



FIL

THE DAIRY FARMER

FARM INNOVATION / HYGIENE/ ANIMAL HEALTH / MARKERS / NUTRITION

MAKING YOUR JOB EASIER

SUMMER 2008

SUSTAINABILITY NOT AN 'ADD-ON' AT FIL

Business phrases will come and go and at present book shop business shelves are filled with references to sustainability practice and what it all means. Yet it is a term whose roots go right back to the 'greedy eighties' for its origins.

Sustainability was first defined in 1987 by the World Commission on Environment and Development as the practice of "meeting the needs of the present generation without compromising the ability of future generations to meet their own needs."

FIL Directors Arthur Jordan and Dave Hancox are bemused at such a lofty definition of a practice they have been undertaking as a company for several years.

'Sustainability' is often a feel good phrase tossed around the corporate board room, but at FIL these two directors made a clear stand on their commitment to it when they commissioned the new company headquarters over two years ago.

However even before then they had been doing more towards sustainable business practices than they appreciated at the time.

"We had been participating in an export focused New Zealand Trade and Enterprise 'better by design' programme which has an emphasis on sustainable practices. We were advised we were a long way down that path so why not make it a key focus for the future," says Arthur.

These earlier practices had included dropping certain families of chemicals that while cheaper than their alternatives were more environmentally harmful.

The directors have also consciously encouraged innovative product design that by default often leads to more sustainable practices and material savings, within the plant and on the farm.

A typical example was the Tail Paint applicator bottle. It won an award at the National Fieldays, but also saved on components which until then saw paint brushes and tins of paint required for laborious tail painting. The applicator made an important job easier and safer. More recently the Booster Block feed supplement was developed with edible packaging to help eliminate litter across farms.

FIL Area Manager Mike Rose says "Our local farmers are more aware and informed these days and there is increasing demand from them for companies to get more innovative about how they design products to work in with the environment."



ABOVE: "MORE THAN JUST GREENWASHING, WITH OUR AWARD WINNING ECO-FRIENDLY PREMISES" SAYS ARTHUR JORDAN.

The decision to build FIL's new headquarters and processing plant at Portside Drive, Mount Maunganui has now firmly embedded sustainability into the company culture and practice.

"It is here we decided to really nail our colours to the mast regarding sustainable practices and products and the facilities we installed have enabled us to walk the talk 100%," says Arthur.

Within the 4,400sqm, building environmentally friendly processes could be incorporated to raise the bar on sustainable practice for the chemical and manufacturing industry along with corporate office design.

Rainwater is collected in two 40,000 litre tanks, natural lighting makes for a pleasant work environment, solar heated showers are provided to encourage staff to bike to work. Processes are now timed to capture heat in waste water (that was previously lost down the drain) for other parts of processing and waste oil is used as fuel for the boiler.

"Being awarded the Bay of Plenty region 'Supreme' Sustainable Business Award was a milestone for the

company in an industry not readily recognised for its sustainable practices and environmental sensitivity," says Arthur.

"A bit like the farming industry, chemicals tend to get beaten up on, and by achieving this we have helped set a great precedent across the rural industry and give our customers a benchmark against which other companies can be compared."

As export opportunities open up, he expects the commitment to sustainability will open more doors, particularly in regions like Europe where environmental standards are more common.

No philosophy can be put into practice without good people however, and FIL boasts not only its original owners at the helm, but a sales team with over 100 years experience in dairy hygiene. It is a great tribute to a sustainable employment policy where staff want to stay and grow with the company.

"They are a plank of our sustainability policy we simply can't be without - ultimately a sustainable business is about keeping good people who share your values," says Arthur.

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A WORD FROM FIL:

During the past 2 months with FIL I have had the pleasure to meet and exchange ideas with our talented FIL team, retailers, business partners and most importantly you, our customer. I knew the industry had moved ahead in terms of technology, but the high level of acceptance and implementation at the farm gate impressed me.

The recent global financial environment will be with us for some time and it is encouraging to see that innovation, ingenuity and the desire to make a change is still burning hard in the NZ Ag industry. The challenge will be to make all the hard work sustainable so we can be truly competitive on a global scale.

On behalf of the team at FIL I would like to thank our farmers and retailers and their staff for their support, particularly with the successful launch of FIL's Iodoshield 'Active' where demand has surpassed our expectations this season. This result confirms that this product is a leader in teat health.

WARWICK DOWSE
General Manager



FIL

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RAY STUCK ON IODOSHIELD ACTIVE

When Ray Kessell switched to Iodoshield Active, he could see the positive effects of its unique formulation within days. Ray sharemilks 175 cows near Te Aroha in the Eastern Waikato and was involved in the early trials with FIL, comparing Iodoshield Active to conventional iodine based teat spray products.

Ray and his wife Sharon have worked on a certified organic property near Hamilton and were very familiar with the healing properties of honey, the key ingredient in Iodoshield Active.

“We had been applying the honey on cuts and wounds to our cows there, and the healing properties are remarkable.”

He was also encouraged by University of Waikato research into the healing ability of honey that is now seeing it used in wound dressings.

After only eight days of switching to Iodoshield Active Ray could see the healing benefits kicking in as his herds’ teats became less cracked. They developed a

significantly smoother surface and felt softer to the touch. He even had a cow with spring eczema whose udder he sprayed with Iodoshield Active and within days her cracked skin surface was healing up well.

“We found Iodoshield Active also remained persistent on the teat surface for longer. On our two Friesian cows with lighter teats you could still see the spray on the surface at the next milking, that is an excellent sticking time for a teat spray.”

