

An impossible task?

Utilising the spring surplus feed

John Francis



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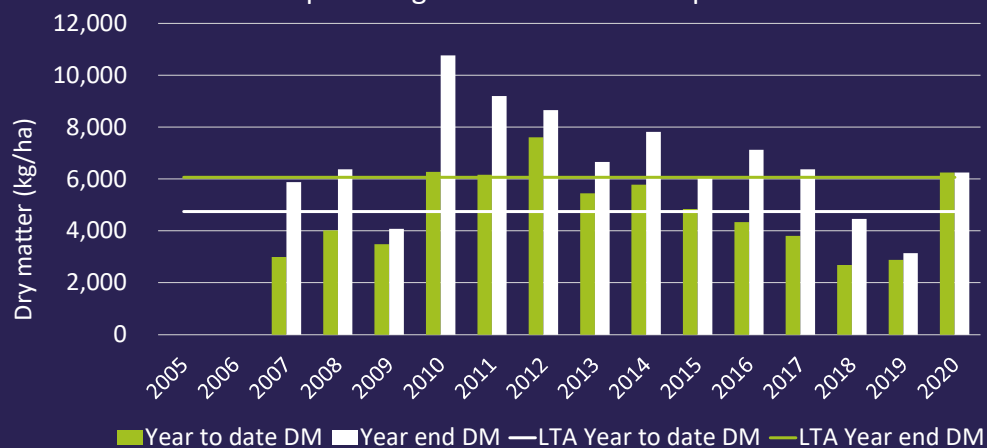


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How good is 2020?

Cumulative pasture growth to 28 Oct at Upr Lachlan



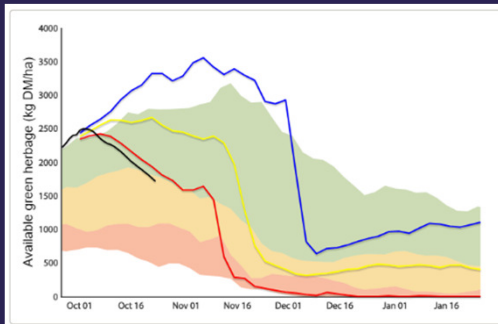
Source: Gonzalo Mata, CSIRO Agriculture & Food



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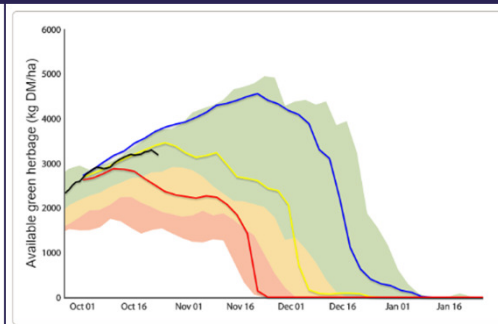
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Depends where you are



KEY
 90%
 75%
 50%
 25%
 10%
 HISTORIC
 50-90%
 25-50%
 10-25%

Gunning



KEY
 90%
 75%
 50%
 25%
 10%
 HISTORIC
 50-90%
 25-50%
 10-25%

Crookwell

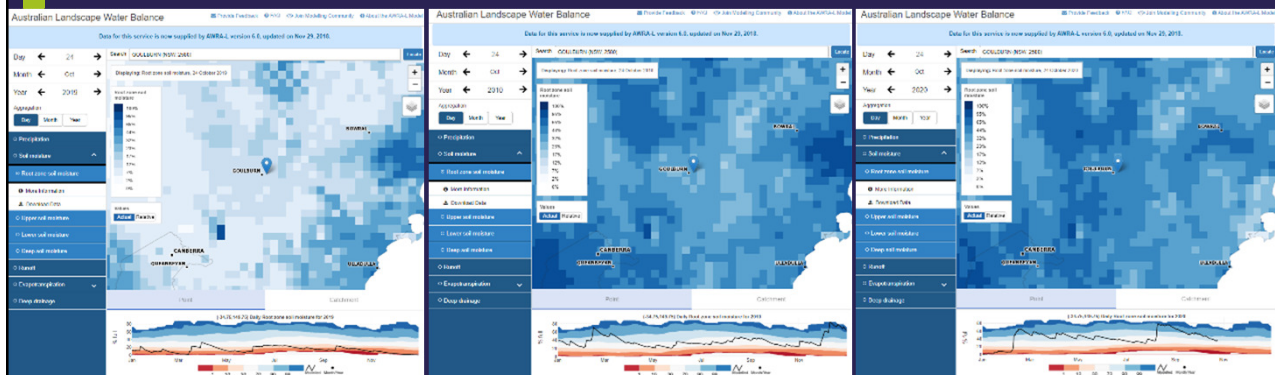
<https://www.farmingforecaster.com.au/PastureForecasting>



