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## M E D I A R E L E A S E

**> Government responds to pigmeat inquiry report**

The Australian Government has considered the Productivity Commission's report into the Australian pigmeat industry, and formally responded to the findings, Agriculture Minister Peter McGauran announced today.

The Commission's report on the inquiry, which looked at the industry's competitiveness, was released to the Government on 18 March 2005 and tabled in Parliament yesterday.

"The Government is aware of the difficulties facing some pork producers and processors," Mr McGauran said. "Much of this is due to structural change, stemming largely from our industry becoming more integrated into the world market.

"Exchange rates and the continuing drought were seen as the principle external factors affecting industry competitiveness.

"The report found that existing government assistance programs would help with the adjustment process without the need for further industry-specific support.

"The report also highlighted the initiatives Australian Pork Limited (APL) is developing as part of its new strategic plan, which is expected to be implemented later this year."

Mr McGauran said the Government believes the pigmeat industry has a promising future and will do all it can to boost its long-term viability.

"The industry-Government pork working group, announced in March 2004, has met regularly and proved an excellent forum for discussing industry development," he said.

"We have also provided substantial financial grants to the industry to help it adjust to the difficult market and climatic conditions of the past few years.

"The grants have included: \$2 million for the Pork Market Improvement Program; nearly \$26 million for the Cooperative Research Centre for an Internationally Competitive Pork Industry and \$645,000 for an environmental management systems project.

"And this is on top of the \$24 million adjustment package the Government provided the industry between 1998 and 2002.

"We are also helping through our drought assistance measures and in multilateral trade negotiations to further reduce trade barriers - not only for pig producers, but for all Australian farmers."

The Commission's findings, and the Government's responses, are **attached**. Hard copies are available by calling **Roger Van Hilst** on **(02) 6272 4672**.

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Further media inquiries:

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<http://www.maff.gov.au/releases/05/05014PM.html>

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