

RD&E UPDATE

LGAP

LIVESTOCK GLOBAL ASSURANCE PROGRAM

And what could the Program mean for the live export industry...

LIVESTOCK GLOBAL ASSURANCE PROGRAM: CERTIFYING CONFORMANCE IN ANY MARKET

Since July 2011, Australia's livestock exporters have been operating under the Exporter Supply Chain Assurance System (ESCAS), an Australian Government regulatory framework.

The Livestock Global Assurance Program (LGAP) is a joint research project that is focused on developing a global conformity assessment program that protects the welfare of animals and fosters continual improvement and the attainment of best practice.

The project builds on key learnings from past research and is currently in the development stage. Once there has been an opportunity to pilot and assess the Program, the live export industry will decide on implementation. If implemented, the primary function of LGAP would be to ensure animals are treated in accordance with international guidelines, in any market and at all stages within a supply chain.

LGAP aims to demonstrate the professionalism of the livestock export industry, its commitment to animal welfare and its dedication to continual improvement, as well as ensuring the continuation of the trade.

WHAT THIS WOULD MEAN FOR PRODUCERS

The live export trade has a significant impact on farm gate returns for Australian livestock producers. It provides an alternative market for many producers and can be the only market for some. Until now, livestock producers have relied on ESCAS to ensure the continuation of the trade and access to markets for their livestock.

LGAP would more effectively safeguard the livelihoods of those that depend on the livestock export industry, including Australian livestock producers as well as in-market customers. LGAP's many advantages over ESCAS contribute to a more complete system that has the potential to prevent animal cruelty, benefit and protect the entire industry (including producers) and reduce the risk of a total market closure.

As a non-regulatory program, LGAP is able to place requirements and consequences on in-market importers, auditors, feedlots and abattoirs, not just exporters.

Adherence to the Program requirements will be verified through internal and external audits. External auditing would be undertaken by independent organisations with no financial relationship existing between them and the entity they are auditing.

More information on LGAP is available from:

www.livestockglobalassurance.org

"That industry pursue the development of a quality assurance program"

Bill Farmer AO (2011) Independent Review of Australia's Livestock Export Trade.

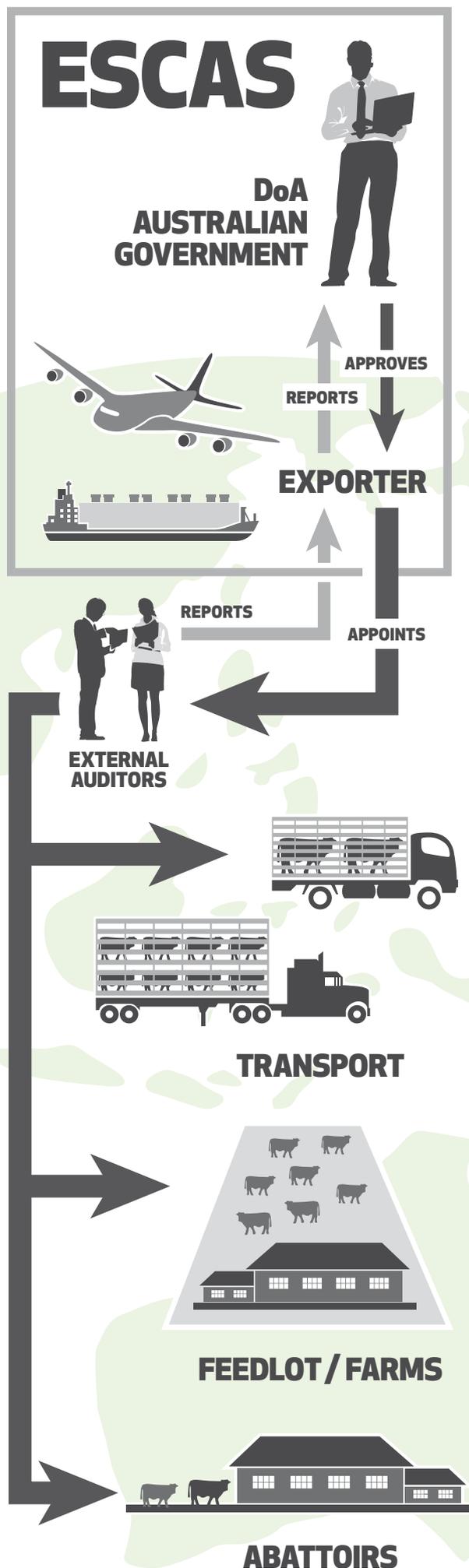
IMPROVING ANIMAL WELFARE GLOBALLY

The proposed structure of LGAP aims to do more for improving the welfare of all animals in foreign markets than ESCAS, as it is not being limited in scope to just Australian livestock. The Program encourages developing markets to improve their animal welfare practices by offering different levels of requirements and a pathway to improvement.

