

# Macalister Demonstration Farm

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## NEWSLETTER 57

Monday October 10<sup>th</sup> 2011



Extension projects at the MDF are funded by Dairy Australia, Sustainability Victoria and Department of Agriculture, Fisheries and Forestry, with support from GippsDairy.

**FREE MEAL!**

**Macalister Demonstration Farm**

**LAST CHANCE FOR  
TICKETS  
Book by October 14th**

### Annual General Meeting & Dairy Industry Dinner

Minister for Water, Minister for Agriculture & Food Security

**Hon. Peter Walsh MLA**

'Water policy in the Gippsland region and the future of the 2030 Modernisation Project'

**TUESDAY 18<sup>TH</sup> OCTOBER, 2011**

Duart Reception Rooms, McLean St, Maffra

Pre-dinner savouries 6pm, MDF Annual General Meeting 6.30 pm followed by a complementary dinner at 7pm

RSVP to Neil Baker at [mdf@wideband.net.au](mailto:mdf@wideband.net.au), PO Box 87, Maffra 3860 or phone 0488 175 366

### National Water Week

#### Visit four local innovative irrigation farms with DPI

DATE & TIME	FARM LOCATION & MEETING PLACE	FOCUS OF FARM VISIT
<b>Tuesday 18<sup>th</sup> Oct</b> <b>10.30 - 11.30am</b>	<b>Macarthur's farm</b> <b>322 Maffra-Sale Rd</b> <b>Maffra (meet @ the dam)</b>	An 'on-farm storage dam' that allows flexibility in storing water from various sources. Discussion on the system's feasibility.
<b>Wednesday 19<sup>th</sup> Oct</b> <b>10.30 - 11.30am</b>	<b>McCann's farm</b> <b>254 Swamp Rd, Nambrok</b> <b>(milk tanker access entrance)</b>	A 'computer-automated flood irrigation system' that covers over 1/3 of the farm. Discussion on workload, water use & relevant software.
<b>Thursday 20<sup>th</sup> Oct</b> <b>10.30 - 11.30am</b>	<b>Rosenberg's farm</b> <b>Fairchilds Lane (Rd.),</b> <b>Off Boggy Creek Rd. Tinamba</b>	A 'pipe & riser irrigation system' that uses several water sources (river, drain & dairy effluent). Discussion on the system's design.
<b>Friday 21<sup>st</sup> Oct</b> <b>10.30 - 11.30am</b>	<b>Clyne's farm</b> <b>Tinamba-Glenmaggie Rd</b> <b>Tinamba West</b> <b>(meet @ stockyards on your right</b> <b>in the Glenmaggie direction)</b>	A 'twin linear-move lateral system' which is open channel fed and involves a pivot configuration. Discussion on the latest 'linear move' irrigation technology.

Field day signs at each site. These four short sharp on-farm visits hosted by DPI Maffra are part of a coordinated approach. A number of organisations in the MID are collaboratively hosting a total of 15 relevant activities, from Monday 17<sup>th</sup> through to Friday 21<sup>st</sup> as part of National Water Week.

**All sessions are 1 hour only & will start & finish according to advertised times**

For a full flyer or for more information about all 15 activities contact Maria Rose DPI Maffra

Ph: 5147 0843 Mobile: 0428 652 799 Email: [maria.rose@dpi.vic.gov.au](mailto:maria.rose@dpi.vic.gov.au)

## Yellow Rag Bit

Bree Walshe, Dairy Advisor DPI Maffra

### Isn't spring full on!

It is so easy to get bogged down in the daily tasks as we plough our way through spring – that we may forget to look around the corner to see what's coming!

The following checklist may remind you of the 'things' that are lurking around the corner:

#### Mating

- ✓ Have your cows started to stabilise and gain weight since calving?
- ✓ Who will perform heat detection?
  - ✓ Are they trained to accurately detect heat in cows?
  - ✓ Have you got tail paint, kamars or whatever you use to identify heats?
  - ✓ When will you start heat detecting?
- ✓ Have you selected and bought your semen?
- ✓ Do you have adequate bull power?
  - ✓ Are the bulls in good condition?
  - ✓ Do you need to supplement their diet with zinc to harden their hooves to minimise lameness?
  - ✓ Decide when you will put the bulls out and when they leave the herd

#### Calves

- ✓ How are they tracking in terms of health and weight gain?
- ✓ Do they need to be dehorned?
- ✓ For those that are weaned, have they transitioned well, not losing weight or health?
- ✓ Hygiene – are all pens and feeders cleaned, either for these calves or the next?

