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MEAT & LIVESTOCK AUSTRALIA

final report

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Goat Cost of Production tool re-design and re-development

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Executive Summary

MLA recently completed a research project, “Online Tools Research” E.IFL.1401 which reviewed the current suite of online decision-support tools). This project resulted in the development of a comprehensive strategic framework including a range of practical recommendations on how to improve consistency and user-friendliness of the existing tools, ensure accessibility across a range of online devices, and plan for integration and compatibility of future tools that are yet to be developed.

A goat industry Cost of Production tool was developed through project B.GOA.0095 “Development of web-based cost of production tools”in an excel spreadsheet format, ready for transition to an online format. MLA commenced this project to realise the visions described in the strategic framework devised through E.IFl.1404 to address identified critical technical and usability issues across the tools and in this case, specifically the Cost of Production tool for goats. As part of this project the user interface of the Goat Cost of Production tool was re-designed and re-develop in a different, “lighter” format (Html5 / JavaScript and related technologies) to enable access from a broader range of online devices including tablets and smartphones.

Producers are now able to store and retrieve their past data, create multiple scenarios and access information entered across multiple tools, achieving a more personalised user experience. The tool was developed in conjunction with the redesign and redevelopment of the Beef and Sheep Cost of Production tools, enabling producers to gain a whole-of-farm view of CoP, across multiple enterprises.

The project has been completed and the tool is now available on the MLA website.

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1 Background

Cost of production (CoP), measured in cents per kilogram, is an indication of the outlay required to produce each kilogram of meat for beef, sheep and goat.

For producers wanting to improve the performance of their meat-producing enterprise, a good understanding of the current health of the business is essential.

Cost of production is a key factor affecting the profitability of beef-producing businesses. Calculating the cost of production is an important step in assessing herd and flock performance and a first step to making change.

This project involved the development of the Goat Cost of Production tool that previously existed only in an Excel Spreadsheet.

Additionally the tool was redeveloped in conjunction with the existing Beef and Sheep Cost of Production tools. These tools were brought together with the Goat Cost of Production giving producers a better understanding of the cost of production across the entire enterprise.

2 Projective objectives

In collaboration with MLA stakeholders and subject matter experts, the MLA goat industry cost of production tool aimed to address identified usability and technical issues. The objectives of this project were to:

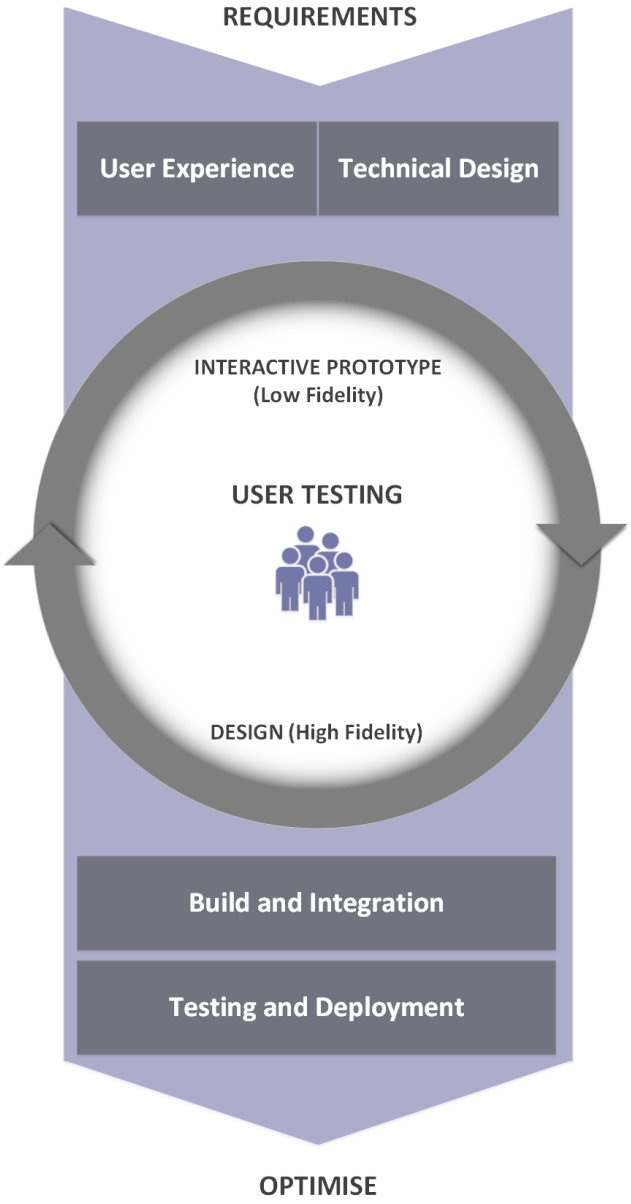
1. Re-design the tool's user interface using a three-layered approach including a clear introduction page, an updated user interface and a distinct set of results that highlight how to interpret the results and apply them to the producer's business.
2. Re-development of the tool using .NET as the application framework with the front-end based on standards compliant to HTML removing the reliance on Flash and Excel. In particular, the re-developed tool must
    a. have at least two layouts – one for desktop and one for mobile; and
    b. provide at least basic functionality (such as data capturing) when used offline, with the option to temporarily store the data and upload once internet connection is available again.
3. Provision of all specifications and requirements to MLA to allow for the development of consistent further tools in the future.

