

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2017

Agriculture and Water Resources

Question Number: 79

Division/Agency: Meat and Livestock Australia

Topic: Objective carcass measurement

Proof Hansard Page: Written

Senator WHISH-WILSON asked:

Regarding the announcement in November 2016 that objective carcass measuring (OCM) equipment would be installed at all 90 Ausmeat registered facilities:

- a. Who will own the OCM equipment?
- b. Who will be responsible for operating and maintaining the OCM equipment?
- c. How will the operation and maintenance of the OCM equipment be funded?
- d. Will MLA ensure the maintenance of OCM is adequate?
- e. How will MLA ensure the maintenance of OCM is adequate?
- f. Who will own the intellectual property gained from OCM?
- g. Will operators of OCM be obliged to provide MLA with data collected?

Answer:

Over the past three years Meat and Livestock Australia (MLA) has worked with industry, research institutes and technology providers to develop the application of DEXA (Dual Energy X-Ray Absorptiometry), an objective measurement tool which measures meat, fat and bone, in a beef or lamb carcass (carcass composition). Additional objective information can help the entire red meat value chain make more informed business decisions to improve on-farm and processing efficiency, and deliver a product which is preferred by consumers. Longer term, investment in DEXA, and other objective measurement technologies currently under development, will increase the precision and availability of value chain information, and reduce the industry's annual multi-million dollar cost of grading.

Given the potential industry benefit and the call in the Meat Industry's Strategic Plan 2020 for objective carcass measurement systems, MLA announced a plan in November 2016 to accelerate the adoption of DEXA technology in Australian processing plants and increase the accessibility of the resulting data across the value chain.

Question Number: 79 (continued)

Under the plan as proposed, the technology to objectively measure the composition of beef and lamb carcasses could be voluntarily installed in up to 90 AUS-MEAT registered slaughter facilities across Australia on an opt-in basis. Delivering the plan would require a one-off \$150 million investment to install DEXA technology in all these facilities.

MLA has been consulting the peak industry councils on the plan and funding models. No final decision has been made on the plan or the funding of it, and the answers to the specific questions asked are predicated on that basis.

- a. This depends on whether industry decides to support the plan or a variation of it. It may also depend on how the units are ultimately funded and any obligations imposed by the funder. Subject to a funding arrangement being finalised and any requirements of the funder being taken into consideration, the likely ownership model under the plan as proposed is that the industry collectively will have a lien over the equipment provided.
- b. Processing plants.
- c. Processing plants. Calculated power consumption is \$100/week for a large beef system.
- d. Under the current MLA proposal, any contract between MLA and a host processing company will contain the terms and conditions of system installation, operation and maintenance.
- e. With respect to the data obtained from each scan, the organisation that acquires the image and resulting data owns that intellectual property unless some other agreement is in place. Where the owner is the processor, they can then forward that data onto other parties under their terms and conditions.

The algorithm that informs the calibration of the DEXA equipment was developed by Murdoch University under an MLA funded project and is owned by MLA. MLA continues to work with Murdoch on this to facilitate a common measurement system.

- f. Again, this depends on whether industry decides to support the plan as proposed by MLA, or a variation of it. It will also depend on how the units are ultimately funded and any obligations imposed by the funder.

For more information on DEXA technology please see the fact sheet on the MLA website: <https://www.mla.com.au/globalassets/mla-corporate/news-and-events/documents/dexa-factsheet-lr.pdf>