**CITRUS MARKETING BILL 1931**

**Legislative Council, 24 November 1931, page 2839**

Second reading

The Minister of Agriculture, having obtained leave, introduced a Bill for an Act to make provision for the marketing of citrus fruits and for other purposes. Read a first time.

Second reading.

**The MINISTER of AGRICULTURE (Hon. S.R. Whitford)-—**This Bill is introduced at the urgent request of representatives of citrus growers in the State, and is intended to provide for the establishment of a board to have control of the marketing of citrus fruit in South Australia. In some respects, the Bill resembles the marketing of Primary Products Bill which was introduced last session, and is now before Parliament, but in other vital respects this Bill is framed upon different principles. In the first place the board is constituted in a manner to meet the peculiar needs of the citrus industry, and in the second place, whereas under the other Bill there is a provision for pooling, this Bill in no respect provides for the pooling of citrus fruit. Any citrus fruit dealt with under the Bill will be dealt with on behalf of the grower concerned, and the return for that particular citrus fruit will be his, and will not form part of a pool. The experience of the last two seasons has made it abundantly evident that centralised control is necessary if the citrus industry in this State is to prosper. The present year has been a most unfortunate one for citrus growers. It is estimated that in this State the cost of production, exclusive of transport and marketing charges, is approximately 4s. 6d. per bushel case, and during the past season the growers have not received anything like this figure from their sales. The net return of the growers on the local markets during this season is probably in the neighbourhood of 3s. a case, so that it will be seen that the industry has been carried on at a considerable loss. On the other hand, while the retail price of oranges has been lower than in past years, it has not been a price which would be expected when the low returns to growers are considered. It is contended by the persons desiring this legislation that proper organisation should provide a greater return for the grower by the elimination of intermediate costs, and that by more orderly marketing the price to the consumer should not be increased. The past season has provided a prolific field for the activities of speculators in oranges, but, as before stated, the benefit obtained by lower prices paid to the growers has not been passed on to the consumer. Perhaps a more important consideration is that of regulating the export trade. The consumption in Australia during 1928-29 was 32.4 pounds per head, and it is probable that this amount has been increased during the last couple of years. This consumption is probably higher or as high as in any other country of the world. The production in South Australia, however, has increased with rapidity, and the industry has now reached the stage where it must arrange for export of the greater portion of its products in order to dispose of the whole of the crop, for whereas the production of oranges for 1928-29 in South Australia was 362,527 bushels, it is estimated that during the last season 525,000 bushels were produced. The annual consumption of citrus fruit in South Australia is in the neighbourhood of 250,000 bushels. In past years much of the surplus South Australian fruit has been marketed in Melbourne, but this market is now being jeopardised by reason of the rapidly increasing production of the Murrumbidgee irrigation areas, as well as of the other irrigation and central areas in New South Wales and the Victorian Murray districts. New South Wales is by far the largest orange producing State of Australia, and the Melbourne market is largely dependent on the surplus which comes from that State. Unless, therefore, the marketing of South Australian fruit is placed upon an organised basis it is probable that South Australian growers will be unable to retain their present position upon the Melbourne market. Export overseas during this year was larger than in any previous year, and it is probable that considerably more relief could have been given to the local market had it been possible to arrange space on overseas vessels in sufficient time. Without some system of centralised control it is extremely difficult to arrange exports ahead and thus secure the necessary shipping space for the fruit to be exported. If, however, an export quota were fixed by a central board that board would know ahead the amount of the product for export and could make arrangements accordingly, and to that extent relieve the local market of the surplus fruit which would otherwise be thrown upon the market with resultant disorganisation in prices. The Canadian market is now open to citrus fruit, and if properly supervised it is probable that this market will present favourable opportunities for expansion. The New Zealand and United Kingdom markets are in much the same position, but it. is essential that all fruit exported overseas must conform to accepted standards of grading and quality. It is impossible to work up any permanent export trade unless these matters are properly regulated. The question of the citrus fruit industry has recently been inquired into by a committee appointed by the Federal Government, and a very informative report signed by Mr. John Gunn, the Chairman, was issued about 12 months ago. This report was based on the assumption that the production in South Australia of oranges in 1926 would reach 515,520 bushels. The production for the current season is in the neighbourhood of 525,000 bushels, so it will be seen that production in this State has increased at a far more rapid rate than was anticipated when that report was framed. The report features various matters, points out the importance of developing an extensive export trade, particularly in the United Kingdom and the East should be realised, and states that there is a need for a more representative organisation of the industry to bring about standard methods of packing, wider distribution, and orderly marketing, if necessary, by enabling legislation.