Over time Ray has also noticed a decline in his herd’s somatic cell count. Initially averaging 139,000 SCC through the season, this dropped to 98,000 SCC after using Iodoshield Active, ranking his herd 394 out of all Fonterra’s herds. This season his herd has improved even further, at 60,000 -70,000 SCC.

Because it does not need to have emollient purchased and added to it, Iodoshield Active is a similar price to conventional blended sprays. However Ray has noticed he is using less spray, and with a better outcome.

“I really see no reason to change, it is an excellent product with great properties and benefits.”

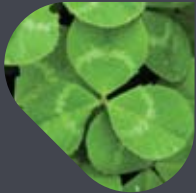


SUSTAINABLE BUSINESS OF THE YEAR Bay of Plenty Region 2008

FIL strives to produce outcomes throughout its operations, its products and their on-farm applications which are environmentally sensible.

This commitment is demonstrated by the development of our manufacturing facility in Mt Maunganui which leads the way both within the industry and within New Zealand as the nation's most eco-effective industrial building.

Thank you to our partners and customers in helping us to achieve this.



72 Portside Drive, PO Box 4144, Mt Maunganui South, 3149, New Zealand
Tel + 64 7 575 2162, Fax + 64 7 575 2161
FREEPHONE 0508 434 569 WWW.FIL.CO.NZ

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HYGIENE:

FIL IMPACT BLUE



Impact Blue is an alkaline detergent/sanitiser in one sachet and is the ideal solution to the twice weekly alkali cleaning of the milking plant and milk silo. The inclusion of a sanitiser in the formulation keeps use even simpler, eliminating the need for any other chemical agents to be added to the wash. When FIL developed the sachets it was made clear by farmers their key requirements for a detergent product were safety, simplicity, convenience, consistency and sustainability.

KEY FEATURES & BENEFITS:

Storage Simplicity:

Impact Blue comes in easy to handle 25kg cartons. They are easier to store than conventional plastic drums and available from your nearest rural supply outlet. Security and safety issues on farm mean Impact Blue offers a contained, compact option for detergent storage.

Convenience:

There are no messy liquids to measure out and dispense. When placing Impact Blue into the hot water wash tub, simply tear and pour in.

Safety:

Powerful dairy shed detergents bring their own risks of splashing and burns – with Impact Blue the detergent is contained in the tear off foil container until it is poured into the wash tub, with no fuss and no risk to the operator.

Consistency:

Throughout the season a considerable amount of alkali can be wasted through mis-measuring and over pouring. With Impact Blue that risk is eliminated and staff use of detergent can be easily tracked. Owner-operators going away for holidays can set aside the exact amount of product relief staff need to use in their absence. Impact Blue provides peace of mind and maintains excellent plant hygiene standards - even when the boss is away.

Sustainability:

At farmers’ request packaging has been minimised – Impact Blue comes in recyclable cartons and easily disposed foil sachets. The boxes are made of bio-degradable packaging.

AVOID THERMODURICS OVER SUMMER

Plant hygiene and milk down grading is an issue affecting many dairy farmers during the summer, the most common of these hygiene issues are thermodurics. FIL Area Manager Clint Humphrey offers some tips to avoid grades.

Clint Humphrey - FIL New Zealand
Cell: 0274 721 507, After Hours: 06 354 4178



PLANT HYGIENE INSPECTION

As a first step, you're looking for milk soil deposits in the plant. However it is actually quite rare for this to mean a soil build-up right throughout the entire plant. A plant that's dirty everywhere would suggest a cleaning routine failure, where there is something wrong with the cleaning products being used or, more likely, how they are being used. Cleaning routine failure is not what causes the majority of hygiene grades.

Detergent companies get to investigate a lot of milk quality problems in all types of plants and every detergent company's records of those investigations confirm the same thing – most grades are caused by machine failure.

MACHINE FAULTS

So what is a machine fault?

It means that some component of the machine is broken, worn or malfunctioning. There are plenty of possibilities – split or perished rubberware, loose milk line joints, air leaks, blocked jetters, hot water cylinder failure, etc.

Nearly all machine faults have two consequences, both of them bad. First, the fault allows soil to collect where it shouldn't. Second, the fault prevents effective contact or penetration of your washing solution.

Perished rubberware is an obvious example. Milk soil fills up the cavities and the washing solution then cannot get in there to remove it.

A more common example is a misaligned or deformed rubber seal in a milkline joint. It acts like a rock in a stream, creating a little eddy where soil collects and also deflecting the washing solution over and around the problem area.

The various machine faults usually have one thing in common – the soil will be localised. You're looking for a small area of heavy soiling and not for moderate soiling everywhere.

Instead of wasting all that time and money on putting a detergent 'bomb' through, you should inspect every component – only then can you say that the plant is clean.

THE MILKING MACHINE

The first step is to give the plant a good visual inspection. Start with the jetter system as this is not part of the milking machine test that was hopefully done during the winter.

Check the jetter valve (if rubber) for leaks or excessive wear and check that all unions are tight then go for a wander along the jetters. If they have rubber boots, are there any splits, are there any cracks in the plastic or are any of the jetters loose on the stainless jetter line? Each

jetter is designed to let approximately 3 litres of wash solution into the plant per minute. A small hole or crack in a jetter will reduce the cleaning of that cluster dramatically. Reduce the cleaning to several clusters and the result will be a deposit in the milkline or worse.

