

Opportunity presented profits

Although the wet summer conditions of 2010/11 caused many headaches for farmers in the Ararat district of western Victoria, it also created an opportunity for a windfall profit for Rod & Bernadette Vearing.

The Vearing's property Mooneys Gap is host to an EverGraze Supporting Site conducted by the Perennial Pasture Systems (PPS) group. The site has two paddocks which are sown with lucerne and Holdfast GT phalaris respectively.

The paddocks produced spectacular growth through the wet spring and summer, with the phalaris being rotationally grazed and the lucerne cut for hay. A first cut was undertaken but was severely rain damaged. The spoilt hay was baled to remove residue. The lucerne was then grazed prior to a second cut for hay which was undertaken in late February. The paddock yielded 116 round bales at 3.1 tonnes/ha. The lucerne was returned to the grazing rotation when the regrowth allowed.

Rod takes up the story. "We had 280 white suffolk/merino lambs left from our 2011 drop of 1500 which hadn't made enough weight gains to sell to the trade. Normally these would be sold as stores to a lamb finisher. We were confident that the EverGraze paddocks would continue to produce enough feed to finish the lambs so we decided to keep them on."

The 280 lambs were joined by 120 first-cross ewes in the rotation which had the paddocks stocked at 15 DSE/ha. Rod said "We set about locking in the high lamb prices that were available in early 2011 when it became apparent that even with below average autumn rains there would be sufficient feed to finish the lambs. With the assistance of Landmark

Ararat livestock manager Kelvin Donnan, we contracted the lambs for July delivery at 640 cents/kg. This proved to be around \$1/kg better than the spot price at delivery, so the EverGraze paddocks have again proven their value."

In fact the EverGraze paddocks may have worked too well as 94 of the lambs weighed outside of the 26kg contract price and were discounted for being too heavy. "This is another issue of managing these high production pastures that we will need to take account of in the future", Rod said.

Rod joined PPS when it was formed by a group of farmers in the upper Wimmera in 2007 and commented that being part of the group has changed his outlook on his farm management. "I used to be reluctant to discuss pasture issues with leading farmers in our area as their pasture management seemed superior to mine, but I soon found out that the PPS group was pushing to further everyone's knowledge and became confident in planning pasture improvement on our farm.

When we were asked to host the EverGraze Supporting Site at Mooneys Gap, there was no looking back. We have had great support from the site coordinator and PPS project manager, Rob Shea, as well PPS executive member, Paul Harrington, who provides advice on the site's management. They have been joined by Cam Conboy from Gorst Rural (ex Seedmark) who provides honorary agronomic advice. We all learn



Rod Vearing (right) with the EverGraze team

key points

- Lucerne and phalaris have both persisted well so far since their establishment in 2008
- Lucerne maximised the benefits of a wet summer providing the option to finish lambs on quality feed and the confidence to lock them into contract.
- 3.1 tonnes of hay was an added bonus

something extra each time Cam inspects the site."

PPS has grown to have 65 farms involved as well as having several agronomists who are members of the group. PPS President, Simon Brady, commented "the funding provided through the EverGraze project and by the Caring For Our Country EverGraze Supporting Site has combined with MLA Producer Demonstration Site support to allow PPS to embark on several projects

as well as providing information to our members through newsletters and field days. This support has provided us recently with an opportunity for 19 PPS members to travel to Tasmania to learn more about the TIAR plant breeding program and newly developed varieties, which may also have potential for southern Victoria."

Rod and Bernadette are continuing development of Mooneys Gap which they purchased in 2000.

They are currently replicating the EverGraze Supporting Site with an adjoining paddock sown with Holdfast GT phalaris this year and another paddock in crop in preparation for lucerne establishment in 2012.



Sheep enterprise at Rod Vearings property

science behind the story

Mooneys Gap Site Coordinator & PPS Project Manager, Rob Shea, compares the returns from the management decisions made by the Vearing's in relation to the carry over lambs.

The table below compares the gross returns from the possible scenarios which were available in November 2010.

Prior to the EverGraze pastures being established, the area was a rundown annual pasture which would not have finished the lambs, even in a wet spring like last year. This meant that the lambs would have been sold as stores returning approx \$70 per head (Scenario 1).

The highly productive pastures established on the site in 2009, now give the Vearing's the ability to finish lambs in suitable seasons and this is laid out in scenario 2. It is assumed that the lambs would have been finished and sold on the spot market in July 2011. This shows that the return for the lambs would have produced a return over double that which would have been achieved if the lambs were sold as stores.

The actual scenario in the table shows a further higher return from the ability and confidence that the EverGraze paddocks

Table 1. Estimated gross returns from the possible scenarios in November 2010.

Scenario	Meat price \$/kg	Lamb av. dressed weight kg	Skin value	Average Lamb value	Total Gross return
1) 280 lambs sold as stores 11/10	n/a	n/a	n/a	\$70	\$19,600
2) Uncontracted 280 lambs sold at spot market 7/11	\$5.34	24.4 kg	\$16	\$146.29	\$40,961
ACTUAL 157 lambs sold under contract + 94 over contract weight & 29 light weight at spot market 7/11	Contract \$6.40 Spot \$5.34	24.4 kg	\$16	\$166.25	\$46,550

would achieve the required weight gains in the lambs and allowed Rod to lock in a contract at the high prices that were available in early 2011. The extra return is still significant despite over a third of the lambs being discounted for exceeding the maximum contract weight.

It should be noted that the lambs also had a further 120 ewes running with them during the finishing period. Prior to the pasture renovation these ewes would probably have made up the total stocking rate for the run down paddocks, so it is a fair assumption that

the extra profit from the lamb finishing gives a clear reflection of the advantage of the EverGraze paddocks.

A series of fact sheets on perennial pastures and the Pasture Improvement Calculator are available at www.evergraze.com.au

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