



Part of the predominantly Jersey herd grazing the highly productive pastures at Merseylea.

Paul and Nadine Lambert with their children, Cameron, 13, Aaron, 10, Simon, 9, Brianna, 6, and Elaina, 3. A new little one is arriving soon.

One, two, three: Lamberts grow their dairy business

By CARLENE DOWIE

NORTHERN Tasmanian dairy-farmers Paul and Nadine Lambert started farming in 1991, milking 212 cows on 86 hectares with Paul's family at Merseylea. This month they have just taken over their fourth farm (third dairy farm), will now employ 17 full-time staff (including the Lamberts) and own 1047ha, milking 2100 cows on a 690ha milking area with close to 4000 megalitres of water.

Since 1991 the couple, now both in their 30s, have refined their farm business management skills on the home farm at Merseylea, gradually expanding it and adding a run-off block. In 2006 they bought a second farm at South Riana, put a manager on both it and the family farm, and moved off the family farm into town at Spreyton, about halfway between the two farms. They have just finalised the purchase of the third farm at Dairy Plains, near Deloraine, and have big plans for its development.

Last month the Lamberts won the low-concentrate section of the 2008 Australian Dairy Business of the Year awards for their performance on the home farm in the drought-affected 2006-07 season. They achieved a return on assets of 9.5% – just 0.2% behind the overall winners, fellow northern Tasmanian farmers Stephen and

PAUL AND NADINE LAMBERT

KEY POINTS
Merseylea, Tas
Dairy Business of Year awards
Supreme irrigation winner
Lower concentrate winner
Tasmanian Dairy Business of Year award
Overall winner

Karen Fisher.

Earlier this year the Lamberts also won the 2008 Tasmanian Dairy Business of the Year award, which is judged on slightly different criteria. It's not the first time the couple has won that award. They were also winners in 1995 – the first year the award looked at overall farm profitability.

An *Australian Dairyfarmer* story about the couple in July-August 1996 revealed their careful approach to dairyfarming with an emphasis on getting the basics right – including pastures, feeding and cow genetics. It also revealed their clear-sighted approach and understanding of what drove the fundamentals of their business.

Home farm

Mr Lambert grew up on the farm at Merseylea and returned to run it in 1991

after completing a fitting and turning apprenticeship. Mrs Lambert was raised on a farm near Deloraine.

Development at the home farm has taken place gradually and has allowed the family to increase the size of the herd to 540 cows. A new 50-unit dairy was built in 1997, an adjoining 22ha block was bought in 2000, a 40ha pivot was installed in 2001, another 50ha pivot was installed in 2005 and an Alpro herd-management system was installed in the dairy at the beginning of 2007. The 171ha farm with an effective milking area of 136ha has an irrigation right of 1100ML from the Mersey River.

In 2002 the farm was transferred to the Paul and Nadine through a family trust.

That year they also bought a nearby 226ha run-off block at Railton. Mr Lambert said this block comprised 40% trees with the rest largely unimproved pastures on which horses were run.

They then embarked on a major redevelopment of the block. In 2004 they built a 720ML freshwater dam covering 20ha to provide irrigation for pasture and crops.

The block is next door to Railton's sewage treatment plant. The Lamberts heard that the council had been interested in establishing an effluent reuse scheme on the farm with the previous owners but nothing had eventuated. ▶

◀ and milked through, providing more winter milk.

Dairy Plains farm

The Lamberts have just bought their third dairy farm at Dairy Plains. The 289ha farm is milking 950 cows through a 50-unit rotary. It has one centre-pivot irrigator covering 70ha, and the Lamberts have ordered two more centre-pivots for it.

They have also bought 100ML of high-surety water from the Meander Dam scheme for the property and plan to buy some low-surety water.

The farm has 490ML in existing dams, a bore with a 2ML/day capacity and 250ML direct-take from the Western Creek. The Lamberts plan to build another dam to bring the total available irrigation water to 1200ML.

They plan to have 160ha under pivot in a few months' time, as well 60ha of other irrigation.

Budgets

Mr Lambert is responsible for the planning, budgeting and development work. He occasionally relief-milks and will help out if required when on the farms.

Each year he approaches budgeting by talking with his accountant, an adviser, his father, Ted, and his brother, Mark, who milks 450 cows and grows crops on two other farms.

A budget is prepared individually for each farm. The young stock farm has a fixed budget as its costs are fairly straight forward.

