

POST-DROUGHT REFLECTIONS AND THE IMPORTANCE OF DECISION MAKING

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Abstract

To optimise production at reduced input costs, retain flexibility and continue farming profitably has never been more difficult for farmers, or more important. Retaining the motivation to consistently achieve and the importance of decision making under pressure are two vitally important factors to continued profitability.

With a succession of climatic adversities hitting the nation over recent years, it has become increasingly obvious that for many to survive, a major change in attitude is needed.

With cash-flow being unpredictable and lumpy, no protective devices previously enjoyed and no cash reserves to fall back on, there is little room for complacency.

The last major drought in the Hawke's Bay region highlighted the need for farmers to become aware of the value of decision making.

This paper uses drought as the medium to convey the importance of planning and decision making on performance, production and income, as it is a common adversity to which most in the industry can relate.

This paper demonstrates the crucial part decision making plays in mitigating the worst effects of drought to ensure a speedy return of normal stock carrying and continuity of income.

Keywords: drought, decision making, planning

INTRODUCTION

I am going to use drought to demonstrate the importance of decision making to ongoing profitability, because farmers can easily relate to it as an accepted, and expected, part of farming. Unlike fire or floods, drought can be farmed, even at high stocking rates.

Although its very easy to be wise in hindsight, by and large there are really few options open to farmers during drought other than to reduce feed demand. Why then do some farmers come through so much better than others?

How well they manage the drought situation depends primarily on how well they manage the situation before drought.

THE KEY INPUT

Decision making, with an eye to setting priorities, subdivision and fertiliser are key factors in mitigating droughts worst effects. A sound practice of pasture management coupled with the above have proved to be essential in maintaining performance under climatic adversity.

As drought conditions continue the only positive factor a farmer can take for granted is that it has to rain sometime, and being in a position to capitalise on the event when it arrives is a most important factor governing a speedy return to normal carrying capacity and continuity of income.

DROUGHT INDICATORS

Droughts do not just happen - they develop. Drought signals are a definite omen, and warn that should conditions continue to deteriorate, then stock demands are going to exceed grass growth. Heeding these signs is prudent management.

Drought indicators such as far drier than normal winters, earlier and more persistent westerlies, meteorological reports predicting the return of 'El Nino' or southern oscillation variations, and below average grass growth figures are all significant signals that must be respected. To be forewarned is to be forearmed.

POSITIVE ACTION

Flexibility is an essential element to viable farming. This is much more apparent today in an industry totally unprotected, with little cash reserves, limited traditional markets and continually facing increasing climatic variations. Being flexible in practice and attitude is essential.

When it becomes obvious stock needs are going to exceed grass growth, it is time to plan. A strategic plan of action to be implemented at predetermined stages as drought conditions continue must be drawn up.

Destocking is the only positive and effective way to reduce feed demand. Selling, killing or grazing out are individual options that must be carefully thought out in priority order with an eye on future performance and income.

The priority-based decision to destock at set intervals is aimed at protecting future viability.

Assessing feed available against the requirements for the number and class of stock on hand will give a more accurate indication of when and how many stock units to unload.

By setting dates for destocking, agents, transport operators, and processors can be warned well in advance to ensure prompt action is implemented on those predetermined dates.

The aim to maintain disposable stock in a condition in which they can be readily disposed of at these dates and retaining those kept on the farm in a condition which allows them to achieve top performance and production levels as soon as possible, is imperative. Poor conditioned stock are a liability. They're difficult to dispose of, unproductive to retain, and totally unprofitable.

It is unnecessary to get into this situation. How early planning and destocking are actioned will dictate how quickly the farm returns to normal.

Strictly adhering to the plan is imperative. Any indecision or change in attitude will negate the whole purpose of planning and have disastrous consequences on future performance and income.

It bears repeating that being able to accurately assess feed available against stock requirements will give an immediate indication of one's position, and major decisions like selling, supplementary feeding, grazing out or applying D.A.P. fertiliser can then be confidently made.

Eliminating uncontrollable elements and not taking chances during times of adversity is sound advice. It is not a wise option to retain stock in the hope for an improvement in the weather or exchange rate. Drought is not broken by the first substantial shower of rain, but rather when feed keeps pace with or outgrows stock demand. Only when it clearly has, from assessing the total feed supply, should the plan to reduce feed demand be replaced by one aimed at increasing feed supply.

