

Managing Competition



ICAR, Verona, Italy
May 2007, Dick Koorn

Slide 1

Everything looks fine...



Slide 2

Managing Competition

- About CRV and history
- Trends and the environment
- Developments in breeding
- Developments in data processing

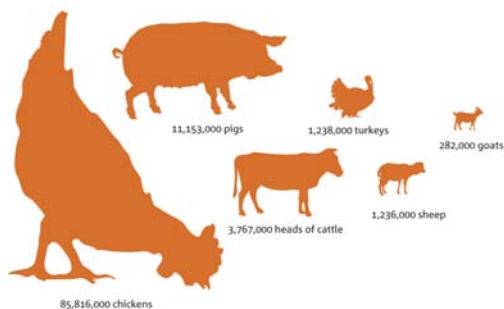
Slide 3

Roots in the Netherlands



Slide 4

General livestock data



Slide 5

History of DHI in the Netherlands

- 1852 Export of dairy cattle to America
- 1874 Herdbook NRS
- 1939 Start of AI
- 1943 National Milk Recording Service (MR)
- 1974 National computer for MR and AI
- 1984 Herdbook and MR joined
- 1998 NRS and HG establish CR Delta
- 2002 CR Delta and VRV (Flanders) establish CRV



Slide 6

CRV House



Slide 7



Mission



- CRV is a leading international cattle breeding coöperative creating enduring added value for farmers by:
 - ▶ offering high quality products and services;
 - ▶ active involvement of members and employees;
 - ▶ continuous innovation;
 - ▶ constant attention to developments in society

Slide 8



Key figures 2005/2006

	Market turnover €* million	Employees fte
HG	36.9	110
NRS	18.5	105
Services/Sales (Domestic)	40.4	520
International	27.9	490

Slide 9



DHI activities of CRV

- National Herdbook and DHI organisation
- Processing of data:
 - ▶ Breeding data
 - ▶ Identification & Registration
 - ▶ Herdbook
 - ▶ Milk recording
 - ▶ Type classification
- Supply farmers with management information
- Supply of IRIS to international DHI organisations
- Genetic evaluation



Slide 10



Involved in DHI projects



Slide 11



Genetic products of CRV

- 6.5 million units of dairy and beef semen
- HG exports semen to over 50 countries
- Test program:
 - ▶ 310 Holstein bulls
 - ▶ 60 Red Holstein bulls
 - ▶ 35 Fleckvieh bulls
 - ▶ 35 Jersey bulls



Slide 12



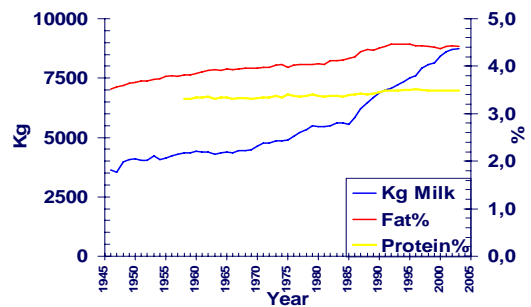
Holland dairy data 2006

- Number of cattle 3.800.000
- Number of dairy cows 1.430.000
- Pedigree registered female calves 600.000
- Number of farms with dairy cattle 23.500
- Total milk quatum (millions tons) 11,1
- Average milk quatum per farm (KGs) 470.000
- Average size dairy herds 61

Slide 13



Production characteristics



Slide 14



Trends in NL

Year	1985	2006
■ Dairy Herds	58.000	23.500
■ Herds in MR	60%	80%
■ Dairy Cows	2.400.000	1.430.000
■ Cows in MR	76%	86%
■ Inseminations	3.400.000	2.500.000
■ DIY	4%	35%

Slide 15



Market share CRV 2006 in NL

- 90% of Milk recording
- Almost 100% of the data processing
- 75% of the semen market
- conclusions:
 - ▶ 2% less cows/year in recording
 - ▶ 3% less cows/year for semen and A.I.
 - ▶ market decreasing
 - ▶ increasing competition (semen)
- Margin per cow is also going down!

Slide 16



Environment in NL

- Margin per cow is also going down
- Quota system till 2015
- Milk price in EU is almost world market price
- Nitrate and waterquality problems (EU)
- Since 1990 no support from the Government and /or milk factories

Slide 17



CRV: Your choice for profit!



Slide 18



How to continue CRV? (1)

- Keeping costs low (operational excellence)
- Search for cost effective working procedures
- More DIY
 - in MR, AI and productsupport (internet)
- Every 4-5 years changes in the organisational structure
 - less employees
 - in 2007 one office

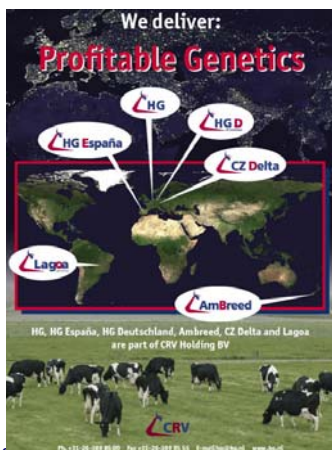
Slide 19



How to continue CRV? (2)

- Breeding: Expand business outside NL
 - Brasil, Czech Republic, New Z.
 - Focus on some countries for selling semen
 - Focus on certain developing dairy countries
 - Joint Ventures for testing bulls
 - spreading risks
- Innovation
 - sexed semen
 - genomic selection (reliable young bulls)

Slide 20



Slide 21



The HG breeding program

- World wide trend:
 - Growing number of cows per farm -->
 - Less attention per individual cow -->
 - **Economical, durable, problem free cows**



Slide 22



Demand of farmers

In Addition to:

- Production
- Type

A growing demand for:

