

Your levies at work // July 2014

DGCK Round 'em up

16// **Researching what makes** for a good working dog

## POLARIS

06// **Informed eating** Responding to the meat-free movement

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### 12// How producers are Making More from Sheep

20// **Scope to improve** Opportunities for southern beef producers to lift profitability

### 30// From shins to short ribs

Inspiring chefs to use non-loin cuts

#### *Feedback:* Your levies at work July 2014

#### A note from the MD...



am the fifth generation of a beef and sheep farming family, and have spent over 20 years in the livestock industry. I am passionate about Australia's agricultural sector and I am keen to work to increase opportunities on-farm and in domestic and international markets for the benefit of levy payers.

Since commencing the role of Managing Director in early June, I have met with a number of industry stakeholders to discuss the role of MLA in relation to their businesses and organisations, and what their needs and expectations are for the future.

One of my key tasks will be to review the efficiency and effectiveness of MLA. MLA plays an important role for a diverse range of businesses, and it is important we work as efficiently and effectively with all sectors of the livestock supply chain, to the benefit of levy payers.

The recent round of Senate Inquiry hearings into industry structures and

systems governing levies on grassfed cattle have brought forward a range of views about the many challenges which face Australia's red meat industry.

In relation to MLA specifically, there have been calls to enhance the consultation process for producers around their levy investments, to improve transparency in the AGM process, governance and reporting.

I look forward to reviewing the Senate Committee's final report and its recommendations, and working with the government and industry to implement further improvements in the interest of producers. As the new Managing Director, I will be working with the Board to lead this change in response to shifting industry and government expectations of MLA.

Please feel free contact me any time managingdirector@mla.com.au

**Richard Norton** MLA Managing Director

#### Contents

#### COVER STORY

- **16** Cracking the working dog code
- **17** Keeping an eye on key Kelpie traits **UP-FRONT**
- **03** Listen to the winter beef oracle

#### **IN-BRIEF**

- **04** The wonder of lamb from 'down under'
- **04** Producer call for MLA Board Selection Committee
- **05** MLA's annual general meeting

#### INSIGHT

- **06** Responding to the 'meat free' movement
- **08** In profile: Rebecca Stokes

#### INDUSTRY

- **09** Poor weight gains a genuine beef**10** CFI methodologies underway

#### **ON-FARM**

- **14** Making More from Sheep producer profiles
- **18** Cash in on reproductive performance

06 Informed eating

**12** Malving M

Making More from Sheep



Scope to improve



- **20** Scope to boost profits
- **21** Low-cost gains top priority
- 22 Doing the sums
- **24** Keeping your genes current
- **25** A numbers game
- **26** A matter of welfare
- 27 All patched up29 Taking shelter

#### **GROWING DEMAND**

- **30** Engaging with chefs
- **31** Masterpieces in motion
- **33** Recipe: Osso bucco with basil pesto

#### MARKETS

- **34** Around the globe
- **35** On the ground: Japan
- **36** Market observations
- **36** Vietnam land of opportunity

#### IN THE FIELD

**38** Past and upcoming events

The Male children – Lara, 2, Jonathan, 12, Hannah, 6, and Samuel, 9, with Marabou Kelpie pups. Photo by Naomi Davis. Clarification: In the May 2014 edition of Feedback, the image of Dr Sonja Dominik on page 19 was courtesy of Simon Scott. The magazine is free to MLA members and available on subscription to non-MLA members at an annual rate of \$100 (including GST) within Australia and \$150 overseas.

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#### Growing demand

# Listen to the winter beef oracle



mysterious crop circle embedded with the image of a beef roast appeared in an oat paddock in the Hunter Valley during the June long weekend, grabbing the attention of urban Australia and heralding the arrival of MLA's latest winter beef marketing campaign.

Fronted by 'The Beef Oracle', a personified standing beef rib-roast with expert beef knowledge, the campaign aims to encourage Australians to cook more beef meals this winter by building their knowledge of beef cuts and cooking methods.

MLA Australia Regional Manager Lachlan Bowtell said The Beef Oracle was a "font of all beef knowledge" to educate and inspire Australians to cook more beef.

"The Beef Oracle showcases beef's versatility, offers tips and tricks and helps consumers match cuts with suitable cooking methods," Lachlan said.

"While beef remains the number one protein choice for Australians, it's facing increasing competition from other protein sources, and we can't be complacent about our spot at the top. Our research has found the range of beef cuts available can be confusing, especially when consumers are unsure how to cook it correctly.

"Greater cooking confidence, which comes with knowing how to match beef cut and cooking method, is linked to increased numbers of beef



Above: Point-of-sale items – one of the recipes and posters, greeting consumers at the beef cabinet in participating retailers.

meals in the home kitchen. The Beef Oracle is here to help consumers navigate the beef cabinet confidently and instil a desire to prepare a wider variety of beef meals."

More than 30% of consumers consider themselves lowconfidence cooks, who would cook beef more often if they had greater confidence that they were buying the right cut and knew how to cook it.

A full range of beef cuts and meals is being promoted during the campaign.

"While casseroles are an obvious go-to winter dish, we want to inspire consumers with more meal options like adding to their weekly spaghetti bolognaise and turning mince into a meatball curry or chilli con



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Above: Coverage of MLA's winter beef marketing campaign in The Land and Hunter Valley News.

carne for something different," Lachlan said.

The Beef Oracle's website allows users to interact online through hosted chat sessions with the 'Oracle'. Users can also find information on cuts, tips and recipe techniques on the site.

The campaign runs until August, focusing on metropolitan areas in the major capital cities and some regional centres including Tamworth, Wagga Wagga, Newcastle, Dubbo, Bendigo and Rockhampton.





Google advertisement has click through capabilities for internet users to visit the oracle website.

## The wonder of lamb from 'down under'

LA's Winter WonderLamb promotion in New York City (NYC) and Washington DC helped drive increased awareness of Australian lamb, backed by solid chef support, and a 4% increase in year-onyear sales among participating retailers.

Building long-term sustainable demand for Australian lamb is one of MLA's primary goals in North America. It remains the highest value lamb export market for Australia, taking substantial volumes of racks, loins, shanks and legs.

MLA North America Regional Manager, David Pietsch, said one of MLA's tasks is to explore ways of creating greater awareness of Australian lamb by making it relevant and on trend.

"Australian lamb suits all seasons. And last winter was a cold and bitter one that demanded slow-cooked comfort food in the north east of the United States," he said.

"Building off this, we worked to raise awareness of Australian lamb's versatility during the Winter WonderLamb promotion in NYC and Washington DC, bringing together chefs, retailers and consumer promotion collateral."

Winter WonderLamb involved a competition where food bloggers and chefs judged the best lamb dishes in nine restaurants in NYC and 18 in Washington DC. The winner of the NYC competition was Anita Lo (pictured right) from Annisa Restaurant, who will travel to Australia in August to see firsthand the Australian lamb supply chain.

MLA supported regional advertising in a monthly magazine and in-store television advertising for a large chain on the east coast promoting the natural benefits associated with Australian lamb.

This chain saw a year-on-year sales increase of 4%. A smaller city retailer, which participated in the Aussie Lamb Spring Fling promotion in 2013, saw a 3% increase.

"Perhaps one of the most impressive results was the increase in awareness and positive perceptions towards Australian lamb in the campaign region," David said.

Australian lamb has long trailed New Zealand lamb in US consumer awareness and perceptions. This is not surprising given New Zealand's longer presence and focus in the market. However, MLA-funded global consumer research showed the gap is closing, and in particular in NYC and Washington DC.

"Across the US, the perceptions of Australian lamb across the categories of "taste", "freshness", and "is my favourite lamb" all increased from 2013 to 2014," David said.



 $\frac{71\%}{\text{Australian lamb in the US, when prompted}}$ 

600% increase in fans of MLA's Australian lamb Facebook page (15,000 since September 2013)

"In NYC, unprompted awareness of Australian lamb was at 45% - well above the 10-city average of 35%, and more than nine percentage points above the 2013 level."



## Time to elect producer representatives to the MLA Board Selection Committee

At this year's annual general meeting (AGM) being held on 13 November in Sydney, MLA members can elect three producer representatives to the MLA Board Selection Committee for a three-year term.

The Selection Committee is made up of three MLA Directors; three representatives nominated by producer peak councils; and three members who are directly elected by MLA members – one sheepmeat, one grainfed cattle and one grassfed cattle representative.

The role of the Selection Committee is to report to the members on the suitability of candidates for election to the office of MLA Director.

An MLA member who wishes to be elected to the Selection Committee must give written notice to MLA by **2 October 2014**.

For more information on the Selection Committee process or to obtain a nomination form telephone Clare Stanwix at MLA on 1800 023 100 or email companysecretary@mla.com.au

Visit www.mla.com.au/agm for information about the MLA AGM.



## MLA IS YOUR COMPANY HAVE YOUR SAY...

MLA ANNUAL GENERAL MEETING AND PRODUCER FORUM

### Thursday 13 November

The Concourse 409 Victoria Avenue Chatswood NSW

### Action dates

2 October	Return your levies notice or lodge online to receive your full voting entitlement
2 October	Submit your nomination form for the MLA Board Selection Committee
2 October	Last day to sign up for MLA membership to participate in the 2014 AGM

7 November	Submit your questions on notice for the AGM a	
	www.mla.com.au/agm	
11 November	Return your proxy form or submit online	
	by 2.00pm AEDT	
13 November	MLA AGM and producer forum	

For more information visit www.mla.com.au/agm or call 1800 675 717



Community education Responding to the meat free movement

Paul McCartney is doing it. Gwyneth Paltrow supports it. Sir Richard Branson is on-board.

These and other celebrities support 'Meat Free Monday', a global campaign with a simple premise: avoid eating meat for at least one day, every week.

**10%** of Australians (aged 14 and over) identified as vegetarian

Reasons why people are eating less beef and lamb

10% health reasons

9% price

3.2% animal welfare

2.5% environmental

#### n response, MLA is investing in research to counteract untruths and explain the facts to the community through multiple platforms including producer videos, social media and community forums.

The Meat Free Monday website (www. meatfreemondays.com) claims reducing meat consumption will help the planet; reduce grocery bills; promote a healthier, happier lifestyle; and improve animal welfare. Target 100 and other community facing programs run by MLA give consumers the other side of the argument and provide the facts to enable consumers to make informed decisions, rather than being influenced by only catchy taglines.

MLA has crunched the numbers and found that, while 14% of people who are the main grocery buyer/meal preparer in their household know about Meat Free Monday, only 5% have been persuaded to change their eating habits.

While this meat-free message has not yet gained much traction with Australians, the livestock industry has stepped up to challenge some unfounded criticisms and incorrect information, and ensure beef and lamb remains a vital part of balanced nutrition. MLA Community Engagement Manager Pip McConachie said MLA took any campaign to reduce beef and lamb consumption seriously.

'Our consumer surveys show that, while the percentage of people choosing to reduce their beef and lamb has not changed, their reasons have," she said.

Health and price still top the list of reasons people reduced beef and lamb consumption, but those who once eschewed beef and lamb for environmental reasons now list animal welfare as a higher concern.

The challenge, Pip said, was to counteract the simple and catchy messages – and the often incorrect figures – pushed by 'meat free' movements.

'MLA invests \$13 million annually in research to improve animal welfare and environmental impacts of beef and lamb production. It's a complex area, with complex messages, so we need to explain it in the right way so people can make more informed decisions and that's where Target 100 comes in," she said.

#### Getting the facts straight

MLA's involvement in industry R&D doesn't stop when the research report is signed off.



Turning peer-reviewed science into easily digestible messages equips industry to counteract untruths.

MLA explains the facts to the community, primarily through the industry's Target 100 program, which incorporates the website, social media, a schools program and events program. At the centre of the program is always letting cattle and sheep producers tell the story of the industry, whether that is through videos on YouTube or talking at events like TEDxSydney to over 2,000 people or informing the nutrition community and media at intimate events, like Target 100 farmers Matt and Vanessa Dunbabin did recently.

Now in the third year, Target 100 is an industry driven initiative to deliver more sustainable cattle and sheep farming by 2020. It showcases 100 RD&E activities, as far-reaching as biodiversity, soil and animal welfare, while cattle and sheep producers provide a human face with more than 200 – and growing – stories about real, on-farm sustainability.



See profile on page 8 about a recent Target 100 initiative on Matt and Vanessa Dunbabin's property.

Sustainably producing beef and lamb? Share your story at www.target100.com.au

#### Not all iron is created equal

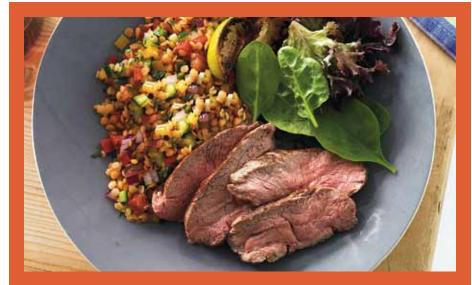
Dietitians don't argue with the concept of meat-free meals in your weekly menu. But the trick is finding foods that are rich in iron and are easily absorbed by the body.

The Australian Dietary Guidelines recommend eating an iron-rich diet which includes 130g of cooked red meat such as beef or lamb every second day.

