

GENETIC DEVELOPMENT:



Celebrating the successful partnership are, from left, Hot Cross Genetics managing director Euan Murdoch, AA Co chief operating officer Troy Setter, Elders CEO Malcolm Jackman, Hot Cross Genetics director Nick Cameron, Elders executive sales manager-Queensland Tony Gooden and Elders Beaudesert sales representative Mark Meldrum.

ONE of the biggest beef supply contracts of its type in Australia has wrapped up amid celebrations south of Beaudesert.

The top brass of Elders, led by CEO Malcolm Jackman, and AA Co chief operating officer Troy Setter met the directors of supplier Hot Cross Genetics at its Nindooibah headquarters on Friday, underscoring the significance of a three-year contract that saw more than 4000 Senepol Charolais composite calves delivered to AACo's northern Australian operations.

The contract was completed with the supply of 499 cattle to AA Co on November 18, concluding a deal believed to be worth more than \$14 million. Mr Setter said the project had been successful but AA Co would now progress its breeding requirements in a different direction, although he declined to elaborate.

"This program has allowed us to get a large number of bulls of similar type and descriptions very quickly," he said. "It's also allowed us to source a lot of data from the amount of herd recording that is done here. The challenge for us is how we use that data meaningfully in the future to make better decisions to increase productivity and profitability. The ability to select animals on such a large scale that exhibit all the relevant traits of productivity and fertility, and carcass yield and marbling along with survivability is certainly very important."

Beaudesert date toasts beef deal

Mr Setter said progeny from the Hot Cross Genetics contract, all stud stock, verified and performance recorded, would enter AA Co's commercial breeding herd to produce composites for domestic processing or as feeder cattle for other producers. Hot Cross Genetics, which Elders recently included in an expensive print and online marketing campaign, supplies 'tailor made' genetic packages to beef producers via large-scale breeding programs at centres from Queensland to Victoria.

The Nindooibah facility was responsible for supplying at least half the AA Co consignment, delivering 10-month-old embryo transfer (ET) calves at 350 kg.

Hot Cross Genetics director Nick Cameron said the AA Co project was a "complex logistical challenge". A similar program to supply Stanbroke Pastoral Co with an unspecified number of Brangus-cross calves is now in its early stages.

"The process that delivers what the customer exactly wants is nothing short of enormous," he said. "We had embryos produced in Victoria, all donors had to be signed off on by AACo representatives, and then those embryos were frozen down and implanted both there and up here in

Queensland, with a follow-up of 53 treatments per animal involved in the whole process. There aren't many animals that receive that level of attention before they're nine months of age. Once you account for things like conception rate, calving rate and weaning rate, we required about 8000 embryos to deliver the 4015 calves to AA Co."

The operation, which included recording and monitoring, involved more than 40,000 movements through the crush at Nindooibah. The Elders role was to source the recipient Angus cows and establish an on-farm merchandise store – the first of its kind in Australia – at Nindooibah. "The job that Elders Beaudesert did for us in sourcing the 'recip' cows was second to none," Mr Cameron said. "The perfect recip is the guts of your herd and the specifications are strict – she must be on her third calf and she can't have missed a calf in her life. The search for the perfect recip cow took us all over Queensland and parts of NSW."

Mr Cameron said the work with AACo had provided his company with more data to fine-tune their operation to improve conception and calving rates. – Story: BRAD COOPER.

Beef's 2010

From a seasonal turnaround to fiery industry

From p1

Compare that with Tanbar's average over the previous six years of just 264mm.

On S. Kidman & Co's extensive Channel holdings, export steers have averaged better than 360kg dressed this year, driven by average daily weight gains above 1.5kg. Carcass weights are up by a massive 40-50kg on a more typical year, and at considerably younger age.



Coles polarises opinion on HGP

HARD-nosed commercial opportunity swept aside, the interests of the broader beef industry after an announcement during September that major domestic supermarket retailer, Coles, planned to adopt a growth promotant-free position in its beef offer.

