

How Now Gippy Cow



Your Levy at Work

MARCH 2017

How Now Gippy Cow is a joint initiative of GippsDairy and Dairy Australia

ISSUE 218

Break-even is the starting point

By Matt Harms
ONFARM Consulting

The dairy industry always splits opinions, but there is one thing everyone can agree on - things are tough.

With quite a few months still to go until opening prices are announced, it is interesting to listen to the optimists in the industry stating that prices are on their way sharply up, and even prices in excess of \$6.00/kgMS are being talked about. Whilst this will be great if it happens, it is interesting to see and listen to what those with boots on the ground and 'skin in the game' are saying about the industry right at this point.

When a group of strong performing, experienced dairy owner-operators were asked last month how they saw the current state of play in the industry, their responses were along the lines of:

- "We are still recovering from the 2015/16 drought, physically, financially and emotionally- it's been a tough couple of seasons"
- "The 2016/17 season has been great in some parts of Gippsland, but only moderate in other parts particularly those who had a really wet spring"
- "Cash flow is poor right now, and every time you think it is recovering, more bills roll in";
- "A good outcome would be to finish this season 'breakeven' and start the new season without a 'hangover'"
- "Optimism is low and morale has taken a beating".

To some, this may sound overly pessimistic, but to many in Gippsland, this is reality, and reflects their world for the last 18 months to two years.

What was also interesting was asking this group of 'experienced heads' what they will do given three possible milk price scenarios for next year - \$4.80/kgMS, \$5.30/kgMS and \$6.00/kgMS, each price under moderate input prices and a typical season. Overwhelmingly the answer was that they would consolidate. There was little appetite for expansion, even at \$6.00/kgMS.

Whilst all this is entirely hypothetical, it demonstrates that a degree of conservatism has crept in, with a strong desire to reduce debt, strengthen the business and get back on a course they feel comfortable with - one that will give them options into the future. This mind-set will be a challenge to some in the industry, particularly processors and service providers. The past two years have challenged even the most resilient operator.

Despite the current tough economic conditions in the industry, some are also stating that they aren't traveling too badly, with many terms like low cost of production, profit, cash surplus and break-even being thrown around. There is a big difference between the 'cash world' and 'profit world'. 'Cost of production' is thrown in just to confuse matters more. The cash world (where most people live, because this is what pays the bills, pays the bank and keeps food on the table) is not profit, nor is it a measure of cost of production. It merely says "what is the bank balance at the start of the season and what is it at the end, and have we paid everyone and everything along the way?" Many will end this season at 'breakeven', slightly below or slightly above by 30th June. Much of this due to the catch up from last year's tough conditions where many bills were carried over and have been paid this season.

The profit world looks at business performance, and strips out the bills from last year that were carried over, and also takes into account depreciation on plant and equipment, labour that has been invested in the business but you haven't been paid for, as well as the costs and income for this season in isolation. It isn't a world that is easy to visualise, because 'business profit' or EBIT and Return on Assets, takes into account things that are hard to see and that you do not actually pay for, or get paid for. There will be quite a few businesses that experience a business profit this year, but won't have much cash to show for it!

Then there is the tax profit (or loss). This will be one to keep an eye on over the next three months, by doing early planning with your

accountant. The bills paid this financial year, as well as income earned are taken into account. Why will there be a taxable profit, when this season and last have been so poor? Because from a tax perspective, there may be a profit from all the things that have been churning through the books over the past 12 months, especially those high stock sales that have helped prop up lower milk cheques. There is nothing worse than getting a tax bill in a year where there is no cash, and wondering why. Do some early planning and checking just to make sure, and avoid a nasty surprise.

So what does all this mean in terms of farm level decisions over the next month or two? Optimists may say that milk prices are about to kick and reducing expenditure on key things like resowing, fertiliser, feeding and improvements will hurt the business going forward. But with extremely tight budgets and many bank balances in the negative, we cannot spend what we don't have, nor may have for more than 12 months.

I am strong on encouraging people to live within their means and keep unnecessary costs out of the business. An increasing milk price with tight cost control can lead to very nice profits. Some things really worth reflecting on are:

- What costs will make me more money next year?
- What costs give a definite response versus a possible response?
- What is the payback period of an expense?
- Is the additional expense something that will make me more money, or is it an additional overhead cost generating little additional income?

