

meatup FORUM

For the latest in red meat R&D

~~The Kenny Rogers approach to livestock systems~~

Does your system need a wolf?

John Francis



Why strive for business efficiency?



meatup
FORUM

$\frac{\text{Operating profit}}{\text{Asset value}} = \text{Operating return}$

$\frac{\$300,000}{\$10,000,000} = 3.0\%$

$\frac{\$300,000}{\$20,000,000} = 1.5\%$


mla
MEAT & LIVESTOCK AUSTRALIA

Why strive for business efficiency?



$$\frac{\text{Operating profit}}{\text{Asset value}} = \text{Operating return}$$

$$\frac{\$300,000}{\$10,000,000} = 3.0\%$$

$$\frac{\$600,000}{\$20,000,000} = 3.0\%$$

Problems/systems

Simple

Complicated

Complex





Let's play a game

Aim – get the most water in the bucket

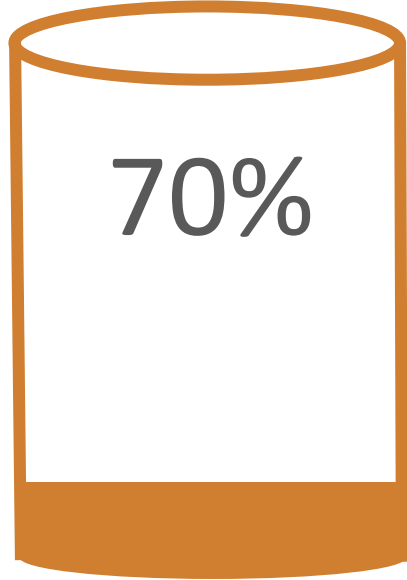


4 flasks

Choose 1

Choose one flask

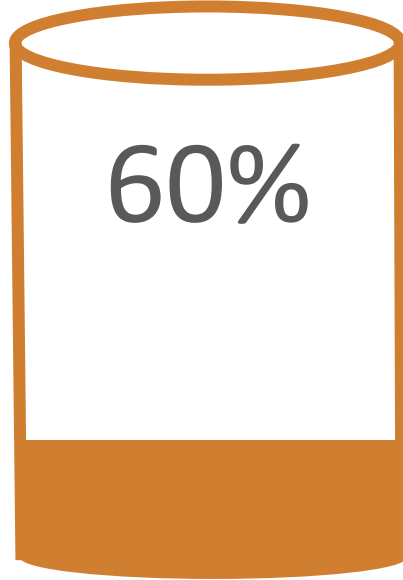
800 mL



A

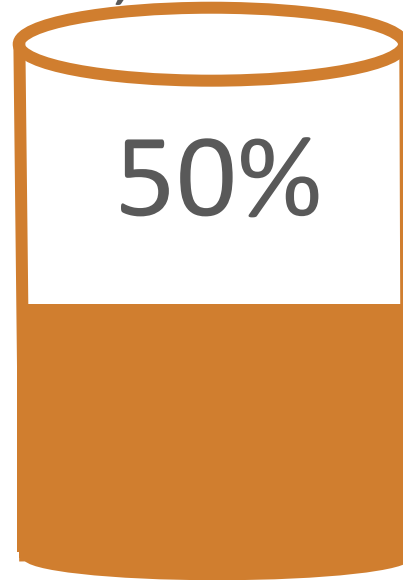
meatup
FORUM

1,500 mL



B

2,700 mL



C

5,200 mL

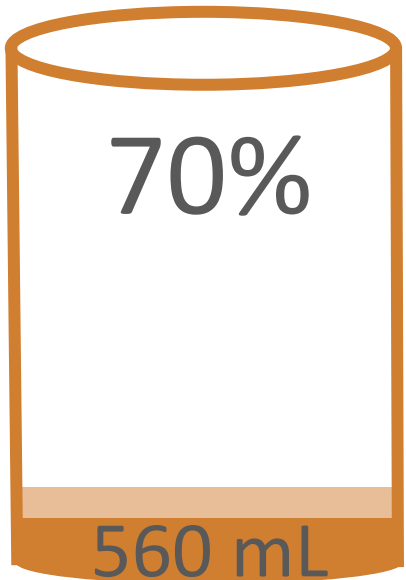


D

 mla
MEAT & LIVESTOCK AUSTRALIA

Choose a flask

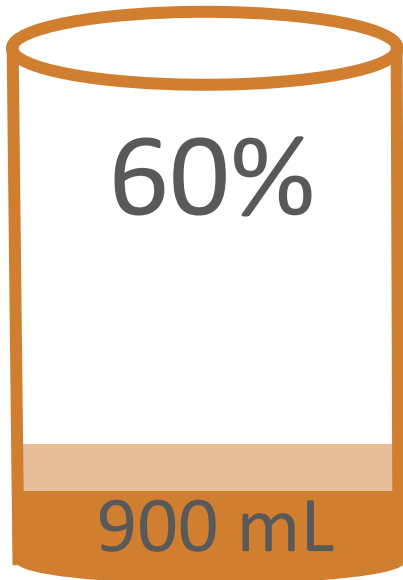
