

# The Australian Swine Industry – How Retailers are Changing our Industry *(a perspective)*

John Pluske

Fulbright Distinguished Chair; Visiting  
Professor, Department of Animal Sciences and  
Industry

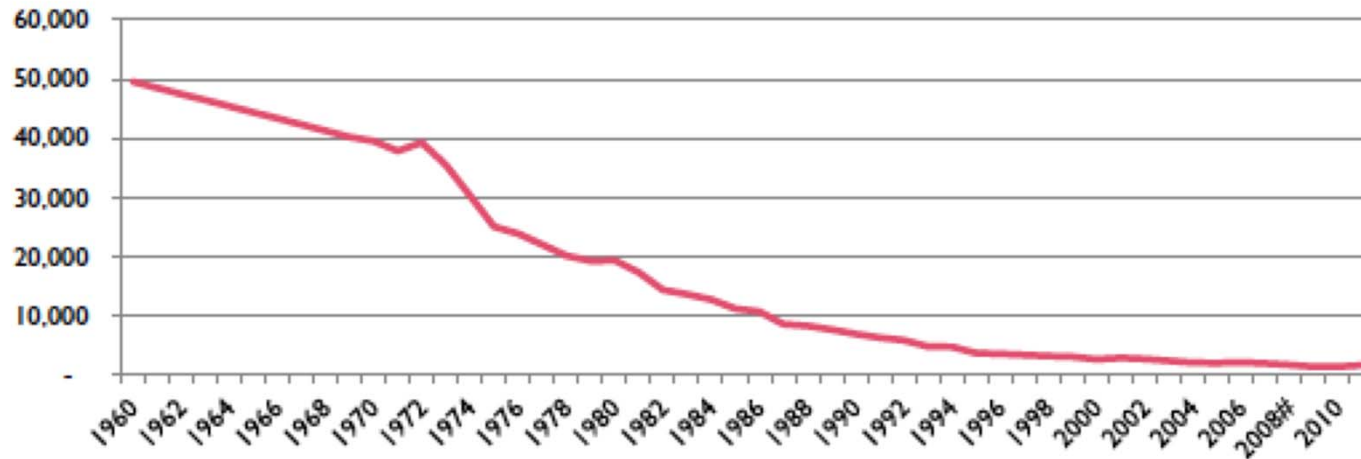


# Today's presentation

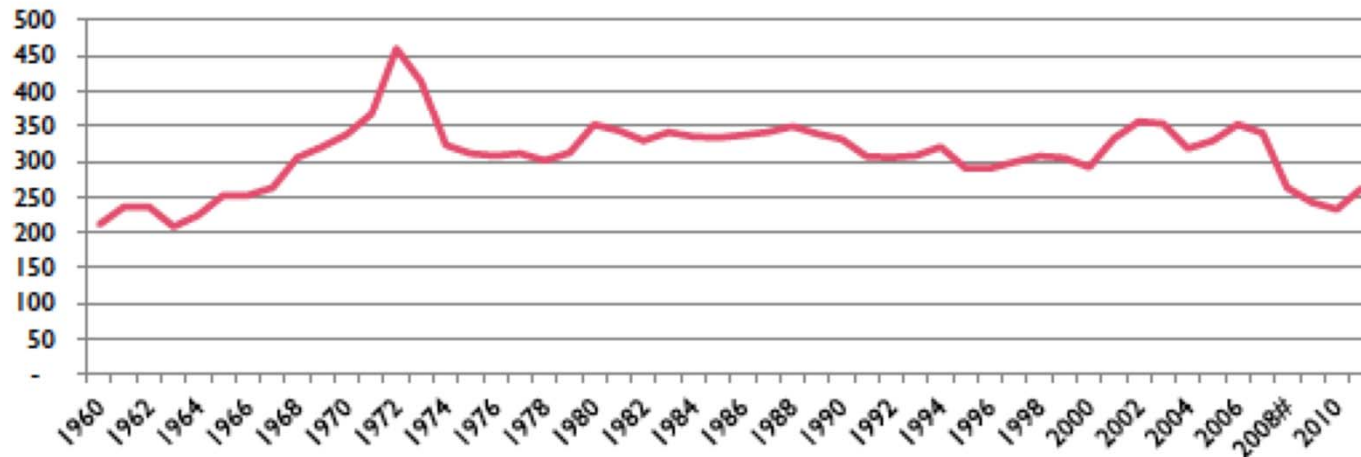
- Overview of the Australian pork industry
- Differences between USA and Australian pork production
- Some recent drivers of change to the Australian pork industry