"Variety, quality and portion size are the important factors," MLA's Senior Nutrition Manager, Veronique Droulez, said.

"There are a number of other foods that are high in iron, but the iron in those foods isn't absorbed by the body in the same way," she said.

"Iron found in beef, lamb, fish, pork and chicken is well absorbed by the body, whereas iron found in cereals with added iron, tofu, spinach, eggs and legumes is less well absorbed by the body."



## Go red!

- ightarrow The redder the meat, the more iron it contains.
- ightarrow Beef and lamb contain double the iron of pork, chicken and fish.
- ightarrow Eat red meat, such as lamb or beef, 3-4 times a week to meet iron and zinc needs.
- $\rightarrow$  A meal without meat, fish or poultry should be supplemented with a food rich in vitamin C to increase iron absorption.
- $\rightarrow$  Tea, coffee or cola can decrease iron absorption, so avoid drinking these during mealtimes.

#### In profile Community education

**Rebecca Stokes** *Cooking with a conscience* 



delaide public servant Rebecca Stokes believes "nothing beats a good steak" but used to feel guilty about eating red meat. A Target 100 trip to a Tasmanian sheep and cattle enterprise opened 34-year-old Rebecca's eyes to the realities of sustainable production. Rebecca won the trip to Matt and Vanessa Dunbabin's property 'Bangor Farm' in a competition coinciding with the launch of MLA's 'Bettertarian' program.

How often do you and your husband Nathan eat meat? Every day, and red meat three to four times a week - either at home or at restaurants. Our favourite cuts are steak and lamb chops. We pay more for quality, locally produced meat.

Why do you care how food is produced? What we eat has a huge influence on our life and environment, so I'm very conscious of how and where food is produced. I like to challenge myself to avoid getting stuck in a 'food rut', so I am always looking for new ways to cook and eat food.

Where do you source food facts? I'm obsessed with recipe and nutrition books, I read articles and watch documentaries on food industries, and follow food blogs such as ecochick.com and www.paleOMG.com

How does this influence your food-buying decisions? I buy South Australian produce when I can, and prefer buying from butchers and greengrocers. I love buying direct from producers at farmers' markets. I would like to see more grassfed beef available, but I understand the pressures to finish cattle consistently. I also would like more labelling so I know where and how meat is produced.

Have you considered not eating red meat? When I was in Year 10, I went vegetarian for a year. I've participated in Meat Free Mondays and the national vegetarian week, partly because I am concerned about the environment, but also to learn about cultures that are not 'meat dependent'.

**Did you know much about agriculture before visiting Bangor?** I had never been to a farm. I love learning about nutrition and the environment, so it was an exciting opportunity.

What did you learn? I have a better understanding of the environmental and seasonal challenges producers face, and how the Dunbabins really care about sustainability. Matt explained how he fences different land types for conservation and erosion management, and handles livestock to ensure their health and welfare.

Has your approach to eating red meat changed as a result? I used to feel guilty about eating red meat. Visiting Bangor and hearing directly from Matt reassured me Australian farms have safe, sustainable practices. I have also learned a lot from the Target 100 website and I've started reading *Feedback*.

At Bangor, you were dubbed a 'Bettertarian'. What does this mean to you? It was really reassuring. Buying food and cooking requires many decisions, so it took a lot of pressure off to know that making informed choices is an important contribution. Being a Bettertarian means being a role model, rather than 'brow-beating' people to follow one food fad or another.



Rebecca Stokes E: bec.nath.stokes@gmail.com

www.bettertarian.com // www.bangor.com.au

See the Bangor Farms story at **www.target100.com.au/Farmer**stories/Matt-Vanessa-Dunbabin or in the June 2013 issue of *Feedback* at www.mla.com.au/feedback



Basil Doonan talks to Tasmanian producers at a field day.

or beef producers in southern Australia, ill-thrift - a condition where cattle under-perform despite adequate quantity and quality of feed on offer - is a silent thief.

A recent MLA-funded study in Tasmania, conducted by Macquarie Franklin, has found it robs the state's producers of up to 3,300 tonnes of beef production a year, or almost \$11 million in lost income.

Macquarie Franklin researcher Basil Doonan and his team reviewed the available literature on the topic and surveyed Tasmanian producers on their experiences and observations.



a year in lost income in Tasmania due to ill-thrift "Ill-thrift is a recognised phenomenon that affects sheep and cattle in temperate regions around the world," he said.

"It appears the causes are multiple but we have narrowed down three key factors clearly linked with ill-thrift: mycotoxins (toxins produced by fungi), parasites and pasture quality."

#### Basil said ill-thrift was almost impossible to identify without the regular weighing of stock because the key symptom insufficient weight gain - is

shared by other common

#### How prevalent is it?

conditions.

The researchers found that 37% of the surveyed farms reported under-performance in cattle relative to feed on offer, with 12% of respondents saying they were unsure if they had a problem. Those reporting underperformance based their assessment on one or more factors including: the unwell appearance of their cattle (used by 58% of producers), weighing cattle (43%), condition scoring (29%) and perceived low feed conversion (24%).

Failure to thrive was most commonly seen in autumn, closely followed by winter.

#### Mycotoxins - why are they important?

Basil said the research showed mycotoxins, produced by fungi in many pasture and cereal species, could be costing Tasmanian producers more than they realise.

'Mycotoxins can occur in both pasture and fodder crops and are secondary chemicals produced by a wide range of fungi that have toxic effects on animals, for example ryegrass staggers," he said.

Basil said ryegrass, the most dominant pasture species used by Tasmanian producers for finishing stock, hosted a number of fungi and mycotoxins.

"Ryegrass staggers, photosensitisation and ill-thrift are all related to elevated levels of mycotoxins on pasture, particularly older, under-utilised pastures with more fallen dry feed," he said.

#### Management

Basil said animals suffering from ill-thrift responded to improved grazing management and symptoms could be relieved by changing feed.

The project found production losses attributed to ill-thrift could be reduced if producers improved their control of parasites and adopted grazing strategies that compensated for the significant decline in ryegrass feed value during autumn.

Basil said more research was required before practical solutions to ill-thrift could be recommended.



**Basil Doonan** T: 0400 455 158 E: bdoonan@macfrank. com.au

To view the final report visit: www.mla.com.au/ illthrift

#### Project dashboard: Summer-autumn ill-thrift in Tasmanian cattle herds **Financial contributions** Length of project: to the project:

\$60,000



15 months Completed

The project is part of MLA's objective to: Increase productivity on-farm.

#### Carbon reduction

## **CFI methodologies underway**

A Carbon Farming Initiative methodology has been endorsed which could allow northern cattle producers on extensive operations to claim carbon credits by feeding nitrate supplements to their herd.

he 'nitrates supplements for beef cattle Carbon Farming Initiative (CFI) methodology' was developed from a project funded by MLA and the Australian Agricultural Company (AACo), and backed by science from the National Livestock Methane Program.

Carbon market adviser Phil Cohn, founder of RAMP Carbon, is working with MLA to identify techniques and technologies so producers can lift productivity and access carbon incentive schemes.

Phil said the current price of nitrate salts could initially make supplementation cost effective only for larger grazing enterprises, but all producers could benefit from seeing how a methodology is applied.

The main points of the nitrate abatement strategy are:

- → The activity is applicable to grazing beef cattle.
- → Native pastures often lack the required crude protein levels to sustain rumen function.
- → Nitrates reduce enteric methane emissions produced during digestion:
  - Producers feed urea, which contains non-protein nitrogen to overcome deficiencies.
  - Supplements such as calcium nitrate and ammonium nitrate are alternative sources of non-protein nitrogen.

Close on the heels of the nitrate strategy is a second CFI methodology, covering early finishing of cattle in northern Australia as a way to reduce lifetime emissions. It is hoped the early finishing methodology will be available for public comment mid-year before progressing to the Government's Domestic Offsets Integrity Committee for evaluation.

#### In reality

AACo's Cameron Best said the company was considering nitrate supplementation as part of a wider commitment to reduce its carbon footprint.

"AACo sees the methodology as a brick in the wall. Feeding nitrate salts is not an independent strategy. It is part of a suite of activities including genetics, feed efficiency and herd management - all aimed at reducing AACo's emissions intensity and increasing productivity," he said.

While the numbers are still being crunched, Cameron said it was important to get price signals into the marketplace to ensure nitrates became a cost-effective option for producers.

'Yes, it's a learning curve, but I think the message for the whole industry is that we can't be left standing with no capabilities as we move towards 2020 climate targets," Cameron said.

"No strategy should be used in isolation, so producers who develop a suite of strategies have better control of productivity and are on the front foot when it comes to emissions reduction."

#### Looking to the future

Carbon markets have expanded rapidly in the past 25 years. In 1990, 20 million people were covered by carbon pricing schemes, growing to one billion people in 2013, with an expected three billion in the 'carbon market place' by 2020.

Phil said the endorsement of this first beef-focused CFI methodology is an important step. By thinking strategically as an industry, producers can take advantage of the future market incentives rather than wait for policy measures such as taxes and regulations.

"The CFI is an opportunity for producers to be on the front foot and demonstrate proactive steps to reduce emissions," Phil said.

MLA is supporting this with the Farm300 program, an 18-month initiative which will help producers (through advisor coaches) reduce on-farm greenhouse gas (GHG) emissions, sequester carbon and participate in the CFI.

"Consumers and the marketplace are also conscious of the environmental credentials of food, as demonstrated by the recent commitment of restaurant chain McDonald's to use only sustainably produced beef by 2016," Phil said.

"The risk, without accountable carbon abatement programs, is that the push from government and pull of consumers could see the cattle and sheep industry penalised through regulations or lost markets.

#### **Fast facts**

#### **CFI methodologies:**

- 1. Nitrates supplements for beef cattle approved
- 2. Early finishing of cattle in northern Australia - in development

"When CFI methodologies are combined with strategies that improve on-farm productivity while reducing emissions, such as earlier turn-off and joining heifers as yearlings, they could provide an income stream for producers."

Projects using approved CFI methodologies are able to generate carbon credits for seven years. Eligible producers need to maintain auditable records to ensure the carbon abatement is genuine and verifiable.

Under the Federal Government's proposed Direct Action Plan. it is expected that carbon credits will be worth around \$10-12/t of CO2 reduced. To date, 107 projects have claimed more than four million CFI carbon credits (with a value of about \$80 million), mainly from the waste management industry. Dairies and piggeries also now have eligible manure management methodologies.

Phil said the cattle and sheep sector had the opportunity to continue to develop CFI methodologies to maximise the benefits of reducing emissions.

"Research shows a range of ways for cattle and lamb producers to reduce emissions and improve productivity in future breeding programs, novel supplements and improved forages," he said.

"When combined with emerging mediumterm opportunities such as soil carbon, grazing management and tree planting, producers will have a range of options to be rewarded for cutting on-farm greenhouse gas emissions."

The main sources of cattle emissions are:

feed production, processing and digestion

#### What next?

Once a methodology is approved under the CFI, producers can then utilise it to implement a Carbon Farming Initiative project. Go to www.climatechange.gov.au/reducing-carbon/ carbon-farming-initiative/about-cfi for further information.

#### Sustainability matters

Phil Cohn is featured in a new MLA video supported with funding from the Australian Government. Phil discusses the push and pull factors at play which are encouraging producers to consider taking action to reduce methane emissions. The video also covers why taking action can be good for on-farm productivity and profitability.



Watch the video at www.mla.com.au/sustainability-video

#### The mission to reduce emissions

In Australia, about 10% of all GHG emissions and two-thirds of agricultural emissions are made up of methane produced by ruminant animals.

Research co-funded by MLA is making important international contributions with strategies that target:

- → Feeding: feed efficiency measures such as early weaning, pasture utilisation and herd health that assists in earlier finishing to channel energy for productive purposes. Identifying feed additives that reduce energy waste in the rumen.
- -> Breeding: identifying 'high' and 'low' methane-emitting cattle, and developing estimated breeding values (EBV) and \$Index values so producers can select bulls whose progeny will produce less methane but still be profitable.
- $\rightarrow$  **Forages:** evaluating the impact of a wide range of pasture cultivars on methane emissions.
- -> Rumen strategies: understanding of rumen microbiology to work out ways to manipulate rumen fermentation to lower methane emissions and developing a rumen bolus to measure methane and other gases in the rumen.

Phil Cohn // T: 0410 411 161 (i E: phil@rampcarbon.com

CFI methodology - nitrate (public comment document):

www.mla.com.au/CFImethodology

For producers who want to understand more about reducing emissions visit Farm300 at www.mla.com.au/Farm300

www.aaco.com.au

manure decomposition

**(\$** 

processing and transportation of animal products

#### Research at work

18// Cash flow

they mean.

The latest on-farm strategies emerging from MLA's investment in research, development and extension.