800 mL



A

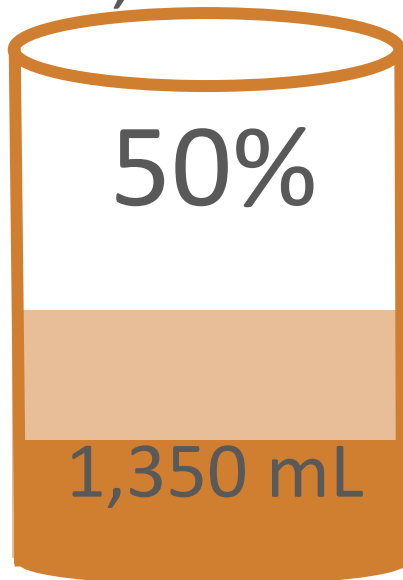
meatup
FORUM

1,500 mL



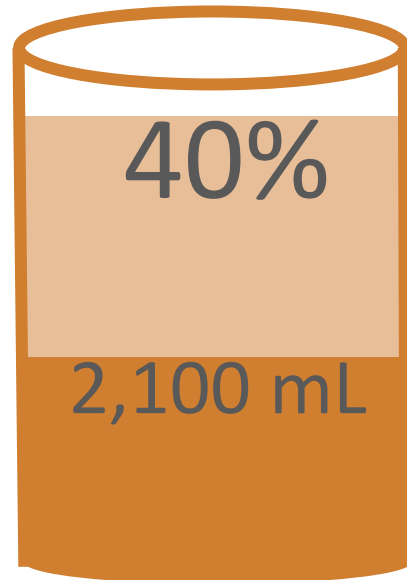
B

2,700 mL



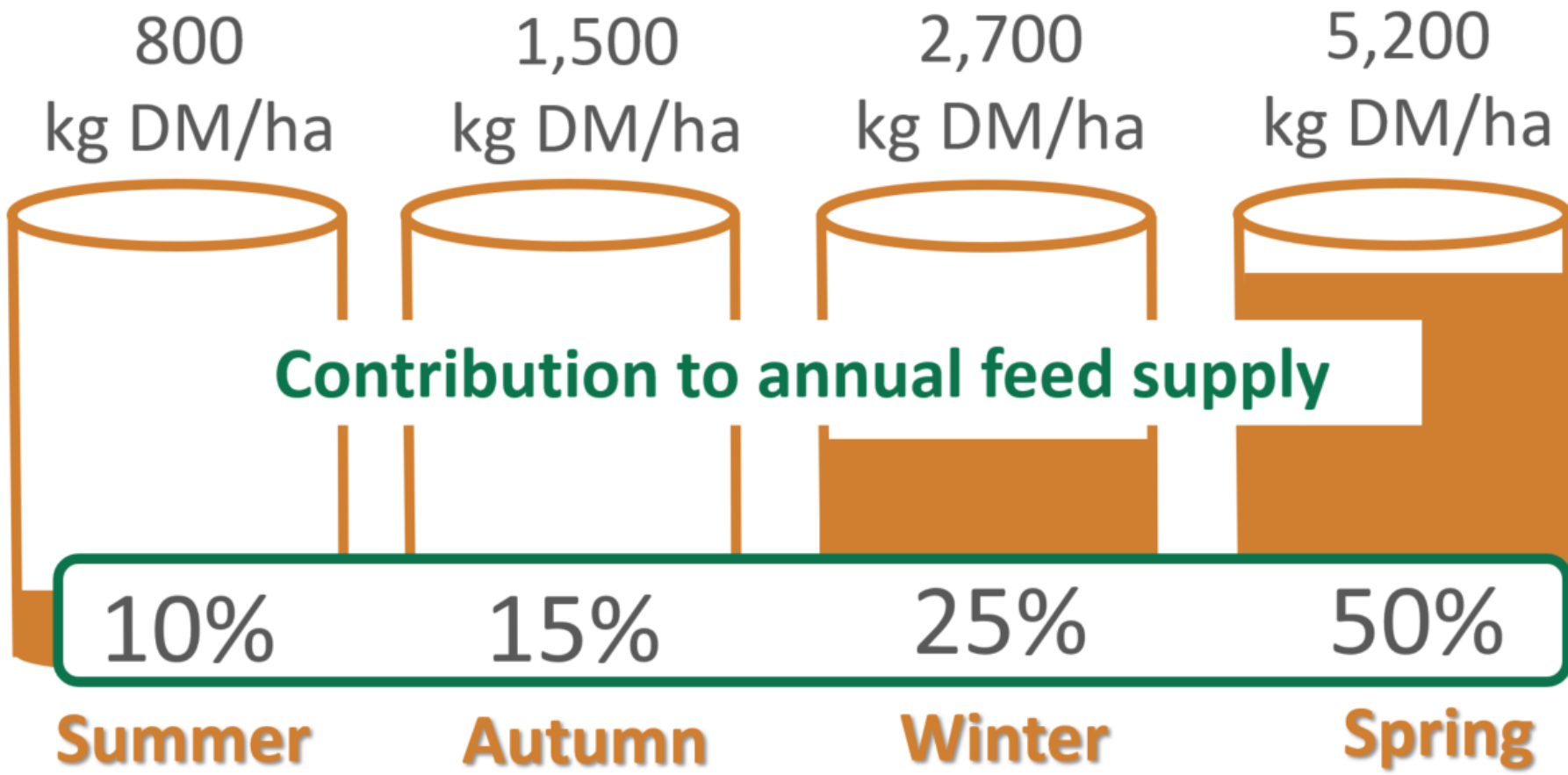
C

5,200 mL

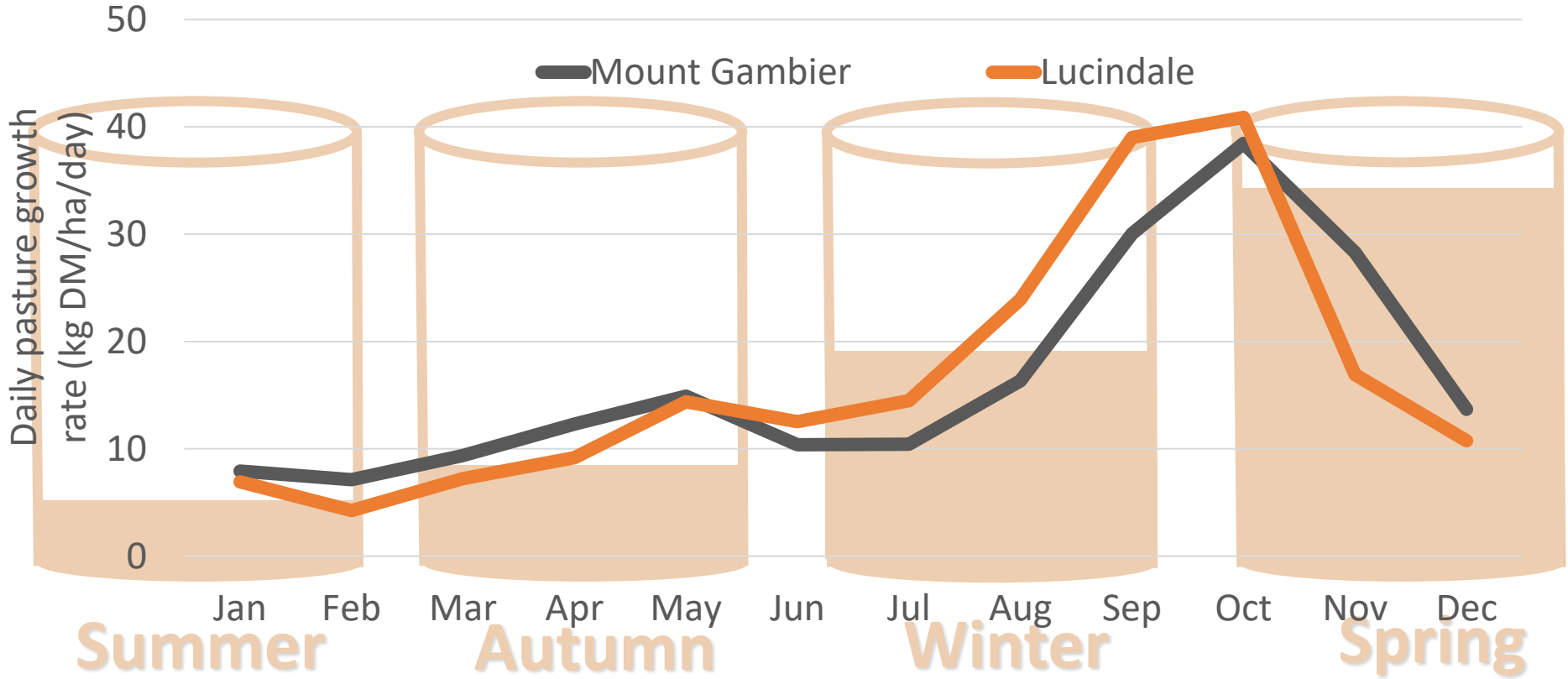


D

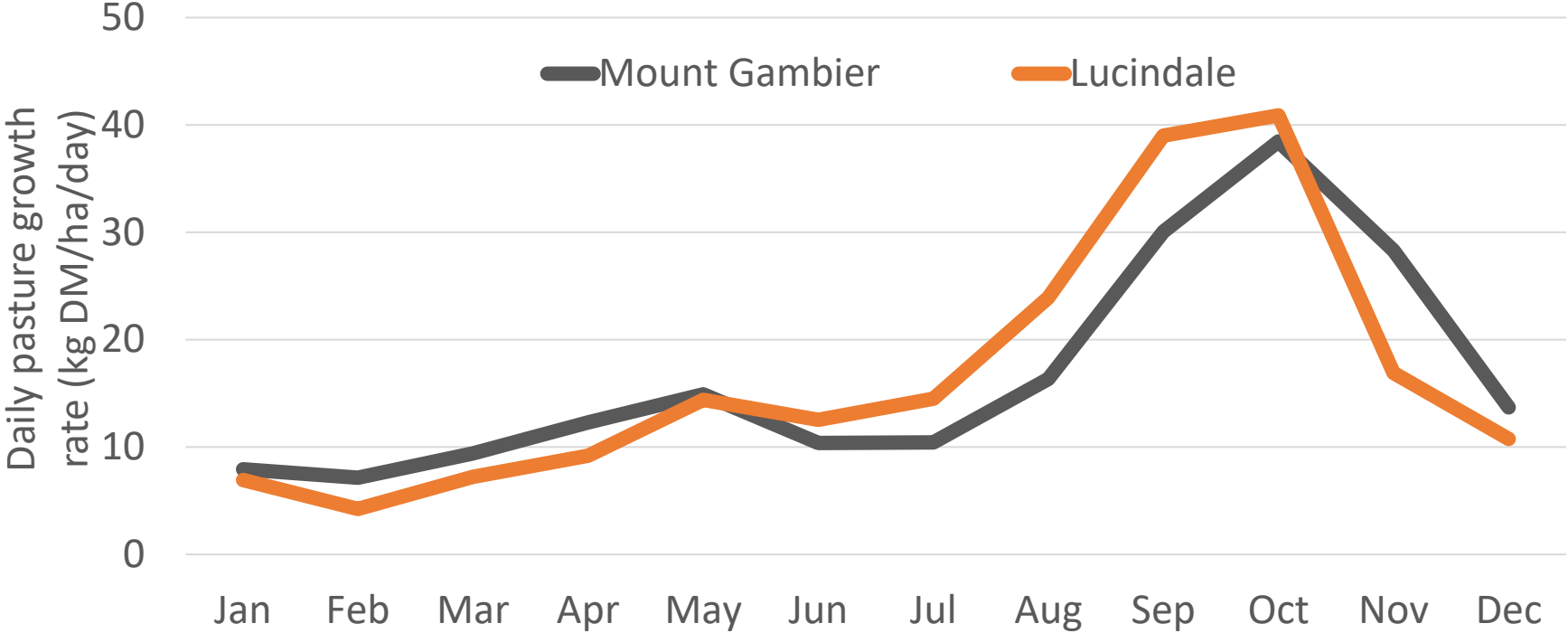

mla
MEAT & LIVESTOCK AUSTRALIA



Daily pasture growth rate by month

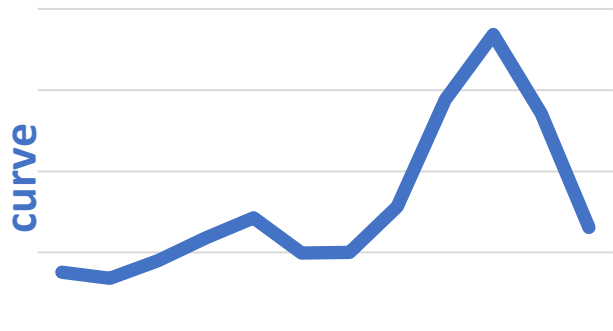


Daily pasture growth rate by month

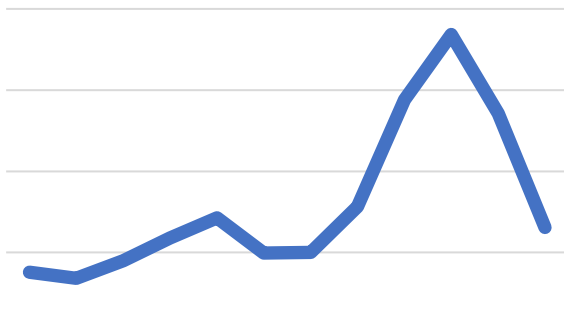


Which system best matches the feed curve?

