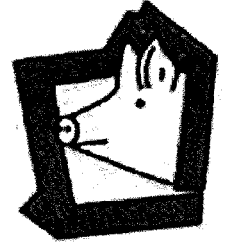


The Australian Pig Breeders' Association Ltd (WA Branch)



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Productivity Commission Inquiry into the Pig Industry Australian Pig Breeders Association Ltd WA Branch Submission

This inquiry would not have been necessary had the inquiry in 2005 implemented the recommendation that the industry called for. But because of a lack of insight and understanding by the previous commissioner, we are now facing a major catastrophe in the pig industry from which it is unlikely to recover in the near future unless this commission of inquiry recommends an immediate halt to the further importation of pig meat into Australia.

For the government to have called for this inquiry is has acknowledged that the industry is in trouble, otherwise, why has it been necessary to call this inquiry? Had the previous commissioner who inquired in 2005 been objective and not subjective in his report as stated on page 214-215, we would have had a different outcome, e.g. a vibrant and healthy pig industry today.

The first question that needs to be asked is – Does the federal government want a viable pig industry or not? The answer to this question is pivotal to the outcome of this inquiry. Or are we just here for a feel good exercise?

All current imported pig meat in Australia should be impounded and turned into pet food. APL should obtain a list of who all the importers are and who the processors and retailers are, and should begin a public awareness campaign to expose them and shame them. It should also be a campaign to educate the consuming public on the benefits of eating Australian pig meat and not the inferior imported product.

Whilst the high grain prices are having some effect on the pig producers' cost of production, it is the low pig prices that are devastating the industry caused **DIRECTLY** by the **dumping of CHEAP, SUBSIDISED overseas pig meat** onto our domestic market.

In about 1973-4, the price of wheat went from \$44 a ton to \$100 a ton – yet the industry managed the increase because it was compensated by the rise in the price of pig meat paid to producers. It might have been a different story if pig meat was allowed to be imported then, but it was not – and that's the difference.

At the last commission of inquiry, the WA branch of APBA submitted the following recommendations. We now resubmit them.

1. Total ban on the importation of all pig meats into Australia for the next 3 years in order for the industry to recover from the dumping of imports.

2. We seek a payment of \$100 000 for those who wish to exit the industry without strings attached.
3. The branch asks the question: does the federal government want a viable pig industry in Australia?
4. Has the federal government considered the genetic pool – if stud breeders continue to leave the industry, the genetic pool will be decimated.
5. The pig industry is in this dilemma due entirely to the policies of the federal government.

Had the previous commissioner accepted our recommendations, the industry would not be in this appalling situation. Therefore, this new inquiry is a serious indictment on the credibility of the previous commissioner.

Nothing has changed – only more pig producers have exited the industry since the last inquiry. Had the APBA's recommendations been accepted by the previous commission of inquiry, we would not be in this sad state today.

The industry is suffering and experiencing pain and loss due entirely to the policies of the federal government, which discriminates against our pig industry in favour of the overseas producer.

By having this inquiry, it is an admission that the federal government has got it wrong. We do not need inquiries, but implementation of our recommendations. Let us see what would happen if the government was to do what we recommend.

In view of the fact that these problems are caused wholly and solely by federal government policies, it should compensate the pig producers who have exited the industry since the last inquiry. After all, the last inquiry produced nothing of value, only more problems which are now exacerbated. We now have a tsunami.

How many inquiries must we have before someone in the federal government will act for the industry's benefit? Or is the federal government planning a state funeral for the industry?

Prepared by Chris Dodoff
Media Liaison Officer



12 November 2007

FARM WEEKLY 13TH JAN 2005

news

Rural and regional

CRC funding a smokescreen: APBA

By REBECCA RAWLINGS

THE WA branch of the Australian Pig Breeders Association (APBA) is disappointed \$25 million in federal funding has been spent on a pork cooperative research centre (CRC) when the industry is losing farmers due to competition from imports.

APBA spokesperson Chris Dodoff said research

information was already available from countries such as Canada, the US and the UK.

"The \$25m funding is a smokescreen and is not addressing the real issues the Australian pig industry is facing in regards to pig imports in Australia," Mr Dodoff said.

