

THE ULTIMATE BREEDING STRATEGY

Meeting the future supply chain requirements for the profitable dairy herd



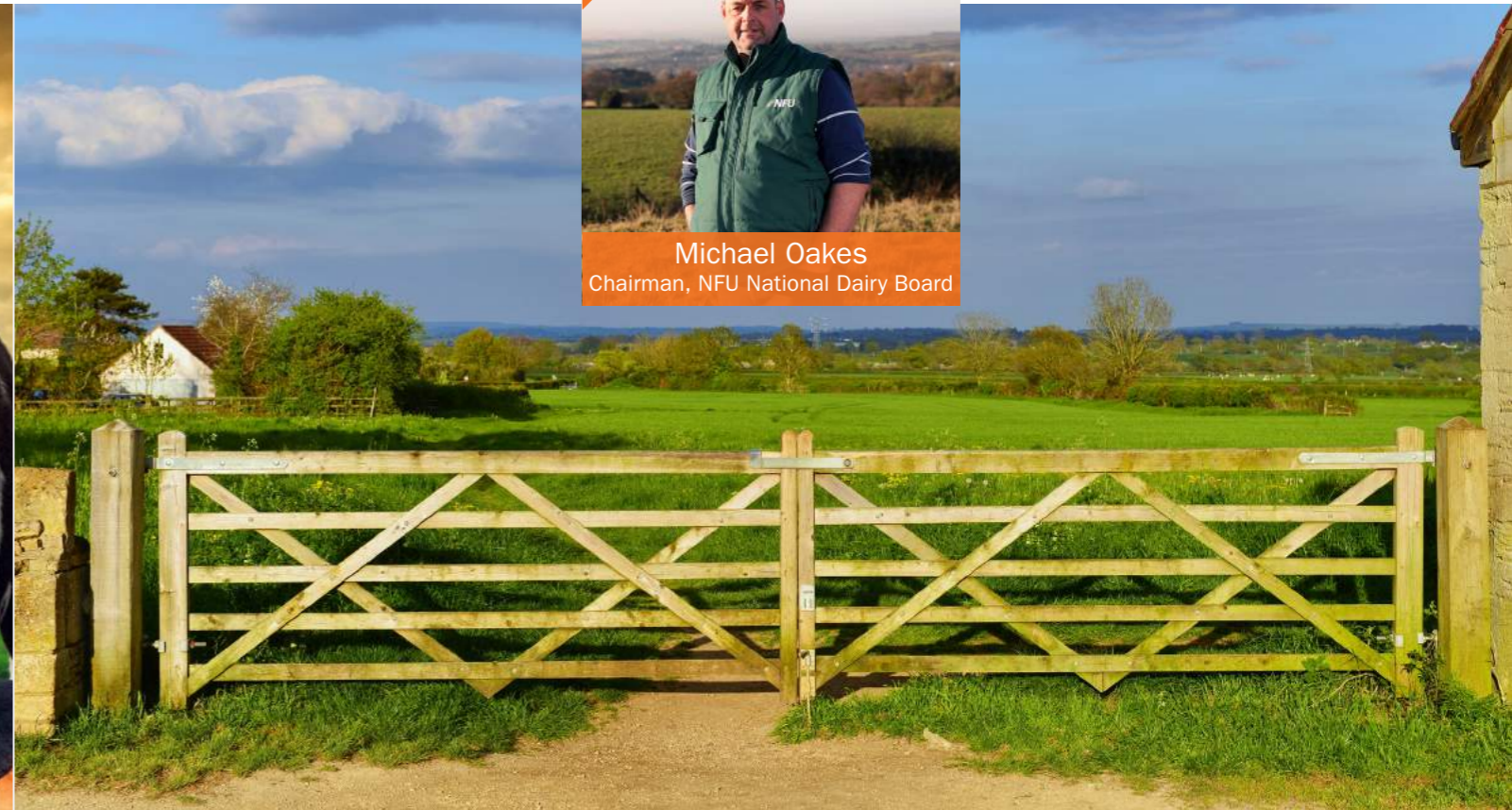
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Invest in your future, make profit, and be ready for change.

