Succeeding through the seasons

Part 1: Case study farm overviews

Mick, Heather & Tom Acocks and Emma Miller, Rochester, VIctoria

Mick and Heather Acocks have farmed in their current business structure since 1990 when the previous family partnership was discontinued.

Until 2002, they maintained a perennial pasture and lucerne base. This changed to include greater proportions of annual pasture and lucerne during the drought and in the driest of years to include just annual pasture. During the 2006/07 drought, a symbiotic relationship with local croppers was established. This relationship was twofold: it aimed to enhance the growth potential of crops on the home farm but also to guarantee a fodder base for the dairy herd via purchases from other cropping businesses close to the home farm.

Key points

- The Acocks' system remains fluid, currently transitioning back to lucerne with some summer fodder crops being grown in the current season.
- Strategic use of TWE (transferable water entitlement) is, and will continue to be, a key option to manage risk into the future.
- 500 ML are needed to get annuals started, but the business will hold up to 1,500 ML in future.

Farm profile

Herd: 680 Holstein cows in 2010/11, 750 in 2011/12

Calving Pattern: Close enough to 50:50 autumn and spring. Split-managed herd since April 2011. Logistically it is more difficult as two 350-cow herds, but they find it easier than one 700-cow herd for feeding, animal health and production.

Emma and Tom with Heather and Mick.

Farm Size: Total of 886 hectares with 72 ML HRWS and 250 ML LRWS. The grazing platform is 180 ha, with 70 ha of leased cropping country.

Dairy: 50 unit rotary dairy with auto id, feeding and drafting. **Production:** 341,181 kg MS in 2010/11.

Irrigation: The Campaspe Irrigation District has been closed down. The Acocks are members of a syndicate/co-operative irrigation pipeline reconnecting them to the Goulburn irrigation district.

Pasture: Pure annual ryegrass, a small area of perennial ryegrass which may increase in the short term as an opportunity to stand off the drylot. They find that the pasture dries off a lot quicker after wet weather.

Feeding: Home-grown cereal and vetch silage, supplemented with 1.45 tonnes of grain fed in the dairy and in the silage cart (about 400 kg of grain fed in the cart and the rest in the dairy).

Feed System: Type 4 – hybrid system with pasture grazed for fewer than nine months of the year and a PMR is provided on a feed pad for the balance, with concentrates fed in the dairy.

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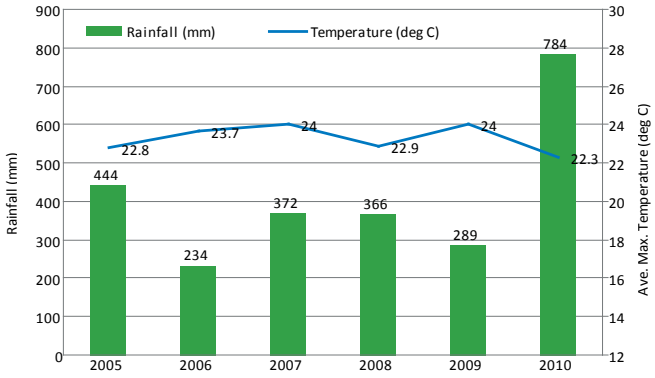
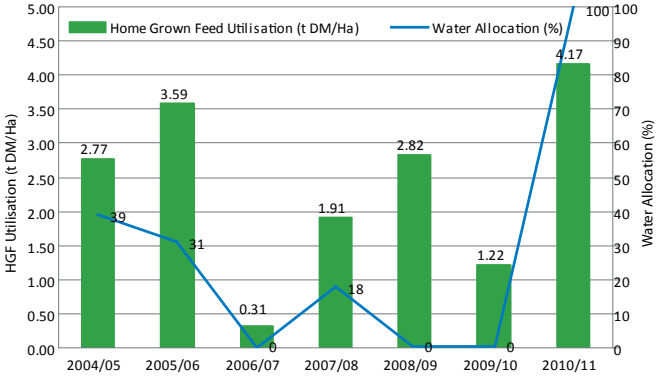


Graph 1. Average annual rainfall and average maximum temperature



Graph 2. Water allocation and home grown feed utilisation

The feeding system has evolved from feeding some forage supplement in the paddock to feeding in rings and then construction of a basic feed pad, which now includes troughs for silage.

