

JULY 2011

Live Export Senate Review

Submission

Northern Territory Cattlemen's Association

(NTCA)



1. Introduction

Northern Territory

The Northern Territory Cattlemen's Association (NTCA) is the peak primary industry organisation in the Northern Territory. It represents over 90% of the Northern Territory cattle herd - from small family operations to the large corporate organisations.

Pastoral production is the largest contributor to primary industry production in the Northern Territory, directly contributing \$255 million of the total \$423 million in 2009-10. Territory pastoralists manage 45% or 620,000 square kilometres of the Territory's land area and run an estimated 2.1 million head of cattle on around 250 properties held mainly under perpetual lease.

The cattle industry is a key driver of economic development and Indigenous employment in the Territory's regional areas. It directly employs almost 2,000 people and supports a range of industries including retail and wholesale trade, construction and manufacturing. Almost half of the annual 600,000 head turnoff is exported to international markets, predominantly Indonesia, with the remainder destined for the domestic feedlot or abattoir trade.

The Northern Territory landmass comprise approximately 50% Aboriginal freehold land and pastoral lease (44%), with the remainder a combination of freehold and other title. While much of this Indigenous land was acquired under land rights legislation it has only been in the last 10-12 years that it has begun to come back into production under cattle, bringing with it benefits to landowners, communities and the environmental stewardship of the land itself. This has included in the NT alone, an additional 90,000 cattle on Indigenous-owned land through 25 land use agreements covering tens of thousands of km². These northern properties are largely 100% oriented towards the live export market.

Indonesia

Indonesia is a nation of extreme demographic, social, and environmental diversity. With an estimated population of 240,271,522 (July 2009 est.), it is the fourth most populous nation in the world and the largest in South-east Asia. It has a land mass of 1,904,569 square kilometres (a bit larger than QLD) and comprises around 17,000 islands, many of which are largely or totally inhabited. It stretches for over 4000 kilometres from eastern to western tip. Its most populated Island is Java with an estimated 136,000,000 inhabitants. Java is the political, social, and economic centre of the Indonesian state and is the most densely populated island in the world. The eastern regions of Indonesia are generally less populated and significantly less developed than those of the western end of the archipelago.

Indonesia is the largest economy in South East Asia. It is currently growing at around 7% per annum, although the effects of the global financial crisis are still being felt. Inflation is currently around 5.7 % per annum. Indonesian GDP continues to rise steadily (although from a low base) at around 7-8%, and its general economic indicators are regarded as solid and stable. The Indonesian economy is primarily a service based economy 37% with strong contributions from industry (18%), manufacturing (30%), and agriculture (14%)¹. The government of Indonesia plays a strong role in the economy through extensive involvement in private sector companies and interests and its administration of the price of basic goods such as rice, fuel, and electricity.

1 World Bank data

The economy is centred on the powerful islands of Java and Bali and to some extent the resource economies of Kalimantan and West Papua.



The NT industry - leadership

Background NT

Based on natural vegetation, annual rainfall level and reliability and geographic location the Territory can be divided into four pastoral regions – the Top End/Gulf; Katherine/Victoria River District; Barkly Tableland; and Alice Springs. Producers in the Top End/Gulf, Katherine/Victoria River and northern Barkly Tableland regions sell the majority or all of their cattle into the live export trade. Producers in other regions may sell opportunistically into the live market.

Northern beef cattle production systems lend themselves to producing cattle from extensive natural rangeland pastures suitable for being conditioned in feedlots in Indonesia prior to slaughter. While the territory has some of the most productive native pasture systems in the country feed quality generally declines with increasing rainfall. Stocking rates vary from two to twelve breeders per square kilometre, necessitating large tracts of land to enable viability.

Brahman is the predominant breed due to their excellent ability to handle the hot tropical climate and their resistance to ticks and other parasites. The trade off for these traits is lower fertility and growth rates than temperate breeds. Brahmans also generally produce a leaner less marbled carcass. Brahmans are well suited to the hot and humid conditions experienced in many South East Asian countries.

