



HEREFORDS
Australia

Productivity Driven Sustainability - Bottom Line Benefits of Reducing Cost of Production

Tuesday 14 May 2024
Wodonga



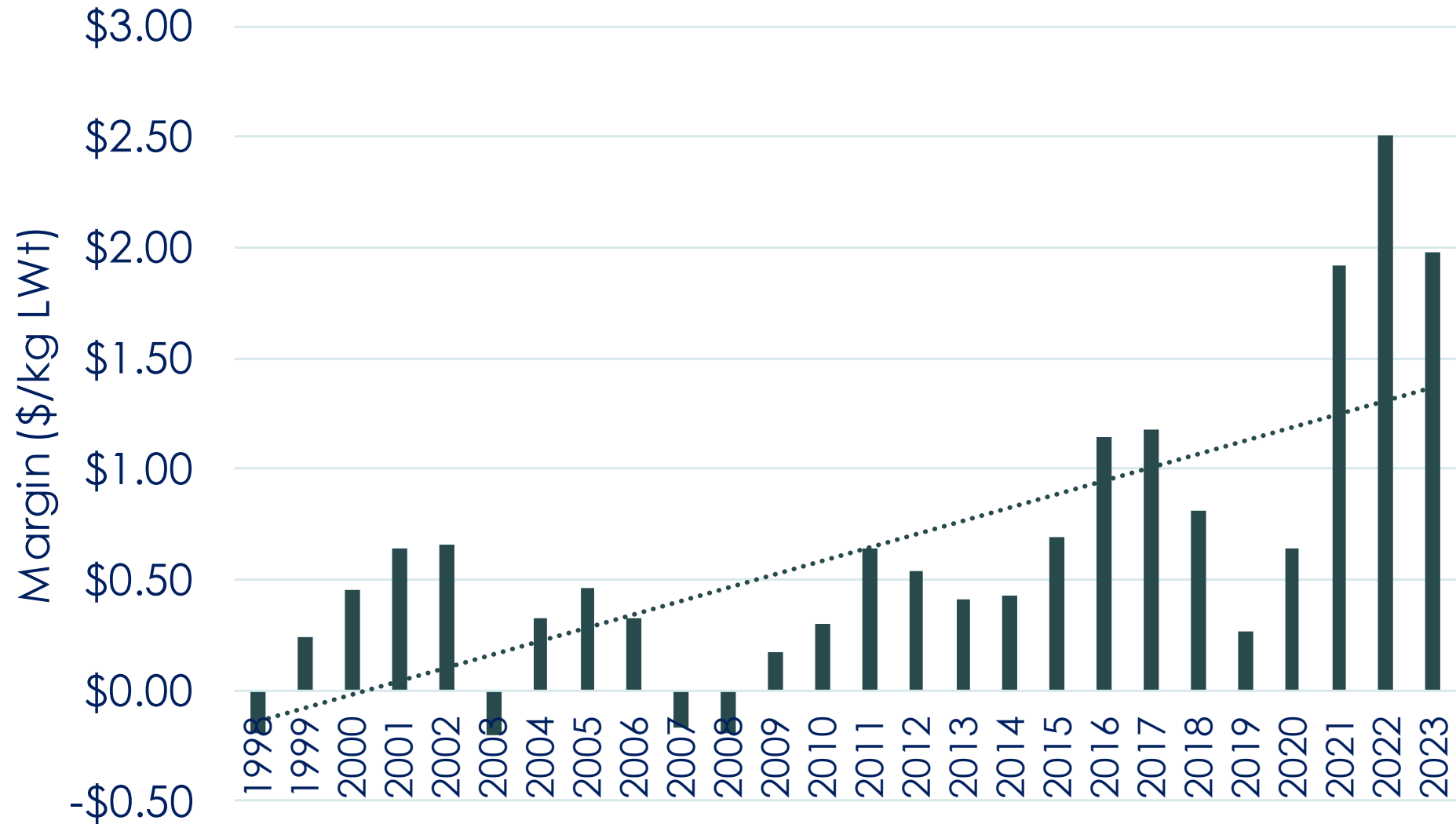
SUSTAINABLE PROFITS FROM BEEF

SANDY McEACHERN

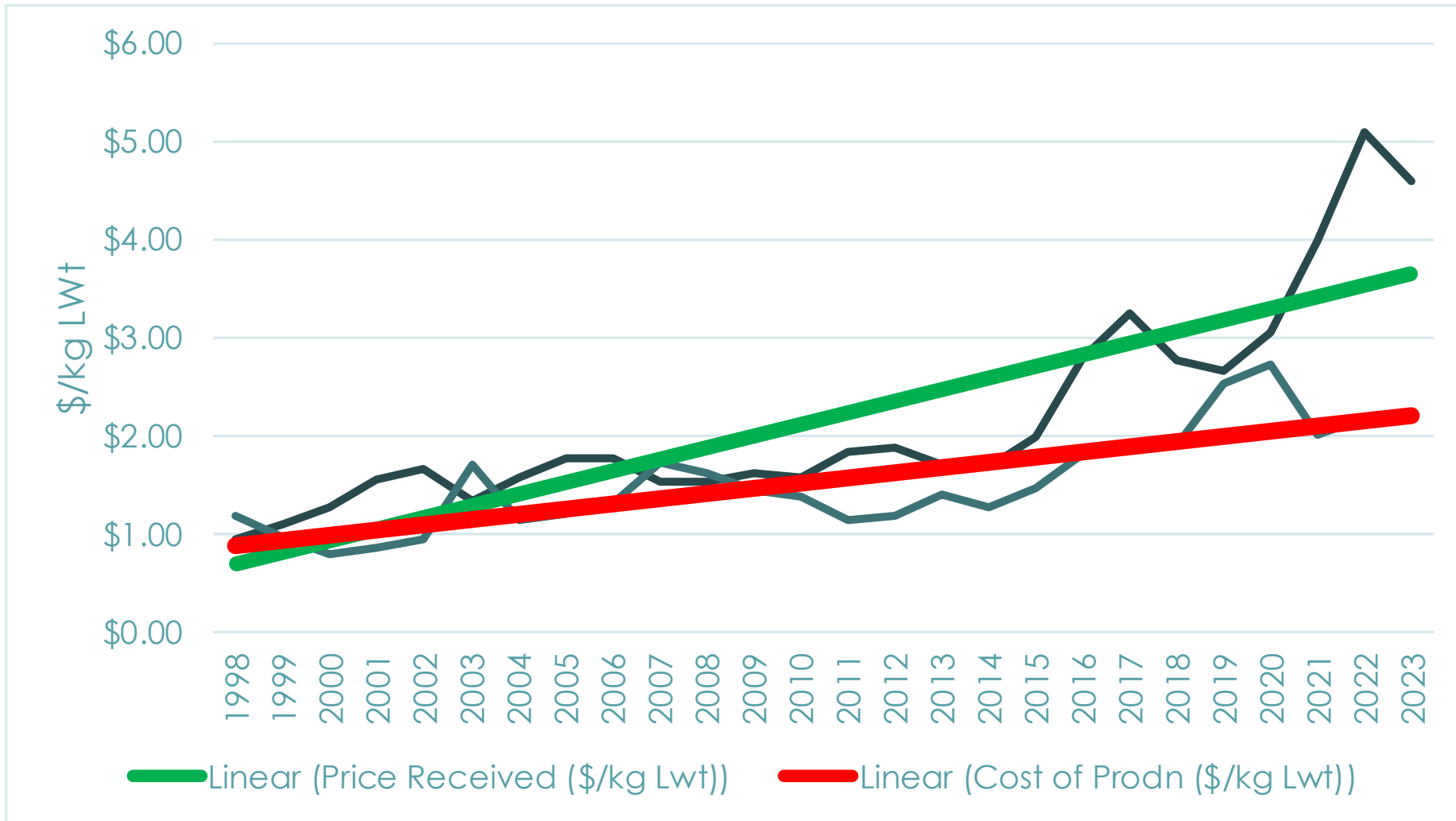
