

Healthy livestock = healthy business



IT IS COMMON TO FIND THAT MANY GRAIN FARMERS ARE ALSO LIVESTOCK FARMERS, PROBABLY BECAUSE MIXED FARMING IS ONE WAY OF SPREADING SEASONAL RISK. THE TWO SYSTEMS OF FARMING ARE ALSO COMPLEMENTARY, FOR EXAMPLE WHEN A FARMER HAS COMPLETED HIS MAIZE HARVEST, THE ANIMALS ARE ALLOWED TO WALK IN THE FIELDS AND FEED ON THE GRAIN AND STOVER LEFT ON THE LANDS. THE MAIZE HARVESTED IS ALSO A USEFUL ADDITION TO THE WINTER FEED RATINGS OF THE ANIMALS TO ENSURE THEY MAINTAIN CONDITION THROUGH THE DRY WINTER MONTHS.

It is always in the farmer's best interests to look after animal health as healthy animals definitely add value to the business of the farm. Also, sick animals cost time and they cost money! In the first place, a healthy animal is able to resist most disease and it can also recover more easily when it does get sick. Farmers should regularly look through their animals to detect any signs of weakness and quickly see

what they can do about it. Most experienced farmers know when their animals are unwell. An animal in good health eats well and regularly. It moves around actively seeking food, water and shelter – usually with the rest of the herd. An animal staying alone for lengthy periods may be sickening from something and need attention. Healthy animals will chew the cud and they will be breathing easily. The posture of the animal will appear relaxed – no limp, no hunched shoulders and its hide or skin will have a healthy sheen. The eye is also a good indicator of animal health so when you check look for shiny, clear eyes. The eyes and the nose should not have runny or smelly mucus. These are just a few of the signs to look out for.

Another thing worth remembering is that one sick animal can sometimes contaminate other healthier animals and negatively influence the whole herd's health! Also, when such a sickness is doing the rounds, an animal that is sick can be re-infected – even if it is apparently already recovering – because

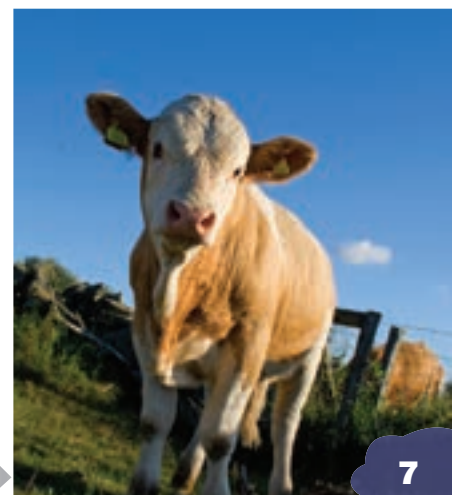
Grain SA magazine for
developing producers

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Mme Jane says...

It's July and usually this is one of the longest and least promising months in the grain farmer's calendar. You have probably finished harvesting your crops but not yet working on the new season. This is a time to rest before you start working again. The short days and long nights give you time to sleep and gain strength for the busy season ahead – like the animals that hibernate during the winter so as to be ready for the spring.

Some people are still harvesting their maize. This was a difficult year – some spring rains were late and so people planted late, some people received adequate rains and have harvested a good crop, whereas others did not get rain and have been disappointed. We must always remember that even good commercial farmers can get poor yields – we do not farm under a roof and we are always dependent on the weather for our crops. We must do our best, and then hope that the rain will come in time and that the frost will stay away until our crops are out of danger.

The prices for the crops have been better this year than in previous years, and it has been possible for farmers to make some profit. Please remember to re-invest in your farming business and keep money for the inputs for the next season. Where possible, try to practice a crop rotation and plant different crops on the lands – for example, where you had maize this year, plant sunflowers/soy beans/dry beans etc. Try not to plant the same crop on the same land each year – you will get a build-up of weeds and have a reduction in yield.

It is so very important to feed your livestock during the winter so that they do not lose condition. Dry grass has very little nutritional value and you will need to supplement with a good lick. Get advice from other farmers and from the feed companies – there are people who know about all these aspects of production who will assist you.

And lastly, keep warm!

Healthy livestock = healthy business



its system has already been weakened. If your animals are sick and your neighbour's animals are also sick, the levels of disease in an area become very high and it is difficult to keep individual animals healthy. This also happens where there are lots of uncontrolled ticks and worms and is the reason why it is very difficult for farmers on communal land to grow healthy herds successfully.

