Over The Fence Newsletter

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FEATURES

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Use your Farm Ready Funding.

Other Articles

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Technology of Growing Grass -Healthy Grass, Cattle and Soil Work-shops.

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50% investment allowance available for small business.

Australian Government
Department of Agriculture, Fisheries and Forestry

CQ Best Practice Group Leads the way.

Grazing BestPrac have formed a "CQ BestPractice" Group as part of a two year project working with Farm Ready under the industries program. The project is being managed by the Central Highlands Regional Resource Management Group (CHRRUP) based at Emerald.

The project aims are to:

- Survey the needs of members in relation to climate change in grazing and cropping lands;
- Document strategies to manage climate change risk
- Develop a training package to assist landholders and;
- Disseminate available information to the community.

The project is more about pulling together the research as it becomes available and to help to disseminate this to the community. We already have many millions of dollars going into research, some of which will never be used unless it is converted into real on-ground applications for farmers and graziers.

The "CQ BestPractice" group is about converting research into onground change, in the grazing and cropping industries.

If you are interested, please call Noela at the office 0749 383919 or go directly to the website to sign up.

Editors Desk....

The future of Agriculture— Graziers are the solution to managing climate change. Is Carbon an opportunity or simply another problem. Take the blinkers off..

This issue may just prove to be the most exciting opportunity for agriculture in Australia's history. It seems the world is recognizing the importance of Carbon for all the wrong reasons. We are being told that carbon is bad for the atmosphere and adds to greenhouse gases and that trees are the best form of sequestering carbon.

In fact every living or once living, now dead organism is made of carbon and carbon is cycling within the soil and atmosphere continuously. As every organism dies and decays, gases are emitted into the atmosphere. That is when mulch, trash, stubble and ground cover break down they emit GHG's. We hear lots of negatives about farms emitting methane and nitrous oxide etc, but we don't hear about the benefits which grazing management can have to managing GreenHouseGases.

It is the sequestration of carbon in our soils which will feed the world in the perceived future with lower rainfall and higher temperatures. Did you know that for every 1% carbon stored in your soil (SOC - soil organic carbon), you may effectively store an extra 144,000 litres of water/ha in the top 30cm. Typically, our soils today have about 1%-2% SOC, when they probably began at 4%, 5% or 6% in the 1960's.

So a soil with 5% SOC can hold up to 5 times the amount of water as a soil with 1% SOC. And that will mean, crops and pasture will hold on for longer in the dry season and droughts will not be as long lasting. Learn more about SOC and what you can do to increase it in your pastures. It is imperative that we formalize a voice for Queensland and get behind research and learn more about the biggest issues in the industry.

Please join the recently formed "CQ BestPractice" Group by contacting Mick or going to www.grazingbestprac.com.au.

Healthy Cattle, Soils and Grass Workshop—Answering questions.

Mick Alexander demonstatrating the carbon cycle with participants at Clark Creek TOGG at "Clarkwood" in August.

In the past 3 months, the Technology of Growing Grass workshop has been held in towns as far west as Blackall, east to Clark Creek (near Marlborough), south to Gympie & Mundubbera and north to Clermont. In every district, the primary business has been to grow beef or sheep off pastures. More than 160 primary producers, nrm staff and support staff have attended to learn the most up to date information on climate change and carbon sequestration. The single most important message coming from those workshops is the lack of knowledge about climate change and carbon within rural communities.

Every producers aim is to grow healthy grass and run a profitable, sustainable grazing business. There is certainly a lot of confusion as to the best methods to use. The main messages from participants:

"Fantastic Course—makes you feel excited about the rural industry for a change."

"Very good that you are not forcing change - just explaining our options to empower us to make good decisions."

Peter Evans, Woodbine, Blackall and Andrew Turnbull, Lansdowne, Tambo, checking the brix levels of pasture on "Tralee", Tambo.

"Very good that you are not forcing change—just explaining our options to empower us to make good decisions."

