase manager Adam Barker says operating costs have a huge impact on a farm's

profit.perhaps suOn average during thecauses the g2008-09 season, the most profitable 20% of New Zealand'sitable ones.

dairy farms spent 84c/kgMS less on operating expenses than the country as a whole.

"For the average New Zealand farm that's worth about \$800/ha or about \$100,000 per year in operating profit.

"What is important, and perhaps surprising, is what causes the gap between the average farms and the most profitable ones. "The data show it isn't region or farming system or herd size.

"It is management within your farm system that makes all the difference. If you have a good understanding of your farm business, you can then target expenses to manage them down and drive profits up."

Full report on page 13.



Dr Mike Hutjens



Page 14

Dairy Extension Specialist University of Illinois, USA

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No need for milk probe

PETER BURKE

DAIRY INDUSTRY leaders see no need for an inquiry into milk prices. They link the rise in domestic retail milk prices to global markets now paying near-record prices for dairy products.

A consumer backlash, fuelled by politicians and urban media, has prompted the Commerce Commission to investigate fresh milk pricing. This has led to suggestions the dairy industry should have spoken up publicly to counter consumer concerns about milk prices.

Fonterra chief execu-

tive Andrew Ferrier says he can't see a need for the inquiry because the clear.

"Anyone is welcome to look into the system. It's clear what the system is," he told Dairy News.

When looking at the issue of local milk prices, one has to look at milk prices over time.

track the world market and at times when they go up consumers feel the squeeze.

"But generally when world prices go up you see margins going down on the processing and selling of liquid milk and

that's what you're seeing now.' Several speakers at

system of pricing milk is a dairy conference last week at Rotorua, including Professor Jacqueline Rowarth, Massey University, criticised the inquiry, saying milk in New Zealand was cheap and represented good value for money.

Ferrier points to Fon-"Milk prices always terra Brands taking its margins down to buffer the high cycle of the dairy market. "But the reality is it's a

cyclical market. "The world is buying

dairy products on that market and New Zealand is no different from any-

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one else in the world. So sometime dairy products will be more affordable and sometimes less affordable.'

It's not the role of the government to subsidise an agricultural product, Ferrier says. Rather their moves to free up international trade will create an environment with less volatility and more stable

prices. Meanwhile DairyNZ chief executive Tim Mackle acknowledges some people in New Zealand are suffering in the present recession and economic environment. He agrees any price increase, including food, makes

life hard for consumers. But the issue is straightforward – a reflection of international markets.

Mackle says the situation is no different from that of oil. It's a myth that, because New Zealand is a big food producer, domestic prices should be low.

But milk still represents excellent value for money, he says. "We're talking about a nutritious food. To compare it pricewise with water or soft drinks is nonsensical."



Storm in a milk cup... industry leaders are playing down the inquiry into milk prices.

Is it a smokescreen?

ANDREW SWALLOW

CALLS FOR a Commerce Commission inquiry into domestic milk prices are an attempt to influence a review of the Dairy Industry Restructuring Act, says the Fonterra Shareholders Council.

Some of the calls come from competing processors, all or part-overseas owned, council chairman Simon Couper told Dairy News.

"These independent processors require DIRA milk and it's in their best interests to pay as low a price as possible."

Most of such firms' profits are distributed overseas which is not good for the industry, he says.

"We have thousands of small and medium-size [dairy farm] businesses subsidising overseas-owned big businesses that compete against us."

Couper wouldn't name the companies he believes have complained to the Commerce Commission, nor would the commission reveal complainants.

But a commission spokeswoman confirmed to Dairy News "other dairy industry participants" have called for an inquiry, as has Consumer New Zealand which has makes no secret of its complaint.

At this stage the commission is markets will be considered.

only examining the case for an enquiry; no timing is referred to. "We're looking at it in a bit more detail to ensure the 'i's are dotted and 't's crossed."

Commission chairman Mark Berry says pricing inquiries are not undertaken lightly.

The spokeswoman told Dairy News only two have been done previously: one into gas distribution which resulted in a recommendation to the Commerce Minister being implemented; the other on international airports where a recommendation to regulate wasn't implemented.

Goods or services may only be regulated under the Commerce Act if there is little or no competition and the benefits of regulation outweigh its cost

The commission says with milk there are potentially three market levels to investigate: supply of raw milk to processors, manufacture and supply of milk products, and retailing of milk products.

"The commission intends to review the operation of each of these levels and consider whether it should hold a price control inquiry," says Berry.

DIRA legislation, competition between the two major town milk processors and between the main super-

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Westland launches farm code

WEST COAST cooperative Westland as Dairy NZ and the regional council, looks set to steal a march on its na- will cover all areas of best practice tional big brother by launching a contractually binding code of practice to tive Rod Quin. Westland last week its members.

The code, developed in consultation with the board, a working group fluent disposal requirements on its of other suppliers, and bodies such supplier farms.

farm management, says chief execuannounced a 93% compliance rate with West Coast Regional Council ef-

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DAIRY BUSINESS CONFERENCE

'Don't sell to foreigners'

PETER BURKE

MAORI MONEY is better than Chinese because it's there for the long haul in farming, says Tuku Morgan, Tainui.

Referring to the iwi's joint bid with Landcorp for the Crafar farms, Morgan insists the farms should not be sold to foreigners.

"The difference is we're there for the long haul. When we buy farms we will never sell because they will be passed down as an investment for those coming after us. Whereas there is no guarantee of that nature from foreigners who come to this country to buy our land," he told the Dairy Business Conference in Rotorua last week.

Morgan says Kiwi need not fear Maori economic power because they are working for the prosperity of the nation.

duce the huge numbers of our people de- help me financially."

pendent on the Crown by way of benefits. We build wealth, not for personal gain but so we can enrich and enhance the lives of our people.'

Meanwhile Allan Crafar's son Glen savs he's been told come June he'll be out of a job as sharemilker on a Crafar farm at Reporoa

He told Dairy News the receiver sacked him. His father Allan suspects the reason is "the wrong last name".

Glen says he can't understand why he's been sacked because he lifted production on the farm and it complies with environmental standards.

Allan Crafar and his family, attending the conference, mingled freely with delegates and chatted to many guest speakers.

He says he'd like to be back in the industry and is frustrated at not working a farm.

"I've had a lot support from people. They "We are trying to use our wealth to re- say they're thinking of us, but that doesn't



Name change removes 'negativity'

PETER BURKE

NEGATIVITY OVER the words 'large herds' prompted the conference name change to Dairy Business Conference from Large Herds Conference, says the event chairman.

Canterbury dairy farmer Bryan Beeston says people have become sensitive to certain words. "In the old days we had 'milk fat' and we changed that to 'milk solids'. It sounds better and it is better.

"So with large herds the first thing people would ask was 'How many cows do you have to own to come along?

Now it's about being a successful dairy farmer. Beeston says 42 years ago the conference was set up by peo-



Conference chairman Bryan Beeston with farmers David and Linda Last, Woodville.

ple increasing cow numbers from 300 to 400 and 500.

"But now most New Zealand farms

or an 800-cow farm in Southland. The world's changed so the negativity of large."

themselves which you can't do today. "The modern farm employs staff we're trying to get away from and they work 50-hour weeks, with annual holidays. When I started in the

"Whether it's someone milking three farms of 250 cows or an 800-cow farm in Southland. The world's changed so we're trying to get away from the negativity of large."

'business of dairying' and the objective is to bring the conference into the 21st century. Dairy farming is now a business; gone are elements of lifestyle.

"The lifestyle was when you and have large herds. Whether it's some- your wife milked 150 cows. The kids one milking three farms of 250 cows were at home playing in the house by

The conference is about the industry, we had one weekend off per month."

> Staff are rostered and farming has become a job like working in a supermarket.

The challenge is to attract the next generation of farmers, hence the conference name change to attract young people.

Keep farms in check

PETER BURKE

THE HEAD of DairyNZ is warning dairy farmers: watch your environmental footprint.

Opportunity abounds for more dairying on existing and new farms, says Tim Mackle. But taking that opportunity requires farmers to demonstrate they are dealing with their environmental footprint.

He concedes the recent 'report card' on the Clean Streams Accord was not a good look for dairying in some regions. Serious non-compliance on effluent management had increased in some regions including Waikato.

"It is important to point out effluent itself is not a huge contributor to our footprint. It's a kind of Achilles heel a visible thing captured in people's minds.

"It's something we've got to get right and we're making some progress."

Huge effort is being made to deal with the effluent problem and results are starting to show, Mackle says. The big issues are nitrogen loss and water quality.



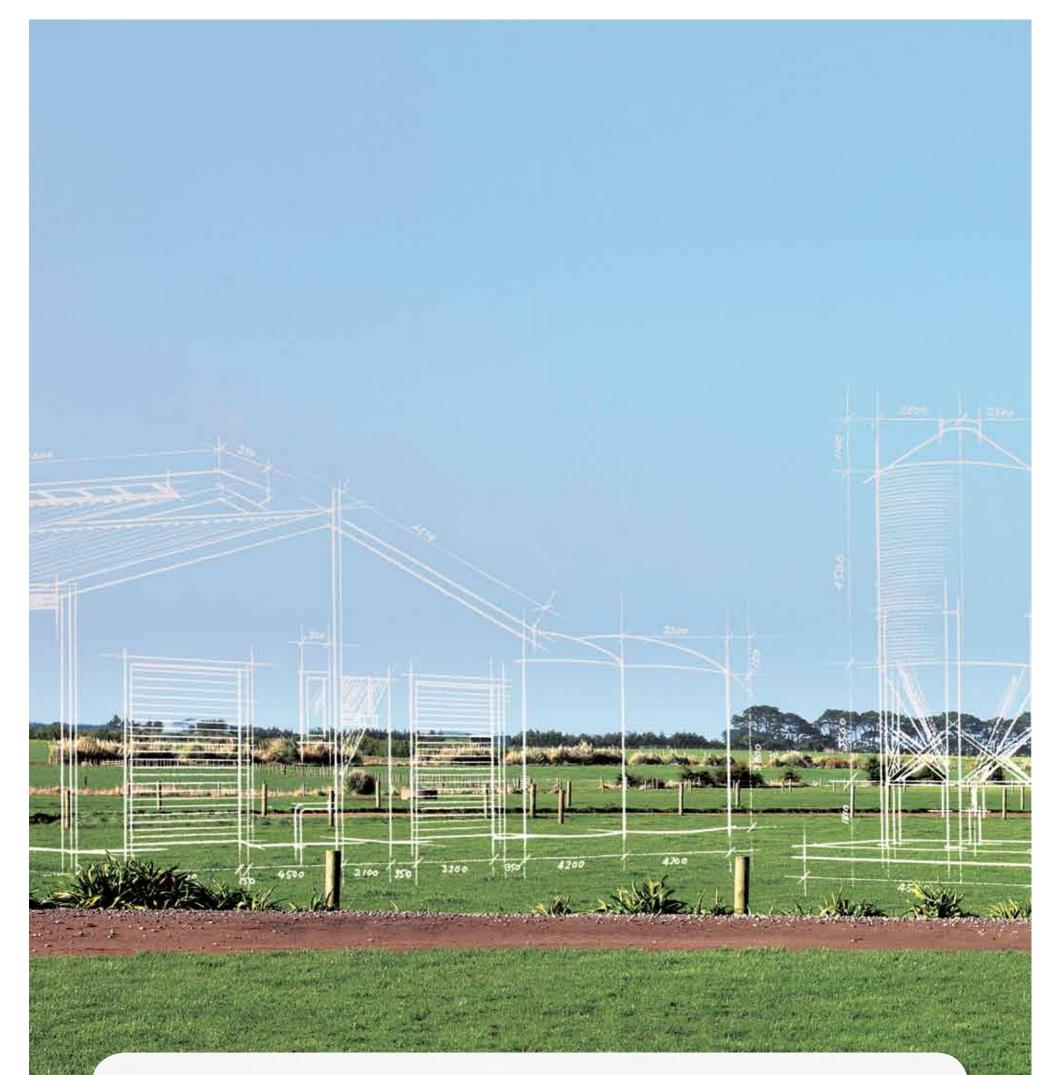
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DAIRY BUSINESS CONFERENCE

Investing more offshore

PETER BURKE

STRATEGICALLY, NEW Zealand should invest

more in overseas dairy farming says Fonterra exdirector and farm investor Mark Townshend.

Even while a Fonterra director he strongly advocated farm investment offshore, he says.

"Part of the reason I stepped down from the Fonterra board was because I was so committed to the global farming concept in a private capacity. There's a huge opportunity for Fonterra, its shareholders and New Zealand citizens to become more aggressive in global dairy farming."

New Zealand should capitalise on the worldwide demand for food, especially dairy products, Townshend says. And Fonterra, with its size and credibility, is able to invest in some developing countries - places difficult for private companies to invest in.

Many New Zealand dairy farmers are still suspicious and unhappy about New Zealand investing in global dairy ventures, he says.

"It would be great if a New Zealand farmer, when he became a Fonterra shareholder, could set some money aside and travel the world seeing for himself some of the opportunities that exist for dairy products and investments."

