

Summary of Major Issues & Activities

November 2005

Industrial Relations:

- Involved in negotiations between AWU & NFF on changes to Horticulture Industry Award - related to casual loading, minimum period of engagement and conversion of ongoing casuals to full or part-time employment. Negotiations resulted in phase-in over 3 years of increased casual loading
- Supported NFF in opposing the 2004 national wage claim of \$26.40 per week - resulted in AIRC decision to grant an increase of \$19/week. Again opposed the ACTU claim for \$26.60 in 2005 - resulted in an AIRC decision to grant an increase of \$17/week.
- This will flow on to horticulture as the AWU has had an application to have the increase apply to the Horticultural Industry Award approved by the AIRC - however any increase is not be payable by growers until 15 September 2005
- ADFA Wages Sheet will again be provided as a service to all dried grape growers

Grower Communications

- The ADFA & the Australian Table Grape Association (ATGA) are now jointly producing a new viticulture journal for growers from both industries to improve communications with growers
- "The Vine" was officially launched in September 2004 and is produced bi-monthly

ADFA Branch Grower Forums & Priority Issues

- The ADFA hosts a regular grower-only forum to consider issues of concern, including those relating to marketing and delivery terms & conditions
- These branch grower forums are held in April/May & Sept/Oct each year.
- Issues identified as priority concerns are referred to the ADFA Board of Management and if appropriate, taken up at Sunbeam/ADFA Consultative Committee meetings
- There was a strong attendance of grower members at the most recent Branch Forum held on Wednesday 27 April 2005
- Topics & issues of concern discussed included:
 - The 2005 harvest and issues related to pricing, grading, payments, documentation and the condition of bins & other equipment
 - Sunbeam Foods grower contracts & the need for a regular review process to determine the adequacy of current provisions & consider suggestions for improvement
 - Collective bargaining - impending changes to Trade Practices Act
 - Dried Grape Industry Partnership Project - update on 5 projects being funded by the Federal Government
 - Pilot grower training program
 - Dried grape industry benchmarking project
 - Crop Plantings & Food Safety database project
 - ADFA Dried Grape Production Manual
 - Joint Industry Consumer Research Study - ADFA & Sunbeam Foods
 - ADFA Crop Insurance - the current agreement with Cranston Australia has finished and ADFA is exploring other options for 2005/06 season
 - The Vine - the joint ADFA/ATGA publication now posted to all table grape and dried grape levy paying growers
 - OH&S Manual - Update on progress in developing manual for Sunraysia horticulturists through a joint project involving dried grapes, citrus & wine grapes. Under consideration by table grapes
 - Superwetter - general review of 2005 grower trials and experiences
 - Water Issues - water availability, water trading, the Victorian Government's \$20m for Sunraysia Infrastructure upgrade and ADFA's approach to MCMA regarding grower input to the setting of conditions to apply to water use licences
 - Redevelopment issues - including the industry's strategic production targets.
- The April 2005 Forum has requested the ADFA Board consider recommendations relating to grower member concerns about the current grading system & grower contracts to supply.

Grading System - as the current grading system is considered to be unsatisfactory, the Forum has recommended that ADFA advise Sunbeam Foods of this view and seek a joint review of the grading system with the aim of:

- Incorporating a more objective measure of colour
- Ensuring grades used relate to current market requirements
- Determining the appropriateness of current price differentials between grades
- Determining the potential of new technology such as Near Infra Red (NIR) as a way of reducing subjectivity
- Determining the adequacy of current sampling methods

Grower Contracts – the Forum expressed reservations about current grower supply contracts and recommended that ADFA approach Sunbeam Foods seeking agreement to:

- Undertake a joint annual review of Sunbeam Foods “generic” grower contract – as a way of continually improving the existing contract provisions, in future years
- Meet to consider changes to the existing grower contract provisions, after ADFA has identified changes required and prepared a draft contract for discussion.

