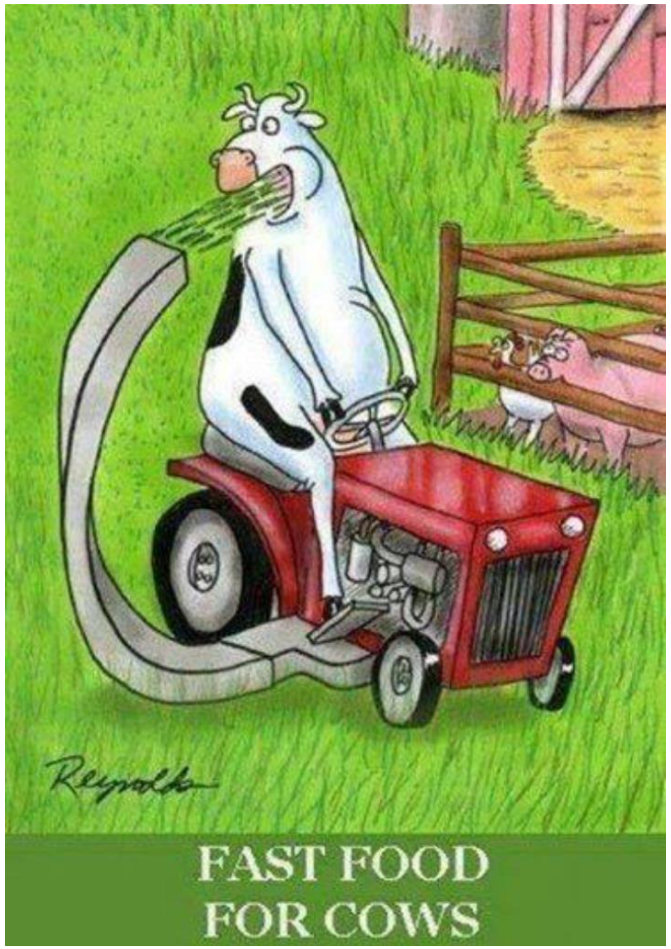
DRF Symposium

26th July 2017



Perich Group

“While others focus on the past or present, we build the future”

Family

- 3rd Generation farmer
- Grandfather immigrated from Croatia - 1938
- In 1951 he decided to start 25 milking cows
- At that time he quickly worked out that he wasn't going to succeed and support his family if they didn't grow
- Father and Uncle grew the business with limited schooling
- Over a number of years more properties and cows were purchased to expand the milking herd
- By 1991 we were milking 3,000 cows on 3 different properties
- Vertical and horizontal integration has been key

Dairying

- 1993, Federal Government resumed land for second airport
- 1998 Government finally settled
- 1999 new US based facility started being built
- 2000 new facility started with 1,000 cows
- 2001 existing operation was closed to milk 2,000 at new facility
- 2010 last conventional dairy closed to enable more home grown forage
- 2015 formed Australian Fresh Milk Holdings. 3,500 cows
  - Strategic alignment of all 4 shareholders
  - Management of 6,000 cows at Gooloogong
- 2017 ?

Business ventures

- Cleaning chicken sheds and selling manure to farms
- Cleaning saw mills to use by product for bedding
- Bagging of by product to sell to consumers
- Pelletising of poultry manure to sell
- Follow poultry farms as they move to different sites
- Destruction of used pallets into bedding material

Business ventures

- Motor racing circuit
  - Run on the major weekends by family members
  - Farming philosophy to the business
- Development
  - Industrial
  - Residential
- Food
  - Freedom Foods
  - The a2 milk company
- Agriculture/Food and Development

