Pastoral evolution in the Kimberley and Pilbara

Business improvement grants
Beef production is the backbone of the agriculture industry in the north west and is a powerful driver of the state’s economy.

Despite the strength of the industry, the demands and challenges of running a pastoral station shouldn’t be underestimated. Looking after the land, the cattle and the business can present a tough balancing act.

The Business Improvement Grants program supports pastoral businesses in the Pilbara and Kimberley as part of building a stronger, more resilient northern beef industry. The program has helped 48 pastoral businesses, including 12 Aboriginal-owned enterprises, to introduce new station practices that are creating efficiencies and boosting profitability.

The success of the program is a testament to the industry’s ability to challenge the norm, embrace change and test new ideas. This collection of stories, using the pastoralists’ own words, aims to initiate an exchange of knowledge by creating a new avenue for pastoralists to learn about different station management practices and technology.

Following the success of the first round of the Business Improvement Grants, the State Government is pleased to commit to a second round of grants which will commence in mid-2018. The program has proven to be a valuable part of the Northern Beef Development project and Government is committed to continuing to support the industry at a grass roots level.

I hope these stories inspire and encourage you to continue to test new ways of doing business and think outside the box. By working together I’m confident we will drive a new era of prosperity for northern beef industry.

Congratulations to all the pastoralists who completed round one of the grants program, and thank you to Kim and Aggie Forrester, Brett Blanchett, Robin Yeeda and Henry Sommer for sharing your stories.

Hon. Alannah MacTiernan MLC
Minister for Regional Development; Agriculture and Food
I’ve recently been fortunate to visit many of the participants of the Business Improvement Grants program where pastoralists have openly shared their business goals and innovative new projects that are improving the way they run their station.

On one visit, the issue of remoteness and lack of opportunities for knowledge exchange between pastoralists was shared with me. Conversations that may otherwise be had at a local country pub on a Friday night aren’t a reality for those working in the north, where stations are isolated by vast distances. Therefore, this book acts to facilitate and share real pastoralist’s knowledge, projects, difficulties and achievements through BIG with you, using the pastoralists own words.

Four thriving pastoral businesses are featured in the first edition of this booklet – Winning Station, Pardoo Station, Lamboo Station and Rhoman Brahmans. As you will read, each enterprise faced a unique challenge and had a clear business goal to tackle. The owners and managers of these stations, with support from the Business Improvement Grants program, were empowered to turn their ideas on paper into reality.

I acknowledge and thank the pastoralists who were willing to share their stories and knowledge, not only with me, but with the broader industry.

I look forward to working with our current and future grants program participants, and continuing to share their stories with you.

Mariah Maughan
Development Officer
Department of Primary Industries and Regional Development
Business improvement grants

The Business Improvement Grants program commenced in 2015 to support pastoral enterprises in the Kimberley and Pilbara regions to embrace practice change and grow their business.

The program contains two parts: part one enables businesses to apply for a grant of up to $10,000 to engage a consultant to develop a business management plan, including two annual reviews to evaluate progress.

Part two was the business improvement implementation phase, where grants of up to $15,000 are available to assist pastoral businesses to implement a priority strategy or project identified in the business management plan.

The Business Improvement Grants are part of the Department of Primary Industries and Regional Development’s Northern Beef Development project, which aims to build capacity in the beef industry.

Visit agric.wa.gov.au/northernbeef for more information on future grant rounds.

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Just a few hour’s drive from Carnarvon, Winning Station spans an expansive 300,000 hectares of beef grazing country. Station owner’s Kim and Aggie Forrester used the Business Improvement Grants program to monitor and minimise the weight loss of cattle before export, a project which is already yielding positive results for both the animals and for the business’s bottom line. This is their story.

A family-run station
(Kim) My father purchased Winning Station in 1978 and I was one of three children who grew up on this country. We have 303,500 hectares of country, 1100 km north of Perth and 1200 km south of Broome situated within the Carnarvon and Ashburton Shires.

We run 2500 head of Charbray Brahman crossbred breeder cows which relates to around 4500 animals on the ground.

(Aggie) In 2013 we achieved organic certification which I think certainly gives us more markets for our cattle. At the moment it’s very difficult to beat the bull market but I think in years to come there will definitely be a place for organic beef in Australia and overseas and we’re ready for it.

