

# Best Management Practice- Decisions, Practices & Profit

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# Economics = Decisions



Great state. Great opportunity.



Queensland  
Government

# Measured by money



Great state. Great opportunity.



**Queensland**  
Government

# Beef Industry- Mackay Whitsunday

- Diverse mix of smaller holdings and a smaller percentage that are larger holdings.
  - 69% <100 Hd
  - 22% 100-499 Hd
  - 9% 1,000-3,999 Hd Whitsunday
  - 1% 1,000-3,999 Hd Mackay
- Different motivations and skills sets

# Beef Business Issues

- Increasing overheads (fixed costs)
- Increasing levels of debt
- Rural Debt Survey 2011- $\uparrow$  17.2%  $\downarrow$  -4.9% GVP
- Impacts of scale
- Servicing Debt: Small holdings having off property income

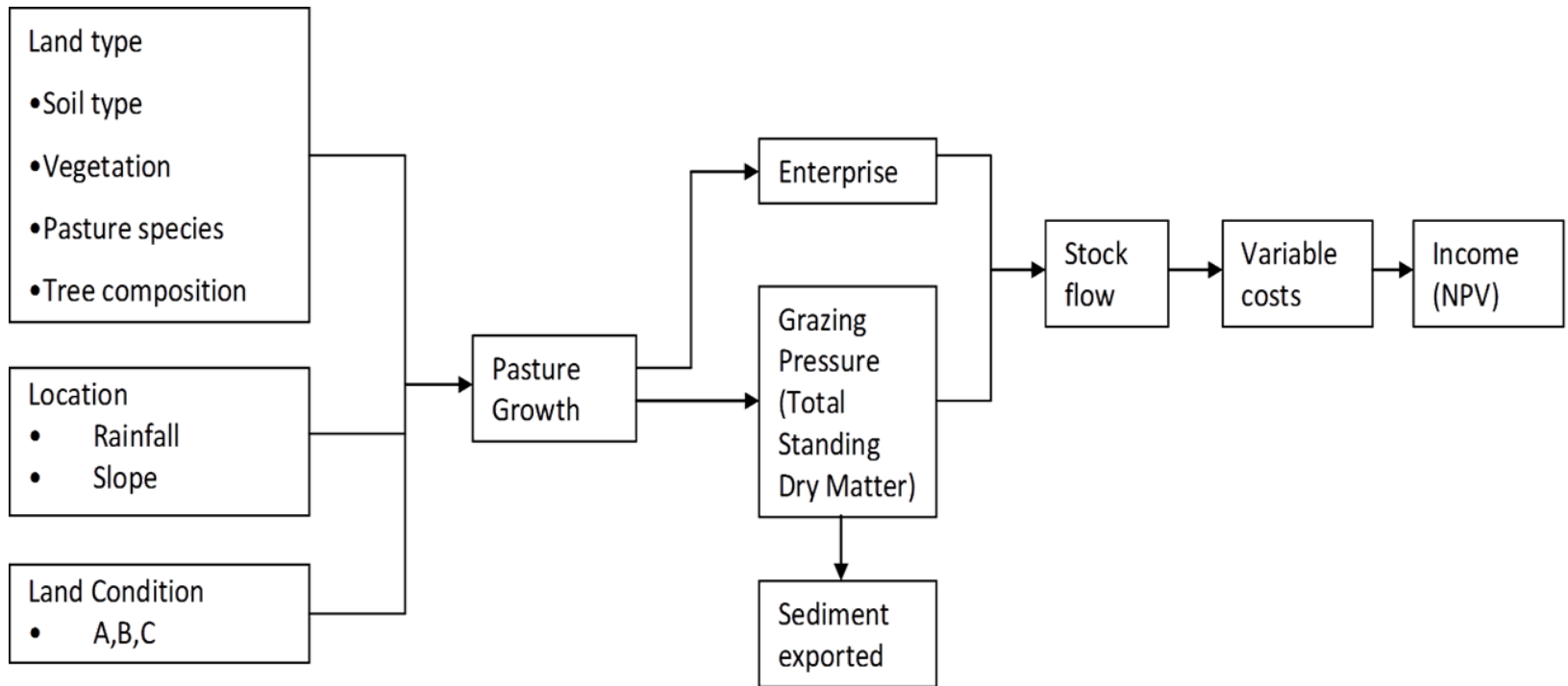
# Grazing

- Limited inputs
- Climate is King
- Inherent productivity of land types
- Long time lags, decisions over time

