

# Dairy Business Seminar

## Delivering Sustainable Profitability to the Australian Dairy Industry

*Come and listen to Bill Malcolm, David Beca & Richard Shephard, 3 of Australia's leading dairy business minds, discuss the current state of the Australian Dairy Industry and what needs to be done to ensure a financially sustainable future for the industry.*

**Wednesday 27 June**

**1:00pm - 6:00pm**

**Hotel Grand Chancellor Launceston**

### AGENDA

#### **Things the most successful farmers (and their advisors) get right ~ Bill Malcolm**

Successful farmers have well-considered goals. They assess their business performance from several angles, distinguishing between cash, profit and wealth, and most importantly, they make good decisions. How do they do it?

How do the best farmers assess opportunities to grow, value assets and deal with risk and uncertainty?

Why is advice based on average technical ratios and average margins flawed?

What else do most successful farmers get right?

#### **Make Australian dairy farming GREAT again ~ David Beca**

Over the last 15 years how does Australia compare to the major southern hemisphere exporting countries of New Zealand, South Africa, Argentina & Uruguay in milk production, milk pricing and cost of production?

Where have the Australian and New Zealand dairy industries diverged over the last 15 years, and if the Australian dairy farmers have 'lost their way' then can they recover?

How did the South African dairy industry turn their industry around?

Is there anything to be learnt from the Argentinian and Uruguayan dairy industries?

#### **The right cow for you depends on your farming system. A blueprint for Tasmanian dairy farms ~ Richard Shephard**

Pasture-based dairy farmers have to balance per cow and per hectare performance to manage farm financial performance. Getting this balance right is important because as you increase per hectare performance you typically decrease per cow performance and vice versa. The challenge is to know the right balance for your system. Because land is the most valuable item of capital on the farm with the herd next most valuable, this implies that pasture-based farms should be most profitable when they tip balance towards per hectare performance and away from per cow performance; but not to the extreme.

This session will explore the link between per cow and per hectare performance and will focus on the traits that are most valuable for pasture-based dairying regions that use modest amounts of concentrate. We will take a precautionary look at cow-level benchmarks and examine when these have potential to mislead using a real example. This process will identify the most important selection traits for Tasmanian dairy farmers.

**Improving technical and economic productivity and growing the business, under risk and uncertainty is key - what factors are critical to improving productivity and growth in Australian dairying? ~ Bill Malcolm**

How does growth affect management?  
What costs to count when planning change?  
Dairy farming: Who bets?

***What farm system maximises profitability on pasture-based dairy farms ~ David Beca***

This presentation includes a review of how to optimise milk production per cow, number of cows per hectare, amount of pasture in the diet, and pasture harvest per hectare to maximise profitability.

There will be thought provoking conclusions around optimal cow size and dry matter intakes, and an answer to the question; Is it important what farm system you choose, or can all farm systems be equally profitable IF the farmer manages the system well?

***Presenters:***

**Bill Malcolm**

Bill works as an Associate Professor in Farm Economics at the University of Melbourne, and has been involved in dairy farming, teaching and researching about farming, in Australia and overseas, for many years. Bill is the co-author of *Agriculture in Australia* and more recently *The Farming Game – Agricultural Management & Marketing*.

**David Beca**

David's experience includes owning and operating dairy, beef and sheep farms with external investors, as a CEO of Australia's largest dairy farming enterprise (VDL), as an asset manager at UK-based Insight Investment overseeing agricultural businesses across five countries, as a MD/CEO of Uruguay's largest dairy farming enterprise (NZFSU/Olam), as a MD of a farm performance and benchmarking software company (Red Sky), as a senior partner/director in an agricultural consultancy and feed company (Intelact), as a director of a NZ-based cooperative dairy company, and now as COO of a vertically-integrated Australian beef business. David has specialised in the areas of dairy farm systems and the drivers of business profitability.

**Dr Richard Shephard**

Richard worked as a veterinarian in mixed mainly dairy practice for fifteen years and transitioned this into a farm management and industry consultancy. He completed post-graduate studies in veterinary epidemiology along the way and combined his clinical and population medicine skills with an interest in cattle health, farm production and economic performance and computer modelling to explore the farming system. He has been providing whole-farm consultancy services for twenty years.

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