Creating a winning business
(Kim) Overall the grants program has been of benefit to us. We found part one of the program - the business planning - with our consultant very good. We like to get a business plan done every five years to see how the business is going, so some assistance in following along that line of thinking was great.

We used the part two grant to purchase the Gallagher TSI hardware. This included the wand, touch board and scales. We are currently using it to monitor weight loss from the station to Muchea sale yards and how we may alter our management and nutritional practices to decrease our weight losses which is both of benefit to our business and cattle health. It is throwing up some interesting results on feeding cattle in the yards and what the best way of preparing cattle for travel may be.
We are currently looking into how we should feed our sale cattle before trucking. This means looking into whether we should feed them from 2-3 weeks to 2-3 days to find out which results in the least weight loss. We previously were sitting at 10 per cent weight loss but have been able to decrease this to 7 per cent through putting our sale cattle on feed (commercial pellet) for 7-10 days before trucking. It is still early days but a 5 per cent average weight loss is the ultimate goal for us so hopefully the Gallagher technology can help us monitor and achieve that result.

**Advice for other pastoralists**

When choosing our hardware we chose to go with the Gallagher through the recommendations of other pastoralists who had used it. We are happy with the hardware and all its capabilities; however we believe the biggest limiting factor to any herd recording hardware is the knowledge in how to use it. When looking at different brands of hardware it’s important to have good customer support so that you can get the most out of it.

I think it’s important to do your herd recording thoroughly and routinely to get the most out of the technology. Overall the grant program was very beneficial as it has allowed us to purchase technology that can really improve our business.
Located in the heart of the Pilbara, approximately 120 kilometres east of Port Hedland, Pardoo Station has a long history in the region dating back to 1865. With support from the Business Improvement Grants program, Pardoo Beef Corporation CEO Brett Blanchett worked with a consultant to create profitability models to forecast the best management strategies for Pardoo’s pivot grazing system. This is his story.

**Bringing premium Wagyu to the Pilbara**

In the years leading up to 2017 I was employed by Milne Agri-group, as the General Manager of Liveringa Pastoral Co. In 2013, Milne Agri-group entered a joint venture with a major investor which is where I first had exposure into the world of Wagyu. Through the Wagyu Association I was introduced to the Singaporean businessman Bruce Cheung, who offered me the role of CEO at Pardoo Beef Corporation. I was very interested in what he was proposing with the combination of Wagyu and pivot irrigation. It’s a project that is quite ground breaking.

We source our purebred Wagyu heifers from the Territory from a property called Lake Nash owned by Georgina Pastoral Company. It is situated at the same latitude as Pardoo, with relative temperatures and rainfall so the cattle are already acclimatised.

We join them with full blood Wagyu bulls, which we source from the South West of WA. The aim is to make our pure-bred line of Wagyu’s more pure each mating. This line of cattle is our premium product and all cattle from this line will live on the pivots year-round. We think we can get up to a 90 percent weaning as we are monitoring everything so closely.

In conjunction with the Wagyu heifers coming to Pardoo Station, we have started our own Premium Wagyu brand (First Growth) and are exporting full carcass sets into Shanghai. We are buying steers from Georgina Pastoral Co and putting them through a feeding facility in Queensland. The steers are the “brothers” of our purchased heifers so the same genetics. By doing this we have an idea of how the genetics will perform ahead of having to process on the west coast. The second line of cattle bred we call Exclusively Pilbara Wagyu. These are a cross between our pure-bred Wagyu bulls, and softer pastoral breeders (Brangus, Droughtmaster and Santa Gertrudis).
The breeders are sourced locally and are bred for Kimberley and Pilbara conditions. This line of cattle and beef is designed to supply consumers with a domestic everyday eating product.

The weaners will go onto pivots at Pardoo Station for backgrounding and then will go down to the South West to feedlots and slaughter. They are good eating and good tasting cattle with lower production costs compared to southern systems. Breeding and backgrounding is our competitive advantage here due to breeding a weaner in a pastoral situation and the artesian basin, we don’t have to pump water for irrigation.

A model business

The Business Improvement Grant enabled us to drill right into where a big part of our business is, that being stand and graze systems on pivot irrigation and model where the profits will come from. We engaged some very intelligent consultants to understand a particular piece of the puzzle a lot better.

