

INTERNATIONAL TRADE OF LIVESTOCK AND LIVESTOCK PRODUCTS

Introduction

International trade is the exchange (import and export) of goods and services across international borders, or territories. International trade is similar to domestic trade except that it is typically more costly than domestic trade. The reason is that a border typically imposes additional costs such as tariffs (taxes on import and exports), time costs due to border delays and costs associated with country differences such as language, the legal system or culture. International trade accounts for a good part of a country's gross domestic product. World trade in live animals and livestock products is expanding rapidly, triggered by increased consumption of meat and dairy products in developing countries due to increased growth of per capita income, population, and urbanization. Industrialized countries account for 80 percent of world animal product exports; developing countries accounting for the remaining 20 percent.

Trade in live animals

Among developing countries, the most significant exporters are Brazil (beef, poultry and pork), China (pork), Argentina (beef), and Thailand (poultry). South Africa is one of the few African countries that export breeding stock to African countries, the Middle East and Gulf countries, South East Asia and to Switzerland. In 2011, South Africa exported breeding stock for beef and dairy cattle, meat goats and mutton sheep to the following countries: Angola, Botswana, Cameroon, Comoros, D.R. Congo, Kenya, Malawi, Mauritius, Namibia, Mozambique, Rwanda, Senegal, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe, whilst consulting services were also provided to clients in Congo Brazzaville, Djibouti, Egypt, Libya and Sudan, Saudi Arabia, the United Arab Emirates, Indonesia, Malaysia, Thailand and Vietnam. For several other African countries, trade in live animals is also important, although much of this involves informal, intra-regional flows or sales to the Middle East market. Notable is Somali livestock exports to Middle East countries of Oman, Saudi Arabia, Yemen, and the UAE among other countries. Livestock exports are low in many African countries due to export limiting transboundary animal diseases and under developed export infrastructure.

Benefits of live animal exports

Live animal exports are a legitimate trade providing farmers with a valuable alternative to domestic slaughter. International trade is important to an exporting country as it provides an important source of revenue for the country. The trade creates employment in rural and regional areas - jobs for ancillary suppliers and services such as livestock agents, transport operators, exporters, and shipping companies. It also benefits feedlot operators, fodder and chemical suppliers, veterinarians, sale yards, stockmen, port authorities, and the finance and insurance sectors. On the other hand, trade in live animals is important to an importing country due to the following reasons:

1. Acquire high quality breeding stock
2. Acquire feeder stock
3. Acquire livestock for slaughter

International trading environment for live animals

The international marketing of live animals is a difficult and complex matter and several parties are usually involved in any one shipment. Problems may arise as a result of the management of the producer, seller and or buyer. Handling and care before and after the purchase may affect performance and acceptability of the animal. The following guidelines should be observed by exporters of live animals:

Health: Every exporter must comply with acceptable health standards of importing countries

Laws: Exporters must abide by the applicable laws of a country of origin as well as those of the importing country.

Livestock transportation: The exporter must strive to transport livestock in a safe, humane economical and efficient manner.

Advice: Exporters are morally obliged to advise and guide the buyer to select the correct animal that fit their ultimate need.

Animal welfare: Exporters should handle all livestock in a humane manner to ensure that animals are comfortable during shipment. Guidelines for transportation of animals, including appropriate separation of species, age groups, while avoiding overloading (adequate space left for animal movement), provision of adequate feed and water, as well as veterinary services to attend to sick animals during shipment must be followed.

Live animal exports have been subjected to scrutiny by animal welfare groups around the world. In the UK for example, animal welfare groups have termed live export of sheep and cattle “**cruel and unnecessary**”, while in New Zealand, animal exports for slaughter were banned in 2003 after 4000 sheep died on a ship bound for Saudi Arabia, and animal welfare groups continue to agitate for a ban on live animal exports for breeding purposes. The welfare groups argue that live exports pose a potential for **serious suffering** of animals. In addition, statistics show that about 550,000 livestock died enroute from Australia to various destinations between 2000 and 2012.

Preparation, facilities and services for export of animals

Obligations of Exporters of Live Animals

Exporters of live animals should provide adequate facilities for handling of animals. The following facilities are necessary and should be provided by live animal exporters.