Townshend's belief and confidence in investing overseas began modestly, when in 2005 he and some farmers bought a 200ha farm in Chile. Six years later it is a 22,500ha operation with 22,000 milking cows and sufficient land for 52,000 cows producing 260 million litres of

nuka, owns farms in the Orsorno region 950km from the capital Santiago. The area resembles New Zealand in having high rainfall and fertile volcanic soils which grow grass well.

Townshend says Chile ticks all the boxes 'agronomically' for pastoral farming: economics, political stability and free trade agreements.

"The ability to have some bank debt there, a tax agreement with New Zealand and free flow of capital are all positives re deciding to invest there."

Modelling to assess the operation was based on achieving New Zealand levels of productivity. "There is potential to grow 5-15% more feed than we can here."

He points to the advantages of a pasturebased operation. "Most New Zealand farmers appreciate we have a lower cost of production than our feedlot cousins in other parts of the world, so grain prices largely set milk prices because 90% of the world's milk is produced on grain."

Milk from the farms goes to five companies, one a Fonterra subsidiary, Soprole, which takes 60% of the milk, mostly for the rapidly developing ingredients market.

Critical to the Chile venture's success has been the ability to replicate the New Zealand pastoral model. "We've got experienced directors, outstanding management and skilled, passionate farmers. Interestingly we haven't had any nasty surprises."

Also helping drive profitability has been low land prices. "Investing in Chile today is like investing in Southland in 1995."

Townshend and his fellow investors are in it for the long haul. As yet "There's a huge opportunity for Fonterra, its shareholders and New Zealand citizens to become more aggressive in global dairy farming."

the Chile farms are not operating as efficiently as those in New Zealand.

But their return on equity would equal New Zealand's top 10%. Improved

genetics and tighter calving patterns are expected to lift returns.

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Former Fonterra director Mark Townshend supports offshore dairy investments.



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IN BRIEF

Leferink to stand

FEDERATED FARMERS Dairy vice chairman Willy Leferink appears ready to put his name forward to head the section and probably gain a seat on the Feds board at its June annual meeting.

Leferink, who has interests in six dairy farms in mid Canterbury, says members are pushing him to take the role. But a few issues need discussing.

He has been involved in Feds for about 12 years and has worked his way up from provincial to national level.



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"We've always dealt with Ballance too. Dad did and I saw no reason to change. There's a lot to know about fert and I've

"This season, we're renovating about seven hectares. I've already given Grant a budget and I'm working with George on seed variety. I know their advice will be up-to-date and they're always available."

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DAIRY BUSINESS CONFERENCE





Volatility here to stay

PETER BURKE

THE DAYS of declining dairy prices are over, but not market volatility, says Trade Minister Tim Groser.

New Zealand dairying's overall prospects are excellent - with one proviso.

"Though a rising tide lifts all boats, people still drown on a rising tide. So people must be careful about debt, have the right balance sheets and use the right technologies."

Groser says market volatility requires people move forward with a mix of "confidence and prudence".

"But looking at the

future, compared with what I've seen for 20 years, it's much more promising."

Because New Zealand doesn't produce sufficient factors tell us this is an volumes of dairy products it must stay focussed on the high-value end of markets, he says.

"But there's a place for a market for New Zeahigh quality, safe, commodity products from New Zealand which are driving the development of the China market. In other markets, such as America, it's all at the high end. We can't supply enough milk for the world so it's a matter of finding the right niches."

Groser says Belarus is beginning to impact the international dairy mar-

'Work with us'

TUKU MORGAN of Waikato Tainui wants the big legions, such as Fonterra and DairyNZ, to develop formal working relationships with Maori.

He says such formal relationships do not exist at a political level. Once this happens there can be a cascade of other relationships at operational levels.

Generally, non-Maori do not appreciate the scale and success of Maori agriculture, Morgan says

"Maori agriculture is a sleeping giant as is Maori economic power. I don't think there is full awareness of the potential the Maori agricultural sector can bring to the overall picture. I believe non-Maori don't understand what value and benefits Maori can offer.

"We share love of the land, we want to pass on our farms to those who come after us, but we have to be sustainable in our farming practices. So issues of water quality and looking after the environment are major."

Morgan says Maori cultural values and farming practices concerned with looking after the environment hugely benefit all New Zealanders.

The scale of Maori innovation and creativity in farming is just starting to unleash itself, Morgan says.

Chris Murdoch

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ket as an emerging power not far behind Australia in its share of the world trade in cheese. "This and other

unexpected but interesting development." Groser is uncertain whether Belarus could be land and says his job is to allow entrepreneurs from New Zealand to exercise "freedom of choice" in what they do.

Zealanders would see opportunities to work with this emerging power is for the future. My job is to remove the barriers

"Whether New

to that."

He reminds dairy farmers they must ensure the industry improves its environmental footprint if it is to retain overseas markets.

Farmers know this, he says. "I just want to encourage them to continue in this direction."

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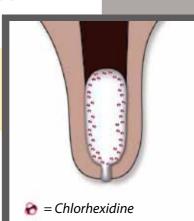
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NEWS

Hard questions on TAF

ANDREW SWALLOW

FONTERRA SHARE-HOLDERS still have

many questions about Trading Among Farmers and they need answers fast if the initiative is to succeed, says a multiplefarm owner and former Fonterra board candidate from Southland.

"The main issue is farmers have little if any understanding why Fonterra requires \$500 million in liquidity and they've found it hard to get that explained to them," Maurice Hardie told Dairy News.

Meanwhile financial investors and market commentators say the unit fund needs to be on at least that scale to attract them. Consequently there's a "disconnect", says Hardie.

"Farmers are thinking one thing but the rest of the world is thinking something quite different. There lies the disconnect."

The other question financial investors have is why should they risk

their equity if they have no representation.

Hardie says a discussion with a dozen or so farmers on the subject found a concensus that they wouldn't be putting shares into the fund unless it offered a better return on their capital than they could find elsewhere.

With no guarantee of that, the whole scheme risks failing because of a chicken-and-egg situation: farmers won't release shares because they're not confident of returns, meanwhile investors won't buy in because they don't believe there'll be the necessary volume

"What farmers need more than anything is clarity on what happens if they don't invest shares in the funds."

go on the mandate given to the board by last year's shareholder vote, Hardie says TAF may also run out of time, especially as necessary legislative changes could fall victim to a tight, election- and quake-curtailed parliamentary programme. "And a new parliament is always slow to get into gear," he notes.

the main reason TAF is needed, Hardie points out there is already a tool in Fonterra's constitution to deal with that.

for a liquid market.

With only one year to

If redemption risk is

"So I question whether "That's the option for

the board, to issue capital notes, an equity device meaning they would not have to repay suppliers if there is a run on the business of more than 5% of its value."

At present that would be about \$35m.

they have ever used the

correct methodology in the past."

Hardie's own view is TAF is a strong concept, but the downside is it goes against many shareholders' stated view that they do not want non-farm investors gaining any form of

Maurice Hardie

control.

WestfaliaSurge







ANDREW SWALLOW

INTERNATIONAL DAIRY prices keep easing despite record highs for corn, the main feed stuff in the US industry.

Last week's globalDairyTrade (gDT) auction was back 2.4% at

\$US4280/t on average compared to the previous sale's mean, itself back 8.2% from the March 2 high of \$US4826/t.

Over the same period currency climbed from US73c/\$NZ to US76.7c, exacerbating the drop in New Zealand dollar terms.



However, ASB chief economist Nick Tuffley says prices are still at "a very solid level" and is confident \$7/kgMS is still on the cards for next season.

"We expect some moderation in prices as [dairy] supply conditions in the world gradually improve. In the developed economies these high prices will reduce demand and that puts a cap on prices."

While the corn price "should, in theory, slow growth in US supply a little, what's been fascinating is despite [high feed prices] and culling herds the US supply has remained fairly solid."

Tuffley says a crash like 2007-08 isn't likely.

"We expect next season's payout to be a bit down on this year's but still high. A lot of it does come down to the currency being a bit higher. That's offsetting the extent to which dairy has lifted."

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System cost myths busted

The recent International Farm Management Congress at Methven heard a suite of dairy-specific papers. Andrew Swallow picked up on a couple from the ANZ, Massey and Lincoln Universitysponsored event.

NO MATTER how you do it - high or low input dairying in New Zealand achieves a similar level of return on assets via all systems, says Massey University professor Nicola Shadbolt.

She analysed 600 farms' DairyBase figures for 2006-07 to 2008-09

and found, contrary to frequently expressed views, high input farms "don't lose control of costs as they go into these systems.'

"So the concern people have that as we move to more intensive systems we are going to lose our competitive advantage is

refuted by these results. The cost advantage is still there. That's when you include opportunity cost of capital as well," she told conference delegates.

Problem is many other figures are used in the system debate, which "is ongoing and unfor-

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says high and lows input systems achieve similar returns

tunately often fuelled by misleading metrics." For example, production figures per hectare and stocking rates.

"These are the numbers so often quoted. What's your milksolids per hectare? What's your stocking rate? Beware: misleading metrics."

DairyBase economic farm surplus or operating profit figures show system-four farms, as defined by DairyNZ's classification system, outperformed systems one and two in 2006-07 and in 2007-08 systems four and five outperformed systems one, two and three.

"So if you're just looking at operating profit per ha – and some in the industry suggest that's all you should be looking at – you'd be saying out of those two years surely it's a no-brainer. You'd be looking at an intensified system to achieve the best profit."

But in 2008-09, "the year from hell when prices dropped halfway through the season and most of us had locked in our costs well in advance," there was no significant difference in EFS or operating profit between systems. "So you could still

conclude that, apart from a year from hell that doesn't appear every year in farming, out of those three years you'd be better offer doing system four or system five."

But the "real metric" to look at is return on capital or "assets", she stresses, and that shows no difference between any of the five systems in 2006-07 or 2007-08.

"Remember, that's what we're in farming to do; we're in farm business to ensure our capital is used to best effect.'

In 2008-09, the year from hell, those intensive farms were unable to produce a high enough operating profit to cope with the extra capital and systems three, four and five were all much worse than system one due to "cost stickiness", she notes.

However, cost efficiency measures show intensified systems "creating better cost leadership" in 2006-07 and 2007-08.

"So if we increase production intensity we've improved cost leadership - the power of the denominator. That advantage disappears once we have an unfavourable milk-price-to-input-cost ratio."

Strong growth

SETTING THE scene prior to Shadbolt's presentation, Canterbury dairy farmer and Lincoln lecturer/researcher Marv Pangborn outlined the reasons for dairying's 11% per annum growth in the region since the early 1990s.

'The move to dairy has been a mix of push and pull," he says.

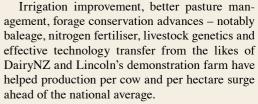


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On the push side, barring recent gains, declining wool and crop prices have been the drivers.

"The perception lamb prices have been bad and that's why people have gone to dairy is not completely true. Lamb has tracked reasonably well."

As for the future, Pangborn and co-presenter Keith Woodford say despite environmental concerns about water quantity and quality and effluent management, the dairy industry in the region can easily double from its current 200,000ha to 400,000ha or more.

Aiming for the top 20%

ADAM BARKER

OPERATING COSTS have a huge impact on a farm's profit. Through the data collected in DairyBase, the statistics show for every 1cent/kgMS saved on basic expenses, the average dairy farmer would add \$1200 to their bottom line each year.

DairyBase data also shows New Zealand's top 20% most profitable dairy farmers do things differently. They are operating leaner and smarter to ensure they drive operating expenses down and profits up. Is it worth aiming for the top 20%?

Did you know on average during the 2008-09 season the

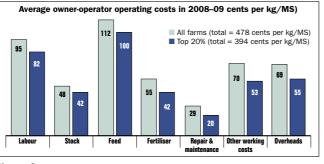


Figure 2.

gion or farming system or herd size. It is management within your farm system that makes all the difference. If you have a good understanding of your farm business, you can then target expenses to manage them down and drive profits up

We can see in from figure



Figure 1.

most profitable 20% of New Zealand's dairy farms spent 84 cents/kgMS less on operating expenses than the country as a whole? For the average New Zealand farm that's worth about \$800/ha or about \$100,000 per year in operating profit.

What is important, and perhaps surprising, is what causes the gap between the average farms and the most profitable ones. The data show it isn't re-

1 how much management matters. It shows how profitability varies within New Zealand dairy farms. The spread suggests there is a lot of potential for farmers to make better profits.

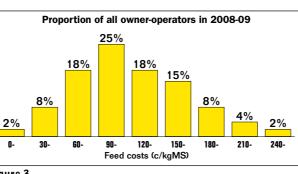
Where should the savings come from?

You may feel like you're operating lean already. Where can further savings come from?

The chart above shows

there is no single expense on which the most profitable farmers make their savings.

What tends to happen is the top 20% of farmers spend





all expense categories: stock, feed, fertiliser, labour, repairs and maintenance, working costs and overheads. But figure 2 is only a starting point. You need to delve further to find saving ideas right for your business.

