



Ducks International

Cherry Valley Farms Newsletter

Business Development - 2018



In the past year Cherry Valley has celebrated several milestones in our Company history, 25 years of Chinese joint venture operations; 15 years of the fully owned operation and genetic selection programme in China; and 10 years of fully owned Germany operation. Cherry Valley Farms also welcomed its new owners Beijing Capital Agriculture and CITIC agriculture funds in 2017.

The Company is also currently embarking on an expansion programme at our Shandong operation to meet an ever increasing demand for quality duck breeding stock in China markets. China is consuming an almost equal amount of duck meat to broiler Chicken meat today! The Shandong site has four farms and is currently producing 10 million eggs annually. The new houses built recently are 125 by 16 metres, with full evaporative cooling in the summer and natural gas heating in the winter, constructed to a very high standard to ensure the highest level of bio security. The site also hosts our selection programme in China.

In 2018 Cherry Valley has established our Vietnamese operation near Ho Chi Minh City and the parent stock produced locally will be available for distribution in the second half of 2018.

Vietnam is a major and important duck market in South East Asia and has a long history and tradition of duck consumption. Its modern duck industry is developing at a very rapid speed and duck consumption will gradually increase to become a very important source of animal protein as the standard of living improves.

We anticipate an improvement in the trading conditions for most duck industries in 2018, of course there are many challenges still to face, but in the traditional and established duck markets the industry is gaining speed of recovery post AI outbreaks and many emerging duck markets will continue their journey of dynamic development.

Haid Cherry Valley Vietnam

Haid Cherry Valley has just successfully imported their first flock of grandparent and parent stock into Vietnam. This new company is a joint venture between Cherry Valley Farms and Chinese feed company HAID. HAID groups core business is in animal feed production and they currently have 3 feed mills in Vietnam with a total annual production of 500,000 tonnes.

Haid Cherry Valley aims to supply the local Vietnamese market, currently estimated at around 80-100 million ducks a year, by selling locally produced commercial day olds. The move secures the supply into the Vietnamese market even in the event of an AI outbreak in Europe.

The local team is headed up by Mr Quan Wei Bing who is General Manager for Haid Feed in Vietnam. He is responsible for all of Haid's operations in southern Vietnam.

He is assisted by newly appointed Production Manager Mr Luo Bing Qiang. Mr Luo previously worked as a Farm Manager at a Liuhe parent stock farm so has a wealth of experience when it comes to rearing and production.

With a successful first placement of grandparents and parents and operating from a base near Ho Chi Minh City, work now begins so that production can begin at the end of 2018



The Haid Cherry Valley team, from left to right, Wendy Tang, Quan Weibing, Malcolm Stimpson, Bing Yan and Luo Bingqiang.



Cherry Valley 10 years old in Germany



Cherry Valley Farms was first registered in Neuhausen and Wriezen on 19th November 2007. The enterprise was housed in rented premises, which Cherry Valley purchased in 2016.

The operation has been run by Norbert Winkler since its establishment and he has seen it grow greatly over that time.

The objective was to develop the enterprise into an independent Grandparent (GP) operation capable of supplying the export markets and, after exhaustive approval procedures, the first parent stock were successfully delivered to Malaysia in August 2008. Karlsdorf hatchery was, however, built as a pedigree breeding Centre and the hatch capacity was small. Three Petersime incubators were added in December 2008 to provide sufficient space for the eggs coming from Homburgshohe Farm and a further 8 setters and a hatcher were added in February 2009.

Meanwhile, the number of GPs placed was increased, with additional housing added to the farming base in 2009 and 2015 to meet the needs of growing sales, not only in Eastern Europe - Germany, Hungary, Czech and Poland, but also supporting customers in South East Asia - Malaysia, Thailand and Indonesia.



Norbert Winkler with Viktor & Alexander from KOSKRO, Belarus

The next stage of the hatchery development was the expansion, starting in September 2015, which has increased the setting capacity to 300,000 eggs. The project was largely accomplished by the Karlsdorf hatchery team and much of the Technical work was carried out by hatchery engineer, Gunther Jeratsch.

Now that Cherry Valley owns the farms and hatchery it has started a program of investment in the fabric of the buildings. New feeding, drinking and lighting systems have been installed, along with modernization of the ventilation. During the coming years renovation of the roofs is planned, which will include the installation of PV panels that will generate green electricity and feed it back into the national grid.

From a standing start 10 years ago and thanks to Norbert and his team, Cherry Valley now produces 3 million hatching eggs per year in Germany. This makes its German operation a key supplier of Cherry Valley SM3 Pekin duck breeding stock to Europe and the wider world market and the largest single GP enterprise outside China.



Norbert Winkler (right) with Malcolm Stimpson in the refurbished setter room at Bruterei Karlsdorf.

Norbert Winkler—Biography

Norbert started his career before reunification of Germany, spending 2 years as a poultry industry apprentice and 4 years studying agriculture, with focus on animal breeding. After spending 10 years as the Manager of a farm producing ducks and geese, he moved in 2001 to work for Wimex, Europe's largest producer of chicken hatching eggs and day old's, where he worked as Production Manager. Norbert joined Cherry Valley as Operations Manager for Germany in 2007 and has been responsible for the development of the German farms and hatchery.

