

Feedback



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A note from the Chair...



Last month I travelled with the Prime Minister's business delegation to Japan, South Korea and China, where the Prime Minister announced Australia had successfully negotiated an Economic Partnership Agreement with Japan. This means our beef industry now stands to gain over \$5.5 billion in sales over the next 20 years from the tariff reductions on beef exports.

The tariff drops to half and is front ended. The Free Trade Agreement (FTA) with South Korea was then signed by the Prime Minister and President Park. Without this FTA the potential cost to our beef industry would have been around \$1.4 billion over 15 years. MLA played a part - supporting government and representative bodies by preparing economic and trade data to inform the negotiations, and through building relationships with their industries and government.

You may be aware of the current Senate Inquiry into the collection and disbursement of the grassfed cattle transaction levy. The Senate Inquiry is an important process, initiated by the Minister for Agriculture, in reviewing the current industry structures and systems and in delivering on the government's commitment to supporting an innovative and competitive agricultural sector. As the industry service company, MLA is participating in the process, through

written submissions and attendance at public hearings as requested. We look forward to the outcomes of this process.

As MLA Chair my focus is on continuing to work with the industry, senior management and the Board to ensure producer levies are invested appropriately. We welcome any opportunity to enhance the way we engage and consult with levy payers and the industry, to guide the programs we invest in on their behalf to create opportunities for producers. The MLA Board looks forward to reviewing the Senate Committee's final report and its recommendations, and will continue working with the government and industry to implement further improvements in the interest of producers.

Dr Michele Allan
MLA Chair
mallan@mla.com.au

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Feedback Reply Paid 906, Locked Bag 991, North Sydney NSW 2059
E: info@mla.com.au
T: 1800 023 100 // F: 02 9463 9393
www.mla.com.au

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Bettertarian campaign

Going 'Bettertarian'

You've heard of vegetarians, and maybe even pescatarians and fruitarians, but a new consumer food trend recognises the importance of making more informed choices, eating with understanding and feeling better for it.

That's what it means to be a 'Bettertarian' - a new food philosophy launched by MLA as a counter campaign during Meat Free Week in order to present consumers with a more meaningful way to consider their food choices for their health, the environment and animal welfare.

The campaign is funded as part of MLA's community engagement program which aims to build the community's trust and confidence in the integrity and ethics of the Australian red meat industry.

MLA's Australian Marketing Manager Lachlan Bowtell said the campaign was developed in response to growing consumer confusion about responsible food choices.

"Through our Target 100 program and the Bettertarian

campaign, the industry is continuing to build the trust that people have in the Australian beef and lamb industry to sustainably manage the environment and care for our animals while producing highly nutritious food," Lachlan said.

The Bettertarian philosophy is the latest initiative of MLA's Target 100 program and came to fruition after chef and television personality Darren Robertson and sustainable food advocate Rebecca Sullivan took three urban dwellers to a cattle and sheep farm in Tasmania.

Darren said the Bettertarian philosophy was about keeping the message simple.

"Choosing what to eat in this day and age can seem a bit complicated. There are endless food ideologies and too many confusing messages, rules and



restrictions for achieving optimal health and nutrition and minimising your impact on the planet. There had to be a simpler way," he said.

"It's how we arrived at the Bettertarian - a person who is a conscious consumer who wants to feel better about what they eat and the impact their food choices have on the environment."

Bangor Farm in Tasmania is owned and operated by fifth-generation cattle and sheep producer Matt Dunbabin, a Target 100 advocate who welcomed the chance to promote the new philosophy and host the three visitors.

"Being given the chance to experience a cattle and sheep farm firsthand gave our city visitors a new perspective," Matt said.

"Once they saw how we worked with the environment and put the welfare of our animals at the top of our priority list, it set them on a new path of finding better ways to eat."

The farm visit introduced the Bettertarian philosophy to its first advocates and the experience was captured in a documentary.

Watch *The Journey of a Bettertarian* documentary and engage with the Bettertarian philosophy online and through Target 100's social and digital media channels:

- Twitter: @Target100AUS
- Website: www.bettertarian.com
- Facebook: target100AUS
- YouTube: Target100AUS
- Hashtag: #bettertarian

During the 10-day Bettertarian campaign:

People who engaged with Target 100 Facebook posts:

1,530

Visits to bettertarian.com:

1,859

Views of the Bettertarian videos:

1,998

How does Bettertarian relate to Target 100?

Target 100 showcases to consumers the sustainable farming initiatives being implemented by sheep and cattle producers.

The Bettertarian philosophy then demonstrates how consumers can build on this by consciously consuming - and gives consumers confidence to enjoy beef and lamb as part of a healthy and sustainable diet.

www.target100.com.au



Pip McConachie, MLA
E: pmcconachie@mla.com.au

Read more about Bangor Farm in the June 2013 edition of *Feedback*
www.mla.com.au/feedback



Bang from biological control

A new report has found that existing biological control of the rabbit population is saving Australian agriculture more than \$1 billion annually.

The Invasive Animals Cooperative Research Centre report, *Benefits of Rabbit Biocontrol in Australia*, showed that new rabbit biocontrol technologies being developed have the potential to increase agricultural productivity by up to \$840 million over 15 years.

In addition to outlining the potential benefits of new investment in rabbit biological controls, the report identified the economic benefits to agriculture from myxomatosis and rabbit haemorrhagic disease in the past 60 years at \$70 billion. MLA is a co-funder of the Invasive Animal CRC.

\$200m
a year production losses due to rabbits

Download a copy of the report at www.feral.org.au/benefits-of-rabbit-biocontrol-in-Australia
Download the PestSmart Toolkit for rabbits at www.feral.org.au/pestsmart/rabbits



Ferals on your phone

An updated version of a free smartphone app to help identify Australia's worst pest animals is now available from the Invasive Animals CRC.

Andreas Glanznig, Chief Executive Officer of the Invasive Animals CRC, said that the innovative *Field Guide to Pest Animals* app, initially released in mid-2013, now provides iOS mobile device users with information about 53 of Australia's worst pest animals (including wild dogs, rabbits, foxes and feral pigs), the damage they cause, how to

identify them in the field and what control techniques are available.

The Invasive Animals CRC is looking at developing an Android version in the near future.

"Australia has more than 80 vertebrate pest species, the main culprits costing at least \$1 billion annually in economic, environmental and social impacts," Andreas said.

Some of the resources accessible through the app include species factsheets, case studies, web-mapping services and standard operating procedures for pest control.



The *Field Guide to Pest Animals of Australia* app is compatible with iPhone, iPad and iPod devices and can be downloaded free from the Apple App Store at <https://itunes.apple.com/au/app/field-guide-to-pest-animals/id634197149?mt=8>

MLA AGM visits Sydney

The MLA annual general meeting this year will be held on Thursday 13 November at The Concourse, 409 Victoria Avenue, Chatswood NSW. www.mla.com.au/agm

Nuffields needed

MLA sponsors an annual Nuffield Scholarship, in collaboration with Nuffield Australia. The scholarship is a unique opportunity for a sheep, cattle or goat producer to study a particular subject of interest, and increase practical farming knowledge and management skills and techniques. The scholarship involves global travel in the area of interest.

The scholarship is open to producers aged 28-40.

Important dates for scholarship applications:

- **30 June 2014** - Applications for 2015 scholarships close.
- **July 2014** - State-based selection panels short-list applicants.
- **August 2014** - Final selections held in Melbourne.
- **September 2014** - National conference in Tasmania; winners announced and scholarship briefing.



www.nuffield.com.au

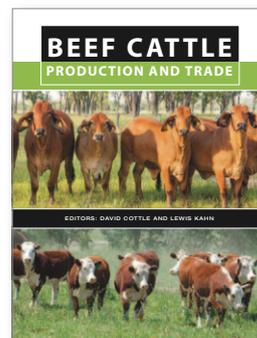
A textbook case

A new beef industry textbook has been produced with funding from MLA.

Beef Cattle Production and Trade is a hard copy textbook produced by cattle experts and published by CSIRO.

It contains chapters on world beef consumption;

carcase and meat quality; market preparation; and beef production in North America, Brazil, China, South-East Asia, Japan and Australia. The book also covers topics including production systems; animal husbandry; grazing, feeding and finishing; genetics and breeding; environmental management and business management.



Order *Beef Cattle Production and Trade* at: www.sheepjournal.net/book/index.html

Russian market update

Russia has imposed temporary restrictions on Australian beef exports.

The Australian Government is working with the Australian beef industry to negotiate the re-entry of beef into Russia. A time frame for resolution has not yet been established.

**Snapshot**Emie Borthwick,
Tumby Bay, SA.**Property:**
1,400ha**Enterprise:**
Merino ewes for
lamb and wool
production**Livestock:**
2,400 ewes**Pasture:**
Perennials, such
as ryegrass and
cocksfoot, and
native pastures**Soil:**
Non-wetting sandy
loam with a high
gravel content and
sandy loam over
gravel**Rainfall:**
500mm

South Australian sheep producer Emie Borthwick (pictured) is joining a packed program of industry speakers at LambEx 2014.

Emie is the owner/manager of the 1,400ha Tumby Bay property, 'Pillaworta', which she runs with share farmer Andrew Cabot. In 2011 she won the South Australian Landcare Award for Innovation in Sustainable Farming Practices.

At LambEx, Emie will share how she doubled her stocking capacity through a different approach to land management.

Tell us about your property and what are some of the changes you've made?

My property Pillaworta, has been in the family for six generations.

It was share-farmed for 37 years and in the mid-2000s was hit by bushfire and drought. I have three children and I decided the property needed a management plan to ensure its long-term sustainability.

After returning to the farm from Adelaide in 2008, planning and researching began.

With the help of research programs funded or run through Australian Wool Innovation, MLA, Caring for our Country, Eyre Peninsula Natural Resource Management Board, Grain and Graze II and Sheep

Connect, 'Pillaworta' became a Focus Farm and for three years we undertook trials and held workshops for local producers to attend.

Among the changes we implemented were sowing perennial cocksfoot and Italian ryegrass, fertilising native pastures, subdividing paddocks for rotational grazing, planning support watering systems, fencing native vegetation corridors for shelter, ewe pregnancy scanning and increased nutrition at joining - all increasing the lambing percentage.

Two hundred breeding lambs were kept each year for five years, which helped offset the continual upgrades and doubled the stocking rate.

Tell us about whole farm planning?

We started with benchmarking; it gives you an idea of where the business is at the beginning of the planning process.

We found our stocking rate was 3.9 DSE/ha. The combination of soils and rainfall should have been able to support up to 9 DSE/ha.

We then looked at aerial maps and our management practices, identified strengths and weaknesses, and decided on a long-term plan to achieve an economical and environmentally sustainable property.

**Where:** Adelaide Showground**When:** 9-11 July, 2014**Program:**

A two-day conference featuring a huge line-up of industry experts, informative sessions and trade displays relevant to all sheep producers.

More details:

www.lambex.com.au

What's your advice for others wanting to go down this path?

Have an open mind and be able to adapt along the way; long-term plans give the flexibility to change.

What are the short, medium and long-term benefits from such planning?

Short-term: better grazing management, more feed, increased efficiency.

Medium-term: increased profit and increasing stocking rate.

Long-term: sustainability of the farming business.

What difference has your approach made to the triple bottom line - environmental, social and economic?

We've reduced the potential for erosion and improved soil quality by maintaining better groundcover, encouraging native grasses, sowing pastures and revegetating natives for shelter belts.

The rotational grazing system is more efficient for Andrew because the sheep control weeds through more even grazing, and it only takes 15 minutes every five days to move a 2,500/head mob from one cell to the next.

We've saved time and reduced expenses and losses to increase profits.



Emie Borthwick
E: emie@skymesh.com.au

Market access

Bargaining power

The successful negotiation of the Korea-Australia Free Trade Agreement (FTA) in 2013 and the Australia-Japan Economic Partnership Agreement last month were good news for Australian beef and lamb. But how does the livestock industry work to ensure its voice is continually heard in often long and drawn out negotiations?

A unified voice is paramount, as is having compelling evidence to support that position.

“Our peak beef and lamb industry councils agree on an endorsed industry position across the supply chain, and MLA helps coordinate and communicate that position,” MLA Trade and Market Access Manager Andrew McCallum said.

“This is more powerful than a lot of individual voices, so our beef and lamb industries work cooperatively with other industries to create a united Australian agricultural trade advocacy stance.”

Three's a crowd

According to Andrew, nations are increasingly moving away from traditional, multilateral trade agreements and favouring bilateral agreements, such as the FTAs Australia has with the US, Chile, Malaysia and - soon - Korea and Japan.

“The difficulty involved in reaching consensus among the 159 member countries involved in the World Trade Organization (WTO) negotiations is one driving force behind the move to FTAs,” he said.

“The current WTO Doha round, like the Uruguay round before it, is pretty tough going.

“FTAs tend to move faster and can be more extensive than a WTO outcome.

“The other reason Australia has embraced FTAs is because many of our competitors have. If we don't, we'll be at a competitive disadvantage and we've already seen that in Korea. The Korea-US FTA came into force in 2012, meaning they currently have an 8% beef tariff advantage over us in that market.”

Winners and losers

Like all negotiations, FTAs have their pros and cons and not everyone is always happy with the outcome.

“If we get tariff elimination the pay-offs can be very large,” Andrew said.

“Our FTA with the US is eliminating all beef and lamb tariffs and is expanding our country-specific beef quota access. Since it came into force in 2005 it has saved the supply chain about \$100 million in tariffs.

“Chile is another example. Since our FTA, Australian beef exports have grown from zero in 2007 to being worth more than \$312 million between 2008 and 2013.”

Andrew said FTAs had been invaluable in creating new business opportunities.

“We aim to have as many markets as possible competing for Australian beef and lamb to extract the maximum value for our products,” he said.

“On the downside, usually neither party at the FTA negotiating table gets everything they're seeking and, in some instances, Australian industries have been disadvantaged. For example, sugar was excluded from the FTA with the US and honey and rice were excluded in the Korean deal.

“The Australian Government seeks high-quality 'comprehensive outcomes' across all commodity groups, services and investment but, unfortunately, sometimes that is difficult to achieve.”

