



Information Exchange

The newsletter of the BESTWOOL / BESTLAMB network

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Strategic planning workshops

A TEAM of BESTWOOL/ BESTLAMB co-ordinators and management has developed a one-day workshop to help producers hone their skills for planning the future for their families and businesses.

The workshop recognises that there is a critical need for farmers to be better equipped with the skills and knowledge to plan for the future in response to the ongoing effects of drought.

The effects of drought are now different from 12 months ago:

- grain prices are higher;
- on-farm feed reserves are lower;
- cash reserves are lower;
- borrowings have increased;



- interest rates are higher;
- most stock prices are lower;
- the equity position of many farm businesses is lower;
- the Australian dollar is higher; and

- most farm businesses have a reduced production capability.

More than ever, the livestock and cropping industries need to think and plan strategically to minimise the impacts and optimise the outcomes given a set of circumstances.

The need to plan three to five years ahead is essential to:

- ascertain one, three and five-year plans that produce 'best case', 'most likely' and 'worst case' outcomes;
- evaluate the long-term impact of individual and combined decisions;
- evaluate different enterprise change scenarios;

- ascertain the farm's future viability;
- provide confidence to livestock producers; and
- know where to best spend dollars in their business.

The workshop will address these points and at the end of the day producers should have an understanding of the importance of long-term strategic planning.

The plan is to deliver the workshop to BESTWOOL/ BESTLAMB groups during November and early December 2007.

If you are interested in being involved, phone your co-ordinator or Lyndon Kubeil on (03) 5361 1649.

Keeping it together

DON'T LAUGH, this is a serious issue. Every one has limitations in what they are able to endure in terms of imposed stresses. We all react differently to situations.

When you are struggling, reflect on the situation and, if necessary, seek professional support.

Listening to those closest to you is important, as they will

perceive changes that you may not detect.

Look after yourself, as then you will be in the best position to make the level-headed decisions you need to make in these circumstances.

Increasing anecdotal evidence suggests farmers are becoming emotionally, as well as financially, drained.

Many people in rural areas

are seeking medical help with these emotional issues and that help is proving to be most worthwhile.

This is an incredibly positive outcome and is only being realised because the subject is being discussed more openly and does not hold the same stigma as it did in the past.

Try catching a Sustainable Farm Families workshop in your area.

These workshops have had great success in decreasing participants' risk factors for major diseases, improving the uptake of farm safety and influencing positive behavioural changes.

For more information visit the website www.sustainablefarmfamilies.org.au or phone Annette Taylor on (03) 5355 0531.

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Planning ahead this spring and summer

WITH WOOLGROWERS facing another dry spring and summer, now is the time to plan ahead, to look at what resources are available and make decisions early in the season.

This checklist can help you work out what resources are available to deal with the season and the priority areas in coming months.

Water audit

What is the current or likely future status of your surface water? What are your plans for alternative stock water if it fails?

This could mean further partial or total de-stocking, agistment or centralisation of some classes of sheep into drought-lots where feed and water can be more easily provided.

Feed audit

Some people have had the good fortune to get some grass growth, others de-stocked sufficiently in late-2006/early-2007 to have some feed on offer. If you have meaningful feed, then still go ahead and budget on the estimated longevity of your pasture resources given the forecast quarterly rainfall outlook. Determine your trigger points for the next three months based on when you will initiate feeding or de-stocking.

Financial position

Assess your financial position to gauge if it is within your means to run a continued feeding program. Speak to your financial provider and seek independent advice from the Rural Financial Counselling Service about your equity/cash flow balance. This will require balancing up labour and energy costs with paddock feeding vs drought-lotting.

Remember, an ongoing feeding strategy for a sustained period will have a negative impact on your financial situation in the immediate term, but it will position you to respond more rapidly when the drought breaks.

Retention or disposal of stock

One of the toughest decisions at this point will be making the call on which stock must stay for the benefit of recovery post-drought and which should be disposed of.

Many people said goodbye to their wethers long ago, some have also disposed of the older or less-productive ewe classes and cattle.

With a failed season, the situation of lambs is problematic.

If you feel you have genuinely invested in your flock's genetic improvement and are



opposed to surrendering that, then retain the youngest generations of ewes, as theoretically ensure they will be the best of your flock. Younger ewes have a longer lifespan from which to return the amount you invest in them (i.e. feeding).

If you are retaining animals make sure their needs are being met, do not cut corners and end up having sheep dying on you. Get the

right advice and budget accordingly to what the sheep will need.

Early weaning of lambs could be an option. Wean at no older than 12 weeks of age.

If you are less attached to your sheep overall, a 100% de-stock is a legitimate option being used in many parts of Australia. It frees you up to chase additional off-farm income.

