

# View from Overseas



## Indonesia – a top five economy we probably know little about

There is a lot of talk about the exciting opportunities for British products and services in a post-Brexit world, outside of the EU and often in Asia. This applies, not least, to the agricultural and horticultural sectors, as we look to embrace life after the Common Agricultural Policy and develop our own UK specific way of managing the agri-food sector.

Most people now know the number of Asian consumers is set to grow by around 1.5 billion over the next generation, and economic growth is also set to be strong.

The key driver of this is a combination of strong demographics, robust macro fundamentals and greater trade integration with the rest of the world. Government policies across the region are often aimed at reform in the key areas of economic and trade policy.

### Right place, right time

While the opportunity in Asia is clear, picking the right market, at the right time, across such a diverse region is still a major challenge. The following pointers provide some guidance;

- Is there a large, growing population that is increasingly wealthy?
- Is the economy strong per se?
- Is there a history of needing (or wanting) to import? Not just in horticulture, but across the agri-food sector per se
- How strong (or not) are the tariff and non tariff barriers to entry?
- Is there a rapidly developing retail and foodservice market?

All of the above factors are typical of Indonesia.

### What do we know about Indonesia?

With a population of over 260 million, of which 50% is aged between 5-34, a fast-growing middle class estimated to be in the region of 40 million already, per capita income of over US\$11,000 (when adjusted by purchasing power parity), robust economic growth of some 5% per annum, the attraction of Indonesia starts to become clear.

The retail structure is still dominated by traditional outlets, but modern supermarkets are becoming more influential with the like of Carrefour, Giant, Lotte Mart, Spar, Aeon, Circle K, Lawsons, Family Mart and GS

Supermarket (a Korean chain) all present.

Hypermarkets, supermarkets, convenience shops and minimarkets are all present especially in the Indonesian capital, Jakarta and other major urban centres.

### Production, imports and the role of government

Local horticultural production is in the region of 18 million tonnes per annum.

This production is dominated by crops such as bananas (almost 50% of the total), as well as other products, such as mango, papaya, citrus and then more local items, such as dragon fruit, rambutan and durian.

"However, based on our knowledge, the overall small scale structure of Indonesian production struggles to compete with imported fruit, on both price and quality. This is linked to the often poorly developed physical infrastructure in terms of cool stores, handling/packaging and distribution.

Distribution in particular is a major challenge, because Indonesia is made up of thousands of islands, although 60% of the population live on Java alone.

This sees the import market well supplied by the likes of the US, Australia, South Africa, Argentina, China and Thailand.

China and Thailand obviously enjoy a degree of geographic proximity and the US and southern hemisphere suppliers have been quick to spot the opportunity and develop commercial links in to the Indonesian market. And, of course, they deliver good quality products.

Around 150,000 tonnes of apples are imported per annum, and another 120,000 tonnes of pears, along with other products such as citrus and grapes. This is despite the Indonesian government's support and incentives for horticultural producers, and at times, open manipulation of non-tariff barriers which can restrict imports at certain times of the year.

### Produce or agri-tech?

Based on market experience, it seems unlikely that the UK will be exporting huge volumes of produce to Indonesia, but some niche market opportunities will clearly exist. Where, however, the UK might be able to see more success is in the provision of technical skills and educational training



*The notorious Durian fruit*

services, an area in which we are inherently strong.

This is all part of an estimated US\$ 400 billion global 'agri-tech' market covering the need to find solutions to complex challenges surrounding the need for more 'resilience' in the supply chain, use of water, climate change, the environment, labour and the opportunities brought about by the



*Rambutans*

move towards a digital economy. These sorts of issues are all beginning to impact on Indonesia.

This is a strength for the UK, as not least our supermarkets have demanded that produce companies are well resourced in these areas in the drive to develop highly efficient supply chains. And this is where countries such as Indonesia are eventually heading.

### In the global top five?

Indonesia has seen an economic growth rate over the last 10 years only trailing behind Turkey, India and China in the G20's major economies.

