

SOUTH AUSTRALIAN GOVERNMENT

DEPARTMENT OF AGRICULTURE

REPORT OF THE COMMITTEE OF ENQUIRY INTO

HERD RECORDING

IN

SOUTH AUSTRALIA

APRIL, 1981

Referenced in section on Herd Improvement

SUMMARY OF RECOMMENDATIONSTERM OF REFERENCE NO. 1

"To determine the present and potential users of herd recording in South Australia."

Recommendations

Planning for the next five years should be based on a projection of 48 000 cows under test by one organisation by 1985.

Promotion and Extension Program

The Committee considers that it will be necessary for HISCOL to actively promote the use of herd recording in order to achieve the projected increase in cows under test.

The promotion should include HISCOL newsletters and articles in factory newsletters and industry journals.

HISCOL and the Department of Agriculture should undertake extension programs to educate the users of herd recording in the effective use of the results. The preparation of fact sheets and the use of discussion and other group meetings should be used.

Dairy farmers under test and breed societies should be encouraged to promote the use of herd recording to non recording dairymen.

TERM OF REFERENCE NO. 2

"To determine the operating costs of satisfactory testing systems."

Recommendations

1. That HISCOL immediately plan to centralise administration of herd recording and artificial breeding.
2. That any change to herd recording frequency options only be made in accordance with NDHIS guidelines.
3. That HISCOL continue to provide an option of promotion testing for dairy farmers interested in herd recording.
4. That HISCOL immediately introduce a Foss Electric "Milko tester minor" at the central hills centre.
5. That HISCOL commence planning for fat and protein testing in one central laboratory using a Foss Electric "Milko-scan" 300 or similar equipment.
6. The Committee considers it reasonable for the SA Government to guarantee a loan for the financing of capital equipment and accommodation.
7. That HISCOL continue to provide semen sales and distribution service.

TERM OF REFERENCE NO. 3

"To determine the management requirements for organised herd recording."

Recommendations

That:-

- (1) HISCOL remain independent of direct Government control.
- (2) The Board should actively seek ways to achieve a greater participation by members with wide dairy industry and business knowledge and experience.
- (3) The Minister of Agriculture consider forming a representative dairy industry committee on which the HISCOL Board could be represented.

TERM OF REFERENCE NO. 4

"To estimate the required financial support to maintain herd recording in South Australia including sources of funds."

Recommendations

That:-

- (1) The South Australian Government provide direct financial support to HISCOL in the financial years as follows:-

		\$
1980/81	-	53 500
1981/82	-	35 000
1982/83	-	20 500
1983/84	-	15 500
1984/85	-	10 500

These figures should be subject to change if HISCOL do not reach or exceed the estimated number of cows under test.

- (2) The Government continue to provide computing services at a level of \$37 500 in 1980/81.
- (3) The HISCOL Board increases fees based on at least the C.P.I. changes rounded up to the nearest 10 cents.

TERM OF REFERENCE NO. 5

"To evaluate the role of Government participation in herd recording."

Recommendations

That:-

- (1) The Consultative Committee on Herd Improvement be retained.
- (2) The Department of Agriculture continue with supervision of testing procedures, checking of equipment and training of recorders.

- (3) That the Department of Agriculture and HISCOL continue to jointly publish the "South Australian Dairy Cattle Production Annual Report", until such time as the NDHIS prepares a publication to supersede it.

TERM OF REFERENCE No. 6

"To evaluate the role of the South Australian herd recording system in the National Dairy Herd Improvement Scheme."

Recommendations

- (1) That the South Australian Government continue to support the development costs of the NDHIS with industry to bear the cost when the scheme is fully operative.
- (2) That the independent herd recording groups be encouraged to become part of a single herd improvement organisation in order to be able to contribute data to the NDHIS.

THE TASK:

In July, 1980 the Minister of Agriculture appointed a review committee:

To examine and report to the Government on the Herd Improvement Services of South Australia Co-operative Limited (HISCOL) operations and associated costs of herd recording in South Australia to cover the next 5 years to determine acceptable member, industry and Government participation in the scheme.

Terms of Reference

1. To determine the present and potential users of herd recording in South Australia.
2. To determine the operating costs of satisfactory testing systems.
3. To determine the management requirements for organised herd recording.
4. To estimate the required financial support to maintain herd recording in South Australia including sources of funds.
5. To evaluate the role of Government participation in herd recording.
6. To evaluate the role of the South Australian herd recording system in the National Dairy Herd Improvement Scheme (NDHIS).

Committee Membership

Mr. B.J. Grear, Acting Deputy Director-General, SA Department of Agriculture (Chairman)

Mr. I.A.S. Martin, Dairy Farmer, Myponga

Mr. R.H. Moffatt, Manager, HISCOL

Mr. S.J. Rice, Senior Dairy Adviser, SA Department of Agriculture (Secretary)

The Committee recognises the special help given by Mr. M. Liebelt, Senior Dairy Adviser, in undertaking the task of preparing the many calculations necessary for the Committee's deliberations.

