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Title:

Speech at the opening of the Loxton Field Centre Seminar

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SPEECH BY THE PREMIER, MR. DUNSTAN, AT THE OPENING OF THE LOXTON
FIELD CENTRE SEMINAR.

12/11/71.

THANK YOU FOR INVITING ME TO OPEN YOUR SEMINAR TODAY.

I'M ALWAYS GLAD TO VISIT THE RIVERLAND, AND I'M PARTICULARLY GRATEFUL FOR THIS OPPORTUNITY TODAY TO DISCUSS THE GOVERNMENT'S POLICY IN AN AREA OF SUCH SPECIAL INTEREST TO THIS REGION AS CITRUS MARKETING IN THE COUNTRIES OF SOUTH EAST ASIA.

WE HAVE, OF COURSE, BEEN EXPORTING TO THIS REGION FOR MANY YEARS. BUT RECENT EVENTS, ESPECIALLY BRITAIN'S MOVE INTO THE EUROPEAN COMMON MARKET, HAVE HIGHLIGHTED THE NEED TO CAPTURE AND HOLD AS MUCH OF THIS VERY IMPORTANT MARKET AS WE POSSIBLY CAN. THE POSSIBILITY OF FURTHER EXPANDING SALES WAS HIGH ON THE LIST OF PRIORITIES FOR MY RECENT TOUR OF THESE COUNTRIES, PARTICULARLY IN JAPAN.

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SOUTH AUSTRALIA ALREADY SUPPLIES MORE THAN 80 PER CENT OF AUSTRALIAN CITRUS EXPORTED TO MALAYSIA, SINGAPORE AND HONG KONG. NATURALLY WE WOULD LIKE TO SEE EVEN MORE GOING THERE AND THE GOVERNMENT WILL DO ALL IT CAN IN THE WAY OF SALES PROMOTION AND HELP WITH PRODUCTION AND MARKETING IMPROVEMENTS TO HELP GROWERS SELL MORE. THERE IS NO DOUBT OF THE POTENTIAL OF THIS MARKET OR OF THE BENEFITS THAT EXPANDED SALES THERE WOULD HAVE FOR THE RIVERLAND AREA. BUT IT'S NOT GOING TO FALL INTO OUR LAPS.

THERE ARE MANY MARKETING DIFFICULTIES WE HAVE TO CONTEND WITH. FOR INSTANCE HONG KONG BUYERS USUALLY REQUIRE SMALL FRUIT SIZES WHICH, IN SOME YEARS, MAY BE IMPOSSIBLE FOR US TO FIND. BUT COUNTRIES SUCH AS AMERICA WITH THEIR HUGE PRODUCTION CAN FIND LARGE QUANTITIES OF SMALL FRUIT IN ANY SEASON. AND WE CAN BE QUITE SURE THAT COMPETITION FROM THE CITRUS-SURPLUS COUNTRIES SUCH AS AMERICA, SOUTH AFRICA AND SPAIN WILL GROW MORE RATHER THAN LESS FIERCE IN THIS MARKET IN THE FUTURE.

IF WE ARE TO COUNTER IT WE SHALL NEED EFFECTIVE, AGGRESSIVE SALESMANSHIP TO PUSH OUR PRODUCT AND, EQUALLY IMPORTANTLY, WE SHALL HAVE TO BE WILLING TO PRODUCE FOR A PARTICULAR MARKET. THIS COULD INVOLVE A CONSIDERABLY GREATER DEGREE OF FLEXIBILITY BY GROWERS.

WE SHALL ALSO HAVE TO IMPROVE QUALITY. IT'S BEEN ESTIMATED THAT IN THE LAST SEASON BETWEEN 15 AND 25 PER CENT OF THE FRUIT PRESENTED FOR EXPORT WAS REJECTED BECAUSE OF AN UNACCEPTABLE LEVEL OF INSECT INFESTATION. THIS IS TOO HIGH. RED SCALE INFESTATION IS NOT ACCEPTABLE TO ANY FRESH FRUIT MARKET AND OTHER PRODUCING COUNTRIES CAN SUPPLY INSECT-FREE FRUIT IF WE CANNOT OR DO NOT MAINTAIN A VIGOROUS PEST-CONTROL PROGRAMME.

