

STATES OF JERSEY

Corporate Services Scrutiny Panel Proposed Importation of Bovine Semen

MONDAY, 16th JUNE 2008

Panel:

Deputy P.J.D. Ryan of St. Helier (Chairman)
Deputy J.A. Martin of St. Helier
Connétable G.F. Butcher of St. John
Connétable P.F.M. Hanning of St. Saviour
Professor S. Hall
Ms. S. Power (Scrutiny Officer)

Witnesses:

Mr. D. Quenault
Ms. S. Barette
Mr. D. Le Comu
Mr. D. Le Sech
Mr. T. Barette
Mr. D. Le Gresley

Deputy P.J.D. Ryan of St. Helier (Chairman):

Welcome, ladies and gentlemen, good afternoon. I do not think I have ever seen our scrutiny hearings quite so well attended, but it is very nice to see you all. Welcome to Corporate Services Sub-panel where we are reviewing the proposed importation of bull semen and we have today's hearings, more hearings on Friday, and we also have a public meeting tomorrow evening where I guess a lot of the same issues will come out but it is at a time when it will give better access for the general public to come and talk to you, ladies and gentlemen, and to other witnesses all at the same time. So, I apologise for there being a certain amount of repetition in that process, as there will be tomorrow and today, but it is necessary for us to involve the public as far as we can and that is the main reason for the public hearing tomorrow evening. So, welcome. If you would not mind, in order that we can properly identify any speaker with the recording it is helpful for the people who are going to do the transcripts if you introduce yourselves and they can recognise your voices. So, I would ask, Darren, if you would not mind introducing yourself and we will move round the table.

Mr. D. Quenault:

Darren Quenault.

Mr. D. Le Comu:

David Le Comu.

Ms. S. Barette:

Sarah Barette.

Mr. D. Le Sech:

Don Le Sech.

Mr. T. Barette:

Trevor Barette.

Mr. D. Le Gresley:

Derek Le Gresley.

Deputy P.J.D. Ryan:

You, ladies and gentlemen, are all milk producers and once again welcome to our hearing. We have Deputy Judy Martin here.

Deputy J.A. Martin of St. Helier:

Good afternoon.

Deputy P.J.D. Ryan:

Sam Power, our officer. Constable Peter Hanning, myself, Deputy Patrick Ryan, our expert adviser Professor Hall and the Constable of St. John, Graeme Butcher. So, welcome. I think to start with what we had better do is just ask you in very general terms to outline your concerns with the proposed importation of bovine semen, and will I just start randomly or ...?

Mr. D. Quenault:

I think I have been given the task to kick off. Basically there are 5 of us and Sarah is here because obviously she is with her father, and it is as committed to her and her business as it is to Trevor's. From our point of view I think all 5 of us were extremely happy with the letter that we submitted you and in no unfair or biased way I think it went right through to all our submissions as to our worries for the future of this Island industry and where we see the dangers. From that point of view we are absolutely fully aware that we are standing at the present moment within a protected milk market. That protected milk market guarantees an Island herd. The importation of semen is not just the importation of semen, it is going to be importation of genetic material and according to my take on the law it will also mean cows, because I do not believe that in the European Union, which Jersey is signed up to, Protocol 3

1973, for free trade, free trade of agricultural produce, cattle, embryos, semen, all comes into that. From that point of view you open the house. It is completely open and it is open to everything. Quite frankly, if that is what government wishes government can have it, but as it stands at this present moment in time we 5, 6 of us with Sarah, believe that we have something unique. We believe that it is worth protecting and some of the issues which are being highlighted we do not particularly agree with, hence why we have made our submission to stand where we are today. I know you have outlined some questions as to where you wanted us to reiterate some of the points, do you want me to go through that?

Deputy P.J.D. Ryan:

I think it would be a good idea unless we come to them as we ask the questions. I think maybe if we ask the questions and then we can take each section a little bit at a time, and then if we have left anything out or if we have not asked questions in areas which you would like to say something and to present evidence or concerns that we have not touched on then by all means we can cover that at the end. If I go to the question about the risk of inbreeding; your submission states that the importation of semen could increase this risk of inbreeding. Could you explain what you mean by that? How would there be a greater risk than that to the current, closed herd situation?

Mr. D. Quenault:

Quite frankly, you are still looking at a dairy farmer's view on this and I would say there are geneticists out there which will give a far more detailed expression of where the inbreeding lies or not. As far as I am aware the last actual genetic take on it proved that we were not inbred. We are also being told that we used 120-odd bulls last year. On that you still get massive genetic variation. The reasons for our submission saying that we could end up - and it is only "could" because everything is hypothetical - but if you start highlighting server bulls coming in you are not going to be bringing in 120 bulls to let randomly loose on this Island population. The other reason is, as it stands at the present moment with every single cow being Jersey Island she has the potential to produce a pedigree offspring. As soon as you start bringing in beef semen you are taking out a percentage. It could also be argued that you are not particularly looking at those cows as dairy replacements, but they are still there and everything in life does not work out quite as simplistically as one would hope, especially when you start breeding cows, you start getting a severe run of bulls and you start ending up with not your particularly desired breeding herd and you start making a compromise. All I am saying is you have a population at this present moment of time of 3,150 milking cows, they all have that capability of producing a dairy offspring. As soon as you start bringing in beef semen or bringing in small amounts of highlighted bulls your population is getting smaller and smaller. For want of another word it is not just on the bull scenario. You have a cow within the worldwide Jersey herd which they are talking of having descendants of 100,000 animals. All of this means everything gets inbred quicker than this present rate of time in which we are doing. That was the issue behind it, where basically the last genetic report that I have seen, and I have not seen anything since, is saying that the Island is not inbred and all I am

highlighting is the fact that if you start increasing - I keep saying "I", can you work it as more "we", sorry, I mean it is all of us, it is not just me spouting - we end up highlighting the fact that you are going to have a smaller Island herd producing these animals and hence the inbreeding rate will become bigger. But, quite frankly I think it is a question for a geneticist and not a bunch of dairy farmers.

