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Director Operations 3
Anti-Dumping Commission
Customs House
1010 La Trobe Street
Docklands VIC 3008

8 January 2015

RE: Exemption inquiry ADN No. 2014/99 and certified organic tomatoes exported to Australia from Italy

Company Information:

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Response to Exemption Inquiry:

Further to our communications with your office since October 2014, my company, Natural Well Pty Ltd T/as First Ray, wishes to support the existing exemption application related to certified organic tomatoes, whether peeled or unpeeled, prepared or preserved otherwise than by vinegar or acetic acid, either whole or in pieces (including diced, chopped or crushed) with or without other ingredients (including vegetables, herbs or spices) in packs not exceeding 1.14 litres in volume by offering support on the following matters:

1. Certified organic tomatoes are *not like or interchangeable* with conventional tomatoes
2. Certified organic tomatoes whether peeled or unpeeled, prepared or preserved otherwise than by vinegar or acetic acid, either whole or in pieces (including diced, chopped or crushed) with or without other ingredients (including vegetables, herbs or spices) in packs not exceeding

1.14 litres in volume are *not* available from a local producer or manufacturer and therefore would not cause material injury to the Australian industry

3. Certified organic tomatoes are *not* being exported to Australia at prices less than their normal value

Certified organic tomatoes are not like conventional tomatoes

In January 2014, IBISWorld ranked the organic industry third on a list of the top 5 growth industries for Australia. It anticipated demand for organic products to continue its above average rate of growth of 13.7% per annum and expected revenue for organic products to reach \$707.7 million. This growth is reflective of changing consumer behaviour and demonstrates that Australian consumers are actively choosing certified organic products over conventional products and that the two are not simply interchangeable.

The uniqueness and benefits of organic products are well documented and are listed, but not limited to, the following:

- A. **Certified organic foods and tomatoes are chemical free.** Organic tomatoes are grown and produced without synthetic chemicals, colourings, preservatives or additives and come with a chemical free assurance.
- B. **Organic tomatoes are grown without the use Genetic Modification (GM) and made without nanotechnology.** As food labelling legislation does not require foods made with genetically modified material to be labelled as such, the only way to avoid GM ingredients and tomato related products is to purchase certified organic products.
- C. **Organic tomato farming protects our environment.** As the use of synthetic agricultural chemicals including pesticides, fungicides and herbicides are not permitted in organic farming, organically grown tomatoes promote soil fertility, protect biodiversity and land regeneration and reduces any impact on the surrounding environment by reducing run-off into nearby waterways.
- D. **Organic tomato production is socially responsible.** In 2013, a report by Amnesty International called for urgent action to be taken to tackle the widespread abuse of

migrants in the food sector and specifically 'slave labour' connected to the Italian tomato harvests. Migrant workers in Italy were found facing severe exploitation in relation to wages and working conditions amongst other factors. Within the organic tomato industry in Italy, such conditions are not tolerated as human rights factors and equitable trade are well considered and monitored in organic farming and production.

Based on the above it is clear that organic tomatoes are *not like* conventional tomatoes as conventional tomatoes cannot guarantee a chemical free or GMO free status, they do not support socially responsible trade and they do not actively support sustainable environmental practices. Furthermore, it is unlikely organic products such as tomatoes are just being used interchangeably with conventional products as the high growth rate the organic industry is currently experiencing would not be evident.

2. Certified organic tomatoes are not available from a local producer or manufacturer

As an Australian Organic member and as the Co-Founder of an organic food business in Australia for the past nine and a half years, I can confirm that Australia does not have the capacity or infrastructure to enable the growing and processing of organic tomatoes such as those currently being imported from Italy.

Therefore, the importation of certified organic processed tomato products from Italy does not cause any material injury to the Australian industry as the Australian industry does not create a like or similar product.

3. Certified organic tomatoes are not being exported to Australia at prices less than their normal value

According to the Food and Agricultural Organisation (FAO) of the United Nations, certified organic products are more expensive than their conventional counterparts due to a number of reasons. Some of these reasons include higher production costs due to greater labour inputs per unit of output whilst environmental enhancements, protection of farmer health risks and assuring fair and equitable trade for workers all increase the costs of organic foods

Based on the above, it is unreasonable to suggest that certified organic tomatoes are being exported from Italy and sold in Australia for less than their normal value or below the cost of

conventional tomatoes. Furthermore, organic consumers are well educated in regards to pricing and willingly pay a premium price for their organic tomatoes in return for the benefits an organic product can deliver.

In summary, it is the strong belief of Natural Well Pty Ltd that the current Dumping Duty applied to organic tomatoes from Italy is not appropriate and that an exemption should be granted as there is no local Australian industry that produces a like or directly competitive product and certified organic tomatoes are not being exported to Australia at prices less than their normal value therefore, there is no material injury being caused to the Australian industry.

Yours sincerely,



Sandy Abram
Co-Founder