

Committee Secretary
Senate Standing Committees on Rural Affairs and Transport

This submission supports the continuation of the Live Export Industry.

Introduction

My name is Markus Rathsmann. I live in the Adelaide River District of the Northern Territory with my family and together we run a small pastoral holding known as Mt Ringwood Station.

I also manage a pastoral business for the Traditional Owners of Central Arnhemland known as Gulin Gulin Buffalo Company. This has been a highly successful Indigenous business for the past twenty years that operates without any Government assistance.

My background has always been in the livestock Industry and I also have a degree in Farm Business Management MOFMC (Hons).

Over the past thirty years I have worked in the NT Pastoral Industry that was originally based on wild feral herds of cattle and buffalo supplying manufacturing meat via export abattoirs principally to the US and Germany.

The Live Export Trade began to develop in the 1980s and notably in the 1990s. The improved returns paid by the Live Export Trade provided the cash flows which were needed to develop the Pastoral Industry to the high standard it is today and comply with the requirements of the *Brucellosis Tuberculosis Eradication Campaign* (BTEC) where the industry embraced large scale property infrastructure, improved animal husbandry and *Bos Indicus* genetics.

I have personally witnessed and been part of the rapid improvement over time in cattle transport, shipping, husbandry and welfare practices that have evolved due to improved returns, better education, welfare advocacy and responsibility.

Australian Food Production Overview

Thousands of farmers leave Australian agriculture every year to the point today where less than 1 percent are now farmers; (157,000 primary production ABN holders, AB Statistics, 2010). It is this small percentage of Australians who produce the nation's food and primary production exports. The average age of Australian farmers is now over 64 (AB Statistics 2010).

Is it any wonder that mainstream Australians are disconnected with how food is produced on our farms and stations?

Is it any wonder that animal welfare advocates with possibly the best intentions do not understand or have forgotten about the welfare of the stock in the production system in this country?

Is it any wonder that the general public and animal welfare advocates know very little about how Live Export has provided the improved returns that underpin animal husbandry and welfare practices that today we regard as essential to animal health?

Mt Ringwood Station (Adelaide River District)

Mt Ringwood Station 100 km south of Darwin is typical of the many small family run pastoral operations. Our family run a 2000 head breeder herd and followers based on Brahman, Boran and Composite bloodlines. We depend totally on the Live Export Trade.

Our isolation and poor roads result in road access only being possible in the dry season, from May to December, when livestock can be sold and essential supplies obtained.

Virtually all of our assets and borrowings have been invested in property infrastructure such as fencing, yards, pastures to improve the productivity and welfare of our cattle herd. Indigenous stockmen are employed every dry season to muster the property, process cattle and maintain fences.

Over \$120 is spent per annum on every breeder in supplements and animal health products such as fly and tick control and disease vaccines.

Last year, due to the 350kg weight restrictions enforced by Indonesia we were forced to send our cull cows 3,000km to southern meatworks to return an average price of less than \$250 per head.

As an investment, the property and its assets have delivered a negative return on equity for several years now. For our family and many others in the pastoral industry it is a life choice not necessarily a sound business decision. We love our animals and believe it to be a good place to raise a family connected to agriculture and the land.

Gulin Gulin Buffalo Company (Central Arnhemland)

Gulin Gulin Buffalo Company is a solely Indigenous owned business that has been running profitably for the past 22 years. It operates in Central Arnhemland mustering free range buffalo and cattle. After years of perseverance Gulin Gulin has successfully built up substantial infrastructure and assets used for mustering operations. In the past four years the business has generated approximately 1 ½ million dollars per annum selling 3,000 head annually to the Live Export Trade.

In the central Arnhem communities of Bulman and Weemol, where welfare dependency is rife, Gulin Gulin Buffalo Company offers seasonal work to ten local men who work the mustering camps over the dry season. Some of these men have worked for the business for over fifteen years showing leadership and imparting their invaluable skills and knowledge to the younger employees. The business is proudly supported by the 14 Traditional Owner Clans as it enables some of them to work on their country and all of them to receive royalties. Gulin Gulin Buffalo Company is a source of real work, income, training and pride to adult members and inspiration for the younger members of the communities it serves.

