



**Monaro Farming Systems
2009 Annual General Meeting
27th August 2009**

Reports and Meeting Papers

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Agenda

MFS AGM Farm Walk BBQ

The Monaro Farming Systems AGM and Farmwalk BBQ on Thursday 27th August, 2009 will commence at 3.30pm at Chris and Arthur Haylocks (Yandra), Nimmitabel and then move to the Nimmitabel Bowling Club by 5.00pm.

Program

- | | |
|--------|--|
| 3.30pm | Question & Answer Session – livestock management issues
Doug Alcock – Livestock Officer, NSW DPI Cooma |
| 4.30pm | Travel to club and coffee break |
| 5.00pm | Monaro Farming Systems AGM, including reports |
| 5.30pm | Keynote speaker
David Thomason – Marketing Manager MLA
Change in consumer habits and consumer choices? |
| 6.15pm | Presentations from:
Mike Stephens – Monaro rainfall and climate patterns |
| 6.45pm | Refreshments and dinner. |

Chairman's Report – David Mitchell

It has been a busy and rewarding year for Monaro Farming Systems. In our second year of operation we have seen improvement in the day to day running of MFS, mainly due to the employment of a locally based project officer. It's also encouraging to see MFS becoming part of the landscape and being talked about in a positive manner by producers, researchers, media, politicians and departmental staff at all levels of government.

Project Officer

One of the highlights this year was the appointment of Nancy Spoljoric as MFS project officer. We had ten applicants for the position and interviewed five. I would like to thank James Larritt, Mike Stephens and Ben Reeve (MS&A) for their involvement throughout the recruitment process. Nancy has demonstrated in the short time with us, her integrity, work ethic and ability to adapt to the varied roles within MFS. Nancy's communication skills, unassuming nature and underlining steely resolve make her a valued constituent of MFS. Thank you Nancy for your contribution and commitment.

MFS Events

The events program this year has been a vast improvement on last. Nancy's preparation and coordination has lead to great events. Personally, the highlight for me was the evening with, the then, AWI chairman Brian Van Rooyen. This intimate discussion enabled members to ask extensive questions and receive straight answers at a time when most woolgrowers feel distant from AWI.

MFS continued to attract quality guest speakers to the Monaro including Grant Burbidge, Jack Noakes, Prof Robert Napier, Charlie de Fegely, Darren Gordon, Mick Keogh, Dr Jeff Baldock and Prof Ian Plimer. Thank you to the NSW DPI for supporting MFS events, your participation and expertise is valued, in particular Luke Pope, Doug Alcock, Phil Grame and Greg Meaker.

MFS 2009 Research Development and Extension Projects

MFS RD&E Business Plan is currently being developed and will ultimately assist in formulating future RD&E projects. We are in the process of collecting known data and information regarding research on the Monaro, to ascertain potential research direction and avoid repeating work that has already been undertaken. Lachlan Ingram, the Senior Research Fellow with the University of Sydney has taken over the challenge of collating this data and should be able to break down the barriers that we faced.

For details of current and pending projects see reports.

Partnerships

We continue to grow the relationships with our five partners, steadily however meaningfully. MS&A has continued to professionally support MFS through secretarial support, staff and financial management. MS&A provide much needed links to Agricultural organisations outside the Monaro. There is no doubt that MFS owes part of its success to the supporting role MS&A plays. Thank you to Mike Stephens, Jim Shovelton, Jen Mackay, Jenny Brophy and the rest of the MS&A team for their effort this year.

Southern Rivers Catchment Management Authority (SRCMA) has supported MFS over the past 12 months by funding close to \$ 66,000 for the Project Officer position and the Grass Gro project. MFS and SRCMA worked closely together to develop the SRCMA Drought Package offered to all Monaro producers. The package included Stockplan Workshops delivered by NSW DPI, funding for stock containment areas and the publication of MFS first information booklet *"Feeding sheep in stock containment areas during drought"*. With good communication and an understanding of our synergies and differences, I am confident a strong long term partnership will develop. Thank you to Brett Miners, Tim Fletcher, Mandi Stevenson and Howard Charles.

