

today's Feed Lotting

# The Newsletter



WINTER 2005

Australia's First Feedlot Magazine

## NLIA promises to revolutionise Australian livestock management practices

**The electronic National Livestock Identification System currently being adopted by Australia's livestock industries will not only help protect industry market access and consumers confidence in food safety, but also offers the potential to develop new and innovative livestock management practices.**

THE Australian National Livestock Identification System (NLIS) aims to track cattle and sheep movement from birth through to export or death.

The system relies on individual animals having a unique animal identification code along with the Property Information Code (PIC) that is registered with each State Dept of Primary Industries.

This identifies the property the animal's property-of-birth as well as any other properties or saleyards the animal has been on or moved through.

For cattle the system uses electronic devices – for sheep non-electronic devices. Any movement of animals must be recorded and sent to the Meat and Livestock Australia (MLA's) NLIS database within 48 hours. An individual animal recording system for Australian cattle was first conceived in the mid 1980s in an attempt to address animal disease and food safety issues.

However, the real momentum for the implementation of the current system was the opportunity to proceed with a fully electronic identification system for livestock. It will be implemented initially in cattle.

The electronic system relies on the cattle having their unique identifier fitted to an eartag or a bolus in the form of



a Radio Frequency Identification Device (RFID) transponder. The current system uses passive transponders which when in range of a reader device automatically communicate their unique ID. *Full story in the Winter 2005 edition of "today's FEED LOTTING" magazine.*

### FMD outbreak in Russia

A small village in the far eastern part of Russia, close to the Chinese border, has been forced to slaughter all of its cattle after an outbreak of foot and mouth disease.

About 250 cattle were slaughtered and incinerated in the village of Busse, according to reports, and 20,000 doses of vaccine are being shipped to the Armur region to attempt to inoculate the local herd.

Reports from the web site of the International Society for Infectious Diseases say that Russia is stepping up security in the region to guard against the spread of the disease.

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# Challenges ahead for Australia's buoyant beef sector says latest industry report

WHILE the long-term outlook for Australian beef remains strong, the industry must face up to a number of emerging challenges to its crucial export markets, according to a recently-released industry report.

The Global Focus Report on Australian Beef, by international food and agribusiness bank Rabobank, says while medium to long-term prospects for the industry overall are positive, future profitability will hinge on a number of factors. Chief among these is the future re-entry of United States and Canadian beef to Japan and Korea, the impact of drought on supply levels and emerging competition from South American exports.

Other key issues include the maintenance of Australia's disease-free status, the strength of the Australian dollar, continuing improvements in on-farm productivity and the recent re-opening of the US border to Canadian cattle.

"Despite the tremendous strength in both export and domestic markets, there are some risk factors on the horizon which have to be faced," says Rabobank beef analyst Bill Cordingley.

The report acknowledges that recent "good fortune for cattle producers on the export front had been tempered by extended drought conditions at home through autumn" particularly in the eastern states. It says the task for the Australian beef industry, now that good rains have arrived, is to balance the temptation to cash in on high prices with the need to rebuild the breeding herd base.

"The industry will also be closely monitoring international events surrounding the timing and strength of re-entry of Canadian and US beef to the valuable Japanese and South Korean beef markets, as well as the impact of the recent resumption in the live cattle trade between Canada and the United States," Mr Cordingley says.

"The Australian industry will also likely face further challenges to its position of dominance in the US lean beef market, particularly from Canada and Uruguay and potentially from Brazil and Argentina in the longer term."

Continued investment in animal traceability and food safety systems will be critical in differentiating Australia from its competitors and help determine whether Australia maintains its present pre-eminent position in world beef markets, or is forced back into the pack to compete on price alone.

## **BSE ban-driven export surge**

The report notes that the Australian beef industry responded dynamically to the ban on exports of US and Canadian beef to key North Asian markets, including Japan and Korea, in 2003 by delivering more product to these mar-

kets than had been expected.

"In return, despite a strong appreciation in the Australian dollar and increased domestic beef production, Australian cattle prices reached record levels, ensuring improved profit to most producers," it says. - Full article in Winter 2005 issue of "today's FEED LOTTING" magazine.