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What do the other tools show?



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Where does the feed go?

Pasture bank balance

Opening feed (kg DM/ha) 2,500

Pasture growth (kg DM/ha) 6,000

Intake (kg DM/ha) 2,700

Wastage (kg DM/ha) 810

Decay (kg DM/ha) 2,490

Closing (kg DM/ha) 2,500

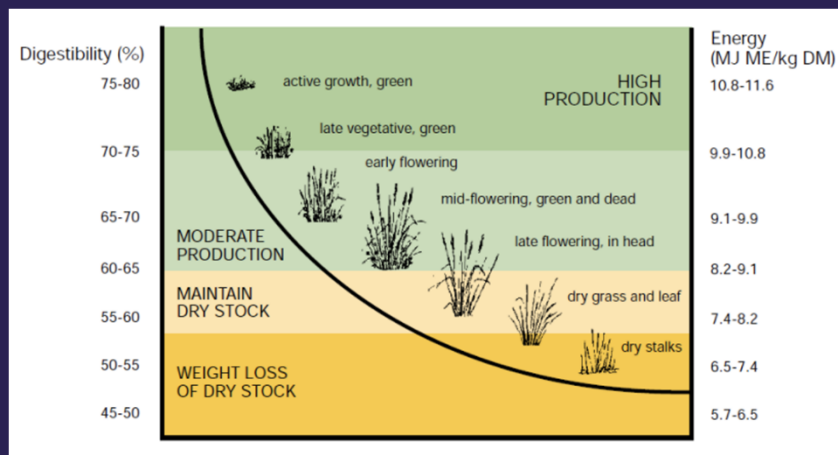
Change in pasture inventory (kg DM/ha) 0



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Feed quality may be an issue



Source: Prograze



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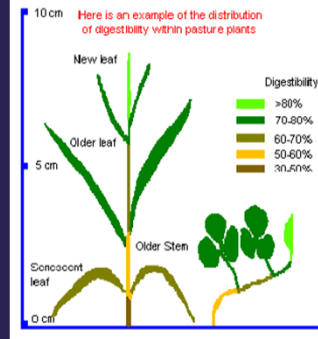
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Think about feed quality



Your estimates (for a temperate pasture) will depend on the proportions of

- young leaf (75-80% digestible),
- old leaf & young stem (65-75%),
- mature green stem (55-65%),
- recently dead material (40-55%) and
- old dead material (30-40%).



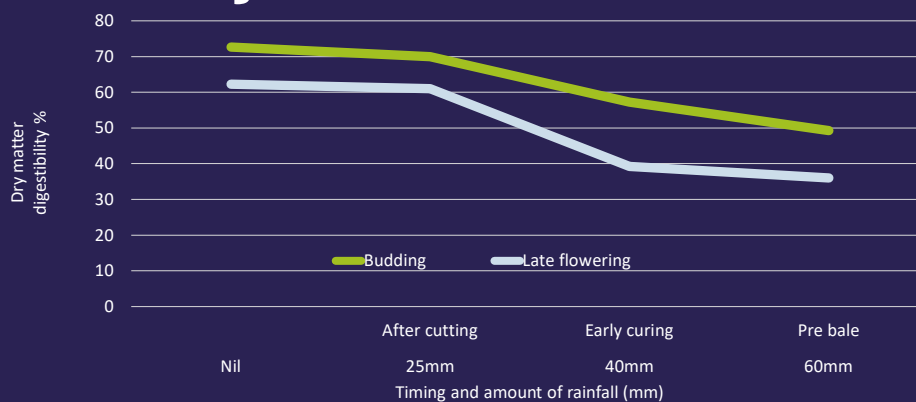
https://www.hzn.com.au/pasture_digestibility_estimates.php



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What happens to feed quality in wet years?