Territory cattle are run in large numbers at conservative stocking rates in either a controlled or uncontrolled mating system. Cows are mustered in two or three mustering rounds each year during which calves are marked and may be ear tagged with a visual management tag or a Radio Frequency Identification Device (RFID). Calves deemed suitable for weaning (at around six months of age) are separated from their mothers and grown out in a different paddock. It is

these cattle that will generally find their way into the live export market to Indonesia in about 12 – 18 months time.

Cattle destined for the live export market are typically mustered several days before they are transported to a registered premise. In the station yards these cattle are selected and drafted by the cattle buyer, usually the exporter's agent. Once an agreement has been reached based on number of animals, weight range and animal type the price is generally at a weight delivered to a registered premise. The cattle are either returned to a holding paddock – a paddock close to the yards which can be conveniently mustered or held in the yard on feed and water. Transport is arranged for a particular day and generally the evening before or the morning of transport the cattle are mustered again and loaded and transported to the registered premise. Cattle are sold on a price/kg delivered to the destination. It is, therefore, in the interests of the producer to minimise shrinkage from dehydration and stress from the property of origin to the registered export premise.



2. Economic Impact

Indonesia is the Territory's largest live cattle export market, accounting for 95% of live exports from the Territory. Other live export destinations for Territory cattle include the Philippines, (3.2%) and Malaysia and Brunei (1.6% combined).

The live cattle trade represents an excellent partnership between highly efficient cattle breeding operations in northern Australia and labour intensive feedlots in South East Asia, using agricultural by-products and providing local employment opportunities for people in SE Asia.

2009-10 values of NT live export (sourced from NTG 2011):

Farm gate	\$166.0 million
FOB	\$209.0 million
CIF export value	\$254.2 million
NT fodder industry (farm gate)	\$14.7 million
Private business contributions	\$38.7 million

In recent years more than 80 per cent of total live cattle exports have been sourced from northern Australia. Over 90 per cent of the value of farm exports from the Northern Territory came from live cattle exports.

NT Government report insert

The difference between prices offered now and for meatworks cattle in the period leading up to closure of Katherine meatworks in the 1990's demonstrates that prices in the north were always lower than southern prices, with live export this situation was reversed. The complementary nature of trade with Indonesia focuses on the specific advantage of northern Australia breeding and Indonesia feeding using abundant local labour, local feeds and agricultural by-products to grow and fatten tropically adapted cattle suited to the environment.

Northern producers geared towards live export, turn-off young cattle, maximize breeder efficiency through management of nutrition, weaning and grazing management in a region where there are no suitable supplementary feed resources such as grains or horticultural or agricultural industry able to provide suitable feedstuffs for a feedlot or value adding system.

2.1 Economy Wide

The live trade industry is currently contributing around \$600 Million dollars to the wider Australian economy. With earnings from the livestock export sector reaching \$1.031 billion in 2010, underpinning employment of around 10,000 people in rural and regional Australia.

There is a long history of abattoirs in north Australia and closures started long before live exports became prominent. Industry in very northern areas was sub-economic and at the mercy of abattoirs working with a seasonal kill, high costs (including wages), industrial disputes and AQIS inspection charges leading to low prices paid for cattle. This was also contributed to by the lack of a strong local market with most meat achieving manufacturing grade only. The unsuitability of northern country for growing cattle out to suitable slaughter weights, the overhead costs of abattoirs and the difficulty of obtaining workers (even now in East Coast abattoirs with workers on 457 visa's) forced continued consolidation and rationalization of Australian processing sector including across the top end of Australia. While industry is strongly pushing for establishment of abattoirs their viability remains in question. Abattoirs are not the only businesses experiencing difficulty gaining suitable employees with cattle producers increasingly using transient workers such as backpackers to fill vacancies due to difficulty in obtaining permanent staff.