United States-Australia FTA - more than

\$100 million

saved in beef tariffs since 2005

Chile-Australia FTA - beef exports grown from \$0 to more than

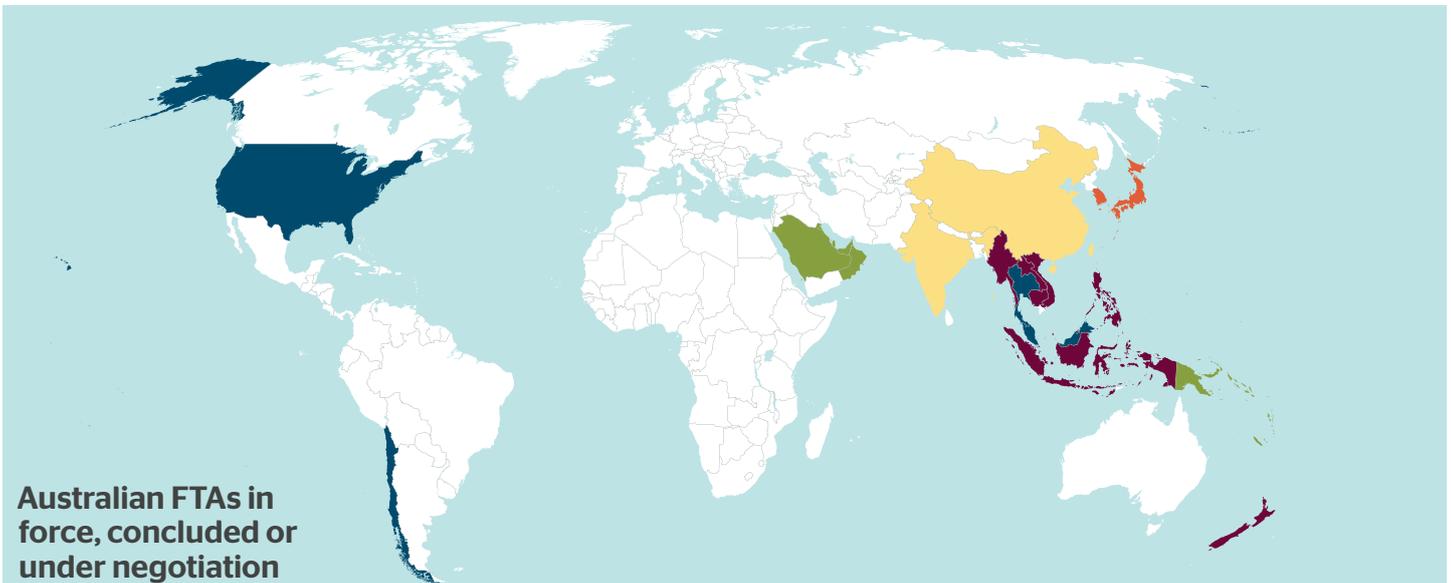
\$312 million

since 2008

US beef currently has an

8% tariff advantage

over Australian beef in Korea



Australian FTAs in force, concluded or under negotiation

- **Bilateral FTAs in force:** the United States, Chile, Malaysia, Singapore and Thailand
- **Plurilateral FTAs in force¹:** ASEAN-Australia-New Zealand - New Zealand, Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam
- **Bilateral FTAs concluded but not yet in force:** Korea and Japan
- **Bilateral FTAs under negotiation²:** China, India and Indonesia
- **Plurilateral FTAs under negotiation³:**
 - Gulf Cooperation Council (GCC) - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates
 - Pacific Trade and Economic Agreement (PACER Plus) - Cook Islands, Federated States of Micronesia, Kiribati, Nauru,

- New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu
- Trans-Pacific Partnership Agreement (TPP) - Japan, United States, Singapore, New Zealand, Malaysia
- Regional Comprehensive Economic Partnership Agreement (RCEP) - China, India, Japan, Republic of Korea plus members of ASEAN-Australia-New Zealand

1 Malaysia and Thailand denoted blue on this map.
 2 Indonesia is denoted maroon on this map.
 3 The countries involved in the GCC and PACER Plus are denoted green on this map. Countries involved with the TPP and RCEP are denoted in other colours on this map as Australia has already signed FTAs with these countries or is in negotiation with them.

Behind the scenes

MLA doesn't sit at the FTA negotiating table, but provides the facts and figures that underpin the FTA discussions.

"Trade negotiations occur at a government-to-government level," Andrew said.

"We're not at the negotiation table; our job is before they sit down. We supply the relevant and compelling information to make sure the government representatives and their negotiators are aware of our priorities and the commercial implications of any decisions.

"At the end of the day, the government will do a deal based on the overall trade liberalisation package and the benefit to Australia.

"Our job is to make sure they get a clear message on beef and lamb."

MLA works closely with industry peak bodies as well as the National Farmers Federation to create a unified voice. Regular submissions are made to government on industry priorities and, together with the peak councils, has an ongoing interface with the negotiators as the various agreements progress.

MLA also provides commercial input into trade negotiations through industry FTA taskforces, making sure negotiators are aware of the business-related implications of potential FTA outcomes.

Internationally, MLA supports the Cattle Council of Australia's role within the Five Nations Beef Alliance, working with other beef industry peak bodies in New Zealand, Canada, US and Mexico to advance trade interests.

MLA also supports the Sheepmeat Council of Australia's role with the TriNations Group. The Group consists of representatives from the sheep industries in Australia, New Zealand and the US and seeks to increase lamb consumption in the US.



See the [Korea-Australia FTA timeline](#) and read about the [Australia-Japan agreement](#) on page 8 →



Andrew McCallum, MLA
E: amccallum@mmla.com.au



For more background on trade agreements go to www.dfat.gov.au

Korea-Australia Free Trade Agreement time line



Australia-Japan agreement crosses the line

Japan and Australia reached an Economic Partnership Agreement earlier last month, seven years in the making.

The Australian beef industry was a significant beneficiary of the agreement. Japan is Australia's major export customer for beef and industry representatives sought to ensure beef was not encumbered with an ongoing 38.5% tariff, which was costing the supply chain an extra \$590 million in costs per annum.

The tariff reduction on frozen beef will reduce from 38.5% to 19.5% over an 18-year period. The rate of tariff decline will be greater earlier in the adjustment period. In year one, the frozen tariff declines from 38.5% to 30.5%. In year two, it falls to 28.5%, year three, 27.5%, then a lineal decline to 19.5% in year 18.

The tariff reduction on chilled beef will reduce from 38.5% to 23.5% over 15 years. Year one will see a decline from 38.5% to 32.5%, then

to 31.5% the next year, and 30.5% in year three, with lineal decline then to year 15 to 23.5%.

The agreement will have discretionary 'safeguard' contingencies built in, designed to protect the Japanese industry from abnormally high trade flows in Australian exports in any one year. For frozen beef exports, the safeguard trigger point will be 195,000 tonnes, with volumes above that figure in the first 12 months automatically 'snapping back' to paying a 38.5% tariff. Growth will be built into the frozen safeguard trigger-point of about 1,500 tonnes each year, over 10 years.

For chilled beef exports, the safeguard trigger point will start at 130,000 tonnes, with 1,500 tonnes added to the figure each year for 10 years.

Supply chain



Strengthening lamb supply links

1.5kg

increase in average carcass weight over 10 years

The Lamb Supply Chain Group (LSCG) is confident industry and research initiatives are helping achieve the target of a 20% improvement in rate of gain in lean meat yield (LMY) in 40% of the flock. Average carcass LMYs are regularly increasing by 150–200g a year, unless restricted by seasonal conditions.

The LSCG is an industry partnership linking producers, processors and consumers representing MLA, the Sheep CRC, and Departments of Primary Industries in NSW, Victoria, South Australia and Western Australia.

The Sheep CRC's LSCG National Coordinator is Bruce Hancock, a senior consultant with Primary Industries and Regions South Australia. He said the group had chalked up some industry-wide advances since it started in 2007, when the average lamb carcass weight was 20.74kg/head.

"Last year, the average lamb carcass weight was 21.64kg," he said.

"The value of these eating quality and lean meat gains flows through the entire supply chain, but if one link is missing then the whole system falls down. To ensure this gain is muscle - not fat or bone - the LSCG works with Sheep Genetics and ram breeders to target the new genetic traits, with producers to establish effective growth paths, and with processors to develop measurement and feedback systems."

MLA Sheep R&D Project Manager Richard Apps said the LSCG worked with the whole lamb supply chain to meet consumer expectations through activities such as:

- measuring genetic merit of rams so breeders can select for key profit drivers: weight, LMY, intramuscular fat and shear force (tenderness)
- developing new measurement technologies to strengthen the ability to increase LMY and eating quality
- encouraging uptake of meat science technologies such as Meat Standards Australia (MSA) in lamb processing plants
- appointing supply chain officers in collaboration with processors to improve industry communication, coordination and development in meat science and supply chain development

"The LSCG's goal is to improve the quality and value of Australian lambs," Richard said.

"We facilitated the appointment of another two lamb industry supply chain officers in 2013 as an important step towards building links between processors and their suppliers and customers. We are also equipping processors with tools and technologies for a better understanding of the value of LMY, so they can make value-based marketing decisions."



**LSCG hit list:**

Supply chain communication - to equip producers with benchmarking data and solutions to improve the compliance rate of carcasses to target markets. As well as encouraging producer and processor uptake of web-based feedback platforms, such as Livestock Data Link, other MLA projects are developing systems that will integrate eating quality data into feedback sheets to increase producer awareness of market specifications, the cost of non-compliance and opportunities to avoid penalties.

Capacity building - to develop lamb industry career pathways for the 'young guns' of meat science. The Sheep CRC has supported 37 PhD students to date, with 90% finding careers in agriculture and 60% retained by the sheep and cattle industries. Lamb supply chain officers have also been appointed with co-funding from Sheep CRC. They are: Mark Inglis, JBS; David Rutley, Thomas Foods International; and Melissa Neal, Australian Meat Processor Corporation.

Lean Meat Yield (LMY) - is the efficiency measure of carcass performance along the whole supply chain. LMY is linked with eating quality, and direct selection is now possible in the lamb industry. Key meat traits such as LMY percentage, dressed weight percentage, shear force and intramuscular fat have 35-45% heritability and good genomic prediction. Genetic change in Australian terminal sires in the past 10 years has added 1.5kg to average carcass weights.

Carcass measurement - as well as improving LMY through genetic selection, the LSCG is overseeing trials of technologies to measure profitable carcass traits like tissue depth, fat and eye muscle depth.

Graham Gardner from Murdoch University leads an MLA-funded project to test point measurement devices. Many of the tools trialled have not been accurate, given the small size and unique physical attributes of lamb carcasses (compared to beef or pork). Ultrasound technology shows potential, so Graham and his team are trialling a prototype probe, designed by Netherlands development company Carometec. Graham said a carcass-measurement device for the lamb industry would be a powerful descriptor of meat quality.

These tools stand to give producers confidence in the measurements underpinning carcass assessment, and optimise supply by predicting which carcasses will meet market specs. Measurement tools could be linked to on-line feedback tools to provide on-farm support tools, for example growth paths and marketing. Researchers are also exploring the potential of x-ray technology in carcass measurement.



Richard Apps, MLA
E: rapps@mla.com.au

Bruce Hancock
E: bruce.hancock@sa.gov.au

Graham Gardner
E: g.gardner@murdoch.edu.au

In profile **Supply chain**

Melissa Neal // National Lamb Supply Chain Officer

Melissa Neal credits the farm at her Victorian secondary school, Tintern Girls Grammar with kick-starting her career in the meat industry. She studied agricultural science at the University of Melbourne while part of a cadet program with the Victorian Department of Environment and Primary Industries (DEPI) before becoming a Livestock Industry Development Officer at Bendigo which led to her current role (although she still fits in a part-time DEPI role as Livestock Industry Development Officer).

What does your job as a Lamb Supply Chain Officer involve? I work across a number of Victorian, NSW and Tasmanian plants. The position is co-funded by the AMPC (Australian Meat Processor Corporation), Sheep CRC and the Victorian DEPI. I work closely with the National Lamb Supply Chain Group, so I am also linked to MLA. The objective is to increase lean meat yield (LMY) per lamb, and the eating quality and nutritional value of lamb meat.

How will you do that? Initially, by assisting Sheep CRC scientists to communicate R&D outcomes to processing plants in southern Australia is the main task, and then assisting AMPC members to integrate CRC research into their operations. Probes to measure LMY, intra-muscular fat and possibly shear force are in development, so it will be great when trials can start in a number of plants.

Why does the role appeal to you? My involvement in previous development projects in plants combined with my meat science interest made me keen to do further work in this area. Having seen the benefits of using carcass data in beef businesses, I would like to see this extended more into lamb chains.

What does the future hold for lamb?

There is potential for producers to understand more about their product beyond the farm gate and for processors to look more at quality and product

differentiation. LMY is a key profit driver within lamb supply chains, affecting on-farm efficiency, reduced wastage and new product innovation at processing. As the ability to accurately measure fatness at chain speed and predict LMY improves, we progress towards having technology available to drive the whole lamb supply chain to a new level. If this is combined with a focus on eating quality and the information is shared back down the chain with producers, it provides Australia with a competitive advantage to produce a high-quality product so more consumers can 'love our lamb'.



Melissa Neal
E: Melissa.Neal@depi.vic.gov.au



www.ampc.com.au

David Rutley // Lamb Supply Chain Coordinator

David Rutley brings a research background to the position, which is co-funded by the Sheep CRC and processing company Thomas Foods International. Based in Adelaide, David shares his time between the company's four plants at Murray Bridge and Lobethal (South Australia), Tamworth (NSW) and Wallangarra (Queensland). Collectively, these plants account for 25% of Australia's small stock, processing six million sheep, lambs and goats and 250,000 cattle each year.

What does your role involve? Exploring and determining the value of LMY and eating quality by analysing current production data, as well as the slaughter of lambs from Producer Demonstration Sites across Australia. These lambs have been bred from rams identified via the CRC genetics, genomics and meat science programs for high and low LMY and eating quality (intramuscular fat and tenderness). The aim is to coordinate market signals and information between all levels of the lamb

supply chain, from food service and retail back to distributors, processors, finishers, producers and ram breeders.

What is an example of how you liaise with different links in the supply chain?

I am involved in the National Grass Seed Awareness Program, so I talk to agents and producers about grass seed contamination in lamb carcasses. It's an opportunity to ensure critical links in the supply chain understand how this issue could affect Australia's export markets.

How is Thomas Foods incorporating tools and knowledge from the Sheep CRC and MLA?

We firmly believe that through good measurement we can better inform the producer - enabling less waste and greater returns. MLA has invested in developing the Lamb Value Calculator, to assess the value of traits such as LMY, carcass weight and fat, and to estimate the value in trimming excess fat from carcasses. This knowledge can influence the type of lambs we purchase to ensure we position our business to reflect the value of attributes for our customers.

How does your background in red meat research contribute to your new role?

I studied animal genetics and gained a PhD in animal selection and marketing. I also have experience across the industry, such as in sensory analysis, estimating LMY in the processing sector, breeding and finishing livestock to meet market specifications, and assessing the value of production characteristics for feedlot suppliers.

What does the future hold for Australia's lamb industry?

I think the future is very positive. Thomas Foods exports 70% of its lamb product, half of which goes into the premium US market. The annual lamb consumption in the US is half a kg/person, compared to 10kg in Australia, presenting a huge opportunity.



David Rutley
E: david.rutley@thomasfoods.com



MLA's Tips & Tools: *Winning against seeds*: www.mla.com.au/grassseeds

Research at work

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

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A set back due to scarab beetle has slowed the Binnie family's plans, but not their enthusiasm for their north Queensland cattle enterprise.



Making more sheep in the west

At last count, there were 14 million sheep in Western Australia - the smallest flock since the mid-1950s. However, new research is arming cattle and sheep producers with the knowledge needed to consider integrating more sheep into their businesses.



Increasing productivity

Finding: Producers in Western Australia's high rainfall zone (HRZ) could turn off an extra 600,000 lambs a year by 2020.

The finding is an outcome of an MLA, Department of Agriculture and Food WA (DAFWA) and Murdoch University project, which found sheep enterprises can be two to three times more profitable than cattle in the HRZ. However, 80% of producers in the region run cattle, with half having a cattle-only enterprise.

Murdoch's Dr Andrew Thompson said to boost numbers, cattle producers could be encouraged to incorporate sheep into their business with support to change their management practices, create the necessary infrastructure and improve labour use.

Andrew said HRZ cattle producers involved in the project believed cattle were easier to manage and better suited to existing infrastructure and the long wet growing season, but were frustrated with poor prices and high production costs.