## Silver Leaved Ironbark

- Strategies looked at :
  - Land condition
  - Flexible grazing
  - Flexible grazing with spelling

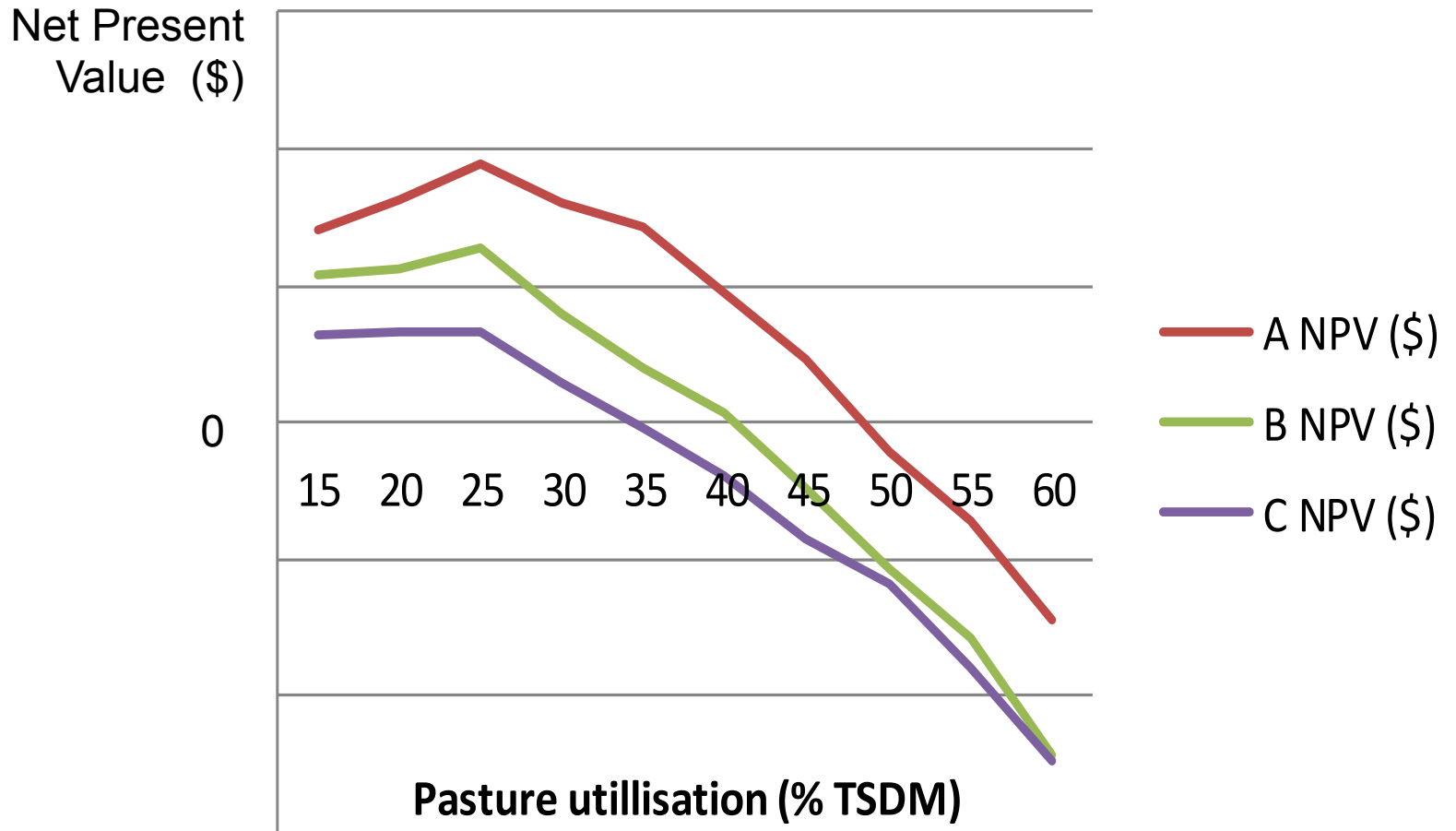
# Management practice and private benefits



