



*Office Use Only*

Project Code	
Project Type	

## FINAL REPORT 2017

Applicants must read the *SAGIT Project Funding Guidelines 2017* prior to completing this form. These guidelines can be downloaded from [www.sagit.com.au](http://www.sagit.com.au)

Final reports must be emailed to [admin@sagit.com.au](mailto:admin@sagit.com.au) as a Microsoft Word document in the format shown ***within 2 months*** after the completion of the Project Term.

<b>PROJECT CODE</b>	:	<b>RS216</b>
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<b>PROJECT TITLE</b>
Publication of 2017 Farm Gross Margin Guide for SA

### PROJECT DURATION

*These dates **must** be the same as those stated in the Funding Agreement*

<b>Project Start date</b>	1/7/16				
<b>Project End date</b>	30/6/17				
<b>SAGIT Funding Request</b>	2014/15		2015/16		2016/17

### PROJECT SUPERVISOR CONTACT DETAILS

*The project supervisor is the person responsible for the overall project*

<b>Title:</b>	<b>First Name:</b>	<b>Surname:</b>		
Mr	Brett	Bartel		
<b>Organisation:</b>				
Rural Solutions SA				
<b>Mailing address:</b>				
<b>Telephone:</b>	<b>Facsimile:</b>	<b>Mobile:</b>	<b>Email:</b>	

## ADMINISTRATION CONTACT DETAILS

*The Administration Contact is the person responsible for all administrative matters relating to the project*

<b>Title:</b>	<b>First Name:</b>	<b>Surname:</b>	
Mrs	Erica	Hancock	
<b>Organisation:</b>			
Rural Solutions SA			
<b>Mailing address:</b>			
<b>Telephone:</b>	<b>Facsimile:</b>	<b>Mobile:</b>	<b>Email:</b>

## PROJECT REPORT

*Provide clear description of the following:*

### **Executive Summary** (200 words maximum)

*A few paragraphs covering what was discovered, written in a manner that is easily understood and relevant to SA growers. A number of key dot points should be included which can be used in SAGIT communication programs*

SAGIT funding was utilized to produce and publish the 2017 Farm Gross Margin Guide. The primary purpose of the guide is to provide a template for primary producers to calculate their own gross margins using data relevant to their own situation. To assist in this process, the guide incorporated the latest information on input and output pricing to give estimates of the relative profitability of different farm enterprises. Industry expertise was utilized to ensure robustness in the accuracy of information presented.

A further important use of the guide is to provide the R,D and E community with reference material to analyse their work for practical relevance to primary producers.

The guide was produced in two formats:

1. A static pdf (also printed as a hardcopy) which provided a representative guide to the relative profitability of all broadacre crops and livestock systems in SA
2. Editable Excel versions (for both cropping and livestock) which allowed users to quickly and easily modify the representative Gross Margins to more accurately depict their own situation

Distribution of the guide occurred in both hardcopy and electronic form through a wide range of networks to ensure that the target audience was well covered.

### **Project Objectives**

*A concise statement of the aims of the project in outcome terms should be provided.*

The overall aim of the project was to increase crop and livestock producer's capacity to assess the relative profitability and risk of enterprises leading to improved farm planning decision making and providing more profitable and sustainable businesses in the long term.

This project produced and published an updated Farm Gross Margins Guide for use by crop and livestock producers in SA as part of their farm business planning process in 2017. The guide, which has been produced annually for many years by Rural Solutions SA,

incorporated the latest information on input and output pricing to give estimates of the relative profitability of different farm enterprises. The document therefore provided a template for primary producers to calculate their own gross margins using data relevant to their own situation. The development of the Excel editable version was undertaken to encourage producers to adopt gross margins planning by having an easy and quick to use tool which produced outputs relevant to their individual circumstances.

It is important that a guide like this is widely available to its target audience. The guide was made freely available in both hard copy and electronic form to the R,D and E agricultural community (a hardcopy was included with all participant packs at the Adelaide GRDC Advisor Update) in SA along with primary producers. PIRSA assisted with distribution through their website and regional offices.

