

Meeting market specifications

Key actions

- ✓ Know the specifications and customer requirements of your target markets.
- ✓ Know how to assess and monitor the progress of live animals towards target markets.
- ✓ Manage the grazing system to achieve growth targets and successful market outcomes.
- ✓ Use high nutritional quality finishing systems to ensure cattle keep growing to slaughter.
- ✓ Seek feedback and implement practices to improve the management of your production system.
- ✓ Regularly evaluate new marketing options and implement those more profitable to the beef enterprise.

Introduction

Why is meeting market specifications important?

A successful grazing business makes a sustained profit by growing and converting pasture and conserved feed into beef products that consistently meet market specifications. Every producer strives to:

- Gain a reputation as a reliable supplier of quality beef;
- Maintain market access to as many markets as possible; and
- Be financially rewarded when a high proportion of stock consistently meets customers' requirements.

This is a 'win-win' situation for both you and your customers.

There is a wide range of potential markets available to beef producers in southern Australia. These include the sale of weaners, vealers, feeder steers, backgrounding cattle for feedlots, bull beef, cull cows, pregnancy-tested in-calf heifers and cows,

unjoined heifers, domestic and/or export trade finished cattle, animals for live export and niche market cattle. Each market has defined specifications for animals to return the highest price.

This module assumes that you have bred or purchased the cattle genetics to meet product specifications and is designed to help you identify the best priced market you can target, and ensure you deliver a quality product to its requirements.

At the same time you need to maintain the flexibility to diversify and realign your target markets and options depending on opportunities and changing production circumstances. There will be times when your pastures will not allow stock to meet target market specifications, or when alternative markets become more profitable. When these circumstances arise, maximum profitability may be achieved by selling animals in other markets, or by moving to alternative feeding strategies.

Clearly there is a balance between maintaining long-term relationships with your regular customers and exploring new market opportunities. As specifications can vary between buyers and change over time, it is important that you review the specifications of targeted markets with your regular buyers as a matter of routine. This personal approach to market development may also involve entering into forward contracts or similar undertakings to ensure your cattle are marketed to achieve maximum profit.

How does this module assist you?

This module covers the period from the time calves are weaned to the point of sale, and includes the management of trading stock and culled breeding animals. It aims to help you increase financial returns by better meeting target market specifications, exploiting market opportunities and managing the risks.

A key aim is to apply recommended best practice to the nutrition, health and welfare of sale stock to meet the target market specifications at the predetermined time of sale. Regular evaluation of new market opportunities and alternative selling options also assist in sustaining the profitability of your beef enterprise. Managing the marketing system needs careful implementation based on previous experience, the anticipated rainfall pattern and seasonal outlook.

Achieving the highest price is not necessarily the best business option. The most profitable strategy is usually a combination of the best margin per kilogram with the maximum kilograms of beef produced/ha. Price and cost of production need to be considered along with the stocking rate (DSE/ha).



The value of meeting market specifications

Information collected from the marketplace by the National Livestock Reporting Service (NLRS) contains detail of price differences payable due to the variation and degree of muscle and fat. The key message is that meat processors and livestock buyers pay according to the degree of muscularity of a beast and, therefore, the potential yield.

Table 1 illustrates the price variations observed for different muscle and fat scores within the yearling steer 330–400kg category. This category typically represents domestic trade steers. The table demonstrates the price advantage achieved for finished animals meeting preferred market specifications.

In this example the optimum grade is clearly the B3 (muscle score B and fat score 3), which averaged 8¢ above the B2. However, these animals only represented 1% of total numbers. D muscled cattle received the greatest discounts, averaging up to 29¢/kg lower than the C muscled cattle. Eighty five percent of medium weight yearling steers were C muscled, while 74% had a fat score of 3. More importantly, when the market shows a negative trend the variation between the C and D muscled cattle widens as buyers apply larger discounts on the plainer muscled cattle.

Table 1: Price variation (cents/kg liveweight) with muscle and fat score
(category: yearling steer, 330–400kg)

Fat score	Muscle score		
	B	C	D
2	184.1	169.5	140.3
3	192.1	176.0	152.9
4		178.9	

Linkages to other modules

Module 1: Setting directions discusses identifying the most profitable target markets and times of sale in relation to pasture growth and other resources available to the beef enterprise, an essential step in planning and setting the direction of your beef enterprise.