When looking at some of the typical autumn costs, the big one being resowing of pastures, an interesting exercise is to determine which pastures 'need' renovating, and which ones are a 'want'. One way is to score the paddocks out of 10. Which paddocks are capable of growing the amount of feed each hectare needs to grow to meet the farm's feed requirements, and which ones aren't. Set up a scoring system, as demonstrated in the table below.

Pas-ture score (out of 10)	Possible reasons for score	Farm's decision on renovation given the budget available	Possible renovation strategy
8+	High ryegrass density (say 80% or more); very low weed content;	No renovation required this year	
6-8	Ryegrass density moderate (60-80%); some bare areas and poor species present;	May get away with no renovation this year or even 'topping up' until next year.	Consider drilling with a lower rate of ryegrass or a partial renovation this year if budget position is ok
4-6	Low ryegrass content (40-60%); poor species such as bent grass, fog grass, couch, kikuyu etc;	Strongly consider renovation even under tight budget constraints	Full renovation or plant annual variety and prepare for summer cropping
0-4	Extensive bare areas (<40% ryegrass); high content of poor species.	Renovation required as it is affecting pasture availability across the farm, even despite tight budget constraints	Full renovation or plant annual variety and prepare for summer cropping

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Break-even is the starting point

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Be mindful of the impact on your total feed supply over the farm if you have a lot of paddocks below 6/10 and not many of these are renovated, as this may decrease the amount of pasture grown and increase the amount of purchased feed required, or lower total production of the herd. This may lead to a tight position next year.

Fertiliser (and lime) is another key autumn cost. Establish your position and assess what is required by some soil tests in areas you have tested in previous years. Speak to your agronomist or consultant and work out what actually needs to go, rather than relying on guess work or what has gone on every autumn in the past. Just because it is always done, doesn't necessarily mean it is

needed! Lime will provide minimal to no immediate benefit in most instances, and so a considerable outlay may give no tangible cash return.

Other issues to be considering over the next period, as we head into winter, include the need to grow pasture, and using fodder reserves to do this. Slowing the round and growing more ryegrass heading into the cooler months helps set up the farm for the next season. Having fodder on hand to help do this is vital. With the lower grain prices and better milk prices at this time of the year and into the middle of the year, some are considering increasing feed levels, including using it to stretch out the grazing round. This was the subject of last month's front page, so if you wish to review this further, have a read or request another copy.

Q Fever dairy farmer warning

Gippsland dairy farmers have been urged to vaccinate against Q Fever.

The disease, which is spread through contact with animals, has the potential to cause lifetime health problems or, in some cases, be fatal.

Practice manager at Leongatha's Long Street Family Medicine, Katrina Benson, said every farmer should consider vaccinating.

"Because the name sounds so benign, it doesn't seem so serious, but people don't understand that it can be lethal or have potential long lasting effects," she said.

"Dairy farmers in particular should be consider vaccination because Q Fever is spread from birth products, milk, faeces and urine, which they are exposed to on a regular basis."

When infected, some people experience no signs, while others just feel a little 'off colour' for a few days. Most people, however, feel like they have a bad case of the 'flu, with fever and sweating, nausea, vomiting and diarrhoea for up to 10 days.

For most people, these signs pass and there are no more problems. If you already have heart problems, you may get infection of the heart valves and severe illness as a result.

It is very rare for anybody to die of Q Fever, although some people may get other problems months or years after the first signs of disease have passed. These take the form of extreme tiredness and weakness, even after minor exercise, muscle pains, headaches, fever, and depression.

This form of the disease, Post Q Fever Fatigue Syndrome, often lasts for years, and may make work, especially on a dairy farm, impossible.

Ms Benson said it is vital that correct procedures are followed in the administering of vaccines, with every patient needing to be checked first for previous exposure.

"If you have been previously exposed to Q Fever you cannot get the vaccination because it can be potentially lethal

"That is why there are two parts to the testing process. We need to test to see if you have had it previously before we can vaccinate. The good news is, once you've had it you have lifetime immunity."

Farmers in the Bairnsdale region will be able to access the vaccination process next month, with testing available on April 28.