AGGREGATE CONSULTING PTY LTD

MAY 2024

Beef is a good news story

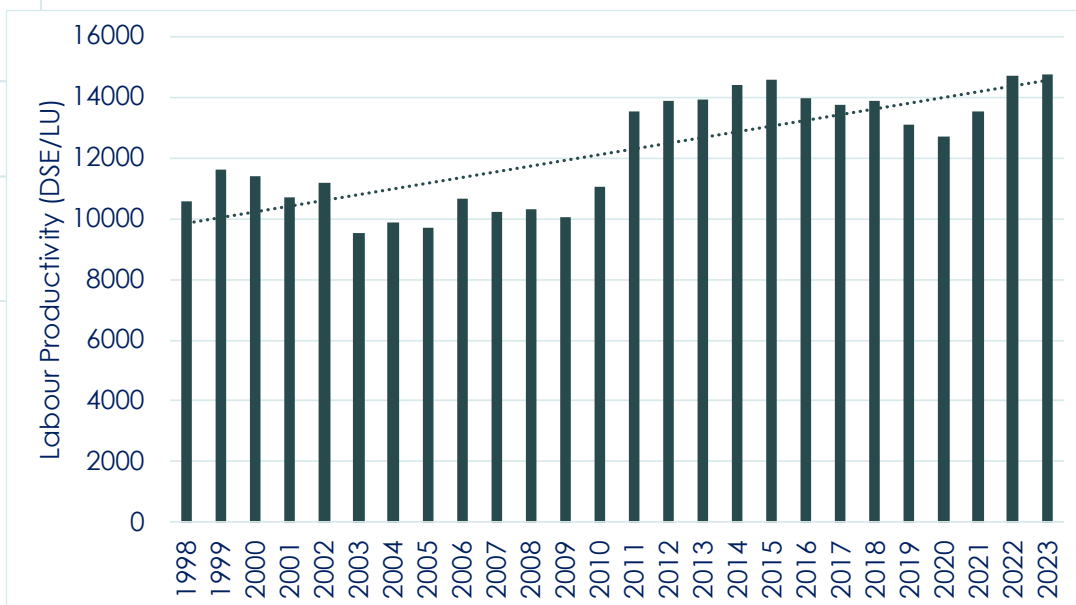
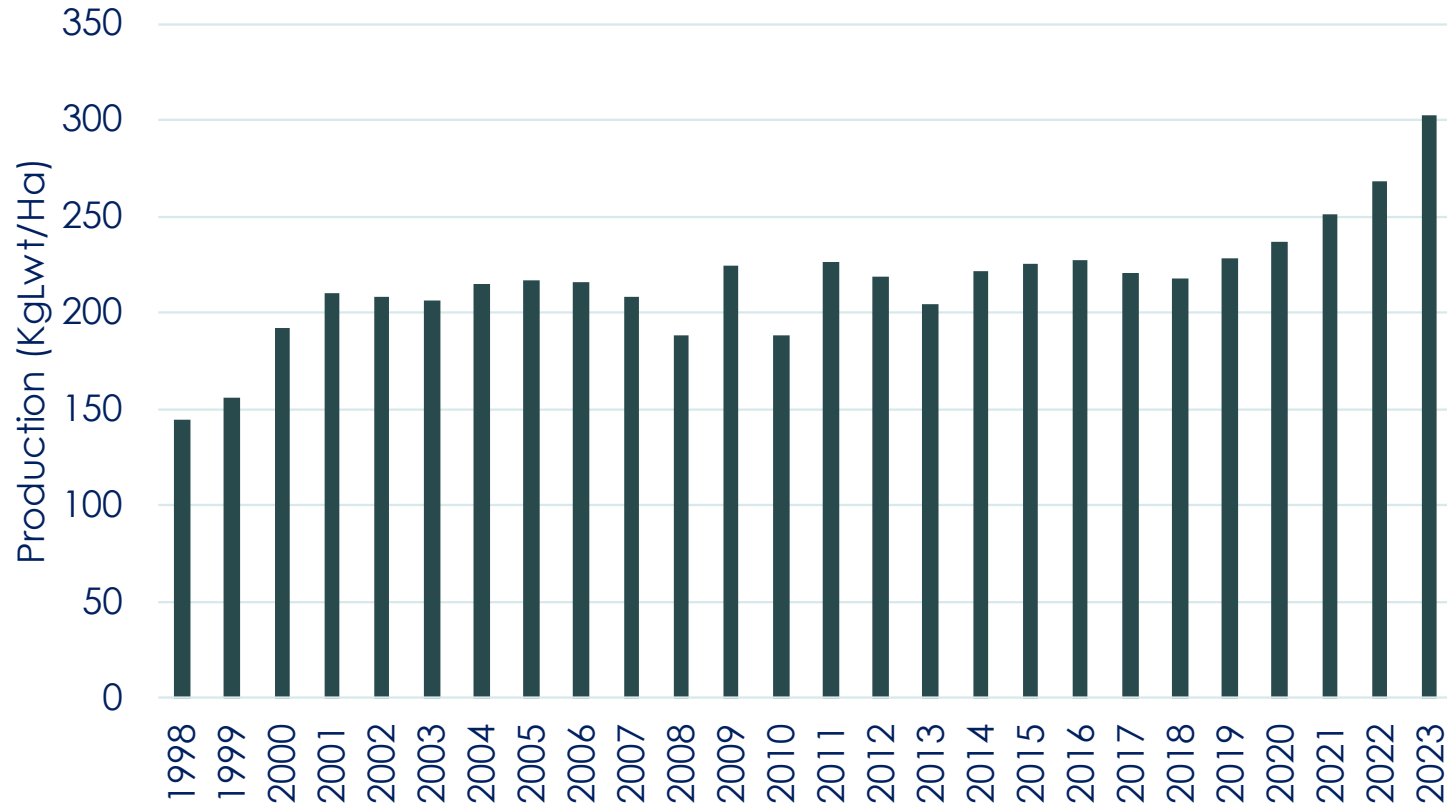


