

SUBMISSION TO:

Bobby Calf TOF RIS Submissions

Animal Health Australia

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DEAKIN ACT 2600

IN RESPONSE TO THE PUBLIC CONSULTATION ON:

Bobby Calf Time Off Feed Standard

February 2011

ABOUT THE AUSTRALIAN MEAT INDUSTRY COUNCIL

The red meat sector is Australia's No.1 agricultural enterprise and is estimated to contribute A\$15 billion to the Australian economy.

The Australian Meat Industry Council (AMIC) is the recognised Peak Council in Australia representing the post-farm gate sector including the export and domestic processing industry, smallgoods manufacturers, wholesalers, distributors, boning rooms and independent retail butchers.

AMIC represents close to 3,000 member companies employing over 55,000 workers directly in meat processing, exporting, wholesaling and retailing in Australia.

There is conservatively at least the same number again of Australian's involved in ancillary services such as road transport, shipping, carton and equipment manufacture, insurance, banking, and laboratories which are all dependent on the red meat processing and export sector for a proportion of their livelihood.

AMIC provides services and support to members that improves their working environment and is focused on achieving the best outcomes for the industry and its members as part of one voice on issues critical to their business.

AUSTRALIAN MEAT INDUSTRY COUNCIL AND ANIMAL WELFARE

From a meat industry perspective, safeguarding the welfare of livestock and maintaining high quality production practice is of paramount importance. Animal welfare is a key focus and animal welfare standards are maintained through the application of rigorous practices, record keeping, auditing and training.

As such, AMIC's mission is to ensure acceptable animal welfare standards are implemented and effectively verified.

In support of this mission, in 2005 AMIC developed the '*Industry Animal Welfare Standards for Livestock Processing Establishments*'. The AMIC Standards were developed with the support of a national committee comprised of industry and scientific representatives, Government and policy representatives, animal welfare organisations, and other supply chain experts. The Standard has since been revised to reflect the latest scientific advice, as well as meet the requirements of Australian and International customers. A second edition was released in 2010.

Establishments demonstrate their animal welfare responsibility by integrating the Standards into their quality management systems, which are then subject to audit and review on a regular basis. Personnel are required to understand and demonstrate their responsibility by ensuring animal welfare outcomes are maintained at a high standard.

At the Commonwealth level, the Australian Quarantine Inspection Service (AQIS) recognises the Standard within its regulatory framework and maintains a presence at export establishments to regularly review animal welfare practices and other activities. The Standard is also recognised commercially as part of a number of customer requirements and is verified accordingly.

AMIC partners with the Australian Meat Processor Corporation to undertake research aimed at the continuous improvement of animal welfare practices. AMIC also partners with the National Meat Industry Training Advisory Council (MINTRAC), whose role is to deliver R&D outcomes, as well as training and educational material to industry based on the AMIC Standards.

The Australian meat industry has developed specific competency based training programs for stock handlers, slaughtering staff, supervisors, and QA managers as part of its commitment to ensure good animal welfare outcomes.

All meat processing operators, including stock handlers and slaughter floor staff, are required by regulation to be trained and assessed for competency. In the last three years over 300 slaughter floor supervisors, lairage managers and quality assurance personnel have undertaken the “*Animal Welfare Officer Skill Set*” course. This training initiative has largely been industry funded. In addition every year approximately 150 new stock handlers undertake the ‘*Livestock Handling*’ course. A number of processing sector customers require a designated animal welfare officer on the premises. The MINTRAC training delivers on this requirement and underpins the practical application of the AMIC Standard.



Source: MINTRAC. Copy of animal welfare training course manuals used for competency training of processing establishment personnel.

The processing Industry has also recognised the special needs of bobby calves and has established a dedicated package called “*Handling Young Calves for Slaughter*”. This kit consists of a range of supplementary materials that can be used for training people involved in handling and processing young calves. It contains an interactive CD providing information on the requirements for the humane and effective management of young calves at all points along the supply chain.

