



Farmer heavyweights call on Senate to fast-track inquiry

Australia's largest state farmer lobby groups have called on the Senate to fast-track an inquiry into the rising market power of red-meat processors, following Treasurer Joe Hockey's decision to approve the Brazilian agri-giant JBS's takeover of Primo.

"Farmers are losing out as these global meat processing giants take control of an ever greater share of our industry," Victorian Farmers Federation president Ian Feldtmann said.

"The price gap is widening. You only have to look at the massive growth in processor margins versus the almost stagnant pricing we face in the saleyards." (See fact sheet below)

NSW Farmers Association Cattle Committee chairman Derek Schoen said the Australian Government competition

watchdog seemed to be either powerless or unwilling to block larger processors creeping acquisition of smaller players.

"The JBS takeover of Primo, which the Treasurer signed off on this week, is yet another example of a major meat processor consuming yet another small competitor," Mr Schoen said.

"We're now at a stage where the Brazilian meat processing giant JBS and the joint-venture operation between US agri-giant Cargill and Teys control half the meat processing in Australia.

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"If we don't act now, we'll wake up one day to find these creeping acquisitions have left us with a couple of meat processors dominating the red-meat market and running regional monopolies," Mr Schoen said.

Both NSW Farmers and the VFF have put together draft terms of reference for the Senate Rural and Regional Affairs and Transport Committee, as part of a major inquiry into the rising dominance and market power of red-meat processors.

The VFF and NSWFA have called on the Senate Committee to examine:

- ▶ The impacts of red-meat processor consolidation on:
 - » Market competition
 - » The widening gap between retail & export pricing versus prices paid to farmers.
 - » The creation of regional monopolies
- ▶ The level of foreign ownership within the red-meat processing sector and the level of tax these companies pay in Australia.
- ▶ The limitations of Section 50 of the Competition and Consumer Act (2010) on the Australian Competition and Consumer Commission's (ACCC) ability to limit a red-meat processor's creeping acquisitions that would substantially lessen competition.



- ▶ The regulation of livestock agents/ buyers, including:
 - » The licensing of agents/buyers in Australia.
 - » An examination of regulation in other nations, such as the United States
 - » Sale terms and conditions, such as tightening financial regulations on payment terms.
 - » The transparency and legality of commissions and fees.
 - » Clearly defining agent responsibility – Is it to the farmer or the buyer?
 - » A prohibition on buyers acting on behalf of multiple processors.
 - » A prohibition on buyers agreeing/ colluding on purchasing lots they will purchase at saleyards.
- ▶ The equity of pre versus post sale weighing of cattle at saleyards.
- ▶ The need for practical solutions to minimise the risks of post-sale weighing in delaying the time between an animal leaving the farm and being slaughtered. These delays are a risk to animal welfare, quality assurance programs, livestock transporters performance and saleyard staffs' occupational health and safety. Solutions may include extending saleyard curfews to minimise the time livestock are held at yards.

Fact Sheet

Consolidation of red-meat market processors

Brazilian meat processing giant JBS and the joint-venture between US agri-giant Cargill & Teys, have gained control of 46 per cent of the Australian red-meat processing sector.

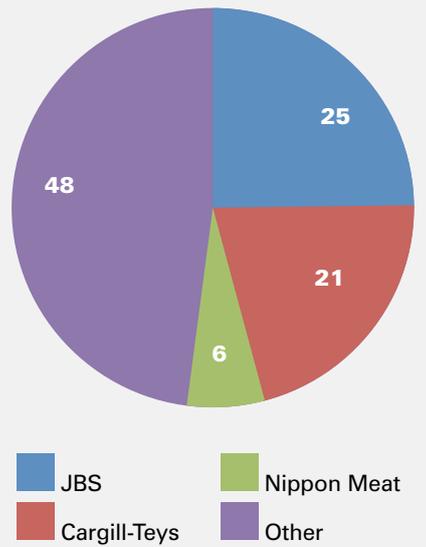
JBS's latest acquisition of Primo lifts its market share to at least 28 per cent, bringing the combined Cargill-Teys & JBS market share to at least 49 per cent.