Despite the prominence given to live exports, the annual Australian kill remains over 90% of annual turnoff with live export handling 9% in terms of total numbers and far less in terms of kgs of beef.

Draft market modelling conducted by the NT Department of Resources analysed gross margins between live export verses running less breeding cattle and growing out steers for eventual sale into the eastern processing sector (Longreach market) or a northern (Darwin) abattoir. (Appendix A).

The gross margin per adult equivalent was dramatically reduced for both scenarios in comparison to the live export trade. Gross margin equalled Sales – Purchases – Direct Costs and did not include overhead costs which were considered the same for each alternative. When overhead costs were then factored into the analysis (\$78/adult animal) both the Longreach and Darwin scenarios are not profitable options for beef cattle enterprises in the Katherine region (used for the analysis). While it is currently possible for businesses to sell cattle through the Longreach saleyards, they would only do this if they could not sell them live export but required immediate cash flow, as the costs associated with transport and selling through saleyards make it unprofitable.

This work supports and helps to explain the dependence on a live trade which has developed over the last 10-15yrs.

2.2 Regional Impact

The NT live cattle trade contributes over \$200m per annum to the local economy and employs 1821 Territorians directly. More than 60% of all cattle turned off in the Territory are sold through the live export trade. The trade continues to be a major driver of regional development and is a major employer of Indigenous people. The industry manages almost 50% of the NT landmass across pastoral lease, freehold and aboriginal freehold title. The industry provides the economic underpin for the environmental management of over 620,000 km² of the NT alone, managing fire, feral animals, invasive weeds and pests and bio security. The management of fire and

carbon emissions is central to the productive and sustainable management of the land, its livestock and people. Cash-flow from the industry (selling cattle) pays for the management of the land and its environmental integrity. This year alone has seen a shut down of expenditure on the control of invasive weeds on the northern floodplains which will see a number of highly invasive weeds rebound. One very good example of this is the control of *mimosa pigra* which has taken many tens of millions of dollars to get to a point which can be reversed in one year, allowing its regrowth across vast areas of floodplain, smothering habitat, sacred sites and pastures. Some of these control programs are delivered by indigenous rangers contracted to industry.

The industry does not work on a fly in fly out basis but is part of the fabric of northern Australia.

2.3 Southern Impact

The potential loss of the live cattle industry will have far reaching ramifications right across the broader Australian cattle industry. It is anticipated that out of live export specification cattle will be shipped south to southern abattoirs, most likely sold at barely break even due to an enormous freight component. This outcome however is more palatable to producers than destroying cattle due to lack of available pasture resources. The impact of this will see an oversupply in cattle resulting in downward pressure on price impacting all of Australia's cattle producers.

Due to the suspension of the trade in June of this year, Wagyu producers in Tasmania have already seen the value of their livestock negatively impacted. In 2009-10 exports of live cattle accounted for around 10 per cent of total cattle turnoff and 8 per cent of the total value of production in Australia. It has been estimated (Quirke) that without live cattle trade the live weight price for grass fed cattle would be 7.8c/kg lower and 3.2c/kg lower for grain feed cattle.

3. Social Impact

3.1 Farming Families

The northern Australian beef industry, although much larger in size to its southern counterpart is still primarily made up of farming families. Although times have changed and some larger corporate businesses now hold substantial holdings, these businesses like the traditional family holdings are run by families and support families. The industry cannot compete with the mining sector in terms of wages, however people work in the industry often due to the lifestyle and whole of family involvement which includes strong local and regional bonds and networks bolstered by a social network and support base which includes sporting events, races and social gatherings. Many enjoy outdoor work and have great satisfaction in development of a property, driving enterprise and longevity in the industry. Some properties include large and extended family groups where succession is planned many years in advance with children growing up and

gaining high levels of resilience, confidence, resourcefulness and skills highly transferable yet critical to the long term sustainability of the Industry, its land and people.

