



Department of  
Primary Industries

# To feed or not to feed

What's your plan for the next 6 months

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# This year

- Good autumn/winter?
- Spring - good/not so good?
- Water?
- Summer rain/growth – questionable??
- Likely break?



# Kitchen table

- Planning best done with others.
- Most likely planning period
- Best to worst case scenarios
- Feasible solutions/opportunities

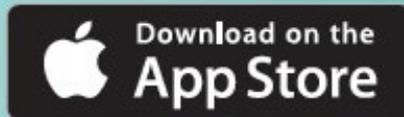


Profit = income > (variable and fixed costs)





### Drought Feed Calculator



The free app can be downloaded from the App Store or Google Play for mobile and tablet devices or visit:  
[www.dpi.nsw.gov.au/dasfc](http://www.dpi.nsw.gov.au/dasfc)



### Drought and Supplementary Feed Calculator



# Break-even

- \$180 ewe value + \$46 for 6 months full feeding + \$10 variable costs - \$40 wool income = \$196 break-even value.
- 6 months (last month preg) \$51.73= \$201 breakeven
- Assumptions: 50 kg dry ewe, 6 months wool at start, variable costs includes shearing, wheat with energy of 12.5 MJ/kg DM, 0.61 kg/hd/day, grain cost \$420/tonne landed, no calculated interest on funds borrowed or earned)

# Weaner lambs (45kg lwt at sale)

- \$130 current value, (35kg lwt) + \$33.60 feed (60kg) + \$5 variable costs = \$169 breakeven
- 70kg feed (\$39.20) = \$174 breakeven
- 50kg feed (\$28) = \$163
- Assumptions: \$560 tonne (pellets + roughage), feed conversion 6kg feed to 1kg Lwt, variable costs include vaccine and 3% shy feeders, no labour, infrastructure, feed-out costs or interest on funds borrowed or earned) – 300 lambs

# Cows (450kg)

- \$1035 current cow value + \$385 for 6 months full feeding + \$10 variable costs = \$1430 break-even.

Assumptions: 450 kg dry cow, \$2.30 kg/lwt value, wheaten hay with energy of 9 MJ/kg DM @\$320/tonne landed, 6.7kg/hd/day, no calculated interest on funds borrowed or earned)

# Weaner steers (150 to 280)

- \$420 value + \$436 feed (780kg - 6 to 1) + \$10 variable costs = \$866 breakeven or \$3.10/kg/lwt
- 7 to 1, 910kg of feed (\$510) = \$930 (\$3.30/kg/lwt)
- Assumptions: 150kg steer @\$2.80/kg, \$ tonne (\$560 pellets + roughage), feed conversion 6kg feed to 1kg lwt, variable costs include vaccine and 3% shy feeders, no labour, infrastructure, feed-out costs or interest on funds borrowed or earned)

- Rising feed prices
- Quality of your animals
- Interest of funds borrowed or earned

# Feed all, sell some or sell all?

## Individual Decision

Assumptions and circumstance are all  
different



# Back to full production ASAP

- Keep productive ewes and cows longer?
- Trading and delay purchase and breed back
- Buy back before mob mentality kicks in?
- Increase cropping area.
- Agistment



# Strategy

- General business performance
- Up-to-date cash flow
- Projected cash flow
- Support from the Bank - speak regularly

- Various financial assistance measures, support services and management information are listed on the NSW DPI DroughtHub web page [www.droughthub.nsw.gov.au](http://www.droughthub.nsw.gov.au)
- NSW Rural Assistance Authority  
Phone: 1800 678 593
- Rural Financial Counselling Service (free and confidential) Phone: 1800 900 090