The next job assuming you haven't replaced the rubberware recently is to check each cluster. Have a look inside the claw and sniff each liner end then run your finger around the inside of the liner lip to check for a deposit that may indicate a problem with the corresponding jetter. Next on the list is to check the snap clamps, not the snap clamp itself but the rubber tube that may be split under them including the tubes on the flushing pulsators.

Take off the stainless steel milk inlet pipe leading into the primary cooler, using a torch to see if there is any debris, grass, hair etc. If there is it will need to be cleaned. Do this by measuring the distance across the cooler then open it up, clean the plates and then close it up back to the original measurements. Next, if the silo is bottom entry, remove the taps and manually clean them and the inlet hole in the silo.

Now finally we get to start up the plant. Plug in the jetters, fit a new filter sock and start recirculating cold water. Wander back past each jetter again and check the flow rates. A slow jetter may suggest a blockage or can you hear an air leak, or does it just need adjustment?

Now that the jetters are all working evenly check the flushing pulsator, is it working at a minimum of 3 times per minute and a maximum of 6 times per minute? Is the milk pump with the cold water recirculating (if it is on a controller) at full speed for at least 70% of the time? If not, the milk pump is not being fully utilised during the wash, it may allow you to open up the jetters.

If the milk pump is a diaphragm type check that there are no unions on the manifolds that are leaking or weeping as milk can get into these areas and cause a problem.

Once the cold water is drained from the plant you can fill the tub with hot water. While it's filling check the temperature, it should be between 80°C and 85°C and you should have at least 10 litres per set of cups. Add to the hot water twice the normal amount of alkali that you would normally use.

SILLO

The milk silo is much simpler than the milking plant to check for cleaning. The most important job is to check and clean the Cleaning-In-Place spray ball. In smaller silos this is done from the inside and larger silos, from the outside by unscrewing the large 100mm nut on top and lifting out the spray ball.

If the spray ball is the spinning type check the nylon that it spins on as these wear over time with the spray ball eventually falling into the milk (it does happen). Next check the outlet valves (or donut if the silo is old) to ensure they are clean and they don't need the seals replacing.

And finally if the silo can be recirculated, check the taps at the pump as they do not last forever. If they leak the pump will suck air into the wash solution when running, causing cavitation in the pump hence reducing the pressure at the spray ball and reducing the effectiveness of the cleaning solution. If the silo wash cannot be recirculated then it may need to be hand cleaned before the main wash is done.

If you intend to hand scrub the silo use a strong solution of alkali in warm water. Never mix different chemicals together as this can produce toxic gas. Once finished, wash the silo with a normal alkali such as Quantum Powder (See Image 1 for product below) or Impact Blue, using double the chemical rate followed by a cold acid sanitiser. The plant and silo are now finished and ready for grade free milking.



IMAGE 1: QUANTUM POWDER

CLEANING ROUTINE FAULTS

If you do find soil deposits i.e. dullness or discolouration in large sections of the plant, rather than a small patch of heavy soiling, then there probably is something wrong with the cleaning routine. Clues pointing to a cleaning routine fault include discoloured vat and receiver surfaces, deposits along the entire milkline and a greasy feel to the inside of all the liners. In this case, carefully review the cleaning routine. In doing so, take nothing for granted – accurately check your water temperature, your water volume and your detergent measurements.

NEW MARKETING MANAGER JOINS FIL

The new Marketing Manager appointed to Mt Maunganui based agribusiness company FIL is Rosanne Obitz, previously Marketing Manager at Bayfair Shopping Centre, Mt Maunganui.

Rosanne joins FIL with 20 years experience, initially in sales, both in export and local markets in New Zealand, Australia and the South Pacific. Since graduating from Auckland University she has worked in marketing and brand management roles in the cosmetics, services, stationery and shopping centre industries; marketing products and services into FMCG, top 200 business to business, retail, pharmacy and variety distribution channels.

“Working for a locally owned and operated company within the Bay of Plenty was a key motivator and the sustainable business practices demonstrated by FIL who recently won the ‘Supreme Award’ in the Bay of Plenty region made this appointment even more meaningful.”

Rosanne replaces Kate Seaford who will continue to work with FIL on a project basis until early next year, when she is due to have her second baby.

Rosanne brings a diversified marketing background into the agricultural sector and looks forward to working with a talented team focused on quality, service and innovation.



Feed quality and plenty of it are the catch cries of farm consultants for successful management of the post peak slump leading into summer (and I don't mean after eating too much Christmas turkey!)

Rotation lengths extended, so many clicks on the pasture plate, a flattened feed wedge gradient, post-grazing residuals, topping and strategic nitrogen applications – all recipes given to ensure pasture of reasonable quality is available for lactating cows.

Have you considered the impact this may have on the summer pasture diseases of ryegrass/clover swards? In actuality, you probably have not and correctly you assume it has little impact. That's refreshing I hear you say....

This journal article is not purporting to be 'informative' with an ulterior motive – either the economic argument for purchasing something to get some productive gain or on the other hand (if the economic argument does not stack up) suggesting you purchase something out of fear of preventing some catastrophe – an insurance.

FACIAL ECZEMA

Long rotations of high pre-grazing pasture masses and resultant high post-grazing residuals ensure that lactating dairy cattle graze very little of the dead matter at the base of the sward. This area contains the greatest concentration of the spores from the fungus *Pithomyces chartarum*. The long lead time, in the summer, for spore counts to rise in optimal moisture and temperature levels, means adequate time is available to begin preventative strategies e.g. zinc supplementation.

