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While the past few years have shattered the dreams of many in cattle country, longed-for rains have broken the big dry and with beef prices at a record high, graziers are taking the opportunity by the horns

Cattle king Marcus Curr can see the end of the drought. His rugged face, etched and weathered by a lifetime on the sunburnt land, holds the promise of a new dawn.

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Out here, on the headwaters of the mighty Channel Country, a record-breaking dry spell of four years has finally broken.

"It's hope. That's what it is," says Curr, a fifth-generation, millionaire grazier on his 120,000ha Yelvertoft station on the Barkly Tableland in remote far northwestern Queensland.

"It is the beginning of the end. Everyone is very optimistic about the future." As life-giving waters drain 1000km south down from his property into Lake Eyre basin, Australia's arid red heart is again awash in colour. Wildflowers, fields of golden grass and green pick roll to the horizon on vast plains once scorched black to ash and dust. In some parts, the Outback appears to have turned into an inland sea, in myriad waterways, billabongs, flooded creeks and full dams.

"Not everyone is out of drought," Curr, a rodeo champion and AgForce cattle council director, says. "Many are still doing it tough." Despite record-breaking winter rainfall across large swathes of the bush, more than 80 per cent of the state is still drought-declared. Forecasters predict drought declarations are unlikely to be lifted in most districts until after October as the dry conditions of an El Nino weather pattern are replaced by above-average rainfall of a new La Nina system.

Curr, a father-of-four, has bush in his blood. He can trace his family lineage back to the first man to bring cattle and horses to Australia in the founder of Tasmania's 190-year-old Van Diemen's Land Company (VDL). No longer in family hands, VDL was Australia's biggest dairy farming business, the only remaining royal charter farm, and in March this year was sold to Chinese billionaire Lu Xianfeng for \$285 million.

"We've had British, Swiss and American investors in the rural sector forever. I've got no problem with the Chinese," the stockman says. "We are never going to develop north Australia unless we get investors to spend money here and get workers to live here." His Yelvertoft property, the closest homestead to the Northern Territory border, sits on the Buckley River, a major tributary of the Georgina River that snakes along the edge of the Simpson Desert to Lake Eyre.

Out here if the water flows, it is a sign of good seasons ahead for cattle stations throughout the Channel Country.

Curr says the past four years of the one-in-100-year drought event has spelt disaster for some. But it also shapes as a new era for the nation's nearly \$8 billion-a-year cattle industry.

"Beef prices are at a record high. We are getting on average about \$850-a-head for live export. That's \$250 more per head compared to the past three years, so it's a big help," he says.

"With those sorts of profits, the sky is now the limit." Down the road, about 600km away, Jack Stewart-Moore, 29, and fiancée Kylie Francis, 27, a veterinarian, have just taken over the running of the 110-year-old historic Dunluce cattle station outside Hughenden.

They are part of the multi-generational succession plan of many families in the bush to hand the properties down to the children.

The young couple make a great team as they sort 500 weaners in the stockyards and Francis gets up to her armpit in muck to pregnancy test cows.

"I love everything about the bush, the lifestyle, the people (and) animals, that's why I trained to be a vet," she says.

Hughenden is still firmly in the grip of drought. But the couple hope recent rainfall will revive dying towns and bring working families back to the bush.

The pair know 11 other couples in the district who are expecting babies between September and November.

"It started raining on Boxing Day," Stewart-Moore says. "It's like everyone got excited about a wet season and started making babies. There is also a shifting dynamic where we've got lots of absent neighbours coming back to the land to live." He, too, is bullish about the bright prospects of the beef business in the next few years.

In the shiny towers of Central Plaza on Eagle St in Brisbane, about 1600km away from Hughenden, in the headquarters of the \$78 billion Queensland Investment Corporation, owned by the State Government, there is similarly a voracious appetite for the red meat business.

QIC is the first Australian super fund to invest in its own agribusiness backyard after it recently bought an 80 per cent stake in the cattle station operator North Australian Pastoral Company (NAPCo). The price of the deal has not been revealed but it is believed to be worth more than \$300 million in equity alone, and more than the \$370 million price tag on Australia's biggest landholder S. Kidman & Co, where a recent sale to Chinese investors was blocked on national security interest.

NAPCo is one of the country's oldest and largest agricultural enterprises, with 13 properties covering 5.8 million hectares of land in Queensland and the Northern Territory.

QIC's global private equity principal Phil Cummins, who is also on the NAPCo board, says QIC had been doing due diligence on several cattle station businesses for up to four years.

ABARE's figures put the value of Australian farm production at \$60 billion a year, which as an asset class makes it almost a compulsory investment. Yet figures show just 0.3 per cent of MySuper assets are invested in agriculture.

Cummins says the NAP deal shows the time is ripe to invest in the state's "food-production theme".

China alone consumed about 140,000 tonnes of Australian beef last year, growing off a base of virtually nothing four years ago. "If we drill it down, beef and meat production is something which Australia is world class at and we've got a competitive advantage," Cummins says.

"In terms of beef, it is a good area to invest in. We can see demand growing over time and there is a big opportunity in the changing diet and protein story in Asia.

