

LIEBE GROUP NEWS

June 2019

Volume 22

Issue 4



What's Inside



*Employment
Opportunity -
Executive Officer*



*22nd Annual
Women's Field Day
a Success*



*Tax Planning for
EOFY*



*Nitrogen Timings,
Rate, Yield and
Protein*



The Liebe Group mission is to facilitate grower prioritised research, development and extension to support our members to be profitable and sustainable.

From the Cover

Seeding 2018 thanks to Luke Johnson.

DIAMOND PARTNERS



Rabobank



MEMBER NEWS

Liebe Group employment opportunity - Executive Officer	4
22nd annual Women's Field Day a success	5
Liebe ladies full of ideas at social event	8
Coerco makes kind donation to Liebe Group	10
Farewell from Alana	11

EVENTS

Bitesize Learning - Microsoft Excel: Essentials to expert	12
Post Seeding Field Walk	12
RCSN open forum - Yuna & Perenjori	13
RCSN open forum - Beacon & Muntadgin	14

PARTNER UPDATES

International summit examines sustainable future for agriculture	15
Tax planning for EOFY	17
CBH Group offers growers fee discount for estimates	19
Nitrogen timings, rates, yield and protein	20
Changes to receival standards for the 2019/20 harvest	24
What is your post-emergent plan?	27

NEWS

Winter outlook (June to August)	28
Reminder on market requirements for IMI tolerant barley varieties	30
Key financial ratios	32

FROM THE EXECUTIVE OFFICER

Bec McGregor

RELIEF! I am sure that was the feeling of many when the season finally broke earlier this month. After an extensive dry seeding program it has been great to see widespread rains across the Liebe Group region. With all of the trials at the Main Trial Site in the ground before the rain, we are looking forward to seeing the crops coming out of the ground over the coming weeks.

Last month we farewelled Alana Hartley who worked in the role of R&D Coordinator with the Liebe Group since March 2017 and was a fantastic and passionate team member. We wish Alana all the best for her new role with AGT and look forward to seeing her at Liebe Group and industry field days in the future.

This week we hosted 120 people at our annual Women's Field Day in Dalwallinu. It was a fantastic day with an incredible line up of thought provoking and inspiring presentations. A huge thank you must go to the dedicated Women's Committee and Liebe staff team who worked hard to put together such a successful event. A full event write up can be found on page 5.

On Tuesday 2nd July the Liebe Group will be hosting the next Bitesize Learning Session. Developed by the Women's Committee especially for the women of Liebe, this session will cover the basics of Microsoft Excel in an interactive learning environment. Thanks to Ethan Sirr from Rabobank who is kindly assisting us with this session. Full details can be found on page 14.

The next major event on the Liebe calendar is the Post Seeding Field Walk on Wednesday 24th July at the Keamy's property in Watheroo. See page 14 for a save the date and keep your eyes peeled for a full agenda and details over the coming weeks.

And finally, as many will be aware, I will be departing from the role of Executive Officer in September to take on my new role in motherhood. We are currently advertising for this position and encourage you to share this through your networks to help us spread the word for this fantastic opportunity.

Wishing you all the best for the season ahead!

GOLD PARTNERS



SILVER PARTNERS

Syngenta

Pacer Legal

Agrimaster

Adama Australia

GrainGrowers

Landmark

Advanta Seeds

Australian Grain Technologies

Scott's Watheroo Dolomite

Refuel Australia

Tek Ag

NuFarm

Intergrain

Boekemans Machinery Dalwallinu

LIEBE GROUP EMPLOYMENT OPPORTUNITY

Position: Executive Officer



ABOUT THE LIEBE GROUP

The Liebe Group is a dynamic, grower-driven, not for profit organisation that operates within the Dalwallinu, Coorow, Perenjori and Wongan-Ballidu Shires in the West Australian Wheatbelt. The group has built a solid reputation over the last twenty-two years as being on the forefront of locally relevant research, development and extension, having a high status of reliability and professionalism.

The group conducts valuable research, development and extension through trials, demonstrations and workshops, and provides information to local farming businesses in the region.

The core functions of the Liebe Group are:

1. Agricultural research, development, implementation and validation.
2. Provide information, education, skills and training opportunities to members and wider community.
3. Strengthen communication between growers and industry and whole community.

The Liebe Group are seeking a highly motivated and enthusiastic person to take on the role of **Executive Officer**. This is an excellent opportunity to take on a role as a leader in a professional, highly-respected and innovative grower group.

The Liebe Group office is based in the vibrant town of Dalwallinu, 260km north of Perth. The progressive community offers a welcoming atmosphere with the best of rural living and amenities. These include a range of sporting clubs and interest groups, a community swimming pool, hospital, district high school and commercial outlets. The community has regular exciting events including agricultural show, environmental and arts festivals.

ESSENTIAL CRITERIA:

- Tertiary qualifications in the areas of Agricultural Science; Environmental/Business or Economic Development, or equivalent industry experience.
- A minimum of 2 years' experience working within the industry is desirable.
- An understanding and interest in agriculture.
- Current C Class Driver's license
- The ability live and work in Australia

As Executive Officer, you will be responsible for the operational activities that support the strategic direction of the Liebe Group. The diverse role will include, but is not limited to:

- Ensuring that the group and staff are achieving the strategic objectives of the organisation
- Providing operational oversight over all of the group's activities, projects, events and communications
- Managing the human resource activities of the organisation, ensuring the capacity of the team meets the key performance indicators
- Supporting the staff and members in the Liebe Group's research and development program.
- Liaising with key stakeholders to maintain and develop strategic partnerships for the group
- Writing project applications and ensuring the delivery of projects.
- Liaising with and reporting to the group's Management Committee.

Committed to continuous improvement within the agricultural sector, the successful candidate will possess exceptional interpersonal skills, with a proven ability to communicate with a diverse range of people and audiences. You will encourage healthy team collaboration, be organised and flexible, with demonstrated problem solving skills and leadership qualities.

An attractive salary package will be negotiated, including use of a vehicle for work and private purposes. This is a permanent position, with an initial three month probationary period. This role will provide the successful applicant with:

- An extensive network within the agricultural industry,
- A variety of independent work with an enthusiastic group of innovative farmers
- The opportunity to work in a brand new and modern research facility
- Mentoring and professional development opportunities

For further information & application forms contact:

Rebecca McGregor, (08) 9661 1907 or email eo@liebegroup.org.au

APPLICATIONS CLOSE 5pm FRIDAY 12th JULY.

To find out more about the activities of the Group, please refer to our website - www.liebegroup.org.au



22ND ANNUAL WOMEN'S FIELD DAY A SUCCESS

On Thursday 20th June, the Liebe Group hosted over 120 people for the 22nd annual Women's Field Day. The event is aimed at increasing the management capacity of women to build a sustainable future for their families, farm businesses and the agricultural industry.

The agenda was filled with a variety of speakers who covered a range of topics from alternative food products, education options for regional families, women in STEM, social licence in the agricultural industry, succession planning and women's health. Comments from some of the women in attendance included "fantastic, inspiring presentations" and "a great range of topics covered as always. Well done Liebe!".

Emily King, Australian Wool Innovation (AWI) Manager of Woolgrower Education and Capacity Building provided an overview of the Australian wool industry, noting that it is a \$4 billion industry (2017/18) and produces 20% of the world's total wool production, and a significant 90% of the world's fine, next to skin apparel wool. She also provided some analysis of the wool industry in WA, and the broader Liebe region.

"In analysing the wool production from the postcodes of those attending [The Liebe Women's Field Day], over 37% of Western Australia's wool comes from this region" said Emily.

Emily also spoke on social license for the agricultural industry highlighting the importance of sharing values, community trust, communication and perspective.

Before morning tea, the audience was treated to presentations from three speakers who shared their passion for different food products. Tanya Kitto, My Provincial Kitchen, shared her families story of using lupins for food products; Paula Pownall, Grubs Up, gave an insight into how she believes insects could replace traditional sources of protein in agricultural production systems, and Mark Tucek, Tucker Bush, shared his knowledge of the many different native, edible plants that can be found in Australia. Attendees were invited to sample Grubs Up crickets and meal worms at morning



Grubs Up products ready for tasting at Liebe Women's Field Day 2019



Sarah Barnes, Buntine, and Millie Milligan, Bankwest, trying Grubs Up crickets and meal worms



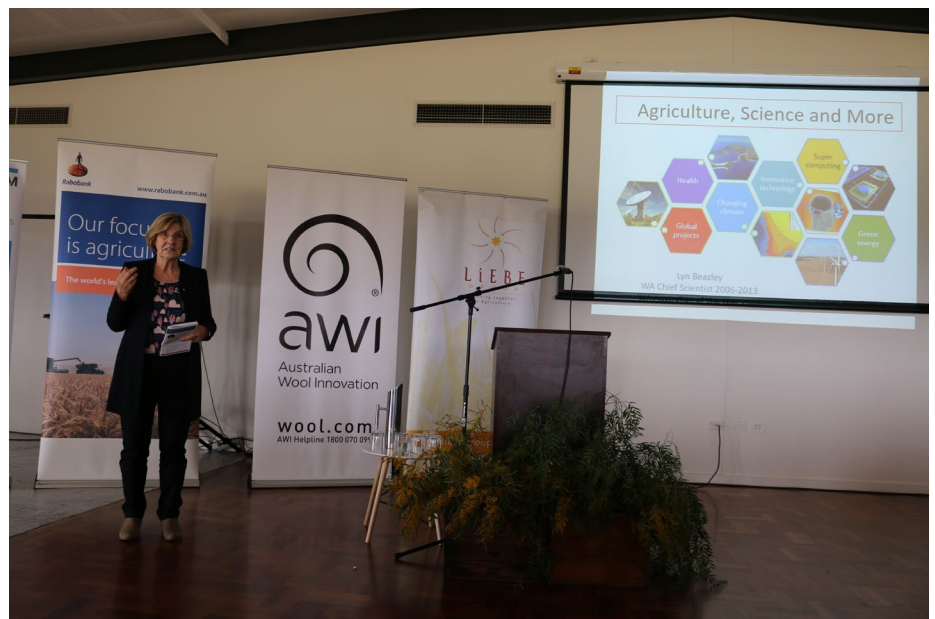
MEMBERS NEWS

The second session of the day focused on education options for regional families with presentations from Danelle Smith, RSM, and Amanda Nixon, Isolated Children's Parents Association (ICPA). Key messages from Danelle's presentation included knowing what is right for your family, and making sure you know all your options before making a final decision. Amanda spoke on her own family's story with education and spoke about the role ICPA plays in supporting education for rural communities.

