

World Ostrich Association

Newsletters



**Issues 1 – 20
October 2002 to November 2004**

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Issue No. 1 – October, 2002

1. Welcome
2. Introduction
3. Product Committees

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1. Welcome:

The Board of Directors welcome you all to the World Ostrich Association, thank you for your support of the Association; we look forward to and encourage your full participation.

The following is a quote from a paper at the World Ostrich Congress, just finished in Poland:

"I had during this time contact with some of the biggest meat companies in Germany, and their conclusion is, that we, the Ostrich Industry must set unique standards and organize the market and then we can return to speak with them."

These words, we suggest, sum up why this Association is so essential ...there is a need for a Strong World Association that can set Standards, provide a means of communication and dissemination of information.

Your board encourages membership from participants at all stages of the production chain, including manufacturers and buyers of our products to help steer our industry forward from the current fledgling status to become a mature and professional livestock production industry. We ask that each and every one of you encourage others to join the World Ostrich Association to assist in developing an environment where all participants can grow their own businesses. Membership currently processed at the time of writing:

- Region 1 (North America) - 5
- Region 2 (South America) - 2
- Region 3 (Europe) - 5
- Region 4 (Middle East) - 1
- Region 5 (Sub Saharan Africa) 1
- Region 6 (Asia) - 0
- Region 7 (Pacific Rim and Australasia) - 5

Full details of the regions are available at: <http://www.world-ostrich.org/regions.html>.

2. Introduction:

Each month - or more frequently if the need arises - we will provide a newsletter to inform members of issues that are of concern or interest to us all. We welcome contributions to the newsletter from any member.

This woa@world-ostrich.org internet mailing list may be used by any member to ask questions, raise discussions and generally communicate between members. If there are non-English speaking members, they are welcome to post a message in their own language and we ask someone who speaks that language to translate to English. This method of communication will provide access to non-English speakers

to a greater number of people with the experience they are seeking. We also ask English speaking members of a non-English speaking country to translate for members from your country unable to speak English.

Shortly there will be a "member's only page" that will have an increasing amount of information available only to members supporting the association.

3. Product Committees

We currently have a situation where we have a market interested in our products...the founder members have come together to form this Association through certain frustrations over the general lack of professionalism within the industry. The major cause of this problem is the lack of leadership to provide a direction with benchmark standards. In 1999 a number of people took part in an Industry Strategic Analysis session to identify the problems in our industry and the need for standards was clearly identified...yet efforts to introduce standards have been continually blocked. As has been proven, an industry without standards is limited in its ability to grow as confusion remains amongst buyers and producers. In addition the less than honourable traders capitalise on the situation.

Below is a list of the different areas your Board have identified as requiring the setting of Standards. If any member has suggestions, has seen a specific need or would like to contribute as a committee member your contribution would be welcomed. There will be a separate email list for discussions between the members of the Standards committee and once established they will be announced to members for their approval.

Aims and Objectives of the Product Committees

Motivation

The Ostrich industry is in its infancy as a production livestock industry and supplier of meat products. It is acknowledged by many that there is a need for grading systems for all products to enable buyers to have benchmark guidelines, to eliminate the 'trading' on price alone, to eliminate the manipulation through mis-information and provide an environment for quality production resulting in the development of a thriving industry.

Aims

The aim of these committees is to establish and/or review research projects and develop standards as are common practice in other livestock industries. It is expected that these will evolve as bird quality improve and the research projects produce meaningful results.

Each committee will consist of 5 people that combine the expertise of those who must have an understanding of the factors that control the quality of the production and active experience in the market place.

For the trading for Fertile Eggs, Birds, Meat and Green Skins each country has it's own protocols. There is a need to work towards standardisation as close as is achievable, given each country's unique health status and requirements. Each committee should also establish a database of protocols already established between different countries and be available to provide advise to those countries with a need to establish protocols.

Products:

Birds:

At this time probably the most challenging to establish comprehensible definitions that can be interpreted accurately and enforced.

This committee will cover such things as:

- * International Transport of Eggs, Chicks and Birds
- * Definitions of 'Healthy Birds'
- * Grading and/or Classifications of Breeding stock marketed.
- * Will the WOA operate a Bird Registry Program?
- * Research Projects
- * Protocols

Meat:

The market place requires these with a sense of urgency. It is suggested that the current BM grading system be recommended for adoption.

This section will include such things as:

- * Carcass Grading
- * Meat Grading
- * Muscle Names
- * Definitions of Yield measurements
- * Requirements for a Slaughter Plant
- * Requirements for EU Approval of Slaughter Plant
- * Research Projects
- * Protocols

Skins:

The industry currently has basic grading standards, but in all other respects an Ostrich Skin is an Ostrich skin, with some companies developing marketing strategies relating to skin type and/or finish. There are no International standards providing specific specification. The committee will quantify the available standards and evaluate the need for amendments in relation to:

- * Grades and system of Grading
- * Classifications to include:
 - * Thickness
 - * Follicle development
 - * Size
- * Research Projects
- * Protocols
- * Recommended Removal Instructions for Raw Ostrich Skins
- * Recommended Storage Instructions for Raw Ostrich Skins

It will be up to the committee to develop the required areas for classifications and it is to be expected that these will evolve as the volume of skins increases and data is collected and evaluated.

Feathers

As the oldest of the products this is where there is most knowledge, but current information is only available through the marketers...there is a need to provide access to 'generic' definitions for buyers to reference.

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- * define feather types
- * define grades within feather types
- * research projects
- * protocols

Oil

The board suggested that these standards will be discussed after the above standards have been finalised. It is accepted that more data will be required before the following can be accurately determined.

- * Standards for rendering to produce marketable Crude Oil
- * Standards for refining to produce marketable Cosmetic Oil
- * research projects
- * protocols

Issue No. 2 – December 2002

1. Web Site Down
2. Current Membership
3. Newsletter and Mailing List Contributions
4. Chile Conference
5. Markets
6. Standards

1. Web Site

We have Ostriches on Line to thank for providing and maintaining the web site. A week ago they suffered a hard disk failure. Whilst the site was up and running again in 24 hours, many of the functions have taken time to be re-established. This has included new member applications and the mailing lists. We apologise for the delay in the issuing of this 2nd News letter and lack of communication through the mailing list. If there are any of you who have tried to communicate, receipt of this news letter is an indication that the mailing list is once again operating correctly. Our sympathies also to Steve Warrington and his dedicated team as this failure must have been devastating with the run up to Christmas.

2. Current Membership

We are delighted to report the membership of the Association is now in excess of 30 with a few applications still being processed. Even more encouraging is that 19 countries are now represented. This is an indication that this Association is truly an Association representing the World Industry. A common reason given for joining is the wish to be kept informed as to activities within the industry as well as knowledge and understanding of the markets. To achieve this as accurately as possible requires full participation of members to please communicate on activities within your own countries as clearly the Board members cannot be everywhere. Please encourage others to join and participate.

3. Newsletter Contributions

Every one of us are busy running our own businesses, be it farming the birds, processing or marketing. Some members are involved in all stages of the production chain. Whatever your perspective we would encourage a few minutes to write a contribution to our newsletter and/or development of discussions on the Membership email list. We welcome members to take on the responsibility to become the Liaison for your country. It may be that there can be several to share information from your particular perspective.

4. Chile Conference

Plans for the conference in Chile are progressing well. Our thanks to Maria Isabel de Silva who is based in Chile and Craig Culley our secretary for their hard work on putting this together. The dates are set at 27th to 29th March, 2003 in Santiago and delegates will be restricted to 200. Details of the program will be published before the end of the month.

5. Markets

To open discussions on the Markets I will write a personal viewpoint that I believe provides some background understanding to the current market situation? As an open livestock production industry, the Ostrich industry is in its infancy...we are all pioneers.

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In 1995 I was handed some internal South African bank documents that provided some most revealing reports on the industry. As most members will probably know, the industry was a controlled monopoly until the end of 1993 and this monopoly was not to be given up easily. There were a number of comments that made extremely interesting and very relevant reading:

- ❖ It is often said that the mortality factor has been the major factor in controlling the supply of products. (only last month it was reported to me that this view is still held by some...but not those who have to make a living from farming the birds of course!!!)
- ❖ KKLK made a point of telling us how they had hit back very hard at the opposition which had sprung up in the wake of deregulation and how they had killed off a major competitor.
- ❖ They are openly threatening to close down the opposition and to close up the industry again.
- ❖ They maintain that they have enough clout to eliminate other market participants by using their accumulated reserves.
- ❖ There are many references to the poor levels of production per breeder bird and the need to keep birds to 14months before slaughter.
- ❖ There are also many references to the very poor levels of production, no genetic improvement programs and research only being started in 1988.

At the time of deregulation Ostrich Skins were the main product and attracting prices as high as \$40/sq ft. This is the market that was being so jealously guarded. There have been tremendous fears that development of the meat market would erode those prices as a result of increased numbers of birds...with several attempts made to curtail the rapid development of the meat market. 9 years later, despite many efforts to control production, the skin market is now eroded with prices of skins as low as \$12/sq foot for finished leather. In South Africa this drop in price has been somewhat masked by a severe devaluation of the Rand and improved meat prices. Gross revenue per bird at the end of 2001 was averaging around 20% of the Dollar value but 130% of the Rand Value. These last couple of weeks have seen that Rand value eroded with the strengthening Rand.

During this period the breeder markets have been going from one country to the next, with most countries not yet having made a successful transition to processing and marketing of products. In livestock terms total world production is extremely low volume. Working with low volume not only creates additional production and marketing costs, it also limits the markets that are available. The result of this fragmentation has been traders competing on price and simply undercutting each other to maintain cash flow.

Another major factor that has hindered market development is poor levels of production on farm, both here in SA as well as in the developing countries. Not only has production been below estimates, the quality of birds raised has, for the most part, resulted in inferior quality meat and skins. In many instances this has been compounded by poor processing in many new countries as they go through the learning curve.

Last year I demonstrated to the leaders of the SA industry lost additional earnings on meat alone of some \$150/bird. This was made up of a combination of increased meat yields/bird and selling at the price the competition were offering instead of undercutting. It did not take into account potential increased prices due to improved quality or reduced processing costs as a result of the increased meat yields. Our local slaughter manager confirmed that he agreed totally with my figure. Some recent statements that have been made in response that clearly demonstrate that certain attitudes are still present amongst some:

- ❖ "An increase in production due to better meat yields and markets, will doom this industry, will encourage other countries to increase production".
- ❖ "High meat prices will eventually harm the South African Ostrich industry".
- ❖ "The industry should remain focused on Ostrich Leather as the prime reason for producing ostriches".

These statements are made by traders not producers with a need to make a living from their production livestock!!! The situation has become so serious that a major and very experienced South African leather marketer made the statement at the recent South African conference "No Raw Material - No Industry." He also made a statement that is totally contrary to the statements we hear all too often emanating from a few in South Africa - that of the fact that in livestock production terms our production is miniscule and until we get production levels up there are markets that the industry cannot hope to access.

The message from most all quarters is that as an industry we need to be producing **CONSISTENCY IN QUALITY, CONSISTENCY IN SUPPLY AND IN VOLUME**. This is applicable to skins and meat.

In view of the current low volume our only markets available are 'niche' markets. To supply 'niche' markets products must be of the highest quality. My research has clearly shown that for the most part the Ostrich industry is currently processing birds that demonstrate varying degrees of mal-nutrition. During one of my presentations discussing meat colour and showing photos of multicoloured meat and bright red, even coloured meat, a processor present demonstrated complete surprise. The multi-coloured meat was all he had ever seen and assumed it to be the norm.

I hope I have given a few clues as to why there is currently confusion within our industry and limited market development? I hope I have also provided some clues as to why all have to pay attention to the detail of all that is required to develop our markets? We all know that we have a specie capable of producing the most superb and highly marketable products and the current 'block' to progress is quality bird production in sufficient volume.

6. Standards

Our mission within the WOA is to promote ostrich production and the marketing of ostrich products profitably throughout the world. To survive the industry must move on from just satisfying minor niche markets (badly) to becoming a major force in the market with quality products and in sufficient volume. This can only be achieved if we all work together wherever we are by adopting common standards for production of live birds and their by-products.

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To help this process the WOA intends to develop and publish these standards. We are now in the process of setting up our first two committees - one for live birds and the second for meat. Members of the Meat Standards committee are: Fiona Benson (Chairman), Yoland de Groot, Daryl Holle, Prof. Hesham Khalifa and Stan Stewart. The Birds committee is not yet finalised and if any of you feel that you would be able to serve on this committee please communicate with Craig Culley. As soon as these committees have produced their findings the results will be published for the full membership to comment before final adoption by the WOA Board.

Any comments or contributions please send either to this list at woa@worldostrich.org or privately to craig@worldostrich.org

Issue No. 3 – February 2003

1. New Year Greetings
2. Communicating
3. Membership
4. Meat Standards
5. Chile Conference
6. Future Conferences
7. Meat Quality
8. Country Liaisons

1. New Year Greetings

A Very Happy and Prosperous 2003 to you all.

2. Communicating

The number one reason given for wishing to join this Association is for improved communication and to learn. Whilst your Board of Directors are in touch with many of the activities throughout the industry, we cannot possibly be everywhere. We have set up channels of communication and do encourage all members to please use these channels to communicate with each other.

It would be interesting for others if members could write a report from their own perspective or news from your own country. Either directly to the list or privately for inclusion in this newsletter. That will ensure that the newsletter carries more than the views of just one or two people.

3. Membership

Membership is increasing steadily and we now have members from 21 countries with a few more currently in the pipeline being processed...truly a World Association.

4. Meat Standards

The meat standards committee have been very busy and can report that they have recommended an Ostrich Carcass Grading System that has been approved by the Board of Directors. Full details can be found at <http://www.world-ostrich.org> As a result of points raised during the discussions on the Grading System, it became apparent that there was a need to quantify all the aspects that influence Meat Quality. 10 Major Areas were highlighted and the committee is now working on short definitions of these areas and these will be published shortly. These 10 areas are:

Farm Management

1. Age of animal
2. Management Systems
3. Nutrition

Handling and Slaughter Technique

4. Handling prior to slaughter
5. Slaughter techniques
6. Cold Chain during slaughter

Storage, Distribution and Display

7. Storage and maintenance of the cold chain during distribution
8. Method of storage

9. Method of display

Hygiene

10. Hygiene

When this is completed, next on the Agenda of the Meat Standards committee will be Yield Payment Systems and Muscle Identification. The latter is seen as extremely important given the many number of meat charts currently in use that are adding confusion to the industry.

5. Chile Conference

The program for the conference has been published, with bookings flowing in. Bookings can be made through the web site at <http://www.world-ostrich.org/chile2003/> where full details of the conference can be found. Worthy of note is that this will be the very first conference that we can all meet Daryl Holle outside the United States. The theme of the conference is "The Commercialisation of the Ostrich". The program is designed with emphasis on discussion, audience interaction, practical workshops, the economics of producing and processing Ostrich and markets and marketing.

We hope to see many of you in Chile

6. Future Conferences

Due to time constraints with the time required to produce the Standards, organise conferences and run their own businesses, the Board of Directors have made some changes to the future schedule of conferences. The next conference will be the AGM to be held in Spain during the latter part of the year - final date still to be decided. The first conference of next year will be held in Australia.

7. Meat Quality

During the past month or so a few of us have visited a number of slaughter and processing plants currently working with Ostrich. From all came a common message. Concern over achieving correct slaughter procedures and in particular correct bleed out; the huge variation in the meat yields and meat colour they are seeing, assuring the maintenance of the cold chain and taste. One processor and marketer we met stated that he was concerned doing meat tastings in view of the fact that he could not trust one bird to another to be consistent often having a livery taste to it. I asked him the question "if the meat were a better colour do you believe your sales would be far greater?" His answer was "without a doubt". He knew his customers want our meat - but they also are looking for it to be consistent and of an acceptable colour.

The speaker on meat marketing at the First World Ostrich Meat Congress held in 1997 in Oudtshoorn stated all these factors (and a few more) and put out a plea to the industry to get these factors sorted --- 6 years later this remains the major block to total consumer acceptance. How to overcome these problems will be covered at the Conference in Chile.

8. Become a Country Liaison

We are looking for one COUNTRY LIAISON per country to help with information gathering of ostrich production in their specific country.

The responsibilities of the COUNTRY LIAISON include reporting on ostrich events in their country, maintaining the WOA updated with the correct national ostrich industry

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details, information as to how a person can start an ostrich farm in their country and contact details of any ostrich magazines or newsletters. The post as a COUNTRY LIAISON is voluntary.

The COUNTRY LIAISON must be a fully paid up member of the WOA. If you are interested in becoming the COUNTRY LIAISON to the WOA for your own country, please contact Alan Stables at alani@wanadoo.es with a short description of your ostrich activities todate.

**Any comments or contributions please send either to this list at
woa@worldostrich.org or privately to craig@worldostrich.org**

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World Ostrich Association
<http://www.worldostrich.org>

Issue No. 4 – March 2003

1. Chile 2003
2. WOA Members Get Savings on Ostrich Magazine "Ostrich & Around"
3. Meat Standards Committee Report
4. Member Contributions and Participation
5. Chile 2003 Program

1. Chile 2003

The conference is now only a few weeks away. We look forward to meeting many of you. Those who have not yet booked we encourage you to do so as soon as possible to ensure your seat. This promises to be the most informative World Ostrich conference to date and set the scene for future conferences that can be informative, constructive and designed with a "commercial" industry in mind. I would like to remind everyone that this is the first time for those of us operating outside the United States to meet Daryl Holle and ask him directly questions from bird raising difficulties through to achieving end product quality.

As a reminder the program will be copied at the end of this Newsletter. There have been some minor changes to timing and in addition the organisation committee have added a session for members to report from their own countries. If you would like to provide a 3 minute report please communicate with María Isabel Silva at isabel@world-ostrich.org. On behalf of the Board of Directors and Members I would like to thank Isabel for the tremendous amount of work she has done to make this conference possible. As the only board member based in Chile, the bulk of the organisational work has fallen on Isabel.

2. WOA Members Get Savings on Ostrich Magazine "Ostrich & Around"

Ostriches & Around is a magazine dedicated to the Ostrich Industry published in Italy. The editor, Gianlugi Veronisi, has made a wonderful offer to World Ostrich Association Members - adding an additional benefit to members and enhancing the means of communication and dissemination of information within our industry.

Normal subscription rates are:-

SUBSCRIPTIONS FROM ITALY: Euro 50; USD 50

SUBSCRIPTIONS FROM EUROPEAN UNION: Euro 75; USD 75

SUBSCRIPTIONS FORM OTHER COUNTRIES: Euro 100; USD 100

For WOA Members these rates are reduced to

SUBSCRIPTIONS FROM ITALY: Euro 25; USD 25

SUBSCRIPTIONS FROM EUROPEAN UNION: Euro 40; USD 40

SUBSCRIPTIONS FROM OTHER COUNTRIES: (WOA member) Euro 75; USD 75

That's a minimum saving of \$25 and a maximum saving of \$35.

The Board of Directors thank Gianluigi for this most generous offer to support the WOA and our members.

Any members wishing to take up this offer please communicate with Craig Culley at secretary@world-ostrich.org and he will organise collection of subscriptions.

3. Standards Committee Report

The Meat Standards committee are delighted to report the completion and adoption now of:

The WOA Carcass Grading System: <http://www.world-ostrich.org/grading.htm>

The WOA Yield Classification System: <http://www.world-ostrich.org/yield.htm>

The WOA Factors that Influence Meat Quality: <http://www.world-ostrich.org/meatqual.htm>

The WOA Carcass Grading System is designed to be a Producer and Consumer Program

The WOA Yield Classification System is designed to be a Producer and Processor Program

The committee identified that there are misunderstandings of the many factors that influence meat quality and hence the development of the document to define very simply the different areas and factors that influence meat quality. We urge every member to please study this document. Much of the information is basic knowledge. However, as Ostrich is a new industry there are many who are either involved with processing meat for the first time or have been forced into processing to find a market for their birds with little or no previous experience in rearing livestock for meat production and processing. As a new industry there is a lack of supporting data as it relates to Ostrich, but the principles are the same as for other comparable mainstream meat specie. Over time the WOA Meat Standards committee will update any relevant sections as the information becomes available and/or specific trials/tests have been carried out.

The meat committee ask any members who have any relevant information to please pass to the committee Chairman - Fiona Benson at editor@world-ostrich.org.

These standards will be reported on and explained in detail at the Conference in Santiago and this will provide an opportunity for producers, processors and marketers to ask questions and make comments that they feel are relevant. We look forward to your input.

