

## GrazingInfo Newsletter 123

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Could Rae or Steve Martin please contact us. Your emails are bouncing. Have you changed your email address?

### **Spammers**

These ratbags are getting up to more and more dirty tricks. If anyone with a foreign accent phones and offers to fix bugs in your computer, tell them that you have an Apple Mac which doesn't get bugs and problems and they'll usually hang up and delete your name from their phoning list.

One told me that my computer had a bug and that they were from Vodafone, who would disconnect our web connection unless I let them get rid of the bug, which would cost \$119, which I could pay through Western Union and it would go to Apple Macintosh. Apparently spammers use Western Union to get money out of people. This is not a fault of Western Union who work through post offices to allow transferring of money to just about anywhere, so are easy to use. The foreigner who phoned was in India and knew my address and location and told me that the nearest post office I could use was at Chartwell, only a kilometre away. What he didn't know was that Macintosh don't charge for bug fixers and they download updates of programs, problem fixers and bug preventers, as and when needed and don't charge, even for major upgrades of Pages, their word processor, which is far better than Word, which Macintosh upgraded, at no charge. I've had upgrades, improvements and additions monthly for three years at no cost.

Macs have a program called Disk Utility which is updated at no cost every time we download updates for the computer or for any application, which is several times a month now, because of the increase in ratbags and bugs. We click Disk Utility about once a week and it tidies up and streamlines files and fixes spam problems in 2 to 5 minutes.

Apparently some rogues can detect passwords from what you type, so IDs and passwords should be typed somewhere else and then copied and pasted, so rogues can't detect what you type.

Mac also has Dictation, which I am using now to type this. It types what I say and has to be corrected, but is amazing. You choose the accent - English, American or Australian. It also reads out aloud my emails and newsletters, which helps with proofing because I hear things I don't always notice.

### **Dairy Farmers' Low Payout Dilemma**

Apologies for going on about this again, but as you all know, it is extremely important, and can be fixed higher, but won't be, if no one does anything about it.

Please don't get depressed about the current situation, because it is likely to increase at the end of the northern hemisphere winter (late January), when their milk production drops.

The ridiculously low payout was set during the northern hemisphere summer, when they were producing their most milk, as they do every summer, but unfortunately Fonterra's disastrous auction system sets the price for all, because although New Zealand produces only 2% of the world's total milk supply, Fonterra has for many years, boasted about being the biggest. If you tell a lie for long enough it becomes accepted, so the rest of the world's dairy farmers wrongly blame New Zealand for causing the glut of milk which crashed the international milk price. Our 10% increase on the 2% of our New Zealand's world's production is not much.

It is essential that Fonterra now acts responsibly to its suppliers, by not selling any milk below the NZ\$6.50 cost of production plus a little. If they have to stay with their disastrous lazy auction system, they should start the bidding at NZ\$6.50. People have to have milk and other dairy products.

NZ Organic dairying is being killed by USA and a weak Fonterra.

Organic dairy farmers are giving up organics because it is more work for no net profit. Fonterra reduced the extra organic payment from 20% to 15%. Some countries pay farmers 50% more. Ours retails in shops for 60% more than the standard milk, giving profits to Fonterra and the middlemen, at the expense of organic farmers.

The following are from four, who were organic dairy farmers.

1. Using ridiculous USA organic rules with lots of flowery statements, Fonterra shows that they know nothing about organic dairying; for example, last year they said that they would increase the number of organic dairy farmers by 300% in three months.

2. Fonterra has been poorly run for 12 years, and it is time for them to listen, and involve the farmers in the management of the organic programme, rather than just handing down instructions on something they know little about. Organic rules are ridiculous, and change all the time. For milk fever, they would not allow Calciumborogluconate (all harmless elements that have worked successfully for 60 years), but now allow it again. Controlled release Selcote Ultra prills at one kg per hectare once a year are not allowed, but are used in most countries. This is a low safe rate. They increase selenium pasture levels to optimum for 10 months. The faster release ones are allowed, which make selenium levels go higher than optimum for a few months, which can be dangerous for horses, then levels decrease to lower than required for good animal health. Selcote Ultra prills were developed to eliminate all this.

3. Fonterra tried to change the farmers' milk danger liability from \$300,000 to no limit, but has now agreed to \$1 million, which is still so high that no insurance company will cover it, so after 16 years of being organic, we sadly gave it up, as has been done by many.