Their son, Tom, returned to the home farm in June 2009 and since then there has been a continuing emphasis on the cropping regime. They use local contractors and a local agronomist provides additional guidance on the cropping rotation, fertiliser use (including the use of effluent), managing weed burden and maintaining soil moisture profile (no till and no grazing on the cropped area). Today, 200-250 ha is sown to vetch.

In 2010, they constructed a shelter shed for the herd and a feed pad in the drylot area. The herd continues to graze annual pastures during autumn, winter and spring.

Tom's partner Emma has brought a fresh look at the farm business. Coming from outside the family business, she brings the ability to never look at things with 'rose coloured glasses'. Emma joined the business in February 2011 and is particularly involved in the HR area.

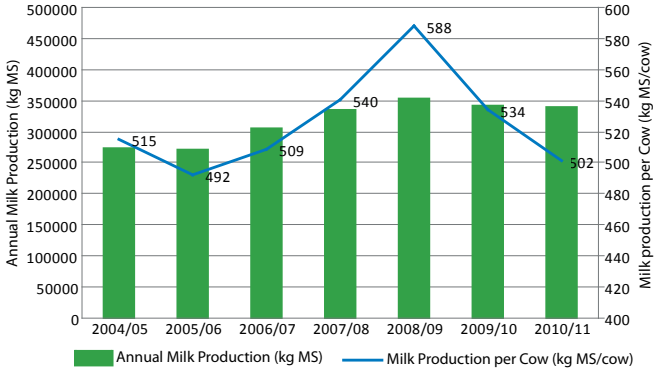
Risk Profile

Risks are taken, but only after the potential rewards are evaluated. Any changes to the business need to give a good likely return. The business has traded cows and water in the past and will continue to investigate opportunities if and when they arise.

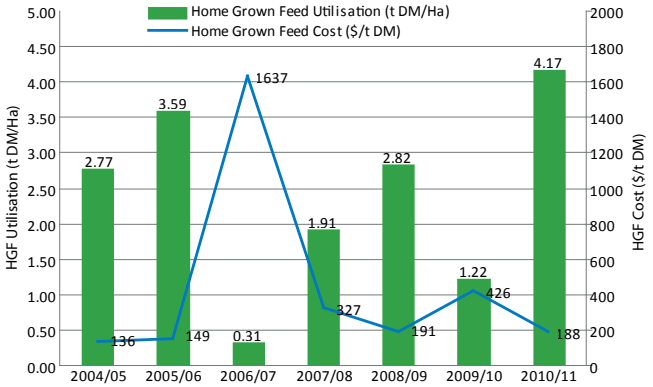
Tom and Emma are mindful of the impacts of any changes on workload and the security of the businesses assets. There needs to be benefits to justify any change.

After a period of expansion and change, there is time for reflection and embedding the current production system. This is not to say that future opportunities won't be investigated, but currently the business is looking for consolidation.

The next opportunity may involve diversification rather than an expanded dairy business, although both have the potential to be of benefit to the other.



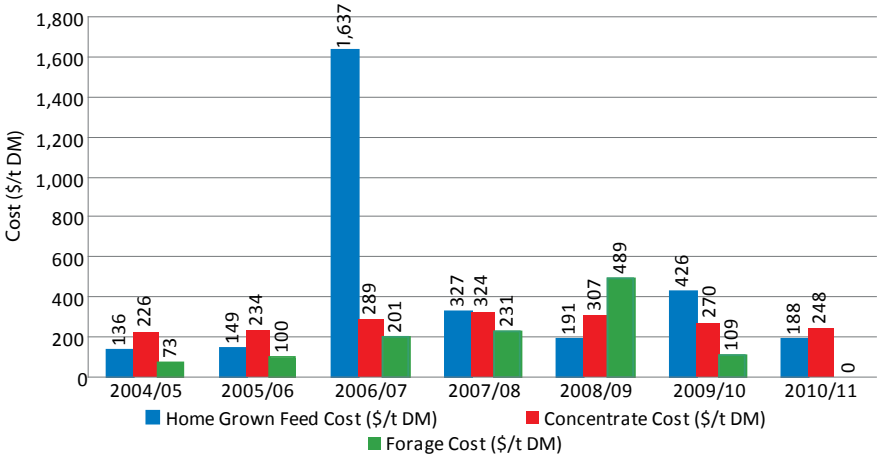
Graph 3. Annual milk production and milk production per cow



