

THE GLOBAL VETERINARY CARTEL - VETS IN QUALITY ASSURANCE

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INTRODUCTION

World trade entered a new era in 1994 with the long-awaited signing of the Uruguay round of GATT. An agreement, we are told, which finally addresses some of the imbalances in international trade.

Politicians have proudly expounded the potential benefits to New Zealand, especially New Zealand agriculture. Various agencies have attempted to quantify the envisaged gains, producing “ball park” figures measured in billions of dollars, but somehow I still struggle with this new “level playing-field” concept. Haven’t the strong always preyed on the weak? Who is going to surrender current positions of financial security without first testing to the limit the political resolve of those who dared change the rules? When questioning a progressive British farmer whether he saw any potential threats in the outcome of the current GATT round he answered that it wasn’t a major concern! Perhaps the story is different in the Northern Hemisphere.

It is my firm belief that any advantages to New Zealand in the post-GATT era will not arrive as a present from Brussels but will be won step by difficult step by only the most astute and efficient producers who best meet the fickle and changing needs of an increasingly discerning customer.

Perhaps, then, 1995 should not be remembered as the year of GATT but as the year in which a New Zealand-based pastoral industry, the deer industry, embraced a quality system extending from pasture to plate. A path which surely all New Zealand-based livestock industries must soon follow.

THE VETERINARIAN

Veterinarians have for some time been regarded as the profession most capable of giving consumer assurances on food safety and quality. Our combined skills in the clinical detection of disease, our understanding of pathology, microbiology, epidemiology and public health requirements make the Veterinary Certificate one which has international recognition - a quality mark in its own right. Add to this the fact that today’s customer requires not only an assurance that food is safe to eat and free from chemical residues, but for enjoyment of the purchase he or she also needs to be sure that the animal was processed humanely and, beyond that, that the animal lived its life in as stress-free and natural environment as possible.

Now we begin to understand that veterinary endorsement of a product is not only required to meet specific import standards but also it must rapidly become an essential sales factor in the marketing arena.

Those involved in our traditional meat processing industries understand only too well the effort and expense in meeting complex EC and US veterinary regulations. In a post-GATT environment the temptation to influence market access by prohibitive food hygiene standards must surely increase.

Recent international developments in the food hygiene arena present major concerns for all New Zealand pastoral industries and demonstrate some of the power entrusted to veterinarians by many of our critical markets. Increasing emphasis is being placed on microbiological assays in raw final product and, linked to this is a push within the US and EC towards pre-harvest or on-farm reduction of pathogens. If we take *M. bovis* as a possible target pathogen then we can rapidly see some of the

downstream implications for New Zealand pastoral industries. Enforced compliance costs would rapidly escalate and, as we all know, elimination of this organism in our environment is virtually impossible. The theory behind specific pathogen control stems from the fact that the pathogen load on a finished meat product is directly related to the pathogen load brought into the slaughter premise by the live animal. EC veterinarians would also like to impose more extensive and sensitive testing for chemical residues based on live animals on the farm. The very substantial effect these changes could have on our cost of production would severely limit our international competitiveness, and they are controlled by regulatory veterinarians in our prime markets.

In the end there will always be a tendency for countries with expensive government-owned veterinary inspection systems to justify operating costs by exerting market influence. Germany and the EC, the major market for venison, has always tended towards extensive and complex veterinary requirements where food hygiene is concerned.

QUALITY ASSURANCE

By far our best, and perhaps only chance of averting this regulatory threat is in our rapid adoption of extensive Codes of Practice and Quality Assurance schemes. These QA programmes must cover all facets of production, including the complete farming system, as measures on the end products only, are completely inadequate. Without these actions the cost of imposed standards could threaten industry viability.

WELFARE

Another, less structured but perhaps potentially more powerful sphere of international veterinary influence is that associated with the welfare and management of food producing animals. We are all aware of the ban on velveting sanctioned by our UK colleagues and the similar sentiments expressed by the EC bloc and recently by veterinarians in Australia. This fact is currently being exploited by UK deer farmers as they attempt to develop their own brand strategy and quality image. They openly state that New Zealand venison can never match the quality of British venison as our animal welfare standards fall well short of their own. The welfare lobbies with veterinary support have severely limited animal transport options within the EC (deer are too 'sensitive' to truck long distances). Farming environments and management practices have been substantially altered and some openly comment that deer are not suitable animals to be farmed at all!

So it can be clearly seen that already we, as veterinarians, are part of a profession which has been empowered worldwide to control market access over issues relating to food hygiene and chemical residues, but now our influence is spreading into the emotive and market-altering areas of welfare and animal protection.

Even here in New Zealand we must realise that we no longer function in an environment of protected isolation. Our decisions and actions will be judged by our international peers and their acceptance or otherwise will greatly influence the financial success of the industries with which we are associated. Indeed, like it or not, we are part of an increasingly powerful global cartel.

