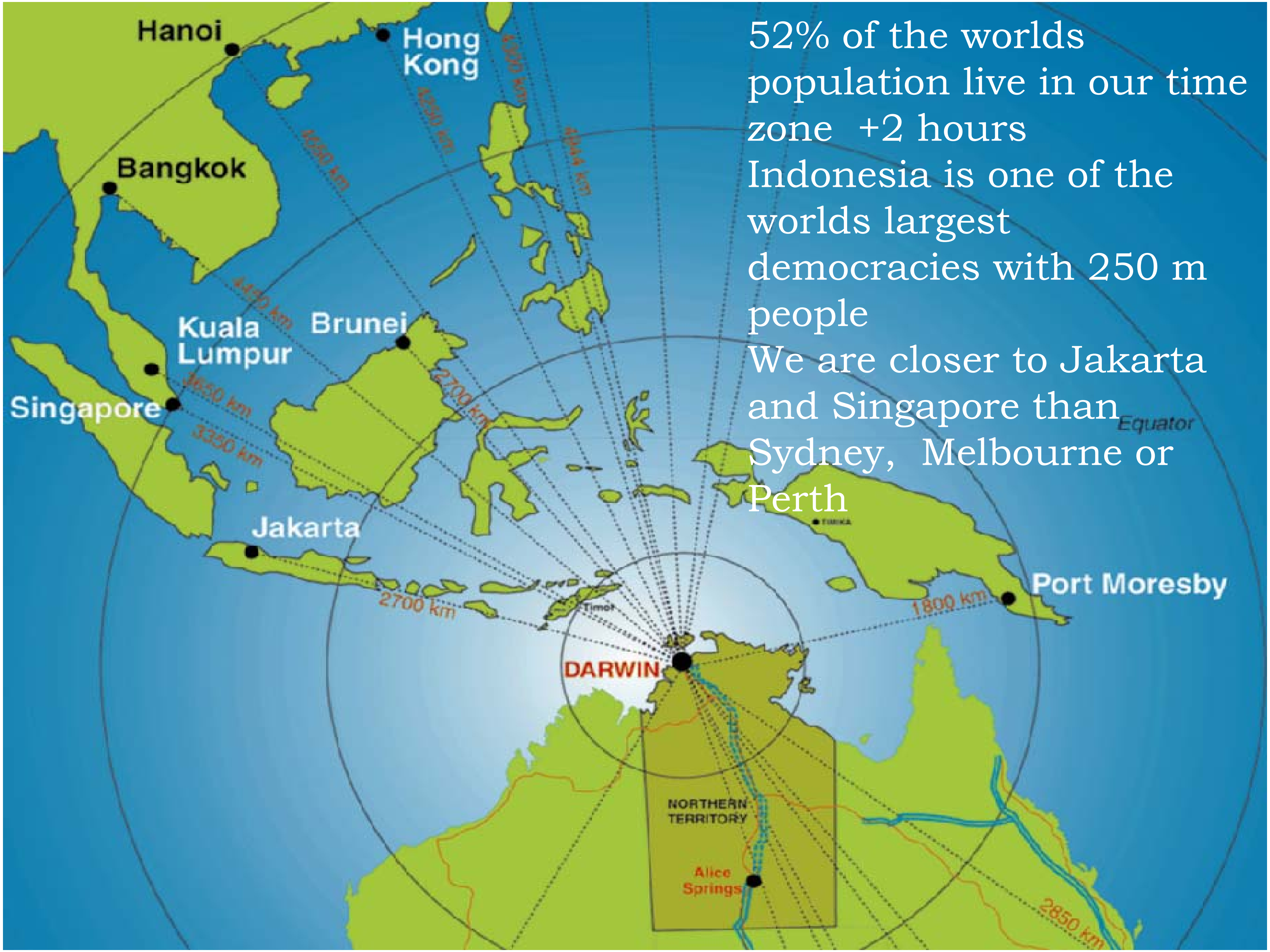

Cropping on Northern Territory Cattle Stations
Farming on Pastoral Leases to support cattle enterprises


David Warriner
President NTCA
General Manager Tipperary Group
Director DWsAgricon

