



Australian Government
Department of Agriculture

Compliance Investigation Report 10

Performance of the closed loop system for cattle exports to Egypt

March 2014



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Summary

On 1 May 2013, Animals Australia met officials of the Department of Agriculture (the department) and gave them seven videos that had been recorded in October 2012 and April 2013. At the meeting, and in a letter of 8 May 2013, Animals Australia said that the videos were recorded in the abattoir at Ain Sokhna and at Ismailia in Egypt, and show Australian cattle.

The department's investigation included evaluation of the information provided by Animals Australia, review of records held by the department, an internal audit and findings of a joint inspection and review of the feedlot and abattoir at Ain Sokhna and Ismailia, conducted by a departmental veterinary team and the relevant Egyptian authority, the General Organisation for Veterinary Services (GOVS).

The investigation found that the framework for cattle exports to Egypt has not consistently delivered animal welfare outcomes that conform to World Organisation for Animal Health (OIE) recommendations. It was recommended that the department implements the Exporter Supply Chain Assurance System (ESCAS) regulatory framework before resuming exports of slaughter and feeder livestock to Egypt. The ESCAS regulatory framework includes regular review of facilities by independent auditors against international animal welfare standards and is more likely to deliver consistent outcomes.

An internal audit conducted as part of the investigation found that overall the department complied with its obligations under the Memoranda of Understanding (MoU) on Handling and Slaughter of Australian Live Animals. However, the department did not meet for regular high-level consultations with Egyptian authorities and health certification provided by the department did not state that Egypt was 'first port of call', as is specified in the MoU on the Trade of Australian Live Animals.

1. Introduction

On 1 May 2013, Animals Australia gave officials from the Department of Agriculture (the department) seven videos alleging mistreatment of cattle in two abattoirs in Egypt. The videos had been recorded in October 2012 and April 2013 at the Ain Sokhna abattoir and Ismailia abattoir in Egypt, and show cattle that in all likelihood originated from Australia.

Five of the videos showed procedures that did not meet World Organisation for Animal Health (OIE) recommendations for animal welfare. Four of the videos showed cattle handling and slaughter at the Ain Sokhna abattoir and the fifth video showed the slaughter of a bull in an animal holding pen at Ismailia abattoir. The sixth video is an interview with the worker from the Ismailia abattoir who was shown on video killing the bull in the Ismailia animal holding pen. The seventh video is an interview with an Egyptian veterinarian. On 15 May 2013, Animals Australia informed the department that a video posted on YouTube showed the slaughter of cattle at the Ain Sokhna abattoir.

The department received a transcript of the interviews and a transcript of a separate interview with an Egyptian veterinarian, a slaughterman and a butcher. Allegations in the transcripts were that the slaughter restraint box at Ismailia puts too much pressure on the cattle and in some cases breaks their ribs, cattle can escape from the slaughter restraint box and the box restrains cattle in a manner that does not facilitate effective slaughter. Other allegations were that workers hoist the cattle and start to process them before they are dead at Ain Sokhna and Ismailia, that there is no training of workers and that there is no supervision from Australian inspectors or Egyptian veterinarians.

2. Australian legislation and the framework for the export of livestock to Egypt

At the time of the complaint, the Exporter Supply Chain Assurance System (ESCAS) did not apply to feeder and slaughter cattle exported to Egypt. Slaughter cattle exported to Egypt were exempted from ESCAS requirements, in accordance with section 7.04 of the *Export Control (Animals) Order 2004*, as they were already managed in a closed loop system. The export of other types of livestock to Egypt is prohibited.

2.1 The 'closed loop' system for export of livestock to Egypt

On 26 February 2006, the former Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran, suspended exports of Australian cattle to Egypt in response to video provided that showed cattle being mistreated in Egyptian abattoirs.

In September 2006, the former Minister signed two Memoranda of Understanding (MoUs) with the Egyptian Government. The MoUs formed the basis of the 'closed loop' system in which the Australian and Egyptian governments were responsible for ensuring that supply chains met international animal welfare standards.

The MoU on the Trade of Australian Live Animals provides that Australian animals will be unloaded into quarantine in Egypt regardless of their health status. The aim of this is to ensure the welfare of the animals by limiting the amount of time they spend on transport vessels.

