English couple find success with SA farm

By CARLENE DOWIE

KEY POINTS

STACEY and CHARLES WALLIS
Mt Gambier, SA
DAIRY BUSINESS OF YEAR AWARDS
South East South Australia winner
High concentrate winner
*Aim to optimise genetics and pasture
* Expansion under way

Charles and Stacey Wallis have found the ideal place to dairy farm in south-east South Australia. Pictures by Sarah Duffield.

CHARLES and Stacey Wallis have dairy farmed in three continents but believe they have found the components to success in a large-scale partly irrigated farm at Mt Gambier, South Australia. The Wallises have adopted ideas from each country in which they have farmed – the United Kingdom, United States and Australia – to produce a profitable farming system.

The Wallises business success was recognised in the 2008 Dairy Business of the Year awards where they won the South East South Australia and High Concentrate awards.

In drought-affected 2006-07, the year on which the competition was judged, the Wallises produced a 5.6% return on asset and an operating profit margin of 12.9%.

But the couple have not stood still and are now embarking on an expansion, planning to lift cows numbers from the 427 milked in the competition year to 700 by March next year.

Charles Wallis is a 13th-generation farmer. His family still farms a Berkshire property it has owned since the late 1500s.

He and Stacey started dairyfarming in 1989 on a 35-hectare County Council holding in the UK – a farm something similar to Australia's Soldier Settlement farms. They milked 65 cows, and Mr Wallis also sold semen part time for ABS.

In 1995 they visited the US with ABS to inspect cows at farms in Wisconsin and California. While there they read an article in the *Western Dairyman* about dairyfarmers being sought for farms in Idaho.

This prompted them to ring a real estate agent who was advertising in the magazine and to eventually buying a 27ha farm milking 400 cows on a feedlot. They sold this after one year and then leased a bigger farm and milked 550 cows until 2000, and then sold up.

At this stage they had considered moving to New Zealand, where Mr Wallis had worked as a student 25 years before, to farm. "I had the perception of cheaper land; I wanted to milk cows under irrigation," he said.

"But before I got there I was told the land was getting really dear, and then when I got there I realised everyone was coming here. So I thought it was rather silly to go and buy a farm there when I'd be buying a farm off someone who was actually coming here."

This was just after deregulation of the Australian dairy industry – something Mr Wallis saw as a great opportunity.

They looked at farms in Gippsland and Northern Victoria but settled on the 123ha south-east South Australian farm because it ticked all the boxes – centre pivot irrigation, a rotary dairy, a moderate climate and free-draining half decent soils. "The only thing we didn't get was the fancy homestead," he said.

They also leased an additional 52ha.

The home farm has two centre pivot irrigators that water 87ha from underground bores. Mr Wallis said the aquifer was under some pressure but the water supply had been reliable.

The current water entitlement allows them to apply as much water as they like to that area. But that will be changed to a volumetric entitlement at some point in the future.

Mr Wallis said he saw this as an opportunity that would allow him to irrigate a greater area and buy or lease additional water if required.

The Wallis farming philosophy is to optimise everything – the land (both irrigated and dryland) and cow genetics.

They use predominantly US/UK genetics, sourced through ABS and its parent ▶

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

Indicator	2006-07
Effective milking area (ha):	217
Cows:	417
Production (kg MS/ha):	1203
Production (kg MS/cow):	612
Return on assets:	5.6%
Operating profit margin:	12.9%
Cost/kg milk solids:	$4.43
Pasture harvest (t DM/ha):	6.6
Core per cow costs:	$584
Number of cows per full-time equivalent	100

Charles Wallis in the rotary dairy that is being upgraded.

Centre pivot irrigation is a key component of the Wallis success.

company Genus. They aim for cows capable of producing lots of milk.

They feed these cows well – about two tonnes of grain per cow per year.

Mr Wallis said this was unlikely to change regardless of the price of grain. "We haven't really changed our practices at all (in response to the grain price)," he said.

