

media release

ACIL TASMAN: FARMERS DON'T RELY ON LIVE SHEEP EXPORTS

A new economic report* on the value of live sheep exports has revealed that phasing out the trade would have a modest impact on farmers.

ACIL Tasman found that live sheep exports represent a small and declining percentage of the average farm's income, with many farmers already focusing on more profitable commodities.

The Report's author, Mark Barber, said with the industry in the midst of major structural reform, any changes sheep producers need to make to adjust to a market without live sheep exports are likely to be modest.

"ACIL Tasman has analysed the whole of flock changes that would result from a phase-out of the live export trade to determine what farm-level adjustments would be required if this option was taken away.

"Farmers make business decisions based on the options available to them. Without live exports there are a number of opportunities, including restructuring their flock to finish sheep earlier, keeping wethers for wool, increasing prime lamb production, and/or increasing cropping area.

"On mixed farming businesses there are many uses for sheep and the transition for farmers from live sheep to sheep meat is relatively simple.

"Adjustment costs and the impact on farmers could be reduced by phasing out the trade over five years and implementing a transferable quota system to manage the gradual reduction in the number of sheep available for live export over that period.

"The Report found there is unlikely to be a dramatic or sustained impact on the price of lamb or mutton in Australia, provided a phase-out occurs and trade diversion, to substitute live animals for meat, is undertaken.

"This Report is a sensible look at what would happen if the live sheep export option was taken away. This is necessary risk management in what has been a volatile market. It's reasonable for farmers to want to know what their options are."

The RSPCA urges the Australian Government to make Australian jobs and animal welfare its highest priority. Exporting live sheep exports Australian jobs. The majority of jobs that are supported by the trade now will still exist in the event of a phase-out. In fact meat processors have already signalled they would have no problem selling more meat to the world.

* Visit www.rspca.org.au/report to view the Report: ACIL Tasman (2009) *The value of live sheep exports from Western Australia. A review of adjustments that would be required if live exports ceased from WA.* Commissioned by RSPCA Australia.