

04 November 2019



**Department of Agriculture**

**Live Export Division**

18 Marcus Clarke Street, Canberra ACT 2601

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[agriculture.gov.au](http://agriculture.gov.au)

Dear Secretariat,

**Middle East Sheep Export Policy Options**

Sheep Producers Australia (SPA), on behalf of Australian sheep producers, appreciates the opportunity to provide feedback to the Secretariat regarding the Middle East Sheep Export Policy Options. SPA is the peak industry organisation for sheep and lamb producers. It works to enhance the industry's sustainability, productivity and profitability.

SPA appreciates the long process all organisations involved in live export have gone through following the Heat Stress Risk Assessment (HSRA) and Australian Standards for the Export of Livestock (ASEL) reviews, as well as assessing and implementing the other independent reviews completed.

As with all input into the issues considered in the Discussion Paper, SPA encourages a common sense approach, with the major focus on the science that determines the conditions under which live export shipments can be approved. As you would expect, with all the reviews that have occurred, additional data is being gathered and analysis being completed, in attempts to fill the gaps in knowledge around the voyages themselves, and the industry as a whole.

The recently completed 'Mecardo' report has given an outline of the significance of the industry to the Western Australian sheep industry in particular, and will be used to inform the Regulatory Impact Statement (RIS) submissions at a later date. There has also been additional data collected on voyages that can be usefully tallied with the Independent Observer (IO) reports.

SPA recognizes that the welfare of the sheep is the highest priority, and supports the changes that have been implemented to place the industry on a sustainable footing, lowering the risk of adverse outcomes in live export.

In reviewing the policy options outlined in the Discussion Paper, it seems they offer clear and reasonable 'starting points' for discussion, but each will require review, as data sets for animal welfare indicators are developed to a point where they can be used as accurate predictors of outcomes. From the briefings received around conditions of the shipments that have occurred since new parameters were put in place around stocking densities and the sourcing of animals, there still remains some uncertainty around exactly when a 'cut-off' date must be established and what effect changing the technology or type of vessel may have, as well as the usefulness of forecasting.

This uncertainty extends to the 'presumptions' that are part of the current considerations including:

- The evidence around 28 Degrees Wet Bulb Temperature (WBT) or the HST being a useful indicator of animal welfare, and the influence of duration of higher and lower temperatures
- The usefulness of panting scores, given the variability within pens, and again, the influence of duration on animal welfare outcomes.
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SPA agrees that the Department has come up with a reasonable solution for shipments in 2019. However instead of locking in the 3 month moratorium, or the same conditions put in place for 2019, SPA sees room for an 'Option 5' under which the conditions are continually reviewed whilst the data, analysis and technology is still being settled. This is not out of step with the recommendations of the HSRA Review which still required continued analysis in determining exactly what parameters are required for acceptable risk levels and desired outcomes.

### **Options 5: Proposed flexible commencement dates, based on a continually updated HSRA model**

As mentioned above SPA is supportive of the end May cut off in 2019. This was prudent for 2019, however with the changing volume and type of data available, a system based on an updated HSRA model, that can assess the current industry conditions (at least annually) would be appropriate. Factors to be considered include:

#### **1. May Shipments**

The shipments that did occur in May were viewed by industry as successful. SPA appreciated that mortality is only one welfare indicator, however the mortality rates on these shipments (under the new stocking rate guidelines), were very

low, (reportedly less than 0.2%). When combined with the IO reports, the welfare outcomes of these voyages seemed to be regarded as very positive.

This may also be partly due to the sheep being sourced for the shipments coming from the prescribed areas, and out of the Australian autumn period in WA.

## 2. Conditions at Destination

As noted in our submission for the HSRA Review, Livecorp has examined the daily temperatures data from both the Gulf and the Red Sea. As SPA has observed, the conditions in the Red Sea market are milder than the Gulf. SPA appreciates this did not change the cut-off dates, as the Department pointed out, the voyages must still traverse warmer areas in the approaches to both the Gulf and the Red Sea.

## 3. Technological Changes

SPA would be supportive of a system that follows the HSRA Review recommendations, and continually assesses the data, and technological changes, including the speed and ventilation of vessels.

SPA supports the end May cut-off for shipments. However SPA will support early June shipments if it can be shown that:

- a) Animal welfare indicators, when developed, show that outcomes are acceptable in this period
- b) The HSRA Review recommendation that diurnal variations in the Wet Bulb Temperature (WBT) be examined in terms of animal welfare outcomes, be conclusively completed.
- c) The environmental conditions at the destination are deemed acceptable (as per the consideration mentioned in the HSRA Review recommendations). If on board conditions are acceptable the differing conditions for the 'Red Sea' make it a possible option for extended delivery periods, when compared to the current moratorium.
- d) The vessel technology improves in terms of the ability to mitigate animal welfare risks, and in terms of vessel speed. If vessels were permitted to depart in early June, it would be expected that only those capable of the shortest transit times would be approved, unless other technological advances negated this requirement.

As with the previous SPA submission to the HSRA Review, SPA is supportive of shipments being approved from early September, especially to the 'Red Sea', with the same proviso's as outlined in the above points. On the evidence available from

Livecorp, conditions will be acceptable throughout these voyages, and on arrival in each region.