3 Methodology

Lavender followed a user centred design methodology which was deemed the best approach for developing MLA's online tools, including the new Goat Cost of Production tool. At the heart of this approach is the philosophy of iterative design, whereby the design is continually refined through rounds of testing with real users.

This approach also favours testing prototypes with users before visual design and build. Prototypes can be tested far more effectively as they allow users to focus more on the questions and results and less on how it looks. Below is a list of the activities undertaken as a part of the development of the tool:

1. **Scoping and Business Requirements** – Identified the scope of the project and ensured the requirements were clarified and well documented.
2. **User Experience** – developed wireframes to address the recommendations of the Online Tools research and requirements defined by MLA stakeholders.
3. **Technical Design** – determined the data structures, development requirements and data services for integration with MLA.
4. **Prototyping and User Testing** – development of interactive prototypes from the wireframes that were tested with users to further refine the design. User testing was conducted with goat producers in Broken Hill, NSW.
5. **Visual Design** – created designs from refined prototypes with a polished look and feel.
6. **Build** – development of the re-designed tools and APIs for later integration with the Member Hub.
7. **Testing and deployment** – validated the tools with MLA, stakeholders and internal IT.
8. **Optimise and Support –** Tracked and measured the performance of each tool for further improvement and version release.

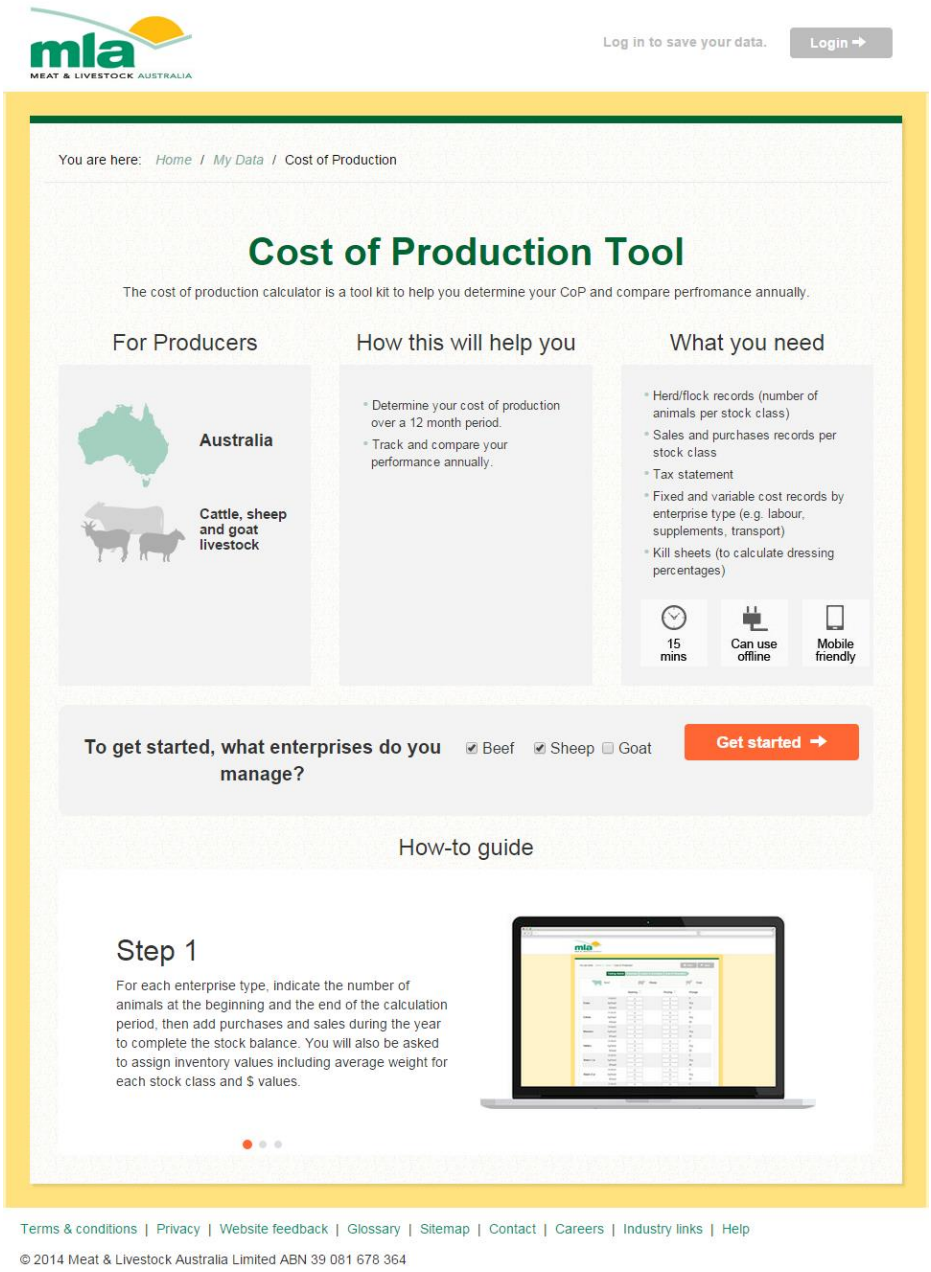


4 Results

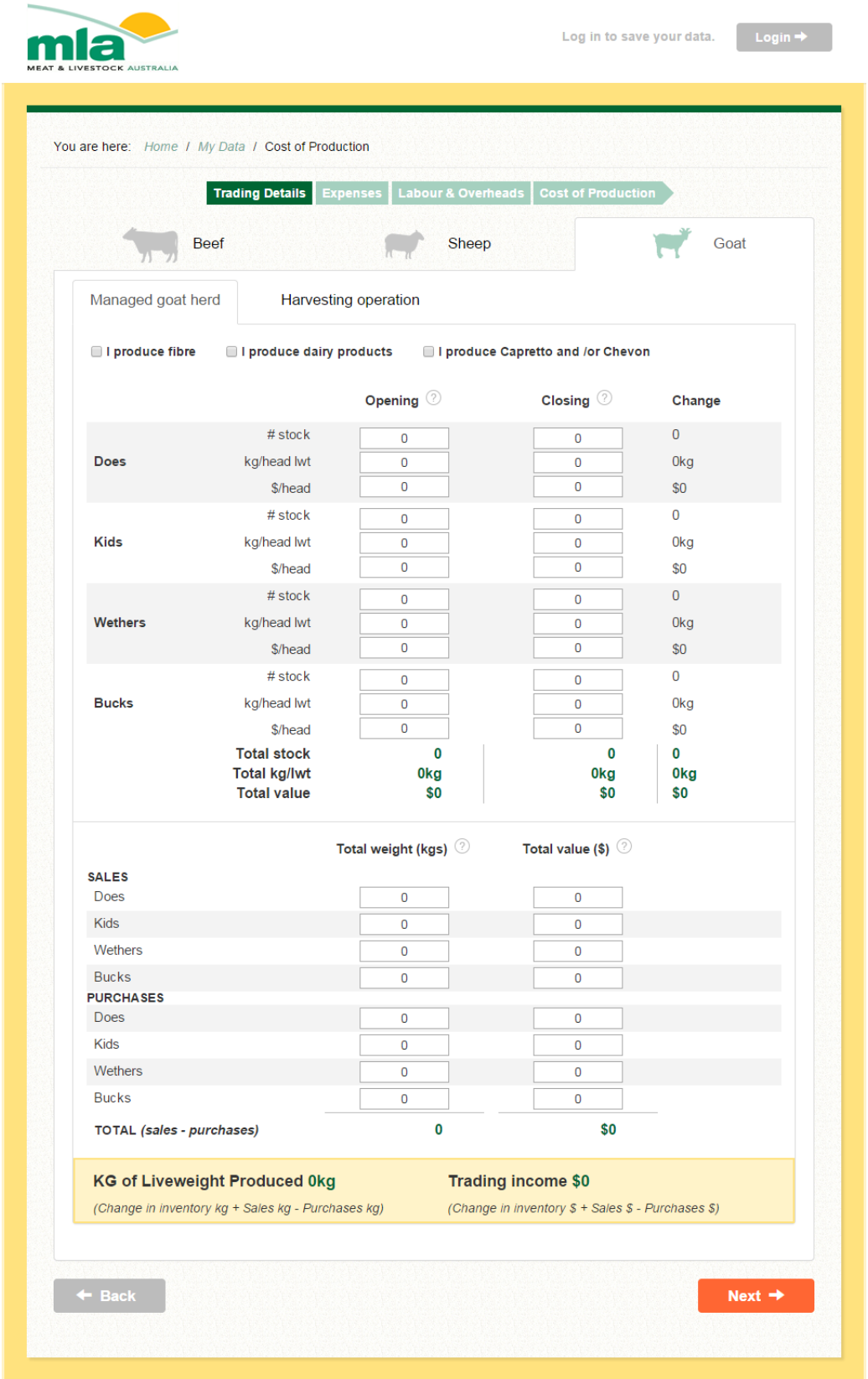
The Cost of Production Tool for Goats has been released to the MLA Website and is accessible from: http://tools.mla.com.au/cop/

The following screen shots detail the sections contained within the tool.