Land Type	
Starting Condition	A,B,C
Tree Basal Area (m <sup>2</sup> )	0 & ave for land type
Grazing Pressure % TSDM	15,20,25,30,35,40 45,50,55,60,65,70
Start Years	1896, 1902, 1904, 1912, 1915, 1917, 1924, 1929, 1936, 1941, 1942, 1945, 1949, 1956, 1960, 1962, 1967, 1971, 1981, 1983

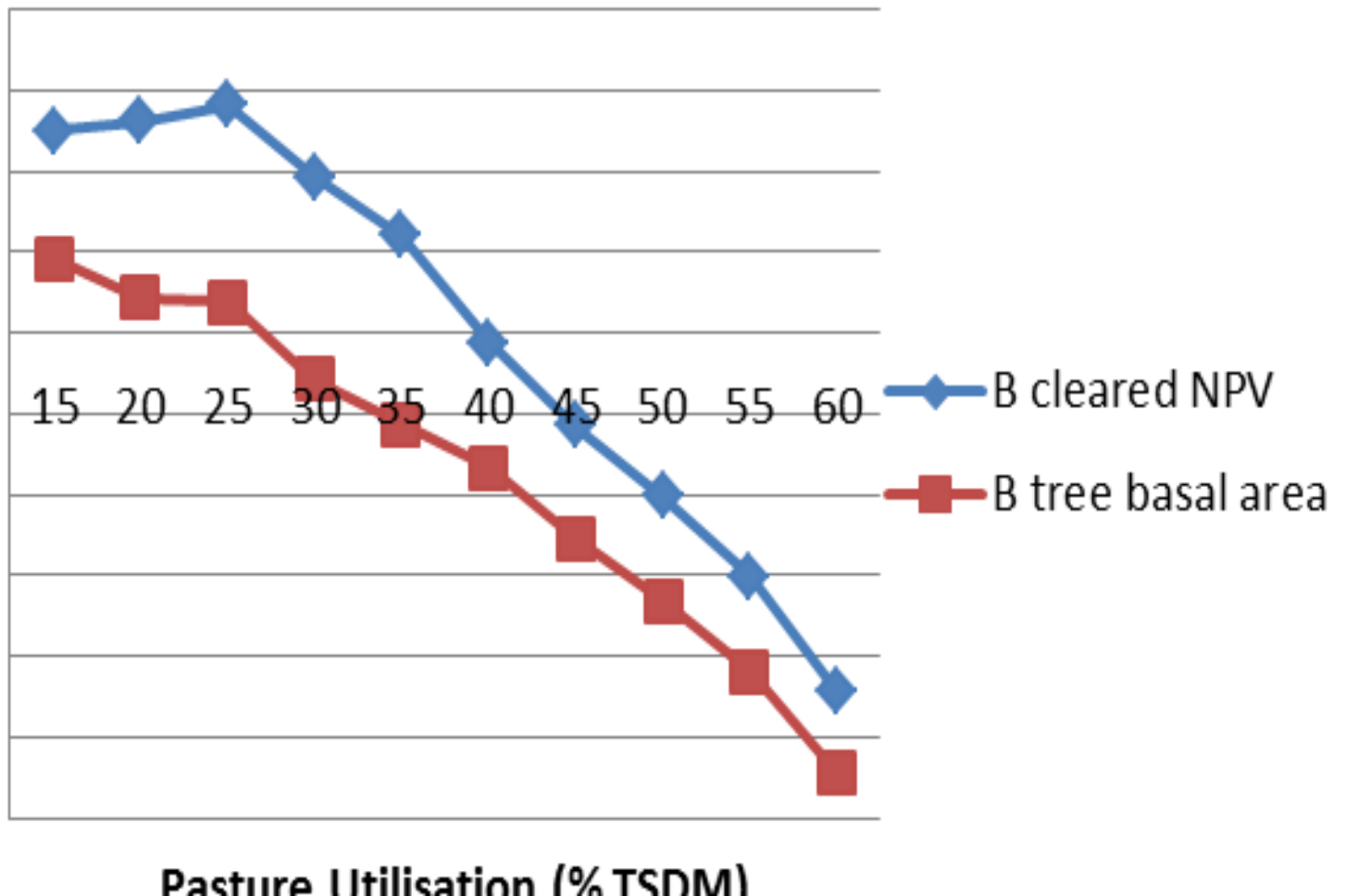


