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Pork industry welcomes inquiry

The NSW Farmers' Association says it welcomes the announcement by the Australian Government that the Productivity Commission (PC) will undertake a safeguards inquiry into the impact of imports of pig meat on the Australian pork industry.

NSW Farmers' Association Pork Committee Chair Dugald Walker says the industry is currently facing a crisis, with record imports of pig meat driving down domestic prices and record high grain prices forcing local growers out of the industry.

"A significant number of pork producers are exiting the industry or reducing herd sizes and production," Mr Walker said.

"Obviously the impact of the drought is significant; particularly the extreme feed grain costs. Drought has increased grain prices in NSW to \$400/tonne, meaning the cost of production is \$3/kg, up from \$2.20/kg," he said.

"Already too many sows have been sent to slaughter in the last few months, which long term will have a significant impact on the industry in terms of lost genetics & production.

"Pork imports are currently at the record high levels of over 100,000, meaning increased supply drives down farm gate price. And farmgate prices themselves aren't sustainable, with the cost of production being 75c/kg above the product price.

"If we are to maintain a local industry, the Australian Government will need to act, so the safeguards inquiry is a good first step," Mr Walker concluded.

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Fast fact: The NSW pig meat industry produces 120,000 tonnes a year with a gross value of \$267 million which is 30% of Australian production