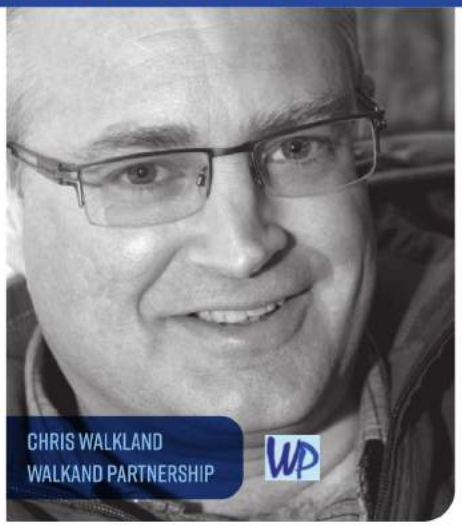
TOMORROW'S FARMER

CMC
crediton milling company
Feeding Tomorrows Farmers Today

DAIRY
POULTRY
BEEF & SHEEP
FORAGE

AUGUST / 2022
ISSUE 57

MILK AND UNCHARTERED WATERS



The good times as far as milk prices are concerned are rolling (or have rolled) to a stop, I think.

The current mood in the market is negative, with the GDT being down for eight auctions out of the last nine, to levels last seen in November last year. The rest of the market is reacting to that sentiment.

EU traders are away on their summer holidays and there is barely any trading going on. In such times the sentiment is usually doleful, which also reflects on prices. It means EU commodity prices have been slipping over the last few weeks, with a knock-on effect on some prices in the UK. The futures prices in both New Zealand and the EU have also been tracking lower.

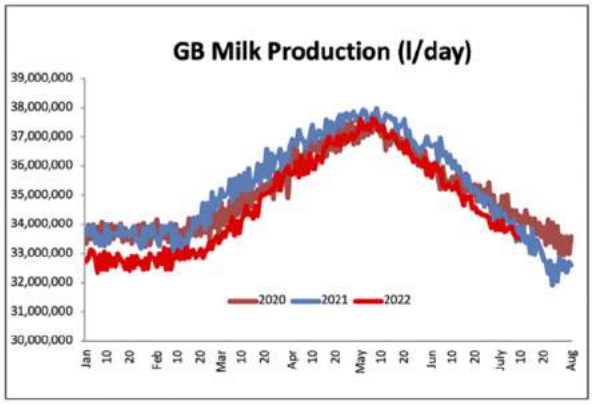
It must be remembered, though, that the price dips are coming from the very top of the market, and prices are still extremely high. They are just not as high. Butter is just under £6,000/t, cream is still in the £2.80's at the time of writing, mild cheddar is almost £5000/t and mature higher than that. So still good prices.

The farmgate milk prices being realised on both the real and futures markets in the EU still equate to the sorts of milk prices processors are currently paying, but are no longer higher and above the 50p threshold. In the southern hemisphere the GDT and the futures are returning prices well below the EU's at around 39 – 42p, and the differential is either going to drag our prices down further or theirs will be lifted by the EU's. If it's the latter, though – and let's hope it is - then that is not going to happen until the holiday season is over. The mood in New Zealand is not as positive as it is here – dairy analysts there seem to be pondering on a season milk price of around NZ$10.00/kg milk solids, which equates to a (not exciting) UK equivalent price of 40p.

All of this means that if you've had a price rise for August (Muller farmers didn't get one) then you might not get one for September. If you didn't get one in August then you might in September. If you supply a liquid processor and cream and spot milk stays high then you might be lucky. Cheesemakers, on the other hand, will have a great income from very high cheese prices but whey returns are falling off a cliff.

Crediton Dairy, is as usual, in the top five payers (including the retailers) for both August (at 47.5p) and September, and that's assuming a hold for September. Arla is also there (47.56p), but Saputo is only top third (46.38p) and Muller mid-table (46p). The latter's farmers will be expecting good things for September.

But farmgate prices cannot continue to increase against this falling market. If they do then you risk them crashing back faster and further than if they hold the line, which is where the focus should be. Stability needs to be the order of the day. Buyers and especially retailers will need no excuse to cut processor prices, and in their wake will go your farmgate price.



The big question now, though, is what will happen in Q4 when traders return from their holidays in August, life gets back to normal patterns of trading and Christmas looms large on the horizon. This will be the key period.

