

Livestock Consulting Internship Update

Meridian Agriculture is proud to be partnering with the MLA Donor Company in running the second Livestock Consulting Internship. A recent off site retreat was held in Victoria, with a focus on developing range of consulting skills. A number of Meridian Ag staff along with other industry leaders were excited to share some of their knowledge and expertise with interns over the three day program. The program runs through to June 2019 with the aim of equipping ten new consultants to work within the red meat industry.



Meridian Ag Graduate Pasture and Livestock Consultant Jade Chan speaking with participants in the MLA Livestock Consulting Internship Program.

Article by Ben Reeve

Informed decision making - Budgets - "Tips & Tricks"

The last newsletter featured an article describing some of the benefits of using budgets to assist informed decision making.

Initially budgets can seem daunting, however, there are some simple tips and tricks to help make the process easier.

The use of Excel spreadsheets can be your greatest friend in creating a budget. Many versions of the same budget can be created and compared. Most people have some familiarity with Excel and it's pretty simple to design a simple budget. The Meridian team have their own, or your bank may provide one. Also, many accounting and farm business management software packages have budgeting functions. Find a system that suits you and learn how to use it effectively.

As we know, an average year never happens, so you might create a minimum of three budgets for the one year – a "worst case" scenario, a "best case" scenario and a "most likely"

scenario. This can reflect seasonal conditions, commodity prices and perhaps even variable input costs. The beauty of the three scenarios is that it can identify if the business is financially strong enough to cope with a tough year, but can also start a thought process around how profits might be spent in a really good year. A future newsletter article focussing on sensitivity analysis will explore this in more depth.

Budgets are only as good as the information put into them, so it's important to be realistic. It's also wise to be fairly conservative with your budget, and you need to be truly honest in the ability of your business to deliver.

When preparing a budget for the first time, the best place to start is with last year's actual results. From this information the budget can be massaged, item by item, to reflect what might happen this year. Many items in the budget will often stay very similar from year to year, or perhaps increase slightly to reflect inflation. There will be other items that you know will increase, or decrease, under your control. For example, if there was a major rebuild on a piece of equipment last year, that's unlikely to be repeated this year. On the other hand you might know that you elected not to spread any pasture fertiliser last year, and are planning to catch up this year.

Remember that you don't have to get budgets always right, but with practice, and perhaps some professional guidance, you might be surprised how useful they become.

Tips:

- Use previous year's numbers as a base
- Always be conservative!
- Think about "worst case", "best case" and "most likely"
- Using Excel allows numerous versions of the budget
- Remember, "average" never happens!

Upcoming Meridian Agriculture newsletters will include further articles on budgeting, including comparing budget to actual figures, and sensitivity analysis. For more information on budgets contact Paul Blackshaw on 0427 546 643 or email pblackshaw@meridian-ag.com.au



Article by Paul Blackshaw

Managing staff leading up to the busy season

It is often late in the year that we see a flurry of activity on farms, including shearing and harvesting in many of our clients businesses. At the end of a long year and with Christmas in sight, it is often a time where people can feel stretched and stressed. Historically we see a lot of staff movements leading up to the end of the calendar year also, often a reflection on job satisfaction in their current roles. However there are some simple things that people managers can do in order to ensure that the team is productive, focused and continues enjoying working within the business.

Here are some recommendations:

1. Remind people of the vision. The saying goes that without vision, the people perish. There is always a need to remind people of why they are working and what you are trying to achieve in the business. Even short term goals are vital. It may be you know that you want to get to and through harvest by a particular time, or without any major breakdowns, or you need to prepare for a particular event. Reminding people of the vision gives people a direction and something to work towards. Setting small goals makes a bigger task realistic.
2. Be clear and concise with instructions. It is at times where there is increasing stress or a large number of activities happening that people can lose focus, lose track of what they are meant to be doing, and potentially cause frustration or distraction. This can lead to safety issues within a farm business. Remember to be clear and concise with your instructions and often this may be just a few steps at a time. Asking an employee to repeat back to you what you've requested is a simple way of ensuring they understand.
3. Celebrate and say thanks. This is something that surprisingly doesn't occur too often and a lot of people talk to us about looking for new jobs based on getting no recognition or appreciation for the work that they have put in. After people have put in considerable hours and extra effort towards a certain event it is worthwhile celebrating. For example stopping, having a drink or just simply saying thanks for putting in the effort. There will always be sacrifices made of an employee's time and or family time as well. It is worthwhile recognising and noting this. This is free to do and completely within the people manager's control.

If you would like assistance in managing your staff motivation, satisfaction or performance management. Call us at the Yendon Office on 03 5341 6100 to discuss how you can create some strategies in order to retain and reward staff appropriately.



Article by Ben Reeve

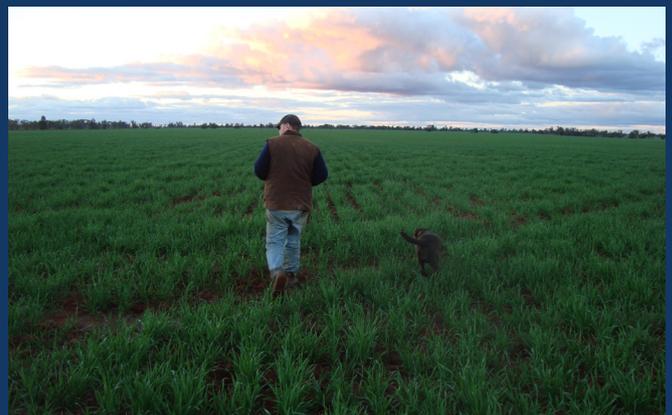
Season Update

Seasonal conditions remain extremely difficult in several regions of Victoria. South West Victoria is really the only exception at present, where most parts have received close to average winter and early spring rainfall and are now in a position to use available soil moisture for vigorous pasture and crop growth. That said, further rain events will be needed in most cases to fill hay sheds and finish grain crops.

The Wimmera, Mallee, North East and large areas of Gippsland have been less fortunate with well below average growing season rainfall. Added to this, recent frost events are expected to have dramatic impacts on forecast grain yields in some of these areas. Seasonal conditions like this are a stark reminder of the uncertainties involved with primary production agriculture. The conditions for some have been nothing short of brutal.

With the variation in seasonal conditions across our client base, we find we are currently dealing with two broad spring management strategies:

1. Full capture of livestock and crop production potential (The Lucky Ones!)
 - Adequate soil moisture conditions
 - Aim to realise full potential of crop and pasture production systems to optimise returns
 - High commodity prices – lamb, wool, beef, grain and hay
 - Increased spring fertiliser investment in most instances
 - Tactics to maximise fodder conservation potential and offset high cost grain supplementation in summer/autumn period
 - Focus on producing 'finished' livestock and options to increase growth rates to achieve target specs where appropriate
2. Defend the core business (The season is not playing ball!)
 - Soil moisture inadequate
 - Crop and pasture yields obsolete or well below average
 - Reduce unnecessary business costs wherever possible
 - Planned sell down/reduction in livestock numbers at historically strong prices
 - Limit high cost exposure to supplementary feeding and budget possible costs involved Don't restrict later sale options by allowing livestock to slip in condition too much.
 - Forecast monthly cash flow. Know cash limitations and engage in proactive communication with lender.