Key note speaker Lyn Beazley, who first presented at this event in 2011 and again in 2012, returned to Dalwallinu to talk about the role of women innovators and how they can turn opportunity into reality.

"I was once asked what advice I would give myself if I had my time again, it would be, be much braver. Don't wait until you have ticked every box, have a shot and learn the rest" said Lyn.

Lyn also spoke about why women need more financial know-how and how they can get it, as well as highlighting the opportunities for young women in STEM (Science, Technology, Engineering and Mathematics). Lyn explained that it has been estimated that 40% of existing jobs will disappear in the next 10 years and 75% of new jobs will need people with STEM qualifications. Noting the importance of education for women and the next generation, Lyn encouraged and inspired the women in the room to make the most of every opportunity.



Professor Lyn Beazley sharing her passion and enthusiasm with the Women's Field Day audience

"Women need to be brave and have confidence. Women can do anything they want, we just need to support each other to get there" Lyn said.

After a delicious lunch prepared by Tarts & Co Geraldton, and served by Liebe volunteers, the afternoon session kicked off with Rosemary Bartle presenting on the topic of succession planning. Rosemary explained that the most important aspect of succession planning is communication, about goals, aspirations, expectations, issues and concerns of all involved. The driving point of Rosemary's presentation was to start the succession planning process early to avoid any chances of conflict.

With a first for the Liebe Group, Ben Stewart of Stewart Ag provided a virtual presentation on precision agriculture and how simple software tools can open doors for significant on farm changes.

To conclude the day, Yvonne Sacshe of WA Continence Services had the audience on their feet, in laughter and working on their pelvic floor. She shared the real, eye-opening facts of pelvic floor disorders while noting that bladder and bowel health can be successfully treated.



Emily King, AWI (center), with Liebe Group Executive Officer Bec McGregor and Women's Committee Chair person Narelle Dodd

Liebe Group Women's Committee Chair, Narelle Dodd said that the event made her realise how lucky we are to be living in Australia with so many opportunities in agriculture.

"Today provided an amazing groups of presenters that inspired and empowered us to do more in supporting each other to dare to dream. Narelle said.

The Liebe Group would like to thank event partner AWI for their contribution to the day as well as Diamond partners AFGRI, RSM, Rabobank, CSBP and CBH Group, and all gold and silver partners for their continued support. Thanks to the Liebe Group Women's Committee for their continued efforts in planning and delivering a successful day, and to the Liebe Group volunteers who assisted with the service of lunch catered by Tarts & Co Geraldton.



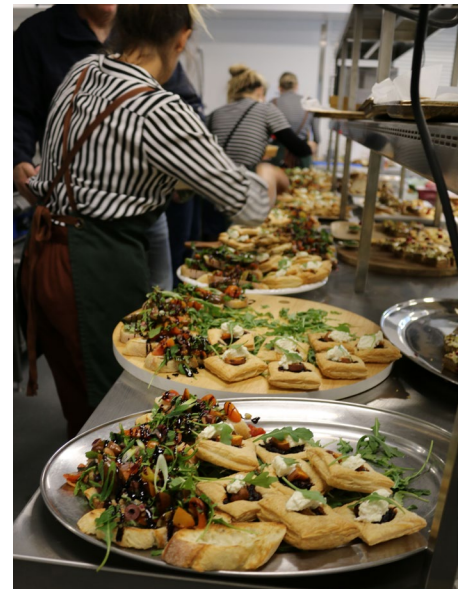
Alana Hartley, AGT, Nadine Payne, Morowa, and Holly McFarlane, Dalwallinu



Kathy Stone, Coorow, Paula Pownall, Grubs Up and Debbie McNeill, Dalwallinu enjoying morning tea at the Liebe Women's Field Day



Professor Lyn Beazley with the 2019 Liebe Group Women's Committee



Busy lunch time preparations with Tarts & Co, Geraldton

LIEBE LADIES FULL OF IDEAS AT SOCIAL EVENT

Sophie Carlshauen
Finance Manager
Liebe Group



ON Saturday the 25th of May a small scale, trial event was conducted at the Liebe building to touch base with some Liebe members who don't engage with the group frequently, mothers with school aged children. The Liebe Group is always looking how to best reach all demographics of our membership and to know how to cater for their needs.

It was an opportunity to catch up during the busy time of seeding and to include the kids. 23 kids were entertained with a movie and lots of dancing.

Eleven women participated in an information gathering session to find out their interest areas and ways to increase their knowledge to improve the productivity and profitability of their farm businesses. We received a wonderful amount of feedback and many suggestions on the types of events and topics for the future.

We heard that some of these women feel comfortable learning in smaller groups and coming together for specific topics targeting particular levels of knowledge, preferably during school hours, or being able to have the ability to bring the children along if out of school hours. Some of the examples captured included::

- Business planning and goal setting
- Regular and efficient operational meetings, how to start them?
- Conducting effective team discussions and managing the challenging discussions.
- Negotiation skills
- The difference in planning - 3 levels of planning- strategic, tactical and operational
- HR topics- eg: hiring, contracts, induction processes and effective communication
- How to make farming employment an attractive opportunity and improve its reputation
- Agronomy at the appropriate level
- Accounting and managing cashflow and budgeting
- Mental health for men - how do women ensure they know enough?
- Fire safety
- Farm safety



Some of Liebe's youngest members dancing up a storm at the Liebe Group office.

The opinion was unanimous that just coming in to the new Liebe building was a highlight in itself, to see the amazing facility and all it has to offer, and it's potential. They will now feel comfortable to just come in, to suggest areas of interest, to join in with future events and that bringing along the kids can be an option.

After this events success we will look into other ways we can encourage more members through the doors and to get them involved.

I would like to take the opportunity to thank Merrie Carlshausen for facilitating the great brainstorming session and also to Deb Metcalf who did an amazing job of tending to the kids. And finally to the women that came along, who made it a fun and an informative night out.

Please get in touch with the Liebe office on 08 9661 1907 or email admin@liebegroup.org.au if you have any more ideas and topics for learning. We encourage all our members to come and visit the building and see everything it has to offer.



Merrie Carlshausen facilitating conversation amongst some of the Liebe Group women.



A social event for Liebe Group mothers and children was a great success.

COERCO MAKES KIND DONATION TO THE LIEBE GROUP

Rebecca McGregor
Executive Officer
Liebe Group



The Liebe Group would like to thank Coerco who have generously provided a cash donation of \$2,500 to the organisation in June.

Coerco is an established local business in Dalwallinu that specialises in the manufacture of innovative polyethylene products to meet the needs of Agriculture, Mining & Civil, and Commercial & Environmental sectors.

For over 25 years, Coerco has supplied products essential for liquid storage, dry storage and transport.

Coerco CEO Andrew Jackson said “Being a local business providing products for properties and seeing first-hand the challenges that come with managing farms, Agriculture is very much close to our hearts. We like to support those who support farmers, those who take it upon themselves to do what is necessary to ensure Agriculture, especially locally, survives. That’s why we sent in our donation.”

“There’s a sense of pride and joy seeing your local region flourish. We want to do our little share in ensuring that research-based information that benefits local farming continues to be available for those who need it. The Liebe Group helps make this possible.”

Thank you Coerco for this generous donation to the Liebe Group.



FAREWELL FROM ALANA

After two seasons with the Liebe Group and seeing the start of a third going into the ground, my time has come to move on. My final day with Liebe Group is this Friday 24th May.

I would like to extend my great appreciation to all of you for your support during my time with the Liebe Group. Your contribution to research priorities, trial ideas, helping at and attending Liebe events is what sets the group apart.

The role of R&D Coordinator at the Liebe Group has grown my connections with a different level of our industry and has expanded my connection with growers across the Wheatbelt. Working with likeminded intelligent business owners such as your selves gives me confidence in knowing that the group has a positive future ahead.

As I wrap up my final days with the group I encourage you to continue to think big, share your ideas with other members and the Liebe Group staff, and I wish you all the best for the rest of the 2019 season.

Thank you all for supporting me in my role.

If you wish to get in touch when I start my new role, please do so on 0417 919 299.

Alana Hartley



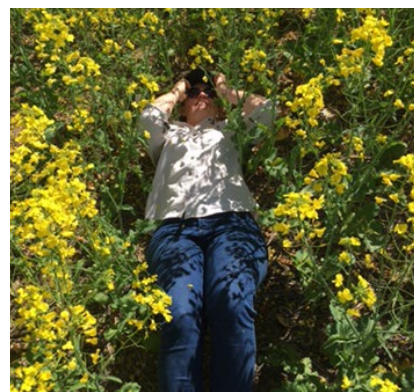
Getting ready to spray the legume demonstration site at Kalannie



Alana with Stuart McAlpine at the Dalwallinu Legume Demonstration Field Walk



Harvesting chickpeas at the Carnamah legume demonstration site



Checking the crops at the non-wetting project site at Eneabba



MICROSOFT EXCEL: ESSENTIALS TO EXPERT

TUESDAY 2ND JULY

**12:30 - 2:30PM AT THE
LIEBE GROUP OFFICE**

BYO LAPTOP

Microsoft Excel is one of the world's most popular and easily accessible spreadsheet applications. It has a number of functions that can be applicable both in a farming business and in your personal life.

WHAT WILL BE COVERED

- An overview of Excel and how to get started
- Understanding how to format and enter data
- How to use basic formulas and functions
- How to use charts and pivot tables
- How to use templates and knowing what's available

POST SEEDING FIELD WALK

Wednesday 24th July 2019



SAVE THE DATE

The Liebe Group invites you to participate in this season's
Post Seeding Field Walk

Tour the Liebe Group Main Trial Site at the Keamy's property and view the
many trials and demonstrations for 2019.

The day will conclude with a R&D brainstorming session, followed by dinner
and drinks.