Cost of Production kept to \$2.20/kg

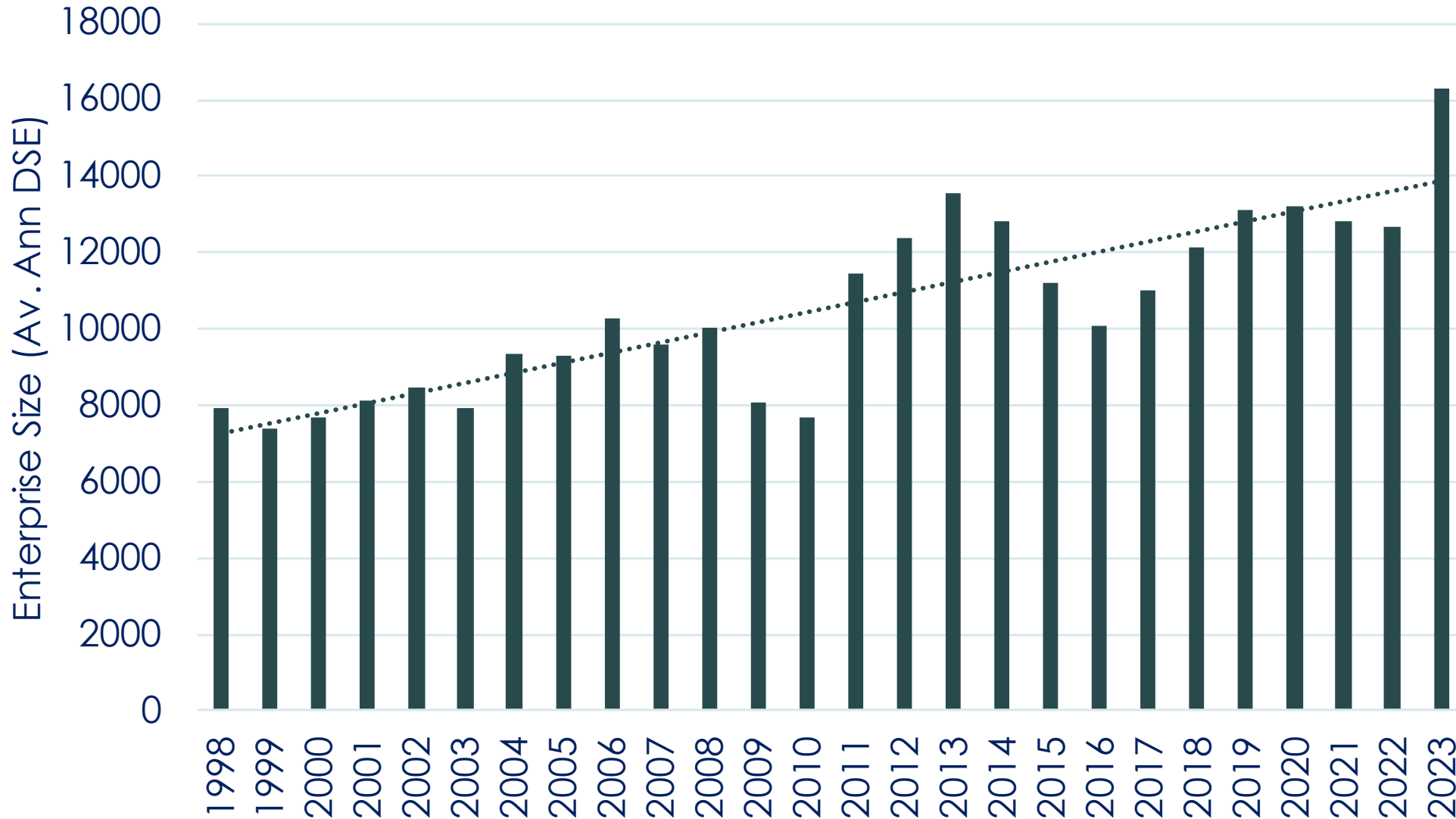




Key factors – production and efficiency



Key Benefits – more Ha Grazed



Southern beef has done well from

- Expansion of the feedlot industry
- Changes in production systems
- Expansion



In the absence of further systems changes – future productivity gains will come from

	Average	Best Practice	
• Genetics	Production Per DSE	19	20
• Pasture production	Av. Ann. SR (DSE/Ha/100mm)	2.0	2.5
• More accurate operations	Total Expenses (\$/DSE)	\$40	\$32
• Economies of scale	CoP	\$2.11	\$1.60
	Labour Productivity	15000	25000
	Profit (@\$4/kg Beef) (\$/DSE)	\$36	\$48
			33%
	Profit (750mm rainfall) (\$/Ha)	\$540	\$900
			67%

What would be useful in the future

- Real time monitoring
- A better understanding of marginal benefits
 - **N**, **P**, **K**, **S** and **Lime** and may be others
 - Declines in product efficacy
 - Deficiencies not previously encountered
- Genetics
 - Herd fertility not a southern problem.
 - Clear understanding of what producers get paid for and the traits that best deliver on that (sale weights then everything else).