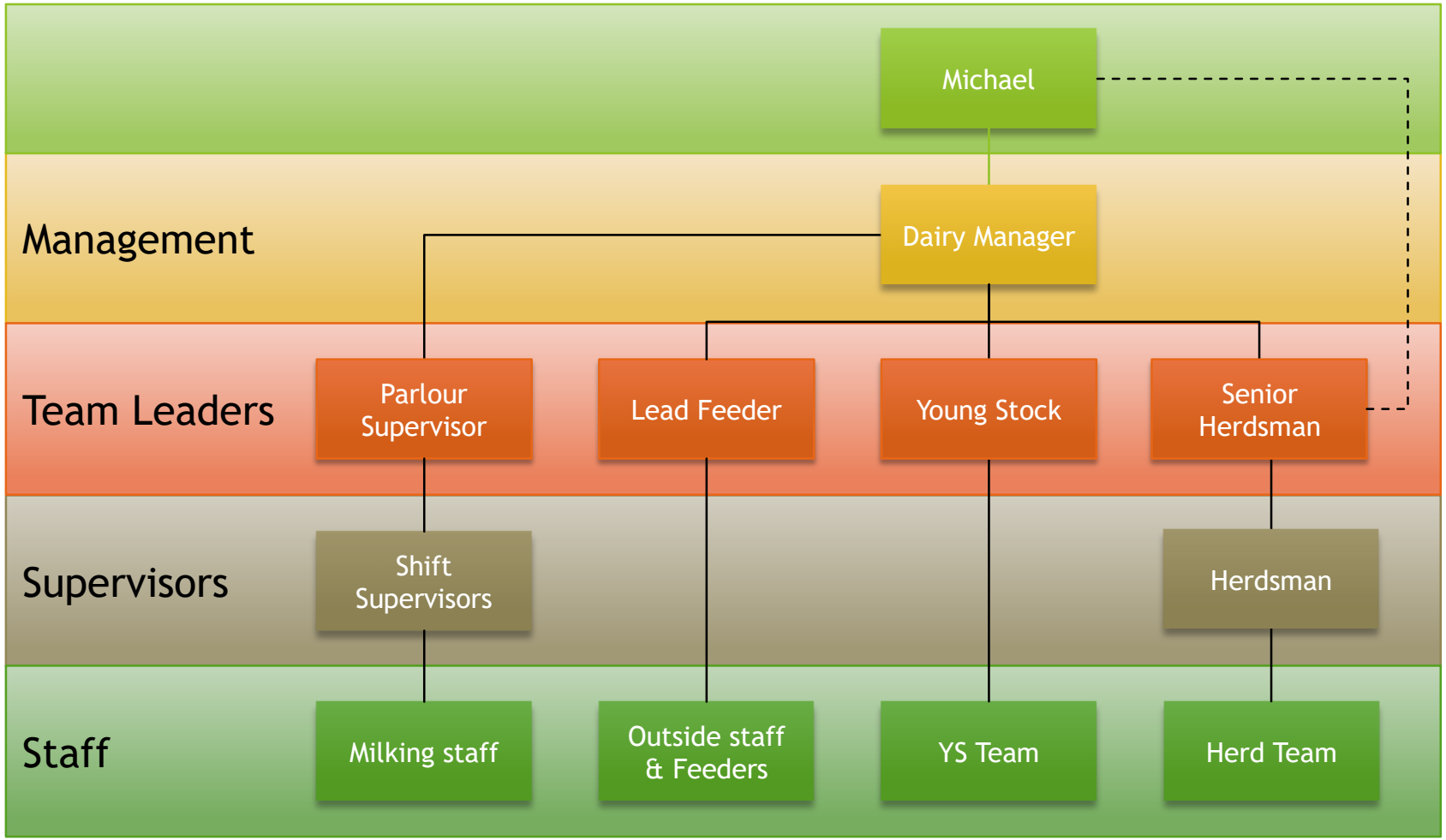
Planning

PLAN AHEAD

IF YOU FAIL TO PLAN,
YOU ARE PLANNING
TO FAIL.
-BENJAMIN FRANKLIN

Structure

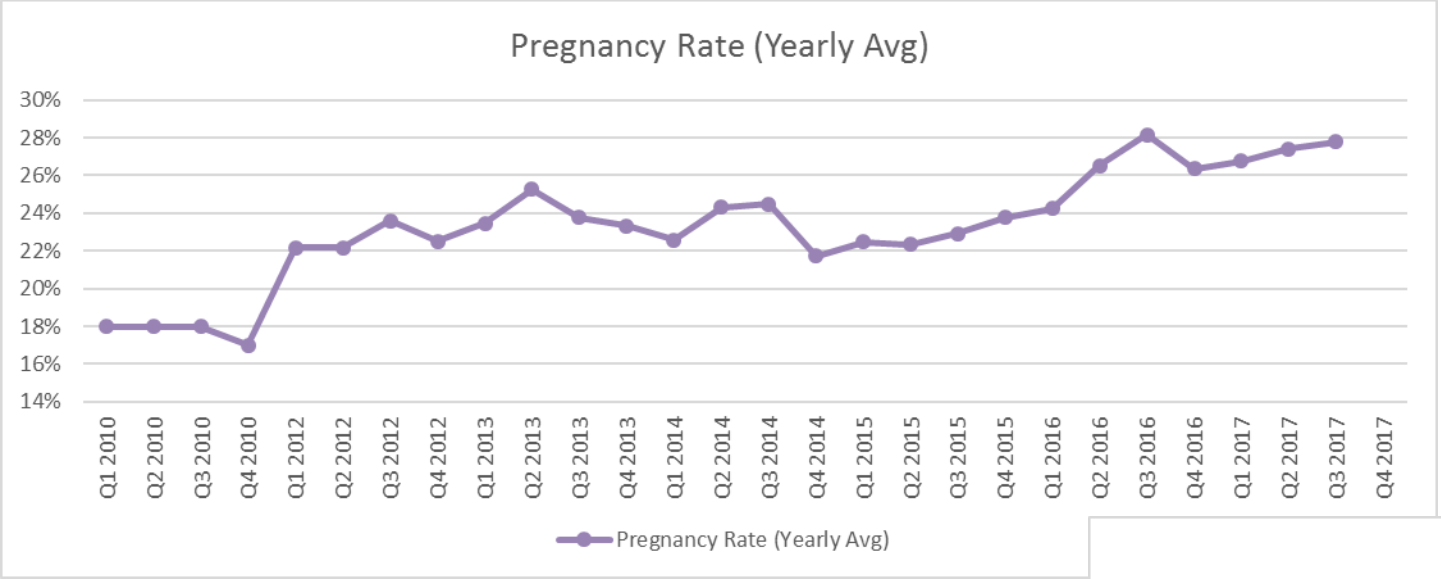
- Position descriptions
  - Clarity around roles

