

Launchpad to higher profits

FOR Waikato-based farmer Bruce Arnold, entering last year's inaugural Dairy Business of the Year competition not only helped him improve the way he ran his 90 hectare Tatuani farm, it also helped him to buy out his neighbour.

This month sees the launch of the 2008 competition, and according to Mr Arnold, entering is a must for any "motivated" dairy farmer that wants to know how to build their business. Every entrant receives a comprehensive farm business analysis report that examines all the areas of their farming operation, which is invaluable, he says.

"Getting the analysis done was great. It has helped us build our business in it showed us where we could improve, like cutting costs on feed," says Arnold, the Waikato regional finalist and winner of the medium input (70 - 90% pasture in diet) system category in the 2007 competition.

The comprehensive analysis also gave Mr Arnold written proof of his farm's profitability, which came in very handy when he decided to increase the size of his operation and needed finance to buy out his neighbour's unit, he says.

"It meant the bank manager could see how well the business was going, so getting all the finance I needed wasn't a problem," says Arnold, who, along with wife Donna, is currently bringing his 156 hectare farm up to full production with plans to increase their 570 cow herd over the coming year to push up the property's overall production per hectare.

The analysis also allowed Mr Arnold to see how his farm stacked up against others, which also proved enlightening, he says.

According to Warren Morrill, co-organiser and managing director of Source NZ — one of the competition's main sponsors, the farm analysis report is a major draw for entrants.

"It clearly highlights the strengths of the business as well as offers the greatest potential for improving profitability."

In a season buoyed by Fonterra's forecast of a record-breaking \$6.40 payout, the need to focus on profitability to maximise returns is even more important, he says.

"There is always a need for farmers to focus on profit and gaining the maximum benefit for the high payout years, to insulate themselves from the low payout years and any other unfavourable events that can cause a dramatic financial blow, such as drought or floods."

Mr Morrill also pointed to the exclusive "retreat" that the competition's 12-14 finalists attend as another drawcard.

"Last year the finalists raved about the retreat. It gives them the opportunity to share stories and ideas with other progressive and forward-thinking dairy farmers and industry experts."

Mr Arnold commented on his experience attending the 2007 retreat, where he enjoyed "mixing with like-minded people — all motivated farmers looking at trying to get on and push their businesses forward".

The 2008 competition will be run in a similar format as the previous, but with the addition of two new regional awards and a 'Most Improved' prize for sec-

DAIRY BUSINESS OF THE YEAR



Delegates at the 2007 New Zealand Dairy Business of the Year field days held on-farm at each of the three regional finalists.

and year entrants. This year there will be five regions: Northland, Waikato/Bay of Plenty, Taranaki, Wairarapa/Manawatu, and the South Island.

On top of that, there will be a further three farm system winners, which take in all-grass systems (>90% pasture in diet), medium input (70%-90% pasture in diet), and high input (<70% pasture in diet).

A supreme winner will also be selected and will receive a travel package worth \$8000, including entry into the Trans-Tasman challenge, and attendance at the Australian Dairy Business of the Year conference and finalists retreat.

According to Mr Morrill, this facet of the competition is one of the improvements they have made for 2008.

"One of the significant differences this year is the Trans-Tasman element. The Dairy Business of the Year competition is run concurrently in

Australia, and for the first time, the supreme winner in New Zealand will go head-to-head with the supreme winner of the Australian competition."

This makes the New Zealand Dairy Business of the Year the only competition of its kind to incorporate an international element.

Mr Morrill also highlighted plans to expand the competition to incorporate a South African element in years to come, making the competition the dairying equivalent of the Tri-Nations.

For more information on entering the Dairy Business of the Year competition, call 0508 733 759 or visit www.redskyagri.com/dboynz. Entry forms will be included in next month's issue. All prospective participants must enter by February 15. This will be followed by the completion of farm performance data processing and the creation of the analysis reports throughout early March 2008, with the finalist for all prize categories being announced March 7. The 2008 Dairy Business of the Year competition concludes with a seminar and awards dinner in Hamilton on April 11, and by the finalists retreat the following day.

New challenge for the Dairyman

THE Dairyman has been confirmed as media partner of the Dairy Business of the Year. The NZ Rural Press publication, along with sister title Straight Furrow will carry significant reports on the competition over the next several months.

NZ Rural Press general manager Sean Stephens says an association with the Dairy Business of the Year Award is a great fit for both The Dairyman and Straight Furrow.

The experience in Australia, where The Dairyman's sister publication Australian Dairyfarmer acts as the competition's media partner,

has been described as outstanding.

"There's no reason to suggest our experience will be any different. This is an extremely prestigious competition which I can see growing in prominence on both sides of the Tasman in coming years," he says.

"It's run by thoroughly professional people and organisations. Being the media partner will allow us to provide detailed profiles of some of the country's best dairy farmers and to focus on some of the keys to running their businesses. That's what our readers want."