

final report

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Beef Systems Innovation Tour to Tasmania

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Executive summary

Producer group facilitator Chris Mirams was approached by members of two beef producer groups in North East Victoria to lead a study tour to visit innovative producers in the Launceston area of Tasmania. The groups are the BCLG Mentor Farm Group and the Mudgegonga Better Beef Group.

Both groups have studied grazing management, pasture improvement, fodder conservation, production feeding, soil fertility, breeding and genetics, decision making, understanding profit drivers and cost of production benchmarking. All of the members have made substantial changes to their operations and are now at a stage where they are thinking and planning in a farming systems context.

Given the individual members high rates of adoption of known and proven technologies and the fact that their operations are now approaching current best practice the question arises, where to from here ?

During this project the seventeen producers were taken to different regions over three days, to visit the farms and businesses of five highly innovative and creative large scale farmers who have demonstrated the ability to solve complex problems, think outside the square and expand their businesses in non-traditional ways.

On tour and discussions were framed around exploring the businesses and creative minds of the hosts and challenging our farmers to think beyond solving problems with known technologies.

As the tour progressed it became apparent to group members that the learning was not going to be about new farming practices or practical innovation. To the groups credit, they began to focus upon the personalities of the innovative farmer hosts and the components of their business structures that created the resilient and innovative businesses they managed.

An ORID evaluation was used to develop and capture the participants thoughts at the end of each visit, and two workshops were held at the end of the tour to create a summary of observations, rank them in order of importance, rate themselves against the list and consider what changes can be made in their businesses.

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1 Background

1.1 Two beef producer groups seeking direction

The two producer groups have been meeting for many years and many of the member's farm operations are now approaching current best practice.

The producers have had substantial contact with MLA's extension products.

BCLG hosted the highly successful MLA funded Grazing for Profit PDS and NECMA mentor farm project.

The Mudgegonga group is part of the MLA joint funded Victorian Better Beef Network and their syllabus is underpinned by More Beef from Pastures.

The members recently completed MLA's Bredwell Fedwell for Beef course, which focuses upon a discussion about matching genetics, environment, nutrition, management and target market to create an efficient whole farm system.

To add value to the course both groups have been on road trips to leading local producers to continue the farm systems discussions. Taking the producers to another region and interacting with highly innovative farmers is a natural progression in their learning.

This project invited up to twenty North East producers and to attend a three day tour to Launceston, where they visited five highly innovative farmers and their operations, including retail outlets. Participants spent considerable time with each farmer to get a thorough understanding of them and their operation.

On farm discussions were framed around creativity and innovation.

2 Project objectives

2.1 Objectives

The objectives of the project are :

1. Increase knowledge of farming practices in Tasmania.
2. An understanding of how established and familiar principles are executed differently in different environments.
3. Exposure to a cohort of highly creative farmers.
4. Motivation to think beyond current best practice.
5. A suite of new ideas and practices to take back to the participants region.

3 Methodology

3.1 Innovation tour with ORID evaluation and workshop

On the evening of the 27th February seventeen producers, facilitator Chris Mirams and MLA project leader Richard Apps met for a pre tour briefing and dinner at the Mercure hotel Launceston.

28th February : On day one the group travelled to visit the Archer family at Landfall Angus, a leading seedstock and commercial cattle business. The group had a tour of the family's properties. Two generations of the Archer family addressed the group on a range of operational and strategic issues, particularly succession planning and business structure.

1st March : On day two the group visited Greg Bradfield's properties. Greg comes from a corporate background and has designed a substantial cattle business with low capital input. His joint venture model backgrounds cattle on a rented grazing property. Greg has a range of business partners and a Board structure, which was of particular interest to the group; particularly the risk mitigation tools and decision making framework. Greg has a MDC project running on Cape Patterson.

2nd March : On day three the group visited a syndicated beef-to-dairy conversion, a mixed farming-to-berry diversification and a vertically integrated dairy and cheese making business. The focus was on entrepreneurship and innovation beyond current the enterprise.

