

FARM TO PROFIT FARM BUSINESS UPDATE



Bendigo – Wednesday 17 March, 2021
All Seasons Resort Hotel

Yarrawonga – Thursday 18 March, 2021
The Sebel Yarrawonga

#GRDCUpdates



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GRDC Farm Business Update
proudly convened by **ORM Pty Ltd.**



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GRDC Farm Business Update BENDIGO/YARRAWONGA



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GRDC Farm Business Update BENDIGO/YARRAWONGA



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Program

9.30 am	Announcements	
9.35 am	GRDC welcome	
9.45 am	Land value: what is driving values?	Eric Nankivell , <i>Farmanco (Yarrawonga only)</i> & Jane Foster , <i>AgProfit</i>
10.25 am	Managing proceeds from an above average harvest? Grow your business, manage risk and strengthen your business position	Paul Blackshaw <i>Meridian Agriculture</i>
11.10 am	Morning tea	
11.40 am	Reset problem paddocks with the support of 2020 financial buffers	Chris Dunn , <i>Nutrien Ag Solutions (Bendigo only)</i> Tim Pilkington , <i>Southern Ag Management (Yarrawonga only)</i>
12.20 pm	Staff – a valuable asset. Is it all about the money?	Jill Briggs , <i>Affectus P/L</i>
1.00 pm	Lunch	
1.50 pm	Integrating grain marketing for risk management and profit opportunities – panel discussion	Dan Duggan , <i>Grain Brokers Australia</i> , joins: Bendigo panel: Tim Watson , <i>grower and Phil Hawker</i> , <i>Western AG</i> Yarrawonga panel: Richard Nixon , <i>grower and Josh Buerckner</i> , <i>IK Caldwell</i>
2.20 pm	Whole farm planning Q & A	
2.30 pm	A global economic outlook - where to now?	Michael Every , <i>Rabobank</i>
3.10 pm	Wrap up and evaluation	



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Cereal root diseases cost grain growers in excess of \$200 million annually in lost production. Much of this loss can be prevented.

Using PREDICTA® B soil tests and advice from your local accredited agronomist, these diseases can be detected and managed before losses occur. PREDICTA® B is a DNA-based soil-testing service to assist growers in identifying soil borne diseases that pose a significant risk, before sowing the crop.

Enquire with your local agronomist or visit

http://pir.sa.gov.au/research/services/molecular_diagnostics/predicta_b

Potential high-risk paddocks:

- Bare patches, uneven growth, white heads in previous crop
- Paddocks with unexplained poor yield from the previous year
- High frequency of root lesion nematode-susceptible crops, such as chickpeas
- Intolerant cereal varieties grown on stored moisture
- Newly purchased or leased land
- Cereals on cereals
- Cereal following grassy pastures
- Durum crops (crown rot)

There are PREDICTA® B tests for most of the soil-borne diseases of cereals and some pulse crops:

- Crown rot (cereals)
- Rhizoctonia root rot
- Take-all (including oat strain)
- Root lesion nematodes
- Cereal cyst nematode
- Stem nematode
- Blackspot (field peas)
- Yellow leaf spot
- Common root rot
- Pythium clade f
- Charcoal rot
- Ascochyta blight of chickpea
- White grain disorder
- Sclerotinia stem rot

Land value: what is driving values?

Jane Foster, AgProfit & Eric Nankivell, Farmanco



Key Messages:

- ◆ Property markets are often referred to as Buyer's or Sellers's market dependent on the prevailing market conditions.
- ◆ Property purchases can be viewed as an asset investment; separately to the core farming operations returns.
- ◆ Investing for the long term (10 years plus) reduces the impact of short-term market fluctuations.
- ◆ Analyse the impact of land purchase on the business fundamentals and ability to service and repay debt.
- ◆ Profit pays the bills not capital growth.

Introduction

Property markets have been on the move recently. Since early/mid 2020 we seem to regularly hear about new land sale records set across the state.

- Panitya: six sites sold in excess of \$3,700 per Ha – April 2020,
- Kaniva: \$6,820 per acre (\$16,700/Ha) – February 2021,
- Lower Norton: \$4,800 per acre (\$11,760/Ha) – February 2021,
- Vite Vite: \$7,550 per acre (\$18,500/Ha) – December 2020.



The sudden rise in the value of rural land poses several questions to farming business and certainly attracts a lot of attention from media and industry generally. As Agribusiness Consultants the most common questions that we deal with in relation to land are; Should I be buying land in this market? Can I afford to purchase additional land?

This raises the question, what are the risks for farming business making a land purchase and how can they be managed?

- Interest rate exposure on debt – this can be managed with financial tools.
- Seasonal production – manage the risk profile of the business – debt/equity ratio.
- Market prices – work with advisers to manage the exposure.
- Asset bubbles – take a long-term view and what-if analysis.

The property market

There is no question at present, the dynamics of a Seller's market are evident.

- Demand is high – there are lots of buyers out there.
- Inventory is low – not as many land transactions as historically evident.
- Shorter list time – once put on the market land is quickly contracted for sale.
- Multiple offers – sellers are generally choosing between multiple offers if sale is publicly listed.
- Property is selling above the Seller's price expectations when they listed it for sale.

Whilst competition remains strong for land, the Seller's market is likely to persist for some time. So, what is driving the dynamics currently present in the market. That is likely a combination of factors.

Who is in the market to buy rural land?

Farmers across the state are actively looking for opportunities to expand their land holding which then directly contributes to an increase in scale of their own farming operations. If the existing farming operations are productive and profitable, then increasing the scale of operations should increase profitability, noting that operating efficiencies may be gained or lost with increased scale.

On the other end of the spectrum are the passive investors, those that see rural land as a very good investment. These investors will generally lease or share farm the land as they lack the skill, experience or farming assets required to operate a farming business. They have no active role in farming operations, but they can still compete to buy land.

The other important factor is the buying capacity of the purchasers, this is driven by their ability to access capital (money!) which is most often achieved through increased debt. With record low interest rates, the relative cost of debt has never been cheaper in our lifetime. This has certainly increased the capacity of buyers to borrow more, which flows into their capacity to pay more for land acquisitions.

Who is in the market to sell rural land?

We see a number of sales are farming operators that are winding back their operations or non-farming family members who elect to sell their holding, these events are often on account of succession plans or retirement. Occasionally also corporate investors own land for a period and at some stage select to divest the land and take their capital to invest elsewhere. The amount of land offered for sale at any given time is the inventory available for sale - the number of transactions of land offers sold in Victoria has been at record lows since around 2017.

Farmland holdings have been consolidating over time to fewer and fewer owners, so it seems natural to expect that land parcels are coming onto the market less often.

So, with low levels of inventory and high demand it would seem that the stage has been set for strong growth in land prices . . .



My follow up questions for the speaker; _____

When analysing land purchases . . .

- Take a strategic view of what the additional land will contribute to your farming operations.
- Critically evaluate if your current operation is as productive/profitable as it could be. Increasing scale when profitability is marginal can significantly increase risks.
- Short term property price fluctuations are less relevant if you have a long-term outlook and sound financial basis.
- Carefully evaluate what you can afford to pay and how you will fund the purchase.
- Ensure a financial buffer is maintained to enable you to trade through a poor season.

Self-evaluation

Are you actively looking to purchase addition land? YES/NO

Do you have a range on the price you can pay? YES/NO

What further analysis would you need to complete? _____

Could profitability from the existing operations be improved? _____



Are you satisfied with your current strategy for investing profits in your business?

Very satisfied _____ Very unsatisfied

Why? _____

We want to work on this in our business, what should we do next?

- Approach any opportunities in a professional manner – conduct the analysis of debt-to-equity ratio impacts and the cashflow capacity of the farm business.
- Do the homework early to understand your capacity for undertaking a land purchase. Decisions may have to be made with short lead times.
- If you are not sure how to proceed with a purchase analysis – seek input from an adviser.
- Have a discussion with your banker as a starting point and ask them to refer you to an adviser for further input.

Our First Action _____

Our Second Action _____



Want to learn more, here are some suggestions;

Leasing and Sharefarming Land – Fact Sheet: www.grdc.com.au/resources-and-publications/all-publications/factsheets/2014/02/leasing-and-share-farming-land-fact-sheet

The benefits of separating land assets from the operating business – Fact Sheet: www.grdc.com.au/resources-and-publications/all-publications/factsheets/2014/03/fbm-landassetsvsoperatingbusiness

Farm financial tool: Profit and Loss Budget - Fact sheet www.grdc.com.au/resources-and-publications/all-publications/factsheets/2013/11/grdc-fs-fft-profitlossbudget



More about Jane . . .

Jane has been a Senior Agribusiness Consultant since making the transition from a successful career in banking/finance. Previous senior roles in the finance industry and experience in project management, financial analysis and building stakeholder relationships have given Jane the attributes that are pivotal in her current role of providing advice and analysis to agricultural enterprises. Further experience in marketing and promotion of events as well as training and development round out a great skill that provides an end-to-end consulting service for clients.

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More about Eric . . .

Eric has been an active Farm business Consultant for over 26 years, predominantly in broadacre, dryland and irrigated farms. Eric was based in W.A. for 20 years and has spent the last 6 years based out of Albury providing services to growers in Southern NSW and Victoria. Farmanco has grain marketing, agronomy and precision agriculture divisions and employs over 30 staff.

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Notes



Managing proceeds from an above average harvest? Grow your business, manage risk and strengthen your business position

Paul Blackshaw

Meridian Agriculture

Key Messages:

- ◆ Have a plan for your business that will guide the use of Profits.
- ◆ Use some evidence to determine appropriate investment.
- ◆ Spend money in areas of the business that will increase profitability, reduce risk and improve resilience.



