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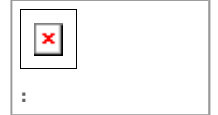
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Growers In Battle With Processors

ROSS TYSON

Fight for better prices on



WITH processing companies holding citrus growers to ransom over fruit prices, some farmers have been left with no alternative but to sell their water, bulldoze their trees and exit the industry. The refusal of many processors to even meet the cost of producing juicing fruit has seen struggling growers consider trading their water on the open market for a return they could only dream of from their plantings. Riverina Citrus executive officer Peter Morrish said the industry had battled for years to extract prices from processors that cover production costs.

"I'm aware of 500 acres that are definitely going to be bulldozed because growers can get more money for their water than they can producing crops," Mr Morrish said.

"If growers are making good money for what they're producing then they can't justify selling their water, but you only have to look around the district and see how dry some trees are and you know they have already made that decision." With production costs reaching about the \$300 mark a tonne for juicing Valencias, many suppliers are only able to earn between \$250 and \$275 a tonne from the processors.

But this season is different, according Riverina Citrus chairman Frank Battistel, because the price of water has given farmers the option to trade all or part of their allocations and recoup their losses. "Trading water either permanently or temporarily actually gives these people a way out where they're not relying on funding from the government to help them get out of farming," Mr Battistel said.

"As much as I hate seeing permanent water traded out of the area, it gives an opportunity for those growers who feel they need to get out of the industry to get out with dignity."

Griffith and District Citrus Growers Association secretary Louis Sartor said growers at a recent meeting in Mildura told the major processors to improve their prices or face the prospect of having people leave the industry in droves.

"People have had enough," Mr Sartor said. "If processors don't lift the prices they're paying for Valencias it will get to the point where continuing to grow becomes unviable and growers will just cash in their water ..."

Julian Caples, a spokesman for National Foods, the market leader in fruit processing, rejected claims growers could not make a profit and said the prices for citrus were set through negotiation with the supplier.

"I believe that we're paying above the cost of production and if somebody's making an accusation that says we're not, I'd prefer they come back to us and we'll have a discussion about it," Mr Caples said.

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