Deputy P.J.D. Ryan:

Let me just say first of all that a bunch of dairy farmers are exactly where the public of Jersey wishes to be and have sympathy with and with your views, you are after all the people right at the sharp end of the dairy industry and our job representing the people of Jersey is to very much listen to the views of those Jersey farmers that are right at the sharp end of the dairy industry, and that means you people. So, you should not feel in any way intimidated or in any way feeling that you are not the right people for us to be asking questions of. We very much want to hear your views as small farmers. You can rest assured that that desire is absolutely paramount, as it is with the people of Jersey I am sure, that they want to hear your views. Please relax and feel absolutely free to tell us exactly what you know from your experience of the dairy industry, and I really do mean that sincerely. So, we will ask those questions that you are talking about, you can rest assured, of the geneticists, and we will ask those questions in great detail and we will not be pulling any punches, I can assure you.

Deputy J.A. Martin:

Can I just on that, you make in your submissions -- in our question you do make a statement that says you say it could increase the risk of inbreeding but in your submission you say: "Global dominance of the American genetics over all the Jersey population is causing inbreeding to be accelerated." Now, is that an opinion or is that evidence-based? Because we are evidence-based and I am reading 2 different things here. Or reading and hearing something completely different.

Mr. D. Quenault:

I believe this is where I am highlighting it from my opinion, and if you look at the American Jerseys over the last 10 years they have been going out sourcing other Jersey populations around the world to bring down their inbreeding coefficients. So, from that point of view I would say that they are definitely accelerating it. Now, from those type of issues what you end up with when you start breeding genetics and you get the super bull comes out, everybody uses them, everybody uses sons of them, everybody uses grandsons of them, so your actual gene pool is shrinking all the time. That is what we are trying to highlight and that is why I am saying that is why America, or the American genetics, went off to Denmark and New Zealand and it is these types of issues to try and keep the Jersey genetics world at a better inbreeding coefficient than what it was heading towards. Does that answer your question? Not really.

Deputy J.A. Martin:

I know what you are saying. We need to speak to a geneticist on that as well and the world - as the big picture of where the Jerseys are all around the world.

Professor S. Hall:

A couple of things, 127 bulls is amazing. Why so many? Why have so many been used last year?

Mr. D. Quenault:

To be honest I am not really in a position to answer that. I presume there is an awful lot of stubbornness within the Jersey farming world, but I suppose you could also say that due to the very nature of the small population we are always running groups of heifers with bulls, they always have the bull out at stud from that point of view. It is a situation I think which you would be better asking the Breed Society as to why they have not pushed harder to highlight the younger bulls which were of desired use rather than something from us. I mean we are using it as an observation to say that it is a situation where it stops inbreeding but whether it is the desired trait to move the breed forward is questionable.

Professor S. Hall:

So, it is partly because of management reasons you use a lot of natural service. Would that be correct?

Mr. D. Quenault:

Yes, the fragmentation of the Island farms is pretty substantial and it is far easier to have a group of small -- well, bringing females out in the field with a bull and you do not want those bulls getting too big, so you keep rolling them over pretty quickly just for ease of handling. So from that point of view there is always some --

Professor S. Hall:

Do you think that has had any effect on the temperament of the bulls? Could you point to any genetic effects of that system or is it too bound up with management to be able to say?

Mr. D. Quenault:

I think an awful lot of it would be bound up with the management side. To be honest, personally I do not believe that the Island has ever looked at its genetic breeding enough and decided on what was best and what was desired. I think that has been the biggest failing of this generation of dairy farmers.

Professor S. Hall:

Well, you mentioned inbreeding and this being a bad thing, what would be the attitude of yourselves as representing a group on a system whereby you were told what bulls to use with a view to restricting inbreeding? If someone - if you said: "I want to use one or other of these bulls" and you were told by an authority --

Ms. S. Barette:

I will voice my opinion. In the years that Dad's been farming, 18-20 years, we have had a bull proving scheme and that is they have a committee and they go round and choose the bulls. Out of those 18 years we have only had 2 bulls off our farm, and one of the arguments is saying that we are going to be inbreeding, when there are many, many fantastic cows in our herd that just get pushed aside because we did not fit in the right crowd, and there are many farmers out there that they might not have fantastic milk behind them because they are bringing little Daisy in from the field and she has just eaten grass and she is not pushed as hard a commercial herd, but just because she does not have the figures behind her she is blacklisted. They do not want to touch her because she does not have fantastic milk yields. But in the right management and the right herd she could be a very good cow. So, out of our farm 2 bulls in 18 years. Whereas you go to other farms year after year it is always their bulls put forward but ours are never looked at; and there are many farms in the same position.

Professor S. Hall:

If it was decided that there had to be a scheme designed to stop the breed as a whole getting too inbred that would mean you would be directed, if you like, to use certain bulls. How would you respond to that?

