

March 7, 2005

Dear Producer

Re: Draft Industry Restructure Plan Consultations Report

In late 2004, Australian Pork Limited (APL) undertook consultation meetings on the draft Industry Restructure Plan with supply chain participants throughout Australia. APL has collated a report summarising the key points raised by participants in these meetings, a copy of which is attached.

All attendees were asked to complete a feedback sheet distributed at the conclusion of each of these consultation sessions. This form requested that people rank the proposed seven strategies in order of importance, provide commentary on the reason for their preferences and also allowed respondents to propose possible new strategies.

The final report summarises the key observations and insights provided by producers. The value of these comments has been reflected in the subsequent amendments that have been made to the draft Industry Restructure Plan. The Joint Industry Government Working Group, established early last year by Minister Truss, has agreed in principle to the amended plan.

It is noteworthy that a number of programs recently undertaken by APL have put the wheels in motion for several of the draft Restructure Plan strategies. The HomeGrown campaign launched in January throughout Coles Victorian supermarkets is playing a significant role in respect of the strategy aimed at building consumer loyalty for 100% Australian small goods. Similarly, the newly established Pork Cooperative Research Centre (CRC) will play a key role in implementing the strategy of reducing feed costs.

The recently initiated APL Market Development Committee (MDC) also provides an important channel through which a number of the restructure plan strategies can be further developed and progressed through the supply chain. Key focus areas for the MDC include, identifying future measures through which to increase fresh export sales, investigating means to encourage adoption of and dissemination of the AUSKEY lean meat yield carcass measurement and also identifying necessary consumer research to engage retailer support for the industry's restructure plans.

APL has also commissioned Ernst and Young to undertake a cost benefit analysis of the draft Restructure Plan strategies and APL's current operational activities such as animal welfare, environment etc. This will in turn play a key role in assisting APL better determine the real value of each of the respective strategies, whilst also greatly assisting APL to identify the best means through which to implement the final restructure plan. We also hope that the Productivity Commission Pig Meat Inquiry final report will provide a valuable tool for assessing the Draft Restructure Plan and

identify what industry and government can do to build a globally competitive and sustainable industry.

A Board review of the draft Plan will be undertaken over February 22nd and 23rd for the purpose of shaping APL's 2005/08 strategic plan. The Board, with APL management, will determine where Apl should best focus its resources in order to achieve the draft Plans goals, whilst also determining an implementation timeline.

As always, we will continue to seek to work with participants from within the entire supply chain and from the Australian Government to fast track this process in the most effective manner possible, and thereby achieve the goal of a producing competitive and profitable Australian pork industry.

Yours sincerely



John Cook
Chief Executive Officer