



Goat Industry Council
of Australia inc.

GOAT INDUSTRY COUNCIL OF AUSTRALIA

SUBMISSION TO THE SENATE INQUIRY

ANIMAL WELFARE STANDARDS IN AUSTRALIA'S LIVE EXPORT MARKETS

Submitted by: Patrick Hutchinson on behalf of GICA

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Goat Industry Council of Australia (GICA) – 15/07/11

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Contents

Introduction	3
Important Goat Export Markets	4
Industry Activities within the markets	5
Market issues	6
The new supply chain era into the future.....	7
Conclusion.....	7
A producer reflection	8
<i>Gates Goats and Live Export</i>	8

Introduction

The Australian goat meat and products industry is an industry within Australian agriculture that is on the rise, both in terms of supply and demand for products, and therefore value. Currently the goat industry has over 9,500 properties registered to the Livestock Production Assurance (LPA) database, meaning that these properties need LPA National Vendor Declarations to sell goats (*Source: LPA Advisory Committee 2011*). The current slaughter numbers for 2010 according to ABS was over 1.5 million goats equally over 25,000 tonnes of goatmeat. As well as major increases in volume, the value of goat meat has increased dramatically (See Figure 1) owing to a number of issues including higher prices for competing proteins (e.g. mutton) along with an increase in processing capacity as major processing companies such as JBS Swift and T&R Pastoral open goat slaughter facilities. **If Live Export goat markets are impacted adversely through the implementation of supply chain regulations that ensure goats could not be exported under new arrangements, this profitability will fall. Anecdotal figures from large scale producers put the loss per head figure of approximately \$5.00 due to updating of slaughter goat prices with the loss of the alternative live export market for slaughter goats (*Source: Goat Industry Council of Australia*).**

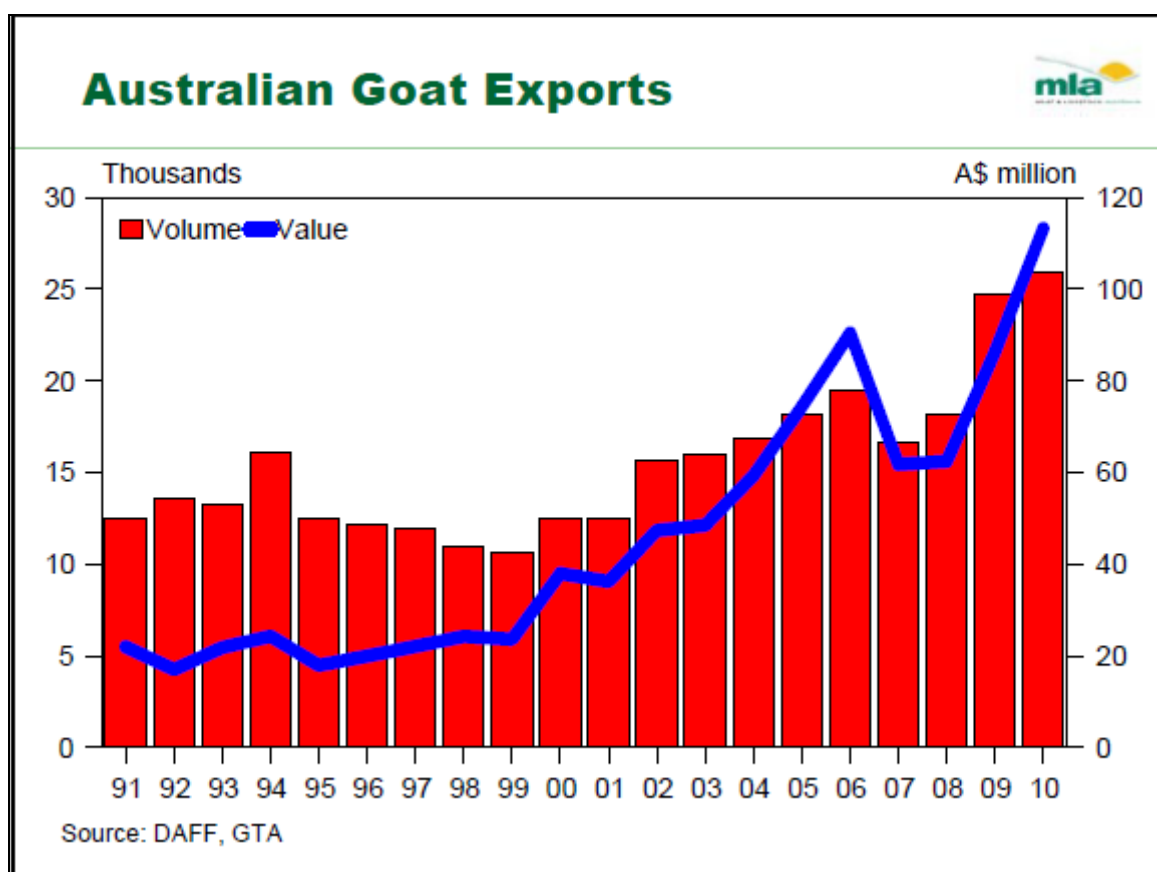


Figure 1: Australian Goat Export Volumes and Values (MLA Presentation 2011)

