

STATES OF JERSEY

Corporate Services Sub-Panel Importation of Bovine Semen

FRIDAY, 20th JUNE 2008

Panel:

Deputy P.J.D. Ryan of St. Helier (Chairman)

Deputy J.A. Martin of St. Helier

Connétable P.F.M. Hanning of St. Saviour

Witnesses:

Mr. R. Leith

Mr. D. Hambrook

Deputy P.J.D. Ryan of St. Helier (Chairman):

Good afternoon, sorry for the short delay. Mr. Leith, welcome.

Mr. R. Leith:

Thank you. Good afternoon.

Deputy P.J.D. Ryan:

You are a dairy farmer, I believe?

Mr. R. Leith:

I am a dairy farmer, yes. I think before we get into the questions I would like to introduce myself a little bit. I am sure you will have deduced by my accent and my surname that I am not a native of the Island. I was born in Aberdeenshire in the North East of Scotland and brought up on our family farm. I know that I am the 6th generation of my family to be in agriculture because the human herd book says so. **[Laughter]** I came to Jersey in the spring of 1978, 3 weeks before my 19th birthday, after successfully applying for a job in one of the farming magazines. I have been connected with the industry ever since then and I now own one of the largest herds on the Island. I would suggest that this would have to be confirmed because the other very large herd on the Island is owned by a family with various members owning animals, I have probably got more animals registered in my name in the herd book than anybody else. At this moment in time I am Vice President of the R.J.A. and H.S. (Royal Jersey Agricultural and Horticultural Society). In the past I have served 2 terms as Chairman of the Breed Improvement Committee and I have sat on the Breed Improvement Committee. I would say, all in all, I have served

the R.J.A. continuously for the last 16 years, with the exception of one year when I was diagnosed with cancer and I had to take a year off to get that sorted out. I am about to start my third 3 year term on the board of Jersey Dairy and I am also a director of Jersey Island Genetics. So you can see that my loyalty and my commitment to the industry is unconditional. Because of that, if I felt that the proposition we were putting forward to you guys today would corrupt, compromise or damage the industry in any way I would have no part of it.

Deputy P.J.D. Ryan:

Okay, the general question that we have asked just about everybody, the implications of not lifting the ban.

Mr. R. Leith:

The implications -- the reality is quite simple. The Island would be unable to retain its self sufficiency in milk which would inevitably lead to milk imports. I would suggest that this will happen sooner rather than later. Morale among some of the larger dairy farmers is at an all time low just now. A no vote on this issue would be enough to tip them over the edge, making them leave the industry. I can assure you if one of the larger producers gave up now, the dairy would be short of milk by Christmas this year. If that happened that would critically jeopardise the future plans of Jersey Dairy. Interest in cattle breeding at the moment is also at an all time low, the ban would just kill it off. We tried, a number of us, 4 summers ago to re-invigorate interest in breeding and we formed what we called at the time the Wednesday Club whereby every Wednesday evening we would go around and visit each other's farms and see the cows -- you know, talk about breeding, et cetera, et cetera. The first couple of weeks we got 10, 12, maybe 15 people, slowly wearing down to by the 6th week we went to a prominent farm on the north coast and there was me and one other person. People are just not interested. Just not interested. So the real answer to your question is we will not be self sufficient in milk and the industry will implode. As soon as the first one or 2 key players get out the domino effect will take place and it will be finished.

Deputy P.J.D. Ryan:

Thank you. That is fairly unequivocal. In your submission you state that if people do not want to use imported semen they would have a choice?

Mr. R. Leith:

Of course they would have a choice. Each producer's annual production is governed by the licensing scheme. In other words, we have all got a milk quota which determines the maximum amount of milk we can deliver to the dairy. Well, they can choose to use imported semen and deliver that milk with less cows, leading to savings in costs, you know, less cows mean less work, less slurry to be disposed of, less infrastructure. The antis would also be ignoring the obvious issue of improved animal welfare. If you

have got fewer cows on your farms there is less competition. It is quite simple. Like I said, they have got the choice. Ignore these benefits and carry on as they are. In reality I think it will be only the diehards that will never use it. I think that most of the others would be sensible enough to see the benefits and soon join in with us using the imported semen.

