



# Pardoo Beef Corporation CEDA Agribusiness Outlook 10 October 2018



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Investment, Innovation and Opportunity



## Pardoo Station in 2015



- 5000 mixed herd mainly Santa Gertrudis
- 1x1 x 50ha Centre Pivots
- Feeding in pastoral setting
- Station and homestead focus
- Grey nomad tourists and caravan park visitors

# Pardoo Station acquisition

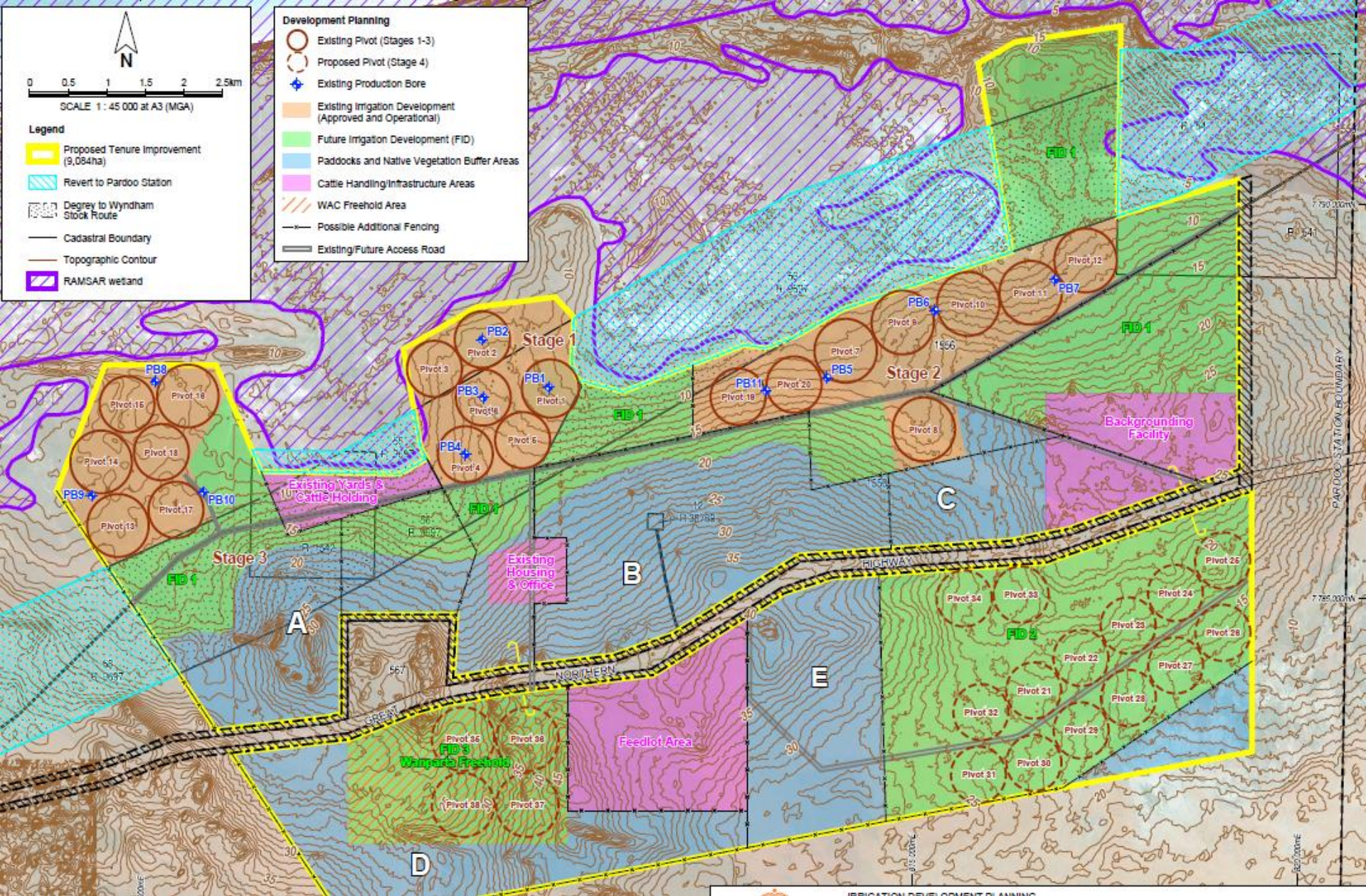


## Pardoo Model – Multiplying the value

- Traditional value of northern animal at sale 330kg x \$3.00/kg =\$1000/hd
- At 55-65% Calving Rate
- With the Pardoo transformational process:
- 200kg                      450kg                      Feeding Regimen                      Processing
- Weaners                      Backgrounding on Pivot                      South with North eventually                      Value \$8000/hd