But each dairy farm has a budget with various options. "For each dairy farm I run a multiple scenario budget all on the one spreadsheet," Mr Lambert said. "It shows high-grain feeding versus low-grain feeding, plus different stocking rates, bringing in different volumes of maize silage and all those sorts of things and working out production according to different amounts of grain feeding.

"So if we are feeding 400kg of concentrates a cow at Mersey Vale we might be

Key performance indicators for 2006-07 at the Mersey Vale farm Dairy Business of Year Award

Effective milking area (ha):	128
Cows:	515
Production (kg MS/ha):	1682
Production (kg MS/cow):	418
Return on assets:	9.5%
Profit per ha (Aus award):	2710
Profit per ha (Tas award):	3194
Operating profit margin:	32.6%
Cost/kg milksolids:	3.02
Pasture harvest (t DM/ha) (Aus award):	15.4
Pasture harvest (t DM/ha) (Tas award):	17
Core per cow costs:	361
Labour efficiency (cows per full-time staff equivalent):	125

budgeting on 420kg of milksolids, whereas if we are feeding a tonne we might be budgeting on 480kg.

"It's all pretty much taken into account. I work out which budget is suiting the particular farm and take it from there."

Detailed feed budgeting is also used. "The feed budget is worked out so we should never run out of feed – we buy three to 12 months ahead on everything," Mr Lambert said.

Throughout the season, the feed budget is monitored closely to ensure each farm is on track.

Pastures are managed according to leaf stage. Mr Lambert said he liked to graze at the 2.5-3-leaf stage, except for in spring (two-leaf), because that produced a lot of good-quality pasture.

But it was also essential to maintain the grazing pressure to keep the post-grazing residuals down. "Stocking rate must match all your inputs, not just the grass you grow. There's no point in growing all that grass and then feeding your cows at two tonnes of grain so that they don't eat it," he said.

Positive view

The Lamberts obviously have a positive

view about the future of the dairy industry. Mr Lambert said he was "fairly conservative" and really did not like to have less than 60% equity in his business, although he did have less than that at the moment.

He said the high milk prices certainly helped but even if prices fell a bit it would still be worth continuing what they were doing.

"We give our family life a high priority and try to take an annual holiday together. It helps us enjoy one another a lot more and relax. We also do a lot of kayaking and enjoy motorbike riding. I can easily become so focused on the business that I forget what life is really all about," he said.

He has a good relationship with his bank manager – "my bank manager lives next door," he said. The key was being able to do a budget, making sure that it worked and then calculating how much risk he could handle when borrowing.

Mr Lambert said it came down to getting really high production out of all the farms. The Merseylea farm produces 1682kg MS/ha, the Dairy Plains farm 1518kg MS/ha and Riana South 900kg MS/ha.

Good staff and staff management is also critical given the large numbers of staff they now employ. Mr Lambert said it came down to having the right people, both as managers and as the staff who worked under them.

His managers have written job descriptions but other staff are employed on a verbal agreement. They have three apprentices and will soon be employing a fourth.

Mr Lambert said it was vital to get on well with staff. "I don't mind, wherever I go, rolling up my sleeves and hosing out a yard or wearing a helmet on a motorbike – basically being one of the boys or girls or talking with the apprentices on an equal level, not wasting time but in passing. We certainly haven't got things perfect but we do get on well with our staff. They are really the most important part of the whole business," he said.

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The Lamberts have undertaken massive development on two properties doing a lot of the work themselves.



Paul Lambert: Stocking rate must match all your inputs not just the grass you grow.

Mr Lambert said at that time the town's partially treated effluent was running into the river so they approached the council in 2004 and asked if it was still interested in the reuse scheme.

The council then successfully applied for part funding for an effluent dam and two centre-pivot irrigators to treat the effluent and use it for irrigation on the farm. The Lamberts quoted for the work and did it all themselves. The reuse scheme provides them with 120ML of water. All of the pivot irrigators on the farm can be supplied with either fresh water or reuse water through the one pump station.

Between 2004 and 2006 they grew potatoes and beans under the first of the pivots using fresh irrigation water. But since 2007 they have grown maize under that pivot to produce silage for their dairy cows and pasture for replacement stock.

This year their maize crop produced 30 tonnes dry matter a hectare across 10ha without urea. A DAP-potash mix was applied at planting and the crop was irrigated with effluent, except for a final freshwater irrigation.

The Lamberts also logged the trees on the farm and converted that area back to pastures with their own machinery. They set one of the pivots – a second-hand 12-span – to irrigate 65ha under a half-circle on that land.



