

Sheep for Profit

NEWSLETTER

April 2006



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Sheep for Profit Advisors



New Advisors at Introductory Workshop
From left, Hamish Jopp, Chris McFarlane, Ken Elliott

There are currently 17 Advisors in the Sheep for Profit network. This team has a wide range of expertise and knowledge which is focussed on adding value to Sheep for Profit farm businesses.

New Advisors attend a two-day Introductory workshop aimed at giving them a full understanding of how the system works and what its key success factors are.

All Advisors meet twice a year to discuss case studies and learn from each other. The group includes veterinarians, consultants and a scientist.

Downturn? – a good time to refocus

One of the good things about economic downturns is they make us focus on what we are doing or what we have been doing.

Hopefully all financial budgets for 2006/2007 have been reviewed and updated to show a positive cash surplus. Farm costs have been tweaked so short- and long-term performance has not been compromised. Animal production systems will have even more focus to ensure outcomes are right for both quantity and quality.

Sheep for Profit is about helping farmers build a robust business that can reduce the impact of the downturns but can cream it in the good times. It is about knowing your business and what its key drivers are, knowing how you will achieve your key performance targets, having plenty of buffers (cash, feed, body condition etc) in place, having plans that are reviewed regularly and having a wide network of specialist people all wanting to help you do it better.

It's about continuous improvement – setting those targets just in front of last year and making sure they are achieved.

Sustainability, natural resource management & nutrient budgets

It wasn't that long ago when low soil fertility was a major constraint to farm performance, now high soil fertility is becoming one of our major threats! Dairy farmers appear to be the main target for these issues but we should be taking on board some of the strong messages from central and



Advisors workshop in Te Awamutu

Back row- Chris Mulvaney, Ben Davidson, Clive Bingham, Anthony Oswald, Mark Colson

Front row – Pete Anderson, Mark Gilmour, Noel McGirr, Simon Hewitt, Gerald Pinckney

Absent- Don MacColl taking photo!

local governments. Already some local bodies and Fonterra are enforcing requirements for nutrient budgets, nutrient management plans and rules for nutrient leaching.

Using Forum for the first time? Don't forget to tick the "Log me on automatically each visit:" box.

More paper work and hassle but we should be thinking about some of the positives like passing on the farm in better condition etc. Perhaps the greatest benefit is associated with more effective use of fertiliser inputs.

Fertiliser companies are adopting a more proactive approach:

- Reinforcing the significance of the optimal Olsen P for individual properties.
- Advising reduced phosphate application to areas of the farm that will not sustain clover production.
- Using tools such as Overseer to create nutrient budgets which are cost effective.

- Through Fert Research, running extensive projects to assess the impact of both fertiliser and nitrogen.

The sooner fertiliser management issues related to individual properties are understood and actioned, the less likely hassle from the powers above.

Ask your fertiliser rep to show you how Overseer can help.

Find out about the benefits of nutrient management – there may be huge cost savings there!

Have a look at www.wiseuse.co.nz for fact sheets about nitrogen fertiliser use.

Staff retention - *Some snippets from a management magazine.*

How best companies retain their staff:

- Recruit the right staff
- Have flexible working hours
- Make the work place a fun place
- Engender team spirit
- Empower workers to make their own decisions

- Set clear company visions and culture
- Provide support
- Professional attitude
- Treat workers, clients and suppliers with honesty and integrity

What could best companies do more of?

- Improve cross-team communication
- Provide more focussed leadership
- Cut out internal politics
- Have adequate resources
- Better rewards and recognition
- Better decision making
- Improved levels of trust
- Better systems and support
- More adequate training

Employment market

- Intelligent modern professionals are bred on technology solutions
- Work is now all about working smarter not harder. Too many employers are not taking this on board
- Results in the future will be more to do with information management than clocking in and out
- Time management can be an important reason for employee dissatisfaction

Do you really need more staff?

- Are there opportunities to improve time efficiencies (*eg. lane ways, swinging gates, stock proof fences, sound machinery R&M systems*)?

Employment is all about being smarter than the competition – in this case, the other employers!

Ewe wastage – time to start planning

We do know some flocks had serious ewe wastage issues last year and who knows what the spring is going to deliver this year?

Ewe wastage must be regarded as a function of high performance – if we strive for more lambs

per ewe we must accept there will be more pressure on her to do the job successfully.

