

A Chilean Visit

Just 48 hours before Mid Canterbury's big chill arrived, a young Methven farming couple arrived back in New Zealand from a scholarship to Chile, where they studied the dairy industry in a warm climate.

Helen and Craig Elliott were one of six couples to receive the 15-day farm business scholarship at the Dairy Excellence Awards in Rotorua on May 19 and flew out to Chile on May 30. They were winners of the farm-owner section of the competition, which this year has been extended to give it more of an emphasis on managers.

First impressions of dairying in Chile were that the industry was 70 to 80 years behind that in New Zealand. The largest dairy company, Soprole, is 57 per cent owned by Fonterra with the remainder of its ownership being in the hands of a charitable trust run by the Catholic Church. Fonterra's involvement dates back to the days of the New Zealand Dairy Board.

It was a country of real extremes, Helen said. There were luxurious buildings in the cities and even on farms, while in other areas people were living in slums and oxen were used to pull carts for mucking out dairy sheds.

Labour was cheap, with farm workers paid the equivalent of \$NZ10,000 a year and the cost of living being about the same as in New Zealand. However, with no dole and unemployment running at about 8 per cent, people were happy to have farm work, especially as a rudimentary house and free electricity usually went with it.

Staff were looked down on, with many farm owners living in luxury in the cities. One farm they visited had a luxurious home right beside the milking shed, but it was only used by the owner when he visited about once in three months. Most farmers also operated other city-based businesses.

Farmland is cheap by New Zealand standards, at about \$15,000 a hectare, but New Zealand farmers trying to farm in Chile strike a lot of problems and expense with such things as legal fees until they become familiar with the country and its systems. There are few rural real estate agents and most farms are handed down within families.

With 230 wet days experienced on average each year, the land is very wet. Much of it has a hard pan beneath it, which needs to be broken up before it will grow good pasture. Generally, pH levels are low but lime is starting to be used at up to five tonnes a hectare to bring pH up to about 6. Lime has only recently become available in 500 kg bags. Not as much nitrogen is used as in New Zealand.

Farmers are still paid by the litre for their milk, although there is currently a move to paying for milk solids, driven by a need to increase productivity and to export more solids. Currently Argentina is sending milk products to Chile, which is expected to lower the price of the local products.

Chile currently exports 6 per cent of its production, mainly to Mexico and North America.

Many cows are housed, but Soprole is developing farms along New Zealand lines, with the cows grazed outdoors and more and more Chilean farmers are heading the same way.

An average Chilean dairy farm produces 207 kg milk solids per hectare, while the New Zealand average is 862 kg, however Soprole farms are averaging 397 kg and one experimental farm visited had achieved 943 kg.

Cows are in short supply, an in-calf heifer tested for Tb and brucellosis costing \$1800. The predominant breed is Friesian, although with the change to the payout method there is a change away from using the large cows produced from Canadian genetics to what are described as Kiwi crosses, which produce a higher level of milk solids.

Most of the milk currently produced is used to produce shelf products - cheeses, flavoured milk and yoghurt, hence the move to increasing the level of milk solids. Soprole is currently producing a new product every month.

Technology is reasonably up to date, with cows being individually identified by magnetic tags. However, with most herds being small in size at about 70 to 80 cows, there were no rotary sheds. All the sheds Helen and Craig saw were herringbone. Most farmers milk twice a day but some are milking three times. Collection is sub-contracted out and a variety of tankers are used to collect the milk.

One farm milking 50 cows had only four sets of cups in the shed but still employed three milkers. Another farm, with 70 cows began the evening milking at 4pm and did not finish until 7pm.

Methven farmers Helen and Craig Elliott arrived back from a study tour in Chile to be greeted by snow in New Zealand.