

meatup

FORUM

For the latest in red meat R&D

Integration of cropping and livestock in a highly variable Eyre Peninsula environment

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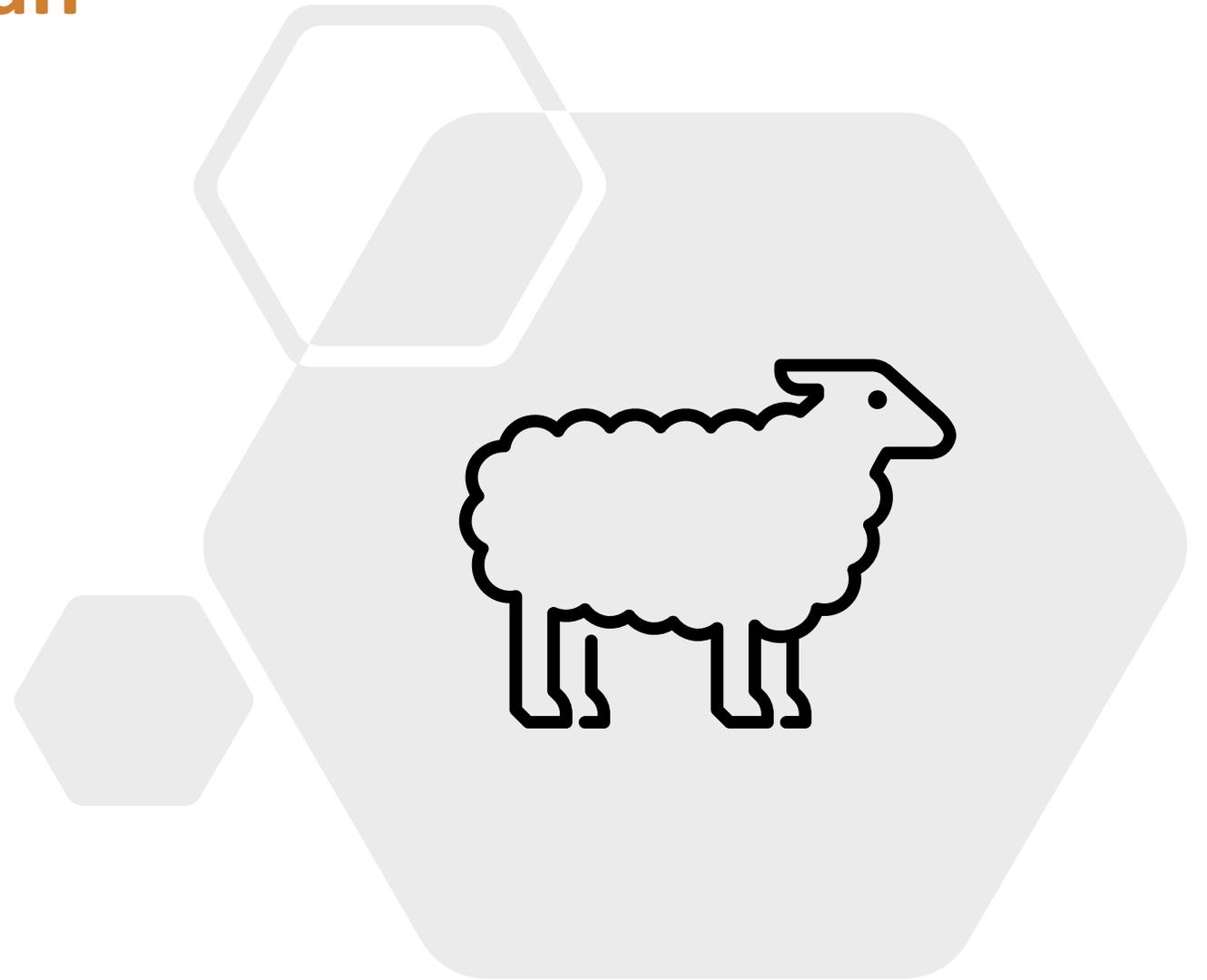
Venus Plains Pty Ltd

The Power Struggle or Dream Team?