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www.cogentuk.com



Michael Oakes
Chairman, NFU National Dairy Board

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There is a genuine willingness throughout the supply chain to work with farmers to achieve best practice.

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UK dairy products are highly valued both at home and around the world, and there are some amazing opportunities going forward. However, as an industry, more than ever, we need to ensure we protect our image and reputation and strive to be the world's leader on all aspects of dairy production.

It is in the interest of everyone in the supply chain that the UK dairy industry succeeds. We must embrace collaboration. There is a genuine willingness throughout the supply chain to work with farmers to achieve best practice and it is important we support this within our farm management systems.

We mustn't underestimate strength in numbers. We are much stronger as an industry if we develop positive working relationships throughout the supply chain. Communication is paramount, but we also need to be

open to changing our practices. Retailers and milk buyers want to work with farmers to address sustainability - we must recognise they are part of the solution and by doing so we have a much better chance of success. But we need to adapt and accept new practices and new technologies that improve efficiencies, whilst maintaining the high level of consumer confidence that we currently experience.

In terms of breeding, new technologies have been developed in recent years that have completely changed the landscape of herd reproduction. It's important we consider how this offers business improvements, in terms of the overall economics, but also consider the supply chain and the new opportunities that it may offer. With a renewed focus on the potential of new technologies, and new working relationships, I am confident we will see our industry go from strength to strength.



Tom Slay
Beef Agriculture Manager
M&S Foods

Collaboration is key

M&S Beef Agricultural Manager, Tom Slay explains how closer working relationships are needed in the supply chain.

As a premium food retailer, our customers expect us to provide products of the highest taste and quality, whilst leading the way in sustainable sourcing. Both of these challenges can only be achieved through close collaboration with the farmers and processors who supply us.

For us, sustainable sourcing means working closer with producers than ever before. Shorter supply chains allow the farmers to receive a fairer return for their products and give us the opportunity to collaborate more closely on production standards and subsequent consistency.

An example of this is a project we are currently working on with our beef supply chain. At M&S Foods we are working with Pathway Farming to streamline the often-fragmented supply chain that's involved with rearing dairy x beef calves. This scheme will compliment what we have already established with Scotbeef and suckler beef farmers.

In this new approach, dairy cross x beef calves will be reared from birth to slaughter in a standardised system, by nominated rearers who will use bespoke genetics. The scheme has clear production protocols for health, welfare, feed, and medication, meaning that costs of production are known and can be controlled. Add this to a short, efficient supply chain, and a fair



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price can be paid to the farmers in the chain. For us, these clear production standards promise to give a more consistent final product, security of supply and even greater transparency. We will also be able to use the data collected in these more controlled rearing conditions, with ‘whole-life’ information to make more informed decisions on future health, welfare, and production standards.

Looking to the future, we will also be exploring opportunities for our dairy group to move towards a breeding programme that just uses sexed semen and beef semen, again aimed at extracting maximum value for the farmer.

There are many opportunities for the UK dairy industry. Collaboration will be key to making the most of these opportunities and will require a joined-up approach from everyone in the supply chain.

For more information please visit: www.pathwayfarming.co.uk

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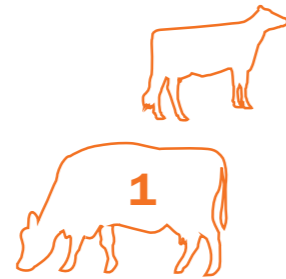
1. Improve the income potential of your herd

Ultimately, the aim of any dairy herd manager is to improve the herd performance for increased profitability. To achieve this, it is necessary to identify, through the use of genomics and PTA's, the most profitable cows, and using PLI as a primary selection tool is recommended. Technological advances such as sexed semen offer a reliable and effective option to ensure replacements are from the most profitable animals and beef calves from less profitable cows. In a typical 8,000 litre, 200-cow herd, extra profit from using sexed semen and beef semen over conventional semen and beef would be £11,225pa – which equates to 0.7ppl and a return on investment of 8:1 (Sion Parry, Cogent)

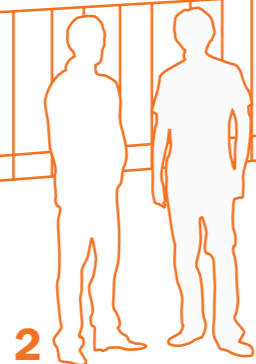
2. Work with genetic specialists

Use innovative tools, such as the sexed semen calculator, to identify the genetic gains to be made and the most profitable breeding outcomes for your herd. Working with a genetic specialist keeps you up to date with new advancements in technologies, such as the recent successes in sexed semen, which have resulted in much higher conception rates – on a par with conventional semen.

