

# Younger sheep now make up bulk of live trade

By HELENA BOGLE

THE Australian sheep industry would not exist without live export, according to major livestock exporter Wellard.

At the recent LambEx conference, Wellard's Singaporean-based owner Mauro Balzarini discussed how exporters see the live export industry and the challenges they face.

Wellard is Australia's largest livestock exporter and Mr Balzarini said the live trade provided important marketplace competition across the WA sheep industry.

He said live export had undergone many changes over the years and exporting prime product today had a very different value from the export of heavy wethers, which is what the Australian live export industry used to be built on.

Mr Balzarini said the price increase had provided the industry with a number of challenges in importing countries, but with the challenges came opportunities.

"We have to convince the customer of the value and sometimes it's hard to tell our customers that it's going to be \$150 a head," Mr Balzarini said.

"Our work has been convincing them that there is value in what they are buying.

"We know the value is there, Australia probably produces the best lamb in the world.

"The problem is that it's the live export sector's job to make sure this high quality lamb looks high quality when the sheep are delivered to the customers in the Middle East.

"That is the challenge nowadays."

Mr Balzarini said the

process begun in Australia with the implementation of the correct live export protocol, extended to proper voyage preparation in the feedlots and included the actual maritime transport process so the sheep arrived in the best possible condition at their destination.

But just as the Australian sheep industry has undergone a transformation, so too has the live export sector, with a greater focus on younger sheep.

And just as lambs now play an increasingly important role in the make-up of the live export trade, the live export industry is playing an increasing role providing marketplace competition for young sheep produced by Australia's sheep farmers.

But the changes haven't been confined to the type of sheep that now make up the trade.

Mr Balzarini said the industry once relied on older, converted vessels with simple livestock services but now focused on the use of new modern vessels.

Wellard built new ships on the basis that they could design the vessel around the need of the animal, focussing on superior feed, water and ventilation systems, designed to specifically improve on-board animal welfare.

"Nowadays people look at the container as much as they look at the product," Mr Balzarini said.

He said another step taken to improve the supply chain was opening feedlots in the receiving countries such as Oman.

"This allows us to take another step for the control of the product and also allows us to keep a very close relationship with the marketplace," Mr



Wellard's Singaporean-based owner Mauro Balzarini spoke about the challenges and opportunities facing the live export trade at the recent LambEx conference.

Balzarini said.

"Rather than just listening to people, we have people on the ground there that understand the need of the market, which can serve the market better."

Mr Balzarini said it was important that Australian sheep producers also understood their end markets, which buy and consume their product.

"The shift to lighter, younger export sheep has been supply rather than demand driven, which presents potential market risks," he said.

"Typically, sheep in the Middle East are purchased by local importers on a dollar per head basis but then sold into the domestic sheep meat market on a per kilogram basis.

"That puts pressure on the price if the animal doesn't carry the weight."

Even in markets where animals are sold live, the end user will look at the meat yield for a given per head cost.

In some countries such as

Kuwait, Qatar and Bahrain, the government subsidises the meat to make it more affordable for low earning workers, with the subsidy normally on a weight basis.

"While we have managed in the last few years to convince our customers of the benefits of purchasing lighter, younger animals, their ultimate preference remains with heavy animals - a preference we ignore at our peril," Mr Balzarini said.

Mr Balzarini said Australian sheep producers had to be mindful of competition because Australia wasn't the only country involved in the live sheep trade.

Last year Africa exported 4.5 million head and South America half a million head.

"We are using our higher animal health and quality standards to provide a competitive advantage against the cheaper, inferior product," he said.

"However, the commercial rationale needs to be taken into consideration."