



AgForce Queensland

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AgForce Queensland

AgForce Queensland (AgForce) was established in 1999 and is the peak body representing thousands of Queensland beef, sheep and wool, and grains primary producers who recognise the value in having a strong voice. These broad-acre industries manage 80% of the Queensland landmass for production and most rural and regional economies are dependent on these industries directly and indirectly for their livelihood. AgForce delivers key lobbying outcomes and services for members and presents the facts about modern farming to consumers through the Every Family Needs A Farmer campaign.

State farm group AgForce, which represents Queensland beef cattle producers, strongly opposes any form of animal cruelty. It is unacceptable for any cattle, regardless of their origin, to be treated inhumanely.

AgForce supports the inquiry into animal welfare issues and live exports markets under the Bill Farmer review, announced by the Federal Minister for Agriculture Senator Joe Ludwig.

AgForce supports the continuation of live exports for the following reasons;

1. Terms of Reference A ; The facilities, treatment handling and slaughter of livestock, exported from Australia in the importing country for consistency with OIE.

It is important to recognise that on a regional basis the Australian cattle industry has led significant improvements and developments in Indonesian abattoirs to ensure livestock handling complies with international animal welfare regulations. By continuing Australia's presence in the market, we will endeavor to strengthen influence and progress on this issue. AgForce supports live exports into controlled commercial pipelines of traceability, audit ability and accountability.

- a. AgForce supports the controlled export of cattle to Indonesia or countries approved under OIE standards, through processing facilities which meet and maintain international standards of animal welfare. AgForce supports the acceleration of the continuing roll-out by Australia of training and equipment for Indonesian abattoirs to ensure animal welfare practices are adhered to.

2. Terms of Reference C; The adequate and effectiveness of the current Australian regulatory arrangements for the live export trade.

AgForce supports the policies delivered by Cattle Council Australia in submission to the Review of Livestock Export Trade.

The North Australian beef industry is structured around the live export of cattle to Indonesia. The exit of Australia from markets such as Indonesia will have a devastating and wide-spread impact on families and communities who rely on this vital market, as well as support industries such as livestock transporters and varying trades people. The geographical and seasonal challenges of producing cattle in North Australia combined with current freight networks does not make any other market viable under present circumstances.

- a. The loss of the Indonesian export market will severely impact hundreds of Australian beef producing families and have a huge flow-on economic affect across the nation as the domestic market struggles to handle the redirection of 500,000 (plus) cattle currently exported to Indonesia. Regulatory requirements should support cattle on boats in order to offset the pressures created through redirection.
- b. An independent report commissioned by MLA and LiveCorp in June 2007, *Assessing the Value of the Livestock Export Industry to Regional Australia*, found the industry contributes \$830 million in gross domestic product per year to these regional economies, and generates employment for more than 11,000 Australians in these areas.
 - i. The report also found the live cattle trade is a viable complementary market providing flexibility for cattle producers in northern Queensland. The live trade is important to the Queensland economy as it helps underpin the price paid for all cattle. In times of drought the contribution of this market is important in helping families and communities survive difficult times by offering increased market opportunities.

3. Terms of Reference D; The types of livestock suitable (weight age body condition breed) for export as feeder or slaughter animals).

AgForce takes into consideration that the recent events created by the imposition and latter lifting of the ban have resulted in quantifiable financial hardship and herd imbalance across a number of areas. These include;

- a. Seasonal turn off for live trade is compressed into a finite amount of months compliment the growth weights of trade cattle under 350kgs. Delays and disruptions to this have severely impacted on operational turn off periods and the further holding capacity of individual properties to retaining these cattle for further live trade. Cattle from a number of properties, to which cattle fall outside this weight threshold, will be forced to off load cattle into alternate markets at greatly reduced prices.
 - i. The trade steer price alternate market dropped 45-55 cents / kg in the first week of the imposed ban. (\$150+ / hd)
 - ii. The extra cost of transport delivery to alternate domestic markets ranges from \$50-150/hd.
- b. The dispersal of live trade cattle into off shore markets reduces the pressure on other 'processor' categories and balances the tipping point of a cattle floor price.
 - i. Heavy Ox market has seen falls from mid June from AUD\$3.50/kg to \$3.00/kg
 - ii. EU Steers have been dragged lower from \$4.00+ to \$3.55
 - iii. Cow prices for most northern operations remain so low that it is unviable to muster and transport cows.
- c. The favoured profile of weights and phenol-typical characteristics of live export cattle has taken decades to develop and is based on *Bos Indicus* infused genetics. Not only are property breeding structures and progeny turn-off optimised for live cattle production, but the operational parameters binding feed and water sustainability to maximise returns are also geared to the live export market. To

alter a market direction is not a short term process and has a ripple effect directly back through to adjustments of stock type and property management profile.

