

## **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 peaches, pears, apricots and apples and have approximately 60 of acres. My supply to SPCA is approximately 95% of my income. My quota for the 2014 season has been dramatically reduced and complete shutdown for my peaches and apricots, not to mention that my pear quotes over the years has reduced to a 1/3, thus making farming unviable. We are left with no alternative but to destroy our trees. We cannot pay our rates, water rates, drainages, surface drainage and power bills. In addition, all the investments that we have made into our farms such as coolstores, irrigation systems, graders, machinery, etc. will suffer a dramatic loss in value, making them worthless. On top of this there is not current support of assistance to assist in the removal of 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, which is having a direct impact on our town and every business operating in Australia from mechanical, fuel, fertilisers, transport, machinery, etc. In my own circumstances I employ 24 people, whom all will now be affect, as I do not have the income to support the operations.

Selling fruit in the Wholesale markets is not even options these days, as all supermarket chains now deal directly with large growers, leaving the small to medium growers fighting the price battle with cheaper imports and losing. The supermarkets themselves have destroyed the small to medium fruiterers.

Like SPCA, I have invested in our business and SPCA to make it competitive. Last year I planted peach trees and paid royalty per tree for a new variety and have been now stripped of my complete quota forever.

However, 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, yet do not have the reading and writing capabilities. My son has assisted in putting together this response. That is why SPC Ardmona must survive. It is almost 100 years old and my family has been part of this for 60 years.

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

Yours sincerely,

*Anthony Madafferi*