

Leading Sheep MeatUp Forum

LONGREACH, FRIDAY 25 MARCH 2022



Rangelands goat enterprise performance – some insights

Project B.GOA.1903

John Francis

Agrista



It can be useful to scratch the surface

Driver Licence

New South Wales, Australia

ENGLEBERT FRANCIS
333 PHANTOM RD
BENGALI NSW 2301

Licence No.
222222
Licence Class
C
Date of Birth
07 December 2003



Card Number
2 222 222 222



Licence Expires
21 JUL 2024

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Where does the data come from?



Focus - meat producing goats

Fenced/managed goats

Unfenced/low mgt goats

Traded goats

Gross profit

— Enterprise costs

= Gross margin

— Overhead costs

= Operating profit
(EBIT)

Operating
performance

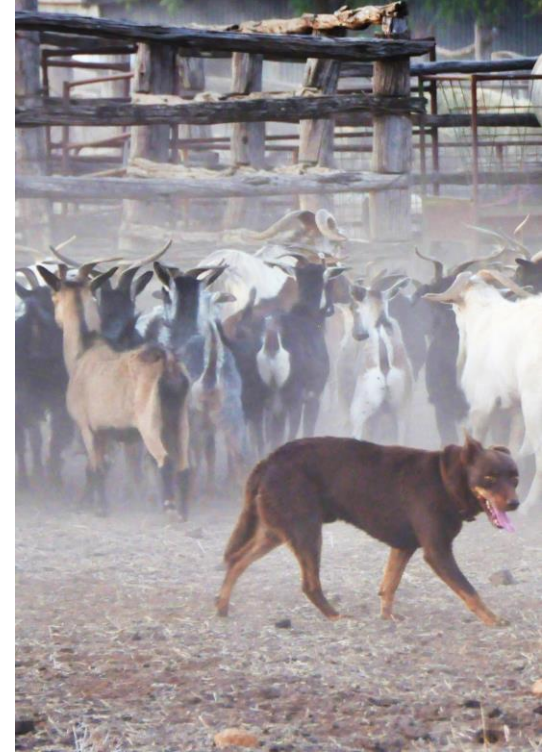
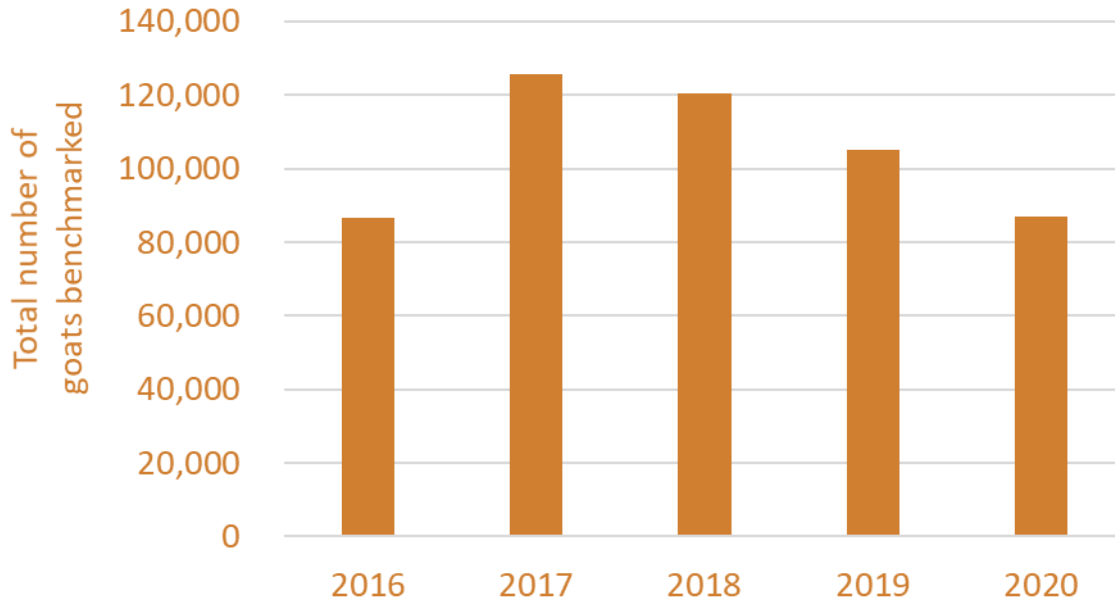


