

Destocking Tips – northern Australia

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Tips for a tough season: destocking strategies – northern Australia

20 November 2015

This is the fifth part in our series on planning for tough seasons.

Destocking decisions can be difficult. Variation in feed availability and price, weather, markets, and access to agistment means that every situation is different.

There is no one size fits all approach to destocking, so forward planning will remove some of the stress at difficult times.

Roger Sneath, Queensland Department of Agriculture and Fisheries Senior Extension Officer (beef), said sound business plans with a pasture focus can influence how well producers manage drought.

“It is important to have a business plan prepared well ahead of time which includes a drought strategy,” he said.

“The business plan sets the direction for the business. This helps as you can check if potential decisions are working in line with the business goals or against them.”

In Northern Australia, preparing a dry season forage budget is one of the most useful strategies for planning ahead. This helps managers match stock numbers to pasture availability and guide destocking decisions. ([Check out Col Paton showing how it is done in these four videos.](#))

Making More From Sheep Queensland Coordinator Alex Stirton, an extension officer (sheep) with the Queensland Department of Agriculture and Fisheries, based in Charleville, added that a written plan will help future decision making.

“It is not wise or economical to make a decision or plan while under pressure, so plan early, write it down, set dates and stick to them – don’t alter the plan even if it’s forecast to rain in the near future,” Alex said.

“Include an external advisor – such as a stock agent, extension officer, rural financial counsellor or farm consultant – and all business members to help make a plan and destocking strategy.”

Tips for developing a destocking plan, including the critical questions to ask, are:

1. **Set a pasture budget:** Assess end of summer pasture, water and stock. Adjust stock numbers to match available pasture and water. Consider requirements of different classes of stock; lactation increases nutritional needs significantly for those animals with lambs or calves at foot. Check out these [budgeting tools](#) for [beef](#) and [sheep](#).
2. **Weigh up all the options:** Identify what you want to do – feed or not to feed, agist, sell – and consider factors such as:

- **Feeding stock:** How long until the next likely significant rain event? Are funds available to feed stock right through to a significant change in conditions? Are people available/capable to feed stock through? How will feeding stock [impact on pastures](#)?
- **Alternative land:** Is feed, agistment or leased land available elsewhere which could be an option for your core breeder herd/flock or weaners that need to at least maintain live weight?
- **Selling:** Are animals [fit to load](#)? Monitor the market for potential opportunities to destock.

3. **Set dates:** What time of the year are you most likely get a large rain event? Plan towards that date, don't plan that out-of-season storms will save you. Make a destocking plan early depending on available feed, composition of the herd/flock. Put the critical selling dates on the calendar (based on land type, pasture type and season) and sell the animals as these dates come along.

Sheep

If destocking is the sound option from economic, environmental and animal health perspectives, the first step is to 'triage' your flock.

"Producers need to prioritise which class of sheep are most important to their business," Alex said.

"This could mean culls, dry or old animals go first. Pregnancy scanning is a critical management tool to identify dry ewes. Next might be weaners, followed by animals that are less productive based on individual business goals."

Cattle

Roger said a similar approach applied to destocking cattle.

"Remove the highest risk and least productive cows such as pregnancy tested empty and late calving cows, old cows, cull heifers, poor temperament and poor doers. If some stock are nearly finished it may be worthwhile to production feed to reach the specification, so do the sums," he said.

The FutureBeef website provides [calculators](#) to evaluate different scenarios, such as putting cattle in a feedlot or comparing the cost of feeding or selling stock and buying back later.

Stress management

While there are economic, animal health and environmental factors which should be considered when making destocking decisions, it is also important to manage how people in the business – including yourself – handle what can be a very emotional and stressful time.

"It is critical to take a break from the property – even just to go to an event in town – to step away from the business and clear your head," Alex said.

Tools:

- **[Managing Drought](#):** This guide is a good source of drought planning information.
- **[Feeding and managing stock during drought](#):** Links to resources such as drought feeding alternatives, evaluating supplements, early weaning and moving stock during drought.
- **[FutureBeef](#):** This website contains information on drought strategies as well as links to tools to guide producers through profitable and sustainable enterprise-management strategies.
- **[CliMate](#) and [Rainman Streamflow](#):** Use these tools to evaluate the probability of receiving useful rain at different times of the year.
- **[FORAGE](#):** This tool is located on The LongPaddock website and provides climate and pasture condition information at the individual property level.

- **Grazing Land Management**: This course guides producers through management practices to help maintain and improve land condition, such as determining a dry season forage budget and wet season spelling.
- **Drought preparedness checklist**: This checklist outlines the important issues that should be considered with drought management.
- **Leading Sheep**: Useful resources, including case studies, on drought management.
- **Queensland drought assistance information**: The Queensland Government and Australian Government offer programs to help farm families, farm businesses and farm communities affected by drought.

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Read the other articles in this series on planning for tough seasons:

- Water management – [northern](#) and [southern](#)
- Pasture management – [northern](#) and [southern](#)
- [Animal welfare](#)
- Supplementation – [northern](#) and [southern](#)

Destocking Tips – southern Australia

<https://www.mla.com.au/news-and-events/industry-news/archived/2016/tips-for-a-tough-season-destocking-strategies--southern-australia2/#>

Tips for a tough season: destocking strategies – southern Australia

20 November 2015

This is the fifth part in our series on planning for tough seasons.