"We have been contacted by Gippsland Primary Health Network and been asked to go to Bairnsdale to test for Q Fever and then return the next week to do vaccinations," Katrina said.

List of Q Fever vaccination providers in Gippsland

Drouin	Dr Michael Crameri	Bank Place Medical Centre	1 Hopetown Road Drouin Vic 3818	03 5625 3000
Heyfield	Dr Greg Ivanoff	Heyfield Medical Centre	19 Tyson Rd Heyfield Vic 3858	03 5148 2201
Leongatha	Dr Fred Edwards	Long Street Family Medicine	1 Long Street Leongatha VIC 3953	03 5662 4455
Leongatha	Dr Tilak Kulatunge	Long Street Family Medicine	1 Long Street Leongatha VIC 3953	03 5662 4455
Moe	Dr Steven Grigoleit	Moe Medical Group	5-7 Lloyd St Moe Vic 3825	03 5127 3333
Moe	Dr Philip (Charles) Perry	Moe Medical Group	5-7 Lloyd Street Moe VIC 3825	03 5727 3333
Morwell	Dr Armando Sta.Ana	The Healthcare Centre	185 Princes Drive Morwell VIC 3840	03 5133 9966
Sale	Dr Fiona Sundermann	Clocktower Medical Centre	284 Raymond St Sale Vic 3858	03 5144 4788
Sale	Dr Iain Nicolson	Sale Medical Centre	49 Desailly St Sale Vic 3850	03 5144 5766
Wonthaggi	Dr John Hackett	Wonthaggi Medical Group	42 Murray St Wonthaggi Vic 3995	03 5672 1333
Foster	Dr Phil Warboys	Foster and Toora Medical Centres	97 Station Rd Foster Vic 3960	03 5682 2088
Korumburra	Dr Mark Bensley	Korumburra Medical Centre	50 Radovick St Korumburra Vic 3950	03 5655 1355

Feeding Pastures for Profit (FPFP)

FPFP develops dairy farmer skills and decision making in growing and optimising pasture consumption.

The program involves two days 'up-front' classroom style delivery plus five on-farm group days over the next 10-12 months. Each participant is entitled to a one off farm visit to support pasture rotation decisions.

Programs will be in West Gippsland on Thursday 27 April/Thursday 4 May; South Gippsland on Friday 28 April/Friday 5 May and Tuesday 2 May/Tuesday 9 May; Macalister Irrigation District on Wednesday 3 May/Wednesday 10 May. All days will run from 9.45am to 3pm with venues to be announced.

Places are limited, to register contact Karen Romano on 0417 524 916 or karen@gippsdairy.com.au

Transition cows have the need for feed

Sometimes dairy farmers need to spend money to make money – and transition cow management is one of those times.

Investing in this vital period will pay dividends later on with:

- prevention of milk fever
- reduced RFMs, assisted calvings and vaginal discharge
- a reduction in acidosis, ketosis and lameness
- money and time saved on treating sick and downer cows
- increased in-calf rates
- increased milk production over entire lactation.

Dairy Australia believes feeding a balanced transition diet to cows and heifers 21 days before calving can return up to \$200 per cow for a price tag of between \$20 and \$60 dollars per cow.

A balanced transition diet must have the right amount of energy, protein, fibre, calcium, magnesium, phosphorus and trace elements, and the correct DCAD level. DCAD is the Difference between the Cations (sodium and potassium) and Anions (chloride and sulfur) in the Diet. All feed sources (including pasture) contain different amounts of these components. Work with a nutritionist to get the balance right for your herd. The aim is to lower the DCAD of the diet as much as possible.

What to feed springers

The transition diet before calving should satisfy the nutritional needs of the cow, calf and developing udder. Springing cows require 100-120 MJ ME per day.

To achieve this, the feed needs to contain about 11 MJ ME/kg DM and 14-16% protein.

Poor-quality hay or forages definitely will not provide this.

It is recommended that farmers have their hay feed tested for the DCAD levels to ensure that home grown feed is suitable. A good-quality cereal hay low in DCAD is a good source of energy and fibre. Grain, or better a commercial lead feed, will help lower the DCAD of the total diet, help achieve the right energy, protein and mineral balance of the diet, and prepare the rumen for the milker ration.

