

# Joining Forces in the Nordics

An update from VikingGenetics

24.07.2018

NÖK Congress 2018, Rättvik, Sweden

CEO Rex A. Clausager, VikingGenetics



# Why does VG exist?



- 🔍 **Because of you!**
- 🔍 Common Evaluation / Common breeding goal / NAV (based on NÖK discussions – common AI company incl. Norway)
- 🔍 Importance of population size / Share population
- 🔍 Sharing large future investments
- 🔍 Need for partners / fear that partners would merge with someone else
- 🔍 Cultural similarities / background: Nordic
- 🔍 Nordic countries all doing health traits





Who knows what is important?

# Successes so far!



Top  
**Genetic  
Progress**

Successful  
**merge of  
breeds**  
across  
countries

Working  
**across  
borders**

Develop-  
ment of  
**new traits**

**VR** has  
been able to  
reach global  
position

**R&D** in  
common

Ability to  
return  
created  
**value to  
farmer/  
owners**

Speedy  
implemen-  
tation of  
**genomic  
selection**

Sensible  
**price level**  
in the  
market

Obtained  
**synergies**

**Exports**  
would have  
been  
difficult  
separately



# EuroStat (October 2017)



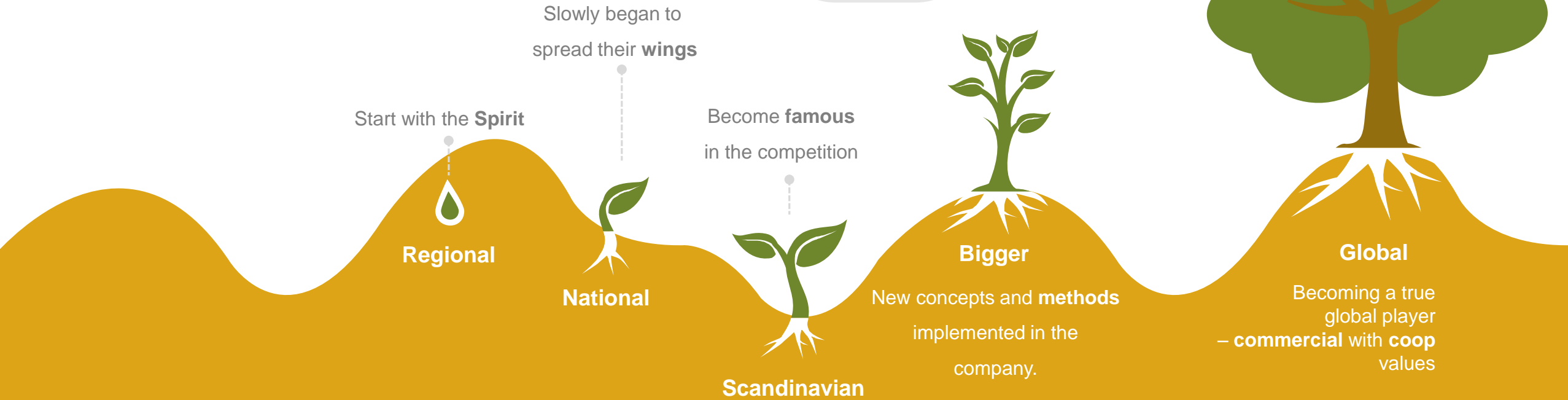
	Cows' milk production on farms (thousand tonnes)	Number of dairy cows (thousand head)	Apparent yield (kg/head)	Number of NUTS 2 regions (*)	NUTS 2 region with the highest level of cows' milk production (*)	Regional cows' milk production on farms		Regional number of dairy cows (thousand head)	Regional apparent yield (kg/head)
						(thousand tonnes)	(% of nat. total)		
EU-28	162 957	23 508	6 932	248	—	—	—	—	—
Belgium	3 895	531	7 340	11	BE25 — Prov. West-Vlaanderen	737	19	97	7 600
Bulgaria	1 019	279	3 653	6	BG42 — Yuzhen tsentralen	259	25	83	3 117
Czech Republic	3 065	367	8 344	8	CZ06 — Jihovýchod	750	24	87	8 602
Denmark	5 436	565	9 621	5	DK04 — Midtjylland	1 611	30	169	9 533
Germany	32 672	4 218	7 746	16	DE2 — Bayern	8 256	25	1 198	6 889
Estonia	783	86	9 091	1	No regional breakdown	—	—	—	—
Ireland	6 851	1 295	5 290	2	IE02 — Southern and Eastern	5 454	80	1 029	5 298
Greece	703	106	6 628	22	EL52 — Kentriki Makedonia	318	45	48	6 565
Spain	7 124	819	8 702	19	ES11 — Galicia	2 702	38	336	8 046
France	25 216	3 630	6 947	31	FR52 — Bretagne	5 488	22	753	7 289
Croatia	671	146	4 583	4	HR04 — Kontinentalna Hrvatska	613	91	135	4 534
Italy	11 886	2 060	5 769	23	ITC4 — Lombardia	4 743	40	480	9 870
Cyprus	186	28	6 536	1	No regional breakdown	—	—	—	—
Latvia	984	154	6 386	1	No regional breakdown	—	—	—	—
Lithuania	1 624	286	5 682	1	No regional breakdown	—	—	—	—
Luxembourg	376	52	7 239	1	No regional breakdown	—	—	—	—
Hungary	1 918	244	7 862	7	HU32 — Észak-Alföld	454	24	61	7 440
Malta	43	7	6 635	1	No regional breakdown	—	—	—	—
Netherlands	14 000	1 794	7 804	12	NL12 — Friesland	2 580	18	323	7 988
Austria	3 628	540	6 719	9	AT31 — Oberösterreich	1 127	31	166	6 781
Poland	13 244	2 130	6 218	16	PL12 — Mazowieckie	2 772	21	465	5 957
Portugal	1 923	239	8 049	7	PT11 — Norte	731	38	85	8 614
Romania	3 934	1 193	3 299	8	RO21 — Nord-Est	951	24	280	3 396
Slovenia	650	108	6 024	4	SI03 — Vzhodna Slovenija	431	66	74	5 858
Slovakia	905	133	6 826	4	SK02 — Západné Slovensko	468	52	56	8 299
Finland	2 430	275	8 823	8	FI1D — Pohjois- ja Itä-Suomi	1 331	55	148	9 009
Sweden	2 862	326	8 776	8	SE21 — Småland med öarna	824	29	93	8 836
United Kingdom	14 931	1 898	7 867	12	UKK — South West	3 458	23	440	7 859
Turkey	16 786	5 407	3 105	26	TRA2 — Agri, Kars, Iğdır, Ardahan	1 211	7	:	:

(\*) Germany and the United Kingdom: NUTS 1.

