

The Beef Industry Trifecta

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Queensland
Government

Acknowledgements



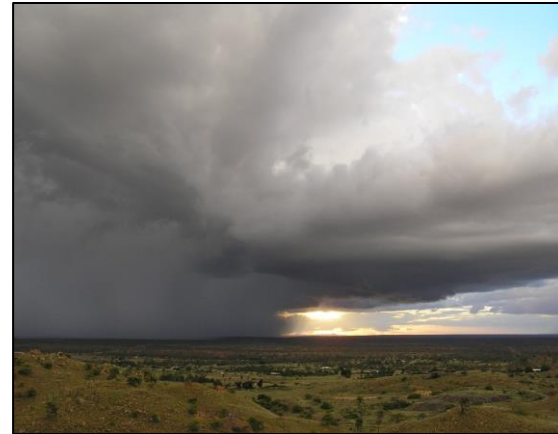
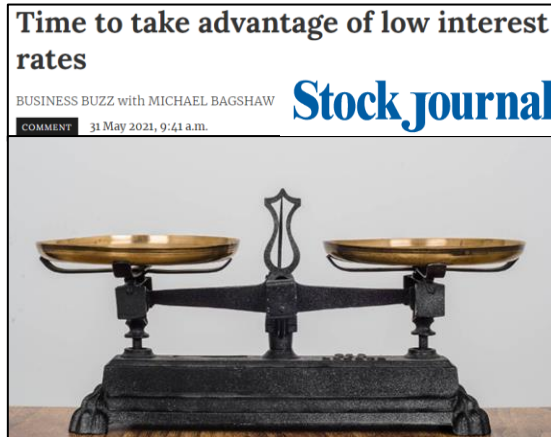
Roger Landsberg
Trafalgar Pastoral Company
Charters Towers



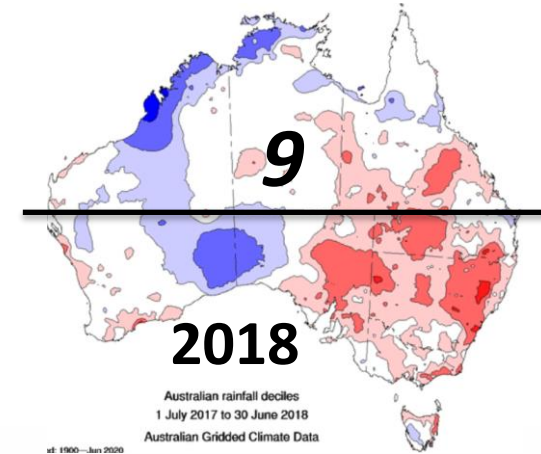
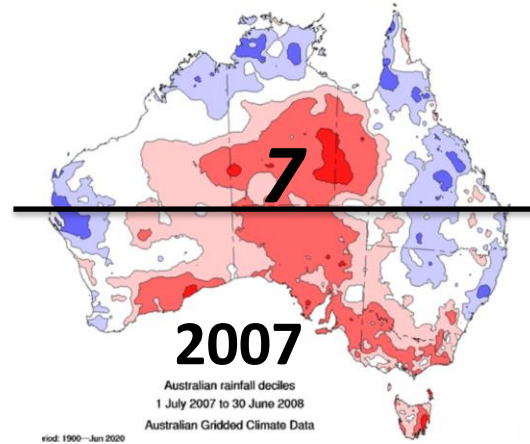
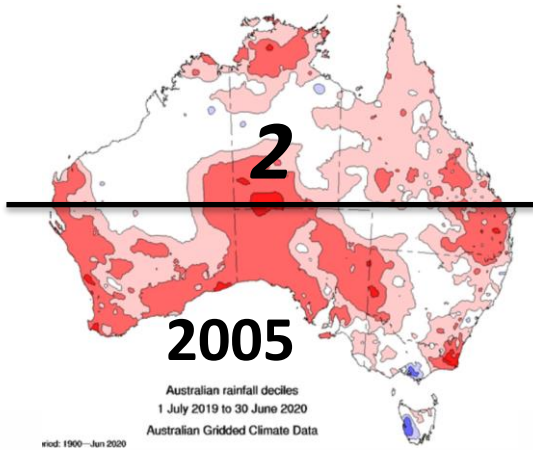
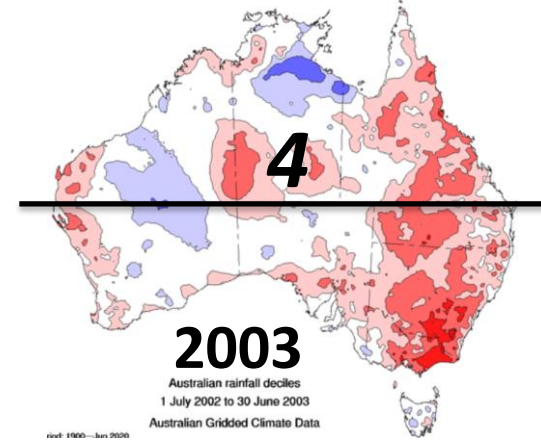
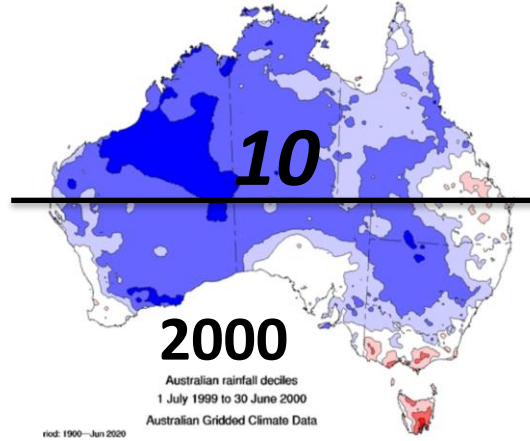
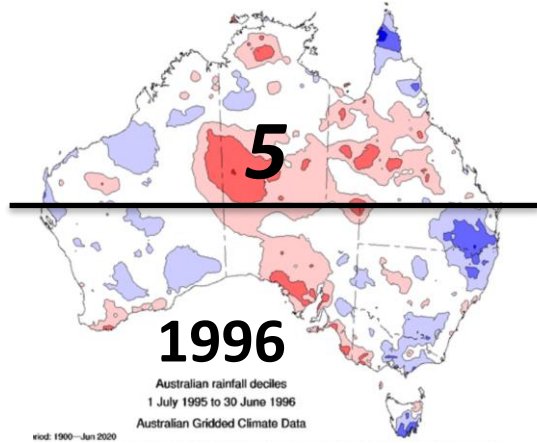
Tom Mann
Hillgrove Pastoral Company
Charters Towers

