

Newsletter 139a

19 April 2016

There are no signs of Fonterra and some other milk company payouts increasing because nothing happens on its own. I and others used to think the payout would increase again, but without a change in operating systems, it is unlikely. So dairy farmers have to apply pressure on their milk buyers to promote pasture-fed quality milk, stop the auction system where the middlemen can set the world prices, and keep the milk prices down, and make profits while the producers go broke.

Over the years, all the various very good animal farmers (deer, goats, mohair, sheep and others) have benefitted from selling their products that have been unique and in strong demand, until over-producing, caused prices to decrease. This is now happening with milk, mostly because Fonterra is a disaster, at everything they do and have made 17 disastrous mistakes. This **appears** to be the problem now, but the real problem is a complete lack of marketing by Fonterra. This time it is the excess production of an old animal product, and what has become a world problem, caused by northern hemisphere farm subsidies, and as far as New Zealand is concerned it is Fonterra's complete lack of marketing effort, ability and skills, of our superb quality pasture-fed milk products.

China building processing factories (formula, etc.) in New Zealand will mean them becoming middlemen who will make a profit for themselves. Under the dairying law made by the USA in 2001, and agreed to by the then Labour Government, and not fixed by National, Fonterra is obliged to supply all and sundry.

It is accepted that milk is being over-produced world-wide, in the northern hemisphere caused by subsidies, and Theo Spierings teaching the Chinese low cost milk production (12% increase in 2014 so they have stopped buying ours) and his Dutch relatives how to process milk more quickly through New Zealand style factories. The surplus in NZ is by some dairy farmers buying feed supplements for no profit, so if OAD decreases milk production slightly, it could help increase the payout.

The world wants better quality dairy produce. I've read about it and did a survey in London 20 years ago, which proved it. Lewis Road Creamery, a newish top quality producer, is selling in New Zealand at higher prices, and increasing demand with chocolate flavoured milk. It could be reconstituted overseas.

Another possibility is changing to drystock

Dairy payouts have dropped, while beef payouts have increased, with no sign of a change. Two and a bit year pasture fed bulls, fetched about \$2,100. That is like rearing a cow to calving and getting paid for her year's milk production of about 450 kg of milk solids for selling her, without having to feed or milk her. More can then be reared. Future beef prices may reduce, but milk has already reduced, except for the well marketed organic milk, not Fonterra organic milk sales which has dropped, while others have increased.

Lewis Road Creamery, and other organic milks have increased.

Then there is Tatua Co-Op which has had the top payout almost every year for 100 years, even when expanding their buildings. Neither company is doing anything wayout, but obviously is too much for Fonterra.

As I have written before, if Fonterra marketed as well as Coca-Cola does, New Zealand would not be able to produce enough milk. Look at its promotion around even at small dairies.

Look into producing A2 milk. My consuming, testing and research it found no benefit, but those who are behind it are making big claims and in Australia it has become very popular at higher prices than standard milk. I'm not sure about other countries.

Grazing dairy heifers on a weight-gain basis

This is profitable if you lime at 3 tons/acre (8 tonnes/ha) like farmers used to do, and don't fertilise with P and K until ryegrass analysing shows they are needed, which might not be for three or more years of applying LimePlus correctly, because lime makes the fixed P, in particular, become available, and most K levels are too high which kills red and white clovers, and farmers then wonder why they can't grow them. 90% of those starting with grazinginfo.com have P and K levels much too high which costs a lot. They just need 8 tonnes of LimePlus per hectare. Based on the first plant tests, only 1% (5) of the 500 who have joined grazinginfo.com had applied sufficient lime.

Mostly, no fertiliser will be needed because adequate fine lime like powder, such as McDonald's in the Waikato and many around New Zealand, will make many fertilisers more available

Lime again, but it is important

Low calcium levels influenced by Ruakura, NZ Dairy and fertiliser companies, are the main reason for pasture yields being about half what they should be on most farms. This is costing farmers a lot in lost pasture production and lost milk income from today's expensive land. 90% of NZ farms have very low calcium levels, that when corrected, can increase pasture production substantially, so you must budget to lime correctly. When the Ca level is 0.6% it takes about 8 tonnes/ha (only 3.2 tons/acre) of fine powder-like lime applied twice, or more, to get close to the optimum level of 0.9% Ca. If potassium (K) levels are high, which 90% of NZ farms are, it will take more lime which must be finely ground like talcum powder like McDonald's is now, and a few other mines New Zealand wide are, but very sadly, Rorisons that has not been fine for a while. Thank you to those who pointed this out to me. It answered the queries I had as to why Ca was not improving and why weeds were not decreasing at the rate they were in the past.

Warning

If you can't lime correctly and have a high mortgage, it will only be time and you could lose your farm - unless all dairy farmers combine and change Fonterra back to the principles of the then world famous New Zealand Dairy Board that USA and our weak Labour government closed in about 2002 because USA was jealous of New Zealand, which could deliver and sell dairy products into USA (and other countries) at below their selling prices. I warned the then NZ Dairy Board chairman Frank Onion many times in about the 1970s about not selling in other countries at below their selling prices, but without success. The first export marketing rule (which I applied for Gallagher, Wrightsons and others) is to never sell below each country's retail prices of any product. If New Zealand had always retailed at above each country's price we would not have upset the farmers, the markets and the USA government, that forced the closing of the world famous NZ Dairy Board and formation of Fonterra and the crazy auction failure.

To do this now will mean getting out of auctioning and starting proper controlled marketing. We produce only 2% of the world's dairy produce, so it will not be not hard.