Managing the grazing system to meet market specifications is about fitting together the livestock requirements (see *Module 5: Cattle genetics*, and *Module 3: Pasture growth*) and livestock responses (see *Module 4: Pasture utilisation*, and *Module 7: Herd health and welfare*) to satisfy market needs.

Maximising the number of weaners available and appropriate for growing to meet target market(s) is the focus of *Module 6: Weaner throughput*.

Principles of meeting market specifications

Know your production system and the specifications and customer requirements of your target markets.

Implement a plan to market cattle to specification on time (as opposed to producing cattle for sale and then finding a buyer who wants those specifications).

Manage the grazing system to achieve livestock performance targets and successful market outcomes.



Procedures for meeting market specifications

Procedure 1

Manage the nutrition, health and welfare of sale animals to meet target market specifications on time.



Procedure 2

Manage cattle two to three weeks before sale and during mustering and transport to achieve best carcass dressing percentage and avoid downgraded meat and carcasses.



Procedure 3

Regularly evaluate market opportunities as feed supply, financial situation or market prices change, and select markets to maximise enterprise profit.

Procedure 1

Manage the nutrition, health and welfare of sale animals to meet target market specifications on time

Guidelines for managing the grazing system to achieve livestock performance targets

The stocking rate (DSE/ha) and total number of cattle sold each year has a major impact on the profitability of southern beef enterprises. Retail yield is affected by muscling (principally due to genetics) and fatness (partly due to genetics and partly due to quantity and quality of feed consumed). It is important to know your herd capability in regard to muscularity, yield and fatness.

Sale animals typically include weaners, cull breeding stock and traded stock. The predicted sale liveweight, carcass weight and any other characteristic required for the target market need to be within the specified range to ensure market specifications are met at the point of sale. The liveweights at different ages are well known for most prime beef markets. So are the minimum and maximum backfat requirements for different cattle liveweights. Refer to Tools 8.1 and 8.2 for a range of market specifications.

A goal is to have no more than 10% of animals fall outside the target market specifications for age, sex, dentition, weight (live or carcass), muscle and fat. To achieve this, manage the grazing and husbandry system to reach the desired stock performance and market outcomes.

Growth rate will affect the weight for age, fatness, marbling and ossification score:

- **Weight for age** is influenced by growth rate. A faster growth rate results in heavier and fatter animals of the same age, or younger animals of the same weight. The main contributor to growth rate is how the supply and quality of feed on offer is managed.
- **Fatness and marbling** are mainly affected by growth rate. A higher growth rate within a herd sale group results in increased fat thickness and intra-muscular (marbling) fat content at the same weight. These are influenced by how you manage feed quality and supply.
- **Ossification score** increases as animals get older. Also, at the same age, heifers have higher ossification scores than steers. You can ensure animals retain ossification scores below the maximum allowable for Meat Standards Australia (MSA – see Tool 8.3) quality grading (less than 300 or as low as 200 in some markets) by ensuring a whole-of-life growth rate of more than 0.6kg/day.

Ensure market specifications are met at the point of sale

Manage the production system to meet target market specifications

Poor growth early in life (up to weaning) influences the rate of protein and fat gain. Cattle subjected to limited feed supply before reaching 250kg or 40% of mature weight (and for a period of at least two months with a growth rate of less than 0.4kg/day) will grow slower and become fatter when well fed later in life. Marbling will be lower than expected at the same fat thickness. Take this into account when planning the beef breeding enterprise around the seasonal patterns of pasture growth – see *Module 1: Setting directions*.

Avoid feed restrictions longer than 2 months in cattle up to 250kg liveweight

Animals fed to achieve target weights more quickly will eat less feed per kilogram gain. So plan carefully how your sale cattle need to grow to meet the market specifications, by:

Carefully plan the growth of sale cattle to market

- Calculating the daily growth rate required from your starting point (say weaning) to the expected sale date for the stock to achieve the necessary sale weight (see the *Example of calculations for growth rate* box below).
- Providing the cattle with pastures of sufficient quantity and quality to achieve the predicted growth rate. Refer to *Module 4: Pasture utilisation* for more information about cattle performance on pasture, and Tool 4.5 to assist with these calculations.
- Routinely weighing cattle from weaning up to point of sale to compare their actual liveweight with the predicted growth path to ensure that they reach the target weight at sale.

The benefits will be greater precision in marketing, a higher proportion of your cattle meeting market specifications and a higher price.

