

Dave Lawson

Lockhart



Background

- “Moonlyong” 10km east of Lockhart.
- Undulating, predominately red loam soils
- 450mm rainfall
- Own 700ha share farm aprox 200ha
- Crop 640ha, Pasture 220ha
- Family farm for 3 generations.
- George – 75
- Dave – 27
- Dave active in the business since 2009







Original Business

- Traditional mixed farming business.
- Conventional cropping – wheat, barley, canola, lupins
- Autumn lambing
- 600-700 bond ewes joined to white Suffolks.
- Ewes lambed at 95% ewes/joined
- Wool cut 5kg of 26 micron
- Lambs sold to export market at 10-12 months age

The Trigger For Change

- Realisation we were grossly understocked and our sheep enterprise was performing poorly.
- Farm size wasn't capable of supporting both partners.
- Needed to either:
 - Generate off farm income
 - Increase farm scale

The Idea

- Always interested in lamb feed lotting.
- Initially tried value adding grain and own lambs
- More mixed farmers moving towards fully stocked spring lambing enterprises.
- Potential opportunities for specialist lamb finishing
- Lamb consumers and processors value consistent, high quality product



The Idea

- Local cropping enterprises are realising:
Sheep aren't the Devil.
- Provides opportunity to buy lambs earlier.
- Hopefully I can buy better genetics cheaper.
- Needed a business that didn't rely on that elusive October rain to return a profit



The Process

- Sold existing stock, purchased merino ewes
- Joined for an august lambing
- Started a small feedlot
 - 5 pens capable of holding 2000 at any one time
 - Utilised existing unused area,
 - Small capital investment



Current Business

- Now running 8.5 - 9 ewes/ha (from 2.5 – 3)
- Peak sheep numbers have increased from 1300 to 12,000
- Feedlot capacity of 4000, turning off 16,000 + year
- Core breeding mob of 2000 ewes, remaining stock are tradeable
- Trading lambs 80% cross bred 20% merino wethers
- Diversified income
- Agistment obtained from 6 separate farmers
Access to 4000 + ha



The Process

- Have utilised independent advice
- Craig Wilson for sourcing stock and advice on feed lotting
- Geoff Duddy (DPI) for feedlot set-up
- Andrew Whale – Vet Livestock Logic Hamilton
- Gradually increased turnover in feedlot.

| | |
|------|---------|
| 2012 | 3000 |
| 2013 | 8000 |
| 2014 | 16000?? |

- Agistment also started small, but has doubled each year



Business Structure

- Essentially run as three separate enterprises.
- No favours provided between the different enterprises.
- Allows greater analysis of performance
- Business model is fairly new.



The Numbers

- Sheep enterprise has tripled production per ha
- Budgeted return on assets has increased significantly,
(Up from a very low base)
- Significant strain on Equity of the business
 - Development costs
 - Sheep and grain to purchaseHopefully short term!!
- Feedlot enterprise achieves a major aim:
Narrows the gap between the best and worst years



Lifestyle

- Workload has significantly increased
 - 1.5 permanent full time labour unit
 - Plus casual stock contract staff

Self Feeder system enables multiple days where the only task is to clean out water troughs

- Has provided business with a more diverse income stream.
 - = More stable business



Exit Strategy

- Agistment is a handshake agreement
- Things could go pear shaped quickly
- Options are:
 - Sell sheep
 - Find other agistment
 - Induct early into feedlot



Exit Strategy

- Important to maintain good relationships and communication with agistors, to avoid early removal of sheep
- Have been mindful not to over capitalise on feedlot
- Not a huge amount invested in items that can't be on-sold or add significant value to farm





SWOT analysis

Strengths

- Diversified income
- Increased turnover
- Rewarding/sense of accomplishment

Weaknesses

- Strain on equity
- Reliant on a good relationship between myself and agent and agent / processor
- Large work load

SWOT analysis

Opportunities

- Flexibility in purchasing of lambs
- Agistors can utilise the benefits of sheep without the capital outlay or the work involved
- Branding - “Larrikin Lamb”

Threats

- Theft
- Disease outbreak
- Falling market



Questions ??