So, it was really a starting point for us; to get somebody in to model several areas of the stand and graze system. Through this process we have shifted our mind set, and that of our staff, from how many head we are grazing to how many kilograms of animals/ pivot or hectare and also calculating dry matter or food on offer before and after grazing.

Advice for other pastoralists

In regards to other stations looking at adopting stand and graze systems I think, for lower value pastoral cattle, the economics could be quite marginal. Lots of factors can vary like the markets, the breed of cattle you aim to produce, and whether you need to pump water (diesel costs) in order to run your pivots. I think it’s important to model these factors first.

If you can’t measure it, you can’t manage it.

I think it’s important to always know your numbers. ‘If you can’t measure it you can’t manage it’. Overall the grant program has been of great benefit to us as it has enabled us to put some numbers on the key drivers to our system.

Brett Blanchett, Pardoo Station
An analysis was produced that examined the economics of ‘stand and graze’ versus ‘cut and carry’ systems. Some of the key findings have been interpreted by a Northern Beef Development project officer and summarised below. These findings are produced from the assumptions used in the consultancy model, specific to Pardoo Beef Corporation.

- When the price of beef is low, some ‘stand and graze’ options can be as profitable as, or more profitable than, backgrounding options such as the ‘cut and carry’ model. However, as beef prices increase, backgrounding (‘cut and carry’) becomes the more profitable option due to the ability to process more cattle at a given time.

- In regard to the ‘cut and carry’ system, the most profitable regime (highest total gross margin) is feeding home-grown sorghum and oats with a large amount of maize for energy, and lupins for protein. This however may not be practical as it is relatively expensive on a cost/kg of beef basis at $2.22/kg.
On a cost/kg of beef basis, the lowest cost option is the ‘stand and graze’ system, with Leucaena at $1.20/kg, and Rhodes grass plus Lucerne at $1.34/kg. Adding supplementary feeds such as maize, grain or lupins to these options can allow you to significantly increase your stocking rate. By adding supplementary feed the cost/kg of beef produced will increase however, so will your overall gross margins.

When using a ‘cut and carry’ model, profitability is fairly sensitive to the capital costs of building the facilities/machinery, but there can be a positive return if the design of the system results in less wastage of food. For example, a 2.5% point reduction in feed wastage would cover the cost of an extra $600 000 per 1000 head capacity spent on background feeding infrastructure. To clarify, wastage is the difference between the fodder harvested and fodder consumed by the cattle.

Due to the high-input nature of the ‘cut and carry’ model, this is the most sensitive to fertiliser price changes. For example, a 25% increase in fertiliser prices results in a 14% reduction in overall gross margin on average, with some regimes dropping as much as 24%, depending on the proportion of home grown to imported feed.

Note: ‘Stand and graze’ refers to cattle grazing on irrigated pasture, in this case, cell grazing on a centre pivot. A ‘cut and carry’ system refers to harvesting the pasture/crop and feeding it to the cattle in hay, silage or ration form.
Lamboo Station, run by the Ngunjiwirri Aboriginal Corporation, is a family-run business located about 50 kilometres from Halls Creek. Through the Business Improvement Grants program, station manager Robin Yeeda engaged a vet to implement best practice herd management techniques, which have already seen a 30 per cent reduction in mortality rates. This is his story.

Living the dream

Lamboo Station is roughly 50 kilometres west of Halls Creek town, along the Great Northern Highway and the place I grew up and have lived all my life. My Father worked on stations in the Kimberley all of his life and had the vision that we could one day also have our own cattle station. His dream became reality in 2002 when we were able to acquire Lamboo Station.

We formed a corporation, Ngunjiwirri Aboriginal Corporation, to manage the property and began the hard work of building our dream to become beef cattle producers in our own right. We’re a family run business employing my brothers, cousins and other relatives working to get all the jobs done.

In the beginning we bred Shorthorn cattle and were understocked. Over the last seven to eight years we have been using Brahman bulls to cross over the Shorthorn cows to better adapt to market demands and have built our herd up.
Adopting best practice

Part two of the grant program in particular, was one of the best practices I have had through a grant program on Lamboo. The program provided the opportunity for a vet to come on to the station and pregnancy test and spay. Having a vet come in and working with you, helping to put into place the best practice you can in regards to your herd management is really beneficial.

