

Twenty/20™
BEEF CLUB

FARMING

TOGETHER FOR A SUSTAINABLE FUTURE

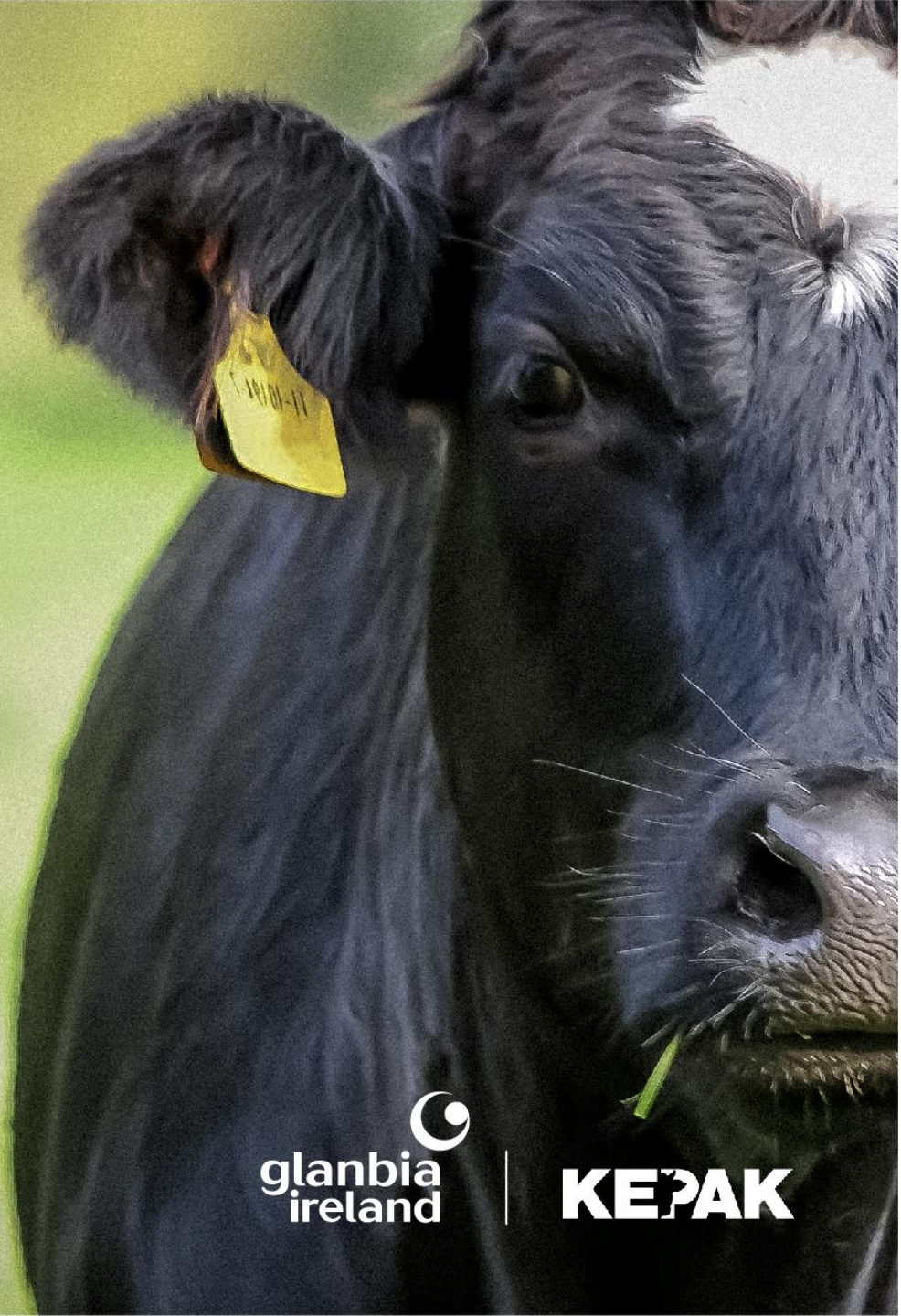
CALF TO BEEF PROGRAMME



Euroopa Maaelu Arengu
Põllumajandusfond:
Euroopa investeeringud
maapiirkondadesse

glanbia
ireland

KEPAK



OBJECTIVES

- Maintain the reputation of Irish Livestock Industry
- Improve Dairy male calf value
- Reduced Calf mortality
- Improve Dairy/Beef calf quality
- Improved integration between dairy & beef industry
- Incentivise & reward primary producers
- Satisfy business customer and consumer requirements

