RED MEAT UPDATES
TASMANIA

26 July 2024

Profitable and ~~efficient~~ effective enterprises

John Francis

Agrista

Ability ≠ competence or skill


CONDOBOLIN
P.A.H. & I.
ASSOCIATION INC.

FIRST PRIZE

AWARDED TO

John Francis

For BOILED RICE

Class M Section 27 No. 2

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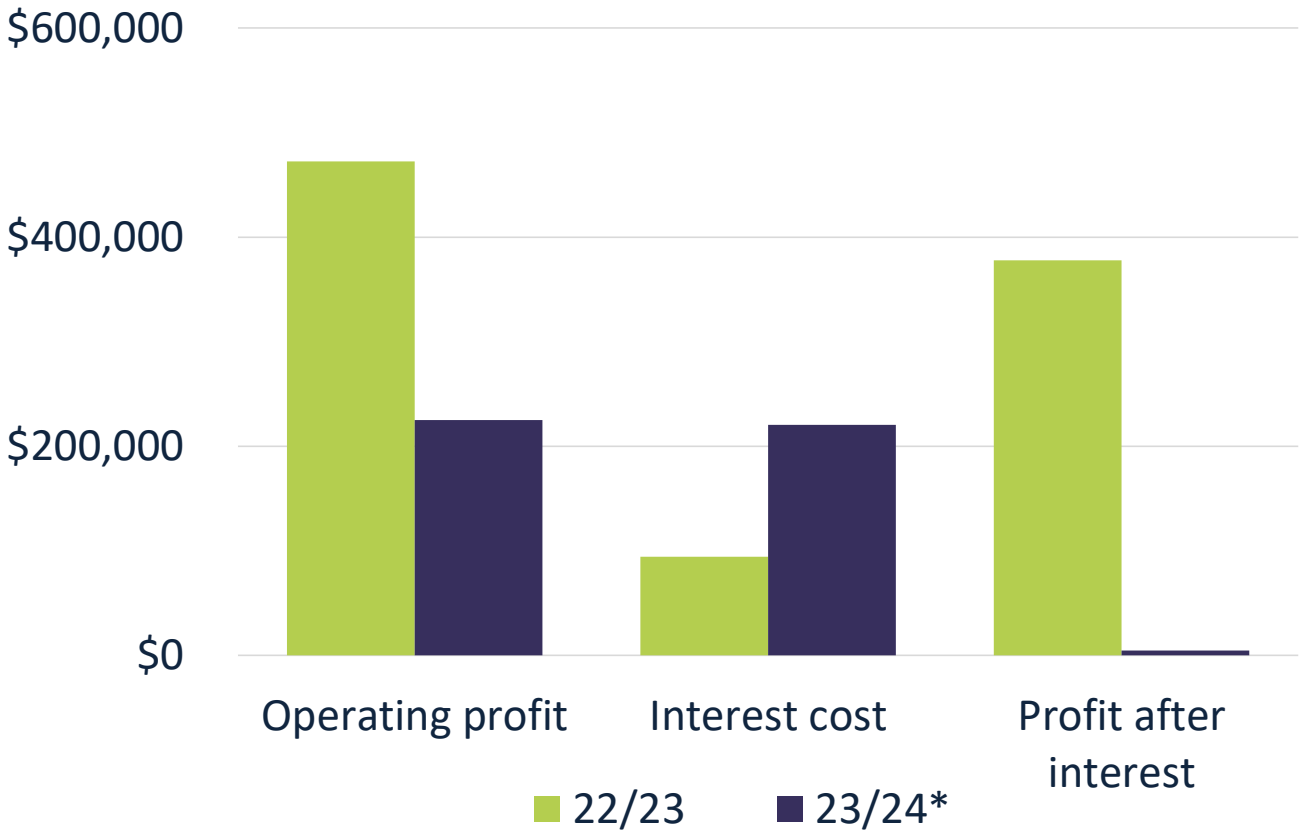
Context

Solid businesses are under duress



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15,000 DSE/ 80% equity / Land value $1,100/DSE