The MoU on the Handling and Slaughter of Australian Live Animals aims to ensure that Australian live animals are handled and slaughtered in line with OIE recommendations. In particular, the MOU aims to ensure that Australian animals are contained within a 'closed loop' system from the point of unloading in Egypt to the point of slaughter. Under the MoU, Australian animals can only be slaughtered at mutually approved abattoirs that are supervised by the Egyptian General Organisation for Veterinary Services (GOVS). Annex B to the MOU lists the two approved abattoirs, Ain Sokhna and Ismailia. Australian cattle are tracked and accounted for using individual Australian National Livestock Identification System (NLIS) tags. The department, within the MoU, has the right to inspect the approved abattoirs to confirm that OIE standards are met and to reconcile the abattoir's NLIS records against the slaughter records.

On 29 November 2008, the *Australian Meat and Live-stock Industry (Export of Live-stock to Egypt) Order 2008* (the order) was made. The order provided that:

- only cattle may be exported to Egypt
- cattle must be tagged with a radio frequency identification devices (RFIDs)
- the exporter must demonstrate to the department that quarantine space is available in Egypt in a facility listed in the order.

The first export consignment of slaughter cattle to Ain Sokhna arrived in March 2010. On 13 September 2011, the order was amended to include a feedlot and abattoir at Ismailia. Prior to inclusion of Ain Sokhna (2008) and Ismailia (2011) in the order, department officials and Meat and Livestock Australia (MLA) officers inspected the facilities to ensure the facilities could meet OIE recommendations for animal welfare. In addition, work instructions at Ain Sokhna and an operations manual at Ismailia were agreed upon between the department and the management of the two facilities to ensure compliance with the requirements of the MoU on handling and slaughter. The Ain Sokhna work instructions and Ismailia operations manual both indicated that that facilities would operate in accordance with OIE recommendations. [Attachment 1](#) provides a summary of key dates and activities with regard to cattle exports to Egypt since 2006.

Since February 2010, a department officer based in Dubai has visited and inspected the feedlot and abattoir at Ain Sokhna on seven occasions and Ismailia on three occasions.

An inspection at Ain Sokhna in July 2011 showed that slaughter operations conformed to OIE recommendations. The department's officer last visited Ain Sokhna in March 2012. At the time, no cattle were present at the feedlot and the abattoir was not operating. However, no

issues were identified with the infrastructure that would prevent the facility from meeting OIE recommendations.

Attachment 2 lists visits undertaken by the department's officer based in Dubai after the MoU on handling and slaughter was signed in September 2006. In addition to these visits by the department's officer, MLA representatives and consultants made a number of visits to Ain Sokhna and Ismailia.

The most recent departmental visit to the Ismailia feedlot and abattoir was in August 2012, at which time there were no slaughter operations. The department's officer observed unloading of animals from trucks and animal handling in the feedlot; these procedures were observed to conform to OIE recommendations.

2.2 Exports of cattle to Egypt under the closed loop system

The two most recent voyages of cattle exported to Egypt departed Australia in June and July 2012, with cattle destined to Ain Sokhna and Ismailia. The cattle sent to the Ain Sokhna facility were exported by Emanuel Exports. The cattle exported to the Ismailia facility were exported by Livestock Shipping Services. These were the first cattle from Australia sent to the Ismailia facility.

In July 2012, Egypt indicated that it would no longer accept cattle that have been treated with hormone growth promotants (HGP). As a consequence, Australian exporters sent no further shipments to Egypt from this date.

3. Conduct of the investigation

On receipt of the material, the department assessed the information and video to determine whether the facilities shown were the same facilities that are listed in the order. That assessment determined that they were.

The investigation had three elements.

- An assessment of whether international animal welfare standards were met
- a separate, joint Department of Agriculture—GOVS inspection and review of facilities in accordance with the MoU on handling and slaughter of Australian live animals in Egypt
- an internal audit of the department's compliance with requirements of the two MoUs.

3.1 Assessment of information and video against animal welfare standards

First, the department commenced an investigation into the incident. The intent of the investigation was to determine the following:

1. Did the cattle shown in the videos originate from Australia?
2. Are the abattoir and animal holding facilities shown in the videos, the Ain Sokhna and Ismailia facilities listed in the order?
3. Do the animal handling and slaughter practices seen in the videos conform to the operations manuals that were provided to the department for the purpose of Ain Sokhna and Ismailia being listed in the order?

