

# meatup

FORUM

**For the latest in red meat R&D**

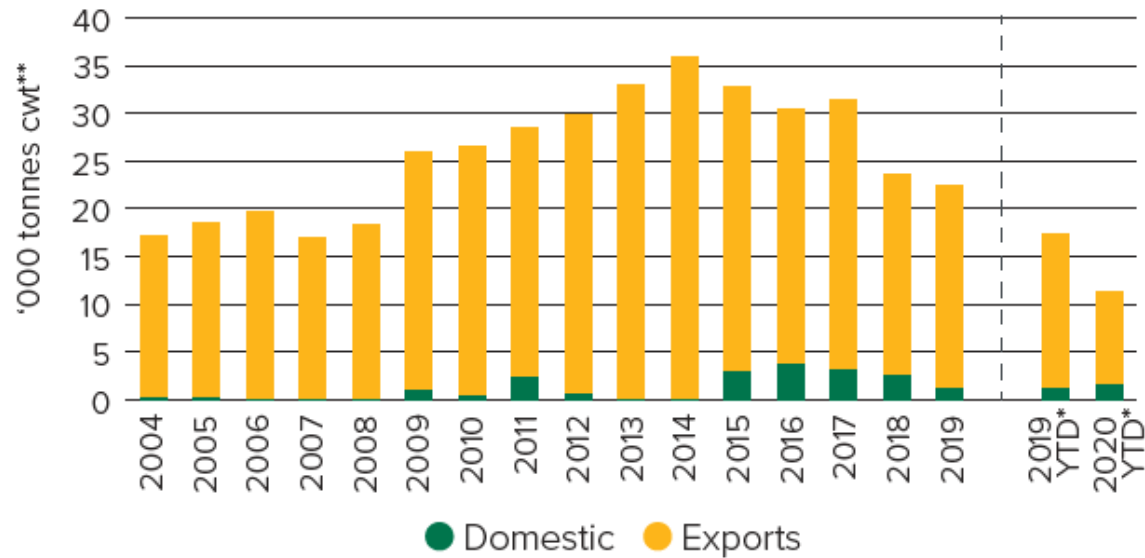
# Goat benchmarking and MLA goat program update

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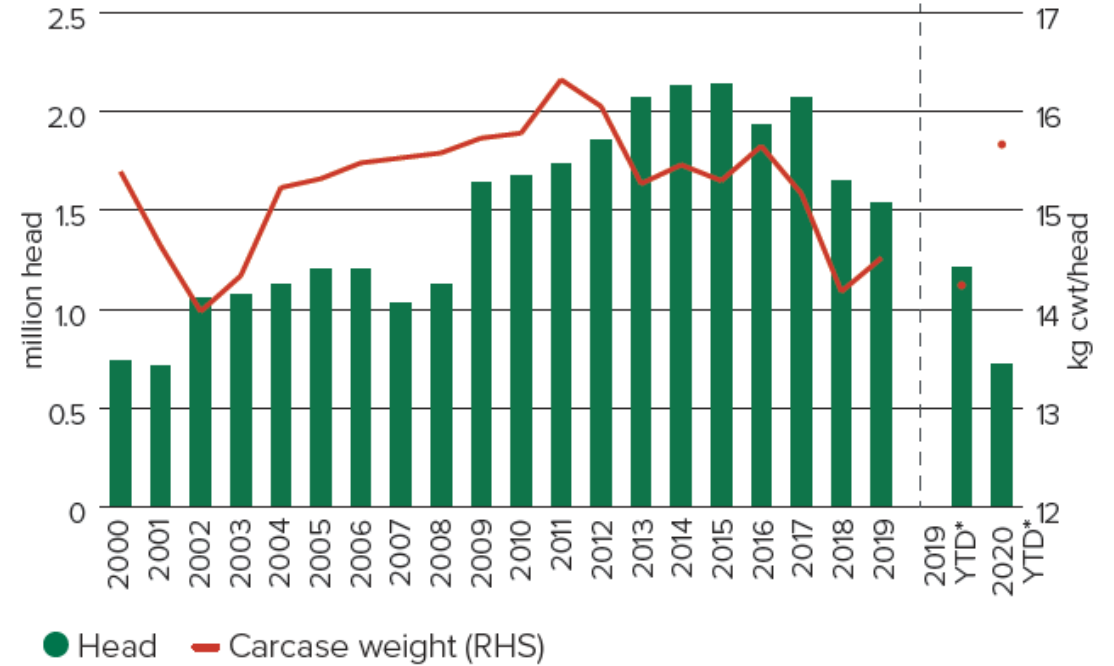
# MLA Goat Industry Snapshot

