



Media release.

From the Vegetable Growers Association of Victoria Inc.

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Vegetable Price Cuts by Major Supermarkets.

Executive Officer Tony Imeson states that special price reduction for vegetables by major supermarkets is merely a retail marketing ploy to encourage an increase in consumer purchases.

Unfortunately discounting below the farm gate supply cost provides a serious threat to independent family owned retail fruit and vegetables shops.

Independent retailers are not normally in a position to discount below their wholesale market or farm gate buying prices.

Should this continue, vegetable growers will be subjected to pressure being applied to reduce the farm gate price through direct contracts.

This would then influence price reductions at wholesale market buying prices to independent retailers and provedores supplying suburban and country outlets.

Consumers may increase their shopping purchases of vegetables during this discounted period but in order to meet supply and demand, growers will eventually be unable to further reduce farm gate prices.

Under the current economic climate it would cause their businesses to become financially unviable.

The final result will be a ceasing of production and in order to meet consumer demands, the floodgates opening for the importing of fresh vegetables and the end of another major production industry in Australia.

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