

Feedback

Managing risk

Strategies for not-so-risky business

A photograph of three men wearing light-colored shirts, blue jeans, and wide-brimmed hats. They are standing on a metal platform or railing. The man on the left is looking down at a clipboard. The man in the middle is clapping his hands. The man on the right is gesturing with his hands. The background is a clear blue sky.

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A note from the MD...

Volatility is the standard operating environment for agricultural enterprises and livestock producers are susceptible to more external risks than the average Australian business.

The Australian Bureau of Statistics has confirmed what producers always suspected, agriculture is the most volatile of all the sectors in the Australian economy.

Producers are becoming more adept at managing some of the risks such as weather and economic fluctuations that create this volatility. They are using on-farm management strategies including adjusted stocking rates, and climate and pasture growth forecasting tools; as well as managing the marketing of their livestock. However uptake in use of price risk tools has been somewhat sluggish.

A new MLA workshop - Confident Livestock Marketing - aims to equip producers with an understanding of how best to apply market information in their short- and

longer-term business decision making to help curtail market volatility and capture better business opportunities.

This objective of smoothing volatility and capturing opportunity is at the heart of many MLA investments. Our research through CSIRO, universities and state departments is developing better forecasting tools and searching for new resilient pasture cultivars that perform under changed climatic conditions.

Industry's socialised funding through MLA invests in research to help put industry and the individual businesses that operate within it, on the front foot.



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Re-connecting consumers with the real source of their food

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Your feedback



MLA members get social

The MLA blog gives you a chance to have your say on the issues of the day. Our June blog saw MLA Social Media Manager, Matt Dwyer, examine the rising popularity of social media and what it means for livestock producers.

You can read the blog on this, and a range of other issues, at www.mla.com.au/blog

Here's what you had to say on the issue.

What do you think about the rise of social media? How do you use social media in your business?

Raelene Hall

Social media has made a huge difference to my life in an isolated area. I am now able to be involved, be informed and comment on a wide range of topics and areas relevant to my life/business. I find I am far more inclined to read a news article if a friend posts a link on FB/Twitter as I know that as FB friends or those I follow on twitter they have similar interests to me and/or the industry we are involved in.

08/06/2012

Gigi Robertson

Social Media has become a necessity for me from catching up with family and friends, finding out what's happening in my community, promoting events, selling or buying goods, educating and being educated. It has also become a major tool for Agricultural Advocacy and dispelling inaccurate information spread by radical animal activist groups trying to destroy our industry. Social media is here to stay and I think it is vital those in the Rural Industry become familiar with it as a tool to spread the word.

08/06/2012

Robyn Wing

Social media is the communication vehicle of the here and now, an impressive method of promoting businesses, interests and interfamily communities, even more so in rural and remote areas. I tweet and am a member of several Facebook rural groups. I do not blog, YET.

08/06/2012



To share your views and questions, send your feedback to the editor at info@mla.com.au

MLA online



MLA tools

Tools to help you manage risk

Find out more to protect your business and reputation to ensure that production is non-hazardous, traceable, safe and fit for human consumption.

www.mla.com.au/on-farm-risk-management

Five Easy Steps + P tool

Download this tool for answers to many of the unknowns about fertiliser investment.

www.mla.com.au/phosphorustool

Upcoming events

Find out about industry events during July - August including Southern Australia Grasslands Conference, Sheepvention and Beyond the gate WA.

www.mla.com.au/events

fridayfeedback

Get practical on-farm information and the latest market news to your inbox every Friday by subscribing to *fridayfeedback*.

www.mla.com.au/fridayfeedback

Social networking

Facebook

Stay connected with MLA by friending us on Facebook.

www.facebook.com/meatandlivestockaustralia

Twitter

Read the latest tweets by following MLA on Twitter.

www.twitter.com/meatlivestock

Flickr

View MLA's photo stream on Flickr including Beef Australia 2012.

www.flickr.com/meatlivestock

YouTube

Check out the latest episode of *feedbackTV* on YouTube including industry projections - helping you make informed choices.

www.youtube.com/mlafeedbacktv



Designing dogs

We've mapped the genome of the sheep and beef producers are talking SNPs. Now the science of genetics is going to be applied to another area which will also help on-farm - the working dog.

What distinguishes the best and most consistent working dogs on Australian farms?

A new three-year national research program is to be conducted by the University of Sydney with funding from MLA, the Rural Industries Research and Development Corporation (RIRDC) and the Working Kelpie Council of Australia.

Professor Paul McGreevy and Professor Claire Wade, from the Faculty of Veterinary Science, will survey dog breeders and beef and sheep producers to establish what traits are desirable in working dogs. They will set about establishing the most important traits and what the likely heritability of those traits are and if DNA markers can help identify animals with

those traits at young ages prior to training.

"For the first time we'll measure working characteristics, behavioural and health attributes in farm dogs," Paul said. Traits such as enthusiasm and a good eye appear to be strongly inherited, so it is anticipated good progress can be made by selecting parents well endowed with them.

"We will follow numerous litters of pups through to maturity to see how stable these characteristics are," Paul said.

At the end of the study the team plan to create a website consolidating their knowledge of desirable traits and how producers can select for them.



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Lodge your levies notice

MLA members are encouraged to get their full voting rights for this year's AGM by submitting their levies notice by post or online.

All MLA members will receive their levies notice in the mail in the next few weeks.

By returning this notice or lodging online, members inform MLA about the amount of levies paid last financial year.

This is voluntary, but it is important that members lodge their levies to receive their full voting entitlement for all meetings and polls held in 2012-13, in particular this year's AGM.

To ensure you receive your full voting entitlements, return your levies notice or lodge online by **4 October 2012**.



T: 1800 675 717
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www.mla.com.au/voting

New laws for transporting livestock

New national standards and guidelines for the transport of livestock are being progressively rolled out from 1 July this year, bringing consistency to the way livestock are transported nationally and aiming to ensure good welfare practices for all livestock journeys.

The standards were developed in consultation with government, peak industry councils, welfare groups and the public, under the support of the Animal Welfare and Product Integrity Taskforce.

The new standards will form the basis of State and Territory legislated laws, which will be enforced on a state-by-state basis.

The standards are expected to be introduced in Tasmania, Victoria, South Australia and the Northern Territory from 1 July. The rollout is set to continue later this year in NSW and in 2013 for Western Australia and Queensland.

The standards and guidelines cover the transport of livestock by road and rail, and by livestock transport vehicles aboard a ship.

The standards apply to 12 species of animals - including cattle, sheep and goats - and cover:

- Planning and preparation of livestock
- Time off water
- Fit to load

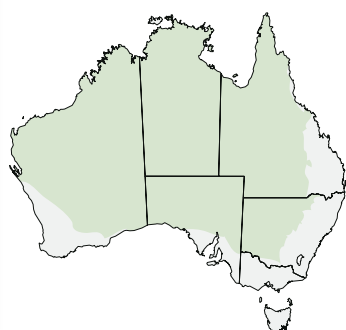
MLA has produced a revised edition of the guide *Is it fit to load?* to assist livestock producers in selecting animals fit to transport, in line with the updated transport guidelines.



For more information on livestock transport standards visit www.livestockwelfarestandards.net.au
Is it fit to load? Download for free at www.mla.com.au/fittoload



Australian rangelands



GiG guide for the rangelands

The Australian goatmeat industry has experienced strong growth in the past 20 years, largely supported by the sale of goats from rangeland or extensive production systems. More than 95% of the 1.7 million goats slaughtered annually are rangeland goats.

Established and potential rangeland goat producers wanting information to make the most of their operation can now access a new rangeland module as part of the *Going into Goats: Profitable producers' best practice guide*.

The new module assists producers in overcoming many barriers faced in achieving a sustainable increase in goat and goatmeat productivity and profitability.

95%

of the 1.7 million goats slaughtered annually are from the rangelands

It outlines what is critical to the success of a goat enterprise in the rangelands and offers case studies, practical suggestions and anecdotes based on the experience of some of Australia's best producers.

Research supporting this module identified up to 20 years difference in industry development between states – hampering the full potential of the goat industry being reached. The rangeland module assists in circumventing that 20-year knowledge gap through the sharing of ideas from around the country, detailing many crucial areas including marketing options and fencing to assist grazing and business management.



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GiG guide can be ordered (or modules downloaded) at www.mla.com.au/gig

How do you manage phosphorus?

Traditional thinking of how phosphorus is used to improve pasture-based grazing systems in southern Australia is being challenged in a new project that will take stock of this increasingly expensive input cost.

The 12-month project is part of MLA's phosphorus use efficiency program and aims to identify opportunities for producers to reduce their cost of production through improved fertiliser management.

The first step in getting a more detailed understanding of phosphorus use is a comprehensive survey of livestock producers and a series of producer and industry focus meetings. This will be led by Helen Burns of the NSW Department of Primary Industries at the Wagga Wagga Agricultural Institute.

"We need to hear from producers about what is happening on the ground, in the grazing and mixed farming zones of NSW, Victoria, Tasmania, South Australia and Western Australia," said Ms Burns.

All producers in these areas (see map below) can participate

in the project through an online survey, to provide a snapshot of the current nutrient management practices, the role of soil testing, the resources and information sources that producers use in their nutrient management decisions, and also who influences these decisions.

While reluctant to ask producers to fill in yet another survey, Ms Burns said that it is the most cost-effective way of gathering a lot of information from a very large group of producers.

"There are no right or wrong answers to the survey questions, and there should be no need to search through files and records," said Ms Burns.

"We encourage all producers to have a say in future research and extension investment by filling out the survey, which will be available on the MLA website throughout July," she said.

Producers who set aside 30 minutes of their time to fill out the survey will also have the opportunity to enter a draw for one of two \$500 gift vouchers from a major national retailer.

The survey can be accessed www.mla.com.au/phosphorussurvey



Areas where producers can participate



Helen Burns
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Go online to complete the survey at www.mla.com.au/phosphorussurvey

Managing risk

A not-so-risky business

The Australian Bureau of Statistics (ABS) has confirmed what producers always suspected. Agriculture is the most volatile of all the sectors in the Australian economy.

While the average index of volatility (measured by year-to-year output growth) is 100 across most industries, agriculture scored 234 (the lowest was healthcare with 46).

When ABS examined the sub-sectors of agriculture (for the period 1961 to 2009) the beef industry was ranked the second most volatile sector (behind grains and oilseeds) with sheepmeat coming in at fourth, just behind sugar.

Mick Keogh, Executive Director of the Australian Farm Institute, added in a paper published recently in the *Farm Policy Journal* (Autumn Quarter 2012), that Australian farm business managers operate in a more volatile business environment than virtually any other national group of farmers worldwide.

"This highlights the importance of risk management for the future success of farm businesses in Australia," he said.

As a result, he added, the sector on a whole was skilled at managing risk, possibly due to low levels of direct and indirect government support of the farm sector compared with international competitors.

But risk management is not as simple as taking out good insurance or the occasional forward contract. Risk is posed to the farm business on a daily basis by the climate, environment, markets, government policy, financial sector, biosecurity, international trade and human resources.

In 2009 Dr Lauren Rickards now a research fellow at the University of Melbourne, wrote a paper titled *Uncertainty, Complexity, Risk, Vulnerability, Resilience and Adaptation: Relevance for agriculture in the context of climate change and drought*.

Doing better business

MLA offers a number of tools to help minimise the risk to the business side of your livestock enterprise. Market data, industry forecasts and training are just some of the services offered.

Market information can affect a livestock producer's bottom line just as much as buying the right bull or choosing the best pasture species. By monitoring market signals, producers can make more informed decisions about when and how to sell or buy animals, which helps manage risk and potentially captures the best opportunities.

But what information should you use? There is a wealth of market information available to livestock producers. The key is working out what information is relevant to your business and goals.

Useful information may include weather forecasts (when assessing feed availability and ability to finish stock), cost of

production, historical market prices, price levels for other related commodities, and domestic and international production (supply) and consumption (demand) forecasts.

MLA market information delivers the latest prices, reporting, forecasts and analysis for Australia and international red meat markets. Key information includes the following:

- **Livestock market data** - current and historical data for daily or weekly market indicators, saleyard and over-the-hook prices
- **Meat & Livestock Weekly** - a weekly e-newsletter detailing the latest news, buyer and competitor activity and trends, export and domestic prices

It suggested being able to cope with these risks involved adopting the following approaches when appropriate:

- Resilience in the face of an event that allows the system to remain basically the same
- Transformation - being able to change your business to cope
- Resistance to risks (reducing our sensitivity to them)
- Mitigation of risks by making our environment more suited to survival, ie employing risk management tools



MLA invests in these areas to support producers to make more informed decisions that ultimately mitigate risk. MLA programs include Making More From Sheep and More Beef from Pastures, as well as BusinessEDGE and the newly developed Confident Livestock Marketing workshops which demonstrate how to use market information (see articles on pages 18-19).