Figure 1. How do you manage proceeds in a good year?

Introduction

In most parts of our region favourable seasonal conditions and prices should have produced good profits. Decisions made in good years are as important as those made in difficult years, so make the most of the opportunity to spend your money wisely.

The presentation will discuss that having a strategic business plan is important to guide use of funds, as it provides a roadmap for the business, and describes what it needs now, and into the future from a financial perspective. Each business and family are different, and everyone's attitude to risk is different, so generalisations are difficult. However, profits can usually be categorised into a number of areas. These include:

- provisioning for the future (succession, retirement, children's education)
- off-farm investment (where, why, what time frame?)
- on-farm investment (increasing productivity and profitability, reducing labour and fuel, reducing risk, increasing resilience)
- growth
- debt servicing (with low interest rates, should I pay off debt?)
- operational return vs capital return.

Determining how do you might make a decision on where to invest is important, and a number of tools to assist with decision making will be introduced.



My follow up questions for the speaker; _____

Why planning to manage profits could be great for your farming business

- Increased long-term profitability.
- Reduced risk, improved business resilience.
- Achievement of long-term business and personal aims
- Assist with succession or retirement.

Self-evaluation

How do you currently manage profit allocation in your farming business?

	Not well	Well
• Provisioning for the future (succession, retirement, children’s education)	<input type="checkbox"/>	<input type="checkbox"/>
• Off-farm investment (where, why, what time frame?)	<input type="checkbox"/>	<input type="checkbox"/>
• On-farm investment (increasing productivity and profitability, reducing labour and fuel, reducing risk, increasing resilience)	<input type="checkbox"/>	<input type="checkbox"/>
• Growth	<input type="checkbox"/>	<input type="checkbox"/>
• Debt servicing (with low interest rates, should I pay off debt?)	<input type="checkbox"/>	<input type="checkbox"/>
• Operational return vs capital return	<input type="checkbox"/>	<input type="checkbox"/>



Are you satisfied with your current strategy for investing profits in your business?

Very satisfied _____ Very unsatisfied

Why? _____

We want to work on this in our business, what should we do next?

- Review or develop your strategic plan and include an investment wish list, as well as 'must haves'.
- Understand your current operational return.
- Make informed investment decisions.

Our First Action _____

Our Second Action _____



Want to learn more, here are some suggestions;

Malcolm, B., Makeham, J., & Wright, V. (2005). *The Farming Game: Agricultural Management and Marketing* (2nd ed.). Cambridge: Cambridge University Press.




More about Paul . . .

Paul Blackshaw is a Farm Business Consultant with Meridian Agriculture. He is based at Rutherglen in North East Victoria, and provides services in farm business management, financial analysis, benchmarking, succession planning and industry projects.

Prior to joining Meridian Agriculture, Paul worked at Agriculture Victoria as a farm business economist delivering the Livestock Farm Monitor Project – a financial and production benchmarking report for the Victorian Livestock Industry. Previous to that he worked as a rural financial counsellor for over seven years supporting farm families through one of the most severe droughts on record.

When Covid-19 allows, Paul enjoys sitting around the kitchen table talking with families not just about farm finance, but equally importantly about farm philosophy.

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The screenshot shows the website's header with the 'storedgrain information hub' logo and a navigation menu: Home, About, Information Hub, Workshops, More Info. Below the header is a featured article titled 'Grain Storage GrowNote' with a 'DOWNLOAD PDF' button. To the right is a thumbnail for the 'GROWNOTES' manual, which includes a table of contents:

GRAIN STORAGE – PLANNING AND PURCHASING	PREVENTING INSECT PESTS FROM ENTERING GRAIN STORAGE
ECONOMICS OF ON-FARM STORAGE	MANAGING INSECT PESTS IN STORED GRAIN
SAFETY AROUND GRAIN STORAGE	MANAGING HIGH MOISTURE GRAIN
GRAIN STORAGE INSECT PEST IDENTIFICATION AND MANAGEMENT	

The complete manual for on-farm grain storage

Call the National Grain Storage Information Hotline **1800 WEEVIL** (1800 933 845) to speak to your local grain storage specialist for advice or to arrange a workshop.



Reset problem paddocks with the support of 2020 financial buffers

Chris Dunn

Nutrien Ag Solutions, Elmore

Key Messages:

- ◆ The common Canola-Wheat-Wheat rotation is not sustainable agronomically or economically.
- ◆ Pulses have been commonly viewed as the least profitable or reliable part of a cropping rotation in this region, however, growers should reconsider their use in rotations.
- ◆ A diverse cropping rotation gives us more weed control options.
- ◆ Proceeds from an above average 2020 harvest provide us with the perfect opportunity to add diversity to our cropping rotation.
- ◆ Pulses reduce our reliance on fertiliser N, reducing the growing cost of the following crop.

Rotation 1: higher risk of resistance	Canola	Wheat	Wheat		
Glyphosate only					
Rotation 2: lower risk of resistance	Canola	Wheat	Wheat		
More herbicide diversity, 'double knock'					
Rotation 3: more diverse weed control options	Canola	Wheat	Oaten Hay	Barley	Lupin
Diverse herbicides and non-chemical controls including legumes and hay					

Figure 1. How do the economics and the production outcomes compare for these rotations in the long term?

Introduction

On the back of an above average season in 2020, it is the perfect opportunity to diversify our cropping rotations through the inclusion of pulses, hay or fallow? Diversifying from the basic Canola-Wheat-Wheat rotation has both agronomic and economic benefits making our cropping program more sustainable into the future.

This session will focus on potential economic outcomes of adopting a diverse rotation strategy and the associated agronomic benefits to inform long term rotation decisions. This example will compare the gross margins for three rotations with different weed control techniques, including cutting hay for oats, and sub-optimum herbicides options versus improved herbicide options - 'double knock' and including new ryegrass herbicides. Overlaying the economics is the impact on weed burden of a diversified rotation, demonstrated using 'Weed Wizard'.

Ryegrass is probably our biggest problem weed threatening crop yields and herbicide resistance is making its control more challenging. A more diverse cropping rotation opens up more control options, both chemical and non-chemical. Key points in considering diversification include;

- Potential N fixing benefits of legumes in the rotation and related effect on input requirements.



- Non-herbicide weed control options including hay cutting and grazing options.
- Herbicide control options including 'double knock' and diverse use of herbicide groups.
- How do the gross margins compare?
- What is the risk profile of the rotation? Is it acceptable?
- Where are there synergies between crops and livestock?

My follow up questions for the speaker; _____

Why these strategies could be great for your farming business

- reduce weed burdens
- reduce fertiliser nitrogen input
- spread risk
- improve sustainability
- increase livestock production opportunities.

Self-evaluation

What is your current rotation strategy? Or, for advisers, what are the most common rotations for your clients?

What percentage do the following make up of your/your clients cropping rotation?

Pulses: 0% _____ 100%

Hay: 0% _____ 100%

Other diversification _____



Are you satisfied with your current rotation strategy? (or your clients)

Very satisfied _____ Very unsatisfied

Why? _____

Thinking about your rotation in the long term (or your clients)

What are the strengths? _____

What are the weaknesses? _____

We want to work on this in our business, what should we do next?

- Look at your/your grower’s rotation and asses its diversity.
- Investigate what diverse crops or pastures are suitable for your area.
- Consider what non-chemical weed control or seed set reduction techniques can be added to your cropping system. Weedsmart ‘Big 6’, is a good place to start: 1) Rotate crops and pastures. 2) Double knock to preserve glyphosate. 3) Mix and rotate herbicides. 4) Stop weed set. 5) Crop competition. 6) Harvest weed seed control.
- Soil test paddocks to assess suitability for growing pulses and apply lime if needed.
- Engage with hay and pulse buyers to start a relationship.

Our First Action _____



Our Second Action _____

Want to learn more, here are some suggestions;

Weed seed wizard modelling tool: www.agric.wa.gov.au/weed-seed-wizard-0

On-farm weed control strategies: www.weedsmart.org.au/big-6/

Acknowledgements

ORM consultants, Rob Velthuis & David Smith



More about Chris . . .

Chris has been an Agronomist in the Elmore/Colbinabbin region of central Victoria for the last 13 years. Chris works mostly with dryland mixed farmers growing canola, wheat, barley, export oaten hay, a range of pulse crops and vetch for hay.

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TOP 10 TIPS

FOR REDUCING SPRAY DRIFT

01

Choose all products in the tank mix carefully, which includes the choice of active ingredient, the formulation type and the adjuvant used.

02

Understand how product uptake and translocation may impact on coverage requirements for the target. Read the label and technical literature for guidance on spray quality, buffer (no-spray) zones and wind speed requirements.

03

Select the coarsest spray quality that will provide an acceptable level of control. Be prepared to increase application volumes when coarser spray qualities are used, or when the delta T value approaches 10 to 12. Use water-sensitive paper and the Snapcard app to assess the impact of coarser spray qualities on coverage at the target.

04

Always expect that surface temperature inversions will form later in the day, as sunset approaches, and that they are likely to persist overnight and beyond sunrise on many occasions. If the spray operator cannot determine that an inversion is not present, spraying should NOT occur.

05

Use weather forecasting information to plan the application. BoM meteograms and forecasting websites can provide information on likely wind speed and direction for 5 to 7 days in advance of the intended day of spraying. Indications of the likely presence of a hazardous surface inversion include: variation between maximum and minimum daily temperatures are greater than 5°C, delta T values are below 2 and low overnight wind speeds (less than 11km/h).

