

SARAMI BEEF CATTLE PROJECT

Economic Growth



Cattle-Beef Value Chain

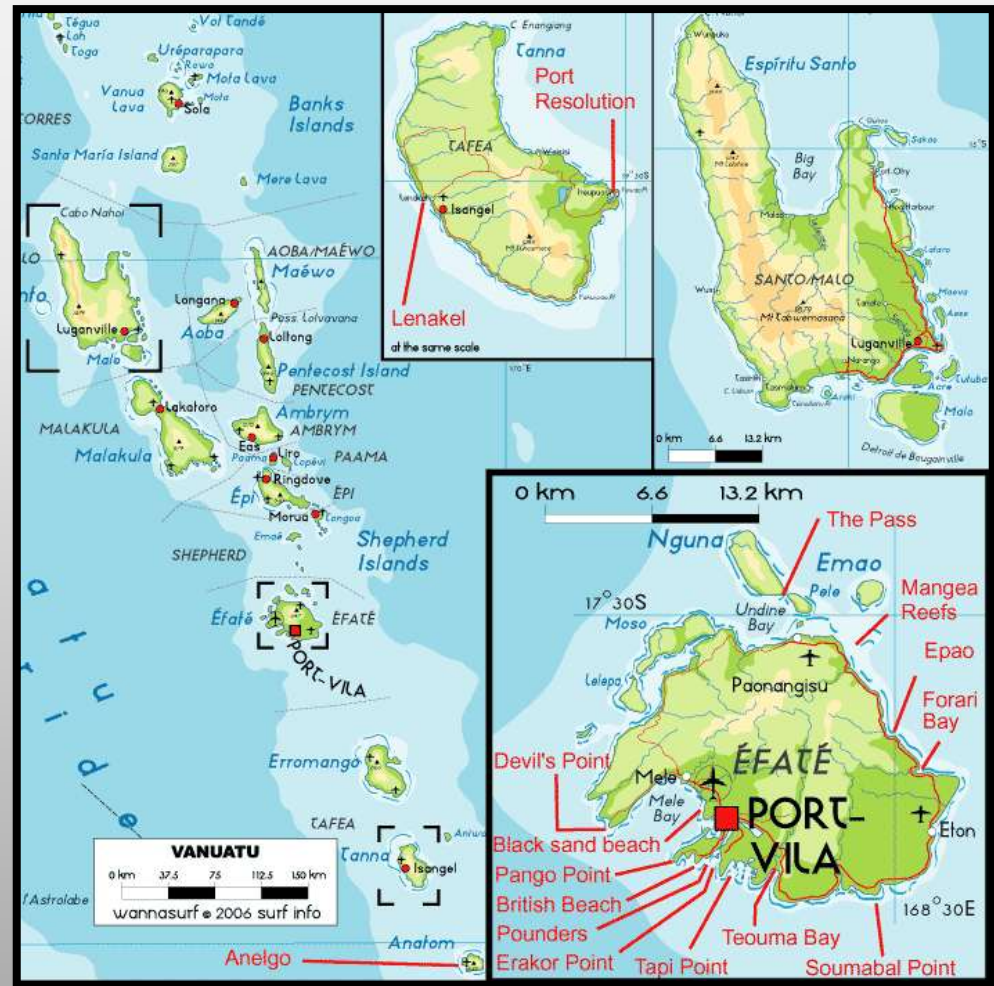
THE SARAMI PROJECT

The Enterprise Challenge Fund (ECF) supported Sarami Project demonstrates:

- Successful private sector intervention
- Established a sustainable business model
- Benefits cattle-beef value chain including smallholder cattle producers on the island of Espiritu Santo

Sarami Estate

- 4,500 Ha beef cattle property on Espiritu Santo
- Carries around 11,000 cattle
- Stocking rate around 2 cattle units on unimproved and 4 on improved pasture.



BACKGROUND

- ECF provided a \$A1.375 million grant to Sarami (30% of project cost) allowing:
 - In-field purchasing of steers and heifers from smallholders;
 - Cattle transport from smallholder properties to Sarami Estate;
 - Establishment and maintenance of improved pastures;
 - Production of silage from forage sorghum;
 - Use of silage as a cattle feed component; and
 - On farm integration and management of cattle for finishing.

