

Industry Government  
Implementation Group

Report to Australian Government  
Minister for  
Agriculture, Fisheries and Forestry

Breeder Livestock Exports

April 2013

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# Summary and Recommendations

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## 1. Summary

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The Australian Government supports the long term sustainability of the livestock export trade. It is a valuable and legitimate trade that provides Australian farmers with important export opportunities. Animal welfare is central to the Government's consideration of livestock export trade issues. The Australian Animal Welfare Strategy identifies the ethical imperative and social expectation '*that any use of animals for the benefits of humans should minimise suffering of the animals involved*'. A trade in livestock that is inconsistent with the reasonable ethical expectations of the community is not sustainable.

The Industry Government Implementation Group (IGIG) was tasked by the Federal Minister for Agriculture, Fisheries and Forestry, Senator the Hon. Joe Ludwig, to deliver some of the recommendations from the Independent Review of Australia's Livestock Export Trade conducted by Mr Bill Farmer AO (the Farmer Review) and provided to government on 31 August 2011.

This report is the IGIG response to the Farmer Review's recommendation 14: ... *the Australian Government should articulate an approach to the question whether there is a need for any additional conditions for the export trade in breeder livestock.*

The review was coordinated by the Department of Agriculture, Fisheries and Forestry (DAFF) on behalf of the IGIG. Industry bodies that have contributed to the analysis and review findings include the Australia Livestock Exporters' Council, Australian Livestock Export Corporation, Dairy Australia and Australian Dairy Farmers' and Meat and Livestock Australia. Welfare groups including the Royal Society for the Prevention of Cruelty to Animals, Animals Australia and the World Society for the Protection of Animals were consulted to gauge their views on the need for additional conditions for breeder livestock. However, welfare groups were not involved in formulating recommendations or the development of this report.

The review used a number of methods to develop an understanding of the issues and risks surrounding the export trade in breeder livestock including:

- desk top analysis of market information provided by relevant Australian diplomatic and trade missions and industry;
- review of submissions made to the Farmer Review that included comments on breeder livestock; and
- stakeholder meetings with exporters, industry representatives and welfare groups.

Under existing regulatory arrangements, all exported livestock are subject to the requirements of the Exporter Supply Chain Assurance System (ESCAS)<sup>1</sup> unless the exporter can demonstrate to the regulator that the livestock are being exported for the purpose of breeding. In these cases, the ESCAS requirements do not apply and the animals are exempt from additional controls beyond the point of disembarkation.

Australia does not have any jurisdiction to regulate in a third country. On disembarkation from sea or air transport to an importing country breeder livestock become subject to the importing country laws. Australia advocates in global and regional forums for the adoption of international standards for animal welfare established by the World Organisation for Animal Health – OIE, but has no direct control over their adoption and enforcement by other sovereign nations.

The review identified a number of potential animal welfare risks for breeder livestock including slaughter through non ESCAS pathways soon after arrival in the importing country or at the end of productive life and poor animal husbandry practices during productive life. Deliberate circumvention of the ESCAS requirements for feeder/slaughter livestock exports by declaring the animals as breeder livestock is also a potential risk.

The IGIG considers the risk of a welfare incident related to animal husbandry in large livestock establishments in the importing country as low. The risk of adverse animal welfare treatment in smaller establishments is considered to be potentially higher particularly if livestock are distributed as a contribution to poverty alleviation. In such cases husbandry knowledge and experience may need to be developed; though in such circumstances the gifting agency should be responsible for appropriate capacity building.

The inherent value of breeder stock lies in their long term productive capacity and are thus generally of much higher-value than feeder livestock. This coupled with the additional costs associated with meeting protocol requirements and the need to provide appropriate care to maintain their productivity are considered strong drivers for producing acceptable animal welfare outcomes whether in Australia or exported overseas.

Although breeder livestock exports have a lower risk of welfare incidents, the IGIG considers that existing best practice measures of due diligence to assure acceptable animal welfare outcomes at the first breeder facility in the importing country should be formalised to further assure animal welfare outcomes. These measures are proportional to the risks posed.

The IGIG does not consider that the level of risks to breeder livestock warrants measures to overcome the practical difficulties of maintaining a ‘line of sight’ for an animal that could change hands a number of times and have a productive life of ten years or more. Notwithstanding the complexity of developing such a model, the administrative burden would likely outweigh the value of trade.

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<sup>1</sup> With the exception of cattle exported to Egypt which continue to be exported under the post-arrival regulatory arrangements already in place pre-ESCAS

The IGIG considers that it is unreasonable for exporters to be generally responsible for breeder livestock through to the point of death or to be responsible for the progeny of livestock exported from Australia.