“Identify your most profitable cows”



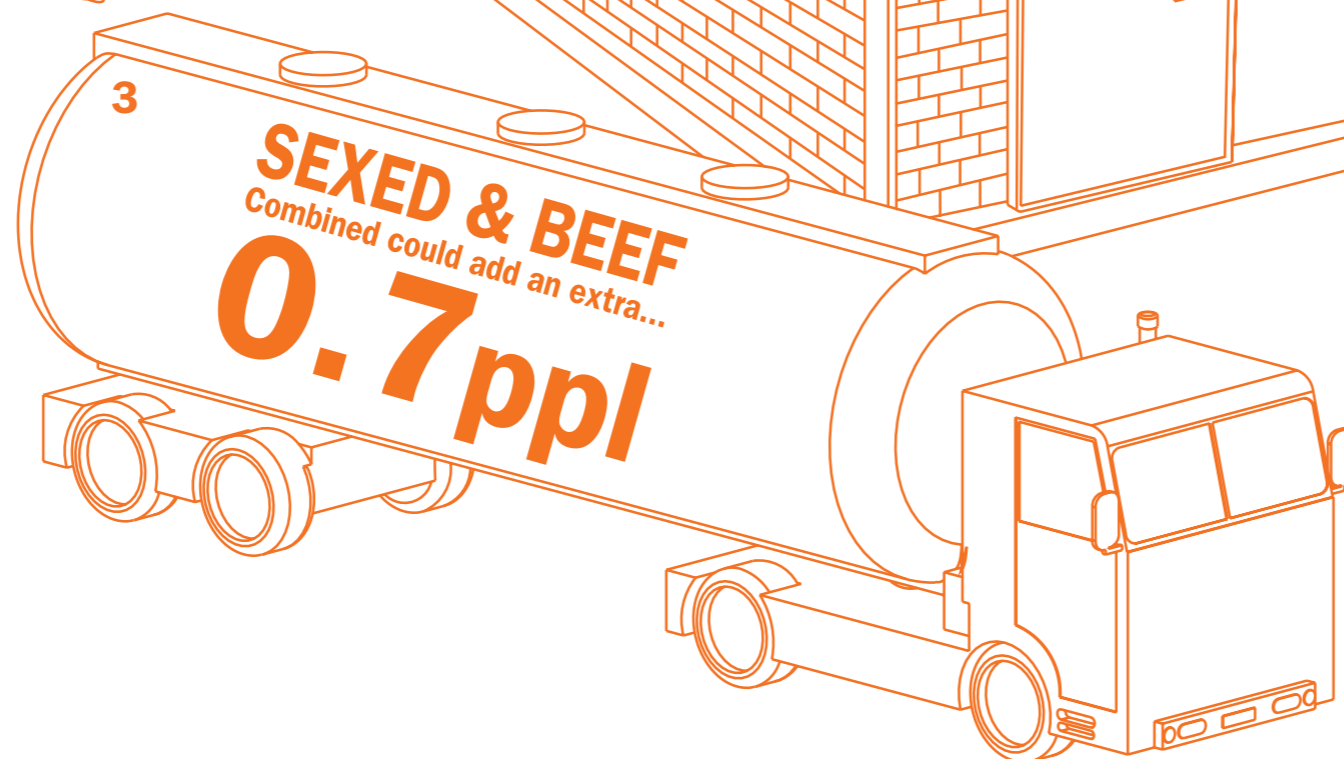
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“Work with specialists who utilise the sexed semen calculator”

