



BINDAREE BEEF PTY LIMITED
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"The Natural Beef Company"

PRESS RELEASE

John McDonald, Chairman – Bindaree Beef Pty Ltd at Inverell said today that:

"I have written an open letter to Senator Joe Ludwig the Federal Minister for Agriculture, Fisheries and Forestry (copy attached) expressing Bindaree Beef's concerns about the industry's handling of the live cattle export trade to Indonesia and calling for a joint Federal Government and Industry funded compensation package for the Northern live cattle export industry during the six month ban."

Mr McDonald said *"The Beef Industry as a whole and the Northern Cattle Producers in particular will suffer significant losses as a consequence of the ban on live cattle exports to Indonesia and if something is not done many of them will be put out of business. If the beef industry is to survive both the producer and the processor must continue to be viable. The Australian beef industry cannot afford to allow our Top End cattlemen to be wiped out."*

Mr McDonald went on to say *"RMAC has \$40 million held in a reserve fund for emergencies like this and the last MLA Annual Report disclosed that MLA held about \$83 million in cash reserves. Consequently I have asked the Federal Government and industry organisations to get together a joint Federal Government and Industry funded compensation package to assist the Northern Cattle Producers during the six month ban announced by the Government."*

Mr McDonald said *"Tuesday's Age newspaper disclosed that MLA had been aware of the inhumane slaughter practises in Indonesia for over ten years and that in 2005 LiveCorp and MLA prepared a report calling for a media spinstrategy to be prepared to cover any press disclosure of the cruelty of the slaughter of Australian cattle in Indonesia. Instead of taking steps to stop the cruelty MLA and LiveCorp decided to prepare a "Spin" package to control the damage if the press ever became aware of the barbaric Indonesian slaughter methods."*

"The approach by our industry organisations to this issue has been deplorable and our industry organisations are clearly out of touch with the views of their grass roots members on this issue just as they were out of touch with the views of the vast majority of the cattle producers over the proposed importation of beef from BSE affected countries last year. The time has come for an urgent review, reform and restructure of our industry organisations, MLA, RMAC, AMPC." Mr McDonald concluded.

JR McDonald
Bindaree Beef Pty Ltd
8 June 2011



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The Honourable Joe Ludwig
Minister for Agriculture, Fisheries and Forestry
Minister Assisting the Attorney-General on Queensland Floods Recovery,
Senator for Queensland

Dear Minister

RE: LIVESTOCK EXPORT BAN

I write this open letter to express my support for your decision to place a six month ban on live cattle exports to Indonesia.

In the circumstances in which you found yourself, you had little alternative. You should never have been put in this position.

Our industry organisations, Meat and Livestock Australia (MLA) and Live Corp have let the Australian beef industry, the Australian public and the Government down.

The front page of Tuesday's edition of The Age discloses that MLA and Live Corp have known about the slaughter cruelty in Indonesia for over ten years. The Beef Industry had been forewarned about the consequences of the inhumane overseas slaughter of live Australian cattle exports when live cattle exports to Egypt were banned in 2006. Forewarned should have been forearmed.

Tuesday's Age article by Richard Willingham and Tom Allard discloses that in 2005 MLA and Live Corp prepared a report recommending as "an imperative" that a simple and accurate media response be prepared in the event of an overseas or Australian Media Report on slaughter practises in Indonesia.

MLA's and Live Corp's decision to allow the live cattle trade to continue when they were aware of the cruelty and animal welfare issues involved without any meaningful attempt to bring the cruelty to an end but simply prepare a "spin campaign" to run out in the event that the cruelty was ever uncovered by the press, is reprehensible.

Cattle producers across Australia and the Beef Industry as a whole are outraged that our industry leaders have once again failed to properly manage issues vital to the Australian beef industry just as they were outraged by the Cattle Council and MLA support last year for the importation of beef into Australia from BSE affected countries.

Our beef industry organisations have lost touch with the views of their grass roots members. Over sixteen hundred cattle producers met at Forums at Armidale and Rockhampton last year to express their concerns about the directions being taken by the MLA and Cattle Council. Our industry organisations are in urgent need of reform and restructure.

The effect of the six month live cattle ban will be devastating to those producers and associated businesses in Northern Australia who have been heavily reliant on the live cattle export trade to Indonesia.

Our industry bodies have not only failed to prevent this catastrophe but aided and abetted the cruelty by supplying Indonesia with "restraining boxes".

In these circumstances it is appropriate that the northern live cattle export industry be provided with short term compensation to allow them to adjust to the loss of their trade over the next six months.

The Red Meat Advisory Council (RMAC) holds about \$40 million in reserve funds which were originally designated to be held in reserve for emergency or crisis situations.

The Meat & Livestock Australia 2010 Annual Report discloses that at 1 July 2010 MLA held approximately \$83 million dollars in cash reserves.

Over the last couple of years there has been much industry criticism about the direction and focus of the MLA and the programs they are funding including the \$28 million dollars that is being spent jointly with the Federal Government into the science of cattle burping.

In the catastrophic circumstances facing the Northern Cattle Industry it would be appropriate for some of the more nebulous MLA programs be curtailed and some of the cash reserves diverted to provide short term compensation for the sections of the industry disadvantaged by the current live cattle export ban.

Prior to the live export ban, live cattle exporters were receiving about \$2.00 to \$2.05 a kg in Darwin for 290 kg to 320 kg average weight animals. Alternate markets ex-Katherine into southern abattoirs purchasing the same class of cattle achieved \$1.50 a kg with the cartage south being paid by the abattoirs.

There is about 5 cents to 10 cents per kg cost for transport from Katherine to Darwin where the cattle were previously loaded onto the export ships.

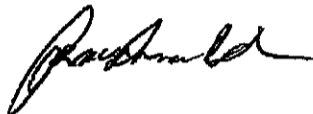
A 50cents a kg safety net subsidy on the basis of a 300 kg average animal weight by 250,000 head of cattle which have historically been exported to Indonesia each six months would amount to \$37.50 million which on a dollar for dollar Government and Industry joint funding basis would amount to a \$18.75 million contribution from the Industry and from the Federal Government.

Alternatively the \$37.50 million could be applied to subsidise transport costs to bring cattle from the Top End to southern pastures and southern abattoirs.

During the GFC the Federal Government gave the \$6.2 billion bail out to the car industry and in these circumstances it does not seem unreasonable that a \$18.75 million joint Federal Government and Industry compensation package totalling \$37.50 million be put in place to alleviate the financial fallout and the potential loss of jobs in Northern Australia.

I would urge you to give this proposal your urgent attention and await your advice.

Yours faithfully
BINDAREE BEEF PTY LIMITED



JOHN McDONALD
Chairman