The Australian Livestock Exporters' Council (ALEC) is consulting its members to develop a policy for assuring the management of welfare for breeder cattle that best captures the market complexities associated with the trade. The ALEC policy also aims to address the circumstances and risks associated with breeder exports to particular markets. One specific risk being considered is to manage the perception that breeder livestock are being imported to circumvent ESCAS requirements in the specific circumstance where breeder livestock are co-located with feeder/slaughter livestock. The approach being considered is to put in place commercial arrangements so that exported Australian breeder livestock that are diverted directly to the slaughter chain in the importing country would be processed in an approved ESCAS facility. The commercial arrangements should be in place by August 2013.

The IGIG recognises that this is not a complete solution to ensuring the welfare of breeder livestock slaughtered soon after arrival, or at any other time. Not all breeder livestock are imported to markets that also import feeder/slaughter livestock and therefore not all markets will have ESCAS arrangements in place.

Exporters, industry peak groups and industry service organisations currently provide and should continue to provide pre and post-arrival livestock husbandry support and assistance with training, development and capacity building activities.

To ensure that animal welfare remains at the front of the international agenda, the Australian Government, through its positions on the OIE, will continue to pursue improved animal welfare outcomes in all member countries, including at the point of slaughter. The Government is investing in improving animal welfare outcomes, particularly in Official Development Assistance (ODA) eligible markets that import Australian livestock for feeder/slaughter purposes. It is also providing assistance to exporters that have invested in improving animal welfare under ESCAS.

## 2. Recommendations

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### **Recommendation No. 1**

In conjunction with industry, the Department of Agriculture, Fisheries and Forestry should by August 2013 review existing criteria and processes for confirming the legitimacy of breeding livestock consignments.

### **Recommendation No. 2**

The Australian livestock export industry continue its work to establish by August 2013 an industry-based arrangement for managing the risks of leakage of Australian breeder livestock where they are held in the same ESCAS facility.

**Recommendation  
No. 3**

The Australian Government, with the support of the live export industry will continue to pursue continuous improvement in the implementation of international animal welfare standards through the OIE. Export businesses will continue to provide pre and post sale support to assist improvements within individual breeding facilities. Industry will continue to develop research, development and extension materials to support exporters and other extension service providers in increasing awareness and improvements in animal welfare.

**Recommendation  
No. 4**

The Department of Agriculture, Fisheries and Forestry should require a declaration that the exporter has completed due diligence and the exporter is satisfied that acceptable animal welfare outcomes will be achieved at the first breeder facility in the importing country. Where livestock are distributed for poverty alleviation purposes, exporters should be satisfied that the gifting agency has arrangements in place to deliver adequate husbandry knowledge and experience.

# Review Findings and Conclusions

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## 3. Introduction

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On 31 May 2011, following television footage of mistreatment of Australian animals in Indonesian abattoirs, Minister Ludwig announced the suspension of trade to a number of facilities identified in the footage. He also announced the Independent Review of Australia's Livestock Export Trade (the Farmer Review). On 8 June 2011, the minister announced the suspension of all feeder/slaughter exports to Indonesia until new safeguards for animal welfare were established. Trade with Indonesia resumed on 6 July 2011 under a new regulatory regime that made Australian exporters accountable for the welfare of feeder/slaughter livestock through to the point of slaughter.

On 21 October 2011 the Australia Government announced a new regulatory framework for the export of livestock for feeder / slaughter purpose to all markets. The framework, which will be implemented in all markets by the end of 2012, was informed by the Farmer Review as well as two Industry-Government Working Group reports.

The Farmer Review's terms of reference were focused on arrangements for the export of Australia feeder/slaughter livestock. However, the treatment of Australian livestock exported for breeding purposes was raised by some stakeholders. According to the report, concerns were primarily focused on the 'ultimate fate of animals such as dairy cows or breeder cattle at the end of their productive life'.

In relation to breeder livestock exports, the Farmer Review said that there are *'practical difficulties with the extension to breeders of the new arrangements to be utilised for feeder/slaughter livestock. It would be difficult, costly and intrusive for the Australian Government/industry to maintain a 'line of sight' arrangement for breeders, particularly over the many years that breeders may live prior to being sold for slaughter. The Review does not believe that it is practicable or reasonable to impose that requirement on regulators or industry. The Review considers that a position on the question whether there is a need for any additional conditions for the trade in breeder livestock species should be enunciated by the Australian Government to give clarity to the Australian public and industry.'*

The Australian Government supports the long term sustainability of the livestock export trade. It is a valuable and legitimate trade that provides Australian farmers with important export opportunities. Animal welfare is central to the Government's consideration of livestock export trade issues. The Australian Animal Welfare Strategy identifies the ethical imperative and social expectation *'that any use of*

*animals for the benefit of humans should minimise suffering of the animals involved*'. A trade in live animals that is inconsistent with the reasonable ethical expectations of the government and the community is not sustainable.

