

SUCCESS STORY

**SAND Beef Solutions
McNicholl Livestock & Vet Services
Lillyvale Feedlot
Telstra Country Wide
Abattoir-Processor**



Food quality security for the retail consumer through meat traceability and information feedback along the value chain



As a result of cattle disease outbreaks in Europe and Japan, our beef industry stands to gain enormously by using value chain management to provide worldwide consumers with traceable, disease-free meat of high eating quality. This creates the potential for our industry to become the world's pre-eminent supplier.

**Paul Evans
Executive Director
SAND Beef Solutions**

The Organisations

SAND is a Queensland-based provider of value chain technology and services to the Australian beef and horticulture industries. McNicholl Livestock and Vet Services is owned by Lee and Megan McNicholl based near Dulacca, in Southwest Queensland. They produce beef cattle and Lee provides vet services to feedlots. The Lillyvale Feedlot is situated near Condamine on Queensland's Western Darling Downs. The abattoir-processor is located at Churchill, near Ipswich in Queensland.

The Project

The project considered the beef value chain spanning the producer (the McNicholls), the feedlot (Lillyvale) and the processor. The objectives were to identify ways to reduce the costs in segments

of this value chain and to improve the quality of the end-product by providing good quality feedback from the processor back to the producer. In addition, the project is to provide an on-line solution for trading cattle and beef. Non-core outcomes were also considered to include facilitating the social fabric in rural and regional Australia.

The overall project comprised several sub-projects. One sub-project focussed on the online acquisition of cattle by the feedlot. Another focussed on the feedback of kill data to the feedlot and further on to the producer. A third sub-project concentrated on the development of the e-trading system and the final one on the development of a virtual cattle draughting system for use in feedlots.

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**VALUE CHAIN
MANAGEMENT
PROGRAM**



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Information Gained

The project first mapped the beef value chain from producer to processor. This information was used to plan the project and design the sub-projects. The major thrust of the project was to develop the e-trading system and to quantify the savings that may accrue from the efficient and effective management of data.

The cattle acquisition sub-project was designed to reduce the costs of acquisition of cattle by the feedlot. Current costs range between \$5 and \$10 per head acquired by agents travelling to producers and cattle sales in the region. The virtualisation of this process was accomplished by acquiring cattle through the Internet. Systems to match the buyer's and seller's expectations were designed into the exercise.

The feedback of kill and feedlot data was accomplished through a website tailored for the Lillyvale Feedlot.

The virtual cattle draughting captured data at the physical crush in the feedlot. Wireless-enabled hand held computers (PDAs) were used for the initial capture. This information was merged with digital pictures of the cattle in the crush area and transmitted by Telstra Country Wide's satellite to the database at the Gold Coast. The data in this database was then available for viewing by the feedlot or producer using WAP-enabled CDMA cell phones and/or conventional Internet sessions.

Benefits and Outcomes

The beef e-trading system has been established and



tested by effecting trades using common tools like personal computers, mobile phones and PDA's.



The feedlot cattle acquisition system has been installed at the feedlot and the benefits translate into an acquisition cost saving per head of between 60% and 80%.

The feedback system to feedlots and producers has been installed and indications are that the information will be used by producers and feedlot operators to work on improvements to breeding and feeding of cattle.

The virtual cattle draughting system has been installed and tested and, when this system can be coupled with active ear tag identification system, a considerable improvement in cattle management efficiency and occupational health and safety around the crush is expected.

Looking to the Future

The opportunity to incrementally build a 'paddock-to-the-plate' system that provides technology to beef organisations and increases efficiencies and profitability for all participants in the industry has been highlighted by this project. The potential for future enhancements to the four systems installed and tested is considerable. Future opportunities include tele-veterinary activities, remote nutrition management in the feedlot, rapid exchange of beef quality and food safety information and the expansion of online markets. Beef-business websites may be the best vehicle for providing these new information and business services to facilitate commercial and social outcomes for regional and remote communities in Australia.

This project was facilitated by Bill Newnham of CTG Consulting, a project manager accredited with the Value Chain Management Program. The Program is an initiative of the Commonwealth Government.

