

ASHEEP NEWS



Case Study: Entrepreneurship - Grains, Pellets & Feedlotting

ASHEEP interviews Neil Wandel

Neil and Mary Wandel moved to Esperance from South Australia in 1979. Neil had been shearing from the age of 16, and together they had started a family and owned 600 acres of land in SA when they made the bold decision to lift roots and cross state boundaries. They set their sights on 2000 acres that was 75% cleared, with Neil declaring it would set the whole family up and be the only land they'd ever need to buy. Fast forward to the present and many additional hectares later, the Wandels have established an enterprise that includes several farms and a grain cleaning, drying, containerisation and feed supply business. It's the classic spirit of entrepreneurship that has founded so much of Esperance's agricultural sector.

Business Overview:

On the farming side, Neil and Mary currently operate two properties that form the basis of their sheep, cattle and cropping enterprise. The first of these, "Yuwandi", is located in Neridup, with sandplain soils and an average annual rainfall of around 600mm. The second farm is leased in Dalyup, also in the sandplain with an average rainfall of 520mm. Neil estimate the farms are split 40% cropping / 60% sheep and cattle. The cropping program is half canola with the remainder going into wheat, barley, and lupins. The stock operation incorporates lamb feedlotting, backgrounding cattle, and a breeding program (150 dorper-cross ewes plus 500 angus cows to bulls from Coonamble & Allegría Park). Neil and Mary also own farms that they lease out to two of their sons, Scott and Mark, who have their own farming operations.

Image: Neil Wandel.

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In 2002, Neil and Mary expanded their operation to establish Esperance Quality Grains, a business based in Esperance offering grain cleaning and drying services, as well as exporting containerised legumes, and supplying feed grains and pellets.

It has been a great opportunity to get an insight from Neil into how these businesses operate and our thanks go to him for sharing his time and thoughts. Over to Neil.

Lamb Feedlot:

The lamb feedlot is based in Dalyup and we've set it up to finish 5000 lambs. Our breeding flock tops it up, but the bulk of the lambs are sourced locally and up to the Wheatbelt. The preference is to buy direct from farms, but we'll also look at the Katanning sales if we need to. The risk there is the increased chance of picking up issues like lice.

As far as breed, we mainly buy in merinos with some crossbred. The right type of merino feed well and it's surprising the portion of income that comes from wool. I look for a merino that's long bodied with free growing wool as they stack the weight on. Some lines do really well, and you can clearly see how different genetics perform under the same conditions.

Finished lambs are sold direct to WAMMCO. We invested in an auto-weigher and drafter (\$25K), which can run through 300 – 400 lambs per hour. Lambs are weighed after they've been on feed for 4 weeks, we draft out anything under 45kg – 52kg. The aim is to bring them up to 55kg. A challenge that has come up recently is that it can be hard to get space at the abattoir due to COVID.

Cattle Backgrounding:

We buy in and background around 500 cattle that we run in 20-30ha paddocks. We look for cattle at 300-320kg and our main model is to turn them off at 370-400kg to feedlot for finishing. Todd Fotheringham often takes a lot of them. This year it has been hard to find lighter cattle to buy, so we opted for more medium weight cattle (350-380kg) that we fed on to 450kg and sold into a feedlot in SA that takes heavy cattle. Our general aim is to try to buy at the same price or less per kilo than what we'll be able to sell them for.

We source cattle in from a range of markets - Mt Barker, Boyanup, and locally. We'll buy different breeds, but the secret with feeding stock is that it's very important buy the right type of animal, and to have the right buyer representing you. We have a good relationship with an independent buyer that has worked well for us.

Pellet System:

In the past we've incorporated grain into the ration for the lambs and cattle, but we've gone away from that into pellets. We ran a trial 2 years ago where I split 250 steers that had been running on a millet paddock. 125 went onto a grain ration (wheat / barley / legume mix rolled together through a roller mill) and ad-lib hay. The remaining 125 went onto pellets (hay is not needed for cattle on a pellet ration). They were weighed after 40 days, and both had put on an average of 60kg per head. I worked out the feed costs and the pellet mix sat at \$2.60 per/kilo of cattle weight gain. The grain ration came in cheaper at \$2.55 per/kilo of weight gain (including grain, hay and labour to roll the mix), but there's a risk of losing 1-2% of the cattle as they transition to grain. At the end of the day, we decided to move to pellets considering that there's no risk of poisoning, no waste (some grain passes through cattle), and a lot less labour involved without having to roll grain.

