



Indonesia announced this week it will increase the import of Australian beef from July to September. PHOTO: TAMARA VONINSKI

Step ahead for live cattle trade

Matthew Cranston

An influential businessman, the media buyer **Harold Mitchell**, has called for calm over struggling live export sales to Indonesia, asking for the beef industry to support the new if meagre change to imported beef quotas.

Mr Mitchell, who owns more than 600,000 hectares in cattle stations and has many of his cattle exported live to Indonesia, says the Indonesian government's tentative steps to repair the damaged trade should be carefully appreciated.

"This latest move is a very good sign for us being able to work together," Mr Mitchell told *The Australian Financial Review*. "We are very appreciative. We are very grateful of this move and we are very understanding."

Mr Mitchell, along with other beef producers, met Indonesian President **Susilo Bambang Yudhoyono** last year.

Mr Mitchell has continued working behind the scenes to repair the trade, which has seen volumes slump by about one third to about 270,000 head of cattle per year since the federal government's temporary ban on the trade in 2011 over cruelty allegations. Despite the ban's lifting, Indonesian authorities

sharply reduced the previous import quota.

This week Indonesia's trade minister, **Gita Wirjawan**, confirmed changes related to domestic prices, among them that the July-August-September quota for live cattle imports would be brought forward by a month, equating to about 20,000 to 25,000 extra cattle out of northern Australia in the short term.

Mr Mitchell would not be drawn on

We are very grateful of this move and we are very understanding.

Harold Mitchell, media buyer

the federal government's 2011 ban on live exports and Indonesia's quota cut, followed by an oversupply of cattle in Australia and plummeting prices for beef amid drought conditions.

But he said ensuring the existence of a partnership with Indonesia was paramount.

"It is important to make sure that Indonesia and Australia are partners

on this forever. We must do whatever it takes," he said.

The steps taken by both governments to mend the live export trade have provoked different reactions from Australia's beef industry participants.

Australian Agricultural Company chief executive **David Farley** was diplomatic about the changes. "Any increase in the import quota is welcome but it is more important and it is incumbent on both governments to develop trading protocols that send the correct signals to producers and customers," he said.

McCullough Robertson agribusiness lawyer **Trent Thorne** represents a number of clients who service and supply the live export trade. He said the latest changes were problematic. "There may not actually be any increase at all. It might be that they are just shifting the quota from one month to the next month, front-loading if you like."

Queensland Agriculture Minister **John McVeigh**, who visited Indonesia to discuss the trade this month, has shown tentative support for the changes. "Although we are still waiting for full details, [the] announcement of open access for air-freighted, prime cuts of boxed beef, at least until the end of the year, is very welcome," he said.