

Making Better Grazing Decisions

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What are better grazing decisions? They are decisions that make us more profitable in a manner that is sustainable for the long term.

There are four essential elements to making informed, profitable grazing decisions:

1. Know what is going to make the business more profitable. To do that you need a sound knowledge of your grazing system including-
 - the feed requirements of your animals to meet production targets;
 - what promotes pasture growth and quality;
 - key profit drivers
2. Set "profitability" targets that are achievable and establish a management plan of how to achieve them
3. Monitor progress
4. Be prepared to change and bring the rest of the business with you

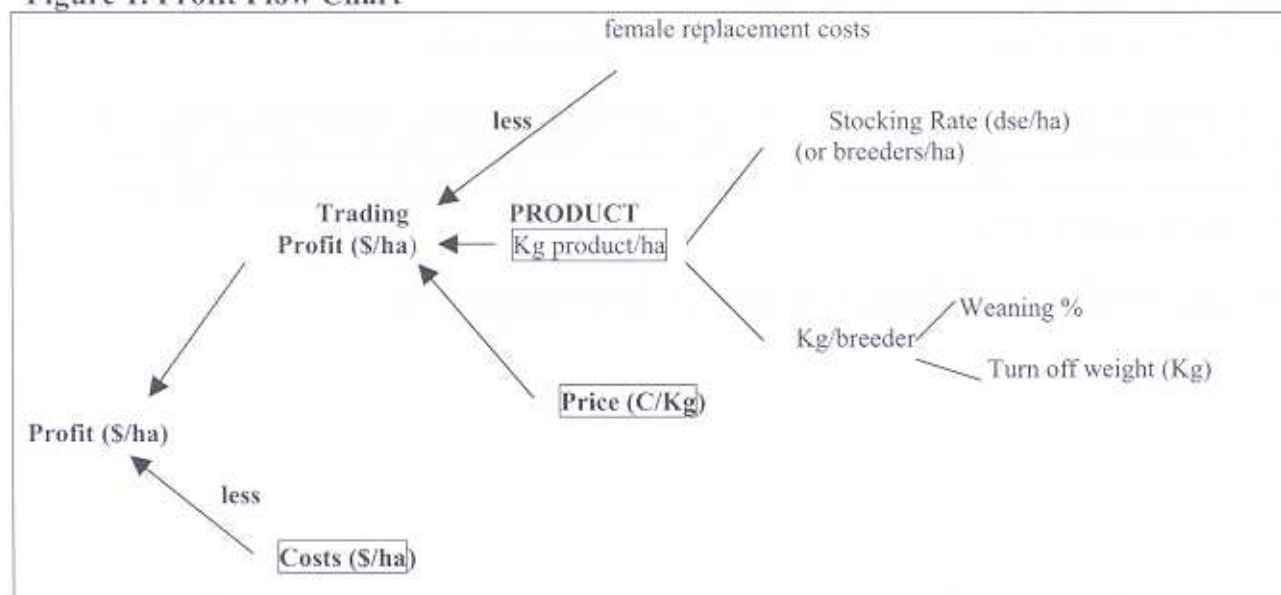
I will base my talk on what we've done on our property, but also draw from our experience with the BeefCheque project and workshops available through Edge Network. I will describe how these 4 points have helped us improve our system and become more profitable.

1. Know what is going to make the business more profitable:

Prograze is a fantastic way to build a sound knowledge of your animals and pastures and the principles that drive production. I strongly recommend it to all meat producers. We completed Prograze in 1995 with other producers in our area and continually use knowledge gained from that course to make informed profitable grazing decisions.

Better Grazing Decisions, an Edge Network workshop, looks at what drives profit and how well you are utilising available feed. The profit flow chart used through a range of Edge workshops is shown below (figure 1):

Figure 1. Profit Flow Chart



We have used the key profit drivers of stocking rate, kg meat/ha and cost of production (COP) as our key indicators and have tracked changes over time.