- 4. Terms of Reference E ; The extent of monitoring required for each export consignment of feeder or slaughter livestock in a manner that ensures accurate and transparent reporting to the Aust Govt on the condition of the livestock from departure from Australia up to and including the point of slaughter in the country of destination.**
 - a. AgForce supports the Cattle Council Australia position.
 - b. The herd is underpinned by an export permit number
 - c. The commercial operators acting within coordinated supply chains are approved under the license act.
 - d. The supply chain is underpinned by NLIS and/or supported by a similar back up mechanism that is workable and acceptable in country of destination..

- 5. Terms of Reference F ; The risk management strategies necessary to address the welfare of animals from departure from Australia up to and including the point of slaughter in the country of destination;**
 - a. AgForce supports the Cattle Council Australia position.
 - b. Underpinned by traceability and audit ability, Australian stock will only be sent to partner countries that comply under OIE standards.

- 6. Terms of Reference G ; Other matters;**
 - a. The removal of business certainty and a reduction in cash receipts to properties affected by the live export ban have had a negative cascade effect to a number of other communities and regions within the industry.
 - i. Commercial herd bull breeders in central Qld have had contracts to supply northern live exporters cancelled. Herd bull values of approx \$2500 face processor alternatives of \$900. Increased availability of bulls and forced sales will lower the average income of these commercial bull breeding enterprises.
 - ii. Reductions across farm gate cash receipts also deliver reduced outlay towards farm expenses and/or investments for on farm operations. As material expenditure weakens this will have a flow on effect into local communities who support and rely on viable live export businesses for employment and income.

 - b. Biosecurity remains a fundamental focus of AgForce. Allowing Indonesia opportunity to access live product from FMD portals is an exposure that Australia can ill afford. Similarly on property maintenance of biodiversity and bio-sustainability will only weaken if less cash is available for on farm expenditure.

 - c. Indigenous employment and viable indigenous/rural communities are extremely important to the fabric of Queensland and northern Australia. The ability of the live export trade to provide longevity of employment and support in indigenous and rural communities is vital.

- d. Social welfare and the mental status of regional Australia is underpinned and supported by a strong rural economy. AgForce challenges any measures leading to market removal, will inevitably weaken elements of family or individual mental and social wellbeing.
- e. Providing alternative solutions for producers will remain a key element in the recovery of the industry. Issues to examine include;
 - i. Continued assessment towards a northern processing facility with time lines and options for sale alternatives.
 - ii. Interactive producer alliances working with profit share, trading and adjustment alternatives.
 - iii. Interactive feedlot alliances and utilising feedlot capacity increases where practical.
 - iv. Planning both support and technical support packages that include stock rates, sale options, transport and lessons from the past need to be incorporated in rolling-out productive and positive pathways forward.
 - v. Producer forums will deliver education and confidence in proposed alternatives, being a slow process to rebuild to the 180,000 head of quarterly live export quota.

Conclusion

AgForce will focus on delivering a result that assures the future longevity of live export opportunities for Australian producers. Decisions must be made in order to support the time constraints of a rolling implementation in accordance with country of destination. Decisions must be made to ensure support for markets in the interim, but most importantly assure certainty and direction for the cattle industry and its shareholders.

AgForce has implemented support measures to ensure that commercial operators provide live export supply chains that adhere to industry and Government requirements. It is imperative that the socio-economic dependence of rural communities surrounding this trade is acknowledged and their operations are fully recognised and comprehended. To this endeavour, AgForce is willing to provide any further information or present to further inquiry to answer questions and provide ongoing evidence supporting the importance of the live export trade to Queensland's cattle producers and the rural communities in which they operate.

AgForce Contacts

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