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# Making More From Sheep



## Profitable Lamb Finishing Systems and Lick Feeders

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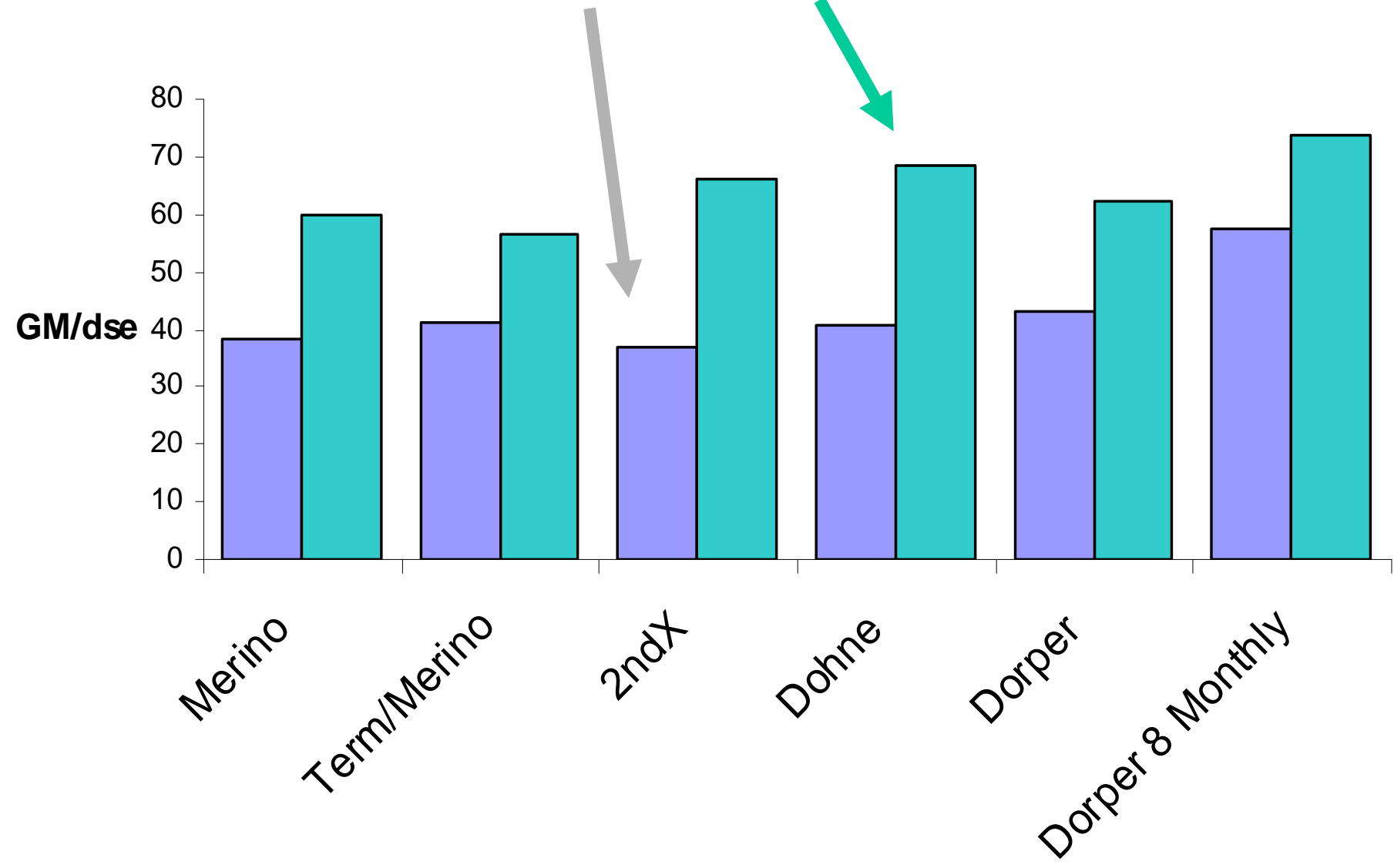
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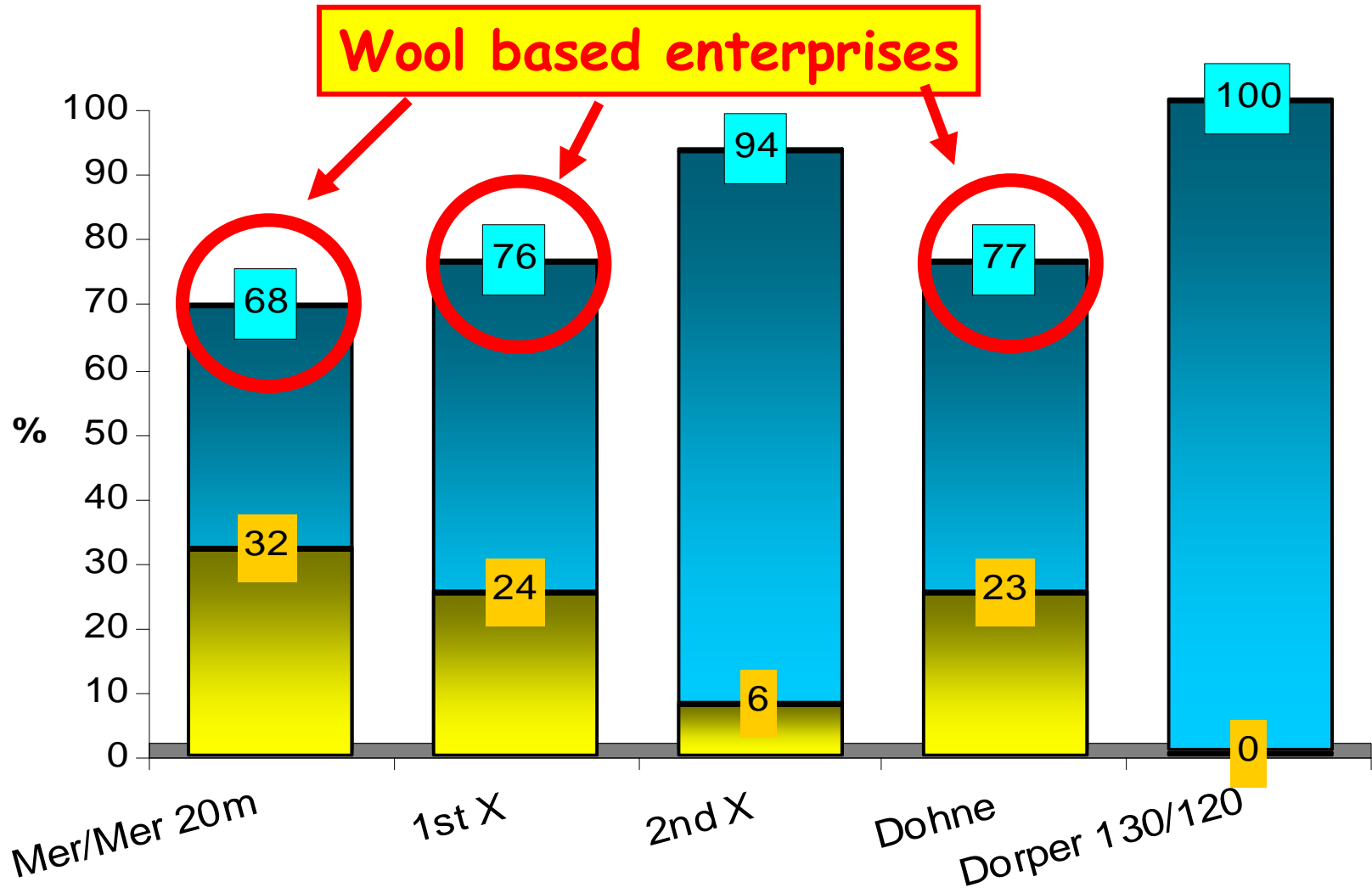
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SUPPORTERS:



# Enterprise Gross Margins (March 2010 to March 2011)



# Wool vs Meat % (March 2011)



## Profitable Lamb Finishing Systems

- Lamb Finishing Systems - what are they??
- What are the key profit drivers within each system
- Budgeting and reducing risk

## MLA Finishing systems review:

- Traditional breeder-finishers (breed and pasture finish own lambs)
- Specialist pasture finishers (buy in lambs and pasture finish)
- Specialist grain finishers (buy in)
- Opportunistic grain finishers (breed and/or buy in lambs)

Most  
profitable



Least  
profitable

## Lamb Finishing Systems Project

So what are the major issues that impact on the profitability of lamb finishing systems ???

21 'elements' were analysed. Of these the principal profit drivers were.....

## Profit Drivers

### Lamb Purchase Value

- Greatest effect on profit within feedlot and specialist pasture systems

### Carcass Value

- A major profit driver in all systems

### Stocking Rates

- Most important profit driver for pasture based finishing systems

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## Profit Drivers

### Lambing Rate/Weaning Weights and Scale of Operation

- Improving these improves efficiencies and reduces production costs

### Growth Rates/ Feed Conversion Ratio Ration Cost and Formulation

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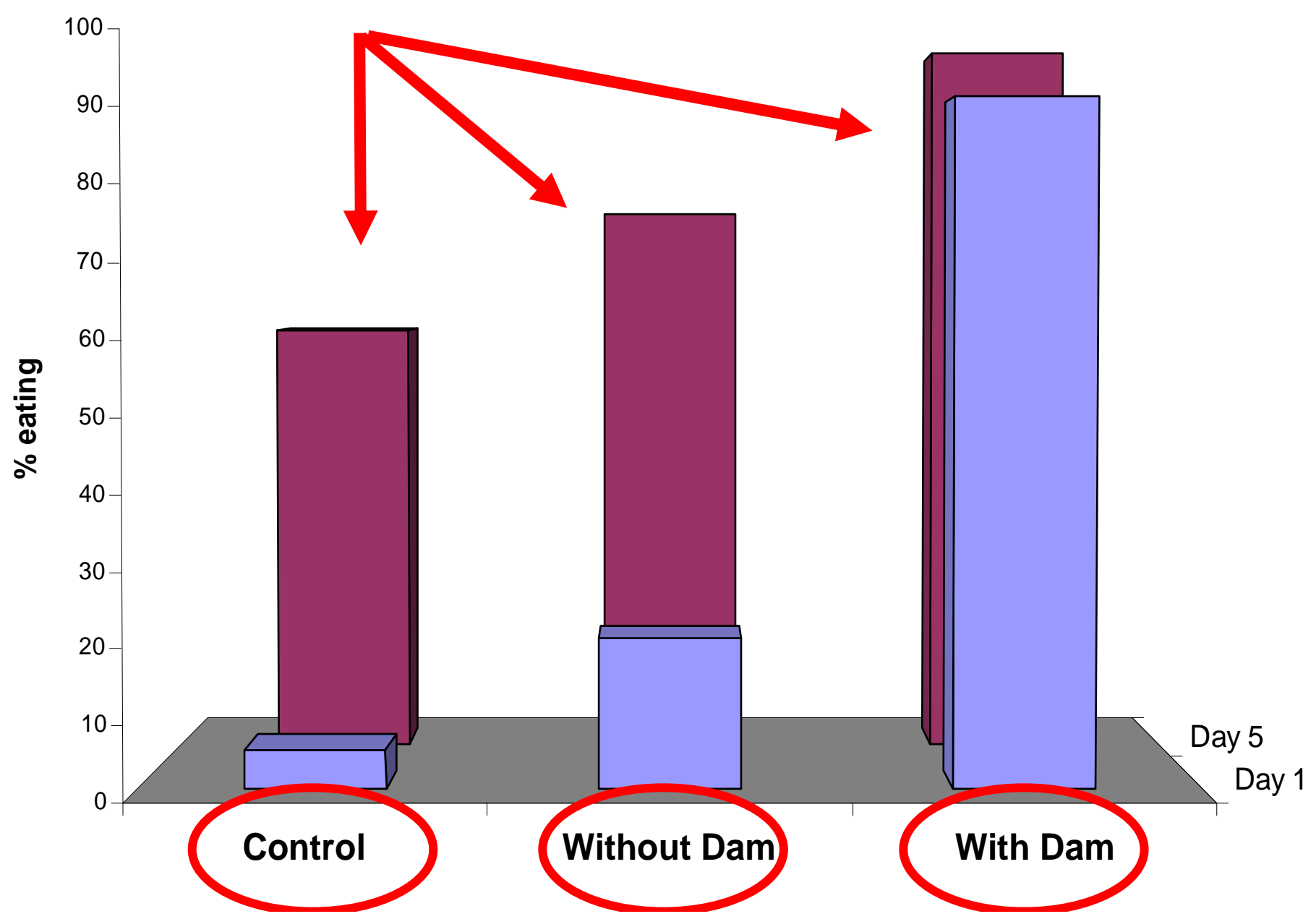
## Profit Drivers