Workshops—showcase the good managers

The Technology of Growing Grass workshop only works because of the willingness of a group of grazing families in Queensland to share their knowledge with others. On the second day of all workshops, we go onfarm to see first hand how the ideas work in practice. In every district, we have wonderful families who are undertaking BESTPRACTICE Grazing Management and are willing to spend time helping other people to solve problems and grow. Thankyou to all of those special people for their support and encouragement in past months.

The onfarm sessions are focused on assessing pasture health, soil health, land condition, discuss the science of how grass operates and the role the livestock play. We look specifically at property development planning and also look at various alternative options for improving pasture and soil health including pasture cropping, rotational grazing and compost tea management. Every host family has enjoyed the experience. If you would like to host a workshop, give us a call..

Right. Les and Deslie Abdy, "Old Rainworth Fort", Springsure, demonstrating their pasture management program..

Left. John Schutt, "Tralee", Tambo moving heifers during the field day..

Natural Sequence farming (Peter Andrews) —coming to Central Qld— October 9th

Peter Andrews, famous for designing property management using NSF (Natural Sequence farming) will be coming to central Queensland on 8th October 2009 as part of the CQ Best Practice Farm Ready project. So what is natural sequence farming?

Every action we take on the farm has an equal and opposite reaction within the landscape. That is the way we farm, the way we manage our stock movements, the way we rest pasture and burn pasture!!.

Peter has developed a unique way of viewing the landscape to see the things we have forgotten in past decades.

Natural sequences that can be harnessed by informed management include the movement of grazing animals, birds and insects from valley floors by day to higher levels on the valley sides at night and the transfer of fertility with them. There is a gradual movement of nutrients and seeds back down the valley sides via the water cycle, vegetation and soil processes, constantly refurbishing the fertility of the landscape.

In the process, various plants collect specific substances and the plant communities change in predictable sequences. As part of the biodiversity of a property and catchment, these plants are also a part of multiple food chains and a key to enhancing fertility.

Nutrients contained in soil or water are mobile and can be quickly lost off-site. Nutrients contained in biodiverse living bodies are stable. NSF management keeps natural functions connected which allows for quick exchange and conversion of nutrients within ecosystems on properties.

Peter Andrews has found that even plants labeled as weeds can serve as pioneering species in inhibiting nutrient and soil erosion. They collect and supply essential substances for environmental health. Once slashed, fertility is built up and the weeds are replaced naturally by palatable grasses. To maximize production and conservation results requires a good understanding of interaction of the roles of clays and sands in the process. This process is complemented by NSF property management when the initial erosion and fertility stabilising need has been met. The once degraded soils are then able to contribute to increased water use efficiency and optimal production levels through their increased organic content.

Phone 49 383919 to book in to see Peter Andrews

Australian Government
Department of Agriculture, Fisheries and Forestry

FarmReady
Australia's Farming Future

Get your training for no cost—Farm Ready Funding

Farm Ready is the newly established training body taking over from FarmBis in Queensland. The program will fund the cost of approved training for eligible primary producers, their families, indigenous managers and staff involved in management. It has available funding of

- **$1500 per person, per financial year, to pay for the cost of approved training, plus**
- **$500 towards the cost of travel and accommodation.**

It is imperative that you apply for a pre-approval to attend any training. A simple pre-approval form can be emailed to you or you can call Noela on 49 383919 to assist you to complete the application. There are more than 100 approved training courses, with Grazing BestPrac having six courses in Queensland. For information about Farm Ready, guidelines and application forms, go to www.farmready.gov.au or phone 1800 087 670.

If you would like to know more about:

⇒ Carbon sequestration;

⇒ Developing healthy soils;

⇒ Compost teas;

⇒ Rotational grazing;

⇒ The value of grass

⇒ Managing microbes in soil.

John and Kathy Colless, Wetherby Station, Port Douglas at the Gympie TOGG .