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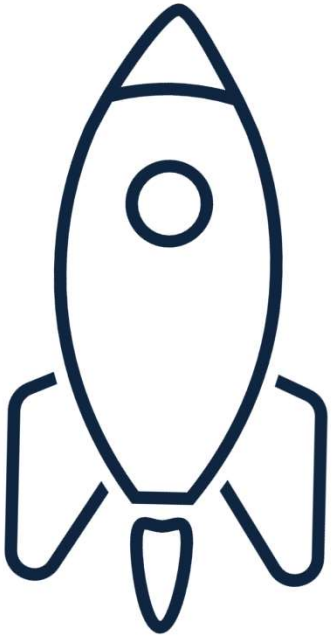
Problems/systems

Simple

Complicated



Complex

Source: Professor Diane Finegood

It is time to prioritise effective

Efficient

2nd

Doing things right

or

The order matters

Effective

1st

Doing the right things

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Prime lamb system A - efficient

Things being done right - But are they the right things?

Performance measure	System A	System B
Lambs weaned/ewes joined	155%	120%
Production (kg cwt/DSE)	11.8	10.3
Operating profit ($/DSE)	$31	$30

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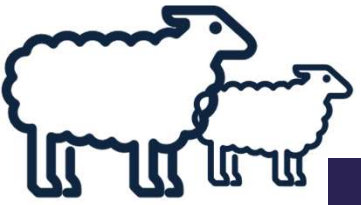

Prime lamb system B - effective

The right things

Performance measure	System A	System B
Cost of production	$5.30	$4.50
Production (kg cwt/ha/100mm)	21.4	25.3
Ewes joined/ha/100mm	0.6	1.0
Operating profit ($/ha)	$417	$550

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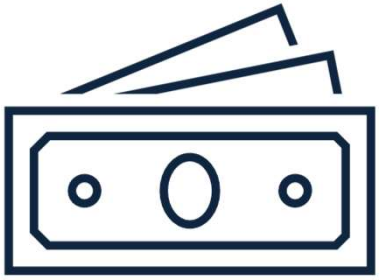
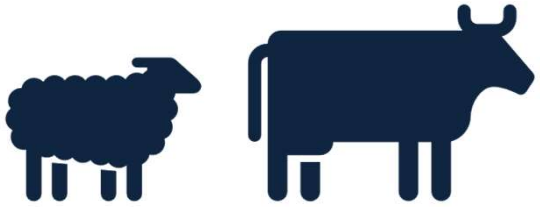
Effective = low cost of production



Operating cost ($)

$

=



Production
(kg cwt/lwt)

