



# Rendering Circles

A newsletter produced by the Australian Renderers' Association  
for suppliers, customers and members

No. 19 – February, 2008

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## From the president

### Speech delivered by Paul Stenzel at The ARA Symposium, July 2007

Good morning distinguished guests, ladies and gentlemen, friends in rendering,

Queensland – beautiful one day, perfect the next. What more can we say as I welcome you to the glorious location of Cairns and to this wonderful hotel the Cairns International for our 9th International Symposium: *Rendering – a flexible resource*.

The ARA, unlike some similar organisations in this country, does not use an agency or consultant to put together and organise these symposia. Instead, as each symposium finishes we form a committee and get on with organising the next event. This is no easy task, starting with deciding where the next event will be held. The committee over the last two years has consisted of Bill Spooner, Andy Bennett, Tim Juzefowicz, Dennis Wyatt, Rick Carter, Dennis King, Stephen Cooke, Kevin Pratt, Craig Palmer, Bill Trollope, Toby Escott, Robyn Edwards, and Chris McDowell.

In addition to the work and guidance provided by the committee there are two people to whom extra special thanks must be given as these gentlemen shouldered the majority of the workload. These people are our committee chairman Philip Lambeth of AusPac Ingredients, and Graeme Banks, our ARA executive officer. Despite this being our ninth Symposium the volume of work required by all involved remains high and has been enhanced this year by our new venue and the challenges this presented.

The other group without whose support the show would not go on is our sponsors. This year our major sponsor was Keith Engineering. Other sponsors were BEC-Feed Solutions, Commodity Inspection Services, Craig Mostyn Group, Conagra Trade Group, Camilleri Stockfeeds, Kemin, Kurrajong Meat Technology, Gardner Smith, Kerry

Australia, Peerless Holdings, Tolloman, Aus Pac Ingredients, Hamburg Sud, Wilbur Ellis, A.J Bush & Sons, and Meat and Livestock Australia.

And our booth holders: Stord Norway, A&S Thai Works, Waterlilly Australia, Kemin Australia, Rendertech, G-Tech Separation, Foss Pacific, Meat and Livestock Australia, Worldwide Organics, Flo-Dry Engineering, BDI Biodiesel International, BEC-Feed Solutions, Egon Keller GMBH, Westfalia Separator, and Keith Engineering.

Please take time to visit the booths and see the products and services that are on display. These sponsors and booth holders have chosen to support our industry, so in keeping with the spirit of give and take, I urge you to give special consideration to these organisations when next you consider making business decisions in which any of these organisations could be involved.

To all our speakers and particularly our overseas guests: thank you for agreeing to undertake the requests assigned to you. I can attest these are never easy and require a large amount of work. We thank you for coming to share your thoughts and views with us.

Following our last symposium we were somewhat errant in not getting the proceedings published and distributed quickly. On behalf of the ARA I would like to personally apologise for this embarrassing and unacceptable situation. In order to ensure that this does not happen again Stephen Cooke has done an excellent job in chasing up all speakers for their speeches and presentations. Thank you Stephen. This will enable the proceedings to be distributed in the coming months.

The symposium content this year covers a broad range of subjects in keeping with the theme – *a flexible resource*. These subjects

cover old and new technologies, old and new uses and market analysis of our products, and an overview of some of the market access and regulatory considerations facing the industry both here and globally.

In considering where I see the industry currently I would like to compare our industry happenings to a book I have recently read – Lance Armstrong's *Its Not About The Bike*. I started reading this expecting it to be about how he won the Tour de France, but discovered it was really something else and found myself comparing the challenges and fight that Armstrong faced to those experienced by the rendering industry.

Lance started off riding and winning races, basically cruising along with everything seemingly going OK – not without challenges but going OK. Does this remind you of rendering in the 70's, 80's, and early 90's? Then one day Lance got crook and in the next weeks his world was turned upside down after the discovery that he had testicular cancer. There were many operations performed and he was told he had less than a 10% chance of surviving. Does this not remind us of the challenges that our industry has faced on a global basis since we managed to seemingly catch the disease BSE? Less than 10% chance of survival: it certainly would be interesting to ask those who write regulations what survival rating they placed on the industry in the early days. Even here in this country there were certainly some people who questioned the future of the rendering industry, so 10% survival would certainly have been some people's number. In terms of facing operations – segregated lines, feed bans, new treatment processes, and enhanced documents – the industry certainly underwent its own form of surgery.

Armstrong fights through operations, chemotherapy, and the issues associated

with his treatment. Soon he wants to go back to what he is good at: get on the bike and race. Initially this is quite a challenge as he faces tiredness, lost skills, and other competitors and people not being sure if they wanted him on their team. The rendering industry has faced all of these – we have been busy trying to stay alive, working closer with regulators to ensure the rules under which our business operates are feasible, to ensure we are in a position to understand and challenge the science and perceptive arguments that continue to present themselves. Other competitors – our major markets have seen a surge of strength and supply from soy and palm, and people becoming accustomed to using these products against our two majors: meat and bone meal, and tallow.

But what did Armstrong do? He fought through all of the post-cancer challenges and found somebody who was prepared to give him a go which helped him to refocus. He then trained harder than he ever had before, played smarter than he ever had before and in the face of adversity and trying times continued on. He made a plan and set himself a focus. For Armstrong it was winning the Tour de France.

I think the rendering industry is at this stage right now. We have had the BSE cancer and yes, like Armstrong, we will continue to

get checkups. But we have had the surgery and our diagnostics are looking good: feed ban audits and European food safety audits are delivering acceptable results; the rate of detection of BSE globally is dropping; variant CJD has not reached the almost epidemic status that was forecasted; and we have our systems in place. The operation may continue to need fine tuning but it has been a success. It is now time for us to get on the bike and start riding hard again, to focus on delivering stronger value for all our products. From a meat and bone meal perspective we have a few doors to markets where the key is in the padlock and starting to be turned (remembering increased markets = increased demand = more money (for a poor old cattle farmer this is good for them too)). From a tallow perspective we have a surge in world prices thanks to alternate energy demand. We need to get on our bikes and ride hard – the timing is right for our industry to win our own Tour de France. The speakers at this symposium will deliver ideas and information to work with in riding that tour. It is important we continue our quest.