BUFFER MOBS

In all those areas prone to dries 'buffer mobs' can play a major part. Their role as a flexible option cannot be underestimated. These stock, which are part of the farm's normal farming policy, are dispensable units. Capital breeding stock are indispensable and farmers selling this class inevitably face slow recovery.

SUBDIVISION

Being well subdivided is by far the biggest asset and advantage a farmer can have in mitigating climatic adversity, drought especially.

Even when grass growth is minimal during drought, subdivision will ensure what grass cover there is is not subjected to severe damage by over-grazing or prolonged trampling.

Persistent defoliation and compaction during drought or high summer temperatures is extremely deleterious to the pasture and future production. By killing grasses and opening up pastures to weed infestation a long slow pasture recovery is inevitable.

Good subdivision gives the flexibility to enable overgrazing to be avoided and to enable feed to be utilised in known water problem blocks and flushing feed to be saved in areas where aspect favours grass growth (southerly aspects).

FERTILISER AND PASTURE MANAGEMENT

Farms having a consistent history of fertiliser application coupled with sound pasture management, have pasture plants capable of withstanding almost the worst drought conditions. Their rate of recovery is far ahead of those poorly maintained and managed. Stimulating grass growth by feeding and spelling encourages only the more vigorous pasture plants to survive.

Without sound pasture management, fertiliser application is almost superfluous. Inadequate stock numbers to adequately control pastures at the critical times can also be detrimental to maintaining good pasture balance.

Soil types vary markedly on farms, as does their ability to generate growth. Some lose moisture faster than others so local knowledge is important and must be included in decision making.

Subdivision to control animal intake and promote pasture response, fertiliser to maintain pasture production and feed budgeting for projecting deficits or surplus against stock requirements are essential inputs to optimising production under adverse conditions.

GENERAL

Regardless of management, wool production can be severely affected during drought. Often tender and of a length the trade is unenthusiastic to purchase, wool receipts are hit hard.

To second shear or not is again an individual decision, carefully considered, based on cashflow requirements, the ability to feed the extra that shorn sheep require, and how these decisions affect the next shear's quality. Decision making under pressure is frequently incorrect. The future viability of the farm is more important than satisfying the demands of short-term debt. The ramifications ensuing from incorrect decision making can be very detrimental to future production and income. Convincing financiers that many policy decisions affecting farming operations take months and, in most cases, years to show any return is a difficult and major hurdle. Being able to present clearly that your decisions are based on sound knowledge and skills when applying for financial assistance, will significantly enhance your chances.

POST DROUGHT

When it becomes clear that the feed supply is in excess of stock demand after the drought has broken then subdivision becomes essential.

Every blade of grass not required for maintenance or live-weight gains should be carried forward, ensuring a build-up of feed for lambing and calving.

Ironically, the abundance of feed available post drought is often embarrassing. Managing pasture during seasons of this extraordinary growth is very difficult. Subdivision does help but mainly in the field of manufacturing pasture for specific classes of stock at specific times. Some paddocks will have to be sacrificed and let go because of the reduced numbers. The paddocks let go should be those with more natural fertility — they will come back quicker than those of lower fertility.

The importance of maintaining sward quality on poor soils cannot be overstressed. It takes many years to build sward quality on those less fertile blocks, but a very short time to ruin it.

CONCLUSION

Drought has emphasised the need for farmers to become conversant with pasture production, utilisation and animal interactions. By understanding and using these basic principles, sound, confident decision making can be implemented, mitigating many of the problems which surface during and after drought. Complacency by farmers can have disastrous consequences on future performance and income. Too often decisions come too late and treatment handed out to stock is abhorrent. The negative effects of poor performance, production and income can be avoided by early decision making.

Farmers and the industry can ill afford to condone complacency. Financial and practical skills are required to farm viably and, in fact, are essential for survival in times of stress.

The quality of decision making and degree of motivation will dictate who in the future remains in the industry. Quality control is important for optimising production opportunities, and correct decision making in achieving that objective cannot be overemphasised.