Farmer prices remain stagnant, while Processor Margins surge

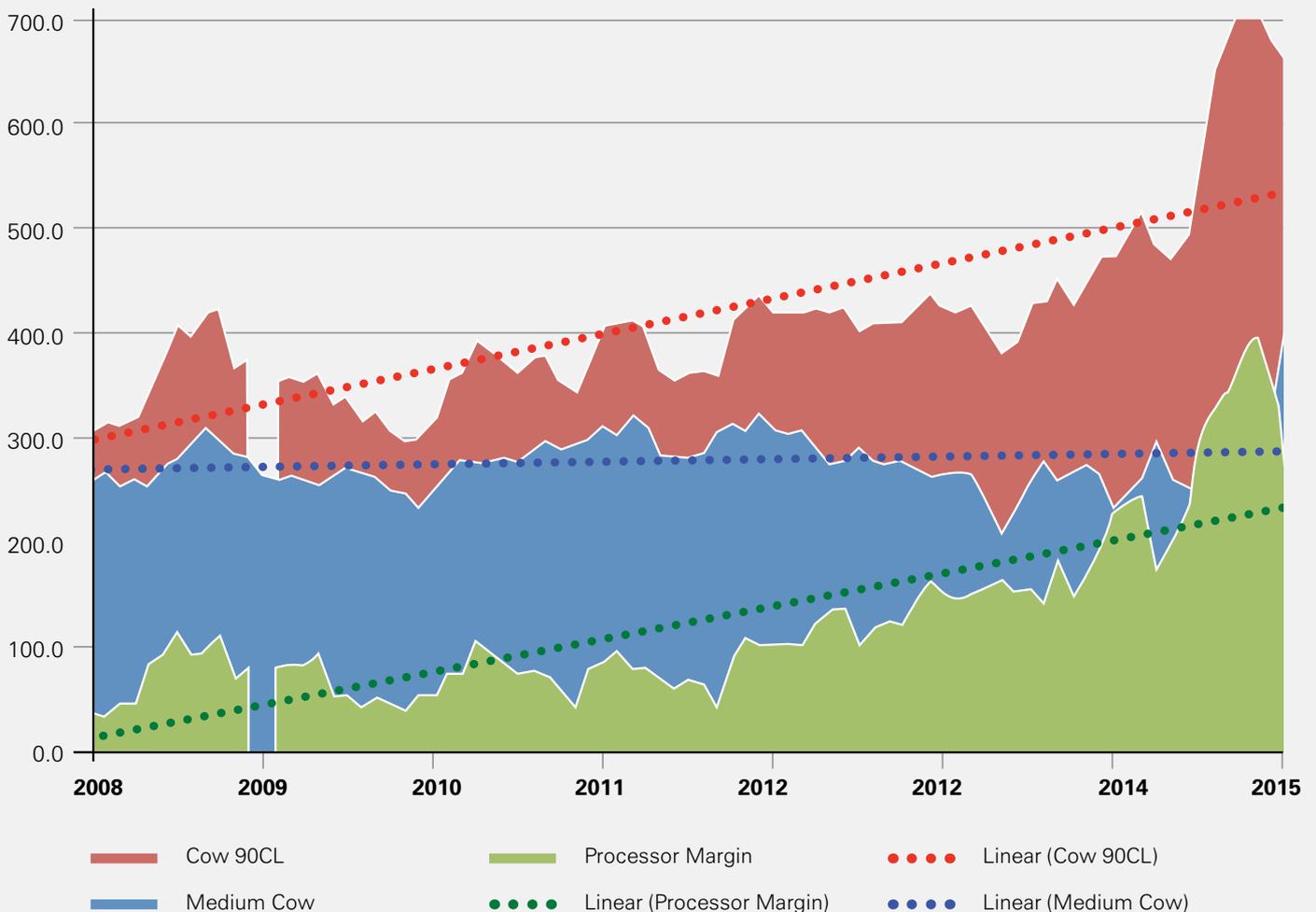
The difference between the Medium Cow Index (average monthly saleyard price that farmers receive) and the 90CL lean beef export price (what processors receive) has risen from 70cents/kg in 2009 to 279c/kg in 2014. *Source: MLA*