AMIC, with the support of its processor members, is committed to the continual improvement in animal welfare practices through the following initiatives and activities:

- The development and implementation of nationally applied and comprehensive animal welfare quality assurance standards, together with associated audit and training material.
- The development and delivery of national training competencies for livestock handlers, slaughter floor supervisors, quality assurance personnel, auditors, technical experts and others on animal welfare practice in the meat industry.
- Participation in policy development at the national level with Government and in collaboration with key stakeholders.
- Participation in committees and taskforces that have responsibility for developing research and development priorities, strategies for addressing animal welfare issues, developing standards and identifying animal welfare priorities.
- Investment in animal welfare research and development both directly and through collaboration with key Rural Research and Development Corporations.
- Communication and extension to industry members and other stakeholders on animal welfare requirements, issues and areas requiring research and developing strategies to address these issues.

AUSTRALIAN MEAT INDUSTRY COUNCIL’s COMMENT ON THE PROPOSED STANDARD

The Government, in consultation with all stakeholders, is proposing the adoption of a regulated standard for the time off feed for bobby calves that are transported from the farm to the processor. AMIC has provided input to this national consultation process.

AMIC supports the recommended standard Option B, as outlined in the Regulatory Impact Statement, which proposes that bobby calves must ‘*be slaughtered or fed within 30 hours from last feed*’.

BASIS FOR THE PROPOSED DRAFT STANDARD AMENDMENT

AMIC recognises that Option B:

- is supported by Australian and International science.
- is practically achievable by Industry.
- is consistent with existing processing Industry animal welfare standards.
- sets a maximum enforceable limit to manage risks to the calves' welfare which will be regulated
- is most likely to deliver national consistency across jurisdictions.
- continues to contribute to the economic sustainability of processing establishments and rural Australian communities.

The proposed Standard under Option B is supported by Australian and international science

AMIC acknowledges the view offered in the RIS regarding the current science on time off feed for bobby calves.

The Primary Industries Ministerial Council (PIMC) resolved that, in relation to the management of bobby calves, a science-based standard for maximum allowable time off feed was to be prepared through Animal Health Australia (AHA) for consideration by PIMC, and that this would require the completion of a Regulatory Impact Statement and a public consultation period.

The Australian study, which is yet to be published, concluded that transport was not a significant additional impost on bobby calves and that 30 hours, with good practice in other aspects of calf management and transport, was a suitable maximum time-off-feed limit for bobby calves.

This finding is supported by the results of research on the calf transport issue conducted in New Zealand in 2000, where there is a comparable bobby calf industry. The published scientific study from the Institute of Veterinary, Animal and Biomedical Sciences at Massey University indicated that bobby calf welfare was not unduly compromised by a time off feed of up to 30 hours (Todd et al. 2000, Research in Veterinary Science 68:125-134).

The study measured a range of blood biochemical variables in the calves, and the authors concluded that food withdrawal for up to 30 hours and transport for up to 12 hours had no detrimental effects on the metabolism of healthy calves. The study concluded that with correct feeding regimes and transport protocols, welfare compromise in young, healthy calves being transported for up to 12 hours can be minimised when they are slaughtered within 30 hours of the start of transport.

The proposed Standard under Option B is practically achievable

The proposed standard under Option B recognises the practicality of getting calves from multiple individual farms to collection points and then to processing establishments so that they are managed within operating hours.

The current practice in the processing sector is to ensure that the slaughter of bobby calves is a priority and commences in the first shift of the day to minimise the time calves spend in the process from transport from the farm to the time of processing. To achieve this, most processing establishments start the days shift at around 5-6am and the small animal chain finishes by 3pm.

A standard less than 30 hours could result in the need to feed a large number of calves just prior to slaughter, which would subsequently result in implications for cleanliness and increase food safety risks.