The presence of The University of Sydney on the Monaro will become more evident with Senior Research Fellow, Lachlan Ingram, commencing work on the development of grazing research, at "Coolringdon". It is important for MFS to develop partnerships with tertiary education institutions because of their strong research culture and the cross pollination of researcher/academic and producers minds.

The relationship with NSW DPI has steadily evolved over the year to reach a productive and congenial understanding of what our organization is aiming to achieve. It is important to MFS that we continue working together with NSW DPI, however deliver our service in a unique approach that is distinct from the traditional Departmental tactic/style. It's imperative for producers and the state government to continue supporting the DPI and the vital service they provide to agriculture across NSW. By working together we can sustain these services on the Monaro.

Boyce Chartered Accountants have continued to willingly support MFS by providing meeting rooms, audits and printing of publications. The potential for this partnership will eventuate further when future projects include a financial benchmarking or performance plotting aspect.

Sponsorship

We are starting to build our sponsorship potential with three new sponsors this year. Monbeef supported The Carbon Day Out, while Lambpro and the Commonwealth Bank have committed to be Bronze level sponsors for the next 12 months. National Australia Bank continues their strong association with MFS committing to a third year as MFS Major Gold Sponsor. Thank you to all our sponsors for their support.

MFS Board

The previous Board was always an interim body designed to launch MFS. The new board structure was developed and passed at a special meeting. Welcome to our two new producer directors Oli Cay and Lisa Phillips and thanks for committing to the next three years. Richard Taylor and I remain as producer members for another year. Richard has been working with the SRCMA and University of Sydney partnerships and on the RD&E Business Plan. Thank you Richie, we appreciate your time. We also welcome our first invited director Chris Blencowe to the board. Richard Simpson (CSIRO) has also been invited and is awaiting final confirmation from his superiors before a final commitment can be made. Chris and Richard (if approved) will add balance to a producer dominated board and add another level of expertise. Chris will work with Nancy to set up a strong financial system that will be transferred from MS&A to MFS. Richard's background in research will help in the development of the RD&E Business Plan. Mike Stephens will continue in the role as Executive officer for the next two years as the MS&A representative.

I would like to thank the retiring board members; Kate with your work in the early event coordination, logo development and women in MFS; James with the University of Sydney partnership, recruitment of the project officer and board structure; John Auer with sponsorship, SRCMA Partnership and board Structure and John Jeffreys with the grain & graze event, cropping direction and funding opportunities. Thank you all for your time and effort over the last two years.

In concluding our organisation will continue to assist Monaro farm businesses to be more profitable and sustainable on the Monaro. This will be achieved by identifying the gaps in knowledge and skill and arranging actives and projects to remove those gaps and promote a culture of continuous improvement in our industries.

David Mitchell
MFS Chairman

Financial Report – Mike Stephens

MONARO FARMING SYSTEMS

PROFIT & LOSS - 15 Aug 2008 to 27 Aug 2009

INCOME

Subscriptions	\$ 18,240	
SRCMA funding for coordinator (to Sept 2009)	\$ 28,916	
SRCMA funding for coordinator (to Mar 2010)	\$ 14,458	
Sponsorship		
LambPro	\$ 1,000	
CBA	\$ 1,000	
NAB	\$ 3,000	
Monbeef (carbon forum)	\$ 500	
MFS Carbon Forum - registrations	\$ 4,790	
GRDC funding for MFS Project 09–3 Cereal Variety Evaluation	\$16,700	
SRCMA funding for MFS Project 08-1 Grass Gro	\$ 23,000	
Total income		\$ 111,604

EXPENSES

Balance brought forward (loss)	(\$1,060)	
MFS Project Coordinator - Wages	\$ 27,470	
-travelling	\$1,377	
-office operating (postage,phone,internet,laptop,printer)	\$ 3,251	
MS&A Management Support	\$10,889	
AFI Subscription	\$1,000	
Board Meetings (teleconference)	\$1,612	
Projects		
MFS Project 08-1 Grass Gro	\$17,000	
MFS Project 09–3 Cereal Variety Evaluation	\$16,700	
Event Costs (incl hall hire, catering, travel/accom speakers, advertising etc)		
Carbon forum	\$ 6,250	
Ewe Management	\$ 1,157	
NSW DPI support	\$ 2,391	
2008 AGM	\$ 1,041	
Drought day	\$ 419	
Total costs		\$91,617

