



# THE SHEEP'S BACK

## Summer 2016

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## Monitor, Evaluate, Manage

It's been a mixed year from a livestock perspective given the varied seasonal conditions for much of the state. On the whole, even though it was predominantly a tight season the stock have done extremely well. This is thanks, in part, to the excellent start which led to green feed being available from very early on. Even though much of this did not survive through to the next rain, the ewes were set up for the challenges of lambing.

Many growers commented on how well the sheep did on such little feed, which reinforces the fact that sheep management is predomi-

nantly about the autumn/winter period. Even an extremely poor spring flush was enough to maintain sheep. Having the season cut off so early also created challenges leading up to stubble availability and will create more challenges in the autumn when dry feed runs out.

Managing stock over the summer and preparing them for the coming year will be more challenging this year than in the past 3-4 years. Livestock nutritionist and sometimes Sheep's Back presenter, Adrian Baker's advice is to take control and manipulate

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the stock's behaviour to ensure they can eat, drink and rest as much as possible. This advice is as much applicable in the feedlot as it is in the paddock.

*Feed*

Rather than starting later with a higher ration, start early with low ration. This allows sheep to get onto feed early and ensures they are maintaining condition rather than losing condition and attempting to out it back on. It takes a third less feed to maintain a sheep rather than losing condition and then putting it on again.

*Supplementary Vs Substitutional feeding*

To get the most out of your existing stubble and dry pasture it is far better to value add to what's in the paddock rather than to feed a replacement ration. This is generally where we start talking about lupins as a high protein feed source. The high protein content helps sheep digest low digestible feed and access the energy locked within. However, seasonal conditions this year mean stubbles will have low lignin levels and pasture will be more digestible than in previous years. Barley grain is testing around 14-15% protein in many areas. This enhances its ability to supplement dry feed, however barley still isn't lupins. Barley also requires a greater amount of management due to issues with grain poisoning and acidosis.

*Condition Scoring & Evaluating the Ration*

Condition scoring is still the best way of evaluating your stock management. It allows you to track your stocks performance and decide if the feed ration needs changing. Be aware that weaners require >12% protein in their

diet vs 6-8% protein for an adult sheep. If weaners are not performing, after worms, water and Vitamin E, this perhaps the next issue to rectify.

*Water*

A good rule of thumb is to allow for 4 litres per head per day over summer, however each area will be different based on temperature. A selection of these are shown in Table 1 below. The full state list is on The Sheep's Back website.

Table 1: Water Consumption rates in different Shires

Location	Month (L/DSE/Day)			
	Jan	Feb	Mar	Apr
Corrigin	3.4	3.1	3	2
Esperance	2.6	2.5	2	2
Katanning	2.9	2.7	2	2
Moora	3.6	3.6	3	2
Mullewa	4.1	4	4	2.5



If water has high salinity levels, sheep will need to drink more water as shown below.

Table 2: Salinity levels (mS/cm) effect water consumption.

Water salinity (mS/cm)	0	6	12	19
Relative water consumption	100%	120%	140%	170-280

Productivity will be effected by the level of salinity. This is especially the case for weaner sheep, with the maximum salinity level tolerated 11 mS/cm. Another water quality issue is toxins and organisms, which sometimes emerge when water levels get low. This is mainly an issue with weaners. Water quality presents a life and death issue and it can also have different productivity impacts.

### *Social Behaviour*

Social issues such as bullying within the mob can effect sheep performance. Rest and ability to access feed for those smaller, weaker sheep in the mob can be reduced. Avoiding the effect of this can be done by drafting off the “tail” of all mobs. It is relatively easy and is by far the best solution. The sheep recover quickly and can be mixed with sheep from other mobs.

### *So Why Bother?*

The objective is to maximise returns on your expenditure. Generally most growers will feed 35-40 kgs of feed to their sheep which is a significant cost to the enterprise. The selection of feed and how you manage your stock will determine the impact that feeding has on the success of your sheep enterprise in 2016. Like cropping enterprises, where the inputs between businesses are similar the outputs, regardless of rainfall, can be vastly different.