FARMING
TOGETHER FOR A SUSTAINABLE FUTURE

- ✓ Reduction in the average age of Club cattle at slaughter to less than 24 months
- ✓ Reduction in the average carbon footprint of Club member farms - through use of methane reducing feed additives, reduction in the average age of slaughter, and improved feed conversion efficiency.
- ✓ Improvement in the consistency of the eating quality of Club produced beef through a combination of better genetics, nutrition management and farm husbandry.
- ✓ Increase the proportion of dairy bred cattle meeting market specified targets.
- ✓ Increase beef output and sales value per hectare through adherence to Club protocols.

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CLUB STAKEHOLDERS



CUSTOMERS



FARMERS



ORGANISATION

ROLE



- Blueprint development & technical support – along with Kepak
- ‘Closed Loop’ assurance: Input supply, traceability, provenance
- Contribute to ‘Club Premium’
- Farm enrolment



- Provide farmers with a predictable pricing structure
- Provide a guaranteed market for Club produced beef
- Forecast and guidance on optimum slaughter time to maximise gross output
- Develop market leading propositions to leverage the closed loop characteristics

PROGRAMME COMPONENTS

- ✓ Initial Five Year Programme
- ✓ Pilot for Year 1
- ✓ Target number of animals:
 - ✓ 2019: 6,000
 - ✓ 2020: 20,000
 - ✓ 2021: 50,000
 - ✓ 2021/22: 50,000+

PRODUCTION BLUEPRINT

- ✓ World class rearing programme
- ✓ Leading edge technical advice (breeding, nutrition, animal welfare, grassland management, etc.)
- ✓ Focus on Genetic Evaluations: Genomics, Dairy Beef Index, Beef sub- Index & Eating Quality
- ✓ Guidance on slaughter readiness and market requirements



- ✓ 'Closed loop': Input traceability and provenance
- ✓ Inputs supplied by Glanbia Ireland
- ✓ Advanced Technical and Nutrition Support
- ✓ Digitalised input purchase records
- ✓ Input sourcing & traceability premium
- ✓ Farm-to-farm movement within Club (Zero to one movement)

