

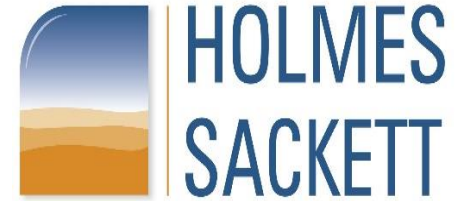
AN INITIATIVE OF

# Making More From Sheep



## Managing the autumn break

Hilary Beech



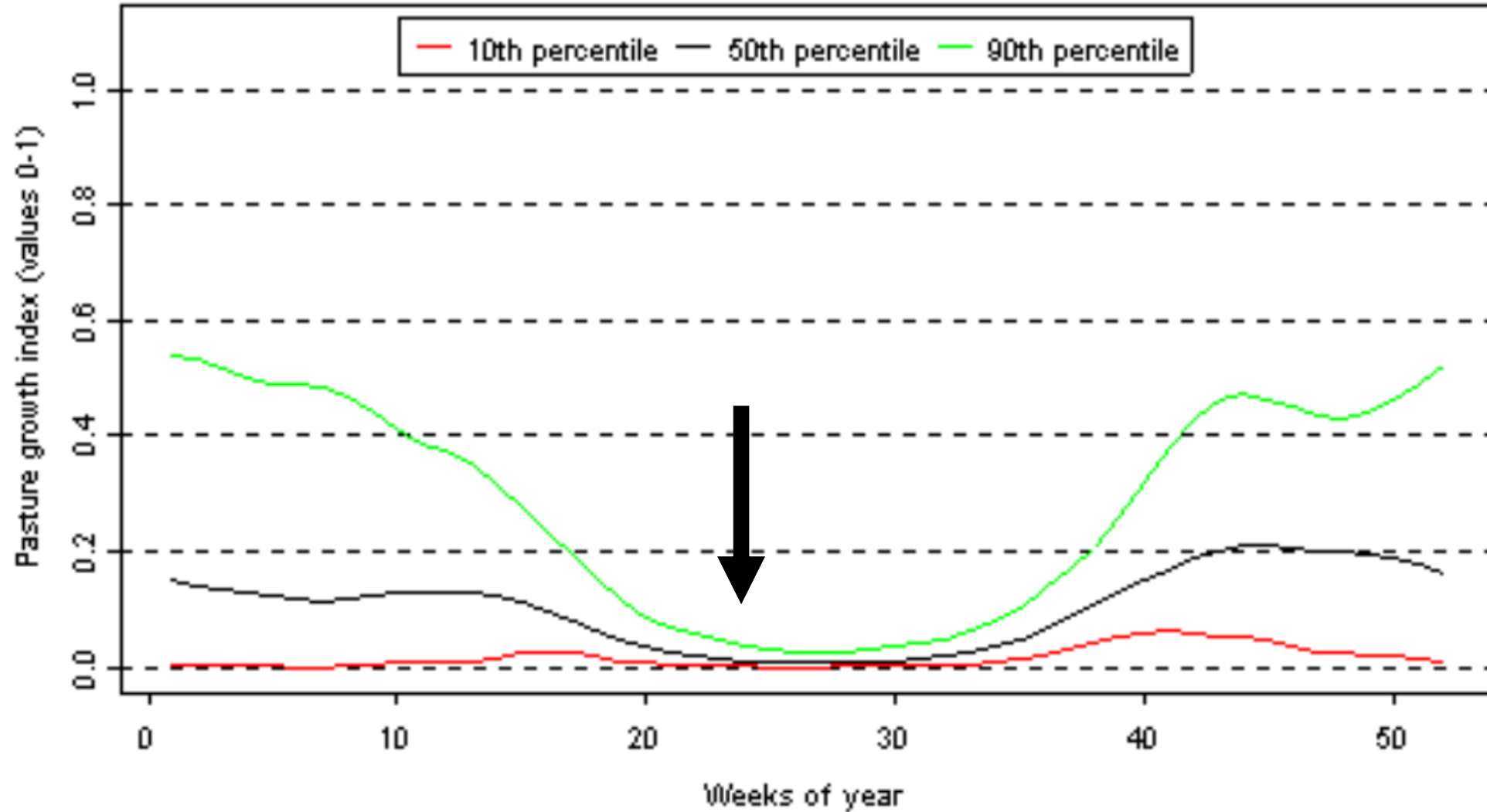
*It's ewe time!*



# The economics behind managing the autumn