

19 July 2011



Committee Secretary
Senate Standing Committees on Rural Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

RE: ANIMAL WELFARE STANDARDS IN AUSTRALIA'S LIVE EXPORT MARKETS

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises of all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

Following a restructure of the organisation in 2009 a broader cross section of the agricultural sector has been enabled to become members of the NFF, including the breadth and the length of the supply chain.

Each of NFF's members deal with state-based "grass roots" issues or commodity specific issues, respectively, while the NFF represents the agreed imperatives of all at the national and international level.

Our membership includes the Cattle Council of Australia, the Sheepmeat Council of Australia, the Australian Livestock Exporters Council and a range of State Farmer Organisations. All of these organisations and their members have much at stake in relation to this review and any resulting changes to their industry.

The live animal export industry is a vital part of Australian agriculture with particular significance to many regional communities and farming families across the country. The industry is now worth over \$1 billion annually, supports 13,000 jobs and moreover provides either an alternate to existing markets or the only viable market for many livestock producers across the country.

The NFF is not intimately familiar with the live animal export trade or the issues surrounding it. We will defer to our members in relation to this detail as it relates to the terms of reference. That said we submit the following points:

- Australian farmers should be able to make choices in relation to their businesses including production systems and markets;

- For many producers, live export markets provide a premium over domestic markets. For all of these producers, live export markets provide an alternative or the only viable market available;
- The NFF does not support the live animal export trade over the processed meat trade or vice versa. Both have a place in our sector. We do not however concur with the view that all live animal export markets could be closed down and replaced with processed meat within any reasonable timeframe. For example, there are very few meat processing facilities in the north/west of the country primarily related to issues of profitability. If processed meat were a viable alternative in these parts of the country then we would expect to see more of such facilities today;
- The suspension of the live cattle trade to Indonesia has had and will continue to have a considerable impact on individual farm families, industries, employment and communities across north/west Australia and eventually into southern/eastern parts of the country. This is despite the recent lifting of the suspension;
- Northern/western production systems are geared towards the production of livestock for export markets, particularly Indonesia. The sudden suspension of trade to this market and gradual process of resumption has resulted in a range of impacts including a backlog in the export sector with associated costs and a complete disruption of production systems. With no or few viable alternatives, cash flow for affected parties has largely stopped and unless there is a rapid resumption of the trade (based on improved supply chain assurance) then we will see major impacts on families, businesses and communities in these regions;
- We understand that the recent suspension has cost the live cattle export industry in excess of \$100 million to date. It is much harder to gauge the effects on families and individual's mental health however we know that many are suffering;
- The NFF does not accept or condone cruelty to animals and all reasonable steps should be taken to ensure animal care and safety within the live export industry;
- The live export industry has made major inroads into the improvement of animal welfare conditions in world markets. This has often been a gradual process of change as industry develops partnerships sensitive to foreign cultures and customs. The NFF is of the view that Australian industry should take all reasonable measures to ensure animal welfare outcomes in overseas markets including supply chain assurance. However we do not believe it is sensible or culturally sensitive to make absolute demands of foreign countries in relation to this issue;
- The issuing of export licences under new regulations should be linked to individual supply chains rather than entire markets. These supply chains should meet, or exceed, global animal welfare standards.

The NFF submits that, given the impact of the suspension, two critical actions are required. Firstly affected farms, families, businesses and communities require assistance in the period until the trade has transitioned to a level similar to that experienced prior to the suspension. This would include transport subsidies, mechanisms to assist the dispersal of animals caught in the supply chain backlog and other methods favoured by our members.

In addition the government needs to continue to work closely with industry in an effort to ensure there is not a repeat of the practices that led to the suspension. For continued family, business and community confidence it is also essential that we do not see the unilateral closure of entire markets again in future. In order to provide these assurances, government must continue to co-invest with industry and importing nations in improved practices and supply chains.

Yours faithfully

 **MATT LINNEGAR**
Chief Executive Officer