

Sent: Saturday, 8 March 2008 3:56 PM
To: Grocery Prices Inquiry
Subject: submission

I am very concerned about the steady inflation of grocery prices.

As a pork producer in the Riverina we are currently receive less than \$2.30 per kilo for our meat, similiar prices to 8 years ago. However we have noticed the steady increase in fresh and manufactured pork product prices at the supermarket. I understand that labour and transport costs have increased over the years as our costs have increased to, namely grain which we are currently paying \$430 per tonne for wheat as opposed to a year ago we where paying \$230 per tonne. However, we have to compete against aggressive imports of Canadian, US and Danish pork products which potentially carry a degenerative weaner disease into the country and pork processors who dishonestly stuff Australian pork bones into the imported pork meat and market it as Australian. Not many consumers realise the difference between "Australian Pork" and "Manufactured in Australia."

Before the grain harvest failed in August, the cheapest loaf of bread at the supermarket used to be \$1.10, now it is \$1.40 at the same supermarket. Given that 16 cents is about the value of the flour for each loaf and assuming that the price of grain has doubles that should make the most expensive loaf \$1.26.

I would please ask the commission to find some answers and solutions in the following questions:

- How is Australia going to keep feeding it's own population when the average age of a farmer is 55 and they have advised their children not to take up the family farm because of cheap imports and lack of government support?
- How are we going to help Australian families put food on the table if we are relying on imports which may in the future have a carbon burden priced into the cost the food which is transported by deisel ships all over the world?
- How come the productivity commssion to date reports that imported meat had not effected pork prices for producers but it has become clearly evident to be financially benefical for pork manufactures to re-market imported meat as Australian?
- How are we assisting consumers into purchasing the best value, clean and green products when the labelling standards are so poor?
- How can Australian farmers compete with US imports that are subsidised by a \$268 billion dollar Agricultural bill?
- Isn't a countries ability to feed it's own population critical to the standard of living of its residents given uncertain changing weather patterns or is it more important to grain-fed cars?
- Are we going to become a rich third world country where the wealthy few live in clean, green housing and low income earners cannot be housed or fed because we have entered a WTA with the US who is also heading in the same direction?

I hope the enquiry into the price of groceries also looks at the entire food chain critically and transparently. Most importantly, the enquiry needs to identify who is benefiting from the current international arrangements and are these arrangements sustainable.

regards

Lynda Franks
Aztec Farms - Pork Producer