Net Profit / Loss	\$19,987
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Project Reports

MFS Project 08-1 - Grass Gro

Project Leader:	Oliver Cay
Project Manager:	Jim Shovelton / Nancy Spoljaric
Project Team:	Mandi Stevenson (SRCMA) Doug Alcock (NSW DPI) Andrew Moore (CSIRO)
Project Funders:	Southern Rivers CMA
Project Collaborators:	CSIRO, NSW DPI, Southern Rivers CMA

Project Aims

CSIRO has developed a unique decision support program called GrassGro® which has been used extensively in other parts of southern Australia. The core of the program is a dynamic model of pasture production based on soil type, rainfall and climate data and pasture species for any given site.

GrassGro® can assess the effect of management options on gross margins, pasture and animal production, supplementary feeding as well as a series of environmental indicators such as persistence of species, ground cover, drainage etc. It can be used in one of two major ways; to examine strategic decisions on farming systems such as long term stocking rates, time of lambing etc; or it can be used to look at the effect of anticipated weather conditions within a growing season.

GrassGro® is a unique decision support tool which can assist primary producers and advisors in identifying key profit drivers in their enterprise in the context of temporal variations in pasture growth and supply. As such GrassGro® provides powerful facility for analysing risk (climatic, economic and environmental) over both the short and long term.

MFS Project 08-1 will “roll out” the use of GrassGro® across the Monaro.

The key processes in the last year and the near future are:

- Dig cores and collect soil/pasture data for the two soil types (Bungarby & Berridale).
- CSIRO to develop native pasture parameters for the model by characterizing the two soil types which will be ground truthed and validated in conjunction with MFS members.
- Based on the success of these soil characterizations, collect and analyse soil cores from 3 – 7 other strategic “soil type” sites (dependant on available funding) - Mila, Bibbenluke, Nimmitabel, Little Plains, Kybeyan, Corrowong/Jimenbuen.
- Use this soil data to strengthen and further ground truth the model to enable the generation of “farm systems” which accurately reflect/typify the Monaro environment at these locations.

- Deliver interactive sessions with MFS members to identify key management questions for the Monaro. Scenarios modeled to address these questions and improve skills in farm planning and risk management.
- Run tactical simulations at strategic times each year of the project to enable producers to plan during critical periods. Key times identified are late autumn/early winter and December, although other simulations will be needed in response to atypical seasonal events such as prolonged drought, unseasonal rainfall, etc.
- Purchase the software and potentially train MFS members and MFS staff member in the use of the model. These skills to then be passed on to other members via direct producer engagement.

Update

CSIRO Soil Scientist Dr Andrew Moore is in the final stages of characterizing the soil samples from the two Monaro grassland sites at Berridale and Bungarby and integrating them into the model to develop native pasture parameters.

Andrew is planning to hold a session with MFS members in the week beginning Sept 7th on the Monaro to present his findings and progress with the model development. Based on the outcomes from this meeting, a further 3-7 sites will be selected for soil sampling and member properties identified at these strategic sites.

\$6,000 in funding provided by SRCMA will be used to dig the soil cores and analyse soil samples at the identified sites. It is hoped the funding will also allow further ground truthing and validation of the model to native pasture at these sites by discussions with producers and using members historical records (climate patterns, rainfall, stock numbers and seasonal events) to confirm that producers are happy with the model predictions.

A comprehensive project proposal submitted in February 2009 under the FarmReady program (Dept Agriculture, Fisheries and Forestry) was unsuccessful in the first round. However MFS will re-submit this project when the second round is opened in October 2009 and if successful, will allow us to proceed with the planned activities.