06

Only start spraying after the sun has risen more than 20 degrees above the horizon and the wind speed has been above 4 to 5km/h for more than 20 to 30 minutes, with a clear direction that is away from adjacent sensitive areas.

07

Higher booms increase drift. Set the boom height to achieve double overlap of the spray pattern, with a 110-degree nozzle using a 50cm nozzle spacing (this is 50cm above the top of the stubble or crop canopy). Boom height and stability are critical. Use height control systems for wider booms or reduce the spraying speed to maintain boom height. An increase in boom height from 50 to 70cm above the target can increase drift fourfold.

08

Avoid high spraying speeds, particularly when ground cover is minimal. Spraying speeds more than 16 to 18km/h with trailing rigs and more than 20 to 22km/h with self-propelled sprayers greatly increase losses due to effects at the nozzle and the aerodynamics of the machine.

09

Be prepared to leave unsprayed buffers when the label requires, or when the wind direction is towards sensitive areas. Always refer to the spray drift restraints on the product label.

10

Continually monitor the conditions at the site of application. Where wind direction is a concern move operations to another paddock. Always stop spraying if the weather conditions become unfavourable. Always record the date, start and finish times, wind direction and speed, temperature and relative humidity, product(s) and rate(s), nozzle details and spray system pressure for every tank load. Plus any additional record keeping requirements according to the label.

Reset problem paddocks with the support of 2020 financial buffers – diversifying rotation for sustainability

Tim Pilkington

Southern Ag Management

Key Messages:

- ◆ Legume rotations have proven to increase returns in farm systems trials over medium time frames.
- ◆ Increases in cereal yields from legumes are not always associated with increased soil N levels.
- ◆ Whilst using financial buffers from a good 2020 season to fix a problem paddock with a break crop may be a good idea, legumes should be viewed as a long-term part of farm management.



Introduction

Financial modelling of farm systems trial work shows that growing legumes can be a profitable part of farm rotations in the absence of large weed burdens. Increases in following cereal crop yields are not entirely attributable to increases in soil N levels, but likely a combination of residual water and decrease in soil disease levels.

Legumes represent a good opportunity to diversify income and risk whilst fixing problem paddocks on-farm.

Overview

Following an above average season in 2020, Tim considers if this is the ideal time to diversify our cropping rotations to address threats to crop yield such as increasing weed and disease burdens in the face of chemical resistance.

This session will focus on potential economic outcomes of adopting a diverse rotation strategy using 'P2P Agri' analysis and the associated agronomic benefits to inform long term rotation decisions.

A more diverse cropping rotation expands control options, both chemical and non-chemical. Key points in considering diversification include;

- Potential agronomic benefits of legumes in the rotation and related effect on input requirements – N fixation, residual water and weed and soil disease levels.
- Weed control options such as the 'Weedsmart Big 6' : 1) Rotate crops and pastures. 2) Double knock to preserve glyphosate. 3) Mix and rotate herbicides. 4) Stop weed set. 5) Crop competition. 6) Harvest weed seed control.



- How do the gross margins compare? What is the effect on whole farm performance over the longer term?
- Does the risk profile of the rotation fit your system?
- What are the interactions between crops and livestock? Are there economic benefits for other enterprises?

My follow up questions for the speaker; _____

Why these strategies could be great for your farming business

- Increase farm profitability as demonstrated through farming systems trials.
- Diverse crop options can increase crop yields of subsequent crops in the rotation.
- Decrease risk by adding more diversity to cropping mix.
- Decrease soil disease and weed burden levels through use of different herbicide modes of action.

Self-evaluation

Thinking about your rotation in the long term (or your clients)

What are the strengths? _____

What are the weaknesses? _____

We want to work on this in our business, what should we do next?

- Identify problem paddocks that could benefit from a legume crop or a diverse option.
- Make sure there is a viable option that can be grown on the paddock.
- Talk to your agronomist.

Our First Action _____

Our Second Action _____

Want to learn more, here are some suggestions;

GRDC Update Paper (Feb 2021): www.grdc.com.au/resources-and-publications/grdc-update-papers/tab-content/grdc-update-papers/2021/02/managing-water-and-n-across-years-and-crop-sequences-to-drive-profit

Profitable break crop management guide: www.farmlink.com.au/project/crop-sequencing

Acknowledgements

John Kirkegaard – CSIRO

Tony Hudson – Hudson Facilitation






More about Tim . . .

Tim is a passionate agribusiness specialist with broad experience from corporate farm management and governance, strategic plan development and implementation to due diligence reports for investment funds. With more than 20 years experience as a crop and pasture agronomist Tim brings a wealth of production and financial experience to the table. Tim couples integrity of his work and professional dealings with a desire to educate and support farming businesses and their communities to make a real difference to the businesses to which he consults. He has a focus on sustainable farming practices and ensuring agricultural assets are left in better condition for the next generation.

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www.southernagmanagement.com.au/

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GRDC™

GRAINS RESEARCH
& DEVELOPMENT
CORPORATION






Farming the Business

Sowing for your future

The GRDC's **Farming the Business** manual is for farmers and advisers to improve their farm business management skills.

It is segmented into three modules to address the following critical questions:

-  **Module 1:** What do I need to know about business to manage my farm business successfully?
-  **Module 2:** Where is my business now and where do I want it to be?
-  **Module 3:** How do I take my business to the next level?

The **Farming the Business** manual is available as:

- **Hard copy** – Freephone **1800 11 00 44** and quote Order Code: GRDC873
There is a postage and handling charge of \$10.00. Limited copies available.
- **PDF** – Downloadable from the GRDC website – www.grdc.com.au/FarmingTheBusiness
or
- **eBook** – Go to www.grdc.com.au/FarmingTheBusinessBook for the Apple iTunes bookstore, and download the three modules and sync the eBooks to your iPad.



Staff – a valuable asset. Is it all about the money?

Jill Briggs

Affectus P/L.

Key Messages:

- ◆ Know the playing field.
- ◆ Focus on your business.
- ◆ Most employees leave because of management.
- ◆ Put the energy into what you can control.
- ◆ Work on being an attractive employer.



Introduction

Staff – are a valuable asset but is it all about the money?

When attracting and retaining staff within your business, there is no silver bullet. Motivators for employees to work in a particular business are diverse and not always about the money, but money is involved.

This session will provide recent data about what potential employees are seeking and expecting when working in a farming enterprise. You will see trends impacting the employment space and identify things you can use to attract and retain good employees.

The session will cover areas that should be focused on as an employer.

1. What attracts quality people to a business?
2. How to be an attractive employer?
3. How to structure your business to retain your people?
4. How to manage for engaged, value-adding staff?

My follow up questions for the speaker; _____



Why these strategies could be great for your farming business

- By doing the thinking and work you will be a more attractive employer.
- Through evaluating your current position, you know where you are in the employment market.
- By working on these areas, employees are more likely to stay.
- Operationally, your business will run more effectively.

Self-evaluation

How satisfied are you with your current team?

Very satisfied _____ Very unsatisfied

Why? _____

What are you going to focus on now? _____

What are you going to action to continue to develop attractiveness as an employer?



We want to work on this in our business, what should we do next?

- Develop some employee roles.
- Design employment pathways that employees can see.
- Analyse where you are looking for employees – where are they?
- Organise a package that includes motivating opportunities.
- Review how you manage people.

Our First Action _____

Our Second Action _____

Want to learn more, here are some suggestions;

www.affectusaus.com.au

www.seek.com.au

www.business.vic.gov.au/hiring-and-managingstaff/staff-management/train-and-develop-staff





More about Jill . . .

Jill has been assisting people to develop skills for the future through leadership and personal capacity programs for over 15 years. She is most happy when working with groups of people who wish to chart a future course. She has experience working with community, business and government.

Jill and her partner Colin live on a grain/sheep property west of Rutherglen. Colin and Tom, their eldest son, manage the business. Jill makes sure they are. Jill has designed and facilitated leadership and business enhancement programs across the country for 25 years and specialises in calling a spade a spade and then assisting her clients find a solution.

Jill is an accomplished public speaker and a keen researcher, she has a Master of Management (Leadership), a Graduate Diploma in Adult Learning and is a graduate of the Australian Institute of Company Directors and the Advanced – Women in Leadership Program.

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Notes



NEW BOOK FOR
LOW RAINFALL
GROWERS IN
AUSTRALIA

IS CTF WORTHWHILE IN THE LRZ?

This new publication addresses common questions about CTF in the LRZ, such as:

- » DO LRZ SOILS SELF-REPAIR OR IS AMELIORATION WORK NEEDED?
- » IS CTF FEASIBLE IN LOW INTENSITY SYSTEMS WITH VERY WIDE MACHINES?
- » DOES CTF REDUCE POWER AND FUEL USE IN LIGHT LRZ SOILS?
- » IS CTF COMPATIBLE WITH LIVESTOCK IN THE SYSTEM?