Pasture growth
curve



System A

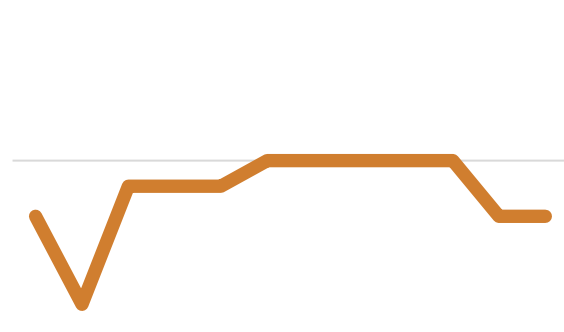
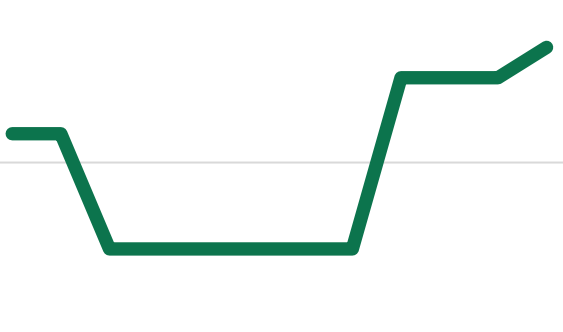


System B

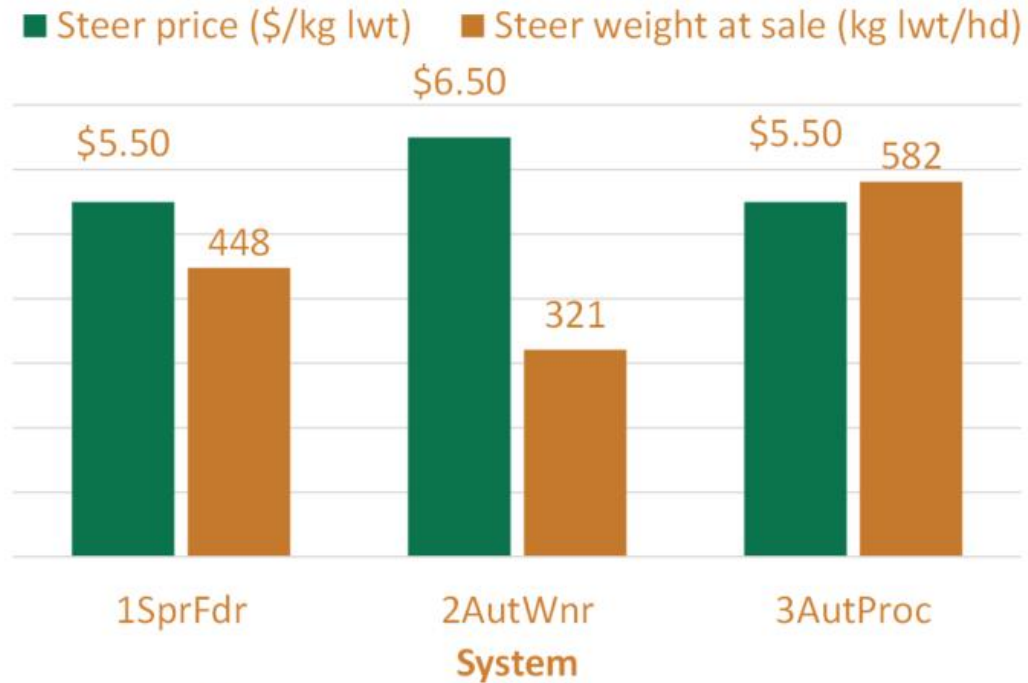


System C

Feed demand
Curve/system



How do you plan your system?



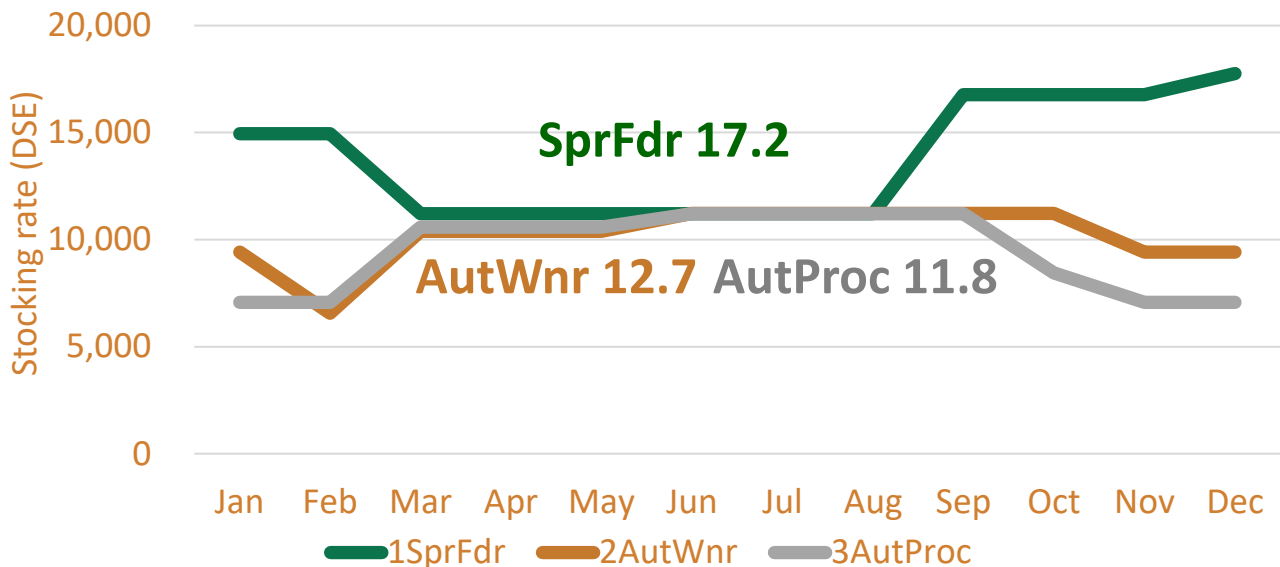
How do you plan your system?

