

Submission to Live Sheep Exports Phase out Consultation Committee

My name is Michael Humphry, I farm in [REDACTED] [REDACTED] and the family has done so for 102 years. We crop and run some 11000 sheep and lambs exporting some 1500 mature wethers annually.

I am absolutely opposed to the live sheep export ban because:

- It is POOR PUBLIC POLICY as it will interfere with competition in the wholesale sheep market. Currently in WA, there are seven abattoirs operated by five entities plus exporters, plus individuals operating feedlots, plus individuals operating backgrounding paddocks, plus farmer traders', all competing for livestock of different classes. The loss of Live Export would crash the competition to slaughter suitable only (one class) buyers. Trading livestock is an art-form, as sheep can change with time and feed. This is best reflected in the open outcry auctions at sale-yards, which serve not only the availability of stock, but most importantly price discovery. Auctions Plus style electronic trading platforms are for finished stock (one class) only. Live export's cessation will result in the price of all sheep in WA being determined by Eastern states prices, less the relevant freight. In WA we have been in the position of lack of competition before. This is where Live Export came from. Live export allowed the closure of two aged, Government owned, inefficiently run abattoirs. AND, it provided the seasonal stock movement capacity which so plagues a constant through-put requirement, fixed cost business like operating an abattoir. Live export compliments the very seasonal domestic slaughter industry, ensures the market operates robustly and has worked brilliantly for 50 years in WA.
- It is NOT IN THE NATIONAL INTEREST as it would reduce national income, cost lots of jobs, would impact our overseas customers (who also buy boxed lamb from Australia) and would have significantly reduce the Western Australian capacity to dispose of the annual turnoff. I hear the Saudi Arabian market is to reopen to live sheep from Australia. Apparently they need one million Australian sheep (of 8m they already import).... for a nation of exporters with a large sheep population per capita is this prospect not in the national interest?
- There would be significant IMPACT ON OUR BUSINESS. In the past we have grain finished first cross lambs and run Angus cow/calf units (for 22 years) but the best return has always been live export of sheep. Since 1972 the family has sold wethers for export. Only once in my 38 years have wethers been slaughtered. Last year the premium for export wethers was \$35/hd in the pocket (\$52500). Without live export the lower return services some \$807000 less bank debt (at 6.5%). My son is paid \$57500per annum. So what do we do? Sack my son? Grain finishing weaner lambs (25kg) to slaughter weight (46kg) would cost 45% of the current return. Without Live Export, any change that can be made to our sheep operation involves more slaughter, which is not available. The ONLY outcome for our sheep operation is fewer sheep, lower turn off, and poorer financial return. The country we operate is only 70% arable with some grazing on the balance, it is white gum gravel which still grows clover; it is sheep country. For 102 years the family have survived on cropping and prospered from livestock.
- There would be significant further COMMUNITY IMPACT. The aggregation of farms in WA has reduced rural population density with well documented impacts on local unskilled jobs, schools, hospitals and other Government services. This is all in the name of economic efficiency and has resulted in cheaper food and probably, a lower percentage of consumer income being spent on food

in Australia. Banning Live Export will deny our Middle -Eastern trading partners that very same cheap food and its security of supply for a product that Australians largely do not consume. Is that a good outcome?

- SOLUTIONS FOR THE FUTURE are problematic with the Labor Government announcing the ban to commence in the next term of government. The immediate impact has been to smash confidence in the sheep production, live export and meat processing sectors. Why run sheep when you can't get them killed/shipped.

Currently the functioning abattoirs in WA are operating below capacity and have done so, certainly, for the last 12 months and possibly two spring seasons. This combined with two very good lambing seasons and low live export numbers (regulatory interference?) has created a back log of animals waiting for slaughter capacity. To read that the abattoirs will kill all the sheep farmers' can produce is a lie, when the evidence is absolutely to the contrary. Why is there a back log of slaughter sheep? Because, it is in the financial interests of abattoir operators to have more sheep available than they can actually slaughter. AND, the situation is very unlikely to change, as pregnancy testing suggests the '23 WA lambing will be huge. Given the confidence levels in the industry which abattoir operator is going to invest in slaughter capacity to kill the current back-log and any inventory change ONCE? In reality there is NO commercial solution to lack of processing capacity in WA. There is a real likelihood that the Government's announcement will force a collapse in the WA sheep flock. This would be disastrous for a viable future sheep processing sector.

In the simplest of terms the ONLY way forward to banning live export is MORE LIVE EXPORT NOW.

Submitted by:

Michael Humphry



