

WINDRUSH PASTORAL
POPANYINNING
WA

Dear Commissioner,

My wife and I operate a 600 sow capacity breeder unit near Popanyinning WA in which we sell 24-28 day old weaners to a grow out facility 15 kms away .Our structure is that we lease the unit and we have purchased the herd from the previous owners on vendors terms as a going concern. We have been operating since October 2002 in which I have had seven years of previous experience in pig management and husbandry prior to owning and operating a business. It is with great regret and disappointment that my wife and I have witnessed the erosion of equity in our own personal assets in order to stay afloat in business and keeping our dream of owning our own business alive. As we operate without an overdraft ,we are forever juggling our finances to make ends meet .

PROFITABILITY;

As I have already stated , our financial position is a week to week proposition.Our weaner price operates on the current price paid by the processor that the grow out unit supply , less half the levies incurred at slaughter and a grading penalty eg \$2.48 less 12c = \$2.36 as all animals do not end up in the premium price category.Our price matrix also has a sliding scale in which we get paid for a heavier animal on an average weight at delivery. This price that is determined by the processor which barely covers our cost of production as well as debt repayment on the herd and debt repayment on personal assets. This is accentuated by the fact that our income comes only from pig production and any shift in price affects us greatly in our ability to support ourselves .

This is also the case if there is any increase in our costs. We have had a sharp increase in our feed costs in excess of \$110/tonne in December 2002 along with freight increases from \$25/tonne delivered to \$36/ tonne. Along with other increases in our cost of production we also face the dilemma of replacing outdated equipment and the upgrading of facilities to help us better our production output in line with OHS and animal welfare standards which will take up large amounts of capital yet the banks see us as a high risk and will not lend us the capital that we need as a lot of the facilities are specialised for one use only, pig production.

IMPORTS:

The IRA is a flawed report from Biosecurity Australia.It clearly states that there is a 90-95% chance of PWMS and PRRS contaminating the Australian pig herd if these imports are allowed into the country.Not only will it affect the price of our farm gate price , it will make the industry unsustainable and unprofitable therefore losing rural investment and jobs.These disease will only add to the cost of production as there is no quick fix as it is clear that infected herds have had their production costs increase as a result. The government takes great pride in telling us that they are protecting our agricultural industries by implementing strict quarantine protocols on imported produce yet the federal government have seen fit to trade our biosecurity away on a flawed report.

As an industry we take on farm biosecurity very seriously as animal health affects the cost of production and productivity and we have had first hand experience of health status breakdown due to mycoplasma and more recently congenital tremors in receiving infected stock even though we followed our own protocols. I would personally hate to think of what the cost would be at a national level if PRRS and PMWS affected the Australian pig herd in production,productivity,monetary and emotional losses.

I look forward in talking to the Commissioner to my views and expressing concerns on these issues and other matters of interest in regards of the industry restructure and the future of the industry .

Yours sincerely
Darren and Mandy Edwards.