2009:	70 cents
2010:	81 cents
2011:	86 cents
2012:	128 cents
2013:	161 cents
2014:	279 cents

Share of read-meat processing



Processor Margins on Cow 90CL – lean beef mince (Source: MLA)



Wool selling systems review

The Wool Selling Systems Review (WSSR) has been commissioned by AWI on behalf of their shareholders, Australian woolgrowers.

The key objectives of the WSSR are to improve the returns that woolgrowers receive for their wool through:

- ▶ evaluating whether greater efficiencies and cost savings within the exchange of ownership between the seller and the first buyer are attainable
- ▶ understanding the potential for increased competitive tension throughout the wool selling process and how it can be achieved, and
- ▶ determining whether there is sufficient transparency within the exchange of ownership to allow woolgrowers to make the most informed commercial decisions about their wool growing enterprise.

The WSSR focusses on all the processes and costs that sit within the exchange of ownership process from the shearing shed through to the ships rail.

The AWI Board has selected a Review Panel to drive the WSSR and provide direction and leadership. The WSSR Review Panel declares that the review process must be a highly consultative one that encourages buy-in from all sectors of industry, and in particular Australian woolgrowers.

Issues Paper

The Review Panel has released an Issues Paper (PDF 575Kb) to assist individuals and organisations to prepare submissions to the inquiry.

The Issues Paper contains and outlines:

- the scope of the WSSR
- matters about which the Review Panel is seeking comment and information, and
- information about how you can get involved in the WSSR.

The Issues Paper has been designed to disaggregate all the phases within the area of scope to allow targeted submissions. It provides background on each of the following phases:

- ▶ Phase 1 - Wool Preparation
- ▶ Phase 2 - Delivery & Testing
- ▶ Phase 3 - Wool Appraisal
- ▶ Phase 4 - Price Realisation
- ▶ Phase 5 - Invoicing & Payment
- ▶ Phase 6 - Export Process
- ▶ General (this refers to issues raised that do not sit only within one of the above phases)

Submissions process

You are encouraged to make submissions on any, or all, of the above six phases. The Review Panel also encourages submissions that do not sit within any of these six phases but still sit within the overall scope of the review.

You are not restricted to comment only on matters raised in the Issues Paper. The Review Panel wishes to receive information and comment on issues which you consider relevant to the WSSR's key objectives.

Submissions can be made by:

1. EMAIL to wssr@wool.com. Submissions can be emailed in the form of a Word document, PDF document, or any other standard software package.
2. FAX to (02) 8295 4143
3. POST to Wool Selling Systems Review, Australian Wool Innovation, GPO Box 4177, Sydney NSW 2001

The due date for initial submissions is 27 February 2015.

Submissions will be placed on the AWI website. However, we reserve the right to not make public submissions that are deemed to be inappropriate or not constructive.

Key dates

Release of Issues Paper	10 December 2014
Due date for initial submissions	27 February 2015
Release of Panel Discussion Paper	End of April 2015
One-day Stakeholder Workshop	End of May 2015
Due date for final submissions	End of June 2015
Final report to AWI	Second half of 2015



Individual Carcass Feedback Survey – We need your help!

A number of Victorian lamb processors are currently installing infrastructure with the capability of tracking individual animals throughout the processing chain. This will allow the provision of individual carcass feedback which may benefit your business.

The following survey has been compiled by Achieve Ag Solutions Pty Ltd to capture your level of interest in receiving individual carcass feedback, how it may benefit your business, and the most effective and efficient methods of receiving the information. It will take you approximately 15-20 minutes to complete.

Your input will help shape the way carcass feedback is captured, delivered and used throughout the Victorian sheep industry. We thank you for your assistance.

YOUR CHANCE TO WIN!

