

6th December 2001

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

Dear Sir

I would like to express my concerns with regards to the current citrus industry crisis.

I have been farming citrus for the past 20 years, and run two properties in conjunction with my father, a large percentage of our citrus is Valencias.

Last year I was receiving as low as \$85/tonne for my quality citrus.

I feel the major impacts on my income as a citrus grower have been:

1. Cheap Imports – How can we compete with growers overseas who are subsidised, have cheap labour, and pay a low tariff to get their produce into our country?
2. Juice Content – The abolishment of the 25% local juice content tax concession had a large effect on the demand for local fruit. Why would processors pay more for a product, when they have no incentive?
3. Supermarket prices – Differentiation in prices along the market chain makes a big difference on the domestic scene. Citrus growers are selling their fruit for approximately \$0.10 per kilo and consumers are buying it for \$2.99 per kilo in the supermarkets and fruit stores.
4. Labour – Growers are finding it harder and harder to find pickers. With the increasing cost of workers compensation and superannuation and decreasing returns for produce, growers are unable to pay pickers an 'attractive' salary and therefore interest in picking has dramatically declined.

Our costs, as growers, are constantly on the rise, and our returns are decreasing, how are we to survive?

Yours sincerely

Garry Bugno