Article by James Whale

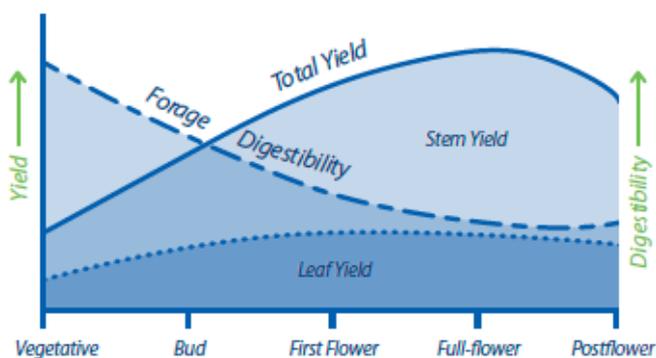
Lucerne - Spring and Summer Grazing Management

Different strategies and focus should be applied to lucerne pastures across different seasons and variation in seasonal conditions. This includes shortening rotations to maximise yield and animal performance in spring and summer months as opposed to longer rotations in autumn and winter to allow recovery and maintenance.

Spring Management:

The focus for spring grazing should primarily be on stock performance by maximising live weight gains and crop yield. To firstly achieve this, livestock need a period of continuous grazing to adjust to a new, high protein feed such as Lucerne in the early active growing period. Ensuring there is sufficient dry matter available (approx. 1,200 – 1,500 kg DM) to sustain the carrying capacity, but no more than 2,000 kg DM due to quality constraints discussed below. Stock numbers need to be adjusted to achieve this.

A fundamental, yet unavoidable, reality of Lucerne production is that yield and quality are inversely related. This means that as yield increases the quality of the stand generally declines. This is often referred to as the “yield-quality trade-off”. The timing of the grazing (or harvest if cutting silage/hay) is a compromise between yield, quality and persistence. Grazing adds another level of complexity to this due to animal performance and health factors. A relative forage yield and quality summary diagram (below) shows the different stages of lucerne growth with different yield components and digestibility. As the yield of the crop increases through stages of maturity (vegetative to post-flower), stems make up the greater proportion of total yield and the digestibility of the stem material declines because of increased lignin content. The leaf yield contributes little to the total yield beyond the first flowering stage.



Source: Orloff & Putnam (2004)

If rotation lengths are shortened and grazing occurs too early in the vegetative state, it may reduce the replenishment of root carbohydrates and affect regrowth and persistence. Numerous studies have shown that frequent early grazing can significantly reduce root size and stem height (Moot et al. 2003).

Even though it is high quality feed, grazing immature and actively growing ‘lush’ foliage can also result in a number of animal health issues. Grazing in the later stages of maturity means reduced digestibility and in turn, result in poor animal performance. This is often observed through a high proportion of remnant stem left behind, resulting in animals lacking adequate nutrition and losing condition. In addition, extended periods of grazing may result in new shoots from crown buds being grazed-off, or allows the regrowth of shoots to become more accessible to grazing animals that are high in protein and subsequently ingested by livestock leading to further animal health issues. However, it is more critical that sufficient DM is available for the numbers of stock grazing to achieve a high level of stock performance.

Summer Management:

The most limiting factor for dry matter yield through this period is directly related to the availability of moisture. The summer grazing period for dryland Lucerne crops should focus on utilising what’s available to maximise animal productivity. Shortening rotations is required (the actual period is dependent on location) while still maintaining 30 -35 days recovery is important. Water stress accelerates flowering but the leaf is still of high quality. However, if possible following good rain events – conserve a true surplus if the opportunity presents (i.e. more Lucerne available than stock demand).

The onset of drought conditions, or prolonged moisture stress periods during summer, has a number of implications which include reduction of dry matter production, reduced transpiration which can increase sward temperatures, accelerated development and senescence (leaf drop) and reduced quality. If this occurs, the crop should be hard-grazed to avoid loss of production. The reason is that drought stressed crops can still accumulate nodes on basal buds after hard grazing during summer which will allow for a rapid response of re-growth following a rainfall event. Therefore, spelling is critical following a grazing so that stock are removed to protect the developing lucerne buds.

Allowing the Lucerne stand to flower (10 – 50%) in late summer or autumn is important for the longevity of the stand by allowing roots to replenish carbohydrate storage for the approaching winter period.

Article by James Sewell

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