## Australian goatmeat utilisation and exports



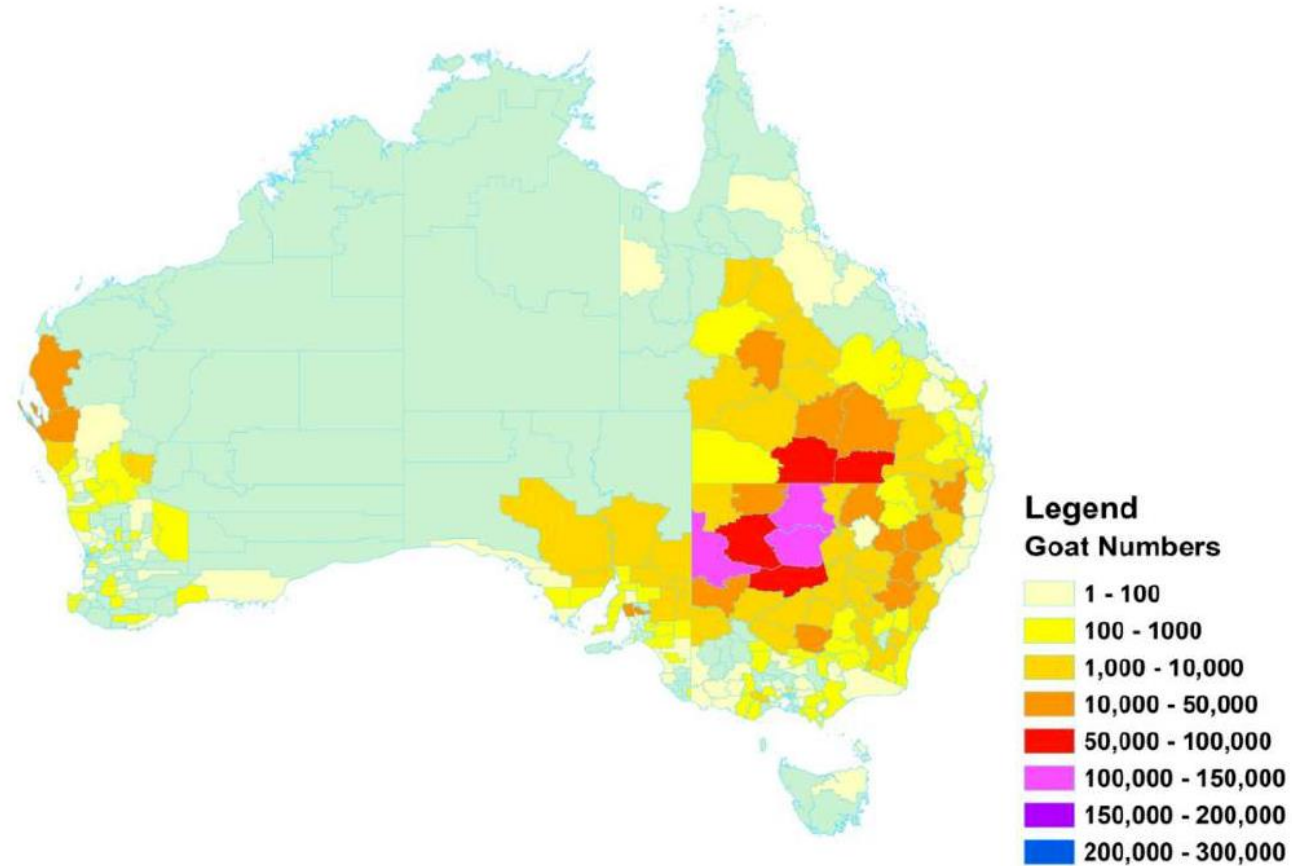
Source: ABS, DAWE, IHS Markit, MLA calculations  
\* YTD is Jan-September (data availability)

## Australian goat slaughter and carcass weights



Source: ABS, YTD is Jan-Sept (data availability)

# MLA Goat Industry Snapshot



# Key MLA Investments

**Kid loss –  
select and  
protect**

**Goatmeat quality  
– pathway to the  
future**

**Response of  
rangeland goats to  
supplementation  
and development  
of a least-cost  
calculator**

**Goat industry data  
collection and tracking**

**Goat levy, industry and  
producer performance  
indicators - benchmarking**

**Sustainable  
internal parasite  
control in goats**

# Goat enterprise production and financial performance



Performance indicators are the dashboard of farm business efficiency.