Example of calculations for growth rate

Current liveweight (say at weaning)	250kg
Desired sale weight	450kg
Weight gain required to reach sale weight	200kg (ie 450 – 250)
Time to sale	250 days (for example)
Average growth rate required to meet sale weight	0.8kg per day (ie 200/250)
Expected weight 100 days after weaning	330kg (ie 250 + 100 x 0.8)
Actual weight 100 days after weaning	310kg (at weighing after 100 days)
Time left to sale	150 days (ie 250 – 100)
Average growth rate required to meet sale weight	0.93kg per day (that is, [450 – 310]/150)

In this example better nutrition will be needed from here to achieve a higher growth rate.

The focus needs to be on the relationship between cattle nutrient requirements, pasture availability and quality and how these interact to affect rate of growth, composition of growth and product quality. The basic principles of animal nutrition, their relationship to animal performance and the conversion of pastures

Manage the grazing system to meet target market outcomes

to animal product are discussed in Chapter 9 'Growth pathways to successful market outcomes' of the MLA publication: 'Towards Sustainable Grazing – The professional producer's guide'.

At all times, it is important that costs associated with achieving the target growth path are considered together with returns from the expected outcomes. Flexible management is required to incorporate both short- and long-term targets and multiple options for stock production. If you find that your cattle are:

Use flexible management to meet stock performance targets

- **Doing better than planned.** Consider new options such as: an alternative market; sell earlier; conserve excess pasture; or purchase additional stock.
- **Not meeting target.** Recalculate the growth rate and develop a new strategy such as: an alternative market; alternative pasture sources; supplementary feeding, lot feeding; or alternative pasture management.

The timing of these decisions needs to be early enough to allow the growth path to be adjusted to meet the timing of the revised point of sale.

Use feedback from the marketplace to inform future marketing decisions

Other corrective actions may be based on market feedback. Although this is received after the current sale event it can be used to improve the planning and management of the nutrition and health of your cattle to meet future market specifications.

An additional option is to change the genetic characteristics of the animals selected for mating, if you are unable to deliver to the specifications required in your environment with the current genetics. You need to ensure that this will be profitable and feasible, and recognise that this is a longer-term solution as discussed in *Module 1: Setting directions* and *Module 5: Cattle genetics*.

What to measure and when

Ongoing measurements need to be taken for:

- Liveweight and any other characteristics included in the target market specifications that can be monitored for live animals. This may involve one or a combination of:
 - Real-time ultrasound measurements of fat depth, marbling score and eye-muscle area;
 - Visual appraisal of muscle and fat score;
 - Dentition; or
 - Pregnancy testing of females.

For liveweight and growth rate: measurement of growing stock should begin at weaning; then at least every three months (more frequently with rapidly changing pasture conditions) until two months before sale; and then when it is most appropriate for the feed conditions and target market(s).

- The percentage of your animals that met target market specifications, when they were sold. Collect carcase feedback when available.

Plan stock health treatments to ensure there is no restriction to market access. Comply with the manufacturer's instructions for use.

Procedure 2

Manage cattle two to three weeks before sale and during mustering and transport to achieve best carcass dressing percentage and avoid downgraded meat and carcasses

Guidelines for managing cattle two to three weeks before sale and during mustering and transport

The total price received for your cattle can suffer if the carcass contains dark cutting meat or bruising. This can reduce the total weight of carcass receiving payment, due to trimming of bruised meat from those parts not included in the AUS-MEAT bruise scoring areas. The price for the remaining (trimmed) carcass may also be reduced.

Good presale management maximises returns

The causes of dark cutting meat and bruising can be controlled by managing the:

- Yard weaning to accustom cattle to human contact in yard situations;
- Nutrition of animals over the last two to three weeks before sale;
- Handling of animals immediately before and during transport; and
- Handling and slaughter procedures on arrival at the abattoir.

Ensure cattle are finished for market on pasture of high quality or feed supplements

The content of glycogen stored within the muscles of the animals at slaughter has a major influence on ultimate pH and eating quality of the meat. Eating quality is affected when there is too little glycogen present. When glycogen stores are depleted the pH of meat may exceed 5.7 and a darker, unacceptable meat colour develops. Muscle glycogen can be maintained by ensuring cattle keep growing for at least two weeks (preferably four weeks) before slaughter and are not unduly stressed before slaughter. The susceptibility of cattle to stress during handling and transport can also be reduced if they have been accustomed to contact with humans, particularly at weaning as described in *Module 6: Weaner throughput*.