break

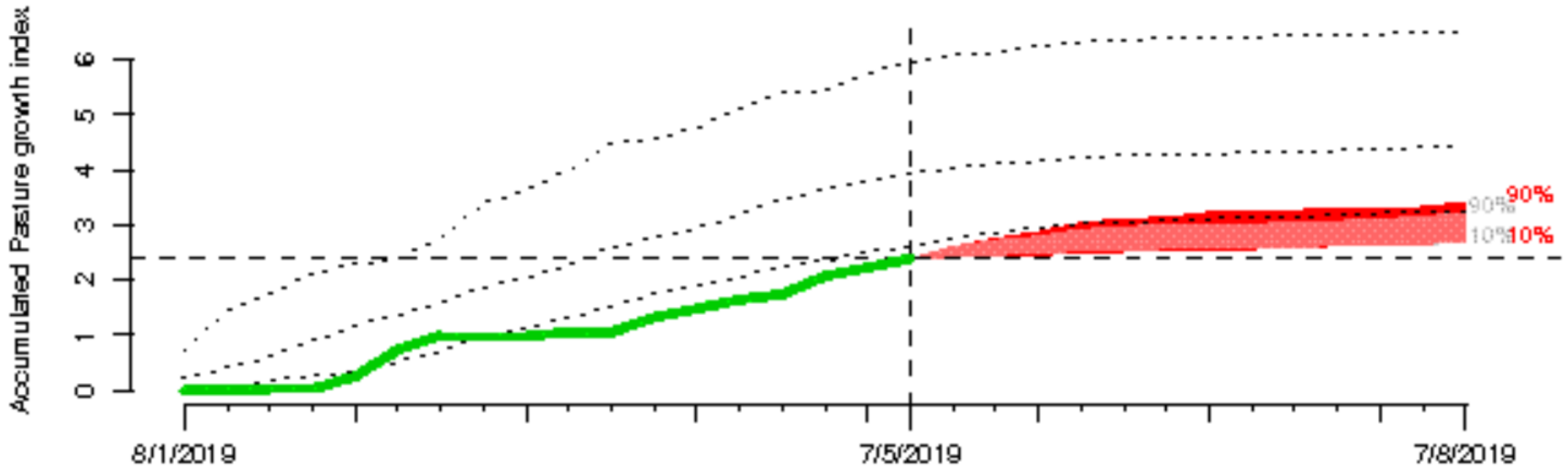
- If pasture is limiting is it worth supplementary feeding
- If pasture is not limiting should you be buying stock
- Should you be creating a feed deficit by increasing stocking rates