We have done this by:

- a) Increasing fertiliser applications from rates of 5-10 kg P/ha to 20-25 kg P/ha.
- b) Reducing paddock size and increasing herd /flock size to help optimise pasture utilisation - we have moved from 26 to 50 paddocks.
- c) Adopting rotational grazing strategies over autumn/winter to boost pasture production and control animal intake.
- d) Set stocking over spring to promote ryegrass tillering and suits management of ewes with young lambs.
- e) Operating a feed budget over autumn/winter and early spring to identify opportunities to purchase additional stock to fully utilise winter grass, or the need for nitrogenous fertilisers.
- f) Carrying more spring lambing ewes and moving from split autumn/spring calving to all spring calving, so as to run more dry stock through winter and maximise animal feed requirements through spring.
- g) Commencing pasture renovation program when all feed grown is being utilised, and lifting fertility of property.

2. Set “profitability” targets that are achievable and establish a management plan of how to achieve them:

We work in a family partnership with my parents. We all have a joint vision, which is to enjoy running a profitable, efficient, environmentally sustainable family farm business which continually improves the quality of the soils, pasture, stock, shelter, infrastructure and people.

My husband Paul has a saying in regard to what generates profit in a grazing system. He believes sheep always, cattle sometimes and horses never!! Our results from benchmarking with the local beef group over 5 years reinforced this. The problem was my parents loved their horses and cattle and hated sheep.

We set 5 year targets and review progress constantly. We are just drawing to the end of our second 5 year plan. We aim to have SMART goals; that is, they are specific, measurable, achievable, realistic and time constrained.

Our latest Five year Goals (one year to go!!) are:

- a) Farming 640ha at 24 dse/ha
- b) Increase sheep numbers to 2700 ewes to produce 660kg/lamb/ha
- c) Run a 400 spring calving herd producing 470 kg beef/ha
- d) To get away as a family at least 2 weeks per year
- e) To have 12% of the farm devoted to native bush/woodlots and shelter belts

We have learnt an enormous amount by being involved in our local BeefCheque group. We can get a good idea of what other progressive producers are doing and the production levels they are achieving. We can learn from their experience as well as our own. We can test our new ideas with them and they will freely challenge and scrutinise these ideas.

Our production targets and key profit drivers are outlined in the next three tables.

Table 1: Our three key profit drivers - 'where we were in 1994', 'where we are now' and 'what our target is by 2002'

Production Target	Target	Where we are 2001	Where we were 1994
Stocking Rate (dse/ha)	24	22.5	16.9
Kg beef (kg/ha)	470	400	300
Cost of beef production (c/kg)	65	75	80
Kg lamb (kg/ha)	625	560	430
Cost of lamb production (c/kg)	56	65	56

To achieve our targets we have identified fertility (Table 2) and production (Table 3) targets we need to achieve.

Table 2. Our fertility targets

Indicator	Cattle	Sheep
Weaning %	90-95	130-150
Maidens Weaning %	85-90	90
Fat score at joining	3	3
Fat score at calving/lambing	2.5	3
Optimal feed cover after calving/lambing KgDM/ha	1500	1200

Table 3. Our production targets

Indicator	Cattle	Sheep
Turn off Weight	280-300 kg cwt	18-20 kg cwt
Age at turn off	24-26 months	16 weeks
Optimal feed cover Growing KgDM/ha	1600-1800	1400
Optimal feed cover Finishing KgDM/ha	2400	1400

3. Monitor progress

Continually check you are on track. Tools we use include fertility data, livestock fat scores and weights at key times of the year, feedback sheets from the processors and results from our annual financial analysis completed with our BeefCheque group. Changes in seasonal conditions and fluctuating prices might mean targets need to be reviewed in the short term.

4. Be prepared to change and bring the rest of the business with you

With the motivation to improve profitability to support both families, and also to achieve best practice and apply all the theory Paul and I had learnt as professional Agricultural Scientists, we were very keen to embrace change. It is a credit to my parents that with lots of consultation they have given us a free reign.

The BeefCheque group has also offered enormous support and motivation to apply the theory to improve our system. Both Paul and I completed a 'Working in Groups' course in 1995. The increased awareness of communication needs and issues associated with facilitating change have been valuable in facilitating generational change in our business.

The key elements to change are:

- a) Dissatisfaction with the current situation. We wanted to increase profit and improve the property. We compared ourselves with district best practise and saw opportunities.
- b) A vision of what the future will be.
- c) Prograze taught us the principles and BeefCheque challenged us to apply the principles, and financial benchmarking has helped us set targets for what is possible.
- d) A plan to achieve the vision.
- e) The farm business plan incorporates: a grazing plan that looks at animal feed requirements and pasture grown, a financial plan that has set targets for cost of production and level of profit needed to achieve our production, development and personal targets.
- f) Energy and resources to achieve it.
- g) The energy has come from a fresh approach, and group motivation, through our BeefCheque group. The resources or dollars have had to be raised through the business and that is one of the reasons the changes have been so slow (cattle slump in mid 90's, followed by 3 dry years).