Please contact the Liebe Office on 9661 1907 or email
admin@liebegroup.org.au with any enquiries.

YUNA &
PERENJORI

REGIONAL CROPPING SOLUTIONS NETWORK OPEN FORUM


GRDC
REGIONAL CROPPING
SOLUTIONS NETWORK

GRDCs Regional Cropping Solutions Networks welcome all involved in the grains industry to:

Open Forums

YUNA Community Centre

following YFIG meeting on 24th June 2019, 4-7pm

Lupins and Manganese – What do we know?

Luigi Moreschi (CSBP) & Belinda Eastough (Yuna farmer)

PERENJORI Sports Club

on 25th June 2019, 8-11am

What can be achieved if compaction, acidity and aluminium toxicity are removed; & how to find your own on-farm lime sources

Bob Nixon (Kalannie farmer) & Joel Andrews (MapIQ)

Refreshments and meal provided

Grab the opportunity to chat to GRDC staff and Western Panel

Your chance to bring forward ideas including opportunities and constraints which are relevant to the grains industry to help GRDC develop targeted R,D & E activities for Australian grain growers



**Please RSVP for catering purposes by
Friday 21 June to:**

Julianne Hill RCSN Coordinator

regionalcroppingsolutions@gmail.com

0447261607

[Click here to Register](#)


GRDC
REGIONAL CROPPING
SOLUTIONS NETWORK


grdc.com.au



REGIONAL CROPPING SOLUTIONS NETWORK OPEN FORUM



**GRDCs Regional Cropping Solutions Networks welcome
all involved in the grains industry to:**

Open Forums

BEACON Country Club

27th June 2019 at 8-11am

MUNTADGIN Hotel

27th June 2019, 4-7pm

Current knockdown resistance status & trends,
Testing, non-herbicide options; topical seasonal weed issues
Andrew Storrie (Agronomo) & Craig Brown (Craig Brown Consulting/Synergy)

Meal and Refreshments Provided

Grab the opportunity to chat to GRDC staff and Western Panel

Your chance to bring forward ideas including opportunities and constraints which are relevant to the grains industry to help GRDC develop targeted R, D & E activities for Australian grain growers



**Please RSVP for catering purposes by
Friday 21 June to:**

Julianne Hill RCSN Coordinator
regionalcroppingsolutions@gmail.com
0447261607

[Click here to Register](#)



INTERNATIONAL SUMMIT EXAMINES SUSTAINABLE FUTURE FOR AGRICULTURE

Skye Ward
Media Relations Manager
Rabobank



Rabobank

MORE than 1300 farmers and agribusiness industry leaders recently converged on Sydney's Cockatoo Island for an international food and agriculture summit.

The one-day Farm2Fork Summit, held on March 28, examined the major issues facing agriculture and food production globally – from how to sustainably feed a growing world, to the efficiencies that can be made to reduce waste across the food supply chain, and innovations in artificial intelligence and automation.

Featuring a line-up of high calibre speakers and panelists, including Western Australian grains producer Ian Stanley, the sessions highlighted the knowledge, solutions and innovations needed to create a sustainable future for farming and agriculture.

Mr Stanley, who was on a panel with other farming trailblazers – including pork producer Edwina Beveridge who captures methane as electricity, cotton growers David and Danielle Statham who have fibre trace technology and have recently harvested a carbon positive sink crop and innovative New Zealand crop producer Steven Bierema – was tasked with discussing 'driving innovation from within'.

Mr Stanley, whose family owns and operate a 25,000 hectare broadacre cropping operation near Kalannie in the Central Wheatbelt, talked on his family's alternative cropping enterprise which now comprises 1.2 million oil mallee trees.

"My father saw in his working life the degradation that was caused by over clearing of trees," he said. "He decided the way to help reverse some of the negative effects of clearing was to put some trees back into the landscape."

But, Mr Stanley said, "if we are going to plant a tree back into the environment, let's make it a tree which potentially could be diversified to create another industry."

Deciding to plant the oil mallee tree, Mr Stanley said it was chosen as it survives very well on low rainfall, tends not to compete with the crops if you get it into a harvesting regime and has a high potential for producing quality eucalyptus oil.

Commencing the planting program in 1990, Mr Stanley said "we started what we thought was about a 10-year program".

However, with the trees becoming "unviable as a crop" after a certain age, he said "we then had to work out a way of trying to get harvesting systems which enable us to get them back to their form".

PARTNER UPDATES

This saw Mr Stanley, together with Kalannie Distillers (now Kochii Eucalyptus Oil) develop the harvesting systems, oil distillation process to produce the native Kochii eucalyptus oil, and transport systems to “make it an industry in its own right”, with the oil in the leaf proving to be very high in yield.

Once the oil is extracted from the leaf, Mr Stanley said they then ended up with “a big pile of biomass” in their distillery.

This saw Mr Stanley become involved in developing the technology to take this biomass and turn it into energy, via the Rainbow Bee Eater (RBE) group.

“It’s a resource that has value,” he said, “and it’s full of energy. Take that biomass, turn it into energy in the form of heat and electricity to potentially run our small community and the outlying farms around it and make them entirely 100 per cent renewable.”

The by-product of that biomass, called biochar, can also be used, Mr Stanley said.

“The biochar can be returned to the soil, to improve production and grow more food,” he said. “As well as that, biochar is a very permanent store of carbon.”

However, Mr Stanley said they now face the challenge of ensuring biochar is formally recognised “on the positive list as a carbon store. As it actually does store carbon unlike a lot of the other policies which are espoused at the moment”.

Mr Stanley was joined at the Farm2Fork Summit by other presenters including Professor of Artificial Intelligence at the University of New South Wales Toby Walsh, humanitarian and international aid worker Linda Cruse, Rabobank global chairman Wiebe Draijer, rural entrepreneur and 2018 Rural Woman of the Year Krista Watkins and CSIRO principal scientist in field of strategic foresight Dr Stefan Hajkiewicz.

For all the highlights from Rabobank’s Farm2Fork Summit, including Mr Stanley’s panel session, visit <https://www.rabobank.com.au/about-rabobank/farm2fork-highlights-2019>



Panellists at Rabobank’s Farm2Fork (L-R) Danielle and David Statham, Sundown Pastoral Company, Moree, Ian Stanley, Stanley Farms, Kalannie, moderator Geraldine Doogue, Steven Bierema, Somerton Station Farm, New Zealand, and Edwina Beveridge, Blantyre Farms, Young.

TAX PLANNING FOR EOFY

Judy Snell
Director
RSM

WITH end of the financial year looming, it is time to think about your tax planning options before 30th June hits. We have listed a number of things to focus on when organising your affairs for the year end.

BUSINESS TAX PLANNING

The most commonly overlooked deductions can reap the big refund rewards.

Paying superannuation before year end

Employees are paid net wages but the superannuation contributions may be left unpaid until next month or quarter when completing the BAS. While most expenses are eligible for deduction when incurred, superannuation is only deductible when it is paid and received on time to a complying super fund.

Using instant asset write-off incurring capital expenditure before year end

Small business entities (less than \$10 million turnover) have previously been able to deduct assets that cost less than \$20,000 immediately. This year's budget increased the threshold to \$30,000 and allowed medium sized business (between \$10 million to \$50 million) to access this immediate deduction for plant and equipment acquired after 2nd April 2019.

Pre-paying expenditure eligible for immediate deduction

Review any expenditure that is eligible for a discount if paid for the next year. Not only can you take advantage of this saving but depending on the expenditure it can also result in immediate deduction

Farm management deposits

The farm management deposits (FMD) scheme helps primary producers to deal more effectively with uneven income flows. It gives concessional tax treatment to deposits made during years of good cash flow, which can then be drawn on in later years when the funds are needed.



PARTNER UPDATES

The following conditions apply:

- A primary producer's non-primary production income must be less than \$100,000 in the financial year they make the deposit
- A primary producer may hold up to a maximum of \$800,000 in FMDs
- A primary producer can have any number of accounts with multiple Authorised Deposit-taking Institutions (for example a bank, credit union or building society), authorised under the Banking Act 1959 (Cwlth)
- The deduction claimed for an FMD in the financial year it is made cannot exceed the primary producer's taxable primary production income
- To retain the taxation benefits an FMD must be held for at least 12 months with an Authorised Deposit-taking Institution
- A primary producer may be exempt from this 12 month rule under certain conditions

Additional Primary Production Deductions

Primary Producers are also eligible for accelerated depreciation on the following items acquired after 12 May 2015:

- Immediate deduction for the cost of Fencing and Water Facilities such as dams, tanks, bores, irrigation channels pumps, water towers and windmills.
- The cost of Fodder Storage assets such as silos and tanks used to store grain and other animal feed can be depreciated 100% in the year of purchase.

If you have any queries on the above to do not hesitate to contact our office on phone number 96 511 606.




CBH GROUP OFFERS GROWERS FEE DISCOUNT FOR ESTIMATES

Ben Macnamara
General Manager
CBH Group


THE CBH Group is offering a \$0.50 per tonne discount this season to encourage growers to submit their crop estimates early to help with site and service preparations for harvest.

At harvest, we're focused on providing growers with the right services at the right sites, as efficiently and effectively as is possible. To help achieve this, we require a better understanding of your cropping plans.

You can earn a \$0.50 per tonne discount on your receival fees this harvest* if you...



Map your paddocks and complete your crop estimates through Paddock Planner by 14 July 2019.



Use the CDF app for your harvest deliveries for the 2019-20 season.

*A discount of \$0.50 per tonne will be applied to your receival fees for the 2019-20 season where you have completed Paddock Planner estimates by 14 July 2019 and use the CDF app for your grain deliveries up to 28 February 2020. The discount will only apply on the paddocks you enter in Paddock Planner and deliver through the CDF app. Terms and conditions apply, visit www.cbh.com.au for further information.

We've been investing in an online tool in LoadNet called 'Paddock Planner' to improve this process. It enables growers to submit their cropping plans by providing us with a more accurate picture of what is being grown, and where it is likely to be delivered.

Early access to this information is vitally important as it ensures our team can plan for increasing demand for services, particularly for barley. Paddock Planner is also a vital link to your harvest deliveries with the CDF mobile app, which helps to speed up turnaround on site.