#### Paddock

- ✓ Are you monitoring for growth increases or decreases to stay on top of any deficits or surpluses in feed?
- ✓ Have you spoken to your contractor of potential upcoming work?
- ✓ Prepare for summer cropping – seed, paddock selection, when to plant etc. (if you are doing some)
- ✓ Irrigation intervals under control (or mucked up by the rain!!)?
- ✓ Do you need to soil test?

#### Business

- ✓ Have you updated budgets, with actual production and income thus far, to make any changes if necessary?
- ✓ Are you managing your cash flow situation?
- ✓ Are there projects in the pipeline?
  - ✓ have you done adequate budgets, to ensure you can afford them now?

For further information please contact your trusted agronomist, nutritionist, veterinarian, accountant or a member of the Maffra DPI Dairy Services team on 5147 0800.

## Macalister Demonstration Farm Profitability Project

How profitable is the MDF? The aim of the MDF Profitability Project is to demonstrate a profitable way to run a dairy farm.

In various comparative analyses, where profit is measured by Return on Asset (ROA), for example in the DPI Farm Monitor project and the Dairy Business of the Year, the MDF does not rank very highly, always a few percentage points below the top farms.

The MDF cow health, cow fertility, milking, and overhead cost are all about the same as shown in the comparative analyses so these are not causing a lowering of the ROA.

ROA is the ultimate indicator of success, however for comparison purposes it can be confounded by:

- How non-paid-for labour is valued. The MDF pays its staff well. When determining EBIT (Earnings Before Interest and Tax, i.e. profit) sometimes owner-operators allocate themselves only \$50,000, which is a bit low – could you really get someone to work that hard, with that responsibility for 24 hours/7 days/52 weeks for that?

- Whether replacements are reared on owned land or not. The MDF spends \$55,000 cash on contract rearing while some farmers' rearing costs would just include interest payments on a run-off block, which is not deducted from EBIT so makes an unequal comparison.
- Some milk companies pay a lower milk price than others.
- Some farms have high livestock income and income from share dividends.

All these factors could easily amount to \$100,000, and if added to the MDF's EBIT, would lift the MDF's ROA significantly.

Could the MDF's feed costs be reducing profit? The MDF runs a relatively simple feeding system, with a high stocking rate and high feed inputs. The farm spends a great deal of money on growing grass and buying purchased feed. Do these high feed settings pay?

The Ten Day Tracker analysis indicates that it is paying, although there are always a couple of farms in the district (who have high inputs also) who have higher feed margins than the MDF. A further check is with the DPI Farm Monitor Project.

The **DPI Farm Monitor project** surveyed 74 dairy farms across the state in 2010-11. The table below includes the 24 Gippsland farms only. The MDF is GI031 and is marked yellow. The table shows stocking rates, ROA, and Margin over all Feed (MOAF). The MDF's Margin over All Feed (milk income minus all feed costs) is \$476,721. To compare this with other farms this number needs to be related to some aspect of size, say the hectares grazed or the number of cows.

