

# Africa a poor alternative to Aussie exports

By CAITLYN WEST

ONE of the most anticipated speakers of last week's LambEx conference was Muscat Livestock Co owner-partner Naveed Ahmed.

Mr Ahmed's company imports around 200 tonnes of meat every month in all forms from Australia into the Arabian Gulf, and he emphasised the huge influence the Australian sheep industry has on the region.

Even though challenges such as supply issues, the volatile Australian dollar, the live versus chilled or frozen debate and the external threat of African nations taking over market share, the Gulf region still prefers Australian sheep meat.

"It's a big market and it's mutually dependant - the Gulf cannot afford to lose Australia, we have to be clear on this point," Mr Ahmed said.

"There is no replacement for Australia.

"The Gulf is a big supporter of live sheep; 99 per cent of all live sheep end up in the Gulf so it's a huge market for the Australian livestock industry."

Australia provides a little less than half of all the meat consumed in the Gulf countries, and is so important that various Arab governments have subsidised Australian meat so their citizens can continue to enjoy it.

"We are selling Australian animals and meat in the Gulf at a loss because the people are not ready to pay the higher price for Australian animals," he said

Pricing accounts for one of the two major challenges the Australian livestock industry faces, with the other being strong competition from the north of Africa, both of which are impacting on Australia's previously untouchable status.

"The single most important issue at the moment for us is price," Mr Ahmed said.

"The rising price of Australian meat and livestock has become the topic of hot debate in these

□ Naveed Ahmed, owner-partner of Muscat Livestock Co, formed his company in 2008 with the purpose of becoming a major force in the Australian meat and livestock import trade, in order to service the Arabian Gulf region.



Gulf countries.

"Most Arab economies are trying to diversify the market, by encouraging traders and importers to bring in meat and animals from other sources."

According to Mr Ahmed, the horn of Africa is the single biggest external threat to Australia's dominance over the Arabian Gulf's meat and livestock industry, consisting of Somalia, Kenya, Ethiopia, Sudan and Tanzania.

"They may not have the sophisticated technology, infrastructure or efficient systems in place that Australians can boast of, but in the end, they are delivering the numbers the markets require," he said.

Africa's close proximity to the Arab countries has given them a huge advantage, and the Arab economies have woken up to that fact and are making strategic investments in the region.

Mr Ahmed outlined pioneering examples such as Saudi Arabia building up livestock export infrastructure in Somalia, the United Arab Emirates purchasing huge farmlands in Somalia and Oman investing in abattoir facilities in Tanzania.

"Supply problems haunting the Australian sheep market and not being able to digest the higher price means the Gulf is

taking very comfortably to Somalia," Mr Ahmed said.

He added that an excellent season this year in Somalia meant quality livestock was entering the Gulf market at astonishingly low prices.

Due to the availability of African livestock, the rising Australian meat prices meant the Gulf could not rise in tandem because the consumer was not ready to pay the higher price, opting for the cheaper meat.

This also means if activists' efforts to ban live export in Australia ever swings in their favour, the horn of Africa will be the next port of call for importers from the Gulf.

"If Australia stopped sending live animals overseas the Gulf will look to other countries to fulfil this shortage," Mr Ahmed said.

"If we take Australia out from there, what will we see?"

"An ill-equipped Africa who's animal welfare situation is pathetic and sometimes has up to 25pc animal mortality rate on their boats?"

"What Australia does not supply, other countries will and that's with very poor welfare, very poor infrastructure and a very poor situation overall."

He added Australia was a pioneer in animal welfare and health, and predicted if exporting

live sheep from our shores was to stop, the overall animal health and welfare situation in the Gulf would worsen.

"I need Australia to run my business; I cannot do business without having Australian meat and livestock in there," he said.

"My father doesn't know anything about animal welfare issues being addressed by Australia and he is one of the biggest players in the livestock trade from our region."

By importing from other countries, Mr Ahmed said the Arab states would expose themselves to higher risk of livestock-borne diseases, unreliable supply, quota shortages and higher prices for lower quality animals.

"Even though there has been a definite decline in export numbers from Australia recently, it is merely a supply issue rather than demand," he said.

"Australia has established itself as a major brand in the meat and livestock industry and enjoys a very strong reputation in the Gulf market, which simply cannot be replaced by any other product in the near future.

"It is only Australia who has to get up and start producing the animals, and they are not going to have any problems selling it to the world."