

Kris Povey joins the Meridian Ag team

The Meridian Ag team are delighted to announce the recent appointment of Kris Povey as Office Manager for our Casterton Office.

Kris has strong administration and finance skills and will manage the invoicing and administration for the Casterton team. Some of her previous work includes several roles with DELWP (Department of Land Water and Planning). Kris has held volunteer roles as Secretary of both the Casterton Kelpie Association and the Casterton Pastoral and Agricultural Society. Kris brings a strong skill set of administration and planning to Meridian. She will work closely with Andrew Speirs and Jade Chan.



Kris can be contacted via our Casterton Office on 03 5581 2826.

Informed decision making – budgets – “comparing budget to actuals”

In previous Meridian Agriculture articles we have looked at the role budgets can play in informing decision making in a farm business. While many farmers prepare a budget, it sometimes sits on the shelf and isn't looked at again. Ideally the budget should be used as a planning and reviewing tool throughout the year.

A powerful use of the budget is to compare estimated figures to actual figures (a budget to actual comparison). This enables the Business Manager to review the performance of the business against where the forecast thought it would be.

The budget to actual comparison is also a great communication tool for the farming manager, owner, family, bank and/or other advisors. It is often the starting point for quarterly business meetings.

In most cases a review on a quarterly basis is adequate. Given the actual performance can be obtained at the same time as preparing BAS statements, it's not all that onerous. This is also a good opportunity to review the remainder of the budget to see if it needs updating or fine tuning. In some cases where cash flow is particularly tight, the business may need to do this comparison on a monthly basis.

Consider the following things:

- The impact of the timing of sales and purchases. A variation of budget to actual may just be a timing issue and sales and purchases can be accounted for.
- Outside factors influenced the budget. The two most common causes are dry seasonal conditions and commodity price changes. It is sensible to update the budget to reflect these, as they occur.

Comparing the performance of the business against budget can highlight both negative or positive situations and also assist in reviewing possible scenarios. While a shortage of cash or reduced performance isn't a great position, the sooner planning can commence to manage this, the better. The classic example fresh in peoples mind are the responses made in a dry or drought year. A business is always in a better position to manage increased costs, like fodder, if they are planned.

The comparison can also highlight better than predicted performance. After confirming that this isn't just a timing issue, a business can start planning how to spend the increased profit. This might include bringing neglected repairs and maintenance up to date, use the opportunity to pay down some debt, or increase the fertiliser spend. These are feel good conversations to have and your Meridian Consultant is available to assist.

Upcoming Meridian Agriculture newsletters will include further articles on budgeting, including sensitivity analysis. For more information on budgets contact Paul Blackshaw on 0427 546 643 or email pblackshaw@meridian-ag.com.au

Article by Paul Blackshaw

Does expensive grain supplementation to lambs pay?

With lamb pellets at \$500-\$550/t, supplementing grain to lambs is the last thing on many producers' minds. Especially if you're still fortunate enough to have pastures that are holding onto a green tinge and haven't completely hayed-off. But, is this the right approach? Is supplementing grain worthy of closer consideration? Can the economics of grain supplementation stack up at these high supplement prices?

As always the answer seems to be "it depends!" It depends on the many possible variations unique to a particular business. Variations in feed base, lamb weight, stocking rates, the performance of other enterprises, management skill and infrastructure. Rarely are two situations the same.

If we consider and explore further, there are two main ways of grain feeding lambs – supplementing on grass or providing a complete and balanced ration in a feedlot. Both methods have their merits, but let's focus on grain supplementation on grass and consider the potential benefits.

Firstly, lambs are already getting a proportion of their daily

nutritional needs from pasture intake. The nutrition from pasture will depend on feed availability and feed quality, but at this time of the year feed quality will be almost without exception the primary driver. So the paddock feed available is already doing part of the job for us. The pasture is, relatively speaking cheap and established, so a grain supplement is an input to “top up” the daily nutrition intake. The opportunity is to achieve high lamb growth rates (just like we would in a feedlot situation) but do it far more cost effectively.

Typically, lamb growth rates drop off quite rapidly without supplementation for lambs on pastures in late spring and early summer, it's common to have prime lambs growing at 300-350g/day on high quality pastures that are still fresh. Yet as pastures hay-off, grasses turn reproductive and clover content gradually depletes. A drop back to 150-200g/hd/day in the space of a few weeks can occur. Further degradation in pasture quality can see lambs growing at much lower (or negative) growth rates one month later on. Of course, the performance has nothing to do with a lamb's capacity for growth – it's been caused solely by a reduction in daily nutritional intake.

As stated, the cost benefit of supplementing grain to lambs on grass will depend on a range of factors. This year Meridian Agriculture has seen numerous clients adopting the abovementioned approach for the first time, while others have more experience in grain supplementing. Generally speaking, our estimates suggest both these sets of producers will generate a 20-30% margin on top of the cost of grain supplementation from increased lamb growth. An additional benefit will be a greater proportion of lambs sold off farm earlier, allowing remaining paddock feed to be used by other animals.

To discuss how and if grain supplementation strategies will work for your business, contact James Whale (Hamilton greater region) or James Sewell (Ballarat greater region) on 03 5341 6100.

Article by James Whale

Meridian's involvement with ASKBILL

We are working with the Sheep CRC to validate the capacity of the ASKBILL model to predict carcase weight on a mob basis. Factors such as pasture quality, productive stage, dry matter availability, rainfall, lamb weights and soil nutrition are taken into account and have been measured from weaning till slaughter of the lambs. Carcase traits were gathered after slaughter including hot carcass weight and GR tissue depth.

The ASKBILL program uses on-farm data combined with climate data from the Bureau of Meteorology (B.O.M.) to provide alerts for different welfare, pasture availability and weather extremes to be aware of. Additionally, future production targets can be set

which can include availability of the pasture, target condition score and weight. ASKBILL alerts the user ahead of time if they will not reach a production target, so that an alternative management strategy can be implemented.

We welcome enquiry from producers who would like to trial ASKBILL on farm. Please contact Jim Shovelton via 03 5341 6100. We have consultants available to help you get started with this program.



Photo: Meridian Ag's Jade Chan with Johnnie Gardiner and Laura Kemmis

Article by Jade Chan

Young Ag Professionals of Southwest Victoria, we want your opinion!

Meridian ag are facilitating workshops on behalf of The Great South Coast Food and Fibre Council and are inviting producers, agribusinesses professionals and those working in ag support services across south west Victoria to register interest in being involved with a focus group.

We want to hear from people working in the agricultural industry across the region and invite you to share your opinions, experiences, joys and challenges/frustrations with us. By sharing we can help understand how to promote the region to people considering working in ag, entice new investors, and encourage businesses to invest in the region.

We invite you to one of the following forums:

- Monday 4 Feb 2019 – Heywood Hotel, Heywood
- Tuesday 5 Feb 2019 – Mac's Hotel, Mortlake
- Wednesday 6 Feb 2019 – Bunyip Hotel, Cavendish

All forums are from 5:30pm – 8pm with dinner and drinks provided.

Spaces are limited, so register your interest now with facilitators Meridian Agriculture on 03 5341 6100 or info@meridian-ag.com.au

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