



Packing the EU market

Queensland beef producers Blair and Josie Angus run more than 35,000 head of EU-accredited cattle across four properties spanning 161,875 hectares.

The Anguses have produced cattle for the EU market since it opened to Australia and now market product under their own brands. Their marketing and exporting business falls under Signature Beef, a non-packer exporter, with processing handled at the Northern Cooperative Meat Company at Casino.

Angus Pastoral Company (APC) breeds, backgrounds and feedlots predominantly Angus Belmont Red cattle and the APC brand is heavily promoted and sold in 14 European countries. The family's original brand, Kimberley Red, is a product for the domestic, Chinese and United

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Kingdom markets. Their other brands are Sondella, sold in the domestic and Japanese markets; Boss, a 60-day grainfed yearling article for the domestic market; and Great Barrier Beef, which is packed exclusively for a Dutch importer. In total, the Anguses export into 18 countries, focusing on Europe and China (with Europe their largest market).

Mrs Angus said they were in a position to take advantage of the new EU grainfed quota when it was announced.



Chefs plate up APC beef for a tasting in the Netherlands.

"While most Australian beef going to the EU was traditionally grassfed, we had been sending a 100-day grainfed product to the UK for five years prior to the new quota," she said.

"We had established a good name in product quality and continuous supply, which made the step to continental Europe a lot easier. When the United States was first granted the new quota, we geared our production systems around US specifications. When Australia's participation was announced, we were well positioned to hit the ground running in terms of supply and finding the right customers and supply chains in Europe."

APC is now Australia's fourth largest exporter into the grainfed EU quota, sending around 80 tonnes per month of 15 primal cuts.

"Our Dutch importer has promoted the APC brand extensively and we now also pack some externally purchased cattle into his Great Barrier Beef brand," Mr Angus said.

"Having developed our supply chain, we're able to purchase finished grainfed EU cattle and offer a premium market price. We would encourage producers who want more information to contact us," he said.

Mr and Mrs Angus work closely with MLA's EU Regional Manager, Jason Strong.

"Currently, the bigger importing companies are oversubscribing to the quota, affecting its availability. Jason, along with the Foreign Affairs and Trade Department, keeps us informed and works with our importers through these difficulties," Mrs Angus said.

"He provides a presence at trade shows for Australian beef, supports us with developing our own promotional materials and assists our importer where possible."

Challenges and opportunities

The Anguses have had to reduce their turnoff age to meet the quota (based on dentition), winding back to a two tooth program, reducing their turnoff weights.

"If we were able to age using ossification, the number of cattle eligible would increase significantly," Mr Angus said.

Despite the challenges, including a volatile currency and the EU's economic woes, the Anguses said the market offers the most stable, long term prices and producers can achieve a significant premium.

"It has returned a stable price for us for seven years," Mr Angus said.

"When we began 10 years ago, we knew what price we wanted for our cattle year-in, year-out and we achieved that. Now, with EUGF we've been able to lift that price and sustain it again at a flat level."

MORE INFORMATION

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SUPPLY NEEDED

Australian beef exports to the EU grew more than 50% in the financial year to June 2011. Largely this was on the back of 4,000 tonnes of grainfed beef under the new tariff free quota Australia has accessed since early 2010. However, total Australian beef shipments to the EU of 12,000 tonnes are still a very small percentage of the 8.5 million tonnes consumed by this market annually. Access to the grainfed beef quota and increasing demand in the EU market for imported beef creates an opportunity to further grow Australian beef sales to the EU.

However, only 1–2% of beef properties are currently accredited to produce EU eligible cattle. MLA's EU Regional Manager, Jason Strong, said Australia needs to double its number of EU-eligible cattle to take advantage of future opportunities.