

## Response to the sheep exports to the Middle East – Draft regulation impact statement

### Who we are

Live Export Reference Group (LERG)

The Department of Primary Industries and Regional Development (DPIRD) appointed group with members selected through a public EOI process in 2018. This group consists of three members from the production sector of the live export industry, three key stakeholders from the WA sheep industry with a DPIRD Chair and Executive Officer.

Members are producer and industry representatives; Murray Hall of Brookton, John Wallace of Esperance, Steven Bolt of Corrigin, Bindi Murray of Woodanilling, Peter Trefort, meat industry and Dean Hubbard Elders.

### This submission

NOTE: This submission is in addition to a submission presented to DAWR on the Policy options discussion paper and the economics assumptions paper submitted in December 2019.

We support the recommendation of Option 2 – Implement a prohibition on live sheep exports from June 1 to 14 September with additional prohibited periods for Qatar and Oman.

It provides a good level of animal welfare outcomes and a low risk of a large incident in transit and provides an adequate safeguard for sheep and the natural resource on farm in poor seasons. It also provides a longer trading season than Option 3, which will have positive outcomes for support services such as transport, feed manufacturers and shearers and the rural community for employment.

On-going research into heat stress management and the availability of new science and technology could provide better outcomes and LERG supports the incorporation of new developments after comprehensive review in late 2021. This would give the trade two seasons of certainty to allow forward planning.

It does not support Option 1 due to the failure to address the risks associated with travel in the hottest periods of the northern summer.

It does not support Option 3, which would see the implementation of a revised HSRA model in that the model does not yet exist so is hard to assess the likely impacts. It is stated that it is likely to mean that no shipments would depart for six months (May to October). This would place stresses and risk on the welfare of sheep in Western Australia by limiting turnoff options in times of drought but only reduce the risk of a welfare incident on-board by a small amount.

LERG has provided information around the impact to producers for a number of scenarios – a summary of those factors influencing production in WA is below. Of particular importance is the high proportion of Merinos supporting a viable wool industry and the inability or high risk involved in moving to a predominantly lamb production system in our shorter growing season and mixed farm enterprises.

Prepared by M Curnow on behalf of the Live Export Reference Group, 1 February 2020

## Background on the WA live sheep production system

1. WA produces 22% of Australia's fine apparel wools (Australian Wool Innovation). This industry is worth approximately \$900 million annually to the state. Eighty five percent of the state's ewe flock are pure Merino. This Merino ewe base also produces most of the lamb and mutton (most of these produce a Merino ewe -terminal sire meat product rather than a second cross or pure meat system as found in the eastern states).
2. An essential co-product of a Merino wool based system are young Merino wethers. Merino animals mature more slowly than those produced directly for the meat trade and so are generally not suitable for the prime lamb slaughter trade (i.e. they do not reach a suitable weight and fat score by 12 months of age). Merino wethers are usually kept until hogget age (12 to 24 months of age) with 1-2 shearings of fine wool before being sold as 'hogget shippers'. This trade underpins the wool industry in WA.
3. The role of specialist meat lamb producing flocks is limited in WA due to the short growing season in most of the state and the limited ability to outperform a self-replacing Merino ewe based flock, producing first cross lambs. Victoria and southern NSW have a much longer growing season and hence a greater suitability for specialist meat lamb producing flocks.
4. Of the ~30% lambs that are shipped live from WA, we estimate that the consignments are made up of both cross bred and pure Merino lambs around fat score 1-3. These animals would only be suitable for the lightweight chilled carcass trade without extra supplementary feeding (~\$20-30/head). Airfreight capacity is already near full for this trade.
5. The DPIRD Sheep Producer survey in 2018 showed that only 9% of WA sheep producers identified as a dedicated lamb producer. It is estimated that a consistent 140% lambing must be achieved by a meat lamb flock to match the Merino meat flock at 90% due to the extra value of the wool produced and the lower feed required. Meat flocks typically only achieve 105% lamb marking (DPIRD Sheep Producer Survey 2018).
6. Dedicated lamb production also suits a single focus enterprise and all large-scale farmers in WA run either a dedicated cropping business or a mixed sheep cropping business.
7. WA has three major processors in the market, each having a focus on a different product. Live export plays an important part in adding competition for animals. On the eastern seaboard, producers have many options for choosing processors and there is competition across states in nearly all markets.
8. WA sheep industry is focussed predominately in the south West corner of the state with likely poor seasonal or variable conditions affecting most areas. In contrast, growers in the east have opportunities to move sheep between climatic zones to fatten or grow animals for markets. Live export is WA's answer to this by providing a market that takes unfinished stock in large quantities.