Planning ahead

Timing is important! Aim to feed each cow and heifer the transition diet for 21 days before calving. The best way to achieve this is to do early pregnancy testing to get accurate dry-off lists and calving dates. Use these dates to draft cows into the springer paddock – don't rely on visual signs.

Plan your fodder purchases in advance. Before bulk buying, feed test the ingredients, such as hay, to make sure it's suitable in a transition diet. This is the time to talk to your nutritionist or use the online DCAD risk calculator

Feeding out

Decide if the cows and heifers will be fed the transition diet in the paddocks, on the feed pad or in the dairy. Make sure the cows are eating their feed and have enough space to eat (about 0.75 metres per cow).



Transition feeding improves health and lactation.

If palatability is an issue check salt levels and feed quality.

Avoid paddocks high in potassium as springer paddocks, including paddocks that have had effluent spread on them or have been springer paddocks in recent years. The DCAD of the pasture can affect the overall diet.

Is it working?

It is important to check whether the transition feeding program is working and to know what to aim for. You can do this by keeping track of the number of cows that have health problems around calving.

Table 1 shows what you can achieve with a good transition program. Seek help from a nutritionist or vet if the levels in your herd are higher.

Health problem Aim for (% of herd)

Milk fever	1%, 2% for cows >8 years
RFMs	<4%
Assisted calvings	<2%
Vaginal discharge	<3%
Acidosis	0
Ketosis	<1%
Mastitis	<5 cases per 100 cows in first 30 days
Grass tetany	0
Lameness	<2% with score 2 of 5

Table 1

Head to this website for more information: <http://www.dairyaustralia.com.au/Animal-management/Fertility/Transition-cow-management.aspx>

Records that never went out of fashion

Good record keeping once meant putting your Bee Gees albums between ABBA and Cold Chisel. These days, dairy farmers could face the music if workplace regulators find their records are not up to scratch.

All employees must keep records relating to their employees and keep them for at least seven years. If a business is sold or transferred to another person and the employees continue to work for the new employer, the former employer must transfer all records to the new employer who must keep them for the required time.

Monetary penalties can be imposed for failure to keep records as described or to make copies available to employees and workplace inspectors.

Employees are entitled to information about their employee records and to be told where their records are being kept. In addition, employers must allow employees and former employees to inspect and copy any of their employee records. Records must be given to the employee at the workplace within three working days or within 14 days if the record needs to be posted.

Workplace inspectors are also entitled to inspect and copy employee records and documents which are at the workplace when they are conducting an inspection. They can also require employers to produce employee records and documents within 14 days of a written notice to do so. Workplace inspectors can also keep documents and records if necessary and if they do this they must allow the employer to make a copy.

All employment records must contain the following:

- the name of the employer
- the name of the employee
- whether employment is full time or part time
- whether employment is permanent, casual or temporary
- the date the employment began
- the ABN (if any) of the employer

Records of hours of work are required for employees who are entitled to penalty rates or a loading for overtime worked. Records of hours of work must state:

- the number of overtime hours worked by the employee each day
- when the employee started and ceased working overtime
- if an employer and employee reach an agreement regarding averaging of hours, a copy of the agreement must be kept.

If employees are required to fill in a time sheet it will be easier for you to keep records of their hours of work.

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Facial eczema prevention with zinc

Gippsland dairy farmers using zinc oxide to prevent facial eczema in cows should be aware that the old 100 day maximum dosage limit has been relaxed.

While there is no research to support any maximum safe zinc supplementation period, be it 60, 80 or 100 days, experience over 40 years provides confidence that when administered correctly, prevention dosing is safe

up to 100 days.

Beyond 100 days, monitoring blood serum zinc levels in conjunction with a vet becomes more important.

Remember, that by the time you see some cows in the herd affected by the photosensitisation caused by facial eczema, a large proportion of the herd is likely to have already suffered liver damage, for which there is no specific treatment. (Zinc can only prevent facial eczema. It cannot reverse liver damage already done from exposure to the toxin).

Early intervention is critical. Use prevailing weather conditions in combination with pasture spore counting to predict and identify periods of pasture toxicity, and take preventative action when local pasture spore counts trend upward of 20,000 spores/gram and weather conditions look favourable for sporulation.

