



The Cattle Council of Australia has had a strong year delivering against the strategic objectives of the Meat Industry Strategic Plan 2020.

Throughout the past twelve months the industry has remained committed to ensuring producers had a voice and that industry priorities were progressed. These priorities included:

- Direct grassfed producer representation,
- Trade and market access,
- Infrastructure for the future, and
- Increased productivity and profitability through R&D investment.

Direct Grassfed Producer Representation

The Cattle Council continues to strongly engage in activities that improve the representation model following both the 2014 Senate Inquiry into Grassfed Sector recommendations and the 2017 Senate Inquiry in the Red Meat Processing Sector recommendations. Changes to membership and the 2016 election of two independent Board Directors, combined with the implementation of the consultation framework, have already created significant change on behalf of producers.

In continuing on this path, the next step towards a fully directly elected model is to consult broadly with beef producers and provide them with an opportunity to design the new Peak Industry Representative model. With funding secured from the Leadership in Agriculture Program, consultation will occur throughout 2018. This is a once in a lifetime opportunity for beef producers to engage and build the national body that they want.

Whilst there are still a huge number of details to work out, Cattle Council will remain focused upon supporting the delivery of the restructured new body, and maintaining business as usual, to ensure that beef producers are represented strongly throughout the transition period.

Trade and market access

The Cattle Council continues to engage on the global stage through engagement with the International Beef Alliance. The Alliance provides the platform for the Australian beef industry to negotiate for trade liberalization. The Alliance comprises Australia, Brazil, Canada, Mexico, New Zealand, Paraguay and the United States, representing 46 per cent of global beef exports. Members met in Paraguay in October 2017 with key discussions continuing to focus on ensuring the best trade and market access options are available and trade relations continue to be fostered.

Continuing on the global theme key FTA's and protocol engagement activities continued throughout the past twelve months with progress being made on several negotiations. The Peru-FTA was signed off on the 10th of November, this will provide Australian exporters with a tariff reduction greater than that of the TPP. Work continues on the IA-CEPA negotiations and the Japan Live Export Protocols.

MSA – Eating Quality Graded *EQG* cipher

A key outcome for MSA is the progress in the transition to an ‘outcomes’ based language. The aim of the ‘Outcomes’ based language is to provide a whole of chain framework to increase transparency and to facilitate information transfer at all points of the supply chain, from paddock to plate. In this context, ‘outcomes’ are defined as tradeable descriptions directly describing a desirable product attribute which are likely to result in price differentials within trading environments. The implementation of MSA’s *EQG* cipher is a significant step forward in this process. The Cattle Council will continue to work with industry to promote a broad use of new elements of the meat industry’s language.

The EQG Cipher will be utilised as a trade descriptor that prioritizes eating quality outcomes over traditional meat language terminology (like dentition). The Australian beef industry has been working towards changing attitudes towards carcass quality held by producers, processors, wholesalers, retailers and consumers alike. The traditional utilisation of dentition as an indicator of quality sends incorrect messages to producers about what to produce and why. Over the coming year we will hopefully see broader acceptance of EQG both here and in our export markets and better indicators sent back to producers about how to best fulfil market expectations for their product.

Meat Industry Strategic Plan

The Cattle Council continues to be focused on the implementation of its Beef Industry Strategic Plan 2020 (BISP). The BISP is the Cattle Council’s response to integrate the wider Meat Industry Strategic Plan 2020 into our own agenda. The BISP supports the direction of industry resources allocated to the beef industry’s service providers (Meat and Livestock Australia, Animal Health Australia and the National Residue Survey).

Led by RMAC the MISP 2020 mid-term review is underway. The review will provide a measure of the progress achieved on the growth and value added to the beef industry. We are pleased to mention that significant progress has been made on critical items for our industry. These include the implementation of the Integrity Systems Company and the progress made on research and development of Objective Measurement Technologies.

The MISP 2020 mid-term review will also provide us with a basis to initiate the development of MISP 2025. In turn, the development of MISP 2025 will provide us with an opportunity to consult with industry to optimise the allocation of the industry levy to service providers into the future. CCA is excited about the future and the progression of the beef industry in Australia.

Integrity Systems Company (ISC)

The Integrity Systems Company represents a new era for the red meat industries in Australia. The Company will be responsible for the management of Australia's, world leading, red meat livestock industry's integrity programs - such as the National Livestock Identification System (NLIS), Livestock Production Assurance (LPA) program and National Vendor Declarations (NVDs).