It's already the fourth largest economy in Asia, behind China, Japan and South Korea. And by 2050, it's predicted that it will be the fourth largest in the world. A tremendous opportunity exists.

*Piece provided by  
Liveryman John Giles*

# The VAT changes are coming. Don't get caught out!

**Making Tax Digital comes into effect from 1st April and affects all farmers over the VAT threshold.**

With our extensive team of skilled farm analysts using our MTD Compliant Farm Business Accounts Software we can ensure you meet all the obligations and capture real value from your financial records.

Call **01270 616800**

or email

**[GB-Promar-TaxDigital@genusplc.com](mailto:GB-Promar-TaxDigital@genusplc.com)**

to find out more.





## New on-farm milk pasteuriser range

A new range of on-farm pasteurisers will improve the efficiency of milk treatment, whether for cheese and yogurt production or for treating milk and colostrum for calves.

The Milky range comprises pasteurisers from the entry level 15 and 30 litre models, through to 50 and 100 litre options, providing uses for a wide spectrum of applications.

"Milky pasteurisers are ideal for cost-effective pasteurisation of colostrum, milk or even juice, and allow small scale at-home or on-farm cheese and yogurt production," comments Russell Needham, milking systems business manager with Promar International, the UK distributor for Milky pasteurising equipment.

The flagship Milky 50 litre pasteuriser is a medium sized stainless steel kettle pasteuriser, perfect for small scale milk treatment. An electronic control panel allows the operator to set temperature and duration at high temperature. Data from all pasteurisations can be stored and printed as required, making record keeping and traceability straightforward.

For increased flexibility and convenience, the unit can be operated remotely using an android



app on a mobile phone, allowing the pasteuriser to be activated and controlled while producers focus on other jobs.

"With a working capacity of 25 to 45 litres and a maximum operating temperature of 94°C, the Milky 50 is perfect for farmers moving into small scale yogurt and cheese production or for those looking to pasteurise milk and colostrum on larger dairy units," Mr Needham

suggests.

Full details of the range can be found on the Promar Dairy Direct website [www.promardairydirect.com](http://www.promardairydirect.com). The Milky 50 costs £4,600 plus VAT. (Tel: 01782 563628).



## Post-Brexit trade explored in discussion

'SEEK out all opportunities, use all connections, gain as much experience as possible and strengthen your business acumen.'

This was the key advice given to Reaseheath College agriculture students at a Question Time discussion on post-Brexit careers in farming and food production.

The event, sponsored by the Food, Drink and Agricultural Group of the Chartered Institute of Marketing (CIM) and the Cheshire branch of the Institute of Agricultural Management (IAgrM), was organised by Reaseheath's agricultural department.

It delivered valuable advice on the opportunities available in a changing industry and how to build a successful career.

More than 80 undergraduates and level 3 extended diploma in agriculture students had the opportunity to quiz a panel of experienced advisors from across the supply chain.



● Panel members with students at the farm forum

John Giles, chair of CIM's Food, Drink and Agricultural Group and divisional director at Promar International, Lizzie Bonsall, Holstein Identification quality manager, Holstein UK, Coral Russell, crop associations manager, British Growers Association, Nikki McDougall, EU business manager, Genus, and Alick Jones, regional director, AMC, put forward their views on topics including fresh ideas for farming, opportunities with technology, funding for a new business and how the government may support the food and farming industry in the future.

Questions included whether it was more beneficial to gain a degree or a job, how to select the best industry placement, whether to work on the family farm or to broaden your experience elsewhere first, and how to solve the dilemma posed by the potential scrapping of single farm payments.

John Giles said: "With a Reaseheath qualification you are well on your way to getting a good job. You can work anywhere in the world. Your opportunities are limitless. Maximise your academic potential and make the most of every opportunity."

# Get ready for the big digital change over ...

DIGITAL input of VAT becomes compulsory from April 1, 2019 and will affect the vast majority of farm businesses causing significant changes for all concerned.

Hence, farmers need to plan for the changes now, according to Krisha Burrow, Promar farm business accounts manager in Scotland and the North of England.