Zinc is protective against facial eczema. It prevents cell damage by forming an inactive complex with the toxin sporidesmin.

It also inhibits intestinal absorption of copper which catalyses formation of the oxygen free radicals that cause the cell damage.

Zinc supplements can be effective for facial eczema control and prevention if well managed, as the data in the figure below demonstrate.

Whichever option is used for zinc administration (zinc sulphate via drinking water, or zinc oxide by oral drench or in feed), the aim is to maintain the cow's blood serum zinc level at 20 to 35 micromoles/litre.

The desired dietary intake of elemental zinc required when 'prevention dosing' to maintain this protective blood serum zinc level is 20 mg/kg liveweight/day.

Zinc administration should commence 2-3 weeks before pastures become toxic.

Feeding zinc oxide in grain/concentrates (as a grain mix or pellet) in the bail at milking can be very effective for facial eczema prevention in the milking herd on Australian dairy farms. However, only a suitable zinc oxide additive should be used, in the correct amount.

The concentration of elemental zinc and the level of impurities (including lead, cadmium and other heavy metals) varies between different zinc oxide additives. Only a zinc oxide additive with a

certificate of analysis provided by the supplier which confirms it is suitable for use in animal feeds, containing no more than 200 mg/kg (0.02%) lead and 20 mg/kg (0.002%) cadmium, should be used.

The amount of zinc oxide included in each tonne of grain/concentrate for prevention dosing must be carefully calculated to achieve the required dose of 20 mg elemental zinc/kg liveweight/day. If you under-dose, you will not provide your cows with adequate protection against high exposure to sporidesmin challenge.

If you over-dose, there is the risk of zinc toxicity.

Problems supplying zinc oxide via grain/concentrate (as a grain mix or pellet) most often occur when:

- The incorrect zinc oxide inclusion rate per tonne of grain/concentrate is used for the daily feeding rate and average milking herd liveweight.
- The zinc oxide settles out of the grain/concentrate before or during feeding.
- Each cow does not receive and consume the intended amount of grain/concentrate (kg/cow/day) in the dairy bail.
- The grain/concentrate feeding rate is changed mid-batch.

Gippsland farmers can keep track of local pasture spore counts via the Dairy Australia facial eczema pasture spore monitoring program at www.dairyaustralia.com.au/facialeczema

Dosing young stock and dry cows

Prevention dosing of young stock or dry cows with zinc sulphate via drinking water or with zinc oxide in feed may be impractical in many grazing situations.

However, 'crisis dosing' previously untreated animals may be necessary during danger periods. This is best achieved using zinc oxide (ZnO) by oral drench (accepting that 'crisis dosing' is less effective than long term prevention dosing).

Drenching 1 to 2 times per week may be adequate for young stock and dry cows.

- Sprinkle 10kg zinc oxide powder into 25 litres water, leave to wet and then stir until lump-free. This produces about 27 litres of drench
- Administer 10ml/100kg liveweight x no. of days between drenches (Source: Dairy NZ 2010)

Latest dairy news via email

How Now Gippy Cow (HNGC) is considered the number one resource for Gippsland dairy farmers looking for information on how to improve their farm business operations.

But with a monthly publication cycle, HNGC is not always able to keep up with fast changing circumstances.

GippsDairy is seeking to fill this communications vacuum with eNews, a weekly email that contains up-to-date information on happenings within the dairy industry.

Whether it's a response to seasonal conditions, announcements about upcoming events or news from around the wider dairy industry, eNews can offer farmers regular updates on industry happenings sent straight to their email inbox.

GippsDairy communication and engagement officer Danny Buttler said the ability to directly contact farmers with immediate information was seen as crucial to achieving better on-farm outcomes.

"We saw with the dry conditions and milk price drop of 2015/16 that farmers wanted immediate information and a swift response from GippsDairy to help them through a tough time," he said

"With our new direct email system we have been able to target dairy farmers from certain districts or with certain needs to offer support. With eNews, we can keep farmers updated on a weekly basis with the main issues and events in the dairy industry."

"GippsDairy's ability to use electronic communications complements How Now Gippy Cow, which offers in-depth farming information from some of the best minds in the industry."



