

MeatMessaging

Presentation of an e-System between USA and Australia



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sustainable international e-trade for me(a)t UNECE Symposium

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OVERVIEW



1. **MeatMessaging** - An eSystem Solution
2. **AUS-MEAT** - The Organisation, Responsibilities and Role in Industry
3. **MeatMessaging** - What it is, how it works and implementation
4. **The Solution to an Industry Problem** - Benefits: USA Market
5. **Future**

AN eSYSTEM SOLUTION



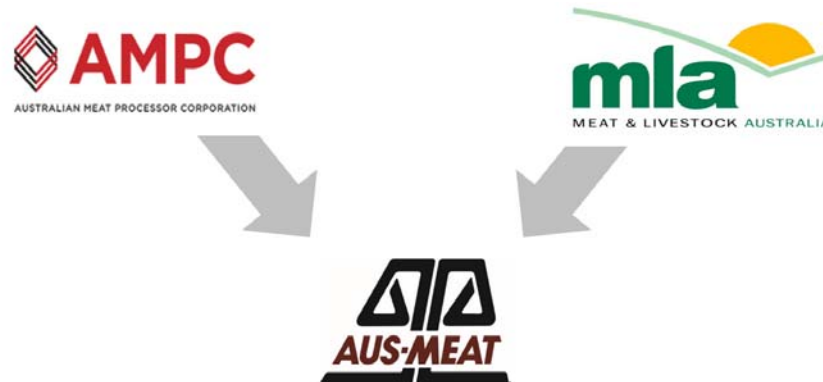
Industry Issue = rejection of edible meat and meat products into USA due to missing or illegible shipping marks.

- **MeatMessaging** provides **accurate information, border integrity, costs benefits** and serves as a **sustainable etrade solution**.
- **MeatMessaging** reflects a response to an industry wide problem associated with product shipped to the U.S.A. being deemed ineligible due to **missing or illegible shipping marks**.
- **MeatMessaging** has provided the Australian industry with a **electronic solution** for **reducing costs of shipments** into the U.S.A. following FSIS recognition of barcodes as a means of verifying product with **missing or illegible shipping marks**.
- **MeatMessaging** uses the **AUS-MEAT Trade Description Language** (UNECE Bovine Cut Descriptions), **Importing Country Label requirements** (USDA) and the **GS1 Global Standards** (for data transfer).

AUS-MEAT – THE ORGANISATION?



- Established in 1987 as national **industry-owned** organisation.
- Industry restructure in 1998 resulted in **50:50 partnership** between **producers** and **processors**.



- Formed as a **not-for-profit** organisation (Includes subsidiary AUS-QUAL Pty Ltd).
- Responsible for the **establishment and maintenance of a universal, uniform trading language** for meat and livestock.

AUS-MEAT - ROLE IN INDUSTRY



- Cited as '**Standards Body**' (Regulation 3(1)) of Export Licensing Regulations. Under legislation **role is to attest to competency of entities** exporting meat.
- Key legislation includes:
 - *Export Control Act 1982*
 - *Australian Meat and Livestock Industry Act (1997)*
- **Trade Description** (defined in *Export Control (Meat and Meat Products) Orders 2005*) must be in accordance with *Australian Meat Industry Classification System (AUS-MEAT Language)*.
- AUS-MEAT has **day-to day responsibility for trade description** in Accredited Establishments (with DAWR retaining responsibility for importing country requirements).
- Designated functions conducted under **formal arrangement** with Commonwealth.