The animal's immune system

The immune system is nature's way of keeping our body healthy – even humans have immune systems. It is the work of the immune system to help the body fight germs which invade the body and cause it to get sick. The tiny but incredibly powerful immunity cells can be found all over the body, but when a specific part of the body weakens from germs which have entered the body, these immunity cells come to the area of weakness and attack the germs. It is as if a battle takes place and two armies are at war as the immune cells go to battle against the invading germs. If the immune cells are successful, the animal will stay healthy, if they are not strong enough to cope against the invading germs, the animal will sicken and medicines will be needed. One very important fact is that immunity cells amazingly do learn to recognise common diseases which often make an animal sick such as tick borne diseases. This makes it easier for the animal's immune system to fight the tick diseases faster. For other diseases which don't occur often, the immune system stops being able to recognise it.

This is the reason why livestock farmers must exercise caution when buying in new animals. For example, animals born and raised in relatively disease free conditions should not be brought in to areas where Heartwater or Redwater is known to occur because these animals' immune systems will not recognise the disease and

protect the animals so they will sicken and even possibly die – what a waste of your investment that would be! Just because an animal's immune system can recognise one disease it may not automatically be familiar with other diseases. Vaccination is in fact one of the methods farmers use to get their animals immune systems familiar with a disease. Vaccinations will contain a very mild or weaker form of a disease which will not kill the animals. The immune system is also strengthened through a mother's milk to her infant which is why it is so very crucial that every young animal gets colostrum and mother's milk. Colostrum is filled with immune cells from the mother.

Food and nutrition is also important

If your animal is constantly hungry and thin the immune system cannot do its work and the animal will get sick. So it is critical that a farmer must feed his livestock correctly and so ensure they maintain a good condition even through the colder winter months when grazing becomes scarce. Protein licks form an important part of an animal's winter diet. An animal which has been well cared for and properly fed can even get better by itself with just its own immune system in action fighting germs and maintaining good health! Also remember that animals which are fed properly generally tend to have better production cycles and they will get back in calf faster, produce higher quantities of milk and they will grow faster.

This important topic will be covered in more detail later. Let it be a challenge for every farmer to give carefully calculated attention to his livestock so that every animal in his care is given the best opportunity to earn their keep by becoming a valued contributor to the farming operations as a whole.

**JANE MCPHERSON, PROGRAMME
MANAGER OF THE GRAIN SA PRODUCER
DEVELOPMENT PROGRAMME**

Celebrating farmer development

IN THE PREVIOUS EDITION OF PULA IMVULA, WE SHARED INFORMATION WITH OUR READERS ABOUT THE RECAPITALISATION PROGRAMME. AFTER THE SIGNING OF AN AGREEMENT BETWEEN THE DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM AND GRAIN SA, BUSINESS PLANS WERE PREPARED FOR 16 FARMERS WHO WERE THE BENEFICIARIES OF THE LAND REFORM PROGRAMME AND PART OF THE GRAIN SA FARMER DEVELOPMENT PROGRAMME. ON THURSDAY, 17 MAY, WHILE GRAIN SA'S NAMPO HARVEST DAY WAS TAKING PLACE, A FUNCTION WAS HELD DURING WHICH FIVE OF THE BENEFICIARIES OF THIS PROGRAMME WERE ASKED TO SHARE WITH GUESTS HOW THIS PROGRAMME HAS ENABLED THEM TO BECOME BETTER FARMERS.

Jannie de Villiers (Chief Executive Officer: Grain SA) welcomed guests and thanked Stephen Modise (Department of Rural Development and Land Reform) for partnering with Grain SA. He said that a sustainable way to develop farmers and take them forward has been established. This function was held to celebrate the time and effort the team has invested into this project to harvest farmers.

The chairperson of Grain SA, Louw Steytler, mentioned that the successes which have been achieved through this cooperation makes him proud to be a South African. "Let us carry on with the good work," he concluded.

William Matasane (Senekal), Jack Kokoma (Bothaville), Mponeng Lentoro (Bloemfontein), Michael Ramoholi (Theunissen) and Willem Modukanele (Welkom) expressed their gratitude to the Department of Rural Development and Land Reform and Grain SA – especially Me Jane McPherson (Programme Manager of the Grain SA Farmer Development Programme). Karabo Peele (newly elected chairman of the Maize Trust) applauded Grain SA as the only reputable organisation that has produced farmers through the farmer development programme. He urged developing farmers to reinvest in their business and not to waste money on luxuries.

Approximately 180 guests attended this function, held in the Donkerhoek Hall at NAMPO Park, near Bothaville.

LOUISE KUNZ, PULA IMVULA EDITORIAL TEAM



The various speakers address the guests at the function.