“The Trifecta”

- High beef prices
- Good seasons
- Low interest rates

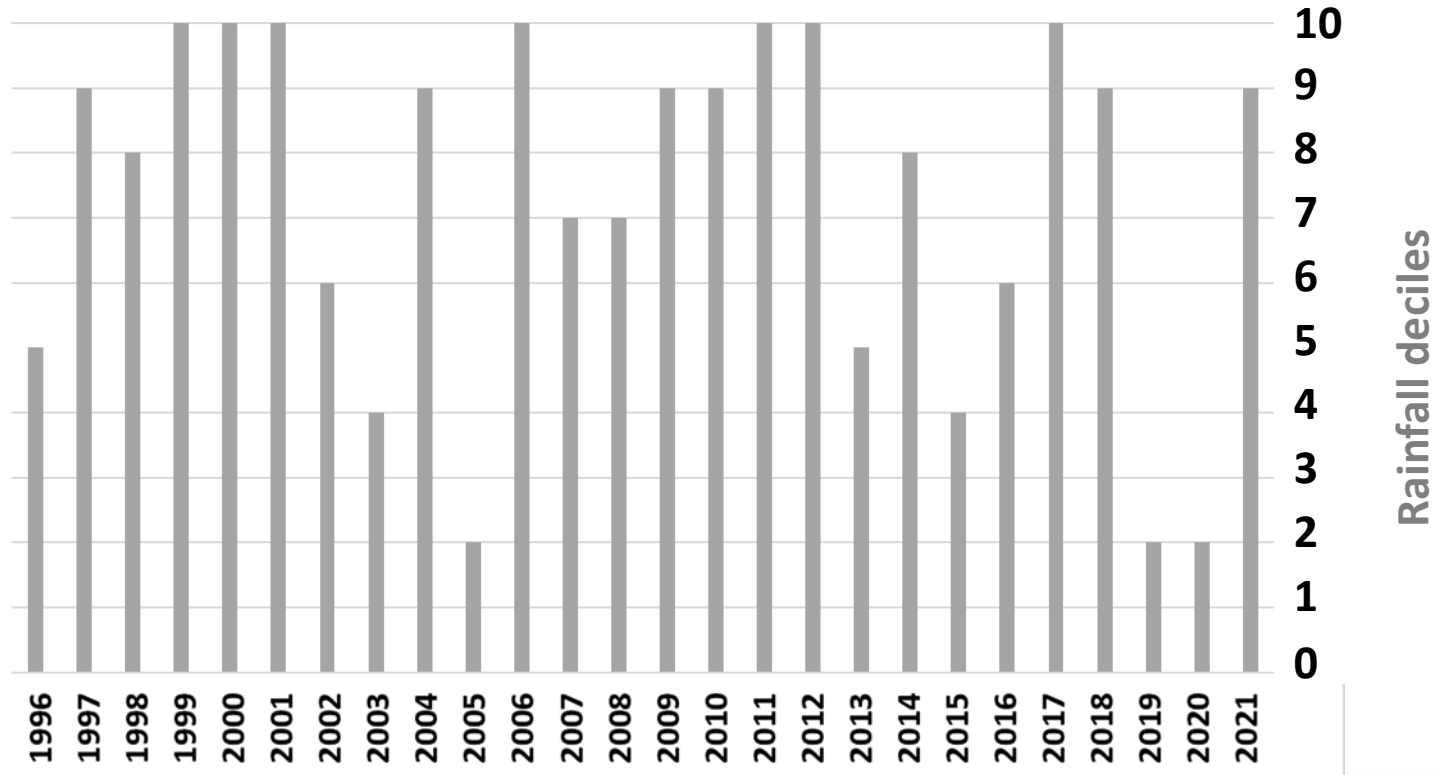


Rainfall deciles – northern Australia