3.2 Joint Department of Agriculture—GOVS inspection and review

The joint Department of Agriculture—GOVS inspection and review focused on ensuring the welfare of cattle remaining at the feedlots, as an element of the MoU on handling and slaughter of Australian live animals.

At the time of the complaint, approximately 400 Australian cattle remained in the Ain Sokhna feedlot and approximately 2100 in the Ismailia feedlot.

In accordance with the MoU on handling and slaughter, the department informed GOVS of the video material and sought to undertake a joint inspection and review facilities with officers from the department and GOVS. GOVS agreed to this proposal.

The department made representations to the exporters asking for slaughter to cease until the welfare of the remaining animals could be ensured. As a result, slaughter ceased and did not re-commence until the joint Department of Agriculture—GOVS inspection teams were in place at the Ain Sokhna and Ismailia abattoirs.

To conduct the joint inspection and review, four department veterinarians with expertise in abattoir operations and animal welfare travelled to Egypt. Two teams were formed to inspect and review the abattoirs, each accompanied by a GOVS veterinary officer. The teams travelled to Ain Sokhna and Ismailia respectively, to conduct the onsite inspection and review of operations, which began on 15 May 2013. On that date, 416 Australian cattle remained in the feedlot.

The outcomes of the joint inspection and review informed some of the findings in this report.

3.3 Internal Audit of the department's compliance with Egyptian live animal Memorandums of Understanding

An internal audit of the department's compliance with Egyptian live animal MoUs was conducted. The objective of the audit was to:

- provide an independent assessment of whether the department complied with its obligations under the MoU on the Trade in Live Animals and the MoU on the Handling and Slaughter of Australian Live Animals with Egypt

- review the department's obligations under the two livestock export MoUs with Egypt and the actions taken to address them.

Discussions were held with relevant staff members of the Live Animal Export Division (LAE) and Trade and Market Access Division (TMAD) to identify the processes undertaken.

Evidence collected and reviewed included procedural documentation, relevant correspondence between the department and its Egyptian equivalent, GOVS, feedlot inspection reports, OIE animal welfare recommendations and other relevant documents and records.

4. Investigation findings

4.1 Findings of the assessment of animal welfare standards

The videos provided were forensically analysed. The analysis could not confirm a definitive date or time when the videos were recorded because metadata was limited. However, there was no evidence that the videos were not made on the dates stated.

Some of the cattle in the videos taken at Ain Sokhna had visible NLIS ear tags, identifying them as Australian cattle. The white bull seen in the video taken at Ismailia also appears to have an NLIS ear tag.

Department staff who had previously visited Ismailia and Ain Sokhna confirmed the identity of the abattoir and animal handling facilities shown in the videos. The joint Department of Agriculture—GOVS review team also confirmed the identity of the abattoir and animal handling facilities.

The department found that cattle from two voyages exported from Australia were present in the feedlots and abattoirs listed in the order at the time the videos were recorded.

Department animal welfare experts assessed four videos of animal handling and slaughter at the Ain Sokhna abattoir (including video from YouTube) and a video of a white bull being slaughtered in a holding pen at the Ismailia facility. The animal handling and slaughter practices did not meet OIE animal welfare recommendations.

A video of animals being handled in a raceway in the Ain Sokhna feedlot was also assessed. No non-conformities with OIE animal welfare recommendations could be seen in this video.

The department also reviewed the conformance of animal handling and slaughter practices with the Ain Sokhna work instructions and the Ismailia operations manual. Ismailia was found to be operating in accordance with its operations manual. The animal handling and slaughter practices at Ain Sokhna were not compliant with the operations manual.

The investigation reviewed the allegations made by the Egyptian veterinarian and abattoir worker. The department made a number of attempts to contact the veterinarian and seek further information about the complaint but did not receive a response from the

veterinarian. The specific allegations made about the Ismailia abattoir could not be substantiated. The joint Department of Agriculture—GOVS inspection found that the observed practices at Ismailia were compliant with OIE recommendations.

The department received reports that the Egyptian veterinarian had a number of commercial conflicts of interest with respect to both Ismailia and Ain Sokhna that may have influenced the allegations of animal welfare abuse made in his interview.

