



The Business of Grazing

What do the results tell me?

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What do the results tell me and you?

- At a group level the group looks the same as every other group in the world!
 - Significant variation between all parameters
 - Some clear trends



What do the results tell me and you?

- At a whole farm level
 - The best are 200-300% more profitable
 - They have higher stocking rates
 - They gear positively with debt and leases (I guessed that one)
 - More crops
 - More improved pasture
 - They're smaller!!!!
 - Its all about income and variable costs!
 - Margin



What do the results tell me and you?

- At an enterprise level

Enterprise	Net profit/ha	Net profit/DSE
Wool	26	162
Dual purpose	247	30.7
Prime lambs	116	15
Seed stock-sheep	292	27.1
Trading -sheep	798	59
Beef breeding	133	17
Beef trading	610	56
Agistment	658	48.6
Fodder crop	156	
Other crop	106	



What do the results tell me and you?

- At the sub enterprise level
 - That if you haven't got a migraine by now keep going its not far away



What do the results tell me and you?

The reality is that we can draw a few broad conclusions at the whole farm level but even they are dodgy!

What do the results tell me and you?

- Big data sets will inform us at a high level
 - That assets (resources) vary farm to farm
 - That your farm's different
 - That CA wont work in Ag (you may do all the right things but it will almost certainly be the wrong way)
 - That management capability is what allows good resource utilisation regardless of the “quality” of the resource
 - Land price is usually a function of rainfall/climate/soil and occasionally a view or locality



So what are the KPIs

- Stocking Rate
 - Production/ha
- Labour Use Efficiency
- Cost Of Production/kg (Wool/beef/lamb)
 - Margin!!!



How do we manipulate SR?

- Stocking Rate (DSE)
 - Maintenance
 - Saleable product
- What should my stocking rate be?
 - Link to CC
 - Link to fodder flow
 - Determine enterprise(s)
 - Determine lambing/calving date, buy/sell date



Determining stocking rate

- Comparative analysis creates confusion
 - It describes absolutes
- Most producers know their farms are all different
- Being the single biggest driver of profit its critical to get it right



HOW?

- We can do a quick exercise

Rainfall	600	mm			
Dryland improved	1	tonne DM/100mm rainfall			
Baseline	6	tonne DM/ha			
DSE	0.3	tonnes DM			
Carrying Capacity	20	DSE/ha			
	Current				
Area	Ha	Rating	Tonnes/ha	Tonnes DM	CC (DSE)
Irrigation		1.5	6		
Dryland improved	100	1.0	6	600	2000
Dryland semi-improved	100	0.6	6	360	1200
Native grassland	100	0.2	6	120	400
Run	100	0.1	6	60	200
	Total 400			Total	3800
				Per ha	9.5

HOW?

- So if the top producer is:
 - 100% improved pasture - our target is 20 DSE/ha
 - 100% run - our target is 2DSE/ha



Your turn

- We can do a quick exercise

Rainfall		mm			
Dryland improved	1	tonne DM/100mm rainfall			
Baseline		tonne DM/ha			
DSE	0.3	tonnes DM			
Carrying Capacity		DSE/ha			
			Current		
Area	Ha	Rating	Tonnes/ha	Tonnes DM	CC (DSE)
Irrigation		1.5			
Dryland improved		1.0			
Dryland semi-improved		0.6			
Native grassland		0.2			
Run		0.1			
	Total			Total	
				Per ha	

SR for my farm

- Average annual is 20 DSE/ha
 - MWSR is about 30% (or 6 DSE/ha)



SR for my farm

- Carrying Capacity and Fodder flow
- Making money/is it worth it?

