



BREAKOUT RIVER MEATS PTY LTD

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27th November 2007

Mr Gary Banks
The Chairman
Productivity Commission Inquiry

Dear Gary

Breakout River Meats is a wholesale meat company, located in Cowra, Central West New South Wales. We source our Lamb, Beef and Pork from local producers and farms to supply retail butchers throughout the state.

Over the last 2 -3 years in the pig industry we have noticed increasingly the price fluctuations throughout the year, resulting in only 1 – 2 months of the year where pork and bacon prices that are paid to the producers have been above the cost of production. The ever increasing pressure on input costs and low prices are having detrimental effects, particularly on the small and medium sized producers who are being forced to leave the industry.

This year more so than ever producers are cutting numbers to try and remain viable or leaving the pork industry altogether.

The biggest single influence on market prices is the availability of cheap imported subsidised pork. Major manufacturers are our biggest importers of pork. These manufacturers have the power to manipulate market prices on the local market with their buying power and cheap prices.

To survive and ensure the ongoing welfare of our Australian Pork producers, the Pork Industry or the Australian Government need to safeguard our local producers by imposing an import tariff to the subsidies given to other countries to allow our Australian producers to compete against the imported product.

The effects on diminishing Pork producers nationally in Australia, impacts not only on the producers, but also their farms and employment levels in Australia, Stock carriers, Stock and Station Agents, Feed Suppliers, Abattoirs and their workers, all the way to local country communities and metropolitan retail butchers shops, and at the end of the day the everyday consumer.

We must, for the survival of the Pork Industry in Australia protect our producers.

Karl Lanham
Sales/Buying Manager