

Why the Australian live sheep trade should NOT be banned.

1. **Australia leads the world with its standards of animal welfare in the live sheep trade.**
 - There have been significant improvements in recent years including:
 - the Exporter Supply Chain Assurance Scheme (ESCAS);
 - a reduction in permissible shipping densities (ie sheep per pen); and
 - a ban on shipping during the Northern Hemisphere summer.
 - The Australian govt has demanded improvements, and the trade has made the necessary changes.
 - The Australian live sheep trade only loses 0.16% of sheep. That is extremely low and not very different to the sheep mortality rate in Australian paddocks.
 - The adverse footage that has repeatedly appeared in the media (ie 60 Minutes and 4 Corners):
 - is old footage from the past (before recent improvements);
 - is from ships from non-Australian ports/sources; and/or
 - was deliberately set up by animal activists by bribing ship workers (which was proven),
 and, in each case, presented without any objectivity and a deliberately sensational agenda.
2. **If Australia ceases live sheep exports, then other less ethical countries will meet that demand.**
 - It would not cause ANY reduction in demand for live sheep globally.
 - That is because the target markets:
 - buy their meat in “wet markets” (where the animals are killed in the market and sold fresh);
 - for reasons of religion, want it killed in a particular way (the Halal method); and
 - lack sufficient refrigeration to handle chilled or frozen meat.
 - That demand would be met by other countries, many from African countries like Somalia, who care little for animal welfare.
 - It would effectively lead to a net DETERIORATION in animal welfare standards.
 - Furthermore, Australia’s absence from this industry would mean there would be:
 - no “good operator” in the market to leverage other countrys’ behaviour; and
 - no “good option” for markets to choose from, removing any market signal relating to animal welfare.
3. **The live sheep trade is critical the whole sheep industry, particularly in WA.**

(a) *The live sheep trade provides the only viable market for the bulk of WA’s merino wethers.*

 - Most of the sheep bred in Australia are merinos, which are bred for BOTH meat and wool.
 - Necessarily, around 50% of all merino lambs bred each year are males or “wethers”.
 - In the past, the majority of wethers have been sent to live export in their 1st or 2nd year, while the ewes have been retained for breeding.
 - While it is theoretically possible to fatten and slaughter those wether lambs locally:
 - merinos take more feed (and are slower) to fatten because a significant portion of their energy is devoted to growing wool ... that makes them less economic to fatten & slaughter for meat;
 - there is very little local demand for merino wether meat >1year old, meaning that the only market for that meat will be the discounted mutton market;
 - there is not nearly enough abattoir capacity in WA to kill all of those wethers in any case.
 - If the live sheep trade was banned, the local market would be flooded with wethers which would otherwise have gone to live export, collapsing the price for both lamb and mutton.

(b) *The live export market provides an essential relief valve in the event of drought.*

- In the event of drought or late seasonal break (when pasture growth is poor), it is important to reduce sheep numbers and therefore stocking rates to:
 - ensure there is enough feed for the remaining sheep; and
 - protect top soil from over-grazing which could otherwise result in wind and/or water erosion.
- In the past, these sheep have gone to the live sheep trade.
- Without that pressure relief valve:
 - these sheep would be sold into the local market, where the extra supply would crash the price (because no one would be buying); OR
 - if the sale price is less than the trucking price (this has happened before), it is entirely possible, that farmers would have no choice but to destroy those stock.

(c) *Unlike the Eastern States, Western Australia does not have a significant domestic meat market.*

- That has a number of relevant consequences:
 - WA is almost 100% dependent on the export market, via either live export or boxed meat, so the loss of the live export option would be particularly damaging in WA; and
 - the sheep market in WA already trades at a long term average of 8 to 23% discount to the Eastern States (even with the live sheep trade) so the profit margins in WA are much smaller than in the East.

(d) *Banning the live sheep trade will cause the sheep flock in WA to decline below the critical mass necessary for the industry to sustain itself*

- There is a minimum flock number that is necessary for each aspect of the supply chain remain economic.
- Once the flock number falls below that threshold, essential parts of the supply chain are going to withdraw due to inadequate throughput.
- That is a very real possibility in this case.