"On the other hand, HRZ sheep producers said their flocks were manageable, an important source of diversified income and a better grazing tool than cattle for weed control," Andrew said.

The research findings also predicted, with rising global demand for sheep and lambs, annual production of 5.6 million in the west remains too low to sustain export and processor requirements.

"A more immediate approach to boost lamb turn-off is to improve the reproductive performance of existing sheep enterprises, by raising average lamb marking rates from 80% to 100%.

Table 1 Profitability measures of cattle and sheep components of enterprises (figures relate to 2010-11 average data only and are not indicative of long-term averages).

Researchers compared the profitability of enterprises which ran sheep and cattle, across a range of physical, financial and productivity measures. Although the area grazed, total DSEs, stocking rates and labour requirements were similar for each component of the business, the profitability/ha for sheep was significantly higher than cattle in 2010-11 (\$343 vs \$98).

The benchmark comparison is complicated by prevailing prices for cattle and sheep products. In the reference period 2010-11 the average price per head for cattle sales were near the bottom decile (decile 1) and sheep sales were near the top decile (decile 10) of their ranges since 1990. Wool prices were also above the average decile (decile 7) since 1990 (Source: ABARES AGSurf).

	Cattle component of enterprise	Sheep component of enterprise
Physical		
Stocking rate (DSE/ha)	15.7	14.1
Total labour (FTE)	1.3	1
Labour efficiency (DSE/FTE)	9467	8413
Financial		
Operating profit	\$98/ha	\$343/ha
Return on capital	1.9	5.8
Productivity		
Wool produced (kg clean/ha)	0	331
Cattle or sheep produced (kg/LW/ha)	239	136

The 2010-11 average Red Sky benchmark data for the cattle and sheep enterprises in businesses with both enterprises.

"The Lifetime Ewe Management program offers strategies to increase the profitability of lamb enterprises by optimising stocking rates and increasing reproductive rates (see box on page 14), and producers can also access the Making More from Sheep program."

Financial gain

The good news for the sheep industry is that, even in the face of labour issues (a drawback to producing lambs in the minds of many HRZ producers), sheep emerged as economically viable.

The project analysed benchmarking data for a small sample of cattle, sheep and cattle/sheep businesses in the HRZ in a good production year.

"The results were encouraging, however lamb prices were at record highs at the time of the study so some caution was needed in interpreting the data. So, we also compared the profitability of sheep and cattle enterprises on the same property, across the same season and markets using longer term lamb prices," Andrew said.

"Again, sheep emerged as more profitable. We found that even when sheep enterprises had limited labour, they were more profitable than cattle enterprises which had sufficient staff. This suggests the requirement for labour may be a problem of perception, rather than reality."

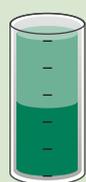
Which system works?

When different finishing systems, management and production factors were compared, the maternal composite ewe emerged as the most profitable option when there were labour shortages.

However, a dual-purpose Merino ewe system provided income diversification with wool and sheepmeat. In a maternal composite system, wool accounted for 20% of the total income, while when a Merino-based system was modelled, the wool income was 40% of the total income. →

Project dashboard: Scoping study for the WA high rainfall zone lamb initiative

Financial contributions to the project:
\$85,000



MLA levies: **50%**
Government: **50%**

Length of project:
2 years
Completed



The project is part of MLA's objective to:
Create opportunities to increase productivity across the supply chain.



“A frustration among cattle producers is that the loss of a calf means no income from that cow for the entire year,” Andrew said.

“Our modelling showed that all the lamb production systems were more profitable than cattle production, partly because of the extra income from wool.”

Where to from here?

When the researchers finalise the modelling of HRZ enterprises, a series of producer workshops will be run in the region.

Andrew said longer term data comparing the profitability of lamb and beef enterprises is needed for the HRZ.

Some areas in the HRZ in Western Australia have a similar environment to south west Victoria, which has been the focus of similar research. Victoria's South West Monitor Farms Project - which has benchmarked sheep and cattle enterprises for more than 40 years - found substantial differences in enterprise profitability.

“The 41 year average on a gross margin basis for lamb was \$392/ha whereas cattle was \$230/ha,” Andrew said.

“Albeit the difference in these averages has narrowed in recent times, with the 10 year average for lamb gross margin remaining stable at \$394/ha while beef gross margin has risen to \$328/ha.”



Andrew Thompson
E: Andrew.Thompson@murdoch.edu.au



Lifetime Ewe Management:
www.rist.com.au/lifetime_ewe_management

Making More From Sheep:
www.makingmorefromsheep.com.au

WA HRZ report: www.mla.com.au/wahrzlbamb

Bred Well Fed Well:
www.mla.com.au/bredwellfedwell

Lifting numbers

Finding: Western Australia's high rainfall zone (HRZ) can produce more lambs by lifting lamb weaning rates from 80% to 100%.

With the right genetics and management this is a realistic goal, according to Western Australian consultant Ed Riggall, who said lamb producers learning from Lifetime Ewe Management (LTEM) are already on track.

Ed currently works with several LTEM groups across the state, representing Merino and cross-bred enterprises running 1,000-40,000 head.

“Some have lifted their flock reproductive performance by 10-15% and are now achieving 95% lambing rates,” Ed said.

“And while a high lambing percentage is possible, it is important to focus on improving lambs/ha, which is achieved by combining lamb percentage and optimising stocking rates.”

While there are many influencing factors, such as pastures, rainfall and time of lambing, Ed said profitable and productive sheep enterprises share the same traits:

- Optimum stocking rates which reflect the individual environment and production system. For HRZ producers with 650-700mm rainfall, this could be 15-20 DSE/ha.
- A focus on output/ha, be it lambs or wool.
- Focus on ewe condition at crucial times of the year.
- Targeted nutrition to priority mobs (ewe lambs, ewes carrying twins).
- Genetic tools, such as buying sires with Australian Sheep Breeding Values (ASBVs) for number of lambs weaned or traits genetically related to number of lamb weaned.
- Utilising pregnancy testing as a diagnostic tool to identify weakness in their reproductive system.
- Good cost efficiency and focused investment on inputs that generate increased returns.

“If you can optimise your stocking rate and lambing percentage, then this can unlock real potential in your lambs per hectare output,” Ed said.

“Once you identify your profit drivers, then you know the trigger points for making management decisions.”

Ed said a whole-of-system approach was required, and used the example of a producer who delayed weaning so lambs have more time on their mother.

“The result is that ewes will have less opportunity to put weight on green feed (the cheapest resource) and go into summer in poor condition, which in turn requires increased hand feeding and perhaps poor conception rates at joining,” he said.

“High lamb marking rates isn't the only benefit from targeted nutrition and management. Improving a ewe's condition influences the impact she has on her lamb in utero, and this sets up the lamb for life. So producers may spend more on feed to increase lamb marking, but they are also increasing yield potential.”



Ed Riggall // E: ed@iconag.com.au

Serving up vegetables

Increasing the kilograms of lamb produced on high rainfall zone properties does require on-farm changes, but good production results are achievable with the right sheep and management strategies.



meat, fruit and

**Snapshot**

Wayne and Denise Credaro, Carburnup River, WA.



Property:
350ha

Enterprise:
Sheep - fine wool and prime lamb; horticulture

Livestock:
1,300 Merino ewes

Pasture:
Clover and ryegrass

Soil:
Sandy loam

Rainfall:
900-1,000mm

Wayne and Denise Credaro's search for high quality Merino genetics which performed in their environment has paid off, providing diversified income to their primarily horticulture enterprise at Carburnup River, Western Australia.

"Up until about 15 years ago, we bought in replacement ewes every year, but it was difficult to get good sheep. We were buying someone else's culls and sourcing sheep from the hotter, drier wheatbelt region, which is a very different climate," Wayne said.

Managing 'bought in' problems like fleece rot and coloured wool meant the Credaros were missing opportunities to generate income from wool, so they set their sights on finding more suitable sheep.

On their wool agent's recommendations, they bought several hundred Merino ewes from a breeder near Boyup Brook - a region with a similar climate - and from this nucleus have increased their flock to 1,300 ewes.

They focus on retaining top genetics, joining the 500 ewes with the finest micron to Merino rams. Of the ewe lambs produced, the top 100 are selected as replacements. The rest of the flock go to terminal sires (usually Suffolks) for prime lamb production.

"Concentrating on producing fine wool on sheep that suit our conditions has really paid off for us," Wayne said.

"Our hogget micron averages around 15-17 and our adult ewes are around 20.5 micron. Across the flock, our average micron is 18-20.5, and we cut an average fleece of 5.5kg."

Wayne finds the top end Merinos easier to manage than lower quality sheep, as their fine, soft, rolling wool dries quickly after rain and minimises fly problems.

Lamb marking is up to 100-105% for Merinos and 110% for the terminal sires. Wayne credits fox control, maintaining ewe condition before joining and a comfortable stocking rate of 9.5DSE/ha as contributing factors.

He sells lambs to a local market, targeting 45-50kg liveweight. Lambs

that are too light are supplemented with a locally-made feed mix.

As well as creating separate income streams of lambs and wool, Wayne sees advantages in combining sheep with the farm's other enterprise of growing potatoes and watermelons.

With 4-6ha paddocks, the sheep are run in small mobs of around 100, which is beneficial during lambing.

Wayne and Denise graze paddocks for three years, then plant intensive crops. After harvest, paddocks are reseeded with clover and ryegrass, ready for sheep. This rest period assists worm control and pasture regeneration.

"We did a lot of faecal egg counts and now have a good control program in place. We don't have any major health problems with the sheep and they are good weed controllers, so the pastures tend to be good as well," he said.

The Credaros have built up their farming infrastructure, investing in sheep yards and a shearing shed. They work with local wool producers to secure the reliable shearing teams each year, removing headaches of sourcing labour.

Looking ahead, Wayne is confident of their decision to run sheep - describing them as the 'best bet' when it comes to livestock in the high rainfall area.

"For me the best thing about running sheep has been the satisfaction of breeding up the flock and getting it to the level it now is," he said.

"Running sheep is like anything, if you enjoy it, you'll find the best way to make it work for you."

Lessons learned

- Buy or breed the right wool type for the climate.
- Sheep complement other farming enterprises and provide diverse income streams from wool and meat.
- Labour issues can be overcome by working with other producers.



Wayne Credaro
E: echofarming@bigpond.com

Labour efficiency

Financial, animal welfare and labour-saving benefits are already flowing for cattle producers involved in a water point telemetry Producer Demonstration Site (PDS) in Western Australia's Kimberley and Pilbara regions.

The MLA-funded PDS is designed to demonstrate the financial benefits of installing radio or mobile telemetry to monitor watering points on extensive cattle enterprises, while also identifying any issues preventing its adoption.

PDS leader Anne Marie Huey, from Western Australia's Department of Agriculture and Food, said PDS participants were saving time and money.

"Bores are a big part of life in this region and conducting bore runs is a very expensive exercise, both in terms of time and money," Anne Marie said.

"Telemetry has proven successful elsewhere but hasn't had a huge adoption rate in this part of the world.

"A lot of the Kimberley has natural surface water so it may not suit everyone, but it's certainly been great for us."

Anne Marie's partner Mike De Long is one of the PDS participants and is trialling the Observant system using radio (UHF) telemetry on his Kimberley property, 'Dampier Downs'.

They have installed tank water level sensors, a camera and an automatic rain gauge on three bores.

"Pre-telemetry data from Dampier Downs showed the cost of checking the three bores from September to mid-December 2012 was approximately \$4,500 in wages and more than \$8,000 in vehicle running costs," Anne Marie said.

Using remotes in the remote



"Post-telemetry data showed a saving over three months of \$1,200 and 16 hours from just one bore."

The dollar cost of physically checking water points is calculated by adding labour costs (\$25/hour for a bore runner) to vehicle running costs (conservatively estimated at \$40/hour and \$0.30/km) over a three-month period during the dry season.

"That's the financial cost, but we're also interested in the opportunity cost," Anne Marie said.

"For example, the 16 hours spent checking one bore could have been spent fencing or working cattle, or doing something else to build value in the business."

On the phone

Dampier Downs is one of three properties in the PDS; the others are 'Anna Plains' in the Kimberley (see case study on page 17) and 'Yarrie' in the Pilbara.

Anna Plains and Yarrie are both using the 3G (mobile) network but different telemetry systems: Observant and BonTech, respectively.

At the start of the PDS each property submitted three months of pre-telemetry, dry season bore run data, to compare with their post-telemetry data.

"At this stage we're seeing a number of benefits, but we're also interested in the costs, or unexpected impacts," Anne Marie said.

"One of the benefits is improved animal welfare, because we're quickly alerted if water tank levels suddenly drop.

"There's also the peace of mind that comes from being able to check your water levels on your phone, from anywhere in the world.

"We've found there's also an occupational health and safety benefit, as it's good for tracking staff around the station. If you have inexperienced staff doing bore runs and they don't come back for a few hours, you can work out where they are on the station, based on which bores have been pumped.

"On the cost side, the system won't pick up on any problems that aren't directly related to water.

"For example, if there's a broken fence 2km from the bore or some issue you would normally notice on your bore run, such as dog activity, it won't pick up on that.

"So, we're not advising to replace bore runs altogether, because we recognise they still need to be done, but telemetry can reduce their frequency."

The PDS will conclude in mid-2015.



Anne Marie Huey // T: 08 9194 1428
E: anne-marie.huey@agric.wa.gov.au



Observant www.observant.com.au
BonTech www.bontech.net.au

Download *The business case for Precision Livestock Management technologies and applications* at www.mla.com.au/plmtechnologies

Groups of producers wanting to test research findings can apply to MLA for funding through the PDS program at: www.mla.com.au/funding-for-producers

47.5

Average number of man-made water points on Pilbara properties (ranging from 10 to 150)

30

Average number of man-made water points on Kimberley properties (ranging from 0 to 260)

Source: Pastoral Industry Survey of the Kimberley and Pilbara regions, Western Australia - 2010

Cost of Dampier Downs telemetry system:

Base unit at the homestead for receiving data (one-off cost, includes set-up) - **\$3,500**

Paddock units with water level sensor (each) - **\$3,000**

Cameras (each) - **\$1,000**

Rain gauges (each) - **\$500**

Snapshot

John, David and Helen Stoate, Kimberley region, WA.



