

Inquiry into the Industry structures and systems governing levies on grass-fed cattle

My name is Mike Kena trading as MJ & KM Kena. My wife and I have been in the beef industry on the North Coast of NSW for more than 27 years. Based around Lismore we produce vealers and butchers yearlings off reasonably good country and put some effort into getting the article right. We have reached a stage in our lives where we are considering getting out of the industry we love because we are fed up with the poor financial returns for the amount of money and effort we put in.

There has been a lot of dissatisfaction in the beef industry for a number of years and I have attended crises meetings several years ago in Roma and more recently in Armidale where many points of view have been expressed but the general theme of all the meetings I attend on this subject is that grass fed beef producers are not getting a reasonable share of the beef industry pie. Prices have remained too low for too long and there is no incentive to keep going. It appears that at the moment there is not shortage of overseas markets prepared to take our beef yet as a producer the prices I am getting are lower than the previous 10 years.

We have the MLA looking after the marketing side of things and if that was their only role then perhaps they are doing a good job. They also do Research and Development but as a small family farm we seldom see any benefit from this work. They receive the lions share (52%) of levies collected from grass fed beef producers yet the vast majority of those same producers see no benefit.

The voting system for MLA is set up so that a small number of very large producers have enough votes between them to sway the vote in any direction they like and these same producers are most likely to benefit from overseas marketing by MLA.

The Cattle Council of Australia is the group representing grass fed beef producers. It is funded through MLA which gets 52% of levies collected and yet it has to continually struggle to get enough funds to run it self.

I have heard a lot of discussion on this subject and one suggestion that appealed to me was to have a separate body, be that Cattle Council or some thing else, that is accountable to the grass fed sector, receives all the grass fed beef levies and has enough producer representation on it so we have a say in its direction. We don't want to get to that stage though and end up with the same voting system as MLA where the big producers make the decisions. A voting system with different weightings for different size producers is needed.

We as an industry produce food, something the world can't do without and we are as entitled as any other profession to be paid for the amount of risk we take and the amount of effort we put in.

Thank You Mike Kena