Feed costs as an example

The cost of feed is an interesting one to benchmark because it is one of the biggest costs for most farmers and because it can be controlled. Figures 3 and 4 compare the spread of feed costs for all New Zealand farms with the most profitable farms.

One observation from these charts is that many profitable farms actually have feed costs above the national average. And that might be appropriate for your farm too. This highlights the need to consider benchmark data in the context of your own farm system.

If your feed costs were above, say, \$1.20/kgMS in 2008-09 it might be worth looking to see if this is explained by your farm system or exceptional circumstances that year.

If neither of these explains the high cost, then you might be sitting on an opportunity to save some money.

And if your feed costs were more than \$1.80/kgMS then it appears pretty likely you could make some changes and have more money left in the bank. Benchmarking can help

The example shows how benchmarking analyses can be used to highlight areas where there is potential to make positive change on your farm. We've focussed just on feed costs here as an illustration. However, it is important

DairyBase manager Adam Barker.

to consider individual costs in a whole farm context. Costs and production are interrelated so a benchmarking exercise should look at the full range of influences that drive both of these



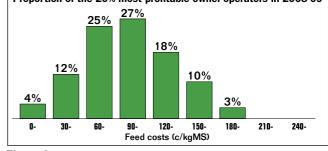


Figure 4.

Comparing farm data

DAIRYBASE IS an investment by New Zea- Plus, it provides benchmarks that allow try good levy and operated by DairyNZ.

It is a web-based software tool that enables farmers and their rural professional consultants to analyse farm physical information and financial statements. This provides an overall business view from a management perspective rather than solely a tax view.

DairyBase analyses the resources farmers have and the way they're using them. DairyNZ DairyBase.

land dairy farmers through the dairy indus- farmers to compare their use of resources with other farm businesses.

DairyBase recently launched its Bureau Service. For a small fee, the Bureau will input farmers' data into DairyBase and keep it updated throughout the year. For more information contact the DairyBase Bureau Service.

Tel 07 858 3890

• Adam Barker is the manager of the



Figure 3. a little less each year across

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NEWS



'Dairy not the only cause of lake woes'

PETER BURKE

THE OUTGOING chief executive of the Bay of Plenty Regional Council, Bill Bayfield, says it's a

mistake to focus on dairy farmers as the cause of problems in Lake Rotorua.

He told a symposium on the Rotorua lakes last week the "monster" prob-

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"It's going to be a wholeof-catchment change, certainly in terms of land management and quite possibly land practices. - Bill Bayfield

lems at Lake Rotorua are bigger than just 26 or 27 dairy farmers.

crucial to reducing pollution in the lake, he says, it would wrong for the community to think managing the dairy farmers will, on its own, solve the problem.

whole-of-catchment change, certainly in terms of land management and quite possibly land practices.

"I'm talking about retaining the essential use that's there now but looking at how you might effect change... to the management of a dairy farm or a dairy grazing unit, a cropping unit or even a sheep-and-beef unit."

This may involve looking at where farmers

Farmers show commitment

BAYFIELD SAYS he's full of praise for the efforts of dairy farmers around Lake Rerewhakaaitu - in particular their willingness to work with the community to clean up that lake.

"Their level of engagement and ownership of the lake and their willingness to address their farm practices to look after 'their lake' is very strong. It's been a pleasure to work with them.

"For a start they initiated the action, or



Though they are

"It's going to be a

are putting stock on their properties, what fertiliser is being applied and effluent management systems on farms, Bayfield says.

He's impressed farmers are prepared to trial new systems and be adaptive in dealing with environment issues.

"We're starting to see recognition by some in the farming community that low-nitrogen farming can still be profitable and that's exciting.

"In some cases there is going to have to be a range of land-use changes, for example sheepand-beef to forestry.

"And we're going to have explore whether you can put dairy grazers onto other properties during the key time in winter and spring when soils are waterlogged."

part of the action. So while we were looking at the lake they got together and with the help of Sustainable Farming Fund got a person to engage with them and look at what actions they could take on their farms.

"They started trialling things that would work. They built that into a series of actions and they now know what might work in that area."

Bayfield says the regional council and the farmers are now at the stage of jointly working out what actions to take. Rerewhakaaitu is a model for others to follow, he says.

"I'm impressed with the local leadership within that farming community. It's been a pleasure to work with them. We're now getting closer to action on the ground and... what exactly this means in practice. That's another lake I'm sure we will win on."

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WORLD

7.4



Southern Queensland dairy farmers Peter Brown, Ross McInnes and Ivan Teese say they have already seen their farm incomes drop due to the supermarket milk price war.

Oz farmers take first hit in milk price war

QUEENSLAND DAIRY farmers are taking their first hits in the brutal supermarket milk price war. Receiving February milk cheques in the last week, many have suffered a large drop in income for the month.

They say this drop in income can be directly linked to the \$A1/L supermarket brand milk marketing campaign started by Coles on Australia Day.

YOU SEE A TISSUE SAMPLE

Kingaroy dairy farmer and president of the Queensland Dairyfarmers Organisation, Brian Tessmann, says farmers supplying processor Parmalat had part of their milk cheque linked directly to the sales of processor proprietary branded milk.

"As such, since January 26 Coles' cutthroat discounts have increased the sales of Coles branded milk at the expense of proprietary branded milk sales.

"When processor proprietary branded milk sales drop, our milk income drops. It's that simple. This is the first hit at the farm gate in the milk war.

"If Coles continues its cutthroat approach there will be more. Since Coles decided to kick the dairy industry in the guts on Australia Day, we know they've gained market share for their brands and have devalued milk at retail across the nation as other retailers have dropped their prices to try and protect market share.

"Coles executives continue to deny there's even a problem. They continue to mislead their consumers and the government by saying this won't impact dairy farmers. These milk cheques prove they're wrong and the impact is happening right now.

"They also claim prices went up last year for dairy farmers, but in Queensland they went down by some 15% and in NSW and Victoria by 10%, for milk in Coles bottles.

"It's an insult to Australians for Coles to ask consumers to trust them. To devalue milk by hundreds of millions of dollars in the domestic market and claim there will be no impact defies logic.

"The Coles executives need to get some mud on their boots and visit a Queensland dairy farm and meet with the QDO."

Tessmann says the January milk incomes were also hit by production loss from the flood. But a breakdown of data show the retail price war was having direct impact and if the discounting continues the impacts will grow, undermining the industry in Queensland and other milk-producing regions.

"For a million-litre farm, even a reduction of 1c/L adds up to a loss of \$A10,000 across the year."

IN BRIEF

New cheese plant

NATIONAL FOODS is looking to build a \$A132 million high-volume specialty cheese plant at Burnie, Tasmania.

Managing director Andrew Reeves says the National Foods cheese business has evolved by brand and site acquisitions for 10 years with little or no manufacturing optimisation. The proposed Burnie plant would be a major commitment to the Tasmanian dairy industry.

"Tasmania's reputation for clean, green and exceptional environmental standards is a good fit for the direction of the National Foods strategy to create high quality, sustainable market leading brands.

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"We're looking forward to working with the Tasmanian government on ways to enhance Tasmania's position as the premium state for speciality cheese manufacture and innovation."

World farming body

FARMING UNIONS from 40 countries met last month at Brussels to form the World Farmers Organisation.

UK's National Farmers Union director of policy Martin Haworth, a key negotiator, says it will raise the voice of the agricultural community to help tackle world food insecurity.

The organisation, with members from Armenia to Zambia, will be based in Rome.

WORLD





Irishman on tour

GAIL HENSHAW

BORN-AND-BRED IRISH dairy farmer Brian Reidy is passionate about succession and land transfer. The 2009 Peter Daly Nuffield Scholarship winner visited New Zealand, Australia and the US to study the subject.

Reidy (31) grew up dairy farming in Sligo, western Ireland. After a farming apprenticeship at Agricultural College Multy Farnham, County Westmeath, he returned 11 years ago to the family farm.

"Peter Daly was a forward thinking farmer," says Reidy. "The Peter Daly Trust [of which LIC is a sponsor] was set up by a group of Irish dairy farmers following his death."

Scholarship winners get \$23,000, then have 18 months to travel, research and gain information about their chosen topic, meeting as many farming/agricultural people as possible. He or she must New Zealand and Australia beultimately deliver a paper on their subject.

"Generally people choose a topic they are passionate about," says Reidy. "For me that was succession and land transfer, because land Paul and Lisa Mumford who farm succession and the transference of land is a huge problem in Ireland. I the farm from his parents.

realised there are similar problems around the world.

"In Ireland only 7% of farmers are aged less than 35; five years ago it was 13%, and worryingly 50% of our farmers are over 60.

"Little is being done to address this problem; it's like there is a big

"In Ireland only 7% of farmers are aged less than 35; five years ago it was 13%, and worryingly 50% of our farmers are over 60."

white elephant in the room, yet everyone is ignoring it."

In December 2009 the scholarship enabled Reidy and his wife Caroline to travel to Australia and New Zealand looking at how dairy farmers manage succession, the transfer of land, and how each country encourages future farmers.

"I had always wanted to visit cause of their proactive approach to land transfer and I had built great relationships with Nuffield scholars from these countries."

In Victoria, Australia, they met 450 Jersev cows, having taken over

"Here began my learning about the huge importance of openness among farming families," Reidy says "Openness and transparency is

critical in succession planning, especially as there is always so much relationship history between siblings.

"It is paramount all members of a family get around the table, and lay plans for succession on the table. Everyone's views need to be heard, who gets what needs to be decided and agreed upon, and the must be transfer planned. Without this openness and transparency things are likely to implode.'

Reidys last year visited Trevor and Stacey Munsoon in Canterbury. He had come to New Zealand from Ireland 10 years before.

"He started his working life in New Zealand as a dairy farm worker and built a dairying career from scratch, working his way up to assistant farm manager then manager.

"Today Trevor is 50:50 sharemilking a 670 cross breed herd and continuing to build equity."

They then met Wendy and Lyndsay Marshall at their holiday home at Rotorua.

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BRIAN REIDY says the Peter ly worded paper. There is a huge Daly Nuffield Scholarship has opened doors, introduced him to people and given him access to information he would never otherwise have had.

"On a personal level I can recommend being a Nuffield Scholar; it's been brilliant."

When awarded the scholarship he felt empowered, believing he could make a world-changing difference.

"I don't know now if I can do much about changing the situation, but I will be writing a strong-

problem in Ireland, and there are not enough people coming into farming. I will be making recommendations on a personal level.

"I learned a lot about how farming businesses are run. The New Zealand approach, in particular, grabbed me.

"Couples work together, husband and wife or partners; I haven't really seen that the way I saw it in New Zealand.

"I was taken with the simplicity of how New Zealand and Australian farms operate on grass. cations advisor

[And in both countries] lifestyle and work/life balance is critical to dairying success; it was a key factor on all the farms I visited.

"In Ireland land succession and transfer are not really happening and it's a huge issue. Land transfer and succession can get complicated because of different social and historical links.

"My belief is land transfer to farmers should happen when they're in their 20s or early 30s, when they are at their peak." • Gail Henshaw is LIC communi-



OPINION

RUMINATING



MILKING IT...

Change of diet

IS A change of diet on the cards for cows in New Zealand?

Results of a study in Britain indicate changing the diet of cattle could reduce their emissions of greenhouse gasses, particularly methane.

The study, funded by the Department for Environment Food and Rural Affairs, found feeding higher levels of corn, oats and higher-sugar grasses could reduce methane emissions from livestock farms

DEFRA says agriculture contributes about 9% of UK greenhouse gas emissions, half coming from cows and sheep.

The agency also claims farming accounts for 41% of methane emissions in the UK.

Increasing the proportion of maize silage from 25 to 75% in a short-term trial was found to reduce methane emission per kgMS by 6%

High-sugar grasses could reduce an animal's methane emissions by 20% for every kilo of weight gain.

Too little too late?

THE MILK price furore that has raged all the way to the Commerce Commission highlights a gaping hole in the agricultural landscape: proactive public relations.

Dairy farmers and Fonterra have endured a pasting on this issue and copped a one-sided assessment by consumer groups, politicians and urban media.

If the dairy industry had an advocate worth their salt it would never have come to this because the correct information would have been put to media well in advance.

Proactive PR requires relationship building, education and an ability to front foot an issue. The only substantial response to the milk price misinformation circulating in media has been a reactive piece from the Feds, but too little, too late

Where was DairyNZ, the levyfunded industry-good organisation tasked with improving the industry's image? Where was Fonterra's brigade of black-suited PR flaks?

This problem is common to all primary industry. If you allow an information vacuum to develop in news media it will be filled by your critics.

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Human milk from COWS

WITH HELP from human genes, cows can now make milk with health promoting properties resembling those of human breast milk

"The cows are making cow's milk with a human protein in it," said James Murray, a geneticist in the animal science department at the University of California, Davis, who has done similar work with goats but was not affiliated with the new study.

"To say it is more like human milk is stretching it a little. That's misleading. It also plays to the fears of people opposed to it."

Eventually, the research might also help people with Crohn's disease, irritable bowel syndrome and other gastrointestinal problems

And while some headlines have touted the discovery as a way to get human breast milk out of the udders of dairy cows, this kind of transgenic milk is still far more cow-like than human-like.