Manage on-farm factors that influence dressing percentage

The carcass dressing percentage declines rapidly when the nutritional quality of feed declines. Dressing percentage can also be affected by: the total time off feed before slaughter; the animal's genetic make-up; the animal's fat cover and muscle score; and the 'shrinkage' or trim percentage applied by the processor. The breed of your cattle is an important component of maximising the dressing percentage, for example the production of lightly muscled dairy breeds and their crosses is likely to result in lower than average dressing percentages.

A working knowledge of the procedures used by the purchaser to assess 'shrinkage' when determining the weight of cattle delivered to an abattoir is also essential if animals are to be managed effectively before slaughter to receive the best price per head.

When available, abattoir feedback will inform you of the corrective actions to be taken to reduce dark cutting and bruising. If problems are identified, you need to consider the following corrective actions:

Use feedback to fine-tune management of the production system

- Move stock to an appropriate pasture with a nutritional quality of more than 11 MJ ME/kg DM (megajoules of metabolisable energy per kilogram of dry matter) and preferably at least 1,500kg green dry matter per hectare; or feed high-quality supplements during the last three weeks before sale;
- Only feed high quality supplements during the last three weeks before sale when it can be managed carefully to avoid nutritional disorders and competition/jostling for feed;
- Sell cattle before pasture quality falls below 11 MJ ME/kg DM;
- Avoid stressing animals during droving and transport to the abattoirs;
- Use appropriate 'cattle moving' practices (see the *Tips for better cattle handling* box below);
- Maintain regular contact between humans and cattle throughout their life;
- Avoid mixing mobs of cattle during droving, transport to and at the abattoirs;
- Use polled breeds or ensure horned animals are dehorned appropriately;
- Change yard and transport structures and systems to avoid bruising by ensuring that yards and loading facilities do not have sharp corners or areas where animals can form a crush. Ensure adequate constraint, no sharp edges and correct numbers of animals per compartment during transport;
- Ensure time off feed is most appropriate for the particular market outlet;
- If you are not confident an animal will meet a tight market specification, such as MSA (see Tool 8.3), put it into a market with different specifications.

Tips for better cattle handling

Cattle have wide angle vision in excess of 300 degrees. To move cattle more easily, understand the 'flight zone' and associated behavioural patterns.

- Work with the lead animal – the others will follow;
- Position yourself adjacent to the head of the lead animal and at about 90° to the direction the mob is to be moved;
- Be at a distance appropriate for the particular mob (ie where your presence is recognised but the lead animal does not attempt to move away from you);
- Be on the side of the lead animal that you wish the mob to turn away from (cattle are uncomfortable losing eye contact with you and are reluctant to turn with their back towards you);
- Moving forward of 90° will cause the lead animal to slow down and moving behind 90° will either speed the animal or encourage it to turn towards you.

What to measure and when

- Use Meat Standards Australia (MSA) guidelines as standard operating procedure.
- Measure pasture quality and availability over the three weeks immediately before sale.
- Check compliance reports from the abattoir on carcass downgrades due to high ultimate pH, dark cutting meat and bruising. The location of bruising may indicate the possible cause so that appropriate action can be taken.
- Monitor the time cattle are off feed in relation to the target market.



Procedure 3

Regularly evaluate market opportunities as feed supply, financial situation, or market prices change, and select markets to maximise enterprise profit

Guidelines for regularly evaluating market opportunities

New markets are continually emerging and prices change frequently. Revisiting your decisions about preferred markets on a regular basis, and the method and timing of sales, puts you in a good position to take up opportunities arising from changes in market specifications, market prices or selling options.

Regularly assess and develop new marketing options

Look for alternative marketing opportunities that may better match the range of product specifications you can supply. A particular market opportunity may justify an increase in inputs to the production system to enhance your capacity to deliver to specifications. In this case complete a partial budget to confirm the option and examine the risks.

Maintain key customer and supplier relationships

While looking into new market options, consider building alliances and developing long-term relationships with regular customers. If switching to an alternative selling system make sure the 'pros' and 'cons' of a change are carefully thought out before a final decision is taken. Refer to Tool 8.4 for the range of selling options currently available across southern Australia.

Two selling options that offer efficiency and suitability for individual enterprises include:

- **Forward contracts.** A contractual agreement between a seller (producer) and a buyer (processor) to supply a given product at a future point in time for a given price. In some cases, the price is fixed, thereby reducing the producer's exposure to a fall in market price.
- **Cattle futures.** Cattle futures are an obligation to buy or sell a specific quantity and quality of cattle on a specified future date. The price is determined by the futures market price when entering into the contract. Cattle futures offer producers an alternative method of securing a sale price in advance, thereby reducing exposure to price movements.