Fonterra, and the weak and bad 'USA company' running the auctions, should immediately start the bidding at the cost of production equivalent with a little profit, which is \$6.50/kg MS equivalent. Instead they have caused the low auction prices, which dairy product **buyers** in other countries have used to buy from their suppliers, at what suits them to call "the world auction price" which is much too low and is bankrupting dairy in many countries. Middlemen have still done very well while farmers go broke. The NZ Dairy Board didn't have middlemen to lose money to, so in the 1970s they paid us \$14/kg MS in today's money, so Auriel and I could buy a new home for ourselves after three years, and eight years later one for a sharemilker, and buy an adjacent 30 ha, all without borrowing, initially from 60 cows, increasing to 220 cows on 87 ha.

A milk payout graph I drew after the milk payout halved, showed it would end up at zero which it has now, so we got out of dairying in 1987, and bought a NZ government caused bankrupt maize farm that Ian and Sue Dobbs (daughter) and Auriel converted to rearing 160 calves a year, with grazing and beef. I was busy as International Marketing Sales Director for Gallagher. After four years our new farm changed from the worst farm on Greenhill Road, near Hamilton, to the best, but we got out

of farming, and bought retail shops. Our profit and capital gains doubled. Ian and Sue (a teacher) bought a childrens' preschool 'money maker'. So those of you who are at risk of collapsing, sell your farm and invest in retail shops, NOT in offices or manufacturers. Read Investing to see why. If you want to stay in agriculture, sell out and become a consultant using the highly succesful free www.grazinginfo.com information. If honest and helpful and you read, I can assure you, there is plenty of farm advising at \$80/hr.

The second requirement for exporting successfully is to have the best quality product which NZ has in dairy and meat, but few know, because Fonterra has boasted arrogantly about being the world's biggest, which it is not, and never will be with New Zealand's only 2% of the world's milk production. Fonterra should have been telling the world that we have the best dairy products for human health. World-wide many people are allergic to milk, but none I know of, are allergic to Lewis Road Creamery milk which has low lactose and no PKE fed.

Fonterra, disgracefully, has no complete worthwhile production rules and has allowed our milk and its image to crash, through 17 mistakes, ignorance and bad management, despite their exorbitant salaries which should have attracted brains and success.

Top quality milk

Details of how to produce healthy milk with LimePlus and Solmin, are in the Dairying chapter 'Milk Profit & Quality'. The farm in it gained a Fonterra high quality milk award, which should have come to [grazinginfo.com](http://www.grazinginfo.com). Fonterra didn't even ask the farmer how he achieved the top quality award and the lowest Somatic Cell counts, mastitis and lactose levels. How pathetic. How are they and their other suppliers going to learn. Fonterra should learn, and tell all their producers to read and learn from www.grazinginfo.com about how to improve their milk. More [grazinginfo](http://www.grazinginfo.com) successes are in Testimonials and Newsletters and in our eBook www.grazinginfo.com, all of which can be read in www.grazinginfo.com Click Successes and the arrows.

One farm near Hamilton started [GrazingInfo](http://www.grazinginfo.com) in October 2012 after no lime for decades, but applying bad fertiliser including manganese and feeding it and other bad minerals by an NZ consultant who had learned the wrong things in USA, of applying and feeding manganese. The farmer applied 6 tonnes/ha of LimePlus and no P or K.

Milk compatibility had been so bad at 23/100, Hg 15, Cd 1, Mn 5, SCC 432, 30 cows with mastitis.

Dec 2012, fed Solmin in water from October 2012.

Milk compatibility improved to 80/100, Hg 0, Cd 0, Mn 2, SCC 105, 1 cow with mastitis.

A Ngatea farm feeding a bad commercial concentrates & PKE had to get his vet to 20 cows cast and had to shoot some.

Their milk compatibility was very bad at 15/100 (1/100 is poison), Hg 20, Cd 10, Mn 30, had bad SCC and bad mastitis.

Government help

During the 1980's downturn the then government subsidised manufacturing companies heavily, but not the food producers and food exporting farmers.

The government should now support dairy farmers by paying for milk to schools, and interest-free loans to dairy farmers until the milk price is up to \$6.50. Fonterra lending interest-free is vain and stupid, because it is lending farmers their own money.

Fonterra managers should have lobbied the government to provide the free milk to children and interest-free loans to dairy farmers, because it was the government in 2002 that was conned by the USA government that the NZ Dairy Board was a government run subsidised (it was not) single seller (it was seller should be now) monopoly (it was not), which all farmers knew, but the Labour government obviously didn't want to. So our weak politicians succumbed to USA's twisting and closed the highly successful hundred year old NZ Dairy Board, which was the envy of the USA government and of their and the world's dairy farmers, because NZ could deliver to USA far better quality, completely un-subsidised, pasture-fed milk at a lower price than theirs. USA insisted that our milk had to be sold to anyone by auction to get away from the highly successful Dairy Board's marketing which paid us \$14/kg of milk solids equivalent today, in the 1950s and 60s so milking 100 cows allowed us to buy a

new house, and one for a sharemilker a decade later without borrowing a cent - oh what bliss. We were able to buy more land without borrowing, increase to 200 cows and retire in comfort after eleven years. We didn't ever buy any cow feed. We grew grazing forage crops for summers - not the costly unprofitable harvested, stored and fed maize silage.

After a lot of discussion, Fonterra was formed on farmers' set condition that it had ten farmer directors. Now there are only four. Farmers' big failing is allowing to be run over by townies.

