

# South Australian Sheep Advisory Group

## Meeting Summary

Monday 11<sup>th</sup> December 2006

**NOTE: At the time of distribution, the Minister has not approved the outcomes listed in this document. Any misuse of information by individuals or associations will cause this service to be withdrawn.**

*The meeting commenced at 11:05 am.*

### 1. Welcome

The Chair welcomed all members and guests to the meeting and introduced Robert Baker as the Acting Chief Veterinary Officer and Acting Director of PIRSA Animal Health.

### 2. Attendance

<i>Ian Pfeiffer (Chair)</i>	<i>SA Meat Sheep Societies Representative</i>
<i>Janet Hall</i>	<i>Sheep Industry Representative</i>
<i>Geoff Power</i>	<i>Sheep Industry Representative</i>
<i>John Symons</i>	<i>Sheep Industry Representative</i>
<i>Francis Andrews</i>	<i>SA Stud Merino Sheepbreeders' Association Representative</i>
<i>Gwenda Hassell</i>	<i>Proxy Sheep Industry Representative</i>
<i>Jim Walden</i>	<i>Proxy Sheep Industry Representative</i>
<i>Susie Kidman</i>	<i>Proxy SA Farmers Federation Sheep Industry Representative</i>
<i>Neil Buchanan</i>	<i>Ministerial Representative (PIRSA)</i>
<i>Trudi Goodwin</i>	<i>Executive Officer, Livestock Advisory Groups (PIRSA)</i>

### Guests

<i>Deb Lehmann</i>	<i>OJD Committee, Private Veterinary Representative</i>
<i>Elena Petrenas</i>	<i>Manager, Livestock Advisory Groups (PIRSA)</i>
<i>Jack Reddin</i>	<i>Manager, OJD Program (PIRSA)</i>
<i>Brian Ashton</i>	<i>Livestock Consultant (RSSA)</i>
<i>Ben Bruce</i>	<i>Director, Sustainable Systems (PIRSA)</i>
<i>Rachael Gibson</i>	<i>Animal Health Advisor (PIRSA)</i>
<i>Jack Van Wijk</i>	<i>Manager, Disease Control (PIRSA)</i>
<i>Jack Langberg</i>	<i>Principal Strategy Consultant (PIRSA)</i>
<i>Robert Baker</i>	<i>Acting Chief Veterinary Officer &amp; Acting Director (PIRSA)</i>

### 3. Apologies

*Nil*

### 4. Confirmation of SASAG Meeting Minutes – 20<sup>th</sup> October 2006

The minutes from the SASAG meeting held on the 20<sup>th</sup> October 2006 were accepted as a true and accurate record.

### 5. Matters Arising from Meeting Minutes/Actions – 20<sup>th</sup> October 2006

All of the actions from the 20<sup>th</sup> October 2006 meeting were considered to be either completed or ongoing.

### 6. Correspondence

The correspondence was noted.

### 7. Business

## 7.1 Sheep Industry Fund

Members were advised that the Sheep Industry Fund (SIF) 2006/2007 opening balance (\$2,952,796) is unconfirmed and may alter pending final verification from the Auditor General. To date the SIF has received a total income of \$712,771, which consisted of industry contributions (\$670,918) and interest (\$41,852). The total revenue is less than the year to date budget (\$833,189) by \$120,418.

Expenditure was only \$224,644, as the 2006/2007 project expenditure has not been withdrawn due to delay caused by new Treasury requirements (this should be resolved by the end of 2006). Members noted that the fund would sustain the 2006/2007 project budget, however based on the severe drought (some sheep selling for less than \$5), the Fund may not reach the budgeted annual income. It was also considered that in 2007/2008, producers would be rebuilding stock numbers, which will result in fewer transactions. The unconfirmed closing balance of the Fund as at 31 October 2006 was \$3,440,922.

## 7.2 OJD Program

For the benefit of new SASAG members, D. Lehmann provided an updated the OJD Committee (technical subcommittee of SASAG) and the South Australian OJD program. D. Lehmann explained that the Committee has representation from commercial sheep producers, PIRSA and SAFF. There are also regional sub committees in South Australia that also include Stock Agent representation.

Animal Health Australia (AHA) is still negotiating with the national sheep industry (Sheepmeat Council of Australia and Wool Producers) about the national OJD program to replace the existing National ABC program. The National Sheep Technical Advisory Group (TAG) and the Animal Health Committee (CVOs from each state) also provide advice based on the impact of the options considered.

As resolution is not likely until early 2007, it was agreed nationally that each jurisdiction should maintain their existing program in the interim. Not all jurisdictions have access to industry funds, therefore the national sheep industry has agreed to fund abattoir surveillance in the short term (equating to around \$75,000 in South Australia).