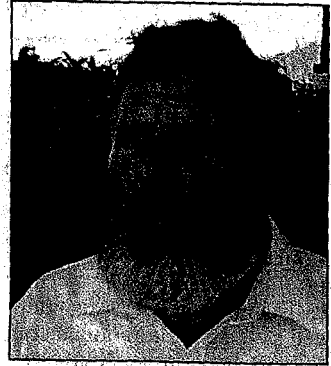
"The Australian pig industry has gone from 40,000 farmers to 2,000, surely this is a problem that needs addressing."

He said importing pig products only benefited multinational companies, at the expense of local farmers and associated industries such as transport, abattoirs and stock-feeders.

"After losing so many pig farmers as a result of federal government policies, a \$25m research center is not a serious attempt to rectify the situation," he said.

"The Australian pig industry is in a position to supply both the domestic and export market, someone with fortitude needs to place a total ban on importing pig meat or provide subsidised help for the pig industry with real substance."

Australian Pork Limited (APL) spokesperson John Lamont said the CRC would not



Chris Dodoff

carried out in other countries.

He said the research included developing better grain production methods in regards to yield and efficiency issues, specifically focused on the Australian climate to reduce feed costs.

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Australia's largest pork producer undertakes cost reduction program

QAF Meat Industries is undertaking a major cost reduction program.

Managing director Paul Pattison said an unprecedented level of cheap subsidised imported pork is now entering Australia.

"Almost three quarters of all processed pork, ham and bacon, in Australia is now made from imported frozen pork.

"The prolonged drought has decimated grain stocks and propelled grain prices to record levels. The cost of producing pigs has reached an all time high

and cannot be passed on because of competition from subsidised imports holding down prices.

"The crisis facing the whole Australian pork industry is now extreme.

"QAF is forced to rationalise its operations to mitigate the current extreme cost situation and will destock some of its Victorian farms with a view to the eventual reopening of the majority of them with more improved production systems when market circumstances provide the opportunity," Mr Pattison said.

"The Victorian workforce will be reduced by slightly more than 100 people over the next six months. All entitlements, redundancy packages and other measures to assist them in seeking new jobs will be provided. Further redundancies are expected as the Company continues to restructure its downstream operations.

"Every effort is being made to keep Australians supplied with high quality home grown fresh pork and pork products and to save hundreds of other jobs in regional Australia."

AUST. PORK. NEWSPAPER.
NOV 2007 PAGE 7.

ON September 11, 2007 Robert Nakhla, For Concerned Australian Families, Northern Rivers (NSW) Pork Producers, Casino sent the following letter to the Minister for Agriculture, Fisheries and Forestry Peter McGauran (through APL) and on October 16 a follow-up letter to Prime Minister John Howard.

He requested APN include these letters for our readers' interest.

11 September, 2007

The Hon. Peter McGauran MP
Minister for Agriculture, Fisheries and Forestry
C/Parliament House
CANBERRA ACT 2600

Dear Minister,

The following are the collective expressed views and facts from the Northern Rivers (NSW) Pork Producers.

The items are presented to you for your urgent consideration and the necessary action to save the industry from the worst operating environment the Australian Pork industry has faced in living memory.

The respective producers are no longer prepared to sit tightly to see their industry and their livelihood facing total oblivion – for no apparent fault of their own.

In the main this is due to the huge amount of imported pork meat.

Unless Government Policy is urgently reviewed, in our opinion, the complete demise of the industry is a certainty, and the livelihood of many Australian families looks very bleak.

The following, not in any priority order, is a summary of only some issues that need urgent corrective action through Government Policy Reviews.

In addition, the issues are by no means exhaustive:

- The Australian Pork Industry has embraced a traceability system (PIGPASS) to trace and isolate any possible outbreak of disease. This was implemented at a huge cost to pork producers with little government assistance.

In addition, Australian Pork Producers have incorporated a Quality Management System (APIQ) at considerable costs to the Producers.

Pork meat imported to Australia from exporting countries does not have a rigid and auditable traceability system in place.

Thus, not only does this increase the risk of disease entering our ports, but financially disadvantages pork producers in Australia. Further, there is little evidence that Bio-Security Australia undertakes any external audits to ensure the Australian herd remains clean from new and existing harmful agents;

- The high level of antibiotics from imported pork meat places the Australian community at risk;

- There are banned substances in Australia that are not banned in the country of origin.