# Where does the data come from?



Goat producers with a focus on meat production

Med – High rainfall managed goats

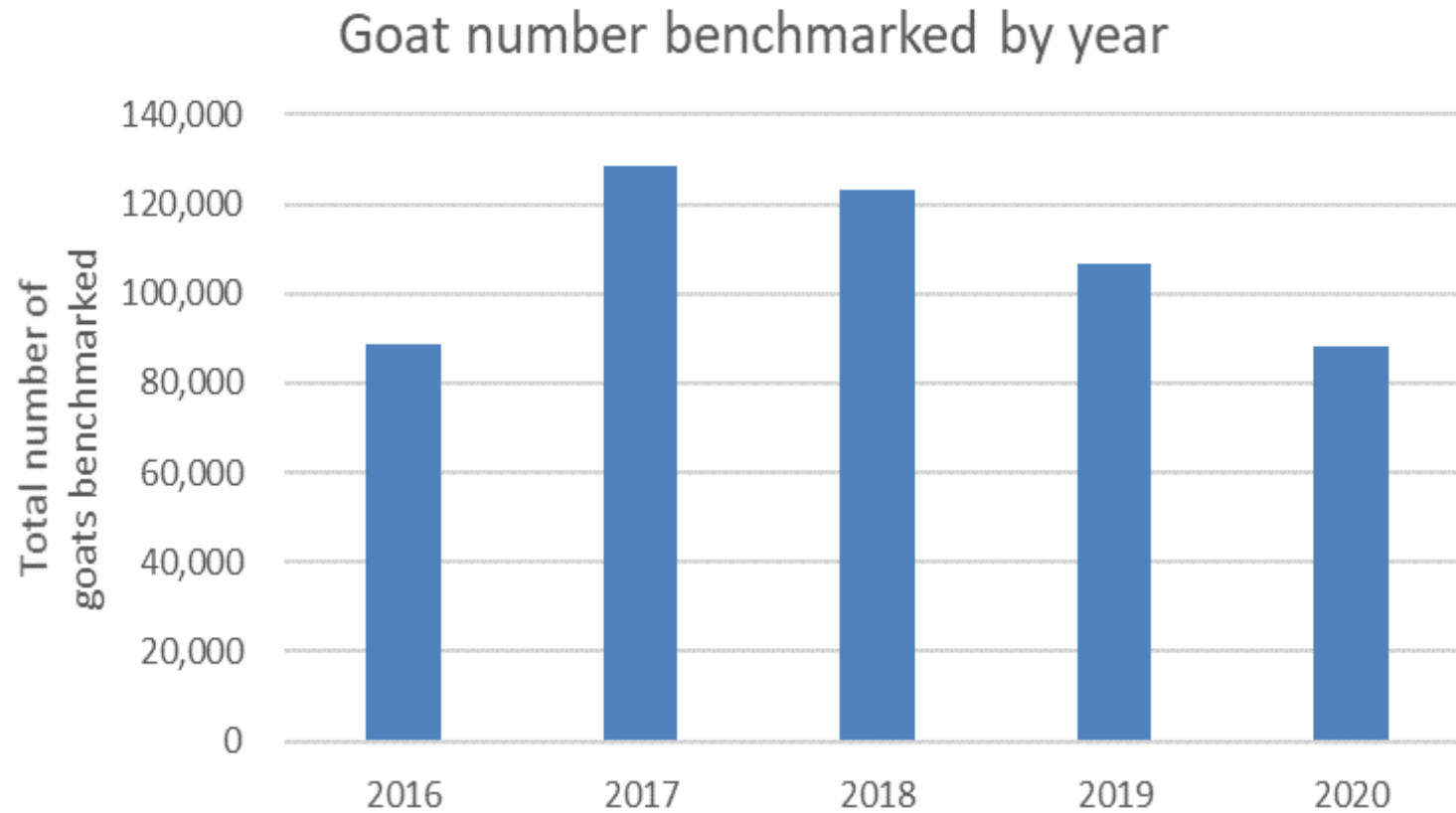
Rangelands – fenced/managed goats

Rangelands – unfenced/opportunistically harvested goats

Rangelands and MH rainfall traded goats



# Rangeland goats in data set





# DSE ratings per head



• Livestock class		Single	Twin
• Dry doe/nanny		0.75	0.75
• Late Pregnant doe/nanny	1.2	1.4	
• Lactating doe/nanny	1.6	2.2	
• Average annual doe/nanny	1.04	1.2	
• Weaner (3-12 months)		0.75	
• Buck/Billy >12 months		1.5	

# Goat enterprise production and financial summary

Compiled by Holmes Sackett for MLA (B.GOA.1903)

## Goat enterprise production key performance indicators

	Your Farm	Average	Top 20%
Average annual stocking rate (DSE/ha)	0.3	1.3	0.6
Average annual stocking rate (DSE/ha/100mm)	0.1	0.3	0.2
Cost of production (\$/kg cwt)	\$3.01	\$4.03	\$3.17
Price received (\$/kg cwt sold)	\$9.44	\$9.11	\$13.04
Price received (\$/head sold)	\$165	\$160	\$187
Production (kg cwt/DSE)	12.0	9.9	7.3
Production (kg cwt/ha)	3.2	7.9	6.2
Production (kg cwt/ha/100mm)	1.5	2.2	1.8
Labour efficiency (DSE/LU)	4,596	6,107	10,340
Labour units per goat enterprise	1.88	0.96	1.87

## Goat enterprise financial key performance indicators

	Your Farm	Average	Top 20%
Land value (\$/DSE managed)	\$563	\$1,117	\$299
Goat enterprise ROAM	8.9%	7.4%	19.2%
Net profit % gross profit	63%	38%	76%
Overhead expenses as % operating expenses	74%	84%	86%
Gross profit per labour unit (\$)	\$443,821	\$537,678	\$988,141

