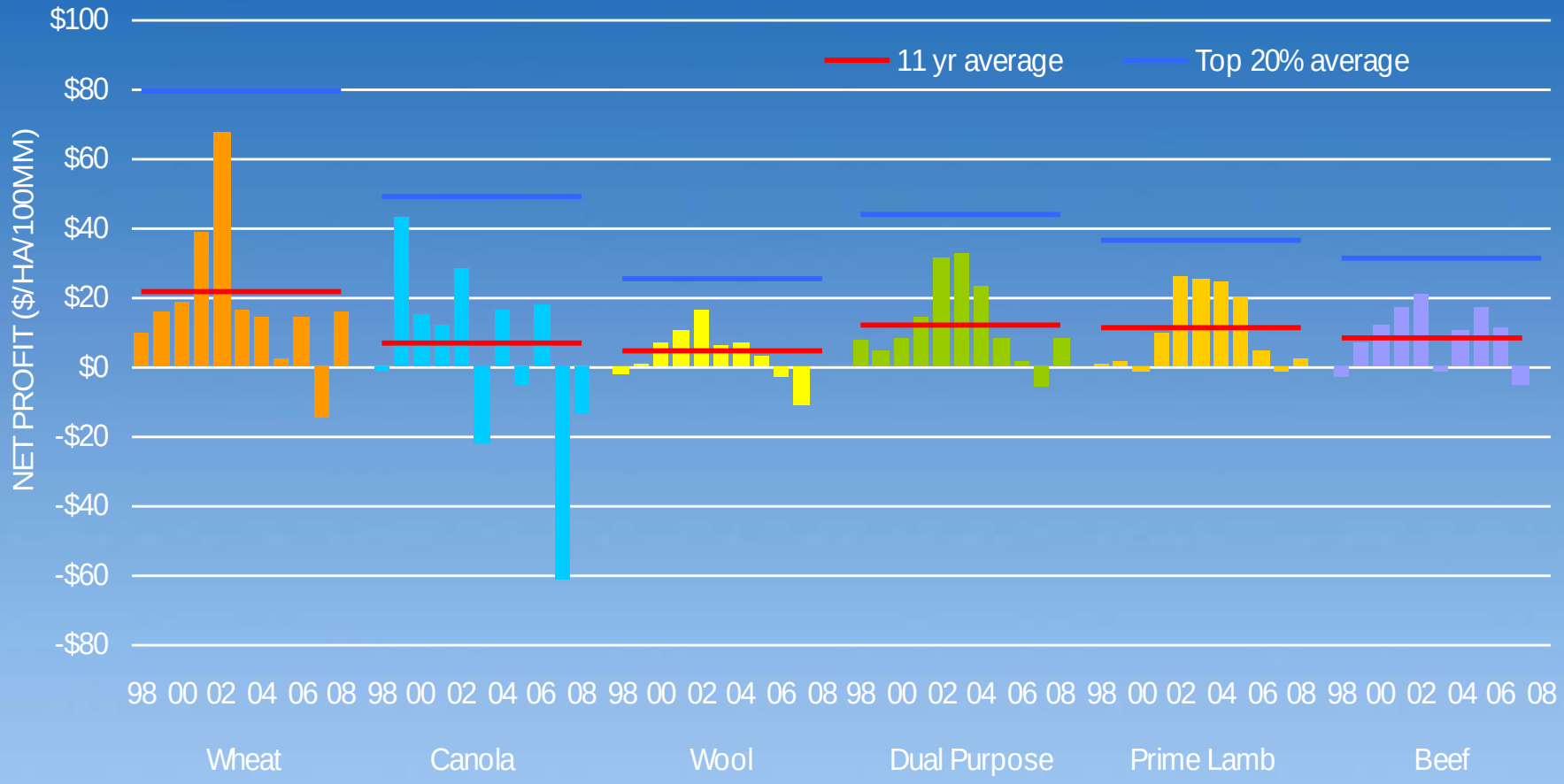
Sheep production – what really matters?