Thank you for your attention ladies and gentleman. I trust you will have an enjoyable, educational and enterprising time.

*Paul Stenzel, President*

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## Animal Protein Meal Market Report September 2007

In the first half of 2007 the fortunes of animal protein meals have been exactly that: fortunes (for the renderers) but tight margins for traders.

Prices are up, local and international demand strong, and the world is hungry for protein. Good market dynamics indeed. Let the good times roll! Some will say we are not at record prices on meals (which is true) but when co-mingled with current tallow prices it is surely a positive time for the rendering industry, and one when abattoirs would/should be thankful for the contributions rendering makes to their business in both profit and cash-flow terms.

It is not my place to say what abattoirs and rendering firms should do, but analysis of the numbers would suggest, at a minimum, that spending dollars on plant expansions, or basic repairs and maintenance shouldn't be a question, but rather a "no-brainer". Just like selling meal, really – sell it to the traders that provide liquidity in the market place, buying power that creates demand and increasing prices as a result. Yes, we are generally price takers rather than makers, but it is surprising how the extra dollars per tonne comes to the renderers by way of increased trader/customer activity. You need that buoyancy in the market to make it work and keep it fluid.

This is a long way off from what we normally report: the prices. The dollars are up and there is no doubt about. If I'd prepared this report three months ago it would have looked good compared to 2006. Since then add in the winter season with lower kills Australia wide, greater export demand and a firm domestic market, and now the prices look great.

**MBM** through the winter has risen nicely and now that we just start spring there is a spring in the step as MBM export prices reach A\$460–470 pmt DCT on the East Coast. **Pure beef MBM** add A\$10 pmt premium, mixed species at broad range A\$450–470 pmt. **Ovine meal** has been lack lustre in dollar growth terms as a result of flat export markets – demand and supply in relative equilibrium. **Porcine meals** are at \$460 pmt and consistent.

**Poultrymeal** has had its ups and downs but today at A\$650 pmt DCT has been good.

**Feathermeal** Domestic blenders have soaking up production and lower volumes to export but still prices have been buoyant enough for them to start at A\$400 this year, peaking at A\$450 pmt DCT.

**Blood** has been the downside item with intense overseas competition from USA, EU and NZ in the market place – it is difficult to draw top values from blood these days.

**Fishmeal** has been the one item that declined substantially also over the winter period with global markets softer on demand and pricing down by as much as USD300 pmt – a big value in anyone's language but importantly has not impacted negatively on animal protein meals prices.

Just remember all of the above has occurred with a strengthening AUD exchange rate which is normally cause for values to be reduced, but the strength in the market has over-ridden the downside of an appreciated dollar. The Kiwis have been in the same boat – so we are not exactly sailing off into the sunset but certainly in a boat that is motor powered and no longer relying on hot air or wind power to move us along.

My earlier predictions for the first half of 2007 have come to fruition nicely.

Forecast for the remainder of the calendar year:

**MBM 50% Bulk** – A\$450 – 480 pmt export and local at \$460–500 pmt

**Blood bagged** \$600 pmt export and \$600 + local

**Feather** A\$450 export and same levels local maybe an extra A\$10–20 pmt

**Poultry** A\$625–\$700 pmt export and up to \$750 pmt local.

*Stephen Cooke 31st August 2007*

## Canberra visit

As a regular part of ARA activities, the President (Paul Stenzel), Executive Officer (Graeme Banks) and three members of the executive committee (Craig Palmer, Stephen Cooke and Andy Bennett) visited Canberra for a series of meetings in June.

Meetings were scheduled with the Australian Quarantine and Inspection Service (AQIS), the federal Department of Agriculture, Fisheries and Forestry (DAFF), Australian Pork Limited (APL), the Australian Cattle Council (ACC), Sheepmeats Council of Australia (SCA), and Animal Health Australia (AHA).

DAFF representatives included Mark Schipp, Matt Thompson, Suzanna Fisher, Carol Sheridan. AQIS staff included Laura Timms, Dr Sumana Thanabalasingham, Dr Anand Deo, Ron Cullen, Gary Cullen, Joffrid Mackett, Ron Southgate and Ed Klim.

Current issues were discussed, mainly focussing on the requirements of importing countries. The topical areas were Sri Lanka, Vietnam, and Mexico. More importantly the

possible re-opening of the Philippine and Japanese markets to Australian product was discussed and how this is to be progressed.

In the marketing discussion we explained that the Association didn't have a large budget, mainly membership dues and income from the Symposia. We don't receive government assistance like our counterparts in the NRA, so marketing workshops are difficult to finance on an ongoing basis. Suggestions came from around the table on alternative sources of funding. These are to be pursued.

The visit to APL saw us meet with CEO Andrew Spencer, Bill Salter and Bill Hall. Questions were asked about the last survey on rendered meals, with the view that many operators were unhappy with the wording of it. This was the most productive session we have had at APL.

A joint meeting with ACC's David Inall and SCA's Bernie O'Sullivan and Marie Butler was held in their offices. The topic of SRM removal was raised and both bodies felt it was

it was an unnecessary cost impost that wasn't scientifically warranted. Also the extra cost would end up being borne by their members, the primary producers.

The subject of NLIS tags and implants, and eartags and implants generally was discussed. The impact of glass, metal and plastic residues in meals sold to the petfood industry and feedmillers was outlined and the need for finding user friendly alternative materials for manufacture of implants and tags was talked over.

