

**MILK  
ADVICE  
WORTH  
LISTENING  
TO.**

**FMG**  
Advice & Insurance

*We're here for the good of the country.*

# WE SUPPORT OVER 700 DAIRY FARMS GET BACK TO BUSINESS EVERY YEAR

As an advice-led insurer, we're committed to helping farmers, growers, and provincial businesses avoid disruption and minimise losses – reducing stress, lost production, and downtime. With increasing milk quality requirements and testing sensitivity, we have some advice to help you prevent disruption.

## DID YOU KNOW?



One of our largest Dairy Business Interruption claims was from an accidentally burst pipe, worth over \$400,000.



A single hose hole has caused a claim for almost \$30,000.



Our largest Dairy Milk Contamination Liability claim was for contamination caused by antibiotics in goats' milk worth over \$200,000.

### More information

- [dairynz.co.nz](http://dairynz.co.nz)
- [fonterra.com](http://fonterra.com)
- [fmg.co.nz](http://fmg.co.nz)

# FMG DAIRY FARM CLAIMS

June 2017 to May 2022

**\$31M**

Total claims  
paid

**6,633**

Total claims

**\$4.7K**

Average claim  
amount

Farm milk  
contamination

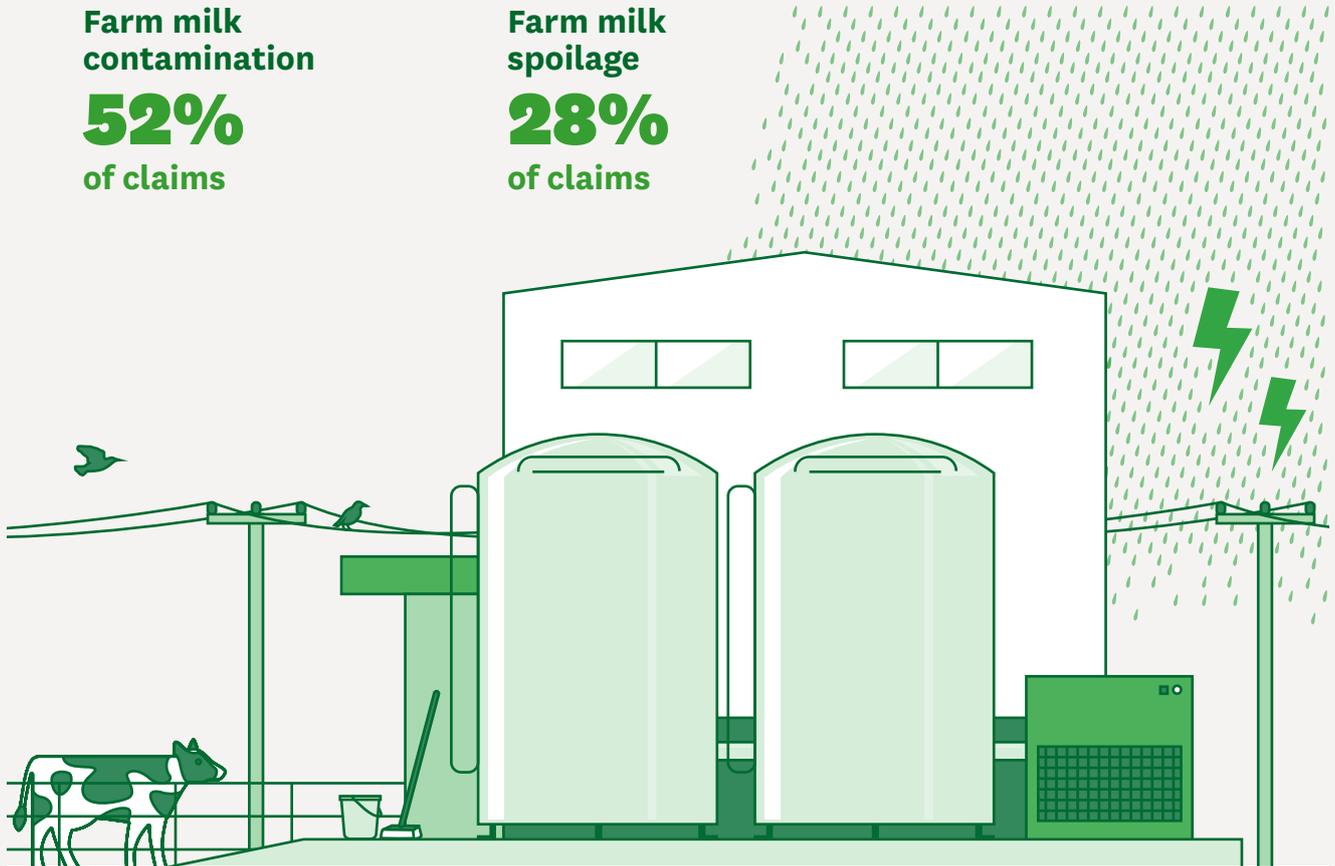
**52%**

of claims

Farm milk  
spoilage

**28%**

of claims



Dairy milk  
contamination  
liability

**8%**

of claims

Other causes

**8%**

of claims

Dairy business  
interruption

**4%**

of claims

## A FEW THINGS WE'VE LEARNT ABOUT...

# CONTAMINATION OF MILK IN THE VAT

Over half of the milk claims we've paid are due to contamination, averaging \$4,500 per claim. These claims also have an impact on your processor and business partners so preventing them in the first place is key.

