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QLD PORK PTY LTD

Pig and Pigmear Industry
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1. Statement of Serious Injury

The serious injury to my 1200 sow piggery business as a result of low pig prices over the last 6 months caused by pork imports is as follows:

- **Changes to Expansion Plans**

From a very small economic base of 4 sows and 1 boar, I had, over a 17 year period through continually reinvesting my profits, expanded my business to a large operation consisting on 1200 sows. I finally achieved that goal, with the progeny ready for sale in January 1998. The farm at the peak of its operations employed 20 persons. The operation, presently employs 9 persons. I was preparing to construct a new feed mill. This would have increased our workforce. The prices then fell to lower than I was receiving when I first commenced producing pork.

The prices I was receiving for pork in 1981 were \$2.05/kg with no grades compared with .95c -\$1.40/kg for 13 – 14mm backfat as of Saturday, 13 June 1998.

- **Farm Debt**

Because a piggery is a production line to alter the numbers in this line takes 7 months. The fall in the pig prices was a rapid event. When the initial fall started to occur, my borrowings increased to slow the massive drawdown on the business. This allowed some restructuring of the business until prices bottomed.

- **Declining Profits, Lowering Staffing Levels, and Operating below Capacity.**

The business has been in expansion mode since commencing operations in 1981. With declining profits, all improvements have ceased. Without any light at the end of the tunnel as to the declining prices, the banking industry has decreasing confidence in the pork industry and I am now subject to regular reviews.

To slow my losses, I reduced exposure to pig prices by decreasing our sale pigs by 100 pigs/week. This decreased our herd by approximately 2100 pigs. As numbers of pigs decreased, I also lowered staff numbers. The total number of persons employed is now 9.

With lower production our feed consumption also reduced and all feed is delivered on site from an outside feed company. This was previously milled on farm.

Furthermore, the threat of serious injury is demonstrated by the fact that due to the change in the market environment caused by unrestrained pork imports, I can no longer predict future pig prices and trends, and this has severely limited my ability to plan future production changes.

2. Recommended Safeguards to be Applied

A temporary (4 year) quota of some 5,000 tonnes and an out-of-quota tariff of \$2/kg are essential to provide the breathing space needed for orderly adjustment the development of a more efficient, internationally competitive industry.

Yours sincerely

KEN FISHER
MANAGING DIRECTOR