# Australian pig industry: trends

No. of Pig Producers 1960–2011



No. of Sows & Gilts '000s 1960–2011



Kansas has  $\approx$   
2/3 total  
number of  
Australian  
sows

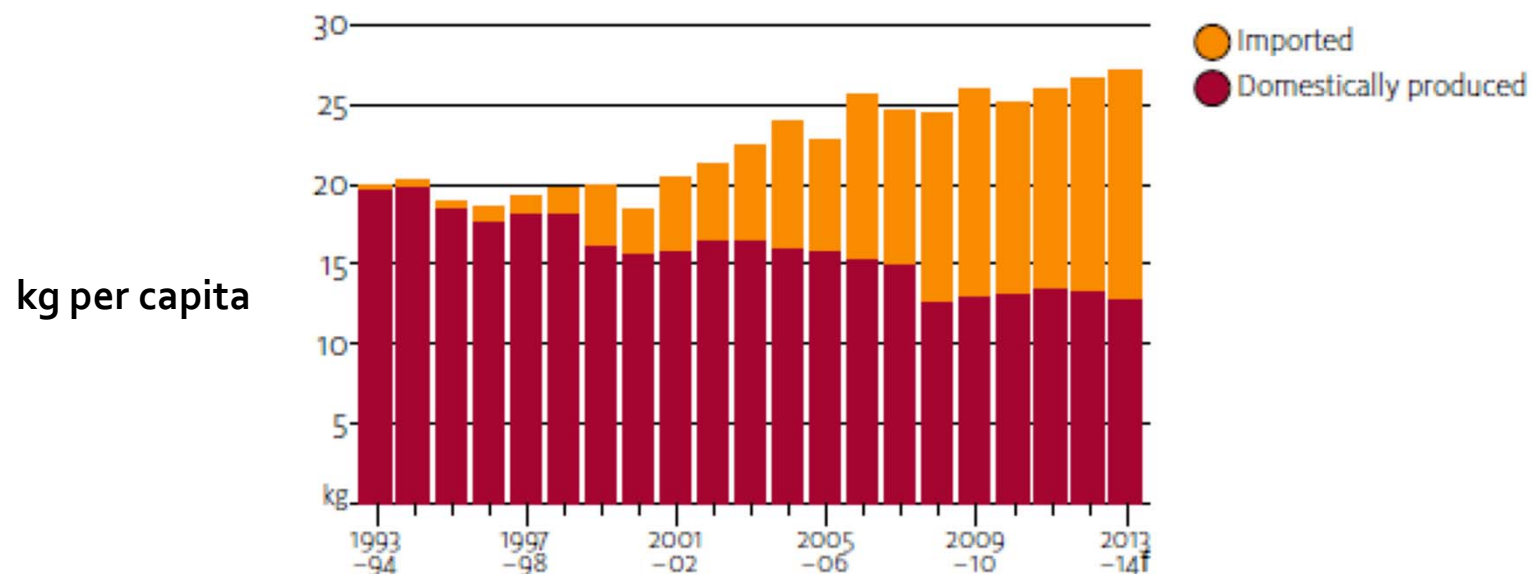
# Pig numbers slaughtered: Australia versus USA (1000's)

	2010	2011	2012	2013	2014 Nov	2014 Apr
<b>Production (Pig Crop)</b>						
China	665,261	670,196	707,427	720,971	723,500	729,105
European Union	263,076	264,655	257,600	256,700	258,000	257,150
Brazil	36,970	37,750	37,700	37,900	38,795	38,470
Russia	29,472	30,650	34,500	36,175	36,200	38,290
Canada	28,613	28,500	28,346	27,390	27,700	27,300
Japan	17,500	17,000	17,250	17,350	17,300	17,210
Mexico	16,200	16,350	16,500	16,850	16,850	16,750
Korea, South	14,923	13,308	16,340	16,953	15,800	15,500
Ukraine	8,176	8,109	8,538	9,163	9,580	9,580
Australia	4,604	4,659	4,581	4,779	4,770	4,835
Others	5,025	5,075	5,275	5,000	5,550	4,800
<b>Total Foreign</b>	1,089,820	1,096,252	1,134,057	1,149,231	1,154,045	1,158,990
<b>United States</b>	113,685	115,838	116,791	116,410	121,870	113,206
<b>Total</b>	1,203,505	1,212,090	1,250,848	1,265,641	1,275,915	1,272,196

Australia produces  $\approx 0.35\%$  of total number  
of pigs slaughtered worldwide

(USDA Livestock and Poultry: World Markets and Trade; 2014)