Pasture management that reduces the 'build up' of decaying vegetation is a key factor in optimising conversion of dry-matter available to milksolids (i.e. harvest efficiency) - but coincidentally it also reduces a microenvironment that is favourable for fungal growth producing spores. Topping in late summer-autumn is a risk for creating these 'hotspots'. Cows preferentially graze the fresh vegetative tillers around the margins of urine patches and try to avoid dung patches altogether. Topping may make the cow inadvertently eat these 'hotspots'.

Humidity, prevailing NE winds, 12-14mm rainfall with grass minimum overnight temperatures of >12°C mean ideal conditions for spore growth, but also create a levelling off of pasture growth and a resultant plateau/decline in farm pasture cover. Grazing behaviour at this time changes to include the dead leaf litter layer at the base of the plant in order to maintain feed intake.

Pasture spraying with a fungicide (alongside summer brassica crops) is certainly a way of diluting the ingestion of the toxic spores. This is more preferable

than having zinc supplementation acting as an 'extinguisher foam' on the 'kitchen fire' occurring in the liver. Natural reduction in spore counts only occur (usually early winter) once the dead litter layer decomposes and a period of sustained cold, heavy rain will safely remove the threat and prevent further multiplication of toxic spores.

RYEGRASS STAGGERS

Under or overgrazing of perennial ryegrass can result in intake of toxins produced by the fungus *Neotyphodium lolii* to cause an uncoordinated staggy gait of cattle. It can appear late spring - early summer if pasture is allowed to flower - the toxin is produced in appreciable quantities by the fungus and is concentrated in the seed.

A more common scenario seen, in drought prone areas, is when pasture is growing slowly; the toxin accumulates at the base of the plant especially in the outer leaf sheath (refer to Figure 1). Overgrazing will result in more toxins being ingested by the grazing animal in these dry conditions. An autumn rain with fast grass growth coincides with a rapid disappearance of the syndrome.

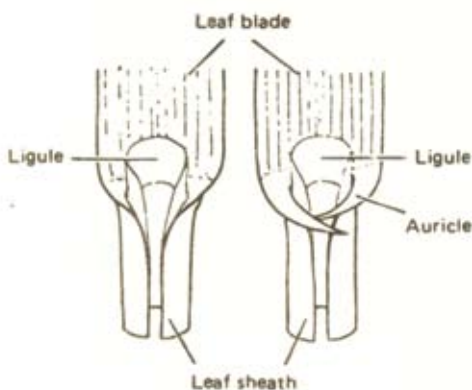
Likewise to facial eczema prevention, the 'solution by dilution' of providing alternative diets/crops such as summer crops of brassica, legumes or cereals that do not contain the fungus reduce risk.

The re-grassing of perennial ryegrass paddocks with ryegrass species containing AR1. These grasses contain the fungus, but only produce the toxins that protect it against plant pest attack. It is safe to the animal. It has been observed that animals selected for resistance to facial eczema may also have some resistance to ryegrass staggers. Also it has been observed that conditions that suit the multiplication of one fungus, generally are not suitable for the other!

To approach the pasture management of grass-based diseases in the summer is relatively simple to summarise. It is largely determined by the predisposing weather conditions that usually favour growth of one particular fungus – but good agronomic practice of avoiding under/overgrazing and maximisation of quality pasture intake; should hold you in good stead for ameliorating the risk these diseases pose. The real risk is only removed once the season progresses and the fungi no longer prevail in the current weather conditions.



FIGURE 1: THE RYEGRASS LEAF SHEATH



NUTRI-MAG WHEN QUALITY COUNTS

When magnesium supplementation is crucial to your herd's health, it pays to invest in the highest quality product on the market.

FIL Nutri-Mag is typically 95% pure magnesia in a fine 320 mesh offering better reactivity and availability to your herd. Suitable for drenching and pasture dusting, FIL Nutri-Mag also suits your preferred method of application.

Contact your FIL Area Manager now.



72 Portside Drive, PO Box 4144, Mt Maunganui South, 3149, New Zealand
Tel + 64 7 575 2162, Fax + 64 7 575 2161
FREEPHONE 0508 434 569 WWW.FIL.CO.NZ

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SELF SUFFICIENT DAIRY OPERATION A HIGHLIGHT

A dairy farm capable of generating its own heat and electricity was a highlight for FIL’s Trevor Gulliver on a recent visit to the USA, Ireland and England.

During his trip through the USA FIL’s Business Development Manager visited a property milking 900 cows, three times a day and housed all year round. The operation was established in 2001 to showcase the latest in dairy technology. Run as a trial farm until 2006, the property has since been sold to private family interests.

Located at Homer, New York State the property has a methane digester used to turn manure into methane or bio-gas. The methane is in turn used to power a turbine that generates electricity supply to the farm. Excess heat, normally expelled to air is instead channelled into other farm uses, including heating water for plant wash down.

The bio-gas digester can hold effluent from 1000 head of cattle and takes three weeks to process the waste through to methane gas. Once the gas is removed the manure is pumped into a slurry tank and then pumped onto farm paddocks. The farm’s area has been increased by 25% in recent years to increase the ability to grow its own feed.

