



SUBMISSION

29 February 2024

Kieran MacDonell
Assistant Secretary
Agricultural Traceability Branch
Department of Agriculture, Fisheries and Forestry
By Email: NationalTraceabilitySummit@aff.gov.au

Dear Mr MacDonell

Re: Draft National Agricultural Traceability Strategy: Implementation Plan 2023-2028

Livestock SA is the peak industry organisation for South Australia's red meat and wool industries. There are over 5,200 sheep producers and more than 2,700 beef cattle producers in the state. With a membership of over 3,500 sheep, beef cattle and goat production businesses, we work to secure a strong and sustainable livestock sector in South Australia.

The red meat and wool industries are the backbone of South Australia's livestock and meat processing sectors, which contribute \$5.4 billion annually to the state and support 21,000 jobs.

Livestock SA is a member of four national livestock peak industry councils: Sheep Producers Australia, WoolProducers Australia, Cattle Australia and Goat Industry Council of Australia. Livestock SA is also a member of Primary Producers SA (PPSA) and through PPSA and the Peak Councils, the organisation is an indirect member of the National Farmers' Federation.

Livestock SA welcomes the opportunity to provide a submission to the draft National Agricultural Traceability Strategy: Implementation Plan 2023 to 2028 (draft plan), which is important to our members.

Background

The South Australian red meat and wool industries provide safe, traceable produce, exported across the globe. Sheep meat and beef are South Australia's largest livestock export products, worth \$910 million, with exports to the USA (\$353 million), China (\$117 million), South Korea (\$93 million) and Japan (\$69 million)¹. Access to these markets is enabled due to the reliable and transparent traceability system in the livestock sector.

¹Primary Industries Scorecard 2022-23 (Government of South Australia, Department of Primary Industries and Regions)
https://pir.sa.gov.au/primary_industry/industry_scorecards

The livestock traceability system is valued and supported by the South Australian livestock industry as outlined in the South Australian Biosecurity Blueprint priority for strong and effective traceability². This priority includes a vision for strong and effective traceability systems that can quickly and accurately trace livestock throughout the supply chain, policies and regulations that facilitate strong systems with adequately resourced compliance capabilities.

The South Australian sheep and beef sectors also share a vision of strong traceability systems and seek continuous improvement of these systems through initiatives under the SA Sheep and Beef Industry Blueprints. The SA Sheep Industry Blueprint supports end to end traceability systems with 100 per cent of sheep products traceable through the supply chain³. Similarly, the SA Beef Blueprint project areas include support of Australian beef systems that lead the world in traceability from paddock to plate⁴.

The livestock sector is a leader in traceability and is willing to evaluate systems and evolve to ensure our systems are as robust as possible. Livestock SA supports continuous improvement in our traceability systems and has previously provided support for the National Agricultural Traceability Strategy 2023- 2033. However, as stated in our previous submission, traceability systems must be properly aligned to reduce the ever-increasing burden on producers.

Livestock SA supports the proposed draft plan. Any suggestions for improvement or concerns are outlined below.

Pressing Challenge 1 – Alignment of frameworks and data standards

Livestock SA strongly supports the alignment of frameworks and the reduction of duplication. Livestock producers already undertake considerable on-farm and administrative tasks for traceability purposes, with requirements through the Livestock Production Assurance (LPA) program, National Vendor Declarations (NVDs) and reporting on the National Livestock Identification Systems (NLIS) each time livestock are moved. Currently, these systems are not jurisdictionally aligned and differences exist between NVD requirements and NLIS funding. For example, South Australian sheep and cattle producers fund about 50 per cent of the NLIS compliance cost. In other jurisdictions this regulatory responsibility is fully funded by the jurisdictional government, meaning livestock producers in South Australia are operating at a cost disadvantage to their peers in other states.

The disparate jurisdictional responses to the 2022 decision by federal and state governments to introduce mandatory eID for sheep and farmed goats from January 2025 is another example of the challenges faced to progress alignment. Inconsistencies exist in transition times lines, funding support, communication, adoption support, and alarmingly, a current stalemate on harmonised business rules. Livestock SA strongly encourages governments to commit to seamless interoperability of systems and streamline regulation, as the current disjointed approach increases confusion and business costs for producers.

The standardised provision of information back to producers is another key element that must be progressed. For example, carcass feedback to producers through individual animal traceability is a priority for Livestock SA and the red meat industry. Livestock performance information has huge

² The South Australian Biosecurity Blueprint 2030 <https://livestocksa.org.au/industry-development/industry-blueprints/sa-biosecurity-blueprint>

³ The South Australian Sheep Industry Blueprint 2030 <https://livestocksa.org.au/industry-development/industry-blueprints/sa-sheep-industry-blueprint>

⁴ The South Australian Beef Industry Blueprint 2030 <https://livestocksa.org.au/industry-development/industry-blueprints/sa-beef-industry-blueprint>

potential in helping increase business profitability, and improving animal health and welfare and product quality. The MLA Feedback platform ('myFeedback') is an example of a program designed to help producers make data-driven on-farm decisions. The role of such industry programs needs to be considered as part of delivering frameworks and standards that can maximise traceability system innovation, security, and interoperability.

