



Colin & Shelley Guyton



Tomorrows Farms Today

25 farms Upper Waikato – 3 years.

Naked Business Discussion Group – “Bare All”

What Farms were most resilient? (consistently good ROC)

- 30% change in milk price
- Dry years
- Notional nitrogen limit (40% below average)

“Its not the good years that make you, but the tough years that break you”

– Colin Guyton (Tomorrows

farms today)

Some Top Performers in TFT



	Farm A (R)	Farm B (PM)	Farm D (Guyton)	Farm C (G)	Average Central Plateau
Stocking Rate	<u>2.7</u>	<u>2.4</u>	<u>2.6</u>	<u>2.6</u>	2.9
Bodyweight/Ha	<u>1270</u>	<u>1171</u>	<u>1248</u>	<u>1118</u>	1392
ROC	<u>8.5 %</u>	<u>7.7%</u>	<u>5.9%</u>	6.8%	4.6%
Operating Profit/ha at \$6.00	<u>3,312</u>	<u>3,087</u>	<u>2,753</u>	<u>3090</u>	1,855
Cost per kg of milksolids \$	<u>3.71</u>	<u>3.69</u>	<u>3.58</u>	<u>3.22</u>	4.57
kg N Leached/Ha Overseer 6	<u>22</u>	<u>18</u>	<u>20</u>	<u>25</u>	36



Business Performance

	Guyton	2011	2012
ROA @ \$7.50		11.9%	
ROA @ \$6.00		5.4%	5.9%
Operating Profit/ha		\$3,855	\$2,753
Operating Profit/cow		\$1,469	\$1,033