CONTINUED ON PAGE 2

CONTINUED FROM PAGE I

Right now it's hard to predict, as it's impossible to know who has covered their buying demands and by how much and who hasn't, and also how demand will have been affected by the cost price inflation in dairy products. Will consumers still buy dairy like they did at these inflated prices?
We don't know! We are in unchartered waters with no comparisons! What is clear is that demand uncertainties favour buyers and milk volumes and stock levels favour the sellers. There is no stock about, particularly on cheese and it is hard to see this situation changing any time soon. Meanwhile milk volumes are low in Europe and the UK and will have been further hit by July's heatwave. We also won't get a steer on southern hemisphere milk volumes until September or October, when volumes reach their peak.

In the short-term, therefore, the market will probably see more slippage. But farmgate prices should remain robust. We won't know for a month or so, but it is clear we are in an uncertain, unpredictable time for the market where buyers will be talking the market down with vengeance!

TRAVEL REPORT

Canada/Holland 2022
We are not alone

My 2022 travel adventure started over a year ago in May 2021, when I was the winner of the Zoetis NFU Trainee Poultry Award. I am extremely grateful to everyone involved who has helped me get this far in my career. Particular thanks also to Crediton Milling for supporting me, training me and allowing me the time away for this trip.

On the 4th May I set off to Holland by kind permission of Hendrix Genetics. Unfortunately, due to the Avian Influenza (AI) outbreak, we were unable to go into any poultry sheds. The country houses 32m chickens with a population of only 17m people, resulting in 80% of Dutch eggs being exported, 75% of which goes to Germany. Although Holland is the second largest agricultural exporter it is also the largest importer and so the production of eggs is in part controlled by a quota system; €25/hen. I originally thought this was expensive… until I got to Canada!

With Germany being such a huge market for the Dutch egg industry, they must adhere to Germany's rules. They stipulate that male chicks must not be killed after hatching. As a result, males are either kept on farm for fattening up to 30 weeks or are slaughtered at 15 weeks; anything earlier and the birds are too small to go through the processing plant. There have, however, been many advances in in-ovo sexing. It is the egg cell, not the sperm that decides if the chick will be male or female, so we can only act after fertilisation.

Aside from the pressures from Germany, 80% of the Dutch market is Dekalb Whites, a highly efficient bird. Brown birds are considered a premium, not mainstream as they are in the UK. A quote that has stayed with me from the second day in Holland was 'save the planet, go white'! White birds are more sustainable than their brown counterparts and do not have to be beak-tipped due to their more docile nature.

In 2005 the Dutch retailers introduced a ban on cages and so the majority of production in Holland is barn; 60% barn, 25% free range and 15% organic. Further to this, Lidl will only sell white eggs in Holland because they believe they are more sustainable and environmentally friendly. Another quote that stuck with me was 'the gap between producers and consumers is increasing'. I believe this is also correct in the UK, and we must ensure that this gap decreases rather than increases.

Whilst we weren't able to go into poultry houses we were allowed a virtual tour by the producer where he explained how he was managing his two flocks of Dekalb White's. Below are his current production figures:

80,000 birds split into two flocks. Each flock was housed in a double-decker Big Dutchman shed. 20,000 on the bottom floor and the 20,000 on the top floor.

Flock 1 – 85 weeks
90% production
62g egg weight
6.3% mortality
115g of feed/hen/day

Flock 2 – 35 weeks
98.5% production
58.7g egg weight
0.7% mortality
116g of feed/hen/day
103 eggs per hen housed
1720g bird weight

For the whole 80,000 birds there was only 200 floor eggs and his gradings were 0.2% dirty and 0.4% total seconds. (Unsure of cracks as eggs go for boiling. Paid per egg not egg size).

On the 7th May I then flew to Montreal. Lallemand produce 150 different strains of yeast in different forms such as liquid, fresh and dry, of which is used in animal production. I was treated to a tour around their plant. They use excess sugar from other production plants or the raw material itself to grow the yeast. At their site in Montreal, they alone use 3,000 cubic metres of water per day but which produces 69 million kg of yeast per year – 1 small grain of yeast = 100T a week. They also use 37,000kg ammonia per day.

I was then greeted by Theunis Wessels (Lallemand) at Saskatoon airport on Tuesday 10th May. He had kindly arranged a dinner meeting with a nutritionist working for 'Otter Co-Op'. They have two mills which each produce 100,000T of feed per year (multi-species). At this time, the price of a standard layer diet was around $550/T, equivalent to approximately £350/T. We spoke about COVID and how it had affected the egg market in Canada. The supermarket shelves were empty of egg, similar to the UK. However, in contrast to the UK regulations stipulate that eggs destined for hospitality cannot be moved to supermarket shelves and therefore eggs were dumped! Additionally, hens are culled at around 350 days (50-60 weeks), no matter how well they

are producing. They then start the new cycle a week later. However, similarly to the UK, it is a consumer driven market, with large eggs being the most popular. Again, some similarities to note was the struggle to get hold of raw materials and lack of labour. This highlighted to me that the UK is facing the same challenges as the rest of the world – we are not alone!