Performance indicators are the dashboard of farm business efficiency



Rangelands goats in data set

Rangeland goat number benchmarked by year



Energy requirement ratings

Measure

Livestock class

Dry doe/nanny

Late pregnant doe/nanny

Lactating doe/nanny

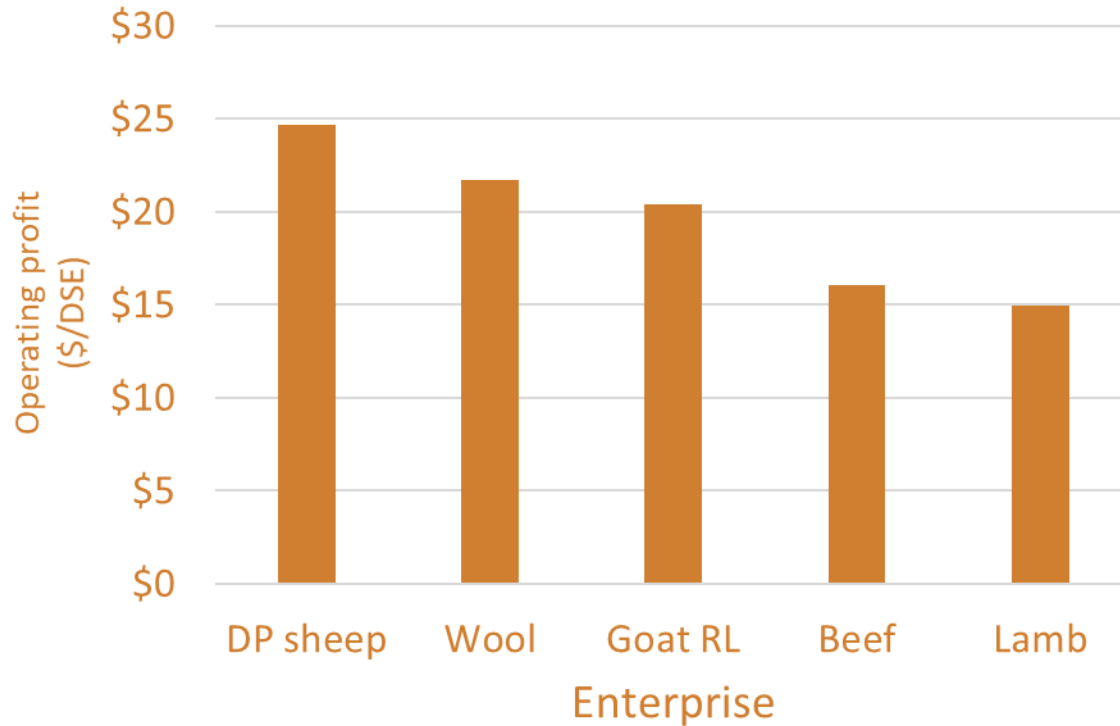
Average annual doe/nanny

Weaner (3-12 months)

