

Safeguards Inquiry into the Importation of Piguemeat

Introduction

1. The Food & Beverage Importers Association (FBIA) is an industry association that represents importers of food and beverages, both retail ready and ingredients for further processing, into Australia.
2. The Food and Beverage Importers Association is strongly opposed to the imposition of safeguard measures against imports of 'meat of swine, frozen', falling within tariff subheading 0203.29 of the Australian Customs Tariff.
3. Imports of pigmeat are subject to very strict quarantine measures. All imported pigmeat products require a quarantine import permit.
4. In 2004, BioSecurity Australia completed a generic Import Risk Analysis (IRA) for pigmeat. The IRA was 'generic' in that it was not restricted to specific exporting countries; rather the import conditions recommended as a result of the IRA were applicable to any country provided that they could be met to the satisfaction of Australian authorities. Up to the finalisation of this IRA, assessment of quarantine risks had been on a country by country or product basis. For example, imports of certain uncooked pigmeat had been permitted from Denmark and from Canada and imports of canned pigmeat were also permitted.
5. Before imports are permitted from a particular country, the disease status of that country must be assessed and specific conditions developed for imports from that country. Specific import conditions have now been developed for these countries: Canada, Denmark, Finland, Sweden, the United States of America, Spain (restricted to types of ham) and Italy (restricted to types of ham). Imports of uncanned pork products are not permitted from any other country.
6. Imported pig meat must also comply with the Australia New Zealand Food Standards Code. Under the Imported Food Control Act, the Australian Quarantine & Inspection Service (AQIS) may inspect, sample, hold and test imported pig meat for microbial agents or pesticide residues of public health concern.

Food & Beverage Importers Association

Email: fbia@fbia.org.au

Telephone: (03) 9639 3644

Facsimile: (03) 9639 0638

181 Drummond Street,

Carlton, Victoria 3053

ABN 53 932 472 760



Have imports increased?

7. The Commission has postulated a period of five years to assess both the trend rate of increase and absolute quantities of imports. While, compared to 2002, imports have certainly increased, the significant increase in imports came after the finalisation of the Import Risk Analysis for pigmeat in 2004, as a result of which imports were permitted from the USA. There is no evidence of a sudden or sharp increase in imports in recent years.

Was the increase in imports the result of unforeseen developments and the result of [WTO] obligations incurred?

8. Increased imports were a readily foreseeable result of the change in quarantine measures that resulted from the completion of the Import Risk Analysis in 2004.

Defining the industry: who are producers of 'like' or 'directly competitive' goods?

9. The Commission is inquiring into whether safeguard action is warranted against imports of meat of swine, frozen, falling within tariff subheading 0203.29 of the Australian Customs Tariff. Because Australian quarantine requirements preclude importation of bone-in pigmeat, the product being imported is frozen, boneless pigmeat cuts. These products, when imported, are used in the manufacture of smallgoods, primarily because of constraints under the applicable quarantine requirements.
10. The Commission's Issues Paper notes the relevance of the WTO Appellate Body's ruling that US lamb growers and feeders did not produce like or directly competitive products. We believe that this ruling is directly applicable to this case. Australian pig farmers are not producers of like or directly competitive goods. Abattoirs and boning rooms are the competitive producers.

**Has the industry suffered, or is it likely to suffer, *serious injury*?
/Causation**

11. There is no question that the Australian pork industry is suffering from drought and the high cost of feed grains. The difficult period currently faced by the local is not, however, caused by imported pork. Competition between imports and domestic pigmeat is restricted to one sector only: smallgoods. Imports do not compete with domestically produced fresh pork or bone-in pork products. It is difficult to see how competition in one, and not the major sector, of the market for pork products could be causing the injury claimed by the local industry.



What are the impacts on other parties?

12. Imposition of a safeguard action would cause potential injury to industries that currently use imported pork products, as they would be restricted in their access to imported products. In particular, we believe the Commission should look to the potential impact a safeguard action would have on those employed in the boning rooms and other vertically-integrated sectors of the local industry. In addition, consumers would be affected by loss of availability of, or higher prices for, pork products that contain imported pork.

Conclusion

13. In the view of the FBIA, the available evidence does not justify the imposition of safeguard measures against imports of 'meat of swine, frozen', falling within tariff subheading 0203.29 of the Australian Customs Tariff.

3 December 2007