"(If you don't feed) you end up in an ever decreasing spiral going down hill. If we cut the grain, we'll cut our income. We'll cut our protein yield, which is very high, and that will reduce our milk price even further.

"And in the system we're in if we weren't feeding cows properly, we'd have trouble getting them in calf. And we use the grain to balance our stocking rate."

The Wallises aim to be self-sufficient in the provision of forage – pasture and silage. The irrigated land is planted to permanent ryegrass and the dryland to a mix of permanents and annuals. Pastures are grazed at 2½-leaf stage.

The Wallises have refenced and rewatered all paddocks on the farm to allow better grazing management and reduce the need to use strip fencing.

Mr Wallis said they were utilising about 21 tonnes of dry matter/ha on the irrigated land and about nine to 10 tonnes dry matter/ha on the dryland.

But the recent run of dry springs had put a lot of pressure on the dryland ryegrass, which was losing quality quickly in the spring and not persisting.

Mr Wallis said the soil was free draining, so the top soil would only hold about 10 millimetres of any rainfall event and the rest would drain straight through to the aquifer.

They have planted lucerne oversown with an annual ryegrass on some of the dryland pastures to provide better year-round feed. They also plan to plant lucerne on sandy irrigated country to ensure that they can still produce feed if they have reduced water allocation.

Charles Wallis focuses on top pasture management.

The Wallises have given themselves a timeline to be in the dairy industry. They plan to continue at the Mt Gambier farm for the next 10 years and to have key managers operating most aspects of the farm.

Mr Wallis said they recognised that to achieve this, the farm needed to be large enough to sustain growth for the next decade. With cow production at 9500 litres (660 kilograms milksolids), there was little room to improve this, so growth could only come from more cows, he said.

This is the reason for the expansion plans they have just put in place.

They have just bought another 909ha farm about 12 kilometres away. It has a centre pivot irrigating 34ha of land.

They have also just bought another 75 cows to add to their existing herd of 550 cows and will build numbers to 700 by next year.

The Wallises are also improving the 40-unit rotary dairy on the farm. They are adding meters, automatic cup removers, retention bars, automatic teat sprays and computerised feeding. The computerised feeding will allow each cow to be individually fed to its full potential, Mr Wallis said.

New calf-rearing facilities with automatic feeders are also planned.

A simple feedpad will also be built. It will have a limestone base with post peelings from a nearby timber mill on top and concrete or steel feed troughs.

The new farm will be used to run young stock and to produce maize silage to be fed to the cows on the home farm.

The aim of many of these developments is to improve labour efficiency – one area the Dairy Business of the Year report had identified as a comparative weakness in the business, Mr Wallis said.

The Wallis operation has 100 cows per full-time staff equivalent compared with 150+ cows per full-time staff equivalent achieved by a number of other finalists.

The plan is to increase number of staff from four to six with the increased cow numbers but to reduce the number of hours each staff member works. Labour supply was a major issue for the business as there were a number of industries locally, including timber mills, vineyards and fishing, that were after the same type of labour, Mr Wallis said.

The farm will also move from a 50/50 calving pattern to a 40/60 spring/autumn calving pattern with the extra feed available from the new farm. This will enable the Wallises to take advantage of winter milk incentive payments offered by their processor Murray Goulburn.

The Wallises undertake a lot of monitoring of their business to ensure it is on the right track. Consultant Sam Acheson, of Victor Harbour, SA, helps analyse and provide key performance indicator data. This is reviewed quarterly. Consultant Robby Zeissig, of Horizon Farming, provides nutrition and forage production advice.

Mr Wallis the Dairy Business of the Year competition report had also been useful. It had provided key performance indicators for the business and had helped reinforce what the Wallises knew to be the strengths and weaknesses in their farm business.

It had helped clarify what they needed to do to address some of those weaknesses, he said. **D**