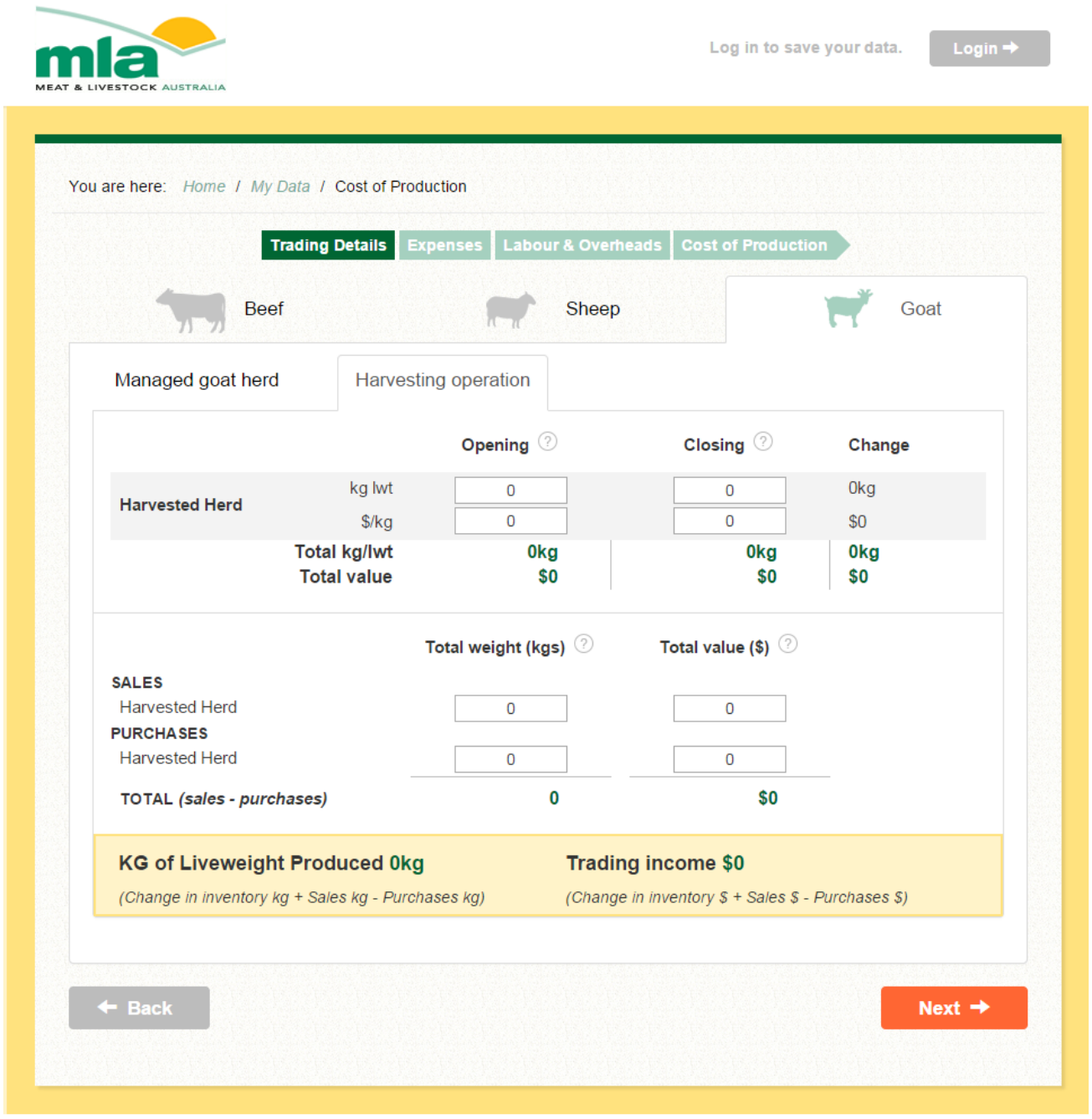
4.1 Home Page



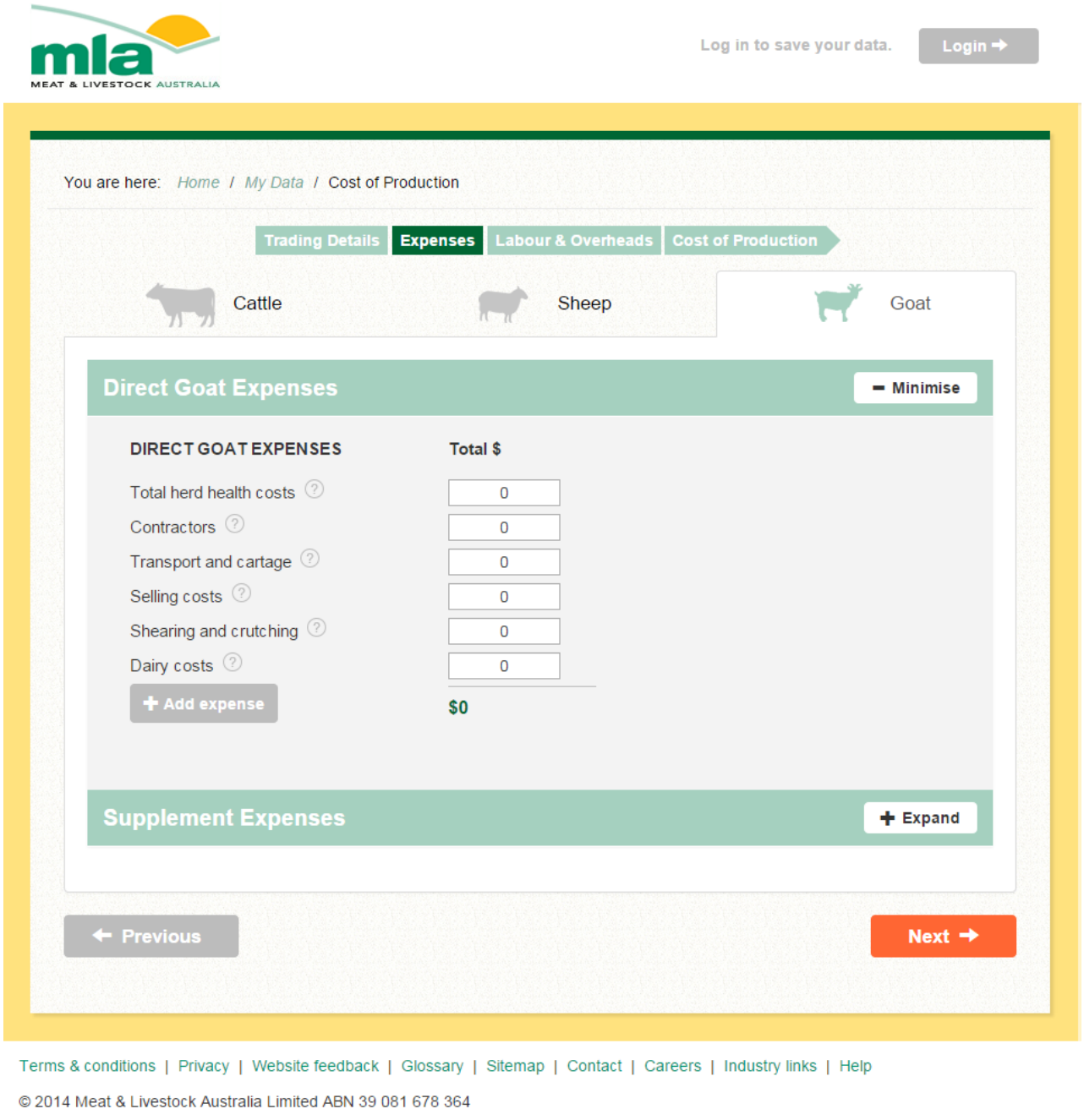
4.2 Goat – Trading