Component thinking
ignores the
beavers/birds/berries and
bears



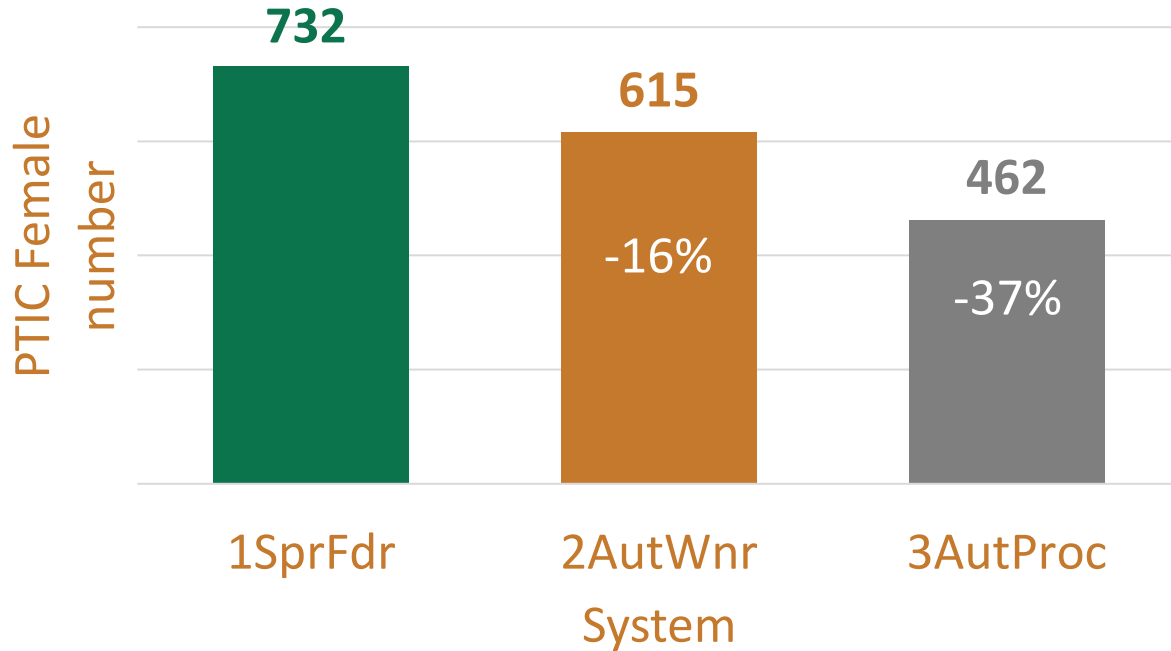
Livestock systems comparison -matched by mid winter stocking rate

Systems comparison by numbers

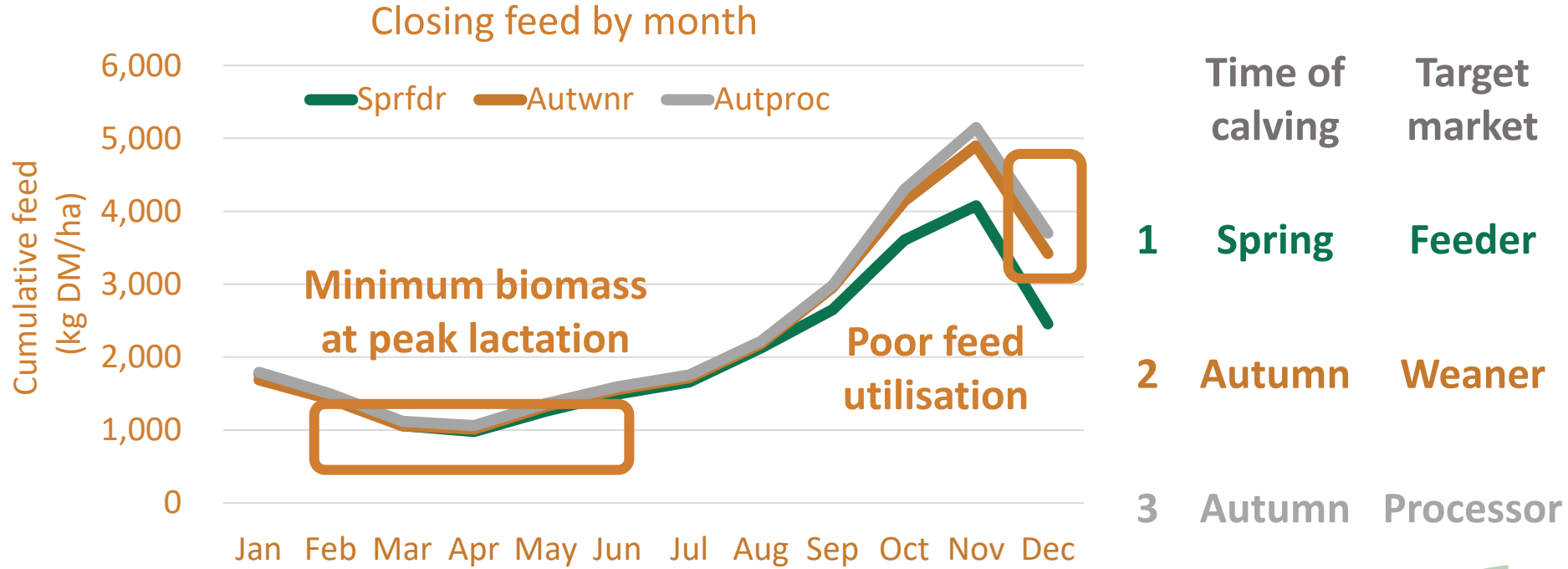


	Time of calving	Target market
1	Spring	Feeder
2	Autumn	Weaner
3	Autumn	Processor

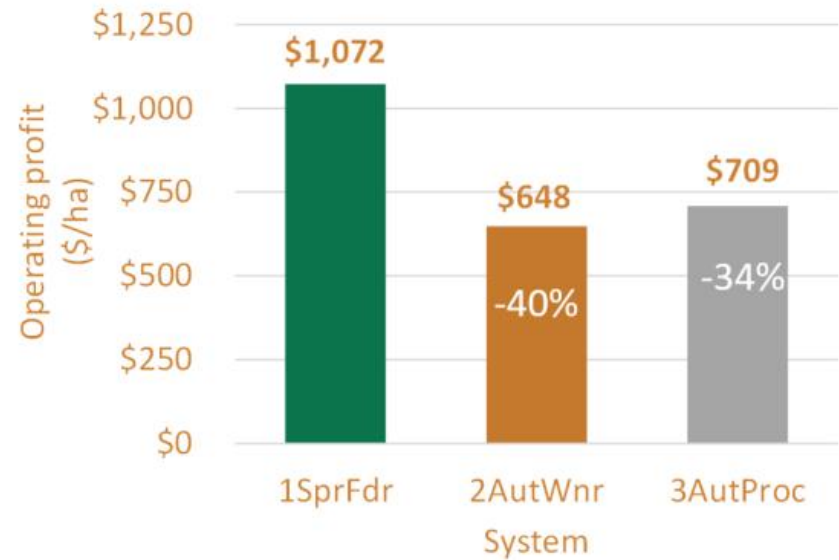
What does systems choice mean for cow numbers?



