

## **Low prices killing dried fruit industry**

OPEN letter to all purchasers and packers of Australian dried vine fruit:

ADFA branches are responding to recent statements from Australian dried fruit packing companies who have signalled a reduction in dried vine fruit production this year due to drought.

Low prices in recent years, and not drought impacts on water allocations, have been the main cause of the reduction in dried grape production in Australia.

To reaffirm, it should be understood that the main factor influencing the drop in production has been the *low prices* paid in recent years, which have been unviable for growers.

As a result, some growers have made the decision to cease production and this has impacted on the industry's ability to sustain production.

Clearly, the prices paid in recent seasons and the increased prices being offered for the 2008 crop do not reflect the costs incurred in producing a crop, particularly at a time of critically low water allocations.

Many growers have bought water or abandoned large areas of vines.

Those who did buy water did so with an expectation that they would be paid a fair price.

This has not been forthcoming.

Had the packers been pro-active and offered growers a realistic price for the 2008 crop early in 2007 more irrigators would have been encouraged to buy water for critical early irrigations and thus helped maintain a greater area in production in 2008.

Importantly if the remaining productive base is to be maintained, a further lift in the 2008 price is required to provide funds to cover not only the additional cost of purchasing water, but the operating funds required to produce the 2009 crop.

For the Australian dried vine fruit industry to get through this crisis, it is important that marketers and packers share the additional financial pain with growers.

The future of the Australian dried vine fruit industry is in the hands of the packers.

We look forward to your prompt response.

**From the Merbein, Mildura,  
Red Cliffs, Coomealla and Mid-  
Murray branches of the ADFA.**