At the core of the collective investment made by MLA are activities that support industry in tomorrow's trading environment, preparing industry to better manage and minimise risks such as disease, economic and environmental threats.



Australian Farm Institute *Farm Policy Journal 2012 Autumn - Managing uncertainty in the world's riskiest business*
www.farminstitute.org.au/publications-1/farm-policy-journals

Tools to help you manage risk:

More Beef from Pastures: www.mla.com.au/morebeef

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

Livestock prices and markets: www.mla.com.au/Prices-and-markets

A Guide to Taking Out Contracts for Cattle:

www.mla.com.au/price-and-supply-management

On-farm risk management:

www.mla.com.au/on-farm-risk-management

→ **Industry projections** - supply and demand forecasts, both domestically and overseas, for the next five years

Confident Livestock Marketing - a practical workshop

An understanding of the underlying data and drivers of cattle and sheep markets provide a solid foundation for sound business management.

MLA's Confident Livestock Marketing (CLM) workshops assist livestock producers to understand and apply market information in their short- and longer-term business decision making.

Key topics covered in the workshop include:

- 1 Finding reliable and relevant market information
- 2 How National Livestock Recording Service (NLRS) data is collated, reported and accessed
- 3 Using price relationships to determine a 'fair' price for your livestock
- 4 How to identify good selling or buying opportunities
- 5 Estimating future prices using historical market movements
- 6 Using price information to construct a trading strategy and budget

7 Assessing the risk of this strategy through best, average and worst case scenario analysis



Workshops run for one day with separate workshops held for cattle and sheep markets.



Contact your Making More From Sheep State Coordinator (www.mla.com.au/makingmorefromsheep) or More Beef from Pastures State Coordinator (www.mla.com.au/morebeef) for information on upcoming workshops or to register your interest.

Processors contributing to red meat's green credentials

Australian red meat's green reputation relies on reducing environmental impact in each link in the chain. The processing industry is investing heavily in energy and water efficiency programs and improving waste management in a bid to reduce carbon emissions.

A three-year strategy to address climate change and its associated costs to business, will not only help processors reduce methane and carbon emissions but also reduce operating costs.

The strategy, a joint initiative of the Australian Meat Processor Corporation (AMPC) and the Australian Meat Industry Council (AMIC), will focus on energy use, water use, biodiversity loss, solid waste and waste water management, and climate change impacts.

The projects include a review of an energy savings calculator, which enables processing plants to identify the most costly items of equipment to operate in terms of energy consumption; a trial to collect and filter water from the evisceration table for re-use in cattle yards; and investigation into drier cleaning systems to reduce the amount of water used for daily plant and equipment cleaning (up to 33% of total water use).

AMPC Chief Executive Officer, Michelle Edge said while there are challenges facing industry with respect to climate change and reducing carbon emissions, there are also opportunities.

"These include productivity, efficiency and economic gains from RD&E outcomes gained through dedicated investigations, as well as active promotion of the red meat industry's clean and green reputation in collaboration with other agricultural sectors," she said.

MLA co-invests with AMPC in environmental R&D for the processing industry. MLA's focus is on the adoption of technologies and new processes that make a difference and deliver benefits to both the industry and the environment.

MLA's off-farm Environment Program Manager, Irene Sobotta said a key area is to build industry capability so it is better placed to identify and take up technologies and to be innovative with their environmental management practices.

Pond methane reduction

Churchill Abattoir is trialling new methods of covering anaerobic lagoons, used for treating raw meat processing wastewater. Anaerobic lagoons release significant quantities of methane, which is a potent greenhouse gas.

Churchill engineer Mike Spence said methane production in the past has not been seen as economically viable due to the low cost of power. "Better technology and increased prices due to the ETS have changed the way we now think about things," he said.

"Ours is not only an economic response but a social one as well; encroaching development close to abattoirs has also changed the way we interact with our local community."

Covered ponds to capture biogas for energy generation has the added benefit of minimising those 'abattoir smells'.

Targeting improved sustainability

Target 100 an initiative by the Australian livestock industry aiming to deliver more sustainable cattle and sheep production by 2020. Churchill Abattoir is participating with its pond methane reduction project. If you would like to know more or to get involved go to www.target100.com.au

Going geothermal

The Midfield group has invested in electricity co-generation, utilising thermal energy to increase the efficiency of transforming the fuel source to electricity from 40% to 90%.

The company's rendering operation is remote to the main processing plant so capturing waste heat from the render and using it in the abattoir was not viable, given the 3.2km between the plants.

Alternatively, an opportunity existed to develop a 700m deep geothermal bore that gave the company access to a licensed daily extraction of two million litres of 42°C sustainable water.

The introduction of reverse osmosis enabled treatment to drinking water standards, which was used to displace some of the 12°C potable water supplied to the site for the purposes of 82.5°C sterilisation and 45°C hand wash consumption - an initial 30°C thermal gain.

This process has reduced potable water use, increased site energy efficiency from 35-75%, abated 5,700t of carbon emissions in 2009-10 and decreased site emissions intensity per tHSCW by 30%.



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www.ampc.com.au/communications/factsheets

www.target100.com.au

By 2015, the processing industry aims to reduce:

Water consumption used per tonne of Hot Standard Carcase Weight (tHSCW) by

10%

Energy consumption per tHSCW by

10%

Greenhouse gas emissions per tHSCW by

20%

Meat the future at Albany

The upcoming Meat Profit Day in Albany will present Western Australian red meat producers with innovative ways to improve productivity, as domestic and global demand for their product grows.

With a theme of 'Growing to meat the future', the Southern WA Meat Profit Day will be held at the Albany Entertainment Centre on Tuesday, 28 August 2012, and registrations are now open.

The day will include keynote addresses, interactive demonstrations and opportunities to network with other producers and members of the supply chain.

Organising Committee Chairman Craig Heggaton said the aim of the event was to encourage producers to think outside the box and hopefully pick up some new ideas to benefit their enterprise.

"Producers who attend will hopefully gain motivation and confidence to grow their enterprise from the presentations that will give an update on our markets, now and in the future, as well as highlight some of the latest R&D outcomes to help increase businesses profitability," he said.

The morning sessions include 'From processor to plate: The supply chain story' and 'Understanding current and future markets'. The afternoon sessions are

'Building a better business' and 'Realising the potential of your flock or herd'.

Export beef industry advisor, Catherine Marriott, who was profiled in the June edition of *Feedback*, will be among the guest speakers.

Demonstrations will include MSA beef grading and lamb carcass grading as well as beef rump seaming and how to breakdown a lamb carcass. A technology hub will showcase a 'Guide to Social Media', followed later in the day with an insight into using Lambplan/Breedplan.



To see the full program or to register for the Southern WA Meat Profit Day go to www.mla.com.au/MPD-Albany



Craig Heggaton Chair, Southern WA Meat Profit Day

Prime lamb and seed stock producer, Craig Heggaton moved from Tasmania to study Veterinary Science at Murdoch University before deciding to settle in Kojonup, Southern WA.

His mixed farming operation is 50% cropping and 50% sheepmeat, including at present a commercial flock of 12,000 ewes as well as three stud flocks: Poll Dorset, Kojak and Prolific.

As the Chair of the Southern WA Meat Profit Day, Craig hopes producers will walk away from the event excited about the future of the Australian lamb industry. "The industry outlook is extremely positive with world flock numbers declining and global demand for sheepmeat high," Craig said.

Lamb supply chain

New research for every step of the paddock to plate chain aims to

Muscling up the lamb supply chain

A heightened focus on producing leaner lambs with the tenderness, juiciness and flavour consumers want - that's the basis for the formation of the Lamb Supply Chain Group (LSCG).

Supported by MLA and the Sheep CRC, the Group comprises representatives from MLA, the Sheep CRC and the Department of Primary Industries in NSW, Victoria, SA and WA. With research and development projects focused on linking producers, processors and consumers, their underlying goal is to increase the rate of improvement in lean meat yield (LMY) in lambs by 20%. From the 2007 rate of LMY improvement, the work aims to achieve improvement in 40% of slaughtered lambs by 2013.

Group coordinator Bruce Hancock, of Rural Solutions SA, said "However we mustn't lose the great eating quality attributes of lamb."

"Through the work we're doing, if we weren't measuring and quantifying eating quality, we could have easily gone down that path," Bruce said.

To do this, the Group investigated the role of genetics through the development of new Australian Sheep Breeding Values (ASBVs) for LMY and eating quality traits and redressed simple accurate measurement of fat and more sophisticated measurement of LMY through ultrasound scan and video image analysis.

Working closely with processors

WAMMCO now has a reward system where farmers receive a 5% bonus for every carcass in the top 15% for LMY.

WAMMCO Supply Development Manager Rob Davidson said increasing LMY is critical for the efficient running of any processing facility.

"It is important that the increase in LMY is obtained through additional carcass muscling rather than producing an exceptionally lean carcass," Rob said.

"Carcasses still require well developed hindquarters and must provide consumers of the product a pleasurable eating experience that leads to repeat purchases."

The collaborative projects have included economic analysis of the value of LMY, which has shown a \$2.30/carcass increase in value to the supply chain; standardisation of the calibration of any LMY measuring device with Computerised Tomography (CT) scan - the 'gold standard'; and reintroducing the manual GR knife for fat measurement.

JBS Farm Assurance and Livestock Supply Chain Manager, Mark Inglis, said JBS has implemented GR management across all the company's plants.

"We hope to link that up with Livestock Data Link to be able to get that information flow back to producers.

"That will allow farmers to understand when they've reached their optimal weight and optimal fat score for each type of animal they actually produce."

Bruce said the ultimate aim for the group is to build a platform of systems that integrate genetic information, measurement systems, carcass feedback and eating quality assurance through MSA.

"In doing this the benefits will be that producers and the whole supply chain will receive information that allows decisions to be made to produce lambs to market specification.

"This includes enhanced LMY in the right areas of the carcass while also ensuring that lamb maintains its ability to deliver high eating experiences for Australian and international consumers.

"The goal is to ensure Australia is the leading supplier of premium lamb and sheepmeat to the world."



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www.sheepcrc.org.au

Watch episode 17 of *feedbackTV* for the story, *Balancing yield with eating quality*: www.youtube.com/mlafeedbacktv

Bruce Hancock, National Lamb Supply Chain Coordinator.

improve producer and processor profitability and consumer satisfaction.

Try a little tenderness... starting in the paddock



The genetic traits that lead to important eating qualities in lamb, like tenderness, will be assessed in a large scale paddock to plate trial, a project aimed at helping the Lamb Supply Chain Group (LSCG) meet its goal of increasing the rate of improvement in lean meat yield (LMY) while maintaining, or improving, eating quality.

*Meat research leader
Dr Janelle Hocking Edwards.*

A new three-year MLA funded research validation project working with producers and processors aims to boost their profitability by improving LMY and tenderness.

It will demonstrate the value of newly developed Research Breeding Values (RBVs) for these hard-to-measure traits by recording the progeny of specific rams.

The RBVs were an outcome from the Information Nucleus Flock in the Sheep CRC and the Sheep Genomics Project. They will be tested in this project by following the progeny from sires selected according to these RBVs from paddock-to-plate.

Starting with extremes

Initially, four Poll Dorset and four White Suffolk rams have been chosen because of their extremes in LMY and eating quality, particularly intramuscular fat (IMF) and shear force - a measure of tenderness.

Two farms are currently running 600 trial ewes each with a further 20-30 sites in WA, Tasmania, SA, Victoria and NSW expected next year.

On each site, the three to five-year-old common bloodline ewes will produce at least 400 lambs after being AI'd to eight

different sires, with at least 25 lambs to be sired by each ram.

Lambs will be identified according to sire and weighed at weaning and monthly until slaughter.

Measuring up

Project Coordinator Dr Janelle Hocking Edwards, of the SA Research and Development Institute (SARDI), said the lambs would be assessed for tenderness, LMY and IMF under Sheep CRC developed guidelines.

This will help researchers determine the value of the genetic traits for these meat qualities. At this stage the research will not explore the effect of these traits on desired qualities such as reproduction, growth rates, etc.

"These qualities are hard to measure as you have to kill the animal to get the measurement. Once killed, you can't breed from it," Janelle said.

The first lambs will be bred in commercial enterprises already supplying lambs to processor JBS Australia and Coles. Janelle said other processors were keen to become partners in the project once more sheep producers come on board.

Up to
12,000
lambs measured in trial

Producers will manage the ewes through pregnancy and lactation and then identify which ewes have produced which lambs.

It's the first year of a three-year project and there will be two years of mating and two years of slaughter. Merino sires and maternal sires will be incorporated next year.

Janelle has been involved in both wool and sheepmeat research for over a decade.

She is motivated by her family farm in south-east South Australia, which joins 4,500 ewes annually for both wool and prime lamb production.

