

Key economic contribution



Economic impact to rural communities and businesses

- AUSTREX NZ expects to pay New Zealand primary producers and businesses \$80m in FY21
- Contributed more than \$450m over the last 14 years to more than 2600 primary producers



Significant source of income for families

- Helps to even out milk price volatility impacts on farmers increasing the resilience of rural communities



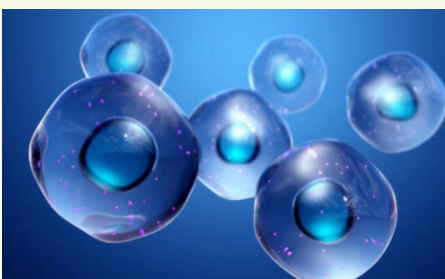
Export price for stock usually higher significantly higher

- Up to 50% more than domestic stock prices



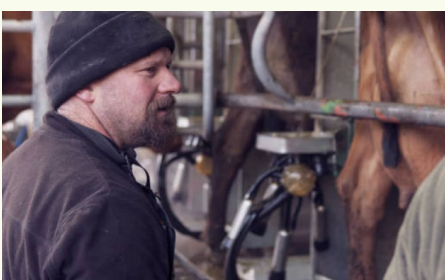
Increases the value of surplus calves

- Increases the value of surplus calves



Contributes to global demand for high quality fresh protein products

- Contributes to global demand for high quality fresh protein products



Creates highly skilled jobs

- AUSTREX invests heavily in training to ensure staff stay current with best practice animal welfare

5 Domains of Animal Welfare

Animal welfare is at the heart of all we do at AUSTREX NZ and we take our responsibility to lead the world in best-practice animal welfare extremely seriously. Our sustainability strategy is based on the modern 'Five Domains' animal welfare approach – a commitment to do no harm and proactively pursue a positive welfare state. The five domains are:



NUTRITION

Appropriate consumption of water and nutritious foods to maintain health and minimise thirst and hunger



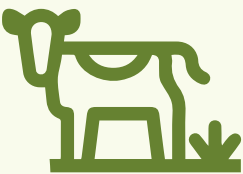
ENVIRONMENT

Where applicable, provide shade or shelter, good housing, good air quality and comfortable rest



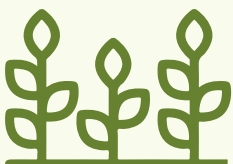
HEALTH

Prevent, or rapidly diagnose and treat disease and injury so animals enjoy good health



BEHAVIOUR

Provide sufficient space, proper facilities and appropriate company of the animals' own kind