Both bodies had been unaware of this issue.

Later that day the group met with AHA's Duncan Rowland. Ruminant feed ban compliance and new testing procedures for animal proteins were discussed.

The conclusion from the trip was, once again, that face-to-face meetings with the people we deal with in bureaucracy help to achieve a better end result in a timelier manner.

*Andrew Bennett*



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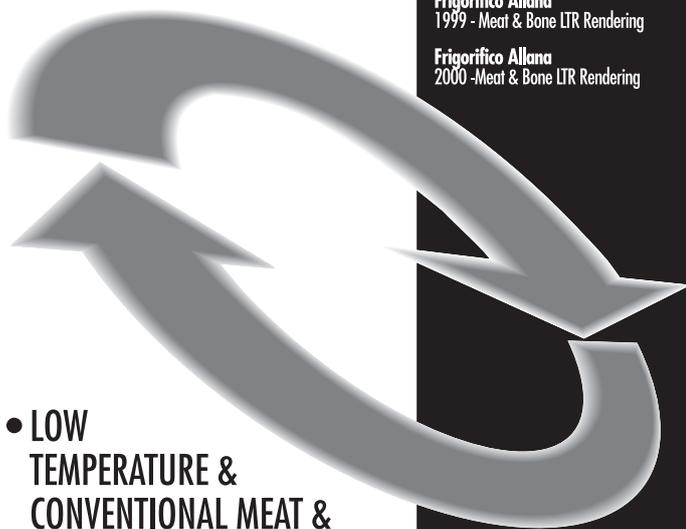


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Nelson Bays Meat Producers Ltd  
1997 - Bio-Filter

Waikato By Products Ltd  
1997 - Bio-Filter

Wallace Corporation Ltd  
1997 - Wastewater Treatment Plant

## INDIA

Frigorifico Allana  
1999 - Meat & Bone LTR Rendering

Frigorifico Allana  
2000 - Meat & Bone LTR Rendering

## AUSTRALIA

Hazeldene Chicken Farms Ltd - VIC  
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Sydney Water Corporation - NSW  
2000 - Bio-Filter

Rockdale Beef Pty Ltd - NSW  
1999 - Stickwater Evaporator

Sunland Meats Pty Ltd - QLD  
1999 - Bio-Filter

Belandra Pty Ltd - VIC  
1999 - Wastewater Treatment Plant

Rockdale Beef Pty Ltd - NSW  
1998 - Gelbone Separation

Belandra Pty Ltd - VIC  
1998 - Gelbone Separation

Oakey Abattoir Pty Ltd - QLD  
1998 - Meat & bone LTR Rendering c/w  
Blood, Gelbone Separation

Monbeef Pty Ltd - NSW  
1997 - Meat & Bone LTR Rendering

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## Symposium Report

As most readers of this newsletter would be aware, the 9th International Symposium was held in Cairns in July. This bi-annual event organised by the Australian Renderers Association was titled *Rendering – a flexible resource* and featured an experienced and diverse range of speakers from many parts of the world covering a challenging and thought provoking program of papers. Sessions held over the duration of the symposium covered international issues, challenges faced by the industry, technical advances and newer topics such as developments in biofuels.

(Bill Spooncer's report in this issue of *Rendering Circles* has more information on the papers presented at the symposium.)

Feedback from many delegates has been very supportive of the location, venue and program. A recently circulated questionnaire has identified where improvements can be made and the committee values this feedback. A summary is provided in this issue of *Rendering Circles*.

Signature events of the symposium such as the dinner, cocktail reception, partners' program and golf tournament were well attended and seen as great successes.

As with any event of this nature there is a tremendous amount of work involved in making it a success. This work started at the conclusion of the 2005 symposium and I would like to personally thank the entire organizing committee for their input and drive over the last two years.

On behalf of the organising committee I would like to sincerely thank the sponsors and booth holders, without whom this event would not happen. The financial commitment given to this event and industry is greatly appreciated.

Planning has commenced for the 10th symposium and we look forward to your continued participation and support in 2009

*Philip Lambeth*  
Chairman

## Vale Frank Oravec (Tasman Group)

Frank died after a series of strokes on Sunday 12 August and was buried on Friday 17 August. Frank was survived by his wife, Magda, his son and daughter, and many grandchildren.

Frank had been Managing Director of T A Field and Louis Dreyfus and led a trade delegation to Russia with Bob Hawke in 1987. He is the only foreigner to be awarded the Gorbachev medal.

Frank had a great love of horse racing and was a prominent owner in Melbourne and prodigious punter. In the 1960's Frank purchased a V8 Valiant sedan after a solid win at the races. His jockey was Harry White.

Frank was always a very fair man and much loved by all who knew him.

*Reg Evans*

# Report from the Australian Renderers Association Symposium

The ARA's ninth symposium, held for the first time in Cairns was attended by 164 delegates. Renderers from all continents enjoyed the balmy weather and hospitality of Cairns. The program included speakers from Australia, Europe, North America and New Zealand.

The theme of the symposium was *Rendering – a flexible resource*. In welcoming delegates, ARA President Paul Stenzel reflected on the flexibility of the international rendering community and the ability of the rendering industry to find new markets and uses for rendered product as traditional uses come under pressure.

Keynote speaker Humphry Koch of West Coast Reduction in Canada explained how the Canadian rendering industry has adapted and recovered from the identification of BSE in Canada. One of the responses to BSE in Canada is that SRMs must be removed from feed according to the enhanced feed ban. Humphry estimated that the removal of SRM from feed will mean the loss of about one third of the volume of meat meal. Balancing the loss of product is an increase in prices from about \$75 to over \$200 per tonne.

