

Momentum grows as premiums rise in Teys PCAS pasturefed program

TEYS Australia has this month started processing its first cattle destined to appear under company brands underpinned by the Pasturefed Cattle Assurance System logo.

While Teys has been processing smaller numbers of PCAS-certified cattle for the past 12 months as the program has become established, up to this point it has not been identified in the marketplace with a PCAS-certification, but has simply been direct through the company's existing Grasslands program.



That process was seen as an 'investment' in getting some pricing signals to producers that Teys was serious about embracing the PCAS process and what it stands for, and building some real supply momentum.

The Pasturefed Cattle Assurance System was launched by Cattle Council of Australia this time last year, (read Beef Central's original launch article [here](#)). It is a voluntary, third-party audited certification system that will enable grassfed beef production supply chains to provide "Certified Pasturefed" cattle to the domestic international market place.

Big leap in premiums

The dynamics around Teys' approach to PCAS changed dramatically when the nation's largest retailer, Woolworths, announced recently that it will launch a PCAS-certified pasturefed beef offer through its Australian supermarkets in coming months.

Initially, after the program's launch last year, Teys Australia was offering a 20c/kg carcass weight premium for PCAS-certified cattle, carrying the optional HGP-free status and meeting MSA grading criteria.

In preparation for anticipated future growth, driven by retail interest in PCAS, has placed increased importance on building PCAS supply chain capacity. Consequently, the livestock price premium has grown dramatically from a fortnight ago, in an obvious effort to lift throughput by further incentivising the process of joining PCAS for producers.

As of grids seen as recently as yesterday, Teys is offering 410c/kg for May and June delivery steer, 420c/kg for July and a whopping 430c/kg for August delivery, during the typically tighter late winter supply period. Apart from full certified Organic programs, that's the best money available for grassfed cattle in Australia, by a large margin.

To put that into context, Teys Beenleigh is currently offering 365c/kg for 'conventional' MSA grassfed steer, non-implanted - representing a 45c/kg premium for PCAS.



Equally significantly, the process, for the first time in Australia, to Beef Central's knowledge, offers forward pricing for grassfed cattle, out to September this year.

The pricing signal sends the strongest possible message to producers across eastern and southern Australia that here is an innovative new brand program that is 'just screaming' for more eligible cattle supply.

Currently Teys Australia is processing around 1000 PCAS-certified cattle a week, and the number is continuing to rise, with kills already happening at Naracoorte, Wagga, Beenleigh, Biloela and Rockhampton.

Further producer workshops, and a second PCAS education webinar are planned, with the objective of introducing more beef producers to the company's PCAS-certified supply chain. More on plans for the workshops, and webinar program to be hosted by Beef Central, later.

"We have no doubt that PCAS-certified pasturefed beef is going to absolutely fly, both on domestic and international markets," Teys livestock general manager Geoff Teys told Beef Central yesterday.

Different brand segments emerge

Beef Central has interviewed Woolworths chief Pat McEntee on the company's intentions in the certified pasturefed beef space, and will publish an enlightening article closer to the company's retail launch.

While Woolworths will account for a large portion of Teys' expanding PCAS-certified kill, some product, particularly trim and secondary cuts, will be directed into the US export market, for use as certified pasturefed ground beef.

Elsewhere, some premium cuts will be pushed through domestic wholesale channels, servicing the upper-end of the food service and restaurant market which is increasingly looking for a quality pasturefed offer.

Teys' flagship Grasslands pasturefed brand is currently in transition to become the first commercial brand underpinned by PCAS standards, and this will be clearly carried in brand messaging and provenance. PCAS is seen by Teys as an integral part of the Grasslands program going forward, adding credibility, discipline and integrity through a third-party certification process behind the pasturefed statement.