

La Revue Holstein Québec

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Life and health insurance

For both the future and the present

Ferme Nieuwenhof et associé inc.

Lots of milk in free-stall housing



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Lareleve Herd Building on what they have to do even better

The Nieuwenhof family is now at its third generation of breeders. Benjamin's grandparents left Holland in 1953 to buy a farm in Dundee, in 1957, where they operated the Stanedyke herd. Working with a few of those animals, Justin, and now his son Benjamin, a shareholder since 2004, have built up the Lareleve herd. Their efforts were rewarded with a Master Breeder shield in 2009.

FERME NIEUWENHOF ET ASSOCIÉ INC. AND THE LARELEVE HERD

Number of head : 230, including 105 lactating cows

Production : 14 959 kg of milk with 3.8% fat and 3.2% protein

BCA : 335-346-336

Quota : 196 kg BF/day

Classification : 13 EX, 59 VG, 53 GP and 3 G

Crop production : 405 hectares, 48.5 of which are rented. Grain corn is grown on 243 ha, silage corn on 24 ha, alfalfa on 48.5 ha, and soybeans on 89.5 ha.

Today, 50 per cent of the herd stems from *Lareleve Debra*, GP-83-2yr, a daughter of *Tempo*, a descendant of one of the cows in the family's original Stanedyke herd. Born in 1978, *Debra* has four daughters, all classified GP, and has recorded a Superior Lactation certificate and a lifetime production of 65 978 kg. The family is noted for milk production and health traits, says Benjamin. A fifth-generation representative, *Lareleve Distille*, VG-88 6*, boasts four Superior Lactations, a Super 3 and a lifetime production of 77 728 kg in four lactations, in addition to ensuring the continuity of the line with her 12 daughters. Among them, *Lareleve Rudolph Donna*, VG-86 5*, the HOB Club's My Favourite Cow candidate in 2006, already has three Superior Lactations, a Super 3 and was the first of the herd's cows to have a bull sold to an artificial insemination centre. Among *Distille's* most recent descendants, *Lareleve Supershot 635*, VG-86-2yr, born in 2016, continues the tradition with a Superior Lactation at 1 year and 11 months, for a yield of 13 864 kg.

The herd's second most important family is that of *Rappel Suzan Aerostar*, VG-3yr 2*, one of the three heifers acquired by the farm. One of her descendants, *Lareleve Gibson Skye*, EX-93 6E 12*, a My Favourite Cow finalist in 2018, has recorded six Superior Lactations, two Super 3's and over 120 000 kg of milk in eight lactations, with averages of 4.7 per cent fat and 3.5 per cent protein (274-341-299). *Skye* has 14 daughters classified GP or better, including 4 EX. Among them, *Lareleve Redesign Seven*, EX-94 6E 6*, a cow that turned 12 last June, is now in an eighth lactation that will bring her lifetime production to more than 130 000 kg. She is also the dam of 8 daughters, all classified GP or better, including 2 EX.

Benjamin Nieuwenhof also remarks on *Glenhaven Champion Charlotte*, EX 2E 5*, the cow at the head of a third important family for the herd. In 2001, while studying at McGill, Benjamin completed a work placement at Ferme Glenhaven, where one of the heifers caught his attention. He couldn't afford to buy the animal at the time, but two years later, he was able to acquire her daughter. *Charlotte* was sold in 2005, but left five daughters in the herd to ensure the family's predominance. Representing the fifth generation, *Lareleve Spring 610*, now in her second lactation, recorded a first Superior Lactation at 1 year and 10 months, for a 305-day yield of 13 185 kg.

Methodical selection

On the whole, these breeders are particularly concerned with longevity. It's thanks to that focus, says Benjamin, that every year two or three cows record a lifetime production of over 100 000 kg. Specifically, three key selection criteria are taken into account: production, conformation and health traits. A bull has to have strong proofs for at least two of those three to warrant attention. The

This new operation was established on the Nieuwenhof's second farm, which Justin purchased when it came time to strike out on his own, leaving his brothers to operate the family farm. After 42 years, Benjamin is proud to say that they have only had to buy four animals, a dry cow and three heifers. Their philosophy, he explains, "is to build on what we have and try to improve." In 2017, with an average yield of 14 425 kg of milk per cow and a BCA of 974, the farm ranked fourth in Quebec.

Photo : Norma Tolhurst



Justin Nieuwenhof, with his son Benjamin and his partner, Frances Moore, and their two children, Owen, aged 7, and Anabelle, 4.

A Fun in the Sun Picnic

Justin and Benjamin Nieuwenhof will welcome the extended Holstein family to their farm on July 20 of this year. This will be the first time the Picnic is hosted by a farm that houses its herd in a free-stall facility, which required some innovation on the part of the organizers. Accordingly, a video has been prepared and will be used to present the herd on the giant screen. For the Macleod Trophy, the committee will use the Breeders' Cup formula, and the animals will be kept in a pen. As for the Gladu Trophy, the competition will include the heifers of the various Club members that were shown in the 4-H shows, four of which belong to the Lareleve herd. "Hats off to the Club's animals," says Benjamin, with obvious delight.