✓ We run a simple system that makes money



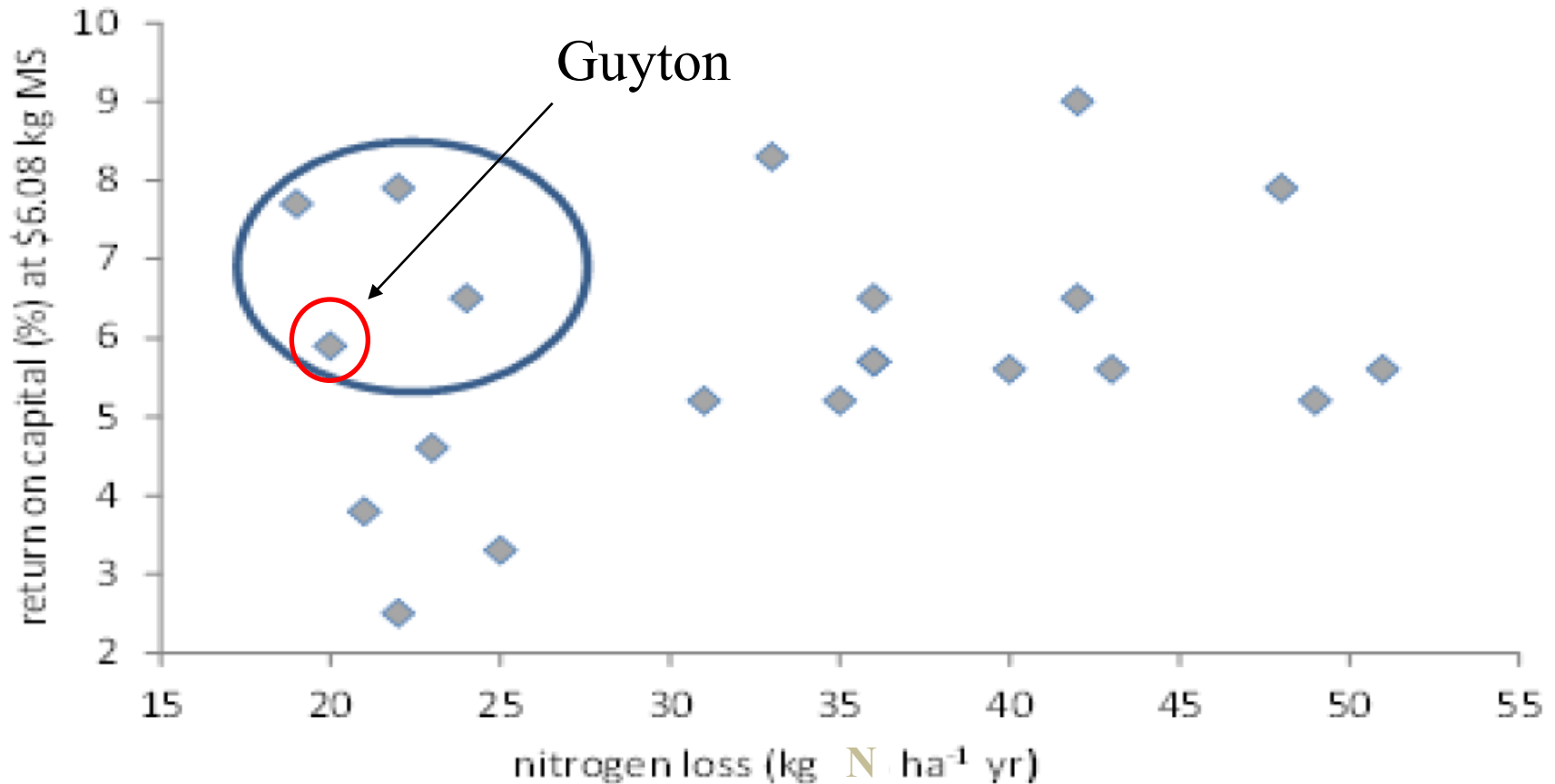
Cost Structure

\$3.71/kg MS 2011 \$3.58/kg MS 2012

	\$/kg MS	Average
Animal Health	\$0.21	\$0.29
Fertiliser	\$0.41	\$0.63
<i>Nitrogen</i>	<i>\$0.14</i>	<i>\$0.21</i>
Wages	\$0.39	\$1.10

- ✓ We focus on keeping costs down
 - ✓ We retain good staff

Some Farms achieving high ROC and low N-loss. What's the secret?



Mc Knight & Robinson: 8-9% ROC + 20 -22kg/N Leached
(2012)
Central Plateau Average: 4.5% ROC + 39kg/N Leached

WHAT'S YOUR FARMER
DOING TO CUT BACK
ON EFFLUENT
FLOWING INTO THE
ENVIRONMENT?








NOT
MUCH!



EDUS .

What are we doing on our farm?

- High ROC -
 - Use of nutrient budget
 - Low cost grass based
 - Keeping a lid on spending
 - Using effluent to save money
- Low N-loss -
 - Low Nitrogen use
 - stocking rate
 - Wintering cows of farm
- Other environmental improvements.
 - Development of wetlands
 - Fencing of creeks etc
 - Planting of trees. (bee favourable variety)
 - Recycling

	Your Farm Details	Your Score	TFT Group Average	Action Required	Risk Level
NUTRIENT EFFICIENCY(overseer)					
GHG g/kg MS		8.4	9.55		2
Nitrogen Surplus kg N/Ha		112	154		1
Nitrogen Conversion Efficiency %		38	31		2
NUTRIENT LOADING					
kg N leached/Ha		28	32.6		2
kg P runoff/Ha		0.5	1.5		1
WATERWAY PROTECTION/ BIODIVERSITY SUPPORT					
% of waterway fenced	2km	90%	100%		2
Riparian Planting 1-5- 10 M	Willows + Planting	5m	10m		2
Biodiversity Protection	Wetland protected	-			2
Wetlands fenced and protected	10ha Covenant 'Oxbow'	100%	Y		1
EFFLUENT & WASTE MANAGEMENT					
Meets Requirements for Herd & Farm System (kg N Load)		89	223		1
Effluent % area spread over farm		37%	17%		2
Application management (alerts in place?)		Y			2
SOIL QUALITY & PROTECTION					
Olsen P range (pumice)	61/95 (-55)	High + Declining	High + Declining		2
Winter Cropping % of farm/ Cultivation Techniques?		N			1
Standing off(pugging avoidance) Winter Management		N			3
WATER USE EFFICIENCY					
Dairy Water Saving Systems in Place	Recirculate cooler water	Y			2
Alert or Early Warning System in place for water loss		Y			2
<i>Irrigation</i>					
Soil Moisture Monitoring		-			-
ENERGY USE					
Renewable Sources used on farm	Heat exchanger	Y			2
Waste Management		N			3



DID YOU HEAR? -
A TE AWAMUTU
GRANDMA IS STILL
HAVING CALVES!



IN YOUR
DREAMS
SONNY!

EVANS



What separates BEST from the REST?

- ✓ They know + analyse their business very well
- ✓ Timeliness is everything + they anticipate + adapt to change
- ✓ They are cost conscious
- ✓ Understand their nutrient status and budgets
- ✓ They enjoy happy healthy cows → *Stocking Rate + Feed Allocation*
- ✓ Pride + Stewardship is important to them
- ✓ Not strongly influenced by industry trends. They are innovators.



TOMORROWS FARMS TODAY

MORE MILK
MORE STOCK
MORE INPUTS

Does not necessarily mean

MORE PROFITS



“farmers don’t know what they don’t know”

Does more profit correlate with more.....

- Cows per Ha
- Milksolids per Ha
- Nitrogen per Ha
- Pasture harvested per Ha



OR

Home grown feed eaten per cow + higher cow + feed conversion efficiency?

IE: Optimum Stocking Rates.