Deputy P.J.D. Ryan:

Yes, because I think there is a concern that there would be pressure on the farmers that do not want to use imported semen to use imported semen to stay in business because presumably I suppose what they are worried about -- I hear what you are saying about there being a quota system, so in the short term it probably would not make a lot of difference, they could still stay in business with the current model that they have and the current average yields that they have without reducing their herd sizes. But if it led in the end to some kind of change, longer term structural change, would they not be under pressure perhaps in the same way. I am thinking in terms of whether there needed to be increasing investment as a quid pro quo for increased milk prices from the dairy or the dairy -- could something structurally happen in the longer term that would make it quite difficult for those that do not want to use it and do not want to increase their efficiencies.

Mr. R. Leith:

It will be their choice. You know, I think by the time anything like that happened those who did not use it would be a long time out of business anyway.

Deputy P.J.D. Ryan:

The effects of the imported semen would not be apparent for some years if the ban should be lifted. Do you agree with the previous witness that that is likely to be 4 to 5 years?

Mr. R. Leith:

I think that you are correct. The effects of milk yield will take a bit of time to become apparent, however there will be a faster payback for the farmers in that 15 months after semen is imported there will be surplus 3-4 month old heifer calves ready to be sold for export.

Deputy P.J.D. Ryan:

So you are looking at the export market, are you?

Mr. R. Leith:

Well, it is all part of --

Deputy P.J.D. Ryan:

Part of the equation?

Mr. R. Leith:

Absolutely and it is what we have always said.

Deputy P.J.D. Ryan:

So you see an advantage earlier than that through export?

Mr. R. Leith:

Absolutely.

Deputy P.J.D. Ryan:

That is an interesting point, which I do not think we have picked yet.

Connétable P.F.M Hanning of St. Saviour:

Would, in fact, the advantages of hybrid vigour, if you come through faster than this, be enough to upset the quotas?

Mr. R. Leith:

The milk quotas?

The Connétable of St. Saviour:

Yes.

Mr. R. Leith:

It will never upset the milk quotas because you will adjust your cow numbers to suit your milk quota. The other thing that you have got to know about milk quotas is that we all have our own milk quota but we are also allowed to lease quota in from each other at the end of the year so, you know, if somebody -- every year historically since the quotas have been introduced, every year, those of us who have need extra quota for our farms have always found it easily because, you know, different farms -- some farms have continually underproduced and some farms have continually overproduced. I do not think the quota system -- the quota system will not be hurt at all because of the leasing and because of the fact you keep more cows it is not a problem. Absolutely not a problem.

Deputy P.J.D. Ryan:

So my question is is this time gap between allowing importation of semen, if that what happens -- are we still going to get a problem with the industry, are we still going to get even a partial implosion, even with that?

Mr. R. Leith:

You may get a partial implosion but you have got to be aware that the industry has gone through absolutely massive financial pain in the last 7-8 years and the stalwarts of industry are still here. You know, we have taken the pain and for me personally if semen is imported it gives me the morale boost and the invigoration to carry on.

Deputy P.J.D. Ryan:

To reinvest.

Mr. R. Leith:

I have not tried or worked so hard over these last few years to surrender now just when things could be getting better.

Deputy J.A. Martin of St. Helier:

Can I just ask about the certainty about the export market for Jersey heifers in semen -- because it is more difficult obviously, and we have been explained about the cost that a farmer would still be in but it has also been put in to us, I think, because there are Jerseys all around the world now and they can get heifers wherever they want, that is also part of the reason that the Jersey heifer market --

Mr. R. Leith:

The demand for Jerseys has been so high over the last few years that the places that they were sourcing them from in the past are running out, you know.

Deputy J.A. Martin:

Right, so it is there, the market is there?

Mr. R. Leith:

At the moment the demand for Jerseys far outstrips the availability.

Deputy J.A. Martin:

Thank you.

Deputy P.J.D. Ryan:

So even if you are still only one generation of inseminated with overseas semen you still feel that is not going to be barrier?

Mr. R. Leith:

Absolutely. The first generation cross is the one that is going to show the greatest increase.

Deputy P.J.D. Ryan:

You are confident, as the Deputy has --

Mr. R. Leith:

Absolutely. We have talked to people. You know, you were told earlier on about the overseas delegates, you know the U.K. (United Kingdom) ones in particular, and there is a hunger for Jersey heifer calves and the minute that our Jersey calves are sired by international known bulls we will be part of it.