The OJD Committee and SASAG supported the release of up to \$637,352 for the remainder of the 2006/2007 financial period from the SIF for the OJD program (producers have supported the continuation of the assurance scheme). South Australia and NSW are supporting expanded abattoir surveillance (and the continuation of the National ABC program), unlike Western Australia and Victoria (and therefore Tasmania) where abattoir monitoring has ceased or wound down somewhat.

The outcome of the national review could be the implementation of only two prevalence areas, which would result in South Australia having a high and low prevalence area. The implementation of only two prevalence areas may see a reduction in required abattoir monitoring. The OJD Committee had supported four prevalence areas.

J. Van Wijk commented that the results of the Bioeconomic Modelling of Future Control Options for OJD in South Australia (developed by Evan Sergeant) indicated that if the mainland of South Australia maintains OJD program compliance that the disease will be effectively controlled. SASAG also supported whole of KI vaccination as the Model showed that properties would see an increase of infection unless all of Island sheep were vaccinated.

J. Reddin explained that the disease has at least a two-year incubation period, and that the existing OJD program is based on a technical model of risk (including vaccination points that recognise that vaccination is not totally protective. Epidemiologists agree that abattoir surveillance is the most cost effective method of monitoring (as well as detecting) OJD.

Members were advised that the SAFF Livestock Sub-Committee have met to discuss the South Australian OJD program and consider the recommendations of the Sheepmeat Council of Australia.

### **7.3 Extension of Abattoir Monitoring**

At the October 2006 meeting, SASAG endorsed PIRSA funding to commence an extended abattoir surveillance project for the remainder of the 2006/2007 financial period. The program involves expanding abattoir surveillance beyond OJD to include the examination of all sheep carcasses (irrespective of age) on the slaughter floor for up to 23 conditions known to be detrimental to owner and/or abattoir profitability.

J. Reddin advised that the AQIS Inspectors would undertake this OJD expanded surveillance (on sheep and lambs) as part of the already funded OJD activities. The Inspectors have recognised that providing surveillance feedback to producers enables them to correct faults and improve their presented stock (thereby avoiding future discounting and increase profit). In turn, abattoirs can process more efficiently, and PIRSA will monitor any emerging diseases and trends, which is an important factor of the program.

The financial cost to PIRSA includes wages and operating for the collation and analysis of the conditions (into percentage form) and generating correspondence to sheep producers detailing any identified syndromes from the slaughtering process. Producers will receive fact sheets to manage these conditions and will be encouraged to contact their local vet or local PIRSA staff for more information. Producers will be required pay for any laboratory costs if they request further confirmation.

Members asked if the reporting would be used to identify any disease prevalence areas in South Australia. J. Reddin responded that after six months of data collection, the results would be analysed by epidemiologists, with a view to make a recommendation to SASAG on the future of the program.

#### **RECOMMENDATION**

**Extension of Abattoir Monitoring to be an agenda topic at the SIF Consultation Forum in 2007 to seek feedback from levy payers.**

### **7.4 Market Trends Update**

Members were provided with Livestock Exchange data, sourced by Elders. The information indicated that the Jamestown saleyard is offering consistent numbers of sheep compared to previous years but are experiencing a drop in prices (ie producers are receiving \$10 - \$15 per sheep and the cost of transport around \$6). The Dublin market has reportedly moved about 1.2 million sheep in the last two years, including 395,122 lambs and 230,027 sheep from July to November 2006.

From 2001 to 2006, Naracoorte has averaged around 750,000 per year and at the end of November 2006 they had offered 421,327. It has been observed that some ewe prices at Naracoorte were recently tracking below \$5, which would dress out to between 20-30kg. This saleyard is thought to be an indication on the impact of the drought, due to its close proximity to the Victorian boarder.

It was believed that Naracoorte are offering 50% more animals than the previous year, and Dublin has seen an increase of 20%, unlike Mt Gambier, which trended slightly lower numbers. However, these sale figures can be confusing as the dollar price indicates the degree of supply and demand and interstate stock movements can also vary considerably.

### **7.5 Impact of Drought in South Australia**

#### **Drought Workshop Update and Feedback**

B. Ashton (Rural Solutions South Australia) reported that he has been involved with presenting nineteen drought workshops to livestock producers in the South East (and two in Tasmania) from September to November 2006. The workshops are presented by Rural Solutions South Australia (RSSA), are funded by PIRSA and have free attendance (about 800 producers have been reached thorough the workshops).

The purpose of the workshops is to encourage positive stock and property farm management by assisting farmers to make strategic decisions on drought recovery. This planning involves evaluating whether to de-stock or to carry over potentially profitable stock and purchase additional feed. Publications on dealing with the dry seasons are available for sale from Rural Solutions SA, which provide in-depth information on how to develop management strategies. Rural financial and mental health advice and support is also provided to participants.