### Abbreviations

DSE - dry sheep equivalent

AASR - average annual stocking rate

KPI - Key performance indicator

AA - Average annual

LTA - Long term average

LU - Labour unit

MW - Mid winter

cwt - carcase weight

MWSR - mid winter stocking rate

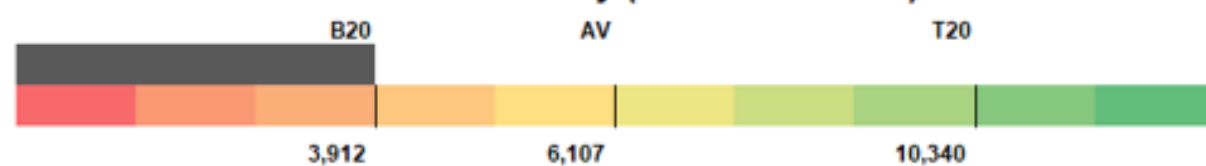
ROAM - return on assets managed

# Goat enterprise production and financial summary

Compiled by Holmes Sackett for MLA (B.GOA.1903)

## Benchmarking comparison data

### Labour efficiency (DSE/labour unit)



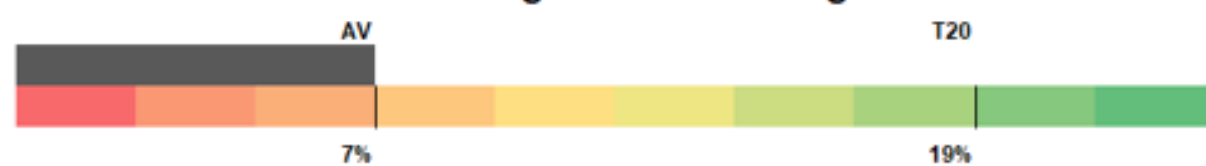
### Gross profit per labour unit (\$)