Paul Lambert receives his award for winning the low concentrate section of the Dairy Business of the Year awards from Wrightson Seeds national sales and marketing manager Bill Fuller.



Paul and Nadine Lambert with their son Cameron, achieved production of nearly 1000kg of milk solids per hectare with an Economic Farm Output of \$220/ha.

Dairy business award won by clear-sighted Lamberts

By ALASTAIR DOWIE

A CLEAR view of their goals and targets based on achieving those goals helped Paul and Nadine Lambert win the Australian Dairy Farm Business Management Award.

This was the first award under new competition rules which place increased emphasis on the farm business. Department of Primary Industry and Fisheries dairy adviser, Viv Hambleton, said great margins did not provide a satisfactory indication of profitability. He said labour and other overhead costs were now included in the financial analysis and each animal received an Economic Farm Score (EFS) figure for their dairy enterprise.

EFS was calculated by subtracting the dairy farm running costs from the gross farm income, adjustments were made for the use of run-offs and changes to stock numbers during the year.

Spotlights
LAMBERTS
Paul and Nadine
Merrivale, Tasmania
\$9.7m/ha (2007) \$20/ha

The Lamberts operate a 76 hectare property at Merrivale near Balwell. The family milking about 200 Jersey's. They won the 2007 award with an EFS per effective milking cow of \$265.82 and per kilogram of milk solids of \$1.64.

The family topped the competition at the enterprise for milk solids per milking lactating cow at 957kg, protein milk solids at 64kg and milk solids at 16.2kg. The Lamberts had the highest EFS/milking lactating cow and per kg of milk solids.

Paul Lambert said that while he was the manager of the operation, it was a family business involving his wife, his parents Ted and Kathryn, and brother Mark. Paul runs the grazing and enterprise management as well as doing about two thirds of the milking. The casual workers are also employed.

The farm is subdivided into 17 paddocks and the herd is milked over 180 cows a day on a 18 to 21 day rotation from spring to autumn depending on pasture growth rates and how much the cows are milking.

Pasture management is fairly easy through summer because the irrigation maintains the growth rates. The aim is to feed the cows as much pasture as they can eat while trying to maintain pasture quality," Paul Lambert said.

The herd is averaging 24kg of fat and 17kg of protein from a 245 day lactation.

The Lamberts have impressed with their business management for many years – this article appeared in *The Australian Dairyfarmer* in July-August 1996.

All young stock are run on the block. There are 550 young stock at present, but the plan is to increase this to 1000 with young stock from the new Dairy Plains farm to also be run at the block.

Mr Lambert said the second-hand pivot now used most of the effluent because the soil there needed more nutrients, but this required careful grazing management.

The use of the wastewater is carefully monitored. Soil moisture levels must be checked before it is applied and the Lamberts cannot irrigate if wind speed is above 10 kilometres an hour. A five-day grazing withholding period also applies.

All up, Mr Lambert estimates they have spent about \$900,000 developing the block, but it is a critical part of their wider farm operation and overall business development. "For the cost of agistment, we can

own a farm and run our own young stock – it's run just like an intensive dairy farm," he said.

South Riana farm

In October 2006 the Lamberts bought a 321ha farm at South Riana that had been about to be sold for forestry development. The farm had a "beautiful dairy" – a 50-unit rotary – and a 1400-millimetre average annual rainfall, Mr Lambert said. But it had only 450ML of irrigation delivered through 80 lateral irrigators and a traveller.

The Lamberts have also undertaken big developments at this farm. Mr Lambert said the farm had two "perfect pivot sites" either side of the dairy: one of 40ha and the other 46ha. The Lamberts have put pivots onto them.

The Lamberts have built two dams (100ML and 70ML), put in a bore and extended another dam. They now have access to 830ML of irrigation water.

They bought a neighbouring 40ha two months ago and two more centre pivots are being commissioned this month. They plan to build another two dams on the property and extend two older dams. "When it's finished it will have 1000ML of water and 220ha irrigated," Mr Lambert said.

The development has allowed them to increase cow numbers to 600 this spring with plans to build them to 750 next year and 850 the year after that. "We have been running a fairly low stocking rate on this farm and are building numbers as we develop it," Mr Lambert said.

The farm is set up for winter milking and has 40ha of steep ground leased to a tree company. Mr Lambert said a combination of topography and red soils made it ideal for winter milking.

Most cows calve there in October-November with about 100 calving in the autumn. Empty cows from the other two farms, which spring-calve in August and September, will be moved to South Riana