## *AustAsia buys Sumatra feedlot and expand its capacity in Indonesia by 30,000 head/year*

*AUSTRALIAN leading live cattle exporter AustAsia has expanded its feedlot capacity in Indonesia with the purchase of the 30,000 head annual capacity Tippindo Feedlot in Lampung, Sumatra.*

*The purchase takes AustAsia's annual live cattle export capacity from Australia to Indonesian feedlots to more than 100,000 a year.*

*John Griffith, AustAsia's director said that although the company's feedlots and stockfeed mills were located in Indonesia, they were closer than most Australian abattoirs and feedmills for most cattlemen in northern Australia.*

*Mr Griffith said he had strong confidence in Indonesia as a market for Australian cattle, especially those that could be value-added via feedlots.*

*"The Indonesian market demands fresh, high yielding beef cattle which we finish on high grade stockfeed produced from the byproducts of plantation agriculture in Indonesia, which is probably the cheapest stockfeed source in the world in feed value terms," he said.*

*The feedlot purchase provided Australian cattle producers with two live cattle export marketing options - sales direct to AustAsia for marketing through its supply chain in Indonesia and contract custom feeding in the company's Indonesian feedlots. The latter option was particularly valuable for larger cattle producers plagued by drought, who could reduce stock numbers and still retain valued-adding opportunities by custom feeding their cattle in Indonesia.*

# June survey figures for Australian feedlots show that industry is still growing

THE 2005 June quarter ALFA/MLA survey for the Australian feedlot industry has shown the industry is continuing to grow, with nearly 880,000 head of cattle on feed at June 30. The latest figures also indicate an increased total feedlot capacity of 1,028,450, topping one million head for the first time.

President Sandy Maconochie, ALFA said that "This feedlot capacity increase of over 11% and the 23.6% increase in numbers on feed over the past twelve months was expected, considering the climate conditions that had prevailed, the normal seasonal fluctuations and the continuing strong export and domestic markets."

Mr Maconochie provided additional points of interest from the June 2005 survey including:

- Queensland set a record of 438,313 head on feed, an increase of 6.5% on the March 2005 quarter
- New South Wales set a record of 311,345 head on feed, an increase of 1.43% on the March 2005 quarter
- Victorian numbers on feed increased by 9.6% on the previous quarter
- Western Australian numbers on feed declined by 28.3% on the March 2005 quarter, owing to the normal seasonal trends in that State
- Utilisation of feedlot capacity was 85% down 1% on the March 2005 quarter
- Cattle destined for the domestic market increased by 18.7% on the March 2005 quarter figures with a total of 314,369 head destined for this market
- Cattle destined for the Japanese market were down 5.4% on the

March 2005 quarter

- Turnoff for the June quarter was a record 694,333 head and the 2004/05 financial year turnoff from Australian feedlots was a record 2,458,829 head, 17% higher than the previous record set during the 2002/03 financial year.

Mr Maconochie added that additional background information and analysis had been provided on the survey by MLA which include:

- Grainfed exports to Japan have reflected the growth in feedlot activity – during the June quarter grainfed exports to Japan totalled 51,611 tonnes sw, surpassing the previous record set in the December 2004 quarter by 6% (48,837 tonnes sw). Exports of grainfed product rose 27% (40,726 tonnes sw) compared to the 2004 June quarter.
- Grainfed exports to Korea also reflected the strong expansion in lotfeeding for this market - totalling 4,746 tonnes sw during the June quarter, the second highest on record, 2% below the previous quarter (4,862 tonnes sw). Exports during the June quarter were 65% higher (2,879 tonnes sw) than the June 2004 quarter.
- Chilled shortfed fullset prices to Japan averaged a high 586¢/kg (fob) during June (month), 18% below last year, but still 8% higher than in 2003. Prices during the first three weeks of July weakened slightly, averaging 585¢/kg.
- Feeder steer prices (C2 yearling steers 330-400kg) averaged 188¢/kg during June 2005, 6% higher than June 2004. During the June quarter prices averaged 185¢/kg, 9% higher than quarter June 2004 and 8% below March quarter 2005. Average prices for the first three weeks of July averaged 210¢/kg – 12% up on June. Since their low point of 181¢/kg in late May, feeder cattle prices have jumped 20%, to a record 216¢/kg cwt.

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## F2s show marbling gains in feedlot performance

THE first lines of F2 Wagyu x Murray Grey feeder steers bred by southern Queensland's Schutt family have shown distinct marbling advantages over their earlier F1 siblings, while displaying little compromise in average daily gain and carcass weight in the feedlot.

