



## South Pig Monitor Farm Group

Strathmore Farming Company,  
David Soutar  
Glamis.  
Forfar, Angus  
DD8 2RJ

Report on 2<sup>nd</sup> Meeting held Tuesday 28<sup>th</sup> July 2009

Provisional date of next meeting: Tuesday 20<sup>th</sup> October 2009

**Facilitators:**

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## **1. INTRODUCTION**

This was the second meeting of the South Group which was held at Kinross. A total of 32 + 4 people were present representing producers, pig staff, vets, and the trade.

The overall aim of the project is to help pig producers improve their performance and profitability. The Monitor Farm project helps by sharing experiences, finding out how others have tackled problems, trying out new techniques, bringing in the best specialists, and identifying best practice.

**The aim of this meeting was to:**

1. Update from Monitor Farmer and consider key performance indicators
2. How to calculate production costs
3. Comparisons of weighing systems
4. My Farm
5. Scottish pig health overview
6. Market update

## **1. MONITOR FARM UPDATE**

David Soutar gave a brief update on performance since last meeting and introduced unit Team Leader Bill Davidson who had been on holiday at the previous meeting. DS then introduced Paul Wright of Checkmate, and his role in the business. Paul is employed as an independent "pig production manager" who links with the Team on the ground and David. Paul help set targets and monitors performance. His deep knowledge and vast experience has been invaluable to the business in the recent past. David reminded members that there was a big push to get the age of sows back below 6<sup>th</sup> parity which had resulted in a period when the "game plan had been neglected" in late 2007 and early 2008.

Paul Wright explained his emphasis on keeping services up and the targets set both in breeding and finishing to attain the desired end results.

Present Targets:

- To iron out the peaks and troughs in productivity
- 95 fresh services per 3 week batch + returns until performance settles then back down to 90
- 856 born alive (current average 11.5/litter = 83% farrowing rate)
- 760 pigs weaned per batch

First servings had dropped to considerably in 2008 due to failures of previous member of staff (same problem as age of sow). Changes in responsibility had quickly brought the performance up to 80 per batch and the completion of the two roundhouses along with an increase in numbers of gilts into the herd had had a further impact. The improved environment in the Roundhouses facilitated the AI immensely, and current first serving sits just below 100 per batch. This has coincided with an increase in sow numbers which now stand at 695. The hope is that once production settles down the herd will reduce as efficiency replaces sows on the ground.

A move earlier in the year to a clean farrowing field is also helping performance. Strathmore has tried to maintain a two year rotation in the farrowing field and this slipped lately due to external factors.

David explained that a couple of courts had come vacant on one of three recently acquired farms and these are hopefully going to come on stream soon. It is also planned to mechanize feeding on out farms as cashflow allows. Presently the filling of hoppers is done by the same feed wagon used for sow feeding but is labour and tractor intensive. David introduced Dr Grant Walling who is Director of Genetics with breeding company JSR. David had flagged up with JSR the possibility of moving to a criss cross system (rather than the current pyramid breeding policy in place) and moving to an indoor type sow now that the dry sows were housed. Currently some gilts are being used which would have been one step further down the pyramid to keep numbers up. Although these are actually performing quite well but the potential to sustain an increase numbers born is much greater getting back to dam line genetics.

### **Genetics**

The policy of breeding own gilts is widespread but does lead to concerns about the ability to produce at maximum efficiency compared with purchased gilts. JSR geneticist Dr Grant Walling explained the proposals being considered at Glamis to move to a Large White first cross then a Duroc/Landrace for the next generation on a criss cross system. If this proposal is adopted it will include selection of gilts as piglets from sows at their 2<sup>nd</sup> and 3<sup>rd</sup> parities which would have the original pyramid damline genetics (the younger ones being ½ sire line). Piglets will be given coloured ear tags, with further selection at 40kgs and at finishing weight.

Present management targets would continue ie:

- Target maximum parity at 5<sup>th</sup> (as herd was at until nov 2007)
- Shot term replacement rate @ 55%
- Eventual target 630 sows (currently 700) unless change of policy. Roundhouses can only cope with 6x 90 sow batches.
- Need 385 replacements/year
- Purely AI for first and seen returns – chasers are bred from sire line boars.
- Gilts are fed a dry/lactating sow mix diet to allow a steady growth rate.

The home-bred policy requires good tracking of stock through the system and good pig ID which is currently sound using tags and the Armada system.