Therefore, CBH is offering a discount of \$0.50 per tonne when you submit your Paddock Planner estimates by the 14 July and use the CDF app for harvest deliveries up to 28 February 2020.

The discount will only apply on the paddocks entered in Paddock Planner and deliver through the CDF app.

It is the second consecutive year growers can complete their crop estimates through Paddock Planner, with approximately 40 per cent of estimates completed last year through the online tool.

Following feedback from growers last year, CBH has made some improvements so growers can better manage their properties and estimates.

Growers can now upload shapefiles, KMZ or KML files from other mapping software that they may already use directly into Paddock Planner, potentially saving them time when mapping out their paddocks before they then enter estimates.

There is also the option of splitting paddocks and entering multiple commodities or varieties, so growers have a clearer overview of their business.

If you have not used Paddock Planner before, please refer to our guide available on our website. For those who have previously used the online tool, please update your properties and paddocks if anything has changed, and enter your estimates for the 2019-20 season.

For more information or to view the terms and conditions, please visit our website www.cbh.com.au



NITROGEN TIMINGS, RATES YIELD AND PROTEIN

Angus McAlpine
Central Midlands
Agronomist
CSBP



KEY Messages

- Low wheat grain protein is commonly linked to the under application of nitrogen (N) for the given yield potential of the season
- Grain proteins can only be increased if enough N has been supplied to satisfy yield potential
- N applications to satisfy yields need to occur prior to stem elongation to be most effective

Low proteins were a widespread observation from last year's harvest and the last thing we want to do is to miss an opportunity twice. Low wheat protein or protein deficiency in most cases is linked to the under application of N for the given yield potential of the season. Factors increasing yield potential such as new higher yielding wheat varieties being grown in soils with low nitrogen levels and less legumes in the rotations result in high crop demand and low soil supply. However, there is more to it than just applying more N. We must make informed decisions that take into account timing of N applications, economics and risk when applying any fertiliser including N.

Timing and rates of N applications are both important. Higher grain proteins can only be achieved if we have supplied enough N satisfy the crop's yield potential. The response curve is best represented in a graph and can help explain the relationship between nitrogen, yield and protein (Figure 1)

The diagram below demonstrates that with increasing N application rates we see big yield improvements (phase I) until the yield increments slow down, while at the same time the diluted protein levels pick up (phase II) until the yield and protein potential is reached (phase III). The diagram is taken from a 1990 CSBP publication, published nearly 30 years ago and we often see this response curve in our CSBP trials if enough N has been applied.

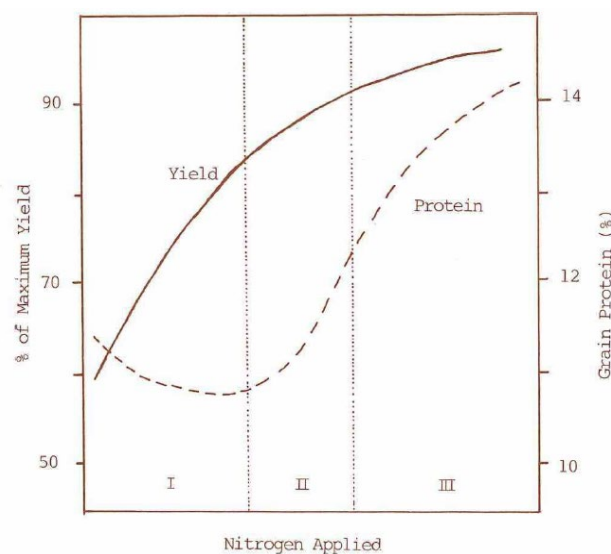


Figure 1. Grain yield and protein response to nitrogen fertiliser (Ian Duncan. The Implications of Protein Payments for Nitrogen Fertiliser Strategies. In: CSBP Productivity Focus, Vol 8, No 1, March 1990)

The challenge with making N decisions is that applications need to occur before stem elongation to be most effective. Nevertheless irrespective of how the season finishes, confident N decisions can still be made by having a good understanding of the crop's yield potential and target protein while taking into account what factors may limit that crop from achieving its yield potential.

NUlogic® soil analysis can calculate the total N supply from the soil and the N required to achieve a yield and protein target at any time throughout the season. Plant testing in season can track N uptake and ensure other nutrients are non-limiting. Given yield potential is influenced by the seasonal conditions such as rainfall and time of emergence, the rate of N required can change over the course of a season. Understanding that a majority of the N application decisions need to occur before stem elongation, there will be some level of risk with the application. The decision on whether to apply more N or not is also up to each person's own attitude to risk. Having good relevant information on hand to make a confident decision is important and the economics of risk and returns are part of that decision-making process. Reviewing last season's grain yield, protein and water use efficiency can help evaluate the N strategies and decision making undertaken throughout last year.

With our growing reliance on N fertiliser, CSBP trials across the State (including one with the Liebe Group main trial site at Watheroo) will focus on strategies that can be used to increase the efficiencies of N applied to crops.

Below are some results from recent CSBP field trials from around the region which highlight the influence of N supply on wheat yield and protein.

Highlighted rows are the treatments which both the highest wheat yield and grain protein. For full trial reports, further information and assistance in determining nitrogen applications please feel free to contact myself or your local CSBP area manager.

Kalannie 2018

Nov-Mar 141mm; Apr-Oct 216mm

Scepter wheat, 0-10cm Soil OC 0.8%, Nitrate N 19 mg/kg, Ammonium N 8 mg/kg

Trt	Banded (kg/ha)	Banded (L/ha)	Z23 (L/ha)	Z30 (L/ha)	N	Yield t/ha	Protein %	HL Wt Kg/HL	Scrg %
1	80 Agstar Extra	-	-	-	11	2.65c	7.7b	77b	2.1
2	80 Agstar Extra	43 Flexi-N	50 Flexi-N	-	51	3.59b	7.8b	78b	1.9
3	80 Agstar Extra	43 Flexi-N	100 Flexi-N	100 Flexi-N	114	4.45a	9.3a	80a	2.1
LSD	0.05					0.26	0.6	1.6	NS

Carnamah 2018

Nov-Mar 70mm; Apr-Oct 231mm

Scepter wheat, 0-10cm Soil OC 0.7%, Nitrate N 9 mg/kg, Ammonium N 1 mg/kg

Trt	Banded (kg/ha)	Banded (L/ha)	Z23 (L/ha)	Z31 (L/ha)	N	Yield t/ha	Protein %	HL Wt Kg/HL	Scrg %
1	70 BigPhos	-	-	-	0	2.22c	7.2c	78	3.3c
2	66 Agstar Extra	73 Flexi-N	95 Flexi-N	-	80	3.95b	8.2b	80	2.6b
3	66 Agstar Extra	73 Flexi-N	190 Flexi-N	-	120	4.31a	9.9a	79	1.0a
4	66 Agstar Extra	73 Flexi-N	95 Flexi-N	95 Flexi-N	120	4.02b	9.6a	80	2.7b
LSD	0.05					0.23	0.6	NS	0.8

PARTNER UPDATES

Wongan Hills 2017

Jan-Mar 113mm; Apr-Oct 180mm

Scepter wheat, 0-10cm Soil OC 1.2%, Nitrate N 9 mg/kg, Ammonium N 3 mg/kg

Trt	Banded (kg/ha)	Banded (L/ha)	Z23 (L/ha)	Z49 (L/ha)	N	Yield t/ha	Protein %	HI Wt Kg/HL	Scrg %
1	100 K-Till Extra Plus	-	-	-	10	2.29c	7.8c	82b	4
2	100 K-Till Extra Plus	50 Flexi-N	-	-	31	2.79b	8.4b	81c	4
3	100 K-Till Extra Plus	50 Flexi-N	50 Flexi-N	-	52	3.16a	9.2a	82b	4
4	100 K-Till Extra Plus	50 Flexi-N	-	50 Flexi-N	52	2.92b	8.8a	83a	4
LSD	0.05					0.22	0.58	0.9	0.7

Bindi Bindi 2004

Jan-Mar 44mm; Apr-Oct 282mm

Bonnie Rock Wheat, 0-10cm Soil OC 1.3%, Nitrate N 8 mg/kg, Ammonium N 15 mg/kg

Trt	Banded (kg/ha)	IBS (L/ha)	Z23 (L/ha)	Z40 (L/ha)	N	Yield t/ha	Protein %	HI Wt Kg/HL	Scrg %
1	129 Agstar Zinc	-	-	-	18	2.72c	8.4c	81b	1.5
2	129 Agstar Zinc	100 Flexi-N	-	-	60	3.25b	8.6bc	82ab	2.0
3	129 Agstar Zinc	100 Flexi-N	100 Flexi-N	-	102		9.0bc	82ab	2.6
4	129 Agstar Zinc	100 Flexi-N	-	50 Flexi-N	81	3.24b	9.1b	83a	1.9
5	129 Agstar Zinc	100 Flexi-N	100 Flexi-N	50 Flexi-N	123	3.67a	9.8a	83a	2.6
LSD	0.05					0.32	0.6	2	8.1

Carnamah 2004

Jan-Mar 16mm; Apr-Oct 298mm

Wyalkatchem Wheat, 0-10cm Soil OC 0.5%, Nitrate N 6 mg/kg, Ammonium N 1 mg/kg

Trt	Banded (kg/ha)	Banded (L/ha)	Z15 (L/ha)	Z24 (L/ha)	N	Yield t/ha	Protein %	HI Wt Kg/HL	Scrg %
1	100 BigPhos TE	-	-	-	0	1.06c	7.9	83b	2.3
2	100 BigPhos TE	60 Flexi-N	-	-	25	1.58b	8.4	84a	3.5
3	100 BigPhos TE	120 Flexi-N	-	-	51	1.98a	10.2b	83b	1.8
4	100 BigPhos TE	120 Flexi-N	58 Flexi-N	-	75	2.08a	11.2a	83b	1.4
5	100 BigPhos TE	120 Flexi-N	-	58 Flexi-N	75	2.07a	11.1a	84a	1.5
LSD	0.05					0.12	0.9	1	1.2