A USA auction company was appointed. It doesn't care about New Zealand or our farmers, and we all know the results. This backfired on USA and the rest of the world causing most milk buyers to use the NZ auction price as the world's purchase price. This has suited the buyers but not the producers. See our Newsletter 129 for how those in most countries are suffering worse than ours are, because most of them grow or feed bought grains, are on milk production quotas so are slaughtering and burying some of their cows. At least ours in our efficient New Zealand, can sell cull cows to be slaughtered and the meat exported. Most countries don't have this NZ operated facility.

A sad example was Fonterra's tenth mistake (they are up to 15 serious mistakes now) encouraging increased production. A Fonterra director encouraged the two Crafar families in BoP to buy more farms and cows, and then after an auction milk price drop, Crafar's lost them all, so now have not got one cent to their name.

Fonterra taught China how to produce low-cost milk so China's production increased by 12% in 2014, their first increase since 2001 when it achieved only a 1% increase. The result has been China not buying our milk now, and those who are buying it making profits, while farmers lose.

Cobalt and Vitamin B12

If consumption of cobalt is low, vitamin B12 will be low, and your vet might recommend injections of B12. In these cases, cobalt is low in pastures. Measure your ryegrass in autumn and spring, and if necessary apply 1 kg/ha of Cobalt costing \$50/ha, but well worthwhile. Your clover will grow better and calves will be healthier and grow better.

TPPA

The NZ government asked for public submissions on the TPPA. I wonder if they will ever tell us the results. No doubt it will ignore them as done in the past with other submissions.

The Rt Hon Winston Peters, leader of New Zealand First said that President Barack Obama unintentionally gave away America's real interest in the TPP agreement when he said: "With TPP, China does not set the rules in that region; we do."

Glance through the book 'Winstone' by renowned writer Ian Wishart. The media almost always support the government so are not open or honest about the knowledge and skills of Winston Peters.

If you do nothing, don't blame others after New Zealand crashes again under USA TPP suppression. The current crash of the dairy industry is because of USA and our weak governments. Plural because National could have told USA the truth and re-established the Dairy Board.

The USA government-run TPPA (Amazingly their own American people are against it!) is aiming to kill New Zealand for selling animal products so cheaply into USA, and to kill Japan because they killed the USA car market by producing what the USA public wanted, i.e., smaller, cheaper more economical and better quality cars. USA car making collapsed and big cities like Detroit, became and are still, half empty. Like many in the world today, USA didn't fix their own problems, but blamed others (New Zealand and Japan) for them.

New Zealand should make individual trade agreements with all countries and never upset local producers, because their governments will support them. We should promote our pasture fed top quality organic or close to it, milk and meat, which the world wants. Fonterra, not our weak government, should set conditions such as no PKE next year, no Pouron parasite killer through beef cattle from now, and no bought feed produced milk, which can't be organic and is not clean green, and causes dairy farmer losses.

More lime again on farms

Hundreds of dairy farms over decades have doubled pasture production per hectare, just by liming correctly. I know, because many have and are still doing so and telling me. See 'Testimonials and

Minerals in Soils, Plants & Animals' > Calcium. Doing so means that you could produce the same amount of animal production from half your farm if correctly limed, or double without buying highly unprofitable supplements. Borrowing to analyse ryegrass and so as to apply LimePlus correctly gives a good returns on costs even with low payouts. The alternative is your production decreasing and losing your farm. If you have no, or a small mortgage, you should survive. I hope you all reduced your mortgage as much as you could like I suggested when the payout was \$8, and beef farmers should do so now after their excellent year.

If you are in a precarious situation, it is not too late to use our spreadsheet, 'Dairy Cow Numbers for Max Profit', or if help is need, use it with your family, accountant and/or consultant, or by phone with me, or here with me. Getting your cow numbers right is the first essential to make a profit.

Look how much more pasture is growing in patches six months after placing six *Caliginosa* earthworms on this limed pumice soil near Reporoa, that had no earthworms. The Ravensdown fertiliser company technician claimed that soils don't need earthworms, they just need their toxic acid making superphosphate fertilisers. How wrong can greedy companies be. Breeding and spreading earthworms is the cheapest way to increase pasture production. Read Earthworms in 'Soils'. Ex Ruakura Doug Edmeades said that nowhere in New Zealand needs lime. If you use these people, and one who recommends feeding and applying manganese, and many others, your can go broke.

We have bred earthworms for ten years for members and only one member 'in the South Island' has bought them so now they are free if collected and two buckets of animal manure are brought to feed them. Phone 07-853-7555 to make sure we have some and are home.

In mid January 2016 we had to drive from Hamilton to Te Awamutu, Cambridge and back to Hamilton and saw many disgracesful pastures crying out for lime, shown by dandelions, a sure sign of low calcium, with other weeds including buttercups, and no clovers, all confirming it, so growing only half as much pasture as the obviously correctly limed paddocks on adjacent farms. Auriel, who came and had not been out for a long time, couldn't believe that some pastures could still be so bad. She remembers our pastures on both farms, which she helped get so good by breeding and spreading *Caliginosa* earthworms, which doubled pasture production.

Our first 89 ha farm shown here running from left to right had 17 km of drains which I could clean in two and a half days with an offset spinner drain digger I invented and made. See Soils 'Drainage'. The result was no pugging or pasture damage. See 'Vaughan Leon Jones Farming' in 'Sundry' for more.

In 1984 we swapped it for this 106 ha bankrupt farm below that had only 9 paddocks and few drains as shown. We made 106 paddocks with 20 km of 30 cm deep drains around most paddocks.

