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Secure future for Australian livestock export industry: Nuffield Scholar

Distance has traditionally prevented the producers who supply Australia's \$1.8 billion livestock export industry from understanding the drivers of demand, but overseas research has bridged the gap for Nuffield Scholar Annabelle Coppin.

By Melissa Branagh-McConachy

A first-hand appreciation of the cultural, political and economic issues underpinning demand for live animals has given Port Hedland cattle producer Annabelle Coppin greater confidence in the future viability of Australia's livestock export industry.

Recognising the need to develop a stronger understanding of the supply chain beyond the farm gate and its impact on final product quality, the Western Australian successfully applied for a Nuffield Scholarship to gain an insight into major livestock export markets.

On her scholarship, jointly sponsored by the CBH Group and CSBP Limited, Ms Coppin explored major Australian markets in Indonesia and the Middle East. She investigated factors driving demand for both cattle and sheep meat, including consumer preferences. She also investigated alternative sources of protein, including live animals from South America, Somalia, Syria and Iran, and inspected global meat imports in Southeast Asian and Middle Eastern marketplaces.

"You cannot understand the livestock export market fully without travelling to the relevant countries, grasping the culture and talking to stakeholders about the difference between meat from a live animal and meat from a carton," Ms Coppin says.

Her findings have given her greater awareness of the factors influencing production on her family's East Pilbara Cattle Company, which runs 5500 Droughtmaster cross-breeders on a 500,000 hectare pastoral lease in Western Australia's north-west. Ms Coppin is a partner in the business, which sells 90 per cent of its stock to Southeast Asian and Middle Eastern markets.

"As export producers we have a relationship with our exporters, but there is no official system to relay feedback of animal performance beyond our gate," she says. "We need a more intimate appreciation of the supply chain in order to drive a more responsive industry."

Ms Coppin says Australia accommodates some of the most competent and resourceful beef producers in the world, but concedes there is room for breeding and operational improvements. "Export producers have no control once livestock leaves their property; therefore we must continually seek out production efficiencies, become more consistent and scale up," she says. "It's a globally competitive market place and if we don't stay ahead someone else will take our position."

Ms Coppin believes the industry will always be subject to fluctuations in supply and demand. "We must prosper on the ups and survive on the downs," she says. "This is particularly relevant to beef producers, who I believe have not yet been fully exposed to the realities of global commodity downturns and need to learn to ride these downs productively."

“The livestock trade export sector can be very segregated. There are successful integration systems in place and national networks exist, but there is a need for smaller, more isolated properties to come together in regional producer groups - she envisages a regional producer group in the Pilbara - that facilitate knowledge sharing and strengthen communications with importers and exporters – both crucial to negotiating better trade agreements.”

During her overseas experience, Ms Coppin observed the dynamics affecting the livestock export industry’s ability to maintain a competitive lead, including political and social concerns. “Knowledge of these factors enables producers to empathise with consumers; to understand their values and other issues determining demand such as price and competition,” she says.

Last year Australia exported 4.3 million sheep – predominantly to the Middle East; and more than 865,000 cattle – about 75 per cent to Indonesia and the rest to more than 30 destinations including Malaysia, the Philippines and Israel.

“There is a positive outlook for the Indonesian market and Australia’s Foot and Mouth Disease-free status is a major trading advantage over South America and India. However, in response to the big question facing the trade I do not believe Indonesia will take one million head of cattle by 2010,” Ms Coppin says. “And I am conscious of the northern Australian cattle industry’s heavy reliance on the Indonesian market, particularly as the 1997 Asian economic crisis had such an adverse effect on Indonesian demand for live Australian cattle.”

Based on her observations, Ms Coppin is convinced the international market for live animals will always exist because the cultural and socio-political influence is huge in the countries Australia exports to; and consumers value a premium product.

“In Australia fresh meat is regarded as a product that is chilled but not frozen, but in both Indonesia and the Middle East ‘fresh’ implies the animal has been slaughtered that day – usually within hours of consumption – and frozen meat is regarded as a low-quality product.”

Ms Coppin says any suggestion that refrigerated products could replace live animals reared for overseas markets is logistically unrealistic given the limited shelf-life of chilled carcasses.

“Consumers in Southeast Asia associate quality and freshness with warmth,” she says. Muslims, who make up about 90 per cent of Indonesia’s population, like their meat killed in their own country and, during the two major Islamic celebrations – Ramadan and the Festival of Sacrifice (Eid al-Adha), demand escalates.

“In the Middle East, consumers brand meat that is available within 12 hours of slaughter fresh, so although it can be chilled it must be slaughtered locally.”

Ms Coppin has spent time in the Middle East working with Australian animal welfare experts to improve animal handling and processing standards in key live export markets through the Livestock Export Program – a joint initiative between Meat & Livestock Australia (MLA) and LiveCorp. As an industry ambassador, she is also actively involved in communicating facts about the livestock export trade to politicians, animal welfare groups and the Australian public

“Over the past decade Australian producers have seen significant improvements in animal welfare, feedlot, abattoir and shipping practices in importing countries,” she says. “Animal liberationists continue to campaign against the livestock export trade, but their actions give no consideration to feeding the world.

“My travels confirmed independent reports that declare Australia has world-best livestock export standards and as an Australian producer I feel a genuine desire to lead by example and help ensure welfare practices are lifted over time to an acceptable standard throughout the world.”

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Ms Coppin is adamant that improvements through the Livestock Export Program and efforts to generate broad understanding and support of the Australian livestock export industry must continue to ensure its sustainability.

Applications for Nuffield Scholarships for travel in 2010 are now open, with 20 scholarships valued at \$27,000 each, sponsored by a range of leading agribusiness and primary producer organisations.

Scholars take part in a compulsory six-week Global Focus Program that includes Canada, the US and UK and may also include the Philippines, Brazil, China, France and Ireland. This is followed by a further 10 weeks of international travel as part of each scholar's individual study tour.

Scholars are selected for their farming and leadership capabilities, and potential to make a valuable contribution to Australian agriculture.

Applications close on 30 June 2009. Application forms are available from Nuffield Australia on 03 5480 0755, via email, enquiries@nuffield.com.au, or from the website www.nuffield.com.au. Successful scholars will be announced in October 2009.

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High-resolution photographs of Ms Coppin can be downloaded from www.coretext.com.au/communications_images.php

Please contact Catherine Norwood at Coretext Communications (03) 9670 1168, cnorwood@coretext.com.au if you have any problems accessing images.

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