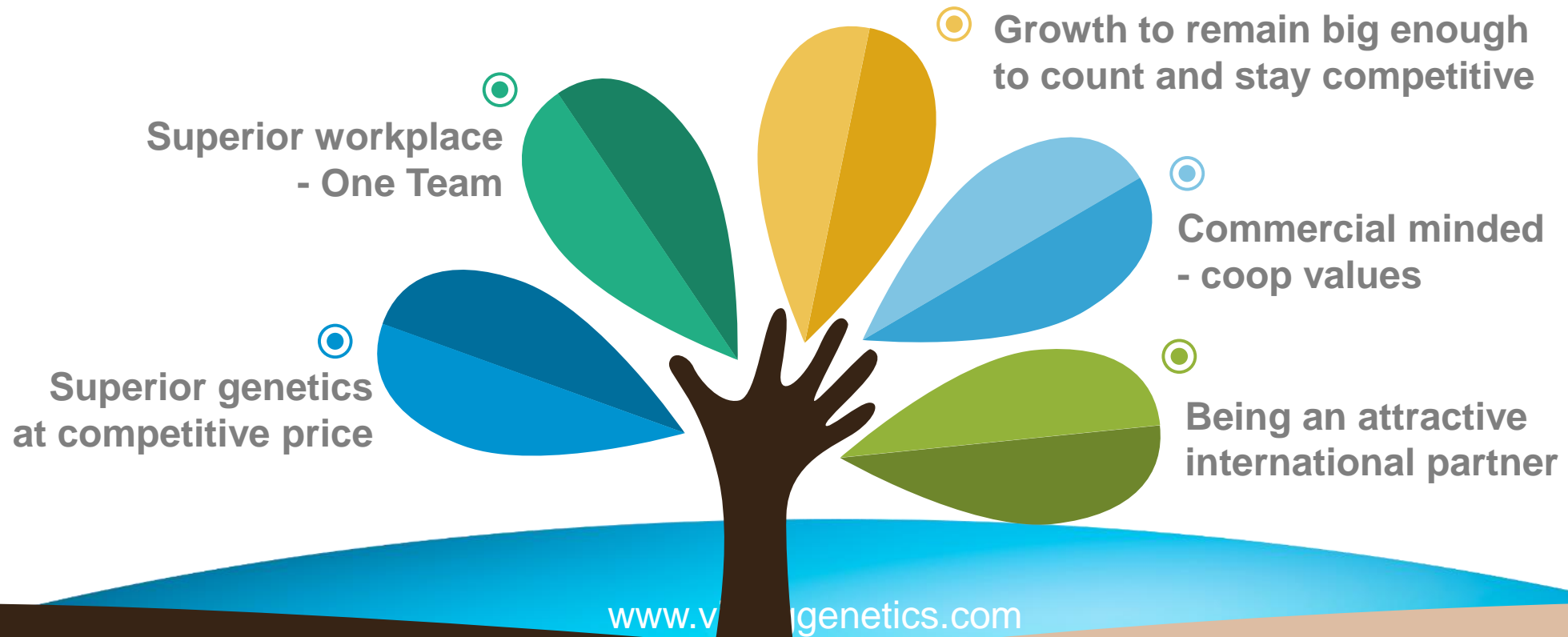
**What took us here  
will not take us there!**



# From local to global!

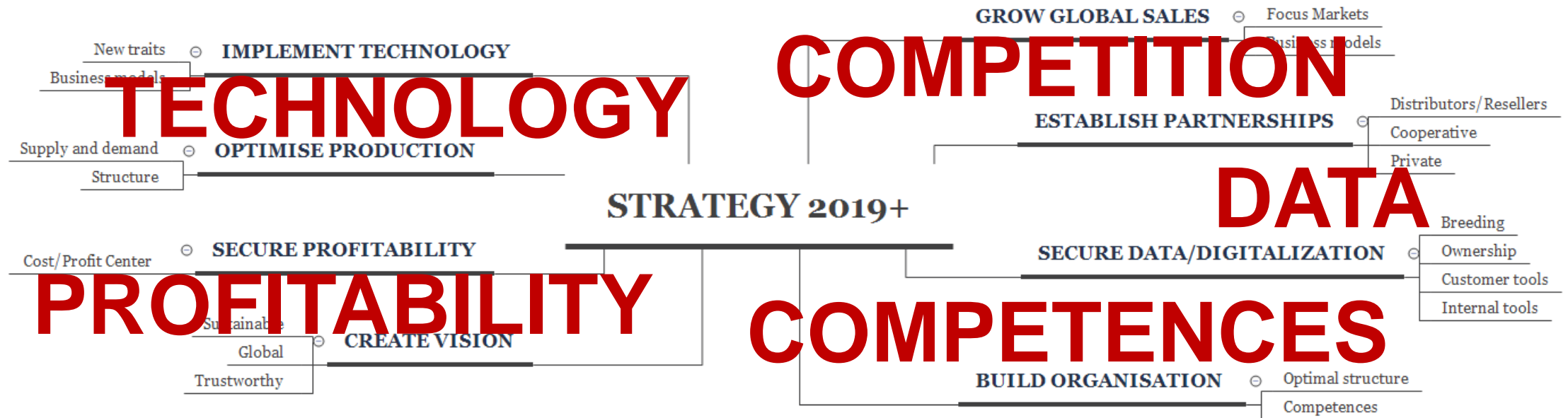


# Guiding Stars

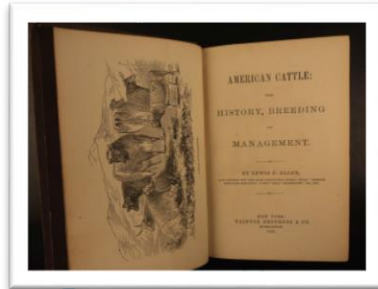




# Mindmapping our challenges



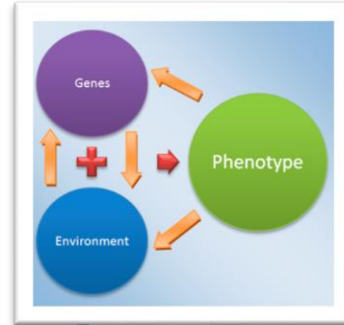
# Breeding...