Three Ruakura 'scientists?' visited this farm in March 1988 when Ruakura was brown and they thought we had more rain and would not believe that our farm was so green and weed-free because of 8 tonnes of lime per hectare, earthworms, and chisel ploughing. Twenty seven years after selling it, a neighbour phoned and asked why our farm was still growing more pasture than theirs, shown below in buttercup.

Ours is up to the metre deep drain and has a small spinner 30 cm deep drain down the middle of the paddock to remove surplus seeping water from the base of a hill not shown on the right.



Country Calendar showed Alpacas eating Californian thistles. A member with Alpacas has dreadfully weedy pastures, but not one Californian thistle. Please tell me about your experience with Calis and Alpacas. If you have a Cali problem you may be able to offer cheap grazing to Alpacas, and move them around quickly.



Cow Comfort

In my opinion, cows in most of New Zealand suffer the heat in summer, more than the cold in winter. See Shelter. In about 1980 their farm is in the centre running from left to right.

Grazing drought pastures walking for hours and getting almost nothing uses more energy than they get in hot dry weather.

Minerals in Soils Pastures & Animals

pH

This is a useless variable measurement affected by moisture and potash. It has lost New Zealand farmers millions of dollars because fertiliser companies and their large number of sales staff and agents use its wrong figures to discourage the use of lime, and encourage spending too much on phosphates which is a reason for the high 'fixed P' levels in soils, that LimePlus makes available. Read pH and Beef.

What farmers need to know is not the incorrect and useless pH figure, it is whether the soil is ideal for earthworms, soil microbes and bacteria, which then grow more pasture.

No photos are attached because they slow loading, especially on farms with slow broadband speeds, and can cause emails to not get to them. Read

This vote catching government has boasted that they would get Broadband to farmers, which is an impossible task, but farmers who are umping the biggest uses and receivers of emails should

Do you know any successful man who has a large ego? Spierings has an ego which gets in the way of correct decisions, so has told the world a hundred times how he was, or now wants to be the manager of biggest in the world. He should look at Tatua Dairy Co-op. Their aim is to pay their suppliers the most, at which they have succeeded for a hundred years.

Milk marketing and selling

I write about how to market milk from experience as a past chairman of The Marketing Institute of New Zealand in 1990, and as ex Marketing Director of Gallagher Group, taking their sales from \$3m in 1979 to \$23m in 1984, and then doubling DeLaval's sales and then increasing them by a million dollars a year, for several years. After I left them, the sales of both companies decreased.

The first rule in successful exporting and marketing is to avoid upsetting the local producers, because their governments will support them, so they will always win.

Fonterra has upset milk producers and companies world-wide by selling dairy products at below the New Zealand cost of production, which is well below that of all other countries.

New Zealand sold superior, high power electric fence units in USA for US\$300 each, against USA's short lived, low power ones, costing only US\$60 in a sealed tin (their farmers would buy three at a time and throw away failed ones), so New Zealand imports were ignored, and flourished by teaching farmers the benefits of high power reliable longer lived ones fencing ten times more fencing, as part of a whole system of animal control. Thousands of USA dairy farmers changed from confinement to grazing, producing less milk, for higher profits. In Japan it was the same.

I also write as winner of the Most Improved Dairy Farm in the Waikato in 1959, and as a consultant to dairy and other farmers from then until now, having 500 members world-wide.

Because the NZ Dairy Board was dumping (Selling at below the cost of production.) according to USA which claimed, and of not selling to other than their marketers, so they said that it was a 'government owned monopolistic board', which it was not. It was a sound co-operative that paid us as dairy farmers the equivalent of \$14.00 in the 1970s, when costs were a fraction of today's. Our two

main political parties weakly accepted the typical USA dominance, which killed Haiti. Read how, in 'Haiti' in the Political chapter in www.grazinginfo.com

Twelve years ago USA insisted on rules that required Fonterra to form and sell to any organisation, which it is doing, so the colossal Chinese milk factories now being built around New Zealand, can buy millions of litres of milk at the auction price when required, at a price now well below the NZ cost of production of about \$6.50. They can then process and resell and/or export it for a profit, which our farmers won't get.

The 260 chapter eBook in www.grazinginfo.com now has 60 chapters on Human Health, because a third of the farmer members are unwell. Stress from having no money can accentuate it. Suicides are a very sad disgrace, sometimes caused by bad decisions because of bad health and/or poverty.

New Zealand's problems could be reduced just by starting the auction bids at approximately \$6.50 equivalent, which is the accurate sustainable cost of production. The world has to have milk, and our pasture-fed dairy produce is the best, so would fetch this reasonable price of double what they have received, which is half what they received a year ago, and a quarter of 50 years ago, mostly because Fonterra doesn't promote its milk's benefits.

The 17 Fonterra managers each getting (not earning) a million dollars a year spend so much time thinking about how they will spend their next million dollars, rather than how they can help the dairy farmers who pay them.

The importance of reading - learning & applying

Our website shows what members download. It is pleasing that some members have read and applied the many GrazingInfo chapters that have helped them do better - provided they followed them all, so reduced their cow numbers, one from 500 to 400, which reduced their mortgage by \$100,000, stopping buying supplements like grain and PKE, stopping growing maize, applying LimePlus and no superphosphate and no \$800/tonne potash (K) until shown by analysis to be needed. Most farms' first ryegrass analyses shows K to be too which decreases red clovers then white clovers. Also buying or mixing their own Solmin soluble mineral mix and not veterinarian mixes that contain no salt, because most vets now know that salt is the most important mineral needed by grazing animals, because pastures, especially tropical ones like Kikuyu can't take up enough.