ON THE RIGHT TRACK

Controlled traffic in the low rainfall zone of south-eastern Australia



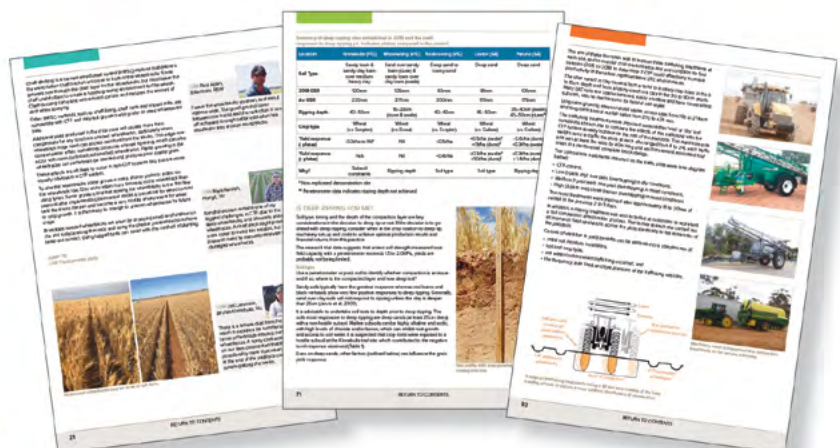
DOWNLOAD YOUR COPY OF THIS NEW RESOURCE FROM grdc.com.au or actfa.net

<http://bit.ly/LRZ-CTF>

YOU'LL FIND:

- » Practical guides
- » Grower experience
- » Research findings
- » Study investigations

all relevant to the implementation of Controlled Traffic Farming in Low Rainfall Zones



Integrating grain marketing for risk management and profit opportunities – a grain marketer’s perspective

Dan Duggan

Grain Brokers Australia

Key Messages:

- ◆ Be conscious and aware of your marketing strategy to reduce volatility in income and cashflow, whilst maximising profitability of production.
- ◆ Include marketing strategies in whole farm planning to target your profit goals which are underpinned by cost of production requirements.
- ◆ Overlay grain marketing and risk management strategies with timing of key planning decisions – for example crop planning, input cost/benefit analysis, accounting decisions and cashflow, logistics considerations and growth aspirations.
- ◆ Seek good advice – growers use agronomists, accountants, and consultants to maximise returns and make informed decisions. Take the same approach to grain marketing.

Decisions	Decision drivers	Guiding principles
When to sell?	Production risk – estimate tonnage Target price – cost of production Cash flow requirements	Don't sell what you don't have Don't lock in a loss Don't be a forced seller
How to sell?	Fixed price – maximum certainty Floor price – protects downside Floating price – minimal certainty	If increasing production risk, take price risk off the table. Separate the pricing decision from the delivery decision.
Which markets to access?	Storage and logistics – on farm, private, BHC's Costs of storage / carry costs	Harvest is the first priority Storage is all about access to markets Carrying grain is not free
Executing the sales?	Contract negotiations and terms Counterparty risk Relative commodity values Contract (load) allocations Read market signals (liquidity)	Seller beware Sell valued commodities, not undervalued commodities Sell when there is buyer appetite Don't leave money on the table.

Figure 1. Grain production - where can you align common grain marketing and agronomic decision points under your risk management strategy?

(Figure source: www.grdc.com.au/___data/assets/pdf_file/0030/366258/GrowNote-Durum-West-10-Marketing.pdf Table produced by Profarmer Australia for the GRDC.)



Introduction

Agronomic decision making for sustainability and profitability should consider grain marketing synergies and tie into your risk management strategy. What are the key factors that influence your decisions, your triggers i.e., decile price? Advisors that understand your production goals, seasonal development and key principles of your overall marketing strategy can contribute to and inform your decision making as the season progresses.

One strategy of highly successful farming businesses is integrating their advisor teams to utilise synergies across roles. A good example of this is integrating your relationship between your agronomist and your grain marketing advisor.

Key factors in determining a risk profile for any forward sale include production certainty and decision making around quality and yield. For example, targeting a high protein crop with added inputs versus lower quality, higher yield has cost implications on the input side in that profit is affected if not rewarded by the market. Overlaying agronomic decisions with a marketing strategy assists in determining the best course of action from an operational perspective whilst utilising the market to contribute to decision making.

Looking at another example with regards to crop planning and rotations - whilst agronomics should drive this decision making, there is a role for a market-based assessment of price risk and opportunities.

Key recommendations regarding integrating decision making include:

- Consider your adviser group as a **team**.
- As with your farm planning, grain marketing is about having a plan, executing this plan, and adapting where necessary.

Overview

Dan provides the grain marketer's perspective on incorporating grain marketing strategies into whole farm planning. Joining Dan on the panel are an agronomist and a grower to examine the common decision points and where advisers can collaborate to deliver benefits to growers with consideration to marketing through the season.

My follow up questions for the speaker; _____



Underlying principles of grain marketing in your business

- Firstly, understand your business goals.
- Understand your business risk profile and capacity for risk and cashflow requirements.
- Develop your grain marketing strategy to suit these goals and risk profile. Consider;
 - WHAT to sell
What commodity are we selling? What Grade are we selling? X farm, Delivered or warehouse stock?
 - WHEN to sell
Timing decisions are critical from both a marketing and business perspective, consider both early and have a plan. Reassess this plan regularly - (monthly is a good start).
 - WHERE AND TO WHOM to sell
 - Counterparty risk must be considered in any grain marketing program.
 - Consider the risk associated with any sale.
 - Do your research and due diligence with new counterparties.
 - Talk to other growers.
 - Seek external input and advice from people within the market.
 - Ensure payment terms are tight and being met.
 - HAVE A CONTRACT.
 - WHY sell?
 - There are many factors driving the decision to sell, it is best to have these known as far in advance as possible, over and above the market conditions.
 - The market will give you opportunities, but you must be ready to act and understand your triggers to sell and be in control.
 - What other reasons do you have to dictate a sales program?
 - Logistics – i.e., keeping trucks moving through the year.
 - Storage constraints – forced to sell due to capacity.
 - Cash flow – need to generate cash flow.
 - Market motivations – have target prices been hit?
 - All of these should be addressed in your seasonal planning prior to cropping and should be updated regularly so that you are aware well in advance of the key drivers for marketing decisions.



More on selling strategy . . .

(Source: www.grdc.com.au/__data/assets/pdf_file/0030/366258/GrowNote-Durum-West-10-Marketing.pdf extract produced by Profarmer Australia for the GRDC.)

Being prepared and having a selling plan is essential for managing uncertainty. The steps involved are forming a selling strategy and a plan for effective execution of sales. A selling strategy consists of when and how to sell.

When to sell - this requires an understanding of the farm's internal business factors including:

- Production risk
- A target price based on cost of production and a desired profit margin
- Business cash flow requirements.

How to sell - this is more dependent on external market factors including:

- Time of year (determines the pricing method)
- Market access (determines where to sell)
- Relative value (determines what to sell).

The key selling principles when considering sales during the growing season and production cycle of the crop are outlined in figure 2.

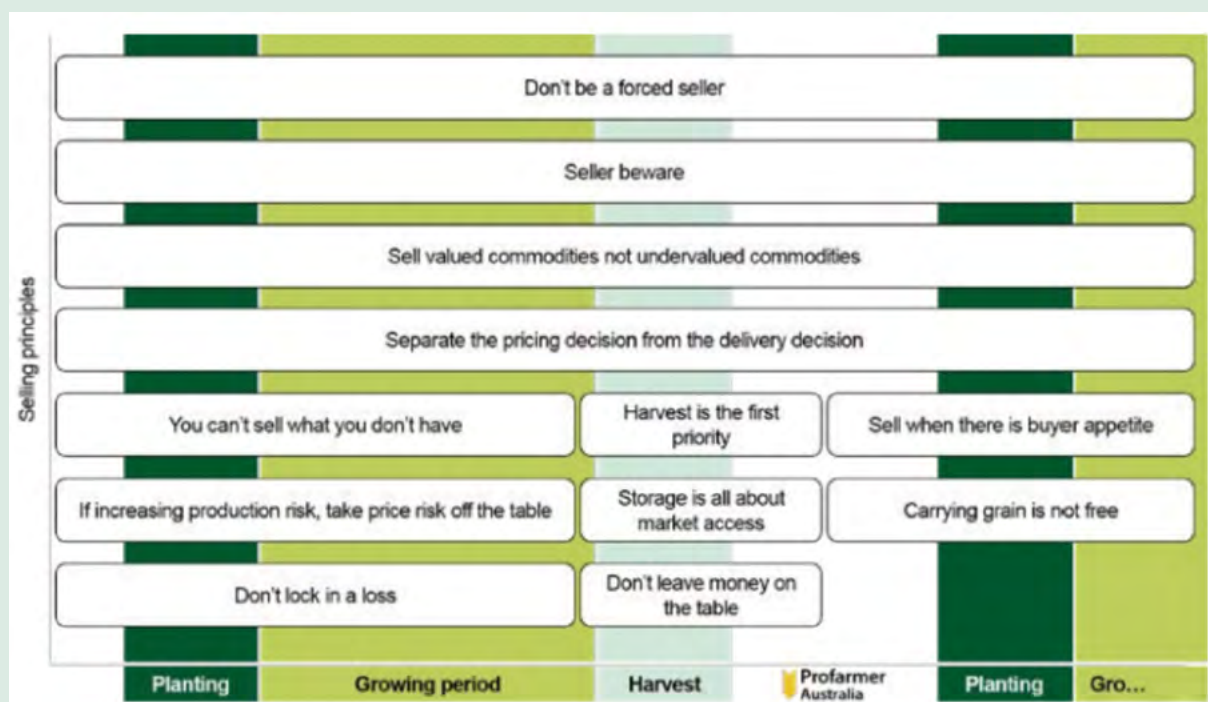


Figure 2. Grower commodity selling principles timeline.

More on when to sell . . .

Establishing a business risk profile allows the development of target price ranges for each commodity and provides confidence to sell when the opportunity arises. Typical business circumstances and how to quantify those risks during the production cycle are described in Figure 3.