To select the host farm, the HOB Club, celebrating its 100th anniversary this year, called on 20 of its members who have been active in the breeding world for many years, and asked each of them to name five farms they thought could host the event. Ferme Nieuwenhof et associé emerged as the number one choice. Benjamin emphasizes that the Picnic will be "hosted with a down-to-earth approach, with the main focus on the animals."

proofs are also analyzed in terms of the particularities of each cow. As well, Benjamin places emphasis on sires that transmit the A2/A2 gene, a trait he says can encourage the consumption of dairy products.

Because production is the main focus for selection (50 per cent), potential sires must have a milk proof of at least 1000 and a combined score of 150 or more for fat and protein. As for conformation, with 25 per cent importance, the focus is mainly on feet and legs, in particular rear leg rear view and thurl placement, which, says Benjamin, facilitates mobility. Lastly, he also pays special attention

to udder texture. The health traits that Benjamin is most interested in are daughter fertility, mastitis resistance and persistency. A selection process is applied to the females as well. Thus, the cows that rank among the top 30 per cent of the herd are inseminated with sexed semen and the next 15 per cent with conventional semen. As for the rest, the next 15 per cent are used as recipient cows for embryos from the herd, engendered with sexed semen, while the other 40 per cent are inseminated with beef semen or used as recipients for Jersey embryos for a farm in the area.

The selection process is essentially based on the needs of the herd, since the breeders are not aiming to sell animals or embryos. For the same reason, but also because they have little time for it, their animals are not exhibited on the show circuit. Nonetheless, they do take part in the Breeders' Cup competition organized by their Club, where they won the Breeder Banner in 2018.

Comfort, management and good food

Comfortably installed on sand bedding, the dairy cows at Ferme Nieuwenhof are housed in a facility built in 2011 and then expanded in 2018 to house yearling heifers as well. Because the original site was unsuitable for the planned construction project, the breeders acquired a second farm. The old barn was refurbished to house heifers from birth to six months.

The dairy cows are fed a TMR composed of 50 per cent corn silage and 50 per cent alfalfa silage, ensuring a dry matter intake of 26 kg for first-calf cows and 30 kg for the others. All their forage crops are stored in Ag-Bags on a concrete platform. The silages are only used for feeding when fermentation is complete, with a two- to three-month delay between harvest and feedout. The ration also includes concentrates, grain corn, micronized soybeans, and a supplement of minerals and cottonseed containing 20 per cent protein, 20 per cent fat, 20 per cent fibre and various amino acids from soybeans and corn.



The Lareleve dairy cows, including 13 EX, are housed on sand bedding in a free-stall facility.

Photo : Odrey Caron

Photo : Odrey Caron



The new barn at Ferme Nieuwenhof et associé was built in 2011.

The cows are divided into four groups and milked three times a day. The first group includes those that have calved within the previous 21 days. The second includes the top 16 milk producers, those that produce 60 kg of milk or more per day, and the group changes every week. First- or second-calf cows make up the third group, and mature cows are in the fourth. Each group receives a ration adapted to its condition, with younger cows consuming more protein to ensure good growth.

Only the heifers are fed hay, which is only harvested in good weather and is chopped with a forage harvester. The hay is first stored in a silo, and then mixed with calf meal and fed to appetite. The heifer calves are also fed with an automatic milk feeder and are given only whole milk. Benjamin is convinced that whole milk increases their first-lactation milk yield. To validate that conviction, a trial is underway to compare whole milk and powdered milk. He explains that all the data will be compiled until after the first calving.

To manage all of the farm work, the owners count on three employees, one of whom is a temporary foreign worker. They share machinery with Ferme Esterman, the top herd in Canada for TPI last year, with each farm paying based on its percentage of use. The two farms also share their employees. ■



Lareleve Supershot 635, VG-86-2yr, born in 2016, a descendant of the family of *Debra*, already has a Superior Lactation to her name, after a first calving at 1 year and 11 months, for a 305-day yield of 13 864 kg of milk.



Now in her second lactation, **Lareleve Spring 610, VG-86-3yr**, earned a first Superior Lactation at 1 year and 10 months, with 13 185 kg of milk in 305 days.



Lareleve Redesign Seven, EX-94 6E 6*, turned 12 last June and is now in her eighth lactation, which will bring her lifetime production to over 130 000 kg.

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Life and health insurance For the future, but the here and now as well

As entrepreneurs, farmers like to prepare for and protect the future of their farms, perhaps especially because they hope their farms will continue to live on after them. There are a number of options available that allow farmers to do that, one of which is life and health insurance. Recently, *La Revue* spoke with Martin Véronneau, a personal insurance broker who practically has agriculture tattooed on his heart.

