

Is the Feed Rep in danger of becoming extinct?

"Almost certainly," says independent nutritionist Robert Cope. "Industry sources tell me the average cost of running a Feed Rep adds £11 to a tonne of compound feed. At today's milk prices this is not sustainable. On a 2 tonnes per cow basis, not many feed salesmen add value to the tune of £22/cow. There are some Feed Reps out there who offer sound nutritional advice, but ultimately their job is to sell and make profit for the company."

"Buying Groups are the future" says Robert, who runs the Jigsaw Buying Group, "but only if they are professionally run." Something must be working right as the Jigsaw Group's monthly tonnes of compound feed has grown from 300 to 1200 in 18 months. That's a 400% increase! How has this happened?

"I would like to think it's all down to my nutritional support," says Robert, smiling. "But the main attraction is the saving of around £20/tonne - more in some cases - for comparable feeds".

Robert continued, "It works like this: I formulate about 8 dairy diets with varying levels of energy, crude protein, starch, fibre and bypass protein. The idea is that one of them will fit every situation. Several companies are asked to quote, supplying the percentage inclusion of each raw material used. I then evaluate the products using a software programme and compare the nutritional specification with the prices given. Prices are fixed for up to 12 months. This information is passed on to the group members and they democratically decide who will be the supplier. Members trade direct with the supplier."

"What's in it for the supplier? Well, they do work for tight margins but it helps keep the mill full, thereby spreading their costs. There's no Rep to employ, no forage samples to take, no costings and best of all - no debt. All members pay 7-14 days after delivery by direct debit."

"Not all buying groups are the same. Farmers, consultancy companies and individuals can and do run them. Varying levels of membership fees apply, some as high as £50 per month and they have to pay for costings as well!"

"No disrespect to farmer-run groups, but I have rarely seen quotes evaluated professionally. Decisions on the supplier are often made on the look of the raw materials rather than on a sound nutritional comparison."

"Consultancy companies can be more interested in profiting from other products they source, yet maintain they are still independent.

There are 4 farmers who have left other buying groups like these to join Jigsaw."

"Various individuals set up groups and take a hefty brokerage fee per tonne. In fact, it was this situation that germinated the idea to set up the Jigsaw Group. I was working in the feed industry and given the task of providing nutritional support to several buying groups my employer was supplying. These group members were getting quality advice and paying £20 per tonne less than a retail customer for the same feed. The person running the group was getting a tidy payment per tonne and I was doing all the work! It seemed morally wrong to me - and I don't mean the bit about me doing all the work."

"So a decision was made to set up a buying group - with a difference. I decided to major on the high margin products sold to dairy farmers. Then, to research and evaluate these products and, once a best product is decided, to negotiate with buying strength. Big discounts are available if you take out the middleman. I do not buy and sell products so as to keep my independence.

There are no membership fees and no commitment on purchases. This is supported by free services including forage analyses, rations, costings and independent advice. To ensure quality control I take a random sample from a different member's farm each month and have it analysed at an independent laboratory. As I don't believe in having all my eggs in one basket, there are currently three feed companies supplying the group. One of those has given a fixed price to October 2007.

My big advantage is I have spent over 20 years working in the feed industry as a Salesman, Sales Manager, Product Manager and Technical Manager. I know how compounders work and I know what they are looking for when supplying a group. I guess you could say I am a poacher turned gamekeeper."

"So back to the Feed Rep being a dodo - sorry, extinct. The milk producer cannot afford to pay for anyone who does not add value to his or her business. 14 groups like mine would fill a 200,000 tonne mill and take out all of the sales costs. If there were no salesmen there would be no Sales Managers either.

The only businesses that are going to survive with a sales force are low cost, slick operations such as NWF Agriculture. They are very competitive with well-trained personnel. None of their customers have ever joined my group and yet I operate in their heartland."

"I can't say the same about some others. If your Rep is one of those people that spend their time in the kitchen drinking coffee and driven by the latest sales campaign instead of getting amongst the cows and working for you - then I do not think there is a future for him." To



tell you the truth, I quite like them. That's where most of my new members come from."