Farmers are getting mixed messages

- TFT farmers concerned about 'Grand parenting'. Don't want to see poor performers rewarded and good performers penalised
- Many farmers are already using their nutrient budget as an improvement tool rather than just compliance tick
- Farmers are practical people – identify the problem, then work out best solution to fix it
- Identified high soil P as a risk factor on my farm – have been 'mining' P to get to soil optimum over last 7 yrs

OVERSEER is GREAT FOR FARMERS

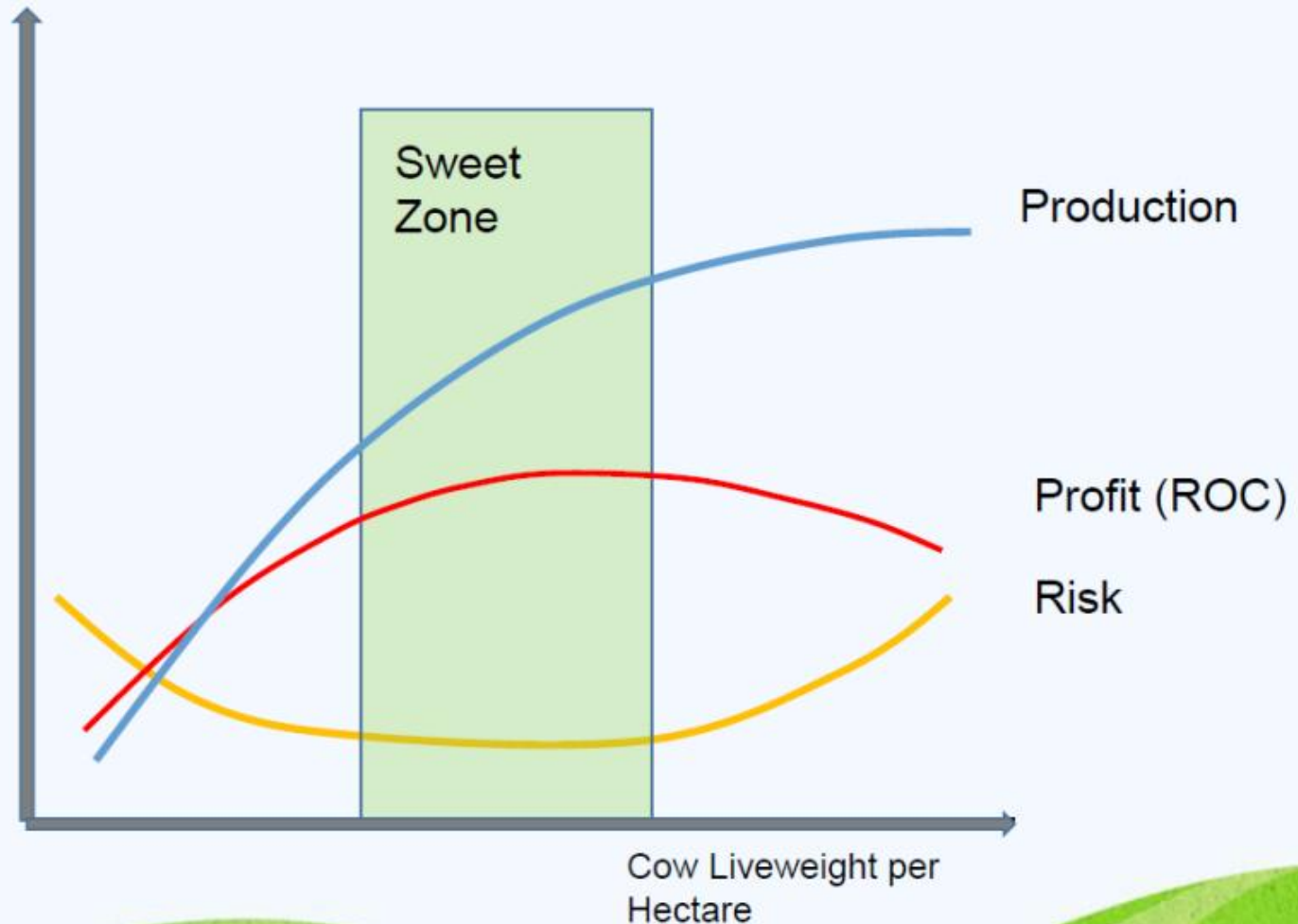
- It gives an **OUTPUT BASED MEASURE OF RISK** (using N loss)
- It **fosters innovation on farm** allowing them to manage a farm system towards a target.
- **IT MEANS FARMERS DON'T HAVE TO FACE INPUT CONTROLS** – ie- stocking rate, N use, prescriptive management regulations.

SMART NEW FARMS IN THE SWEET ZONE

- Will need meaningful, strategic business plans
- Optimised for PROFIT WHILE MEETING LIMITS
- Need efficient production systems (waste is a dirty word) and good cost control
- Resilient to volatility (price, weather, resource clawbacks)

The Sweet Zone

Business Indicators



Guyton Farming Business

- Business structure
 - Simple system ...that uses some supplement. Hoping to meet new environmental requirements using this Structure.
- Cows?
 - Friesian . Stocking rate at level that suits the ability to feed them without the use of to much imported feed.
- Land? Soils? Rainfall?
 - Flat farm with good fertility but porous pumice an free draining. Rainfall approx 1100mm
- Farm system?
 - System 3 (reasonably low cost)
- What is important to Colin Guyton?
 - Quality of life
 - Animal Health
 - The legacy I leave my children
 - Profitable

Jumping with out a plan can be planning to fail. **Plan together for resilience + farming within ecosystem health limits.**

