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Craig Mostyn Group Backs WA Pork

Producers Craig Mostyn Group, an 85 year old Australian privately owned food and agribusiness company headquartered in Fremantle, WA, has bought the fresh pork business of George Weston Foods/Watsons Foods.

Announcing the acquisition, CMG Chief Executive, David Lock, said the investment would further strengthen CMG's commitment to its PPC/Linley Valley Fresh brand.

"We are 100% committed to our fresh pork business, with all our pork sourced from WA producers.

"When offered the opportunity to add further certainty and strength to the WA industry, we commenced negotiations and a lengthy due diligence process.

"I'm delighted this culminated in our purchase of the fresh pork assets and business of George Weston Foods/Watsons Foods, which had already announced in July that it would be closing its smallgoods operation in Spearwood," Mr Lock said.

From November 7, 2008, CMG owned and managed GWF's 4000 sow piggery 'Wandalup Farms' and its production contracts with grow-out units around the state, plus some plant and equipment from Spearwood.

CMG hopes to also enjoy the support of existing GWF fresh pork customers, including supermarkets, who would now be supplied with Linley Valley Fresh pork.

"We'd hope to receive support from all retailers and supermarkets currently doing fresh pork business with GWF

"We see this as an integration, which will grow our business, while improving opportunities for existing staff and the new staff we welcome into CMG," he said.

Strategically, the acquisition will give CMG greater certainty of supply of pigs and therefore greater certainty of supply of fresh pork to domestic and export customers. With an annual throughput of more than half a million pigs, PPC/Linley Valley processes 98% of WA's pigs.

Committed to growing the fresh WA pork market in Asia, last year CMG invested several million dollars upgrading its boning line to state-of-the-art with the capacity for full traceability of product from farm to customer. This year CMG has invested in farm production units.

Critical Capacity

WAPPA Executive Officer Russell Cox welcomed CMG's support and commitment to WA's pork producers, saying it was critical that PPC's Linley Valley abattoir was used to



capacity and, for this to happen, WA's sow herd needed to grow.

"The abattoir was developed to slaughter around 12,500 pigs per week and that is currently down to around 9000," he said.

"CMG's purchase of Wandalup Farms avoided its possible closure and kept 4000 sows in WA's production system.

"Without this guaranteed supply of pigs and also those from Western Savannah, also purchased by CMG, the workforce at Linley Valley may have had to suffer.

"If CMG had not moved to support the WA industry with its purchases of Wandalup and Western Savannah, sow numbers could have declined to perhaps 25,000.

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Karen Lock and David Lock, Chief Executive, Craig Mostyn Group and Ian Longson, Director General, Department of Agriculture and Food WA and Christine Tepper with the Hall of Fame and Agribusiness Export Awards won by Craig Mostyn Group at the 2008 WA Industry and Export Awards at Perth's Hyatt Regency.



PPC Linley Valley Fresh parent company, Craig Mostyn Group, has been inducted into the WA Industry and Export Awards Hall of Fame, having won the prestigious WA Agribusiness Export Award for the third successive year. CMG went on to win the 2008 Australian Export Award, Agribusiness Category. CMG also won the 2008 Food Industry Association of WA Environment and Sustainability Award.

**Key contacts: Livestock Co-ordinator, Dean Romaniello, 0418 458 615
Agribusiness Manager, Lui Rinaldi, 0417 172 153 General Manager, Ron Penn, 0418 906 278**

Physi-Trace Tracks Pork

Systems such as PigPass are crucial to underpinning the safety and integrity of Australian pork for domestic and export customers.

In Australia, the PigPass system comprises the PigPass National Vendor Declaration (NVD) system for pigs validated by an 'approved' QA program, such as APIQ or PigPass QA and linked to the abattoir GS1 bar coding system for carcasses and cartons.

According to Dr Darryl D'Souza, APL General Manager, Research and Innovation, PigPass provides a comprehensive traceability system for Australian pork. The ability to 'trace back' a product should there be a food safety incident requiring corrective and preventative actions is crucial for the industry.

'Trace back' systems used by meat industries globally are underpinned by an identification system/technology, including DNA traceability. APL, in conjunction with DAFF, has commissioned a new project to underpin the PigPass system.