Continuous improvement in animal welfare is the responsibility of all countries, including Australia. As a member of the World Organisation for Animal Health (OIE) Australia has a responsibility to meet OIE animal welfare guidelines, as do all members. As an exporter of livestock Australia also advocates for continuous improvement through the OIE and bilaterally as well as providing assistance where appropriate. Australia's livestock industry also provides commercial assistance to improve welfare outcomes for the animals they export.

## 4. Trade Environment

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The *Export Control (Animals) Order 2004* defines livestock as "cattle, sheep, goats, deer, buffalo and camelids (that is camels, llamas, alpacas and vicunas), including the young of each of those kinds of animals". Australia exports cattle, sheep, goats, alpaca, llamas, camels, deer and buffaloes for breeding purposes. Cattle, sheep and goats represent the majority of exports. More than 580,000 breeder cattle have been exported from Australia since 2005. In 2011 China, Russia and Indonesia accounted for 84 per cent of the trade. These countries use breeder imports to help meet self sufficiency goals.

The numbers of breeder sheep exports vary year to year. For example, in 2006 Australia exported 21,604 breeder sheep, 935 head in 2008 and 8,053 in 2011. Key markets currently include Malaysia, Turkey and the Philippines. Malaysia and the Philippines are also major markets for breeder goat exports, accounting for 92 per cent of the trade in 2011.

The global trade in breeder livestock is very competitive. In major export markets Australia competes with imports from countries including New Zealand, the United States and Europe. None of Australia's competitors have regulated welfare requirements post arrival in the importing country for breeder or slaughter animals.

The trade in breeder livestock is complex compared with the trade in livestock for slaughter. In each market there is generally a combination of commercial arrangements. Breeder livestock can be imported by the intended owner, through a broker or by the importing government. They can be imported to either dedicated large breeding facilities or distributed to small farm holdings.

Attachment A provides Australia's breeder export figures from January 2005 to June 2012 by market and species.



## 5. Import profiles/Commercial arrangements

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To better understand the potential animal welfare risks of this trade, information on the regulatory and commercial arrangements in importing countries was collected. A full market analysis was not undertaken because the typology of risks and their management can be sufficiently informed by a qualitative understanding of the markets.

For most markets there is a combination of commercial import arrangements. Breeder livestock are imported by the intended owner, through a broker or by the importing government. They are imported to either dedicated large breeding facilities or distributed to small farm holdings.

In some markets livestock imports are arranged through specialised animal import agents. The agents offer a range of services to the buyers including selection and procurement, management of the import and quarantine requirements and delivery to the buyers. Small scale farmers will often collaborate on a consignment through an agent to share costs.

In Australia's major markets, commercial arrangements are moving away from small scale farmers to large companies. Based on advice from live animal exporters, it is estimated that up to 95 per cent of imported dairy cattle into China are purchased by large dairy companies. Those being imported by private agents are being on-sold to the large dairy companies.

Australia's trading partners for breeder livestock exports are all members of the World Organisation for Animal Health (OIE), but are sovereign states. The Australian Government works with them bilaterally and through the OIE to improve welfare standards but cannot impose laws or standards upon them.

## 6. Stakeholder Views

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### *Animal Welfare Groups*

RSPCA Australia, Animals Australia and the World Society for the Protection of Animals (WSPA) were consulted as part of the review process. Representatives from these groups are of the view that where there is an Australian link to an animal there is an obligation to make best efforts to ensure its welfare, and that of its offspring, throughout its life. They argue that without proof to the contrary it must be assumed that welfare outcomes cannot be guaranteed. This proof would be evidenced through ongoing verification of the husbandry/breeding facilities and abattoirs. RSPCA Australia and Animals Australia referenced their recent allegations of welfare problems of breeder animals in several importing countries, including transport deficiencies and long trucking journeys, and destination properties with inadequate infrastructure and inappropriate husbandry practices. The RSPCA and Animals

Australia in particular consider that community concern does not change because there is a longer timeframe between when the animal is exported and slaughtered compared with feeder / slaughter animals.

