

Critical restocking decisions

It is critical to get your carrying capacity back to pre-drought levels by the following winter. This will minimise the ongoing drought cost and will mean the following year's financial result should be close to normal. It is more important to have the farm restocked rather than getting hung up with the right balance. Stock policies can be fine tuned over the next few years to get into the best long-term option.

Farmers face a considerable cost to restocking. This should not stop it from happening. In many cases the capital from the previous year's stock sales will have gone into higher expenditure associated with the drought meaning this stock increase will have to be financed out of a new loan or overdraft.

The easy restocking option for most people is to hold onto more hoggets and do less ewe culling. Buying weaner Friesian bulls will be an option a number of farmers take to increase cattle numbers.

Most stock reductions in 1998 were cows and rising two-year-old cattle. The drop for many would range from 20–40 percent and cannot easily be made up without buying in. For those not interested in Friesian bulls, replacement may be with sheep until the slow rebuilding process takes place in cattle numbers. This option is probably going to be most common through wintering more ewes and hoggets. I believe it should be a mix of both. An increase in hoggets only could cause management problems over winter and spring due to the higher number of sheep wintered and lighter mid-spring stocking rate once the hoggets are sold.

How many ewes do you need to cull?

This is the big question. Keep all ewes capable of producing and rearing lambs next year. If the price is right, buying some wet/dry ewes in spring after docking can be an option. If you are planning to buy 2th ewes then buy them as a hogget and get better selection rather than waiting for the 2th fairs.

It is important ewe hoggets are fed well to ensure they become satisfactory replacements. They could easily be 3–6kg lighter than desired. This needs to be recovered during the spring period. The highest priority hoggets, that is, the bottom third or half could need to gain 20kg of live-weight before Christmas. They will need to be fed very well to achieve this.

The next step is to work out the likely cattle stock units to winter. These can be increased quickly if you are prepared to use Friesian bulls. Another option is to hold your weaners for the winter to sell as rising two-year cattle if you are not already doing this. Once you know the winter numbers it is easier to work out what stock units will need to be made up with additional ewes or trading hoggets.

It does not matter whether the extra hoggets are ewes or wethers. What you are farming them for is the margin between what they are worth less their replacement cost. Generally increased numbers of tail-end lambs are wintered, with better ones killed or sold store over the summer/autumn period lifting the average lamb price.

Trading stock (sheep or cattle) can be capital stock. Capital stock are what you normally carry over balance date. For a June/July balance date the numbers are usually static.

A number of farmers are specialising in wintering sale hoggets and usually do very well out of them. On a stock unit basis they can be the highest earning policy on the property.

The long-term viability of your property is likely to depend on your ability to generate a high gross and net income. It must be planned for, it will not just happen. Key factors will include stock rate, stock policy options, achieving a high lambing percentage and hogget mating.

Cattle finishing is likely to be a key part of the cattle policy. Any policy changed to ensure a better future should be built into your restocking programme to arrive at your medium to long-term plan.

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