The committee have now started to work on Muscle Identification. Currently there are many different muscle charts in circulation - all too often with different names and/or numbers. The committee will review these documents to establish a standardisation that can fit in with different meat cultures and will report their results to our members as soon as this task is completed hopefully in time for the conference. If not completed by that time, we will report progress to date.

4. Member Participation

Contributions to this newsletter or list postings from members remain conspicuous by their absence!!! Please remember that the Board of Directors cannot be in all places therefore member participation is welcomed and encouraged.

5. Chile 2003

Wednesday 26 March 2003

17:00 - 19:00 Registration

Thursday 27 March 2003

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8:00 - 9:15 Registration

9:30 - 9:45 Opening Speech -- Steve Warrington

9.45 - 10.45 Sales and Marketing of all Ostrich Products, Domestic, National and International -- Steve Warrington

10.45 - 11:15 Coffee Break

11:15 - 13:00 Economics of Ostrich Production and Processing, Feed Conversions, High Yields, Kill Out Percentages -- Fiona Benson and Daryl Holle

13:00 - 14:30 Lunch

14:30 - 15:15 Question and Answer Session Led by Daryl Holle

15:15 - 16:30 Ostrich Meat Workshop, practical demonstration of cutting up an Ostrich carcass -- Stan Stewart assisted by Daryl Holle

16:30 - 17:00 Coffee Break

17:00 - 18:00 WOA Standards Committee discussion, Livestock & Meat -- Led by Fiona Benson

18:00 - 18:30 Question and Answer-- Session Led by Daryl Holle

19:30 - Dinner -- a wonderful selection of local fare

Friday 28 March 2003

9:00 - 10:15 Production Ostrich Nutrition, the key essentials to profitable farming -- Fiona Benson and Daryl Holle

10.15 - 11.00 Marketing and Selling Ostrich Products in Chile and South America -- Steve Warrington

11:00 - 11:30 Coffee Break

11:30 - 13:00 Ostrich Production Feed Management & Farm Management -- Fiona Benson and Stan Stewart

13:00 - 14:30 Lunch

14:30 - 15:30 Question and Answer Session led by Daryl Holle

15:30 - 16:30 Ostrich Leather and Skin Quality, how to get the quality the consumer wants -- Alan Stables and Candido Gonzalez

16:30 - 17:00 Coffee Break

17:00 - 18:00 Ostrich Meat Quality, how to get the quality the consumer wants -- Daryl Holle

18:00 - 18:30 Question and Answer Session Led by Daryl Holle

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19:30 - Dinner -- a wonderful selection of local fare

Saturday 29 March 2003

9:00 - 10:15 Ostrich Leather & Skin Workshop, grading, consistency, storing, tanning and colouring -- Alan Stables and Candido Gonzalez

10.15 - 11.00 Ostrich Processing, what does the processor need from you -- Stan Stewart and Fiona Benson

11:00 -11:30 Coffee Break

11:30 -12.00 Ostrich Oil Workshop - Sergio Escobar

12.00 -13:00 Ostrich Nutrition and Ostrich Genetics, working together to produce better livestock -- Fiona Benson and Daryl Holle

13:00 -14:30 Lunch

14:30 - 16:00 Ostrich Feather, Ostrich Oil, Ostrich Eggshell Workshop, manufacturing, selling and marketing these products for extra income -- Steve Warrington

16:00 - 16:15 Ostriches in Chile and South America -- Ricardo Martínez and Uca Lozano

16:15 - 17:00 Country Speaker Open Forum for updates of what is happening with ostrich production around the world -- Led by Maria Isabel Silva

17:00 - 18:00 Question and Answer Session led by Daryl Holle

19:30 - Gala Dinner -- a wonderful selection of local fare and delicious Ostrich meat recipe

Any comments or contributions please send either to this list at woa@world-ostrich.org or privately to secretary@world-strich.org

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World Ostrich Association
<http://www.world-ostrich.org>

Issue No. 5 – May 2003

- 1. Back on Line**
- 2. Country Liaison**
- 3. Chile**
- 4. Bulgaria**
- 5. Members Only Pages**
- 6. Changing Email Addresses**

1. Back on Line

It has been too long since I last produced a newsletter and my apologies to you all. Many of you will know that I left South Africa just before Christmas. After several months in England I moved to live in Spain in early March. Our little flat is located in a well established urban area surround by houses (new and old) with telephone connections - but to date Telefonica have failed to provide me with a telephone line. This of course has been devastating for me. Working with Internet Cafes I managed to stay on top of regular communication but found myself working at 50% efficiency. Hence, voluntary work regrettably had to move to the pending tray.

Finally I succumbed to working with a Cell phone and the GPRS system. Not an ideal solution for someone who transfers large documents by email on a regular basis as payment is on a megabyte of data transfer basis - but slowly I am catching up and returning to normal system of working.

2. Country Liaisons

We would like to welcome the following people as country liaisons and am sure all members look forward to hearing reports from the different regions.

BULGARIA: Dessi Daskalova
CANADA: Michael Sunderland
CHILE: Maria Isabel Silva

There were many applications received at the conference and thank you all for offering. Alan is busy processing these applications will publish the names as soon as all are confirmed.

Your Board of Directors are all well aware that most of you joined this Association to be in touch with activities of the global industry. As I have said before it is not possible to be everywhere, therefore the communication can only be as good as the information we receive from all of you, our members as well as our country liaisons. We look forward to regular reports from our country liaisons and thank them all for volunteering in our continuing efforts to keep the channels of communication open.

3. Chile

The conference in Chile was extremely successful and trust that all who attended returned home not only having made many new friends within the industry but also armed with greater knowledge. The papers are now available on the web site. The delay in getting them onto the web site regrettably was due to my communication difficulties and compounded by the fact that my laptop crashed. Fortunately a computer wizard in the UK managed to recover all my data and we finally were able to have access once more to the files. The written word is backing up presentations

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that included many photographs, practical demonstrations and opportunities to ask questions and of course does not replace being present at these conferences.

The papers on the web site at <http://www.world-ostrich.org/chilepap.htm> are:

- ❖ Commercial Ostrich Production
- ❖ Economics of Ostrich Production
- ❖ Ostrich Skin Removal
- ❖ Chairman's Report

All of us present in Chile will remember Steve was very busy with his camera. The results of that effort are also available from that link.

My own presentations contained many charts and some delegates asked if they would be available. I believe most of the charts are contained in these papers or on past Nutritional Bulletins referenced in the papers. If there is any particular chart that is not found or any questions to ask, please email me privately at editor@world-ostrich.org. Most all of you know that I will answer as best I can.

4. Bulgaria

The 2nd WOA Congress - Bulgaria - 23 - 25 October 2003

The World Ostrich Association is proud to announce that the 2nd WOA Congress, "Commercialisation of the Ostrich" is being held in Sofia, Bulgaria from 23 - 25 October 2003.

Continuing on from the enormous success of the first Congress in Chile in March 2003, this conference is destined to be the most informative and progressive Ostrich congress Europe has ever seen and will maintain the emphasis of economics, marketing, sales and the overall Commercialisation of the Ostrich.

Please keep your diaries open for 23 - 25 October 2003 for a visit to the beautiful city of Sofia in Bulgaria.

All final booking, hotel and travel details will be available on the WOA web site towards the end of June 2003.

Don't miss this premiere Ostrich congress - we look forward to seeing you all in Bulgaria in October.

The AGM will be held during this conference.

5. Members Only Pages

These are now being developed and we will let you know when they are ready.

6. Members Email Address

When members have a change in email address, will they please notify [craig](mailto:craig@world-ostrich.org) at secretary@world-ostrich.org. When notifying of a change in email address, please provide the old email address and the new email address as well as your name.

Any comments or contributions please send either to this list at woa@world-ostrich.org or privately to secretary@world-ostrich.org

Issue No. 6 – July 2003

1. Moving Forward
2. Principles of the WOA
3. Dissemination of Information
4. Who are your Directors?
5. Slogans
6. Country Liaisons
7. Email Address - Hotmail

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1. Moving Forward

The Mission of the WOA is to provide a positive direction for the Ostrich Industry through "Communication, Dissemination of Information and Development of Industry Standards".

Much has been accomplished during our first 9 months and our membership has grown to 31 Countries and 73 members. The Board of Directors (BOD) are very aware of the need to fulfil our obligations as set out in the Mission Statement. All board members have their own businesses to run and carry out their duties to the WOA on a voluntary basis. Everyone is well aware of the need to optimise the time we have available and we have therefore implemented a number of modifications to make more efficient use of this time.

Conferences require a tremendous amount of time and organisation and since all assistance with organising these conferences is voluntary, the BOD has recognised that to effectively present a professional conference, it is necessary to direct our focus to one annual conference per year.

In our few short months of existence, Craig Culley, our hard working secretary, has received a number of requests on different issues - we need to define policy statements when replying to such requests. The membership pages of the Web Site also need to be expanded to provide members with more information and this is targeted to take place in the coming months.

We all know the industry is contending with many issues to achieve a successful transition from breeder phase to commercial phase. This is a primary reason that the BOD founded the WOA and we are committed to ensure we all achieve this transition since it is as important to us all as it is to all members.

2. Principles of the WOA

I. To promote a professional world wide ostrich industry based on sound and ethical livestock principles.

II. To encourage members and non-members alike to utilise modern agricultural trends in all aspects of animal welfare and humane ostrich agri-processing

III. To constantly review and update consumer information.

IV. To ensure all ostrich products are brought to the market place with the highest quality and consistency by recognising that all stages of the production/value chain are completely interrelated.

V. To establish world wide production and marketing standards that forms the cornerstone to correctly support the sales of quality ostrich products.

VI. To develop procedures for the implementation of these principles; which will enable the ostrich industry to compete in the marketplace with modern livestock and agri-processing methods.

VII. To provide the leadership, knowledge, guidance and dissemination of correct information to accurately recognise these principles and to encourage their implementation.

3. Dissemination of Information

One aspect that has concerned the BOD since our industry opened up has been the proliferation of what we define as "misinformation". The Board members were asked to write down just a few items of misinformation being spread in the industry today. Within 24 hours we had 50 and all of us could think of many more. The list is very long.

What do we mean by misinformation? The list has been arranged into categories. Below is one item of misinformation from each category to give you some examples:

BREED

- Blues lay less eggs than Blacks

PRODUCTION

- Birds have to be slaughtered after 12 months of age or the follicles are not mature on the skins

FARM MANAGEMENT

- Ostrich males should be separated from females during the off-season and put on a starvation diet so they will be more aggressive next season.

PRODUCT QUALITY

- The diet fed ostrich has no effect on the quality of the meat, fat, skin products.

FEED MANAGEMENT

- Birds eat more if Feed is always left out for them

SYMPTOMS

- Late Season chicks are weaker than First of the Season Chicks

FEED FORMULATION

- Fiber is Fiber, no matter what the source of the Fiber is.

We will shortly begin a series to educate on all these subjects. For each statement there will be an explanation as to why the particular statement is not true, backed up by studies where these have been carried out or required. These will be posted to the members list on a regular basis and we invite every member to please, please participate in discussions.

** Participate if further clarification is required

** Participate if there is disagreement with explanations provided

** Participate with your experiences that support the explanations provided.

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- ** Participate with your experiences that contradict the explanations provided.
- ** Participate with personal comments
- ** Participate with your observations and your input

Your participation is very important to your fellow members, to the BOD and to the ostrich industry as a whole. The more you participate, the more the industry advances and the rewards to all become increasingly evident.

We would like to develop idea into a forum which will begin to dispel many of these myths that make little sense in modern professional livestock production - and even more so for Ostrich.

The BOD knows that this new forum will help support members in their quest for knowledge and in their efforts to develop a greater understanding of how to achieve a professionally run and operated ostrich business.

4. Who are your Directors

Recently there was reason to define your Board of Directors. When I did this, a very interesting factor appeared. For the longest time I have heard the myth "Blue Mountain only wants to sell feed" and never could understand why people would say that since we have shared more meaningful research information than any other in the industry to date, done more to help further the industry and shared more research results than any others in the industry. All of us are in business to sell something. When you analyse your board of directors, this is what you find and maybe it explains even further why I could not understand this "feed selling" myth?

Four of us - Alan Stables, Stan Stewart, Maria Isabel Sylva and myself

We are all developing our own businesses through investing in the BM systems. Having done so, we have all learnt a great deal, witnessed first hand the results, and it is this that has brought us all together to make this a meaningful and progressive association. As the first of the group to invest in BM "internationally", I have also been in a position to share the results of my limited research given my very limited resources.

We have all recognised this misinformation that has abounded as making no "common livestock sense", studied what is required and implemented that into our businesses. We have also learned that to do this alone is simply too large. We recognise the need that we have to work together as our industry is so very small in livestock production terms. This is the only way to generate the volume to reduce our operating costs and to develop the full support infrastructure required by all producers.

We are also motivated and frustrated by the demand for the products and lack of coordinated, consistent and quality supply that alone we cannot supply.

One of us, Daryl Holle, is the developer of all the BM systems. What most may not know is that Daryl started simply farming the birds. Daryl has a background of pioneering advanced nutrition in Dairy to make a living from his own production livestock (not to sell feed). As an individual, he invested in his own research and development based on his studies of production livestock nutrition over many years and that resulted in the birth of BM Feeds as the local farmers could see the results he was achieving. Daryl then created the other BM systems to follow the path of

"production livestock" standards to help the Ostrich industry to become a viable industry.

Those of you who were in Chile and were hosted by Isabel, will remember her 3 month chicks in the pen close by the house where we all enjoyed her hospitality. In late June she took a few photos - I think they tell their own story and just why we are all so committed. The file size is too large to send the photos as an attachment to this newsletter, but they are available at http://www.world-ostrich.org/chile2003/chick_growth.html along with a few other photos from different parts of the world. All small people recognising that "together we grow and alone we flounder".....

5. Slogans

Here are a few slogans that I would suggest we can all work to develop?

"Unleash this Giant"

We know the potential of this industry or none of us would have invested in it. Most members are seeking the "key" that unlocks this Giant. Many of you will have joined the WOA hoping to find answers. Of course there is no "quick fix" but

.....

"Together we Grow - Fragmented we Flounder"

A few years ago, a visitor from Australia with a large production unit, that sadly I hear is no more, asked me "why can't we all work together?" He went onto state:

"I get enquiries for meat of a volume that alone I know I cannot supply for many years to come. ä, Instead of working together, the industry continues to compete against each other for the small outlets on price, slowly killing each other."

Consolidating different "production centres" would enable those markets to be accessed.....

"Pooling Resources"

Recently I was sent the Beef production statistics for Brazil. If you do the production projections on a pretty substantial project, even 10 years from now the total meat production would be 0.5% of their total Beef Production. If we pool resources how much faster we can all grow?

- **Shared experience
- **Shared marketing
- **Shared research
- **Shared exchange of genetics
- **Shared product development
- **Shared training costs

- the list is endless.

Very little in business is "free" but costs can be substantially reduced when shared and the benefits significant. "Together we Grow - Fragmented we Flounder".

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Please email your thoughts to woa@world-ostrich.org on how we, as an Association, can develop these slogans and grow together.

6. Country Liaisons

BULGARIA - Dessi Daskalova

BRAZIL - Roberto Leandro

CANADA - Michael Sunderland

CHILE - Patricio Maureira

COLOMBIA - Gary Jordan Rubio

ECUADOR - Antonio Marques

EGYPT - Hesham Khalifa

Report from Egypt is that the Egyptian Ostrich Association was formed on 1st July, 2003. On behalf of us all I would like to pass on our congratulations and wish them every success.

MEXICO - Joel Lopez Perez

PAKISTAN - Sayed Asad Husain

VENEZUELA - Rafael Paiva

A COUNTRY LIAISON is somebody who wishes to participate in information exchange between their own national country and the WOA. Information requested for example is on their own national association, events and ostrich related magazines.

This role is purely a voluntary one.

If you are interested in being the COUNTRY LIAISON for your own country, please contact the Liaison Committee at liaison@world-ostrich.org.

7. Email Addresses - Hotmail

Some members have Hotmail email addresses. Hotmail provide a very limited capacity for holding email and once the mail box is full the messages bounce. The mailing list administrator has been receiving a large number of bounced messages from Hotmail Accounts. If this goes on too long, he has no alternative than to delete that member from the mailing list. Please, if you have a Hotmail email account ensure that the mail box is emptied regularly so that it does not become over full.

If you change your email address please notify the Secretary at secretary@world-ostrich.org. When notifying of email address changes, please provide your name as on the membership registration, your old email address and your new email address to ensure that the correct changes are made.

Issue No. 7 – October 2003

1. Which Direction is our industry heading?
2. What do Meat Buyers Look for?
3. What can we learn from other livestock industries?
4. Definition of a Carcass
5. Definition of Meat Yield
6. Bulgaria Conference Cancelled
7. Changing email address

1. Which Direction is our industry heading?

Most every member has joined the WOA to help to understand better what is happening generally in the Industry and specifically the markets. Many countries have introduced Ostrich and each country to date has failed to establish sustainable growth markets. Many write to me about their concerns on their future as the marketing of end products becomes their block. The next two items I trust will provide some insight?

2. What are Meat Buyers looking for?

The Meat and Livestock Commission in the United Kingdom have introduced a Red Meat Industry Forum that covers Beef, Lamb and Pork production. They are now producing a regular newsletter for their members. There are many lessons that we can learn from this forum set up to assist producers understand market requirements as the basic principles apply to all meat production, no matter which specie.

Some quotes in an article carrying the subject title: **"Producers Must Study Market Requirements"** from the Director of Food and Drinks procurement of a major Service Industry company based in the United Kingdom, with hotels and restaurants of a number of different brand names:

"We all want consistency of quality and guaranteed availability of course. But the supermarkets can package and price meat of different weights and thickness, for example, while the diner in a restaurant will expect his steak, say, to be of much the same thickness, size and shape as that of others around him, who have ordered the same meal and are paying the same price. Uniformity of product is, hence, of particular importance to the food service sector - pubs, restaurants, leisure markets and the like - which accounts for some 30% of the food consumed in the UK".

"When buying meat products, from whatever source, a major marketing outlet such as ourselves looks not only at factors like breed of animal, carcass conformation, cost and delivery guarantees, it also needs uniformity of product and the ability to buy ahead at a guaranteed price".

The article referenced wishing to purchase their products from British producers but with Red Meat they were purchasing from a few other countries that were listed and went onto state:

"Being a commercial company, we buy from these other suppliers as they sell at a lower price, for a like-for-like product, than their UK counterparts. Consequently, it is up to the British farmer to seek to compete with products from overseas by **supplying more precisely what the food service sector requires.**

"Currently, overseas producers of red meat are inclined to be more flexible and knowledgeable about our requirements than the UK producer."

"Farmers need to look beyond the farm gate, further even than the needs of the supermarkets, and to learn and understand the requirements of the food service sector".

"I see a major educational role for the Red Meat Industry Forum in helping and encouraging producers to achieve this."

Personal comment: With Ostrich we have an additional problem and that is our buyers do not yet know the product adequately because the industry itself is still learning. The WOA has now established basic grading systems.

3. What can we learn from other Livestock Industries?

At the end of last month the History Channel in the United States produced a program focussing on Beef Production. Some interesting facts that were referenced as the same principles apply to Ostrich Production and indicates just how much work we have to do. Almost half of the program was about genetic improvement and how that has progressed over the last 40 years. How all that is tracked by the Producer and the parameters that are needed to ensure the animal they produce is a **Profitable animal and what the consumers want.**

Many statistics were provided - some of the most interesting and I will add a few comments in italics (bracketed also for those not able to read html email).

a. Genetics and Nutrition have increased at such a rapid rate that today the beef industry is producing far more efficiently in "cost of gains" than it was in 1970. It is "cost per pound of gain" that is the only determining factor for raising a profitable beef.

b. Cattle ranchers know that in order to raise a marketable product, it has to be **acceptable to the consumer**. For example, today's beef is far less fat per animal, with genetic improvements to ensure fast muscle growth (weight gains) so that the meat is still tender, tasty and appealing.

c. Today, the same OUTPUT of meat production, as produced in 1970, can be achieved with 20,000,000 less animals than it could in 1970.
(Currently the Ostrich Industry has a variation of meat yields from as low as 18kgs per bird to in excess of 50kgs, indicating the potential to very quickly achieve the same amount of meat from far less slaughter birds.)

d. The average commercial feedlot these days is around 87,000 head of cattle.