Monaro Mums

David Sackett

14th May 2010

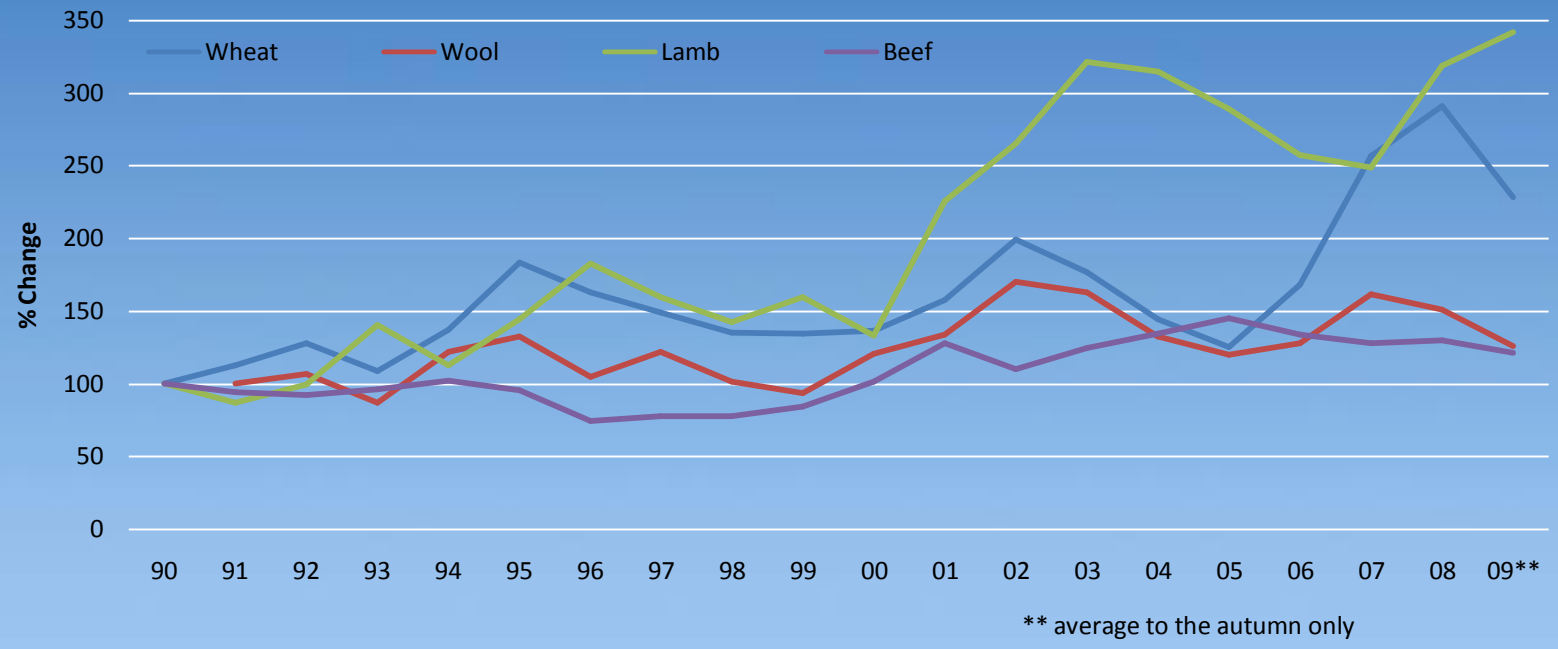
On average……



Source: AgIsnsights 2009, Holmes Sackett

GROWTH FARMS Australia

Are low wool prices the problem?



GROWTH FARMS Australia

20 micron wool

1429 c/kg

5yr median = 893 c/kg

GROWTH FARMS Australia

The last 40 years.....