Deputy P.J.D. Ryan:

So just to put this in absolute perspective, the 700 heifer calves that we are slaughtering per annum, what proportion of those do you think will suddenly not -- are you saying that those 700 will suddenly not be slaughtered and they will be exported?

Mr. R. Leith:

The majority of them.

Deputy P.J.D. Ryan:

Okay, and you are absolutely equivocal?

Mr. R. Leith:

Absolutely.

Deputy P.J.D. Ryan:

Let us talk about the overseas herd books for Jersey. What is your confidence level in those?

Mr. R. Leith:

Absolutely 100 per cent. Absolutely 100 per cent. I have had the fortune to travel fairly extensively and I have travelled in reasonable small groups. So when you go to visit these people's farms at meal times you are always invited in to their houses and you eat with them. What strikes you about these people's houses is that - and somebody else has already mentioned it - they are shrines to the breed. Everything in their house, the pictures on the walls, the ornaments, the knick knacks that are around, is all, all to do with the Jersey cow. So these people would no more defile their cows than jump over the moon. I had something else here. They not only regard the Jersey cow as a means of making a living, it is their whole life. They work with the Jersey cow and all the pastimes and all the hobbies are linked to the Jersey cow. If you people came with us anywhere across the Atlantic and saw the enthusiasm you would know exactly what we are talking about. You know, and do not forget as well that there are herds

in the United States who have been existence, pedigree wise, far, far longer than any of our ones over here. John Le Feuvre, when he gave evidence to you the other day, said that these overseas producers have got more pride in the breed than most of the people over here. Well, he is dead right. I could not agree with that sentiment any more.

Deputy P.J.D. Ryan:

Do you want to ...?

Deputy J.A. Martin:

No, I am not sure whether it is quite hypothetical that question 6.

Deputy P.J.D. Ryan:

We will broach the subject but we will not necessarily dwell on it too long because it has been mentioned in previous submissions and conversations so we might as well quickly, I think, dispense with it at this point in time, although we are researching a little bit further into this open nucleus breeding system. Have you come across it anywhere else?

Mr. R. Leith:

No, I have not. But I do understand what you are talking about it and for us in Jersey it is not an option as a stand-alone project. I mean, it could be used in conjunction to determine which local cows will be the best bull mothers. The problem locally is that our best bulls have got significantly lower genetic capability than the cows. So the progress would be far too slow. It would also be difficult to generate sufficiently reliable data with the small population of cows that we have got in the Island.

Deputy P.J.D. Ryan:

Okay, so from an experienced breeders' perspective that would be your take?

Mr. R. Leith:

Yes.

Deputy P.J.D. Ryan:

Okay, thank you. If you give us a moment to collect our thoughts.

Deputy J.A. Martin:

It might not be for you to answer this question but there might be someone in the room. This confidence about the herd books around the world, and Jersey, I mean, we heard today that Jersey's may not be as accurate. The question is basically who polices it? Who does at certain times look into it? Are they run on similar rules? So everybody is confident -- and I do not disagree with what you are saying, this is

where we need to check that the confidence -- it is like saying that you are all cheating really and I am asking the question about who checks these books. Obviously there will be occasional mistakes.

Mr. R. Leith:

That will happen over here to.

Deputy J.A. Martin:

Yes.

Mr. R. Leith:

It happens in every pedigree register of every animal in the world. Human error. Okay, so --

Deputy P.J.D. Ryan:

Is there any kind of audit to this? Does somebody go and audit herd books?

Deputy J.A. Martin:

I should have called you back, I know we have a representative and nobody has asked the question of the policing and it might not be that, that is the question I need answered.

Mr. D. Hambrook:

There is an organisation called I.C.A.R. (International Committee for Animal Records) which oversees everything from monitoring weight evaluations in beef cattle to milk recording goats in Tunisia to Breed Society work globally. As a Breed Society, we, as I think has been put forward in submissions, insist that every male calf that enters the pedigree book is D.N.A. (Deoxyribonucleic acid) tested to prove the dame and by default his sire would have been tested in turn. We also do -- and it is standard practice that randomly we pick up, I think it is every 100th registration that comes through the office and we will do a D.N.A. check on that animal. At the end of the day, as long as you get percentage right ... there again, to be perfectly honest, because we do also carry out the milk recording on all the farms, we know which farms excel in their management records, we know which farms are not quite so good with their paperwork, I think human nature, and we would know which ones to watch out for.