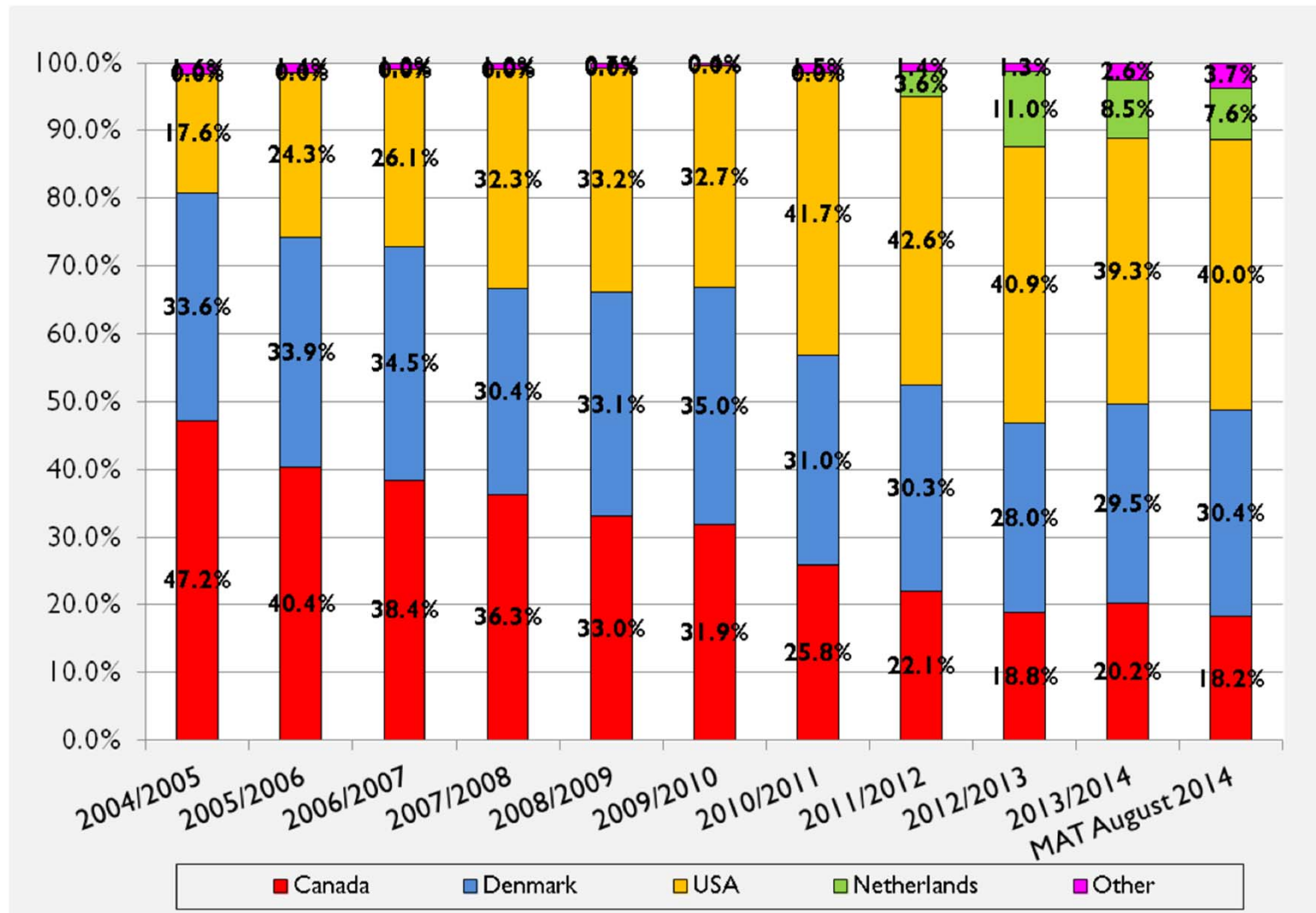
# Average Australian pig meat consumption per person (kg) (f = forecast), and proportion of fresh vs. imported consumption



<b>Total Pork</b>	<b>25.5 kg</b>
Fresh (Australian)	9.4 kg
Processed (Imported)	11.4 kg
Processed (Australian)	4.7 kg

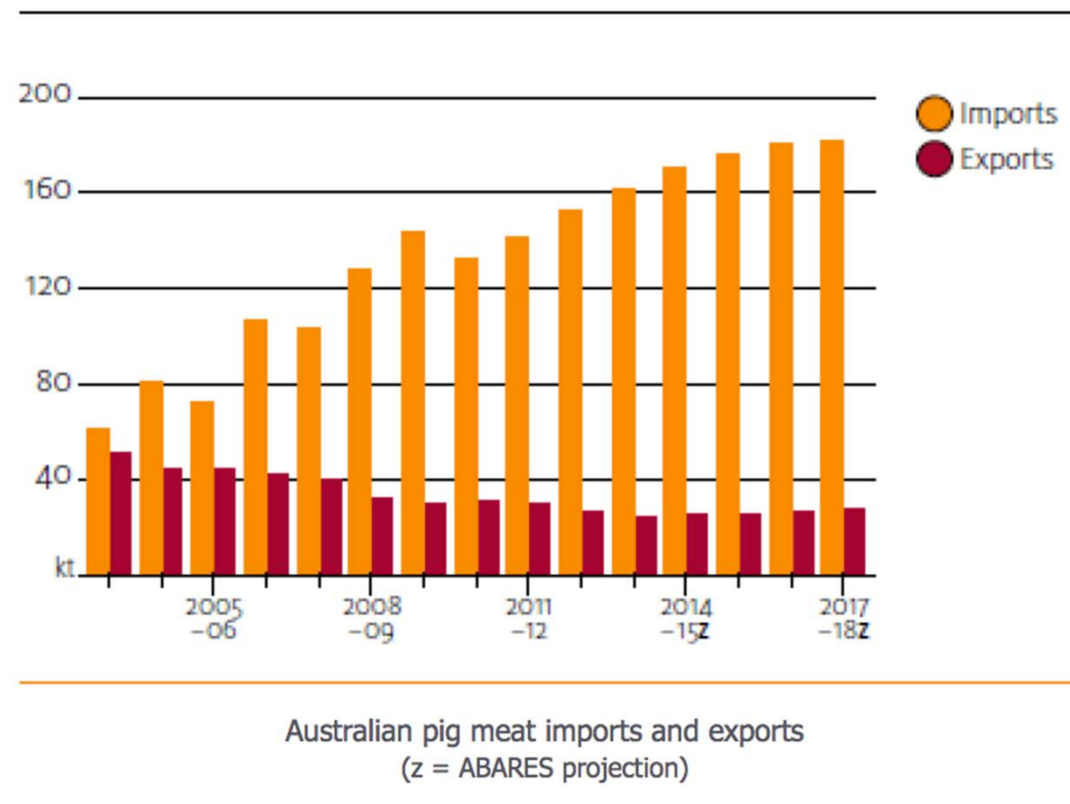
(Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES); 2013)