As a result of the recent Live Export Ban the employees of Gulin Gulin Buffalo Company remain on welfare and a historically profitable Indigenous business cannot operate until such time as export orders are received. It now appears unlikely that this business can operate at all in 2011 due to the recent ban on Live Export.

Gulin Gulin Buffalo Company, as the largest supplier of buffalo in Australia also pays \$5.00 per head in compulsory levies to the Rural Industries Development Corporation (RIRDIC). All of this money has been squandered on dairy research which is totally inappropriate for Gulin Gulin Buffalo Company and its owners. The money would have been better spent on our principle Live Export market in Indonesia.

The buffalo industry like the cattle industry originally depended on export meatworks which have all since closed. One abattoir at Batchelor which is reopening is offering a price of \$2.00/kg (Dressed) or 90c per kg live weight. This is well below the cost of production and unviable to operate under.

Live Export prices for buffalo over the past five years have fluctuated between \$1.20 per kg and \$1.40 per kg live weight. The high Australian currency which is linked to the resources boom prohibits Northern beef and buffalo producers from being competitive in other Asian countries such as Malaysia and the Philippines. These countries are price sensitive and import meat and animals from Foot and Mouth disease infected countries as FMD is endemic in their own herds.

We have become dependent on Indonesia for 95% of buffalo and cattle exports today due to their burgeoning population and the Disease Free (FMD) status of Australia and Indonesia.

Overstocking and Mortality

I would like to refer the senate to review my two attachments below, *The Forgotten Animals* which documents the animal welfare impacts on the animals in the Northern production system; and *The Effect of Stocking Rate on Breeder Productivity in the VRD District* by Dr. Gehan Jayawardhana (NT Primary industries, 1992).

As the documents show the ban on Live Exports is an animal welfare disaster resulting in increased stocking rates and sharp increases in cow mortality. Land degradation is also coupled to an increase in stocking rate. The inability to sell cattle results in no cash flow and the essential weaning for cow survival cannot take place. Disease vaccinations do not occur unless mustering occurs. Supplements also become unaffordable.

As the data shows a failure to muster and increased stocking rates can be disastrous leading to cow mortality rates of up to 50 per cent in Northern pastoral systems.

Industry Reform

Like many producers I have been briefed at meetings about the improvements in animal welfare in Indonesia as a result of the Restraining Box Program that we were paying for through our producer levies.

Clearly there have been major design and uptake problems in this scheme which has operated for over ten years. Producers were only alerted to problems at the point of slaughter after a visit by the NTCA CEO Luke Bowen and the Four Corners Program in 2011.

Obviously the level of investment in Indonesia, our most important live export destination, by MLA has been inadequate. And a proper audit of the work and problems within Indonesia had not been communicated back to the levy paying producers.

The key problem is only at the point of slaughter. This problem in every abattoir is only as big as my kitchen table, one that can be solved with investment, sensible engineering ingenuity and cultural diplomacy.

The MLA has many fine people working for the organisation that do some excellent research. However there appears to be a serious conflict of interest to have Processors of Foreign Multi-National Meat companies as MLA board members when the processors contribute only 6% of funding and have openly supported the Ban on Live Export to the detriment of all cattle producers and the welfare of Australian cattle.

All organisations including the MLA require Reform, Restructure and Review to remain Relevant.

Responsibility

The Live Export crisis has changed the way the public, the government and industry view welfare responsibility.

As a producer we believed that our responsibility ended at the farm gate. Clearly for the survival of the Live Export Industry this responsibility now extends to the feedlot and the restraining box in a sovereign foreign country even after the animal has been sold several times.

It is hoped that increased regulation of the supply chain ensures better animal welfare outcomes but that the paperwork and responsibility is not too onerous to stifle trade with our neighbouring country.

This increased responsibility also means that as producers we must not have blind faith in bodies such as MLA that the job is being done properly.

Our own industry groups such as Northern Territory Cattlemen's Association (NTCA), Agforce and WA Farmers as well as Livestock Exporters need to be more pro-active in the scrutiny of overseas markets so that future problems can be identified and solved quickly.

The Australian Standards for Export of Livestock (ASEL) have improved standards and set the benchmark for the trade. The use of the veterinary profession is essential to provide scrutiny that is unbiased and respected.

I applaud the decision by MLA to finally utilise the services of Temple Grandin and Gary Stark, well respected experts in their field.

As producers we require a proper audit and feedback of practices in other Live Export market destinations.

