

GrazingInfo Newsletter 121

October 2014

Good news

Now that GrazingInfo is free, more are joining. A new one from USA (the 53rd) is Dr Marco Turco, State University of New York, Plattsburgh, NY 12944, USA 12901.

Farm Size: 200 hectares, Effective: 150 hectares, Animals: 500 sheep and 100 cattle.

Occupation if not farming: Professor.

Why did you join? I believe that YOUR information and 'take' on successful farming is the ONLY way forward for a sustainable agriculture. (His caps.) He is subscriber number 489.

Thank you Dr Turco for your kind comments and we thank the 488 subscribers for joining GrazingInfo since 2008, giving me satisfaction. Thank you to those applying GrazingInfo principles, giving the world healthier food from healthy animals, well farmed on toxic-free land.

Dr Turco, you may already know that two Cornell University (New York State), scientists walked out of a controlled grazing seminar I was giving them in 1981 at no charge, and said that what I was recommending would not work in USA.

In 1991 Cornell University wrote in the USA Stockman Grass Farmer paper, "Adopting NZ style pasture feeding lowers energy inputs by 60%," and they added later, "New Zealand controlled grazing produces less milk than confinement feeding, but increases farmer profits".

I agree and have many in New Zealand, Australia, Canada and Japan doing this.

More good news

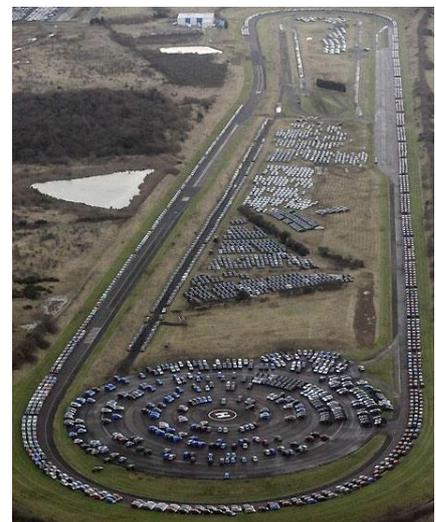
The payout can't stay at \$6 or less. It has to increase, and will if all dairy farmers put their foot down about Fonterra's bad behaviour. This means all of you telling your MP, your Fonterra directors and Federated Farmers that there'll be hundreds of bankruptcies and suicides unless the payout rises. The current low auction prices were at the height of the northern hemisphere's increased summer production accentuated by more now grazing, and New Zealand's spring milk increase effects. At the end of the northern hemisphere winter and when our late summer milk decreases, the auction price will increase.

Fonterra should learn

People have to have dairy products so will buy it at higher prices, but not if Fonterra continues to tell the world that they have surpluses. The world is small now, so Fonterra issuing a New Zealand release is read world-wide.

The cost of production is at least \$6, so bidding must start there, or no sales. There have been surpluses before when dairy produce was stored on ships.

When there was an over production of cars in 2008/9 they were stored in hiding so as to not publicise the surplus. Google for 'Unsold cars from around the world' for dozens more.



Producing less milk with more profit

This is what all dairy farmers world-wide need, so in New Zealand buying feed for more production at no profit, must cease. It is one cause of the low milk prices and low profits, which with Fonterra's stupid back-to-front auction system, is causing international price crashes. Fonterra's stupid auction is giving New Zealand a bad name amongst milk producers world-wide. It is 'Back to front' because, bids should start at the cost of production, not at below the previous price which Fonterra told me was their policy. One wonders whose side they are on. Not a single one of the managers deserves their million dollars a year salary.

Fonterra manager, Theo Spierings's excuse is that volatility is a fact of life in the dairy industry. He should have started, "Now that Fonterra is managing the New Zealand dairy industry, volatility is"

I was a Gordonton Dairy factory committeeman and supplied the NZ Dairy Board from 1955 until 1984 and don't remember any volatilities or disasters, and they ran it like clockwork for a hundred years. Fonterra has caused many disasters, still not all paid for, and the current payout is their biggest.