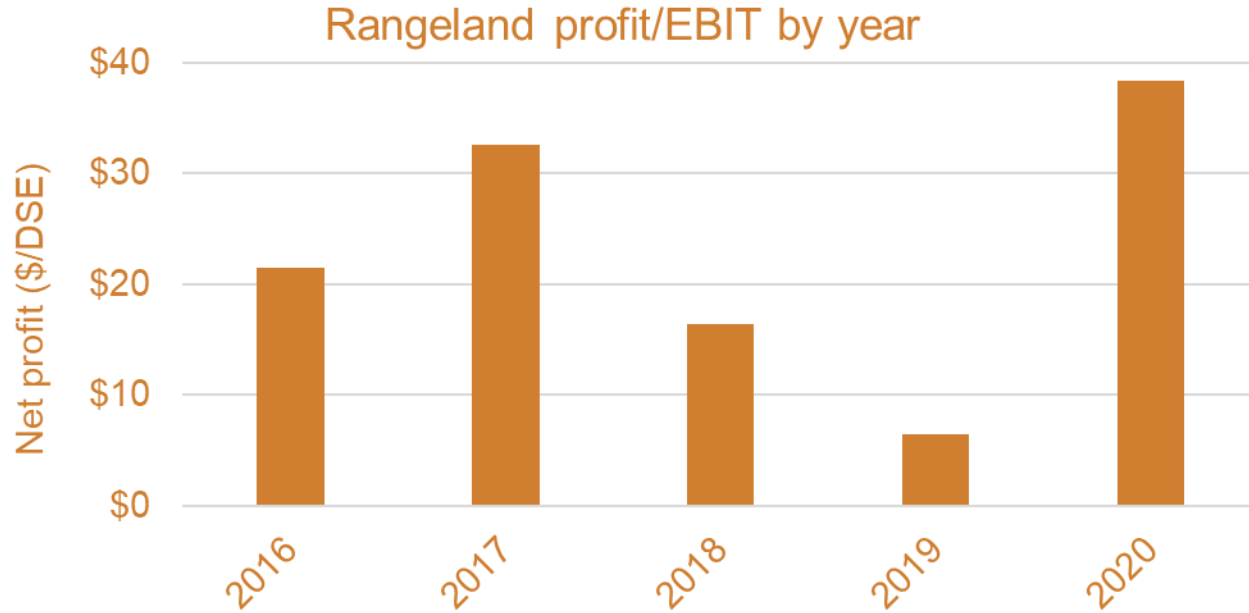
Buck/Billy >12 months



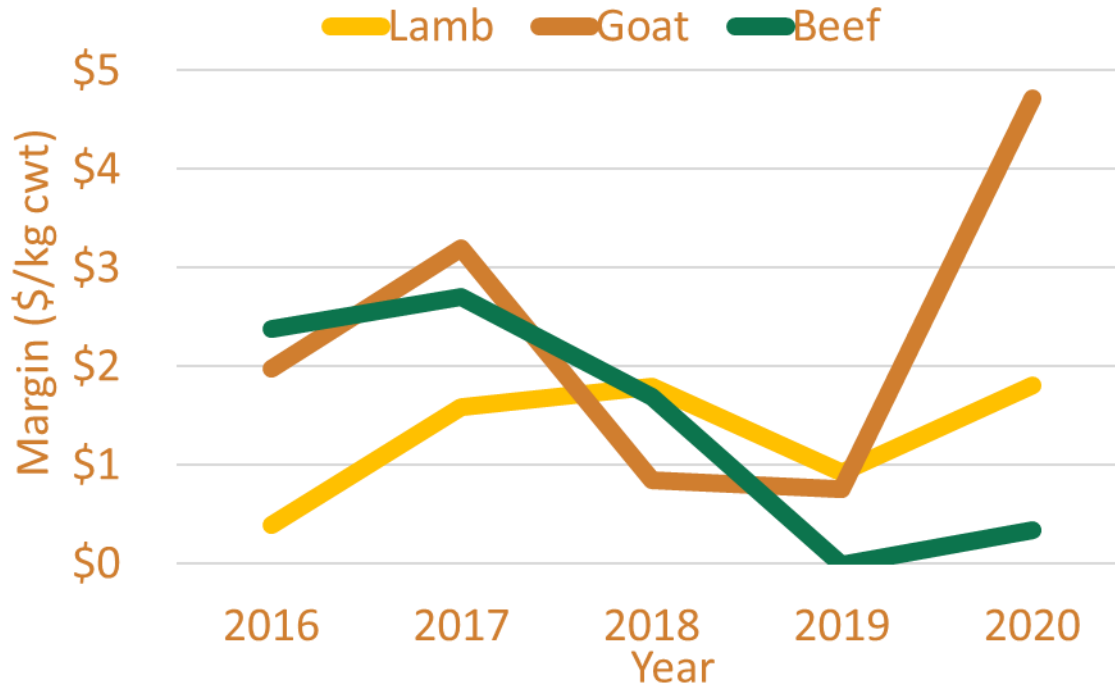
Rangeland goat – more profit than beef and lamb (2016-2020)