All participants have the opportunity to enter the draw to win a pair of RM Williams Craftsman boots valued at \$440. To enter simply leave your details in the prize draw section of this survey. No other use of these personal details will be made, unless you indicate that you are interested in receiving more information regarding individual carcass feedback. Good Luck!

To access the survey simply click on the following link, and follow the prompts - <https://www.surveymonkey.com/r/carcass>



Sheepmeat Council developing 2015-2020 Sheep Industry Strategic Plan (SISP)

The success of the sheepmeat industry over the last two decades is a direct result of a coordinated supply chain approach. The industry continues to strive through industry strategic planning and collaboration to be the leading supplier of lamb and sheepmeat to a world with growing demand for our premium product.

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Today Australia is one of the world's leading producers of lamb and mutton, the largest exporter of mutton and live sheep, and the second largest exporter of lamb. Australia exports 57% of its lamb and around 96% of its mutton. The off-farm meat value of the Australian sheepmeat industry is \$4.2 billion.

The Sheepmeat Council of Australia (SCA) is currently developing the Sheep Industry Strategic (SISP) to provide a vision for the sheep industry for 2015-2020 and support the continued growth of the industry.

The plan will support the overarching framework, the Meat Industry Strategic Plan (MISP), developed by the Red Meat Advisory Council (RMAC) and strategies which guide individual agencies, corporations and entities servicing the sheepmeat industry. It will guide direction, key priority areas, performance indicators of industry success, investments in Research, Development and Extension (RD&E) and linkages to other industry plans.

This includes the National Sheepmeat Production RD&E Strategy, Meat & Livestock Australia (MLA), Australian Meat Processor Corporation, the National Residue Survey (NRS), Animal Health Australia (AHA) and other agencies responsible for implementing RD&E.

The SISP will provide a blueprint for industry and government investments in:

- Market growth and diversification strategies;

- Industry food safety and quality assurance systems;
- Animal health, wellbeing and biosecurity programs;
- On-farm productivity and supply chain efficiency;
- Industry leadership, capacity and capability.

For more information and to keep updated about the development of the 2015-2020 Sheep Industry Strategic Plan (SISP) please visit the Sheepmeat Council of Australia website: <http://www.sheepmeatcouncil.com.au/>



National Cattle Health Statement Books Available Now!

In order to make things just a little bit easier, VFF Livestock Group has put together a Cattle Health Statement (CHS) booklet.

Currently, producers have to download the form off the internet and then photocopy the signed original in order to retain valid records for their business.

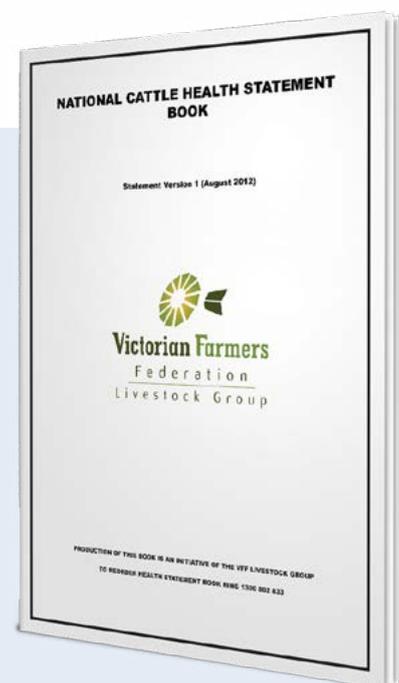
The booklet, similar to the National Vendor Declaration books, contain 50 copies of the National Cattle Health Statement plus a carbon copy for each one, making it readily available for producers to use and easier to keep records.

The CHS is not only a valuable tool when purchasing cattle but it's also good for promoting your practices when selling your livestock. Providing a CHS will help buyers make appropriate purchasing decisions and increase competition.

From a biosecurity point of view, requesting a CHS when purchasing your livestock will help you to manage your farm biosecurity risks and aid you in purchasing cattle relevant for your needs. A big part of a good biosecurity system is knowing as much as possible about what you are introducing onto your farm.