Property:
3,800 km²

Enterprise:
Cattle breeding enterprise

Livestock:
18,000 Brahman cattle

Pasture:
Mix of birdwood and buffel grasses, salt water couch and spinifex

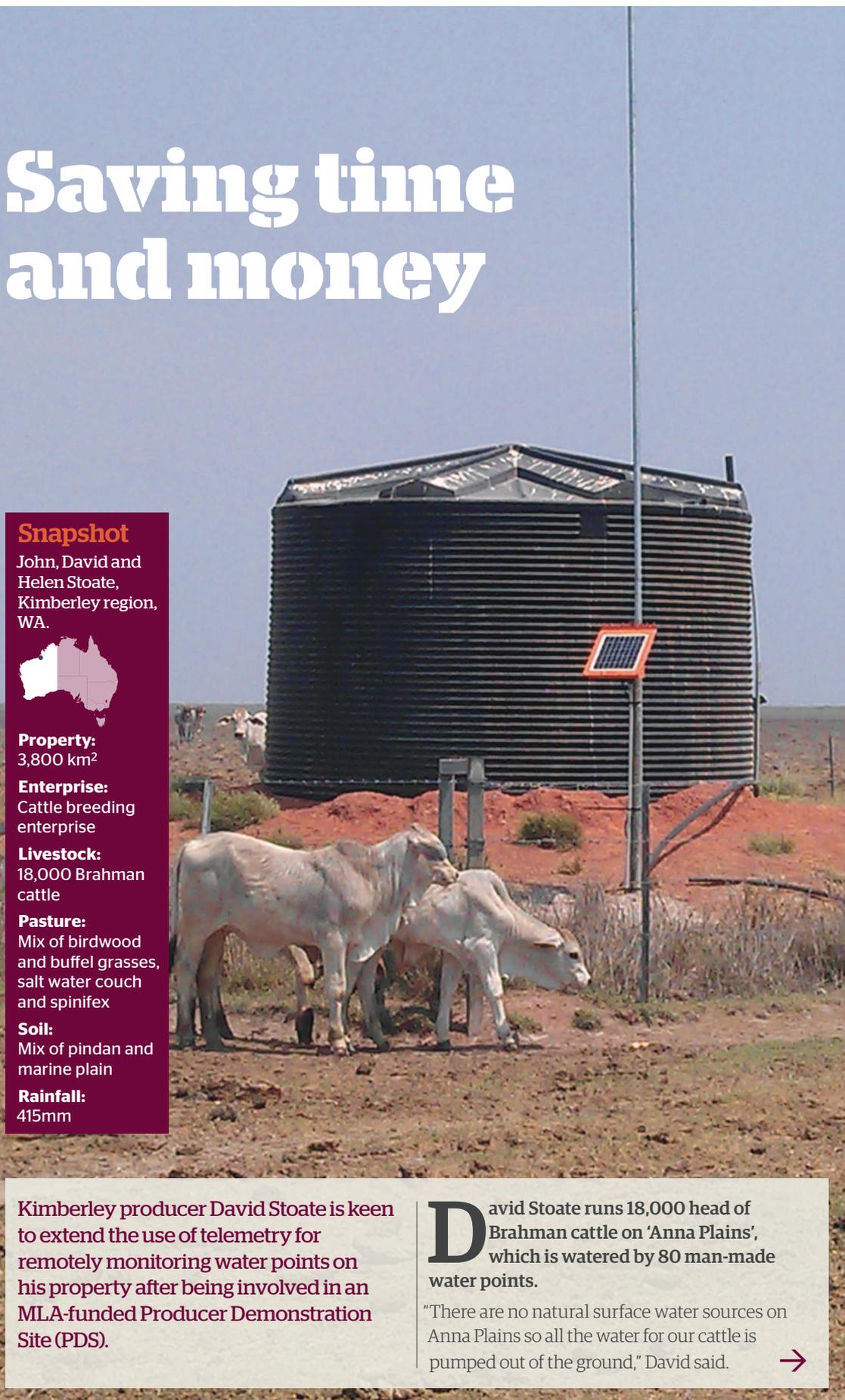
Soil:
Mix of pindan and marine plain

Rainfall:
415mm

Kimberley producer David Stoate is keen to extend the use of telemetry for remotely monitoring water points on his property after being involved in an MLA-funded Producer Demonstration Site (PDS).

David Stoate runs 18,000 head of Brahman cattle on 'Anna Plains', which is watered by 80 man-made water points.

"There are no natural surface water sources on Anna Plains so all the water for our cattle is pumped out of the ground," David said. →



View a video about a PDS in central NSW testing the effectiveness of telemetry at www.mla.com.au/telemetryPDS

Labour efficiency

→

"We manage the 80 water points on the property by visiting them in a vehicle. That's more than 300km a day, which means checking water is time consuming and expensive."

As part of the PDS, David installed water level monitors on three bore tanks and also installed an automatic rain gauge at one site.

The chosen bores were relatively close to the homestead but involved detours from the normal runs, which usually required backtracking and would add about two hours to the daily bore run.

"Before we installed the telemetry system we had to collect dry season bore run data for three months," David said.

"We found that we visited those bores 45 times in the three-month period at a cost of \$7,128 and 90 hours.

"Once we put the telemetry in we managed to cut the number of visits back to about 15. That saved us 50 hours in labour and nearly \$4,300."

Building confidence

PDS leader Anne Marie Huey said David's choice of bores close to the homestead was an interesting one because it represented an issue many producers have with telemetry: trust.

"David chose bores that were relatively close because, as a producer, you have to build confidence in the system," Anne Marie said.

"When we first installed telemetry on 'Dampier Downs' we would check the readings on the computer, see the tank was at 50%, and then we'd still drive out there to physically check.

"Now that we've built confidence in the system, we're much more comfortable trusting it, but it depends on your attitude to technology and how risk averse you are.

"I think many people would like the back-up of a camera visual, just to confirm the data they're seeing on the computer screen."

Screen time

David plans to incorporate cameras as Anna Plains' telemetry system grows.

"The PDS has shown the telemetry system can work and be incorporated into station management, so we definitely plan to expand it," he said.

"We're trialling the Observant system, which is flexible and can be added to later, so eventually we'll include cameras, water flow meters and remotely starting motors."

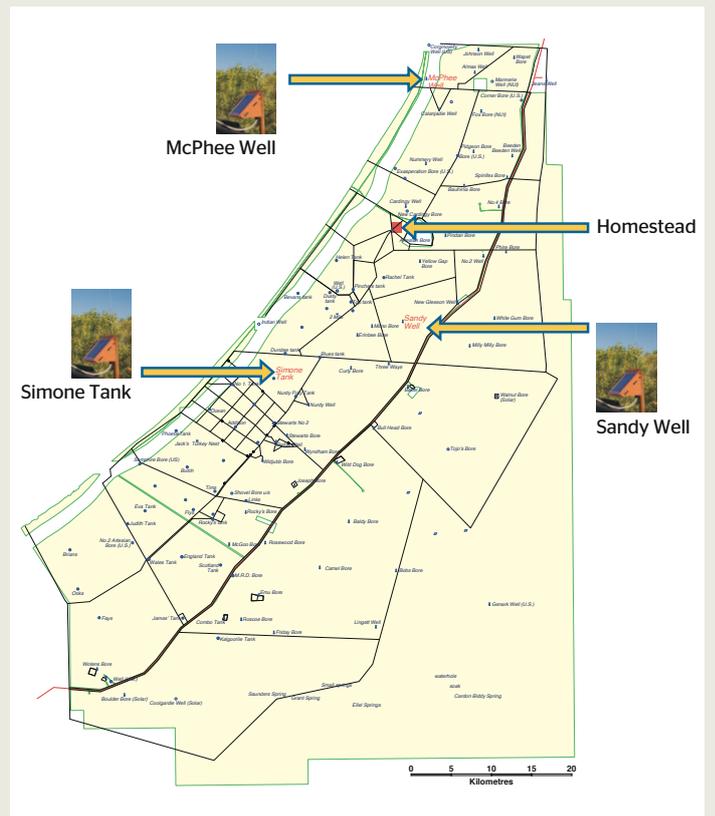
Mobile phone access has recently been extended to most of the station, so David's Observant system is running off the 3G network.

David believes the biggest benefits of the system are saving time - which can then be used for "a million different jobs" - and peace of mind.

"It's obviously very expensive to manually visit every water point, so telemetry also has the potential to generate substantial cost savings," David said.

"Terms of trade are always declining for Australian farmers so we have to look at all possibilities to improve profitability and productivity."

Figure 1 A map of Anna Plains showing the relative locations of the three bores fitted with remote water monitoring systems as part of the telemetry PDS.



David Stoaite

E: dstoate@gmail.com

'Anna Plains' on film

Helen Stoaite is featured in a Target 100 video. Helen shares some of the challenges faced at Anna Plains as well as her passion for her cattle, property and maintaining biodiversity.



Watch Helen Stoaite featured in a Target100 video at www.youtube.com and search for 'Target 100 farmer: Helen Stoaite'

Genetics

‘Robust’ genetic research

An MLA-funded research project aims to give breeders confidence their sheep will show consistent reproductive performance across environments and seasonal variations.

Reproductive performance and lamb survival are clear profit drivers; however, these traits are difficult to improve genetically due to low heritability and highly complex underlying genetic processes.

CSIRO research scientist Dr Sonja Dominik is analysing genetic data collected from the Sheep CRC’s Industry Resource Flock (IRF) to identify genetic regions, or SNPs (see box), that influence the robustness of expression of reproductive traits.

“Sires with daughters that perform consistently across environments can be referred to as ‘robust,’” Sonja said.

“Sheep breeders are very familiar with the concept of ‘robustness’ which is also referred to as ‘genotype by environment interaction’ or GxE.

“Basically, if you have GxE and compare the progeny of multiple sires - which would be your genotype or G, in different environments (E) - environmental influences can cause the progeny groups to re-rank or substantially change relative to each other in terms of their performance.

“To minimise risk and to avoid GxE, breeders often choose sires from an environment similar to theirs.

“The goal of this research is to use genomic information to develop approaches that lead to consistent or robust reproductive performance across environments.”

Sonja is examining the reproduction performance of the daughters of sires used across the eight IRF sites.

“The big question we are asking is: if there is a genetic background to robust reproduction performance, can we identify genetic markers, or SNPs, associated with it?” Sonja said.

“This approach can be applied not just to reproductive performance, but also to other production traits.”

Sonja said it was exciting to use novel information sources, such as genomic information, to re-visit a well known industry issue.

Potential industry applications include marker-assisted selection tools and genomic selection.

The project is due to be completed later this year.



CSIRO research scientist Dr Sonja Dominik is looking for genetic markers in sheep that indicate ‘robust’ reproductive performance.

What are SNPs?

SNPs (single nucleotide polymorphisms – pronounced ‘snips’) are mutations, or changes in the DNA sequence that act as biological markers which scientists can use as ‘landmarks’ on the genome. When SNPs occur within a gene or in a regulatory region near a gene, they can affect how it functions. SNPs can be used for gene discovery or for selection purposes.



Becoming an employer

Lifestyle remains a key factor in making agriculture an appealing industry to work in, according to MLA's latest survey into attracting and retaining staff in the cattle and sheep industry.

61%

of employees in the cattle and sheep industry see a long-term future with their current employer

The 2013 survey was a follow-up to one completed in 2007. Survey leader Alice Redman-Wenham, from consultancy firm Locher, said there was a perception among producers that they lose workers to the mining industry.

"Along with that goes the perception that the wages in agriculture aren't high enough - that is, a perception from producers that they can't pay enough to compete with the mining industry," Alice said.

"Those perceptions haven't changed since the 2007 survey but they are not supported by the data from employees.

"Some people we spoke to had previously been in mining but had left to work in agriculture," she said.

"Employees are attracted to the lifestyle benefits of working in the cattle and sheep industry - they like working outside, working with animals; they like the variety and they like the community aspect of the work. All these things are a strong aspect of this industry.

"We found that pay is not a significant factor, although total remuneration at a fair level - and fair is the key word - is a factor."

"When we asked if they saw a long-term future with their current employer, 61% said they did. That's a high figure. In any industry in Australia today that is a high figure."

One of the surprising findings of the survey was that word of mouth remained the most common method for linking employees and employers.

"We asked producers how they found people to work for them and about the effectiveness of the different methods they had used," Alice said.

"Most found asking local people was the most effective method.

"There is potential for improvement in this area and more use could be made of social media and web-based platforms. An online skills register could be a possibility, as could some form of database that could be accessed by both employees and employers."

of choice



Alice said the conclusion from the survey was that people who work in the industry enjoy doing so and have a high level of satisfaction.

To retain staff, Alice suggested employers needed to provide employees with:

- balanced feedback
- the opportunity to have input into the business and take on new challenges
- clear communication on remuneration with regular reviews of pay levels
- packages that include bonuses such as flexible hours and non-cash benefits like accommodation and meals
- a demonstration that they are valued and trusted

Read the case studies on page 22 →

Image: NAPCO staff at work on Boomarra, which is located 130km north of Cloncurry in Queensland's Gulf region. Photo courtesy of Nadine Shaw.

What's next?

Based on the 2013 survey findings, MLA will update its two fact sheets: *Attracting and retaining staff in the northern beef industry* and *Attracting and retaining staff in the southern beef, sheepmeat and pastoral wool industries*.



Alice Redman-Wenham

T: 08 8201 1148

E: alicer@locher.com.au



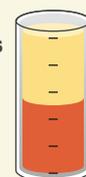
Need help with employment issues?

Go to: www.mla.com.au/employingpeople

Employers can read the full findings and recommendations from the survey at www.mla.com.au/attractandretain

Project dashboard: Attracting and retaining staff in the red meat industry

Financial contributions to the project:
\$40,924



MLA levies: **50%**

Government: **50%**

Length of project:

11 months

Completed



The project is part of MLA's objective to:

Create opportunities with new practices or technologies to improve labour efficiency by 5%.



From large enterprises to small, the challenges of employing and retaining staff are the same. *Feedback* talks to two Queensland employers about strategies to get the best out of employees.

Formal reviews assist clear communication

North Australian Pastoral Company (NAPCO) employs up to 180 staff, across 13 cattle stations and one feedlot, in Queensland and the Northern Territory.

NAPCO Human Resources Officer Erin Gilliland's primary responsibility is staff recruitment, while the individual station managers handle staff management.

"Part of my role is to interview applicants over the phone," Erin said.

"This interview is quite detailed as I want to understand why they're applying and I need to clearly communicate our expectations.

"I explain that we offer permanent, full-time positions, not seasonal jobs; we're looking for people who will come back the following year.

"I also try to work out if they will fit in with the team, because you can teach a skill, like motorbike riding, but it's much harder to teach an attitude.

"I make clear what we can offer, such as single accommodation, no pet dogs and so on, to make sure there is no confusion later."

NAPCO's formal staff review processes include a conversation between a staff member and station manager at the end of an employee's three-month probationary period to discuss strengths and weaknesses, plus another conversation near the end of the season to discuss returning the following year.

Staff are also paid an end-of-season bonus in December to thank them for completing the season and to help meet their Christmas period expenses.

This year NAPCO also ran a Head Stockmen's Forum to provide senior staff with ongoing education, leadership tools and networking opportunities, and demonstrate their importance to the company.

Each year NAPCO stations compete against each other in a Station Challenge, enhancing each station's team culture, while providing opportunities to meet colleagues within the company.



Erin Gilliland
E: egilliland@napco.com.au

A team effort

Attractive non-cash benefits and a willingness to listen to employees' management ideas are two of Bauhinia cattle producer Mark Driscoll's tips for attracting and retaining staff.

Mark operates five commercial cattle properties in Central Queensland with the assistance of four full-time staff members and two part-time employees.

He is one of many producers who feel pressure to compete with the mining industry for staff and said he tries to offer a range of lifestyle and non-cash benefits to compete with mining's higher wages.

"The mines are our biggest competitors for staff and it can be a challenge to try and explain to applicants that while our packages might not be as attractive in cash

terms, when you add up all the bonuses we're not far behind the mines," Mark said.

"For example, we offer a free house and meat, and staff can keep up to six horses. They have no transport costs to work, they don't need a second car, they can grow their own vegetables and keep a couple of sheep, pigs and chooks, and they don't have water bills."

Mark said another challenge is the quality of résumés provided by applicants, and the lack of detail about age, experience and family situation.

"These are things I need to know. Some of my houses are too small for a family, while other properties have a school nearby and would suit a family with primary-school aged children," he said.

"The more information they provide, the better for both of us."