4.2 Outcomes of the Joint Department of Agriculture—GOVS inspection and review

Ain Sokhna abattoir

The joint Department of Agriculture—GOVS team found:

- There was a breakdown in management control of slaughter practices and animal welfare outcomes that conform to OIE recommendations were not reliably being achieved.
- The slaughter restraint box could not be reliably operated to achieve OIE recommendations for animal welfare.
- Animal handlers and slaughter staff were not adequately trained or supervised to deliver animal welfare outcomes that conform to OIE recommendations.
- Slaughter knives were too short and insufficiently sharp to conform to OIE recommendations.
- An electric prodder was connected to an electric fence electricity supply unit and used inappropriately therefore it did not conform to OIE recommendations.
- Baulking and other hazards were present in the lead-up race.
- Noise distraction, such as thrown metal pieces of equipment, was not controlled by management.

On the date of the inspection, 416 Australian cattle remained in the feedlot. The veterinarians from the department stayed at Ain Sokhna to supervise the slaughter of all Australian cattle that remained in the feedlot. The joint inspection team made recommendations to rectify the problems identified during the inspection.

Ismailia abattoir

On the date of the inspection (15 May 2013), 1522 Australian cattle remained in the feedlot.

The joint Department of Agriculture—GOVS team found that:

- The cattle races leading into the abattoir were in good order. Shade cloth was used to prevent distractions and enable good cattle flow.
- There was non-slip flooring.

- Staff had been trained in cattle handling. They handled cattle in a low-stress way that conformed to OIE recommendations.
- The abattoir uses two well maintained standing (i.e. non-rotating) slaughter restraint boxes.
- Supervising staff manage slaughter operations in an organised and coordinated manner with teams understanding their job and working together.
- Slaughtermen had long knives that were very sharp and well maintained. All observed cattle were effectively slaughtered with a single stroke once their neck was raised in the hydraulic chin rest.
- The time from the cut to unconsciousness was within expected timeframes and appropriate checks for unconsciousness and death were carried out.
- Cattle were not shackled and hoisted until unconsciousness was confirmed.
- The investigation team took measurements of the hydraulic restraint arrangements of the slaughter restraint box and were satisfied that the operation of the slaughter box would not break ribs. The team inspected carcasses in the dressing room after hide removal and carcass splitting and found no sign of rib trauma in any slaughtered animals.

The investigation team did not see any incidents that indicated that the actions in the video of the slaughter of the white bull are standard or common practice at Ismailia. Neither did they see scenes described in the interview with the worker shown killing the steer at Ismailia or the interviews with the slaughterman, veterinarian and butcher. The investigation team concluded that operations at the abattoir met OIE animal welfare recommendations.

After the conclusion of the joint inspection and review, a department officer visited Ismailia in July 2013 and observed that animal handling and slaughter of Australian cattle conformed to OIE recommendations.

4.3 Outcomes of the internal audit

The audit concluded that overall the department complied with its obligations under the MoU on handling and slaughter. However, under the MoU on the trade in live animals there was one obligation that was not met and one obligation that was partially met. The obligation that was not met was an obligation held by both parties to meet for regular high-level consultations covering animal health and welfare matters. While informal communication between Egypt and Australia did occur, no formal meetings were held.

The obligation that was partially met relates to the issue of health certificates by the department. A required certification clause, that the consignment will be shipped directly from the country of origin to the port of destination, was not included on the health

certificates. All other declarations required under the MoU were included on the health certificates.

5. Investigation conclusions

The investigation concluded that the cattle shown in the videos originated from Australia. It is likely that the footage was taken between October 2012 and April 2013. The videos show the animal holding pens at the Ismailia abattoir and the animal holding pens and interior operations of the Ain Sokhna abattoir. These are the facilities that are listed in the order.

The investigation concluded that slaughter practices at Ain Sokhna did not conform to OIE recommendations or the Ain Sokhna work instructions. This conclusion was based on the department's assessment of the video footage and the outcomes of the joint Department of Agriculture—GOVS inspection and review.

While the investigation found that the video footage of the white bull being slaughtered in a holding pen at Ismailia did not comply with OIE recommendations, there was no evidence to suggest that the actions shown in the video are standard or common practice at Ismailia. No evidence was presented to confirm the allegations made in the interview videos and transcripts provided. The investigation concluded that the slaughter practices at the Ismailia abattoir did conform to OIE recommendations and the Ismailia operations manual. This conclusion was based on the outcomes of the joint Department of Agriculture—GOVS inspection and review.

