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## **TACTICS FOR TIGHT TIMES HELPS WESTERN VICTORIAN DAIRY FARMERS**

Western Victorian dairy farmers have been urged to adopt a business approach to farming that can cope with volatility and not be too dependent on price fluctuations.

They have also been urged invest in themselves and develop better skills to manage their businesses and to give high priority to optimising use of home-grown feed.

The advice came during Tactics for Tight Times workshops hosted by WestVic Dairy in early October at Colac, Timboon, Macarthur and Warrnambool.

Dairy Australia has developed the Tactics for Tight Times campaign as a levy-funded initiative to support dairy farmers through the milk price downturn.

Keynote speaker Tasmanian farm consultant Basil Doonan said not enough farmers were focused on making profit.

“I don’t think enough farmers wake up each day and think how am I going to optimise profit,” he said.

“A lot are doing it the way they want and hope they get paid to do their hobby. Hope is not a good strategy.”

Mr Doonan said dairy farmers should set up businesses that can cope with price volatility. “Price volatility is part of the game. If you are listening for the opening price like you listen to the Powerball numbers then you’re not in a good place.”

He warned against over-spending in a high price period and said that when milk price drops farmers should “do what is most appropriate for your business”.

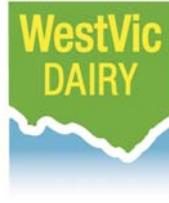
This could include options such as leasing out cows, culling less productive cows, reducing grain intake and fertiliser use and “never pay for information you don’t use”.

“You have to get your labour efficiency right and production per hectare and your pasture utilisation. Get back into the shed and start milking again if you need to.”

Mr Doonan advocated the use of benchmarking. “I am keen on the process of benchmarking. It’s not about a comparative analysis, it’s about learning,” he said.

He also stressed there is a strong link between skills and profitability and that the best performing dairy farms are those making the best decisions for their conditions.

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He presented case studies of 'average' and 'top 25 per cent' farms and said the two major differences were how much pasture is harvested per hectare and labour use efficiency.

"Good farmers have the same farms as average farmers...they're just doing things better."

"If you don't have the skills you need to acquire them, either by going to workshops and discussion groups, finding mentors or hiring consultants. But it's not just about going to a workshop – it's about practice and application.

"Implementing good decisions under game day pressure is critical to business profit. We have to shift the focus from all the things that are going wrong to the skill of the person."

Mr Doonan said the first tactic farmers need to employ is "to sit down and work out the numbers, particularly around feeding decisions".

He stressed the importance of optimising use of home-grown feed.

"About 70 per cent of your income is derived from how well you manage your feedbase," he said.

"The more feed you grow, the better your management needs to be."

Also at the workshop in Warrnambool, Camperdown farm consultant Mark Towner set the scene for local production this season, Rhonda Henry from CBA discussed how best to deal with banks and rural financial counsellor Brian Gardiner spoke about options available to help struggling farmers.

The workshops are the first stage of an ongoing campaign across Western Victoria to assist local farmers. Future events will include on-farm workshops highlighting profitable feeding drivers, feedbase strategies and decision making, and sessions to help farmers develop individual farm plans.

Dairy Australia's Tactics for Tight Times is being co-ordinated by its Regional Development Programs, including WestVic Dairy, and developed in conjunction with the Department of Primary Industries.