WE MISS OUT ON VALUABLE EXPORT OPPORTUNITY EVERY YEAR BECAUSE OUR QUALITY IS NOT GOOD ENOUGH. A MAJOR EFFORT IS REQUIRED BY ALL SECTIONS OF THE INDUSTRY TO IMPROVE QUALITY. THIS INCLUDES PRODUCERS, PACKING SHEDS AND PROCESSORS.

THE JAPANESE MARKET FAVOURS MANDARIN TYPE VARIETIES. THEIR IMPORTS LAST YEAR TOTALLED 59,500 TONS OR 2.6 MILLION OF OUR SIZE BRUCE BOXES.

ON A POPULATION BASIS THIS IS A VERY SMALL TRADE. AND IN ADDITION THE PERCENTAGE OF ORANGES IN THEIR IMPORTS IS VERY SMALL - ABOUT NINE-TENTHS OF THE TOTAL GOING LEMONS AND LIMES WITH GRAPEFRUIT MAKING UP MOST OF THE REMAINDER. BUT IT CAN BE EXPECTED TO EXPAND RAPIDLY.

AT PRESENT OUR FRUIT DOES NOT FULFILL THE CONDITIONS WHICH WILL SATISFY JAPANESE QUARANTINE AUTHORITIES AND ALLOW SOUTH AUSTRALIAN FRUIT INTO JAPAN. FURTHER, THE JAPANESE ARE NOT USED TO OUR SWEET ORANGE TYPE VARIETIES AND WOULD HAVE TO BE EDUCATED TO USE POSSIBLY MID AND LATE SEASON NAVELS. HERE IS WHERE OUR MARKETING STRATEGIES MUST BE VERY CAREFULLY SET.

NOW IN ALL OUR DEALINGS IN THE EXPORT AREA IT IS QUITE CRUCIAL THAT WE DO NOT DISSIPATE OUR ENERGIES. AT PRESENT WE SEEM DETERMINED TO CONFUSE WOULD BE BUYERS BEFORE WE CONVINCED THEM. AT LEAST TEN ORGANISATIONS ARE NOW SELLING CITRUS OVERSEAS, AND EACH ONE HAS ITS BRAND. IN FACT, THE PRESENT SITUATION IS SUCH THAT EACH ORGANISATION CAN BE INVOLVED IN NEGOTIATING WITH THE SAME BUYERS. THE RESULT IS IN FACT CONFUSING AND DAMAGING, AND IT SEEMS TO ME THAT AN OBVIOUS AND IMMEDIATE NEED IS TO NEGOTIATE THE ESTABLISHMENT OF A NATIONALLY-ORIENTED CITRUS MARKETING ORGANISATION.

SUCH A BODY COULD REGULATE EXPORTS, UNDER ONE BRAND, AND WOULD BE ABLE TO EFFECTIVELY PROMOTE SALES OF CITRUS FRUIT AND JUICE OVERSEAS, AS WELL AS SUPPORTING INDUSTRY RESEARCH. ITS VALUE IS SELF EVIDENT. ONE HAS ONLY TO CONSIDER HOW EFFECTIVE THE AMERICAN SUNKIST ORGANISATION, THE SOUTH AFRICAN CITRUS EXCHANGE, AND THE CITRUS MARKETING BOARD OF ISRAEL ARE TO APPRECIATE HOW EFFECTIVE A NATIONAL CITRUS ORGANISATION WOULD BE IN AUSTRALIA.

THE SOUTH AUSTRALIAN GOVERNMENT WOULD BACK TO THE HILT ANY MOVES TO SET UP SUCH A FEDERAL BODY. IN THE MEANTIME WE SHALL CONTINUE TO LEND OUR FULL SUPPORT TO THE CITRUS ORGANISATION COMMITTEE WHICH I BELIEVE IS THE BODY BEST CAPABLE OF INSTILLING CONFIDENCE AMONG BUYERS.

BUT THERE IS AN AREA IN WHICH THE PRESENT SOMEWHAT FRACTURED CITRUS MARKETING SYSTEM IN AUSTRALIA IS HELPING SOUTH AUSTRALIA IN A SPECIFIC WAY. THIS IS IN RELATION TO THE CURRENT NEGOTIATIONS, BETWEEN THE JAPANESE AND AUSTRALIAN GOVERNMENTS CONCERNING QUARANTINE AND STERILISATION PROCEDURES FOR AUSTRALIAN FRUIT.