Details – Managed herd



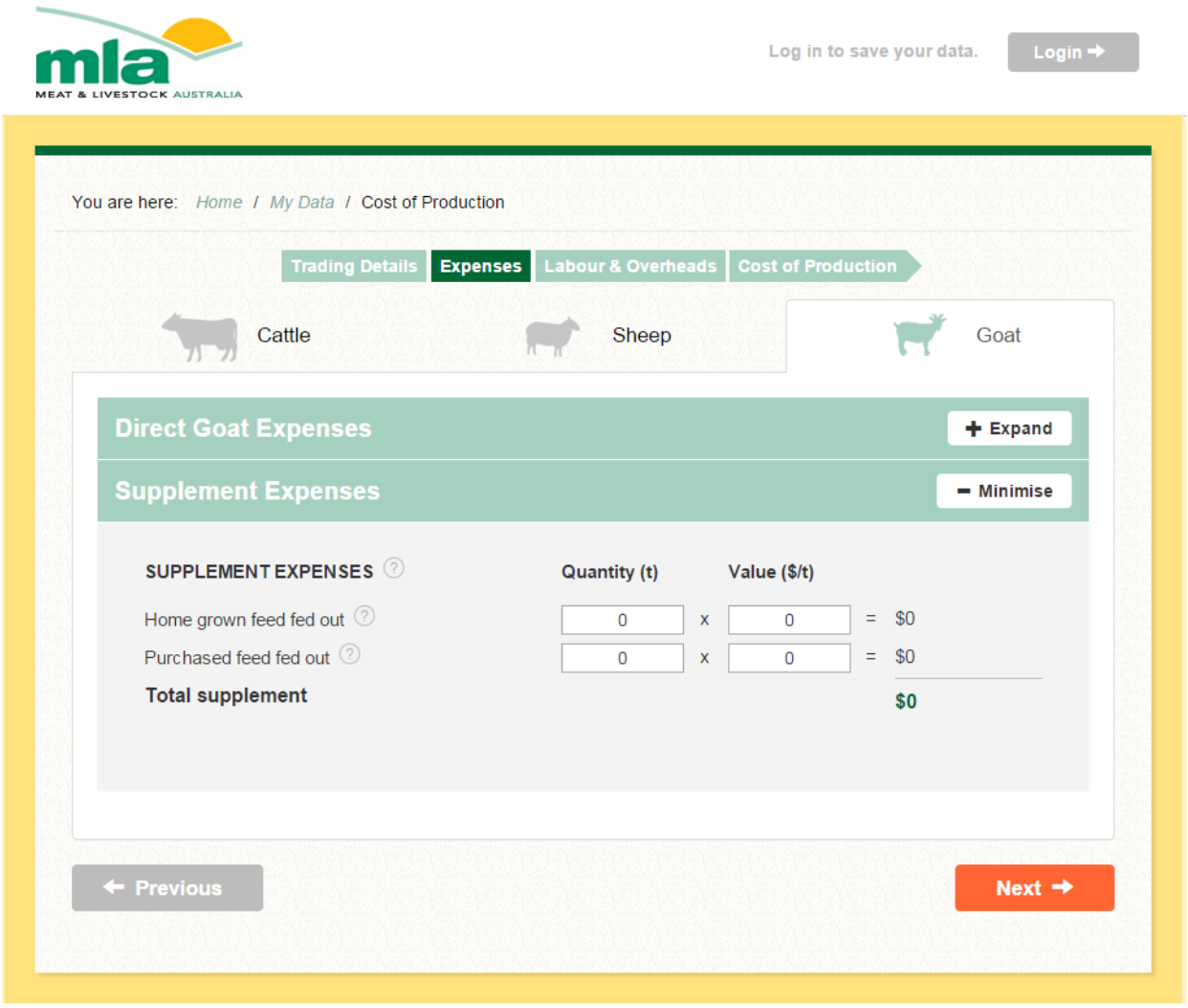
4.3 Goat – Trading Details – Harvesting operation



