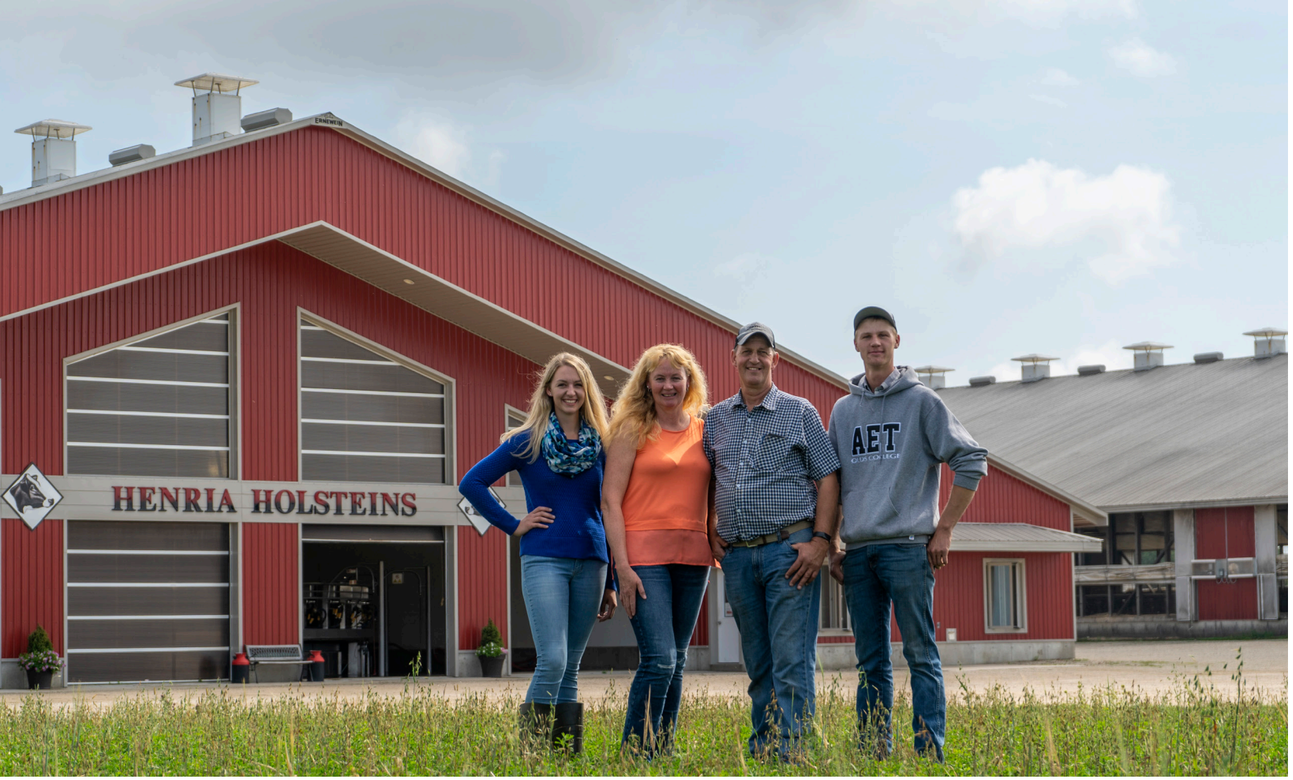


HENRIA HOLSTEINS

BUILDING A PRODUCTIVE AND SUSTAINABLE FUTURE

Within Canada's supply-managed dairy sector, Henria Holsteins Inc. relies heavily on genetic progress, strong management and technology to grow their farm and build a stable future for their family.

A family-owned dairy business, Henria Holsteins is located near Conn, Ontario, in central Canada. Henk and Maria Pastink, their daughter Reba and son Gerrit are proud owners of this large, modern facility, which features a 50-cow rotary parlour with up-to-date freestall barns and handling systems. They milk 600 cows, have 100 dry cows and more than 900 heifers of various ages.

Maria's grandparents emigrated to Canada from Holland in 1949 with their five children. Grandfather Berend established the farming roots by hand-milking five cows, shipping cream, as well

as growing field crops and feeding pigs. From this modest start grew Flinkert Farms, an enterprise that by the 1990s milked up to 700 cows and exported many worldwide. Maria became herd manager in 1984.

