



Mr Tim Watling, Committee Secretary  
Senate Rural and Regional Affairs and Transport References Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

14 /02/2014

**For the Attention of the Senators of the RRAT Committee,**

Please accept my submission to the Senate Inquiry into the Collection and Disbursement of the Grass-fed Cattle Levy, due for review on 7<sup>th</sup> March 2014.

Without presenting enormous detail that I am sure the Inquiry will receive, I submit that detail will highlight that we producers of grass-fed product pay more than half of the levies received by MLA.

Despite this, we producers have no direct representation on MLA. A selection committee that has only minority producer representation nominates directors on MLA. We 'shareholders' can only vote for the candidates put forward.

A bit like Zimbabwe where Robert Mugabe gets 90% of the vote because he is the only candidate.

The MLA is supposed to be accountable to we 'shareholders' through an AGM. In reality the AGM is a self-promoting stage-managed event more about MLA than members. The lack of meaningful dialog and the inability of we producers to influence proceedings are evident by the lack of meaningful numbers of producers who attend. It is just not worth the effort.

Enormous sums of levy funds are spent in promotion of our product. I remind that the majority of the funds are paid from producers of grass-fed product.

This promotion has achieved higher values for beef at retail level but with reduced market share. Our consumers are eating less beef now than ever despite MLA promotion.

But despite higher retail values, we producers languish with livestock prices that have remained virtually static for 10 years or more.

There is no conduit to return higher values for retail beef to the producers who have largely funded the promotion. Other parties in the chain absorb the extra value.

In the United States, indices show that retail value of beef is lower in US than in Australia yet livestock prices are higher to the American producer. Directly opposite to Australia.

Producers interests are said to rest in the hands of the Cattle Council of Australia.

The CCA consists of delegates from State Organisations and as such represents about 20% of beef producers. As well, the CCA has few resources as their financial records show. Consequently CCA cannot represent beef producers adequately. They simply do not have the resources to research and promote policies to direct MLA.

The Major Issues:

Lack of democracy in representation at MLA level. Who pays the piper should call the tune. Producers pay the majority of levy funds and representation should be commensurate.

Producers should expect to be able to select their own representation. No taxation without representation.

A study of other systems like US to ensure the benefits of value adding through promotion is shared through the chain particularly to producers.

If a body like CCA is to represent Beef Cattle Producers, then it should receive the beef cattle producer levies currently in place.

Yours faithfully,

Rod Barrett