# You are entering your winter feed gap



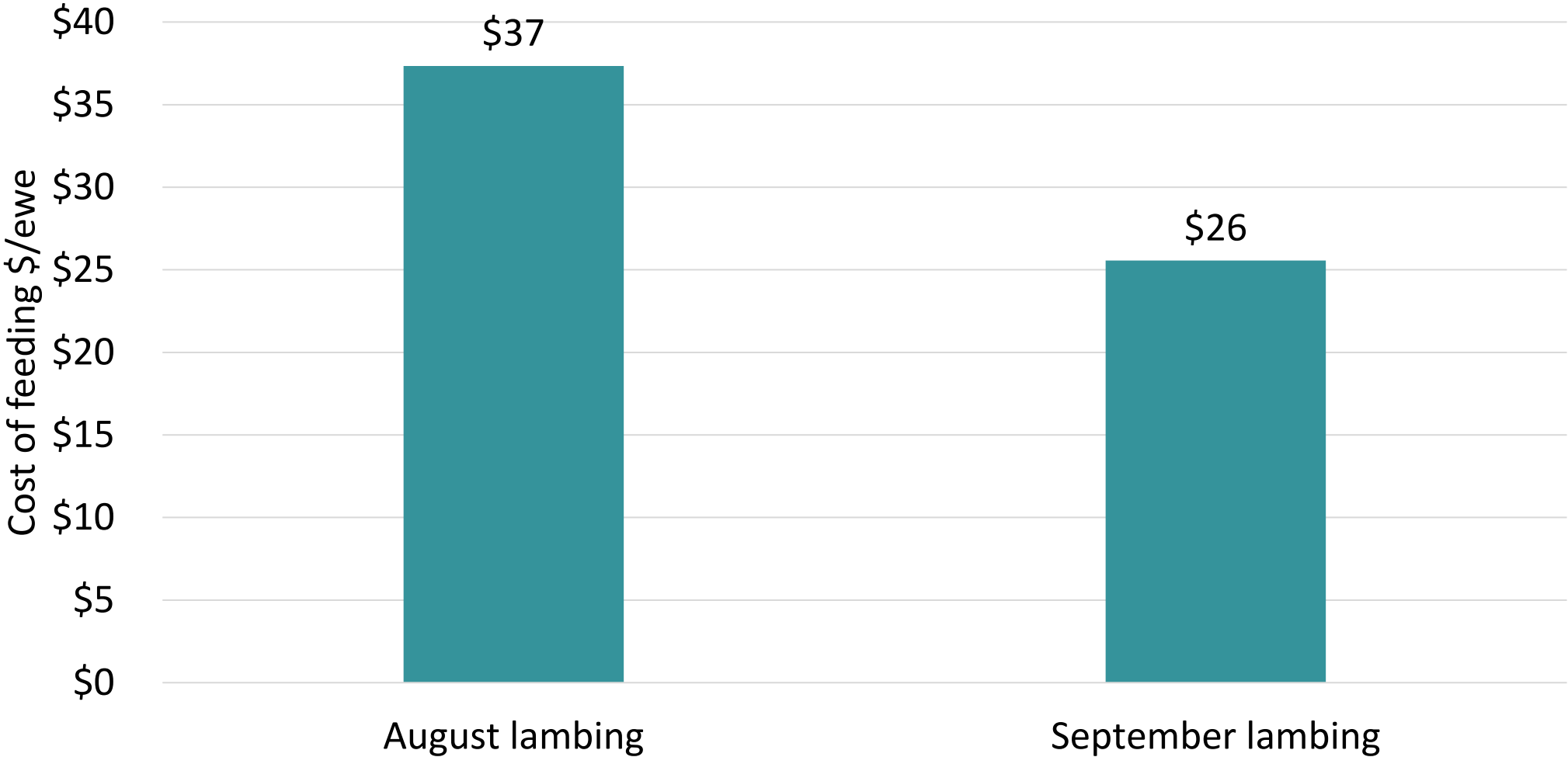
MLA pasture outlook tool: Campbell town

# Accumulated pasture to date is below the 10<sup>th</sup> percentile