	Sheep	Beef	Crops
Productivity	0.3%	1.4%	2.3%
Terms of Trade	-2.1%	-1.5%	-2.6%
Net change	**-1.8%**	**-0.1%**	**-0.3%**

GROWTH FARMS Australia

The three types of productivity gains

1. Quantum leaps (infrequent but great)
   - Sub and super
   - Myxomatosis
   - Mechanical handpiece
   - Mulesing
   - Thibenzole
   - Hydraulic wool press
   - Quantitative genetics
   - Pour -ons
   - Motor bikes

GROWTH FARMS Australia

Productivity gains.....

2. Incremental gains: (hard but vital)

- soil testing
- Valbazen, Nilverm, ivermectin etc
- in shed testing
- portable crutching
- new subclcover cutlivars

GROWTH FARMS Australia

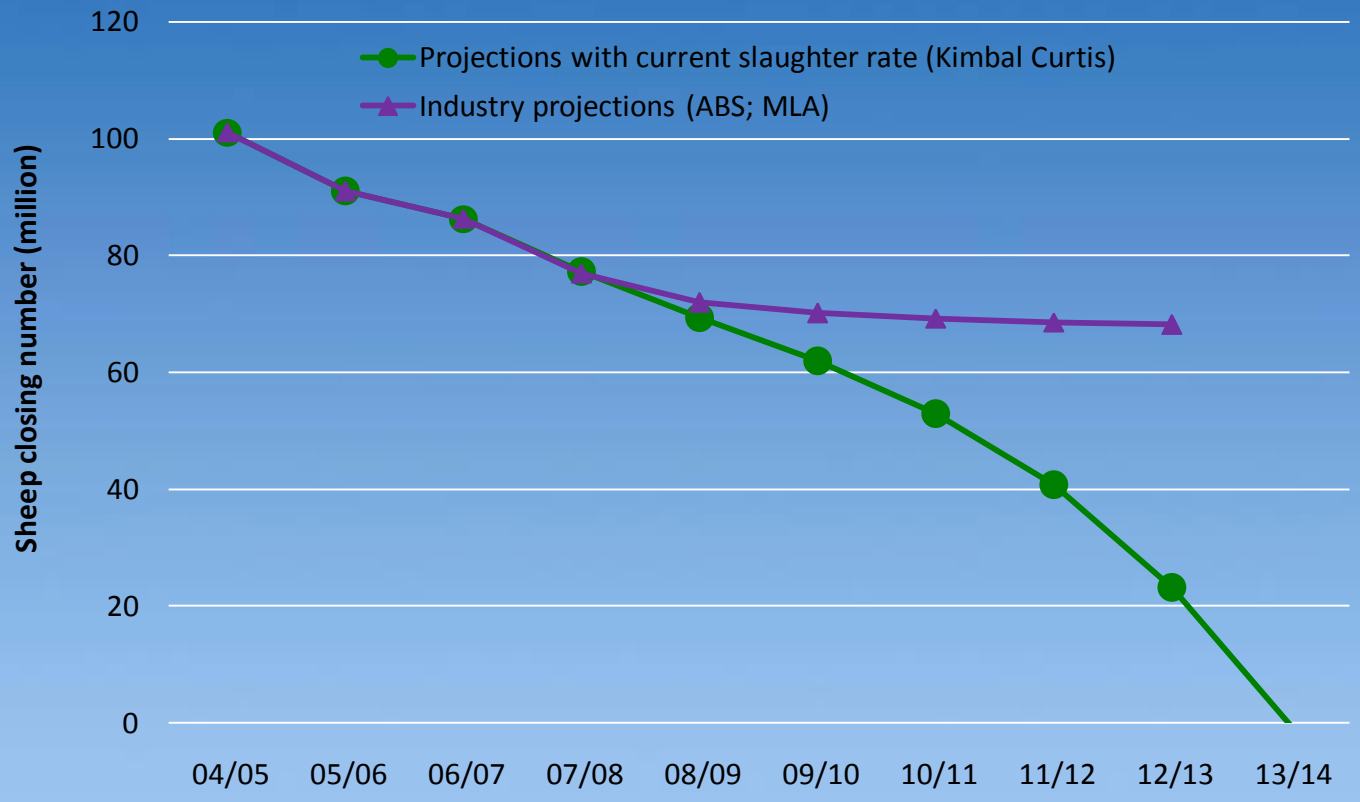
Productivity gains…..

