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Mill Run

Welcome to this, the second issue, of **Feed Forum**. The aim of the newsletter is to provide members with updates on issues facing Feed Manufacturers. We are keen to receive any suggestions for topics which you might have and would welcome any feedback which you may wish to provide.

Remember, **Feed Forum** is available in an electronic format, so sign up on the NZFMA website if you want to receive the latest info about what's happening in the feed industry by email.

The recent recall of pet food in North America, whilst not an issue for New Zealand Feed Manufacturers, does highlight the importance of supplier approvals and ongoing random testing of raw materials as part of GMP and HACCP in the mill.

The issue of mycotoxins in animal feed and aflatoxins in copra in particular continues to

receive attention and this issue highlights the ongoing work by the NZFMA in conjunction with the Dairy Industry on the proposed Code of Practice for the supply of Copra to the Dairy Industry. Although the Code doesn't apply to feeds for pigs and poultry, the NZFMA has already recommended limits for aflatoxin in imported grains in the NZFMA Code of Practice.

Some of our members have raised concerns recently about an email circulated amongst horse owners and implicating copra in the deaths of horses in Marlborough. The NZFMA has received assurance from both Biosecurity New Zealand and the NZFSA that this is an isolated event and is unlikely to be the result of feeding Copra *per se* to horses.

Challenges for Feed Manufacturers look set to continue as grain prices continue to increase in line with international trends, largely as a result of

the increasing demand for maize for biofuel (ethanol) production, combined with reduced yields as a result of droughts in China, the USA and Australia. In contrast the supply of by-products from the biofuels industry, namely Distillers' Dried Grains and Solubles (DDGS) and oilcake meal supplies look likely to increase, potentially resulting in a softening of protein prices.

Members are reminded that the NZFMA AGM will be held on the 22nd of November 2007 and the positions of Category B representatives for both the North and South Island will be up for annual election. More details will be available on the NZFMA website following the Annual Seminar to be held on the 18th of July.

Finally, members are encouraged to log on to the Members Home Page of the NZFMA website for regular updates on issues affecting Feed Manufacturers.

NZFMA Industry Seminar

The annual NZFMA Industry Seminar will be held in at the James Cook, Hotel Grand Chancellor in Wellington on the 18th of July 2007, starting at 1 pm.

Topics to be covered during this years seminar will include

- Import Health Standards
- Ruminant Protein Regs
- The recent NZFSA animal feeds review and
- The use of Copra in dairy rations.

An addition to the regular In-

dustry Seminar programme is the **Members Forum**. This is your opportunity to highlight for the NZFMA Executive and Executive Office any issues of concern to you the feed manufacturer. It is also an opportunity for you to provide us with feed back on the website, newsletter, seminars and other services we provide to you.

Enclosed with this newsletter is a series of questions for your consideration. Although some space is provided on the

form for you to make notes, we don't expect you to complete the form in detail. However, it will be useful if you can bring the form along with you to the NZFMA seminar.

The registration deadline for the NZFMA seminar is the 3rd of July 2007. You can register on line at www.nzfma.org.nz/Members/seminars.php or by emailing natalie@pianz.org.nz.

We look forward to seeing you in Wellington.

To place an advert in the NZFMA Newsletter contact

natalie@pianz.org.nz

Proposed Code of Practice for the use of Copra in Animal Feeds

Because of the potential toxic effects of aflatoxins on both humans and animals, the European Union and other regulatory bodies around the world have set limits for the presence of aflatoxins in both human food and animal feed.

The maximum allowable levels of aflatoxin M1 (a metabolite of aflatoxin B1 produced in animals fed feeds containing aflatoxin B1) in milk and milk products is set at 0.005 mg/tonne or 0.05 ppb in the EU. Limits for infant formulae are set at 0.025 mg/tonne or 0.025 ppb.

The EU has also set limits for aflatoxin B1, in all animal feed materials, used in animal feed manufacture at 0.02 mg/kg. The limit for aflatoxin B1 in complete and complementary feeds are shown in Table 1.

In 2006, as part of the Dairy Industry's National Chemical Contaminants Programme (NCCP) random sampling, three violations of aflatoxin levels in farm vat milk samples were detected. Investigations

by dairy companies attributed these violations to the feeding of copra that contained upwards of 5 times the EU limit of aflatoxins allowed in the feed of lactating dairy cows.

As bulk copra was commonly being fed on farm, the dairy companies asked copra im-

porters and suppliers to provide results of laboratory analysis for aflatoxins in bulk copra supplied to dairy producers. As no test results showing aflatoxin levels in

currently under review by the dairy industry.

The draft code sets limits, based on those applied in the EU, for the presence of aflatoxin in copra sold in bulk to dairy producers as well as for aflatoxin presence in complete and supplementary dairy feeds. The code also considers the risks and mitigating steps which can be implemented to limit aflatoxin contamination of copra during the production, transport and storage of copra. Importantly, the code puts the onus on the importer / distributor to make aflatoxin test results freely available to product users.