- Durability
- Health
- Trouble-free milking

A growing demand by consumers for:

- Healthy long lasting milking cows

Slide 23



Alma 151 EX90 157.491 kg milk 4.82%F 3.70%P

Slide 24



Breeding goal HG

- A healthy and long-lasting cow which delivers an optimal contribution to farm profits
- ▶ Through:
 - Efficient production of m, f, and p.
 - Good type
 - Excellent functional traits

Slide 25



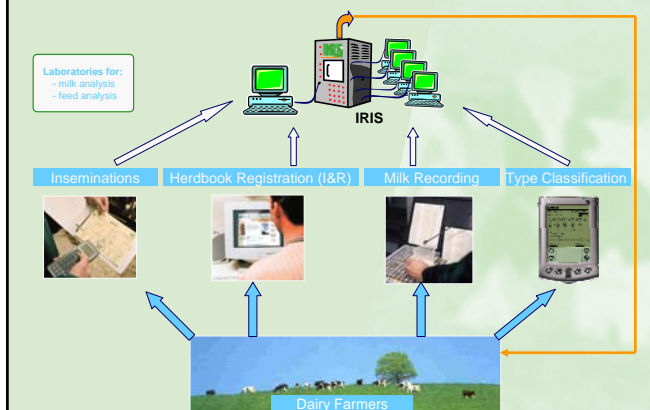
How to continue CRV? (3)

- Strategy in data processing:
 - ▶ The database
 - ▶ The individual animal data
 - ▶ Follow trends in data collection (health data)
 - ▶ Expand to farm management (more than MR)
 - ▶ High quality information products, with options
 - ▶ Education (e-learning)
 - ▶ Work together with extension, veterinarians etc.
 - ▶ Use new technologies
- Internationally: IRIS

Slide 26



Data processing



Slide 29



Identification & Registration

For National I&R system and Herdbook

- Done by farmers
- Unique herd numbers and life time numbers
- Registration by telephone, farm PC or Internet
 - ▶ births
 - ▶ deaths
 - ▶ animal transfers



FULL TRACEABILITY

Slide 28



Breeding data

- Registration by technician or farmer
 - ▶ insemination
 - ▶ natural service
 - ▶ embryo implantation



Slide 30



Ai registration by technician



Slide 31



Milk Recording data

- Milk Yield plus Sample for fat%, protein%, lactose%, urea and somatic cell count
- Frequency 3, 4, 5, 6 weekly
- Equipment rent tt-meter or ams shuttle own meters or yars
- Labour DIY recorders
- Information paper EDI Internet



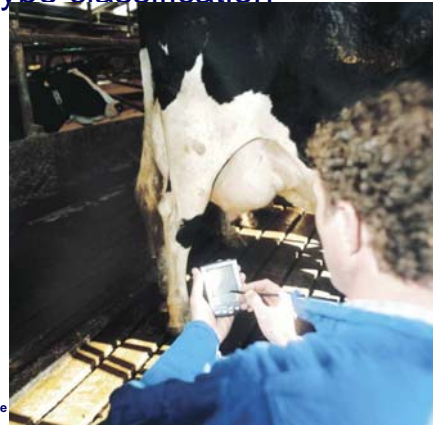
Slide 32



Milk Recording



Type classification



Slide



DHI business wise

- Information products are profitable for farmers and their partners (extension etc.).
- Average turnover NRS from farmers:
 - ▶ EUR 4,- per cow for data processing
 - ▶ EUR 8,- per cow for information products
 - ▶ Equal to the price of 40 kg milk.
- Business is based on the use of information
 - ▶ easy to use, quality, certainty
- Growth in turnover and profit is possible!

Slide 35



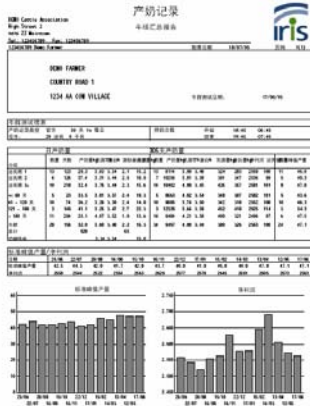
How are DHI results used?

year	1999	2002	2006
Internet "cattle manager"		400	4500
EDI used in PC HMS (4)	6300	9300	10000
MR results on paper	22000	18000	12500
farms in milkrecording	23200	20300	19000

Slide 36



On paper



Slide 37

VeeManager on the internet



Slide 38

Functionality

- Pedigree registration & animal movement
 - ▶ direct connection with gov. tracking & tracing system
 - ▶ direct check for herdbook recording
 - ▶ cow events (birth, movements, death, etc)
 - ▶ calving data
- Milk recording
 - ▶ interactive reports (ordering a group variation)
 - ▶ attention lists
 - ▶ cow sheets
- Reproduction
 - ▶ AI, pregnancy checks, in-heat etc.

Slide 39

Functionality (2)

- Mineral management
- Sire advisory services
- Feeding advise
- milk production forecasting
- Pedigrees

Slide 40

IRIS information for Advisory services

- With permission of farmer, products are available
 - ▶ veterinarians
 - ▶ feeding companys
 - ▶ accountancy
 - ▶ i.e. hoof trimmers association
- Advisors have their own portal (website)
 - ▶ tailor-made information for the advisor on request
 - ▶ information products per farmer available

Slide 41

VeeManager Assistant: PDA for farmers



Slide 42

- Mobile Communication with central system
- Main functions
 - ▶ data collection
 - I&R + herdbook
 - reproduction events
 - semen, eartags in stock
 - health and medicin recording
 - ▶ reports
 - basic animal info
 - Attention lists
 - ▶ user preferences

Thanks for your attention



Your choice for profit!

Slide 43