The current AI practice is excellent and along with the high health of the herd is seen as a major reason for continuing to produce home-bred stock.

Jim Thomson (Vion) remarked that the producers should always factor in the requirement of the processor, and if Strathmore is currently supplying processor needs, changes should be made with care. David agreed entirely and reminded Jim he had kept him in the loop already and assured him that any decision on slaughter generation sire would be made after considering the marketing of the end product.

The meeting was split into work groups to discuss the monitor farm breeding policy. The groups outcomes were:

### **Closed Herd**

- Pros
  - Maintenance of stable health
  - Maintenance of performance
  - Staff morale
  - No quarantine required (or costs)

- Customer satisfaction (no rapid changes)
- Cons
  - Takes longer to achieve outcome
  - Management 'difficult'
  - Greater variance of genetics (may impact on performance)
  - Cost of damline DLWG

### **Purchased Gilts**

- Pros
  - Rapid adoption of up-to-date genetics
  - Numbers finished increased quicker
  - Even gilt flow
  - Faster achievement of targets
  - Running 'single' unit
  - Less demanding management
- Cons
  - More expensive – higher cost
  - Increase disease risk (isolation / testing)
  - Stuck with genetics available

The group was reminded of the clear data from Denmark where effective isolation of incoming stock coupled with routine monitoring and reporting from source herds has a dramatic positive effect on reducing herd health breakdowns. Data from the UK clearly shows that too many isolation units in the UK do not provide effective isolation.

### **1a. KPI ~ Key Performance Indicators**

Iain Mortimer gave a brief introduction to the idea of KPIs, and the need for a shared set of key performance indicators of herd productivity which could be linked to financial costings.

#### *Initial KPI points*

- Pigs per breeding animal per week
- Pigs per farrowing crate per week
- Post weaning mortality
- ADG weaning to slaughter
- FCR weaning to slaughter

#### *Future KPI points*

- Breeding herd feed conversion
- FCR adjusted for mortality
- Post weaning FCR adjusted for average feed cost

The KPIs require 12 input values from the pig herd and four from the feed mix/purchases each week. Most producers using pig management software are able to produce most or all of the required values. QMS has now signed a contract with Agrosoft to supply and support the WinPig package to Scottish producers and this will facilitate adoption of KPIs. This will provide an extended capability to compare units objectively and thereby to share knowledge on production techniques.

The idea is not universally accepted. Some outdoor sows herds do not use individual sow recording, and many do not measure post-weaning performance.

## **Action**

To progress the topic with a focus on individual units that can act as case studies.

## **2. Estimating Production Costs (J Booth)**

The aim is to produce a simple costing model to allow producers to estimate the cost to produce a kg of pigmeat. This will allow producers to better understand their costs, margins and where to make improvements – the start of benchmarking.

The support and contribution of Dave Smith was acknowledged in developing the model. Jim was looking for feedback on the approach used to help improve the model.

Initially the estimate will be calculated from the latest financial year-end but will move to a 'rolling' yearly average (maybe quarterly). It is important to adopt a standard approach if using the model for benchmarking purposes so some aspects would be standardised.

### **Key points.**

Need to calculate the annual pigmeat produced; a combination of the total weight (dwt) of pigs sold plus allowance for gilts/boars retained for replacements. Dividing this the average sow numbers would give a measure of the 'annual pigmeat produced per sow'. A target of 2 tonne / sow has been suggested.

Calculating variable costs – those direct costs such as feed, vet, transport, etc is generally relatively easy as all attributed to the pig enterprise. Those home mixing, need to estimate the quantity of home grown feed (barley, wheat) used, being valued on a monthly basis at the HGCA ex-farm price. (these values would be provided).

Allocating fixed costs is notoriously difficult especially on farms with a range of enterprises (cereals, potatoes, livestock, etc).

### **Some standard costs have been suggested**

- Unpaid management - £35,000 per labour unit
- Transfers of straw returned as FYM to arable land will be cost neutral – no charge
- Houses for farm staff charged at £5,000 each
- Overdraft and loan interest all charged at 4p/kg per pig.

## **Action**

Comments of the model and the approach used are invited. Volunteers are required to help develop the model (all confidential). If you want to know your production costs, please contact Jim.

