



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

## **FACTORS AFFECTING ADOPTION OF QUALITY ASSURANCE IN AUSTRALIAN REDMEAT INDUSTRIES**

***Anna Kennedy, Martin Bent, Christine Storer and John Stanton***

*Muresk Institute, Curtin University of Technology, Australia*

Two on-farm quality assurance schemes, Cattlecare and Flockcare, were developed in the mid-90s for the sheep and cattle meat producers of Australia in response to market changes across the globe. However uptake of these schemes has been very slow, especially Flockcare.

This project's aim was to identify the reasons why the uptake was slow, with the major hypothesis being that there were few current benefits for producers. A survey of "adopters" of one or both of these schemes and "non-adopters" was developed and then implemented over about 12 months, in the years of 2000 and 2001.

Approximately 500 producers across Australia, who had implemented quality assurance schemes, were approached over the telephone initially, then asked to participate in a survey. This resulted in a total of 382 producer responses from all states and the Northern Territory. This was a response rate of about 75%. With only 9 direct refusals, the level of interest from producers was exceptional, some of them putting in a huge effort. There were 347 Cattlecare producers (or 9% of all certified Cattlecare producers) and 142 Flockcare producers (or 22% of certified Flockcare producers). These producers had over 1.3 million cattle and 0.9 million sheep covered by quality assurance on their properties. This represented 5% of the total cattle population (or 27% of certified cattle) and less than 1% of all sheep (26% of certified sheep) in Australia at that time. There was an extremely large variation in the size of properties surveyed which reflected the structure of the industry.

The producers were asked about what motivated them to implement quality assurance, what were the problems, where could it be improved, how much time and money had they invested specifically into implementing quality assurance on their property, what benefits had they gained (financial and other), how it had changed their management or product offered for sale, and their opinion on various issues associated with quality assurance and food safety.

In addition 133 "non-adopter" surveys were also collected to provide a control data set. These producers had over 0.12 million cattle, 0.48 million sheep on their properties. In general, it was much harder to persuade these producers

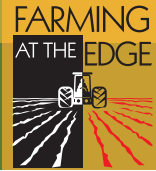
to participate. It was estimated that about 60% of producers approached refused to participate. These producers were asked similar questions, except they were asked to estimate (if they could) how much time and money it would take to implement quality assurance. Unfortunately, most of these producers who were uninterested or knew little about quality assurance, were reluctant to guess all these figures, so the data for these producers was very limited.

A cost benefit analysis was calculated from the estimated time and money invested into quality assurance and the tangible benefits gained from selling a certified animal. The results were calculated as an annual equivalent annuity. Only about 30% of “adopters” had actually gained a tangible benefit at all, and of these only half (15% of the total calculated producers) actually had a positive equivalent annuity. Only producers with cattle gained a benefit. There was a dramatic range in the costs to implement quality assurance on-farm, however the median cost to implement quality assurance per property was about \$875 or \$12 per 100 DSE managed.

Other finding included

- 84% of “adopters” had no changes to their product (livestock sold) and 16% had no changes to their general management after implementing quality assurance. Improved record keeping, chemical control and livestock handling were identified as the major management changes.
- Motivation to implement quality assurance was different for “adopters” compared to “non-adopters”. Peer pressure, market advantage and increased returns (27%, 26% and 18% of producers respectively) were cited as three major prompts for “adopters”. All the other categories of reasons were not business based, but more *warm and fuzzies!!* “Non-adopters” however cited increased returns, market advantage and supply chain pressure (44%, 7% and 6% respectively) as possible prompts to implement quality assurance.
- Actual difficulties experienced by “adopters” were also different to the difficulties anticipated by “non-adopters”. Paperwork, actually getting to implementing it and the extra time demands (19%, 13% and 12% respectively) were the major difficulties for “adopters”, while time, costs and paperwork (19%, 16% and 12% respectively) were the anticipated difficulties for “non-adopters”. Twenty-four percent of “adopters” did not have any difficulties, while 16% of “non-adopters” anticipated no difficulties.
- Suggested areas for improvement also indicated that experience may change their responses. Simplification of initial paperwork, increased demand for quality assured livestock and a need to promote the schemes and the associated benefits to producers were the three highest ranking categories of suggested improvements by “adopters”. “Non-adopters” indicated similar issues but in different order - a need to promote the schemes and the associated benefits to producers, simplification of initial paperwork and the process of implementation.
- It was not possible to group producers based on inputs, attitudes, investment or any combination of these in a way to be able to predict the outcome or net benefit / loss of a new “adopter”. The only way to identify or predict which

# INTERNATIONAL FARM MANAGEMENT CONGRESS 2003



producers were gaining a net benefit was to focus on the methods of selling the livestock. Selling direct to processors either over the hook, with forward contracts or privately appeared to be the only way to gain financial benefits for implementing quality assurance on-farm.