"Making Tax Digital (MTD) has been described as the biggest change to tax management since the introduction of PAYE," said Krisha. "It is a fundamental change in the way VAT records have to be kept and the way returns are submitted to HMRC.

"There is no hiding from the change. If you are a VAT registered business you will have to comply. The changes are quite complex and the sooner businesses start assessing what they need to do the better, avoiding rushed changes just at the time things will get busy on many farms heading towards turnout."

She added that it will no longer be possible to keep a manual cashbook and input totals on the VAT return. Equally, if financial information is collected digitally it must be on a system which is MTD compliant and enables the VAT return to be submitted automatically.

The MTD VAT rules apply to the first VAT period starting on or after April 1, 2019. For monthly VAT, the April 2019 VAT return figures will be the first to be submitted digitally. For quarterly VAT it depends on where the VAT period starts.

"So for example, figures for the VAT period March-May 2019 don't need to be submitted digitally because the period didn't start on or after April 1, 2019. The first quarter which will have to be entered digitally is a VAT quarter ending on June 30."

With the vast majority of farm businesses being net recoverers of VAT, she stressed that it is clearly in their interests to make sure they comply with the new legislation to ensure cashflow is not affected. With around half of farmers reporting VAT monthly rather than

quarterly it will be essential to be ready from day one and a key part of this will be to ensure you have suitable software.

All records required for completion of the VAT return must be kept digitally on what is described as functional compatible software. This is software that will automatically link with the HMRC VAT system and update the VAT return with no manual intervention.

The software must be able to keep all required records in a digital form, create a VAT return from those records and provide HMRC with that information digitally. It must also be able to receive information from HMRC about the business's compliance records.

"Many software suppliers are submitting their programmes to be approved as MTD compliant. At Promar, our Farm Business Accounts (FBA) service has already been approved. However, many recording systems used on farm are still unapproved."

Krisha added that farmers are not being asked to record anything new and that the VAT return remains unchanged. They are just required to record it in a different way, quite likely on a new system.

"Bearing this in mind it is important you start reviewing how your office procedures will need to change and to select your software so you have the time to get everything up and running. You probably won't need to change how you file and store financial information but you could take the opportunity to see if any improvements could be made."

If changes are required to meet MTD requirements, it would make sense to use the opportunity to make better use of the core financial data stored digitally than is currently the case.

"You can't avoid MTD, but should see it as a catalyst to establish a financial records system which gives more business information to aid decision making rather than as just an imposed change to meet government stipulation," she concluded.

# WHAT WAS SAID @ OFC19? BY JOHN GILES

🕒 Thursday, January 24, 2019 - 12:00



*by John Giles, Divisional Director at Promar International Ltd*

OFC is one of the “flagship” events in the UK ag and food sector calendar and has been running now for some 73 years – so it has stood the test of time, for sure. Exceptionally well attended, the delegate list looks like a bit of a “who’s who” of British agriculture and food, with the “Head Honchos” of many of the leading supply chain players there - and an array of speakers over the 2 days of the event.

Held in the Examination Rooms in the High Street, the event certainly has a unique feel to it, although it was interesting to hear that the so called “alternative” Real Oxford Farming Conference held, literally down the road, also had an exceptionally strong turn out too.

Having been involved on the OFC Council for several years, I know how challenging it can be to set a conference agenda and then find the right calibre of speakers for an event of this nature. Across the two days, there was, I thought “something for everybody”, but of course, everyone will have a different view on “who was good” and why (and maybe sometimes, who was less so).



A few speakers stood out for me though. Gove – whatever you think of his politics, is an impressive speaker and clearly a man of high intellect. He has a clear and very ambitious vision for British agriculture post BREXIT and gives the impression that he really has got the bug for agriculture and farming. I thought this was the best Oxford address from the Minister since David Miliband was doing the job (and when coming under fire from his political opponents just countered: *“it’s easy being opposition and saying what you would do and what I should do. I am doing the job. You are not. It’s a difficult one and the decisions we have to make are complicated”*). Never a truer word said.

