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Director Operations 1
Anti-Dumping Commission
Customs House
1010 La Trobe Street
Docklands VIC 3008
AUSTRALIA

SPC Ardmona Operations Limited
ABN 60 004 077 105

Principal Office – Melbourne
50 Camberwell Road
Hawthorn East, VIC 3123

PO Box 3078
Auburn, VIC 3123
Australia

T 03 9861 8900
www.spc.com.au

Non Confidential

Email: operations1@adcommission.gov.au

1. SPCA has reviewed the submissions by ANICAV (EPR 023) and AIIPA (EPR 024). Both these industry associations received the producer organisations questionnaire (EPR 010) and the responses made by these parties do not appear to assist the Anti-Dumping Commission in its enquiries into producer organisations. These responses do not address any of the evidence in the Application on the role of producer organisations.
2. In the application an evaluation of producer organisations conducted by the Italian Ministry of Agriculture, Food and Forestry Policies was shown as footnote 5 on page 3 of the application.¹ That report noted:

The producer organisations (POs) and producer organisation associations (POAs), which implement and manage the operational programmes and concentrate the supply and marketing of their members' products, are the backbone of the Common Market Organisation for the fruit and vegetable products sector (page 19 of the Valuation Report).

3. The function of a producer organization was outlined in a response to a Parliamentary question (1 December 2014) in the European Parliament, the European Commission noted:

Encouraging the organisation of fruit and vegetable producers is the cornerstone of EU policy for this sector. For this reason, producer organisations and producer groups in the fruit and vegetable sector receive Union financial assistance through the implementation of operational programmes or recognition plans, respectively. In both cases, Union financial assistance is proportionate to the value of marketed production with the

¹ http://ec.europa.eu/agriculture/fruit-and-vegetables/country-files/it_en.htm
(click on main text, English translation)

purpose to help concentrating supply, improving the marketing, planning and adjusting production to demand, optimising production costs while respecting the environment, stabilising producer prices, carrying out research, and providing risk management tools available to their members.

In addition, in regions of the Member States where the degree of organisation of producers in the fruit and vegetables sector is particularly low, the Member State may pay producer organisations national financial assistance equal to a maximum of 80% of the financial contributions of the members of the producer organisation or the producer organisation itself to the operational fund. It can be reimbursed by the European Union up to 48% of the Union financial assistance granted.²

4. The role of producer organizations in the management of producer prices and supply was mentioned in an article in Tomato News (March 2015). It was reported that a new price agreement was signed on 11 February 2015 by processors and growers in the north of Italy. It was reported:

XXXXXX XX.³

5. The article in Tomato News also notes that the AIIPA (Italian Association of Food Processors) was involved with the negotiations.
6. As explained in the Application, the price of the raw tomatoes paid by processors to growers does not reflect the true cost of the raw tomato. If it was not for the direct payment of around EUR 32 per tonne (paragraph 26(d) of the Application) then the price of the raw tomato would be considerably higher, which would then flow into the domestic price of canned tomatoes.
7. The ability of POs to “planning and adjusting production to demand” and “stabilising producer prices” without breaching competition rules is permissible as an interbranch organization is exempt from the anti-trust provisions of the Treaty on the function of the European Union (Article 101(1))⁴. This exemption permits the PO to enforce and control prices and other market factors with tomato growers.
8. In conclusion, the evidence presented in the application and above comments on producer organizations confirm the influence of the European Union’s and the Government of Italy programmes on production and supply and pricing of raw tomatoes for processing. These programmes are integral to the functioning of agricultural policy and have contributed to a market situation.

² <http://www.europarl.europa.eu/sides/getAllAnswers.do?reference=E-2014-008157&language=EN>

³ Tomato News March 2015. Due to copyright, this article is not available for the EPR.

⁴ http://ec.europa.eu/agriculture/fruit-and-vegetables/producer-organisations/ibo_en.pdf