



“The 2017-2018 financial year has been a very difficult one for the Australian pork industry. Despite several challenges facing pig producers and the industry more broadly, Australian Pork Limited has seen some encouraging signs in the market with increased demand and progress in productivity. Unfortunately, the improvement in prices is being offset by an increase in grain prices. The result is that profitability continues to be negative for many producers. This Year In Review highlights not only the challenges we have faced together but where we have invested in the industry in line with our strategic priorities.”

— ANDREW SPENCER, CHIEF EXECUTIVE OFFICER

## Industry highlights



**\$1.1b**

Gross Value of Production



**2,984**

Registered pig production sites



Exports  
**55,900 TONNES<sup>^</sup>**



Imports  
**297,000 TONNES<sup>^</sup>**



Total production<sup>^</sup>  
**417,400 TONNES**



Lower pig prices paid due to an increase in pork supply. The average buyers price/kg was \$2.64 in 2018 compared to \$3.38 in 2017



**78,300 TONNES**  
Processed using Australian pork



**293,500 TONNES**  
Pork sold into fresh markets



Retail fresh pork sales in the year to 14 July 2018



Fresh pork consumption  
**11.8 kilograms**  
per capita per annum

# Australian Pork Limited

Australian Pork Limited (APL) is a rural service body for the Australian pork industry. As a producer-owned company we are responsible for enhancing opportunities for the sustainable growth of the Australian pork industry. This is achieved by delivering integrated marketing, innovation and policy services throughout the pork industry supply chain.

APL works closely with producers, key industry and government stakeholders to pursue opportunities for the industry at both the domestic and international levels.

## Strategic priorities



### Growing Consumer Appeal

\$7.7M investment in 2017-2018

Programme	2017-2018 outcomes
Better Pork	<ul style="list-style-type: none"> <li>Positive perception of pork as a product continues to increase.</li> </ul>
Pork Made More Popular	<ul style="list-style-type: none"> <li>22% of households are eating pork more than 13 times per year.</li> <li>73% "Pork on Your Fork" advertising recall – best results on record.</li> </ul>
Increasingly Different	<ul style="list-style-type: none"> <li>20% of processed pork consumption is from Australian pork.</li> <li>61% of Australians are aware of PorkMark, an increase of 4%.</li> </ul>

Making Australian pork more uniquely valuable to consumers and increasingly a part of their eating pleasure.



### Building Markets

\$4.7M investment in 2017-2018

Programme	2017-2018 outcomes
Market Insights	<ul style="list-style-type: none"> <li>APL advertising has a positive return on investment.</li> <li>The meat market is evolving and there are significant opportunities for pork in 2018–2020.</li> </ul>
Domestic Market Development	<ul style="list-style-type: none"> <li>Domestic supply has grown ahead of demand.</li> <li>Retail sales of fresh pork up 9.9%.</li> <li>Pork appeared on 11.5% of plates up from 9% in the same quarter last year.</li> </ul>
International Market Development	<ul style="list-style-type: none"> <li>To build international markets several new pork products have been developed.</li> <li>Work on export protocols for the largest pork market in the world, China, has continued.</li> </ul>

Using insights to develop markets that offer attractive demand for our products, our producers and our value chain collaborators.



## Driving Value Chain Integrity

\$1.5M investment in 2017-2018

Programme	2017-2018 outcomes
<b>Trust In Pork Provenance</b>	<ul style="list-style-type: none"> <li>Strategic plan for Physi-Trace was developed and implemented.</li> <li>Sampling regimes have been adopted by participating abattoirs and processors.</li> </ul>
<b>Pork Quality Assured</b>	<ul style="list-style-type: none"> <li>APIQ✓® coverage was 89.5% with the number of growers per sow continuing to increase.</li> <li>AUS-MEAT Ltd was engaged to provide third party auditing services for the industry – 118 audits have been conducted.</li> </ul>
<b>Fairness In Risk And Reward</b>	<ul style="list-style-type: none"> <li>Development of enhanced prediction capability to measure lean meat yield.</li> <li>The increased accuracy and reliability of PorkScan will improve consumer experience over time.</li> </ul>

Secured confidence in Australian pork products in their source, the compliance with expected standards and aligning on-farm practices with consumer expectations.



## Leading Sustainability

\$5.2M investment in 2017-2018

Programme	2017-2018 outcomes
<b>Addressing Societal Needs</b>	<ul style="list-style-type: none"> <li>75% of industry sows housed under APIQ✓® Gestation Stall Free definition.</li> <li>72% closed PigPass National Vendor Declaration reported within two days.</li> <li>PigPass movement reports captured around 94% of all pigs sent to abattoirs.</li> </ul>
<b>Healthy Herds And Farms</b>	<ul style="list-style-type: none"> <li>20% producers taking up the Antimicrobial Stewardship Plan.</li> <li>85% pig vets in Australia regularly engaged with APL, demonstrating a collaborative effort to ensure continued high welfare standards.</li> </ul>
<b>Continuous Productivity Growth</b>	<ul style="list-style-type: none"> <li>Improved productivity and larger carcass weights have led to 5.8% increase in kg pork/sow/year.</li> <li>Several studies were conducted to investigate the role of specific genes and hormones in reproductive performance and development of relevant biomarkers.</li> </ul>

Remaining in step with society by reflecting community values in our ethics, our healthy herds and operating our industry responsibly and profitably.



## Improving Capability

\$2.5M investment in 2017-2018

Programme	2017-2018 outcomes
<b>Applied Learnings</b>	<ul style="list-style-type: none"> <li>APL continues to produce the quarterly publication <i>Pigs to Pork</i> – sharing APL's R&amp;D outcomes with the industry.</li> </ul>
<b>Building Industry Image And Reputation</b>	<ul style="list-style-type: none"> <li>257 APL producer members, an 11.7% increase.</li> <li>APL directly engages and directly supports 93% of the total production.</li> <li>70% of members have a positive perception of APL.</li> </ul>
<b>Operational Effectiveness</b>	<ul style="list-style-type: none"> <li>38 full-time and five part-time employees.</li> <li>The 2017/18 result is within allocated budgets.</li> </ul>

The Australian pork industry and APL leading the way in innovation, accountability and expertise.



## Annual highlights



INVESTMENT			
Research and innovation	Policy	Marketing	Surplus
\$7.8M	\$1.8M	\$12.6M	\$0.9M

## Looking ahead

APL expects next year will be another tough one for the industry. The strategic priorities have been revised to ensure we are focused in those areas that will best support our members and the industry as a whole. Focus areas include:



A greater emphasis on growing demand to compensate for the increased availability of pork meat.



Continuing focus on managing costs of production through research and development (R&D) initiatives to improve herd feed conversion.



Continued strong engagement with the community in areas they see as important, including animal welfare and environmental impact, as well as increasing the transparency of pork production in Australia.



Maintaining the high health status of our pig herd through vigilance on biosecurity and disease prevention issues as well as maintenance of the current pork import protocols, and persisting in our efforts to obtain further access for Australian pork in overseas markets.

### Australian Pork Limited

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