

## CASE STUDY



Gav and Jen Kay, Dairy farmers, Canterbury

# NOT YOUR AVERAGE FARMERS

**Bringing together the best land, management and investors has seen the farm investment and management company MyFarm grow from strength to strength in recent years.**

Today, MyFarm manages 50 dairy and sheep and beef farms in New Zealand, covering more than 14,500ha and milking over 32,000 cows and finishing up to 25,000 lambs.

As the farm investment business grows, so too does the need for timely and accurate production and financial performance reporting to its many farmer and non-farmer shareholders.

### GRASSROOTS TO STRATEGY

Equity managers, Gavin and Jen Kay, invested in their North Canterbury MyFarm syndicate in 2011. After farming for 10 years in the Northland region, they moved the family south to manage the 157ha effective dairy farm on the south side of the Hurunui river.

Their farm, 'Peaks' was previously a sheep grazing and dairy support block, and the Kays were involved in completing its conversion when they arrived. They are now in their third season milking 580 cows, with budgeted production of 276,000kgMS this year, having produced 258,300kgMS last season.

Jen said hitting production targets is never a foregone conclusion and requires the cooperation of Mother Nature and close monitoring of other variables. That's where FARMAX comes in.

"In FARMAX we enter data and record what is actually happening, comparing it to the forecast. Not only do we know if we are on track, it also alerts us so that we can investigate what we need to do or change to get back on forecast. In this situation the ability to simulate different scenarios is very beneficial."

"...FARMAX is a one-stop-shop tool that covers most of the input and output costs of the farming business..."

Before joining MyFarm, Gavin and Jen hadn't heard of FARMAX, but today it's an integral part of their management tool box. With two full-time employees on the farm, the Kay's have more time for planning and reporting, which is a requirement of their employment contract with the farm syndicate.

Jen said she is impressed with FARMAX's powerful modelling capabilities. While the Kay's aren't using them to their full capacity yet, they are building an accurate model of their whole farming system within FARMAX. As they build a picture of the farm operation and its unique strategic development, beyond the mechanics of its day-to-day operations.

### DEVELOPING A 'LICENCE TO FARM'

For now, they are focussed on perfecting their use of FARMAX to plan the annual feed budget, and manage feed, stock and land reconciliations. These are required in their monthly management report to the farm's shareholders.

They also record stock numbers and movements, feed types, values and purchases, supplementary feed made on farm, and all fertiliser applications. There is also a permanent record of paddock activities, such as cropping and re-grassing. Supplementary notes can be added to the records.

Gavin observed that in their dairy farming career, they have never captured so much information or been so accurate in their data recording and reporting. They believe using FARMAX means they are able to go above and beyond the required reporting to shareholders.

"Because we have all our information in one place, we can run any number of reports. For example when we needed to provide our end of season information to Fonterra, the information was all there and with the

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click of a button we could run the relevant report. Many farmers would be pulling this information together last minute, from numerous sources.”

Gavin said the industry is changing significantly in everything from nutrient to stock to water management. The Kay’s believe that increasingly, dairy farmers will be more answerable to local authorities, industry and the public, and the concept of a requiring a ‘licence to farm’ could soon be a reality.

“We can already see how FARMAX will be incredibly valuable for reporting on our increasing compliance requirements.

“The average dairy farmer probably doesn’t need or want the degree of information or accuracy that FARMAX offers. However, with changes to the dynamics of farm ownership, and ever-increasing compliance and reporting demands, our advice is that dairy farmers get smart with using technology and get your head around using programmes like FARMAX, because it can help you make smarter decisions and keep you in the game.”

## GAV AND JEN’S TOP FOUR FARMAX BENEFITS:

- 1. Accountability:** FARMAX takes any risk of disputes between us and the syndicate out of the equation. It makes us accountable and it’s unambiguous in that respect.
- 2. Recording:** Being able to easily reconcile feed and stock numbers is incredibly important in our business. With FARMAX you know exactly where you’re at with your feed supply at any given time – what you have on hand, what you plan to use and whether it all balances.
- 3. Compliance:** We already do a lot of recording and reporting, but the demands of compliance and the reporting that goes with it are only going to increase. FARMAX provides a comprehensive history and analysis of all your activities.
- 4. Planning:** In FARMAX you plan your annual feed budget and enter data in 10-day increments. As long as you are consistently and accurately recording what you’ve been doing, you know how you are tracking and there’s plenty of warning to alter the plan if you need to. When it comes to feeding decisions the ability to run several scenarios and compare the outcomes is incredibly useful. There are no surprises when you are planning well with FARMAX.