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BROWNLOW HILL CASE STUDY:
FINANCIAL REPORT

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Dairy

Dairy has been the mainstay of Brownlow Hill for over 100 years. There have been five dairies on the farm, and three still operate today. With deregulation of the industry in the early 2000s many small milk producers were forced into selling their properties to larger dairy farms, but, despite the floor price for milk falling considerably post deregulation, the Downes have carried on the tradition. They worked to increase yield through improved diet and nutrition, but essentially everything else, including the herd size and the old walk-through dairies, remain the same - a remarkable achievement. How was this able to happen? The answer is diversification.

Meat

There's a small herd of around 60 beef cattle on Brownlow Hill. This complements the dairy business allowing Brownlow Hill to use grazing country further away from the dairy. The higher less productive country is a source of biodiversity on the property and principally reserved for Bio Banking. However, there is still useful grazing land for the beef cattle and feral goats which make a profit once mustered.

Cash Crop

Lucerne has been a significant contributor to Brownlow Hill. The Camden and Campbelltown region has seen the loss of farming land and a rise in lifestyle blocks, with a subsequent demand for fodder from horse owners. The cost of production for lucerne is low and, with few competitors supplying hay on the eastern side of the Great Dividing Range, the market is firm. Racing stables also have a high demand for good quality feed stocks and this helps to maintain price levels. There is limited local supply and high transportation costs for fodder coming from further west, and the Downes have been able to capitalise on changing lifestyles in their area.

Movies

Diversification in rural properties can come in many forms. At Brownlow Hill, there has been a growing demand for the property as the setting for many film and television production companies. The colonial buildings, gardens, dams and aesthetic rural setting have served as the back drop to some of Australia's home grown movie and television shows. This may not represent diversification in the typical rural setting, but it illustrates the opportunities that exist for land managers who are prepared to diversify. Farm stay and other eco tourism opportunities represent similar sources of income for rural properties.

Bio Banking

Brownlow Hill is situated in the south west corner of the Cumberland Plain within the greater Sydney basin. The Cumberland Plain is a critically endangered woodland community. Bio Banking allows developers to purchase credits held in perpetuity in order to offset land that has been used for development. Brownlow Hill was the first property to be involved in Bio Banking, and currently holds credits that can be sold in return for preserving this rare ecological entity.

The revenue sourced from these funds has settled all Brownlow Hill debt and enabled restoration works on the homestead, gardens and out buildings to commence. The employment of artisan trades people to undertake the restoration is expensive and all works must comply with the heritage status of the property. Bio Banking has provided a financial benefit for the Downes, as well as for the preservation of traditional Australian colonial culture.

Quarry

The west and south west of Sydney is expanding. High demand for land to house the growing population has led to significant infrastructure works including roads, bridges, drainage and other civil needs. The requirement for rock to meet this construction boom has seen a quarry developed on the western edge of Brownlow Hill to extract sandstone. The mining company makes royalty payments to the land owners in exchange for extraction rights.

The quarry has no adverse impacts on farming operations, as the sandstone is sourced from unproductive country and the roads used for the quarry have provided suitably maintained roadways for farm machinery.

Urbanisation

While the proximity of urban dwellings to a farming enterprise can bring its challenges, Brownlow Hill has seen strong growth in lucerne sales, quarry extraction royalties, movie making opportunities and Bio Banking. These are all examples of diversification providing income, and supporting the farming operations.

Brownlow Hill has been able to source cheap waste products from the city that have provided nutritional benefits to livestock and soils. Waste from metropolitan horse racing stables adds carbon and nitrogen to the soils and increases organic matter and the water holding capacity of the soil. Edgar believes the use of stable waste has increased his yields by 25% to 30%.

Brownlow Hill has also been able to use by-products from the brewing process, corn flakes, biscuits and potato chips as nutritional supplements for livestock. This has enabled production costs to be minimised, with no requirement for expensive animal supplements. The cattle have not required vaccination in years and rarely receive drenching for lice.

In summary, diversification has enabled Brownlow Hill to capitalise on the proximity of its location to Sydney, benefiting from the market opportunities this presents and the ability to lower input costs through effective use of waste resources. This case study presents a thoughtful interpretation of regenerative agriculture in the context of running a rural enterprise right on the door step to Australia's largest city.