# Transformational initiative



# Pardoo Irrigated Area



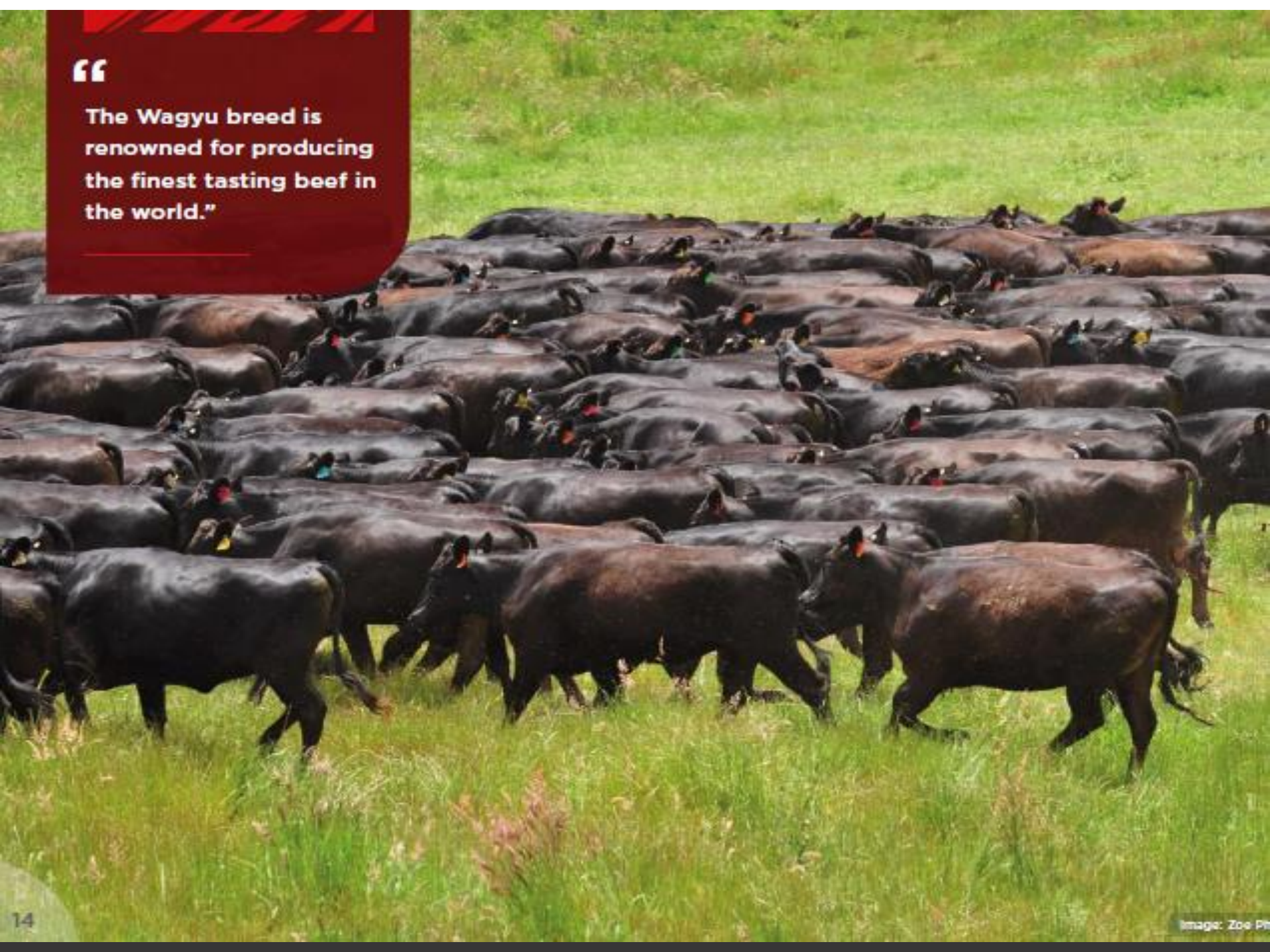
## Increasing Regional Carrying Capacity

