

# ***SUPPLEMENTARY SUBMISSION AND ERRATUM***

## **TO THE AUSTRALIAN MEAT PRODUCERS GROUP ('AMPG') SUBMISSION TO THE AUSTRALIAN GOVERNMENT PRODUCTIVITY COMMISSION: INQUIRY ON THE REGULATION OF AUSTRALIAN AGRICULTURE**

**OCTOBER 2016**

### **ERRATUM**

Recent research by the AMPG has shown that the USDA does collect the boxed beef prices on beef destined to export,<sup>1</sup> though the USDA does not publish the export prices of boxed beef separately.

In the third paragraph of page 15 of the AMPG Submission, the AMPG incorrectly cites Richard Norton of Meat and Livestock Australia as stating that the requirement for U.S. processors to report on export beef prices is voluntary rather than mandatory, and we apologise for this misunderstanding on our part.

### **SUPPLEMENTARY SUBMISSION**

#### *Widespread Acceptance of the U.S. Mandatory Price Reporting ('MPR') Regime*

Interestingly, despite initial concerns expressed by some U.S. processors and producers with MPR, leading commentators such as Steve Kay, who publishes the monthly column in *Beef Central* "Kay's Cuts", as well as being publisher of *US Cattle Buyers' Weekly* have pointed out that the U.S. mandatory price reporting regime has now been widely accepted, noting that "[every] single sector of the US livestock and meat industry believes MPR has been of real value."<sup>2</sup>

Further, the USDA has found that the U.S. mandatory price reporting regime provides "welfare gains to livestock sellers, meatpackers [processors], and – ultimately consumers, all of whom benefit from having more information on prices."<sup>3</sup>

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<sup>1</sup> 7 C.F.R. §59.104 (U.S.). (2016).

<sup>2</sup> Steve Kay, *Kay's Cuts: MLA should re-evaluate Mandatory Price Reporting's value*, Beef Central, 14 June 2016, <<http://www.beefcentral.com/news/kays-cuts-mla-should-re-evaluate-mandatory-price-reportings-value>>.

<sup>3</sup> Kenneth H. Matthews, Jr., Wade Brorsen, William F. Hahn, Carlos Arnade, and Erik Dohlman, *Mandatory Price Reporting, Market Efficiency, and Price Discovery in Livestock Markets*, USDA Economic Research Service LDPM-254-01, September 2015, 28.