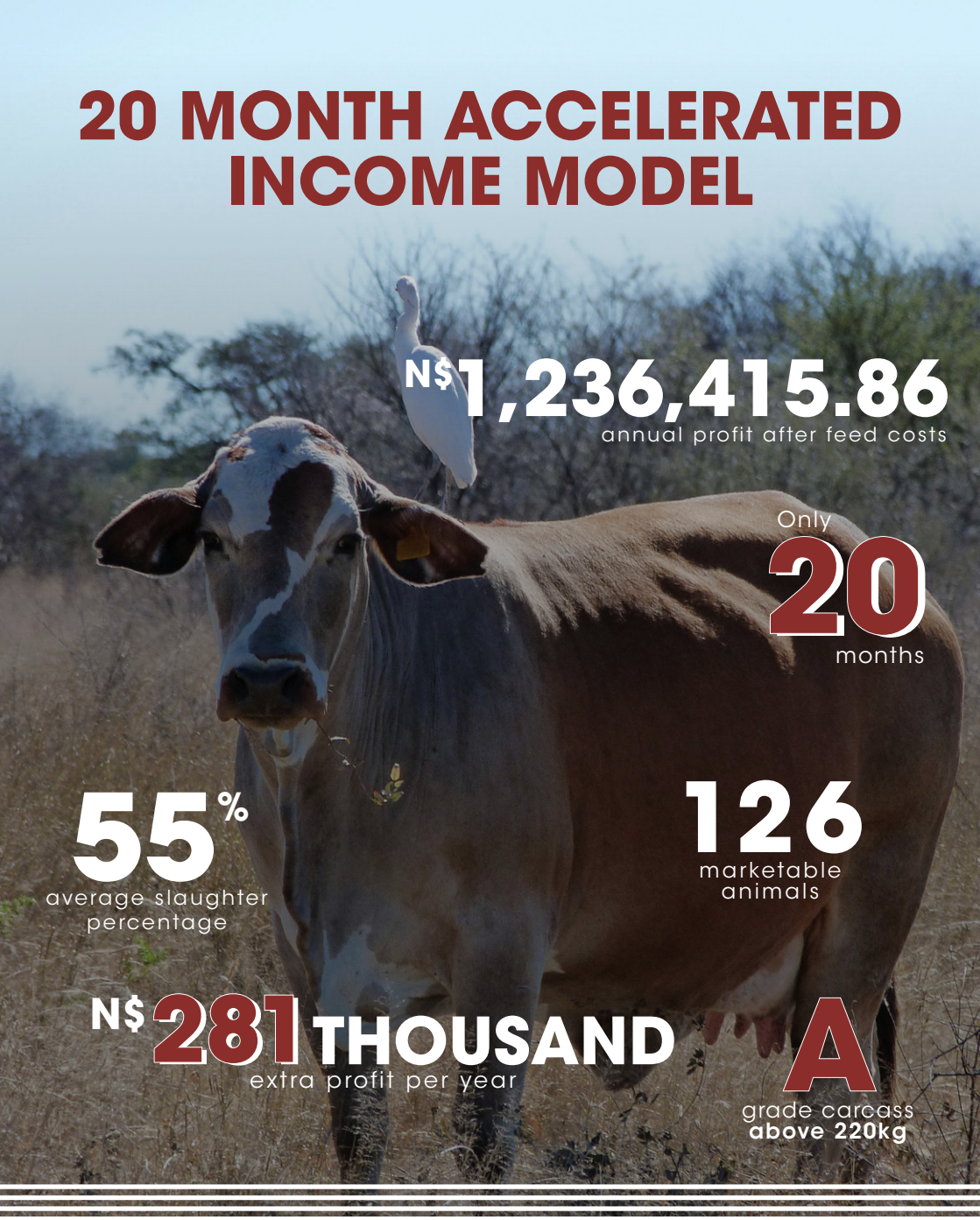
20 MONTH ACCELERATED INCOME MODEL



N$ 1,236,415.86
annual profit after feed costs

Only
20
months

55%
average slaughter percentage

126
marketable animals

N$ 281 THOUSAND
extra profit per year

A
grade carcass
above 220kg

Feedmaster
Your Quality Solution

PREFACE

Due to the current economic pressure on farming enterprises, the proposed accelerated growth model can aid in a quicker recovery of overall farm-gate income through the strategic feeding of cattle during their early growth phase.