Some GrazingInfo members are not reading more than the newsletters. Those who don't read a lot, had better start reading and applying more of GrazingInfo chapters to reduce costs in every way possible, and to do the right things for more production and profit. After each newsletter we get an amazing number of thanks and good comments, for which we thank you all, BUT a lot of members have not read a single one of the 270 chapters in GrazingInfo. We've written often that the 'good readers' are thriving, while the others battle. One member with health problems in his family had read only two of the 53 health chapters.

Jackup

The \$8 payout in 2014 fooled some farmers into buying supplements which produced more milk, which then created a surplus and reduced everyone's payout, but made no extra net profit for anyone, except the middlemen. The bought feed increased milk production to everyone's disadvantage. USA and many other countries have so much milk that they are dumping some.

The \$8 was a jackup that I wrote about at the time, to allow Fonterra to deliberately steal from farmers by reducing their share value by \$2, so the farmers were no better off. Fonterra knew that thousands of farmers would be leaving them, which at the \$7.50 share price that farmers paid for them, could bankrupt them.

At the now low payout, bought feed could bankrupt some farmers who have a contract to buy a lot of PKE or others. Farmers should negotiate a lower price and then sell theirs for about half the cost. Don't sell at below half the cost because it would be better to feed it, but not more than at 2 kg/cow/day to avoid health problems.

\$14 payout in today's money when the average herd size was 60 cows.

New Zealand flag

Hose no kink

The promotion of most garden hoses indicate that they don't kink, but most do. The Pope Permafit hose is the exception. It is impossible to kink it. It undoes itself every time. Ours came from The Warehouse.

Storksbill

Two farmers have recently emailed me for help with controlling Storksbill, so I presume more are having difficulty with it.

As with killing many weeds, Storksbill should be killed when young and before flowering and seeding, which it continues to do over many months. Try to avoid stock eating Storksbill because it has caused photosensitivity in livestock. Young lambs with bare skin have got very bad scabs like Facial Eczema. You may not notice it in cattle.



Storksbill seedlings germinate over a long period, so some farmers think their spraying has failed.

Pulling them out is not possible because of the long tap root that goes deep. Digging out with a sharp pointed spade or small pointed shovel and turning them over into and chopping them into the holes is OK for small numbers, of small plants, which is what should be done to the first ones seen.

For large numbers, chisel ploughing (see Cultivation), growing a summer forage crop or other type of crop, to allow time for seeds to germinate and decompose, and then resowing in the best pasture, is the best way by far. We have done this and got rid of Storksbill, Californian thistle, and other bad weeds, then grubbed the very few that grew. Even correctly fed thick dense pastures that are not overgrazed can still grow weeds. Having plenty of earthworms reduces weeds, because they eat a lot or all the weed seeds.

There are organic weed killers for small areas. Read Gardening.

2nd writeup David Wynne-Finch 28 March 2008

Spreadsheets. High user.

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Found from Vaughan Jones SGF

Good reader and learner. In 2011 he sent the best pasture analysis I've seen for years.

David Wynne-Finch, a Welsh subscriber emailed me his grass analysis which was the best I have seen for years. P was 0.42, K 2.9, Ca 0.94, Mg 0.26, Se 0.3 and Al 27, etc. Iron was 103 which mean that there was no soil pollution, so the figures were accurate. The low Al is because Ca is 0.94%, so tells that his ryegrass roots would have gone deeper than New Zealand typical ones at 15 cm, even on most organic farms. David is a very intelligent hard worker and reader and learner, so is successful. He has been into GrazingInfo 87 times and flew to New Zealand to be at one of my field days for just one day.

I put above in Newsletter 66 on 22 April 2012 and he Came to Derek Finlay field day 14 June 2012
Nuffield Scholar 2012

Cows

Log Ins 164

Spreadsheets downloaded 78

Best wishes,

Vaughan Jones, International Agricultural Consultant & Journalist.

A program with a site plan can be mailed to you from www.fieldays.co.nz which has more information and about finding a distributor for your products if needed, and a prospectus if requested for exhibiting your products. Go to www.fieldays.co.nz for a site plan and useful information.

Lime Again!

I have to repeatedly recommend that farmers apply more lime year after year, and I have had to limit my recommendations to about 6 tonnes/ha which is only 2.4 tons per acre, because of dairy farmers' lack of funds. Most farms need 8 or more tonnes/ha of lime, after having had none for up to 50 years. Potassium is usually much too high because at \$800/tonne fertiliser companies overselling it for more profit, and phosphorous at \$400/t is usually adequate for the same reason, with some of it fixed or locked in the soil, which lime releases and makes available.

Beef farmers are doing fairly well, earning more per hectare than dairy, so they should reduce their mortgages and correct their calcium and fertiliser levels. Nothing good seems to last long these days. Beef now is thanks to the USA market, which their government knows about, so is encouraging their beef farmers to rear more calves. They'll be grain fed, so high fat, unhealthy and and tough, so our meat industry should promote the benefits of pasture (grasses and clovers) fed low fat beef and lamb, and dairy ofcourse.

Dairy farmers' high costs and low income, made me research lime costs, qualities and benefits again to find the best. Transport can be a major cost, sometimes higher than the lime cost, and some lime can be so coarse that parts of it will not be dissolved for decades. Also keep asking and researching back loading of all things. A South Island farmer is doing very well with it for his lime.

Farmers high costs and low income and need for more lime, have made me research lime costs and benefits again. Transport can be a major cost, sometimes double the lime cost. Then there is the fact that expensive elements such as cobalt (\$50 for 1 kg/ha), leaches from soils that are low in calcium.

