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14 June 2024

Committee Secretary
House of Representatives Standing Committee on Agriculture
PO Box 6021
Parliament House
Canberra ACT 2600

Via email: Agriculture.reps@aph.gov.au

Dear Committee Secretary,

The Australian Livestock Export Corporation Limited (LiveCorp) would like to thank you for the opportunity to provide a submission to the inquiry into the role of Australian agriculture in Southeast Asian Markets.

LiveCorp

LiveCorp is the Research and Development Corporation (RDC) for the Australian livestock export industry. It is a not-for-profit industry body funded through statutory levies on the export of beef and dairy cattle, sheep and goats from Australia. It is one of the 15 Australian Rural RDCs and the only one focused solely on the livestock export industry. LiveCorp works closely with exporters, industry stakeholders and the Australian Government to support Australian livestock exporters attain world leading animal welfare outcomes, gain market access and improve supply chain efficiency.

LiveCorp does not engage in agri-political activities, and the responsibility for policy and advocacy lies with the Australian Livestock Exporters' Council (ALEC).

LiveCorp works closely across several of its strategic imperatives, including supply chain efficiency and market access, with the Australian Government. This includes providing technical contributions towards improvements in the regulatory framework for export certification and animal welfare, and supporting enhanced market access and trade development in both new and existing markets.

Within the market access space, LiveCorp provides technical advice and secretariat support to a joint Australian Government and industry Protocol Committee tasked with prioritising and progressing market access goals. Through the Protocol Committee, government and the livestock export industry have achieved around 50 protocol agreements across cattle, buffalo, sheep, and goats with more than 38 countries, including eight in Southeast Asia. The Committee and LiveCorp also provide the

mechanisms through which industry and government are able to collaborate on market access opportunities and coordinate to resolve challenges that may arise.

The Livestock Export Program in-market team

LiveCorp also works in partnership with Meat & Livestock Australia (MLA), through the joint Livestock Export Program (LEP). The LEP in-market program is a key collaborative mechanism for exporters and producers to deliver programs in:

- Livestock management, health and welfare
- Market access and development
- Supply chain improvements
- Communication and stakeholder relationships
- Research, development and extension

The LEP in-market team is made up of three managers based in countries or regions that receive Australian livestock: one based in Indonesia, one based in Vietnam covering Southeast Asia, and one based in Dubai covering the Middle East and North Africa region. The LEP team works alongside Australian exporters to build relationships and capability with importers and other organisations that receive Australian livestock, liaise with Australian and local government officials, and provide information back to Australia on government policies and issues which may affect the trade.

A key focus for the LEP in-market team is to provide training and share expertise with the managers and workers in feedlots and abattoirs to build their understanding and capability on animal welfare practices and supply chain performance opportunities. The LEP team has trained thousands of people in overseas markets in animal handling, husbandry and slaughter practices in the last decade (for example, 12,000 people between 2011 and 2018) and more recently has focused on ‘train the trainer’ activities to provide greater reach more efficiently. In the past couple of years, support for training and capacity building has expanded to include biosecurity – particularly in Indonesia.

Livestock exports in Southeast Asia

Australia commenced exporting livestock to Southeast Asia in the 1980s. Now the livestock export industry plays an important role across many Southeast Asian countries through its contribution to food security, nutrition, economic development, employment, cultural preferences, and knowledge exchange.

The livestock export industry has become an integral part of Southeast Asia’s food security and agricultural supply chain development, exporting over 4.5 million livestock worth more than \$6 billion into Southeast Asia between 2018 and 2023. Markets for Australian livestock (for both meat production and breeding) include Indonesia, Vietnam, Malaysia, the Philippines, Brunei, Cambodia, Timor-Leste, Thailand and Singapore. In 2023, 84% of all livestock export consignments went to Southeast Asia, primarily beef cattle from Northern Australia to Indonesia and Vietnam.

A particularly close relationship has developed between northern Australia and Indonesia, which typically imports around 65% of Australia’s Southeast Asian cattle exports. This has grown from the similarity of climate, and the way the Australian and Indonesian supply chains complement each other’s strengths in breeding (within Australia) and lot feeding (within Indonesia – e.g. using byproducts). Further information can be found in the LEP RD&E Program report on the [economic contribution and benefits of the northern live export cattle industry](#).