I spent the next two days at the Animal Nutrition Conference of Canada. AI was the elephant in the room which hit Canada just two weeks before I arrived. Whilst the presentation by Dr Frank Mitloehner was more focused towards the dairy industry, it really was the most interesting talk on climate change and methane. He stressed that methane has such a short life-span in comparison to carbon, where methane is destroyed every 10 years and CO2 takes 1,000 years. The carbon cycle with a dairy cow is easy to prove that we actually need cattle and other ruminants to help improve our carbon footprint and prevent global warming. 'A constant herd of cattle does not increase carbon in the atmosphere' they simply recycle the carbon through the biogenic carbon cycle. 'Methane is a super opportunity' as it helps remove carbon from the atmosphere.

Continuing the topic of green house gases Dr Karen Beauchemin spoke about the prospects for the dairy and beef industry in Canada. All livestock globally contributes 14.5% of total GHG. Feed accounts for 46.7% of this. 40% of Canada is permanent grassland and this is needed for carbon sequestration and for ruminants to utilise the carbon cycle. This was also supported by Dr Dominique Bureau who mentioned that '42% of global farmed land is not suitable for growing crops'. Beef production in Canada has already reduced its GHG emissions by 14% from 1981 to 2011 through improved management and technologies.

Day two of the conference started with a very interesting talk from Dr Stephanie Collins. One of the quotes that most stuck with me from her talk was that 'animals don't need ingredients, they need nutrients'. De-fatted, full fat and oil products from insects such as the soldier fly larvae are approved for use in Canada. Use of the soldier fly larvae over other protein sources has shown that egg mass output, feed intake and production is not changed and FCR is improved. The larvae also provides a good source of calcium which can support shell strength. It was also highlighted that 'algae's are not plants and insects are not animals'. Crickets have protein levels of 40% and soldier fly larvae 35-55%.

Nearing the end of the second day all the speakers from across the monogastric and ruminant sessions came together. Below are some quotes that really resonated with me:

- 'Farmers are the soldiers in the war with the environment'.
- 'Change is opportunity'.
- We are in an industry making food in a world where people have to eat'.
- 'Consumers want more, but they will have to pay'.
- 'We don't need soybean meal, we need enzymes'.
- 'We are living in a time of increasingly rapid change'.
- 'Soon we will be doubling our knowledge every 12 hours'.
- 'Bad information is worse than no information'.
- 'Do we really understand the consumer market place'.

I then had a few days in Alberta with Theunis who introduced me to more feed companies and pre-mixers. Again, due to AI we were unable to visit poultry farms and by this point North America had lost around 30 million birds. Alberta has 2.5 million birds, and these are mainly housed in enriched cages. Where I thought the €25/hen quota was expensive in Holland, in Canada quota is $600/hen! The land in Alberta specifically is rich in oil and gas, combined with its neighbouring state it actually has as much resources as Saudi Arabia, making land prices extremely high. The average size flock is 20-30,000 hens and every bird is beak-tipped. Meat and bone meal is still approved for use, providing a very good protein source.

Although Canada is currently encountering a wave of AI, birds on a free-range system are allowed outside if the outside temperature reaches a certain level. Feed lorries are also allowed to deliver to multiple stops within AI zones, so long as they keep a note of where they have been for traceability. AI in Canada is very rare and so their biosecurity is not at the standard of ours in the UK. The egg industry, whilst expensive to get quota, has a very good system. When producers by quota, they are guaranteed a price for their eggs which covers the cost of production. The supermarket prices then also fluctuate accordingly. Furthermore, another difference is seen when pullets leave a rearing shed at 19 weeks. They are stimulated at 18 weeks, two weeks before they arrive at the laying shed. Pullets and laying hens in Canada are not permitted to use antibiotics for growth purposes, unlike broilers and turkeys where it is the norm. I believe the UK is also therefore ahead in other areas, where brown birds in Alberta are seen to average 74% at 80 weeks of age. It is very rare, however, that birds reach this age, as mentioned before they are culled at around 50-60 weeks.