Once he finds the right employee, Mark said trust and involvement in decision making are keys to keeping them.

"It's important to treat your employees with respect; they're all adults so we treat them like adults," he said.

"I might not see the men on the other properties for two or three days, so I have to trust they're doing their job.

"I tell them 'you treat this property as if it's your own - if you see ways of improving it, or if you want money spent on it, come and tell me'. My door is always open."



Mark Driscoll
E: markddriscoll@bigpond.com

Genetics

Muscly mums get the job done

MLA-funded research has put paid to any suggestion that selecting females for higher muscling compromises maternal performance, in good seasonal conditions.

Pincipal researcher Dr Linda Cafe found that females visually assessed and selected for higher-muscling delivered calves with more saleable meat yield than offspring of low-muscled females, while producing similar birth and weaning weights.

The research involved cows in the NSW Department of Primary Industries' Angus herd. The cows were offered good feed and then were nutritionally challenged for two years (leaving cows with 1-3mm of rump fat). "Cows with one copy of the higher muscling gene should perform very well during periods of adequate and good nutrition. However, industry should be aware that during extended tough conditions their productivity may be lower," Linda said.

Linda said although a thorough economic analysis was yet to be conducted, using the

general rule of thumb of up to 20¢/kg premium for each jump in muscle score showed selecting females for higher muscling had the potential to increase returns.

"Our work also showed the belief held by some producers that moderate increases in muscling of females leads to reduced maternal performance is not true," she said.

"In most cases, producers can select for increased muscling without fear of any negative effects."

However, long periods of poor nutrition can impact on all reproductive traits in cattle selected to increased muscling.

Muscle lines

Linda said the research herd, under single trait selection pressure for muscling since 1992, comprised three muscling selection

lines: Low (average muscle score D-); High (average C+); and High^{Het} (average B).

The High^{Het} group had one copy of the nt821(del11) myostatin mutation, more commonly known as the Belgian Blue double-muscling gene. This gene, which occurs in a small percentage of Angus cattle, is only one of numerous identified double-muscling or myostatin genes that occur across various breeds.

"Generally, this gene is not something which occurs in British breed herds by accident. Nowadays you have to select for it," Linda said.

"It was introduced into this herd through a stud using it to breed cattle with superior muscling. It was useful in that it provided us with the opportunity to study cows with higher muscling than we could otherwise achieve." →

Table 1 Average body composition, calving traits and maternal productivity of cows in the muscling herd lines over 10 years on fair to good nutrition

	Low	High	High ^{Het}
Body composition			
Weight (kg)	547	548	550
Eye muscle area (cm ²)*	55	60	64
Rump fat (mm)*	12.4	9.5	6.7
Muscle score*	D-	C+	B
Hip height (cm)	128	126	126
Calving traits and maternal productivity			
Days to calving**	310	308	307
Calf birth weight (kg)	35.6	35.5	34.1
Calf wean weight (kg)	245	249	247
Live calving rate**	92	93	92
Weaning rate**	89	90	87
Kg calf weaned/cow joined/year	218	225	216

* Ultrasound scanned eye muscle area and rump fat values; muscle score = E- (very poor muscling) to A+ (very high muscling)

** Days to calving = days from start of joining to calf birth; Live calving rate = percentage of joined cows that produced a live calf; Weaning rate = percentage of cows joined that weaned a calf.

Table 2 Average body composition, calving traits and maternal productivity of cows in the muscling herd lines over two years on poor nutrition

	Low	High	High ^{Het}
Body composition			
Weight (kg)	458	463	450
Eye muscle area (cm ²)*	36	39	42
Rump fat (mm)*	2.8	1.8	1.7
Muscle score*	E+	C-	C
Hip height (cm)	129	127	125
Calving traits and maternal productivity			
Days to calving**	310	313	320
Calf birth weight (kg)	32.7	33.4	33.0
Calf wean weight (kg)	175	171	158
Live calving rate**	79	79	58
Weaning rate**	79	77	58
Kg calf weaned/cow joined/year	138	132	92



The experiment

To compare body composition and maternal productivity, the performance of the three lines was measured under 12 years of normal to good pasture-based nutrition followed by two years of enforced poor nutrition. The research project was run under strict animal welfare and ethical guidelines.

"The aim was to run the cows at a level of condition below that recommended for the breeding herd, at a level where there was a potential for fertility to be affected but welfare was not compromised," she said.

Results

Cows were measured for weight, scanned eye muscle area and rump and rib fat, visual muscle score and hip height; and their calves were measured for birth weight and weaning weight, muscle score and scanned eye muscle area and fat. Days to calving, live calving rate and kilograms of calf weaned per cow joined per year were also calculated.

Linda said under adequate to good nutrition all three groups performed similarly, weaning similar weights of calf per cow joined per year - a simple measure of maternal productivity (Table 1).

"This gene will allow faster increases in herd muscularity and increase the carcase value of sale cattle.

"Under the two years of poor nutrition all three lines showed a decline in performance with the Low and High lines producing similar results (Table 2)," she said.

"However, the High^{Het} cows showed a significantly lower level of performance - about 30% less - producing only 92kg calf weaned/cow joined compared to the low muscle (138kg) and high muscle (132kg) groups."

It started with a kid...

Snapshot

Craig and Jo Stewart,
Dubbo, NSW.



Property:
1,500ha

Enterprise:
Farmed Boer goatmeat and value-added goatmeat products along with beef cattle and cereal crops

Livestock:
300 Boer goats

Soil:
Heavy self-mulching black soils

Rainfall:
560mm



Dr Linda Cafe // T: 02 6770 1825
E: Linda.cafe@dpi.nsw.gov.au



For the NSW Department of Primary Industries' fact sheet visit www.dpi.nsw.gov.au/agriculture/livestock/beef/breeding/general/cow-muscularity-productivity

To read the final report go to www.mla.com.au/musclingselection

Supply chain

For the Stewarts from Central West NSW, succeeding in the goat industry is all about supplying a quality product and maintaining good relationships throughout the supply chain.

When Craig and Jo Stewart's daughter was given a Boer kid in 2008, it triggered a new farm enterprise. More Boer goats were accumulated and Craig decided it was time these new additions started paying their way.

A turning point came in 2010, when the Stewarts carried out a marketing exercise with the NSW Department of Trade and Investment. The 'BV Farm Fresh' brand, website, product labels and brochures followed.

Jo said this exercise helped them match what they were able to produce with what the customer was seeking. It also addressed one of their key issues - how to market their goats beyond the seasonal limitations of capretto.

In 2011, the Stewarts turned off 17 head as capretto under their BV Farm Fresh brand. They hope to turn off 300 head in 2014, both as capretto and chevon carcasses and as value-added products.

Kids destined for the capretto market are processed on a service kill basis when 20-40 days old at KJ Halal Meat Pty Ltd in Nyngan, and marketed directly by the Stewarts to consumers, wholesalers, butchers and restaurants. Given the seasonal nature of capretto (selling three to four months over spring), the Stewarts have been motivated to investigate other value-adding opportunities to maintain cashflow and provide a profitable destination for non-capretto goats.

Goatmeat smallgoods, such as sausages and prepared meals, have become a focus of their operation. This is due more to increased productivity - maximising the production of kilograms of meat per hectare - than the ability to produce a specialised product at a particular time of year.



Jo Stewart and her daughter Abbey offering taste tests at a farmers' market.

The Stewarts are intent on building good relationships throughout their supply chains - from livestock carriers and abattoirs through to the chefs and butchers who source their product.

"The success of our business hinges upon our relationships with our supply chain partners. The importance of developing and maintaining good relationships with the suppliers in the chain can't be underestimated," Jo said.

The Stewarts' mantra is to be a reliable supplier of a quality product and, in doing so, promote their success and the success of those within their supply chains. They are careful not to overcommit when supplying product, preferring to underestimate what they can supply rather than disappoint.

Craig and Jo aim to steadily increase the volume and range of products they offer and they see an opportunity in prepared meals. Their products will continue to be marketed to gourmet food lovers and quality outlets through effective branding and a growing website presence.

Two promotional events are also in the making over the next 12 months involving a tour to the farm by some of Australia's leading chefs and a cooking demonstration at Pino's Dolce Vita Fine Food in Kogarah. BV Farm Fresh products are currently available through farmers' markets, local butchers and are used in a number of Central West NSW restaurants and cafes.

Capretto: Capretto is a young kid goat with a hot standard carcass weight (HSCW) between six and 12kg. The meat must be pale pink in colour and from young, milkfed kids. Premium quality capretto is highly desired in traditional Italian, Spanish and Greek cuisine.

Chevon: Chevon is the description given to prime young farmed goats, not more than two-tooth and with no male secondary sexual characteristics.

It is important to remember that the same sale requirements apply to goats as those that apply to sheep. For more information visit MLA, www.mla.com.au/NVD and www.mla.com.au/NLIS

If you are selling goats interstate, you need to be familiar with the requirements of that state.

Want to know more about goat production?

Download *Going into Goats: Profitable Producers' Best Practice Guide* at www.mla.com.au/gig



BV Farm Fresh value-added goat products.



Craig and Jo Stewart
E: admin@bvfarmfresh.com.au

Pastures

Making kikuyu a good companion

Preliminary results from the Western Australian component of a national MLA-funded pasture project have both supported and challenged previous findings on the management of tropical perennial grasses.

The project is looking at ways to incorporate legumes and other species into increasingly popular and nitrogen-responsive tropical grass pastures, such as kikuyu and panic grass.

The goals of the research are to provide:

- a cost-effective source of nitrogen to increase the quality and productivity of the grass
- a reliable winter feed when the grass is dormant, and
- a rich source of protein for livestock

Research is taking place in northern and central-western NSW, Albany and Esperance on Western Australia's south coast, and in Western Australia's northern agricultural region.

Senior Research Officer Paul Sanford, from Western Australia's Department of Agriculture and Food, is leading the Albany research.

"Kikuyu has been used for over 20 years in this area," Paul said.

"It's well suited to our sand because it spreads and protects the soil surface from erosion. It's very grazing tolerant and it's active in summer and autumn when annual pastures aren't, so it's great at filling the feed gap."

However, kikuyu also has a tendency to 'drought out' its traditional legume companion, subterranean clover.

"In the last decade we've had failure in the legume component of our pastures around here, particularly if you get a false break in April," Paul said.

"Autumn is still warm enough for kikuyu to grow, so it out-competes the germinating sub-clover for moisture."

The Albany research has trialled a number of strategies aimed at suppressing the kikuyu to give companion species a chance to establish.

One strategy saw glyphosate applied at a rate of one litre/ha in summer/autumn, before the break of season, while another used a grass selective herbicide following the break of season.

"Based on our preliminary results, higher rates of glyphosate are required to suppress kikuyu outside the growing season, as there was no observable difference between spraying and not spraying," Paul said.

"This year we'll increase the rate to two litres/ha.

"We also found that Select® grass selective herbicide appears to be an effective means to suppress kikuyu without reducing sub-clover content following the break of season."

Researchers also investigated summer sowing hard-seeded legume species, to overcome the effects of a false seasonal break.

"The hard-seeded legume seeds and pods can be sown in January or February and then soften slowly, so - unlike sub-clover - they won't be ready to germinate if you get early rain," Paul said.

"This means they won't have to compete with kikuyu when it is most active.

"Our experiments involved summer sowing five serradella cultivars (yellow serradella is pictured above) in late February, with and without kikuyu suppression, and with two different sowing methods: broadcasting and drilling."

Paul said an early break of season in March and above-average rainfall produced the region's best sub-clover germination in almost 10 years, "muddying the waters" for some of the research results.

Snapshot

John, Danielle, David and Margaret Mottram, Manjimup, WA.



Property:
450ha

Enterprise:
Breeding and finishing

Livestock:
150 Angus/
Hereford breeders,
60 yearling calves,
Poll Dorset stud
with 60 ewes

Pasture:
300ha pasture,
including 30ha
summer active tall
fescue, 10ha
kikuyu and
remainder mixed
improved and
unimproved
annuals

Rainfall:
700mm

*John Mottram
with his children,
Phoebe and Kody.*



Paul Sanford

E: paul.sanford@agric.wa.gov.au



Need help improving your pastures?
Go to www.evergraze.com.au

Or try the EverGraze feed budget and rotation planner at www.mla.com.au/feedbudgetplanner

For a range of pasture tools and calculators go to www.mla.com.au/tools



Preparation helps persistence



Lessons learned

- **Do the ground work:** Prepare paddocks two to three years in advance. Control weeds, apply lime and apply double knockdown before planting.
- **Experiment:** Plant a small area first to see how it performs in your environment.
- **Be patient:** Don't graze perennial pastures the same as annuals - if you give perennials time to fully establish they will repay you with productivity over the next 10 years.
- **Look over the fence:** Your agronomist, local pasture groups and field days are a great source of information.

When WA producer John Mottram planted 10ha of perennial pastures in 2008, he discovered a performer that has continued to deliver.

John, who farms with his father David, traces his interest in perennial pastures to a 2007 Warren Catchment Council (WCC) project aimed at reducing recharge and salt to the Warren River. As a result, John hosted a pasture trial site for the MLA-funded EverGraze program.

John was seeking a species that could turn the region's one good annual rain event into quality feed, and meet WCC project requirements. He planted Quantum (a summer active tall fescue) and kikuyu in 2007. Since then, he has doubled the area of Quantum and planted 10ha of the summer active variety Carmine in 2008 and 2012.

MLA's *Prograzier* magazine featured the Mottrams in the Winter 2009 issue, when the family was seeing the early results of their explorations into more productive species.

Today, the production of tall fescue averages 12t DM/ha - double that of an adjacent unimproved annual pasture and nearly 20% greater than improved annual pastures. The perennial pasture extends the shoulders of the season and is vital during the feed gap from June-September.

"I use tall fescue to reach target weights in calves and target joining weights in ewe lambs, provide high nutrition flush for ewes prior to joining and high nutrition for cows with calves at foot - basically wherever I need high nutrition out of normal growing season. It is hard to put a dollar value on tall fescue when it is so versatile and can be used all year."

John said successful perennial pastures required paddock preparation and careful management during establishment, especially for weeds.

One paddock of Resolute winter active tall fescue planted in 2011 did not establish due to a second germination of cape weed. John intends to change the sowing time for future plantings of this variety from May to September, when higher ground temperature and more thorough weed knockdown will assist establishment.

The summer active variety is also susceptible to competition from capeweed and barley grass during establishment, so John applied a hay freeze the year before planting and a knockdown herbicide before seeding. (A hay freeze is a weed management technique similar to brown manuring, with the additional aim of creating standing hay. Herbicide is applied earlier than if the crop was to be mown for conventional hay making.)

"You have got to treat it nicely during the establishment phase - we don't graze the tall fescue for the first four to six months, but it is worth it in terms of the benefit year after year."

John mows tall fescue to level clumps, then bales and wraps it for silage in summer and autumn. He fertilises the perennial pastures as needed, with one unit of phosphorus/DSE at the seasonal break. Nitrogen is used during autumn and a NPKS blend is applied in spring.

Pasture is grazed to maintain a stand height of between 5cm and 15cm.

"We use a 600DSE/ha stocking rate on a rotational pattern for three days, every four weeks. We monitor pasture weekly and, when there is extra growth in spring, we will run a few less head, but for longer. This keeps the tall fescue in a vegetative state."

Although establishment costs \$350-400/ha, there are ongoing savings from reduced supplementary costs and higher stocking rates. John said repayment time varied on use, but was generally four years.