Through the pregnancy testing and spaying, a report was produced that gave us a great understanding of the productivity status of the station and the results that came out of it were positive. Through spaying we were able to clean up our herd by spaying rough cattle coming in that weren’t the type we wanted.

Our annual business review with the program showed a 30 per cent reduction in mortality rate as our older non-productive cows have been culled this season. By selling the spayed females more kilograms of beef were sold this year (our Kg beef/AE increased by 47 per cent) and our female sales increased to 41 per cent reflecting again the spaying and culling that took place.

Because we were not previously pregnancy testing on Lamboo, we didn’t know which cows were coming in empty that we were still keeping. Some of the cattle coming in that were fat were not producing but were still being put back out to eat the pastures. Through pregnancy testing this season we knew the pregnancy status of our cows so were able to cull the non-productive ones.

We attended the Kimberley Economic Forum in Kununurra earlier this year and were particularly interested in the cattle scanning and pregnancy equipment which doesn’t require a veterinarian to operate. We are interested in looking into this further going forward.

Advice to other pastoralists

I would recommend pregnancy testing and spaying to those stations that are not doing it. I think stations need to be aware of how it can really clean up their herd.
DNA testing and herd recording in the West Kimberley

Henry Sommer, Rhoman Brahmans

Stud owner, Henry Sommer, worked with the Business Improvement Grants program to implement herd performance recording technology and DNA testing to identify the best performing cattle. This monitoring against a set of key performance indicators is keeping the business on track for future growth. This is his story.

Global influences on a Kimberley station

I came to Australia with a vision to breed bulls in the Kimberley for the Kimberley. In 2014 I managed to launch Rhoman Brahmans using Brahman embryos from Southern Africa. These embryos were sourced from hardy, functional cattle.

We need to take into account that distance from the equator determines the optimum size of your cattle for that environment. We are much closer to the equator than North America, who can get away with bigger cattle. North America’s beef genetics are filtering into Australia where ideally you want medium size cattle for this country.

There seems to be a myth that there is a fertility problem among Brahmans however I feel this is more a selection problem. I have sourced most of my females for my herd from Douglas Daly where they select purely on performance (fertility). They have ended up with a very functional type of animal, the same kind of cattle I had been breeding in Southern Africa.

I think we are ready to make strides and advances in genetics; if the cattle are bred in the Kimberley we can provide the lead of the bulls to our industry and state.

So that was the dream and I now have built up a heard base of 100 Brahmans and 100 Brangus cows.

Powerful tools for a powerful business

The original business plan, and business review conducted through the grant program have been beneficial. It was very encouraging to hear consultant’s reassurance and that there are likeminded people out there. The monitoring of key performance indicators and the business as a whole, allows me to know that we are going in the right direction.
Through the grant I was able to purchase a Gallagher TSI system with accessories to be able to record all the data required to build up a history with the cattle. These records are much more beneficial and efficient than recording with a spreadsheet by hand. I then bought branding irons to use in addition to the cattle’s ear tags in regards to identification.

The last thing I sourced from the grant program was to take DNA tests for all the cattle to identify unfavourable traits to assist me when culling. We are also working towards the future when we can get EBVs on the cattle and can start to identify traits that we are looking for. Due to the extensiveness of the operations in the Kimberley we are not always able to identify the mother. DNA testing solves this problem which is of huge benefit to my business.

**Advice for other pastoralists**

The process as a whole was a huge learning curve. The TSI and DNA records are such powerful tools and I think there’s so much more I can do with them in the future.

One of the unwritten benefits of the program is getting access to mentors (consultants). These people made suggestions that I may not have originally come across. I was happy with my consultants as they gave me fresh ideas.

Overall, it was hugely beneficial to be able to better monitor the progress and performance of the herd by starting to identify those that are better performing. I now have herd records so that when the cattle come in I can corroborate my visual to their records to help me identify the better doers.

If you want to take your herd to the next level I’d recommend improving your herd recording, but it goes hand in hand with visual selection.
Thank you to the pastoralists who were willing to share their stories, knowledge and ideas with us, it is greatly appreciated.

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