Piawaning 2001

Jan-Mar 36mm; Apr-Oct 228mm

Carnamah Wheat, 0-10cm Soil OC 0.9%, Nitrate N 8 mg/kg, Ammonium N 5 mg/kg

Trt	Banded (kg/ha)	Banded (L/ha)	Z22 (L/ha)	Applications After Flag Emer- gence (L/ha)	N	Yield t/ha	Protein %	HL Wt Kg/HL	Scrg %
1	113 Agflow	-	-	-	15	3.11c	8.2d	81	2.4
2	113 Agflow	64 Flexi-N	-	-	42	3.63b	8.8c	81	2.5
3	113 Agflow	64 Flexi-N	100 Flexi-N	-	84	4.00a	10.1b	80	1.8
4	113 Agflow	64 Flexi-N	100 Flexi-N	50 Flexi-N at Z40	105	4.14a	10.7a	80	1.6
5	113 Agflow	64 Flexi-N	100 Flexi-N	50 Flexi-N at Z59	105	4.10a	10.8a	79	2.1
6	113 Agflow	64 Flexi-N	100 Flexi-N	50 Flexi-N at Z65	105	4.09a	10.4ab	81	2.0
7	113 Agflow	64 Flexi-N	100 Flexi-N	50 Flexi-N at Z85	105	4.06a	10.1b	81	2.0
LSD	0.05					0.25	0.46	NS	0.28

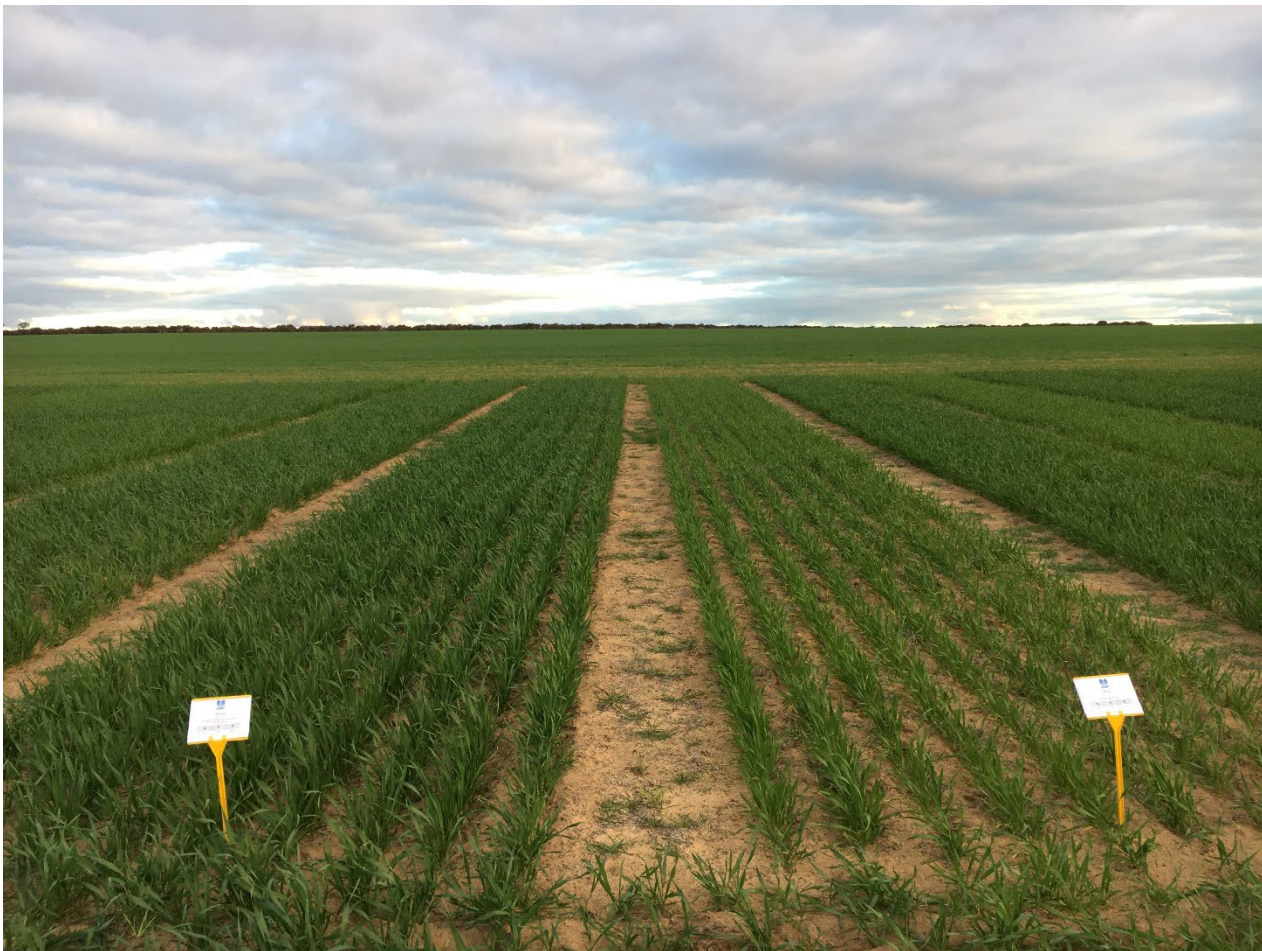


Figure 2. Liebe Main Trial Site Post Seeding Field Walk 18th July 2018, Fertiliser applications to date Trt 13 (LHS) 72 kg/ha Nitrogen, Trt 2 (RHS) 6 kg/ha Nitrogen

CHANGES TO RECEIVAL STANDARDS FOR THE 2019/20 HARVEST

Mae Connelly
Marketing Consultant
Farmanco Management
Consultants

Reviewed by Ryan Duane
and Jane Packard



KEY Points:

- Snails limit in canola now 1 per 500g for Can1, Can2, CAG1 & CAG2;
- New snails grades CANS & CAGS for snails between 2 & 10 per 500g;
- Snails over 10 per 500g cannot be delivered;
- Screenings limit of 15% introduced for OAT2;
- OAT2 groat count halved to 72 per black plastic measure;
- For feed barley, snails limit now 1 per ½ litre.

There are some changes to receival standards coming into effect for the 2019/20 harvest that are important to be aware of.

Receival standards for barley and oats in WA are set by the Grain Industry Association of WA (GIWA - <http://www.giwa.org.au/standards>). GIWA also supports Grain Trade Australia (GTA - <http://www.graintrade.org.au/>) to set wheat standards, the Australian Oilseeds Federation (AOF - <http://www.australianoilseeds.com/>) to set canola standards, and Pulse Australia (<http://www.pulseaus.com.au/>) to set pulse standards.

Clients are encouraged to become GIWA members or attend GIWA events and meetings in order to ensure a strong grower voice is part of industry discussions such as receival standards. Farmanco are GIWA members, and if you would like to provide feedback on industry issues like this you can also do this via your consultant.

Canola

Table 1 summarises the changes being made to snail receival standards for canola for the 2019/20 season.

Commodity/Grade	Previous standards (2018/19)	Confirmed standards 2019/20
Canola	Kwinana & Geraldton Zones Snails no limit (counts as admix)	All zones Snails limit of 1 per 500g for Can1, Can2, CAG1, CAG2
	Albany & Esperance zones Snails limit of 10 per 500g for Can1, Can2, CAG1, CAG2 Over 10 snails per 500g downgraded to CANS/CAGS No upper limit in CANS/CAGS	Snails from 2 to 10 per 500g downgraded to CANS/CAGS Snails count over 10 per 500g cannot be delivered

Table 1: Changes to canola receival standards for the 2019/20 season (Source: GIWA)

There has been a trial in the Esperance (Two years) and Albany (One year) port zones where snail counts over 10 were downgraded to a discounted grade (CANS for non-GM or CAGS for GM). There was no upper limit on snails for either the CANS or CAGS grades. In the other port zones, snails continued to be counted as Admix.

The receival standard for snails refers to snails that are less than 10mm in size. Snails larger than 10mm are a level 3 contaminant. This is unchanged from previous seasons.

The snail count includes “whole snails/shells or pieces more than half and bodies without shells. Any pieces of Snail Shell that are less than or equal to half a shell are classified as Admixture”.

The changes for 2019/20 are significant and apply to all port zones:

- Snails limit of 1 per 500g sample (Can1, Can2, CAG1, CAG2)
- Snails from 2 to 10 per 500g sample graded CANS (non-GM) or CAGS (GM). These grades will be priced at a discount. The discount for CANS in 2018/19 was as severe as -\$48/t to the base Can1 price and was -\$35 to -\$40/t most of the season.
- Snails count over 10 per 500g sample cannot be delivered.

Oats

The receival standards for oats are being changed for 2019/20 for screenings and groats.

OAT2 screenings limit - 15%

- A screenings limit for Oat2 of 15% will be introduced
- Previously there has been no screenings limit for Oat2
- The screenings limit of 10% remains for Oat1
- If your oat screenings are over 15%, you cannot deliver your oats.

Groat count will be halved for OAT2

- The new groat limit for Oat2 is 72 per 2 black plastic measures (BPMs)
- The previous limit was double this – 144 per 2 BPMs
- The groat limit for Oat1 remains at 72 per 2 BPMs
- If your groat count is over 72 per 2 BPMs, you cannot deliver your oats.

Table 2 summarises the OAT2 changes.

Commodity/Grade	Previous standards (2018/19)	Confirmed standards 2019/20
Oats - OAT2	No screenings limit	15% screening limit
	Groat limit 144 per 2 BPM's (black plastic measure)	Groat limit 72 per 2 BPM's

Table 2: Changes to oats receival standards for the 2019/20 season (Source: GIWA)

PARTNER UPDATES

Barley

The snails limit in feed barley is tightening from 2 per ½ litre sample to 1 per ½ litre. Previously, the snail standard was for whole snails only, and fragments were acceptable.

For 2019/20, the standard is changing to:

- “More than half a snail shell” will be counted
- This applies to both BFED1 and the glyphosate grade BFDEC
- There is no tolerance for snails in malt barley (Malt1 and Malt2), which is unchanged from previous seasons
- If the BFED2 segregation is required and made available, the snails limit is 10 per ½ litre sample.