The aim of the development of this model was to facilitate a farmer with a feeding model that can ensure a quicker return of income in 20 months rather than the traditional 30-month model. The model was composed using multiple sources of data to ensure that the most accurate picture is illustrated. This model was also developed together with farmers to understand the challenges and pitfalls that can hinder the success of the farmer. Assumptions of variables had to be made, to present a model that most likely fits into the Namibian context. However, the model is interchangeable and can be altered for most farming systems by any of Feedmaster's Technical Advisors. Inevitably mitigation of risk and the improved ability to absorb a drought gave rise to this model.

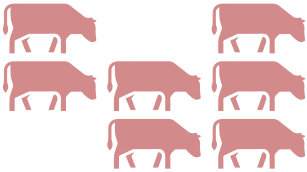
This model is still in its infancy, it will be updated, improved and shaped as time proceed, to hopefully become the preferred farming model for every successful farmer.

ADVANTAGES OF THE PROPOSED 20-MONTH MODEL

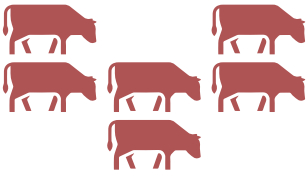
1. More cows can be kept on the same size farm, thus more calves to market/slaughter.
2. Income is significantly quicker after 20 months and not 30 months, thus improving cash flow within a 3-year cycle.
3. Improved body condition scores of cows and therefore improved pregnancy-rates in Year 2, contributing to improving the ability to withstand a drought.
4. Higher weaning weights of heifers and thus earlier sexual maturity. This means replacement heifers can be mated from 16 months and not 24 months as was traditionally done.
5. More calves in a cow's productive lifetime as calves are reared faster and cows come into production earlier.
6. Increased annual profitability per hectare of N$42 on a 5000ha farm.
7. The quicker transition from weaner production to slaughter ox production.
8. Increased weaning weight of weaners as the result of creep feeding.
9. Better carcass gradings on the slaughter floor.
10. Possibility of even higher profit differences if the price-difference between A and AB grades increase or the price-difference between a 0-grade and 1-grade increases.
11. Vertical growth and increased possible income on the same farming unit.
12. In case of a loan taken, less interest on loan repayments, as production time is shorter.

POSSIBLE TURNOVER

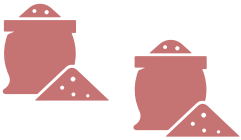
30-MONTH HERD



123 BREEDING FEMALES



98 ANNUAL MARKETABLE ANIMALS

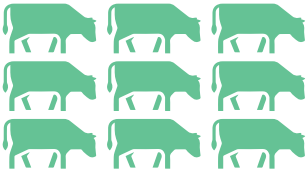


N$1.28 LICK COST PER DAY PER ANIMAL

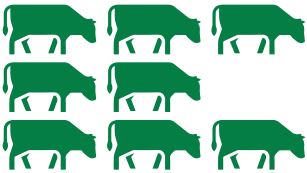
N$205.19 PROFIT PER HECTARE AFTER FEED COST