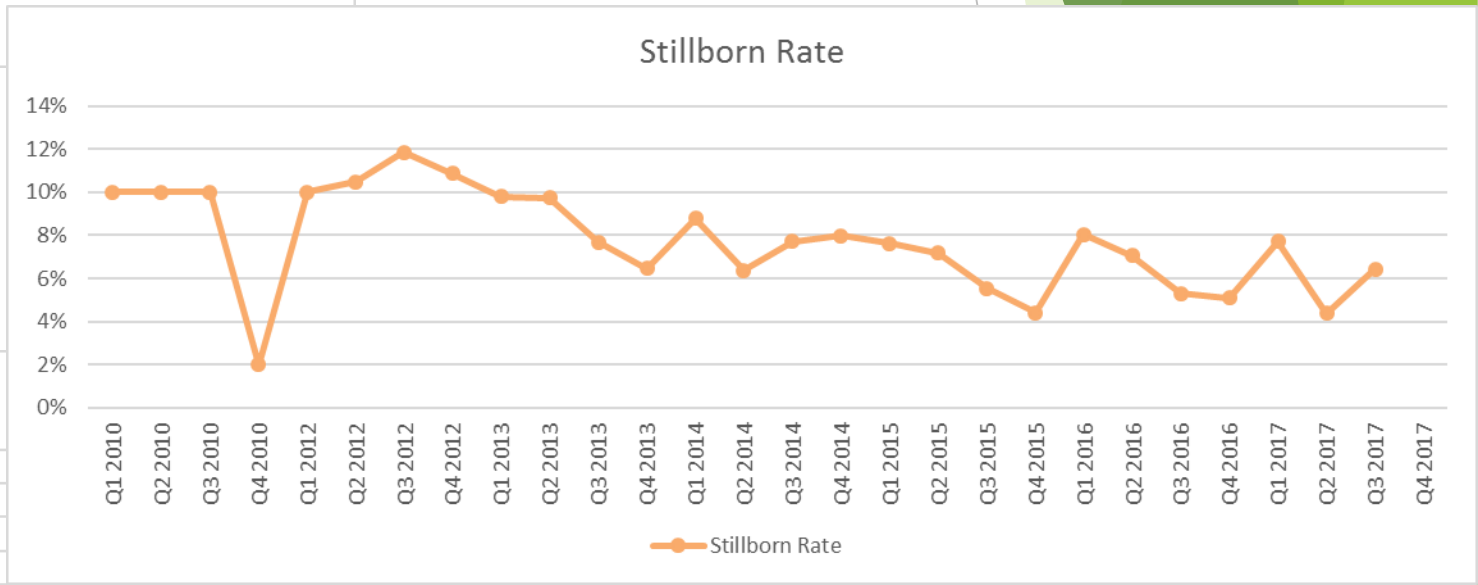

Michael
Management
Dairy Manager
Team Leaders
Parlour Supervisor
Lead Feeder
Young Stock
Senior Herdsman
Supervisors
Shift Supervisors
Herdsman
Staff
Milking staff
Outside staff & Feeders
YS Team
Herd Team

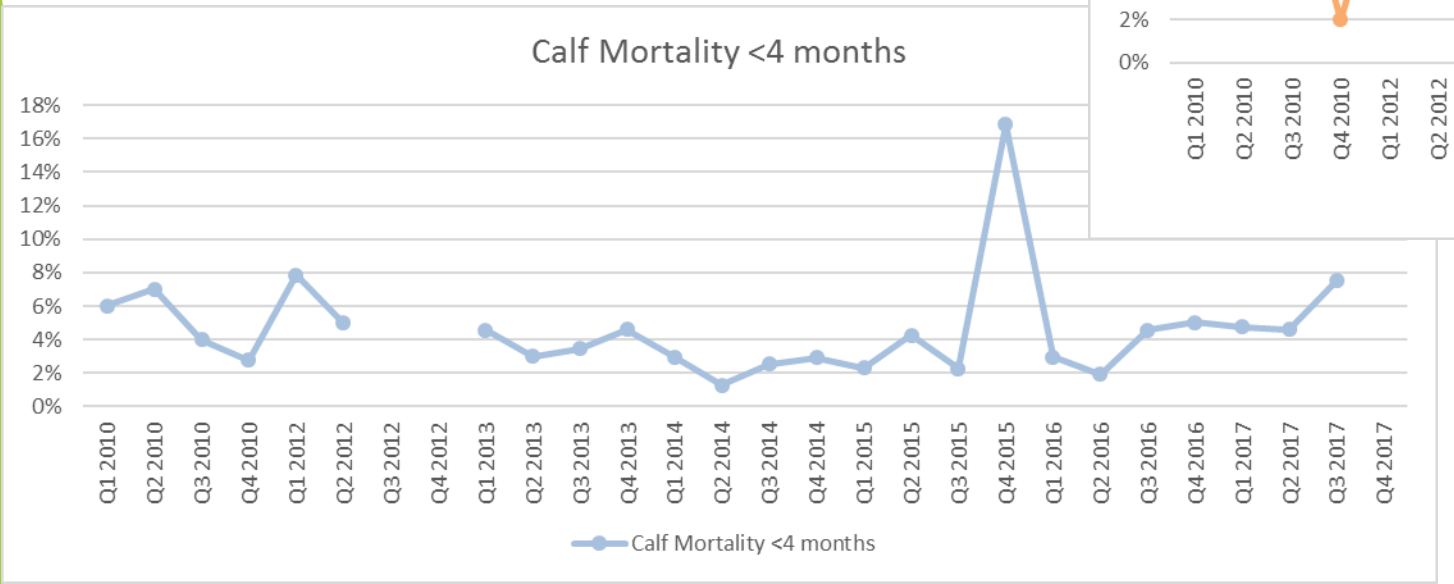
Structure

- Position descriptions
  - Clarity around roles
- KPI’s and incentives
  - Don’t necessarily like them
  - Use them as a tool
  - We have all managers being assessed on the same KPI’s
  - Tracking