In-market facilities would more immediately be accountable for their activities, while the responsibility currently borne by exporters under ESCAS would not be diluted. Australian exporters would continue to be subject to Australian Government export regulation, LGAP would be a means for them to more effectively demonstrate and ensure compliance with the principles of ESCAS.

CONSEQUENCES OF NONCONFORMANCE

The consequences of nonconformance under LGAP would vary depending on the breach. Where a breach is identified, corrective action would be required and the nonconformance must be resolved in a set timeframe according to the Rules of the Program. Producers will be familiar with this process as it is similar to that which exists under the industry's food safety program, Livestock Production Assurance (LPA).



Major or critical nonconformance may result in the nonconforming party having their certification suspended or withdrawn. If this is an importer, feedlot or abattoir, exporters would be unable to supply animals to the suspended or withdrawn party.

The suspension and withdrawal process is similar to what exists under Australian domestic programs, such as the National Feedlot Accreditation Scheme (NFAS) and the processing sectors animal welfare program, as well as international standards-based programs.

LGAP DEVELOPMENT AND PILOT

LGAP is being developed with input from industry leaders, an independently chaired government-industry Consultative Committee and industry consultation. The Consultative Committee includes livestock Exporters and representatives from the Australian Government Department of Agriculture, the Australian Veterinary Association, Meat & Livestock Australia (MLA), LiveCorp and the Australian Livestock Exporters' Council (ALEC).

A pilot will run in late 2015, which aims to ensure all components of the Program work properly in different operating environments. The pilot will operate in Malaysia for goats, Indonesia for cattle and the Middle East for sheep.

Due for completion in December 2015, the research outcomes will be reported to industry in March 2016. After this, the livestock export industry will make a decision regarding implementation.