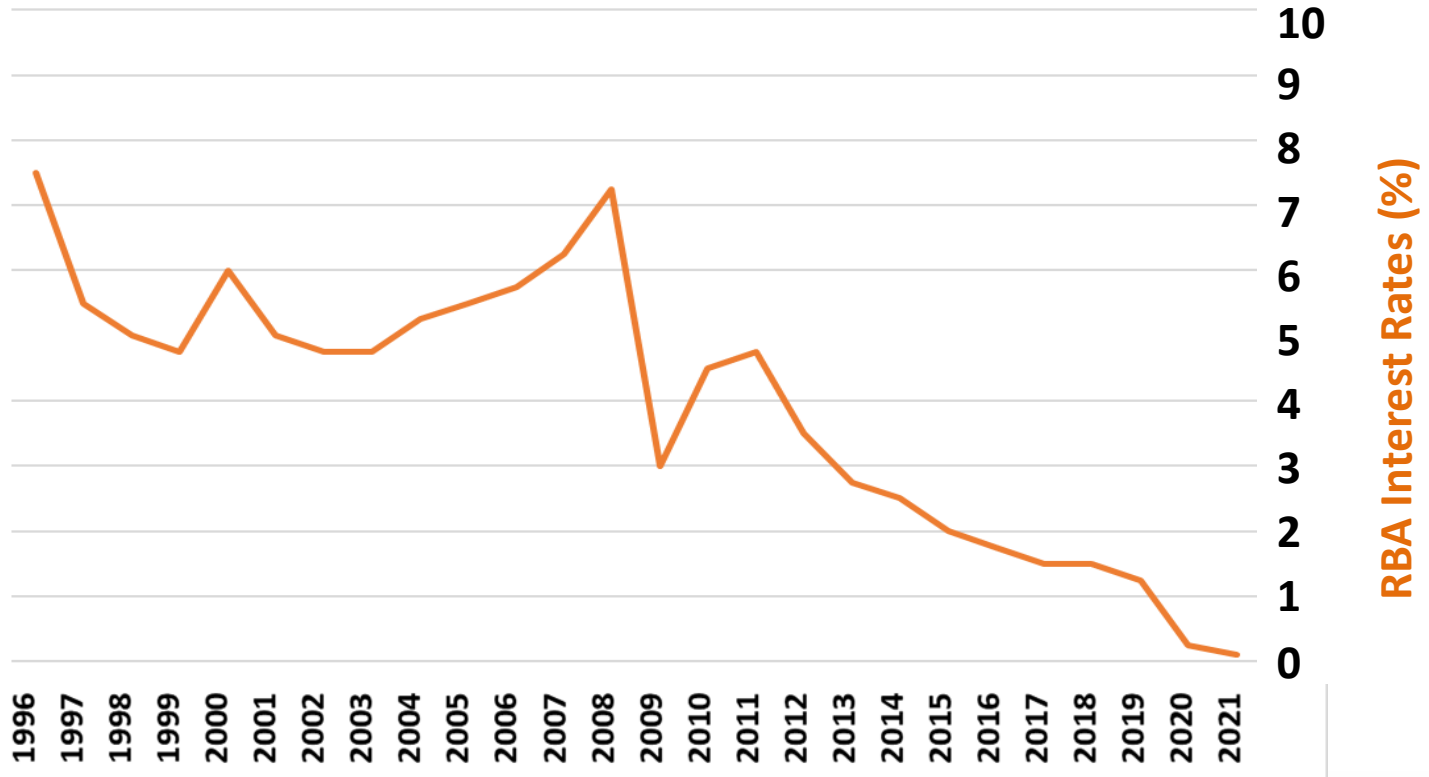


Rainfall deciles 1996 – 2021

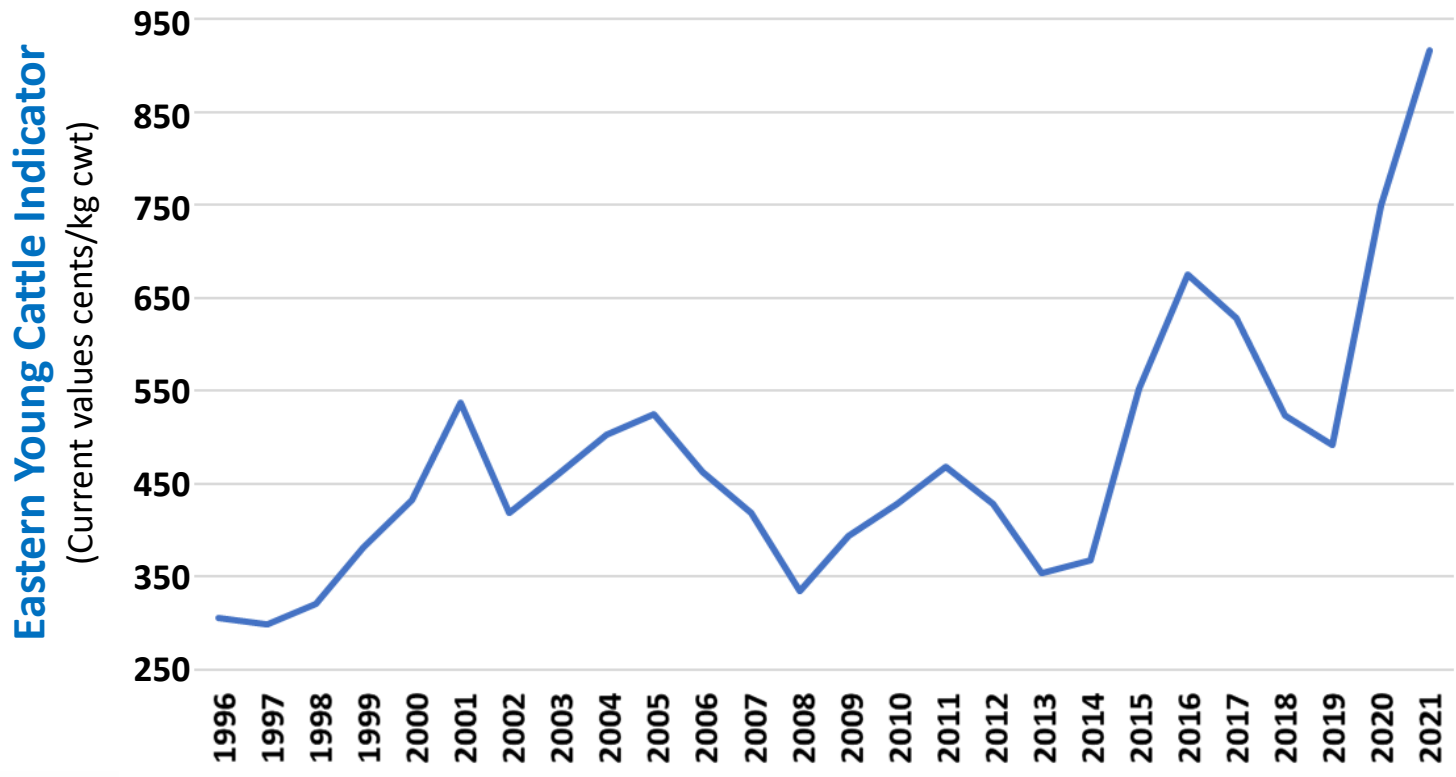
(David Ahrens Dept Env & Science Qld)



