



The Australian Chamber of Fruit & Vegetable Industries Ltd MB
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The Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir / Madam

Ref: Inquiry into: The Grocery choice website

Firstly, it is appropriate that you have some understanding of our organisation and the industry. **The Australian Chamber of Fruit and Vegetable Industries Ltd** is the peak body in Australia for wholesalers in the fresh fruit and vegetable industry. The sector is concentrated to six central markets in Australia with approximately 400 major wholesalers.

To put the sectors' influence into perspective, it has an annual through-put in the order \$7 billion dollars and volumes in excess of 3.5 million tonnes. Approximately 75% of fresh fruit (including nuts) and vegetables produced in Australia either passes through the central markets or is directed by wholesalers to end point destinations.

Over 95% of throughput is 'Australian Grown' with the balance being from New Zealand and some counter seasonal produce from a variety of countries. The sector is also a key exporter to many countries and is a "balancing counter" to the demand / supply interface on a daily basis.

Added to this has been industry integration where a key portion of production has been acquired by or in conjunction with wholesalers and to a lesser degree the food service sector and some retailing. This integration has accelerated over the last few years and is primarily driven by wholesalers securing both supply and marketing channels.

A goal of the Australian Chamber has been to address the social responsibilities of the industry with regard to consumers' health and wellbeing. The sector is passionate towards the health qualities of fresh fruit and vegetable and has a keen desire to share these attributes with consumers and has a strong view sense of need for a healthy Australian population.

The national health surveys show that the Australian population consumes approximately half of their daily health recommendations for fruit and vegetables. As well, there is no comfort drawn between these figures and the rise in the overweight and obesity reports regularly being released. Indeed, **it is a national disgrace!**

The Australian Chamber of Fruit and Vegetable Industries Limited is the national industry body representing wholesalers and supporting businesses in Australia's six central fruit and vegetable Markets. Collectively our members employ several thousand people and have a combined turnover of some \$7 billion at wholesale prices.

This has been borne out in the *Australia: the Healthiest Country by 2020* from the Preventative Health Taskforce under the Department of Health and Aging, September 2009.

Prior to the 2007 Federal election extensive debate took place regarding grocery pricing and the gap between what producers receive and the what consumers pay with a particular focus on fresh produce – “fresh fruit and vegetables”.

This was further highlighted in the ACCC Grocery Inquiry in 2008 and the inclusion of the Horticultural Code of Conduct review that was aligned to this Inquiry. The industry is yet to see the Federal Minister for DAFF’s recommendations regarding the above review, and possible implementation and implications, but clarity and certainty are the underpinning pillars being sought.

Unfortunately the Horticultural Code of Conduct has badly failed the fresh produce industry since its instigation in May 2007 and has created disharmony and dissatisfaction between many long-standing businesses and relationships.

On a broader scale from an industry perspective, and the handling of fresh whole produce, there is a need for far more harmonised food labelling laws, consumer certainty through their ‘right to know what they are purchasing’, and clarity and transparency in availability, pricing and packaging within Australia and regardless of state boundaries.

Some background may assist the debate in that the fresh produce industry were strong drivers of Country of Origin Labelling (CoOL). This drive came from producers and occurred in 2006 following much debate and media coverage through 2004 -05. This was predominately lead by the vegetable industry at a production sector level and was further expanded to other agricultural production industries.

Indeed, in a previous role (CEO of AUSVEG), I was appointed to Cabinet’s Food Labelling Strategies Working Group under the then Minister for DAFF Peter McGauran from where ‘Australian Grown’ was born (2006 – 2007). This is a registered trade mark and implementation was with the Australian Made Campaign. You will note that this is now called Australian Made, Australian Grown Campaign Ltd. This was viewed as the second part of the CoOL debate.

The difficulty through all of this was that the food labelling laws were difficult to match both from an international perspective and from within Australia. It was not until the Rudd Labor Government lifted the debate regarding consumers’ rights and their grocery inquiry that these issues find their way to centre stage.

Therefore, one of the promises towards clarity was a *grocery pricing website*. Indeed both consumer expectations and those of the fresh fruit and vegetable industry has been one of an ‘anticipated commencement day’. Unfortunately this does not appear to be the case and hence this inquiry.

The Grocery choice website

The Australian Chamber is not in a position to comment on some of the specifics regarding the proposed *Grocery choice website* particular as we were not privy to both the process of establishing the objectives and the subsequent expenditure by the Federal Government in exploring possible avenues to arrive at a functional, transparent, cost effective and usable consumer website.

However, it is appreciated that serious expenditure by the Government has been spent in attempting to instigate the site.

The Australian Chamber position is to support a website for consumer use in price comparison for 'Fresh Produce' (being fresh fruit and vegetables) as this is specific to everyone involved in our industry.

To this end the Australian Chamber contends that a consumer website is feasible, would be of value to consumers, and would need to be accessible and user friendly in its function.

It is noted that the Australian Chamber members undertake 'price reporting' and this data is used by ABS and ABARE in ascertaining GVP for fruit and vegetable production.

Indeed, the Australian Chamber offers that if funding were made available it would consider undertaking the development, management and reporting of such a site for the fresh fruit and vegetable industry. This is in the context that the reporting is undertaken at a retail level across Australian and designed to inform consumers of pricing at major chain and independent retail outlets.

In summary, the Australian Chamber is of the view that, given the importance of this sector to the Australian consumers and the volatility of pricing of fresh fruit and vegetables, a consumer website on price reporting should be funded by public funds. And the Australian Chamber offers to provide such a service providing that it is appropriately funded to undertake this task.

I thank you for your invitation to comment on the *Grocery choice website* and offer assistance if you so wish to further comment or appear before the Committee to further elaborate if required.

Yours sincerely,



John Roach
Executive Director