

To the Australian Productivity Commission,

As an Australian fruit grower, what happens to SPC Ardmona (SPCA) has a direct impact on my business and livelihood.

SPCA has been hit by the flood of imported products appearing on supermarket shelves as a result of the high Australian dollar. The drought and floods did not cause the damage to SPCA – imports began rising before those natural disasters and have continued now that conditions are more normal.

As growers we are used to dealing with droughts and floods, but we cannot deal with the loss of the only processing plant that can process our produce.

What happens to SPCA will also affect the Goulburn Valley region

SPCA employs hundreds of workers directly but the impact of SPCA closing down would severely impact the whole region in terms of employment and income lost as well as social disruption.

I produce canning peaches and pears and have approximately 67 acres. My supply to SPCA is approximately 85% of my income. My quota for the 2014 season has been dramatically reduced. We are left with little alternative but to destroy our trees.

As a result of this reduced quota I am forced to make dramatic cuts to my own staff and farm spending. Spending less on my business costs means I am putting less money into our community, and as all other surviving growers will be doing the same. Wages will be cut by at least \$80,000 and other farming costs by at least \$60,000. Two local people are employed on a casual basis most of the year. This could stop.

Like SPCA, I have invested in our business to make it competitive. My son John, came to join me on the orchard in 2000. Since then we have established new plantings, and upgraded machinery and the irrigation system. The low profitability because of static prices and reduced cannery quotas has meant that John had to seek training in other field. He would have liked to continue but unless the fortunes of SPCA are turned around there is no future for any of us. The flood of cheap imports threatens to undermine everything I have done.

Our industry needs breathing space so that we can survive and then undertake the investment and productivity gains necessary to compete against imports longer term.

SPCA is asking for temporary breathing space through tariffs which are allowed under the WTO Safeguards Agreement.

I strongly support this reasonable request. In particular we support SPCA being given emergency provisional safeguards for 200 days, followed by longer-term full safeguards.

If this industry does not turn around and SPC Ardmona closes, my livelihood and career is over. I, along with many others, will have to re-educate myself into another field. That is why SPC Ardmona must survive. It is almost 100 years old and my family have been part of this for 91 years - as a soldier settler at Lemnos near Shepparton in 1922.

Shepparton, the Goulburn Valley and Australia need this company to regain strength and thrive like it once did.

Yours sincerely,

David Stephens

11<sup>th</sup> July 2013