PROGRAMME COMPONENTS

PRICING FRAMEWORK

Market Price (AQP) subject to QPS grid

+

Club Premium

+

Club Protocol Bonus

+

Breed Bonus

+

Seasonality Bonus

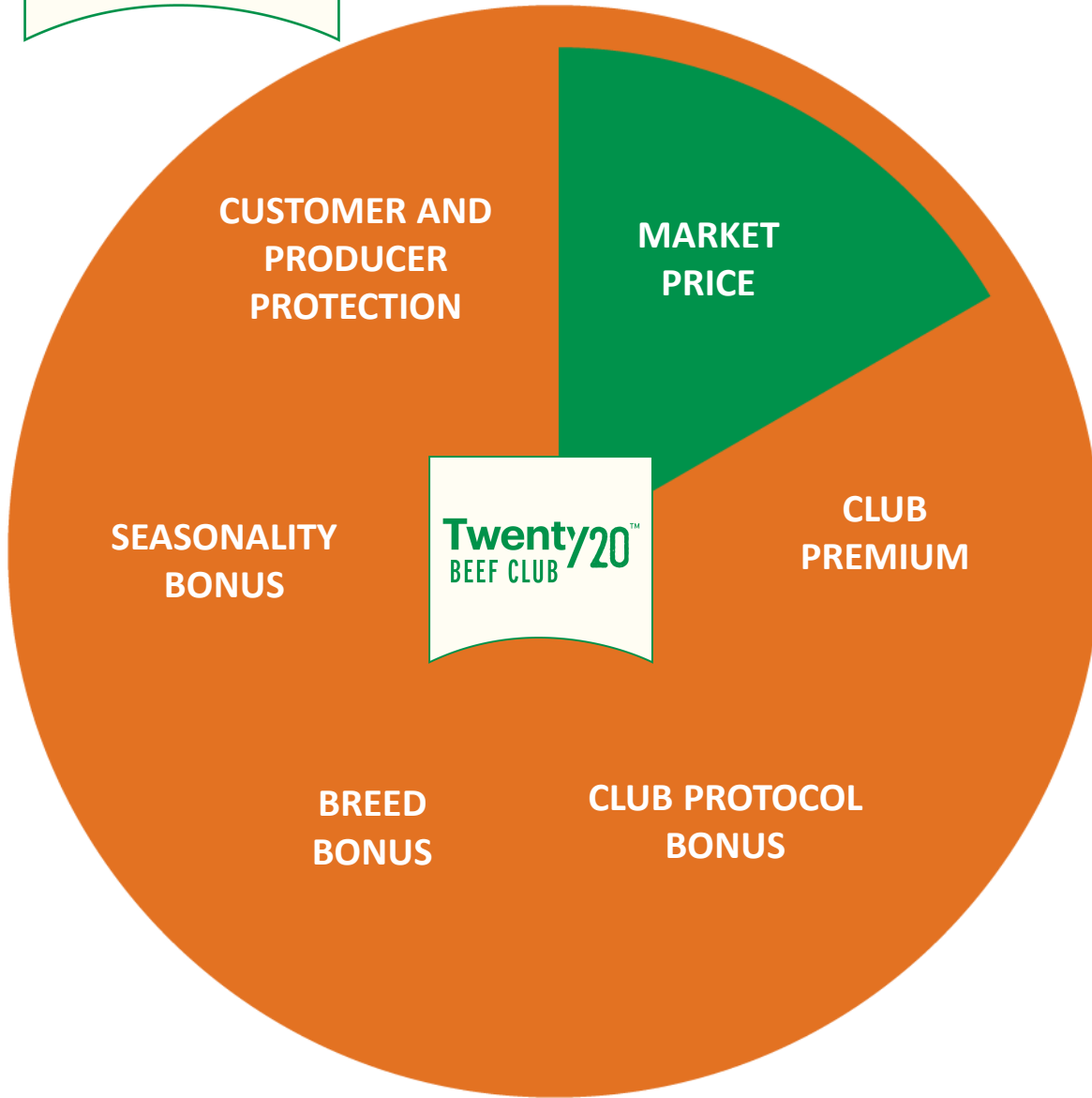
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Price Paid to the Farmer