"This is something that will play out over the next five to 10 years, so we need to think about building business now." Cloncurry cattleman Don McDonald and his brother Bob, whose private family pastoral business is worth \$375 million, head a list of the multi-millionaire bush aristocracy whose history dates back to the settlement of rural Australia.

The McDonald family had to endure heartbreak on top of the hardship of seemingly endless drought in the tragic loss of Don's son Zanda, 41, who fell to his death fixing a windmill in 2013, leaving behind his wife Julie and four daughters.

Somehow tragedy seems to be etched into this ancient landscape, where life on the land can be as harsh and unforgiving as it is achingly beautiful.

Australia's richest woman Gina Rinehart, too, is building up her waygu herd and property portfolio in the Northern Territory, Western Australia and north Queensland.

"I spent much of my childhood on stations up north, loving that life and with many, many special memories, and so the country holds a very real place in my heart," Rinehart said in a recent interview.

"The fresh air and open space, the beautiful landscape, seeing the colours change on the mountains as evening approaches, the stars at night – it is truly wonderful. This has embedded in me respect and lifelong regard for people in the country and the Outback." Rinehart, alongside some of Queensland's other top 100 wealthiest beef barons such as the Actons, Menegazzos, McClymonts and Camms, see agriculture as vital for human survival, with huge opportunities to supply protein both domestically and internationally.

In Longreach, one of the hardest hit districts, local graziers recorded the highest ever June rainfall totals – above 200mm in places – with significant rain events across large parts of drought-affected shires in July.

State Agriculture Minister Leanne Donaldson says rainfall is welcome but nearly 84 per cent of Queensland is still drought-declared.

"It (the rain) gives many producers hope," Donaldson says. "However, good summer follow-up rain will be needed by late October if the drought is to break.

"It will take considerable time for the region to recover, following four years of economic contraction, population decline and business closures." Meat and Livestock Australia managing director Richard Norton says the overall outlook is "very positive".

"The global drive for food security will continue to inject new investment and capital into the Australian red meat and livestock industry," Norton says.

"On the demand side, the fundamentals are favourable for the Australian industry, underpinned by global population and income growth, and access to markets arising from recent free trade agreements and continued market liberalisation. For example, the three recent FTAs with China, Japan and Korea have put the Australian industry in a position to capitalise to the tune of a predicted \$20 billion in income by 2020.

"On the supply side, herd numbers and turnoff should slowly recover over the next five years, as we're currently heading for a low in cattle availability not seen since 1994.

"Adult slaughter is going to be at a 20-year low in 2017, at around 7.6 million head, which means we're heading for a very low slaughter period.

"Going forward, our supply will always be dependent on seasonal variabilities." He says a critical challenge remains the need for greater adoption of research and development.

"Adoption in large areas of the industry, particularly northern beef production, remains low.

"At the same time, the expanded use of new mobile and online communication tools offers potential that is only constrained by network limitations." Delbessie cattle station owner Greg McNamara, outside Hughenden, recalls how he had to sell up most of his 2000-strong herd of brangus cattle to ride out the four years of devastating drought.

"When it's dry like this, cattle numbers are down and prices are up," he says. "Once everyone has stocked back up again, prices will inevitably come back down." Longreach grazier James Walker, who owns 7000ha Camden Park station, says it is a case of "the haves and have-nots".

"Those who have been able to hold on to their cattle have made an absolute killing," he says. "They are making huge profits, with record prices.

"But those who had to completely destock are sitting on the sidelines and now they've got some green grass, they're paying top dollar to buy back their herd.

"What we are seeing is a real gulf, a divide, happening in the drought-stricken parts out west." The beef producer-cum-entrepreneur, who is about to launch the Outback Yacht Club to celebrate recent flooding rains, has diversified into tourism and is part of the grassroots global think-tank Agrihub.

Using the Kidworth case study – a fictitious property invented for industry summits in Longreach and Brisbane – he has developed an online tool to help graziers get a financial picture of life after drought.

It factors in all business and personal costs such as school fees, superannuation, insurance as well as latest cattle prices, land values, debt repayments and production costs into a simple format.

"When it rains, and the drought is broken, it is estimated that for every 30,000 acres (12,000ha), these farms will need between \$1 million and \$2 million each to restock," Walker says. "In the far west of the state, where farms are mostly 90 per cent destocked, if there are 1100 farms this represents close to \$2 billion and the finding of two million cows to get back to full production.

"We will have a lot of new owners buying out others; the farms will be bigger and the declining terms of trade at the farm gate will see it swing shut on many.

"Many believe the writing is on the wall and as soon and as it rains, properties will pour on to the market just as cash has flooded out of the regions during this prolonged drought.

"How do we recapitalise rural Australia after drought? Where will the cows come from?" Like so many others, the Walkers got some unseasonal rain and, anticipating a break in the drought, are keen to get back to full production as quickly as possible.

"A bit of green grass will do that," Walker says. "It gives everyone optimism and hope.

"We've got to wait for La Nina to kick in, get back to capacity and start feeding the world." "It is such a great era for the beef industry with the new free trade agreements, our capacity to sell to overseas markets, and all when agriculture is becoming a really valued industry in Australia. It is such an exciting time."

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