Meetings and Submissions

The Committee convened public meetings as follows:-

Springton	-	24 July, 1980
Mt. Compass	-	29 July, 1980
Naracoorte	-	6 August, 1980
Mt. Gambier	-	6 August, 1980
Murray Bridge	-	7 August, 1980

A Total of 69 non-departmental people attended these meetings. The audience included dairy farmers who were recording, those who had recorded in the past but were not now recording, and those who had never recorded, dairy company field officers and herd recorders.

8 Groups or individuals met the committee for private discussions.

23 submissions were received and they are listed in Appendix A.

HISTORY OF HERD RECORDING IN SOUTH AUSTRALIA

Herd recording was first used on an official basis in South Australia in 1913 and was developed under the control of the Minister of Agriculture and administered by the Department of Agriculture which has been responsible for the keeping and processing of all production records and the supervision of herd testing.

In 1924 the Advisory Committee for the Improvement of Dairying (ACID) was established and became responsible for recommendations to the Minister for changes to the rules governing herd testing and the financing of Associations from the Dairy Cattle Trust Fund. In 1954 they also became responsible for recommendations regarding the rules governing official testing.

The Department of Agriculture has been very much involved in providing a technical service to dairy farmers and carrying out research into improved methods of herd testing. In 1967 a special herd improvement section was set up in the Dairy Branch to co-ordinate on a statewide basis the activities in herd recording. The section assumed responsibility for improving and standardising methods of herd recording, and for establishing standards of performance for recorders. It co-ordinated the programs of individual Associations, interpreted and enforced all Rules throughout the State and maintained in the herd recording system standards that gave reliability to records, research and extension.

While the Advisory Committee, with a membership which covered all the significant producer bodies and officers of the Department of Agriculture, was initially concerned with all aspects of herd recording in the late 1960's and early 1970's, it saw its role in the wider perspective of Herd Improvement.

In 1976 the Minister of Agriculture established a review committee with the following terms of reference:

1. To determine whether the original purpose of the scheme is still applicable to present day needs of the industry.
2. To assess the effectiveness of the present program in achieving quality control, genetic improvement in dairy herds and as an aid to herd management at farm level.
3. To evaluate the benefit/cost of the present scheme, both to the dairy farmer and to the general community.
4. To recommend a transitional program for the continued funding of herd testing in view of the tapering off of State Government finance for the existing scheme. This transitional program should have due regard to existing plans to move towards a centralised scheme as set out in the integrated submission to the IAC Enquiry into the Australian Dairy Industry, 1975.

and recommended that:

1. A Government organised herd recording system be maintained in South Australia.
- 2a. Any future herd recording scheme be supplemented by a program to educate participants in the efficient use of the results.
- b. The Dairy Branch of the Department of Agriculture and Fisheries give such a program higher priority in their work schedule.

3. In order to provide a more equitable system of payment for herd recording, herd recording be presented as a two package scheme consisting of:
 - a) a unit containing information for on-farm use. Paid for by the user.
 - b) a unit containing information for sire proving and other off-farm matters.
4. There be a range of alternative methods of herd recording available to the farmer at charges ranging from \$1 to \$11/cow per year. The alternatives should include:
 - a) monthly (\$11.00/cow)
 - b) alternative a.m./p.m. (\$7.50/cow)
 - c) bi-monthly (\$6.50/cow)
 - d) production ranking (\$1/cow)
 - e) owner sampling versions of the above methods (eg. monthly \$4/cow)
5. A central testing station be established (at a cost of \$136 000) before the commencement of the 1977/78 herd recording year. The cost of this station should be met by the South Australian Government.
6. For one year there be a subsidy of 25% of the owner sampling monthly system (amounting to \$1/cow compared to the then \$5.00/cow subsidy).
7.
 - a) The possibilities of joint sample pickup and sharing laboratory receival and servicing facilities be examined in detail.
 - b) Cell counting of individual cow's milk be offered as a service to farmers.
8. The Department of Agriculture start the collection of relevant data to allow a benefit/cost analysis.
9. The payment of herd recording fees be delayed to 30 October.

Following the receipt of the report, the Government accepted the offer of a group of dairy farmers and members of the SA Herd Recorders Association to establish a private scheme and Herd Improvement Services of SA Co-op. Limited was formed.

The primary objects of the co-operative are:

- (a) To operate for and on behalf of the members of the Co-operative for the business of a livestock performance recording service and to assist members with the interpretation and use of the result thereof.
- (b) To operate such other businesses as may from time to time be considered by the Board to be in the interests of the members.

Four other groups were in existence at the time of the establishment of HISCOL. Three groups have continued at Mypolonga, Ponde and Eight Mile Creek.

In the 67 years that herd recording has operated many changes have taken place in the dairy industry.