# Land condition and impacts on Profit

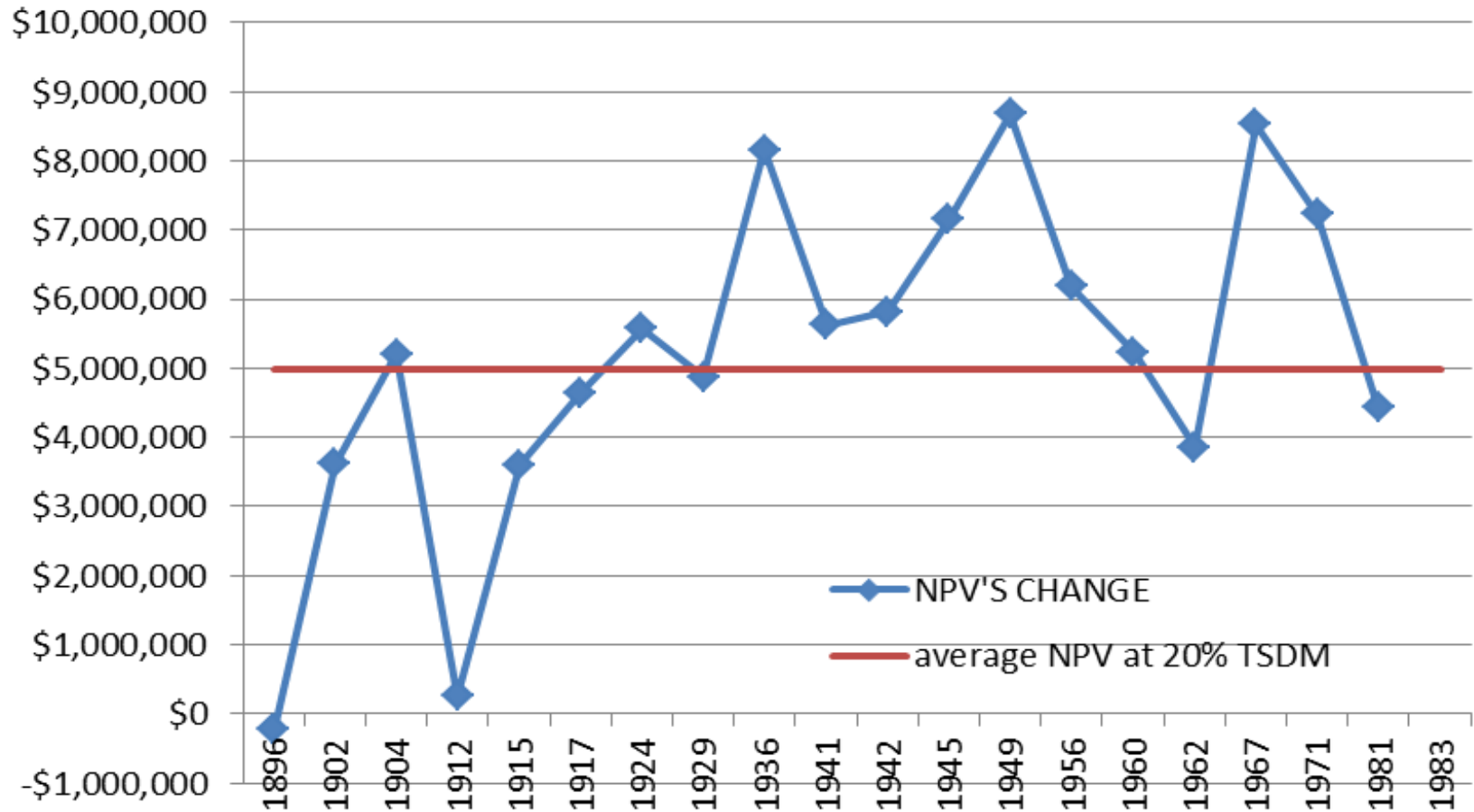


# Managing re-growth

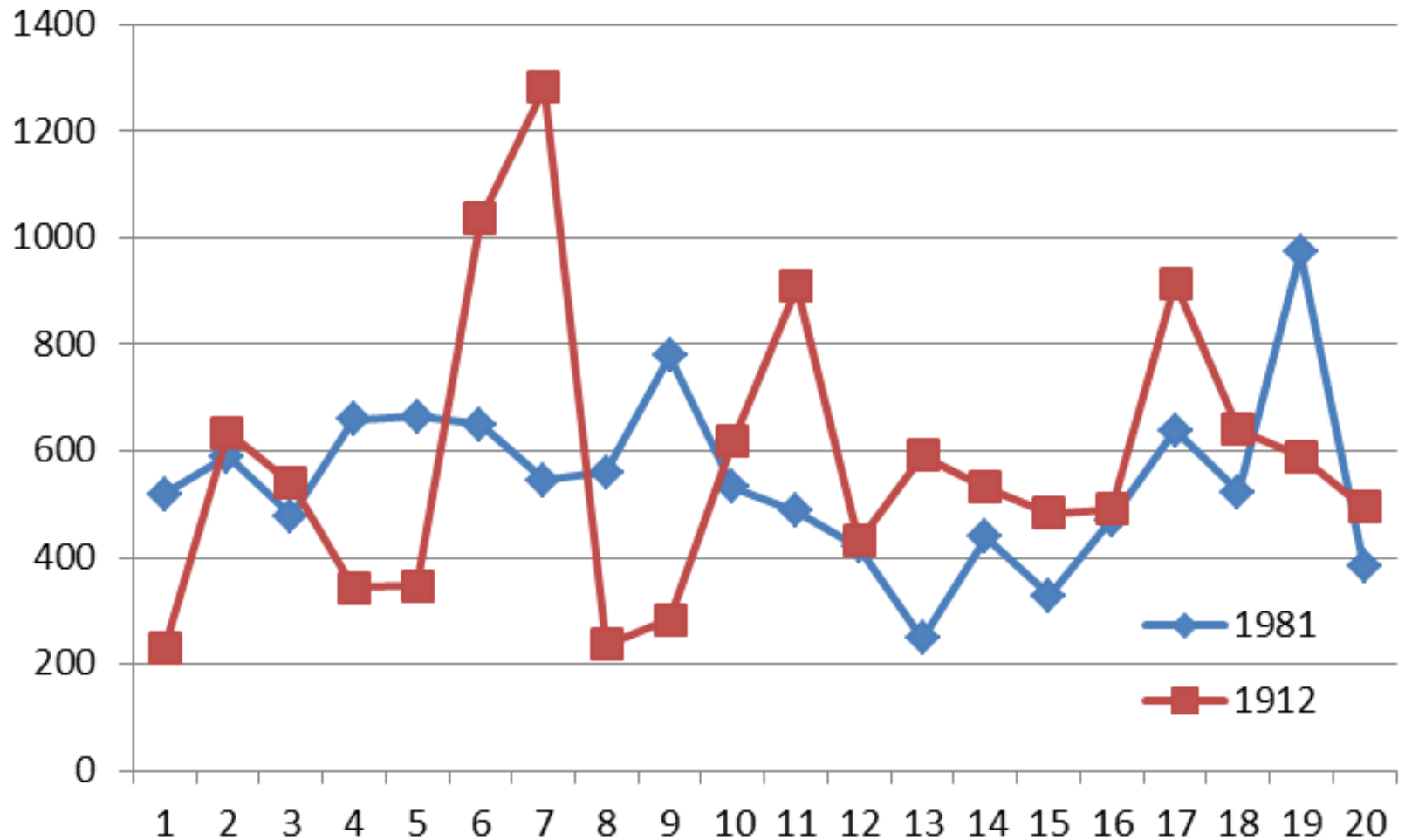
Net Present Value (\$)