### Net profit % of Gross profit



### Return on goat assets managed



### Room for improvement scale



### Graph comparison scale\*

B20: Bottom 20%

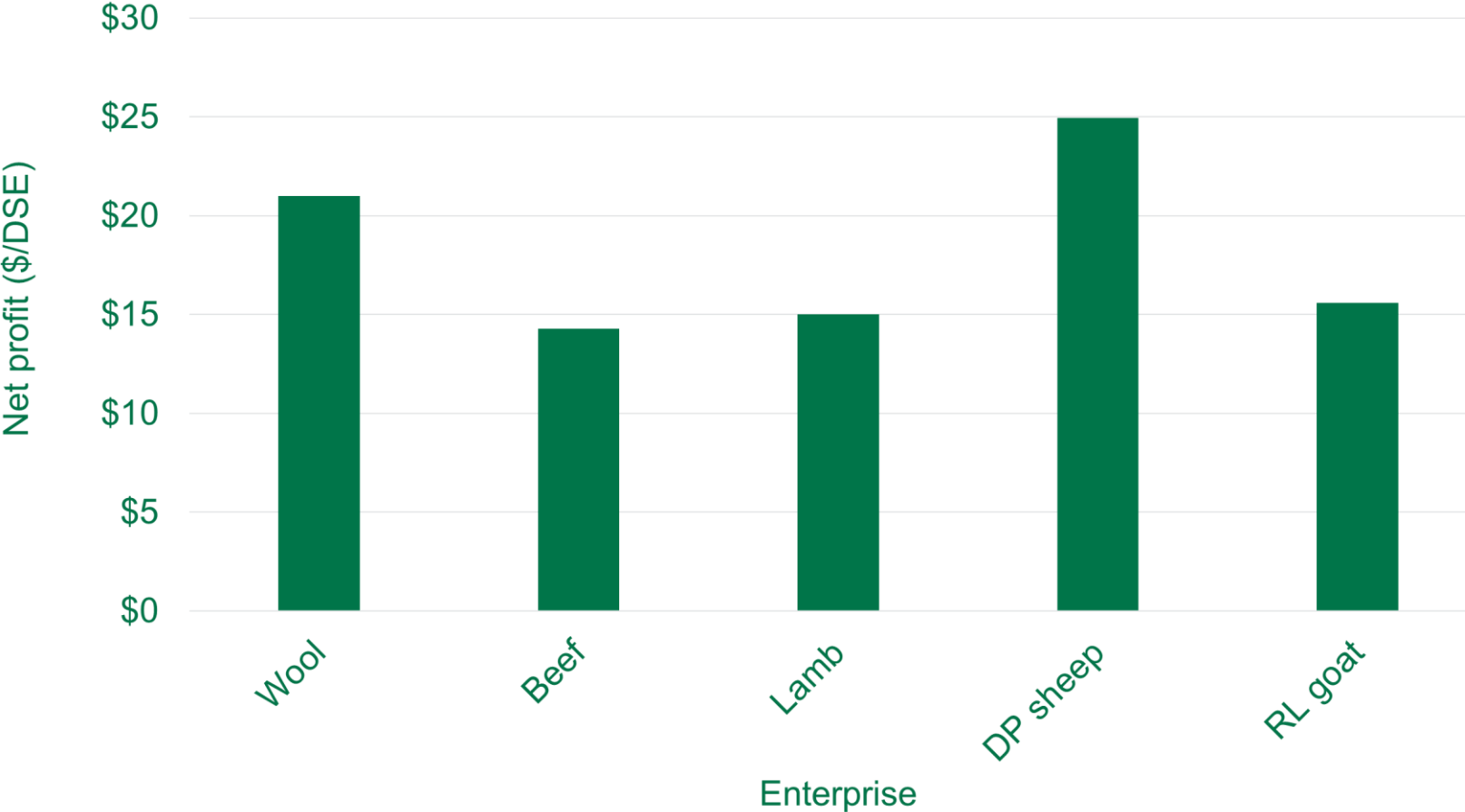
AV: Average

T20: Top 20%

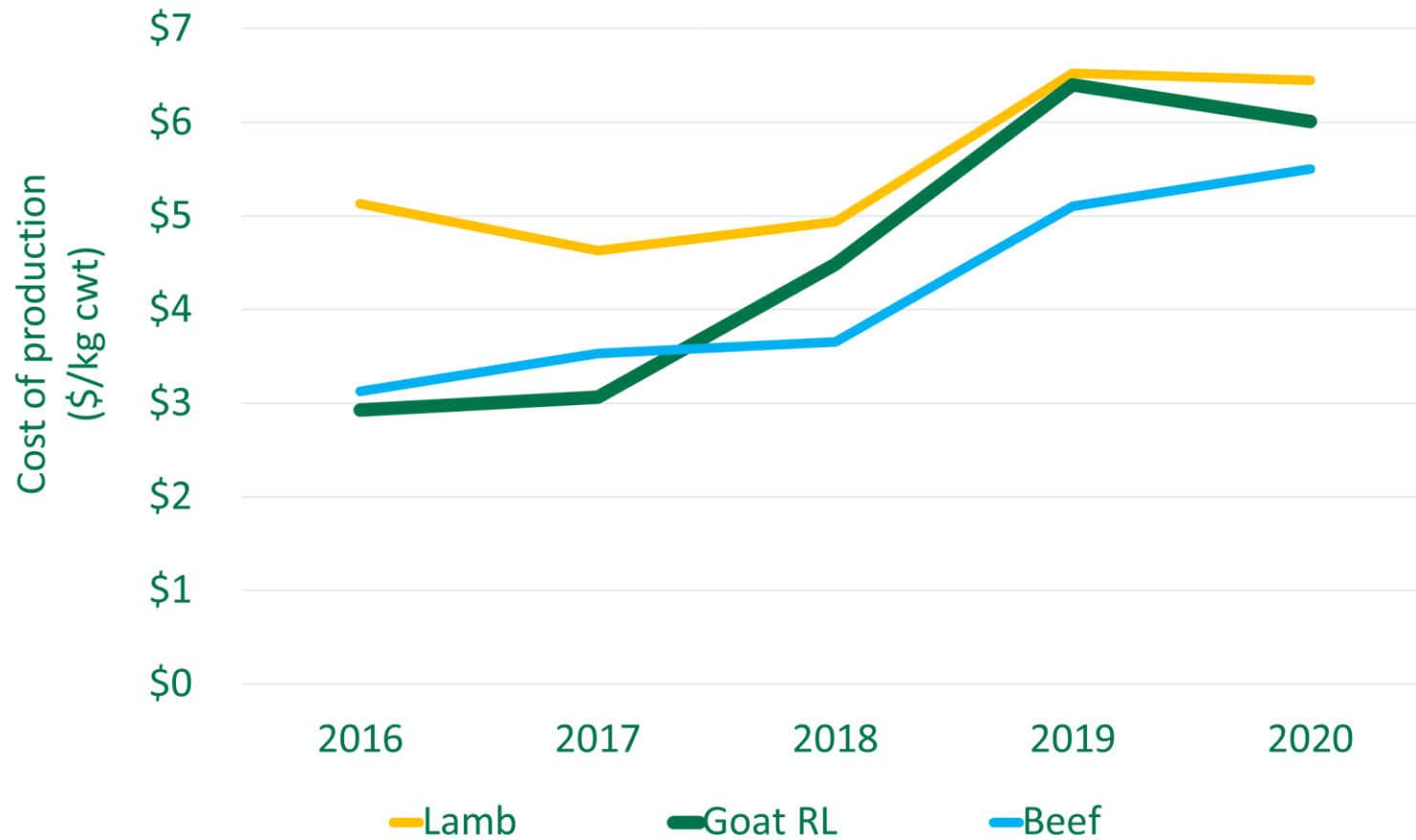
■ Your result

\*Results are compared with other pooled goat enterprise data. Results are ranked on net profit per DSE.