What to measure and when

Monitor the predicted net returns and best time of sale for each group of animals destined for the target market(s), and all potentially available buyers. This may need to be conducted frequently as sale groups approach the projected sale date or if the market prices are irregular.

Market information is available from MLA, including the National Livestock Reporting Service, which can assist in providing accurate and timely market data (see Tool 8.5).

Toolkit 8

Tool 8.1 Beef cattle market specifications

There is an ever-increasing number of markets available to southern Australia beef producers. Each of these has particular specifications that must be met to attract the highest price. A sound knowledge of the specification requirements is fundamental to the development of production pathways and to the decision to target certain markets in line with global demands and regional on-farm efficiencies.

Beef specifications website

NSW Agriculture has developed an interactive beef specifications website, which is available to the public at: www.agric.nsw.gov.au/tools/cattle

This website contains specification details at the processing, feedlot, backgrounding and live export levels and is maintained in four separate categories:

- Slaughter specifications – specifying processor requirements for slaughter cattle;
- Feeder specifications – specifying requirements for feeder cattle entering feedlots;
- Backgrounder specifications – specifying requirements for companies who prepare cattle for entry to feedlots;
- Live export – specifying requirements for cattle for export as live animals.

Each of these categories can be viewed at three levels of detail:

1. The **summary** page provides a useful overview of available specifications;
2. View the **specification details** page to compare the essential elements of similar specifications; and
3. At the bottom of the specification details, there is a link to the **full specification** page, which provides extra information, eg company preferences, for a more detailed study.

Both the 'Specification details' and 'Full specifications' pages include the date on which each specification was last updated. Company contact details are available on the 'Full specification' pages.

Examples for southern Australia markets

Tables of animal and carcass specifications for several markets available to the southern Australian beef industry

Owner/managers should consult with their potential customers to determine precise specifications, which can change over time.

Table 1: Specifications for common prime beef markets

Characteristic	Market		
	Japan	EU	Local trade MSA
HSCW (kg)	300–400	260–338	160–220
Dentition (adult teeth)	0–6	0–4	0
P8 fat depth (mm)	10–40	6–22	3–10
Butt/muscle shape score	A–C	A–C	A–C
Bruising	nil	nil	-
Sex	Steer	Steer and female	Steer and female
Ossification score	-	-	<180
Marbling score	-	-	>0.5
Fat colour score	0–3	0–3	0
Meat colour grade	-	1b–3	1a–2
Eye muscle area (sq cm)	-	>85	70
Ultimate muscle pH	-	-	<5.71
Loin temperature (∞C)	-	-	< 9
Retail meat yield (%)	-	-	70
HGP status	-	free	yes
Acceptable compliance (%)	-	90	85

Table 2: Feedlot entry specifications

Characteristic	Feedlot target			
	Long-fed	Mid-fed	Short-fed	Trade
	220+ days	120-150 days	100 days	70 days
Sex	Steer	Steer	Steer	Steer and female
Dentition (adult teeth)	0–4	0–2	0–2	0
Breed	Angus, Murray Grey Shorthorn	British breeds and British crosses	British breeds <i>Bos indicus</i> crosses, European crosses	British breeds <i>Bos indicus</i> crosses, European crosses
Empty entry weight (kg)	400–600	420–480	440–480	250–350
HGP status	free	free	any	any
Frame score	> 4.5	> 4.5	> 4.5	-
Muscle score	C+	C+	C+	D+
Condition score	1–2	1–2	1–2	1–2
Temperament	Quiet	Quiet	Quiet	Quiet, weaned, yard broken

