

10th February 2014

Submission to cattle levy Senate Inquiry.

Dear Stephen Paethorpe,

We are fourth generation cattle producers in North West Queensland. We are calling for MLA to be abolished for the following reasons.

1. As a producer I have no choice but to pay a \$5 levy on every beast sold but I have no voice in the MLA and no vote as to where the monies collected are spent. I am forced to support an organisation that does not have my best interests at heart.
2. MLA is a body that is controlled by the largest processors in Australia. The producers are not fairly represented in the organisation.
3. As producers we want the highest possible price for our beef, processors want to buy our beef at the lowest price, how can one industry body fairly represent us both? There is too much conflict of interest, it is an untenable situation.
4. MLA collects their levy from every beast but there is no transparency to us, the producer as to where and how the money is being spent.
5. The price of beef and beef consumption in Australia is rapidly falling, which would indicate MLA is failing as an industry body. The farm gate price has not risen since MLA was introduced. Therefore it needs to be disbanded.

In scrapping MLA the grass fed industry needs its own organisation to represent its interests. As a producer we would be happy to continue paying a levy to an organisation that represented our industries interests. For example, increasing the live export trade to create a more competitive local market, market beef locally and internationally. An organisation that is set up by producers, for producers. An organisation that has the means and financial backing to respond to inept political reporting and current affairs programs, without destroying the industry we work so hard in. The debacle of the ban on live export and the MLA branded kill boxes in Indonesian abattoirs were an embarrassment and disgrace with producers taking the blame. However, this ban was to the benefit of the processors who are the largest represented group in MLA. They were able to make substantial monetary gains from this disaster in 2013 by the oversupply of cattle.

The “unlikely alliance” of processors, unions and Animals Australia should never be allowed to happen again. Processors as mentioned are the controlling party in MLA and they were able to nearly and completely destroy many levy paying producers, in effect one half of the MLA was working against the other half. This is not only ridiculous it is not viable for an industry to survive with these pressures. MLA cannot and does not support producers.

NLIS also needs to be scrapped or at the very least completely overhauled. It is a system that does not work. Some problems with NLIS are; the tags fall out, a percentage do not read. In small mobs this can be overcome by visually reading the tag, however, in large mobs this is impossible and a percentage go through without being read, thus losing their traceability.

The cost of three dollars per tag is too expensive, especially considering the price of cattle in the last few years. If this system is to be retained the price of the tag needs to be reduced.

For a strong cattle market we need a vibrant live export market and robust processor sector. We especially need competition in the processor sector and the retail sector as 71% of beef is sold in supermarkets, Woolworths, Coles, IGA, and Aldi etc. Small business does not have a chance against these giant multinationals.

In closing I would like to reiterate my belief that MLA needs to be disbanded for the cattle industry to survive. Thank you for reading our submission and a special thank you to Barnaby Joyce for allowing our voice to be heard.

Yours sincerely

Ryan and Tracey Hacon