



Making More from Sheep Forums
2010

Profitable Finishing Systems

HAMISH DICKSON & SAN JOLLY
Consultants – Integrated livestock systems



www.productivenutrition.com.au

Profit vs income



Cost of production is the bottom line!

COP benchmarks

- Most efficient : \$1.56-\$2.00 / kg cwt
 - \$2 @ 46% = \$0.92/kg LW
 - 45kg LW = COP \$41/head
- Middle third : \$2.01-\$2.50 / kg cwt
 - \$2.5 @ 46% = \$1.15/kg LW
 - 45kg LW = COP \$51/head
- Least efficient : \$2.51-\$3.34 / kg cwt
 - \$3.34 @ 46% = \$1.53/kg LW
 - 45kg LW = COP \$69/head

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Prime Lamb Finishing Options

- Breeder-finisher system
- Specialist pasture system
- Specialist grain based finishing
- Opportunistic grain based finishing

1. Breeder-finisher system



Key profit drivers:

- *Stocking rate*
- *Lambing percentage*
- Carcase price
- *Weaning percentage*
- Breed (Merino vs crossbred)
- Purchase price of replacement ewes



Optimise stocking rate

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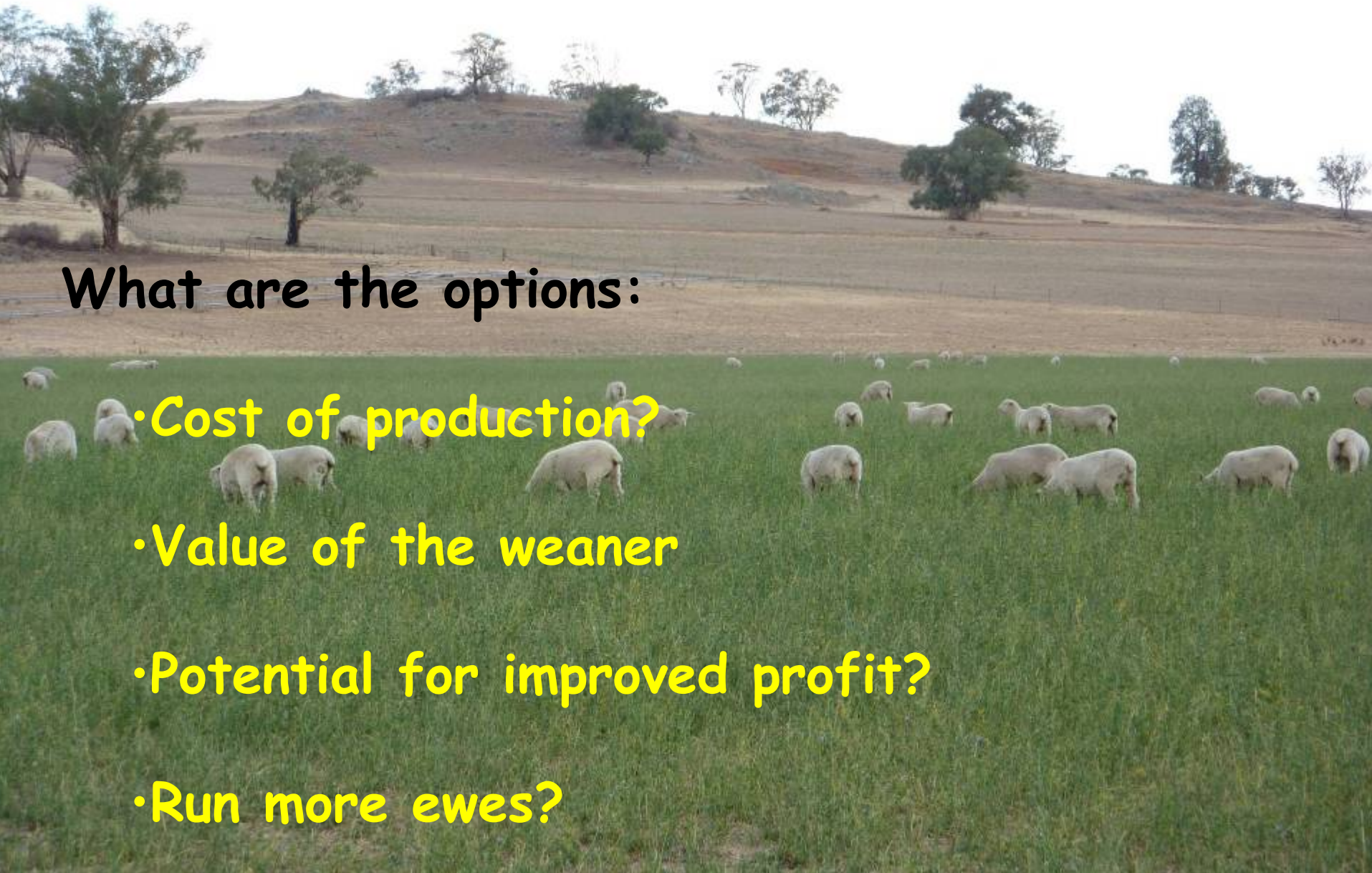