(One limiting factor to developing markets for our Ostrich Meat, and skins, is the lack of production. Let's put this statement into perspective. Very approximately:

*A US Cattle Feed Lot turns over the cattle in a feed lot on average every 100 days
87,000 head x 3,65 = 320,000 head of cattle per annum
With an average of 250kgs (550 pounds) of saleable meat products from the average feedlot fed beef animal that represents:
250 x 320,000 = 80,000,000 kilograms (80,000 tonnes of meat) from as SINGLE beef feedlot*

Total world production of Ostrich is currently about 16% of that SINGLE beef feedlot.

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Around 60% of all Ostrich production currently comes from South Africa, the rest of the production is very fragmented

Our major markets - such as the market referenced in the article above - are not yet available due to the very low volume of Ostrich production.)

e. Range cattle breeder farms, those producing quality beef for feedlots, that use modern genetic practices and good nutrition principals, account for 75% of all high quality beef animals that now go to slaughter in the US.

f. A growth hormone is essential to profits as it accounts for an increase of 10% to 15% in daily weight gains. Without it, there would be no profits for the beef ranchers without a tremendous increase in beef prices, which would have a negative consumer demand effect.

(This is a major marketing advantage our Industry has - the technology is available to produce a quality Red Meat that as an industry we must be sure we maintain totally free of Growth Hormones).

The program covered standards established for beef "grade quality" and beef "grade yield" and many other issues that explained how modern meat production has progressed a very long way in just a few decades, from simply feeding an animal and selling that animal and fits in with all the writer of the above referenced article was discussing.

4. Carcass Weight

Liveweight to Carcass is one of the critical production measurements when assessing the costs of production, efficiency of the nutritional program and genetic performance of livestock. This is common across all livestock production specie.

A major difficulty we currently have with Ostrich is that there are a number of different methods used to dressout the carcass. As our industry is in its infancy as a livestock production industry, there are many newcomers seeking guidance. So standardisation, clear definitions and understanding of the different methods is extremely important. It is important for buyers to know exactly what they are purchasing, it is important to for producer's to measure performance against others. For me personally, knowing which definition a producer is referencing is of particular importance when discussing their bird performance. Many producers share with me their performance figures - we first have to establish exactly what the weights are based on. It is also essential when recording bird data for superior genetic grading and classifications.

From correspondence that I receive, I am experiencing an area of confusion in understanding the difference in Carcass Weight and Meat Yield and all that is included in these different classifications. This I have found to be particularly relevant amongst those marketing the birds to new production groups. Recently I had a case where a marketer of birds had been supplied with a thorough break down of a South African carcass. He presented me with a business plan that he planned to present to new producers based on these figures supplied and allotted revenue from the "meat" to the weight of the "carcass". On average the carcass weight is +/- 50% of liveweight. Meat Yield is 60% - 65% of Carcass weight.

When the first Meat Catalogue was issued by the IOA in 1998 there was just one Number applied to the Carcass. At that time I recommended that there should be a clear definition of Carcass as different countries dress out carcasses in slightly different ways and even within South Africa at that time some were removing the Fat Pan (Belly Fat) and others were retaining the Fat Pan. This suggestion was

acknowledged as important by the scientist in charge of producing the very first catalogues but no action was taken by the industry to correct this.

It is accepted that different slaughter plants have different equipment, processing requirements, cultural requirements and so on that will influence the way they dress a carcass. However, the better we can standardise this as an industry the easier it will be as we are a young industry developing on an International basis. If there are any processors amongst our membership, the Meat Committee would appreciate hearing your thoughts on the definition of a Carcass if you are currently processing birds in a different manner to either of these two definitions.

The Meat Standards Committee is suggesting the following carcass classifications:

- OS1001 Whole Carcass Assembly
Definition: Complete Carcass
(Full neck on, breastplate removed, fat pan removed)

- OS1002 Half Carcass Assembly
Definition: Complete Carcass cut in half
(No neck, breastplate or fat pan)

- OS1003 Compact Carcass Assembly
Definition: Carcass with front bone frame removed
(No rib cage, wings or neck)

5. Meat Yield

Another area of confusion is exactly what does constitute "meat yield" when measuring the performance of a bird.

The Meat Yield Classification can be determined by the total yield of Deboned Meat harvested from a bird.

- Definition: Deboned Meat Weight is the total weight of the Drum Muscle assembly without the leg bone, the Thigh muscle assembly without the Thigh bone and the Tenderloin muscle.

- Deboned Meat Weight Standard: Silver/Blue skin left on the meat, Major Tendon ends removed. Not included in the weight are Rib Cage meat, Neck meat, Organ meat or Fat.

The reason for leaving out the Rib Cage meat, Wing meat and Neck Meat is to maintain uniformity as not all slaughter plants recover this meat. Necks are often sold bone still in and rib cage sold to other plants for deboning. The meat from these areas and the organs are all usable, with 5kgs - 10kgs of meat that can be recovered from these areas, but is labour intensive to recover.

6. Bulgaria Conference

It is with regret that due to insurmountable administration problems and difficulties with online booking on the web site the conference in Bulgaria has been cancelled.

We would all like to acknowledge the assistance that Dessi Daskalova has provided over these past months. A very sincere thank you Dessi.

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Your directors will be discussing how the Annual General Meeting will take place and the date. The by laws of the association allow for virtual participation as it was expected that due to the fact that we cover so many countries throughout the world, not everyone is able to make physical meetings.

7. Changing your email address:

The usual reminder please for any of you changing your email address. Please notify Craig at craig@worldostrich.org. When providing that notification to ensure it is identified please include:

Your Name
Your Current email address
Your New email address

When posting messages to the mailing list, please ensure that you are posting using your registered email address so that the Majordomo software recognises the message as a registered member.

**Any comments or suggestions please post either to the members list
woa@worldostrich.org or email Craig privately at craig@worldostrich.org**

World Ostrich Association
<http://www.worldostrich.org>

Issue No: 8 – November 2003

1. **What has happened to the WOA**
2. **Resignation of Directors**
3. **New Web Site <http://www.world-ostrich.org>**
4. **AGM**
5. **Change of WOA Contact Email addresses**

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1. What has happened to the WOA?

This is a question asked by Dessi last week. Stan's short answer summed up the reasons. It is now my task to go into a little more depth.

The Directors are all very committed to the need for the WOA as an association to fulfil the Mission of the WOA:

"To Represent The International Ostrich Industry Through Communication, Dissemination of Information and Provision of Industry Standards"

We are all committed to supporting our members. However, it is only when such an association is operational that the commitment in time is truly understood by all. This time of course is voluntary and has to be fitted in around our revenue generating work. We all understand that the success of the WOA in achieving it's objectives also helps our own and our member's business as well, and hence the reason for us all being prepared to spend that time.

It became apparent that with our limited resources in manpower we can either run conferences or we can put in place better programs for membership interaction - that we simply do not have the manpower to be able to do both at this time. As has been seen in trying to do both, we accomplished neither. Since the cancellation of the conference in Bulgaria, we have discussed the new program extensively and made some changes. Those I will now endeavour to outline.

2. Resignation of Directors

Due to Personal and Family commitments that have enforced constraints on his time Steve Warrington has submitted his resignation as Chairman and Director.

Due to increased time commitments to work, Alan Stables has submitted his resignation as a Director and Country Liaison Coordinator.

Your remaining directors have accepted those resignations with regret. I am sure you will all join the remaining directors in thanking them for their service. Both will remain as members of the Association.

3. New Chairman and Directors

As Vice-Chairman Stan Stewart has taken over the role of Chairman

Under the Articles of Association Prof. Hesham Khalifa from Egypt, who you have all come to know through his contributions to answering Member questions has accepted the invitation to be co-opted onto the board. Welcome to the Board Hesham and thank you for committing to this task. As soon as the other replacement director is known we will let you all know.

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Your current directors are:

Stan Stewart - UK: Chairman

Daryl Holle - US: President

Craig Culley - UK: Secretary

Fiona Benson - Spain: Activity Coordinator

Maria Isabel Silva - Chile: BOD Member

Prof. Hesham Khalifa - Egypt: BOD member

4. New Web Site

One of our major difficulties over the past months has been the administration of the web site, keeping it updated and getting the member's only pages established. As notified last week, we now have a new web site. Our new web address is: <http://www.world-ostrich.org>

The web site now has:

* The entire website is "searchable" for any key word, name or phrase. There is a search link on the main index and a search link at the bottom of every page.

- ❖ There is an email link to the "secretary" at the bottom of each page.
- ❖ A "members only" section that is accessible from the Main Index on the home page. This is a USERNAME/PASSWORD protected directory so it will not be accessible until we have set up a USERNAME/PASSWORD system with the membership. Nothing is in the members directory at this time so no usernames and passwords have yet been issued. We will notify you all as soon as that is operational.
- ❖ The WOA Chatroom is setup and will be Username/Password protected using members Username/Password. Directors use the Chatroom for holding board meetings and it is available also for standard committee meetings. It maybe also serve as a mechanism for holding General Member meetings in the future.
- ❖ All of the WOA Mailing Lists are ready to go with some being used already. The Members Mailing list is now operational and we ask you all to post your messages to the new members list: woa@world-ostrich.org

This association is a members association and therefore the directors would appreciate your ideas as to how the web site can better serve your needs. Please let us have your ideas.

Please join me in thanking Daryl Holle in working hard over the last weekend to have our new web site now up and running complete with operational mailing lists and member's only pages. Amongst other things, this now means that we can move forward with the Misinformation program that required interaction with the web site.

4. Annual General Meeting (AGM)

The AGM was scheduled to take place at the Bulgaria Conference. As this is no longer possible alternative arrangements will need to be made. The Articles of Association state that all meetings maybe Virtual meetings, with the exception of the AGM that will be a physical meeting. The main reason for this was to encourage 'face to face' communication with each other.

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Recognising that not all members can travel half way around the world to attend an AGM - even if held at a conference, the articles do allow for virtual participation. Voting forms will be available from the members only pages on the web site. The actual place and date of the meeting along with the agenda will be announced shortly.

5. Change of WOA Email Addresses:

With the change in the website all email addresses that end in worldostrich.org are no longer valid. Please use:

For any communication with:

The secretary: secretary@world-ostrich.org

The Country Liaison Office: liaison@world-ostrich.org

Newsletter: editor@world-ostrich.org

Members List: woa@world-ostrich.org

Any comments or suggestions please post either to the members list woa@world-ostrich.org or email Craig privately at secretary@world-ostrich.org

World Ostrich Association
<http://www.world-ostrich.org>

Issue No. 9 – December 2003

1. **Welcome New Directors**
2. **Web Site Update**
3. **VOTING Reminder**
4. **AGM**
5. **Membership Renewals**

1. **Welcome New Directors**

Following the resignation of Steve Warrington and Alan Stables, your Board of Directors ask you all to please welcome Dessi Daskalova, from Bulgaria and Professor Hesham Khalifa, from Egypt.

Stan Stewart has taken over as Chairman. Prof. Khalifa, we are pleased to announce, has agreed to act as Vice Chairman.

As per the Articles of Association, there will be no election of directors this year. Over the next three years, directors will stand down in rotation and may offer themselves up for re-election. The order of rotation has been drawn:

2004 - Stan Stewart and Prof. Khalifa
2005 - Fiona Benson and Dessi Daskalova
2006 - Craig Culley, Isabel Silva and Daryl Holle

2. **Web Site Update**

Any of you visiting our new web site will have noticed that it continues to grow with information and facilities. Over the next months we will continue to develop the site as a source of information.

2.1 **Membership Pages**

These are now fully operational and you will require your User Name and Password to gain access. Please protect these and do not pass them to non-members. The more members we have, the longer we can maintain membership fees at minimum cost. These pages are for all of you who have paid to support the process.

2.2 **Bulletin Board**

Coming very soon will be a Bulletin Board. This Bulletin Board will enable:

a. **Members Advertising**

Advertising is not allowed on the members mailing list. The Forum will allow any WOA member to post items "for sale" or items "want to buy" on this Bulletin Board.

b. **Asking Questions**

Some members find a lot of messages through the mailing list a problem, with the result that many do not get read. To reduce this load, members with questions can now post their questions to the Bulletin Board. This will have the advantage of answers being able to be kept together with the questions for easy reference. In addition the answers will be available for viewing in the months to follow. The web site has a Site Search facility that will enable a quick method to access a particular topic of discussion.

2.3 Chat Line

The Java Chat line facility is fully operational and available for On Line Meetings and also pre-arranged discussion sessions. Members may use it for discussions between themselves. However, if for private discussions please book the time with the Web Site Committee Chairman - Daryl Holle, to ensure that you have privacy and no other group is also wishing to use it at the same time. Just remember that access is member password protected so only available to members talking between each other.

2.4 Language Translation

One aspect that we are very aware of is the need for information in different languages as many Ostrich producers/processors/marketers and buyers do not have English as their first language. To provide this facility requires either volunteers from members with the ability to carry out the translation themselves or paying professional translators. The latter is an expensive exercise that cannot be handled under our current level of membership fees. Your suggestions on how to accomplish information on the web site in different languages would be welcomed.

2.5 Search Facility

This is available from any page. Click on the link and put in a key word of the topic you are searching for. The search engine will then check the site and provide the WOA web page or pages that cover the topic you are searching for. Give it a try and you will find it works very quickly.

2.6 Member Suggestions

Your directors are open to suggestions on items that members would like to see included on the web site.

3. VOTING REMINDER

Please remember that every member's votes are important. The voting form for the AGM can be found at:

<https://whale.secure-host.com/world-ostrich/member/agmvote.htm>

All votes must be cast by 5.00 pm GMT on Monday 1st December, 2003. This is 2 hours prior to the commencement of the meeting. No voting will be taken at the meeting.

You are asked to vote on:

- a. Acceptance of the Annual Financial Report
- b. Acceptance of the Board of Directors Resolution No. 1

If you have any points you would like to raise for discussion on these topics before casting your vote, then please complete the comments box available on that page and we can take the discussion to mailing list prior to the meeting.

4. Annual General Meeting

A reminder of the meeting on Monday 1st December, 2003 at 7.00 pm GMT. If you are not sure of your local time to GMT here is a web page that should assist:

http://www.amadeus.net/home/worldtime/en/wt_en.htm

Full details of the AGM, including the Agenda and access to the Chairman's Report, can be found at <http://www.world-ostrich.org/member/agm2003.htm>

5. Membership Renewals

Your directors are very aware that with director time constraints, the learning curve and web site difficulties, we have fallen short in supporting members during this first year of the Association. For that reason, your Directors have agreed to extend initial membership to 30th September, 2004 to all qualifying members. A qualifying member is any fully paid up member as at 30th September, 2003 who has not been disqualified under Clause 7 of the Articles of Association.

Our industry faces many challenges ahead if we are to successfully stop the current downward spiral and make the transition from Breeder Markets to a professional Agri-Processing Livestock industry that is capable of competing in the market place on equal terms with mainstream livestock industries and enable all in the Value Chain to make reasonable profits. A strong World Ostrich Association has an important role to play as part of the required program to help lead the industry to success.

Any comments or suggestions please post either to the members list woa@world-ostrich.org or email Craig privately at secretary@world-ostrich.org

World Ostrich Association
<http://www.world-ostrich.org>

Issue No: 10 – January 2004

1. Happy New Year
2. Country Liaison
3. Understanding Our Market
4. Membership Invitation
5. Quality Standard Marks
6. Minutes AGM

1. HAPPY NEW YEAR

A very happy and prosperous new year to all.

2. Country Liaison

We are pleased to announce that Prof. Hesham Khalifa has agreed to take over the task of Director with direct responsibility for the Country Liaison program, replacing Alan Stables, who resigned as a director in October. Prof. Khalifa will be enhancing the roles of the Country Liaison Officers as it became apparent during discussions at the AGM that there was a desire to reach more people. So please give your thoughts to the discussion on the Members List.

3. Understand your Market

The greatest concern amongst all is market development. Our industry has tended to look within the industry for answers, instead of understanding how the Meat Market works with our competitive specie. Previously I have discussed the influence of our very low volume and the challenges this presents until we all have a far greater level of production. A few more statistics to demonstrate this point:

"About three million kangaroos a year turn into steaks or stews on European tables - a significant part of Australia's 10 million kangaroo harvest. Australian exports of kangaroo meat so far in 2001 have jumped by 30 per cent."

"Venison is also hot and meat exporters cannot fill demand. Australian venison exports slipped, to 1.67 million kg or 46,000 deer in 2000/01 from 1.8 million kg or 56,105 animals the year before, only because herds had been "cleaned out" to meet rising European demand, producers said."

"All of us could sell heaps more if we could just get the animals. It's frustrating."

This situation was during the BSE outbreaks of 2001 in Europe. These opportunities are not new and some of us have been aware of these opportunities since we started in this industry in the early to mid 1990's. Lack of quality and consistent production remains the limiting factor to industry development. The production groups that will capitalise on these opportunities will be those groups that put in place the right production methods to supply the market with consist quality, consist supply and in volume.

In a discussion on Branding meat products a few interesting excerpts:

"However if a nationwide effort to generate more public interest in beef and lift the value of UK beef cattle is to be effective then tacticians must acknowledge that branding is more than identifying an attractive name, designing an eye catching logo and putting beef cuts into an individualistic pack."

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"Experienced food sector specialists have warned that as many as nine out of 10 food brands are withdrawn either because they fail to excite consumer interest or because the product itself falls short of buyer's expectations - and with beef this is most likely to be as a result of unexpected toughness."

"It is encouraging that more farmers, private companies and marketing bodies are getting behind this by building new brands but forward momentum will only be maintained if consumers are confident that the beef sold under this multiplicity of labels will be tender, juicy, and full of flavour."

"This means more attention must be paid to what goes in these packs than in the design of the packs themselves. Even if a beef brand is well researched and perfectly marketed it will fail if the beef is dry, bland and tough to eat".

Note how the emphasis continues to be on Meat Quality rather than simply good packaging.

The above excerpts come from different articles that can be found at <http://www.meatnews.com>

I recommend going to this web site as it provides a good insight into the Meat Industry.

Other web sites that offers some excellent articles and consumer market research information on the British Meat Industry is <http://www.redmeatinudstryforum.org.uk> and <http://www.mlc.org.uk> .

Please let me have any web sites you know of that are good sites for understanding more the meat market and I can publish in future newsletters.

4. Membership Invitation

One of the Eight Principles of the WOA is:

To develop procedures for the implementation of these principles which will:

enable the ostrich industry to compete in the marketplace with modern livestock and agri-processing methods

Marketing covers many things from production methods on farm, processing, packaging, distribution, trade fairs, advertising and **industry standards** so that our producers, processors, marketers and customers know and understand our products. My focus in these discussions remains on Meat production as this is the most important product to enable a successful transition from Breeder Market to full commercialisation. However, the principles also apply equally to skins, feathers and fat.

A reminder of a comment from one of the speakers at the Poland conference in 2002 and referenced in the first WOA Newsletter:

"I had during this time contact with some of the biggest meat companies in Germany, and their conclusion is, that we, the Ostrich Industry must set unique standards and organize the market, and then we can return to speak with them."

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This is essential to bring us in line with mainstream livestock industries and enable our industry to compete as a professional livestock production industry.

The Standards committees of the WOA have produced Carcass Grading Systems and Yield Classifications. The Directors recognise that establishing the standards is the most important task to be accomplished by the WOA. However, it is then up to members to understand the Standards and implement them in their marketing.

Our buyers currently treat all Ostrich meat as the same and generally evaluate quality only on bacterial counts and basic presentation. While our industry remains small and fragmented this approach allows competition only on price with buyers in control. It is the responsibility of all of us to find mechanisms to fully understand and distribute the standards to all actively involved in the industry. While we are a tiny, immature and fragmented industry, this is a challenge that must be discussed and understood in order to formulate a plan amongst members on how we can ensure the standards are known, understood and followed.

An important method to spread the understanding of the standards is through increased membership of the association. With that in mind we ask all of you to encourage any you know involved in the industry to join the association and support the standards. To keep this newsletter within the file size limit of this mailing list, I will post separately an approved letter of invitation that you can send to any you know in the industry to invite them to join the Association.

We also ask any of you that feel qualified to offer your services to assist with the work still to be done on any of the committees that are listed at <http://www.world-ostrich.org/member/committe.htm>. If you feel that you are able to serve on any of the committees, please email the chairman of the relevant committee. That includes this Newsletter - all contributions will be gratefully received.

5. Quality Standard Marks

To get a greater understanding of how other livestock industries tackle Quality and Standards - below is a further excerpt from another meat production industry:

"The British Meat Quality Standard Mark is an integrated scheme involving the farm, feed supply, livestock hauler, abattoir and processing plant, all of which must comply with strict operating standards.