MLA accumulated pasture growth tool: Campbell town

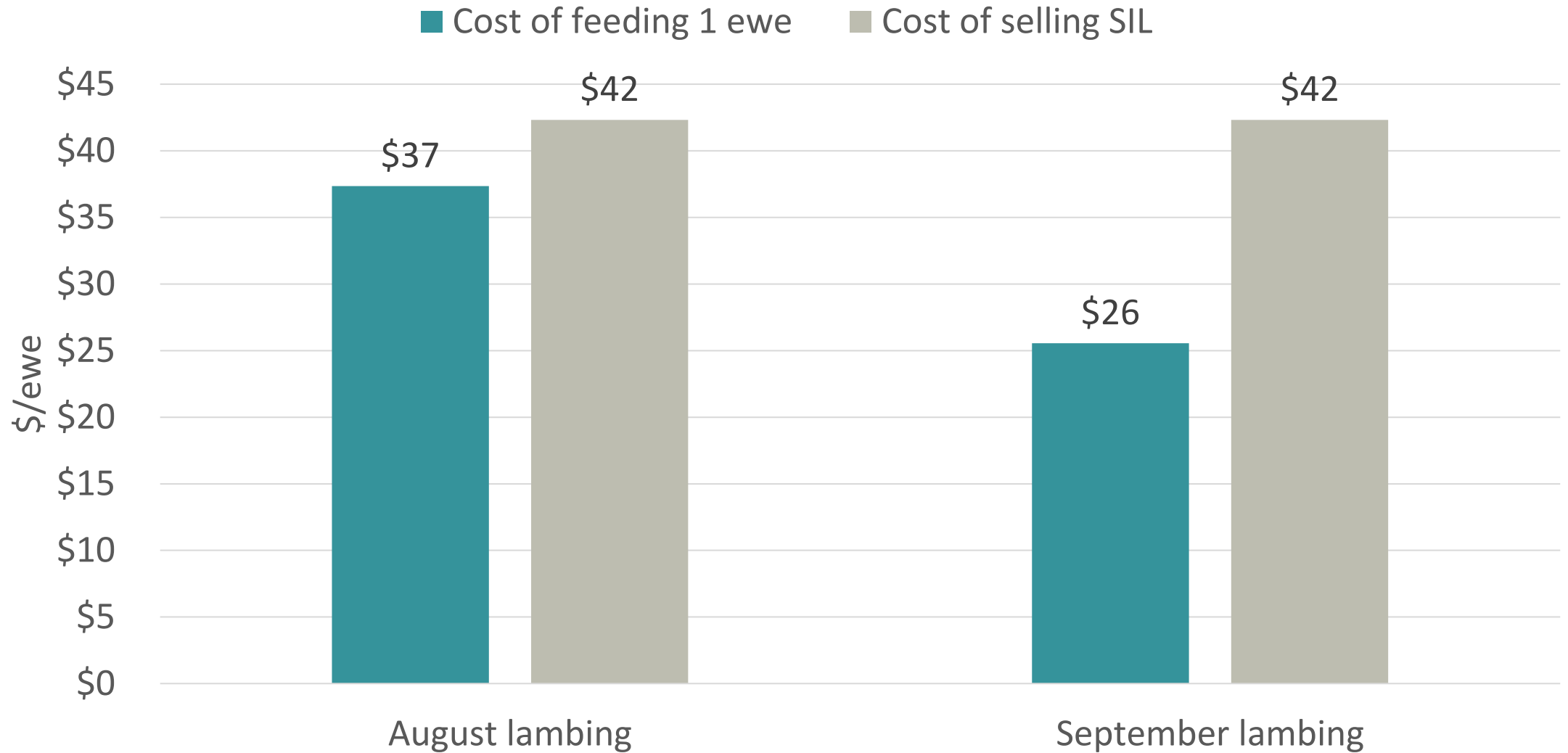
# Later lambing dates mean less time supplementary feeding lactating ewes



