Submission to the Corporate Services Scrutiny Panel by Robert Perchard (former Vice President of RJA&HS and Chairman of Breed Improvement Committee)

Review into the Proposed Importation of Bovine Semen

Although I find it frustrating that the importation vote was delayed by putting it to a Scrutiny Re draw comfort from the fact that the Scrutiny process is evidence-based and the overwhelming we evidence in favour of importation will win the day. I do not intend to present statistical evidence or r the numerous arguments to show how importation would improve the Island breed, as I am sure oth do so. Neither will I tackle here the weak and often ill-informed arguments often put forward opponents of importation, though I would welcome the opportunity to do so in person to the Scrutiny

This submission is in three parts: (a) observations based on my experience as a member and past ch of the RJA&HS's Breed Improvement Committee and (b) the economic case for importation and (c) outline of how importation would benefit the dairy enterprise and herd at La Ferme and the island ge

(a) **The failure of past breed improvement initiatives:** The opponents of importation have ca a risk assessment and the Scrutiny process is surely that, notwithstanding the fact that countless hou already been spent over many years by members of the Society's Breed Improvement Committ Council in studying the available evidence from around the world and weighing up the opportunities and possible threats of importing. Since the time of the Livestock Advisory Panel and the Deeble Re the 1970s, Dr Jim Allan's Report in the 1980s right through to the Bichard and Promar Reports decade, the subject has been exhaustively studied and all the facts considered, and not one o renowned authorities has said the island should not import pure Jersey bull semen, quite the reverse i

Following the vote in 1983, Dr Allan never said that we should not import; what he did say was t Island needed a structure to evaluate bulls, whether sired by imported semen or locally bred. The Jers Proving Scheme (JBPS) was born out of a desire by those who cared for the future of the breed in the to actually do something practical and positive to work towards the goal of breed improvement, an and emulate the great strides being made in the genetic advancement of other Jersey populations aro world. It was financed by the States and represented the action taken by the Island in response to t against importation. It is worth noting that those who embraced the challenge were principally tho had actually argued most in favour of importation at that time. I know because I served for ten years RJA's Breed Improvement Committee, acting as its chairman for many of those. We undertook do contract matings and embryo transfer flushes, we produced numerous publications and organise study visits, overseas tours, etc. in a genuine effort to make a real difference.

Yet, having thrown ourselves so whole-heartedly into supporting and operating the JBPS disappointing (though not at all unpredictable) that the results were to prove so mediocre. True, the did succeed in proving a number of bulls but in all too many cases these were proven to reduce yiel detrimental to conformation or milk quality. Those few bulls which were shown to have an e improving desirable traits were used up by breeders to breed female replacements or more bu breeding. This was in line with the philosophy of the JBPS however the flaw in the scheme was the to forsee that, as the number of herds in the island inevitably reduces and, with breeders continuing t better yields, bloodlines will converge and the potential for inbreeding will rise alarmingly. This will serious risk in the future if we do not broaden our breeding base. And in terms of its effect on the qu our cattle the upshot is that the widespread use of the JBPS over twenty years, with increased produc an overriding goal, has led to a lack of uniformity within our herds and a diminution in the traditiona of strength such as udder quality and milk components, while the hoped-for boost in production ha really materialised. The JBPS has shown us that there is too little genetic variation in the Island an numbers are too low to achieve the significant improvements needed to put the Island Jersey back premier division of world breeding.

However the effects of the JBPS are viewed, the pertinent fact is that States funding for the scheme h dried up and, in its present much reduced form, as a vehicle for future breed improvement it is a ver

instrument and is certain to be even less effective in taking the Island breed forward.

The Ansom herd has embraced the subject of breed improvement enthusiastically, using all the available to us within a closed gene pool. We have the Island's top herd genetic index with a Pr Transmitting Ability (PTA) for milk of +199kg and a Profitable Life Index (PLI) of £54 and ye breeder, I am filled with consternation and frustration that our herd average cannot surpass the 5,0 "glass ceiling" in milk production while many herds overseas are achieving 6,500 to 8,000 litre av without compromising on conformation or milk compositional quality. And, as we saw at the recent conference, recent advances in breeding technology such as sexed bull semen and applying genome will enable other Jersey populations to accelerate their improvement even further; and they alreac from a much higher base! We really do need to address the question of genetics if we wish to rev breed and make the Island Jersey more efficient and more productive – the very viability of our i depends on it.

(b) <u>The economic case for importation:</u> There is a supposition in some quarters that, b economic considerations and business imperatives form a key part of the argument in favour importation of bull semen, the argument is somehow tainted. We read letters in the JEP, penned by farmers or cow fanciers who derive their livelihoods elsewhere, seeming to treat this as a purely ac argument or claiming that the agenda is being driven by "a group of businessmen".

This is patently nonsense. Although there are important academic aspects to this argument it ultimately down to what it will take to keep dairy farmers on their farms, working anti-social hours conditions the layman would often consider less than agreeable. Job satisfaction can only go so profit has to figure somewhere in the equation. There is a misguided and dangerous view that Jers always have dairy farmers, come what may. I have a surprise for people who, from the comfort c armchairs or St Helier offices, delude themselves with this view and I maintain that the industry ha been more vulnerable than it is now. The threats do not come from foreign milk imports or the "unde effects" of importation but from real and immediate concerns at home.

