

95/S01



Producer Research Support

Marketing strategies improve lamb production profits

Lower North Lamb Marketing Group



The project

Low returns for lamb because of poor quality carcasses and the lack of marketing expertise among group members prompted members of the Lower North Lamb Marketing Group to conduct a Producer Research Support project.

Group members estimate they have gained between \$2 and \$4 a head by adopting quality assurance, combining small lots and selling direct with improved feedback as a result of this project.

Objectives

1. Improve product quality by implementing quality assurance standards;
2. Identify markets (including export) and develop marketing systems;
3. Obtain AusMeat feedback sheets (objective description) for lambs sold;
4. Collate the feedback data and define the product(s) produced;
5. Aim for payment on the basis of lamb carcase weight and fatness;
6. Develop market intelligence; and
7. Continue on-farm research and development.

What was done

In pursuing the project's objectives a number of activities were conducted. The group spent much time developing a QA protocol.

A QA procedures manual was then developed based on the protocol. Using the QA procedures manual the group's steering committee inspected all members' sheep yards and handling facilities between March and June. These inspections led to a sheep yard design field day which resulted in two members building new sheep yards and loading facilities.

What happened?

Identifying and developing markets

Most group members had traditionally sold their lambs in the paddock to Woolworths or through the saleyard system.

As a result of the project Mr Branson said group members were now selling their lambs to Tatiara Meat Company, Bi-Lo and Conroys as well as Woolworths, while members had made some sales into Victoria. Members also participated in three CALM sales.

Increased market feedback

At the end of the project slaughter feedback data was obtained on about 30% of lambs sold. This represented a six-fold increase in the amount of slaughter feedback data that was being obtained before the project.

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Key points

- There was a change in focus to management practices that can increase growth rates.
- The average carcase weight of the lambs they turn off has increased by 0.5 kg.
- About 70% of the group's members have bought and use scales.
- The percentage of lambs sold over-the-hooks has increased from 10% to 30%.
- Some group members have achieved a 5% to 10% increase in the price received for their lambs.
- Some members who have adopted marketing strategies have been able to increase the profitability of lamb production by, on average, \$3 per lamb sold.

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Producer Research Support

MLA Producer Research Support offers support funding of up to \$15,000 over three years for groups of producers keen to be active in on-farm research and demonstration trials.

These activities include:

- Producer Initiated Research and Development
- More Beef from Pastures demonstration trials
- Prime Time Wean More Lambs demonstration trials
- Sustainable and productive grazing grants.

Contact Gerald Martin
Producer Research Support Coordinator.

Tel 08 8556 2900 or
producersupport@mla.com.au

MLA also recommends

EDGEnetwork

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Call MLA on 1800 993 343 or
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Marketing strategies improve lamb production profits

July 2006 / PIRD OUTCOMES

Market lambs on a cents/kg carcase weight basis

At the start of the project about 10% of lambs were sold on a cents/kg basis. This had increased to about 30% by the end of project. The number of producers owning scales had increased from 20% of members to 70%.

Establishing a market intelligence network

The group was unsuccessful in improving the quality and quantity of the generally available market intelligence information.

However, group members were successful in establishing a network to gather and share market information.

Combining small lots of lambs

There were major difficulties associated with combining small lots of lambs into a single sale lot which the group was not able to overcome. Until electronic identification of lambs was generally available, it was unlikely that it would be possible to combine small lots of lambs for sale.

On-farm research and development

The main areas receiving attention during the project were the use of weighing scales, sheep yard design, lamb lot feeding and a sheep skin damage trial.

Discussion

The most readily identifiable impact was the increase in sale price achieved, mainly because of selling lambs on a cents per kilogram carcase weight basis, rather than for a per head price.

Lambs were now marketed to a wider range of buyers. There had also been a sixfold increase in the amount of feedback obtained. Most members had followed at least one consignment of their lambs through the abattoir, Mr Branson said.

About half the group's members had been prepared to make the marketing changes thought necessary to achieve higher prices.

The average number of lambs sold each year in the area is 172 per farm.