

UK Dairy Farmer of the Year shares reasons for success

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Rock bottom milk prices in the UK are forcing more and more dairy producers to adopt low input management solutions focused on grass based systems in an attempt to improve their business' overall efficiency and total profitability. And they're finding that Livestock Improvement New Zealand Genetics™ are an essential part of their new management strategy. Andrew and Rachel Giles are among those leaders after being Crowned "UK Farmer of the Year 2002".



By Liz Snaitth

If an Englishman's home is his castle then his land is his fort – land ownership in the UK is the ultimate goal. However a visit 'down under' led Andrew and Rachel Giles to make a radical decision. The only viable route to progressing their farming business was to sell a 125 acre dairy farm and invest that capital in Maesllwch Home Farm, a 450 acre tenanted holding on the borders at Glasbury, near Hay-on-Wye and scheduled to carry 350 cows.

And despite the recent 3.5p/litre slump in milk prices, the new arrangements are successfully enabling the couple to remain on target to improve their overall return on capital from 6% in January 2001 to 20% by December 2003.

"We wanted to expand our then 200 cow herd, however there weren't the opportunities to rent more land and buying a bigger unit required a great deal of capital," Andrew

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explains. “However we’d been on a business tour to New Zealand and picked up some ideas from Kiwi farmers which focused our minds on an alternative strategy. We realised that selling one of our units carrying 200 cows made better use of our capital – we were taking it from a holding that we forecast would not give a long term return and reinvesting it in an opportunity which we were confident would do so. Equally important, it allowed us to achieve those essential economies of scale.”

That’s not all. The couple are rescheduling the herd from late summer/autumn calving to spring block calving, targeting 6,100 litres taken from 0.13kg/litre and the remainder from forage, of which 80% will be grazed grass. And they’ve swapped the Holstein genetics previously used over the herd for Livestock Improvement New Zealand Genetics™ which they are confident will fit the bill having already been proven on grass based systems and a 365 day calving interval.

Furthermore, part of the cash released from the property sale has been ploughed back in to their remaining 180-acre Pembrokeshire unit, Hill Farm, near Narbeth managed by Jason Philips, including a new green field site 20 x 40 milking parlour. Hill Farm is run with Maesllwch as a single business and has also adopted a spring block calving regime and Livestock Improvement New Zealand Genetics™.

Despite the fact we’re both from farming families, we have made our own way, initially in west Wales 20 years ago from a base of 30 cows. Over the years, we built up the unit and by 1995 we bought the second farm bringing our combined area farmed to 305 acres carrying 200 cows,” Rachel explains.

“We just happened to be lucky spotting Maesllwch Home Farm up for grabs with a 20 year Farm Business Tenancy,” she says. “It had all the essential ingredients – scale, climate, location, and layout, and what’s more the landlord was willing to let us implement our proposals to convert a mixed unit with facilities for 120 cows to one with 350 cows



UK farmers of the year winners, Rachel and Andrew Giles.

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managed on a grass based low input system.” The Giles’ ‘to do’ list at Maesllwch included knocking through the loose house accommodation and introducing cubicles for 310 cows, a new 24 x 48 parlour on a green field site, more than 5kms of cow tracks, 15kms of electric fence to create a flexible paddock system and accompanying water troughs.

“Selling our Pembrokeshire property, securing the Maesllwch tenancy and relocating our family along with 240 cows within nine months to January 2001 will be the biggest move of our lives,” says Rachel. “It created huge turmoil for us and our boys, William, Richard and George, however being presented with such an opportunity and

failing to grasp it would have been fool hardy and something we’d have regretted.”

Andrew continues: “We’ve always been interested in grassland management, increasing output from grazed grass and subsequently profit. In the mid 1990s New Zealand dairy consultant, Mark Blackwell, sponsored by the British Grassland Society, arrived on the scene and further inspired Andrew and a handful of other local dairy farmers. A business tour to Ireland followed where they observed spring block calving herds successfully managed in simple grassed based systems.

“We put a toe in the water in 1996,” he explains. “We removed the tack sheep to enable early turn out and introduced rotational grazing.” Also aware of the benefits of New Zealand style discussion groups, Andrew was the founder member of the

Grasshoppers, which opened the door to Comparable Farm Profit, an accounting system enabling the Giles to benchmark their unit against other members.

“Moving on, we forecast milk prices to continue falling and more costs would need removing from the system to prevent return on capital falling below our projected target. So we decided to reduce the amount of silage made and subsequent slurry handled and switch to 10 week spring block calving to enable us to maximize our grazed grass.”

Introducing Livestock Improvement New Zealand Genetics™ go hand and hand with the system and are vital to its success, he says. “Our Holsteins are not suitable because they require high inputs to achieve their yield potential, they suffer foot problems and replacement rate is averaging 23%. In contrast Livestock Improvement New Zealand Genetics™ are noted for their superior fertility and subsequent longevity due to the Kiwi’s rigorous and natural selection criteria – if a cow doesn’t get pregnant within 56 days from the first mating then she’s culled. And fertility will be clearly the top priority for

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Maesllwch's herdsman, Mark Blacker, centre with assistant herdsman, Alister Price, left and Livestock Improvement's Anthony Bushell with a delivery of Livestock Improvement New Zealand Genetics semen.

our block calving herd – we cannot afford calving dragging on or empties. In future, we hope to stabilise herd replacements rate at 15% and achieve an average five lactations.

“In addition, Livestock Improvement New Zealand Genetics™ sires leave progeny which are conducive to grass based systems – they're aggressive grazers. Capacious, smaller cows, tough on their feet and able to walk long distances daily.”

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Faced with a choice of Jersey or Friesian sires from the Livestock Improvement New Zealand Genetics™ portfolio and the Giles went for the former. “We wanted to move away from the Holstein as fast as possible and breed more robust easy care animals that demonstrate high levels of resistance to everything we throw at them. So we've used Jersey over the entire former autumn calving Holstein herd and we're expecting the first cross to demonstrate real hybrid vigour,” says Andrew.

“These Jersey Holstein cross heifers scheduled to calve in spring 2003 are projected to yield 5,500 litres at 4.6% butterfat and 3.7% protein, and the milk value is scheduled to match that of our higher yielding Holsteins. In addition, we're planning to increase stocking rate from a current 2.43LU/ha with the Holsteins to 3.00LU/ha with the Jersey Holstein crosses.”

First choice Jersey sires included Alciston Charlies Lad, Willand Ads Samual, Van der Fits Fjord and Gloaming SS Forever. The Giles also selected Livestock Improvement New Zealand Genetics™ Friesian sires to use over the 120 black and whites purchased on arrival at Maesllwch. The sires included SRB Balls Heritage and Caldwell's Jordanaire.

As far as the business' future is concerned, the couple say the next step will be to take profit returns out of Maesllwch and reinvest in bricks and mortar or another venture, which may be another Farm Business Tenancy or share partnership for one of their herdsmen. In the meantime, they firmly believe that reducing inputs and a move to spring block calving complemented with Livestock Improvement New Zealand Genetics™ are the ingredients for an efficient, sustainable and profitable system even in the UK's current climate. ▶