Media

The Live Export crisis has shown that despite the Live Export Industry generating \$665 million annually in export income (NFF *Farm Facts*, 2010) our industry associations were poorly prepared to counter the negative opinions generated by the footage of a single, television program.

The cruel images shown have utterly disturbed and shamed the Northern Pastoral Industry in the eyes of the Australian public. They have also shamed the Indonesian people by portraying them as cruel killers.

For the industry to survive we must regain the trust and support of the Australian Community. To regain our **social licence** we must communicate the positives the industry has brought to animal welfare, both here and overseas. Furthermore the public need to understand the Northern Australian production systems which are based on *Bos Indicus* herds, tropically adapted cattle, bred for South East Asian markets.

The opponents of the Live Export trade are well resourced, well funded and highly organised. They have displayed an ability to influence not only the public but the Government at the highest level.

Within the Northern Pastoral Industry is entrusted the animal welfare outcomes of millions of cattle and live stock that stretches from Geraldton in the West to Cairns in the East. We cannot allow the misguided knowledge of animal welfare organisations to influence government again without proper consideration of the extreme damage done to the welfare of the millions of live stock in the production system within Northern Australia.

Markus Rathsmann

The Forgotten Animals

For every animal sent to live export from Northern Australia there are at least 3-4 animals in the production system: the breeders, weaners and calves.

Agricultural Minister, Joe Ludwig claims the ban is about Animal Welfare outcomes. The welfare of millions of animals on properties has been forgotten by the corridors of power in Canberra. Thousands of these animals will now die of starvation or diseases as a result of this ill-considered ban.

The transition of the Northern Pastoral Industry (NT) in the last thirty years has been remarkable. From a wild harvest operation of cattle and buffalo captured in portable yards that supplied five export abattoirs with manufacturing meat for markets in the United States and the European Union. Over time, one by one these abattoirs closed as manufacturing quality meat could not match the better prices paid by the live export industry that was beginning to flourish supplying South East Asian economies. A combination of national compliance with the BTEC (Brucellosis and Tuberculosis Eradication Campaign) improved tropically adapted *Bos-Indicus* genetics and improved returns paid by live export buyers paved the way for property development, improved animal husbandry control, domestication and animal welfare outcomes that has given us the modern pastoral industry as we know it today.

A ban on live cattle exports to Indonesia is an animal welfare disaster.

In Northern Australia animal husbandry practises are performed on average once or twice a year during the cooler dry season months when access is possible. These are typically known as the first and second round musters where weaning takes place of the progeny to ensure the survival of the lactating breeding cow. Pregnancy testing, selective speying, disease vaccinations and control of external and internal parasites has now become an integral part during the mustering process and is undertaken by pastoralists every year. These mustering and husbandry operations are expensive due to the extensive native pasture rangelands that can only be lightly stocked and the need for helicopters to obtain a cost effective yet high-mustering efficiency rate.

Supplementation of livestock is now a common practise to improve animal nutrition. The main mineral deficiency in the Northern Pastoral Zone is phosphorus. There is also a lack of protein in the dry season.

Typically pastoral businesses depend on the sale of livestock to fund the cost of mustering and the animal welfare husbandry practises. With the ban in place and producers unable to sell livestock many producers cannot afford the essential husbandry practises needed.

A ban results in:

- **No Cash Flow** *Bos-Indicus* cattle prices have fallen 80% with most lines of store cattle unsaleable in southern markets.
- **Failure to muster** will increase cow mortalities greatly if weaning is not carried out.
- **Increased stocking rates** which are not sustainable. This will result in land degradation and higher livestock mortalities.
- **Diseases** such as *vibriosis* and *botulism*, *tetanus* and *leptospirosis* will flourish if vaccinations do not take place.
- **Inadequate nutrition** as supplements become unaffordable. Supplements cost on average \$70 per head per annum in the Northern pastoral zone.

- **Exotic disease risk** increases notably, FMD (Foot and Mouth Disease) as Indonesia begins to source its meat requirements from disease infected countries.

Much has already been documented on the disastrous effects this ban is having on people's livelihoods both here and in Indonesia. **However today, even with the ban lifted, livestock in the production system remain the forgotten animals of the animal welfare debate.**

Markus Rathsmann
Owner/Manager Mount Ringwood Station