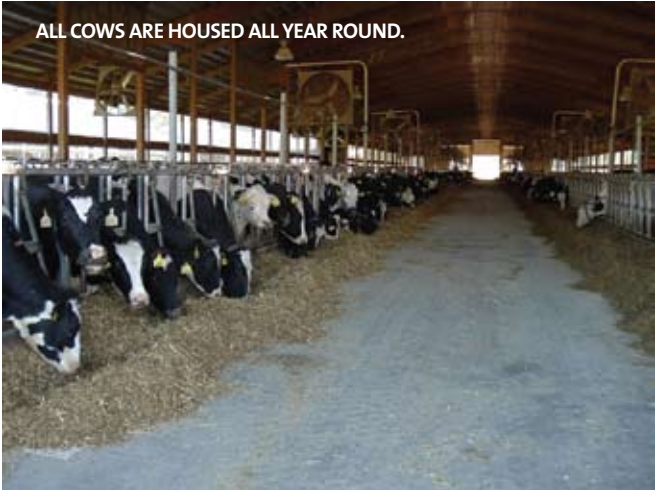
While the milking platform itself is only 25ha there is another 800ha (some distance from the dairy operation) used to grow the crops required to be ‘cut and carried’ to the operation. Milking takes place three times a

day, staffed mainly by Guatemalan milkers who are renowned for their excellent stockman ship.

Trevor’s visit saw him spend time with FIL distributors in these fast growing export markets which gave him the opportunity to identify new product opportunities for these markets.

“We have also picked up some ideas that we will be examining to apply here, it is a case of watch this space,” says Trevor.

ALL COWS ARE HOUSED ALL YEAR ROUND.



THE 36,000L MILK TANKER COLLECTED FROM FOUR FARMS BEFORE DELIVERING TO KRAFT FOODS FOR PROCESSING.



ONE OF THE TWO MILKING PARLOURS.



A NEW RETAIL LAW TO COMBAT GRAFFITI VANDALISM

The insidious creep of tagging has seen what was once a big city problem move further and further into the provinces and FIL is supporting an initiative to try and knock it back.

Earlier this year the then Prime Minister Helen Clark announced the STOP strategy, a nationwide initiative to combat graffiti crime in New Zealand. The aerosol industry association lobbied to make sure that any restrictions placed on the industry were manageable and as practical as possible. The objective is to restrict immediate access and this is being done in two ways:

1. Stocks of aerosols are to be placed in an area so that ‘access’ can only be made through the assistance of a sales person or store manager.
2. Aerosols are not permitted for sale to a person that is under 18 years, hence identification is required.

The outcome of the submissions and hearings has resulted in tough new anti tagging laws that include heavier penalties. From a manufacturer’s perspective the legislation has been made with the best intentions in mind so now it’s a case of being vigilant and sensible. We need to show a leadership position to help bring graffiti under control with minimal inconvenience to responsible users and retailers.

With a large part of its stock marker product range in the aerosol market, FIL will look at alternative ways to maintain a strong branding and product development program. “We appreciate our customers buy our products for their day to day business operations and we don’t want to inconvenience them in any way. Under this initiative we welcome the chance to contribute constructively in trying to halt the irresponsible use of spray products in tagging,” says FIL General Manager Warwick Dowse.

For further information:
www.justice.govt.nz/cpu/stop-strategy/introduction.html

BEEN THERE & DONE THAT



FIL established its early business and reputation on the production of high quality tail paints, and this continues today. However two products that have been around for almost as long are the high quality spray marker dyes Been There and Done That. Both deliver outstanding visibility over challenging spray environments, but suit different use situations. Contractors and farmers alike are assured of quality and complete visibility with products developed specifically for New Zealand spraying conditions.

BEEN THERE:

FIL’s innovative chemical development team came up with a dye that has done away with a high acid level, often common in markers. Acidic markers cause problems for the equipment it passes through and the ability of the sprays they are mixed with, to perform to maximum specifications.

KEY BENEFITS OF BEEN THERE:

- Highly compatible with herbicides commonly used in New Zealand
- Well suited to acidic bore water situations, where pH is already lowered
- Available in contractor and farmer friendly container sizes: 1L, 5L, 20L packs
- High visibility red dye stands out in all conditions.

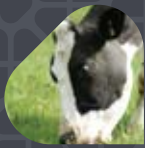
DONE THAT:

FIL have recognised the challenge using a red marker dye can present for the 8% of males who are colour blind and Done That helps those users by providing a highly visible blue marker to mix with all spray types.

Recent years have seen strong growth in use by operators of amenities such as parks and golf courses, thanks to its non-toxic formulation and low quantities required for knap sack sprayers.

KEY BENEFITS OF DONE THAT:

- Easily washes up with soap and water, no lingering mess or stains
- No blockage of nozzles and ‘gunking up’ in containers
- Superior mixing ability to other marker dyes
- A real alternative for colour blind users
- High visibility under all conditions.



MAINLAND VIEWS



BETTER PLAN PROPOSED FOR WATER MANAGEMENT

The recent granting of 41 water consents in the fully allocated Selwyn River catchment in Canterbury has highlighted the difficulties for local authorities to manage water supplies under increasing demand.

Environment Canterbury (ECAN) had the irony of seeing its own committee rule against it, despite the recommendations from ECAN's own scientists against any further allocations.

CEO of the New Zealand Business Council for Sustainable Development (NZBCSD), Peter Neilson says the Canterbury experience highlights the urgency to come up with a comprehensive national strategy for dealing with growing water demand.

"In only four to eight years all New Zealand's commercially available water will be portioned off. It will no longer be possible to go to the council and request an allocation, so land-users will need a way to get that water off someone else."

The NZBCSD has recently released a plan for the nation's water allocation that represents \$300,000 and two years' worth of research and analysis. The Council has a proposal that will see greater commercialisation of water allocation, separation of water rights from

property and better allocation of the significant water volumes presently not being used.