"I have always liked working with meat and wool, focusing on improving productivity/ha in particular," Janelle said.

"It is difficult to increase land size so you need more from the same amount of land."



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Biosecurity begins at home

As an island nation, Australia has lots of advantages when it comes to the threat of foreign diseases and pests affecting livestock but we can't afford to become complacent about the potential risk and producers need to play their part.

\$16 billion

predicted cost of foot and mouth disease outbreak in Australia if controlled within 12 months

(Source: DAFF)

\$775 million

predicted annual cost of screw worm, if found in Australia

(Source: MLA)

MLA invests in ongoing research to enhance Australia's exotic disease control, but producers are urged to increase security on their properties.

The latest research investment from MLA is in threats not yet in Australia, including Foot and Mouth Disease (FMD), blue tongue and old world screw worm fly.

However, MLA Biosecurity, Animal Health and Welfare Project Manager, Dr Johann Schröder, said biosecurity should be redefined down to the enterprise level.

"Many regard biosecurity as preventing exotic disease from entering the country," Johann said.

"Biosecurity means preventing disease from entering a flock or herd. In the intensive livestock industries, it can be as simple as footbaths before visitors are allowed to enter."

A good example of farm level biosecurity is the sheep lice, which Johann suggested vigilance by property owners could see the threat wiped out.

"We have problems that have been solved, like sheep lice and virulent footrot, and the solutions are there but they have not been adopted," he said.

"Particular care needs to be taken with the introduction of new animals, which can bring new parasites and infections onto a property. Such animals ought to be quarantined, inspected and treated where necessary, prior to assimilation with the existing flock or herd."

Current research

MLA has invested in preparing for a potential outbreak of FMD, contributing funding through Animal Health Australia (AHA) for research conducted by CSIRO.

Johann described the approach as multi-pronged, including surveillance of neighbouring regions. Different strains of potential FMD require specific vaccines, so monitoring is crucial.

"It is confronting and unacceptable to the public to have funeral pyres of destroyed animals as seen in the UK with their last outbreak," Johann said.

A new project aims to buttress southern Australia from any invasion of bluetongue virus by identifying the risks of the spread of its main insect host.

By surveying the vector (culicoides midges), the project aims to provide a fuller picture of the risks of the spread of bluetongue in southern Australia and provide the basis for improved surveillance and more effective measures to limit the impact of any outbreak.

Another new research project will explore chemical measures to help contain an incursion by old world screw worm fly.

The research project will identify the most effective chemicals for use in the containment of a screw worm fly incursion and provide efficacy data to support the granting of emergency use permits.



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1800 675 888 - national hotline for reporting pest and disease outbreaks in livestock



1800 084 881 - national hotline for reporting pest and disease outbreaks in plants www.outbreak.gov.au

www.daff.gov.au/animal-plant-health/pests-diseases-weeds/animal

www.animalhealthaustralia.com.au/programs/biosecurity

www.farmbiosecurity.com.au





Photo supplied by Animal Health Australia.



Foot and mouth disease (FMD) is a highly contagious animal disease that would have severe consequences were it to be introduced into Australia.

Photo courtesy of CSIRO.



Screw worm fly looks like an average sized blue blowfly and is found in almost all tropical countries except Australia. It is related to the blowfly that causes fly-strike in Australian sheep.



Bluetongue is characterised by fever, widespread haemorrhages of the oral and nasal tissue, excessive salivation, and nasal discharge. In acute cases the lips and tongue become swollen and this swelling may extend below the lower jaw. The blue tongue that gives the disease its name occurs only in a small number of cases. Photo courtesy of CSIRO.

Producer steps for good on-farm biosecurity

Reduce the risk of introducing infectious disease:

Introduced stock

Purchase stock from reputable and biosecurity conscious suppliers. Make every effort to assess the health status of incoming stock and only purchase stock from flocks/herds with the same or higher health status than your own. Insist on a vendor's declaration as to status and treatment - this is particularly important in ovine brucellosis (OB) in sheep stud stock.

- Treat incoming stock with appropriate drenches and vaccinations and hold them for a period of no less than 24 hours in yards to empty out.
- Ensure records of stock transactions are kept up-to-date.
- Quarantine and monitor incoming stock for at least seven days. Extend this period if footrot or Johne's disease in sheep is suspected.

Vehicles and people

- Be aware of the potential for property contamination by visitors and where possible limit access and encourage use of protective clothing and cleaning of hands and shoes.

Stockfeed

- Ensure no contamination of stock feed by livestock, vermin or other animals.
- Source stockfeed from manufacturers with a quality assurance program with a biosecurity component.
- Be aware tallow is the only animal product which can legally be fed to stock.

Boundaries

- Ensure all boundaries are well maintained and secure.

Feral animals and wildlife

- Control where possible and work with neighbours to maximise effectiveness.

Reduce the risk of disease spread:

Regularly monitoring and investigating animal illness or death

- Report cases of unusual sickness or death to a vet or government officer.
- Remove and isolate sick animals.
- Where possible, record the number of deaths to identify significant increases.

Maintain good animal health practices

- Establish and maintain a flock or herd health plan.
- Use proficient operators to implement plan.
- Ensure horses, working dogs and pets are part of this plan.

Appropriate disposal of carcasses

- Where possible, dispose of carcasses in a segregated area, taking into account environmental and public considerations.

Information courtesy of Animal Health Australia and Public Health Australia.



Kylie's tips before you click:

- Don't run away from negative or tough questions. Use your answer as an opportunity to educate, correct and inform for a constructive conversation.
- Create a conduct page on Facebook (eg the 'Paddock Rules' on Ask an Aussie Farmer) to manage discussion.
- If you are isolated, social media is a way to connect with people you might never have met.

Re-connecting consumers with the real

Red meat producers across Australia are Tweeting while mustering, uploading YouTube videos from the cattle yards and blogging about life on the land, and MLA is supporting the industry to engage in these online conversations.

The 'Real Conversation' social media workshops have already been rolled out to more than 60 producers in Tasmania, Queensland, NSW, NT and Western Australia since last November as part of MLA's community engagement strategy. Victoria and South Australia are next.

These day-and-a-half workshops are complemented by one-hour introductory sessions at industry events such as BeefUp Forums, Meat Profit Days and Beef Australia. Producers can also access tips, tools and tutorial videos on MLA's website, plus a portal to sustainability initiative 'Target 100' and industry blogs.

User-driven social media allows red meat producers to tell their story and build relationships with consumers and other producers.

Bringing beef to Facebook and Twitter

Fourth-generation Victorian beef producer David Maconochie, 27, attended an MLA social media workshop as part of his participation in Target 100.

The family run a backgrounding and feedlot enterprise at Dunkeld and market its 'Hopkins River Beef' brand to Melbourne restaurants and distributors in Sydney. They also produce the co-branded Coles Finest steak range.

"Target 100 is about having a conversation with the community, so I wanted to learn more about the power of social media and how we can use it to educate consumers about sustainable livestock management," David said.

David is building on Hopkins River's Facebook and Twitter presence by integrating social media into his daily activities. He sees YouTube as the best forum and is creating a bank of videos to upload. He believes in showing realistic images with an explanation to educate consumers about agricultural challenges and solutions.

David is inspired by how restaurants engage customers via social media.

"It's a lesson for livestock producers. We need to start thinking of ourselves as food producers and reconnect to consumers."

Blogging on

For Vicki and Shane Mayne, who manage a Brahman breeding enterprise at Annaburroo Station, NT, social media is a two-way education tool. After attending MLA's Katherine social media



David's tips before you click:

- Know what you want your individual message to be.
- Think outside your own circle, identify your target audience and don't be put off by what your peers might think.
- Activities you see as 'boring', can be really interesting to someone in the city.
- Being online can boost your bottom line by communicating with your customers.



Vicki's tips before you click:

- Technology can be frustrating, so find one or two social media options which best suit your situation.
- Elaborate and explain so your urban audience understands why you make certain management decisions.
- Social media can be a marketing tool, or just a way to contribute to your industry.

source of their food

workshop, Vicki and Shane started a blog which has attracted young urban readers.

"We were feeling left behind because we knew a lot of information was available through social media," Vicki, 40, said.

"As well as learning more about our industry, we are being educated through our blog about what our audience knows about the livestock industry."

Remote technology is a challenge but the Maynes are persevering.

"We started blogging to support our industry, but now it is integrated into our daily activities. Shane takes the camera out to take photos for the blog, and collaborating on the blog has helped our own communication at home."

Facebook friends

Facebook is the tool of choice for Kylie Stretton, 31, who runs a livestock agency and small trade steer and bullock enterprise at Charters Towers, Queensland, with her husband Shane.

MLA's Charters Towers workshop fed Kylie's existing social media interest. She administers three Facebook groups: *Save Live Export*, which has 2,900 members; *Rural and Remote Australian Women*, a 'virtual kitchen table' for 130 women; and *Ask an Aussie Farmer*, which has had 1,360 'likes' since launching in March.

"*Ask an Aussie Farmer* is a great example of how the whole agricultural industry can unite through social media," Kylie said.

Left: Distance is no barrier for Kylie Stretton, Charters Towers, who harnesses technology to connect with producers and consumers across Australia. Middle: David Maconochie is promoting Hopkins River Beef and the wider industry through YouTube. Right: Blogging has opened up communication to other producers and the urban community for top end cattle producers Shane and Vicki Mayne.

David said social media doesn't have to be time consuming: "Take a photo on your iPhone or Blackberry, upload it and in 10 seconds there is your daily social media contribution."



Check them out:

David Maconochie

- Twitter: @hopkinsrivbeef
- Facebook: Hopkins River Beef
- YouTube: Inside the gate

Vicki Mayne

- Blog: www.topendcattle.tumblr.com

Kylie Stretton

- Blog: www.kidscattlemobilephones.blogspot.com
- Facebook: Ask an Aussie Farmer

MLA

- Website: www.mla.com.au/MLA-community
- Twitter: @meatlivestock
- Facebook: www.facebook.com/meatandlivestockaustralia
- YouTube: www.youtube.com/meatandlivestock



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Managing risk In profile

Jim Cudmore // *Kerwee Feedlot General Manager and Australian Lot Feeders Association (ALFA) President*

The complexity of tools to manage risk in a feedlot business, highly exposed to input and output prices, has increased over time. What hasn't changed is a basic need to ensure product integrity and customer satisfaction.

These are the main operating risks to an intensive livestock feeding enterprise that supplies grainfed beef to global markets, according to Kerwee Feedlot General Manager Jim Cudmore.

He is retiring from the company after 16 years at the helm of the 9,171-head capacity cattle facility in Queensland's Darling Downs region. He also plans to hand over the reins of President of the Australian Lot Feeders Association later this year.

Jim hopes to continue working in the livestock sector, in which he started his career as a microbiologist before moving into intensive cattle production.

What are the challenges of managing risk in intensive livestock enterprises?

"Managing product integrity and customer satisfaction is vital. We use the Meat Standards Australia (MSA) grading program, are accredited through the internationally recognised ISO9001:2000 quality assurance scheme and have Hazard Analysis Critical Control Point (HACCP) Australia Food Safety accreditation.

"We also use the SureTRAK genetic testing system that ensures complete traceability of meat through the production chain using an animal's DNA profile.

"At Kerwee Feedlot, we are feeding cattle from 60 up to 400 days to meet quality parameters for marbling, meat fat and colour.

"There are high risks of currency volatility in that period and we use a range of strategies to manage grain, other feed and production costs, price volatility and product sale values. These include forward contracts."

How has risk management changed during your time in the industry?

"A lot of price risk for livestock transactions has been, and continues to be, managed through direct vendor-buyer relationships. More currency and grain risk management tools have become available and financiers now also offer a range of business risk management solutions and options.

"A business is inherently risky when adding value to grain and adding value to livestock through feeding cattle to a defined endpoint and sale."

How can livestock producers manage risk?

"There are points in the production and price cycles where it can be beneficial to use basis and forward price contracts (see page 18 for more). But generally, there is a lot of value in producers building relationships with end-users, utilising the market tools available to reduce uncertainty and minimise risk, and communicating to both parties expectations from the transaction. This should be based on a win-win scenario to mitigate any identifiable risks.

"The same applies to livestock feeding businesses which can offset a lot of risks through direct dealings with customers, and the strategies available around pricing and currency fluctuations."



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Research at work

In each edition of *Feedback*, this section features the latest on-farm strategies emerging from industry's investment in research

In this issue

Healthy soils

A northern WA producer demonstration site shows techniques for managing run off to restore soil health

Ewe-lamb joining

A Victorian producer demonstration site is revealing the how-tos for successful early mating of young Merinos

Risk management

The value of a whole farm plan

Nutrient knowledge

Five Easy Steps phosphorus tool successfully road tested in NSW's Monaro region



Precision livestock management

The **WOW** factor

A group of north west Queensland beef producers have teamed up to participate in a Producer Demonstration Site (PDS) to investigate the effectiveness of the latest remote technology.