It's already well recognised that the social fabric in rural areas is eroding rapidly and a reduction in its population due to staff layoffs will see further erosion with enormous consequences eg. Rural school enrolments, volunteer organisations such as land care groups etc.

A break-down of industry has and could increasingly cause family breakdown, the erosion of local and regional cohesion and capacity leading to social and economic decline across whole regions and communities. Often overlooked is the importance of families to the success of large corporate operations and the role these families and the business make to the regional economy and social fabric. Large corporate operations are often best placed to advance initiatives supporting Indigenous employment and engagement, building better relationships and outcomes for communities.



A new generation - what is the future?



Harnessing our human resource - new and innovative management thinking, welfare, production, land stewardship, technology and innovation.



Growing tomorrow – growing families – growing our regions



3.2. Aboriginal Communities

Aboriginal people make up close to half of the NT population comprising a very young profile and higher rates of growth than the rest of the community. Forty percent of the NT Indigenous population is under the age of 14, this is double the figure for the non indigenous population. A large percentage of indigenous people live in communities on or close to pastoral land and aboriginal land used for the production of cattle. In many cases the pastoral industry also provides access to basic health care, opportunities for employment as well as education. While trained in a variety of ways including through formal programs, many Indigenous people not only contribute to the daily operations of cattle enterprises but they also develop highly transferable skills, able to be applied in their own communities, the mining sector and on Indigenous properties.

Many men and women, who are part of the industry, take great pride in their involvement which holds a strong and long standing status and provides a sense of identity. Much of the Indigenous land currently under production and the areas most focussed on Indigenous employment are in the most northern and live export focussed areas.

In 2008 the Northern Territory Cattlemen's Association (NTCA) joined forces with Indigenous communities, Aboriginal organisations, pastoralists and both the Australian and Northern Territory governments to establish the Northern Pastoral Industry Employment and Leadership Program (NPIELP).

The NT pastoral industry is currently experiencing a shortage of skilled and reliable labour. Opportunities now exist for Indigenous people to have an increasing role in the industry by meeting industry's labour requirements. This program is uniquely placed and will continue to transition skilled and committed employees into mainstream employment on cattle stations.

The key principles underpinning the program are:

- Engagement with key industry employers;
- The selection of appropriate employers and employees;
- Ongoing station based mentoring support in the work place;
- Industry recognised accredited training delivery;
- Transition into mainstream positions and career development and
- The development of leadership skills.

The NTCA and its members are committed to increasing engagement with Indigenous individuals and groups.

The outcomes from this program over the period from 2008 include:

- Initiated agreements with 7 leading NT Pastoral Companies to reserve over 50 full time employment positions for young Indigenous stockmen or women per year.
- Estimated industry support to the program exceeds 1 million dollars per annum
- Developed a school based training program for 20 high school students including the commencement of 3 school based apprentices per year.
- Manage the recruitment and coordination of pre-employment training outcomes for over 60 Indigenous young people per year.
- Facilitate ongoing workplace mentoring and workplace skills capacity development for over 20 long term and 30 new Indigenous employees per year
- Developed a 25 minute induction Occupational Health and Safety DVD for new Indigenous employees.
- Designed and built a 20 student training and accommodation facility at the NTCA Bohning Yards near Alice Springs.
- Coach a 4 member Camp Draft Team (including 1 NTCA staff and 3 Indigenous high school students) competing in sporting events across the NT. The team is funded by sponsorship from the Central Land Council, Yirara High School, Cooper's Animal Health, Lauckes Feed Mill and Blue Dog Clothing.

The NTCA recently undertook extensive consultation, research and collaboration with all Program stakeholders to establish the Northern Territory Pastoral Industry Indigenous Training and Employment Strategy 2011 - 2016. This document has been published and outlines recruitment, training, employment and mentoring strategies in detail.



Indigenous people are re-engaging with the cattle industry with the inclusion of their land, labour and expertise.