What happens to feed demand?



So what?



So what?

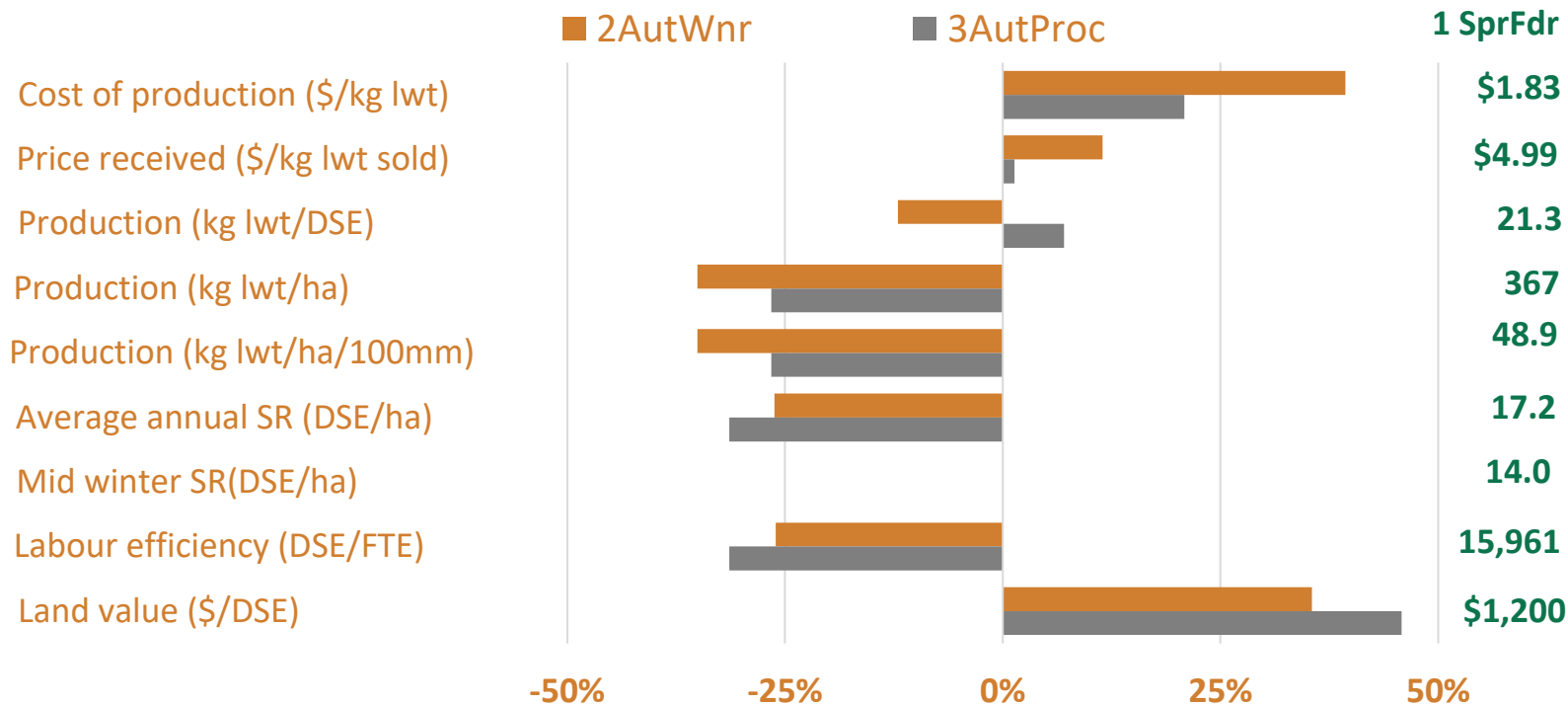
Mid winter stocking rate 11,200 DSE

AutWnr \$345,000 less profit

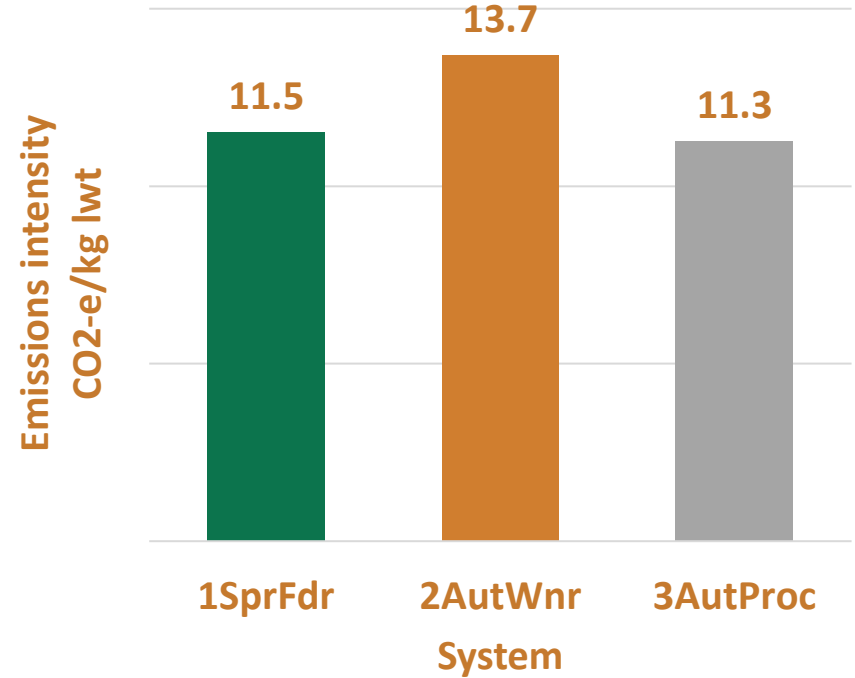
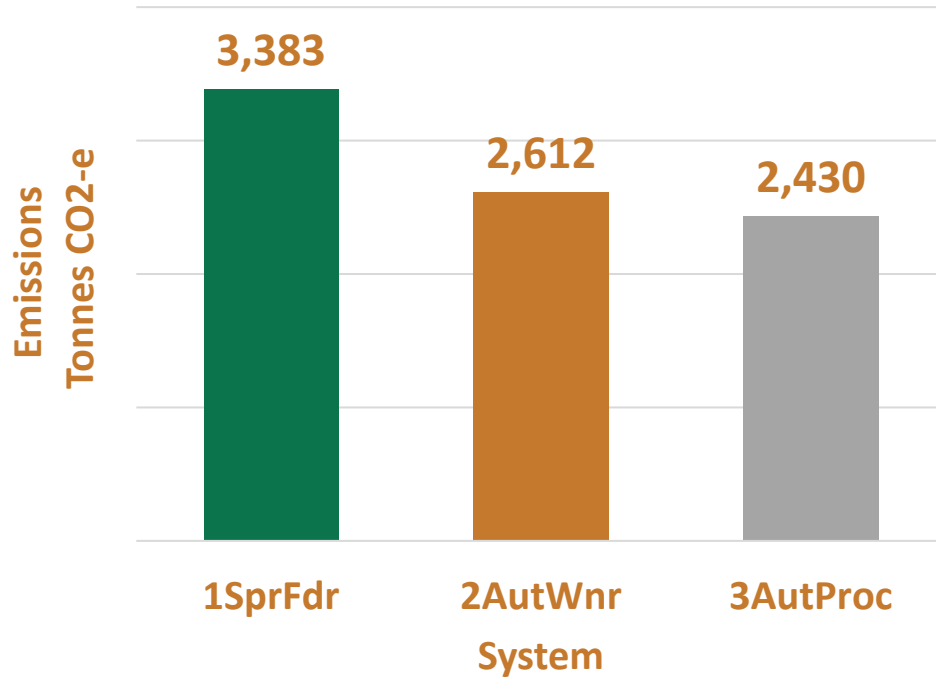
AutProc \$290,000 less profit