N$1,025,963.21
ANNUAL GROSS PROFIT AFTER FEED COST

20-MONTH HERD



158 BREEDING FEMALES



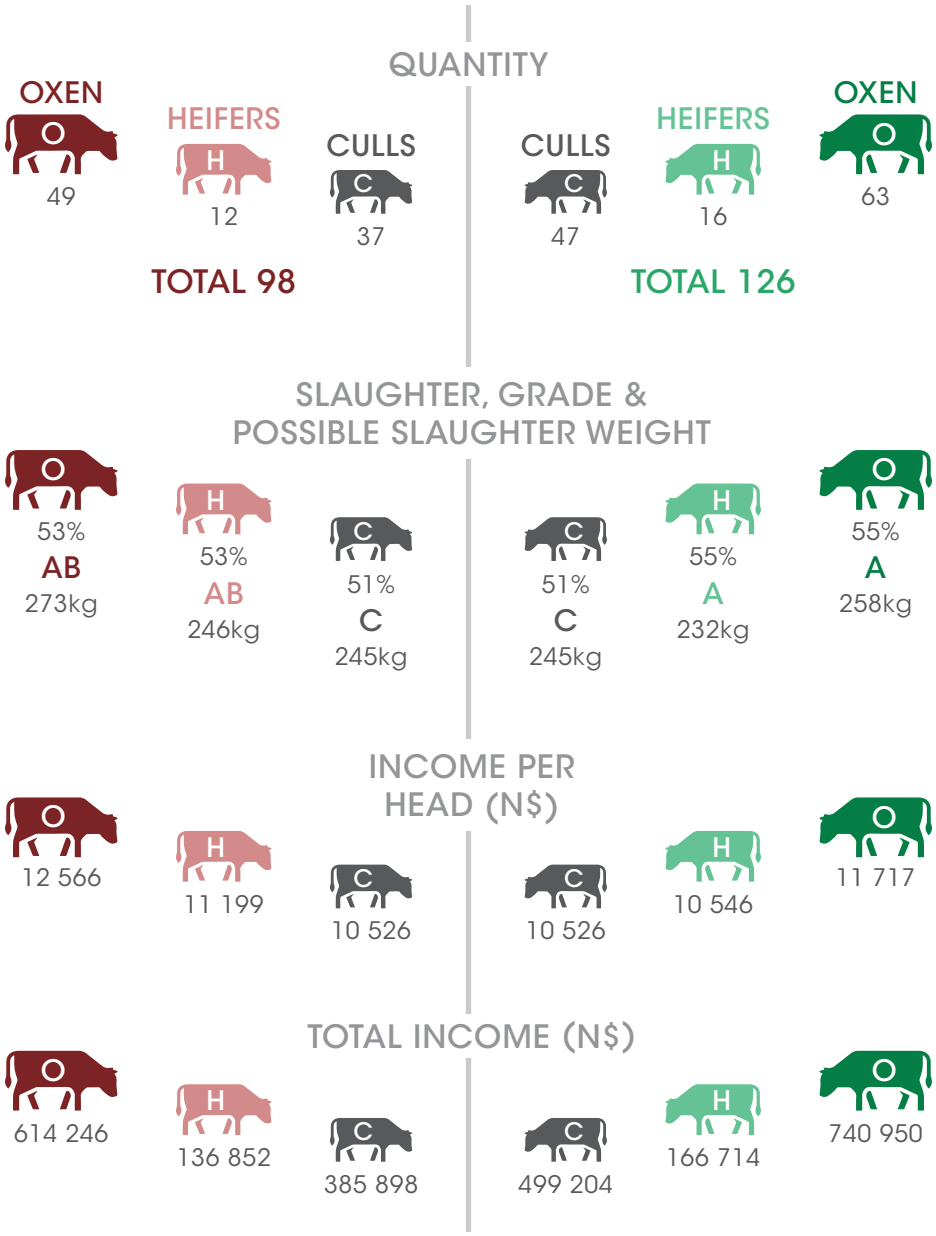
126 ANNUAL MARKETABLE ANIMALS

N$3.90 LICK COST PER DAY PER ANIMAL

N$247.28 PROFIT PER HECTARE AFTER FEED COST

N$1,236,415.86
ANNUAL GROSS PROFIT AFTER FEED COST

HERD COMPOSITION MARKETABLE ANIMALS



PRODUCT RANGE FOR PROPOSED MODEL

EXPECTED LICK AND CREEP FEED USAGE OF MARKETABLE CATTLE

CREEP FEED

1ST PHASE

Rumen Optimizer

135 days
270kg
(2kg/animal/day)

LICK

2ND PHASE

Cow & Calf Lick

165 days
825kg
(500g/animal/day)

3RD PHASE

Futterfos P6

150 days
18kg
(120g/animal/day)

4TH PHASE

Cow & Calf Lick

60 days
24kg
(600g/animal/day)

LONG-TERM 5 YEAR PROJECTIONS

The 60-month long-term projection explains how the current production cycle of 30 months compares to the proposed **model of 20 months.** We chose the 60-month period as it means that you can do **3 cycles of 20 months** and only 2 cycles of 30 months. The accumulation of benefits can be seen at best, using this comparison.