Other costs that I was made aware of at this time were:

- $450/T for wheat (£286)
- $650/T soya (£413)
- $15 per bushel of wheat (£9.53)
- $2.65 – average egg price per dozen eggs (£1.68)

HARRIET SMITH
07894 792311

CASE STUDY: **FARMING FOR THEIR FUTURE**

JOE BANKS
07885 367440

The Olive family farm at the edge of Tiverton in Mid Devon. They milk 150 autumn-calving cows of mixed breeds. Dan farms with wife Georgina and their three children. His daughter, the eldest, has just finishing reading Rural Enterprise and Land management at Harper Adams University and his two sons Alfie (the youngest, currently at Tiverton High school) and Greg (their middle child studied Level 2 agriculture & level 3 dairy apprenticeship at Cannington college and now works for a local contractor/largescale arable farmer).

Working with Dan over the last year I've been really struck by his attitude towards his children coming into the business. "I've never pushed them into it" he said, "until you are 21 you don't really know what you want to do".

I personally believe that even at 21 you are still at the beginning of your journey through life and should have as many doors open to you as at any time in your life. I believe that young people entering the industry should do so on their own merit and with a fresh perspective and very open eyes. Knowledge of other businesses and other areas of agriculture can only help to influence and inform in the future.

This is part of the reason that I, along with several others, set up and run our farmer discussion group, Beyond the Gate. Aimed at progressive farmers wanting to look outside the box.

Dan is a second-generation farmer and said that when he came home to work on the farm his father very much took a back seat and let him run the business the way he saw fit. This, he says, has led him to making a few mistakes, but on the whole let him change the direction of the business. Moving away from pedigree Holsteins to more of a cross-bred, autumn calving herd with a massive focus on forage and optimising milk from grass and forages.

Both sons and daughter help out on the farm when about, the boys more so, as they are around more, but all have parts to play. Greg has just started a job for the summer baling straw in the Midlands which has left Alfie with more to do on the farm when he's home from school.

I asked Dan, as we were walking his wholecrop, if he would want 'his children' to take the farm on'?' He said, if they want to he would be delighted but that he would want them all to gain experience elsewhere and not just view it as the easy option to come home. Dan also stressed the importance of having open conversations with the children (as his dad did with him), succession planning is still a significant problem for our industry and can sometimes hamper the future success of these businesses.

As farming enters a new era of increasingly volatile inputs, greater swings in income and new 'normals' being set all the time, in order to grow your business and develop within this industry, regular, fresh insight is essential.

I truly believe that family-run farms have a strong, if not the strongest, place in the future of agriculture and that, coupled with a progressive attitude and an open mind to new techniques and technologies, family farms can stay at the forefront of the industry.

A recent Beyond the Gate meeting

UPCOMING SHOWS

NORTH DEVON	Wednesday 3rd August
HONITON	Thursday 4th August
OKEHAMPTON	Thursday 11th August
HOLSWORTHY	Thursday 25th August
DAIRY EVENT	Wednesday 5th October
WOOLSERY	Wednesday 27th July
SHAFTESBURY	Wednesday 17th August

FIRST CUT SILAGE RESULTS 2022

MARK TUCKER
07703 734530

2022 HAS SHOWN A DECREASE IN DRY MATTER OF AROUND 3% LOWER THAN LAST YEAR'S EARLY FIRST CUTS AT 30.7% DM, HOWEVER CRUDE PROTEIN IS HIGHER AT 15.3% DM; WHICH WAS SEEN IN PRE-CUT DATA THIS YEAR COMPARED TO PREVIOUS SEASONS.

This has led to slightly higher levels of fermentable protein and metabolisable protein available to the cow. The increase in protein has somewhat surprised me due to the high costs of fertiliser however increased red clover and white clover leys could contribute to this

The most notable difference between the 2022 and 2021 season is in the fibre. Due to the mild winter and prolonged growth NDF has increased; 46.1% DM vs. 41.8% DM. Over 50% of samples have a high NDF value of over 45% DM, coupled with a high lignin value this leads to reduced digestibility and lower dry matter intakes.

Energy is lower this year from ME compared to last year (11.4 vs. 11.7 MJ/kg DM); where there is a large range in DyNE (dynamic net energy) which is the energy available to the cow. Those forages high in DyNE have a more digestible fibre, whereas those that are lower in DyNE have higher lignin and undigestible proportions of the plant.

The difference in energy content between the previous years silages on a day to day diet could be as much as a litre and a half of milk (75p).

The less digestible crop does however promote good rumen health with a low acid load and high fibre index. Careful balancing of both rapidly and slowly fermentable carbohydrates and proteins will promote good milk production. Typically ground cereals to introduce rapidly fermentable carbohydrates (RFC) will support the more fibrous forages. Good levels of protein will help to balance the rumen but some rumen fermentable protein will be required to support where there is excess fermentable carbohydrate. Balancing the rumen will promote; increased fibre digestion, improved throughput, optimal microbial protein yield and improved intakes and efficiency overall.