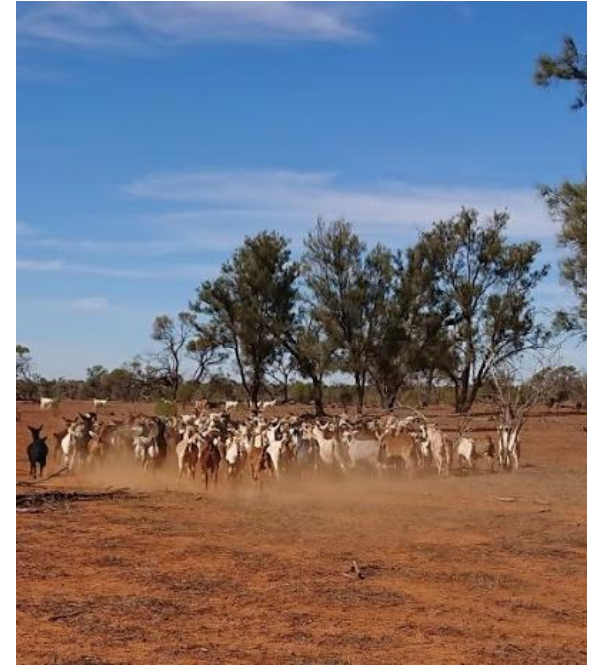
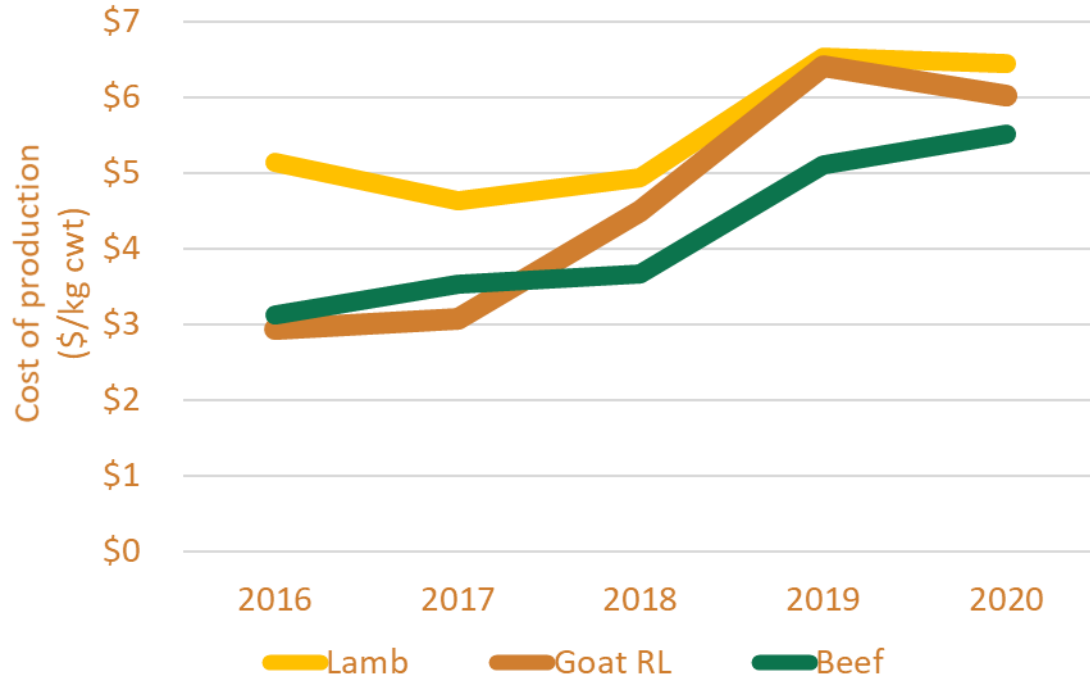
How did the profits come?