Despite having capability to feed calves in an emergency situation or being able to feed small quantities of carry over calves with liquid feed, processing establishments are not equipped to conduct sustained routine liquid feeding of a large number of calves.

The proposed Standard under Option B sets a maximum enforceable limit to manage risks to the calves' welfare which will be regulated

AMIC supports that the 30 hour maximum time off feed for bobby calves sets a legally enforceable outer limit.

It is recognized that the majority of calves are processed around 24 hours from last feed. Indeed the Australian processing sector's '*National Animal Welfare Standards at Livestock Processing Establishments*' recognises the need to manage calves quickly and efficiently by providing a target that states calves '*Be given priority slaughter within the first processing shift following their arrival at the establishment*'.

A standard less than 30 hours however may actually have adverse animal welfare effects as processing establishments could be forced to increase handling and drafting of a larger number of lots to separate and segregate single animals from each consignment lot, and prepare and assure compliant slaughter schedules. This would result in further stress to calves.

Processors currently rely on paperwork to assist with verification and scheduling which work well. However the Dairy Industry, in association with the processing industry, has been working over the past 18 months to develop electronic systems; utilising RFID technology employed by the National Livestock Identification System. Though still under trial, it is envisaged these new electronic systems will improve efficiency.

The proposed Standard under Option B is consistent with existing processing Industry animal welfare standards

The Australian processing sector's '*National Animal Welfare Standards at Livestock Processing Establishments*' (2nd edition 2010) specifies that '*bobby calves must be slaughtered as soon as possible ex-consignment and as a minimum, within 30 hours of their last feed, otherwise fed*'. Therefore the adoption of the proposed standard Option B will be in line with these Industry Standards.

In support of this in practice, processors also apply the following components:

- Calves are inspected and provided water upon arrival.
- Calves are prepared and transported to ensure delivery at the processing establishment within 18 hours of last feed and spend no more than 12 hours on transport.
- Bobby Calves are consigned in accordance with the requirements of the National Vendor Declaration; which place specific animal welfare requirements on the supplier.
- Calves are given priority slaughter within the first processing shift following their arrival at the establishment.
- Any carry over calves are scheduled for slaughter as soon as possible and fed.

Research indicates that when comparing once-per day feed vs twice per day feed, there are no adverse outcomes on calf health and performance (Ugar et al. 2008, Journal of Animal and Veterinary Advances Vol 7 (9): 1066-1068).

The proposed Standard under Option B is likely to deliver national consistency across jurisdictions

The processing Industry in Australia works across state boundaries with many companies operating establishments in different State jurisdictions.

AMIC has a standing policy of supporting national consistency of rules and requirements as this delivers a level playing field, operating certainty and operating efficiencies.

AMIC acknowledges that the RIS states that Option B is the most likely Standard to be adopted by most State jurisdictions and is therefore likely to promote national consistency and certainty to industry participants along the supply chain.

The proposed Standard under Option B continues to contribute to the economic sustainability of processing establishments and rural Australian communities.

Processing establishments typically operate high volume low margin, capital and labour intensive businesses that are subject to many variables that potentially impact their viability. In this environment, continued throughput is a fundamental element in an establishment's ability to remain economically viable.

Processing establishments that manage bobby calves also manage sheep and lambs. The supply of bobby calves, lambs and sheep is seasonal with peak supply periods being different for different classes of livestock. The continued supply of bobby calves contributes to the economic viability and sustainable year round operations of these processing establishments.

Disruption to livestock supply threatens the economic viability of processing establishments. The RIS acknowledges that a time off feed for bobby calves less than 30 hours maximum (Option C or Option D) would adversely impact the supply of bobby calves and therefore the on-going viability of many of these operations.

Processing establishments are largely situated in rural communities. Approximately 50% of processing establishments are located in local Government areas, with a population of less than 20,000 people and 80% with less than 50,000 people. These processing establishments play a valuable role in contributing to the economic sustainability of these rural towns. Usually being the largest employer in the manufacturing sector of the local economy, processing establishments support many Australian families.

