



# Producers take aim at MLA

By MEGAN STAFFORD

A SENATE inquiry into the collection and disbursement of grassfed cattle levies has sparked debate over not only the value of Meat and Livestock Australia (MLA) and its peak councils, but also where control of these organisations lies.

Thirteen submissions have been made since the inquiry opened on December 12, 2013, of which more than two-thirds question how MLA is governed, with accusations the industry body is not democratic and is controlled by meat processors.

John Andison is one of the 13 people who have made a submission in the national Senate inquiry. He said there was absolutely no valid reason why the Australian beef industry needed two organisations to handle policy formation and service delivery.

“What grassfed producers of Australia desperately need is one democratically elected body with total control of all monies collected through the \$5/head transaction levy,” Mr Andison said.

“MLA is not a democratically elected body. It is a virtual closed shop.”

Mr Andison said the Cattle Council of Australia (CCA) – the peak council body under MLA – was “not representative of the grassfed levy-paying producers of Australia”.

JB Carpenter agreed with Mr Andison. He wrote that cattle producers “receive no benefit from MLA whatsoever”, and that governments were attracted to MLA as “it moves staff and expense off the balance sheet and raises funds via an unfair tax on cattle producers”.

“It also gives governments someone to blame for disasters like the 2011 live export debacle. There is thus some political inertia to change,” Mr Carpenter wrote.

A submission from Wayne and Sandra Birchmore said they were sixth-generational graziers, operating four

beef-producing properties in northern and western Queensland, and believed the current system wasn’t working.

In their submission, they blamed MLA’s compulsory levy, as well as MSA, NLIS and PCAS, with dropping the farm-gate price.

“We are having systems imposed on us with considerable expenses and no increase to farm-gate prices,” they wrote.

“The beef industry is too top heavy with so many representative groups.

“Producers leaving state farming organisations in droves show that there is no value for money in joining and no real representation of the grassroots producer.

“If these organisations were being paid on performance, they would no longer exist.”

Grassfed cattle producer James Ramsay said he believed the \$5/head levy on all cattle transactions was unfair.

He said the levy “does not reflect the profit that is made at any stage of the production process”, and believed the livestock industry should separate itself entirely from the meat-processing industry.

“I contend that meat is a different commodity to livestock; that when livestock are converted into meat, the livestock producer has no further interest in its marketing,” Mr Ramsay wrote.

Don, Cathy and Scott Bates, Winnahoola Pastoral Company, made a joint submission. They suggested independent organisations be established to represent producers, processors and retailers separately, and that each should be responsible for the collection of their own levies and managing their own members’ interests.

“I am sure the MLA would acknowledge that it is not sensible, nor professional, for one organisation to act for three competing interests in our industry,” they wrote.

MLA managing director Scott Hansen said a separation already existed



### Should the levy be axed?

LAST week, Rural Press ran a poll online asking its readers where MLA should invest levy monies. After receiving a dull response, we have decided that perhaps we have asked the wrong question. This week, we ask ‘Should the \$5 levy be abolished?’ To be part of our poll, visit [www.northqueenslandregister.com.au](http://www.northqueenslandregister.com.au)

What grassfed producers of Australia desperately need is one democratically elected body with total control of all monies collected through the \$5 per head transaction levy, according to one submission. It also stated MLA did not satisfy this need.

between producers and processors, evident in terms of research and development.

Yet he said there was a need for close collaboration between the producer, processors and retailers because any revenue generated starts with the consumer, whether that is a domestic consumer or an international one.

“That’s why we have been investing in programs like MSA, to help in increasing the customers that purchase beef, but also to improve the eating quality.

“In the last financial year, MSA premiums were extracted from customers, and that premium, in turn, found its way back to the grids for MSA cattle.”

Mr Hansen said it was clear that there was a disparity between the price retailers and processors were receiving compared with what producers were pocketing. He attributed this disparity to

the current dry conditions.

“Last year we had overseas customers pay record prices while Australian producers had to offload a lot of cattle into an already saturated marketplace, which is why we have seen such a disparity in 2013.

“However, we released our cattle projections for the year two weeks ago and they said that once decent rain falls, it will reintroduce competition, restockers and traders, and we will see a lift in cattle prices.

“Seasonal conditions will vary dramatically between years, as will the amount producers use in the procurement of livestock, but at the end of the day, it is pointless producing a product if you don’t have a customer to buy that product.”

Mr Hansen said MLA’s previous investments, including liberalising the

Japanese market and MSA, would stand as good reasons to maintain the organisation’s longevity.

“We welcome the opportunity for our levy-paying producers to have their say. It comes at a critical time in the industry, when a lot of people are suffering the effects of poor seasons and low prices.

“MLA will be guided by the changes that come out of not only the submissions, but also its findings and the government response to that.”

Submissions to the inquiry close on Saturday March 1. To make a submission, visit [www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Rural\\_and\\_Regional\\_Affairs\\_and\\_Transport/Beef\\_levies/Terms\\_of\\_Reference](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Beef_levies/Terms_of_Reference)

All letters to the editor regarding this issue will be published.

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## Make your voice heard, senator tells stakeholders

By COLIN BETTLES

CATTLE producers and beef industry stakeholders are urged to make written submissions to the government inquiry into industry structures and systems governing grassfed cattle levies.

Committee member and NSW Liberal Senator Bill Heffernan said with only nine submissions received by January 30 (13 submissions at the time of going to press), beef industry stakeholders needed to “have a go”.

“There’s been an ongoing debate over a long period of time now about

how research and development and marketing levies are collected and used for the beef cattle industry,” he said.

“There have been a lot of critics of the MLA (Meat and Livestock Australia), but now there’s a perfect opportunity for those critics to put forward their views and put their money where their mouth is.

“I would have expected there’d be more submissions received by now as there’s been a long history of critics questioning the allocation of levies.

“It’s no good complaining without also having a proper go.”

Cattle Council of Australia chief Jed Matz said his organisation was still formulating its submission and would present a draft to members first, to seek their feedback and support, and formulate a position “more reflective of a consensus view of the industry”.

In the meantime, he said CCA had launched a new structure this week that would provide a direct membership option for producers.

Mr Matz said he would also encourage all beef cattle producers and other industry stakeholders to have their say on the current levy

arrangements via the Senate inquiry.

“CCA have never said we’re perfect and everyone has a view on how the structure should be – but now’s the time to comment,” he said.

March 28 is the current proposed reporting date, while March 1 is the scheduled cut-off date for public submissions. A public hearing is also due on March 7 in Canberra, but the list of witnesses being called to provide evidence is yet to be finalised.

The inquiry’s terms of reference aim to investigate:

- The basis on which levies are collected and used.

- The opportunities levy payers have to influence the quantum and investment of the levies.

- Industry governance arrangements, consultation and reporting frameworks.

- Recommendations to maximise the ability of grassfed cattle producers to respond to challenges and capture opportunities in marketing and research and development.

The Senate inquiry was largely sparked by Federal Agriculture Minister Barnaby Joyce after a meeting with industry members in Townsville late last year.

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