We all know the causes of ewe wastage but by the time we can see them there is little that can be done. Some of the risk factors identified by Sheep for Profit include:

- Ewe factors
 - Multiples v. singles
 - Age
 - Body condition
 - Body size
- Feeding factors
 - Pre-lamb pasture covers
 - Pre-lamb pasture quality
 - Pre-lamb pasture growth rates
 - Nitrogen fertiliser

Check out the new topics in the AgriNetworks Forum:

- Some words of advice about cutting fertiliser inputs
- Someone wants advice on the benefits of early lambing

Risk management is a tricky business as some years we can get away with it until a year like last year. Often when only a couple of risk factors are present nothing goes wrong. Then add just one more on top and all hell breaks loose. Sometimes that one factor is blamed as the single cause and the other precursor risk factors may go unnoticed, especially when they may have been present weeks or even months before.

A few ideas to consider:

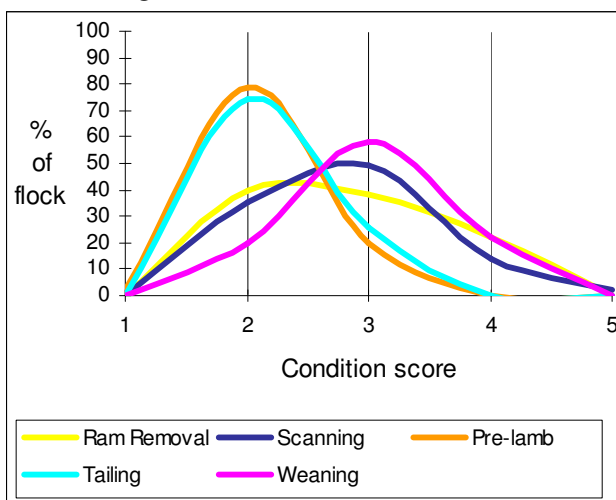
- Talk to your vet about doing a metabolic profile on the multiple ewes soon after scanning and possibly 3-4 weeks later. This will set the benchmark and give some indication of how sensitive the ewes may be to other risk factors.
- Plan to get all the multiples organised and set stocked 3 weeks before start of lambing. Take care with treatments such as levamisole and moxidectin products and Footvax.

- Rank lambing paddocks according to risks associated with high pasture quality. Consider offering ewes cereal or grass straw to increase saliva production to counteract acidosis.
- If pasture growth rate higher is than 1.8kgDM per ewe per day consider shuffling or adding in other stock to keep daily intake down.
- Lameness should be regarded as a risk factor so treat lame ewes early.
- Talk the whole thing through with your Advisor.

Ewe replacement selection policies

Delaying the final ewe replacements selection may make it more accurate and supposedly “more profitable” by selling the surplus hoggets for better money. But there may be a significant impact on other systems which are competing for valuable feed during the winter- especially the ewe flock.

For one Sheep for Profit farm doing 32kg lamb per ewe, the body condition score profile for the MA multiple ewes shown below was the reality for a 2500 ewe flock lambing 120% with 24% lamb wastage.



The ewes have been well fed between Ram Removal and Scanning with the majority at score 3 or better. Then at Pre-lamb nearly 80% were score 2 and this followed through to tailing. This condition loss could have had an effect on lamb survival and lamb growth rates.

The ewe replacement selection policy was based on wintering 40% hoggets surplus to requirement. The idea was that by October the tail would be more “obvious”, smaller lambs have had a chance to catch up and the cull ewe lambs made \$80 compared to \$60 in May. Over the 250 surplus hoggets carried the income was an extra \$5,000.

Part of drilling down into the ewe flock performance involved looking at what impact this ewe replacement selection policy was having on the 24% lamb wastage, 80% of the multiple MA ewes at CS2 at Pre-lamb and Tailing, the growth of the hoggets to mating as a 2T ewe, and the subsequent mating performance of the flock.

The lambing performance data identified the lamb losses were mostly after birth and the opportunity cost of 24% wastage, instead of an acceptable 18%, was about \$7500 (\$3.00 per ewe).

The Sale Lamb Performance model, which takes into account the costs of holding these surplus ewe lambs through winter for 150 days, showed a profit from pasture eaten was only \$2.00 per lamb despite the \$20 extra margin compared to selling them in May.

This information was the key to understanding how this selection policy was limiting the performance of other significant drivers of the business and the decision to make the final hogget selection before winter was made a whole lot easier.

The next year ewe flock performance lifted to 42kg lamb weaned per ewe mated. At \$1.50/kgLWt that was equivalent to \$15/ewe or \$37,500 across the whole flock.

Data Record forms can be downloaded from the Forum.