### In this issue

The numbers have been crunched and the CashCow researchers tell us what

#### 24// Genetic gain

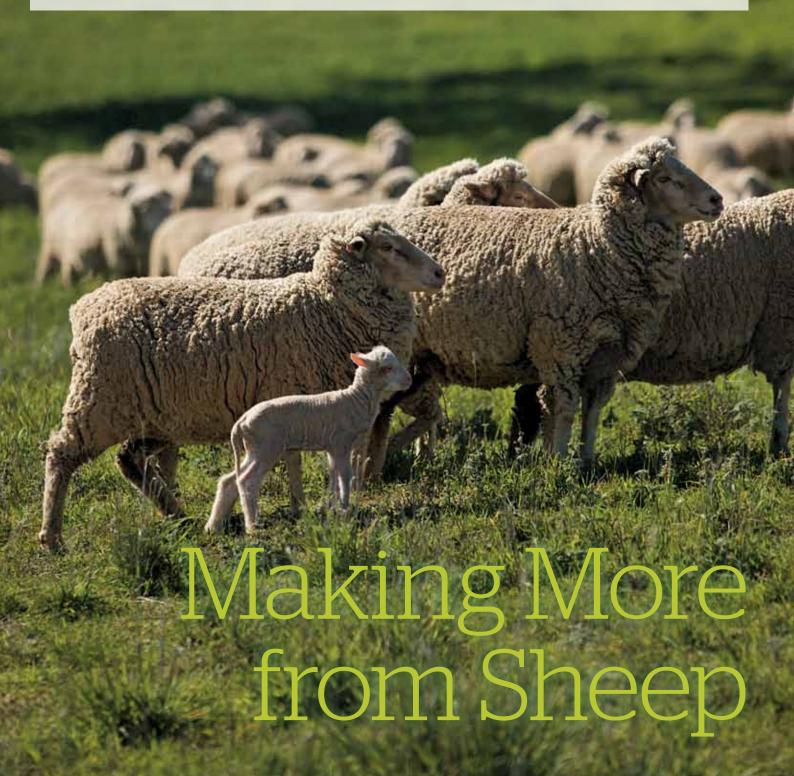
Find out what genetic fast tracking delivers to the bottom line of cattle producers.

#### 26// Patched up

New research reveals techniques for improving welfare outcomes following the dehorning of cattle.

#### 29// Taking shelter

The benefits of investing in shelterbelts.



#### 13 **On-farm**



#### Business management

Sheep producers are invited to contact their local Making More from Sheep Coordinator to express interest in an activity or event in their region.

#### aking More from Sheep (MMfS) is ready to move into the next era of helping producers deliver greater profit from their sheep enterprise.

More than 8,000 producers have attended events organised as part of MMfS in the past three years. The program is a joint MLA and Australian Wool Innovation Limited (AWI) initiative.

Now five years old, the program is based on the MMfS manual (which is now available online) and its 11 modules covering three main themes - business, sheep technology and pasture.

MMfS has just appointed a new team of agricultural specialists to deliver the program in Queensland, New South Wales, Victoria, Tasmania, South Australia and Western Australia.

"We're encouraging producers and producer groups to make contact with the state coordinators to find out how MMfS can work for them. They can suggest a local activity or a series of events based on topics in the manual," said MMfS National Coordinator Mike Wagg.

"About 50% of producers who have attended events have made practice change on-farm to date."

"There are others who, when asked, say they intend to make changes when time and resources allow."

#### Contact your local Making More from Sheep Coordinator



MMfS National Coordinator Mike Wagg AWI/MLA T: 03 5568 2945 E: mike.wagg@makingmore fromsheep.com.au

Coordinator in your state for more information:



Alex Stirton Queensland Department of Agriculture, Fisheries and Forestry T: 07 4654 4212 E: alex.stirton@making morefromsheep.com.au

**Oueensland** 









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#### | Mike Wagg

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www.makingmorefromsheep.com.au



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morefromsheep.com.au

#### Business management

*Feedback* talks to previous participants at Making More from Sheep (MMfS) events to hear how their sheep enterprises have benefited from the program.

#### Pete Trethowan Kojunup, Western Australia

Pete has 870ha, of which 470ha is cropped. On the remainder he runs 2,100 crossbred sheep..

### What motivated you to get involved with Making More from Sheep?

I wanted to make sure I was getting the most from the sheep genetics I currently have and to increase my weaning percentage. From an animal welfare perspective, I wanted to improve lamb survivability.

## In which area of your operation has MMfS delivered the greatest benefit and how?

The nutritional management and performance of ewes.

## Tell us one change you have made to your enterprise as a result?

I started scanning ewes for multiples, running them in smaller mobs based on scanning results and feeding accordingly to increase weaning percentages.

Information: petetrethowan@iinet.net.au

#### Ian and Merilyn Kelly, with their son Damian and daughter Genevieve Lock, South Australia

The Kelly family operate 4,280ha and currently run about 3,000 sheep as a self-replacing Merino flock, but have purchased ewes over the past year to increase sheep numbers. Annually they crop 2,900ha with 310mm annual rainfall.



## What motivated you to get involved with Making More from Sheep?

We believed we could improve our sheep enterprise.

### In which area of your operation has MMfS delivered the greatest benefit and how?

Improved understanding of a range of issues affecting our livestock, particularly changing nutritional requirements of ewes. Better timing of vaccination, drenching and joining to better fit with our cropping enterprise. Also improved worm management with the use of faecal egg counts.

## Tell us one change you have made to your enterprise as a result?

Using self-feeders instead of trail feeding during the autumn feed gap, primarily with the ewes before and during lambing. This year it hasn't been as critical as expected, due to a higher than average summer rainfall (70mm in February) leading to increased feed. We expect to use the self-feeders more during dry summers and later seasonal breaks.

Information: damiankelly@live.com.au

#### Western Australia



#### Rachel Knee Congupna, Victoria

Rachel manages the 640ha GV Water Farm. She is responsible for 5,800 crossbred and Poll Dorset sheep (4,000 ewes, 100 rams, 500 wethers and about 5,500 lambs are produced annually).





### What motivated you to get involved with Making More from Sheep?

We had never benchmarked against anything and wanted to know what the latest industry standards were so we could test our performance.

#### In which area of your operation has MMfS delivered the greatest benefit and how? Improved management through condition

scoring of ewes. I'm focusing more on analysing soil test results and soil fertility to increase productivity.

## Tell us one change you have made to your enterprise as a result?

Condition scoring ewes for better management of ewes during pregnancy and lambing.

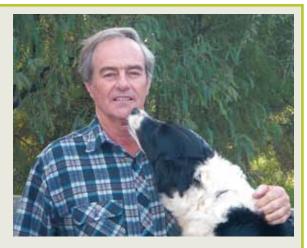
Information: RachelK@gvwater.vic.gov.au

#### Greg Piper, Coolah, New South Wales

Greg runs 6,000 Merino sheep on 1,458ha.

#### What motivated you to get involved with Making More from Sheep?

MMfS's emphasis on using measurement in decision making and using ASBVs in sheep/ram selection.



In which area of your operation has MMfS delivered the greatest benefit and how? The use of Australian Sheep Breeding Values (ASBVs) in sire selection has led to predictable outcomes in my breeding program.

#### Tell us one change you have made to your enterprise as a result? My emphasis in recent years has been to increase body weight and fleece weight while reducing micron on an easy care sheep that has high fertility.

Information: pipergl@bigpond.com

#### Chris Headlam, Woodbury, Tasmania

Chris has 3,800ha and runs 10,700 sheep (Merinos, White Suffolks and Dohnes) and crops 960ha.



## What motivated you to get involved with Making More from Sheep?

I have been on the Australian Wool Innovation Sheep Connect advisory panel for some years and was shown the MMfS manual.

I got hold of a copy at a workshop run by MLA and have been reading chapters that interest and are relevant to me.

#### In which area of your operation has MMfS delivered the greatest benefit and how? Monitoring soil results and measuring pasture quality and quantity. Getting and using market

data from MLA. We have also been using the MLA pasture ruler for some years to help make decisions on grazing management. The Wean More Lambs module was also very useful in managing ewes to get maximum numbers of lambs weaned. We started scanning ewes for multiples about nine years ago. This helps us match pasture and shelter to ewes that need the highest requirements. We have seen some significant gains in the lambing percentage since we have been scanning, particularly in the dry periods.

## Tell us one change you have made to your enterprise as a result?

Using wool futures to hedge a portion of the wool clip against a price fall.

Information: lowesparktas@gmail.com

#### Labour efficiency

## Cracking the working dog code



Working dogs typically provide their owners with a five-fold return on investment. Research, partly funded by MLA, using genomic technologies to predict working dog trainability aims to save livestock producers more time and money.

The University of Sydney's Farm Dog Project is already providing valuable information - starting with a list of the most desirable traits of a good working dog and the calculation of the return on investment of a typical dog.

The project seeks to measure and record behavioural and health attributes in farm dogs, aiming to create simple tests for pups as young as six months old to predict trainability and working life success. It is a three-year collaboration between university researchers, the Working Kelpie Council of Australia, MLA and the Rural Industries Research and Development Corporation.

The project began in 2012, and principal researcher Professor Paul McGreevy said it had already provided valuable information.

"We started by conducting the Australian Farm Dog Survey in early 2013, which drew a great response from 812 working dog owners around Australia," Paul said. 'Results revealed the median cost of owning a working dog was estimated to be \$7,763 for its working life. The work performed by the dog throughout this time was estimated to have a median value of \$40,000.

"So, working dogs typically provided their owners with a 5.2-fold return on investment."

The survey also asked owners to rate a selection of behavioural traits within three working environments - mustering, yard and all-round - and the trial arena.

"The traits considered of most value varied according to the working environment, but included the ability to cast, gather and force livestock, and intelligence, calmness and control," Paul said.

"Boldness, in particular, was considered of high value."

273,000 estimated number of dogs working on Australian cattle and sheep properties

The team is now developing objective and subjective measures of the desirable traits, using DNA samples from more than 160 Kelpies, video footage of these dogs working, behavioural coding software, GPS tracking of dogs during peak work periods and interviews with owners.

Several litters of pups are being followed through to maturity to see how stable the traits are over time.

"We will also examine pedigrees to calculate the heritability of these traits and then use modern genetic mapping to identify DNA sequences associated with the most important traits," Paul said.

"These genetic markers will be combined with the key behavioural traits to develop Estimated Breeding Values that can be used in selecting dogs for training and breeding programs."

The project's major goal is to develop simple, repeatable tests that will reveal working traits in puppies as early as possible and can be conducted by a novice owner.

It's a task Paul and his team have already completed for guide dog breeders.

"Using the tests we developed we've been able to identify dogs at six months old that are up to four times more likely to pass training than the average intake," he said.

"We hope to achieve something similar for Kelpies to ultimately improve on-farm efficiency."

Above: Professor Paul McGreevy, pictured with friends Wally, Neville and Tinker, is leading Sydney University's Farm Dog Project.

> Professor Paul McGreevy T: 02 9351 2810 E: paul.mcgreevy@sydney.edu.au

### Cover story



Simon and Melissa Male of Marabou Kelpies with their children, Lara, 2, Jonathan, 12, Hannah, 6 and Samuel, 9. Photo by Naomi Davis.

#### Snapshot

Melissa Male, Henty, NSW.



Property: 900ha owned and leased

Enterprise: Poll Dorset stud, Kelpie stud, mixed cropping, Angus cattle, Merino ewes

Livestock: 800 Stud Poll Merino ewes joined to Dorsets, 50 Angus breeding cows and trade voung cattle

Pasture: clover Soil: Undulating red loam

Rainfall: 600mm

#### imon established the Marabou Kelpie Stud at Henty in south-west NSW almost 25 years ago and focuses on "breeding Kelpies to the standard required by the modern stockman."

"The main traits we look for are eye, which involves keeping control of the sheep with courage and balance; back and bark, which is the dog's ability to hold or move sheep; and heading, which is the desire to run or cast to the front of the sheep," Simon said.

"Back and bark is particularly important to us. We run a 750-ewe Poll Dorset stud so we need a really forceful dog to manage those big, heavy ewes and rams."

Simon says another important trait is anticipation.

#### "Some dogs are just naturals at seeing trouble before it happens and moving into position to block it," he said.

"High energy levels are fundamental, but the dog also needs a high level of intelligence to be able to switch that energy on and off."

Simon and his wife, Melissa, raise the dogs around their four children, making a good temperament a non-negotiable trait.

Visual traits such as good conformation and 'Kelpie' markings are also important.

"No matter what stock you're running, you need good, sound conformation and strong, healthy animals," Simon said.

Simon uses LAMBPLAN ASBVs and the Total Genetic Resource Management program in his sheep stud, and said he's interested to see the outcome of the Sydney University Farm Dog Project's work on Estimated Breeding Values for working dogs (see article on page 16).

"We measure and record a lot of data for the sheep stud and it is very time consuming, but when you sell 300 or 350 rams a year you get a good return on that investment of time." he said.

"I don't know if the same sort of recording would be worth it in our Kelpie stud, because we only produce two or three litters a year.

"Having said that, we're always open to new tools that can take some of the guesswork out of breeding, so we'll wait and see what the cost is and how much work is involved."



