

# Restocking your herd – act quickly for an earlier payback

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With so many factors to consider – finance, logistics and sheer hard work – a full herd restock has never been a lightly made decision. What of the rewards? This article gives an overview of the financial advantages producers can realistically expect and shows that, with today's rising feed prices, now could be the most rewarding time to act.

There are, no doubt, purely practical factors to be considered, but let us first address the financial incentive. As herds get older, their disease burden increases and, because fighting disease takes energy, feed conversion ratios are depressed, giving slower growth, resulting in longer finishing times or lower market weights. Veterinary advice normally suggests that units should be depopulated, cleaned and restocked every seven years.

Feed accounts for more than 60% of inputs, so inefficient feed conversion can be an unsupported drain on margins. Factor in pig mortality and veterinary costs and producers' profits can be severely undermined.

## Payback – sooner not later

With the price of raw materials at an all time high any strategy that reduces the feed requirement on farm cannot be overlooked. Our data and on-farm experience shows that a restock plays a vital role in improving health status, raising meat sold per tonne of feed (MTF) and increasing profitability. Detailed cash flow projections clearly show that, with rising feed prices, the payback time for a restock is significantly reduced.

Three to four years ago, payback would have occurred at 18-20 months, whereas with a DAPP of 140p/kg, and average feed at £220/tonne, the same level of improvements, i.e. 1.5 extra pig/sow/year gained, together with 35 kilos less finisher feed per pig (the result of improved feed effi-

ciency and a 7% reduction in mortality) give a 14-15 month payback.

## 10% improvement

Further support for a restock comes from analysing BPEX data to assess the effect on cost of production (COP) of a 10% improvement in performance in key areas.

For example, a 10% improvement in growth rate would reduce the COP by 4.34p/kg. Similarly a 10% increase in pigs weaned per sow per year would reduce the COP by 4.35p/kg. These two improvements on the average BPEX recorded 583 sow herd equate to an increased margin of nearly £110,000 (based on BPEX 2009 yearbook figures).

## Right for every unit?

Whilst the rewards of restocking are proven, this course of action might not be advised if a unit is too close to another (within 3km) with on-going, unresolved disease problems.

Apart from this instance, JSR experience shows that a cleaned, restocked unit will perform better than one opting for disease reduction procedures such as medicated early weaning and partial depopulation. Other than the funds to invest in a new herd, restocking also requires the ability to withstand a temporary halt in production – the effects of which can, by careful management, be minimised. The facility of an off-site farm to accommodate old herd finishers and a facility for serving the new high health gilts must also be made available.

## Points to consider

Many producers currently buy raw materials forward, therefore the amount of cover that currently exists for the unit must be taken into account as the gap in production means requirements will be reduced. It may be possible to take advantage of existing cover by selling the surplus or carrying it forward. If there is no forward cover, this gap in



production may provide a breathing space during which the market will settle before further raw materials are needed. The human element can also be considered. A better performing unit is a great motivator for all concerned. Those who may have become disheartened by poor performance will now see that the unit has a strong future.

## Preparing for success

A full herd restock and clean can be a good strategy, with many benefits, and the potential for payback to occur sooner than before.

Forward planning, with the support of a reputable genetics provider such as JSR, makes the process as stress free and financially rewarding as possible. JSR recommends:

- Restocking with certified high health gilts/boars.
- Take the opportunity to select genetics to suit your chosen market.
- Ensure your genetics provider, like JSR, offers veterinarian to veterinarian contact throughout planning, cleaning and restocking.
- A full restock whenever possible. Partial restocking offers no long term guarantees and relapses to low health status can occur.

## Mitigate against production losses

- Serve extra gilts in the outgoing herd, to give extra pigs.
- Serve extra gilts in the new herd, giving extra pigs in the incoming herd.
- JSR's depopulation/restock planning can help minimise cash flow impact.

## Planning the restock

- Identify the diseases on farm and discuss vaccine requirements for new stock.
- Plan when to stop serving sows,

when to cull, and arrange with your abattoir to take extra sows/boars.

- Find a farm (JSR can assist) to hold the finisher herd and a further facility for serving the new herd gilts reducing the time the unit is out of production.

## The clean

- Summer is best for cleaning farms, giving disease organisms less chance to survive and the farms best chance to completely dry after washing.
- Include floors, walls, pens, gates, ceilings, plumbing, drains, slurry channels, stores, ventilation, roads, tractors, implements, offices and equipment.
- Thoroughly steam-clean and disinfect with a broad spectrum virucidal disinfectant.
- A second and even third clean is recommended for exceptional hygiene.
- Take the opportunity to repair buildings and equipment.

## Restock

- Move new animals onto the cleaned farm over as short a period as possible (preferably in one load).
- Implement strict biosecurity for long term success.

For producers considering a restock, the most important advice is to plan, ensuring early contact with your genetics provider and their veterinarian to implement strict biosecurity and maintenance of optimum herd health.

As an investment in herd health, a full herd restock brings on-going rewards. Deciding to act now will reduce the impact of rising feed prices and minimise production costs. With payback at just 14-15 months producers will not only gain significant benefits from their investment but these benefits will present more quickly than ever before. ■