

Maysleith Farms Pty. Ltd.

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To Whom it may concern:

Submission to the Productivity Commission: Safeguards Inquiry into the Import of Pigmeat

This is a submission from Stephen & Cevii Aburrow and Maysleith Farms Pty. Ltd. to the Productivity Commission's Safeguards Inquiry into the import of Pigmeat.

In this submission we wish to address the following matters:

- Imports are injuring the Australian Pig industry and as such, appropriate provisional safeguards should be implemented to stabilise the industry;
- Grounds exist for a Productivity Commission recommendation to implement provisional safeguards and general safeguards;
- An implementation of safeguards would not:
 - a. be a disincentive for the industry or for our company ;or
 - b. inhibit the international competitiveness of our industry; or
 - c. impact negatively on consumers in terms of price increases; or
 - d. slow our farming enterprise or industry restructure.

We have evidence to show that our farm is responsive to changes in the industry. We show how our business has changed over the last few years.

Despite our continued efforts to restructure our operations, imports are depressing our pig prices and impeding our ability to recover our cost of production.

It is imports that are causing serious injury to our business and without immediate provisional safeguard action, we are faced with long term irreparable damage to the future of our business and in turn to the Australian Pork industry.

We would be happy to discuss any matters raised in our submission with the Commission, given the opportunity to do so and can be contacted on 03 58561385 12.30pm to 1.30 pm most days.

Yours sincerely

Stephen Aburrow

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Maysleith Farms Pty. Ltd. Background

David, Yvonne and Stephen Aburrow formed Maysleith Farms Pty. Ltd. in 1987. David & Yvonne had owned Farm 1 for 8 years when the opportunity to purchase the neighbouring piggery became available to them. This was an easy way to expand and to offer their son, Stephen a property of his own. Since then the 2 farms have operated as one entity. David & Yvonne retired from farming in 2000 but still live and work part time as and when required on the farm. Since 2000 the company has been owned and operated by Stephen & Cevii Aburrow.

The Aburrow family have been producing piglets for over 28 years, being established in 1979. In the intervening years the enterprise has grown from 100 sows to 650 sows producing two-week-old weaners for QAF under contract. Until early 2004 when it was decided that we would branch out on our own.

The contract provided a regular income with low risk; however profits were limited by the demands of the contractee for early weaned piglets and the health status and genetic merit of the stock supplied.

Significantly higher profits were possible by establishing a high health status breeder farm, weaning at about twenty four days and forming an alliance with a local pig grower whose business is based on the use of bi-products from the human food chain.

A new high health status herd started to arrive on the farm in June 2005.

With a new high health herd in place

In September 2006 we were receiving \$2.65 per Kg for our piglets peaking at \$3.05 in December 2006. Whilst we appreciate the fact that the pig market is cyclical, with the market peaking in the latter part of the year and falling after Christmas. Because of the record imported pigmeat flooding the market in early 2007 the pig prices have flat lined, rising only marginally in November to currently be \$2.40/kg. We are not receiving the expected seasonal prices this year to assist with expected lower prices to follow after the new year.

This year imports have impacted on the demand for live pigs and prices paid for them as the processors have chosen to use imported pigmeat to meet their Christmas orders. In the industry statistical graphs we have seen it would appear that 85% of all processed pigmeat products are from imported pigmeat which is a rather alarming figure. Some of our industry levies to the APL have been used to promote the increased consumption of pork sold per person per year. Increasing consumption from 8kg to 12kg per capita, this has been a fantastic achievement. Importers are having a free ride with our advertising Dollar. As the live pig prices are linked to the processing sector the carry on effect from increased consumption hasn't flowed through to the producers of fresh pork largely due to imports. Coupled with the drought which has pushed the price of feed to record high prices we have not been able to return the cost of producing a piglet this year. Feed prices account for over 50% of our costs

usually, our cost of production has increased significantly whilst our price received for our piglets has decreased dramatically due to lack of demand at this present time. Our cost to raise a three week old piglet at present is approximately \$59.00 currently we are receiving \$49.00. If prices had risen from Sept/ Oct we would have been able to weather costs but we have had to seek further finance.

Our farm has a quality assurance program (PigPass) in place to assure that all animals leaving the farm are of the highest quality, free from all chemical residues and foreign objects and we would hope that the imported pigmeat is exacted the same standards that our fresh meat is required to meet. As consumers we can no longer rely on trusted brands of the past and have ceased purchasing them.

We employ 6 people including ourselves. Our 2 outside employees have been trained both on farm and at industry workshops run by the DPI. We have invested both time and money and feel it would be unacceptable to have them leave our employ but if the current situation continues it will be necessary to reduce staff.

Rushworth is a small rural town with limited employment opportunities. Our business brings money to the local economy from employment and by the money the farm spends locally. Rushworth had seven piggeries in the district in the last few months all but one of these have left the industry or are in the process of closing down. Maysleith Farms will be the only one operating. There will be an impact of these closures on our small community.

If we were to leave the industry we would not be able to return due to financial restraints.

Yours faithfully

Stephen Aburrow