

# Economic impact of phasing out the live sheep export trade in Australia



<b>What we were asked to do</b>	<p>We were commissioned by the World Society for the Protection of Animals to examine the cost and benefits of increasing the amount of sheep processed in Australia, up to and including the amount that would otherwise be directed towards the live sheep export trade.</p>
<b>How we approached the project</b>	<p>Our approach involved examining:</p> <ul style="list-style-type: none"><li>• The profile of the live sheep export trade</li><li>• The Western Australia (WA) sheep flock and the sustainability of the live sheep export trade</li><li>• The capacity of WA sheep meat processors</li><li>• The price impact of the live sheep export trade on WA sheep producers, and</li><li>• Future prospects without the live sheep export trade.</li></ul>
<b>Our findings</b>	<p>We found that:</p> <ul style="list-style-type: none"><li>• Australia's live sheep exports have been trending downwards, the bulk of which come from WA. Given this decline, there is a question mark over the sustainability of the live sheep export trade.</li><li>• There exists sufficient spare physical processing capacity in WA to absorb the entire Australian live sheep export trade as it currently stands.</li><li>• There is evidence of a premium generated for farmers by selling heavy wethers (castrated male sheep) to the live sheep export trade.</li></ul> <p><i>continued over</i></p>

<b>Our findings</b>	<ul style="list-style-type: none"><li>• The ability of live sheep exporters to pay a premium at sale yard auctions is probably related to livestock subsidies provided in recipient countries that in turn artificially increase demand for Australian live sheep exports.</li><li>• There is question mark over the ability of Middle East customers to maintain food subsidies over the medium and longer term given emerging budgetary pressures, and that they are heavily dependent on future prices of petroleum products.</li><li>• The trend increase in consumption of processed sheep meat products in the Middle East, coupled with a trend decline in processed sheep meat exports from WA to the Middle East, suggests there are export opportunities available for mutton to be redirected away from the live sheep export trade.</li></ul>
<b>Read the final report</b>	<a href="http://publications.srgexpert.com">publications.srgexpert.com</a>