(i) Facilities and services at primary and secondary livestock markets

1. Proper loading and unloading facilities
2. Adequate space for segregation of animals by size, sex, age or whatever else is necessary
3. Animal handling facilities for physical examination (e.g. crushes)
4. Sheds to protect animals from adverse weather conditions
5. Adequate laboratory facilities and services to test animals for trade limiting infectious and zoonotic diseases.
6. Veterinary and preventive care
7. Adequate feed and water to maintain the nutritional status of the animals



Livestock loading facilities at livestock markets and quarantine stations

(ii) Transport facilities

Animals may be transported to the market and to the port of exit by trekking or by motorized transport vehicles/trucks or rail wagons. The vehicles/ railway wagons should be clean and frequently disinfected

(iii) Quarantine facilities at port of exit

Quarantine facilities are necessary at the port of exit. At the quarantine station, animals are examined and screened for transboundary animal diseases and thereafter vaccinated to reduce the risk of exporting the diseases to importing countries. At the quarantine station, the following facilities and services should be provided:

1. Proper loading and unloading facilities
2. Clean and comfortable transporting facilities (ships)
3. Clean and secure pens for isolation of animals with adequate space for segregation of animals by size, sex, age or whatever else is necessary
4. Animal handling facilities for physical examination
5. Veterinary and preventive care
6. Adequate feed and water to maintain the nutritional status of the animal
7. Shed to protect animals from adverse weather conditions

8. Adequate laboratory facilities and services to test animals for trade limiting infectious and zoonotic diseases.
9. Incinerator or other animal disposal facilities



Sheep and goats at a quarantine station in Berbera, Somaliland

Obligation of importers of live animals

Importers of live animals need to prepare adequately to receive livestock in a humane manner. The importer should provide the following facilities and services at port of entry:

1. Proper loading and unloading facilities
2. Clean and disinfected transporting facilities
3. Clean and disinfected quarantine facilities with no exposure to other animals
4. Provide facilities for proper segregation by size, sex and age or whatever else is necessary
5. Provide veterinary and preventive care
6. Provide adequate nutrition (feed and water)
7. Reduce stress i.e. provide shed to protect animals from adverse weather conditions

Regulation of trade

The World Trade Organization (WTO)

The World Trade Organization is the only international organization dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible. The result is assurance to consumers that they can enjoy secure supplies and greater choice of the finished products, components, raw materials and services that they use. On the other hand, producers and exporters know that foreign markets will remain open to them. This will lead to a more prosperous, peaceful and accountable economic world. Virtually all decisions in the WTO are taken by consensus among all member countries and they are ratified by members' parliaments. Trade friction is channeled into the WTO's dispute settlement process where the focus is on interpreting agreements and commitments, and how to ensure that countries' trade policies conform. That way, the risk of disputes spilling over into political or military conflict is reduced.

Article 20 of the WTO on General Agreement on Tariffs and Trade (GATT) allows governments to act on trade in order to protect human, animal or plant life or health, provided they do not discriminate or use this as disguised protectionism. In addition, there are two specific WTO agreements dealing with food safety and animal and plant health and safety, and with product standards in general. Both try to identify how to meet the need to apply standards and at the same time avoid protectionism in disguise. These issues are becoming more important as tariff barriers. If a country applies international standards, it is less likely to be challenged legally in the WTO than if it sets its own standards. By lowering trade barriers, the WTO's system also breaks down other barriers between peoples and nations.

At the heart of this multilateral trading system, are the WTO's agreements, negotiated and signed by a large majority of the world's trading nations, and ratified in their parliaments. These agreements are the legal ground-rules for international commerce. Essentially, they are contracts, guaranteeing member countries important trade rights. They also bind governments to keep their trade policies within agreed limits to everybody's benefit. The agreements were negotiated and signed by governments. But their purpose is to help producers of goods and services, exporters,

and importers conduct their business. The goal is to improve the welfare of the peoples of the member countries

Agreement by members of the World Trade Organization (WTO)

1. To adopt and enforce Sanitary and Phytosanitary (SPS) measures necessary to protect human, animal or plant life or health with a desire to improve human health, animal health and phytosanitary situation in all member states.
2. To apply SPS measures on the basis of bilateral agreements or protocols
3. To apply measures in such a manner as to minimize their negative effects on trade.
4. Member states to develop SPS measures in line with international standards, guidelines and recommendations developed by relevant international organizations such as CODEX food safety standards, OIE standards on animal health and zoonoses, and relevant International Plant Health standards, without requiring members to change their appropriate level of protection of human, animal or plant life or health.
5. Different member states are to establish, recognize and apply common (harmonized) sanitary and phytosanitary measures to facilitate trade by member states.
6. That SPS measures should be applied according to the findings of risk assessment done.
7. Member states to check and ensure appropriate control, inspection and approval of SPS procedures.