Record all your financial transactions



FOR PROPER FINANCIAL MANAGEMENT YOU NEED INFORMATION REGARDING THE PROFIT/LOSS SITUATION, THE FINANCIAL POSITION AND THE CASH-FLOW POSITION OF YOUR BUSINESS. THE SOURCE DOCUMENTS OBTAINED FOR EACH AND EVERY TRANSACTION NEED TO BE RECORDED TO ENABLE YOU TO COMPILE PROPER FINANCIAL STATEMENTS.

In a previous article the first step to financial management was discussed. This first step entails that one should acquire source documents for each and every transaction of your business, then number and file these documents properly. Sometimes it may even mean that you will have to compile your own source documents.

Let's discuss the second step. During the second step you need to record all the source documents in some way or the other. The recording needs to be done in order to eventually compile the three financial statements that are required for proper financial management. The three financial statements being:

- An **income statement** which determines the financial result – profit/loss of your business.
- Secondly a **balance sheet** determining the financial position of your business. This relates to the ratio of assets to liabilities of your business. Is your business in a safe position – solvent, or is your business at risk? Do you have a lot of liabilities?
- Thirdly the **cash-flow statement** indicating whether your cash-inflow is greater than the cash-outflow or vice versa. Practically this statement indicates whether you will have enough cash available at any specific time, such as at the end of a month, to meet all your commitments. For instance the paying of wages, electricity bill, monthly payments on accounts and so forth.

Recording of source documents can be done manually, or per computer, or using specific programs developed for use on a computer. Furthermore the recording needs to be done rather regularly, preferably on a daily basis, to reap the benefits of proper financial management.

Unfortunately this step is not so simple to do and one will need some training. After the basic recording, financial statements need to be compiled. Preferably these statements should be available at least at the end of every month.

In our discussion we concentrate on financial statements needed for proper financial management of your business. For income tax purposes a different set of financial statements are required after the end of your financial year and can therefore not be used for proper financial management.

Should you wish to apply for a loan, you will also have to provide a set of financial statements to support your application. These statements can also not serve for proper financial management. The statements are only compiled when required and not on a regular basis.

Because of the intricacies of the rules and regulations of SARS it is highly advisable that you make use of professionals to attend to the different tax aspects of your business. These professionals could also assist you should you need to apply for a loan. However the recording and compiling of financial statements for management purposes should preferably be done in house – either by you or somebody in the family or someone appointed to do the job.

For proper financial management of your business, the financial information needed should be available on a daily basis. Should you wish to buy a tractor, a bull, seed, or whatever, financial decisions need to be taken immediately. Have I got cash available to pay for the item or may I have to apply for a loan? Must I delay the purchase? Will I be able to repay the loan? How will the purchase affect the profit/loss position of my business?

Being aware of the fact that the recording of all source documents is a bit more complicated – some practical advice. It is recommended that record keeping at least commences with keeping record of at least all income and expenditures. For starters this can be done by at least recording all source documents in a table as the one shown.

Name of Business:.....

Year: 2012/2013

Income and expenditures for the month 2012

Income

| Date | Income received from | Description of item sold or source of income | No of document | R.c | |
|--------------------------------|----------------------|--|----------------|-----|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Income for the Month = I | | | | | |

Expenditures

| Date | Expenditure paid to (Name of business) | Description of item purchased | No of document | R.c | |
|-------------------------------------|--|-------------------------------|----------------|-----|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Expenditure for the Month = E | | | | | |

Result for the month: $I - E$ (Should E be more than I the result is -) = A

Result for the year as up to the previous month = B

Result for the year at the end of the present month = $A + B$

This form can easily be done manually, in a script, or be done using the Excel program on a computer. It can be extended or altered to suit your personal circumstances. The result determined by this action will already give you a very good indication of the profit/loss of your business in total.

If you want to advance from here do a form for each enterprise of your business – cattle, maize, wheat, sheep for instance. In this form you will then record all income and expenditure that you can easily allocate to a specific enterprise – such as seed, fertiliser, feed, medicines, pesticides and so forth. Then do a separate form for all other income and expenditures that you cannot allocate to an enterprise specifically, such as diesel, repairs and maintenance, electricity, salaries, insurance, stationery, interest paid, interest received, rent received, also known as overhead income

and costs. The result of all these forms then added together will be the result of your business in total. In a farming business it is very important to know the profit/loss position of each enterprise. When an enterprise is run at a loss it is subsidised by the other profitable enterprises and you need to take a decision regarding the specific enterprise.

