Leeton District Citrus Growers' Association

27 November 2001

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

Dear Sir

We are the Executive of the Leeton District Citrus Growers Association, who represent some 200 growers in the Leeton area, some of whom are third generation farmers.

The Australian citrus industry is in crisis, whenever the farmers income is down the whole town and community in turn suffers.

We are greatly affected by the government policies allowing unrestricted Brazilian juice to enter the country at 5% tariff. There is no level playing field because if we were to export to Brazil we would have an approximate 40% tariff imposed on us. They sell their juice in the USA at 11.5 Brix Standard set by the USDA, in Australia 10 Brix.

The high cost of Australian labour coupled with the extra costs such as superannuation, workers compensation, high transport costs and ever increasing water charges do nothing to enhance our competitiveness.

Frozen Concentrate Orange Juice coming into Australia affects the price of all products across the board including fresh fruit and juice. This situation cannot be allowed if we want the industry to continue, it would not be tolerated in some of the overseas countries where they wouldn't allow imported products to undermine their local products.

Smaller farms which were once viable are no longer so today, their owners being forced to seek work off farm. The average size farm today may also be looking at the same scenario. If farmers are forced off the farm to seek off-farm employment then the farms become neglected and inturn will decrease greatly in value.

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Young farmers need assistance to stay in the industry. To remain viable the young family will need interest grants or some form of financial support for up to 5-7 years, or even longer.

Solutions:

1. We would ask that no FCOJ be allowed into Australia until our Valencia crop has been sold at a satisfactory price. This would allow a reasonable floor price to be set based on the CPI and USA Standards sold in Australia competition from imported Navels on the fresh fruit market while our Valencias are in season.
2. Future plantings be controlled to stop venture companies profit taking and tax right offs.
3. Labelling laws to be updated to protect the growers. Consumers need the percentage of juice in each container as well as the country of origin clearly in large print.
4. Full support must be given to the proposed Melbourne to Darwin rail link which would help immensely in freighting our goods to South East Asia and Japan where there is a very strong market. If we can get our product there quicker sales will increase.
5. Our export competitiveness is being seriously undermined by high costs imposed in Australia ie AQIS inspection charges. These need to be addressed.
6. Support for further joint marketing of fresh fruit (Citrus) into Northern Hemisphere markets.
7. Support new technology and approval of fruit fly disinfestation for citrus to quarantine controlled markets.

We need to keep the citrus industry viable.

Yours sincerely

William Blacker
President, LDCGA

W. Blacker