Andrew Cupit, the former Australian Veterinary Counsellor in Washington DC followed Humphrey Koch with some observations about BSE in North America. Andrew explained that cases of BSE in the USA in non-imported cattle did not appear to be feed related. The USA cases are not typical BSE and probably should not be counted as BSE.

Stephen Woodgate discussed how the European rendering industry has survived and is re-establishing markets through implementation of research and development. The total loss of value of rendered products



*Humphry Koch presents the keynote address*



*David Pinches of Keith Engineering explains the airless rendering process*



*Stephen Woodgate of EFPRA discussed the state of the European rendering industry*

between 1999 and 2000 was about €800 million (A\$1.2 billion). Since 2000, €35 million has been invested in R&D by industry and the EU commission and Stephen expects that as a result of this investment the value of rendered products will increase by €500 million from 2000 to 2010.

In the engineering session of the symposium David Pinches of Keith Engineering explained his company's development of an airless rendering process. David described the prototype airless rendering system which uses superheated steam as a heating medium and outlined the benefits of reduced energy costs, and improved product quality.

Another alternative approach to rendering is the ADT hydrolytic process. Dennis King from ADT explained the process and described the research his company has carried out to demonstrate that the ADT hydrolysis process can eliminate TSE infectivity.

David Green discussed thermal oxidation as way of treating cooking vapours. There are 15 thermal oxidizers in use at rendering plants in the UK.

Day two of the symposium focused on marketing issues starting with a talk by Michael Betar of Standard Commodities about protein markets. Michael discussed the possible return of U.S. product to the Indonesian market and the benefits this would

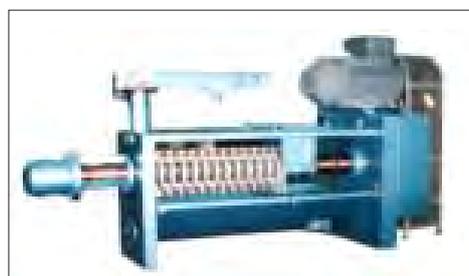


## KEITH ENGINEERING (AUSTRALIA)

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have on encouraging formulators to include meat and bone meal in rations.

German Davalos of the NRA gave an insight into the South American rendering industry. The main producers of rendered products are Brazil, Argentina and Uruguay. Brazil and Argentine use most of their rendered products domestically. Uruguay produced about 145,000 tonnes of meat and bone meal in 2006 and exported about 30%.

Greg Pickup of Chicago Perspectives gave his views on world vegetable oil markets. Commodities such as fats and oils are now of considerable interest to financial markets, not just traders and producers. With the rapid expansion of biofuels, predicting the future of fats and oils markets has become very complex.

The marketing session was completed by Daniel Jenshel of Peerless Holdings. Daniel's topic was edible markets for tallow. While the use of tallow in edible applications is generally in decline, Daniel sees plenty of opportunities for marketing tallow in the local and export markets.

The final session of the symposium was about biofuels. Biodiesel was discussed by Edgar Anh of BDI Austria, Tissa Fernando of Flo-Dry Engineering and Stewart McGlashan of Meat and Livestock Australia. Biodiesel was not the only topic and Torsten Fischer of Krieg and Fischer Ingenieure discussed production of biogas from low value raw material such as blood, gut content, low value offal and DAF sludge. DAF sludge looked particularly promising as a high yielding substrate for biogas production.

David Kaluzny II of Kaluzny Bros discussed his detailed knowledge of how to burn tallow in boilers.

Discussion at the open forum on biodiesel centered on how to encourage mandated levels of biodiesel and the costs of meeting quality standards for biodiesel.

The ARA symposium was followed by the AGM of the World Renderers Organisation. At this meeting the Presidency of the WRO was handed over from Doug Anderson to Niels Nielson. Niels presented plaques of appreciation to former WRO presidents Andy Bennett and Doug Anderson.

Apart from the program of speakers there was ample opportunity for delegates to inspect the sponsor's booths. The Symposium was supported by 29 sponsors 15 of whom had display booths.

Another feature of the Symposium was the social program including the Gala Dinner. At the dinner the Ron Lyon award was presented



*Presenters at the biofuel forum: Tim Juzefowicz, Tissa Fernando, Stewart McGlashan, Edgar Ahn and David Kaluzny II*



*WRO President Doug Anderson, incoming president Niels Nielson and Stephen Woodgate at the WRO meeting*



*Kevin Pratt receives the Ron Lyon award*



*Ed Klim accepts a plaque of appreciation with Gardner Murray and Graeme Banks looking on*

to Kevin Pratt of Camilleri Stockfeeds in recognition of more than 15 years contribution to the ARA and the rendering Industry. Ed Klim of AFFA was also presented with plaque

of appreciation in recognition of his support of the rendering industry.

*Bill Spooncer*

# 2007 Symposium – Questionnaire Summary

To date there have been 25 responses to the questionnaire sent to all ARA members and Symposium registrants after the Symposium. Circulation included the NZ Renderers Group members who did not attend. Not all responded to all questions and some had not participated in the Symposium.

Responses are summarised hereunder, following the sequence of the questionnaire.

## Attendance

*If you didn't attend please indicate the major reason for non attendance*

Four responses received. One reason was bad timing due to drought, two related to location, and the fourth was clash with other commitments.

## Location

**Were you satisfied with Cairns?** Yes (19) No (2)  
(preference: Gold Coast/Canberra (1) Brisbane/Gold Coast (1))

**Would you attend 2009 Symposium if held in Cairns?**  
Yes (19) No (3)

## Hotel Accommodation and Food

**Were you satisfied with Cairns international Hotel?**  
Yes (16) No (2) \*

\*Poor staff service, Poor room service

### How would you rate food quality

	Poor	Fair	Good	Very good	Excellent
Morning teas	1	3	9	4	1
Lunches		2	8	8	
Dinner		6	7	5	
BBQ	8	5	3	2	

### Other comments

- It took too long to get room allocated (2 responses)
- BBQ only finger food (3)
- Poor drink service at BBQ and dinner (1)
- Very good wine (1)

## Travel and Transport

Following comments made:

Excellent (1), OK (2), Good and easy (3), No problems (5), No issues (2), No taxis at airport (2), Too slow taxi service (1), Cairns airport departure was terrible (2), Only NZ flight to Cairns is via Auckland (1).