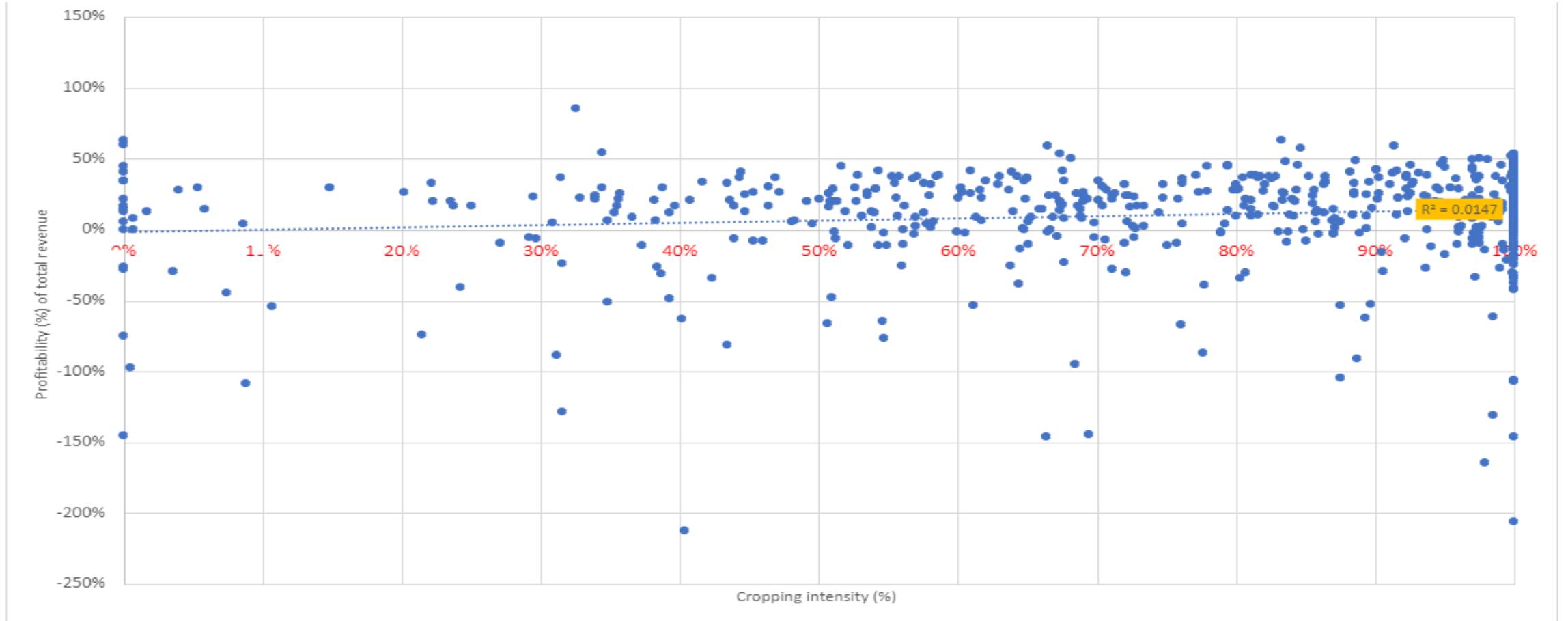


Strengths livestock can add to the system

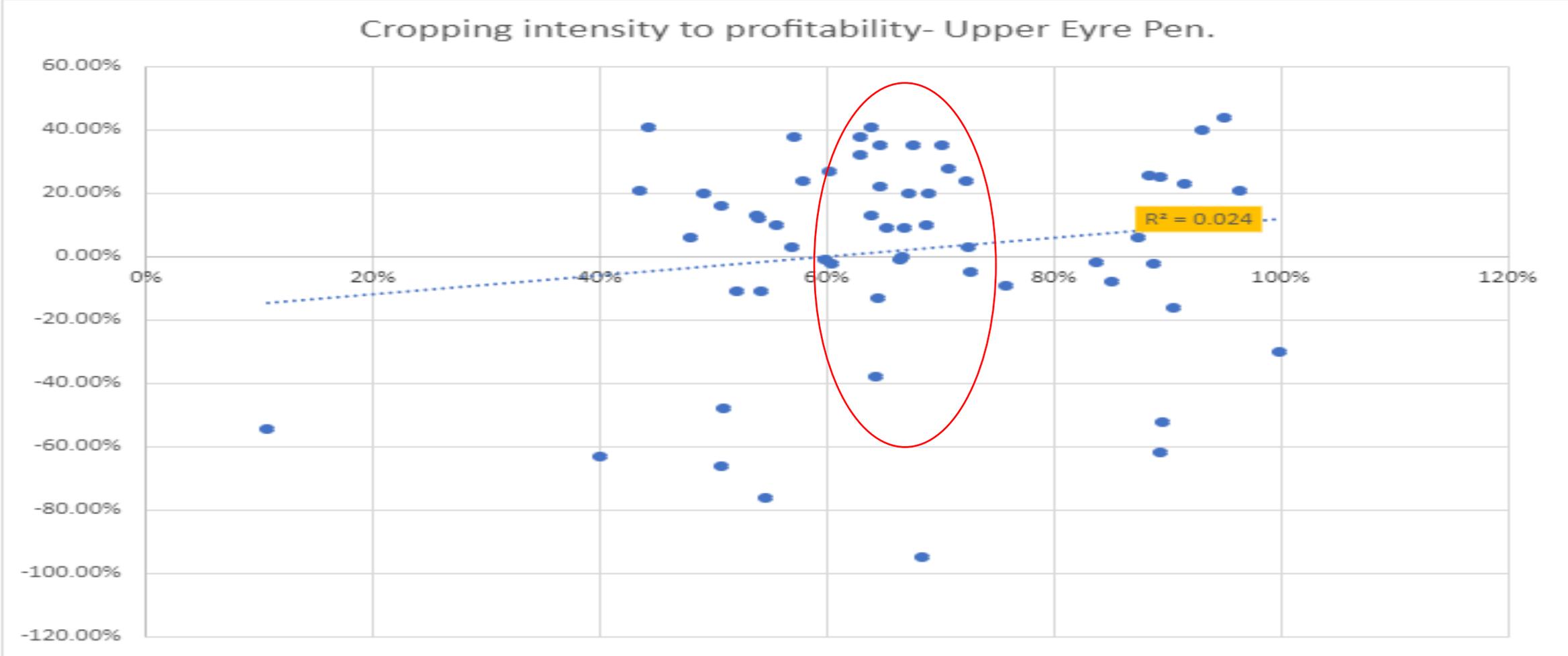
- Creating diversity
- “Highest and best use”
- Income smoothing
- Dealing with frost
- Making use of by-products