Senior red meat industry stakeholders roundly condemned Coles for its actions when it declared its intention to move to HGP-free supply for table beef from 2011.

The company's claim that its decision was made solely on the basis of eating quality improvement was dismissed outright by stakeholders, who said the result was driven more by Coles' desire to win market share from its major retail rival, at any cost, through focusing on ill-conceived consumer perceptions about HGPs in meat.

MLA managing director David Palmer said Coles had the right to differentiate itself in any way it saw fit. However, there was a widely held fear that its actions would cast such a negative image on HGPs – a government-registered, scientific-

During October, both Woolworths and Coles slashed retail beef prices on a wide range of items, in a tit-for-tat move.

cally proven, legitimate production tool – that it could rob the industry of a productivity driver worth \$210 million annually.

There was little doubt some export customers could now show a heightened sensitivity and scrutiny towards HGPs, needlessly, following the implementation of the policy.

"Perception and rumour is all powerful and the fear therefore is that a whole set of circumstances could now unfold, outside of the industry's control, that will only put pressure on the continued use of a safe, scientifically proven production tool," Mr Palmer said.

Fierce beef price wars erupt

AS a direct consequence of Coles' move on HGP implants as part of its brand strategy, a retail price war of unprecedented ferocity erupted as the nation's two dominant supermarket groups started positioning themselves for Coles' 'post-HGP era' starting January 1.

During October, both Woolworths and Coles slashed retail beef prices on a wide range of items, in a tit-for-tat move.

In combination, Woolworths

and Coles account for 48.4pc (August figures) of national red-meat sales at retail, so any pricing and marketing decisions made by the companies inevitably have a profound influence on broader domestic market fortunes.

Woolworths fired its first broadside against the Coles decision in early October when it announced retail price cuts (permanent, not short-term 'specials') of up to 20pc on 27 popular beef lines, from grilling cuts to mince, stir fry and roasts. That took prices on some items back to levels not seen in four years or more.

Remarkably, within days of Woolworths slashing its prices, Coles matched or even exceeded the price adjustments, lowering 18 beef items by between 7pc and 20pc.

"Consumers will be the big winners, and the new prices could in fact grow the category," one respected analyst said.

One of the big questions remains how overtly Coles promotes its non-HGP offer next year. There is a growing belief that to offset its productivity sacrifice, Coles will have to heavily promote the HGP-free message in the hope of securing more custom.

Ultimately, however, beef producers could suffer most, as both companies move to cover their financial tracks.

Polled gene marker breakthrough

ARGUABLY the most significant research and development breakthrough of relevance to Northern Australia during 2010 was the August announcement of the discovery and commercial trial launch of the world's first gene marker for polledness in Bos Indicus cattle.

The ability to apply selection pressure for polledness within

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EU supply challenge looms

THE first Australian beef produced under the new EU high quality grainfed beef quota hit the market during March, receiving positive feedback from European end-users.

After a year-long battle, Australia joined the US in February as the only other country authorised to supply the EU's 20,000t global high quality grainfed quota, which carries a series of covenants based on non-use of HGP, feed energy density, days on feed and the ability to grade the product using an internationally recognised national system.

"We think the EU will grow into an excellent, high-value grainfed market for Australia over time," Teys livestock general manager Geoff Teys said. "The grassfed and grainfed EU markets are by far the most lucrative meat markets available to Australian producers, and this new grainfed quota represents an opportunity to get more Australian product into the marketplace," he said.

Despite attractive meatworks grid offers, supply has been the issue so far this year, but exporters remain confident breeders and backgrounders will respond to the signals. To supply the market adequately, there will have to be an increase in the number of EU-accredited producers.

Twelve EU quota tenders are staged each year, each representing about 1600 tonnes in volume. Within two years the grainfed access will grow to 45,000t. Additionally, there is zero tariff payable on the grainfed program, unlike the existing Hilton grassfed quota where a 20pc tariff is imposed.

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