Before the commencement of each workshop, feedback is sought from participants on what issues they needed to be covered. This approach has proved effective as a high level of interaction is observed and individual requirements are met. Some of the topics include:

- Livestock management;
- How to plan fodder and manage debt;
- Ration options (ie alternative rations);
- Confinement feeding (DWLBC);
- Mental health (Health SA); and
- Financial Matters (Rural financial counselling services).

It is the discretion of owners whether to maintain stock at a fat score of 2 or 3, however the results of wool studies have shown the importance of maintaining a score 3.

PIRSA will likely fund another series of twenty workshops this season, for the purpose of discussing changing livestock husbandry requirements, finance and health issues. He highlighted the importance of keeping the communication open for new issues to be raised. It is intended that follow up newsletters will be sent to participants to reinforce the messages delivered at the workshops.

The need was raised for producers to clearly understand the nutritional requirement of different feed types, particularly in feed-lotting situations. B. Ashton considered that in the South East approximately half of the farmers would use confinement feeding over the drought season. He added that nutritional information is available to producers.

Members agreed that the major concern of the drought is the stress on farmers, sometimes leading to mental health problems. They recognised the importance of keeping up regular communication with family and friends.

### **Sheep Industry Development Board Update**

Members of the Sheep Industry Development Board (Sheep IDB) have unanimously supported that the SASAG Chair become a member of the Board (two year appointment) and believe that the Minister will support this recommendation.

### **Sheep Industry Development Board - Drought Recommendations**

J. Langberg advised that the Sheep IDB recognises the importance of maintaining breeding stock where possible over the drought period. The 'Coping with the Drought' workshops are encouraging and assisting producers to meet the challenges of carrying-over their stock. He expressed the need to continue workshops over the summer and also when the drought lifts to ensure producers are well informed with management strategies (and to avoid animal welfare issues). Encouraging increased participation in the workshops will be beneficial to industry and the additional cost of more attendees is very minimal.

### **Ministerial Briefing on Drought Assistance in South Australia**

Ben Bruce (Director, Sustainable Systems Agriculture & Wine) who provided a Federal and State Government Drought Assistance summary. He highlighted that as the seasonal conditions across South Australia continue to worsen, it appears that the overall impact on the State will exceed that of the 2002 drought. In the agricultural areas of the State, rainfall in the critical winter period has generally been either very much below average or the lowest on record. This has been accompanied by warmer than average maximum temperatures and colder than average minimum temperatures, including an abnormal number of frosts. These severe seasonal conditions have seen estimates of the State-wide grain yield reduced to less than 50% of the rolling five year average and significant de-stocking is occurring in many areas of the State.

The continuing expectation over the next three months is of average to below average rainfall across South Australia. There is a high likelihood of below average rainfall across eastern part of the Murray-Darling basin. There is also a continuing expectation of above average maximum temperatures across South Australia, most particularly in eastern parts.

While States have lead responsibility for disaster response, the Australian Government has lead responsibility for drought response. This is delivered in the main through the Exceptional Circumstances program.

Importantly, South Australia continues to support the agreed objectives of the National Drought Policy, to:

- Achieve self-reliance by farmers in managing risks stemming from normal climatic variability by increasing the focus on drought preparedness;
- Provide appropriate assistance to producers experiencing conditions of exceptional circumstances. These are circumstances beyond those that farmers can reasonably be expected to manage themselves and are regarded as events that occur one in 20-25 years;
- Ensure that the provision of this assistance is equitable, efficient and timely and is based on the best available science and information;
- Facilitate the maintenance and protection of Australia's agricultural and environmental resource base during periods of increasing climatic stress; and
- Facilitate the early recovery of agricultural and rural industries, consistent with long-term sustainable levels.

The South Australian Government is taking a staged approach to drought response, with Phases 1 and 2 having been announced so far. The initial Phase 1 response concentrated on the provision of information for decision making and creating an awareness of the support services available. This included the Drought Hotline 180 20 20, the Drought Link website [www.service.sa.gov.au/drought](http://www.service.sa.gov.au/drought), the printing and distribution of the Taking Care of Yourself and Your Family book and the commencement of a series of Drought Information Workshops that continue to be run across the State. For information on current Australian Government drought related assistance visit [www.daff.gov.au](http://www.daff.gov.au)

A number of Regional Drought Taskforce groups have been formed across the South Australia to engage the community and work with the EC coordination team, in the development of Exceptional Circumstances (EC) declaration cases. Each of these groups includes representative members from SAFF, Regional Development Boards, local government, Natural Resource Management Boards, and farmers/producers.

As a result, a number of EC cases in South Australia are being developed including Eyre Peninsula, Murraylands and Mallee, Upper South East, River Murray Irrigators, Rangelands, Mid North and Fleurieu Peninsula. A dairy EC case is also being considered for the Lower South East region.