Mr. D. Quenault:

Personally I think we are at a major crossroads - well obviously we are at a major crossroads where this breed is going to carry on, and what is its makeup of what is going to be left? I started off saying that we have a protected milk market, which I think is absolutely, correct me if I am wrong, but I do not believe that Jersey Island is the place where somebody wants to start producing efficient milk production. I mean, the infrastructure costs are too high, the labour costs are too high, land is too -- everything. It is the worst place. If you want to try producing economic milk you do not pick the Island. It is a finance industry so we are always competing on that. So from that point of view, if you believe that you are never going to make the cheapest milk out there in the global world, you are then saying: "Well, what is the best way of protecting our market?" When you already have a protected market due to the uniqueness of the Island cow you have to be efficient at what you are doing, you have to keep the cow being efficient at what you are doing, everything on that farm has to be efficient to make sure that she is delivering you a living, which is the prime reason we keep them. From that point of view I believe everything is achievable on that side. I do not believe that we have lost anything to say that it is not and if it now means that as a group of 30 farmers or 29 farmers that have to start looking at it because numbers have dropped dramatically within the last 20 to 30 years again and we now have to all co-operate and produce a breeding system to keep us into the next 50 to 100 years, then it is going to have to be done. I do not believe that we can now sit isolated. If you are going to say: "All right, it is not going to happen", well then for sure we will fail. There is enough genetic variation within the Island

herds that we are still getting above average milk production from some of these cows and from that point of view a lot of it then comes down to management, and that is up to us to get better. From that point of view we are back into another question when I said there is no point just running the cow through all the mess that we are in at the moment.

Deputy P.J.D. Ryan:

So, I think what you are saying is that it is not only the cow.

Mr. D. Quenault:

It is definitely not only the cow. I mean you have had -- Jersey Dairy has failed to make a profit in the last 7 years. It is not producing -- it is paying at the present moment in time, I am led to believe, the same amount as what an English farmer would get with considerably more costs here. I think you touched on it saying: "Well, what about economical operations or size?" But we have just been through another restructuring system. Why did that not happen 4 years ago? I am not the person to ask, I mean they have been producing milk to put into skimmed milk powder, which was not making anybody any money, well why produce the commodity in the first place? You do not produce a commodity you cannot make a profit out of and from that type of view it has only cost everybody and basic economics say you find a market for what you are going to produce and then you produce it. You do not go around saying: "I have this magical product called liquid milk, I cannot do anything with it, it is going off. Oh, let us do skimmed milk powder with this. We are losing money at that but let us carry on." Then all of a sudden well, the economics do not work. Ask Jersey Dairy why it has to sell its premises to relocate. It is not because it in a happy state and it can cope with its debt; and that was from a monopoly. So, you are going to ask it to be opened up to global influences and the possibility of cheap milk coming in, then from that point of view it will be an interesting scenario.

Deputy P.J.D. Ryan:

Can we move to beef cattle? You have concerns with the possibility that there would be imported semen that would lead to the breeding of beef cattle. What exactly are the concerns there, if one could ask you to just ...?

Mr. D. Quenault:

The concerns were not -- I would question the way you have asked the question to the way it was written. I think it is more of a situation of going back into the saying that obviously the Island gene pool will be shrinking with more and more beef cattle. What I am trying to highlight is the fact that it is not just going to be Jersey semen that is coming into this Island if the restrictions are lifted. From that point of view, this is what we were trying to highlight, everybody has been on about Jersey semen. I do not believe under E.U. (European Union) law that you can restrict it just to Jersey semen, so from that point of view you have to allow embryos in, you have to allow beef semen in, you can basically allow black

and white cows' semen to come in. There is no way that you can stop it as a government because you have to open up under Protocol 3, and it is open season. From that point of view the States then have to make a decision whether they want to keep pure brown cows solely in our green fields or you are going to totally diversify the Island's agriculture and say: "Right, you can have what you want. You can have a herd of Charolais, you can have a herd of Belgian Blues or whatever."

Deputy P.J.D. Ryan:

Would it be economically viable for someone to do that?

Mr. D. Quenault:

The issue of where we go depends if liquid milk comes in. If liquid milk comes into this Island and the main pillar of defence, which has been the uniqueness of the Island herd, is taken away, then you are saying, well, the domestic milk market which is what we are all producing at this present moment in time will be cut into and when that is cut into you are then saying: "Well, I have the infrastructure because I have the land, I have the buildings, but we are not producing the same amount of milk because liquid milk is coming in" so the Island is not going to start magically consuming 4 or 5 million extra litres of liquid milk just because someone is bringing it in cheaper. So you are then saying which part of the equation is going to fall and from that issue, if you have an uncompetitive dairy producing an overpriced product it does not take too much to say which way it is going. Then you are saying right, well okay, we have all these herds and the farms, they have a choice. If they want to carry on farming you are looking for a diversification. It is not going to be a massive, profitable industry doing beef on the Island. It is niche products, niche market. But if the buildings are in place and the land is in place it is not to make a living out of it, but it will offset some of the pain.

Deputy J.A. Martin:

So, if it was allowed and there was a niche market as we have seen in Guernsey, as you say they do import even under their law that was passed before Protocol 3, they do import other semen and they have beef cows which it is a very niche market over there, to restaurants. Now, I think you said earlier that you could see live cattle being introduced to the Island. They do not do that at the moment and they do it through different rules which I will not go into, but they seem rules that could easily happen in Jersey. I heard this morning that we have 700 heifers a day old in Jersey that are slaughtered and some of this could be beef or veal that is slaughtered.

Mr. D. Quenault:

I am interested to hear your take that you think that you can start bringing in the Guernsey model on their laws and bringing it through to Jersey Island because under the actual take, I thought that through D.E.F.R.A. (Department for Environment, Food and Rural Affairs), the only reason that we had our existing position in place was because of the uniqueness of the Island herd but I believe Guernsey has

never had it questioned and I think if somebody were to question it, you would find that their actual defence is not very watertight, to say the least.

Deputy J.A. Martin:

Well, maybe I got the wrong take on it. We had the J.C.R.A. (Jersey Competition Regulatory Authority) in just before lunch and basically under all E.U. we are in the same position. There just has not been a challenge and where do we come on the Commission so I think, again, we have asked them and we will have someone from D.E.F.R.A. but I thought that I understood J.C.R.A. to say that we could still be challenged and so could Guernsey as we are now, without importing semen. That was my understanding.