Nancy Spoljaric
Co-Project Manager

MFS Project 09-3 - Cereal Variety Evaluation Trial

Project Leader: John Jeffreys

Project Manager: Nancy Spoljaric

Project Funder: GRDC (Grains Research & Development Corporation)

Project Collaborators: Agritech (Crop Research Contractors), John Jeffreys (MFS), Damian Rudd, Brendan Rudd (MFS), Greg Condon (private agronomist, Grassroots agronomy)

The Problem

With recent developments in biotechnology, rising land values and a downturn in the profitability of some traditional grazing enterprises, cropping is increasingly becoming a strategic option of farming systems in the High Rainfall Zone (HRZ) of SE Australia.

It has been identified by some growers and advisers in the region that spring cereals have a real place in the dual purpose system (ie grazing and grain production). Spring cereals have a specific production window in the farming system following a summer Brassica crop, where agronomically the cereal is going into a disease and weed free environment. A short season variety can also capitalise on a predominantly spring/summer rainfall pattern typical of the Monaro region and become a vital part of an integrated farming system.

Other benefits of spring sown cereals in SE HRZ include;

- Proximity to supply established dairy regions of the Bega Valley and East Gippsland (approx \$50 pmt freight advantage);
- Water use efficiency of growing cereals in cooler environments (high kg grain per Ha);
- Method of generating additional income and enhancing production by manipulating the predominately spring / summer rainfall of the Monaro Region;
- High adaptability to integrate into a rotation (ie ability to double crop from previous summer and store moisture during low production winter months);

The main issue or limitation for the Monaro region is that (other than limited grower experience), there is no scientific data, or validated, relevant research information available on what cultivars and / or varieties which perform best in this environment.

The Trial

The trial will primarily assess yield of the various varieties and cultivars (wheat, barley and triticale) in a replicated plot trial format. Factors to be assessed in the trial include;

1. Yield
2. Canopy structure
3. Disease resistance
4. Frost tolerance (if applicable)
5. Maturity (flowering date)
6. Grain weathering ability (if applicable),
7. Gross margin evaluations;
8. Feed grain quality (a requirement for the dairy sector).

The trial is situated at two MFS member sites (Delegate and Cooma). The trial was sown on Friday 7th August and based on current sub-soil moisture assessments at each site, it was estimated that the Delegate site should expect 80% germination compared to 60% at the Cooma site however recent, small falls have given renewed confidence of good germination rates at each site.

Nancy Spoljaric
Project Manager

MFS Project 10 - 4 – Weight Gain in Shorn Prime Lambs

Project Leader: Richard Taylor
Project Manager: Nancy Spoljaric
Project Funder: MFS
Collaborators: Doug Alcock, NSW DPI

The Trial

Starting in January 2010 MFS will be initiating a trial looking at weight gains of X-bred lambs, shorn vs un-shorn. There will be one site at Kybeyan/Nimmitabel, one at a lamb feedlott and a third Bombala site to be determined.

The trial will primarily assess the economic benefits if any of shearing X-bred lambs using live weight gain as a measurable indicator.

Projects Pending.....

Monaro Mums

Fund Source: Meat & Livestock Australia

Background

The Monaro sheep industry has traditionally been based on Merino ewes. With the uncertainty of the wool industry, a buoyant in the meat industry and integration of cropping and grazing, there is an opportunity to rethink how the Merino ewes can be used.

Mike Stephens is currently looking at the feasibility of running a **Monaro Mums Project** which would investigate the following issues;

1. Is the current model of running a Self Replacing Merino Flock (SRMF) the best model from a business point of view?
2. Is the current use of the Merino ewe delivery to the flock's potential optimized from a financial perspective?

If it is worthwhile pursuing and funding can be committed from MLA, the Monaro Mums project will compare and measure the financial results over a four year period from a:

- Traditional SRMF
- SRMF breeding First X Self Replacing
- SRMF breeding Prime Lambs X Self Replacing
- First Cross X Flock breeding Prime Lambs

Legumes – Their Place on the Monaro

Fund Source: Evergraze / Central Highlands Agribusiness Forum

Background

Achieving the optimum legume mix / balance has always been a priority issue for MFS which also relates to the historic, problem of lack of persistence of sub-clover on certain soil types of the Monaro. MFS is applying to run an Evergraze site which will test the following hypotheses through an animal performance trial;

1. What are the most persistent legume species and cultivars under grazing, for the Monaro?
2. What are the most appropriate perennial legumes (legume cultivars?) for the Monaro for animal production?
3. What are the appropriate species mixes for the various sectors of the topography & soil types for typical Monaro environments based on either persistence or animal production?

