

**Pastures for Prosperity —
Proceedings of Beef Coastal Forum:
Is there a living in it?**

Pastures for prosperity — Beef coastal forum.

1. Meeting markets in semi-arid environments

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I appreciate the opportunity to discuss the future of the beef industry. It would appear that, although we have seen great changes in the past decade, we will see equally large changes in the next decade. Pressure is being applied by our competitors in that they are producing a very consistent and reliable product. An illustration of this is the Steggles operation in Mareeba that has gone from a standing start to an output of 50 000 chickens a week in a matter of months.

A far-too-significant number of male cattle in north Queensland are not reaching good enough grades to enable them to service the higher-priced Japanese and Korean markets. There is currently a 40 c/kg differential between Jap and USA prices. Basically, most of the 40 cents could be passed on to the producer. This obviously represents a serious loss of revenue for producer and processor. In recent times, we have seen the introduction of different incentive rates for younger cattle, i.e., 4-tooth, 6-tooth, full-mouth Jap. This is obviously an inducement to produce younger cattle. With base annual weight gains as low as 100 kg, the industry has to look seriously at improving the nutrition and genetics of our herd. With an animal's potential to achieve weight gains of up to 1 kg/d, our base production is only one-third of potential.

Where to from here?

It would appear that there are 4 options available to us:

- do as we are doing;
- improve the pasture;
- supplement on native pasture; and
- supplement on improved pasture.

Do as we are doing

If we as producers continue to do as we are doing, we allow our competitors to expand their trade and increase their market share.

Improve the pasture

Whilst I believe that Seca is a very worthwhile pasture component, it is imperative that we extend our interest to other alternatives such as leucaena, leguminous fodder trees, ponded pastures and any other options that become available. It is my belief that QDPI in north Queensland has placed too great a reliance on Seca as a panacea to cure all production ills.

Supplement on native pasture

There is an absolute acceptance of survival feeding but production feeding, which will have the greatest impact on meeting our market requirements, is not yet readily accepted. Molasses is available in north Queensland at the cheapest rates in Australia, yet most of it is being exported overseas as stock feed.

Supplement on improved pasture

I believe that we have to seriously consider the development of our pasture options as supplementary feeding costs may get out of our reach in the future. It should be noted that urea prices in the last 4 months have increased by \$100/tonne. Market requirements will be even more stringent in the future than they are today.

It has been demonstrated at a number of sites that we can increase our annual growth rates by

at least 100 kg/hd with supplements. Weight gains of this magnitude give you a much greater range of higher priced marketing options. It should be noted that, with any supplementary feeding program, an adequate supply of pasture is extremely important to achieve these weight gains.

It is quite obvious that the levels of supplement required to meet weight gain targets are significantly reduced by an improved pasture. I believe that an annual weight gain of 300 kg/yr should be the industry's target. Research is required to establish the most cost-effective way of achieving this goal.

Overall management practices also have a role to play.

I don't think there is any doubt that the problems facing the industry are ones for our research arm as well as producers. Quite often, things that go well in a research station situation don't seem to get the same results in actual practice.

I quote as an example "early weaning". On paper the figures stack up very well. In practice, while I believe you certainly produce more cattle or a better turnoff percentage, we are putting more cattle into the lesser USA market. Virtually no other trading partner has the capacity for this class of meat as the USA. With the South American countries beating on this door, it is imperative we improve our product to be able to expand our Asian market.

Much is said at industry gatherings about processor inefficiency and the ability of the processors to exploit the producer sector. I consider that some producers are very efficient operators; however, they are in a minority. Every time I visit a meatworks, I see far more cattle with horns on than without. The losses caused through horn damage have been well documented over the years and yet most people fail to get the message. We are in fact giving processors a wonderful opportunity to discount by presenting an article that is less than perfect.

Until recently, lead shot has been a serious problem for processors. I ask the question: What other supplier to the food chain uses a shot gun to prepare its produce for market?

I would like to quote to you from the Editorial in the May 1995 edition of Beef Improvement News.

"It seems decades of dishonesty are coming home to roost as beef and the enterprises that produce beef struggle to survive in the face of stiff competition and extreme weather conditions."

We like to believe we are honest in our personal and business dealings, but the sorry truth is that we have all been passing off less-than-satisfactory products and using unsustainable production and business practices for decades.

Ethics are relative. Perhaps we have been ethical compared with our neighbours and the values of our community, but, in a global food market, we must be "ethical" by the definitions of a much wider community of businesses and consumers.

Ten years ago, no one called the practice of slipping in a couple of smaller steers in a load consigned to market as "wrong". Few stud stock breeders labelled themselves "guilty" because they didn't castrate as many bulls as they should have and then passed these animals off as superior seedstock. It has even been considered "ethical" to sell third-grade beef as top product to unsuspecting consumers in Australia and overseas.

Unfortunately, unethical practices simply became a way of life.

Caveat emptor — buyer beware — became a favourite expression. After all, it was considered good business and ethical to pass the risk to the buyer.

The rules in the food industry are now the reverse. The new reality is "seller beware"; if you don't measure up, you will lose your customer.

Ethical standards must be raised or the beef industry and its players will have no customers.

As we face the future, we have to realise as livestock producers that other members of our society wish to have more say in how our land is used.

The debate on whether we are responsible custodians of our land is still on. We have to demonstrate very publicly that we can maintain our environment, not necessarily in its original state, but in a way that is at least as productive as or more productive than it was. We face a very challenging and hopefully prosperous future.