To be able to manage the money matters of your business properly there is no other way than described so far. It takes effort but you will reap the benefit of being able to make proper financial decisions. Remember everything we do, in relation to our business, affects the profit/loss of our business.

**INFORMATION ADAPTED FROM THE
BUSINESS ETHICS COURSE BY MARIUS GREYLING**

Managing your livestock

MOST GRAIN FARMERS IN SOUTH AFRICA ALSO KEEP LIVESTOCK – THERE ARE VERY FEW FARMS THAT HAVE ONLY ARABLE LAND AND SO IT IS GOOD FOR A FARMER TO KEEP CATTLE OR SHEEP SO AS TO USE THE WHOLE FARM PRODUCTIVELY. AFTER CROPS HAVE BEEN HARVESTED, IT IS ALSO COMMON PRACTICE TO HAVE THE LIVESTOCK GRAZE ON THE CROP RESIDUE.

In communal areas, most people have livestock – the animals graze on the communal grazing during the summer months and on the lands during the winter after the crops have been harvested. The challenge is not the keeping of the livestock, the challenge remains keeping the number of livestock down to within sustainable levels.

How much does a cow eat in a day?

Knowing how much forage an animal needs is the first step in determining how many animals can be supported on the land available. The amount of forage required by one animal unit (AU) for one month is called an Animal Unit Month (AUM). One animal unit is defined 450 kg beef cow with or without a nursing calf with a daily requirement of 10 kg of dry matter forage. Therefore, one AUM is equal to 300 kg of dry matter forage (30 days x daily forage requirement).

Just to be practical, we are all aware of the round bales of fodder. It is safe to estimate that these bales are in the region of 250 kg. We know that one cow needs 10 kg of dry matter every day and so we can calculate that one round bale will only feed one cow for 25 days. Each cow will need 1,2 round bales of hay for one month. At this stage, round bales are selling for about R300 per bale (if you as the farmer are producing hay, you can use the figure of R180 per bale that the hay will have cost you). The hay to feed one cow for one month will cost you in

the region of R360. This is only for the hay. To ensure that you cow is getting adequate nutrition that will allow her to be healthy and produce a saleable calf for you each year, you will also have to give her a good lick that will cost you about R1,27 per day. The cost of the lick for the month is almost R40. The total feed costs for your cow per month can therefore be calculated at around R400 per month.

Feeding the cow off the veld

In the paragraph above, we have discussed the amount of dry matter that is required by each cow per month. Whether you are buying feed for your cow, or whether she is grazing on the veld, your cow needs 10 kg of dry matter every day (plus the licks).

Carrying capacity (CC), in its most basic definition, determines the maximum livestock or wildlife population that a habitat or ecosystem can support on a sustainable basis. We all know that each region in South Africa has a specific Carrying Capacity – this is calculated according to the soil, rainfall and climax grass for each region. (We will have an article on the climax grass at a later stage).

CC is calculated from an estimation of annual production of consumable vegetation, linked to animal requirements for feed and nutrients. In many areas of South Africa, the veld is totally overgrazed and so one is not able even to using the 'normal stocking rates'. Veld that has been overgrazed for a long time may never recover and it might be necessary to replant the grasses, which is an expensive exercise.

Sadly, we often see animals that are very thin and even those that have died of starvation. Unfortunately, as livestock owners, we have to take responsibility for the feeding of our livestock. You cannot simply open the gate of the kraal and assume that the cow will be able to find enough grass to eat. These animals walk around all day and end up eating plastic bags and other rubbish which often leads to their death.



What are your options?

Most of the farmers in our programme are carrying too much livestock. This is irresponsible – both in terms of the livestock that depend on you for care and also in terms of the damage that you are doing to the land. Remember that no land is 'your land' – we all have the use of the land but we must ensure that future generations will also be able to use the land and so we must take proper care of it.

You can sell a cow today for up to R10 000 (depending on the age, weight and condition). You will need to take care of the feeding of your other animals until November (by which time the grass should have grown). You have at least three months ahead during which time you must feed. Remember that we calculated that it costs R400 to feed one cow for one month. That R8 000 from the sale of one cow can feed 20 cows for a month. Remember that if one cow dies, you have lost the R8 000.

A wise decision is to sell as many cattle as necessary so that you have sufficient income to buy food for the other cows. In this way you can save your farm for future use and ensure that your cows are well fed and healthy so that they can produce a calf for you to sell next year.