# Country-of-origin of (frozen) pork exported to Australia



(From Australian Pork Limited; August 2014)

# Imports and exports of pig meat - Australia

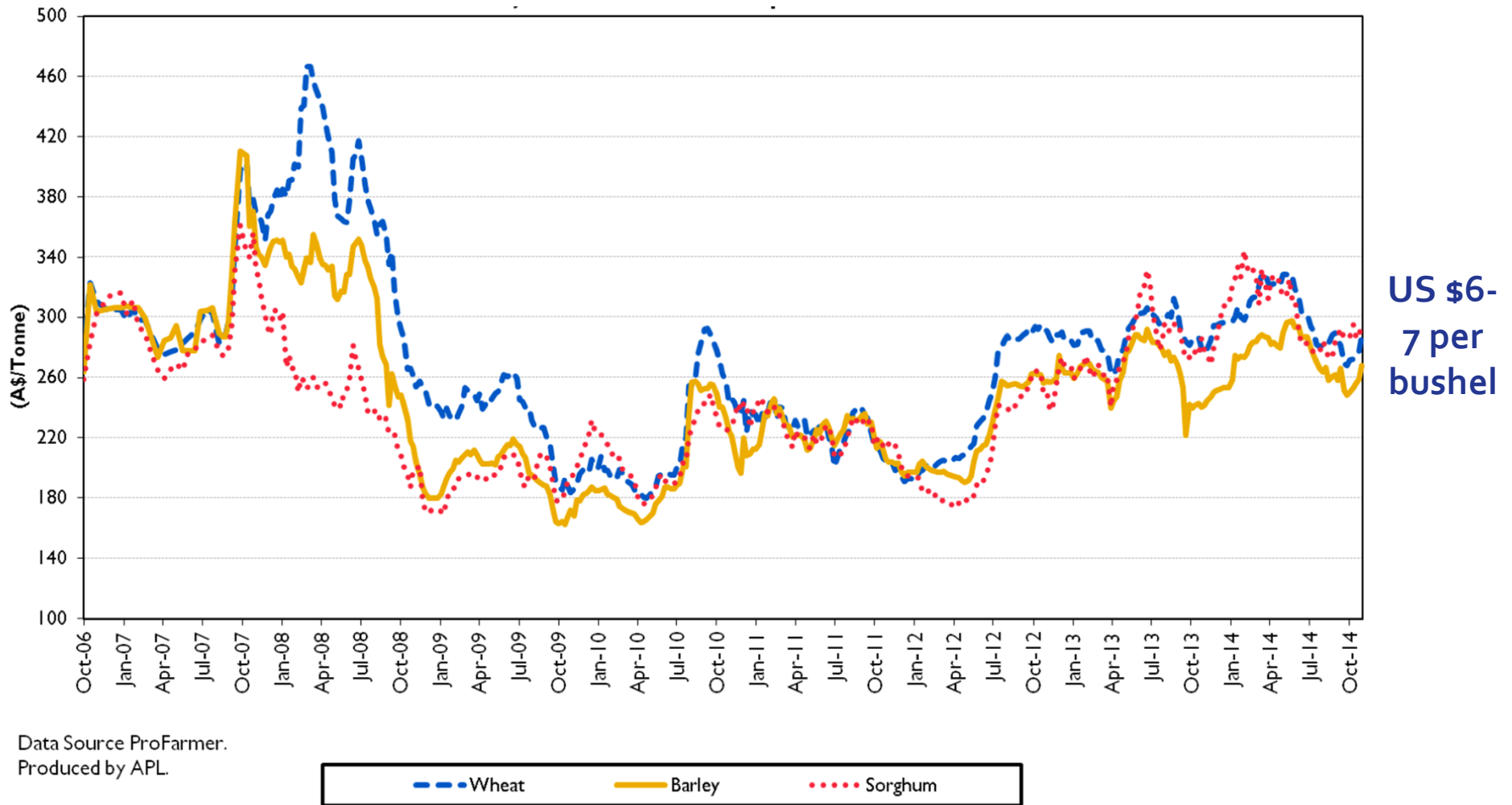


# Some other major differences between US and Australian pork production

- No live imports or semen
- Very best herds marketing  $\approx 25.5$  P/S/Y
- Diets,
  - Very little SBM used (M&B meal, canola, peas/beans)
  - Cereal grains used are wheat, barley, sorghum
- Higher cost of production



