

Article : Manage nature for Maximum Profitability

Introduction:

After more that 30 years of farming with livestock, the question I'm asked most frequently by my fellow farmers is simply this:

“How do I maximise profitability on my farm?”

No easy question, but one I believe can be answered quite simply. My experience has thought me the following fundamental guidelines.

- Manage nature optimally, i.e. make the most of what you have.
- Farm with a type of animal that is in **perfect harmony with your specific natural conditions.**
- Research global trends and try to predict **future global and local markets.**
- Use all available genetics at your disposal which can help you breed a product that can effectively **supply this global or local demand.**
- Manage your finances effectively with your head not your hart.

Easy enough guidelines on paper to follow, I'm sure you would agree. Implementing them **however is** not always that straight forward.

Here is my practical advice and experiences.

Lets start with your finances. New ground, vehicles, etc should only be bought when the farm is going through comparatively though times. For example, this practically means that when there is a drought and you still manage to balance your finances and are able to budget for a new truck, there is very little that will ever threaten your future as a farmer. Farming is a highly volatile business, and thinking that when the good times come they will be here to stay is a very naïve and irresponsible attitude to have. Good times should be used to save up and prepare for the inevitable bad times which lie ahead, and when they do arrive and you are still able to expand your business despite this, you know you are on solid ground. So my best advice to move ahead and to avoid bankruptcy:

“Make sure that there is always more money flowing into your farming than flowing out.”

This may sound oversimplifying and plain common sense, but think about it and you will soon realize just how many farmers have faltered by not adhering to this golden rule. Spending more in the good times than what your farming can afford in the bad times must surely be **one of the primary reasons why many farming operation find themselves in a financial crises.** So I will say it again, make sure you do not spend more money in the good times than what your bad times will be able to afford. Farming is just too unpredictable to go about it any other way. Unlike a salaried individual who can raise his standard of living every time he gets a pay rise, a farmer should not raise his living standard every time he gets a couple inches of rain.

As a young farmer I eagerly went about making lands, planting lucern and onions and building kilometre upon kilometre of **concrete irrigation furrows.** For my livestock

farming I studied many books on animal health and feeding and built ram stalls with wooden floors and invested heavily in self feeders. Although my farming did move ahead, too many other, more important aspects of my farming operations were stagnating. It is then that I decided that I am first and foremost a businessman and then a farmer. This required a new mindset and a different way of thinking about my farming.

I started striving after a new goal in which sentiment had no more place in my business plan. My aim was to firstly ensure that my farming operations were set up in such a way that I would be able to make it through the tough and difficult times. Knowing that if I could establish a business that could withstand the hard times, the good times would take care of themselves.

To this end I started doing away with onions and other crops to which my particular soil type was not totally suited and the prices were very unstable and unpredictable. Lucerne is now only planted on some 7 Ha of my very best soils, and all the other marginal lands have since been returned to natural veld. Plants very well adapted to our environment like prickly pears and aloes have been planted on a large scale also to prevent erosion and are also excellent feed for my sheep and cattle during times of drought and in the harsh winter months. I strongly recommend the planting of all drought resistant plants or feed that might seem worthless in the good times but offers you a lifeline of fodder when the times get tough

As drought is the biggest enemy of the livestock farmer in my region, as in most of South Africa, I also decided to make the preservation and distribution of water one of my most important priorities. Large ground dams were built, pumping from the river which flows through my farm was stopped and also no more bore holes were pumped dry as there was no more large lands that needed this scarce resource. All the available water on the farm could now be used solely for its natural purpose, which is ensuring that the best possible grazing is available for my sheep and cattle. By means of ground walls I diverted the water out of the water courses and distributed it over the veld. The effects were amazing. The water table has lifted significantly, new fountains have sprung up, and on large areas of my farm the whole ecosystem has changed. My natural veld now produces more food than what I had before with all my lands I had been irrigating. The effects of drought are also less severe thanks to the higher water table. I now run a 100 head of cattle more than before due to the huge amount of reeds and other groth that has appeared in the dams and now permanent water courses that were not there befor. On the same hectares I also run more sheep thanks to the much improved carrying capacity of my veld. All this is a one time expence but a continuous benefit. Farming in harmony with nature sure pays good dividents.

A next decision I made was to focus primarily on sheep and cattle breeding.

And to maximise profitability, breed sentiment and politics could have no influence on my decisions. All animals on my farm must be good utilisers of the much improved natural grazing as all feeding has been stopped. For the past 18 years, my animals have received only natural rock salt as supplement, and no other feeding irrespective of the time of year or drought conditions takes place. Breeds of which the rams still had to be fed for sales and show purposes have also all been sold more than 2 years ago.

Another very important aspect of our success was to try and accurately predict worldwide market trends and position our breeds to best suit these markets. By

keeping a constant eye on global trends in the wool and mutton market and such aspects as genetics or live animal exports, we were able to position our breeds early on in the game.

Just like a maize farmer has to study new improved cultivars on the market each year before planting so as to choose the right cultivar for his region that offers the best resistance against drought and disease and has the highest yield potential, so a sheep and cattle farmer has to do exactly the same. Unfortunately livestock farmers tend to become very sentimental about their specific breeds and as a result they miss opportunities to use the wide variety of genes the various breeds offer to their advantage.

