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Committee Secretary
Senate Rural and Regional Affairs and Transport Committee
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Parliament House
Canberra ACT 2600
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For the Attention of the Senators of the RRAT Committee

Please find for your attention, my submission to the senate Inquiry into the Industry Structures and systems governing the collection and disbursement of the Marketing and Research and development levies pertaining to the sale of Grassfed cattle.

There needs to be change for grassfed levy payers. A revamped CCA may be the vehicle that can achieve that for producers. If not, another Peak Council should be created and CCA abolished. Grassfed levy payers have a huge investment in the beef industry and as such are entitled to direct their funds into the peak body that represents them. A Statutory Funding Agreement should be set up so grassfed levy monies can be allocated entirely to the CCA for distribution as that council sees fit.

Levy payers should be able to nominate and elect the representatives to CCA they want to represent them. These representatives should be elected from each state or territory based pro rata on cattle numbers. Grass fed levy payers should all receive voting entitlements based on their annual cattle sales. Currently a complicated system of registration discourages producer participation at CCA AGMs.

I believe levies should be collected compulsorily, but the funds must be used in a way to benefit producers' bottom lines. Obviously promotion and R&D are very important aspects of any forward thinking, progressive industry. There are other service providers other than MLA that should be providing quotes to CCA for promotional and R&D services. MLA should be examined and its performance scrutinised.

The financial return the grassfed industry receives has been declining for years. This fact alone has been ringing alarm bells amongst us, that change needs to be made to our peak body and the promotional supplier. Many beef enterprises are not returning even a small profit. This fact is a symptom of the health of the industry. In most cases, it is not a reflection of poor farm management. If this does not change, many farm businesses will cease to exist. Either there are other ways to get a fair return for our product or the environment we operate our beef businesses in is unsuitable for beef production and processing.

Sadly, Australia is now recognised as a high cost beef producer. Most of this cost is accumulated after the farm gate, with freight and processing costs and charges the highest in the world.

Our farm-gate returns in Australia have been poor for the last decade, but woeful for the last two years. At the same time the world beef price has been very strong, in fact at record levels recently. The drought we are currently experiencing has highlighted the financial fragility of many producers. This enquiry is an opportunity for the grass fed industry to get the representation it is demanding. Thank you for your attention.

Rob Atkinson