### *Autumn 2016 - A Nutritional Cliff Face?*

If history is any guide, then autumn 2016 could be extremely challenging from a live-stock perspective. If a normal or late break occurs then feeding rates required to maintain stock will be very high. This is due primarily to the early end to this season. This has two effects;

1. Makes current feed quality extremely digestible and palatable to sheep meaning they will eat it all.
2. The quantity of feed is limited and has begun being grazed much earlier. Due to an early harvest, sheep have already finished their first stubble paddock. An ANZAC Day break means 6-8 months of dry feed.

Normally, when its assumed the sheep have eaten everything, you can still get away with feeding 350 grams per head per day. The

reason being that they are still getting 3-4Mj of energy from the paddock. When this ‘cardboard’ has been removed it is very surprising how much sheep will require to maintain condition. When this feed deficit eventuates, it will happen very quickly, with sheep losing condition rapidly. This is a very good reason to monitor your sheep.

### *Things To Consider*

- What’s the impact of a late break this year?
- Do I have or can I access feed for a late break?
- Should I push back lambing?
- Should I be setting up a drought lot, if so what are the requirements:  
Physically, nutritionally, medicinally and also the time requirements.
- Have I got the right amount of stock on my farm for the coming summer?
- What is my farm going to look like in autumn?
- What’s the condition score of my sheep?
- What condition were my sheep last month and what should it be next month?

We realise it’s a big state and not everyone is in the same situation however the above ideas are applicable in one form or another every year. For further information on nutrition and summer stock management please go to the Sheep’s Back website which has links to previous summer newsletters as well as great publications such as DAFWA’s *Good Food Guide for Sheep* and AWI’s *Managing Sheep in Drought Lots*.

Monitor, Evaluate, Manage is the mantra...  
Then do it again.

**Wool Price - on the up and up!**

The wool price over the past 12 months is one of the biggest positives to come out of this season. Most of you will have achieved some of the highest prices for your wool clip as you ever have. The Micron price guides (MPG) have been above 80<sup>th</sup> percentile all year and currently 95<sup>th</sup> percentile depending on wool type. The MPG since 2006 has been sitting around 1300c/kg over the last 12 months (Figure 2).

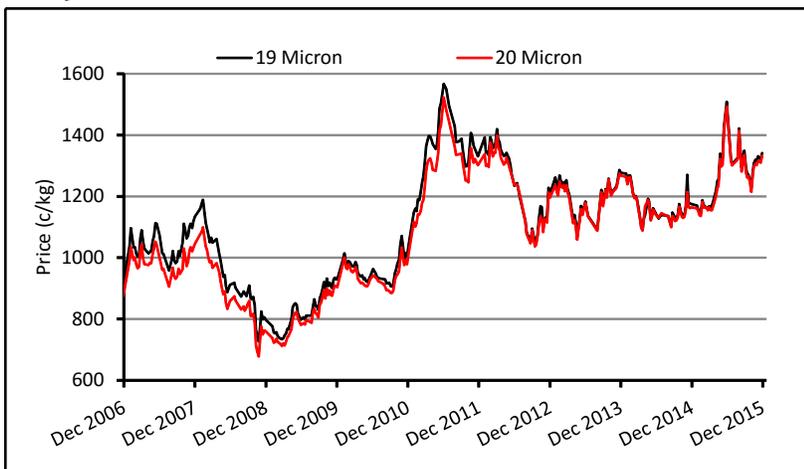


Figure 1: The 19 and 20 micron price guides since 2006.

It is clear that the current wool price is very good. The big question is, are these prices going to continue? We believe it to be likely. In the short and long term the lack of supply is driving the price. Supply and demand is what drives all markets and this is plain to see in the wool market. In the short term, AWTA Ltd testing data is 7% below this time last year. In the long term Australia is producing less wool annually and has done since the late 1980s when we produced 1 029 mkg (million kilograms). Compared to the 345 mkg

we now produce, that's a 66% reduction. It is clear we have less wool, but does this translate into good, stable prices?

*Current Supply Restraints*

There are several current supply restraints which will mean that in the near term, prices will remain strong. There are several reasons for this supply restraint. The obvious one is less merino sheep means less merino wool. The Eastern States are producing large volumes of crossbred wool. This is because many of their sheep systems have transferred from a merino base to first cross ewes with a terminal ram over them.