Later in the decade, Maria and Henk were married and began building their own farm – Henria Holsteins. Today, the 3,200-acre operation is a distinctly Canadian family farm with Maria as the main cow manager, Reba responsible for calf management and Gerrit, the farm mechanic, working with Henk to manage crop production, equipment and dry cows.

The Canadian dairy system maintains a production quota system that matches milk production to consumer demand. Within this system, the Pastinks are committed to growth. Currently, the average dairy farm in Canada milks 85 cows. Henria Holstein's long-term goal is to milk 1,000 cows.

Henk notes that supply management gives farmers stability and the confidence to invest in their farms. However, if mounting pressure from trading partners were to force the Canadian government to further weaken or dismantle the marketing system, his family wants their farm to be as efficient as possible, giving it stability for the future.

"We could easily milk a couple of thousand per day", Henk says. "We can expand to double our milking size without having to change our milking facility."

INCREASING MILK PRODUCTION

Milk production has increased over the past 10 years as the Pastinks placed greater emphasis on registered sires and artificial insemination. Reba notes that this management approach allowed them to focus on feet and legs, and then target production and fertility. Their genetic strategy also included A2A2 and Semex's Immunity+® disease-resistant genetics program. During the decade, daily milk production has increased from 25 kg to 36 kg per cow. Average milk production per cow is 10,500 kg for 305 days in milk.

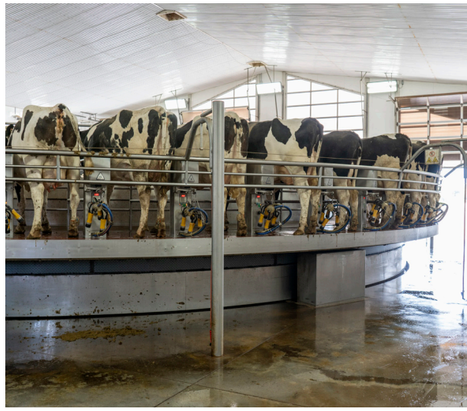
Currently, heifers are bred at 12 to 13 months of age – twice with sexed semen, followed by a clean-up Angus bull if heifers fail to become pregnant. For cows, conventional semen is used, followed by an Angus bull.

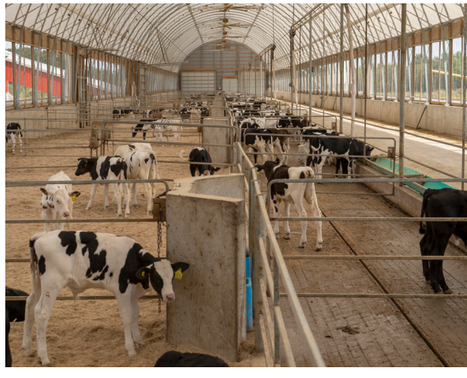
FUTURE GROWTH IN ROTARY PARLOUR

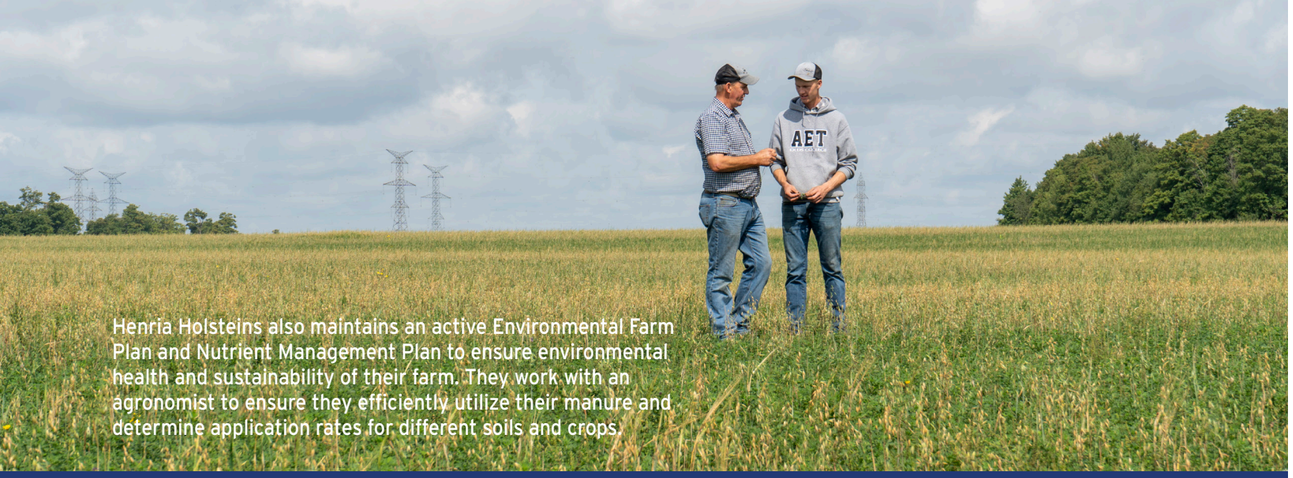
Fifty-cow rotary parlours are rarely seen in Canada, but Henk believes the rotary is an efficient system for milking and managing their cow numbers – the parlour milks between 250 to 300 cows per hour.