Dr D'Souza said the Physi-Trace research project would rapidly

identify and confirm the source of pork when an issue is raised over its integrity. The technology represents a simple, low cost 'trace back' tool that will form an integral part of the PigPass system. It's based on technologies used for many years by law enforcement forensics departments.

The phrase "you are what you eat" demonstrates how it's possible to trace pork back to its origin. Physi-Trace is based on proven scientific technologies of trace element and isotopic analyses that are geologically specific and hence form a unique 'geological fingerprint' for pork samples from different regions of Australia.

Stage One (proof of concept) of the Physi-Trace research project is complete. This stage included collecting 234 samples over two months. The samples represented 69 different tattoos spread across 97 kill lots. Key outcomes from Stage One include:

- Developing a robust method for determining trace elements in pork meat.
- Demonstrating that it's possible to discriminate between pork samples based on tattoo and kill lot.

• Demonstrating the potential for geographical discrimination of pork samples.

• Providing a foundation for developing a robust system for establishing the origins of 'unknown' pork samples.

The National Consultative Committee responsible for the project will now consider moving to Stage Two, which involves collecting and testing samples nationally. Investigating variables such as seasonal feed supply are also planned.

Reference samples from different pork export abattoirs will be collected to develop a suitable refer-

ence database and sample archive. This will establish the pork 'fingerprint' reference database that will form an integral part of the pork 'trace back' system. This will determine:

1. If a test sample is 'Product of Australia' or not.
2. Region where the product was grown.
3. Ability to match a sample to a specific kill lot/tattoo when the production data has been supplied (e.g. carton label).

For more information on the Physi-Trace project, contact APL, Tel 02 6285 2200.

Greenhouse Scheme Puts Heat On Industry

Preliminary modelling by the Australian Farm Institute paints a gloomy picture of severe economic stress for pork producers under the proposed Carbon Pollution Reduction Scheme (CPRS).

The Institute's analysis shows farm input costs rising in the face of increasing fuel and energy costs. Pork production depends heavily on energy and fuel and more than 62% of costs of production are likely to increase through rising energy and fuel prices. In its submission to the CPRS, APL states: "...pork producers could experience reduced profit margins due to the impact of the CPRS on farm input costs."

The impact on on-farm costs depends on the price for Carbon Pollution Permits, modelled from \$20 up to \$45 per tonne of carbon dioxide. The modelling estimates reduced cash margins of 3% to above 8% are likely during 2010-2015, and may exceed 25% after agriculture is a covered sector in 2015. This will further reduce a producer's ability to invest in emission mitigation measures to adapt to climate change, with pork producers already operating cash flow intensive and low margin businesses which are adversely affected by drought and market conditions.

Know Your Code Of P

After consulting with the industry, welfare groups and relevant State and Australian Government authorities, the Code of Practice for the Welfare of Pigs was approved on April 20, 2007.

It will now be implemented in all states by April 20, 2009.

APL has worked closely with State and Federal Government representatives to put a number of the Code's animal welfare standards into state regulation.

In WA amendments to the Animal Welfare (General) Regulations 2003 - THE PIG CODE are required.

The pig industry agrees it's vital this and future standards are implemented and achieve consistent animal welfare outcomes and operational change for industry in all states and territories.

Not all standards in the Code are appropriate for inclusion in regulations - some are already provided for in existing clauses in the Act or regulations and others were deter-

mined by the national implementation working group to be redundant or unsuitable for effective enforcement

While the remaining agreed standards will be mandated by regulation, the Code itself will be a key source document for reference by industry as a guide to compliance and best practice and by the courts considering evidence in alleged cases of breach of the legislation i.e. the Code may be used as a defence for a charge of cruelty, but it can't be used for prosecution.

Only one state, Victoria, is unable to meet the target date, as it is developing a new Livestock Management Act.

Meanwhile, the situation in Victoria will remain as it is - the Code may be used as a defence for a charge of cruelty, but can't be used for prosecution.