Factors in generational change:

- a) Done in stages
- b) Good communication
- c) Desire by both parties to make it work
- d) Respect for each other
- e) Confidence in each other's ability

Developing your business skills

Edge Network is a business initiative of Meat and Livestock Australia and Natural Resources and Environment in Victoria, developed for livestock producers. It aims to give producers tools to enhance their farm and business skills and improve profits, within a learning framework. There are six key areas addressed; Business Development, Finance, Marketing, Feed Base and Pastures, Livestock and People.

Outstanding programs such as Prograze, BeefCheque, and Working in Groups have been brought under the Edge Network Banner to ensure they can continue to be extended to producers across Australia. Other workshops have been developed to extend to producers in other areas. If you are interested in developing your business skills and making Better Grazing Decisions, I recommend you consider one of the Edge Network programs and get together with other producers in your area to learn and challenge each other to continually improve your business.

Appendix 1. What is BeefCheque?

BeefCheque is a program run over 3 years and developed by producers through BIA. It is funded and supported by MLA and NRE and RIST.

BeefCheque builds farmers capacity to make more money by increased livestock production through better grazing management.

What do you do?

The first year of BeefCheque is primarily directed at understanding the impact of grazing management decisions on pasture growth and animal performance. Prograze forms the basis of this learning, with two additional sessions. These two sessions address the link between the principles of Prograze and how this can be converted into profit and how the use of correct soil types and fertilisers can assist them in making strategic decisions on fertiliser application on their own pastures or focus farm.

The second and third years of BeefCheque provide an opportunity for participants to apply the Prograze principles to a 'real life' situation. A focus farm is chosen for the second year and the group becomes involved in regular monitoring of pastures and livestock. They also contribute to discussions about decisions that will be made on the property.

The BeefCheque focus farm year(s) follows a logical sequence. This can be described as a four-step process:

- *Step 1.* Define an annual pasture and animal plan, taking into account the sustainability issues associated with grazing management.
- *Step 2.* Implementing this plan, while conducting monthly monitoring and evaluation of what is achieved against the annual plan. This involves 'fine tuning' the management decisions as a result of the monthly monitoring and evaluation.
- *Step 3.* Evaluate annual results against the yearly production plan. This involves understanding the physical and financial performance of the business.
- *Step 4 (a repeat of step 1).* On the basis of the evaluation, define a new annual plan for pasture and animals. This allows participants to *gain confidence* in the application of the principles by seeing the results of their decisions without necessarily taking the direct risk associated with implementing these actions on their own farms. This creates a very powerful learning environment.

In year three of BeefCheque the participants apply the principles of BeefCheque (learnt in year 2) onto their own farm.

What have been the benefits?

From 1996/97 to 1998/99 participants in the project achieved an average of:

- 12.4% increase in pasture consumption per hectare.
- 18% increase in beef liveweight output per hectare.
- 10% increase in efficiency of pasture use (kilograms of liveweight output versus kilograms of pasture dry matter consumed).
- 18% increase in farm operating surplus.
- By the end of the project, 75% of survey respondents were **using** five or more new grazing management practices.
- **Confidence** in using new grazing management practices increased during the project. At the mid-term mark, 56% of respondents expressed confidence in using ten new grazing management practices. This had increased to 69% by the end of the project.
- 94% of survey respondents **learnt** an average of three new grazing management skills as a result of BeefCheque. Rotational grazing, strip grazing and backfencing were nominated as the most important.
- Producer **reactions** to the project have been very positive. 92% of survey participants said they intend to continue to be an active member of their BeefCheque group.

Formation of Groups

Fifteen groups have been formed throughout Gippsland. They started in late 1995 to mid-1996. Groups are located at:

- East Gippsland: Bairnsdale, Buchan, Cann River, Ensay and Orbost.
- Central Gippsland: Flynn, Maffra, Stratford and Yarram.
- South Gippsland: Fish Creek, Kongwak and Tarwin Lower.
- West Gippsland: Pakenham, Trafalgar and Warragul.