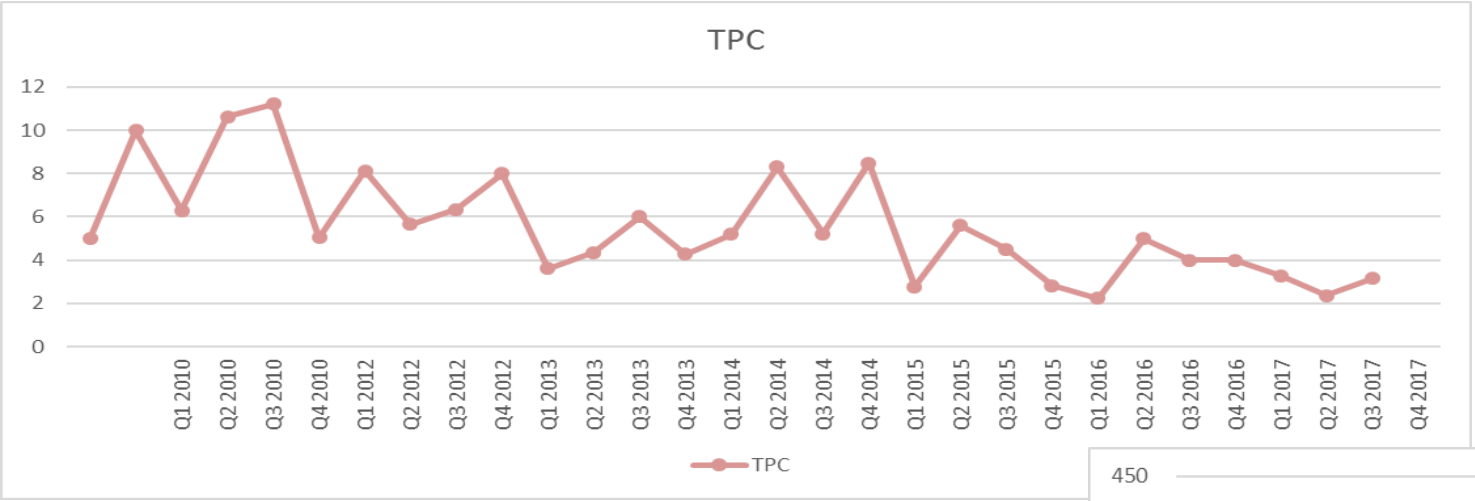
Animal health

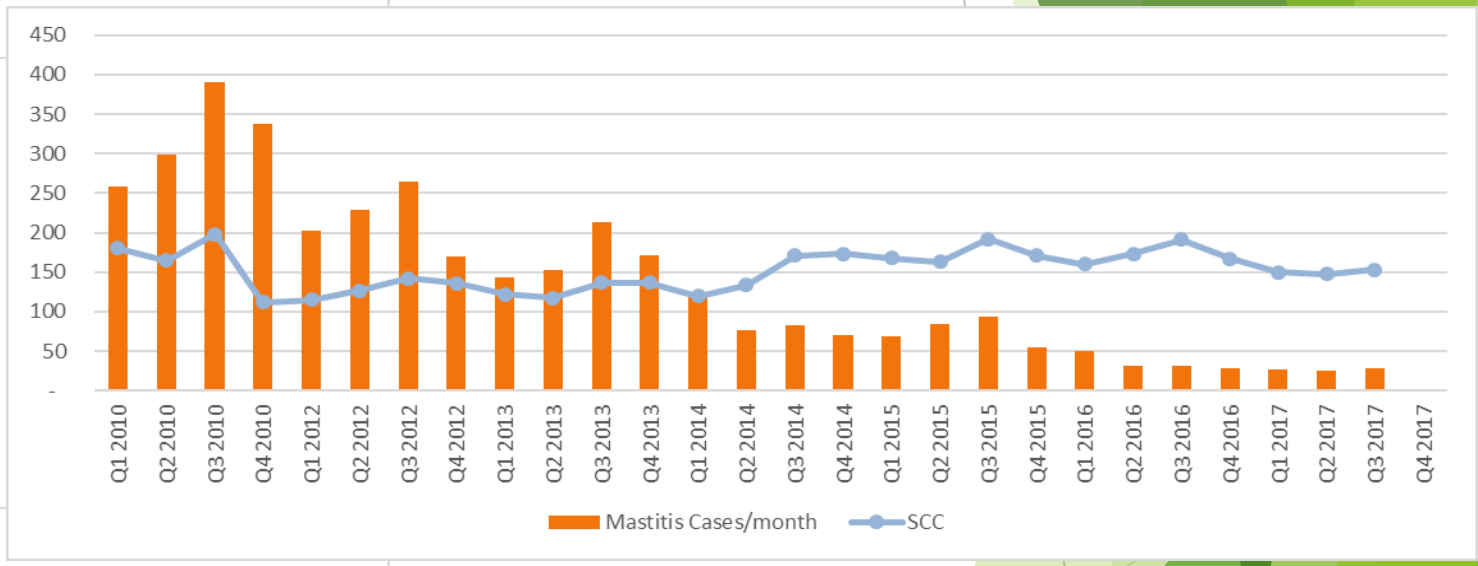


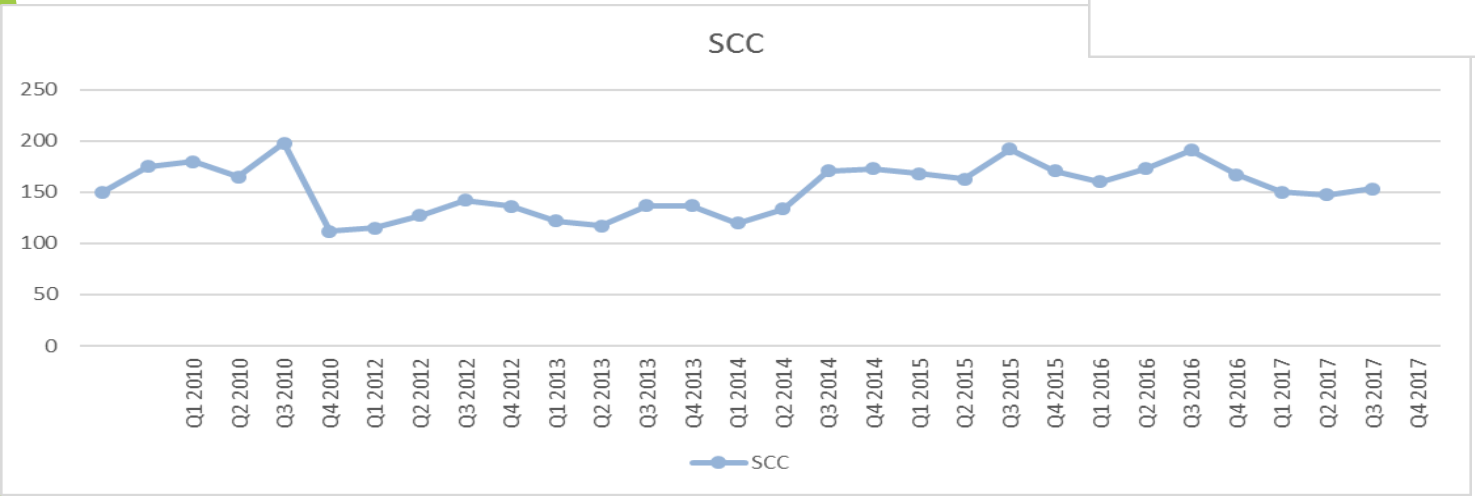




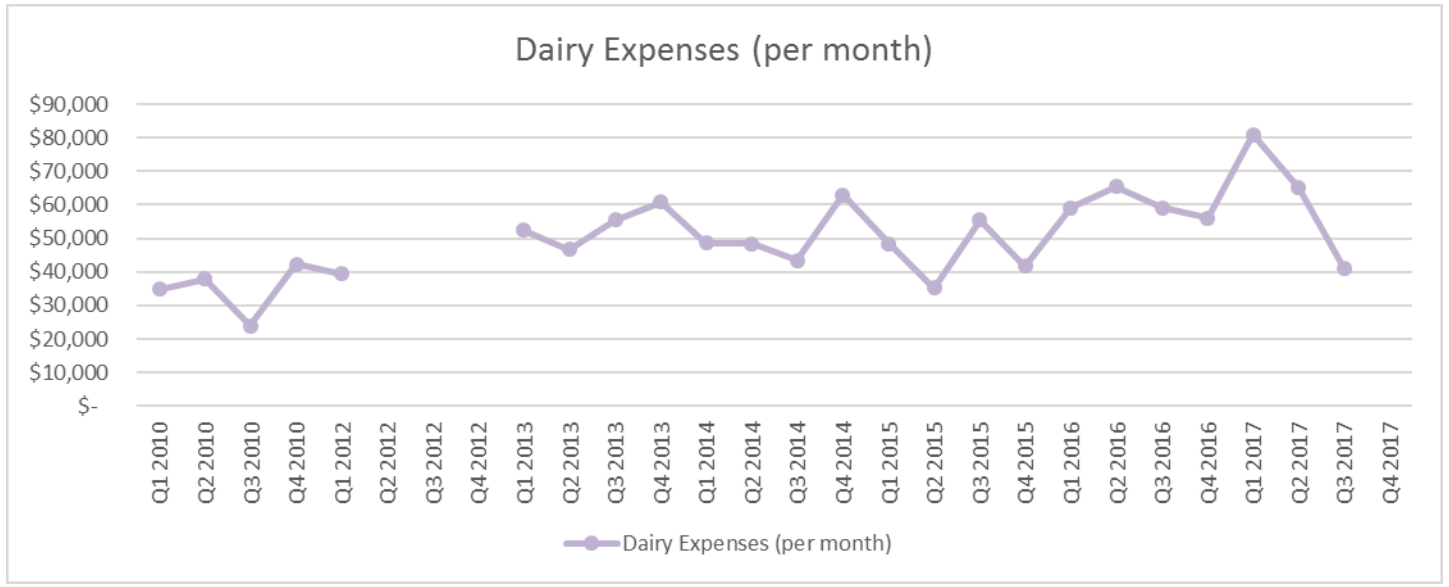
Milk Quality

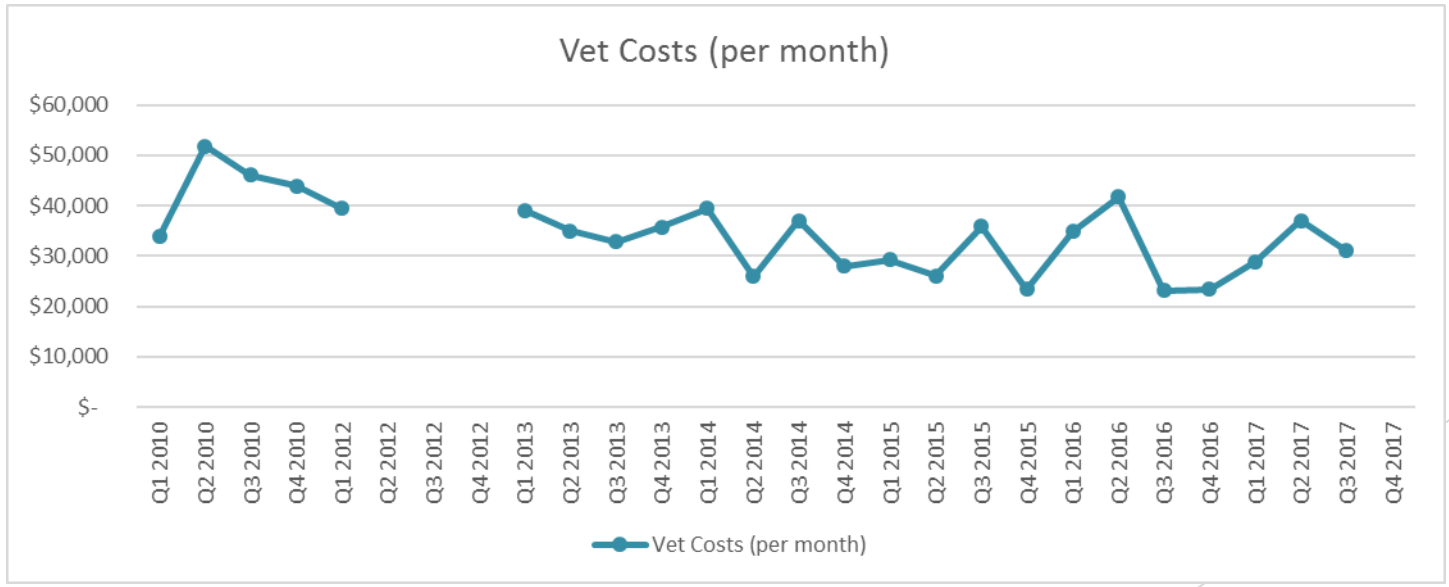




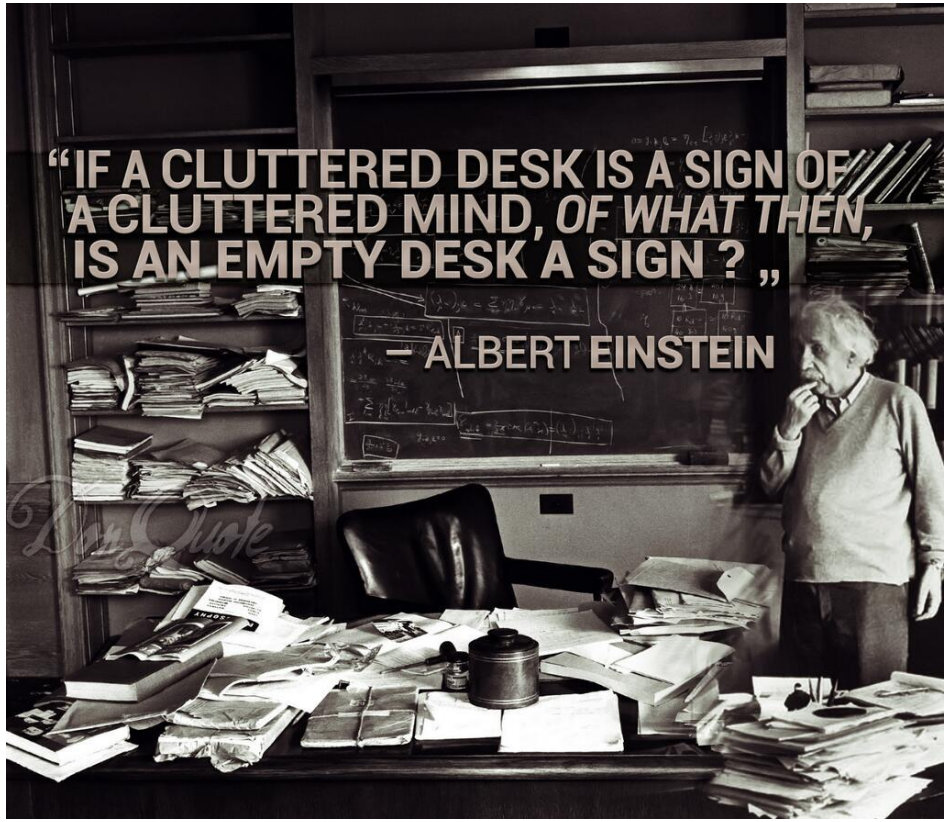


Expenses


Dairy Expenses (per month)
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
Q1 2010
Q2 2010
Q3 2010
Q4 2010
Q1 2012
Q2 2012
Q3 2012
Q4 2012
Q1 2013
Q2 2013
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015
Q2 2015
Q3 2015
Q4 2015
Q1 2016
Q2 2016
Q3 2016
Q4 2016
Q1 2017
Q2 2017
Q3 2017
Q4 2017
Dairy Expenses (per month)


Vet Costs (per month)
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
Q1 2010
Q2 2010
Q3 2010
Q4 2010
Q1 2012
Q2 2012
Q3 2012
Q4 2012
Q1 2013
Q2 2013
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015
Q2 2015
Q3 2015
Q4 2015
Q1 2016
Q2 2016
Q3 2016
Q4 2016
Q1 2017
Q2 2017
Q3 2017
Q4 2017
Vet Costs (per month)

Organised – Not tidy (There is a difference, mum!)