The PDS is being run in conjunction with the inaugural Richmond Beef Challenge which saw nine producers from the Richmond Shire each entered five head of steers (0-2 tooth, 300-400kg) into a host paddock in June 2011.

PDS coordinator, Rebecca Matthews, FutureBeef Extension Officer in Cloncurry (Queensland Department of Agriculture, Fisheries and Forestry), said the Group wanted to investigate the effectiveness of walk over weighing (WOW) and remote monitoring cameras as part of the Challenge.

"We are using an automated WOW bridge supplied by Precision Pastoral that weighs the Challenge animals every time they exit the water yard through the spear trap," she said. This weight data is correlated to their NLIS tag with a panel reader and is uploaded to the group's website on a weekly basis.

uSee remote monitoring cameras provided by Harrington Systems Electronics (HSE) monitor the water trough and tank levels at the water yard and pasture condition at a site two kilometers from the watering point.

Both cameras are programmed to take photos daily which are automatically uploaded to the uSee website www.usee.com

Faecal NIRS samples are collected on a monthly basis to enable the group to correlate diet quality to liveweight response.

"We hope to demonstrate the effectiveness of WOW technology to identify management trigger points for decisions such as when to sell stock and when to start dry season supplementation," Rebecca said.

"We also want to determine the effectiveness of the remote cameras to reduce labour costs associated with water runs, pasture monitoring and to provide early alerts to problems such as water shortages."

Results to date

The PDS is due to finish in mid-2014 and although no definitive results have yet been released, Rebecca said several interesting observations had been made.

"The group waited until the WOW data showed that weights had begun to plateau before starting to feed lick to the steers in mid September last year," she said.



"This was six weeks later than the neighbouring Flinders Beef Challenge who did not have access to this information. This represents a significant saving on lick bills across a larger herd."

Rebecca said the technology had also provided an interesting insight into animal behaviour with some animals only watering

An exercise in precision

Precision livestock management has often been touted the way of the future, but an MLA-funded research project will assess the true potential.



Over the past decade a growing number of precision livestock management (PLM) technologies have become commercially available to Australian beef producers.

The uptake of PLM technology in the beef sector has been slow and many producers have been left wondering just how PLM could benefit their beef operation.

In September 2011, MLA commissioned Central Queensland University (CQU) senior research fellow, Dr David Swain, to investigate six emerging PLM technologies and determine potential financial gains that could be made by using these technologies on-farm.



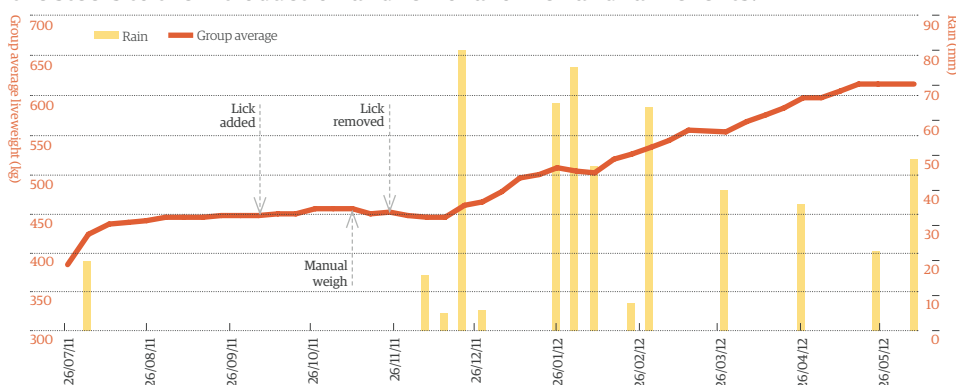
1



3

1. Steers using the WOW bridge positioned at the exit spear.
2. (L-R) Group Chairman Phil Corlis, Hazelwood Station, host property owner Alister McClymont, Burleigh Station and manager Darren Gillatt at the manual weigh day, 10 November 2011.
3. Steers eating dry licks used as part of the trial at the PDS.

Figure 1 The graph highlights the response, in terms of liveweight gain and loss, of the steers to the introduction and removal of lick and rain events.



Source: DAFF

The weights recorded over the WOW system were also compared to manual weights taken at periodic manual weigh days by the group in November 2011, and March 2012, and found to be accurate (figure 1).

"In November there was only 200 grams difference between the individual weights recorded manually and the average weights of those individual animals over the week which is impressive" she said.

Practicalities

Beef producer, Alister McClymont, who has several properties in the Richmond district and is co-hosting the Richmond PDS, is a strong supporter of the concept of remote technology but said that, in many cases,

the systems were too complex for his own operation.

"One of the biggest problems with walk over weighing is that it requires there to be only one watering point in a paddock and often that is not practical," he said.

"However I can see the benefits of this technology, particularly the WOW because it can tell us how our cattle perform throughout the entire year.

"This system can also tell us, within weeks of introducing a supplement, the effect it is having on our cattle, which would be a huge advantage."



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every second or third day at certain times of the year.

"The WOW system sends an alert when an animal's NLIS tag hasn't been read for several days so we are aware of missing stock or potential problems with individual animals that can be further investigated in person. It also alerted us to one animal who consistently jumped out of neighbouring paddocks," she said.

"By focusing on industry needs and industry benefits we hope the emerging technologies will evolve to provide simple robust solutions to enable commercial success," said David.

"The northern beef industry is a collection of diverse production systems with diverse climates and different operating environments, so just because a technology is useful for one producer, doesn't mean it will be for the next."

The project is analysing the potential for:

- 1 Walk over weighing (WOW). An automated weighing system, usually located at a watering point that individually weighs an animal when it comes in to water.
- 2 Remote auto-drafting. Used in conjunction with WOW. Animals can be automatically drafted off when they reach sale weight.
- 3 Electronic pregnancy scanning.
- 4 Coarse Scale Livestock Location. Identifying roughly where an animal is in a paddock.
- 5 Fine Scale Livestock Location. Identifying specifically where an animal is in a paddock.
- 6 Tools to provide automated vegetation assessment. This system uses remote sensing images to provide producers with information such as ground cover and quality.



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Confident Livestock Marketing workshops



Confident Livestock Marketing is a one-day workshop to assist cattle and sheep producers to understand and apply market information in their business decisions.

Separate workshops are conducted for cattle and sheep markets.

Participants will learn how to:

- identify market information relevant to them
- determine a 'fair' price for their stock
- identify good selling or buying opportunities
- estimate future prices using historical price movements
- construct a trading budget and assess best, average and worst case scenarios

These practical one-day workshops include theory, practical examples and activities.

Dates:

Sheep and lamb markets

24 July Wudinna SA

25 July Clare SA

22 August Keith SA

Cattle markets

21 August Mt Barker SA

23 August Naracoorte SA



For more information or to register your interest:

Contact your Making More From Sheep State Coordinator
www.mla.com.au/makingmorefromsheep
 or your More Beef from Pastures State Coordinator
www.mla.com.au/morebeef



Establishing

Without a doubt, prices are volatile over time. Figure 1 shows the variation in the Eastern States Trade Lamb Indicator (ESTLI) since 2005. On average, the variation in ESTLI within each year is 33%. Similar results are evident in other key lamb market indicators.

The variation within year and over time makes it difficult to estimate what prices should be. However, another way of looking at prices is by comparing them to a general market price. Do your cattle or lambs trade at a premium to the general market at a particular time of year? Do they trade at a discount? Or are they relatively similar?

The difference between a lamb (or cattle, for that matter) price and the general

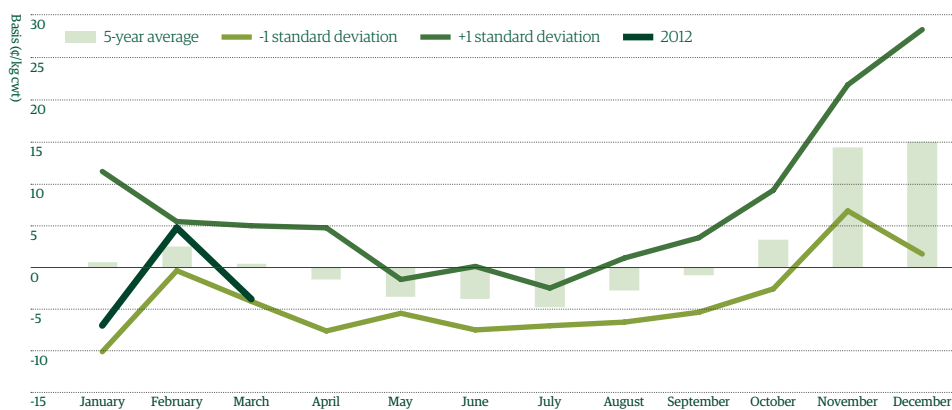


Figure 1 Eastern States Trade Lamb Indicator (¢/kg cwt)



Source: DAFF, ABS, MLA

Figure 2 Difference between NSW trade lamb and ESTLI (basis): 2007-2012



Source: DAFF, ABS, MLA

market - represented by the ESTLI - is called the Basis.

This Basis is seasonal and remains relatively stable regardless of whether prices are going up or down. It is for this reason that historical Basis can be used to determine what price to expect at different times of the year. This will enable you to know whether a price you are being offered is reasonable.

Figure 2 shows the difference between the NSW trade lamb price and the ESTLI (ie the Basis). You can see that, on average in May, the NSW trade lamb indicator trades at a 3¢ discount to the ESTLI. The variation around the May average is only small, shown by the narrow standard deviation bands.

Let's say a NSW producer had trade lambs to sell in May, and was offered 498¢/kg cwt (or 3¢ over the ESTLI, which was 495¢/kg cwt at the time) by a processor for those lambs.

By comparing the current basis to the historical average of -3¢, the producer would be pretty comfortable that the offered price was a good price. Conversely, if the processor had offered 498¢/kg but the ESTLI was at 505¢/kgcwt, the producer could determine that the offered price (ie 7¢ under the ESTLI) was not ideal and could make an informed choice as to whether to accept the price, negotiate with the processor for a better price or go elsewhere.

Regardless of which way the producer decides to go, the understanding of the market information relevant to them

(in particular, the Basis) has empowered the producer to make an informed decision concerning the marketing of their livestock.



To find out more information on prices and markets:
www.mla.com.au/Prices-and-markets

Download // *Module 3 Market Focused Lamb and Sheepmeat Production* from Making More From Sheep
www.mla.com.au/makingmorefromsheep

Download // *Module 8 Meeting Market Specifications* from More Beef from Pastures
www.mla.com.au/morebeef

Young mums make more lambs



A research project in Victoria is helping shed light on the production challenges of successfully joining Merino ewe-lambs at just seven to nine months of age.

Over 18,000 ewe-lambs have been monitored to discover if there is a correlation between joining weights and condition scores with conception rates over the past three years.

This work is the backbone of an MLA producer demonstration site in collaboration with the Victorian Best Wool Best Lamb network.

The goal is to develop guidelines and a best practice manual for Merino breeders wanting to increase production of their breeding flocks or fast-track genetic improvement by joining ewe-lambs at an early age. Although the focus of the project is on Merinos, crossbred ewe-lambs have been included.

Lyndon Kubeil, Making More From Sheep (MMFS) State Coordinator with Victoria Department of Primary Industries (DPI), said the research revealed it was possible to

4% to 70%

variation in pregnancy rate in PDS ewe-lambs

successfully join Merino ewe-lambs, but it had been a steep learning curve for the producers involved.

“The research is promising in that it shows it is certainly possible to achieve reasonable conception rates in Merino ewe-lambs,” Lyndon said.

“It hasn’t been all roses, however, and there have been some big variations in pregnancy rates of 4% to 70%.

“But nearly every flock in the PDS has achieved a big improvement in conception performance from year one to year three, and that has all been part of the learning of this project - finding out where we need to be in the management of ewe-lambs to get a successful joining result.”

Trial scale

All the ewe-lambs in the trial have been individually identified with electronic eartags, and weight and condition score data has been collected at joining. The 15 flocks involved in the trial from across Victoria all join in the autumn for a spring lambing.

The ewe-lambs are then pregnancy scanned at 80 days, with follow-up

monitoring to assess the impact, if any, of early joining on future fertility and production.

“We have good data to show that, provided the management of the ewe-lambs is good and they receive adequate nutrition, there is no problem in getting the ewe-lambs back in lamb the second year,” Lyndon said.

The next phase of the project will involve economic modelling and a cost benefit analysis.

“We should have some definitive answers and guidelines in the next 12-months to help producers decide if the joining of Merino ewe-lambs is a practical and viable option for their enterprise,” Lyndon said.