Dairy farmer Gary Maslen uses eNews to keep up to date.

eNews is sent out every Wednesday direct to farmer and service provider emails. If you are not receiving it but would like to, please email info@gippsdairy.com.au or phone 5624 3900.

On the Fish Creek Focus Farm feeding cows is a much easier topic than succession!!

When the Fish Creek Focus Farm commenced last year, one of the issues on the agenda for the Support Group to consider was the topic of succession, that is, the passing on of a business or assets to the next generation.

It was discussed in very general terms at a couple of meetings, but in January some possible options were presented to the Support Group, generating a more in depth discussion. What became very obvious was the sensitivity required around this topic because people, and what they own and what they do with that, are critical aspects of this process. It is not like discussing whether cows should be fed more or less protein for example!

A previous article in How Now Gippy Cow covered the principles of succession planning in general; GippsDairy also ran workshops on the topic last year. On all of these occasions the focus was on the idea of "transition", a process of change over time, rather than a simple swap of assets implied in the word "succession".

What do the principles of the transition process look like when applied to a real family, the Copes, who have started tentatively along the succession path?

The asset owners, Graeme and Jenny, are in their mid- 50's - that's the perfect age to start thinking about their position in the next to 5-10 years. A dairy farmer at the age of 55 is often more like 65 physically, so early planning is even more important.

The family member "active" in the business with Graeme and Jenny is Shaun, who is currently employed at market rates in the family business. Shaun is married to Sharna; they are both in their late 20's and they own a house in Meenyan (with the bank!). This is also a perfect stage to start thinking about where they want to head to in the future.

There are other family members not active in the business but who could be described as "interested parties".

The family, having started along the transition path, have had some introductory discussions with the family solicitor, the bank, and the Support Group and now it's getting to the sharp end of the decisions.

Successful succession/transition involves several clear steps.

- The "mirror test": All the individuals involved in the process must first ask themselves if they genuinely understand the meaning of, and can implement, the following: empathy (can you appreciate why someone holds a particular position even if it's not yours?), respect (acknowledgement of the achievements/plans of all individuals as being as equally important as your own), confidence (there is no doubt that the people taking on the business are capable enough to make a success of it), patience (changes take time) and trust (the belief that everyone wants the best outcome for all involved).
- Statement of Position: This is a very clear picture of the cash, profit, and net worth of the asset owners. Graeme and Jenny have a "well oiled" 720 cow business worth about \$11 million but with over \$6 million debt. This is important to know, because as transition options appear they must be affordable. Cash flow has been and continues to be tight in the Cope business in 2016/2017; this must be factored in.
- Individual objectives: No options can be honestly evaluated or developed until individuals (not couples) have clearly stated what they want and don't want in the future. It sounds obvious, but in many situations a partner might "go along for the ride" until a situation arises where questions are asked that should have been asked years previously. The views of all individuals must be aired and treated with respect.

The Copes' objectives are being fine-tuned and documented as you read this article, but, in general, Graeme and Jenny do not want to be milking cows in 10 years. They want to be travelling extensively, playing more golf (Jenny) and enjoying grandchildren.

The option exists for Shaun to manage and grow assets within the business, but if Shaun decides to operate his own farm then that decision will be respected; either someone else could be employed or the farm could get sold. It is not essential that the farm is retained by the family.

Shaun and Sharna are still formulating their long term objectives



The Cope family is looking at succession planning.

but within the next 5-8 years want to own 250 cows and replacements and have a bit of money saved up for a deposit on a farm if they still feel that that's what they want to do.

- A Game Plan: Once everyone has clearly explained their objectives, options are formulated to achieve those objectives. It is critical that these options try to fulfil all individuals' objectives as closely as possible (the success of this is often strongly linked to the Statement of Position). If an individual's objectives can't be met, this is identified and that individual re-evaluates their position.
- Implementation: The development of objectives and the game plan may have involved a trusted advisor or external person to "steer and summarise" this process. Additional professionals (accountants, solicitors) may now be given the game plan and asked to assist in its implementation.