Because of the fluctuation and uncertainties of the wool market, and because wool does not compete in the long run with meat production in our area as far as profitability is concerned, I decided to focus my attention primarily on meat and dual purpose breeds.

The potential to export fat tailed sheep to the large Middle Eastern market made me introduce Damara sheep to my farming. Our largest success in this regard was that we were eventually able to export our genetics to Australia from where Damaras could be bred in much larger numbers for export to the Middle East. As the numbers in Australia increased, so the further potential export of our genetics decreased. This, and the fact that the Damara carcass was never really accepted in the South African market, made me decide to stop the breeding of pure Damaras in South Africa. For another 2 breeds on my farm, SA Mutton Merinos and Dorpers, the economics were also such that it made more sense to stop breeding them locally and rather build up these studs in Australia in partnership with some farmers there. The conditions in Australia were just better suited for these breeds, and I also liked the idea of having a hedge against a potential weakening of the rand and local political situation.

As far my operations in South Africa were concerned, I became convinced that sheep and cattle breeds on my farm had to consist of a variety of genes from various breeds of which I could choose the traits I needed that were best suited to my conditions to profitable produce what the market wanted. A new sheep breed adapted for the harsh South African conditions and with very low maintenance costs was the answer I was looking for.

Type would play a limited role only in this new breed, but breeding objectives had to be stringently adhered to. These objectives included a sheep with hare and a light woolliness in winter that sheds clean in summer and thus never needs shearing yet offers adequate protection in our harsh climate. A tail that does not hang lower than the hocks and does not require cutting preventing deaths due to infection and placing unnecessary stress on the lamb. The sheep also needed good pigmentation as protection against our harsh sun, For easy care the breed had to be polled and needed a good natural resistance against ticks and other diseases. A very strong herd instinct and no lambing problems were also high on the list of desirable characteristics. Furthermore the sheep needed a functional conformation and had to be able to move about very efficiently. The above objectives all serve to keep costs and risk as low as possible when farming with this breed. Total easy care and management will also be achieved

To achieve maximum income in spite of the low cost of production the performance of this sheep was critical. Ewes must lamb at 12 months and every year thereafter.

Lambs had to be marketable between 3-6 months off their mothers. This would mean that more ewes could be run on the farm instead of weaned lambs which would significantly increase profitability.

Carcasses of between 14 – 22 kg with no fat distribution problems had to be produced, and the carcass conformation and quality had to adhere to **all market standards**.

To ensure that all these requirements are continuously met, performance **testing must be compulsory**. The total amount of meat produced by a ewe over her lifetime is measured and selection is done accordingly.

Out of this decision to lay down breeding principles and objectives in stead of breed standards the Meatmaster sheep was developed. Damaras, which have most of the required traits ,except for muscling and fat distribution were used as the maternal breed. a Variety of other breeds, but mostly Dorpers were used to improve the carcass and muscling. The vision was to combine the good qualities of these breeds and as far as possible get rid of the negatives.

The guaranteed future of the breed lies in the fact that we will remain an open heard book willing at any time to add new genes of any breed that can further improve our Meatmasters without jeopardizing it's current good characteristics.

This is the new vision for a sheep that is fully adapted to its environment and consistently maximises profits as a result of using all genes to its disposal to continuously adapt to changing markets and conditions.

Many of the same principle as above also apply to my Polled Nguni cattle stud. Why have all the problems of horned cattle when excellent polled Ngunies are available As much as possible of the breed's good characteristics are kept through goal orientated selection but market qualities are also strongly considered. Production is much more important than type, therefore to me the right Nguni is the one that calves early calves every year and grows a calf to a weight and of a quality that suits the market.

For the harsh southern Free State conditions I also decided to keep my Afrino's as a dual purpose breed. **This breed, a composit breed developed by crossing Merinos, Blinkhaar Afrikaners and Mutton Merinos**, has after more than 30 years of goal oriented selection succeeded in capturing the unique characteristics of these breeds. Comparisons amongst all the dual purpose breeds with which I have farmed have shown that the Afrino, with it's adaptability to harsh conditions, good fertility, low lamb mortality and ability to produce good meat and wool at comparatively low costs, made it a good choice for my region.

Further more in trials throughout the country where Afrinoes were compared to other breeds they have always proved their superiority regarding profitability.

Only recently I have started the breeding of Supertaler stud cattle by crossing my stud Polled Ngunies with Pustertalers . Having applied all of the strategies shared in the article with you this far convinced me of the fact that the Supertaler has what it takes to further increase the profitability of my farming enterprise. I am excited by the prospect of producing quality meat of natural pasture chemical and hormone free.

To sum it all up I really have a very simple approach to profitable livestock farming.

- Use and manage your environment in such a way that allows nature to be all it can be.
- Farm with the right breeds that are adapted and can perform because they are in perfect harmony with your natural environment and conditions and thus have the highest production at the least cost.
- Use all available genetics at your disposal to produce a product that satisfies the market.
- Implement a financial policy that allows you to only incur large expenses such as new vehicles and ground in time of comparative difficulty, or as I said above, don't spend more in the good times than what your bad times will be able to afford.

So always remember, the good times are for gathering and saving, not for increased expense. Farming is cyclical and risky, but it's a lifestyle many only dream of, so make sure you plan well during the good times so that you can enjoy this lifestyle for many years to come.

And most importantly, I attribute all my success to hard work and the constant guidance and council of the Lord.