People have to have milk so will buy it at our cost, which is low. People want our milk, so set fair prices, promote its benefits, and avoid pollution disasters, all easy.

Fonterra shares

New Zealand dairy farmers already owned the dairy industry, so should not have had to buy shares at \$7 each, and Fonterra should not be allowed to devalue them. Both were stealing.

What do successful investors do? They spread their risk. So dairy farmers who already own a swag of Fonterra shares, buying more will increase the risk.

The fall in the value of Fonterra shares since they were bought by farmers for \$7, shows that Fonterra is a bad risk and doesn't know what it is doing. The NZ Dairy Co-Op share price was \$1 and never changed.

Some 50% sharemilkers would like to own shares, but Fonterra declined this without thinking. The result is that near the end of milking seasons, some dairy farm owners have ordered their 50% sharemilkers to dry off their cows because they couldn't afford to pay for the extra shares needed from half the payout.

The irony of it all is that Fonterra claims to want more milk, but the more milk, the lower the payout and the higher the exchange rate, because overseas investors read that dairying is doing well, so they invest more money in safe New Zealand, which increases our exchange rate. New Zealand is safe thanks to all our farmers being the world's best by far.

These anomalies and the low milk payouts are reducing the number of 50% sharemilkers that use it as a stepping stone to farm ownership.

Federated Farmers now have a new 50% sharemilking agreement which spreads the cost of making silage, and has other good points. Employers and sharemilkers should use it.

Suggestions to farmers and Fonterra

Fonterra should make farmers improve the quality of their milk which is easy and highly profitable for all, and good insurance for continued selling, which we need now that there appears to be a surplus of milk causing a buyers market, and buyers are being more demanding. Read Milk Profit & Quality again on how to produce top quality, low-cost milk, and do it. I have updated the chapter.

I hate to write this, but the \$8 payout was unrealistic and was just to allow Fonterra to reduce the share figure without too many objections from farmers. Now that they have the farmers' money, Fonterra wanted it low, to save having to pay the many farmers leaving Fonterra so much. I'm surprised to not have read about others noticing it, and all dairy farmers not complaining about their assets being halved.

I've been told that Open Country at Wanganui has a waiting list of 180 farmers. They now have three factories with the one at Awarua in Southland, started in 2008.

Tatua add value to milk and paid farmers \$2 more than Fonterra. Why is Fonterra not adding value to their milk, which others are doing to Fonterra's milk? That should be their top priority, not selling to retailers who make all the profits.

If Fonterra promoted milk as much as Coca-Cola does, NZ would get higher prices and not be able to produce enough.

Osteoporosis

One in three women suffers from osteoporosis after reaching menopause. That is why you have to prevent this risk long before reaching this age. How? With two glasses of milk per day!

A healthy adult needs 1,000 mg calcium per day and after the age of 50 approximately 1,200 mg. This means two cups of milk or 500 ml yogurt, or 50g of cheese divided through the day. All milk products, even if they are skimmed, have the same calcium content.

Fonterra Deadline

If Fonterra doesn't fix things within two months, the government should do what they do to badly run schools, put in a board to run it.

Why should dairy farmers have to pay DairyNZ to tell them to keep a close eye on farm costs. It was a pathetic, but typical statement.

DairyNZ also wrote that the average dairy farmer's payout would drop from \$7 to \$6, so they would lose \$150,000. Where do they get their figures from? The reports are a drop from \$8.50 to less than \$5.50 which would be \$450,000 down. Where will that come from, certainly not out of fixed costs. It will have to come from borrowing, to add to dairy farmers \$20 billion debt, so as in the past, from what ACT and Rogernomics started under Labour, banks will make fortunes.

Federated Farmers

We all know that most dairy farmers face a colossal problem this season, so Federated Farmers should get National MP's, who farmers vote in every time, to change DairyNZ to be government funded, not fully paid for by dairy farmers, which amount will bankrupt some dairy farmers this season.