Finally, the crucial thing a transition plan needs is a "driver". The "driver" is the person who keeps the process moving once it's been started, to ensure that the desired changes actually do occur as planned, rather than continue to be talked about. In this case it is likely to be Jenny.

So, Copes have moved through the first couple of steps towards successful transition. The mirror test has been done, a Statement of Position has been calculated, and individual objectives are being clarified now so that a game plan can be developed. By July 2018 it is hoped that some of the components have reached implementation stage.

At this stage, in the short term, it is likely that:

- Shaun and Sharna will begin to grow significant livestock assets in the business. This might be accelerated by an actual purchase of some cows using equity that is in the house. These livestock assets might be leased back to the business for an agreed amount via a clear rental mechanism.
- Increased daily responsibility will be transferred to Shaun. If possible this will be in specific areas such as pasture and herd management.
- Graeme and Jenny are likely to re-align some existing titles on the farm and build another house on one title which can be a Manager's house. This "manager" can be Shaun and Sharna or another person if they have chosen to move to a smaller farm.
- Graeme and Jenny will deliberately take extended periods of absence from the farm to allow Shaun to develop the skills required to manage the business over an extended period.

What actually occurs in the long run might vary slightly from the above, but what won't vary will be the desire to achieve the stated objectives of the individuals and absolute transparency about arrangements between the parties involved.

If the individuals' objectives change, other options can be evaluated over time. This is the first stage in a staggered transition process which simply means "change" - watch this space!

Prepared by John Mulvany OMJ Consulting omj@desi.net.au on behalf of GippsDairy.

Reminders

APRIL

- Have a plan for pasture management. The plan for the home farm and out blocks could include the following:
 - Drainage

Wet farms need drainage to be able to be managed to their potential. Soil and pasture issues related to drainage can only be fixed by improving drainage. Wet soils in Gippsland tend to drain better across the surface than they do down the soil profile therefore surface drains make sense.
 - Fertiliser program

If you have not put your normal application of fertiliser on and it has already started growing it might be good to include nitrogen in your fertiliser application for additional growth.
 - Areas for milking cows, dry cows and young stock.

A planned approach feeding pasture to groups of cows and young stock is an advantage although, the ability to change the plan to suit soil conditions and pasture growth rates is important. Preparing areas of pasture before they are required is key, a wedge of pasture for winter management will create options for grazing and best milk production from pasture.
 - Management for new or oversown pasture.

When managing newly sown pasture, consider timing, based on the weather, soil type and farming system. Early planted pasture is very productive provided it does not get too dry or hot once it has emerged, late planted pasture can result in very slow pasture development and paddocks that are prone to pugging in the following winter and spring.

Control broadleaf weeds in new and old pastures once the weeds are about 3 to 5 cm in diameter and most plants have emerged.

Do the 'pluck test' to check new sown pastures are ready for grazing. Avoid

Pastures/forages

Ryegrass leaf appearance rate	10 to 15 days per leaf (depending on soil moisture on dryland and irrigated farms).
Area of farm to graze today	1/30th to 1/60th of grazing area in 24 hours.
Recommended pre-grazing decisions	In autumn, it is important to allow pastures to grow beyond two leaves before grazing. This generates stronger, deeper root mass and leaf area.
Recommended post grazing decision	Try not to graze below 4 to 6 cm. This ensures faster growing ryegrass plants in autumn.
Average daily pasture growth rate	6 to 25 kg DM/ha/day on dryland farms depending on autumn rainfall or irrigation.
Estimated daily evaporation	4 to 6 mm per day.
Seasonal management tasks	Apply nitrogen to pastures when you need the additional growth and the pasture becomes blotchy in appearance to indicate areas of nitrogen response to dung and urine patches.

- overgrazing new plants; leave at least 4 to 6 cm residual.
- Weed management (in established pastures)

Barley and Winter Grass are both annual grasses and should be controlled once they have struck with selective herbicides. This needs to be carefully planned and managed well to get a good result. Speak to your local agronomist for advice.

Broad leaved weeds such as Cape Weed and Flat Weed need to be controlled once all have struck and before the weather becomes too wet to allow all the appropriate areas to be sprayed. Broad leaved weeds have a major impact on pasture productivity throughout the year are a well worth controlling.
- Pasture Pest activity.