Deputy P.J.D. Ryan:

That is in the local herd book, what about the international one.

Mr. D. Hambrook:

Well, internationally you would apply the same logic, I worked for the U.K. society for a period of 5 years from 1995 to 2000 and those same parameters were put in place there for the U.K. society and the U.K. Jersey Cattle Society complies with I.C.A.R. records.

Deputy P.J.D. Ryan:

Would it be right in saying anyway that the R.J.A. and H.S. who are the keepers of the local herd book would have to be satisfied with the integrity of the overseas herd book and audit procedures --

Mr. D. Hambrook:

Definitely. In exactly the same way when -- so when we put this semen out on international test programmes we had to supply all our sister societies with the D.N.A. profiles of the bulls because they will not allow that semen -- although it may be entered in the country under the health regulations, as far as that society is concerned we have prove parentage of that bull. So it is a 2-way process. It is not something unique that Jersey would put into place solely for genetics coming here. We are already having to do that for these other organisations.

Mr. R. Leith:

I think another point that should be made here as well is these people overseas keep Jersey cows because they want to keep Jersey cows. So why would they contaminate that with any other breed. The fact of the matter is that other breeds are not used to improve Jerseys, Jerseys are used to improve other breeds.

Deputy P.J.D. Ryan:

And, of course, they have a choice.

Mr. R. Leith:

Absolutely. That is the crucial point. They could have chosen any of the breeds in the world to work with, they chose the Jersey so why would they do anything that would corrupt the herd books.

The Connétable of St. Saviour:

On that same point, can you think of any economic reason they would gain by - for want of a better description - corrupting their individual Jerseys?

Mr. R. Leith:

No, I cannot, not at all.

Deputy P.J.D. Ryan:

So there would be no incentive whatsoever for an overseas Jersey breeder to want to corrupt his Jerseys, in fact the complete reverse is the case, he has every incentive to ...

Mr. R. Leith:

I would think so because, you know, if he got found out it would be the end of his credibility. You

know, somebody may make a quick short-term buck out of it, in the long-term it would not.

Deputy P.J.D. Ryan:

Thank you. Right ...

Mr. R. Leith:

Hang on, I just wanted to summarise here. I know what will break the industry and once the critical mass goes the fabric of the industry will crash. I would also like to ask where the credible facts are backing the anti importer's claims. They have offered opinions on veterinary risks, milk production, uniqueness, et cetera, et cetera. The Jersey Milk Marketing Board has always worked for the communal good but I do not know if you noticed on Tuesday night, when the leader of the anti campaign was always referring to me and my -- this is a man who has got a reputation for being a selfish troublemaker. He is using this --

Deputy P.J.D. Ryan:

Yes, I would like to try and keep away from the personalities.

Mr. R. Leith:

Okay, well what I will tell you is that --

Deputy P.J.D. Ryan:

Bear in mind we are here to collect objective evidence.

Mr. R. Leith:

Well, objective evidence is that this person has tried to undermine all the other initiatives that the dairy industry has put forward over the last few years.

Deputy P.J.D. Ryan:

If you do not mind me saying, I think that might be opinion and I think it could be challenged. I would really urge that we keep as far away from personality as possible.

Mr. R. Leith:

Right, okay. Well, putting all that aside, as far as I can understand on Tuesday evening, the main plank of their argument is their linkage between semen importation and milk importation. Well, I link it as well but I link it the other way around and I would contend if we do not import semen we will have to import milk. Notwithstanding that you know as politicians that you will not, in the long-term, be able to stop milk from being imported into the Island, it is inevitable. The only way that we can counteract it is to be able to produce milk on Jersey at a cost that makes it uneconomical for anybody to bring it in.

You have heard all that before. Let me just say this at the end. If you can come up with a decision that will deliver a yes vote on 15th July I will guarantee that it would be beginning of a golden age for the dairy industry in Jersey and it will be a golden age that will ensure that long after all of us in this room here have shuffled off this mortal coil, the Jersey cow will be alive and well on the Island because it will be a global vibrant exciting industry that people will compete to be a part of. If you delay your decision or you recommend a vote against, those of us who will be getting out first will get out quickly and our message will be: "To the last one out, switch the lights off and lock the door because we will not be back again." Thank you for listening to me.

Deputy P.J.D. Ryan:

Thank you very much.