

## Case Study - Technological Strategy

### Case Study: Ben and Susan Carn

#### "Wootoona"

#### Near Quorn in the Upper North of South Australia

*Prepared by John Squires (Rural Directions Pty Ltd) with Ben and Susan Carn*

##### Location of property and business

The property is located near Quorn in the Upper North of South Australia.

##### Area of property

The property is 10,700 hectares in size and has a mix of grazing and cropping country.



"Wootoona"

##### Enterprise description

The business crops around 800ha each year and runs around 3000 merino ewes. In addition it runs an on-farm tourism enterprise and an opportunity sheep feedlot.

##### Describe your vision for the business

The vision of the business is to: "Improve productivity and professionalism, manage debt and continue to improve and expand the property to achieve a good level of income and a quality lifestyle for ourselves and our youngest son who is coming into the business."



*Ben Carn and son Ben Jr*



**Describe the impact climate variability has had on your production system and business**

The average rainfall for the property is 312mm but the average over the last ten years has only been 260 mm. The low rainfall has impacted on the business:

- Crop yields have been low and in some years no grain has been harvested from some paddocks.
- Lambing percentages have been lower than ideal which has impacted on the number of stock sold.
- Cash flow has been significantly impacted in poor seasons, leading to difficulties in managing debt and repayments.

**Describe what the business looked like 15 years ago**

15 years ago the business was more of a traditional grazing business with a limited amount of diversification of enterprises.

**Describe how you have managed to transform the business from what it was 15 years ago**

The business has responded to these challenges in a number of ways:

- In 1990 a cabin was built in a remote part of the property. Since then a tourism business has emerged around the cabin, plus the two four wheel drive tracks that were developed on the property in 2005. A second house is being renovated as another option for tourist accommodation.
- An on-farm feedlot was established to improve sheep income by ensuring that sheep are sold in optimal condition. This also allows the business to add value to grain in years when grain prices are low.
- Water telemetry systems were installed to reduce the costs of checking remote water points that are "line of sight" from the house.
- A crutching trailer was built and portable yards purchased to reduce the time and cost of crutching sheep in remote paddocks. This has also allowed contract crutching to be carried out for neighbouring properties.
- There is currently less reliance on crop income and more reliance on income from livestock. The business also trades sheep, when prices make this affordable, to increase livestock income.
- A second hand Caterpillar loader was purchased allowing dams to be cleaned out on a regular basis.
- The business recently purchased a second hand Caterpillar crawler to undertake on-property earth moving projects and to provide contract services in the district.
- Cropping is opportunistic and the decision to crop is only taken after careful consideration of things such as wheat prices, fertiliser and fuel costs, as well as seasonal climate indicators.
- Ben and Susan have bought a few neighbouring properties, plus leased and share farmed land in their district with better rainfall. They now have land that varies from flood-out, to hills, to arable, to pastoral.
- In a variable climate with more "hit and miss" thunderstorms, the vast area of grazing country has proven to be of great use as they can move sheep to better paddocks as needed.



Sheep feedlot on property

Ben and Susan have actively sought out training and development opportunities to assist them to successfully undertake their diversification projects:

- Participated in the Bestprac program for 8 years.
- Ben is an active member of the Upper North Farming Systems group.
- Susan has completed the two year Rabobank Executive Development course.
- Susan has actively sought information and established a network in the area of climate variability and Climate Drivers (Indian Ocean Dipole, El Nino Southern Oscillation). This information is used to more actively manage climate risk.
- Susan is one of 34 farmers Australia wide participating in the "Climate Champion Program", which involves passing on the latest climate adaptation information to other farmers.
- Tourism promotion activities.
- Mulesing accreditation.
- Other relevant industry forums.