Sanitary and Phyto-sanitary (SPS) measures

Sanitary and Phyto-Sanitary measures include:

- All relevant laws, decrees, regulations and requirements related to food safety;
- Raw material selection criteria
- End product production methods,
- Product testing, inspection, certification and approval procedures;
- Quarantine treatments including relevant requirements associated with transport of animals or plants or their materials necessary for their survival during transport

- Provisions on relevant statistical methods, sampling procedures and methods of risk assessment; and
- Packaging and labeling requirements directly related to food safety.

Role of SPS measures

The role of SPS measures include

1. To prevent entry, establishment or spread of pests or disease causing organisms
2. To protect animal or plant life or health from risks arising from entry, establishment or spread of pests, or disease carrying and causing agents
3. To protect human life from risks arising from diseases carried by animals, plants, foods of animal origin.
4. To protect human health from risks arising from additives, contaminants, toxins that may be in foods and beverages.
5. To protect animal life from risks arising from additives, contaminants and toxins that may be in traded feedstuffs.

Development of SPS Measures

Each state should develop SPS measures in line with international standards, guidelines and recommendations developed by the following organizations:

1. OIE: for animal health standards
2. CODEX Alimentarius Commission: for food safety standards
3. International Plant Protection Convention (IPPC) : for Plant health standards

Implementation of SPS measures

Implementation of SPS measures is necessary during importation of livestock and livestock products. Implementation of such measures will require the following.

1. Import risk assessment
2. Inspection and accreditation of establishment/farms
3. Provision of import regulations/protocol
4. Veterinary health inspection
5. Inspection of imports at points of entry and sampling for laboratory testing

6. Quarantine of all imported animals
7. Sampling and laboratory testing of animals

Equivalence of SPS measures

Article 4 of the WTO agreement states that member states shall accept the sanitary or phytosanitary measures of other Member states as equivalent, even if these measures differ from their own or from those used by other Members trading in the same product, if the exporting Member objectively demonstrates to the importing Member that its measures achieve the importing Member's appropriate level of sanitary or phytosanitary protection. For this purpose, reasonable access shall be given, upon request, to the importing Member for inspection, testing and other relevant procedures. Members shall, upon request, enter into consultations with the aim of achieving bilateral and multilateral agreements on recognition of the equivalence of specified sanitary or phytosanitary measures.

Equivalence can be accepted for a specific measure or measures related to a certain product or categories of products, or on a systems-wide basis. Members shall, when so requested, seek to accept the equivalence of a measure related to a certain product or category of products. An evaluation of the product-related infrastructure and programs within which the measure is being applied may also be necessary. Product-related infrastructure and programs is in reference to testing, inspection and other relevant requirements specific to product safety. Members may further, where necessary and appropriate, seek more comprehensive and broad-ranging agreements on equivalence. The acceptance of the equivalence of a measure related to a single product may not require the development of a systems-wide equivalence agreement.

In the context of facilitating the implementation of Article 4, on request of the exporting Member, the importing Member should explain the objective and rationale of the sanitary or phytosanitary measure and identify clearly the risks that the relevant measure is intended to address. The importing Member should indicate the appropriate level of protection which her sanitary or phytosanitary measure is designed to achieve. The

explanation should be accompanied by a copy of the risk assessment on which the sanitary or phytosanitary measure is based or a technical justification based on a relevant international standard, guideline or recommendation. The importing Member should also provide any additional information which may assist the exporting Member to provide an objective demonstration of the equivalence of its own measure.

An importing Member shall respond in a timely manner to any request from an exporting Member for consideration of the equivalence of its measures, normally within a six-month period of time.

The exporting Member shall provide appropriate science-based and technical information to support its objective demonstration that its measure achieves the appropriate level of protection identified by the importing Member. This information may include, *inter alia*, reference to relevant international standards, or to relevant risk assessments undertaken by the importing Member or by another Member. In addition, the exporting Member shall provide reasonable access, upon request, to the importing Member for inspection, testing and other relevant procedures for the recognition of equivalence.