The trial aims to look at the performance of a variety of legumes in the context of animal production benefits and how they best fit into our grazing systems and landscape.

Dual Purpose Farming Systems

Fund source: Grain and Graze Program

Background for trial proposal

The more temperate areas along the east coast of Australia have always had the most potential for the Grain and Graze model due to their season length.

For example, long season grazing crops can be sown early allowing a larger grazing window, while cooler temperate springs allow these high yielding cultivars to reach their full yield potential. Conversely, summer grazing crops and quick maturing spring cereals may be sown within the year to maximize per hectare returns. Incorporated into a perennial pasture based rotation, such systems have the potential to dramatically lift overall farm profitability, and reduce income earning pressure on low producing areas of the farm.

With recent advances in biotechnology and farming technology there is significant scope to dramatically lift farming production in traditional long season grazing areas of Eastern Australia. It is our view that these areas should become part of the focus of the Grain and Graze program, given that these areas (compared to the cropping belt) have experienced limited production gains over the past decade, have a more reliable climate (with less evaporation) and the fact that our changing climate is placing increasing pressure on marginal cropping areas.

Trial Objectives

- Critically examine methods of optimising feed-base production and utilisation by variety evaluation trials, there-by improving overall biodiversity, resilience and productivity/profitability of a pasture based system.
- To measure conversion inputs and outputs in order to quantify the financial and environmental benefits of a mixed farming system in terms of water-use efficiencies and animal performance.
- Gain a greater understanding of the interaction between grazing and soil-water balance thereby moving towards adoption of grazing and cropping practices which capatilise on soil moisture utilisation.

Potential Project Areas/Proposed Trials

Project 1: Mixed long season cereal trial:

- Focus on grazing production (kg/meat per ha) and grain production (kg grain per ha) to look at whole-farm economics;
- Trial would evaluate water use efficiency of the various cultivars under a grazing environment to measure \$ per 100mm per ha for each system.
- Best management practices would be demonstrated & documented.
- Potential impacts of grazing on the soil-water balance would be examined
- Winter Wheats, Triticallies, Barley, Native vs Improved pasture systems would be assessed.

Project 2: Legume establishment in pasture phase:

- Mixed species and management trial to evaluate legume establilshment as a key part of a sustainable cropping program.
(Nitrogen fixation is not only a limiting factor in a cropping program, it is one of the largest limiting factors in many tableland grazing enterprises.)

- This trial will determine which legume species demonstrates the best growth, yield, persistence/longevity and nitrogen fixation abilities in these environments
- Trial will also benchmark the potential of lucerne and other legumes to maximise financial grazing benefits

Building Resilience within the Family Farm Business

Fund source: Woolworths/Landcare Australia Sustainable Farming Program
(\$15,800 funds requested, initially unsuccessful but will be re-considered)

Background

Rural farming families continue to face increasing challenges imposed by the constant exposure to market uncertainty, climate variability as well as continuing un-seasonal weather patterns and drought conditions.

This places increasing pressure on the family unit to ensure the farm business remains competitive and viable in the market place as well as maintaining the balance between family and business goals and values.

If this project is successful, the following will be facilitated;

- promotion of more strategic thinking and encourage a more systems based approach to business ie. setting goals, writing a business plan, documenting practices and enterprise performance, teamwork and redefining roles within the family.
- enable skills to develop key business strategies and guidelines for making decisions, resolving conflict, recognising partner & spouse contributions, managing change etc.
- encourage the planning and follow-through of inter-generational succession which will help to motivate young people to enter and/or remain in agriculture

Planned Forums

1st Forum (Part A and B)

- information session on the future of family farming and what we can do to ensure sustainability in the long-term,
- half-day interactive session on the topic of **“Rural Families in Business Communicating to Improve Productivity”**
- this workshop aims to increase participants understanding of principles of good communication, decision making skills, maximising family contributions to the business and skills to increase business returns through more effective communication

2nd Forum

- Follow up from Forum part a/b based on a clear direction which has been developed with participants during the first forum sessions.