Mr. D. Quenault:

I am not disputing that for one minute. I think the difference between whether we are ever challenged under E.U. law is what line of defence you take to try and make your case but for making the case, the last time I spoke to a senior D.E.F.R.A. official which was Ann Friedman, she was explaining to me that your uniqueness of the Island genetic herd was the only reason that you were keeping this so-called anomaly of keeping liquid milk out of the Island. From that point of view, I think it is far better to talk to her and get their view rather than me and the conversation which I had with her, which was the summer of last year.

Deputy J.A. Martin:

Sorry, what was the name again?

Mr. D. Quenault:

Ann Friedman, it is in my submission.

Deputy J.A. Martin:

Oh sorry, so it must be in there, yes, okay.

Deputy P.J.D. Ryan:

Can I just move on to something which I think is very close to all of your hearts. Your submission states that you think that using the existing cows, the existing herd, right across the Island, that you could enhance the cows' performance and productivity to a greater extent than we have achieved so far generally in the Island. Would you like to explain that? Where have the dairy farmers been going wrong? Obviously you seem to think that generally they have not done a very good job or that there is a better job that could have been done. Could you expand on that to explain how you could achieve that?

Mr. D. Quenault:

Well, there are obviously 2 simple reasons for doing a better job. You only have to take last winter's grass silage analysis and we were 2 megajoules of energy lower than the southwest of England. Now, from that, that equates to over 600 litres of milk per cow wasted because you are not making quality silage. An awful lot of this equation all works into actual cow management and it is getting the quality of the food right in the first place and you cannot say that it was not done because 2 of the herds on the Island had above the southwest average. So you are asking what is wrong with the management systems on the rest of them. Now, you start putting 600 litres extra into the Island equation, it does not look anything like as bad as what it does at this present moment in time. On the genetic side, there is no way that I would ever stand up and defend the use of 120-odd bulls. It is not a way of making genetic progress. Back into the other remit, I think that as an Island, ever since I have been working with it and when I was on the Breeding Society, I think all we have ever tried to do is to please everybody and try and make this perfect all-round bull which is perfect in production, perfect in type, perfect in everything and from such a small population, I think that is an impossible wish. From the other side, I think if you want to make actual genetic progress in any real issue, you highlight the trait that you think you are failing in and you go for it. Dr. Jim Allen wrote a letter which I put half of this in the submission but his full letter was seen and he is a geneticist and he is highlighting these very faults. Now, my view was done before he wrote his letter but, from that point of view, you are just not achieving what can be achieved. To say that it is all rubbish -- personally my herd did over 6,100 litres 2 years ago and it is back heading that way now. We are now fully organic, myself, personally. I have a cow doing 42 litres of milk. I have the whole herd averaging over 21 litres. If you are telling me this is bad or this is unprofitable, I am telling you it is nonsense, okay, so do not start saying that just because others are moaning. But what it is is an issue that it can be achieved and it can be done so it is not just saying it is the cow's fault or it is lack of genetic diversification. We have cows which have done 10,000 litres. You do not get a cow doing 10,000 litres if she cannot produce milk and from that point of view, you have to question why the hell is you have cows doing 3,000 for and it is the issues of not highlighting the proper desired traits instead of looking for this: "Oh, let us have the fancy cow, the show cow, the -- something which looks pretty on the eye" or are we in it as an actual capability to making a commercial cow.

Professor S. Hall:

Yes, you are going to make genetic progress more rapidly if you can breed in a co-operative manner and, as has been pointed out, the Jersey Bull Proving Scheme did not really work out but would there be other co-operative models that might work out? For instance, one thing that has been used to some extent and not necessarily in this situation but something like an open nucleus breeding scheme whereby you each contribute some of your best cows to a central herd in return for which you have the right to buy bulls from that herd. That obviously critically depends on as many people as possible co-operating. Are there prospects of that sort of co-operative scheme operating, given that the J.B.P.S. (Jersey Bull Proving Scheme) did not really succeed?

Mr. D. Quenault:

It started up back in 1987. Correct me if I am wrong, but I know that back in 1983, which was only 5 years earlier than that, I think the average size was still 18 milking cows. Now, in my life -- my father and I did not co-opt to the early bull proving scheme because there were enough people out there to do it and we had our own breeding goals in which we wanted to use our own personal herd to bring it in -- apart from the fact that it was an absolute mick-mack of 42 sires and 46 cows. Well, that is no way to start a breeding herd and that was back in 1983 so we had to get some uniformity in bringing it forward and from that point of view, we felt that the best thing to do was not use the early bull proving scheme. Twenty-odd years later, it is a different ballgame. You are down to probably a quarter of the Island herds. You are looking at it as purely an economic business now. Things have changed. The fanciness of breeding cows just to say: "Oh, it was a show cow, never make my money on that" is all gone. The harsh reality is if she is not an efficient milk producer, you are not going to make it. From that point of view, if imported semen does not come in, I think we all have to look at it and say we have to find a breeding scheme which highlights our best cows whether it is that or whether it is looking at the genetic makeup of cows, taking different other breeding societies from around the world and taking sampling through on that score which is something that the Americans have done quite a bit of work on; whether that helps, that is looking at all issues. When Mr. Bichard wrote his report, I asked the question: "What would you do if you had to start a breeding scheme now?" "As a pig farmer" he said: "you take 200 pigs, you breed them on. You find your best and you do not diversify from that because you are looking for your traits that the population is big enough to stop in-breeding yet it is full enough to make real genetic movement forward."

Professor S. Hall:

So the specific answer is that you are optimistic that a co-operative breeding scheme is a goer, whereas 20-odd years ago, it might not have been.

Mr. D. Quenault:

I would say I do not think we have any other choice.