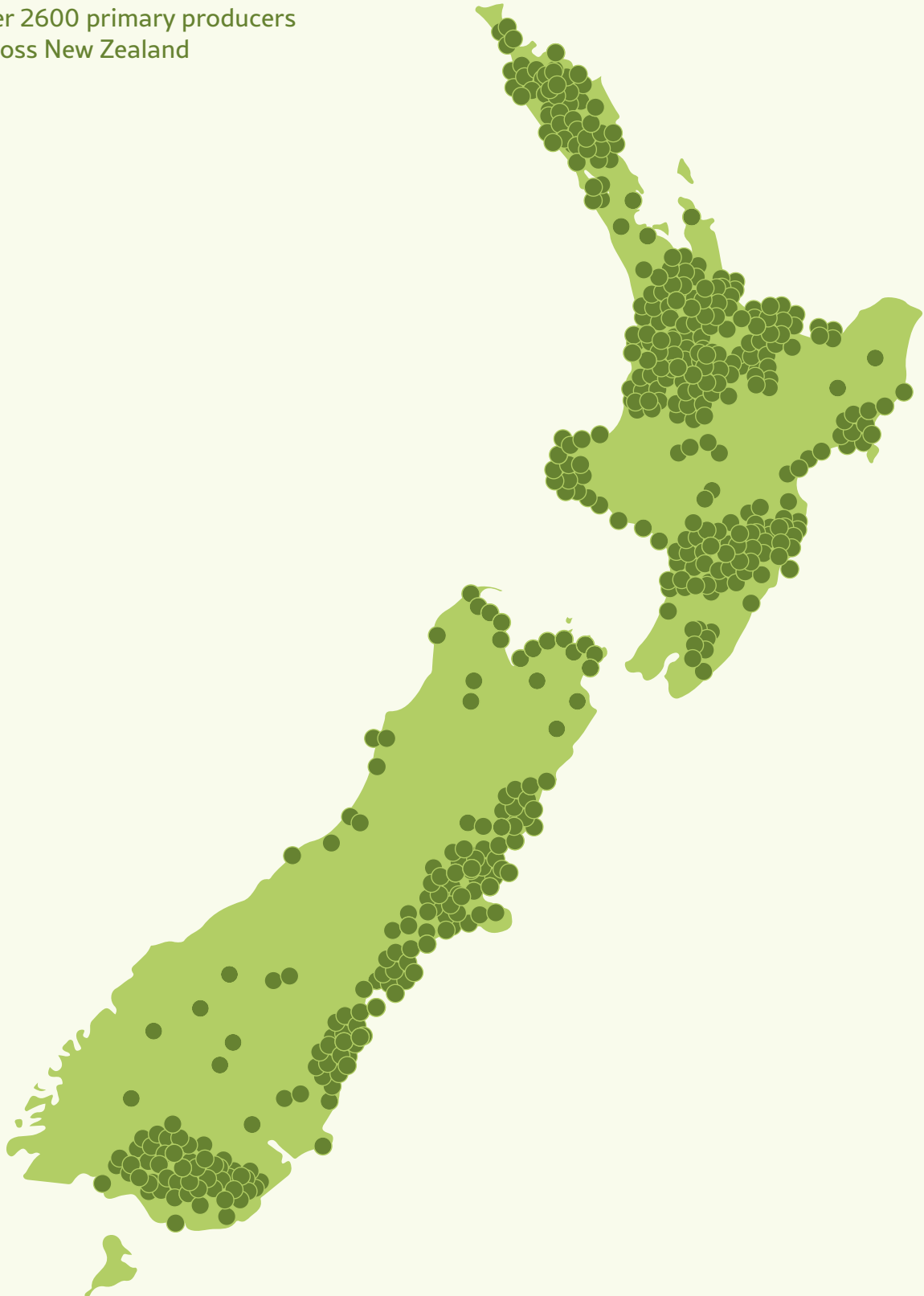


MENTAL STATE

Promote conditions that make animals feel safe and secure, and avoid mental suffering

Primary producers

AXNZ has sourced cattle from over 2600 primary producers across New Zealand



12 Point Plan

Continuous improvement – next steps to assure global best practice

Phase One: At Intake into quarantine (before export)	
1. Regulation of heifer intake weight	Minimum weight body score for admission, supported by robust regulatory enforcement capacity. Non-compliant cattle may not stay in quarantine and meaningful financial penalty enforced for any systemic non-compliance.
2. Regulation of fertility status	Mandatory veterinary check and certification of fertility for every animal as an intake condition. This would be consistent with positioning New Zealand as an exporter of only premium high value breeder cattle, and would give additional force to the announced policy of several New Zealand political parties that there should be no export of slaughter animals in the guise of breeder animals. Regulation that prevents the export of non-breeding cattle would give practical effect to this, while protecting the integrity of New Zealand's high profile breeder trade. Genuine international agribusiness customers will pay the premium prices for export breeder livestock from New Zealand that are certified for breeding soundness.
3. Regulation of pregnancy status	Prohibit loading of cattle when more than six months pregnant. Any quarantines holding pregnant cattle must have documented plans for export loading within permitted timeframes.
4. Regulation of quarantine premises	Mandatory certification of Quarantine farms, with the Australian standard adopted as a minimum starting point. This can be further supported by an appropriate Code of Conduct and management systems, including contingent planning.
5. Regulation of feed transition for export	Institute appropriate transition arrangements to ensure cattle have developed prior palate and appetite for on-board fodder. While high performing quarantine operators and exporter/importers already do this as routine, regulatory best practice would be to mandate the process. This further supports good animal welfare outcomes for all New Zealand breeder exports.
Phase Two: Best practice at loading and during sea transport	
6. Regulation of loaded cattle weights	Introduce a mandatory requirement for all cattle to be weighed at loading (full weight). Refer additional comments below relating to the loading of lighter cattle. Certified weights at loading would also remove opportunity for an unscrupulous operator to overload a vessel.
7. Regulation around loading of lighter cattle	Prohibit loading cattle below 200kg (full weight) and require a light cattle management plan. For example, additional space and supervision, and priority access to feed.
8. Regulation around spacing	Undertake scientific review of space requirements for cattle on board the vessel to support global best practice.
9. Regulation around bedding and ventilation	Formal reporting on bedding and ventilation by onboard stockpersons and veterinary personnel, to provide evidence that adequate animal welfare standards are maintained, including minimum requirements for bedding.
10. Regular Reporting	Regular reporting ensures transparency; as well as accuracy in post voyage reporting. Making performance tiers public holds exporters accountable to their performance.
Phase Three: Post-arrival and follow-up	
11. Post arrival framework project.	A risk register framework should be established to ensure the exporter is considering and proactively managing post arrival risk to ensure optimum animal welfare outcomes for the livestock.
12. Smallholder projects	In our 22 January 2020 submission, we recommended that there be a regulatory requirement for a customer due diligence plan to be lodged with MPI in the event of a proposal to export cattle to smallholder projects. AUSTREX NZ has observed over 40 years of exporting breeder livestock that smallholder projects can entail farms which may not have the economic means nor training to care appropriately for cattle. Many animal welfare issues (for example, those reported in media in 2019 in Sri Lanka) relate to this type of project. Without regulatory restriction, there is risk that an unscrupulous operator may, without customer due diligence, supply such projects. As further noted in AUSTREX NZ's submission, these projects (<20 head herd size on receiving farm) have been largely avoided by AUSTREX NZ as they do not meet our Board's customer due diligence criteria.