

Revised Submission for Inglegreen Pastoral Co

We have until recently run a 1200 sow unit near Narrabri. We have been in the pork production business since 1978. We mix the pigs diets from home grown or locally sourced grains and purchased proteins. We employ a consultant nutritionist and consultant veterinarian. Over the years we have invested in new buildings, refurbished older buildings and have adopted proven technologies as appropriate. From around 14 weeks of age the progeny from the breeding herd are transferred to contract grow out units prior to dispatch for slaughter. We have contracts in place for the sale of the pigs and forward buy grain and do not rely entirely on the spot market. During the financial year July 2006 to June 2007 we lost money on every pig sold.

To operate within our financial limits we have reduced our sow herd from 1200 sows to 650 sows. We have terminated the contracts of our three contract growers and in future will grow out the progeny from the smaller herd on the home farm. As part of the restructuring programme we have reduced our labour force from twelve to six with further reductions possible. The effect of record levels of imports has been to reduce our assets, increase our liabilities and have reduced our level of owner equity in our business. We have had our property on the market for around two years with no serious interest expressed by potential purchasers.

As an example as to the effect of imported Pork on our business in November 2006 we signed a contract with Wilmeat for \$2.80 a kilo this was done in good faith by both parties. In March 2007 Wilmeat rang and dropped the price by .20 cents a kilo. A few weeks later they wanted to drop the price a further .60 cents a kilo because they were unable to compete in the market place. With desperate negotiation we got the price set at \$2.40 a kilo. The effect of .40c price drop has taken \$795000.00 from our revenue.

The cause of price drops was the flooding of the domestic market with imported pork, our industry needs long term protection from imports to give us the opportunity and profitability to be able to upgrade our genetics and technology within our piggery so we may continue to produce high quality pork at a competitive price in a fair marketplace.

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