



CATTLE COUNCIL OF AUSTRALIA

QCL Column

28.04.09

Beef Marketing Levy: Have your say

The process for the review of the marketing component of the cattle levy is well underway, with the Beef Marketing Funding Committee due to release its report next week during Beef Australia in Rockhampton.

The committee has been operating since October 2008 and has been set-up to review the future marketing funding needs of Australia's beef cattle industry. The committee has also been assessing the performance of Meat and Livestock Australia's (MLA) beef marketing efforts following the increase in the levy in 2006.

Back in 2005, cattle producers voted in a nationwide poll to increase the amount available for beef marketing by \$1.50 from \$3.50 to \$5.00. The then Minister for Agriculture, Peter McGauran, established a sunset clause stating that the levy would revert to \$3.50 on 1 January 2011 unless an alternate proposal is put to the Minister before this time.

The 14 member Beef Marketing Funding Committee is chaired by Peter Hughes and is comprised of independent cattle producers, peak council representatives and processors. The committee sought submissions back in November 2008 as well as commissioning independent analyses on the benefits to industry from previous marketing expenditure.

Cattle Council lodged a submission during the public consultation. In essence, our submission stated that investment in securing and maintaining sustainable, robust markets for our product is paramount to the industry's future profitability. Beef cattle producers will be crippled in the absence of strong export markets; these export markets must know and trust Australian beef.

While Cattle Council has not yet formed a view as to the level that we believe the levy should be set, we did raise a number of issues in our submission that felt were pertinent to the debate. For example, we believe that it is important to continue to tell the good news story about Australian beef, particularly in light of the ever-increasing focus on ethical food production. Superior food safety and biosecurity remain as pillars of this great industry. Market access is always high on the priority list, for example the need to move fast on the proposed Free Trade Agreement with South Korea, a \$750 million market in 2008. In terms of product expansion, Cattle Council is excited by the potential for growth of premium chilled beef into North America.

In terms of domestic marketing, Cattle Council supports a promotional program which continues to highlight beef quality, nutritional value and high integrity. Consumer trust is paramount: *"remember, consumer trust takes a lifetime to earn and only a moment to burn!"*

Following the release of the committee's report, Cattle Council will consult directly with its members like AgForce, as well as through other opportunities as appropriate, such as field days, to ensure that any recommendation we propose is sound and will add value to the future profitability of our industry.



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Any proposal regarding the cattle transaction levy will require broad levy payer support. MLA members may vote on this issue at the 2009 MLA Annual General Meeting. Levy payers who are not members of MLA will have the opportunity to participate in a non-member poll.

*Cattle Council has a joint stand with AgForce at Beef Australia next week. We will be located at site **Walter Pearce Pavilion – Beef Central, sites 35-39**. Please come by and share your views with us.*