# Comparison of grain prices in Australia



(Australian Pork Limited, November 2014)

# Some other major differences between US and Australian pork production

- No (or very minimal) physical castration (> 40% of boars given Improvac)
- Average market weight  $\approx$  230-240 lb.
- Carcass grading based on carcass weight ( $\approx$  165-175 lb.) and P2 (last rib),
  - Fat depth  $\approx$  9.5-11 mm (0.38-0.44'), as low as 7.5 mm (0.30')
- Less viral disease challenges (no PRRS, PEDv, TGE) but bacterial diseases (enteric, respiratory) more problematic
- Use of bedding (straw, rice hulls) in wean-to-finish systems

# **Recent drivers for change to the Australian pork industry**



*(60 Minutes – Sow stalls; Nov, 2009)*



*Above: Andrew Spencer interviewed by Liam Bartlett.*



*(<http://stopfactoryfarming.net/animal-welfare/>)*



# Coles pork to go sow stall free

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July 22, 2010

Nicole Eckersley

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Coles has announced a plan to phase out the use of sow stalls by its producers by the end of 2014, with the first shipments of cage-free pork in the Coles Butcher line beginning next year. Coles already offers sow stall-free pork in the Otway, Linley Valley, and KR branded Outdoor Reared ranges.

The announcement coincides with the addition of new free-range pork products in the Coles' Finest range, developed in conjunction with the RSPCA.

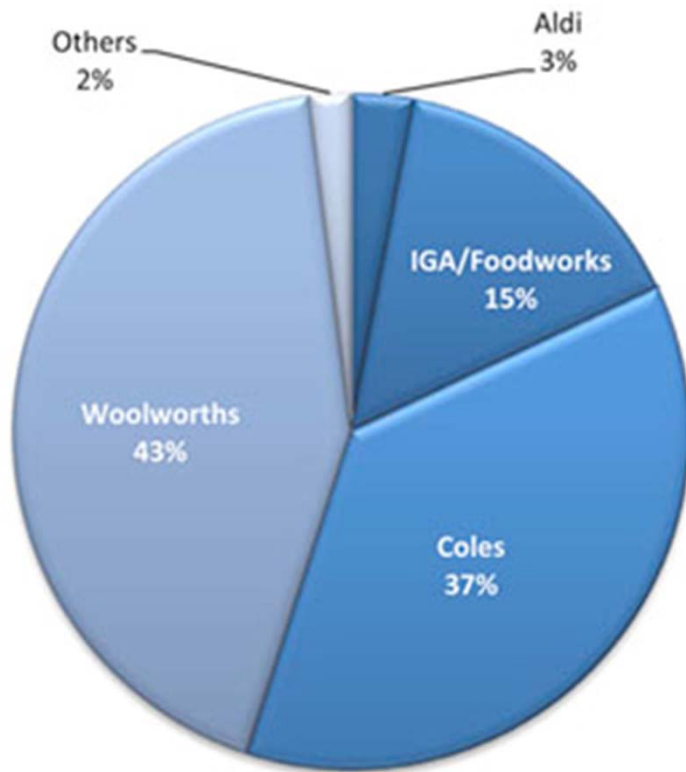
Sow stalls have become a hot topic in recent months, with the Tasmanian state government announcing that they will be phased out over seven years, and Australia's largest piggery Riverlea committing to the same target.

"Our customers are becoming increasingly interested in welfare issues surrounding pig farming, with the use of sow stalls their greatest concern," said Coles General Manager of Meat Allister Watson.

"For a number of months now, Coles has been working on plans with our pork producers to phase out sow stalls. We are working with our growers to ensure they avoid onerous costs in changing how they raise pigs. Changes will therefore take time to complete, but Coles and its suppliers are stepping heavily in the right direction."



# Australia has one of the most concentrated grocery markets in the world



coles

the fresh food people  
Woolworths 

(Source: Ferrier Hodgson - Ferriers Focus May 2011; from Wesfarmers and Woolworths annual reports 2010, NARGA November 2010 Report, Master Grocers Australia December 2010; [http://www.stuartalexander.com.au/aust\\_grocery\\_market\\_woolworths\\_coles\\_wholesale.php](http://www.stuartalexander.com.au/aust_grocery_market_woolworths_coles_wholesale.php))