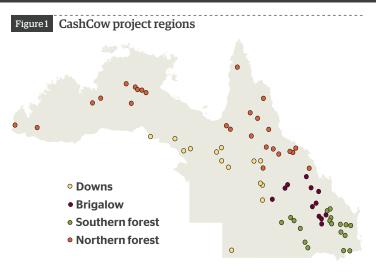
Simon Male E: kelpies@marabou.com.au

#### Simon's working dog checklist:

- $\rightarrow$  eve
- → back and bark (the ability to hold sheep
- $\rightarrow$  heading
- $\rightarrow$  anticipation
- $\rightarrow$  high energy
- $\rightarrow$  intelligence
- $\rightarrow$  happy temperament
- good conformation and markings

Reproductive efficiency

## Cash in on reproductive performance



Four years, 78,000 cows and 78 properties means a lot of numbers have been crunched, analysed and chewed over for MLA's CashCow project.

The result, according to Project Leader Professor Michael McGowan of the University of Queensland, is a step-by-step methodology to help producers tackle tough questions such as 'is my operation as profitable as it could be?'

ashCow encompassed the breadth of the northern commercial cattle industry and focused, for the first time, on investigating reproduction wastage and developing regional benchmarks for reproductive performance.

The project has now developed assessment tools and strategies to help producers regionally benchmark their reproductive performance and improve profitability.

"More importantly, the CashCow project helps producers not only answer these questions but work out why under-performance is occurring and what can be done about it," Michael said.

For the purpose of producing and applying benchmarks, researchers divided the northern cattle industry into four regional areas (figure 1): Southern Forest, Central Forest, Northern Downs and Northern Forest. Although CashCow was focused on beef production in breeder operations in Australia's tropical zones, the fundamentals are applicable to beef enterprises everywhere.

Here, CashCow researcher Geoffry Fordyce provides some guidance on some first steps to take and what benchmarks to use.

#### Step 1: Work out operating margin

Detailed financial assessments can be confronting but, according to Michael, are essential to ascertaining a business' position so CashCow principles can be applied effectively.

"We strongly recommend producers calculate their operating margin so they can answer the question: 'is my beef enterprise profitable, or as profitable as it could be?" Michael said. Operating margin is calculated as:

#### Income/kg minus operating costs/kg

#### Step 2: Work out production benchmarks

The CashCow project developed two indicators of reproductive efficiency. The first was weaner production, calculated as:

(Calves weaned/retained cows) x average weaner weight

If it is impractical, producers need not weigh every weaner, as a random sample will provide enough information for a reasonably accurate average weight.

#### By using the weaner production calculation and comparing it to the regional average (see table 1), producers can assess their performance.

Michael said although producers need to be mindful of inter- and intra-regional variations that may make a property less typical, this benchmark is a reliable indicator of reproduction with seasonal variation having little influence.

CashCow researchers found weaner production (kg/cow) was quite similar to annual live weight gain of yearling steers in the same environment, and measurement of this is a useful indication of optimal production which should be achieved from breeding herds.

Accurate cow numbers are an important requirement for benchmarking so Michael recommended, particularly if producers continuously mate their stock and perform more than one muster a year, using a bangtail muster at the first round as an effective way of getting a handle on 'missingness' and/or mortalities.

#### Step three: Work out performance benchmarks

If enterprise performance is below the regional benchmark or less than 'achievable', then CashCow research identifies several potential causes.

If only pregnant females were retained and there were less weaners than expected, it could be due to abortion or calf losses.

"If the average weight of your weaners is down, discounting drought as an effect, it could be a fertility issue where cows are not in calf within four months of calving," Michael said.

The CashCow team advised conducting annual pregnancy diagnosis on all cows to be retained and to critically use foetal ageing to determine conception and calving dates.

By identifying each animal, information stored from two consecutive preg-test musters will enable calculation of the annual



pregnancy rate and the percentage of cows that become pregnant within four months after calving.

These figures can then be compared with the CashCow benchmarks (see table 2).

## Michael said there are numerous factors contributing to why cows fail to get back in calf within four months of calving including:

- $\rightarrow$  poor body condition prior to calving
- $\rightarrow$  country type or region
- $\rightarrow$  period of calving
- $\rightarrow$  phosphorous deficiency
- $\rightarrow$  cow age (first lactation cows were consistent poor performers)
- $\rightarrow$  environment
- ightarrow poor quality feed during the wet season
- $\rightarrow$  calving time
- $\rightarrow$  hip height

"We found cows calving in July-September had significantly slower re-breed rates than those calving between December-March and properties located in the Northern Downs and Northern Forest had the lowest performance," he said.

"Hip height also had an effect. Taller cows, more than 140cm at the hip, had lower performance and herds with recent Pestivirus infections also had slower re-breed rates."

CashCow found a mixture of environmental and management issues significantly influenced the number of **foetal calf losses** including:

- $\rightarrow$  prolonged hot conditions during calving
- $\rightarrow$  poor quality grazing during the dry season prior to calving
- → mustering heifers or first lactation cows within the first two months of calving (properties where mustering is more difficult and stressful can lose more calves)
- $\rightarrow$  poor mustering efficiency
- $\rightarrow$  phosphorous deficiency, particularly in cows in poor condition at preg-testing
- → taller cows again had greater losses and cows that had lactated in previous reproductive cycle were less likely to experience loss

Losses were also significantly higher in areas where producers considered wild dogs were affecting herd performance, regardless of methods of control used.

#### Table1Weaner production benchmarks - where do you fit?

		Weaner production (kg/cow)		
Country type	No of mobs	Bottom 25%	Median	Achievable level
Southern Forest	33	164.0	191.0	240.0
Central Forest	33	160.7	194.6	220.1
Northern Downs	29	134.9	163.0	182.6
Northern Forest	59	74.0	93.3	112.4

Table 2Observed reproductive performance of cow mobs byregion (numbers in brackets are the range of performance)

Measure	Southern	Central	Northern	Northern
	Forest	Forest	Downs	Forest
P4M (pregnant in first 4 months post calving) (%)	78 (65-89)	81 (69-88)	76 (69-81)	26 (14-47)
Annual pregnancy	85	85	80	66
rate (%)	(76-92)	(79-92)	(75-90)	(55-73)
Foetal/calf loss (%)	5	6	8	13
	(2-9)	(5-9)	(5-14)	(9-18)
Missing animals	8	8	7	11
(%)	(3-12)	(2-11)	(4-10)	(6-16)

#### Pasture - the backbone of the business

Geoffry Fordyce delivered a presentation on CashCow at MLA's WA Meat Profit Day earlier this year and had some poignant advice for producers.

Foremost was the importance of pasture as the driver of any beef operation.

"A beef production business must be built on its pasture production capabilities, not on desired cattle numbers," he said.

"CashCow showed there are numerous factors affecting cow performance but undoubtedly the most significant was management of the body condition of the cow through nutritional management - carrying capacity, time of calving, weaning, supplementation etc."

Secondly, that producers should draw no conclusions about their breeding herd efficacy until they have calculated their production figures and compared them to the achievable levels for their situation and, finally, that simple, well planned herd and mob-level business monitoring will yield all the data required for business assessment, diagnosis of problems and planning solutions.

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Geoffry Fordyce // E: g.fordyce@uq.edu.au

Watch a video of Geoffry's presentation at: www.mla.com.au/MPD-WA

To read the CashCow final report visit www.mla.com.au/cashcowreport

Read about how to perform a bangtail muster on pages 24-25 of the June 2012 edition of *Feedback* www.mla.com.au/feedback

#### Southern beef situation

## Scope to boost profits

High levels of labour efficiency, low costs of production and plenty of potential to increase productivity with minimal investment are the good news stories from the 2013 Southern Beef Situation Analysis, commissioned by MLA. The findings reinforced earlier work about the opportunities for southern beef producers.

The analysis found that average profits per hectare in beef production have lagged behind most alternative enterprises in the southern region, excluding wool, in the past 15 years. However, it also showed that it would be better for southern beef producers with low profitability to improve efficiencies in their current business rather than switching to an alternative enterprise.

Report co-author and Holmes Sackett director John Francis said producers had ample scope to achieve large productivity and profitability gains at low cost.

"Improving feed utilisation or changing the system to better match feed supply with feed demand are two options," John said.

"That doesn't mean supplying more feed or investing in new pastures; it simply means using your existing feed more efficiently.

"Labour efficiency is another big opportunity because labour and labour-related expenses represent a large proportion of the total business cost, usually 40-50%. "Investing in labour-saving infrastructure usually pays; however, an investment analysis should accompany any investment on-farm.

"Farm business managers should look for returns on this investment of more than 20%, and these levels should be easily achieved by the majority of producers."

John said 'attitude' was one of the keys to success for the top 20% of producers in the analysis, which was largely based on the Holmes Sackett Benchmarking Database.

'The top producers understand and focus on both the business side and the production side of the enterprise," he said.

'They set a strategy and implement it diligently; they budget, monitor and review their business performance regularly and they are decisive.

'They also don't go chasing rainbows swapping from one enterprise to another, chasing high prices. They know they're in a commodity business and the only way to be profitable is to have a low cost of production."

farm didn't 'owe' them a living.

"They improve efficiency by matching labour requirements to herd size. They understand there is a cost to idle labour or latent capacity."

"If they've only got enough work for half a labour unit, then they'll only put half a labour unit into it. The remainder of the time may be spent generating income off-farm.

"The best labour managers are now exceeding 20,000 Dry Sheep Equivalent (DSE)/labour unit, and the top 20% have increased their efficiency by 7,000 DSE over the past 10 years."

As well as controlling costs, John said producers needed to produce more kilograms of beef/ha.

"The most profitable producers consistently produce 75-100 kilograms more liveweight beef/hectare than the average," John said.

Producing more kilograms of beef/ha is usually driven by optimising the stocking rate, which means matching feed supply and demand. This involves calving at the right time, turning finishing cattle off prior to feed quality declining and having clear drought plans."

#### Resources

More Beef from Pastures is a program designed to help producers achieve a sustainable (economic and environmental) increase in kilograms of beef/ha through optimal management of the feedbase. www.mla.com.au/mbfp

### Cost of production and financial management

*Tips & Tools: Calculating the cost of production for your beef enterprise.* 

www.mla.com.au/calculating-CoP-beef

The beef Cost of Production Calculator is a tool kit to help producers determine their production costs and compare their performance annually. **www.mla.com.au/beefCoP** 

#### **Meeting market specifications**

The BeefSpecs Calculator is a tool to manage cattle to meet weight and fat specifications. **www.mla.com.au/beefspecs** 

The Calving Histogram Calculator is a tool to measure the performance of your herd management for calving.

www.mla.com.au/calvinghistogram

#### The report highlighted six opportunities for southern cattle producers to achieve low-cost productivity gains:

- → improved systems through better alignment of feed supply with demand and taking feed quality into account
- → improved understanding of fodder budgeting, tactical decision-making tools and implementation of a drought plan
- → improved cost control to better match costs to production capabilities of the system
- → productivity improvements in soils and pastures through better forecasting and decision support technologies
- → optimising production, primarily through stocking rate
- → labour productivity through improved efficiency, investment in infrastructure and automation

Read about the results of the Northern Beef Situation Analysis in the June 2014 edition of *Feedback*. Results for the prime lamb industry will be covered in the August edition.

## Low-cost gains top priority

here is ample scope for southern beef producers to achieve large productivity and profitability gains at low cost. But where do you start?

John Francis, Holmes Sackett Director, co-authored the 2013 Southern Beef Situation Analysis and said there are some key first steps producers could take if they want to boost performance.

'Step one is to understand where your business is up to already," John said.

"Measure and quantify what you do, either through whole-farm analysis (which could include benchmarking) or some other way of monitoring your existing business performance - both financial and production.

"If you want to start by yourself, you could take a look at some 'big picture' key performance indicators first.

"Then you can compare your performance with high performing producers.

"An example would be net profit as a proportion of gross income. The best producers do around 35% over the long term (10-15 years); the average do around 20-25%. If you're below that, clearly there is an opportunity for improvement. Even if you're below 30%, it's showing there are opportunities for you."

John's next step is to look for low-cost gains and take those first.

"It's important to understand the return on investment from investing in change," he said.

"Often people see the production side of the equation and want to jump straight in. It is about production, but not at any cost. You need to analyse all possible investments and take the low-cost gains first.

"The final step is to look at your systems and think about whether they currently match feed supply to feed demand. If not, can you change your system at low cost?"

John has summed up his four initial steps to lifting productivity as:

- **1.** Understand what your existing level of production is use benchmarking/cost of production tools.
- **2.** Identify the opportunities by comparing your performance with the best.
- **3.** Identify the low-cost gains work with advisors on investment analysis.
- **4.** Develop a strategy, implement it and use tactical management to adjust to seasons. MLA's Rainfall to Pasture Growth Outlook tool and feed budgeting are critical to an optimally stocked enterprise.

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#### **Pasture management**

The Stocking Rate Calculator is designed to determine the number of cattle or sheep you should put into a paddock based on its carrying capacity.

#### www.mla.com.au/stockingrate

The Feed Demand Calculator allows producers to gain an appreciation of the pattern of feed supply and demand over a twelve-month period, the location of 'feed gaps' and the ways in which modifying the livestock enterprise might help to close these gaps.