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Order // Wean More Lambs module of Making More From Sheep
www.mla.com.au/makingmorefromsheep

Order // *Tips&Tools: 45x7 - Joining ewe-lambs for more profit* from
www.mla.com.au/joining-ewe-lambs

SnapshotBen and Cheryl
Duxson, Marnoo, Vic.**Property:**
2,200ha**Enterprise:**
Glendemar Merino
stud, selling
400 rams on-farm
each spring**Livestock:**
2,600 stud
Merino ewes**Pasture:**
Dryland lucerne and
native perennials**Soil:**
Grey loam**Rainfall:**
425mm**54%**conception rate for
ewe-lambs joined at 41kgs**82%**conception rate for
ewe-lambs joined at 45-50kgs

Ben Duxson advocates assessing the physical traits in a flock before embarking on ewe-lamb joining.

physically looked more like a meat sheep, with mature ewes weighing 60-70kg liveweight and cutting 4.5-5.5kg of 19-19.5 micron wool when shorn every eight months.

"The most critical factor to getting ewe-lambs in lamb is weight - the higher the weights the better conception," Ben said.

On-farm results

Last year the Duxson's joined 935 ewe-lambs with a 54% conception rate. At joining they weighed 41.1kg liveweight and were in condition score 3.4.

In comparison, a smaller 'control group' which weighed 45-50kg at joining achieved conception rates of 82%.

Ben said an analysis of the ewe-lambs Australian Sheep Breeding Values (ASBVs) supported his view that animals with better body weight, muscle and fat, conceived better.

He said of the ewe-lambs joined and monitored last year, the animals that became pregnant had average ASBVs of: 7.5 for yearling weight; 1.6 for yearling eye-muscle depth; and 0.6 for yearling fat depth, compared to industry averages of 2.5, 0.3 and 0.0 respectively.

The ewe-lambs that didn't conceive had lower ASBVs of: 5.3 for yearling weight; 1.1 for eye muscle depth; and 0.2 for yearling fat.

The take home message for producers considering joining ewe-lambs, Ben said, was to evaluate if their sheep had the physical traits and potential to conceive at an early age.

Careful management

Ben said, to be in optimum joining condition, careful management and planning was needed to ensure that the ewe-lambs, born in August and September, didn't receive any set backs.

For Glendemar this involves yard weaning the lambs at 12-weeks of age or about 20kg plus.

"We have been trialling yard weaning as a way of settling the ewe-lambs down more quickly into their social groups and building the hierarchy, as this stops them walking fences for days and losing weight," he said.

The ewe-lambs are then run on lucerne, with access to lupins and barley in self-feeders, to maximise growth in the lead-up to joining in April. →

Weighing up early joining options

Attention to detail is proving essential for success with joining ewe-lambs for one western Victoria breeder.

Practical experience has shown stud breeder Ben Duxson the importance of "ticking all the boxes" when it comes to successfully joining Merino ewe-lambs at just seven to nine months of age.

The Duxson family, who operate the Glendemar Merino stud at Marnoo in Victoria, have been involved in the MLA - Best Wool Best Lamb (BWBL) ewe-lamb joining producer demonstration site project since its inception three years ago, last season achieving its best result of a 54% pregnancy rate.

While Glendemar has always been keen to fast-track genetic gain by joining the newest generation of lambs as early as possible, Ben has found it isn't a simple process.

"Ten or 15 years ago we were trying to join ewe-lambs but only getting conception rates of 10-15%, whereas last year we achieved more than 50%. Our goal is to get to 80-90%," Ben said.

"Joining ewe-lambs is a specialist area and you really need to follow a lot of steps and tick off a lot of boxes as you go along to achieve a good result."

A member of the Multi Purpose Merino (MPM) group, Ben said their sheep were bred to be early maturing with plain body types and high fertility. He said they

Top tips

- Target optimum ewe weight and condition score
- Higher muscle and fat in ewe-lambs also important
- Yard wean ewe-lambs at 12 weeks or 20kgs
- Maximise growth with good nutrition prior to joining
- Manage joining carefully
- Give preferential treatment to pregnant ewe-lambs
- Wean lambs off ewe-lambs early

→

Dryland lucerne provides the most cost-effective form of feed over the summer months for Glendemar's early joining program.

"If we happen to get a couple of summer storms, the cost of feeding is greatly reduced as the lucerne provides all the energy and protein the ewe-lambs need," he said.

Other considerations

Ben said the ewe-lambs were also primed with sterile rams for at least a month before being joined at 5% with ram lambs. The ewe-lambs are only joined for two cycles or four weeks, and a fresh batch of ram lambs are put in after a fortnight.

Scanning is at 80 days, with the pregnant ewes receiving preferential treatment for feed.

"You are basically asking a lamb to grow a fetus while she is still growing herself so you have to plan ahead to ensure their nutritional requirements are met," he said.

Lambs off the ewe-lambs are weaned early at eight-weeks to give the sheep extra time to recover for the following joining.

Ben said there was a cost involved with joining ewe-lambs and he is now offering his data for economic modelling research.

A sister stud in WA is also involved in ewe-lamb joining research with Murdoch University and this will also provide more data and financial outcomes in the next 12 months.



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Order // *Tips&Tools: 45x7 - Joining ewe-lambs for more profit* from
www.mla.com.au/joining-ewe-lambs



Feeding for better fertility

Strong lamb prices and low supply mean that many producers are keen to build flock numbers, but what's the best way to do it?

Sheep CRC postgraduate student Cesar Rosales Nieto is looking at whether joining Merino ewes earlier, at 8-10 months rather than the traditional 18 months, may provide the solution.

Cesar's research is aimed at developing guidelines to achieve consistent and cost-effective reproductive performance from Merino ewes joined at 8-10 months.

"My research is important because it addresses an aspect of the production system that has the potential to improve efficiency for sheep producers," he said.

"The sheep industry needs to improve the reproductive efficiency of the ewe flock to meet current and future demands for replacement ewes for flock rebuilding, slaughter lambs, mutton and live export."

His research project started in 2009 and is funded by the WA's Department of Agriculture and Food (DAFWA), MLA and the Sheep CRC, and also involves Murdoch University and the University of WA.

Cesar began his research journey in Mexico, his country of birth. With a bachelor degree (honours first class) from the University of San Luis Potosi (Faculty of Plant and Animal Science), he studied the relationship between reproduction and nutrition in Creole goats for his honours project.

Cesar Rosales Nieto's research on joining Merino ewe-lambs is shedding light on how high fertility can be achieved.

He worked at Mexico's National Institute of Forestry, Agricultural and Livestock Research (INIFAP) as a researcher until 2004 when he went to Texas A&M-Kingsville to undertake a master's degree in Animal Science. He was accepted for his PhD in 2009.

"Basically my research interests are in reproduction and nutrition of small ruminants. Since I started working here in Australia my interests have expanded to different areas such as genetics and this combination fits perfectly with the Australian industry," Cesar said.

"Previous research has shown that it is possible to mate Merino ewe-lambs at 8-10 months of age but the results are highly variable. It is therefore important to develop management guidelines to improve the likelihood of success.

"Our research shows that under the right management conditions fertility rates above 75% can be achieved."

To reach these high fertility rates Merino ewe-lambs need to be more than 45 kilograms at the start of joining as well as gaining more than 100 grams per day during the joining period.

This requires good nutritional management as well as the right genetics for good growth rate.

Lambing a year earlier, through joining at 8-10 months of age, can increase the lifetime reproductive performance of a ewe by around 20%."



Cesar Rosales Nieto

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Phosphorus management



Taking the guesswork out of fertiliser

Finally, there is a tool to provide answers to many of the unknowns about fertiliser investment.

Phosphorous (P) fertiliser is the largest input into Australian pasture systems and, for most producers, their biggest annual expense, but is that money well spent?

The *Five Easy Steps* booklet, and matching spreadsheet tool, can help producers determine the most appropriate rate of phosphorus application for their pastures relevant to their goals.

Producers can use the P tool to work out which areas of their farm should be fertilised, how much should be applied to achieve desired stocking rates and what the payback periods will be. The tool also takes into account the financial impact of other related factors such as stock prices.



The Monaro Farming System Soil Club was formed to investigate soil fertility in light of rising fertiliser costs through field days, education and trials.

NSW Department of Primary Industries (DPI) Technical Specialist Pastures Nigel Phillips, who has been involved in the extension of the tool to producers, said the computer model not only eliminates much of the guesswork but helps producers make rational, financially-based decisions about fertiliser use by considering all the factors affecting their enterprise.

"There's been a lot of good information collected and research conducted over the years on soil fertility and fertiliser application such as the Better Fertiliser Decision Making project. But there has been no one tool that guides producers easily through the complex maze of factors which affect phosphorous decisions," he said.

The P tool was developed out of a Pastures Australia project. So far the tool, which is relevant to the temperate pastoral zones of south-eastern Australia, has had limited rollout, however producer groups, such as the Monaro Farming Systems, are embracing it and further extension is planned.

Nigel said the *Five Easy Steps* was also an important development for agricultural consultants and agronomists and would be a helpful ground-truthing and advice tool for producers and advisers to use together.

"It is important to understand this is not a stand-alone tool but a pathway to making a well-considered, rational decision about phosphorous," he said.

"It's about moving producers away from the concept of basing their decision on an estimation of P need or a single soil test to an annualised testing basis where they begin to manage for the trend."

Nigel said more work was needed to extend the tool to include Western Australian soils and the subtropical pastures of northern Australia.



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To download the *Five Easy Steps* and P tool visit www.mla.com.au/phosphorustool



Five easy steps to better phosphorus use

Five Easy Steps is a user-friendly, information package to help producers make well-informed decisions about phosphorus (P) fertiliser application.

It comprises a step-by-step booklet, which can be used stand-alone, as well as a computer tool, and utilises a whole enterprise approach. It balances proposed P inputs against soil levels, stocking rates and pasture needs and can even estimate payback periods to help producers decide if, and when, their investment will pay off.

Relevant to producers in south-eastern Australia's temperate zones, the *Five Easy Steps* takes producers on a methodical journey.

It first teaches users how to conduct reliable soil tests to ascertain their P fertility status and the importance of building a soil-information profile of their property over time. It then helps decide on the best P application strategy to achieve the desired stocking rate and, most importantly, tests whether the proposed fertiliser investment, including any extra stock required, will generate an acceptable return.

The model also prompts producers to consider other factors that might modify their decision to apply P, such as other key nutrient deficiencies.

The *Five Easy Steps* is available as a booklet or an electronic P tool and is aimed to appeal to all producers regardless of technological competency. It can be found on MLA's website at www.mla.com.au/phosphorustool

Five Easy Steps P-tool summary

- 1 Use a soil test to determine current soil fertility and your target for soil P management.
- 2 Determine an appropriate stocking rate.
- 3 Determine the best P-application strategy.
- 4 Budgeting to ensure a return on investment.
- 5 Other things to consider before you invest.

Snapshot

Oliver and Jane Cay, 65km south of Cooma, NSW.



Property:
1,600ha

Enterprise:
Wool, first-cross lamb production, trade cattle

Livestock:
8,000 Merino sheep dse; 1,000 first-cross dse; 100 cattle

Pasture:
70% phalaris/ cocksfoot/lucerne/ annuals; 30% stipa/danthonia/ annuals

Soil:
Basalt, shale, and granite

Rainfall:
522mm



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Five Easy Steps to saving money

Introduced to the new Five Easy Steps phosphorus tool by his local farming group, one Monaro livestock producer has readily embraced it.

For Monaro wool and first-cross lamb producer, Oliver Cay, the new Five Easy Steps Phosphorus tool has already put money in the bank.

By applying the new, predictive computer model to their 1,600ha property, 65km south of Cooma, Oliver and his wife, Jane, have cut their fertiliser bill by almost half while maintaining their stocking rate.

"Using the tool showed me we were actually over-fertilising some parts of our farm while under doing others," Oliver said.

"It doesn't matter where you're coming from, this tool has a message for you. You can use it from the point of view of trying to achieve peak production and running as many head as you can at optimum P levels, or, you can use a stocking rate your comfortable with as your guide to the required P input."

Oliver learnt about the Five Easy Steps tool as a member of the Monaro Farming Systems Soil Club. Formed in 2010 in response to global increases in fertiliser costs, the club adopted the tool as a framework for soil testing, interpretation and objective management of soil fertility.

As a result, Oliver has learnt how to soil test effectively and how to better match soil fertility with feed supply, animal demand and ultimately return on investment.

"Using the tool has made us all a lot more confident about setting fertiliser budgets and managing our enterprises more efficiently," he said.

Oliver with daughters Bella and Penny on their Monaro property where the family has managed to cut its phosphorus fertiliser bill by almost half.

"On the Monaro, land is typically varied and can change very quickly from high intensity zones where stocking rates can be pushed, to country not even worth fertilising. To manage this, soil club members divided their properties into management zones and applied their P strategies appropriately."

Easy to use

Oliver said although the P tool required considerable explanation to their group at the beginning (it comes supported by a booklet), the process of using the tool was quite simple.

