



Reflection and Planning

January, by its very nature; a time of holidays or at least no seasonal operations being carried out on farm, lends itself well for reviewing the past 12 months of farm results and outcomes. This January certainly has its unique aspects as we face quite a different scenario compared to the last few years.

Reflection/Review. There are several traditional areas we view related to farm productivity. Milk production up to November generally was ahead of previous years. Good winter feed, especially a very productive pasture supply in August when usually we have a 'feed hole'. Its now apparent spring was 4 to 6 weeks early this year. Milk production from December to dry off will be quite a different story.

Fertility should have been generally good due to favourable seasonal conditions as above. Silage cuts varied considerably from equal to last year for those who started cutting in early September, to considerably reduced tonnages for farms cutting more on 'traditional date' strategies. Total pasture harvested was most affected by this alone, the greatest determinant of profit – tonnes of dry matter/Ha harvested by both cow and machine.

There appears to be a considerable increase in Ha's committed to summer fodder crops this year (turnip/rape/millet/sorghum). I think there are some real lessons this year in crops. Despite a most unfavourable season for good crops, I am amazed at how good many crop germinations have been this season; even if essential rains have seriously reduced yields. Full credit must go to many farmers who have prepared their crop paddocks very well.

Feed shortage is a subject that lies between, and overlaps both reflection and planning. I addressed this subject in December in terms of dealing with it; however it also needs to be included in the planning of the forthcoming season. I think we have been lulled over the last, probably 5 years, due to good returns and good seasons to run 'closer to the line' than we used to do pre-2000.

Prior to deregulation Victorian dairy farmers managed dairy businesses in a 'manufacturing milk price' economic environment. I always believed deregulation would bring volatility to our returns, and still do, but the past 5 years have been comparatively prosperous years in dairying, hiding this potential threat. This season, although not related to milk prices, has revealed our vulnerability due to financial downturns from drought-induced feed costs. Many farms operating on near break-even income/expense budgets are now in trouble.

Not for one moment am I suggesting a return to a 'no spending' or no investment mentality, but sound financial budgeting, farm performance analysis to establish where we are making profit, and where we are losing; in short – planning. Strategies to cope with volatile conditions either in milk prices, feed costs or, as this year has presented, very dry seasons. Many of us need more padding in the system to cope with these variables.

Planning for next lactation begins with dry off BCS (Body Condition Score), dry cow nutrition and lead feeding, all of which I will address in the coming months. Feed budgets are best prepared around July/August, as summer is our greatest threat to adequate feed reserves. Tonnes of silage required and Ha's of crop can then be calculated based on proposed cow numbers over summer.

Planning also needs to embrace strategies for increasing pasture harvested per Ha from both grazing management and silage making. Proposed capital works to improve productivity through feed production, feed intake, cow comfort and health.

Reviewing involves analysing the current lactation's results, noting its shortfalls and their causes, to enable setting of production goals and putting in place the ingredients to achieve them. These include regular ration balancing for good conversion of feed to milk, feed budgets to drive farm activity to enable adequate forage tonnages to meet production goals, particularly summer feeding which often is the downfall of a good lactation result. Assessing fertilizer usage, in both quantities and application frequency, to increase pasture production rather than just meeting maintenance or less.

In summary, I fear, as hinted at above, complacency has crept in over the last few years, and this summer has provided some 'shock therapy' to many, uncovering our vulnerability. We need to be capable of responding to the vagaries of season and price, not reacting, which usually costs us dearly due to bad 'knee-jerk' decisions, or having less than optimal choices. We have a rising cost of production in global terms which eventually is going to make us vulnerable on world markets. Our only defence is to improve productivity to contain cost of production and remain competitive and viable. There is a variety of technologies available in products, services and methods to enhance farm profitability. Attitude change is the first step.