## Antibiotics



We've found that antibiotic contamination claims are high early in the season – probably due to mastitis treatment.

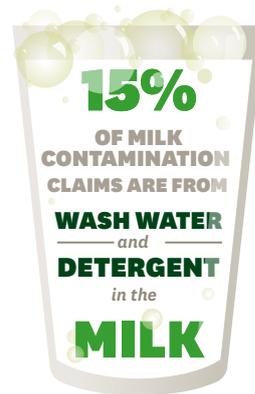
### Advice worth listening to:

- **Follow the DairyNZ MRS T process:**
  - **Mark** the cow when antibiotic treatment is needed
  - **Record** the tag number and treatment details
  - **Separate** from the milking herd
  - **Treat** where possible, graze treated animals well away from the herd.
- **Milk treated animals last.** Before milking, ensure the milk transfer line is disconnected from the vat and connected to a suitable container.
- **Keep your marking consistent and well communicated.** Make sure you don't run out of your marker paint!



For more information on best practice, visit DairyNZ's Healthy Udder.

## Wash water and detergent



### Advice worth listening to:

- **Limit distractions.** Follow the clean-up process until it's completed or shut down your vats. Always finish your tasks before moving onto the next one.
- **Check and close your taps.** Ensure your wash down processes are visible in the shed.
- **Use coloured tape.** This can help to indicate the right position for the taps as milk can dilute if they're not fully closed.

## Employee training



It's important employees are well trained and understand your milking process. This will contribute to their professional development.

### Advice worth listening to:

- **Document and review your milking process regularly.** If something does go wrong during the season, make sure you note it and review your processes if required. Stay up to date with milk quality best practice.
- **Have a well-designed roster.** This should include a clear allocation of responsibilities to ensure nothing gets missed.
- **Share the process.** It's important to share your processes with relief workers and consider having an experienced worker with them at milking times.

# SPOILAGE OF MILK IN THE VAT

A third of all milk claims are for spoilage. Most spoilage claims are from things you can control, such as plant maintenance, turning the chiller on, and having a generator. Spoilage claims peak in summer, when temperatures are higher, and more milk is passing through the vat.

## Loss of power



Loss of power from weather related events, power surges, or other causes can have a major impact on your ability to milk.

### Advice worth listening to:

- **Have a contingency plan.** This should include alternative milking options for loss of power or water.
- **Ensure you have a generator.** This needs to be regularly tested and have sufficient fuel.
- **Know how to manually override your gates.** This is especially important if you have a rotary shed.
- **Report your power outages.** Be specific with your power company on which site experiences the outage and when. Knowing the ICP number for each connection can help locate the fault quicker – this can be found on your power bill and stored on your phone for easy reference.



Order your free FMG milk vat sticker here to help avoid spoilage.

## Plant failure



### Advice worth listening to:

- **Ensure the chiller is the correct size for the current operation.** If your milk solids have increased, you may need to up-size the chiller. Off-season maintenance is important to check your chillers are working correctly.
- **Consider your milking timings.** Cooler early-morning air assists the chiller in bringing milk temperatures down to the required level.
- **Consider milk vat insulation.** Insulation protects from heat-gain once entering the vat.

## Chiller not on



### Advice worth listening to:

- **Use visual reminders.** Place one of FMG's milk vat reminder stickers in your shed, or near the switch, as a reminder to switch on the vat. Make it a habit so it happens even when you're on auto-pilot.
- **Act on your notifications.** Your monitoring system should let you know when you have forgotten to turn the chiller on, make sure you investigate immediately.

# CONTAMINATING OTHERS' MILK

Over  
**2/3 OF DAIRY MILK  
CONTAMINATION  
LIABILITY CLAIMS**

are from



Another 20% come from foreign objects ending up in the milk such as birds, brooms, and brushes.

#### Advice worth listening to:

- **Be vigilant.** If you suspect contamination for any reason – put the vat lock on and call your milk quality tester or processor to have it tested before the tanker arrives.
- **Use MRS T.** Follow the MRS T process to avoid milk contamination in the first place.
- **Use bird repellents.** These deter birds from nesting in your shed.
- **Check the vat before you shut the door.** One quick check for birds, brooms, and brushes could reduce the chance of contamination.

# DAIRY BUSINESS INTERRUPTION



#### Advice worth listening to:

- **Have a back-up plan.** This means that you can keep milking while you are getting back up and running. A neighbour's shed, generator, and multiple accessways to and through your farm are all things to consider.
- **Regularly maintain your accessways.** Trim trees near powerlines and buildings. Regularly check for debris build up in culverts and under bridges to prevent wash outs.
- **Have a 'rainy day fund'.** A reserve fund will help to cover any costs such as wages, urgent repairs, stock movements, and additional feed required. This could also look after you and your family.

# SHED MAINTENANCE

Keeping your shed maintained is essential for the safety, health, and hygiene of your employees, animals, and milk. Electrical and wiring faults are the leading cause of dairy shed fires.

Poor pest management and not maintaining or cleaning your shed can create: additional fire risk, a breeding ground for bacteria, increase possible sources of contamination, or lead to sick people or animals.

#### Advice worth listening to:

- **Check rubberware every season.** Look for cracks and obvious signs of deterioration. Follow the manufacturers' guidelines on replacements.
- **Make any repairs to your shed promptly.** This will mean small problems won't become unnecessarily large.
- **Have your shed thermal imaged regularly.** This will point out any hot spots which should be remedied by a registered electrician.

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