On the lime quality side in the Waikato. Lime from McDonald's, now owned by Graymont from Otorohanga is now far finer (like powder) better and much cheaper than Rorisons and has 2.41% magnesium bringing the cost down to \$20/tonne. Six tonnes/ha of Rorisons will cost \$60/tonne including magnesium from 600 kg of Serpentine to aquate the McDonald's lime which has 2.41% Mg. Both will be plus transport and spreading.

The annual saving on a 100 ha farm is \$30,000 pa.

I apologise for not finding out all this sooner, but McDonalds lime used to be a lot coarser than Rorisons and I didn't know it had so much Mg in it. Many comparative trials on an equal cost basis over 25 years, always showed Rorisons best. I told them many times to grind finer and now they do.

There is a Lime Nutrient Planner spreadsheet for McDonald's, but because there are no mixes now, you can phone and order x tonnes of lime. or contact McDonald's Aglime, 498 Old Te Kuiti Road, RD 6, Otorohanga 3976. Tol 09 222 4301, icook@graymont.com Graymonts in Canada have bought it.

McDonalds don't mix at this stage. You can buy the minerals needed from the cheapest fertiliser company and mix it with 200 kg/ha of lime and spread it. If P is low you can buy a fertiliser mix with Sechura from Matthew Webby, Asura Ltd, Box 65-317, Mairangi Bay, Auckland. 021-331-620. Free fax 0800-427-872. Matt Webby <matthewwebby@yahoo.co.uk>

Older members will remember that I recommended Asura 25 years ago, because they imported Sechura, the best reactive phosphate, but could not get it.

The establishments won't recommend agricultural lime because they are not sponsored by the lime companies that sell agricultural lime for about \$25/t, so don't have the money to bribe two million dollars a year to Ruakura and DairyNZ, like fertiliser companies do, after selling P at \$400 and K at \$800/tonne, and paying bonuses at the end of seasons, so using your money until then.

Barry Brunton, Farmer A in Milk Profit & Quality in Dairying, and many others who have applied LimePlus for three years and doubled pasture production per ha and improved animal health, have applied no P and no K, saving a lot of money, because it had been over applied for years.

Savings

No topping. I hope you never did. I didn't. If you've limed enough, buttercup will be eaten by cows, no zinc will be needed for Facial Eczema, but check levels until two years of liming, when less or no worm drenching of young stock will be necessary.

No riding the farm bike. I never had one. Take a spade and walk through the paddocks grubbing weeds. I did.

Reduce the number of trips town.

Save every dollar for lime.

Investigate the cheapest phone and insurance systems.

Facial Eczema

Those having applied enough LimePlus for two or more years should have no should have no thatch, so no Facial Eczema spores and be growing a lot more clovers and grass, which animals will prefer because it doesn't have the mouldy smell from the thatch. I've seen cows standing hungry and not eating the 15 to 20 cm high grass, and the farmer having to feed silage because of its 4 to 5 cm thick thatch.

The increase in earthworm numbers and decrease of thatch had not been happening as quickly as it should have, I found was because of the coarser lime, and that some farmers had not applied the amount I had advised.

Broadband

Don't always think that your budget won't allow it. It could save you money, and will save you hours of time every month. We use www.wanna.net.nz a very small broadband company in Hamilton that also serves adjacent farms.

The government paid to get it our house. The Wanna manager installed ours in our house, and we saved \$6 a month. Our Broadband is now not fast, it is instant - quite incredible. www.wanna.net.nz may know of a similar small company that covers your area. You may have to get 10 in your area to agree to join them to make it worthwhile for them. Get prices.

The government has allocated more than a billion dollars to get Broadband to all New Zealand. They will run out before covering the whole country, so check with suppliers now.

Good luck, and remember that luck is spelt W O R K.

On budgeting, remember that spending wisely can save more than the cost.

Plus from Shane Hobson

Unfortunately Rorisons' lime, which used to be the finest ground, became coarser which users commented on to Rorisons and more recently to me which I took up with them. They said that their grinder had failed. Instead of stopping production and fixing it they kept selling coarse lime

What sufficient good lime can do

This pasture was Manuka on eight metre deep peat at the back of our first farm on Piako Rd in 1965. The neighbour's had been rolled ready to rotary hoe. We had applied 15 tonnes of lime per hectare (6 tons/acre) chisel ploughed in three times to 40 cm, and one tonne of a reactive phosphate fertiliser mix/ha, chisel ploughed in



once, and our \$25/ha land after three years, carried 2.5 cows per hectare. Neighbours were trying to develop theirs with about 4 or 5 tonnes of lime/ha, and got acid loving rushes and weeds galore and not much grass or clovers. Our peat never went back to acid loving rushes and weeds.

On most soils (except right on the coast) add 100 kg of coarse salt/ha with fertilisers, because salt has hundreds of minerals and improves palatability, animal digestion and health, and reduces bloat. If you read Salt you'd know these things. Many organic money makers make profits by developing liquid organic products based on seaweeds that have toxins such as mercury, and cost ten times more than salt and don't have all the salt's minerals. NEVER buy any liquid organic product (feed, supplement or fertiliser) made from seaweeds, etc., because the products are 80% or more sea water, so cost \$3,000/tonne for the dry matter, so are very expensive with poisons of mercury and excess manganese, that seaweeds take up and the ignorant organic approval authorities sometimes approve under their organic name, but won't approve Selcote Ultra or Solmin, and charge \$2,000 to approve some simple things. While I'm mentioning these things, they allow USA to impose ridiculous regulations to block New Zealand milk and meat organic products getting into USA such as CCA posts and some mastitis control.

