



Reference: 07/11305

Department of
Primary Industries and Fisheries

23 AUG 2007

Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

FILE No:
DOC:
MARS/PRISM:

Dear Mr Gregson

Collective bargaining notifications CB00001 and CB00002 lodged by Queensland citrus growers on 31 July 2007

Thank you for your letter of 31 July 2007 concerning the application for collective bargaining by three Queensland citrus businesses.

The Department of Primary Industries and Fisheries (DPI&F) is supportive of this application for collective bargaining by the citrus growers. The department is an economic development agency which has the mission to maximise the economic potential of Queensland's primary industries on a sustainable basis. A key desired outcome is the enhancement of production and distribution efficiencies through the development of more effective supply chains.

The \$80 million Queensland citrus industry is well established and supplies 70 percent, 37 percent and three percent of the Australian mandarin, lemon and orange market respectively. There are already a number of large grower and marketing groups in Queensland supplying the Australian market who negotiate contracts to supply with the major retailers. Enabling another supplier to be able to build supply volumes and negotiate supply contracts with major retailers would provide potential for enhanced competitiveness.

Authorising collective negotiations will allow the three individual companies access to a market segment, that is Woolworths Ltd and IGA Distribution Ltd, to which they are currently excluded due to inability to supply on a regular basis. The encouragement and development of efficient supply chains would appear to offer potential benefits for the community overall, including the consumer and the citrus growers.

Vision Profitable primary industries for Queensland


Mission Maximise the economic potential of Queensland primary industries on a sustainable basis

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Based on the information submitted by the applicants on market share, it would appear unlikely that granting the application would significantly affect prices to consumers. Consequently, it appears unlikely that public detriment from approval would outweigh the benefits from increased supply to consumers.

If you require any further information regarding this matter, please do not hesitate to contact Mr Nick Macleod on telephone 07 3239 6929 or email nick.macleod@dpi.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jim Varghese". The signature is stylized with a large, looped "V" and "h".

Jim Varghese
Director-General