The RSPCA and Animals Australia believe that there is a case for consideration of additional welfare conditions for breeder livestock exports and that the criteria and evidence used for assessing facilities needs to be carefully considered to ensure appropriate welfare outcomes.

The RSPCA has publicly stated that the Australian Government should put in place a regulatory system for breeder livestock and that these animals should only go to facilities where the Government can be very confident that the facility is adequate and the people running the facility have the capacity to care for them adequately.

The public position of Animals Australia is that dairy and breeding animals need to be included in the Exporter Supply Chain Assurance System (ESCAS). It has also commented that if the government believes that regulatory measures cannot be put in place to protect the welfare of exported breeders on an ongoing basis then these animals should not be exported at all.

WSPA also believe that the government should introduce a regulatory system for breeder animals. WSPA further indicated that a risk based approach should be applied to breeder livestock exports on a case by case basis. This assessment should consider such factors as breed, destination, age, pregnancy status, route, time of year, access to veterinary care and the suitability of the facility in the importing country. WSPA consider that because Australia has exported the animals, there is a responsibility to ensure their welfare.

### *Industry*

As part of the review, the Australian Livestock Exporters' Council, Australian Livestock Export Corporation (LiveCorp), Dairy Australia and Australian Dairy Farmers' and Meat and Livestock Australia provided an industry perspective and information on current welfare initiatives for breeder exports.

Commercial arrangements to the various breeder markets are diverse and complex in what is a growth area of the trade. Australian livestock genetics are highly valued and sought after and exporters have established long standing relationships with their customers and provide pre and post sales support, training and technical advice.

The Australian Livestock Exporters' Council (ALEC) is consulting its members in the development of a policy for assuring the management of welfare for breeder cattle that best captures the market complexities associated with the trade. The ALEC policy also aims to address the circumstances and risks associated with breeder exports to particular markets.

The Livestock Export Program (a joint venture of LiveCorp and MLA) has also provided research and development to the breeder trade where support and extension services are provided on a request basis. No other exporting country invests in research, development and extension beyond its borders for the livestock trade.

Industry considers that a proportional response is needed to manage breeder livestock welfare. There is recognition of the potential welfare risks associated with this trade but also concern that further regulation may affect the ability to attract new trading partners, retain existing markets or will add additional costs that are not commensurate with risks. Peak industry groups are of the view that a system involving traceability beyond entry into quarantine is not feasible nor is it commensurate with the risks to animal welfare, which they consider to be low. It was also noted that sensitivities and impediments could arise at a commercial level and importing country level if an assessment process similar to ESCAS was to be implemented.

## 7. Risks

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As outlined by the Farmer Review, breeder livestock are a different class of animals from feeder/slaughter livestock, and exported for different purposes:

- they are inherently more expensive animals; and
- they are intended to improve the productivity and genetic pool of livestock in the importing country. To maximise returns from the initial investment, a breeder will need to produce a number of offspring during its life.

A range of risks have been identified for the trade in breeder livestock. The assessment of these risks does not take into account the specifics of any individual market; rather it is a typology of the risks for managing animal welfare of breeders as opposed to slaughter livestock. The typology of risks are those at:

- a) **export**: exporters/importers deliberately circumventing the regulatory requirements for exporting feeder/slaughter livestock by exporting them as breeders;
- b) **import**: legitimate breeding livestock moving into the slaughter chain soon after export for commercial/veterinary reasons;
- c) **husbandry**: animals not well cared for in the importing country; and
- d) **slaughter**: at the end of the animal's productive life.

In addressing the risks, this review has relied on the following principles:

- that any use of animals for the benefits of humans should minimise suffering of the animals involved;
- the Australian Government supports the breeder livestock export trade where animal welfare is at its centre;
- the trade is legitimate and provides Australian farmers and rural and regional communities with important export opportunities;
- the Australian Government does not have the sovereign right to regulate in another country; and
- Australia must adhere to its international obligations under the World Trade Organization.

***Risk A: Export – deliberate circumvention of the feeder/slaughter regulatory requirements***

There have been suggestions that for markets that also import feeder/slaughter livestock, the recent implementation of ESCAS has the potential to result in feeder/slaughter livestock being exported under breeder conditions to circumvent the new regulatory arrangements.

Protocols for the export of breeder livestock are generally more costly for exporters. They have additional testing requirements for health status and often longer quarantine periods post arrival. This would make deliberate circumvention of ESCAS unlikely to be commercially viable.

