

MCMAHON CLARKE LEGAL

9 August 2007

Ms Sharon Clancy
Australian Competition and Consumer Commission
via email: sharon.clancey@accc.gov.au

Dear Sharon

RE NELSON ENTERPRISES PTY LTD AND OTHERS - NOTIFICATIONS OF COLLECTIVE BARGAINING

Further to our previous correspondence we have set out below the response to your request for further information in relation to the application.

1. Location of the notifying parties

The notifying parties are located in the central Burnett region of Queensland, specifically Gin Gin and Gayndah.

2. How many citrus growers are located in Queensland? Approximately what proportion of Australia's total citrus crop (or citrus variety crops) does Queensland produce?

Information obtained by our client from the Queensland industry body indicates that there are between 160 and 230 citrus growers in Queensland. The estimated Queensland production is 100,000 tonnes or 60% of Australia's total production of 620,000 tons.

3. What types of citrus fruits do the notifying parties grow? Do the notifying parties grow any other type of fruit or engage in any other commercial activities?

The notifying parties grow lemons, mandarins and grapefruit. Abbotsleigh Citrus (comprising Nelson Enterprises Pty Ltd and Campbells Citrus Consulting Pty Ltd) also run approximately 100 head of beef cattle and grow fodder crops for hay.

Bayntun & Co Pty Ltd run approximately 350 head of beef cattle. Dermark Pty Ltd grow only citrus fruits.

4. What types of citrus fruits do the notifying parties propose to supply to Woolworths and IGA under the notified arrangements?

It is proposed to supply the supermarkets concerned with lemons and mandarins.

5. Do the notifying parties currently supply Woolworths and IGA? If not, who do they currently supply?

The notifying parties do not currently supply the nominated supermarkets. The notifying parties currently supply various citrus wholesalers and market agents in each state.

6. Will the citrus acquired by IGA and Woolworths under the proposed arrangements be supplied to supermarkets nationally or within Queensland or another geographic area?

The intention of the notifying parties is to supply the supermarkets nationally however this will obviously be subject to negotiation.

7. What will be the impact on the proposed collective negotiations if an agreement between the collective bargaining group and Woolworths or IGA cannot be reached?

The parties intend to continue negotiations with the nominated supermarkets in the hopes of reaching an agreement for supply.

Please contact us if you require any further information.

Sincerely



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