RBA Interest Rates 1996 – 2021



Eastern Young Cattle Indicator 1996 – 2021



Rainfall, EYCI & interest rates 1996 - 2021

Eastern Young Cattle Indicator

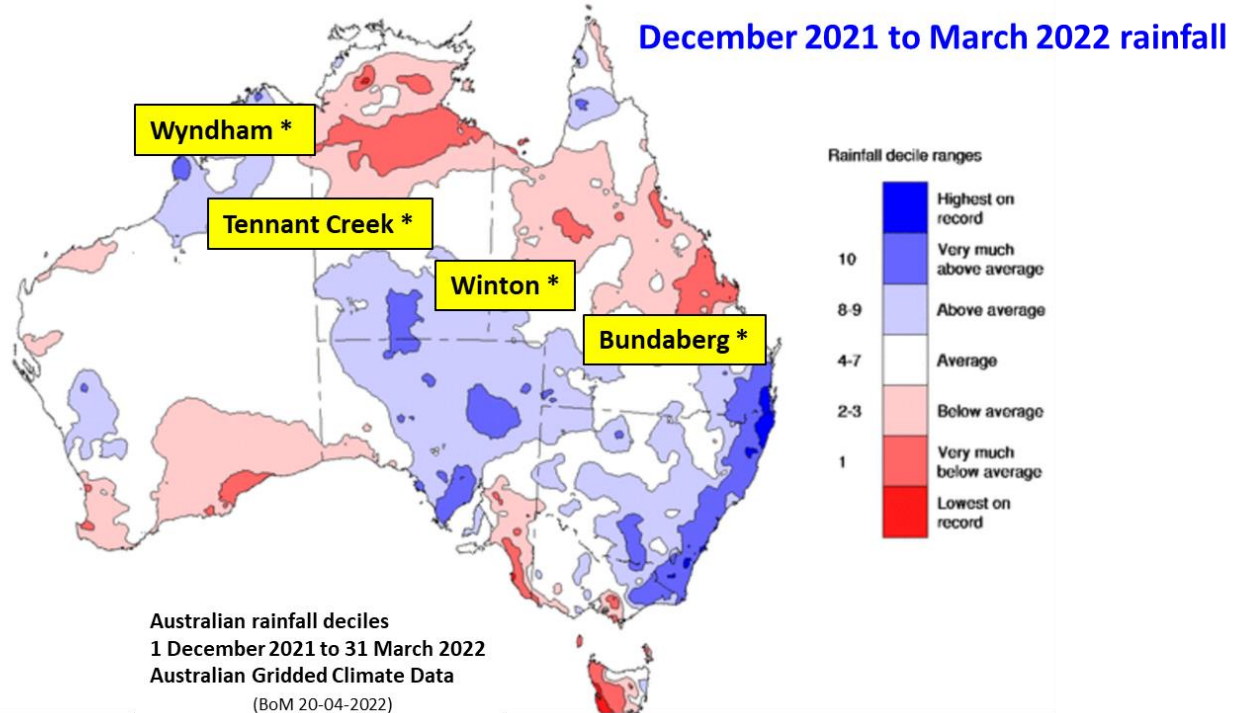
(Current values cents/kg cwt)



Rainfall deciles & RBA interest rates (%)

A reality check - April 2022

Rainfall



A reality check - April 2022

Costs of production

“..... inflationary pressures are building in the beef supply chain with labour, freight and energy costs among the largest to see increases, along with feed.”

Beef Central, 02/03/2022

Rabobank report “Q1 Global Beef Quarterly”

<https://www.rabobank.com.au/media-releases/2022/220302-cost-increases-to-challenge-global-beef-demand-rabobank-report/>