#### www.mla.com.au/feeddemand

Developed by EverGraze, the Feed Budget and Rotation Planner calculates stocking rates, pasture growth rates and stock rations to help plan grazing systems.

www.mla.com.au/tools

The Rainfall to Pasture Growth Outlook Tool presents the actual rainfall and indices of soil moisture and pasture growth for the past nine months and an outlook for the next three months for more than 3,300 locations across southern Australia.

http://rainfall.mla.com.au/

#### Southern beef situation

## **Doing the sums**

South Australian producer Jack England takes a scientific perspective to livestock, pasture and financial management on his family property, 'Shepherds Hill'.

With the Southern Beef Situation Analysis recently released by MLA, *Feedback* asked Jack to outline the factors he considers important for running a profitable cattle enterprise.

fifth-generation producer and former research agronomist, Jack runs the farm in partnership with his parents, Rob and Mignon, and his wife, Frances. The cattle enterprise produces steers for the European Union (EU) trade and became certified under the Pasturefed Cattle Assurance Scheme (PCAS) program last year.

"I do everything based on maths - if it doesn't stack up, I'm not going to do it," Jack said.

The 450-cow, cross-breeding herd is based on Murray Grey/Angus cows. Angus bulls are put over younger cows to breed replacement heifers, with the older cows joined to a European breed for hybrid vigour - either Simmental, Limousin or Blonde d'Aquitaine.

"We select our cows for growth rate, feed efficiency and toughness. There is no room for an empty cow," Jack said.

"We select and manage for smaller mature size in cows, that don't eat as much as bigger ones, but their progeny - if fed right - are still genetically programmed to achieve rapid weight gain.

"Steers are grown out to 19 months of age. Occasionally, we have a few carryovers, and we'll keep them to 24 or 25 months to meet the grids.

"We signed up for the PCAS program because it provided a 15-20¢/kg premium and it's a consumer-driven program backed by market research."

#### Selling strategies

Jack said many producers preferred to sell their cattle as weaners, at around eight months, but for his system "the maths didn't stack up".

"I keep my terminal stock twice, sometimes three times that long so it means I only have half the number of cows to join, calve down and pregnancy test, and cows are very expensive to feed over summerautumn while I'm busy shearing," he said.

"The weaner producers might sell two weaners in two years for \$600 each, while in that time I'll only sell one steer and get about \$1,000 for it.

"They might think 'I made more money', but my overheads will be significantly lower because I've fed half as many cows through summer, and have half the selling costs."

#### Stocking strategies

"The biggest contributor to overall profitability on this enterprise is having the highest number of young, growing DSEs born when the pasture is growing the fastest," Jack said.

Jack avoids calving or lambing early in autumn, preferring to have his young stock arrive in time for the spring flush.

"If I chose to calve early I'd lose out in two ways," he said.

"The DSE rating for earlier lactating stock increases sooner than a later calving unit, which means you'd need to supplementaryfeed animals more, which is expensive and time consuming.

"The other issue is you'd reach your winter time carrying capacity with fewer breeding units than our system. You would have fewer but heavier progeny, compared with our more numerous - but lighter - stock in the spring flush.

"Dollar value per hectare is the key and younger stock grow much faster and better convert the spring pasture 'cheap feed' surplus."

#### Labour strategies

The Englands put emphasis on running the maximum DSEs for the minimum amount of labour, because labour is a big overhead.

"I spend about a day a week on agri-politics (Jack is Vice President of Livestock SA) so between myself, my father and a full-time workman, we've got 2.4 full-time labour units," Jack said.

"We plan our jobs to maximise our labour efficiency and do as much as we can ourselves with bulk tasking.

"We are completely self-replacing, which includes growing our own fodder supplies and grain. This eliminates freight and minimises pest and disease incursions."

#### Soil strategies

Much of the property's pasture management is dictated by the unique landscape, which is where Jack's agricultural science degree comes to the fore.

Shepherds Hill is about 30km inland; the front third of the property is flat and has long been subject to annual waterlogging and rising watertables, which has produced increasingly unproductive saline-sodic soils.

In 2005, Jack began a research project that resulted in the construction of a 10km-long network of deep drains. This lowered the saline watertable and has allowed the planting of deep-rooted, perennial pastures on the flats – doubling their carrying capacity and maintaining more than 90% surface soil coverage.

'We used to grow about 7.5t/ha of dry matter with annual species during the growing season," Jack said.

"Now, even in an average season, we grow about 11t/ha, as deeper-rooted perennials utilise deeper water reserves than annuals,



Lucindale cattle producer Jack England bases all his decisions on maths: "If it doesn't stack up, I'm not going to do it." Photo courtesy Stock Journal.

which creates a bigger sponge to store more winter rainfall. In spring, we put in weir boards to hold back as much fresh surface water as we can.

"More water use, combined with less salt, means more pasture and profit."

The Englands started sowing phalaris/ lucerne/cocksfoot pastures on their range country in the 1980s, allowing them to destock inundated flat country in wet winters.

However, deep drainage combined with perennials has meant those paddocks previously inundated are significantly drier, allowing them to carry more stock in winter.

"We've now got improved pastures on about half the property," Jack said.

"I wouldn't suggest other people go out and sow pasture as a first option to increase profitability. Existing pastures need to be grazed correctly to maximise growth rates, manipulate optimum clover/grass ratios and utilise the seasonal pasture growth curve. If this isn't done, it can be a poor investment.

"Non-costly improvements like larger mob sizes, 'crash' rotational grazing if water points allow, or planning to reduce stock handling in yards can give considerable benefits."

#### Jack's top tips for profitability

- → Have a sound financial understanding of your business and be willing to work off-farm if necessary.
- → Don't diversify too much. Bulk jobs are the efficient ones.
- → Don't change enterprises to chase blue-sky prices.
- → Have simple, low-cost assets expensive machinery is nice, but you don't need it.
- → Keep your knowledge base up-to-date and talk to profitable farmers in your district.
- → Once you have a clear work plan, chew hard and get it done.

#### Snapshot

Jack and Frances, Rob and Mignon England, Lucindale, SA.



### Property: 3,200ha

Enterprise: EU and PCASaccredited cattle breeding, wool, first-cross lambs, cereal cropping and agroforestry

**Livestock:** 8,000 Merino ewes, 450 breeding cows

#### Pasture:

Improved pasture on deepest soils (about 1,600ha) mix of lucerne, phalaris, cocksfoot, fescue, sub-clover and medic

Soil: Sand over loam on

range country, heavy clay on flats **Rainfall:** 

550-600mm

#### Genetics

# Keeping your genes current

Do the Estimated Breeding Values (EBVs) of your older bulls seem less impressive now than when you bought them? Do your newer bulls, in comparison, seem better value for money? It's not your imagination but rather a reflection of the speed of genetic gain.



The rate of genetic progress in Southern beef cattle is about 10 times faster than it was 12 years ago. In terms of profitability, that rate of improvement is now occurring at a rate that outpaces the cost-price squeeze.

Geneticist and Director of the Animal Breeding and Genetics Unit at the University of New England, Dr Rob Banks, said this sends an important message to producers about the role genetics play and here Rob explains it in simple terms.

### What is the average rate of genetic gain in Australian cattle?

In southern systems the average rate of gain for sires, per cow mated per year, is \$3 to \$3.50 (depending on breed). To stay ahead of inflation you really want to be buying bulls from studs that are achieving gains of \$5/cow or better. Even now, the better studs are achieving genetic rates of progress of \$8 and higher and there's no reason why, in another three or four years, that won't be the new average.

Genetic gain is harder to measure in northern production systems due to the scale and size of properties and herds which can result in reduced accuracy of performance data. However, Rob suggested some studs in northern Australia would be making similar progress to those in the

**10 times** 

the rate of genetic progress in Southern beef cattle over the past 12 years



south (around \$3 to \$4 per cow) and a move to a greater emphasis on reproduction traits and improved robustness of fertility EBVs could see the overall average improve by an additional \$2 per cow to be in line with southern production systems.

## What drives this increased rate of genetic improvement?

I think it's due to BREEDPLAN and people's improving confidence in the validity of EBVs. EBVs have been available for 25 years and during that time we've been able to measure and predict more profit driving traits such as growth, marbling, carcase and eating quality. This has given breeders more confidence to pick young animals earlier. The widespread use of EBVs has also meant people have more choice - they have the entire breed to choose from rather than being limited to nearby studs.

#### Is this rate of improvement sustainable?

It's not only sustainable, it's likely to increase. There's no reason why there are herds not already improving twice as fast as the average – and, as genomics become more commonplace, I think we'll see the rate of progress slingshot again.

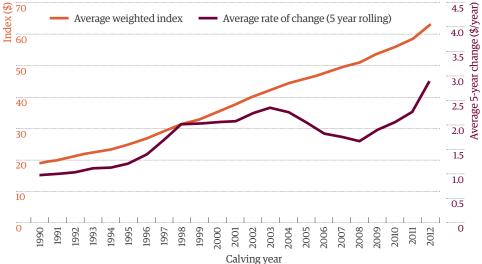
### What does this mean to the ordinary producer?

Genetic gain impacts not only their bottom line but management such as risk mitigation through running animals with better feed conversion, higher growth rates, faster turn-off times and producing a higher quality product.

Through modelling work, I've shown that for a 500-cow herd, the difference in annual profit between enterprises achieving a rate of genetic progress of \$2/cow mated, compared to \$5/cow mated, was \$9,000.



Figure 1 Average weighted selection index (\$) and average rate of change (5 year rolling) for British and European breed societies with selection indexes published



Source: Animal Genetics and Breeding Unit

#### Genetics

## A numbers game

When it comes to genetics, Central Queensland producer Swin Hudson employs the philosophy - 'keep it simple and don't be a softie'.

#### Swin believes in the power of numbers, particularly BREEDPLAN and the notion of using the heritability of growth, carcase and fertility traits to improve herd performance.

"Fertility can be improved through management, temperament by selecting quiet cattle but, by using BREEDPLAN as well, we're speeding up our rate of genetic gain," he said.

"When I'm selecting animals, BREEDPLAN figures are my first culling point. If the figures don't stack up, no matter what the animal looks like, I won't keep it.

"Once the animals have satisfied that first criteria, we then select for conformation, tick resistance and temperament and we have a preference for polledness."

Tremere Pastoral is European Union (EU) and Meat Standards Australia registered and aims to turn-off steers at 310kg dressed weight and its heifers between 30–50kg lighter.

Steers are destined for the EU market but those that don't meet the specifications are grown out to Japan ox.

"We join at 15 months and keep only those that pregnancy test in calf," he said.

'If they don't have a live calf at branding, I forgive them once because they're young, still growing and learning to be a mother but after that, there are no concessions."

#### Long term trends

The Hudsons have been breeding Belmonts since 1974 and they hold an annual bull sale. Each of the 50 bulls presented is semen morphology tested at 20-24 months and, while the days-to-calving EBV is being developed for Belmonts, Swin publishes the dam breeding history. He also plans to start DNA testing sires for heterozygous and homozygous poll genes.

Tremere started collecting EBV information in 1986 and, since then, Swin has witnessed considerable genetic change.

'Seasonal impacts sometimes muddy the water of what you can see, but the breed society graphs show we're improving," he said.

#### **Belmonts**

Belmonts are a tropically adapted *Bos Taurus* breed – of Sanga (African) origin. In fertility, carcase quality and disposition they are related to the British breeds, yet their resistance to parasites and environmental adaptation ensures they are suited to the tropics.

The Tremere Belmont herd started in 1974, when the first females were released to the industry by CSIRO.

#### **Breed characteristics:**

predominantly red in colour, they are sleek coated, have a small thoracic hump and tight sheath. The ears and dewlap are a moderate size. Belmont can be horned or polled.



Swin Hudson measures testicles as an indication of fertility.

#### Animal welfare

## A matter of welfare

Improving the welfare of livestock benefits not only the animals directly, but also the industry through productivity improvements. Importantly, it also responds to community expectations about the way animals should be cared for.

Given the importance of welfare, MLA funds up to \$5 million worth of projects with relevance for on-farm, livestock exports (with LiveCorp) and feedlots (with the Australian Lot Feeders' Association).

"Welfare goes hand-in-hand with health and productivity, and this work also demonstrates to the community that we're doing the right thing by the animals," said Dr Jim Rothwell, MLA's Sustainability R&D Program Manager.

MLA is currently funding about 20 core on-farm animal welfare projects while three-quarters of livestock export R&D and a large proportion of feedlot R&D are welfare-related projects.

MLA's investment in animal welfare projects is guided by four objectives:

- **1.** Develop replacements for aversive procedures.
- **2.** Reduce livestock mortality rates on farm.
- **3.** Increase uptake and demonstration of welfare best practices across the whole supply chain.
- **4.** Develop ways to minimise the pain of aversive procedures.

"Those objectives guide our program very well and we have a good portfolio of diverse projects," Jim said.

"We need to do more work on 'on-farm mortality'. At this stage, our investment in that area is our contribution to the Invasive Animal CRC, directed at predator control.

'We want to look further at issues such as potentially avoidable neo-natal mortality and elderly female mortality, and we'll be moving into that area in the next five years."

Here is a brief overview of recent MLAfunded on-farm animal welfare projects:

#### Poll position: the Australian Poll Gene Marker test

The second-generation poll gene test for cattle has been hailed as a breakthrough, with the dual benefits of improved profitability and animal welfare.

