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24 April 2023

Dear Member

This open letter is to provide an update on some areas of the sheep and goat traceability work we have been involved with, key government processes and decisions that have occurred, and what is likely to occur next. For some (hopefully many) of you, this information will not be new and confirm what you have already heard from Livestock SA through the various print, radio and electronic communications methods we use.

Decision to transition to electronic identification (eID) for sheep and goats

The risk of a major exotic animal disease reaching Australia is increasing. Foot and mouth disease (FMD) and lumpy skin disease (LSD) are now regarded as endemic diseases in our near northern neighbours. If FMD were detected, Australia would be immediately banned from all red meat and wool export markets. It is estimated that a large multi-state outbreak could cost $80 billion over 10 years.

In response to the Indonesian detections of LSD in March 2022 and FMD in May 2022, there has been a significant amount of exotic animal disease preparedness and response activities by governments and industry. Existing plans have been reviewed and new plans developed to increase our ability to respond to an LSD or FMD incursion.

It has been well known for the past 20 years that the traceability systems for sheep and goats are considerably below the National Traceability Performance Standards[1] – the visual mob-based system continues to perform at about 70% traceability in 30 days, versus 99.6% for sheep with eID tags at the last traceability evaluation exercise conducted in 2020.

Additionally, the integrity systems required for protecting current market access or gaining access to new discerning and financially rewarding markets is changing. As export dependent industries – Australia exports over 70% of sheepmeat, 95% of goatmeat, and 98% of wool produced – the sheep and goat industries are coming under increasing pressure to improve their traceability systems.

Through Agriculture Ministers' Meetings (AMM – meeting of federal, state and territory agriculture ministers) during 2022, governments, including the South Australian Government, made a series of commitments:
- July 2022: Agreed to advance work on a national approach to Australia's livestock traceability systems noting the urgent need for a national mandatory individual identification system for sheep and goats[2].
- September 2022: Agreed to work with industry towards mandatory implementation of national individual electronic identification for sheep and goats in each jurisdiction by

[1] https://www.nlis.com.au/NLISDocuments/aha-national-traceability-performance-standards%5B1%5D.pdf
[2] https://www.agriculture.gov.au/about/news/stay-informed/communiques#agriculture-ministers-meeting

1 January 2025, and a National Sheep and Goat Traceability Task Force (SGTTF)[3] was established to undertake the work of National Biosecurity Committee in overseeing the national roll-out of eID for all sheep and goats.

- December 2022: Reiterated the intention to implement harmonised tagging requirements for all farmed sheep and goats using eID by 1 January 2025 implementation. The SGTTF presented a National Implementation Plan, timelines and targets to enable a staged approach to a national 'go-live' date for sheep and goat eID by 1 January 2025 to AMM.

Livestock SA appreciates that not all SA producers are in favour of mandatory eID for sheep and goats, but we have been assured by other industry stakeholders that it will eventually be introduced anyway. The commitment from all state, territory and federal governments to mandate its implementation on biosecurity grounds provides an opportunity for financial assistance for industry to make the transition as governments now have a duty and responsibility for this decision.

Livestock SA project led by the SA Sheep and Goat Traceability Steering Committee

In June 2022, Livestock SA secured funding from PIRSA (90% of total funding) and the Sheep Industry Fund (10% of total funding) to investigate sheep and goat traceability in South Australia. The project was initiated as it was identified traceability performance was a risk to industry and we considered that South Australia was unprepared for a national decision to move to eID in small stock species as occurs in cattle, which we saw was becoming increasingly likely.

Livestock SA undertook an open call expressions of interest process to appoint a supply chain Steering Committee capable of delivering the work funded by the project.

The project was designed to assess and understand the benefits, risks, and costs associated with a possible transition to an eID system for sheep, using the Victorian experience as a blueprint. The aim of the project was to inform decision making about the design, timing, policies and programs needed to realise an effective eID system for the South Australia's sheep industry.

The series of AMMs through 2022 detailed above necessitated adjustments to the scope of the project work to remain current with policy and regulatory commitments that were made by federal, state and territory governments.

The 13 members of the Steering Committee have worked collaboratively and professionally throughout the life of the project to accommodate the necessary scope changes and have completed phase 1. This involved developing a supply chain Business Case outlining the costs, requirements, and support needed to establish an effective sheep and goat eID system in South Australia. The Business Case was provided to the Minister for Primary Industries and Regional Development, the Hon Claire Scriven in late February 2023. Livestock SA has recommended the Business Case be made public.