Brian Schutt, son Cliff and their families started breeding Wagyu x Murray Grey F1s ten years ago, breeding on a block at Surat and backgrounding steers on their second property, Wilga Park, near Millmerran.

They originally ran a commercial and stud herd of good-framed Murray Grey cattle, selling most of the steers into the Japanese live export trade. Over time, as the preference in Japan shifted to Wagyu infused feeder cattle, the family introduced Wagyu bulls to the breeding herd.

The Schutts now focus on an F2 terminal crossbreeding programme to optimise marbling, supplying F2 steers and heifers to several Queensland and NSW feedlots, including Aronui and Rangers Valley. All breeding females now carry F1 genetics.

Early bulls were predominantly Haruki 11 fullblood Wagyu sons, with more recent introductions being fullblood sons of TWA Ichyruno. The four most recent sires, bought this year after consulting with feedlot operators about preferred genetics, were sourced from Macquarie Downs and Moyhu Studs, carrying Kitateruyasu doi, Hongen and

Michifuku bloodlines. Eight fullblood bulls are currently employed over 530 F1 cows, in a multiple sire configuration.

While Wagyu x Murray Grey F1s are relatively uncommon in feedlots compared with Wagyu x Angus, recent carcass data suggests there is no performance deficiency in the Grey cattle, compared to F1s and F2s carrying Angus maternal genetics.

The last 86 of the Schutt's F1 steers, and the first 123 of their F2 steers, were fed as one mob of 209 head at Aronui feedlot near Dalby recently. They were predominantly milk and two-tooth, fed a Japanese style ration for 336 days, and killed in two lines at Valley Beef and Warwick Bacon.

There was close to a whole marbling score difference between the two groups: the F1s averaged 4.06 and the F2s, 4.93. Consistency of marbling was also better in the F2s, with significantly fewer score 1-3s, and more 8-and-up scores (12, as opposed to 1 for the F1 group). Mr Schutt said from his experience, the bulk of his F1 cattle had tended to fall in the range from marbling scores 3-7.

While 'conventional wisdom' would suggest the F1 cattle should have performed better than F2s by identical sires for growth rate, this was not necessarily the case. The F1s had an average daily gain of 1.02kg, while the F2s were only fractionally behind on 0.96kg. - *Read the full story in the Winter 2005 edition of "today's FEED LOTTING" magazine.*

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# World leaders in ID systems for nearly 60 years

Dalton are world leaders in livestock, wildlife and marine research Identification Systems since 1947, and were the First Company to Produce and patent Two-piece, Self-piercing Plastic Eartags.

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It's all in the pin; No Blood – No Fuss! Dalton's revolutionary and unique design ensures no snag application every time. As the solid nylon pin withstands degradation, tags remain in place longer, unlike those with hollow shafts.

Dalton also manufactures RfID tags and currently has samples with the MLA in accordance with standard approval procedures and requirements – watch our website [www.dalton.biz](http://www.dalton.biz) for any progress regarding RfID electronic identification tags for cattle and sheep.

Other products in the range are U-Tag, Tagomatic, Rototag, Suretag, Jumbotag and Integri-Tag (DNA tag). Dalton applicators are world renowned for their durability and ease of use.

## America's 'Mad Cow' fear

THE US cattle industry are playing a waiting game while animal scientists in the US and Britain are determining if a cow, suspected of being from Texas, had contacted mad cow disease.

The US Department of Agriculture has said that a retest of sample material, declared in November to be free of Bovine Spongiform Encephalopathy (BSA) now showed a 'weak positive' result.

The USDA announcement, like past reports of possible mad cow findings, send scientists scurrying to conduct more tests and pushed the futures markets lower.

If confirmed, it would be the second established case of BSA in the US and potentially the first in a homegrown animal.

## REDUCING THE INCIDENCE OF 'BRD'

MANAGEMENT practices, such selection of feeder cattle, backgrounding, vaccination, and induction protocols, can have a significant impact on reducing stress factors in feedlot cattle. These practices will not only reduce the incidence of Bovine Respiratory Disease (BRD), but help newly-arrived cattle to adapt quickly to the feedlot environment.

