WESTERN AUSTRALIAN CAMEL INDUSTRY FORUM

Duxton 1 Function Room
DUXTON HOTEL No.1 St. Georges Terrace Perth 6000
WEDNESDAY 26 MAY 2004

MINUTES

Attendance

Aggour, Ms Amal (Camelidus)
Antonio, Mr Kim (DAWA GMS)
Ashwin, Mr Gary (Windidda Community)
Barns, Mr Glen (Leonora)
Butler, Mr Ray (Strelley Pastoral P/L)
Campbell, Mr Graeme (Kybo Station)
Coutler, Mr Andrew (Windy Hills Venison)
Coutler, Mr Ivan (Windy Hills Venison)
Crow, Mr Garry (Pastoral Lands Board WA)
De Jong, Ms Julie (DoIR)
Douglas, Mr Steve (MWDC)
Drenen, Mr Andrew (Ngaanyatjarra Council)
Ellis, Mr Peter
Farmer, Mr Kenny (Kutkububba Community)
Fischer, Hon John (Member, Mining & Pastoral)
Foote, Mr Edward (Camelidus)
Foote, Mr Nick (Camelidus)
French, Mr Steve (Mardella Downs Holdings)
Geappen, Mr John (Red Sun Camels)
Haines, Dr Tim (Western Desert Corporation)
Hall, Mr Don (MWDC)
Kafarela, Mr Mark (KW Trucking)
Kyanga, Mr John (Marruwayura Community)
McDowell, Mr Ross (Rossy Rotor Aviation)
McGregor, Prof Murray (Desert Knowledge CRC)
McLeod, Mr John (MR Premium Meat Exports)
O'Hora, Mr Chris (Calamunnda Camels P/L)
Purcell, Mr Colin (GEDC)
Quin, Mr Andrew (Quin Consulting)
Rouda, Dr Robert (DAWA GMS)
Snell, Ms Laurie (Wangawol Station)
Taylor, Mr John (Taylors Disposals)
Woolnough, Dr Andrew (DAWA VPRU)

08:45 Welcome & Opening Address (Dr Robert Rouda, Appendix 1)

09:00 Key Address: Camel Industry Development Issues (Mr Andrew Quin, Appendix 2)

09:30 Key Address: Camels. A Meat Processor's Prospective (Mr John McLeod, Appendix 3)

10:00 Morning Tea - Duxton Foyer

KEY ISSUE DISCUSSION OUTCOMES

(A brief overview of the actual issues discussed is provided in Appendix 4).

Camel Numbers and Location (10:30-11:00)

1. *The forum believed that enough demographic intelligence was already available. A full scale survey as previously proposed was not warranted at this point of the industry's development. Industry needed to direct its limited resources towards product and market development.*

Incentive Pricing (11:00-11:45)

2. *More financial incentive was needed to encourage people to consider becoming camel suppliers. At least $1000 per head will need to be paid for most pastoralists to go out and collect camels. Other industry parties indicated that they would be interested in supplying camels for between $400 and $500 per head delivered to the processor less transport costs estimated at approximately $120 per head. The group considered options for making this level of pricing workable for the supply side of the industry.*

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3. *Price negotiation should take into account the full range of camel products that could be sold. A price of $1 per kg live-weight may be achievable for a properly graded product.*

4. *The Aboriginal communities represented at the forum were keen to be involved in the camel industry. Tim Haines and Andrew Drenen agreed to meet in the near future to discuss developing a collaborative project involving their respective communities.*

5. *The forum believed that CDEP may provide a basis to track and capture camels.*

6. *Ivan Coulter, John McLeod, Tim Haines and Andrew Drenen agreed to meet to discuss the hard costs associated with gathering camels to reach an acceptable level of remuneration that made the operation viable within the cost structure of the participating communities.*

7. *Australian Quarantine and Inspection Service (AQIS) should be approached to consider lifting/easing its restrictions on farmed game-meat exports.*

