

# Processors say look to future

Rebecca Rawlings

Three processing companies indicated their long-term commitment to the WA beef industry at this year's Better Beef conference, asking producers to look past the short-term cost-price squeeze and high grain prices and boost herd numbers and start spreading calving times to meet long-term domestic and international demand. T&R Meats, Craig Mostyn Group and Harvey Beef all agreed WA's South-West produced the best beef in the world and it was time processors, producers and lot feeders met to talk through WA's inefficiencies and find solutions that would make the entire beef food chain profitable.

T&R Meats and the Craig Mostyn Group announced they were committing to opening WA abattoirs in the short term while Harvey Beef has said it wants to be processing 1000 head of cattle a day by spring.

Harvey Beef chief executive Michael Rapattoni said problems the WA cattle industry faced included an inefficient availability of cattle, competition from the live export industry, competition for land use in the South-West and a lack of labour in the processing industry.

"We need to educate the consumer on why they should eat WA beef as well as ensure we are the most efficient and cost effective processors," Mr Rapattoni said.

"Apart from livestock costs, labour is our biggest cost.

"We can reduce this cost if we are at maxi-



Harvey Beef chief executive Michael Rapattoni.

imum capacity.

"We need to grow our herd sizes.

"WA exported 700 thousand head of live cattle last year with half a million cattle being processed here in WA; there is only so many cattle to go around.

Mr Rapattoni said planning needed to begin now for 2009 and 2010, not only in numbers but in type with a consistent supply of beef needed to maintain market share.

He said the future for WA would lie in lot-feeding and finding smarter ways to produce and feed cattle all year round.

T&R Meats chief executive Darren Thomas said its purchase of the Lakes Road Abattoir was an indication of the company's faith in the WA livestock industry.

Once the abattoir was in operation, production was estimated at being between 300 and 400 cattle a day with an additional 4000 smalls.

Mr Thomas said he believed WA had the capacity and stock to supply these numbers, in addition to the plants already operating in WA.

Mr Thomas said T&R Meats had a plan when it came to labour shortages in WA and had a program already in place in South Australia addressing this issue.

He said the future depended on what we do in the present and at this stage while the company was going through the works and planning process as well as gaining environmental approval for its Mandurah abattoir, no date for operation could be committed to yet.

"We have been going through the development of the Lakes Road Abattoir using a methodical process," Mr Thomas said.

"This is so T&R Meats will be here for the long term and not a 'fly by night', here one minute and gone the next.

"We are talking \$100 million, we can't commit one cent of capital unless we are sure."

Mr Thomas said the WA Government had been tremendously supportive throughout the process and was hopeful clearing and works approval would be granted in the next 10 days.

"People will keep eating, the population will grow and Australia will export; these are the on-

ly guarantees I can give.

"We are going into the WA processing industry with a positive attitude and think there is a great future here."

Craig Mostyn Group chief executive David Lock said there was room for two new processors in WA and his company was committed to building the first new multi species abattoir in WA in four decades.

Its Lindley Valley abattoir currently processes 14,000 pigs a week and is the largest single shift pork abattoir in Australia.

Moving into other species, the Craig Mostyn Group did not see themselves as a competitor in the red meat industry but as replacing old and fragmented domestic works in WA.

"We are committed to state of the art technology, using Australian best practice that is equal to anything else in the world," Mr Lock said.

He said robotics were introduced wherever they could be in the processing plant and through strong marketing the end product would be promoted on quality and service not just on price.

Mr Lock said government support was needed to make sure boundaries were set for tenure in the long term as well as support for labour through opening 457 visas to unskilled people.

He said the domestic market for beef would be very important for providing regular throughput for the WA beef industry; however, the group would focus on being an export processor.

## Time for industry to get together to figure it out



Graeme Curry

### Stockwatch

Over the past month or so I have watched saleyard numbers with a mixture of mirth and at times anguish given the supplies that have been forwarded and continue to be forwarded for sale.

The mirth part comes from all of the theories that have been espoused over the past six months over on what 'would' and 'will' happen with stock supplies and the anguish bit comes from the fact that I have had to stand there and record them as they have been sold. As far as the last bit goes I can hear the cries of sympathy that are no doubt forthcoming.

On a more serious basis though, all of the above highlights one of my pet hates within this industry and that is that no one - and here I encapsulate all including, producers, processors, feeders, agents, live exporters, livestock carriers and market reporters - has any idea of what supplies are still within the system.

Since the spring of last year many pundits from within the walls of industry in this State were predicting that come the end of February or March of this year the numbers of both sheep and lambs would have dried up, but having said this the statement was more on the lambs rather than other classes of mature sheep.

A similar case was also being made on the cattle side of things, be they vealers or prime finished cattle including grain finished drafts and as an indication of this it would seem that the pin was pulled far too early on the two-day sales format at Mt Barker given that in the past month there have been two one day sales that have physically filled the yards to their capacity.

Now having said this it is not my intention to point the finger or try and belittle any individual or organisation, but rather use these to illustrate how far out many with the industry can be in their predictions of numbers and the influence, either positive or negative, that they will have on the market.

I espoused this theory of mine on numerous times in the past and once again have lived long enough to see it raise its head once again.

Some of the claims that I heard in relation to lambs were that by now prices on a cents per kilo basis carcase weight were to have already surpassed 400c/kg and well and tru-

ly on their way to breaking records of up to 500c/kg.

