



Cabinet External Relations and Defence Committee

ERD Min (07) 9/2

Copy Number: 13

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Policy Review of New Zealand's Requirements for Export of Livestock for Slaughter

On 12 December 2007, the Cabinet External Relations and Defence Committee (ERD):


- 1 **noted** that in October 2007, the Cabinet External Relations and Defence Committee:
 - 1.1 agreed in principle that controls on the export of livestock for slaughter are in the public interest;
 - 1.2 agreed in principle to put a Customs Export Prohibition Order in place;
 - 1.3 directed the Ministry of Agriculture and Forestry to consult with exporters of livestock and industry groups on the findings of the review and options for implementation, and report to the Cabinet External Relations and Defence Committee by 12 December 2007;

[ERD Min (07) 7/1]

- 2 **noted** that exporters, industry groups, selected trading partners and other parties have been consulted and that this consultation included seeking comment on the possible factors to be taken into account by the Director-General of the Ministry of Agriculture and Forestry (MAF) in assessing any applications for exemptions to a Customs Export Prohibition Order;
- 3 **noted** that there was general support for the government's decision to place tighter controls on the export of livestock for slaughter, but that some adjustments have been made to the proposed draft exemption factors as a result of stakeholder submissions;
- 4 **confirmed** the in-principle decisions in paragraphs 1.1 and 1.2 above;
- 5 **agreed** that the Director-General of MAF may take the following factors into account when considering any application for an exemption to a Customs Export Prohibition Order:
 - 5.1 the export is for slaughter of livestock in commercial slaughter houses;
 - 5.2 the Director-General is satisfied that the importing country has requirements in place that meet the World Organisation for Animal Health *Guidelines for the Slaughter of Animals*;

- 5.3 cattle exported for slaughter must be stunned prior to slaughter in accordance with any of the methods described in the Guidelines;
 - 5.4 the Director-General is satisfied that the importing country has requirements in place that meet the World Organisation for Animal Health *Guidelines for the Transport of Animals by Land, Sea and Air*, in relation to the unloading and post-journey handling and transport of livestock;
 - 5.5 a pre-shipment audit of slaughter facilities by inspectors nominated by MAF, and carried out at the exporters' expense, demonstrates compliance with the above requirements;
 - 5.6 any other matter the Director General of MAF considers necessary to manage the risk to New Zealand's reputation as a responsible exporter of agricultural products;
- 6 agreed that:
- 6.1 the Director-General MAF may require a bilateral arrangement be in place to support the requirements of importing countries set out above, along with any other requirements he or she believes are necessary to maintain New Zealand's reputation as a responsible exporter of agricultural products;
 - 6.2 in deciding whether to require a bilateral arrangement the Director-General could take into account relevant experience with exporting livestock to that country;
 - 6.3 the Director-General may review the factors he or she considers relevant for consideration at any time, taking into account such matters as the experience from past trade;
- 7 noted that the Customs Export Prohibition (Livestock for Slaughter) Order 2007 prohibits the export of cattle, deer, goats, and sheep for slaughter, unless with the consent of the chief executive of the Ministry of Agriculture and Forestry and subject to any conditions that he or she specifies;
- 8 noted that the order is an interim measure until such time as amendments can be made to primary legislation;
- 9 authorised the submission to the Executive Council of the Customs Export Prohibition (Livestock for Slaughter) Order 2007 [PCO 12781/4];
- 10 agreed to waive the 28-day rule for the Customs Exports Prohibition (Livestock for Slaughter) Order 2007 to enable the Order to come into effect on 21 December 2007.

s 9(2)(a)



Secretary

Reference: ERD (07) 36

Copies to: (see over)

[Not relevant to request]



Chair
Cabinet External Relations and Defence Committee

POLICY REVIEW OF NEW ZEALAND'S REQUIREMENTS FOR EXPORT OF LIVESTOCK FOR SLAUGHTER


Proposal

1. This submission summarises the outcomes of consultation with exporters of livestock and industry groups on the findings of the review of exports of livestock for slaughter. It proposes that Cabinet agrees to put in place the Customs Export Prohibition (Livestock for Slaughter) Order 2007 as an interim measure until such time as amendments can be made to primary legislation. It further proposes that the normal 28 day rule applying to new regulations be waived so that the Order may come into effect on 21 December 2007.

Executive Summary

2. At its meeting on 23 October 2007 Cabinet agreed in principle to put a Customs Export Prohibition Order in place restricting the export of livestock for slaughter as an interim measure until such time as amendments can be made to primary legislation. The in principle decision was subject to the outcome of consultation with exporters of livestock and industry groups.
3. Current legislation does not allow the treatment of New Zealand livestock in an importing country to be considered when an animal welfare export certificate is issued. There could be significant public concern and possible international consumer reaction if exports of livestock for slaughter were to recommence from New Zealand to countries that have slaughter or handling practices that are significantly at variance to those used in New Zealand. New Zealand's reputation and the integrity of our agricultural export system are at risk.
4. As directed by Cabinet, the Ministry of Agriculture and Forestry (MAF) has consulted with exporters of livestock and industry groups. A total of 41 submissions were received from industry groups, the New Zealand Veterinary Association, animal welfare advocacy groups, the National Animal Welfare Advisory Committee and Sue Kedgley, MP. The majority of submitters, including key exporters and industry groups, supported the Government's decision to place tighter controls on the export of livestock for slaughter.
5. The Ministry of Foreign Affairs and Trade has also advised selected trading partners. Reaction has been mixed.

s 6(a), s 6(b)(i)



6. It is proposed that the Cabinet authorise the submission of the Customs Export Prohibition (Livestock for Slaughter) Order 2007 to the Executive Council for the Order to come into effect on 21 December 2007. The Order would prohibit the export of sheep, cattle, deer and goats for slaughter, and give the Director-General MAF discretion to approve individual consignments on a case-by-case basis in circumstances where he or she considers the risks can be adequately managed.
7. Consultation was also carried out on factors the Director-General might take into account when considering exemption applications. The proposed factors were generally agreed as being pertinent to the exercise of the discretion, except for a proposed requirement relating to the pre-slaughter stunning of livestock in the importing country. The New Zealand Veterinary Association and the National Animal Welfare Advisory Committee supported this proposal. The majority of exporters did not, pointing out that New Zealand could be accused of a double standard in that it permits shechita (Jewish) slaughter and non-commercial home-kill, neither of which involve a pre-slaughter stun requirement. Shechita slaughter of sheep, goats and poultry is permitted without requirements for stunning. Shechita slaughter of deer is permitted with a post-cut stun.
8. On balance, and taking into account the differing animal welfare concerns between cattle and other livestock, it is proposed that the pre-slaughter stun requirement be applicable to cattle only.
9. In light of the above, the Director-General of MAF may take the following factors into account when considering any applications for an exemption:
 - the export is for slaughter of livestock in commercial slaughter houses;
 - the importing country complies with the World Organisation for Animal Health *Guidelines for the Slaughter of Animals*;
 - cattle must be stunned prior to slaughter;
 - the importing country complies with the World Organisation for Animal Health *Guidelines for the Transport of Animals by Land, Sea and Air*, in relation to the unloading and post-journey handling and transport of livestock;
 - a pre-shipment audit of slaughter facilities demonstrates compliance with the above requirements; and
 - any other matter the Director-General of MAF considers necessary.
10. Exporters may also be required to provide an affidavit as to the purpose of export for all livestock exports, and satisfy the Director-General of MAF as to the conditions for international transport of livestock up until the point of disembarkation.

Background

Customs Export Prohibition Order

11. At its meeting on 23 October Cabinet, acting on the advice of Cabinet External Relations and Defence Committee, agreed in principle:
 - that controls on the export of livestock for slaughter is in the public interest;

- to put a Customs Export Prohibition Order in place in the interim, prohibiting the export of sheep, cattle, deer and goats for slaughter and giving the Director-General of MAF the discretion to approve individual consignments on a case-by-case basis in circumstances where the risks can be adequately managed subject to a report on the outcome of consultation on the matter;
- to direct the MAF to consult with exporters of livestock and industry groups on the findings of the review and options for implementation, and report to the Cabinet External Relations and Defence Committee by 12 December 2007.

12. On 5 November 2007 the Minister of Agriculture wrote to the Director-General of MAF instructing MAF to work with the New Zealand Customs Service and Parliamentary Counsel to prepare a draft Order so that it would be available for consideration by the External Relations and Defence Committee on 12 December and Cabinet and the Executive Council on 17 December 2007.

Control on export of Livestock for Slaughter

13. Current legislation does not allow the Director-General of MAF to consider how New Zealand livestock may be treated in an importing country when issuing an animal welfare export certificate, such as the manner in which the livestock are handled and subsequently slaughtered.
14. There is potential for significant public concern and possible international consumer reaction if exports of livestock for slaughter were to recommence from New Zealand to countries that have different slaughter or handling practices which are significantly at variance to those used in New Zealand.
15. New Zealand's reputation and economic risks at stake include:
- New Zealand's reputation as a "clean, green" and humane sustainable exporter and promoter of animal welfare; and
 - the integrity of our agricultural export system under which exports valued at \$18.3 billion were exported in 2006. Even a small decline in trade due to European Union consumer resistance to New Zealand agricultural exports would have a greater negative impact on the New Zealand economy than the lost revenue from restricting livestock exports for slaughter.
16. Cabinet also noted that restrictions on exports of livestock for slaughter would themselves entail international legal, commercial and diplomatic risks.
- s 6(a), s 9(2)(g)(i)

17. s 6(a), s 9(2)(g)(i), s 9(2)(h)

s 6(a)

s 9(2)(g)(i)

18. On 23 October 2007 Cabinet considered these risks and agreed to prohibit exports of sheep, cattle, deer and goats for slaughter with exemptions where the reputational risks to New Zealand outlined in paragraph 15 above can be managed to an acceptable level. Cabinet noted that an amendment to primary legislation offers the best long term solution. It agreed in principle that, as an interim measure until primary legislation can be amended and, subject to report back on the outcome of consultation with exporters of livestock and industry groups, a Customs Export Prohibition Order should be put in place.
19. The Customs Export Prohibition Order would prohibit the export of sheep, cattle, deer and goats for slaughter, and give the Director-General MAF discretion to approve individual consignments on a case-by-case basis in circumstances where he or she considers the risks can be adequately managed.
20. None of the restrictions will apply to exports of livestock for breeding or other purposes and this trade may continue. Exporters will, however, be required to declare the purpose of export at the time of making an application.
21. As directed by Cabinet, MAF has consulted with exporters of livestock and industry groups on the findings of the review and the proposal to implement restrictions through a Customs Export Prohibition Order. Consultation meetings were also held with exporters and industry groups in Hamilton and Christchurch on 20 and 29 November and feedback from these meetings has been included in the summary of consultation below.
22. The Ministry of Foreign Affairs and Trade has advised selected trading partners, including Saudi Arabia, that a review has been undertaken and of the options for implementation and allowed them an opportunity to comment. Reactions from trading partners are also presented below.

Outcome of Public Consultation

23. Submissions were received from exporters of livestock, sheep breeders, Meat Industry Association, Deer Industry New Zealand, the New Zealand Veterinary Association, animal welfare advocacy groups, the National Animal Welfare Advisory Committee and Sue Kedgley, Member of Parliament. A total of 41 submissions were received.

24. Comment was received on:

- i. the decision to place tighter controls on the trade;
- ii. the international transport of livestock; and
- iii. the factors the Director-General of MAF may take into account in considering any application for an exemption to a Customs Export Prohibition Order.

25. The majority of submitters, including key exporters and industry groups, supported the Government's decision to place tighter controls on the export of livestock for slaughter, although certain exporters considered they should be exempted. Animal welfare advocacy groups variously preferred either that the trade in livestock for slaughter be prohibited without exemptions, or that livestock exports for any purpose be prohibited.

26. Many submitters commented on conditions for international transport of livestock. There were a variety of views ranging from suggestions that requirements should be tightened to provide better animal welfare protections, to views that existing requirements are adequate.

27. With regard to exemption factors, key exporters and industry groups supported adherence to the World Organisation for Animal Health guidelines for slaughter and for transport by land, sea and air. There was general support for pre-shipment audit of slaughter facilities and the requirement to provide an affidavit as to the purpose of export. One key exporter of livestock considered that pre-shipment audit of slaughter facilities should be limited to cases where animals are slaughtered within six months of departure from New Zealand. Some other exporters suggested that export for fattening and subsequent slaughter should be excluded regardless of the length of time until slaughter takes place.

28. Some submitters, including the New Zealand Veterinary Association and the National Animal Welfare Advisory Committee, supported the additional requirement for pre-slaughter stunning of all livestock. The majority of exporters of livestock and sheep breeders did not support making pre-slaughter stunning a necessary requirement. The key issues raised by exporters were:

- a perception that this would represent a double standard in that New Zealand permits shechita (Jewish) slaughter and non-commercial home-kill, neither of which involve a pre-slaughter stun requirement;
- slaughter without stunning is permitted under the World Organisation for Animal Health guidelines;
- unilateral decision making by New Zealand is not appropriate, particularly as New Zealand is a member of the World Organisation for Animal Health.