It simply contains a boosted level of beneficial enzymes, much like the milk human mothers produce.



THE PROSPECT of a Commerce Commission inquiry into the price of milk went down like a lead balloon at a recent dairy conference in Rotorua.

Many speakers appeared bewildered and annoyed such an inquiry should be done, given that the process for setting milk prices on the domestic market is pretty well known. What will they find that's new? asked delegates and speakers.

Should the industry take some blame for this problem? Consumer anger over milk prices has been bubbling for some time. Yet the industry made no effort to quell these concerns or point out milk price in New Zealand is lower than in other countries, apart from Australia where supermarkets are absorbing huge losses to increase market share.

Industry leaders at the conference pointed out fluctuations in the price of milk is what you get in a free-market economy.

The fact farmers long ago shed government subsidies and have to wear the ups and downs of international market prices seems suddenly forgotten. Returning to the days of subsidies is not a place farmers want to go.

A Kiwi urban myth says because we are big food producers, local basic food prices should somehow be low. The public needs to better understand how prices are determined.

But whose job is it to tell the consumers? Industry-good organisation DairyNZ is running television advertisements to improve public perception. A good idea may be a campaign to raise consumer awareness on why milk prices are high.

Life is about making choices. In tough times luxuries such as alcohol and tobacco may have to be pushed down the priority list.

Milk is important to every child's diet, but even when it was cheap how many people were buying it ahead of soft drinks and other less healthy alternatives.

A renewed focus on milk may encourage people to see its true value of milk. As the saying goes: "Price is not a benefit; it's what you pay for a benefit".

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Asking for trouble

MILKING IT sees full time troublemaker, part time politician Hone Harawira is running a poll of sorts, asking respondents to

suggest names for his new party.

One would think there'd be no shortage of suggestions. Talk about inviting





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OPINION

Volatility or victory

OPTIMISM FROM fore-

casts of strong product prices in the primary sector contrasts starkly with the human and economic consequences of local and international events. These happenings are certain to fuel volatility in our farming and wider economy.

Farming businesses need to be wary of jubilation - or, worse, complacency - as milk, meat and fibre prices rise to record levels.

Market uncertainty driven by economic fallout from earthquakes, food safety concerns and political unrest in oil producing countries has potential to flow through to cost structures. Assessing business prospects solely on income risks inadequate response to cost pressures and possible challenges from interest rates.

For these reasons, I challenge those in agribusiness to focus less on product prices and more on profit margins. I have experienced a number of business cycles where premature declarations of victorybased buoyant product prices have resulted in missed profit opportunities.

International milk prices look particularly strong at present. As in the past these will almost certainly be accompanied by upward pressure on key input prices. Unplanned or unjustified exposure to feed, fertiliser and energy costs can quickly erode trading outcomes.

Priority must be for farming operations to focus on their competitive advantage and apply maximum effort to areas within their control. The first focus area must be to optimise the profit performance of pasture based systems. Successful farms work to capitalise on their natural advantage. They maximise the benefits of reliable rainfall or irrigation water, a temperate climate and ability to grow significant feed.

of simply buying feed to fill deficits and generate production (often for the sake of it) will not allow farmers to capture opportunity. **Challenging climatic**

THE RYAN REPORT **KERRY RYAN**

conditions and improving product prices have resulted in much higher use of purchased feed in many operations this season. This is severely impacting margins. My preliminary analysis of clients' 2011 financial results suggests costs are running 10-20% higher than budgeted.

Other high risk cost areas are where payments are made for services based on percentage of revenue rather than being linked to profit margin. In particular, sharemilking contracts need to be managed proactively. Unless these are monitored to ensure a sustainable result there is a risk they will lose contact with the economic realities the business faces.

I have recently seen farm owners who bought feed to protect production hand over much of the benefit to sharemilkers who may not have shared in this cost. This is particularly the case where share farming agreements are predominantly for labour and don't share the wider production costs.

It i o important However, locking down a proportion of debt to eliminate exposure to interest spikes may be timely, especially for those still working hard to consolidate their balance sheets. **Celebrating prod-**

uct prices is only one side of the equation.

It is essential there is an equivalent focus on assessing the benefits of farm inputs so the cost price margin remains balanced. www.kerryryan.

co.nz • Kerry Ryan is a Tauranga based agribusiness consultant.





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These can be manipulated to generate tighter control of operating costs and protect profit outlook. Taking the easy option

to closely monitor the trends of interest rates. The economic shock of international and local adverse events is still being absorbed by markets. Given this comes right behind the global financial crisis, it is likely reduced ability for banks to access funds and impact of international credit ratings will come into sharper focus. **Current** lower floating interest rates may be helping many cash flows at present.



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AGRIBUSINESS

Maori dairy factory eyes Asian markets

PETER BURKE

A NEW milk plant for a Maoriowned farming operation is on track for opening August 1. It will make whole milkpowder (WMP) for Vietnam and other Asian countries.

The plant owner Miraka is 80% owned by Maori and 20% by Vietnam's largest dairy company Vinamilk.

Miraka chairman Kingi Smiler says the plant, west of Taupo, is on budget and two weeks ahead of schedule.

Before he set off to visit Vietnam, Smiler told *Dairy News* much of the WMP produced at Miraka will go to that country, part of the company's overall marketing strategy.

"We're going there for further discussions... to understand our customer's requirements. "The senior management team has been on board since January. Advertising has been undertaken to recruit other staff and they will start to come on board in the next few weeks." – Kingi Smiler

"And I'll be visiting Thailand and making other customer calls."

Product from Miraka will also go to other parts of Asia, Africa and North America.

The roof of the \$90 million plant has just been put on and Smiler says he's pleased with progress.

The company has achieved its target of having sufficient suppliers to operate at 80-85% of capacity in the first year. Smiler will not disclose the exact number of farmers who have signed up to supply. They include Maori and non-Maori.

"They are all in a pretty close radius of the factory and we are extremely pleased," Smiler says. In its first year the factory will produce only WMP from its 8 tonne drier.

The Miraka factory is similar in size to plants operated by Synlait and Open Country. The main difference is the Miraka factory will be able to use geothermal power from a Miraka partner.

Smiler says 60 full time staff will be employed and recruitment is going to plan.

"The senior management team has been on board since January. Advertising has been undertaken to recruit other staff and they will start to come on board in the next few weeks."



Support for Maori agribusiness

THE GOVERNMENT has affirmed Maori agribusiness as a key priority. Two recent reports will support lifting the productivity of Maori land and agribusiness, says Agriculture Minister David Carter.

"Maori landowners are significant contributors to primary sectors and these reports identify further potential for them to develop profitable and sustainable businesses. Economic growth in Maori agribusiness boosts the wider New Zealand economy."

Maori Affairs Minister Pita Sharples says the reports provide a helpful insight into the economic, cultural and social aspirations Maori communities have for land ownership.

"The reports outline instances where Maori are advancing their aspirations for the benefit of their whanau now, and in future.

"I look forward to working with Maori landowners to build on these successes to assist them to achieve their aspirations for their land."

Stalwart sees rise of PKE

ADAM FRICKER

PALM KERNEL use in Taranaki has skyrocketed for eight years and J Swap stalwart John Macdonald has been in the thick of it from day one.

He drove for the Matamata company when they had only one truck in the region and were bringing the stock feed in from Waikato. Macdonald now presides over J Swap's storage and despatch facility just outside of New Plymouth, where at least eight trucks are permanently assigned to Taranaki farmers, and where three shiploads of PKE have been disgorged already in 2011.

He has seen PKE sales growth first hand.

"When J Swap first started sell-

ing it down here they couldn't keep up with the demand," says Macdonald. "Once farmers start using it they don't stop. Volumes have grown quickly, with only one slow year in eight, and most dairy farmers would be using at least 200 tonnes a year. Some use about 1000 tonnes on the big farms."

While the average use in Taranaki is less than the Waikato average, Macdonald says demand is growing, with an increasing proportion being fed through in-shed systems. "The auger trucks have to come down [from Matamata] twice a week to service those farms and meet the increased demand for blended feeds."

Since he moved from driving to sales, Macdonald has played a major role in building Swap's strong market

share, in spite of, or because of, his unassuming manner.

"I hated the sales role at first, then after about six months it just clicked into place."

Managing director Stephen Swap is effusive in his praise for Macdonald and was happy to see him get recognition in *Dairy News*.

"I can't overstate how important John's contribution has been or how well regarded he is down there," says Swap. "Taranaki is vital to our business and John has played a huge part in our success there."

Macdonald has been battling health issues for a while, but hasn't slowed up. He has been dealing with local farmers long enough to see them chase a deal with another supplier, then return because of poor ser-



vice. "It makes a difference running our own trucks rather than contractors. We work seven days a week."

He believes J Swap PKE has a strong future in Taranaki, particularly blended with minerals. How long

he can continue to contribute to that future is unclear due to his health, but his loyalty and commitment to the Swap family is obvious, as is his contribution to their strong position in Taranaki.



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MANAGEMENT

Boy from Kaponga makes good

PETER BURKE

BEDE KISSICK (49) is a through-nthrough Naki lad with a passion for dairying. He runs 360 Jersey cows on a 100ha (eff.) property near Eltham in the shadow of Mt Taranaki.

Born on a dairy farm at Kaponga, he's continued in the family tradition and with the help of his school teacher wife Shirley is a living testament to what ambition, smart goal setting and hard work can achieve.

From school Kissick trained as a motor mechanic then with Shirley headed overseas. Back home in the early 1990s, truck driving and helping on his in-laws drystock farm, he decided on dairy farming.

Writing about their road to success makes this reporter tired.

They started with a 50/50 share milking contract, leased some land, bought their own farm, took on another 50/50 contract then took on another lower order sharemilking job. All this to generate cash, gain equity and strengthen their financial position. Put simply

he and Shirley were running four farms. The key to this is Kissick's personal management skills. He modestly says he counts as friends the people who've worked for him. "If they're in the area they might call in for a coffee."

Now he has just one farm, the result of a plan hatched several years ago. "The first goal was getting the 50/50, then I saw an opportunity of leasing land which happened to be next door."

The second 50/50 came up with the same farm owner - all part of goal setting. Goals are important; they must be measurable and achievable, he says.

He wrote down his goals at the time and still has the records of his plans that came to fruition.

Seven years ago he bought the present farm, a good one with excellent infrastructure. He likes the Jersey, a "good one man cow".

"In our first season we did only 115,000kgMS; I'm now doing 145,000kgMS.'

This he attributes to adjusting the stocking rate and feeding less supplements and generally working smarter.

> For supplements he grows about 8ha of maize si-

lage and has bought

Maize crop grows in the shadow of Mt

Taranaki on the Kissick farm.



Bede Kissick with daughter Sophie and their Jersey cows.

in about 240 tonnes of PKE which takes out the troughs of pasture growth and enables him to maintain consistent production. In November he planted fodder beet when, as he puts it, things weren't looking too good and the usual amount of grass silage could not be harvested.

conducive to dairy production but his feed budgets include contingencies for feed deficits. The key to success is keeping his finger on the pulse.

"Knowing what's happening in advance, being proactive rather and reactive to conditions. I use a farm Kissick's region has a climate consultant, Tony Rogers from Wait-

ara, and we have monthly meetings.

"I do weekly pasture cover walks. We monitor growth so when there is a surplus or a deficit we notice it. And therefore we are able to counteract that by feeding supplement or conserving surpluses. Monitoring is the most important thing you can do."

Environment also counts

to the Clean Streams Accord and has begun riparian planting on a stream on his property

from livestock and has been you add the fencing off of the planting the banks with natives.

BEDE KISSICK is committed came and had a look at the of the streams are fenced (one property. They do a plan in paddock left to do) and 90% consultation with the farm of that is planted out. owner.

"The plants are supplied by He has fenced this off the council at cost; to which streams.'

"The regional council planned. Already he says 80%

Kissick likes the scheme; it keeps the streams clean and acts as filter for any leaching nutrients. He says he doesn't have nitrate leaching prob-More riparian planting is lems on the farm because he's not a heavy user of nitrogen.

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MANAGEMENT



Latecomers prove a point

LATE STARTERS in the dairy industry Tim and Lorraine Johnson are no slouches. They've won the 2011 Otago Sharemilker/Equity Farmer of the Year competition, receiving \$13,500 cash and prizes.

"As newcomers to the industry, and being in our forties with a good business background, we have a sense of urgency about where we're heading," he says.

The Johnsons are 50% sharemilking a 352-cow herd for Dairy Holdings at Tapanui.

They plan to move to a larger 50% sharemilking position or take on a lower order sharemilking position with a 20-30% equity share.

They entered the awards for the first time to better understand their business, showcase their abilities and increase their profile.

Entering the industry in 2007, they quickly progressed from assistants to managing and now sharemilking.

They each bring different strengths and abilities to the business and believe they are good employers.

"We appreciate and recognise the strengths and weaknesses of our employee and give good positive encouragement and training, hence we have a stable workforce," Tim says.