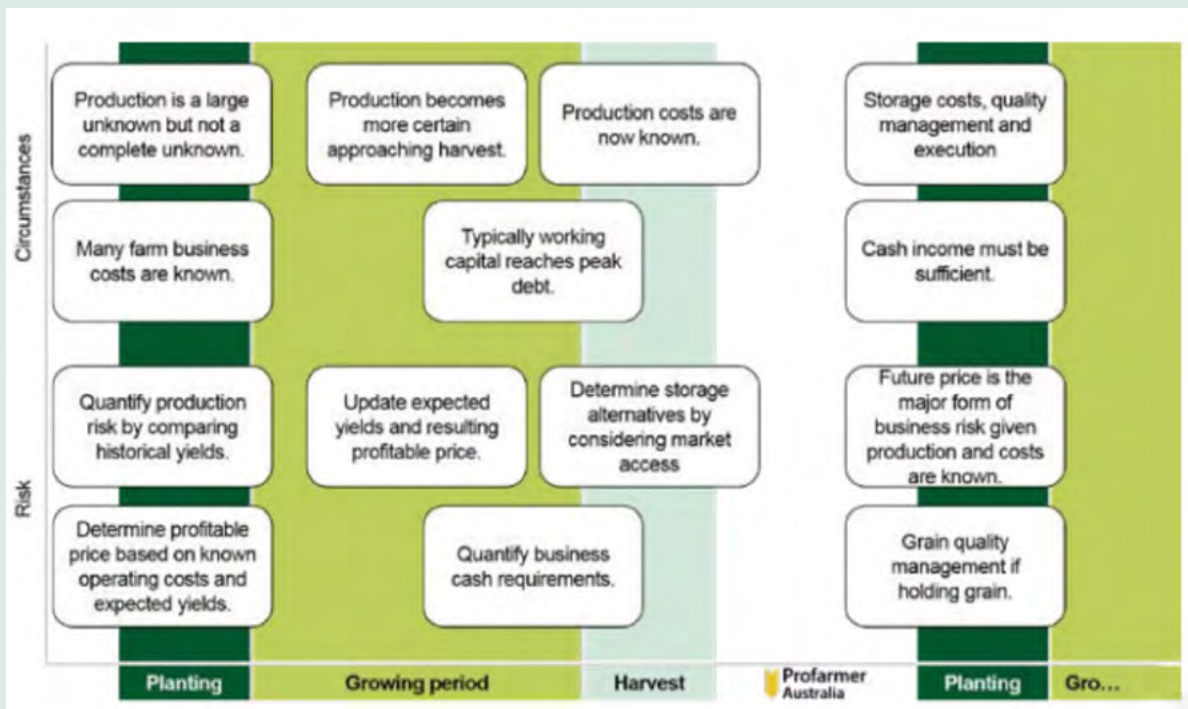


Figure 3. Typical farm business circumstances and risk.

A grower's decision-making process for determining when to sell grain will be typically dependent on:

- Does production risk allow sales?
- What portion of production risk allows sales?
- Is the price profitable?
- Are business cash requirements being met?

More on production risk . . .

Production risk is the level of certainty around producing a crop and is influenced by location (including climate and soil type), crop type, crop management and time of year. The general principle is you can't sell what you don't have, and it is important to not increase business risk by over-committing production. Establish a production risk profile, such as that outlined in Figure 4, by:

- Collating historical average yields for each crop type
- Collating a below average and above average historical yield range
- Assessing the likelihood of achieving the average based on recent seasonal conditions and seasonal outlooks
- Revising production outlooks as the season progresses.



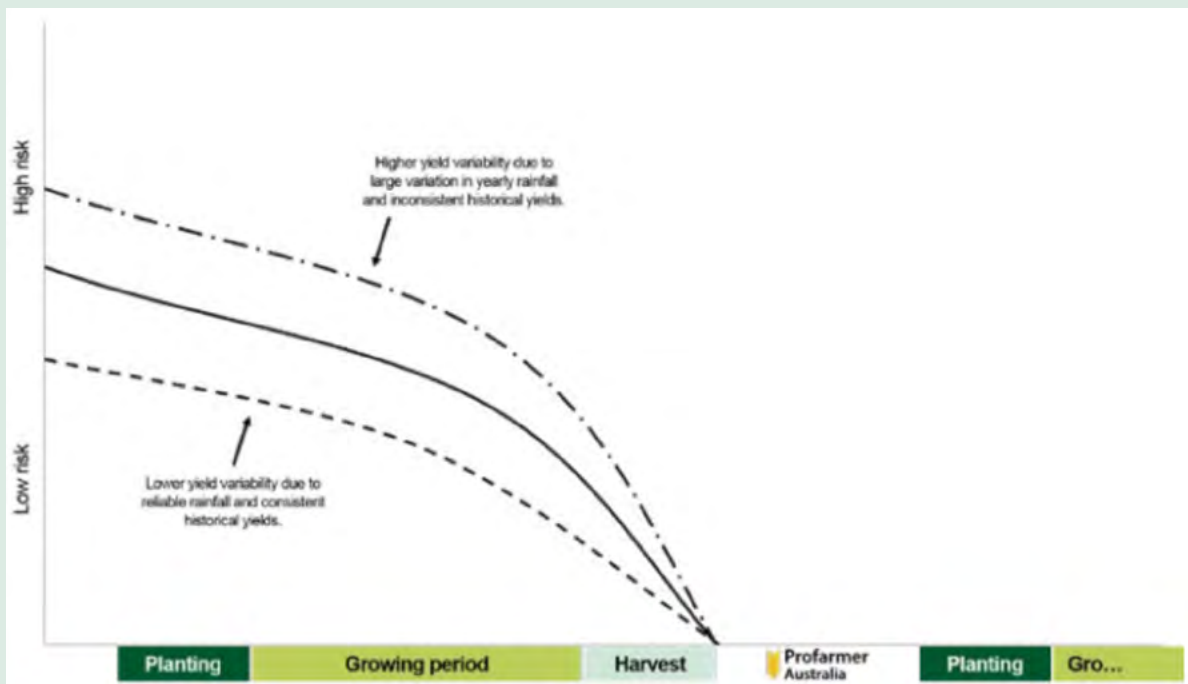


Figure 4. Typical production risk profile of a farm operation.

As shown in Figure 4, the quantity of crop grown is a large unknown early in the year. However, it is not a complete unknown. You can't sell what you don't have, but it is important to compare historical yields to get a true indication of production risk. This risk reduces as the season progresses and yield becomes more certain. Businesses will face varying production risk levels at any given point in time with consideration to factors including rainfall, yield potential soil type and commodity prices.

In summary . .

Align your process to handle grain marketing decisions in your business with your overall marketing strategy - when to sell and your triggers to sell. Build select counterparty relationships to manage payment risk and reduce time required for decision making. Establish decision making criteria to deal with those external factors that drive markets.

Why these strategies could be great for your farming business

- Improved profitability.
- Better identification of opportunities to lower volatility and risk in income and cashflow.



Self-evaluation

How much planning goes into your current grain marketing decision making?

None _____ A lot

How do you currently manage grain marketing in your farming business? _____

How do you rate your business performance in the following areas?

	Not well	Well
• Changes in seasonal outlook – managing risk and income volatility	<input type="checkbox"/>	<input type="checkbox"/>
• Cashflow – required timing of payment	<input type="checkbox"/>	<input type="checkbox"/>
• Capacity of logistics at harvest - trucks, storage	<input type="checkbox"/>	<input type="checkbox"/>
• Profit needs of the business, price greater than cost of production	<input type="checkbox"/>	<input type="checkbox"/>
• Price decile target range	<input type="checkbox"/>	<input type="checkbox"/>

Are you satisfied with your current strategy for grain marketing decision making?

Very satisfied _____ Very unsatisfied

Why? _____

We want to work on this in our business, what should we do next?

- Review your relationship with grain marketing, how it fits with your current operational structure and its importance.
- Develop a relationship or schedule a catch up with a key advisor.
- Start developing or review your marketing plan that considers your whole farm business objectives and key drivers.



Our First Action _____

Our Second Action _____

Want to learn more, here are some suggestions;

Talk to your adviser, have conversations with local grain buyers and/or local receival sites.

Domestic grain prices, daily report: www.awb.com.au/daily-grain-prices

World Agricultural Supply and Demand Estimates, monthly report: www.usda.gov/oce/commodity/wasde/



More about Dan . . .

Dan has a passion for the Australian Agricultural Industry and has worked for over a decade in grower facing roles related to trading and marketing, risk management and advisory services. Dan's mandate over his time in the industry has been focused on adding value, through risk management and marketing strategies, back to growers.

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www.grainbrokers.com.au

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www.nvtonline.com.au



Integrating grain marketing for risk management and profit opportunities – an agronomist’s perspective

Phil Hawker

Western AG

Key Messages:

- ◆ Select varieties and rotations that maximise production.
- ◆ Milling wheat, canola and malting barley provide the most marketing options.
- ◆ Feed wheat can offer higher yield but a different market.
- ◆ Forward selling with quality grade flexibility often works well.



Introduction

The main crops in SW Victoria in order of area grown are wheat, canola, barley and pulses. Crops and rotations are selected for yield and profit maximisation. Rotations are generally set with canola, wheat, canola, wheat being common. It is important to overcome yield limiting factors such as weeds, drainage and nutrition.