The test was first released in 2010 by the CRC for Beef Genetic Technologies, before CSIRO's Dr John Henshall led an MLA-funded research project to increase its accuracy.

This resulted in the commercially available Australian Poll Gene Marker test, which is up to 99% accurate for Brahman, Brangus, Charolais, Droughtmaster, Hereford, Limousin, Santa Gertrudis, Shorthorn and Simmental breeds.

Contraceptive control: review of

## alternatives to castration and spaying

Science consultant Dr Keith Walker recently completed a literature review investigating alternatives to castration and spaying of ruminants.

"This is a pivotal scientific review of the human and medical literature and will be extremely valuable in terms of directing future research," Jim said.

'Keith found potential opportunities for more research and confirmed some of the research we're already conducting.

"He's endorsed looking at vaccination and implant strategies, in particular, as alternatives to surgery."

The review concluded the science is "looking good" for contraceptive reproductive control.

#### $\rightarrow$

"Initially we focused solely on growth but that impacted on carcase and fertility traits. We've aimed to progress a broader spectrum of traits and the trend graphs show we're achieving that."

During the past decade, average birth weights of Swin's calves plateaued and are now decreasing, carcase feedback has improved and fertility remains strong with an average of 95% of cows pregnancy-tested in calf after a nine to 12-week joining. Weaning percentages remain above 85%.

Swin puts their success down to not only a strong emphasis on reproduction traits but also an intensive vaccination program that combats Pestivirus, Leptospirosis and Vibriosis which is endemic to the area.

"Most of our losses are caused by disease or animal predation from eagles and dingoes," he said.

"The CashCow project highlighted heat stress and dehydration as significant contributors to calf mortalities but if you're culling any cow that doesn't have a calf at branding, you're addressing all that by ensuring your cows calve at the right time.

"I think the secret is to keep the system simple and do it right."



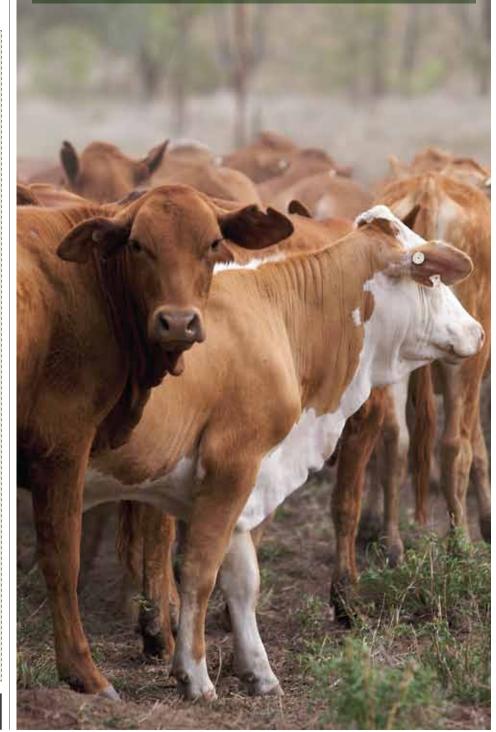
Lewis, an English backpacker working on the property, with a concerned mum, tagging and mothering up.



Swin Hudson E: tremere@clearmail.com.au Read more about the findings from CashCow on pages 18-19.

## All patched up

Recent research has indicated complications caused by dehorning contributed to the loss of 2% of dehorned calves a year in northern cattle operations. An MLA-funded project has tested a simple way of reducing complications after surgery.  $\rightarrow$ 



What a relief: pain-related research

MLA is investing in a number of research projects seeking to minimise pain in livestock.

"Pain is a big focus for us and research in this area can be summed up with three 'Rs' - refine, replace and relieve," Jim said.

"Refine' refers to ensuring best practice for aversive procedures, such as dehorning; 'replace' refers to things like breeding polled animals that don't need dehorning, or developing non-surgical castration alternatives; and 'relieve' refers to the development of pain-relief products."

One project is supporting the registration of anti-inflammatory pain relief products for sheep, while another is conducting an independent assessment of the Callicrate WEE Bander, which has been promoted as a "humane" castration device.

Other projects look at novel, needle-free pain relief products for cattle and surgical swabs to manage dehorning wounds (see story on page 28).



**Dr Jim Rothwell, MLA** E: jrothwell@mla.com.au  $\rightarrow$ 

#### Animal welfare

The project found the application of cotton gauze surgical swabs significantly reduced haemorrhage and infection rates in the dehorning wounds of cattle affected by 'frontal sinus exposure'.

It involved placing a swab over the wounds immediately after surgery, reducing blood loss and secondary bacterial infection.

The experiment was led by University of Queensland (UQ) Senior Research Fellow Dr Geoffry Fordyce and conducted at Mittiebah Station, on the Barkly Tableland. The research team included Northern Territory Department of Primary Industry and Fisheries officer Helen McMillan, UQ scientist Nicky McGrath and staff from the North Australian Pastoral Company.

"The experiment involved dehorning 50 six-month-old Brahman heifers, selected because of their likelihood to experience sinus exposure," Geoffry said. The research was carried out following UQ animal welfare guidelines. "Twenty-six did not have the swabs applied and 24 did. The infection rate after surgery was 11% for those that weren't patched, compared to 1% for those that were.

"The swabs also reduced the extent of haemorrhage, which we expected, as it is a standard surgical practice. The swab creates a matrix to give a clot structure and strength."

#### Making it stick

One problem the researchers encountered was the high number of swabs that dislodged as soon as the heifers were released from the branding cradle. "Half the patches were dislodged within a day and 21% within an hour, and most of those were as the heifers rose quickly from the cradle," Geoffry said.

"We've recommended developing a cost-effective method to increase adherence of the swabs, but I think the secret will be to slow down just a little more and hold the swab on 15 or 20 seconds, until you're sure you have good adherence."



The clot - and swab - form a scab that falls off as the wound heals. The pure cotton swabs are biodegradable.

Geoffry said the 7.5cm x 7.5cm swabs cost two cents each and the labour taken to patch would cost about 50 cents per animal.

However, he said recent research in northern Australia that found a 2.1% loss of calves after dehorning and branding, compared to a 0.2% loss of polled calves after branding, indicated the cost may be recouped in higher survival rates.

"Further research is required to quantify this potential benefit," he said.

"It's possible that the effective application of swabs can replace the traditional application of chemicals used for insect and infection control."

The project also included observing the heifers' behaviour in the weeks following surgery.

"Patching had no impact on pain, recovery times or feed intake," Helen McMillan said.

'Our observations indicated that dehorned calves should be segregated from other cattle for at least two weeks after surgery and they should be pasture fed, rather than hand fed, at this time."

(i)

Dr Geoffry Fordyce T: 07 4761 5173 E: gfordyce@uq.edu.au Helen McMillan T: 08 8962 4486 E: Helen.mcmillan@nt.gov.au



A six-month-old Brahman heifer four days after dehorning and patching, showing a scab formed with the aid of a surgical swab.

## Dehorning best practice

- $\rightarrow$  Breed polled cattle.
- → Disbud when young (around two months of age)remove horn buds before they attach to the skull and have a hollow connected to the frontal sinus.
- → Use a calf cradle when dehorning – good restraint is essential.
- → Ensure the dehorning instrument is wellmaintained, clean and sharp.
- → Remove a complete ring of hair 1cm wide around the horn base to prevent regrowth.
- → Use swabs to help form wound-sealing clots, especially when the frontal sinus is exposed by dehorning or there is arterial bleeding.
- → Keep up-to-date with pain relief research and commercialisation – once available, use these methods.

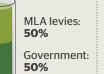
A guide to best practice husbandry in beef cattle - Branding, castrating and dehorning (Guide does not yet include the new patching process.) www.mla.com.au/

**(** 🔊 )

beefhusbandryguide Download *The Australian Poll Gene Marker test* fact sheet at www.mla.com.au/ pollgenemarker

#### Project dashboard: Accelerating healing of calf frontal sinuses exposed by dehorning

Financial contributions to the project: \$20,425





#### The project is part of MLA's objective to:

Create cost effective opportunities to replace, relieve, refine animal husbandry practices to continuously improve animal welfare.

# Taking shelter

The need for science-based information to back up on-farm management decisions to grow native shelterbelts was the catalyst behind a southern Victoria Landcare group developing a comprehensive fact sheet.



The Basalt to Bay Landcare Network Facilitator Lisette Mill, who managed the MLAsupported project, said, "We are a little Landcare group covering a big area and we decided to set out all the economic facts on growing native shelterbelts."

"Producers kept asking me to explain the return on investment from dedicating a percentage of their property to shelterbelts, and we needed something which presented the case for investing in them."

The fact sheet, available online, pulls together findings from 30 years of research into shelterbelts to illustrate the benefits to livestock, dairy and crop production, and provides online tools for cost benefit calculations, shelterbelt designs and management.

General productivity benefits of shelterbelts, as outlined in the fact sheet, include:

- → up to a 50% reduction in windspeed (if 10% of land area is dedicated to shelterbelts)
- → reduced animal stress from exposure to heat and cold; in cattle, cold stress can reduce liveweight gain by 31% and heat stress reduces fertility and weight gain
- $\rightarrow$  increased pasture production (10-60%)
- → reduced losses of newborn lambs (up to 50%)
- → increased liveweight gain in sheep (up to 21%)
- → increased lambs at weaning (10-16%) from heat reduction in summer during joining and lambing
- $\rightarrow$  improved ram fertility

As well as these measurable benefits, Lisette pointed out that shelterbelts offered other advantages, too. Research has shown shelterbelts increase the value of the land, make it a nicer place to work and provide benefits such as improved pollination of crops, reduced pesticide usage, biodiversity gains, moderation of spray drift and creation of wildlife corridors, and help prevent salinity and soil erosion.

The fact sheet will be updated regularly. We are looking for research on the impact of shelterbelts on grassfires so we can add that information," Lisette said.

The fact sheet can be downloaded at **www.basalttobay.org.au** and contains links to websites for help with shelterbelt design, maintenance and suitable species.



Ø

#### Lisette Mill E: basalttobay@gmail.com

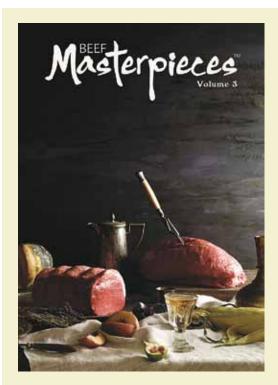
To calculate the cost/benefit of a shelterbelt to your enterprise go to: www.evergraze.com.au/library-content/shelter-investment-tool

#### Foodservice

## **Engaging with chefs**

From hospitals and children's day care centres to cafes, pubs and restaurants, 24 million meals are plated up every day by the Australian foodservice industry. As the chief creators of many of these menus, chefs hold a great deal of influence on the extent to which red meat is featured.

MLA works with supply chain members to encourage chefs to keep beef and lamb top of mind when planning menus, through the Masterpieces program.



## Beef Masterpieces volume three rolled out

*Beef Masterpieces* volume three has just hit bench tops across Australia, featuring 16 new recipes that showcase the use of topside, shin, knuckle and short-rib.

The booklet features recipes devised by well-known chefs including Dan Hong (head chef of popular Sydney establishments Ms Gs, Mr Wong and Papi Chulo), David Moyle (the Mercury Development in Tasmania) and Victor Liong (Lee Ho Fook in Victoria). It has butchery tips on how to prepare the cut, menu applications, flavours and suggested cooking methods. The booklet is being distributed nationwide through masterclasses in each state.

Download *Beef Masterpieces* volume three at: www.raremedium.com.au/Foodservice-Resources/Masterpieces

#### he Masterpieces program helps chefs realise the quality that lies beyond prime cuts.

MLA recently launched volume three of Beef Masterpieces, which promotes four new non-loin cuts - shin, topside, knuckle and short-ribs - to chefs and cooks in the foodservice industry.

As well as Masterpieces, MLA regularly:

- → partners with Australian wholesalers to run paddock-to-plate tours and masterclasses for chefs
- $\rightarrow$  supports industry chef competitions
- → delivers workshops and Chef's Table promotions via its state-based Chef's Clubs
- → publishes a quarterly foodservice journal, *Rare Medium*.

These initiatives provide opportunities for chefs to learn about the production of Australian beef and lamb, meat quality and how to work with a variety of cuts, through the Meat Standards Australia (MSA) program.

"Chefs and their customers are always on the lookout for new recipes, flavours, cooking methods and presentation ideas," MLA's Marketing Manager - Foodservice, Claire Tindale-Penning said.

"Programs like MLA's Masterpieces are vital to increasing demand for the whole carcase and keeping beef and lamb 'top of mind' for chefs in a highly competitive market, where food trends can dictate ingredients on menus.

"They also provide chefs with inspiration and suggestions for creating innovative and quality red meat meals that are favourable to their bottom line."

Encouraging the uptake of a variety of beef and lamb cuts at foodservice eventually flows on to the retail sector and is reflected in consumer buying behaviour.