A further 8 groups formed in the north-east and Western districts of Victoria in 1999 and 2000. In 2001 we have 12 groups operating in Victoria having BeefCheque delivered through RIST, NRE and the BeefCheque Board. We are working towards having it available through Edge Network from July 2001.

Summary

Participants found the program instructive and motivational. The detail was tailored to suit each group, but the overall aim remained constant: Grow More Grass, Utilise More Grass, Produce More Beef, Make More Money.

Appendix 2. Key features of the Edge Network

The Edge Network helps you learn, gain knowledge and develop skills to improve the profitability of your business. Understanding your business is a learned skill.

Vision: Producers driving industry development through continuous improvement.

Goal: To improve skills and profitability in your business

A complete package

Edge Network offers you savings in both time and money. The network is an avenue to meet learning requirements across the entire business, from the office to the paddock and the market place. As an Edge Network participant you determine the areas that will have the greatest impact on your business and you plan to participate and learn in the way that suits you best. Once you have plotted a 'learning journey' that meets your needs you will be able to move along the path ensuring your business and everyone involved in it gains maximum benefit from the time and money invested.

In keeping with its commitment to provide a complete package, the Edge Network also embraces existing quality products. The network places priority on forming alliances, recognising existing products and invests in filling gaps, not reinventing the wheel.

Something to suit everyone

The Edge Network uses a complete range of tools to help its participants take away as much as possible. Participants can benefit from learning in a group environment, accessing technical expertise, individual attention, experience of other producers and much more. Edge Network workshops incorporate group activities, farm walks, individual exercises, and outings – whatever best enables you to learn and make lasting improvements to your business.

Learning leads to better decisions

Understanding your business is a learned skill. The more knowledge you can gain about how your business operates, what influences different outcomes, and how you can alter these, the more power you have to make clever decisions. Knowledge is a business area that producers can use to give themselves a competitive advantage.

Managing 'learning' as a business opportunity

Edge Network offers a way to plan 'learning' and 'skills development' in a similar manner to other 'inputs' such as feed and animal health. With this planned approach, Edge Network learning focuses on areas that have the greatest potential to impact on individual business profitability.

Just like other investments in the business are expected to generate a measurable return, so should the money that is spent on training. Instead of taking a random approach, and investing in business development as opportunities present themselves, Edge Network lets you take control. Through Edge Network you can plan and control your business development on a weekly, monthly, annual basis as you see fit – for the lifetime of the business.

Producer driven

Edge Network is an education and training arm of Meat and Livestock Australia and as such is driven by producers for the benefit of producers and the wider industry. Before its launch, the program's development was overseen by a Steering Committee that included producers from each state of Australia. Piloting and pre-piloting of Edge Network products also included beef and lamb producers from throughout Australia. Feedback from Edge Network participants will help drive industry investments and identify future needs.

Meeting individual needs

Edge Network identifies the areas where learning or skill development will have most impact on your business. Learning with like-minded producers in groups enables each participant to receive personalised

service and focus on the specific details and needs of their business. Edge Network offers a chance to gain the best of group and individual learning.

Relevant to the whole business

Edge Network workshops cover 6 key areas, which include people, pasture, livestock, finance and marketing. The Edge Network includes more than one farm business member. It is designed to offer skills development and training to everyone involved in the farm business. The Edge Network time is purchased by the business but can be 'used' by other business family members and employees.

Benchmarking

As a national network the Edge Network is developing a data centre that will allow producers to confidentially record and access information that enables them to compare business performance with other producers. This system of benchmarking will enable producers to make comparisons of their performance on a local, regional and national level, generating useful information for planning and measuring performance.

Quality

The Edge Network has a national pool of resources including specialist deliverers, written materials and benchmarking data. The Edge Network develops original workshops and works to integrate existing ones so producers can easily access the best training. The Edge Network is built on consistent quality of training and allows for formal recognition.

Long term service and support

The Edge Network lets producers become part of an ongoing support and guiding network. Throughout the life of the business each year's learning and skills development needs can be planned for and delivered. The Edge Network is not just limited to its own products. The program aims to work with existing training systems and products to ensure producers can access what best meets their needs. By participating in the Edge Network producers also gain knowledge and reference to other information sources. It is a complete package.

For more information contact:

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