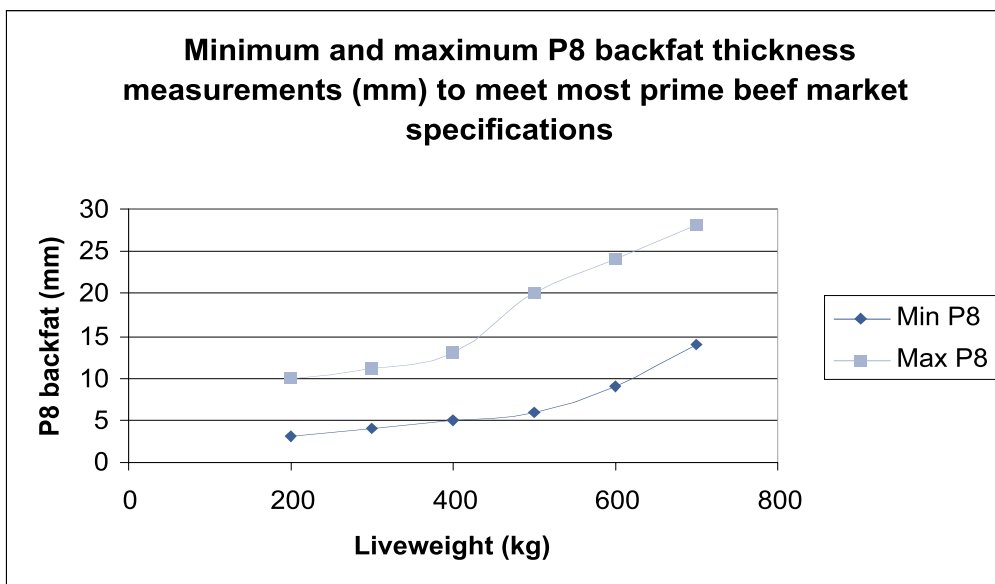
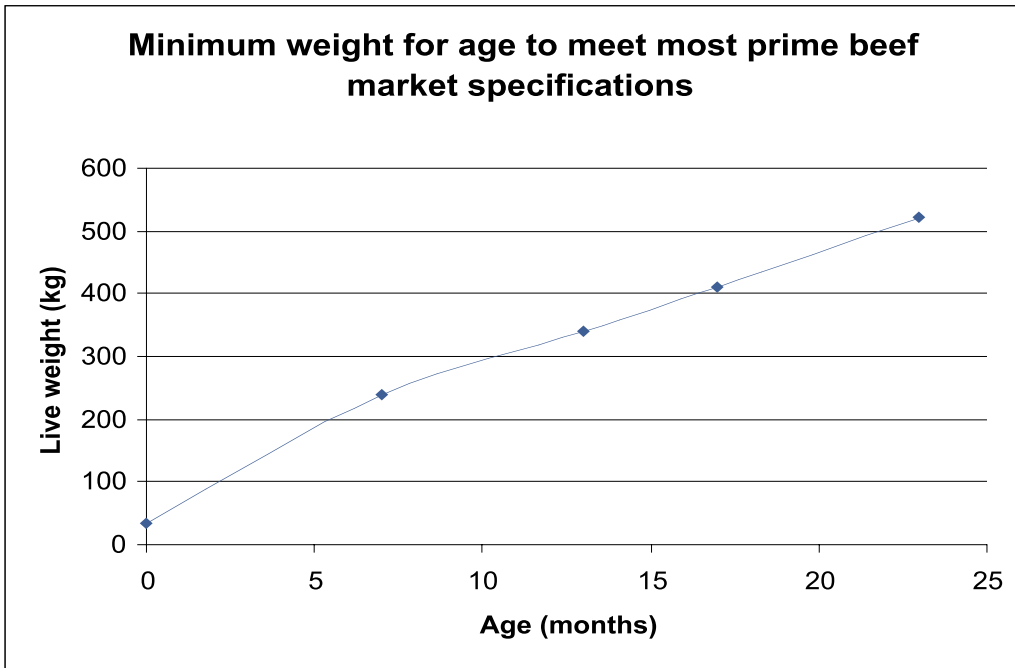
Table 3: Feedlot cattle exit specifications

Characteristic	Long-fed	Mid-fed	Short-fed	
	220+ days	150 days	120 days	100 days
HSCW (kg)	380–450	300–420	300–450	300–400
Dentition (adult teeth)	0–6	0–6	0–6	0–6
P8 fat depth (mm)	10–40	10–32	10–27	10–27
Marbling score	3 up	2 up	1 up 50% 2 up	any
Fat colour score	0	0	0	0
Meat colour score	1	1	1	1
Eye muscle area (sq cm)	-	>85	>85	>85
Antibiotic status	free	free	free	-
Retail meat yield (%)	67–69	68–70	65–70	-
HGP status	free	free	free	any
Liveweight equivalents (kg)				
• Minimum	670	550	550	540
• Maximum	800	750	800	720
Acceptable compliance (%)	70	90	90	96