A reality check - April 2022

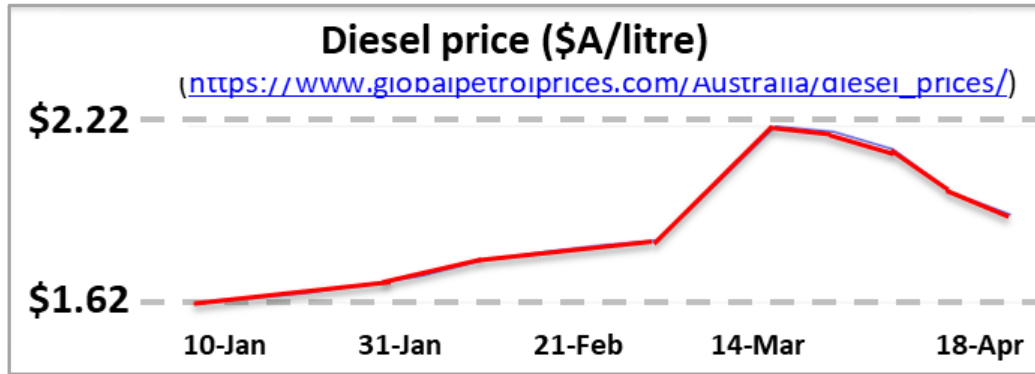
Interest Rates

- RBA cash rate currently unchanged at 0.1%
- Forecast
 - 1.25% by Dec 2022 (WBC forecast 6th Apr 2022)
 - 2.25% by Dec 2024 (NAB forecast 19th Apr 2022)