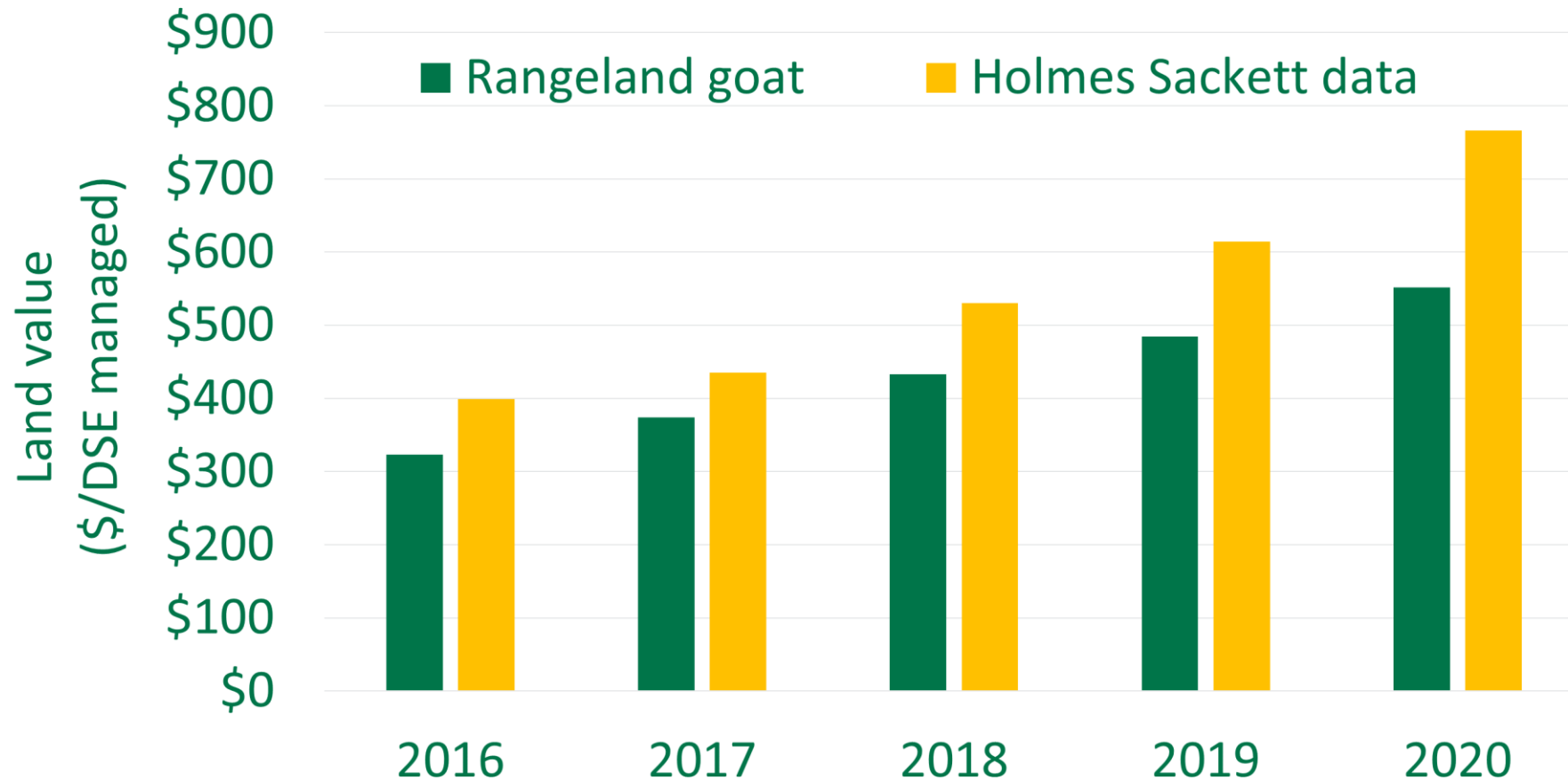
# Rangeland goats – more profit than beef and lamb (2016 – 2020)