29. No submitters raised objections to the proposed requirement that exporters be required to provide an affidavit as to the purpose of export for all livestock exports.

Response to issues raised in submissions

Decision to place tighter controls on the trade

30. Cabinet has already considered the need to place tighter controls on the trade and agreed to prohibit exports of sheep, cattle, deer and goats for slaughter, with exemptions where the risks can be managed to an acceptable level.

International transport

31. Cabinet has excluded consideration of transport to the point of disembarkation as any risks associated with this are being managed already under existing mechanisms in the Animal Welfare Act. [CAB Min (07) 38/3]. The Minister of Agriculture has requested that the National Animal Welfare Advisory Committee develop a code of welfare for international transport of livestock to mitigate any residual risk associated with this aspect of the trade.

Factors for the Director-General to consider in processing any exemption application

World Organisation for Animal Health (OIE) Guidelines and pre-shipment auditing of slaughter facilities

32. It is noted that there is general support for tying exemption decisions to compliance with World Organisation for Animal Health Guidelines, and it is intended that this be confirmed as a factor the Director-General may take into account when considering exemption applications.
33. It is noted that there is also general support for pre-shipment auditing of slaughter facilities in the importing country and it is intended that this too be confirmed as a factor the Director-General may take into account. The process and timing of pre-shipment audits would be decided on a case-by-case basis.

Possible additional requirement of pre-slaughter stunning of livestock

34. The prevailing international view, which is subscribed to by the New Zealand National Animal Welfare Advisory Committee, is that conscious animals are likely to experience an unreasonable level of pain during the cut to the neck. The impacts on cattle are worse than on other livestock because of the additional time it takes for loss of consciousness to occur.
35. The Minister of Agriculture is considering issuing a draft commercial slaughter code of welfare that would require all large mammals and poultry being commercially slaughtered in New Zealand to be stunned prior to slaughter. An exemption is proposed for shechita (Jewish) slaughter whereby no pre-slaughter stun would be required, though cattle would need to be stunned within 5 seconds following the throat cut. Non-commercial slaughter (i.e. "home-kill") is not covered by the draft code, and therefore home-kill can also occur without a pre-slaughter stun.

36. The World Organisation for Animal Health *Guidelines for the Slaughter of Animals* does not require pre-slaughter stunning. It does, however, include guidance on suitable methods should pre-slaughter stunning be used. As they are guidelines, not mandatory requirements, there is nothing to preclude New Zealand adopting more restrictive measures.

37. The proposal to add an additional requirement for pre-slaughter stunning of exported animals would appear to be at odds with the permissive approach taken to shechita and home-kill slaughter in New Zealand. s 9(2)(g)(i)

38. On balance, and taking into account the differing animal welfare concerns between cattle and other livestock, it is proposed that the pre-slaughter stun requirement be limited to cattle only.

Submitters' proposed exclusions

39. It is considered that all exporters should be treated equally, and that there should be no general exclusions from the Customs Export Prohibition Order.

40. With regard to exports for fattening and subsequent slaughter, it is considered that the length of time to slaughter is not a relevant consideration.

Declaration of purpose of export

41. It is noted that there is general support for a declaration, and it is intended that this be confirmed as a factor the Director-General may take into account when considering exemption applications.

Proposed factors for exemption

42. In light of the above, the Director-General of MAF may take the following factors into account when considering any applications for an exemption to a Customs Export Prohibition Order:

- the export is for slaughter of livestock in commercial slaughter houses;
- that the importing country has requirements in place that meet the World Organisation for Animal Health *Guidelines for the Slaughter of Animals*
- cattle exported for slaughter must be stunned prior to slaughter in accordance with any of the methods described in the Guidelines;
- that the importing country has requirements in place that meet the World Organisation for Animal Health *Guidelines for the Transport of Animals by Land, Sea and Air*, in relation to the unloading and post-journey handling and transport of livestock;
- a pre-shipment audit of slaughter facilities by inspectors nominated by MAF, and carried out at the exporters' expense, demonstrates compliance with the above requirements; and
- any other matter the Director General of MAF considers necessary to manage the risks to New Zealand's reputation as a responsible exporter of agricultural products.

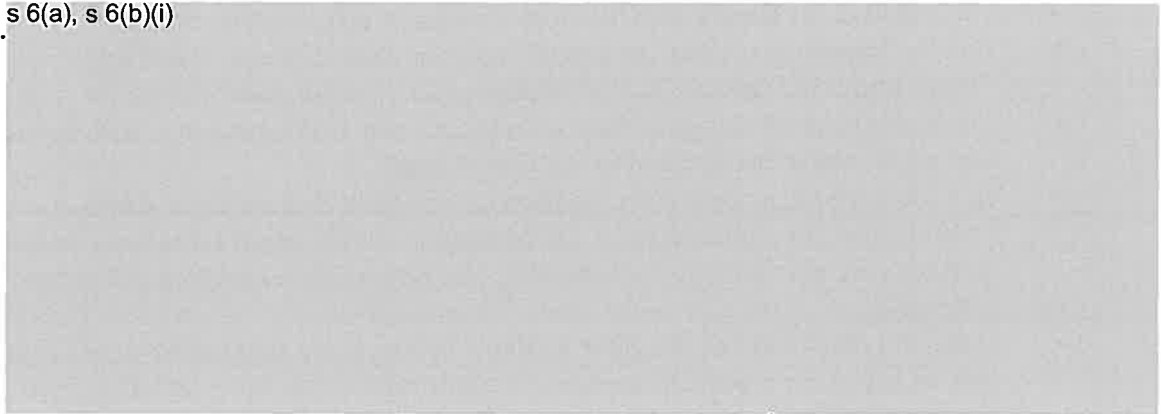
43. Exporters may also be required to provide an affidavit as to the purpose of export for all livestock exports.
44. The Director-General of MAF may review the factors he or she considers relevant for consideration at any time, taking into account such matters as the experience from past trade, at which time further consultation may be undertaken with affected parties.
45. It is important from the perspective of relations with trading partners and exporters, as well as in the interests of transparency and predictability, to provide some guidance in a formal document as to the factors that the Director-General of MAF will take into account in deciding whether to grant an exemption. It is intended that MAF will prepare such a document as advice to trading partners and exporters following Cabinet's decision. In addition, the Director-General should provide any applicant with reasons in the event of deciding not to grant an exemption.
46. The Director-General may require a bilateral arrangement be in place to support the requirements of importing countries set out above, along with any other requirements he or she believes are necessary to maintain New Zealand's reputation as a responsible exporter of agricultural products. In deciding whether to require a bilateral arrangement, the Director-General could take into account relevant experience with exporting livestock to that country.

Additional Animal Welfare Act requirements

47. Exporters would also, in accordance with the requirements of the Animal Welfare Act 1999, need to satisfy the Director-General of MAF as to the conditions for international transport of livestock up until the point of disembarkation. Where livestock are being transported by sea this may include a requirement that a MAF-accredited veterinarian accompany the shipment, experienced stockmen are on board and provision are made for rapid disembarkation and, if required, quarantine.

Advice from trading partners

48. As agreed by Cabinet, the Ministry of Foreign Affairs and Trade advised a number of trading partners including Saudi Arabia, of the fact that a review has been undertaken and the options for implementation. Reaction has been mixed.

49. s 6(a), s 6(b)(i)
- 

50. s 6(a), s 6(b)(i)

51.

Amendments to Primary Legislation

52. At its meeting on 23 October Cabinet noted that an amendment to primary legislation offers a long term solution by restricting trade conditionally, with discretion exercised by the appropriate Minister, or unconditionally. Review of primary legislation will commence in 2008 with view to bringing proposals before Cabinet for subsequent consideration.

Economic and Regulatory Impact

53. In 2006, New Zealand exported \$18.3 billion of agricultural exports. The export of meat was generally valued at NZ\$4.7 billion (14.27%), sheep meat alone accounted for NZ\$2.4 billion. Even a 10% decline in the value of sheep meat exports to the European Union alone (the most vulnerable market) would have a greater negative impact on the New Zealand economy than the lost revenue from restricting exports of livestock for slaughter. Other markets may be affected.

54. A regulatory impact statement was prepared and submitted as part of Cabinet's consideration of the matter on 23 October 2007 [CAB Min (07) 38/3].

Customs Export Prohibition Order 2007 – Public Interest

55. Section 56 of the Customs and Excise Act 1996 provides that if the Governor-General considers a prohibition is necessary in the public interest, the Governor-General may, by Order in Council, prohibit the exportation from New Zealand of any specified goods, or classes of goods.

56. We are satisfied that the Customs Export Prohibition (Livestock for Slaughter) Order 2007 is in the public interest of New Zealand as the Animal Products Act 1999 and the Animal Welfare Act 1999 do not provide for consideration of issues relating to the treatment of livestock in the importing country, including in relation to handling and slaughter practices. Currently providing exporters meet the requirements of the legislation and satisfy the Director-General of MAF as to the conditions for international transport of livestock up to the point of disembarkation, the export may proceed.

57. On balance, the Government has decided that the benefits to New Zealand's trade to be gained by restricting exports of livestock for slaughter with exemptions outweigh the international legal, commercial or diplomatic risks of imposing such restrictions [CAB Min (07) 7/1]. The export of livestock for slaughter could result in a number of negative impacts that could adversely affect New Zealand's reputation and economic interests as stated in paragraph 15 above.

Timing and 28 Day Rule

58. It is recommended that the Order come into effect on 21 December 2007.

59. An exemption to the 28-day rule is required to prevent persons from exporting livestock for slaughter after the Government has announced the decision to prohibit their exports.
s 9(2)(g)(i)

Compliance

60. Compliance is assured as listed below:

a. Principles of the Treaty of Waitangi	Not applicable
b. The New Zealand Bill of Rights Act 1990	Not applicable
c. Human Rights Act 1993	Complies
d. The principles and guidelines set out in the Privacy Act 1993	Not applicable
e. Relevant international standards and obligations	Consistent with earlier advice provided to Cabinet, s 6(a), s 9(2)(g)(i), s 9(2)(h)
f. The Legislation Advisory Committee Guidelines: Guidelines on Process and Content of Legislation	Complies

Regulations Review Committee

61. It is not considered that there are any grounds for the Regulations Review Committee to draw the Customs Export Prohibition (Livestock for Slaughter) Order 2007 to the attention of the House under Standing Order 315.

Certification by Parliamentary Counsel

62. Parliamentary Counsel has certified the Customs Export Prohibition (Livestock for Slaughter) Order 2007 for submission to Cabinet.

Regulatory Impact Analysis

63. A regulatory impact statement was prepared in accordance with the necessary requirements and submitted with the paper to the Cabinet External Relations and Defence Committee [CAB Min (07) 38/3 refers].

Publicity

64. The Minister of Agriculture will issue a press statement after the Customs Export Prohibition (Livestock for Slaughter) Order 2007 has been approved by the Executive Council. There are advantages in making the announcement early in the week of 17 December to ensure that exporters are aware of the decision prior to the Christmas break. MAF will advise exporters and others who made submissions of the Cabinet decision following your announcement.

Consultation

65. The following departments have been consulted in the preparation of this paper (however, the urgent timeframes meant there was limited time for agencies to engage): Ministry of Foreign Affairs and Trade, New Zealand Food Safety Authority, Ministry of Economic Development, Treasury and Department of Prime Minister and Cabinet.

Financial implications

66. There are no financial implications; all costs of implementation can be met from within existing budget.

Legislative implications

67. Adoption of this paper will result in the recommendation of a Customs Export Prohibition Order to be approved by the Governor-General by Order-in-Council.

