DRIED VINE FRUITS STABILIZATION AMENDMENT BILL 1978

Date Introduced: 14 September 1978
House: House of Representatives
Presented by: Hon. I. Sinclair, M.P., Minister for Primary Industry

Purpose

To amend the Dried Vine Fruits Stabilization Act 1971 to extend price support of returns to growers of dried sultanas for the three seasons 1978 to 1980, and to change the base support price and limits for Commonwealth contributions.

Background

The Dried Vine Fruits Stabilization Scheme was introduced in 1971, covering the seasons 1971 to 1976, each season commencing on 1 January of each year. The scheme covered production of sultanas, raisins and currants, each fruit having its own stabilization fund. The scheme as extended by this Bill will contain only a Sultana Stabilization Fund since according to the Minister's Second Reading Speech the production of currants and raisins is only small in quantity and mainly sold on the domestic market.

Payments into and from the Sultana Stabilization Fund depend upon the extent to which returns received by growers are higher or lower than a specified base price. According to the Minister, the base price for sultanas agreed upon by Government and the industry takes account of rising producers' costs and is consistent with general market expectations. The figure of $515 per tonne on a sweat box basis for the 1978 season will be 20 percent higher than the base price for sultanas that applied for the 1976 season.

The scheme will operate so that if the average seasonal return for sultanas is above the base price plus $10 per tonne, growers would pay as a levy on production the excess (limited to $20 per tonne) into the Sultana Stabilization Fund, except when production does not exceed 50,000 tonnes (previously 60,000 tonnes but this will be amended by the Dried Vine Fruits Levy Amendment Bill 1978) when no industry contribution is payable. The maximum of
growers' contributions to the Fund ($4 million) is the same as for previous schemes.

In some seasons there might be insufficient industry money in the fund to meet payments due, in which case the Commonwealth will provide finance to make the payment to the extent necessary to raise the average return to the base price less $10 per tonne.

The Commonwealth's contribution is limited both with respect to a maximum payment per tonne (to be $25 per tonne, previously $23) and the quantity on which payments can be made (to be 60,000 tonnes, previously 75,000), giving it a maximum liability of $1.5 million under the scheme as amended by this Bill.

The Industries Assistance Commission has recommended that the stabilization scheme be continued for the 1976 and 1977 crops but that the scheme should not be continued beyond the 1977 season (I.A.C., Fruitgrowing Part C: Dried Vine Fruit, 16 January 1976).

Main Provisions

The scheme is not to apply to currants or raisins on or after 1 January 1978 (clause 3(b)).

The Act is to apply to the seasons 1978, 1979 and 1980, a season commencing on 1 January of any year (para. 4).

The base price in respect of sultanas for the season 1978 is to be $515 per tonne (clause 5(a)).

The Commonwealth maximum contribution is to be altered to $25 per tonne (previously $23 per tonne) (clause 6(b)) and the contribution is to be limited to an output not exceeding 60,000 tonnes (previously 75,000 tonnes) for any one season (clause 6(d)).