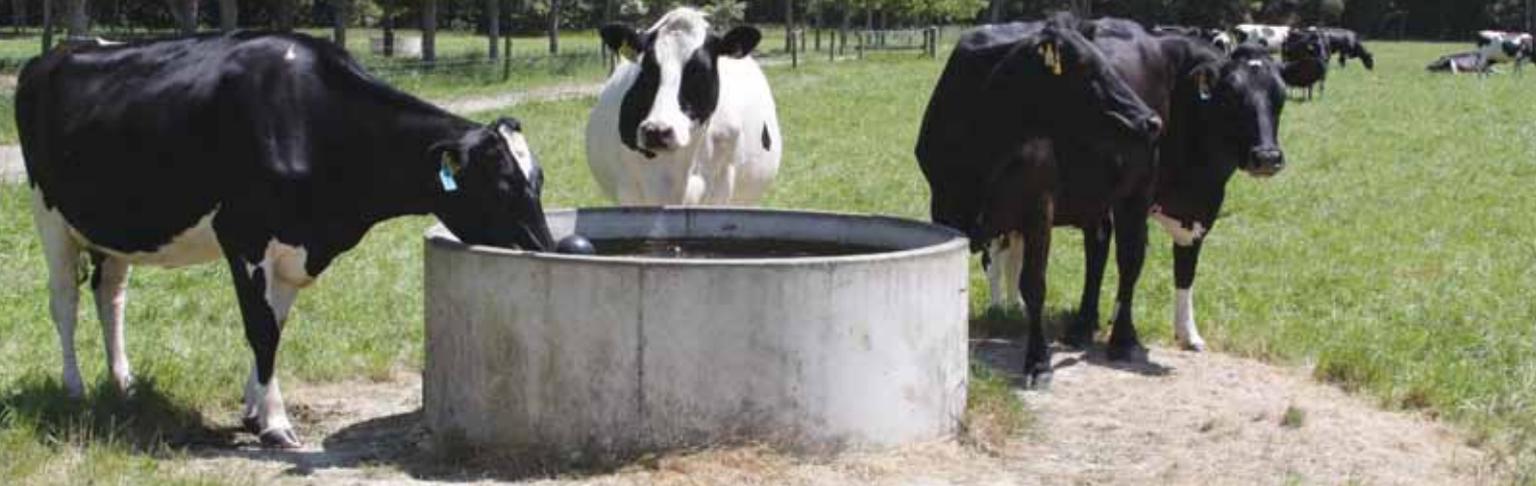


The Giesbers' herd is Holstein Friesian, which achieved 433kg milksolids (MS)/cow in 2011/12.



Growing a strong business

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Expansion as part of a family succession plan is key for Kaikohe father and son dairy farmers Anthony and Peter Giesbers.

They farm on 115ha effective with 330 cows 10km west of Kaikohe and recently won the Northland regional title in the Dairy Business of the Year awards. In the 2010/11 season they milked 298 cows at 2.6/ha and achieved 372kg milksolids (MS)/cow and 966kg MS/ha. For that season the return on capital was 10.8% when the Northland average was 7.4%, but the top 10% of dairy farms in the province achieved 12.5%.

Last season the Giesbers increased milk production by 29% (433kg MS/cow) with 10% more cows milking at peak, and maintained their return on capital at about 10%. But the Northland average fell to 5.6% and the top echelon achieved only 9.6%.

Yet with a pasture drymatter (DM) harvested figure of 9.2-9.3 tonnes/ha, the Kaikohe property has some room to improve to the NZ average of 12 tonnes and the top-flight number of 14.7t in 2010/11.

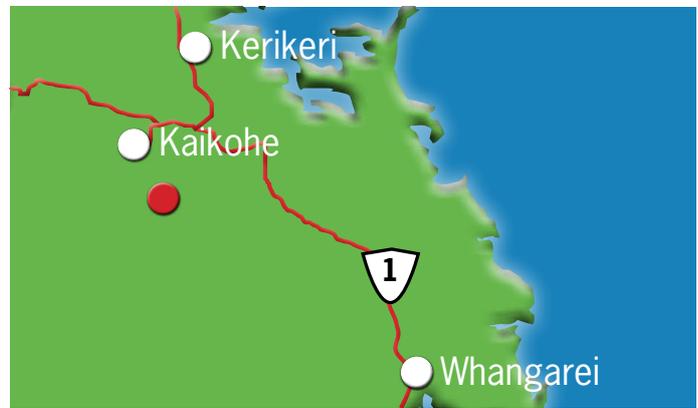
Effective pasture utilisation is about 74%, when the top operators get up to 82-83%.