The internal audit concluded that overall the department complied with its obligations under the MoU on handling and slaughter. However, under the MoU on the trade in live animals there was one obligation that was not met and one obligation that was partially met.

6. Recommendation

The investigation found that the framework that comprises the order, MoU and operating instructions, has not consistently delivered animal welfare outcomes that conform to OIE recommendations.

The investigation recommends that the department implements the ESCAS regulatory framework to resume exports of slaughter and feeder livestock to Egypt. The ESCAS regulatory framework includes regular oversight by independent auditors and is more likely to deliver consistent animal welfare outcomes.

Attachment 1: Chronology of key dates and activities

Date	Activity
26 February 2006	Minister suspends exports of live cattle to Egypt following reports of mistreatment of cattle at a Cairo abattoir
19 September 2006	Egypt-Australia MoUs signed, on trade in live animals, and the handling and slaughter of Australian live animals
September 2006–August 2012	Twelve visits by the Department of Agriculture Consul based in Dubai to Ain Sokhna and Ismailia
30 December 2006	The department receives reports of poor sheep handling practices in Egypt; trade suspended
Calendar 2007–2009	No cattle or sheep exported to Egypt
29 November 2008	Egypt Order came into force; cattle may be consigned only to Ain Sokhna
30 November 2008	Ain Sokhna work instructions finalised
15 March 2010	First consignment of 16 154 cattle unloaded at Ain Sokhna
4 July 2010	17 186 cattle arrived at Ain Sokhna
20 August 2010	5090 cattle arrived at Ain Sokhna
7 October 2010	18 071 cattle arrived at Ain Sokhna
May 2011	International Production Company at Ismailia signed the operations manual
July 2011	Independent animal welfare expert inspected facilities at Ismailia and Ain Sokhna, and observed slaughter at Ain Sokhna
30 July 2011	9293 cattle arrived Ain Sokhna
13 September 2011	Egypt Order amended to include the feedlot and abattoir of the International Production Company at Ismailia
21 September 2011	5363 cattle unloaded at Sokhna
13 July 2012	16 526 cattle unloaded at Sokhna
1–20 August 2012	MLA delivered animal handling and traceability handling course at Ismailia
20 September 2012 2 October 2012	MLA review of Ismailia facilities and slaughter practices
14 August 2012	14 629 cattle unloaded Ismailia. This is the last consignment of cattle to be sent to Egypt, because of Egyptian concerns over the use of hormonal growth promotants in Australian cattle

Date	Activity
1–25 October 2012	MLA Standard Operating Procedures training at Ismailia
1 and 8 May 2013	Animals Australia gave the department a letter and videos alleging routine breaches of OIE guidelines for animal welfare, and the Australia–Egypt memorandum of understanding at Ismailia and Ain Sokhna
15 May 2013	Departmental investigation team arrived in Egypt

Attachment 2: Visits by the Department of Agriculture consul to Egyptian facilities

Date of visit	Site visited	Outcome
September 2006	Ain Sokhna feedlot	Inspection of facilities. No Australian cattle had yet been exported to Ain Sokhna
November 2007	Ain Sokhna	Handling and slaughter of local cattle conformed to OIE recommendations. No Australian cattle had yet been exported to Ain Sokhna
April 2008	Ain Sokhna	No slaughter operations during the visit
March 2010	Ain Sokhna	Supervision of unloading the first consignment of Australian cattle under the Egypt Order. Slaughter operations not observed
April 2010	Ain Sokhna	Observation of slaughter and tag reconciliation audit
June 2010	Ain Sokhna	Tag reconciliation audit; no slaughter taking place
July 2010	Ain Sokhna	Supervision of unloading the second consignment of Australian cattle under the Egypt Order. Slaughter operations not observed
October 2010	Ismailia	Slaughter of local cattle observed
March 2011	Ismailia	Slaughter of local cattle observed; animal handling facilities inspected
July 2011	Ain Sokhna and Ismailia	Accompanied the independent animal welfare expert as part of the Farmer review. Livestock slaughter was observed at Ain Sokhna and found to conform to OIE recommendations
March 2012	Ain Sokhna	Tag reconciliation; no slaughter taking place
August 2012	Ismailia	Inspection; no slaughter taking place
July 2013	Ismailia	283 Australian cattle remaining were in good condition. Animal handling and slaughter observed— conforms to OIE recommendations