AUS-MEAT - TODAY

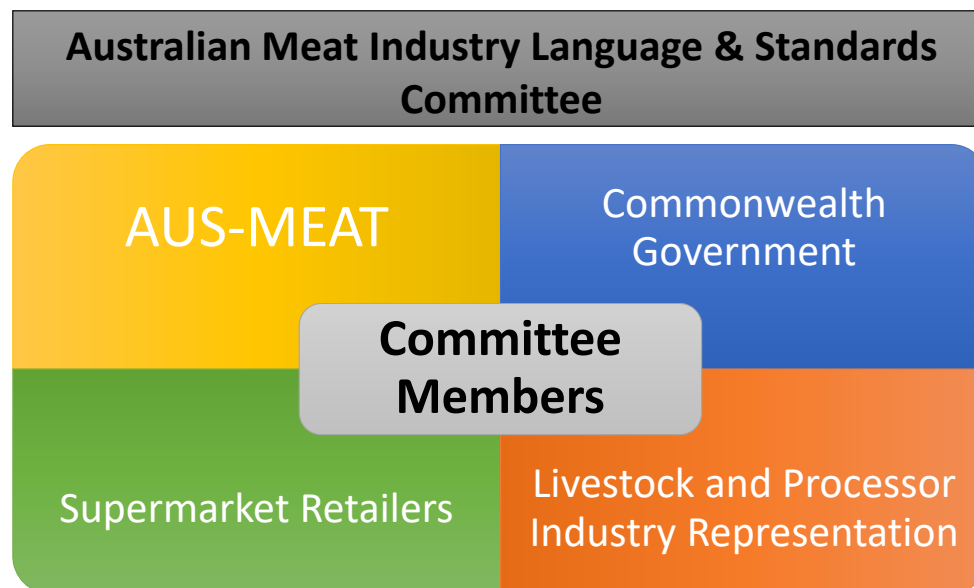


- Provides **auditing and certification** services (70 + programs) in **Australia and New Zealand**.
- Services a **broad range of sectors** and supply chains including farms, feedlots, saleyards, processors, transport, warehousing, manufacturing and retail.
- **Scope** of services includes **food safety, animal welfare, biosecurity and social accountability**.
- Operates under **Quality Management System** certified to **ISO 9001:2015** (Lloyds).
- **Primary objective** remains the **management of trade description requirements and industry standards**.

AUS-MEAT - STANDARDS MANAGEMENT



- The **AUS-MEAT Language** is the national uniform description system based on objective carcase measurements used in the classification of Australian Meat and Livestock.
- AUS-MEAT Language and National Standards for AUS-MEAT Accredited Enterprises managed through the ***Australian Meat Industry Language and Standards Committee*** (AMILSC).



ROLE OF AMILSC AND AUS-MEAT



- A **Steering Committee** reporting to **Australian Meat Industry Standards and Language Committee** (AMILSC) was responsible for overseeing development of the MeatMessaging program.
- Steering Committee included representatives from **industry** and **government**:
 - Commonwealth Government - Department of Agriculture Water and Resources (DAWR),
 - Australian Meat Processor Corporation (AMPC),
 - Australian Meat Industry Council (AMIC),
 - GS1 Australia,
 - Meat and Livestock Australia (MLA), and
 - AUS-MEAT.
 - USDA (as the importing country) was also involved in development process.
- Key role of this Committee has been to **oversee operational policies** to ensure **balanced approach** between **commercial efficiency** and **regulatory compliance** and **surveillance** during development.
- **Ongoing** implementation and **development/enhancement** responsibilities remain with **AMILSC** through **AUS-MEAT**.

WHAT IS MEATMESSAGING?



- The *MeatMessaging* program is an **industry owned web based application** which facilitates the collection, processing and reporting of commercial and regulatory meat product information along the supply chain.
- The system is **based on the GS1 standards** for numbering and barcoding of meat products and the GS1 **EANCOM** electronic message standards.



www.meatmessaging.com

KEY FEATURES - MEATMESSAGING



- The **MeatMessaging** program is **flexible** and can be used either directly through website or can be integrated into individual company IT systems.
- The system includes a **QA monitoring** process that provides a level of reporting on the measured accuracy of the program participants.
- Includes **training modules** for users.
- Operates with the **approval of Government to Government (USA and AUS)**.
- The program is available to export users on a cost recovery basis.
- **Industry system** for use by **all Exporters** and **supply chain** = Importers can **access a common system** for product sourced from Australia.



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WHAT DOES MEATMESSAGING DO?



- The **MeatMessaging** platform messages assist users and regulatory authorities with the authenticity, verification and traceability of meat products.
- Authorised regulatory entities have access to regulatory data to facilitate compliance activities including:
 - Market eligibility compliance through movement tracking of individual trade units.
 - Supply chain product integrity /providence through recorded history of individual trade units.
- The GS1 barcoding standards and GS1 EANCOM electronic message standards **do not** replace existing regulatory requirements, they **assist and supplement** these requirements.

WHO CAN USE MEATMESSAGING?



- Exporter and Importer Users can use access **MeatMessaging** directly online or via automated interfaces.
- **Exporters**
 - Available to all Australian licensed export establishments.
 - Users have to be registered to **MeatMessaging** and have GS1 membership.
 - All cartons packed (or received) must have a meat industry GS1 compliant bar code.
 - Establishments seeking to use the **MeatMessaging** portal need to register and complete a testing phase including key quality assurance (QA) components within the *Approved Arrangements* reflecting use of **MeatMessaging** which requires approval by the Commonwealth (DAWR).
- **Importers**
 - Any importer and supply chain participant can access (current focus on USA).