# Climate is King

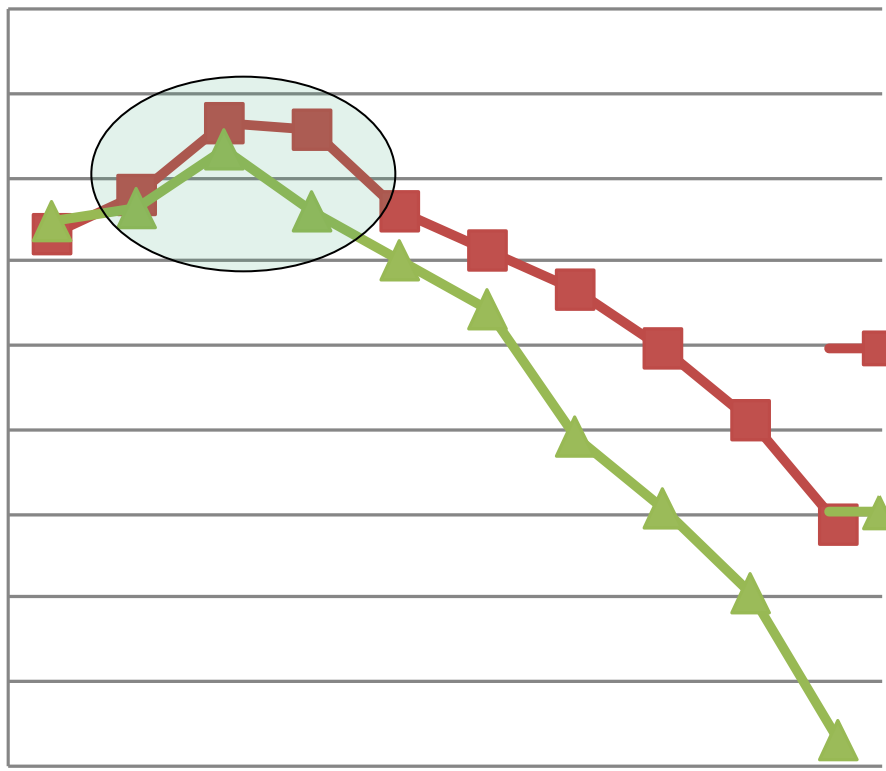


# What averages can look like!!!



# Risk and uncertainty

Net Present Value (\$)



NPV flexible stocking rate with spelling (\$)

NPV flexible stocking rate (\$)

15 20 25 30 35 40 45 50 55 60

Pasture Utilisation (%TSDM)

# Key Messages

- Timing of adoption -not only lags but seasons
  - Adoption of lower capital intensive practices, reduce downside risk
- More information/ dynamic management.
- Importance of working across components of the business.
- Be strategic in thinking through what is required for you business, and what is the best way to get there.

## And some more.....

- Take the time to do your action plan
- Pets and foes take the time to branch out and learn something new.



# Thank You!!