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Remember to visit our website

www.nzfma.org.nz



Mill Run

Welcome to the first edition of Feed Forum for 2009, and already our 9th edition. We appreciate the positive feedback that this newsletter has generated from the feed manufacturing industry.

Talking of positive feedback, we know how popular our industry seminars have been over recent years. As in previous years we again will host two seminars in 2009.

Firstly a seminar with a regulatory focus in Wellington at the James Cook Chancellor on the afternoon of Wednesday the 20th of May. A programme agenda will be forwarded with this newsletter and you will have been sent an e-mail advising you of the seminar and speakers. Important issues such as the focus on salmonella by the New Zealand Food Safety Authority, the potential changes to the ACVM legislation and the Ruminant Protein regulations will be among topics to be discussed. We look forward to seeing you there.

Later in the year, on Wednesday the 11th of November, we will host another seminar, with a

more industry technical focus, to be held once again in Christchurch. Please note this date in your diary and look out for information on this event.

The New Zealand Food Safety Authority has publicly announced that a 30% reduction in food borne *Salmonella* over the next five years is a major goal. An area of focus is feed manufacturing. The NZFMA office is undertaking work to ensure the industry is proactive on this topic. We will review feed manufacturing practice from a *Salmonella* perspective with a focus on Critical Control Points that will eliminate or reduce the risks of *Salmonella* in feed for all animal species.

We have also undertaken a detailed analysis of industry *Salmonella* data over the last 3 years which shows some interesting results. In 2006, environmental checks identified more *Salmonella* presence but in 2007 and 2008 grains and softs were where *Salmonella* was more commonly detected. The three main grains/softs showing presence of *Salmonella*

were meat and bone meal (45.8%), soya (18.8%) and broil (11%). The relatively high percentage in soya was a surprise. *Seftenberg* (15.5%), *infantis* (7.1%) and *tennessee* (7.1%) were the three major *Salmonella* serotypes found.

The NZFSA has also employed consultants, Prime Consulting Ltd, to undertake a review of the New Zealand Feed Manufacturing Industry. The NZFMA is meeting with the consultants to ensure that the consultants can understand the key issues from an industry perspective. If NZFSA are to consider further regulation for feed manufacturers, it is important they understand the industry fully and the high quality of the manufacturing practice currently being undertaken.

An important year with many potential changes lies ahead, and we look forward to addressing these on your behalf.



Michael Brooks
Executive Director

Technical Seminar—20 May 2009

The NZFMA AGM and Technical Seminar will be held in Wellington on the afternoon of the 20th of May 2009 at the James Cook Hotel Grand Chancellor.

There will be three presentations, each of which will last 45 minutes—allowing 35 minutes for the speaker to present their topic, and 10 minutes for question and answers or discussion.

Shari Mannen of Biosecurity New Zealand will be speaking on the ruminant protein regulation amendment process, from a policy perspective. She will give a

brief update on the progress of the amendment, and will discuss the next steps and the timeline in the amendment process. If a cabinet decision on the proposals is made before the meeting, she will be able to provide an update on this as well.

Judi Lee, Principal Adviser (Risk Management) of the New Zealand Food Safety Authority will be speaking on the Salmonella Risk Management Strategy and how it will affect you as feed manufacturers.

Finally, a member of the Agri-

cultural Compounds and Veterinary Medicines staff from the New Zealand Food Safety Authority will be speaking on the regulatory control of Oral Nutritional Compounds.

All three presentations will be very useful those members who choose to attend the Technical Seminar. We hope to have copies of the presentations available from the NZFMA Office. Please contact Julie MacDonald at the NZFMA Office on (09) 520 4300 or at julie@pianz.org.nz if you need more information.

Industry Profiles



Glenys Macrae, MainFeeds

Glenys has worked at the MainFeeds Massey Mill (formerly PCL Feeds) since 1989, initially as the Laboratory Manager and currently as the Technical Manager. In this role, Glenys oversees the Quality Assurance and Compliance Programmes that the MainFeeds mills, vitamin & mineral premix plant and laboratory participate in. Glenys is also involved in animal nutrition, working in conjunction with the Group Nutritionist.

Before joining MainFeeds, Glenys worked as a laboratory technician in MAF's Auckland Dairy Products Testing Laboratory. She then went on to become the laboratory supervisor at the Kaipara Dairy Company in Helensville, west Auckland.

David has been involved in the agricultural industry for over 25 years with Hill Feeds, Jossco and now ABB Grain as their Commercial Manager. Based in Auckland, he has been actively involved in the supply of raw materials to many of the NZFMA's members over this time.

Specialising in Supply Chain Management and Regulatory issues, David has seen import programmes grow from humble beginnings to the 1 million tons plus that is handled today.

David is married with two grown up daughters and enjoys living in Auckland when not travelling the world to ensure ABB's supply chain from offshore is secure.



David Livingtone, ABB Grain

The Changing Face of the New Zealand Feed Manufacturing Industry

An analysis of the 2008 NZFMA Statistics shows the changing "face" of feed manufacturing in New Zealand in 2008 compared to 2007.

The NZFMA statistics only measure NZFMA member companies, but it is estimated that approximately 85% of manufactured feed production in this country is captured in this statistical overview.

Increase in feed production

- Compound feed production in 2008 increased 10.1% compared to 2007, a substantial increase.
- A total of 965,465 tonnes was manufactured in 2008.

There were major percentage increases in certain sectors. However, it is always important to bear in mind that an increase off a small base can see dramatic percentage increases but not a substantial increase from an overall production perspective. With that in mind, there are a couple of areas of major change.

