

SE MARKETS
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Large scale **commercial** IVF to lift Brazil beef production

BRAZIL'S second largest beef processor, Marfrig Global Foods, announced in Sao Paulo a fortnight ago its Marfrig+ program for increased beef production by way of better beef cattle genetics.

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Marfrig claims that technological improvements have allowed this first ever up scaling to 'industrial' adoption of IVF (in vitro fertilisation).

The program was developed in conjunction with the **company** In Vitro Brazil.

Through the use of high genetic quality sexed embryos the program is designed to produce animals with superior performance characteristics both in terms of quantity and quality of the meat produced.

According to Marfrig, the genetic selection will focus on early, high feed conversion, finishing, taste and quality of meat. The impact on finishing time is hugely significant with the expectation that current average age of slaughter at 30 months can be reduced to 16 months.

Having already been used in small-scale livestock production, the system was rolled out in 2014 to ranchers in the states of Goias, Mato Grosso and Mato Grosso do Sul with the aim of reaching 20,000 confirmed pregnancies by the end of the year.

The program has reportedly been so well received that the second year target (2015) for implanted embryos is 300,000 cows. By 2016 the target is 600,000 rising to 1 **million** cows in 2017.

American red meat processing industry web **site** Meatingplace has been quick to work out the production implications.

They claim that the 2017 target will **lead** to an additional 300,000 tonnes of beef added to Brazil's domestic production enabling Brazil to surpass the United States that year in the amount of beef it produces annually.

Support for the program comes from the major producer institutions ABCZ (Brazilian Association of Zebu Breeders), Nellore Breeders Association of Brazil and the Brazilian Angus Association.

Who is Marfrig

FOUNDED in 1986, Marfrig Global Foods began **operations** in food service distributing special cuts of meat to restaurant chains.

Now with 45,000 employees worldwide, the **company** has an annual production capacity of 5.3 **million** cattle, 3 **million** sheep, 476.5 **million** chickens and 8.8 **million** turkeys, which translates into 982,000 tonnes of food.

Marfrig Beef is the business segment of the Marfrig Global Foods **group**.

With a strong presence in the food service market it offers complete solutions to its customers including the distribution of complementary products such as vegetables and frozen fish.

Marfrig Beef operates through 31 production units located in Brazil, Argentina, Uruguay and Chile.

The **company** prides itself on being a model for sustainable development and for its pioneering programs for environmental preservation.

It also works closely with its producer base providing access to the latest sustainable production techniques.

Through what it calls the Marfrig Club it has established a relationship program with ranchers whose membership numbers are now approaching one thousand. In this way the **company** disseminates what it considers to be good social and environmental practices contributing to

the construction of a sustainable beef supply chain.

Marfrig Beef was the first food **company** in the world in 2009 to sign a public commitment with Greenpeace regarding its cattle purchasing activity concomitant with deforestation in the Amazon basin.

It claims **company** policy prohibiting the **purchase** of animals from properties involved with deforestation or invasion of indigenous lands and maintains that all properties that supply cattle to its **operations** are monitored by satellite.

The **company** is also a pioneer in the implementation of an Integrated Management System (IMS) in their production units in Brazil.

All units are certified in the standards SA 8000 (Social Accountability), ISO 14000 (Environmental Management), OHSAS 18001 (Occupational Safety) and ISO 22000 (Food Safety).

These initiatives led to Marfrig Beef being the first in the world to have a productive unit certified to produce food products with the Rainforest Alliance Certified seal.

As well as its activities in encouraging improvement in production capability (see previous story) Marfrig Beef also claims to incentivise investment in quality herds through its payment system. In this way it is able to offer differentiated products to the market through its brands Bassi, Montana, La Morocha, Aberdeen Angus, Bright, Meatex and Tacuarembó.

The latter is a highly regarded Uruguayan brand which dates back to 1960. The business was acquired by Marfrig in 2006.

But perhaps better known is the US based Keystone Foods brand which was acquired by Marfrig in 2010.

Keystone Foods is one of the largest global food suppliers to the food service market.

Founded in 1956, it is headquartered in the US and employs more than 11,500 people who staff 16 facilities located in North America, Middle East, Asia and Oceania.

Keystone Foods serves more than 38,000 restaurants and large retail chains such as McDonald's, Subway, KFC, Burger King, Taco Bell and Wendy's.

With **operations** in **China** since 1992, Keystone Foods maintains a solid production platform in Asia, including the manufacture of food in Malaysia and Thailand.

In 2011, the **company** formed a joint venture with COFCO (**China** National Cereals, Oils and Foodstuffs Corporation) in order to build distribution centers in strategic cities in **China**. Keystone is also noted for its innovation in products and processes.

In the 1970s it developed cryogenic techniques for freezing food which maintained the original texture of the food and increased shelf life. This innovation enabled the expansion of the fast food business worldwide.

The list of innovations also includes the development of moulded fillets of boneless chicken which are now used extensively in restaurants and in lines of frozen meals.

Another Keystone Foods creation which has spread worldwide is chicken nuggets.

Growth with social responsibility, total commitment to maintain the highest standards of product integrity, safe food and animal welfare, minimising **energy** consumption, water and natural resources, respect for the environment and future generations are the catch phrases that define Keystone's relationship with its customers and will no doubt apply increasingly in the global food service market in the future.