John Mottram
E: rockbridge@active8.net.au



Download these fact sheets from EverGraze at www.evergraze.com.au
Growing and using summer-active tall fescue
Grazing and using winter-active tall fescue in southern Australia

Pastures

Moving through the beetle road block

Snapshot

Greg and Diane Binnie, Upper Barron, Qld.



Property:
385ha including
283ha of
agistment

Enterprise:
Turning off
2-2.5-year-old
stock for the
domestic trade

Livestock:
180 cows plus
calves, around 350
trade cattle

Pasture:
Improved mixed
pastures

Rainfall:
1,270-1,520mm



A commitment to herd recording and conservative stocking paid off for North Queensland producers Greg and Diane Binnie when they had to cut cattle numbers unexpectedly.

Since buying their Atherton Tablelands property 34 years ago, the Binnies have improved pastures with guinea, hamil and signal grasses, kikuyu and setarias, plus legumes (mainly Tinaroo glycine).

High-quality pastures are integral to their goal of finishing stock at 2-2.5 years of age for local domestic markets.

When MLA last spoke to Greg and Diane in *Frontier* magazine in 2008, they ran 200 breeders plus calves and 350 trade cattle. They went on to lift breeder numbers to 300, but then encountered an unexpected setback.

"In 2012, a scarab beetle infestation destroyed nearly a third of our pastures," Diane said.

"We noticed some paddocks were yellowing and, when we looked closer, clumps of grass were just sitting on top of the soil."

The offending *Lepidiota sororia* beetles are common in north Queensland. Larvae live underground and usually take flight in early summer, but Greg said the dry season of 2012 delayed their lifecycle.

"Instead of flying away, they stayed in the ground and wiped out the root systems," he said.

"We lost 120ha, mainly setaria and some guinea and hamil grass."

The Binnies' management philosophy of minimal soil disturbance meant ripping pastures was not a control option, and the depth of the beetles in the soil prohibited poisoning. All they could do was destock and wait.

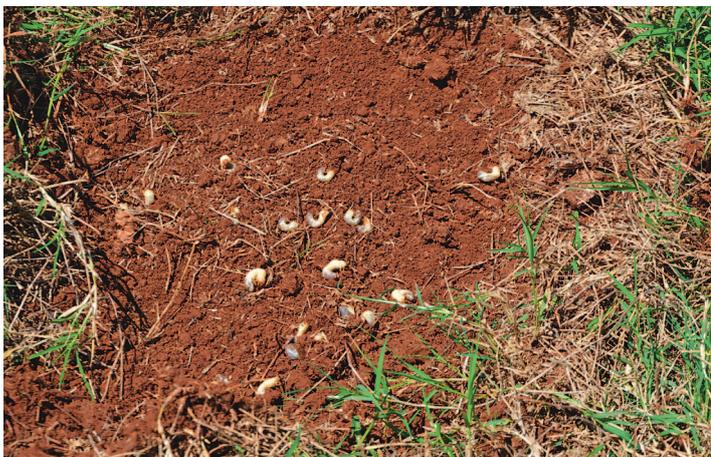
"We couldn't replant until March 2013, because the storm season was late. However, we just had to run the risk. We had to get groundcover," Greg said.

"It affected our entire enterprise: how we graze, our pastures and our stock management."

Fortunately, Greg and Diane stock conservatively. They rotationally graze mobs of around 50 breeders and one bull, with about three paddocks a mob, rotated weekly. They fatten cattle at about one beast/0.7ha, and achieve about 0.6kg/day weight from weaning to finishing.

"This stocking rate helped us stay out of trouble when the pastures started dying," Diane said.

"We also keep extensive herd records from birth to slaughter so we know exactly how our cattle perform. We follow stock right through to slaughter at the Rocky Creek Abattoir and, when possible, view the carcasses to see how they grade individually."



Pasture grub damage. Image courtesy of Bernie English.

This allowed Greg and Diane to identify the cattle they could afford to let go. They dropped back to 180 breeders, culling heavily of those which didn't meet their criteria of fertility, temperament and conformation.

"We kept breeders from productive lines," Greg said. "If a cow didn't have good maternal instinct, we culled her and any progeny."

The Binnies estimate the beetles cost them about \$20,000 in pasture costs and extra agistment, not to mention lost turnover. They are now also managing a weed infestation - a secondary impact from the beetles digging up weed seeds buried deep underground.

This year, thanks to 465mm of rain to the end of February, the beetles flew away.

The Binnies did not replant any of the most vulnerable setaria grasses and are confident this puts them in a better position if they ever face the same challenge again.

They say one positive was that the beetles left the soil very soft and aerated, so paddocks didn't require much preparation when they resowed.

Lessons learned

- If your pastures change condition unexpectedly, check them straight away.
- Herd recording enables 'culling from the bottom' when required.
- Monitor seasons and prepare early to react by cutting numbers, sourcing alternative land, etc.
- Matching cattle numbers to grass supply is critical in any environment.
- Buying in feed to hold over large cattle numbers is expensive if the end point is unknown.



Greg and Diane Binnie
E: gndb@skymesh.com.au



Find out more about managing pests in pasture at
www.mla.com.au/pestanddiseasecontrol

Got the munchies?

Gail Lowe, an entomologist from the Queensland Department of Agriculture, Fisheries and Forestry, sheds light on scarab beetles and their 'white grub' larvae which can make a meal of pastures.

What species are common in the Atherton Tablelands?

The most economically significant white grubs which impact pasture on the Atherton Tablelands include the larvae of cane beetles (*Lepidiota* spp.) and Christmas beetles (*Anoplognathus* spp.). White grubs and adult beetles collected from damaged pastures in the Upper Barron by the Queensland government in 2012 and 2013 were identified as *Lepidiota laevis* and *Lepidiota sororia*.

What do they look like? The adult body is 19–22mm long and is reddish with white scales.

What is their main source of food? During their underground larval stages, scarab beetles feed on humus and plant roots in natural and improved pastures.

Why are beetle larvae a problem? Grassland is the natural habitat of scarabs so replacing native vegetation with improved pastures creates favourable conditions for white grubs. Most damage occurs after the grub enters their third and final growth stage. This is late summer to early autumn for species with a one-year life cycle. Species with a two-year life cycle have overlapping generations of larvae, so larvae can be found in the soil all year round, but most damage occurs when the grubs come up from their winter rest period.

Which pastures are at greatest risk? Early planted pastures tend to become more infested than later plantings. Similarly pastures next to fallow ground are at high risk. When white grubs occur in high population densities they may cause serious localised damage to pastures. The infested patches may vary in extent from a few square metres to several hectares.

Was the situation facing the Binnies widespread or isolated?

Damage noted in 2012 in the Upper Barron was confined to a localised band across multiple farms. Although the damage was severe, the scale was limited to parts of paddocks rather than whole farms.

What signs can producers look for? Plants that appear drought stressed or may even be pulled from the ground by grazing animals leaving an apparent ploughed paddock or section of a paddock.

Control/management steps:

Control is difficult because the larvae live underground at varying depths depending on the life cycle stage and soil conditions. Getting chemicals to the feeding depths is difficult. If white grub infestation is severe, cultivation can reduce populations by desiccation. Risk from grubs can also be minimised through rotation with less susceptible stoloniferous grasses like *Brachiaria decumbens*, rather than tufted species.



Plant Biosecurity
Cooperative Research
Centre
www.padil.gov.au

Market access

China has emerged as a major importer of Australian beef and lamb.

In 2013 Australia exported to China:

154,833
tonnes swt of beef

Brisket
was the most popular
beef cut

97,423
tonnes swt of sheepmeat

**Breast
and flap**
were the most popular
sheepmeat cuts

Feeding the dragon

Strong demand for Australian product in China is underpinned by a growing population, the rising middle class, changes in nutrition requirements and a tightening supply in local beef and sheep numbers.

MLA South-East Asia Regional Manager Andrew Simpson said this rapid urbanisation was a golden opportunity for Australia to capitalise on.

"China is experiencing a massive transition of rural to urban dwellers, numbering in the hundreds of millions. Individual wealth has increased substantially, opening the opportunity to those who wish to consume a variety of imported proteins," he said.

"Complementing the urban drift in China is the rapid expansion of retail and foodservice outlets from which Australia is well placed to supply a growing demand for high quality product."

The Chinese consumer

MLA research has identified three broad consumer segments within the Chinese population:

1. The traditional: They are older consumers who generally prefer foods and

goods with a cultural connection.

2. The rising middle class:

Driven by urbanisation, they mostly live on the coast and in major cities Beijing and Shanghai. They are more driven to achieve wealth and social status and are inclined to buy products which reflect these aspirations, making Australian beef and sheepmeat well positioned for this consumer segment.

3. The young:

While the previous groups still show preference to Chinese traditions, the young demographic are more open to experimentation with new tastes and products. They are more inclined towards instant gratification and are seen as the trend setters.

Perceptions of beef and lamb

As individual wealth rises in China, the consumption patterns of meat are also shifting as consumers seek high-quality and nutritionally valued beef and lamb cuts sourced from quality assured supply chains.

"Food safety has emerged as a huge concern in China with scandals appearing in the press regularly. Australia's reputation

for integrity and variety will serve us well amongst a growing consumer base willing to pay more for product assurance and safety guarantees," Andrew said.

Western influences

Chinese consumers are beginning to associate the reliability and consistency of Australian quality beef and lamb by regularly sourcing these products in popular venues like steakhouses, high end restaurants, hotels and hotpot outlets.

The Chinese hotpot, traditionally a regional cuisine, has spread broadly across the east coast of China, with the food trend becoming more popular among rising income earners and the traditional segment who seek beef and lamb as a regular staple ingredient.

"With China's variety of foodservice outlets, Australia has a wonderful opportunity to supply into restaurants and hotel chains which provides more ingredient value than the traditional grinding burger markets," Andrew said.



Andrew Simpson, MLA
E: asimpson@mla.com.au

Per capita consumption in China

2000

4.04kg

2.09kg

2020
(forecast)

5.49kg

3.49kg





MLA's latest summer beef marketing campaign in Japan raised the profile of Aussie beef as an essential part of an everyday 'Genki' lifestyle.

What does Aussie Beef mean to Japanese consumers?

According to MLA-commissioned surveys it means:

- Trusted
- Healthy
- Energy giving
- Great quality
- Safe

Issues impacting beef consumption in Japan

- BSE
- Foot and mouth disease
- Tsunami and Fukushima nuclear accident

30%

of Australian beef exports head to Japan.

MLA consumer research in 2012 revealed that 'Genki' (which translates to meaning energy, vitality and health), and a clean, green environment, resonated highly with Japanese consumers when asked about beef.

With US product re-entering the market last year and challenging Australia's market share, a new campaign to put Australian beef front and centre was needed.

MLA Regional Manager Japan Andrew Cox said applying the Genki concept to the campaign was an energetic way to promote Aussie beef as a healthy product.

"We wanted to position Aussie beef as a valuable source of energy for all Japanese people," he said.

The campaign

The 'Everybody feels energy with Aussie Beef' campaign ran for two months in summer 2013.

The promotion featured 10 everyday Japanese consumers, each with a unique 'Genki' talent, performing a skit incorporating the famous Aussie beef hand symbol (a gesture in the shape of Australia).

Performers included an 80-year-old body builder, a young hip hop dancer, a flamenco dancer, a karate kid, ballerina schoolgirls (see *Feedback* cover) and a tai-chi practising grandmother.

Viewers judged the best Genki pose for the chance to win an Australian holiday. More than 14,330

Facebook entries were received and the winners were a Japanese mother and her teenage son, and a couple in their 50s.

"Australia is a powerful food brand in Japan with extremely strong prominence and habitual purchasing," Andrew said.

"We built on this knowledge by incorporating everything that makes Aussie beef appealing to consumers - energy, health, food safety and quality."

What's next?

The next phase of the Genki campaign is targeting increased retail and foodservice sales in the spring holiday season when families share festive meals with one another. The spring campaign launched in mid-March and runs until the end of this month.

Retail point-of-sale material has been developed for Aussie beef promotions in supermarkets, along with in-store demonstration kits and recipe stickers, display contests and menu promotions at foodservice.

Three-minute cooking shows, featuring the 80-year-old body builder from the summer campaign, have also been produced for FOX TV and MLA digital channels in Japan.

Get 'Genki' with some Aussie beef Japanese recipes on page 33. →



Feeling 'Genki'. The summer campaign attracted:

35,870

website visits

54,751

Facebook voting page visits

43,378

YouTube views

14,331

Facebook competition entries



Japanese summer beef marketing campaign included digital banners and posters.

Building a long-term partnership

About one-third of all beef eaten in Japan is Australian, and it is used at every level of Japan's foodservice, retail and processed food sectors.

However, some challenging factors have affected Australia's beef trade with Japan.

These include the high Australian dollar, Japan's slow economy, the return of US beef to the market, a high tariff applied to imported beef (which the recent Australia-Japan Economic Partnership Agreement will address) and reduced consumption of beef in general (figure 1).

Japanese beef consumption peaked in 2000 at 7.6kg/person (total distribution reached one million tonnes), but the volume eased to 5.6kg/person by 2005 after the outbreak of BSE in Japan in 2001, and then in the US in 2003, which led to an import ban on US beef (figure 2).

An outbreak of foot and mouth disease in the Miyazaki prefecture in 2010, as well as the

devastating tsunami and Fukushima nuclear accident in March 2011 also affected consumption.

Beef consumption increased to 6kg/person in 2012 and dropped to 5.9kg/person last year and Japan's economic downturn, combined with some lingering concerns over food safety, continues to affect consumers' appetite for beef - imported product in particular.

The consumption of Japanese domestic beef in 2012 was down just 3% from 2000, while imported beef volumes remained 27% lower.

The Australian beef industry has successfully developed new markets in Russia, the Middle East, the EU, China and South-East Asia, but Japan remains its largest and most valuable export customer. The beef trade partnership between the two countries dates back to the 1950s.

MLA has also worked with the Australian Government and beef industry to obtain successful outcomes for Australian beef in the Australia-Japan Economic Partnership Agreement (see story on page 6).