Livestock exports and food security

Australian agriculture plays a central role within Southeast Asia in contributing to food security, and the livestock export industry has been an important part of this contribution for decades.

As mentioned in *Australia's Southeast Asia Economic Strategy to 2040*, the population of Southeast Asia is growing rapidly; currently sitting at 687 million people, in comparison to Australia's 26 million. Australia's available arable land and large livestock population provide an opportunity to fill gaps in regional supply, particularly in countries where agricultural resources may be limited or where demand for meat exceeds domestic production capacity. The livestock export industry has a key role in maintaining food security for trading partners, facilitating access to quality protein and meeting the dietary/ nutritional needs of their populations. Both domestic and international livestock export supply chains are responsible for creating thousands of jobs, often among lower socio-economic demographic populations. These contributions directly align with the Australian Government's global commitments to support sustainable development goals.

Although the strategy report references a growing interest in premium products, it is important not to disregard the cultural preferences of the majority populations that continue to have a strong focus on traditional channels. In MLA's *September 2019 [South-East Asia Market Snapshot for Beef and sheepmeat](#)*, it was estimated that traditional channels for beef made up approximately 85% of Southeast Asia's retail market share. This was primarily composed of low-end traditional retail and foodservice channels, including wet markets and small restaurants, and by small to medium-sized food manufacturers. These are the supply chains that the Australian livestock export trade predominantly services within Southeast Asia, providing the desired hot 'off the bone' cuts in order for the local community to have confidence in the freshness of the meat. It is these supply chains that can have an impactful and significant contribution to food security at a country level.

To put it in perspective, it is estimated that on average the Australian livestock export trade supplies the annual beef consumption requirements of approximately 68 – 85 million people in Indonesia. This is without considering that traditionally the entire animal is utilised, not only the meat. For example, bones are cooked and used for human consumption, around 50% of hides are deep fried and eaten, organs are consumed and even the blood is used in food.

Based on our experiences, it is LiveCorp's observation that:

- **Australia should ensure that it considers and continues to support trade and investment in systems that deliver safe, affordable protein to different demographics and that acknowledge cultural preferences.**
- **Traditional channels such as wet markets make up 85% of food retail in Southeast Asia. To focus too strongly on 'premium' items risks overlooking the preferences and needs of large proportions of local populations, reducing Australia's genuine role in supporting food security in the region and creating opportunities for competitors to enter the market.**
- **Food security is central to the livestock export industry's trading partners and has been a consistent and growing focus for their engagement, including in relation to their own self sufficiency or agricultural development.**
- **In a world that requires more food, and where there is a genuine challenge for some countries to ensure they can affordably access to food, Australia should contribute towards programs that support the development of local agricultural systems in Southeast Asia (including technology, services and knowledge transfer). These activities are rarely a threat to Australian export volumes – but are fundamental parts of ensuring we are a partner in their interests and goals.**

Livestock exports and capability development

The terms of reference for the Inquiry seek information on capability and development, and this is something that is central to the livestock export industry's activities in Southeast Asia.

Animal welfare has been one of the most significant areas where the industry has provided support to overseas countries to improve handling, management and slaughter knowledge and practices. While there were programs and efforts occurring prior, the significant capability uplift in animal welfare was pushed forward by the industry and government's development and implementation of the Exporter Supply Chain Assurance System (ESCAS). ESCAS is an Australian regulatory framework that requires exporters to ensure the welfare of livestock in-market from arrival through to slaughter. This is something that exporters and importers have both focused on achieving to ensure the sustainability of the trade and businesses, and critically to maintain food security for their communities.