PRICING FRAMEWORK

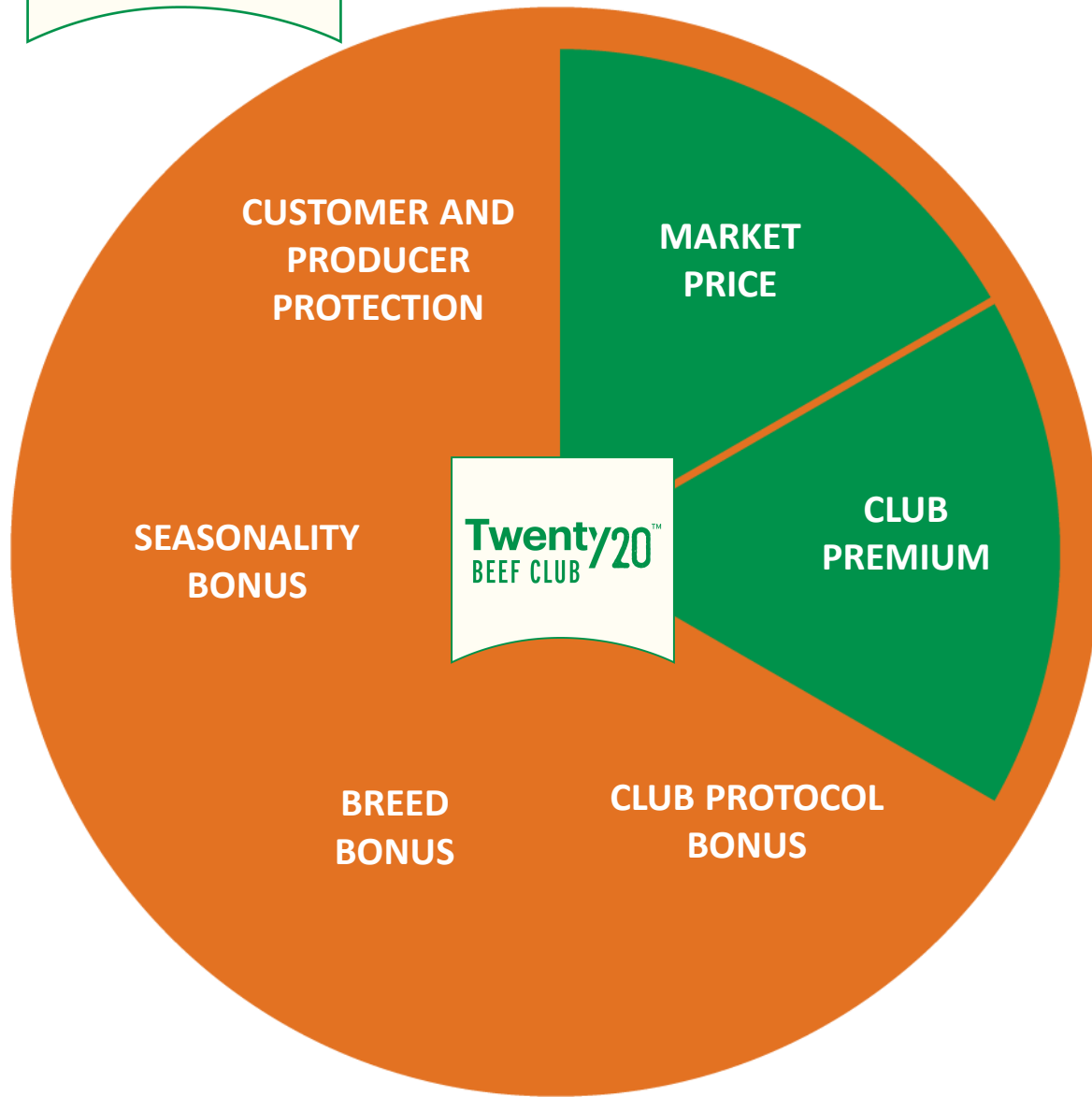


PRICING FRAMEWORK

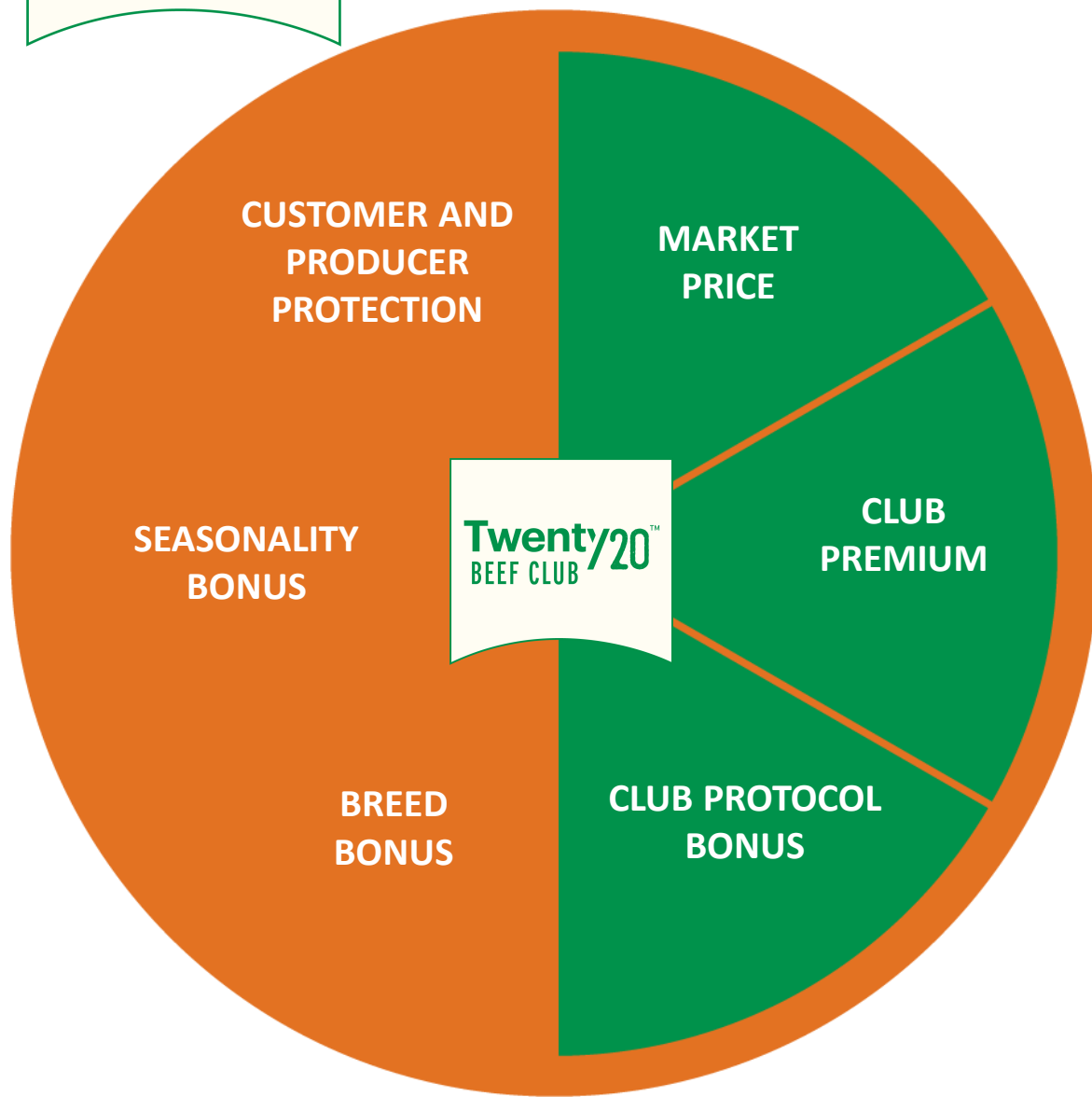


- ✓ The Market Price: **Average weekly base price for heifers and steers** quoted in the Agri Media (Average Quoted Price - AQP)
- ✓ The AQP reflects the average weekly price quoted by ROI beef processors.
- ✓ The market price and relevant bonuses will be paid on carcass weights falling within the range of 260kgs to 380kgs

