MERIDIAN AGRICULTURE NEWSLETTER WINTER 2019

Livestock Consulting Internship

Over the last two years, Meridian Agriculture has managed the Livestock Consulting Internship as part of Meat and Livestock Australia's investment into capacity building for the future. The two year program focused on ten graduate consultants from across Australia employed within private sector farm consulting businesses, developing an understanding of the industry, consulting sector and developing the soft skills required to succeed in the industry long term.

The program recently came to a conclusion with each participant presenting to MLA staff on an industry project they developed and completed over the last 18 months. The presentations came as part of a graduation ceremony, celebrating the progression of their careers and the varied networks created.

Meridian Ag's involvement as program managers continues the company's commitment to developing people within the agricultural sector and ensuring producers have access to skilled, knowledgeable and credible consultants across the nation.

It has also been recently announced that Meridian Ag are planning for a third program in partnership with MLA to commence in early 2020, with advancements in the program design set to ensure red meat producers are well serviced into the future.

For more information on the program, please contact Meridian Ag on 03 5341 6100.

The participants of the LCI internship with Ben Reeve of Meridian Agricultre (right).

Article by Ben Reeve

Feed Budgeting

It is always interesting to reflect on different management practices used by mixed farming businesses. What's used? Why is it used? Potential benefits of use? And in some instances, why is it not used more often?

Feed budgeting is a tool and skill that is in use, but you'd have to say that uptake amongst sheep and beef managers is low. The reason for low uptake is up for debate and perhaps a topic for another day. Instead, let's consider why it's used and some of the benefits reported by managers that do use them.

Feed budgeting benefits

- **Knowledge** – the amount of feed (pasture) likely to be available for stock as the season progresses (i.e. pasture quantity forecast).
- **Foresee consequences** – assess likelihood of meeting pasture targets (e.g. point-of-lambing pasture quantities) and likely livestock performance outcomes.
- **Assessment of options** – objectively assess available options to increase pasture growth and lift forecast quantities of pasture if required.
- **Confidence** – understand what pasture levels are available at critical points of time in the system. A clear plan and review at critical points to determine management decisions will be implemented to achieve.

What does a feed budget look like?

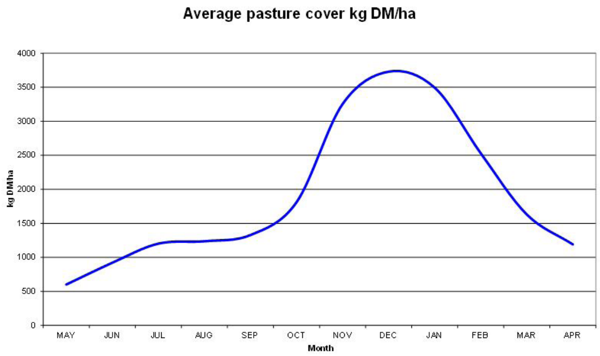


Figure 1: Example feed budget forecast showing predicted pasture cover (kg DM/ha) by month

Information needed to drive a feed budget?

- Pasture quantity assessment to determine starting pasture quantity. Usually involves an assessment of all paddocks available for grazing to determine and average pasture cover.
- Predictions of pasture growth rates by month. Some managers have built a history bank of previous growth rates for their own property derived from the feed budgeting process. Pasture growth rates from past trial work are also a valuable resource and guide to setting appropriate monthly growth rate figures (Google "Evergraze pasture growth rates" for an extensive list of regional growth rates for southern Australia).
- Livestock classes, numbers of stock by class and estimates of daily pasture intake. Again, this information is widely available for various stock classes and biological states e.g. stage of pregnancy or lactation.

Through programs such as Lifetime Ewe Management, as an industry we have greatly advanced our knowledge of the production costs and consequences resulting from suboptimal livestock nutrition at key times. Feed budgeting is essentially the tool that allows managers to assess their likelihood of achieving optimal nutrition at these key times. If the budget suggests these targets are unlikely to be met, they can go ahead and simulate a range of available management options to determine the best course of action for the business.

At Meridian Agriculture we believe feed budgeting is a seriously powerful and beneficial tool for grass-based businesses. If you'd like more information or are interested to see what the use of feed budgeting can do in your business please contact James Whale on 0428 374 046 jwhale@meridian-ag.com.au or James Sewell on 0403 546 811 jsewell@meridian-ag.com.au.

Article by James Whale

Winter is Coming

Now is the time to set up pastures for winter and spring.

While seasonal conditions have been mild and many areas have had a break at the beginning of May, maximising winter feed on offer is still the key to good animal performance.