Deputy P.J.D. Ryan:

I think also in your submission, you are saying if milk imports were to happen, that the dairy industry might expect to retain a market share of about 5 million litres. Could you expand on that?

Mr. D. Quenault:

It is all hypothetical but --

Deputy P.J.D. Ryan:

It is hypothetical.

Mr. D. Quenault:

Well, it has to be hypothetical because nobody has done it yet. Whichever way you look at the scenario, you just have to question exactly well: "Is somebody going to bring in just the 1,000 litres of milk a day or a week?" Well, the answer to that is: "No." They are going to go for a possible market share or a considerable amount. Then you are saying: "Well, what is the goodwill factor of the Island?" Now --

Deputy P.J.D. Ryan:

Five million is based on the goodwill factor.

Mr. D. Quenault:

That is where I would pitch it at where I do not believe -- I think the whole of the population will say: "Well, price is more important to me than what is going on." Half of them do not want smelly cows and flies and slurry so they are questioning whether they have to put up with this. The other half will say: "No, we do want that" and from that basic scenario, that is where pitching is at -- I think it is all due to price relevance and from that ...

Ms. S. Barette:

They will go for the cheapest milk and if anyone can produce it cheaper than we can produce it, they will go. They will not buy our milk. You will get the loyal ones but you have a mother who has 3 kids and a family to support. Which one is she going to get? Our milk is more expensive than English milk.

Deputy P.J.D. Ryan:

You have talked about disease resistance.

Mr. D. Quenault:

The reason we put that in is because obviously the Island has been protected for so long, it does not have the disease resistance that you would expect to find out there with a moving population in the U.K. and it is one of these issues which you say: "Well, if you bring it in" ... I cannot get a proper answer but the answer that I keep getting told is when you say: "Well, cannot live cows come over?" and they keep saying: "Oh no, no, no, we can keep it out due to the high standards of our Jersey Island health population of cows" and then you say: "Well, what keeps it out?" Now I will say: "TB." Well, you say: "We test for tuberculosis every 4 years" so if you are testing for it every 4 years, it means that it must be able to come in some other way otherwise you could have tested it once and it is clear. So from that point of view, if that is their only defence, I do not think it is much of one. I would also question the fact that if once a cow has done quarantine to move anywhere else in Europe, I cannot believe that she can be stopped coming over here. It is a question on my side and I think it is a legal issue which needs

to be pushed higher than my take. But that is where I was pitching it from.

Professor S. Hall:

So you are thinking of the arrival of infectious organisms through the import of semen or embryos or animals?

Mr. D. Quenault:

Yes.

Professor S. Hall:

I think, on reading your submission - I may be wrong in this - I rather got the impression that you thought there were genes for disease resistance in the Island herd.

Mr. D. Quenault:

No, no, sorry.

Professor S. Hall:

Okay, all right, because that would --

Mr. D. Quenault:

No, it is more the twist. The fact that we are not used to these diseases that are set out in the rest of the other populations. If they start coming in, you have no disease resistance to them. They will hit us all at the same time, depending if they come in or not and it is more a worry of due to the high health status that you presently have at the moment, it is another issue that as something comes in, it is another threat that hurts our Island cows.

Deputy P.J.D. Ryan:

Okay. Turning to the economics of running a farm. Very often, generally perceived wisdom is that it is economies of scale that are a major factor, whether you could make money out of a dairy. Can you suggest any modes of operation? Having in mind small herd sizes, how you would increase efficiency for smaller herds in this kind of commercial world. Any bright ideas there that spring to mind?

Mr. D. Quenault:

Well, to be honest, it all comes down to -- the whole trying to group every single farm together, the one thing you quickly learn is that every single one of them is different. Every single one of them will have a different level of debt sat on them. You have a herd which only has 13 or 15 cows which have been passed down 3 generations. Those farms do not cost them anything. There is no debt sat anywhere within that basis, they are looking pretty -- it is not the way of making a whole financial living out of it

but you cannot say those cows are not profitable. When you start rolling it through to the other extent where you have somebody who has just invested in a unit for 300 head of cattle, he might be able to push the quantity of milk up but if it is all on borrowed money, your level of debt is going to be horrendous and you really have to push something to make sure that it stays profitable. On the last restructuring, it did not take out the very small producers, it took out the biggest and 2 medium producers. So from that issue, I do not believe that -- obviously they felt they were justified in carrying on.

Deputy P.J.D. Ryan:

What we were looking for was modes of operation that would increase the efficiency. I do not think any of us were worried about how the small business could be operated. We were looking for efficiency.

Ms. S. Barette:

It is up to the farmer to run their farm efficiently. You cannot turn around and tell someone how to run their farm. Everyone has their different views on running their farm.

Deputy P.J.D. Ryan:

I think we are also looking at the processing system as well, of the dairy itself.

Mr. D. Quenault:

You are talking to the wrong person for that. So, right, well, on the simple issue, okay, I am the only other functioning one. I took the decision because I was not happy with the way that Jersey Dairy was being run. I have invested heavily myself. This is personally, not the others. This is just me talking. I have invested heavily within myself. I decreased my herd by half, okay, so economies of scale, I shrunk it back. I looked for niche products and niche market and, to this day, I think I did the correct and sensible thing to do. From that point of view, it is back into the situation. I have never once blamed my cows for the state of my finances. I think there were other things that were awry at the outset and the decision I had was to either stay with -- my 3 decisions, stay with Jersey Dairy, do my own processing or give up. If you look at the real estate value of my farm, I should have given up and sat on it and retired quite nicely. I did not do that. There was no way financially I could stay with the dairy, and from that issue I took the processing myself. From that issue, I am now trying to safeguard myself within a various degree of roles. I have pig production, I have beef, I have veal, and I have milk. From all of that, it is a total diversification and if one aspect of the farm does not bring in quite the desired effect, you are relying on something else and it definitely means I am carrying on and it probably means that we will get larger rather than smaller. I am not looking to shrink it so from those points of issue, I do not believe that big is that beautiful. I know darn well my cows are more efficient as they are at the moment and, we are getting a better return per litre than what we were before.