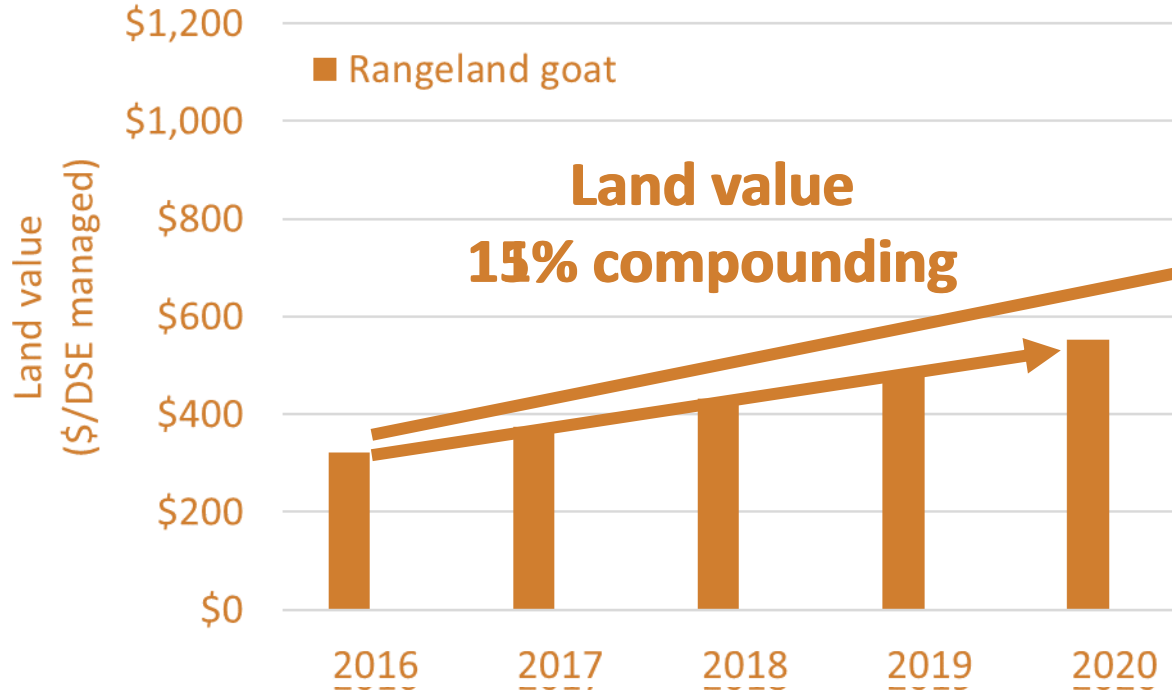
Goat - more volatility, better margins but less downside



Goat enterprises have a lower cost of production than lamb



The story of land values



Outstanding rangelands goat operating returns

Return on assets managed

5.8% RL goat data

3.6% Sthn Aust BM data



What is benchmarking?

A comparison to identify performance differences.

Dustin MARTIN



Patrick DANGERFIELD

Player Rating	11 (544.8 points)		
Position	Midfielder		
Height	187cm	DOB	26/06/1991
Weight	93kg	Debut	2010
Games	Goals	Goals	
2019	16	2019	14
Career	217	Career	232

Player Rating	4 (591.1 points)		
Position	Midfielder		
Height	189cm	DOB	05/04/1990
Weight	92kg	Debut	2008
Games	Goals	Goals	
2019	16	2019	17
Career	240	Career	273