Federated Farmers should insist that interest rates are reduced to stop the rich getting richer and the poor getting poorer, across the whole country.

Federated Farmers should also tell the government that they should pay for the schools' free milk that dairy farmers give to schools for no reward. At \$8 payout it was tolerable, at below \$6 which is below of the cost of production, it is not, and now some are saying it might drop to \$4.50. Are they mad?

Federated Farmers should tell Fonterra publicly to get down to their basic business of adding value and marketing New Zealand's milk, not milk for Australia and other countries.

Auctioning is the lazy way out and has been a disaster and upsets the world's dairy industry because buyers in all countries then expect to buy at the same low auction prices.

The milk solids payout in the 1960s I have calculated, was the equivalent of \$14.00 per kg of MS. How else did we buy two new houses and neighbours land without borrowing?

Economies!?

- The first years on our first farm in the 1950s were tough. It was 40 ha of poor peat milking 28 cows in the first year, then 45, then 60 (ended up buying a neighbour's land and milking 220 cows by 1984). From 1958 I did contracting and Auriel went out to work as a typist. We got by, and we feel for you all now, and know that for DairyNZ to say, "You must budget," is typical of them. If all income goes in essentials, what do you budget with? DairyNZ has no idea and their two farms' pastures are disgraceful.

- Possibly all New Zealand farms are overstocked. All photos of cows in papers and magazines are too thin and are deficient in minerals. All who have used Dairy Cow Numbers for Max Profit, have reduced numbers and made more profit. I suggest you reduce your cow numbers NOW before cull prices drop.

- Change to once-a-day milking immediately. Read the chapter on it on about Tuesday by when I should have updated it. There are 33 Benefits of OAD.

- Half as much effluent has to be washed, stored and spread. This can be an environmental benefit. Effluent holding ponds can be smaller. Rain water diversion from the shed and yard is important. Half the number of paddocks and water troughs are required.

- Cancel herd testing (use your own test bucket).

- Almost all farms have excessively high P and K levels in their soils, caused by soil testing figures to suit fertiliser sales. One pasture analysis from an average paddock (don't do more) will

give you accuracy and, if acted on, better animal health and more net income.

- With high tax bills from last season, farmers should re-calculate their tax bill with their accountants.

- DairyNZ, in response to the reduced 2014/15 forecast milk price announced, “Dairy farmers should pay close attention to farm costs this season.” Farmers are not in kindergarten, but Fonterra should go to it to learn basics, such as don’t try and teach their betters to suck eggs.

- Avoid using overdrafts. We never did, because of their usury interest rates. Use the Borrowing and Investing Spreadsheet to see how to avoid overdraft rates. It is so important that I'll copy it from Spreadsheets to the Free Items section tomorrow. Use it to avoid having an overdraft.

The above is what you should do, the following is what you should not do.

Don't

- Don't reduce salt in minerals or in the LimeMagPlus or Phosphorus Nutrient Planner mixes, because salt helps make more saliva which is the first digestive juice, which then gets more out of the feed. It makes pastures more palatable and helps reduce bloat. One dead cow pays for a lot.

- A Taranaki subscriber phoned today, concerned that his bloat and mastitis had increased. I asked him if he was still feeding Solminix. He had stopped two months before, so there was his answer. Almost every new user of Solminix has reported a reduction in mastitis and bloat. No other mineral mix has achieved these. Liquimin with Mg S is close to as good, and cheaper. If you get sea breezes you may not need so much salt. At least one pasture analysis a year will tell you.

- Don't stop fertilising with the deficient elements as shown in pasture analyses. Soil analyses can't. Deficiencies mean less feed and then less pasture. Deficient pastures and animals, mean sick, low producing ones.

- Don't stop measuring cow blood levels. Do just eight - two best, two worst and two average at least once a year. Read Pasture Analyses, a free spreadsheet, and all of Animal Health and Minerals and Pastures, Soils and Animals. Then you'll be able to identify mineral deficiencies in cattle.

