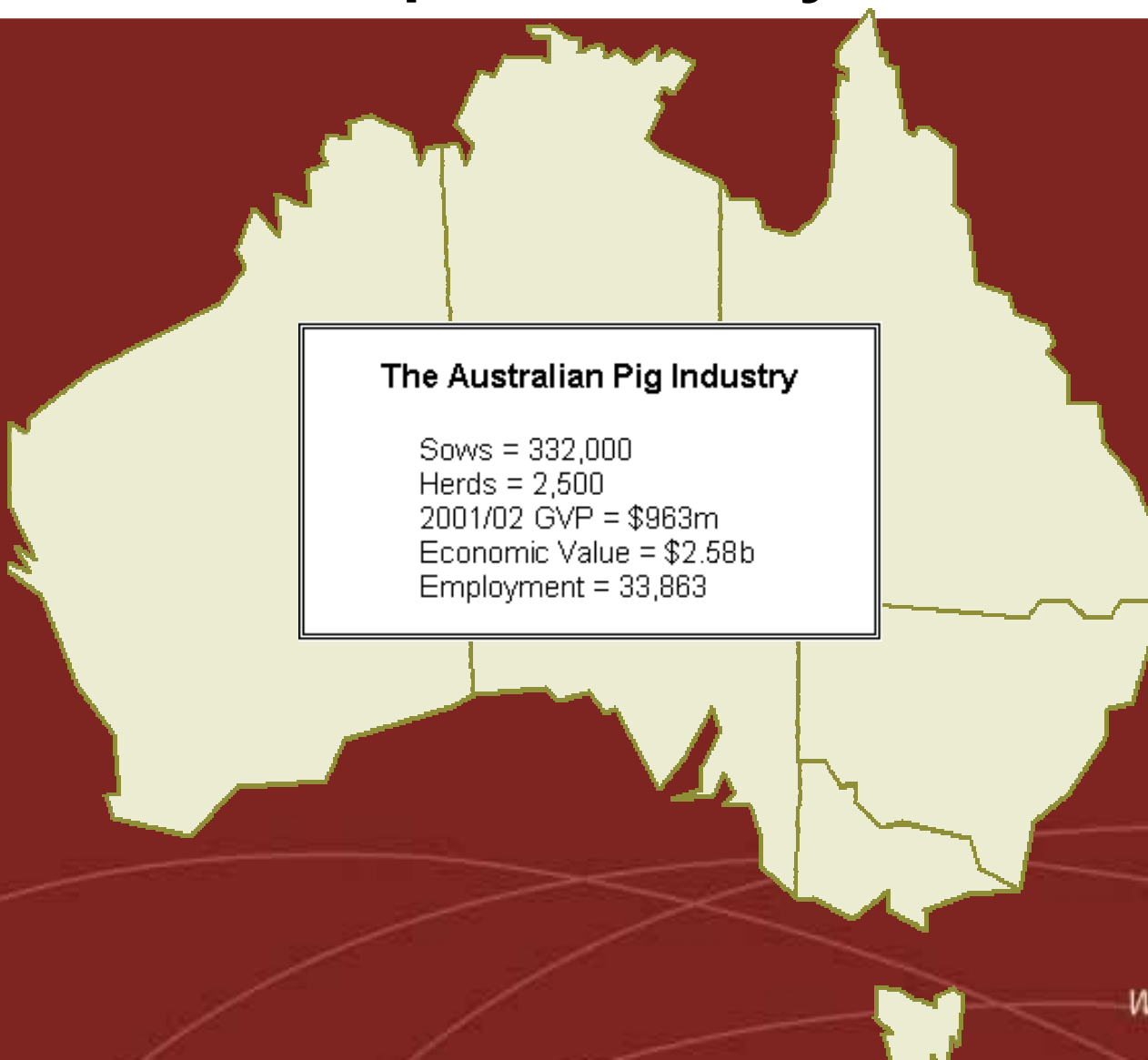


Australia's Quarantine Policy – Science in Practice

the Australian pork industry perspective

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General Manager Policy

Economic value of the Australian pork industry

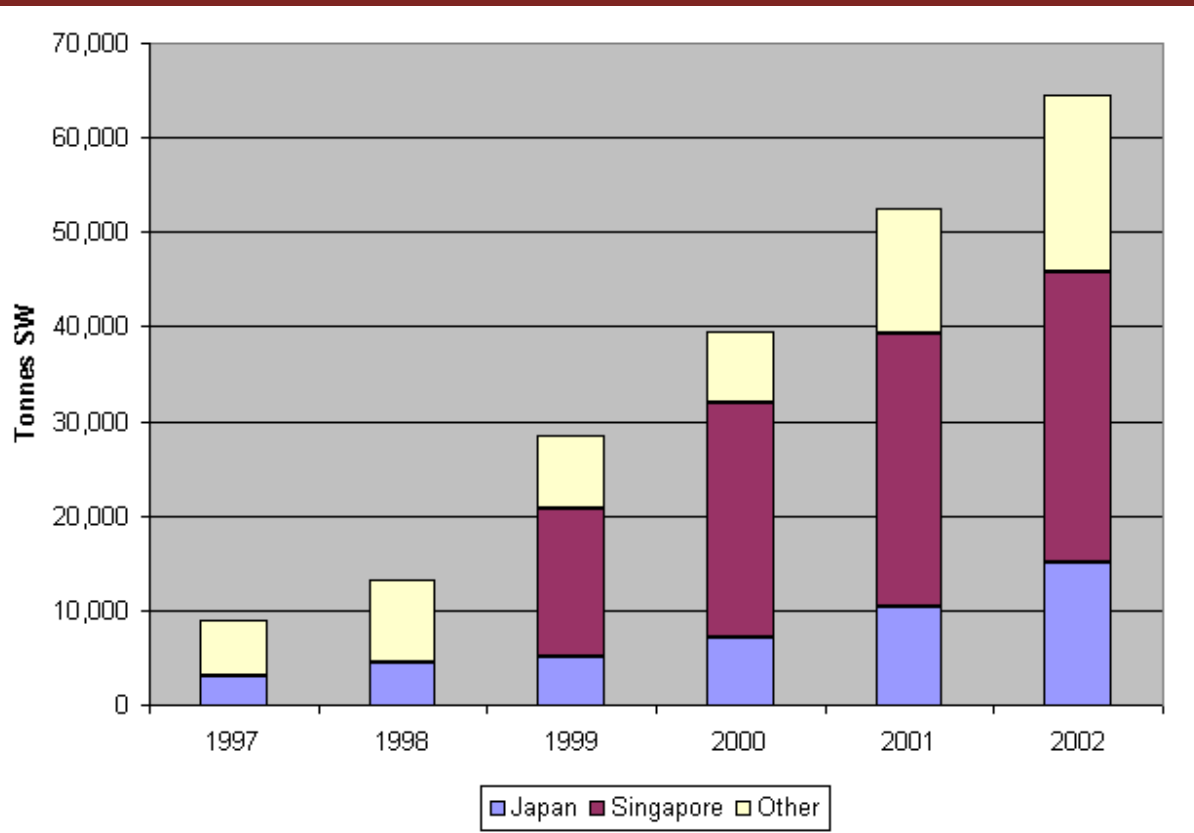


Structural change



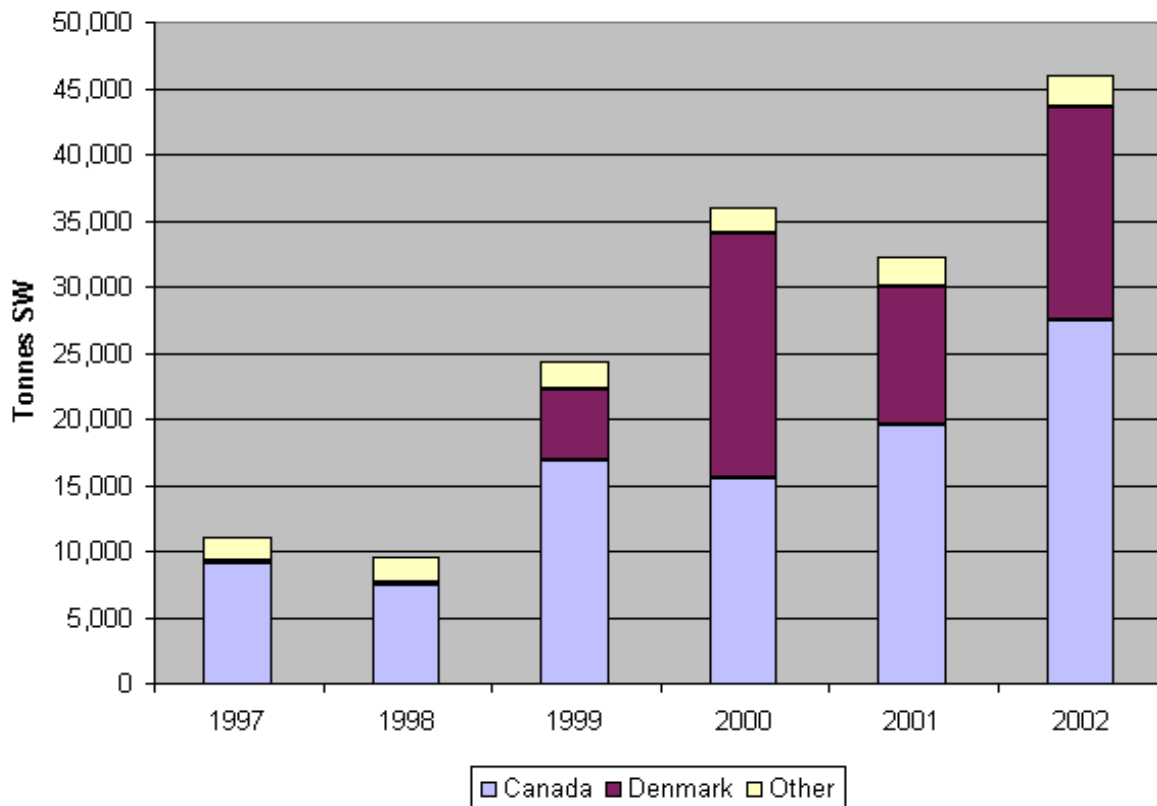
- The Australian pork industry has undergone massive structural change in the past 10 years
- No longer insulated from the global market
- Competes in both export markets and in domestic market with imports

Export market growth



- Increased to 20% of domestic production.
- Singapore and Japan comprise over 70% of total pork exports.
- Niche positioning on global markets as having *'world's best health status'*.

Import growth



- Increased to 20% of domestic production.
- 42% increase in 2002 due largely to lifting of FMD restrictions.
- 95% of imports derive from Canada (boneless legs) and Denmark (middles).
- 33% of the processed pork sector.

Sanitary barriers and trade