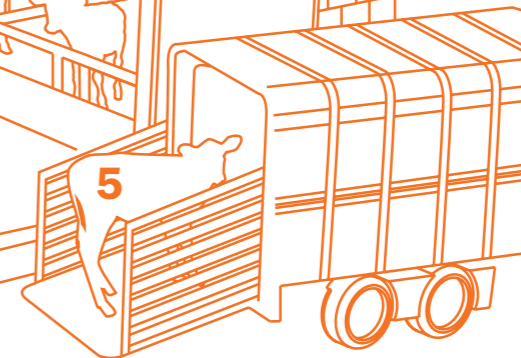
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SEXED & BEEF
Combined could add an extra...
0.7 ppl



“EVERY calf in your herd should add value”

5



“Elite genetics can add an average of £45 to the value of a beef calf”

3. Maximising milk income

Profitable milk sales are the foundation of a dairy herd and increasing this value will enable you to grow your business for the future. With your milk market in mind, consider the milk quantity and quality you want to produce, and establish a breeding policy that will work towards this goal. Breeding from your best genetics offers you the opportunity to reach this goal quicker and more effectively.

4. Breed best herd replacements

Ensure you are increasing the genetic merit of your herd through your breeding programme. Every calf in your herd should add value. If youngstock are an income stream for the business, maximising their genetic potential will add value and increase marketability. Breeding replacements only from your very best females has significant financial benefits. An average herd of 150 cows choosing this route is, in 10 years' time, likely to make an additional profit of around £10,000-£15,000 per year (AHDB Dairy).

5. Beef calf value

The UK is only 75% self-sufficient in beef so there are marketing opportunities for dairy farmers. Improving the quality of beef calves can bring economic benefits to everyone involved in the beef supply chain. A beef-cross calf is worth over £180 more than a dairy bull from the same cow – equivalent to 2.28p/litre*. Better breeding can add an average of £45 to the value of a beef calf – equivalent to 0.57p/litre*. Sexed semen can boost calf returns even further (AHDB Beef and Lamb).

*Improved return for an individual cow with an average 365-day lactation of 7,912 litres. Improvement on a herd basis will depend on the system.

Bolton Fold Farm



Stuart Forshaw at Bolton Fold Farm

Having doubled cow numbers in the last five years, the Forshaw family, who farm at Bolton Fold Farm in Lancashire, have focussed on genetics to ensure their herd is bred for longevity and profitability.

The herd currently averages 10,800 litres/cow on three times a day milking at 4% fat and 3.25% protein. “We want strong, functional cows that will last, so a few years ago we decided to really focus on breeding replacements from our best cows,” says Stuart Forshaw who farms with his father, Stephen, and brother, Andrew. “All breeding decisions require the same time investment, so it makes sense to use that time wisely and make the most profitable choices for your business in the long term.

“Feet and legs are the main criteria for selection, and we also consider the overall classification – she needs to score well if we are to breed a replacement, so a VG or

EX is a pre-requisite. We also look out for the animal’s temperament, if she is a good mother, and we look at her health history.”

“Once these cows have been identified we use sexed semen to ensure we maximise the potential of a heifer from these cows, which immediately increases the improvements to our next generation. About 40% of the cows are in this programme, where they are offered two straws of sexed semen, and then we use conventional straws. We have a 25% preg rate just now, so are really pleased with the results. 80% of the maiden heifers are also on this system.

Beef is used on the remaining animals - Aberdeen Angus on the heifers, and a British Blue or Charolais on the cows. “These are still productive animals, but we are financially better off to breed these animals to beef and have a valuable calf for sale. We are averaging around

“**We have a much stronger business and a herd that is genetically superior to the one we would have had without a focussed approach to breeding.**”



£320-£350 at 6-8 weeks of age, with a top price of £410. In early 2017, Stuart also took the decision to convert the herd to pedigree status, registering what is now the ‘Longshaw’ herd. “I could literally see the improvements in the herd and felt I needed to concentrate on the data recording to effectively assess the progress. This has also been worthwhile when selling animals, as another benefit of this new approach has been the increase of black and white heifers. We will sell 25 head this year and that will increase to 50 next year. Selling in-calf heifers we generally achieve an average price of around £1300 per head.”

“We are already seeing a significant difference to the overall income to the farm from this breeding policy. We are maximising our income from beef calves, we have excess black and white heifers providing an additional income, we are seeing the improvement in the quality of our milking herd from the next generation and we have significantly reduced the number of low value black and white bull calves. We have a much stronger business, and a herd that is genetically superior to the one we would have had without a focussed approach to breeding.”