The purchase of cattle directly from breeders can minimise stress that may result from handling, co-mingling, dehydration or injury associated with saleyards. Ideally, cattle should be sourced from producers who yard-wean their cattle.

Weaning is a critical learning time for young cattle. Housing freshly-weaned calves in suitable yards with good quality hay or silage for 7–10 days will condition the calf to accept confinement, accept different food and water sources and improve socialisation skills, resulting in faster adaptation to feedlot conditions.

Backgrounding refers to the conditioning of cattle to feedlot conditions prior to entry, thereby optimising performance once they enter the feedlot. Typically, cattle are placed onto grass pastures with hay, and possibly concentrated rations, for several weeks to allow them to socialise.

It allows cattle that will share the same pen to socialise, as well as introducing them to concentrated rations.

Backgrounding also exposes cattle to a range of respiratory viruses before their immune system is challenged by stress. Induction practices (e.g. de-horning) conducted on farm will further reduce the stress load on cattle once they arrive at the feedlot.

A number of vaccines are commercially available against respiratory viruses (e.g. IBR and BVD) or bacteria (e.g. *Mannheimia haemolytica*) that contribute to BRD. Vaccines expose the animal to low levels of antigens in order to stimulate the production of antibodies, thus increasing the animal's natural level of immunity.

Ideally, vaccinations should be administered during backgrounding to allow sufficient time for the animal's immune system to respond to the vaccine before exposure to the potential stressors of the feedlot.

Freshly-arrived cattle should be provided with access to quality hay (e.g. lucerne), a palatable starter ration and fresh water to restore optimal rumen function. Getting cattle onto feed as quickly as possible will assist their ability to fight disease challenges. - *Subscribe to "today's FEED LOTTING" magazine to read the full article*

## ***BREAKDOWN BY FEEDLOT SIZE***

STATE	CAPACITY JUNE 2005	CAPACITY MARCH 2005	CAPACITY JUNE 2004	NUMBERS ON FEED JUNE 2005	NUMBERS ON FEED MARCH 2005	NUMBERS ON FEED JUNE 2004
<b><i>Australia -</i></b>						
LESS THAN 500	74,675	75,014	69,789	37,508	40,677	28,456
501 - 1000	72,181	70,194	75,749	57,116	34,995	45,410
1001 - 10,000	356,270	338,561	286,098	288,657	293,831	218,105
OVER 10,001	525,323	510,923	494,168	495,632	486,520	419,192
<b>TOTAL</b>	<b>1,028,449</b>	<b>994,692</b>	<b>925,804</b>	<b>878,913</b>	<b>856,023</b>	<b>711,172</b>
<b><i>New South Wales -</i></b>						
LESS THAN 500	10,031	9,038	11,712	6,701	4,180	6,307
501 - 1000	17,336	16,835	16,676	12,471	9,343	8,366
1001 - 10,000	81,315	78,457	67,024	67,140	67,024	52,529
OVER 10,001	234,333	216,633	229,333	225,033	226,422	202,900
<b>STATE TOTAL</b>	<b>343,015</b>	<b>320,963</b>	<b>324,745</b>	<b>311,345</b>	<b>306,969</b>	<b>270,102</b>
<b><i>Queensland -</i></b>						
LESS THAN 500	44,795	45,615	40,015	26,921	30,293	17,811
501 - 1000	34,044	27,289	37,928	33,625	12,105	25,946
1001 - 10,000	173,129	176,793	158,726	155,108	160,904	132,606
OVER 10,001	238,990	242,290	209,790	222,659	208,243	173,110
<b>STATE TOTAL</b>	<b>490,958</b>	<b>491,987</b>	<b>446,460</b>	<b>438,313</b>	<b>411,545</b>	<b>349,473</b>
<b><i>Victoria -</i></b>						
LESS THAN 500	4,825	1,523	1,132	1,062	990	294
501 - 1000	500	4,011	3,340	3,460	3,285	2,823
1001 - 10,000	15,000	10,000	8,955	13,694	3,518	4,555
OVER 10,001	52,000	52,000	55,045	47,940	51,855	43,182
<b>STATE TOTAL</b>	<b>72,325</b>	<b>67,534</b>	<b>68,472</b>	<b>66,156</b>	<b>59,648</b>	<b>50,849</b>
<b><i>South Australia -</i></b>						
LESS THAN 500	3,671	4,139	3,088	1,409	1,614	1,657
501 - 1000	6,905	8,859	12,304	4,630	3,615	6,482
1001 - 10,000	11,000	11,000	6,722	10,207	7,314	3,462
OVER 10,001	0	0	0	0	0	0
<b>STATE TOTAL</b>	<b>21,976</b>	<b>23,998</b>	<b>22,114</b>	<b>16,246</b>	<b>12,543</b>	<b>11,601</b>
<b><i>Western Australia -</i></b>						
LESS THAN 500	111,353	14,699	13,842	1,415	3,600	2,396
501 - 1000	13,396	13,200	5,500	2,930	6,647	1,793
1001 - 10,000	75,426	62,311	44,671	42,508	55,071	24,958
OVER 10,001	0	0	0	0	0	0
<b>STATE TOTAL</b>	<b>100,175</b>	<b>90,210</b>	<b>64,013</b>	<b>46,853</b>	<b>65,318</b>	<b>29,147</b>