Under both the *Export Control Act 1982* and the *Australian Meat and Live-stock Industry Act 1997*, provisions exist that enable breaches such as deliberate circumvention of the ESCAS requirements to be dealt with. Penalty provisions include imprisonment, fines or forfeiture of goods. The export licensing system under the *Australian Meat and Live-stock Industry Act 1997* may also be used for compliance purposes. The IGIG considers the existing regulatory framework appropriate for dealing with any allegations of deliberate circumvention of the requirements of ESCAS by the exporter.

Conclusion

1. Allegations, supported by documentary evidence, of exporters circumventing ESCAS by exporting feeder/slaughter livestock under breeder protocols should be investigated on a case by case basis using existing regulatory mechanisms for the export of feeder/slaughter livestock.

Importers may also try to circumvent the requirements of ESCAS by seeking to import feeder/slaughter livestock as breeder animals. There are no penalties that Australia can apply to the importer other than not approving future consignments to that importer. However, exporters and DAFF can undertake due diligence to assure themselves that consignments of breeder livestock are truly for that purpose. The IGIG notes that DAFF has established new processes to verify that breeder consignments are legitimate in instances where there is cause for doubt. Considerations such as the type and quantity of animals, their sourcing and the history of consignments for the particular exporter can assist with determining the legitimacy of a breeder consignment.

There are currently a number of clear markers that are used by exporters and the Government to determine a breeder consignment including:

- the import permit;
- importing country animal health protocol requirements;
- pedigree information (where required by importing commercial enterprises or importing governments).

Additional assurances to confirm the welfare of breeder consignments can and have been requested by DAFF in the past. These assurances include:

- that consignments are delivered to properties with well established breeding programs and facilities or with capacity building programs in place where livestock are being distributed for poverty alleviation;
- that consignments are consistent with trade patterns over many years, or involve establishing new markets, which also involves the use of Australian veterinary expertise to advise and train staff across the supply chain; and
- assurances from importers, government agencies and senior officials – to ensure the safe passage and delivery of the livestock to their destinations.

The IGIG considers that these checks and balances provide the necessary assurances to address potential welfare risks and that these existing mechanisms can be enhanced and formalised to manage the welfare risks associated with breeder livestock exports.

#### Recommendation

1. In conjunction with industry, the Department of Agriculture, Fisheries and Forestry should by August 2013 review existing criteria and processes for confirming the legitimacy of breeding livestock consignments.

#### ***Risk B: Import – breeding livestock sent to slaughter soon after arrival in importing country***

There are legitimate reasons why breeder livestock may be sent to slaughter soon after arrival in the importing country. An animal may have become injured, diseased or either it or its offspring may not be as productive as required. These situations would not represent a breach of the export conditions.

Some breeder facilities are co-located with feeder facilities. There is some perception that this provides an added incentive to circumvent ESCAS requirements. The Australian Livestock Exporters' Council has been consulting its members about options to manage the perception that breeder livestock sent to slaughter soon after arrival is being done to circumvent ESCAS requirements in the specific circumstance where breeder livestock are held in the same ESCAS facilities with feeder/slaughter livestock.

The policy aim is that breeder livestock held in the same ESCAS facilities are either transferred to another breeder facility once pregnancy is confirmed through testing, or transferred to an ESCAS approved facility where the ESCAS provisions of control, traceability and animal welfare apply.

The industry-based system is considering matters such as:

- traceability of breeder consignments;
- balancing control processes with the need to assist breeding programs and breeding animals moving into slaughter chains.

The IGIG supports the establishment of an industry-based system to achieve these aims. The commercial arrangements should be in place by August 2013. The IGIG

notes that because of different commercial arrangements, there may be some differences in approach for each market.

The IGIG recognises that this is not a complete solution to ensuring the welfare of breeder livestock slaughtered soon after arrival, or at any other time. Not all breeder livestock are imported to markets that also import feeder/slaughter livestock and therefore not all markets will have ESCAS arrangements in place. The welfare risks at the point of slaughter are discussed at Risk D below.

#### Recommendation

2. The Australian livestock export industry continue its work to establish by August 2013 an industry-based arrangement for managing the risks of Australian breeder and feeder livestock held in the same ESCAS facility.

#### ***Risk C: Animal husbandry***

The IGIG considers there to be a relatively low risk of welfare incidents resulting from poor animal husbandry practices based on industry evidence and the following assumptions:

- the health and welfare of breeder livestock, whether in Australia or exported overseas, must be maintained at an appropriate level in order to achieve the required level of production that provides an adequate return on investment; and
- animals exported for breeder purposes are generally higher quality animals that receive a price premium over commercial livestock, therefore, providing a commercial incentive for their ongoing care. Industry data indicate that a dairy cow is approximately double the cost of a feeder animal, with averages for dairy breeders estimated at \$1400 while feeder animals average \$800.