Table 3 summarises the changes in feed barley.

Commodity/Grade	Previous standards (2018/19)	Confirmed standards 2019/20
Barley - Feed	Snails limit of 2 whole snails per ½ litre sample	Snails limit of 1 per ½ litre sample, where more than half a snail shell counts

Table 3: Changes to barley receival standards for the 2019/20 season (Source: GIWA)

Changes bought in last season

A brief reminder on what changed last year:

- Distorted grain limits in barley increased (Malt 1 from 1% to 5%, Malt2 from 2% to 7%, Feed from 7% to 11%);
- The upper limit for protein in Malt1 was increased from 12.5% to 12.8%;
- Both changes remain in place for the 2019/20 season.

Conclusion

There are some significant changes to receival standards being introduced for the 2019/20 season, especially regarding snails in canola and feed barley. Ensure you are aware of the changes and contact your consultant or agronomist for further information or assistance.

Farmanco Marketing Pty Ltd is a Corporate Authorised Representative No. 341189 of Primary Financial Services Pty Ltd (AFSL No. 338360). Don McTaggart (No. 298483), Ryan Duane (No. 407412), Mae Connelly (No. 315016) and Jane Packard (No. 1270689) are Authorised Representatives of Primary Financial Services Pty Ltd (AFSL No. 338360).

General Advice Disclaimer: The information and opinions within this document are of a general nature only and do not take into account the particular needs or individual circumstances of investors. The Material does not constitute any investment recommendation or advice, nor does it constitute legal or taxation advice. Primary Financial Services Pty Ltd (ABN 37 136 347 610) (The Licensee) does not give any warranty, whether express or implied, as to the accuracy, reliability or otherwise of the information and opinions contained herein and to the maximum extent permissible by law, accepts no liability in contract, tort (including negligence) or otherwise for any loss or damages suffered as a result of reliance on such information or opinions. The Licensee does not endorse any third parties that may have provided information included in the Material.

WHAT IS YOUR POST- EMERGENT PLAN?

Clare Johnston
Agronomist
Elders Scholz Rural



I think it's fair to expect grass burdens to be high this season after a few years of no knockdown opportunity and seemingly every weed in the bank germinating last year, we had plenty of escapees.

We are yet to see how well our pre-emergent herbicides will work however, if grasses get through **early** control is essential.

- Boxer Gold/Prosulfocarb: was excellent in 2018 if sprayed on 1-2 leaf ryegrass. It does best when sprayed onto moist soil and rain incorporated within 10 days. Only expect suppression if >3 leaf.
- Crusader: for brome grass and wild oats control, only suppression of barley grass.
- Monza: similar to prosulfocarb and Boxer Gold, sulfosulfuron needs to be applied when brome grass is <2 leaf and have rain to wash in.
- Atlantis: 330ml for wild oat control. Suppression of brome and barley grass. Apply to <3 leaf weeds.

Broadleaf weeds as always will be important to control. Jaguar remains a staple for many however if you are finding problem paddocks it's worth considering other options. Adama's Triathlon is 3 modes of action in one drum - Jaguar and LVE MCPA. They have done extensive trial work to come up with the best bang for buck blend. Quadrant is the new kid on the block and has performed extremely well in local trials. It is Triathlon plus picolinafen, providing some more leaf activity as well as some soil residual. A good option for resistant (or suspected) populations.

Timing will be critical in getting best efficacy. Feel free to call if you would like help in coming up with a plan of attack.

For more information please contact Elders on 9661 2000, Clare on 0417 253 586 or Dave on 0427 727 455.



WINTER OUTLOOK (JUNE TO AUGUST)

Meredith Guthrie
Research Officer
DPIRD



Department of
Primary Industries and
Regional Development

THIS season there was minimal out of season (November 2018 to March 2019) rainfall, with only 44 mm falling at Dalwallinu. For Dalwallinu, the average break of the season, using the 15mm over 3 days rule, for the years 1975 – 2018 is 21 May. Dalwallinu has experienced late breaks before, with the 2013 having a calculated break of 9 June, and later breaks are expected to continue. Current plant available soil water map (Figure 1) is looking good from the rainfall events of 7-9 June. So far this in this growing season (1 April to 9 June), Dalwallinu has received 35 mm, which equates to decile 2 rainfall (Figure 2).

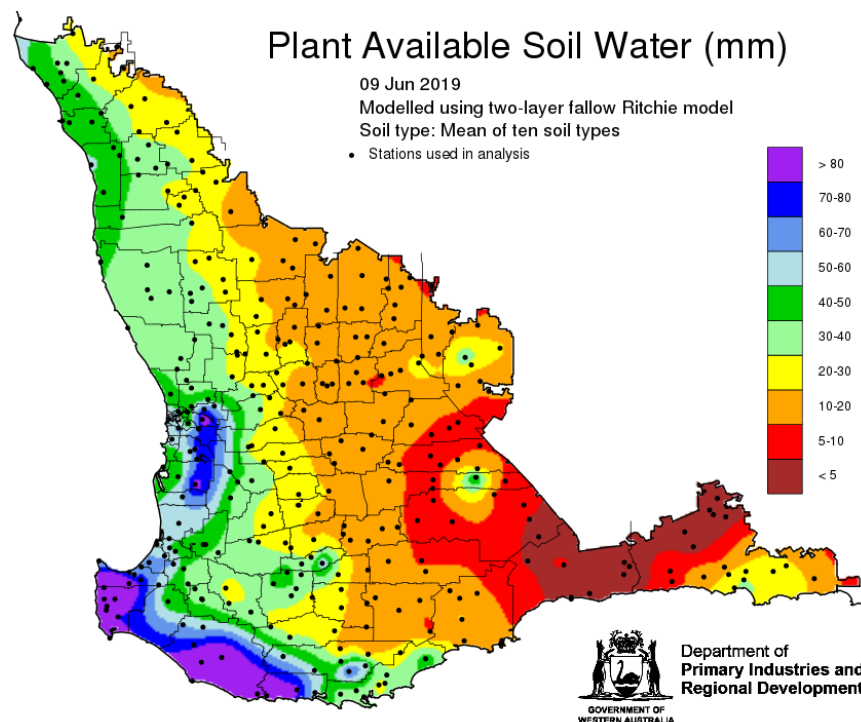


Figure 1 Plant available soil water for 9 June 2019.

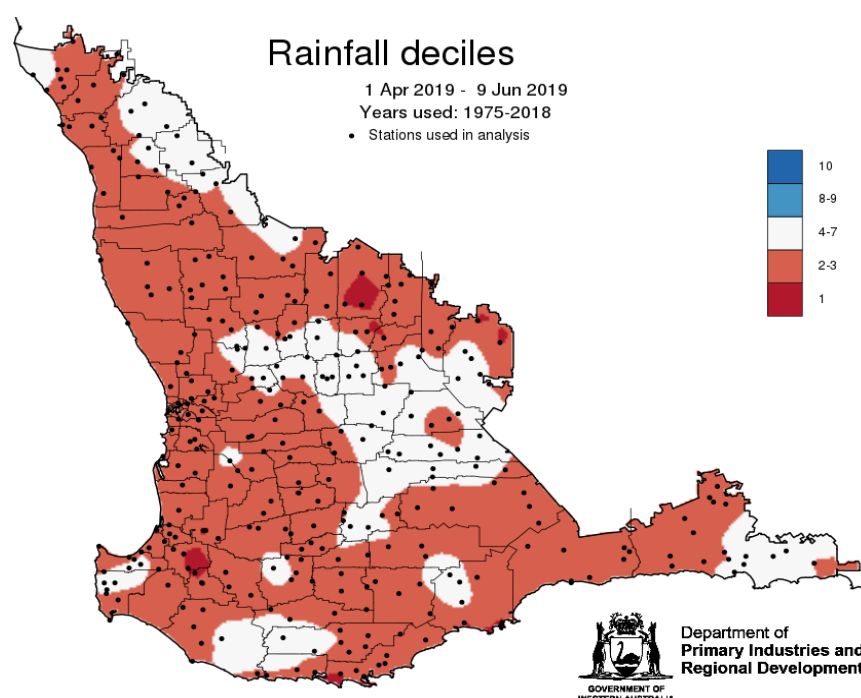


Figure 2 Rainfall decile map for 1 April to 9 June 2019.

The finish to the 2018 season was exceptional in that spring weather was mild. This year, is expected to be very different to 2018. The Bureau of Meteorology is indicating a 45-55% chance of exceeding median rainfall for winter, June to August (Figure 3). The DPIRD's Statistical Season Forecast is indicating decile 2-3 rainfall for winter for Dalwallinu (Figure 4). Other models are also indicating drier conditions for winter.

The current state of the climate drivers means that higher than average pressure is likely over southern Australia for winter. This can act to keep cold fronts further south than normal, thereby reducing winter rainfall to the southern states. Climate outlooks indicate the Indian Ocean Dipole (IOD) is likely to be positive from June through to November. A positive IOD typically means drier than average conditions for southern and central Australia during winter-spring. The dry years of 2006, 2012 and 2015 (2006 and 2015 were also El Niño years) were all positive IOD years.