- 2015 - 2500 breeders, carrying capacity 5,500
- 2018 – 1500 pure bred, 500 cross bred, carrying capacity 15,000 timely to introduce large industry players with distribution capability
- 2022 – 40,000
- 2031 - 100,000
- Consumer preference for traceable food and cut specifications
- Blockchain improvements to supply chain

## Improving the Supply Chain

“

The Wagyu breed is renowned for producing the finest tasting beef in the world.”





## Potential to Transform



- The abundance of water freely flowing from the Artesian Basin and a visit to Hokkaido Japan brought about the vision to transform the Herd and the region
- Takeda Farms provided Wagyu genetics
- A visit to Hughes Pastoral in Queensland brought Breeders
- The vision for a Wagyu production in the Pilbara was born

## Wagyu in the Pilbara



## Land Tenure Pathway



- Encouraged by the State Government we became the first proponent led company to engage in the land tenure process in 2016
- Today there are 813ha (18 pivots) under irrigation – to 1293ha (30 pivots) by Stage 4
- Artesian Micro Farming method of rotational feeding
- Innovation, Cattle & Crop Managers, Groundwater and Environmental specialists all contribute to outcomes

Just Add Water –  
An Oasis in the Pilbara





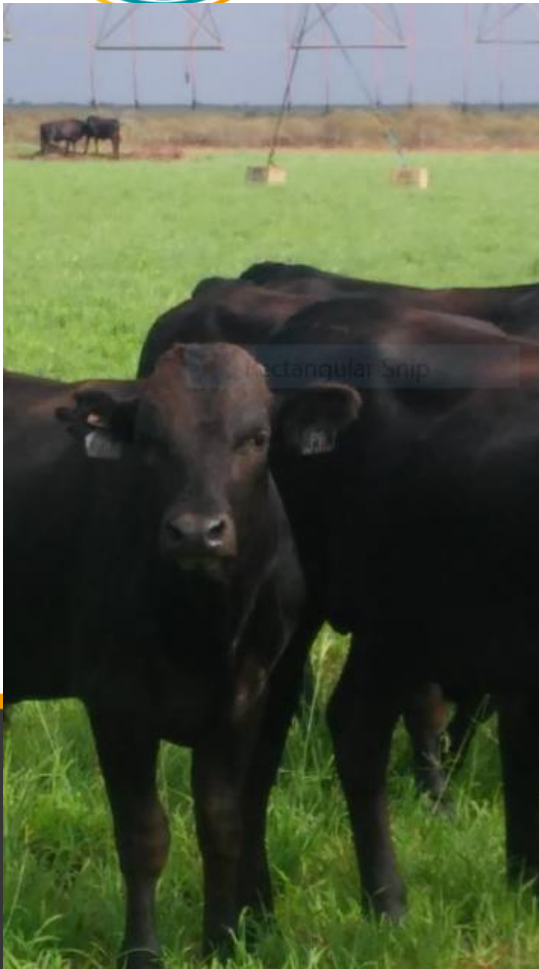
# Ground Breaking Irrigation Development







## Current Herd 2019



- The current herd will reach **14,000** after the completion of Stage 3
- 500 animals per pivot can be rotated twice
- 20,000 are expected by 2019; 40,000 by 2022
- A live export animal is valued at **\$990**
- A boxed Wagyu animal is valued at **\$8000**
- This changes the whole industry potential in the Pilbara and encourages regional partnerships

**A Significant Game Changer**



## Indigenous Engagement

- An early collaboration was established with the Wanparta Aboriginal Corporation
- An ILUA was negotiated in 2016 and signed in March 2018
- A genuine collaboration is in place with the Wanparta Aboriginal Corporation
- Employment and commercial opportunities are ongoing benefits



## Ngarla Country



## Mowanjum Aboriginal Corporation



- 54,632 hectares
- West Kimberley
- Pastoral Breeding and Backgrounding
- Shared resources and knowledge transfer

A Commercial Partnership



# State Economic Contribution by 2031



**\$1.8 billion** economic contribution to the Western Australian economy, and **\$600 million** increase in value add to the WA economy.

