

MYORA FARM

18 September, 1998

Chairman
Productivity Commission
Pig and Pigeat Industries Inquiry
LB2 Collins Street Post Office
MELBOURNE VIC 8003

Dear Sir

Myora Farm has been involved in the pig industry since 1984. We are situated in the lower south east of South Australia and are a respected supplier of breeding stock to the Australian Pig Industry as well as supplying bacon to the fresh meat market.

During our time in the industry we have experienced many highs and lows however this has been by far the most critical in our history.

Our company has lost all confidence in the Australian Pig Industry and the Australian Government and has shelved its plans both to expand into multisite production and technological upgrading

There are a number of factors which have contributed to this position. As a result of extremely low prices over the last 4 months

- we have experienced financial loss
- we have been unable to replace staff who have left our employment
- we have reduced the hours our staff work and this directly affects them and their families as well as our business we have had to spend many hours working on budgets and financial planning well above our usual levels
- we have had to secure an overdraft for \$150,000 for the purchase of grain
- our breeding stock sales have decreased dramatically as a result of the downturn
- an overseas contract sale of breeding stock was cancelled due to the overseas climate to complicate the already desperate situation
- we have been forced into the situation of ceasing all capital improvements to the farm (in particular the purchase of the last stage of our computerised wet feeding system)

- we have cut our repair and replacement program back to the absolute essentials
- we have shelved plans of a multisite development which would have improved the health status of our farm
- morale is low and stress is high amongst staff and employees

We feel that the government's policy of not implementing Article 19 of GATT has been the major contributor to the price instability.

We as producers are well aware of the need to invest and compete with the international players however an unlevel playing field makes this an unrealistic expectation.

We feel that the government has failed to

- challenge the importation of subsidised product from Canada and Denmark
- protect its own industries
- to address the labelling laws to the satisfaction of the Australian public
- comprehend the fragility of the Australian pig industry and the supply chain
- observed how the processors have manipulated the supply chain with imports

Too much supply and too little demand destroys the supply chain and crushes producers

Too little supply and too much demand for unmet needs drives customer to competition

- failed to identify the retail institutions which have monopolised the retailing of pig meat

We feel the government needs to investigate the following areas

- a quota on imported pigmeat
- truth in labelling
- increasing financial support to producers, not the processors
- investigate price manipulation

Yours faithfully

Jeff Braun
Jennette Braun

Directors