IMPLEMENTATION OF MEATMESSAGING



- Since 2016, 68 establishments (including seven (7) USA importers) have applied to use the portal; including the three (3) largest processors in Australia (15+ establishments).
- Represents in excess of **70% of Australian export capacity**.
- To date in excess of 3.4 million cartons (representing approx. 10,000 consignments) have been processed through **MeatMessaging** site.
- Large percentage of establishments are currently going through the steps of developing processes to automatically integrate **MeatMessaging** within their own systems.
 - Some delay with company IT departments integrating within own complex processes.
- Benefits are compelling and all exporters aspire to adapt their IT systems in order to utilize the system.

MEATMESSAGING - *THE PROCESS*



➤ Exporters

- Through their Approved Arrangements, exporters effectively indicate that they have used the GS1 barcode and utilised **MeatMessaging** on health certificate.
- Exporters scan all cartons in a consignment at dispatch.
- Progressively build/compile consignment details.
- Once consignment finalised send message (Status = SENT - no longer editable).

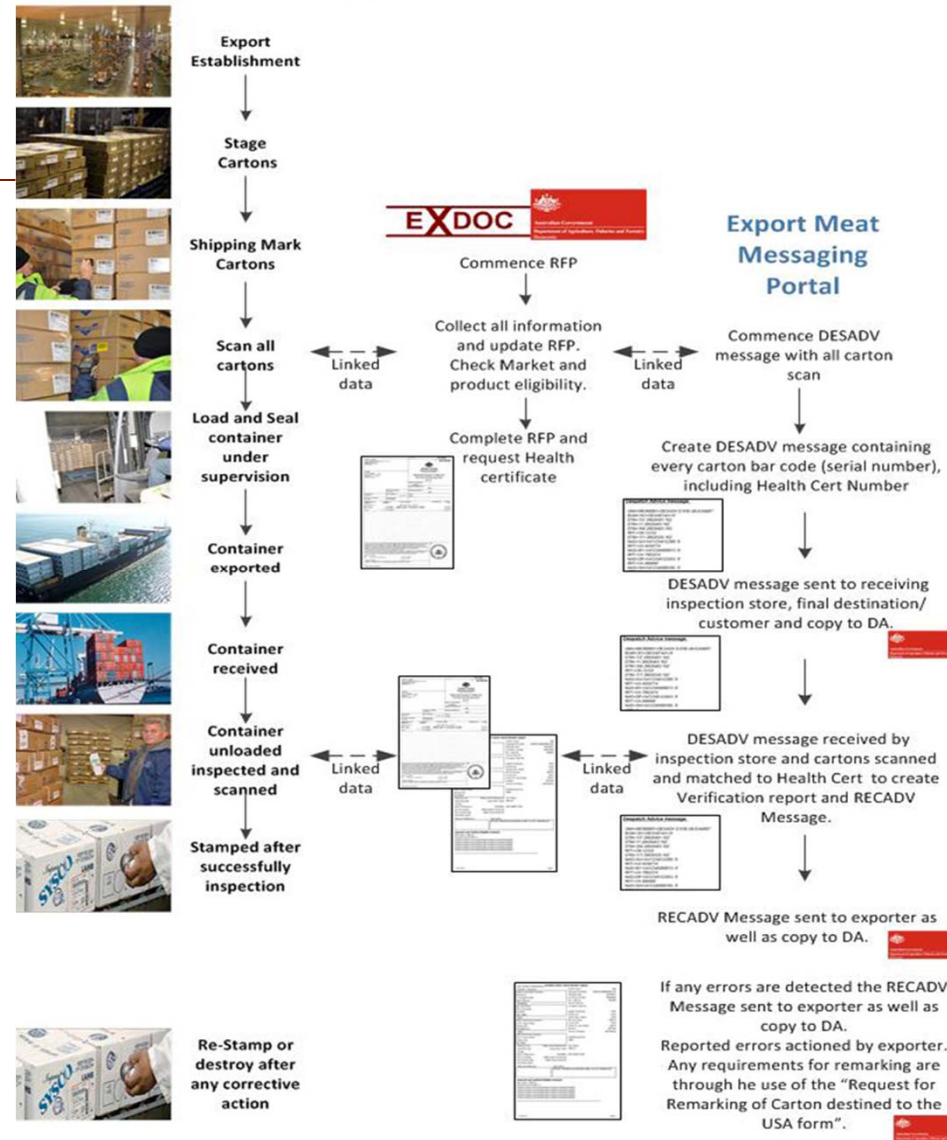
➤ Importers

- Scan one or more cartons at destination port.
- Generate a *standard validation report* to show the acceptance of the load or any issues to be addressed.
- Reply message is sent (Status =RECEIPTED - recipient cannot edit/alter message).
- In the event that there is a missing shipping mark on one or more cartons, the barcode and **MeatMessaging** can be used to determine if the carton(s) were part of the load covered by the health certificate. If YES = eligible for Shipping mark to be reapplied.

