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“SHARPENING THE SAW” ON A GRAZING BUSINESS IN THE SEMI-ARID RANGELANDS

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ABSTRACT

This paper endeavours to map out the steps that two families took in order to move their business ahead and also to adopt a rotational grazing system in the semi-arid rangelands of far western N.S.W. We hope that others that are thinking of changing or have changed to a rotational grazing system will find this helpful, or be able to offer us some advice and/or support for the road ahead.

INTRODUCTION

We would like to explain our journey that has brought about significant positive changes in our businesses and has put us in a great frame of mind to move ahead. We guess that if the changes were easy then they would not have been anywhere near as fulfilling or rewarding.

“Sharpening the Saw” is the metaphor that we have used in order to show how to not only turn a business around and make it profitable, but also to put in place a “culture” (or system) to keep that business profitable. Rotational grazing wasn’t seen as the simple change that would “fix all of our problems”, more the strategic change of direction that would take the businesses forward. We are very grateful to Resource Consulting Services P/L (RCS) for providing the education and on going training that has opened our eyes up to the possibilities that can exist if we make them. The sort of training and continued challenges that RCS provide for us in their Rural Profit program is part of the process for constant business improvement that we use.

ECONOMIC ANALYSIS

The first step to “sharpen up” our businesses was to do some economic analysis to identify the areas that needed fixing (or throwing out) and also what parts were very profitable and we could build on. Both businesses are predominately merino based and have had no need to change essentially as the reason we weren’t profitable wasn’t to do with the returns from our stock. The problems in our businesses were in the fixed overhead costs (high labour costs, repairs and maintenance and general vehicle expenses), these were dragging us down and had to be addressed so that we could reach our profit goals. To lower our overhead costs required a redesign of our business and, when you require such a large change, there are many other factors to take into consideration. This certainly needs very good communication.

COMMUNICATION

As there is more than one person involved in both of the businesses, whatever changes were going to occur had to be agreed upon by all parties and the direction (or vision) of the business needed to be “owned” by everyone involved. The direction of the business will be guided by the values that the business adopts and then there will need to be some goals set along the way so we can be sure that our decisions are taking us the right way. This can only

come about through a number of strategic meetings involving all partners. The meetings work well if they are held off-farm so that no-one worries about if the stock have water or fences are all fixed; everyone can just concentrate on planning. These sort of discussions are very difficult to have until all the people involved know exactly what they own and what position they have in the business. When this involves more than one generation a succession plan may need to be constructed.

SUCCESSION

A succession plan is a vital part of any business, however none more so than in a family farming business. In order to put together an agreed and workable succession plan the main ingredient is to find a skilled, trusted and qualified facilitator who comes with a good reputation of being able to provide the right atmosphere for the business/family to come up with the plan. This meeting, being strategic, needs to be held away from the business in a venue where no one feels they are favoured over any others (a neutral venue). At Wyndham we had ours in Adelaide at a boardroom where the whole family could sit around a table and be involved and valued. Meeting in a major centre also made it easier for us to arrange a qualified facilitator who could help us to reach a great outcome. This meeting, while not finalizing the succession plan, as that is on going, will no doubt generate some actions and decisions and so this will start the business plan.

BUSINESS PLAN

The main components of a short business plan are; who is involved? This will come from your succession plan. Where are we now? This will be using the economic analysis. What do you want to achieve? This is the vision of the business. How are we going to do it and by when? This will be in the form of goals and targets. In order to expand the business plan to a really useable strategic document then you will need to put in some policies to describe how the risks in all aspects of the business will be managed and how the opportunities will be exploited. Both Wyndham and Aston have business plans that contain policies and strategies on the management of all aspects of the business. A well-documented business plan can cover the risk of losing the main people in your business as now it is a conscious decision of ours to work in the business as we find it enjoyable. If the enjoyment left us then someone else could run our businesses for us and still be successful.

The sorts of goals that we set were along the lines of:

- Increasing ground cover
- Increasing perennial grasses
- Decreasing run-off
- Increasing carrying capacity
- Lowering overhead costs
- Reducing workload
- More time for family and hobbies
- Increasing profits
- More controlled total grazing pressure
- Increasing off-farm investments

In order for us to achieve these goals we looked to an option based around a customized rotational grazing system. This would reduce our workload and costs by having our stock concentrated in large mobs and using the stock to repair our landscape.

ROTATIONAL GRAZING

Both Aston and Wyndham are very long and narrow blocks of land with the homestead and woolshed at one end, so some form of rotational grazing was already practised in order to have all of the sheep shorn. This however wasn't measured or monitored for the impact it was having on the land, only by how smoothly the sheep came in for shearing!

Under the rotational grazing system that is currently in place, we have a minimum number of mobs (around 2-3) and so only having that amount of waters on at any one time. This reduces time spent checking waters by at least 50%; most of the gates are open making access easier. We fenced similar vegetation types and now have paddocks ranging from 150 to 1000 ha, mainly 400-600ha. Wildlife (in the form of kangaroos) can eat up to 1/3 of the available feed, so on our properties we have to be vigilant and recognise when numbers are too high. With most of the gates open, access is simple and the kangaroos are easy to find; they are in the paddocks that the stock aren't. The focus has now moved to repairing our land and using our animals to harvest the production and create seedbeds, while also generating the income required for the business to thrive.

Through our training with RCS we have also been given the skills to use "grazing charts" (provided by RCS) that allow us to objectively measure our stocking rate and rainfall to match our carrying capacity. These allow us to forecast a dry period ahead (help us make decisions about when and how many to offload) and also a better time pasture-growth wise that might allow us to increase our stock numbers. We have also set up monitoring points to help us assess our pasture growth and see if there has been a decline or an improvement, this then helps to refine our management. Both properties have been ripped for rabbits and with the aid of RCD rabbit numbers are low.

CONTROL & WELL BEING

Stressful situations and decision-making are controlled as we have confidence in our business plans and policies. We can minimise the effects of potential crises by managing the risks associated with the people, livestock, landscape and the finances of the business. With the controlled grazing regime that is used and the regular monitoring that goes with the system issues, such as lack of rain or weeds become controllable and can even be positive. Regular meetings ensure all members of the family involved are aware of and have contributed to the future strategies and opportunities of the business.

CONCLUSION

The order in which we have placed these steps isn't exactly the way they occurred for us; we are just trying to demonstrate the thought and seriousness in which the decisions were taken. The message for you to take home is that a shift in management from a "set stocking" system to a rotational grazing system can be very beneficial as long as the decision is well thought out and the risks managed. The change in thinking is like learning a new language, so there are new challenges all the time and that is all part of the excitement of the journey. A circular saw with lots of teeth travelling at a high speed is inefficient and takes a lot of sharpening. The same saw with less teeth travelling much slower is much more effective and takes less sharpening.