



# Information Exchange

The newsletter of the BESTWOOL / BESTLAMB network

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## Take stock with StockPlan

SHEEP producers working to manage the production, social and environmental impacts of drought have the opportunity to attend one of the StockPlan® workshops being offered across Victoria in March.

These free workshops are being organised by the Victorian Department of Primary Industries, in co-operation with Australian Wool Innovation and BESTWOOL/BESTLAMB.

StockPlan is a series of computer programs that allow producers to explore drought management options by helping answer questions on the cost of feeding stock, the affect of drought on the flock and farm finances this year and in the future, and the best ways to plan a recovery post-drought.

The workshops help:

- improve drought management skills;
- lower the risk of financial losses;
- encourage forward planning;
- lower the risk of degrading pastures; and
- investigate the production and financial implications for the farm business.

By putting in data on flock



**The StockPlan computer programs include help to answer questions on the cost of feeding stock in drought times.**

composition, feed types, climatic conditions and prices, growers can get a range of management options and pick the best one for their enterprise.

StockPlan is three decision tools rolled into one package:

- Drought Pack – assesses the cost of feeding and determines the break-even price for animal classes.

- FSA Pack – is designed to help producers decide whether to feed, sell or agist stock.

- Im Pack – is a decision tool that gives producers the opportunity to assess the structure of their flock over a 10-year period and allows them to explore a range of options.

The StockPlan program

encourages producers to examine a range of options and management strategies, without taking financial risks.

Each workshop starts at 10am, after morning tea at 9.30am, and will be finished by 3pm.

The workshops are free and all participants receive copies of the computer programs and lunch.

Registration is essential for catering and the provision of computers for people to work on. People with laptops are encouraged to bring them along.

More information about StockPlan is available on the AWI website at [www.wool.com.au/stockplan](http://www.wool.com.au/stockplan).

Please register for the workshops by phoning Annette Taylor at DPI Ararat on (03) 5355 0531.

### StockPlan workshop details.

Date	Town	Location
March 21	Hamilton	Department Primary Industries, Mount Napier Rd, Hamilton
March 22	Skipton	Skipton Golf Club (to be confirmed)
March 28	Euroa	Euroa Community Education Centre, 50 Binney St, Euroa
March 29	Maryborough	Maryborough Highland Society, 35 High St, Maryborough
April 3	Bairnsdale	East Gippsland Institute of TAFE, 44 Main St Bairnsdale (to be confirmed)

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# Next generation drives new group

WITH AN average age of 31, members of a newly formed BESTWOOL/BESTLAMB group near Glenelg in Western Victoria are looking forward to a productive future in farming.

The group formed at the end of 2006 and involves 15 farm businesses based around Cavendish, Coleraine and Balmoral.

Most of its members have previously been involved in Prograze courses run in the district over the past couple of years.

Group co-ordinator Tim Leeming said the membership was young farmers involved in wool, prime lambs, cropping and beef.

"They represent the new generation of farmers who are keen to do something and learn, so it was great to get a group together for BESTWOOL/BESTLAMB," he said.

Tim worked closely with Jason Trompf, who has been involved in the Glenthompson BESTWOOL/BESTLAMB group, to get the new group up and running.

Jason is involved in Australian Wool Innovation-funded research that is examining ways to get more woolgrowers involved in industry programs such as BESTWOOL/BESTLAMB.

Tim and Jason's first step in gauging interest in forming a group involved contacting district farmers who had taken part in Prograze and indicated they were keen to do something in the future. Everyone contacted was also asked whether they knew anyone else in the district who might be interested in joining a group. Everyone was then invited to attend an information evening.

In January the interested members held



(Photo courtesy The Hamilton Spectator)

**Mark Jarvis sees the new Glenelg BESTWOOL/BESTLAMB group as an opportunity to learn.**

their first planning meeting and decided to meet every six weeks. They plan to run night meetings unless a topic involves a hands-on approach on-farm.

"The group is interested in a range of topics, including succession planning, stocking rate decisions and the role of off-farm investment," Tim said.

"By mid-March, the group wants to look at a good farming operation using stock containment areas, analyse the impact of the drought on their business and map out a plan for post-drought management."

Mark Jarvis, 28, farms at Vasey and

Wombelano, and runs a cropping and grazing enterprise based on Merinos with some ewes joined to terminal sires.