MLA cops flack on NVD announcement

THE amount of flack being directed at MLA (Meat and Livestock Australia) over the November 11 announcement by Safemeat that all but the most recent versions of LPA National Vendor Declarations (NVDs) would be phased out some time in 2015 has prompted MLA managing director Richard Norton to try to deflect some of the angst by pointing out that MLA is merely the book seller, not the arbiter of what version of the book must be used.

In a letter to ALPA (Australian Livestock and **Property** Agents Association) chief executive officer Andy Madigan last week, Mr Norton explained that MLA is not a partner in Safemeat and MLA has no role in making any decisions around NVDs, LPA or the cost of NVD books.

While accurately describing Safemeat as a partnership between the red meat industry and government and pointing out that producers are represented on Safemeat by their peak industry councils, the waters probably became a little muddled with the additional explanation that the LPA program, which underpins the LPA NVD, is administered by Aus-Meat which in turn takes advice from the LPA Advisory Committee which includes representatives from the Peak Industry Councils.

Complexities aside, Mr Norton rightly pointed out that MLA is not an industry representative body but a service provider to industry. A component of this service provision is operating the NVD book ordering service and the LPA Helpdesk.

Mr Norton said: "Producers who express concern or have questions regarding the phase-out should be directed to their Peak Industry Council." He added that producers who express concern with **commercial** requirement for the 0413 NVD version should raise those concerns with their agent or the buyers of their livestock.

Following on from Mr Norton's letter, MLA advised on Friday last week that despite increasing resources for the NVD book-ordering service following Safemeat's announcement, they were aware that producers are still experiencing unacceptable difficulties in getting through and as a consequence have provided funding for further resources.

Producers can order a new hard-copy LPA NVD booklet online, or **purchase** electronic LPA NVDs through the Aus-Meat website.

Producers may also call 1800 683 111 to **purchase** hard copy LPA NVD books.

Slaughter levels still setting new records

WITH no early break to the season so far and BOM (Bureau of Meteorology) showing only a 30pc chance of above-median rainfall for December to February across most of northern Australia, it is little wonder that producers are getting away what killable cattle they can before the works shut down for Christmas and the full onslaught of January heat that can be expected to follow.

Three weeks ago a new record eastern states kill was set but that was shot to bits last week when the total soared to 178,670 head.

A tally of MLA's slaughter figures for the year shows that the eastern states are now set to finish the year at around 8.2 **million** head. But, as explained in previous editions of this column, that figure understates the actual position because there are a number of works of significant size that do not supply their figures to MLA.

After a slight fall in numbers the week before, Queensland came back strongly last week with 86,130. Male cattle numbers increased by over 2000 to 53,918, the second highest male cattle kill for the year. Female numbers increased by almost 3000 to 32,212 to reverse the situation of the week before when female numbers fell below 30,000.

On present indications Queensland will exceed 4 **million** cattle slaughtered for the year which is equivalent to the rest of the eastern states put together.

Following the previous week's record kill, NSW backed up again last week with that state's second-highest kill on record at 42,741. At this rate, NSW will get to within a few thousand head of the

milestone 2 **million** head mark by the end of the year. That is a significant achievement as the 2012 total was a touch under 1.6m and 2013 reached 1.8m.

Further south, Victoria reached its highest throughput for the year so far at 34,565 head. Dry conditions continue to push cattle out in the western districts where rainfall has been limited to 10-25mm in the last month.

By contrast, a mild winter and a continuing good season in the eastern and north-eastern parts of the state are driving higher than usual levels of productivity there.

Dry conditions are also a factor in South Australia where the kill last week once again exceeded 10,000 head.

At the saleyards, prices for bullocks improved by a further 2c to average 177c/kg at Wagga on Monday but numbers were few with only the equivalent of three decks offered out of a total yarding of 3700. Cows were more plentiful with the best heavyweights reversing the previous week's fall with gains of up to 16c. This has pulled the average back up to 155c with the best reaching 165c.

By comparison, the few bullocks offered at Toowoomba on Monday were 8c dearer to average a tick under 200c with the best at 203c. Cows were also light in number but prices for the best heavy types improved by 7c to average 161c and a top of 168c.

Cattle ships line up

at Darwin

PORT of Darwin is set for a busy period of live cattle shipments over the next week with five ships expected to arrive and load out by December 10.

Ocean Swagman is due to berth on December 4 and depart two days later.

Dareen and Maysora are both due to berth on December 6 and depart on the 8th.

Their places will be taken by the Brahman Express which has been at anchor at Darwin since December 4 and the Angus Express which is returning from Port Klang in Malaysia via Singapore.

US appeals latest WTO

ruling on COOL

NOT unexpectedly, the US has yet again appealed the WTO (World Trade Organisation) finding against them in the long-running dispute with Canada and Mexico over the contentious regulations introduced by the US to give effect to the COOL (Country of Origin Labelling) statutory provisions in the 2008 Farm Bill.

Seen as nothing more than a stalling tactic, the Notice of Appeal filed last Friday is expected to drag the process out for another four or five months.

Should the appeal fail as it is widely expected to, the US will have withdraw the offending regulations or face immediate retaliatory action from Canada and Mexico.

CO mffecr : Marfrig Global Foods S/A

IN i010010501 : Beef Cattle Farming | i412 : Animal Slaughtering/Processing | i4122 : Meat Processing | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | ifood : Food Products | ilsfarm : Livestock Farming

RE braz : Brazil | nswals : New South Wales | apacz : Asia Pacific | ausnz : Australia/Oceania | austr : Australia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | lamz : Latin America | samz : South America

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