Keep an eye out for Lucerne Flea and Red Legged Earth Mite in pastures, they are easily controllable and can be damaging to pastures if left untreated, Red Headed Cockchafers are often a problem in autumn, they are not able to be controlled but some management can minimise the damage to pastures. Test pasture in affected areas, that's ready to graze for pulling by grabbing pasture and trying to pull it out. If it pulls out consider pre graze topping the pasture to minimise cows pulling out the pasture.

Cow

- Prepare to dry off spring calving cows (depending on calving date). The process of drying cows off well, will impact the likelihood of mastitis in the following lactation.
- Prepare a plan for dry cow feeding and transition cow feeding along with your preferred calving areas on the farm to minimise labour and to maximise cow comfort.

Heifers

- Feed calves well with healthy weaning weights in mind using milk, fresh water, some fibre and calf pellets.
- Feed quality supplements to dairy heifers. Advice from the InCalf project suggests that heavier, well grown heifers get in calf easier, produce more milk in their lifetime, compete better with mature cows and survive longer in the milking herd.

Business Management

- Review your third quarter GST results, have a look at cash flow by month and check your cash position going into winter. A discussion with the bank may be necessary to allow for best input timing and management this winter.

ComingUp

See the GippsDairy events calendar for more information
www.gippsdairy.com.au/eventscalendar.aspx

Feeding Pastures for Profit (FPFP)

FPFP develops dairy farmer skills and decision making in growing and optimising pasture consumption.

The program involves two days 'up-front' classroom style delivery plus five on-farm group days over the next 10-12 months. Each participant is entitled to a one off farm visit to support pasture rotation decisions.

Places are limited, to register contact Karen Romano on 0417 524 916 or karen@gippsdairy.com.au

Date: 27 April and 4 May
 Time: 9.45am - 3pm
 Location: West Gippsland (venue tba)
 RSVP: Karen Romano on 0417 524 916 or karen@gippsdairy.com.au

Date 1: 28 April and 5 May
 Date 2: 2 May and 9 May
 Time: 9.45am - 3pm
 Location: South Gippsland (venue tba)
 RSVP: Karen Romano on 0417 524 916 or karen@gippsdairy.com.au

Date: 3 May and 10 May
 Time: 9.45am - 3pm
 Location: MID (venue tba)
 RSVP: Karen Romano on 0417 524 916 or karen@gippsdairy.com.au

Getting into Farm Financials

A three day course that aims to provide participants with the skills and knowledge to implement farm financial practices and processes in their farm business. GippsDairy is offering courses in Warragul and the MID during April and May.

Date: 28 April, 5 May, 12 May
 Location: Warragul (venue to be announced)
 RSVP: GippsDairy 5624 3900 or info@gippsdairy.com.au

Date: 24 April, 1 May, 8 May
 Location: MID (venue to be announced)
 RSVP: GippsDairy 5624 3900 or info@gippsdairy.com.au

Euthanase livestock

This course trains farmers in the humane euthanasia of sick, injured and unsaleable animals. The one day program gives farmers skills in using a captive bolt device and an understanding of the relevant welfare laws.

Date: 16 May
 Location: MID (venue to be announced)
 RSVP: GippsDairy 5624 3900 or info@gippsdairy.com.au

Date: 17 May
 Location: West Gippsland (venue to be announced)

RSVP: GippsDairy 5624 3900 or info@gippsdairy.com.au

Autumn Management

These farm days will assist farmers to plan for autumn and the new financial year. The days will have input from GippsDairy Regional Extension Team, nutritionists, agronomists, rural financial counsellors and farmers.

Date: 15 March
 Time: 11am - 2pm
 Location: West Gippsland
 1015 Labertouche North Rd,
 Labertouche

RSVP: GippsDairy 5624 3900 or info@gippsdairy.com.au

Date: 16 March
 Time: 11am - 2pm
 Location: South Gippsland
 195 Kerrs Rd, Fish Creek

RSVP: GippsDairy 5624 3900 or info@gippsdairy.com.au

Date: 21 March
 Time: 11am - 2pm
 Location: Macalister Irrigation District
 931 Grimmes Rd, Denison (at dairy)

RSVP: GippsDairy 5624 3900 or info@gippsdairy.com.au