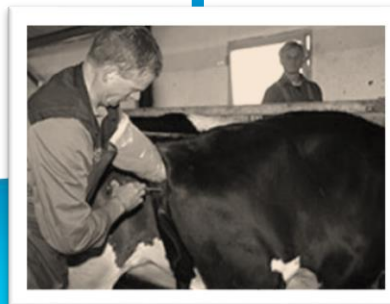
1868



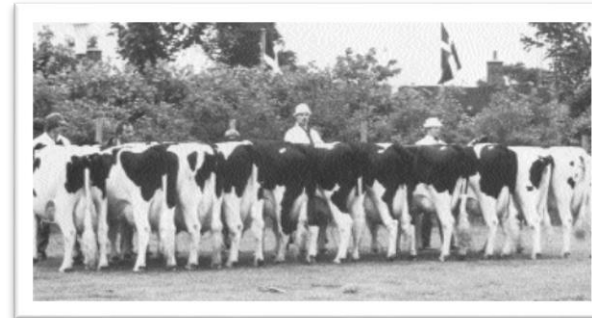
1895



1903



1936



1945

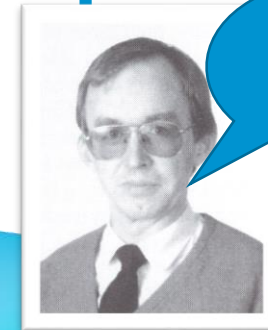


arkiv.dk

1972

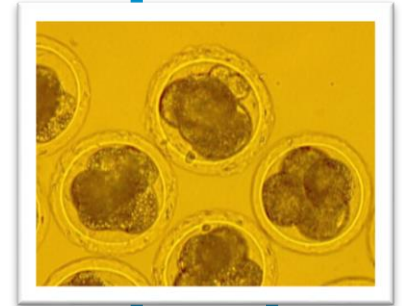


1987



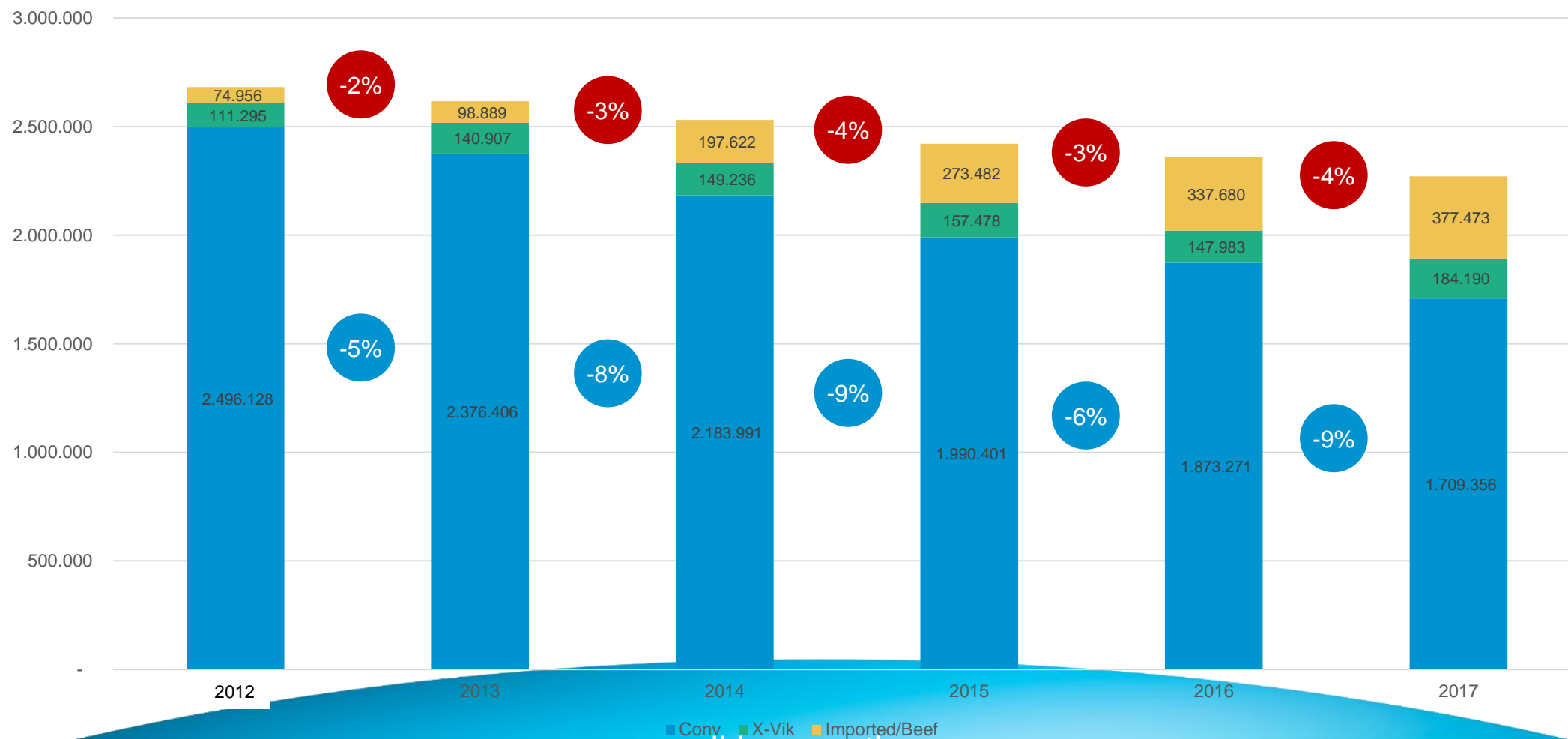
IT can't  
replace  
the herd  
visit

2007



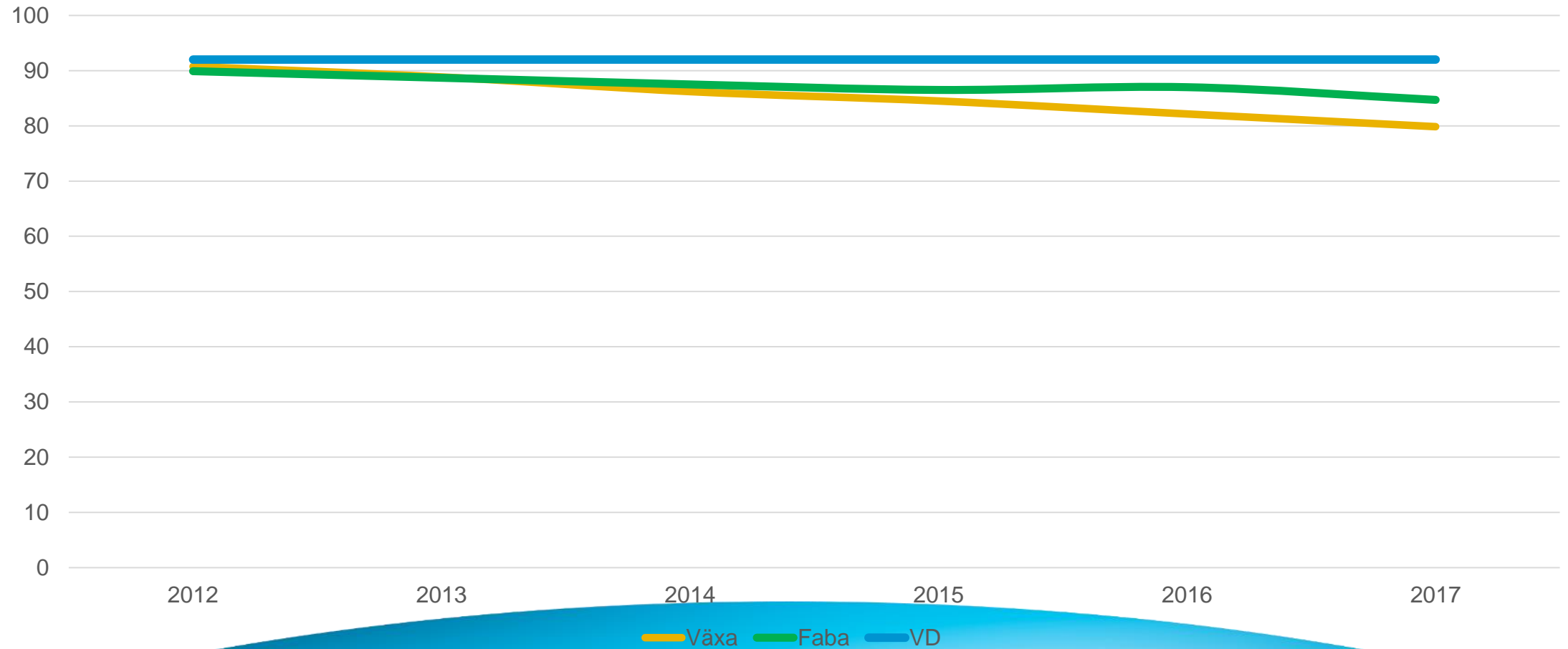
2017

# Total Homemarket (#doses)





# Calculated Market Share



# Changes in the competitive landscape



## Select Sires to acquire Accelerated Genetics

By Chris Kick - June 14, 2017

540 0

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Select Sires facility (Farm and Dairy file photo)

(Story being updated)

SALEM, Ohio — Two of the nation's largest genetic companies for dairy and beef breeders have announced plans to merge.

The board of directors for Select Sires, based in Plain City, Ohio, and Accelerated Genetics, based in Baraboo Wisconsin, have both reached a unanimous decision to

## US based ST genetics in Cogent deal



Mark Roach

Published: 07:12  
Friday 13 October 2017

[f](#) [t](#) [g+](#) [e](#)

**Worldwide livestock reproduction and bovine technology business ST genetics of Texas has become the majority shareholder in the UK's largest bull stud Cogent Breeding Ltd.**

Cogent will provide ST with a strong platform in the UK and Europe providing new routes to market and a creating a powerhouse of industry knowledge, technology and resources.

