



The Australian Chamber of Fruit & Vegetable Industries Ltd MB
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SUBMISSION NO. 15
Horticultural Code &
Farm Gate to Plate

16 December 2011

Committee Secretary
House of Representatives
Standing Committee on Agriculture,
Fisheries, Resources and Forestry
PO Box 6021
Parliament House
Canberra ACT 2600

**Ref: Submission to Parliamentary Standing Committee Enquiry -
Competition and Consumer Amendment (Horticultural Code of
Conduct) Bill 2011**

The Australian Chamber of Fruit and Vegetable Industries Ltd (Australian Chamber) has carriage of the 400 primary wholesalers in Australia through its state member representation in each of the six central markets in Australia. This sector makes a significant contribution to the Australian economy including:

- Through-put value of Australia's central markets ranging between \$7 – 8 billion dollars annually.
- Through-put by volume exceeding 4 million tonnes annually.
- The wholesale sector owns approximately 30% of production in Australia and either joint ventures or finances approximately another 30% of Australia's production.
- The wholesaler sector continues to act as 'the bank' for the fresh produce industry complemented by 'credit servicers' run in each of the six central markets by Australian Chamber members and affiliates.
- Wholesalers contribute significant resources to collecting and forwarding R & D and Marketing levies on behalf of producers to the Levy Revenue Service and other bodies where voluntary levies have been agreed.
- Investment by wholesalers in facilities across the six central markets exceeds \$1 billion dollars and is often coupled with further significant investment outside the boundaries of the central markets.
- The Australian central market system is a critical infrastructure component of the Australian community having access to affordable, healthy and nutritious fresh produce.

The Australian Chamber and its members have previously corresponded the many shortcomings of the Horticultural Code of Conduct (HCC) both prior to its inception in 2007 and since its implementation. As well, the Australian Chamber made submissions to the Federal Government's review of the ACCC including the review of

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the HCC in 2009, and made comment to the Federal Agricultural Minister's Code Committee Recommendations following the initial review.

The Australian Chamber's primary position is that the HCC is currently unworkable and it requires urgent remedial attention. To this end we have impressed upon the Government to implement the Code Committee's recommendations that were finalised in 2009.

With regarding to the Competition and Consumer Amendment (Horticultural Code of Conduct) Bill 2011 of the Honourable Bob Katter, although well intended, it falls far short of the urgent requirement of 'making the HCC workable'! We have previously published our position with regard to his Bill and attach a copy of our release in October 2011.

The Australian Chamber requests that this Standing Committee makes recommendation to the House that the Minister for Agriculture, Fisheries and Forestry implements the Code Committee's Recommendations from 2009 forthwith.

Yours sincerely

Shane Schnitzler
President
The Australian Chamber of Fruit and Vegetable Industries Ltd



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Growers Disadvantaged under Katter's Horticultural Code Bill

The Australian Chamber of Fruit and Vegetable Industries Ltd, representing wholesalers in Australia's six central produce markets, have rejected Mr Katter's Private Members' Bill relating to the Horticultural Code of Conduct.

"Mr Katter's Bill does nothing to fix the unworkable Horticultural Code. It would make a bad situation worse for the industry and would significantly disadvantage growers in particular", said John Roach Executive Director of the Australian Chamber.

"The Katter Bill does not have the support of retailers, wholesalers nor the majority of growers or grower groups", added John

The Australian Chamber has always been a strong supporter of wholesalers publishing their terms of trade for business clarity and certainty for producers. Many wholesalers have been dealing with the same growers for decades often extending to second and third generations.

"I am not sure where Mr Katter is receiving his advice from but it surely isn't from main stream wholesalers and growers", said John.

"This industry produces and trades the healthiest produce in the world – some \$7-8 billion dollars annually, but we need a regulatory framework that is in line with the rest of business in Australia or a Horticultural Code that works properly. Neither the Katter Bill or the current Code gives the industry the tools to function properly", stated John.

The Katter Horticultural Code Bill has been referred to the House of Representative Standing Committee on Agriculture.

Contact
John Roach

13 October 2010

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