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Richard Chamen, Chair Cattle Committee

Welcome to the February issue of the Cattle Update. It is pleasing to note that there have been large falls of rain over summer and that many regions of NSW are experiencing a pretty good season.

Unfortunately however, Meat & Livestock Australia (MLA) are predicting a challenging year ahead for cattle producers and beef exporters. MLA announced last week at the 2010 Cattle Industry projections that a complete market recovery won't occur until demand lifts in Japan, Korea and the US, and the Australian Dollar recedes to a more manageable level.

Recently there have been a number of reports in the media regarding the change to the Federal Government's requirements on importing beef from countries that have had a previous case of BSE. The Association has also received a number of calls from Members seeking clarification on the issue.

There is a degree of concern among cattle producers and consumers on the impacts this will have on Australia's beef industry.

A point of clarification must first be made. The change to requirements is a change in the assessment process, not a decision to import beef from countries with a history of BSE. The previous process for Australian food safety relied on past history of BSE in a country. That is if a country had a past history of BSE they could not import beef or beef products to Australia. The change to be introduced from 1 March will rely on an international animal health organisation risk assessment process to determine the BSE risk of a country. Countries will be required to demonstrate that they have nil or negligible risk before they will be considered to export beef or beef products to Australia.

If this change does occur, one thing the Cattle Committee see as a priority is the requirement for equivalency. This means everything that the Australian beef producer has to do must be applied to all possible importing countries. Why should we accept anything less than the requirements that we have to meet, such as traceability of beef and beef products through NLIS and LPA systems.

The Association has put together a briefing note on the changes and this is included with this newsletter.

The Committee has also been working on progressing motions from Annual Conference as well as a number of other policy issues. Please find below a summary of the issues the Committee has been working on. If you have any issues you would like to raise with the Committee please email a Committee Member.

Beef Labelling

The *Food Amendment (Beef Labelling) Act 2009* was passed by the Upper House on 26 November 2009. The Act is an amendment to the *Food Act 2003* and aims to give consumers a more reliable and consistent description of beef quality by the introduction of a beef labelling scheme.

The Association supports the intent of the Act and the concept of "truth in labelling". However, the Association still has some concerns about the wording of the Act. The Association has expressed these concerns to Hon. Steve Whan, Minister for Primary Industries and Hon. Richard Torbay MP.

As a result of industry concerns, in January 2010, the Food Authority set up a Beef Labelling Reference Group. The aim of this group is to determine and narrow the stakeholder concerns and issues so that an industry scheme, which meets the consumer objectives can be developed. Richard Chamen represents the Association on the Reference Group.

MLA Cattle projections

Meat & Livestock Australia's (MLA) 2010 Cattle Industry Projections don't expect a market recovery until demand lifts in Japan, Korea and the US, and the Australian dollar recedes to a more manageable level.

"Although there is likely to be some improvement in beef and cattle prices in the US this year, Japanese demand is likely to remain sluggish," MLA Economist Tim McRae said. "Australian beef will also come under increased pressure in Korea from US beef, spurred by a multi million dollar marketing campaign and low US dollar."

Overall, beef exports in 2010 are expected to fall 5.7% year-on-year to 875,000 tonnes shipped weight (swt), with beef exports to Japan forecast to fall 7%, to 330,000 tonnes in 2010, and 18% to Korea, to 95,000 tonnes (swt).

MLA forecasts adult cattle slaughtering to fall 4.5% to 7.4 million head in 2010, the lowest since 1996, due to the smaller herd, previous poor breeding seasons and the retention of more females (halting the herd liquidation). With a small lift in weights, beef production is forecast to fall around 4%, to 2.05 million tonnes carcass weight (cwt).

"Positive economic growth and high consumer confidence is likely to draw considerable attention to the domestic market over the coming year, particularly if the dollar remains high. Despite the

3.9% drop in beef production, overall domestic consumption is forecast to remain steady in 2010 at 740,000 cwt.

For further information please visit the MLA webpage www.mla.com.au

Cattle Council Australia Meeting

The Cattle Council Australia Executive held a meeting and strategic planning day in Sydney in early February. At CCA meeting both BSE and Beef Labelling were discussed. Cattle Council will demand the highest level of consultation in the development of the BSE import rules and expects the Federal Government to stand firm on its previous commitment to undertake rigorous risk assessments for any country applying to export beef to Australia. A number of other issues were discussed at the meeting including, Animal Health and Welfare, Trade issues, MSA and Research and Development.

For further information, please contact the CCA at www.cattlecouncil.com.au

Cattle Committee Meeting

The Cattle Committee will be holding a Committee meeting in Dubbo on Wednesday 3 March, followed by a Member Forum at the Western Star Hotel at 6:30pm. Please see the attached flyer for further information.



The logo for the NSW Beef Spectacular and Trade Expo. It features the text "NSW BEEF" in large, bold, red letters at the top. Below it, "SPECTACULAR" is written in white, bold, italicized letters with a black outline, set against a black rectangular background. At the bottom, "AND TRADE EXPO" is written in red, bold, italicized letters.

The NSW Beef Spectacular will be held in Dubbo on the 4, 5, 6 March 2010. The Association is pleased to be a sponsor of the event for another year.

The Association will once again have a stand in conjunction with Cattle Council of Australia (CCA). Over the duration of the event Cattle Committee Members will be present at the stand as well as Association staff.

The Association together with CCA will hold a seminar on **Thursday 4 March 2010 at 11am**. The Seminar will provide producers with the opportunity to view practical demonstrations of how to use the eDec's and learn about the proposed voluntary environmental module of LPA.