

Friday, 29 June, 2007

## **Media Release**

### **Cattle Backgrounding – Risk Management in Uncertain Times**

With interest rates and transport costs on the rise, a high Australian Dollar and the inevitable increase in competition for Australia's most lucrative export beef markets, the risk profile of stocking your own property with grower cattle is becoming less attractive.

From humble beginnings six years ago, the Beef Stock Market (BSM) has grown tremendously. To cater for this expansion and cover the overall program against localised seasonal variations, BSM is calling for long-term Western Australian backgrounders to assist them in growing out their clients' young cattle.

BSM was initially developed by prominent Queensland backgrounders Charlie and Liz Frith and Tim Scott to get better control over stocking rates without having the outlay and associated risks of 100% cattle ownership.

BSM Beef Pty. Ltd. Manager Tim Scott said recently, "At any time, the upside potential profit in owning your own cattle is higher (if you buy and sell right); however the downside risk is also higher should there be an unfavourable market shift. The bottom line is; you can be doing everything right from a production point of view with your own stock, and still not be rewarded if you buy or sell on the wrong day. From a production point of view, climatic conditions often dictate the right time to enter and exit the market, and more often than not, climatic conditions make buy and sell prices work against you."

BSM initiates the backgrounding process through purchasing high quality cattle and places them on contracted properties across the country. Progress is continuously monitored through regular individual weighings and state of the art central performance tracking technology. Individual buyers purchase cattle at market rates through the website [www.beefstockmarket.com](http://www.beefstockmarket.com) and BSM oversees their grazing and eventual sale. Contract backgrounders are allocated a BSM state livestock manager to assist where necessary in the production side while administration staff handle client issues.



Contract growers are paid on a weight gained basis to grow out and manage young cattle for around 150kg- 200kg prior to feedlot entry or to the live export trade. Minimum numbers do apply depending on the area and a high level of facilities including an EID scanner and linked electronic weighing and recording system are essential. Apart from weight and NLIS number, up to 5 other fields of data are collected on each animal electronically. Short term contracts are not desirable.

Backgrounders do not incur the costs of transport, insurance, yard fees or commission but being paid on weight gained, are encouraged to ensure a good level of performance for the entire backgrounding period. Induction numbers are flexible allowing for seasonal variations. Conservative stocking is encouraged providing the best chance for good gains. Complete de-stocking is avoided where possible.

BSM backgrounding is a great opportunity for WA producers to diversify your property and become part of a rewarding team with a long-term outlook. BSM was established by backgrounders for backgrounders and you can now benefit from the work done to develop this unique system.

For more information on becoming a Western Australian BSM backgrounder, visit the BSM website [www.beefstockmarket.com](http://www.beefstockmarket.com) or contact State Pastoral Coordinator Darryn Browne on 0427 158 801.

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**For further information please contact:**

Darryn Browne Mobile: 0427 158 801 Email: [darryn@beefstockmarket.com.au](mailto:darryn@beefstockmarket.com.au) (Pastoral, Mid West and Northern Agricultural Regions)

Kim Fimister 08 9834 3062 Email: [kim@beefstockmarket.com.au](mailto:kim@beefstockmarket.com.au) (Great Southern, South West and Esperance)