Clive Black from Shore Capital. I have heard him speak before, but he is always sharp and pithy in his observations and comments. He didn’t fail again to do this. His stinging rebuke of the political situation in the UK since the EU Referendum was a classic and maybe something that only someone like him could say.

Sir Lockwood Smith, the former New Zealand Minister of Agriculture and High Commissioner for NZ in London was excellent, I thought. What a pity he was confined to a relatively short spot as part of a panel. His optimistic views on what might happen post BREXIT and the opportunities for the UK farming and food sector - as a microcosm of the entire economy - were fascinating. I could have listened to him for much longer.

George Eustice on Day 2 talked about the fact that the UK is still a very attractive market for agricultural and food products. Other countries, post BREXIT, will still want to access this, but there also exists an opportunity to substitute products currently imported from the likes of Ireland, Denmark and Holland, as well as build exports to developing markets in the likes of the Middle East, the US and SE Asia.

**So, in summary, the real key things I heard were:**

- **agricultural production and policy needs to take the long view of what the future strategic objectives of the industry are**

- **the UK can lead the way in the so called "4th agricultural revolution" using Big Data, AI, robotics, gene editing, precision farming techniques, vertical farming, reducing input usage, better science and R & D, mitigating climate change, enhancing bio diversity and protecting both land and soils, all of which will improve productivity – and that "no change is not an option"**
- **consumers are displaying signs of "simmering discontent" with regards to BREXIT and business is "sick and tired" of the way the whole process has been handled**
- **"No deal" would be disastrous for the UK and the rest of the EU – 27**
  - **in a fast changing retail environment, understanding consumer and customer/supply chain behaviour is critical and issues such as well being and vegan have gone mainstream**
  - **there is a need to transfer the R & D that is being carried out in universities to farm level more effectively**
  - **the opening up of the UK market will see an acceleration in the use of technology and R & D and produce a far more efficient industry structure**
  - **in terms of negotiating new Free Trade Agreements, it is important to get the fine detail right, but it will take time to do this**
  - **there is an opportunity for the UK to play a major role in the way that the WTO operates and this should not be wasted**

Other speakers who caught my attention - the floating dairy farm in Holland. Wow! What a project this sounds. It was disappointing to learn though at the end of the presentation that the herd size is only 40 to begin with. I was hoping and expecting it to be much higher. Set in the middle of the Rotterdam dock complex – this is the sort of project that probably only the Dutch could think up! Matt Smith, the NZ deer farmer – this was great and an interesting take on how to manage a farm. Lots of transferable lessons here for any farming business.



Hearing from the Chairman of Barclays, Sir Ian Cheshire - how could you not find this interesting - on his perspective of the UK economy and market? He predicted amongst other things: that the CAP would eventually disappear, that "disruptive technology" would have increasing impacts across the supply chain, dietary change would see increases in the need for even more provenance in food, higher quality and an increase in plant based diets. He also predicted that while, in the past, scale of business had been an advantage, the pace of change, not least by driven the use of social media, means that sometimes, smaller businesses are in a better position to seize new opportunities.

Caroline Lucas, the Head of the Green Party was a bit of an eye opener too, not least with the suggestion that her ag and food policy might include the imposition of a "meat tax". Wow, again! Julie Borlaug was interesting to hear from, I thought, but maybe more from a personal perspective. Back in time, on my very first day of "proper" work with my previous employer pre Promar, I had to read and edit a report on transmigration in Indonesia funded by the Borlaug Foundation!

The case study of Grampian Growers and how a relatively small business has been so successful in export markets in Africa, the US, SE Asia and the Middle East/North Africa was inspiring - not least, as they have decided to tackle what are normally considered as "difficult markets".

I have rarely been to the debate at the end of the first day, despite it being very much part of the Oxford tradition. By that stage, I have normally had enough for one day and need to come up for air. But I hear it was good, if a little one sided this year, when the subject of provision of public goods and services, as opposed to focusing on profits for farmers was debated. Surely, the real answer is that neither are incompatible to each other.