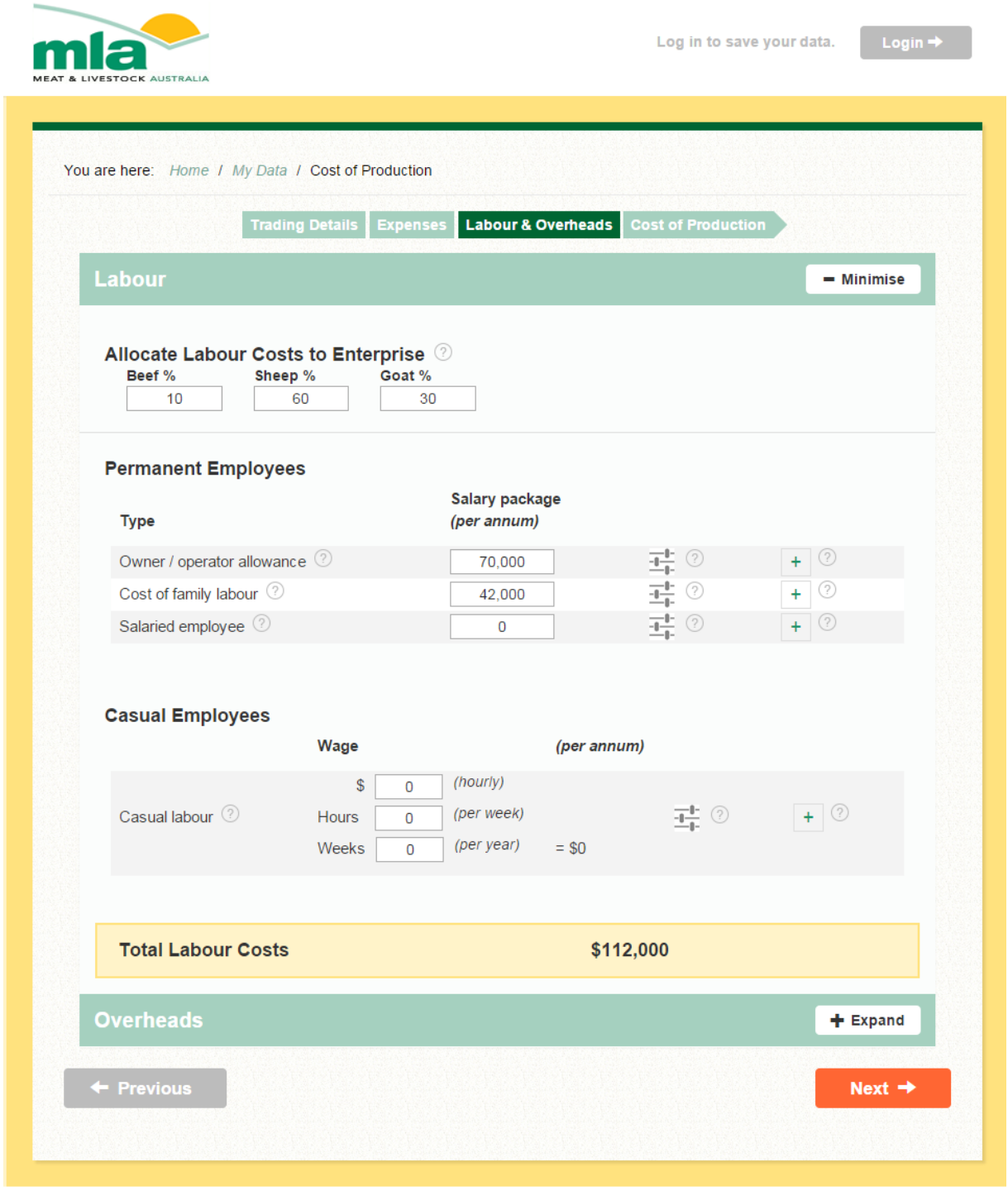
4.4 Goat Expenses – Direct expenses



4.5 Goat Expenses – Supplement expenses



4.6 Labour


mla
MEAT & LIVESTOCK AUSTRALIA
Log in to save your data.
Login
You are here: Home / My Data / Cost of Production
Trading Details
Expenses
Labour & Overheads
Cost of Production
Labour
Minimise
Allocate Labour Costs to Enterprise
Beef %
Sheep %
Goat %
10
60
30
Permanent Employees
Type