In some of Australia's export markets, the facilities and animal husbandry practices are generally of a high standard. For example, breeder facilities and feedlots in markets such as China, Russia and Japan are sophisticated. However, not all of Australia's export markets have in place legislation to protect the welfare of animals, although all are members of the OIE and are bound to uphold the OIE guidelines for animal welfare.

It is impossible to satisfy a criterion of providing positive proof of good animal welfare for every animal in every case to inform considerations of the animal welfare risks throughout the life of all animals. This is not a standard that is applied to human uses of animals in Australia; it should therefore not be required of livestock that are exported. The ability of an exporter to have whole of life controls and traceability mechanisms in place for animals that may change hands a number of times and live for up to ten years or more would be very difficult, if not impossible. It is also likely that sovereign nations would consider this an unnecessarily intrusive and offensive imposition.

The IGIG does, however, recognise that a change to a different production system in the importing country can be stressful for some animals. To address this risk some dairy cattle exporters provide post-sale support to the importer/farmer. This support includes the provision of veterinary expertise to dairy farms both pre and post export

for training and educational purposes, implementation of protocols covering discharge, trucking, unloading, farm pre-arrival and post-arrival as well as exporter inspections of animals post delivery to assure animal welfare standards are being met. The IGIG considers that exporters (including exporters of sheep, goats and other breeder livestock) should continue to provide post sale support under commercial arrangements to facilitate positive animal welfare outcomes for breeder livestock exports.

#### Recommendation

3. The Australian Government, with the support of the live export industry (e.g. Livestock Export Program (MLA/LiveCorp)) will continue to pursue continuous improvement in the implementation of international animal welfare standards through the OIE. Export businesses will continue to provide pre and post sale support to assist improvements within individual breeding facilities. Industry will continue to develop research, development and extension materials to support exporters and other extension service providers in increasing awareness and improvements in animal welfare.

The IGIG considers that it is reasonable that Australian exporters of breeder livestock confirm that the conditions under which exported livestock will be cared for provide for their welfare.

Recent breeder livestock export consignments have been required to provide assurances that livestock will be cared for appropriately. The IGIG supports the development of an industry-based due diligence system to the first breeder facility. Individual exporters would be responsible for maintaining relevant documentation to confirm that they have adequately undertaken their due diligence obligations. Prior to approving the export the regulator would confirm a declaration from the exporter that the due diligence checks have been undertaken. Information that could be included in a due diligence process includes:

- sourcing – ensuring animals are of a type that is fit for purpose in the importing country and for the facilities in place and have the right pedigree characteristics for the breeding program;
- preparation – ensuring animals are acclimated and treated to meet importing country requirements (as per requirements in the Australian Standards for the Export of Livestock (ASEL));
- in-transit – (as per requirements of ASEL);
- at unloading – facilities are appropriate for the animals to be unloaded, inspected and transported to the breeder facility;
- at the breeder facility – facilities are appropriate for managing the health and welfare of the livestock intended for export.

The *Export Control (Animals) Order 2004* Section 2.44(1)(a) provides opportunity for the department to require provision of this information, which could be invoked if DAFF considers the risks to be of regulatory concern.

There may be circumstances of livestock being distributed as a contribution to poverty alleviation. In such cases husbandry knowledge and experience may need to be developed. In these circumstances the gifting agency could be responsible for appropriate capacity building and Australian exporters should be satisfied that suitable arrangements are in place.

#### Recommendation

4. The Department of Agriculture, Fisheries and Forestry should require a declaration that the exporter has completed due diligence and the exporter is satisfied that acceptable animal welfare outcomes will be achieved at the first breeder facility in the importing country. Where livestock are distributed for poverty alleviation purposes, exporters should be satisfied that the gifting agency has arrangements in place to deliver adequate husbandry knowledge and experience.

#### ***Risk D: Point of slaughter***

The Australian Government has established a regulated system for ensuring the welfare of exported feeder/slaughter livestock through to the point of slaughter. The system requires that the Australian exporter retain responsibility and control over the animal throughout the export chain.

In considering whether controls are required for exported breeder livestock, the threshold question of when animals intended to be integrated into an importing country's livestock population lose their 'Australian' identity must be addressed. To what extent can or should exporters reasonably be responsible for the welfare of the animals that have entered another country's national herd?