Interaction

- Weekly team meetings
  - Agenda
  - Action items
  - Minutes
  - Weekly report
  - Accountability

Decision Protocol

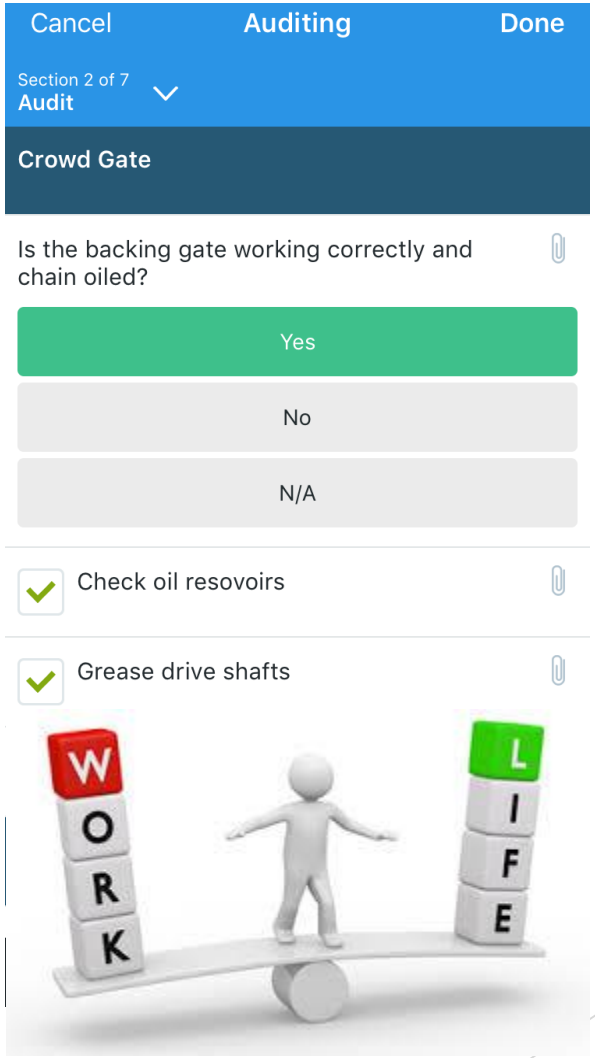
1. Identify the issue
2. What do you believe that this is costing the business and how can we show that?
3. What is the proposal?
   - Consider the benefits and the risks
   - How will it affect the cows?
   - How will it affect the team?
4. What are the risks if we **DON'T** do it.
5. Do you have a cost that will be attributed to this, in time and actual cost?
6. What will we measure to see the change and what will determine if it is successful?
7. How long do we wait?
8. Can we reverse it? If yes, what do you think the costs maybe?

Interaction

- Weekly team meetings
  - Agenda
  - Action items
  - Minutes
  - Weekly report
  - Accountability
- Consultants
  - They will not make a decision, but help you form yours.
  - We are not experts, find people to help form your decision

Training

- Important
- Clear direction
- Helps reduce mistakes
- Checklists
  - Helpful, but can limit people
- Clear goals
  - You
  - Staff
- Staff needs are different
  - Money
  - Time off
  - Hours of work

