



BINDAREE BEEF
— AUSTRALIA —

BINDAREE BEEF PTY LIMITED

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23rd April 2015

Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Jane,

I am writing in response to your letter regarding the inquiry into the effect of market consolidation on the red meat processing sector.

Please see my responses below for committee consideration:

- (a) Yes there is a massive amount of collusion & misuse of power in the processing industry. The evidence is there for all to see.
- (b) The impact of the red meat consolidation is having a huge impact on farm gate prices, I would suggest 80% of beef farmers are either broke or going broke.
- (c) The existing selling structures are satisfactory, the problems is more consolidation less competition.
- (d) The regulatory environment as far as Bindaree beef is concerned is working ok.
- (e) Please see attached a letter previously sent about the imminent crisis.

Kind regards,

John R McDonald



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14 April 2015

ALERT!

CRISIS IMMINENT!

Where are the politicians that care about the plight of rural and regional Australia?

Australia's farm population is experiencing a rapid decline in numbers due to the escalating rural debt crisis and the potential local impact of foreign ownership levels. Severe personal hardship, bank foreclosures, high production costs and natural disasters are creating an unknown future with 'desperate selling' of farm properties and the inability to cope with debt.

As Chairman of the Bindaree Beef Abattoir in Inverell, New South Wales, I have been involved in the meat and cattle industry for over 65 years. I have recently been inundated with requests for financial help and support from many desperate beef and cattle producers in prime grazing areas such as Goondiwindi, Moree, Coonamble, Casino and Inverell. Bindaree Beef has leased some of these struggling properties and bought the cattle to help give a guaranteed cashflow to the farmers. Liquidity being one of the main issues. Similar stories of stress, hardship, debt and lack of hope are also being echoed by other rural industries such as dairy, sugar and pork to name just a few. There are also deep concerns about the possible contamination of water by the coal seam gas industry and the unacceptable rates of suicides which are escalating due to continued uncertainty about any sort of viable future.

Rural debt was approximately \$20 billion in 2000 and from 2000 to 2015 this has increased massively from \$20 billion to \$65 billion. What is also concerning is that suicides in rural and remote regions of Australia have also been on the increase over the same time period. Bindaree Beef advised in 2004 and 2010 that's if changes weren't made producers would be financially ruined as has now been proven. Successive governments, of all persuasions, have failed to address the issue and have also allowed three of the world's largest beef companies (Nippon, JBS, and Cargill) to take over the beef industry. They control all meat industry boards with an aim to have cheap cattle to export and to profit their own companies overseas. Bindaree Beef, which is an Australian company, hopes to remain a viable processor and to upgrade its abattoirs for our future generations.

As a solution to the rural debt crisis, I believe a development bank is the only answer. This bank, possibly funded by superannuation, could save producers by providing cheap interest loans. Young people would then be given the opportunity to stay on the land or to buy back into rural Australia and it would also help to keep our existing farmers on their properties.

No other country in the world ignores its farmers and rural communities like Australia does, nor willingly allows its land to be sold off to foreign investment and ownership.



BINDAREE BEEF
A MEMBER OF

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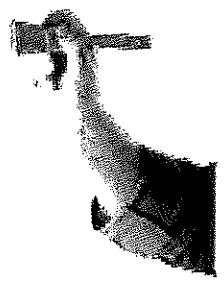
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Your future generations are going to ask why you allowed this to happen. Governments of all persuasions need to realise what is happening and act NOW.

Yours sincerely,

Mr John McDonald
Chairman
Bindaree Beef Pty Ltd



Fact sheet 18

Suicide in rural and remote communities



Suicide rates in rural and remote regions of Australia have risen over the past three decades, especially among men.

This fact sheet provides information about suicide in rural and remote Australia and what can be done to help prevent suicide in these areas.

The importance of understanding suicide in rural and remote communities

People living in rural and remote Australia may experience considerable difficulties and hardship, including financial difficulties and isolation, and they may not have access to support services during tough times. They are more likely to have greater access to means of suicide that lead to immediate death.

Suicide rates in rural and remote areas of Australia are significantly higher than the national average and very remote regions have suicide rates more than double that of major capital cities. However, because of the small population numbers in rural and remote areas rates can vary widely from year to year, compared to regional and metropolitan areas, and one or two suicides can have a significant effect on the total rate.

The map on the following page (Figure 1) shows the suicide rates in all statistical subdivisions throughout Australia for the period 2001 – 2004. The darker colours (blue and teal) indicate higher rates of suicide. Many rural and remote regions of Australia show rates above 15 per 100,000 population (particularly in northern Queensland, Western Australia and the Northern Territory). This is well above the national average of 11.8 per 100,000 for the same period.

mostly it's about pressure from banks and parent structure where there is no alternative



300 farmers a month quit land

Sophie Morris

Almost 300 farmers have left the land each month in the past 30 years, resulting in a 40 per cent drop in their number as some small landholders sold to bigger producers and drought forced others to quit.

An Australian Bureau of Statistics report, released yesterday, says there were just 157,000 farmers left in the industry in 2011 – 106,200 fewer than in 1981 – partly because young people have been reluctant to take over the family farm.

Those farmers who are still working the land are getting older, with the median age now about 53, up from 44 in 1981 and compared with a median age of 40 now for other workers.

"In 2011, almost a quarter [23 per cent] of farmers were aged 65 years or over, compared with just 3 per

cent of people in other occupations," the ABS report says.

"The tendency of farmers to work beyond the traditional retirement age may reflect the decline in younger generations taking over family farms."

The ABS data, drawn from its Agricultural Census, shows farmers tend to have more children than other people and also provides clues as to why their offspring may not want to follow their parents into farming.

In other findings, farmers work longer hours than other workers, with half saying they toiled for 49 hours or more a week.

But they had average weekly disposable income of just \$568, considerably lower than \$921 available on average to other workers, though farmers may benefit from tax breaks and have wealth tied up in other assets.

The exodus from farming – averaging 294 farmers a month since 1981 – had been sped by shocks like the so-called millennium drought that gripped much of the continent in the first decade of this century.

As the drought spread and worsened in 2002-03, the number of farmers dropped 15 per cent in that year alone. The federal government's Murray-Darling Basin reforms and water buybacks also encouraged some irrigators to quit the land.

Despite the trend towards consolidation and the emergence of large-scale corporate farming, the ABS says that the majority of farms are still comparatively small.

Just more than half (55 per cent) had agricultural operations with an estimated value of less than \$100,000 a year.

Only 6 per cent of farms, about 7700, had agricultural operations

worth more than \$1 million.

The value of agricultural exports rose on average by 5 per cent a year in the previous three decades, to \$32.5 billion, with those exports helping to feed about 40 million people.

"A sharp increase in global food prices in recent years has focused attention on the adequacy and affordability of global food supplies," the ABS says.

"With the challenge likely to become more pressing over time, Australia's role as a net food exporter will be critical."

The Australian Bureau of Agricultural and Resource Economics and Sciences yesterday lifted its forecast for earnings from agricultural fisheries and forestry exports in 2012-13 to \$39.5 billion, up from \$35.2 billion in September and just slightly lower than last year's high of \$39.9 billion.

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