



## Bald Blair Angus

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### Abstract

Marketing of Bald Blair Angus cattle has become a very essential part of doing business in the past and into the future. Admittedly we have had some great opportunities, being a participating herd in the Cattle and Beef CRC, being members of a Beef Group, namely Ebor Beef group, and having opportunities to participate in vertically integrated alliances like Pacific Pride Beef Ltd.

Marketing for us, has meant the ongoing development of our product, getting to know our customers better, what are their target specifications, delivering product, getting feedback and acting on it, promoting our results and retaining customers. While we have not yet bred the perfect article, our products are getting better, this in itself has started develop its own demand.

What of the future? At Bald Blair we have established our first complete satellite herd on one of our long term clients properties. That is our females, our bulls and progeny bred under our breeding program that will be marketed under the Bald Blair Angus marketing label. This program is currently in a prototype or test basis. We are two years down the track and have the first lot of progeny for sale soon this year. This is another exciting opportunity that will develop.

Lastly, marketing is but one part of your business, without a good product it would be quite hard, without the right management and genetics it would also be hard, but without good pastures and healthy soils it would be impossible.

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Bald Blair Angus is a commercially focused Angus stud that has been run on the property Bald Blair since 1898. A commercial herd supports the stud, which is the proving ground of the Bald Blair bulls. Steer progeny from our commercial herd are targeted at the Japanese market through such feedlots as Rangers Valley, Glen Innes NSW and Aronui Feedlot, Dalby QLD. Feedback from these feedlots, in terms of performance and carcass data is returned to Bald Blair so we can continually assess the performance of our cattle, and our management systems on farm, and make improvements where necessary.

### History

The White family purchased Bald Blair property in 1898. Angus cattle have been bred here since that time. Angus were selected for the ability to survive and thrive in the New England climate, which is typified by predominant spring, summer and early Autumn growth, very cold winters and prolonged frost periods from autumn through to spring. Our soils are predominantly basalt, and in an 800 mm rainfall zone.

Bald Blair has a recorded pasture history documented over 80 years. My grand father, Colonel Harold F. White, first introduced phalaris from the Toowoomba botanical gardens as far back as 1912. This species still dominates the pastures of Bald Blair.



In addition he trialed other grasses and legumes, including perennial ryegrass, white clover, red clover, lucerne, cocksfoot and tall fescue. To this day the pasture make up continues to be predominantly these species.

There has been a quite varied history of fertilizer applications on the property Bald Blair, with large amounts being applied from the 1930's to the 1950's, then lesser amounts to the mid 1980's, then none and now an increased amount after improved returns for our beef and sheep enterprises. The predominant fertiliser has been superphosphate or sulfur fortified superphosphate. Gypsum has been used back in the 1950's and has been used as recently as 1999. There has not been a large amount of lime used, however we have planned to use it this year in a trial area.

Pasture management has been viewed as very important to the health and longevity of the pastures, animal performance and weed control. Bald Blair has been set stocked for quite a few years, with overstocking being avoided, and pastures allowed periods of rest to allow good regeneration before stocking again. Good ground cover and healthy plants have been our major weapons against such weeds as rat's tail fescue, nodding and saffron thistle, and blackberry, and will continue to be into the future.

Bald Blair Angus cattle are run over three properties on the eastern side of Guyra, in North Eastern NSW. Our total area is approximately 2000 hectares. We are a mixed farming operation, currently breeding stud cattle, commercial cattle, Merino sheep, first cross and prime lamb production.

For the purpose of this presentation I will concentrate on commercial cattle marketing, as it will bring into focus our stud cattle enterprise.

### **Bald Blair Angus**

The Bald Blair breeding cow herd will stand at about 800 breeding cows in the 2000 joining season. The herd is currently broken down as follows:

Stud herd                      200 Herd book, Angus Performance Register  
and recipient females

Commercial herd            600 commercial breeders.

The commercial herd is the proving ground for our bulls. Since the inception of the Cattle & Beef CRC some years ago, of which we were a participating herd, we have been progeny evaluating Bald Blair bulls now for over 8 years. In that time we have been able to focus on the position of our cattle herd, and assess areas requiring improvement and refinement. Our commercial herd is targeting the Japanese market, and as such, a majority of our steer progeny ends up at feedlots.

### **Marketing**

Alan Savoury with Jody Butterfield stated in Holistic Resource Management that 'Marketing has to do with strategy: how to develop a product that meets your customers' needs, and then get it to the customer at a profit to you. Selling is only one aspect of a marketing strategy.'

