

THE NORTHERN STAR

Top dogs ruling our beef industry
Peter Weekes | 30th March 2011

A SMALL group of producers and processors, many of them foreign owned, control the Australian beef industry, secret voting entitlements obtained by The Northern Star reveal for the first time.

Many of the nation's beef producers have long complained that the voting structure of the Meat and Livestock Association (MLA) meant the top 50 players could out-vote the rest of the industry.

However, until now there was no concrete proof of this, as the MLA has consistently refused to reveal the number of each company's votes.

The secret entitlements from 2008 obtained by The Star show while a full-time Northern Rivers cattle farmer with an average 350 head of stock has less than 1600 MLA votes, Australian Agricultural Company has a massive 555,533.

Swift Australia, owned by Brazilian-based JBS – the world's largest meat company – has the second-most entitlement of 504,045 votes.

"I don't view that as fair or democratic," said Sydney-based lawyer and beef industry advocate Norman Hunt.

"What it effectively does is disenfranchise grass roots producers, who feel they don't have any influence or ownership of the MLA."

It is understood a small number of the largest vote holders have recently raised concerns about the unequal representation within the MLA.

MLA general manager of communications David Peach yesterday rejected suggestions the voting structure favoured the biggest players.

"The information that you have (voting entitlements) is not public information, but irrespective of that the allegation that the top 50 can out-vote the rest of the membership is not true," he said.

"We actively encourage every-one to participate and vote, but some choose not to."

Mr Peach said votes were allocated based on each dollar paid in compulsory levies, however, once a certain threshold was reached the number of additional votes was reduced. The MLA has 47,500 members.

The MLA was set up by the Howard Government to conduct research and promote the consumption of beef. It is funded by compulsory levies struck on farmers and processors based on their number of cattle.

The \$5per cow levy generated \$163.4 million last year, up \$4.2 million from the previous year.

However, many farmers say the organisation is failing in its stated duty, favouring certain companies with research grants, as domestic consumption per capita has plummeted from 41.3kg in 1997 to under 34kg in 2009, according to ABARE.

Farmers have also been hit by falling prices. In September 2005 the Eastern Young Cattle Indicator was \$4.15 per beast. It hovered around \$3.50 for six years before reaching \$4 last week.

This is despite a claim by critics that the MLA spent \$800 million on marketing over that period, which has been disputed by Mr Peach.

Page MP Janelle Saffin raised the issue in Federal Parliament last month, describing the voting structure as “problematic”.

“I can understand why those at the top – the ‘top dogs’ as I call them – may feel some sort of proprietorial rights, but I understand even more why the small dogs and the local family farmers and levy payers feel disenfranchised and disempowered by this,” she said.

The Senate Rural and Regional Affairs Committee was also critical of the undemocratic structure of the MLA and the industry’s peak councils in its 2002 report into the industry.

Since then, it has only gotten worse, the chairman of the Richmond River Beef Producers Association, Dr Ian Fielding, said.

“There is no clarity and no transparency at all,” he said.

“Our members feel totally disenfranchised, so don’t even bother registering to vote because they know it won’t change anything, even though they have to pay the levy.”