The proposed model **increases** the number of cattle **produced for slaughter by 49%** over the 60-months period and so increases the overall income by a much larger margin. The three 20-month models will give the farmer an **extra N$ 1,486,219.15 gross profit in 5 years.** The idea behind the accelerated model is to increase the amount of production on the farm, without having to purchase extra land which will be at a very high cost and risk to the farmer.

The model that we use only takes into account the cost of the feed and no other expenses but is done so to show that the change of a single variable can have a large effect on overall profit.

Models	Gross Profit Per Cycle	Profit after 60 Months
Model 30 Months Old	N$1,008,905.03	N$2,017,810.06
Model 20 Months New	N$1,168,009.74	N$3,504,029.21
Difference	N$159,104.71	N$1,486,219.15
Extra Profit Per Month		N$24,770.32
Extra Profit Per Year		N$297,243.83

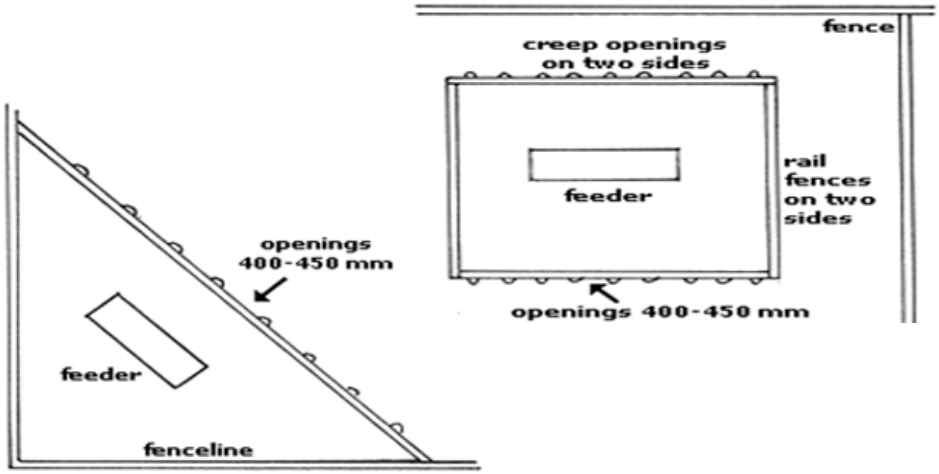
Long-term Profit per Ha Calculations

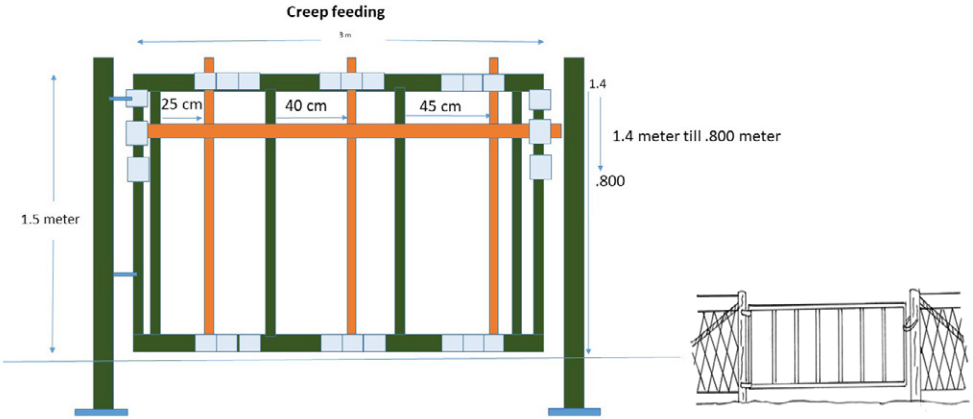
Farm Size	5000
Long term profit per Ha 20 Month model	N$700.81
Long term profit per Ha 30 Month model	N$403.56
Difference	N$297.24
Increased Profit per Ha per year	N$59.45

CREEP FEED

Creep feed is a system of feeding young calves extra feed to utilize the optimal growth at a young age. The creep gate has smaller openings for calves to enter into the feeding space but do not allow cows to pass into the feeding area. This gives the smaller calves the chance to feed efficiently and thus grow and develop better. Here are some examples of a creep system.