Figure 1 Australian beef and veal exports

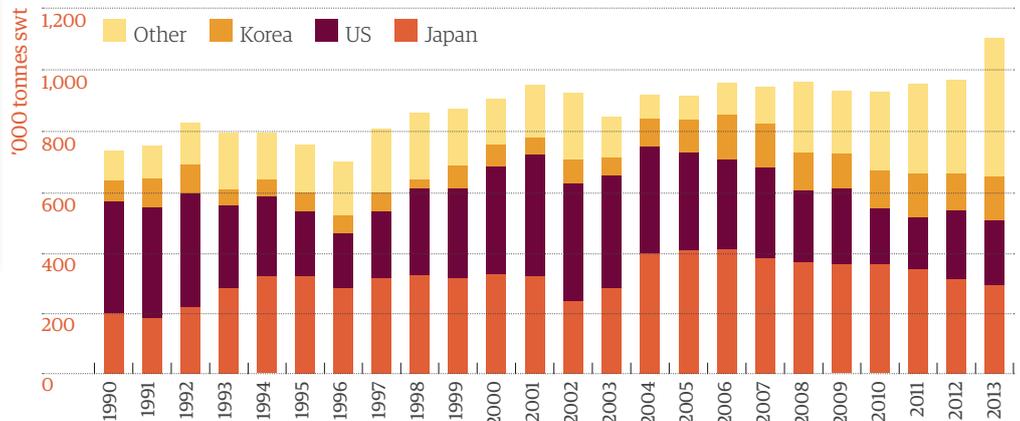
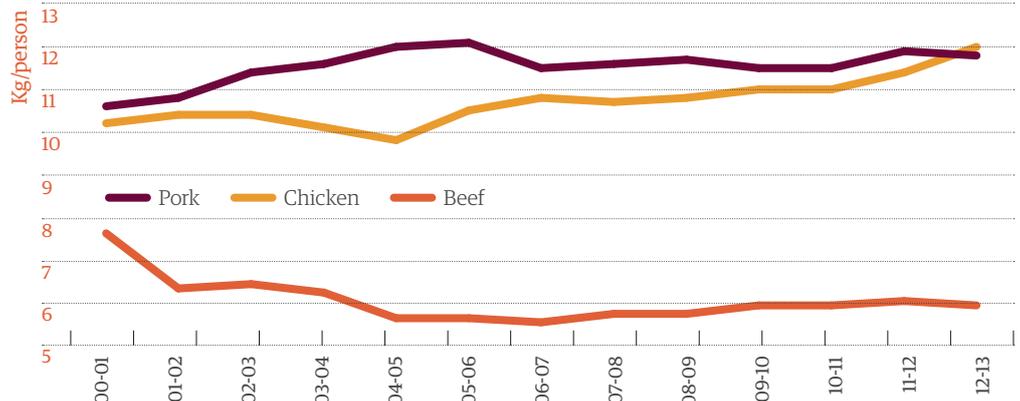


Figure 2 Japanese protein consumption per capita (Japanese financial year)



Source: Ministry of Agriculture, Forestry and Fisheries



Miho Kondo, MLA // E: mkondo@mla.com.au

Get 'Genki'

Take a trip to Japan at the dinner table with three recipes which demonstrate how Japanese diners enjoy Aussie beef.



Shabu Shabu rice paper rolls

Serves: 2

Preparation time: 5 minutes

Cooking time: 5 minutes

Ingredients

200g beef eye fillet, thinly sliced
Iceberg lettuce, thinly sliced
Red cabbage, thinly sliced
Lebanese cucumbers, cut in sticks
Rice paper sheets

Japanese tare (dipping sauce):

1 tbsp miso
1 tsp each sugar and Japanese sake

Method

- For the tare sauce: whisk the miso, sugar, and sake in a mixing bowl until sugar has dissolved. Set aside.
- Bring 500ml water in a saucepan over a medium heat to a boil. Remove saucepan from the heat and add a pinch of salt. Add in the beef slices and poach lightly in the hot water until beef slightly changes colour. Set aside the poached beef slices to cool. (Note: Take care not to overcook the beef.)
- Soak the rice paper sheets in water, drain and then place on a large plate.
- Spoon the tare sauce along the centre of each rice paper sheet. Place the poached beef slices, cucumber, sliced lettuce, and sliced red cabbage on top of the tare sauce. Roll all the ingredients together with the rice paper sheet, like a parcel, and cut into tight halves.

Recently the traditional dish, *Shabu Shabu* (thinly sliced pieces of beef are dipped into boiling water with chopsticks and then eaten with a traditional Japanese soy-based sauce) has taken on a new look in Japan, with young people modernising the dish into healthy *Shabu Shabu* salads and lunch snacks. This recipe is an example - combining tender *Shabu Shabu* eye fillet and fresh vegetables into delicious and healthy rice paper rolls.



Pink kawaii beef nori rolls

Serves: 2

Preparation time: 5 minutes

Cooking time: 10 minutes

Ingredients

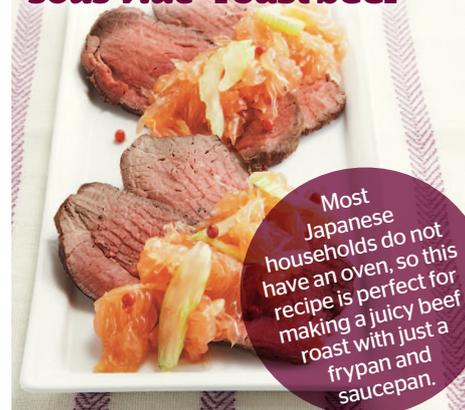
300g beef eye fillet, thinly sliced into long pieces
4 tbsp soy sauce
2 tbsp each Japanese sake, mirin, caster sugar
10g grated ginger
100g cooked sushi rice
4 umeboshi* (preserved plums), sliced
Cucumber, seeded and finely sliced
Nori seaweed sheets
Bamboo mat

Method

- Heat the sake and mirin in a saucepan over a low to a simmer. Add the beef slices, grated ginger and caster sugar and simmer until sugar has dissolved. Add in the soy sauce and simmer for another two minutes. Remove saucepan from the heat and set aside.
- Place a seaweed sheet onto a bamboo mat. Set aside. Mix the cooked sushi rice with the umeboshi and spread enough to cover the nori seaweed sheet. Place the cucumber slices and cooked beef slices onto the centre of the nori seaweed sheet and roll all the ingredients together with the bamboo mat. Repeat the same procedure with the remaining ingredients. Cut the nori rolls into bite-sized pieces.

* *Umeboshi* are Japanese salt plums, usually served pickled, with a sour, salty taste, and are available at Asian grocery stores. They can be substituted with heaped teaspoons of plum jam.

Japanese-style juicy *sous vide*† roast beef



Most Japanese households do not have an oven, so this recipe is perfect for making a juicy beef roast with just a frypan and saucepan.

Serves: 4

Preparation time: 10 minutes

Cooking time: 45 minutes + cooling time

Ingredients

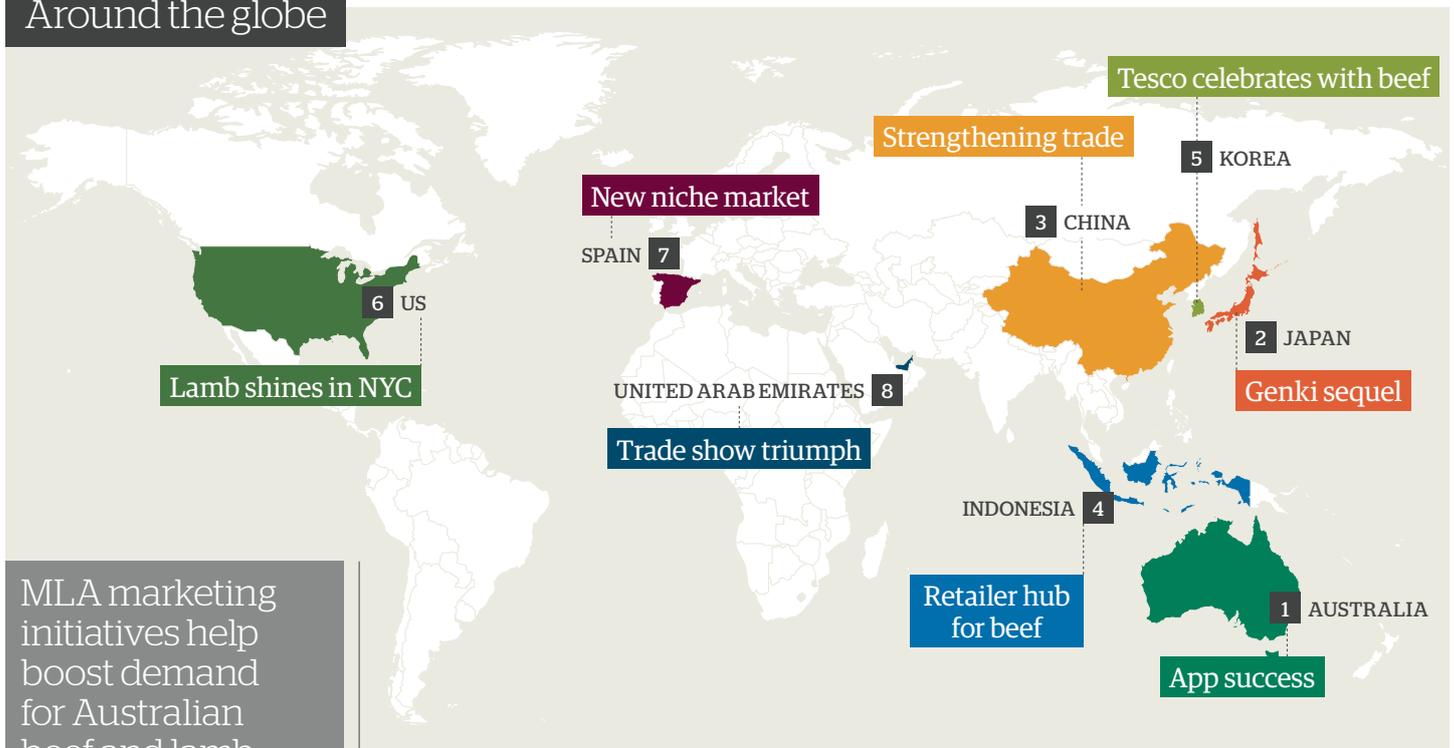
1kg round beef roast
Salt and freshly ground pepper, to taste
50ml cooking oil
10 red currant berries
8 mandarin orange segments
20g shaved celery

Method

- Season the beef with salt and freshly ground pepper to taste. Set aside. Heat a frying pan with the cooking oil and sear the seasoned beef on both sides until lightly browned. Wrap the seared beef with two layers of cling wrap and then place into a vacuum pack and seal tightly. Set aside.
- Heat a pot of water to a boil over a medium heat and poach the pan-seared beef for about three minutes.
- Turn off the heat and cover the cooking pot with a lid and *sous vide* the beef in the hot water for another 40 minutes. Remove the *sous vide* beef from the cooking pot and set aside to cool in its vacuum pack.
- Once cooled, cut into 2cm-thick slices and place onto each serving plate. Garnish the beef with redcurrants, mandarin orange segments and shaved celery.

† *Sous vide* involves partially cooking food followed by vacuum-sealing in airtight plastic bags and further cooking in a water bath at a low temperature for longer than normal cooking times.

Around the globe



MLA marketing initiatives help boost demand for Australian beef and lamb both at home and in our global marketplace.

1 AUSTRALIA

SteakMate rates

The 'SteakMate' smartphone app has proven popular with consumers. The app guides users to cook the perfect steak. Features include a timer based on cut thickness and desired doneness, and a queuing function allowing multiple steaks to be cooked at the same time, to each individual's liking. 'SteakMate' was downloaded more than 31,000 times during summer 2013-14. It was the highest rated app in the AppStore in January 2014, featured across metropolitan media and was rated five out of five by the *Australian Financial Review*.



31,000
SteakMate app downloads
during summer 2013-14

2 JAPAN

An energetic launch

The expansion of MLA's 'Genki (energy) with Aussie Beef!' campaign and plans for MLA's future marketing initiatives in the Japanese market were announced at receptions in Tokyo and Osaka during March. At the receptions MLA's new Regional Manager in Japan, Andrew Cox, was also welcomed. More than 100 senior representatives from the trade and foodservice and retail industries attended the events. Media coverage of the receptions and Genki announcement was covered on the national Nihon TV news program and the Nikkei newspaper, reaching an estimated 5.5 million viewers.



MLA Regional Manager – Japan Andrew Cox (middle), with Australian Ambassador to Japan, Bruce Miller and Minister-Counsellor (Agriculture) Tokyo, Paul Ross.

3 CHINA

Chinese trade progress

MLA worked to strengthen ties between the Australian and Chinese meat industries by participating in Australia Week in China, which coincided with Prime Minister Tony Abbott and Trade Minister Andrew Robb's visit. Preceding this, China's General Administration and Quality Supervision, Inspection and Quarantine department had approved of 25 additional Australian establishments – three integrated slaughter establishments and 22 cold stores. This is expected to further the beef and lamb trade between China and Australia.

25
additional Australian
establishments approved
by China

4 INDONESIA**Retailers promote beef's benefits**

To increase awareness and knowledge of Australian beef in Indonesia's retail sector, MLA developed promotional material for display at 12 retail outlets, including Ranch Market (high end supermarket), Lotte Mart and Carrefour (hypermarkets). The materials displayed nutritional, Halal and food safety information about Australian beef, as well as recipe booklets. This was part of a year-long program developed by MLA to enhance the merchandising for Australian beef and lamb in retail stores.

5 KOREA**Aussie ribs favoured in Tesco**

An Australian beef promotion was held to celebrate the 15th anniversary of Tesco Korea, one of the largest retail chains in Korea. The *Hoju Chung Jung Woo* (clean and safe Australian beef) promotion was launched in 139 Tesco stores, nationally. The most popular promotional beef cuts with Korean consumers were chilled short ribs and chuck short ribs. MLA also sponsored a beef marinate sauce to complement the beef cuts. More than 100 tonnes of Australian beef were sold during the one week promotion.

100 tonnes
of Australian beef sold in
one-week retail promotion

6 US**US chef tours down under**

A chef's competition was run as part of MLA's Winter WonderLamb promotion during the 2013-14 holiday season. Nine top New York City restaurants and 18 in Washington DC featured Australian lamb dishes on their menus for the chance to win a trip to Australia. Anita Lo of Annisa

Restaurant in New York City's West Village was the winner, with a dish of Australian lamb with chickpeas, harissa, and black sesame. Anita, who has spent 14 years at the helm of the restaurant, has included Australian lamb on her menus since the 1990s. Anita's 10-day trip included visits to beef and lamb production regions to see firsthand Australia's red meat supply chains, and a stopover in Sydney to experience Australia's multi-cultural dining scene.

2.5%

increase in lamb sales at participating Winter Wonderlamb retailers

7 SPAIN**Opening doors in Spain**

Spain has been identified as a potential growth market for high quality beef and lamb loin cuts, prompting MLA to partner with importers at the Alimentaria trade show in Barcelona. The event attracted food professionals and 3,800 exhibitors across six halls and more than 140,000 visitors in three days.

8 UNITED ARAB EMIRATES**Gulfood great success**

MLA partnered with 27 Australian meat exporters at Gulfood, one of the largest food and hospitality trade shows in the world, attracting 77,600 buyers over five days. Held at the Dubai World Trade Centre, it attracted 20,000 brands and 4,500 exhibitors. MLA's Master Chef Tarek Ibrahim was one of 25 international experts chosen to judge the Emirates Culinary Guild Salon Culinare, the largest culinary competition in the Middle East. More than 1,300 professional chefs used a range of ingredients (including Australian beef and lamb) in the competition.

On the ground

Korea



Michael Finucan
MLA Regional Manager -
South Korea
E: mfinucan@mmla.com.au



The largest issue for Australian beef in Korea is the growing tariff differential compared with the US, which concluded a Free Trade Agreement (FTA) in March 2012, giving it a two-year head start on tariff reductions.

In December 2013, the Australian Government concluded negotiations on the Korea-Australia FTA which was vital to addressing the 40% tariff on Australian beef.

A number of steps now need to take place to ensure that agreement takes effect.

Australia remains the preferred source of imported beef for Korean consumers with 54% market share in 2013, despite the US having a 5.4% tariff advantage.

First quarter export volumes are up 24% on the back of a strong last quarter in 2013. With record high processing continuing out of Australia, Korea has remained a solid market. Strong Lunar New Year sales were due to consumers remaining wary of fish products, following radiation concerns in Japan and concerns about chicken following recent bird flu issues.

