

Would you like to benchmark your livestock business and contribute to the progress of the Tasmanian red meat industries?

If so, I would like to invite you to participate in an important new project:

Benchmarking Tasmania's sheep and beef industries

- Will produce the first industry-wide benchmarks of the financial performance of Tasmania's wool, sheep-meat and beef industries
 - Will identify the underlying drivers of enterprise profitability
- Is funded by the Tasmanian Government and Meat and Livestock Australia
 - Will be run over the next three years
- Is administered by the Tasmanian Institute of Agricultural Research as part of the Red Meat Targets Project.

Benchmarking is a strategic management tool by which you can measure how your business fares across seasons and against your peers. This project will help you to answer questions like 'What drives farm profitability?' and 'How am I going compared to other producers?'

By participating in the project you will:

- Receive confidential financial benchmarking information about your business
- Gain more confidence to make changes to your business where they will have the greatest impact on profitability
- Have the opportunity to compare and discuss the results with your peers, and relate different physical characteristics of Tasmanian farms to financial profitability
- Assist the Tasmanian sheep and beef industries.

How does it work?

In order to understand and better support Tasmania's red meat industries, the Tasmanian Government is subsidising financial benchmarking for up to 300 wool, sheep-meat or beef enterprises. This is through Red Sky Agricultural, an international company specialising in farm performance analysis. The process is:

- You complete a short questionnaire describing your livestock enterprise(s)
- Red Sky Agricultural or participating accountants will process the questionnaire information, and data from your tax accounts
- You are sent your individual benchmarking report
- You can participate in group discussions of benchmarking results.

What do other farmers think of Red Sky and benchmarking?

As **Geoff Cox of Ringarooma** near Scottsdale commented after using Red Sky to analyse his farm performance: "We have a mixed enterprise business with beef, cropping and dairying all part of the mix. Previously we had struggled to quantify which parts of the business contributed most to our profitability and where the

opportunities were to improve performance. Once we had our farm on Red Sky the comparisons were easy and we have been able to confidently make changes to how we operate as well as improving the enterprise mix.

It was surprisingly painless to get the data together to complete the analysis, and once it was done it was easy to identify the key profit drivers in our business. We could see where our strengths and weaknesses were, and made action plans. The reports were easy to understand, especially the graphical report. I'd really recommend other farmers give it a go."

Andrew Jack of Longford commented "*When we first completed a Red Sky farm analysis, we were staggered by the vast difference in enterprise profitability between our beef and cropping operations. We immediately made some major changes to our business. Four years down the track with four years of comparative analysis and our profitability has increased markedly. We'd still not have been confident to have made the changes without the data our consultant produced with Red Sky."*

Tasmanian Government support means that involvement in the first year of the project will **only cost a small amount of your time**. If you have submitted an Exceptional Circumstances interest rate subsidy application you have already collected most of the necessary information.

If you would like to get more information, or sign up to the project please contact Red Sky Agricultural at:

Freecall 1800 733 759 or

Email info@redskyagri.com or

Fax your name and contact details to (03) 5560 5892.