Most Indigenous people are employed across the live export focussed regions of the NT



Indigenous land makes up close to 50% of the NT landmass with over 100,000 head of cattle run under controlled conditions in the live export zone of the Top End.

3.3 South East Asian Communities and Indonesia

The industry represents an excellent partnership between highly efficient cattle breeding operations in northern Australia and labour intensive feedlots in South East Asia, using agricultural by-products and providing local employment opportunities for people in SE Asia.

While opponents of the live export trade might discount this as a benefit of the trade, for northern Australians who value both proximity to and the relationship with Asia and Indonesia, this is very important to the long term development of interdependence, strong and lasting relationships for our collective future.

Indonesia

While agriculture is a significant economic player, it is only the fourth largest sector of the economy after services, industry (primarily resources), and manufacturing. It is an important pillar, but it is not the mainstay of the economy. Where agriculture is most significant is its political and demographic impact. Some 45-50% of all Indonesians are farmers, many of whom exist below the poverty line. This means that public policy and discourse regarding anything that affects farmers is viewed with interest, and has far reaching implications. In this context, it is clear that it is difficult to engage with Indonesian agriculture purely on an economic basis and it should probably be seen equally as a political and social phenomenon.

Most Indonesians have a strong sense of themselves as a nation of farmers. Although many Indonesians have been lifted out of farming by the economic improvements of recent decades many still have parents and family who remain farmers and to whom they have a strong association. Thus even non-farming Indonesians often have a direct personal interest in issues which affect Indonesian farmers. Thus, to the extent that the live export industry is visible, it is exposed to considerable public sentiment.

The Indonesian cattle industry has, historically, been small scale and non-intensive. Mostly cattle were a subsidiary form of land use rather than a primary form and the kinds of pasture based livestock management common in Australia are rare in Indonesia. Modern land use management, feed systems, and animal husbandry remain patchy and inconsistent across the country. As a result of the live export trade a healthy and sophisticated feedlot industry has emerged, however, it remains in the hands of a relatively small number of players. More significantly it remains relatively poorly integrated with other aspects of the Indonesian cattle industry. This has perhaps exacerbated its current exposure.

A significant component of the success of the feedlot industry has been the ability of the industry to leverage off the availability of cheap and plentiful agricultural by products such as oil palm kernel and copra. This can be contrasted to pasture based livestock which has more difficulty with the availability of land and feed.

There has long been a strong sense in the Indonesian government that Indonesia needed to improve its domestic cattle production but despite many government funded and International assistance based development programs there has only been limited success in the development of domestic cattle capacity. When seen in the context of overall demand for cattle for beef in Indonesia it seems likely that domestic cattle production may actually be shrinking in relative terms rather than expanding. The current government has made a commitment to self-sufficiency in the livestock sector and there is significant frustration at the difficulty of developing and maintaining a national breeding herd.

Part of the answer to this (irrespective of animal husbandry and technology issues) lies in the fundamentals of the Indonesian economy. The Indonesian population is growing at a rate of about 1% per annum, while the economy is growing at a rate of about 7-8% per annum. At the same time the Indonesian population is urbanising at a rate of about 3% per annum, where individuals and families move away from rural occupations and subsistence patterns of production and consumption and into cash based systems of production and consumption. This

amounts to a consistent growth in the sectors of the population, and the size of these sectors, likely to be purchasers and consumers of cattle and beef. Indeed it is already clear that the persistent growth in the demand for beef is one of the primary forces counteracting development of a national breeding herd, as shortages and high prices for beef constantly draws breeders into the slaughter market. The Indonesian market cannot keep pace with demand and currently operates with a significant yearly shortfall of available beef. While there remains a shortfall of beef it seems unlikely that Indonesia will be able to make significant gains in the development of a self sufficient national herd or the attainment of self sufficiency in cattle production. There is currently a widespread perception, for a range of reasons, that the Australian live export industry undermines the development of a national herd. It seems likely, though, that while there remains limited capacity in the Indonesian system that additional beef supply is essential to the maintenance of the balance between supply and demand which will prevent the slaughter of breeding stock essential to the development of a national herd.