"If you can handle emails and checking the weather online, you'll handle this," he said. "I certainly find it a lot easier than doing the Business Activity Statement (BAS). Part of the learning curve was understanding how to take meaningful soil tests.

"Now I test the same five paddocks every year, which act as a control to help build a reliable soil fertility picture, and a further five paddocks to monitor the rest of the farm."

Fertiliser pay back

Oliver and the other soil club members found the economic modelling part of the tool extremely useful, allowing them to calculate the payback period on their fertility investment.

"What this showed me was that the price of fertiliser in terms of your payback period was, in the long term, irrelevant compared to the price of stock. It was the cost of buying or retaining stock to eat the extra feed that had the greatest impact on profitability," he said.



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Managing risk

Now that's a plan...



Snapshot

Simon, Sophie, Edward and Sally Wright, Wongwibinda, NSW.



Property:
2,025ha plus
1,620ha leased

Enterprise:
Cattle breeding and trading

Livestock:
1,200 breeding cows

Pasture:
Improved, cocksfoot and fescues

Soil:
Trap rock with basalt pockets

Rainfall:
900mm

Sophie and Simon Wright are strong believers in risk management.

An intergenerational northern NSW family enterprise has found financial rewards from a sound risk management strategy.

Minimising cattle trading, grazing and human resource risks are management priorities for the Wright family, of Wongwibinda in the NSW New England region.

Simon and Sophie Wright run a cattle breeding and trading enterprise with Simon's parents Edward and Sally.

Their 1,200 head core breeding herd is a mix of Angus, Shorthorn and Black Simmental and trading is opportunistic,

Planning to rise above the risks

A risk management plan for your enterprise can be a valuable insurance policy.

Assessing, discussing, planning for, documenting and reviewing on-farm risk is a strategy suggested by agribusiness consultants for producers who want to 'plan for success' rather than failure.

Dubbo, NSW, based consultant Sean Martyn, of PrincipleFocus, said risk management was a crucial part of all farm strategic and enterprise planning.

"No one sets out to fail or have a disaster, but many people end up doing so often because of a lack of preparation or tolerance to risk in a business," he said.

For livestock producers, Sean suggested implementing policies, systems and processes to mitigate the major risks associated with achieving profit-driving targets.

These often included seasonal conditions/drought, commodity prices, production efficiency, costs of

production, finances, demographics, trading conditions, family dynamics, the environment, the economy and technology. The degree of threat will depend on factors such as location, production system, financial position and property size.

"The main considerations for all of these risk factors are the likelihood and impact of occurrence," Sean said.

"It is vital to know the probability of risks eventuating, how exposed the business is to various risks and what the long term implications would be on the livestock enterprise and business as a whole."

"These conditions will change with time and should be constantly reviewed."

Schedule meetings

Sean said many of his clients consciously included risk management planning in the 'rhythm' of their regular management meeting schedules.

Sean Martyn, Consultant with PrincipleFocus



mainly carried out in summer and depending on seasonal and market conditions.

In recent years, as borrowings have increased to expand the cattle enterprise and incorporate a leased property, the family has implemented a trading risk management policy as part of its financial risk planning.

Formulated with their farm consultant from PrincipleFocus and using principles learned from the KLR Marketing School, it includes documented trading rules, a budget that is monitored with each cattle transaction and a monthly stock waste audit.

“The major risk with trading is that we will not be able to sell at the time we want to at the budgeted price,” Sophie said.

“The stock waste audit is a process of assessing all stock on hand to determine the best value outcome and allows us to make quick decisions when conditions change.”

Making the plan pay

Last year the Wrights doubled the value of a small group of cows bought and sold within five weeks, when usually these would have been retained for five months.

This year, working from the stock waste audit, the family realised a big gain from retaining extra heifers to sell pregnancy tested in-calf.

Simon said a financial risk and control policy for the overall cattle enterprise was vital and each month a debt-to-equity ratio and finance ratio analyses were

carried out and checked against budget actual figures to ensure the equity and finance targets were being met.

He said grazing and paddock rest risk management policies had been developed to monitor the pasture health and productivity of the family's cell grazing system.

“We have a cattle breeding policy that focuses on optimising cow fertility,” he said.

Human resources

“Our ‘key person’ risk policy is also a very important part of our management plan.

“We have comprehensive insurance and documented policies and procedures for all facets of our cattle business in case someone needs to take over in an emergency.”

Risk management planning for the Wrights also consists of policies for drought scenarios and communication, which includes weekly, monthly and quarterly meetings.

A risk flow chart is often used to undertake a strengths, weaknesses, opportunities and threats (SWOT) analysis of current and future activities.

Simon said the impetus for risk management planning came from succession and benchmarking processes and it helped ensure all the major risks to business operations were carefully considered.



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He said this rhythm of short meetings helped to account for risks that needed daily assessment, such as some occupational health and safety issues, and risks that required less frequent review, which might be addressed at monthly or annual meetings.

Documentation

Sean recommends risk management policies be well documented.

“Our approach is that plans for all facets of a business need to be distilled to a one page document,” he said.

“For sheep, cattle and goat producers this would include a one page risk management policy for each of the critical risks identified in the livestock enterprise.

“Business owners and managers can get overwhelmed by the task of risk management planning, but preparing a one page document is practical, achievable and will cover the necessary mitigation strategies.”

Sean said a documented risk management plan was a central component of an overall business blueprint that also contained goals and financial plans. This would guide enterprise management in the short and long term.

Sean said consultants were readily available to assist producers prepare risk management plans. But for those seeking self-help, the Making More From Sheep website is a valuable resource to make devising a plan easier.

“Once established, plans should be reviewed and updated constantly,” Sean said.



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Watch episode 17 of *feedbackTV* for a story on Industry projections - helping you make more informed decisions www.youtube.com/mlafeedbacktv

Where to get help

→ The Making More From Sheep website has a farm business risk assessment template (tool 1.10) that helps producers identify major risk factors. Go to Module 1 at www.mla.com.au/makingmorefromsheep

→ MLA's EDGenetwork program has a range of workshops to assist sheep producers with risk management. T: 1800 993 343 www.mla.com.au/edgenetwork

→ NSW Department of Primary Industries conducts a one-day PROfarm workshop called The Farmers Guide to Managing Climate Risk. T: 1800 025 520 www.profarm.com.au

→ MetAccess displays and analyses daily weather records and is available by phoning: 02 9440 8088 or emailing: horizonag@hzn.com.au

→ MLA's Rainfall to Pasture Growth Outlook Tool estimates pasture growth rate for various locations across Australia www.mla.com.au/growthoutlooktool and GrazeClock is a spreadsheet tool that matches pasture growth to animal requirements E: Douglas.alcock@dpi.nsw.gov.au

Ponding returns soil health



An aerial view of the Larrawa waterponding and water spreading producer demonstration site.

A soil conservation technique, not used for some time, has been reintroduced with success in the Top End.

\$150/ha
cost of rehabilitating land with waterponding

There is growing interest in the use of waterponding to revitalise areas of unproductive pastoral land in WA's east Kimberley region.

A producer demonstration site (PDS) set up on Larrawa station near Fitzroy Crossing has shown waterponding can improve land condition, water and soil nutrient retention, and potentially boost returns from increased forage production.

At the PDS, waterponding was used to hold water where it fell to reduce soil erosion and silt build-up in the nearby Christmas Creek. The open ponds allowed this water to soak into the soil and become available as soil moisture to promote vegetation growth.

"Within one year the waterponding area changed from being classed as severely degraded and eroded to a significantly improved poor land condition (D)," said Department of Agriculture and Food WA Development Officer Matthew Fletcher, who ran the trial.

"It now has capacity to improve to C condition in the next few years."

Making comparisons

The PDS was a joint effort between the Brockhurst family, MLA, Rangelands NRM WA, Central West Catchment Management Authority (CMA) NSW and the Department of Agriculture and Food WA (DAFWA).

Matthew said open water ponds at the site were the most successful at slowing water movement, allowing time for it to soak into the soil and facilitating establishment of perennial and annual groundcover.

Key findings from the Larrawa PDS to improve soil health:

- Mechanical regeneration, including water ponds, ridges and banks, can work and a combination of methods has proven most successful.
- Professional surveyor advice is a good idea for pond establishment.
- Ponds can be constructed quickly with a grader along contour lines.
- The right bank height and width will increase longevity and at Larrawa banks were up to 200m long, 65cm high and 2m wide at the base.
- Water spreader banks are best used in transition areas where vegetation stops and scalds begin to slow overland water flow.
- At Larrawa these were constructed with a grader and had bank heights of 65cm, a base 2m wide and a break every 100m.

He said through the PDS, local pastoralists had seen the importance of using a level to ensure ponds were well designed, getting bank height and width right to increase longevity and the potential for this method to be used on a range of soil types.

The cost to rehabilitate one hectare at Larrawa with two water ponds - each 210 metres long - was about \$150 in ripping and construction with a 16G grader and seeding hybrid sorghum. This equated to 32 cents per metre of dirt moved.

Other techniques

Water spreader banks constructed with a grader along contour lines also showed potential, especially for spreading concentrated water flow on sloping country. But these were more expensive to construct than ponds, at about \$1.49/metre.

Matthew said an opposed disc and crocodile plough used to build pits and ridges at the Larrawa site were less successful than other rehabilitation techniques trialled because they were unable to increase groundcover.

***NOTE: Grants may be available to WA pastoralists wanting to undertake soil conservation and land rehabilitation projects on their properties. For further information contact Mel McDonald, Rangelands NRM Regional Landcare Facilitator, T: 08 9192 5212, E: melaniem@rangelandswa.com.au*



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Brian Fielder, Christmas Creek Station

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In profile

Meeting the Middle East's 'Aussie meat man'...
Tarek Ibrahim**In the Middle East, Tarek Ibrahim is known as the 'Australian Meat Man'.**

It's a moniker the Egyptian-born, American-educated, Dubai-based, professionally trained Chef relishes, particularly since he stepped into the role of Business Development Manager for the Middle East and North Africa (MENA) region for MLA earlier this year.

A Certified Executive Chef with the prestigious American Culinary Federation and certified as a Class A culinary judge by the World Association of Chefs Societies, Tarek was recently in Australia to judge the Global Black Box challenge in Tasmania.

It also gave this world travelled chef, with 26 years food industry experience and his own television cooking show (*Fatafeat* - broadcast all over the Middle East) the chance to see first-hand how Australian retail butchers are growing demand for red meat through value-adding, which he will take back to Dubai to teach retailers and chefs.

We caught up with him to hear what he's up to in the MENA region and what the region offers for Australian product.

There is a lot of opportunity for Australian red meat in the MENA region... particularly in the foodservice sector.

There is a need to improve chefs' culinary skills in MENA. All chefs want to work with a product that makes them shine, and I really believe Australian beef, lamb and goat is prime for this. While I work to promote Australian beef and lamb in both the retail and foodservice channels, it's at the foodservice level where Australian product is held in especially high-esteem. It is regarded as being of the highest quality and this is what people want when they visit establishments in the region.

The work of MLA has played a huge role in developing this reputation, which has taken almost a decade to achieve and needs to be maintained.

Events such as the Global Black Box competition give up-and-coming chefs the chance to work with the highest quality Australian beef and lamb, a preference for which they will hopefully carry throughout their careers.

The Global Black Box challenge gives competitors the seeds with which to flourish by allowing them to work with the most beautiful beef and lamb - Australian of course - to create the most delicious dishes. The competition was fantastic, we had 15 countries competing and the local Tasmanian product they were working with was unbelievable, the beef, lamb, vegetables - all of it. Thailand won, Indonesia came second and Australia came third.

You work all over MENA including Egypt, The United Arab Emirates, Jordan and Lebanon, training chefs and butchers to understand the Australian meat industry and build demand for beef and lamb.

I talk them through how Australian beef and lamb is produced, why it's so good, how to work with it, halal certification and how to use non-loin cuts to their full potential. I like to call them "hidden golden cuts" because they are just fantastic and when used correctly they create great flavour and texture. Non-loin cuts are well-suited to the palate of local consumers, who prefer their meat well-done. The long cooking time needed by most non-loin cuts fit this profile perfectly, which make them great to promote in the region.



Tarek Ibrahim, MLA
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200

chefs across the Middle East and African region were personally trained by Tarek in 2011 with Australian beef and lamb



A slider is a mini burger growing in popularity on menus around the western world.



Tina Roberts, Assistant Vice President Marketing and Culinary Business Development for Superior Farms, at the NRA Show 2012.

Lamb sliding onto US menus

For the first time Australian lamb burgers will be commercially produced and readily available for the foodservice industry in the US, thanks to a partnership between MLA and Superior Farms, North America's largest processor and marketer of lamb.

The new product was launched at the National Restaurant Association (NRA) Show 2012 in Chicago in May.

