


REGISTERED HEREFORDS CONTRIBUTE TO IMPROVED BOTTOM LINE



Chris Haworth, left and Chris Stevens say Hereford bulls have helped improve income for their Kaharoa business.

By
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For Kaharoa dairy farmers Chris Haworth and Chris Stevens, maximising milk production profitably is their number one priority in their Bay of Plenty business.

Stock sale revenue follows milk production in priority and the use of registered Hereford bulls and sexed semen has seen an increase in income in this component of their business.

The increase has seen revenue rise to an average of between 0.55-0.60 cents/kgMS helped by an increase last year in calf returns from \$32,000 to \$46,000.

“We are trying to drive that up to about the 0.60-0.70c/kgMS,” says Haworth.

The couple agree that a Friesian based herd has helped them capitalise on the financial gains Hereford bulls can offer along with investing in the use of sexed semen for artificial breeding (AB). High in-calf rates have assisted their business giving options around surplus cows for sale.

They are reaping the benefits of increased revenue thanks to more heifer calves on the ground (the result of sexed semen) and fewer bobby calves because the progeny from Hereford bulls are more valuable – allowing them to cash in on the white face advantage.

They acknowledged registered Hereford bulls cost slightly more than traditional dairy sires, but the calf returns and slaughter price for bulls after two years service more than pays for itself.

Haworth and Stevens have been dairy farming for 30 years and have worked their way to farm ownership via roles as farm managers and then through the share milking system.

They now milk 1500 cows across three properties with an effective milking platform of 530ha from a total of 700ha, including support blocks. Two of the properties are near Rotorua at Kaharoa and the third is at Okororie in South Waikato. All the properties are owned with the exception of one support block that is leased. The herd of predominately Friesian genetics last year produced 512,000kgMS.

Hereford is the breed of choice for Haworth and Stevens and they say the market readily accepts the white face the Hereford cross calves are known for.

“It’s a good marker breed. It is obvious it’s a Hereford sired calf and with a lot of staff, they are generally nice and quiet to work with and that’s a big component for us,” says Haworth.

They are targeting low birth weight bulls, which they purchase from the Pukenui Hereford stud of Sheryl and Bryan Elrick near Tauranga. The Elricks are concentrating on low birth weight EBVs, conformation and temperament.

“Calving is not a problem for us using Herefords,” says Haworth.

In total the couple use up to 35 registered Hereford bulls annually. They generally source their bulls as rising two year olds and hope to get a second year out of them as three year olds before they are slaughtered.

The margin between buying and selling bulls can be reduced to about \$200 compared with a leasing cost of \$600, this combined with increased calf returns, makes the use of Hereford bulls profitable.

They have a good relationship with the Elricks and take as many suitably low birth weight bulls as they can from them and if more

sires are needed they call on Kevin McDonald from Kairuru to help them source more.

They met Kevin, having sold calves at the calf shed he runs on his Reporoa Hereford stud.

Not only do the Elricks breed the low birth weight bulls Haworth and Stevens are looking for, but the sires are all tested clear and vaccinated against any health problems, a reassurance for them.

When selecting bulls the couple also target fertility, ease of calving and temperament.

“Temperament for staff safety is vital and the bulls are easier to manage. When they are easier to manage they can be left behind (at milking time).”

Cutting the bulls out of the herd also means they are less likely to go lame and break down and the couple believe bull management is essential to their well being and performance.

“Management of the bulls is important and our staff are good at doing that,” says Haworth.

They have a team of seven staff, including a contract milker on the Okororie property in South Waikato and this is backed up with seasonal staff.

Haworth and Stevens use Hereford bulls for follow up after AB and say they have been doing it for a number of years and their Hereford cross calves are sought after.

“We don’t have to sell them or market them. We already have a market and people regularly ring us for them.”

“They know we use genuine Hereford bulls and the calves are from Friesian cows and they grow out well,” they say.

Haworth works as an agri relationship manager for ANZ in Rotorua so it makes sense their business is firmly focused on profitability.

They are driving the economic farm surplus (EFS) on a low cost structure and targeting a cost structure of \$3.00/kgMS.

COLOSTRUM AND HYGIENE THE KEYS TO SUCCESSFUL CALF REARING

Chris Stevens, with help from staff rear the Hereford cross calves until they are between four and 10 days old.

She says they are fed on colostrum in that period and their navels are checked and sprayed with iodine tincture to prevent infection and ill health becoming an issue.

Their calves are sold mainly to beef farmers and lifestyle farmers with demand outweighing supply.

“There is much more demand for the white face,” she says.

The keys to their calf rearing is ensuring the calves get a feed of “first” colostrum in the first 12 hours of life and if it appears they haven’t had that when they arrive at the calf shed they are tube fed so they get a good start.

“We call it colostrum gold,” she says.