Milling wheat, canola and malt barley have a range of marketing and receival options. There is opportunity to grow feed wheat and make better use of the long growing season. Feed grains can be heavily discounted at harvest and have less structured markets. On farm storage of feed grains is attractive but this has additional infrastructure and labour requirements to consider.

Overview

Phil will join a panel with a grower and grain broker to examine integrating grain marketing into whole-farm planning for managing risk and capturing profit.

Providing his perspective as an agronomist in South West Victoria, Phil shares the strategies his clients use to handle grain marketing in their businesses in conjunction with their production goals. In Phil's region, production is key with seasonal conditions highly influencing decisions around end market product. Good access to feed markets and bulk handlers as well as high frost risk and frost events are key factors influencing grower's decisions around producing for grain or hay markets during the season. Consequently, strong relationships with end users underpin many growers' marketing strategies in this region.

Phil discusses the agronomist's role - working with growers to help them achieve production goals, be it yield or target product specifications, with consideration for economics, simplification of logistics or other benefits, and where agronomic decision points have synergies with marketing for growers as the season develops.



My follow up questions for the speaker; _____

Why integrating grain marketing into whole farm planning could be good for your farming business

- Yield and profit maximisation.
- Increased resource use and efficiency.
- More control over commodity price by forward selling or storing.
- Understanding the price differentials for grades targeting quality vs yield can contribute to rotation decisions.

Self-evaluation

How much planning goes into your current agronomy decisions with respect to grain markets?

None _____ A lot

How do you currently manage these decisions in your farming business? _____

How much planning goes into your current agronomy decisions with respect to grain markets?

Very satisfied _____ Very unsatisfied

Why? _____



We want to work on this in our business, what should we do next?

- Review rotations and crop selection.
- Identify price and timing trigger points for forward selling.
- Assess your current on-farm storage and analyse the economics of storage options, either temporary or permanent.

Our First Action _____

Our Second Action _____





More about Phil . . .

Philip Hawker has worked as an Agronomist for over 30 years both in Western Australia and Victoria. He is a Director and the Manager of Agronomy & Client Services for Western AG. The Western AG business employs 25 Agronomists working across Victoria and the SE of South Australia. Philip has an Honours Degree in Agricultural Science from The University of Western Australia. He lives with his family at Beaufort on a property that they crop.

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LOOK AROUND YOU.

1 in 5 people in rural Australia are currently experiencing mental health issues.



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The GRDC supports the mental wellbeing of Australian grain growers and their communities. Are you ok? If you or someone you know is experiencing mental health issues call *beyondblue* or Lifeline for 24/7 crisis support.

beyondblue
1300 22 46 36
www.beyondblue.org.au



Lifeline
13 11 14
www.lifeline.org.au



Looking for information on mental wellbeing? Information and support resources are available through:

www.ifarmwell.com.au An online toolkit specifically tailored to help growers cope with challenges, particularly things beyond their control (such as weather), and get the most out of every day.

www.blackdoginstitute.org.au The Black Dog Institute is a medical research institute that focuses on the identification, prevention and treatment of mental illness. Its website aims to lead you through the logical steps in seeking help for mood disorders, such as depression and bipolar disorder, and to provide you with information, resources and assessment tools.

www.crrmh.com.au The Centre for Rural & Remote Mental Health (CRRMH) provides leadership in rural and remote mental-health research, working closely with rural communities and partners to provide evidence-based service design, delivery and education.

Glove Box Guide to Mental Health

The *Glove Box Guide to Mental Health* includes stories, tips, and information about services to help connect rural communities and encourage conversations about mental health. Available online from CRRMH.



www.rrmh.com.au Rural & Remote Mental Health run workshops and training through its Rural Minds program, which is designed to raise mental health awareness and confidence, grow understanding and ensure information is embedded into agricultural and farming communities.

www.cores.org.au CORES™ (Community Response to Eliminating Suicide) is a community-based program that educates members of a local community on how to intervene when they encounter a person they believe may be suicidal.

www.headsup.org.au Heads Up is all about giving individuals and businesses tools to create more mentally healthy workplaces. Heads Up provides a wide range of resources, information and advice for individuals and organisations – designed to offer simple, practical and, importantly, achievable guidance. You can also create an action plan that is tailored for your business.

www.farmerhealth.org.au The National Centre for Farmer Health provides leadership to improve the health, wellbeing and safety of farm workers, their families and communities across Australia and serves to increase knowledge transfer between farmers, medical professionals, academics and students.

www.ruralhealth.org.au The National Rural Health Alliance produces a range of communication materials, including fact sheets and infographics, media releases and its flagship magazine *Partyline*.



Integrating grain marketing for risk management and profit opportunities – an agronomist’s perspective

Josh Buerckner

I.K. Caldwell

Key Messages:

- ◆ It is harder to manage for an outcome if we don't measure what influences it.
- ◆ Local moisture data is improving, utilise it when making management decisions.
- ◆ Yield is king, but we can manipulate quality.
- ◆ It pays to "Ground Truth" on a paddock-by-paddock basis.

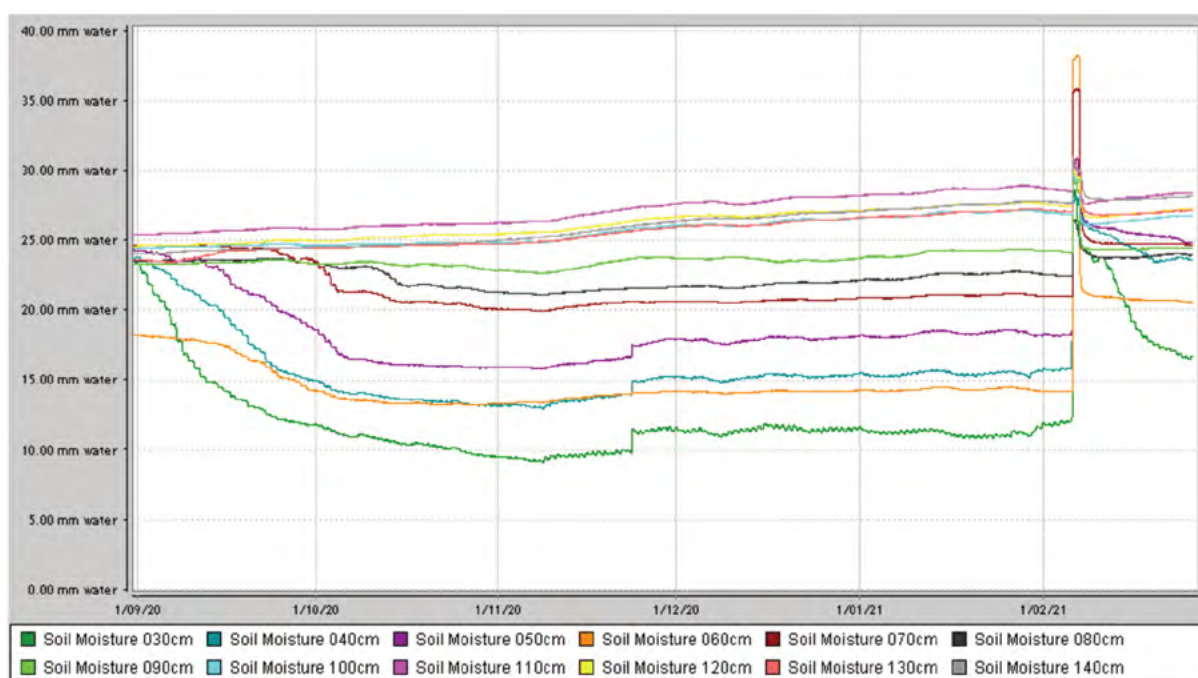


Figure 1. Riverine Plains soil moisture probe: Tungamah site readings 1/9/20 to 1/2/21 on the Buerckner property.

Introduction

There are a number of key decision-making junctures throughout the season which will influence growers and agronomist’s management decisions for that season. My approach to helping with these decisions is that we need to "Measure to Manage". Rotations for a lot of my growers are quite stable, however we can tweak them if we have a picture of soil moisture at planting. There is a growing network of soil moisture probes throughout the region where my clients are based which is providing us with good information on how much is 'in the bucket' heading into seeding. We also measure key inputs throughout the season with the goal of maximising yield and hitting key quality specifications. Yield is king, however if markets are favourable we will target higher grades with timely Nitrogen applications.



My follow up questions for the speaker; _____

Why these strategies could be great for your farming business

- Manage costs in below average seasons.
- Maximise income in above average seasons.
- Decrease risk to the business via crop selection.

Self-evaluation

How do you currently manage profit allocation in your farming business?

None _____ A lot

How do you currently manage these decisions in your farming business? _____

What measurements are you taking during the season to inform your crop management decisions?



How often are you and your agronomist tweaking management decisions throughout the season?

Never _____ A lot

How much is focused on agronomic potential and how much market potential is considered?

All agronomic _____ All market

Are you satisfied with your current strategy for integrating agronomy and grain marketing decision making?

Very satisfied _____ Very unsatisfied

Why? _____

We want to work on this in our business, what should we do next?

- Google the local soil moisture probes, Riverine Plains, Soil Moisture Monitoring Vic.
- Conduct some Deep N Soil tests either at sowing or immediately after.
- Get in your paddocks with the metal hand-held moisture probe to ground truth at key decision points.

Our First Action _____



Our Second Action _____

Want to learn more, here are some suggestions;


<http://weatherplus.ikcaldwell.com.au:8080/rivplains/index.html>



More about Josh . . .