3. Red herrings (distract you from the first 2!)

- e-sheep
- pregnancy scanning
- SRS
- cell grazing
- marketing

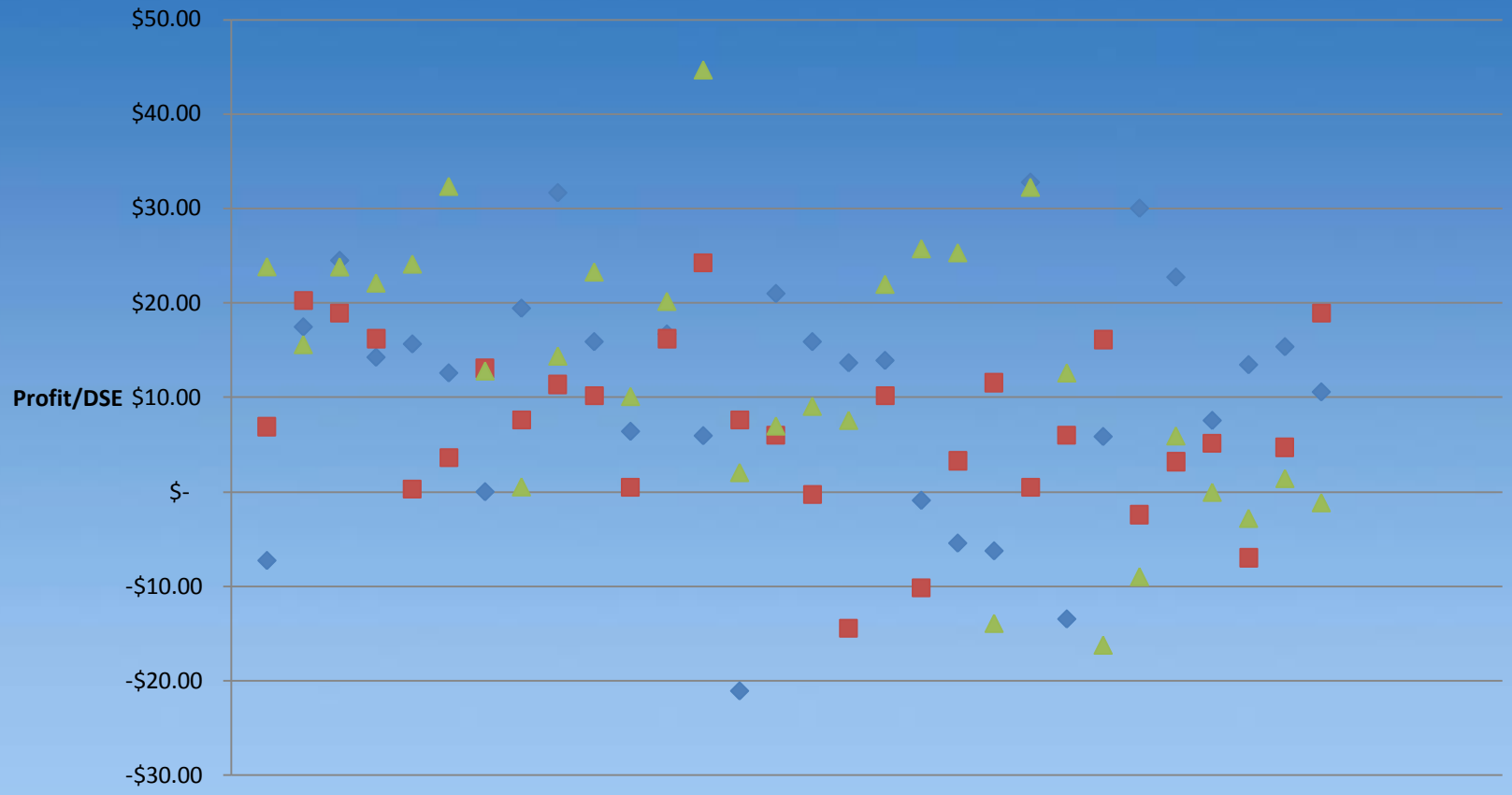
GROWTH FARMS Australia

Flock projections



Source: Kimbal Curtis

There is more variation within enterprises than between them.