Salary package (per annum)
Owner / operator allowance
70,000
Cost of family labour
42,000
Salaried employee
0
Casual Employees
Wage
(per annum)
Casual labour
$
0
(hourly)
Hours
0
(per week)
Weeks
0
(per year)
= $0
Total Labour Costs
$112,000
Overheads
Expand
Previous
Next
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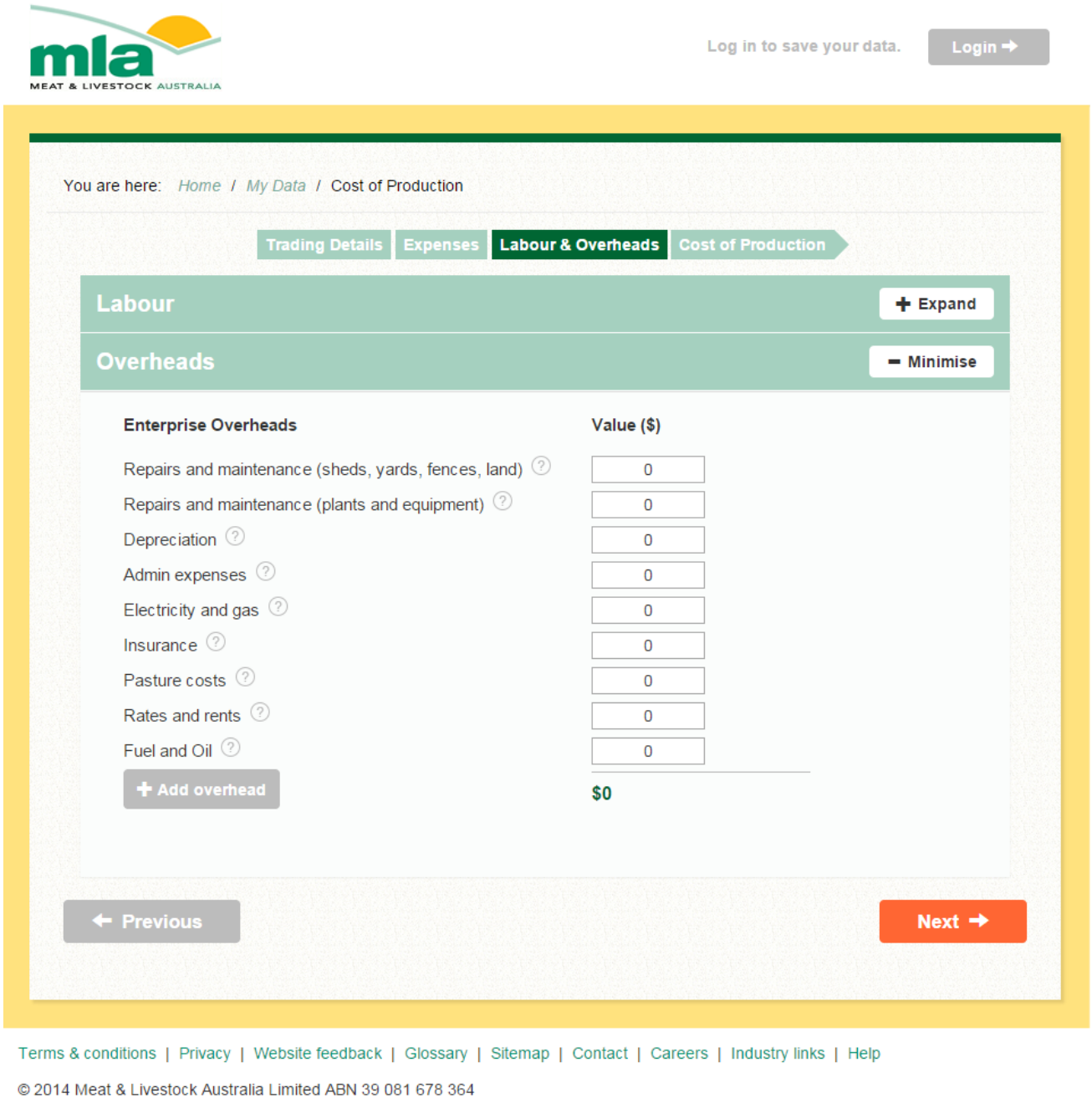
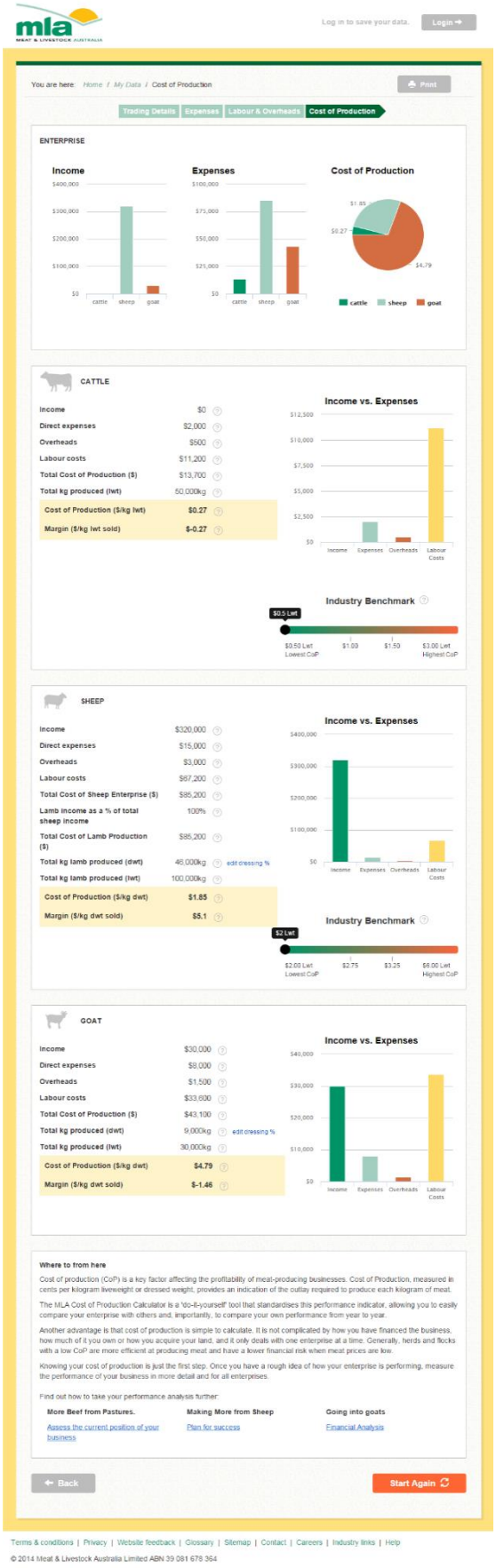
4.7 Overheads