## Symposium Organisation

**Running of the Symposium program** Very Good (13),  
Excellent (7)

**Were you satisfied with overall organisation?** Yes (19)

### Was there any part that could have been better organised?

- Symposium Chairman should open and close the Symposium;
- more work needed on partners' program;
- more 'official' closing – reduced numbers left it flat at the end;
- hold ARA AGM before members start leaving;
- incorporate NZ members with AGM;
- proceedings should be in satchels on arrival.

## Symposium Content

### Satisfaction with various sections including speakers/topics/presentations/Chairperson

	Poor	Fair	Good	Very good	Excellent
Introductory/Keynote	1	–	4	12	4
Technical	1	–	9	8	4
Engineering	2	2	10	4	3
Marketing	1	2	6	8	4
Biofuels	1	1	8	6	5

### Comments

- BSE – one update is plenty
- mix up topics more to encourage registrants to attend all sessions
- stop running same program and start again

### Should the symposium program have included more on the following?

	Yes	No
World issues	6	5
Operational improvements	11	5
Environmental	11	4
Product quality	11	2
New machinery	6	7
Marketing insights	11	2
Opportunities	11	1

### Others

- Tallow product quality
- Some issues covered in more depth in previous symposia
- What will happen in Australia if we have case of BSE – Government reaction thereto, and will there be a market?
- Energy reduction
- Less on BSE!!
- Keith Engineering and ADT were repeats
- rendering direction for next 5 years.

## Social Program

### Satisfaction with various parts

	Poor	Fair	Good	Very Good	Excellent
Symposium dinner	1	1	4	12	2
AD Speaker	2	4	3	8	2
Golf afternoon	-	-	1	3	2
Partners' program	-	-	4	1	1
Cocktail party	1	5	5	4	4

Suggestions for 2009 partners' program Fishing  
Lamb at dinner was tough

## Symposium Timing

**Is July the most suitable time?** Yes (20) No (5)

### Suggestions

Spring or Autumn; June; Cairns if winter or Sydney/Melbourne/Perth if spring or summer; August/September more suitable for NZ registrants; don't discount Sydney/Melbourne as venue as most international visitors went home via Sydney or Melbourne; 1 July to 15 August is a no-no!

**Are Wed/Thurs/Friday the appropriate days?** Yes (23) No (2)

# Market Access Update

## Sri Lanka

A change to the system leaves Australia as the real only exporter. It appears New Zealand has been shut to entry. The Sri Lankan health department are only issuing permits for Australia (as BSE free country) Origin MBM under strict provisions:

*Ruminant Only material;*  
*Fumigated Product;* and  
*Properly Labelled* (in the case of packaged material).

## Vietnam

After months of lobbying it seems we have complete access into Vietnam for various Australian origin protein meals.

MBM is either “containing ruminant” or “not containing ruminant origin”, and in this case feathermeal, poultrymeal, fishmeal, etc would be in the second category.

AQIS have new health certificates processed and published, so the prior certification that allowed entry up until end August 2007 is now finalised.

## Mexico

AQIS has been in negotiation with Mexico’s Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SAGARPA) and Australia now has three approved accredited plants for export to Mexico. ARA is publishing a new section to the accredited plants listing for Mexico and the three successful plants will be included. Three other plants seeking approval are continuing negotiations to meet the Mexican requirements regarding time and temperature parameters. This covers both protein meals and petfood containing protein meals, which now need to be SAGARPA approved or otherwise refused entry.

## Philippines

AQIS, along with Austrade and the Australian Embassy, are still pushing for access here since New Zealand has been granted approval to re-commence export to the Philippines after a long hiatus. No meal is actually being shipped there yet, but Australia needs to get two documents signed before we can re-start any business. AQIS is maintaining communications with the Philippines to get this sorted.

December update from AQIS:

The proposed audit in early December of the Australian meat production system and rendering program by the Philippines has been postponed until 2008.

We are planning to invite the relevant agency to conduct a site visit to see the Australian rendering system early in 2008 (independent of the meat audit). The Australian Embassy in Manila has also been involved in ongoing discussions to try and progress the issue as quickly as possible.

## Japan

Poultrymeal access negotiations with Japanese MAFF continue. Despite a setback due to the appointment of new Japanese MAFF personnel, it seems the stumbling block is the pre- and post-mortem inspections requirements. ARA and AQIS are arguing for a pre-mortem inspection and the Australian Rendering Standard etc to apply in lieu of post-mortem inspection. We are waiting for further details and latest responses from Japan.

The ARA remains vigilant on gaining best practice and outcome for its members!!

*Stephen Cooke - September 2007*

# Wine Weekend Road Trip

*The following is a factual account of events that occurred earlier this year. The names and identities of the participants have been changed to preserve their identities and integrity.*



Just last month my wife, Lucky, and I had Barry, a Kiwi associated with the rendering industry and his wife, Luckier, over for the weekend. We decided to take them on a quick road trip with the intent of defining the difference between the Australian and New Zealand offerings.

*Wednesday: 19:00 hrs*

Before we could set off on this arduous task it was necessary to hold a planning session. We took the opportunity to hold this on Wednesday night at Oyster Little Bourke in Melbourne.

