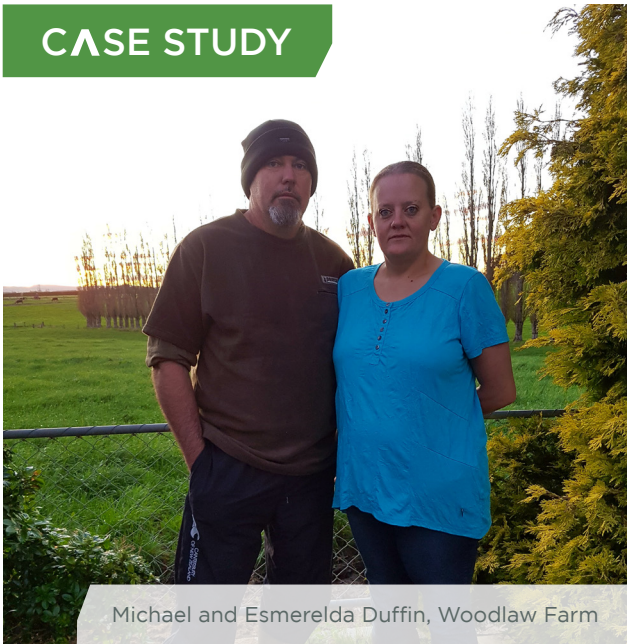


CASE STUDY



Michael and Esmerelda Duffin, Woodlaw Farm

GAME-CHANGING STRATEGIC MODELLING

Michael and Esmerelda Duffin of Woodlaw Farm will end this season 26,000 kg milk solids ahead of target, despite a wet cold spring followed by a challenging, growthy summer.

On top of that they have reduced their cost of production from \$5.12/kg MS in 2013-14 to \$4.50/kg MS this 15-16 season, with a plan which will reduce this further to \$3.62/kg MS for the 16-17 season.

PLANNING AHEAD

Eighteen months ago they sat down with their agri-business manager, Wayne Taylor, to revise the cost structure of their business using FARMAX Professional. This modelling work turned out to be very significant for the season.

Woodlaw is a MyFarm farm. MyFarm is a successful farm investment company; they focus on the top 25% of New Zealand farms to get the greatest returns. All MyFarm farms are managed using FARMAX.

"FARMAX is used in all phases of the management cycle: planning, implementation, monitoring, control and review," says Gareth Evans, MyFarm Farms General Manager.

"This helps provide a clear plan to the farmer and enables us to reforecast returns and/or make tactical decisions during the season to enhance performance and profitability".

"...the ability to integrate the paddock management decisions through to the farm-level is important..."

The re-focus on lower cost of production at Woodlaw was initiated in November 2014, when the Farmgate Milk Price was \$5.30/kg MS. Concerned by the way it was dropping, they modelled how the farm would fare without supplements over summer and autumn, lower cow numbers, and the addition of fodder beet. Through various scenarios they established a plan for the forthcoming season.

"Modelling various scenarios shows the best strategy to pursue. Go too far [reducing costs] and production losses make it uneconomical," says Wayne.

"Finding that optimum point and using FARMAX as a tool to share this optimum strategy with farmers and shareholders works well."

SEEING WHAT WORKS

They found they would break-even at a \$3.80/kg MS payout using 20ha of fodderbeet. "It showed what a game-changer fodderbeet is; even in a System 1, production was much higher than expected."

He doesn't underestimate the need for experience, however: "you have to acknowledge no farm model will get everything spot on in reality, but it provides a good means of comparison. You have to give it the sensibility test - nothing beats experience, you have still got to know what the farm can do".

Esmerelda and Michael use FARMAX more at the tactical level. "It is a good grazing management tool to help make decisions on when to do what, such as drying off and feeding out," says Esmerelda.

They make good use of Feed Wedge for their paddock level decisions. "The ability to integrate the paddock management decisions through to the farm-level is important - get the paddock shifts right first and that will help you make the right decisions at the farm-level."

REAPING THE REWARDS

They have seen the fruits of the modelling work done 18 months ago through successful implementation of the plan. "We probably wouldn't have done what we did if it wasn't for that modelling work, but FARMAX indicated that it would be profitable and possible."

Now Michael and Esmerelda are set to take on another MyFarm property, which also comes with four years' worth of FARMAX Monitoring information.

"The FARMAX files will be like a communication tool from the past. We can look back at the figures month-to-month and year-to-year to work out what the farm is capable of and how to plan for the future".

With this quality of information, Michael and Esmerelda's track record, and the MyFarm business acumen, a smooth transition and development of a resilient business looks to be on the cards.