Runners-up were Taieri Plains 50% sharemilkers Cameron and Anna Edgecombe, winning \$8900 in prizes.

The 2011 Otago Farm Manager of the Year is Scott Levings, and 2011 Otago Dairy Trainee of the Year is Brendan Morrison.

Levings has been in the industry five years, managing a 625-cow farm for Grant and Gaynor Scott the entire time.

"I received extra training and support in my first few years as I developed my skill base and gained the required experience," he says. "I have tried to fast track this by completing nutrition training, a farm manager's programme and studying Agriculture ITO papers.

"A strength of the business is the willingness of the farm owners to trial and implement new technologies and systems to achieve efficiencies, financial gain or improvements to the overall business."

Team work is key

THE 2011 Canterbury North Otago Farm Managers of the Year Michael and Susan Woodward pride themselves on team work, leadership and can-do attitude.

They also value the opportunity offered by the scale of the 2000-cow

tage to make the business successful.

"Such things as cost savings by bulk purchases, brand recognition and building relationships [help] make us a successful farming business."

The 2011 Canterbury North Otago Synlait farm where they contract Sharemilker/Equity Farmers of the milk at Rakaia. Year are Rob and Debbie Mackle, "We have the ability to manage and 2011 Dairy Trainee of the Year is stock, people and grass to our advan- Abigail Vickers.



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Winners think big

THE GOAL of the 2011 Southland Sharemilker/Equity Farmers of the Year, Lindsey and Clare McClintock, is to double the size of their sharemilking business.

The couple 50% sharemilk 300 cows for Adrian and Bev Simmonds at Winton, but want to increase their herd to 600 cows.

buy a 450-cow self contained farm. It was the first time the Mc-

Clintock's had entered the dairy awards, doing so to meet like-minded people.

"We are passionate about dairying as our livelihood and we enjoy being able to involve our young family in the day-to-day farm life."

The couple says their focus on business growth is a strength and The couple's long term goal is to they keep 'moving the goalposts'. We try and achieve the goals we set ourselves."

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AGVANCE

MANAGEMENT

Regional R&D update for farmers

FARMER EVENTS on industry R&D work relevant to regional farming issues kick off this week. Leading Taranaki dairy farmers will this Tuesday impart their knowledge about operating high- and low-input farm systems at DairyNZ's Face-to-

Face event.

COW 702

Current Mastitis

Current Yield

Weight:

The discussion panel will feature local farmers Greg Topless, Bede Kissick and Hayden Lawrence. Venue is The Hub, Hawera from 9.30am. A Face-to-Face event for lower North Island will be held at the Woodville Racecourse Thurs-

1.95

0.27

480

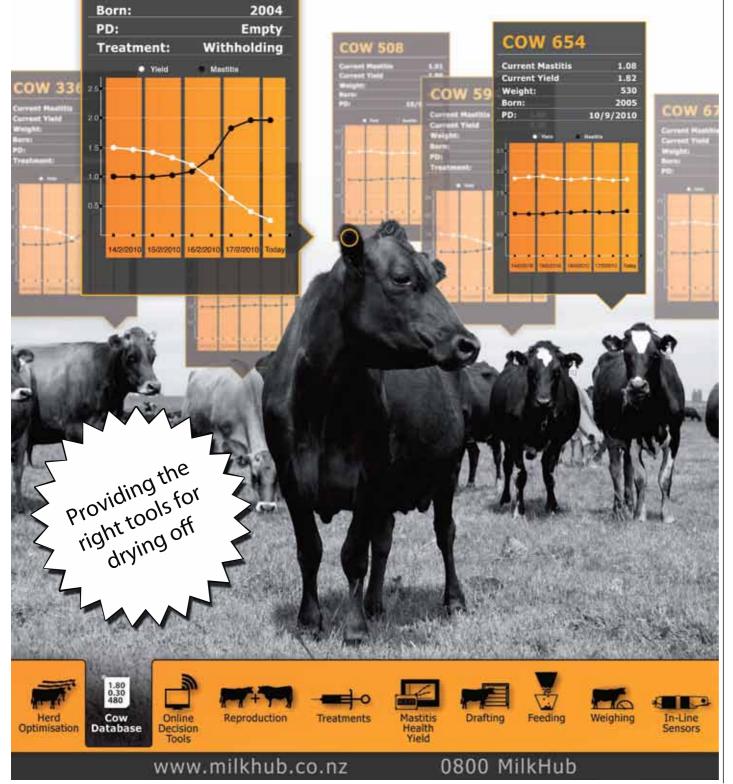
day. Similar events will be held in Waikato and Southland next month. DairyNZ chief executive Tim Mackle says the events allow farmers to see how their levy is spent.

"These events will be taking the latest DairyNZ work to the regions to discuss tangible results and how those can be implemented on farm. Topics have been customised for the regions by DairyNZ."

Regional team manager Chris Murphy says farming isn't the same in Taranaki as in Invercargill.

"The issues " farmers deal with in different regions can be quite **r** different. And the Face-to-Face events will be a great chance for DairyNZ people to discuss those local dairying challenges





"The issues farmers deal with in different regions can be quite different." – Chris Murphy

> and opportunities with farmers in attendance." DairyNZ Taranaki

regional leader Jo Deutz-Ebeling says the panel discussion at the region's event will focus on comparing low and high input farm systems.

"The three local farmers will discuss the key challenges they are facing as they aim to maintain their success and sustain their businesses. Farmers considering switching to a higher or lower input farm system [will get to] see what challenges they may face and how they can prepare for the

change." One of the more controversial workshop sessions will debate the merits of milking fewer cows.

"Because we've had so many extreme weather events over the past few seasons, plus we have higher genetic merit stock, there are a lot of farmers asking themselves if it makes sense to milk fewer cows," she says.

DairyNZ senior scientist Kevin Macdonald will share his latest research in this area.

"There will be good discussion about how farmers can reduce environmental impact while also maintaining profit," says Deutz-Ebeling.

Lower North Island farmers will get the chance to learn about the latest industry research.



DairyNZ regional leader Scott Ridsdale says the event [will highlight] industry work relevant to the lower North Island region.

"There's a lot of work going on within DairyNZ in pasture management, new feeds, how to use crops and supplements, optimum stocking rates and more.

"The scientists [doing] the latest research in these areas will... share how their findings can be implemented on farms now. Plus, there will be... a snapshot of some of the new and different research that will deliver solutions for farmers beyond 2020."

DairyNZ economist Matthew Newman will lead a session on why volatility is important and how it has changed.

"He'll go through the different risks farmers face. Plus, he'll walk attendees through how to benchmark their risk profile against similar farm businesses to see how they compare," says Ridsdale.

Registration is free to levy-paying farmers and their staff; others pay \$50. Start time 9.30am. Lunch provided. Registration prior is essential: www.dairynz.co.nz/ facetofaceevents.

checks

AS PART of the Face-to-Face event, health checks are being offered to farmers.

Free health

DairyNZ, hosting the project with the New Zealand Institute of Rural Health, says the free checks give busy farmers opportunity to make health a top priority.

"Dairy farmers are some of the busiest people. And often when people get busy their health can suffer," its says.

"It's especially hard for some farmers to take the time to be proactive and get vital health statistics checked.

"So... a Health Pit Stop at the Face-to-Face events allows farmers to get their blood pressure, cholesterol and glucose checked."

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ANIMAL HEALTH

'Evidence grows for biological farming'

PETER FLOYD

REMEMBER GLADYS

Reid? She was the woman who in the 1970s insisted dosing stock with zinc would protect them against facial eczema.

She was a registered nurse and so had medical knowledge and she had done a lot of experimenting with livestock. Nevertheless, she and her views were rubbished by the science establishment of the day.

"Where's the evidence?" they asked, knowing there was no scientific evidence because nobody had done the work.

I was a part of that. I remember chairing a meeting at Te Aroha at which Gladys stood, way up the back, and told us about her experiences. I tried to get her to sit down and keep quiet but she refused.

Talking with her later that afternoon I realised she had put a lot of effort into her work and there could be something in

it. We all know science eventually proved her correct. (Reid died in August 2006)

Today we have a parallel in the debate about soil carbon and biological farming. The pastoral science community



Gladys Reid

appears convinced the only way to build up soil organic matter is to pour on the phosphate and nitrogen, and that many pasture soils are already 'saturated' with carbon and will not absorb any more. The idea biological

farming techniques using dolomite, seaweed extracts, compost and bio-inoculants - can increase soil carbon and

improve plant and animal health is said to be ridiculous. Where is the evidence? they ask.

I'm pleased to say the evidence is accumulating, as I discovered in February at the international Soil Carbon Sequestration Stakeholder Workshop in Sydney. There the latest research in soil carbon was presented to farming and agribusiness representatives. It was preceded by a

three-day summit of soil scientists from North America, Europe and Australia and one from New Zealand.

Scientific opinion is starting to acknowledge

the value of a more 'biological' approach to soil management and security. The change in mindset is caused by greater understanding of the role of microbes in providing a bridge between plants and soil particles and the ability and willingness to measure soil carbon deeper within the soil

profile.

Measuring soil carbon is providing evidence

Measurement of soil carbon annually and the demonstration of cause and effect are starting to give the biological approach more credibility.

some farm management practices can increase topsoil depth and subsoil non-labile carbon even in carbon-rich soils. On pastoral farms these practices include:

· Reliance on permanent, multi-species



pastures.

· Avoidance of pugging and cultivation.

 Increased grazing residuals.

• Reduced production pressure with focus on sustainability and profitability.

• Changed fertiliser regime to avoid soluble P and N and focus on balancing soil minerals.

• The measurement of soil carbon annually and the demonstration of cause and effect are starting to give the biological

approach more credibility.

eCogent seeks to enhance profitability by sustainable production, and this focus led us to examine soil carbon in depth. If you can measure it you can manage it, and many eCogent members are doing that. For four years we have

developed a practical measurement system and our experience so far indicates that, with the right management, a steady increase in soil carbon is possible and could result in carbon credits.

Research to verify this would be welcome but is unlikely to be carried out here given the current state of thinking in this country. Fortunately the Australians are onto it. Somewhere Gladys

is nodding ruefully and smiling.

Tel. 0800 433 276 www.ecogent.biz • Peter Floyd is the managing director of eCogent.

Paying more: what next?

A WHOLE new marketing strategy could arise based on paying dairy farmers more if



they maintain healthier herds. cell count of 150,000, a death This suggestion from VetSouth vet Mark Bryan.

Somewhat tongue-in-cheek he says, in Dairy Cattle Vets Newsletter, March 2011, writing chiefly about intensification of the dairy industry, "let's pay farmers more if they have better welfare, cleaner milk, and look after the environment more".

"Let's lose this hopeless cooperative mentality that a farmer with a cell count of 350,000, 12% death rate and an effluent pump beside a creek should be paid the same as his neighbor with a

rate of 5% and perfect effluent compliance."

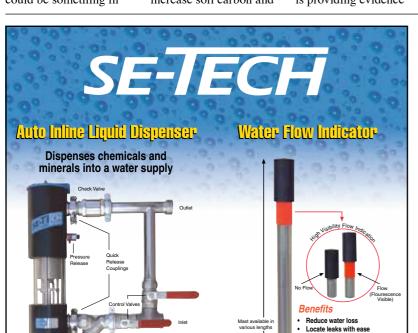
Let's pay more to farmers with less-diseased milk, Bryan savs.

"But, whoops, that means we'd need to start finding out how many herds actually have Johne's and Salmonella, and what our incidence of lameness really is.

"Perhaps while we're at it we could record all disease, and maybe even identify cows properly.

"Who knows, it could be the start of a whole new marketing strategy for NZ Inc."

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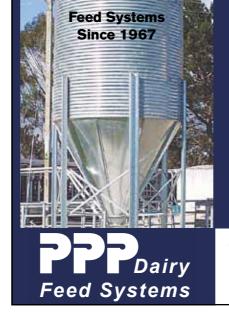


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ANIMAL HEALTH PRODUCTS

Looking for 10% more cows

WOULD-BE BUYERS

of dairy feedpad shelters are commonly looking to lift cow numbers 10%, says shed maker Redpath Pacific Ltd.

A recent open day at Shane and Michelle Lawson's farm near Kerikeri showed the company's latest clear-

roofed shelters.

Says Redpath director Glen Williams, "We've held a number of open days this season. Farmers like to be able to quiz the owners directly on the facts about how the project went and also the benefits and negatives of the system. "Many of our customer's use a woodchip based deep-litter floor system and often are looking to lift cow num-

bers by up to10%. "Covering the feedpad allows this to be done by reducing stress on pastures and better environmental conditions for the cows when extremes of weather hit the farm.

"An added environmental benefit is the roof virtually eliminates rain washing an intensively used feedpad area.

"This building in Kerikeri is on a very wind-prone position – a



essential... salt & supplementary feeds

Sodium and chloride are essential for all livestock and required on a continuous basis. Na is needed most during growth and lactation. Salt is critical for maximizing appetite and feed intake as well as for digestion of fibrous feeds and rumen pH buffering and function.



