Purpose

To extend by two years the Apple and Pear Stabilization Scheme to cover the 1979 and 1980 export seasons.

Background

The main government assistance measures in recent years for the apple and pear industry have been directed at exports to counter the declining profitability of traditional overseas markets. Currency devaluations in Britain in 1967 and also in Hong Kong and Denmark, led to direct financial assistance in respect of post-devaluation losses incurred by exporters of apples and pears to those 3 countries. Such compensation assistance was provided in 1968, 1969 and 1970.

Following the termination of this assistance, the Apple and Pear Stabilization Scheme was introduced in 1971, covering 5 export seasons from 1971 to 1975 inclusive (each commencing on 1 October of the previous year and ending on 30 September). It was extended for one year to cover the 1976 export season. The Industries Assistance Commission recommended that the scheme should be extended to cover the 1976 and 1977 seasons only (I.A.C., Fruitgrowing Part B: Apples and Pears, 16 January 1976). The Minister for Primary Industry announced on 10 September 1976, that the Government had decided to extend the scheme to cover the 1977 export crop but had decided not to accept the IAC recommendations as they did not allow a sufficiently long phasing-out period. Nevertheless, the Minister warned that the present level of support could not continue indefinitely beyond 1977. The level of support provided in 1977 was the same as that given in 1976. On 18 October 1977 the Minister for Primary Industry announced that the scheme would be extended a third time to cover the 1978 season at the same level of support as in 1977. On 3 July 1978 the Minister
announced that the scheme would be further extended to cover the 1979 and 1980 export seasons, with some support alterations.

The scheme covers all apples and pears exported to markets 'at risk' (exported on free consignment, against a guaranteed advance or sold afloat), in Europe (including the U.K.) and also, in respect of pears, in North America. Support prices are determined for each major variety of apples and pears exported. When these prices are exceeded by corresponding varietal average prices (as determined from average varietal f.o.b. returns from all sales, at risk or otherwise, on all export markets), growers pay into a varietal support fund (by way of an export duty) a proportion of the excess. When these varietal average prices fall below the varietal support prices, a payment is made to the growers from the fund, to raise the average price to the support price. When insufficient amounts are available in the funds, the balance is provided by the Government (in the form of stabilization payments), up to a maximum amount per box and a maximum quantity of boxes. A box, in respect of apples, means 18 kilograms of apples and for pears, 20 kilograms of pears.

For the 1979 and 1980 seasons, the maximum stabilization payment (or maximum level of price support) in respect of apples will be $2.20 per box (cf. $2.00 per box in 1976, 1977 and 1978) and for pears $0.80 per box (the same as in 1976, 1977 and 1978). In the 1979 and 1980 seasons, the maximum quantity eligible for support will be 1.5 million boxes for apples (cf. 2.0m. boxes in 1976, 1977 and 1978) and 1.0 million boxes for pears (cf. 1.4m. boxes in 1976, 1977 and 1978).

The legislation providing for the scheme consists of the Apple and Pear Stabilization Act 1971, together with the Apple and Pear Stabilization Export Duty Act 1971 (which imposes a duty on the export of apples and pears) and the Apple and Pear Stabilization Export Duty Collection Act 1971 (which provides for the collection of the export duty).

In addition to the Commonwealth's stabilization scheme for apple and pear exports, joint Commonwealth-State funded arrangements have provided supplementary assistance for 'at risk' exports of apples to Europe and Britain in each of the export seasons 1974-1978. The Commonwealth has proposed an extension of these arrangements and will offer to share the cost with the States on a $1 for $1 basis. If a State accepts, assistance will be provided in each of the 1979 and 1980 export seasons, up to a maximum of $1.5m. for apples and $400,000 for pears.
Provisions

Clauses 3, 4 and 5 amend, respectively, sections 5, 10 and 11 of the Principal Act so that the Apple and Pear Stabilization Scheme is extended by 2 years to cover the 1979 (commencing 1 October 1978) and 1980 (commencing 1 October 1979) export seasons. Clause 5 also amends section 11 to provide, in both the 1979 and 1980 seasons, for maximum price support levels of $2.20 per box for apples and $0.80 per box for pears and maximum quantities eligible for support of $1.5m. boxes for apples and 1.0m. boxes for pears.

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23 August 1978

LEGISLATIVE RESEARCH SERVICE