52% of the worlds population live in our time zone +2 hours

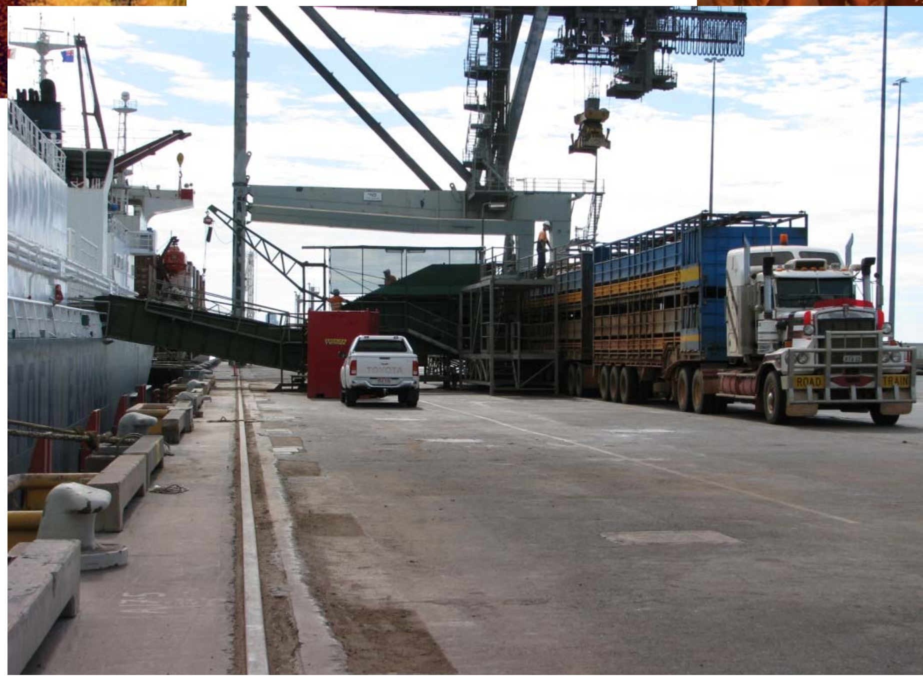
Indonesia is one of the worlds largest democracies with 250 m people

We are closer to Jakarta and Singapore than Sydney, Melbourne or Perth



DWsAgricon

The Cattle & Ag Industry in NT



DWsAgricon

Cattle Industry - NT

- $450 million turnover pa
- 2.2 million cattle
- Turnoff over 700,000 head annually
- Av property size 3,000 km²
- Av herd 8,000 head
- 620,000 km²
- Stewardship of 45% NT land mass

DWsAgricon

Agriculture Industries - NT

- > $210million turnover pa
- Mangos, melons, veges > $160m pa
- Fodder crops feeding cattle about $10million
- Mainly confined to Mataranka & north with developing concepts south of Tennant Creek & around Alice Springs
- Darwin regional farming larger than Ord river
- Predominantly on freehold land

DWsAgricon

What is changing?

➢**Answer:DEMAND & GOVERNMENT POLICY**

1. Asian demand for food & fibre USA for beef
   - Asian economic development is enhancing affordability for consumers
   - More people can afford the price we need at the farm gate
2. Governments' North Australia Policy
   - Non Pastoral Use Permits
   - Land tenure
   - Infrastructure
   - Deregulation
   - Market Access

DWsAgricon

Therefore we identify & exploit synergistic opportunities between the cattle and agriculture sectors

A Vision for Pastoral Leaseholders

Markets within Asian & other economies can now afford to pay the prices needed to deliver farmgate prices that will position industry well into the future

- **We have the land, & proactive Governments & enough water to achieve plenty**
- **We have to go and get those prices**

We can at least achieve the following (and more) in the short and medium term…

1. An average price of $3 per kg lw for cattle
2. A price that justifies soybean production (& other crops) will be achievable (soybean being the major source of protein for Asian consumers)   Just Try harder!
3. Hay production for export markets ex Darwin is achievable The empty containers departing Darwin need it! No $ in fresh air!