## **3. Comparison of weighing systems**

(This item was dropped to accommodate the discussion on the breeding policy for the monitor farm). The subject had been suggested and agreed at the first monitor farm meetings, with the aim of looking at a couple of different systems and also the costs and

benefits involved. Video footage of three different systems was prepared and costings from the North monitor farm added, with costs per 100 pigs (labour + annualised capital over 5 years) of £16.13, £16.60, £17.97 and £31.25. Reasons for variance included whether pigs were slatted or not and also equipment costs and equipment age. Strathmore costs of £17.97 per 100 pigs would need travel costs added.

The brief study also compared for each of 18 farms the return on contract price from the processors, based on 12 months' grading data. Excluding one outlier farm which was selling too many overweight pigs (and now no longer in business) the range in financial returns to producers as a result of the accuracy with which they met contract specifications, per 100 pigs, was £11,130 to £12,500.

**Action.** Produce the information as a brief paper-based report for the community group,

#### **4. My Farm – Robin Traquair**

Robin Traquair farms near Dalkeith and presented the group with a virtual video tour of his unit. The pig unit is their sole business and extends to 12 acres, worked with two staff and one part/time. 350 sows on an indoor unit, closed herd of PIC breeding stock all AI'd with some Hampshire genetics. Built a new dry sow house 2 years ago allowing sow numbers to expand, and had bought two second-hand Portapig weaner units at a very keen price.

Pigs sold through Scotlean but also sell a third privately to butchers. Not enough finishing space so regularly have to sell 7kg weaners. 3 different types of finishing house; solid floor, part slatted, fully slatted. Rely on neighbours to take muck and slurry but manure management may become an issue if more pigs finished on site. Buy in wheat, barley and straights and do own feed mixing. Using Agrosoft recording, good records and excellent performance at 25 weaned per sow/yr and rising.

#### **5. Scottish Pig Health Overview (Iain Mortimer)**

Iain outlined the draft programme aimed at improving performance by disease control, elimination and possibly even elimination. One of the basic requirements will be to understand where the Scottish herd stands at present, which is one of the main drivers for introducing the KPIs and attempting to establish the disease status of individual farms. Thereafter comparisons may be made between good or poor performance, good or poor disease status, and different management systems. Issues include:

- Farm locations ~ GIS mapping
- Individual farm biosecurity (impacts on aerosol/physical/biological spread)
- Valid disease certification
- Data collection methods

David asked if there was finance for a full herd profile to be made up by QMS in conjunction with Colin Barr(Thrums vet practice), David Strachan and if possible Jill Thomson.

**Action:** To draft a disease certification protocol for Strathmore Farming Company

## **6a Market Update (G. McKen)**

DAPP at record levels but increasing pressure on price. Expect to plateau and may be downward movement.

Poor summer weather impacting on meat demand for BBQs

All the meat trade under pressure due to the state of the economy and impact of the recession.

Surplus pigs from Eire are going into N. Ireland.

Average DAPP for the first 6-months is 144.5p/kg compared to 138p/kg in 2008.

Scottish Government have stated they will give pigs a priority for PAC assessment for grant applications submitted under the SRDP.

## **6b SPCA label of pigmeat. (G. McKen)**

Tremendous opportunity to differentiate Scottish pigmeat by getting it labeled with "approved by SCOTTISH SPCA".

Scottish pigmeat has no PGI status so can't be labeled 'Scottish', this is a great opportunity to get a 'Scottish' label at no additional costs.

Need to appreciate SPCA are separate from the RSPCA. The SPCA have always been supportive of livestock farming. They have 7 Inspectors (assessors) and it wouldn't be onerous for existing farm assured units to gain approval.

Gordon circulated examples of the label to be used.

Everyone agreed this was a great initiative and needs producers full support.

This was a major coup and the industry owed thanks to Gordon and his team for making this happen.

**Action:** Need to get as many pig units to apply for an inspection by the 1st September.

## **7. Project Business**

The purpose of the Management Group is to represent the Community Group, and provide feedback and guidance to the project. Members will normally serve for one year. Please contact them if you have any comments or suggestions to make on the programme.

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|--|---|
| <input type="checkbox"/> Guthrie Batchelor | <input type="checkbox"/> Kathleen Smurthwaite |
| <input type="checkbox"/> Andrew Peddie     | <input type="checkbox"/> Ryan Noble           |
| <input type="checkbox"/> Jim Wyllie        | <input type="checkbox"/> Ian Stewart          |

## **Date of next meeting**

A provisional date has been set for Tuesday 20<sup>th</sup> October 2009.