JANE MCPHERSON, PROGRAMME MANAGER OF
THE GRAIN SA PRODUCER DEVELOPMENT PROGRAMME

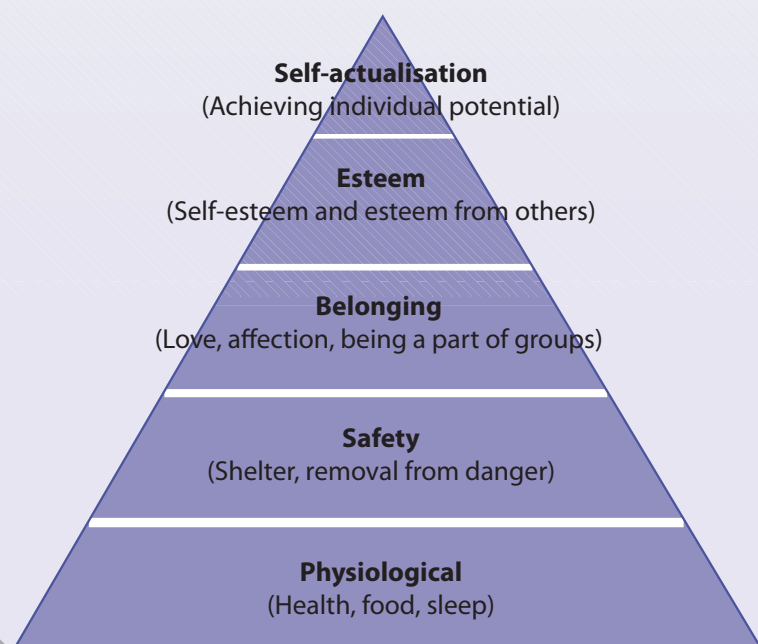
What are your priorities?

WATCHING AND OBSERVING PEOPLE IS ALWAYS INTERESTING – WHAT THEY SAY, WHAT THEY DO, WHERE THEY GO AND WHAT THEY SPEND THEIR MONEY ON. AS PEOPLE, WE ARE ALL DIFFERENT INDIVIDUALS AND EACH PERSON HAS HIS/HER OWN WANTS AND NEEDS. YEARS AGO, MASLOW, A WELL-RESPECTED PSYCHOLOGIST DREW THIS LITTLE PYRAMID TO EXPLAIN THE HIERARCHY OF NEEDS.

You will see in the accompanying drawing that the largest and most fundamental need is the **Physiological need** – food, clothing, good health, rest etc. – the most basic of things that we all need irrespective of our age or station in life.

After those most basic needs comes the need for **safety** (to be free from fear and exposure). In this category we could perhaps place housing and shelter. These are the two basic needs that often make me wonder – it would seem that today in our modern society, we are becoming confused about what is actually important in life.

In today's life, many people are focussed on the upper layers of the pyramid before they have fulfilled the lower level needs. You only have to look around you to see young people driving fancy and expensive cars,



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***Our aim is to produce the best
publication possible. Please direct any
comments on the editorial content or
presentation thereof, to Jane McPherson.***

What are your priorities?



having cell phones, wearing 'label clothes', using an i-pad when you also know that there are children at home who do not have enough food to eat, or clothes to wear. What is happening to our values?

We hear shocking stories about young mothers who are having babies and claiming the child grant – but they are not using the grant to feed and clothe the children – they use this money to buy fancy clothes for themselves, cell phones and air-time. This was never the plan. If we allow this to continue, our entire society will be burdened by large numbers of children who are not properly fed and cared for and not educated so that they can take up their place in the economy. The money from the child grant is designed to help the mother raise the child – feed, clothe and educate them.

As a farmer – what are you buying?

If you are a farmer, then farming is your business. If you have a business, you have to invest in that business. What are the most important things that you need as a farmer:

1. Land on which to produce;
2. Tractors and machinery; and
3. Production inputs.

Recently I have heard farmers saying that they could not produce a crop because they had no production inputs, or because their tractor is broken. This is quite understandable. However, I was shocked to realise that these farmers had borrowed R300 000 from a financial institution to purchase a double cab LDV! Surely, it is more important to buy a tractor and machinery and the production inputs, before you buy a bakkie!

This is exactly the point about priorities – do you want to grow your business along sound business principles, or are you wanting people to 'see you and consider you rich'? I think it is time that we looked at ourselves very critically – if you are wanting to be a successful farmer, you must first invest in your business – pay the rental on your land (if applicable), buy the tractors and machines that you need, buy the inputs for the next crop, see to the basic needs of your family and if there is still money to spare, then you can think about that new vehicle. Please let us stop trying to be fancy and rather get our priorities straight!

**JANE MCPHERSON, PROGRAMME
MANAGER OF THE GRAIN SA
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