"At present the only way you can acquire more water is to buy land with water rights attached, or by going to the council and seeing if you can get the minimum water flow reduced to increase your take," says Peter Neilson.

The Council proposes the right to take water can be transferred between users in a defined region, rather like irrigation scheme members can do now. Neilson says it would be up to regional councils to determine what areas the transfers can occur within.

The other area addressed by the NZBCSD report is the allocation of 'sleeping water'. At present water is allocated on the lowest flow rate at certain times of the year, the time when water demand is at its peak. The result is during a wet year that allocation will not be fully used and between 20-80% of water allocated is not used at any given point of time.

The Council proposes a Best Use Solution for water take, based around allocating through a catchment management plan the volume required for ecological,

recreation and municipal activity and setting aside the rest for commercial use.

Commercial users will get a proportionate share of water available at each time of the year, rather than the fixed amount under current consents.

By allowing 35 years for consents in the NZBCSD plan, plus a 35 year right of renewal, Neilson says the signals will be there for investors to put up the funds for irrigation schemes, knowing the consents meet economic life-spans' of infrastructure investment.

The only real downside to the scheme is some existing water users may see a 'proportionate haircut' to their use, but their right to use it can be more easily transferred to or from others. Previous government ideology has avoided supporting water rights, but recognition is there that something needs to be done soon.

"We believe irrigating landowners will support it because the alternative is continued council involvement and greater urban based influence on how land use is determined, which land owners will not want."

SOUTHERN SURGE BRINGS GROWTH CHALLENGES

The surge in dairying conversions and expansion throughout Southland has moved the province into one of the fastest growing in the country and placed many Southern companies in good heart, despite the recessionary gloom pervading many parts of the economy.

Mother nature has helped significantly, with the region pumping out milk solids from pastures largely unaffected by the drought that took the cream off last season for many farmers in the North Island.

The Deloitte South Island Index that measures performance of companies there was up 3% against the NZX50 which was down 8% for the June quarter. Flow-on from the dairy sector is having a positive impact on other businesses. An increasing proportion of businesses' success was linked to dairying's success and the region's rapid growth over the past 12 months.

FIL's South Island Manager Colin Bishop says FIL is well positioned to grow with Southland's expansion, particularly with the addition of new Area Manager Graham Beggs to the company sales force.

"Now is the time to move with the growth, if you don't you get left behind and we are able to offer our new customers a team that have often had extensive dairying experience themselves," says Colin.

He says the greatest issue facing many FIL customers in the region is a shortage of good staff, but many operators have adapted by employing more migrant

staff, providing an increasingly cosmopolitan look to rural communities throughout the south.

Recruitment consultant Peter MacFarlane of Green Horizons in Winton says Filipino staff have filled some of the shortage this season, but it will be getting more difficult to employ staff from overseas, thanks to recent immigration changes.

"The requirement is now for two years minimum dairying experience, as opposed to six months. I would say this has cut back the pool of potential workers by 80%," Peter says while the numbers are down, the quality of staff is up. Shortages are particularly acute in the middle tier segment of herd managers.

"As an industry and a region we need to position Southland as the number one place to be for anyone wanting to be working in dairying."

Mark Bryan of Vet South, with branches throughout the region says recruiting good dairy vets is an issue, but a larger one is keeping them on after three years when many go off on their OE.

"This is not just a Southland problem, but it is exacerbated somewhat down here." His practice

spends considerable time canvassing for new staff. A national roadshow earlier this year aimed to attract and retain more "Gen Y" vets to rural practices. Vet South has employed a number of overseas vets and Mark welcomes the Dairy Cattle Veterinarians' initiative to give vets here a chance to practice in the UK.

"It enables them to have their OE, but also gain extra skills around their travel for when they return."

With the surge in dairy conversions he has run more educational seminars for ex-sheep operators new to the industry.

"It is pretty much like anywhere though, those that want to learn will come to us for information regardless. For vets it is rewarding to work with enthusiastic staff and owners keen to learn more." He hopes those migrant workers who are performing will stick in the industry.

"They bring a good level of diversity to the region and with experience will be an invaluable level of skill for farms here."

SEASONAL CLIMATE OUTLOOK

A SETTLED SUMMER ON THE CARDS



The NIWA National Climate Centre says that much of this coming summer is likely to be relatively warm, settled, with rainfalls near normal or below normal overall. The centre's seasonal climate outlook for November 2008 to January 2009 indicates that above average temperatures is the most likely outcome across most of the country. Normal or below normal rainfalls are the most likely outcome for the three months as a whole, though there will inevitably be wet periods during that time. Normal or below normal soil moisture levels and stream flows are likely in most regions, apart from the east of the South Island where below normal conditions are likely.

Mean sea-level pressures are likely to be higher than normal over and to the east of the country, with lighter winds than normal in many places. There is presently no La Niña or El Niño in the Tropical Pacific, and no indication of either La Niña or El Niño developing over the summer. The chance of an ex-tropical cyclone affecting New Zealand over the summer is near the long-term average.

OVERALL PICTURE

TEMPERATURE:

Air temperatures are likely to be above average in most regions of the country, but near average in the eastern South Island. Sea surface temperatures around New Zealand are expected to be near normal.

RAINFALL, SOIL MOISTURE, AND STREAM FLOWS:

Rainfall is likely to be near normal in the north and east of the North Island, and normal or below normal elsewhere. Normal or below normal soil moisture

levels and stream flows are likely in most regions, apart from the east of the South Island where below normal conditions are likely.

