



DBC Position Statement

Date: 16 September 2024

Subject: Consumer Service Kill Suspension by Dardanup Butchering Company (DBC)

The significant lack of competition within the WA meat processing sector has yet again left producers reeling. Last week the Dardanup Butchering Company (DBC) announced that it was suspending its consumer (custom) kill service, effective 10 October 2024, which leaves little to no time for farmers to adapt/find an alternative. This has been an essential service for farmers whose business model targets the provision of their product (e.g., beef, lamb and pork) to the end-customer, without having to sell through to one of the big retailers.

Typically, the farmers that use this service are smaller operators that invest significant resources in producing smaller quantities of high-quality livestock to meet consumer demand. However, the suspension of this essential service from one of the few remaining abattoirs in WA, leaves these producers without a viable means to process and market their livestock. Many producers have relied on this abattoir to add value to their sale price due to the low prices offered by the existing abattoirs that enjoy a near monopoly in their region.

Without access to a local abattoir these farmers now face significant financial and logistical challenges. Transporting animals over long distances to an alternative abattoir, if one can be found, not only causes undue stress to the animals but also exacerbates costs and logistical issues, undermining the ability to deliver product to market in a way that is beneficial to both producers and consumers.

Western Beef is disappointed in the DBC's Board decision to suspend this essential service but recognise its right to make commercial decisions. Western Beef is particularly disappointed given that DBC received a \$750,000 grant from the State Government in 2023 to upgrade its processing facilities but all it has achieved is to lock-in access to its facility by larger-scale producers. This now leaves multiple smaller-scale farmers with nowhere else to go, further consolidating the trend towards large-scale industrial farming operations and restricting the majority of meat supply to consumers through the Coles and Woolworth duopoly.

This loss of access to one of the few remaining abattoirs further demonstrates the inconsistency between reality and the Federal Government's insistence the WA meat processing sector can increase onshore meat processing. In WA there are little to no alternatives for farmers to process their livestock, jeopardising their businesses, many of which are already under duress due to recent seasonal challenges and depressed market conditions.

Western Beef is continuing to work with government to explore the urgent need for additional processing capacity. Western Beef also strongly encourages all industry participants to think and act strategically to support our farmers' diverse operations and the long-term benefits this delivers to producers and consumers.