4. Waikato organic dairy farmer, Mike Moss, has pulled out of being registered organic, and has increased his focus on supplying raw organic milk and meat direct to consumers. He sticks to the basic organic principles, but has given up the costly and limiting organic certification. His customers are happy with his products, and Mike said, "You can do things better with organics and natural health treatments, but if a sick cow needs antibiotics to solve an animal welfare problem, then I couldn't name one customer in the 140 I supply, who would not support it.

A USA imposed organic rule states that milk from an antibiotic treated cow may not be sold as organic for a year. I've been told that in USA it is one month, which is sensible.

Another USA imposition is accusing our CCA (Copper chrome arsenic) treated pine fence posts of poisoning the soil, so can't be used on organic farms. There are millions on fence lines on farms in New Zealand without problems. The small number per hectare and their age (It is known that the CCA leaches out of the posts.) make them no problem. USA has hardwood posts they can use for fencing, so they have banned CCA on our organic farms. This affects all New Zealand organic farms. This is another typical USA cunning system of getting rid of competition from New Zealand. We should reciprocate by not supplying USA, so will not have to comply with their ridiculous rules.

Under Fonterra, organic dairy farmer numbers have decreased from 112 to about 70. A decade ago I suggested that New Zealand should have its own organic standards, which would be accepted by countries wanting our products and who know that our farms and cows are in far 'cleaner' conditions than most northern hemisphere ones. The first rule should be 100% pasture fed, which would cut out most USA organic farmers. Fight fire with fire.

Fonterra stated that they were always looking at ways to better use their collective knowledge and skills to improve their organic milk supply, and meet consumer and market needs, including growing global demand for organics, and ensuring that they support farmers by building a business model that is viable for the long-term.

What a lot of weak flowery spin - completely removed from what they are achieving. Fonterra staff live in a wealthy cocoon, separated from the dairy farming poverty they have created.

Paying their managers a million dollars a year, when they have nothing invested, and have failed

miserably in every way, is a totally wrong disgrace, and needs correcting now. Based on their failures, \$100,000 pa would be too much, for their managers. People on a million a year spend more time thinking what they are going to do with their next million, than on helping their suppliers who make their jobs possible.

In 1958 the NZ Dairy Board payout to us was the equivalent of \$14/kg of milk solids in today's money, so with 60 cows (NZ average herd size then) we had a very good living. Since then, NZ dairy farmers have doubled production per hectare and increased cow numbers per farm from 60 to 390. What more can they do? No other industry has achieved anywhere near this.

A Fonterra spokesman recently said that what they were to do shortly, would require more organic milk. Ha-ha. Fonterra is losing suppliers. A Fonterra manager about a year ago said that organic milk production would be increased by about three times within three months. If he was one of the million dollars a year managers, he should be sacked, because he should have known that it takes three years to become organic.

The four farmer directors (The board started with ten.) on the Fonterra board need to make Fonterra stick to its knitting, which is marketing milk, not giving it away at auctions, and also stop it creating competition by helping China and Australia produce more milk, both of which have increased milk supply and helped cause the current surplus, at the dreadful and catastrophic expense of New Zealand dairy farmers.

Fonterra borrowed about \$300,000,000 at 7.5%. I could have borrowed it at 4% in Japan or Switzerland (or half each to spread the risk which has turned out not to be) to spend on its ego aim of being the biggest in the world, which it never will be.

If it sold its Australian factories it would be doing New Zealand a favour. Fonterra should know that big is bad, and small is smart. I've worked for companies that were excellent, and when they grew bigger, deteriorated. The manager of Toyota, the world's biggest car company, summed it up by saying that staff in big companies 'don't care'.

Fonterra's suppliers will tell you that they don't care about them.

Fonterra has helped China a lot, so should have built up a relationship to have them buy our milk rather than from others.

All buyers of milk want quality and safety, so Fonterra should have its own laboratory to check these daily, and not rely on a laboratory whose mistake has already cost them millions.

New Zealand free-range eggs are selling in USA at 12 times more than the local Californian eggs - partly because NZ is free of genetic modification. We should remember this and tell the sceptics.

### **The world surplus of milk and bad marketing have created a change**

In the past in springs, my time was mostly helping farmers with fertiliser and lime requirements. This spring there have been almost none, except for beef and alpaca farms.

The requests now are for 'Farmer Health Problems' (partly stress caused) and 'Succession Problems' because many are considering getting out of dairying.

Human health is mostly helped by draining toxins out of bodies, and consuming deficient minerals and supplements, and of course eating correctly. We now grow nine of our vegetables, better\* than organically, and we both definitely feel better for it.

