



# Pistachio Growers Association Incorporated

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Productivity Commission  
Rural Research and Development Review  
LB2 Collins Street,  
MELBOURNE. VIC. 8003

Dear Commissioners',

RE: Draft RDC Review: Public Funding for Non-levy Contributions

The Australian Pistachio Industry wishes to comment on the remarks made on Page 235, Chapter 9.5 of the Draft Report on RDC's with particular emphasis and concern with the matching of non-levy contributions for research and development.

The Australian Pistachio industry consists of about 30 growers and has a crop value of about \$12 million per annum (average over the two year crop cycle). The small number of growers means that the Pistachio Growers' Association Incorporated (PGAI) can raise R&D funds on a voluntary basis without the need for a levy. The contribution rate is quite high \$0.12/kg or about 1.5% of the crop value. Despite this the PGAI collects about 98% of the potential contributions – as high as would be achieved by a levy.

The voluntary contributions avoid the costs and inflexibility of the statutory levy system. The growers demonstrate their ongoing support for the Pistachio R&D by agreeing annually to make the voluntary contribution. This system has been in place since the mid 1990's and the contributions have never been below 95% of the potential. Pistachio growers clearly support the voluntary contribution system.

The PGAI is a class B member of Horticulture Australia Ltd (HAL). The Pistachio Industry R&D projects are subject to exactly the same reviews and procedures as those of other HAL members. The PGAI operates as a Peak Industry Body exactly the same as the levy collecting members of HAL. The sole point of difference is the method of raising the R&D funds.

**If matching funds for non-levy contributions were to be removed pistachio growers would be severely disadvantaged simply because we are united, tight-knit industry.**

The Pistachio industry is young and small. The first commercial orchards were only planted in the mid 1980s. As a result of PGAI/HAL funded R&D, pistachios are now a viable, profitable crop. Expansion of orchards started in about 2005 but the drought put several projects on hold. With the return of water, the expansion plans are now again being considered.

In the mid 1990s when new, small industries were cut from the budgets of the State Department of Primary Industries, only the predecessor of HAL, the Horticulture Research and Development Corporation (HRDC) would assist. The Rural Industries Research & Development Corporation (RIRDC) refused to assist. By then the industry was ten years old and not “new” and hence not “eligible”.

In the mid 1990’s the Pistachio industry faced a unique bacterial disease, *Xanthomonas translucens pv pistacia*. After a decade of research, through HAL, at a total cost of over \$1 million, the disease is under control and no longer killing trees. Fortunately, HAL was able to channel public funds to match the contributions of a struggling industry. On our own, we would not have survived.

**Pistachios are now a thriving, expanding, albeit still small, industry.**

The suggestion in the first paragraph of Chapter 9.5 of the Draft that RIRDC will assist the voluntary contributions of small, emerging industries is not valid, at least with respect to the unfortunate experiences of the Pistachio industry in the mid 1990’s. Hopefully RIRDC has improved. There is never any certainly that RIRDC will assist a new, small industry. The current HAL system of providing matching funds ensures that R&D support is available, subject to the usual review procedures that exist for all HAL projects.

The PGAI is not the only HAL member that successfully operates without a levy. Other HAL members also increase their efforts on research by sourcing other voluntary contributions. The removal of public funds for non-levy contributions would significantly reduce the funds available for R&D in the Pistachio industry.

**The members of the Pistachio industry would not ‘pick-up’ the difference if the matching R&D funding is reduced and/or removed from voluntary contributions.**

As previously indicated, The Pistachio industry receives no support from the State Department’s. The Victorian DPI provided some assistance until 2008 but Pistachios no longer fit within its strategic plans.

Under the PISC arrangements, Pistachios have Tasmania as the lead agency but will not grow in Tasmania. This highlights how inadequate the National Framework for Horticulture R, D and E is in relation to many crops.

The Pistachio industry is a very independent and resilient industry so does not seek sympathy or pity due to the lack of interest by the State Departments. However, we do seek the same level of support from the Australian government as enjoyed by other similar industries despite not needed to raise funds by way of levies.

Yours faithfully,

*Chris Joyce*

*Trevor M Ranford*

Chris Joyce  
Chair, Pistachio R&D Committee

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