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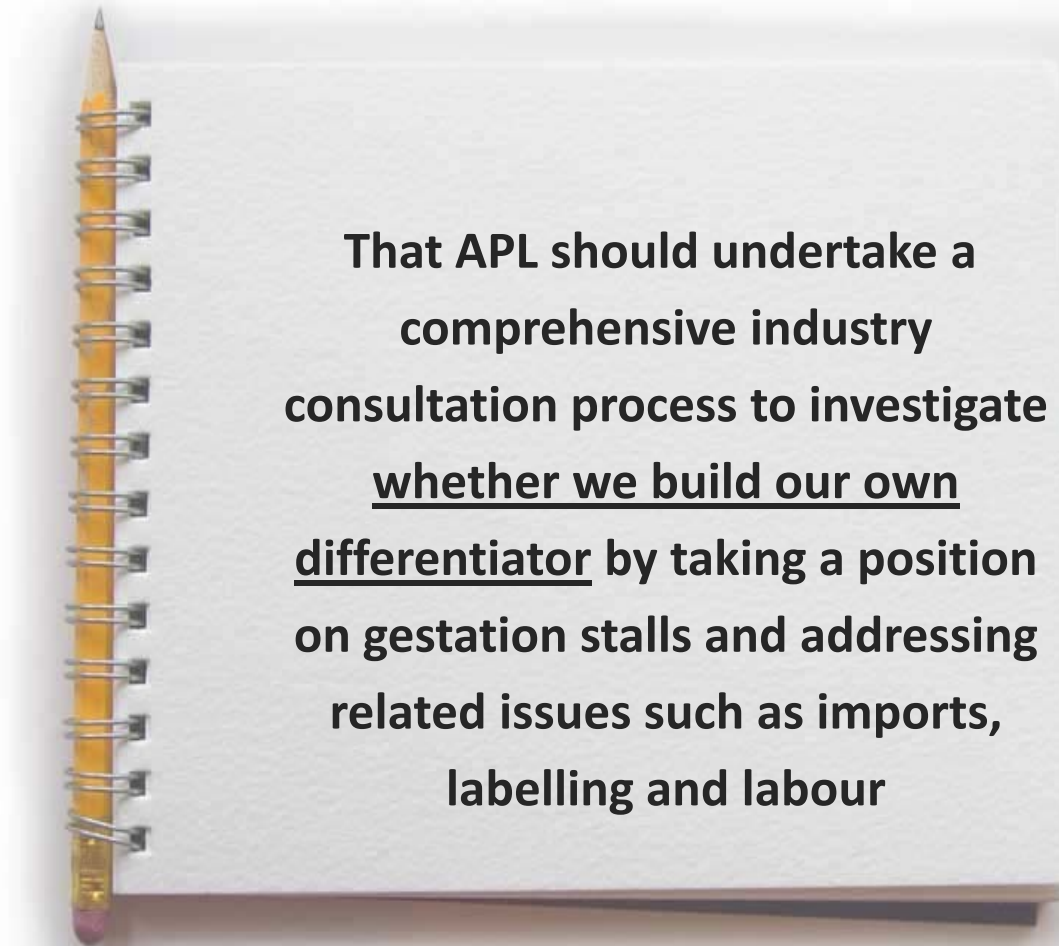
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# A Proposal: 2010



**Australian Pork Limited**  
(representative body for producers; *check-off*)





# Assumptions behind industry consultation

## Assumption 1:

The use of **gestation stalls** will at some point in the future be **unacceptable to the community** and their use will **be forced to cease**. This will be realised through both regulators and market forces via retailers.

## Assumption 2:

Given that the use of gestation stalls will be forced to cease, would the **industry** not be **better off** to **proactively discontinue their use**, thereby

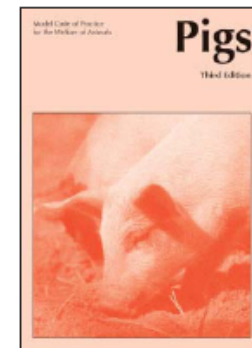
- Improving community/ government relations?
- Actively differentiating product from imports?
- Creating consistent and logical standards around a withdrawal?
- Leveraging the position for government and retailer support?
- Gaining the support of the welfare lobby for “Australian”?

# Model Code of Practice: 3<sup>rd</sup> Edition 2007

The Code includes implementation deadlines following its publication on the following key standards:

- **10 years to introduce the 6 week limit for use of sow stalls – 2017**
- **Full implementation** of the model code of practice by all pig farmers by 2017

Primary Industries Standing Committee  
Model Code of Practice for the  
Welfare of Animals  
**Pigs**  
Third Edition  
PISC Report 92





# APL Board Resolutions, November 2010

1. *"That Australian pork producers commit to pursuing the voluntary phasing out of the use of gestation stalls by 2017"*
2. *"That Australian pork producers recognise the welfare benefits of gestation stalls, the cost of change and the need for research, investment and off-sets to support the voluntary commitment to change"*

# The industry (delegates) voted;

83% of delegates voted in favour of the voluntary ban on sow gestation stalls

**AUSTRALIAN Pork**<sup>TM</sup>

Australian Pork Limited  
PO Box 148  
DEAKIN WEST ACT 2600  
P 02 6285 2200  
F 02 6285 2288  
[www.australianpork.com.au](http://www.australianpork.com.au)

**MEDIA RELEASE**  
WEDNESDAY 17 NOVEMBER 2010

**WORLD FIRST FOR AUSTRALIAN PORK PRODUCERS**

In a world first, the Australian pork industry voted today to pursue the voluntary phasing out of gestation stalls by 2017.

