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Saturday, December 21, 2013

Committee Secretary

Senate Standing Committees on

Rural and Regional Affairs and Transport

PO Box 6100

Parliament House Canberra ACT 2600

**Re: Industry structures and systems governing levies on grass-fed cattle**

To the Senate Standing Committee,

I submit to this enquiry as an Australian consumer of red meat that follows the agriculture industry closely and as a student studying Agriculture Business Management as a mature age student via distance education.

The Cattle Council of Australia (CCA) has worked tirelessly on producing a certification system where by producers are able to be certified as grass fed beef producers under the Pasturefed Cattle Assurance System (PCAS) that was launched earlier this year. Even in its infancy I have learned that the number of producers that are applying to become certified under this system is growing quickly and that the demand from the public/consumer is overwhelming. This system is similar to that of the American Grassfed Association system that is in place and has great public demand in a country where the predominant source of beef is from feedlots and grain fed beef. It has provided the public with a guaranteed system instead of anyone making the claim without an body of evidence to prove it as was suggested by the NSW DPI in 2009<sup>1</sup>

The ground swell from the public for beef that is only grass fed and that may also be antibiotic free and or hormone growth promotant (HGP) free can be found regularly in various media such as, TV, newspapers, blog sites and social media. They want to know that the meat they are eating has come from a "farm" that has looked after the animals humanely and that in essence the growth of that animal is "a la natural". Although subjective there is also a belief that grassfed beef tastes better than grainfed beef. To support this belief is a body of health science based evidence that has looked at the difference in such things as cholesterol, fatty acid profiles and antioxidant levels<sup>2,3</sup>, which all indicate a better outcome from the consumption of grassfed beef over grainfed beef. PCAS does receive some funds derived from fees associated with annual certification of qualifying producers however these are small in

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<sup>1</sup> <http://www.dpi.nsw.gov.au/archive/agriculture-today-stories/ag-today-archives/august-2009/right-tags-for-grass-fed-beef>

<sup>2</sup> Daley C, Abbott A, Doyle P, Nader G, Larson S: A review of fatty acid profiles and antioxidant content in grass-fed and grain-fed beef. Nutrition Journal 2010, 9:10 doi:10.1186/1475-2891-9-10

<sup>3</sup> Nuernberg K, Dannenberger D, Nuernberg G, Ender K, Voigt J, Scollan N, Wood J, Nute G, Richardson R: Effect of a grass-based and a concentrate feeding system on meat quality characteristics and fatty acid composition of longissimus muscle in different cattle breeds. Livestock Production Science, Vol 94 Issues 1-12 June, 2005 Pgs 137-147

For this program to stay afloat and for other aligned initiatives to be produced for the benefit of both the producer and the consumer (and all other parties in between) levies need to be collected to support the work of the CCA secretariat and staff. Whilst I have focused on PCAS as an example of the work that has been done and recognized down the supply chain there are many other areas that the CCA support producers in various avenues such as market accessibility, legislation issues, infrastructure and overall competitiveness locally & overseas.

I am sure that no producer wants to see additional levies charged to them when budgets are already compromised or tight. They want to see bang for buck from existing levies and that these levies are evenly distributed to the various bodies that assist and represent their cause. The facts that the current levies are supposedly not available due to legislation preventing them from being distributed in part to the CCA needs to be addressed and hopefully this Senate enquiry will recommend such a resolution. I would suggest that all parties wanting access to the currently collected funds submit an annual budget and accompanying business plan that will outline how these funds will be used and to what benefit, much like privately run businesses must do at least annually to secure their expenditure budgets. A "Value Analysis Committee" could be made up of elected producers overseen/chaired by a Dept of Ag senior official would then be able to review submissions decide who gets what (with perhaps minimum levels set, so as not to unduly disadvantage any party/ies)

I believe an "opt in/out" for such levies needs to be dismissed as it is easy for a producer to opt out and still reap the benefits of the various results delivered by the levy recipients and "freeload" which is not something the majority of producers would be keen to see happen (in my opinion).

The Federal Government would provide the independence to oversee such dispersals and to ensure that the process was unbiased and based on merit and outcomes rather than historical or other such determinants.

Whilst this submission is short and undetailed, as a concerned citizen and future employee of this industry I am only able to provide information that I obtain from various media, discussions with various industry leaders and "what makes sense to me"

Kind Regards

**Brett McLachlan**