

RMB 5044
COBRAM VIC. 3644

6.11.01

CITRUS INDUSTRY INQUIRY
PRODUCTIVITY COMMISSION

Dear sir,

Further to the release of the Issues Paper in October 2001 regarding the Productivity Commission inquiry into the Citrus industry, I would like to lodge the following submission, and welcome the opportunity to participate.

An unprecedented crisis now exists in the Australian Citrus industry. Imported fruit floods the market, juice factories have become dependant on imported concentrate, and growers share of the consumer dollar is ever-decreasing.

Tariff Protection has steadily been. eroded with the following results:

<u>TARIFF PROTECTION</u>	<u>YEAR</u>
35%	1988
5%	1996
<u>IMPORTED JUICE</u>	<u>YEAR</u>
5,000 TONNES	1989
28,000 TONNES	1999
<u>FRESH CITRUS IMPORTS</u>	<u>YEAR</u>
8,000 TONNES	91/92
18,000 TONNES	99/00

The figures show the disastrous effect of removing tariff protection, thereby allowing fruit and. concentrate to be "dumped" on the Australian market. What it doesn't show is the depressing effect imported fruit has had on prices of fruit in Australia.

Since 1983 there has been a, lot of restructure by growers at great personal cost. Improvements in productivity and. efficiency have been unprecedented and constant, together with replants to varieties suited to export and the domestic consumer. Despite this, imports continue to pour in, more than offsetting growers improvements, and destroying their viability.

Even the largest Citrus growers are now running at a loss. No relief is in sight. We growing families now only employ labour as a last resort. This has decreased the number of jobs available in the district for pickers, packing shed workers, and other orchard labourers. Consequences for our towns are obvious.

It is particularly frustrating being unable to farm efficiently. Quality Assurance schemes (SQF 2000, HACCP etc) are expensive to implement and maintain, whilst modern irrigation schemes which use water very efficiently are out of reach of growers unable to make a living due to low prices. It also costs money to calibrate spraying and fertilising equipment for effective, environmentally conscious application. Machinery must be safe to operate, but in recent years even this has been compromised to minimise cost.

If the Australian Citrus industry is to survive, something must be done. Not only are the businesses of we fruit growers no longer viable, prices of Citrus orchards acre now so low that selling the family property is not an option. Flow-on effects for industry workers and country towns in this area have been noticed for years and are netting worse.

A return to realistic levels of tariff protection is the only answer.

Yours faithfully,
GARRY NEWTON
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