No clear programs are in place to regularly review changes to banned substances in Australia, with counter measures in exporting countries.

Further, no audits are in place to regularly test the level of antibiotics in imported pork meat;

- All pork producers pay a levy for every animal slaughtered.

With the huge increase in imported pork meat, such a levy or a higher levy must be imposed on imported pork meat to ensure a level playing field;

- At its legal challenge against the Director of Bio Security Australia, the pork industry presented ample scientific material, detailed reports from industry experts and veterinarians from Australia and overseas.

A common theme in these findings highlighted the huge risks associated with the continued importation of pork meat.

Indeed some of the judges presiding over the case agreed with these findings.

There was a unanimous view that directly or indirectly, diseases such as Post Weaning Multi-Systemic Wasting Syndrome when brought into the country will permanently infect the Australian herd.

It is only a matter of time. Indeed, the recent outbreaks of the Equine Influenza completely vindicate these expressed views and scientific findings.

Further, whilst the legal challenge was lost on a legal technicality, the views and scientific findings presented to the court are indeed as valid today as they were during the hearings.

The EI presents the NRPP with a double whammy, as many of the pork producers are also horse farmers now faced with complete ruin.

Whilst it is appreciated that an inquiry in

the EI outbreak has been announced, the breakdown in the quarantine protocol can easily happen to imported pork meat.

You will no doubt appreciate the fact that now the NRPP have no confidence in Bio-Security Australia.

Whilst the equine industry may recover over time from the effect of the flu agents like PMWS and new exotic diseases entering the country through the continued importation of pork meat will permanently infect the Australian herd.

This places unnecessary financial and personal burdens on pork producers due to the continued policy to import pork meat without adequate safeguards.

We simply have no confidence in the existing bio-security protocol;

- NRPP who export their pork products are faced with huge Government charges.

For every animal exported, an estimated Government charge of \$18 applies (AQIS charges, health certificates, etc).

This is a factor in impeding and facilitating our export efforts.

This is not to mention other charges such as freight, transport, slaughter costs, etc.

A charge on imported pork meat should equally apply to create a level playing field;

- NRPP has no faith in the effectiveness of AQIS audits on imported pork products.

The audits should be tightened, transparent and made available to all pork producers.

Those importing the pork meat should be fully charged with the costs of the audits (on a similar basis as those exporting pork meat from Australia).

Further, the entire quarantine system requires a complete review, and a moratorium must be placed on imports, while this review is carried out.

- Due to the lack of adequate audit trail, imported pork meat is being retailed as fresh meat.

Given that the imported pork meat is heavily subsidised by the country of origin, pork producers are unable to effectively compete against cheap imported products sold as fresh meat on the domestic markets.

This is a major factor that is depressing current prices in the domestic markets.

Further, it places the community at a huge risk in the consumption of fresh meat from imported pork products;

- Coupled with the unprecedented grain prices, no action on issues relating to the importation of pork meat will be seen as a

direct action by the Government to simply destroy the Australian Pork Industry.

Minister, the NRPP simply asks for a level playing field.

This includes a complete review of government policy on the importation of pork meat for reasons only some of which are highlighted above.

This is a minimum action required from your government if it is serious about saving the industry from total oblivion in the very near future.

Yours faithfully,

R Nakhla
For concerned Australian Families
Northern Rivers (NSW) Pork Producers

16 October, 2007

The Hon. John Howard
Prime Minister of Australia
C/Parliament House
CANBERRA ACT 2600

Dear Mr Howard,

The attached letter to Minister Peter McGauran refers.

For reasons only known to Minister McGauran, we have not received any response to our letter.

The facts presented in this letter remain valid today and continue their destructive effect on the pork industry.

The livelihood of many Australian families looks very bleak, due to the lack of any action by your government on the importation of pork meat.

We seek your feedback as to what URGENT action to be implemented by your government to save our industry from the devastating effects of imported pork meat.

Yours faithfully,

R Nakhla
For concerned Australian Families
Northern Rivers (NSW) Pork Producers

At the time of going to print Northern Rivers (NSW) Pork Producers were still