Source: Aginsights 2009, Holmes Sackett

GROWTH FARMS Australia

A comparison

Meat

- Growth based
- Seasonal
- Meat is meat
- Short pipeline
- Industry.....?
- Premium but niche

Wool

- Maintenance based
- Year round
- Can differentiate
- Long pipeline
- Industry incompetence
- Premium but niche

GROWTH FARMS Australia

The best of both worlds??

- Dual purpose
  - Breed?
  - Enterprise?

GROWTH FARMS Australia

What can you do with your Merino flock?

- Surplus ewes to terminal
- Age ewes sold
- Age wethers sold

GROWTH FARMS Australia

Doing it well……

- Simple system
- Low cost of production system
  - Labor efficient
  - Productive

GROWTH FARMS Australia

Low cost of production is more important than a high price

	Bottom 20%	Average	Top 20%
Cost (¢/kg dwt)	$3.43	$3.12	$2.26
Price (¢/kg dwt)	$3.19	$3.67	$3.93

Source: AgInsights 2008, Holmes Sackett

GROWTH FARMS Australia

How does genetic gain compare?

Annual response/ewe $

	Potential	*Actual*	*Percent*
Border	$2.00	$1.70	85%
Terminal	$1.80	$2.00	111%
Merino	$2.30	$0.70	30%

Source: Julius van der Werf

GROWTH FARMS Australia

Flock Fertility

	Average	Farm 1	Farm 2	Farm 3
Profit/DSE	$15.67	$41.81	$36.70	$31.84

GROWTH FARMS Australia

Flock Fertility

	Average	Farm 1	Farm 2	Farm 3
Profit/DSE	$15.67	$41.81	$36.70	$31.84
Lambing %	119%	111%	119%	114%

Fertility – Optimum v maximum

	Average	Farm 1	Farm 2	Farm 3
Profit/DSE	$15.67	$41.81	$36.70	$31.84
Lambing %	119%	111%	119%	114%
Lamb/ha	109	138	179	133

Where is your competitive advantage?

- Your skills and interest
- Your climate
- Your farm

GROWTH FARMS Australia

Summary

- Variation between V within enterprises
- Get the big things right
  - Efficiency of land, labour and livestock
- The rest is about management

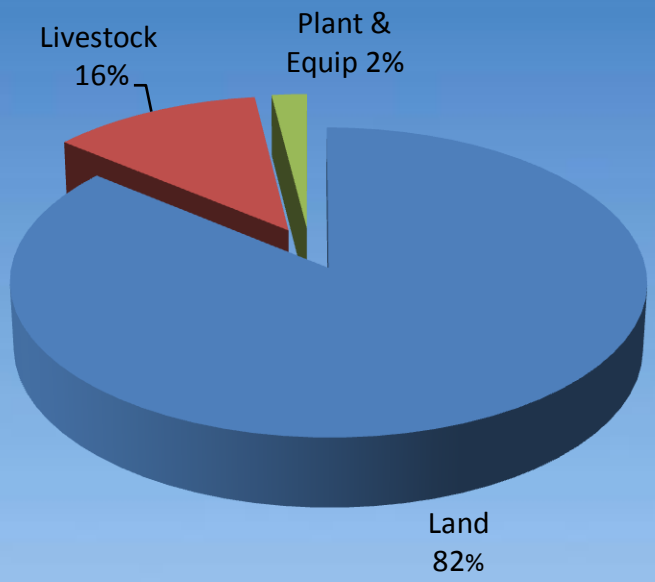
GROWTH FARMS Australia

GROWTH FARMS Australia





Getting fertility right……



GROWTH FARMS Australia