Recommendations

68. We recommend that you:

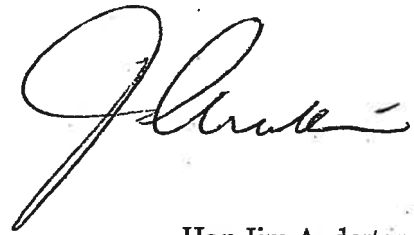
1. **note** that exporters, industry groups, selected trading partners and other parties have been consulted about how the Government's decision to prohibit exports of livestock for slaughter, with exemptions where the risks can be managed to an acceptable level, could be implemented;
2. **note** that this consultation included seeking comment on the possible factors to be taken into account by the Director-General of the Ministry of Agriculture and Forestry in assessing any applications for exemptions to a Customs Export Prohibition Order;
3. **note** that there was general support for the Government's decision to place tighter controls on the export of livestock for slaughter, but that some adjustments have been made to the proposed draft exemption factors as a result of stakeholder submissions;
4. **note** that the Director-General of MAF may take the following factors into account when considering any application for an exemption to a Customs Export Prohibition Order:
 - i. the export is for slaughter of livestock in commercial slaughter houses;
 - ii. the Director-General is satisfied that the importing country has requirements in place that meet the World Organisation for Animal Health *Guidelines for the Slaughter of Animals*;
 - iii. cattle exported for slaughter must be stunned prior to slaughter in accordance with any of the methods described in the Guidelines;
 - iv. the Director-General is satisfied that the importing country has requirements in place that meet the World Organisation for Animal Health *Guidelines for the Transport of Animals by Land, Sea and Air*, in relation to the unloading and post-journey handling and transport of livestock;
 - v. a pre-shipment audit of slaughter facilities by inspectors nominated by MAF, and carried out at the exporters' expense, demonstrates compliance with the above requirements; and
 - vi. any other matter the Director General of MAF considers necessary to manage the risks to New Zealand's reputation as a responsible exporter of agricultural products;
 - vii. the Director-General MAF may require a bilateral arrangement be in place to support the requirements of importing countries set out above, along with any other requirements he or she believes are necessary to maintain New Zealand's reputation as a responsible exporter of agricultural products. In deciding whether to require a bilateral arrangement, the Director-General could take into account relevant experience with exporting livestock to that country; and
 - viii. the Director-General may review the factors he or she considers relevant for consideration at any time, taking into account such matters as the experience from past trade;
5. **note** that the Customs Export Prohibition (Livestock for Slaughter) Order 2007 is an interim measure until such time as amendments can be made to primary legislation;

6. **authorise** the submission of the Customs Export Prohibition (Livestock for Slaughter) Order 2007 to the Executive Council; and
7. **agree** to an exemption to the 28-day rule for the Customs Export Prohibition (Livestock for Slaughter) Order 2007 to enable the Order to come into effect on 21 December 2007.



for
Hon Rick Barker
Acting Minister of Customs

03 - 12 - 07



Hon Jim Anderton
Minister of Agriculture

3/12/07

IN CONFIDENCE

Customs Export Prohibition (Livestock for Slaughter) Order 2007

Governor-General

Order in Council

At Wellington this day of 2007

Present:

in Council

Pursuant to section 56 of the Customs and Excise Act 1996, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, and being of the opinion that the prohibition effected by this order is necessary in the public interest, makes the following order.

Contents

	Page
1 Title	1
2 Commencement	2
3 Interpretation	2
4 Export of livestock for slaughter prohibited	2

Order

- Title**
This order is the Customs Export Prohibition (Livestock for Slaughter) Order 2007.

2 Commencement

This order comes into force on 21 December 2007.

3 Interpretation

In this order,—

Director-General means the chief executive of the Ministry of Agriculture and Forestry

livestock means any cattle, deer, goats, or sheep.

4 Export of livestock for slaughter prohibited

The export of livestock for slaughter is prohibited, except—

- (a) with the consent of the Director-General; and
- (b) subject to any conditions specified by him or her that are not inconsistent with this prohibition.

Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 21 December 2007, prohibits the export of cattle, deer, goats, and sheep for slaughter, unless with the consent of the chief executive of the Ministry of Agriculture and Forestry (the **Director-General**) and subject to any conditions, not inconsistent with the prohibition, that he or she specifies.

Under section 56(5)(b) of the Customs and Excise Act 1996, this order expires on the close of 31 December 2008 except so far as it is expressly confirmed by Act of Parliament passed before that date. Even if confirmed completely in that way, under section 57 of that Act, this order expires on the close of 20 December 2010 unless it is sooner revoked or extended for a further period of up to 3 years.

**Customs Export Prohibition (Livestock for
Slaughter) Order 2007**

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*:

This order is administered by the New Zealand Customs Service.



Cabinet External Relations and Defence Committee

ERD Min (07) 7/1

Copy Number: 8

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.


New Zealand's Requirements for Livestock Exported for Slaughter

On 17 October 2007, the Cabinet External Relations and Defence Committee (ERD):

- 1 **noted** that there is currently no legal mechanism to prevent livestock exports for slaughter based on the treatment of animals in the importing country, providing exporters meet the requirements of the Animal Welfare Act 1999 and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of animals up to the point of disembarkation;
- 2 **noted** that there would potentially be significant public concern and possible international consumer reaction if exports of livestock for slaughter were to recommence from New Zealand to countries that do not practise pre-slaughter stunning of animals, or where other handling practices are significantly different to those used in New Zealand;
- 3 **noted** that restrictions on exports of livestock for slaughter would themselves entail international legal, commercial and diplomatic risks, including impact on:
 - 3.1 s 6(a), s 9(2)(g)(i)
 - 3.2 s 6(a), s 9(2)(j)
- 4 **noted** that there are three options:
 - 4.1 prohibit exports of sheep, cattle, deer and goats for slaughter outright;
 - 4.2 prohibit exports of sheep, cattle, deer and goats for slaughter, with exemptions where the risks can be managed to an acceptable level;
 - 4.3 retain the status quo whereby sheep, cattle, deer and goats are allowed to be exported without consideration of their treatment in the importing country;
- 5 **noted** that officials do not support the option in paragraph 4.1;
- 6 **noted** that a judgement is required as to whether benefits to New Zealand's trade to be gained by restricting exports of livestock for slaughter with exemptions outweigh the international legal, commercial and diplomatic risks of imposing such restrictions;

- 7 agreed to prohibit exports of sheep, cattle, deer and goats for slaughter, with exemptions where the risks can be managed to an acceptable level;
- 8 noted that an amendment to primary legislation offers a long term solution by restricting trade conditionally, with discretion exercised by the appropriate Minister, or unconditionally;
- 9 directed officials from the Ministry of Agriculture and Forestry, the Ministry of Foreign Affairs and Trade, New Zealand Customs Service and New Zealand Food Safety Authority to develop these proposals further and report to the Cabinet External Relations and Defence Committee with a proposal for legislative amendment by 30 March 2008;
- 10 agreed in principle:
- 10.1 that controls on the export of livestock for slaughter is in the public interest;
- 10.2 to put a Customs Export Prohibition Order in place in the interim, prohibiting the exports of sheep, cattle, deer and goats for slaughter and giving the Director-General of the Ministry of Agriculture and Forestry the discretion to approve individual consignments on a case-by-case basis in circumstances where the risks can be adequately managed;
- subject to the report in paragraph 13 below;
- 11 noted that none of the restrictions proposed will apply to exports of livestock for breeding or other purposes and that this trade can continue unaffected;
- 12 directed the Ministry of Foreign Affairs and Trade to advise trading partners, including Saudi Arabia, of the fact that a review has been undertaken and of the options for implementation, and allow them an opportunity to comment if they wish;
- 13 directed the Ministry of Agriculture and Forestry to consult with exporters of livestock and industry groups on the findings of the review and options for implementation, and report to the Cabinet External Relations and Defence Committee by 12 December 2007.

s 9(2)(a)



for Secretary of the Cabinet

Copies to: (see over)

[Not relevant to request]



Commercial: In Confidence

Office of the Minister of Agriculture

Chair
Cabinet External Relations and Defence Committee

POLICY REVIEW OF NEW ZEALAND'S REQUIREMENTS FOR LIVESTOCK EXPORTED FOR SLAUGHTER

Proposal

1. The paper proposes that Cabinet agree to either:
 - i. prohibit the export of livestock for slaughter, with exemptions where the risks can be managed to an acceptable level and, if so, provide direction to officials to achieve this;
 - or
 - ii. continue the status quo whereby livestock are allowed to be exported without consideration of their treatment in the importing country.

Executive Summary

2. At the direction of Cabinet, officials have reviewed New Zealand's requirements for exports of livestock for slaughter. It is concluded that the status quo may not provide a means to manage the risk to New Zealand as a responsible exporter of agricultural products. Livestock in this case are sheep, cattle, deer and goats.
3. The current legislation does not provide for consideration of issues relating to the treatment of livestock in the importing country, including in relation to handling and slaughter practices. Providing exporters meet the requirements of the Animal Products Act and the Animal Welfare Act, and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of livestock up to the point of disembarkation, the export may proceed.
4. Taking action to change these requirements carries positive and negative risk. The export of livestock for slaughter could result in a number of negative impacts that could adversely affect New Zealand's reputation and economic interests. Interests at stake include:
 - New Zealand's reputation as a "clean, green" and humane sustainable exporter and promoter of animal welfare; and
 - the integrity of our agricultural exports which are valued at \$18.3 billion per annum. Even a small decline in trade due to European Union consumer resistance to New Zealand agricultural exports would have a greater negative impact on the New Zealand economy than the lost revenue from restricting livestock exports for slaughter.

5. Conversely, the imposition of any further restrictions on exports of livestock for slaughter would itself entail international legal, commercial and diplomatic risks.
s 6(a), s 9(2)(g)(i), s 9(2)(h)

s 6(a)

s 9(2)(g)(i)

6. If Cabinet decides to adopt more restrictive requirements for the export of livestock for slaughter, there are a number of implementation options. The preferred option is to amend primary legislation. While an absolute prohibition of exports of livestock for slaughter is possible, this is not recommended as it would be unnecessarily restrictive and removes trade opportunities with countries and in circumstances where the risks are low and the trade can be adequately managed. Officials consider that any restriction on trade should be subject to exemptions. Officials could be directed to further investigate the mechanisms for implementation and to report back with a proposal for legislative amendment by 30 March 2008.
7. If Cabinet wishes to restrict the trade with early effect, an interim regime would be desirable while changes to primary legislation are progressed. This could be achieved via a Customs Export Prohibition Order implemented early in 2008
s 6(a)
8. Officials recommend that any decision to adopt more restrictive export requirements be consulted with affected parties to mitigate the risk of domestic legal challenge. Affected parties would include exporters of livestock for slaughter and industry groups (Meat Industry Association and Meat and Wool New Zealand Limited) as well as representatives of farmers involved in the production of livestock for slaughter (Federated Farmers of New Zealand Incorporated). Consultation will allow affected parties to express their views and for these to be taken into account. In this event, it is proposed that officials be directed to report back by 12 December 2007 to allow Cabinet External Relations and Defence Committee (ERD) to consider the outcome of consultation.
9. At the same time, officials would also recommend that trading partners, Saudi Arabia in particular, be advised that a review has been undertaken and be given the opportunity to comment.

Background

10. In August 2006, I directed officials to review government policy on the export of livestock for slaughter. The purpose of the review was to address concerns about the pre-slaughter handling practices and slaughter methods in some importing countries and the potential impact on New Zealand's reputation as a responsible exporter of agricultural products, along with any economic consequences resulting from an adverse event.
11. On 13 August 2007, Cabinet directed officials to report back to ERD by March 2008 on the outcome of the initial stages of the review. Cabinet also invited me, in consultation with the Minister of Trade, to provide a paper to the ERD by 22 August 2007 on how affected exports would be dealt with during the period of the review and a possible communications strategy regarding the review [CAB Min (07) 29/2A refers].
12. Officials concluded that the work required for the initial paper to ERD would comprise a significant proportion of the total work for the review and that by giving the review work a high priority the full review could be completed by October 2007. Taking this into account, Cabinet directed officials to complete the review and report to ERD by 17 October 2007 [CAB Min (07) 33/3A refers]. The review was undertaken in the context of developing the report-back to ERD and this paper represents the product of the review.

Current policy and reasons for concern

Existing Legislation

13. New Zealand's current policy for the export of livestock is reflected in the Animal Products Act 1999 and the Animal Welfare Act 1999.
14. The Animal Products Act provides for the regulation of all products derived from animals and the export of those products. The scope also covers trade in livestock including their export. The object of the Animal Products Act is to minimise and manage risks to human and animal health arising from the production and processing of animal material and products by instituting measures that ensure so far as is practicable that all traded animal products are fit for their intended purpose. It also facilitates the entry of animal material and products into overseas markets by providing the controls and mechanisms needed to safeguard official assurances for entry into those markets. It does not fit with the purposes of the Act to prohibit, restrict, or control exports of livestock for other reasons such as animal welfare.
15. The Animal Products Act includes a requirement that exporters of animal material and products must be registered, with certain exceptions. Exporters have a duty to comply with any standards and specifications issued under the Act and, as such, these must fall within the object and purposes of the Act.