Deputy P.J.D. Ryan:

Very well, thank you for that.

Connétable G.F. Butcher of St. John:

Can I just ask a question. I understand through reports in the *Evening Post* that there is one of your number that was in the programme that is no longer in the programme. What were the reasons for it?

Mr. T. Barette:

The reason I got out of it was because when we went to the meeting up at the R.J.A. (Royal Jersey Agricultural), I just felt that it was put across the room that if you did not sign to support the States, virtually saying that the States wanted to support the importation of semen. If you did not want to help yourselves by importing semen, then some of your subsidies would be cut. That was said at the meeting. They deny saying it now but it was said at the meeting. Consequently, after the meeting, you all sit there and I -- what do you do? Okay, I am milking 180 cows so there is a big amount of subsidy. Personally, at the moment, if they cut the subsidies, they cut them. I am too long in the tooth now. The one that I am worried about is in the future. I had a discussion towards the end of last week about the importation of the semen and if they bring the milk in. Well, I got told that it could take 20 years if they challenged the milk to come into Jersey before they could bring it in. Fine. Maybe I will be dead and buried by then. In 20 years' time, my daughter will be 45. Does she want to carry on arguing at that stage about whether she is going to carry on. A lot of others, that will be, that is it. In 20 years' time, they will be gone.

Mr. D. Le Sech:

I think at that meeting that Trevor went, I went as well. When we had to vote, I think it was very intimidating because the fact was that I signed straight away "No" anyway, but we were asked to go and sign "Yes" or "No" and you could see some of the producers just looking at each other and saying: "Well, what are you going to do?" So we went up and signed "No" and everybody else could see who you voted for. There were quite a few just waiting to be last to see who was going to vote against, which I think was very wrong that night at that meeting.

Deputy P.J.D. Ryan:

All right. Now, have we missed anything that you wanted to put into the public domain?

Ms. S. Barette:

One thing they go on about in saying how in importing semen, you are really importing efficient genetics. The life expectancy of our cows -- we have many cows in our herds that have a life expectancy -- I have a cow of 16 years old that has just calved that is milking. She is not going anywhere because she has a low cell count and she gives a lot of milk. Americans and Canadians that

came over a few weeks ago, I asked one of them what was their life expectancy, 2 lactations out of a cow. They then burnt out and what do you do with it? There is only one place for her and that is not to carry on milking because she has absolutely drained herself and she is finished and at the end of her life, it is over. So consequently you want to keep more heifer calves to replace a cow that will only last you 2 lactations and you have to replace her. It is not profitable for keeping more calves when you only get 2 lactations out of a cow and that is it. And then if you have beef semen, also alongside, what do you do with the cold cows? What market do they go on? As it is, we can put our cold cows now into the market but if you are competing against beef animals as well, where do the cold cows go?

Deputy J.A. Martin:

Can I be quite clear when you asked about the 2 lactations. Were they definitely Jersey cows around the world and not Holsteins because we heard that the --

Ms. S. Barette:

No, definitely Jerseys.

Deputy J.A. Martin:

They are Jerseys?

Ms. S. Barette:

Those delegates that came over?

Deputy J.A. Martin:

Yes, we spoke to quite a few and I heard it from the Holsteins that have been well --

Ms. S. Barette:

No, but it was the Jersey herd as well.

Deputy J.A. Martin:

-- but not the Jersey herds.

Ms. S. Barette:

The people we spoke to it was a Jersey herd that said that you would be lucky if you get 3 lactations at the very most out of some of those cows.

Deputy J.A. Martin:

Do know the name of the Jersey herd where that was, in what country? I am only asking for evidence because we were told the same story, but it was Holsteins.

Mr. T. Barette:

No, he was the president of the American Society ...

Ms. S. Barette:

Better check with Richard, Dad.

Deputy J.A. Martin:

Well, you can let us know because that is important that we get the facts right.

Ms. S. Barette:

Yes.

Mr. T. Barette:

They were delegates who came up on their own back to see our farm.

Deputy J.A. Martin:

Fine.

Mr. T. Barette:

It was not arranged. They came up on their own back and they were shocked as to what they saw. They said that they could not believe it, that they had been taken to other places and they said: "Well, why were we not brought to a farm like this?" Nothing to do with me. I will admit we were asked if we wanted to entertain them and at the time we did not bother too much but in saying that, other farmers were asked as well. They did not say they wanted them and they picked on -- because of what we said before like with the early bull proving scheme. They picked on people that they wanted but I am not scared to admit it. I will stick my neck out. I pride myself about my farm but it has not always been the place for people -- people do not want to come and visit it because I do not go to all the meetings, I have never shown cows. It is only recently I have started showing cows.

Ms. S. Barette:

The herdsman who works for us went up and offered -- turned around and said to somebody: "Look, bring the delegates to Home Farm, let them come round." "No, no, no, we do not need to come to the farm because we have our week planned and that is how it is going to be" full stop.

Deputy J.A. Martin:

This is probably another naïve question. You just said you were producing veal, pigs and beef and that is all from Jersey semen?

Mr. D. Quenault:

Well, not the pigs. [Laughter]

Deputy J.A. Martin:

There is nothing ...

Mr. D. Quenault:

No.

Deputy J.A. Martin:

Right, so it is all from ...