8. *It was unlikely the National Feral Animal Control Program would support the broad-scale removal of feral camel pests from vacant crown land in WA as camel removal is opportunistic. This should be discussed with Dr Paul Peter, South Australian Ecologist.*

Constancy of Supply (11:45-12:30)

9. *Both opportunistic and managed camel harvesting will be needed in the initial stages of the industry's development.*

10. *The camel industry must be able to match supply with market demand to achieve viability. It will be therefore necessary to determine an approach that acts to hold a supply of camels in a more controlled environment for distribution.*

11. *Holding areas must (a) be large enough to maintain camel condition and/or product quality without significant external feed and management inputs; (b) contain adequate infrastructure (fencing, shade and water); (c) be in close proximity to a main highway and accessible in most weather conditions; and (d) be central to a large source location of camels so that the majority can be walked into the holding area.*

12. *Within the holding facility all animals must be health inspected, graded and differentiated into various product groups. Best practice management guidelines need to be developed.*

13. *Care needs to be taken that our credibility to supply quality product is not compromised.*

14. *In regards to trucking costs, transport companies normally charge between $4.4 and $6.6 per km per head to transport camels using single-deck semitrailers. Using a standard 12-ton truck costs $2.4 per km per head. Reducing trucking costs for live transfer will be difficult. Other options that may reduce transfer costs need to be investigated, including the trucking of young smaller animals.*

12:30 Lunch – Duxton Grill Restaurant

Camel Farming (13:30-13:55)

15. *There is a need to research best practice management for camels to maximise production efficiency.*

16. *Channels of communication between suppliers and traders need to be established to ensure supply meets demand specifications. Ivan Coulter and John McLeod indicated they would communicate market specifications to those interested.*

Camel Processing (13:55-14:20)

17. *AQIS should be approached to consider lifting/easing restrictions on farmed game meat exports.*

18. *The prospect of partial processing captured camels onsite needs to be better explored.*

19. *In addition to Windy Hills & Margaret River, Wyuna and Shark Lake meat works may also be interested in processing WA camels. These should be approached to ascertain their willingness to engage.*

20. *The Malaysian government recently revoked several export licenses over concern with Hallal killing. The federal government is working to have these licences reinstated. Abattoirs are required to contribute an estimated $3000 towards the Malaysian inspector's travel costs.*

Market Issues (14:20-14:45)

21. *Efforts need to concentrate on those markets into which WA has more readily available access. More emphasis needs to be placed on developing a national market and others in Europe.*

22. *Need to consider options and specification of EU pet food through large supermarket chains such as Sainsbury and others. The Hon John Fischer will investigate AQIS export requirements for pet meat to EU.*

23. *Market and supply (production) work needs to be done concurrently.*

24. *In-market support options should be developed to complement the tools already developed by CACIA.*

25. *Current knowledge on camel milk production needs to be compiled. Projects need to be developed to bridge knowledge gaps. Robert Rouda to forward contact details of Dr Paul Donnelly (CEO, Innovative Dairy Products CRC) to Chris O'Hara.*

Regulatory Issues (14:45-15:00)

26. *Regulations governing the movement of camels across areas and boundaries needs to be investigated and obstacles removed. Hon John Fischer offered to progress this.*

27. *AQIS must be approached to lift/ease restrictions on farmed game meat exports to EU.*

28. *Differences between regulations governing pet meat and those on meat for human consumption need to be investigated.*

29. *Moves to change the legal status of camels from declared to authorised stock must be initiated. This will remove camels from the vermin list, giving producers the right to farm them and providing the required precursor to establishing ownership .*

15:00 Afternoon Tea - Duxton Foyer

15:30 Recapping of Key Outcomes and Resolutions

30. *The forum recognised the tasks and challenges listed above would be best dealt with by a dedicated organisation established specifically to address the needs and progress the interests of a Western Australian Camel Industry. A show of hands revealed that an overwhelming majority of those present were in favour of creating an industry association in Western Australia. Mr Chris O'Hora was nominated to coordinate this organisation's formation prior to the end of June 2004. Mr O'Hora accepted this nomination.*