Images: Above - Neil and Mary Wandel. Below - Loading containers at Esperance Quality Grains.

Farm Snapshot

Business Name: Willawayup Farms & Esperance Quality Grains

Enterprise Mix: 40% cropping, 60% stock, grain cleaning, drying, containerisation and feed supply.

Location: Neridup, Dalyup, business in Esperance town.

Av. Annual Rainfall: 520 – 600mm

Stock: Dorper-cross sheep, angus cattle, plus mixed breeds bought in.

Soil: Sandplain

Feedbase: Serradella / clover pastures, feedlotting, pellets.



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Our feed system for cattle backgrounding is to put them into small paddocks with stubbles and pellets in feeders. They have a 'starter pellet' for a week that is then changed out for a 'finishing pellet', both tailored to cattle. The lambs in the feedlot get the same transition program but tailored to sheep. It's critical that the lambs get the right pellet transition, but not as much with the cattle as they are better at adapting. We bring the pellets in from Kojonup Feeds where they are milled. We truck lupins up and bring pellets back, and we also sell them through Esperance Quality Grains.

Paddock Feedbase:

Our breeding stock get access to serradella-based pastures with some clover, and we've also been crop grazing Moby barley over the last couple of years. We used to farm in Munglinup where we harvested a lot of serradella and we've been using that seed to build up the pastures in Neridup and Dalyup. It seems to suit the country. The mix is 25% Margarita / 75% Cadiz, we sell a bit of it too. Cadiz is an older, soft-seeded variety that will come up but won't persist well the following year. A lot the seed gets mixed in when we spread fertiliser in February and thrown onto the paddock that way. We also spread Alosca out over the pastures, which works but it's not as efficient as sowing it with the seed. I try to get a mixture of legumes and grass in the pastures. I'm not afraid of ryegrass – continuous croppers don't like it but it's not a problem in our system.

We make our own silage and hay, which is fed to stock and is part of our drought management planning. We've had a good run but it's good to be prepared. We currently have about 1200 tonne of silage in a pit and 200 tonne rolled. I'm comfortable with confinement feeding and it's there if we need it. We have a greater focus on silage compared to hay, with reasons being that we can cut it earlier, turn poorer quality grass into silage, get a regrowth, and it's good to have something left in the paddock rather than cutting it all away at the end of the season for hay.

Animal health considerations?

On entry to the feedlot lambs are drenched and given a pulpy kidney needle. Since we've been doing that losses have halved. We were finding we'd lose lambs to pulpy kidney just before they were ready to sell. Fly control is a big issue in the spring.

With the cattle we give multimin to the weaners and 7in1. They're also treated twice a year for lice and drenched, generally at marking and then again in the spring if needed. Bought in cattle are drenched on arrival and it's important that they're not in calf. I like to buy yard-weaned cattle, and we follow that practice for our own cattle over 10 days with some magnesium in their water and lick feeds to settle them. As far as buying bulls we are very selective for feet and in the herd, we cull heavily for feet - it's an issue on the sandplain if there's any sign of weakness.

Grain cleaning, drying, containerisation and feed supply:

Esperance Quality Grains is built around grain cleaning, drying, storage and exporting containerised grain. We also sell pellets, feed grain and mineral supplements. The business has a team of 6 full time staff, who are kept very busy for three months of the year during harvest when we operate 24/7.

Exporting containerised grain is something we've been doing for the last few years, predominantly with pulses. Each container takes 25 tonne and we're currently delivering 2500 – 3000 tonne out of the port each month. Our first buyer came from a contact that was made on a SEPWA tour to China and passed on to me, at that time he had the view that peas out of WA were rubbish. I now sell him peas every couple of months which he repacks into small bags and on-sells for racing pigeon feed. Most of the customers I have are via word of mouth and a lot of the trading is on WhatsApp. It's high risk with low margin, but I've always enjoyed doing deals.



