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# Prioritising investment in beef businesses

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# Beef business utopia: large scale with high production per hectare at a low cost

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- Prioritise investments based on this idea
  - High production
    - System
    - Pasture base
  - Low cost
    - Labour efficiencies
  - Scale
    - Livestock numbers
    - Area

# Identify where the inefficiencies are in your business

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- Historical performance
- Budgeted performance

# Key questions

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- How much is being invested?
- Where are the benefits?
- When do the benefits arrive?
- What is the total benefit?
- What are the ongoing costs?
- Where are the hidden costs?
- What are the risks?
- Is this good use of limited money?

# Key investments for your consideration

System	Pasture	Labour	Livestock	Area
<ul style="list-style-type: none"><li>• Calving date</li><li>• Weight at turn off</li></ul> <p>What is going to make that happen?</p>	<ul style="list-style-type: none"><li>• Eat more of the <i>weeds</i> you grow</li><li>• Grow more <i>weeds</i> and then eat those</li><li>• Fencing for better utilisation</li></ul>	<ul style="list-style-type: none"><li>• Infrastructure to improve labour efficiency</li></ul>	<ul style="list-style-type: none"><li>• Buy more cattle – there is still margin</li></ul>	<ul style="list-style-type: none"><li>• Less attractive investment as land prices reach levels which constrain capital gain</li></ul>

Cattle have not gotten too expensive if you consider the margin for error

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	PTIC Cow	
DSE Rating	15	
Price Paid	\$2,475	\$165/DSE
Gross Margin	\$1,050	\$70/DSE
Simple ROI	42%	
Capital Loss	\$800	
Adjusted Gross Margin	\$250	<b>\$48/DSE</b>
Adjusted ROI	10%	

# Top three take home messages

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1. Focus on the beef business utopia
2. Prioritise investments based on the key factors driving this system
3. Expected margins in beef production should be encouraging producers to take some additional production risks

# Tools, resources & training

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- MLA phosphorus tool
- MLA productivity and profitability webinars
- MLA More Beef from Pastures
- Benchmarking





# RED MEAT UPDATES

T A S M A N I A

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