- Don't use liquid fertilisers (mostly water) or humate types (very expensive soils), or others that are not the simple basic minerals based on analyses of what is needed. I've researched them all for fifty years, starting with Maxicrop, and they are all bad news. My surveys show that ALL users have much lower production per hectare, and don't save much, but lose a lot, as their farms deteriorate. I know of Resolve and Maxicrop (both liquids) users who went broke. Liquids I have analysed cost about \$3,000 a tonne for the solids - expensive water. The initial greening is caused by the preservative in the drum, killing the soil microbes which then release nitrogen.

- Don't use soil tests. They are set up to make users apply more P and K than is needed to suit the fertiliser companies. Read the GrazingInfo Testimonials.

The following is not new. It is from the ten year old free Pasture Analyses spreadsheet. High K and low Ca levels cause tight hard-pan soils, hard ryegrass that pulls out, nitrate toxicity, milk fever & bloat. Red clovers die out of pastures at about 3.4% K & white at 4% K. Earthworms decrease & cow urine burns pastures. High P causes animal health suffering, milk drops, calf scours, Ca, Zn, Mg, Cu levels to decrease. Mineral levels are different in the tips and stems of grasses, so sample 20 cm or longer grass.

Only 1% of 500 clients I've consulted for since 1960 have not needed Ca and its synergisms which increase clovers, grow more healthier pastures and animals, and needed no P (\$400 a tonne) or K (\$800 a tonne) for three years, saving a lot of money. LimeMagPlus makes fixed P available. If you haven't read and applied Milk Profit & Quality, you are asking for costly failures.

Banks

Federated Farmers should also publicly ask all banks to reduce their exorbitant interest rates, some of which to farmers are 9%, when 6% is too high. NZ Banks borrow in Japan and Switzerland at 3%. New Zealand's three biggest banks are Australian owned, and make total profits of up to eleven billion dollars per annum, which goes to Australia. This is about the total dairy net export overseas earnings.

All NZ farmers should change from being the nice gentle, loyal people they are to their banks, to

being the firmest ones, demanding only a fair go. Their accountants should help them.

Don't marry your bank, phone around for the best interest rates. If your bank knows you are doing this, they'll look after you, and you may not have to change.

All farmers (not just dairy) should tell their bank that they need a reduction in interest rates, unless it is already lower than 5%. Start by asking friends and neighbours what they pay and ask all banks what interest rate they would charge you. Taranaki farmers, ask TSB. We have banked and borrowed from them for 17 years and have three accounts with them, saving a thousand dollars a year, because they give a lot of services free including postage paid envelopes to post in cheques so we never have to go to their bank which was in New Plymouth until recently. Telephone their local branch or head office at 06-968-3797. In 1995 they lent us in Hamilton nearly a million dollars over the phone to New Plymouth, to buy property investments, after we faxed answers to their questions, all in about four hours, at a better rate than the other banks. Now we have assets and investments and no debts, and TSB pay us way more than other banks.

Always pay bank charges on time. Some banks like foreclosing because they make a lot of money out of doing so. Don't let them make it out of you.

Tell your Fonterra directors

Every market has demand and supply. As little as 5% over-production creates a surplus, so the demand should be ahead of supply, something Fonterra appears to not know anything about.

Our farmers have worked hard for decades to produce more milk to survive, but costs increase. From what I've seen and heard, Fonterra does nothing to create demand, but wants more milk to dump at below the cost of production.

Have you ever seen our milk promoted for its total benefits, while Coca-Cola has none, but sells plenty. Help with milk promotion by telling everyone to see the promotional photograph of milk containing supplements in the chapter on Dairying > Milk Profit & Quality. As you know accessing info in GrazingInfo is now free other than from most spreadsheets.