16. Under the Animal Welfare Act it is an offence to export an animal without an animal welfare export certificate except where exempted by Gazette notice, or where the animal is exported under the Wildlife Act 1953 (which covers native species and many species established in the wild) or the Wild Animal Control Act 1977 (which covers wild animals such as wild deer and possum).
17. Under the Animal Welfare Act:
- (i) the Director-General of the Ministry of Agriculture and Forestry may only take into account matters related to the transport of animals *up to the point of disembarkation*;
 - (ii) the Director-General may not take into account the treatment of animals in the importing countries including in relation to handling and slaughter practices;
 - (iii) exporters are not required to specify the purpose of export (i.e. for breeding, for slaughter); and
 - (iv) once an exporter satisfies the Director-General that the requirements of the Act have been met, the Director-General must issue an Animal Welfare Export Certificate and the export may then proceed.
18. The Animal Welfare Act does not provide for the ability to consider issues related to the treatment of livestock in the importing country. Providing exporters meet the requirements of the Animal Welfare Act and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of livestock up to the point of disembarkation, the export may proceed.
19. The current policy was reviewed to ascertain whether it provides the government with the ability to manage the risks to New Zealand as a responsible exporter of agricultural products resulting from the export of livestock for slaughter.
20. The current legislation does not provide for the management of risks once livestock have disembarked, such as the manner in which the livestock are handled and subsequently slaughtered e.g. without stunning. While there are risks simply from the export trade recommencing, the risk to New Zealand would be magnified should it become involved in an adverse event such as the *Cormo Express* incident in 2003, where a shipment of Australian sheep was unable to unload in the destination country, or media coverage of the conditions faced by animals in some markets, similar to the 2005 Australian *60 Minutes* programme on the treatment of livestock in Egypt after their transportation from Australia.
21. The review identified that the current policy may not provide a means to manage the risk to New Zealand as a responsible exporter of agricultural products, and any economic consequences resulting from an adverse event. Officials determined that the export of livestock for slaughter could result in a number of negative impacts that could adversely affect New Zealand's reputation and economic interests, although the likelihood of these impacts occurring was unable to be determined. Interests at stake include:

- *New Zealand's international reputation* as a "clean, green" and humane sustainable exporter and a promoter of animal welfare. Studies indicate that New Zealand would lose its edge in overseas marketing should this reputation be tarnished; and
 - *the integrity of our agricultural exports* valued at NZ\$18.3 billion per annum; the export of meat generally is valued at NZ\$4.7 billion (14.27%), sheep meat alone accounts for NZ\$2.4 billion. Even a 10% (\$150 million per annum) decline in the value of sheep meat exports to the European Union alone (the most vulnerable market) would have a greater negative impact on the New Zealand economy than the lost revenue from restricting exports of live animals for slaughter. Other markets could also be affected. The total export of livestock in 2006 was valued at NZ\$49 million (0.26% of total exports), most of which comes from the export of animals for breeding, not for slaughter. While this could be larger if the sheep trade to Saudi Arabia were to resume, it is likely to remain negligible (e.g. one or two shipments per year valued at approximately NZ\$4.8 million each and some export of cattle for slaughter).
22. It should be noted that in assessing the risks, it was difficult to determine the likelihood of an adverse event occurring. Australia, which exports some two to three million sheep a year to Saudi Arabia, has not had a repeat of the 2003 *Cormo Express* affair. There has however been media exposé of handling and slaughter practices in countries that do not practice pre-slaughter stunning in 2005 and 2007. In addition, a global campaign against the long distance transportation of livestock for slaughter is scheduled to be launched in early 2008 by the World Society for the Protection of Animals. Given the difficulty in determining the likelihood of an adverse event, it is a question of whether, in light of the significant consequences associated with an adverse event, it is necessary to impose additional restrictive measures on the trade to reduce the probability of an adverse event occurring.
23. Should Cabinet decide to adopt more restrictive measures on livestock exports, officials recommend that the measures need only apply to livestock exports for slaughter. Export of livestock for breeding and other purposes comprise most of New Zealand's trade in exports of livestock and usually involve high value animals that are well treated during transportation and on arrival. Such trade was worth \$94 million in 2006. Few problems have been identified with this trade and it should not be further restricted.

International legal and policy risks

24. s 6(a), s 9(2)(g)(i), s 9(2)(h)

s 6(a), s 9(2)(g)(i), s 9(2)(j)

25 s 6(a), s 9(2)(g)(i)

26 s 6(a), s 9(2)(g)(i)

27. Saudi Arabia is by far New Zealand's largest market in the Middle East, with exports of all products to June 2007 worth \$436.8 million. There has been investment (in land and New Zealand-based breeding programmes) in New Zealand from Saudi Arabia with the express purpose of exporting shipments of live Awassi sheep from New Zealand to Saudi Arabia. The trade had a declared worth of \$2.7 million in 2002 and \$3.7 million in 2003 but is estimated to be worth more in the future as these sheep have been specifically bred for the Saudi market.

s 6(a)

28. A bilateral Arrangement has also been under negotiation to allow for the resumption of live sheep exports on a commercial basis, and the Saudis have received good-faith assurances from New Zealand to this end. The imposition of restrictive measures which adversely impacted on the success of the Awassi New Zealand project would have implications related to the attractiveness of New Zealand as a secure environment for investment, and failure to negotiate the reinstatement of the live sheep trade could result in some negative political fallout with Saudi Arabia.

29. s 6(a)

s 9(2)(j)

Domestic economic considerations

30. If New Zealand restricts exports of livestock for slaughter there will be a loss of business opportunity for some potential future exporters. There may also be additional requirements to be met, or a delay, before existing trade can resume depending on the mechanism of implementation that is chosen.
31. There is some interest in exports of livestock for slaughter with a confirmed expression of interest from one exporter to export sheep to Saudi Arabia in 2008. As noted above, one exporter has, over recent years, invested in breeding programmes specifically in order to serve that market with the expectation that trade would resume. Should Cabinet decide to adopt more restrictive requirements for the export of livestock for slaughter, this trade would likely be restricted by decisions arising from the review unless assurances were received that the trade did not pose undue risk.

Options for more restrictions on exports of livestock for slaughter

32. There are two possible options to better manage the risks associated with the export of livestock, should Ministers wish to pursue them. The options are:
 - i. prohibit exports of livestock for slaughter outright;
 - or
 - ii. restrict exports of livestock for slaughter, with exemptions where the risks can be managed to an acceptable level.

Evaluation of options should Ministers decide to further restrict the trade.

34. *Option i:* officials advise against adoption of an outright prohibition as it is unnecessarily restrictive. It does not allow exports to countries in circumstances where the risks can be adequately mitigated. It would, for example, prohibit the current trade in cattle for fattening and slaughter for the production of Kobe beef to Japan. This trade has been undertaken for a number of years and the risk arising is considered negligible.
35. *Option ii:* this is officials preferred option. If Ministers choose this option then exports could take place for species, purposes or in circumstances where the Minister of Agriculture considers that there are no significant animal welfare risks.

Mechanisms for implementing more restrictive measures for the export of livestock for slaughter

36. If Ministers wish to either prohibit or restrict the export of livestock for slaughter, officials recommend the new policy be implemented via an amendment to primary legislation.

37. Should Ministers decide to adopt an outright prohibition (option i), then it could be given effect under several pieces of legislation, including the Animal Welfare Act and the Customs and Excise Act. A number of ancillary considerations would need to be taken into account, including the extent to which it fits with the purpose of the legislation and administrative provisions.
38. There are a number of possible means of effecting partial restrictions on export of livestock for slaughter (option ii). The easiest of these to implement would be to prohibit all exports of livestock for slaughter, with exemptions where the risks can be adequately managed. Exemptions could include export:
- to countries where the Minister of Agriculture believes there are no significant animal welfare risks; and
 - under bilateral arrangements or other mechanisms covering post-arrival animal welfare considerations and slaughter practices.
39. An exception for export under a bilateral arrangement has parallels with the approach taken by Australia. Development of a bilateral arrangement is also the approach currently being used by New Zealand in its negotiations with Saudi Arabia for the export of sheep (and possibly other livestock in the future) for slaughter. However, under this option, the bilateral arrangement would also need to be extended by agreement with the importing country to include livestock handling and slaughter practices after their arrival.
40. Taking such an approach could preclude existing and future trade in the short term, for example, pending the negotiation of a bilateral arrangement. In further developing this option, officials would seek to identify how it can be implemented to cause minimum disruption to existing trade where there are no concerns about post arrival treatment and slaughter, possibly by Gazetting exemptions to the prohibition.
41. Exporters are currently not required to advise the purpose for which livestock are being exported. To manage livestock exports for slaughter through legislation, it would be necessary to obtain this information from exporters either as part of the documentation requirements or by way of statutory declaration.
42. It would be advisable to ensure that, if adopted, a restriction could be supported by reference to relevant international guidelines such as those promulgated by the World Organisation for Animal Health (OIE) and domestic New Zealand practices, noting that a new code of welfare for commercial slaughter is expected to be issued in 2008.
43. A number of other mechanisms for legislative implementation of this option were considered and have been set aside. The possible options were assessed against a number of criteria to determine whether the option mitigates the risk to an acceptable level. The criteria used were a strategic fit with the purpose of the review, net benefit, commercial impact, regulatory impact, feasibility, resources required to implement the option, barriers to success, transparency of the desired outcome, and consistency with New Zealand's international obligations and current trade policy settings. Annex 1 provides an analysis of the alternative options against the criteria.

44. In conclusion, if Cabinet decides to adopt more restrictive requirements for the export of livestock for slaughter, it is proposed that officials be directed to further develop proposals to amend primary legislation, in particular the option of prohibiting all livestock exports in the first instance, subject to specified exemptions or circumstances in which the Minister of Agriculture is satisfied that the risks can be adequately managed.

Interim measures

45. Should Cabinet decide to adopt more restrictive requirements, and given the likely delay in effecting change in primary legislation, consideration has been given to interim measures. Two options were identified: use of a Customs Export Prohibition Order to restrict trade and negotiation of a voluntary moratorium with exporters.

Customs Export Prohibition Order

46. Under Section 56 of the Customs and Excise Act 1996, if the Governor-General considers prohibition is necessary in the public interest, the Governor-General may by Order in Council prohibit the exportation of any product from New Zealand, in this case livestock for slaughter. A prohibition may be general or limited to export to a specified place or by or to a specified person or class of persons. Whether general or limited, a prohibition may be absolute or conditional. The reasons why a prohibition order on the export of livestock for slaughter is necessary in the public interest are set out in paragraph 22.
47. If approval is given to introduce a Customs Export Prohibition Order, it should prohibit the export of livestock for slaughter except with the consent of the Director-General of the Ministry of Agriculture and Forestry. This will give the Director-General the discretion to approve individual consignments on a case by case basis.
48. In exercising his discretion, the Director-General could allow trade in circumstances he believed did not pose undue risk using criteria similar to those proposed if a decision is made to amend primary legislation. As the criteria for exempting, or not exempting, exports of livestock for slaughter would not be specified in the Order in Council, there may be an opportunity for legal challenge of decisions.

Voluntary Moratorium

49. A voluntary moratorium could be negotiated between government and exporters of livestock to allow time for government to review options for managing the export of livestock for slaughter and to implement the outcomes of the review.
50. While some exporters of livestock for slaughter may agree to a moratorium, it is unlikely to be acceptable to all. Legal action is currently being pursued by Redex New Zealand Limited in an effort to overturn the Director-General of the Ministry of Agriculture and Forestry's decision to decline to issue an Animal Welfare Export Certificate for export of cattle for slaughter to Korea and it would seem unlikely that this exporter would agree to a voluntary moratorium.

51. In conclusion it is proposed that, should Cabinet decide to adopt more restrictive requirements for the export of livestock for slaughter, it also agree in principle that:
- a Customs Export Prohibition Order is necessary in the public interest; and
 - a Customs Export Prohibition Order is the preferred interim solution; and
 - it review its decision once the outcome of consultation with affected parties is known.

Future consultation with affected parties

52. If Cabinet decided to adopt more restrictive requirements, government should consult with affected exporters of livestock for slaughter on how requirements should be implemented. Consultation is preferable in order to mitigate the risks of legal challenge of decisions made without affected parties having had the right to be heard.
53. The number of exporters actively pursuing livestock exports for slaughter is few, although should the trade resume other potential exporters may emerge depending on the profitability in specific markets. One existing exporter periodically exports feeder and slaughter cattle to Japan for the production of Kobe beef; another potential exporter has applied and been declined an Animal Welfare Export Certificate for the export of cattle for slaughter to Korea on the basis of concerns about potential delays in disembarkation of cattle; and two further potential exporters have made written and verbal approaches about the export of sheep for slaughter to Saudi Arabia and Australia.
54. Officials recommend that consultation also be undertaken with industry groups (e.g. Meat Industry Association and Meat and Wool New Zealand Limited) and representatives of farmers (e.g. Federated Farmers of New Zealand Incorporated). Farmers may be directly affected if part or all of their production has been geared to producing livestock to be exported for slaughter. This would include any stock that has been bred or cross-bred for export, or fed and managed to specialist requirements of the export market, such as for production of Kobe beef or fat-tailed lambs. Even those not actively involved in the trade could be indirectly affected if an option to sell livestock is removed as a result of the review. There are indications that industry and some farmers' groups are likely to support measures taken to restrict trade in order to protect New Zealand's reputation as a responsible agricultural exporter overall.
55. It is recommended that trading partners, Saudi Arabia in particular, be advised that a review has been undertaken and be given the opportunity to comment. In doing so, it would be necessary to take into account the possibility of a negative reaction to this advice as well as the implications for the negotiation of the bilateral arrangement.

Consultation

56. The following departments have been consulted in the development of this paper and concur with its recommendations: Ministry of Agriculture and Forestry, Ministry of Foreign Affairs and Trade, New Zealand Customs Service, New Zealand Food Safety Authority, Ministry of Economic Development, Treasury and the Department of Prime Minister and Cabinet.