<u>High production costs and profitability:</u> The first and most acute threat is the rapidly escalating producing milk, a situation which is not helped by the irrefutable fact that, on average, our cattle a efficient at converting forage into milk than their counterparts overseas. We have seen grain prices making dairy concentrates 40% more expensive inside a year, while fuel has doubled in price in th period, with knock-on effects sure to follow in the cost of fertilizers, chemicals, polythene, etc. With labour costs and the probability of a hike in land rents and an impending 20% increase in electricity there is a limit to how much Jersey Dairy can raise the already high retail price of milk to countera For a number of years our dairy farmers have experienced poor profitability with low returns considerable capital invested in their businesses. This explosion in production costs is most alarming set to become a permanent trend; if the local dairy industry is to have a chance of remaining vi concerted effort must be made on <u>all</u> fronts, including raising the genetic merit of our cattle. To negle a vital tool in the armoury of dairy farmers everywhere would be foolhardy in the extreme.

<u>Age profile of producers:</u> A real threat is the ever increasing age profile of our dairy farmers with any under 40, and the implication that has for future milk supply and herd structure. Within the nex 15 years many producers will leave the industry through old age (if not economic necessity) and in c maintain milk supply this reduction will have to be balanced both by the development of a few larg run units and an increase in milk yield from the fewer cows that remain. We have reached the limit c can be achieved by better feeding with the cows we have so the only other way is to increase cow which inevitably means better genetics. This will become even more pressing if new export mark developed, should the PDO application on Jersey butter prove successful.

<u>Reinvestment:</u> A vital ingredient in modern farming is reinvestment – important at any level bu moreso when structural change in the industry, as outlined above, is envisaged. With machinery an costing not just thousands but in many cases tens of thousands of pounds these days, no produc wishes to safeguard his future can ignore the opportunity of raising yields and farm output. It is

reason that dairy producers from around the world have turned their backs on Jersey bulls in the breeding policies – the needs of their businesses just cannot sustain the lower production associate Island bulls.

Subsidies: Jersey dairy farmers receive generous amounts of government support compared to their counterparts and, historically, this has been the method used by the States and the industry to en reasonable level of profitability by balancing the shortfalls in market returns with payments from the purse. The rationale behind semen importation is to make herds more profitable so that they becor dependant on the subsidy safety net. If the States vote to keep out semen they will be tying the ha milk producers and, if their oft repeated mantra of "brown cows in green fields" is to be achieved, th be morally obliged to continue subsidising the industry at ever increasing levels. The States has a dilemma in this respect: firstly, perpetuating high levels of subsidy would fly in the face of its own po reduce aid over time and would be in conflict with worldwide moves to reduce or phase out subsidies commodities can be traded at non-distorted market-dependant prices. Secondly, it should not be fo that subsidies represent taxpayers' money and in these tough times, with an increased tax burden, ex unnecessary funding of an industry unwilling or incapable of helping itself is likely to prove very dis with the public.

The customer: The Jersey dairy industry has historically been very producer-focused, taking for gran expectation that customers will accept paying the high retail price asked for their litre of milk bec comes from Jersey cows. In recent times the gap between the UK supermarket and Jersey pric narrowed which is to be welcomed. However, customer goodwill and support should not be abuse retail pricing regime higher than it need be through an unwillingness by the industry to maximise pro efficiency. The possible importation of liquid milk is a threat if local prices are too high, but it is inco link this with the importation of semen. We have authoritative advice that the two issues are not Liquid milk imports are far more likely to be triggered by a failure to contain the retail price.

Delay: Yes, it is true that it will take five years to begin to see the real impact from importation, an critics say that if the industry can survive this long without importation it can do so indefinitely. Thi most stilted argument and displays a cavalier attitude to strategic planning that is spine-chilling! Impo is a step we have to take for the long term and any further delay will only increase our future difficult

(c) The future outlook after importation: I am optimistic for the future of our herd, ou business and the local industry if we take this important step. If the opportunity to use top world gen managed wisely (and we certainly intend to be cautious and judicious in our use of only the best pure bull semen) I look forward to the following outcomes:

- Opportunity to rapidly improve the genetic merit of our herds by careful use of top breedin through AI, embryo transfer, sexed semen, etc
- Improved milk production (volume and components)
- Improved conformation (especially stature, dairyness and udder quality)
- More efficient cows leading to better financial returns from dairying
- Additional income from the revival in exports of cattle and sales of semen and embryos
- Reduced subsidy dependence
- Confidence by some to invest and expand to take up the slack left by those who leave the i through old age
- The opportunity to put the Island Jersey cow back in the forefront of world cattle breeding (as ha the case with Guernsey since breeders there began successfully importing Guernsey bull semen years ago)
- A huge boost to the Island's cattle shows
- Prestige and reputation of the Island restored
- Greater job satisfaction as breeders operate in the knowledge that they are working with the bes breed once again
- Less waste from reduced culling of poor performing cows and slaughtering of heifer calves

- Opportunity for some beef crossing – though numbers are likely to be very limited, as in Guernse
- Robust policies in place to deter the introduction of any other breeds of dairy cattle (not that any I know would ever countenance such a thing anyway)
- The ability for those breeders not wishing to use imported semen to do so
- The integrity of the Island Jersey will be maintained
- Brown cows in green fields

Robert Perchard
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