Come and join us at:-



**13th - 15th March 2019
Event Hall 101
Stand Number 2726**



Cherry Valley ILDEX Vietnam 2018

Cherry Valley announced their intention to locally produce parent stock through ILDEX Vietnam at two seminars hosted by two of Vietnam's top agricultural universities.

ILDEX Vietnam attracts visitors from all over the world but it was domestic visitors that were of particular interest. The Cherry Valley team, which consisted of Malcolm Stimpson, Boh Kee Yook and Bing Yan worked with the Haid team in Vietnam, led by Mr Quan Wei Bing for the exhibition. The event allowed the team to engage with local livestock producers about Cherry Valley parent stock being domestically produced. This created both intrigue and excitement about being able to buy locally produced breeding stock directly from the world's leading duck breeder.



Seminars were also hosted in conjunction with Haid Feed and Prof. Bui Huu Doan and Prof. Vu Dinh Ton from two of Vietnam's most prestigious agricultural universities, Vietnam National University of Agriculture and Ho Chi Minh City University of Agriculture and Forestry.

Seminar topics included the Vietnamese and world market for ducks, genetic selection in the Cherry Valley breeding programme and performance potential of the SM3 compared to other breeds given by our very own Dr Anne Rae and Malcolm Stimpson.

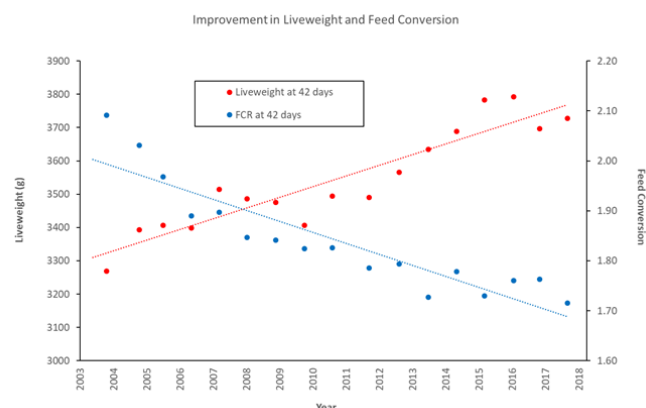


The very first Cherry Valley Scholarship was handed out by Dr Anne Rae to the three best performing students at Vietnam National University of Agriculture. The first three recipients were Nguyen Thai Anh, Lam Thi Quyen and Doa Trong Nghia.

Genetic Improvement & New Breeding Technology

Cherry Valley Farms genetic stock continues to be the breed of choice for over 80% of the world's Pekin duck market, due to the improvements in performance traits each generation, along with good reproduction, health and livability.

The selection programmes are based on multi strain pedigree breeding in elite lines and the estimated genetic gains made in growth rate and feed conversion in the pure lines that are mated to produce SM3 growing stock are illustrated in (figure 1.) Performance at this level is always 3-4 years ahead of commercial stock as it takes some time to feed the gains through the genetic pipeline. The average genetic gain per year for growth rate and feed conversion, respectively, is about 32g per bird to 42 days of age with an improvement of 0.036 in feed conversion to 3.25kg live weight. Analysis of customers data suggests that commercial operations realise about 72% of the annual improvement in growth and 65% of the annual improvement in feed conversion. The potential value of these genetic gains for an operation processing 10 million ducks per annum, based on normal European costs and returns, would be an improvement in the value of live weight amounting to almost 320,000 EUR and a reduction in feed cost of almost 375,000 EUR.



Cherry Valley was the first duck breeding company to routinely use automated feed intake recording on individual birds as part of the selection criteria and we are now moving towards complementing our pedigree breeding with genomic technology. The cost of sequencing and analysing DNA is constantly reducing as improved techniques are established, leading to new opportunities for implementation. Much work is being done to advance analytical and statistical genomic methods allowing analysis of tens of thousands of DNA variants in thousands of ducks.

Genomic selection is a rapidly developing and very influential selection tool. Cherry Valley is incorporating innovative genomic technology into its pedigree programme and validating the benefits of complementing our state of the art duck breeding programme with genomic selection.



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1. Visitors from Bangkok Ranch enjoying an icecream on a recent visit to Cherry Valley UK sites.

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2. Nick Lynn, Pam Cousins and Anne Rae with Erwout Van Wolfswinkel and Kai Nijboer from Duck To .

3. Pam Cousins and Young Hae with members of the team from Joowon in Korea.

3.



6.



4. Young Hae and Nick Lynn with members of the team from Dasol & KGP in Lincolnshire.

5. Dr Xin Jian Yan, Dr Anne Rae and Nick Lynn with members of the team from Donstar, Russia.

6. Members of our UK Head Office Staff enjoying a meal with Norbert Winkler from Cherry Valley Germany.

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Cherry Valley Farms—Serving the Duck industry of the world