Josh was raised on the family farm at Tungamah in northern Victoria. He completed a Degree in Agricultural Science at the University of Melbourne, Dookie Campus and upon graduation in 2000 he started work with I.K Caldwell as a Junior Agronomist. After the death of his father in 2003 Josh returned home to the farm where he and his wife manage the 1,700 Hectare cropping and sheep enterprise. Throughout this period Josh has continued with IKC and is now a Senior Agronomist looking after around 30,000 Hectares from Shepparton to Narrandera.

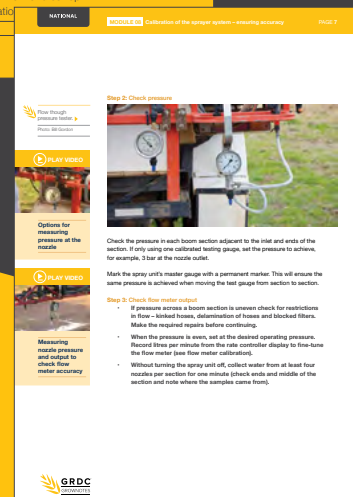
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SPRAY APPLICATION GROWNOTES™ MANUAL



SPRAY APPLICATION MANUAL FOR GRAIN GROWERS

The Spray Application GrowNotes™ Manual is a comprehensive digital publication containing all the information a spray operator needs to know when it comes to using spray application technology.

It explains how various spraying systems and components work, along with those factors that the operator should consider to ensure the sprayer is operating to its full potential.

This new manual focuses on issues that will assist in maintaining the accuracy of the sprayer output while improving the efficiency and safety of spraying operations. It contains many useful tips for growers and spray operators and includes practical information – backed by science – on sprayer set-up, including self-

propelled sprayers, new tools for determining sprayer outputs, advice for assessing spray coverage in the field, improving droplet capture by the target, drift-reducing equipment and techniques, the effects of adjuvant and nozzle type on drift potential, and surface temperature inversion research.

It comprises 23 modules accompanied by a series of videos which deliver 'how-to' advice to growers and spray operators in a visual easy-to-digest manner. Lead author and editor is Bill Gordon and other contributors include key industry players from Australia and overseas.

Spray Application GrowNotes™ Manual – go to:
<https://grdc.com.au/Resources/GrowNotes-technical>
 Also go to <https://grdc.com.au/Resources/GrowNotes>
 and check out the latest versions of the Regional Agronomy
 Crop GrowNotes™ titles.

Integrating grain marketing for risk management and profit opportunities – a grower’s perspective

Tim Watson

Grower, Rochester

Key Messages:

- ◆ Know and understand the market you are in.
- ◆ Manage your risks according to your comfort level.
- ◆ Develop a marketing strategy to suit your individual enterprise.
- ◆ Own your decision and be kind to yourself. You won't always be right.
- ◆ Don't expect to hit the high every time.

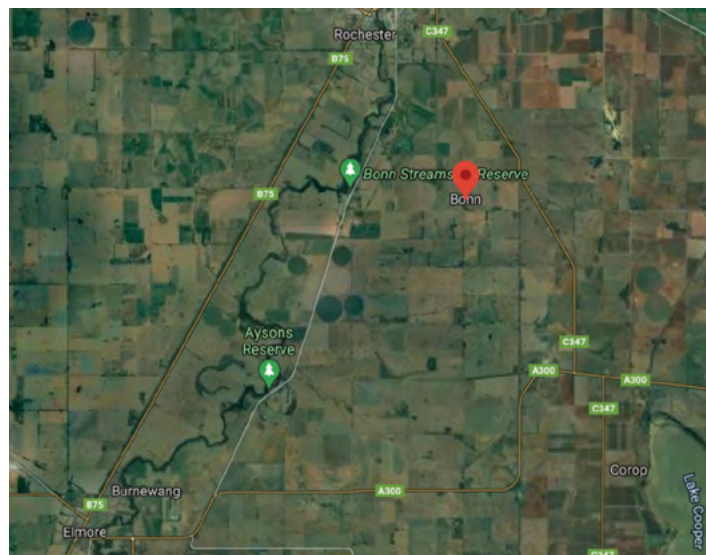


Figure 1. Location, Bonn - south of Rochester, Victoria.

Business outline

Area farmed	1,200ha including 200ha sharecropping, 400ha irrigated
Enterprises	60% grain production (wheat, canola, vetch, beans), 20% hay production (oats, vetch and lucerne) and 20% livestock
Average annual rainfall	400mm
Soil types	Mixed soils: sodic loams to self-mulching clay
People in the business (family)	Myself, father and uncle
Employees	Casual drivers when required
Other relevant information	Formerly employed as a Rural Financial Counsellor

Introduction

Understanding your enterprise risk profile, the market you are in and your individual risk comfort zone is key to effective and less stressful marketing.

There is no one size fits all for every farm, or for every year.

Arming one's self with knowledge of different marketing options allows profitable opportunities to be capitalised upon when they present, with the peace of mind that it fits in with the businesses risk profile and your comfort zone.



Overview

Tim will join a panel with an agronomist and grain broker to examine integrating grain marketing into whole-farm planning for managing risk and capturing profit.

Providing his perspective as a grower, Tim shares how grain marketing is handled in his business to manage risk, balance commitments, cashflow and logistics. Marketing considerations and personalised triggers activate decisions across the season under Tim's overarching strategy to manage price risk for the current and subsequent seasons. Confidence in base production capacity underpins Tim's forward selling strategy.

My follow up questions for the speaker; _____

Self-evaluation

What do you see as the key marketing risks for your enterprise? _____

Why are they critical? _____



What tools, strategies and resources do you use to manage your marketing throughout the season?

How satisfied are you with the tools, strategies and resources you are using to manage marketing?

Very satisfied _____ Very unsatisfied

Why? _____

Are there changes or new tools, strategies and/or resources you want to implement into your management strategy for marketing? Outline things you want to trial



We want to work on this in our business, what should we do next?

Our First Action _____

Our Second Action _____

Want to learn more, here are some suggestions;

Market updates; Pro Farmer, Rabobank, Emerald Grain, iGrain etc.

For Rabobank customers – make use of the agribusiness analysts






More about Tim . . .

Tim is a fourth-generation farmer working in the family's mixed farming business at Bonn, 10km south of Rochester. He has been involved in agriculture throughout his career, working on the family farm before attending Ag college at Longerenong. Following graduation in 2000, Tim spent time travelling abroad, working on various farms in England before returning to the family enterprise.

Since returning to the farm, the business has been able to continue to grow due to a sound enterprise mix, astute decision making and the security of irrigation. During the millennium drought, Tim chose to seek part time employment as a Rural Financial Counsellor over a four-year period. This experience helped condition him to the financial rigors of farming and encouraged him to seek financial security beyond farming's standard practices.

With a passion for the industry, Tim finds growing and marketing his produce an enjoyable and rewarding challenge, balancing risk vs reward.

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Integrating grain marketing for risk management and profit opportunities – a grower’s perspective

Richard Nixon

Grower, Oaklands

Key Messages:

- ◆ Agronomy - grow the best crop you can.
- ◆ Storage - store on farm so that you remain in control of your grain.
- ◆ Freight - vertical integration of your business gives more opportunities.
- ◆ Marketing and Risk Management - stay abreast of current prices. Keep the process as simple as possible. If an opportunity presents to lock in a good price - take it.



Figure 1. Grain storage at Narrain Pastoral Company.



Business outline

Business name	Narrain Pastoral Company
Location	Oaklands NSW
Area farmed	5,836 Hectares including 800 Ha of irrigation and 1,000 Ha of leased country
Enterprises	95% cropping and 5% merino sheep
Average annual rainfall	450mm
Soil types	Sandy loam through to self-mulching grey clay
People in the business (family)	Richard & Ann farm with their two sons, James and Andrew and two daughters-in-law, Tamara and Samantha
Employees	Two farm hands and two truck drivers

Introduction

With vertical storage of 22,000 tonnes, Narrain Pastoral stores the majority of their harvest on farm and market it themselves. Their own fleet of four trucks delivers the grain to end users with back loads of cropping requisites as often as possible. 20% of the farm is irrigated from West Corurgan Irrigation, with a mixture of flood layouts and a travelling irrigator. Summer crops provide the opportunity of double cropping paddocks in one year.

Overview

Richard will join a panel with an agronomist and grain broker to examine integrating grain marketing into whole-farm planning for managing risk and capturing profit.

Providing his perspective as a grower, Richard shares how grain marketing is handled in his family business to manage risk, balance commitments, cashflow and logistics. Robust on-farm storage options with the capacity to manage harvest volumes and streamlined logistics are key to managing delivery flows to end users and utilising assets efficiently. Simplifying and streamlining where possible underpins Narrain Pastoral's overarching strategy to manage price risk. This is achieved by storing and selling through an expanded window in conjunction with preserving highly valued relationships with end users.

My follow up questions for the speaker; _____



Self-evaluation

How do you rate your business performance in the following areas?

1 _____ 10

- Agronomy _____
- Storage _____
- Freight _____
- Marketing and risk management _____

What are your potential opportunities for development in one or more of these areas?

How do you manage your marketing with consideration for seasonal development?

How satisfied are you with the tools, strategies and resources you are using to manage marketing?

Very satisfied _____ Very unsatisfied

Why? _____



Are there changes or new tools, strategies and/or resources you want to implement into your management strategy for marketing? Outline things you want to trial

We want to work on this in our business, what will we do next?

Our First Action _____

Our Second Action _____

Want to learn more about commodity market analysis, data and trading, here are some suggestions;

www.cmegroup.com

Profarmer subscription





More about Richard . . .

