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TO THE COMMITTEE SECRETARY

TO BE POSTED

TERMS OF REFERENCE

POINT A

MANY YEARS AGO I WAS INVOLVED WITH A CASE OF COLLUSION INVOLVING CATTLE FROM THE NORTHERN TERRITORY TRYING TO ENTER VICTORIA TO BE PROCESSED SO I HAVE NO DOUBT IT WENT ON THEN

BUT IT NO LONGER GOES ON IN MY OBSERVATION IN ALICE SPRINGS AS I HAVE SEEN CATTLE FROM THERE NOW GOING TO MIDFIELD MEATS IN VICTORIA . YOUNG BULLS FOR LIVE EXPORT FROM PERTH AS WELL AS CATTLE TO QUEENSLAND ,NSW, AND SOUTH AUSTRALIA

I CANNOT GIVE YOU ANY FACTUAL EVIDENCE OF COLLUSION TODAY

BUT MANY WORKS DO PUBLISH THERE PRICES ON GRIDS SO OTHER WORKS CAN GAIN READY ACCESS TO COMPETITORS PRICES

POINT B

CONSOLIDATION HAS OCCURRED IN THE NORTH

BUT IN THE SOUTH WE HAVE MANY CHOICES , RALPHS IN SEYMOUR HERDS IN GEELONG, GATHERCOES IN TATURA , HARDWICKS KYNETON ., OCONNORS PAKENHAM, GREENHAMS TONGALA, MIDFIELD WARRAMBOOL WOOD ARDS SWANHILL TEYS AT WAGGA WAGGA AND JBS AND THERE ARE OTHERS WHILE IN WESTERN VICTORIA SOUTH AUSTRALIAN WORKS ARE AVAILABLE

THESE PROCESSORS ARE MAJOR EMPLOYERS IN REGIONAL VICTORIA

POINT C

AS PRODUCERS WE HAVE MANY ALTERNATIVES BUT I HOPE THIS INQUIRY STANDARDISES THE ISSUE OF PRE OR POST SALE WEIGHING

LIVEWEIGHT SELLING WAS INTRODUCED TO TAKE THE VARIATION OUT OF THE MARKET BY THE LATE BILL HILL AND NOW THE LATE MICHAEL GUINNESS

PRIOR TO LIVEWEIGHT SELLING IN NEWMARKET 600 KG BULLOCKS COULD VARY BY AS MUCH AS , \$50 A HEAD

ONCE LIVEWEIGHT CAME IN THE VARIATION WAS 1 OR 2 CENTS A KG ON 600KG OR \$6 A HEAD

HOWEVER IN A DROUGHT SITUATION YOU CAN HAVE AN AUCTION WHERE THERE ARE NOT ENOUGH BUYERS AND I AM AWARE THAT SOME GOOD AGENTS WOULD ACTUALLY BUY THESE CATTLE EVEN IT WAS AT A LOW PRICE AND EVENTUALLY PLACE THEM WITH CLIENTS. WHAT ELSE DO YO DO WHEN SUPPLY FAR EXCEEDS DEMAND

SCANNING THE AUCTION PLUS SYSTEM OVER THE LAST MONTH MANY LOTS WERE

PASSED IN OR NO BIDS SO THAT THERE IS NO TRANSPORT COSTS INVOLVED AND THEY REMAIN ON THE PROPERTY

FOR MANY OF THESE CATTLE A BUYER IS EVENTUALLY FOUND

AS I UNDERSTAND IT AUCTION PLUS IS NOW THE LARGEST AUCTION IN AUSTRALIA AND I FOR ONE FIND IT TO BE A BRILLIANT SYSTEM

ONE OF THE PROBLEMS IS THAT FOR MANY AGENTS THE SALE YARDS ARE AN EASY WAY OF CONDUCTING BUSINESS STICK THEN ON A TRUCK AND OUT THEY GO

IN WESTERN AUSTRALIA THE YARDS TEND TO BE PRIVATELY OWNED AND PRIVATE AGENTS GET EXCLUDED

THEY NOW USE AUCTION PLUS VERY EFFECTIVELY FOR THEIR CLIENTS

PRODUCERS WITH GOOD STOCK TEND TO RETAIN OWNERSHIP AND ADD VALUE RATHER THAN OPERATE IN THE WEANER SALES THEY HAVE DIRECT RELATIONSHIPS WITH FEEDLOTS

IN STUD SALES AGENTS DO EFFECTIVELY STOP COMPETITION PARTICULARLY IF THEY ARE FINANCING A CLIENT AND THIS MAY PREVENT A PRODUCER GETTING THE GENETICS HE REALLY NEEDS

POINT D

REGULATORY MATTERS I DON'T HAVE THE KNOWLEDGE TO COMMENT ON THIS

POINT E

THE OTHER MATTER THAT CONCERN IS THE MEAT STANDARDS AUSTRALIA

THIS SYSTEM WAS DEVELOPED TO IDENTIFY VARIOUS GRADES OR STANDARDS OF BEEF HOWEVER IT IS BEING PROSTITUTED

BEEF IS SOLD IN THE RETAIL SECTOR AS MSA GRADED BUT IN MANY CASES IT ISN'T STIPULATED WHETHER IT IS ONE OR FOUR STAR

YET WHEN I PULL UP AT SUPERMARKET PETROL STATION I CAN BUY 91, 95 OR 98 GRADED OCTANE PETROL

I SUGGEST THE OUTCOME OF THIS INQUIRY SHOULD BE TO PROTECT BOTH THE CONSUMER AND THE PRODUCER BY INTRODUCING THE USA SYSTEM OF COMPULSORY INDEPENDENT GRADING

THIS WAY PRODUCERS WILL BE ABLE TO BE REWARDED AND GET ACCURATE MARKET SIGNALS AND CONSUMERS WILL HAVE A CHOICE WITH A DESCRIPTION THEY CAN TRUST

I BELIEVE THE REAL ISSUES ARE NOT IN THE SALE YARDS BUT IN THE ACTUAL PROCESSING AND RETAIL SECTOR WHERE THE PRODUCT IS IDENTIFIED AS MSA GRADED BUT NO GRADE ATTACHED

WHETHER WE STICK WITH MSA 1 TO 4 STAR OR ADOPT A MORE UNIVERSAL SYSTEM SUCH AS THE USA GRADING TERMINOLOGY OF PRIME CHOICE SELECT AND NOT GRADED NEEDS TO BE CONSIDERED

BUT REGARDLESS A CLASS CALLED NOT GRADED NEEDS TO BE ATTACHED TO OUR MSA SYSTEM

THE REAL ISSUE IN MY OPINION IS THAT OUR MARKETING SYSTEM IS BASED ON

AVERAGES NOT QUALITY GRADES AND I HOPE THIS INQUIRY FOCUSSES ON THIS

Don Lawson OAM