However, the heavier the de-stocking, the more aggressively you will need to restock.

Example of a feed budget

The tables below show a budget for fully drought feeding medium Merino ewes from December to mid-June. It assumes spring lambing and grain at \$400/tonne and hay or straw at \$250/tonne. The ration includes 0.5kg hay/week and costs at \$380/tonne.

This scenario illustrates that the buy back price for Merino ewes will need to be more than \$55 to make the cost of feeding a better financial option.

However, the buy back price assumes that, after the break, you can buy back sheep as good as the ones you sell and that you are buying back ewes in lamb. ■

This article was put together by 8x5 Co-ordinator, Warren Hunt

Feeding – per ewe				
Rate	kg/ewe/ week	monthly feed cost	cumulative feed cost	probability of autumn break
October	0.0	\$0.00	\$0.00	0%
November	2.5	\$4.07	\$4.07	0%
December	4.0	\$6.73	\$10.80	0%
January	4.0	\$6.73	\$17.53	0%
February	4.0	\$6.08	\$23.61	3%
March	4.0	\$6.73	\$30.35	15%
April	4.0	\$6.51	\$36.86	40%
May	4.0	\$6.73	\$43.59	80%
June	3.0	\$4.89	\$48.48	90%

Feed to end of June Scenario Gross Margin Analysis (per ewe)		
	Keep & feed	Sell now
Sale price	\$0	\$20
Costs		
feeding	\$48.48	\$0
shearing	\$5	\$0
crutching	\$1	\$0
animal health	\$2	\$0
sundry	\$1.00	\$0
Income – fleece (next year)	\$23.51	\$0
Buy back price (assumes bought bare)	\$0	\$55
Gross margin \$/DSE	-\$34	-\$35

Drought help on the phone and Internet

INCREASING levels of assistance and information are available to help woolgrowers and sheep producers deal with the drought conditions across much of Victoria.

Centrelink should be the first call for anyone interested in finding out what assistance is available, and if they are eligible.

Phone the Centrelink Drought Assistance Line on 132 316 or visit the Centrelink website at www.centrelink.gov.au.

If you are eligible for Exceptional Circumstances payments you can apply for rate relief from your council. If you have questions about this concession, phone your Council or the Department of Primary Industries' (DPI) Customer Service Centre on 136 186 (free call).

Agnotes

DPI has range of Agnotes, as well as the publications: *Drought Feeding and Management of Sheep*, *Drought Feeding and Management of Cattle*, and *The Drought Preparation and Survival Guide*. These are all free and available online or by calling the DPI/DSE help line on 136 186 and following the prompts.

Staff on the helpline can also put you in contact with advisers who have expertise on specific topics such as nutrition and animal health who will provide one-to-one advice.

Stock Wise

Meat & Livestock Australia (MLA) and Australian Wool Innovation Limited (AWI) are helping producers to prepare, plan and



take action on the impact of the drought, extreme feed costs, low cash reserves and an Australian dollar at a 23-year high with an initiative called Stock Wise.

Stock Wise pulls together the resources and expertise of respected industry experts, online tools and information and practical hands-on workshops to help producers make smart decisions about their business.

Producers will be able to quickly access the latest and most relevant information available to help them through the drought and rising costs of production.

Details on Stock Wise are on the MLA website at www.mla.com.au/drought and the AWI website at www.wool.com.au/drought, or by phoning the MLA helpline on 1800 675 717 or the AWI helpline on 1800 070 099.

AWI information

AWI has this range of free booklets:

- Managing sheep in droughtlots

- Feeding and managing sheep in dry times
- Managing fodder prices in droughts
- Which sheep do I keep?
- Planning for profit

The booklets can be downloaded from the AWI website at www.wool.com.au or can be mailed out by calling the free AWI helpline on 1800 070 099.

Useful websites

The following websites may be useful when making decisions that may affect the future of your enterprise.

- Victorian Farmers Federation – www.drought.org.au.
- DPI website – www.dpi.vic.gov.au.
- Rural Financial Counsellors – www.affa.gov.au/financialcounselling.
- Department of Human Services – www.dhs.vic.gov.au/emergency/.
- MLA – www.mla.com.au.
- AWI – www.wool.com.au.

Consultations with the Rural Financial Counselling Service

IT IS imperative that producers keep in contact with their bank manager.

Banks are more receptive to forward planners who can recognise cash flow problems in advance.

For your own peace of mind, it is also best to get financial facilities in place now for the next 12 months, rather than the day before the cash or existing line of credit runs out.

It is acknowledged that it is extremely difficult to forecast at the best of times and even more so now with the question as to when you will be able to cease feeding and what prices are going to do, etc.