What the industry says..



Leading industry representatives share their thoughts on future considerations for UK dairy herd management.



ARLA
Graham Wilkinson
Senior Director of Member Relations



Buitelaar Group
Adam Buitelaar
Managing Director, Buitelaar Group



AHDB Dairy
Marco Winters
Head of Animal Genetics AHDB



LLM Farm Vets
Bill May
LLM Farm Vets



Kite Consulting
John Allen
Kite Consulting



Cogent
Mark Roach
Managing Director, Cogent

Our role at Arla is to secure the highest possible milk price for our farmer owners. In order to achieve this we work closely with our customers and have a thorough understanding of the market in which we operate. It is imperative that we provide consumers with reassurance that our products are produced to high standards. All of our farmers must meet Red Tractor standards and also adhere to the requirements of our own assurance programme, Arlagården. However, it is vital that we continue to develop our standards and look at new ways of operating in order to retain the trust that consumers have in our products, and to protect our brand integrity.

We are actively looking for quality calves from the UK dairy herd to enter our beef supply chain to rear and finish, supplying a range of end users – from major retailers to independents. Throughout our chain, consistency is absolutely key, for more effective management on farm right through to the cut of meat. So, that needs to be a focus going forward, as it will improve the efficiencies within the industry. To further maximise returns, dairy farmers should consider income from calves – whether it’s a black and white bull or with a beef bred calf that can generate at least double the price. Dairy farmers now have the tools available to ensure they breed the best replacements for their herd whilst producing consistent and quality calves for the supply chain – resulting in a win:win for their business.

Genetics influence a herd’s production, health, and fertility performance greatly. Having a targeted approach to deciding which females to breed the next generation from, in turn plays an important part in improving both future performance and profit of the herd. The rate of genetic gain is influenced by many factors (e.g. replacement rates, bull choice, genomic testing, sexed semen, etc.) and breeding changes made today will take a few years until it impacts the milking herd. But herds which choose to breed replacements only from their very best females (£PLI), will benefit from doing so. It is estimated that an average herd of 150 cows choosing this route, is in 10 years’ time likely to make an additional profit of around £10,000-£15,000pa.

Breeding decisions play an integral role in animal health, and offer farmers the opportunity to select bulls that are functionally superior to increase longevity in the herd. For example, improving traits such as feet and legs and udder composition will reduce associated health issues. Breeding replacements from the best cows in your herd will clearly get you the greatest improvement within each generation and using sexed semen offers you a very effective way of achieving this. The result will be improved herd health and longevity which will have a positive impact on overall profitability.

It’s vitally important that dairy farmers embrace new innovations to remain competitive in the global market. This relates to all areas of management including breeding. From a financial perspective there are two wins from using sexed semen and genomics. First, having the ability to increase farm income by adding value to a key co-product – beef calf sales. The average operator has stock sales including calves, of around 3ppl. The top 25% get up to 4ppl, largely due to a higher value from beef calves. When average profits are in the region of 3ppl then the co-product income is obviously very important. Second, from being able to focus on accelerated genetic gain in the herd, we see a higher return on investment.

Working alongside the supply chain, Cogent has invested heavily in research and development to ensure our products are in line with future customer needs. Recent technological advancements within cattle breeding now offer dairy farmers the potential to significantly improve farm returns, through accelerated genetic gains and increased calf values, as well as reducing any issues with selling low value black and white calves. Conception rates from sexed semen are now comparable to conventional, giving farmers a tremendous opportunity to breed a more profitable herd simply through a focussed selection policy. If you want to remain competitive in the dairy industry, making informed and progressive breeding decisions which maximise the returns from every straw used, is a vital part of your business strategy.

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30% *Sexed***ULTRA 4M™** DAIRY
Genetic Elite

20% *Sexed***ULTRA 4M™** BEEF
90%+ Male calves

50% **Cogent BEEF IMPACT**
Maximise preg rate/calf value

Represents segmentation of whole herd

#SoWhyWouldntYou



www.cogentuk.com

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