Process following consideration of this paper

57. If Cabinet decides to adopt more restrictive requirements for the export of livestock for slaughter and agrees in principle to a Customs Export Prohibition Order as an interim measures, a process and possible timetable for the next steps would be:

October 2007	Cabinet decision
November 2007	Consultation with affected parties completed; trade partners advised
December 2007	Cabinet agrees to enact Customs Export Prohibition Order
March 2008	Customs Export Prohibition Order takes effect
March 2008	ERD / Cabinet considers preferred options for amendment of primary legislation
April 2008	Law drafting begins; priority decided by Government.

Financial Implications

58. There are no financial implications; all costs of the review, its implementation and consultation with affected parties can be accommodated within budget.

Human Rights Implications

59. The review of policy and its implementation are consistent with the Human Rights Act 1993.

Legislative Implications

60. Consideration of the recommendations has no legislative impact. Implementation of decisions may result in changes to primary or secondary legislation.

Regulatory Impact Analysis

61. The Ministry of Agriculture and Forestry confirms that the principles of the Code of Good Regulatory practice and the regulatory impact analysis requirements have been complied with. A Regulatory Impact Statement (RIS) was prepared and the Regulatory Impact Analysis Unit considers the RIS and the regulatory impact analysis to be adequate given the decisions being sought from Cabinet. Following the next steps recommended by officials, all the regulatory impact analysis requirements should be met. The RIS was circulated with the draft Cabinet paper for departmental consultation.

Recommendations

62. It is recommended that you:

1. **note** that there is currently no legal mechanism to prevent livestock exports for slaughter based on the treatment of animals in the importing country, providing exporters meet the requirements of the Animal Welfare Act and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of animals up to the point of disembarkation;
2. **note** that there would potentially be significant public concern and possible international consumer reaction if exports of livestock for slaughter were to recommence from New Zealand to countries that do not practise pre-slaughter stunning of animals or where other handling practices are significantly different to those used in New Zealand;
3. **note** that restrictions on exports of livestock for slaughter would themselves entail international legal, commercial and diplomatic risks, including impact on:
 - i. s 6(a), s 9(2)(g)(i)
 - ii. s 6(a), s 9(2)(j)
4. **note** that there are three options:
 - i. prohibit exports of sheep, cattle, deer and goats for slaughter outright;
 - ii. prohibit exports of sheep, cattle, deer and goats for slaughter, with exemptions where the risks can be managed to an acceptable level; or
 - iii. status quo whereby decisions on the export of sheep, cattle, deer and goats are allowed to be exported without consideration of their treatment in the importing country.
5. **note** that officials do not support option i and would need to report back on its implementation should Ministers choose it.
6. **note** that a judgement is required as to whether benefits to New Zealand's trade to be gained by restricting exports of livestock for slaughter with exemptions outweigh the international legal, commercial and diplomatic risks of imposing such restrictions.
7. **agree to**
EITHER
 - i. prohibit exports of sheep, cattle, deer and goats for slaughter, with exemptions where the risks can be managed to an acceptable level;

OR

- ii. continue the status quo whereby decisions on the export of sheep, cattle, deer and goats are allowed to be exported without consideration of their treatment in the importing country.

AND should Ministers agree to recommendation 7(i):

- 8. **note** that an amendment to primary legislation offers a long term solution by restricting trade conditionally, with discretion exercised by the appropriate Minister, or unconditionally;
- 9. **direct** officials from the Ministry of Agriculture and Forestry, the Ministry of Foreign Affairs and Trade, New Zealand Customs Service and New Zealand Food Safety Authority to develop these proposals further and report back with a proposal for legislative amendment by 30 March 2008;
- 10. **agree in principle** that controls on the export of livestock for slaughter is in the public interest and to put a Customs Export Prohibition Order in place in the interim, prohibiting the exports of sheep, cattle, deer and goats for slaughter and giving the Director-General of the Ministry of Agriculture and Forestry the discretion to approve individual consignments on a case-by-case basis in circumstances where the risks can be adequately managed;
- 11. **note** that none of the restrictions proposed will apply to exports of livestock for breeding or other purposes and that this trade can continue unaffected;
- 12. **direct** the Ministry of Foreign Affairs and Trade to advise trading partners including Saudi Arabia of the fact that a review has been undertaken and of the options for implementation, and allow them an opportunity to comment if they wish; and
- 13. **direct** the Ministry of Agriculture and Forestry to consult with exporters of livestock and industry groups on the options for implementation of the findings of the review and report back by 12 December 2007.



Hon Jim Anderton
Minister of Agriculture
10 / 10 / 2007

Annex 1: Rejected options for restricting trade in exports of livestock for slaughter

A number of options for amending primary legislation under existing or new legislation were considered in the review. Those options which have been considered and rejected are listed below, along with the reasons for doing so.

Regulated moratorium: This option was assessed as having a moderate to high level of fit with most criteria. It requires a moderate level of resources to implement and is unlikely to be achieved in a short time frame. A Customs Export Prohibition Order is an existing mechanism that fills the same purposes, provides a good fit with the strategic direction of the review and can be more easily implemented. *Conclusion:* This option is not worthy of further consideration.

Permitting livestock exports for slaughter subject to specified exceptions: This option has a high level of fit with most criteria. It requires a moderate level of resources to implement and is unlikely to be achieved in a short time frame. It could be administratively difficult to prevent an exporter from circumventing specified exemptions by providing false information or by on-selling stock in the importing country. To reduce this problem it would be necessary for the permit system to allow the decision-maker to take previous actions into account when considering approving future consignments. The alternative of prohibiting exports of livestock for slaughter subject to exemptions or in circumstances where the decision-maker considers that the risks can be adequately managed is considered more effective and administratively efficient.

Overseas market access requirement, emergency regulated control scheme or regulations under the Animal Products Act 1999: This option was assessed as having moderate fit with several criteria. However, it scores low on feasibility as it is inconsistent with the objectives of the Animal Products Act, is inconsistent with the scheme of the Act and, further, there is no emergency situation. *Conclusion:* This option is not worthy of further consideration.

Licensing of exporters: This option has a moderate level of fit with most criteria. It does not, however, fit well with the strategic purpose of the review, has low transparency with the desired outcome, and adds a high level of regulatory impact. Cabinet Economic Development Committee rejected this option when considering the Animal Welfare Bill in 1998 in favour of a certification scheme for each export consignment, unless exempted. Reasons include the need to consider the characteristics of each consignment, the mode of transport and related matters. These reasons are still valid. *Conclusion:* This option is not considered worthy of further consideration.

Export duties: This option was assessed as having a low level of fit with most criteria. In particular it has a low level of fit with its ability to meet the strategic purpose of the review. It is inconsistent with other government strategic objectives in relation to trade. *Conclusion:* This option is not considered worthy of further consideration.

Regulatory Impact Statement

Executive summary

The export of livestock for slaughter to countries where pre-slaughter handling practices and slaughter methods of livestock may differ significantly from those practiced in New Zealand may adversely affect New Zealand's reputation as a responsible exporter of agricultural products. If a decision is made to adopt more restrictive requirements for the export of livestock for slaughter, there are a number of options for its implementation. The preferred option is to amend primary legislation to prohibit exports of livestock for slaughter, with exemptions where the risks can be managed to an acceptable level. A Customs Export Prohibition Order is proposed as an interim measure to protect New Zealand from immediate and potentially irreversible risks. Under the preferred option, the government would have greater ability to manage the risks to New Zealand's reputation as a responsible exporter of agricultural products resulting from the export of livestock for slaughter. Conversely, the imposition of any further restrictions on exports of livestock for slaughter could itself entail international legal, commercial and diplomatic risks.

Adequacy statement

The Regulatory Impact Analysis Unit has reviewed this regulatory impact statement and considers it to be adequate according to the adequacy criteria, given the decisions being sought from Cabinet.

Status quo and problem

New Zealand's current policy for the export of livestock (cattle, sheep, goats and deer) is reflected in the *Animal Products Act 1999* and the *Animal Welfare Act 1999*.

The Animal Products Act provides for the regulation of all products derived from animals and the export of those products. The scope also covers trade in livestock including their export. The object of the Animal Products Act is to minimise and manage risks to human and animal health arising from the production and processing of animal material and products by instituting measures that ensure so far as is practicable that all traded animal products are fit for their intended purpose. It also facilitates the entry of animal material and products into overseas markets by providing the controls and mechanisms needed to safeguard official assurances for entry into those markets. It does not fit with the purposes of the Act to prohibit, restrict, or control exports of livestock for other reasons such as animal welfare.

The Animal Products Act includes a requirement that exporters of animal material and products must be registered, with certain exceptions. Exporters have a duty to comply with any standards and specifications issued under the Act and, as such, these must fall within the object and purposes of the Act.

Under the Animal Welfare Act it is an offence to export an animal without an animal welfare export certificate (AWEC) except where exempted by Gazette notice, or where the animal is exported under Department of Conservation legislation. Under the Act:

- the Director-General (the DG) of the Ministry of Agriculture and Forestry may only take into account matters related to the transport of animals *up to the point of disembarkation*;

- the DG may not take into account the treatment of animals in the importing countries including in relation to handling and slaughter practices;
- exporters are not required to specify the purpose of export (i.e. for breeding, for slaughter); and
- once an exporter satisfies the DG that the requirements of the Act have been met, the DG must issue an AWEC and the export may then proceed.

The current legislation does not provide for the ability to consider issues related to the treatment of livestock in the importing country. Providing exporters meet the requirements of the Animal Products Act and the Animal Welfare Act, and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of livestock up to the point of disembarkation, the export may proceed.

Concerns over the export of livestock for slaughter arise primarily from the pre-slaughter handling and slaughter methods of some other countries, which differ significantly from those practised in New Zealand (for example, commercial slaughter without prior stunning). The export of live cattle for slaughter is of particular concern. There is scientific evidence that it can take up to 90 seconds for cattle which have not been stunned to become unconscious after their throats are cut. Sheep are also an issue of concern, particularly in relation to pre-slaughter handling practices. Footage of pre-slaughter handling of cattle and sheep exported for slaughter to the Middle East, aired on Australian television in 2005 and in New Zealand in 2007, showed cattle having tendons slashed and eyes gouged, and sheep being confined in car boots.

New Zealand has not exported live cattle for slaughter except to countries that practise pre-slaughter stunning following concerns from a previous Minister of Agriculture. It has also not exported live sheep for slaughter since 2003 following an incident involving a high death toll and international media attention as a result of delayed offloading of live sheep from Australia to Saudi Arabia (the *Cormo Express* incident). There is interest in trade in cattle for slaughter from a number of countries (including Saudi Arabia, Egypt, the Republic of Korea, Malaysia and Russia)

s 6(a)

There are potential risks in resuming trade in livestock for slaughter on the basis of the current legislative framework, including increased public outrage and possible international commercial reactions arising from animal welfare concerns about the treatment of New Zealand animals on their arrival in some destination countries. This risk would be magnified should there be any problems with the trade or adverse publicity.

Animal welfare is a developing international concern and various markets have threatened to boycott various agricultural products from countries that tolerate low animal welfare standards. New Zealand's mainstream trade in agricultural products could be negatively affected, and may be subject to reduced prices in some key markets, if the export of livestock for slaughter were to resume. The key features of New Zealand's trade in agricultural products are:

- agricultural exports in 2006 were valued at NZ\$18.3 billion. Meat exports represent a significant portion of this, generating NZ\$4.7 billion in export earnings (14.27% total exports) with sheep meat alone accounting for NZ\$2.4 billion; and
- the value of livestock exports for slaughter is economically insignificant by comparison. The total export of livestock in 2006 was valued at NZ\$49 million (0.26% of total exports) most of which comes from the export of animals for breeding not slaughter.

s 6(a)

Any consumer boycott would be most likely to come from the European Union and American markets where agricultural exports totaled NZ\$3.9 billion and NZ\$2.6 billion respectively. A decline in the value of exports as small as 10% in the European Union sheep meat export alone (the most vulnerable single market) would reduce New Zealand revenue by about NZ\$150 million per year and could adversely impact the New Zealand economy. This impact is likely to be greater than any lost revenue from stopping the export of livestock for slaughter.

Losses could escalate if major international retail chains adopt a boycott on sales or a labeling programme on New Zealand agricultural products. Supermarket chains in the United Kingdom, such as Tesco, are demanding more in terms of the environmental and social integrity in the produce they retail. There is increasing demand for farm assurance schemes and product traceability, and animal welfare concerns are becoming particularly prominent. The risk would be magnified should New Zealand be involved in an incident such as the *Cormo Express* or an expose of the conditions faced by animals in some markets.

More broadly, resuming trade in livestock for slaughter could damage New Zealand's clean, green and 100% pure reputation, of which animal welfare is a part. While potential losses are difficult to quantify, studies have indicated that they could be significant, potentially up to NZ\$500 million for the dairy industry and up to NZ\$1 billion for tourism.

Objective

To manage the risks to New Zealand's reputation as a responsible exporter of agricultural products resulting from the export of livestock for slaughter.

