

Quiet achievers on top again

By CARLENE DOWIE

GEOFF, CAROL AND MARK LANDY
Briagolong, Vic
DAIRY BUSINESS OF THE YEAR AWARDS

Supreme award
Irrigated award
Gippsland regional award
Medium concentrate award
Pasture harvest award

✓ High pasture harvest - 16.5 tonnes DM/ha
✓ Gradual growth
✓ Strong teamwork

KEY POINTS

BRIAGOLONG, Vic, dairyfarmers the Landy family have shown that their outstanding business management is no accident taking the Dairy Business of the Year award for the second time in three years. The quiet achievers won the inaugural award in 2007 but did not enter the awards last year.

The family – Geoff, Carol and son Mark – entered again this year taking the Gippsland and Medium Concentrate awards, as well as the Supreme award. They also won a new Pasture Harvest award.

For the financial year 2007-08 they achieved a remarkable 22.2% return on capital and an operating profit margin on 42.8%.

The family has continued its steady approach to farm development since the first competition win, setting up the farm for further growth by building a second rotary dairy.

The Landys milk about 800 cows off an effective milking area of 170 hectares. A further 232ha, 60ha of which is under irrigation, are used to produce fodder and to run dry stock.

Geoff and Carol have dairyfarmed on the property since 1965, starting as sharefarmers before buying the original farm of 68ha in 1980.

Their son Mark left school in 1989 and completed a mechanics apprenticeship before returning to join the family business in 1993. At that time they were milking 330 cows.

Since then they have built a 50-unit rotary dairy (1994), installed the five centre pivot irrigators (the first in 1998 and two small ones on a run-off block in the past two years), acquired more land, more than doubled cow numbers and established a share farm at Boisdale with their daughter and son-in-law, which now milks 500 cows.

Land has been acquired both by Geoff



The new fully automatic dairy on the Landy farm started operation in October.

and Carol and by Mark. Mark owns 104ha – 32ha in the milking area and an additional 72ha block. The 72ha block, 32ha of which was bought in 2006, was put under a centre pivot that year to grow lucerne.

The way in which the family has worked together and brought Mark into the business is one of the keys to their success. “Mark has spurred us along,” Geoff said.

Geoff and Carol’s approach has been to gradually give their children more say in and control of their dairy farm businesses. The share farm is still being developed and recently had a centre pivot installed on 72ha. “That’s working out well,” Geoff said.

New rotary

The Landys started putting cows through the new 60-unit rotary, which was built on Mark’s land, last October. The decision to have two dairies on the property rather than replacing their existing dairy with a larger one was prompted by the problems they had with cows being forced to walk long distances at times.

“It was taking up three hours to get the cows home before. Now it’s a half hour at the most,” Mark said.

The new Westfalia dairy is fully automatic with automatic cup removers, milk meters, auto draft, auto teat cleaners, conductivity meters and cow identification. It can be operated by one person – the only time extra operators are required is at joining to help with heat detection. “The smaller number of cows in the dairy makes it easier for the operators,” Geoff said.

The current dairy is being upgraded to a similar set up and will also be a single operator. Once it is completed it will mean the total number of labour units for milking will be one fewer than before the new dairy was built.

The herd is split into two for most of the season with 300 heifers and older cows through the old shed and the remaining 500 in the new shed. This meant heifers did not have to compete with older cows, which had improved their production and health, Geoff said. In winter when numbers drop, the herd is milked through the one shed.

Pasture masters

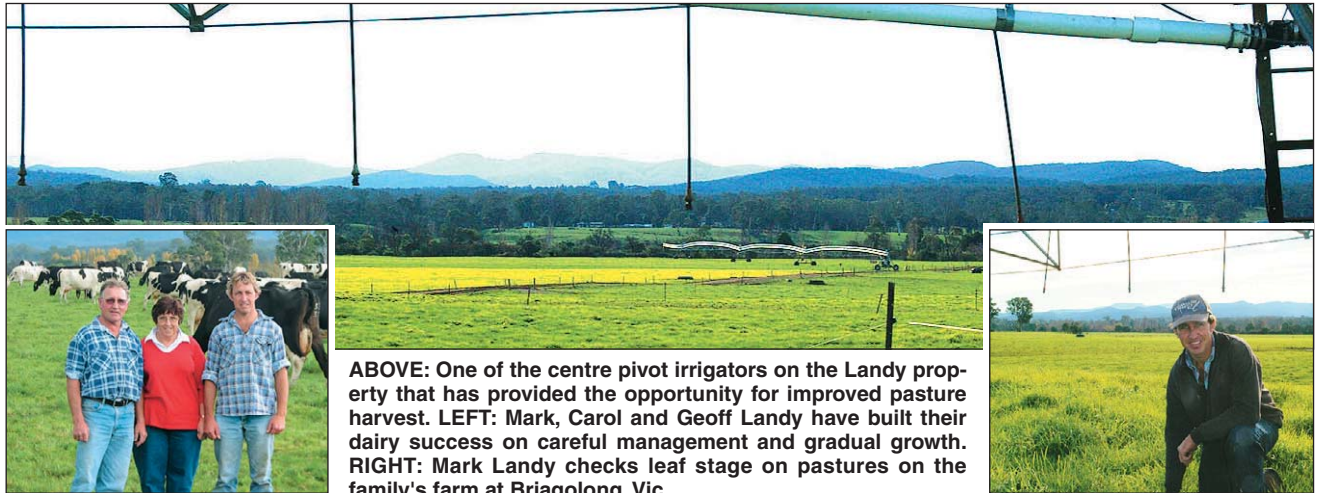
The Landys are pasture masters. They achieved a consistent pasture harvest of 16.5 tonnes dry matter/ha in both years they entered the competition.

