

meatup

FORUM

For the latest in red meat R&D



Keep your eye on the prize, But make sure the prize matters

John Francis



How much have things changed?

15,000 DSE business

90% equity pre-expansion

Expanded to 17,250 DSE

78% equity post expansion

Changes

Sales value -40%

Interest +150%



When times are tough being effective matters



or



Efficient

2nd

Doing
things right

meatup
FORUM

The order
matters

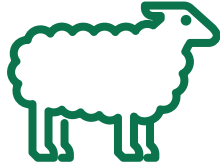
Effective

1st

Doing the
right things

mla
MEAT & LIVESTOCK AUSTRALIA

What is your production target?

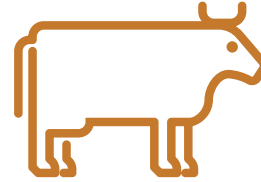


Prime lamb

? kg cwt/ha

or

I don't know



Beef breeding

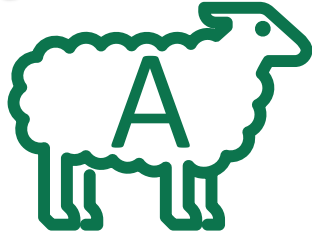
? kg lwt/ha

or

I don't know

Prime lamb breeding

System A

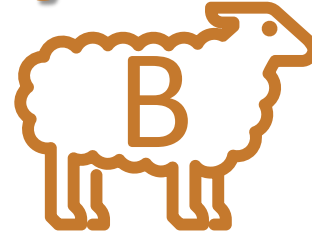


Fertility is the focus

150% LW:EJ

>21 kg cwt/lamb

System B



Profit is the focus

<\$4/kg cwt CoP

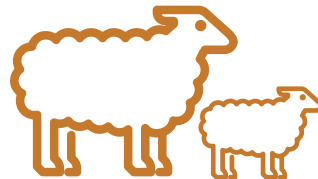
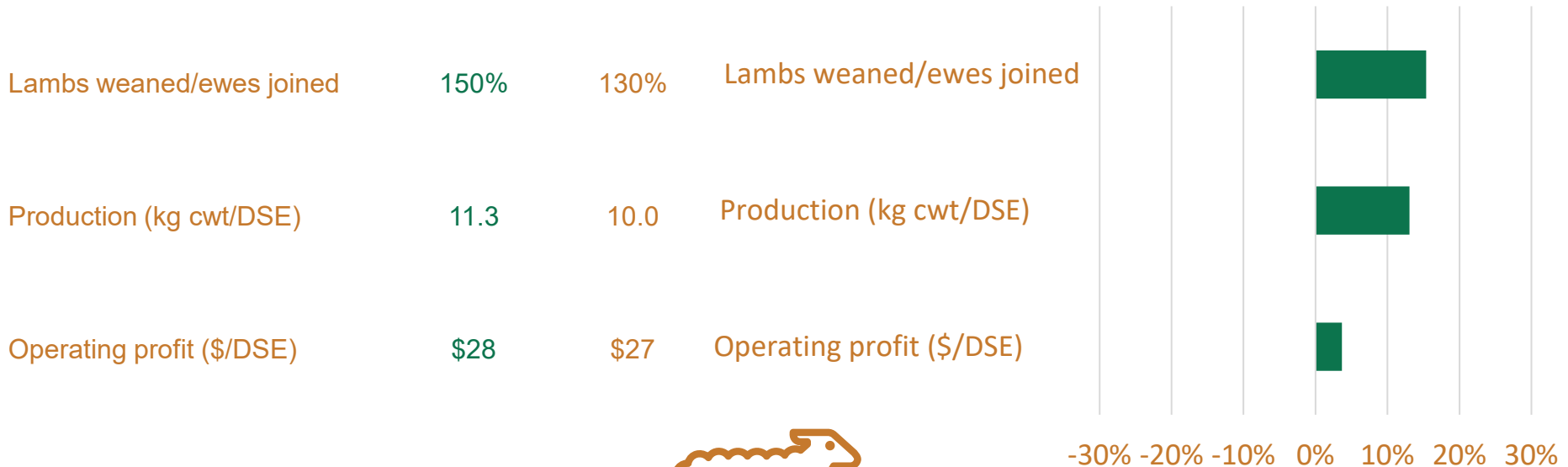
>160kg cwt/ha

Prime lamb system A - efficient

Things done right

But are they the right things?