A reality check - April 2022

Costs/prices

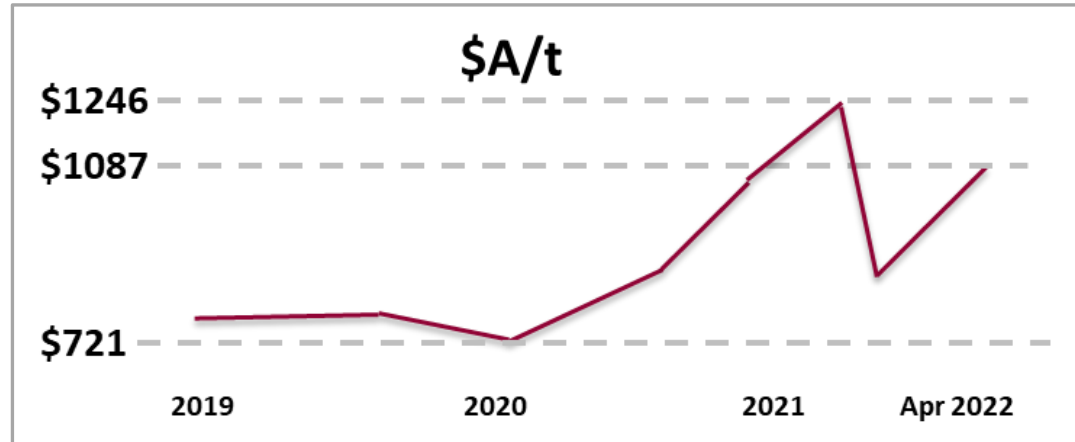
- Diesel



A reality check - April 2022

Costs/prices

- Steel

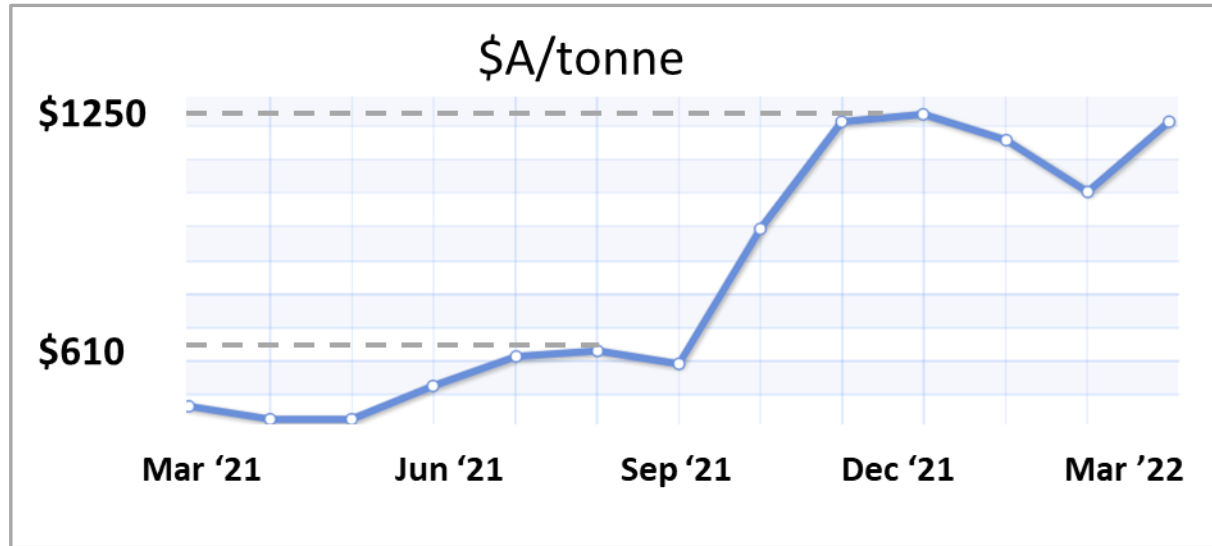


<https://tradingeconomics.com/commodity/steel>

A reality check - April 2022

Costs/prices

- Urea

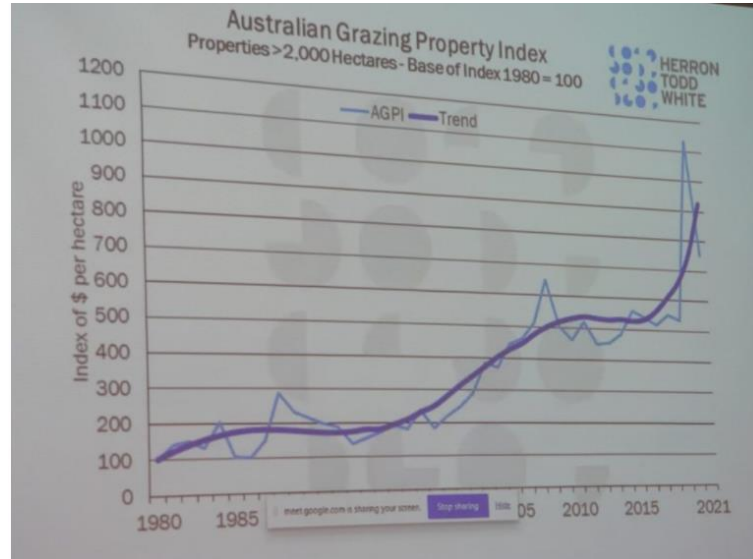


<https://www.indexmundi.com/commodities/?commodity=urea&months=120¤cy=aud>