For breeding management, the Pastinks maintain a very progressive approach. They're big believers in the value skilled consultants and technicians can bring to their business. When it comes to conception and pregnancy, they rely on a breeding technician to breed all their cows. Having a dedicated person specializing in this area really helps, says Reba. "It's much better than making it a side job for five different people."

Henria Holsteins currently employs 20 people. Finding workers is a big challenge for all Canadian farmers, says Henk, who notes that the farm now relies heavily on foreign labour. "We do get some local help but it's more for the outside jobs, not for managing and milking the cows." It's up to the four family members to manage their areas of responsibility and ensure the jobs get done.

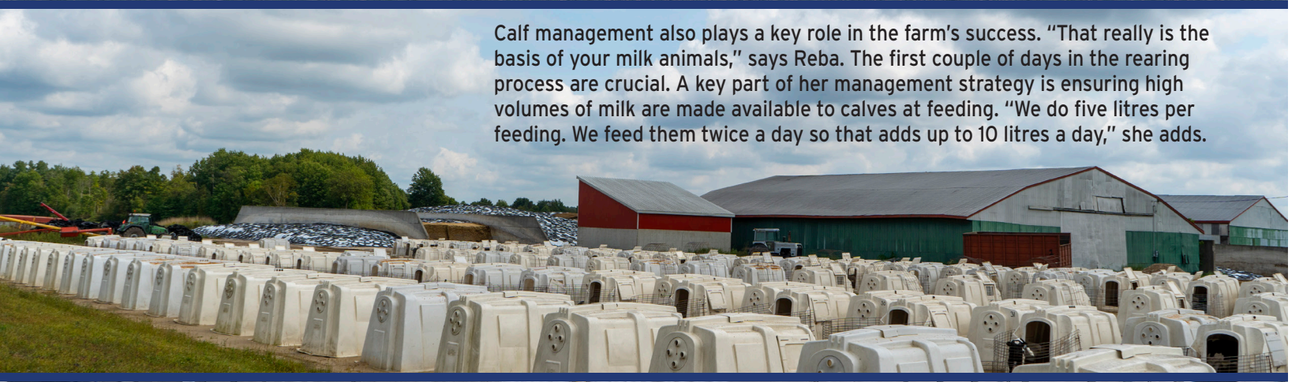


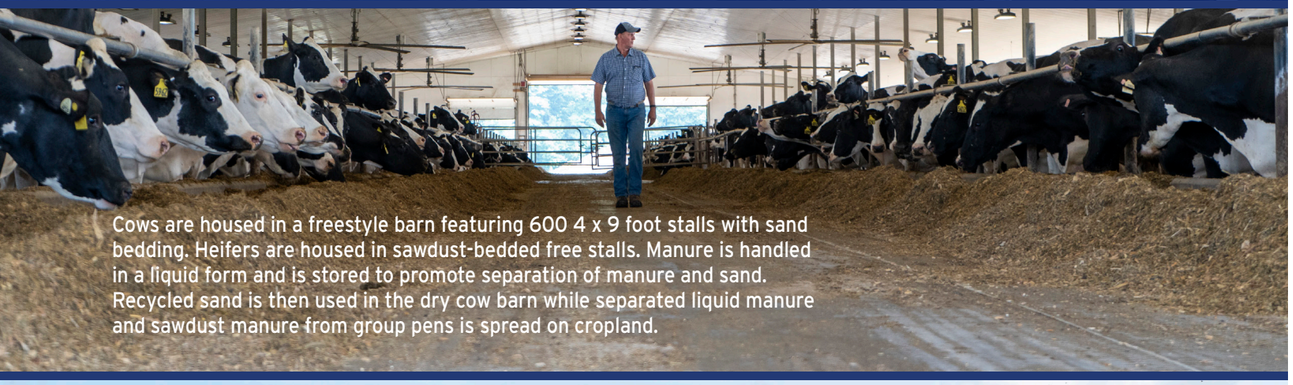




Henria Holsteins also maintains an active Environmental Farm Plan and Nutrient Management Plan to ensure environmental health and sustainability of their farm. They work with an agronomist to ensure they efficiently utilize their manure and determine application rates for different soils and crops.

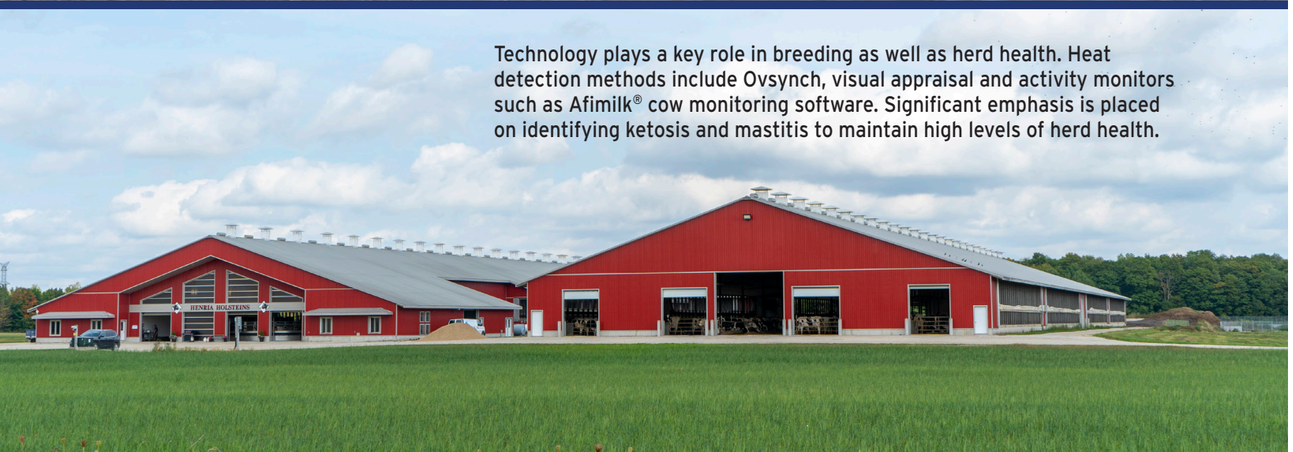
Calf management also plays a key role in the farm's success. "That really is the basis of your milk animals," says Reba. The first couple of days in the rearing process are crucial. A key part of her management strategy is ensuring high volumes of milk are made available to calves at feeding. "We do five litres per feeding. We feed them twice a day so that adds up to 10 litres a day," she adds.