The Cattle Council has worked with industry stakeholders to see the implementation of the Integrity Systems Company. With industry's integrity programs housed under the one roof, Cattle Council will continue to work with the ISC to see constant improvement in both the services provided to beef producers and the efficacy of these programs themselves.

Objective Measurement Technologies

The beef industry opportunities from Objective Measurement (OM) Technologies are significant. OM Technologies are expected to create objectively measured data and ensure that transparent feedback systems are available through all stages of the beef value chain.

Getting OM Technologies right for the Australian red meat industry could yield more than \$420m in gross returns per annum by 2030. However, to achieve this there must be both the effective gathering of data, and the dissemination of meaningful information that enables producers to make informed decisions around the management of their cattle.

DEXA has been the technology recognised as offering the best return on investment for the immediate commercialisation of OM Technology. Cattle Council remains engaged through a number of different advisory structures on how these machines are being installed, the cost to industry both now and in the future and what information is going to be provided to producers to improve their businesses. This is a fast-moving area though is still in the early stages. We will remain a strong advocate for positive change and advocate for equal access to information once these machines are installed and working.

Beef imports to Australia

Australian beef producers, supported by our industry's integrity systems, have a great strong credentials within international markets. These credentials have allowed us to build strong international relationships and access valuable markets around the world. As an export focused nation, it is critical for Australians to maintain these relationships.

For Australia to remain at the forefront of global beef trade, we have to accept that concessions have to be made to our trade allies. We cannot continue to negotiate for better market access for our beef globally, without exhibiting our support for other countries as well.

This does not involve exposing Australia to unnecessary risks and jeopardise the long-term success of our industry.

Global trends in beef production are cyclical. At the moment Australia is in a stable period of rebuilding the national herd after high turn-off in years of drought. However, other global beef producing countries are in a period of high production. With the increasing

strength of the Australian dollar, we are becoming a more attractive market for countries that have previously had limited interest in exporting.

The position to support imports of beef to Australia was not made lightly. To ensure the continued safety of our industry and the beef consumed in Australia, we have been working closely with the Department of Agriculture and Water Resources (DAWR) to put in place processes and procedures that place a high standard upon exporting countries to prove they have the ability to exhibit food safety and traceability systems that are at least equivalent to our own. We are also working with Government to assess the ability of DAWR to effectively monitor and inspect imported beef.

Cattle Council will continue to advocate for strong food safety, production assurance and traceability systems for beef imported to Australia. But we also have faith in the Australian consumer. It is a fact that we produce the highest quality beef anywhere in the world, and we produce it for a reasonable price. We believe Australians will always want Australian beef and look forward to fulfilling this demand for years to come.

Australian Competition & Consumer Commission (ACCC)

The Cattle Council is working, along with other meat industry representative bodies, to ensure that any certified trademarks applications, that involve animal raising claims, are carefully considered by the ACCC in line with the Australian Meat Industry Language Standards. There is a significant opportunity for improvement in this space and Cattle Council is proposed to maintain its focus on this aspect in the foreseeable future.

The recent emphasis on the ACCC's 2016 Beef Market Study has also provided Cattle Council with a refocusing of priorities for Australian beef producers. Cattle Council is working closely with Meat and Livestock Australia to implement a number of new projects aimed at increasing market transparency, as well as assisting Meat and Livestock Australia and our industry partners in improving the systems we already have in place.

Cattle Council is committed to continuing to improve competition policy setting to improve outcomes for beef producers across Australia.

Summary

Operationally the Cattle Council delivered strong financial results for the 2016/17 financial year, a five-year policy review and increased communication feedback processes to ensure policy translation and increased consultation direct with producers through the Consultation Committee Framework. The complimentary CEO's report will provide members more operational information.

On behalf of the Board and the Cattle Council team we would like to acknowledge our members and Consultative Committee members whom volunteer their time and energy to support the Australian beef industry. We would also like to acknowledge our services providers Meat and Livestock Australia, Animal Health Australia and the National Residue.

2017 AGM- CEO Report

Author: Margo Andrae



The Cattle Council of Australia has four main priorities: Advocacy, Strategy, Industry management and policy development.

The Cattle Council continues to ensure beef producers have a strong voice, both the domestically and globally, through strategic advocacy and policy which supports producer and industry needs; overseeing grassfed levy spend and implementing the Meat Industry Strategic Plan 2020.

The Consultation Framework implemented in response to the 2014 Senate Inquiry into the grass-fed sector of the Australian cattle industry, continues to provide a strong avenue for direct consultation with producers in support of policy development. The Cattle Council's four consultative committees are comprised of volunteers who generously donate their time to this work and we would like to acknowledge both our member State Farming Organisations and the individual producers for their time and effort.