Aflatoxin contamination of milk is a major concern for the dairy industry. As such the dairy industry intends to continue routine monitoring of milk, with any non compliance thoroughly investigated. Although ongoing testing is still detecting farms with contamination issues, the number detected is decrease each week.

NZFMFA members can review the draft code which is available on consultation page (members section) of the NZFMFA website. Any comments on the code should be emailed to michael@pianz.org.nz.

Members are advised that Lindsay Burton (LIC) will be discussing this issue in detail at the NZFMFA seminar.

Table 1: EU Aflatoxin B1 limits for complete and complementary feeds

| Complete feeds for | Limit (mg /kg) |
|--|----------------|
| Cattle, sheep and goats, except for | 0.02 |
| Dairy animals | 0.005 |
| Calves and lambs | 0.01 |
| Pigs and poultry | 0.02 |
| Other | 0.01 |
| Complementary feeds for | |
| Cattle, sheep and goats (except for dairy animals, calves and lambs) | 0.02 |
| Pigs and poultry (except young animals) | 0.02 |
| Other complementary feedstuffs | 0.005 |

bulk copra of less than 0.05 mg/kg were provided, the dairy companies issued an instruction to their farmers in late April "to stop feeding bulk copra meal to lactating cows". However, this ban does not currently apply to the use of copra in complete feeds, although the limit of 0.05 mg/kg must still be met.

Since early 2007, the NZFMFA and dairy industry have been working on the development of a *Code of Practice for the Importation, Handling and Distribution of Copra Cake, Meal or Pellets for Supply to the Dairy Industry*. A draft of the code is cur-



Industry Profiles



Sam Mc Ivor: NZFMFA Deputy Chairman

Sam describes himself as

"food and agribusiness", having spent his working career solely in this sector. Brought up on a hill country sheep and beef farm, he is an agricultural and business graduate from Massey University.

His roles have involved agricultural consultancy and employment with Heinz Wattie where he managed the supply of vege-

table crops and was also involved in contracting maize supply for Tegel. He spent eight years at Meat & Wool New Zealand managing a variety of R&D portfolios and technology transfer.

Sam joined the Pork Industry Board as their CEO in June 2006. "With feed making up 50-65% of pork producers' costs, I obviously have a keen interest in feed manufacturing."



Alastair Orsborn: NI Category B rep.

A member of the NZFMFA for the last 6 years, Alastair is one of two Category B representative on the NZFMFA Executive Committee.

Alastair has been involved with stockfeed manufacture most of his life and his family have owned Sharpes stockfeed since 1939. Sharpes was founded in 1899 by John Sharpe.

After attending Massey, Alastair started growing and storing grain for the family

business.

The next step was the establishment of a manufacturing facility in the Wairarapa and the closure of the original Lower Hutt plant.

Sharpes Stockfeed Ltd has almost completed a major alteration to the mill to comply with the new ruminant control regulations where upon two processing lines will deliver ruminant and non ruminant feeds.

Health and Safety and You

It will probably come as a surprise to some that we have all been living with the Health & Safety in Employment Act for almost 15 years. Despite this, we continue to kill and injure people in the workplace at an alarming rate that shows no signs of decreasing. Clearly, some employers are happy to embrace the objectives and ideals of the Health & Safety (H&S) legislation as they can see that they make good sense, while others will ignore them in the belief that they know and understand their own workplace better than the bureaucrats.

The feed milling industry is no exception. There appears to be only 2 reasons that would encourage the 2nd group to comply with the law - the threat of prosecution or a serious harm accident. Sadly most of this group are of the view that this will never happen to them.

The reality is somewhat different. Milling is an inherently dangerous industry, and after taking the first simple steps to identify hazards on your sites this will become exceedingly clear. A check of 1 of our own hazard identification sheets shows a raft of significant hazards, which among others includes machinery of various kinds capable of inflicting serious injuries, dusty environments causing respiratory problems and working in confined spaces. You need to be aware of the relevant industry standards and Codes of Practice that apply to your operation to accurately carry

out this exercise. One example is the requirement that everyone working above 3 metres must have adequate protection from falls during climbing, working or descending from the work area. Silo access and maintenance falls squarely within this requirement.

This quarter's **Industry Comment** is written by Diana Hudson. Diana currently works as Human Resources and Technical Compliance Manager for PCL Animal Feeds Ltd., where her role includes employment relations, Health and Safety and risk management programme implementation across the sites.

While identifying the hazards is a relatively simple exercise, the decisions around controlling the hazards can be more complex. Hazards must be "eliminated", "isolated" or "minimized" with those that have the potential to cause the most serious harm being dealt with 1st. While an employer is required to take "all practicable steps" to achieve this it should be noted that the availability and cost of a practicable step is a relevant consideration.

It is important to encourage and develop the participation of your employees in the implementation of H&S in your workplace. Not only is it a legal requirement that you do this, you must also have a documented system evidencing this participation and a process for review. Training is readily available for employees and this then has benefits as a culture of safety starts to develop. As knowledge grows, so do the levels of awareness amongst the staff.