The best advice is to develop both best-case and worst-case scenarios and base

your requirements and responses around each eventuality.

Make sure you get the government assistance that is available, and seek advice from the many professionals who are available to assist you with decision making.

DO NOT SELF ASSESS! You are most probably eligible for something.

The Rural Financial Counselling Service (RFCS) offers independent assistance free of charge to primary producers, fishers and small rural business people in rural areas who are experiencing the pressures of the drought.

The RFCS has officers in Gippsland, North Central Victoria, the Mallee, Goulburn Hume, South West Wimmera and Sunraysia.

Contact phone numbers for these officers are available on the website www.daff.gov.au/agriculture-food/aaa/rfcs/counsellors/vic.

Phoning DroughtLine on 132 316 will give you access to trained officers who can deal with Exceptional Circumstances queries.

The Professional Advice and Planning Grant provides eligible farm enterprises with access to up to \$5,500 (GST inclusive) worth of professional advice and planning assistance. This is in recognition of the impact that the prolonged drought has had on farming enterprises and the importance of professional advice and planning to the long-term viability of farming enterprises.

Rural Financial Counsellor Area	Contact person	Contact details
RFCS Victoria – Gippsland		Head office: 12 Peart Street (PO Box 362), Leongatha, Vic. 3953 T: 03 5662 9928; F: 03 5662 9999; E: ruralsupport@dcsi.net.au
Bairnsdale	John Meadows	T: 03 5152 1514; M: 0429 674 759; F: 03 5152 5307; E: johnmeadows@datafast.net.au
Ellinbank	Ilona Kingston	T: 03 5624 2286; M: 0418 511 460; F: 03 5624 2200; E: i.kingston@dcsi.net.au
Leongatha	Jenni Gibson Marshall Scott	T: 03 5662 9928; M: 0418 512 298; F: 03 5662 9999; E: jenni.gibson@dcsi.net.au T: 03 5662 9928; M: 0407 898 735; F: 03 5662 9999; E: ruralsupport@dcsi.net.au
Maffra	Jenny Mason	T: 03 5147 0855; M: 0400 182 840; F: 03 5147 0867 E: jenny.mason@datafast.net.au
RFCS Victoria – Goulburn Murray Hume		Head office: PO Box 200, Yarrawonga, Vic. 3730 Website: www.gmhagcare.org.au
Albury-Wodonga	Tony Shirley	T: 0429 484 489; E: tony.shirley@gmhagcare.org.au
Benalla	Carl Fraser	T: 03 5761 1611; M: 0428 859 842; F: 03 5761 1628; E: carl.fraser@gmhagcare.org.au
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Rutherglen/Cobram/Yarrawonga	Paul Blackshaw	T: 02 6030 4500; M: 0427 546 643; E: paul.blackshaw@gmhagcare.org.au
RFCS Victoria – Mallee		Head office: 28 Britt Street (PO Box 130), Ouyen, Vic. 3490. T: 03 5092 1111; F: 03 5092 1177
Woomelong	John Byrne	T: 03 5081 2275
Wycheproof	David McManamey	T: 03 5493 7020; M: 0409 188 724; F: 03 5493 7138; E: mracs@iinet.net.au
RFCS Victoria – North Central		Head office: PO Box 733, Bendigo Central, Vic. 3552 T: 03 5434 6346; F: 03 5434 6321
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Seymour	Ken Slatter	T: 03 5735 4342; M: 0407 844 558; F: 03 5792 3230; E: kslatter@westnet.com.au
RFCS Victoria – Sunraysia		Head office: 72 Lemon Avenue (PO Box 2824), Mildura, Vic. 3500. T: 03 5022 0799; W: www.sunrcs.com.au
Mildura	Stephanie Ferdelja Kerryne McClelland Don Seward Graeme Thornton	T: 03 5022 0799; M: 0400 411 411; F: 03 5022 0599; E: sferdelja@sunrcs.com.au T: 03 5022 0799; M: 0447 241 310; F: 03 5022 0599; E: kmcclelland@sunrcs.com.au T: 03 5022 0799; M: 0427 164 489; F: 03 5022 0599; E: dseward@sunrcs.com.au T: 03 5022 0799; M: 0427 164 490; F: 03 5022 0599; E: gthornton@sunrcs.com.au
Swan Hill	Kaylene Birch	T: 03 5032 2562; M: 0400 807 150; F: 03 5033 0189; E: kaylenerfc@bigpond.com
RFCS Victoria – Wimmera South West		Head office: DPI, Mt Napier Road (PO Box 715), Hamilton, Vic. 3300. T: 03 5573 0970
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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 or visit www.bestwool.com