GIPPSLAND NATURAL MEATS

UPDATE: October 2010

Gippsland Natural Meats Pty Ltd

The entity which took over the brands of the former Gippsbeef Unit Trust, namely Gippsland Natural Beef, Enviromeat and Australian Natural Beef.

Gippsland Natural Meats is still producer owned by three of the former 43 Gippsbeef unit trust holders. It maintains the aim to build a market for Gippsland free-range, grass-fed cattle, without artificial hormonal growth promotants, and with or without an environmental certification.

Tenderness Guarantee

Gippsland Natural Meats is maintaining the Meat Standards Australia tenderness guarantee for all the brands, and will be using the grading results obtained for the carcasses as the basis for rewarding cattle that grade into the higher boning groups. All suppliers must be MSA registered.

Rewarding Environmental Best Practice

The new GNM pricing provides an environmental bonus on a base price. This bonus recognises the efforts to develop and maintain the Enviromeat EMS system at a farm level. Enviromeat producers can supply cattle under both brands, however only carcasses sold through as Enviromeat will attract the Environmental bonus. Suppliers of Gippsland Natural Beef who have no EMS can not supply cattle to the Enviromeat brand.

Rewarding excellence in free-range cattle production

Gippsland Natural Meats is seeking carcasses within a range of 200 - 300kg HSCW depending on the market [Ave 230kg] [380 - 500+kg liveweight assuming dressing % of 55%] Heifers will be accepted, however experience shows steers can often obtain higher grades and hence will be more likely to obtain a premium.
Note: Prices and dates outlined below are subject to change at Gippsland Natural Meats' discretion:

Base price for Gippsland Natural Meats to MSA Boning Group 6	**340 c/kg HSCW**
Enviromeat Environmental Bonus	**+ 20 c/kg HSCW**

Boning Group quality incentives

Boning Group 4	**+ 5 c/kg HSCW**
Boning Group 3	**+ 10 c/kg HSCW**
Boning Group 2	**+ 15 c/kg HSCW**
Boning Group 1	**+ 20 c/kg HSCW**

Seasonal Bonuses **Dates subject to change according to season conditions:* **+ 20 c/kg HSCW.**
Note: The 2010 Winter/Spring Seasonal Bonus no longer applies
It is intended that seasonal bonuses will be offered during winter/early spring to enourage supliers to maintain a quality supply when conditions are less than ideal. The dates are subject to change with the conditions.

Penalties

Carcasses that fail the MSA grading processes will incur a penalty **- 50 c/kg HSCW**
Instead of receiving a penalty, producers can opt to have ungraded carcasses boned out for private use at a butcher of their choice at their cost (Killing and grading fees will be charged to producers at cost). All suppliers will be encouraged to attend MSA professional development workshops to assist in minimising the risk of ungrades and dark cutters and to keep abreast of the latest trends in the industry.

Commission on sales

As with selling cattle through any agent, Gippsland Natural Meats charges a commission on sales. This remains the same as under the previous Gippsbeef Unit Trust arrangement at 5%.

Contact Details: To discuss booking in cattle or any other queries please contact:

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