This excerpt from the Presidents report delivered at the 2011 NTCA Industry Conference *“There is no doubt that Indonesia and Australia rely on each other in this trade. The trade reflects the comparative advantages of each country in terms of land area, agricultural production, labour availability and markets. At the current importation numbers for live cattle of 500,000 head, and assuming an average liveweight gain of 100kg per head while on feed, there is some 50,000 tonnes/year of value-adding to imported cattle taking place in Indonesian feedlots. At a rough estimate this may be worth A\$150m at the feedlot gate and a substantial multiple of that in the market place as well as the local employment and economic benefits.”*

Agriculture (and livestock) is a sector of the Indonesian economy with a complex mix of agricultural, demographic, economic and political factors. It is to all of these factors that the NT export industry looks to understand its role as not only a supplier of beef and live cattle but as a force for the development of greater capacity for local production and value adding of Indonesian livestock. A range of community development and agricultural aid programs delivered by Australian industry, government and NGOs are not only designed to drive greater food security but to also foster deeper and more lasting relationships between our 2 countries, our industries and people. Live cattle have, and will continue to be a vector for engagement and development of people to people to links that underpin broader relations and synergies between Australia and one of its vital trade partners.



Indonesian wet markets supplying the non-refrigerated supply chain which can only be supplied with live animals.



Increasing numbers of higher end supermarkets, hotels and restaurants buying Australian (and US, NZ and other) boxed beef which in 2010 exceeded 50,000 tonnes. This meat is sourced from southern and eastern Australia from british / european (bos Taurus) breeds. This demand will continue to increase.



Indonesian feedlots – sophisticated value adding systems, turning by-products into protein. Doing what northern Australia cannot do, in feeding and fattening cattle.



Northern Territory / Indonesia Cattle Breeding workshops and farmer to farmer links– East Kalimantan



Northern Territory / Indonesia Cattle Breeding workshops and farmer to farmer relationships – East Kalimantan



Northern Territory / Indonesia Cattle Breeding workshops and farmer to farmer relationships – Lakefield Station, Northern Territory

4. Environmental Impact

Australia's northern cattle producers are the managers of close to 50% of the total land mass of the Northern Territory. The goal of pastoral land management is the production of cattle in a sustainable way while ensuring the maintenance of the environmental values within the pastoral estate. This is particularly important in the country's north, where pastoral use extends over large areas. Essentially this means that producers have two significant roles, the first is the year in year out raising of healthy livestock to help feed the growing population of the South East Asian countries, whilst the second is the management and control of vast tracts of land. Particularly through the management of fire, feral animals, weeds and the bio-security risk mitigation. Ultimately, successful livestock production is co-dependent on successful environmental management.

The cattle producers of the north and the environment in which they live in have long been complementing each other. The cattle producers have depended upon the environment of the north for which they can raise their livestock and are able to support themselves and their families. Whilst at the same time the pastoralists have played a very important stewardship role in maintaining landscape health over large areas of country.



Mimosa Pigra (WONS) on the northern floodplain managed as part of cattle operations



Mimosa Pigra (WONS) on the northern floodplain

4.1 Grazing land management & Weed control

One such way that producers manage these tremendous areas is through the implementation of sustainable grazing practices. These practices serve to enhance cattle production and growth as well to protect and improve the native pastures of the north. Most larger organisations have appointed rangelands officers, whom are responsible for the constant monitoring of the land and water systems within these large properties, while 75% of NT producers are active members of landcare groups. One of the most important rangeland management tools has been the control of introduced weeds. Weeds, which can threaten native wildlife in many ways. The most obvious detrimental impact of weed encroachment is by replacing the native vegetation, so that native plant species are eliminated from the environment. Many producers of the north have spent hundreds of thousands of dollars on the control and eradication of such noxious and invasive weeds. Money and effort that can in the space of 1 year or less see the return of these

weeds to uncontrollable levels if left unmanaged. Of notable importance has been the successful control of the Mimosa and rubber bush weeds. These mitigation measures, money spent and considerable effort are under immediate threat with the imminent return of these weeds to uncontrollable levels if left unmanaged.