### Ration Cost and Formulation

Need to take into account

- breed effects
- growth rates and
- finishing weights
- lambs nutritional need and history  
(pretraining lambs to overcome  
neophobia)

# Pre-Training Lambs to Grain



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## Market Focus

Since 2005 we have experienced:

- large variations in returns
- record prices and
- issues with supply
- improvements in quality

but

within all lamb carcass categories



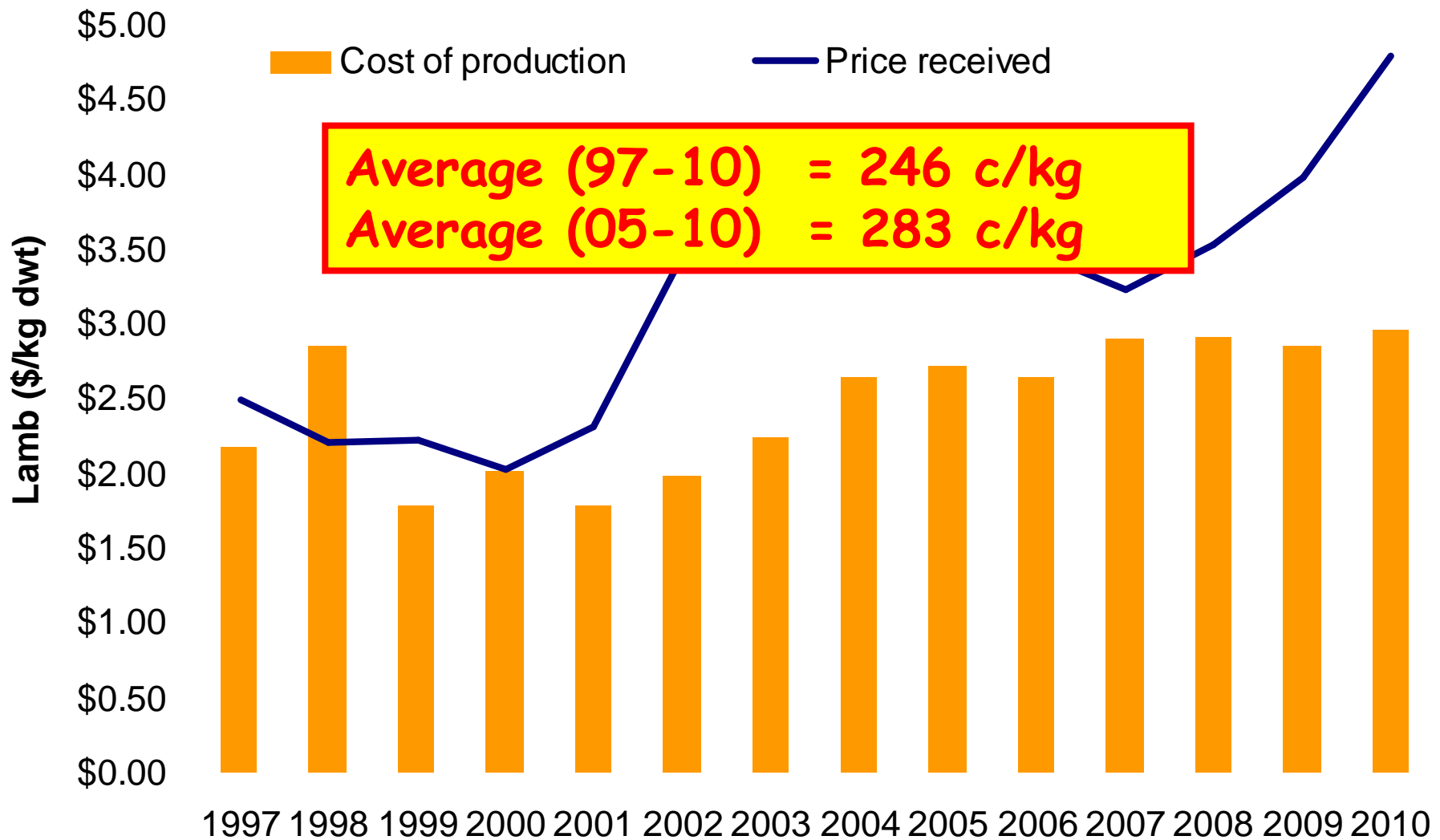
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## Market Focus

