

CITRUS INQUIRY.
PRODUCTIVITY COMMISSION
MELBOURNE VICTORIA.

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Dear Sir or Madam

In year 2001 it was stated that Australia was becoming more reliant on Imports of F.C.O.J. This was because it was a dumped price if action had been taken by the previous Keating Government with the Idea of an up and down tariff to protect Australia growers, as put to the then Cabinet by John Kerin and thrown out, also no action was taken by the Howard Government in 1996-97 on both occasions Growers went to Canberra to try and get some help.

The only reason that Citrus Growers have moved away from Juice Concentrate is the low price of imports coming in at to low a price for us to compete. From my own experience it has been shown by the local 'Berri' factory doing mainly 'Fresh Squeeze' and does not start processing the local Valencia crop till late December. After the previous crop of Navels finishes in September due to this, there is a break for Seasonal Workers of three months when there is no local work eg, 'Money for Christmas' and consequently a lot leave this area to seek other work causing shortages of labor in the following summer Valencia Harvest.

The crop is extended to nine months of the year and we find ourselves picking two crops at once. This is very hard on us and the trees which should be harvested by May each year for the health of the tree and to ensure the next years crop. The statement that safeguard barriers could harm our exports, can be seen as not correct, the fact that Brazil has a 35% Tariff on imports of Juice and Subsidies eg, Tit for Tat and other countries such as Taiwan has quotas, which have not been removed under W.T.O rules. Shows that the level playing field does not exist and if it does, Australia is the only one on the field. Even a small tariff of 24% would be of some help to the Local Citrus, remember the car industry still has 15% protecting it.

Where does this idea of 'Free Trade' come from 'Adam Smith' it could be said that his ideas of 200 years ago have one basic flaw at that time, all labor was cheap even free labor eg; slaves. This is not the case today Australian wages paid to farm workers are twice that of the USA thirty times that of Brazil and fifty times that of Africa. Is the Australian Citrus Grower's being sacrificed for coal exports to Brazil by shareholders in high places.

"Aren't we the Fools", to have lowered our protection before other countries and hope they will follow the Japanese, certainly have not with Rice imports. On the Statement by G.D.P International on that there was a shortage of Naval oranges in the last five years, if this was the case why were there poor prices in my area in that period except for one good year on the USA market in that period fruit was dumped in this area. It was stated in the 'Citrus News' that there was only room in the USA market for

expansion of 10% in future years. Also the fact that the USA market was good only because of the low value of the Australian dollar, if the Australian dollar was sixty-five U S cents the fruit would not be worth sending dropping the price by nearly a third eg; costs Freight.

The fact that recommendations in the report say to Get Bigger 'How Big' on our farm of 40 Hectare, we have consistent trouble getting reliable labor. Doing a lot of the work myself we could not handle a bigger farm unless we were completely mechanized like the grape industry. One thing that must be emphasized is that the Brazilian Price of F.C.O.J sets the price of fruit both fresh and juice right across the Australian home market. At the present time the price paid for contracted Valencia oranges. We supply to 'Berri' less then we were receiving twenty years ago, in that time most of our Agricultural inputs have doubled or tripled.

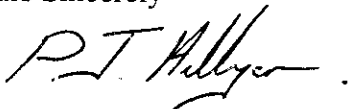
It is also a fact that in previous years when the FCOT imports were dumped growers received only \$100 per ton, on at least three occasions in the last twenty years, proof that imports of Juice effect local pricing even the fresh squeeze price. On reading page 157 of the report I could not believe what I was reading, that a tariff could be placed by the Australian Government towards the bond rate of 24% without breaching WTO rules without the need for a safeguard investigation- Why was this not done in the past???

It seems that citrus growers have been led up the 'garden path', when some action could have been so easily taken in previous years. The graph on page 181 showing that citrus has lost the most assistance from 1981 to 1997. What was not shown was the car industry, it still having a 15% Tariff. If removed Mishubishi would be gone within a year.

As for statements made by Juice factories and soft drink companies they are there to look after their shareholders cheap juice imports would suit them for mixing cocktails. We as citrus growers have very little power, we have no hope of striking like school teachers, etc.

McEwen would not of stood for this.

Yours Sincerely

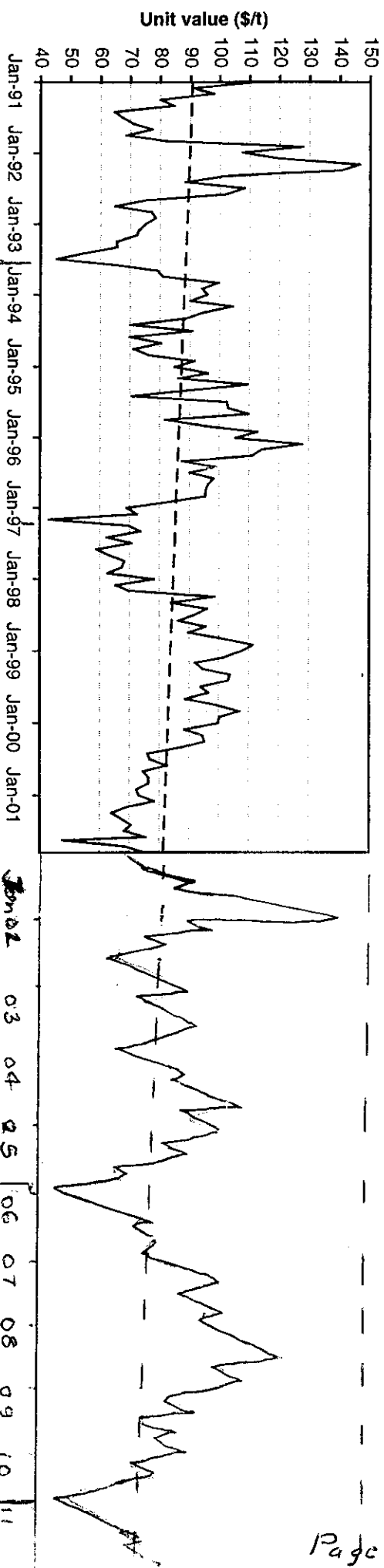


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P.S.

Did Mountain Maid cannery close because of imports of Apple Juice from China.

Figure 3 Nominal unit value of imported frozen orange juice, 1991 to 2001



Our Future forecast.

Graph shows low prices of below 50 a ton, in this period we received less than \$100 per ton showing that imported FCOJ effects all parts and prices including our Fresh Squeeze price is taken

The graph also shows growers trips to Canberra to no avail - 93 - 97

Why does it take the Australian Government 240 days to take action on dumping, when it takes the U.S.A. 2 weeks.

Continuation of Graph foresees future low prices including dumping approx 2006 - 2011 if no action what is required is a tariff or price support when the imports come in at below the present approx \$140 per ton