Soil pests

These are often over exaggerated, for example a paddock near Matamata had very bad ryegrass pulling like this which was blamed by the seed merchant and the farmer, on black beetles, which was the 'in' problem then. From 50 years ago it has been grass grub, Argentine Stem weevil, Clover root weevil and Black beetle, when it was mostly low calcium causing hard pans and ryegrass pulling as shown here. Two Ruakura soil and pasture experts diagnosed black beetles for killing



South Islanders will be planning their winter forage crops.

Fodder Beet sprayed for weeds by Bayer

Contact Bayer for details. We grew forage crops from 1955 until 1997 and never sprayed for weeds and always had weed-free crops because we always sowed within two days of starting to cultivate, but didn't grow beets which are slow growing.

We also limed and fertilised correctly based on ryegrass mineral levels and chisel ploughed it all in to nearly a third of a metre, depending on the topsoil depth, so the crops were well fed. Read Forage Crops to see photos of crops.



Disastrous Fonterra's umpteenth disastrous payout crash to \$3.85

Solutions

Tell the government to reduce the exchange rate today.

Tell the government to reduce the interest rates today. Our banks borrow at 3% from Switzerland and/or Japan. BNZ made a billion dollars profit last year.

How are things going for you dairy farmers?

How will you cope with this ridiculously low payout from millionaire grabbers - they are not managers, or they would have reduced their salaries by 90% to \$100,000 a year and reduced all their costs, and learned how to manage and market. Their sacking of hundreds makes one wonder why they were employed in the beginning and proves that they have no feeling for people, and you are people.

I don't want any members losing their farms, so contact me well before allowing the bank to foreclose.

Fonterra should be taken over and managed by the government as the government has done to a council, a hospital and a jail, and I'm not suggesting that the government is a good manager, but Fonterra is a complete disaster, and has been for 12 years, during which time it has made 20 costly and serious mistakes. See Fonterra in Sundry.

Fonterra implies that they are geniuses by offering dairy farmers interest free loans. I wonder if it

applies to all NZ dairy farmers or just to those supplying them? Whose money do they think they are lending? It is not theirs, it is dairy farmers' money, some of which Fonterra has borrowed at 7.5%. This proves that Fonterra's grossly over-paid 17 managers, and who knows how many more overpaid parasites, are ignorant idiots, so should now be sacked and Fonterra managed by the government which could provide interest-free loans paid for by the government to all dairy farmers. The prime minister has said that we are not in a downturn, which shows that John Key is in his own cuckoo-land, and that his mind has no ability to forward see and plan, which he has shown in many of his decisions. He could appoint Winston Peters to run Fonterra. Read what he wrote in the Waikato Times on 16th February. If you don't get it you could Google for 'TPP compromises and end to subsidies'.

I was told that a Waikato dairying town was empty of cars and people on Friday, and the very few coming in to a hairdresser had hair a foot long. John Key should read a few farming papers. Tractor sales are down 20%, and other rural businesses are offering free interest rates.

As you know, Auriel and I stopped charging for GrazingInfo and consulting, because we can live on what we made when we got \$14 a kg of milk solids, in today's money, paid by the NZ Dairy Board in the 1950s and 60s when costs were a fraction of today's.

The government should tell all banks to reduce even their fixed interest rates to dairy and exporting farmers to 4.5%.

The dairy farmers' debt is about \$5 billion, so as we all know, our banks, as always, are making a fortune by borrowing at 3% in Switzerland and Japan. They know that the exchange rate is going down so can reduce fixed loans.

Farmers have been disappointed that chairman John Wilson has not been forthcoming with solutions, such as not telling the world about surpluses before each auction, what successful businesses call 'commercially sensitive information' before every auction. They should also market and sell our pasture-fed milk on its merits, and when necessary hold back sales of products as was done a few decades ago by storing it in refrigerated ships at sea, where there are no port charges.

Palm Kernel Extract (PKE)

On the above point, the same applies to cows fed PKE, so change it gradually. Feeding from mobile troughs is rough because some get too much and some get none.

Copper will have built up in the livers of animals fed PKE, so they have to reverse the process and start using it from feed and the liver. Last year it was found that levels could drop from three times what they should be, to a deficiency, within one to three months. Livers can be measured - preferably in culls at the works.

The world wants top quality dairy produce from pasture fed grazing cows, not PKE or even grain fed, the use of which is increasing in New Zealand and helped increase autumn milk production which helped create the milk production increase that reduced demand and the price to our farmers.

Most who increased cows numbers and bought feed, increased their production, but reduced their profit. The increased production is one of the reasons for the surplus milk, causing the surplus and lower auction prices.

The government should also close DairyNZ to save dairy farmers thousands of dollars every year and the costs of their wrong advice, such as applying N after a drought, buying and feeding costly supplements that produce more of which we already have too much, at a loss to farmers, and the country, because much of the bought feed is imported and buying the poisonous PKE (has killed cows in Australia and here) and gives NZ a bad name among conservationists.

Do you know any successful man who has a large ego? Spierings has an ego which gets in the way of correct decisions, so has told the world a hundred times how he wants to be the biggest in the world. He should look at Tatua dairy factory. They want to be the most profitable.