3rd Forum

- 1 day interactive workshop on **Human Resource Management** – this workshop will deliver a complete Human Resource Service package, providing a holistic approach to managing the people involved within a business including strategies to attract and retain staff, optimising performance of staff and effective staff working relationships to maximise the efficiency of your farming business.

Publication of manual - Following the first year of the project, a booklet will be developed and published which will provide a reference for “family communications specifically relating to improving business returns and strengthening the family unit”.

MFS Events Summary 2008/2009

- ❖ **20th Aug 2008 AGM**
Phil Graeme (DPI, Yass) - management opportunities from paddock, self-weighing of sheep
Charles de Fegely - Sheep Electronic ID management systems,
Professor Rob Napier - Worldwide, world class farmers, what sets them apart?
- ❖ **19th Sept 2008 Cootamundra Abattoir Tour / Prime lamb management**
Abattoir tour – processing chain, carcass and meat discounting, carcass trait's
Jack Noakes (Temora prime lamb producer) – store vs finishing lamb operations, ram selection, managing feed supplementation, enterprise balancing
Woolworths butcher – quality meat cuts, grading meat, consumer choices, feedback to producers
- ❖ **2nd Oct 2008 AWI Chairman Presentation**
Brian van Rooyen (former chairman) - AWI marketing strategies, muelsing alternatives
- ❖ **23rd Oct 2008 Grass Group Discussion / Gunningrah**
Doug Alcock (DPI, Cooma) – linking seasonal forecasts with weather indicators (meteorological tools), grassgro modeling, drought management strategies
Luke Pope (DPI, Cooma) – pasture assessment skills, linking animal performance with predicted pasture growth
- ❖ **20th Nov 2008 MFS Drought Day...survive or thrive**
Doug Alcock (DPI, Cooma) – Financial implications of decision making, comparative analysis (STOCKPLAN) - SHEEP
Greg Meaker (DPI, Goulburn) - Pro's and con's of drought lot feeding, gross margins, impacts on business (STOCKPLAN) - CATTLE
Grant Burbidge ("Connemara", Tarcutta) – first-hand account of surviving drought /feeding stock
- ❖ **16th Mar 2009 Roadside meeting (C Mitchell) – Terminal sire progeny trial**
- ❖ **26th Mar 2009 Ewe management discussion**
Darren Gordon, (Lifetime Ewe Management program leader) – improving ewe fertility and lamb survival, feed budgeting,
Charles de Fegely (sheep & wool producer & agronomist advisor) – understanding key profit drivers
- ❖ **29th April 2009 Abattoir Tour and Monbeef Q&A session**
Craig Chilcott (CEO, Monbeef) – overview of operation, direct sell and marketing initiatives
Greg Meaker (Goulburn DPI) - comparison of beef marketing / selling options, heifer management in drought, use of HGP's in the Industry, cattle genetics
- ❖ **Wed 24th June Roadside meeting (C Reynolds) – Gibberellic acid & nitrogen pasture trials**
- ❖ **6th July Carbon Day Out**
Prof Ian Plimer (Uni of Ad) – global warming...the missing science
Dr Jeff Baldock (Land & Water, Ade) – \$\$ for soil carbon sequestration, fact or fiction
Mick Keogh (Director AFI) – impacts of an ETS on agriculture and at the farm level

MFS Supporters - THANKYOU

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MFS Partners

Southern Rivers Catchment Management Authority
NSW Department of Primary Industries
Mike Stephens & Associates
Sydney University
Boyce Chartered Accountants



Project Funders

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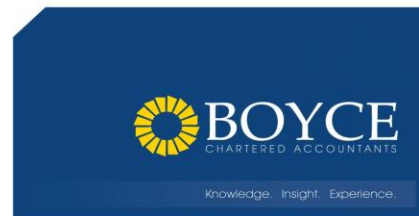
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MFS would like to thank Gordon Litchfield Wool for their kind donation of meat for today's BBQ