THE NEW ZEALAND SCENE

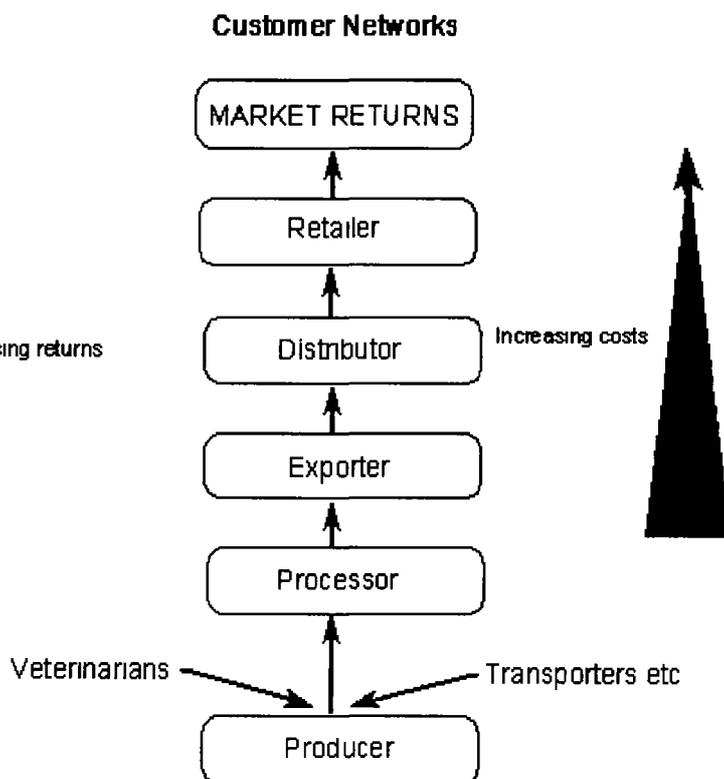
There are two widely held misconceptions that I see as a major threat to a sustainable and prosperous New Zealand rural sector. They are:

- 1) We are entitled to yesterday's markets at yesterday's prices without any improvement in product or service quality,
- 2) Current standards and management practices because they conform to accepted norms within New Zealand society, and they seem perfectly logical in our eyes, will automatically be condoned by our international customers

These factors are equally applicable to both farmers and veterinarians and they underline a basic lack of understanding of the term *quality* as it related to the agricultural scene

Central to all quality systems is the theme of *customer focus* Too often we, as veterinarians, as well as farmers are guilty of not grasping the whole picture This involves a complex chain of direct and indirect customers, culminating with the end consumer

Figure 1



If any one step in this chain offers a service without increasing the value (or reducing production costs) of the end product, then diminished returns will filter back to the producer This will ultimately destroy the industry to which the service was offered Too often we see sectors jockeying for margins at the expense of others within the chain yet adding little to real returns or market penetration. The eventual failure of any one sector can have widespread effects throughout the entire industry (eg The collapse of Venison New Zealand) Today no-one prospers in isolation.

To remain part of the deer industry long-term, veterinarians must adopt an attitude where our prime endeavour is to add value to the final products In parallel we must have systems in place which

guarantee animal welfare needs are met, and in the world arena we must be able to project an industry in which the animals live productive and low stress lives

We have seen how veterinarians as part of the global cartel, have the ability to manipulate market access and influence product acceptance. The balance and countering obligation is that the profession in New Zealand must provide a service and be involved in industry schemes which enhance product value, reduce costs and minimise the effects of imposed market restraints or potential customer backlash

To this end the Deer Branch of the NZVA endorses current moves within the deer industry to develop integrated quality systems. We recognise that:

1. Quality is a major factor in competitiveness
2. Offshore competitors will use quality to defend markets

Three separate yet interdependent programmes are currently supported.

1 National Velvet Standards Body (NVSB)

Established to implement the Industry-agreed Code of Practice for the removal of velvet antler. Many still choose to ignore the wider market implications if we fail to present to the world justification for our current stance on velvet removal. Our systems must withstand international scrutiny and not be influenced by lowest cost mentality. Long term survival of the entire industry requires this approach. While the National Velvet Scheme has evolved as a separate entity, adherence to the Code will form a major part of the ON-FARM QA accreditation process

2 The Tuberculosis Control Scheme

With mounting international pressure for pre-harvest pathogen control it is essential that we maximise the efficiency of our Tb control programme. This is important to assure markets that voluntarily-imposed controls are protecting their interests. The alternative is for imposed restrictions with the potential to disrupt markets

All vets have an obligation to improve standards and operate consistently within the current programme. To this end an integrated QA programme is being developed to cover the veterinary role within the scheme. Individual animal identification, Testing Officer certification and audited performance are all part of the programme of the future

3 On-farm Quality Assurance

This scheme is designed to mesh with the ISO 9002 Standards achieved by the processors and the parallel programme adopted by deer transport operators. In the future it is hoped this scheme will extend the quality image currently being developed to back the Cervena™ and ZEAL™ franchised venison marketing programme. Deer veterinarians and leading farmers have devoted much time to planning and designing a scheme which is farmer-owned and driven, rather than an imposition from the market.

Vets will continue to have a major involvement in this scheme. Approximately 15% of trained assessors working with farmers to gain accreditation are vets and a member of the Audit control team will be a veterinarian. Continued input will also be given to setting the technical standards that govern the scheme

All deer practitioners have a role to play in the success of this scheme. We should positively promote the scheme and understand the reasons behind the various quality standards adopted. Discussing QA and assisting farmers to achieve QA accreditation should become part of our client communication programme

Each client interaction should be conducted with *the customer* (in the broadest sense) in mind. Our actions must be justifiable in the eyes of our international colleagues and farmer education, especially in the areas of chemical residues and welfare requirements, improved.

CONCLUSION

Without a successful marketing programme backed by quality products and increased real returns to the producer, I can only see steadily decreasing demands for veterinary services from tomorrow's deer industry. Decreased returns and major market fluctuations in the past two years have seen many farmers exit the industry and a reversal in growth trends. Financial pressure has fuelled much of the debate over drug availability and the trend towards a 'do it yourself' approach.

Reversal of these trends will only be achieved by a co-operative approach backing a carefully planned and forcefully executed strategic marketing programme. *Quality* is the key and the adoption of a win-win mentality, the latch to tomorrow's customer-orientated world.