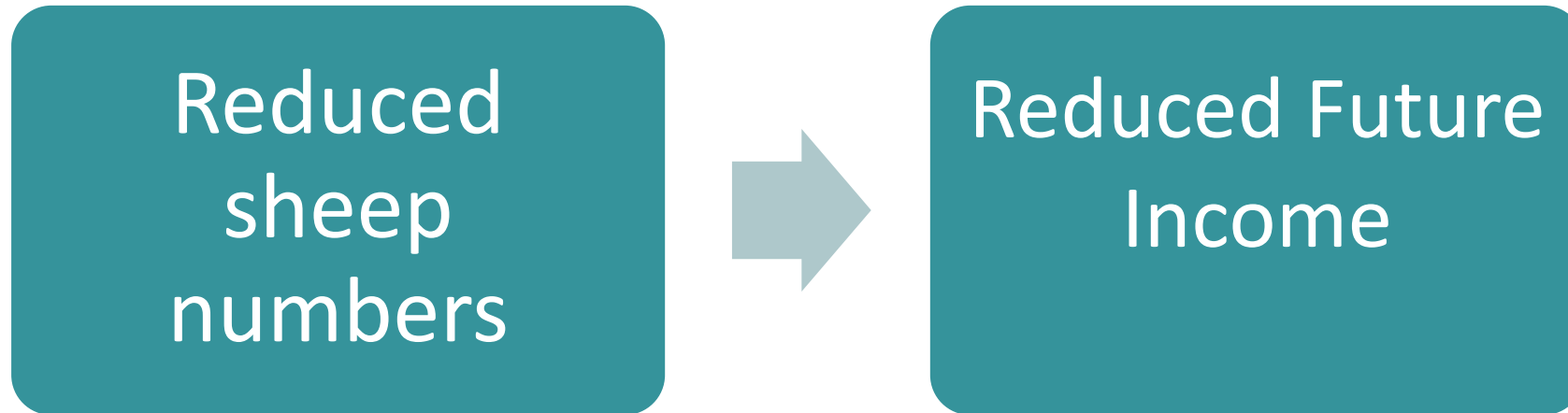
# The alternative to supplementary feeding is selling stock

	\$/ewe SIL
Sale value today	\$200
Replacement value after break	\$230
Wool grown while feeding	\$12
<b>Lost income from selling today</b>	<b>(\$42)</b>