The goat industry also has a vibrant live export industry, made up of slaughter and breeding stock. About 99% of goats are air freighted from airport destinations throughout Australia. The 2010 volumes for goat exports were approximately 77,500. The monthly figures have been stable from previous years due to better arrangements for management and farming within key market, Malaysia (See Figure 2).

Goat Industry Council of Australia (GICA) – 15/07/11

Total Monthly Goat Exports 1990 - 2011

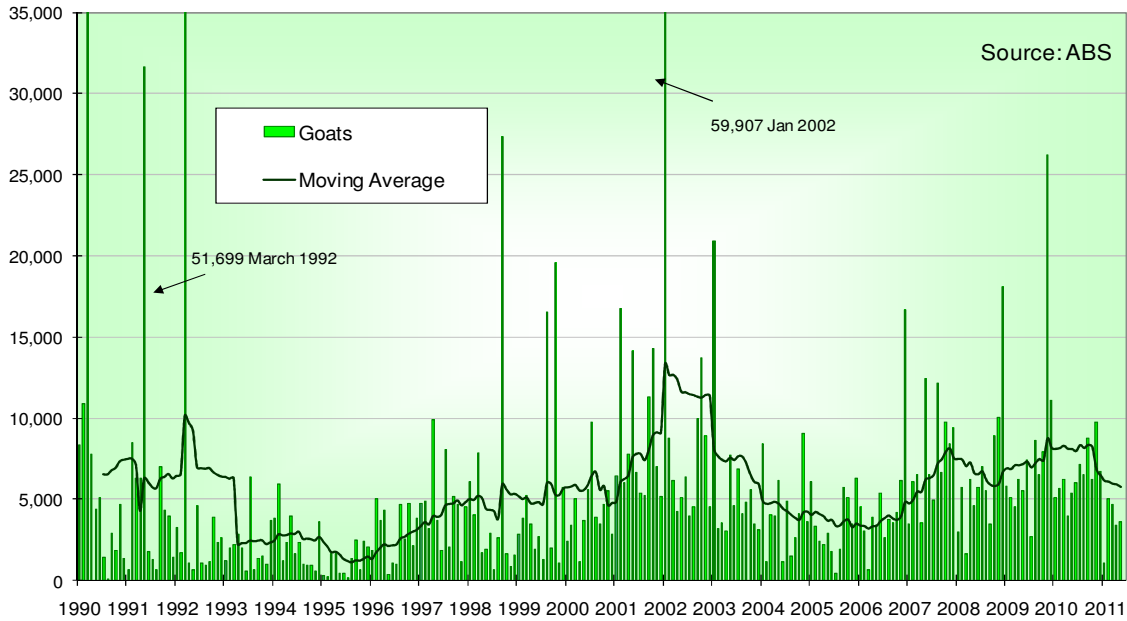


Figure 2: Total Monthly Goat Exports (Source ABS)

Breeding goat exports continue to go to Malaysia and other markets although numbers are small. This part of the industry is rising however with interest in dairy goats from China and from ASEAN nations (Source: <http://www.austrade.gov.au/ArticleDocuments/1418/China-Agribusines-Webinar-2011-Presentation.pdf.aspx> and <http://www.austrade.gov.au/ArticleDocuments/1418/ASEAN-Agribusines-Webinar-2011-Presentation.pdf.aspx>).

Important Goat Export Markets

As can be seen in Figure 3, the most important market for the live export of goats from Australia trade is Malaysia, accounting for over 90% of total goat exports from Australian in 2010.

