

## **COOL-OFF PTY LTD**

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The Director  
Pigmeat Safeguards  
Productivity Commission  
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Collins Street East  
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November 13, 2007

Sir

I write re the current inquiry into the Australian pigmeat industry, especially in relation to the amount of imported pigmeat coming into Australia from the United States, under the supposed free trade agreement.

I note in the 3<sup>rd</sup> Nov edition of the periodical, "The Economist", p 43, "Filling the Hoppers – Why Farm Subsidies will probably stay as they are", that the US Congress has recently passed new Farm Bills which, if passed by the Senate and not vetoed by the President, will continue to subsidise American agriculture for the next five years at the rate of \$16.5 billion a year, the same rate that was paid over 10 years from 1995-2005 – total \$165 billion.

It could be reasonably assumed that the US pig industry has benefited, and continues to benefit significantly, both directly and indirectly, from this enormous amount of cash injected into American agriculture. Quantifying the precise total amount of assistance received by the pig industry may be difficult, but with the resources available to your inquiry it should not be impossible to determine a reasonably accurate figure.

I find it difficult to reconcile the concept of a "level playing field" and "free trade" with the assistance given to US agriculture and it's pig industry – a major supplier of pork to Australia which competes directly with locally produced product.

I believe it would make sense for your inquiry, having calculated the quantum of assistance received by the US pig industry, to recommend the imposition of tariffs that reflects that assistance. Alternatively you could recommend that the Australian industry receives similar government subsidies – but then pigs really would fly!!!

Yours faithfully



Simon Staughton