Your Obligations

Under the revised Code, producers have obligations they must meet within scheduled timeframes:

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President's Address

by Steve Martin,
WAPPA President

Not long ago it seemed like everyone besides pork industry stakeholders were making huge profits and there seemed to be no limit to where it would all end.

We faced record high grain prices, a high Aussie dollar, which made it more difficult to export into Singapore and a tough labour market as we competed with the resource sector.

Well, the crash in global financial markets has certainly changed the way the whole world is now looking at business and suddenly the fortunes of those who've remained in the pork industry are starting to look more favourable.

I say 'starting to look' because it will take quite some time before most producers have not only recouped their losses, but, more importantly, gained the necessary confidence to start investing back into their businesses i.e. doing overdue repairs and maintenance, let alone think about expanding.

American Perspective

So, I found it very interesting to listen to Randy Stoeker at the recent seminar organised by APL and the Pork CRC. Randy, recently retired from Smithfield, an organisation in the USA with more than one million sows, described the impact of the massive expansion that occurred in pig production.



Randy felt it could have been done a lot better.

He thought the industry needed to do things differently if it was to stay in business, including implementing more automation, which would require training and employing engineers and other specialists to work in the pig industry.

He gave a good example of how farrowing crates are all made of the same material. Why is that it's only the bottom few centimetres that deteriorate, yet we end up replacing the whole crate? Why can't we construct crates from two different materials?

The one question put to Randy that he had some difficulty with was the issue of subsidies that benefit American pig production and enables product to be exported to Australia at around the cost of production in WA. Product from USA used in processing in WA in the financial year 2007/2008 averaged \$3.20 per kg.

Practice For Pig Welfare

- Sow stalls are only to be used for six weeks of the sow's gestation from 2017.
- New stalls will need to be of the revised Code dimensions if constructed from 2007 onwards.
- New farrowing crates must comply with specified minimum dimensions outlined in the revised Code from 2007 onwards.
- Space allowances for all other stock must comply with specified minimum dimensions outlined in the revised Code from 2012 onwards.
- All stockpersons must be signed off (by management) as 'competent' for their role, or otherwise working under the direct supervision of a person deemed to be 'competent' from 2010.

(NB: the system for doing this is not yet developed, however it's likely to be based on work-based training and recognition of prior learning and/or formal qualifications. APL and WAPPA will work closely with producers to develop this system. APL has secured a small

grant from DAFF to help implement the training and HR aspects of the revised Code.) The revised Code also introduces criteria for assessing how the sow 'fits' within her stall or farrowing crate. This provides some flexibility for producers in what size of stalls are used and must be adhered to at all times from the date the Code becomes law in each state, although APL, the industry and the community would expect producers are already undertaking this practice.

In practical terms this means existing smaller stalls can be used for smaller sows for the rest of the stall's useful life, however, in some cases, producers may need to build some larger stalls to accommodate larger sows.

If you have any queries about the Code or its implementation, or require a copy, contact Amanda Reagan at APL, Tel 1800 789 099 (toll free) or via a free download from <http://www.publish.csiro.au/nid/20/pid/5698.htm> or Russell Cox at WAPPA, Tel 9479 7315 or email russell@wappa.com.au



WAPPA President Steve Martin (right) of Wannamal chatted with veterinarian Dr John Carr of Portec and Sarah Bonny of Murdoch University after the Pork CRC seminar on cereal grains at Technology Park.

Grains Gains

It must be the season for seminars, because I was also pleased to attend the grains seminar organised by DAFWA and the Pork CRC. While the Pork CRC's research should benefit the pig industry in the medium to longer term, it was the discussion on how grains are now being marketed and the options available for pork producers to enter into contracts to reduce some of the market volatility, that most interested me.

I'm pleased that DAFWA and Murdoch University have been meeting with cereal breeding company Intergrain and the Pork CRC about commencing plant breeding

research in WA on feed wheats and triticale, since this gives us the opportunity to look more closely at varieties particularly relevant to WA.

This reminds me that while we have piggeries which are outdoor or intensive production units, in reality our industry is in the food production business.

Therefore, the quality and integrity of how the WA industry produces its product, combined with a realistic farmgate price, will determine its success and growth.