Alternative options

Outright prohibition

Should Ministers decide to adopt an outright prohibition on livestock exports for slaughter, it could be given effect under several pieces of legislation, including the Animal Welfare Act and the Customs and Excise Act 1996. Regardless, a number of ancillary considerations would need to be taken into account, including the extent to which it fits with the purpose of the legislation and administrative provisions.

An outright prohibition does not provide the Minister of Agriculture with discretion to allow export to countries or in circumstances where the risks can be adequately mitigated. It would, for example, prohibit the current trade in cattle for fattening and slaughter for the production of Kobe beef to Japan. This trade has been undertaken for a number of years and the risk arising is considered negligible.

While an outright prohibition on livestock exports for slaughter is possible, it is considered to be more trade restrictive than necessary and is not the preferred option. If applied, it would prevent trade to established markets not currently of concern.

Voluntary moratorium

A voluntary moratorium could be negotiated between government and exporters of livestock as an interim measure to allow time for government to review options and implement outcomes of the review, should it decide to adopt more restrictive requirements for the export of livestock for slaughter.

While some exporters of livestock for slaughter may agree to a moratorium, it is considered very unlikely to be acceptable to all. The negotiation of a voluntary moratorium as an interim measure is therefore not considered viable.

Preferred option – prohibition with exemptions

If a decision is made to adopt more restrictive requirements for the export of livestock for slaughter there are a number of options for its implementation and the costs and benefits are similar for each. The preferred option is to amend primary legislation to prohibit exports of livestock for slaughter in the first instance, with exemptions where the risks can be managed to an acceptable level. Exemptions could include export:

- to countries where the Minister of Agriculture believes there are no significant animal welfare risks; and
- under bilateral arrangements or other mechanisms covering post-arrival animal welfare considerations and slaughter practices.

Should a decision be made to adopt more restrictive requirements for the export of livestock for slaughter, it is recommended that officials be directed to further develop proposals for legislative amendment and report back to Cabinet by 30 March 2008. This is the shortest timeframe possible for the review, with enactment of amending legislation to follow in accordance with the Parliamentary timetable.

Given the likely delay in effecting change in primary legislation, a Customs Export Prohibition Order is proposed as an interim measure to protect New Zealand from immediate and potentially irreversible risks. Under the Customs and Excise Act, if the Governor-General considers prohibition is necessary in the public interest, the Governor-General may by Order in Council prohibit the exportation of any product from New Zealand, in this case livestock for slaughter. A Customs Export Prohibition Order could prohibit the export of livestock for slaughter except with the consent of the Director-General of Ministry of Agriculture and Forestry. This would give the Director-General the discretion to approve

individual consignments on a case by case basis. In exercising his discretion, the Director-General could allow trade in circumstances he believed did not pose undue risk using criteria similar to those proposed if a decision is made to amend primary legislation.

Impact on government

Under the preferred option, the government would have greater ability to manage the risks to New Zealand's reputation as a responsible exporter of agricultural products resulting from the export of livestock for slaughter. Conversely, the risks of implementing the preferred option include:

- s 6(a), s 9(2)(g)(i), s 9(2)(j)

- s 6(a), s 9(2)(g)(i)

- s 6(a), s 9(2)(j)

Officials believe that, overall, there is a significantly greater risk in maintaining the current regulatory framework than there is in restricting the trade.

A Customs Export Prohibition Order is unlikely to generate any significant additional costs to government. Any additional costs would be met primarily by the Ministry of Agriculture and Forestry and would be met within existing budget. Minor additional costs borne by New Zealand Customs would also be met within existing budget.

Impact on industry

A small number of exporters have expressed interest in exporting livestock for slaughter and believe that it would provide returns greater than alternate options, i.e. slaughter of the animals in New Zealand. Livestock exports for slaughter represent an alternative market for farmers when prices for other products are depressed.

s 6(a)

One exporter in particular has established a breeding programme over a number of years specifically designed to service the Saudi Arabian live export market. These exports would be unlikely to be able to proceed.

Early indications are that industry would support restrictions on livestock exports for slaughter in order to protect New Zealand's reputation as a responsible exporter of agricultural products. Supermarket chains in the United Kingdom, such as Tesco, are demanding more in terms of the environmental and social integrity in the produce they retail. There is increasing demand for farm assurance schemes and product traceability, and animal welfare concerns are becoming particularly prominent. New Zealand's reputation must be kept intact to ensure access to some of our key markets.

Impact on society

The preferred option is likely to satisfy New Zealanders that animal welfare concerns for livestock exported for slaughter have been better taken into account. Advice from the Australian Department of Agriculture, Fisheries and Forestry indicates that thousands of Australians objected to television footage of cattle slaughter and pre-slaughter handling practices in the Middle East in 2005, as well as pre-slaughter handling practices for sheep. A similar reaction could be expected in New Zealand if exports were to resume.

Implementation and Review

A Customs Export Prohibition Order made by the Governor-General by Order in Council can be put into effect almost immediately and may be in effect for up to three years. At the end of this period the Governor-General may choose to extend the Order for another three years. There is no restriction on the number of times an Order in Council may be renewed; however, it is our intention that the Customs Export Prohibition Order will only be in place as long as it takes to amend current legislation.

Consultation

Stakeholder consultation

The review of livestock exported for slaughter is an in house review and will proceed without announcement. Once Cabinet has had the opportunity to consider the outcomes of the review and made its decisions on how the export of livestock should be dealt with there will be consultation with affected parties on its implementation.

Government department/ agency consultation

The following agencies have been consulted on the review of livestock exports for slaughter: the Department of Prime Minister and Cabinet, the Treasury, the Ministry of Economic Development, the Ministry of Foreign Affairs and Trade, New Zealand Customs, the Ministry of Agriculture and Forestry and the New Zealand Food Safety Authority.



Commercial: In Confidence

Cabinet

CAB Min (07) 33/3A

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Minister of Agriculture

Copies to:

Prime Minister
Deputy Prime Minister
Minister of Finance
Hon Jim Anderton
Minister for Biosecurity
Minister of Trade
Minister for Food Safety
Minister of Customs
Secretary, ERD
Secretary, POL

Review of Livestock Exports for Slaughter: Variation to Work Programme

On 10 September 2007, following reference from the Cabinet Policy Committee, Cabinet:


1 noted that on 13 August 2007, Cabinet:

- 1.1 noted that the Minister of Agriculture has directed officials to review the policy on livestock exports for slaughter;
- 1.2 directed the Ministry of Agriculture and Forestry and the Ministry of Foreign Affairs and Trade to report to the Cabinet External Relations and Defence Committee (ERD) by March 2008 on the outcome of the initial stages of the review, including with recommendations on whether or not the views of external stakeholders should be sought;
- 1.3 invited the Minister of Agriculture, in consultation with the Minister of Trade, to provide an additional paper to ERD, by 22 August 2007 if possible, on:
 - 1.3.1 how the export of livestock for slaughter will be dealt with during the period of review;
 - 1.3.2 s 6(a)

[CAB Min (07) 29/2A].

- 2 **noted** that officials have considered the work programme arising from the decisions referred to above, and concluded that the work required for the initial paper to Cabinet would comprise a significant proportion of the total work for the review, and that by giving the review work a high priority the full review could be completed by early October 2007;
- 3 3.1 **rescinded** the decisions referred to in paragraphs 1.2 and 1.3; and instead
 3.2 **directed** officials to complete the review and report to ERD by 17 October 2007;
- 4 **noted** that the Minister of Agriculture does not intend to make any announcements concerning the review until the review is complete;
- 5 **noted** the advice of the Minister of Agriculture that:
 - 5.1 any applications for the export of livestock for slaughter during the period of review would be handled under existing policy;
 - 5.2 it is intended that consultation with exporters of live animals for slaughter be undertaken after the government has considered the review.

s 9(2)(a)



Secretary of the Cabinet

Reference: CAB (07) 439; POL Min (07) 20/11

Secretary's Note: This minute replaces POL Min (07) 20/11. A Cabinet minute has been issued for this item as it involved rescinding earlier Cabinet decisions (see paragraph 3). Cabinet also added paragraph 5.



Cabinet Policy Committee

POL Min (07) 20/11

Minute of Decision

Copy No: 15

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Review of Livestock Exports for Slaughter: Variation to Work Programme

On 5 September 2007, the Cabinet Policy Committee (POL):

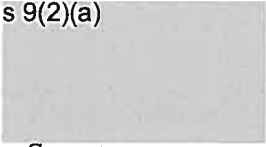
1. noted that on 13 August 2007, Cabinet:
 - 1.1 noted that the Minister of Agriculture has directed officials to review the policy on livestock exports for slaughter;
 - 1.2 directed the Ministry of Agriculture and Forestry and the Ministry of Foreign Affairs and Trade to report to the Cabinet External Relations and Defence Committee (ERD) by March 2008 on the outcome of the initial stages of the review, including with recommendations on whether or not the views of external stakeholders should be sought;
 - 1.3 invited the Minister of Agriculture, in consultation with the Minister of Trade, to provide an additional paper to ERD, by 22 August 2007 if possible, on:
 - 1.3.1 how the export of livestock for slaughter will be dealt with during the period of review;
 - 1.3.2 s 6(a) [REDACTED]

[CAB Min (07) 29/2A]

2. noted that officials have considered the work programme arising from the decisions referred to above, and concluded that the work required for the initial paper to Cabinet would comprise a significant proportion of the total work for the review, and that by giving the review work a high priority the full review could be completed by early October 2007;
3. agreed to recommend that Cabinet:
 - 3.1 rescind the decisions referred to in paragraphs 1.2 and 1.3; and instead
 - 3.2 direct officials to complete the review and report to ERD by 17 October 2007;

- 4 noted that the Minister of Agriculture does not intend to make any announcements concerning the review until the review is complete.

s 9(2)(a)



Secretary

Reference: POL (07) 317

[Not relevant to request]



Commercial: In Confidence

Office of Minister of Agriculture

Chair
Cabinet External Relations and Defence Committee

REVIEW OF LIVESTOCK EXPORTS FOR SLAUGHTER – VARIATION TO WORK PROGRAMME

Proposal

1. This paper proposes that the work programme for the live animal exports review be amended, so that the review is completed within a shorter timeframe, and separate advice on managing exports during the period of the review is not provided. The paper also proposes that no announcements about the review be made until the review is complete.

Background

2. On 13 August 2007 Cabinet considered proposals relating to a review of New Zealand's policy on livestock exports for slaughter. Cabinet noted that I had directed officials to review the policy, and agreed that the review should take account of post-arrival animal welfare considerations. Cabinet also invited me, in consultation with the Minister of Trade, to provide an additional paper for the Cabinet External Relations and Defence Committee (ERD) by 22 August 2007 if possible, on:
 - a. how the export of livestock for slaughter will be dealt with during the period of review; and
 - b. s 6(a)

Comment

Proposed Variation to Review Work Programme

3. Officials have considered the work programme arising from Cabinet's decision on 13 August 2007 and have commenced analysis of the options for managing exports during the period of the review. Officials have concluded that the work required for the initial paper to Cabinet would comprise a significant proportion of the total work for the review, and that by giving the review work a high priority the full review could be completed by early October 2007.
4. It therefore appears that the most sensible way forward with this work is for officials to carry out the review within the accelerated timeframe, and not develop separate

advice on interim measures for managing exports during the review period. I propose that Cabinet's decision on 13 August 2007 be amended accordingly.

Communications Issues

5. Given the short time frame for completion of the review, I do not intend to make any announcements until such time as Cabinet has had the opportunity to consider the outcomes of the review and make its decision on how the export of livestock should be dealt with in future. In the meantime, the status quo prevails. That is, should any exporter apply to export livestock for slaughter, the application will be considered under existing legislation and, providing that it meets the requirements of the Animal Welfare Act and satisfies the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of animals up to the point of disembarkation, then the export may proceed.
6. Exporters of live sheep for slaughter to Saudi Arabia are aware that there are negotiations underway between New Zealand and Saudi Arabia in respect of an agreement to be reached over transportation and quarantine arrangements for livestock. They may not, however, be aware that should they choose to apply to export, that there is no legal mechanism to prevent livestock exports, given that they comply with the conditions set out in the Act.

s 6(a)

s 9(2)(h)

7.

Consultation

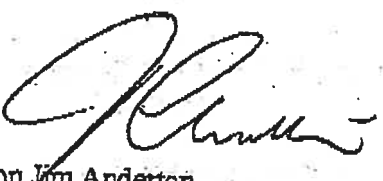
8. The following departments have been consulted on the proposals in this paper, and concur with them: Ministry of Foreign Affairs and Trade, New Zealand Food Safety Authority and the New Zealand Customs Service.

Financial Implications, Human Rights, Legislative Implications, Regulatory Impact Analysis.

9. This paper has no financial implications, contains no proposals that are inconsistent with the Human Rights Act or the New Zealand Bill of Rights Act, and has no legislative implications. A Regulatory Impact Statement is not required.