4.8 Results


mla
Log in to save your data.
Login
You are here: Home / My Data / Cost of Production
Print
Trading Details
Expenses
Labour & Overheads
Cost of Production
ENTERPRISE
Income
Expenses
Cost of Production
cattle
sheep
goat
CATTLE
Income $0
Direct expenses $2,000
Overheads $500
Labour costs $11,200
Total Cost of Production ($) $13,700
Total kg produced (lwt) 50,000kg
Cost of Production ($/kg lwt) $0.27
Margin ($/kg lwt sold) $-0.27
Income vs. Expenses
Industry Benchmark
$0.5 Lwt
$0.50 Lwt Lowest CoP
$1.00
$1.50
$3.00 Lwt Highest CoP
SHEEP
Income $320,000
Direct expenses $15,000
Overheads $3,000
Labour costs $67,200
Total Cost of Sheep Enterprise ($) $85,200
Lamb income as a % of total sheep income 100%
Total Cost of Lamb Production ($) $85,200
Total kg lamb produced (dwt) 46,000kg
edit dressing %
Total kg lamb produced (lwt) 100,000kg
Cost of Production ($/kg dwt) $1.85
Margin ($/kg dwt sold) $5.1
Income vs. Expenses
Industry Benchmark
$2 Lwt
$2.00 Lwt Lowest CoP
$2.75
$3.25
$6.00 Lwt Highest CoP
GOAT
Income $30,000
Direct expenses $8,000
Overheads $1,500
Labour costs $33,600
Total Cost of Production ($) $43,100
Total kg produced (dwt) 9,000kg
edit dressing %
Total kg produced (lwt) 30,000kg
Cost of Production ($/kg dwt) $4.79
Margin ($/kg dwt sold) $-1.46
Income vs. Expenses
Where to from here
Cost of production (CoP) is a key factor affecting the profitability of meat-producing businesses. Cost of Production, measured in cents per kilogram liveweight or dressed weight, provides an indication of the outlay required to produce each kilogram of meat.
The MLA Cost of Production Calculator is a 'do-it-yourself' tool that standardises this performance indicator, allowing you to easily compare your enterprise with others and, importantly, to compare your own performance from year to year.
Another advantage is that cost of production is simple to calculate. It is not complicated by how you have financed the business, how much of it you own or how you acquire your land, and it only deals with one enterprise at a time. Generally, herds and flocks with a low CoP are more efficient at producing meat and have a lower financial risk when meat prices are low.
Knowing your cost of production is just the first step. Once you have a rough idea of how your enterprise is performing, measure the performance of your business in more detail and for all enterprises.
Find out how to take your performance analysis further:
More Beef from Pastures.
Assess the current position of your business
Making More from Sheep
Plan for success
Going into goats
Financial Analysis
Back
Start Again
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