

CASE STUDY



STRATEGICALLY USING INPUT AND PRODUCTION COST TRACKING



Daly Potato Co

TYPE	Row Crops
LOCATION	Marion Bay, Tas
CROPS	Potatoes, oats, pasture
SIZE	345 acres
EMPLOYEES	30

"We have used Agworld for two years now and we all love how easy it is to use!"

Nathan Daly
Daly Potato Co. Marion Bay, Tasmania



CHALLENGE ONE

Daly Potato Co. leases land to grow potatoes but is not sure of the exact returns of this leased country.

CHALLENGE TWO

As producers of food products that are sold to consumers as-is, auditors require accurate records of inputs used in the growing process.

SOLUTION

By tracking all inputs, labour costs and machinery costs in Agworld, Daly gets an accurate cost of production per field and accurate reports of all chemicals and fertilisers applied.

RESULTS

By creating accurate cost of production reports per field in Agworld, Daly Potato Co. makes more profitable decisions about leasing specific fields for potato production.

Daly Potato Co. satisfies all audit requirements of quality certifications such as HACCP and Freshcare by having lists of chemicals utilised reportable in Agworld, including batch numbers, geographical location of fields, etc.



A diversified potato growing operation

It is an early morning in October in the scenic Marion bay of Tasmania in Australia. While the cows are peacefully grazing, and a couple of tourists are trying their luck at Tasmania's famous fishing, the sheds of the Daly Potato Co. are already a hive of activity. It is here that the potatoes that have been harvested recently get graded by quality and sorted by size. The Daly Potato Co. is no ordinary potato growing operation, but the main supplier of fresh potatoes & potato salads to major Australian grocery chain Woolworths. They also service Coles and other grocery chains with fresh potatoes, ready-to-eat meals, potato salads and so called 'Spud Lite', or low carb potatoes. In yet another part of the shed, a still is getting heated to create potato-based vodka whilst outside a spreader-truck is getting ready to feed the potatoes that didn't make grade to the cattle. Indeed, Daly Potato Co. is a truly diversified operation that focuses on value-adding to their potato growing whenever they can.

Gerard and Susan Daly started growing potatoes 30 years ago and the company now produces around 6,000 tons of potatoes per year on 140 hectares of land, which is a mixture of own and leased land. Together with daughter Ruby who manages the distillery, son Nathan who manages the growing operations and around 30 employees, they provide quality products to Australian consumers year-round. The family also runs 300 head of Angus and Angus x Hereford cattle that are part of the Cape Grim label, which prides itself on offering prime grass fed, free range Tasmanian beef to a range of international clients. The potatoes get planted from July to March and get harvested approximately 4 months after planting. By having some cold storage available, Daly Potato Co. is able to provide a year-round supply to their clients

The Daly family's focus on getting maximum value out of their crop has resulted in starting the "Hellfire Bluff Distillery" in 2015, run by daughter Ruby, which turns 2nd grade potatoes into potato vodka and also creates several varieties of gin. Although it took a while to get the recipe right and potato vodka is still a new taste for most Australians, the Hellfire Bluff Distillery is already getting quite a following. The quantity of potatoes that can be used in the still is limited however, so it is critical to not produce too many potatoes that cannot be sold as a primary product, in order to keep the operational margin as high as possible.

Tracking quality

Food safety & quality is a major focus for any food producer and the Daly family is no different. In order to be able to supply potatoes and potato products to the retail channel, they have to be Freshcare and HACCP certified and audited on a regular basis. This goes for the farm, but also for the packing shed, distillery and their potato salad & ready-to-eat meal factory in Sorell. On the farm, Nathan Daly has to keep track of all inputs that he uses on each field and the batch numbers of all chemicals.

Nathan: "We have used Agworld for 2 years now and, while it took a bit of time for all our employees to get their head around how to use it, they now love how easy it is – and so do I! Instead of having to write down batch numbers of all products used, we can just take a picture of the label in Agworld and

it automatically gets stored in the cloud, together with the application info. Our agronomist, Tom Brown, also uses Agworld and provides us all our recommendations through Agworld. All we have to do is convert these recs into an actual and attach the batch numbers used for that spray – it is simple and quick! Every single application on our fields now gets recorded in Agworld. We love the reports we get but of course, what you put in is what you get out – so we make sure to be as accurate as possible.”

Serve-Ag Agronomist Tom Brown also uses Agworld to do all the annual production planning and gross margin budgets for Daly on an annual basis and enables this to be visible to the Daly’s in Agworld. Nathan remarks: “Having the plan in Agworld gives me a good idea of what I want to do during the season, which really helps me.” And at the back end of the season, having all this data available on a digital platform helps with audits: “we get audited regularly as our customers put a very high value on providing safe and high-quality food to their shoppers. A big part of this audit is proving what we have used to grow our potatoes and where we have used this; Agworld shows them all this information at the touch of a button, which makes my life a lot easier compared to digging through loads of paper!”

Making cost-based decisions

The Daly Potato Co. mainly grows Nicola’s, Pink Eye’s and a few red varieties of potatoes, but no other vegetables or root crops. For disease management, volunteer control and organic matter levels, potatoes are only grown every 1 in 4 years in each field; the other 3 years of the rotation include 1 year of oats and 2 years of pasture. Nathan Daly comments: “By having such a rotation, we can ensure that we keep supplying a high-quality product – although it does make logistics more difficult for us as we can only use 25% of our land for our core product every year, which means that we have to lease land from other farmers to grow potatoes on.” All potatoes are grown in an irrigated setting with either pivots, sprinklers or travelling irrigators and the amount of irrigated land is their main limiting factor.

Due to the large percentage of leased land and irrigation costs, managing the cost of production is a major focus of the Daly family. Nathan explains: “Some leased fields are located 70km away from our main farm, which for example causes a simple 2-hour spray job to take all day. Now that Agworld shows us what our cost of production is for these fields, we can make informed decisions on whether to keep farming them or not. Every farmer needs to know what it costs per hectare to grow their crop and we are no different. Because of the data we now have available to us, we have decided to plant 20 hectares less this year but use the same quantity of seedlings as usual. We think that, by being more intensive on the hectares that we do use and ceasing to lease the land that carries the highest cost of production, we can get the cost of production per tonne of end-product down.”

Maximising yields

This year, during harvest, Nathan is planning to put his yields into Agworld as well. Although his Belgian made AVR potato harvester does not have a yield



The Daly family's focus on maximising value has resulted in starting the 'Hellfire Bluff Distillery' in 2015, which produces premium liquor products.



monitor fitted to it, weight per trailer load is accurate enough with only a small margin of error. The average field yields between 40-50 tonnes per hectare, but the Daly family farms on soils that range from dark loamy sands to lights sands with a bit of clay, so yields differ as well. Nathan elaborates: “Depending on the soil type we might use lime or gypsum and we use Agworld to track the yield response, so we can see which ameliorants we should be using on which soils. Our soil is not as heavy as some other potato growers might have, which means that our tonnage is a bit lower, but our potatoes come out a lot cleaner, which helps a lot to get them ready for the fresh market. This means that we don’t want to start leasing paddocks with different soils for higher yields but maximise production in the soils we currently farm.”

Agworld’s new satellite imagery based SVI tool is something else that Nathan Daly says will help him make better decisions: “Normally you just take a rough stab and go somewhere when you check your fields, now you can target where you go and grow your crop a lot more accurately – this will be very handy this coming season!”



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