Richard started farming in 1970 with his parents, later joined by his brother – together they began expanding landholding in 1979. Following the deaths of Richard’s parents and a business restructure, in the year 2000 Richard and his wife, Ann, commenced trading as Narrain Pastoral Company.

In the following years sons James and Andrew, and their wives Tamara and Samantha, joined the business. They have continued to expand landholding, as well as adding capital improvements such as silos, sheds, water storage dams and irrigation infrastructure. James and Andrew are keen to keep up with the latest machinery and technology.

Contact details: Narrain Pastoral Company
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A global economic outlook - where to now?

Michael Every

Rabobank

Introduction

Is this the roaring 1920s? What is the most likely future scenario and potential implications? Michael gives practical advice to farm business owners on where to focus their attention, to manage the current uncertainty and to set themselves up for success in the future.

Notes



More about Michael . . .

Michael is a global strategist at Rabobank, he analyses major developments, including within the Asia-Pacific region. Currently based in Singapore, Michael has over two decades of experience in this field, previously working in Hong Kong, Bangkok, London and Sydney.

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THE 2020-2022 GRDC SOUTHERN REGIONAL PANEL

January 2021

CHAIR - JOHN BENNETT

Lawloit, VIC



Based at Lawloit, between Nhill and Kaniva in Victoria's West Wimmera, John and his family run a mixed farming operation across diverse soil types. The farming system

is 70 to 80 per cent cropping, with cereals, oilseeds, legumes and hay grown. He wants to see RD&E investments promote resilient and sustainable farming systems that deliver more profit to growers and ultimately make agriculture an exciting career path for young people.

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DEPUTY CHAIR - KATE WILSON

Hopetoun, VIC



Kate is a partner in a large grain producing operation in Victoria's Southern Mallee region and produces wheat, canola, lentils, lupins and field peas. Kate has been an agronomic consultant for more than 20 years servicing the Mallee and northern Wimmera. Kate is passionate about producing high quality grain, whilst enhancing the natural ability of the soil. Kate is passionate about research and the extension of that research to bring about positive practice change to growers.

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MICHAEL CHILVERS

Nile, TAS



Michael runs a family farming enterprise at Nile in the Northern Midlands of Tasmania, having successfully transitioned from a dryland grazing enterprise to intensive mixed farming. He has broad experience in resource management, strategic planning and risk profiling, human resource management and operational logistics. He was a member of the GRDC high rainfall zone RCSN (now Grower Network) for six years. Michael was a GRDC-supported Nuffield Scholar in 2012 studying systemisation and expansion models. He served on the Board of Nuffield Australia for two years, acted as state chair for three years, and regularly leads the China leg of the Nuffield Global Focus tour.

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ANDREW RUSSELL

Rutherglen, VIC



Andrew is Managing Director and a shareholder of Lilliput AG, and a Director and shareholder of the affiliated Baker Seed Co, a family-owned farming and seed cleaning business. He manages a 2500ha mixed cropping enterprise south of Rutherglen. Lilliput AG produces wheat, canola, lupin, faba bean, triticale, oats and sub clover for seed and hay. Andrew served on the GRDC's medium rainfall zone RCSN (now Grower Network) and has held many leadership roles. He holds a Diploma of Rural Business Management and an Advanced Diploma of Agriculture.

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JON MIDWOOD

Inverleigh, VIC



Jon has worked in agriculture for the past three decades, both in the UK and in Australia. He has managed Grainsearch, a grower-funded company evaluating European wheat and barley varieties for the high rainfall zone, and his consultancy managed the commercial contract trials for Southern Farming Systems (SFS). Jon was a member of the GRDC's HRZ (RCSN (now Grower Network) and became a GRDC Southern Panel member in 2015. In 2020 Jon set up an independent consultancy, TechnCrop Services.

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LOU FLOHR

Lameroo, SA



Lou is a farmer based at Lameroo in the Southern Mallee of South Australia. With her parents and partner, she runs a mixed farming enterprise which includes export oaten hay, wheat, barley, a variety of legumes and a self-replacing Merino flock. Prior to returning to the family farm, Lou had a 10-year agronomy career, servicing the Upper South East and Mallee. She is passionate about her industry, particularly in recognising the role that women play in the industry and on the land.

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ANDREW WARE

Port Lincoln, SA



Andrew is a research agronomist, based at Port Lincoln on SA's Eyre Peninsula. He started his career with the South Australian Research and Development Institute (SARDI) at the Minnipa Agriculture Centre, and then spent time at CSIRO in Adelaide. Andrew managed the family farm on Lower Eyre Peninsula for 10 years before returning to SARDI in late 2009. In 2019, Andrew started his own research company EPAG Research, delivering applied research across Eyre Peninsula. Andrew received the GRDC Southern Panel's Emerging Leader award in 2018, and prior to joining the Panel he served on the GRDC's low rainfall zone RCSN (now Grower Network).

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PRU COOK

Dimboola, VIC



Pru was raised on a mixed farm at Diapur in Victoria's Wimmera region. She has worked at the Victorian Department of Primary Industries and GRDC, where she implemented GRDC's first social media strategy. She then worked at Birchip Cropping Group, managing and supporting extension projects. She has recently started her own business focusing on extension, project development and management.

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MICHAEL TRELOAR

Cummins, SA



Michael is a third-generation grain grower based at Cummins on South Australia's Eyre Peninsula, where he grows wheat, barley, canola, beans, lupins and lentils on a range of soil types. He has been involved in the South Australian Grains Industry Trust, the Lower Eyre Agricultural Development Association and the South Australian No Till Farmers Association. He believes research and development underpins profitability in Australian farming systems and the GRDC is pivotal in delivering research outcomes that support growers.

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MICHELLE WATT

Melbourne, VIC



In February 2020 Professor Michelle Watt was appointed the Adrienne Clarke Chair of Botany at the University of Melbourne. From 2015 to 2019, she was Director of the Plant Sciences Institute at the Helmholtz Centre and Professor of Crop Root Physiology at the University of Bonn in Germany. Prior to 2015 Michelle was at CSIRO. She has been in multi-partner projects with Australia, the USA, India, the Philippines, UK and Germany in the under-studied but critical area of plant roots. She is President of the International Society of Root Research and Co-Chair of the Root Phenotyping

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DR NICOLE JENSEN

Canberra, ACT



Nicole is general manager of GRDC's Genetic and Enabling Technologies business group. She brings a wealth of experience in digital agriculture, plant breeding and genetics from roles she has held in Australia and internationally in the seed industry.

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GRDC Farm Business Update BENDIGO/YARRAWONGA



Acknowledgements

The ORM team would like to thank those who have contributed to the successful staging of the Bendigo and Yarrowonga GRDC Farm Business Update:

- The local GRDC Farm Business Update planning committee.
- Partnering organisation: Riverine Plains (Yarrowonga event)





Prefer to provide your feedback electronically or 'as you go'? The electronic evaluation form can be accessed by typing the URL address below into your internet browsers:

<https://www.surveymonkey.com/r/Bendigo-YarrawongaFBU>

To make the process as easy as possible, please follow these points:

- Complete the survey on one device
- One person per device
- You can start and stop the survey whenever you choose, **just click 'Next' to save responses before exiting the survey.** For example, after a session you can complete the relevant questions and then re-access the survey following other sessions.



2021 Bendigo and Yarrowonga GRDC Farm Business Updates Feedback

1. Name

ORM and/or GRDC have the permission to follow me up in regards to post event outcomes.

2. Location of Update

- Bendigo Yarrowonga

3. How would you describe your main role? (choose one only)

- Grower Grain marketing Student
 Agronomic adviser Farm input/service provider Other* (please specify)
 Farm business adviser Banking
 Financial adviser Accountant
 Communications/extension Researcher

Your feedback Please rate each presentation you attended in terms of relevance and quality
(10 = totally satisfactory, 0 = totally unsatisfactory).

4. Land value – what is driving values? *Eric Nankivell (Yarrowonga) & Jane Foster*

Content relevance /10 Presentation quality /10

Have you got any comments on the content or quality of the presentation?

5. Managing proceeds from an above average harvest? *Paul Blackshaw*

Content relevance /10 Presentation quality /10

Have you got any comments on the content or quality of the presentation?

6. Reset problem paddocks with the support of 2020 financial buffers. *Chris Dunn (Bendigo) and Tim Pilkington (Yarrowonga)*

Content relevance /10 Presentation quality /10

Have you got any comments on the content or quality of the presentation?

7. Staff – a valuable asset. Is it all about the money? *Jill Briggs*

Content relevance /10 Presentation quality /10

Have you got any comments on the content or quality of the presentation?



8. Integrating grain marketing for risk management and profit opportunities.

Bendigo panel: Dan Duggan, Phil Hawker and Tim Watson

Yarrowonga panel: Dan Duggan, Josh Buerckner and Richard Nixon

Content relevance /10

Presentation quality /10

Have you got any comments on the content or quality of the presentation?

9. A global economic outlook - where to now? *Michael Every*

Content relevance /10

Presentation quality /10

Have you got any comments on the content or quality of the presentation?

Your next steps

10. Please describe at least one new strategy you will undertake as a result of attending this Update event

11. What are the first steps you will take?

e.g. seek further information from a presenter, consider a new resource, talk to my network, start a trial in my business

Your feedback on the Update

12. This Update has increased my awareness and knowledge of farm business decision-making

Strongly agree

Agree

Neither agree
nor Disagree

Disagree

Strongly disagree

13. Do you have any comments or suggestions to improve the GRDC Update events?

14. Are there any subjects you would like covered in the next Update?

Thank you for your feedback.