Oyster is a great spot, and as the name would suggest, it has a variety of shucked-to-order oysters and a seafood orientated menu. To wash these little morsels down we decided on Peroni beers for the lads and Jacquesson Champagne for the ladies. Both were an excellent match to the oysters from Tassie (Oyster Bay), South Australia (Coffin Bay) and NSW (Sydney Rock). The Peroni is a light Italian beer with a head like the froth layer that forms inside a Keith cooker without antifoam. The Champagne made an excellent beer chaser as well. We followed the oysters with a Sav Blanc from Martinborough NZ then a Sorrenberg Chardonnay from Beechworth Vic. A Bindi Pinot Noir from Macedon Ranges Vic and finished with a tried and trusted Noble One dessert wine from De Bertolli in Griffith NSW.

The Sav Blanc was excellent and I found that although Martinborough is renowned for its Chardies and Pinots, the build on the Sav Blanc was first rate. Barry and I debated this wine for a while but ended up agreeing that the tropical fruits that are always present in the Marlborough Savvies were there but less pronounced, which gave the wine a more finessed finish. The Sorrenberg Chardonnay is one of those true to style offerings with a slight hint of peach on the palette, subtle oak with a buttery creamy finish. The Bindi Pinot is a bigger style pinot. There were still hints of sour cherry and chocolate but the fullness on the palette was bigger than a b-double full of offal rolling over on the freeway. The Noble one is an Australian classic that always gets better with age. It’s the syrupy honeycomb that makes this one of the best recognised wines in its category. During our restrained consumption, a plan was devised and it was now time to part ways and regroup on Friday.

*Friday: 17:00 hrs*

Friday came around quicker than a press rebuild, and after a quick Heineken cleanser, it was time to hit the road down to Queenscliff.

Queenscliff is one of those quiet coastal towns, in the winter months, on the Bellarine Peninsula about 120km south west of

Melbourne. We arrived at our hotel just as the sun was setting over the bay. Whilst Lucky and Luckier were getting the bags out of the car Barry and I settled in for a quick pot of Carlton Draught poured from the tap. Now nothing is more satisfying than a good tap beer, except maybe the current tallow prices.

With the ladies refreshed it was now time to turn our attention to the more important things in life: food and wine. We opted to eat at the hotels restaurant which proved a most excellent choice. The service and food would have to be the envy of many a top city restaurant. The menu comprised of local produce that was simply prepared and cooked to perfection (99.9% pepsin digestibility). In addition, the wine list, well, it took Barry and I several minutes to agree on some interesting samples that would be matched to our varied courses. Again, we opted for beer/champagne opener, followed by a couple of Chardonnays, a Pinot and then a sticky.

The champagne, or should I say sparkling, was from Crosser in SA. An excellent candidate with toasty honey tones and fine beading. We decided to keep the wines as local as the Portarlington mussels and ran on to an aged Scotchman's Hill Chardonnay, which had all the right qualities in the all the right places. We followed up with a By Farr Chardonnay from Bannockburn. The By Farr would have to be one of the closest Australian made wines to the Grand Cru Chablis of France. You just can't make them much better than this.

With the mains arriving we quickly knocked the top off a Bannockburn Pinot, and savoured the changes in the wine as it began to open up. Having filled our bellies and no room left for dessert we retired to the sitting room and refreshed our palettes on a bottle of Pettavel late picked Riesling (Sticky) with an accompanying cheese board. The Pettavel is quite different to the Noble One in that it is built rather than brewed. The winemakers use reverse osmosis, a process known to us renderers for different purposes. Unfortunately for some, this winemaking method reduces the alcohol content from 13% down to about 9%.

Barry and I discussed the wines we had consumed that night and decided that the Australian Chardonnays are quite different to the Kiwi ones. Areas like Central Otago, Martinborough and Gisborne are producing Chardonnays in a similar style but are priced higher than the Australian ones of similar quality.

*Saturday: 09:00 hrs*

We all got up in the morning, fresh as a refurbished biofilter, and set off for a quick walk around the town before breakfast. We took breakfast at the hotel (since it was included in the rate) with a spiced Bloody Mary. Whilst Lucky and Luckier packed the bags into the car, Barry and I embarked on a bit of forward planning. We were heading to Daylesford (about 100km north of Melbourne), so we had to be careful to make sure we hit some wineries on the way.

We headed straight for Pettavel Winery just south-west of Geelong. With a growing need to retox, we entered the establishment just as they were opening and embarked on a tasting journey of all they had to offer. The standouts were the Evening Star Riesling and Late Picked Riesling as tried the night before. I must say that in my perfect world reds would taste as good at 10am as they do at 10pm, but the real world dictates that this is not the case. When the first red hit my gob, I thought I had railed back a glass of stickwater. I must admit the second red improved whereas I guess the stickwater would not have. We ordered a couple of bottles each, just in case the car broke down and we were left stranded, and then took off in search of Bannockburn.

Bannockburn is well known for its Chardonnays, Shiraz and Pinot. Unbeknown to us, the wineries are also well known for their lack of cellar door sales. Undeterred we pushed on until we stumbled upon Clyde Park winery (yes, you are right, we had to dip into our recently acquired stocks on the way...thank you to the genius that invented the screw cap closure). Clyde Park had just recently installed a new restaurant section, specialising in wood fired pizza, which was just as well because the good lady folk were thinking more about their stomachs than their livers. In all fairness to them it was lunch time and one of them had to be the designated driver. To keep everyone happy we did a quick wine tasting, ordered a couple of pizzas with a couple of bottles of Chardonnay, and sat at one of the outside tables admiring the views of the vines in the valley below. The pizza was great and the Chardonnay had just the right balance of fruit and oak to match it.

It was now time to head back to the car and embark upon our trip to Daylesford. For those who don't know, the town is known



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for two main things. Number one is that it has natural mineral springs, which has encouraged the growth of relaxation and spa centres. Number two is the pink/gay tourism. So to fit in with the locals, we booked in for a quick rub and then went to the local pub for dinner and to watch an all girl band play to a predominantly female audience.