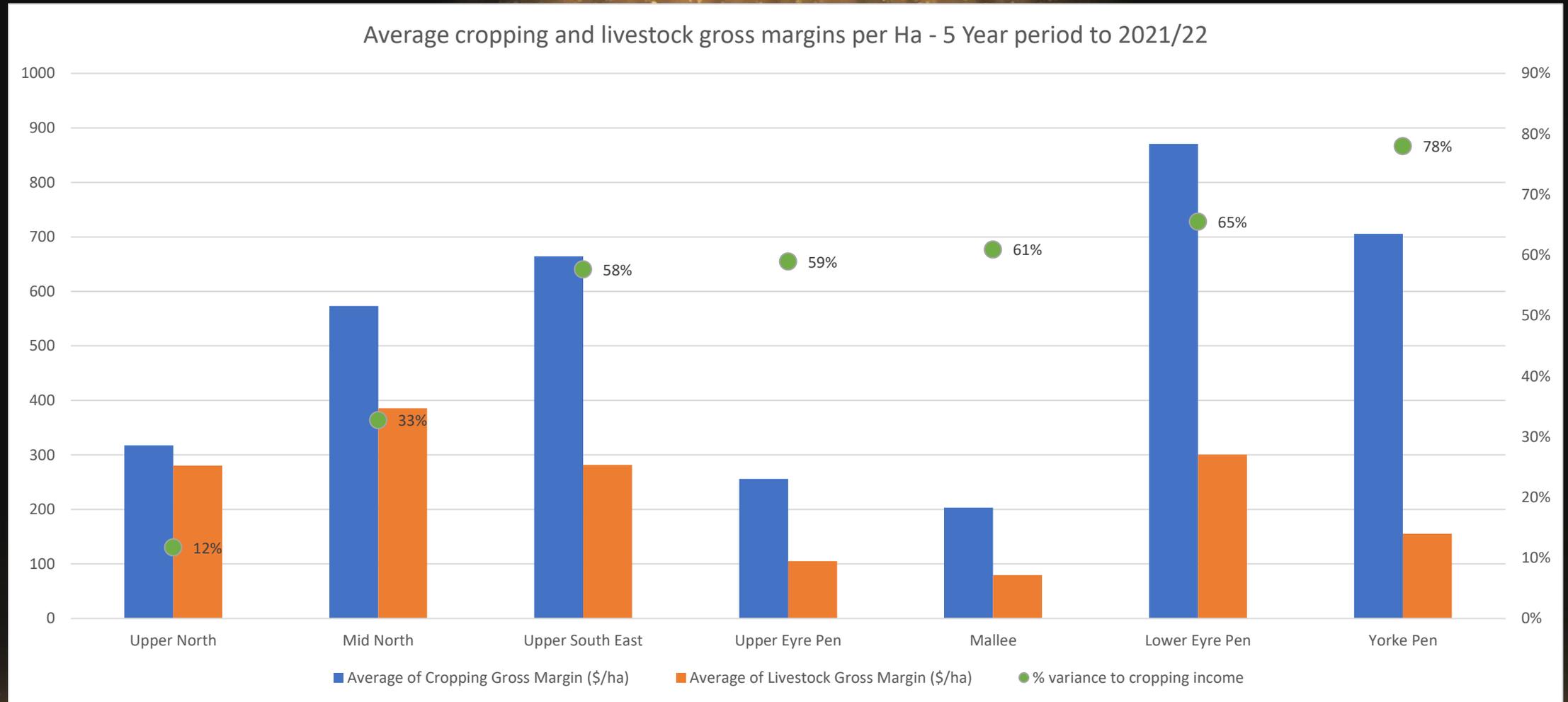
Cropping intensity and profitability – A low correlation