The vote, held at the Annual General Meeting (AGM) of Australian Pork Limited (APL), the industry's peak representative body, is a major step for Australian pork producers.

APL CEO Andrew Spencer said "The phasing out of gestation stalls will come at a significant cost to farmers, with initial modelling estimating it will cost up to \$95 million. To successfully achieve this outcome by 2017, pork farmers will require support from regulators, political stake holders, the retail sector, consumers and the general community."

(courtesy Dr. D. D'Souza, Australian Pork Limited)

# Gestation stall free: definition

- Sows and gilts should be kept in loose housing from 5 days after service until 1 week before farrowing, where service refers to the last mating
- In loose (group) housing, sow and gilts – either singularly or in groups - have freedom of movement, i.e., they can turn around and extend their limbs
- The housing of one or more animals must meet the *Model Code for the Welfare of Pigs* (2007) space allowance requirements
- Where a pen is used to confine a pig individually during gestation (up to 1 week prior to farrowing), it must meet the definition of *loose housing*, i.e. the animal must be able to have freedom of movement, to turn around and extend its limbs

# Changes at Rivalea Australia (one of largest pig producers in Australia)



(From <http://www.screencast.com/t/Zp3ZnyYpp>)

**COLES HELPING AUSTRALIANS WITH BETTER ANIMAL WELFARE AT NO ADDED COST TO CUSTOMERS**

- Sow stall free pork one year earlier than planned
- Coles eggs cage free from the New Year

Coles today announced that it will meet its commitment to phase out sow stalls in all Coles Brand fresh pork, ham and bacon production a year earlier than planned and will stop selling Coles Brand caged eggs from the New Year.

Coles' announcement coincides with a major campaign launch by Animals Australia to raise awareness of intensive or factory farming. Lyn White, Campaign Director at Animals Australia welcomed the news from Coles: "Animals Australia applauds Coles' commitment to improving animal welfare in its supply chains. Australian consumers are increasingly concerned about the welfare of animals raised for food and believe that they too should be provided with quality of life and protection from cruel treatment. It is terrific that Coles has acknowledged their ability to positively influence the lives of animals in Australia and is working productively with producers to provide positive outcomes."



# What are the standards to supply pork to Coles?



Standards Manual

[For producers, auditors and stakeholders]

**APIQ**  
AUSTRALIAN PORK INDUSTRY  
QUALITY ASSURANCE PROGRAM

Version 3.4 / 2018



# What are the standards to supply pork to Coles?

## CS 6.1 Stocking Density

Standard	Performance Indicators for pen space and housing are met for all pigs.
<b>Performance Indicators:</b>	
A. Sow and gilt pens must:	
- Be large enough for pigs to turn around.	
- Be a minimum of 3.6 m <sup>2</sup> excluding drains but including slats.	
- Have sufficient space to allow pigs to lay down with limbs fully extended; AND	
- Sows and gilts in group housing must have a minimum lying area of 1.5 m <sup>2</sup> .	

3.6 square metres ≈ 38.8 square feet

A typical sow stall is about ≈ 1.5 square metres (16 square feet)

# What are the standards to supply pork to Coles?

## CS 6.2 Husbandry Practices

Standard	Performance Indicators for husbandry practices are implemented and maintained on-farm.
<b>Performance Indicators:</b>	
A.	Sows and gilts are not confined in stalls at any stage of their lives. The use of farrowing crates is permitted.
B.	Sows and gilts may be mated in individual pens, individual stations or in groups: <ul style="list-style-type: none"><li>- If a sow is mated in an individual pen it can remain in that pen for 30 days until it is confirmed pregnant then moved to group housing.</li><li>- If a sow is mated in an individual station, it must not be confined for a period of longer than 24 hours.</li></ul>
C.	Nose ringing of pigs is not permitted.
D.	No routine teeth clipping or grinding: <ul style="list-style-type: none"><li>- Where deemed necessary by a veterinarian teeth clipping and/or grinding may be permitted.</li></ul>
E.	Tusk trimming may only be done by a veterinarian or trained person following veterinary instruction.
F.	No castration is permitted. <ul style="list-style-type: none"><li>- Where deemed necessary by a veterinarian for therapeutic reasons it must be carried out under anaesthesia by a veterinarian.</li></ul>
G.	No routine tail docking. <ul style="list-style-type: none"><li>- Where tail docking is deemed necessary by a veterinarian it must be carried out before seven (7) days of age by a veterinarian or trained person.</li></ul>
H.	Piglets are weaned no less than 18 days from farrowing and at an average of 21 or more days.
I.	The Coles six (6) monthly Health and Welfare Reports are completed, signed by a veterinarian and emailed to Coles with confirmation from Coles retained for verification during the APIQ <sup>✓</sup> ® Compliance Audit.

# Pork: Sow stall free

Following extensive work with our pork suppliers, Coles is proud to say that all our Coles Brand fresh pork is sow stall free. This major animal welfare initiative is a response to demand from our customers for more responsibly sourced products and will see approximately 34,000 mother pigs no longer kept in small, single-pig stalls for long periods of their lives. All pigs raised by Coles Brand pork suppliers are now free to move about in pens and socialise with other mother pigs.

