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Media Release

Apple and pear industry calls for \$21.9 million Aussie Apple Accord

Apple and Pear Australia Limited (APAL) today asked the Federal Government to contribute \$21.9 million over three years towards the Aussie Apple Accord – a transition package to help apple and pear growers stay in the industry.

Chairman of APAL, Darral Ashton, said the Accord comes down to one simple fact; apple growers need help to transition to the new economic and marketing environment created by the Government allowing apple imports and this requires a collaborative approach from Government, industry partners and growers.

“While we are implementing a well planned, strategic campaign to influence key decision makers in Government to implement tougher biosecurity measures to prevent the entry of fire blight and other pests and diseases, we still need to consider the longer term viability of the industry,” he said.

“We believe that given the Government changed regulations to allow apple imports, then it must help our growers meet all the challenges this new environment presents.

“Growers are currently putting investment decisions on hold due to uncertainty at a time when the industry must invest more to bring more growers up to an internationally competitive standard.

“The assistance package would support those growers who can and will remain in the industry to transform to more competitive operations, thus ensuring the viability and sustainability of this industry,” Mr Ashton said.

A sustainable industry can be achieved by:

- growers moving to high density production systems and growing varieties that provide the best return
- identifying innovative ways to up-skill growers and orchard managers to adopt world’s best orchard management practices and to improve access to skilled labour
- addressing the impediments to greater supply chain consolidation
- improving product quality by addressing the impediments that suppress market incentives for producers to improve the quality of Australian apples.

A fundamental component of the package is that growers are expected to make additional investments of around \$102.8 million, bringing the partnership total to \$124.7 million.

The six streams in the Aussie Apple Accord are as follows:

- Future Orchards Beyond 2012 – delivering additional industry development programs
- On farm tax incentives
- Facilitating pack house consolidation
- Supply chain tax incentives
- Registration of the PINK LADY brand in Australia
- Wholesale market data collection.

Mr Ashton said should the apple and pear industry be greatly wound down or cease to exist, the flow-on effects in fruit growing communities would be devastating for jobs and the services sector across regional Australia.

“The Australian apple and pear industry is working hard to increase its competitiveness and to establish export market opportunities for Australian apples.

“Investments in research and development and technological improvements are helping growers realise efficiency and productivity gains, as well as continuing to deliver world class quality apples.

“Already, the top quartile of growers are achieving world’s best practice and are highly competitive businesses, but we need to bring other growers up to these standards to ensure there is a viable future for our industry,” Mr Ashton said.

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The six streams of the Aussie Apple Accord are as follows:

Initiative	Description	Cost to Government
Future Orchards Beyond 2012	A next generation industry development program with a comprehensive range of activities. This would follow from the successful Future Orchards 2012 program, in part funded by Government from 2006 – 2008.	\$10 million
On farm tax incentives	Accelerated depreciation or investment allowances to encourage growers to bring forward or increase their on farm capital investment for items such as environmental netting, computerized irrigation systems, mobile orchard platforms and renewal of unproductive trees.	\$7.2 million in tax incentives
Facilitate consolidation of pack houses and	Use of appropriate technology in pack houses will be critical to support product quality initiatives – while economies of scale will be vital in covering the cost of these investments	\$1 million
Supply chain tax incentives	Taxation incentives, which provide tax flow benefits during the early years of investment are likely to improve the take up of viable opportunities for supply chain consolidation	\$2.8 million
Registration of the PINK LADY brand in Australia	The industry seeks formal patenting arrangement for Australian PINK LADY apples	\$0 million
Wholesale market data collection	Better wholesale market data supplied to growers would increase the scope for growers to respond to price signals, and strengthen market signals for growers to adapt to premiums paid for quality, variety and season and location.	\$0.9 million
total		\$21.9 million