

SUBMISSION RE; Proposed phasing out of live sheep exports;

I submit this as a producer with over forty years involvement in the WA sheep industry. Together, with my wife and children, we own three fine wool merino studs, along with a sizeable commercial sheep flock of approximately 5-6,000 sheep. All our land is leasehold, [REDACTED]. Prior to this I studied agriculture [REDACTED] and have worked for several years on large merino operations [REDACTED].

Enterprise;

Our enterprise consists of 70% sheep for both meat and wool, 20% cropping and 10% cattle on several properties totaling 14,000 acres. Our wool is of fine quality which consistently sells well at the higher end of markets. We produce merino rams which are annually sold at on farm auction. We sell surplus livestock consisting of ewe and wether lambs, hoggets and cast for age ewes. In more recent years, have sold very few sheep "directly" to Live shipping, although many of our animals often end up live exported. This is due to selling our wether lambs into feedlot systems as close to weaning as possible and finishing our tail lambs the following year, hopefully selling directly into abattoirs (season permitting). While this system is still relatively new to us (previously all wethers were run to a second shearing and sold as hoggets to LE), we still almost always carry over several hundred wethers per annum that have "cut their teeth" (no longer lambs). These sheep almost always end up on LE ships at a later date.

While we have slowly moved away from predominately relying on Le markets to sell wethers, this is in response to the reduction of Live sheep numbers being exported per annum from WA combined with long term market uncertainty. Attached to this being successive good seasons enabling us to have lambs that reach required, weaning feedlot weights and seasonal feed to finish some of our "tail" for killing over the hook". It must be noted that given the marginal location of much of our enterprise, consecutive good seasons are NOT a given and every good year is one closer to a bad. In order to deal with poorer seasons we tend to source stubble agistments to carry lambs through. On previous such years, we have relied heavily on exporting sheep.

Enterprise Constraints;

We often run wethers as hoggets and occasionally beyond, for wool production, knowing that these animals have a base market value in LE. We were comfortable with the knowledge that ESCAS had secured our markets should that need, or option again arise due to seasonal conditions, market fluctuations or other upheavals. Removal of LE shipping markets reduces options and ability to deal with these circumstances as they arise. Seasonal and market fluctuations are a constant in agriculture and having options helps balance not only our finances, but the welfare of livestock also. The ability to hold or quit numbers of dry sheep, mainly wether hoggets into the LE market has been an invaluable, flexible management tool for us.

Market Options/ Constraints;

With fewer WA sheep being Live Exported, producers are attempting to access the feedlot and or, slaughter industry. Running an on-farm feedlot is labor expensive. It requires specific nutrition, constant monitoring and a carryover or purchase of grains & fodder, minerals, vaccinations etc. I have seen negative consequences of poorly run on-farm feedlots by producers with all good intentions in the past. As a family unit that hires minimal to no staff, we prefer to sell what lambs we can to feedlots that specialize though we have found access has a tight window regarding available space and specific weight margins within that timeframe. Outside of that window and without LE, a producer has few options: to run wether lambs through and try to finish them to a slaughterable weight or quit them for what they can get with no market base value.

I believe our biggest market burden is the reduction in value of a lamb that has cut its teeth. Once this occurs, that animal is downgraded to a mutton category, especially with wethers. This carries a significant price reduction despite the well-known fact that hogget is an animal in its prime for both meat and wool production (especially a merino). To automatically be downgraded into the same eating value to that of a cast for age ewe that has run its race is ridiculous! Yet Government regulation enforces this with disregard for marketing options such as "yearling lamb".

Many wheatbelt enterprises often trade lambs after harvest to graze stubbles, value add, and supplement income. Often these lambs will reach slaughterable weights, but booking space into abattoirs is more often than not limited with long wait times. LE gives those animals that either have not reached slaughterability, or have cut their teeth, an alternative market with a base value.

Phasing out of Live Exports;

The biggest constraint to implement a "phase-out" is the lack of ability to slaughter surplus numbers let alone the current turn off as is. In recent times we have seen multiple Abattoir closures and temporary shut downs due to covid. I am told that sourcing containers to export processed meats has also hampered slaughter numbers, and that foreign market demand for chilled meats has also diminished. It must also be noted that sheep meat is protein and other products such as cattle and goat prices are inextricably linked. The current price decline in sheep values has seen cattle prices fall up to 40% and goats, even worse. The uncertainty derived from even contemplating life without LE is real and contributing to this.

Our own leases extend only for several years before reviews and options can be exercised. Such is the value of LE in providing a base in markets, that we ourselves, now face contemplating the risk of riding such a phase out of these markets or reorganizing our enterprise toward a more crop based percentage. The option of even getting out or reducing our land volume is now also in consideration. Rents, land rates, land values, interest rates and operating expenses have all risen considerably in recent times, far beyond that of what most would attribute to CPI or inflation. While market fluctuations are a constant, to have an enforced significant price reduction to due removal of existing markets via Government enforcement seems to me, ridiculous!

Live Sheep shipping from Australia under ESCAS;

Australia's current regulation driven animal welfare improvements not just in shipping, but slaughter practices in recipient countries under ESCAS, leads the world in animal welfare reforms. This given ,it seems only logical that such a decision to phase out LE is questionable in motive.

Market options and influences;

Flood and drought events in the eastern states in recent years have often propped up livestock values within WA, however these are not reliable circumstances or alternatives to prop up Western Australia's livestock sector. Nor is trucking to Eastern abattoirs which occasionally look to the west to fulfill seasonal shortfalls and/or take advantage of lower market values.

After consulting with multiple fellow producers ,it is my thoughts that in order for WA to process an approximate extra half a million head of sheep currently being exported per annum, we would need an addition two major meat works minimum and that these would need to be independent in order to secure/maintain market competition within the industry. This (on rough estimates) would require the shipping of approximately an extra minimum, 50 chilled containers from WA per week year round from WA ports alone. Even if this was achievable, ongoing feasibility and foreign market access could not be guaranteed.

Summary

Live Exports underpin protein values with base rate price protection .

From my understanding , foreign chilled market access is limited and if extra markets were available , industry would already be accessing them .

Even if extra markets for chilled meats were available , industries ability to slaughter current volumes are inadequate , let alone with added numbers due to possible live export closure .