LimeMagPlus and Gafsa Fertiliser Mixes from Lynda Kamphuis for fertilising your garden and doing paddock comparative pasture and crop trials, are available from her at 33b Marshmeadow Road, Newstead, Hamilton near SH26, the Morrinsville Road. There is a sign outside saying, "John Kamphuis, Plumbing". Phone: 07-858-2200. Email: john.kamphuis@maxnet.co.nz

Chisel ploughing both in, before sowing maize can give silage dry matter yields of up to 30 tonnes per hectare which is double the Waikato average.

I would like to have more doing the same as Lynda does as a service to locals. You can add a margin. Please contact us to help you get with the best lime and phosphate mixes for your area.

Southland Cows Poisoned

We grew brassicas from 1956 until 1986. Both our farms were covered in weeds when we bought them, and we never had a weed problem in crops, because we chisel ploughed deeply and sowed the crop within two days. We did a trial on a small area, taking a week to sow, and weeds were thick. A client split sowings between two days and four weeks. The later was weedy.

Some Southland farmers grazing herbicide tolerant HT swedes have had cows suffer severe health problems, and at least 200 have died. If you have problems, please describe them and email me cows' blood analyses and crop mineral analysis and photos of the cows and crop before and after grazing, and of the symptoms.

Changing from grazing pasture to grazing brassicas too quickly causes animal health problems, as can feeding too much on its own, especially bulbs without enough leaves or without pasture, silage or hay. For decades this has been known to kill some. This applies to brassicas in varying degrees, and is one reason why I like Pasja (a safe high leaf, small bulb brassica) with Nutrifeed in warm areas, or with Shirohie millet in cooler areas, but neither, if summer frosts can occur. The mix gives feed sooner, and up to five grazings. Read Forage Crops and see the photos.

Check the copper and selenium status of cows before they graze the brassica crop. Supplement with magnesium, copper, selenium and iodine while grazing the crop, as in Liquimin and Magnesium Sulphate.

Supplement your cows for at least four weeks before and after calving with magnesium.

Sow one paddock in safe swedes, not HT, for late autumn grazing, if rain is late coming.

Some farmers have struggled to establish brassica crops because of weeds. HT has been a solution, but weeds can be from the cultivation system taking too long from start until sowing, which should be within two days. Taking a week can result in the weeds winning. Read Weeds.

As you will have read in the health sections of GrazingInfo, double whammies can kill people and animals. I see a possible multi whammy in this HT swede dilemma - an unnatural crop, unbalanced diet, eating too much soil on bulbs, not enough protein, feed could be too old (rancid), no tops, mineral deficient, and who knows what else, and remember that it takes only two whammies to kill an animal (or person).

Which forage crop?

Grow safe crops, but even they, when molybdenum is deficient, or nitrates are high, can kill. A 200 cow herd had 15% die within hours of eating short regrowth of a high nitrate forage crop with some Amaranthus (a very high nitrate weed), always without sufficient lime. Many cows aborted. It happened after rain (which contains N) and had fallen following a dry spell when N increased, after the crop had been grazed without problems. Crops and pasture can be tested for nitrates. Nitrate levels in late afternoon are half those at 9 am, and higher in cloudy weather.

Avoid feeding more than 75% brassica crops. Even at that level, monitor animal health daily.

Read Forage Crops which mentions brassicas 133 times and has 11 photos in 34 pages.

Liquimin

As in the past, farmers who stopped feeding the old Solminix have had mastitis and bloat increase. The new DeLaval Solminix is badly wrong (no salt that helps control bloat and the body's hot and cold temperature control) and now costs over \$100 a 25 kg bag, whereas Liquimin is about \$30.00, but needs magnesium sulphate with it, which can be reduced, depending on pasture levels, from when mating finishes, until a two months before calving. The higher magnesium levels in the drier more mature summer and early autumn pastures give grazing cows more magnesium, than does shorter sappier pastures in late autumn, winter and early spring.

We send you our best wishes. You'll need them, but my mottos are Aim High and most things can be fixed, but nothing happens on its own.

Vaughan Jones
GrazingInfo Ltd