CREEP SYSTEMS





CONCLUSION

If we look at the yearly change in profit that is possible to be generated, we can clearly assume that the 20-month model can be done with increased profitability. The model can also apply well to a weaner producer as some of the oxen and heifers can be sold at weaning age to improve the cash flow of the farmer. This gives you more flexibility when it comes to your cash flow. You must also be willing to measure and revise business practices to invest in your business with the vision of future profits to make this model a success.

This model can revolutionise the cattle industry and can make Namibia a world leader in precision farming and meat production. We must, therefore, renew our way of thinking of what can be done on our available land.

YEARLY PROFIT CALCULATIONS

	Model	Income	Feed Expenses	Gross Profit	Profit Per Month
Annual Profit after Feed costs	20 Months	N$ 1,406,867.51	N$ 195,576.16	N$ 1,211,291.35	N$ 100,940.95
Annual Profit after Feed costs	30 Months	N$ 1,136,995.60	N$ 145,923.68	N$ 991,071.92	N$ 82,589.33
Difference in Profitability/ year		N$ 269,871.91	N$ 49,652.48	N$ 220,219.43	N$ 18,351.62

DISCLOSURE

- All the calculations found in this booklet were based on calculated assumptions derived from data.
- The model is based on an average rainfall year.
- The model will only be successful if the farmer invests in the correct feed and if the farm is not overstocked.
- The model is developed to absorb a drought better and increase herd numbers.
- The model was based on medium to large framed animals as the market requirements for the carcasses dictate this.
- Assumptions on prices were made and tend to fluctuate in the long run but tend to stay constant in the short term.
- We at Feedmaster may not be held accountable for the loss of income if bad management led to the model not being successful.
- The model was not officially tested practically. We are working on a formal test to confirm these calculations.

YOUR RUMEN SPECIALIST

RUMEN OPTIMIZER

Rumen Optimizer is a 16 % protein product! This product is mainly used as creep feeding for large and small stock. The product prevents weaning shock and can also be used to maintain the growth potential of young animals

- The high energy and bypass protein fraction ensure the best development of rumen papilla, which contributes to more efficient growth and animals that are market-ready sooner.
- Rumen Optimizer also relieves the pressure on ewe/cows resulting in better re-conception.
- The bypass protein increases milk production as well as the quality of the colostrum(biesmelk).
- Rumen Optimizer can also be used as a veld finishing product.
- Rumen Optimizer contains a vitamin and mineral pack that meet the needs of young growing animals.
- This urea-free product is also suitable for game.
- The product is supplied at 1 % of body mass to animals on natural grazing or with ad-lib hay
- Rumen Optimizer is extremely suitable for the preparation and finishing of show and auction animals.

OUR TEAM OF SKILLED **TECHNICAL ADVISORS & NUTRITIONISTS**

Christo du Plessis
National Marketing Manager
081 122 9223

Markus du Plessis
Technical Advisor
& SME Development
081 635 4061

Dawid Krause
Corporate Brand Specialist
081 124 9415

Danie de Lange
Technical Advisor
Hardap
081 128 8713

Joubert de Wit
Technical Advisor
!Karas
081 128 1518

Norbert Neumann
Technical Advisor
Central
081 232 7027

Richard Peens
Technical Advisor
East
081 045 0837

Christo van Zyl
Technical Advisor
North
081 147 4199

Frank Kanguatjivi
Technical Advisor
Communal areas
081 127 3029

Lourens Swart
Technical Advisor
& Livestock Services
081 127 8805

Claudia Mack
Nutritionist Ruminant
Namibia
061 290 1312

Carlien Dames
Nutritionist Monogastric
Namibia
081 156 6295

Drikus Delport
Nutritionist
Namibia
081 125 6400

Karlien Kuhn
Marketing Specialist
081 329 9119

Tel: +264 61 290 1300
Fax: +264 61 290 1313
info@feedmaster.com.na
www.feedmaster.com.na

GET IT ON Google Play
Download on the App Store