The animal welfare work has resulted in substantial improvements across the region. For example, the following are some of the outcomes from Australia's collaboration and involvement:

- The implementation of ESCAS in every country importing Australian slaughter or feeder livestock.
- Pre-slaughter stunning for Australian cattle has been adopted fully in Vietnam and in around 90% of Indonesian abattoirs which process Australian-bred cattle, with local cattle also benefiting significantly from the infrastructure adjustments.
- Development and implementation of animal welfare focused Standard Operating procedures for each segment of the supply chain.
- Many thousands of people involved in the care of livestock have been trained in proper handling and care of livestock.
- The profession of animal welfare officer (AWO) has been created and rolled out in Indonesia from the live export supply chain (AWOs being supply chain staff that focus on welfare), with the support of dedicated training and certification.
- The AWOs have also gone further to establish a collaborative Forum AWO to engage with each other and share animal welfare knowledge and training with their members (with a reach extending beyond Australian supply chains).
- The Vietnamese Government developed animal welfare standards for all livestock in the country that draw upon Australian standards and include the promotion of stunning as best practice (the Vietnamese Government was supported by the LEP and the Agriculture Counsellor network through an Australia-Vietnam Enhanced Economic Engagement Grant).
- Development of a vast range of in-market focused support and capability improvement materials in multiple languages, such as best practice guides and training manuals.

While welfare has been a core component of capability development, it is an adjunct to the fundamental connection between us and our overseas partners – the development and growth of the livestock industries and businesses in market. For over 30 years exporters and industry have provided capability development support, knowledge transfer and investment in agricultural business development. This includes nutritional improvements, breed selection, feedlot and abattoir design and operations, marketing support to develop products, and more activities focused on supporting the customers of Australian livestock to build their businesses, profitability, and competitiveness.

We have also seen that knowledge transfer and collaborative development is increasingly becoming a focus of Southeast Asian countries, which are looking to form partnerships that extend beyond / complement the pure trading relationships in agricultural products.

A recent example of this was at the Vietnam – Australia beef cattle symposium, an event supported by an Australia-Vietnam Enhanced Economic Engagement Grant (AVEG), that was held to bring together Australian experts with Vietnamese officials and livestock businesses to share information and build connections. Members of the Laos Government also attended and shared their areas of trade and information interests. During the event the attendees and speakers shared knowledge and insights to help address current challenges for the Vietnamese livestock sectors. Presentations and discussions covered areas including infrastructure, husbandry, genetics, nutrition and the development of Vietnam's national cattle herd. This event was a great example of the cross-country relationship development activities and opportunities that government and industry collaboration and funding can support.

It is LiveCorp's observation that:

- **The livestock export industry has supported and delivered significant capability building outcomes in the areas of animal welfare and biosecurity in the Southeast Asian region.**
- **The capacity to engage in these areas has been underpinned by the industry's central focus on supporting the development of capability, competitiveness and profitability in the industries and businesses we partner with.**
- **Genuine collaboration and cooperation in the areas of priority for trading partners is vital. Trading partners are increasingly looking for partnerships alongside trade and access agreements that allow for information sharing, technology development and capability building in priority areas for them (including opportunities to improve farm incomes and agricultural productivity).**
- **The ability to access grant funding has been integral to LiveCorp, the LEP and the livestock export industry's efforts to collaborate with trading partners in capability development. Government investment programs such as the Australia-Vietnam Enhanced Economic Engagement Grant, Red Meat and Cattle Partnership (RMCP) and the Agricultural Trade and Market Access Cooperation program establish opportunities to connect, develop relationships and commercial supply chains, foster good will and deliver meaningful outcomes in-market. LiveCorp has found that by being able to provide support quickly to trading partners, whether it be through emergency disease response or implementation of new regulation, relationships and trust are established and long-term trading partnerships are strengthened.**
- **Knowledge transfer and collaborative activities focused on the importing country's goals (e.g. increasing their production capacity, better controlling disease) fall into a market failure space where it is not always easy to justify pure industry investment. The provision of funding programs – such as the ones listed above and Australia's biosecurity response to the Indonesian outbreaks – provide ways for industry and government personnel (e.g. agricultural counsellors) to bring that knowledge transfer and collaboration to fruition.**

Australia's role in agricultural biosecurity in SEA

The impact of emerging exotic diseases on agricultural supply chains is devastating for communities and animal welfare, and highly disruptive for trade and businesses. As an industry that exports large numbers of live production animals to Southeast Asia, we are in a unique position when it comes to biosecurity. In this capacity, we have seen first-hand how livestock and particularly cattle are a common language and interest in the region and we consistently receive enquiries regarding cattle for export and to share technologies and information related to cattle production.