"We are excited about this partnership and the ability to offer Australian lamb burgers and sliders to our foodservice customers," said Tina Roberts, Assistant Vice President Marketing and Culinary Business Development for Superior Farms.

"These delicious burgers offer a bold taste along with convenience."

Offering a new twist to the classic American burger, typically beef, Australian lamb burgers and sliders will be an easy and convenient menu option and a great starting point for those who have never tried lamb.

"Today's foodie is interested in new items that will add variety to their Rolodex. This is an easy way for chefs to try lamb and introduce it to customers at their restaurants," Tina said.

According to MLA research, lamb regularly appears as an entrée option at successful restaurants and younger generations are interested in trying lamb as they seek unique and flavourful dishes. Australian lamb burgers and sliders offer the perfect opportunity to drive this type of incremental traffic and sales, attracting a young crowd of food connoisseurs.

"Lamb is definitely not a top of mind protein in the US and sales took a big hit in 2011 when prices for all lamb products went through the roof. Chefs removed lamb from menus and were looking for alternatives," Stephen Edwards, MLA's Regional Manager - North America, said.

"Americans love their burgers and introducing them to lamb via such a familiar vehicle is a good way to get them to start thinking about lamb. MLA has been pushing this concept for the last few years and we are seeing some traction now that the economy is picking up.

"Chefs are looking for new items to set themselves apart from their competitors. It is good to see a great company such as Superior Farms getting behind this and manufacturing Australian lamb burgers. MLA will assist in marketing the new product through the ICA (Industry Collaborative Agreement) program."

The ICA program sees producer levies matched with private investment on marketing activities with broad industry benefit.



Stephen Edwards, MLA
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Recipe

Mediterranean Australian lamb burger

with goat cheese and
tomato relish

Serves: 4

Preparation time: 10 minutes

Cooking time: 30 minutes

Ingredients**Burger**

800g ground Australian lamb
1 shallot, peeled and chopped
1 tablespoon capers, chopped
6-8 large fresh basil leaves, sliced
freshly ground pepper, to taste
½ cup cornmeal (or flour),
for coating
olive oil, for cooking

Tomato relish

3 vine-ripened tomatoes,
halved crosswise
1 red onion, thickly sliced
1 teaspoon sugar
1 teaspoon balsamic vinegar
salt and freshly ground pepper,
to taste

To serve (optional)

4 hamburger buns, split
4 tablespoons soft goat cheese
(or chèvre)

Method

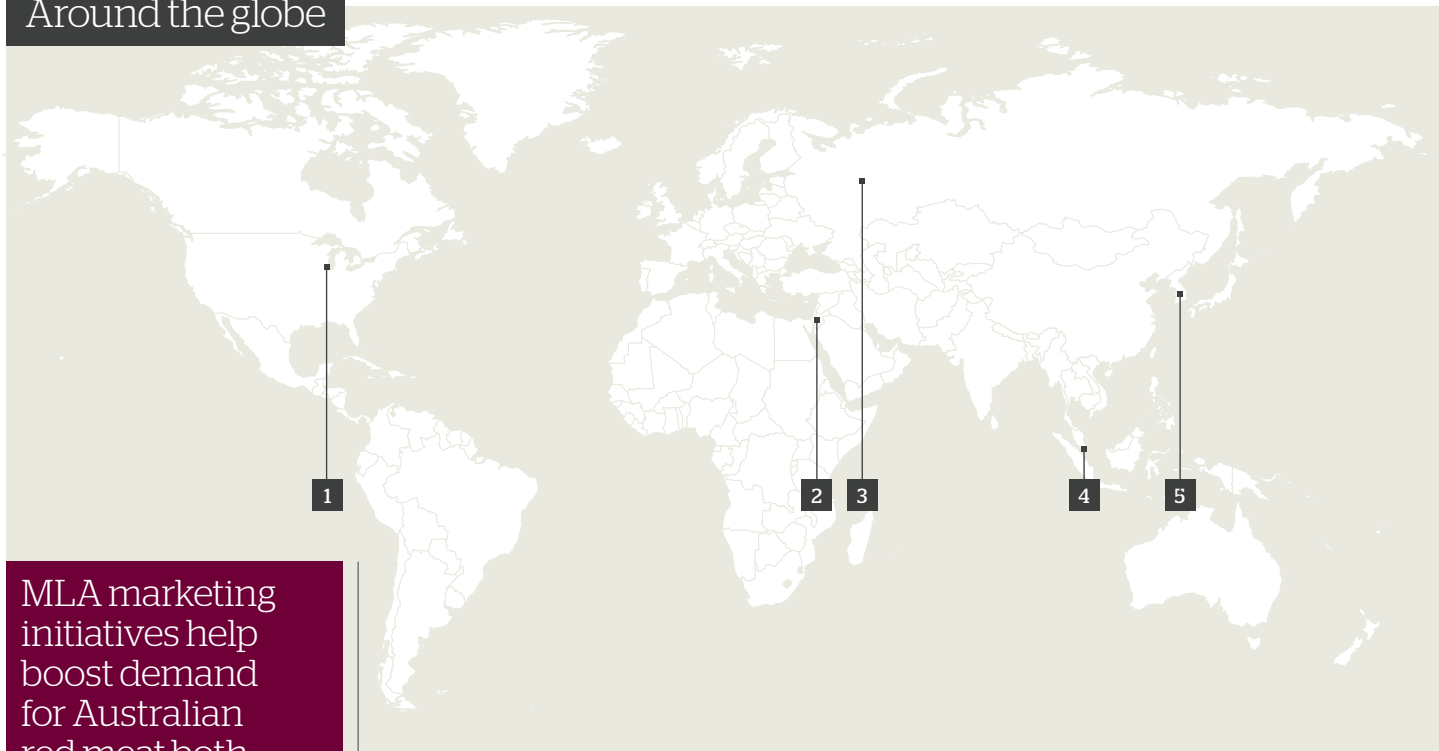
1. To make the burgers, combine ground lamb, shallot, capers, basil and pepper in a large bowl and mix well. Divide mixture into four burgers. Spread cornmeal over a plate and press burgers into the cornmeal to coat.
2. Preheat barbecue or grill pan and brush with oil. Cook the burgers over medium to high heat for 6-7 minutes.
3. To make the relish, place the tomatoes flesh-side down on the grill and flip after 20 seconds, cooking until skin starts to char. Grill the onions until soft. Transfer to a plate and, when cool enough to handle, dice finely. Place in a bowl, add the sugar and vinegar, season to taste with salt and pepper and mix well. Serve warm or cold.
4. Grill the buns, cut side down, until lightly toasted. Spread with goat cheese and top with the burgers. Serve with the tomato relish.

Tip

The burger patties and relish can be made a day ahead and refrigerated.



Around the globe



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

1 US

Star spangled success for Aussie red meat

MLA recently coordinated an exhibit at the National Restaurant Association (NRA) show in Chicago, with Australian beef and lamb importers including Broadleaf with AAcO, JBS, Teys USA, Superior Farms and Foodcomm/Country Fresh with T & R Pastoral. Attendee numbers exceeded 45,000 with a highlight of the show being a 1.5 hour goat and lamb butchery and cooking demo by MLA's Doug Piper and Executive Chef Dirk Flanigan from gastro-pub The Gage and high end restaurant Henri in Chicago.

Following the NRA show, MLA presented an Australian lamb butchery/info session to six butchers from a well-known New York City retailer along with two of their distributors. The cuts presented were based on MLA's *Cuts to Cuisine* publication, which outlines everything there is to know about Australian lamb.

45,000

visitors to NRA

380,000

businesses in NRA

2 MENA

Jordanian meatmaster

The Meatmaster is a new concept retail outlet in Jordan which has set the bar high in terms of meat quality, range and service only stocking premium Australian beef and lamb.

The brainchild of chef Mahmoud Abu Tahnat, who has always had a vision to bring high quality beef and lamb to Jordan, and has modelled his new store on the best in the world.

With MLA's assistance, Chef Mahmoud has developed a range of value added beef and lamb items.

"Customers really like what we are doing. We have very prominent VIP clientele shopping with us," Mahmoud said.

3 EU/RUSSIA

Russian down under

MLA hosted six Russian beef importers in May, coordinating a 'paddock-to-plate' style tour of Australia to increase awareness and understanding of



MLA exhibit at the NRA show in Chicago.

54,088

tonnes swt of beef exported to Russia in 2011 - our fourth largest beef export market



Australian beef in the largest beef import market in the world.

Promoting Australian production methods and fostering close relationships between overseas importers and Australian exporters is seen as crucial in the Russian market, which is largely driven by price and perceptions of South American product being superior to Australian.

Crucially, the trip allowed the Russian importers to see Australia's world class beef production system first-hand, as they met with Australian producers, processors and exporters.

4 SOUTH-EAST ASIA

Aussie red meat at Asia's largest food trade show



Australian red meat was on display at Asia's largest food industry fair, Food and Hotel Asia (FHA) in Singapore in mid-April when MLA exhibited with 11 Australian beef and lamb exporters. Held every two years, the show attracts thousands of visitors from across the region.

The exhibition stand featured daily cooking demonstrations, as well as sampling sessions which showcased premium beef and lamb from the Australian exporters.

MLA also held a networking function for trade, government representatives and other supporters of the Australian red meat industry, which was attended by more than 200 people with Australian beef and lamb the main feature.

5 KOREA

Drawing out culinary prowess



The sixth Pencil Box Culinary Challenge on 7 April 2012, invited 20 high school and 20 university students to present their culinary skills and receive personal feedback from professional chefs from around the world. The Pencil Box challenge hosted by MLA, aims to familiarise as well as challenge students when using Australian beef, to continue to use it confidently throughout their careers.

The students were given a D-rump (consisting of the rump cap and the rost biff, which is made up of three major muscles - the rump eye, centre and flap) and bolar blade, as well as a variety of fresh vegetables and other ingredients to create two Australian beef dishes for the judges.



Market observations

Skin diving

Tim McRae
MLA Economist



A 'perfect storm' of factors has caused skin prices to plummet by around 80% in the past 12 months, directly impacting on lamb prices.

When the purchase price of lambs or sheep is measured on a dollar per head basis, the value of the skin can add up to well over 10-15% of the purchase price when the market is in good condition. However, this percentage can be much lower, as has been the case so far in 2012, averaging 5-10%, which has a direct impact on what producers take home.

If we go back to the first three months of 2011, Australian lamb prices on a dollar per head basis experienced a run of record high prices. Markets from SA, Victoria and NSW all held the record per head value for a pen of lambs, which exceeded A\$250/head (it should be noted the record per head prices were achieved on the back of exceptionally heavy carcase weights - largely unrepresentative of the large majority of lambs that enter the market below 26kg cwt.) Contributing to the run of record per head prices in 2011 was near-record high lamb skin values, which topped at an average of \$27.50/skin* in March last year.

So far in 2012, skins averaged only \$8.50/skin* in May -

a decline of 69% year from the peak in 2011. In comparison, lamb prices in carcase weight terms (which excludes the value of the skin), were 25-30% lower year-on-year, but again this is compared to near-record highs in 2011.

So what has driven the contraction in lamb skin values in 2012? Undoubtedly, the 15-20% increase in the national lamb supply has impacted the market - largely a consequence of the better seasons over the past two years and larger flock numbers. However, it is the demand situation in overseas markets which has had the biggest impact.

Buyer demand in northern hemisphere markets has been very sluggish so far in 2012 - a combination of weak consumer sentiment (given the economic turmoil) and the warmer winter across key markets. In addition, the high and volatile Australian dollar has only added to this tentative buying, particularly from key customers in China and Eastern Europe.

While the recent decline in the dollar throughout May, falling below parity, may help to stimulate demand, it will be the buyer demand in overseas markets that will determine where the skins market will go for the remainder of 2012.

**Lamb skin max, 16.1-20kg cwt, free of vegetable matter, 1-2 inch length*



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On the ground

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While economic talk surrounding the European Union (EU) is negative, the prospects for Australian red meat in this depressed economy are positive and are likely to remain that way.

The EU is a net importer of red meat and consumption is projected to largely remain unchanged, while production is projected to continue its gradual decline. So the opportunity for imported meat will progressively strengthen. The other factor is the size of the market. There are 500 million consumers eating 8.5 million tonnes of beef and two million tonnes of sheepmeat a year.

Our exports to the EU of around 13,000 tonnes of beef and 18,000 tonnes of sheepmeat mean we are a small player in a large market. The opportunity for Australian product improves further when you consider the sub sector of the market that is wealthy and enjoys high quality food, either at home or in the plethora of high end restaurants.

However, market access constraints still exist and create some challenges to growing our presence in the market. The grainfed beef quota continues to provide the main growth for Australia. Recently two significant changes to the grainfed quota further strengthen this position:

Firstly, the approval to move the agreement that governs the quota to the next phase was granted by the EU Parliament and Commission early in 2012. This means the available tonnage for the quota increases from 20,000 tonnes per year to 48,200 tonnes per year from 1 August.