Sunbeam Foods/ADFA Consultative Committee

- The Consultative Committee was set to enhance consultation with Sunbeam Foods on the many important issues related to marketing of our fruit.
- It has held several meetings and focuses on the current market situation and factors impacting on prices for 2005 and beyond including lower world market prices and the recent appreciation of the \$A against the \$US.
- A range of skills and enterprise size are represented on the Consultative Committee. The members, ratified at the 2004 ADFA Federal Council meeting on 20 July 2004 include: Peter Jones (ADFA Chairman), Ivan Shaw (grower, Merbein South), Henry Tankard (grower, Nicholls Point), Neville Mitchell (grower, Wemen), Eddie Lloyd (grower, Mildura), ADFA General Manager, Phil Chidzey, Allan Long (grower, Red Cliffs - observer member), Ashley Johnstone (grower, Mildura - observer member)
- The purpose of the consultative committee is to provide a forum for:
 - The exchange of information and discussion about issues relating to the marketing of dried grapes.
 - Sunbeam to explain factors likely to affect its proposed pricing to growers and expected requirements.
 - Outlining growers' perspectives on key issues, including factors relevant to prices Sunbeam may offer in future seasons.
 - Discussion on practices by either Sunbeam or growers which may be able to be improved for the benefit of the other group.
 - To discuss issues arising out of, or requiring changes to, Sunbeam contracts for supply terms and conditions for non-contractor growers.

Gas Dehydrator Guidelines:

- ADFA acted in mid 2003 to ensure growers access to gas supplies in 2004 by setting up & chairing an Industry Working Group to review draft guidelines released by the Victorian Office of Gas Safety
- ADFA successfully negotiated with OGS for an extension in time from February 2004 to February 2005, for growers to have their dehydrator made compliant
- Growers were required to complete a declaration form with an undertaking to have their dehydrators compliant with the regulations by Feb 2005
- The modifications must be made prior to Feb 2005, to ensure access to gas supplies

Industry Development Services:

- Drying For Profit Program activities and technical advice to growers
- Practical demonstrations including Cordon bunch removal field day, trellis drying course etc
- Summer pruning field session for new growers
- Co-ordination of Mildura Horticultural Field Days

Dried Grape Industry Redevelopment:

- Following the disastrous harvest in 2003, the ADFA Board of Management engage a consultant to prepare a report & recommendations to provide the basis for a proposal to both State & Federal Governments for targeted funding to facilitate industry redevelopment and restructuring
- The aim was to stimulate investment in new technologies & property build-up & improved performance through grower-training & industry benchmarks

- ADFA's objectives are to retain the industry's critical mass, improve the skills base, improve risk management through adoption of new technologies, better environmental outcomes & continue the structural adjustment process
- While the Federal Government indicated a willingness to consider providing limited assistance, the States of Victoria, NSW & SA advised that they would not

Advanced Training & Skills Program for Growers:

- In March 2004, the Federal Minister for Agriculture, Warren Truss, allocated \$60,000 for a consultancy to develop a new dried grape grower training program in liaison with ADFA & industry
- This consultancy was concluded by June 30, 2004 - with a training strategy, training program & materials being produced
- The training program was implemented as a pilot program in 2004/05 with about 23 growers involved. The program was managed by Scholefield Robinson Mildura and involved 10 workshops over the 12 month production cycle.
- It is being run as a Farmbis approved training course in 2005/06

Industry Partnership Program Funding

Outcomes from the Dried Grape Industry Partnership Project

Detailed below is a brief summary of each of the 5 component projects that were funded by the federal government in 2004/05 and the outcomes that provide an ongoing benefit to the industry:

- 1. Pilot grower training program – “Dried Grapes – A Growing Business”**
 - The Pilot program ran throughout 2004/05 and involved 10 workshops covering all aspects of business, production and environmental management & decision making
 - The ADFA Drying For Profit Committee acted as the Industry Reference Group to review pilot program content and delivery methods to determine any changes needed
 - Revised grower training manuals have been printed for use in 2005/06 and beyond
 - ADFA will manage delivery of program to growers from now on and continue to use Garth Swinburn from Scholefield Robinson Mildura in a facilitator's role
 - In addition, expert presenters will be used as required for classroom or field presentations to course participants
 - Farmbis registration has been progressed in both Victoria & South Australia, while ADFA is going to subsidize NSW growers so that they pay the same net cost
 - Although the 1st workshop was held on 23rd August 2005, there are a few positions left for any interested growers
- 2 Dried grape industry benchmarking project**
 - This project has been completed and a final benchmarking report produced
 - The individual growers who participated in the survey have each received their own benchmarking reports and a full briefing from the consultant, RM Consulting Group
 - In addition, the final dried grape industry report was presented to ADFA and other industry stakeholders at a public forum in Mildura
 - Copies of the report are available from the ADFA at no cost to members
 - Benchmarking software is now available for ongoing use by ADFA & industry
- 3 Crop Plantings & Food Safety database project:**
 - This project has helped to enhance the Dried Fruits Quality Centre database
 - Two existing databases (approved supplier & chemical residue) have been combined
 - Also, the capability to interrogate data as it is entered & produce benchmarking reports on chemical use has been enhanced significantly and that work continues
 - A grower survey was undertaken and stimulated a good response from dried grape growers resulting in the collection and recording of more accurate data
 - During 2004/05 ADFA worked with a local computer company GMC to develop and trial an on-line spray diary as an alternative method of data transmission by growers
 - It is hoped that the industry will be able to further develop the on-line spray diary during 2005/06
- 4 ADFA Dried Grape Production Manual**
 - The original Dried Vine Fruits Production manual was rewritten with input by Drying For Profit Committee members including Riverlink researchers and Sunbeam Foods
 - Professional assistance was also sought from local journalist, Terry Gange
 - The updating of the Manual was a joint ADFA/CRC for Viticulture research project
 - The printing of new manuals was funded by the Federal Government through the Industry Partnership Program
 - Copies of this excellent reference have been circulated to all ADFA grower members and industry stakeholders. Additional copies can be purchased for \$100 plus GST

5 Joint Industry Consumer Research Study – ADFA & Sunbeam Foods

- This major research project involved a number of consumer studies
- Significant input was provided by both Sunbeam Foods and ADFA
- The consultants have provided detailed briefings and a final report and recommendations for improving our marketing & promotion strategies for dried fruits

Sunraysia Growers' Forum - Held in January & July Each Year:

- These forums focus on issues relating to market outlook & industry future
- R&D and Marketing levy reports to growers & update on ADFA activities & major issues

MRCC Drainage Rate Rebate:

- ADFA opposed the imposition of this duplicate tax on dried fruit growers and other horticulturists in Mildura, Merbein & Red Cliffs
- ADFA won an exemption for all dried fruit growers & commercial horticulturists
- Land on which private drainage is provided is also exempt
- Annual savings from the exemption is worth \$125 per \$250,000 in land value

Water:

- Monitoring of water availability for high security users & liaison with local water authorities & Murray Darling Basin Commission
- The Living Murray - monitoring developments relating to the numerous issues related to environmental flows & water rights
- Victorian Government's White Paper - monitoring Government actions

Membership:

- Continuing effort to identify new member-only benefits
- ADFA Board decision to move to a fee-for-service for non-members - eg a nominal charge of \$20 is being charged again in 2005/06 for copies of the new ADFA Spray Diary. It is free to members.
- 2005 Partnership Program with farm suppliers - Growmart - drying oil rebate and 10% discount on contract wetting and harvesting with M&M Contracting (and Sunraysia Agricultural Contractors)
- Membership cards & unique membership number for members
- ADFA Shop discount of 10% on retail & café prices
- Revamped web-site to enhance communication with growers & other stakeholders

Sunraysia Horticulture Alliance:

- An alliance involving several industries including wine grapes, dried grapes, citrus, asparagus and bee keeping, established to deal jointly with common issues
- Major initiative in 2003 involved engaging consultant to prepare an Irrigation Efficiency Report relating to the Sunraysia Region to help counter arguments about irrigator impacts on the River Murray

Generic Promotion:

- Managed generic promotion projects in the past 3 years supporting the commercial marketing & promotion activities related to Sunbeam Foods, Angas Park Fruit Company & Clyne Foods brands
- Activities include putting information & dried grape products before food & lifestyle magazine writers
- Excellent exposure obtained using a Melbourne based consultant
- Developed new dried grape industry promotion materials that can be downloaded from the ADFA web site