Recommendations

10. I recommend that the Committee:
 1. note that on 13 August 2007 Cabinet:
 - 1.1 took decisions regarding a review of the policy on livestock exports for slaughter; and
 - 1.2 directed the Ministry of Agriculture and Forestry and the Ministry of Foreign Affairs and Trade to report to ERD by March 2008 on the outcome of the initial stages of the review, including with recommendations on whether or not the views of external stakeholders should be sought; and
 - 1.3 invited the Minister of Agriculture, in consultation with the Minister of Trade, to provide an additional paper for ERD by 22 August 2007 if possible, on:
 - i. how the export of livestock for slaughter will be dealt with during the period of review;
 - ii. a possible communications strategy regarding the review, including how to inform the government of Saudi Arabia that the review is to be undertaken;
 2. note that officials have considered the work programme arising from Cabinet's decision, and concluded that the work required for the initial paper to Cabinet would comprise a significant proportion of the total work for the review, and that by giving the review work a high priority the full review could be completed by early October 2007;
 3. agree to recommend that Cabinet:
 - 3.1 rescind the decisions referred to in paragraphs 1.2 and 1.3; and instead
 - 3.2 direct officials to complete the review and report to ERD by 17 October 2007.
 4. note that I do not intend to make any announcements concerning the review until the review is complete.


Hon Jim Anderton
Minister of Agriculture

30/8/07



Commercial: In Confidence

Cabinet

CAB Min (07) 29/2A

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Minister of Agriculture
Minister of Trade

Copies to:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister for Biosecurity
Minister of Defence
Minister for Food Safety
Minister for Economic Development
Secretary, ERD

Livestock Exports for Slaughter and Arrangements for Live Sheep Exports for Slaughter to Saudi Arabia

On 13 August 2007, following reference from the Cabinet External Relations and Defence Committee (ERD), Cabinet:

- 1 **noted** that the Minister of Agriculture has directed officials to review the policy on livestock exports for slaughter;
- 2 **noted** that, since the 1980s, New Zealand has not exported live cattle for slaughter, except to countries that practise pre-slaughter stunning, and has also placed a temporary halt on the trade in live sheep for slaughter until such time as agreements are reached over transportation and quarantine arrangements for livestock;
- 3 **noted** that there is currently no legal mechanism to prevent livestock exports for slaughter based on the treatment of animals in the buying countries as long as the exports meet the requirements of the Animal Welfare Act 1999 and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of animals up to the point of disembarkation;
- 4 **noted** that there potentially would be significant public concern (and possible international consumer reaction) if exports of animals for slaughter were to recommence from New Zealand to countries which do not practice pre-slaughter stunning of animals or where other handling practices are significantly different to those used in New Zealand;

5 noted that New Zealand is negotiating a bilateral Arrangement with Saudi Arabia with the expectation that the conclusion of the Arrangement will allow for the resumption of live sheep exports;

6 s 6(a)

s 9(2)(j)

7 noted that any outcome of a review of policy for live animal exports which resulted in trade restrictions being placed on the export of live animals
s 6(a), s 9(2)(g)(i), s 9(2)(h) and
s 6(a), s 9(2)(g)(i)

8 invited the Minister of Agriculture to request the National Animal Welfare Advisory Committee to develop a code of welfare for the transportation of livestock for all purposes and accord it an appropriate priority;

9 agreed that the review noted in paragraph 1 above take account of post-arrival animal welfare considerations;

10 directed the Ministry of Agriculture and Forestry and the Ministry of Foreign Affairs and Trade to report to ERD by March 2008 on the outcome of the initial stages of the review, including with recommendations on whether or not the views of external stakeholders should be sought;


11 invited the Minister of Agriculture, in consultation with the Minister of Trade, to provide an additional paper for ERD by 22 August 2007 if possible, on:

11.1 how the export of livestock for slaughter will be dealt with during the period of review;

11.2 s 6(a)

12 noted that no announcements on the review would be made before consideration of the report referred to in paragraph 11.

s 9(2)(a)

 Secretary of the Cabinet

Reference: CAB (07) 363; ERD Min (07) 4/1

Secretary's note: This minute replaces ERD Min (07) 4/1. Cabinet deleted paragraph 10 of the ERD minute and added new paragraphs 11 and 12.



Commercial: In Confidence

Cabinet External Relations and Defence Committee

ERD Min (07) 4/1

Copy Number: 12

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.


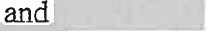


Livestock Exports for Slaughter and Arrangements for Live Sheep Exports for Slaughter to Saudi Arabia


On 8 August 2007, the Cabinet External Relations and Defence Committee (ERD):

- 1 **noted** that the Minister of Agriculture has directed officials to review the policy on livestock exports for slaughter;
- 2 **noted** that, since the 1980s, New Zealand has not exported live cattle for slaughter, except to countries that practise pre-slaughter stunning, and has also placed a temporary halt on the trade in live sheep for slaughter until such time as agreements are reached over transportation and quarantine arrangements for livestock;
- 3 **noted** that there is currently no legal mechanism to prevent livestock exports for slaughter based on the treatment of animals in the buying countries as long as the exports meet the requirements of the Animal Welfare Act 1999 and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of animals up to the point of disembarkation;
- 4 **noted** that there potentially would be significant public concern (and possible international consumer reaction) if exports of animals for slaughter were to recommence from New Zealand to countries which do not practice pre-slaughter stunning of animals or where other handling practices are significantly different to those used in New Zealand;
- 5 **noted** that New Zealand is negotiating a bilateral Arrangement with Saudi Arabia with the expectation that the conclusion of the Arrangement will allow for the resumption of live sheep exports;

6 s 6(a)

s 9(2)(i)

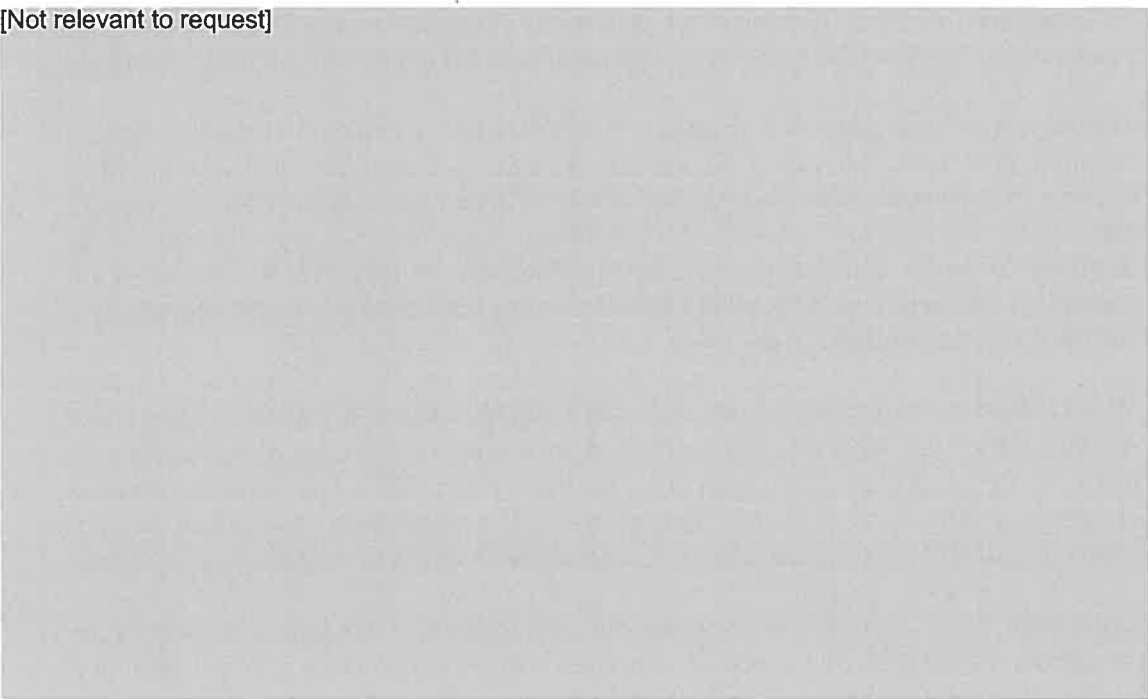
- 7 **noted** that any outcome of a review of policy for live animal exports which resulted in trade restrictions being placed on the export of live animals 
s 6(a), s 9(2)(g)(i), s 9(2)(h)  and 
s 6(a), s 9(2)(g)(i) 
- 8 **invited** the Minister of Agriculture to request the National Animal Welfare Advisory Committee to develop a code of welfare for the transportation of livestock for all purposes and accord it an appropriate priority;
- 9 **agreed** that the review noted in paragraph 1 above take account of post-arrival animal welfare considerations;
- 10 **directed** the Ministry of Foreign Affairs and Trade to inform Saudi Arabia that a review of policy for the export of livestock for slaughter is to be undertaken and will take into account post-arrival animal welfare considerations;
- 11 **directed** the Ministry of Agriculture and Forestry and the Ministry of Foreign Affairs and Trade to report to the Cabinet External Relations and Defence Committee by March 2008 on the outcome of the initial stages of the review, including with recommendations on whether or not the views of external stakeholders should be sought.

s 9(2)(a) 

Secretary

Reference: ERD (07) 14

[Not relevant to request]



Commercial: In Confidence

Office of Minister of Agriculture
Office of Minister of Trade

Chair
Cabinet External Relations and Defence Committee

LIVESTOCK EXPORTS FOR SLAUGHTER AND ARRANGEMENTS FOR LIVE SHEEP EXPORTS FOR SLAUGHTER TO SAUDI ARABIA

Proposal

1. This paper seeks approval to undertake a review of New Zealand's policy on the export of livestock for slaughter and highlights associated issues relating to the current negotiations for a bilateral arrangement with Saudi Arabia on live sheep exports for slaughter.

Executive summary

2. In August 2006, the Minister of Agriculture directed the Ministry of Agriculture and Forestry (MAF) to review its policy on livestock exports for slaughter. Concerns over the export of livestock for slaughter arise primarily from the pre-slaughter handling and slaughter methods of some other countries, which differ significantly from those practised in New Zealand (for example, commercial slaughter without prior stunning).
3. The export of live cattle for slaughter is of particular concern. There is scientific evidence that it can take up to 90 seconds for cattle which have not been stunned to become unconscious after their throats are cut. Sheep are also an issue of concern, particularly in relation to pre-slaughter handling practices. Footage of pre-slaughter handling of cattle and sheep exported for slaughter to the Middle East, aired on Australian television in 2005, showed cattle having tendons slashed and eyes gouged, and sheep being confined in car boots.
4. New Zealand has not exported live cattle for slaughter except to countries that practise pre-slaughter stunning following concerns from a previous Minister of Agriculture. It has also not exported live sheep for slaughter since 2003 following an incident involving a high death toll and international media attention as a result of delayed offloading of live sheep from Australia to Saudi Arabia (the *Cormo Express* incident).
5. Since 2004, New Zealand has been negotiating a bilateral Arrangement to support the resumption of trade in live sheep for slaughter with Saudi Arabia. This is based on a similar document which saw the successful reintroduction of exports from Australia, and is aimed at ensuring adequate transportation and unloading / quarantine procedures for live exports. However, the Arrangement does not set conditions for

post-arrival handling and slaughter methods. The initiative currently rests with New Zealand to take the next step in negotiations, but this has been delayed pending decisions regarding the review of live export policies. In March 2006, the Minister of Trade discussed the current Saudi draft of the Arrangement and indicated to the Saudi Arabian Minister of Agriculture that New Zealand had no objection to its conclusion, following further assessment of the text and a formal response from officials, as an instrument to facilitate the commercial trade of live animals. He expressed hope that the Arrangement would be finalised in the near future.

6. s 6(a), s 9(2)(g)(i), s 9(2)(j)

s 9(2)(j)

7. s 9(2)(j)

8. There are potential risks to New Zealand's international reputation and trade relationships whether or not a review of policy is undertaken, as well as domestic risks arising from the public reaction to the Government's decisions. On balance, the potential risk to the Government's and New Zealand's reputation is higher if a review is not undertaken. This is because:

- a. there are risks of increased public outrage and international commercial reactions arising from any animal welfare concerns; and

- b. s 6(a)

Background

Reasons for concern about animal welfare

9. Pre-slaughter handling practices and slaughter methods in some countries may differ significantly from those practised in New Zealand. Some countries may practise commercial slaughter without prior stunning and tendon cutting in cattle to immobilise animals before slaughter. These practices have raised concerns from the Minister of Agriculture, the Director-General of MAF and some key New Zealand stakeholders, such as the Meat Industry Association and Meat and Wool New Zealand Limited.

Past and Current State of the export of cattle and sheep for slaughter: Live cattle for slaughter

10. New Zealand currently has no trade in the export of cattle for immediate slaughter. Cattle shipments for fattening and slaughter have historically been restricted to countries that practice pre-slaughter stunning (i.e. Japan and Canada).
11. There is some current interest in trade in cattle for slaughter from a number of countries; including Saudi Arabia, Egypt, the Republic of Korea, Malaysia and Russia, but indications are that the level of trade is unlikely to be of economic significance. Slaughter practices in these countries vary and a number do not practise pre-slaughter stunning.
12. Cattle are exported in significant numbers for breeding, including periodic consignments to Mexico and China. This trade would not be affected by the proposed review.

