

THE AUSTRALIAN ASSOCIATION OF STUD MERINO BREEDERS LIMITED

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Senate Standing Committees on Rural Affairs and Transport
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In regard to the Senate Standing Committees review into Animal welfare standards in Australia's live export markets we thank the Committee for the opportunity to submit the following comments.

The Australian Association of Stud Merino Breeders Limited (AASMB) is the Federal association that represents six state Merino organisations and approximately 1100 registered Merino studs in all parts of Australia except the Northern Territory.

Merino sheep and wool production has historically been one of Australia's major export earners and remains the major animal grazing enterprise of Australian primary production. AASMB members are keen and rapid adopters of sound animal husbandry methods, production technologies and animal welfare practices, which provide both ethical and economic advances.

The Association is an exporter of live stud animals and genetic material via its members into international markets and regions which seek to utilise the genetic gains in animal production which our members and the Australian Merino industry have developed over a long term.

In regard to the Terms of Reference for this review: Part 3- Other related matters.

Merino sheep breeders have been successful in the development of a breed of sheep which is highly adaptable to a wide range of climatic environments and now is a true dual purpose animal which is capable of producing both high quality fibre and meat products. This type of agricultural activity differs from other main stream animal production as it largely remains a grazing enterprise and unless climatic conditions are very poor, Merino sheep can survive and often thrive in conditions without the supports of grain or fodder.

The Merino is the backbone of the Australian sheep industry and as such many of the nation's domestic producers and key export markets are reliant on the breed. The ongoing demand in international markets for quality food products which offer reliable and consistent traceability is also well supported by the Australian Merino production sectors as Merino sheep and the cross breeding of Merinos to other breeds offer consumers a consistent product with high levels of satisfaction in terms of taste and tenderness. The domestic market is a strong supporter of sheep meats with a Merino origin but our Association believes that all markets require the support of a strong and stable export marketplace.

**Producers of the world's most versatile and unique fibre
MERINO WOOL**

The AASMB understands that the markets, in which Australian live sheep exporters operate in, are often very culturally different and in the most, slow to adapt to change when compared with the “easier” markets for mainstream chilled or frozen meat in Europe and Northern Asia. The work to date in general animal husbandry and handling methods, together with relevant technical and veterinary support has greatly improved and seems to continue to be improving. The AASMB believe that is an important factor for any established exporter to continue to receive support and then demand that these improvements be implemented in partnership so that trade is dynamic and continues to improve and evolve. Sound trade which is supported by practical technical transfer programs will in turn produce positive results and can then be used as an example to any slower technical adopters.

The AASMB strongly believes that under the current climatic conditions the numbers of sheep in the national flock is economically sustainable. Given the demand for animals for both restocking for animal and wool production, and the sheep meat consumer markets we expect that this demand will continue as primary producers return to a broad acre farming plus animal production enterprise. The live export markets also provide the industry with a strong base price which in turn makes the animal grazing industries economically sustainable.

The current prices for sheep at markets in Eastern and Western Australian markets have shown continuity in that it could be expected that these prices should persist for the near future. This trend toward higher prices, when combined with the international buyer’s willingness to support these levels; even at a very high exchange rate basis, will continue to improve the Animal Welfare conditions and practices in the international destinations.

Australian live sheep are keenly sought in the international marketplace and will never be a cheap option for buyers in the key markets as the fixed charges of the export trade are high when compared with other suppliers in closer markets. In any market, the higher the value of the product, the better the product is cared for and provided for.

The expectation of ongoing demand and the possibility of higher prices should also encourage longer term investment in animal welfare and handling conditions at the point of destination. While only anecdotal, it should also be noted that many younger men and women across the Arab League countries are also following the Western trend of understanding the origins and the supply chains of the food products they purchase. This offers the Australian sheep industry a strong opportunity to build demand for a differentiated product for which it could allow it to move from a price taker to a maker.

The other parts of this review **Part 1** and **Part 2** are important issues to the AASMB but are seen as the terms of trade of the commercial exporters. The AASMB rely on this sector in to work in partnership with all stake holders so that the trade continues in the most efficient, ethical and economically viable manner.

We thank the Committee for the opportunity to submit to this review.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'JE Ashby', written in a cursive style.

Tom Ashby
President AASMB