NOW THESE CONSULTATIONS BETWEEN THE TWO GOVERNMENTS HAVE BEEN GOING ON FOR MANY YEARS. THE JAPANESE GOVERNMENT HAS ALWAYS ARGUED THAT THE EXISTENCE OF FRUIT FLY, IN QUEENSLAND AND WESTERN AUSTRALIA MEANT THAT ANY IMPORTS OF FRUIT FROM ANY PART OF AUSTRALIA WERE SUSPECT.

THEREFORE, DISCUSSIONS HAD BEEN PROCEEDING FOR SOME YEARS BETWEEN THE AUSTRALIAN EMBASSY AND MINISTRY OF AGRICULTURE OFFICIALS CONCERNING THE PROBLEM OF WHETHER AUSTRALIA WAS TO BE CONSIDERED AS A TOTAL ENTITY FOR THE PURPOSES OF AGRICULTURE, OR WHETHER A REGIONAL STRUCTURE COULD BE AGREED UPON, AND THIS WAS ESPECIALLY IMPORTANT IN THE MATTER OF FRUIT EXPORTS.

THE GENERAL POSITION TAKEN BY JAPAN CONCERNED, IN PARTICULAR, THE PREVALENCE OF MEDITERRANEAN FRUIT FLY, QUEENSLAND FRUIT FLY, MELON FLY AND CODLING MOTH. AND BECAUSE THERE HAVE BEEN OCCASIONAL OUTBREAKS OF THESE PESTS IN AREAS WHERE THEY ARE NOT ENDEMIC, JAPAN ARGUED THAT ANY LIFTING OF RESTRICTIONS MUST COME FROM NEGOTIATIONS WITH THE COMMONWEALTH GOVERNMENT RATHER THAN STATE GOVERNMENT REPRESENTATIVES, NOTWITHSTANDING THE PECULIAR DIVISIONS OF POWERS IN AUSTRALIA AND THE FUNDAMENTAL STATE RESPONSIBILITY FOR AGRICULTURE PRODUCTION AND MARKETING POLICY.

NEVERTHELESS, DESPITE THIS POSITION AND THE UNFORTUNATE BUT PERHAPS INEVITABLE LACK OF EFFECTIVE COMMUNICATION BETWEEN THE STATES AND THE COMMONWEALTH IN THIS AREA, THE JAPANESE AGRICULTURAL AUTHORITIES IN THE PAST SIX MONTHS WERE VISITED BY AN OFFICIAL AGRICULTURAL TRADE DELEGATION FROM TASMANIA, AND ANOTHER FROM VICTORIA LED BY SIR HENRY BOLTE, AND MYSELF.

IN DISCUSSIONS WITH THE FORMER TWO GROUPS, THE DEPARTMENT WELCOMED THE VISITORS BUT POLITELY INFORMED THEM THAT AS FAR AS THE JAPANESE GOVERNMENT WAS CONCERNED, THE ONLY EFFECTIVE DISCUSSIONS COULD BE WITH THE TRADE COMMISSIONER AND THE COMMERCIAL MINISTER OF THE AUSTRALIAN EMBASSY. IN OTHER WORDS, THEY HELD IT WAS AN AREA OF FEDERAL COMPETENCE ONLY.

HOWEVER, SOUTH AUSTRALIA ACHIEVED A BREAK-THROUGH. IN MY DISCUSSIONS CONCERNING CITRUS FRUITS, A GOOD TWO-THIRDS OF THE THREE HOURS OR SO WERE SPENT ON A LONG AND DRAWN OUT OUTLINE OF THE AUSTRALIAN FEDERAL SYSTEM, AN EXPLANATION OF THE SOVEREIGNTY OF STATE GOVERNMENTS WITHIN THE SYSTEM, AN ACCOUNT OF HOW THIS AFFECTED AGRICULTURAL MARKETING POLICIES, AND A DESCRIPTION OF HOW ANY COMMUNICATION BETWEEN THE JAPANESE GOVERNMENT AND THE AUSTRALIAN FEDERAL GOVERNMENT REGARDING FRUIT EXPORTS TO JAPAN WOULD HAVE TO BE COMMUNICATED TO THE APPROPRIATE STATES IN ANY CASE.

