

Was it a drought or just a dry spell?

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Abstract. Drought has a major impact on rural businesses. During 2003, towards the end of the most recent drought, a livestock producer group on the North-West Slopes of NSW decided to analyse management strategies used by people in the area. The purpose was to identify the strategies used and lessons learnt. The workshop identified 3 drought management styles. The strategies used and lessons learned for each management style are outlined.

Background

The Double B Beef Promotion Association was formed almost 20 years ago with the goal of promoting cattle produced in the Barraba and Bingara areas of northern New South Wales. Since that time the group has developed, with members from a much wider area and has broadened its focus to include the employment of a livestock marketer and to include more extension activities to benefit interested producers.

The area consists of generally sloping country, much of which has been improved by fertiliser application and pasture establishment. Some winter forage crops are grown. The average annual rainfall for the area ranges from 700-750 mm, with about half of that falling between November and February. During the period January 2001 to December 2003, rainfall was below average in 24 of the 36 months. There were 2 breaks during that time in October 2001 and February 2003 but, without follow up rain, those breaks compounded the position as they spoilt any remaining dry feed and led producers to falsely believe the drought was over.

Members of the Double B Beef Promotion Association decided it would be useful to assess the management strategies of producers in the area during the drought to determine if any one strategy was better than the others, with the idea that more profitable management might be employed in the future.

Two workshops were held. The first, had all members of 10 individual farm businesses present. They were invited because they were seen as innovative or different, not because they were better or worse

managers than anyone else. They were also prepared to share fairly intimate financial, management and personal details with the other participants. The group's marketer, Danny Wilkie of Objective Livestock Marketing Pty Ltd and local NSW Agriculture Beef Cattle Officer, David Llewelyn assisted in the selection of invitees because they see the management of group members' businesses in closer detail than anyone else. A second workshop allowed the findings to be presented in a broader public forum. The workshop was attended by about 80 farmers and professional support people from the region. The workshops were facilitated by Sean Marryn of Resource Consulting Services, with support from a number of NSW Agriculture officers.

Workshop outcomes

The workshop participants were asked to agree on a definition for 'successful drought management'. They finally agreed that: "Success was staying in control of the financial, people, landscape and production aspects of the business". These aspects are described below:

Financial:

- Limit business equity loss.
- Maintain cash flow as much as possible.

People:

- Stay positive and in control.
- Maintain harmonious communications between all business and family members.
- Ensure networking and educational needs are met.

Landscape:

- Maintain target ground cover.
- Maintain pasture species for best resilience.

Production:

- Maintain production strength of the business.
- Make best use of off farm investments, Farm Management Deposits, grass in the paddock, or fodder in storage.

Observations

During the course of the workshop, participants made a number of observations:

- We all tend to think of drought as an exceptional event, however when we look at the records, 46% of years have below average rainfall.
- A drought of moderate severity occurs about every 10 years.
- We experience a severe drought about once every 20 years.
- Nature controls carrying capacity.
- Management controls stocking rate.
- Drought can be said to occur when stocking rate exceeds the carrying capacity of a property.
- Participants pondered whether that means drought is man made.

Businesses with similar management styles were grouped during the workshop resulting in 3 groups:

1. Those who fed to maintain numbers (particularly breeders).
2. Those who de-stocked rather than feed.
3. Those who fed for production.

There was a management group that I think was conspicuous by its absence – those who hoped for the best. No one management style (of those represented at the workshop) could be said to be better or worse than any other.

Within each group there were a range of financial results, some negative, some positive. All participants said there were decisions they would make differently next time.

Let's take a look at some of the lessons put forward by the 3 groups on the day. There will be some overlap, but we won't dwell on that.

Feeding for Maintenance

This strategy is based on the belief that stock, particularly young stock, will be in short supply following the drought, and it takes a long time to breed numbers up again unless herd numbers are maintained.

Strategies/lessons:

- Set clear timeframes.
- Do feed budgets regularly.
- Plan agistment or feed purchases early.
- Set limits – avoid feeding beyond your means.
- Wean early.

The base message from this group was to plan, set critical dates, monitor, and adjust management when necessary.

De-stock

This strategy works on the premise that pasture is a valuable resource, and that recovery from drought is firmly linked to the condition of that resource. Controlling stocking pressure minimises feeding costs and allows for a certain level of production to be maintained.

Strategies/lessons:

- Keep a percentage of negotiable stock.
 - Allows timely disposal of stock.
 - Negotiable stock can be young cattle, empty cows, heifers, sheep – anything that can be sold or otherwise moved (e.g. agistment) when needed.
 - Cows and calves are difficult to move for a significant part of the year.
- We won't fall in love with our animals – they can all be replaced.
- Always have a written plan.
- Have an outside 'conscience' or mentor to help you stick to the plan.
- Monitor and manage weather/climate probabilities.
 - Weather forecasts are getting better every day.
 - Forecasts of future dry spells will improve.
- Do pasture-feed budgets regularly.
- Take advantage of market opportunities.