4.2 Feral Animals & Bush Fires

The cattle producers of the north are also at the frontline of feral animal control and eradication. Since the arrival of Europeans the native flora and fauna has been under attack from such pests including wild dogs, camels, horses, donkeys, cats and pigs. These pests have and continue to cause catastrophic damage. However due to the constant work carried out by people in the pastoral industry these pests have been kept in check in recent years. This has been achieved by such programmes as wild dog baiting, as well as pig, cat, camel, horse and donkey eradication programmes. Without the producers of the north these feral introduced species would be able to continue to cause wide spread damage. Bush fires cause wide spread destruction and in some cases death. The north of Australia is no exception to this, with such large areas of land and so few inhabitants, the fighting and control of bush fires is often left to the pastoralists.

4.3 Livestock Management

The live trade plays a direct role in relation to animal welfare outcomes for northern Australian herds.

Despite the suspension of the live trade, the natural birth rate/herd population increase continues. An example, is, - in a population of 2 million cattle the retention of 500,000 live export animals on fully stocked properties (25% increased stocking rate) coupled with only one weaning muster in the year (instead of 2 musters) and reduced supplement will likely lead to an extra 10% deaths. This means 100,000 extra cows and most of their calves dying due to a combination of nutritional stress, parasite burden and competition for feed, reduced welfare for the survivors and significant rangeland degradation.

5. Animal Welfare

NTCA and its members are as concerned as anyone about the welfare and humane treatment of animals and the cattle we produce. The images shown on 4 Corners of cattle being mistreated would not be not condoned or accepted by anyone who relies on production of livestock for their livelihood.

However, animal welfare begins long before the animal enters an abattoir. Good management and husbandry on property and right throughout the market chain are just as much part of the welfare considerations for our industry.



6. Related Matters

Methane emissions from cattle are one of the sources of greenhouse gas emissions cited as contributing significantly to Agricultural and Australia's carbon emissions profile. The Federal government has developed the Carbon Farming Initiative as a means of giving farmers and other landholders the ability to access markets for carbon offsets. While there appears little that can be done in Northern Australia outside of modified savannah burning practices on previously unmanaged land, one of the examples cited of reducing methane emissions from cattle is; among other things, to reduce the age profile of the herd by earlier age of turnoff. Individual animals are retained in the herd for a shorter period of time and in particular sale cattle can be finished and fattened on high quality pastures or feedlots so they spend less time alive, belching methane. One of the consequences of returning to an abattoir based market for cattle in northern Australian will be the need to retain turnoff cattle for longer in order to meet target weights. This is because there are neither large areas of high quality pasture resources nor the ability to source cheap high quality feedstuffs to support a feedlot sector.

So the industry would basically be reduced to turning off 4-5 year old bullocks. This is directly contradictory to the ambition of reducing methane emissions from northern Australian herds as animals will be spending more time not less, on properties while they grow to a suitable weight.

7. Conclusion

The role of the live export industry to northern Australia, its people, its regions and its land must be acknowledged as well as its role in the wider relationship with our nearest neighbour and most valued trading partner, Indonesia. Australian producers be they sixth generation family pastoralists, Indigenous landowners or modern corporate businesses all have an equal vested interest in the industry, as well as an equal desire to see all animals treated with respect.

The northern live export industry is more than a market or a sideline. It is part of the fabric of northern Australia and the south east Asian region offering a legitimate and real livelihood for our families and the people they support.

End