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## Strong mood for change at industry forum

By James Nason 18 Nov 2011



A strong desire for change was expressed at yesterday's Meat and Livestock Australia annual general meeting in Longreach

Forums held before and after the AGM gave industry stakeholders the opportunity to discuss existing industry structures and views on preferred alternatives.

While there seemed little disagreement that new structures are needed, there was far less consensus on what form those changes should take.

Debate focused on two issues specifically – whether representatives of the cattle industry's peak producer body should be appointed via State Farmer Organisations or directly-elected, and how the peak producer body should be funded.

A strong view was expressed that the cattle industry needs a well-resourced body to manage its national affairs and to speak with a more powerful voice in Canberra.

Cattle Council of Australia currently operates on a \$1.3 million annual budget, funded primarily by State Farm Organisations.

Significant debate surrounded whether a portion of the \$5/head cattle transaction levy should be directed to Cattle Council of Australia.



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## Restructure priority for new Cattle Council chair

By James Nason 15 Nov 2011



Andrew Ogilvie

Restructuring the Cattle Council of Australia into a more modern, streamlined and relevant body for industry has been identified as a key priority by its new leader, South Australian cattle breeder and lot feeder Andrew Ogilvie.

The South Australian Farmers Federation livestock chairman and former CCA vice-president was elected to the position of CCA president at the organisation's annual general meeting in Longreach this morning, replacing Queensland cattleman Greg Brown who has retired after three years in the role.

Mr Ogilvie slides into the saddle at a time when industry representative structures are coming under intense scrutiny. It is an issue he wants to address from the outset.

He agrees that the time has come for a change, and, in fact, it seems likely that under his watch the CCA boardroom will face some serious destocking ahead.

At present Cattle Council of Australia is made up of 23 councillors, drawn from its eight member organisations: NSW Farmers; AgForce, VFF, WAFF, Pastoralists' & Graziers' Association of WA, Tasmanian Farmers' & Graziers'

Association, the Northern Territory Cattlemen's Association and the South Australian Farmers Federation.

However that number could soon reduce to just seven under one restructure option outlined by Mr Ogilvie today.

Mr Ogilvie said CCA councillors had been developing a model over a period of time that would reduce the CCA board to seven representatives, comprising one councillor from each State farming organisation.

Issue-specific taskforces incorporating a CCA board member and people with expertise in each issue from across the industry, and including individual producers, would then be assembled to take over much of the work currently undertaken by the extended Cattle Council.

This arrangement would enable Cattle Council to harness collective industry expertise in specific issue areas more effectively, and would also provide greater opportunities for producers to participate directly in industry leadership roles.

Mr Ogilvie said the concept was one of many that would be investigated in coming months.

"We realise that Cattle Council needs to be a modern, streamlined and relevant body for industry," he said.



"The key task now is to try to find out how many different opinions and options there are out there, and how widely we need to canvas views. Thursday's forum will really be the formal start of that process, but it is going to take time."

"But at the same time, we do not want to reinvent the wheel, and nor do we want to necessarily throw away an existing system which may have components that will continue to play an important part."

Central Queensland cattlemen Graeme Acton and Cameron McIntyre attended the CCA meetings on Wednesday, as part of a small contingent representing the reform group, the Australian Meat Producers Group.

"We had a good open and frank discussion about the way forward, and we all agreed that there is a great mood for change occurring," Mr Acton said.

"There are still those who feel that because an organisation or system has been in place for decades and worked reasonably well in the past, it must still be the right model today. We all know that is not the case. Circumstances change," he said.

"The dynamics of the global beef industry are moving continually, and we need to adjust for that. It has certainly changed enormously since the state farm organisation structure was put in place decades ago, and even since MLA was formed 12 years ago."

"Anybody who doesn't think the current industry structure model needs to be looked at closely has their head in the sand," Mr Acton said.

"We now have a great opportunity to build a new model more reflective of today's needs."

- This morning's industry forum in Longreach chaired by Red Meat Advisory Council independent chairman Ross Keane is expected to focus heavily on industry structures, funding mechanisms and producer representation. More details later on Beef Central.



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## New directors herald change

By Jon Condon 18 Nov 2011



A record 10,764 Meat & Livestock Australia members gained their full voting entitlement for this year's annual general meeting, representing about 24 percent of MLA's total register of 47,556 beef, sheepmeat and goatmeat producer members.

There was an unusually large vote component registered from the floor this year, with about 200 members voting in person. Even removing about 40-odd members of State Farming Organisations who were 'obliged' to attend the meeting, that still left about 160 MLA members voting from the floor at the Longreach Civic Centre.

Apart from the motion to wind-up the producer company put by the ABA (see separate story "Members Give MLA overwhelming mandate"), three new selection-committee nominated directors were approved by members:

- 82.65pc vote cast in favour of the election of Michele Allan, an experienced corporate board member, who was chosen for her skills in corporate governance. Her long and impressive board CV came under scrutiny of some MLA members, who rightly asked Ms Allan how she would find time to do her MLA board responsibilities justice.
- 89.69pc vote cast in favour of the election of Geoff Maynard, as the northern beef producer member. Some members pointed out that following the departure of Mr Heatley as chairman, Mr Maynard, whose property is located about 100km south of Rockhampton, is the only producer representative for the northern Australia region, representing at least 60pc of the national beef herd.
- 85.35pc of members voted in favour of the election of Rodney Watt as sheepmeats representative, replacing Grant Burbidge. Mr Watt is the third MLA boardmember from the seedstock industry now sitting on the board, joining Geoff Maynard and Lucinda Corrigan.

MLA members voted to elect three new producer members to the MLA Selection committee.

