

## Trip Report

American Simmental Association

Australia May 2, 2009 — May 15, 2009

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Activity # MO9GXASS01

### **Purpose/Market Overview:**

The purpose of this trip was the continuation of an initiative now more than 6 years in progress. Representing the membership of the American Simmental Association our primary goal is to add value to our member's business by promoting their genetic products to potential customers in Australia. The Australian beef business is in many ways similar to that in the US in terms of production and end product goals. Because of that, the same use of heterosis and breed complementarity that has been shown to promote profitability in the US, also makes sense for the Australian beef business. Since the beginning of this marketing program more than five years ago, the purchase of US Simmental genetics has steadily increased, with the top six Simmental sires in Australia now being US bulls. In order to support additional genetic sales (primarily semen and embryos), the popularity of these products must increase among Australian producers, both commercial and seedstock. This trip was highlighted by individual contacts and group promotional events targeted both at Australian commercial beef producers and US Simmental seedstock customers, both existing and potential.

The trip began with four days at the 2009 Beef Australia Show in Rockhampton AU. This event happens once every three years and is the largest single beef industry event in Australia. Rockhampton is in the northern part of Australia, a region where our promotional programs have been limited. Thus, almost all of the individual and group contacts made there were new when compared to previous trips. Several thousand producers and industry leaders were in attendance at this year's event. On the second evening there I also had the privilege of being invited to provide the banquet speech to a group of more than 50 professional cattlemen who had traveled in a group to attend the Expo. This networking group meets several times annually and would represent more than 10,000 commercial cows. Crossbreeding for profitability was the primary interest of the group and the topic of my presentation.

After Rockhampton, I traveled south to the Sidney and Melbourne areas of southeastern Australia where I have spent time traveling in the past. This region has accounted for most of the purchase of American Simmental genetics and where the business is growing. Despite the success of these customers, the prolonged drought conditions (approaching 10 consecutive years in some locations) has somewhat dampened enthusiasm for continued business. I did however meet with several customers who are working on plans for additional importations and had tremendous interest from a number of quite large commercial producers whose business will ultimately drive increased imports by supplying breeders. Just as in the US, there is greater interest in SimAngus bulls for these larger herds so that heterosis and breed complementarity can be more easily managed.

## **Itinerary:**

May 2, 2009

Left Bozeman Montana 11:00 AM – Denver 1:00 PM – Arrived Los Angeles International 6:00 PM  
– Flew out of LAX headed for Sydney at 11:30 PM

May 4

6:10 AM – Arrived Sydney – 9:30 AM Departed Sydney for Brisbane- 3:20 PM Left Brisbane for  
Rockhampton- Arrived Rockhampton AU 3:20 PM

4:30 PM-7:30 PM Took part in Cricket Match in Yerpoon with 40 Australian cattle producers and  
their families.

May 5

Spent the entire day at the 2009 Beef Australia Event. Morning activities at the Rockhampton  
Stockyard included the fed cattle judging. Nearly 3000 fed cattle were exhibited with the Grand  
Champion entry overall being a pen of Simbrah steers. In the evening, I was the dinner speaker for  
over 100 commercial cattle producers who had traveled as a group to Rockhampton to take in the  
Expo. Just like everywhere else in the world, they wanted to hear strategies to improve profitability  
and had many questions about US production systems.

May 6

Spent 5 hours touring the 2009 Beef Australia grounds and it's hundreds of cattle exhibits and  
commercial booths. I made several quality contacts in the AU beef business. The afternoon and  
evening was spent with the Executive Officer and Board Chairman of the Australian Simmental  
Association discussing a myriad of topics that affect both our businesses. Since the first importation  
of American Simmental Genetics five years ago, the top 6 registry sires in the AU Association are US  
bulls. Additionally, they have added SimAngus composite registry very much like ours at the  
American Simmental Association to take advantage of the growth of this new business.

May 7

Six more hours at the Beef Exposition, including participating in the Simmental and Simbrah Shows.  
Spent the remainder of the day visiting with a small group of Simmental and Simbrah breeders and a  
branded beef distributor who approached me at the event with his guaranteed tender beef program  
which is primarily Simmental and Simbrah beef.

May 8

The morning was again spent at the Expo, the afternoon was spent touring the rural areas around  
Rockhampton, Queensland.

May 9

5:00 AM left Yerpoon for the Rockhampton airport. 6:45 flew Rockhampton to Brisbane.

