

Grass obsession brings business success

By CARLENE DOWIE

KEY POINTS

WAYNE AND ANGELA HUISMAN

Togari, Tas

DAIRY BUSINESS OF YEAR AWARDS

Sharefarmer

✓ Aim to optimise pasture

✓ Stake in ownership of farm through equity partnership

TOGARI, Tasmania, dairyfarmer Wayne Huisman is obsessed with growing grass. His wife, Angela, says he's addicted to nitrogen.

But it's an obsession that's brought them dairyfarming success, with the couple last year winning the sharefarmer section of both the Australian and Tasmanian Dairy Business of the Year competitions.

The figures for the competition year (2006-07) speak for themselves. The Huismans harvested 13.3 tonnes of dry matter a hectare from their dryland farm – a figure that put them among the best of the irrigated farms in the competition.

And the pasture consumption set up their overall farm performance. The Huismans sharefarmed for Bob and Carolyn Campbell in that year, with the farm producing a 9.7% return on assets and an operating profit margin on 26.1%. Pasture cost just \$154 per tonne – among the lowest of the finalists in the competition.

The couple has also taken a slightly different path to farm ownership. When the Campbells decided to sell the farm in October 2007, the Huismans took a stake in its ownership through an equity partnership. They are now 20% stakeholders in the farm in partnership with Bradley Watson and Gerry Vaughan, who are both investors with stakes in other dairy farms. The other partners employ an adviser, Rhys Palmer, a former milk supply officer with Fonterra, to advise them on the technical aspects of the farm.

This season the Huismans are milking 620 cows (about 70 of which are autumn-calving) on 200 hectares.

Career path

Mr Huisman was raised on a dairy farm at Forest, Tas. He started in the industry in 1988 as an employee on a 500-cow farm. After marrying Angela in 1989, he moved onto another farm and worked for wages for a few years before taking on a 30% share with no costs.

In 1994 the Huismans moved to Peter Aldridge's dairy farm at Broadmeadows, Tas, and took on a 20% share. It was here that Mr Huisman started to see the benefits of pasture. All grass on the farm was fed to cows. No silage or hay was made and grain was used to fill the feed gaps.

The couple were also given an opportunity to begin rearing their own herd: 40 calves in the first year, 50 in the second and 60 in the third. They spent two years on a 20% share before taking the next step and buying an extra 140 cows to add to their own stock (a total of 240 cows) and going onto a 50% share.

In 1997, they moved to Kay Valley, Tas, on a lease-purchase agreement. But they produced only 32,000 kilogram of butterfat (168 kg/ per cow) in the first year – well below budget.

With improvements to the farm and increased amounts of brought-in feed, production was increased to 46,696kg BF (228kg per cow). This was achieved with 80 tonnes grain, 650 tonne wet vegetable waste and a good milk price.

They had gone into the lease-purchase contract hoping that the price of land would increase. It didn't, and they were unable to obtain enough finance to buy the farm, even though they owned the cows outright.

Two hundred and eighty extra cows were bought instead and, at the end of June 2002, they walked the herd to Edith Creek to share-farm 500 cows on a grass-based system for Tasman Farmdale Limited.

In early 2004 an opportunity came up to lease a run-off block at Woolnorth, about 50 kilometres away from Edith Creek, on which they could raise young stock. But the distance from Edith Creek would have made management of young stock difficult.

The lease block adjoined another farm, Denium Park (also owned by Tasman Farmdale Limited), on which the share-farming position became available. The



Angela and Wayne Huisman took the sharefarmer awards in both the Australian and Tasmanian Dairy Business of the Year awards last year. Picture by Adam Huisman.

Huismans took on that position on a 30% share in July 2004.

They retained the sharefarming agreement at Edith Creek, appointing their second-in-charge there, Wayne's brother Dick, as the farm manager. This allowed the Huismans to manage the young stock on their lease block.

In July 2006, they walked their herd from Edith Creek to the farm at Togari, a distance of 17 kilometres, and started a 50/50 share arrangement for the Campbells, milking 530 cows. Dick also moved to Togari, taking on the role on second-in-charge.

In November 2006 the couple bought their first solid asset: a house in town as a weekend.

Pasture the key

Mr Huisman is a master pasture manager. He has a finely tuned understanding of how to produce quality pastures and ensures he spends time every day getting all the factors in place to make that happen.

Togari is a great place for growing grass. It has a high water table, which can be a disadvantage in winter because water is only about 30 centimetres below the ground, but is a huge advantage in summer/autumn, with the area staying green long after many others have dried off. Mr Huisman said even if it did not rain for eight weeks in the summer, they could still get a response from nitrogen. ▶



Wayne Huisman checks the cows and a turnip crop on the Togari, Tas, farm of which he is part-owner and sharefarmer. Picture by Adam Huisman.

Grass took only a few cents to grow, and grain about double that. "It is important to look after that cheap feed and that's where we can make profits," he said.

It was essential to be on top of the pasture management. Mr Huisman uses a simple exercise book to keep paddock records. He said he had tried a diary and a computerised system but found the exercise book to be the best.