Figure 3
Australian live goat exports by destination

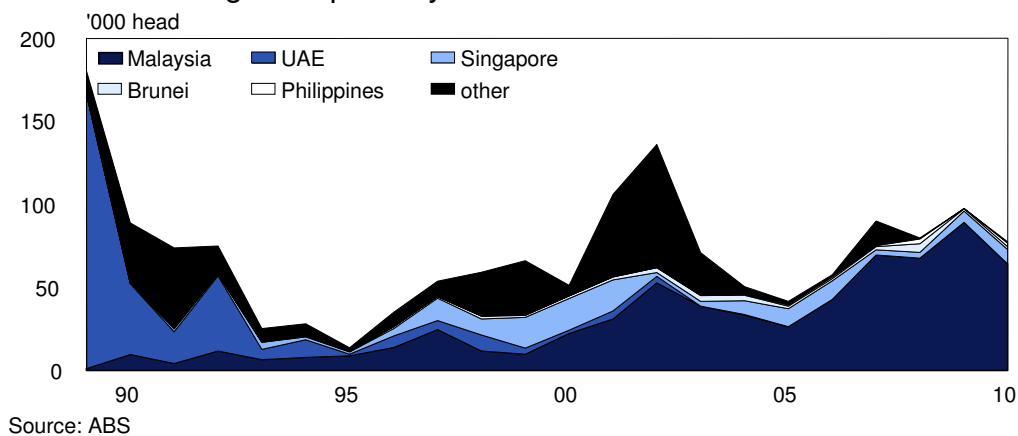


Figure 4: Australian Live Goats by destination 1990-2011 (Source ABS)

Goat Industry Council of Australia (GICA) – 15/07/11

The meat consumption behaviour of Malaysians is influenced by their race and ethnicity. Malaysia has a population of 27 million, with 60% comprising Muslim, 20% Chinese and 10% Indian population. The Muslim population follows the Islamic religion, while the Chinese practice Christianity and Buddhism. The Indian population mainly practises Hinduism, while some practice Christianity. Racial or cultural background of the population has a strong influence in the meat demand of the country. Pork is forbidden to Muslims who make up the majority of the Malaysian population and beef is prohibited to Hindus.

The dependence on Australian live breeding goat imports is mainly for poverty eradication

(Source: *MLA SE Asian Regional Office, Malaysia*), as the Government will provide goats to the rural communities for rearing, and in return the farmers will earn money on selling the animal for slaughter. The goat meat is mainly sold in wet markets or Pasar Tani (Malaysia's version of farmers market), and to Muslim-Indian restaurants via wholesalers. Consumption of sheepmeat (goat could be categorised in this as well) have seen a marginal increase from 0.75 kg/capita in 2000 to 0.94 kg/capita in 2010.

Goat meat is mainly purchased from the wet market, with mainly the Hindu population buying it as an alternative to chicken for the protein source. The Chinese population consume goat meat as well, mainly in restaurants, which is now commonly available. Goat meat sold in Chinese restaurants is a mixture of Australian goat carcass and Malaysian bred goat. According to some Chinese beliefs, goat meat is a good source of energy for the body. In addition, the goats are also used as religious slaughter during the Haj Festival and given free to consumers.

Industry Activities within the markets

MLA and Livecorp have undertaken a number of quality programs within this market regarding the ethical and quality management of exported Australia goats. The outcomes of these programs are then utilised by the exporters and their customers to improve management of Australia goats exported to Malaysia.

One such program has been the development and implementation of the goat management book "Australian goat manual for Malaysian farmers" (MLA and Livecorp 2008). These guidelines outline the proper management of Australian goats exported to Malaysia and can be adjusted for use in management of slaughter stock or breeding stock. Specifically they cover:

- Breeds of goats available in Australia for export
- Farm planning for Australian goats in Malaysia including;
 - *Proper housing systems for goats in Malaysia*
 - *Water supply systems*
 - *Feed supply systems*
 - *Quarantine measures for new stock*
- Breeding and raising goats derived from Australian exported goats, including:
 - *Goat Husbandry (pregnancy, kidding, lactation, weaning)*
 - *Breeding systems (buck introduction and management)*
 - *Age determination*
 - *Body condition scoring*
- Nutrition, including:

Goat Industry Council of Australia (GICA) – 15/07/11

- *Nutrient requirements*
- *Understanding energy and weight gain requirements*
- *Ration formulations, minerals, vitamins, fibre, protein needs*
- *Feeding for different life stages (i.e. pregnant, kid, buck)*
- *Guidelines for nutrition needs for breeding goats and fattening goats*
- Health including
 - *Specific goat health issues, causes and symptoms*
 - *Treatments*
 - *Administration of vaccinations and treatments*
- Quality control checklists

GICA and the goat industry is of the firm belief that further implementation of programs such as these within approved supply chains works well for exporters and importers and their customers and aids in ensuring MLA and Livecorp can follow up within updated information attached to these types of publications.

Further GICA requests that this Review assesses all current programs undertaken by MLA and Livecorp within the market for the goat industry.