#### **Describe the impetus for change, and how you recognised the need for a new approach**

There were a number of reasons that the business has changed over the last fifteen years:

- Income levels were significantly impacted by the run of poor seasons, necessitating changes to the way that the enterprises were being run.
- Costs have continued to increase and changes have been made to reduce costs without impacting on effectiveness.
- Livestock were sold in less than ideal conditions and as a result suffered price penalties. This prompted a review of options, including the option of producing "feeder lambs" and eventual development of the on-farm feedlot.
- A number of other businesses in the Flinders Ranges have developed tourism enterprises over the last fifteen years. There have been a number of training and development programs and regional tourism officers who have assisted in the development process.
- The members of the local Bestprac group all have tourism activities within their business and tourism development ideas are regularly discussed at group meetings.
- Ben and Susan have their eyes "open to opportunities" and are willing to try new ideas and innovations.

#### **What have been the key achievements/stepping stones along the way?**

Key achievements along the way include:

- The adoption of a number of labour, time and cost saving ideas on the property:
- Crutching trailer
- Water telemetry systems
- Portable yards
- Sheep handler
- Loader
- The developing knowledge of climate drivers as seasonal indicators have assisted the business to more actively manage climate risk at the start of the cropping season, and all year round for buying/selling sheep decision making.
- The development of the infrastructure and skills required to successfully feedlot merino sheep.
- The development of the infrastructure, networks and skills to successfully operate a tourism enterprise.

**What have been the major challenges in this space of change?**

The major challenges have included:

- Juggling the various enterprises to achieve success.
- Sourcing labour with the decline in regional populations.
- Maintaining a positive outlook in a run of challenging seasons.

**What were/are the key success factors, skills and knowledge the business required to make these changes?**

There was a number of key success factors required:

- Sourcing the correct information to allow the changes to be made:
  - Tourism marketing and promotions.
  - Water telemetry system options were discussed with potential suppliers.
  - The services of a livestock nutritionist were used to assist in fine tuning the sheep feedlot.
  - Economic assessment of the feedlot (computer software program).
  - Assistance from people in the industry (tourism, feedlot and climate).
- Support people:
  - Livestock nutritionist
  - Bestprac group members
  - Tourism industry advisers
  - Industry consultants

**What financial impact have the changes had on the business?**

The changes have had a number of financial impacts:

- Some cash flow is provided throughout most of the year by the tourism enterprise.
- The emphasis on livestock has reduced the high financial risks associated with cropping in the area.
- The feedlot has helped to ensure that sheep are sold in optimal condition to realise the best possible prices.
- The feedlot has provided another big cash input at a different time of year, so reliance is no longer just on wool and wheat sales.
- The focus on meat and wool has assisted in producing good gross margins for the business.

**How have these changes allowed the business to adapt to and become more resilient to climate change?**

Adaptation and resilience to climate change are demonstrated in the following ways:

- Tourism income is less connected to rainfall than the other business enterprises and so this provides a more constant income stream in poor rainfall years.
- Tourism income is not reliant on the fortunes of the local population; tourists generally travel from Adelaide or beyond.
- The feedlot allows the business to finish their sale sheep, regardless of the paddock conditions. The business is also able to trade in sheep and take opportunity of low feed grain prices to finish stock.
- The reduced dependence on cropping income has provided more resilience to climate variability as the sheep enterprise is not impacted to the same level as cereal crops in dry seasons.
- The positive achievements of the range of innovations and new enterprises have allowed for the business flexibility; therefore Ben and Susan have remained optimistic, even during particularly tough seasons.

**What do you see as the future challenges for the business?**

Future challenges for the business include:

- Continuing to maintain a focus on all of the enterprises.
- Debt reduction in poor seasons.
- Achieving smooth succession of management in the business to include Ben, the youngest son.

**What plans do you have for the business in the future?**

Continue to grow and consolidate the business and to provide challenging and rewarding work for family members.

**How do you keep motivated in an ever changing environment?**

Motivation has been provided from:

- Strong social network from the local community.
- The local Bestprac group that Ben and Susan have been members of for 8 years.
- Reading and networking with people who help to stimulate thinking and ideas.
- Susan learning more about ways to adapt to climate variability via the Climate Champion Program.

Contact: Ben and Susan Carn  
carnnomi@bigpond.com  
08 8648 6438