Evidence of low production is shown through both the AWTA Ltd testing data and the Australian Wool Production Committee forecasts. AWTA testing data shows that for October 2015 the wool weight compared with the same period last season is down 6.7%.

This is also similar for the year to date. From July 2015 to October 2015 compared to the same time period last year, wool weight tested is down 7.3%. As of October 2015 AWTA Ltd has tested 114.9 mkg this season compared with 124.0 mkg for the equivalent period last season.

The Australian Wool Production Committee forecasts that wool production for 2015/16 will decline by 7% to 322 mkg. This is a reflection of a 4.8% fall in shorn sheep numbers and a 2.3% drop in average fleece weights. The drop in fleece weights is driven by Victorian producers

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having poor winter and spring conditions, meaning production per head will be down by also increase sheep turn-off.

The next supply restraint is that high prices earlier in 2015 flushed a lot of wool out of the system. All the wool in warehouses and some in shearing sheds across the country was sold because the MPG was at 1500 c/kg. This happened last time the MPG went to 1500c/kg. It means that with low stockpiles of wool in both the broker's warehouses and shearing sheds, wool from outside of current production cannot come onto the market. As this wool cannot come into the market to prop supply up then price support is the more likely outcome.

The last indicator of a supply restraint is the current Riemann wool forward contract prices. The 21 micron forward wool prices are currently very strong (Figure 2). Forward prices for March and April next year are around 1300-1350 c/kg. This is an indication that buyers are worried about lower wool production in the New Year. The trick with forward pricing is to take advantage of it.

*How much do you know about forward pricing?*

The first step if you're unsure about forward pricing your wool, or if you should be doing it, is to speak to your broker. Pricing your wool forward will take some of the risk out of running sheep.

*How it works?*

The Riemann wool forward contract is a forward contract for your physical wool which is deliverable to your wool broker's store. The trading is done on an electronic trading platform via your wool broker with exporters also having access to the platform.

Forward contracts can be taken out up to two years before the wool is shorn with the maturity date set by key wool auction dates. The settlement happens when wool is delivered to broker's store and listed for auction on the date of the contract settlement. Once the wool is sold, the Riemann contract is calculated. Most forward contracts taken out are 21 micron so there will always be an adjustment to the contract price depending on premiums and discounts your wool might bring.

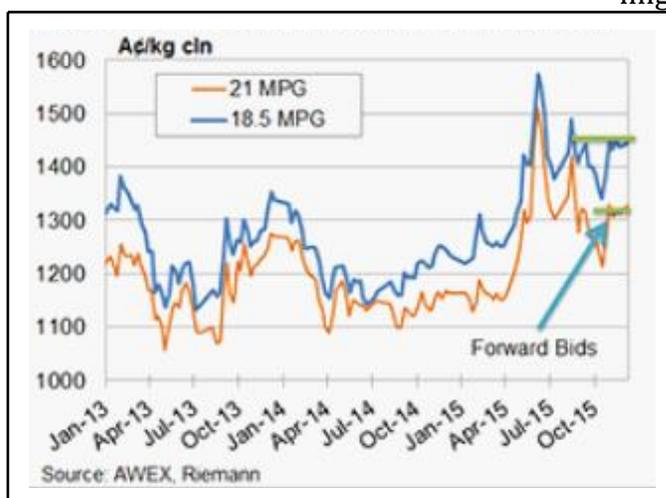


Figure 2: AWEX MPG and 21 micron Riemann forward bids.

The Riemann contract is settled against the MPG (Mid price of the North and South MPG's). If the MPG is below the contract price then the broker receives from buyer and adds to grower wool proceeds. If the MPG is above the contract price then the buyer receives from broker and broker deducts from grower wool proceeds.

### ***Case Study - Rod and Lyn Baker***

Rod and Lyn Baker's farm "Bilgering Soak" is in the Kulin Shire. It is 1456ha arable with 50% cropped to Mace wheat. They reseed some areas of subclover and serradella on a yearly basis. The property has about 125ha of very light sand. Twenty years ago Rod and Lyn made the decision to plant to tagasaste to these areas.