The Steering Committee is currently completing phase 2 of the project that will deliver an Implementation Plan outlining the recommended timelines and activities required for the effective transition to mandatory sheep and goat eID in South Australia. It is anticipated that this plan will be completed in the coming weeks and will be submitted to Minister Scriven for consideration. Livestock SA will also recommend the Implementation Plan is made public.

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[3] https://www.agriculture.gov.au/biosecurity-trade/policy/partnerships/nbc/sheep-and-goat-traceability-task-force

South Australian Government commitments

The State Government has not made any public commitments beyond those agreed with other governments at AMMs (detailed above).

Livestock SA has discussed various elements that we understand are important to members with the State Government, including:

- Funding – we are yet to receive a response to our pre-budget submission to the State Government for funding to support eID implementation.

- Implementation timelines – we have not been advised of the date the State Government will require all farmed sheep and goats leaving a property to be eID tagged. (Through AMM, the State Government has committed to eID tagging all farmed sheep and goats born on or after 1 January 2025, as outlined above.)

- Exemptions – we have explored exemptions for different animal classes (e.g. vendor bred lambs and vendor bred pastoral sheep direct to slaughter) and have been advised that the State Government is not considering state specific exemptions. There is a strong commitment from governments to a nationally harmonised system, which Livestock SA also supports as we understand that most of our members support a harmonised system.

  Demonstrated sheep eID experiences in Victoria, in cattle across Australia and in sheep in overseas countries such as the UK and EU all show that a system without exemptions is the most effective, successful, and robust.

  Additionally, the major sheep processors in South Australia (i.e. JBS and TFI, as well as the Australian Meat Industry Council[4]), have repeatedly advised that they will not accept any lambs born after 1 January 2025 or any sheep after 1 January 2027 that are not eID tagged. This means that lambs and sheep without eID tags will have limited market options beyond these dates.

  An exemption for the tag-free movement of harvested rangelands goats[5] (i.e. feral goats) was agreed by the SGTFF in December 2022. Harvested rangeland goats will be moved under a permit system, as already occurs in South Australia.

- Tag costs – we have not been advised if the State Government is considering helping offset the additional cost of eID tags. Currently the price differential between eID tags and visual Property Identification Code (PIC) tags is $1.20 - $1.50.

  Livestock SA continues to invest resources into opportunities that will reduce the immediate and long-term cost of tags for South Australian producers. Through Sheep Producers Australia, work is underway to determine if a national tag tender approach can effectively provide lower tag prices. We have also been involved in preliminary discussions between PIRSA and Agriculture Victoria to explore options for South Australia to leverage the current Victorian tag tender process that delivers eID tags (for sheep and cattle) to Victorian producers at prices considerably lower than retail tag prices.

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[4] https://amic.org.au/amic-announces-position-on-sheep-and-managed-goat-eid-timelines/
[5] A harvested rangeland goat is classified as a goat that has: been captured from a wild state; not been born as a result of a managed breeding program; not been subjected to any animal husbandry procedure or treatment.

Next steps

We anticipate the State Government will announce the timelines for the implementation of sheep and goat eID in the coming weeks. We anticipate that an announcement on any funding support will coincide with publishing the 2023-24 budget papers in June 2023. We will continue to request the State Government announce its decisions on these key areas as soon as possible to remove the uncertainty that currently exists.

Once these announcements have been made, the focus will shift to the more operational elements of implementing an eID system for farmed sheep and goats.

More information

- Livestock SA eID frequently asked questions webpage launched on 28 November 2022: https://livestocksa.org.au/eid/eid-faqs

- Latest Livestock SA eID update (March 2023): https://livestocksa.org.au/assets/lsa/documents/eID-Factsheet-1.pdf

- Livestock SA sheep and goat eID principles that guide our approach and decisions made: https://livestocksa.org.au/livestock-sa-reaffirms-sheep-and-goat-eid-principles

- Sheep and goat eID National Implementation Plan (6 April 2023): https://www.agriculture.gov.au/sites/default/files/documents/national-implementation-plan.pdf

- National Sheep and Goat Traceability Task Force work: https://www.agriculture.gov.au/biosecurity-trade/policy/partnerships/nbc/sheep-and-goat-traceability-task-force#daff-page-main

Livestock SA recognises and understands that the transition to eID is one of the most significant reforms in the sheep and goat industries for many years. We have been actively involved in this process from the start, working hard to realise the best possible long-term outcomes for producers.

We are committed to ensuring that the implementation of a government mandated eID system for sheep and goats in South Australia is properly costed, appropriately supported by governments, reduces disruption, maintains efficiencies, and identifies the opportunities for livestock producers and the supply chain.

Yours sincerely

[signature removed]   *[signature removed]*

Joe Keynes   Travis Tobin
President   Chief Executive Officer