All pork, bacon and ham that carries the mark comes from farmers and processors committed to high standards of animal welfare, quality control and traceability. But written standards are no good by themselves.

We need to know that they are being followed. Every link in the supply chain is subject to regular independent auditing to ensure that they conform".

This discussion is taken further on the following web connection:
<http://www.mlcclassification.co.uk/>

Another web site that gives further clues on how other livestock production industries are tackling the quality of their products is <http://www.meatscience.org>. If you go to their search engine - <http://www.meatscience.org/search.asp> type Meat Color into the search box and a number of different fact sheets come up discussing this topic with different specie.

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The science that controls these factors in other specie is the same for Ostrich so long as the unique requirements of Ostrich are fully understood in the same manner that they are becoming increasingly understood in the production of Poultry, Beef, Lamb and Pork. It has been my experience when reading many publications on Ostrich production and watching practices on farm, that the basic principles are being ignored, with the resultant mixed fortunes on farm and tremendous variability on slaughter age, muscle sizes, muscle quality and overall quality of our end products.

That same variability is demonstrated in Skin Quality, Fat Quality and Feather Quality.

The MLC is a National government funded organisation. With Ostrich production not yet a mainstream, volume production industry, with small pockets of production scattered around the globe, it is clear that we have to develop a strong organisation that will have the resources to develop our own internal auditing services. We need to develop volume to be able to fund these activities.

6. First Annual General Meeting

The first Annual General Meeting was held as published on the 1st December. The minutes of the meeting can be viewed from <http://www.world-ostrich.org/member/agm2003.htm>

The need to spread the benefits of membership was a clear message that came through from discussions and we need far more discussion on this subject on the members list. Members' thoughts and ideas are welcomed.

Any comments or suggestions please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org

Any contributions for inclusion in future news letters please send to Fiona at editor@world-ostrich.org

Ask not only what the WOA can do for you but also what you can do for the WOA.

World Ostrich Association
<http://www.world-ostrich.org>

Issue No: 11 – February 2004

1. Director Resignation
2. Globalisation - Economic Impact of Bad Publicity
3. Industry Comparisons
4. Conference in China
5. Normal vs Usual
6. Contributions

1. Director Resignation

It is with great regret that we have received and accepted the resignation of Marie Isabel Silva as a director due to ill health. I am sure you will all join me in thanking Isabel for all her hard work to date, and especially organising the conference in Chile.

This provides an opening for a new director. If any of you would like to serve as a director or nominate someone to be a director, please let Craig know at secretary@world-ostrich.org. Qualifications for a director can be viewed under D at <http://www.world-ostrich.org/member/resolve1.htm>

2. Globalisation - Economic impact of Bad Publicity

BSE, Avian Influenza, New Castle Disease and Toxic Contamination reports are all examples of situations that have resulted in overnight collapse of prices for producers and in many instances slaughter of the total flock or herd. Events of this nature are particularly devastating when there is a dependency on export markets as is the case with most all livestock rearing today.

They also have an impact on demand of alternative meat sources - such as Ostrich, Venison, Bison, Kangaroo in the case of the Red Meat Industry. The common factor of these alternative sources being their perceived purity as they are specie that have not previously been domesticated.

When added to increasing consumer concerns over the use of hormones, routine use of antibiotics and certain factory farming techniques, our industry does have considerable marketing opportunities IF we can develop commercial levels of production and as an industry we do everything we can to minimise the risk of adverse publicity.

We have had an example in our industry back in 1996. A report on Congo Fever in Ostrich had a devastating impact on the South African Ostrich industry in particular and the ostrich industry in general. It also impacted severely on Australian Emu producers marketing their meat into the Far East. They reported to me that their buyers perceived Emu the same as Ostrich. This particular incident only happened in a single slaughter plant in a totally different country but the buyers would not buy and used this incident as an excuse to drop the price offered. Although subsequently proven to be of no concern to consumer health, this particular incident took the heat out of a rapidly developing Ostrich Meat Market with a severe drop in prices. It affected the entire Ostrich and Emu industry.

So we all need to be extremely aware of how interdependent we all are on each other at all times, but especially while our industry is so fragile during the transition to commercial production. As an industry we need to be working internally for all to understand and minimise our exposures to these risks.

3. Industry Comparisons

An industry that maybe we can consider the Farmed Salmon industry as similar to our industry for growth potential?

Over the past two decades, the farmed salmon industry has increased production from approximately 24,000 metric tonnes to over 1 million tonnes, growing at a rate of 14% per annum in the EU and 23% in North America between the years of 1988 and 1999. These are growth rates we need to be considering as an industry.

The Salmon industry is now the subject of a recent health scare that has come from the reports on the levels of certain toxic chemicals in farmed salmon. Whether or not the toxicity levels are a danger to consumers, the publicity indicating that there could be a problem will have shaken consumer confidence in their products and must have a devastating impact on the prices achieved. This also came to them at a time when their prices have reduced as a result of economies of scale now being achieved.

What is important is to do all we can to ensure that an incident in any single area does not put at risk the whole industry.

4. China Conference

The conference originally set for September has now been rescheduled to take place from April 2 to April 5 2004. Further details can be found at the following web site links. <http://www.iko.com.cn/conference>, <http://www.woc2003.com>

The organisers have kindly offered discounts to WOA members of 10%. If you should wish to attend, you will need to quote your membership number and submit and pay for your registration by 29th February, 2004.

5. Normal vs Usual

Why is this important to Ostrich production?

Ostrich Production is new as a commercial industry. Whilst Ostriches have been domesticated in South Africa for 150 years, as a production industry in only started with the termination of the monopoly in November, 1993. As a result there has been a proliferation of information that has been based on perceptions that what has been seen as usual is actually normal, when this is not the case. Some examples:

- Slaughter Age is 14mths and Slaughter Weight is 95kgs

Consider: We all know that birds are sold as Blues, Blacks or Reds even though Dr. Jarvis has clearly identified at least 8 different sub-specie. This is as diverse as expecting a Jersey Heifer to yield the same as a Charolais Steer.

Consider: The best meat yields recorded on a regular basis from some producers have exceeded 50kgs of meat at 12 - 13 months. Liveweight in excess of 145kgs.

Consider: Many birds have been slaughtered at ages 10 months and younger achieving liveweights in excess of 95kgs

Conclusion: If the 95kgs is only being reached at 14months of age, the methods of rearing need to be investigated. The optimum slaughter weight will be dependent on the inherent genetic potential to achieve greater growth rates.

To finish a bird for slaughter at younger age and/or with significantly improved meat yields has a significant impact on profitability.

- Skins not mature until 14 mths

Consider: There are many slaughter ostriches currently grown that have immature skins at 14 months.

Consider: There are many ostriches grown that have acceptable skins from 7 months. The reasons for difference can always be traced back to the rearing methods.

Conclusion: Skins can be mature much earlier than 14 months. Any suggesting otherwise are producing misinformation.

To finish a bird for slaughter in 7 to 10 months is very much more cost effective than waiting to 14 months. Savings are in feed consumption, working capital, labour and infrastructure.

- Bright Yellow Baby Chick Livers are normal

Consider: Baby chicks can be hatched with the accepted normal red/brown liver colour

Consider: The higher the nutrient content of breeder rations, the lower the incidents of Yellow Liver Chick Syndrome, Yolk Sac Infections, Impaction, Poor growth rates and high chick mortality

Conclusion: If chicks can be hatched with livers of the accepted normal red/brown liver colour, these chicks have a head start in their ability to utilise nutrients and therefore grow faster.

This has to be more cost effective than working with chicks that are slow to get going as they have an internal organ that is unable to function adequately at hatch.

- Yellow Fat is Normal

Consider: There is a common statement made when handling yellow fat and that is that it has an unfavourable odour.

Consider: Tanner commenting on tremendous difference in the manner in which white fat handles in tanning process compared to the more tightly bound yellow fat

Consider: Birds have been autopsied as dieing from starvation even though plenty of yellow fat evident. Reason, the fat was too tightly bound to break down fast enough to provide the required energy.

Conclusion: The bad smelling odour is a key indicator of toxins present in the fat.

Toxins build up when rations are nutrient deficient and result in the birds inability to clear toxins.

- Late Season Chicks are Weaker than Early Season Chicks

Consider: Yellow Liver Chick Syndrome, Yolk Sac Infections and Impactions virtually disappear on breeder rations of higher nutrient levels than chicks displaying these symptoms.

Consider: The Blue Mountain Weight Gain Farmer Bench Mark Trial was carried out on chicks hatched in the latter part of the season, yet they are still the best published performance data in Ostrich.

Conclusion: When breeder birds have rations of adequate nutrient content, there are adequate nutrients to sustain quality egg production throughout the season.

Strong chicks throughout the season have significant commercial benefits to the producer

As can be seen from these few examples there are many myths that have been spread that instead of accepting as fact, there is a need to understand that they are correctable. If they can be corrected, then improvements in bird performance and overall profitability for producers, processors and marketers must result. If they can be corrected we can become more competitive to the traditional livestock meat supplies.

6. Contributions

As always I ask for contributions from Country Liaisons and other members. A sharing of your experiences, what is happening in your area - anything you believe that would be of interest to other members. Any contributions for inclusion in future news letters please send to Fiona at editor@world-ostrich.org

Any comments or suggestions please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org

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World Ostrich Association, <http://www.world-ostrich.org>

Issue No: 12 – March 2004

1. **Breeder Market to Commercial Production**
2. **Conference in China**
3. **Roche Nutrafacts and Feed Mixing Accuracy**
4. **Cutting the Costs of Production**
5. **New Slaughter Plant in Alberta, Canada**

1. **Breeder Market to Commercial Production**

Over the past decade, a disturbing trend is noticeable as countries come to the end of their breeder market.

While visiting a country at the end of their breeder market last week, I talked with producers experiencing the same situation that has been the case in many countries before them. Birds are being purchased off farm for less than the costs of production, with payment made on a Liveweight basis. We were told of producers letting the birds leave the farm and in some cases no payment forthcoming. Producers find themselves with no market and glad to get birds "off the feed bill". Once in this position, they fall prey to these operators who are looking for quick gain rather than sustainable growth. Many producers are forced to leave the industry having lost a great deal of money when this point is reached.

These birds will all be very different in quality and are taken to a multi-specie, inexperienced slaughter plant. The meat is packaged and sold to the market, often very poorly presented, which destroys the credibility of Ostrich meat in their country before the commercial slaughter industry even gets started.

Making the transition from Breeder Market to Commercial Production is proving to be a challenge in every country that has started with Ostrich. A Strategic analysis was carried out in 1999 on the Global Ostrich Industry. Industry immaturity was highlighted as the fundamental reason for an industry that was slow to develop. This remains the fundamental cause. All too often, by the time a country has gained in experience, the majority of producers are out of business or at the end of their capital reserves. So birds are sold onto the next country starting a new Breeder Market again. The new country continues to make the same mistakes, instead of learning from the previous countries, and the whole cycle starts all over again. Somehow, we have to break this cycle of starting/failing or the global industry will fail.

2. **Conference in China**

A reminder of the Conference being held by the China Ostrich Farming and Development Association in Xi'an, China in Apr. 3-5, immediately after the "Asian Pacific Leather Fair" in Hong Kong. Full details of the conference can be found at their web site: <http://www.woc2003.com>

The largest farm in Asia has 5,000 breeder ostriches and forecasting to produce 30,000 commercial birds this year. Their abattoir will have a capacity of over 60,000 slaughtered ostriches to EU standard is almost completed.

3. **Roche Nutrafacts and Feed Mixing Accuracy**

A website address I regularly visit on the internet is <http://www.dsmnutrafacts.com/home.jsp>. They have some excellent articles and studies to view. As with many large companies, Roche has changed it's name. DSM

Nutritional Products is the successor to Roche's Vitamins and Fine Chemicals Division.

I was reading through their articles on "Mixing Feed" last week to see if I could get some references to help me better explain the importance of accurately mixing feed. Those of you who have heard or read our references to Ostrich Low daily intake of feed will be able to relate to this quote from one of the articles entitled "Assessing Feed Uniformity Requirements":

Quote: *"The differences in the research results, between the finishing pigs on the one hand and nursery pigs and day-old chicks on the other, suggest a promising area of study, Behnke says. He suggests there may be an interaction between age or metabolic body size and the requirements for nutrient uniformity, since a day-old chick would logically have a much greater need for nutrient uniformity than a finishing steer consuming 25 lbs of feed per day. Swingle (1996) concurs, and suggests that one possibility is to vary sampling size when measuring mixing CV. Whereas it might be critical for day-old chicks that every 10 to 50 g of feed be uniform in composition, he says, the benchmark might be 0.5 to 3 kg for finishing pigs and every 2 to 15 kg for finishing steers."* End Quote

A few more very relevant quotes:

Quote: *"Uniform feed is a vital, challenging goal for livestock and poultry operations. Whether an error is human, mechanical or a combination of both, faulty inclusion rates or poor mixing can produce a non-uniform diet with corresponding risks to animal health and performance."* End Quote

Quote: *"The coefficient of variation (CV) is the statistic most often used to describe the degree of ration uniformity, with a smaller CV being more desirable. The CV is calculated by dividing the arithmetic mean into the standard deviation. One advantage of using the CV when measuring feed uniformity is that it is expressed as a percentage, which simplifies comparison of markers that differ in magnitude of their inclusion and units of measurement."* End Quote

Quote: *"In a study using newborn broiler chicks, McCoy et al. (1994) reported significantly increased average daily gain as the mixing CV decreased from 40.5 percent to 12.1 percent. With this decrease in the mixing CV, there was also a numerical 6 percent improvement in feed efficiency as the feed:gain ratio declined from 1.82 to 1.72. No further improvements in animal performance were noted as the CV declined to 9.7 percent.*

This study was run for four weeks and all birds were then shifted to a common finisher diet to monitor compensatory gain. The birds that had received the highly nonuniform diet earlier were not able to overcome the deficiency after three additional weeks on feed." End Quote

The last sentence is highlighted as it says a great deal. Everyone knows how precise poultry production has become and these differences in poor mixing caused the chickens not to be able to overcome their deficiency after 3 additional weeks on feed which is a most serious nutritional problem created. Given that the best poultry operations now finish their poultry in 32 days, the quoted period of 3 weeks (21 days) is a very long time and one can see just how much these types of mixing errors cost the poultry industry.

The article concludes - Quote: *"In addition, tight control over feed uniformity will enable more accurate assessment of formulation and management decisions and should thus help maximize return on investment."* End Quote

These same principles apply to Ostrich Production. The full article can be found at: http://www.nutrafacts.com/nutrafacts/articles/5_1_assessing.jsp

4. Cutting the Costs of Production

A new Blue Mountain Nutritional Bulletin was published this week entitled "Cutting the Costs of Ostrich Production". A visit to the Roche Web site at <http://www.dsmnutrafacts.com/home.jsp>, while at the same time studying the contents of the bulletin, will help gain a greater understanding of how to cost production.

5. New Slaughter Plant in Alberta, Canada

Michael Sunderland reported, on the WOA Bulletin Board, an interesting initiative in Canada:

Quote: *"At the last Board of Directors meeting on Jan.22, The Alberta Valuechain Coop. voted to proceed with a business plan to build a Federally Inspected, Producer owned, Slaughter and Fabrication Plant, likely to be sited N.W of Edmonton, with work to begin in Spring '04 and completion by Sept.'04. The plans include a bid by a German company to build a modular plant and train staff. All Diversified Species are included and Dr William BUCHTA, Manager of the Diversified Livestock Fund of Alberta was elected C.E.O on a short term contract. The most important aspects apart from giving Producers a better deal are the inclusion of Trace-back facilities and plans to build a Bio-Digester on the site which will produce Methane Gas. If all these proposals become reality then the Company in its cooperative status will become a leader in meat processing and source for local employment opportunities. It is a Provincial Govt. initiative and will considerably improve the prospects for all producers here in Western Canada. I will update this exciting venture as plans unfold but for those in developing countries I hope this is of interest to you in particular."* End Quote

This is an initiative of the Provincial Government in Alberta to support all alternative livestock production. We wish Michael, his fellow Ostrich producers, and producers of other livestock that will be using the facility, every success.

If any members have some interesting news to report from your own regions, please either post to the WOA members mailing list or email me privately for inclusion into the Newsletter.

Any comments or suggestions please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org. If you have any contributions for inclusion in future news letters, please send to Fiona at editor@world-ostrich.org

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World Ostrich Association
<http://www.world-ostrich.org>

Issue No: 13 – May 2004

1. **Conference in China**
2. **Chairman's Opening Address**
3. **Cooperation**
4. **Research Farm**
5. **Chairman's Closing Statement**
6. **Contributions**

1. Conference in China

Chinese Ostrich Farm Development Association (COFDA) and Mr. Yang Hao Min, General Manager of Shaanxi Land Reclamation State Farms and Iko Ostriches Co. Ltd, organised "The International Conference on Development of Ostrich Estate 2004". This conference took place in Xi'an, Shaanxi Province, China this last week. Three of your directors and a few members were in attendance. Stan Stewart opened the conference amidst significant ceremony Chinese Style. Mr. Yang Hao-Min ensured maximum Press and TV coverage. His objective was to raise consumer awareness of the Ostrich industry. The opening ceremony was held in a packed auditorium that had a capacity of 1000 people.

This newsletter will be dedicated to the conference as this was a major event. Over the years I have visited many conferences and believe this to be a conference that will go down in the history of our industry as the turning point to commercial production.

Overseas delegates came from in excess of 15 countries, but unfortunately a few were unable to attend as they were refused visas by the Chinese Government. There was considerable experience amongst the delegates that included our member from Israel Mike van Grevenbroek, his vet Dr. Benny Pereleman, both with over 20 years experience; two members of the KKK, the oldest company in ostrich production and many of us with 10 or more years experience.

During the conference all delegates were taken to one of the Iko farms, where 5,000 ostriches are currently reared. Iko has in excess of 20,000 Ostriches that all originate from an original importation of 120 breeders from Namibia. Stan and Fiona were most honoured to be invited to join a number of Chinese dignitaries to 'cut the ribbon' to open the new Slaughter facility built in Xi'an. The slaughter facility is most impressive with a capacity of 60,000 slaughter birds/annum and built to EU specifications.

The Opening Address of our WOA Chairman, Stan Stewart, is included in this Newsletter. Photographs and information will be collated and placed onto the web site for viewing over the next few weeks. As this is completed, Daryl Holle will send the web page details to the WOA Members Mailing List.

In addition to Stan's contributions, your Vice Chairman, Dr. Hesham Khalifa gave a presentation on the Ostrich Industry in Egypt, Alan Stables gave a presentation on Performance Indicators and I presented the paper on "Cutting the Costs of Production".

Please also welcome new members who joined during the conference.

2. WOA Chairman's Opening Address

Mr. Minister, Mr. Wang Peiheng, Mr. Yang Hao Min, fellow delegates, ladies and gentlemen.

This is a great pleasure for me to be here with you in your beautiful ancient city of Xi'an. This is my first visit to China and if the wonderful hospitality shown to me and all the other delegates from around the world so far is anything to go by I very much hope it will not be my last visit. Even though I do not understand a single word of Chinese – actually that is not quite true, I do know one word – “Tonaugh” – I have been made to feel very welcome and at home amongst you, so am looking forward even more to enjoying the next few days of this conference with you all.

I am also proud that the World Ostrich Association has been invited to co-host this important conference for the Development of Ostrich Estate here in Xi'an. I believe this conference could well go down in history as the beginning of the ostrich industry coming of age and of starting to mature into a proper livestock industry that will eventually rate in importance alongside those of cattle, sheep, pigs and other poultry. I see a large part of that development being driven by the opportunities being presented here in China. With the vision and leadership of people such as Mr. Wang Peiheng and Mr. Yang Hao Min backed by your government here in China. This great country along with other countries in the East and elsewhere around the world can, through cooperation and collaboration change this fledgling industry into one of World Class. All that is required is for some sense of common purpose to be developed and hopefully that will be assisted by the efforts of the World Ostrich Association.

At the moment I liken the industry to the game of Rugby. I don't know if you are all familiar with this game, but England recently became the world champions by winning the rugby world cup. For those of you who may not know this game played with an oval ball, similar in shape to an ostrich egg, that when kicked can bounce in unpredictable directions. The aim is to get the ball touched down anywhere across a line at the end of the pitch in order to score. However, if we substitute a round ball for the oval one, it can be kicked with much greater accuracy and if we put up goal posts with a cross bar and confine them with a net into which the ball must go in order to score, the game develops a much more defined direction.