If we look at what has already transpired and is currently happening, values in saleyards are closer to 300c/kg and in the case for many lambs less than 20kg their figures are closer to 290c/kg.

As far as the grain finished cattle market is concerned figures of 400c/kg cwt were also predicted prior to this time because no one was going to feed this year given the inflated price of grain.

As we have now seen far more cattle have gone off feed than the pundits predicted and the market presently is jogging along and I am yet to find any processor paying, or any feeder receiving 400c/kg cwt or better.

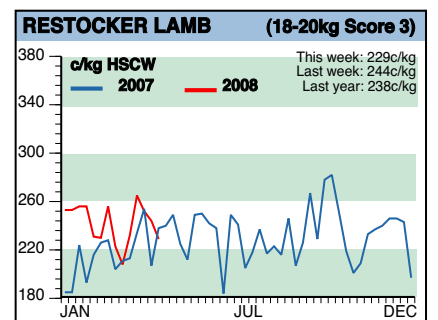
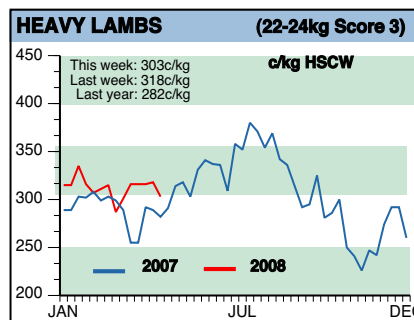
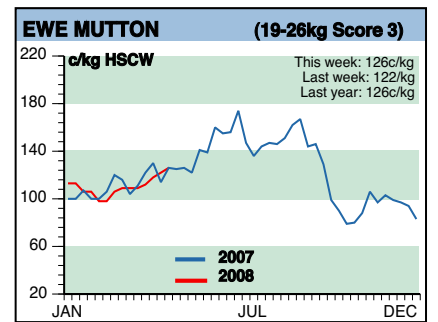
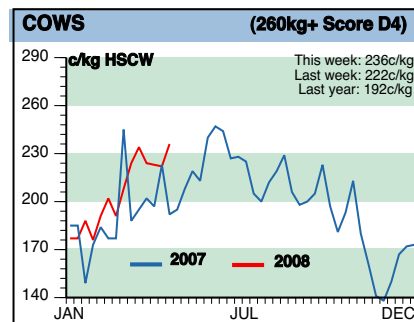
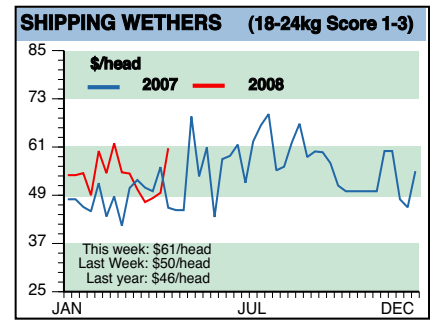
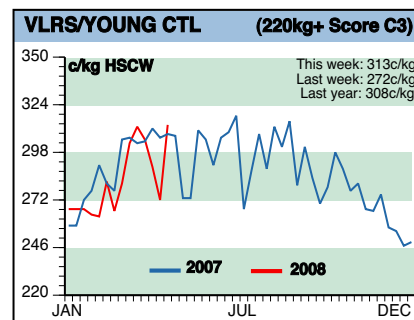
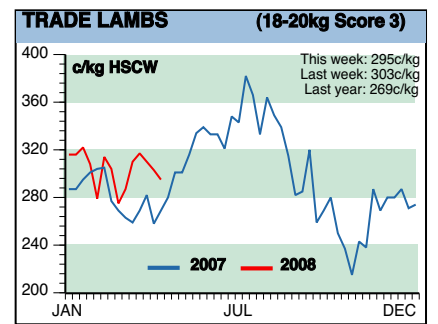
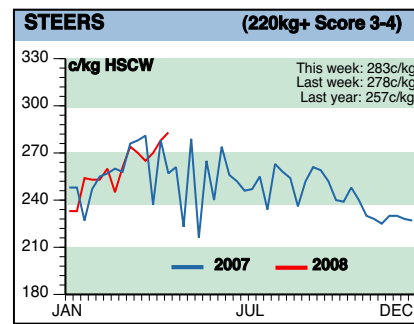
So having said all of this my point is quite simple.

Would it not be far more beneficial and perhaps even easy if we had some tool that would allow us as an industry to gauge what numbers were to be forthcoming and these advertised to all and sundry?

The only problem that I have, and indeed share with industry, is that I have absolutely no idea how one would go about organising such a survey to collect the information.

How would do it and how it could then be disseminated once it had been correlated into any useful form.

But perhaps someone out there who is more intelligent than I am could come up with an answer to the problem.



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## MP in gas call

A call by Democrat Senator Andrew Bartlett for people to eat less meat and dairy products to help cut greenhouse gas emissions has been attacked by farm leaders.

Senator Bartlett, an outspoken animal welfare advocate and former head of Animal Liberation Queensland, said emissions from livestock were larger than from the transport sector. "The impact we can make from changing our diets is rarely talked about. If we don't substantially cut back on consumption of animal products, our chances of stopping climate change are almost nil."

Cattle Council of Australia president Bill Bray accused Senator Bartlett of running a "senseless argument" that was not "practical or logical".