kg cwt/lwt

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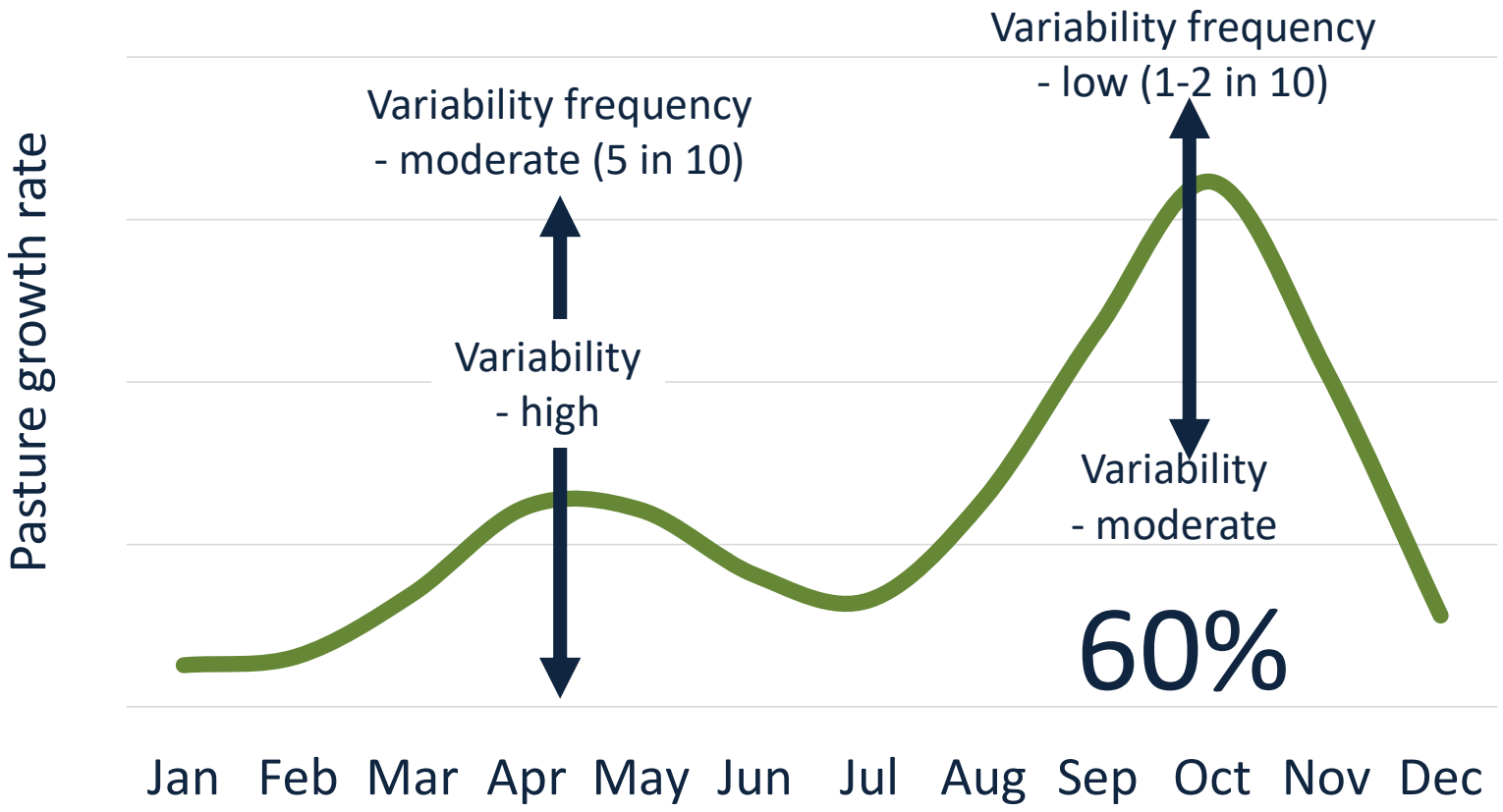
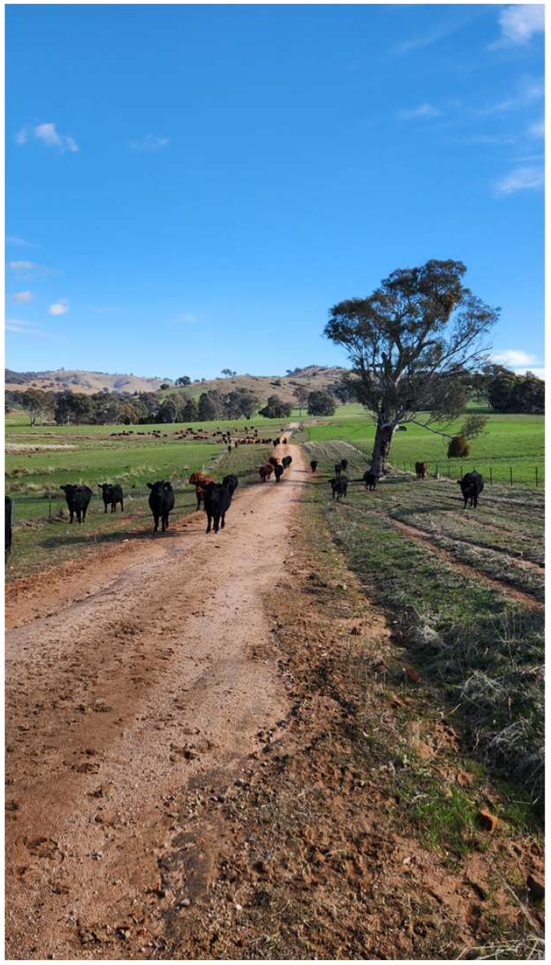
System design considerations to drive a low cost of production





