

- increasing profit per hectare

Flexibility to chase profit

FLEXIBILITY is one of the cornerstones of the Binnie family's NSW cattle operation, which involves stud and commercial breeding enterprises, trading animals and a focus on asset improvement.

Located 40 kilometres north-east of Singleton, the farming operation is run to capitalise on out-of-season market premiums for beef and flexibility to buy "under-valued" store cattle if and when the opportunity arises.

Stephen Binnie said the family business, Maeranie Station incorporating the Maeranie Hereford stud, which this year celebrates 50 years of selling bulls at the annual Gloucester sale, was structured to be flexible.

The family follows a detailed business plan which is updated yearly, and uses on-farm consultants, Holmes Sackett, to benchmark and monitor progress.

"We have a business plan that is updated annually and evaluated through the year to monitor adherence," Mr Binnie said.

"We believe in setting goals and working toward achieving them both financially and personally."

He said a key part of their program was a conservative stocking rate of about 75 per cent of the property's long-term maximum carrying capacity, which gave them the dual benefits of risk management for dry seasons as well as the ability to trade extra stock when market and seasonal conditions appeared favourable.

"Our long-term overall stocking rate sits at about eight dry sheep equivalents (DSE) a hectare or a conservative 75pc," he said.

"The strategy in following this path is to always have the capacity to take advantage of seasonal and market fluctuations as they arise."

For example, while Maeranie Station experienced an average spring last year, the family was still able to purchase yearling cattle in the summer.

"We were tight for feed before Christmas, however, with the conservative stocking rate and a little rain we decided to enter the market and purchase yearling steers which were at a discount and better buying compared to our usual preference of weaners," he said.

"The market has now lifted dramatically, in-line with historical winter trends, and these cattle will be sold at a profit shortly."

Mr Binnie said the family's own commercial breeding herd, which comprised 600 spring-calving Hereford and Hereford/Angus cows and was accredited for the EU market, was also geared towards out-of-season production.

He said their aim was to sell the progeny at 440 kilograms to 480kg liveweight in the winter months at 20 to 22 months of age, and with milk



Stephen Binnie on his family's cattle property, Maeranie Station near Singleton, which is managed flexibly to provide opportunities to respond to markets.

finish them off grass to higher slaughter weights in the spring."

Mr Binnie said having the flexibility to hold cattle for when the beef market was at a premium was important, even though they strove to maintain a low cost of production by

for us in this country," he said.

The Maeranie Hereford stud, and the Binnie's cattle trading operation (which is operated on lease country to protect the status of the stud and EU commercial herd) are run as separate businesses with their own production and profit performance.

Mr Binnie said their stud and commercial herds complemented each other.

"Through our commercial herd we actively seek carcass data and feedlot performance information on particular genetics," he said.

"The stud, while not delivering the highest net profit of the three enterprises, acts as a filter and only allows the best genetics to flow through into the commercial herds."

"The trading operation offers the highest margin per DSE, however it does carry its own set of problems and risk, such as sourcing good lines of cattle that can perform consistently."

Mr Binnie said his family aimed to pasture improve about 160ha of country each year.

Aside from the production gains, it was also a strategy aimed at maximising the value of their farming assets, which he said was vital.

"Where the real gains are made is in taking under-utilised assets, such as pastures and infrastructure, and developing them by renovating pastures, changing fence lines, installing water points, roads and yards, to realise their full productive potential," he said.

"From this, you get an increased yield you can use to develop further assets, as well as the revaluation of the land at a multiple that reflects that increased production."

"Even if you don't plan to sell the asset, you still gain advantages by having increased capacity and the ability to borrow larger amounts of money to fund further investments."

Marketing Aussie Beef



Belgium/The Netherlands:

Foodservice operators in Belgium and The Netherlands were treated to a series of cooking demonstrations recently using Australian beef and lamb and held in four major stores across the two countries.

Meat and Livestock Australia (MLA) and an EU-based importer co-funded the tastings to increase awareness of Australian red meat – particularly grainfed beef in light of Australia's recent access to the grainfed beef quota – and maintain loyalty.

The same EU importer was recently in Australia visiting beef and lamb suppliers and viewing feedlots while sourcing product suitable for his discerning customers under the new EU grainfed beef quota.

Russia: Well-known local chefs promoted Australian beef at a series of workshops organised by MLA in the southern Black

Sea Russian city of Sochi – a city which attracts affluent tourists and will be the location of the Winter Olympics in 2014.

The workshops were supported by the Russian Chefs Association and took place during a local trade show.

They featured well-known local chef, Sergey Galitsin, using Australian beef rib eye.

Chef, Nikolai Chernishev (pictured), also demonstrated Japanese cooking styles using Australian products.



South Korea: MLA recently organised a photo session and media event at an E-mart supermarket in Seoul to inform consumers that Australian

beef contains plenty of nutrients, and is therefore good for growing children.

The event (pictured) featured a pint-sized "doctor and nurse", who prescribed two young patients beef as a prescription for their nutritional balance and growth.

The event attracted widespread coverage in the Korean media, valued at more than \$258,000.

Malaysia: Two hundred fitness club members attended a workshop held by dietician and fitness instructor, Indra Balaratnam, in Malaysia.

Her message was simple: lean Australian beef is healthy – including for people looking to improve their aerobic fitness and strength during a workout.

The workshop was sponsored by MLA, Celebrity Fitness Malaysia and selected retailers.

Customers who purchased three packs of specially marked chilled Australian beef at participating retailers were entitled to a free 14-day trial workout at nominated Celebrity Fitness outlets.

Taiwan: The Australian Meat Food Safety Seminar was attended by 160 participants from Taiwan's foodservice, retail and the trade sectors.

MLA presented on the cleanliness, safety and quality of Australian beef and sheepmeat.

Participants were then introduced to the cutting technique, usage, and yield calculation of the D-Rump cut.

Chef, Ivan Chiang, spoke about slow cooking to help maintain the tenderness and yield of roast beef.



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– Stephen Binnie

teeth, to the feedlot sector.

"We aim to turn off the majority of our steers between May and August when market supply is restricted," he said.

"If markets are not favourable at this time, and the feed is available, we have the flexibility to hold them and

having easy-care breeding cattle that were rarely supplementary fed.

He said cost of production for the commercial herd was about 140c/kg.

"Throughout the family's 110 years of running Maeranie, we have come to the conclusion a balanced and flexible approach is the right answer