Very much part of the Oxford tradition too are the dinners - held at the incredible "Harry Potter type" settings of Christ Church and Exeter Colleges (for me) although I hear good things about the new "TAP Social" too, which seemed to attract a different sort of delegate from the norm. These dinners are very much part of the socialising and networking that goes on at the OFC.



I had the chance to catch up on the 2nd evening with Philip Acton my old boss and re live some of the good old, bad old days (but we decided they were mainly very good!) as well as swap thoughts on what might happen to UK ag and farming in the next 12 months.

And for the real die hards - the Oxtail Supper on the last night. This is great fun and while I really enjoyed this too - lots of old friends there and a few new ones too, as always - by the time it got to 9.45 pm - it was time to slip away and get the train back to Reading.

All in all, a good few days. I always say, being held so early in the New Year: *"its like being back at work, but not really back at work"*. Well done the OFC Council for organising the 73rd OFC. No doubt, the planning for the 74th is already underway. Plenty of food for thought over the 2 days was given - and as the phrase goes: *"See you at Oxford (next year!)"*

University of Reading 53<sup>rd</sup> Agricultural Club Conference Programme

29<sup>th</sup> January 2019

John Giles



University of Reading  
53<sup>rd</sup> Agricultural Club Conference  
'Connecting the  
Food Supply Chain'

Tuesday 29th January 2019

7-9pm

Madjeski Lecture Theatre

Earley Gate

University of Reading



### Welcome

2019 is the 53<sup>rd</sup> year of the Agricultural Club holding its annual conference discussing relevant issues in the agricultural industry with a panel of speakers. This year we have chosen the theme 'Connecting the Food Supply Chain' to give an insight into the links and relationships through the food chain, from producer to retailer and consumer.

George Norris and Poppy Yeatman  
Conference Chairman and Secretary 2019

### Proceedings

7.00pm – Opening speech by conference chairman – George Norris

7.05pm – Presentations by our speakers

Ali Capper

Barney Kay

Dr Anna Macready

7.50pm – Question and Answer session chaired by John Giles – Divisional Director at Promar International

8.50pm – Closing speeches

Vote of thanks by Andrew Vickery—Old Mill

9.00pm – Wine and nibbles





## Speaker Profiles



### Ali Capper

In Partnership at Stocks Farm, Suckley, Worcestershire UK with her husband Richard and his father Mark, the Cappers specialise in growing hops and apples [www.stocksfarm.net](http://www.stocksfarm.net). Ali's former career was in Advertising & Marketing. Today, in addition to numerous roles at the farm, her work includes membership of the Boards of Wye Fruit, the British Hop Association, the Norton Cider Growers Association and as Chairman of the NFU National Horticulture & Potatoes Board, English Apples & Pears and Wye Hops. Ali is a Nuffield Scholar, a Trustee of The Nuffield Farming Scholarships Trust and a non-executive Director of NFU Mutual.



### Barney Kay

Barney joined Tesco as Head of Agriculture in September 2015. With his team of 7 agricultural managers, he works closely with Tesco's suppliers and farmers through ten Tesco Sustainable Farming Groups. Previously Barney managed Moy Park's GB farm operation, across 110 farms with c20m chickens on the ground at one time. Barney was also the regional director for the NFU in the North East and before that ran the National Pig Association. In the mid/late '90s Barney was farming in the UK, with a stint running a large arable enterprise in Romania.



### Dr Anna Macready

Dr Anna Macready is Programme Director for the University of Reading's BSc in Consumer Behaviour and Marketing at the School of Agriculture Policy and Development. Drawing on her background in psychology and nutrition, her current research is funded by the European Institute of Innovation and Technology (EIT) Food, a consortium of 55 partners in 14 countries across the EU, focusing on consumer trust in the food system, consumer acceptance of sustainable food products and sustainable behaviour change. Anna's industry experience includes two years at Cargill and 5 years consumer research advising clients such as Unilever, Dept for Education and Skills and the Cabinet Office.

