



Citrus Growers of South Australia Inc.

6 Wilson St, Berri, SA 5343

Phone: (08) 8582 1561
Fax: (08) 8582 3513

Email: cgsa@riverland.net.au
A.B.N. 87 801 571 534

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SUBMISSION TO

Constitutional Corporations (Farm Gate to Plate) Bill 2011

Citrus Growers of South Australia (CGSA) is the grower organisation representing 450 growers in South Australia.

As with many other commodities citrus growers constantly struggle to survive on the returns they receive for their fruit even though SA citrus is very often recognised as the best in the world.

Constantly increasing cost of production and harvest labour contribute greatly to the battle to remain viable, together with water restrictions during the recent drought and the high Australian dollar which have seen returns for export fruit at not much more than cost of production or in some cases negative.

Over many years CGSA has been very active in lobbying government for measures to keep our industry sustainable into the future and support any measures for increased food security for Australia and overseas. We have also pushed for tougher labelling laws allowing consumers to know the content of what they are buying, therefore providing the choice of buying local or imported product.

CGSA believes that the 'Farm Gate to Plate' Bill has been put forward with the best of intentions to assist and protect Australian farmers and growers however we feel it will not be totally clear or have complete transparency and could have a negative affect as a result.

Areas that need to be considered within the Bill should be:

- To only show the sale price and amount paid to the grower at the point of sale does not take into account all other charges in between:
 - E.g. Packing, transport, marketing and agent costs, advertising and promotion costsWhen these costs increase it does not increase the price on the shelf, it decreases the return to the grower – the lowest point in the chain.
- Marketing plays a big part of how much a grower receives, good or bad marketing does not generally change the retail price and growers are basically at the mercy of marketers.
- To average prices paid to growers over a 12 month period does not really reflect a real price, in many cases this can vary considerably during a season.
- Reducing retail prices will ultimately fall back on the grower as those further up the chain will not reduce their percentage of profit, this will only reduce the return to the grower.

- If there is not complete transparency it is possible that consumers may react to seeing what appears to be the supermarket 'ripping off' producers and reduce their purchases, therefore a negative result.
- If consumers react by perhaps opting for frozen rather than fresh or other products such as muesli bars for example, how do they know if the manufacturer of those products has not 'ripped off' producers as well (vegetable, grain, dried fruit growers)? What percentage do the bean producers of baked beans get? Should this legislation apply to all food products grown in Australia?
- The legislation would be very difficult to police. We already have labelling laws which are not being adequately policed.

CGSA encourage initiatives that support growers receiving higher returns but feel that the 'Farm Gate to Plate' Bill will not achieve this without every link in the chain being made totally transparent and may in fact have a negative affect if implemented as proposed.

Mark Chown
Chairman.