Lastly, I wish you all a very Merry Christmas and I hope the New Year brings a greater certainty and greater farmgate returns.



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by Graham Martin,
State Manager, Australian Pork Limited

With Christmas just around the corner, our minds will be turning to Christmas fare.

Ham is always a favorite with Aussies at this time of year.

What you don't finish on Christmas Day can always be served up cold the next day as the perfect accompaniment to a lazy day watching the Boxing Day test match.



This delicious recipe gives a touch of tropical pizzazz to the traditional Christmas ham and is sure to be relished by the whole family.

Bon Appetit!



Lime Glazed Ham

Serves 10-16

Preparation Time: 10 mins Cooking Time: 30-40 mins

Ingredients

Glaze: 200ml pineapple juice grated zest and juice of 2 large limes

2 heaped tbsp lime marmalade

1 tsp ground ginger

Method Preheat oven to 190°C.

Gently peel rind off the ham, being careful not to tear the fat. Score the fat into diamond shapes about 5mm deep with a knife.

Place on a rack in a baking dish. Put the glaze ingredients into a pan, bring to a simmer until reduced by half.

Brush the scored ham with the glaze.

Bake 30-40 minutes basting frequently until an even golden colour all over.

Remove from oven and leave ham to cool.

Place on a clean dish, cover and chill quickly in the refrigerator.

Daph Kavanagh Retires

After 24 years of superb and dedicated service to the pork industry, especially in WA, I regretfully announce the retirement of Daph Kavanagh.

Daph commenced work with the Australian Pork Corporation as a merchandiser and progressed to become our WA State Manager.

During this time she's worked tirelessly with all of our stakeholders, including farmers, processors, retailers and restaurateurs.

Daph's passion and commitment has always ensured that pork has punched well above its weight in a competitive market. Daph has also become an integral part of the food

by Andrew Spencer, CEO, APL

industry in WA and has developed many long-lasting friendships in her various industry body roles.

While we'll all sorely miss Daph's contribution to the industry, I'm sure everyone wishes her the very best as she soaks up the sun and joins the 'latte set' in Mandurah.

To ensure a seamless transition and

maintain the service Daph has given the industry in WA, her replacement, Graham Martin, started working with Daph from October 1 and will work with her until her last day with APL on Christmas Eve, December 24.



Craig Mostyn Group Backs WA Pork ...continued from page 1

"This number may not have been enough to sustain our exports of fresh chilled pork into Singapore, threatening potential intros for WA pork into other high value Asian markets," Mr Cox said.

Export Award

CMG has also been inducted into the WA Industry and Export Awards Hall of Fame, having recently won the prestigious Agribusiness Export Award for the third successive year. It went onto win the Agribusiness Category of the Australian Export Awards in Melbourne.

Mr Lock said receiving a third successive agribusiness export award, the subsequent Hall of Fame induction and the national award, was an honour and reflected the dedication of all 450 CMG staff.

PPC/LVP exports fresh pork to Singapore, New Zealand, Thailand, China, Hong Kong, Korea and USA.

PPC/LVP is a very significant exporter of pork into Asia, with about 20% of Australian pork exports into the Asian region and 50% of Australia's fresh, chilled pork into Singapore coming from PPC's Establishment 618.

Environment Honours

Meanwhile, the group's diligent and innovative approach to recycling was recently recognised when it received the inaugural Food Industry Association of WA Environment and Sustainability Award.

CMG has transformed a potential source of environmental pollution - waste water from its Linley Valley, Wooroloo, pork processing operation - into a valuable recycled water resource for the nearby El Caballo Golf Course.

It has also diverted 10,500 metric tonnes per year of carcass waste material from landfill, rendering it into animal feed material.

If left as landfill, the waste could have degraded into leachate and gas, potentially polluting the local environment for decades.

"CMG has always taken its social and environmental responsibility very seriously, so it was gratifying to see our efforts to make pork processing more environmentally friendly and sustainable, recognised," CMG Executive Director, Andrew Mostyn said.

"CMG continues to consider ways to reduce water use and greenhouse gas emissions, but meanwhile we're proud of our recycling to successfully reduce environmental impact and benefit the environment we operate in," Mr Mostyn said.

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