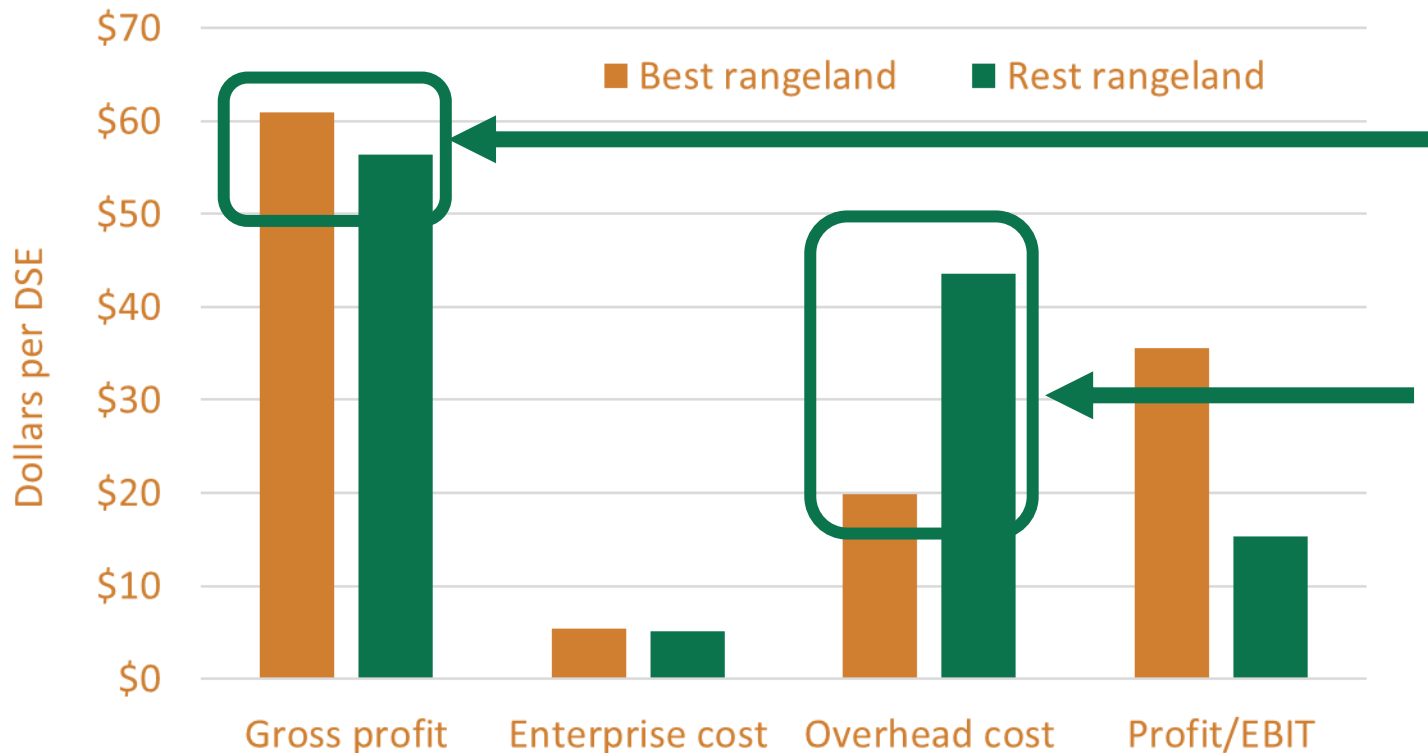
Total	Average	Possessions	Average	Total
159	9.9	Contested Possessions	14.3	228
238	14.9	Uncontested Possessions	13	208
27	1.7	Intercept Possessions	3.4	55
82	5.1	Turnovers	5.1	82
40.1	40.1	Contested Possession Rate	52.3	52.3
109	6.8	Ground Ball Gets	9.2	147
20	1.3	Fwd 50 Ground Ball Gets	2	32