## A word from our sponsors

### Old Mill

Old Mill are one of the country's leading firms of agricultural accountants, tax advisors and financial planners. We look after the affairs of over 2000 farmers and agribusinesses across the South West of England and across the country. Most of our team are drawn from farming backgrounds and we are particularly proud of our links with the University of Reading, counting a good number of Agricultural department alumni within the firm.

### MorePeople

MorePeople is a specialist recruitment business providing permanent and interim recruitment solutions for businesses operating in the fresh food, horticulture, agriculture and garden industry supply chains. We work with most of the UK's major multiple retailers and their suppliers across the sectors. Our recruiters are a mix of extremely knowledgeable ex-industry professionals or professional recruiters with a passion for these sectors. We maintain good links with the University of Reading and other agricultural faculties to help students develop a successful career in the industry.

### The Institute of Agricultural Management

The Institute of Agricultural Management is the main organisation in the UK agricultural and farm management sector promoting professionalism in the industry and has a long standing relationship with the University of Reading. The Thames Valley Branch is delighted to support the 53<sup>rd</sup> Agricultural Club Conference

### Promar International

Promar International is the leading dairy, agri food & sustainability consultancy in the UK and a member of Genus plc, the largest livestock genetics company in the world and is very pleased to be a long term supporter of the Reading Agricultural Club Conference



# Contract growing to 'expand' forage stocks

Growing maize under contract, or any formal agreement, off farm is proving increasingly popular with UK producers, not least because it can help to bolster forage stocks and take some of the stress out of what is a specialist job.

TEXT PHIL EADES & RACHAEL PORTER

**G**rowing maize under contract can benefit dairy and arable producers alike. Dairy producers can grow more forage than their own units can support and they can have access to specialist kit and knowledge. Their land may also be marginal, whereas a neighbouring arable unit may have land that's better suited to growing maize. And this also comes with a myriad of benefits, including potentially higher yielding and better-quality crops. And growing maize as a break crop can also offer arable producers a chance to control blackgrass and other persistent weeds, as well as the opportunity to apply farmyard manure. So little wonder that it's becoming a popular arrangement between producers across the UK. Derbyshire-based producer Bill Holland, who runs a 400-strong herd at Harehill Farm near Sudbury, has been growing maize under agreements with several neighbouring arable units for several years. He says it's key to ensuring that he has a sufficient 'buffer' of high quality silage. This approach certainly paid off in 2018. He has more than enough forage to see the herd, which is housed all year round, through this winter. But the late spring and dry summer certainly took their toll on silage production. "Feeding maize 365 days a year means we have to plan for bad years and aiming to grow around 25% more than we need in any one year is a key part of this."

He has 122 hectares of grassland for silage and grows 20 hectares of cereals to break up the maize and produce wheat for the caustic-treatment. And he grows

80 hectares of maize each year – around 48.5 hectares are grown on farm and the remaining 31.5 hectares are grown on neighbouring farms either on rented land or under contract. In total, he aims to produce around 2,500 tonnes (fresh weight) of maize silage a year. Whether maize is grown on the farm or on neighbouring rented or contract land, the production system is by and large the same, he says. "We tend to use Picker as our mainstay. This is an ultra-early variety that, considering we're at the foot of the Peak District and pretty much on the edge of where maize growing is feasible without plastic, yields really well."

"Most importantly, it is reliable and 'finishes' properly. So the maximum amount of starch is laid down and it even showed a fair degree of drought tolerance in 2018. The varieties Legolas and Ballade also do well up here and on our neighbouring farms."

He says that not only does growing maize under contract or on rented land allow him to keep a buffer of between 500 and 600 tonnes of maize silage, but it also allows him to rotate his land properly. "It builds an element of flexibility, as well as security, into my forage production system. And this certainly paid off in 2018. Our forage stocks have been good this winter and, going forward, I know I can replenish stocks in 2019."

