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Cattle producers called to comment on competitiveness

By **ANDY WITHERS**

Board member of Livestock SA and Cattle Council of Australia

SOUTH Australian cattle producers have a rare opportunity to offer feedback on the competitiveness of the beef sector as part of a market study by the Australian Competition and Consumer Commission.

The ACCC study's aims are two-fold – to investigate competition and transparency in the beef supply chain, and consider whether there are impediments to competition and efficiency at various stages along the chain.



Members had the opportunity to provide feedback in April when Livestock SA asked for input to inform our submission. The ACCC outlined 34 issues that it was seeking producer feedback on such as:

- Markets for the sale and purchase of cattle. This included the different methods of sales channels available to farmers, the extent to which different breeds or types of cattle are seen as substitutable, the differences in bargaining strength between buyers and sellers, and selling options, such as contracts, pricing grids and grading, and co-operatives and collective bargaining.
- The processing sector in terms of competition, service availability and barriers to entry. This included the strength of competition between processors, whether fewer abattoirs had impacted access to value add products, and the cost of setting up a new plant.
- Export and domestic markets for the sale of processed beef. This includes margins, costs, prices and profitability in the industry and how this has changed over time, price comparisons for farmers in Australia and internationally, and profitability of beef farms and variations over time and across regions.

It is a comprehensive study and the ACCC is to be commended on the level of detail sought in each area.

In Livestock SA's submission, many common issues were identified. Producers have previously raised concerns about fat scores, inconsistencies in yields and weights and delays in getting reports on these. In our submission, Livestock SA calls for increased transparency. Producers need to be able to trust that scales and measures are accurate and are reported correctly.



Other producers in the north of SA raised a lack of competition, saying that in other states there were more options and that market forces worked better. Some producers would like there to be an ombudsman or at least a strong watch dog. The interest of the ACCC in this regard is very welcome.

The ACCC will host a regional forum later this month in Mount Gambier to hear from producers first-hand. While producers are able to raise issues directly with the ACCC Commissioners, it is important that all statements are backed with facts and not opinion or commentary that cannot be substantiated.

Producers who are unable to make it but have issues to raise, contact the ACCC directly.

- **Details:** The ACCC forum will be held on Monday, June 20, from 11.30am-2pm at the Mount Gambier RSL. Registration is compulsory by emailing marketstudy@acc.gov.au or calling 03 9290 1997. For more information on the study, visit www.acc.gov.au/cattlestudy. Producers wanting to raise an issue can contact Sheridan de Kruiff on 07 3835 4681.