

TO: Consultation Panel
 Phase-out of Live Sheep Exports by Sea
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12 JUNE 2023

Re Live Sheep Export Submission: Grain Producers Australia

Dear Panel,

Thank you for providing Grain Producers Australia with the opportunity to make a submission to the panel's consultation process. This submission reconfirms many of the key points presented to the panel at our meeting in Sydney on Friday 19 May 2023. In particular, the fact many grain producers also produce livestock and therefore our members will also be severely impacted by the implementation of this government policy decision, to phase out live sheep exports.

GPA vigorously disagrees with the Government's policy for Australia to withdraw from the live sheep export market – especially when our nation is widely regarded as world-leading in animal welfare standards and our involvement in this trade contributes to lifting standards in export countries, with sustained investment of government funding and grower levies. These markets will continue to source livestock supplied by other countries where no such welfare standards and oversight systems apply, such as the tracking and traceability provided by ESCAS. Given mortality rates are at record lows, this decision is counterintuitive to the core values on animal welfare and the role of food producers, shared by the community.

As part of this submission, GPA supports ALEC's submission, given its key points also reflect the impacts of this ban on farm businesses operated by GPA grower members, and the subsequent flow-on impacts for regional communities and the broader economy. This ban will also have negative impacts on our trading partners in the Middle East who also buy Australian grains, including for feed stock, and our overall international trading reputation. Compensation alone is not enough, as this ban has inflicted a significant dent in trust of governments and due process, by kowtowing to the will of activists, despite scientific facts and broader evidence. This ban and its negative impacts on markets and farm viability also cannot be viewed in isolation from other recent policy decisions, such as the proposed 10pc biosecurity levy on producers.

As Dwight D. Eisenhower said, 'Farming looks mighty easy when your plow is a pencil and you're a thousand miles from the corn field'. The same goes for anti-farming activists who will now be emboldened by this live sheep export ban; applying their significant funding, resources and subversive strategies to target cattle and grains. *"Farming looks mighty easy when your plow is a mobile phone, with Twitter and Facebook at your fingertips, whilst you're a thousand kilometres from a wheat field."*

Key Points

- Many of GPA's grain grower members operate 'mixed' farming businesses and farming systems producing both grains and sheep.
- On ave. 30-40pc of their land is used for sheep as part of their farming systems.

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- WA accounts for about one-third of the nation's crop and will be most affected by this ban. GPA analysis from ABS data (2020-21 crop) shows O'Connor is the biggest grain producing electorate in Australia valued at \$3.8 billion, Durack seventh, valued at \$1.2 billion and Pearce 14th valued at \$154 million.
- Many WA farmers maintain viability by grazing sheep on parts of their land which is not considered viable for growing crops. These farming systems have benefitted from long-term R&D investments which have focused on delivering complementary outcomes, to benefit overall farm production, and therefore social and economic returns.
- WA grain growers use lupins as a "nitrogen fixing" rotation crop (which saves fertiliser) and are used for animal feed (incl. sheep). Lupins may become an unviable rotation crop with the consequence of more fertilisers being needed, impacting prices.
- A ban on live sheep exports has considerable potential to affect the overall viability of grain farms (not just farms with 100 per cent sheep production).
- Growers make long term investment decisions – a shorter term implementation of new policy will have significant financial implications. This also extends to local agribusinesses, and supply chain operations, regarding current and future capacity.
- There is a need to understand the actual flow-on impacts for grains, regarding the potential increase in future production volumes and impacts on supply chain and grain export capacity – especially out of WA – and co-investment strategies.
- Social license considerations are of key concern for GPA members, with fears this government ban sets a dangerous precedent which emboldens other extreme activist groups targeting the cropping sector, such as those that ideologically oppose the use of fertilisers, pesticides, biotechnology etc. despite already being heavily regulated and/or demonstrated to be safe, including with objective scientific evidence.

Core Discussion

Many WA growers rely on sheep production as part of their farming production "mix". The Western Australian Department of Agriculture and Food has stated that "*Sheep flocks are generally run in conjunction with other enterprises, predominantly grain production, on mixed enterprise farms. The sheep enterprise utilises approximately 30-40% of the arable area on the average farm*". In particular, on farms which have some marginal land for cropping, growers may choose to grow sheep rather than crops. A live sheep export ban may impact this opportunity for some grain growers thereby reducing diversification and exposing grain growers to higher market and price risks.