The Cattle Council continues to focus on the strategic improvement of key industry programs that align with market and producer needs. Some of the industry programs that Cattle Council monitors include:

- Livestock Production Assurance
- National Livestock Identification System
- Meat Standards Australia
- National Residue Survey Cattle Programs
- Pasturefed Cattle Assurance System

The Cattle Council of Australia is passionate about building capacity in the beef sector. Annually the Council runs programs which promote the leadership and professional skill development of producers. These programs include:

- Cattle Council NAB Agribusiness Rising Champions Initiative – the program aims to develop current and future leaders of the Australian beef industry by providing opportunities to develop their skills around leadership, communication and advocacy.
- Australian Institute of Company Directors Course – in partnership with Meat and Livestock Australia, the five-day residential program not only ensures strong governance practices within the Council through the upskilling of current Directors but extends to members the opportunity to take part in the course.
- Annual Rural Awareness Tour – the tour is an opportunity for industry stakeholders, government officials and Cattle Council staff to tour the entire red meat supply chain from grass and grain fed production systems through to the processor, retail and food service sector.

Over the coming twelve months Cattle Council will extend these programs through additional short course offerings. In partnership with Meat and Livestock Australia additional opportunities will be provided for members to upskill through communications and advocacy Training.

A new alumni program focused on past consultative committee members and past Rising Champions will be implemented to ensure ongoing engagement and knowledge capture going forward.

The Beef Sustainability Framework, an initiative of the Red Meat Advisory Council (RMAC) of which the Cattle Council is a member, progressed significantly over the past year. RMAC has appointed a seven-person grassroots Sustainability Steering Group (SSG) to lead the implementation of the Framework. The Cattle Council Vice President, Tony Hegarty has been appointed to the SSG. Following talks with stakeholders, which included CCA, a draft set of themes is proposed:

- Livestock wellbeing (health & welfare)
- Economic contribution & resilience
- Environmental stewardship
- Caring for our community

The Australian Beef Sustainability Framework report, published April 2017, is a product of this consultative process, of the valuable feedback provided, and of the consideration and expertise of the SSG. This Report is a starting point. The Australian beef industry has a clear action plan and strong governance framework to address and drive the risks and opportunities identified in this Report.

The Global Roundtable for Sustainable Beef (GRSB) held their semi-annual Board meeting in Canberra on 19-21 September 2017. As part of their time in Australia the GRSB Board toured two beef properties in NSW showcasing sustainable beef farming practices. Australia continues to demonstrate progression around sustainability and the meeting provided an opportunity to showcase the Australian Beef Sustainability Framework.

The Cattle Council program of continuous improvement internally extended to implementing a full review of all CCA policies post the May 2017 meetings in line with the instigation of the new Policy Register. The team have done a great job reviewing all Policies and creating a structured policy register. All policies have been reviewed back to 2013.

In line with ensuring strong governance principles support the day to day activities of the Council a new financial management and reporting system has been implemented. The Council again delivered a balanced budget for the past financial year included a small revenue surplus.

In summary it has been a strong year for the Cattle Council and we would like to acknowledge the time and commitment of the Cattle Council Board and Cattle Council members in ensuring a prosperous future for the Australian beef industry.

On behalf of the Board and Management, I would like to acknowledge the Cattle Council staff for their hard work and incredible drive to achieve results on behalf of industry over the past 12 months.

We all look forward to year ahead!

CATTLE COUNCIL OF AUSTRALIA INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		453,928	526,798
Trade and other receivables	2	293,603	155,270
Other Current Assets	3	290,127	283,798
TOTAL CURRENT ASSETS		1,037,658	965,866
NON-CURRENT ASSETS			
Financial assets	4	54,302	57,251
Property, plant and equipment	5	26,544	27,065
TOTAL NON-CURRENT ASSETS		80,846	84,316
TOTAL ASSETS		1,118,504	1,050,182
CURRENT LIABILITIES			
Trade and other payables	6	180,486	124,079
Income received in advance		18,183	-
Other provisions	7	34,732	127,737
TOTAL CURRENT LIABILITIES		233,401	251,816
TOTAL LIABILITIES		233,401	251,816
NET ASSETS		885,103	798,366
EQUITY			
Retained surplus		885,103	798,366
TOTAL EQUITY		885,103	798,366

The accompanying notes form part of these financial statements.