Fonterra managers should have lobbied the government to provide the interest-free loans, because it was the Labour government that 12 years ago was conned by the USA government that the NZ Dairy Board was a government run monopoly, which it was not, which all farmers knew, but our government obviously didn't. So 12 years ago the NZ weak politicians succumbed to USA's twisting and closed the ultra successful hundred year old NZ Dairy Board, which had been the envy of the USA government and their dairy farmers, because NZ could deliver to USA far better quality completely un-subsidised pasture-fed healthier dairy products at a lower price than theirs. USA then insisted that our milk had to be sold to anyone by auction to get away from the highly successful Dairy Board's marketing which paid us \$14/kg equivalent in the 1950s and 1960s so as a 60 (average herd size then) cow dairy farmer

could buy a new house, and one for a sharemilker a decade later without any borrowing - oh what bliss. We were able to retire in comfort after eleven years.

After a lot of discussion Fonterra was formed on farmer set condition that it had to have ten farmer directors. Now there are only four. A USA auction company was appointed. It doesn't care about New Zealand or our farmers, and we all know the results. This has backfired on USA and the rest of the world causing most milk buyers to use the NZ auction figure as the approved purchase price. This has suited the buyers and consumers, but not the world's producers. See our Newsletter 129 for how those in most countries are suffering now like ours are because most of them feed bought grains, so are slaughtering some of their cows to save the cost of feeding bought feed and not be able to sell the milk. At least ours in the efficient New Zealand, can sell their cull cows to be slaughtered and the meat exported.

In fair reporting it must be pointed out that New Zealand dairy farmers have increased milk production at about 2% a year for many years, by some converting from dry stock to dairy, and so me milking too many cows so buying feed.

A sad example was Fonterra's tenth mistake (they are up to 15 mistakes now) by encouraging increased production, and a director encouraging Crafars to buy more farms and cows, and then after a milk price drop lost them all, so now they have not got one cent. Fonterra also taught China how to produce low-cost milk so their production increased by 12% last year, their first increase since 2001 when it was only a 1% increase.

x Brunton

There is no doubt that Fonterra has bought the proposition that they have to compete on price only not on quality.

If that is their policy (which it seems to be) why would they pay the Salaries they do.

In essence they have allowed themselves to become commodity traders, price takers and nothing else.

That rule was the guiding principal throughout my real estate experience. It is correct.

Neither of those principals apply to Fonterra, in essence they are scrambling around in the basement for their sales. As a result they have become cellar dwellers in the price business.

All those Marketing people on their staff have become Order Takers instead of real Salesman.

They do not deserve the salaries they are paid.

Banks

Farmers will have to borrow to survive. A farmer whose farm is worth a net \$5 million, with only \$150,000 borrowed from a bank, was paying them 6.2% interest. I said to tell his bank that he should be paying only 5.5%. If the bank refuses he should shop around.

Farmers you're being fleeced by banks, Fonterra, councils, fertiliser companies (look at their profits) and others. If you don't look after yourselves, you are risking failure.

Some banks have cheated us and many clients,

They will always try to lock you in for a long period of time to remain their client. Avoid it. Their Swap system locked farmers in for long periods with terms that interest rates could go up but not go down. Some are being sued.

Solutions

Most of the world wants reasonably priced organic milk. Lewis Road Creamery, Whakatane and North Waikato produce the world's best milk and even at its higher prices sells out every day and has not supplied the South Island yet. Read what they do in www.lewisroadcreamery.co.nz

Bill Quinn and a group of organic farmers have started to supply organic milk to organic processors. Their forecast payout for 2015-16 is much higher than Fonterra's. Groups of farmers can do the same. USA Organic Rules are deliberately hampering NZ farmers so as to keep our milk out of USA. For example they don't allow CCA posts which they don't have in USA. USA and Australia have hardwood fence posts which we don't. Imagine changing all your posts. USA is not the only consumer.

Make and use New Zealand Organic Rules.

Warning

A decade ago a few farmers around Paeroa bottled their own milk, but the retailers (shops) would not and could not, buy or sell it, because the big company had signed up all the retailers in the area to buy only from them for a few years. The new bottling company went broke costing the farmers a lot.

The Importance of Reading - Learning & Applying

It has pleased me that some members have read and applied the many GrazingInfo suggestions completely, which have helped them do better, so reduced their mortgages - one by \$1.4 million last year, after reducing cow numbers by 25%, stopping buying supplements like grain and PKE, stopping growing maize silage, applying six or more tonnes/ha of LimePlus twice a year to their whole farm and no superphosphate and no potash for three years, feeding their own mixed Solmin with Magnesium Sulphate, and not veterinarian ones that contain not much, and no salt.

Some GrazingInfo members are not reading more than the newsletters. Those who don't read a lot, had better start reading and applying more of GrazingInfo chapters to reduce costs in every way possible, and to do the right things for more profit. After each newsletter we get an amazing number of thanks and good comments, for which we thank you, BUT a lot of members have not read a single one of the 270 chapters in GrazingInfo. We've written often that the 'good readers' are thriving, while the others battle. One member with health problems in his family had read only two of the 53 health chapters.

With the milk payout at under \$5 there will be bankruptcies, which need not occur. Start by getting your interest rate down to 5% or less. TSB home loan rate for two years on Fixed Special rate is 4.99% p.a. from 23/06/2015. Google for TSB agribusiness loans. When negotiating, quote the 4.99%.

Why should a farmer pay more than a townie? You will need a budget on a spreadsheet or on any paper to show the bank that you are secure. If necessary, get one from your accountant to prove to your bank that you are safe to get a lower interest rate.

Trans Pacific Partnership (TPP)

I'm sad to see that only 14 have read the chapter on TPP which will have such an adverse effect on New Zealand. It is in the Political chapter.

How USA wrecked Haiti is also in the Political chapter.

Best wishes,
Vaughan Jones
grazinginfo.com