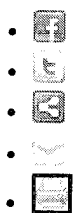


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Northern beef crisis summit planned for Richmond



By James Nason 29 Apr 2013

Northern cattle producers are hoping a beef crisis summit organised for Richmond on May 7 will help to kick start some much needed solutions to a worsening rural profitability picture.

North west Queensland stud breeder Rob Atkinson, one of several producers involved in organising the summit, said many cattle businesses were on a knife-edge, and genuine industry-wide solutions were needed.

Problems created by the live export downturn, which included lost sales and increased supply pressures as hundreds of thousands of cattle were redirected onto local markets, had been exacerbated for indebted producers by a rapid slide into drought and the continued impacts of a high Australian dollar on cattle prices. Falling land values linked with the lack of confidence was pushing many business towards untenable debt-equity ratios.

Mr Atkinson said it was positive to see the Federal Government recognise the rural profitability issue in announcing its Farm Finance assistance package on Saturday, but said the scope of the package as detailed was unlikely to match the huge scope of the problem.

The momentum to hold a beef crisis summit was instigated when Federal member for Kennedy Bob Katter began calling around northern producers with the idea last month, but Mr Atkinson said the Richmond summit was organised by a steering committee of producers and the event was “non-political”.

“We’re just a group of very concerned beef producers,” he said.

He said this summit was timed to precede the Federal Budget to be handed down in mid-May, but added more summits were likely, because it would be impossible to rectify the challenges facing the industry in a single meeting.

The number of forced sales in rural property advertisements was serving as evidence of deteriorating rural profitability.

Rural banks appeared to be "holding their nerve as well as they can", Mr Atkinson said, and ultimately when producers signed off on a loan they did it with their eyes open.

However, the combination of the live export downturn plus drought, dollar, and debt issues was pushing many normally viable operations to the limit.

"We all know that droughts are part of life, but when the dollar hinders your income, and the cost of production continues to go up, there's a stage when it doesn't matter how productive you are, or how well your operation is running, there is just a point where there is no profitability in it," Mr Atkinson said.

"You only have to look at some of the figures handed down recently by some of the major beef corporations which have economies of scale, and most of them are making losses.

"We probably represent the average family operation out here in the north west, it is just a simple fact that when you're not paid enough money for your product, the cost of production makes it hard to make the numbers add up."

Mr Atkinson said producers wanted to see the Government take greater action in terms of reducing the impact of the high dollar.

"There are economists out there who believe a lot of other countries around the world are influencing their dollar by whatever method it takes to keep it down.

"Our government as far as I know certainly hasn't done anything.

"There are ways to do it and we need to seriously get our government to look at if they want export industries."

- **The Beef Crisis Summit will be held at the Richmond Civic Centre, Richmond, on Tuesday May 7, with smoko at 10am for an 11am start. RSVP to Amy Russell on 07 4741 3277 by Thursday 2 May 2013 for catering and accommodation purposes. Those who cannot attend are being encouraged to email their story with a picture if themselves or their property to amyr@richmond.qld.gov.au**

NTCA paints stark picture of challenges to PM

Meanwhile cattle producers in the Northern Territory took the opportunity to deliver a similar message about the pressures facing northern cattle businesses when they met with Prime Minister Julia Gillard in Darwin last Friday.

The Northern Territory Cattlemen's Association said the PM was told about a "potent mix" of challenges confronting cattle industry profitability.

NTCA vice-president and cattle producer Chris Muldoon painted a stark picture of an industry fighting combined forces of record low prices and volume into the Indonesian market, record low prices on the domestic market and a high Australian dollar. This, coupled with a collapse in confidence and cash flow following the trade suspension of 2011 was feeding a free fall in land values and rising debt.

"Right now, the best thing that can happen would be for the Indonesian market to restart, allowing us to fill the natural demand, driven by the prosperity of the Indonesian economy and playing to the synergy of our northern breeding systems and Indonesia's feedlot sector," Mr Muldoon said.





The meeting included discussion of the federal government response to the current financial crisis across northern Australia, and the regions very unique characteristics, including the size and scale of operations.

The NTCA reinforced the critical opportunity for government to look at the long term viability of our northern industry in the context of its own Asian Century white paper, regional and Indigenous development and relationships in our region.

“There is not much use talking about the Asian Century if we haven’t got an industry and economy to take part” said Executive Director of the NTCA, Luke Bowen.

Mr Bowen said that while the NTCA have been in ongoing, direct discussions with the government over recent months, there is an expectation of an announcement in coming days, detailing a support package for primary producers, suffering under acute financial pressures.

At the meeting the Prime Minister announced federal assistance for an Indonesia Australia Pastoral Student Exchange Program which was pioneered in 2012 by the NTCA and about to commence for 2013 with the arrival of 16 university students in Darwin on May 1. The students come from 6 universities and will spend 8 weeks on cattle stations after an initial 10 day intensive induction and training program. “This program has already seen some heartwarming relationships formed which will endure for the long term benefit of industry and communities in our two countries”, said Mr Bowen.

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