



**MEDIA RELEASE – 12.12.07**

**WA PORK PRODUCERS WANT FAIR TRADE NOT FREE TRADE**

WA Pork Producers' Association (WAPPA) has called on the Australian Government to broaden the scope of the 'Productivity Commission Safeguards Inquiry into the Import of Pigmear'. .

It wants it to examine the annual level of direct and indirect subsidies received by producers in Denmark, Canada and the USA, the three major importing countries.

WAPPA President and Cuballing producer, Graeme Dent predicted the subsequent findings might encourage the Government to implement the same level of support for Australian pork producers.

The OECD estimated EU support in 2003 to EU pigmeat producers at \$A0.41/kg.

“WA producers should not be penalised on farmgate price due to the price squeeze created by imports that are subject to substantial subsidies through producer support schemes, particularly from the US and Denmark,” Mr Dent said.

Also, WAPPA, in its submission to the Productivity Commission, asked that only pork produced under internationally recognised on-farm quality assurance programs that comply with Australia's food safety standards, be allowed to enter Australia.

“Such measures would maintain imports for processors at a sustainable level, while creating a positive environment for the industry to invest in the new infrastructure and technology so necessary to improve economic efficiency and growth,” Mr Dent said.

“With most producers losing money, WAPPA asserts the industry is not sustainable in the current trading environment.”

WAPPA supported its assertion by detailing actual case studies of three WA production units:

1. **Loss of \$19.25 per pig** @ avg wt of 70kg. Piggery has outdoor farrowing unit. Pigs grown out in straw based eco-shelters and conventional finishing sheds.
2. **Loss of \$13.41 per pig** @ avg wt of 70kg. Piggery is 250 sow farrow-to-finish. Pigs grown out in straw based eco-shelters.
3. **Loss of \$10.76 per pig** @ avg wt of 71kg. Piggery is diversified, with indoor/outdoor farrowing. Pigs grown out in straw based eco-shelters and conventional finishing sheds.

Mr Dent said that pigmeat imports into Australia, as a percentage of domestic consumption, had risen from 18 per cent in 2002/03 to 34 per cent in 2006/07.

“This surge, along with higher grain costs created by global and eastern Australian demand, has constrained the potential for prices paid to producers to rise sufficiently for producers to grow their businesses and be profitable.”

WAPPA urged the Australian Government to accept responsibility for creating the current industry environment and to work with industry to create an equitable balance in trade between the industry’s major competitors, particularly Denmark and the USA.

In 1994, the Australian Government accepted a bound tariff rate of zero for imports of pigmeat under the WTO Agreement on Agriculture, effective from January 1, 1995.

“When governments make such decisions on behalf of industry, without consultation or consideration of the future impact on investment and competitiveness, they must recognise the social and economic consequences and then take responsibility,” Mr Dent said.

“Therefore, it’s now the responsibility of the Australian Government, no matter how reluctant they may be to accept their role in creating the current industry environment, to work to create an equitable balance in trade between the industry’s major competitors, particularly Denmark and the USA.

“This will play a part in creating a fairer Australia for all,” Mr Dent concluded.

[www.wappa.com.au](http://www.wappa.com.au)

Authorised by WAPPA and issued on its behalf by Brendon Cant & Assoc., Tel 08 9384 1122

**MEDIA CONTACTS:**

**Graeme Dent, President, Tel 08 9883 6060 or Mob 0427 836 061**

**Russell Cox, Executive Officer, Tel 08 9479 7315 or Mob 0428 293 095**