Mark went through Prograze in 2004 and was interested in joining a group where there was the scope to learn from guest speakers as well as other members.

"Three or four years ago there were a number of discussion groups running that you could join, but there aren't the same choices around today," he said.

"The BESTWOOL/BESTLAMB group is a fairly young group of people who are positive about agriculture and keen to learn."

Richard Edgar, 29, of West Cuyuac at Nareen, is involved in a wool and prime lamb enterprise and was also keen to follow up on the Prograze course he did two years ago.

"The Prograze course was really valuable and I've put a lot of what I learnt into place, but I've been keen to follow up on some of the issues in a group format," he said.

"Prograze really helped me work through the drought by planning what we needed to feed the stock.

"As a result of Prograze, we've improved our flock nutrition and increased the number of prime lambs on the ground, but now I need to follow that through with growing lambs out.

"Like many in the BESTWOOL/BESTLAMB group, I'm keen to see how someone is successfully using a stock containment area.

"I'm also interested in learning more about lamb finishing and would like to look at the merits of summer fodder crops, stubbles and a lamb feedlot." ■

## FROM THE CHAIRMAN

### Planning for the future of BESTWOOL/BESTLAMB

SINCE OUR last issue, we have seen some rain to take the pressure off the Western divisions stock water problems. However, the North Central, North East and parts of Gippsland are still in a diabolical water shortage position. Let us hope that we see an early autumn break.

Before Christmas, we held a BESTWOOL/BESTLAMB co-ordinators meeting to discuss a future



**Jamie Ramage, chairman, BESTWOOL/BESTLAMB**

program restructure. It was facilitated by Martin Dunstan from Department of Primary Industries and was very well attended.

We attempted to work through some different scenarios for the future of BESTWOOL/BESTLAMB.

Group sessions looked at 'What do producers need from BESTWOOL/BESTLAMB?', 'What are the competing products?' and 'What it would cost to run the program?'

Rod Luke also outlined to the co-ordinators what the funding landscape would look like and how BESTWOOL/BESTLAMB might position itself to be attractive to funders.

Outcomes from the meeting will be discussed

at the BESTWOOL/BESTLAMB Advisory Committee meeting in late February.

The meeting was followed by a visit to the Birchip Cropping Group in late January, which was a fantastic opportunity to look at how an organisation functions outside the funding paradigm that we are used to.

A visit to the Southern Farming Systems will complete our fact-finding mission.

Discussions about the future of the program will be a high priority for the Advisory Committee over the next 18 months.

If you have comments that you would like to share about the future of the program, phone me on 0417 511 223.

# Forward sell and minimise the price risk

WOOLGROWERS are being urged to forward sell part of their future production to capture some of the current prices on offer and minimise their exposure to price risk.

The recent upturn in the wool market has resulted in the Eastern Market Indicator being at its highest levels for the past 15 years.

And with Australia's shorn wool production at a 50-year low, combined with the effects of the drought, the size of the national clip is expected to fall further this season.

Landmark's manager, client broking, Malcolm Condie, said growers had an opportunity to secure wool prices for future production by making the most of the current forward market.

"The market is much stronger than we've seen it for years, as a result of strong demand and reduced production. The prices for 19, 20, 21 and 22 micron wools are some of the dearest they've been since 2002/03 and are selling in the 90th decile, so now is the time to lock in part of future production for these microns," he said (see figure).

Malcolm said growers needed to appreciate that, in US dollar terms, prices for 20 micron wool have never been higher.

"Around 70% of all wool sold in Australia is sold in US dollars and when you look at the value of 20 micron wool in US dollars, we're looking at record highs," he said.

"We need to remember that the last time we had a wool boom the Australian dollar was worth US 55¢, which made our wool prices cheaper in US dollar terms.

"The current 19 and 20 micron wool prices in US dollars are likely to reach a point where there will be some resistance from buyers to pay ever-increasing prices.