MEATMESSAGING - WORKFLOW

➤ Links with (and is complementary to) Commonwealth's EXDOC system.

- **EXDOC** - records the consignment (export permits, health certificates etc).
- **MeatMessaging** records the detail of items (cartons) in a consignment.



QA MONITORING - CORE ELEMENT



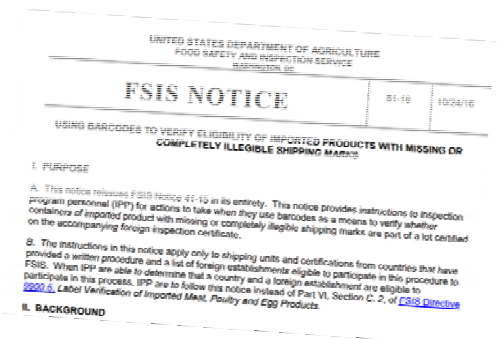
- The QA Monitoring function of the ***MeatMessaging*** is a core element.
- QA Monitoring:
 - is based on a random sample that allows consignment information to be entered and then cartons scanned to match the cartons recorded in the consignment.
 - is utilised as a validation tool for the endorsement of the updated Approved Arrangements for the establishments and reporting to government.
 - enables company QA personnel (as well as third party independent auditors) to conduct monitoring and verification scans of ready to ship consignments.
- QA Monitoring functions can be performed on a mobile device (e.g. Smart Phone or Tablet) using a Bluetooth barcode scanner to scan the cartons directly to the ***MeatMessaging*** portal.

THE ISSUE AND THE eSOLUTION



Rejection of edible meat and meat products into USA due to missing or illegible shipping marks.

- In 2015, FSIS released notice approving use of barcodes as means of verifying whether containers of imported product with missing/illegible shipping marks are part of a lot certified by accompanying inspection certificate.
 - In doing so FSIS recognised that:
 - Individual barcodes contain a unique identifier that can link shipping unit to health certificate as issued by Department; and therefore
 - Where a shipping mark is missing (or illegible) and the barcode correctly links shipping information to health certificate, the shipping unit is eligible to have the shipping mark reapplied to comply with FSIS requirements.
- DAWR promptly provided Australian establishments with approval of alternate method to correct missing shipping marks resulting in development of **MeatMessaging** program.



BENEFITS – U.S. MARKET



- The **cost** to the Australian industry for **missing or incorrect shipping marks to the USA estimated at A\$14.5 million per year** in the June 2013 report by D.N Harris & Associates on the technical barriers to trade for Australian red meat prepared for MLA and AMIC.
- The **costs to industry for manual preparation of Meat Transfer Certificates** is estimated at a cost of A\$25 for the labour component of the MTC. With approximately 175,000 paper MTCs per year this equates to a cost of **\$4.375 million per annum**.
- The use of the **MeatMessaging** program based on the underlying GS1 Barcoding and electronic messaging technologies and supply chain standards can readily reduce these two significant costs (total of A\$18.875 million) to **virtually nil (A\$0)**.
- **Immediate Benefit (Cost Savings) = elimination of ineligible product due to shipping marks not being able to be read and costs associated with the reapplication of these marks.**

FUTURE - *MEATMESSAGING eSOLUTION*



- Increase in active use of the ***MeatMessaging*** system as additional Establishments complete integration within their own systems.
- Expansion of product information at a carton level (e.g. provenance, breed) and utilisation of existing information such as chemical lean (CL) values which is of direct interest to supply chain (e.g. Pattie manufacturers).
- **USA Market Benefits**
 - **Short Term** = Recognition of pallet shipping marks on a pallet labels.
 - **Long Term** = Removal of requirement for shipping marks on cartons and elimination of labour intensive process of applying shipping marks to individual cartons.
- **Other Countries**
 - Recognition of enhanced / visible traceability and product security that esolutions like ***MeatMessaging*** can deliver regulatory agencies and whole supply chains.