# The economics are weighted towards feeding

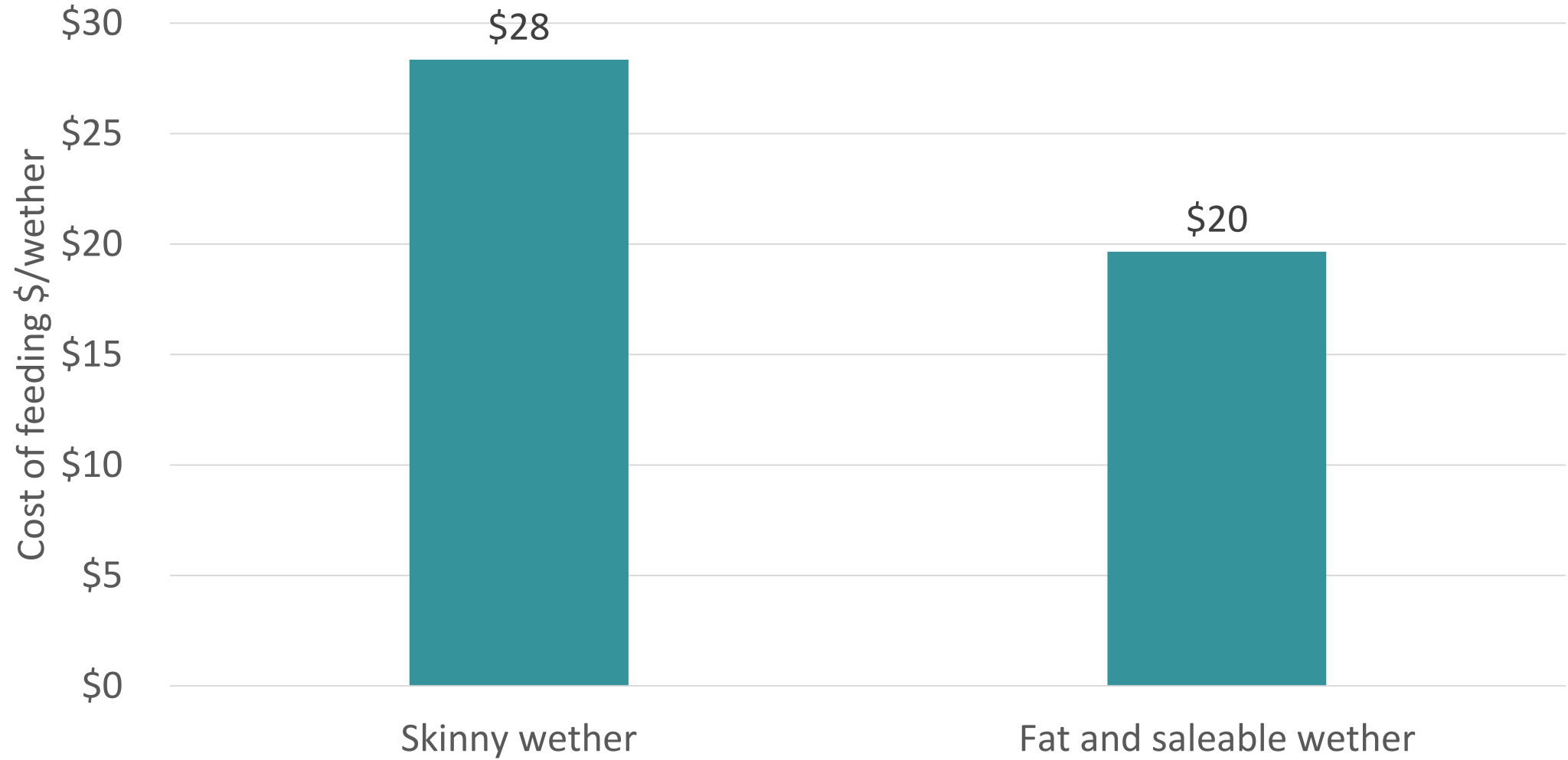


# Reduced sheep numbers has the greatest