Ranked by: MOAF /milking ha						Ranked by: MOAF /cow				
Farm	Stocking rate	Return on assets	MOAF	MOAF /milking ha	MOAF /cow	Farm	Stocking rate	MOAF	MOAF /milking ha	MOAF /cow
GI031	4.0	8.5%	\$476,721	\$6,530	\$1,616	GI048	1.6	\$838,930	\$3,497	\$2,237
GI042	2.7	7.6%	\$393,670	\$4,474	\$1,675	GI047	1.1	\$563,821	\$2,453	\$2,169
GI043	2.0	7.6%	\$429,659	\$3,836	\$1,953	GI046	1.2	\$448,246	\$2,423	\$2,075
GI029	2.1	10.2%	\$443,501	\$3,823	\$1,796	GI037	1.7	\$833,956	\$3,534	\$2,034
GI037	1.7	7.3%	\$833,956	\$3,534	\$2,034	GI012	1.6	\$312,829	\$3,128	\$1,955
GI048	1.6	8.7%	\$838,930	\$3,497	\$2,237	GI043	2.0	\$429,659	\$3,836	\$1,953
GI032	1.8	6.2%	\$435,095	\$3,347	\$1,813	GI045	1.8	\$665,890	\$3,248	\$1,850
GI045	1.8	4.8%	\$665,890	\$3,248	\$1,850	GI021	1.4	\$678,568	\$2,513	\$1,834
GI040	1.7	9.2%	\$1,011,009	\$3,130	\$1,805	GI010	1.1	\$527,011	\$1,981	\$1,817
GI012	1.6	2.9%	\$312,829	\$3,128	\$1,955	GI032	1.8	\$435,095	\$3,347	\$1,813
GI020	1.9	7.9%	\$1,274,440	\$3,124	\$1,634	GI040	1.7	\$1,011,009	\$3,130	\$1,805
GI025	2.0	5.3%	\$288,654	\$2,776	\$1,375	GI041	1.5	\$646,602	\$2,628	\$1,796
GI041	1.5	7.1%	\$646,602	\$2,628	\$1,796	GI029	2.1	\$443,501	\$3,823	\$1,796
GI021	1.4	8.8%	\$678,568	\$2,513	\$1,834	GI035	1.4	\$103,973	\$2,446	\$1,733
GI047	1.1	3.4%	\$563,821	\$2,453	\$2,169	GI044	1.2	\$279,087	\$2,028	\$1,691
GI035	1.4	-0.4%	\$103,973	\$2,446	\$1,733	GI042	2.7	\$393,670	\$4,474	\$1,675
GI046	1.2	10.7%	\$448,246	\$2,423	\$2,075	GI020	1.9	\$1,274,440	\$3,124	\$1,634
GI005	1.5	6.4%	\$282,908	\$2,300	\$1,563	GI031	4.0	\$476,721	\$6,530	\$1,616
GI039	1.4	7.3%	\$378,931	\$2,283	\$1,592	GI039	1.4	\$378,931	\$2,283	\$1,592
GI011	1.3	4.9%	\$249,829	\$2,104	\$1,561	GI005	1.5	\$282,908	\$2,300	\$1,563
GI004	1.5	5.5%	\$174,657	\$2,099	\$1,397	GI011	1.3	\$249,829	\$2,104	\$1,561
GI044	1.2	2.6%	\$279,087	\$2,028	\$1,691	GI017	0.9	\$273,666	\$1,345	\$1,495
GI010	1.1	2.5%	\$527,011	\$1,981	\$1,817	GI004	1.5	\$174,657	\$2,099	\$1,397
GI017	0.9	4.2%	\$273,666	\$1,345	\$1,495	GI025	2.0	\$288,654	\$2,776	\$1,375
GI022	0.9	4.2%	\$575,006	\$1,195	\$1,340	GI022	0.9	\$575,006	\$1,195	\$1,340

The MDF's MOAF per hectare is the highest in the group. However, the MDF's MOAF per cow is not high, a major reason being the high stocking rate. Higher stocking rates (with the same grass per hectare) reduce the amount of relatively cheap grass per cow, pulling the per cow margin down.

Whether "per hectare" or "per cow" is more important is debatable. Both are important. The hectare is the biggest investment, but the cow creates the most work.

If something is working, what is it? How does the MDF get a high MOAF per hectare?

Its feed settings could be described as "reasonably high input, done pretty well".

- High use of N but applied carefully straight after a grazing, uniformly over the paddock

- High use of water, irrigated fast and drained fast.
- Longish rotations, to grow a lot of grass.
- Not forcing cows to clean up paddocks; any high is residue fixed with the mower.
- High use of supplements, if the cows can eat them, without leaving too much grass behind.
- The last two points create the main balancing act, which needs constant close monitoring.

High input seems to work because the milk price and input prices usually allow a margin. However, when milk price and feed input (fertiliser and supplements) prices move in the wrong direction, the feed inputs are easiest things to cut: you just stop the truck. It is much harder to stop the tractor repayments.

If you know how to use feed inputs well, be wary of advice from anyone who does not understand feed margins, to simply cut feed inputs. Cutting feed inputs saves cash in the short term, but you could lose so much milk, it makes things worse.

Of course, there is always more than one way to skin a cat. Low input can work well too. The test is “What is your Margin Over all Feed”?

Frank Tyndall 0409 940 782

## OH&S UPDATE – WORKSAFE VISIT

Last week, with just a days notice, we hosted a visit from a Worksafe inspector. We’ve been working on our safe work systems so we were reasonably confident all would be OK but you never know. I must say, it was a very positive experience because we are keen to have things right and the inspector was able to give us some terrific tips. Here is a summary of the report that we received so you can get some idea what they are looking for.