Then make your way to one of the coming

"**Technology of Growing Grass**" (TOGG) workshops to be held around Queensland in September—November

24th & 25th	September	Toowoomba
28th & 29th	September	Mitchell
17th & 18th	October	Rockhampton
4th & 5th	November	Biloela
17th & 18th	November	Miles

BOOK NOW

Other GBP courses which are approved include:

⇒ **Feed Budgeting**

⇒ **Succession Planning**

⇒ **Communications in Business (Goals and Visions)**

⇒ **Benchmarking for Rural Business.**

⇒ **Strategic Planning**

Jim Viner, "Tressavale" Gympie, athe Gympie TOGG Workshop explaining the grazing management and development being undertaken.

So get in fast to secure your seat for the Healthy Cattle Soils and Grass Workshops - Phone 0749 383919 ASAP.

Peter and Simone and Brooke and Ty Lawrie at MonteVideo, Westwood.

SUCCESSION by CHOICE FORUM

Rio Tinto and CHRRUP are working with Grazing BestPrac and several local professionals to facilitate an exciting opportunity on 10th September at Emerald. The Emerald Succession Planning Forum will be begin at 8.30 am and continue to 4.30pm. If you would like more info, please call Sally on 49 822996 at CHRRUP.

UNSPOKEN STUFF – DESTROYS FAMILY BUSINESSES

In a family farming business, your relationships are on the line – nothing is more important than your emotional wellbeing and staying friends with your brothers, sisters, parents and other family members in the future. The number of times family members have fought it out in a family dispute, just to win, without considering the consequences. One of the most common sayings we hear around the ridges is, "Never mix money and friendship" But if you're in a family partnership or company, you have no choice. It's how you handle it that counts.

By Handle it, I mean, if a family business operates on written and agreed to ground rules and uses process to make decisions and implement actions, then succession planning will be a breeze. The majority of family operated businesses, both grazing and cropping enterprises in central Queensland are now multi-million dollar entities. For example today, 800 ha (2,000 acres) of brigalow country maybe worth two to three million dollars. Many properties are worth in excess of five million dollars. That is pretty darn significant, and should be operated and managed as a business. If you had a business with assets of that size in town, it would have a board of management. It would have a strategic plan and be reviewed quarterly.

We no longer have a farm with the cattle or sheep being the highest value asset. As an example, in the year 2001, if 2,000 acre brigalow property was worth $700,000, the steers being grown on it may have been worth $300,000.Today, the same country is worth $2-3 million and the cattle are still worth $300,000.We have two separate businesses, the land business and the cattle or production business. Both are significant and need to be planned for long term. Succession planning requires a starting point.

Often mum and dad will own the land and the kids will work on the property through their twenties and maybe into their thirties, before asking too many questions. Mum and dad will often have a fair bit of debt, but not talk about it or burden the rest of the family with the problems. Dads often suffer in silence and it eventually affects his own health. Sometimes, a son or daughter will buy a mob of cattle and expect to run them for free at home or take on some off farm business to grow a nest egg for the future.

Dad may become upset with the kids for doing this, but not explain himself. Although, he would love to see his son or daughter succeed, he doesn't believe the farm can carry more stock. He may believe the debt is too high, but will not explain this to the kids. However, his kids think, he is just trying to hold them back from being successful. Communication breaks down and often both people will go to mum and complain about the other. This sets up a triangulation or rescuer pattern, where mum is the rescuer for both. Good, bad or indifferent, this is how family members treat each other, and it is common. The patterns of communication dictate the success of a business. If communication channels are always open then two opposing opinions (a disagreement) can be openly discussed, and easily understood. Even if the kids knew the reasoning behind dads comment, they may not agree, but would certainly understand where he is coming from. If both parties were open with each other, maybe an even better solution could be created.