SPA is aware that sheep producers require some certainty, as budgets are prepared annually and decision points, around turning off numbers and classes of stock are made months in advance, subject to seasonal variation. WA sheep producers usually budget on approximately 27.7% of the sheep and lamb turn-off heading for live export (Mecardo 2019).

Producers do work to an annual 'rhythm' with adjustments made for external factors. SPA would prefer decisions affecting when shipments can be made, to occur months in advance, to ensure those adjustments can be made with a minimum of impact on the producer. SPA would expect that over the next 2 years, many of the current areas of variance will be settled, and arrangements will be less varied, and an increased amount of certainty placed back into the live export sector.

### **Accumulation of Stock in WA**

The Department is aware that most of Australia including swathes of WA have been experiencing drought conditions. With the distortion of a pause in the live export trade along with producers de-stocking, (and in some cases re-stocking), the industry statistics in terms of selling method and pricing have tended to be distorted in 2019.

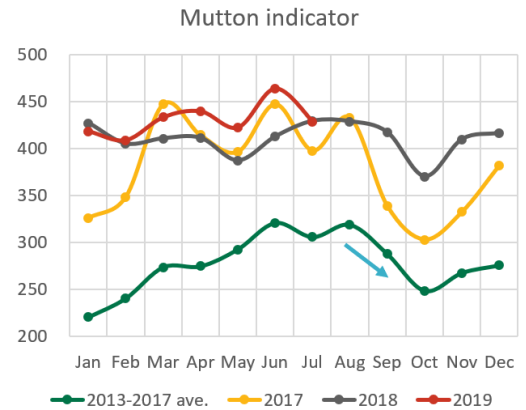
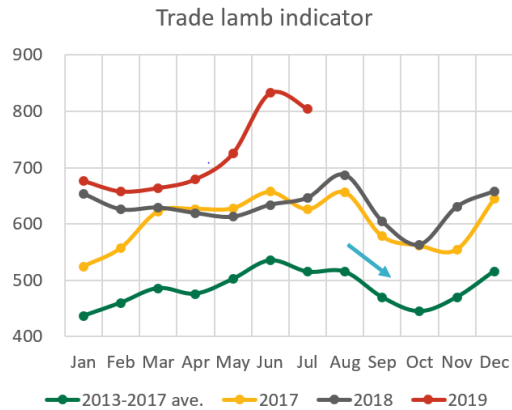
As mentioned above SPA is supportive of the end May cut off in 2019. In doing this we note the pressure this date places on Western Australian sheep producers, who regularly must make the decision whether or not to turn off large numbers of stock in late May and early June, in response to the seasonal conditions at that time.

Having large numbers of stock on the market, without a live export market option (and a processing sector that cannot possibly increase capacity to required levels) has the consequence of both dropping the market and requiring increased interstate trucking.

The below graph shows the usual annual dips in pricing for lamb and mutton. Prices have been high, with low numbers in Australia and buoyant export markets, supporting high prices. Higher prices do dip in June each year. With a return to normal seasonal conditions, the dip would be exacerbated by the lack of a live export option, especially if there is a late breaking season.

## WA saleyard indicators

Lamb and mutton prices generally decline 10% in September as seasonal supplies increase



Source: MLA



### Conclusion

Whilst acknowledging that sheep producers need certainty in planning their annual operations, SPA is supportive of utilizing the HSRA model to inform acceptable animal welfare outcomes. However, the use of the HSRA model, which was developed as a risk management tool not a regulatory tool, must be informed by a clearly defined regulatory objective (e.g. clear animal welfare outcomes, considering duration etc) and evidenced by the collection of new data focused on that purpose (as appears to be occurring now on May and September shipments).

This should be continually assessed over the next 2 years, whilst various factors are analysed, and data validated, with shipments periods being expanded, if the technology and evidence both become available.

Your sincerely

Graham Smith  
Chief Executive Officer  
Sheep Producers Australia

## Background

Sheep Producers Australia (SPA) represents sheep and lamb producers in Australia and provides a mechanism to bring a diverse range of issues and needs to the policy making process. SPA draws on many formal and informal processes to achieve this. Principal amongst these is input from the state farming organisations, which have extensive networks within their jurisdictions.

As the recognised peak body for the sheepmeat industry under the *Australian Meat and Livestock Industry Act 1997* ( the Act), SPA sets the strategic objectives to be pursued by the levy funded organisations Meat and Livestock Australia (MLA), Animal Health Australia (AHA), and the National Residue Survey (NRS), examining and approving their programs and budgets. We are involved in priority setting for industry research and development and marketing activities both domestically and internationally as set out in the Red Meat Memorandum of Understanding (MoU). Under the MoU, SPA assesses the performance of services delivered by expenditure of lamb and sheep levies.

The objects of SPA are;

- to represent and promote the interests of Australian sheep and lamb producers;
- to carry out activities necessary for the advancement of the sheepmeat and live sheep export industries;
- to collect and disseminate information concerning the sheepmeat and live sheep export industries;
- to co-operate with industry stakeholders and organisations at the state and national level and overseas;
- to maintain interaction and co-operation with its Members, relevant Government departments and authorities at Federal, State, and local government levels, and with other relevant industry organisations;
- to promote the development and resourcing of the agricultural and pastoral industries of Australia;
- to act as the Prescribed Body for the sheepmeat industry in Australia within the Red Meat Industry MoU under the Act;
- to oversee the implementation of the Sheepmeat Industry Strategic Plan (SISP).