

## **GRADING SYSTEMS AND BEEF CONSUMPTION**

The relationship between the age of cattle at slaughter, accurate grading and labelling of beef products and beef consumption is pretty clear.

In the US where there is a whole of market grading system and beef consumption has remained high despite increases in poultry and pork consumption, over 80% of the table beef comes from cattle that are 30 months or younger and most of the cattle slaughtered are under 18 months of age.

Prior to 1996 22% of the beef sold in the United Kingdom came from old cows at the end of their breeding cycle and beef consumption had been declining since the mid 80's as UK consumption of chicken and pork increased.

When the BSE (Mad Cow Disease) outbreak spread to humans in the United Kingdom in the mid 90's the UK Government introduced the 30 Month Rule prohibiting the sale of meat for human consumption from cattle over 30 months. Despite the bad publicity, UK beef consumption actually rose from 16kg per person in 1996 to 21kg per person in 2001, a 5kg or 31% increase in beef consumption.

Once the old cow beef came off the UK market and people could buy a consistent beef product, they switched back from lamb, pork, poultry and fish and ate more beef.

During the same period in Australia where approximately 30% of the beef coming from old cows, beef consumption fell by 4.8kg or 12%. In New Zealand where there is no grading or slaughter age legislation beef consumption declined by 10kg per person or 30%.

In the United States, Canada, Japan and Korea (who all have Grading Systems) beef consumption either maintained or increased.

When BSE broke out in Germany in 2001/02 the German government introduced testing requirements for cattle over 30 months but allowed cattle over 30 months of age that passed the BSE test to be slaughtered for human consumption. Consequently, German per capita consumption fell from 14kgs in 2001 opposed to 10 kgs per person in 2002 and has never recovered.

In other words, the Germans kept selling old cow beef to consumers after the BSE scare (and in clear contrast to the situation in the UK) the result was a significant and continuing decline per capita beef consumption

### **Inconsistent Eating Quality**

Old cow meat is tough, tasteless and pretty hard to chew and as the Australian Consumer's Association say:

“That's why you can buy beef that melts in your mouth one day but when you go back to get more it will be tough and tasteless.”

Both the Australian Consumers' Association and the Meat Industry's Strategic Plan claim that consumer confidence in eating quality is essential to repeat purchase of meat which in turn leads to an increase in per capita consumption.

The 1998 Meat Standards of Australian Strategic Business Plan stated that the *claim* that the then previous decline in demand for beef by Australian consumers had little to do with inconsistent eating quality of beef was *untenable* and pointed to numerous consumer research studies in Australia (and also the US) which identified that *inconsistent quality was a major reason for decline in per capita beef consumption*.

The 1998 MSA Business Plan states that "propensity to repeat purchases is heavily influenced by eating performance".

### **Dissatisfied Customers**

A dissatisfied customer of a butcher may go to another butcher or substitute another form of meat protein such as chicken or pork if they are dissatisfied with their most recent eating experience.

The correlation between the rise of chicken consumption as a consequence of inconsistent eating quality and a lower per kilo price is well documented here in Australia and overseas.

Australian per capita beef, has fallen by over 30% since the 1970's whilst Australian chicken consumption which is based upon an inconsistent product at a cheaper price has increased by over 150%.

Most of the beef sold on the Australian domestic market is not graded and there are no truth in labelling laws to require retailers to describe the quality of the beef that they are selling.

### **Audit Evidence**

Currently there are no effective auditing processes at retail level for those retailers who are signatories to the Voluntary Beef Retail Agreement to ensure that the beef purchased under the AUS-MEAT "Budget" label is being described by the retailer to his customer as "Budget" beef.

MLA advise that they carry out about 1,500 detailed audits a year in MSA licensed retail outlets but only a fraction of the beef retailers in Australia are MSA licensed.

Consequently, under the current system it is very difficult to obtain evidence that would stand up in Court that retailers are selling low grade beef as premium beef.

Under Richard Torbay's legislation retail compliance with the Beef Grading Code will be audited by SafeFood when they carry out their health, food safety and lamb

grading audits. If the retailer cheats and misdescribes the beef they are selling they will be subject to substantial fines.