Mr. D. Quenault:

Yes, the issues of what we are doing at the moment is obviously presently we are keeping every single heifer calf that is born and all our bull calves are kept for veal from that. It is not financially as lucrative as trying to get the milk out of the cow but it pays the bills and is still worthwhile in carrying it on. From that point of view, it is like a -- what I keep trying to say, all of this is meant to -- we keep highlighting cows, the efficiencies. Well, if we are talking about trying to get a very, very efficient cow, the cow that we are looking for is not even pure Jersey. She is the crossbreed. She is a crossbreed between Jersey and Holstein. It is the way the whole of the world is pushing global cows to get that mix, to make the most efficient cow which you can achieve. You take the extra volume out of a black and white, you mix it with a Jersey, you get a slightly lower fat and you get vast amounts more of milk and that is the most efficient cow the world is looking for and that is what you are up against. From that point of view, this is why I say it is far better to say: "Look, we have a unique gene pool. We have a unique cow. We are trying -- or we should be developing a cow which is for Jersey Island." The Americans have a cow which fits their system. The New Zealanders have a cow which fits their system. The Danes have even got a cow which fits their system. From our point of view, we should be developing a cow which fits Jersey Island. Now, from that point of view, I do not believe we have done that. I do not believe we have ever tried to really achieve that and I think that is -- if it took another 10, 15, 20 years, out of 220 years being closed, what is 20 years out of that cycle? Next to nothing, and I do not believe that any of us are, for the long-term future of what Jersey Island, Jersey heritage -- I have a son who is only 13. I used to say the last thing I would ever let him do was to take over my farm. I do not say that any more. I now tell him that the only thing he can do is take over my farm because I believe that there is a future and from that issue, it is one, I did not want to give him a business which was never going to make any money and be unsustainable to now, I think, if he has enough brains and sense, he can carry on this business and run it on and still look at a reasonable return and a living and something which not only his father, his grandfather, and all the rest of us have helped develop and keep

the Island cow to what she is today. The rest of the world does not have this high percentage of Jerseys. She is only 8, 5 per cent across the rest of them. The rest of the world are milking black and whites. You, when you go out and drink milk, how many of you are drinking whole milk? You are not, you are drinking semi-skim, skim, all the rest of it. The issue is that it all takes money to take that fat out. Okay, limited markets around the world have all gone down that road, chief production is the Jersey and all of these issues, exactly what I am doing, but if you are looking at a domestic milk market, you do not want Jersey milk for starters. You are looking at something smaller. Now, do not get me wrong. I will have the other side of the industry probably tell me: "Oh, do not be stupid, it is nonsense, it is all the rest of it" but if you are looking at just pure volumes, you want a cow that is going to produce X amount of milk as close to 3 per cent as what you can, which is what the rest of the world is breeding and from that point of view, you do not buck world trends. You can try and protect yourself from some of these issues but that is what we are here for. We are saying the best way of protecting our long-term futures is keeping our own cow pure. We can keep a defence against liquid imports of milk and all of us believe that there is still a future. From that, we are questioning it with -- you open it all up because it absolutely opens everything and that is why I would say the legal opinion is one of the biggest issues on this and that is why I would say talk to D.E.F.R.A. because I do not believe that you can keep it out for 20 years. I keep hearing all of these statements: "Oh, we can find ways of keeping liquid milk out of Jersey. Oh, will it take 20 years by the time we roll it through the courts" and all the rest. If somebody has the desire to do it and do it quickly, it will come an awful lot quicker than 20 years' time.

Connétable P.F.M. Hanning:

Could I just ask, taking you back to what you were saying a little while ago, you were saying you now keep every heifer calf and your bull calves for veal and that you think the way you are running your herd is efficient and productive, but you did downsize. Do you see that that is the way that you feel the "Island herd" as a whole has to go or do you see that specifically to yourself?

Mr. D. Quenault:

I saw that specifically for myself. I had to downsize just due to the fragmentation that we were putting ourselves under. There was no way that I could have done everything and kept 120 milking cows and pulled it all through on the timescale. My wife and I have just gone through an extremely steep learning curve and from not only now processing, we are retailing and all sorts and the job description of mine is varied, to say the least, but I can still cut a pig as well as anything else so from that point of view, you do butchery. There is physically no way that I could have kept 120 cows. I would still be milking 7 days a week.

The Connétable of St. Saviour:

But you are not suggesting that that is the way you see the Island having to go?

Mr. D. Quenault:

That was purely for me.

The Connétable of St. Saviour:

It was purely for you, okay.

Mr. D. Quenault:

What I was trying to reiterate, I did not need 120 cows to say that I was going to keep the sustained the future. I have it down to 60 and I am more than happy with it there. If I decide to increase it, it will be because I think there is an achievable market for it but I pitched it at a level where I am happy to repay and keep a business which is sustainable.

The Connétable of St. Saviour:

Okay, thank you.

Deputy P.J.D. Ryan:

Is there anything you want to say?

Deputy J.A. Martin:

Yes, I probably might need a bit of help from the Professor. You said earlier about finding your best and getting the right herd for Jersey and not necessarily the importation of semen is that way. Did I misinterpret what you saying that it would be then it would -- we had this this morning - that, yes, we they could probably do it with the amount of cows on the Island or bulls and but you would then have to use the best of the heifers and the cows and the best of the bulls so then you would be getting a bit more milk production but you would then slightly quickly, more quickly, be losing the gene pool and becoming interbred. Am I putting this sort of simply? You know what I am trying to say, so is that what you did -- you did say there was a better way to do it. Is this your better way?