The Bakers rotation is varied with focus on the clover content of paddocks. The rotation ranges from year-in year-out wheat/pasture to 3 pastures/2 wheat and everything in between. The maintenance of good clover pastures is very important. Pastures are fertilised (Super Potash 3:1) and deferred at the break of the season to allow the clover to establish before grazing. The maintenance of pastures is to benefit both the sheep enterprise but also in providing nitrogen for the cropping enterprise. In 2013 one paddock grew 4t of wheat with only 70kg Agras!

A self replacing flock of 1600 Wallinar blood merino ewes plus 800 hoggets is run on the 750 hectares of pasture. Lambs are dropped in May with usually 100% in maidens and 110-115% in adults. Pregnancy scanning is not carried out as there are usually few dry sheep and the twin bearing ewes are well catered for by the use of tagasaste.

All sheep are shorn in October. Once harvest is finished the ewe lambs are shipped off to another farm at Bullaring where they grow out and return to the home farm at seeding. Wether lambs are sold as shippers off stubble.

The typical winter stocking rate is 5.5 DSE/WGha. This is the case until the new pasture seeding is available then it drops to around 4.4 DSE/WGha.

#### *Use of Tagasaste*

- **Deferred grazing.** The Bakers are very focused on having excellent clover pastures along with clean paddocks and a source of nitrogen for the wheat.
- **Shelter.** After shearing a few years ago, lambs were put into the tagasaste to shelter from a cyclone. Very few were lost whereas neighbours did lose significant numbers.
- **Unproductive land.** This land would otherwise be prone to wind erosion so it's both good conservation and property improvement.
- **Logistics.** All the sheep are "out of the way" when seeding is underway which saves time and labour.
- **Lower requirements.** The sheep are confined and sheltered which means they have lower feed requirements than if they were paddock fed.
- **Lambing shelter.** Twin lambing ewes get sufficient feed and lamb in a warmer, sheltered environment.
- **Vitamin E.** Tagasaste is green during summer thus providing a much needed source of vitamin E.



#### *Tagasaste Management*

The rows of tagasaste are trimmed most years using a 3 PL topper. The aim is to

have a cone shaped hedge of tagasaste no more than 1m high and 2m wide. By cutting the plants in this way it creates a hedgerow effect which prevents the sheep from ring barking the stems. The use of the topper is perhaps not ideal as it tears rather than cuts the plants, but can be done by the farm staff rather than expensive contract with circular saw type machines.



The tagasaste then recovers to provide fresh growth which is ideal for grazing sheep. Rows at 8m are considered ideal as it allows easing access for trimming. Tagasaste is easy to establish as it grows from seeds and generally does not require fertiliser.



### Lambing

Just prior to lambing, which starts mid May, all the ewes are put into the areas of tagasaste. They remain here for the duration of lambing which lasts for 6 weeks. They are stocked at 20 ewes per ha. The sheep are fed in the tagasaste using a mixture of conventional and lick feeders. Shy feeders are catered for by some trail feeder. This year the ewes are fed 1.2kg/hd/day of pellets, in the past they were fed a similar quantity of a 40/60 lupin oat mix plus some hay. This may appear to be a lot of feed but the reward for this extra feed is extra lambs and deferred grazing.



Tagasaste is mostly found to the north of Perth so it is quite unusual to see it growing in Kulin. The other feature of Rod and Lyn's tagasaste is the way they cut and maintain it allows it to be used for grazing sheep as it's commonly used for cattle. Manicuring tagasaste hedgerows is the key to success if you want to graze it using sheep. The Bakers have an excellent example of an integrated farming system and are using their property to excellent effect. It is a credit to them.

Saltbush is also being used to similar effect in some areas of the state. The challenge is to turn difficult poorly productive land into a useful resource.



Have you been to the TSB webpage?

You can see Up Coming Events, access previous Newsletters and there are links to lots of resources and information.

You can also keep up to date with The Sheep's Back on Facebook or Twitter.



Want more info?  
Here are some useful links...



Making More From Sheep  
[www.makingmorefromsheep.com.au](http://www.makingmorefromsheep.com.au)



AWI  
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