Sedium intake in NZ comes predominantly from grazed pasture. Many other strategic feeds are low in sodium. To maximize the benefit these feed supplements provide to dair production they need to be re-balanced for Na levels. It is critical that levels of Na in pasture are known as that source usually makes up the largest proportion of the diet. Grains (maize, barley, wheat), palm kernel meal (PKM), coprameal and lucerne are generally low in Na. They are deficient to the point where feed intake and rumen output may be limited if salt is not supplied to re-balance the diet.

Recent estimates suggest up to 20% of NZ dairy farms could be deficient in sodium. Diets with palm kernel, grains and maize silage exacerbate this problem even further.

United States NRC give minimum requirements of Na 0.2 - 0.34% DM for lactating dairy cows using sample diet models. Dry matter and milk yield responses to Na over the range of 0.11% to 1.2% were maximized at 0.7-0.8% Na in 15 trials referenced by NRC.

SOME BASIC RULES OF THUMB

(from Grant Richards, Nutritionist):

When feeding high potassium pasture, low Na feeds (palm kernel, maize silage, grains) and highly fibrous feeds (NDF +40%), Na should be increased to ensure 0.4-0.5% Na on a DM basis along with ample fresh and clean water. Increase salt to 5-10 grams per cow per day for every 1kg of PKM, PKE or maize silage being fed.

For every 5% NDF rise in the diet, increase salt by 5-10 grams per cow per day. Having a coastal farm should not preclude proper investigation into what cows really need given the Na deficiencies present in so many strategic, non pastoral feeds.

GUIDE FOR ADDING SALT WHEN USING SUPPLEMENTARY FEEDS.

The minimum sodium of 0.25% is within the NRC range and the optimum is based on the trials NRC has referenced.



SUMMIT

USE OF SALT IN NEW ZEALAND PASTORAL FARMING

Information on salt and supplementary feeds has been taken from the newly published 'Use of Salt in New Zealand Pastoral Farming'. Funded by Dominion Salt but authored by independent scientists and veterinarians, the book is a practical guide on the benefits of using salt in NZ farming.

Copies are available free from Dominion Salt through registering at www.dominionsalt.co.nz/acatalog/summi t_salt.html or phoning (07) 575 6193.

Electronic copies can also be

downloaded from the website



Feedpad shelter open days draw good crowds, says shed maker Redpath.

great test for the building and its covering's durability for a year."

Lawsons say the shelter's main benefits are minimal pasture damage, less lameness and mastitis and "future proofing their business in an environmentally friendly way".

"It's easy to manage the soft-litter woodchip system; it pretty much looks after itself. The affordable cost of the buildings makes them efficient and allows us to operate a system that works and pays for itself quickly."

Lawsons began building their pad and shelter in April 2010. The job took two weeks. and service life is now at least ten years.

Durashelter roofing is crucial to the shelter's performance, allowing a high percentage of UV light through to the soft litter floor, keeping the litter dry and bacteria levels low.

For warmer weather, optional overhead shade systems and fully ventilated roofs are ideal.

Williams says the average cost of a building does not exceed \$350 per cow. Farmers looking to improve efficiency and "future proof" their businesses re environmental issues with feedpad operations can justify this cost, he says. Redpath says it has developed a lot of knowhow on soft floor, feed and drainage systems for deep-litter shelters. Needs differ from farm to farm. "There is quite a difference in the management of the building between farmers using them as wintering barns and those using them for feedout shelters," Williams says. Tel. 0508 733 728 www.standoffshelters.co.nz

Supplementary Feed Source	Na in Feed % in DM	Recommended Minimum Na 0.25% DM (based on NRC)		Optimum for maximising production Na 0.8% DM (based on NRC trials)	
		Salt to add per tonne of feed	Salt g/cow/day/kg of supplementary feed		alt g/cow/day/kg of supplementary feed
Grains Maize silage Palm Kernel,PKM Triticale Whole Crop Cereal Lucerne	0.01 0.01 0.02-0.04 0.02-0.14 0.04	7.5kg 7.5kg 7.5kg 7.0kg 4-7kg 7.0kg	7.5g 7.5g 7.5g 7.0g 7.0g 7.0g	25kg 25kg 25kg 20kg 20kg 20kg	25g 25g 20g 20g 20g

Vate: Calcium and magnesium are also low in many of the above feeds that require balancing Salt (coarse and rine) can be added to the feed or top-dressed on feed pads. Higher levels of salt should be at least partially mixed with the feed. For standing crops salt licks or salt blocks can be sed. Ensure continual access to salt and water. Do not feed salt to transition spinger cows unless advised by a professional expert.

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salt - essential to life



Says Shane, "Once we'd scraped the site level and had the underfloor drainage positioned the boys from Redpath had the building up and covered [within 10 days]. We were pleased to have the use of the building through the wetter months."

Redpath says the clear Durashelter roofing membrane used on its dairy shelter is 30% thicker than previously offered. This gives superior resistance to wind

ANIMAL HEALTH

Survey shows lameness causes, incidence

A SURVEY of Canterbury, North Otago and Southland dairy farmers reveals herd management practices that appear to influence lameness, says Fred Hoekstra, of Veehof Dairy Services, Ashburton.

The survey was part of a study testing the relationship between dietary fibre and lameness. The survey in Canterbury was done by nutritionist Wybe Kuperus, veterinarian Helwi Tacoma, Fred Hoekstra and research assistant Marius-Hans Troost, of Lincoln University.

Kuperus says 342 questionnaires were sent out and, based on 108

replies, a relationship appears likely between how cows are handled on the way to the dairy and the incidence of feet problems.

Cows pushed along, on the track and in the yard, showed increased lameness. Cows having to more than 15% of the walk further than 1km to a dairy shed also showed higher incidence of feet problems.

The message seems to be "no hurry, no worry," Kuperus says. Less lameness About 43% of herds were always allowed to walk to the dairy at their own pace, and this group

showed less lameness than the 57% of herds not allowed to walk at their own pace. In the group always

allowed to walk at their own pace, 56.5% had a lameness incidence of zero to 5%, 37% had an incidence of 6-15%, and 6.5% of herds suffered herd lame.

When cows were not always allowed to walk at their own pace. 24.6% of the herds had zero to 5% lameness, but 62.3% fell into the 6-15% lameness category, and 13.1% had at least 15% of the herd lame. Higher use of a backing

gate to push cows into sheds also appears to increase feet problems. In herds where the backing gate was moved at least 10 times, 24% had at least 15% of the herd lame.

If the backing gate was moved less than 10 times. 5% of the herds suffered at least 15% lameness, and 43% had an incidence of zero to 5% lameness in the herd. Survey figures also showed that walking less than 1km to the dairy was associated with less lameness. This may be because more walking increases the chance of mechanical damage and increases the likelihood of human impatience in bringing in the herd. Other factors which be-

came apparent in the survey: Cows in small herds are less vulnerable to lameness. Herds with more overseas Holstein-Friesian genetics may be more vulnerable to high incidence of lameness. Herds fed grain recorded more lameness. Herds walking on tracks

To page 30



Ultimate grip. Ultimate confidence. Ultimate cow flow.



Agri-Mat Agri-Mat Premium quality rubber mats NUMAT INDUSTRIES

Quiet authority

NEIL KEATING

FRED HOEKSTRA speaks quietly, but with authority. He and his staff last year worked on 12,000 cows' hooves, chiefly the back ones where the majority of problems show up.

After 16 years of hoof care in New Zealand underpinned by his Diploma of Profes-

sional Training in Fred Hoekstra

Bovine Pedicure from Holland in dairying. - Hoekstra is beginning to make waves about bovine lameness.

Attending the recent international Lameness in Ruminants conference (Rotorua, Feb/March) left him with a whiff of academic back and "took the plunge", set-

egotism in his nostrils, the result of running his experience up against the science establish-

of lameness.

Hoekstra came to New Zealand 20 years ago after formal studying dairying in Holland then working briefly on dairy farms there. He came to New Zealand to find greater opportunity and began working

But what he did not find here was expertise in hoof care. Seeing opportunity to specialise, he returned to Holland, took the hoof care diploma course then came ting up his Veehof Dairy Services with his wife Sandy.

"Four years working on farms ment's thinking about causes here showed me farmers didn't know enough about trimming hooves. They had some basic understanding but they didn't need huge expertise. They got away with less-than-ideal trimming because soft pasture conforms to the shape of a cow's hoof (the outer claw is larger than the inner) so differential weight bearing is not critical.

"Contrast this with Europe where most cows stand much of the year on hard surfaces.'

But now this is changing, Hoekstra points out, because of Kiwi dairying's move to feed pads and cow housing.

To page 30

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MAUNGA'S LEGACY

Impact sire, Tawa Grove Maunga-ET SJ3 is retiring. We have extremely limited stocks of Maunga, and, as an appropriate send off we though it only right that Maunga should continue to do good - even beyond the farm gate. Final semen stocks will be auctioned with ALL proceeds going to the Red Cross Christchurch Earthquake Appeal.

Lead bidder will also receive a special invitation to CRV AmBreed to farewell Maunga including centre tour, flights, accommodation and some other surprises.

Go to our website, www.crv4all.co.nz to register your bid and find out more 0800 262 733 | www.crv4all.co.nz **YOUR CHOICE, YOUR PROFIT**



ANIMAL HEALTH PRODUCTS

'Better winter in big bales'

SIZE REALLY does matter during the wintering of large herds, says the Waste-Not stock feeder maker AgBrand Products Ltd.

The key issue is improving efficiency by feeding big bales, the company says.

A request from an Ashburton dairy farmer in 2008 prompted Ag-Brand's release of a large feeder and it has gone on from there. This 3.8 x 1.6m unit,

the S5 bolted oval, has 26 feed positions. Use for big round and rectangular bales along with loose feed, the company says. Farmers say one S5 feeder is enough for 80

CEFA MASTER

cows when used together with breaks of kale and other supplementary crops, AgBrand savs. Mark Slee of Melrose

Dairies, Ashburton, in 2009 asked Agbrand to find out how he could enhance supplement feeding his herd of 2000. The large oval S5 feeder was the answer,

the company says. Slee bought 20 of the S5s.

Filling them with bales of straw ensured the feed was eaten instead of 30% of it being trodden and wasted.

Next, Slee in 2010 bought several AgBrand weaner feeders for his calves, plus six more S5s. The 30% feed savings he

was making enabled him to increase the farm's stock levels. Now he milks 2500 head.

The company says the success of the S5 in mid Canterbury has prompted numbers of dairy farmers to begin using these big feeders, which allow cows to eat big bales in their own time.



Filled every two days, they ensure "almost total utilisation of feed" and save a lot of tractor and man hours.

The design forces the cows to eat with their heads between the arches, minimising waste. Tel. 0800 104 404

Lameness survey

From page 29

with a high crown (over 50cm height difference between middle of the track and side) had less lameness compared with herds walking on tracks with lower crowns.

Herds fed brassica seem more vulnerable to lameness; Southland herds fed brassica showed increased lameness during spring. This may be due to rumen upsets, with change of diet to pasture leading in turn to laminitis and reduced claw quality.

Kuperus says though survey results highlight possible relationships, more work needs to be done to prove cause and effect.

Application has been made to Dairy InSight for funding to research in Southland the impact on hoof health of transition from brassica to pasture and vice versa. Tel. 0800 833 463

• Fred Hoekstra is managing director, Veehof Dairy Services Ltd, Ashburton.

Quiet authority

From page 29

"Most people haven't a clue what preventative or curative hoof trimming is about.

"They tend to lift the foot, see a problem - perhaps see pus or blood emerge - then they think they've got it.

"But just as you can't buy a dentist chair and gear and so qualify to set up as a dentist, similarly you can't without training assume expertise in hoof trimming.

"The way things are [regarding lameness] is different from how the experts say they are."

This view is proving to be quite controversial within the industry as it challenges the more commonly held theories regarding the causes of lameness in New Zealand.

"I'm not trying to prove others wrong, but to get at the truth of this."

IT'S EASY TO SEE THAT EVEN LOW SCC COWS BENEFIT FROM LONG ACTING DRY COW THERAPY

New published studies¹ undertaken here in New Zealand confirm that even cows with a somatic cell count (SCC) of less than 150,000 cells/ mL were at least 3 times more likely to get a new intramammary infection (IMI) during dry off if left untreated, compared to cows treated with a long acting cephalonium such as CEFAMASTER. Treated cows had significantly reduced somatic cell counts at first herd test compared to untreated. Talk to your vet today about the use of long acting cephalonium dry cow products as part of your mastitis management strategy. Be sure to ask them about CEFAMASTER dry



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comfortable handling

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CEFAMASTER in the EASI to use syringe has been developed and manufactured in New Zealand in collaboration with New Zealand dairy farmers and New Zealand design companies to be easy to use, saving you time and money.

1. McDougall S (2010), A randomised, non-inferiority trial of a new cephalonium dry-cow therapy; NZVJ 58(1), 45-58

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Red plunger and cap for easy dry cow product recognition

"We've done some research and we will keep doing it. More farmers are now accepting what we're saying.

"The underlying issue is laminitis and its causes. Laminitis is symptomatic of an underlying disease affecting the live tissue in a cow's claw. That disease has two causes: stress from bad handling in sheds, and diet which does not promote hoof health.