Table 4: Examples of breeding and store stock specifications

Characteristic	Breeding females	Store weaners
Breed	Angus	Hereford
No. head required	25	200
Liveweight	480	220
Frame score	4.5	5
Dentition (adult teeth)	2	0
Age (months)	24	7
Condition score	2.5	1
Butt/muscle shape	A–C	A–C
Bloodlines	Te Mania	-
Sex	Female	Steer and female
Pregnancy status	Pregnancy-tested, in-calf (PTIC)	
Calving date	25 July 03	-
Breedplan EBVs	yes	-
Marbling (%)	2.1	0.5
Feed conversion efficiency	8:1	-
Eye muscle area (sq cm)	-	-
Structural soundness	yes	yes
Temperament	Quiet	-
Health treatments	7 in 1	-
HGP status	free	free

Tool 8.2 Graphs indicating liveweight and fat score ranges over which specifications for most prime beef markets are likely to be achieved



Tool 8.3 Meat Standards Australia (MSA) tips & tools

This informative kit includes the MSA tips & tools on topics such as how to comply with the scheme and the key factors that influence meat eating quality. The full list of MSA tips & tools is available online at www.mla.com.au/tipsandtools or you can order free hard copies by phoning MLA on 1800 023 100.

The tips & tools from the MSA series with a focus on production are:

1. What is MSA?
2. How to supply beef in the MSA system
3. MSA requirements for handling cattle
4. How MSA beef is graded
5. How MSA grades are determined

Others in the series include:

- The effect of *Bos indicus* and tropical cattle on beef eating quality
- The effect of marbling on beef eating quality
- The effect of ossification on beef eating quality
- The effect of pH on beef eating quality
- The effect of the pH temperature decline on beef eating quality
- How ageing affects beef eating quality
- How tenderstretch affects beef eating quality
- The effect of cooking on beef eating quality

Tool 8.4 Range of selling options

The ability to optimise returns from the sale of livestock depends on the selling method you choose and the sale process you follow.

Livestock selling systems vary in their overall efficiency and suitability for individual enterprises or circumstances. The methods available are outlined below.

Selling method	Description
Saleyard auction	Livestock are transported to central saleyards and sold to the highest bidder, fetching prices that reflect the supply and demand of the market place on the day.
Paddock sale	Stock are inspected on the vendor's property by the buyer or agent and sold straight out of the paddock.
Stockyard sale	Stock are weighed and graded, then priced for sale.
Over the hook	Stock are delivered directly to the abattoir, with change of ownership taking place at abattoir scales. The terms of sale will vary between abattoirs.
AuctionsPlus	Provides electronic online auctions for the sale of livestock by description (formerly called CALM). AuctionsPlus combines the best features of the saleyard system while allowing direct consignment to the abattoir or buyer.
Forward contracts	A contractual agreement between a seller (eg producer) and a buyer (eg processor) to supply a given product at a future point in time for a given price. In some cases, the price is fixed, thereby reducing the producer's exposure to a fall in market price.
Producer alliances	A group of producers working together in groups to properly service market place requirements to the benefit of themselves, their customers, and others in the beef marketing chain.
Value based marketing	Refers to the principle of being paid for the inherent value (quality and quantity) of the product to the buyer and end user. Any selling system that provides clear signals from the retailer or consumer back to the producer and has a pricing system supporting those signals is a value based marketing system.

Cattle futures

Cattle futures are an obligation to buy or sell a specific quantity and quality of cattle on a specified future date. The price is determined by the futures market price when entering into the contract.

Cattle futures offer producers an alternative method of securing a sale price in advance, thereby reducing exposure to adverse price movements.

The MLA/SFE Cattle Futures contract is a cash-settled contract and, as such, is used in conjunction with the producer's chosen selling method.

Further information

Cattle futures

To learn more about how cattle futures can be used to secure returns for the cattle you produce, the following brochures are available on www.cattlefutures.com.au

- *Managing price risk – for producers*
- *MLA/SFE Cattle Futures – a guide*
- *MLA/SFE Cattle Futures – contract specification*
- *Eastern Young Cattle Indicator*

Training courses on marketing

Training courses may offer an opportunity for you to learn how to improve the way you market the cattle you produce.

MLA's EDGENetwork program offers a series of structured learning workshops tailored to producers' needs. The EDGE marketing component includes such courses as:

- *Markets and customer needs*
- *Market intelligence*
- *Marketing performance*
- *Marketing strategy and plan*
- *Negotiating the sale*
- *Selling options*
- *Understanding marketing*
- *Effective pricing*

Tool 8.5 Obtaining price and other market information

MLA provides a range of publications, latest news, analysis, information and statistics for the Australian livestock and red meat industry.

