

David Villata  
NSW

30 November, 2001

Citrus Industry Inquiry Productivity  
Commission Locked Bag 2  
Collins Street East Post Office  
MELBOURNE VIC 8003

### **SUBMISSION: CITRUS GROWING AND PROCESSING ISSUE PAPER**

Please find below comments relating to issues raised in the Issue Paper and how it affects our business and livelihood.

Our business is run as a partnership with my father who is semi-retired, my brother and myself who both have young families to support. Our citrus farm is approximately 60 ha with 50% navel and 50% valencia.

Over the last five years our business has suffered due to the citrus industry crisis. This is due to the:-

- importation of cheap Frozen Concentrate Orange Juice
- abolishment of sales tax concession
- reduction in tariffs
- high picking costs

The import of cheap FCOJ is "killing" the citrus industry. It is not necessary to import the product when the supply of domestic juicing fruit is being left on the tree because it is not worth picking for \$70.00 a tonne especially when picking costs are \$60.00 a tonne. Owning a citrus farm has not been a sustainable livelihood for a number of years due to this fact.

Farmers in this area are planting different varieties of citrus aimed at the domestic and overseas markets in a way of diversifying. These trees can take up to 8 years to crop and to produce good quality fruit requires monetary outlay such as fertilizer, spray, pruning and water costs, Farmers are prepared to do all this but it has to be profitable at some point. Farmers can *take* the good years with the bad but when there are too many bad in years in succession, there is a breaking point resulting in businesses failing.

Surely the Government is able to understand that the citrus industry needs major reform for it to be a viable industry. It has the potential to be a major and profitable industry for Australia but it needs major restructuring and legislation put in place.

Yours faithfully

(signed)

DAVID VILLATA

D.

VIA