The samples represented here are from those farmers who took an early first cut. Subsequent cuts may be of lower quality or more variable given the changeable weather. It is important to get individual clamps analysed frequently. This season the key to optimising animal performance will be balancing the rumen in terms of fermentable carbohydrates and proteins to get optimal throughput, fibre fermentation and performance.

Contact your CMC rep who will be more than happy to assist in this.

EVERYTHING IN THIS HEAT IS HARDER WORK

SARAH CANN
07738 764130

If cows could talk, they would tell us the same; they definitely do show us how they are feeling!

Writing this article its 33 degrees and I thought it was a perfect excuse to get away from the heat for an hour this afternoon. Heat stress in dairy herds is a hot topic every year and with hotter summers and cows producing more milk, it is becoming more of an issue. Heat is only half the problem for the cow, humidity has a huge part to play with heat stress. Temperature Humidity Index (THI) is a combination of temperature and humidity which gives us the degree of discomfort the animal would be facing. A high temperature but low humidity could be less stressful for a cow than medium temperatures and high humidity. When the temperature humidity index reaches 68 or higher, cows have difficulty cooling themselves by panting or sweating.

What are the signs of heat stress?

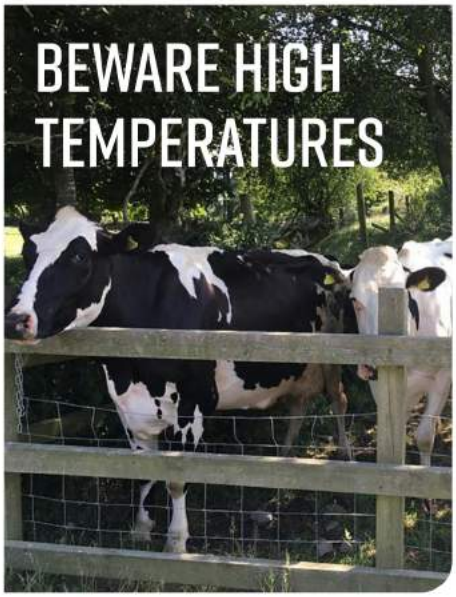
- More than 80 breaths per minute
- Cows standing closer together (not that that helps their situation!)
- Panting
- Standing around for longer and with heads to the floor (a cow's body temperature rises when lying down)

Cows, in effect, become hot and bothered. Their appetite will decrease from an average of 10-12 meals a day to 3-4 meals and each time this meal will become larger. This then effects the rumen pH which can cause rumen acidosis and reduce butterfat. To add to this, cows drool more in the heat. Saliva is a great source of bicarb and so the loss of saliva reduces the amount of bicarb she can use as a rumen buffer.

Some key things we can do on farm to reduce heat stress:

- Shade
- Cooling them with water (Not if they are in heat shock)
- Ventilation – even just taking down some boarding can help!
- Air exchange
- Feeding higher fibre feed
- Feed cooler times of the day
- Feed more often
- Supply rock salt – Cows love salt and it encourages water intake
- Consider the use of additives such as live yeasts, rumen buffer, niacin or fat soluble vitamins (make sure these are fed for up to four weeks following the period of heat stress as cows will need time to adapt)
- Minimise the amount of roof lights in your shed, especially south facing. Covering these up will help reduce heat in the shed.
- Make sure they have enough water supply – they will drink a lot more!
- Feeding Availa Dairy mineral in your cake

After a few weeks of high temperatures, it can soon become the norm and forgotten; we go on to think about the next thing we need to do or get done. However, these high temperatures are not forgotten by the cows or your bank balance. It will have a knock-on effect to your fertility, yield and even lameness from excess standing time. Don't forget about the stress your cows had this year until next year and have the same cycle again. If you would like any help with ideas or would like to discuss any additives or minerals further, please give us a call.



CMC FARM HACK

Smooth, painted surface for feed table

Concrete is easily corroded over time by the acidity in silage-based diets and can very quickly become rough resulting in reduced feed intakes, difficultly in cleaning the feed fence and increased feed wastage.

A painted surface alleviates this.

We would love to see more of your innovative ideas, so please send them to: cmc@creditonmilling.co.uk along with your name and location and these can be a regular way of sharing some top tips amongst our brilliant industry!

FORDTON MILLS,
CREDITON, DEVON EX17 3DH
T 01363 772212 F 01363 775009 T @CREDITONMILLING
WWW.CREDITONMILLING.CO.UK

CMC
crediton milling company
Feeding Tomorrows Farmers Today