



Senate Standing Committee,
Dear Sirs,

Thank you for the opportunity to have an input into the enquiry into the impacts of red meat processor consolidation on the competition and farmer returns.

I introduce myself as a seventy four year old farmer thinking about retiring having bought and paid for three farms over a period of fifty years. To say the least quite a challenging period of time.

I have always enjoyed working with livestock and realized quite early that there was an opportunity to generate income through being a competent livestock investor, improver and trader. Much of this belief was fuelled by my experience as a Stock Agent between the years 1910 - 1973 probably the most exciting livestock marketing period in Australian livestock history.

I first bought cattle over fifty years ago and to this day am still buying and selling cattle (and sheep) through the auction system. I enjoy the challenge of adding value to livestock through a variety of methods, and am an opportunity buyer that has bought in many markets. The difference between myself as an opportunity buyer and many others of the buying fraternity is that after the sale the bill comes to my home, a very good method of concentrating on what I am doing.

I refer to your terms of reference.

① To a greater or lesser degree buyer collusion has always existed more noticeably on a falling market and usually more notable in smaller offerings attended by a smaller number of buyers. It seems that they cannot resist colluding forcing a difficult market down further. Not everyone does it though.

② More market and processor consolidation guarantees less competition, less competition less money. Producers have nothing to celebrate with meatwork consolidation. Quite often this consolidation eliminates long standing producer processor relationships.

③ As a vendor I have long hated post sale weighing which really is only post sale paying. I would buy at a post sale weighing salyards but never sell. The introduction of post sale weighing has been without exception the result of processor guile, sometimes with the cooperation of lame agents sometimes shires, sometimes with the cooperation of privately owned salyards and sometimes by force as in Barawatha. The object of post sale weighing is to minimize opportunity buyers competition by denying them access to all the information regarding the livestock. The overall purpose is to buy cattle cheaper.

Post sale weighing was never contemplated when weighing was introduced and with the introduction of the curfew it was a reliable indicator of the quality of the livestock. Now everyone is flying blind at the behest of some of the processors. The introduction has encouraged many producers to sell direct to the processor. I suspect this may well be the plan. (Although you can miss out on lively market competition you get paid for what you produce in kilos, a sad reflection on marketing of livestock of years gone by.

I would remind this panel that if a processor buys 2000 head per week and manages to reduce competition to the tune of \$20 per head that is a big saving for the processor and a serious disappointment for the producer.

@. The regulations that are required to be enforced for livestock and personnel are adequate providing they are adhered to. Mostly they are but occasionally people have to be reminded of their responsibilities.

I would certainly like the opportunity to make my thoughts available to the Small Enquiry. I believe that I have the experience and understanding of livestock marketing to make a useful contribution to this Enquiry.

Yours Faithfully
Laurie Horne