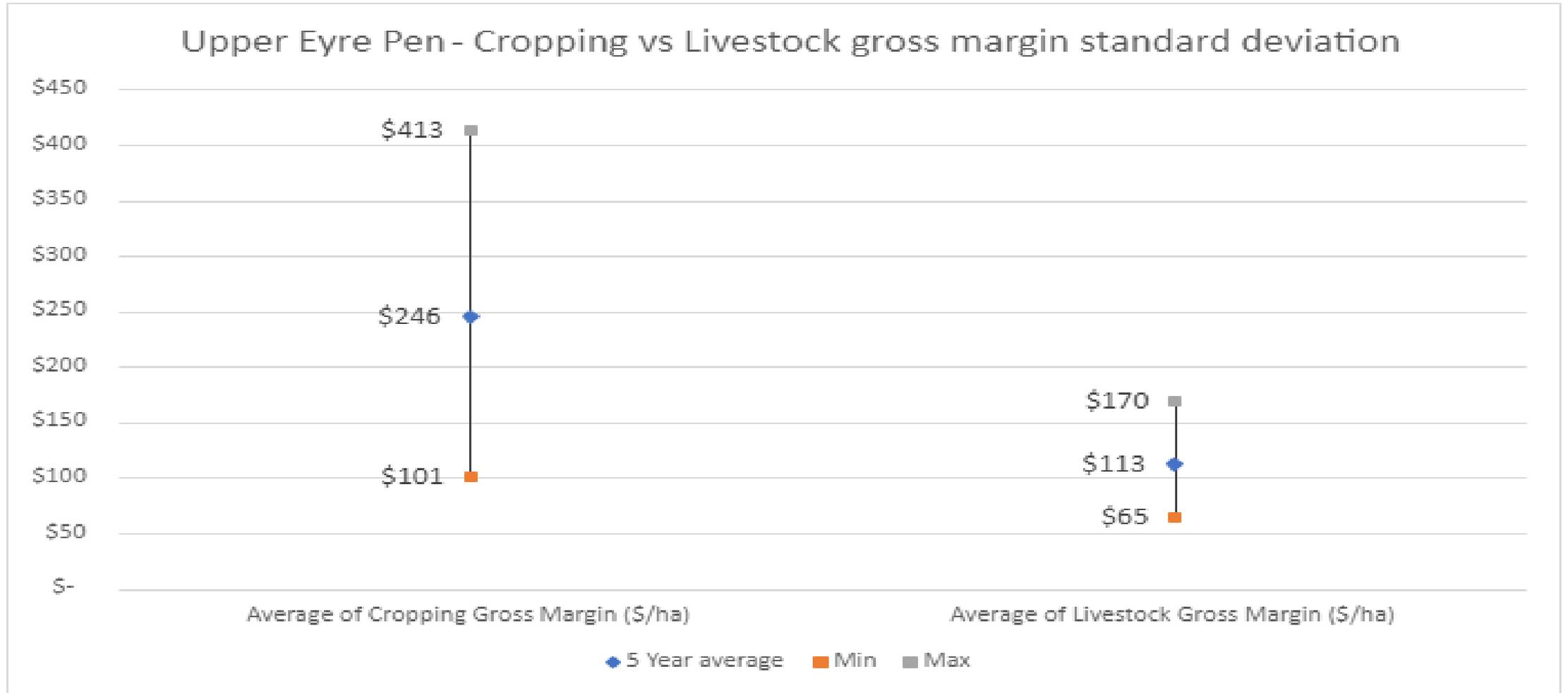
Cropping intensity and profitability – A low correlation