Mark assesses the readiness of pasture to graze by leaf stage, aiming to graze at the 2.5-3 leaf stage. He checks the pasture leaf stage once a week.

Leaf stage is used as a guide to rotation length, though both know from experience the ideal rotation length for most times of the year. Rotation length is about 18-20 days at peak, 45 days at the end of summer and out to 60 days in the winter.

Pasture residues are also monitored carefully. “If we don’t think there’s enough grass in the paddock, then we just top them up with silage – at anytime of the year – and just stick to that rotation,” Mark said.

Geoff said if the pasture was getting ►



ABOVE: One of the centre pivot irrigators on the Landy property that has provided the opportunity for improved pasture harvest. **LEFT:** Mark, Carol and Geoff Landy have built their dairy success on careful management and gradual growth. **RIGHT:** Mark Landy checks leaf stage on pastures on the family's farm at Briagolong, Vic.

too long, especially in the spring, they would pull paddocks out of the rotation and cut them for silage.

"At times we will pre-top our pastures that are wilted: mow them in the morning and graze them in the afternoon – that usually cleans everything up," Geoff said.

The area's 600-millimetre average annual rainfall and relatively dry winters means that they have few problems with pugging.

The centre pivot irrigation has made a huge difference to pasture growth. Previously flood irrigation was used on the farm's fairly porous soils.

"The pivots mean we're not saturating the ground so much. We're putting on the right amount of water each time," Geoff said.

Pastures comprise mainly perennial ryegrasses, although they have used biennial ryegrasses on occasion. They also grow about 32ha lucerne and 16ha of maize, which is cut for silage. Oats are grown on a 155ha dry run-off block, which dry cows graze, and which is cut for silage if there is enough rain.

Fertiliser tests are conducted annually and paddocks fertilised according to results.

About 320 units of nitrogen is applied as urea each year to paddocks after the cows have grazed.

The Landys plan to improve their pasture harvest by a further tonne/ha DM this season by taking control of their fertiliser application. They have bought a fertiliser spreader so nitrogen can be applied at exactly the right time to maximise pasture growth.

"The contractor might only come in once a week, but we prefer it twice a week," Mark said.

People management

The Landys employ three full-time staff members, as well as casual milkers. The upgrade of the old dairy should mean casual milking staff are no longer required.

People management has been a challenge at times, although staffing has been stable for the past 18 months.

To attract staff, the Landys bought a house in Briagolong, which is offered as part of the salary package.

They now employ individuals rather than couples after finding that it caused too much disruption to the farm if a couple left their employment, and they were temporarily reduced to just one employee.

Low milk price

Like many other Australian dairyfarmers, the Landys were hit with a milk price cut earlier this year. They have supplied United Dairy Power (UDP) since 2006, which

meant their 12% milk price drop was later than many others, hitting in February.

But it has curtailed plans for any further capital expenditure and means they will be taking a more cautious approach for the coming year.

"In the longer term we will be trying to cut back on feed costs. We'll probably feed more palm kernel and cut down on the grain a bit," Geoff said.

They had been feeding 6-7kg of grain/cow/day but plan to cut this back to 5kg/cow/day, depending on the price.

They also hope to earn some extra revenue by selling surplus heifers for export. All heifers have been joined to sexed semen. "We've had quite good conception rates on the cows and the heifers and we hope to have surplus heifer calves this year," Geoff said.

The business has been profitable in the past year but they will be tightening up with the lower milk prices expected this season. "It is a good solid business and we can withstand a low price for a little bit," Geoff said.

Mark said they did feed fairly high levels of grain and were fairly high stocked. "We need to be at that stocking rate to manage our debt levels," he said. "So it would be hard to cope with a milk price at 28 cents for three years."

Competition win

The Landys said they were thrilled to win the competition this year, particularly as it had expanded to include farmers from more states than when they first won it.

"We were quite excited to win and to be able to benchmark our business and see where it is running compared to other farms," Geoff said. "It gives you satisfaction to know that you must be doing something right."

Mark said the competition allowed them to find out where they were at and use the Red Sky reports to identify areas where they could improve.

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Key performance indicators for two award years (2007-08 and 2005-06)

Indicator	2007-08	2005-06
Effective milking area (ha):	170	170
Cows:	750	765
Production (kg MS/ha):	2420	2338
Production (kg MS/cow):	549	520
Return on capital:	22.2%	13.6%
Return on assets	22.2%	13.6%
Operating profit margin:	42.8%	31%
Cost/kg milk solids:	\$3.95	\$2.96
Pasture harvest (t DM/ha):	16.5	16.5
Labour efficiency (cows/full time labour unit)	132	135
Core per cow costs:	\$446	\$426