Scoreboard Impact



Source: www.afl.com.au

The best generate double the profits

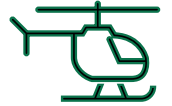


A little bit of the difference

A lot of the difference

Labour efficiency drives a low cost structure

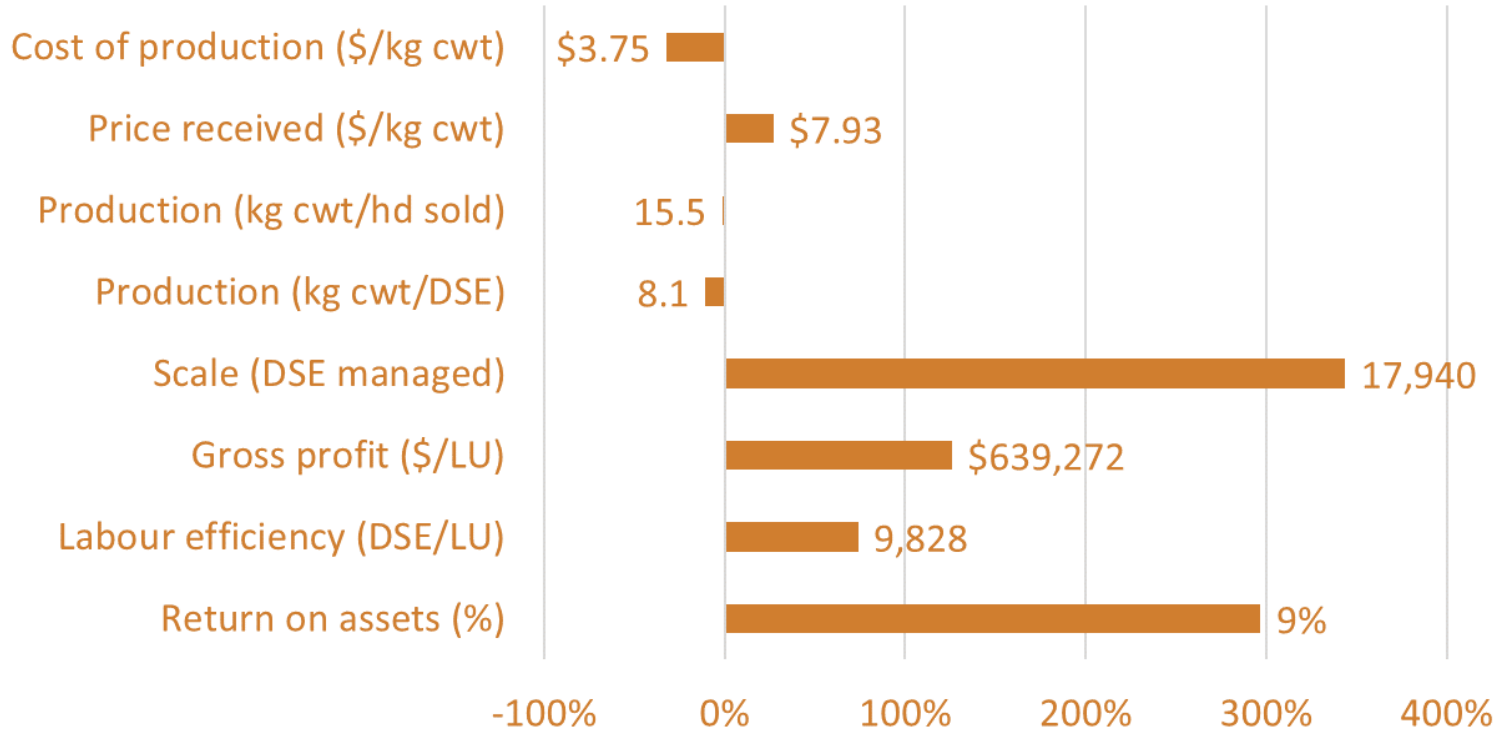
	Best RL	Rest RL
Labour efficiency (DSE/FTE)	9,828	6,610
Gross profit (\$/FTE)	\$640,000	\$335,000
Labour & contractors (\$/DSE)	\$7.20	\$18.20
Labour related costs (\$/DSE)	\$5.30	\$7.80