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Sell at weaning?

What are the options:

- Cost of production?
- Value of the weaner
- Potential for improved profit?
- Run more ewes?



2. Specialist pasture finishing



Key profit drivers:

- Carcase price
- Purchase price
- Stocking rate
- *Growth rate*
- Mortality rate (>10%)
- *Pasture costs (incl fertiliser)*

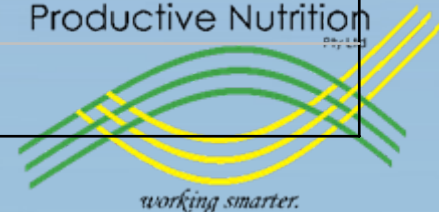
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Variation in pasture cost of production

\$/t DM	Feed Description
\$5.98	Cereal Stubbles
\$6.56	Native Pasture
\$11.97	Grazing Cereal (Opportunistic) - Barley
\$15.45	High Rainfall Long Term Pasture - Perennial Phalaris, Clover, Cocksfoot
\$20.28	Grazing Cereal (Intended) - Barley
\$44.11	High Rainfall Short Term Pasture - Hybrid Ryegrass
\$46.80	Dryland Lucerne
\$74.42	Irrigated Clover/Ryegrass Pasture
\$84.14	Irrigated Lucerne
\$85.44	Dryland Fodder Crops
\$101.28	Irrigated Fodder Crops - Chicory, Rape, Plantain

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9t DM/ha	\$20/t DM
GM/Ha	\$840/Ha

Sloop barley & clover 2009

Tonnes DM/ha	Cost per t DM
2.4t DM	\$58
3.5t DM	\$40
5t DM	\$28
10t DM	\$14
GM/Ha	\$1220/ha

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3. Specialist grain based finishing



Key profit drivers:

- Purchase price
- *Growth rate*
- Carcase price
- Scale
- *Shy feeders*
- Mortality rate (<1%)

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Trial 1 – Merino Lambs (ex Dublin)

Feeding Period	Days on Feed	Daily Lamb Intake (kg/hd)	Average Daily Gain (gms/day)	Feed Conversion Ratio	Number of Lambs on Feed
Day 1-26	26	1.83	109	16.8	450
Day 27-35	9	2.13	277	7.7	347
Day 36-44	9	2.24	312	7.2	248
Day 45-51	6	1.94	130	15.0	179



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Trial 2 – XB Lambs (ex Dublin)

Feeding Period	Days on Feed	Daily Lamb Intake (kg/hd)	Average Daily Gain (gms/day)	Feed Conversion Ratio	Number of Lambs on Feed
Day 1- 4	4	1.29	124	10.4	325
Day 5-15	11	1.76	383	4.6	324
Day 16-22	7	1.85	360	5.1	154
Day 23-29	7	1.62	348	6.8	105
Day 30-37	7	1.77	277	6.4	105



Trial 3 – XB Lambs (ex Dublin)

Feeding Period	Days on Feed	Daily Lamb Intake (kg/hd)	Average Daily Gain (gms/day)	Feed Conversion Ratio	Number of Lambs on Feed
Day 1- 16	16	1.62	310	5.2	191
Day 17-22	6	1.95	421	4.6	191
Day 23-29	7	2.02	143	14.1	87



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4. Opportunistic grain-based finishing



Key profit drivers:

- Carcase price
- Purchase price
- *Infrastructure costs*
- Growth rate
- Scale (capacity)
- Shy feeders

Take home messages

- Determine your cost of production
- Get help to determine COP
- Focus on your *key* profit drivers
- Breed heaps more lambs - *FAST!*



Decision support tools

- Tips & Tools - Prime Lamb Finishing Options
- CRC Feedlot Calculator - www.crc.org.au
- MMfS COP calculator - www.mla.com.au
- Best practice production feeding of lambs:
-a review of the literature

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