

# Drought

Drought: Continuous dry weather

Continuous : Connected throughout in space or time, without interval or break.

# Bogandillan

- Bogandillan is a 2650h farm situated half way between Urana and Rand.
- 75% of Bogandillan is under crop
- 1000 merino ewes and 1000 weaners
- Further 600h purchased in last 4 years
- Sharefarm 300h 15km nth of rand
- Contract seed 370h at Bidgeemia

# Dry Years +





# Wet Years



=Average?



# What is Average

- 1996/2001    Canola 1.6t/h    Wheat 3.9t/h
- 2002/2008    Canola 0.8t/h    Wheat 2.0t/h
- 1996/2008    Canola 1.1t/h    Wheat 2.5t/h

# Growing Season Rainfall

- Average GSR is 295mm in my area
- In 119 yrs the recorded GSR has been below 150mm on only 9 occasions
- It took 112 yrs for this event to occur 5 times.
- This event has occurred on another 4 occasions in the last 7 years (02,06,07,08)

# What Has The Drought Caused

- :Break crops have become an expensive fallow.
- :Wheat has averaged 20% of the long term average for the last 3 years
- : Livestock issues regarding fodder and water, leading to cutting sheep no's by 60%



# What has been the effect on Bogandillan

- Equity Stress
- Equity prior to drought 80%
- Now under 60% and will be 50% by sept 2009
- Equity isn't everything.
- Provides financial buffer in drought

# Drought Strategy for Bogandillan

- 1 Give up
- 2 Get on the drink and pretend that we're not losing a lot of money
- 3 Get someone independent in to look at the business operation and structure
  
- Important to identify that the drought is the main issue as there may be other factors that are impacting the business.

# Strengths

- Operational scale
- Will to continue
- Prepared to adapt to change

# Weaknesses

- Weakness: Low Equity
- :Ageing Equipment
- :Decline of Wool industry (lack of diversity)
- :Decline of Billabong Creek as a stock and domestic supply

# Opportunities

- :Increase plant available water
  - :GM crops
  - : VR MAP and Urea
  - : Increase cropped area on flood plain



# Threats

- Continuation of the drought
- Decline in land values

# Focus on what we can do

- Prepare the machinery for seeding
- Do a Budget (work out when your peak debt will occur)
- Get finance in place early (Allow for adequate inputs)
- Do at least some soil testing
- The next six weeks can help set up a timely and efficient seeding season

# I'm too busy (Bullshit)

- Get involved in something outside the farm
- 168 hours – 60 hrs work
  - - 56 hrs sleep
  - - 14 hrs meals etc
  - - 15 hrs Relax/paper/tv
- Total 145 hrs
- At Least 23 hrs available
- (service clubs,sports,community projects etc)

# Exercise

- Make sure that you are doing something active a few times a week
- Pushing an auto steer button doesn't constitute hard work
- Take the dog for a walk he will love it and you will be better for it
- We are working longer hours in farming but getting less exercise

# Perspective

- This is a very severe drought
- It is hurting many farmers and communities
- Whats really important
- Watch out for your mates
- Social Isolation
- Depression
- Restructure is NOT failure



# Future

- The drought will end (prediction May 2009)
- Grain values are looking sound and have hopefully found a new floor
- Agriculture has out performed other sectors in previous recessions
- Input costs are coming down
- Interest rates are down

GOOD LUCK FOR 2009