Grain growing is very capital intensive and producers make long-term investment decisions based upon stable long-term government policy. With the consolidation of grain farms over recent years, their financial investments have increased and this shift in government policy will negatively impact their return on investment and increase risk. It is of concern to our grower members that the government has indicated a withdrawal from live sheep-exports without adequate considerations of the implications to Australian grain growers, in particular in WA.

Australia is a net exporter of grains and Australian grain growers are heavily dependent on export markets. Australia is seen by its trading partners as a reliable international source of agricultural products. There is a concern that the ban on live sheep exports will negatively impact the perception of Australia as being a secure and stable long-term source of products.

An essential part of successfully growing grain is to supply crops with sufficient nutrients. This may occur by applying fertilisers or growing rotation crops such as

legumes which “fix” nitrogen in the soil (or a combination of both) for the benefit of crop yield sown in the following year’s harvest. Lupins are the only legume currently practical for growing as a nitrogen-fixing rotation crop in WA conditions. Australia produces approximately 85pc of the world’s lupinsⁱⁱ (~\$350m in 2021ⁱⁱⁱ) per year. In Australia, WA is the predominant producer of lupins (925,000 tonnes^{iv}). However, less than 4pc of lupins are consumed by humans internationally^v; their predominant use is for ruminant animal feed (e.g. sheep). The impact of a live sheep market withdrawal will reduce the demand for lupins, possibly to the extent that farmers will not grow them with the flow-on effect that Western Australian growers will have no viable alternative nitrogen-fixing rotation crop. Their only alternative will be to increase the use of fertiliser which is now prohibitively expensive. The paradox is that, in recent years, the increasing cost of grain growing inputs (such as fertiliser) has so impacted the economics of grain production to the point that many growers had turned their mind to sheep production to maintain the viability of their farms. Additionally, should mixed farmers be able to successfully transition from sheep to 100pc grain production, this will put more strain on an already over-loaded transport and logistics supply chain.

Social Licence

GPA members have grave concerns about the flawed and politically corrupt and convenient interpretation of ‘social license’ used to justify this ban. And subsequently the dangerous, poor precedent this ban sets for all of Australian agriculture and the broader community, creating greater uncertainty, confusion and loss of confidence – especially for vital industry investments needed to sustain and grow productivity.

Despite industry implementing changes over the past five years to improve animal welfare outcomes, and supposedly meet ‘social licence’ and community trust standards, the ban is still being implemented. Despite these significant reforms, including voluntary export bans/moratoriums during riskier shipping periods for heat stress, during the northern hemisphere summer months, and other changes, the industry has been judged and punished retrospectively, according to 2018 standards. This signals to grain producers that meeting the community’s ‘expectations’ is futile, and our industries are subject to political whims and activist agendas, despite performance and evidence.

Australian agriculture already faces some of the world’s most challenging climatic conditions, coupled with the fickle nature of global markets, and constant fluctuations in supply and demand scenarios across various farming regions. For grain producers, these fluctuations impact not only grain pricing, but also cause high volatility for input costs such as fertiliser and fuel. Growers, industry and farming communities need greater certainty, not less, to remain productive and sustainable, to feed Australians and consumers throughout the world. And as a wealth-creating industry, to continue providing genuine economic returns with flow-on benefits for rural communities and the economy. Government/taxpayer support should be targeted at managing and minimising this social and economic uncertainty, and deliver good policy to mitigate risks for producers – especially given we also compete in global markets against other countries where their governments provide trillions of dollars in direct production subsidies and support programs, such as multi-peril crop insurance.

This panel process needs to consider the fact we require a clear and transparent definition of social license to work with in future, to deliver real certainty and grow business confidence, with clearly defined meanings on key matters eg; who the actual licensing body/agent is; the communities impacted by the licence; what the actual offences are and committed by whom; standards of evidence to guide the agent’s decisions; and the steps needed to remedy issues and address so called ‘community

concern' (ie animal welfare improvements), and maintain trust, rather than invoking blunt bans. Without these clear guidelines for 'social licence', Australian producers and farming industries will face even greater uncertainty, in confronting an even more volatile future. We will be held hostage to increased political opportunism from extreme activism, incentivised by misinformation and sensationalist media reporting designed to achieve guilty before proven innocent verdicts in the court of public opinion.