17:00 CLOSE

APPENDIX 1

WELCOMING ADDRESS

Welcome on behalf of the GMS

1. The Gascoyne-Murchison Strategy (GMS) is effectively a partnership between the state and federal governments aimed at increasing the economic prospects of regional communities through the development of new industries and the expansion of existing ones.
2. Although primarily targeting Gascoyne Murchison region, a broad section of stakeholders across the southern rangelands have benefited from the programs and processes developed by the GMS.

Reasons behind this GMS initiated forum

1. Interest expressed by suppliers, processors, traders and foreign investors;
2. Markets indicating potential in the Middle East, South East Asia and mid-western United States;
3. Potential employment opportunities for remote Aboriginal communities;
4. Assumed sufficient numbers of healthy, crown-owned camels to act as a supply pool for the industry's production herd(s);
5. Access to large parcels of suitable, unclaimed land; and
6. Reduction in feral population, thereby reducing pest control costs and damage to pastoral sheep, goats and cattle resources.

The camel meat industry in Western Australia faces significant challenges.

If full costing is applied to the current supply structure, it is unlikely that an acceptable level of viability will be reached.

The key to industry viability is ***supply chain management and costs***. Economically feasible camel meat production in Western Australia will rest with the industry's ability to reduce the cost of camel collection and transport between the holding place and the farm or the meat works or the pier.

The choices of feral harvesting over domesticated farming, work force coordination and costs, and the options of trucking live animals versus refrigerated skin-on carcasses are several major considerations that require strategic thinking and creative problem solving.

A coordinated approach to work through these barriers is required to enable a viable industry to be developed.

Various segments of the supply chain are representatives at the forum today. (Introduction and identification by Group)

1. Suppliers (pastoralists & Aboriginal communities)
2. Service Providers (Trucking and helicopter mustering)
3. Processors (WA & SA)
4. Traders
5. Researchers
6. Regulators (and a couple of prominent politicians)

The Department of Agriculture is keen to support viable new industry development initiatives primarily driven by industry effort.

Past experience tells us that without strong private sector action, the funding and work needed to ignite and progress new industry development results in very limited achievement.

Without strong industry-driven resolution, it will be difficult for the Department to justify its current level of support.

It is therefore very important that **this** forum produces a significant and serious private sector commitment to progress the development of a camel meat industry in Western Australia.

The forum agenda has been designed to allow participants to concentrate their efforts today on addressing supply chain structural issues.

The resolution of other issues, while important, will ultimately rely on the development of a viable industry structure.

In making this bold statement I am assuming that average per unit return from camel meat can not be substantially lifted in the immediate term and that the opportunity to act to do so would be limited by current industry supply structures.

For instance, efforts to supply the demand for camel meat the higher end of the market will be a waste of time if issues of supply cost and coordination are not adequately addressed first up.

We suspect that the steps necessary to better determine the industry's potential viability can be carried out at relatively low cost.

A range of avenues for support through both state and federal sources could be pursued.

The Department welcomes the opportunity to participate in camel production research and industry development.

We are prepared to work with others in Australia and overseas to develop and implement best practice management across the camel supply chain.

We will endeavour, with industry, to attract investment and create new employment opportunities, particularly in regional areas and remote communities.

We will work in partnership with industry to achieve the legislative adjustments and infrastructure development required to lift efficiency and competitiveness.

Before I hand over today's proceedings to Andrew Quin, our first key note speaker and forum facilitator, I would like to reflect that previous attempts to ignite a viable camel industry in WA have not delivered what I consider resonating outcomes. The work and planning I have invested in the lead-up to today's forum is but a platform for you to work together towards a new and exciting commercial opportunity for our great state of Western Australia.

Thank you.

Robert R Rouda
PROJECT MANAGER
WA CAMEL INDUSTRY DEVELOPMENT