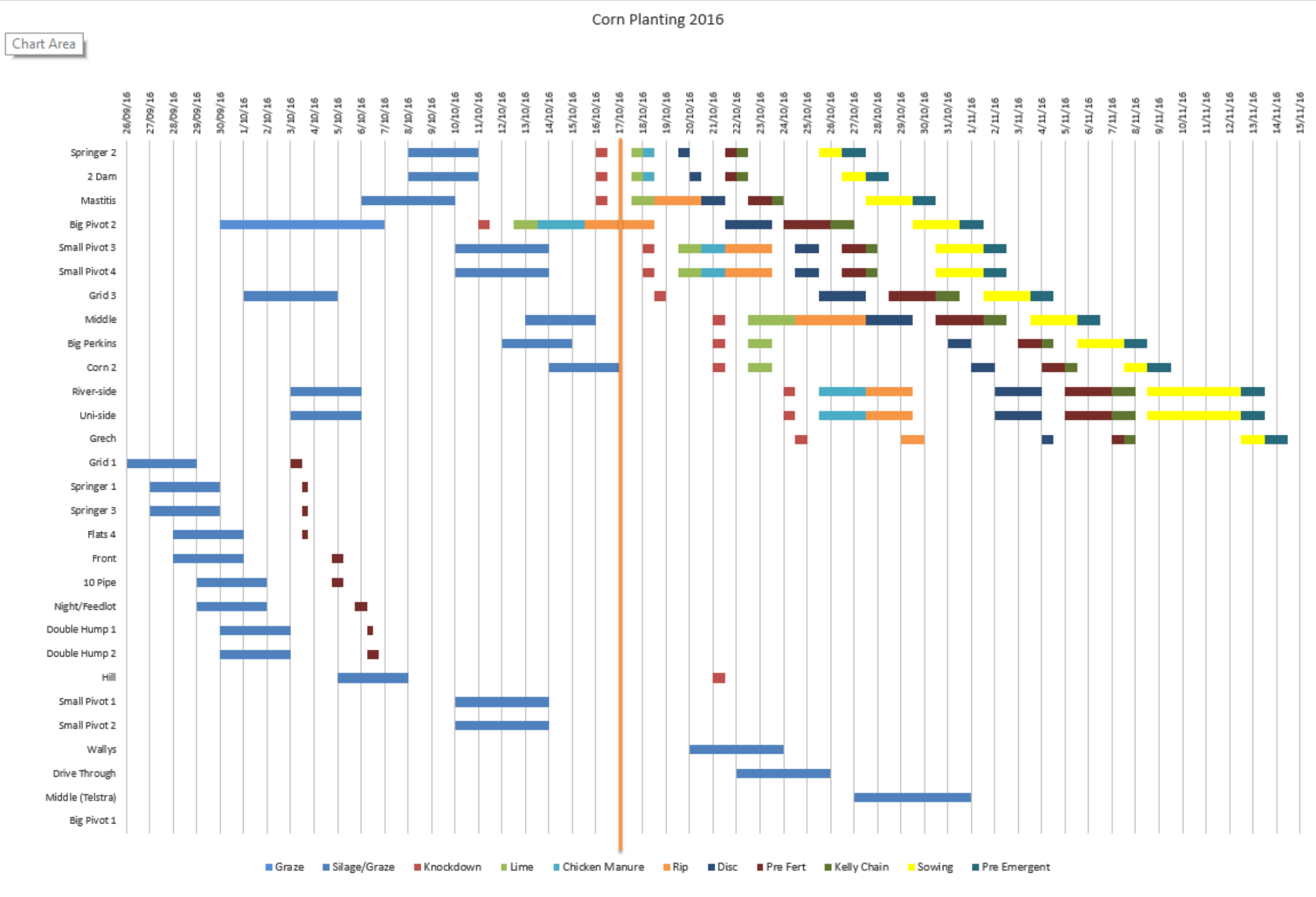


Inventory Management

- Contracting/Planning
- Milk
  - Projections
  - Customers
- Feed
  - Cover ourselves
  - Planning and schedules

Inventory Management

- Contracting
  - Milk
  - Feed
- Home grown forage
  - Long term forecast
  - Corn (18-months)
    - Seed order May
    - Planting October
    - Harvest Feb
    - Feed out from June
    - Finish May


Corn Planting 2016
Chart Area
26/09/16
27/09/16
28/09/16
29/09/16
30/09/16
1/10/16
2/10/16
3/10/16
4/10/16
5/10/16
6/10/16
7/10/16
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5/11/16
6/11/16
7/11/16
8/11/16
9/11/16
10/11/16
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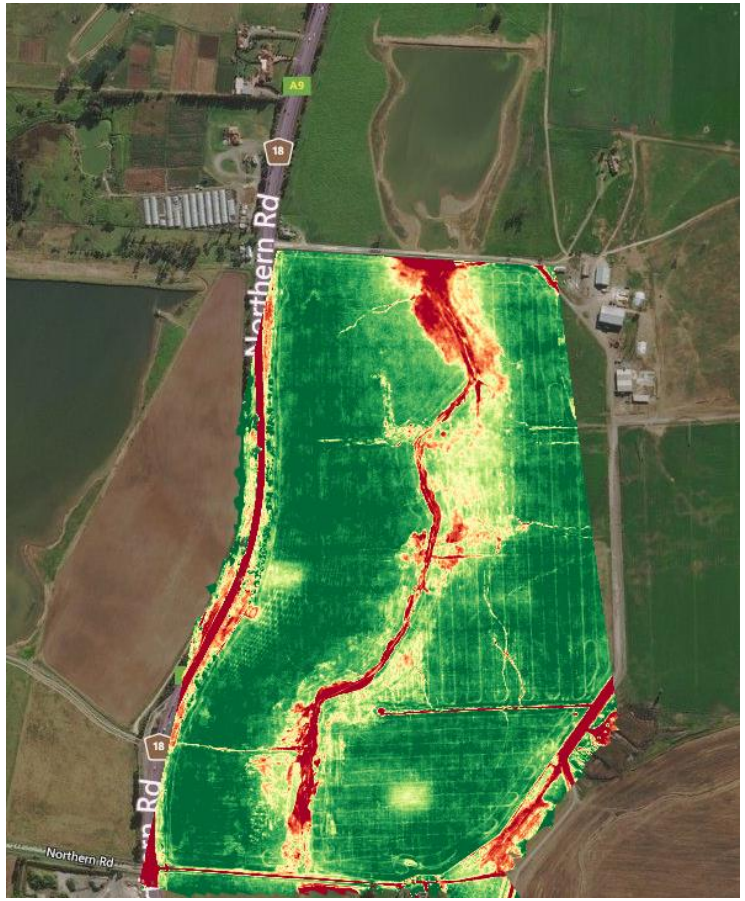
12/11/16
13/11/16
14/11/16
15/11/16
Springer 2
2 Dam
Mastitis
Big Pivot 2
Small Pivot 3
Small Pivot 4
Grid 3
Middle
Big Perkins
Corn 2
River-side
Uni-side
Grech
Grid 1
Springer 1
Springer 3
Flats 4
Front
10 Pipe
Night/Feedlot
Double Hump 1
Double Hump 2
Hill
Small Pivot 1
Small Pivot 2
Wallys
Drive Through
Middle (Telstra)
Big Pivot 1
Graze
Silage/Graze
Knockdown
Lime
Chicken Manure
Rip
Disc
Pre Fert
Kelly Chain
Sowing
Pre Emergent

Inventory Management

- Contracting
  - Milk
  - Feed
- Home grown forage
  - Long term forecast
  - Corn (18-months)
- Systems
  - Purchase orders
  - Tracking
  - Allocation

Tools

- Drone
  - Field mapping
  - Helps agronomist understand paddock better.
  - Better planning for seeding
- Concise data helps build the picture
- Daily monitoring
  - Tracks things faster
- Data never lies



My view

- Plan ahead
  - Enables you to manage the bumps
  - Don’t sweat the small stuff
  - Don’t complain about the things you cant control
- Engage stakeholders
  - Let me make decisions and be accountable
- Staff management
  - All individuals,
- Be an advocate for what you do.

“You will never succeed if your afraid to fail”