

The Canadian Dairy Industry: What Makes It Tick?

Earl Osborne,

Rockwood, Ontario, Canada

Dr. Cote: Our next speaker started farming about 35 or 40 years ago with his father and today he operates a 700 acre, 70 cow dairy and cash crop farm at Rockwood, Ontario with the help of his three sons. Earl and Barbara also have three daughters, one of whom is married to a young dairy farmer. Earl has seen a great many changes occur in farming. When he left school at the end of grade school he ploughed for a full week with a team and walking plow and turned over seven acres. Today his son ploughs seven acres in three or four hours with modern farming equipment.

Earl has been involved in many church and dairy cattle organizations. At present he is:

- a national director for the Holstein-Friesian association of Canada;
- a director of Dairy Farmers of Canada

- an official dairy cattle judge
and
- chairman of the Holstein National Extension Committee.

In 1978 Earl was awarded a "Master Breeder Shield". This is the highest honour achieved by a Canadian Holstein breeder and indicates ability to breed purebred Holsteins of superior type and production.

Earl Osborne is a graduate of the "University of Experience" and has availed himself of every opportunity for Continuing Education. I'm sure you will agree that he is well qualified to speak to us today on: "THE CANADIAN DAIRY INDUSTRY—WHAT MAKES IT TICK".

Let's have a real welcome for Mr. Earl Osborne.

Mr. Osborne: I will just take a few moments with you and explain to you basically the Canadian dairy industry and what makes it tick. *We* do, all of us. I am very pleased to have the opportunity to speak to you. I will probably break my very brief talk down to about 5 headings so we will take a crack at each one at a time. I don't pretend to be a professional speech-maker. So just sit up, take notice and we'll be through in a few moments and you'll be on your way to the Royal Winter Fair, truly one of the greatest shows in North America. I think it is an excellent show. I have attended several of your shows in the United States and you have excellent shows as well, so while you're in Ontario, and particularly in Toronto, take the opportunity to attend the Royal Winter Fair.

What is the basic structure of Canada's dairy industry? It is a little bit different from yours, and I'll take a crack at the federal side to start with. The Honorable minister has now left, so I'll try and explain to you how it goes. The structure of the Canadian dairy industry falls in this bracket. We have the Canadian dairy commission which is a government appointed body to administer the total milk picture in Canada and when we talk about the Canadian total milk picture, we are talking about manufactured milk within Canada. We have the Canadian Dairy Council which is the processor-manufacturer segment of the industry. We have Dairy Farmers of Canada which is the producer organization which looks after the producers' side of the dairy industry, and of course we have the very important part, the Canadian Consumers' Association. That's basically the structure of the organizations that operate nationally as far as the dairy industry is concerned. Now Canada's dairy industry is designed on a supply management and returns adjustment formula. So the size of the dairy industry is structured to national requirements within Canada and it is

set up on a supply management program and a returns adjustment formula. This is a commitment by the government and by the producer that the consumer will receive dairy products at moderate costs. The farmer will receive a fair return for his investment and for his efforts. It really boils down to this. One man's greed does not reflect as another man's loss. That's very important in the dairy industry. Now market share quotas are known in Canada as MSQ. This is a quantity of milk with subsidy money attached, reflecting the requirements for manufactured milk products plus some export area. So then, we are covering the total requirement for milk in Canada plus enough for export to see that the entire need is covered and there is some subsidy money attached to that. This was set up several years ago. We've just come off a 5 year agreement with the government, the dollars in the market share was fixed at that time, it has not been enlarged, it is reducing with inflating.

We don't object to that because the price of the product should come from the market place. Now going from federal to the provincial structure, the provinces are responsible for the marketing of fluid and fresh milk within the provinces. The provincial structure has been set up in the past on a milk control board program or producer cooperatives. We're moving away from that now to a structure of marketing boards which are producer elected, they have the authority to handle all milk, regulate quality, quantity, transportation, and set prices. They are the sole handlers of milk in the province, they have total authority. The marketing boards must be and are justifiable to the commission, to their producer, and to the public. The Ontario milk marketing board has a very high regard amongst industry and amongst the producers in Ontario. Thanks Don. Mr. Whalen is a very strong supporter of marketing boards.