In turn, ST genetics will provide significant benefits to Cogent, in particular: world class bull power including the number one PLI bull in the UK; new generation sexed semen machines and processes; genomic testing and mating programmes and access to new and innovative bovine reproduction technology.

# Changes in the competitive landscape



## CRI/Alta Merger Would Be First of Its Kind

Jim Dickrell

January 24, 2018 01:28 PM



Proposed merger of CRI and Dutch-based Koepon Holding would be the first ever marriage of a large U.S. farm cooperative with a privately-held foreign company. ( Chris Helgren, Reuters )

The proposed merger between **Cooperative Resources, International** (CRI), the parent cooperative of GENEX, and **Koepon Holding**, a Dutch, privately owned company and parent of Alta Genetics, would be the first-ever, large-scale marriage between a farmer-owned cooperative and a privately-held company.

 Strategy and/or necessity?

 Are you buying or being sold?





# Impressions from the outside world!



Sustainability framework with management approach to create impact on 11 sustainability themes



## Global layer

- Overarching sustainability vision for the global dairy sector
- A series of 11 sustainability issues, each incorporating a number of sub-issues

## Regional layer

- Prioritisation of the issues relevant to a particular region including continuous improvement spectrum



## Sustainability themes

- Focus on 11 globally applicable sustainability criteria
- Outline the high-level objectives (Strategic Intent), which the dairy sector has committed itself to work on for each of these criteria

2

Jaap Petraeus  
(FrieslandCampina)