Unfortunately for Barry and I the only ones who got a look in on the dance floor were our wives. Lucky and Luckier were about to get really lucky, as the local female savages were circling them like flies around a gut truck. I must admit that the band were good as they belted out cover songs from the eighties, especially when the lead singer came out dressed like Cher and did a great rendition of "If I Could Turn Back Time". Barry and I were quite content to sit back and chew on a couple of frothies between the house white from Hanging Rock Winery. We were both pleased to note the amount of lambs we saw on the drive. I was pleased because I knew that parts of these lovely little animals would find their way into my rendering plant, and Barry was pleased for other reasons that he would not divulge.

*Sunday: 09:00 hrs*

Barry and I woke up looking a bit like beef hooks that had been through a hogger....there were dents and chips in our bodies but we were still in one piece. Breakfast meeting...what to do? We decided on heading down to the Macedon wine region, only half an hour south of Daylesford. As Barry did not think much of the house white from the night before, I took it upon myself to take him to the winery to get an understanding of their finer wares. As luck would have it we were not the first ones there. This made the ladies happy to know that they were not the only ones married to partners with a slight drinking problem.

We got out of the car and were hit by a wind that was colder than a trader's heart. We pulled into the cellar door, where I discovered that an old friend was behind the counter pulling wines out for all and sundry to try. Since we immediately recognised each other, it was mandatory to taste some of their premium sparkling in copious amounts. Their premium sparkling is always in the top 5 of Australian origin sparkling.

We progressed through the range of excellent pinots and chardonnays to the all-conquering Heathcote Shiraz. Barry could not believe the body that these Australian heavyweights pack. We purchased a token amount of wine between us (again just in case of a malfunction) and set off back to Melbourne town in search of a suitable luncheon venue. We settled on a small Asian inspired restaurant at New Quay. Barry and Luckier had had a quick meal there on Thursday and wanted to go back and sample some of the other offerings. This was a good choice. There as a small but well thought out wine list that would match the spicy offerings from the kitchen. We let the staff do the ordering for us and decided on a Chardonnay opener from Bannockburn, a Farr Rising which is made by the son of the By Farr winemaker. We knew that this lighter style would present well with any food that you could throw at it.

As the day progressed, we jumped on to a Paringa Estate Pinot, and a Stoniers Reserve Chardonnay, both from the Mornington Peninsula. It was quickly approaching the time for Barry and

Luckier to head back home to New Zealand so we settled the bill and headed for the airport. On the way there we realised that we had not really used the weekend for its intended purpose, which was to discuss the finer points of differentiation between Australian and New Zealand wines. As both of our memories were reluctant to regurgitate the appropriate information, we agreed to try a similar road trip in New Zealand. We stopped at the airport for a couple of Heineken cleansers and wished Barry and Luckier a safe trip home. Luckier had forgotten about the bottle of premium sparkling she had purchased earlier and put in her carry on bag.... Of course the monkey on the security screening saw the lighter side of this and promptly tipped the contents out.

**More from the New Zealand road trip in the next edition.**

## ARA / NZRG Co-operation

After the Cairns AGM an informal meeting between the ARA and the New Zealand Renderers Group representatives who were present was held.

It was agreed that we hold an annual joint meeting of the two groups to discuss matters of common interest and to work together for the best market access outcomes available. These meetings are to alternate between the countries, with the Australian meeting to be held in conjunction with the Symposium. The meeting in New Zealand is to be co-ordinated to coincide with an ARA and a NZRG meeting at around 12 months between symposia. The next joint meeting of the two organisations is to be held in NZ around March/April 2008.

Items discussed of market significance.

1. NZRG was very envious of the cooperation between ARA and AQIS on market access issues. In NZ it appears that NZMAFF often react to market access issues without seeking industry advice. It was recommended that that they need to cultivate the relationship, similar to what ARA has done over the years.
2. NZ was leading the way with approval to get product accepted into the Philippines, and ARA requested details of approvals already received. Response that whilst approval in principle received, as yet no actual shipments have been sent as the documentation issues had not yet been agreed by Philippines.
3. Certification for Vietnam. NZ RG and ARA have similar issues and agreed regarding two certificates with one being for ruminant and one for non-ruminant, however ARA has further concerns in particular with avian product.
4. A joint market access committee consisting of Grant Milner, Noel Dew, Stephen Cooke and Dennis King to develop a market access workshop proposal for Asia. These workshops to be along same lines as the China workshops held in 2004. This committee is to submit the proposal for consideration by both organisations.

*Dennis King*

# Tallow market report

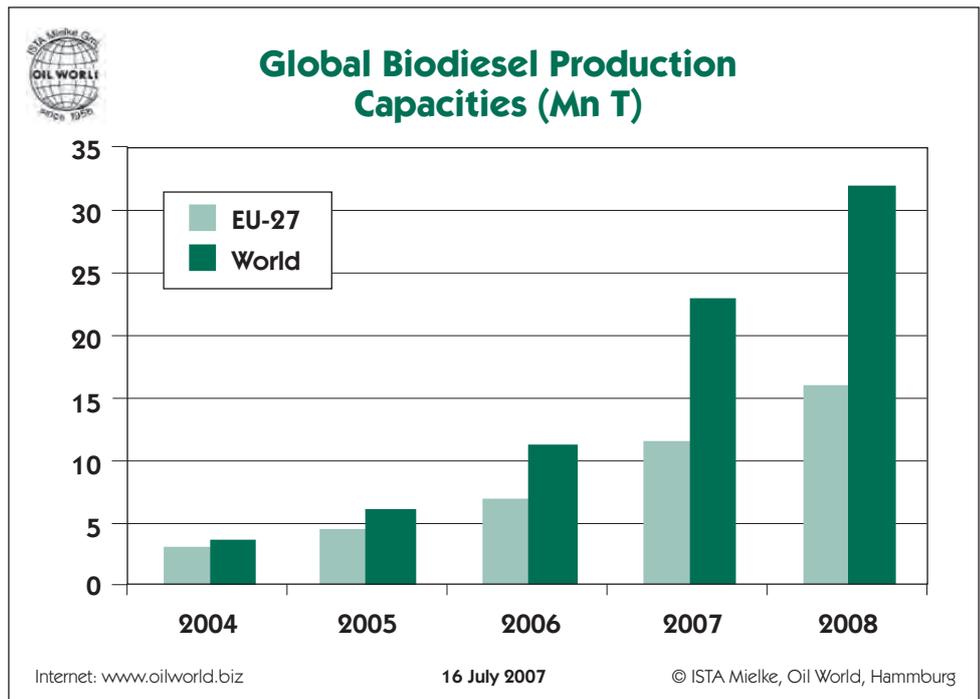
Following summarises current fats and oils trends, key influences and outlook for the near term.