REGIONAL PREDICTIONS FOR THE NEXT THREE MONTHS:

NORTHLAND, AUCKLAND, WAIKATO, BAY OF PLENTY:

Above average temperatures are likely. Rainfall is likely to be near normal, with soil moisture and stream flows likely to be normal or below normal for the season as a whole.

CENTRAL NORTH ISLAND, TARANAKI, WANGANUI, MANAWATU AND WELLINGTON:

Above average temperatures are likely overall. Normal or below normal rainfall and stream flows are likely, with near normal soil moisture levels.

GISBORNE, HAWKES BAY, WAIRARAPA:

Above average temperatures are likely for the three months November-January. Normal rainfall is likely overall, with normal or below normal soil moisture and stream flows.

NELSON, MARLBOROUGH, BULLER:

Above average temperatures are likely, while normal or below normal rainfalls, soil moisture levels and stream flows are likely for the three-month average.

WEST COAST, ALPS AND FOOTHILLS, INLAND OTAGO, SOUTHLAND:

Above average temperatures are likely. Rainfall, soil moisture, and stream flow, are all likely to be normal or below normal.

COASTAL CANTERBURY, EAST OTAGO:

Average temperatures are likely for the early summer period. Rainfall is likely to be normal or below normal, while soil moisture and stream flows are likely to be below normal.

BACKGROUND

CLIMATE AND OCEANS:

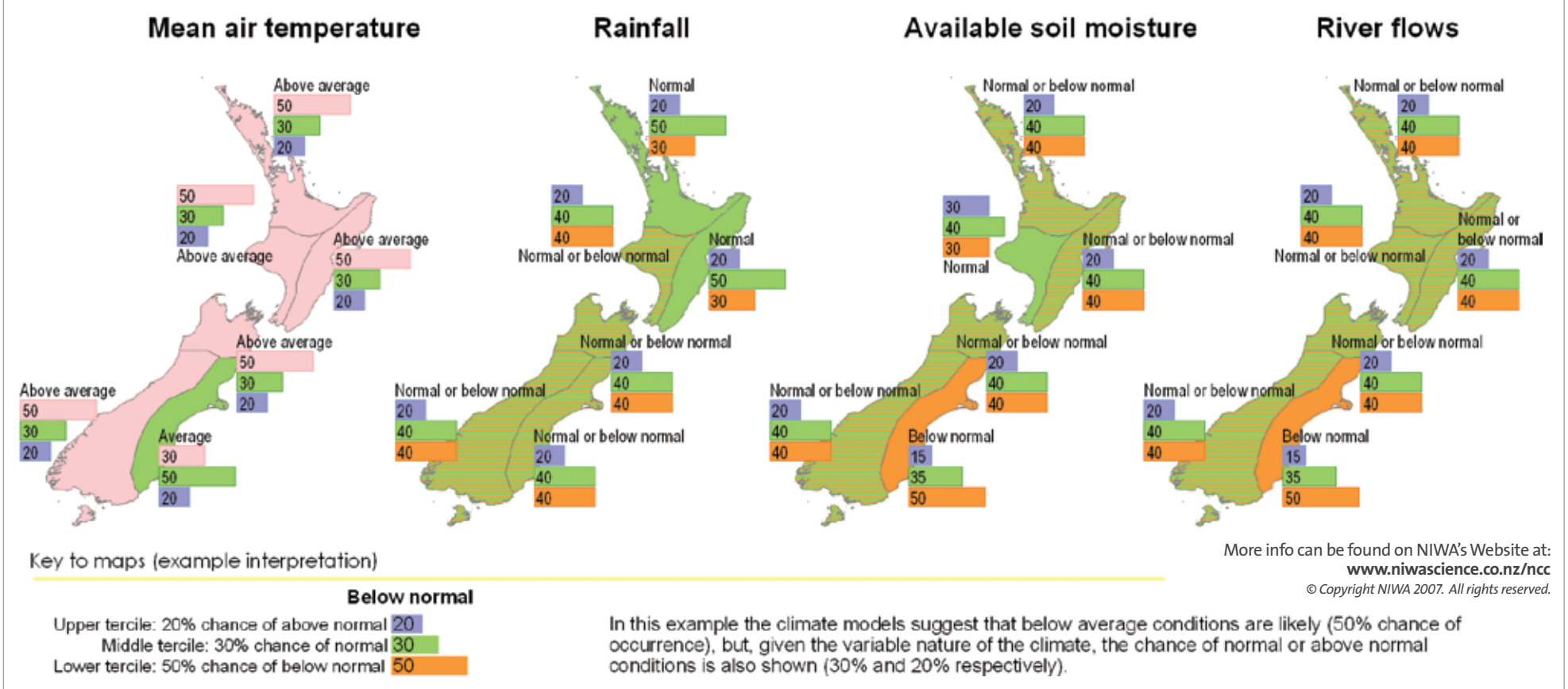
In the New Zealand region, mean sea level pressures are likely to be higher than normal, especially east of the country, resulting in lighter winds than usual over most regions.

Neutral conditions (no El Niño or La Niña) now prevail in the tropical Pacific and are very likely to continue through the summer. While the Tropical Pacific Ocean is close to a neutral state, the Southern Oscillation Index remains positive and stronger than normal easterly trade winds are present in the western equatorial Pacific. These atmospheric signs of La Niña are expected to ease towards normal through the next few months. All climate forecasting models indicate conditions in the neutral range during November to January and beyond.