## Agreement terms

Promar International's Nigel Davies stresses that, as with any contract, it is essential to have clarity and agreement on the terms. "While having maize grown on contract can be a way to boost forage stocks without compromising cropping and management on the home farm, it is important that all parties are clear on responsibilities and costs," he says. "At the onset, both parties need to agree the form of the arrangement. "As the purchaser, what are you asking the grower to do? Are they growing a standing crop that you will harvest or are you going to buy harvested forage? This will affect the cost of the contract."

"In many cases we see arrangements where the grower

Bill Holland, producer:  
**"Growing maize off farm  
ensures a sufficient 'buffer'  
of high-quality silage"**







Nigel Davies,  
national consultancy manager:  
**“It’s essential to have clarity  
on contract terms”**

covers all the growing costs and agronomy, with the purchaser arranging harvesting and clamping,” he says. “This has a big benefit in that it allows the party who will be using the forage to have control of many of the factors affecting feed value, such as chop length, harvesting dry matter, and actual clamp management.” But Mr Davies stresses that it is important to recognise the different objectives of the parties in the agreement. “And we would recommend that both parties agree on the variety to be grown. The dairy producer wants quantity and feed quality, but the grower will want a crop that is off early so that any following crop can be established in good time. There is a good selection of early maturing varieties with good feed value, so there should be a variety to suit all arrangement.”

#### **Payment method**

Mr Davies also says that it is vital to agree the basis for payment. Many arrangements are based on a hectare payment, with the crop grown with agreed inputs. “This is transparent but bears no relation to the yield and quality of the crop,” he says. “One way around this is to agree a price per hectare based on an anticipated yield, for example 42 tonnes per hectare. If the yield exceeds this then the price per hectare increases by an agreed amount per tonne. If yields are below the threshold then the price per hectare is reduced accordingly.”

Mr Davies says that this approach has the drawback that it is based on fresh weight, which bears no relation to how the crop will feed. One approach that overcomes this, and is commonly used by AD operators who purchase significant quantities of maize on contract, is to agree a payment per tonne of dry matter produced. “Whatever payment method is used, it is essential that it is clearly agreed in advance of the crop being drilled. It can also be beneficial to agree to appoint a third party to independently monitor the crop. An agronomist, for example, can make decisions on how the crop is grown and also advise on harvest date.

“Finally, agree the payment terms,” stresses Mr Davies. “In most cases, this will involve an agreed fixed amount per hectare early in the season to cover cashflow for inputs, with a balancing payment once the crop is harvested.” |



## BREEDING

The race to the top of the genomic sire list is always keenly contested and, this time, many of the top runners are emerging from a collaborative breeding venture. Ann Hardy reports.

# Holstein sires reflect collaborative success

**T**his time round, World Wide Sires UK can hardly be blamed for claiming top position.

It does so with Pine-Tree CW Legacy, its young son of Frazzled, who retains the place he took in last August's proof run despite having been unavailable in the UK since he made his debut.

But the company assures producers he will be available early in 2019, when they will be able to tap into his massive Profitable Lifetime Index (£PLI) of £906.

However, Genus ABS is claiming its bull, Denovo 7921 Atrium, is 'the number one sire with semen available', and producers who choose his genetics for their herds will also be the beneficiaries of excellence in health. The fact that this bull delivers high fat, superb daughter fertility and one of the best Maintenance Indexes among the top 20 comes as no surprise.

Bearing the Denovo prefix, he hails from the relatively new US joint venture breeding programme between ABS Global and De-Su Holsteins, which has a stated ambition to deliver commercially relevant

bulls and which has been described by De-Su Holsteins president as 'just pure genetics without frills'.

Davy Dunlop from Genus ABS says: "This partnership is focused on high quality milk from low management input. In other words, cows which are healthy, easy to manage and not too large."