Going into the next area of this total team is the breed

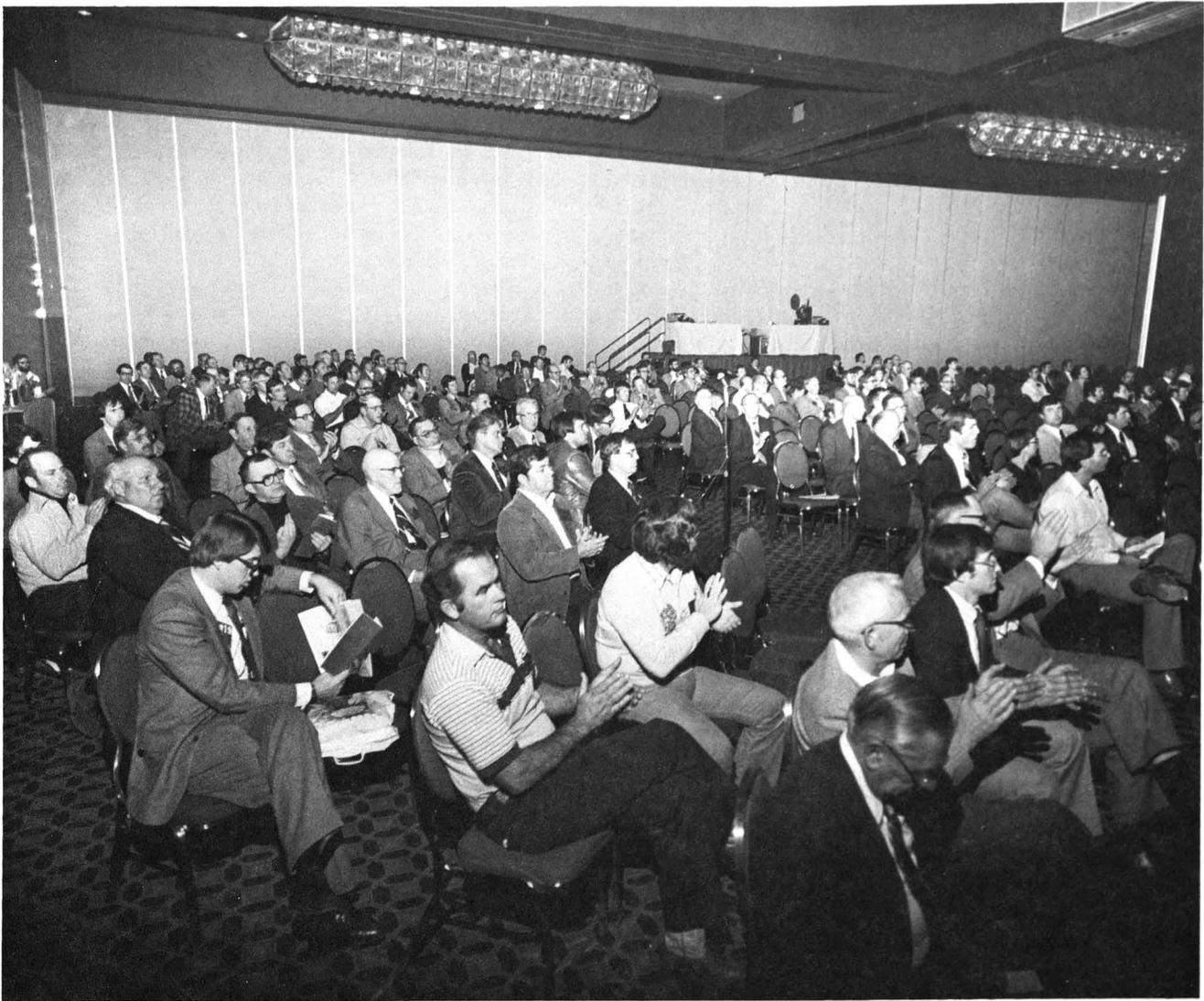
organizations and we have the same breed organization in Canada as you have in the U.S. Ours have their authority under the Livestock Pedigree Act. Once you go outside the breed organizations what body do we have to draw them together federally so they work together? This is called the joint dairy breeds of Canada. It represents all of the dairy breeds. They're drawn together for the purposes of health of the animals, of course, artificial insemination, approaches to government, shows, this area of activity, artificial breeding and in cooperation at that point with the Canadian Association of Animal Breeders. Now what is the purpose of breed organizations? The purpose of the breed organizations is basically for breed improvement and member betterment. These are very short titles for very large and important projects. The organization that I represent is Holstein Canada. We probably are the largest, we certainly are the largest in Canada probably to quite a degree. But, however, how are we organized, how is Holstein Canada organized? We are organized from the farm to the country club, to the branch, to the district, to the province, to the National Organization. We have all of those steps. We get right down to the basics and try to see that every member in Canada is within a telephone call of a director of our organization. He gets several mailings per year of what's going on within his county, what's going on within his district and province, so he feels totally in touch. We have at least four visitation days a year where local breeders or field representatives visit as many new breeders in each township as can be done in a four day period. We get right down to the point of having kitchen meetings. We get together, perhaps four couples, the man and his wife, it's very important that his wife be there, she is a very important part of the family and the home farm. We have these kitchen meetings, we bring together these four couples and we probably meet at 10 o'clock in the morning. We will talk about the whole cross section of breed improvement. What does an extended pedigree mean? What does genetic gain mean? How do we mate cattle? What bulls to use. The whole program, we start right from there to the county to the province and then to the national organization. We have a three million dollar budget, we register 120,000 cattle a year, and we have within the last few years exported 1/3 of all the cattle we registered in one year. That's a very large export for actually a small total number of cattle in relationship to the American market. But really what is the strength of our organization? A hundred and five dedicated employees and 14,000 volunteer members.

