

2nd December, 2001

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

Dear Sir

The purpose of this submission is to put forward some of our observations concerning the profitability of growing citrus through our experience of being involved in the industry for the past 50 years.

Mort and I purchased Farm 730 in 1955 after being involved in the citrus industry on the NSW Central Coast. This meant a return to the farm on which Mort had lived as a child, so you could say he has been involved with fruit growing all of his life. We had a mortgage to repay and there was a need to purchase machinery. In 1960 we purchased Farm 738, which we managed to complete the final payment for six years later.

We managed to save money, which was later used to assist our three sons to purchase land on which they developed their own orchards. We also had funds available to enable our family to be among the original shareholders of the Citrus Juices juice factory, situated at [undecipherable], which is now owned by Berri.

We had finance available to upgrade our machinery, which was necessary for our family to work the 200 acres we now farm.

Farms 730 and 738 are now completely under the production of citrus; approximately one third are navels and the remainder valencias. The majority of trees are in full production and the remainder in various stages of growth.

Upon looking back over the years it is obvious for much of that time citrus production was profitable, but in most recent years what we manage to save in one year has to be spent in order to survive the following year.

Many things have remained unchanged. We still have to battle with climatic hazards. Mort still works the farms at the age of 75 years.

Citrus yeilds often alternate - with one year a heavy crop and the next a light crop. During the early years when there were light valencia crops we were paid a higher price, but now the contract juice price remains the same because of the availability of cheap imported concentrated juice. When we had heavy crops the juice factories tended to put concentrate juice aside for the following year, when a light crop could be expected. During the 2000 --- 2001 season when we had fruit in excess of our contract price, we were only paid from \$50.00 to \$95.00 for this fruit, which would only cover picking and transport costs.

While many authorities advocate that export is the way to go to increase the profitability of the citrus industry, it might not be known that although citrus growers might deliver quality fruit to packing sheds, this does not mean that there will be a good return to the grower. In fact in recent years both growers and packing sheds have lost money when exporting citrus. There arc many things that can go wrong which are out of the control of the growers and packers.

The costs experienced in conducting citrus growing in Australia are high. Such items as insurance, repairs, accountancy, sprays, fertiliser, power, fuel, labour and all other operating costs are expensive in our country. The Government should inquire into obvious dumping of subsidised orange juice concentrate from Brazil into Australia. It is hard to comprehend how the product can be grown, harvested, processed and transported half way around the world for below the Australian cost of production. Much of the income made on citrus orchards in our country at present is used to meet the operating costs.

It is obvious that very experienced, industrious citrus growers are now finding it difficult to make a profit relevant to the hours they work to produce citrus fruits - an important food for a health-giving diet.

Yours sincerely,

(signed)

JMC and JML Morris.

Included with this submission were two extra pages which could not be reproduced clearly in an electronic document for publication on the website. The pages were:

- 1      Recipient Created Tax Invoice for May 2001
- 2      Recipient Created Tax Invoice for October 2001