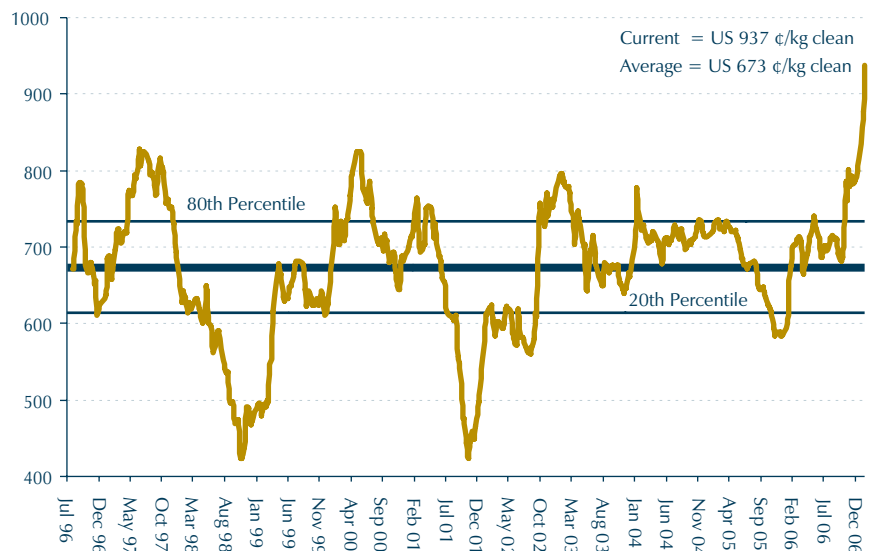
"It's impossible to predict how long the market can sustain these rising prices, so woolgrowers should be taking advantages of the forward market to secure prices on a portion of future production."

While many of the forward prices on offer were slightly below the current spot market for wool, they were still strong prices given the long-term market, Malcolm said.

The exception is 18 micron wool, which is only selling at the long-term average and may have the scope to go higher.

"Woolgrowers face two types of risk – production risk and price risk. Price risk is because of the rise and fall in the wool market, but it can be managed, or minimised to the point where the grower is in control."

"Many growers believe that risk management



AWEX weekly 19 micron wool prices in US dollars, July 1996 to January 2007.

products for wool are risky, but in reality it's riskier to do nothing, because then a grower is fully exposed to the volatility of the market.

"The risk of falling prices is greater the further out the market goes.

"Woolgrowers should see forward selling as an opportunity to lock into the market when it will cover their cost of production.

"The current market is creating a lot of interest from growers wanting to capitalise on strong prices and all broking companies offering growers forward selling options are experiencing record demand."

In the short term, woolgrowers selling this autumn are unlikely to have a great price risk exposure, Malcolm said.

Opportunities were greater for woolgrowers

to lock in the prices for part of their clip for spring 2007 and autumn 2008.

"If growers are selling this spring or in autumn 2008, we're suggesting they lock in prices for 25% to 40% of their clip to minimise their price risk," he said.

"Many growers dealing with drought are reluctant to lock in prices for future production, not knowing whether they'll be in a position to supply. Even so, woolgrowers who think they'll be producing some wool at all in the coming season should consider trying to capture some of the current prices in what can be a very uncertain marketplace.

"Once the drought eases, these higher prices are likely to encourage more growers back into wool, which will increase supply." ■

## AT A GLANCE

### Leadership scholarships

BESTWOOL/BESTLAMB is sponsoring two positions for group members to attend the Marcus Oldham Rural Leadership Program running from Sunday, June 24, to Friday, June 29, at Marcus Oldham College in Geelong. Candidates will be selected by a three-member panel of the Management Committee on the basis of their potential to contribute as a leader in the industry and a demonstrated desire to improve their leadership skills and personal effectiveness.

The sponsorship covers tuition, notes, accommodation and meals.

More information on the course is available at [www.marcusoldham.vic.edu.au](http://www.marcusoldham.vic.edu.au).

Applications close on May 14. If you are interested or would like to nominate someone, phone Annette Taylor on (03) 5355 0531 or e-mail [annette.taylor@dpi.vic.gov.au](mailto:annette.taylor@dpi.vic.gov.au).

### Sheep school

Plans are under way for the second Victorian Sheep School at Glenormiston College in western Victoria on July 10 and 11.

Last year's inaugural event covered a wide range of topics involving wool and sheep meat production.

More details on this year's school will be in future newsletters.

# Phone seminars prove popular

HAVING access to industry experts without leaving home is one of the key reasons for the growing popularity of the BESTWOOL/BESTLAMB phone seminars.

Over the past two years, nearly 400 members have participated in the 10 phone seminars run by BESTWOOL/BESTLAMB.