System A relative to System B



Prime lamb system B - effective

The right things

Cost of production	\$4.17	\$3.94
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Production (kg cwt/ha)	151	170
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Stocking rate (DSE/ha)	13.4	17.1
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Operating profit (\$/ha)	\$374	\$459
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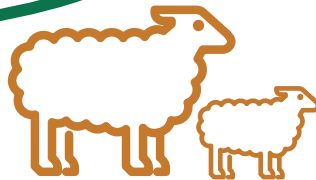
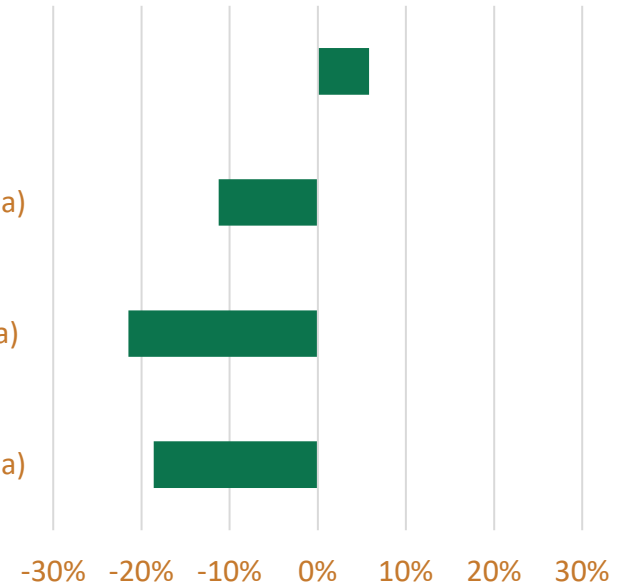
System A relative to System B

Cost of production	5%
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Production (kg cwt/ha)	-10%
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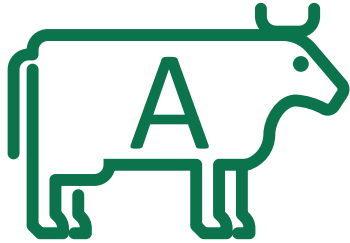
Stocking rate (DSE/ha)	-20%
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Operating profit (\$/ha)	-15%
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Beef breeding

System A

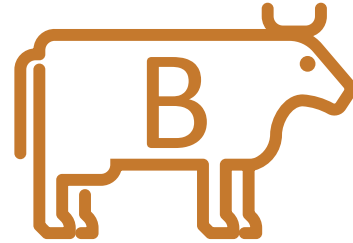


Price focus

>\$3.50/kg lwt

0.86 calves weaned/ha

System B



Production focus

<\$1.50/kg lwt CoP

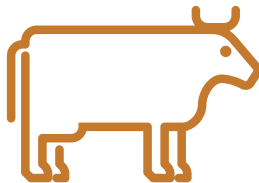
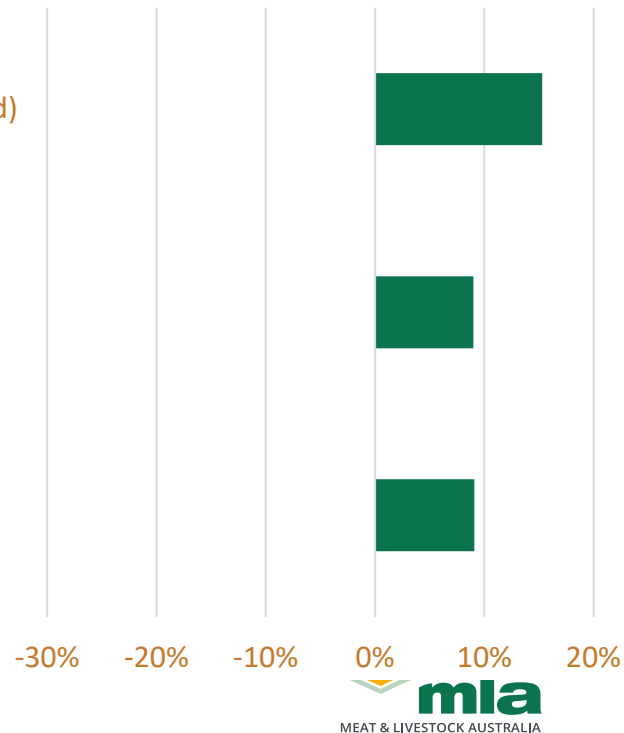
>330kg lwt/ha

Beef breeding system A - efficient

Things being done right
But are they the right things?