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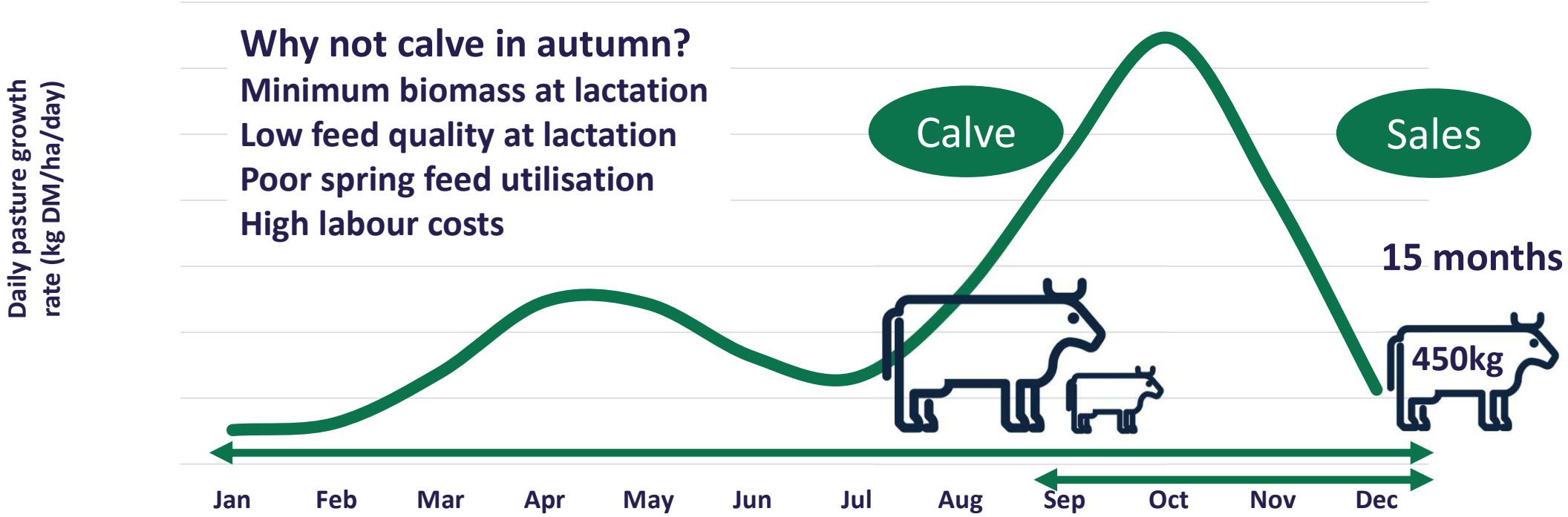
Beef system design to deliver low CoP