PIRSA's role is to coordinate a whole of government response, which includes the economic, environmental and social issues, with other agencies actively contributing to this process. As such, PIRSA's activities include:

- Coordination of whole of government response and strategy.
- Facilitation of industry, business and social forums to receive advice on drought strategy
- Coordination of support for the preparation of EC applications by industry or community groups. A team of four EC Coordinators has been appointed within the PIRSA Drought Response Support Team, with one position located in SAFF. Draft guidelines to access case study grants have been prepared and are available from the SA Farmers Federation.
- Support of drought activities undertaken by various regional organisations.
- Overseeing the coordinated development and delivery of drought information workshops and associated activities dealing with production, land management, rural financial counselling and mental health issues. A number of dryland/livestock workshops have been delivered to date, with good feedback, and a programme of future workshops and activities will be available on the Drought Link website. Planning for the next phase of activity has begun, and input from industry is encouraged. Greg Cock is the contact for dryland/livestock workshops.

The focus of the Government's drought response strategy is on regional engagement and the establishment of regionally based committees to prepare and develop action plans and services for local communities. It is important that any support provided by the Government contributes to improving the long-term sustainability of regions.

SASAG members raised a number of concerns about the level of Government assistance available to farmers. B. Bruce reinforced that \$1.3 million is available for stamp duty relief for South Australian farmers needing to refinance drought-induced loans, and a reduced interest rate is available in EC areas. Drought-affected farmers are encouraged to seek advice, receive financial support and counseling. As the effects of drought are a long-term issue, all businesses need to implement good risk management strategies by investing for down times. There is a need for community dialogue long after a severe drought to assist the implementations of future strategies. Government does not support quick fix strategies (ie subsidies) as these can easily distort other aspects of markets.

Centerlink is an effective safety net for businesses that may fold and need immediate financial assistance. Unfortunately, the Bureau of Metrology has predicted that due to the El Nino affect the drought may not lift until May 2007. B. Bruce expressed his appreciation for the feedback provided by SASAG and would take these considerations on board.

### **Is any Assistance Required from the Sheep Industry Fund?**

B. Bruce explained that the nationally agreed drought policy position is to increase support on landholder preparedness while reducing the provision of 'direct' support. It is also important to recognise that the impacts will extend beyond primary production to the business community. Therefore the Australian Government has announced a Small Business Assistance Package. This drought relief is designed for small businesses that derive 70% of income directly from farmers located in EC areas, recognising the impact on businesses servicing the farming community.

The recently held Business and Industry Leaders forums provided the following advice to Government, which extends to the role of industry funds to assist industry:

- not to undertake activities that distort markets (ie fodder subsidies);
- not to interfere with structural adjustment, but provide the necessary social support;
- need to simplify red-tape processes; and the
- need for concise communication messages to keep people up to date.

There could be strategies that industry can implement to minimise or offset the impact of the drought on the private sector, and thereby increase the speed of recovery. The focus of activity must be on building long term sustainability, not short-term 'band-aid' solutions.

Members agreed to continue monitoring the current drought situation and raise any specific recommendations with the Minister as necessary.

## **8. Other Business**

### **8.1 Footfix Computer Model - Project Application**

Members considered the project application 'Footfix computer model of on-property footrot eradication options' for consideration. The purpose of the project is to develop a computer model as an extension tool to assist PIRSA staff to demonstrate to producers the cost of options for footrot control and eradication. This project strategy meets the objective of growing the value of the industry by minimising the cost of eradicating footrot to owners of infected properties.

SASAG had previously supported the South Australian Footrot Review Committees recommendation to develop a computer model as an extension tool to assist PIRSA staff to demonstrate to producers the cost of options for footrot eradication on their property.

The Australian Bureau of Statistics figures have indicated that areas of South Australia "at risk" to footrot would carry 4.5 million sheep or 36% of the State's sheep. These parts of the State, with greater than 500mm rainfall, are the more intensively farmed areas.

The long-term figures (last 10 years) indicate an average number of new footrot detections of about 12 properties per year for South Australia.

The cost of a footrot control and eradication program on an infected property is considerable; with a figure of \$20,000 being spent in one year is not uncommon. The cost of a footrot treatment program using a contractor and foot-bathing and antibiotic treatment is estimated at \$4.50/head. The Model would be used in discussions with the owner and/or manager of an infected property to assist the decision making process in relation to eradication of footrot from the property. This will assist to determine the most cost effective method of eradication.

SASAG members raised that an alternative quote should be sought, however it was suggested that the provider would be an ideal candidate due to his extensive knowledge of footrot in South Australia.

## **9. Next Meeting**

The next meeting is scheduled for Friday 23<sup>rd</sup> March 2007 from 10:00 am – 4:30 pm in the Seminar Room, Level 1, Primary Industries and Resources SA, 33 Flemington St, Glenside.

*Meeting closed at 5:00 pm*