Many of the local town's ancillary services such as transporters, engineering companies, livestock agents, various trades etc depend on the 'local meat works' for their economic survival. In turn many of these small businesses contribute to the local fabric of the community by conducting corporate activities for charities and sporting associations.

The removal of a processing establishment from a local rural Australia community is likely to have significant impact on the community by disrupting the local economy and having direct impact on jobs and small businesses.

COMMENT ABOUT ALTERNATIVE OPTIONS OUTLINED IN THE REGULATORY IMPACT STATEMENT

The RIS outlines two alternative options of 24 (Option C) or 18 (Option D) hours time off feed for bobby calves.

AMIC acknowledges the view offered in the RIS that Options C and D are likely to impose significant additional cost, being an additional \$20 M or \$176 M at farm gate over five years respectively.

AMIC acknowledges the view offered in the RIS that Options C and D could also potentially result in a large number of calves, 65,740 and 575,225 calves respectively, which may be destroyed on-farm if alternative market arrangements can not be found.

AMIC is of the opinion that it would be a better animal welfare outcome for these bobby calves to be processed under a controlled environment by competent personnel in a processing facility.

Furthermore destroying calves and managing carcass disposal on-farm in those numbers is likely to create widespread environmental, bio-security and potential human health implications. Certainly the emotional implications and potential OH&S issues amongst the farming community should not be underestimated.

It is also AMIC's view that Option C and D would put at risk the long term viability of processing establishments that manage bobby calves, given the reduction in throughput. As previously indicated continued throughput is a fundamental element in an establishment's ability to remain economically viable.

A sustained long term reduction in bobby calf supply is likely to negatively impact a processing establishment's viability. AMIC acknowledges that likelihood would be different for each processing establishment, the circumstances under which it operates and the cumulative impact of other market variables, however those establishments that are heavily reliant on bobby calves would be more at risk.

History shows that once a processing establishment becomes unviable and fails it is unlikely to re-immerge in that local area without significant investment and commercial incentive to do so. Without processing establishments humanly managing calves in controlled environments there is a risk that large numbers of calves may need to be slaughtered and disposed of on-farm.

COMMENT ABOUT THE REGULATORY IMPACT STATEMENT

AMIC would like to highlight that the cost/benefit analysis provided in the RIS only includes the economic impact up to the farm gate.

In reality the introduction of legislation that impacts bobby calf supply, which the RIS acknowledges, will have a real impact on the total supply chain.

AMIC acknowledges that the RIS includes an analysis of post-farm gate downstream business losses. However this is not included in the cost benefit analysis but rather reported in section 4.5 as follows:

- Option C in terms of loss of business, on transporters and processors and exporters is estimated to be \$37.28 million over 5 years.
- Option D, in terms of loss of business, on transporters and processors and exporters is estimated to be \$326.18 million over 5 years.

AMIC is of the view that the post farm economic implications of the alternative standards should be given more prominence in the RIS.

CONCLUSION

The Australian Meat Industry Council (AMIC) acknowledges that the recommended standard Option B, as outlined in the Regulatory Impact Statement, which proposes that bobby calves must *'be slaughtered or fed within 30 hours from last feed'*:

- is supported by Australian and International science.
- is practically achievable by Industry.
- is consistent with existing processing Industry animal welfare standards.
- sets a maximum enforceable limit to manage risks to the calves' welfare which will be regulated.
- is most likely to deliver national consistency across jurisdictions.
- continues to contribute to the economic sustainability of processing establishments and rural Australian communities.

AMIC encourages the Primary Industries Ministerial Council (PIMC) to adopt and incorporate an agreed standard in regulation for the maximum time off feed for bobby calves. AMIC suggests that given the views of stakeholders, the views of the processor members and the available science, that 30 hour maximum time off feed as a regulated standard for bobby calves would be the most applicable.



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