

12th March 2002

Citrus Growing and Processing Productivity Commission  
LB2 Collins Street  
East Melbourne VIC 3000

To the Commissioner,

In response to the findings in your draft report on the inquiry into the Citrus Growing and Processing Industry, I would like to make the following comments.

Berri Limited supports the Commission's conclusions that the Citrus Industry has undergone a considerable amount of rationalisation and change to ensure that it is internationally competitive in the fresh fruit and fresh juice sectors, and that it is not appropriate to introduce increased import duty on frozen concentrated orange juice.

The one area that is a major concern to Berri Limited is the recommendation to change the current marketing arrangements for navel oranges into the U. S. market. The current system has been an outstanding success in managing the quality, quantity and returns to growers. Any attempt to change the controlled marketing arrangement and flood the U. S. market will only result in a dramatic reduction in returns to growers while self interested exporters pick up extra commission on a per carton rate. If the U.S. navel program was to fail, then there is a threat of surplus navels being pushed into the juicing sector where there is limited use and poor returns.

Berri Limited strongly recommends that the Commission does not make any changes to the current U.S. navel marketing program.

Regards

VIC JOHNSON  
DIRECTOR OF OPERATIONS