than Spring feeder system

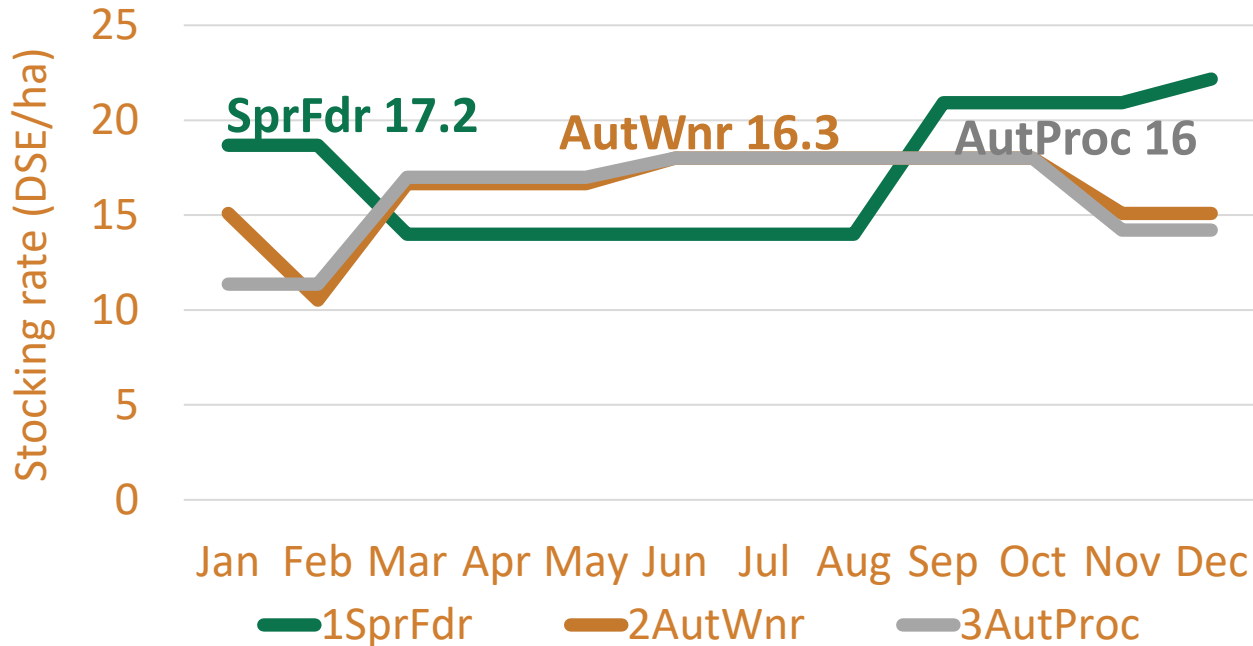
The problem with component simplicity



Systems impacts on carbon emissions



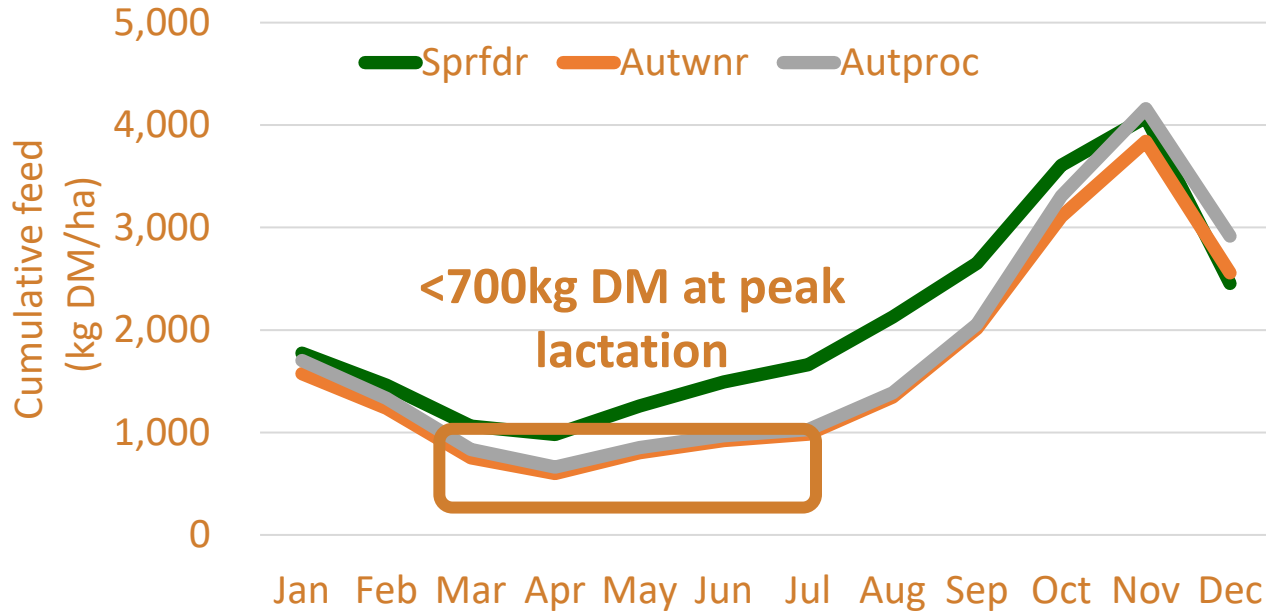
Why not just increase stocking rate in the Autumn calving systems?