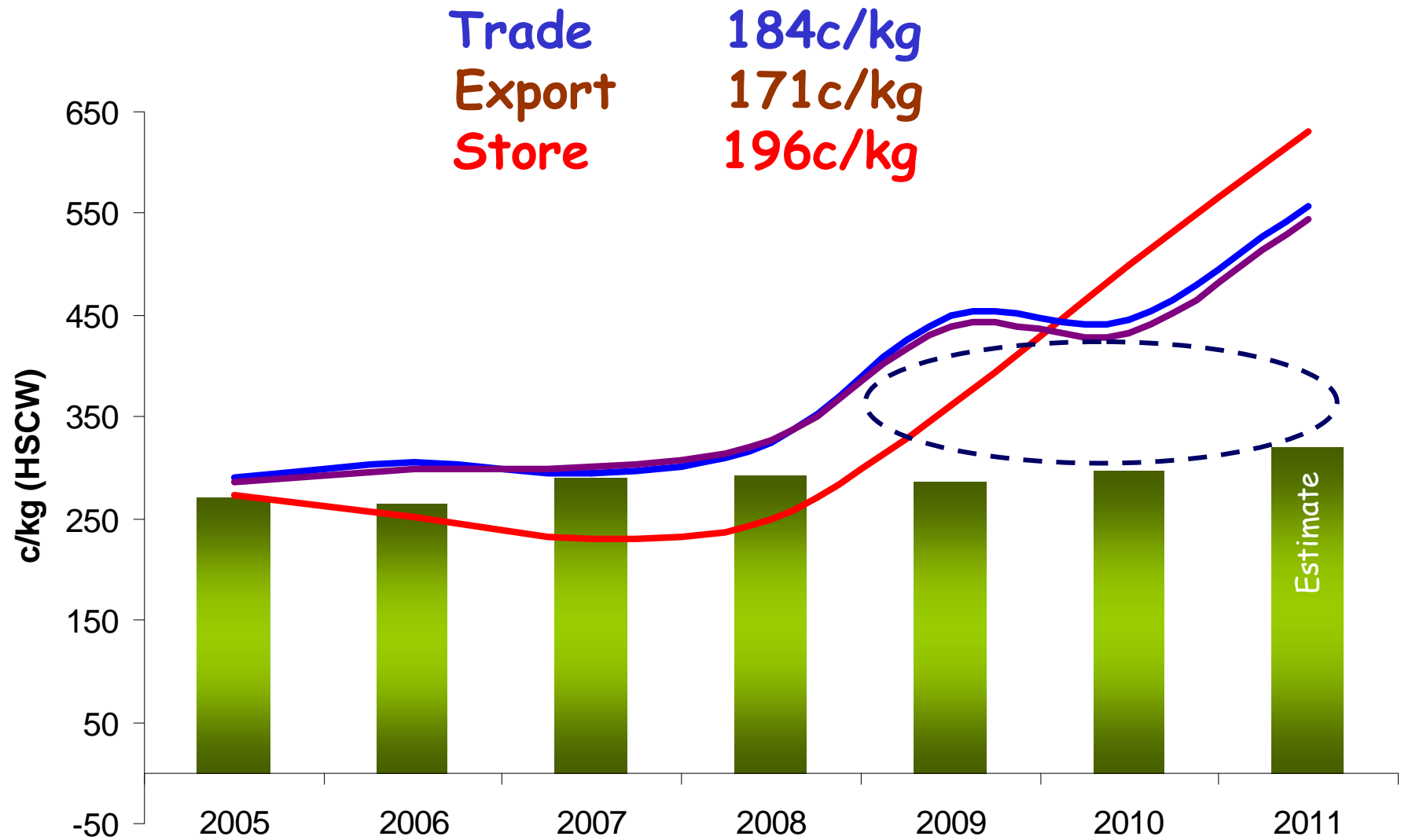
With market price and seasonal condition  
uncertainty you must be flexible in  
terms of your final target market