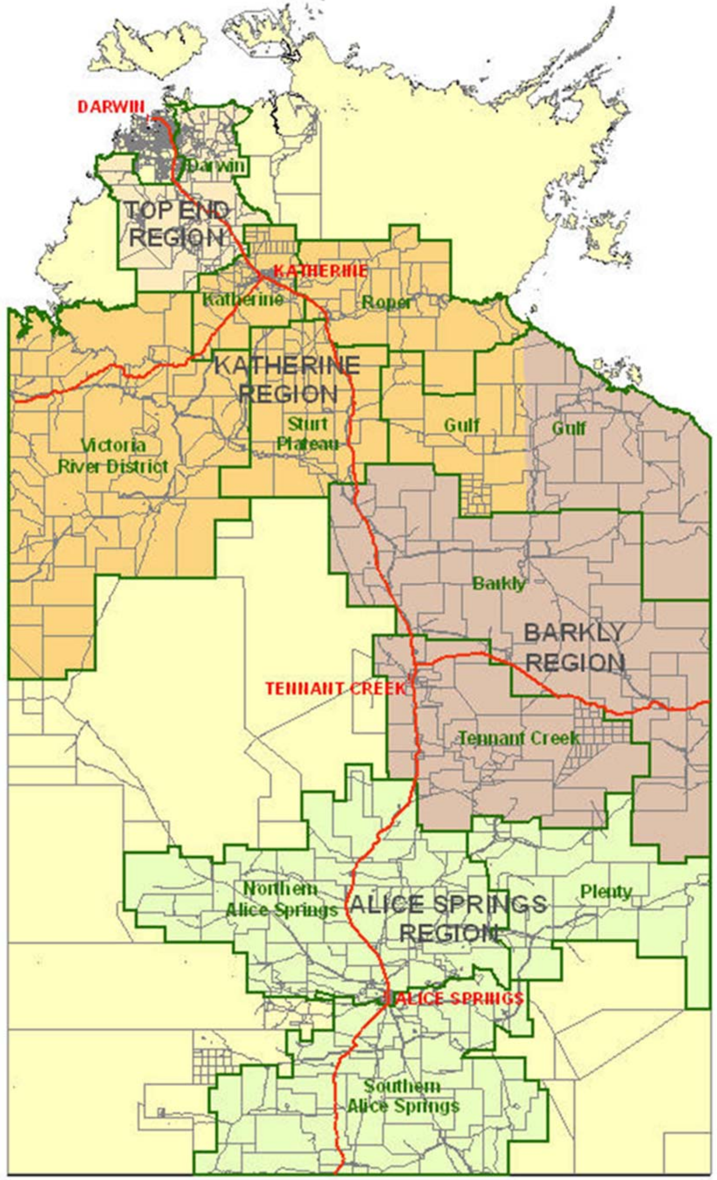
DWsAgricon

Constraints to North Australian Development:

- Government agency attitudes
  - ✓ Reactive and risk averse parameters around economic modelling
  - ✓ We must have a very ambitious demographic story to drive that economic model
  - ✓ Reverse engineer rather than extrapolate
- Limited sources of capital to ramp up infrastructure
  - ✓ Negative economic modelling will frighten the capital away

Constraints to North Australian Development:

- Native Title / Land tenure could be deal breaker
  - ✓ <5% of NT land is arable Freehold land. The balance needs permits or clearances of some sort
  - ✓ Until this is improved the NT and the Indigenous communities will have difficulties developing business opportunities



Now to get back on subject:

Cropping on NT Pastoral Leases for cattle

- Rainfed and irrigated fodder cropping is often permissible and NPU permits are not required if most production for your own use
- The most important equation is the Cost of Gain per kg liveweight. This is the farmgate price less the per kg cost of production less the cost to feed out.
- My experience at Tipperary we could feed a silage based ration and COG was about $2.30
- A less palatable hay based ration was closer to under $2 per kg. So therefore more viable.

DWsAgricon

- Other benefits of feeding cattle
  - ✓ looking after small weaners and skinny Top End cows when necessary.
  - ✓ Marketing. A much more efficient distribution channel is achieved from a feed yard to ship rather than relying on a percent of a number from paddocks to fill ships

✓ Generally marshalling and preparing cattle for 4-5 days delivers good outcomes for freight and later on feeding performance

DWsAgricon

NT Fodder Cropping as an enterprise:

- ✓ Rainfed grain is difficult. Expect disappointing yields. We have tried primarily sorghum and corn for grain and COG for both is better as a silage. Buy corn from the professionals on the Ord. Corn more difficult than sorghum
- ✓ Irrigation would certainly deliver better quality grains and yields but cost and alternative uses may render this a bad option.

NT Fodder Cropping cont:

- Developing on farm infrastructure

NT Fodder Cropping cont:

- ✓ Farm management is critical. The manager must have experience in the Top End and be determined to make it work.
- ✓ Adequate resourcing of the right program is critical. Don’t minimise required inputs or yields will be compromised.
- ✓ But don’t waste anything. Any compromise ($)
- ✓ The larger the program the more efficient but more difficult to manage
- ✓ Need a fair bit of Good Luck! Mitigate risk!