An ORID debrief was done after each farm visit. ORID is an established process where a facilitator asks questions in a sequence where each level builds upon the previous one. The aim is to consider and discuss factual and emotional responses to a shared experience to better inform decision making. The questions are asked in the following sequence :

1. Objective questions – factual
2. Reflective questions – emotional / theoretical evaluation
3. Interpretive – issues / challenges
4. Decisional – decision / response

Two workshops were run after the trip, to summarize the components of the businesses that made them the innovative and resilient businesses they are. The group ranked themselves against these components. See results section.

Following on from the project the group has engaged a financial planner to meet with them to provide guidance on business structure, ownership structure, farm succession and business resilience.

4 Results

The following tables were populated by the group at two workshops.

The first table identifies the components of the businesses and attributes of the individuals as identified by the group.

	Finance	Strategy	Strengths	Decisions	Passion	Values 1	Values 2
Landfall Angus Seedstock	Family Wealth	Family Board Business plan Business skills External advice	Working succession plan Passion Specialized	Good decision making Evidence & intuition	Values driven not \$ driven	Family Staff Relationships	Customers Community
Musselroe Beef Backgrounding	Outside \$\$ Joint ventures	Advisory Board External advice	Entrepreneurship Negotiating skills Business skills Scale	Data Discipline Risk taker Risk mitigation	Innovation Technology Growth	Staff \$\$ driven	Deal maker Data
Andrew Beattie Dairy conversion	In shares with a syndicate	Board of shareholders	Scale Efficiency Professional Highly strategic	Board Senior staff Mentor	Project planning and execution	Staff	Dairy industry
Ashgrove Cheese Integrated dairy	Family Wealth	Family Board Business plan Succession plan Risk management	Scale Value adding Customer focus Beyond farm gate	Highly strategic Decisive Opportunistic	Innovation Business comes first	Control	Staff Animal welfare
Berried Tasmania	Family wealth and joint ventures	Board External advice	Highly creative Entrepreneurship Optimist	Risk taker Discontent drives change	Innovation	Staff	New Challenges

The second table describes the top nine observations and a group self assessment against the traits.

Nine top traits observed	Group ranking of importance	Group self-assessment
Values – family / relationship / staff	1	5/5
Passion	2	5/5
Documented succession plan	3	1/5
Good business skills	4	0/5
Use external advice / advisory board	5	0/5
Connection beyond farm gate	6	0/5
Decisions supported by data	7	1/5
Expansion / achieving efficiency through scale	8	1/5
Managing / understanding risk appetite	9	2/5

5 Discussion

It became clear to the participants that the primary difference between the highly innovative host farms businesses and the participants businesses was in governance. This particularly included the construction of a governance framework that enabled informed strategic decision making. Within this framework was a sound business structure, succession plans, discipline, the use of data and evidence, the use of external advice, regular financial reporting and risk mitigation frameworks.

6 Conclusions/recommendations

Taking the group of farmers to a region removed from their own and introducing them to a selected group of innovative farm businesses provided a unique experience that will evoke change.

The verbal ORID evaluation is a very effective tool to draw out and make sense of the participants collective observations. The written ORID was not so useful, as the participants valued the open discussion and could verbalise their thoughts and observations but struggled to put them into a written narrative (even in a dot point format).

The facilitated workshop has provided a good summary of the groups observations and conclusions. Ranking them against their own practices provides a good framework for the design of future work with the participants in their own businesses.

Were the stated objectives of the project met ?

The objectives of the project are :

1. Increase knowledge of farming practices in Tasmania.
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3. Exposure to a cohort of highly creative farmers.
4. Motivation to think beyond current best practice.
5. A suite of new ideas and practices to take back to the participants region.

Objectives 1 to 3 were met.

Objective 4. The participants stated that they have been motivated to think beyond their current *poor* practice in relation to governance as well as the use of non debt-funded expansion models.

Objective 5 was partly met. The governance practices identified are not new, however they are largely absent in the participants businesses.