

Committee Secretary

Senate Standing Committees on Rural and Regional Affairs and Transport

Po Box 6100

Parliament House

Canberra ACT 2600

Review of Citrus Industry in Australia

Dear Sir / Madam

Terms of Reference item (f) any related matters

My name is Peter Taprell and I have been employed as Branch Manager for Yenda Producers Co-operative Society Limited at Griffith NSW for almost 15 years.

Yenda Producers is a farmer's owned co-op that has been trading since 1925. We have 3 stores in the towns of Yenda, Leeton and Griffith with approximately 1700 shareholders. We supply a large range of agricultural inputs required by farmers in the Murrumbidgee Irrigation Area (MIA) and currently employ over 50 staff. The following comments are my perceptions of what is happening with our customers who rely on citrus to make a living, and how things have changed over the last 5-10 years with their ability to survive into the future

The citrus industry has been a very important part of the MIA since irrigation commenced in 1913

The Riverina is the largest citrus growing area in Australia producing about one third of the national crop and two thirds of juice production.

In the past citrus farmers contributed greatly to the wealth and prosperity of our region and invested in our local towns, employed local people, building communities and establishing farming businesses that were at the cutting edge of technology and productivity.

They worked hard and were rewarded with fair returns for their efforts. Unfortunately those days appear over

Yenda Producers currently have 135 citrus farmers who operate "30 day trading term " accounts for purchasing their farm chemical, fertilizer and other inputs from our 3 stores. Over the last 5 years I have witnessed firsthand the impact of low (below the cost of production) returns from citrus in our area. Farmers who in the past "paid on the day" or "strictly 30 days" for all their requirements have been forced to ask for seasonal credit because they do not have the money to pay their bills and their Banks refuse to give them additional credit or an overdraft facility.

Currently our citrus customers have a combined overdue debt of over \$1,000,000.00

This may not appear a great amount however it represents a massive change over the last 10 years.

Farmers over the last few years are unable to cover basic farm input costs such as rates, water charges and electricity. They have been forced to obtain off farm employment to survive and provide food for their families. Older citrus farmers who have spent their entire lives growing citrus are possibly the hardest hit. The value of their biggest asset (their farm) has fallen drastically over the last 10 years. Their children are unwilling to commit to citrus farming because they have seen what has happened to their parents and the financial burden that comes with trying to make a living from oranges. There is no progression from one generation to the next.

This has resulted in a large number of abandoned farms in the MIA where people just stop looking after their orange trees. It is a depressing sight to drive past these once pristine farms and look at what has become of them.

I shudder to think of the physical and psychological affect this has on the farmers who see their life's work ruined because they cannot sell their oranges at a fair prices to generate an income.

To rub salt into the wounds imagine how these farmers feel when they walk into our local Coles or Woolworths supermarket in Griffith and find Californian oranges for sale at prices that are 25 times the value of what local farmers are offered for their fruit. The same frustration applies when our farmers look at orange juice that is sold in Australia that is labelled "made in Australia from local and imported ingredients". The local ingredient is water, mixed with imported orange concentrate that has NOT been grown with the same strict environmental controls that Australian farmers must comply with.

Our orange trees in the MIA are dying because farmers are not able to get a fair return, yet the consumer is forced to buy imported oranges at prices that provide huge profits to the supermarkets and juice processors.

Farmers are told to export their fruit to get better returns, but for who? How logical is it that our farmers must sell their fruit in Japan, China and America because they cannot get a fair price in Australia. This aspect of "free trade" to me is ridiculous.

The points I have made above are my opinions and I realize I do not have all the facts to get a proper handle on what needs to be done to try and save citrus in Australia as we know it today.

That's where this Senate Standing Committee has an important job to do. Work out the problems, work out what needs to be done to try and fix these problems, and make sure it happens.

If it is decided that the citrus industry is not viable in Australia any more, make sure measures are put forward to help restructure the industry and let willing farmers and their families who own citrus properties to make a dignified exit if the desire to do so.

Governments have done this in the past to other industries, this would be better than the "slow death" that appears to be descending on parts of the citrus industry in Australia.

Thank you for your time in reading my submission

Peter Taprell

Branch Manager

Yenda Producers Co-operative Society Limited

11th April 2013