\*We apply Selcote Ultra with the organic fertilisers and more LimeMagPlus than organic supervisors allow. This neutralises soils which make heavy metals like mercury, manganese and iron less available and the good elements including humus, calcium, phosphate, magnesium, boron, iodine, selenium more available

Read Beef and Milk Profit and Quality in the Dairying chapter to see evidence of how the iodine levels increased at no cost, which is what the Chinese mothers wanted two years ago, for their babies fed milk formula. To my knowledge, Fonterra has done nothing about increasing iodine levels in our milk. I told at least one Fonterra person how to. They have obviously not learned that the customer is always right. Unfortunately, Fonterra for twelve years, has always been wrong. They told me to work with DairyNZ, but they have no authority, which is needed to improve quality. DairyNZ should be doing it, but to put it plainly, they don't have the ability.

### **Succession**

Dairy farmers are the main ones affected by this, partly because of the high cost of dairy farms

and animals. This can be helped by getting into other types of farming such as milking goats or grazing alpacas. I've been told that 30 ha can give a living with alpacas. A grazinginfo Alpaca member Dave Blom, [www.Cornerstone Alpaca Stud.Gordonton.Hamilton](http://www.CornerstoneAlpacaStud.Gordonton.Hamilton) applied LimeMagPlus and fed Solmin and then Liquimin, and won 11 out of the 12 possible prizes in the recent Waikato show. The judges raved about their lustre and fine hair quality, as seen on cattle farmed the grazinginfo way.

Alpacas become pets, and are the nicest animals I know of to farm, without needing milking, high cost buildings, effluent systems, no bureaucracy on your back, and most of all, no control over them and their farm. Second to worst is that Fonterra shows no improvement in sight, so the beef industry can afford to lime and fertilise, while dairying currently can't.

Off farm investing can help with successions. Read 'Investing'. Off farm investing gives more profit and annual income for a nicer life, which is more important for all the family than for some to be the wealthiest in the cemetery. Those keen on farming can work or share-milk on one, and have more relaxed life, than being comparatively poor because of a large mortgage for most of or all their farming life.

The other help that farmers need is for the payout to be increased by not selling any milk at below the cost of \$6.50 per kilo of milk solids. During a downturn twenty years ago, the NZ Dairy Board and others stored milk in refrigerated ships off-shore until the price increased. Car manufacturers stored cars in out of view areas. See Newsletter 121.

Reducing cow numbers from 600 to 420 and cutting all costs on bought feed and maize growing, helped their last season's profit reduce their mortgage by \$180,000, saving \$10,800 in interest this year.

#### **Off farm investing also helps with successions**

Read 'Investing'. Off farm investing gives more profit and annual income for a nicer life, which is more important for all the family than for some to be the wealthiest in the cemetery. Those keen on farming can work or share-milk on one, and have a more relaxed life, than being comparatively poor because of a large mortgage to pay others in the family for most of or all their farming life.

Fertiliser and lime orders have ceased, except from my clients who have done what I said. Farmer A is now applying the third lot of four tonnes per hectare (costing \$67,000 after tax) on their farm. Their 200 ha runoff, after LimeMagPlus, is now long lush pasture after having conserved a lot into silage for the drought!?! They still have some silage over from the last drought.

#### **Summer forage crops**

If dairying in most parts of New Zealand, and not growing one, you are not earning the best possible from your farm. It is not too late to sow one now - late December. The last month here has been too dry to do so. You'll be grazing Pasja and Shirohie millet or Nutrifeed, six weeks later, and every three weeks after that. Doing it correctly for the best weed-free crop, takes two days per paddock. Read Forage Crops, but not for two days, because it needs updating and am working on it. If I was farming beef I would grow one, and in the deep south would grow a slower growing one later, for grazing in winter. The pasture sown after crops does much better and establishes into a strong weed-free pasture without spraying.

An elderly 170 hectares Waikato dairy farmer, who had never grown forage crops, did not want to grow any, while his son wanted to grow 10 paddocks. They have a serious buttercup and weed problem caused by not having applied lime for 20 years. They have sprayed and topped over the years, but not controlled the weeds, so he suggested resowing paddocks. Without spraying the new pasture, it would grow more buttercups than ever, whereas growing a summer forage crop and then sowing pasture in autumn, both within two days of starting, will reduce all weeds and give clean higher producing pastures as on the farm I've supervised, close to him.

Best wishes  
Vaughan Jones  
GrazingInfo Ltd