The concern here is neither the buildings nor the machinery, but rather the individuals. Contrary to damage insurance, which is renewable on an annual basis, personal insurance requires a long-term vision. In that respect, breeders must be able to look ahead to anticipate future needs and establish a budget that will enable them to achieve their objectives.

Term life insurance

Term life insurance is a first option to consider, particularly because it can serve a number of purposes. As with damage insurance (fire, for example), the hope is that temporary insurance will never need

to be claimed, but it does afford farmers and their families and associates some peace of mind with regard to the future, should a premature death turn their plans upside down.

Term life insurance provides coverage for a limited period of time, and farmers can choose both the amount and length of protection depending on their needs. Term insurance can, for example, be used to guarantee a loan, but it can also be used for other reasons, explains Martin Véronneau.

Term insurance also provides protection to shareholders, enabling those who are left to ensure the farm's continuity to acquire the



Much to the pleasure of their parents, children often take part in farming operations from a young age; the hope is that the next generation will eventually take over the farm.

Photo : Istock





Photo : iStock

Term life insurance is like damage insurance for farm buildings. Breeders buy coverage to protect themselves, but hope they will never have to use it.

shares of the deceased. Without such protection, a farm's future could be put at risk.

In addition to considering the resources available to pay insurance premiums, it is often difficult to determine the level of protection required. It is important that the coverage accurately reflect the value of the farm, which will necessarily increase over time. In the event of a death, the cost of acquiring the shares of the deceased will be established based on that value.

Temporary insurance can also help a young family when a father or mother dies far too young, giving the succession the means to wait until the next generation is ready to take over the operation.

Martin Véronneau recommends that farmers buy term life insurance throughout their working life on the farm. He also points out that a farmer's working life may continue long after the next generation has taken up the reins, because parents often become their children's creditors.

Permanent life insurance

Permanent life insurance, also referred to as term to 100 insurance, is the only type of insurance that insurers eventually have to pay out. The main reason for farmers to buy permanent life insurance is to guarantee a fair inheritance to their spouse and later to their children, particularly those who will not be taking over the farm. In this case, the amount of coverage required is based on each family's particular situation. The last wishes of the policyholder, as indicated in his or her last will and testament, will determine the rules to be followed.

Now let's think about ourselves

The purpose of the life insurance options described above is to protect individuals, namely the family and the associates, after the death of a loved one. Other forms of coverage, such as disability insurance, also called income insurance, and critical illness insurance are intended to protect farmers during their working lives.



Disability insurance enables farmers to pay the salary of their replacement, should they need to stop working temporarily due to a health problem, which must be diagnosed by a doctor, be it as a result of accident or illness, either physical or mental. Hence, the amount of disability coverage purchased needs to take into account the realities of the workplace in question, and not just the wages farmers pay themselves. Indeed, breeders often pay themselves a minimum wage, in order to, on the one hand, lessen the impact on the operation's cash assets and, on the other hand, take advantage of the fact that the tax on income is lower than the tax deducted from salaries. When it comes time to hire a replacement, however, the situation changes. The amount of insurance purchased must take into account not only the salary to be paid, but the cost of employment-related benefits as well. Hence, says Martin Véronneau, it is not uncommon to have to plan for an annual coverage of \$50 000.

Critical illness insurance is another type of coverage that protects farmers during their lifetime, should they be affected by one of the 25 illnesses duly specified in the contract, which, in practice, are the same for all insurance companies. If such an illness is diagnosed, the insurer will pay a one-time lump sum equal to the amount of coverage purchased.



Photo : iStock

Farmers should determine which option best fits their needs before signing a personal insurance contract.

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Choosing a broker who is familiar with the specifics of the agricultural sector is a good way to ensure that the insurance plans proposed correspond to your needs.

That money can help lighten the financial concerns of the person undergoing treatment, replace a salary (for example, that of a spouse who takes time off work to provide care), pay for additional assistance in the home, or pay for treatment options not covered by government health insurance. Likewise, explains Mr. Véronneau, the money can be used to pay for any necessary adaptations to farm buildings or the family home.

Critical illness insurance also offers a special option, allowing the policyholder to recover the amount of his or her premiums – without accrued interest however – when the contract expires or is terminated. Lastly, this type of insurance can also provide farmers with certain tax benefits. “Of the four personal insurance options, this is the one I like the most,” Mr. Véronneau says.

Agriculture, a world of its own

According to Mr. Véronneau, there are between 15 and 20 companies that provide life and health insurance options. All are sound companies that are governed in the same way and are subject to the same laws. That being said, the different companies may specialize in and target different markets. Hence it is up to farmers to find the best option the industry has to offer to answer their specific needs. The resource person in that matter is the broker, who serves as an intermediary between the insurer and the client. Choosing a broker who is familiar with the agricultural sector is certainly a good idea, as he or she will also be able to advise farmers about specific tax rules that affect farming and are different from those that apply to other sectors of the economy.■