## Bullish Factors

1. Foreign exchange – the currency has fallen sharply since the sub prime issues stirred global financial markets and this has been the single largest driver for tallow prices in the last 30 days. In summary lower A\$ / US\$ exchange rate in theory means exporters have more A\$ to spend.
2. Competition – rumours abound that Wilmar, having bought out the share of Kerry NZ that it didn't own, has on-sold part of this business to a Brisbane based trading group.
3. China demand – with New Zealand tallow production non existent (seasonal) China demand is being filled solely from Australia. At the same time inflation is on the rise in China to the extent where basic necessities are being sought by consumers in order to avoid future price rises. This has created additional demand for tallow as the major soap making raw material.
4. Weather and cattle prices – extensive rains in northern NSW and Queensland have slowed production by about 10% and increased livestock prices. In the south production is returning from its winter break with dry weather putting more livestock on the market.
5. Grains and EU crops – wheat production is sharply lower in all main producing areas and as a result grain prices are approaching all time highs. This will impact planting intentions for oilseeds in the next 12 months. Furthermore at the time of writing EU oilseeds production has been reduced by between 1.5 and 2m mt with the result that the EU will increase vegetable oil imports sharply in the coming months not only to satisfy edible demand but also the growing feedstock demand for biodiesel.

## Bearish Factors

1. North American (NA) tallow prices – these have crashed in the last 30 days largely because of poor demand, high stocks and partly as fall out from the sub prime issue. Australian tallow trades



- currently at a US\$50 premium to NA. Whilst this should at some point influence our market, NA tallow can only trade into Japan and Korea and thus it will not satisfy China demand.
2. Palm prices – these have declined due to increasing production (seasonal) and a reduction in middle eastern demand due to the Ramadan festival, thus increasing palm stocks. The EU situation and changing Indonesian duties to keep domestic prices stable should put a floor under palm prices.
3. Foreign exchange – if the AUD strengthens from here A\$ tallow prices should fall.

## Neutral Factor

1. US weather – largely has been normal and hence US futures prices for soybeans have remained steady. This has been neutral to price because the market has already factored in a crop size consistent with normal weather. In the next 30 days the US harvest begins, with the crop being in the bin by mid October.

## Forecast

Tallow prices will be influenced by many factors going forward. The influence of biofuels means that the trade must also focus on the direction of crude oil prices in order to forecast future prices. Key influences in the domestic Australian market will be weather (effect - kill up or down), increasing grain

prices (effect - cattle on feed numbers down), China demand (effect - price up or steady), exchange rate (effect - price up or down) and biodiesel feedstock demand which should increase as weather warms up (effect - price steady or up).

In the last 12 months tallow prices have traded outside historical levels and it is expected that this trend and general volatility will continue.

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## Vale Doug Anderson



*Doug and Susan photographed at the ARA Symposium in July*

Douglas Paul Anderson, 60, of 5120 Rolling Reach Williamsburg, Virginia, died Tuesday morning September 25, 2007 in his home. He was surrounded by his wife of 36 years, Susan Wilson Anderson and his three children, daughter Helane Marie Anderson of Los Angeles, California; son Lincoln Paul Anderson of Greensboro, North Carolina; and son Alex Douglas Anderson of Oak Island, North Carolina.

Doug was born in Rice Lake, Wisconsin on October 11, 1946 and received a bachelors degree in Business from University of Wisconsin, Madison. He was Vice-President of Rendering and President/COO of BioEnergy for Smithfield Foods, Inc. of Smithfield Virginia. He was involved in the rendering industry for over 45 years. He was Chairman of The National Renderers Association from 2004 to 2005 and was President of the World Renderers Association from 2006 to 2007.

He is also survived by his mother Viola Hoglund Anderson of Barron, Wisconsin; daughter-in-law Cristine Olson Anderson and granddaughter Riley Grace Anderson of Greensboro, North Carolina; mother and father-in-law Duane and Helen Wilson of Delavan, Wisconsin; brothers and sisters-in-law Terry and Catherine Wilson of Middleton, Wisconsin, Mark and Kathleen Wilson of Ft. Wayne, Indiana, Jim and Dawn Donalds of Delavan, Wisconsin, and Paul Wilson of Delavan, Wisconsin; and numerous nieces and nephews. He was preceded in death by his father Paul Kenneth Anderson and sister Mary Kay Leino.

*Thomas M. Cook,  
President National Renderers Association*

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## Vale Fred Herd

Long time industry stalwart Fred Herd of MC Herd at Geelong, sadly passed away in the first week of December aged 82. Fred was a major figure in the industry over four decades and instrumental in establishing the early success of MC Herd as a major player in the domestic processing industry over 50 years ago.

He was a great industry contributor and a very active member of both the Meat and Allied Trades Federation and the National Meat Association. Our deepest condolences to his family and friends.

*Steve Martyn  
Australian Meat Industry Council*