Our Ostrich industry needs to have those goals set. We require standards to be put in place that will channel the energies of all to strive to work in the same direction. We need internationally agreed standards for genetic selection, for bird quality, meat yields and quality, for meat cuts, skin grading, fat and oil quality etc. All of this work needs to be done if the framework is to be put in place to enable ostriches and ostrich products to be traded fairly and profitably between countries. This conference will hopefully offer a way forward to achieve this and that the WOA can provide the leadership to enable it to become a reality.

Ladies and Gentleman, I welcome you all here to Xi'an on behalf of the World Ostrich Association. I look forward to the time when everyone around the world who is associated in any way with the industry will become members of the WOA and we will all be working together to advance every aspect of the Ostrich Industry so that the full potential many of us believe this marvellous bird possesses may at last be realised.

Thank you all again for coming, enjoy the conference and the opportunity to meet new people and hopefully be stimulated to go back and strive to make the industry even better.....Welcome

3. Cooperation

The final session of the conference was a time for short presentations and open discussion. The overwhelming message that came through from all present was the need for cooperation amongst us all.

The World Ostrich Association is the mechanism that now provides the infrastructure to develop this cooperation.

4. Research Farm

Stan Stewart, in his closing address, made the following statement:

"I am pleased to announce that the WOA is in negotiation to establish the first WOA sponsored research and development centre here in Shaanxi Province that will be used to conduct research and information to enhance the development of the ostrich industry around the world".

The need for such a research farm was a clear message sent by the delegates. Mr. Yang is very keen to collaborate in such a venture. Your board will now develop the parameters under which such a centre can be developed for the benefit of the Industry without compromising proprietary information for any of the contributors. This is an exciting development for our industry and the need for such a centre was emphasised as required during the final session of the conference.

Over the years our industry has been subjected to many scientific papers that can be challenged in their accuracy and standard of the studies, especially when measured alongside mainstream livestock industries. Many of the papers published in the proceedings had erroneous conclusions and/or poorly designed studies. The WOA is committed to correcting misinformation and setting the industry on the correct path.

5. WOA Chairman's Closing Statement

Mr. Chairman, Mr. Yang Hao Min, Honoured Guests, Ladies and Gentlemen. In my opening remarks I said that I believed this conference could well go down in history as the most important conference ever held in the history of the world wide development of the world wide ostrich industry. Having listened and taken part in all the proceedings, I am now more convinced that belief will be fully vindicated.

We have had many excellent presentations, some of which unfortunately had to be curtailed due to time pressures, but I am sure you will all agree that most of them have been of quality and of great interest. Our thanks are due in great measures to all presenters for giving their time to come and inform us.

The organisation that has gone into making this conference such a success must have been immense. That everything has gone so smoothly is a testament to the excellent work done by the organisers Shaanxi Land Reformation State Farms and the Iko Ostrich Co. Ltd. Our thanks go to Mr. Wang Peiling and Mr. Yang Hao Min for the leadership they have given in order to bring all of us together in such an impressive venue here in Xi'an.

Not only have we enjoyed our time here in the conference room, but have also enjoyed visiting the beautiful farm and the opening ceremony for your superb new slaughter house and processing plant. Both Mrs. Benson and I were most honoured to be included in the tape cutting ceremony.

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Our thanks are also well deserved for the way we have been looked after and fed by the staff here in the hotel. That we have also been entertained so well and have more to look forward to this evening when we have the songs to see and the dances from the Tang Dynasty.

During the presentations I think 3 main themes have emerged.

1. No. 1 is the need for greater research, especially into nutritional based problems. We heard from Prof. Khalifa that up to 80% of all problems associated with chick hatching and rearing are nutritionally based. So this must be one of the main areas for urgent research.
2. The Second is the fact that China appears to be poised for a rapid expansion of its industry and most especially here in Shaanxi Province. The emphasis we heard was of the intention to produce high quality birds and products and of the need for agreed quality standards if the marketing opportunities are to be fully realised.
3. Finally there is a need for all countries around the world to increase co-operation and improve communication between us all if the full potential of the global industry is to be fully realised.

I would just like to point out again the goals and objectives of the WOA:

These are to represent the International Ostrich Industry through Communication, Dissemination of Information and provision of industry standards.

The WOA is established for the promotion of ALL and I repeat ALL aspects of the ostrich industry from farming through to the sale of meat to finished leather and craft goods.

It is very obvious that the leaders of the industry here in China also embrace these objectives and I am pleased that Mr. Yang has decided to join the WOA to help promote these aims and objectives.

I am pleased to announce that the WOA is in negotiation to establish the first WOA sponsored research and development centre here in Shaanxi Province that will be used to conduct research and meaningful information to enhance the development of the ostrich industry around the world.

Thank you all for attending this conference and making it such a success. We look forward to meeting you all again soon to update ourselves with the progress of the industry around the world.

6. Contributions

As always I ask for contributions from Country Liaisons and other members. A sharing of your experiences, what is happening in your area - anything you believe that would be of interest to other members. Any contributions for inclusion in future news letters please send to Fiona at editor@world-ostrich.org

Any comments or suggestions please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org

Ask not only what the WOA can do for you but also what you can do for the WOA.

World Ostrich Association <http://www.world-ostrich.org>

Issue No: 14 – May 2004

- 1. Avian Influenza**
- 2. UK Slaughter**
- 3. Developing Contracts**
- 4. Member Activities**
- 5. New Director**
- 6. New Web Pages**

1. Avian Influenza

We have all been well aware of the devastating outbreaks of Avian Influenza over the past few months. A question was asked if Ostrich are susceptible to Avian Influenza. First it is important to understand that there are a number of strains, some more virulent than others, but just two, H5 & H7, that in the highly pathogenic (HP) form are especially devastating. This is not necessarily because the disease will spread through all the flock - rather HP Avian Influenza is a notifiable disease that invariably results in the authorities destroying all the birds within a designated area. During the outbreak in Italy Avian Influenza got into the wild bird population. One ostrich farm reported dead wild birds in his water trough and a couple of birds in that same pen did go down with Avian Influenza. All Ostrich on the farm had to be slaughtered, even though there were no other cases in any other pens.

Michael Sunderland, our liaison officer in Canada, posted this report to the Bulletin Board:

“Due to a severe outbreak of Avian Flu in Poultry, The Canadian Food Inspection agency announced a cull of all types of domesticated birds in The Fraser Valley, British Columbia. Maurice Bridge of The Vancouver Sun told me Ostrich were also included. The Canadian Ostrich Association does not have any members in that area so it cannot be judged whether any Ostrich are affected. Again there is no evidence Ostrich are susceptible but clearly culling is seen as away of eradication.”

Stan Stewart recently attended a workshop meeting held in England as part of a program to inform EU member states of the programs for surveillance for avian influenza in poultry and wild birds. Ratites are included in the program. Present were representatives from the British Poultry Council, British Egg Industry Council, National Farmer's Union, Several of the large commercial poultry operations and the British Domesticated Ostrich Association (Stan).

The damage to the poultry industry of any country (or region) when disease of this nature hits is devastating and extremely costly. With Ostrich classified as poultry they will fall into any slaughter program that maybe laid down by a particular authority. As an industry, this is an area that we need to be aware of; in time we need to do our own research on Ostrich. One aspect to bear in mind with Ostrich is that our birds are raised, for the most part, outdoors. Ostrich are not raised densely packed into buildings that may or may not be controlled environment. It was proven in the Newcastle Disease research project carried out on Ostrich in South Africa in the mid 1990s that the rate of transmission was very low when the disease was introduced to outdoor feed lot birds as opposed to chicks housed undercover.

2. UK Slaughter

During the development of our industry new countries have entered the industry primarily as a breeder market. As the breeder market collapses plans are put into place for slaughter, instead of ensuring a full infrastructure is planned before importing the first birds. In UK law red meat slaughter plants cannot slaughter any specie classified as poultry. This law prevented Ostrich from being slaughtered in Red Meat plants. Several purpose build slaughter plants have been built, but it still requires birds to be hauled over long distances on roads that tend to be less than straight and with many roundabouts. This block in the slaughter was a major contributory cause to the collapse of the industry in the UK when the Breeder market was over.

This situation is now to be resolved. The British authorities have given their commitment to put in place a special license for slaughter plants wishing to slaughter Ostrich. They will be licensed also for Poultry with a restriction for Ratites only. It is worth noting that most EU countries already allow the slaughter of Ostrich in Red Meat Slaughter plants.

To date there have been two classes of slaughter plant approval in the UK - National and Export. Generally speaking the low throughput slaughter plants have had National approval and the High Throughput plants have had EU Export Approval. Many low throughput plants are closing down as they become uneconomic. From 31st January, 2006 the regulations change and there will be only one class of slaughter plant approval. If a plant is licensed, produce from that plant can be exported to other EU countries.

3. New Projects

Over the past few months I have become aware of a number of people in different countries wishing to start major ostrich production projects. When starting new projects producers have been generally purchasing Breeders and/or eggs/day old chicks. The worst case I have personally come across is breeders that have been shipped to 3 different continents during their lives and expected to be productive. I have come across many breeders that have been to two or more countries during their lives. Any person selling a breeder today is doing so either because they are no good or because they are going out of business.

Purchasing day old chicks from a single source will generally result in a limited genetic base. In addition very few breeders are identifying chicks individually at hatch and therefore able to provide parentage of chicks. When large numbers of unidentified chicks are purchased from a single source, it is impossible for the purchaser to know if any chicks are related when holding back chicks as potential breeders. The best way to overcome this situation is to purchase chicks from a number of different sources to achieve a diversity of genetics. Remember that there are at least 10 sub-specie and not just Reds, Blues and Blacks.

Most of you will have also read our reference to the importance of Nutritional History. Today this cannot be overlooked as it is becoming an increasing problem. As producers come under financial pressure the cost of feed is cut. When cutting the cost of feed, the nutrient levels are cut. This is having a serious impact on numbers of eggs laid, fertility, hatchability and most importantly chick survivability.

There are a number of areas that have birds and struggling to make the transition from breeder market to commercial production. To develop long term sustainability, this is an approach that I would suggest should be considered to provide the required

stock for the developing projects and assist the suppliers make the transition from breeder market to commercial production.

- a. New production unit should not consider purchasing breeder birds. They should purchase fertile eggs and/or day old chicks.
- b. They raise these chicks on a High Production Nutritional Program from Day one to ensure optimum reproductive organ development.
- c. Unless there is already an infrastructure in place in the area of operation, a new production unit should only start up if they have the resources to put in place the full infrastructure from feed supply through to processing and marketing.
- d. The supply of eggs and/or chicks should be of sufficient numbers to enable the development of commercial levels of processing.
- e. The best of these slaughter birds are identified and held back to form the foundation breeder herd.
- f. The supplies of chicks comes from a number of different areas to achieve a diversity of genetics.
- g. The suppliers of chicks maintain their breeders on a High Production Nutritional Program to ensure quality eggs and chicks. It will be understood that there will be a phased improvement after changing to the High Production Nutritional Program. (Defined Slide 7 Cutting the Costs of Ostrich Production available at <http://www.world-ostrich.org/chinacon.htm>)
- h. There will be a contract in place between the new Production units and the suppliers of the chicks. This will ensure that the suppliers can invest in commercial production programs to provide quality chicks. There will be a limited number of years before New production units become self sufficient. During this period the chick suppliers:
 - Can upgrade their breeder base through close liaison with their customers to help identify their better genetic lines.
 - Put in place a program for slaughter facility and processing construction
 - Develop of a Marketing Program

A plan along these lines will help all parties develop long term sustainable growth that has been missing to date in this industry.

4. Member Activities

Prof. Hesham Khalifa's posting has generated reports from some of our liaison officers. I will add a regular section to the newsletter to summarise and report on member activities. The following are activities reported:

a. Antonio Marques - Ecuador

Antonio is organising the first Ostrich Expo in Guayaquil Ecuador. The objective is to re-activate the industry after a long period of time with no relevant success. The Expo will take place on May 28-29-30.

We wish Antonio success and look forward to your report of the event.

b. Michael Sunderland - Canada

Michael has reported:

- In Canada there are Associations across the Country, but that production is very low and confined to niche marketing.
- One major problem for Producers is a lack of Processing facilities which means that Producers are locked into the home market. A new initiative in Alberta is providing a slaughter plant for Alternative Livestock and ratites are included in this initiative. Currently the main producer support is coming from the Bison producers.
- Few are willing to address the issues of good nutrition in production and the market remains open to be exploited by those who have done their homework and are prepared to do so.
- There is little interest among these small and medium size Producers to join the W.O.A and few see any real value in joining. Against this negative backdrop there is interest among Professional Persons and Marketers who are willing to accept the principles and standards that have already been established by the W.O.A.
- There is an overwhelming need to attract new Blood and Investment in a country where the business climate is very favourable. New entrants are usually more willing to adapt to new practices and principles.

The issues that Michael has raised are common in many areas and not confined to Canada. Picking up on one comment Michael has said:

"The market remains open to be exploited"

The use of the word "exploited" gives negative connotations. In this context I would suggest if this is seen as open to "OPPORTUNITIES" provides a more positive approach.

c. Middle East

Dr. Hesham Khalifa is this week running a week seminar in Syria. Syria are fairly new to ostrich production and he has reported to me that he is seeing the same rearing difficulties that we see in all other countries caused by poor nutrition.

d. Training Courses

A few weeks ago Steve Warrington received a request for a training course. Steve asked our Chairman, Stan Stewart, if he could hold a course and Stan agreed. The course will last 12 days and covers the whole production chain. The interest in this course has been amazing. The first is fully booked and takes place from 24th May to 6th June. Stan has put on a second course, 12th June to 26th June, to take care of further enquiries that have been coming through and those who required time to obtain visas for entry into England. Stan has a small slaughter plant which enables practical slaughter and meat processing sessions as well as practical sessions on his small farm.

Stan asked me to assist in view of the many presentations I already have created. When preparing the material it does make one appreciate just how much more detail we will have time for every subject when compared to a 20 minute or even 40 minute slot in a seminar. If any one would like information on the full program, costs etc. please email Stan or myself.

e. Future Reports

Please send either to the members list or to me (editor@world-ostrich.org) any news or activity that you believe is of interest to other members for inclusion in future issues of this newsletter in this slot.

5. New Director

We are pleased to announce that Mr. Yang Hoamin, from Shaanxi IKO Ostrich Co. Ltd., Xi'an, China has been appointed a director to replace Isabel Silva, under the terms of the Board of Director's Resolution #1. (<http://www.world-ostrich.org/member/resolve1.htm>)

Mr. Yang has a passion for the industry and has led IKO to become the largest Ostrich company in China, owning in excess of 20,000 ostriches spread over 6 farms. During our time in China their state of the art, EU approved slaughter plant was opened with a capacity of 60,000 birds/annum.

The WOA is currently negotiating with Mr. Yang's company to set up the first WOA approved research centre.

Please welcome Mr. Yang to your Board of Directors.

6. New Web Pages

A reminder to all that the presentations by directors and members of the WOA that were presented at the Conference in China, including a few photographs that will be improved upon, can be viewed now from <http://www.world-ostrich.org/chinacon.htm>

Any comments or suggestions please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org . If you have any contributions for inclusion in future news letters, please send to Fiona at editor@world-ostrich.org

Ask not only what the WOA can do for you but also what you can do for the WOA.

World Ostrich Association
<http://www.world-ostrich.org>

Issue No: 15 – June 2004

1. **The Role of the World Ostrich Association**
2. **The Need for Standards**
3. **The Farm Animal Welfare Council (FAWC)**
4. **Member Activities and Requests**
 - a - **The Philippines**
 - b - **Australia**
 - c - **Bulgaria**
 - d - **Ethical Practices**
 - e - **Request for reports**

1. The Role of the World Ostrich Association - the WOA

The member's mailing list is designed as a means of communication between members for discussions relating to developing a fuller understanding of the role of the WOA for the Industry and WOA development. Recent comments led me to examine the reasons members have given for joining to see if the expectations are being met and if not, what is required to ensure the Association does meet expectations. Also to see if expectations are in line with an Association that has the responsibility to lead the Industry to successful commercial production.

The questionnaire has three questions. Following are the main answers given:

a: Why do you want to join the WOA

To Gain Knowledge
To meet and get to know the people in the industry
Communication
Keep in touch with current Research
Raise International Awareness in the Industry
Actively support and/or promote Standards
Participate in WOA activities - this included seminars

b. What do you want the WOA to do for you

Improve Standards
Keep updated with Information
Communication to improve own country's standards
Actively promote standards
Help countries with limited governmental support
Assistance in raising finance and working with Venture Capital Investment
To Forward own career

c. In what way would you like to participate in the WOA

Involved with seminars - both as speakers and attending as delegates
Active in promoting Standards
Participate in Activities
Many general answers stating that they wish to help

The list indicates that communication, information and industry standards are all important to members. A reminder that the Mission statement of the WOA is to Represent the Ostrich Industry through Communication, Dissemination of Information and Provision of Industry Standards. We require a membership into the thousands at our current membership fee to be able to employ staff to carry out all these duties in an efficient manner. An increase in membership fees at this time is unacceptable

to most people, therefore we are dependent on the voluntary help of all members. Page <http://www.world-ostrich.org/committe.htm> on our web site has a list of the different committees. To be effective we need help on these committees. Please take a look and see if there is a committee that you feel you have expertise to share to help us develop the standards.

2. The Need for Standards

Meaningful Standards are essential to all livestock industries. They have a role to play to establish different classes of products and a pricing structure. They are especially essential to our industry as our customers are not yet familiar with our products as they are all new everywhere. Some examples as to why standards are so essential:

Producers purchasing Eggs, Chicks and Breeders

Many of us have seen some very poor birds sold as breeders. Some of you will have paid a great deal of money for these birds. The new producers have never seen quality birds and therefore have to depend on the seller's words and advise. There has been a proliferation of poor information distributed by dealers and farmers selling birds.

Meat Purchasers

Our customers are from both the wholesale and retail markets. Most believe that ostrich meat is very dark in colour. The document entitled "Guidelines for Evaluating Meat Color" published by the American Meat Science association <http://www.meatscience.com> has some interesting discussions on meat color. There are a number of comparative tables at the end. The table below covers Beef and Lamb Lean Meat Color. The brighter the meat, the more attractive it is to the customer. Ostrich meat can have similar classifications to that of Beef and Lamb and this is work the Meat committee still has to do.

Characterization of Oxygenated Pigment Lean Colour

Class	Beef	Lamb
8	Extremely bright cherry-red	Extremely bright red
7	Bright Cherry Red	Bright Red
6	Moderately bright cherry-red	Moderately bright red
5	Slightly dark cherry-red	Slightly bright red
4	Slightly dark cherry-red	Slightly dark red
3	Moderately dark red	Moderately dark red
2	Dark Red	Dark Red
1	Extremely dark red	Extremely dark red

I have heard a number of people suggesting that Ostrich meat is multi-coloured as that is natural to Ostrich and/or the cause is stress related. The dark colour, blackening on oxidation and multi-colours we see within the muscles are all negatives to our marketing effort and factors that are controllable in exactly the same way they are controlled in Beef and Lamb. These negative characteristics are signs of lower grade meat. In order to ensure an adequate return for producers, this type of meat must be recognised as low grade and the production discouraged by the industry. Buyers need to know that this is low grade meat. This is especially important during the development stage of our industry.

Skin Purchasers

The skin market is more mature, yet very limited given the restricted market the Ostrich industry has historically participated in, the current low volumes and fragmented production. Buyers of raw skins are tanneries and manufacturers of leather goods for finished skins. While numbers are very low, the buyers of raw skins

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are acting as collection agencies to establish volume to make shipments of sufficient size to be of interest to these buyers.

In order to open up the market producers currently have to meet the standards that have been in place for many years. There is much we can do to expand these standards to introduce different types of skins that are acceptable in their own class. This will probably be industry driven rather than association driven with the progressive companies taking the lead as part of their marketing program. Due to time constraints on those actively developing the WOA, the WOA Skin standards have not yet been quantified and published on our web site. Please can we have some volunteers to work on the Skin Standards committee to get these standards completed for the WOA.

Currently there is tremendous wastage of skins that have been poorly removed from the birds, very poorly handled and/or stored incorrectly, rendering them of very little or no value.

Fat/Oil

The fat colour of Prime slaughter birds is White. This is in line with Prime grade Beef and prime grade lamb. We still have some support specialists in our industry who remain adamant that Yellow fat is acceptable. This is a disservice to our industry and misleading producers, many of whom are not commercially viable and searching for answers. There is a very noticeable difference in the smell associated with White Fat and the varying degrees of Yellow Fat. When analysis of fat are studied significant differences can be seen in the nutrient contents. The document entitled "Guidelines for Evaluating Meat Color" referenced above has the following for Fat colour scales for livestock.

