

To the Australian Productivity Commission,

As Australian fruit growers, what happens to SPC Ardmona (SPCA) has a direct impact on our business and livelihood, the employment of many Australians, the economy of the local businesses and the future development of the Goulburn Valley region.

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.

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.

We produce pears and peaches and have approximately 400 acres. Our supply to SPCA is approximately 60% of our income. Our quota for the 2014 season has been dramatically reduced. We are left with little alternative but to destroy our trees. This degree of reduction in income production seriously puts our whole property in an unviable situation. Fixed costs such as council rates, water rates, interest on bank loans and lease payments on dedicated orchard equipment will have to be met from a much depleted income. We have grave doubts that this is possible.

As a result of this reduced quota we are forced to make dramatic cuts to our staff and orchard spending. Spending less on our operating costs means we are putting less money into our community. All other surviving growers will be doing the same. During harvest we expect to employ fifty less seasonal employees and at the current time we have reduced our labour force by ten.

Like SPCA, we have invested in our business to make it competitive. The peach block has recently had a \$75,000.00 frost fan installed for the protection of these trees during critical blossom time. This is to ensure a consistent supply of product to SPCA, despite the weather conditions. As we have been informed that we no longer have a peach contract with SPCA this unit is now redundant, but still lease payments must be made. To optimise the performance of this fan we have installed a \$20,000.00 weather station to ensure the best possible performance of this equipment, which also has on-going costs.

The flood of cheap imports threatens to undermine everything we 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.

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

Unless there is a dramatic turn around in the current situation we believe that our families and the families of our employees will be in dire financial situation.

The fruit industry in the Goulburn Valley is almost 100 years old and our family has been involved and investing in this industry since its inception. Many of our employees have also demonstrated loyalty, dedication and skills for the industry they feel part of and rely on for their livelihood. Many families are in their second and third generation of involvement.

Shepparton, the Goulburn Valley and Australia need this company to survive! It must maintain its viability, its competitiveness and its ability to contribute to the local and national economy.

In appreciation of the opportunity to convey our situation,

Yours truly,

Roger A, Lynda D & Matthew R Lenne
Calimna Orchard

12/07/13