Topics covered include:

- Managing sheep worm, featuring John Larsen from the Mackinnon Project.
- NLIS with Department of Primary Industries (DPI) animal health officer Leanne Jones.
- Red Legged Earth Mite with Celia Pavri, who was part of the CSIRO research team that developed TIMERITE.
- Sheep Genetics with Sam Gill from Sheep Genetics Australia.
- The ABC of OJD with DPI principle vet Alison Lee and Helen McGregor from the University of Sydney, who is working on OJD.
- The New Occupational Health and Safety Act with Rhys Jones, a Worksafe inspector with six years' experience.
- Strategies for feeding ewes in a tough winter, featuring Stuart Warner and Liz Parker from DPI.

## Free booklet

*The Australian Sheep Industry Cooperative Research Centre has released a 60-page booklet, 2006 Sheep Focus, that features new innovations, products and practices for the sheep industry that have resulted from Sheep CRC research.*

*More than 1000 booklets have been mailed out to farmers, scientists, technology companies, the media and consultants.*

*If you would like a copy, phone Heidi Hoffman on (02) 6773 2927 or e-mail [heidi.hoffman@une.edu.au](mailto:heidi.hoffman@une.edu.au) with your name and address to have a copy of 2006 Sheep Focus posted to you.*

- Feeding canola hay, silage and stubble to livestock, with district agronomist Paul Parker from Young, NSW, and Dale Grey, a DPI cropping agronomist.
  - Exceptional Circumstances with Carl Fraser from Rural Counselling Services and Karen Fedke from Centrelink.
- Robyn and Donald McLennan from the Mumbannar Broilgas BESTWOOL/BESTLAMB group in Western Victoria are among the

members to have participated in the phone seminars.

"The beneficial thing about the phone seminars is that they allow us to access information without the need to travel," Robyn said.

"BESTWOOL/BESTLAMB members can decide if they are interested in a topic and then register.

"The seminars are run at 1pm, so we can organise to be inside having lunch when the seminar is on.

"Questions can be asked at the end of the seminar and listening to other farmers' queries and comments can also be valuable.

"We've found the seminars to be an effective way to gain information and they can compliment our regular group meetings and conferences."

Members registered for a phone seminar receive a copy of the presentation before the event so that they can follow along and have something to refer to after the seminar.

A recording of the seminar on CD is also sent to participants after the event.

For more information on coming phone seminars, phone Annette Taylor on (03) 5355 0531.

## SMOKO ...

### Words of witticism

THE *Washington Post's* Mensa Invitational has again asked readers to take any word from the dictionary, alter it by adding, subtracting, or changing one letter, and supply a new definition. These are some of the 2006 winners:

- Cashtration: The act of buying a house, which renders the subject financially impotent for an indefinite period.
- Intaxication: Euphoria at getting a tax refund, which lasts until you realize it was your money to start with.
- Reintarnation: Coming back to life as a hillbilly.
- Bozone: The substance surrounding stupid people that stops bright ideas from penetrating. The bozone layer, unfortunately, shows little sign of breaking down in the near future.
- Giraffiti: Vandalism spray-painted very, very high.
- Sarchasm: The gulf between the author of sarcastic wit and the person who doesn't get it.
- Inoculatte: To take coffee intravenously when running late.

- Hipatitis: Terminal coolness.
- Osteopornosis: A degenerate disease (this one got extra credit).
- Karmageddon: It's like, when everybody is, like, sending off all these really bad vibes, right? And then, like, the Earth explodes and it's, like, a serious bummer.
- Decafalon: The gruelling event of getting through the day consuming only things that are good for you.
- Glibido: All talk and no action.
- Dopeler effect: The tendency of stupid ideas to seem smarter when they come at you rapidly.
- Arachnoleptic fit (n): The frantic dance you perform just after you've accidentally walked through a spider web.
- Beelzebug (n): Satan in the form of a mosquito, that gets into your bedroom at three in the morning and cannot be cast out.
- Caterpallor (n): The color you turn after finding half a worm in the fruit you're eating.



BESTWOOL / BESTLAMB is a co-operative program for wool and lamb producers seeking to boost their farm profit and productivity.

For information about the BESTWOOL / BESTLAMB network, phone (03) 5355 0531, e-mail [bestwool@vff.org.au](mailto:bestwool@vff.org.au) or visit [www.bestwool.com](http://www.bestwool.com)