Steps in developing a marketing plan:

1. Develop your product (it may already be what you have)



2. Identify your customers, find out what their needs are – what are their specifications?
3. Give the customer what they want; that is deliver the goods.
4. Get feedback, absolutely necessary to further develop your product.
5. Promote your product. Unless people know about your product how can you sell it at better than average.
6. Retaining customers means developing relationships with your customers.

### **Marketing the Bald Blair experience**

#### **Our product:**

Quality Angus cattle.

#### **Our customers:**

Depending on whether you are selling directly to consumers which is done very successfully by some, or through a marketing alliance, a marketing group or just in the sale yards will determine your focus on who is your customer.

While ultimately the consumer, either domestic or international is our customer, we at Bald Blair have a commercially focused stud and commercial herd. When targeting Japanese markets, the feedlots supplying these markets are our immediate customers. This is where we get paid.

In addition, we have also had weaner steers available for sale at our local weaner sales and more recently on farm. While these steers end up in the Japanese market, our customers here have been the people who have grown out these steers. The challenge here has been to be able to keep track of the performance of these steers.

#### **Delivery:**

Angus steers from Bald Blair are delivered to the feedlot usually from January through to March each year, although we have had customers who have bought weaners who have delivered steers in October.

In view of some of our experiences, I would prefer in the future to have at least two different outlets for our steer progeny. The reason for this is simply sales and business diversity. We have in the past custom fed steers at Aronui Feedlot for periods of up to 200 days. In addition we have continually supplied Rangers Valley at Glen Innes with steers to be fed for up to 300 days.

#### **Feed back:**

Feedback is absolutely important for you to monitor your performance and make improvements where necessary. An example of this is as follows:

#### Bald Blair Angus steers performance data, 1997 vs 1998

As a member of EBOR Beef and Pacific Pride Beef Ltd, Bald Blair Angus targeted 180 day grain fed Japanese B3 market, with steers fed at Aronui Feedlot, in Dalby. A comparison of the 1997, 1998 data has shown a considerable improvement in performance:

Feed back on Bald Blair Steers which have led to positive management improvements:

**Table 1. A comparison of steer performance over two years.**

Carcase & Weight Gain	Lwt In	Lwt Out	Lwt Gn	HDCW* Kg	Yield %	EMA**
1998 Average	452.1	729	276	408.22	56.8%	84.2
1997 Average	421.7	670.9	249	354	52.8%	69.5
Improvement	30.4	58.1	27.6	53.9	3.99	14.66

\* Hot dressed carcase weight

\*\* Eye muscle area

Marbling Results	1998	1997
Marble Score 4:	16%	0%
Marble Score 3:	76%	11.5%
Marble Score 2:	8%	57.7%
Marble Score 1:	0%	30.8%

Of particular interest are the averages and the improvement row which highlight the change we have been able to bring about in just one year. The reasons for these changes, have more to do with management in the first instance, and they are:

1. The 1998 draft of steers was from proven or identified industry sires. These sires we know perform or have been identified to perform as part of the Cattle & Beef CRC, of which Bald Blair Angus has been a participating herd, (the sire lines used were New Trend 315 sons, Paramount Ambush son and Bald Blair K90). The 1997 Steers were randomly selected from our commercial cows, and were largely unidentifiable on an individual sire line basis.
2. The 1998 steers were yard weaned, and did not have a set back prior to entry into the feedlot, where as the 1997 steers were not yard weaned and had a set back during the drought.
3. The 1998 steers went into the feedlot heavier than the 1997 group.
4. The 1998 steers spent 180 days on feed, the 1997 steers were 150 days on feed.

The success of these drafts, and the completion of our production obligations to the Cattle & Beef CRC provided us with the incentive to continue to expand our identification across our whole herd. We now evaluate sires each year with an industry sire being used as our link sire.

### Promotion

Once you know your position in terms of how your enterprises rate, if it is favourable you have results to promote. If it is unfavourable you have an opportunity to correct it, just as we did in 1998.

Can promotion lead to higher prices? Sometimes it can, especially when it is backed with a proven track record. More often than not in a very competitive market place it may simply mean the retention of the right to supply a particular market.

What is most important, in terms of promotion is that you are promoting the right product in the right place, to the right people.

### Retaining customers

Develop a relationship with your customers. Have you seen your cattle in the feedlot?



Have you sat down with the feedlot manager and seriously assessed your cattle's performance data? Have you visited the processor and seen the kill?