One example is that this is often evidenced by a change in the compliance levels in the use of PPE. Many workplace accidents are caused not by deliberate risk taking, but stem from decisions made in good faith that seemed reasonable at the time they were made. Poor decision making is often due to inadequate understanding or a communication failure.

A familiar issue to many will be the conflict that occurs between safety and productivity. Often a trade off occurs between the 2 - a recent example was a senior long serving mill worker with the good intention to assist a delivery driver with the turn around time at load out who, contrary to all safety instructions, climbed on top of the truck - fell off and suffered a serious injury. The resulting investigation, involvement with the Department of Labour and long term absence of the injured employee were a significant cost for the operation and the employee. If unsafe behavior resulting in the required level of productivity is rewarded by Management, what sort of message is this sending? A trained and safety conscious workforce that is rewarded by their employer, perhaps by further investment in H&S, sends an important message about management commitment to a safe working culture. The cost of training should be seen as an investment in your people, as they are part of your competitive advantage, not a business expense.



Melamine recalls in the USA

Certain North American based pet food manufacturers have recently recalled large volumes of dog and cat food due to reported illness in cats and dogs in the United States.

More information about the recall and links to relevant sites can be found on the NZFMA website.

Whilst there are no immediate implications for New Zealand feed manufacturers as a result

of this incident, feed manufacturers are reminded that they are required under the Agricultural Compounds and Veterinary Medicines (ACVM) Act (1997), the ACVM Regulations (2001) and the ACVM (Animal Feed) Order 2006 to ensure that their products are fit for purpose as an animal feed.

Any feed manufacturer with concerns relating to imported products should contact the NZFMA office.

KiwiSaver resources

NZFMA members will be aware that as part of the Budget delivered on the 17th of May, the government announced changes to the KiwiSaver scheme.

Subsequent to this, the NZFMA Executive Office has received from the Retirement

Commission a circular for distribution to NZFMA Members. A copy of this circular is included with the Newsletter.

More information can be found on the following websites:

www.sorted.org.nz
www.kiwisaver.govt.nz

sorted.org.nz
YOUR INDEPENDENT MONEY GUIDE

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BNZ conduct survey of Home Millers

NZFMA Members will be aware that the Food and Veterinary Office of the European Commission (FVO) completed an audit mission to New Zealand to evaluate measures concerning BSE. A copy of the report from this audit can be found in the members section of the NZFMA website.

The overall conclusion of the report is the certification of beef to the European Union (EU) is in accordance with EU requirements.

However, one of the recommendations made in the report and which is supported by the NZFMA was "to consider the

introduction of on-farm checks targeted at on-farm mixers on holdings with ruminants". Biosecurity New Zealand (BNZ) responded to this recommendation noting that a survey to create a database of on-farm mixers was scheduled for 2007.

During May 2007, the NZFMA Executive office was advised of BNZ's intention to conduct a survey of home millers and were asked to comment on the proposed questionnaire.

This questionnaire has subsequently been sent to home millers with responses required by the 29th of June 2007.



Bill Whitehead retires



A well known figure in the New Zealand Animal Feed and Grain Industry, Bill Whitehead announced his impending retirement from Inghams / Harvey Farms in early 2007.

Bill has played an active role in the New Zealand Feed and Grain Industries since starting his career in the industry over 40

years ago.

Bill has served on the NZFMA Executive Committee since 2001 and has served as Chairman on two occasions.

Bill's contribution to the Executive Committee and the Industry will certainly be missed, but we wish him well in his retirement.

NZFMA Membership

The purpose of the NZFMA is to promote and protect the interests of the New Zealand feed manufacturing industry.



Its important therefore that membership of the NZFMA is as comprehensive as possible.

If you know of any company which is not already a NZFMA member but which you believe would benefit from being a member why not refer them to the NZFMA website for more information on the benefits of membership and details on how to join up.

www.nzfma.org.nz/Join_Up/join_up.

Poultry Industry Survey

A team of researchers at Massey University will at the end of June 2007 conduct a survey of the commercial poultry industry in New Zealand with the goal of applying social network analytical methods to identify contact patterns that exists within the industry.



This project will assist efforts to improve disease surveillance in the poultry industry, and preparedness of infectious disease response activities within

the poultry sector. The project is funded by Biosecurity New Zealand and endorsed by the Poultry Industry Association of New Zealand and the Egg Producers Federation of New Zealand.

Poultry producers will be surveyed by means of a questionnaire and should expect a questionnaire in the post from the end of June 2007.



Feeding Options for the Dairy Industry

The establishment of a NZFMA Dairy Supplement working group, tasked with developing a generic NZFMA approach to the increasing use of supplementary feeds in dairy production systems, was highlighted in the previous edition of **Feed Forum**.

Subsequently then the working party has produced a draft document for Executive Committee approval.

Topics covered in the document include but are not limited to

- Daily nutrient intake/ balance / shortfall
- Advantages of supplementary

feeding

- Advantages of proprietary feeds



The document is expected to be completed by the end of July 2007 and will be made available to all NZFMA members.

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