Mr. D. Quenault:

If you are going to revamp a breeding system for the Island, obviously within the size of population you have an inbreeding coefficient has to be put into that issue. From that point of view, everything is there to -- the models work with that sum put into it as well. There is still enough variation at this present moment in time. It is not as if the gene pool is too small that it cannot be achieved and you cannot have an inbreeding coefficient put into it so that you work it through the system. From that point of view, like I say, if a geneticist can do it a hell of a lot better than what I can but from that issue, there is definitely enough variation before you are starting off. It is not as if the gene pool is so small or so narrow that you are still trying to do this and all you are going to do is get down to the end of where you think you have achieved and inbred the whole of the Island herd and then you have to import again

because of the wish-list of getting there as has brought the inbreeding to the front. Like I said before, there is enough of a variation before you start, the Barettes have already said that they have not been used at all. It happened. We are at a decent starting place without having to worry about it.

Deputy P.J.D. Ryan:

I have asked already once but I will ask again just in case anybody else wishes to add anything that we have missed.

Ms. S. Barette:

One thing that was said is that they want to import semen because they want more milk from the cow. We have too much milk on the Island full stop. So their argument is that you will be milking less cows. You might be milking less cows but you have to make a lot more food to feed that cow to get that sort of milk out. These cows in America or Canada are fed top-quality, better than what we can make over here and that boat from here to England for concentrates is very expensive and you start trying to bring that into the Island to boost these cows up, it is not profitable.

Deputy P.J.D. Ryan:

Okay, so you are talking about imported food as opposed to growing your own.

Ms. S. Barette:

You can try and grow your own and what have you but regarding nuts or whatever you import from England, it is so expensive now, everything has shot up and it is not profitable. You have to try and do the best you can over here and over here, you cannot feed the same to the cow as in America. There are no 2 ways about it.

Deputy J.A. Martin:

It has been put to us as well that they need to produce more liquid milk from a cow. The only reason that they need to produce more liquid milk is so they can diversify into high products that can be sold off-Island. That will then keep the milk price low into Jersey and that will give Jersey farmers as much clout with the E.U., the J.C.R.A., that if we remain competitive on milk prices that is as good an arguments for bull semen or the pure Jersey herd. So do you see that as the future to keep the prices down or do you think government subsidies are the ...

Ms. S. Barette:

Until we get our new dairy and we can bring the prices down, if England gets in here, we are finished. We might as well give up. All our young ones, David's sons, they have no future, full stop.

Deputy J.A. Martin:

I totally understand that. I am listening to the arguments of how we keep the ...

Ms. S. Barette:

Well, it is not me you should ask, it is the Jersey Dairy. I do not ...

Deputy J.A. Martin:

Not importation of milk and, no, I am asking because you said the argument for importation of semen is that we have the same cow producing 1,000 more litres or something like that per year.

Ms. S. Barette:

Yes.

Deputy J.A. Martin:

You said that we do not need that. It will only cost more feed.

Ms. S. Barette:

You would have to put more money into her to get more milk out of her and then --

Deputy J.A. Martin:

Yes, but the argument is that the extra milk can --

Ms. S. Barette:

-- are you making that much more?

Deputy J.A. Martin:

Well, that is the question that needs -- it seems to be in all across the world where the Jersey has been that, yes ...

Ms. S. Barette:

We have no problems with what our cows are producing. We are totally happy with our cows. It is the people who want the semen who obviously are not happy with their animals.

Deputy J.A. Martin:

Is your herd above average or is it an average? What is your highest ...

Ms. S. Barette:

We are second in the M.N.R. list, were we not, Dad?

Mr. T. Barette:

Yes.

Ms. S. Barette:

Across the Island.

Mr. D. Quenault:

Can I come in on this. There is a herdsman who was in Norfolk - before he came over here, which was 8 or 9 years ago - he was milking Jerseys and he was against one of the highest production herds in the U.K. at the time if it was not the highest. The average was well over 1,000 litres a cow lower this extremely high production herd within the same area. His pence per litre profit was more. It does not necessarily mean that just because you are getting the 6,000 or 7,000 litres average a cow that it makes it the most efficient way of getting your milk out of the cow and making your farm profitable. Everything is in balance. Going back to the point of you saying can we not have more milk. I am saying we can breed our cows to produce more milk. I am saying if we keep it as a closed herd, we are protecting ourselves from imports under the uniqueness of the Island genetics and I am also saying then that if we are doing all of this, there is no reason why we cannot be exporting products to the U.K. to an even benefit and keep the costs down. Semen is not the be-all and end-all to make this sum work but everything that can be done or was achievable is in the situations that we have at this present moment in time. What I am also saying is that (1) I do not believe we have had the most efficient dairy for a good few years; (2) I do not believe we have done enough genetically to push their cows forward; and (3) I think we all have to question ourselves on how and why and the way we run our farms. Like I said before, if we are not making quality silage at the start, and you are going to wipe 600 litres off the annual production just because you are making inferior grass silage, you have got to start questioning your methods as to all of these as to why finances are as bad as what they are.

Mr. T. Barette:

At the end of the day, if you are getting 1,000 litres more per cow, you get a bad summer, you make rubbish silage, where do you go to get your feeds? If you are in the U.K., the whole of the U.K. does not suffer with bad weather. You can get stuff carried down 150 miles, 200 miles on a lorry. It does not cost to bring it across the water like it costs to bring it over here so if you make inferior silage, then you cannot expect to get the yield out of your cow so then you have to start importing which is all down to management.

Deputy P.J.D. Ryan:

I think we have pretty well exhausted all of the questions and issues and so I would just like to say thank you for your time this afternoon and look forward to seeing you tomorrow.

Mr. D. Quenault:

Can I just put one other personal comment, Sir. If your Scrutiny Committee have got the time and if you wish to, you are more than welcome to come and see my set-up. It will give you a different view as to somebody who has done something differently and please feel free.

Deputy P.J.D. Ryan:

Lovely, and I would also like to go to Home Farm.

Mr. T. Barette:

Yes, you are more than welcome to come and have a look at it.

Deputy P.J.D. Ryan:

Thank you very much.