"Stress in cows results from dairy workers' yelling at them and pushing them in yards.

"The diet issue is, essentially, that you can't feed for optimum hoof health in the context of wanting higher production.

"A healthy hoof diet would include a lot of 'stalky' material but that wouldn't get the farmer much milk.

"Pasture-based diets do not produce perfectly healthy cows. We need more research into diet."



ANIMAL BREEDING

Herd fertility made easy

GETTING MORE cows in calf is the biggest improvement you can make to your dairy business.

What does profitable dairying mean to you? Each farm owner, manager or sharemilker will answer this question differently: milk solids in the vat, cows in calf, high-value progeny, longevity, cull value, easy-manage cows and more.

The defining point on this list is that every farm is different and each farmer has individual goals and aspirations. One size does not fit all.

What all these aims have in common is, to achieve any you need to get your cows in calf.

A number of elements contribute to getting cows in calf as identified in **DairyNZ's InCalf** programme, run with consultants and agricultural organisations including CRV AmBreed. These include calving pattern, heifer management, body condition score and nutrition, dealing with non-cyclers, genetics and AB practices, bull management and cow health.

CRV AmBreed offers resources and experience in breeding and mating management to help you and your staff improve whole-herd fertility from birth, right though their productive lives.

Genetics, in particular the right sires to achieve breeding objectives, is a key element in getting cows in calf. Getting the right bull for the job doesn't have to be dif-

to customised cow-bycow improvements." ws But before mating cows, you need to cor-

<image>

Estrotect heat detectors make the job easy and accurate.

> ficult – breeding advice programmes such as CRV AmBreed's Sire-Match make it easy and effective.

"We recognise every farmer has different goals and needs," says CRV AmBreed product manager Angela Entwisle.

"SireMatch takes this into account, turning the farmer's breeding goals into practical sire advice, with recommendations from simple inbreeding prevention if heat detection isn't up to scratch your cows won't get in calf. Dairy NZ says the best heat detection programmes,

"Genetics, in particular the right sires to achieve breeding objectives, is a key element in getting cows in calf."

before and during mating, combine planning and observation with effective heat detection aids. their cows at out AI training schools." What seems like a tall order in a volatile season will yield meas-

Tail paint has been a
good standby, but today
farmers have better de-
tection aids to make the
job easy and accurate.urable impro-
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moduction, detectors remove a lot
of the uncertainty, even
for farms with large
herds and multiple
staff," Entwisle says.
"Unlike tailpaint,urable impro-
future season
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sions are ma
moduction, detectors remove a lot
fertility and
herds and multiple

"Unlike tailpaint, Estrotect isn't affected by inconsistencies in application and is much clearer to read, especially from a distance or in poor light. We recommend Estrotects are applied in time for pre-mating heats and right through mating.

"As cows come on heat and are recorded, a different colour Estrotect is applied making it obvious which cows have not cycled and need to be referred to a vet for further investigation to stay within a concentrated calving pattern."

Finally, you'll want to make sure those straws hit the spot. "Artificial insemination is something CRV Am-Breed knows all about," says Entwisle.

"We inseminate close to half a million cows each year and have trained 10,000 dairy farmers to inseminate



Getting the right bull for the job is important.



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Treating late autumn/early winter is the best time to ensure young stock are well covered and fertility is not compromised.

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ANIMAL BREEDING



Heat detection vital

FOR A successful AB programme farmers need to achieve a high percentage of pregnancy, requiring good oestrous detection, says Waikato FarmWise dairy farm consultant Bridget Ray.

One common reason for low submission rates is not enough contact time between human and cow, she says. And 20 years of rapid herd-size growth have made this more of an issue.

"Those responsible for identifying cows in oestrous must understand the signs of heat to achieve accurate heat detection," she says. Heat detection aids,

such as Kamars or tail

paint, help ensure cows cycling are identified and these aids should be checked every milking.

Cows should be observed three times a day: morning, midday and later evening for 20 minutes each time. This will help identify about 90% of the heats in the herd.

During cooler weather the middle of the day is generally better.

Cows should be checked one or two hours after a move to a new break as activity is fairly low when cows are eating; oestrous cows are initially more interested in eating than mounting each other.

Cows should be checked before being let out of the paddock before milking, says Ray.

"A cow standing to be mounted is the most accurate sign of oestrous. Standing heat is the most sexually intensive period of the oestrous cycle.

"Cows which move away quickly when a mount is attempted are not in true oestrous.

"The average duration of standing heat is 15-18 hours. In a normally cycling cow, standing oestrous will occur about every 21 days (this can range from 17 to 24 days).

"Observation is the key. The more time spent with the cows looking for standing heats and signs of oestrous, the greater the likelihood of detection." Signs and stages of

oestrous

Coming into Heat (6-10 hours in duration) • Will not stand to be ridden.

Smells other cows.
Attempts to ride

order of milking or coming into the shed. **Coming off Heat** • Will not stand to be

ridden.

• Smell other cows. • Clear mucus discharge from vulva. Ray says it is also important mating performance isn't compromised by trace element deficiencies.

"The safest thing to do



Bridget Ray

is blood test a sample of cows one month before mating starts so there is time to treat deficiencies.

"It is also important to remember mating hasn't finished once AB has stopped.

"Having the right bull numbers and having fit, healthy bulls is important to reduce empty rates."

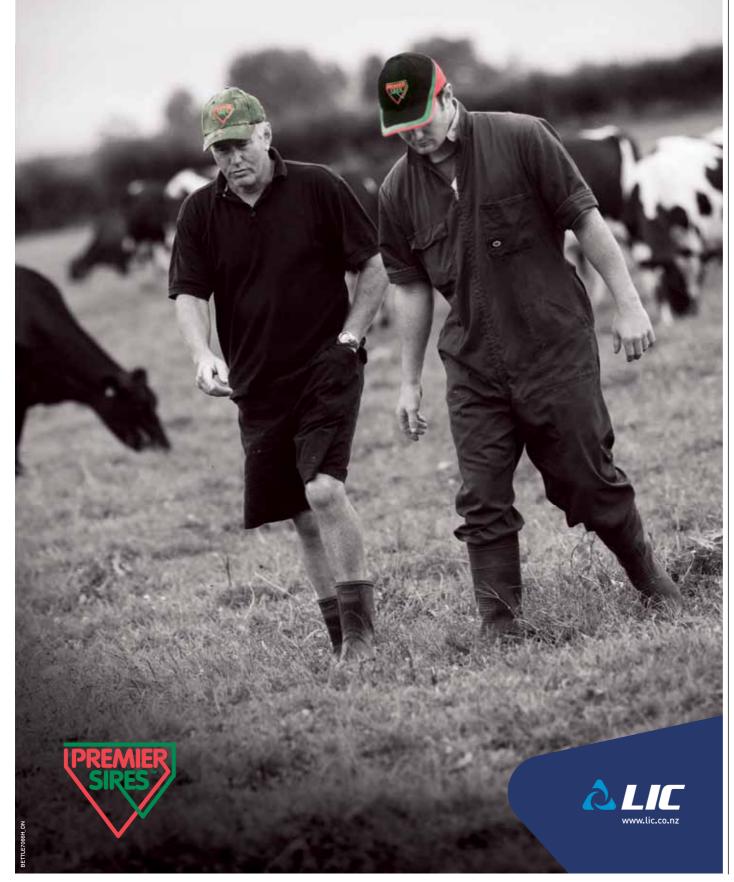
Farmers can improve their reproductive performance by improving their mating management, she says.

"It is a good idea for farmers to check their MINDA reproductive and calving reports from the last few seasons to identify any problem areas.

"Mating performance is largely within the control of individual farmers, and by sitting down and working out a plan to improve it and then implementing that plan, the desired results can be achieved."

Decisions farmers make now about when to dry off their cows will have an impact on their next mating season, says Ray.

ONE THING YOU CAN AGREE ON



other cows.

• Noisy and restless. On Heat (2-30 hours in duration)

• Stands to be ridden – hair and skin rubbed on crest of tail.

• May see riding marks e.g. mud on the flanks.

Will ride other cows.Are restless and excitable.

May stand with back arched and tail in the air.
Display a red vulva.
Clear mucus discharge from vulva.
May hold milk.
May change the "It's important farmers don't sacrifice mating performance and milk production next season by, for example, being tempted to milk on too long.

"Instead they should ensure they dry off in time to hit their target body condition score and pasture covers by the planned start of calving."

Bowing out in style

AFTER SIRING an outstanding group of nearly 10,000 cows in 1496 New Zealand herds, Impact sire Tawa Grove Maunga will support the rebuilding of Christchurch as he heads into retirement.

Final straws from this in-demand bull will be auctioned, all proceeds going to the Red Cross Christchurch Earthquake Appeal. The auction is open until April 30.

CRV AmBreed genetics product manager Nicole Foster says Maunga has done so much for the dairy industry that it was a no-brainer to send him off with a contribution to a different sort of success.

"Farmer's love their Maungas," Foster says. "They're strong, profitable and long-lasting. 'Maunga's Legacy' offers farmers the chance to get cows they'll love while supporting Christchurch.

In addition to their pick of a limited final stock of straws, the lead bidder will participate in a VIP experience including a farewell to the bull at CRV AmBreed's Waikato collection centre. They'll also meet the breeders of Maunga – Robert index sire whose daughters carried

LIBERTY GENETICS' 2011 prod-

uct offering has a strong focus on

creating profitable outcomes for

farmers are still careful to look

for value in their purchases and

robust easy-care cattle for their

herd," says managing director Da-

uct, the elite young sire-bull

teams, Liberty Genetics is also

producing the most cost-effective

sexed semen for the local market

"In addition to our core prod-

"While payout is high, we see

dairy farmers.

vid Hayman.



Tawa Grove Maunga

and Rosemary Cartwright. "We encourage farmers to get behind this," says Foster. "Their generosity will benefit Christchurch and their herds."

Maunga is a rare stayer in the AI industry, returning year after year to pass on fertility, farmer traits, production and beautiful udders.

After graduating in 2004, Maunan exceptional well-rounded dual

Profitable genetic options

superb udders and were favoured by farmers in the dairy.

Throughout his career Maunga has NZMI 155 and BW 178/99%. His breeding values for udder traits and farmer likeability rank among the breed's best. He continues to sire daughters producing good volumes of high component milk with low somatic cells, and desirable fertility and longevity.

Sired by Parkwood Casper, Maunga emerged from a successful cow family in the Tawa Grove Jersey herd of Taranaki breeders Robert and Rosemary Cartwright. Tawa Grove Jerseys represents a family of Taranaki Jersey breeders in the business since 1924.

Cartwrights currently milk 500 Jerseys on 200ha near Inglewood. Their dairy operation includes their three sons assisting over two farms, recently expanded to include a nearby dairy block milking 100 Holstein-Friesians.

Cartwrights are looking forward to welcoming Maunga back to the family farm where he'll live out ga was immediately recognised as his retirement. Auction details are available at www.crv4all.co.nz or tel. 0800 262 733.

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In our opinion the offering this year is one of the best lines we have presented in 40 years of sales, for type and depth of pedigree, many from long lines of VHC cows, up to 17 generations. Stock stold at previous sales have produced well for their purchasers.



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REVELL FAMILY PARTNERSHIP

and export sales.' The bull teams each consist of 12-20 of the top young bulls New Zealand's most successful bull breeding herds, Hayman says.

The three elite bull teams capture the genetic gain benefit of a short generation-interval strategy. Total BW is the main selection environment." driver, but the key traits for modalso individually monitored.

"We've been servicing predominantly large herd customers for 12 years and we understand our customer's preference for moderate size, fertile, easy care cattle.

"We also manage the inbreeding risk for our customers, by rolling over the sire team genetics on creates extra early born replacesourced from a cross section of a regular basis. This is a simple, ments.

low cost strategy.

"Outcross international genetics are usually only incorporated when that strain has been proven to perform in the New Zealand

The LG75x sexed semen conern large-herd management are tains 75% female sperm and is available from \$35 per straw.

Farmers can use this product to increase replacement numbers or to capitalise on strong markets for replacement dairy or beef cross heifers.

Heifer mating and use of sexed semen has been shown to significantly ramp up genetic gain and



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270 ltr	810 dia x 1050 high	3kW		
350 ltr	710 dia x 1660 high	2 x 3kW		
350 ltr	810 dia x 1400 high	2 x 3kW		
450 ltr	710 dia x 2010 high	2 x 3kW		
450 ltr	810 dia x 1600 high	2 x 3kW		
500 ltr	915 dia x 1400 high	2 x 3kW		
600 ltr	810 da x 1900 high	3 x 3kW		
600 ltr	915 dia x 1500 high	3 x 3kW		
700 ltr	810 dia x 2200 high	3 x 3kW		
700 ltr	915 dia x 1700 high	3 x 3kW		
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DAIRY HEAT cylinders

Straw, silage output chosen to suit

CHOPPING AND distributing straw or big-bale silage, regardless of their consistency or quality, is easier using a newmodel Kuhn Primor feeder/ bedder.