"This is one of the most impressive father and son teams I have seen in 40 years," Intelact consultant Bob Brown said.

"Anthony has the wisdom to stand back and let Peter's enthusiasm go."

The Kaikohe farm has been developed and support blocks added since GF Farm equity partnership purchased it in 2004 – Peter has one-third and Anthony and his wife Clare the remainder.

The original farm was 110ha and 15ha adjacent was first leased, then in 2009 bought, developed and added to the dairy platform. Anthony and Clare also bought the 44ha runoff near the dairy farm, where they live, and in 2009 two Herd Homes were built near the farm dairy.



Location: Kaikohe, Northland

Farm: GF Farm, an equity partnership between Anthony and Clare Giesbers and their son Peter

Area: 115ha effective milking platform, plus 44ha runoff

Herd: 360 Holstein-Friesian cows, milking 330 this season.



Peter has been the manager on the home farm but this season he is moving to 50:50 sharemilker as part of the succession plan for the family. He also started another company in 2009, which is 50:50 sharemilking on a reconversion farm nearby, where 400



Anthony and Peter Giesbers at their recent field day.

cows were milked in 2011/12 for a total production of 160,000kg MS.

The district doesn't have a great reputation for dairy farming, so Anthony said the family achieved maximum size for its investment, which was important because it had low equity. The ingoing price was about \$20/kg MS production, which at the time was only 60,000kg MS/year.

With his parents and brother Gerard, Anthony developed a beef grazing and finishing farm in the Kaeo area between 1973 and 2007, when it was sold to buy a dairy farm in Victoria. Anthony and Clare withdrew from the Australian business to concentrate on the Kaikohe dairy farm.

"At that time Peter had two years on a high-intensity dairy farm in the Hikurangi Swamp, so we thought we must invest in him," Anthony said.

Brown said dairy farmers who came into the area often didn't have the equity to develop, but that had not stopped the Giesbers.

"Their debt servicing was \$1.60/kg MS in 2010/11 and \$1.42 in 2011/12, and the return on capital (ROC) looks impressive because the value of the farm is lower than most," he said.

The Giesbers' philosophy is one of striving for continuous improvement, although they must see good value from the inputs. At present poor-quality summer pastures are restricting potential production, so they run a large cropping and re-grazing programme.

Aversion

Peter and Anthony have an aversion to damage of soil structure so they pursue an aggressive on/off grazing and standing policy and feed off when wet, even if this means leaving the residuals too high. Brown said the farm showed the least amount of residual damage to soil and pasture he had seen around the north after a wet winter.

The herd is moving to total autumn calving, with a planned start of calving (PSC) March 1. The shift is to use high-protein and metabolisable energy (ME) grass that would otherwise be used by dry cows in winter. The Herd Homes keep the cows warm and dry when there are regular floods.

Jersey bulls are used for the first mating to minimise calving difficulties, with the use of good-quality Holstein Friesian AB afterwards.

'At that time Peter had two years on a high-intensity dairy farm in the Hikurangi Swamp, so we thought we must invest in him.'

Among the financial highlights was a labour efficiency of 207 cows/ full-time equivalent (FTE), which rose in 2011/12 to 229. The Northland average last season was 135 and the top 10% on Red Sky and DairyBase were averaging 166 cows/ FTE.

The cost of production in 2010/11 was \$4.15/kg MS, versus the Northland average of \$4.79 and the top 10% average of \$3.82. Total supplementary feed costs were \$704/cow, versus \$507 for the Northland average and \$516 for the top operators.

Brown said maize grown for silage was nearly always profitable if 20 tonnes/ha was achieved and maize silage was profitable as a supplementary feed down to \$5/kg MS milk price. ■