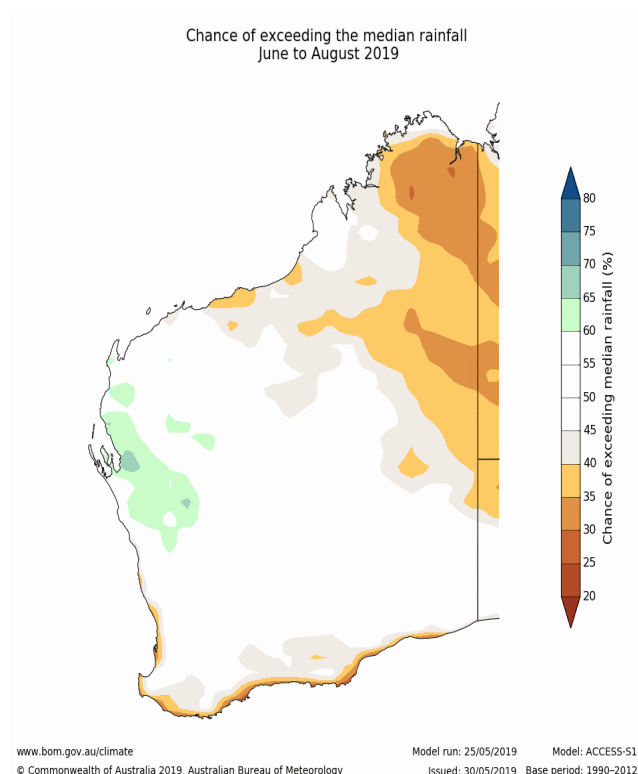


Figure 3. Bureau of Meteorology outlook for June to August 2019

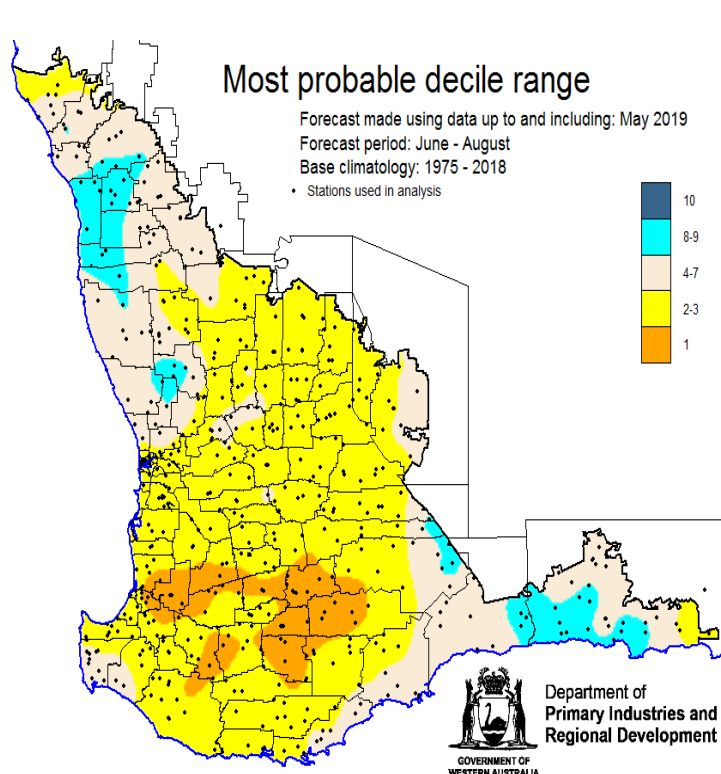


Figure 4. DPIRD's Statistical Seasonal Forecast for winter decile 2019 rainfall

REMINDER ON MARKET REQUIREMENTS FOR IMI TOLERANT BARLEY VARIETIES

Joint statement from

- Barley Australia
- Grains Industry Market Access Forum
- National Working Party on Grain Protection
- Grain Producers Australia
- Grain Growers Limited
- InterGrain
- Seednet

KEY Points

- Growers and farm advisors are reminded of the potential market access impacts of using IMI chemicals on barley this year.
- It is recommended that growers carefully consider the use of imidazolinone chemicals (IMI) on their IMI tolerant barley varieties (Spartacus CL or Scope CL).
- Growers are advised to consult with their agronomists, chemical suppliers and grain buyers about the potential market impacts when considering the use of IMI chemicals on barley.

Background

On 29 March 2019, the Australian barley industry released a statement that recommended growers carefully consider the use of imidazolinone chemicals on their IMI tolerant barley varieties (Spartacus CL or Scope CL) this season. This industry update reaffirms that message. A copy of the March statement is available here: bit.ly/2EEiOAE (via Barley Australia website).

Grain Trade Australia also released a statement advising of the potential marketing and financial issues associated with IMI chemicals on barley, available here: bit.ly/2JHR7uh (via Grain Trade Australia website).

In Australia, two products containing imidazolinone chemistry are registered for use post-emergence on IMI tolerant barley varieties; Intervix® herbicide and Intercept® (both containing imazapyr and imazamox). One product is registered for pre-emergence only – Sentry® herbicide (containing imazapyr and imazapic). There are no other imidazolinone herbicides registered for use on barley.

IMI tolerant barley varieties (Spartacus CL or Scope CL) may incur market access restrictions in some important export destinations, including Japan and South Korea. This potential restriction is due to the existing Maximum Residue Limits (MRLs) in those destination markets being below the residues allowed in Australia for IMI chemicals. All grain exported must meet the importing country regulatory requirements, including MRLs for individual chemicals that may be listed under the IMI category.

Using IMI chemicals in accordance with APVMA label requirements does not guarantee compliance with overseas MRL requirements. Exporters and bulk handling companies use a variety of tools to manage compliance with export market MRLs, including chemical residue monitoring on grower receivals, stock selection or only selling to certain markets. This may result in the need for commodity vendor declarations from growers or specific segregations. There may be commercial implications for exporters and bulk handlers which may influence grower pricing.

Following the 29 March industry statement, Nufarm released two statements regarding the use of “IMI” chemistry in barley intended for export. The notification should be considered by growers intending to use Intercept® and Sentry®. The statement recommends that growers carefully consider the use of imidazolinone chemicals on their IMI tolerant barley varieties. The Nufarm statements are available here:

- www2.nufarm.com/au/product/intercept/
- www2.nufarm.com/au/product/sentry/

BASF also released a statement regarding the use of Intervix® on barley intended for export. The BASF statement is available here:

- bit.ly/2wvh73j (via BASF website)

Industry and chemical companies have a priority focus on maintaining access to chemical technology for the Australian barley industry.

Through chemical companies and the Australian government, the Australian barley industry is currently seeking various overseas governments to adopt IMI MRLs on barley that are more aligned with Australian MRLs. However, seeking alternative MRLs is a complicated process and timelines are uncertain and difficult to predict. Applications for revised MRLs may not be successful. It is currently unknown whether revised MRLs may be adopted by those markets or in place for the 2019 harvest.

Growers are encouraged to speak with their relevant bulk handling companies and grain buyers to keep updated with their plans for handling IMI tolerant barley varieties treated with the IMI chemicals (imazapyr, imazamox and imazapic). Growers are also encouraged to speak to their agronomists or advisors. Growers are also encouraged to participate in any bulk handler surveys where information is sought on potential use of IMI chemicals on IMI tolerant barley varieties, or grower meetings to ensure a co-ordinated industry approach to managing market access is maintained.



KEY FINANCIAL RATIOS

All content has been
republished from the GRDC
Factsheet November 2013

Authors:

T. Hudson

M. Krause



UNDERSTANDING your key financial ratios helps manage your farm business sustainability.

As farm businesses become more sophisticated and owners strive ever harder to improve profitability and create wealth, the move beyond simple measures of physical production to whole business analysis is gaining momentum. The use of financial ratio and benchmark analysis has become increasingly popular with progressive farm business operators in recent years.

Key points

- Top farm businesses should be able to quote and understand their key financial ratios and their trends over time.
- Calculating financial ratios is quite simple - with a little explanation.
- Five key areas to focus on: Liquidity, Solvency, Profitability, Cost Efficiency and Debt Servicing Capacity.
- Ratio trends over several years are a more valuable tool than looking at one year in isolation.
- Monitoring your business' financial ratios does not guarantee greater profit, but it will improve the likelihood of success over time
- and improve the understanding of your business.
- Context is very important – compare apples with apples!

Financial ratio analysis

Financial ratios or benchmarks are used to assess business profitability, balance sheet structure and overall business performance.

Typically these measures are expressed as a ratio (number of times) or a percentage. As such, they are no more than one number expressed as a percentage or fraction of another number. No one ratio can give an absolute picture of business performance, but in combination, their trends over time can be used to identify areas of strength and weakness within the business.

In many respects, financial ratios are like a soil test. They identify that you have a high or low level of a certain element compared with established standards, but they won't tell you why you have it, how much it will affect yield, or how to manage the problem. Once an area of concern is established, we need to get behind the figures to see what is causing the problem, so physical production benchmarks will be closely linked to the financial ratios.

The value of benchmarking and ratio analysis as a method of comparing farm and farm business performance depends on the accuracy of the data and the basis on which the data is used to generate the ratio. You have to make sure that you are comparing 'like with like' if you use a range of data to make comparisons. For example, to compare profitability of your farm in 2012 with a neighbouring farm's 2010 performance is of little value – variation in climate, yields, prices and so on mean you are likely comparing apples with oranges!

Whilst there are countless ratios quoted by finance analysts (and most have their uses), for the purpose of this fact sheet, the focus will be on 17 ratios covering 5 key areas of the business, being: 1) Liquidity 2) Solvency, 3) Profitability, 4) Financial Efficiency, and 5) Repayment Capacity.

All the ratios described below can be calculated from two budgets most farm businesses can easily access:

- Profit and Loss Budget
- Balance Sheet

For the purpose of this fact sheet, we have provided a sample Profit and Loss Budget (Figure 1) and Balance Sheet (Figure 2) for a farm business for the 2012/13 financial year. These figures are used as the reference point for all calculations and discussion. NB. Other factsheets in this series outline a Profit and Loss Budget and a Balance Sheet.

Liquidity – Cash, the short term picture: ‘Do we have enough cash to pay the bills this year?’

Liquidity considers the availability of cash (or near cash) assets to cover short term obligations without disrupting normal business.

1. **Current ratio:**
Current assets/current liabilities: Times covered
2. **Working capital:**
Current assets - current liabilities: Dollars

Solvency - Business stability/risk: 'How much of this business is really ours and how much belongs to the bank?'

Solvency ratios measure the gearing of the business, the amount of debt, leasing and other financial commitments, relative to the owner's equity/assets. Can it withstand an economic downturn? Can it borrow to stay afloat or expand?

3. **Equity/Assets Ratio:**
Total farm equity/total farm assets: % equity
4. **Debt/Assets Ratio:**
Total farm debt/total farm assets: % debt
5. **Debt/Equity Ratio:**
Total farm liabilities/total farm equity: % debt

Profitability - Are we making enough money? 'We've got a lot of capital tied up in this place; how is it performing?'

Profitability ratios tend to measure the ability of the business to generate profit from its land, labour and capital resources. They remove the effect of scale of operations so comparison can be made between businesses of any size. They provide a useful means to compare businesses in different industries.

