

China holds key to our beef future

KAROLIN MacGREGOR

FACTORS outside producers' control are having the biggest impact on red meat markets, a conference in Launceston has been told.

Meat and Livestock Australia chief economist Tim McRae said the two biggest influences on Australia's red-meat markets were the Australian dollar and seasonal conditions.

The conference, the Red Meat Update, was attended by about 150 producers from across the state.

Mr McRae said while globally beef prices were at record highs, the drought in Queensland and New South Wales had kept Australian beef prices relatively low.

He said the dry conditions in northern regions of the country had seen the fastest liquidation in the Australian cattle herd in about 40 years.

Mr McRae said record slaughter rates had combined with record amounts of red meat being exported from the



TIM McRAE: All eyes on China.

country's beef and lamb industries.

He said while Japan had traditionally been one of the largest markets for Australian beef, this could soon change.

"Traditional trade patterns have been changing and China has come into the market all guns blazing," Mr McRae said.

"Every analyst I talk to says it's not a matter of if but when China becomes our biggest market."

The country is now a billion-dollar market for red meat.

Overall exports of Australian red meat are booming.

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Tassie lamb given royal treatment



A CUT ABOVE THE REST: Mainland consumers are getting a taste for Tasmanian lamb.

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TASMANIA could become the new powerhouse of premium red meat production, according to one of the country's top wholesalers.

Kerry Melrose, from well-known Queensland business Melrose Meats, was a guest speaker at the Red Meat Update in Launceston.

He said mainland consumers were getting a taste for Tasmanian red meat, particularly lamb.

"I believe once the word gets out to the high-quality consuming public of Australia, Tasmania could be under pressure for numbers," Mr Melrose said.

"It's a bit of a sleeping giant as far as quality product goes."

Since 2006, Melrose Meats has been selling Tasmanian lamb under its "Royal" label and now buys about 1000 lambs a week from the state.

Lambs sold under the label are processed at JBS Swift's Devonport abattoir and graded under the Meat Standards Australia process. Mr Melrose said this had been crucial to the brand's success.

"I personally don't like MSA being used as a brand, whereas MSA underpins our brand, where we can put a guarantee on tenderness and quality too," he said.

With Tasmanian Royal Lamb now well established in

RED MEAT UPDATES

Brisbane's retail market, Mr Melrose has his sights set on the food service industry.

"In a lot of cases the food service area has been let down by the wrong type of lamb going into that market. I believe the sky is the limit in the food service industry," he said.

Mr Melrose said when it came to premium-quality lamb and red meat in general, Tasmania was difficult to beat.

"The carcass of a Tassie lamb doesn't look much different to any other lamb, but really there are a lot of differences," he said.

"I believe it's possibly got a bit to do with the pastures down here. They're very highly productive, the stock are well looked after, and they mainly come from smaller properties, a lot of them under irrigation."

"And the air that comes to Tasmania is the freshest in the world."

Developing a year-round supply, especially through the winter months, will be crucial as the company moves into the food service market.

"You can't not have supply for a month of the year or two months in winter," Mr Melrose said. "It is really important that

we get 12 months of the year supply.

"[It would be great] if something could be done so the lamb season could be staggered. I know weather problems are a big issue there, but if the season could be lengthened out, that would fix that hole."

About 100 producers supply lambs to Melrose Meats for the Tasmanian Royal brand.

Mr Melrose said while the lamb industry had been slow to take up MSA grading in abattoirs compared with the beef industry, it was a crucial tool in developing eating quality guarantees that consumers could trust.

"The science behind MSA is indisputable," he said. "For us it has meant we can develop a real point of difference with our brand and it has really underpinned Tasmanian Royal."

Learn from elite, beef farmers told

WHEN it comes to running successful businesses, Tasmanian beef farmers have been told there is a lot they can learn from the state's top dairy producers.

Agricultural consultant Basil Doonan, from Macquarie Franklin, said striving to make a profit was one of the most crucial steps in operating a successful business.

"Most farmers don't actively farm for profit," he said. "What they do is have a business strategy called hope, and unfortunately that isn't very effective."

Mr Doonan was addressing the Red Meat Update in Launceston, where he was a guest speaker.

He told conference participants the most successful farm businesses were those that aimed to be profitable and had systems that coped well with shocks.

Mr Doonan said that when looking at business strategies,

farmers should find out what the top 5-10 per cent of farms were doing and learn from that. However, he said getting bigger was not always the answer.

"In the dairy and beef business there is very limited capacity to get economies of scale," Mr Doonan said.

"All businesses need to grow, but don't grow a business that is already unprofitable."

He said while fluctuating commodity prices were often blamed for poor returns, this was just the reality of being in agribusiness.

"Commodity prices will always be volatile, so you have to develop robust systems to deal with that," Mr Doonan said.

He said developing the right skills and making the correct decisions under pressure were vital, especially for managers.

"Be really good at the things that count, because it's no use being exceptional at the things that don't," Mr Doonan said.