CANEGROWERS

BUSINESS ESSENTIALS CASE STUDY

LEARNING THE BUSINESS BEHIND THE FARM

For Letitia Taylor, farming wasn't something she grew up with, but agriculture has always been part of her career.

UNDERSTANDING THE NUMBERS TO MAKE BETTER DECISIONS

After studying Production Horticulture at university, she worked across research, seed production and agronomy before taking an active role in her husband's family farming business near Childers.

Today the family operates a highly diversified enterprise including around sugarcane, macadamias, lychees, mangoes and a 60-tonne aquaculture business producing silver perch and jade perch.

While her agricultural background gave her strong technical knowledge, understanding the commercial side of the sugar industry was another matter.

"I've worked in agriculture since I finished school, but I hadn't grown up in the sugarcane industry," Letitia said. "There were lots of little bits and pieces that everyone else just seemed to know that I didn't."

THE CHALLENGE

Like many growers, the Taylor family's business is navigating increasing financial pressure.

Low sugar prices, rising fuel and fertiliser costs and broader input price increases have created significant uncertainty for farming businesses across the district.

"At the moment the low sugar price and then the uncertainty around diesel, fuel and fertiliser are the two big ones," Letitia said. "With the sugar price being low and everything else going up around you, it brings a lot of uncertainty."

The family's diversification helps spread risk, but it also creates complexity, with different industries requiring different compliance systems, accreditation programs and management approaches.

"We're working towards Smartcane BMP for the cane and towards Freshcare for the fruit, we've got Safe Food requirements for the fish, and need to meet biosecurity requirements for the sheep," she said. "Every different crop has a different scheme and it's really a lot of work to keep on top of."

LANDHOLDER:

Letitia, Paul and Col Taylor
A family business that grows sugarcane, macadamias, lychees and mangoes as well as operating an aquaculture business

PROJECT:

Centre pivot irrigation system improving drought resilience.

Through their business planning process, the Taylor family identified irrigation capacity as a key risk during prolonged dry periods. The new centre pivot system will improve water-use efficiency and enable water to be applied more quickly across the farm, helping reduce drought risk and protect crop production. Assistance through the QRIDA Drought Preparedness Grant helped make the investment more achievable.

LOCATION:

Childers, Queensland

RAINFALL:

1,054mm per annum

PIVOT:

Area under pivot is 39.96 ha
Pivot capacity is 12 mm/day
Expected cane yield is approx. 125t/ha

FINDING PRACTICAL SUPPORT

Looking to strengthen her understanding of the business side of cane farming, Letitia participated in the Business Essentials workshops, attending both face-to-face and online sessions.

The workshops helped explain how the industry's pricing and marketing systems work and provided practical tools that could be applied directly within the business. The business planning sessions helped her think about the bigger picture of their farming enterprise and look beyond immediate challenges and towards long term goals and considering strategies to reach them.

The workshops also included sessions on risk management and explored methods for assessing risk and developing mitigation plans. The workshops reinforced the importance of understanding production costs, investment decisions and business performance alongside day-to-day farm operations.

The Business Essentials cost of production spreadsheet tool was one of several tools considered and discussed at the workshop. Understanding cost of production and building a profile within the tool provides a powerful means of testing scenarios and considering business impacts of various risks using what-if scenarios and sensitivity tables.

"I found the cost of production spreadsheet really good," she said.

"I'd done a little bit of my own work looking at things, but the level of detail in that spreadsheet was really useful.

"The outputs and sensitivity conversions to sugar pricing terms was especially useful and provided an excellent lead into the session which focused on managing market pricing risks. This covered a range of sugar market information from the structure and workings of the world market through to the driving factors behind price movements and how to interpret the myriad of information and commentary available.

"I particularly enjoyed the session on the cane price and sugar pricing, I finally understood how it all works," she said.

"Before that, you get your cane payment, and it is what it is," Letitia said. "Now I actually understand where it comes from."

TURNING KNOWLEDGE INTO ACTION

The increased understanding gained through the workshops gave Letitia greater confidence when making business decisions and planning future investments.

One of those investments was securing QRIDA drought resilience funding to install a centre pivot irrigation system, replacing older high-pressure travelling irrigators.

"For us we use high-pressure winches and they're extremely labour intensive and not very efficient in terms of applying water," she said. "There was a lot we could do to improve our capacity to manage drought, and we came up with strategies, which led to potential investments we could make towards improvements.

"For one of those investments, we put the grant towards installing a centre pivot."

BENEFITS

For Letitia, the greatest benefit has been confidence.

Rather than simply accepting financial outcomes, she now has a much clearer understanding of how industry pricing systems operate and the costs involved in producing a crop.

That knowledge is helping the family make more informed business decisions while continuing to invest across their diversified enterprise. With agriculture facing ongoing cost pressures and market volatility, having access to practical business tools and information is becoming increasingly valuable.

ADVICE FOR OTHER GROWERS

Letitia encourages other growers, particularly those newer to the industry or involved in family businesses, to make the most of opportunities to build their business knowledge.

"The Business Essentials workshops were really worthwhile," she said.

"They helped explain things that aren't always obvious, especially if you haven't grown up in the industry."

"The more you understand how the business side works and include structured planning, the better decisions you can make."

Visit www.canegrowers.com.au, your CANEGROWERS district office, or contact Chris Gillitt today to find out more!

This program is jointly funded through the Australian Government's Future Drought Fund and the Queensland Government's Drought and Climate Adaptation Program.