Target >48kg lwt/ha/100mm

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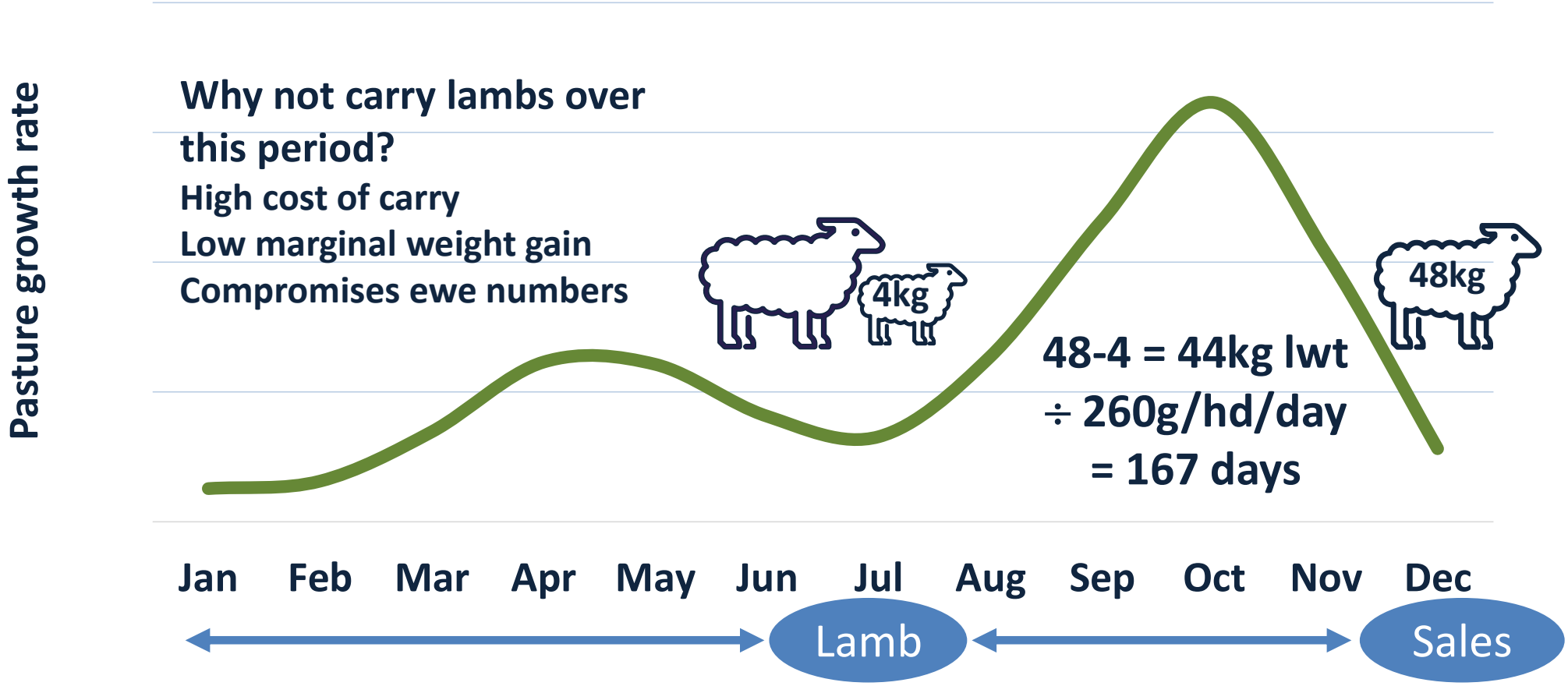
Prime lamb system design to deliver low CoP



Target >24kg cwt/ha/100mm

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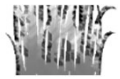
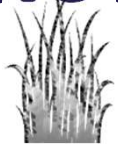
What does systems design deliver?

Effective system		Ineffective system
	High feed utilisation	
	Greater stocking intensity	
	More production/unit area	
	Better labour efficiency	
$ cost/kg	Lower cost of production	$ cost/kg

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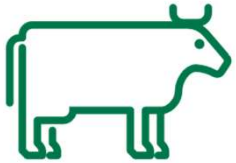
“Effective” but challenging targets



Cost of production/kg	<$4.50 kg cwt	<$1.50 kg lwt
Production/ha/100mm	>24 kg cwt	>48 kg lwt
Operating cost/DSE*	<$45/DSE	<$30/DSE

*Includes sheep trading loss

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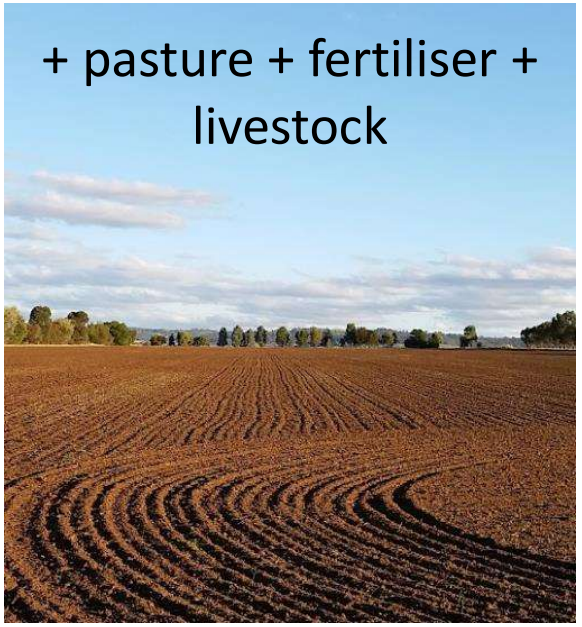
How? Invest in this order to lower CoP

high	medium	low
 Systems first = more livestock	+ fertiliser + livestock 	+ pasture + fertiliser + livestock 
Higher ROI	→	Lower ROI

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The human element - attributes