A reality check - April 2022

Costs/prices

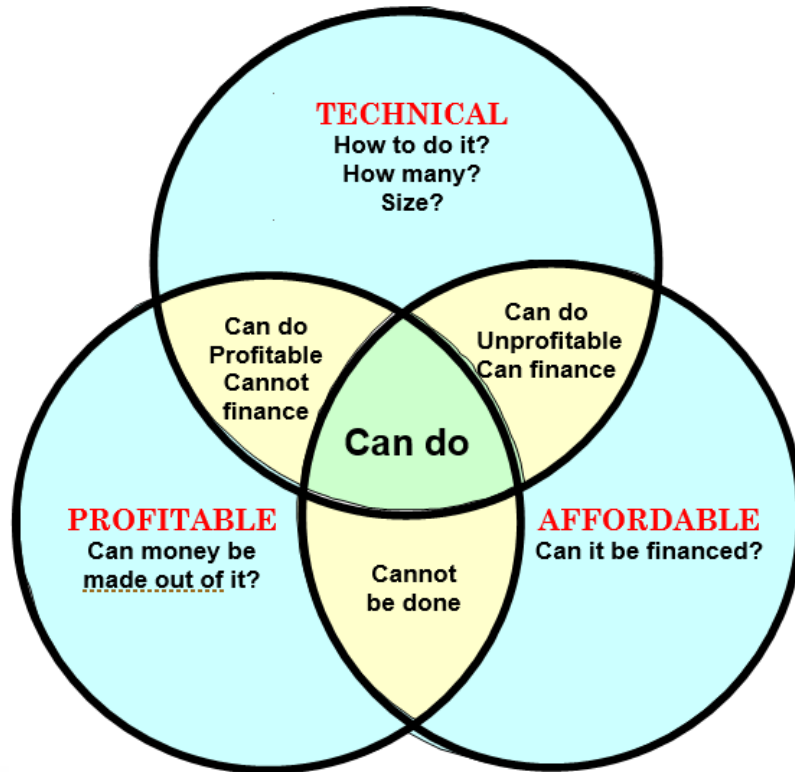
- Grazing land



[Powerful cocktail drives explosive property market change over last two years - Beef Central](#) (6-4-21)

However there are still opportunities

Assessing options - consider 3 business needs

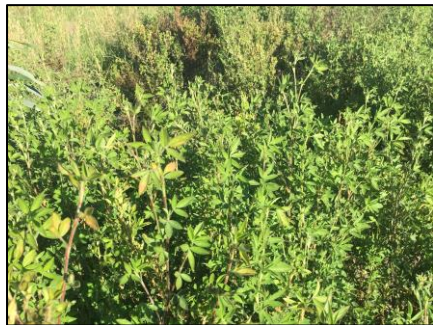


.... but, some serious environmental issues may not be profitable!