## The farmers' arena – Böndernas eget mejeri

A communication platform for Arla Sweden



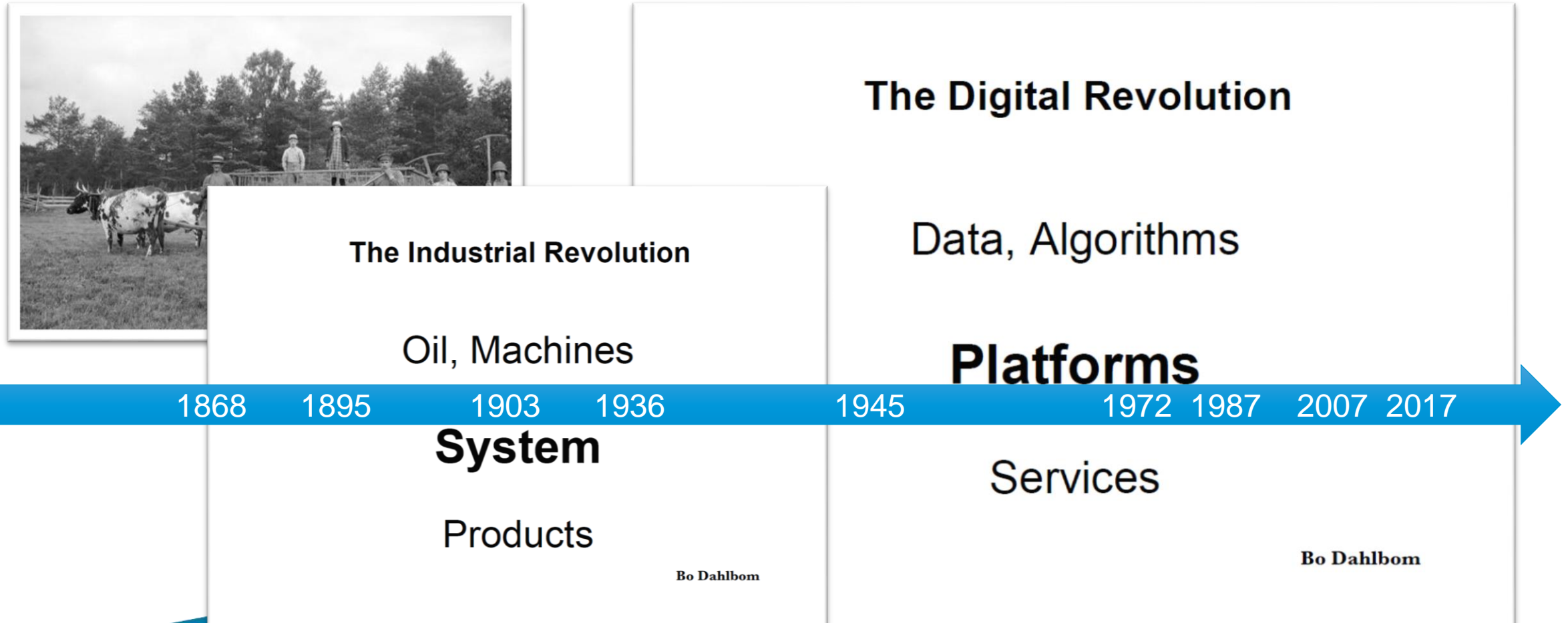
9

Anna-Karin Modin Edman  
(Sustainability Manager, Arla Foods)

Supporting key trends and drivers:



# Oh yes, the world is changing!







**What is the future bringing?**

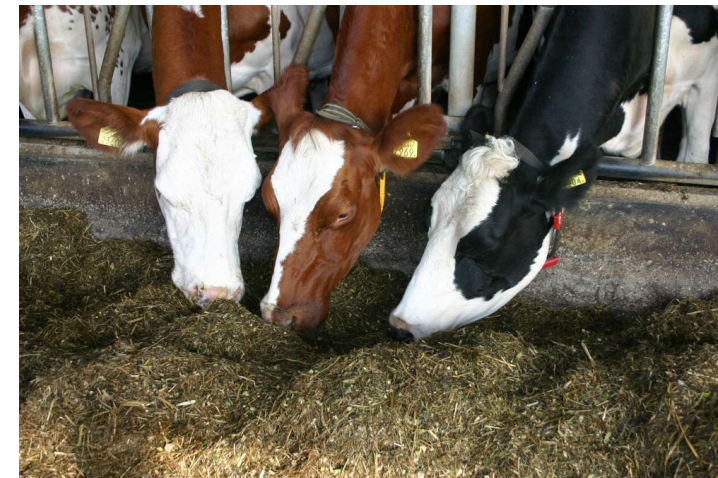




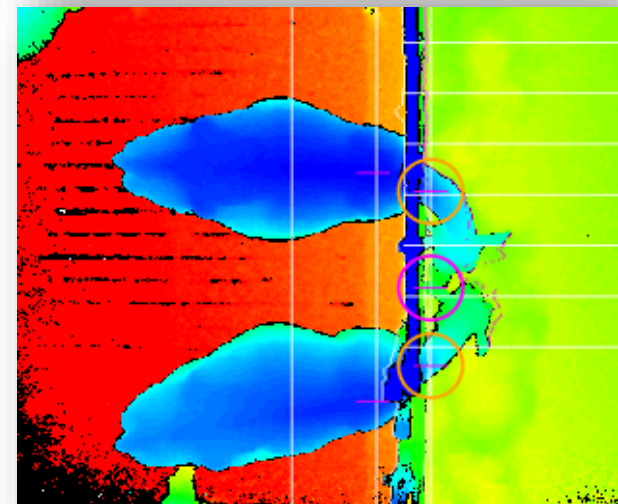
 An **elite athlete knows** the amount, weight and content of nutrient in each meal to be elite



 We expect our **cows** to be **elite** BUT we **don't know** what a cow is eating



# Background

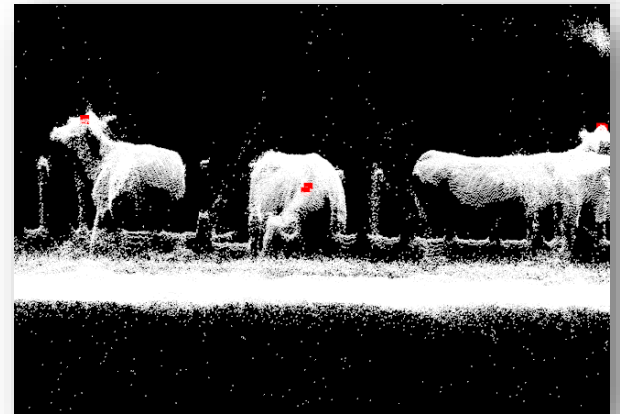




# Aim and purpose



- To develop a **3D camera system** that can measure **feed intake** at **individual cow** level at **each visit**
- May not:
  - Disturb **daily routines** on farm
  - Disturb **cow behavior**
- Should be same system as for **identification**
- Cattle Feed Intake (**CFIT**)