"Foodservice is the ideal arena for consumers to try new things. Many diners will order dishes they wouldn't cook themselves. This places chefs in a strong position to provide consumers with a dining experience they could seek to replicate at home," Claire said.

## 8.1 billion

meals served each year in the Australian foodservice industry

**30,000** 

Masterpieces booklets distributed to date

4,000 chefs receive MLA's foodservice magazine *Rare Medium* 

#### 31 Growing demand



### The chefs...

revor Perkins (above left) runs Big Spoon Little Spoon with his business partner and fellow chef, Leigh Marino (above right), in Victoria's Gippsland. The pair prefer locally produced seasonal fare and worked with MLA and meat supplier Castricum Foodservice to host a Masterpieces masterclass as part of a paddock-toplate tour for 40 Victorian chefs in April.

The class demonstrated how to best use non-loin beef cuts, including shin and topside.

"We're always learning, so the tours and masterclasses are really valuable," Trevor said.

"The way we see meat coming into the kitchen is usually in a cryovac bag, so these events bring together everything that's involved in putting meat on the table." The most interesting thing for the chef with 20 years experience was seeing how the Meat Standards Australia (MSA) system and tender stretching made it possible to prepare a beef carpaccio (a raw meat dish usually made from prime cuts such as eye fillet) from topside – a cut he recently added to his weekly order of 60kg of beef and lamb.

While prime cuts including sirloin and scotch fillet still feature, almost three-quarters of Trevor's customers opt to try a 'surprise' tasting session of several courses left to the chef's discretion.

"Most customers take up our tasting menus, which puts the choice in our hands to put the style of food we like on the plate," Trevor said.

"We generally do beef shin and beef cheeks and coming into winter - we'll definitely do heartier food that's slow-cooked."

#### Foodservice fast facts

- → 79,792 foodservice outlets in Australia (includes commercial and institutional sectors)
- → Value of beef/veal in foodservice market annually = \$1.725 million
- → Value of lamb/mutton in foodservice market annually = \$691,000
- → Mince, rib eye/scotch fillet and tenderloin - the three most purchased beef cuts for chefs in the commercial foodservice market (source: BIS Shrapnel annual MLA study February 2014)
- → Leg, shank and cutlets the three most purchased lamb cuts for chefs in the commercial foodservice market (source: BIS Shrapnel annual MLA study February 2014)

#### 32 Growing demand



Down on the farm - the start of the paddock-to-plate journey for the group of Victorian chefs recently.

 $\rightarrow$ 

## The wholesaler...

astricum Foodservice has recently started supplying Trevor's restaurant, but is known in the Victorian foodservice industry as a meat wholesaler to more than 200 leading restaurants and hotels.

Castricum Foodservice has been on board with the Masterpieces program from its inception and regularly partners with MLA to host chef tours and masterclasses as part of the program.

Kerr Griffin, Castricum's Foodservice Manager (pictured right), said the program had been an asset to his company and their clients, resulting in cuts that were previously neglected now being in high demand.

"This includes beef brisket and short ribs, in particular. Short ribs have been around for a while but they've been a cut we've primarily exported," Kerr said.

"We always knew it was a good cut, but it needed to be marketed. We have seen a huge increase in the demand for ribs, from basically nothing.

Four years ago, before Masterpieces, the wholesaler's brisket sales were almost zero. Now Castricum is selling more than a tonne a week.

"Chefs need to know what's available - they get very busy and can get stuck in their restaurants because they're so busy so the more information we can give them on available cuts, the more they will think about what they can do with them," Kerr said.



Claire Tindale-Penning, MLA E: ctindale-penning@mla.com.au www.bigspoonlittlespoon.com.au www.castricum.com.au



Castricum Foodservice brisket sales 2010: almost 0 tonnes 2014: over 1,000kg/week

#### Recipe

Serves: 4 Preparation time: 10 minutes Cooking time: 100 minutes

## Osso bucco with basil pesto

#### Here's a classic one-pot meal which uses a non-loin cut and is packed with nutrients to keep you warm and healthy in the winter months.

#### Ingredients

4 pieces osso bucco

1 tbsp olive oil

500ml beef stock 1 onion, diced

2 carrots, diced

800g can butter beans, drained and rinsed 1 bouquet garni (see tip)

1 cup green beans, chopped

#### **Basil pesto**

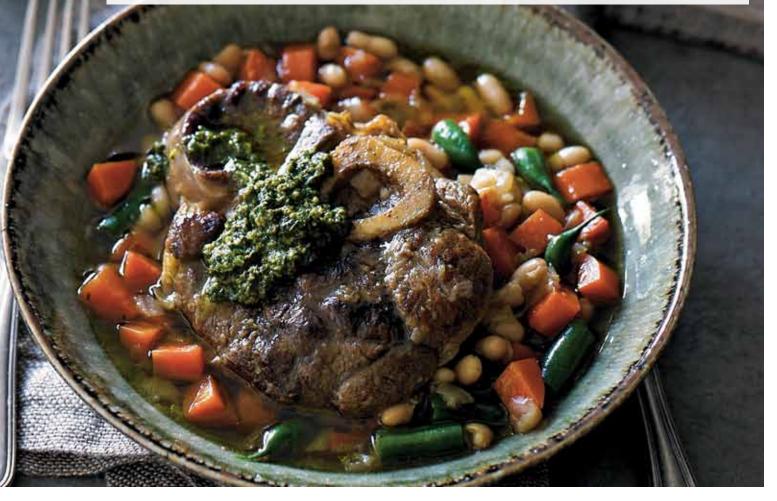
2 cup basil leaves
¼ cup pine nuts
1 clove garlic, chopped
¼ cup olive oil
40q parmesan, finely grated

#### Method

- 1. Preheat oven to 180°C.
- 2. Pat osso bucco dry with paper towel, brush with oil and sprinkle with salt and pepper. Heat a large cast iron pan with a lid over high heat and brown osso bucco on both sides.
- 3. Add stock, onion, carrot, butter beans and bouquet garni. Bring to the boil, cover meat with a piece of baking paper and then the lid and place in oven for 1½ hours or until beef is very tender. Add green beans in the last 10 minutes of cooking.
- 4. Place basil, pine nuts and garlic in a small food processor and process until finely chopped. Add olive oil and process until smooth. Stir through parmesan.
- 5. Divide vegetables and sauce between four bowls and top each with a piece of osso bucco and a dollop of pesto.

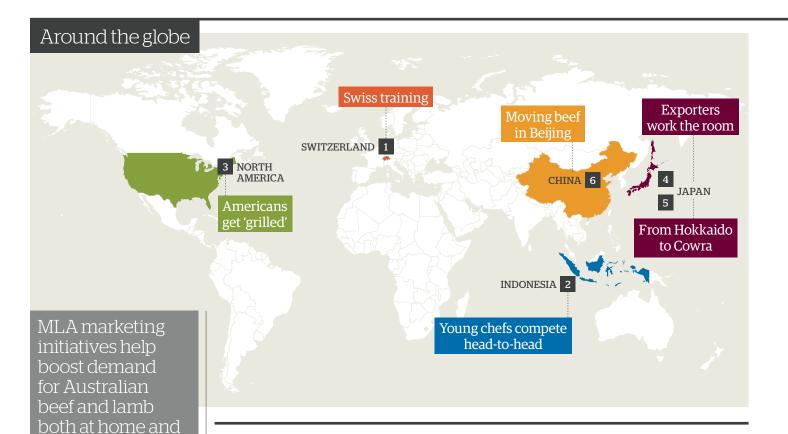
#### Tip:

- 1. Bouquet garni is a small parcel of herbs, usually bay leaf, lemon peel, thyme and rosemary. Substitute with your favourite herbs.
- 2. Substitute basil pesto with a store bought version.



in our global

marketplace.



#### **1 SWITZERLAND** Serving it up to the Swiss

MLA is making inroads into the Swiss foodservice scene, recently training 70 butchers from a large cash and carry chain (a membership-based supermarket for foodservice professionals) which currently stocks Australian beef and lamb.

Attendees were given an overview of Australian production and industry systems by MLA's Regional Manager European Union and Russia, Michael Crowley, and viewed a range of products available in the market. They also sampled lamb and beef cuts including lamb rack and leg cuts, grassfed and grainfed beef cube roll, and Wagyu striploin and tenderloin. The training aimed to create advocates for Australian red meat, providing foodservice professionals with knowledge of Australia's safety, traceability, welfare and sustainability systems.

#### <sup>2</sup> INDONESIA

Insights to Aussie red meat



One hundred culinary school and university students competed in the Rare Medium Cup competition developed by MLA to educate future foodservice industry members about Australian beef and lamb. The month-long event saw entrants learn cutting skills, cooking techniques and improved plating of non-loin cuts. Sixteen students cooked in a grand final in Jakarta, working with Australian beef eye round and lamb racks. The event was covered by 22 print, television and online media outlets.



#### <sup>3</sup> NORTH AMERICA

New 'fans' of Australian lamb



More than 13,000 Americans wanted to 'Get Grilled on Australian Lamb' during a recent 'Aussie Lamb Spring Fling' competition in the US. Run through Facebook, in partnership with Brazilian-style restaurant chain Texas de Brazil, the competition was promoted through the chain's 28 restaurants and in its email updates sent out weekly to its database of one million customers.

The winner from Michigan successfully answered a question on what they had learned about Australian lamb - including cooking methods, marinating times, its nutrient-rich attributes, and leg roasting techniques - during the campaign to win a trip to Australia. The chain uses cuts of Australian lamb (racks, leg and loin chop cuts used on skewers - Brazilian churrascaria style).

**13,730** Americans enter 'Get Grilled on Australian Lamb' competition

### <sup>4</sup> JAPAN

Trade networking



MLA hosted 'Aussie Beef & Lamb trade shows' in Japan's two largest cities: Tokyo and Osaka. The aim was to connect Australian exporters with new and existing Japanese customers. Eleven Australian beef and lamb exporters exhibited products to more than 500 guests in Tokyo and 300 guests in Osaka.

## 800

trade industry people attended 'Aussie Beef & Lamb trade shows' in Japan

#### <sup>5</sup> JAPAN

#### Lamb cook-off in Cowra



The influence of Genghis Khan extended to a farm at Cowra in central NSW when 11 sheepmeat wholesalers and foodservice representatives from Japan's Hokkaido region enjoyed an Australian barbecue.

Supported by MLA and the Sheepmeat Council of Australia, the trip to regional NSW aimed to strengthen relationships between Japan's major sheepmeat users and Australian sheepmeat producers showcasing Australia's 'clean green' image, safety and sustainability practices. The tour also took in visits to saleyards and processors.

Traditionally lamb has not featured strongly in the Japanese diet, but the love of lamb is prevalent on the island of Hokkaido, where Genghis Khan barbecue-style dishes of lamb or mutton grilled with vegetables are popular.

#### 6 CHINA

#### Beef sales boost

Around 900kg of Australian beef, including brisket, beef shank, Wagyu shoulder and chuck roll was sold during an Australian beef retail promotion in a large hypermarket retail chain in Beijing. MLA provided point-of-sale materials, bags, beef cut chart posters and aprons to the retailer. The retail chain has 14 stores across China and sells Australian beef exclusively.



#### On the ground



Andrew Cox MLA Regional Manager -Japan E: acox@mla.com.au



hile Australia still holds greater market share of Japanese beef imports than prior to the 2003 BSE related import restrictions on US beef, the re-entry of the US into the market means Australia has to fight harder to retain a share of a smaller beef pie.

Australian beef accounts for a 54% share of the imported beef market in Japan compared with 49% in 2003. However, total consumption in Japan remains 20% below that of 10 years ago.

Another challenge is contributing to increasing beef consumption against alternatives like pork and chicken.

With competition comes the need to defend our \$1.5 billion sales in this important market. MLA's approach is:

- → Helping exporters educate Japanese buyers about Australian beef's positive attributes.
- → Maintaining strong country-of-origin presence at point-of-sale, including new 'True Aussie' branding (see the pages 8-9 of June edition of *Feedback* for more on the 'True Aussie' brand).
- → Campaigns to associate our product with 'Genki' a Japanese term meaning energetic and full of life (see page 31 of the May edition of *Feedback* for more on MLA's recent 'Genki' campaign in Japan).

These strategies were presented to an enthusiastic crowd of more than 500 Japanese trade executives at recent events in Tokyo and Osaka, with 11 Australian beef and lamb exporters attending to develop stronger relationships with customers.

The recent announcement of the Japan-Australia Economic Partnership Agreement will give exporters to our largest beef export market a further boost they need. The Agreement has come at an opportune time, with US beef back on shelves following last year's relaxation of import restrictions.

Once ratified, the current 38.5% tariff will reduce to 32.5% for chilled beef and 30.5% for frozen beef in its first year. While not falling as low as in some other markets, it is the first time that Japan has liberalised one of their 'key agricultural products' to this extent.

MLA's team in Japan remains committed to protecting and expanding the footprint of Aussie beef in our largest and most valuable export market.

#### Market observations

# Moving toward an unwelcome record

Australian adult female cattle slaughter has been running at unprecedented levels for well over a year, driven by the drought across large swathes of Queensland and northern NSW.