That is, if family members have a forum to discuss issues, then problems are quickly resolved. We commonly call these family meetings or working on the business (WOTB) meetings, which are planned and run with specific process. The WOTB meeting will do away with the need for mum to be a rescuer and for dad or the kids to be rescued. A simple formal meeting can bring the fun back into the business and allow all of the issues to be dealt with before they get into your head. Some rules for family meetings or WOTB's are:

1. Invite all family members involved now or maybe in the future.
2. Have n external facilitator (at least for the first meeting)
3. Have an agenda (allow everyone to add to the list)
4. Start with the Vision
5. Be formal (sit at the dining table)
6. Be on time
7. Leave your perceptions at the door. (discuss facts)
8. Have an attitude of gratitude (grateful for whatever come out)
9. Have fun planning your future.
10. Commit to actions

Remember, often the first meeting is the most critical one as emotions will run high and if this one is disappointing, then it is difficult to build on.

Please, do this now, don't wait for a death, divorce or bankruptcy before you take action.

Over the next few weeks, we will look at some of the legal and financial issues in succession planning. To find out more about succession planning and to start your family in the right direction, call Mick Alexander on 0438 395255.

www.dreamachievers.net.au

If you would like more information on **Succession by Choice** and would like to start your family in the right direction, ring 0749 383919 or call 0438 395255.

Contact Peter & Simone Lawrie on 0749 349901
Email: lawriegrazing@bigpond.com

50% Investment Allowance for small business

What is The Temporary Investment Allowance?

As part of the economic stimulus package the Federal Government is offering businesses bonus tax incentives, in addition to the normal depreciation allowance, for new vehicles and plant and equipment.

Do second hand assets qualify?

No, this will not apply to second hand assets.

What are the incentives?

Small businesses may be able to claim a bonus tax deduction of ***50 per cent on new assets costing $1,000 and above***, where the asset is ***purchased between 13 December 2008 and 31 December 2009***. These ***must be installed ready for use by 31 December 2010***.

All other businesses (i.e. not classified as small businesses) may be able to claim a bonus tax deduction of ***30 per cent on new assets costing $10,000 and above***, where the asset is ***purchased between 13 December 2008 and 30 June 2009***. These assets ***must be installed ready for use by 30 June 2010***. Thereafter, a 10 per cent bonus will be available where an investment commitment is made by 31 December 2009 and the assets are installed ready for use by 31 December 2010.

What is a Small Business?

You are a small business if you are an individual, partnership, company or trust that:

- carries on a business for all or part of the income year, and has less than $2 million aggregated turnover.

How is the Temporary Investment Allowance claimed?

In addition to normal tax depreciation, if eligible, you will receive an extra tax depreciation of 50 per cent for small businesses, or 30 per cent for other businesses. This is claimed as a deduction in your Income Tax Return against income earned. The tax savings will be equivalent to the amount that would otherwise have been payable on the extra deduction. For example, should the purchase be for $10,000 excluding GST, you will receive an extra $5,000 depreciation in that year. Those in the marginal tax bracket of 31.5% (including medicare levy) will save $5000 x 31.5% tax in that year being $1,575.

Note that the asset has to be predominantly used for business purposes.

Who is eligible?

The bonus deduction is to be claimed by the taxpayer entitled to tax deductions for depreciation of a particular asset.

For example:
The hirer in the case of a hire purchase agreement
The borrower in the case of a chattel mortgage, bill of sale or bank loan.
The purchaser in the case of cash payments made.

Is there a minimum amount that I have to spend?

Yes, qualifying small business entities will need to spend a minimum of $1,000 per asset in order to qualify for the investment allowance to apply. All other businesses will need to meet a minimum expenditure threshold of $10,000.

What assets are eligible?

The temporary investment allowance is available for new, tangible depreciating assets, or new expenditure on existing eligible assets greater than $1,000 for qualifying small business, or $10,000 for other businesses.

'New' refers to assets that have not been used by anyone, anywhere.

Demonstrator vehicles can qualify as 'new' assets provided they have been used for reasonable testing and trialling.