<https://www.horsetalk.co.nz/2020/07/20/hay-neigh-rain-quality-hay/>



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Why would you consider fodder conservation?

Mow and rake (@\$75/ha)	\$13
Bale, cart other (@\$26/bale)	\$57
Nutrient replacement costs	\$16
Grazing foregone	\$12
Total cost (\$/t DM)	\$85



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Why would you consider fodder conservation?



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\$85/t @ 9 MJME

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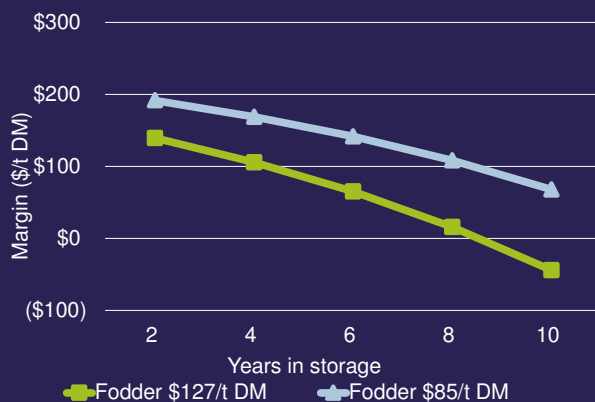
\$126/t grain (12 MJME)



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Using fodder as a hedge



- Sell at \$300/t DM
- Swap for grain
- Independent of quality



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Is there value in buying now - wool?

Sensitivity of return on investment to ewe price and gross margin (\$/DSE)

	Wool				Gross margin (\$/DSE)			
	3 yr av	2021?	15%		\$60	\$50	\$40	\$30
Gross profit (\$/DSE)	\$80	\$67	Ewe price (\$/head)	\$350	1%	-6%	-14%	-22%
Enterprise expenses (\$/DSE)	\$23	\$23		\$300	8%	0%	-8%	-18%
Gross margin (\$/DSE)	\$57	\$44		\$250	16%	8%	-2%	-12%
Wool price (\$/kg clean)	\$23	\$16?		\$200	28%	18%	8%	-4%



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Is there value in buying now - lamb?

		Sensitivity of return on investment to ewe price and gross margin (\$/DSE)						
		Prime lamb		Ewe price (\$/head)	Gross margin (\$/DSE)			
		3 yr av 2021?						
Gross profit (\$/DSE)	\$68	\$76	14%		\$60	\$50	\$40	\$30
Enterprise expenses (\$/DSE)	\$23	\$24	\$350		14%	6%	-3%	-14%
Gross margin (\$/DSE)	\$45	\$52	\$300		22%	13%	3%	-8%
Lamb price (\$/kg cwt)	\$7.44	\$8.25	\$250	32%	22%	11%	-2%	


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Is there value in buying now - cattle?

		Sensitivity of return on investment to cow & calf price and gross margin (\$/DSE)							
		Beef		Gross margin (\$/DSE)					
		3 yr	2021?	Cow calf price (\$/unit)	27%	\$70	\$60	\$50	\$40
Gross profit (\$/DSE)	\$55	\$80	\$3,500		22%	14%	6%	-3%	
Enterprise expenses (\$/DSE)	\$10	\$10	\$3,000		31%	22%	13%	3%	
			\$2,500		42%	32%	22%	11%	
Gross margin (\$/DSE)	\$45	\$70	\$2,000		59%	47%	35%	22%	


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Key messages

- Start with a feed budget
- Take a view/position
- The marginal benefit of getting back to pre-drought stocking rates is high
- Now versus pre-winter