Changing times:

- ✓ The cattle markets are entering a new era
- ✓ COG to feed cattle now in the black
- ✓ This has a profound effect on all farming and livestock options With a positive COG we can now fatten cattle. Never before.
- ✓ And we have an abattoir that will take fat cattle
- ✓ CAN WE SEE AN IMPENDING “DEFINING MOMENT” FOR INDUSTRY???

In closing:

- ✓ We must ensure we get as close to $3kg as possible. We need to drive our industry bodies relentlessly to enable it.
- ✓ This alone will change the dynamics of the northern cattle & ag systems.
- ✓ On the back of a cattle feeding regime all agricultural biproducts could now have a market.

In closing cont:

North Australian Development

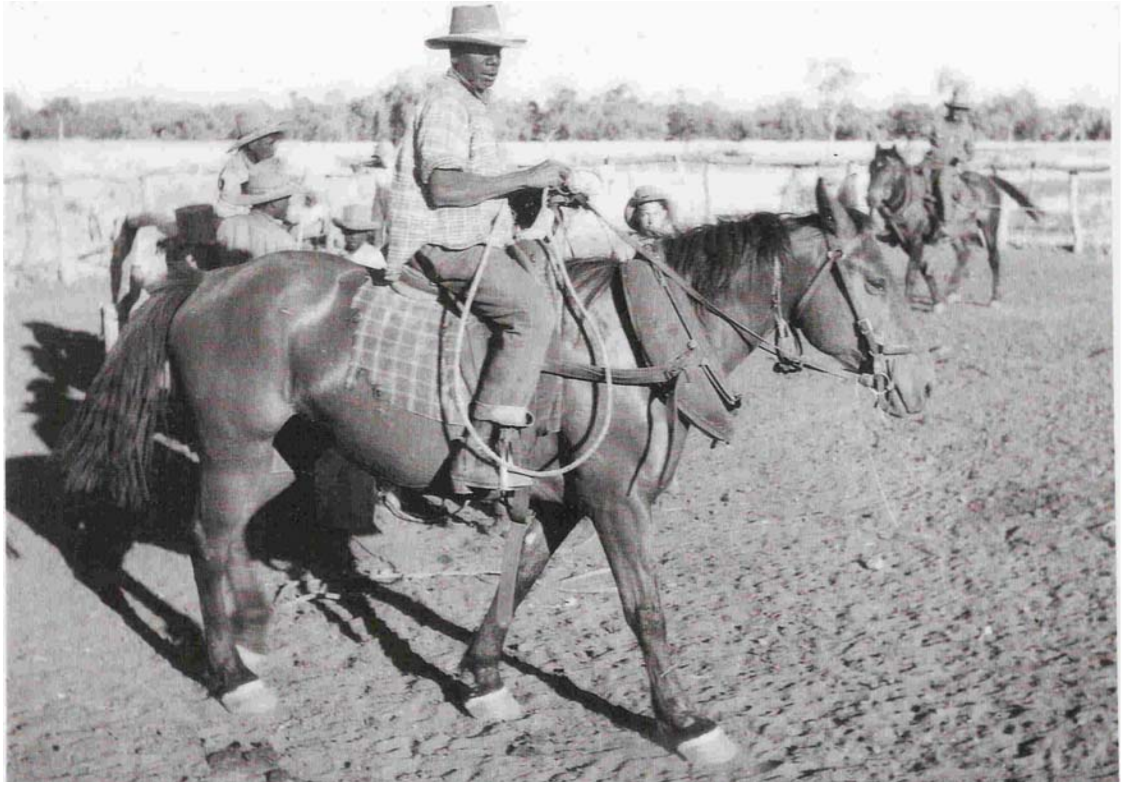
- **Just as fundamental as market prices are to our two sectors, we must resolve:**

1. **Land tenure** holding things up for years. Aboriginal titles are restrictive for them on their land & Native Title resolution restricts development on pastoral leases. We all need both being more productive.
2. **Infrastructure**. More produce is coming, and we must have globally competitive supply chains & routes from the farm gate to the ship or we will flounder.

In closing cont:

& 3. **Research** capacities & facilities need to be significantly updated if we are to be competitive. They need to be resourced, purposeful and deliver. If we are all growing the same crops in 3 years we may well have missed massive opportunities. If we don't modernise, we are mad! Soil & microbial health, biodiversity, etc.

We must unrelentingly, drive the change ourselves……it won't just happen



Just like Vincent Lingiary did at Wave Hill from 1966 to 1975. He never gave up!! He certainly created a "Defining Moment" for Australia

DWsAgricon

Thankyou