Graph 4. Home grown feed vs cost

Future Expansion and Capital Developments

- Cup removers – labour and mastitis control.
- Auto teat sprayer – needs to be as good as a good human doing the job.
- Slurry tanker – to enable more effective use of the concentrated effluent from the effluent ponds by spreading it over a larger proportion of the grazing area.
- Storage and handling equipment for grain harvest.
- On-Farm Irrigation Efficiency Program for a centre pivot irrigator covering 72 ha, effectively increasing the irrigable area by 35 ha.
- Acquisition of additional dry land (150 ha)



Graph 5. Pasture, concentrate and forage cost per tonne of DM

Future Challenges

Climate variability: The current approach to the production system aims to limit the impact in any given season. It is easy to estimate what the herd needs, hard to determine where it all may come from, at what cost and if there is a profit to be made. With 500 t DM coming off the dry land areas and with 1,500 ML of carryover, the system can grow 1,700 t DM as a minimum even in the driest years and with the addition of concentrate a suitable diet can be put together.

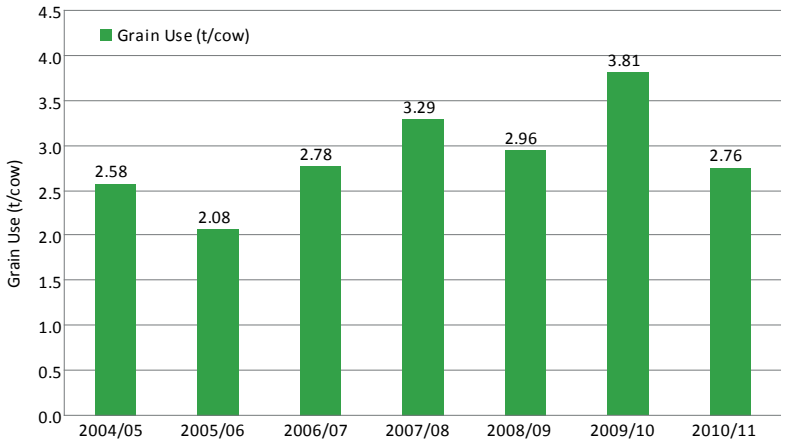
Succession: The succession plan needs to enable all family members to participate in the value of the total business prior to the death of the senior (by age) partners.

Growth: Continued growth is seen as an essential key to the success of the business, but growth needs to be tempered with ensuring that the business fundamentals are not out of kilter.

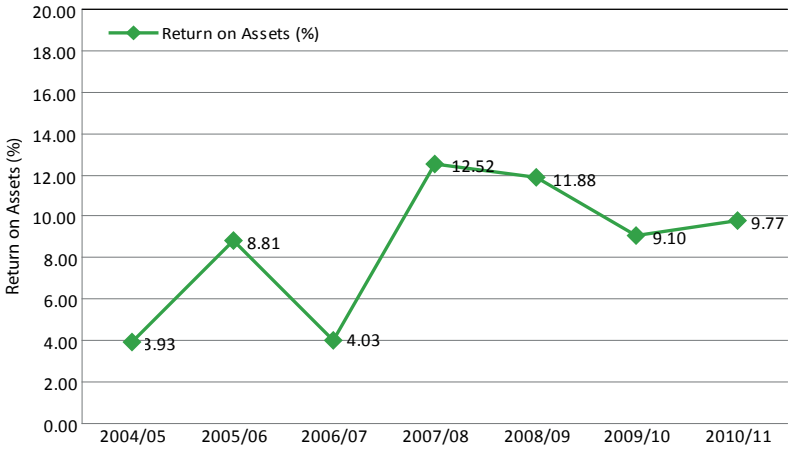
Staff: The position of the farm is a plus but it is still difficult to obtain and retain good staff. A very good team is currently in place.

Work: Work/life balance still needs to be worked on so that the prime operators have the ability to be away from the business without compromising its performance.

A full-time 'young stock' person will be appointed at some time in the future.



Graph 6. Historical grain use



Graph 7. Return on assets

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