- Don't miss opportunities in the excitement of a dry time.
- Be objective.
- Forward sell.
- Get independent marketing advice.
- Match stocking rate to carrying capacity no matter what.
 - Take the opportunity to take some time off.
 - Network with positive people.
 - Undertake some training or education.
 - Stay cool.
- Keep in contact with people away from our own 'dung hill'.
 - Bell invented the telephone – let's use it.
- Don't rely totally on introduced pasture species.
 - Natives have survived thousands of years of dry spells – make use of that.
- Write down a drought plan.
 - Include a planned order for the sale of all stock when certain triggers are met.
 - Include lessons learnt from previous dry spells.
- Act early.
 - Realise that hoping harder doesn't help.
- Plan recovery options early.
 - Agistment.
 - Early restocking.
 - Enterprise change.
- Accept there will be mistakes, learn from them, but do not dwell on them.

Production Feeding

This strategy depends on increasing stock turnover and reducing numbers by sale into appropriate markets.

Strategies/lessons:

- We must know the market we are targeting.
- Assess labour requirements – there will be a heavy workload.
- Assess level of expertise needed.
- Enjoy what you are doing – if you don't, don't start.

- Make early assessment of feed requirements so buying opportunities can be maximised.
- Monitor performance of stock – don't continue to feed non-performers.
- Sell cows, but keep calves and young cattle to reduce DSI's being fed.
- Confine cattle for full hand feeding – make use of sacrifice paddocks.
- Recognise that good advice is critical.

Broad lessons from the day

- Plan now for next time. Write the plan down and store it in a folder. Don't lose the folder!
- Fine tune the plan regularly once it is put into place.
- Move on the plan early.
- Remain positive:
 - Maintain positive contact with peers.
 - Stay away from negative people.
 - Acquire skills in feed budgeting.
 - Know the carrying capacity of the land and match it with the stocking rate.
- Beware the emotional load.
 - Share the responsibility with family members.
- Don't be afraid to seek help.
 - Rural Counsellors.
 - Family.
 - Mentors.
 - Professional.
- Look on mistakes as learning opportunities.
- Set actual dates for action to maintain a feeling of control and enhanced confidence for the future.

The second forum

The second forum was held 2 months after the initial workshop. The findings from the first day were presented to participants who then divided into groups to discuss the issues and drought impacts. Feedback was provided through a questionnaire which participants completed during their discussion. Forty businesses provided feedback at the forum.

According to most participants, this drought had been more severe than any previous and had resulted in a severe setback for their businesses.

The main concerns were:

- loss of income, including future income.
- deterioration of the landscape.
- stock survival.
- the cost of keeping stock alive.
- a lack of water.
- the pressures of unrelenting work associated with all droughts.

In terms of preparation for droughts:

- 50% of businesses conserve fodder on-farm.
- 50% have a considered plan.
- 47% do yearly budgets.
- 40% use Farm Management Deposits (FMDs).
- 35% invest off-farm.
- 35% have a written plan.
- 22% work on 5-year forward projections.
- 17% work off-farm.

The best decisions taken by questionnaire participants included:

- de-stock to critical dates, allowing for planned marketing.
- have land in good condition prior to the drought.
- have off-farm investments.
- buy land with irrigation.
- use rotational grazing to make feed budgeting easier (i.e. number of grazing days available at present stocking).
- have secure FMDs.
- decide not to feed for maintenance.
- have reasonable fodder reserves, and keeping silos full of grain.
- early weaning and sale of older cows.
- develop a landscape vision.
- marry a school teacher!

The worst decisions taken included:

- not acting early enough.

- not having a plan to handle long-term droughts.
- feeding non-market-connected stock.
- not taking enough notice of long-range climate forecasts.
- not selling enough stock.
- not carrying enough negotiable stock (i.e. stock that are easy to sell).
- not enough feed stored on-farm.
- not enough alternative income through investments.
- starting too late – ignoring the signs.
- not taking a holiday prior to starting the hard slog.
- not reading the indicators early enough.
- too much faith in spring rains.
- purchasing fodder at extreme prices.
- allowing feeding costs to continue for too long.
- not improving the water situation – following drying dams around.
- not feeding lambing ewes sufficiently.
- no drought plan at the start of the drought.
- not enough small paddocks.
- underestimating the effect of calving.
- buying cattle on a false break.
- not purchasing enough young cattle early to take advantage of a good recovery.

A number of strategies had been employed by participants at the conclusion of the drought. Some of these included:

- taking on agistment.
- running backgrounding steers on the property.
- restocking with trading cattle.
- remaining understocked to allow country to recover.
- growing fodder crops to replenish grain supplies.
- using excess pasture to replenish hay or silage reserves.
- taking the opportunity to change business enterprise mix.

Conclusion

The key messages of the workshops focused on planning. No matter which strategy you intend to pursue, the importance of having a written action plan was stressed a number of times. 'Know what you are going to do and when' was acknowledged as the key to staying in control, and staying in control was accepted as leading to less stress for your business, your family and your property.

One of the propositions put forward on the day was that there is no such thing as 'normal' or 'average', just 'wet times' and 'not so wet' times, and that the dry times which happen with monotonous regularity shouldn't be viewed as 'exceptional'.

There could well be some truth in the concept that drought is really a man-made phenomenon for without the interference of humans, it would simply be a 'dry time'.

Acknowledgments

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