In addition our local and imported Coles Brand ham and bacon is now sow stall free.



## Better for everybody

At Coles, we're committed to providing our customers with high standards of food, which means taking into account environmental, financial and social issues such as animal welfare when sourcing meat, eggs or produce.

*(<http://www.coles.com.au/helping-australia-grow/responsible-sourcing-and-sustainability/responsibly-sourced-meat-and-seafood>)*

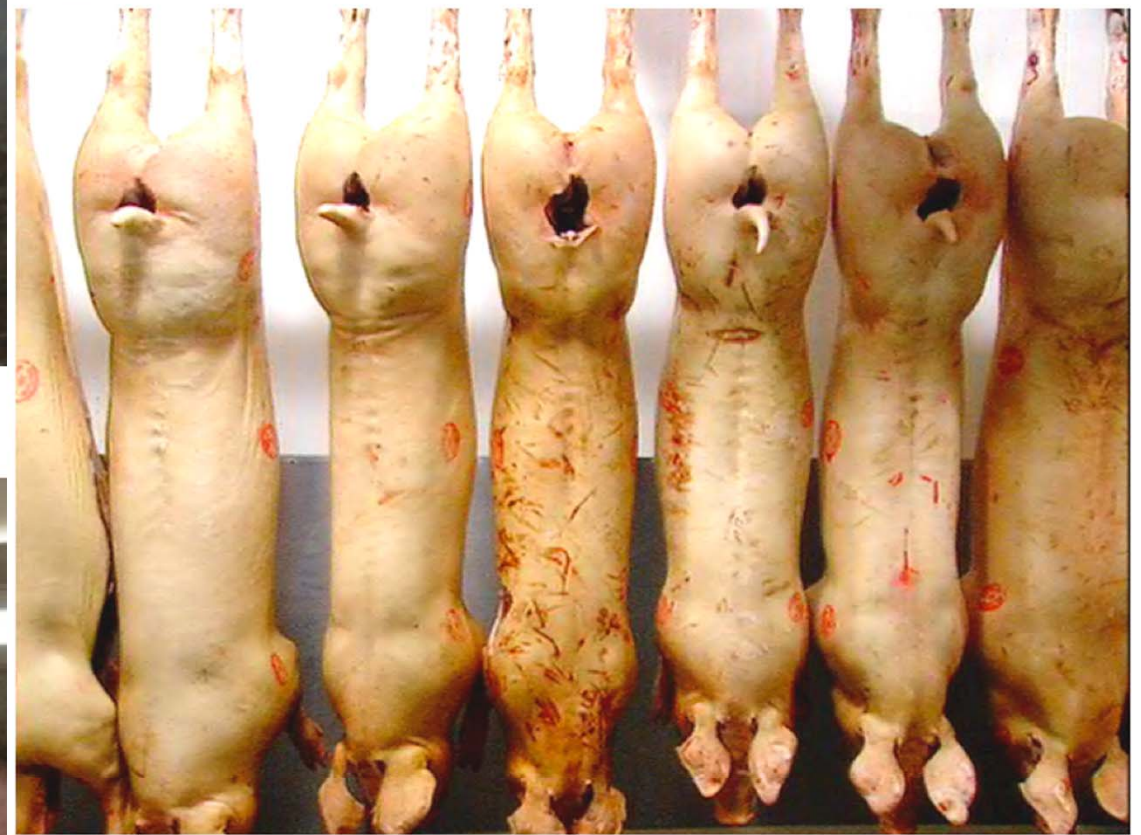
# What are the standards to supply pork to Coles?

## CS 6.3 Antibiotics, Growth Promotants and Hormone Use

Standard	Pigs are not given Growth Promotants, Hormones and/or Antibiotics unless prescribed by a veterinarian.
<p><b>Performance Indicators:</b></p> <p>A. The following products are not used:</p> <ul style="list-style-type: none"><li>- Hormone Growth Promotants; AND</li><li>- Porcine Somatotropin (pST); AND</li><li>- Ractopamine; AND</li><li>- Boar Taint Vaccine; AND</li><li>- Antibiotics that suppress sub clinical disease, unless prescribed by a veterinarian and included in the Approved Medication List (AML).</li></ul>	



# The use of Improvac in Australia



(D'Souza, 2013; *Boar taint vaccine and the Australian pork industry position*; Danske Svineproducenter)

# Conclusions

- Australian pork industry very small
- Change in the balance of consumption (domestic, imported product) over last 20 years
- Strong influence of grocery chains and animal advocacy groups on production practices

# Acknowledgements

- Australian-American Fulbright Commission
- Kansas State University,
  - Office of the President/Professor John Leslie
  - Department of Animal Sciences and Industry
  - College of Veterinary Medicine
- Australian Pork Limited
  - Dr. Darryl D'Souza
  - Mr. Andrew Spencer

# Major differences between US and Australian university systems: agriculture

- No university land-grant system in Australia
- No extension – not the core mission of faculty,
  - No/less connection to producers
- No college sports in the universities
- As a consequence, external funding by alumni is weaker