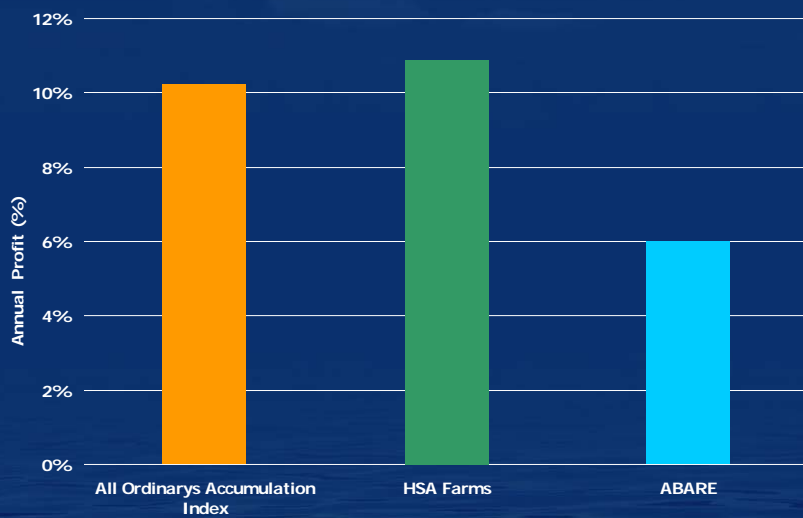


What do the good farm businesses do?

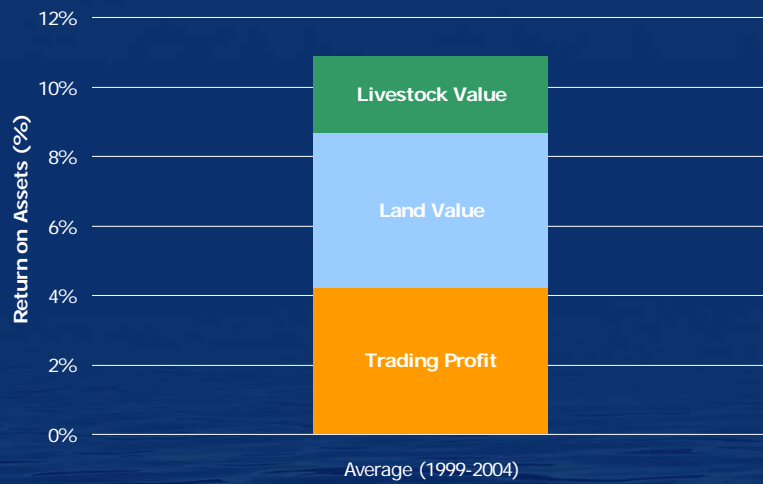
Fenner Conference on the Environment

David Sackett

1. They manage for profit



Where does the profit come from?



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How do they achieve profits?

- Low cost producers
- High productivity



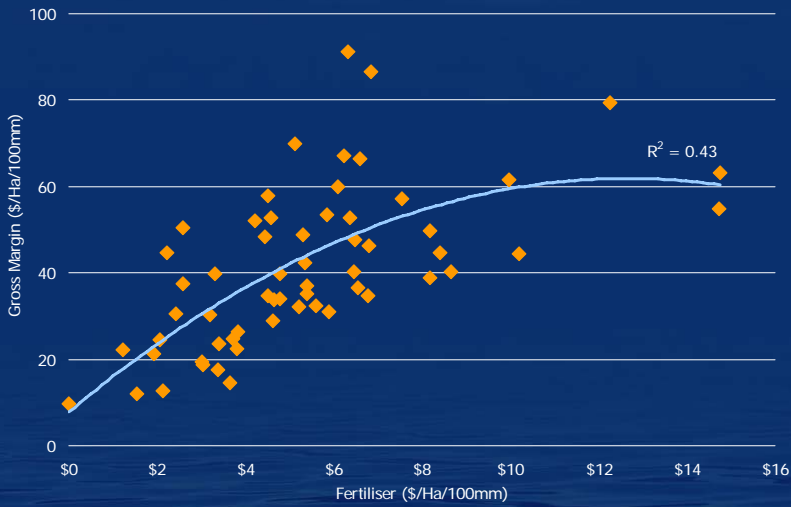
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They get the detail right

	Average	Top 20%
Total Income	\$544	\$715
Enterprise Expenses	\$243	\$240
Gross Margin	\$301	\$475

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Livestock – greater disparity



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They are only prepared to do so much for the love of it

	Gross Margin/Ha
Wool	\$165
Wheat	\$178
Kangaroo	-\$28



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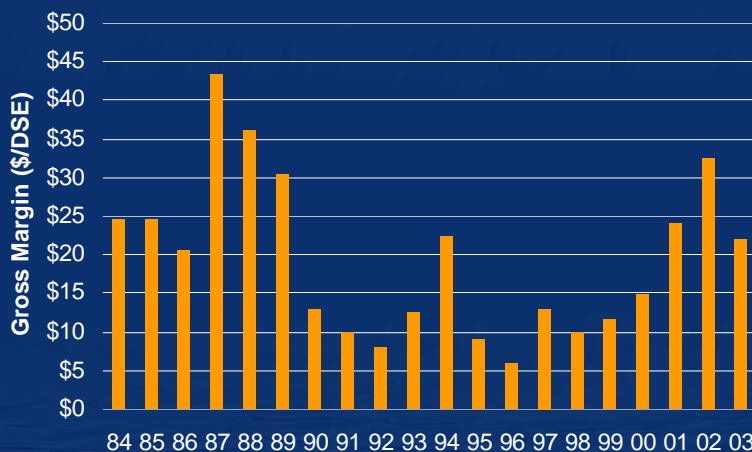
2. They have clear strategies

- Strategic
- Tactical
- Climate change?