YEAR

2018

(PARDO STATION)  
Water: **15GL**  
Irrigated ha: **860ha**  
Total Wagyu Breeders: **2,500**



Total Wagyu and Wagyu First Cross turnout: **2,000**

2020

(PARDO STATION)  
Water: **25GL**  
Irrigated ha: **1,500ha**  
Total Purebred Wagyu Breeders: **3,500**



Total Wagyu and Wagyu First Cross turnout: **6,000**

2025

(PARDO & REGIONAL)  
Water: **50GL**  
Irrigated ha: **3,000ha**  
Total Wagyu Breeders: **11,000**



Total Wagyu and Wagyu First Cross turnout: **21,000**

2031

(PARDO & REGIONAL)  
Water: **100GL**  
Irrigated ha: **6,000ha**  
Total Wagyu Breeders: **100,000**








Total Wagyu and Wagyu First Cross turnout: **100,000**



## Regional Employment Generation

### Employment for Northern Australia

					
<b>2018</b>	Pastoral Breeding to produce <b>180kg</b> weaners	<b>\$431</b> Net return/hd <b>\$1.96</b> return/\$ spent	Employs <b>2 FTEs</b> per 1000hd turnoff	<b>2,000</b> hd turnoff	<b>2,000</b> hd X <b>11 FTE/1000</b> <b>33 FTE</b>
<b>2020</b>	On station Irrigation and feedlot back grounding to <b>400kg</b>	<b>\$365</b> Net return/hd <b>\$1.23</b> return/\$ spent	Employs <b>3 FTEs</b> per 1000hd turnoff	<b>6,000</b> hd turnoff	<b>6,000</b> hd X <b>10 FTE/1000</b> <b>60 FTE</b>
<b>2025</b>	Southern feedlot fattening to <b>800kg</b>	<b>\$297</b> Net return/hd <b>\$1.08</b> return/\$ spent	Employs <b>2 FTEs</b> per 1000hd turnoff	<b>21,000</b> hd turnoff	<b>21,000</b> hd X <b>9 FTE/1000</b> <b>189 FTE</b>
<b>2031</b>	Processing and marketing from WA	<b>\$2,254</b> Net return/hd <b>\$1.44</b> return/\$ spent	Employs <b>4 FTEs</b> per 1000hd processed	<b>100,000</b> hd processed	<b>100,000</b> hd X <b>7.5FTE/1000</b> <b>750 FTE</b>



## Brand Creation and Recognition

- The Exclusively Pilbara Wagyu product brings an opportunity for economic diversification with new branding and product traceability
- China has become Australia's fourth largest beef export customer, with growth of 55 percent from 2014 to 2015
- The China Australia Free Trade Agreement (ChAFTA) will grow this further
- Pardoo Beef Corporation brings 3 decades of access to Asian markets and ease of doing business in this very lucrative region



**PARDOO**  
**WAGYU** 鉞都和牛  
ESTABLISHED 1865 IN AUSTRALIA





## Accessing Chinese markets





## Beyond the Pilbara

- Through the engagement with the Western Australian Government and business community the business interests have extended beyond the Pilbara
- Two farms and a winery in the Perth Hills with one being the host for the first Autistic Adult Community in Australia
- A winery in Margaret River and interests in the Amelia Park brand and products
- Wine and olive oil production for sale to Asian markets
- Two Oceans Abalone and fresh WA seafood promoted in Asian Food Service events





## First Autistic Adult Community in WA



Gidgegannup



## Margaret River and Gidgegannup



## Wine and Olive Oil



## State and Regional Benefits

- ***WA's beef export industry into Asia could grow to \$1 billion by 2030 and beyond***
- Pardoo Beef Corporation is connected to key Asian beef markets with established supply chains already in place
- Productivity increase by allowing Pardoo and Pilbara herds to better match the region's environmental capacity
- Annual purebred Wagyu turnoff of 100,000, potentially lead to a northern abattoir, feeding and cold storage facilities
- The China International Duty Free connectivity provides an opportunity for fresh WA products through over 100 global retail outlets.

Opportunity is here to be Tapped

