

TAKING STOCK in the Tasmanian Dairy Industry

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TAKING STOCK

- -Confidential
- -Physical & Financial Analysis
- -Dairy Australia Levy Money
- -144 dairy farmers, 32% industry
- -Available since July 2009

COMPUTER PROGRAM

- Income in
- Expenses out
- Breaks expenses into Herd, Shed, Feed, O/head, Labour and Finance.
- Pasture utilisation per cow/ha
- Cashflow
- Balance Sheet, Net worth, Equity

COSTS

- Feed costs range 80 cents/kg MS to \$2.50/kg MS
- Labour costs 25 cents/kg MS to 1.00 kg/MS
- Finance costs range 10 cents/kg MS to 2.60 kg MS
- Variance depended on system farm was operating, farm location, development or consolidating stage.

INTERESTING FACTS FROM TAKING STOCK

- Met new dairy farmers
- Positive about the industry
- Wanted to grow, look at all opportunities
- A large range of skill base
- Financial management

DAIRY FARMERS WANTED TO KNOW

- How other dairy farmers are feeling?
- How do our figures compare to others?
- What the Financial Figures actually mean?
- Labour management, how do others do it?
- Farmers future, Share-farmer and Agreements.
- Succession Planning.
- Understanding and preparing a cashflow, overdraft requirement.

DAIRY FARMERS WERE APPRECIATIVE

- Talk things over confidentially.
- Explaining what their financial and physical figures meant.
- Giving options for areas of concern.
- Discussion on how to get to where they want to get to.
- Sign post other industry people to work with them.
- Using a successful dairy farmer to act as a mentor.

ERROL & NECIA FERGUSON

- Irishtown, near Smithton
- Milk 230 cows on 100 ha
- 25 ha irrigation. 40 ha run-off block
- 18 yr old son wanting to be involved in the dairy farm

- Took Taking Stock on to better understand their business financially.

Taking Stock at the Ferguson's property



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LOWEST COST PRODUCERS

- Pasture, Pasture and more Pasture.
- Then purchased feed.
- Had excellent control of their costs.
- Monthly cash flow (reconciled monthly, quarterly).
- Communication with the Bank Manager, Accountant.
- Reviewing their operation at every chance.
- Always looking at other opportunities.
- Positive people. Only associate with positive People.
- Have a plan, (12 months, 5 yrs, 10 yrs).

TAKING STOCK

- Brilliant use of your levy money.
- Food for thought:

“If you do what you always do,
you’ll get what you always
get.....”