



MEDIA RELEASE – July 30, 2004

FRAGILE FUTURES HANG IN THE BALANCE

With their already fragile futures hanging on an application in the Federal Court to set aside new quarantine conditions announced in May, WA's 360 pork producers have expressed disappointment with the Australian Government's rejection of a plan for short term financial relief to assist industry restructuring.

WA Pork Producers' Association (WAPPA) President, Stuart Coole said it was especially disappointing because at the instigation of Agriculture Minister, Warren Truss, Australian Pork Limited (APL) had worked closely with senior Agriculture Department officials since February to design a support package to ease the crisis.

"During this time, the Minister was regularly involved and he displayed what we thought was a refreshing understanding of the industry's difficulties, even expressing support for the need for some form of Government intervention."

APL sought a one-off Income Support Payment to producers, totalling \$36.5 million and based on equitable payments to all producers regardless of size.

"This payment would have helped immediately with cash flow and allowed producers to remain sustainable in the short term, while the industry developed a long term sustainable restructuring plan to secure its future," Mr Coole said.

There was no alternative but to propose a restructure of the industry to achieve global competitiveness and greater efficiency.

"I understand APL, on behalf of WAPPA and our fellow producers across Australia, will continue to consult with the Agriculture Department on how it might help us with these long term initiatives."

A recent ABARE report effectively supports the industry's case, stating that if present import trends continue in the longer term, an Australian industry almost entirely focused on servicing domestic demand for fresh pigmeat, with most raw materials for manufacturing processed meats being imported, was a possibility.

The ABARE report also suggested the industry was well positioned to specialise in particular export and domestic market segments, provided the whole of the supply chain was restructured to achieve global competitiveness and efficiency.

“Efficient producers, and that’s the great majority, support tightening links in the supply chain to form a fully integrated Australian pork industry that is the envy of the world in terms of efficiency, profitability and sustainability. We want nothing less,” Mr Coole concluded.

www.wappa.com.au

Authorised by WAPPA and issued on its behalf by Brendon Cant & Assoc., Tel 08 9385 7779

MEDIA CONTACTS:

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

Stuart Coole, President, Tel 08 9767 3076 or Mob 0427 230759