

# Packers stand by their prices



Chris Ellis

## ADFA branches demand more realistic returns

By Peter Lamb

DRIED fruit packers yesterday defended their pay rates to growers this season after ADFA branches claimed low returns were "killing them".

Chris Ellis, Sunbeam Foods domestic fruit

supply general manager, said prices for dried vine fruit in Australia reflected world supply and demand.

And Clyne Foods director Norm Clyne urged less negatives in a time when people should be

looking forward with optimism after a period of prolonged hardship.

"When the world market circumstances changed in spring 2007, obviously our prices lifted," Mr Ellis said.

"We came out in Oc-

tober, the earliest in 10 years, and upgraded our price estimates.

"Since then, we've lifted and then confirmed prices at that level.

"I think we acknowledged before our significant price lift that it was difficult for everybody along the price chain."

Mr Clyne said in their case, growers and packers were "in it together".

He said their company philosophy was that from farmer to processor "everybody has to make a few quid".

"We're the first to admit prices were too low during the international oversupply of dried vine fruit," Mr Clyne said.

"But now the glut's gone, we can see a strong future and world food shortage as we go forward."

The packers were responding to a letter to Sunraysia Daily from Merbein, Mildura, Red Cliffs, Coomealla and Mid Murray branches of the ADFA.

The branches said low prices in recent years, and not drought and low water allocations, had been the main cause of the reduction in dried grape production in Australia.

Because of poor sector viability, many grape growers had pulled out their vines or turned off the water.

"Clearly, the prices paid in recent seasons and the increased prices offered for the 2008 crop do not reflect production costs, particularly at a time of critically low water allocations," the ADFA branches said.

"Those who did buy water did so with an expectation they'd be paid a fair price for their fruit.

"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, thus helping 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."

Mr Ellis said all were looking forward to better fortune in 2008-09.

"If the markets stabilise and we have water, the outlook could be a lot brighter," he said.

"The prices offered this season are the best in recent decades, so we've got half the equation. We just need to get the water part right.

"We hope we can sustain the higher pricing for fruit in the longer term."

Mr Clyne said their company had offered five-year contracts starting at \$1600 a tonne in June.

**'Our growers say they can be viable at \$1800 a tonne if they have the water'**

That had been increased by another \$200 a tonne to buy water in early September after consultation with the company's 266 growers.

"This season, our fourth, we've probably lifted our intake to close to 4000 tonnes," Mr Clyne said.

He urged people not to talk the crop down.

"We'll be nudging close to 50 per cent of our intake in five light if the weather remains good through the harvest," he said.

"There are some beautiful berries out there."

Mr Clyne said their directors regularly travelled the vineyards.

"Our growers say they can be viable at \$1800 a tonne if they have the water."

He was confident all horticultural exports would boom over the next 10 years.

"The financial analysts are saying the same," Mr Clyne said.