Examples of assets that qualify are:

- Cars
- Trucks
- Plant and equipment
- Computer hardware
- Agricultural equipment

Are there any assets that do not qualify for the bonus deduction?

Yes, for example;

- Intangible assets such as intellectual property rights
- Shares
- Cars using the 'cents per kilometre' method
- Land
- Trading stock
- Horticultural plants, establishment of carbon sinks

Capital works – buildings, construction expenditure

Will the car limit apply to the Temporary Investment allowance?

Under the depreciation provisions, luxury cars (those that cost more than the car limit) have their cost reduced to the car limit for the purpose of calculating depreciation. As the Temporary Investment Allowance relies on the core depreciation provisions of the Income Tax Act, the car limit will apply to eligible luxury cars.

This means that a taxpayer who is eligible to claim the extra depreciation on their luxury car will have to use the car limit when working out the amount of their deduction.

The car limit for 2008-09 is $57,180.

Please do not hesitate to contact me, should you have any further queries.

Regards

Katrina Mulligan
Benson & Olsson Accountants Rockhampton.
Phone: (07) 4928 5324

g.bp grazing bestprac

Tralee group discussing supplementation and water management.

Grazing BestPrac
PO Box 500,
Yeppoon.
Phone 0749 383919

Life in the soil drives grass growth.

In the next 6 or 8 weeks, we hope to have the start of the wetter season in some parts of the country. It is this part of the year that you as a grass manager will set yourself up to be successful in growing more grass than your neighbours. That means, it will be necessary to manage the pasture recovery, so that the pasture supports the soil microbes, so that the microbes grow more grass. And so on it goes. There are millions of microbes in the soil, of which there are 4 major groups—Fungi, Bacteria, Protozoa and Nematodes, to name a few. The plant's photosynthesis supplies the microbes with energy and many other substances to enable plant to thrive. In return the microbes, provide nutrients to the plant.

Now, there are two specific types of Fungi, the decomposers and the mycorrhiza, sometimes known as VAM (vesicular arbuscular mycorrhiza). The problem with our past set stocking management is that we have decimated the (VAM) Fungi and we need to rebuild populations, as they provide increased nutrient cycling for pastures. Fungi have been called the super highway of the soil, linking plants to nutrients etc.

The only way we can improve VAM populations is to establish a grazing rotation to allow pasture to recover from grazing.

Resting plants will allow the plant to regenerate and ensure that photosynthesis produces more energy for microbe uptake.

However, if we continue to graze without rest, we will slowly but surely kill the plant. What are you gonna do??

I don't believe in climate change, the way government is using it now. But I do believe the climate is changing all the time and we need to know how to manage it,

Maarten Stapper coming to Emerald—Oct 6 th ....

In the past few months, another name continues to be discussed in farming circles. A few months back the Australian Story showcased Marten Stappers story. He is another very special person, who has fallen out with the "powers that be" in government agencies and the old guard of the scientific community. He has established a business working one on one and in groups with farmers all over Australia, teaching natural systems. If you would like to see more of Maarten Stapper or hear him speak in CQ, phone 0749 383919.

Your ideas on Climate Change ?????

In the past few weeks, GBP has started to survey graziers and farmers in central and western Queensland, in regards to climate change and future management options. We have been hearing comments like, "I don't believe in climate change, the way government is using it now. But I do believe the climate is changing all the time and we need to know how to manage it, better". (40%) "As farmers, we have been managing the weather and climate forever."

In regard to the question, How will climate change affect your business?,- 75% responded, "I don't know".

In relation to the question, What strategies are you using to manage climate change, 50% responded rotational grazing, while 75% responded changed pasture management. This survey will be utilized to develop a series of workshops and training programs to deliver future climate change information.

If you wish to be involved in the Farm Ready climate change survey, please contact Mick Alexander 49 383919 or email: mick@grazingbestprac.com.au.

Below—Charlie Wilson, Dingo assessing pasture yields at the Springsure TOGG workshop in August.