4. There is not enough abattoir capacity to cater for the extra sheep supply.

- The people that are calling for the banning of the live sheep trade say that we should kill those sheep here and, instead, export chilled meat to those same markets.
- However, no one in Australia wants to work in abattoirs.
 - Abattoirs are a really challenging place to work (hot, smelly, steamy).
 - The only people we can get to work in these environments are immigrants.
 - The Australian meat industry already struggles to staff the existing abattoirs.
 - It is no good just saying pay them more and more because the margins are already thin.
- It is not easy to build new abattoirs because:
 - they require a lot of capital expenditure;
 - they have lots of environmental challenges (effluent, odours, water, etc);
 - labour (and accommodation for that labour) in regional towns is already scarce;
 - labour is a lot more expensive in Australia than elsewhere; and
 - no one wants to live near an abattoir.
- When was the last new abattoir commissioned? The Government undertook to ban the live sheep trade a while ago, but no one has attempted to build a new abattoir yet.
- If the Federal Government is determined to close the live sheep trade, then it must be deferred until sufficient abattoir capacity exists to handle the sheep that would otherwise have gone to the live sheep market.

5. **Banning the live sheep trade will erode animal welfare, not improve it.**
 - If the banning of the live sheep trade causes a large oversupply in the market for sheep, it will crash the price so that sheep become almost worthless.
 - When that happened last time (early 1990s), no one would buy sheep at the sale-yards, so farmers shot hundreds of thousands of sheep.
 - Similarly, if there is a drought or late break such that farmers are overstocked, the other sheep will suffer because there is no pressure relief valve to lower stocking rates. This will affect both animals and the landscape (erosion risk).
 - Both these scenarios will inevitably lead to mental health issues for farmers who hate destroying their stock.
 - Both of these circumstances will be on the head of those calling for the end of the live sheep trade.
6. **How is the live cattle trade different to the live sheep trade?**
 - The govt has made very clear that there is no risk of banning the live cattle trade.
 - What is the logic for this distinction?
 - Or is it just that the cattle lobby is more powerful?
 - Or because this ban will really only affect Western Australian farmers, who have little electoral clout?
7. **The live sheep trade ban is all about politics, not substantive logic.**
 - Nothing has changed to prompt this ban. If anything, the live sheep trade has improved.
 - This is about pleasing an ill-informed part of a city-based population and the Greens who have nothing to lose themselves.
 - No skin in the game makes it very easy for them to oppose it.
 - The cruelty that is perpetrated against pets in cities (particularly unwanted pets) is a far bigger animal welfare problem. Is anyone suggesting that city people shouldn't keep pets in the city? This is a DOUBLE STANDARD.
 - And what about the animals killed by domestic (or escaped) cats and dogs?
 - As this market will simply be met by another less ethical supplier, it won't even improve animal welfare. Are Australian sheep more important than Somali sheep?
 - Most of the activists that are opposed to the live sheep trade are in fact opposed to animal farming per se, and to that extent lack any credibility in this argument.
8. **The ban will needlessly destroy a successful industry that contributes to regional economies.**
 - The industry is worth around \$100m.
 - The trade directly employs 1037 people and the entire value chain 3,443 people.
 - The loss of jobs and investment will be another nail in the coffin of regional communities.
9. **The ban will cause offence to the nations that purchase our live sheep.**
 - Every time Australia has banned or restricted the flow of live sheep or cattle it has sent an adverse signal to the markets that buy that livestock (eg Indonesia).
 - This will undoubtedly affect our trade relationship for other commodities, such as barley & wheat.
 - The idea that those markets will just switch to buying boxed meat is as naive as it is absurd.
10. **Banning the live sheep trade will have many adverse impacts for the GRAINS industry.**
 - The loss of the live sheep trade will seriously undermine the economics of running sheep, inevitably leading to a significant reduction in the WA sheep flock.
 - The flip side of that is that it will cause a massive shift towards cropping, potentially adding another 1 million hectares of crop or 3-4 million tonnes in WA, which will overload an already overloaded supply chain (currently costing growers \$2-3 billion each year in discounted grain prices).

- There will be a much reduced market for lupins in WA as around 40% of lupins grown are sold to the sheep industry.
- For many grain growing businesses, their sheep enterprise provides them with a degree of risk diversification giving their business some resilience in the event of crop failure due to frost and/or water-logging. If the economics of sheep do not stack up, that will be lost.
- Lupins and legume based pastures are important rotational tools which, among other things return nitrogen to the soil, reducing the need for the application of inorganic nitrogen to the following grain crop. Again, if these tools are not economic, they will be lost from our system.

Mark Fowler

President of the WAFarmers Grains Council

Grain and sheep producer [REDACTED]