Should you sell lambs at lighter weights  
or finish on-farm ???

To make an informed decision you should  
know and factor in your **Costs of  
Production**



# 2011 average returns above CoP



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## WA Range and Averages for 2005-2011

	<u>Range</u>	<u>Average</u>	<u>2011</u>
Trades	290-558	368 c/kg	558 c/kg
Heavy	286-546	363 c/kg	546 c/kg
Store	230-631	335 c/kg	631 c/kg

## Purchase Price Impact

Purchase price currently represents  
from **70** to **77%**

of total costs depending on whether  
finished to Trade or Export Grades

**Do your sums !!!**

**Use the Sheep CRC Feedlot  
Calculator !!!**



Microsoft Excel - 1st X lamb Scenario Feb 2011.xls


File Edit View Insert Format Tools Data Window Help Adobe PDF

Type a question for help


100% Arial 36

Reply with Changes... End Review...

# SHEEP/LAMB Feedlot Calculator



**SHEEPCRC**



**NSW DEPARTMENT OF  
PRIMARY INDUSTRIES**

**Version 4.0**

Written by G.Duddy, S. Semple and D. Stanley

For further information  
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**BASIC** Click to start

A basic cost of production calculator with no nutrition information

**ADVANCED** Click to start

An advanced cost of production calculator with nutrition information

[View Instructions \(ADVANCED\)](#)

Recommended prior to using program for first time

Use the VIEW option to adjust each page (normally from 70 to 120%) to fit your monitor.

For other information **CLICK** on button

Feedlotting Lambs Primefacts

The CRC for Sheep Industry Innovation

Practical Wisdom Sheets

NSW DPI

Primefacts

# The Calculator Provides Info On

Profit per lamb

Ration values and costs

Input cost(s) and carcass summaries

Ration value adding estimates

Breakeven price and Return on  
Investment can also be calculated

It may also be used  
when supplementary feeding

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Using current WA prices for  
inputs and lambs how do

- Feedlotting
- Supplementing on cereal pastures
- Sale as Stores      Compare ??