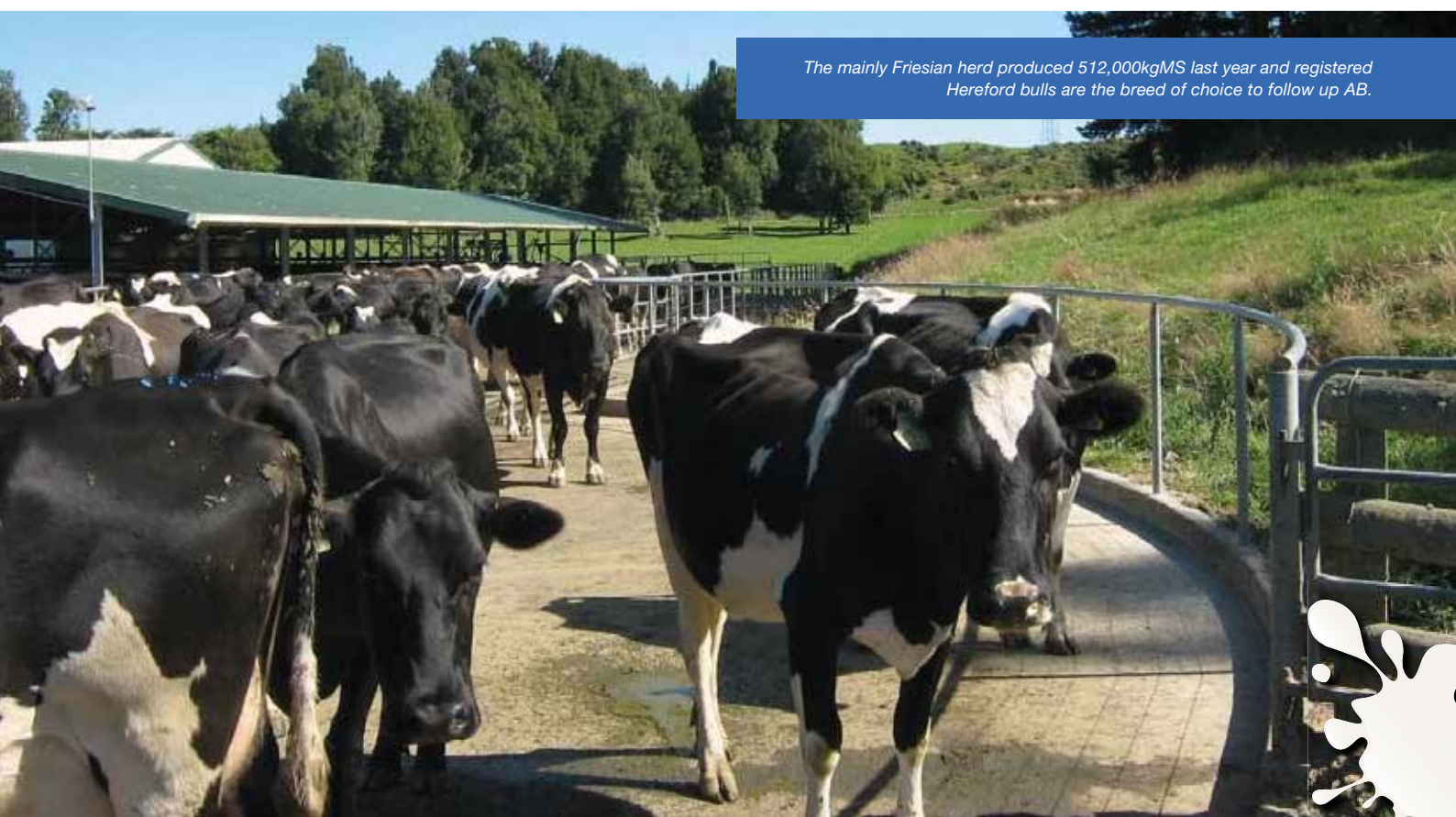
Hygiene is stringently enforced with no visitors allowed in the calf shed and she and the staff have a footbath they use before entering the calf shed.

“Hygiene is paramount.”

Financial returns for early season calves can reach up to about \$200/head. However Haworth and Stevens prefer to take a balanced approach to calf income and say their prices average out at about \$110/head across both the bull and heifer calves.

“We don’t ratchet up the price. We try to support the buyers that support us,” says Haworth.

Some of the calves are sold in the calf selling shed running on Kevin and Jane McDonald’s Kairuru Hereford stud property at Reporoa.



The mainly Friesian herd produced 512,000kgMS last year and registered Hereford bulls are the breed of choice to follow up AB.



There is a once a week pick up for the calves and the couple say it is convenient for them to utilise this facility.

By implementing sexed semen the couple has more choice in heifer replacements and less calves end up on the bobby truck which has partly led to the increase in calf sale revenue for the business.

They are targeting the genetics of high production worth (PW) animals for sexed semen use.

They sell about 25% of the dairy heifer calves born from AB with the rest kept as potential herd replacements.

The couple feels they are not doing anything significantly different to other farmers, but they are managing systems to deliver a higher revenue stream between the technology of sexed semen and registered Hereford bulls.

They have implemented the sexed semen in the main herd of 1000 cows and plan to introduce it across the remainder of the herd in the near future.

Calving for the Haworth and Stevens' business begins late July.

Artificial breeding begins October 21 for a five week period. All cows enter the AB programme with the Herefords used to follow up. The bulls run with the cows until mid January.

After mating the three year old bulls are worked with about one-third of the two year old bulls retained for use the following year. Any sires

kept are used to tidy up rough pasture.

No supplements are made with the Haworth and Stevens team opting to use an in-shed feeding system. The business has three herringbone sheds and the cows graze through about 300kg each during the season of a combination of palm kernel, biscuit meal, and tapioca or wheat bran.

BUSINESS GOALS

Haworth and Stevens aim to grow the business and continue to build the balance sheet and wealth.

They also hope to ensure the farm business becomes inter-generational and will stand the test of time.

With one son working off farm and the other finishing university the couple would like to build a platform from which their sons don't have to farm if they don't want too.

"The key is to get the wealth to transfer, with the aim to provide for and support the next generations without impairing the business. Governance is a key component of this" says Haworth.

He is currently participating in a Fonterra management/governance course and is interested in governance both inside and outside their business and Stevens who takes care of the day to day management of the farm is also a trustee for the Dairy Women's Network sitting on their audit and risk committee and she chairs the policy committee. [H](#)

“There is much more demand for the white face.”



Colostrum and hygiene have been identified as the keys to successful calf rearing.