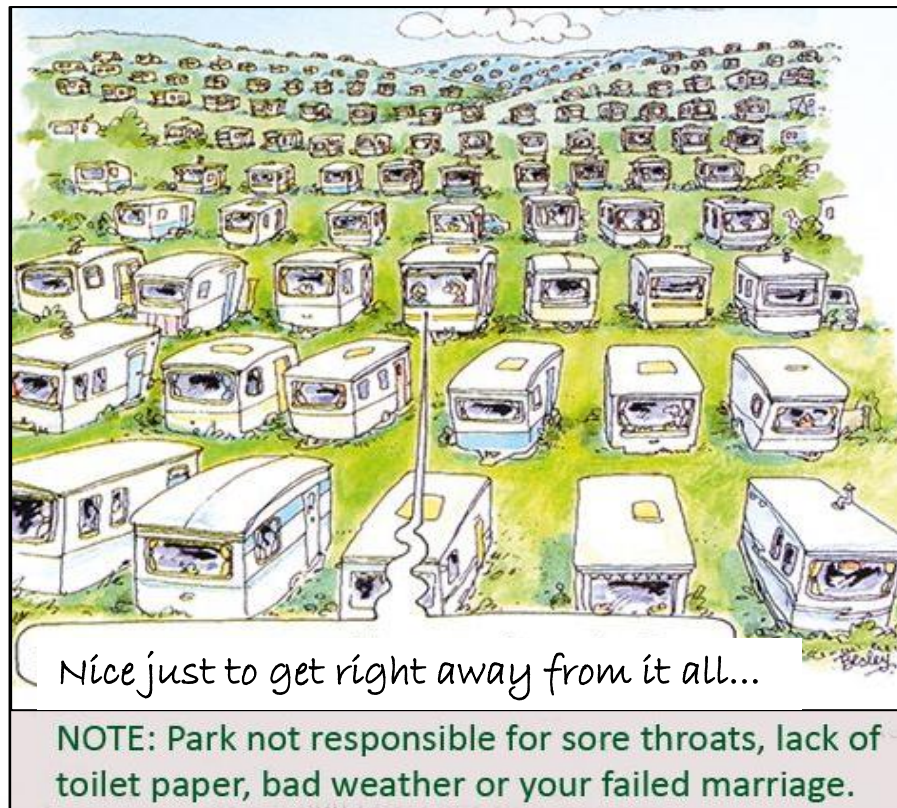
What are the options?

1. Business as usual
2. Financial management options
3. Increase LTCC
4. Upgrade infrastructure
5. Livestock
6. Environmental management
7. Family & staff



2. Financial management options

- Pay down debt
- Diversification
- Off-property investment
- Sell some equity
- Exit the industry



3. Options to increase carrying capacity

- GLM basics
 - Match S/R to CC (forage budgets)
 - Wet season spelling
 - Management burns
 - Sown legumes
 - Pest management
- Agist country
- Purchase more land



PROPERTY

Weekly property
review: New
entrants compete
with old money



4. Upgrade infrastructure

- In the paddock - fences, waters, yards, roads, airstrips
- Hi-tech – IT & connectivity, WoW, remote monitoring, virtual fencing, etc
- Accommodation – high standard, WiFi, landscaping, good beds!



5. Livestock

- Re-stock – buy or breed up
- Better genetics
 - Understand & use EBVs
 - Ensure GLM & animal health/welfare practices allow for genetic expression



6. Environmental management

- Water quality = good grazing land management
- Woody weeds – IPM principles
- Badlands – exclude livestock
- Legacy mine sites – exclude livestock



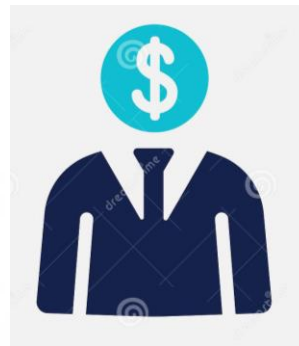
7. Family & staff

- Training – technical & on-the-job, OH&S, people mgmt, etc
- Succession planning



Conclusions

- The Trifecta is a rare occurrence – make the most of it!
- Best options are seldom clear-cut – access expert advice:-
 - Technical
 - Financial
 - Legal
 - Life skills
 - Facilitation
 - Mentors



Questions please

‘Chinaman Creek Dam’ Cloncurry, Qld