Market issues

The Australian Goat industry is acutely aware of issues within the Australian live goat export destination of Malaysia which will now be further enhanced with the onset of new regulations to supply chains within the market as a result of changing standards. The Goat Industry Council of Australia is clear in its support for the following:

- The live export of goats from Australia.
- Quality assurance standards within the goat live export chain to ensure OIE standards of animal welfare are upheld from delivery to slaughter.
- The accreditation to OIE standards of all abattoirs at live export destinations for Australian goats to be slaughtered.
- GICA supports the continued use of the NLIS (sheep/goats) in its current form, which is GICA NLIS policy, to support traceability of goats throughout the live export chain up to the point of slaughter.

In order to bring change, the issues first must be known. Many of these issues were captured in the Malaysia–Australia Agricultural Cooperation Working Group (MAACWG) Study into animal welfare aspects for goats in Malaysia from point of arrival from Australia to slaughter. This report highlighted improvements that need to be made within the market, being in the areas of Animal handling facilities at certain stages of the supply chain and Animal handling training. Further we know that further work was undertaken by the MLA under the auspices of LTAWP to improve infrastructure at KLIA and a major abattoir, as a result of the recommendations of this report.

This combination has ensured improvements within the system; however the industry now faces new challenges as a result of the impact of the Indonesian live export cattle management issue in 2011. GICA wants to build on the great work already done in the trade and ensure that certain

Goat Industry Council of Australia (GICA) – 15/07/11

market issues are addressed such as visibility of goats to slaughter and private sales by the undertaking of further work with MLA and Livecorp. The scope of this work can be seen below.

The new supply chain era into the future

The goat industry has made a request to Meat and Livestock Australia to undertake work within the market and within Australia to ensure that the industry can meet the new requirements as perceived by the industry based on the supply chain work undertaken by the Industry/Government Working Group (IGWG) on Live Exports. In order to undertake such a task, GICA requests that MLA fund a “Live Goat Export Supply Chain System, Malaysia” project along the following lines:

1. Initial review of the current Government approved controlled supply chain regulations, including all subsequent documentation, and the impact of these regulations on the goat export industry. Key issues to be addressed:
 - a. Traceability
 - b. Animal Welfare
 - c. Audit systems
2. Design a simple yet effective traceability system to work in conjunction to the approved supply chain protocols based on the current Sheep/Goat NLIS.
3. Review these updated supply protocols and traceability system with the Australian goat export industry (this will not be an exhaustive task due to the few exporters within the industry that represent the bulk of goats exported) so as to ensure ability of implementation within Malaysia
4. Review this system with Australian Government
5. Trial this system within market in Malaysia from disembarkation to slaughter
6. Update system in light of outcomes from “in market” review
7. Review this system with MLA and DAFF
8. Provide finalised version for assessment and approval by DAFF as “Live Goat Export Supply Chain System, Malaysia”
9. Develop manuals and systems and implement program for use within market
10. Report back to industry and government
11. Undertake review for use in other destinations if necessary

GICA believes that this will then ensure that the goat industry meets and satisfies the needs of government, industry, customers and the community in maintaining this vital trade

Conclusion

The Australian goat industry prides itself on meeting and exceeding the needs of all within the community, whether that is the customer, supplier, governments or consumers. As the industry grows it needs to remain a viable option to both producers and investors in the industry alike. This viability is linked directly to the marketing of goats for live export.

A cessation in one area of the goat trade will have a catastrophic flow on effect through the whole industry and undo the great work the industry has done.

A producer reflection

In order to put the issue of the impact of live export within the goat production industry, GICA has provided as part of its submission an overview from Australia's largest goat producer on the impact of the live trade on their business and the industry. This will provide a sense of how producers are feeling towards the industry and what the industry means to them:

Gates Goats and Live Export

Our business has been involved in the supply of goats to the live export trade for 12 years. We supply over 150,000 goats a year to the Australian and international market. We employ 3 full time workers, casual staff and transport operators to trade 150,000 goats a year depending on seasonal conditions. Of these, 20-25,000 male goats are exported live to Malaysia yearly. The continuation of the live export trade is important for employment and the price stability it offers goat producers due to extra competition.

If the live export trade ceases it has been estimated that a fall of \$5 - \$10/head, from the current price of \$40 - \$45 on farm would occur. This would be devastating for producers who have just endured 8 - 10 years of below average seasons and prices.

Our operation is proud of our animal welfare record and we have systems in place to ensure that people entering the property are aware of what is required. The goats are transported to feedlots using accredited drivers and trucks working under the Livestock Transport Standards and Guidelines. They are then fed, watered and air freighted to Malaysia under the scrutiny of AQIS.

MLA and Livecorp have undertaken research and development projects in Malaysia to improve animal welfare. As levy payers we would like to see an independent person appointed to assess the animal welfare risk in Malaysia. This person would check the protocol currently in place to ensure transport, housing, feed, nutrition and finally slaughter are carried out to OIE standards.