MLA's National Livestock Reporting Service (NLRS) provides industry statistics and detailed reporting for major cattle and sheep markets including both physical and direct sales.

In addition, MLA's expert analysts examine and interpret developments in, and prospects for, the Australian domestic market, key export markets and major competitors.

Information on Australia's livestock and red meat industry can be accessed by:

1. Reading MLA's relevant and timely publications for the latest news and statistics;
2. Talking one-on-one with MLA's specialised market analysts; and
3. Viewing the latest information on MLA's website.

1. PUBLICATIONS

Latest news, analysis and information

- Meat & Livestock Weekly (weekly)
Access the very latest news, analysis and trends for domestic and key export markets in an easy-to-read and concise format. Includes information on buyer and competitor activity and trends.

Market analysis and forecasting

- Australian Cattle and Sheep Industry Projections and Updates (annual)
A must-have for red meat industry participants interested in the prospects for the cattle and sheep industries over the next five years. Provides forecasts for supply and demand in both domestic and export markets and examines likely threats and opportunities facing the industry. Individual cattle and sheepmeat forecast updates are provided mid-year.
- Industry Overview (monthly)
Obtain monthly analysis of the factors currently influencing prices, supply and demand in the Australian cattle and sheep industries. Includes a look at major competitor activity and changes in export markets.
- Livelink (monthly)
Access monthly news, market updates and analysis of the livestock export industry.

- Market briefs

Keep up to date with in-depth reports on the latest relevant issues in individual red meat markets or sectors. Each set includes a minimum of four publications per year, and briefs can be bought individually.

Livestock market reporting

- NLRS physical market reports (weekly)

Ideal for those looking for detailed reporting of prices and yardings for individual stock categories sold at major cattle and sheep physical markets. Includes on-the-ground commentary explaining local market trends.

- NLRS state OTH reports (weekly)

Access the latest OTH rates generated each Monday directly from processors, agents and producers.

- NLRS state slaughter reports (weekly)

Provides slaughter totals for cattle, sheep, lambs, pigs, goats and deer generated each Monday from data collected from registered abattoirs in each state.

- NLRS state summary reports (weekly)

Suitable for those looking for a general overview of price trends, indicators and major influences on all markets in individual states over the past week.

- NLRS skin reports (weekly)

Access weekly skin prices for lambs and sheep including Merino prices, rates for new season lamb skins and crossbred skins of varying weight classes.

- NLRS hide reports (weekly)

Suitable for processors and hide traders requiring a general, weekly overview of price trends for green, brine cured and wet blue hides.

Industry information and structure

- Statistical Review (annual)

All the livestock and meat statistics you've ever wanted for Australia and other major red meat producing and trading countries.

- Industry Insights (five-year publication)

Using simple graphs, this provides a comprehensive outline of the structure of the Australian red meat industry from farm gate to plate. Includes information on individual sectors and major competitors.

2. SPECIALISED MARKET ANALYSTS

MLA has a dedicated team of market analysts covering the following markets:

- Australian cattle and beef
- Australian sheep and lambs
- Australian skins and hides
- MLA/SFE Cattle Futures
- North America
- South America
- Japan
- Korea
- South Asia
- Europe
- Middle East and Africa
- Overseas market access

The MLA team of market analysts is available to answer queries on a wide range of topics including:

- Contact details for Australian-based exporters and overseas-based importers
- Overseas market access conditions and status
- Export market developments (eg US quota, Japanese safeguard, BSE in export markets)
- Australian export performance in key markets
- Live export destination updates
- Cattle futures updates
- Price trends for Australian and overseas markets
- Saleyards prices, yardings and levels of interest
- Slaughter statistics and trends
- State OTH prices
- Weather outlook

3. WEBSITE

MLA also provides the latest news and a comprehensive range of red meat data on the MLA website, www.mla.com.au

From this site you can access the following:

Domestic market information:

National Livestock Reporting Service:
www.mla.com.au/nlrs

Latest market news:
www.mla.com.au/marketnews

Cattle futures updates:
www.mla.com.au/cattlefutures

Eastern Young Cattle Indicator:
www.mla.com.au/eyci

Overseas market information:

Japan: www.mla.com.au/japan

Korea: www.mla.com.au/korea

South America:
www.mla.com.au/southamerica

United States:
www.mla.com.au/unitedstates

Europe: www.mla.com.au/europe

Middle East: www.mla.com.au/middleeast

South Asia: www.mla.com.au/southasia