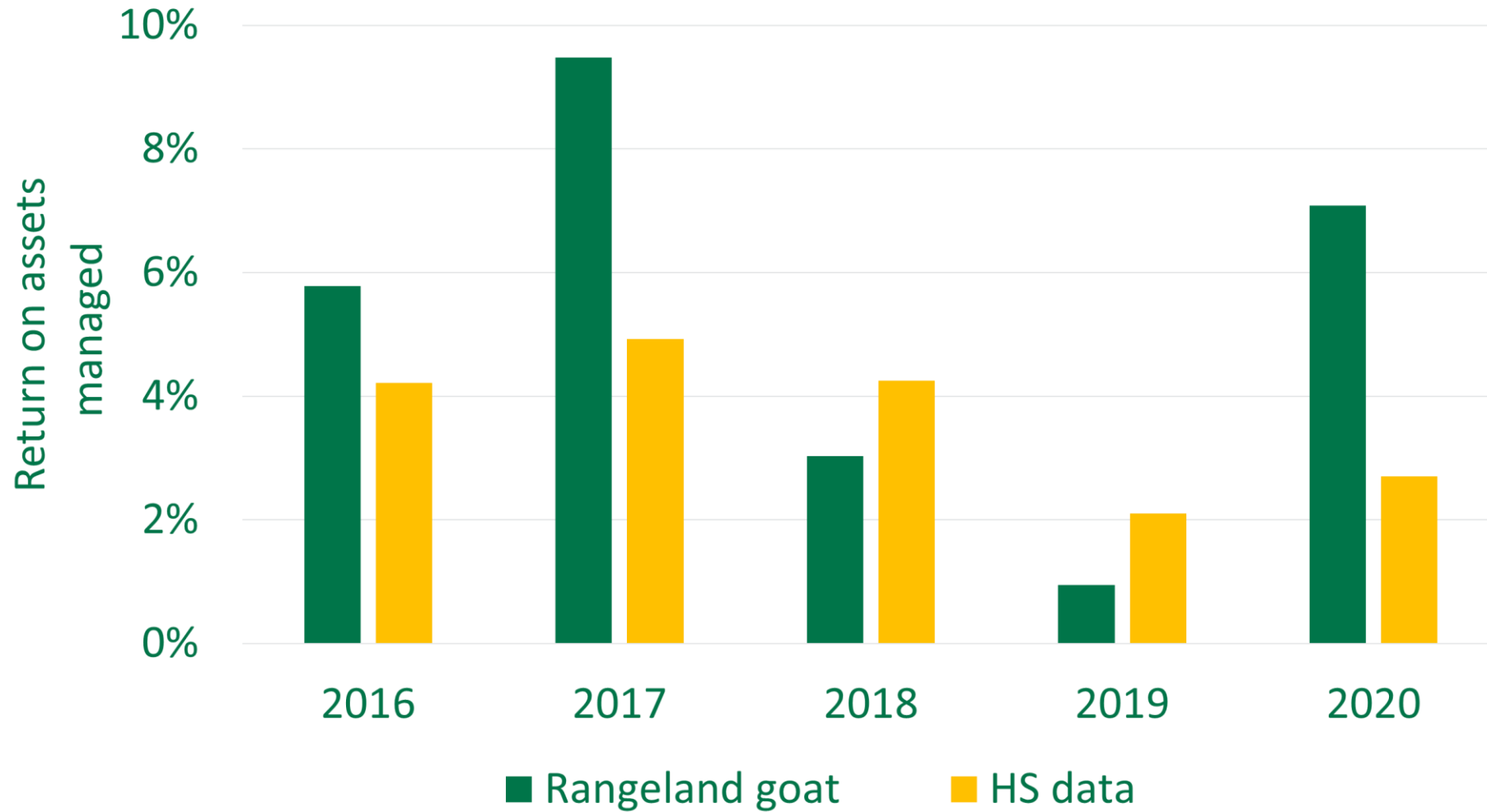
# Cost of production – goat, lamb and beef