This not only opens the door for trade development, but presents a very natural point of entry for conversations and support to be provided about animal health and biosecurity. The livestock export industry is on-the-ground and has a real interest in the successful management of disease by our customers through increased capability in biosecurity and access to available vaccines and/or testing. This relationship extends further however, as our customers are key food producers in their regions and they are embedded in the veterinary and livestock production systems and frameworks that exist domestically.

LiveCorp was able to witness firsthand the impact of outbreaks of Foot and Mouth Disease (FMD) and Lumpy Skin Disease (LSD) in Indonesia. During this difficult period LiveCorp was able to utilise its in-market relationships and team up with the Australian Government to provide support to Indonesian industry through a government grant. This program focused on working closely with Gapuspindo and with the Indonesian Animal Science Association (known as ISPI) – to provide training and awareness raising of the importance of animal biosecurity, and to share information and promote vaccination of livestock for LSD. The program facilitated partial vaccine reimbursement for Australian-bred livestock and for the vaccination of local livestock in surrounding areas to establish biosecurity buffer zones and reduce disease spread. In addition, working with ISPI and Gapuspindo, a program of work commenced to help engage with provincial and local Indonesian animal health officials and farmers to build knowledge and capability around biosecurity generally, as well as LSD and its management. This was very well received and supported capability building focused on smallholder farmers. Ultimately around 380,000 Australian bred cattle were vaccinated and around 12,000 local cattle and 12,500 local sheep and goats were vaccinated for LSD.

Other programs have also been delivered through MLA and the LEP to provide more direct biosecurity advice and support to facilities in market, through Australian Government grants.

Our observations in this area are as follows:

- **The importance of building capability in biosecurity throughout supply chains has become highly apparent in Southeast Asia, to protect both food security and trade. However, it is important that Australia's support is provided with a focus on building the capability of the importing country.**
- **There appears to be a desire for Australia to collaborate in developing the domestic disease management capabilities of trading partners (including in technology and veterinary product development).**
- **Supporting collaborative regional mechanisms for partnerships in biosecurity and animal health development would be beneficial, including creation and access to technologies. These initiatives should include both government and industry.**

Relationships and in-market presence to support trade

The initial sections of this submission outlined the efforts and investments that the industry has made at the industry and business levels to establish relationships and maintain them over a long period of time. They also outlined the importance of the collaboration both between the technical and trade officials in Australia and the in-market industry and government diplomatic representatives overseas.

In LiveCorp's view, there is no doubt that the longevity and the effectiveness of this industry/ government collaboration has underpinned the achievements in market access, preventing or reducing the impact of disruptions, and implementing animal welfare improvements.

In particular, the Agricultural Counsellor network and the Animal Biosecurity and International Trade and Market Access Division in the Department of Agriculture, Fisheries and Forestry (DAFF) have been critical in developing and growing the relationships with in-market governments need to achieve and retain agricultural access in the region.

These relationships also allow us to stay informed of trading partners' goals, concerns, and current areas of focus and there have been many examples where the Australian Government and industry have been able to partner together to address these areas.

Our general observations including opportunities and challenges are as follows:

- An effective agricultural counsellor network with representatives dedicated to individual markets and with a committed long-term and trusted presence is critical in maintaining the relationships needed to form partnerships. Agricultural counsellors need to be connected to, and supported by, effective technical and trade personnel within market and in Australia.
- Opportunities should be established to promote and foster close engagement between government and industry, both in market and in Australia, in recognition that it is the combination of commercial, industry and government relationships that builds effective market intelligence pictures and that enables effective support to be provided to importing countries and Australian parties.
- There are significant benefits from grant programs or funding streams that help to bring together Australian industry (e.g. through bodies such as LiveCorp, MLA, Dairy Australia) with in-market parties to share information, provide services and support importing country agriculture and food development goals.
- Two identified areas of interest within Southeast Asia are the long-term goals of increasing domestic production / self-sufficiency (through breeding herd improvements and growth, and capability development) and responding to the threat of emerging exotic animal diseases.
- Determining priorities needs to be done strategically by listening to sovereign goals and adapting as our trading partners grow and change.

Thank you for taking the time to read our submission, we hope it has been of assistance in highlighting our observations of opportunities and challenges for the role of Australian agriculture in market for the relative subjects.



Kind regards,

Mr Wayne Collier
Chief Executive Officer
Australian Livestock Export Corporation (LiveCorp)