The tropical cyclone season for the southwest Pacific begins in November, and with ENSO neutral conditions in the Pacific, there is a normal (4 out of 5) chance of an ex-tropical cyclone passing within 500 km of the country between November and May, with the districts at highest risk being Northland and Gisborne.

For comment, please contact:
Dr James Renwick, NIWA Principal Scientist, Climate Variability & Change
Tel (04) 386 0343, Mobile (021) 178 5550
Dr David Wratt, NIWA Chief Scientist, Climate
Tel (04) 386 0560, Mobile (027) 283 3784

OUTLOOK FOR NOVEMBER 2008 TO JANUARY 2009



FIL MANAGER BOOSTS SOUTHERN PRESENCE

The wide open spaces of Northern Southland and West Otago offer plenty of potential for dairying and plenty of opportunity for new FIL Area Manager Graham Beggs.

The roads and farms of the region are more than familiar to Graham, given his past experience as a tanker driver for Fonterra. He returned to tanker driving a year ago, after an earlier stint driving in the late nineties.

“I got to a point where I was keen for another challenge and it was good to leave the shift work behind!” Talking to other area managers at FIL convinced him the company was a good one to make the shift to – particularly long time Area Manager Ian Grooby from the West Coast who left FIL, only to return in recent years because he enjoyed the beat so much.

Graham and his wife Andrea also operated a Cookie Time business for several years in Southland, building up the brand to a good position throughout the region. While the products may differ at FIL, the region is one he knows well and he has witnessed a huge expansion of cows through parts once reserved for sheep.

“The conversion of farms in areas like Northern Southland has been phenomenal. When I started tanker driving back in 1994 there was only the one dairy farm at Balfour and about a half dozen around the Riversdale district.”

Despite the recent credit crisis the industry shows no signs of slowing and he can see the potential to grow FIL’s presence both through new conversions and existing customers looking for smarter solutions to dairy herd hygiene and health.

“FIL have developed some products that provide answers to many health and management issues in dairying, including their latest Iodoshield Active.” Many farmers in the region have picked up on this significant new product and appreciate its healing ability on herd teat condition.

Graham has spent recent weeks getting up to speed with dairy shed operations, including a crash course in milking on a dairy near his Winton home town. He has also attended a QCONZ course on dairy hygiene. He lives in Winton with Andrea, their son Thomas and two girls Laura and Maggie.

“I am spending this time getting around all our regular customers in the region and aim to get more farmers informed on the innovation and range that underscores so much of what has made FIL the successful Kiwi company it is.”



BOUND TO SUCCEED ENTERS FIFTH YEAR OF CHALLENGE

A sustainable industry is one built on long term relationships between organisations and people and FIL has recognised the value of this with Agriculture ITO and the Bound to Succeed course.

Coming up for its fifth season, Bound to Succeed’s profile has grown rapidly as a springboard for young dairy workers to gain greater self confidence and direction through a three week Outward Bound course at Anakiwa.

“We have recently re-committed to a further three years with the course securing naming rights and sponsorship. We believe the only way to maintain growth in the dairy industry is by encouraging these young people to push themselves to develop good leadership skills for the industry and the community,” says FIL Director Arthur Jordan.

Agriculture ITO’s Chief Executive Kevin Bryant said Bound to Succeed was a great example of the dairy industry working to support its people and the industry.

“We’ve seen how this course really boosts young people’s self belief and confidence and that can only be a good thing for the future of the industry.”

“It’s great to have FIL’s continued commitment to what has become a highlight of the calendar of events for our trainees.”

The intake for the April course closed off in November and Agriculture ITO staff have been impressed with the calibre of applicants for this year’s intake.



ABOVE: CANDIDATES FROM THE 2008 BOUND TO SUCCEED PROGRAMME

FIL HAVE GOT THE COUNTRY COVERED.

1. Brian Salvigny
Northland/
Helensville
Mob. 0274 721 501

2. Mark Mohring
North Waikato/
Pukekohe / Hauraki
Mob. 0274 721 502

3. Mike Rose
Morrinsville/
Te Aroha/Paeroa
Mob. 0274 490 843

4. Dave Hewson
Te Awamutu/
Otorohanga
Tel. 07 871 3506
Mob. 0274 490 843

5. Allan Clarke
Bay of Plenty
Tel. 07 544 3720
Mob. 0274 730 572

7. Clint Humphrey
Southern
North Island
Tel. 06 354 4178
Mob. 0274 721 507

8. Ian Grooby
Northern
South Island
Tel. 03 523 9119
Mob. 0274 721 503

9. Mike Broomhall
Southland
Mob. 0274 721 504

11. Gavin Dunn
Rotorua / Reporoa
Tokoroa / Putaruru
Tel. 07 333 2119
Mob. 0274 798 470

12. Mark Ward
South Taranaki/
Wanganui
Mob. 0274 828 535

14. Greg Duncan
Cambridge/
Matamata
Tel. 07 823 5195
Mob. 0274 721 505

15. Bruce Smith
Canterbury
Mob. 0274 993 783

18. Graham Beggs
Otago
Mob. 0274 721 818

Colin Bishop
South Island
Manager
Tel. 03 688 2903

Noel Fletcher
National Sales
Manager
Tel. 07 928 2805



6. Enquiries for North Taranaki should be made to Mark Ward on 0274 828 535

72 Portside Drive, PO Box 4144, Mt Maunganui South, 3149, New Zealand
Tel + 64 7 575 2162, Fax + 64 7 575 2161
FREEPHONE 0508 434 569 WWW.FIL.CO.NZ

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