9:45 Brisbane to Sydney. Arrived Sydney 10:50 and was met there by AU Simmental and SimAngus breeder Jeremy Cooper. Who would serve as my tour guide for the next several days. At 1:00 PM we toured Cooper's SimAngus herd before traveling from Marulan to Bathurst to spend the evening.

May 10

Left Bathurst early AM for Glen Alice. Commercial field day started at 10:30 at the Bruce Richardson Ranch. Attendance was by invitation only and 6 commercial cattlemen were in attendance. These 6 ranches plus the Richardson's accounted for over 3500 commercial cows. Bruce and his family have been using American Simmental genetics for 3 years and had many cattle to show off in addition to the program. Left Glen Alice at 3:30 and traveled to Young for the evening.

May 11

Early departure for Adelong, the site of another commercial meeting with Landmark agent Richard Coot who is also utilizing American Simmental genetics in his commercial cow herd in addition to promoting them to his Landmark customers. Had 5 large commercial herds in attendance for lunch and a program again these large herd accounted for nearly 2000 commercial females. Left Adelong at 4:00 and traveled to Wagga Wagga for the night. Had an interview with the agriculture editor for The Land magazine at their headquarters in Wagga, then, ate dinner with the three owners and agents of HF Francis & Co. This is a private but relatively large new livestock and agriculture marketing firm with it' home in Wagga.

May 12

Early AM, left for Culcairn for a 9:00 scheduled field day. Had over producers in attendance for the morning program, then spent the afternoon touring an Australian feedlot and two Simmental breeder farms near Henty AU. Spent the night at the home of Bill Cornell, Simmental breeder from Henty.

May 13

8:00 AM traveled to Glenburn to visit one large Simmental breeder using American genetics and one of his commercial customers between Glenburn and Yea. Spent the night in Mortlake.

May 14

Traveled from Mortlake to Caramut early in the morning for the my last commercial field day held at Barmidgi Angus Stud. This herd is in its second year of incorporating US Simmental genetics into its Angus program to offer composite bulls as an alternative product to its fifty year history of selling Angus bulls. This invitation only group numbered 11 large commercial and seedstock producers and was organized by Dick Whale. Dick is a very highly respected and successful genetics consultant who is doing a tremendous job of selling US Simmental genetics in Southeastern AU. Traveled with Dick Whale back to Melbourne for the evening. Spent the night with the Grimwade family (Martin and Alice). The Grimwades own and operate a long running Angus stud near Melbourne and have been offering SimAngus and Simmental genetics imported from the US for the past 2 years.

May 15

1:05 PM Left Sydney bound for LAX – 11:30 AM arrived Los Angeles – 3:00 PM Departed LAX for Denver – 9:00 PM Departed Denver for Bozeman – 11:00PM Arrived home in Bozeman Montana.

**Personal Contacts:** See attached

**Recommendations and Conclusions:**

Prolonged drought in most of the southern half of Australia is the largest obstacle we are facing to future importation of American Simmental Genetics. Those producers who have made importations in the past several years have been rewarded with expansion of the Simmental business in Australia and very high prices for imported individuals. In addition, the top 6 sires for registrations in the Australian Simmental Society are US sires made with imported semen. As in the US, the largest growth area for Simmental and SimAngus genetics is the use by traditional Angus breeders who are moving in the direction of promoting and providing heterosis to their customers. Four of the largest herds I visited while in Australia were long established Angus breeders with their first SimAngus calves sired by US bulls. There is also a new opportunity among the leadership of the Australian Simmental Society. The leadership of this group has turned over significantly in the past two years. With a new, young CEO and a very progressive and respected young board chairman, there is a tremendous opportunity to make change and grow that business with US genetics and non-traditional Simmental breeders in Australia. I know that participating in the World Simmental Congress, September 2010 would be a wise choice to help bolster the business there. Breeders with American genetics are planning a large contingency of cattle for the event to showcase the changes made in Australia to the rest of the world's breeders. A show of support in addition to further marketing efforts in the country during the trip would be well timed, especially if rainfall becomes more normal during the interim. Efforts in the north may also bear fruit. The largest population of cattle are in the North and are primarily Brahman-influenced cattle. Simmental is not popular there because of the past transgression of European imported genetics. There is a huge opportunity there, but it will be a "from-scratch" plan. Perhaps identifying a high reputation, high profile northern herd or two for a personal visit and promotional breeding plan is an option. I am sure we could access semen with the help of US based, Australian semen companies for a demonstration breeding project to publicize the potential for US Simmental genetic use highlighting the positive changes made in the US lines compared to the European Simmental they not so fondly remember.