Live sheep for slaughter

13. The live sheep trade commenced during the 1980s, reaching its peak in the 1990s when up to one million sheep were exported annually to the Middle East. During the 1990s, lamb prices were extremely low and the live export trade offered a significant alternative market. During this time MAF refined the standards for shipments which resulted in the reduction of mortality rates from an average of 2.74% per shipment between 1985 and 1989, to an average of 0.67% per shipment between 2000 and 2003. By 2000, the trade had dwindled to an average of one shipment per year of approximately 40,000 animals per consignment, largely for economic reasons.
14. In 2003, a shipment of 60,000 Australian sheep, travelling on the *Cormo Express* was rejected by the Saudi authorities. Several thousand sheep died due to heat stress as a result of extensive delays in their offloading, s 6(a)
Australia immediately halted all shipments to Saudi Arabia and shipments have just resumed this year following the signing of a new Memorandum of Understanding (MOU) between Australia and Saudi Arabia which establishes procedures for ensuring acceptable welfare conditions in respect of the transportation and quarantine of livestock.
15. In November 2004, Saudi Agriculture Minister Balghanaim requested, in the context of the establishment of new quarantine facilities in Jeddah, New Zealand's cooperation to resume live sheep exports in time for the February 2005 Hajj. The then New Zealand Minister of Agriculture, Hon Jim Sutton, stated that an Arrangement, with terms similar to those agreed in the Australia / Saudi MOU on live shipments, would be necessary before the live trade could be resumed.
16. Trading partners, mostly from the Middle East, have continued to express interest in resuming trade of livestock for slaughter with New Zealand, but the extent of interest from New Zealand exporters is hard to gauge, given the halt on exports. However specific interest has been expressed for a number of years by a New Zealand based majority Saudi-owned company trading as Awassi New Zealand Limited, which has been operating a small breeding programme of Middle-East origin Awassi fat tailed

sheep in New Zealand with a view to establishing a niche market for the ongoing export of Awassi sheep for slaughter for the Saudi Arabia market.

17. Some 35,000 sheep have been exported to Mexico in the current year and future trade would not be affected by the proposed review.

Current domestic standards for livestock welfare including slaughter

18. The Animal Welfare Act 1999 (the Act) makes provision for the welfare of animals within New Zealand and the conditions for international transport of animals *up to the point* of disembarkation. Relevant provisions of the Act that apply to the export of livestock include:
 - a requirement for an Animal Welfare Export Certificate on a consignment by consignment basis. In issuing an Animal Welfare Export Certificate the Director-General of MAF may take into account a range of matters related to the journey (section 43 and 45), but not the treatment of the animals after arrival;
 - provision for the Director-General of MAF to publish guidelines for the issue of Animal Welfare Export Certificates (section 40);
 - obligation on persons in charge of a vessel, aircraft, or ship in or on which an animal is being transported to ensure they attend properly to the welfare of animals being transported, including conditions of confinement (section 22 and 23); and
 - provision for the Minister of Agriculture to issue codes of welfare recommended to him by the National Animal Welfare Advisory Committee (section 75). A code of welfare may relate to a species of animal or the transport of animals, among other matters.
19. The National Animal Welfare Advisory Committee is finalising a draft code of welfare for the commercial slaughter of animals in New Zealand for the Minister of Agriculture's consideration and approval. In the draft code, the National Animal Welfare Advisory Committee recommends as a minimum standard that all animals undergoing commercial slaughter be stunned prior to the throat cut. The code applies to primary processors, dual operator butchers, and home-kill service providers. The draft code provides for the continuation of Halal slaughter which requires that animals be alive when a cut to the throat is made. On commercial premises this is achieved by way of an electrical head-only stunning method, or percussive mushroom stun, that renders the animals only temporarily unconscious. The majority of slaughter premises in New Zealand that provide product for export use the Halal method for all animals slaughtered. The stun requirement does not apply to animals killed on farm for the farmer's own use, but even in these circumstances there are requirements to ensure that the suffering of animals is minimised.
20. A voluntary code of welfare is in place for the transport of sheep by sea. Codes of welfare are yet to be finalised for cattle and other methods of transport. The National Animal Welfare Advisory Committee plans to develop over the next three years a code of welfare for the transportation of animals by sea.

Current situation for the negotiation of a bilateral Arrangement with Saudi Arabia

21. Since 2004, negotiations have proceeded with Saudi Arabia towards a bilateral Arrangement on the export of live sheep, with the expectation that the conclusion of the Arrangement will allow for the resumption of live exports on a commercial basis. Like the Australian / Saudi MOU on which it is based, the Arrangement only covers transportation conditions for livestock and immediate post arrival quarantine and processing procedures, i.e. not the treatment of the animals beyond that point.
22. s 6(a), s 9(2)(j)
23. It seems inappropriate to conclude the Arrangement now before the review is complete given that the policy basis for live sheep exports is under review. If the review were to result in a ban on live exports (of sheep) or additional requirements before export could occur, this would, in effect, require a post-facto revocation of the Arrangement framework and could therefore prompt questions about New Zealand's good faith as a negotiator and trading partner.

Key drivers for the review

24. In August 2006, the Minister of Agriculture asked MAF to review its policy on livestock exports for slaughter. The key drivers for a review of policy on the export of livestock for slaughter are:
- growing discomfort by the Minister of Agriculture, the Director-General of MAF (as the legal decision maker for Animal Welfare Export Certificates) and some key New Zealand stakeholders, such as the Meat Industry Association and Meat and Wool New Zealand Limited over the trade in live animals for slaughter to countries that do not practise pre-slaughter stunning;
 - the current international climate. This includes, for example:
 - the Cormo Express incident involving a shipment of sheep from Australia to Saudi Arabia in 2003, which led to Australia being targeted by the United States animal rights group People for the Ethical Treatment of Animals;
 - the Australian Department of Agriculture, Fisheries and Forestry has advised that thousands of Australians objected to television footage of cattle slaughter and pre-slaughter handling practices in the Middle East in 2005, as well as pre-slaughter handling practices for sheep;

- the World Society for the Protection of Animals is planning a global campaign in early 2008 against the transportation of live animals for slaughter across four key routes based on economic and animal welfare considerations. One of the proposed target routes will be Australia's live sheep trade to the Middle East.
- the need to ensure alignment with New Zealand's Animal Welfare and International Trade Strategy, noting that the draft strategy recognises that New Zealand's international animal welfare standing enhances opportunities for market success of New Zealand's agricultural exports;
- the need to clarify the legal basis, both domestic and internationally, for any restrictions on New Zealand's export of livestock for immediate slaughter; and
- at the same time, noting that live sheep exporting has been seen to be an alternative option for farmers during times of low international sheep meat prices.

Foreign and trade policy considerations

Multilateral considerations

25. s 6(a), s 9(2)(g)(i), s 9(2)(h)

26. s 6(a), s 9(2)(g)(i)

27. s 6(a), s 9(2)(g)(i), s 9(2)(h)

It will be important therefore to take due account of New Zealand's international obligations and of Government's trade policy objectives in the review.

Saudi Arabia bilateral Arrangement and Gulf Co-operation Council s 9(2)(j)

28. The Kingdom of Saudi Arabia is by far New Zealand's largest market in the Middle East, with exports in 2006 worth \$410.5 million.

s 6(a)

s 6(a)

s 6(a)

Substantial delays to the outcome of any review which resulted in restrictions placed on the export of live sheep could, therefore, negatively affect the bilateral relationship.

29. The success of the Awassi New Zealand project could also have bilateral implications, related to the attractiveness of New Zealand as a secure environment for investment. The investment (in land and New Zealand-based breeding programmes) was made with the express purpose of exporting shipments of live Awassi sheep from New Zealand to Saudi Arabia, although product from this exporter is currently being sold through other markets.
30. Saudi Arabia is also the political and economic leader of the GCC, which is a major export partner for New Zealand (the fifth most important destination for sheep meat exports for example). s 6(a)

s 9(2)(j)

Scope of the review

Transportation of livestock

31. Officials propose that long distance transportation of animals be excluded from the review. Instead officials recommend that the Minister of Agriculture should request that the National Animal Welfare Advisory Committee accord due priority to the development of a code of welfare for the transportation of livestock for export. The conditions for transportation of livestock can be regulated under the Animal Welfare Act. The National Animal Welfare Advisory Committee is already intending to develop a code of welfare for transportation of animals by sea over the next three years.

Nature of the Review

32. Officials recommend that, at least initially, the review would be carried out "in-house" within MAF and MFAT. Following an initial stage, Ministers would revert to Cabinet with recommendations, including whether or not the views of external stakeholders should be sought.

Consultation

33. The following departments have been consulted in the development of this paper and concur with its recommendations: Ministry of Foreign Affairs and Trade and the

Ministry of Agriculture and Forestry, Ministry of Economic Development, New Zealand Food Safety Authority, Treasury and the Department of Prime Minister and Cabinet.

Financial Implications

34. There are no financial implications; all the costs of a possible review of policy and negotiation of the bilateral Arrangement can be accommodated within budget.

Human Rights Implications

35. The possible review of policy and negotiation of a bilateral Arrangement are consistent with the Human Rights Act 1993.

Regulatory Impact Statement

36. A regulatory impact analysis will be prepared when Ministers report back to Cabinet with recommendations.

Recommendations

37. It is recommended that you:
- 1 **note** that the Minister of Agriculture has directed officials to review the policy on livestock exports for slaughter;
 - 2 **note** that, since the 1980s, New Zealand has not exported live cattle for slaughter, except to countries that practise pre-slaughter stunning, and has also placed a temporary halt on the trade in live sheep for slaughter until such time as agreements are reached over transportation and quarantine arrangements for livestock;
 - 3 **note** that there is currently no legal mechanism to prevent livestock exports for slaughter based on the treatment of animals in the buying countries as long as the exports meet the requirements of the Animal Welfare Act and satisfy the Director-General of the Ministry of Agriculture and Forestry as to the conditions for international transport of animals up to the point of disembarkation;
 - 4 **note** that there would potentially be significant public concern (and possible international consumer reaction) if exports of animals for slaughter were to recommence from New Zealand to countries which do not practice pre-slaughter stunning of animals or where other handling practices are significantly different to those used in New Zealand;
 - 5 **note** that New Zealand is negotiating a bilateral Arrangement with Saudi Arabia with the expectation that the conclusion of the Arrangement will allow for the resumption of live sheep exports;

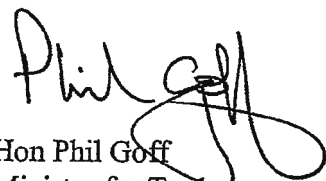
6 s 6(a)

s 9(2)(j)

7 s 6(a), s 9(2)(g)(i), s 9(2)(h)

- 8 **invite** the Minister of Agriculture to request the National Animal Welfare Advisory Committee to take up development of a code of welfare for the transportation of livestock for all purposes and accord it an appropriate priority;
- 9 **agree** a review of the policy for the export of livestock for slaughter will be undertaken, taking account of post-arrival animal welfare considerations, by the Ministry of Agriculture and Forestry at the direction of the Minister of Agriculture; and
- 10 **direct** the Ministry of Foreign Affairs and Trade to inform Saudi Arabia that a review of policy for the export of livestock for slaughter is to be undertaken and will take into account post arrival animal welfare considerations; and
- 11 **direct** officials to report back with recommendations by March 2008, prior to any external consultation.

Hon Jim Anderton
Minister of Agriculture

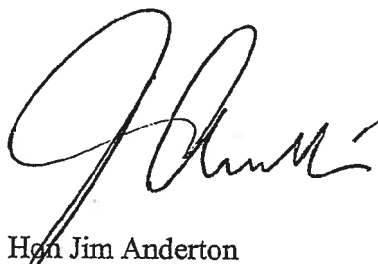

Hon Phil Goff
Minister for Trade

6 s 6(a)

s 9(2)(j)

7 s 6(a), s 9(2)(g)(i), s 9(2)(h)

- 8 **invite** the Minister of Agriculture to request the National Animal Welfare Advisory Committee to take up development of a code of welfare for the transportation of livestock for all purposes and accord it an appropriate priority;
- 9 **agree** a review of the policy for the export of livestock for slaughter will be undertaken, taking account of post-arrival animal welfare considerations, by the Ministry of Agriculture and Forestry at the direction of the Minister of Agriculture; and
- 10 **direct** the Ministry of Foreign Affairs and Trade to inform Saudi Arabia that a review of policy for the export of livestock for slaughter is to be undertaken and will take into account post arrival animal welfare considerations; and
- 11 **direct** officials to report back with recommendations by March 2008, prior to any external consultation.



Hon Jim Anderton
Minister of Agriculture

Hon Phil Goff
Minister for Trade

30 / 7 / 07