System A relative to system B

Price received (\$/kg lwt sold)	\$3.63	\$3.08	Price received (\$/kg lwt sold)
Females joined (n°)	611	556	Females joined (no)
Calves weaned (n°)	506	460	Calves weaned (no)



Beef breeding system B - effective

The right things

Cost of production (\$/kg lwt)	\$1.71	\$1.43
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Production (kg lwt/ha)	279	338
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Stocking rate (DSE/ha)	14.8	16.1
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Operating profit (\$/ha)	\$376	\$490
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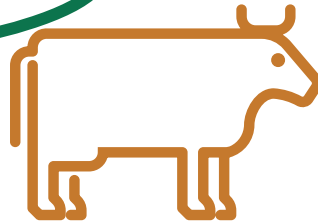
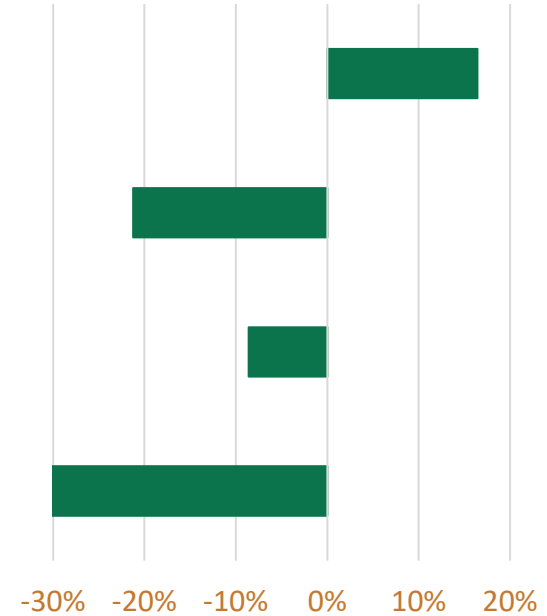
System A relative to system B

Cost of production (\$/kg lwt)	15%
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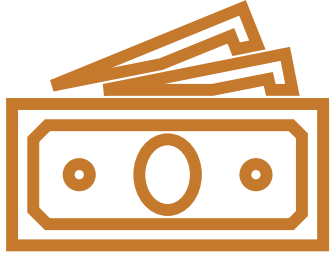
Production (kg lwt/ha)	-22%
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Stocking rate (DSE/ha)	-8%
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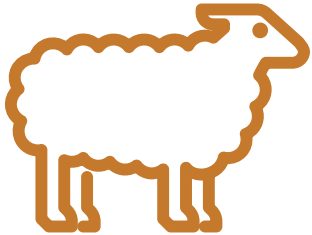
Operating profit (\$/ha)	-28%
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What do you have control over?



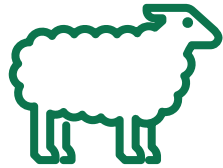
Cost of production



Production

What is your production & cost target?

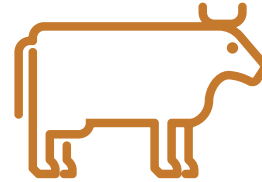
Prime lamb



>160kg cwt/ha

<\$4/kg cwt

Beef breeding



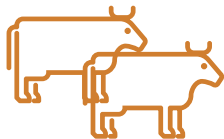
>325kg lwt/ha

<\$1.50/kg lwt

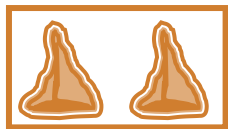
You can't achieve optimum production targets without an effective system



High feed utilisation



Greater stocking intensity



More production/unit area

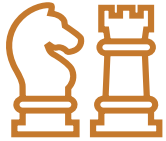


Better labour efficiency

\$ cost/kg

Lower cost of production

Attributes for delivering effective outcomes



Clear strategy



Skilled decision maker



Thinks critically



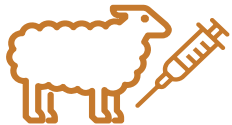
Understands feedbase



Values team culture



Proactive ops calendar



Operationally efficient



Financially literate

Take home messages

7%↑

Take a disciplined approach to business mgt



Set goals that deliver effective outcomes

KPI

Component based thinking can be deceptive

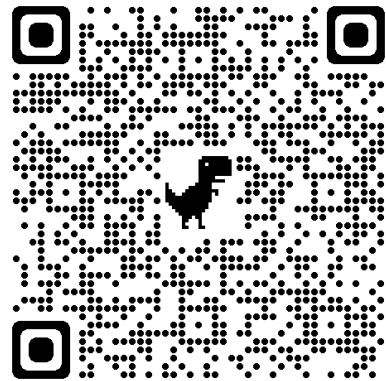


A well-designed system is essential

Tools and resources

Feed demand calculator

HOME INSTRUCTIONS PASTURE LIVESTOCK FEED ETOOLS



Log in to save your data. [Login](#)

You are here: Home / My Data / Cost of Production

Cost of Production Tool

The cost of production calculator is a tool kit to help you determine your COP and compare performance annually.

For Producers	How this will help you	What you need
 Australia Cattle, sheep and goat livestock	<ul style="list-style-type: none">Determine your cost of production over a 12 month period.Track and compare your performance annually.	<ul style="list-style-type: none">Herd/flock records (number of animals per stock class)Sales and purchases records per stock classTax statementFixed and variable cost records by enterprise type (e.g. labour, equipment, transport)Kill sheets (to calculate dressing percentages) <p> Mobile Mobile</p>

Business EDGE Workshop



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Thanks for the opportunity

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