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**Title:** Press release: Orange Week in Renmark: citrus, canned fruit, grapes

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STATEMENT

from the Premier

August 22, 1975

Embargo.....

State Administration Centre, Victoria Square, Adelaide, South Australia 5001 228 4811 2846

SUBJECT: ORANGE WEEK IN RENMARK Citrus, Canned Fruit, Grapes

Three areas of challenge and possible dislocation faced the South Australian Riverland fruit growing industry, the Fremier, Mr. Dunstan, said today.

He was opening Orange Week in Renmark.

The Premier said that Orange Weeks should be periods of celebration, but that if action was not taken by growers and, in the case of wine, the Australian Government, next year's could be more like a wake.

Mr. Dunstan said that the Riverland's three main fruit production areas - citrus, canned fruit and grapes - were each facing major challenges.

# CITRUS

He said that for citrus, <u>after</u> a decade of rising production and expansion meant that the industry now has a chance to experience. reasonable market stability.

This followed from the pronounced swing towards the processing of citzus fruits which had virtually saved the industry.

He pointed out that Australia now drinks 57% of its orange production, and that last year, 64% of Valencias and 47% of Navels were juiced.

Mr. Dunstan said that current complicating factors for the industry were its loss of additional overseas markets through competition and rising costs.

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He said that while processing for juice had been able to absorb what the industry lost in exports, the rapidly growing demand for citrus juices could encourage excessive imports.

This could have a major impact on the Riverlands in South Australia.

The Premier said that consumption of juice in Australia was expanding at the rate of 15% per year, and to meet market demands companies not associated with the established citrus industry were moving in.

He said that many of these had no allegiance to Riverland growers, and some are associated with multi-national and giant national marketing groups.

"Although juice had been the citrus industry's salvation, uncontrolled imports could just as easily wreck it," the Premier said.

He said this was the challenge currently presented to the industry.

He said that "To survive, Riverland Co-operatives must overcome their conservativeness, and combine their resources to compete."

"New approaches in marketing, rationalisation of processes and new citrus products will all need to be studied and implemented."

"Rationalisation and co-operation were essential."

### CANNING INDUSTRY

The Premier said that the Fruit Canning Industry was the second area of challenge for the Riverland.

He said that the State's canned fruit production had declined from a peak of 24,000 tonnes to 20,000 tonnes in 1974, and that this decline was likely to increase in the next few years.

"The future of the industry is uncertain and will depend on market prospects and the industry's ability to sell."

"The industry has always relied heavily on exports, but like it or not, we are losing our traditional exports in the UK and the EEC to other producing countries."

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- 2 -

"Tariffs combined with spiralling costs of production and marketing are creating constant strain on our capacity to sell."

- 3 -

The Premier said that it seemed unlikely new markets would develop for our canned fruit if it remained in its present market form.

"Japan and S.E. Asia are potential markets, but only if the industry can adapt and produce products suitable for these places."

The Premier said that there was an urgent need for greater rationalisation, a concentration on the domestic market, and the development of new products and processes.

"The penetration of Australian high quality brandied and liqueured preserved fruits into both the international and national gourmet food markets has shown what can be done."

"A proper market appreciation and an ending of conservatism was essential for the Riverland's canned fruit industry."

#### GRAPE INDUSTRY

The Grape Industry was the third area of challenge for the Riverland, the Premier said.

He said that in the case of this industry, the answer lay not with the growers, but with Canberra.

"Constant representation by the State Government on behalf of the wine and brandy industry, and against the crippling imposts placed upon it, have constantly been ignored."

"Following these Canberra gave some modification in July on the time and rate provision relating to the abolition of tax concessions on maturing stocks."

"But it did not go far enough."

"It seems once again, it is a case of the Federal Treasury getting its hands on a new revenue area and refusing to budge, no matter what the national or industrial "cost".

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Mr. Dunstan said that he was releasing today the text\* of a further letter recently sent to the Prime Minister concerning the wine industry.

"In it I urge him to either grant across-the-board relief to wineries within terms of certain taxation rules, or give the Taxation Commissioner power to waive the need to distribute specific dividends for badly hit firms."

"These actions are essential for the relief of the industry, which is now seriously affected and weakened."

The Premier said he had also urged that the Australian Government refrain from proceeding with the abolition of the final third of the excise differential Australian brandy had enjoyed up to mid 1973.

He said that the State Government was most anxious to preserve a high quality, viable and largely Australian-owned wine and brandy industry.

"The only course we have now is to pursue Canberra until it finally reads our briefs."

"The State's case is perfectly elear and it is essential that Canberra learns this before we lose one of our major rural industries."

\* Attached



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