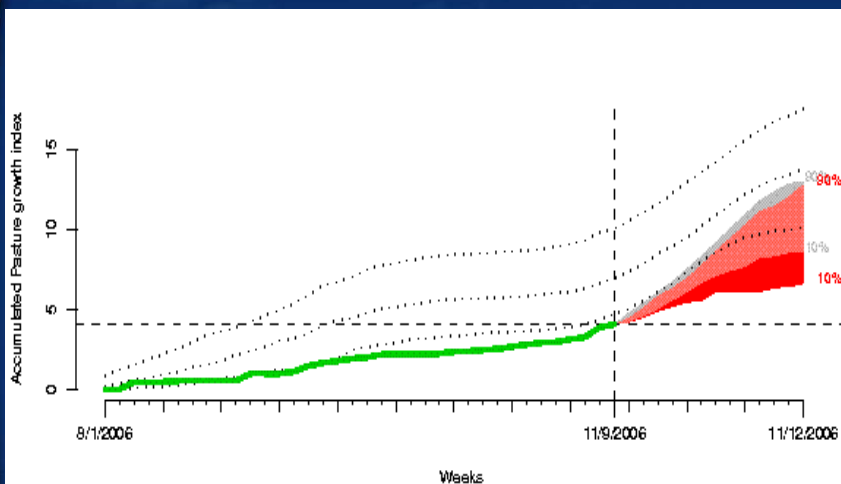
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Be prepared



Source: Ashley Herbert & Kevin Bell WA

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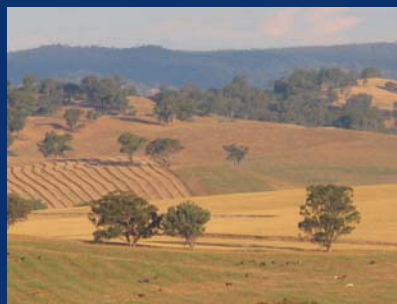


Past years with similar Sea Surface Temperatures at the same time of year:
1902 1914 1925 1976 1989 1997 1991 1998 2002 2003 2005

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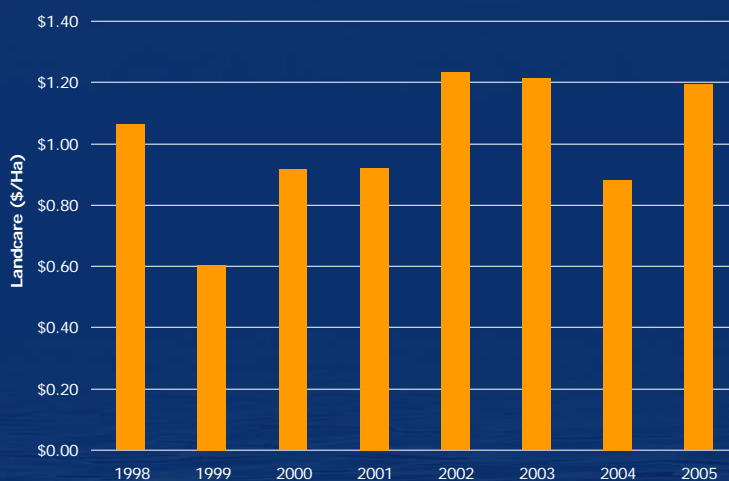
3. They are good environmental managers

- Within farm
- Catchment/regional ??



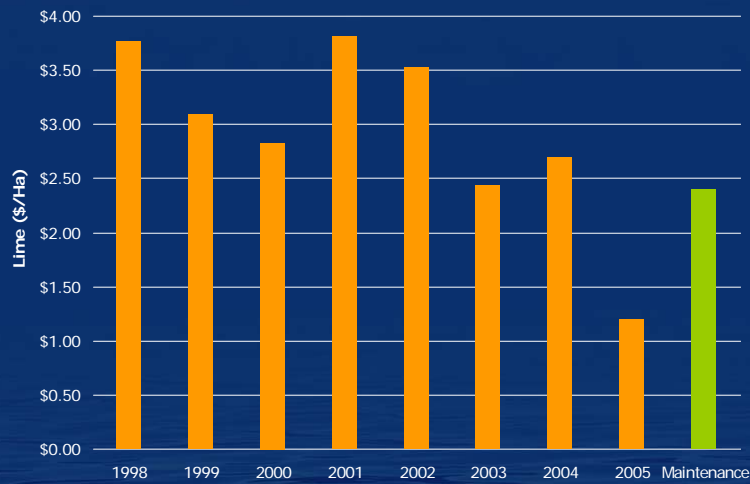
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Landcare expenditure



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Lime inputs exceed maintenance



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4. They are professional

- They want change
- Understand key issues (avoid distractions)
- They want evidence



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In summary

- Good farmers make good money
- Productivity gains exceed terms of trade
- Environmental and agricultural outcomes often align but not always
- Evidence and \$\$ go a long way to change minds

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