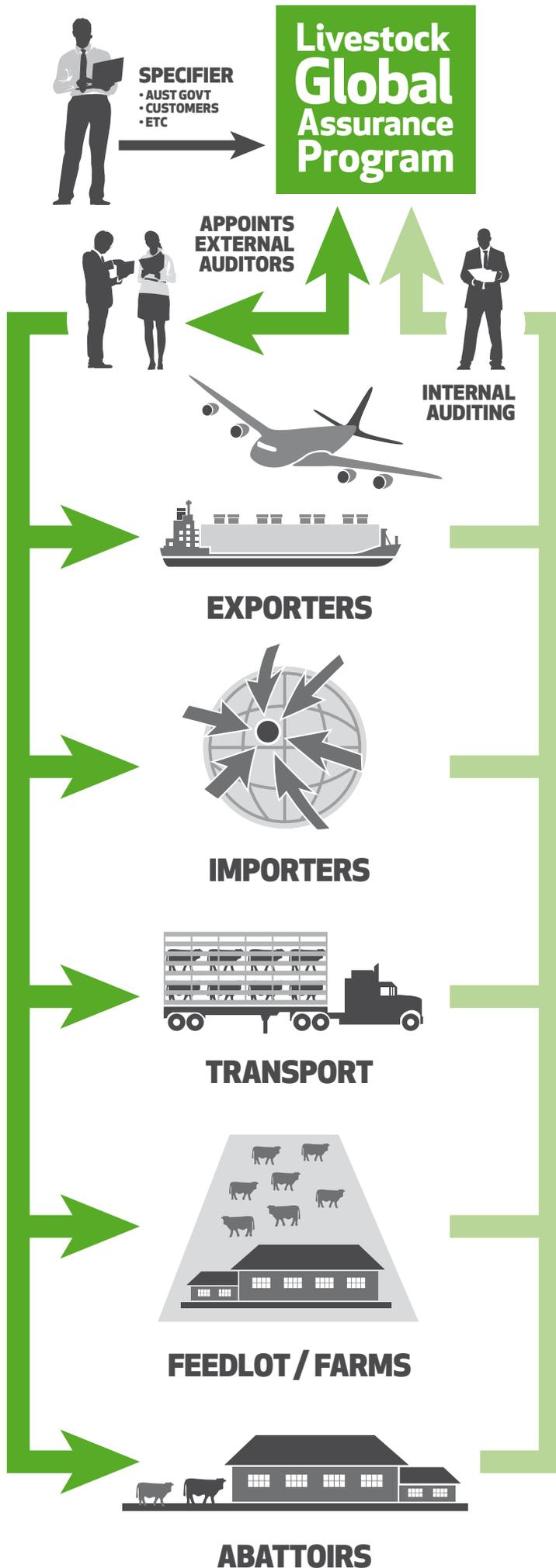
LGAP DEVELOPMENT FUNDING

The development of LGAP is funded under the Livestock Export Program (LEP) with 25 per cent from Meat & Livestock Australia (MLA), 25 per cent from LiveCorp and 50 per cent from the Australian Government.

For further information including a webinar and answers to frequently asked questions (FAQs) visit:

www.livestockglobalassurance.org

The Livestock Global Assurance Program (LGAP) — an international certification program is being designed to foster world's best practice in the welfare and management of animals, enhance the integrity of the management systems used and enable the traceability of animals within and between facilities which handle livestock.



TOP 10 WAYS LGAP WILL POTENTIALLY SURPASS ESCAS

- 01 LGAP is primarily a facility-based program for importers, feedlots, farms and abattoirs, enabling accountability for animal welfare and livestock management to be applied at the appropriate part of the supply chain.
- 02 LGAP provides a more efficient mechanism for exporters to monitor and control animal welfare and management outcomes at any point in the supply chain.
- 03 LGAP is focused on ensuring market stability and security. Being independent of government, LGAP has the potential to overcome perceived sovereign overreach of ESCAS.
- 04 The Program has the capacity to increase and recognise Australia's influence in improving the handling and treatment of livestock in other countries.
- 05 Regular internal and external audits of facilities and operators would be undertaken according to an audit frequency based on their risk status. Every year, 10 per cent of all facilities and operators would be subject to random audits.
- 06 LGAP reflects similar successful assurance programs operating in the livestock production sectors and shares the responsibility for animal welfare standards and performance more equitably along the supply chain.
- 07 The Program would be at arms length to industry. This is essential in building public trust and demonstrating actions that meet social acceptance.
- 08 Controlled parallel operations could occur in-market, enabling Australian and local livestock to go through the same facilities, while building pathways for continual improvement in animal welfare.
- 09 LGAP seeks to significantly raise the benchmark for animal welfare assurance globally. It has been developed to follow international guidelines and draws on more than 20 standards, guides and codes, including those from ESCAS, the World Organization for Animal Health (OIE), the International Organization for Standardization (ISO) and the World Trade Organization (WTO).
- 10 LGAP strengthens impartiality in the audit process. Under LGAP, the Program Owner would approve Certification Bodies (CBs) to provide services, assign facilities and operators to CBs and compensate CBs for their services.

Comparison of ESCAS and LGAP

FEATURES:	ESCAS	LGAP
	Exporter Supply Chain Assurance System	Livestock Global Assurance Program
Ensures that Australian livestock exported for feeder and slaughter purposes are handled in accordance with the OIE Terrestrial Animal Health Code.	✓	✓
Facilitates trade and prevents the occurrence of a total trade suspension.	✓	✓
Provides a mechanism to deal with animal welfare issues.	✓	✓
Provides impetus to improve infrastructure and training in export market facilities.	✓	✓
Requires animal traceability throughout the supply chain.	✓	✓
Requires exporters to ensure the welfare, traceability and control of livestock from their arrival in the importing country until they are slaughtered.	✓	✓
Able to place requirements on all participating facilities and operators in the supply chain, making them individually accountable for animal welfare and management.		✓
Developed based on international guidelines and precedence, including those from ISO and WTO.		✓
Enables individually certified facilities to become the links in an Australian exporter's supply chain.		✓
Independent of direct changes in government in both Australia and elsewhere.		✓
Provides a definitive process for managing nonconformities within a short timeframe.		✓
Greater and more timely visibility into conformance aids early detection of possible breaches.		✓
Capacity to include Australian and non-Australian livestock.		✓
Places strict requirements on auditors to ensure appropriate levels of competency and conduct.		✓
Provides a mechanism to ensure conformance during inter-audit gap.		✓
Facility certification status can be shared between supply chains thereby eliminating audit duplication and cost.		✓
Demonstration of conformance can be scaled to suit any sized facility.		✓