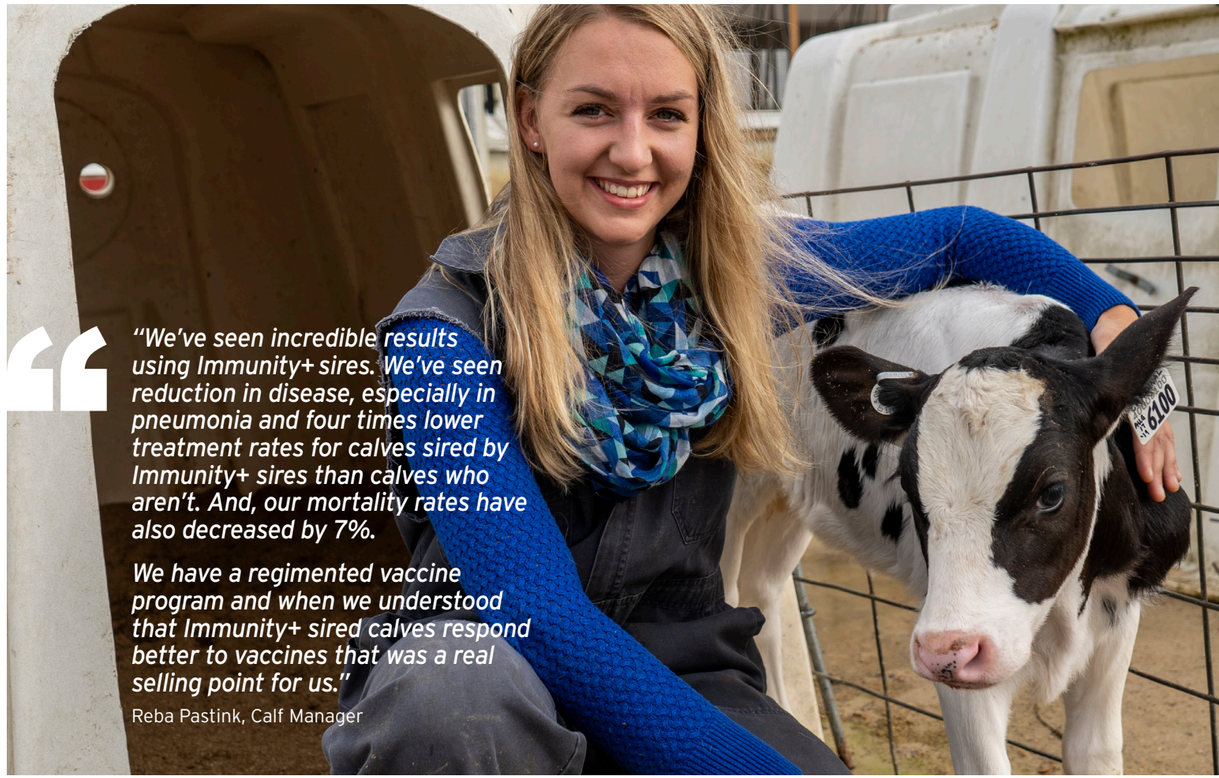




Cows are housed in a freestyle barn featuring 600 4 x 9 foot stalls with sand bedding. Heifers are housed in sawdust-bedded free stalls. Manure is handled in a liquid form and is stored to promote separation of manure and sand. Recycled sand is then used in the dry cow barn while separated liquid manure and sawdust manure from group pens is spread on cropland.

Technology plays a key role in breeding as well as herd health. Heat detection methods include Ovsynch, visual appraisal and activity monitors such as Afimilk® cow monitoring software. Significant emphasis is placed on identifying ketosis and mastitis to maintain high levels of herd health.





"We've seen incredible results using Immunity+ sires. We've seen reduction in disease, especially in pneumonia and four times lower treatment rates for calves sired by Immunity+ sires than calves who aren't. And, our mortality rates have also decreased by 7%.

We have a regimented vaccine program and when we understood that Immunity+ sired calves respond better to vaccines that was a real selling point for us."

Reba Pastink, Calf Manager

2X MILKING STRATEGY

Reba notes that the family's twice-milking strategy is driven by both labour availability and their calf feeding regime. Cows are milked in two shifts – 1:00 a.m. to 4:00 a.m. and 1:00 p.m. to 4:00 p.m. This schedule allows calf feeders to work a morning shift, with another shift beginning at 5:00 p.m. after the second milking.

The feeding program is shaped by the crops grown on the farm. Overall, about 1,100 acres of corn silage and 900 acres of alfalfa is produced annually with remaining acres yielding grass, grains and winter wheat. "Pretty much everything gets chopped for silage," says Henk.

Rations are mixed in a TMR, which includes chopped wheat for fiber, corn silage and haylage. Soybean and canola meal are added to meet protein needs along with high moisture corn and a premix supplement. Three different TMRs are produced to meet the ration requirements of cows in three management groups – fresh cows, a high-producing group and a low-producing group.

What does the future hold for Henria Holsteins? Henk says his family will continue to strive for higher milk production. There are plans to build a new barn and purchase more quota for expansion, but the Pastinks remain focused on efficiency. That means the farm needs to grow while also reducing cost of production, says Henk.

It's a progressive approach that the Pastinks believe will build a productive, profitable and sustainable future for Henria Holsteins in Canada.