Clear strategy

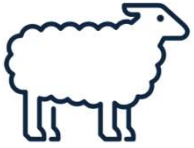
Skilled decision maker

Thinks critically

Feed budget competency

Values team culture

Proactive ops calendar



Operationally efficient

Financially literate

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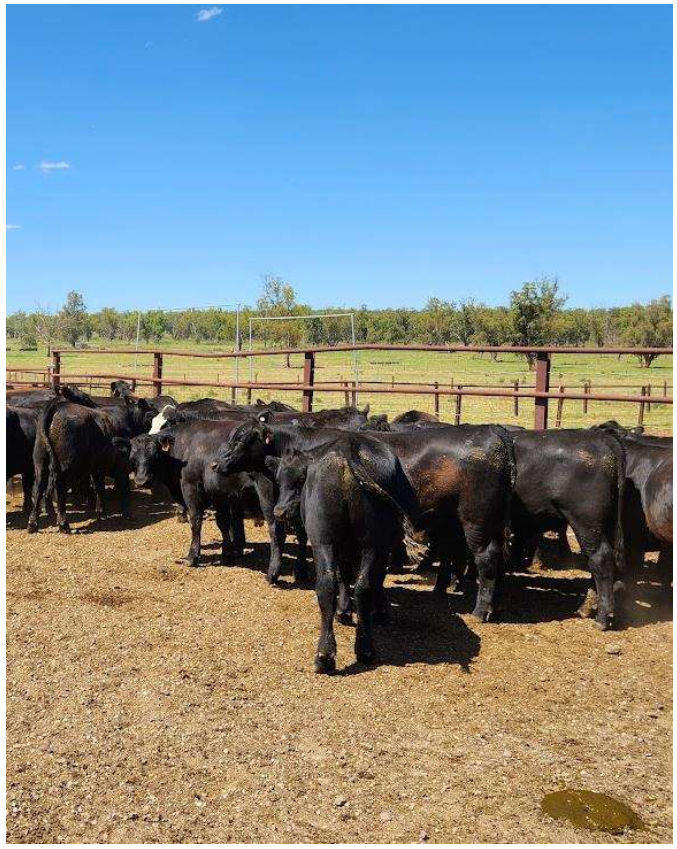
Calls to action – take homes

- Clarify goals
- Assess production gap
- Assess opportunity (S&D curve)
- ABC Keep it simple



What are the tools?

Productivity & Profitability series

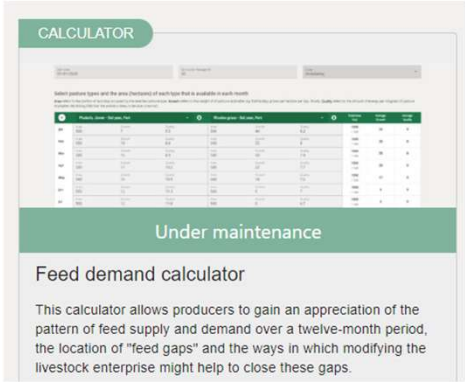
PRODUCTIVITY & PROFITABILITY series

A NSW Government website

NSW GOVERNMENT

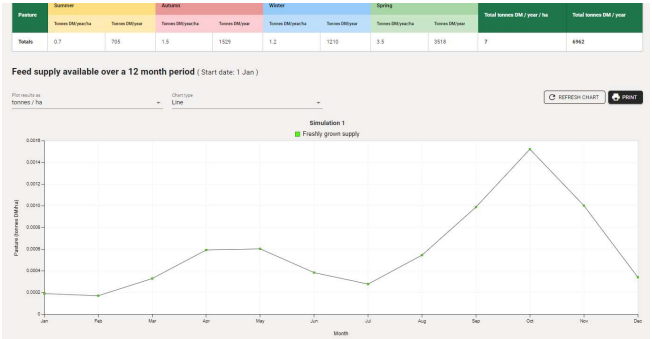
Workshops and Events | Toolkits | Podcasts | Case Studies | Grants and Assista

Farm Financial Management Toolkit



Feedbase planning and budgeting tool

HOME | INSTRUCTIONS | DATA | ETOOLS



FREAKONOMICS
THE HIDDEN SIDE OF EVERYTHING

HIDDEN BRAIN

https://etools.mla.com.au/hub/

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