- Livestock and meat products fastest growing component of agricultural trade
- Growing stringency of sanitary regulations for meat imports:
 - food safety
 - animal diseases

Sanitary barriers and trade

- SPS meat and livestock notifications re sanitary measures:
 - Past 6 years over 60% of notifications cited 'animal health' as trade measure objective
 - 18% of these were post 2001 (FMD & BSE)

- Nearly half the WTO members submitted notifications relating to meat
 - Half of which from 6 countries – the US, Canada, the EU, Mexico, Chile and New Zealand

Sanitary Measures

Disguised protection or precaution?

Challenges

- As volume of trade increases, biosecurity diminishes ⇒ greater level of risk management
- Absence of evidence is the evidence of absence of disease
- The uncertainty of science
 - ⇒ The only manageable compromise is ALOP
 - = Australia “conservative” approach – a very low risk categorisation

SPS Agreement: improving trade flows

- Sanitary standards affect meat trade flows
- Effectively prevent spread of serious animal diseases

- Without SPS Agreement
 - markets would close
 - Require more stringent rules on imported product

- SPS Agreement and notification process on animal health measures provides
 - **transparency and ability to impose and respond to sanitary measures**

Import Risk Analysis



- Two Import Risk Analyses
 - IRA for Pig Semen
 - IRA for Pig Meat

- Safeguard health status of the national herd through strong science-based quarantine measures

Role of science & impact on markets

- ✓ Economic analysis to identify the possible market impacts and structural adjustments
 - Should remain separate from the formal IRA process
 - Enable industry, stakeholders and government to assess impacts and understand the trade implications of a decision to vary quarantine rules
 - Assist industry and government to plan the way forward

The challenges ahead

- Key challenges ahead:
 - Industry and government must take responsibility for their respective roles
 - Partnership approach between government and industry
 - Get better at risk communications

Australia's quarantine process is not perfect

but its about right!