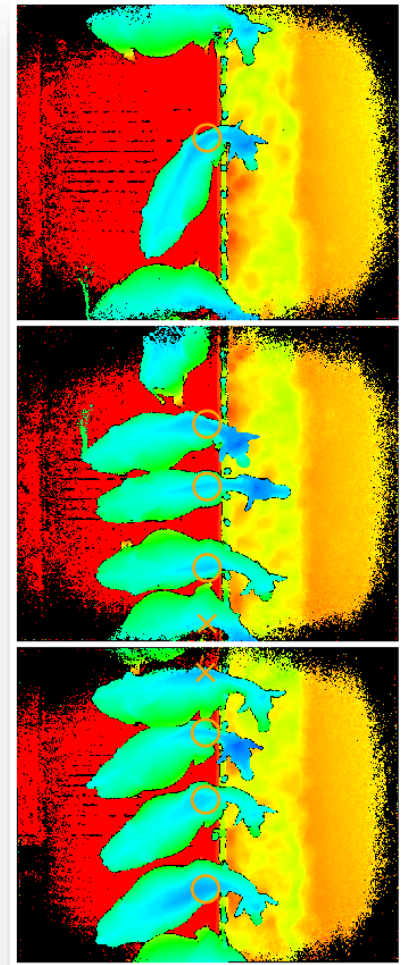
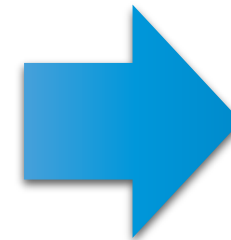


# System setup





# System setup



# Perspectives

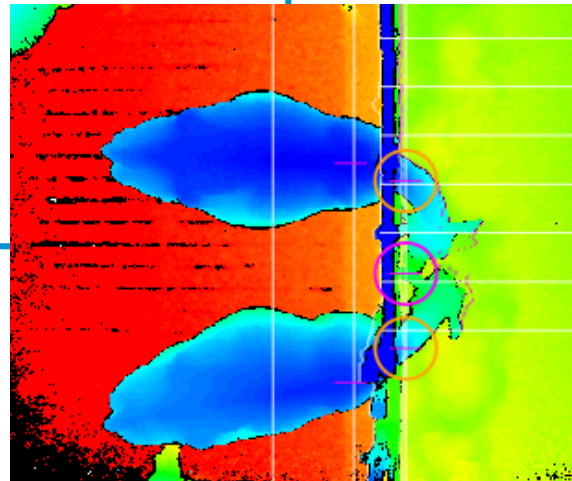


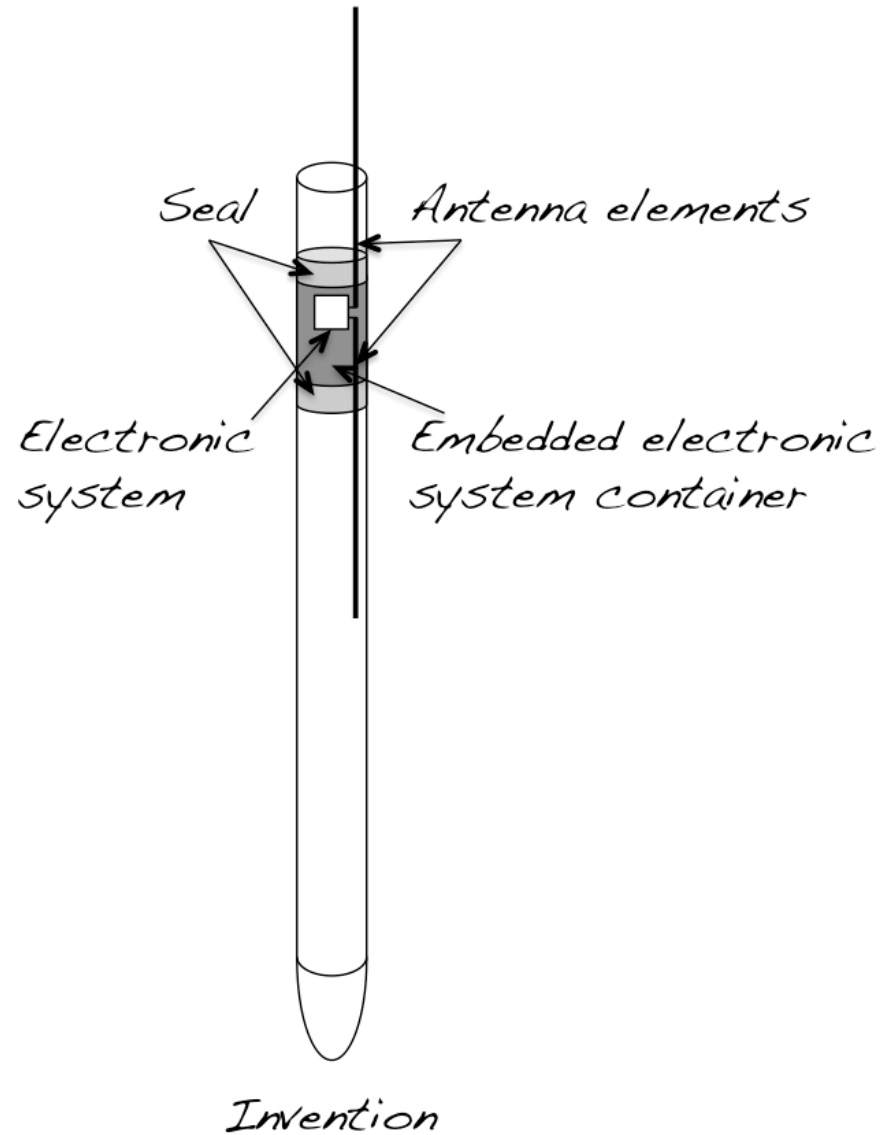
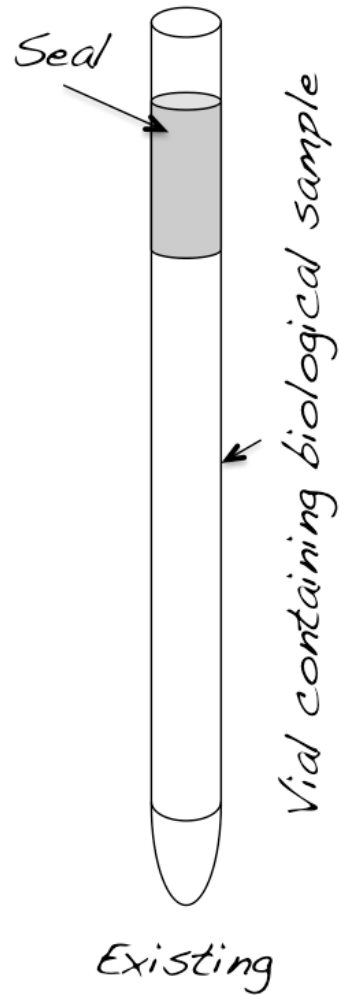
Efficiency

