

BEEF SUPPLY CHAIN PARTNERSHIPS

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The Beef CRC is committed to growing the profitability of the Australian beef industry. A major strategy of the Beef CRC, working in close collaboration with Meat and Livestock Australia, is to establish 5 supply chain partnerships in Australia and New Zealand to achieve improved profit and efficiency for both suppliers and processors. The supply chain partners will include breeders, backgrounders and feedlotters working in collaboration with a processor. The beef producers will form groups, called Beef Profit partnerships (BPP) to investigate and evaluate technologies to enable them to better meet market specifications, improve their production efficiency and impact on their profitability.

Historical data from the processor and producer suppliers is being analysed to identify opportunities and problems in compliance with carcass specifications. This may highlight factors such as seasonal variations in carcass characteristics that can be overcome by simple adjustment to feeding regimes. Or it may indicate the suitability of a particular production system or breeding regime for a particular market.

Communication within the supply chains will be a key focus of the supply chain partnerships. The provision of improved systems of feedback data to finishers, backgrounders and breeders will provide an opportunity to benchmark performance of individual businesses both across regions / market types and over time for compliance with specifications. This feedback is crucial in identifying areas where continual improvement in performance is possible.

Both current and new measurements at all points in the supply chain will be evaluated for their usefulness in better describing the value of an animal or carcass. These measurements will be used to develop prediction models to assist in procurement of animals that will perform better during the finishing phase and better meet market specifications at slaughter.

In addition, the supply chains will provide an invaluable source of information in the field-testing of gene markers and prediction models. Carcasses from some BPP members will be sampled to determine a) the frequency of gene markers for quality and yield, and b) the size of the effects of gene markers on quality and yield.

BPPs will be formed in association with each of the cooperating processors. These will consist of between 10 and 15 producers who have a commitment to improving the profitability of their beef business. The initial target for the BPPs is to achieve a 5% improvement in annual business profit.

In these BPPs producers will:

- Work with other producers with a common interest in achieving improvement in productivity, profit and business growth.
- Be supported to take effective, ongoing actions to achieve rapid and measurable improvements in the profit drivers that are relevant to their own business.
- Work with a dedicated facilitator and have access to key researchers and other professionals that are experts in a wide range of beef production and

related technologies and who are also committed to improving growth and profit in the industry.

- Be equipped to use a simple process and proven tools and technologies to achieve improvements now, and to create new ways to increase profit in the future.
- Have opportunities to share experiences and knowledge with people from across the BPP network through newsletters, information packages and BPP meetings.

BPPs are targeting measurable improvements in profit in individual businesses as well as on a regional and national basis. BPP members will be supported to track changes in key drivers of profit, such as costs, prices and throughput and in those productivity indicators most relevant to the changes they have made in their own business. These might be growth rate, reproductive rate, mortality or stocking rate. Facilitated BPP meetings are scheduled every 90 days to ensure team members have adequate support, achieve their relevant targets, and are able to monitor the relevant measurements and change in business profit.

Every two years, producers will have the opportunity to participate in a BPP Impact Forum, where producers from different BPPs gather together to share knowledge and experiences for their mutual benefit.

The Beef CRC will assist the supply chain by providing:

- analysis of historical data from processors and feedlotters as well as ongoing benchmarking of performance over time
- assistance with trials



and demonstrations that have potential to lead to adoption of technologies that increase production efficiency and compliance with specifications and profitability of the supply chain

- financial support for BPPs to allow visits from researchers and other technical specialists, materials and equipment costs associated with BPP meetings and forums and travel costs for BPP facilitators.
- information packages for BPP team members on a broad range of beef production issues.
- support from specialist beef economists to assist in monitoring changes in growth and profitability of individual businesses and the BPP network. All financial and production data will be treated in confidence and will not be used in any way that would enable individual businesses to be identified.

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