Most areas ended up reasonably bare at the autumn break – ideal conditions for broadleaf weeds such as capeweed, erodium, etc. Early removal of these weeds will allow more desirable species to make a greater contribution to quality feed into spring.

The other 'weed' that has a huge impact on annual performance after the middle of spring is silver grass. It's feed quality declines rapidly as it runs to head.

If you have a choice of weed control, take out the broadleaves over early-mid winter and the silver grass in late winter. Contrary to some opinions, silver grass is good feed when it is vegetative.

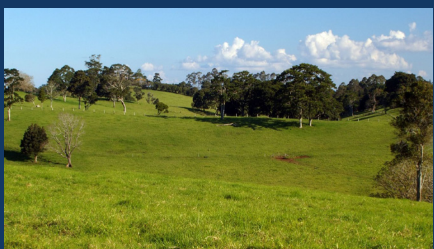
Herbicide recommendations and rates vary with the weed spectrum, the stage of growth of the weed and the pasture, so seek advice to use wisely in your system.

Giberellic acid at 8 – 20 gm/ha is a very cost effective means of boosting growth. Giberellic acid works best on phalaris pastures, but other pastures can respond as well. The average increase in dry matter is around 500 kg / ha within three weeks.

Grazing management also plays a part in lifting winter production. Pasture growth accelerates once feed on offer reaches 2-3 centimetres. Holding stock off until this level is reached will enhance pasture growth. While this might mean extra feeding early in the season, less feeding will be required under this strategy rather than grazing the paddock out and having to supplement in the middle of winter.

If you are grazing paddocks, moving stock after four days will also enhance regrowth.

For further information on maximising pastures at this time and reviewing plans for the future, contact please contact one of Meridian Ag's pasture agronomy advisors on 03 5341 6100.



Article by Jim Shovelton

Is land too costly?

As the price of land continues to rise many clients feel caught in a bind. Declining terms of trade and inflation combined with stalled or negative total factor productivity continue to erode profits. Land looks too dear to purchase, but in many cases it will be difficult to grow the business without more land. Leasing will be an option for some but with the current low interest rates and high lease prices for many it is an unattractive option.

There is nothing new about land being too dear but as Mark Twain is reputed to have said 'They aint making any more of it'. In fact the reverse is true. As land is put aside for non-agricultural activity in many countries there is less available for agriculture. In some areas productivity is being reduced because of climate change and although some land will become more productive if you are in a district where productivity will decrease you will need more land to produce the same amount as at present.

This may be the underlying reason that, while the operating returns remain reasonably constant, the average price of agricultural land, in Australia has risen at six per cent per year every year for about the last twenty years. Effectively the "price of land" is underpinning the "price of land" rather than the operating return. However, when the price is considered in relation to the cost per DSE carried, the figures look better. Recent land prices per DSE where grain cropping is not a major part of the enterprise have been between $350 and $700.

A western Victorian property was sold in 1899 for £4/7/6 per acre and the property was able to carry about one DSE/ ac. In 1899 if you wanted to run another DSE you had to acquire another acre and £4/7/6 per DSE is $641.81 in today's dollars. In general terms the price/DSE has bounced around in the range of $350 to $650/ DSE ever since. That means that current land prices are at the top end of the range but they are still within it.

So perhaps land isn't too costly after all. Or if it is, then it always was!

Are you considering the purchase of additional land and need to consider how it either fits in with your current farming system or understand where the cost sits alongside your budget and strategic plan? Call a consultant at Meridian Ag to discuss more *03 5341 6100*.

See below figure from Rural Bank regarding Australia's historic performance for land prices and transactions.

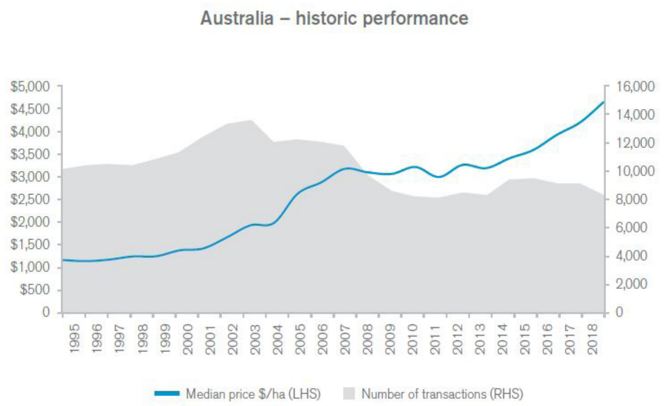


Figure Source: Rural Bank, 2018 (Link to download Report)

Article by Mike Stephens

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