*As outlined by Farmer, 'from an animal health viewpoint, it can be argued that Australian livestock acquire the animal health status of the country of destination at the time of their arrival in that country. This is particularly an issue where the animal health status of the destination country is different from Australia's. For example, foot-and-mouth disease is endemic in China and Russia.'*

Establishing a regulatory arrangement to ensure that the welfare of breeder livestock exports is protected through to the point of slaughter would be extremely difficult, costly and would likely be seen as an infringement on the sovereign rights of the importing country. The ability of exporters to maintain a line of sight for animals that have the potential to change hands a number of times and have a productive life of ten years or more would be practically impossible. Few countries have an equivalent of Australia's National Livestock Identification System, which would be needed to support a life-long line of sight for breeder livestock in an importing country.

All of Australia's trading partners for breeder livestock are members of the OIE and they have an obligation to implement the welfare guidelines established by the OIE. Through its positions on the OIE, the Australian Government will continue to pursue continuous improvement in the OIE animal welfare guidelines and their implementation by all member countries. This will include the implementation of the OIE guidelines on animal welfare through the development of good animal welfare



policy, including contemporary legislation, improved veterinary education and training, and defined competencies for graduating veterinarians.

The Government is investing in improving welfare outcomes, particularly for Official Development Assistance (ODA) eligible markets that import Australian livestock for feeder/slaughter purposes. There may be merit in government considering extending availability of these resources to markets that import breeder livestock. The Government has also provided assistance to exporters that have invested in improving welfare under ESCAS.

Exporters and their industry alliances also have a role in progressing animal welfare improvements in importing countries. Exporters should continue to provide pre and post sale support to assist improvements within individual supply chains. Industry bodies should continue to develop research, development and extension materials to support exporters and other extension service providers in increasing awareness and improvements in animal welfare.

#### Conclusion

2. It is impractical and unreasonable for Australia to trace livestock that may live for 10 years or more in another country, changing hands on many occasions. Australia is better placed continuing its policy advocacy role and where possible supporting implementation of improvements to animal welfare in importing countries. The Government, exporters and industry should also continue to provide training, development and capacity building for improving animal welfare in our export markets.

## 8. Conclusion

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The IGIG considers that there is a need for additional conditions to protect the welfare of breeder exports. The IGIG considers that the risk of an animal welfare incident occurring is lower for breeder exports than for feeder/slaughter livestock. On this basis, it recommends that the exporter take responsibility for due diligence checks and provide a declaration to the regulator to enable confirmation of the suitability of the first point of ownership in the importing country. This work needs to be undertaken in recognition of the sovereign rights of the importing country, the practical difficulties of exporters having control/traceability of breeder livestock through to the point of slaughter and Australia's international trade obligations.

Exporters should continue to provide pre and post sale support to assist improvements within individual supply chains. Industry bodies should continue to develop research, development and extension materials to support exporters and other extension service providers in increasing awareness and improvements in animal welfare. The Australian Government also needs to continue its engagement and animal welfare advocacy activities through the OIE, particularly when welfare risks are identified.

Adoption and implementation of OIE welfare guidelines by member countries should continue to be a priority for the Australian Government.

## Attachment A – DAFF Breeder Livestock Export Data

Table 1: Australian breeder cattle exports 1 January 2006 – 30 June 2012 (no. head)

	2005	2006	2007	2008	2009	2010	2011	2012
Bangladesh	6	25						
Brazil	27			3				
China	24896	9840	8593	12412	32968	57204	53320	30277
Indonesia	930	439	75	3015	2509	4718	8735	5661
Iraq		30						
Israel		127	155	30				
Japan	1956	2091	975	654	931	880	680	304
Jordan			1253				208	
Kazakhstan							2300	
Kuwait	1755	3387	4194	4093	4155	449	594	164
Libya				500		326		
Malaysia	2184	9900	7372	9153	4567	6240	979	2229
Mexico	17399	8939	21719	10122				
New Caledoni	4		43	72	74	15		
New Zealand	11	2	7		9	6	1	
Oman	250	350		500	374			
Pakistan			2122	4080	1696	2675	3938	1908
Philippines	52	65	67	14	650	88	948	209
Qatar	31			223	300	749	730	1234
Russia		6842	8019	20071	4493	10556	23368	18725
Saudi Arabia			4192	1689	1795			
Sri Lanka								511
Sudan						933		
Taiwan		70	491			310	1153	
Thailand	93	43	24	50	76	12	83	
Turkey			2838	2926	164	1392	2933	
UAE	1210	1855	739	501	515	151	881	
USA	11	12	54		25	1388	3	
Vietnam			10		123		330	457
<b>TOTAL</b>	<b>50815</b>	<b>44017</b>	<b>62942</b>	<b>70108</b>	<b>55424</b>	<b>88092</b>	<b>101184</b>	<b>61679</b>

