

**SUNRAYSIA CITRUS GROWERS INC.**

## RESPONSE TO PRODUCTIVITY COMMISSION POSITION PAPER ON CITRUS GROWING AND PROCESSING

Sunraysia Citrus Growers Inc. (SCG) is an agripolitical body representing citrus growers in the region known as Sunraysia which is approximately 150 km radius of Mildura.

SCCT is a member of Australian Citrus Growers.

SCG did not make an initial submission, choosing instead to support the ACG position. SCG did take part in a forum held by the PCI in Mildura.

SCCT is surprised and concerned at the Position Paper as some recommendations are beyond the scope of the Inquiry and many industry problems and issues are not addressed. It was the expectation of SCG that the Commission would put resources into its own research and investigation. Growers expected the Commission to address the problems that growers can't and offer solutions.

## COMMENTS ON DRAFT RECOMMENDATIONS

- 7.1 Agree - Quality citrus needs a large labour input. How does Australia compare or manage in comparison to best practice and like producers, eg USA, Europe and South Africa? Do our labour arrangements vary from those of our competitors? What specifically can be done to move Australia to comparative best practice in labour costs.
- 7.2 Agree
- 7.3 Agree - In fact such information is already forwarded. We hope you didn't spend too much time working this one out.
- 7.4 Agree - Remember, it was a government decision to increase the export component of the citrus industry, therefore they can pay for this.
- 7.5 Agree - Who can make AQIS comply? SCG has spent some time on this with the Member for Mallee John Forrest. On this issue it appears AQIS do as they wish.
- 7.6 Agree - We thought this was the way things are now and we believe this is beyond the scope of the Inquiry.
- 7.7 Agree - Something we thought was in place and an important role for HAL.
- 7.8 Strongly disagree and we are sure you will have had plenty of opinion on this

SCG Recommend:: Include Recommendations 1,2,3,4  
Delete Recommendations 5, 6, 7, 8

## ISSUES THAT SHOULD BE CONSIDERED

1. **The Future**  
Matching production to markets. Are there profitable opportunities for current Valencia growers to make the change to?
2. **Competitiveness (benchmarking)**  
Given the long lead times in citrus will there be profitable markets in the future? What needs to happen to ensure profitability? What advantages from government do our competitors have compared to Australia?
3. **The Fresh Juice Industry**  
What does the Commission see as the future direction of this sector? Can navels be used for fresh juice? With the increase in navel production and thus the increase in overrun, do we have a "home" for this overrun at what price?
4. **Innovation**  
How does the Australian industry compare with its competitors? I believe we have a good record, however how do our competitors manage innovation? Can we do better?
5. **Larger Fruit**  
Markets are trending towards a demand for larger fruit. Can larger fruit *be* produced economically and reliably and what support *will* be necessary for a general industry to take up this technology? This issue could even consider whether we are growing our fruit in the right areas. Which.. if any areas need to relocate?
6. **Labelling laws**  
SCG still believes consumers are confused by the current laws and the Commission should be able to produce a recommendation on this.
7. **Redevelopment costs**  
To redevelop a property versus going to green field site. The Commission should analyse the economics of this issue and if green field turns out to be a clear economic choice then develop recommendations on an exit strategy for existing properties.

## ISSUES /COMMENTS WITHIN *THE TEXT OF THE REPORT*

- I. **Safeguards XXXVI,**  
It is the view of SCG that safeguard measures were used to entice the Dairy industry to de-regulation. However, post de-regulation no one cares,
2. **Retail Grocery Trade Code**  
How do small players use this code in the ci" industry? The PCJ should draw up a plan.
3. **Glossary (X111)**  
"cold infestation" should read "cold disinfestation-
4. **Participation**  
The report seems to be light on when it comes to the industry beyond the farm gate pp 62. What is the Commission going to do about broader participation?
5. **The MarketingChain**  
Has the Commission looked at the supply chain to see if growers' difficulties are caused by being ripped off. Does the risk associated with each step in the chain equate to the return?

## SUMMARY

Once again it appears that only growers are baring their souls to this Inquiry. The rest of the chain does not appear to be participating. The Commission meant to have an inquiry into citrus growing and processing, Growers are about halfway through a twenty year restructure in the area SCO represents, This restructure was forced on growers and I am sure the switching costs were massively underestimated by the government of the day.

Growers strongly disagree with your observation that the FM price only marginally affects the fresh or case returns to the farm. Years when FM are low have been difficult for most citrus growers,

It is a strongly held belief amongst growers that Australia may lead the world in Trade Economics Theory but lags sadly behind in World Best Practice in economic management of the citrus industry.

Peter Crisp  
Chair, Sunraysia Citrus Growers Toe.  
13.03.2002