- 5 = Yellow
- 4 = moderately yellow
- 3 = slightly yellow
- 2 = Creamy white
- 1 = White

Any who have rendered the fat of different colours will have experienced the stronger smell that comes from a yellow fat and the absence of any smell with white fat. Rendering and refining costs of White fat are lower. Reports of in excess of 15% increase in yield of oil from White fat have been reported. Our liaison officer for Canada is reporting the commencement of a study to be carried out on Ostrich Oil. They will keep us informed and we can hope that from this study the first set of standards will be available for the industry.

Feathers

The industry was founded on feathers over 150 years ago. As the industry grows in volume and improves in overall quality of the birds, it can be expected that the feather industry will change. Many still believe that ostriches do not produce black feathers before the age of 12 months. There are many of us who have experienced our own birds producing black feathers from 7 or 8 months rendering that statement invalid.

Summary

The above is just an outline of the important role of Industry standards, the important role the WOA must play in the development of these standards and the important role of members to understand the standards and promote the standards.

3. The Farm Animal Welfare Council (FAWC)

In the United Kingdom "The Farm Animal Welfare Council" (the Government's independent advisory body on animal welfare matters) published a report on the welfare of red meat animals at slaughter and killing on 10 June 2003. DEFRA (Department for Environment, Food and Rural Affairs) has recently published their responses. Several paragraphs reference Ratites. The full document can be downloaded at http://www.defra.gov.uk/corporate/consult/fawc-slaughter/fawc_report.pdf. These are the paragraphs that relate to Ratites:

Recommendation 73 (Para 249):

Welfare at slaughter legislation must be changed to ensure ratites are treated as red meat animals and, if necessary, as a distinct category of animal.

Response: The Government will seek further advice on this recommendation. Ratites should clearly not be considered as poultry under WASK, and it is very unlikely that anyone farming/slaughtering ratites would in fact attempt to handle them in the same way as poultry. The solution may be to treat ratites as a distinct category under WASK with specific requirements for lairaging, handling, restraining and slaughtering them.

Note: WASK is "The Welfare of Animals (Slaughter or Killing) Regulations 1995"

Recommendation 74 (Para 250):

Ratites must be individually restrained for slaughter in a system designed to minimise stress.

Response: Accept. The government will investigate designs for restrainers used in the UK and overseas. The Government will recommend designs that minimise stress for the animal.

Recommendation 75 (Para 251):

Government should identify best practice for the slaughter and emergency killing of ratites in a code of practice.

Response: Accept. The Government will investigate the most appropriate method for killing ratites in an emergency, to prevent the animal experiencing avoidable pain and suffering.

This is a government putting on record that ratites should not be treated as Poultry in this particular area. Your directors support this view and would hope to see further areas where it is acknowledged that ratites are their own group with their own specific characteristics. Ratites are of course Ostrich, Rhea and Emu; Cassowary are also classed as Ratite, but not currently farmed on any commercial scale.

4. Member Activities

a. Michael Gross - The Philippines

The difficulties that Michael is reporting are a replication of all that is happening in many countries. After each point I will add a few short comments:

- All small Farms as it is called here Back Yard Farmers with 3 Ostrich some with 6 Ostrich, there around 10 Farms with more the 10 Ostrich and only 3 with more then 50 Ostriches one of them is mine. There is no coordination between most Farms, they purchase the Chicks and the no more contact until there have a problem. Michael provides free Consultancy and Training to all who purchase Ostriches from my Farm as well as Free advice and Information to all who are interested in the Industry.

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Comment: The proliferation of small producers with no coordination or infrastructure for feed supply, rearing, slaughter, processing and marketing is a significant problem in many areas.

- He formed an Association but there is little interest or support.

Comment: This is a major difficulty in our industry. One of the reasons I believe is a lack of understanding of just what is required.

- 90% of the Eggs come to the Incubation unit dirty and no records on how old there are. Hatchability of those Eggs is less than 30%. Despite reminding farmers many times on how to handle Eggs and keep records there is very little improvement.

Comment: Many times I have heard these same sentiments referencing the lack of professionalism of many producers. Can I ask members to respond on how many of them have experienced exactly the same. Maybe not with eggs, but could be with chicks, slaughter birds or even skins.

- He Microchips all his own Chicks so there is no Inbreeding and proper selection can take place to support chick sales and the slaughter market.

Comment: Correctly identifying all stock is the only way for any producer to track their progeny as basic farm management. Improvements in performance come from nutrition and feed management, but also from improvement in the breeder stock. Modern agriculture cannot afford to feed non-productive breeders whether they are poultry, dairy cows, beef cattle or whatever.

- Local Meat market demand is 5 tonnes/month. Supply is limited currently at 1tonne/month.

Comment: Congratulations to Michael for developing the local market to this level. I sympathise with the frustration of having insufficient supply. Those of you who do not know Michael, Michael is a Chef.

- He advises on the Nutritional problem and the fact that his Feeds (BM) are seen as too expensive as all the ingredients are imported except the Corn and the Oil, about double the price of local Feeds (Poultry Feeds) or their own mixes.

Comment: The Philippines is a country that does not produce Lucerne at this time. Lucerne is a bulk ingredient and costly to transport. Productive ostrich rations require high inclusion levels of Lucerne. I can add that Michael is developing local production of Lucerne as a method to reduce the costs.

- One Farm asked for information as to where he could buy Lucerne. Michael explained to them there will also need the right formula and Premixes. The answer he is given is that they have everything they need, they got it from the Internet?

Comment: The Internet has been a wonderful tool to communicate cost effectively. Unfortunately it is also an excellent way to spread mis-information. Over the years since the Ostrich industry opened up and especially in the mid 1990s, there were some Ostrich rations published on the Internet. We are well aware that these rations have been used widely amongst producers in this manner. Producers are not aware that not one of those published rations have been tested and proven before publication. With our knowledge of Ostrich, we know these rations to be non-

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productive and in some cases we would suggest that they are close on "killer rations", especially when made up by inexperienced producers. Proof of this is the fact that not one producer using these rations published on the Internet have been successful. We have producers and feed companies who have copied the little information that we provide on our web site. This is not sufficient information to be able to develop productive rations.

- Summarised that the Philippines has a long way to go to improve with more education.

Comment: Yes, this is general throughout our industry.

- Expressed the hope that more farms will work together.

Comment: When we look at the economics of production, this is the only way for success.

- Concluded that his Farm is the only Ostrich Farm in the Philippines were he as the proprietor has to make a living from his Ostrich farming activities. All other Farms Ostrich production is a sideline if there make profit it is fine if not also ok.

Comment: Just before I left South Africa, I was trying to co-ordinate the producers in my area of the Western Cape. I was told on several occasions that the trouble is that for most of the producers Ostrich is not their major farm production and that is why they were not prepared to produce the birds correctly. Throughout our industry there are very few of us dependent 100% on Ostrich. This industry can be a multi-billion dollar industry, but to achieve that we need more involved dependent 100% on their income from Ostrich.

b. Bert Rainer - Australia

Bert Rainer from Australia has been approved as Liaison Officer for Australia. He reported:

- That they now have +/- 600 breeding birds and finding excellent growth rates in the Blue/Blacks and also with the Red males over Blue/Black hens.

Comment: Bert, can I ask you to please let us know the growth rates you are achieving. A major problem we have with this industry is the lack of understanding of the true production potential.

- He agrees 100% with my comments on the importance of nutrition.

Comment: This is common knowledge in other livestock industries and hopefully our industry will come to recognise the same.

- His uncle, a nutritionist, formulates their rations with the raw materials in Australia. Currently they are using plenty of oats as the price is good. In the smaller chicks they are using corn (maize and soya).

Comment: It is our experience that for Ostrich Oats is not a productive ingredient and the gains on cost per tonne are lost through the reduction in production and impact on end product quality. Maize and Soya are excellent grain and protein ingredients for Ostrich. Bert, you did not state the forage ingredient you are using in your rations?

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- Following the drop in production, Bert forecasts that their industry in Australia will slowly rebuild following the low meat and skin prices of the last two years and the drought that resulted in a drastic cut back in bird numbers.

Comment: I am sure that all members will join me in wishing the Australian industry well in their rebuilding process.

c: Dessi Dasklova - Bulgaria

Dessi sent a report very similar to Michael's from The Philippines.

- Ostriches are known in Bulgaria for around 10 years, but only gained commercial status 3 years ago.

The time it takes to establish protocols as countries open up for farming Ostriches and/or importing ostrich products is one of the aspects highlighted in the Strategic Analysis of the Global Industry I will discuss later in this newsletter.

- Dessi reported "in Bulgaria we have around 100 ostrich farms (this number including yards with 2-5 birds) the bigger farms are around 25 (with between 25-100 ostriches)".

Comment: Dessi's description of the current situation in Bulgaria is a mirror image of many countries and not dissimilar to Michael's report. Numbers may be a little different, but the basic principles are the same. At the maximum 100 farms with 100 ostriches is only 10,000 birds, but Dessi is reporting as few as 25 birds. The principles are similar to the point raised by Michael earlier on the minimal number of birds on a single farm.

- Bulgaria has an Ostrich Organization which lost its reputation in recent 1-2 years because of monopoly manner of its leaders. Most of its members left it, because they don't find advantage to be a members.

Comment: This again is a mirror image of comments from many other countries and not dissimilar to Michael above reporting the failure of their association. All of us are in the industry to make money. The leaders need to be those whose plans recognise that all need to make money and that we are interdependent on each other. The leaders need to be those who work for the good of all and not just the good of one.

- Bulgaria has an EU approved slaughterhouse

Comment: This is excellent but the question has to be asked can it be viable as a stand alone unit with only 10,000 birds? It is difficult to imagine how 100 slaughter birds per farm can be commercially viable and from Dessi's description it sounds as if there are a lot fewer slaughter birds per farm. Does the slaughter plant have a solid business plan for the consistent supply of birds to ensure it's commercial viability?

- The purchase price of a slaughter bird is quite low in comparison to the prime cost of rearing the birds.

Comment: As long ago as 1997 I remember warning producers that it matters not how much a bird has cost to produce, if that bird is not of marketable quality it is of no value.

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Equally the purchasers of birds must put in place payment systems that reward the good producers and penalise the poor producers. This is where Grading Systems and Yield Classifications are so important.

Producers and Processors are all interdependent on each other for sustainable growth of their businesses.

- Dessi reported sending out the Invitation Letter to join and support the aims of the WOA to many colleagues including vet organizations and student organizations and no response. She also reported having talked with many farmers about WOA membership and they asked me what they will gain with this membership, they want real things, information, support and help.

Comment: What are the benefits of membership of the WOA, what is it going to do for me? We hear that for membership benefits of all associations. I hope I have made that question easier for all to answer with the comments above.

To summarise: The WOA is needed to set industry standards. Members are required to help develop those standards and support those standards. If there are no standards then the 'crooks' of the industry can continue to play on the ignorance of new producers and our customers have no guidelines to determine the quality of the products they are being sold.

- Dessi suggested that it is very important to decide how we can attract farmers to be WOA members. She was referencing ordinary farmers, with no experience and with no knowledge.

Comment: My suggestion is that this should go beyond producers as there is no benefit to producers in raising birds unless there is full support infrastructure? Entering Ostrich production as a new producer is very different than starting out with Beef, Sheep, Pigs, Chicken. Starting out with established specie there will be some infrastructure already in place. A company looking for producers to raise on contract or local livestock market system, consumers who know the products and feed mills that carry rations proven to provide minimum maintenance and depending on the country you are in certain performance guarantees as well. None of this is yet available for ostrich.

- Web site and all communication available in local languages.

Comment: The language barrier has been a major reason that new countries have not been able to learn from the experiences of the past. Communication we have all identified as of major importance. We do need to find systems to break this language barrier and ensure that translations are accurate. This is a very important role for members in countries that do not have English as their first language.

- Offering members a Guide Book of information

Comment: There is already a great deal of information on the WOA web site. Having been actively involved in providing "free information and support" for a number of years now, I would suggest that this alone is proving not to be a solution as it requires a lot of time to study. Time many do not have as Ostrich is not their primary source of revenue.

The discussions above I believe identify further areas of information and the need for translations. Where countries share a language, then you can share translators.

- Joint WOA and Local Association Seminars

Comment: In the last newsletter I reported that Stan was asked to do a 12 day training course and asked me to assist. It has been suggested that these training seminars are sponsored by the WOA. Our next course will be from 6th to 16th July.

d. Ethical Practices

Several members have reported difficulties in unethical practices. One is the never ending problem on non-payment and the other is chick orders that are then cancelled when the chicks are in the process of hatching. I am sure that there are other members who can relate to these difficulties? A few brief thoughts:

Non-Payment:

This has been a major difficulty over the past decade and unfortunately continues today. There are many reasons that this is such a problem. In 1999 an International meeting held in South Africa sat for 2 days led by a professor from Belgium. We carried out an intense Strategic Analysis of the International Ostrich industry. The core problem that was blocking progress in the industry was defined as INDUSTRY IMMATURITY. When you analyse every sector, Industry Immaturity is clearly the fundamental problem. I wrote a report on that analysis and I believe it is time to publish that report once more. Therefore I am posting as an independent supplement to this Newsletter.

Cancellation of Chick Orders as Chicks Hatching:

There are many areas that currently are only hatching when there is an export order for chicks as there is no local slaughter market. Chicks are hatched for slaughter markets and export markets. When living in an area where there is a strong slaughter market, any chicks not sold for export can slot into the local slaughter market. Chicks hatched in an area of no slaughter market have to be raised. When there is no local slaughter market, the producer rarely has the resources to raise those chicks, what happens to those chicks? It does not take much imagination to understand the difficulties this causes. This situation has been replicated over and over during the past 5 years or more.

The solution to this problem is for this association to set guidelines for both buyers and sellers. Producers not to set eggs for sale of chicks unless contracts are in place, with substantial deposits paid. Many members can probably relate to this situation? The current system is making it difficult for buyers to achieve the quality they require and making it extremely difficult for the producers to provide the quality the buyers are seeking. This is a symptom of Industry Maturity.

e. Future Reports

Please send either to the members list or to me (editor@world-ostrich.org) any news or activity that you believe is of interest to other members for inclusion in future issues of this newsletter in this slot.

Any comments or suggestions please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org . If you have any contributions for inclusion in future news letters, please send to Fiona at editor@world-ostrich.org

Ask not only what the WOA can do for you but also what you can do for the WOA.

Issue No. 16 – July 2004

1. CL Report from Spain
2. Ostrich Leather, What is the Problem?
3. Selling Chicks in South Africa
4. Email Address

1. Latest Developments in the Spanish Industry from Alan Stables

The cycle of the ostrich industry has been the same throughout the world. High breeder prices during the breeding phase and when the commercial phase starts, the prices drop dramatically. So breeder prices in 1995/6 were around 4000 euros, and as more breeder birds came onto the market they dropped to 1500 to 2000 per breeder bird in 2000. And then the big drop came. They dropped in 2001/2002 to as low as 300 euros per breeder bird - if you could sell them.

Also of note is that some sellers were unscrupulous in offering buy-back schemes. "If you buy my breeders, I'll buy back your eggs" etc. ALL OF THESE FAILED. Indeed it was simply a "Con" to get big money for the breeders. Yet in part I have little sympathy for the buyer because the buyer often failed to get references and did not listen to solid advice. Buyers accepted what they wanted to believe (the good news) and blocked out all warnings (bad news).

During 2001/2, various processors came on board to market meat. Many farmers did their own thing, and competed against each other. Variable product was put on the market causing ostrich meat to have a bad name. Follow up orders failed to materialise and when they did, farmers could not supply. Consistency of product, quality of product and service were severely lacking.

Regional groups were formed normally in the form of cooperatives. None of the cooperatives worked, leading to much disharmony, disgust and bankrupt farmers. The farmers within the cooperatives expected to get high earnings and put all their faith in one or two people to get it running. The cooperative idea was sold to the farmers based on unrealistic earnings. Yet again the farmers did not do their homework. The cooperatives were ran unprofessionally with a complete disregard to see the whole ostrich picture, preferring to compete against one another instead of working for the benefit of all.

The early processors took advantage of the situation and purchased birds very cheaply for slaughter. The survivors were the processors that managed to get good meat accounts - operating in volume. During 2003, there was a sudden change in that farmers could sell their birds, but usually at a low price 100 to 150 euros per bird. At the beginning of 2004, all the slaughter birds had been culled and there was a shortage of birds. Demand for meat had increased.

Processors are now trying to tie-in farmers to breeding exclusively for them, and offering contracts. Very few farmers are loyal and will sell to a competitor who is offering more money - regardless of the contracts they have signed. The harm done by this is that a processor is unable to plan - he goes to collect 30 birds for slaughter from farm A, only to find that he has none - yet he has to supply meat to his clients or he loses them. All the processors are trying to get birds, and have no shame in trying to get birds contracted out to others. It's a scramble and a big mess.

Slaughter bird prices in Spain are typically 180 to 200 euros per bird, and look to be set at this rate for the near future.

In the short-term the farmer gets more money, but the disloyalty of farmers will cost them dearly. The whole ostrich industry in Spain, and in almost every country I see, is so unprofessional it is frightening.

Farmers are acting completely blind in that they do not know their costs per chick, costs per slaughter bird and assessing yields per bird is non-existent. The most they know is the performance indicator of number of eggs per breeder park. There is no traceability as chick identification is non-existent. Nutrition is not taken seriously either, and is seen more as an expense as opposed to a way of cutting unit costs. Processors also have not encouraged traceability leaving the responsibility solely on the farmer, and do not provide meat and skin yields per bird. Taking the step further - average meat yields and skin yields per breeder pen is therefore impossible. The farmer does not care, nor does the processor.

The large meat buyers are vultures. They go for price per kg at every stage, and the small meat buyer is a high risk for non-payment. The majority of meat products I have seen have poor packaging leading to a poor image. Those that have had good packaging have had in some cases low quality product. The marketing of ostrich meat in Spain has however improved in the last couple of years - indeed it has had to improve in order to get access to supermarkets. These processors still exist.

So in general, the demand for ostrich meat in Spain has increased, and can be found in most of the major distribution chains - Makro, El Corte de Inglés, Euroski to name a few. Ostrich meat is not seen in your general butcher and nor does it appear commonly on restaurant menus. Much of the ostrich meat production in Spain goes to France and Germany, and is sold at low prices. The farmer however is in the best position he has ever been in. He can choose which processor to align himself and at 180 to 200 euros per slaughter bird, is able to plan more confidently.

Our thanks to Alan Stables for the above report.

2. Ostrich Leather - What is the Problem?

Frik Kriek Sales Director of SCOT (South Cape Ostrich Tanning) recently wrote an article with the above title. The full article can be viewed at <http://www.saobc.co.za/modules.php?name=News&file=article&sid=10>. The article is too long to publish in this newsletter, but is well worth reading. I will pick up on a few quotes as Frik has raised some excellent points for discussion.

The opening statement:

Quote: ***Ostrich leather is currently a problem for the industry as it is not generating the expected income, this despite the fact that it is a unique, exotic leather with a wide range of applications. The question is, should we not look closer to home as a first step to tackle the current situation we are experiencing?*** end quote

Frik discusses several issues:

a. Stability

Frik acknowledges the fact that prices for leather will inevitably fluctuate from year to year as the leather is a fashion product. He suggests that there needs to be an

averaging of prices in payments to farmers to even out the good years and the bad years and goes onto state:

Quote: *Farmers who align themselves with organizations that follow this practice should realize that they will not receive the highest returns when markets are good, but they will also not receive the lowest returns in bad times. Difficult decision for a farmer! It is not fair for the farmer, who continually makes a contribution, building up reserves during the good years to then have to support his neighbour, (who was chasing the highest price) during bad times. This is a speculative activity and the industry must ensure that the "long term" farmer is compensated for his commitment.* End Quote

We must never forget that our industry is a new industry everywhere. Producers, processors and marketers do need to work together for sustainable growth and at the same time remember that we need to optimise the revenue from the whole bird.

b. Information

Quote:

Ostrich farmers require timeous information regarding the following:

i) How many birds can be slaughtered

ii) What price can be expected

iii) Product requirement /specification, weight of birds and skin size as well as various factors relating to quill size, etc.

End quote

It is worth noting here that our industry has the ability to produce birds with absolute knowledge of weight, skin size and quill size and in a commercially viable finishing time. The reason this is not currently being achieved is that few records have been kept and the production potential of the birds are not understood by too many of the support specialists whose task it is to assist producers to achieve commercial levels of production, resulting in outdated management systems being adopted.