Health

Behaviour

Grouping





# RFID in insemination straws



# RFID – vision!



## **New standard for digitalization**

## **Semen production and handling in Laboratory**

- Storage
- Accounting
- Traceability

## **Distribution of semen (Can also be with use of robotics)**












































- Depots
- Technicians
- Farmers
- Export

## **A.I. Field work**

- Technicians
- Farmers

# Competitor overview



Company and home market	Sales M doses	Revenue* MEUR (Ebit %)	% of sales in home market	Geographical focus						Breed focus						Ownership
				Nordic	Europe	Asia	N. America	S. America	AUS & NZ	HO	JER	RDC	Other dairy	Beef	Xbreed	
   	 19	200 + 93 2015	59%		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	Alta - Privately owned by holding company. CRI - Cooperative
 	 18	#N/A	63%		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	Cooperative ownership
 	 17	220 (10%)	30%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Owned by public company Genus PLC
 	 12	#N/A	50%	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		Cooperative ownership
 	 10	168 (1%)	20%		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	Cooperative ownership
 	 5	120 (4%)	92%		✓			✓	✓	✓	✓				✓	Cooperative ownership
 	 4,5	150	35%	✓	✓			✓		✓	✓		✓	✓		Cooperative ownership
 	 4	#N/A	75%	✓	✓				✓	✓				✓		Cooperative ownership
 	 3,3	100	61%		✓	✓	✓		✓	✓			✓	✓		Cooperative ownership
   	 3,2	139 (10%)	70%	✓	✓		✓	✓	✓	✓	✓				✓	Cooperative ownership
 	 3	186	33%	✓	✓	✓	✓			✓					✓	Cooperative ownership
 	 2,7	#N/A	#N/A	✓	✓			✓	✓	✓	✓	✓	✓	✓		Private, limited liability company
 	 1	46 (1%)	49%	✓	✓	✓	✓		✓			✓			✓	Cooperative ownership