A CHS not only provides the purchaser with details about the different sources of cattle on the consignment property but also health history such as Bovine Johne's disease, Pestivirus, Enzootic Bovine Leucosis (EBL), Cattle Tick and animal health treatments.

Don't assume everyone will automatically supply a CHS with their livestock. It is up



to you as the buyer to ask for a CHS, which can be obtained directly from the vendor or through the selling agent prior to purchase.

The CHS is voluntary for trade within and into Victoria; however a CHS is mandatory for some interstate trade including South Australia, and Queensland. It is also required at some shows and sales.

Sheep Health Statement Books are also available.

To order books or for further information contact the VFF Livestock Project Officers on 1300 882 833.

Time for a super health check



We tend to pay a lot of attention to how much money is in our bank account but we give little thought to our super – one of the biggest investments of our lives.

That's why it's worthwhile giving your super a health check it may just repay you in retirement.

Get it together

Your super fund can help you consolidate all of your accounts into one and even find accounts you forgot you had – saving you time and money!

Grow your super and pay less tax

Super is one of the most tax-effective ways of saving for retirement. Contribute to your account regularly and you could save on tax while you grow your super.

Assess your investments

If you do not make an investment choice, your super is usually invested in a 'balanced' option. However you can tailor your investments to suit your needs – it may mean more money in your super account.

Review your insurance

You may have default death and disability insurance in your super but it is worth checking if the cover is enough to protect you and your family should the worst happen.

Nominate a beneficiary

Have you nominated someone you would like to receive your super benefit when you die? It's important to keep your nomination up-to-date, particularly if you have recently married, divorced or had children.

To find out more, call Rod Stewart at Prime Super on 0428 558 158 or email rstewart@primesuper.com.au

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Better on beef

The new message behind MLA's latest marketing campaign, "You're Better on Beef" is built on reinforcing beef's health credentials.

Targeted at time-poor families who have nutrition high on their agenda, the campaign is backed by a strong messages to emphasise beef's health benefits as being high in protein, iron and zinc.

"We want to remind busy working families about the benefits of eating beef. These families make up one third of Australian households and spend more than \$2 billion on beef every year. We know they have a strong emotional desire to feed their families healthy, satisfying meals," MLA's Marketing Manager Consumer Programs Andrew Howie said.

"To get the most out of every day you need the right fuel and beef is the most nutrient rich of the popular proteins, perfect for sustained energy and fuelling healthy Australian lifestyles.



"We want Australians to feel inspired to eat more beef and be proud of their meal choices."

A recent review of MLA's consumer beef marketing program revealed the need to develop a stronger, revitalised message relevant to consumers all year round rather than at traditionally seasonally-focused campaign periods.

Launched on 1 March, the campaign's television advertisement draws parallels with the sporting world and the notion that life is a sport, showcasing Australians approaching everyday challenges, fuelled by the benefits of eating beef.

The television advertisement screened on free-to-air and subscription channels and is being supported by a promotional campaign of outdoor and shopping centre advertising across major capital cities and key regional centres, 30-second radio ads, point-of sale posters, pack stickers and recipe cards in retailers and independent butchers and digital promotion across the "You're better on Beef" Facebook page.

More information:
[Andrew Howie ahowie@mla.com.au](mailto:Andrew.Howie@mla.com.au)



Upcoming Forum dates

Benalla

Wednesday 8th April

- 🕒 6pm start
- 📍 Raffety's Restaurant and Reception centre
- Entry is at Denny St (not restaurant entrance).
- Parking available in Denny St.
- 📅 RSVP by Wednesday 1st April

Hamilton

Monday 13th April

- 🕒 6pm start
- 📍 Blue Malt, 106 Gray St, Hamilton
- 📅 RSVP by Monday 6th April

Traralgon

Wednesday 29th April

- 🕒 6pm start
- 📍 Century Inn, 5 Airfield Rd (Corner Princes Hwy), Traralgon
- 📅 RSVP by 22nd April

SAVE THE DATE

Red Meat Roadshow

April 22nd 2015

Mansfield Showgrounds

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