In 2008 ruminant feed production increased substantially compared to 2007:

- A 53.3% increase in dairy feed.
- A 5.4% decrease in other ruminant feed, i.e. beef, sheep, deer, goat, etc.

In 2007, ruminant feed production in dairy had increased by 77% and the other ruminant sectors had increased by 12.4%.

As these figures show, ruminant feed, particularly for the dairy sector, has grown at a very fast rate in recent years. Will a lower milk price affect this trend in 2009?

Horse feed also increased by over 50% in 2008, but it is important to note this is still only approximately

1.5% of the manufactured feed market.

Raw material usage was another area of dramatic change in 2008 compared to 2007.

- Wheat usage dropped 35.5%.
- Also notable was the change in sourcing of wheat, with only 3.7% of wheat imported in 2008. (46.5% of wheat was imported in 2007).

The drop in wheat usage overall is shown by the fact that in 2007, 32.7% of all grains used was wheat, but in 2008 this dropped to 19.1% of grains used or a 13.6% decrease.

What replaced wheat? Sorghum.

- Sorghum usage increased by a huge 508% compared to 2007.
- 166,790 tonnes of sorghum used in 2008.
- Sorghum accounted for 17.4% of all grains used in 2008 compared to 3.7% in 2007, a 13.7% increase matching the downward trend in wheat.
- What will 2009 bring in this area of grain usage?

Oats also increased substantially in 2008 to 2,096 tonnes, a 278% increase, but again it is important to note oats are only 0.2% of all grains used in 2008.

Palm kernel imports

- Palm kernel imports in 2008 continued the huge increase in volume seen in recent years.
- An increase of 648,172 tonnes or 142% compared to 2007.
- The total tonnage of palm kernel in 2008 was 1,103,486 tonnes.

Copra also increased by 92.5% in 2008 compared to 2007. However, the total tonnage in 2008 was 5,334 tonnes - very small in comparison to

palm kernel.

How was palm kernel used?

- Only 3.4% of the palm kernel imported was used in manufactured feed as a plant protein.
- Only 1.0% of the copra imported was used in manufactured feed.
- Peas at 2,130 tonnes were the plant protein that reduced dramatically in 2008 with a 49.7% decrease compared to 2007.

Major customers:

- Poultry meat and breeders remain the major customers for manufactured feed in New Zealand, consuming 41.6% of feed manufactured by NZFMA members.
- Layer flocks, including rearers and breeders, were 13.2% of the market.
- Both layers and poultry meat showed small percentage increases compared to 2007.
- Pig, including grower and breeder stock, was 18.8%, slightly down from 2007.
- Dairy now constitutes 14.5% of the manufactured feed market, showing the dramatic rise and change in this customer profile for the manufactured feed industry in NZ over recent years.

It is somewhat ironic that, as dairy grows as a customer for manufactured feed, an area of growth in dairy farm numbers has been conversion of many NZ arable farms to dairy. The impact of dairy is far-reaching across all agricultural sectors.

In summary, key features of 2008 are the growth of dairy as a customer source, the switch from wheat to sorghum and the ongoing growth in imports of palm kernel. A few issues to ponder for feed manufacturers in NZ in 2009.

Schedule of Fees for Advertising

The fees for members to advertise in newsletters are as follows:

\$100.00 (cost for use of database information)
\$40.00/hour (labour charge for the mail-out)
10c/sheet (black and white printing) or 30c/sheet (colour printing)
54c/envelope (small envelope) or \$1.10/envelope (large)

Please keep in mind that:

- advertisers are able to send information out to certain subsets of farmers if you wish (for example, certain production types, or producer members only).
- the printing fee will not apply if advertisers supply your own materials.
- the advertisement will be included as a separate flyer, not in the body of the newsletter.

For example, a typical mail-out might cost:

100.00	(use of database information)
40.00	Labour cost (1 hour)
6.00	Printing cost (60 copies at 10c/copy)
32.40	Postage fee (60 members, 54c/envelope)
<hr/>	
178.40	Total (excluding GST)
22.30	GST
<hr/>	
200.70	Total (including GST)

Advertising fees for allied members and commercial parties are as follows:

\$250.00 (cost for use of database information)
\$40.00/hour (labour charge for the mail-out)
10c/sheet (black and white printing) or 30c/sheet (colour printing)
54c/envelope (small envelope) or \$1.10/envelope (large)



Please note that the inclusion of any advertising materials in or with the newsletter does not constitute endorsement by the office, its staff or the Executive Committee members. The newsletter will contain a statement saying to this effect.

If you wish to send out advertising with the newsletter, the deadlines are as follows for the relevant editions:

Winter: 8 May

Spring: 30 October

If you are interested in advertising in the NZFMA newsletter, please contact Claire Wang on (09) 520 4300 or at claire@pianz.org.nz

Current Consultation

Submissions have recently been made by the NZFMA Office on:

- The draft World Organisation for Animal Health (OIE) Terrestrial Animal Health Code (TAHC) chapter on the Control of Hazards of Animal Health and Public Health Importance in Animal Feeds
- The draft OIE TAHC Code chapter on the Control of *Salmonella* in poultry
- The draft NZFSA Code of Practice for Rendering
- The proposed changes to the Ruminant Protein Regulations

The NZFMA Office expects that members will soon have the opportunity to comment on:

- Proposed changes to the ACVM Regulations and the application of these in the animal feed industry
- A draft Code of Practice for the Control of *Salmonella* in feeds

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