Quote: *Considering that the production cycle is between 14 and 20 months, the most critical time for the farmer is at the beginning of the cycle, to enable him to make a decision regarding what his investment in slaughter birds should be. Currently the decision is taken in an "information vacuum". Prices for day old chicks are determined mainly by the current market rather than the future market. The situation is further compounded by the fact that the marketing people have no idea of the market conditions expected in 18 to 24 months time.* End Quote

Maintaining a slaughter age of 14 months will always put the industry under pressure as it is unsustainable unless unrealistically high prices are paid for the products. Once ALL the aspects that control production are understood Nutrition, Feed Management, Farm Management and Genetics all working together it is possible to halve the current slaughter age and still have skins that are acceptable to the market, or slaughter in 2/3rds of the time with in excess of 50% greater meat yields.

c. Product Quality

Quote: *I have already indicated that the farmer must produce the correct product, complying with market requirements.* End Quote

This is a cry I have been hearing from processors and marketers since I joined the industry 10 years ago. It really does not matter how much a bird has cost to rear, if it

is not suitable for the market, it has no value. I recently was told of a situation where an arrangement was made for regular slaughter of birds for a farmer. There was a market for the meat and a market for the skins. The farmer had been informed about the dangers of feeding only Alfalfa and the impact on the meat. Well the meat buyer could not accept the meat as it was just too dark in colour. Everyone has lost. The meat buyer is short of meat, the skin buyer is short of skins and the farmer is left with no market for his birds.

d. Product Development

Quote: *Fashion markets in which we are active, are consistently changing and they are continually looking for new textures. It requires initiative and creativity to keep up with these demands and deliver something new to the market on time. Tanneries will be required to do what they have never done before and if they do not comply, and only do as they have done in previous years, they are in a dead-end situation.* End Quote

There are a few of us who have been saying this for a number of years now. One of the aspects that tanners will tell you that make Ostrich a challenge to tan has been the variability in skins from producer to producer. In order to carry out creative new finishes it will be very much easier if skins have far greater consistency than is currently the case.

Quote: *The South African ostrich industry should be more sensitive to fashion /market trends and pool their resources to maximize the generic exposure of ostrich leather to its potential market . At present, the fashion houses are aware of ostrich leather, but they are not continually using it. We as an industry must work harder to change this.* End Quote

d. Markets

Quote: *There is a different interpretation, or expectation of generic and trademark promotion in the industry. Different promotional techniques are required for different market situations. Generally we think ostrich leather is over supplied in the world. This is not the case, it is over supplied in the traditional markets and we need to expand from there. Trademark promotion, promoting the uniqueness of a specific companies product will for instance, be done in Japan, where ostrich leather is generally well accepted. Companies who want to increase their market shares do this on their own, by way of branding their product.* End Quote

There are markets that cannot be accessed as we have insufficient volume to enter those markets.

e. Ostrivision

Quote: *This is where the Ostrivision project comes in, to create an industry structure that must deliver certain pre-determined results that will contribute towards a stable and profitable industry.....This to me is the answer for solving the "problem".* End Quote

The Ostrivision Project is specific to the South African Industry, but I think all would agree with the principles of requiring an industry structure.

There has been a comment posted in response to this article. It has been posted by Stefan Maree, Chairperson of the South African Producers Association and The South African Business Chamber. He states:

Quote: *Frik is right in his article about our industry. The present serious talks on the situation in our industry are now of cardinal importance on the climate of working together to set up what is necessary. The focus must be on business solutions for our problems and not theories and ostrich politics. Strong leadership is necessary to bring business solutions to the fore and to get our industry steadily on the path toward development and stability. It will require people with strong will and perseverance.* End Quote

3. Chick Purchases in South Africa

Most members are probably subscribers to Alan Stables' regular news letter and will have read this message:

Quote: Most new farmers want to do the full cycle - have breeders, do incubation, and rear chicks to slaughter age. As ostrich farming develops, farmers become more specialised. In South Africa, it is normal to buy day old chicks on contract to resell them again at say 3 months of age.

An advert placed in South Africa's Farmers Weekly, offers 3 to 4 months chicks weighing 40 to 50 kgs at 18 South African Rand per kilo liveweight. Using an exchange rate of 6.615 rands to 1 US\$, this works out to be US\$108 (87 euros) to US\$136 (110 euros) per chick.

The interesting thing here is that the chicks are sold on weight, thereby rewarding the chick grower for growing his chicks out. End Quote

It has been a practice in South Africa for some years now for chick rearing to 3 or 4 months to be done by specialists. Some buying in and selling on and others rearing on contract for the larger breeders. A comment I hear from feed lot operators was how the chicks seemed to stop growing and some even go back when they arrived in the feed lots. Why is this?

Feed:

We all know that the chicks in the early weeks put on weight very quickly. Some chick rearers I have visited were changing to a maintenance ration from 2 months. The chicks maintained good weight gains, but this is not quality weight gain, as the rations are very low in nutrients and especially vitamins and minerals required for development of strong frames. Feedlot owners are not aware that the chicks have been taken off grower rations. These rations carry a low per tonne cost, the chick rearer makes a good profit and the feedlot operator is left with chicks that are slow to develop and all too often are going backwards.

Moving Chicks:

It is our experience that when chicks are moved they will take a knock in feed conversion, even when the rations are of the correct nutrient levels and the birds are eating the correct amount.

4. Email Addresses

A reminder again to any of you who change your email address to please inform Craig so that we can keep our records up to date. When notifying Craig (secretary@world-ostrich.org) please give your name, old email address and new email address.

Issue No. 1 – August 2004

1. The Role of the WOA to Increase Bird Revenue
2. Poor Hatchability in South Africa
3. Increasing Power of the Super Markets
4. Ostrich Products Namibia Diversification
5. Director Elections
6. CL Reports

1. The Role of the WOA to Increase Bird Revenue

A question we are asked repeatedly is "how can we increase the revenue of our birds"?

The answer to this question is discussed in detail in the paper I presented at ICDOE2004 in Xi'an, China - "Cutting the Costs of Production". Slide 29 http://www.world-ostrich.org/present/fiona_files/frame.htm summarises the areas that impact on REVENUE.

- Improved Meat Yield
- Meat Grade
- Skin Grade
- Skin Follicle Class
- Feather Quality
- Feather Density (weight of feathers per bird)
- Fat Yield
- Fat Grade

The WOA has an extremely important role in setting the infrastructure required to increase revenue.

Grading standards are the foundation. The higher the grade the greater the price one can ask the market to pay. Today the meat from a 12 year old breeder bird is sold alongside the meat of a prime 9 month slaughter bird - the meat is perceived the same in our market place.

Depending on the market Prime Grade Beef traditionally achieves as much as 25% greater revenue. With Ostrich we currently have tremendous variations in meat quality and we ask all members to understand all the factors that influence meat quality - your incomes depend on it. As an industry it is important to educate our customers on the difference between grades.

Definitions of The WOA Ostrich Meat Grades are available at <http://www.world-ostrich.org/grading.htm>

Producer Yield Payment systems are designed to help encourage the producers presenting higher yielding birds, as these birds are cheaper to process - see Slide 27 in "Cutting the Costs of Production" referenced above. The narrative of this paper can be downloaded from: <http://www.blue-mountain.net/bulletin/bull95.htm>.

Details of the Yield Payment System can be found at: <http://www.world-ostrich.org/yield.htm>. The principle of the system for producers selling to processors is that a higher price per kilo of meat is paid to high yielding birds and a lower price per kilo is paid to the producer as the processing costs of those birds are so much higher.

We need more volunteers to help with the development of grading systems for the other products. Grading systems are an evolving process as our standards of production improve as experience is gained. Understanding and supporting grading systems are an important component of any ostrich business's marketing campaign.

2. Poor Hatchability in South Africa

When we were in China I was asked by a member why South Africa were having difficulty hatching eggs. A press release issued by the Klein Karoo Group discusses the problem. It reports a decrease of 50% in hatchability in some cases, an extremely serious situation for producers. The report quotes Dr. Willum Burger, the group's head of Research and Development, as stating:

quote: *Various possible causes, such as feed, breeder bird management, breeding room management and infectious diseases have been researched.*
end quote

The report discusses the areas of investigation that could have contributed to these very poor production figures. Drs. Boto Ganzevoort and Adriaan Olivier are reported as being actively involved in the investigation to find the cause and provide solutions.

quote: *Adriaan has, through the group's lab and by other means, done various experiments on eggs and embryos. No infectious cause was evident. Above all, the focus has been on the analysis of egg composition and the likely influence of feed thereupon. Deficiencies are noted in the case of producers with hatching problems..... Recommendations such as multivitamin supplements, cuts in green feed or ration changes showed better results.* end quote

Notable in this statement is the elimination of any infectious cause and confirmation that nutrition is the route cause.

Many of you will know that the high level of chick mortality has been well reported as an on going problem in South Africa.

When we first identified that chicks were hatching with immature internal organ development in South Africa, including the Yellow Liver Chick Syndrome, I reported our findings to the South African support specialists. They told me that this condition was normal. That led Daryl Holle and myself in 1999 to carry out a study on this condition and published a report of that study that many of you will have read. Immature internal organ development of the type being witnessed is a clear symptom of breeder bird nutritional deficiencies as the above quote is finally acknowledging is prevalent in South African production. The study can be viewed at <http://www.blue-mountain.net/articles/p57.htm>.

When breeder bird nutritional deficiencies are so severe that chicks are hatched with these visible symptoms, it is only a matter of time that hatchability deteriorates and eventually egg laying will stop unless corrective measures are taken immediately. Positive responses when supplementing anything is a clear clue that the original rations are falling short.

This press release is written in Afrikaans and can be viewed at <http://www.saobc.co.za/modules.php?name=News&file=article&sid=27>

3. Increasing Power of the Supermarkets

Developing strong and sustainable markets for our meat is essential to the success of our industry. Revenue for oil, skins and feathers are all important to the overall profitability of the birds, but a stable growth market for the meat is essential. Understanding meat markets is an important part of any marketing campaign.

Some major changes have been taking place over the past few decades in how our food is produced, sourced and distributed. The power of the supermarkets has grown in the UK from 20% of all grocery shopping in the 1950's to over 80% today. Their advancement has virtually destroyed city centres as a place to shop and resulted in a massive reduction in independent grocery shops and butchers. The latest move is for them to be buying up the corner shop or mini-markets that we all run to for those few items we forgot to buy. If they are successful in this in England they will control 100% of the grocery market.

Take a look in your own country and observe how trends are changing.

During my time living in Spain, I was surprised at how many small independent shops there were. However a large Carrefour arrived last Christmas, so it will be interesting to observe how long it takes before the smaller shops and the market is forced to close in the small town we were living.

What does this mean?

a. Consumer knowledge

Meat is being purchased pre-packed and ready to cook and increasingly as prepared meals. The result is that we have an increasing number of consumers who do not understand common meat cuts. Some statistics:

Only 17% of consumers 21 - 35 years old have any idea of common meat cuts.

68% of consumers between the ages of 35 and 50 know the common meat cuts.

Only the 51 to 70 year olds knew not only the common meat cuts, but also how to cook them.

[source: Shopped: The Shocking Power of British Supermarkets - Joanna Blythman]

b. Effect on Producers

Competition between the supermarkets is intense. They put tremendous pressure on farmers and expect uniformity in product. Whether we agree with this or not is not important to this discussion, it is necessary to understand that this is the environment in which we are introducing a new meat product.

quote: ***Supermarkets rarely have written contracts with farmers or packhouses although farmers are obliged to commit to supplying certain amounts to them. The farmers are both required to take the loss of any surplus and to meet any shortfall at their own expense by importing if their own harvest does not meet demand.*** End quote [source: Not on the Label: What really goes into the food on your plate - Felicity Lawrence].

c. New type of consumer

From all of this is becoming greater consumer awareness and concerns over all we are eating (we are all consumers also). However, they are also used to seeing food that looks a good colour, is uniform in size and nicely presented.

This is the Niche Market that our industry can aim for very successfully with PRIME grade Ostrich Meat supported by a sound marketing plan.

4. Ostrich Products Namibia (OPN) Diversification

It has been reported that due to the lack of production from the commercial producers and the community farmers that make up OPN, OPN has had to diversify. The slaughter plant is being adapted to slaughter sheep, goats and game such as Springbok. The first sheep skins were tanned at the plant in May.

The full report can be read at

<http://www.namibian.com.na/2004/may/marketplace/044322FCB7.html>

5. Director Elections

We are now reaching the end of our 2nd year. The directors retiring this year are our Chairman - Stan Stewart and our Vice Chairman - Prof. Hesham Khalifa.

Both are prepared to stand again for re-election.

Are there any nominations for other directors? A reminder of the election procedures can be viewed at <http://www.world-ostrich.org/member/resolve1.htm>

5. Country Liaison Reports

There have been no reports from our Country Liaison during this month

Any comments or suggestions please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org . If you have any contributions for inclusion in future news letters, please send to Fiona at editor@world-ostrich.org

Ask not only what the WOA can do for you but also what you can do for the WOA.

World Ostrich Association
<http://www.world-ostrich.org>

Issue No. 18 – September, 2004

1. South African Industry Report
2. Value of Slaughter Bird
3. Increasing Revenue per Slaughter Bird
4. Chick Mortality
5. Contributions

1. South African Industry Report

The Report on the Investigation of the effects of Deregulation of the South African Ostrich Industry is available to the general public. The report was produced by the National Agricultural Marketing Council. [<http://www.namc.co.za>] The National Agricultural Marketing Council was set up in South Africa in 1996:

- * To increase the market access for all market participants
- * The promotion of efficient marketing of agricultural products
- * The optimisation of export earnings of agricultural products
- * The enhancement of the viability of the agricultural sector

As a start to that program, committees were set up for different agricultural sectors. Each committee contained a cross section of participants in each sector of Labour, producers, processors, support scientists and where possible, representatives of the previously disadvantaged sector. Members of the Ostrich committee are published on page 11:

National Agricultural Marketing Council (NAMC)

Mr Inus Bezuidenhout - (Chairperson) Member: NAMC

Mr Schalk Burger (Driver) - NAMC Secretariat

Producers

Mr Rothman Nqumashe - Chairperson: Eyethy Small Farmer Association

Mr Stefan Maree - Chairperson: SA Ostrich Producers' Organisation; Chairperson: SA Ostrich Business Chamber

Mr Gavin Holmes - Chairperson: Eastern Cape Ostrich Producers' Org

Ms Fiona Benson - Blue Mountain Farm, Hopefield [Note: I left SA in December 2002]

Processors

Mr Zorb Caryer - Managing Director: Camdeboo Meat Processors

Mr Kobus Goosen - Executive Director: Klein Karoo Co-operative

(Secundus: Dr Willem Burger - Manager: Research and Development: Klein Karoo Co-operative)

Dr Francois de Wet - Managing Director: Mosstrich Abattoir

Labour

Mr Jacobus du Plessis - SACTWU (South Africa Clothing and Textile Workers Union)

Marketing

Mr Pieter Strijdom - President: International Ostrich Association

South African Ostrich Business Chamber (SAOBC)

Dr Francois Hanekom - Chief Executive Officer

Provincial Departments of Agriculture

Dr Luba Mrwebi - Director: Veterinary Services: Eastern Cape

Mr Jan Theron - Assistant-Director: Western Cape

The report, completed in April, 2003 is now available on line for public download:
<http://dms.namc.co.za/published/20040416-1212.pdf> .

This newsletter will focus on a few key areas of the report as they affect the International industry.

2. Value of Slaughter Bird

There was a very clear resistance from some committee members to support mass production of Ostrich, which is essential for a successful global industry. An illustration of this is found on page 31 of this report, where there is a discussion on the issues of the perceived overproduction. This page also has discussions on the impact of Rand/Dollar exchange rate. This is worth studying further as the implications are significant. I touched on it in my economics paper presented at our conference in Chile and now is a good time to update the situation.

The graph in Figure 1 shows the effect of the Rand's collapse in 2001 and steady recovery. It can be seen that by 2004 the Rand has recovered to levels of 5 years ago.

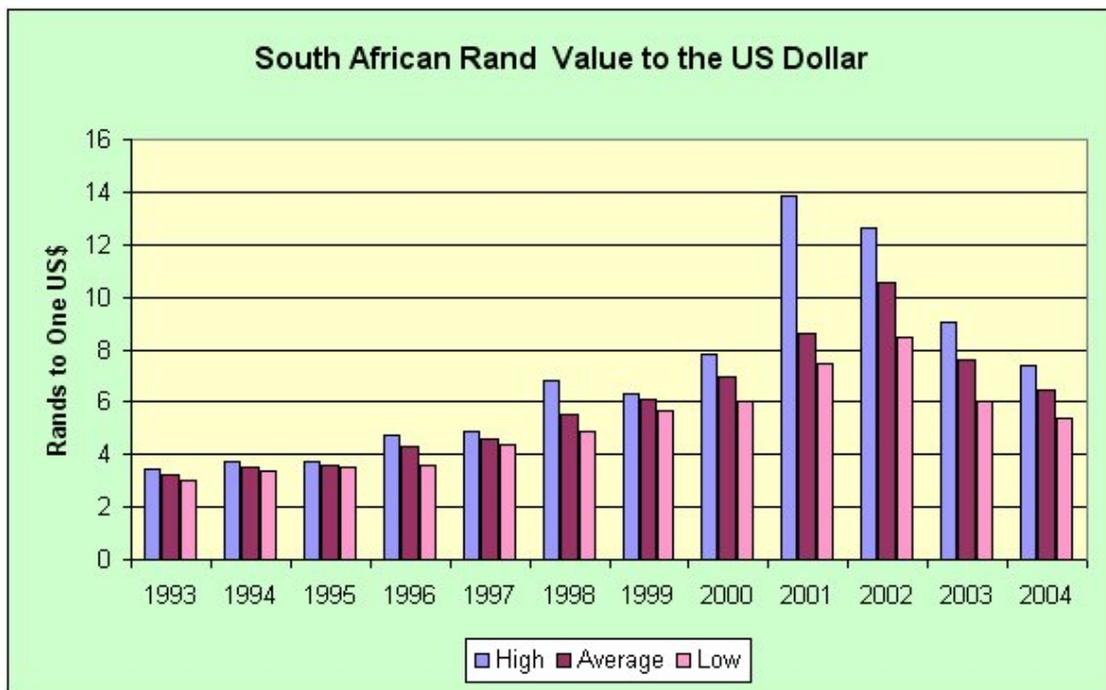


Figure 1 - SA Rand rate vs US Dollar [2004 levels to 29th August]
Rates as per www.oanda.com

The graph in figure 2 is a comparison between the rand value and the dollar value of a bird paid to the producer based on average dollar exchange value in each year. The figures for the gross value per bird, after value adding, are not included in the

report. This of course is impossible to establish accurately as the gross value depends on markets serviced - retail, wholesale, domestic, International etc. and any value adding, these will vary from processor to processor. Prices paid to producer also vary between processors, these are workable averages.

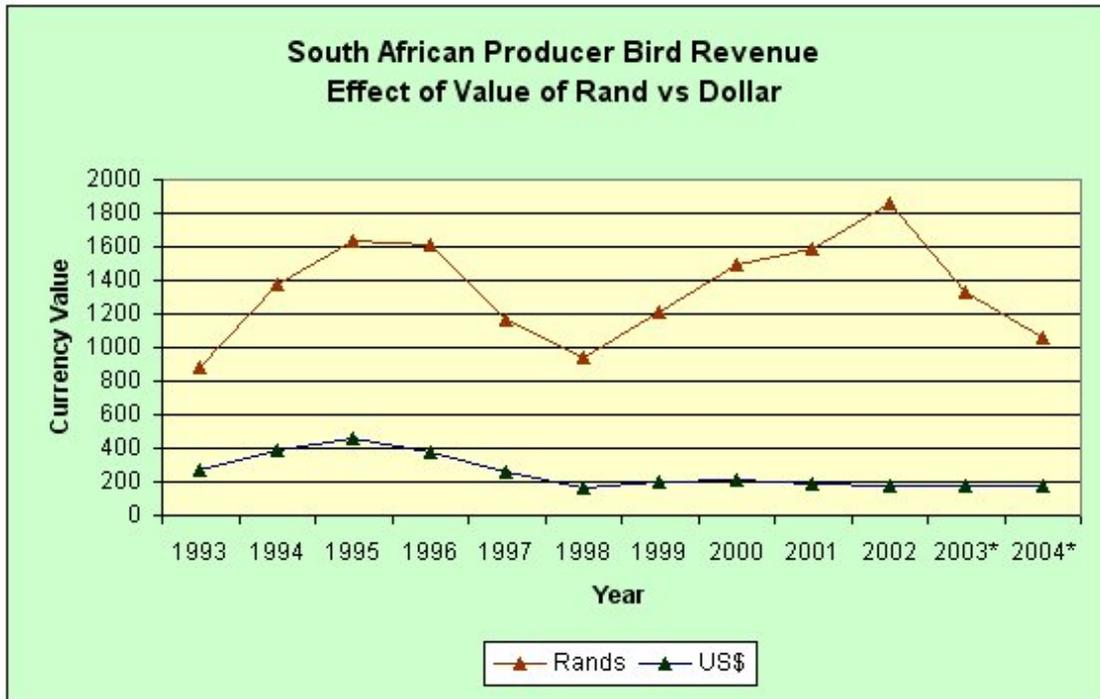


Figure 2 - SA Comparative Producer Bird Revenue - Rand and US Dollar Values as per table 2 on Page 32 [Note: 2004 values average to 30th August]

The graph in figure 2 is a comparison between the rand value and the dollar value of a bird paid to the producer based on average dollar exchange value in each year. The figures for the gross value per bird, after value adding, are not included in the report. This of course is impossible to establish accurately as the gross value depends on markets serviced - retail, wholesale, domestic, International etc. and any value adding, these will vary from processor to processor. Prices paid to producer also vary between processors, these are workable averages.

