



Victorian Peach & Apricot Growers' Association INC

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President: Mr. Tony Latina **Secretary: Mrs. Barbara Coleman**
A.B.N. 74324185253 **INC. No. A 14923 E**

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Submission to Productivity Commission into Imported Processed Fruit Products.

Background:

VPAGA is an affiliation of Cobram Fruit Growers Association and Invergordon Fruit Growers Association. The aim of VPAGA was to work for growers involved in the both canning and fresh fruit industry.

Growers pay a levy to be a member of VPAGA and the President and the Executive members represent growers on various committees. We are a member of the Canned Fruit Industry Association and Summerfruit Australia, and have representatives on the Peach Breeding Committee, Victorian Fruitgrowers' Council Industrial Committee, Goulburn Valley Orchard Census Committee and the Victorian Farmers Federation.

The object of this Association is to work on behalf of all growers be it canning or fresh varieties and to keep them up to date with all the current information. This is achieved through grower meetings, mailing information and over the last few years to a greater extent by email.

Executive meetings are held on a monthly basis to discuss current issues and what action can be taken.

The representatives attending meetings with SPCA have worked with the cannery and over the last few years have been aware that the cannery has been in difficulty due to the cheap imports and the high dollar. VPAGA were also aware that the cannery has invested in modernising the plant to enable more cost effective production in an attempt to stay competitive on the Supermarket shelf.

Due to the high labour costs and government regulations it has become more and more difficult to compete with low cost countries. This has been compounded by the fact that the Federal Government has given other countries free access to Australia whilst at the same time agreeing to pay tariffs to enter their country. The tariff into these countries was proposed to be on a basis of reducing over periods of 10 to 18 years. "There was obviously no Level Playing Field"

Unfortunately over the past 3 years cannery intakes have reduced dramatically and prices for some fruit products were reduced. Leading up to this downturn required growers have been planting trees as per usual practice based on advice from the cannery field representatives to meet their crop targets.

To rationalise the industry by having less but bigger growers and to assist growers the cannery advised growers of longer term planting plans and intake expectation.

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Affiliated: Cobram Fruitgrowers' Association and Invergordon Fruitgrowers' Association

Three years ago a number of growers were advised that they would only be able to supply fruit for the next 3 years and the intake required would be reduced on a yearly basis which meant that they had to phase out of peach production. Many of these growers did not have the hectares to change over to stone fruit given the fact that you have to stagger plantings over periods of up to 8 years to be able to trade successfully in the fresh fruit industry.

Whilst no one was happy with this arrangement it was obviously a much better option than growers received this year.

The same even more difficult situation applies now to all those growers who were advised this year that they are no longer required by SPCA. The situation for these growers is even more difficult as there was no phase out period offered and following 3 years of no price increase and reduced intakes they do not have the finance to continue in the fruit industry. The recent survey of grower's undertaken by Fruitgrowers Victoria and VPAGA, and submitted to Government shows that many have operated at a loss during this period.

The cost of removing canning fruit trees and replacing them with fresh market fruit trees or moving into a new industry is well beyond their means.

Cobram Community and VPAGA

The affect of all these events on the Community and local businesses is still to be fully realised.

The number of workers required by orchard owners has been dramatically reduced and the effect on businesses within the community is twofold – not only have they lost customers but are not sure that they will be able to recover funds owing to their business.

The affect on VPAGA is that we have lost some members and some who would like to be members simply cannot afford to pay levies.

Victorian Government actions in regard to fruit fly control have also made export a very difficult and expensive proposition as some countries have applied new regulations on imports thus dramatically reducing export opportunities. The Sunraysia area is the only area receiving Government assistance to control fruit fly.

Productivity Commission.

It is the hope of VPAGA that the Commission will realise the serious situation fruit growers are facing and will take some action to address what appears to be unfair and unrealistic trading arrangements with other countries.

We have no doubt that Food Manufacturers be it fruit or vegetable are all facing the same situation as SPCA – that should be obvious to both the Federal and State Governments with many Companies moving off shore to New Zealand and other countries or simply shutting the door and thus reducing employment opportunities.

It has been stated by the Federal Government that Australia will become the “Food Bowl for Asia” but unless some changes are made we will not have any growers left to supply Quality Products for Australia.

Barbara Coleman
Secretary