# Land values per DSE



# Returns on assets



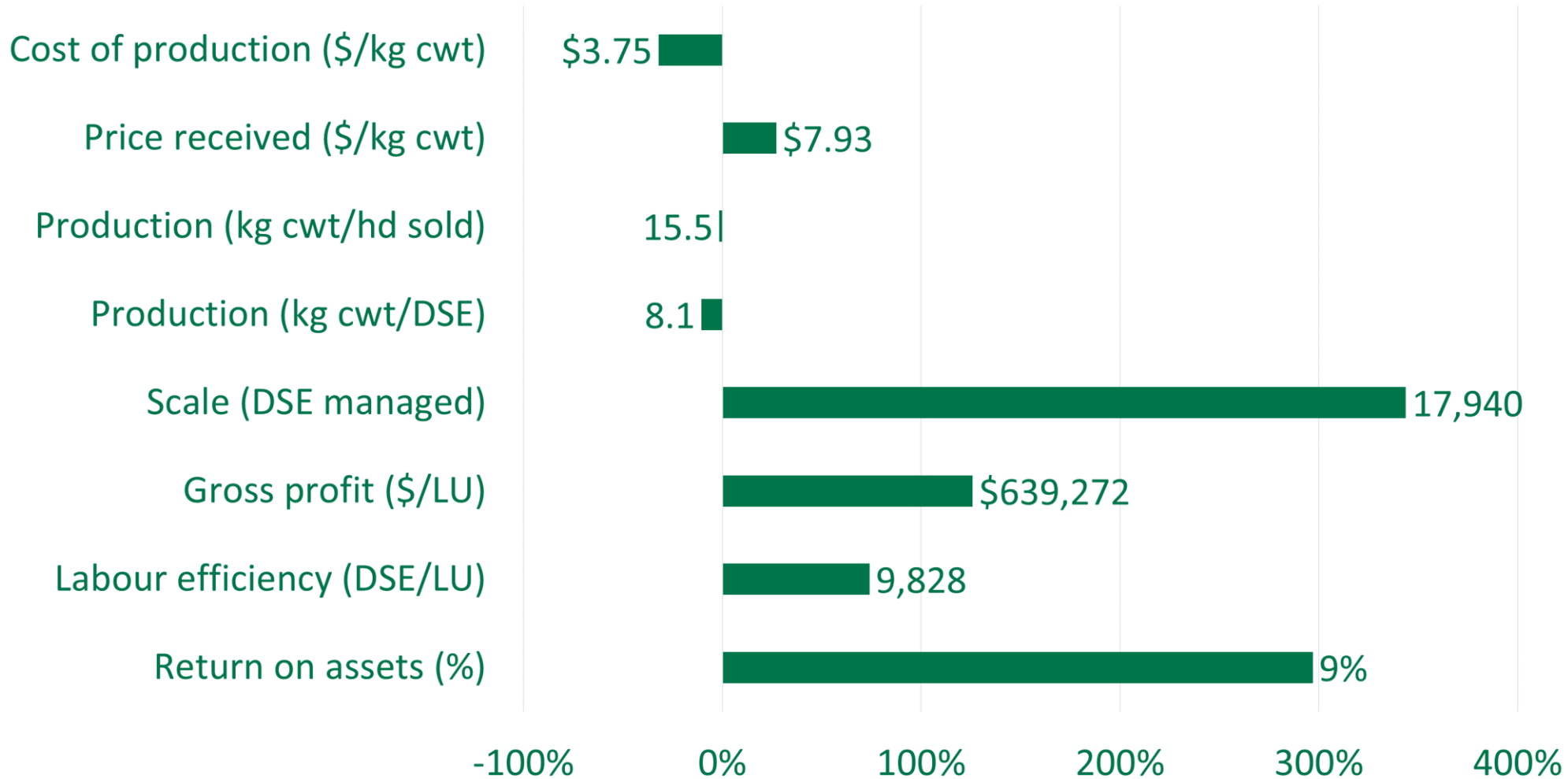


# Labour efficiency drives a low cost structure

	Best RL	Rest RL
Labour efficiency (DSE/LU)	9,828	6,610
Gross profit per labour unit	\$640,000	\$335,000
Labour costs + contractors (\$/DSE)	\$7.20	\$18.20
Labour related costs (\$/DSE)	\$5.30	\$7.80
	Best RL	Rest RL
Supplementary feed (\$/DSE)	\$1.77	\$0.76
General R&M - infrastructure (\$/DSE)	\$2.78	\$4.10
Depreciation (\$/DSE)	\$1.64	\$3.94
	\$6.18	\$8.81



# Best compared to average



# There is more than one pathway to high profit

	High production	Low cost
<b>Gross profit (\$/DSE)</b>	<b>\$72.68</b>	<b>\$49.17</b>
<b>Total Enterprise expenses (\$/DSE)</b>	<b>\$7.46</b>	<b>\$3.35</b>
<b>Gross margin (\$/DSE)</b>	<b>\$65.22</b>	<b>\$45.83</b>
<b>Total overhead expenses (\$/DSE)</b>	<b>\$25.47</b>	<b>\$14.37</b>
<b>Profit/EBIT (\$/DSE)</b>	<b>\$39.75</b>	<b>\$31.45</b>
Cost of production (\$/kg cwt)	\$4.47	\$3.03
Price received (\$/kg cwt)	\$8.26	\$7.61
Production (kg sold/hd sold)	16.4	14.5
Rainfall % LTA	77%	88%
Labour efficiency (DSE/LU)	8,572	11,084
Gross profit per labour unit (\$)	\$653,033	\$625,511
Year analysed rainfall (mm)	261	367
Goat enterprise AASR (DSE)	14,302	21,577

# Key benchmarks for best goat profits in the rangelands

- Net profit of greater than \$30 per DSE
- More than \$60 in gross profit per DSE
- Less than \$30 per DSE in operational expenses
- Retention of greater than 50% of gross profit as net profit
- Average carcass weight of greater than 16 kilograms per head sold
- Greater than 10,000 DSE per labour unit
- Greater than \$600,000 in gross profit per labour unit
- Cost of production less than \$3.75 per kilogram carcass weight



# Opportunities

- Better on farm data. Know your livestock numbers
  - When in yards tally billies, nannies, weaners
- Genetics and weight gain data
  - Is there an efficient way to capture data?
- Investments into labour efficiency
  - Sensible replacement of labour with infrastructure
- Financial literacy – professional development



# Take home messages

- Rangeland goat enterprises are competitive with other typical livestock enterprises.
- It is possible to have an efficient and profitable goat enterprise in the medium to high rainfall zone.
- The financial performance in medium to high rainfall zones is constrained by poor labour productivity.
- Labour efficiency and labour cost is also the number one driver of difference in profit between the high profit group and the remainder in the rangelands.
- Rangeland goats may have a competitive advantage over beef enterprises managed in the rangelands.
- Rangeland goat enterprises may have a competitive advantage over lamb produced in the rangelands.
- Average operating returns of goat meat enterprises in the Rangelands have been very high.
- At the same profit, financial resource efficiency should be higher in the rangelands than in the higher rainfall zones due to lower land values per livestock unit.



# Tools and resources

- Going into goats guide
- B.GOA.1903 final report and situation analysis
- Goat PGS package
- National Goat Roadshow – Webinar
- Goats on the Move E-newsletter