As such, stronger wording that provides greater accountability is required in (1)(e) ('encourage') and (2)(c) ('where possible') if there is to be a genuine commitment to action for overcoming longstanding issues around inconsistency.

Pressing Challenge 2 – Alignment of government and commercial regulatory and compliance requirements

As previously outlined, livestock producers already face considerable reporting, compliance and accreditation requirements associated with traceability. A 'tell us once' approach is welcomed and must be vigorously progressed to remove the excessive burden they currently face.

In delivering against this challenge area, regulators must maintain a keen eye on new ESG-related reporting obligations that are coming over the horizon at producers, such as carbon emissions and biodiversity impacts. While it will be inevitable that individual industry supply chains, and products within a specific supply chain will advance reporting requirements at different speeds, it is important that regulatory and compliance requirements are as aligned as possible as these reporting obligations will to soon become a basic market access requirement.

Pressing Challenge 3 – Increasing traceability value-add while ensuring benefits are distributed across the supply chain

A more equitable (real or perceived) distribution of benefits across the supply chain is a long-standing issue for the livestock industry. For example, numerous Senate Inquiries have sought to unpack the price discrepancies that exist along the competitive red meat value chain. Technology provides an opportunity for supply chain participants to realise operational efficiencies and provide accurate real time feedback that will enhance transparency and trust. In supporting industry to implement interoperable systems and improve 2-way information flow, governments may consider there is a regulatory role to ensure a minimum standard occurs across the industry.

In delivering against this challenge area governments need to take greater responsibility for highlighting the benefits of decisions that they have made, such as mandatory sheep and farmed goat eID. This decision places significant, ongoing costs onto producers so it is critical that there is an appropriate level of investment in activities that demonstrate how benefits can be derived from this technology and therefore reduce the overall impact of the implementation costs to producers.

Livestock SA supports the use of cost-benefit analysis to inform decision making in an activity and this must include the use of eID in livestock, as well as education and training on all aspects of livestock traceability. The use of champions is a proven approach, and we would support such an initiative for the eID transition across a range of different enterprises (meat and wool) to demonstrate the multiple productivity benefits of using eID (e.g. genetic selection, growth and reproductive management).

Pressing Challenge 4 – Create enduring and motivated partnerships across the whole traceability ecosystem

Underpinning the ability to address the four pressing challenges and the performance against the benefits realisation management (BRM) plan is a sustainable funding model. Livestock SA agrees

that this must be evidence-based but it must also be equitable and consultative in its development and ongoing review. The recent experience with the design and approach from government with the Biosecurity Protection Levy (BPL) is a stark reminder that this approach must be articulated early and adhered to. Governments are unlikely to get industry collaboration or support if they do not do this.

Livestock SA supports the implementation of highly effective communication and education campaigns to strengthen awareness of traceability and drive continued improvement and outcomes. We suggest this is sustained and all industry participants along the value chain are provided ample support and tailored motivational triggers to consistently meet traceability requirements. We urge governments to think more broadly about how producers receive messages, where they congregate and what else can be utilised beyond the use of 'traditional, social, and innovative media platforms' (refer 8) b)).

The transition to mandatory eID again provides good learning for how these activities can be improved. There is still a considerable level of confusion amongst sheep and farmed goat producers about why they have been asked to implement a new traceability standard and education for producers is needed to demonstrate the wider impact of on farm practices. To date, education has been extremely limited and has resulted in frustration, confusion and division amongst producers. Similarly, traceability ecosystem education for cattle producers has not been prioritised and even though they have been using individual eID for almost 20 years, the benefits and KPIs under the BRM are likely to be low.

Livestock SA supports responsiveness to traceability research and development, particularly the activity plan to translate research into practical solutions. The development of traceability technology in a short space of time is impressive. However, the advantages of these technologies are not fully realised because the time has not been taken to effectively engage with producers to help them maximise their use.

The livestock sector has demonstrated its commitment to traceability, and the South Australian livestock industry's target to secure end-to-end traceability in our sector is included in the SA Red Meat and Wool Industry Blueprint 2030 (draft).

The National Agricultural Strategy aligns with this goal; however, the work of the livestock industry must be recognised, and producers not placed under further unnecessary requirements. Support for producers is critical as they are on the frontline of traceability and are key to maintaining and improving our traceability systems.

Please contact the Livestock SA office on (08) 8297 2299 or via email at admin@livestocksa.org.au if you would like to discuss this submission further.

Yours sincerely

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Travis Tobin
Chief Executive Officer