Secondly, a significant change to the way the quota is administered was approved in May. The new system, in place from 1 July, means that quota will be allocated to eligible product as it arrives at the port of entry. This means the quota is not able to be traded and will only be allocated to eligible product.

These changes mean it will be easier for Australia to not only maintain the volumes of grainfed beef to the EU, which have grown from virtually zero to more than 4,000 tonnes in the past two years but also to continue to increase these volumes.

Market insight



Advancing Australia's access to the EU

The European market has always been a challenging one for Australian beef exporters. Small tariff rate quota allocations and strict product specifications have limited the amount of product Australia has been able to ship to the EU and its 500 million consumers.

Although a relatively small market for Australia (12,838 tonnes swt exported in 2011) compared to the US, Japan and Korea, the EU remains the highest value export market for Australian beef on a per tonne basis. Australian beef exports to the EU in 2011 were valued at A\$9,302/tonne, with the next highest large export market (above 10,000 tonnes swt) Hong Kong, at A\$5,856.

The EU has historically been a large importer of beef, supplementing local production, of which 50% comes from the dairy herd. Australian beef only makes up 0.2% of total EU supply; however, this product is mostly high quality, chilled product.

Le Coach drives Aussie beef on its menu

Often meat in the EU isn't provenance branded. While there is a strong quality association with Australia from the trade, there is often limited Australian branding on menus or display cases. However, Le Coach Restaurant, located in Brussels, Belgium, is different. Australian beef is clearly branded on their menu.



Previously the restaurant had stopped offering steak on the menu as they were unable to get consistent quality supply. Since starting to use Australia beef in 2010, volumes have consistently grown, even though Australian beef is priced significantly higher than any other menu item. Australian beef now also features prominently in the another Brussels restaurant of the same owner.

Beef has a strong presence across the range of EU cuisines. As domestic supplies dwindle in the EU and imports from traditional large South American suppliers become scarce, Australian beef is continuing to supply the premium end of the market with high quality grass and grainfed beef.

Using our quota

The majority of Australian beef is shipped to the EU under both the High Quality Beef (HQB) 'Hilton' beef quota (7,150 tonnes Australian access) and the HQB grainfed beef quota (20,000 tonne access shared with eligible nations).

The HQB 'Hilton' quota was established in 1968 as a concession for the introduction of EU beef support policies. The quota was split between historical exporters, with management rights given to the exporting countries. Australia's allocation was fixed at 7,000 tonnes until 2006-07, when it was increased to 7,150 tonnes swt.

Access to the HQB grainfed quota, granted to Australia in 2010, has contributed to an expansion in Australian beef exports over the past few years. Australian beef exports to the EU increased 30% in 2011 year-on-year to 12,838 tonnes swt. A further expansion in the quota, to 48,200 tonnes in August, will enhance Australia's market access to this high value market.

Domestic supply shortfall

Domestic beef supply within the EU is expected to contract 2.8% in 2012 (GIRA), with increased operating costs and higher prices in 2011 pulling many cattle forward that would have otherwise been processed in 2012. Between 2012 and 2020, domestic production is forecast to drop by 1.3% with beef and veal consumption predicted to fall 0.8% on 2010 levels by 2020 (European Commission), leaving a shortfall in supply.

This, coupled with reductions in imports from traditional South American suppliers as their domestic markets heat up, should present an ongoing opportunity for Australian product entering the market.

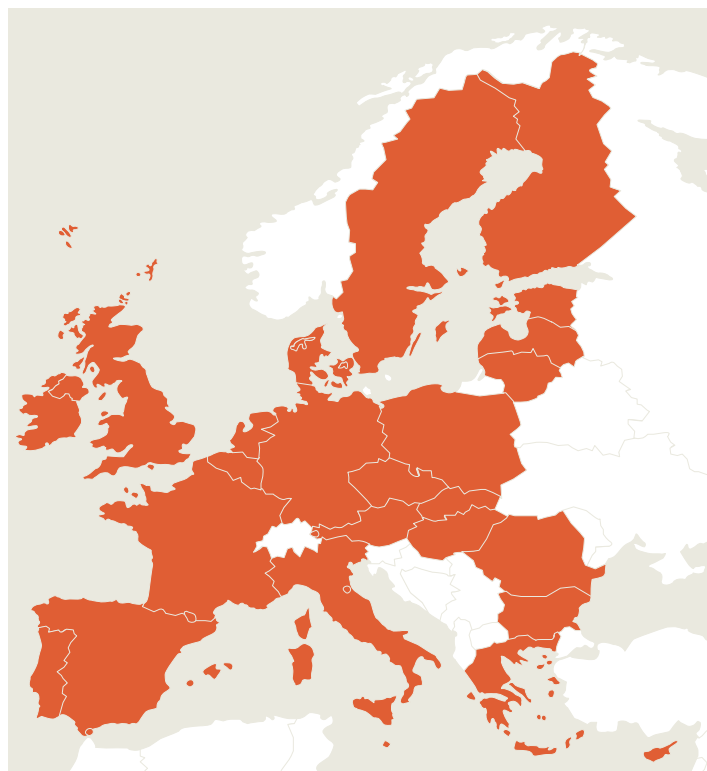
Plating up

Australia only has access to a very small percentage of the total EU market. As the domestic production systems don't lend themselves to producing high quality and particularly marbled beef, Australia can target the high value sectors of the market.

As a result, most of Australia's beef exports are destined for the foodservice sector while little is visible at retail. The traditional loin cuts are used as premium steaks while butt cuts are destined for the catering sector, roasting or further processing such as dicing.



In specific markets some of the grainfed butt cuts, such as outside flat, eye round and knuckle, are sliced thinly and sold as a fast grilling item.



502 million people
EU population in 2011

27 countries
in the EU

86 million head
in its domestic cattle herd

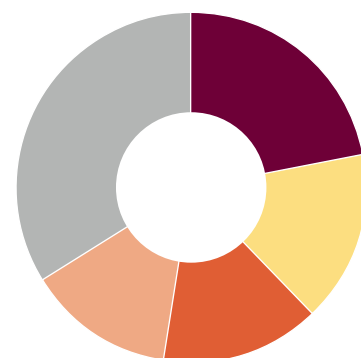
286 thousand tonnes
of imported beef in 2011

Common Agricultural Policy - accounts for

40% of EU budget expenditure (roughly €55 billion per year)

Australian beef exports to the EU by cut

Topside/inside: 22%
Striploin: 16%
Rump: 15%
Silverside/outside: 14%
Other: 33%



Beef Australia 2012 Rockhampton, Qld

It was a week of opportunity - catching up with industry peers, making the most of learning more about your customers and your community, and gaining insights into issues affecting your business and the industry.

MLA tapped into the opportunity to deliver the latest for livestock producers with our seminar - 'Want to beef up your business?' - and daily workshops in our innovation marquee.



The northern beef productivity program or cash cow presentations gave producers insights into the substantial variation in reproductive performance in herds throughout Queensland, Northern Territory and the Kimberley and the range of factors impacting on fertility rates of cows post-calving.

"Weaning management should focus on the needs of the cow not the calf." *Dr Geoffrey Fordyce from the University of Queensland looked at various ways of improving the efficiency of breeding herds.*



Tasting beef from around the globe - a barbecue dinner following the seminar showcased how other cultures cook and eat beef. The Kung Pau beef brisket - a modern take on the traditional Szechuan province dish was a highlight - for recipe details go to www.mla.com.au/kungpaubeefbrisket (L-R) *Alison Mobbs, Vice-President Qld Rural, Regional and Remote Women's Network, and MLA's Jane Weatherley with Ron Carige of Banana Shire Council and beef producer from Goovigen.*



The opportunities of running entire males

- detailed the benefits to northern beef enterprises of entire male cattle with a look at the carcass, meat quality and profit differences between young *Bos Indicus* bulls and steers.

"It is a question that needs to be looked at - using HGP's compared to uncastrated animals." *Lee Fitzpatrick, James Cook University*



Hands on in the innovation marquee



The social media workshop

featured on ABC's *Landline* program about producers learning how to tell their story, their way, in their time.

"This is a real opportunity for us to learn how to tell consumers what we do much more directly and head off any issues that might arise."

Graham Neilson, Bunjungan Charbray Cattle Stud



Getting a Business EDGE

was the focus of Ian McLean's session where the top take home tip for building a better business was that you cannot manage what you do not measure.

Mick Quirk's Turning pastures into profit

debunked the myths about grazing management, grazing behaviour, buffel rundown and the role of fire. Producers walked away with new options and skills for monitoring and improving land condition, carrying capacity, stocking rate management and pasture quality.



A taste for producing MSA beef brought out what makes MSA beef different and how producers can tap into MSA premiums of 15¢/kg hscw on average. David Carew and Jake Phillips (pictured left) took producers through the ins and outs of how a carcass is scored and gave them an opportunity to taste the difference.

"Excellent. Wonderful with the new cuts. It is a real value-add to us and the consumer as well." *Harry and Jill Powell (far right).*



Best Wool Best Lamb

Forty producers from two Birchip Cropping - Best Wool Best Lamb groups met in March as part of the Making More From Sheep (MMFS) program to identify ways to achieve increased lamb marking percentages through better nutritional management and increasing lamb survival. The groups discussed the need to better match ewe nutritional requirements to pregnancy status, which means pregnancy scanning needs to become a key component of the management calendar. The days included practical ewe assessment and feed budgeting sessions and discussed the most practical ways to apply the skills in a whole farm system.



Members of the Birchip Cropping - Best Wool Best Lamb group learn to assess ewe condition score as part of a MMFS, Wear More Lambs day delivered by Dr Jason Trompf.

Gates open to Ag school

MLA supported AgForce at its inaugural Moo Baa Munch event held at Corinda High School which ran from 16-20 May 2012. Corinda, an agricultural high school in the heart of suburban Brisbane, opened its gates to 780 students who came to learn about contemporary agriculture and the careers it offers. Then, over the weekend, around 2,000 visitors from across Brisbane took the opportunity to have a rural experience in the midst of their city.



Bill Steer (standing on left) and Neil Farmer (standing second on left) talk to students about livestock management and production.

Proven and promising perennials

On 16 April, the Department of Agriculture and Food WA researchers, local producers, consultants and industry representatives attended the More Beef from Pastures field day at Mt Barker to release results from pasture trials, look at new pasture species and how to manage perennial pastures such as kikuyu. Other topics covered were rotational grazing, chemical and physical manipulation, the role of perennial pastures in farming systems, and the importance of annuals and Grazing System Analysis Project - comparing annual to perennial systems.



Attendees at the field day at Mt Barker.

Upcoming events



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

Southern Australia Grasslands - 'Getting back to grassroot farming'

The conference will explore traditional and new developments in pasture establishment and persistence.

When and where:

25-27 July, Launceston Tas

Bookings:

office@grasslands.org.au

Sheepvention

Sheepvention's competitions and events include the ram sale, sheep show, ewe weaner competition, farm dog competition, Alpaca show, inventions competition, seminars and wool fashion parade.

When and where:

6-7 August, Hamilton Vic

Bookings:

www.sheepvention.com

Agribusiness Today Beef Business Forum - Profitable Beef in a Challenging Future

This forum will draw professional speakers and demonstrators from MLA and retailers, as well as the much valued and highly regarded processor's perspective.

When and where:

30 August, Bathurst NSW

Bookings:

kbehrendt@csu.edu.au

Victoria River Research Station Field Day 2012

The theme is 'Local research, local knowledge' and gives an update to NT producers on current and newly completed research project results, what they mean and how they are relevant to a NT pastoral business.

When and where:

1 August, Kidman Springs NT

Bookings:

whitney.dollemore@nt.gov.au

Beyond the gate - WA

This red meat supply chain tour to be held the day before the Southern WA Meat Profit day (see over) is a chance for MLA members to meet with processors, wholesalers, butchers and executive chefs, who deliver their product to the consumer.

When and where:

27 August, Albany WA

Bookings:

02 9463 9257
www.mla.com.au/BTG-Albany



WA 2015:
lamb exported
25,000t cwt

WA 2013:
1.3m head of
sheep processed

WA 2012:
cattle numbers
increase 5%

WA 2011:
105,800t
cwt beef

Southern WA Meat Profit Day

Growing to 'meat' the future

Albany Entertainment Centre, Toll Place, Albany, WA
Tuesday 28 August 2012

A perfect opportunity for red meat producers to find out the latest information on industry research, new products and trends for achieving greater profitability within their business.

Network with fellow producers and learn about the range of activities your levies are funding to improve productivity, increase demand and position red meat ahead of its competitors in domestic and international markets.

Source for figures above – MLA forecasts

To register book online at www.mla.com.au/MPD-Albany
or call 1800 675 717 and select option 4

For more information visit www.mla.com.au/events
or email events@mla.com.au