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Market Target	Weight	Growth Rate	Value	Feed Cost (Pasture)	Total Feed Cost/t (as fed)	Days to reach target
Sell as Store	38kg (17kg)	-	606c/kg	-	-	-
Graze cereals and Supplement	44kg (20kg)	180g/h/d	635c/kg	\$12/t DM	\$121/t DM	33 days
		240g/h/d				25 days
Feedlot	53kg (24kg)	180g/h/d	600c/kg	\$12/t DM	\$121/t DM	83 days
		240g/h/d				63 days
Feedlot	44kg (20kg)	280g/h/d	635c/kg		\$285/t DM	21 days
		280g/h/d				54 days
Feedlot	53kg (24kg)	280g/h/d	600c/kg		\$285/t DM	54 days
		280g/h/d				

Market Target	Weight	Growth Rate	Returns	'Profit'	Break even price	If CoP \$3.20/kg (\$55)
Sell as Store	38kg (17kg)	-	\$96.25			\$41.25
Graze cereals and Supplement	44kg (20kg)	180g/h/d	\$134.52	\$2.37	\$6.22/kg	\$43.26
		240g/h/d	\$134.52	\$5.49	\$6.06/kg	\$46.74
	53kg (24kg)	180g/h/d	\$154.28	(-) \$2.08	\$6.10/kg	\$39.17
		240g/h/d	\$154.28	\$6.53	\$5.70/kg	\$47.78
Feedlot	44kg (20kg)	280g/h/d	\$134.52	\$3.61	\$6.15/kg	\$44.86
	53kg (24kg)	280g/h/d	\$154.28	\$1.58	\$5.93/kg	\$42.83

## Lick Feeders

- Their development
- What do they do ??
- Their use
- Do's and Don'ts

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## Lick Feeder Development

- Under grazing conditions sheep spend ~ 10% of the day at a self feeder
- But regulating intakes within open trough feeder systems is difficult

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## Lick Feeder Development

- The modern day 'Lick' Feeder principle was designed by NSW Agriculture during the late 1980's in an effort to "control and conserve grain supplements"
- They were not designed as a means of preventing acidosis



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## Lick Feeder Development

- The 'lick' principle requires sheep to actively 'lick' grain from restricted areas within a feed trough until 'tongue-tired'
- Intake can be limited to a few hundred grams of supplement daily but intake rates can be variable

## Lick Feeder Use

- to improve stock condition pre-joining
- during late pregnancy/lambing
- grazing stubbles
- when pasture limiting
- feedlot systems

## Lick Feeder Use

### Minimise

- labour
- grain waste
- shy feeder number
- acidosis (???)
- mismothering and
- lamb and production losses

## Lick Feeder Use

### Improve

- average intakes
- growth rates
- feed conversion efficiencies
- lamb number meeting target weights
- overall farm efficiencies

**but there can be issues including acidosis, 'frothy' bloat, blockages due to 'fines' and additives such as lime etc**

## Do's and Don'ts

- It is important to pre-train and/or use 'experienced' stock to train lambs to efficiently use a feeder system

## Do's and Don'ts

- 3 to 5 cm/hd (~110 per 2.4m rectangular feeder in feedlot, up to 400 dry sheep in paddock)
- Include additives (mix with grain as a slurry)
- Introduce grains slowly
- Monitor stock and manure
- Provide roughage
- Block off feeder bases to prevent lambs from seeking shade while ewe is at the feeder (may lead to abandonment)

## Do's and Don'ts

- Use feeders for twin-bearing ewes, trail feed singles
- Do not assume lick feeders prevent acidosis – they are not a substitute for safe grain introduction

**Trial work to compare  
Lick Feeder Systems is needed**

## In Summary

Producers, regardless of the finishing system used, should :

- Know the key profit drivers for your finishing system
- Consider the impact 'purchase' price and Cost of Production have on your bottom line



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- Consider forward contracts so as to minimise risk
- Do a budget and be flexible
- Pre-train lambs to recognise feeds and effectively use feeder systems
- Use the many on-line tools available



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# Thankyou

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