

Flow diagram for dairy farmers formulating their strategic direction – to expand, diversify or cease production

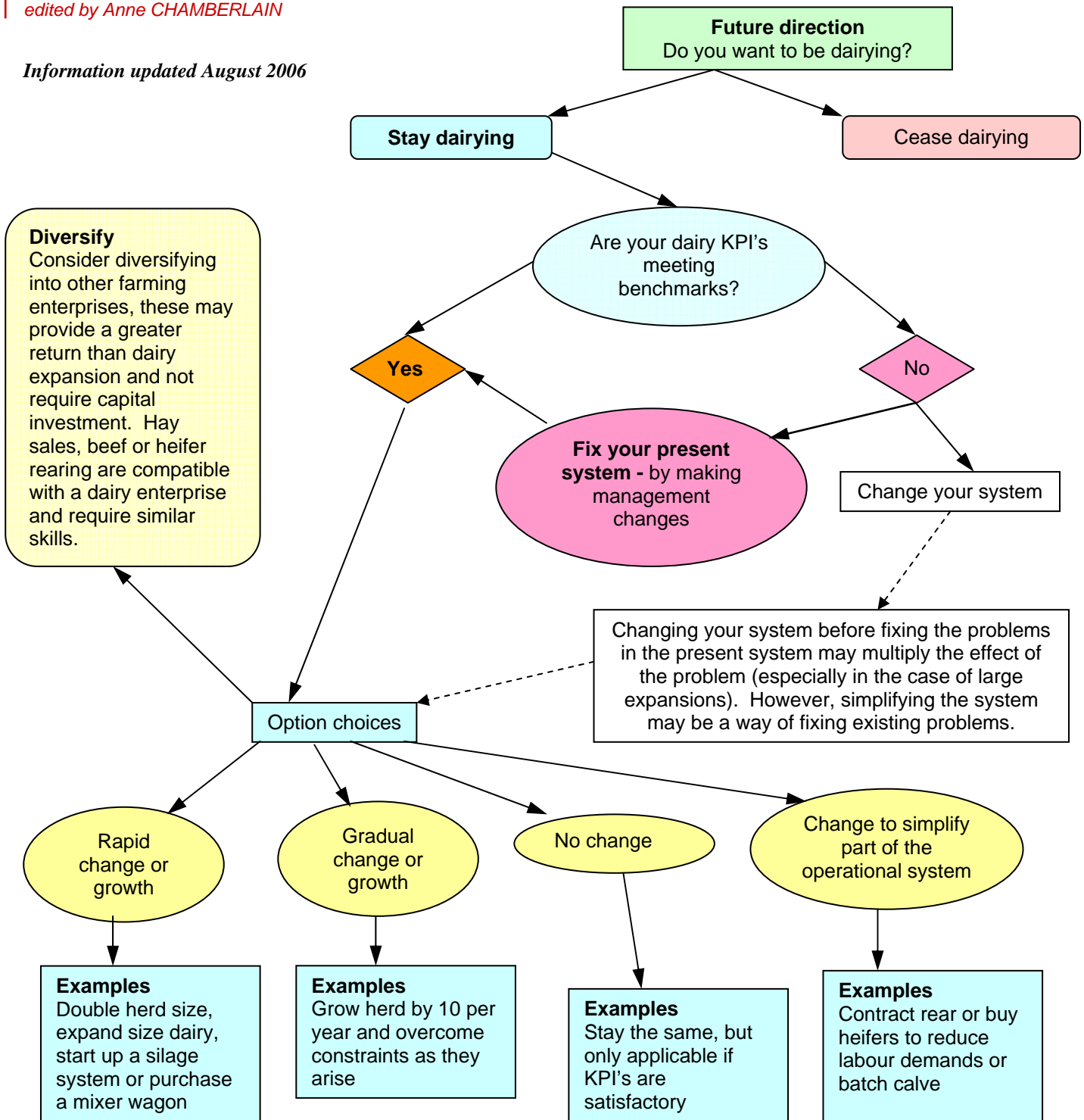
Findings from the “Sustainable dairy farm systems for profit” project

M5 Project Information Series - Studies on Mutdapilly Research Station and subtropical dairy farms 2001 to 2005

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LESSONS FROM THE M5 FARMING SYSTEMS PROJECT

The flow diagram on the preceding page was developed with companion farmers in the M5 farming systems project. The steps to consider when making farm changes are shown.

One obvious choice is whether the farm family wishes to stay dairying or develop a sideline to their dairy business.

Before contemplating a major change, the business should be analysed to assess if it is meeting achievable relevant benchmarks.

This analysis should include these business traits,

1. Liquidity
2. Solvency
3. Profitability
4. Efficiency

Changing the farming system before addressing underlying problems in the enterprise can multiply existing problems and be costly.

A range of strategies and choices are available for all dairy businesses, including rapid change, gradual change, no change and perhaps a simplification of the business. Examples of some of the changes that could occur are given at the bottom of the flow diagram.

FURTHER INFORMATION

Dairy industry benchmarks can be found in the annual Queensland Dairy Accounting Scheme (QDAS) report available from www.dairyinfo.biz.

More information and a number of technical notes and decision tools are available on this website to assist with business analysis.

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The *Sustainable Dairy Farm Systems for Profit* project at Mutdapilly Research Station and on associated commercial farms investigated the potential impact of intensification of five subtropical dairy farming systems on business productivity, on the social well being of farming families and on the farm environment.

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