

## SUMMARY REPORT NUMBER 1: FARM PROFIT

*This report is one of a series of reports summarizing outcomes from a project completed for the Department of the Environment: "Graziers with better profitability, biodiversity and well-being", funded under the National Environmental Science Program.*

### Overview:

This project showed that regenerative management practices have potential to increase the health of Australia's grassy woodlands and at the same time improve financial and farmer wellbeing outcomes. This report summarizes profit findings. Substantial Land Health and farmer wellbeing benefits were also measured on the 16 properties in the sample and are summarized in further reports.

Over a ten-year period regeneratively managed mixed enterprise grazing businesses had the following characteristics:

- Average EBIT/DSE was just below the average of the AgInsights sample for Wool Flocks and above the average for Beef Herds.
- Top 20% was just below the top 20% AgInsights sample for both Wool Flocks and Beef Herds
- Bottom 20% was well above the ten-year average for the bottom 20% of AgInsights sample.
- Had average profit levels higher than average ABARES contributors in 12 of 14 years.

### Background:

For some decades, regenerative land managers have claimed that their production practices have led to regeneration of ecological functions and biodiversity and this has enabled them to generate a strong and stable level of farm profit. This report compares long term financial performance of 16 regenerative land managers with ABARES farm survey participants and an industry benchmark sample (AgInsights).

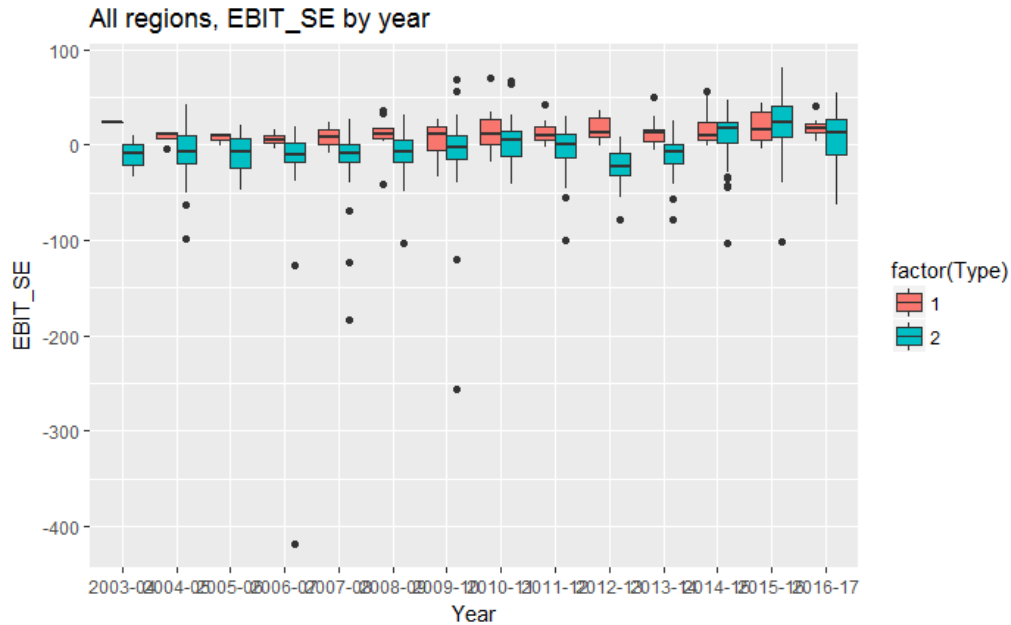
### Profit Comparison to ABARES Farm Survey

This analysis was completed by ABARES. Long term profit from the regeneratively managed businesses (Type 1) was compared with similar businesses from the ABARES farm survey (Type 2).

Earnings before interest and tax per sheep equivalent (EBIT/SE) are shown below. The regeneratively managed businesses had

- Higher levels of profit than ABARES 12 of 14 years, the differences being greater in dry years.
- An increased degree of profit stability, returning more consistent financial returns with significantly reduced variability compared to the ABARES sample.

Box plots of EBIT per sheep equivalent (SE) NESP-EP sample (red) and ABARES Farm Survey (blue) are presented below:

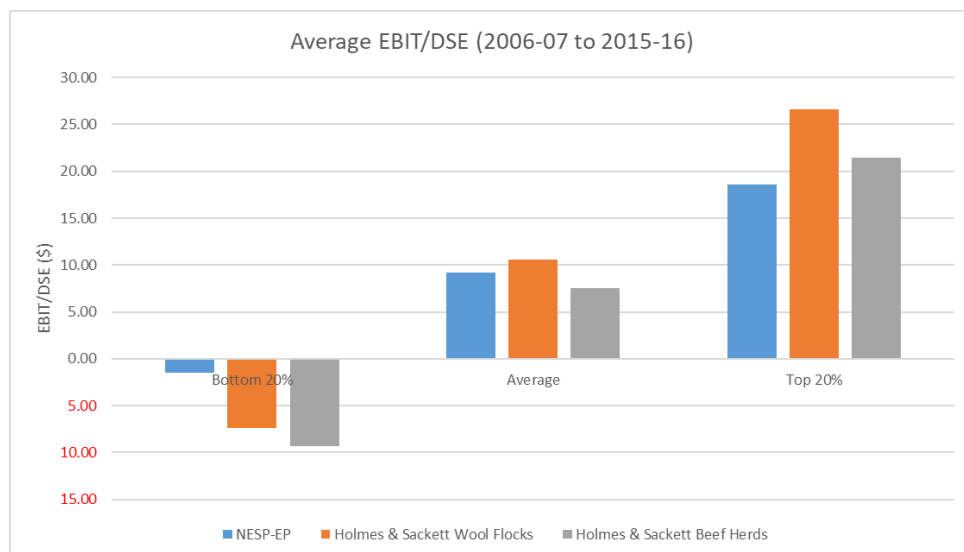


### Profit Comparison to AgInsight

The ten-year average Earnings before interest and tax per dry sheep equivalent (EBIT/DSE) from the regeneratively managed businesses was compared to the AgInsights sample.

Over a ten-year period:

- The average EBIT/DSE of the regenerative sample is below the average of the AgInsights sample for Wool Flocks and above the average for Beef Herds.
- The top 20% of NESP-EP is below the AgInsights sample for both Wool Flocks and Beef Herds
- and the ten-year average for the bottom 20% of NESP-EP is above the ten-year average for the bottom 20% of AgInsights sample.



Further information, more project summaries or to obtain a copy of the full 91 page report please contact us. A workshop is being prepared that presents the projects findings, this will be available from November 2018.

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