## **TURNOFF SUMMARY**

TOTAL TURNOFF (Year Ending)	NSW	VIC	QLD	SA	WA	TOTAL
December 2004	684,645	171,388	1,264,864	43,745	77,619	2,242,261
December 2003	663,926	148,239	1,183,109	50,726	52,076	2,098,076
December 2002	611,980	145,409	1,051,713	62,112	77,811	1,949,025
December 2001	611,512	122,911	1,165,712	75,573	72,448	2,048,056
December 2000	543,155	120,198	1,084,997	87,513	69,330	1,905,193
<b>TOTAL TURNOFF (Quarterly)</b>						
June 2005	218,944	66,964	339,566	14,892	53,967	694,333
March 2005	186,769	39,135	312,762	8,420	35,726	582,811
December 2004	178,705	46,942	337,709	9,291	8,430	581,077
September 2004	185,053	55,078	319,920	11,424	29,132	600,607
June 2004	159,955	38,001	272,813	7,550	24,446	502,765
March 2004	160,932	31,367	334,422	15,480	15,611	557,812

# New tools for detecting livestock viruses

AUSTRALIAN scientists are developing new methods for detecting insect-borne livestock diseases soon after they enter northern Australia.

CSIRO Livestock Industries' Dr David Boyle says the three-year project, funded by the Australian Biosecurity Cooperative Research Centre, will provide training in the use of rapid detection techniques such as microarrays to identify and characterise viruses isolated as part of the National Arbovirus Monitoring Program (NAMP).

"NAMP is jointly funded by industry and government to monitor the distribution of economically important insect-borne viruses of livestock - arboviruses - and their vectors," Dr Boyle says.

"A key element of the program is the maintenance of a national network of sentinel cattle herds from which regular blood samples are taken and tested for important viruses."

He says the Northern Territory Department of Business, Industry and Resource Development, Berrimah Veterinary Laboratory located in Darwin is the key laboratory for monitoring arbovirus activity in northern Australia.

Dr Lorna Melville, Principal Veterinary Virologist with the Berrimah Veterinary Laboratory says: "Every year, our lab can identify several hundred viruses through classical virological techniques such as cell culture, electron microscopy and serotyping. Isolates characterised as blue-tongue virus are forwarded to CSIRO Livestock Industries' Australian Animal Health Laboratory (AAHL) in Geelong, Victoria, for molecular characterisation.

"The current techniques of virus characterisation are lengthy, costly and time-consuming. Also, a significant number of isolated viruses remain uncharacterised, posing an indeterminate threat to Australia's livestock industries," she says.

Berrimah Veterinary Laboratory will work with AAHL and the Jerome L. and Dawn Greene Infectious Disease Laboratory, Columbia University, New York, to develop and evaluate microarrays and other rapid diagnostic tools for virus characterisation.

Researchers hope that by using these new tools, complete virus characterisation can be completed in a matter of days rather than the weeks or months that are currently required.

Dr Boyle says researchers at

AAHL have pioneered a technique called PCR-Select suppressive subtractive hybridization, which provides for the rapid characterisation of unknown viruses.

"As part of this project, we will be able to characterise around 20 unknown viruses known to be circulating in the Northern Territory. This will allow us to better assess the threat these uncharacterised viruses could pose to Australia's livestock industries in terms of trading livestock and livestock products," he says.

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