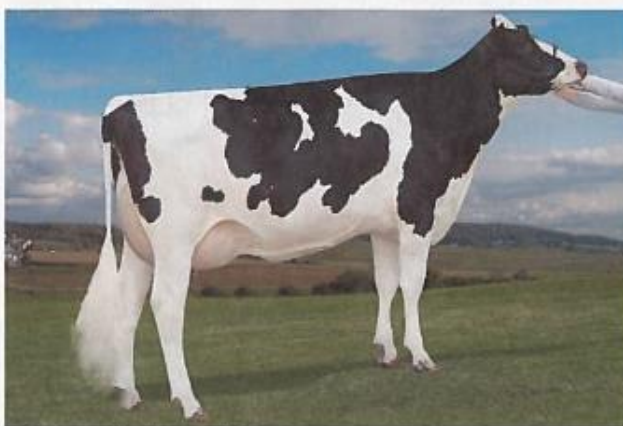
"As a truly global company, we also focus on £PLI, and there is a tendency towards the US index of Net Merit [\$NM] in our sire selections."

The emphasis on \$NM inevitably translates well to £PLI, as the two indexes bear far more similarity to one another than the long-established American ranking of Total Performance Index (TPI).

### Remarkable

By knitting the superb cow families for which De-Su is renowned with breed-leading sires, the Denovo programme is delivering many top £PLI young sires. For a business which is little more than two years old, it is remarkable that it occupies 10 places in the December 2018 top 100 genomic £PLI ranking.

The De-Su prefix itself features in



Dam of Legacy, number one genomic sire, which will be available early this year.



Pen-Coi Delta Barb, dam of second on the list Denovo Atrium.

### Top 10 Holstein bulls with genomic indexes ranked on £PLI – December 2018

Rank	£PLI	Bull name	Milk kg	Fat kg	Ptn kg	Fat %	Ptn %	SCC	Mast	FI	LS	TB Adv.	TM	Sire x maternal grandsire	Supplier GB/NI
1	906	Pine-Tree CW Legacy	913	43.4	31.8	0.09	0.03	-32	-4	9.0	0.7	0.9	1.57	Frazzled x Yoder	WWS
2	878	Denovo 7921 Atrium	723	45.1	27.0	0.19	0.04	-22	-3	12.5	0.6	0.7	1.88	Achiever x Delta	GEN
3	874	De-Su Frazzled Rome	856	45.0	31.4	0.13	0.04	-30	-4	8.6	0.6	0.9	1.45	Frazzled x Yoder	WWS
4	871	Peak Altaieap	803	32.4	32.9	0.01	0.08	-31	-5	8.7	0.8	1.4	2.35	Quantum x Altaspring	ALT/GG
5	853	ABS Crimson	912	47.9	31.5	0.14	0.02	-19	-2	9.9	0.6	1.2	1.57	Spectre x Rubicon	GEN
6	847	ABS Outback	783	35.1	29.6	0.05	0.05	-17	-2	12.5	0.7	1.2	1.80	Spectre x Troy	GEN
7	844	Wilra ABS Amplify	654	41.7	28.8	0.19	0.09	-22	-3	9.8	0.7	0	2.13	Achiever x Hotshot	GEN
8	842	VH Ballisto Brook	507	41.2	24.8	0.25	0.10	-37	-6	8.7	0.7	1.4	1.31	Ballisto x Denim	VIK/AIS
9	839	Bom Az Altacabot	691	44.2	28.6	0.20	0.07	-24	-4	5.7	0.5	0.6	2.00	Altatopshot x Cabriolet	ALT/GG
10	828	Mr Rubi-Agronaut 73287	431	35.9	21.6	0.23	0.09	-29	-4	13.2	0.7	-0.2	3.15	Runicon x Shotglass	CBL

AIS = AI Services; ALT = Alta; BUL = bullsemen.com; CBL = Cogent Breeding Ltd; GEN = Genus ABS; GG = Global Genetics; SMX = Semex; UKS = UK Sire Services; VIK = Viking Genetics; WWS = World Wide Sires. PLI = Profitable Lifetime Index; FI = Fertility Index; LS = Lifespan Index; Mast = Mastitis Index; SCC = Somatic Cell Count Index; TB Adv = TB Advantage; TM = Type Merit.