influence in reducing future income





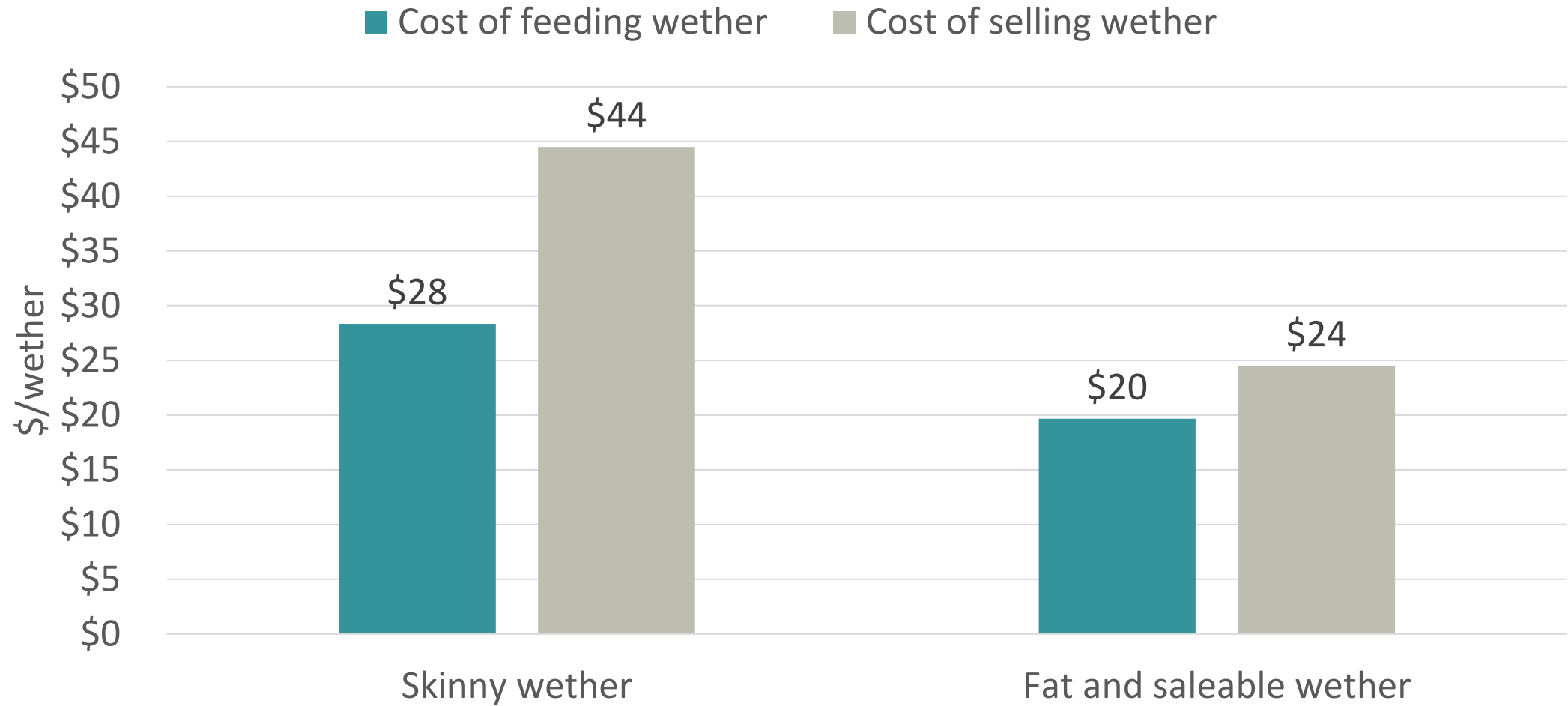
# Is it worth feeding wethers through winter?