The trailed Primor 3570 holds 3m³, so it will carry two 1.5m round bales. It can feed any long-fibre forage and distribute bedding straw up to 18m through a top chute.

The 3570 has a hydraulically operated regulator at the entrance to the feed rotor which adjusts throughput according to material quality, so maintaining working efficiency.

Kuhn says the key to the Primor's effectiveness is its ro-

bust two-speed gearbox. This typically runs at its lower rate for silage, and faster when distributing straw.

A power shaft drives a fourstrand power-band system, engaged/disengaged by a hydraulic cylinder. The power band provides a high level of power to the distribution beater rotor and acts as a safety device.



The bed chain conveyor runs independently to draw material into the beater rotor.

This can be run at varying speeds, and reversed, to control the flow of material into the distribution area. Feed or bedding straw come out the same top chute, height adjustable.

optional 300-degree An swivelling chute improves access in

tight spaces.

The rear door of the Primor 3570 is hydraulically controlled, for self loading. All functions are controlled electronically from the tractor cab.

Minimum power requirement is 70hp when the Primor 3570 is used for silage or havlage.

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MACHINERY & PRODUCTS

Worst job gets easier

TONY HOPKINSON

CLASSED AS one of the worst jobs on dairy farms, the shifting of travelling effluent irrigators is made easier and cleaner with the Ezi 018 displayed by Ezi Irrigation at the South Island Field Davs.

Farmers usually shift effluent hose one section at a time, with up to six sections in a typical set-up – time consuming and dirty.

The Ezi 018 attachment behind an ATV can tow up to six sections of hose at a time, attached by camlocks, and the travelling irrigator can be attached to a tow ball on top of the Ezi 018, so all the pipes and the irrigator can be shifted at the same time.

An irrigator near the end of its run up a paddock is often pulling many metres of full effluent hose. This puts extra strain on the drive mechanism of the sprinkler and can cause it to stop moving forward, leading to ponding. Ponding defeats the purpose of spreading, can cause damaging run-off and can lead to prosecutions.

To reduce this drag Ezi 018 enables the farmer to bring the middle section of the drag hose forward, reducing the length of heavy hose the sprinkler has to pull.

"This can be done while the irrigator is working and with

the hose full it slides around the Ezi 018 with less chance of folding," says manufacturer Jeff Riordan.

Price \$1695+GST, including tool box, delivered. Tel. 03 525 9832 www.ezirrigation. co.nz



A professional fencing job is a lot easier when you use the right gear.

ATTRACTING LOTS of attention at Central District Field Days, this motorised wheelbarrow takes the grunt out of heavy loads.

The BarrowBull is powered by a 2.5hp 2-stroke motor with a thumb throttle and centrifugal clutch

It can haul a 100kg load up a a 40-degree slope, then free wheels down.

Rough ground is no obstacle, says inventor Tim Porter (pictured).

"BarrowBull is as manoeuvrable as a push wheelbarrow, whether shifting firewood, concrete or dirt for landscaping."

Price: \$995+GST www.barrowbull.co.nz





With the right gear, fencing can easily be a one-man job. Using an FENCE-PRO Ultra G2, you can easily position the post accurately using the combination of the 900 mm Side shift movement, and the 250 mm mast shift (back and forward). With the ultra wide angles available you can tackle any type of terrain as well. The Mule model can also be fitted with the side shift and mast shift options.

FENCE-PRO post drivers are designed for the high workloads of professional fencers and are easy to use, robust, and reliable. Fencing contractors can testify to the fact that they outlast any other driver they have owned. The same reliability is also built into in the farmer range of FENCE-PRO Post Drivers.

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Hustler will donate 15% of profits during March 2011 to the **Christchurch earthquake effort.**



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MACHINERY & PRODUCTS

Clearspan sheds 'driving huge growth'

A FARM shed builder servicing the South Island says its advanced engineering software has been the main driver of "huge growth" since its set-up three years ago.

Wide Span Sheds, Ashburton, says it can design to customers' requirements and price a job "in minutes". Maximum clear span and height are 30m and 8m respectively.

"We attribute some of our growth to our computer system and design software, the most advanced software we know of for building pre-engineered buildings," a spokesman says.

The company offers a range of pre-engineered steel sheds and buildings 100% made from New Zealand Steel products, using high-tensile 450MPa (or greater) galv steel with sheeting in both Zincalume and Colorsteel options.

Sheds can be supplied in kitset form or fully built.

"We offer customers opportunity to design and customise a shed, warehouse, workshop, commercial cover, or barn within our preengineered and efficient design environment," the company says.

"This ensures economy, efficiency and value without compromising on design.

"Wind and snow loadings are based on an exact location, not a general area. We use best industry practices and employ independent engineers to sign off our sheds before they go out."

Tel. 03 308 0324 www.sheds.co.nz



At odds over ATV 'hairpin'

TONY BENNY

PRESSURE IS growing in Australia to have rollover protection made mandatory for ATVs but New Zealand distributors remain opposed to the equipment.

The Australian Center for Agricultural Health & Safety has recommended all owners of ATVs fit rollover protection, joining similar calls by NSW Farmers Association, Australian Workers Union and Queensland-based Australian Agricultural College Corporation (AACC), reports

Save 1L/Ha

Weekly Times.

ATV safety is under the spotlight across the Tasman following the deaths of three people in ATV accidents in ten days.

The agricultural college's senior instructor of intensive livestock, Barry Harding, says ATVs are widely used for mustering and handling stock.

"The AACC is at the cutting edge of adopting safe work practices and reducing the likelihood of serious accidents, by rolling out Quadbars across its sites," Harding says.



To page 37



THE LELY SPLENDIMO HAS THE LOWEST POWER REQUIREMENTS OF 9 MOWERS TESTED... SAID, GERMAN FARMING MAGAZINE PROFI

The Lely Splendimo had the lowest power requirement for straight mowing of any of the machines tested. This results in a fuel saving of 1 litre per hectare compared to the average test results. Just calculate what your benefits per year will be.

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Precise reach by fert

applied by a new Kuhn Axis 50.1 spreader with individually driven/controlled discs.

Kuhn invented the system, which has its spreading discs independent of the tractor motor.

An 'electronic mass control' system measures and continuously regulates the fertiliser flow to each disc. The control

FERTILISER IS more precisely box indicates the dose actually spread.

A weighing frame with two weigh cells continuously indicates the fertiliser quantity remaining in the hopper.

For spreading at paddock boundaries the operater can select 'output' or 'environment'. The boundary can be set left or right, or both sides, by reducing the spreading disc

speed or by modifying the drop point.

The Axis 50.1 will spread up to 500kg/min - at least 1ha/ hour. It can spread 400kg at 20km/h with a working width set at 36m, Kuhn says.

Capacities are 3000L or 4000L and working widths 18m and 50m.

Tel. 0800 585 007 www.kuhn.co.nz

Shockless handling

SPRINGLESS AND unbreakable gate handles from Beattie Insulators, Kaikoura, have a newly designed one-



piece hook with connection for bungi, tape or wire. An insulated plastic handle with large hand shields protects the user from electric shocks.

The plastic handle will not crack or break, proven by running it over with a 200hp tractor and baler.

The one-piece hook is also sold separately and can to replace internal springs in other Beattie handles.

It's also sold in bungi-gate or race kits and tape-gate kits with all components including anchor insulator and live connections.

Tel. 03 319 5467

www.beattieinsulators.co.nz

ATV 'hairpin'

From page 36

"The organisation is fitting quad roll bars on all its quads to keep its students safe when training them on the correct usage of the farm equipment."

The Australian-made Quadbar is sold in New Zealand and distributor Stuart Davidson told Dairy News demand here is strong. He's sold 38 of the 60 bars he bought from Australia early this year.

"I didn't know how it would go but you can't help but sell products at field days," Davidson says.

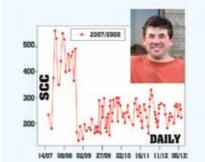
"I'm fronting up and finding people are quite receptive to the bar and wanting to save their lives.

"I thought I'd have to do the hard sell but it's not like that. People approach me with all sorts of weird stories about falling of bikes and then they buy one."

And he says he was visited by staff from the Department of Labour who, while they couldn't be seen to support one particular brand, did seem to support the Quadbar.

"They say farmers are reluctant to put on helmets and if they're not wearing helmets, at least they've got a bar at the back there. Their idea was these would go a long way towards stopping injuries."

But New Zealand Motorcycle Distributors Association head Paul Stewart says rollover protection



"Maree and I would like to let you know how pleased we are with our Varivac. Not only does it save power, but as you promised it dramatically reduced our SCC.

Prior to installing the Varivac we were grading at every pickup for SCC (the kind of stress parents of young children can do without in spring). I have enclosed a copy of our Fonterra SCC graph clearly showing the day the Varivac was fitted. We now average 130,000 SCC and life is good. We would not hesitate to recommend Varivac to

anyone else in our situation. Best wishes and thanks again" **Hamish & Maree Tong**

06 272 6349

and the problems are now gone Quite simply it works.

Steven Robb, Dairy Farmer, Morrinsville, NZ



We have had many years of high SSC. In fact, since putting in a new milking plant 10 years ago and no one being able to fix the problem and having culled heavily because of this we didn't know where to turn next.

We saw the article on Varivac and decided to give it a go. Well, we are delighted with the results. Proof is in the graph taken off Fence-post. Our SSC compared with the company average. Coupled with the added power savings we couldn't be more pleased. Thanks Varivac

> Gil and Jill Hall, Dannevirke, Hawkes Bav. NZ

The farm had serious Somatic Cell Count figures and mastitis problems. We installed a Varivac vacuum control system

will not make ATVs safer.

"Our position hasn't changed as an industry. We don't recommend them. Honda in particular have done research indicating the proposed safety these people are talking about isn't there," says Stewart

"An ATV is designed with rounded mudguards and plastics and those sorts of items so if something does happen, it effectively rolls over the top of you.

"You might end up with an injury of some description but you will get away from it, you'll fall off it and the machine continues to the bottom until it stops. But if you somehow can get entangled in items such as rollover protection you will just keep going until you get to the bottom."

Stewart says the industry stands by manufacturers' recommendations and supports the Department of Labour's safety programme.

"People have to learn how to ride them properly, ride them in the right circumstances, wear a hat, be trained and keep children off them."

ivac installed here!



Last pick-up dried off.)

MOTORING

Lithe contender in 2L market

ADAM FRICKER

'GAME CHANGER' is

probably an overstatement, in true marketing fashion, by Hyundai about its recent car offering.

But it's fair to say the Korean company's new mid-size sedan, the i45, should put the maker on the same footing as the default fleet-car brands - Toyota, Ford, Nissan, et al.

This is where the big sales numbers are achieved in New Zealand and Hyundai hopes this car will follow the Santa Fe's success and achieve real scale in sales volume.

The rakish new car is certainly a more competitive entrant in the cut-throat mid-size sector than Hyundai have fielded before.

It's a good car, built



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high s

to the standard Hyundai is now known for, and it also looks like a good car. The Sonata this car replaces could not really make that last claim. As you'd expect in a

Korean car, you get a lot of kit for your money, even in the base model which retails at \$42,990.

Central locking with keyless entry and alarm, cruise control, trip computer and paddle shifters all feature. You'll get only the 2L engine for that money, though that's no bad thing with 122kW on tap.

We drove the 2.4L and found the 148kW engine a strong performer with a solid 250Nm of torque available at 4250rpm. Matched to a 6-speed automatic the car makes effortless progress, a pre-requisite in a sector dominated by Mondeos and Camrys.

Fuel efficiency never

quite hit the claimed 7.9L/100km, but on a longer run it would be realistic. The Elite i45 rides quietly on tasty 18-inch

alloys clad in 215/55 R16

rubber and the handling and ride proved extremely competent. Not sporty, not dynamic, but safe and assured - again, something expected in this

Bells ringing for Rover

FOUR YEARS after its launch the Land Rover Freelander 2 has achieved 250,000 units made at the Halewood, Merseyside factory.

And sales are up, says Halewood operations director Richard Else. He cited "growing demand", sales up 22% year-todate (Apr 2010 - Feb 2011) compared with the same 11 month period in 2009-10.

The 250,000th vehicle was a 2.2L TD4 Diesel GS in Fuji White destined for a customer in Scotland.

"This milestone achievement and the increasing sales for Freelander 2 highlights how important this vehicle is to Halewood and the regional and UK economy," Else said. "About 70% of Freelanders made at Halewood are exported."

The 2011 Freelander 2 is available with 4WD and a 2.2L diesel engine of 140kW or 110kW.

It is said to have class-leading on- and off-road performance. Features include the maker's Terrain Response, a "premium" cabin and improved fuel economy.

Priced: from \$65,990.



category.

with leather, electric seat warmers, sports suspension and rain-sensing wipers just for starters. Order the top Elite Ltd model and get even more

fruit, but pay \$52,990 not cheap, but it's been a while since Hyundai migrated from the bargain basement Chinese brands are starting to populate.

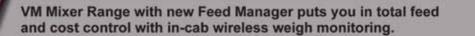


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