

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2013

Agriculture

Question: 278

Division/Agency: Live Animal Exports Division

Topic: Live animal export – Australian wide totals

Proof Hansard page: 41

Senator GALLACHER asked:

Senator GALLACHER: I am pleased that we have your chart here. What percentage of the total export do live animal exports represent? What is the percentage for the live versus the boxed?

Ms Irwin: That would depend on the particular market that you were looking at. In some markets there will be a higher percentage of live exports rather than boxed.

Senator Abetz: I think you are asking for Australia-wide totals.

Ms Irwin: We can take that on notice.

Mr Glyde: I can give a rough answer. It is roughly 700 million for live and about six billion for meat. I will confirm that and come back to you.

Answer:

In 2012-13, the total value of farm exports was \$37.97 billion.

In 2012-13, the value of meat exports for beef and veal, lamb, mutton, pigs and poultry were valued at around \$6.6 billion, which comprised around 17 per cent of the total value of farm exports.

In 2012-13, live animal exports for cattle, sheep, pigs and poultry were valued at around \$786.6 million (includes animals for breeding and feeder/slaughter purposes), which comprised around 2 per cent of the total value of farm exports.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2013

Agriculture

Question: 279

Division/Agency: Live Animal Exports Division

Topic: Indonesian quota

Proof Hansard page: 37

Senator FARRELL asked:

CHAIR: But the game has changed in boxes, hasn't it, in recent months?

Ms Irwin: For the export of live cattle to Indonesia over the last year, as you would appreciate, Indonesia has historically had a quota system for live exports. For 2013, the quota for live cattle exports to Indonesia was 267,000 head of cattle. In October this year Indonesia announced new regulations for the export of cattle, which would move to a price based mechanism to determine exports. What I can advise the committee is that for the year to date, in 2013, feeder cattle exported to Indonesia is on the order of 217,000 cattle. And for the year to date, 2013, slaughter cattle exported to Indonesia is on the order of 20,000.

Senator FARRELL: Is that a reduction or an increase on the previous year?

Ms Irwin: The Indonesian quota is partly driven by Indonesia's broader goal of self-sufficiency in agriculture. I would have to check the exact figure, but I think the quota for 2013 of 267,000 was slightly down from the 2014 quota. The move to the price based mechanism is potentially a way for Indonesia to better meet domestic demand for beef supplies. And the anticipation is that it may allow more exports from Australia over coming months.

Answer:

Indonesia's previous quota system only applied to feeder cattle. Indonesia's 2013 quota for feeder cattle was 267 000, which is lower than the 2012 quota of 283 000 head. The importation of ready to slaughter cattle was not permitted previously as Indonesia imposed a 350kg weight limit on imported cattle to ensure value adding fattening in Indonesia.

As an emergency measure to increase the supply of beef (not under the quota system), the Indonesian Government issued permits for 24 750 head of ready to slaughter cattle (cattle above 350kg) in July 2013. Permits for an additional 75 000 head of ready to slaughter cattle were also issued under this emergency measure.

The quota system was abolished and replaced by a reference price system under new regulations, effective from October 2013. Since then, an additional 84,700 head of feeder cattle and 14 500 head of ready to slaughter cattle have been imported (as at 4 December 2013).

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2013

Agriculture

Question: 286

Division/Agency: Live Animal Exports Division

Topic: Scrap plans to establish an Inspector General of Animal Welfare and Live Animal Exports

Proof Hansard page: Written

Senator STERLE asked:

1. Can the Minister explain his decision to scrap plans to establish an Inspector-General of Animal Welfare and Live Animal Exports?
2. Does the Minister see these actions as threatening public confidence in the live exports system?

Answer:

1. The Minister stated *in his media release on 31 October 2013:*
“The livestock regulator was already, and remains, subject to appropriate oversight and review mechanisms. This is one bit of red tape we can do without.”
2. No

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Agriculture

Question: 290

Division/Agency: Live Animal Exports Division

Topic: Live Animal Exports

Proof Hansard page: Written

Senator STERLE asked:

What was your view about the causes of the decreases in quota in previous years, noting into self-sufficiency?

Answer:

In 2009, Indonesia announced a self sufficiency target for beef, with a target completion date of 2014. As a result of that self sufficiency target, there have been systematic reductions in import quotas for beef and livestock from 2010 onwards.

The quota volumes since 2011 can be found in the following table.

Table 1: Quota volumes since 2011 set so as to achieve the self sufficiency target

Period	Total beef quota thousand tonnes	Live cattle (60%) thousand head	Boxed beef (40%) thousand tonnes
2011	162	500	72
2012	92	278	41
2013	80 (14 % of beef demand)	267	32
2014 Estimate based on self sufficiency target	74 to 77 (10 % of beef demand)	247 to 257	29 to 31

In a response to increased demand and high prices for beef, Indonesia issued new import regulations in August 2013 that removed quotas for beef and live cattle imports and set a price based mechanism for imports.