# The difference between the sale and replacement value depends on the condition of the animal

	\$/ skinny wether	\$/ saleable wether
Sale value today	\$90	\$120
Replacement value after break	\$120	\$130
Wool grown while feeding	\$14	\$14
<b>Lost income from selling today</b>	<b>(\$44)</b>	<b>(\$24)</b>

# Wethers are cheap to feed and wool prices make it worth it



# Cheapest source of feed is still nitrogen



1 kg N = 10kg  
DM

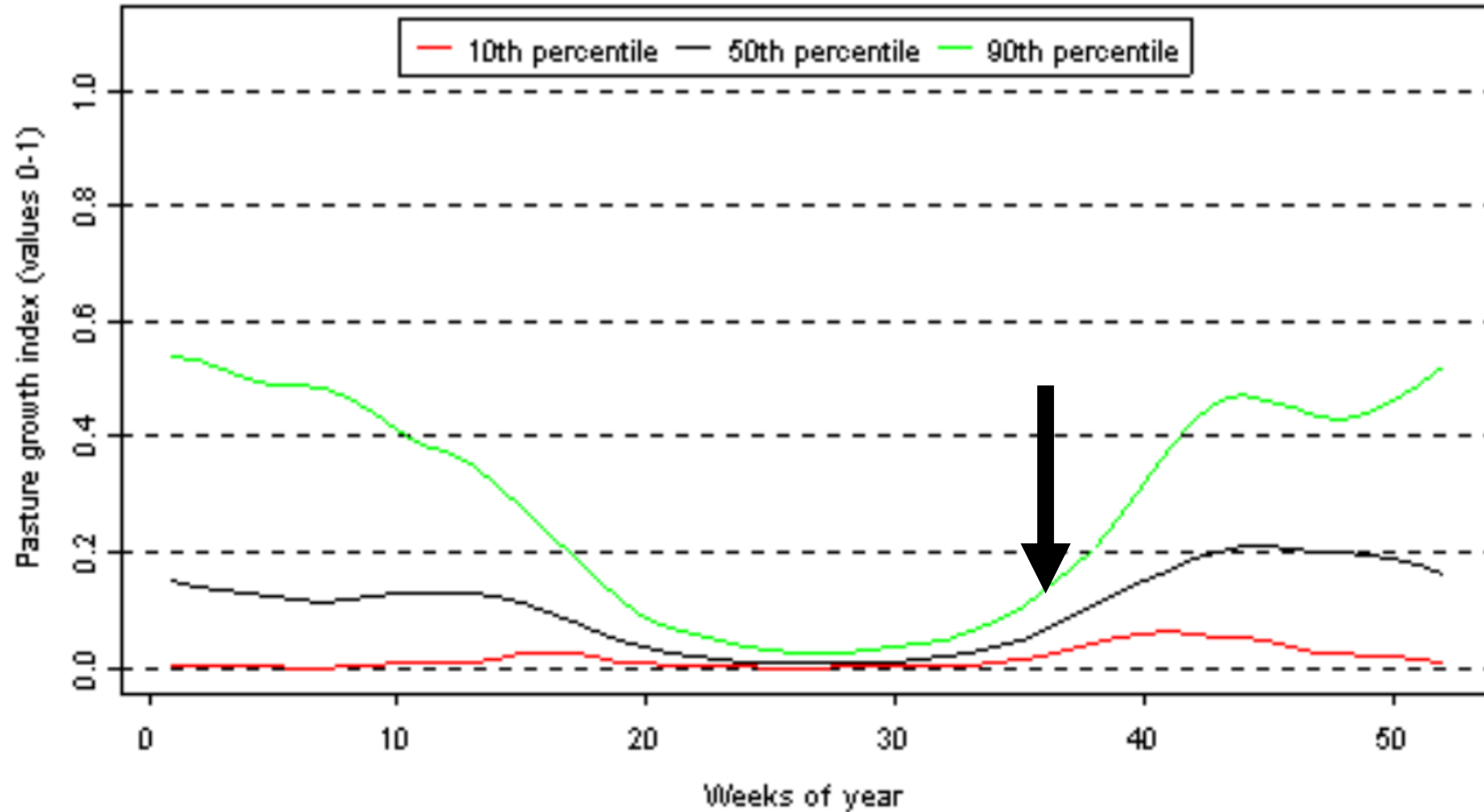
Urea \$600/t  
spread

\$0.13 /kg DM

## If you are experiencing feed surplus the returns from buying stock are high

Price paid \$/head	Return Wool	Return Prime lamb
\$170	44%	27%
\$190	38%	22%
\$210	33%	18%
\$230	28%	15%

# You need to budget now for spring



MLA pasture outlook tool: Campbell town

# Creating a feed deficit – why do it?

- Looking ahead to spring – what can we do now to ensure we capture the benefits?
- What are the opportunity costs of not pushing production?
- Can we increase per hectare performance without forgoing per head performance?

# **An additional 2 DSE over winter can be fed for 12 weeks at \$42 per hectare**

- \$450 tonne
- \$0.25 per DSE per day
- \$42 per hectare for 12 weeks



# **An additional 2 DSE over spring can be fed for 90 days at \$25 per hectare**

- 1 kg N = 15kg DM in spring
- \$0.09 /kg DM
- 288 kg feed required
- \$25 per hectare cost

# Feeding an additional 2 DSE per year generates a \$53 per hectare return

	13 DSE/ha	15 DSE/ha	Benefit
Gross Margin \$/ha	\$780	\$833	\$53

# The return is dependent on the income being generated as a result of today's market

Gross Margin \$/DSE	Return
\$45	9%
\$50	17%
\$55	23%
\$60	30%

# Wethers can be integrated to increase enterprise profits

	Flock Structure	
Proportion DSE as Wethers	<20%	>35%
Sheep Trading	\$29.90	\$13.84
Wool	\$55.13	\$78.71
Income (\$/DSE)	\$84.93	\$92.55
Total Expenses (\$/DSE)	\$55.20	\$47.88
Net Profit (\$/DSE)	\$29.73	\$44.66

# Where to learn more

- MLA Sheep Productivity & Profitability Webinar – Nitrogen and Gibberellic Acid to boost pastures (making more from sheep website)
- Profitable Grazing Systems
- MLA & AWI cost of production calculators
- Holmes Sackett feed vs sell calculator

# Key Messages

1. It pays to feed through the winter deficit with both SIL ewes and wethers
2. Buying stock will generate returns if you are sub optimally stocked
3. Creating a feed deficit by increasing stocking rate can pay off in todays market