

## **Allied Beef to explain inefficiencies in beef supply chain**

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Allied Beef founder James Maclean will speak at the Rural Press Club AgShow breakfast this Thursday on the difficulties facing various sectors of the beef supply chain.

Launched back in 2007, Allied Beef has an impressive network of 40 partner properties throughout Queensland and New South Wales. They currently market around 80,000 head of cattle for domestic and export markets.

Maclean himself has worked in the beef and rural banking industries for many years, and has a deep understanding of the issues facing the supply chains.

“In Australia, the top 20 processors handle about 80 percent of all cattle slaughtered in the country. The top 20 feedlots account for 50 percent of cattle that are lot fed in Australia, and the top 20 percent of cattle producers own about 8 percent of all cattle production.”

From a Queensland perspective, Allied Beef has about 14,000 properties with an average turnoff of approximately 300 head per year.

Maclean believes these figures highlight that individual producers need to be working collectively to stay relevant to their chosen consumers.

“If a producer who only turned off 300 head per year was part of a group that supplied 10,000 head of cattle a year directly to a processor, it would give them the ability to become a highly valued supply chain partner.”

Over time, Maclean says this will equate to improved market arrangements and reduced input costs such as freight.

The idea that producers should band together to reduce costs and maximise returns is not a new one. Plenty of producer groups have created alliances to have a greater impact on the supply chain.

However, Maclean says the Allied Beef model differs from other alliances as it offers property partners greater flexibility.

“We don’t expect our property partners to agree on something today and for that to apply for the next 12 months. Our primary objective when working with our property partners is to understand what production system they believe best suits their own property.”

Instead, Maclean wants to use a consistent protocol that enables the industry to improve efficiencies and gain a greater leverage in the marketplace.