Above: Neil with Zoe, who worked with the Wandels over harvest.



Your key focuses for running a successful operation?

Having the right people is key. Mary looks after all the finances for the farm. We have a Farm Manager, Bruce Haggety, and Daryl Gifford manages Esperance Quality Grains. We have a great team of people that work with them.

Another focus is that I like to see my stock in good condition. I will hand feed earlier than most and when the heifers are calving I 'float' off any that have calved every 2-3 days and put them in a separate paddock with a pellet feeder. Keeping the heifers in good condition with good nutrition has been very successful. 96% of the first calvers were back in calf last year. We calve in February, so we generally don't have green feed on hand.

In our early days in Esperance, one of our focuses was that we pushed to buy land. That's enabled us to support two of our sons to farm, and we've also bought farms that we've restored and sold. I've always believed that Esperance land has been cheap.

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Focuses for the future?

When do I retire? That's the question my wife asks me. Not yet.

We're looking at investing in a colour sorter for Esperance Quality Grains to help us access the top premium markets for export. The best sorters can check for both colour and shape. We're also expanding our grain storage capacity having just bought a block of land where we'll build a big grain shed. Another thing under consideration is value-adding the waste we get from our business (canola husk, fine seed, etc). We'll have to manage the risk of contamination, but I've bought a big feed mixing wagon to see what we can do there.

At the Neridup farm we have some signs of waterlogging that I hope to address by planting more lucerne in a 3-to-4-year phase to also clean up grasses. We're also incorporating summer crops - if I get a pasture that does not look good in September, we'll spray it out and put it into millet.

With sheep breeding we're transitioning away from dorpers by putting Australian White rams over them. We've found the dorpers put on too much weight and don't have great lambing rates. The rams are in all year around and the lambs go into the feedlot when they're ready.

Looking at MLA's Carbon Neutral 2030 target, we have considered how some of our practices might impact climate change but haven't done an audit. We have a conservative stocking rate and the organic carbon level in our soils is going up more than down. We never burn any stubbles and don't cut too much for straw - we only bale what we need for emergencies. I think we could be planting more trees by putting the swampy / low lying areas back into them. Every bit helps.

You have held some key leadership roles in industry throughout the years, as a Founding Chair of the Pulse Association of the South East (PASE) and as a board member of CBH for 12 years with 5 as Chair. Do you have any thoughts for others on taking up these kinds of positions?

People should get involved. It's critical for our industry. You can start with a grower group on a local level and look at other options from there. It's a great way to learn, mix with new people, and get exposure to different ideas. The beauty of Esperance is that people are happy to share their ideas. There are some exceptional young farmers out there and I'd encourage them to step forward when opportunities arise.

One of the most valuable things that I did in taking on more public roles was a couple of public speaking courses. I also did a week training in Melbourne on marketing (futures trading, networking, etc). It was invaluable to building my understanding of risk management. I think growers should spend more time understanding risk and risk mitigation. Too many pay an advisor, get closer to it.



Biggest challenges and opportunities for the industry moving forward?

I think we have real threat from biosecurity, it has always concerned me. If Foot and Mouth gets to Australia it will be devastating. Input costs (such as fertiliser, chemical) are another challenge. It's fine if we get a good finish, but if there's a wet winter and the crop is underwater there's a lot more financial exposure. It's reasons like these that I keep a balance between cropping and stock.

We need a solution to the labour shortage. We have a great industry and I'm not sure why more young people are not attracted to it. There's great money, package benefits, and a good lifestyle. There are brilliant opportunities and we need to fix that disconnect.

We're currently seeing a real boom with pricing and with some of the research that's coming through with soils there's great opportunity for people to be increasing productivity by fixing the worst parts of their paddocks.

It's a very exciting time to be in farming, I see opportunities and I enjoy the challenge.

Left: Neil and grandson Tom.