WorkSafe Victoria is a division of the Victorian WorkCover Authority

## ENTRY REPORT

Date: 03/10/2011 Visit Number: V01005202379L  
 Issued by Inspector: Michael John Vanderzalm

Entry Time : 09:30 AM Departure Time: 11:15 AM

### PLACE ENTERED

MACALISTER RESEARCH FARM CO-OPERATIVE LTD  
 ABN: 89984202071  
 BOGGY CREEK ROAD  
 RIVERSLEA 3860  
 Phone Number: 0488 175 366

This report given to: Mr Neil Baker Position: Employer Representative  
 Copies to: No Position: Health and Safety Representative

### Purpose for entry:

I entered this place as part of WorkSafe Victoria's proactive intervention program to provide guidance and assess and enforce compliance with specific health and safety laws. This visit is undertaken as part of the Safety in Agriculture project.

Under section 98(1) of the Occupational Health and Safety Act 2004, I entered your workplace during working hours.

## Observations and Actions of the Inspector

1. I attended your workplace as part of the Safety in Agriculture project. On arrival at the workplace I met with Mr Neil Baker. The workplace operates as a Dairy Research Farm on approximately 92 hectares, milking approximately 290 cows using a 30 a-side herringbone. The workplace employs 3 x staff members. No formal Occupational Health & Safety Representative (OH&S) is utilised in the workplace. After a discussion, a walk through the dairy then took place.
2. Items discussed at the workplace included:
  - All operators of Quadbike were observed wearing an Australian Standards approved motorcycle helmet
  - All tractor and quadbikes were observed being operated at an appropriate speed
  - Material safety data Sheets (MSDS) were available in to staff inside the dairy
  - A register of all chemicals in the dairy was available
  - The grain silos had no/restricted access
  - The grain crusher under the silo was suitably guarded
  - The silos had ground filling blower tubes fitted
  - The silos had ground opening lid lifters
  - Access to the "Pit" inside the dairy was accessible via non slip steps with a hand rail fitted.
  - No unfenced/unguarded pits, wells or deep drains were observed
  - The plant room was well ventilated with all drive belts, chains and pullies guarded.
  - The workplace dairy appeared in tidy condition
  - A workplace first aid kit was available
  - The tractor cabin did not appear to have "Hay band" cluttering the floor potentially cause a slip, trip or fall hazard or operating hazard
  - Tractors in the workplace were observed fitted with Roll Bars and seatbelts
  - All visitors and staff are inducted on site
  - All machinery observed fitted with Power Take Off (PTO) attachments, were fitted with appropriate guards
  - The workplace portable grain Auger was suitable guarded
  - All vehicles on the property appeared to well maintained with maintenance record available
3. Inside the dairy, I observed numerous chemicals for the operation of a dairy farm. Material Safety data Sheets (MSDS) were available for these substances. A suitable workplace first aid kit is available to staff inside the dairy where the chemicals are used stored and handled. The MSDS states that if some chemicals come into contact with eyes, the eye must be irrigated with "clean water". The workplace did not have a suitable eye wash bottle to commence this first aid treatment.

When I informed management of my safety concern. Two purpose made eye wash bottles were found and located in the dairy and the office.

Voluntary compliance has been achieved.

4. No further action to be taken at this time.
5. Small Workplaces - representative arrangements/consultation  
I met with employer representative, Mr Baker and was advised that consultation on health and safety matters occur at this workplace by
  - meetings
  - one-on-one discussions
  - informally during meal breaks
  - through raising issues as they arise with management
  - this style of OH&S consultation appears to be effective

I advised Mr Baker of an employer's duty to consult with employees under section 35 of the Occupational Health and Safety Act 2004.

I advised the employer representative further guidance on consultation may be found in the WorkSafe Victoria publication "Consultation on Health and Safety – A handbook for workplaces".
6. Inspect, examine and make enquiries  
You are hereby notified that under Section 99(a) of the Occupational Health and Safety

Act 2004, during an inspection at BOGGY CREEK ROAD RIVERSLEA 3860, I inspected, examined and made enquiries.

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**Other actions taken:**

**I gave you these documents:**

**Additional Details:**

*Compliance Code in First Aid in the Workplace, Amenities and Work Environment,  
Dairy Safety: a practical guide, Safe use of tractors with attachments and Quad Bikes  
on farms.*

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POSTAGE  
PAID  
AUSTRALIA

**SENDER:**



Macalister Demonstration Farm  
PO Box 87 **MAFFRA** VIC 3860