Now we move on to what I call mock and lock and fire engine medicine vs. herd health routine inspection, nutrition, planned care programs. This is what I like and I'm sure most farmers like. We have no room for mock and lock and fire engine medicine. Emergency service, yes. Now what does this team approach mean to the purebred dairy farmer? Confidence, 24 hour service, longevity in cow families for building extended pedigrees. What do extended pedigrees mean to our dairy farmers today? We've classification for type, we have production testing, we have our show

programs. The importance to each generation in the continuity of the pedigree is tremendous in cattle sales, sire selection, the whole social standing of our members. This type of a herd health approach where we can build these pedigrees, extend the cow's life, greater return for the raising of heifers on into the life of the cow, more calves, full pedigree, when it comes to selling animals, the full pedigrees bring money and if you were at the sale last night you could have seen what kind of dollars breeders can turn for the type of animals that are properly bred with the right kind of conformation and can walk in and out of the show ring. What are our priorities? Two of the basics are education and research. I'll touch lightly on the education side of which I've had a little, except a little bit of experience. Mr. Whalen referred to selection in veterinary medicine today. One of the ingredients which is very important to the farmer is the basic understanding of agriculture, the basic understanding of people that are bred and born in the country in most cases. That person can reflect in most cases to the farmer to a great advantage. High marks are wonderful, I don't knock them a bit, but don't pass over that basic knowledge and the ability to get along with people and get the work done.

Research. The public needs to fund education and research. I think farmers need to fund education and research, but basically research. I think marketing boards and farm organizations should contribute to research in Canada. There will have to be a distinct division between food producing and companion animals. The other priority to improve the breed is milk recording, probably this is one of our great tools. One for genetic gain and herd management, the other a proper, diversified, well used milk recording system gives us the opportunity to pick up the information of genetic gain, the characteristics of animals and the possibility of heritable defects. This can be returned on a milk recording system every 30 days to be fed into a national health program or a computer system, a school research or education system. You can pick up the entire information out of the countryside every 30 days with probably 10 minutes of the herd owner's time, providing all these things are checked into his daily record. The milk recording system picks them up and they come into a system that is unified throughout the country and then not only the farmer but the consumer, the veterinary school and the government services. They can all use this information.