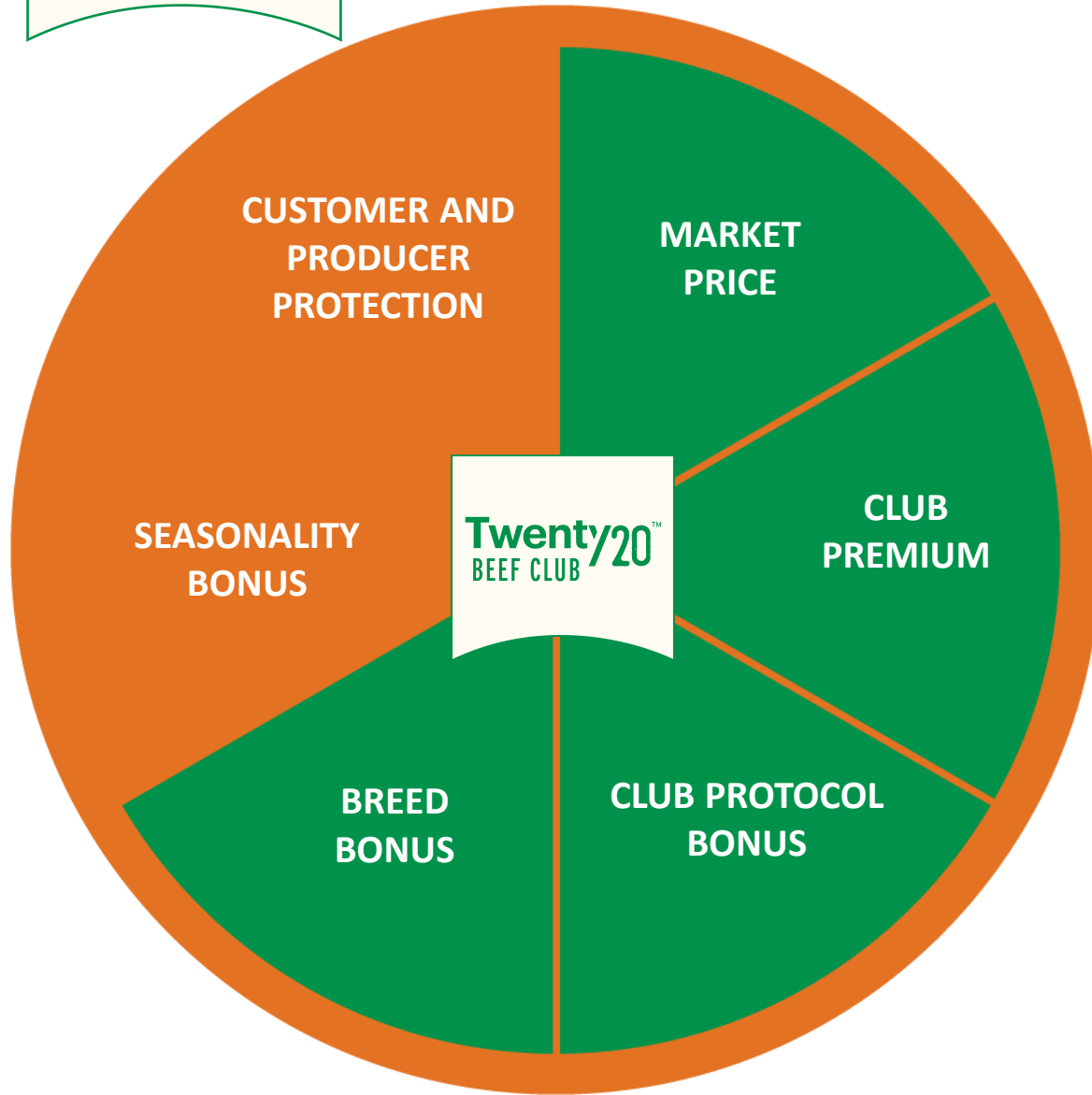
PRICING FRAMEWORK



- ✓ **'Club Premium'** will be paid to all club members on carcass weights falling within the range of 260kgs to 380kgs
- ✓ Club Premium ranges from a minimum of 0.15c/kg up to a max of 0.25c/kg
- ✓ Where the market price (AQP) is at or above €3.85/kg, the Club Premium will be 0.15c/kg
- ✓ Where the market price falls under €3.85c/kg the Club Premium will increase cent for cent with any market decline up to a maximum premium of 0.25c/kg.
- ✓ The Club Premium rewards adherence to the Programme Protocols – including input sourcing.



- ✓ Club **Protocol Bonus** of 12c-20c/kg
- ✓ Bonus paid for adherence to programme Blueprint including Bord Bia SBLAS and future Origin Green requirements.
- ✓ For years one and two, Club Protocol Bonus paid regardless of carcass grading within the carcass weight range of 260-380 Kgs



- ✓ The **Club Breed Bonus** will be reflective of commercial practices applying in the market
- ✓ 10c-20c/kg, and confirmed annually
- ✓ For year one and two, Club Breed Bonus paid regardless of carcass grading.



✓ Members will qualify for Club **Seasonality Bonus**:

✓ April 6 c/kg

✓ May 10 c/kg

✓ June 6 c/kg

CLUB PRICING:

EXAMPLE: 335KG ANGUS R-/R= APRIL SLAUGHTER

MARKET PRICE (AQP)	€4.00	€4.20	€3.75	€3.50
CLUB PREMIUM	€0.15	€0.15	€0.25	€0.25
CLUB PROTOCOL BONUS	€0.20	€0.20	€0.20	€0.20
BREED BONUS	€0.10	€0.10	€0.10	€0.10
CLUB SEASONALITY BONUS - APRIL	€0.06	€0.06	€0.06	€0.06
TOTAL TO FARMER	€4.53	€4.71*	€4.38	€4.13
FARMER EUROS	€1,517	€1,578	€1,467	€1,383

ALL PRICES INCLUDE VAT

Differential for O Grade: O+ -€40, O= -€60 O- -€80

- Soil Nutrient Management
- Grass/Grazing support
- Forage Analysis
- Diet Formulation
- Breeding Advice inline with Irish Cattle Breeding Federation (ICBF)
- Animal Selection for Process (Kepak Procurement Team)



- ✓ Bring more certainty and predictability to beef production
- ✓ Provide a guaranteed market for Club member's beef animals
- ✓ Utilise science and technology to enhance beef calf value
- ✓ Respond to consumer trends for sustainable beef
- ✓ Solution focused – through collaboration and innovation



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THANK YOU