

File number: C2007/880

Telephone conversation with Laura Bowles (LB), representative for the Victorian Potato Growers Association (VPGC)

ACCC officers: Darrell Channing (DC), Sharon Clancy

2 May 2007

At approximately 4 pm, DC and I called LB and asked her the following questions. LB's answers are also included below.

1. Is the VPGC a commodity council of the VFF?

The VPGC is a commodity group that 'stands alone' within the VFF. The VPGC has been asked to join the VFF's Horticulture Council but is not yet a member of the Horticulture Council.

2. When was the VPGC formed?

The VPGC has been around since the 1970s. LB does not know its exact date of commencement.

3. What is the annual membership fee for the VPGC?

\$330 (including GST).

4. Who owns rights to the important potato varieties?

A number of different parties generally own variety rights, including growers, processors and packers.

When a processor owns the rights to a particular variety, it would generally supply seed of that variety to growers to grow for the processor. While growers are expected to supply the crop of that variety only to the processor, they are able to grow other potato crops for other purposes (including for other processors). Victorian processors may contract with non-Victorian growers in relation to particular varieties.

Packers (wholesalers of fresh produce) which own variety rights may also contract with growers to produce crops.

5. Does the proposed collective bargaining arrangement apply to seed potatoes? If so, who buys seed potatoes?

The proposed collective bargaining arrangement does apply to seed potatoes.

Seed potatoes are grown by seed growers who supply their product to processors who in turn supply it to commercial growers. Under the proposed collective bargaining arrangement, seed growers will seek to collectively negotiate such factors as tonnage and price with processors.

6. Does the proposed collective bargaining arrangement apply to ware (fresh) potatoes? If so, who buys ware potatoes?

The proposed collective bargaining arrangement may apply to ware potatoes, so authorisation is sought with respect to ware potatoes.

Packers (such as Moraitis Fresh and Reinitis (sp?)) purchase approximately 85% of all ware potatoes in Victoria. These potatoes are then supplied to supermarkets, restaurants, greengrocers etc.

If a packer does not have enough of a particular variety of potato, it may contact the VPGC and explore the possibility of acquiring more of that variety. In these circumstances, a number of members of the VPGC may wish to collectively negotiate with the packer.

While collective negotiations concerning processing and crisping potatoes will take place prior to the crops being planted, collective negotiations concerning ware potatoes will take place after the crop has been harvested.

7. With respect to the dispute resolution aspect of the application:

- **we note that the Retail Grocery Industry Ombudsman is now called the Produce & Grocery Industry Ombudsman (PGIO)**
- **we seek clarification as to when the VPGC may seek mediation from the PGIO – will it only be sought when a collectively negotiated contract with a buyer cannot be reached?**

LB noted that change in name of the Ombudsman and also confirmed that the VPGC may seek mediation from the PGIO only when a collectively negotiated contract with a buyer cannot be reached.