6. **Return on Assets (ROA):**
EBIT/total assets: % of assets
7. **Return on Equity (ROE):**
NPBT/total equity: % of equity
8. **Operating Profit Ratio:**
EBIT/total revenue: % gross revenue
9. **Net Profit Ratio:**
NPBT/total revenue: % gross revenue
10. **Debt to Income Ratio:**
Total liabilities/gross revenue: % gross revenue

NB. EBIT – Earnings Before Interest and Tax
NPBT – Net Profit Before Tax

Financial Efficiency - Tracking the costs: 'We work hard to maximise production; where does all the money go?'

Financial efficiency ratios measure how efficiently the business uses its productive capacity. They generally consider the percentage of gross revenue which is spent on costs for inputs, overheads, finance and machinery.

11. 11 Asset Turnover Ratio:

Gross revenue/total assets: % gross revenue

12. 12 Input Cost Ratio:

Variable costs/gross revenue: % gross revenue

13. 13 Overhead Cost Ratio:

Overhead costs/gross revenue: % gross revenue

14. 14 Finance Cost Ratio:

Finance costs/gross revenue: % gross revenue

15. 15 Depreciation Ratio:

Depreciation expense/gross revenue: % gross revenue

Repayment capacity ratios measure the capacity of the business to meet interest/ leasing costs and to repay debt. The business needs to provide for living expenses/family drawings and payment of taxes after covering all its costs. At the end of the day, what is left after paying input, overhead, finance, tax and living costs is all that is left to reduce debt, reinvest in the business, invest off farm or improve lifestyle.

16. 16 Interest Cover Ratio:

Operating profit/finance costs: Times covered

Case study example

The following figures 1-3 provide an explanation of and show actual calculations of each of the ratios outlined above:

Figure 1 Profit and Loss Budget, 2012-13		
Income		Formula
Cash sales	870,000	A
Movement in inventory	44,000	B
Gross Revenue	914,000	C = (A+B)
Variable costs	365,000	D
Whole Farm Gross Margin	549,000	E = (C-D)
Overhead costs	260,000	F
Depreciation	67,000	G
Operating Profit (EBIT)	222,000	H = (E-F-G)
Finance costs	84,000	I
Net Profit Before Tax (NPBTD)	138,000	J = (H-I)
Family drawings	70,000	K
Taxation	20,400	
Net Profit After Tax (NPAT)	47,600	L

Source: Tony Hudson, Hudson Facilitation

Figure 2 Balance Sheet 2012-13

Formula	Assets		Liabilities		Formula
M	Current Assets	\$	Current Liabilities	\$	P
	Cash on deposit	30,000	Overdraft	85,263	
	Debtors	12,291	Creditors	45,000	
	Trade lambs	58,000			
	Grain on hand	20,900			
	Fodder	25,000			
	Total Current Assets	146,191	Total Current Liabilities	130,263	
	Non-Current Assets		Non-Current Liabilities		
	Plant and equipment	670,000	Term Loan 1	300,000	
	Land and buildings	3,400,000	Term Loan 2	600,000	
N	Total Non-Current Assets	4,070,000	Total Non-Current Liabilities	900,000	Q
(M+N) = O	Total Assets	4,216,191	Total Liabilities	1,030,263	R = (P+Q)
			Owners Equity:	3,185,928	S = (O-R)

Source: Tony Hudson, Hudson Facilitation

Using Figures 1 and 2 above, the financial ratios outlines previously have been calculated below.

Figure 3 Calculation of Ratios

Ratio	Formula	Calculation	Result	Weak Range	Strong Range
Liquidity Ratios:					
1. Current Ratio	$M \div P$	$146,191 \div 130,263 \times 100 =$	1.1 times	< 1 time	> 1.5 times
2. Working Capital	$M - P$	$146,191 - 130,263 =$	\$ 15,928	Negative	Positive/stable
Solvency Ratios:					
3. Equity/Assets Ratio	$S \div O \times 100$	$3,185,928 \div 4,216,191 \times 100 =$	76%	< 70%	> 90%
4. Debt/Assets Ratio	$R \div O \times 100$	$1,030,263 \div 4,216,191 \times 100 =$	24%	> 30%	< 10%
5. Debt/Equity Ratio	$R \div S \times 100$	$1,030,263 \div 3,185,928 \times 100 =$	32%	> 40%	< 20%
Profitability Ratios:					
6. Return on Assets	$J \div O \times 100$	$138,000 \div 4,216,191 \times 100 =$	3.3%	< 2.5%	> 5%
7. Return on Equity	$J \div S \times 100$	$138,000 \div 3,185,928 \times 100 =$	4.3%	< 2.5%	> 5%
8. Operating Profit Ratio	$H \div C \times 100$	$222,000 \div 914,000 \times 100 =$	24.3%	< 15%	> 30%
9. Net Profit Ratio	$J \div C \times 100$	$138,000 \div 914,000 \times 100 =$	15.1%	< 20%	> 30%
10. Debt to Income Ratio	$R \div C \times 100$	$1,030,263 \div 914,000 \times 100 =$	112.7%	> 300%	< 100%
Financial/Cost Efficiency Ratios:					
11. Asset Turnover Ratio	$C \div O \times 100$	$914,000 \div 4,216,191 \times 100 =$	21.7%	< 15%	> 30%
12. Input Cost Ratio	$D \div C \times 100$	$365,000 \div 914,000 \times 100 =$	39.9%	> 40%	< 25%
13. Overhead Cost Ratio	$(F + G) \div C$	$327,000 \div 914,000 \times 100 =$	35.8%	> 40%	< 30%
14. Finance Cost Ratio	$I \div C \times 100$	$84,000 \div 914,000 \times 100 =$	9.2%	> 15%	< 5%
15. Depreciation Ratio	$G \div C \times 100$	$67,000 \div 914,000 \times 100 =$	7.3%	> 20%	< 10%
Debt Servicing Ratios:					
16. Interest Cover Ratio	$H \div I$	$222,000 \div 84,000 =$	2.6 times	< 1 time	> 2 times
17. Term Debt & Lease Cover	$(L+I+G)/XX^*$	$(47,600 + 84,000 + 67,000) \div 144,000 =$	1.4 times	< 1 time	> 1.5 times

XX* equals total annual principal and interest payments, plus any leasing costs (assumed here as \$144,000).

Source: Tony Hudson, Hudson Facilitation

17. 17 Term Debt & Lease Cover:

(NPAT + finance costs + depreciation) / (total principal and interest payments plus leasing costs):
Times covered

Interpreting the figures

Liquidity

The business has adequate cash reserves for now, but is poorly positioned to meet any unexpected costs. Reliance on fodder to provide working capital is risky. The overdraft limit should be known as this will provide additional working capital in the short term, but debt structure may need to be considered in the medium term.

Solvency

This is towards the risky end for debt and equity position. The business may have recently borrowed to expand, or possibly been through one or several challenging seasons requiring finance to cover costs. No cause for alarm, but would like to see several years' results and analyse trends over time. Either of these events could also explain the tight cash position.

Profitability

This is not strong, but within a reasonable range for all ratios, except for net profit ratio, suggesting a high proportion of gross revenue is paid in finance costs. Reducing debt (if possible) will remedy this. Again, these ratios may reflect a business which has recently geared up for some reason – this would also explain the medium ROC and ROE figures.

Cost efficiency

Generally, this is at the poor end of the scale, particularly for overhead and input costs. Compared to cost efficient businesses, this one is not creating adequate revenue for the costs it incurs. Options are to increase revenue (production or price) from the same cost base, or to cut costs somehow. Use of production benchmarks will quickly isolate whether the issue is yield related, price related or poor cost control.

Debt Servicing

Despite the relatively poor results in each previous section, this business is actually quite well placed to meet its financial commitments and reduce debt, or invest in efficiency gains to improve profitability.

In summary, the above business has performed at a less than optimal level in the year under analysis. While it can meet its financial commitments, it is using resources inefficiently to generate profit. Increasing gross revenue at the same cost base is a simple remedy to almost every financial ratio – it reduces the cost of production.

However, two key target areas are identified above - input costs and overhead costs. Given gross revenue is a simple function of yield and price, either of these two issues can be quickly confirmed or dismissed with some district benchmarking comparison. If neither is identified as being poor, then we need to look more closely at management performance – are we spending money unnecessarily, or could we manage operations more efficiently? Lack of scale of the business may also contribute to higher costs per unit of production – expansion may actually be the answer.

Remember – looking at one year in isolation can be of limited value. You should compare a number of years' ratios and look for trends over time. Is equity eroding, is cash becoming increasingly tight, generally are the ratios improving or deteriorating? Poor ratios are not necessarily a cause for concern, as long as they can be explained. Most businesses would see equity and likely return on equity reduce for a few years after an additional land purchase, but if after 3-5 years, things had not improved, there may be real concern. Context is critical!

Other useful resources

Other related factsheets in this Farm Business Management series can be found on the GRDC website <https://grdc.com.au/resources-and-publications/all-publications/farm-business-management-manuals>

LIEBE GROUP TEAM

Executive Officer

Bec McGregor
(08) 9661 1907
eo@liebegroup.org.au

Administration & Communications Officer

Danielle Hipwell
(08) 9661 1907
admin@liebegroup.org.au

Finance Manager

Sophie Carlshausen
sophie@liebegroup.org.au

Development & Support Officer

Rebecca Wallis
rebeccawallis01@gmail.com

Liebe Group
PO Box 340, Dalwallinu WA 6609
Phone: (08) 9661 1907

www.liebegroup.org.au



CALENDAR OF EVENTS

Event	Date	Location
Bitesize Learning: Microsoft Excel	Tuesday 2nd July	Liebe Group Office
Post Seeding Field Walk	Wednesday 25th July	Main Trial Site, Watheroo
Spring Field Day	Thursday 12th September	Main Trial Site, Watheroo

Disclaimer:

Any recommendations, suggestions or opinions in this publication do not necessarily represent the policy or views of the Liebe Group. No person should act on the basis of the contents of this publication without first obtaining specific independent professional advice. The Liebe Group will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on the information in this publication. Reproduction of articles is generally permitted, however, please seek approval from the Liebe Group before doing so.