Tough seasons present tough decisions, but a clear plan can take away some of the stress.

[More Beef from Pastures](#) Victorian coordinator Darren Hickey of Victoria's Department of Economic Development, Jobs, Transport and Resources (DEDJTR) said preparation for destocking is critical when below-average rainfall and high temperatures place stress on stock, feed and water.

"Destocking is not a decision to make when you are actually destocking," he said.

"A clear plan on how to manage the season as it unfolds avoids making decisions under pressure."

He said an effective drought mitigation strategy should be built on measuring and monitoring.

The first step is to take stock of the situation by:

- making an inventory of available feed – include pasture, forage crops, hay, silage, grain
- preparing a forage budget and revising stocking rates accordingly
- assessing available water resources and the cost of carting water.

- using weather tools to estimate how the season will pan out.
- condition scoring animals to set a baseline.

“The next step is to turn this information into a plan, and write it down – a plan in your head is not a plan,” Darren said.

“The impact of over-grazing a pasture can be long-term, so your feed budget is an important tool to guide decisions around offloading stock. Determine if you can afford to – or want to – feed stock through to the expected seasonal break. Factors include feed availability, freight costs, inclination/ability to feed, as well as an expected date of season-breaking rain.”

Darren advised producers to assess feed supply and animal demand in the enterprise, using common units of measurement (mega joules of metabolisable energy per kilograms of dry matter – MJ ME/kgDM) and then take steps to fill (feeding) or reduce (destocking) any gap. Use tools such as [pasture growth predictors](#) and feed demand calculators.

DEDJTR beef and sheep specialist Tim Hollier added that animal condition was also important to determine destocking decisions and assess the commercial value of stock and timing of any sales.

“Assess [sheep](#) and [cattle](#) body condition scores early to set a benchmark, and regularly monitor to ensure livestock welfare is not compromised during drought conditions,” he said.

“It can be more difficult to monitor body condition of sheep than cattle, as wool can inhibit a visual assessment. A strategy to overcome this is to identify (e.g. with tags) a representative sample of the flock and give these animals a regular hands-on assessment to monitor flock condition.”

When to sell

If feeding, agisting or leasing are not options to take pressure off pastures, it is time to take a close look at your flock or herd to guide destocking decisions.

“You can reduce stress down the track by developing a staged process, so as you reach each pressure point (such as pasture or animal condition) you have already determined which stock go next,” Darren said.

Consider involving someone external to the business, such as a farm consultant, stock agent or even a neighbour, to objectively prioritise stock. Run these animals separately or identify them with a tag.

Individual business goals will determine which stock are the first to go, but a good rule of thumb is to classify stock based on productivity and feed utilisation:

- **Stock with market value:** Calculate the cost of feeding young stock to a target weight/age compared to the value if sold early.
- **Cows and calves:** [Weaning calves](#) early can reduce pressure on pastures, but weigh up the costs of providing the energy requirements to calves and cows separately.
- **Replacement heifers:** Consider selling these animals early as they are not likely to be fully productive until they have produced their second calf. Until then, these animals are not converting feed into income. However, retain young breeders with proven performance as younger genetics are part of a good breeding program.
- **Breeding herd:** Selling breeders is one of the hardest decisions in drought, so base decisions on current value and future productivity for your business. Identify animals with abnormalities and structural defects, and use production records to identify breeders that are not as productive.

“Destocking decisions can impact productivity of a business for two or three years down the track, so collect as much information as possible to define your options, prioritise these options and made a decision,” Tim said.

“Planning won’t just prepare you for decisions down the track, it means you can organise shearers early or take advantage of market conditions while stock still have value.”

Opportunities

It is important to set up your business to return to full production as soon as possible. Restocking can be expensive, so consider other short-term options such as trading stock to generate cashflow. When buying new livestock, be aware of [biosecurity](#) risks such as introducing weeds, pests, diseases and drench resistance.

Destocking presents the opportunity to remove poor performing or genetically inferior animals from your business, and restocking is a chance to build a younger, more productive herd or flock. Take advantage of the opportunity to introduce new genetics or decrease the average age of your breeding animals, to increase productivity and reduce animal health issues.

There are also economic considerations around destocking– such as offsetting an abnormal profit – and reserving income in farm management deposits to fund restocking.

Tools and resources:

- **Pregnancy scanning:** A useful tool to identify poor performing (dry or late) breeding stock to guide destocking decisions.
- **[Market information](#):** Understanding markets will guide decisions around which stock to sell.
- **[Is it fit to load?](#):** This visual guide assists producers and transporters to assess if an animal is fit for transport.
- **[Making More From Sheep](#) and [More Beef from Pastures](#):** These programs include strategies to monitor and measure condition of stock, nutritional needs and available feed.
- **[Condition scoring livestock](#):** Information on classing and culling livestock based on productivity, conformation etc.
- **[Rainfall to pasture growth](#):** These five video tutorials explain what the Rainfall to Pasture Growth Outlook tool is, how to use it, and how it can be used in your business.
- **[A national guide to describing and managing beef cattle in low body condition](#):** This guide provides an objective description system to assess beef cattle in low body condition and guidance on their management.

More information:

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