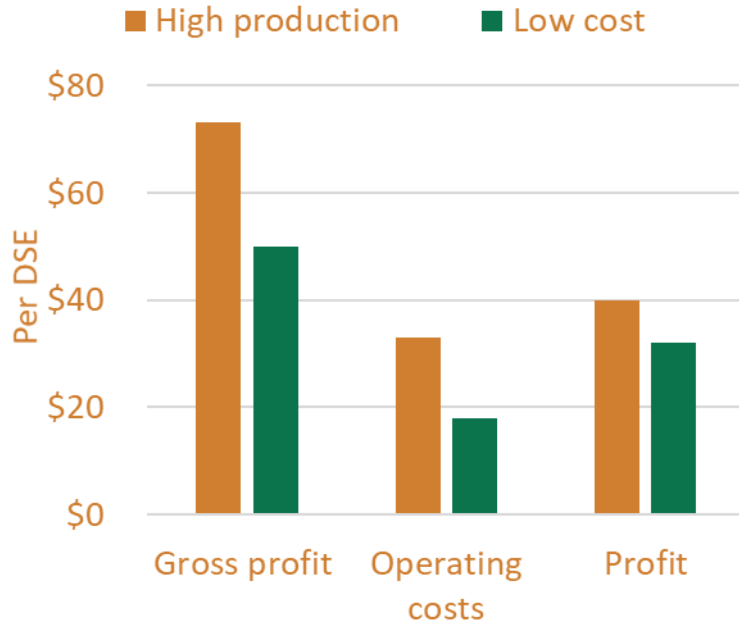
Do these line items tell a story?



Best compared to average



There is more than one pathway to high profit



Cost of production (\$/kg cwt)

Price received (\$/kg cwt)

Production (kg sold/hd sold)

Rainfall % LTA

Labour efficiency (DSE/LU)

Gross profit per labour unit (\$)

Goat enterprise scale (DSE)

	High production	Low cost
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
Goat enterprise scale (DSE)	14,302	21,577

Key benchmarks for managed goat enterprises in the rangelands

1. Income >\$130/goat sold (\$8.1/kg cwt)
2. >16 kg cwt/head sold
3. >12,000 goats managed per labour unit
4. <\$30/DSE in operating costs



Take home messages

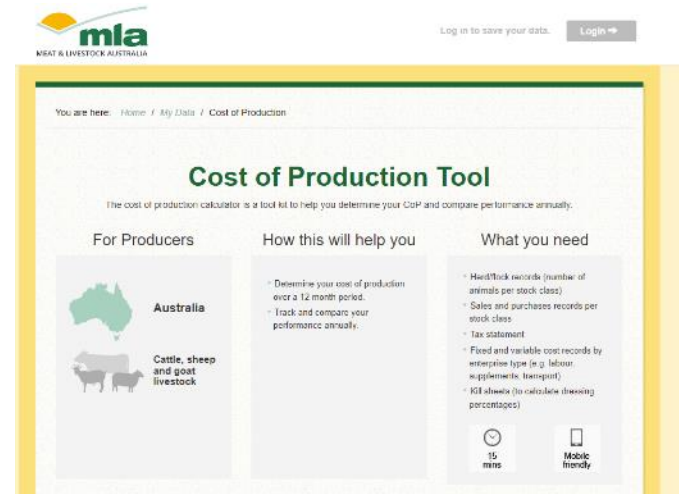
Opportunities for increasing performance

1. Know your livestock numbers
 - When in yards tally by sex and by class
2. Genetics and weight gain data
 - Is there an efficient way to capture data?
3. Invest in labour efficiency
 - Replace labour with infrastructure/Capex



Tools and resources

- MLA Profitable grazing systems goat course
- Cost of production course - tools
- Financial literacy - MLA Business Edge course



Thanks for the opportunity
to experience Longreach
again

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