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PRODUCTIVITY COMMISSION
LB2 COLLINS ST.EAST
MELBOURNE VIC. 8003

AUSTRALIAN PIGMEAT INDUSTRY INQUIRY

This submission to the Productivity Commission inquiry into the Australian Pigmeat Industry is concerned with the following issues:-

- (a) GM Sorghum (Grain Protein Quality)
- (b) Grain to Ethanol Production

GM Sorghum (Grain Protein Quality)

The area of grain protein quality I wish to address is the amino acid composition and protein level of grain sorghum. Sorghum is an important grain for the pig industry in Queensland. It is used extensively in pig feeds where it is a valuable source of digestible energy.

One of the limitations of sorghum is it's low protein level and low amounts of essential amino acids. The issue of low protein levels in sorghum is best addressed by the appropriate use of fertiliser. This has a twofold effect of both increasing the protein level of sorghum and the yield of sorghum per hectare.

Least cost diet analysis indicates that increasing the protein level from 8 to 10 % reduces the cost of feed by approximately \$8.00/Tonne. While increasing the essential amino acid levels of sorghum by 20%, in addition to the 8 to 10 % protein increase, decreases the cost of feed by approximately \$12.00/Tonne.

Plant breeding programmes attempting to increase the essential amino acid levels of grains have met with limited success in the past due to the problems associated with decreased yields of grain. Genetic modification (GM)of grain producing plants has the potential to overcome some of these problems.

The granting of US Patent No. 6,800,726 for a gene technology process to produce proteins with increased levels of essential amino acids to Pioneer Hi-Bred International, indicates where the future lies in this area. This patent has the potential to produce a wide range of seeds with increased essential amino acid levels.

It is obvious that this technology will be developed and applied in the US and Canada at the appropriate time. This will result in decreased cost of stockfeed. The use of GM technology in agriculture in Australia is presently restricted by government policy. In

the case of GM Sorghum this will further reduce the competitiveness of Australian Pig Producers who will not have access to stockfeed manufactured from GM sorghum with increased essential amino acids.

The use of GM technology in agriculture in Australia is something which should be embraced with enthusiasm. The benefits of the use of this technology are so high and the technology is so precise, that to restrict its application in agriculture is a decision which does not fit with the advanced state of Australian science and culture.

Grain to Ethanol Production

The proposal to divert 382,000 tonnes of feed grains to produce 350 Million Litres of biofuel ethanol will result in economic hardship for Australian Pig Producers. The production of ethanol from grain sorghum will be particularly severe for Queensland Pig Producers.

Queensland has a deficit of feed grain for animal production in 8 out of 10 years. This deficit is offset by the importation of grain into Queensland from other Australian States.

While the Federal Government is to be congratulated for its decision to impose an excise on fuel ethanol. The level of the excise is inadequate and results in a subsidy for grain to ethanol producers. The use of a subsidy for one section of agriculture introduces inequities into the Australian Agricultural marketplace.

If it is appropriate to subsidise grain to ethanol production then it also is appropriate to subsidise pig production to offset the inevitable rise in the cost of stockfeed.

A more efficient use of Australian resources would be to encourage the development of transport fuels from our vast resources of coal, gas and solar.

While it is correct to claim that ethanol production is increasing in other countries, it is more relevant to note that each country has a responsibility to utilise its resources as is most appropriate. Our resource of feed grain is already fully accounted for, while our reserves of coal, gas and solar are available in surplus.

I look forward to elaborating on these issues with the commission

MYLES T COVACEVICH

PROPRIETOR