	Time of calving	Target market
1	Spring	Feeder
2	Autumn	Weaner
3	Autumn	Processor

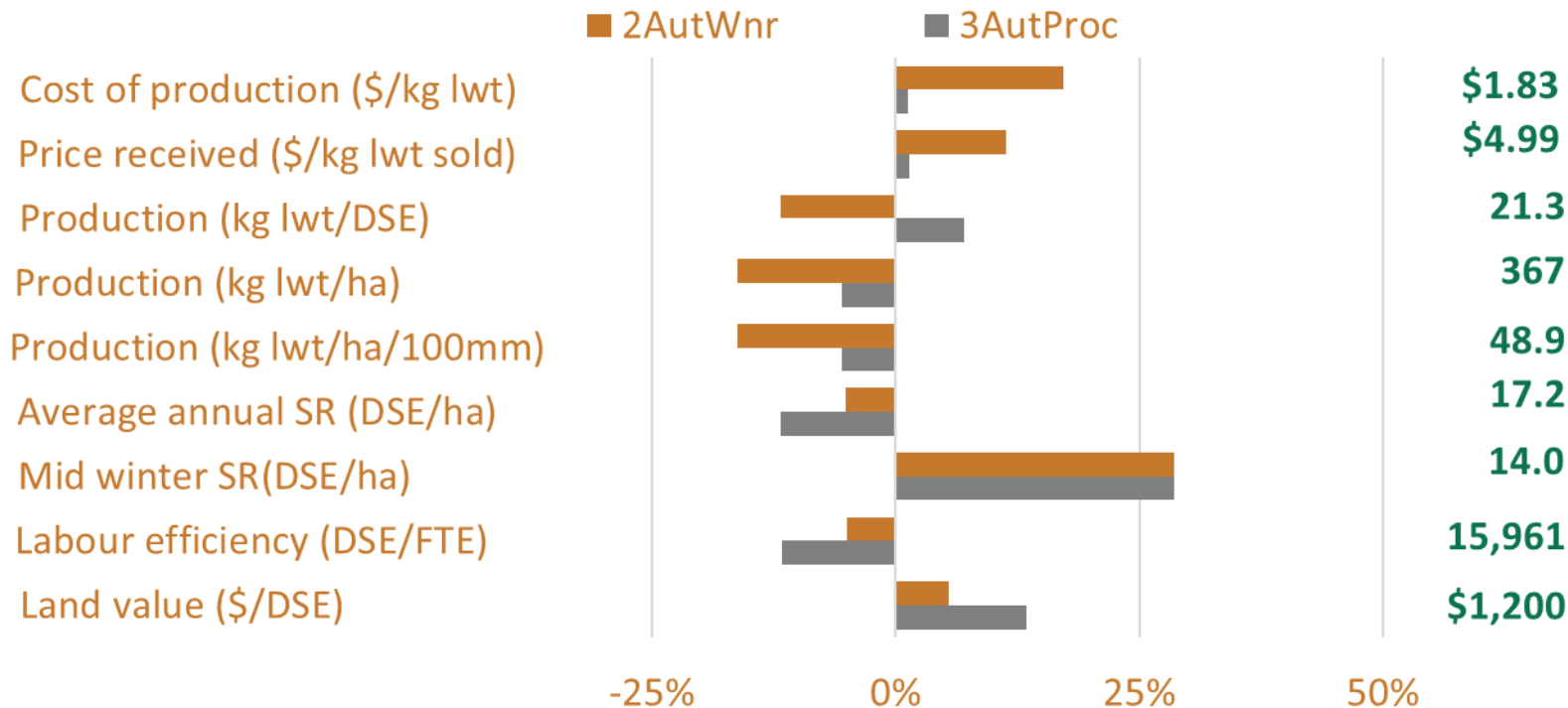
Because the autumn and winter generally wont allow for it

Closing feed by month



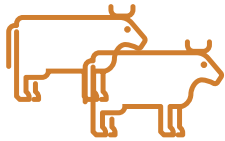
	Time of calving	Target market
1	Spring	Feeder
2	Autumn	Weaner
3	Autumn	Processor

Still less productive & profitable



What's the impact of systems design?

Efficient system



\$ cost/kg

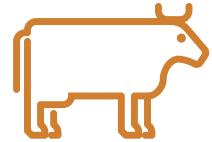
Greater intensity

More production

Better labour efficiency

Lower cost of production

Inefficient system




\$ cost/kg

Take home messages

- Livestock systems are complex
- Think beyond system components
- Start by matching a system with feed supply
- Consider feed supply at critical timings
- Invest in understanding system interactions

Tools and resources

- Feed demand calculator
- Cost of production - tools
- MLA Business Edge course



The screenshot shows the MLA website's 'Cost of Production Tool' page. At the top left is the MLA logo (MEAT & LIVESTOCK AUSTRALIA) and a 'Log in to save your data.' button with a 'Login' link. Below the navigation bar, the breadcrumb trail reads 'You are here: Home / My Data / Cost of Production'. The main heading is 'Cost of Production Tool', followed by a sub-heading: 'The cost of production calculator is a tool kit to help you determine your CoP and compare performance annually.' The page is divided into three columns: 'For Producers' (featuring a map of Australia and icons for 'Cattle, sheep and goat livestock'), 'How this will help you' (listing: 'Determine your cost of production over a 12 month period.', 'Track and compare your performance annually.'), and 'What you need' (listing: 'Herd/stock records (number of animals per stock class)', 'Sales and purchases records per stock class', 'Tax statement', 'Fixed and variable cost records by enterprise type (e.g. labour, supplements, transport)', 'KPI sheets (to calculate sheering percentages)'). At the bottom right, there are icons for '15 mins' and 'Mobile friendly'.

Thanks for the opportunity
to experience SE SA again