The most important one I think is, do you know the people you are dealing with?

At the end of the day if your customer is a winner with your stock, then you will be too as they will come back seeking more of your stock year after year.

### **Marketing groups and alliances**

#### **What is a marketing group?**

A group of like minded cattle producers getting together to market the livestock.

#### **Ebor Beef Group**

At Bald Blair we are members of the Ebor Beef Group. Ebor Beef is a group of like minded cattle producers who have come together to benefit by the marketing of their livestock. Ebor Beef employs a marketing coordinator to market the group's beef. The obvious benefit is having a person in the market place seeking out opportunities to market your livestock, both within and outside the group. In addition there are a significant number of livestock, giving a large critical mass for our potential customers. Also within Ebor Beef Group there are many educational opportunities with seminars and field days being held quite regularly.

Benefits of this group for Bald Blair Angus:

1. An eye in the market place year round for all livestock categories
2. A critical mass in terms of volume of livestock, that is larger numbers than I am individually unable to produce at this stage
3. Premium prices where possible, or the best price for the livestock category available
4. Lower selling costs
5. Benefits of association with like minded cattle producers, who are committed to producing better quality beef
6. Opportunities to meet and discuss production issues which could ultimately lead you to Improving your enterprises
7. Through Ebor Beef we at Bald Blair have become involved in and familiar with two very exciting marketing alliances.

#### **What is an alliance?**

A vertically integrated marketing chain is a link from paddock to plate, or at least to the point of wholesale transaction. The advent of vertically integrated alliances in the beef industry has meant that smaller producers can band together and align themselves with backgrounders, lot feeders, processors and wholesalers.

The greatest advantage of these alliances is that they allow producers to participate further up the chain and add value, and not have an investment in the other sectors of the industry, like a feedlot or a processing plant.

There is a big requirement for transparency in this relationship to ensure the right flow of information back the producers. You must know how your cattle have performed pretty well from conception to weaning, through backgrounding, in the feedlot and then over the hook.



### **Pacific Pride Beef Ltd.**

At Bald Blair we have been proudly associated with Pacific Pride Beef Ltd., a vertically integrated alliance from paddock to the wholesaler, in the grain fed market to Japan. This alliance allowed us to custom feed our cattle at Aronui Feedlot, in Dalby Qld, and from there these cattle were processed and our payments were based on Over the Hook (OTH) specifications set out for the Japanese market. Pacific Pride continues to this day, however there is currently only domestic grain fed options (that is short fed) available through this alliance.

Our experience with this type of marketing arrangement has been positive in terms of identifying the position of our stock in the industry. It has meant improvements in terms of management, in particular livestock identification and management from conception right through until they leave the property. While initially it was financially painful, the incentives in place turned that around very quickly as we became focused on the market requirements.

Pacific Pride Beef Ltd., is an example of only one type of alliance, there are others through Elders like AMG Gold. As these concepts gain momentum there will be more available to producers in the industry.

### **Banksia Beef**

Earlier this year we saw the launch of the branded beef product, Banksia Beef into overseas markets in Malaysia & Singapore. This branded product is the result of a joint venture marketing relationship being established with Warwick Bacon Meats and three Beef Groups, Ebor Beef, Double B Beef (Bingara/Barraba) and Border Beef (Goondiwindi) groups. The involvement of the three Beef Groups has meant year round supply into this market, which has been absolutely essential in getting into the market in the first place. It is essentially a grass fed marketing option for our groups' members. Cattle most suited to this market are heavy trade steers and heifers; only restriction on breed type is cattle with no more than 25% *Bos indicus*. Payment is on a base price for cattle, which is linked to current market price and then a dividend paid at the end of the year based on beef sales success throughout the year. Volumes of stock are initially small but are set to expand, based on quality and acceptance of the product in the market place.

Each year you have a secure outlet for a portion of your livestock, with full feedback.

A final word on alliances. Firstly, these are another way of doing business, which is exciting and if appropriately structured could lead to better profits as a result of a better product. They are however not for the faint hearted; you could bear all the risk, but you are paid for performance, which is great if you are performing well and not if you are not. They are not get rich quick schemes, because you must get the product right to the right market. At Bald Blair we have taken the view of spreading risk by having at least two options for our steers to go into each year. Because of our focus, this means two feedlots, potentially one custom fed and the other paid for after being backgrounded on our properties.

Thank you for allowing me to share some of our marketing successes and ideas with you. They are not all that is out there, but so far they are what we have participated in.