Make the numbers shine some light



A stable returner



Optimising the break



Long term crop yield	0.25t/ha	0.5t/ha	0.75t/ha	1.0t/ha
Break crop type	Gross Margin \$/Ha			
Canola @ \$600/t	-\$159	\$0	\$150	\$300
Peas @ \$350/t +N	-\$63	\$25	\$112	\$200
Lentils @ \$700/t + N	\$5	\$200	\$375	\$550
Sheep \$35/DSE + N	\$120	\$155	\$190	\$225
Sheep \$45/DSE + N	\$140	\$185	\$230	\$275
Sheep \$55/DSE + N	\$160	\$215	\$270	\$325
Stocking rate/Ha	2.0 DSE	3.0 DSE	4.0 DSE	5.0 DSE

Think Win:Win

- ✓ Land not suitable to cropping
- ✓ Helping to manage frost
- ✓ Using grain stubbles and residues
- ✓ A viable break crop option
- ✓ Weed control and a strong cereal phase



Integrating livestock in the Venus Plains business



Venus Plains Pty Ltd – Business overview

- Based near Witera
- Managing approximately 10,000ha
- Running 5000 ewes across 2 blocks(3000 to Merino and 2000 to Black Suffolk)
 - Block 1 – 3/4 continuously cropped, well suited to sheep out
 - Block 2 – 2/3 cropped to cereals and 1/3 medic pasture
- Large cropping enterprise and logistics as part of the wider business.



Knowing our KPIs changed our focus

“Every mature age sheep had to be producing a lamb”

Increase EBIT/DSE

Increased lambing %

Preg-testing to remove dry's

Not just focusing on wool

Reducing costs –
supplementary feed/shearing
costs etc

Utilising resources is key to a successful integration of livestock



Labour – matching skills and enthusiasm



Machinery and trucks – leveraging of assets



Investing in infrastructure that create efficiencies and a return

Why we include livestock in our business

- ✓ Good year round cashflow
- ✓ Making use of stubbles and residues
- ✓ Ability to sell wool twice a year
- ✓ Utilising land not suited to cropping
- ✓ Utilising machinery and labour investments without compromising the cropping program

Take home messages

- Livestock provide a viable option in many cases to maintain a robust rotational enterprise as well as reducing volatility in a highly variable system.
- Know the numbers that relate to your business. Understand the benchmarks and the gross margins, and use that information for informing business decisions.
- Have a plan in place to run your livestock simply and effectively whilst utilising the resources you have without compromising the cropping program. Think win:win.

Tools and resources

- Business EDGE
- MLA Research report: The profitable integration of cropping and livestock in Southern Australia
- MLA fact sheet: The profitable integration of cropping and livestock: SA Mallee and Upper Eyre Peninsula