IN THE MATTER OF CITRUS FROM SOUTH AUSTRALIA, IT WAS NECESSARY TO POINT OUT THAT A DIFFERENT CONSIDERATION COULD BE GIVEN TO SOUTH AUSTRALIA FROM THAT EXTENDED TO THE OTHER AUSTRALIAN STATES BECAUSE SOUTH AUSTRALIA IN EFFECT, WAS A FRUIT FLY FREE STATE AND THAT THE RARE OUTBREAKS OF FRUIT FLY THAT HAVE OCCURRED THROUGH ILLEGAL AND INDIVIDUAL IMPORTATION INTO THE STATE OF FRUIT FROM INFECTED AREAS WERE ABLE TO BE QUICKLY AND EFFECTIVELY CONTROLLED.

IT WAS EXPLAINED THAT BECAUSE OF RIGOROUS AND EXPENSIVE CONTROL MEASURES, OUR FRUIT HAD A HIGH ACCEPTABILITY BY EXPORTERS AND OVERSEAS IMPORTERS, AND THAT NOT ONLY WAS THE STATE EFFECTIVELY CONTROLLED INTERNALLY, AND THUS FRUIT FLY FREE, BUT ALSO THE NATURAL CLIMATIC AND GEOLOGICAL BARRIERS BETWEEN SOUTH AUSTRALIA AND WESTERN AUSTRALIA OR QUEENSLAND AFFORDED A MEASURE OF PROTECTION FAR GREATER THAN, FOR INSTANCE, THAT WHICH EXISTS BETWEEN THE FRUIT PRODUCING AREAS OF SOUTH AFRICA WHICH EXPORTS TO JAPAN AND THE FRUIT FLY INFESTED AREAS OF MOZAMBIQUE SOME TWENTY MILES AWAY.

THE RESULT, THEN, WAS THAT THE JAPANESE OFFICIALS AGREED FOR THE FIRST TIME TO CONSIDER SOUTH AUSTRALIA AS A SEPARATE AGRICULTURAL ENTITY. FOLLOWING FROM THIS, THEY THEN AGREED THAT IT WOULD BE POSSIBLE FOR SOUTH AUSTRALIA TO EXPORT FRUIT TO JAPAN PROVIDING STERILISATION PROCEDURES ARE EFFECTIVELY IMPLEMENTED ON ALL FRUIT IN SOUTH AUSTRALIA. AS A RESULT OF THIS, STUDIES ARE NOW UNDERWAY INTERSTATE TO DETERMINE THE BEST STERILISATION METHOD AND THE

IMPLEMENTATION OF CONTROLLED PROCEDURES IN RELATION TO THIS.

IN ADDITION, FOLLOWING THIS GENERAL AGREEMENT, WE THEN HELD QUITE INTENSIVE DISCUSSIONS WITH THE PRESIDENT OF THE CITRUS IMPORTERS ASSOCIATION IN JAPAN, MR. FUJII, AND HE RECENTLY VISITED SOUTH AUSTRALIA TO FURTHER THESE. ONCE OUR STUDIES ARE COMPLETE, IT WILL BE POSSIBLE TO PUT IN TRAIN NOT ONLY THE RATIFICATION OF AN AGREEMENT BETWEEN JAPAN AND AUSTRALIA WITH RESPECT TO SOUTH AUSTRALIAN CITRUS EXPORTS, BUT ALSO AN IMMEDIATE DEVELOPMENT THROUGH MR. FUJII'S ORGANISATION OF MARKETING PROCEDURE IN JAPAN.

IN ALL THIS, I THINK THERE IS ONE LESSON WHICH WE CAN LEARN AND THAT IS THAT WITH RESPECT TO AGRICULTURE GENERALLY IN AUSTRALIA WE TEND TO 'THROW IN THE TOWEL' AS SOON AS A TRADITIONAL MARKET IS DISTURBED, RATHER THAN INVESTIGATE THE SITUATION TO ASCERTAIN WHAT OTHER MARKETS COULD BE DEVELOPED WHICH WOULD USE PRESENT PLANT AND LAND DEVELOPMENT.

NOT ONLY SHOULD WE BE ABLE IN SOUTH AUSTRALIA TO SELL OUR PRESENT FRUIT PRODUCE IN NEW MARKETS, BUT IN ADDITION WE SHOULD BE ABLE TO GROW PRODUCE OF SPECIFIC REGIONAL ASIAN APPEAL. IT IS ALL A MATTER OF MARKETING EXPERTISE, AND THIS MUST EXIST AT BOTH GROWER AND GOVERNMENTAL LEVEL.