Table 2: Australian breeder sheep exports 1 January 2005 – 30 June 2012 (no. head)

	2005	2006	2007	2008	2009	2010	2011	2012
Argentina	17	11	2	66	11		5	23
Brazil	28	13	28	48		22	3	48
Brunei				10				
Chile			4				11	
China	1769	156	62		12	1279		117
Israel					545			
Japan		237		271	70	9		
Malaysia		88	2		4534	4981	7975	
Mexico	81	20875	374					
New Zealand	7	4	6	11	10	16	22	50
Norfolk Island				1				
Oman		85						
Pakistan				22				
Philippines	37	134	131	397	870	18	37	5840
Russia			66					
South Africa								3
Thailand				11				
Turkey								2258
UAE				92				
Uruguay		1	19	6	6	4		10
USA	15		10			2		
<b>TOTAL</b>	<b>1954</b>	<b>21604</b>	<b>704</b>	<b>935</b>	<b>6058</b>	<b>6331</b>	<b>8053</b>	<b>8349</b>

Table 3: Australian breeder buffalo exports 1 January 2005 – 30 June 2012 (no. head)

	2005	2006	2007	2008	2009	2010	2011	2012
Chile		10						
Indonesia		7						
Japan				20	5	4	8	
Malaysia	314	659	75	182	176	103		
New Zealand	8		36	45				5
Qatar							50	15
South Africa		24						
<b>TOTAL</b>	<b>322</b>	<b>700</b>	<b>111</b>	<b>247</b>	<b>181</b>	<b>107</b>	<b>58</b>	<b>20</b>

Table 4: Australian breeder goat exports 1 January 2005 – 30 June 2012 (no. head)

	2005	2006	2007	2008	2009	2010	2011	2012
<b>Argentina</b>	17					36		
<b>Brazil</b>	6	28		8			7	6
<b>Brunei</b>				2336				
<b>Chile</b>		9						
<b>China</b>	44							11
<b>East Timor</b>	19							
<b>Fiji</b>				60				
<b>Indonesia</b>	29	269	5810				9	10
<b>Kuwait</b>	12				6			
<b>Madagascar</b>			2124					
<b>Malaysia</b>	5162	19833	17835	24156	17663	18185	2918	61
<b>New Zealand</b>		6	14		6			29
<b>Pakistan</b>				92				
<b>Philippines</b>	1304	918	1820	485	323	2089	276	
<b>Russia</b>			4					
<b>Seychelles</b>					19	20		
<b>Singapore</b>	93							
<b>South Korea</b>		452		70				
<b>Switzerland</b>								
<b>Taiwan</b>	339	311	83	60				
<b>Thailand</b>	41	82	42	151		341		
<b>Turkey</b>				55		155	268	
<b>UAE</b>			167		78			
<b>USA</b>	28		53			49		
<b>Vietnam</b>	1046	200						
<b>TOTAL</b>	<b>8140</b>	<b>22108</b>	<b>27952</b>	<b>27473</b>	<b>20875</b>	<b>20875</b>	<b>3478</b>	<b>117</b>

Table 5: Australian breeder camel exports 1 January 2005 – 30 June 2012 (no. head)

	2005	2006	2007	2008	2009	2010	2011	2012
Indonesia							18	
Libya						99		
Philippines			20			4	10	
Qatar								27
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>103</b>	<b>28</b>	<b>27</b>

Table 6: Australian breeder deer exports 1 January 2005 – 30 June 2012 (no. head)

	2005	2006	2007	2008	2009	2010	2011	2012
Kuwait	129							
Malaysia		189	583		50			
Philippines	124	59	135	126				
Thailand	234			103				
<b>TOTAL</b>	<b>487</b>	<b>248</b>	<b>718</b>	<b>229</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 7: Australian breeder alpaca exports 1 January 2005 – 30 June 2012 (no. head)

	2005	2006	2007	2008	2009	2010	2011	2012
Canada					44			
China		20	32					
Kuwait	10							
New Zealand	377	284	324	223	147	392	123	60
Philippines	38		36	40	20			
South Africa			6					
Switzerland	83							
Thailand						6		
USA	54	13					15	36
<b>TOTAL</b>	<b>562</b>	<b>317</b>	<b>398</b>	<b>263</b>	<b>211</b>	<b>398</b>	<b>138</b>	<b>96</b>