

A Review of Sheep Management in 2010

Brian Ashton

Sheep Consultancy Service Pty Ltd, Port Lincoln

INFORMATION



make the most of the current good times they may need to do things very differently to what they have done in the past.

What we found out

Together with the change in returns, good seasons also bring some problems with sheep management and 2010 was no different.

Most people are spending time and money drenching sheep. But, to manage worms on your farm, the first step is to WORMTEST at least the weaners (before they are drenched). This is a measure for how the worm control program for your whole flock is going.

Ten farmers with good WORMTEST results indicated they have a good control program (or were lucky). They averaged 90 strongyle eggs per gram of dung. The best result was from sheep that had been drenched 18 months earlier and still had zero eggs.

Twelve farmers had high WORMTEST results. It is really good that these people tested or they would have had a severe worm problem (some did). They averaged 1,400 eggs per gram. The highest results were two lots of lambs and a mob of ewes with 2,400 to 3,400 eggs per gram.

Sheep usually suffer some production loss above 250 eggs per gram – although sheep in good condition can tolerate more worms.

People also need to rotate between drench groups and use the best drench available in the group chosen.

Mineral deficiencies, flystrike, foot abscess and lupinosis are all issues in wet years. Successful farmers

attend to these issues before they cost time and production loss.

In good seasons everyone can carry more stock. However, the real test is how many you can carry in the poor years. In good years it is worth thinking about how you will cope with the next dry one because it will creep up on us. Preparation makes all the difference.

Several group members conducted FEEDTESTS on pasture. The results confirm that rank pasture is lower in quality and short rapidly growing pasture is higher in quality.

The best FEEDTEST was of Tall wheat grass, which is often not a high quality feed. This was short, rapidly growing pasture and was 31.6% protein and 12.7 MJ of energy. This compares to a test of pure medic that was about 30 cm high. It had 30% protein and 10.7 MJ of energy. Of course, the medic stand has other benefits to the farm system such as self regeneration, nitrogen fixation and as a disease break.

One farmer had a paddock of vetch to finish his lambs on. From past experience the 900 lambs would have lasted about three weeks on the paddock. Instead an electric fence was used and the area was strip grazed. The lambs were allowed about 3 ha at a time and the fence was moved twice a week.

The farmer's comment was the result was "unreal". About double the expected grazing was achieved. The fence took about 20 minutes to move with the use of a "Rappa" unit on the back of a four wheel motorbike.

Key messages

- **The sheep business is now completely different to what most people are used to.**
- **Sheep prices doubled in 2000 and have now doubled again (approximately).**
- **Wool prices are approaching what they were in 1988 – in US\$ terms.**
- **Sheep sales now earn more than wool, but wool is still a major income earner in most flocks.**

Background

The year of 2010 has been a steep learning curve for many sheep producers. After many frustrating years, sheep are now really earning their place on the farm. We have not experienced returns like this since the wool boom year of 1988. Farmers who have been on the farm less than 22 years are in completely new territory.

Now is an ideal time to completely review your approach to the sheep enterprise.

What was done?

Four farmer groups on Eyre Peninsula attended the FarmReady workshops "Sheep planning to reduce farm risk". These farmers discussed the key things that affected the profitability of their enterprise. They realize that to

Electric fencing can dramatically improve pasture utilization. There are many excellent units available, from small solar powered units to large, mains powered units.

Economics

Returns from sheep are good but how good? You need to calculate how much you are making and compare it with your other enterprises and with your neighbours.

The simple calculation is;
Total income from sheep (wool, sheep sales)

Add Increase in the value of sheep on-hand (if you increased your flock size)

Less Decrease in the value of sheep on-hand (if you decreased your flock size)

Less Direct sheep costs (include the opportunity cost of conserved fodder)

Less Overhead costs (the sheep proportion of all other costs)

= Sheep enterprise profit

Calculate the winter grazed area (arable area not cropped and a proportion of non-arable area)
= Sheep profit per winter grazed hectare

Compare this to the profit per hectare from crops on similar ground (sheep usually get the “problem” paddocks). If it is too hard to calculate the sheep proportion of overhead costs just work on gross margins. However, remember that sheep generally have low overhead costs and that sheep returns are more stable.

This would be a great discussion point at your Agricultural Bureau or Farm Group meeting.

More detailed benchmarking programs are available. For example, the MLA Cost of Production Calculator, search in; MLA.com.au COP.

Sheep planning

Many people could plan their enterprise better. If you are in doubt, ask for help.

The planning steps, once you have clear goals;

Monitor - Measure, or at least observe, how you are going

Record - Keep good records so you can look back

React - Act on the information before it is too late

Progress - Remember, and learn, from your experiences

Where to from here?

Future sheep prices are uncertain, however it is well worthwhile improving your sheep management to reflect the returns you are now getting.

There will never be a better time to improve your sheep management.

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