VikingAcademy 2017  
Copenhagen



# Two ears – one mouth!



# Dialogue/Discussion







**Group Work**



# Networking





# Socializing

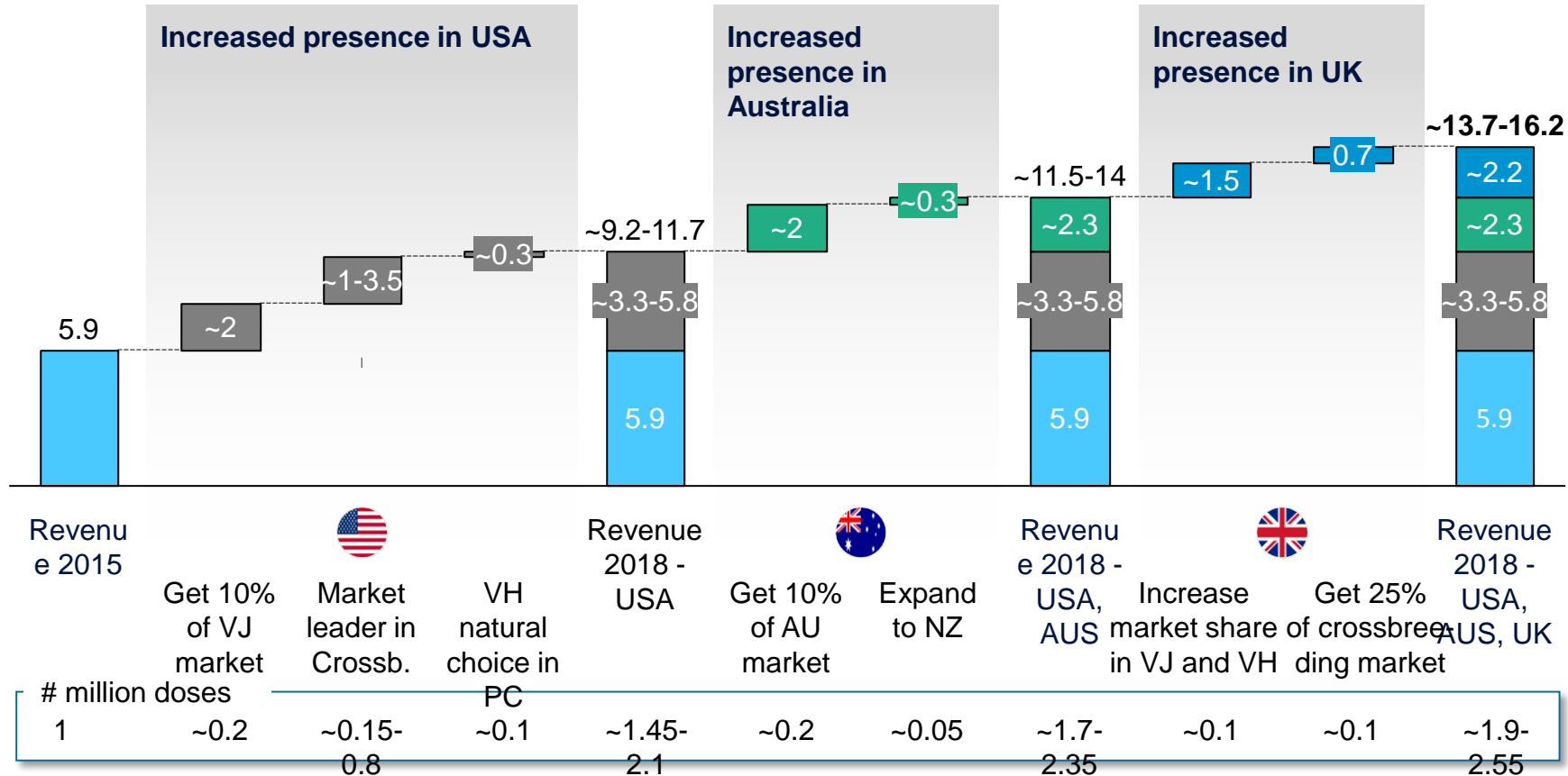




# Reaching the sales target of 2.5 doses/14 MEUR

Seven projects have to be exploited and implemented to secure the sales target of 14 millions to be reached - a growth in underlying export markets might or might not happen why it is important to initiated and accomplish the seven projects

Estimated revenue development for VG, 2016-2018  
MEUR





# Farmer segments



Custodians

Lifestylers

Pragmatists

Modern  
Family  
Business

Challenged  
Enterprise

Corporate  
farm



Farming is a way  
of life

Farm and Family  
life closely linked



Farming as joy

Farming NOT a  
main source of  
income



Love for farming

Need to make  
money

Enjoy life



Focus on family  
success and  
income

Enjoy farming  
lifestyle

Value family  
legacy

Focus on growth



Farming is a  
burden and a  
struggle

Pessimistic



Heavy business  
focus and profit-  
driven

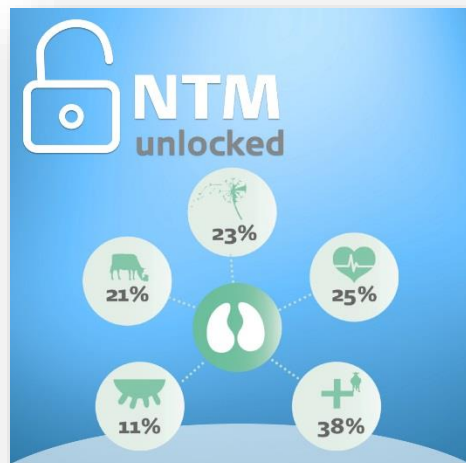
Focus on growth  
and reaching  
financial goals

← EMOTIONAL

RATIONAL / HARD →

FACTS

# Social Media Activities



**Interbull**  
International Comparisons  
Jersey

	102	100	103
Denmark	89	93	107
USA	n/a	89	94
UK			

Source: Interbull December 2017, International Breeding Values



**Interbull International Comparisons**

	103	102	104
Denmark	100	99	104
USA	98	95	104
UK	96	95	104
Canada	96	93	105

Source: Interbull December 2017, International Breeding Values



# VikingDefence™





# Customized ranking

rank.vikinggenetics.com



Deutsche [English](#) Español Hrvatski Italiano Lietuviškai Polski Português Serbian [Log in](#)

VIKINGGENETICS®

## VIKINGRED

Viking Red Viking Holstein Viking Jersey

[Log in to save lists](#) × 0 / 135 All ☐ Genomic ☒ Proven ☒ Outcross filter Search bull

### CUSTOM VIK

[Log in to save indices](#) × [Log in](#)

Herdbook	Name	Sire name	MGS name	NTM	Rank	
99634	<a href="#">VR Emser</a>	VR Ejstrup	R Facet	+26G	1	<input type="checkbox"/>
37011	<a href="#">VR Ejstrup</a>	G Edbo	R Alfa	+18	2	<input type="checkbox"/>
37640	<a href="#">VR Fonseca</a>	VR Favre	A Linné	+26G	3	<input type="checkbox"/>
46305	<a href="#">VR Efect</a>	G Edbo	H.Ponnistus	+25	4	<input type="checkbox"/>
99811	<a href="#">VR Ultra</a>	VR Uudin ET	VR Truls	+29G	5	<input type="checkbox"/>
47558	<a href="#">VR Freeze</a>	VR Fonda P	Hällom	+28G	6	<input type="checkbox"/>
47154	<a href="#">VR Seiji</a>	VR Sampo R	VR Enox	+24G	7	<input type="checkbox"/>
99835	<a href="#">VR Vilano</a>	VR Vimputa	Buckarby	+26G	8	<input type="checkbox"/>
46898	<a href="#">VR Capri</a>	VR Cigar	Hällom	+21G	9	<input type="checkbox"/>
37121	<a href="#">VR Fenton</a>	R Fastrup	Gunnarstorp	+26	10	<input type="checkbox"/>
99830	<a href="#">VR Hazze</a>	VR Haltia	VR Cigar	+25G	11	<input type="checkbox"/>
99584	<a href="#">VR Vilde</a>	S Valpas	G Edbo	+22G	12	<input type="checkbox"/>
46691	<a href="#">VR Haltia</a>	Hällom	Turandot	+22G	13	<input type="checkbox"/>
99132	<a href="#">VR Enox</a>	G Edbo	K Lens	+17	14	<input type="checkbox"/>
99790	<a href="#">VR Hjusticia</a>	VR Hammer	Vret	+25G	15	<input type="checkbox"/>

Yield 38.3

Growth 0.0

Daughter fertility 8.7

Birth 4.4

Calving 3.7

Udder health 11.0

General health 3.7

Hoof health 1.3

Frame 2.1

Feet & Legs 0.0

Udder 2.5

Milking speed 13.0

Temperament 2.9

Longevity 0.6

Young stock survival 7.9

vikmate.vikinggenetics.com

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# New "daughter" – VG UK







# The French Connection

- Jersey program based on joint population
  - Base is VJ breeding program and Nordic Jersey reference
  - VG has ownership to all bulls
  - VG responsible for all costs in relation to breeding program and evaluations
  - Evolution has access to all VG Jersey bulls and will be considered VJ home market
  - Evolution can buy doses to present VG home market prices



# Mindmapping our challenges





# Stronger together



# Thank you for your attention!



ANY  
QUESTIONS  
?

WHAT

WHY

WHERE

WHEN

WHO

HOW

