# Sustainable beef cattle production systems

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**Overview:** *This paper identifies the most common beef cattle enterprises and activities which constitute the beef cattle production base on the Mid North Coast of NSW. The key aspects of the sustainability of the production systems associated with these enterprises is explored as are the resultant economic, physical, environmental, social and marketing challenges for managers of these systems.*

## Profile and scale of local beef markets

On average 45,000 animals are sold at prime or store sales in the Manning Valley annually. Every major centre on the Mid North Coast has a local saleyard. When combined, the throughput of agencies in Taree, Wauchope, Kempsey, Macksville and Gloucester compares favourably with that of larger NSW selling centres.

Beef cattle produced on smaller-sized holdings make up a large proportion of on the hoof sales. Average lot size is 2.4 head.

## Markets and market trends

During the last decade we have experienced significant changes in the live cattle market. Our market has evolved from mainly larger grown cattle to now predominantly the veal trade. This change represents significant opportunity for coastal cow/calf enterprises. Whereas in the past, many of our locally produced cattle were sold as store cattle, now many are sold as light, medium or heavy veal. This trend has been accompanied by significantly tighter processor market specifications.

## Aspects of sustainability

For the purpose of this paper, aspects of sustainability include:

- **Physical** – declining soil fertility and resultant degradation of pasture base, weed infestation, land base area of production units, maintenance/improvement of pasture base to produce animals which meet existing and emerging market specifications, herd fertility, cattle nutrition, calving and marking percentages, productivity per ha.
- **Economic** – the very common cost/price squeeze with increasing pasture input prices and relatively static cattle prices, budgeting for pasture maintenance/improvement to meet existing and potential new markets, viability of small scale enterprises
- **Social** – new entrants into the industry often bring with them a thirst for knowledge and fresh ways of thinking, however new skills and knowledge may be needed to complement existing skills. Alternatively newcomers may be purely engaging in a lifestyle choice in which viability of their cattle enterprise may not be a driving force.

  To meet the challenge of newcomers requiring new skills and knowledge, Ellis and Butler, NSW TAFE, NSW DPI and Mid North Coast Livestock Health and Pest Authority have developed programs to assist with educating new industry entrants in all facets of cattle marketing, cattle health and husbandry, farm management and budgeting. I believe that this is the first time in NSW that organisations such as this have come together as one—a fantastic achievement which could be used as a template for other centres to follow.
- **Marketing** - broad mix of classes of country and level of pasture development/ maintenance and resultant mix of classes of livestock coming onto the market, sale lot sizes, challenges in organising larger lines of even cattle for some markets/buyers,

significant number of producers represent challenges for agents and other support services in informing producers of the different market specifications, regulatory requirements and how the market works.

## Common production systems/activities and related sustainability issues

Cattle production systems can be placed into four broad categories:

- Cow and calf production
- Steer production
- Bullock fatteners
- Stud cattle

## Cow and calf production

This production category includes light store weaners produced off unimproved pasture weighing an average 180 kg. Few, if any, inputs are added to these systems, hence the quality and availability of pastures in these systems is in decline. Resultant issues may include low calving rates, poor milk production and resultant impact on calf growth rates, weed infestation and overall productivity decline. Timing of turn-off is dictated by the availability of mostly summer growing pasture species. Given this, large numbers of weaners can come onto the market at around the same time, sometimes causing significant price volatility.

Calves from moderately improved pasture systems are very likely to go into the light veal market, the product of which may go into either the domestic market or export market, including Asian and Eastern markets. The cost of maintenance of the pasture systems which underpin this production category represents significant sustainability challenges.

Medium and heavy veal is produced off highly improved pasture which is often ex-dairy or newly improved country. Again the sustainability challenge for this production category is the cost of improvement/maintenance coupled to relatively static cattle prices.

Overall, this broad production category constitutes approximately 80% of cattle production on the Mid North Coast.

## Steer production

This production category includes both growing and finishing steers. Steers are either 'home' produced and weaned or purchased at 160 to 240 kg and grown on to, and if possible finished at, approximately 400 kg liveweight for local butcher trade or domestic supermarket. These animals in most cases must be milk tooth. Approximately 90% of the steers in this weight range are unfinished and move onto feedlots were they are fed for 70 to 120 days for export markets. Alternatively steers in this weight range go onto to pasture fatteners either locally or on adjacent tablelands.

Overall this broad production category constitutes approximately 12 to 13% of overall production.

## Growing/finishing bullocks

This category could be seen as a 'traditional' production system more suited to larger scale production units. The demand for this style of animal is under pressure from a market where the trend is for younger cattle at heavier weights.

Sustainability issues associated with this production category include a declining market, cost of pasture development/maintenance on that part of the property used for finishing and significant market discounts if these cattle are sold unfinished.

Overall this production category constitutes approximately 5% of overall production.

## Stud cattle

This category is characterised by mostly smaller scale studs producing both traditional British and European breeds as well as more 'exotic' breeds. Locally bred and therefore coastal environment adapted cattle have the advantage of not requiring acclimatisation.

Commonly the limited herd size of these studs represents challenges when competing with larger established studs outside of the area. Notwithstanding this, there are numerous examples of local studs competing very successfully with larger, more established studs from other regions.

Sustainability issues associated with this production category include the cost associated with running a stud and smaller herd sizes. Also coastal pasture quality represents a challenge to stud producers in achieving similar growth rates and finish of their counterparts in other regions.

This production category constitutes approximately 1 to 2% of overall production.

## Conclusion

Beef cattle production continues to be a significant agricultural activity on the Mid North Coast. Changes in markets require changes in management to produce products which meet new market specifications.

Change, however, is a part of life and we as producers, processors, agents and marketers must address those sustainability issues outlined in this paper if we are to move forward and remain viable and competitive, and in so doing leave a legacy for the next generation to move forward and succeed.