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Committee Secretary
Senate standing Committee on rural and Regional Affairs and Transport
P.O Box 6100
Parliament House
Canberra ACT 2600
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SUBMISSION – THE EFFECT OF MARKET CONSOLIDATION ON THE RED MEAT PROCESSING SECTOR.

Thank you for the opportunity to provide a perspective from a beef producer in NSWs Riverina area in regard to the inequities ingrained in our industry which has seen a dramatic deterioration in the rural communities on a whole.

Once, the farming sector was a strong and proud community where our main battle was the weather and the occasional war. Today the same community is no longer a community, very few farmers have farm hands, their sons and daughters have left, schools, hospitals, hotels, shops, service stations and indeed entire small towns have all had to move on due to a simple reality...there is very little real money in the farming sector.

Beef price on this very day are the best we have seen for thirty years but in real terms in relation to the cost rises we have incurred over three decades, we are just breaking even.

Before I go on to the actual submission I need to point out that this enquiry is about the beef industry but the entire agricultural sector is in serious trouble and a lot of this is due to the very real pressures forced upon us by the big players. The big players, while not exclusively, are Coles and Woolworths and their domination of the rural sector has been ruthless. Beef producers, fruit and vegies, sugar, eggs, milk, wheat and cereal producers etc etc have been cut to the bone. Coles and Woolworths (etc) have been untouchable and unrestrainable for too many years and the rural community needs to see the Government repair some of the inequities and imbalances in relation to production cost versus retail profit before we lose more farms and farmers. Don't let me get started on the banking sectors diabolic schemes.

Submission

As you would be aware, Teys Australia recently made a phone call to Wodonga stock agents insisting a change in the operation at the new Barnawartha sale complex. This change was from pre to post weigh of all beef sold. If the change wasn't accepted then his buyers would no longer attend the weekly sales. To amplify this point, the very next Tuesday sale saw no less than nine commission buyers fail to attend the sale and prices plummeted forcing submission. This change, from an accepted practice, has seen \$50-100 taken from beef producers pocket on every grown beast sold while processors advise of massive profits and market monopolisation growth and this is spreading around the country like a cancer destroying farmers returns.

There needs to be some relativity between production and retail prices, today beef is about the \$2.40 per kilo (lwt) and consumers are paying \$20 plus for a similar amount, Please don't be fooled by processors crying wolf over carcass wastage, there is virtually no waste from a carcass these days.

One of the negatives in the transfer of ownership of livestock (stock sales) these days is the power of the commission buyers, somehow these people have slowly moved to a situation where each of them buy for 6,8 or 10 different processor identities and this has forced the competition out of the market. I have seen at cattle sales one commission buyer pick up a news paper when a change of selling agent occurs, dropping out of the bidding because he doesn't like the agent selling. A lot of these guys arrive in the same car, they have pre arranged the bid prices and this is disgustingly obvious when you see the eventual sale prices, it happens today and it happens everywhere. Commission buyers should buy for one customer only and let other buyers participate in sales.

One huge problem in rural Australia is the multi-national feedlots, they are, through the commission buyers, able to buy stock almost void of competition which they insist is clean and chemical free. They then pump growth hormones, antibiotics and a plethora of chemicals into these animals to bring about unrealistic weight gain. Chickens for example are three weeks old when they are killed for meat products, look at a drug free chicken of the same age, please.

As I understand it Australians are becoming unresponsive to doctor prescribed antibiotics and this is due in a very large part to how animals are treated once they leave the farm gates by feedlots and the like.

To keep Australian farmers viable there need to be some relativity between production cost and retail cost, this gap has widened ridiculously in the last forty years and needs Government intervention to keep farmers farming.

Thanking you

Anton Hutchinson
Proprietor