#### **Tim McRae** MLA Economist



Ationally, adult female cattle slaughter has been higher year-on-year for 22 consecutive months, posing the questions for many producers and processors what will the supply base look like in coming years? And how much longer will it last?

Similar patterns occurred in the past, namely for 18 months in 06-07, 24 months in 97-98, 31 months starting October 1989, 38 months starting December 1974 and 22 months starting February 1972.

Following each of these periods, there were dramatic and almost equivalent reductions in female slaughter for similar periods. This, of course, is likely to occur once there are widespread improved seasonal conditions. Furthermore, the reductions in female slaughter - driven by increased restocking and herd rebuilding demand - have seen cow prices improve significantly, up 40-50% year-on-year in some instances.

Given the current extent of the herd liquidation, and unlikely event of a reduction in slaughter through winter, particularly given the bleak winter rainfall outlook from the Bureau of Meteorology, the reduction in the female base is likely to continue for at least the coming months.

Indeed, the greater the reduction becomes, the fiercer the competition will be for what will be a significantly reduced national pool, once conditions improve.



#### Emerging markets

## Vietnam – land of opportunity



Rising demand for protein and dwindling domestic beef supplies have presented opportunities in Vietnam for Australian live cattle and beef exporters. But it's not just Australian exporters who are trying to establish a foothold in this emerging market. Countries like India already have a strong presence.

Vietnam's economic growth slowed to 5.4% in 2013, down from 7% in 2012 in response to declining property values, weak banking and debt burdened State Owned Enterprises. In contrast, Vietnam's export manufacturing sector continues to grow. Vietnam's economy is predicted to recover with 6% growth in 2014, and continue to expand at an average 7.3% between 2015 and 2020 (IMA Asia).

Like China, urbanisation is occurring quickly in Vietnam, with major cities expected to become a centre for foodservice and modern retail development.

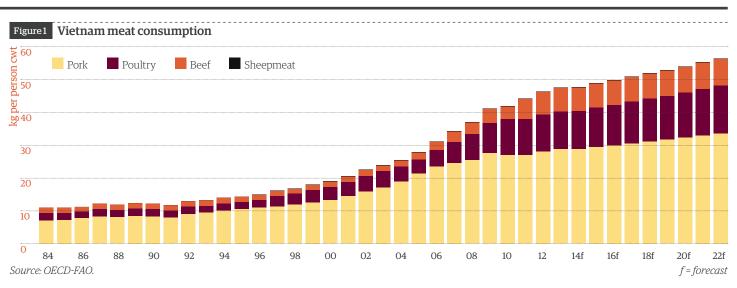
#### Demand for protein

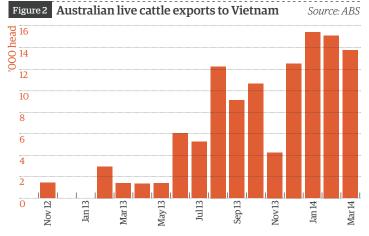
Meat consumption in Vietnam has risen significantly in the past decade and demand for animal protein is expected to remain strong for the next five years, led by a growth in consumption of poultry, followed by beef (from a low base) and pork (figure 1).

#### **Declining local supplies**

Both cattle and buffalo contribute to the domestic bovine meat supply. Vietnam had a cattle herd of about 5.31 million head in 2012. The buffalo herd is estimated at 2.66 million head. The meat is commonly called beef, with no differentiation between beef and buffalo.

While official data on Vietnam's bovine meat production is unavailable, participants in the beef industry strongly believe that the local cattle and buffalo herds are contracting. Like in China, urbanisation and increasing input costs have seen more small producers exit the cattle raising business.





#### Filling the shortfall - live cattle

The majority of beef consumption in Vietnam is derived from local cattle and live cattle imports from Thailand, Laos and Cambodia and, since 2010, a growing number from Australia.

Strong demand from China in the past two years has reportedly attracted live cattle from Thailand, Laos and Cambodia away from Vietnam, with importers noting the reduction in supply from these countries.

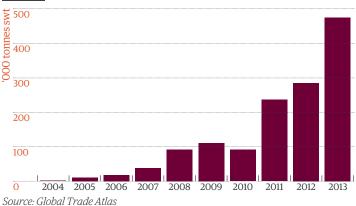
Following reduced supply of cattle from Thailand, and growing consumer demand, Vietnamese importers sought opportunities from 2010 to import Australian cattle. After a slow start in 2010-2012, Australian live cattle exports increased rapidly from January 2013 (see figure 2).

Coincidently, from that time, exports of Australian feeder and slaughter cattle were underpinned by the Exporter Supply Chain Assurance System. Under this requirement, the number of approved supply chains in Vietnam has increased.

The rise in demand for Australian cattle has been sustained, despite higher export prices, due in part to increased demand from Indonesia from October 2013 to March this year.

Australia exported 66,953 head to Vietnam in 2013 and an additional 44,217 head during the first three months of 2014. Exports are expected to remain strong for the rest of 2014.

#### Figure 3 Indian beef exports to Vietnam



ource: Global Trade Allas

#### **Filling the shortfall - boxed beef** Vietnam imports beef from a wide range o

Vietnam imports beef from a wide range of suppliers, including Australia, Argentina, Brazil, Canada, India, Japan, New Zealand, Paraguay, the US and Uruguay.

The fastest growing supplier to Vietnam in the past five years has been India (see figure 3). The majority of this growth has been attributed to increased demand from China. Export data indicated that around 475,000 tonnes of Indian buffalo meat was exported to Vietnam in 2013 (Global Trade Atlas).

Assisted by established demand from five-star hotels and finedining restaurants, Australian beef exports to Vietnam for this segment (mostly loin cuts) is expected to be firm in the coming months. The booming mid-scale restaurants (western, Japanese and Korean styles) already seen in major cities will also assist exports of Australian beef to the market.

Together with Australia, the US is one of the major suppliers of quality imported beef in Vietnam, for use in the high-end foodservice segment. In the first three months of 2014, the US exported 662 tonnes swt of beef to Vietnam, down 71% on the same period in 2013. US beef exports to Vietnam are expected to remain subdued over the coming months, as the US prioritises product for higher value markets.



#### 38 **In the field**

## Tasmania//Red Meat Update

Pastures, production and profit were the focus when more than 200 producers attended the Red Meat Update event in Launceston, Tasmania, in June. Here's a snapshot from three of the presentations and what some producers took away from the event.

MLA Economist Tim McRae said in his keynote address there was good news for Tasmanian producers: growing demand for clean, green, grassfed meat; New Zealand's declining lamb flock; and growing international demand for beef in new and emerging markets. Macquarie Franklin Principal Consultant Basil Doonan spoke on benchmarking and the importance of being really good at the things which count in business. "There is a strong link between return on capital and skill," he said. Fingal Valley producer Rob O'Connor took attendees on a virtual farm tour of his 19,500ha property 'Benham', where he oversees a complex program of irrigated and dryland pastures and crops and sheep and cattle breeding and trading.



Scott Colvin, 'Noswick', Blackwood Creek

"Basil Doonan from Macquarie Franklin's presentation (on benchmarking) struck a chord on chasing efficiencies." Homework? "I'm going to look into variable rate irrigation."

#### Ben and Amy Grubb, 'Strathroy Pastoral', Launceston

Ben: "The virtual farm tour stood out because it was a factual presentation on 12 months in a substantial operation. It made me think about prioritising jobs in our operation." Homework? "Having a closer look at our cropping and pasture rotations with a view to longer term sustainability and using better feed budgeting."

Amy: "Mark Pearce's presentation about his cattle operation (Adelong, NSW) and its emphasis on fertility based decisions was very refreshing and useful." Homework? "Our business is complex and we need to evaluate and simplify."





Rob Tole, 'Greenvale', Cressy

"The virtual farm tour was much better than jumping on a bus and travelling all the way out there." Homework? "Revisiting some of the tools on the MLA website like the pasture and feed budget calculators and how to measure key performance indicators."

More information: www.macquariefranklin.com.au

## Upcoming events

#### BusinessEDGE workshops

A two-day financial and business management training workshop for northern beef producers to improve beef business efficiency and profitability.

#### When and where:

21-22 July, Kingaroy Qld 23-24 July, Roma Qld 11-12 August, Clermont Qld 14-15 August, Rockhampton Qld

**Bookings:** 0427 118 699 admin@babusiness.com.au

More information: www.mla.com.au/events

#### Agribusiness Today Forum – The Business of Beef

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Hear from expert speakers on domestic and international markets, improving productivity and sustainability, and increasing

market opportunities.
When and where:

## 7 August, Blayney NSW **Bookings and for more**

#### information: www.trvbookina.com/

Booking/BookingEvent Summary.aspx?eid=91601 www.rdacentralwest.org.au/ projects-services/ agribusiness-today

## at www.mla.com.au/events Pasture Updates

Find more events and information

Hear about the latest pasture related research at MLA's Pasture Updates events in Western Australia:

#### When and where:

12 August, Kojonup WA 14 August, Moora WA 15 August, Perth WA

Bookings and for more information:

evergreenfarming@agvivo. com.au

## The Challengers: Lachlan and Anna Hughes, Qld



## The Challengers: Bill and Gleorgia Wilson, Vic



## MENTORS UP TO THE CHALLENGE

When the MLA Challenge kicked off in July last year, each participant partnered up with an industry mentor. The mentor's role was to: act as an experienced sounding board for their Challenger's ideas; help define decision points and key performance indicators; support implementation of the Challenger's improvement plan; and help quantify the measurements used in the quarterly assessments. This month we talk to two of the Challengers and their mentors and find out what both sides have gained during the process. To learn more about the Challengers go to: www.mla.com.au/challenge

#### What have you learned from your mentor?

Production feeding our cattle in the paddock, managing animal health and understanding the importance of good genetics. Robert has given us confidence to keep working on our paddockto-plate system, even if things occasionally work against us. His son, Steven, has also helped us refine our selection process for feedlot animals.

#### Will the relationship continue once the program is officially ended?

Definitely! Robert and his family have become great friends and we can't thank them enough for mentoring us.

## The mentor: Robert Gill

Robert Gill is the owner of Alexander Downs at Merriwa, NSW, a vertically integrated cattle breeding, feedlot and meat wholesale business which markets 200 beef carcases a week. The Gills are sixth generation producers with Robert's eldest son, Stephen, actively involved in the cattle enterprise and another son, Michael, managing the Alexander Downs feedmill. The feedmill was built in 1993 to help in dryer times, and now services the dairy, beef and sheep industries thoughout the Hunter region.

#### As a mentor, how did you prioritise what areas needed to be worked on first?

We just took a look at where he was up to in each component of the business - feedlotting, backgrounding and breeding. Everything Lachlan and his family are going through, I've been through, too, so I just told them of my experience and they could take what they wanted from it.

#### Tell us more about the areas you worked on.

In the feedlotting we worked on feed cost and conversion, and feed quality. In the backgrounding I made him aware of the costs involved for the weight gain he was achieving. On the breeding side we worked on bull selection - buying bulls based on quality, rather than price.

#### What have you learned by being a mentor?

I have thoroughly enjoyed it and gained some great friends. It has also made us look at our own business a bit harder, because you do get in a comfort zone. I had no reservations about giving away our business secrets - I just hoped I would get someone who would listen, and I certainly did.

#### What's your long-term advice to your Challenger?

Keep doing what you're doing. They've made terrific progress and they probably would have done so anyway, but I've been able to show them the pitfalls because I've just been through the whole thing myself.

#### What have you learned from your mentor?

Bill encouraged us to concentrate on the profit drivers of the business and not make it more complex than it has to be. In our situation, given we work off-farm, the simpler we can make things, the better.

#### Will the relationship continue once the program is officially ended?

I certainly hope so. We've got a really good relationship with Bill and it's been great to be able to talk to someone who has been there, done that and seen so many different operations.

## The mentor: Bill Hoffman

Bill Hoffman has been advising producers for more than 40 years, both through his own consultancy business and through roles with MLA, the Beef CRC and the NSW Department of Primary Industries. Hoffman Beef Consulting evaluates and monitors the profitability of 85 beef businesses located mainly in northern NSW. Bill also operates a beef enterprise of 800 steers being grown out for the heavy feeder steer market.

#### As a mentor, how did you prioritise what areas needed to be worked on first?

I visited their property and we talked about where they wanted to go in the short-term, considering the fact they have a relatively small enterprise and Bill works off-farm for part of the year in his fodder conservation business. We decided to focus on improving productivity, because gaining access to additional land wasn't possible in the short term.

#### Tell us more about the areas you worked on.

The basis of their enterprise is running a breeding herd, so maximising the number and weight of calves weaned was an important first step. We identified important KPIs related to that, which were: time of joining and calving; length of joining and calving period; critical fat scores of females at joining and calving; bull soundness and health; weaning weight; breeder health; and matching feed supply with feed demand.

#### What have you learned by being a mentor?

I realised young producers like Bill and Georgia are enthusiastic and hungry for information, which was inspiring. They're the loveliest people and if I can help them along after this challenge is over, I'll be very happy.

#### What's your long-term advice to your Challenger?

Stay focused on the simple things you have control over, at both a tactical and strategic level. Do them well and I'm sure they'll have a long-term future in the beef industry.











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