MLA research in Korea has found that the key purchasers of red meat, Korean housewives, see Australian beef as affordable, natural and a trusted product safe for their family. This translates into Australia having about an 80% retail shelf space in the imported beef section of major supermarkets.

In the foodservice sector, major restaurant chains recognise this strong image and use Australian beef to underpin their own safety and quality reputation.

Hanwoo beef from Korean domestic cattle is preferred by Korean consumers who like the fact it is highly marbled, locally produced and has a juicy, soft texture. However, this beef is expensive as it is intensively grainfed to create the marbling.

See the article on pages 6-8 for more on the Korea-Australia FTA.

Market observations

Heat from US market felt down under

With the historically low cattle herd in the US and the return of better pasture conditions encouraging cow and heifer retention, US cattle and beef prices have hit record levels during the first quarter of 2014.

Tim McRae
MLA Economist



This price movement has been passed along most of the supply chain, from cow/calf and feeder producers all the way to wholesalers, while the retail and foodservice sector in the US has been slower to push higher prices on to consumers.

The influence of higher US cattle prices is already being felt by Australian exporters, with exports in March 2014 topping 30,000 tonnes swt – the largest monthly volume in several years.

The close correlation typically seen between high US cattle prices and prices in Australia (when viewed on an annual basis and with some lags) has been eroded by massive slaughter numbers in Australia throughout 2013.

The United States Department of Agriculture's (USDA) long term agricultural outlook suggests that, despite the current good returns for US breeders, it will be a number of

years before the industry expands again. In that time it's predicted that beef production will be lower, per capita consumption will continue to drop and prices will keep rising. Despite the lower production, US beef exports are forecast to increase in the longer term, after a decline in 2014.

Beef production is forecast by the USDA to decline each year to 2016, with lower availability of cattle for feeding and slaughter as producers retain stock for breeding. From 2017, production is expected to grow steadily out to the end of the forecast period in 2023.

With lower production and growing exports, the expected outcome is for US domestic per capita annual beef consumption to drop below 22.6kg in 2016. The 2014 forecasted figure of 24kg would make it the lowest in over 40 years.

Forecast increases in imports will not be large enough to offset the other supply declines.



Tim McRae, MLA
E: tmcrae@mla.com.au

International benchmarking

Staying ahead

Australian cattle producers are not alone in facing adverse currency movements, rising costs and severe weather events, but are financially, if not physically, performing better than most important competitors, according to the latest *agri benchmark* findings drawn from 29 member countries (covering 90% of world beef production). *Feedback* takes a look at some of the findings.

Growing demand, especially in Asia and the Middle East, and constrained supply, has already seen world beef prices double in the past decade, along with the price of all other meats.

The world's beef markets appear to have reached a critical point, with rapid growth in demand in the developing world, led by China, pushing prices higher. Current data from *agri benchmark*'s typical farms indicated prices are covering short-term (cash costs) and medium-term (including depreciation) costs in most countries.

However, rising costs, plus resource and environmental constraints, are generally keeping beef farms from covering long-term costs (including opportunity costs) and prevent the required global supply response.

Since 2005 the cost of farm inputs (cattle, land, feed, fuel, fertiliser and labour) has risen:

150% in China

100% in South America

50% in the US

30% in Australia

20% in the EU

In comparison...Australian cow-calf systems have:

- More diversified whole farm systems (maintaining both cow-calf and finishing systems within the same business)
- Moderate to low weaning rates and moderate productivity/cow
- Low revenues due to both lower weaner and cull cow prices, and moderate productivity
- Some of the lowest cost cow-calf systems in the world
- Good short, medium and long term profitability
- Among the highest labour productivity (kg lwt produced/hour of labour input) of all farms in comparison (which is required to compensate for high wage rates)

In comparison...Australian beef finishing systems have:

- Moderate to high weight gains within their respective systems
- Received lower prices than in North America or Europe, but above comparable pasture-based systems in South America
- Moderate costs of production that do not, generally, cover the long term costs of operation
- Profits shifting between finishing and cow-calf systems, depending on weaner prices/values (most beef finishing systems in the world do not produce long term profits)
- High wage rates which require high labour productivity to compete with non-agricultural sectors

The nominal beef price rise (in US dollars) has been greatest in China (now five-times 2000 price levels), followed by South America, Australia and Indonesia, and lowest in Europe and North America (double 2000 levels). South American and Australian prices have been pushed higher by major currency appreciations against the US dollar and rising production costs.

Profitability

The beef price rise has been largely matched by jumps in global beef farm costs in the past decade, led by the cost of cattle, land and feed, but also fuel, fertiliser and labour. The fastest cost increases since 2005 have been in China (150%) and South America (100%), followed by the US (50%) and Australia (30%). EU cost rises have been around 20% in US\$-terms.

Hence, while cow-calf enterprises have generally been profitable in most countries, beef cattle finishing has not been a profitable business in recent years. However, in 2012, prior to the latest drought, the 'typical' Australian beef farms monitored by *agri benchmark* were mostly profitable, both in the short-term and medium term, due mainly to the cow-calf portion of farm operations.

Few countries can boast long-term profitability at present, but half the Australian cattle enterprises did in 2012.

agri benchmark expects cattle prices to rise further across global markets in coming years, leading to some general recovery in farm profitability - driven by rising global demand, only slow supply growth (including, importantly, in North America, South America and China) and rising costs.

Productivity

With land, climate and feed constraints, an ongoing challenge facing future beef production and profitability is to lift productivity.

agri benchmark contends that narrowing the enormous gap between the performance of the top and bottom beef producers should be a priority in all major producing and exporting countries, including Australia.

When compared with similar systems in competitor countries, there appears room for further improvement in Australian reproductive rates and in daily weight gains off pasture.

While Australian cow-calf systems are efficient and low cost by world standards, calf weaning rates of northern Australian systems range between the lowest global performers (in the Americas) and the top global performers (in Europe). Depending on the costs and benefits of change, this is likely to be an area for further improvement.

Southern Australian systems tend to perform comparably to European and North American systems.

The Australian cattle pasture finishing system was also divergent in daily weight gain achieved in 2012 - from amongst the best of its peers overseas to the worst. The lone typical Australian feedlot in the study performed strongly on this measure, even above those in the US, Canada and South Africa, which specialise in lotfeeding.

Bottom line

While global beef farm prospects look bright, Australian producers will need to lift efficiency at least as fast as our main competitors to participate fully in the growth opportunities - producing more beef with less land, high-cost grain and without substantial herd growth.

Australian cattle producers are not as well placed to benefit from a buoyant world beef market as they may have been a few years ago, owing to the likely impact of the latest drought on herd numbers.



Tim McRae, MLA

E: tmcrae@mla.com.au

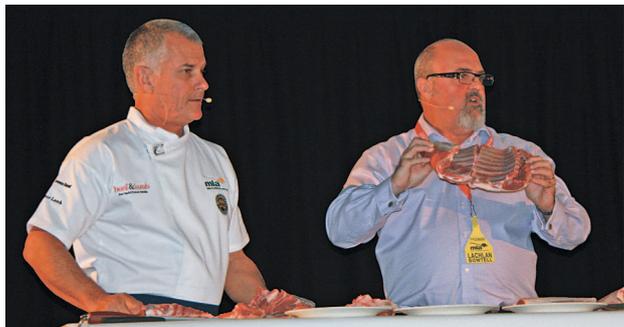


Read MLA's Red Meat Market Report entitled *How are global and Australian beef and sheepmeat producers performing?* at www.mla.com.au/marketinfo

Look out for the results from *agri benchmark*'s findings on the sheep industry in the June 2014 edition of *Feedback*.

Western Australia//Meat Profit Day

More than 200 producers attended the WA Meat Profit Day, held at Port Denison on 3 April. Here's a snapshot of three of the sessions:



MLA's **Lachlan Bowtell** and **Doug Piper** (pictured left) provided insights into what customers are looking for when they buy their beef and lamb, the big consumer issues and trends in Australia today and how industry has transformed its offer to meet these changing needs.



With so many different technologies available to livestock producers, many touting labour saving efficiencies, it is hard to know what is out there and if it suits producers needs. **Dr Matt Carrick** from BOS Veterinary Services (pictured left) ran through a number of different technologies available now and what is likely to be available in the future to help improve producers livestock enterprises.

Producers often hear about what they should be doing, but how to do it can be a whole different challenge.

Jess Horstman, 'Mulga Springs', Northampton and **Andrew Gillam**, 'Gabyon Pastoral Co', Irwin discussed what they do on their farms to make the most of tools and opportunities to improve their businesses.



Webcasts of the 21 presentations are available for viewing at www.mla.com.au/MPD-WA

Upcoming events

Farm300 advisor workshops

This workshop will increase your knowledge on climate variability, greenhouse gas emissions, business profitability and sustainability.

When and where:

20 May, Launceston Tas
22 May, Hamilton Vic
26 May, Adelaide SA
28 May, Perth WA
3 June, Tamworth NSW
5 June, Wagga Wagga NSW
10 June, Rockhampton Qld

Bookings and for more information:

www.mla.com.au/farm300
E: isherriff@macfrank.com.au
T: 0429 329 349

Primex

Take part in one of MLA's daily innovation workshops for new ideas and skills to help build a better beef business.

When and where:

19-21 June, Casino NSW

Bookings and for more information:

www.mla.com.au/pacificbeefworkshops
or 1800 675 717 (option 4)

LambEx Adelaide

A two-day conference for lamb and sheep producers, featuring outstanding speakers, an extensive trade exhibition, entertainment and an opportunity to communicate with all sectors of the lamb value chain.

When and where:

9-11 July 2014, Adelaide SA

Bookings and for more information:

www.lambex.com.au

The Challengers:

Megan and Andrew Miller, Qld



The Challengers:

Annie and John Ramsay, Tas



Find more events and information at www.mla.com.au/events

Proudly supported by

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?

Don't leave anything to chance. We've always had a 'she'll be right' attitude, but Guy brings a level of professionalism and detail that we now apply to everything we do.

Will the relationship continue once the program is officially ended?

I certainly hope it will go for a long time. Having Guy as a mentor has led us to create similar relationships with others we look up to in the industry. We're no longer afraid to share our problems and ask for advice.

The mentor: *Guy Lord*

With his wife, Suzanne, Guy manages the family's commercial cattle operation 'Branga Plains' at Walcha on the New England Tablelands of NSW. The operation runs 2,500 breeding cows in a crossbreeding program. Branga Plains is EU-accredited and has also established alliances with three Sydney butchers, supplying them with MSA-graded product.

How did you prioritise what areas needed to be worked on first?

My initial approach was to ask the Challengers what they hoped to achieve. When the response was 'to improve their business' we looked at areas that were flexible and would provide sustainability.

What were these areas?

As 'Coniston' (Andrew's property) is a cow and calf breeding operation, we set about to make it more efficient.

We decided to implement a controlled joining program that would identify regular breeders, provide cash flow from the sale of sub-fertile females and improve labour efficiency.

We also looked at market acceptance of the current breeding program and made some adjustments with cross-breeding.

What have you learnt from being a mentor?

As a mentor, you take on board the operation, including the trials of a difficult season, and it's very rewarding to have an enthusiastic acceptance of your suggestions.

I've become so attached to Andrew and Megan. I'd like to help them for many years to come. I'm determined to see them do well because they certainly get 'A' for effort.

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

To capitalise on the platform they have set and remain focused on the areas that affect profitability.

What have you learned from your mentor?

John Keiller is an expert in crossbred sheep so I've learned a lot about their management. As a successful ram breeder, he's also taught me about genetics and he's brought a lot of sound business principles to my business.

Will the relationship continue once the program is officially ended?

We're lucky because John is our ram breeder, so we'll always be in contact. When you're making major decisions it's good to have two people working together. You have a lot more confidence in your decisions when they're backed up by someone who has done it all before.

The mentor: *John Keiller*

John Keiller is a partner in Cashmore Oaklea, a seedstock-based business supplying maternal, terminal and easy care Nudie rams to eastern Australia. The centre of the business is at 'Cashmore Park', a 1,350ha property 10km west of Portland, Victoria.

How did you prioritise what areas needed to be worked on first?

I visited John's farm and got an idea of where his business was, and then we broke it down into areas where he thought he needed some expertise.

What were these areas?

We focused on production and worked our way across the production calendar.

When the Challenge began, John's ewes were in mid-pregnancy, so we started with condition scores and feed on offer, set targets for those, then monitored and assessed them.

The next step was optimising lambing for maximum survival, which meant pregnancy scanning, splitting mobs into singles and twins, and working out mob sizes and pasture covers and where to put them on the farm.

We then moved through the rest of the production calendar from early lambing right through to marketing, and on to ram selection for next year's production.

As well as giving advice, my job was to question John on all these areas to engender knowledge.

What have you learnt from being a mentor?

Ultimately, the Challenger makes the decisions, but you have to give it your all and make sure no stone is left unturned in reaching the right decision.

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

Nail down the cost-cutting and production gains we've made, then look for more gains using all the tools available.

Want to beef up your business?

Take part in one of MLA's daily Innovation workshops at Primex for new ideas and skills to help build a better beef business.

Innovation workshops

Focusing on the key profit drivers in your beef business, MLA's series of Innovation workshops at Primex will deliver practical information and tools that can make a difference to your bottom line.

Register by Monday 16 June to receive FREE ENTRY into the Primex Field Days

10am-10.45am

Managing your cost of production
Bill Hoffman, Hoffman Beef Consulting

Understanding the profit drivers in beef production is based on two figures - the kilograms of meat produced and the costs of producing that meat. Join Bill Hoffman and a panel of industry experts to discuss business and on-farm tools to help manage your cost of production and maximise the productivity of your beef business.

11.15am-12pm

Using the MSA Index to optimise eating quality

Terry Farrell, Field Operations Manager - Northern Region, MSA
Demi Lollback, Trade Development Officer, MSA

The new MSA Index is the most accurate predictor of eating quality the industry has seen so far, and allows producers to do their own modelling. Learn how the new MSA Index will help you understand the direct impact of genetic traits, breed composition and management on eating quality. If you're involved in MSA this is an important change that you need to know about!

When:

Thursday 19, Friday 20 and Saturday 21 June 2014

Where:

**Pavilion 1
Primex Field Days,
Bruxner Highway
Casino**

Cost:

FREE

Register:

**www.mla.com.au/
pacificbeefworkshops
or 1800 675 717 (option 4)**



LambEx 2014

Be Part of the Excitement!

JULY 9-11

ADELAIDE SHOWGROUND



A compelling two-day conference for lamb and sheep producers, featuring outstanding speakers, a trade exhibition and an opportunity to network.

www.lambex.com.au

-For all breeds and businesses -

Wednesday, July 9

8.00am-4.00pm	Adelaide and Mt Lofty NRM Board single day field tours, departing and returning from the National Wine Centre car park
4.00pm	Conference registration desk opens
6.30pm-8.00pm	The PIRSA LambEx welcome function - celebrating South Australia's most respected food producers and wine makers

Thursday, July 10

7.00-8.30am	Breakfast seminars: Hosted by Sheep Genetics and Grassland Society of Southern Australia
7.45am	LambEx trade show opens
8.45am-5.00pm	LambEx Conference Day 1
6.30pm-7.30pm	The Future Farmers Network pre-dinner drinks
7.30pm-11.00pm	The AWI Grandslamb dinner

Friday, July 11

7.30am-8.00am	The Gallagher Recovery breakfast
8.45am-3.45pm	LambEx Conference Day 2

