

Ban has doomed us, says beef body

Julie-anne Sprague and John Kerin

A leading figure in the nation's cattle trade claimed there would be serious emotional and health consequences for many Australians from the federal government's suspension of cattle exports to Indonesia for up to six months.

Prime Minister Julia Gillard also refused to commit the government to compensating farmers and businesses impacted by the trade ban.

David Farley, the chief executive of Australia's biggest beef producer, Australian Agricultural Company, said there could be a community

"implosion" that the government would need to address.

"I have grave fears for the social wellbeing for these people," Mr Farley said.

"AAco is a big corporation. We have a big, strong balance sheet. There are families out there that can only operate their enterprise for about six months of the year because of the seasonality of [the operation]. Now the cash flow is gone. They are doomed," he said.

Ms Gillard pointedly declined to be drawn on whether the government was considering compensation for farmers in a radio interview and in a

press conference in Darwin yesterday.

Mr Farley said the industry body Meat & Livestock Australia needed to find a compensation solution. He said the industry could have solved the issue without imposing a ban on exports.

"The government was smart enough to address the banking system in the financial system in the global financial crisis," Mr Farley said. "This is a crisis in the live exporting business in northern Australia... they made the decision to ban it and there are consequences to it and the consequences need to be addressed."

Ms Gillard said assurances pro-

vided by the industry to ensure cattle were treated humanely by Indonesian abattoirs had failed.

"The industry has known these issues needed to be dealt with... and [though] the industry has responded since the *Four Corners* report what they have provided so far doesn't give us the kind of assurance we want that Australian cattle will be treated in a way that all Australians find acceptable," Ms Gillard told the ABC.

She accused the industry of being too slow to clean up its act despite knowing of the problems with the Indonesian live cattle trade.

The allegation was denied by Meat

& Livestock Australia chairman Don Heatly, who said the industry would have acted earlier if it knew about the "grotesque brutality".

Ms Gillard said Indonesia didn't have grounds to challenge the decision in the World Trade Organisation.

"Let's be very clear here: what we have done does not breach WTO rules," she said.

Mr Farley, who was disturbed by the television images of cattle being mistreated, said the industry had not invested enough time and energy in live export markets.

Canberra observed, page 59 ■

Supply-chain imperative, page 59 ■

Jakarta to turn to NZ and US

John Kerin

Fin Renew
10/6/10

Indonesia's Agriculture Minister, Suswono, suggested yesterday that Jakarta would rely on local farmers and frozen beef imports from the US and New Zealand to replace a shortfall of cattle from Australia.

But Indonesia does not have the ability to quickly replace the Australian imports, which cover about one-tenth of Indonesia's annual demand.

And in Australia meat sales have dropped 15 per cent as consumers have reacted in the wake of the *Four Corners* program on cruelty in Indonesian abattoirs, according to the Australian Meat Industry Council.

Cattle producers also face lower prices because of a glut of beef on the Australian market.

In Indonesia the most immediate impact may be a backlash from



Going nowhere ... cattle in Port Hedland yesterday.

Photo: FAYE HARRIS

consumers over a spike in beef prices caused by the sudden shutdown of supply.

Though 40 million Indonesians live in poverty, beef is popular with Indonesia's politically aware lower-middle and middle-class urban dwellers.

Indonesia's Agriculture vice-minister, Bayu Krisnamurthi, said on Monday that he could not understand why Australia was

intent on punishing Indonesians by banning live cattle exports instead of working co-operatively with Jakarta to improve abattoir standards.

Australia relies heavily on Indonesia to co-operate in its efforts to combat people smuggling, and analysts say Jakarta could easily thwart Canberra's efforts to stem the flow of asylum seekers in retaliation for the trade ban.