Apart from all other considerations it will be realised that the Government are financially interested in the success or failure of the citrus industry, as a large number of citrus growers on the Murray are soldier settlers and others who have been financed out of public funds. This Bill is accordingly introduced for the purpose of providing the necessary legislation to set up a board to control the marketing of citrus fruit. If anything is to be done for the industry before the next season it is obvious that the Bill must be passed during this session of Parliament. It has been requested by the Murray Growers’ Association, representative of the bulk of the citrus growers in this State and comprising the majority of the growers on the River Murray. Within the last few weeks meetings have been held at various centres and petitions have been circulated for signature by growers requesting the Government to proceed with this legislation. It is estimated that in this State there are approximately 615 growers of citrus fruit who have 50 trees or more. More than 60 per cent. of the total growers in the State have, in the limited time available, signed the petition in question. Had further time been available it is expected that this number would have been increased to at least 80 per cent. of the growers. However, it is not desired that this Bill should be brought into force without giving the growers a further opportunity of expressing their wishes in the matter. It is provided by clause 39 that before the Bill shall be brought into operation a poll shall be taken of all growers and the proclamation bringing the Bill into force shall not be made unless 60 per cent. of the growers are in favour of it being brought into operation. It should be noted in this clause that the Bill will not apply to growers who have fewer than 50 citrus trees, and that their products will not come within thethe scope of the Bill. Consequently, only those growers with 50 trees or more will be given an opportunity of voting at the poll. There may be a number of people growing citrus fruit who have fewer than 50 trees, but it is not intended in any way to affect the operations of these people who, as before stated, are absolutely excluded from the operation of the Bill. The measure contains many clauses of a machinery nature which do not require special comment, and I propose to deal only with the important parts of the Bill. The definition of citrus fruit will include citrons, grape fruit, lemons, limes, mandarins, oranges, pomeloes, sevilles, and tangerines. Part II. deals with the constitution of the board, which will consist of six members. One, who will be chairman, will be appointed by the Governor, and the other five will be elected by the growers. Two will be elected by the Murray District, which will comprise all the growers on the Upper Murray; two will be elected from the South District, which comprises the Torrens Valley, the Lower Murray, Hindmarsh Valley, and Inman Valley. One member will be elected from the Central District, which will comprise the Salisbury and Gawler areas. It will be seen that this does not give equal representation on the basis of the number of growers. The Central District comprises only about 44 growers, while the Murray District will comprise about 420. The South District will comprise about 150 growers. It has been suggested that the board be framed in this way in order to remove any suggestion that the river growers will dominate the position to the exclusion of the other growers of the State, although if the matter were considered on a numerical basis the growers in the Murray District would be entitled to a preponderance of members on the board. At elections for members, each grower will have one vote irrespective of the acreage he cultivates. Members of the first board will be appointed by the Minister upon nomination by representative growers, as it is desirable to appoint the first members by nomination rather than incur the expense and delay an election would necessitate. Members will hold office for two years. It is also provided by clause 16 that at the expiration of six years after the commencement of the Bill and at the end of a similar period thereafter a ballot of the growers may be held to decide whether the board shall be wound up or not, and if 60 per cent, of the growers vote in favour of so doing the board will be wound up. Clause 21 provides that the board shall not be deemed to be a servant or agent of the Crown nor to represent the Crown for any purpose whatsoever, so that on the one hand the board will be entirely divorced from Government control, and on the other the Government will take no responsibility whatever for the actions of the board. Part III. deals with the powers of the board, and gives the board powers which are in some measure analogous to those conferred on the board under the Dried Fruits Acts. Clause 22 gives the board the usual powers to appoint officers, acquire property, &c., and to take any steps necessary for the marketing and transport, &c., of citrus fruit. Under this clause the board will be able to act as a marketing agent without any element of compulsion being invoked, and it is probable that the board will utilise these powers extensively. Clause 23 empowers the board to impose a levy for the purpose of providing for the costs under the Bill. The levy is fixed at a maximum of one penny per bushel of citrus fruit produced. Power is given for the board in special circumstances where the board is of opinion that the provisions of this section should not apply, to declare that any citrus fruit shall be free from the imposition of a levy. The board is also given power to impose an additional levy, not exceeding 1d. per bushel for the purpose of establishing an “Export Compensation Fund” . This fund will be administered by the board for the purpose of providing compensation to growers who are required to export surplus fruit and suffer loss thereby, as a grower may be required in such a case to receive an export price for his fruit which is less than the local price. Clause 24 gives the board power to make declarations as to the manner in which citrus fruits are to be marketed, to provide that citrus fruits shall only be marketed through the persons authorised by the board, and to fix export quotas. This clause is probably the most important in the Bill and gives the board the necessary powers to regulate the marketing of citrus fruit generally. Clause 25 gives power to the board to acquire any citrus fruit and to dispose of it on behalf of the owner. The power given by this clause will, of course, only be necessary in the case of export of fruit from the State where it is seen that some growers are unwilling to export a fair quota of their products. As before stated, the industry has reached such a stage in South Australia that a proportion of the fruit must in every year now be disposed of upon outside markets. Clause 26 gives power to the board to exempt from clauses 25 and 26 growers of small quantities of citrus fruit, and sales of citrus fruit direct to local consumers and retail vendors, and any other sales prescribed by regulation. It should be noted at this stage that, if fruit is compulsorily acquired, it does not form part of a pool, but the board is placed under the duty of using all reasonable diligence to dispose of the fruit on behalf of the grower and the grower will be entitled to the proceeds of the fruity less the proper marketing costs. The proceeds will not form part of a general pool to be distributed amongst all the growers. This part of the Bill also contains other ancillary provisions necessary to give effect to the clauses already discussed and are in large measure similar to provisions already enacted by the Parliament of this State in the Dried Fruits Act. Part IV. deals with miscellaneous matters and amongst other things provides that the accounts of the board shall be audited by the Auditor-General who will receive such remuneration therefor as approved by the Minister. Clause 36 gives the Governor power to make regulations on a variety of matters. With regard to this section it should be noticed that powers have been conferred similar to those given in the Dried Fruits Act. Clause 38 also provides that the board is to repay to the Government any costs incurred in holding a preliminary poll to decide whether the Bill is to come into effect, and any moneys advanced by the Treasurer for the purpose of any preliminary expenses of the board. An explanation of the other clauses of the Bill will, when desired, be given in Committee. I move the second reading.

The Hon. J. COWAN secured the adjournment of the debate until November 25.