The June, 1976 Report of the Committee of Enquiry made the following brief statement on the industry uncertainty at that time:

"The present uncertainty of the future financial viability of the dairy farmer and the sharply rising costs involved in herd recording have created the need to critically evaluate the present system".

Since that time, the Australian dairy industry has undergone dramatic changes and the economic pressures have eased during 1978-80. The Bureau of Agricultural Economics (1980)* summarises the outlook as follows:-

"The economic situation of the Australian dairy industry is expected to continue to improve in 1979-80 with average unit returns to producers, in money terms, estimated to rise 7%. Among the principal factors contributing to this improvement are high domestic prices, improved export returns and the smaller proportion of production which will be sold on the lower priced export markets. However, the expected increase in the level of inflation in 1979-80 is likely to erode this improvement, with the result that dairy farmers' average real net cash incomes are estimated to remain at about the same level as in 1978-79".

Since 1975/76 the total number of dairy cows in milk and dry has decreased from 2.3 million to 1.88 million with the SA decline being from 135 000 to 103 000 (ABS 1980). This decrease in the dairy cattle population has resulted in a reduced milk intake and from an industry future the following points should be stressed:

1. Australian milk production is now below the desired milk production as estimated by the Australian Dairy Corporation.
2. The seasonal nature of milk production means that production in the autumn-winter months is dangerously close to market milk and fresh milk needs. A drought could threaten market milk sales in some States.
3. The above problem is aggravated by farmers in the eastern States selling their market milk quotas and ceasing dairying. In addition, the use of feed budgeting techniques is promoting seasonal calving which is further aggravating the problem.
4. The altered product mix now being made by the industry has resulted in potential butter shortages at certain times of the year.

The industry outlook in relation to prices is good with opening prices in all areas showing significant increases since 1975/76.

The economic outlook and seasonal conditions are favourable towards encouraging farmers to enter herd recording. The need for herd recording is emphasised by the likely future shortfall of Australia's milk production, particularly in the autumn-winter months.

With the decline in milk producers (in SA producer numbers have fallen from 10 000 in 1965 to 1800 in 1980) the potential users of herd recording have also declined. However, the more efficient producers have remained in the industry so that the percentage of potential users of herd recording has increased. The highest percentage (approximately 37%) of cows under test was reached in 1975/76 (prior to the large increase in charges and uncertainty in the industry) and it is anticipated that this percentage could be exceeded with the current dairy cow population.

* Bureau of Agricultural Economics (1980)
Situation and Outlook 1980. Dairy Products. A.G.P.S., Canberra.

BENEFITS OF HERD RECORDING

1. Herd recording benefits the industry by providing production figures used by farmers, stock agents, artificial breeding organisations, breed societies and farm consultants.
2. The dairy farmer uses the figures for feeding programs, culling, breeding replacements and farm management decisions.
3. Herd recording benefits the export of livestock and dairy produce. With livestock export, production figures are necessary before sale.
4. The Government benefits from herd recording:-
 - access to figures for extension and research officers and provision of statistics for departmental publications.
 - the Government receives revenue from herd recording.
5. Dairy factories benefit from herd recording via the increased productivity per farm increasing factory throughput and decreasing milk collection costs. Factories also benefit from the resulting improved milk composition allowing easier product standardisation and manufacture.
6. Herd recording improves the efficiency and quality of milk production ensuring that consumers benefit by receiving a variety of nutritious, high quality foods at a reasonable cost.

TERM OF REFERENCE NO. 1

"To determine the present and potential users of herd recording in South Australia."

Key issues raised from public meetings and submissions

- . Herd recording must continue.
- . More people must be sold the benefits of herd recording and be encouraged to join. This will reduce operating costs.
- . The importance of better publicity on the benefits of herd recording and personal contact with non recording farms was needed.
- . Some farmers consider that you need a good herd before commencing testing.
- . Many farmers are unsure of the benefits of herd recording. The economic considerations of production/hectare before and after a culling program need to be considered.
- . The herd recording cost is weighed against milk return when deciding whether to herd record or not.
- . New farmers should be personally approached and advised of the benefits of herd recording.
- . Artificial breeding and herd recording should be considered together.
- . Farmers under herd recording are better able to sell cattle overseas.
- . Ideally all farmers should be herd recording.
- . The Department of Agriculture should promote herd recording via grass budgeting and farm management extension programs.
- . The economic climate is favourable to encouraging farmers to enter herd recording.
- . Field officers and farmers under herd recording should promote its benefits.
- . Farmers are not educated satisfactorily to utilise herd recording figures.
- . The uptake of herd recording is influenced by costs of herd testing and the price of milk.
- . Small herd recording groups should not occur.
- . If in fact herd recording was to cease it would almost certainly mean that all semen and sires would need to be imported from interstate or overseas in order to ensure productivity potential.
- . People are not in herd recording because of the cost, inconvenience, loss of milk and cow stress.
- . Herd recording should be promoted via the example of the financial successes of individual dairymen under herd recording.