The role of Representative Organisations such as GPA are key to collaborating successfully to develop a workable, shared understanding of social license, and to promulgate these concepts with growers and other key stakeholders. This work is vital to help build the necessary levels of community trust. And to work with governments and policy-makers, to ensure they can understand the subtle nuances and potential consequences of decisions. And so that they recognise the key facts and broader challenges faced by growers, such as climatic and market volatility. Community trust and social licence requires a proactive, ongoing program of targeted education and most importantly advocacy to counteract the threats posed by activist groups, where the same standards of truth and governance do not necessarily apply ie the ends justifies the means. There is a huge inequity where activists groups have significant funding and resources to deploy subversive strategies and campaigns, compared to industry groups such as GPA. GPA, however, is unable to receive any direct levy-funding, despite our clear objectives, in particular to help boost grower profitability and sustainability, which we share with our RDC and other stakeholders. GPA is regarded as an 'agri-political' group, under the PIRD Act, despite these shared objectives. However, the vast majority of our work is scientifically and commercially focused. And our constitution states we act according to Political Neutrality, and that we shall remain "strictly non-party political".

We urge the panel to consider recommendations which recognise the vital role of peak industry groups, who growers expect to do advocacy, such as building community trust, but may not necessarily be paid members. We need to be adequately funded to do this work properly and proactively, to achieve these mutually beneficial outcomes. These recommendations should also consider that the definition of 'agri-political' no longer applies to peak industry groups such as GPA and therefore a modern definition needs to be implemented and applied for better outcomes. If needed, growers need a vote on allocating levy-funds for these beneficial purposes, while providing legitimate grower representation. This process can allow funding to be provided for such purposes in support of advocacy, which for grains GRDC is not permitted to do, under the PIRD Act. This will help build community trust and overall confidence, and more certainty. GPA members agree there's a genuine need to counteract misinformation targeting the cropping sector, and extreme activist groups such as those who ideologically oppose the use of fertilisers, pesticides, biotechnology etc. in farming. This is despite these tools and technologies already being heavily regulated and/or demonstrated to be safe, including with objective scientific evidence, for human health and the environment.

Yours sincerely,

Colin Bettles



Chief Executive
Grain Producers Australia



GPA's Representative Roles and Responsibilities

Grain Producers Australia represents the interests of an estimated 21,000 grain producers who grow broadacre, grain, pulse and oilseed crops throughout Australia, contributing to the social and economic strength of their communities, and the national economy. GPA advocates national policy outcomes with benefits for grain producers and to deliver a more profitable, sustainable and globally competitive Australian grains industry. As a not-for-profit company limited by guarantee, GPA is governed by a board that's elected by producer members, representing the major grain producing regions. GPA's membership comprises direct producer members and producer members of the Grains Councils of State Farming Organisations. The elected leaders of these groups – backed by professional staff – also represent their members' interests, via the GPA Policy Council.

GPA's State Members include:

- AgForce Grains
- Grain Producers SA
- NSW Farmers Association
- Victorian Farmers' Federation Grains Group
- Tasmanian Farmers and Graziers Association
- WAFarmers Grains Council
- WA Grains Group

This robust representative process also engages and enables producers to advocate their views and deliver policy outcomes via various GPA Sub-Committees and Taskforces, such as the GPA Biosecurity Committee and GPA Pesticides and Technology Sub-Committee.

GPA's objectives are to:

- Provide a strong, independent, national advocate for grain producers based on a rigorous and transparent policy development process.
- Engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain.
- Facilitate a strategic approach to research, development and extension intended to deliver sound commercial outcomes from industry research.

GPA's responsibilities representing the interests of Australia's levy-paying grain producers are legitimised under federal legislation. This includes; managing biosecurity for the Australian grains industry through Plant Health Australia as a signatory to the Emergency Pest Plant Response Deed (EPPRD); as a joint Representative Organisation responsible for overseeing the Grains Research and Development Corporation's performance and strategic investment, with matching Federal Government funding, in RD&E activities, under the PIRD Act; and managing the risk of chemical residues and environmental contaminants in grain products, to help facilitate access to domestic and export markets and protect product integrity and export reputation, via the National Residue Survey.

Grain growers contribute 1.02 per cent of their net crop sales toward levies comprising the GRDC the EPPRD responsibilities, Plant Health Australia membership, National Residue Survey testing. Of that, the vast majority (0.99pc) goes to the GRDC, with PHA receiving 0.01pc, the NRS 0.015pc and emergency plant protection response the remaining 0.005pc.

Further information: [REDACTED]

ⁱ <https://www.agric.wa.gov.au/sites/gateway/files/WA%20Sheep%20Industry%20booklet%202017.pdf>

ⁱⁱ <https://agrifutures.com.au/wp-content/uploads/publications/10-124.pdf>

ⁱⁱⁱ <https://www.fao.org/faostat/en/#data/QV>

^{iv} <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/australian-crop-report/western-australia>

^v <https://www.agric.wa.gov.au/grains-research-development/western-australian-lupin-industry>