

BestWool/BestLamb – Benchmarking and recovery

Darlington (Elephant and Emu) Group, June 2020



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Australian
Wool Innovation
Limited



Darlington (Elephant and Emu) BestWool/BestLamb members at Daniel Gilmour's property, Terang, March 2018

Coordinator – James Whale, Meridian Ag

Group – Darlington (Elephant and Emu)

- Majority of businesses within a one-hour drive of Darlington

Enterprise mix

- Prime lamb, wool, cattle and cropping

Benchmarking and fire recovery

In March 2018, the Saint Patrick's Day bushfire ripped through Daniel Gilmour's 530 ha property, located south of Terang. Fortunately, he suffered low stock losses predominately due to low ground cover from the tough summer and autumn period. The fire also came within 100 m of the boundary of his parent's farm, but their 690-hectare block remained safe.

When the fire hit, Daniel's business was all based on cattle, however in the months before the fire he was considering a transition to sheep in order to run higher stocking rates. The Darlington (E&E) BWBL Group, of which Daniel is a member have had numerous sessions on business benchmarking and financial analysis. At their September 2018 session, Daniel presented some of his business data. He was seeking feedback on his plans for enterprise improvement following the fire damage to his property. One planned option was to increase the sheep component of the business.

Only two months after the fire, a B-double, with 760 wethers onboard arrived from New England, the first sheep that had been on the property in 25 years. Daniel said when the wethers arrived most fences were still in need of repair or replacement. "Thirty kilometres of fencing was re-built over the next six months thanks to help provided by Blaze-Aid, heaps of volunteers from near and far, and the E&E group members."

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“I can remember looking at the truck as it backed up and thinking ‘What am I doing? The last thing I need right now is a new enterprise’. I still had almost 700 young stock in containment, a heap of mature cows away on agistment, and most of my fences were still incomplete.”

“I wasn’t yet able to graze the burned paddocks which had been over-sown with annual ryegrass following the fire, and the shearing shed had burned down. It was pretty daunting.”

Four months after the fires, Daniel received the business benchmarking results from the Holmes Sackett benchmarking group he is a member of, and the profit margin was \$30,000.

“I’d never worked so hard and such long hours for so little return. That day was probably the day I drew a line in the sand and decided then and there that if being more profitable meant I needed to make big changes then they were going to be made, and they were going to be made in a hurry.”

Daniel was trialling the move to sheep, as he observed the cattle causing a lot of damage to pastures through wet winters and springs. He had returned to the family farm in 2013 and took on management after a succession process with his brother in 2015/16.

The property is in predominantly dairy country and in some years the pastures can become pugged in late winter and early spring. “It’s super reliable country and the growing season is long, but all that rain can be a problem some years. At a mid-winter stocking rate of 14 DSE/ha with the cattle we had no problem, but as we tried to push up to 16 to 17 DSE/ha it seemed we’d reached a tipping point and were doing quite a lot of damage.”

Daniel first tried intensive rotations, which grew more grass but didn’t stop the pugging damage. He then tried spreading the cows once it got wet, which worked better but pugging was still an issue. Deciding further advice was needed, Daniel brought in John Webb-Ware from the Mackinnon Project, who recommended he “get some sheep in the system”.

“We purchased the load of wethers thinking they were the perfect trial sheep. If they weren’t working, then we could sell them at any stage and not worry that they were lambing or about to lamb or some other complication that meant we couldn’t sell them immediately.”

Through the first winter of trialling the wethers, Daniel noted a marked difference between the impact of sheep on the pastures and soil structure compared with the cattle. “John Webb Ware and I were inspecting the difference in the pastures in late winter 2018 and John just looked at me and said: ‘We’re in no-brainer territory here’.”

“When the E&E group met in September 2018, I asked the other members what they thought I should do. One particular response was to buy at least 1000 ewes. That spring we bought 2000 ewes and another 1400 wethers. The ewes were joined and lambed in July 2019. Last spring, we bought another 3000 ewes and sold a few cows, and reduced the number of heifers on agistment from a large corporate dairy.”

After analysing the figures and discussing with the group, Daniel found the wethers aren’t as profitable as the ewes, particularly with the current wool price. After another spring and shearing he will offload them. As his shearing shed burnt down, he is still needing to truck his sheep eight kilometres to his father’s shed. He currently runs 5000 ewes, 2000 wethers and 500 cows.

“We’ll be going through winter this year with a stocking rate of just over 20 DSE/ha and that’s where we need to be to generate good profits.” In 2021 Daniel’s aim is to run 6000 to 7000 ewes with about 300 to 400 cows.

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Daniel said the E&E BWBL Group were also a major help to his family and business during, as well as after, the fire. He received a phone call about the fire heading for his property while in Queensland on his family's annual holiday. Daniel immediately sent a message out to the E&E members through their 'WhatsApp' group.

He said one member finished a long shift on a CFA truck then loaded his ute with fencing gear and a motorbike and headed to Daniel's place. Another brought a B-double load of feed, yet another brought in three solar units. "They mustered all stock and boxed them in." The whole group turned up for a couple of days and got some lane fences back up and going and as individuals they kept turning up for months until we were back on our feet.

When the fences were being re-built Daniel retained the same pre-fire layout, as the property had been well set up by his parents before he took it over (he also manages his parents' nearby farm). Daniel's parents have a long history in wool but went out of sheep not long after the wool crash.

Daniel is currently doing a 'Lifetime Ewe Management Course', although he said he gains a lot from his parent's experience who are still active on the farm. "While the learning curve has been steep, Dad has really strong sheep knowledge and so that's made things much easier than they otherwise might have been, and I ring the guys in the E&E group nearly every day."

He said the E&E members are especially helpful with technical advice. Recent subjects include the best ways to set up paddocks for lambing ewes, whether to prioritise shelter or feed for twin bearing ewes, and a calendar of operations.

Daniel said without the E&E group's support he would not have had the confidence to make the big enterprise changes, as he said there is a fair bit of fear of the unknown.

For him, making the decision to incorporate a sheep enterprise into the business has been all about increasing profit. Seeking advice and assistance at critical times has helped to achieve this, as well as improve the property's pastures and soil structure. Coupled with recovery from a major fire it has been a time of life-changing events for Daniel and his family.



Lambs coming in for weaning, Daniel Gilmour's property, Terang, November 2019

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