



CATTLE COUNCIL OF AUSTRALIA

18 September 2020

Director
Perishable agricultural goods inquiry
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Via email: aginquiry@acc.gov.au

Dear Sir/Madam

Re: Perishable agricultural goods inquiry

Cattle Council of Australia (CCA) is the peak industry organisation representing Australia's grass-fed cattle producers. Established in 1979, CCA brings together all state-based farming organisations representing cattle producers in their jurisdiction, associate member organisations with close connections to the cattle industry, and individual cattle producers. CCA welcomes the opportunity to provide a submission into the Perishable agricultural goods inquiry.

The Australian beef industry has been the subject of two inquiries completed in 2017, the *Effect of market consolidation on the red meat processing sector*¹ by the Senate Standing Committee on Rural and Regional Affairs and Transport and the *Cattle and beef market study*² conducted by the Australian Competition and Consumer Commission (ACCC).

Notwithstanding the short timeframe provided for which the ACCC will receive submissions, CCA considers that any recommendations to come out of this inquiry would differ little from those resulting from these previous inquiries.

This assessment is supported through advice from the National Farmers' Federation who advised in relation to their request for an extension on providing a submission, that "this decision was made because it was considered unnecessary to provide the ACCC with any further time to scrutinise evidence and develop recommendations, given the pre-existing awareness of the competition issues in agriculture. It is anticipated that the inquiry will produce the recommendations which industry will be pushing for, and that extending the timeframe beyond three months will needlessly delay the Government's implementation of these recommendations".

While CCA, in its response to the recommendations made by the ACCC in the *Cattle and beef market study*, did not agree with all recommendations, it and other industry groups, Meat & Livestock Australia and Red Meat Advisory Council have made some progress on these issues, noting the ACCC's *Cattle and*

¹ Senate Standing Committee on Rural and Regional Affairs and Transport, *Effect of market consolidation on the red meat processing sector*, Parliament of Australia, Canberra, 2017 (Senate Inquiry).

² ACCC, *Cattle and beef market study—Final report*, 7 March 2017, <https://www.accc.gov.au/publications/cattle-and-beef-market-study-final-report>.



*beef market study update Report*³ considered the lack of progress in implementation of these recommendations and “level of voluntary reform has in general been disappointing”.

Of note is the increased transparency of processors providing publicly available price grids and the Livestock Language Review, and ongoing work by the industry to improve the transparency of pricing and price discovery mechanisms through a review of market indicators.

Of considerable importance to the cattle industry is the implementation of technology to enable objective carcass measurement (OCM) and value-based marketing founded on yield and eating quality to provide confidence that prices reflect the true value of beef products. This is supported by systems that enable information flow along the value chain.

OCM technologies will increase objectivity and transparency of carcase measurement, overcome carcase grading and pricing frustrations, potentially contribute to the fine tuning of breeding strategies, and identify inefficient livestock.⁴

CCA will be interested in ongoing dialogue with the ACCC and government once their intentions are communicated on what they see as requiring further action by industry through this inquiry.

If there are any queries about this submission, please do not hesitate to contact our office on 1300 653 038 or email cca@cattlecouncil.com.au.

Yours sincerely

Travis Tobin
Chief Executive Officer

³ ACCC, *Cattle and beef market study update report*, May 2018, <https://www.accc.gov.au/media-release/poor-progress-on-cattle-and-beef-industry-market-reform>

⁴ Ernst & Young. Independent Review of the proposed installation of DEXA in AUS-MEAT registered processing facilities. June 2017.