

## CASE STUDY



L-R: Alastair Ormond, Daniel Ormond and Trevor Chapman, Te Umuopua Farm

# FOLLOWING THE BEST PRACTISE BUSINESS CYCLE AT TE UMUOPUA

Daniel and Alastair Ormond and the team at Te Umuopua Farm (central Hawkes Bay) have tripled their gross margin per hectare over eight years, as shown in their 14/15 FARMAX Advantage Annual report. The steady gains in this key performance indicator (KPI) report are the result of continual refinement of an operation comprising of breeding sheep, beef and finishing bull.

They have generously allowed us to draw out some of the other KPIs from their report to give further insight. In the full report, the farm is compared with other farms in the North Island Hill Country category.

### HOME-GROWN FORAGE

Total forage production has not improved consistently; from 6.5 t DM/ha in 2012/13 to 8.7 t DM/ha in 2013/14. Clearly, the Ormonds work with a highly variable growth season. However, the growth in March and April is where the improvements are – from 11 to 14.2kg DM/ha in March and 18.5 to 20.6 kg DM/ha in April over the 2007 to 2014/15 time period.

In 2012, they noticed autumn covers were consistently below target which had a knock on effect on the spring covers and, thus, restricted animal performance. They responded by reducing ewe numbers, focusing on capital fertiliser inputs and establishing lucerne and plantain crops, hence the improvements in autumn growth.

### EWE REPRODUCTION

With the exception of the 2014/15 season, ewe efficiency (kg lamb weaned per kg ewe mated) has steadily improved from 52 in 2007/08 to 76 in 2013/14 (the average of those in the benchmarking group is 64).

This is driven by increasing lamb weaning weight – from 28kg in 2007/08 to 31.9kg in 2013/14 along with lamb survival at around 82%. A low 90 day lamb weaning weight (28.5kg) with a higher ewe weight (65kg) gave a lower ewe efficiency result (59) in 2014/15 than in the previous seasons.

Alastair was unsure what caused this, but they have been

changing genetics, hoping to focus on lower scanning to re-focus on lamb growth. Scanning percentage averages at 160%, which is relatively consistent season to season.

### BULL ENTERPRISE PERFORMANCE

Bull liveweight gain is improving, although this is not constant; from 0.55kg/day average gain in 2007/08 to 0.87kg/day in 2013/14, although this average gain was compromised during 2012/13 at 0.55kg/day and in 2014/15 it stood at 0.67kg/day.

These setbacks coincide with lower pasture supply years, further reinforcing the need to continue the focus on autumn pasture production. However, the favourable beef price gave the farm excellent margins on their purchased bulls at \$868/head in 2014/15, a \$200/head increase since 2007/08.

The long term target for Te Umuopua is \$1,100 gross margin per hectare – the top 20% of this benchmarking category returned \$1,309/ha in 2014/15, suggesting this is a realistic goal. However the top 20% have a 40:60 sheep to cattle ratio – at Te Umuopua, this ratio is 76:24.

Heavy soil types restrict cattle numbers though the winter. Through investments in infrastructure on the hill country, the farm will be able to winter more cattle which will contribute towards likelihood of achieving their target.

Setting targets, implementing a plan, monitoring and then reviewing the outcome has given the farm the opportunity to identify deviances from the targets to plan the next season.

Furthermore, comparing the farm with others in their category provides indication of the scope for improvement. Together, this has driven the farm

changes in forages, stocking and pasture improvement – their Advantage Annual Report clearly shows they are heading in the right direction.

For more information on the FARMAX Advantage Annual Report service, please contact the HelpDesk.

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