Almost 91.2pc of cattle producer members were in favour of electing Ian McCamley to the committee; 92pc of sheep producer members supported Ben Hooper; and 96.65pc of votes cast by MLA lotfeeder members favoured electing Warren Barnett, from Associated feedlot near Mathoura, NSW to the committee.

With 124 candidates nominating for the three available MLA board positions this year, some members questioned why there was not a broader selection process open to members, rather than simply 'endorsing' the three candidates put forward by the board selection committee.



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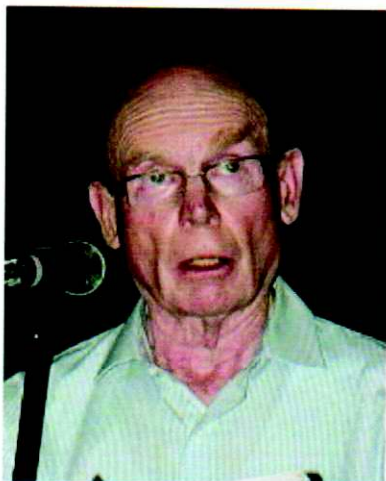




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## Members give MLA overwhelming mandate

By Jon Condon 18 Nov 2011



*Former ABA president John Carter proposed the motion to wind-up MLA*

While the winds of change may be blowing across the red meat structural landscape, Meat and Livestock Australia was given a strong mandate to continue in its current role as the industry's service delivery company during this year's Annual General Meeting in Longreach yesterday.

A motion to wind-up the producer-owned company put by the Australian Beef Association received only 10.39 percent support from members, with 89.61pc opposed.

The result was a resounding defeat for ABA members, who gained about 15pc support from members last year with exactly same resolution. While there is a clear mood for structural reform across both conservative and liberal ends of the industry membership spectrum, stakeholders clearly do not see dismantling MLA as being an appropriate part of that process.

In proposing the motion, which asked that MLA be wound-up before December 2012, ABA former president John Carter said any industry structure should alter if the needs of its members altered.

"We saw the old Australian Meat Board wound-up, to be replaced by the AMLC/MRC, and we saw them wound-up to be replaced by MLA," he said.

"This need for change is built into MLA's articles of association. It was envisaged that change would be needed, and MLA would be superseded."

"Thirteen years after MLA was established, we have an entirely different industry. We now have more than 50pc of processing capacity in the hands of two multi-national companies, with sales offices all over the world."

Mr Carter said more than 50pc of domestic retailing was held by two supermarket groups, with the highest mark-ups in the world giving Australian consumers some of the dearest beef in the world. Meanwhile the producers who funded MLA got some of the lowest livestock prices and share of the consumer dollar in the world.

"Over 13 years, voluntary membership of state farm organisations has virtually collapsed. There has been disillusionment at their performance, and two incidents over the past two years typify that – the Indonesian live export ban, and the risk of importation of beef from the US, supported by the CCA and other bodies before a few concerned people, with the assistance of the Senate, that managed to stop it," Mr Carter said.



"Brazil has no MLA equivalent, yet has beaten us on both price and export volume. The US beef producers pay a fraction of what we pay, and yet they get much more money than we do, and they are again taking back their share of world markets."

"We're in big trouble in Australia with costs. JBS pointed out in a recent article (see Beef Central's exclusive article "**Controlling costs key to JBS export competitiveness**") how uncompetitive Australian processing is against global competitors."

Mr Carter conceded that ABA did not expect its resolution to be carried, but described it as a signal – as it was at last year's AGM in Launceston – for a full review of industry structure.

Speaking against the resolution, Cobar NSW beef producer Sam Gunn said while there was an appetite for change within the industry, to disband and wind-up the MLA company was not part of the solution.

"The changes that have to be made over the next 12 to 18 months are going to take a lot of work, and the opportunity is there now for all groups to sit down, bringing their ideas and views to the table, and work this thing out."

ABA president Brad Bellinger said the motion was all about how well MLA as an organisation was performing, and how well the industry structure was performing.

"If you do an audit of the performance of the Australian industry structure and compare it with others around the world, it tells a terrible tale. The Irish Farm Journal publishes a calculator of world beef prices from 11 major beef producing nations. We were running second; we're now last."

"Australian steer prices are currently around \$2/kg, while in the US, the figure is \$3. In dressed weight comparisons, Australia \$3.60, Brazil \$4. In the past ten years, the cattle price in Australia has hardly moved, while the price of beef at retail has gone up 50pc. It's obvious that the money producers are giving to MLA has been passed through the system, captured predominantly by Coles and Woolworths," Mr Bellinger said.

"We have to stop this happening."

Rolleston, Central Queensland beef producer Ian Robertson said while there was a mood for change, that "did not simply mean going out and shooting the whole bloody lot."

Injune (Qld) beef producer Justin McDonald described the sequence of AGM challenges put forward by ABA each year as being like "Groundhog Day".

"Our industry is better than this. It's time we move on, and we should not keep seeing levy dollars put forward by the rest of industry spent dealing with these types of resolutions."

The ABA's voice as an 'alternate' producer lobby on issues like structural reform and MLA governance has been somewhat diluted this year by the emergence of other reformist lobby vehicles including the United Beef Group and the Australian Meat Producers Group.

At the conclusion of the AGM, chairman Don Heatley said he was grateful for the continued support from members over the past few years, and it was time for the industry to come together.

"I thank MLA members and the industry for the enormous support that they have shown the company. It is now time to work together as an industry and look to the future," he said.

"MLA will now get on with the job of creating opportunities for cattle, sheep and goat producers through the delivery of marketing and R&D services."