We still have some of all our old challenges. They stay with us. Probably the three R's and the two M's-respiratory, reproduction, retained placentas, milk fever and mastitis. We had them 20 years ago and we still have them and their problems. We are not beating them. The second last one is the relationship between the herd owner and the veterinarian. This is where you and I talk to each other. I suppose the ideal is one to one. But that doesn't work on our dairy farms today because it is a 24 hour business. I mention confidence and 24 hour service. I can't give 24 hour service and one man up there can't give 24 hour service. Probably the average is three and three. Three men involved in a



Clinical synopsis:

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Clinical synopsis: Response: Visible in 24-48 hours; average recovery in 3-4 days.

Precautions: Veterinarian should be aware of the possible side effects of dexamethasone such as suppression of inflammation, reduction of fever, increased protein degradation and its conversion to

carbohydrate leading to a negative nitrogen balance, sodium retention and potassium diuresis, retardation of wound healing, lowering of resistance to many infectious agents such as bacteria and fungi, reduction in numbers of circulating lymphocytes.

Contraindications: Animals with severe renal function impairments and untreated infections.

Warnings: Milk taken from dairy animals during treatment and for 72 hours after the latest treatment must not be used for food. Clinical and experimental data have demonstrated that corticosteroids

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For clinical synopsis see following page.

modern dairy farm today, three men involved in a group practice. This lets the person have the time off. Now what are the farmer's problems? What is he like? I've been a farmer for quite a while and I deal with a lot of farmers through my connection with Holstein Canada. Most of them are ideal, some of them are, well, skip it! Farmers tend to have localized areas of activity. Their concerns are their own and they deal with less people per day. So the farmer is involved in really what he is doing today with less people. The veterinarian is concerned with many people's problems in that day, so you have two sides. This gentleman is concerned with what happened on the farm today. This gentleman here is concerned with what happened on probably 20 farms today. So where do they meet? They meet over an emergency case. This is not the ideal solution or situation. **The solution is the herd health approach, where that farmer and that veterinarian meet at least twice a month on a routine basis, so that when the emergencies come up you don't have this problem.**

What about fees, why don't we talk about them? How does the farmer sell his product? The farmer gets paid for grade and weight. No grade, no weight, no pay. The veterinarian gets paid based on his value for his service and in most cases that's totally satisfactory. In some cases it is not. I think farmers and veterinarians should talk about the fee structure. I don't think it is a problem at all, but we should talk about it. Bills that come in 6 weeks after the activity are not the best. I do think we should have a

duplicate copy in the farm office. When the veterinarian completes his work he jots down the activity for the day, not the price, and then leaves. His secretary will probably fill in the cost of the medicine, or the time involved, or the fee for service that's involved, so that when the bill comes in, the farmer matches the date with the service and he knows what's going on. Also, I believe the farmer should inspect his herd every morning before 8 o'clock, know where his general problems are and phone his veterinarian so that the veterinarian can plan his day. These calls that come in after you are on the road can't be anything but confusing, so we have to train our farmers to get this job done and don't hesitate to lean on that one. If he's the kind of farmer that won't do this for you, you're better off without him. Deal with the men that will. I think it's quite helpful from the farmer's point of view if the veterinarian can hold a meeting of his clientele once or twice a year, show a film of interest and there are many of them and talk over some general problem in the health area that happens to be pertinent for that year. A get together once a year is certainly appreciated by the herd owner.

SO, WHAT MAKES IT TICK? — WE ALL DO. WE NEED OUR VETERINARIANS AND WE APPRECIATE YOU. WE HAVE A LOT TO LEARN.

*He who knows not and knows that he knows not is a wise man
But*

He who knows not and knows not that he knows not is a fool

