



Sheep farming: Stuart and Anja Croft of Heywood lift the bar

SARAH HUDSON, The Weekly Times
February 1, 2017 12:00am

A CURSORY snapshot of Stuart and Anja Croft's sheep property at Heywood in southwest Victoria would suggest they are top performing graziers.

When Stuart returned to run the property two decades ago it was 680ha.

The family has since expanded that to 1600ha across four different blocks in the southwest (560ha owned, the remainder leased), in addition to a further 24,300ha in the NSW Riverina between Balranald and Ivanhoe.

While his father, Alex, established a Corriedale stud in 1972, Stuart — with Alex — has grown that to 400 stud Corriedale ewes, now the largest for the breed in

Australia (“by one apparently”); and 4000 commercial Corriedale ewes (crossed with Border Leicester rams) for sheepmeat.

In addition the Crofts stock 6000 Merino ewes on their NSW property and 60 Murray Grey breeding cows. All stock are self-replacing and Corriedales joined in January.

“When I came back to the farm we were producing 120 bales of wool a year and now it’s up to 600,” he said, adding Corriedale micron was 25-26.

“We have spent the last 20 years expanding the business.

“We’ve never had a full year of stock sales. The rapid expansion has meant that our surplus goes into expanding, mainly because I don’t like selling good surplus ewes — I lease land or buy land ad hoc.”

CHOP SHOP

THE family has no set market for lambs, easily selling through private sales, with both commercial and stud stock sold for breeding.

But Stuart has spent much of the last year learning that growth does not necessarily translate into profit or top performing success. In the middle of last year, the 40-year-old and Anja began participating in a pilot program called Profitable Grazing Systems, which is a joint project between his local Hamilton Rabobank and the Meat and Livestock Association, run by James Whale of Meridian Ag.

The pilot will conclude early this year and if successful will be rolled out across other districts.

Stuart has so far taken part in four half-day seminars, with a further two to go.

And Stuart — whose rapid expansion involved a 20-fold increase in debt — said the impact on farm management has already been profound.

“Our growth has been fairly unplanned. There’s been no overarching plan,” he said.

“We’ve never really taken the opportunity to sit back and look at our strengths and weaknesses. We’ve never really capitalised on the expansion.”

FINE COMB

PROFITABLE Grazing Systems has forced the Crofts to put their business under the microscope.

The first seminar examined performance ratios, a snapshot of the business health, investigating debt-to-income ratios, return on assets versus return on equity to see if borrowed money was working.

This was followed with a SWOT (strengths, weaknesses, opportunities and threats) analysis. The third seminar was money loans from a lender's perspective, "which was an eye opener". "It was about the sort of things they are looking for in a business."

Stuart said that in future he would be more targeted about how he communicates with the bank. "Before I have only been giving the bank what they asked for."

The most recent seminar examined data from the Department of Agriculture's South West Farm Monitor Group, which assesses data for average and the top 20 per cent performing farmers. This has provided critical benchmarking for the Crofts.

For example, the average stocking rate in the southwest is 14 DSE/ha, for the top 20 per cent it is 16.5 DSE/ha, but for the Crofts it is 8.6/ha.

Supplementary feeding costs on average are \$7.50/ha; or \$8.60/ha for the top performers; whereas Stuart said theirs was \$3/ha.

"That to me says there's room to increase our stocking rate and supplementary feeding rate.

"When we look at profit per kg of wool income before interest and tax we are way above the top 20 per cent, but once we pay for lease and interest we fall way below the average."

GET SMART

STUART said the family needed to "get smarter about grazing management" and now planned to move from set stocking to rotational grazing.

In recent years, he said, he had improved pasture renovations, opting for 100ha annually of plantain and clover, followed by summer brassica crops.

Labour efficiency was another indicator examined, with the average for the southwest 8000 DSE/labour unit, with the top 20 per cent more than 20,000 and the Crofts 4500, leading him to conclude: "We need less labour."

"Some of this information was hard to hear, but it's also given us impetus. I think there are some real strengths and some things we need to tweak.

"This has all come at a crucial time for the farm. It's make a break in some ways. It's opened our eyes and we'll be making changes.

"It will be interesting to see what happens in the next couple of years, what kind of transition we make."

Stuart said he had never come across a one-stop business program like Profitable Grazing Systems in the past, which assessed the whole enterprise and made farmers accountable to outcomes.

"As farmers, we get bogged down in the day-to-day and there's no time to think about the bigger threats and opportunities in the business.

"One of the things I've gleaned out of this is the importance of having a thirst for knowledge. You can become isolated and think you're self-sufficient. It's about not making the same mistakes people made 30 years ago.

"I had always looked at the idea of collecting data but I've been stretched thin. But now I see it's more important to collect the data than fix a fence. This stuff is more important to the business."