BUSINESS PROCESS

Smallholder Cattle Producers

- Breeding
 - Retain breeding cows
 - Improve genetics through access to improved bulls from Sarami Estate
- Background
 - Grow out steers and heifers for finishing
- Sell
 - In field sale to Sarami Estate

Sarami Estate

- Finishing
 - Place cattle on improved pasture to optimise growth rates
- Genetics
 - Improve genetics and make bulls available to smallholders
- Nutrition
 - Pasture Improvement
 - Weed management
 - Forage crop
 - Silage
- Sell
 - Sell to Santo Meat Packers when cattle can achieve price premium.

Santo Meat Packers

- Purchase
 - Purchase cattle on a weight price schedule that encourages larger carcasses and improved quality beef
- Process & Export
 - Slaughter and process into the full range of beef primals and other products
- Sell
 - Sell full range of beef products to local and export markets and optimise returns

CATTLE PURCHASE PROCESS

Sarami Estate Buyer talks with smallholders to determine if there is a truckload of cattle available (8-12 small cattle)

Sarami Estate Buyer visits smallholders, selects cattle to purchase and makes an offer to the smallholder

Smallholder agrees to sell and Sarami Estate Buyer pays the smallholder in cash

Purchased cattle are loaded into the truck for transport and delivery to Sarami Estate

Once 40 cattle have been purchased from Smallholders an improved commercial bull from Sarami Estate is delivered to improve herd genetics



HEAVY TRACTOR USED TO PREPARE LAND FOR IMPROVED PASTURE



SARAMI ESTATE CATTLE YARDS



SARAMI PROJECT INVESTMENT AND OUTCOMES

INVESTMENT	ACTUAL OUTCOMES
Forage crop and silage production	<ul style="list-style-type: none">• Forage sorghum grown and utilised for the production of silage.• Silage produced using a mechanical harvester and treating silage with enzyme additive.• 7000 tonne silage heap produced.• Cattle feeding demonstrated using silage supplemented with copra meal and rock salt• Trials were conducted using root crops as a supplement in the feed formula. This was discontinued due to the logistics of accumulating sufficient root crop when required.

SILAGE PRODUCTION



PROJECT BENEFITS

- **CATTLE PURCHASES FROM SMALLHOLDERS**

- 2010 – 2012: 2013 cattle from 241 cattle producers – 128 smallholders (>25 cattle over the period.
- Purchases - 558 transactions - 21 locations – Average \$A305 per head.

- **SALES & ADDED VALUE**

- Sales – Average \$540
- Added Value - \$A0.45 million.

- **INDIRECT BENEFITS**

- Intercommunication technical, management and commercial advice - Sarami buyer to smallholders – More powerful than agricultural extension officers advice.
- Sale of 400 heifers to Solomon Islands 2011 – Negotiating for further 400 artificially inseminated heifers and 20 commercial European bred bulls.



ECONOMIC BENEFITS

- Smallholders that sell steers & heifers to Sarami at $\approx 300\text{kg}$ stand to benefit in the region of \$A100 to \$A150/head
- Steers that Sarami grow out from 300kg to 600kg liveweight provide a contribution to farm overhead and fixed costs of \$A150 to \$A200.
- Smallholders can restructure their cattle herds to increase the number of cows in the herd, to reduce the numbers of steers and surplus heifers through selling younger lightweight cattle to Sarami and to improve weaning rates. This strategy provides the following outcomes for smallholders:
 - Herd of 6 produce 2 more per year and improve income by \$A575.
 - Herd of 24 produce 5 more per year and improve income by \$A750.
 - Herd of 60 produce 11 more per year and improve income \$A1,500.

CONCLUDING REMARKS

The Enterprise Challenge Fund (ECF) supported Sarami Project demonstrates:

- Successful private sector intervention
- Sustainable business model
- Benefits along cattle-beef value chain
- Innovative value chain expected to continue to contribute to economic activity in Vanuatu (esp Espiritu Santo) over many future years.