### Overall Performance

*A concise statement indicating the extent to which the Project objectives were achieved, a list of personnel who participated in the Research Project including co-operators, and any difficulties encountered and the reasons for these difficulties.*

The project utilized the services of Barry Mudge (Barry Mudge Consulting) to update the technical content of the guide. Simone Lawson (Rural Solutions SA) was responsible for overall production coordination. David Marriot (from CKM Management Solutions) provided the necessary expertise to develop the Excel editable version.

Independent agronomy advice is also sought each year to ensure the technical content of the guide remains accurate and representative of current best practice.

The initial work completed in 2016 on the Excel version of the cropping GM tool was extended and upgraded in 2017 based on feedback received from the industry. In addition and using some supplementary project funding from the Grain & Graze 3 project, a livestock Excel version was produced.

It is important that a Farm Gross Margin guide be made available to farmers in time to assist them with decisions around enterprise selection. This is primarily in February/ March, prior to the new cropping season. The guide was available by early February and a hardcopy was included in participant's packs at The GRDC Advisor Updates in Adelaide in February.

### Key Performance Indicators (KPI)

*Please indicate whether KPI's were achieved. The KPI's **must** be the same as those stated in the Application for Funding and a brief explanation provided as to how they were achieved or why they were not achieved.*

<b>KPI</b>	<b>Achieved (Y/N)</b>	<b>If not achieved, please state reason.</b>
2017 Guide completed and ready for printing. Editable version upgraded and available for distribution.	Y	
Pdf and editable versions of guide distributed	Y	
Writing and submission of final report	Y	

### Technical Information (Not to exceed **three** pages)

*Provide sufficient data and short clear statements of outcomes.*

Full details of Gross Margins can be accessed via the publication or the web.

### **Conclusions Reached &/or Discoveries Made** (Not to exceed one page)

*Please provide concise statement of any conclusions reached &/or discoveries made.*

Gross Margins analysis is an important planning tool when deciding on an appropriate enterprise mix. The Rural Solutions SA Farm Gross Margin Guide has been an important reference source for this process for many years.

The extension of this Gross Margins information into an easily editable form provides a new dimension to this work. To our knowledge there is no other such tool in Australia which provides pre-loaded representative Gross Margin information in such a format. While it is recognized that many farm recording programs have Gross Margin capabilities, it is believed that this tool has an important role to play based on its simplicity, ease of use and speed of operation.

### **Intellectual Property**

*Please provide concise statement of any intellectual property generated and potential for commercialisation.*

Limited new intellectual property was generated from the publication of the 2017 Gross Margins Guide. Format used was standard across industry. Results are able to be duplicated by other entities if desired.

### **Application / Communication of Results**

*A concise statement describing activities undertaken to communicate the results of the project to the grains industry. This should include:*

- *Main findings of the project in a dot point form suitable for use in communications to farmers;*
- *A statement of potential industry impact*
- *Publications and extension articles delivered as part of the project; and,*
- *Suggested path to market for the results including barriers to adoption.*

*Note that SAGIT may directly extend information from Final reports to growers. If applicable, attach a list of published material.*

A total of 1000 hardcopies of the Farm Gross Margin Guide were printed.

- All participants at the February 2017 GRDC Adelaide Advisor Update received hardcopies
- A total of 550 copies were available for distribution in other areas
- Copies were available from PIRSA regional offices in SA
- Hardcopies were also available at farming systems review days and other field days and workshops

Electronic copies were available for download from GRDC, SAGIT and PIRSA websites

## POSSIBLE FUTURE WORK

*Provide possible future directions for the research arising from the project including potential for further work and partnerships.*

The regular annual updating of input and output pricing is an important component which allows the Gross Margins information to be used across industry.

The majority of the development work on the Excel versions to date has been to ensure that the outputs are robust and correct. It is recognized that reporting of outputs from the Excel program could be improved particularly to allow easier comparisons of different scenarios. This could be a focus of future projects.

## AUTHORISATION

Name: Brett Bartel

Position: Director Service Delivery

Signature:

Date: 21/06/17

Submit report via email to [admin@sagit.com.au](mailto:admin@sagit.com.au) as a Microsoft Word document in the format shown ***within 2 months*** after the completion of the Project Term.