He spent about an hour every day looking at the paddock records, checking pastures and working out what feed was in front of the cows.

Mr Huisman said it was vital to monitor pastures. "It's about getting around the farm. It's a matter of getting out on the bike, especially as I'm not getting the cows in every day, so therefore I have to get out a see the whole farm," he said.

"On a larger farm, especially when you start employing people, it so easy to stay inside and not go outside for a week."

This monitoring also allowed decisions to be made quickly if required. "The other day I was out mowing for hay, and I decided to cut three (paddocks) for silage, basically on the spur of the moment," he said.

"So I got another 60 bales of silage. That was not planned; it was just pulled out of the round. You've got to make the decisions fast sometimes."

Mr Huisman told the Dairy Business of the Year seminar in Melbourne last year that he did not look too hard at the leaf stage of the ryegrass in making decisions about when to graze. But, he said, they aimed to graze at about the 2.5-leaf stage because they lost grass quality at the three-leaf or more stage. "We are after a nice quality feed for cows without too much NDF (neutral detergent fibre)," he said.

The key was to aim for residuals after grazing of about 1400 kilograms of dry matter/ha and to aim to put the cows into a paddock at about 2800-2900kg DM/ha.

Mr Huisman said he did not allow paddock size to limit the grazing round. Sometimes the herd was split to ensure the

right amount of grazing intensity of pastures. "I think that's a real benefit because if you overgraze or undergraze that does affect your regrowth," he said.

Grazing management was crucial to achieving high consumption levels of pasture. Mr Huisman said the hardest time was in spring – knowing how much silage to cut out of the diet.

Grain feeding was a catch-22. It was essential to be feeding as much grass as possible but the grain "allowed you to go close to the line of running out of feed". "In springtime, if you don't go close to the line of running out of feed you have a problem with grass quality – it just grows out of control," he said. "So you can come onto your shorter rounds more quickly. You can have that grain there; it is a safety net."

Grain was also essential in holding cow condition. The key was to utilise the grass first, Mr Huisman said.

Nitrogen was critical to achieving high levels of pasture consumption. "We use a lot of it," Mr Huisman said.

They apply about one unit of nitrogen per day for the grazing round. "As the cows come out, the spreader goes in," he said. He aims to put on about 20-45 units at one time, so in the winter when rotation is out to 80 days, two rounds of nitrogen are applied at about 40-day intervals.

tasks that they enjoy – usually things at which they are good.

Flexibility is also critical. Employee hours are recorded in a book and staff are able to work flexible hours to suit themselves. They are expected to attend milking and then have a list of jobs that they are expected to complete, but this can be done in either the morning or afternoon, depending on what suits them.

Budgeting

Budgets are usually set annually and then monitored every couple of months. Mr Huisman said generally they monitored the bottom line and as long as that was close to budget did not delve into the figures.

If there was a problem, they would look more closely at the numbers.

This year that has changed. Their supplier Fonterra, like most others in southern Australia, has announced a big price drop for the last half of this season.

Mr Huisman said they had had to rework their budgets. The price cut has hit them particularly hard because they plan to have a lot of production through the autumn.

They estimate the price of this autumn milk will be down from 42 cents a litre announced at the beginning of the season to 26 cents a litre.

They have cut back the hours of labour to the basic 38-hour week and reduced maintenance. Mr Huisman will spend more time in the dairy to make up the reduced hours.

They are also looking at feed levels. They had budgeted to feed 1.8 tonnes of grain per cow for the year but will cut this to 1.5 tonnes.

They have also put on hold plans for a new dairy and instead installed automatic teat cup removers and teat sprayers and renovated the yard to improve cow flow. This has allowed them to make the dairy a two-man operation. "Next year's price is still critical and will determine cow numbers," Mr Huisman said.

Equity partnership

The equity partnership has given the Huismans new perspectives and skills. The partners often bring in different ideas.

It's also given Mr Huisman a different perspective – and at times a conflict of interest. For example, to him as the sharefarmer, a new dairy would make a big difference, but from the equity partnership point of view it might not be profitable, he said.

The equity partnership also allowed them to operate on a bigger farm – something that means they have staff and therefore more time off.

Mr Huisman said skilled staff were essential. It meant they could have a week off and know that everything would still operate effectively.

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Table 1: Key performance indicators for award year 2006-07

Indicator	2006-07	
	Overall	Share only
Effective milking area (ha):	155.4	
Cows:	498	
Production (kg MS/ha):	1505	
Production (kg MS/cow):	469	
Return on assets:	9.7%	18.6%
Operating profit margin:	26.1%	18.7%
Cost/kg milk solids:	\$3.41	
Pasture harvest (t DM/ha):	13.3	
Core per cow costs:	\$409	
Number of cows per full-time equivalent	156	

People management

People management is also an important part of the farm business success. Mr Huisman said people were essential on large farms.

They employ four full-time staff and need to ensure organisation of the staff is top-notch. A whiteboard in the cow shed is used to plan and allocate jobs.

Mr Huisman said forward planning let people know what they had to do. He also tries to let staff do