Figure 2 shows the US Dollar revenue per bird peaking in value in 1995 and moving to a low in 1998, where the value has remained virtually constant. By contrast the Rand value per bird peaked at higher than the 1995 value in 2002. Figure 1 shows the 2004 Rand value at 60% of the 2002 value - a significant drop that must have had an impact on producers and processors. The rand values in the report were 2002 values, with an average of Rand 10.50 to USD1.00. By the time the report was first published the Rand had firmed to Rand 7.13 to USD1.00 - that is nearly 50% drop and changes in producer Rand value revenue were already being felt. Subsequently the Rand has firmed further to a low in August of Rand 6.02 to one USD 1.00. The firmest it has been this year is Rand 5.83 to USD1.00 around 20th July.

What does this mean?

The majority of the South African bird revenue is achieved in Export revenue - hard currency (Euros and/or US Dollars). When bird revenue was R1,800.00 the US Dollar value was \$176 per bird at an average R10.50 to USD1.00. This was the lowest Dollar value since 1998, when the Rand value of a bird was R6.11 to

USD1.00 average. Worthy of note is that during this time the value of the skins dropped and the value of the meat increased, resulting in similar total bird value.

Assuming there has been no change in the US Dollar value of the products today a South African bird is worth R1,060.00 - if prices have dropped, then the dollar and rand value will be lower again. The question to ask - have local production costs come down in line with the strengthening rand or are the South African support industries slow to respond to the firming rand? Are producers aware that whilst there has been a significant drop in the Rand value of a slaughter bird, the US dollar value has changed very little in 5 years?

During 2000, I went on record to warn the SA producers to watch the hard currency (Dollar/Euro) value of their bird revenue and input costs rather than the Rand value. The majority of input costs in livestock production are sensitive to world markets and therefore sensitive to local currency variations. The movement in the rand value over the past 5 years has been extreme and it can be very dangerous to observe costs only in local currency terms under these conditions. The above graphs demonstrate the need to pay attention to these costs and revenue in hard currency values.

3. Increasing Revenue per Bird

Worthy of note is that during this time period discussed above, the value of the skins dropped and the value of the meat increased. This had the net effect of increasing the proportion of meat revenue to skin revenue.

Page 29 of the NAMC Report states:

[Quote] *"For many years meat was a by-product of ostrich processing in South Africa. In 1993, ostrich meat accounted for only 15% of the income from a slaughter bird. Today this percentage is between 30% and 45% and ostrich meat therefore plays an integral role in the survival/sustainability of the South African ostrich industry. The current average carcass weight of a South African produced ostrich is 43 kg (live weight approximately 95 kg) at 12 – 14 months (the same weight is achievable at an earlier age, but with negative effects on the skin quality). An average carcass yields 24 kg of meat (16 kg of prime steak and fillet cuts and 8 kg of trimmings)."* [End Quote]

There are a number of very key factors in this statement that are fundamental to increasing revenue, reducing costs and positively changing the economics of raising a bird. The 'myth' of younger skins from all birds having negative effects on skin quality has to be eliminated as it is a False statement. Skins from poorly raised birds should remain unacceptable at younger age, but skins from well raised birds are acceptable which is a True statement and thoroughly proven.

Increased Revenue comes from:

Increased Meat Yields: Methods of production required to produce quality skins at younger age also produce birds with increased meat yield. Increased meat yield will produce increased revenue.

Improved Grade Meat: Younger age slaughter and faster grown muscles reduces the incidence of dark meat, multi-coloured muscles and yields a greater percentage of tender muscles. Improved grades, combined with good marketing, will yield increased revenue.

Improved Grade Skins: Younger slaughter is proven to yield a greater percentage of Grade 1 finished skins.

Consistent Fat: A further benefit is greater consistency in fat type/quality and yield

Cooperation:

Page 40 of the NAMC Report states:

[Quote] *"South Africa has a large number of independent role-players in its ostrich industry. Fierce competition prevails amongst them in order to market their products. Due to the fact that ostrich products are regarded as niche products, the industry as a whole and the different role-players individually has an approach to protect the industry in different ways. This inter alia led to an "each for himself" approach. Unfortunately it also resulted that there is no coordinated approach to work together or to provide important functions for the benefit of the whole industry, e.g. functions relating to product development, generic marketing, research, etc. On the international market each processor sells its ostrich products independently of other processors. This led to the undercutting of prices in order to sell larger volumes. It has also a negative effect on monitoring of quality standards, which led that optimum income levels could not be realized for ostrich products."* [End Quote]

The dynamics discussed in this paragraph are very important to understand and are not specific to the South African processors and marketers in particular - it is a problem throughout an industry that in livestock production terms is very, very small. Within the South African context, of course, there will always be a hope to go back to "single channel marketing". Single Channel Marketing has connotations of "Control" and "mafia" type tactics. Co-operation of the right type enables each to remain independent, but working in cooperation with each other, all can grow irrespective of International boundaries.

4. Chick Mortality

Page 33 of the NAMC report states:

[Quote] *"Chick mortality is a serious destroyer with devastating and varied financial implications. For the last two decades, in all surveys and opinions polls, the vagaries of chick mortality have been listed as enemy number one."* [End Quote]

The severity of the chick mortality problem in South Africa has not been fully realized or understood by many. These chick mortality difficulties are not new at all. They are just getting worse rather than being an improving situation. Reports on the South African industry back in the early 90's also make reference to the high level of chick mortalities being used as a method of production control. There is no mystery as to why chick mortalities are such a major industry problem when the causes are fully understood by those paying close attention. The mystery lies in continual replication of the causes rather than implementing the required management systems to reduce and eventually eliminate poor hatchability and high levels of chick mortality.

5. Contributions

As always, I ask for contributions from Country Liaisons and other members. A sharing of your experiences, what is happening in your area - anything you believe that would be of interest to other members. Any contributions for inclusion in future news letters please send to Fiona at editor@world-ostrich.org.

Issue No. 19 – October 2004

1. Avian Influenza Update
2. South African Press Reports
3. Advice of the WOA
4. Dependency on Export markets
5. Current World Ostrich Production
6. Interpreting the Production Figures
7. Administration

1. Avian Influenza Update

Reports from South Africa confirm further culls have taken place on several farms now outside the original quarantine area since our last report to you, making a total of some 24,000 Ostriches in total having been culled. The last of the culling finished only last week.

The Veterinary Laboratories Agency (LVA) Weybridge, England have confirmed receipt of a single sample from South Africa for analysis. They confirmed that pathogenicity tests are not straight forward on ostriches as all pathogenicity tests to date have been carried out on chickens. Further tests are required as no IVIP tests have been carried out to date on Ostriches. IVIP stands for Intravenous Pathogenicity index test. They also confirmed that the search for the source of the outbreak is ongoing.

2. Press Reports and The role of the South African Ostrich Business Chamber (SAOBC)

There continue to be numerous press reports coming from South Africa that are conflicting and some information is totally inaccurate, so we continue to urge extreme caution and do not believe everything you read. When facts are known to be reported incorrectly or there are inconsistencies in reports, then there will always be doubts on the accuracy of any printed reports unless the source is known for their integrity.

The one message that is consistent is the lack of responsible communication from the leaders in the industry in South Africa.

The SAOBC was set up to act for the South African industry and be the voice for both the Producers and the Processors. Silence and/or poor communication has resulted in inconsistent reporting, speculation and rumour, which can very often have more serious economic affects than reporting the true facts in a structured manner. This is particularly true with an industry that is in the fragile situation it currently is.

The most important thing is that answers are consistent and when answers come from honesty, they will remain consistent. Inconsistencies come when trying to manipulate situations, attempting to deceive and/or a lack of knowledge of the subject under discussion.

3. Advice of the WOA

The Directors advice to buyers of meat, eggs or live chicks and birds is to be extremely careful and ensure that all declarations are correctly completed when importing. Also, if you have imported eggs or chicks from South Africa recently, that you test the birds.

We also ask that no members publish, either on your web sites or in local publications, any specific reports that they find on the Internet because these reports are conflicting and therefore their accuracy cannot be guaranteed.

4. Dependency on Exports

Another message that is coming through very clearly from the South African reports is the effect of being totally dependent on the export market for the meat. All types of meat carry the same risks, when there is an outbreak of disease in a particular country, the International borders will be shut down until the country is clear once more. This applies to all poultry, cattle, sheep and pigs when there are outbreaks of Avian Influenza, BSE, Foot and Mouth or Swine Fever. The mainstream specie already have developed markets in most countries, Ostrich is new to every country so it is not so easy to slip the meat into the local markets when such bans occur.

Whilst it has been possible to purchase Ostrich meat in South Africa, the market has not been developed because export prices were higher and there was very little meat available to go onto the local market. Reports are coming through now that there is tremendous coverage in the press, on television and the radio on the benefits of Ostrich meat and the awareness campaign to increase the domestic sales.

The lesson from this is to develop your domestic market before exporting. In order to develop any market, it is essential to have a consistent supply of a consistent product and this is especially true when opening up new markets.

5. Current World Ostrich Production

There have been a number of reports suggesting a significant drop in South African production in the last couple of seasons - that led several of us last week to see if we could get a feel for current world production. As the table demonstrates, there is a need for all to have a much clearer understanding of just what the true slaughter figures are as an important factor when planning one's business strategy. The 2004 figures are all estimates as the year is not yet complete. Please take a look at those figures and let me have adjusted figures for any you feel are not correct in your country or region.

Country [Note 1)	1993 [Note 2]		1999 [Note 3]		2002 [Note 4]		2004 [Note 5]	
	Slaughtered	%	Slaughtered	%	Slaughtered	%	Estimated	%
South Africa	152,000	84%	233,000	51%	340,000	60%	150,000	49%
Asia	Nil		?		25,000	4%	25,000	8%
North America	Nil		50,000	11%	10,000	2%	15,000	5%
Europe	Nil		40,000	9%	72,000	13%	20,000	7%
Southern Africa	Nil		62,000	14%	46,000	8%	30,000	10%
Israel	8,000	4%	25,000	5%	10,000	2%	25,000	8%
Australasia	Nil		25,000	5%	33,000	6%	10,000	3%
Bophuthatswana	15,000	8%	Nil		Nil		Nil	
South America	Nil		Nil		14,000	3%	20,000	7%
Other	5,000	3%	20,000	4%	10,000	2%	10,000	3%
TOTAL	180,000	100%	455,000	100%	560,000	100%	305,000	100%

Table 1 - World Ostrich Slaughter Production

Note 1:

South Africa: South Africa only

Asia: All Asian countries, including China, Japan, Indonesia and Malaysia

North America: Canada, USA, Mexico and all countries North of the Panama Canal.

Europe: European Union Countries prior to the new countries of this year

Southern Africa: Zimbabwe, Namibia and Botswana

Australasia: Australia and New Zealand

Bophuthatswana: The independent homeland of South Africa that became part of South Africa once more with the New South Africa

South America: All countries South of the Panama Canal.

Other: Any not included in the above, including the Middle East and Eastern block countries.

Note 2:

Figures as published in "The Report on the Effects of Deregulation of the South African Ostrich Industry" - <http://dms.namc.co.za/published/20040416-1212.pdf>
Page 27

Note 3:

"The Global Industry, Current Situation" - Fiona Benson. Presented to the World Congress, Portugal, 1999 - <http://www.blue-mountain.net/articles/p61.htm>

Note 4:

Figures as published in "The Report on the Effects of Deregulation of the South African Ostrich Industry" - <http://dms.namc.co.za/published/20040416-1212.pdf>
Page 37

Note 5:

These figures are estimates from current information. The only way to achieve more accurate information is for members to set up systems in their own countries to be able to report meaningful results.

6. Interpreting Production Figures

How many of you have heard comments either through articles or attending conferences that there is 'overproduction' of ostrich? Personally I have heard this many times including at the 1997 World Ostrich Congress in Hengelo during a presentation by a South African tannery.

Previously I have referenced annual world production of ostrich and compared it to the annual output of saleable beef from a single US cattle feedlot. More recently I was discussing annual world ostrich production with a pig production company. We calculated that their annual output of saleable pork is 60% of current annual world production of Ostrich meat.

How can we possibly have overproduction of Ostrich?

More important - how is it possible to develop markets when our current production is not only at such very low levels, but also so fragmented throughout the world?

7. Administration

Craig has asked me once again to remind us all to please let him know when you have a change of email address. When notifying Craig, please give you name, your old email address as well as your new email address.

We do advise against using Hotmail email addresses. We experience considerable problems with messages to Hotmail addresses not being delivered and we are not able to warn members that their messages have not been delivered.

**Any comments or suggestions, please post either to the members list
woa@world-ostrich.org or Craig at secretary@world-ostrich.org**

**Ask not only what the WOA can do for you but also what you can do for the
WOA.**

**World Ostrich Association
<http://www.world-ostrich.org>**

Issue No. 20 – November 2004

1. Avian Influenza South Africa - Press Release
2. Avian Influenza South Africa - Editor's Comment
3. Understanding our Markets
4. Country Liaisons
5. Annual General Meeting

1. Avian Influenza - South Africa - Press Release

The following press release has been issued by the Department of Agriculture - Enquiries: Steve Galane - 083 635 7346.

MINISTER DIDIZA REFUTES ALLEGATIONS THAT THE EU BAN IS A RESULT OF NEGLIGENCE BY THE DEPARTMENT OF AGRICULTURE.

As stated in the earlier communication after the outbreak of Avian Influenza, the Department of Agriculture indicated that the OIE (World Organization for Animal Health) regulations and procedures/guidelines suggest that a country should wait six-months after the outbreak before it can resume full export to other countries.

Within this period the affected country needs to inform the OIE on measures taken to eradicate and contain the disease.

On 04 August South Africa notified the OIE of the outbreak and further indicated that the following measures have been taken:

- Exports of poultry and poultry products from South Africa were voluntarily stopped.
- An infected zone to contain and control the disease was declared.
- A decision to apply a slaughter out policy for all infected farms was taken.

To date South Africa has implemented the following measures:

- All infected ostriches on infected farms in the Eastern Cape Province were culled by 04 October 2004. The Department has managed to cull 24 000 ostriches and 5 800 chickens and other farm birds in less than two months.
- The process of disinfection of the infected farms started on 05 October after all ostriches, chicken, farm birds, and their products had been removed from the farms and will continue for 21 days.
- The period of disinfection will end on 26 October 2004. All ostrich farms are being tested for the presence of Avian Influenza infection. If no further infection is found we will be able to inform the EU that the control measures have been successful in South Africa after 26 October 2004.

On 11 October 2004, the EU held its Agricultural Committee meeting to discuss among other things the review of the ban on South African imports as a result of Avian Influenza.

The decision taken at this meeting is consistent with the OIE guidelines and therefore should not cause alarm. The Department is in constant contact with the EU officials. We are confident that this situation will be reviewed in accordance with the OIE guidelines.

2. Avian Influenza - Press Release - Editor's comment

When involved in exporting agricultural products it is extremely important to work with your Government Department of Agriculture and state veterinary services. Whilst many of you are aware of this, I know from communication we have received from start up operations with limited experience of agri-processing, that these aspects are not understood as well as they need to be.

When the South African Ostrich Section 7 Committee first met, the primary problem expressed was the need for adequate state veterinary services to ensure that there all the requirements for importing countries were met.

3. Understanding our Markets

Over the past months I have emphasised the need to understand just how small and fragmented production in the Ostrich industry currently is and the implications. I do receive reports from niche operators who are managing to operate in a profitable manner, focussing on a very limited and very local niche market. This is not easy when one studies just how our food supply chain has been evolving over the past few decades.

Most times I reference websites, this month I am referencing a book written by a UK journalist on the role of Supermarkets and their influence over the food supply chain. The author explains in simple language how the major supermarket chains are progressively changing the way consumers buy their food, what they buy, the power that these supermarket chains have over suppliers and how this affects our food supply chain.

All members are concerned on how to develop the markets for their products and receive a fair price that meets the costs of production. This book is a "must read" in my opinion for any you who have limited experience with commercial livestock production and/or working in the agri-processing market place. There is a whole chapter devoted to the "Climate of Fear" - that is fear amongst supermarket suppliers to speak out on unfair practices. When working as individual units they are fragmented - suppliers need to be working as groups in order to have greater bargaining power.

A few interesting quotes:

Quote: ***By the 1980's things got really cut-throat. The supermarkets started to knock out the smaller growers who they were not interested in and focus more on the large ones. Growers were partly at fault because they weren't very good at getting together to present a united front. Supermarkets were playing one grower off against another and promising things that wouldn't materialise.***
End quote

Quote: ***It is thought that in the 1980's supermarkets accounted for only 10% to 20% of all food sales. By 2000, supermarket's share had leapt to 50-60%.....Global supermarket chains now account for 70- 80% of the top five chains in most countries in the region. (Latin America).*** end quote

Quote: *(Europe) In 2000, only 25% of the food sales in Croatia were made in supermarkets.....By 2002, after the global grocers moved in, Supermarkets' share rocketed to 51%. Effectively, Croatia has undergone the retail transformation in five years that France or the US Experienced in fifty.*
end quote

Quote: *In the first eight months of 2002, for example, six global retailers - British Tesco, French Carrefour and Casino, Dutch Ahold and Makro and Belgian Food Lion - spent 6 million bhat (\$120 million) in Thailand alone.* end quote

Quote: *By 2003, the top 30 grocery retail chains accounted for 33% of global food sales..... The ultimate goal of global grocers, irrespective of what corner of the planet they operate from, is to establish a more or less captive market in as many countries as possible while simultaneously benefiting from the huge economies of scale that flow from having suppliers at their beck and call.* End quote

When developing your marketing strategy it is important to understand exactly what is happening in the market place and food supply chain. The strength of these global giants combined with an understanding of just how small and fragmented our industry currently is, explains why we are slow to develop any meaningful markets.

The book is SHOPPED by Joanna Blythman ISBN 0-00-715803-3

4. Country Liaisons - Report from Norway

Following the Annual General Meeting there will be a review of the CL program as only very few of our CL's are submitting reports and/or communicating with the directors. In addition a few have not renewed their membership as they have come up for renewal.

Svein Overskott has sent the following report from Norway. Thank you Svein for the report.

"After a too optimistic peak in the end of 90's we now have about 15 - 20 ostrich farms. As in many European countries, the slaughtering and marketing have been the problems. Some of the farmers sell their products directly and from so called "farm-shops". In the city of Trondheim, however, we have an agreement with a specialized meat shop. He sells quite a lot of ostrich meat. Last weekend we organized a study tour for 10 of our members to Sahlins Struts in Sweden. Kerstin and Gunnar Sahlin have a fantastic interesting business, integrated from hatching to slaughtering and marketing. I believe that our members can benefit a lot from that visit. Looking forward to have new and updated information from other countries."

5. Annual General Meeting

A reminder to you all that the Annual General Meeting is to be held on 30th November, 2004 and will be available on line, through the chat room, for all members. In order to participate and have a say in the development of our association, you will need to be fully paid up members.

Any who have had renewal notices from Craig and have not paid by 20th November, will be deemed not renewing and disconnected from all member privileges.

**Any comments or suggestions, please post either to the members list
woa@world-ostrich.org or Craig at secretary@world-ostrich.org**