

Imports chip away at industry

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AUSTRALIANS' appetite for imported potato chips has soared 700 per cent in just two years and local producers fear the trend signals the death knell for their industry.

Chips worth \$129.5 million were imported in 2011-12, up 700 per cent in two years.

AUSVEG communications and public affairs manager William Churchill said the rapid rise in imports of subsidised potatoes from countries such as Belgium and the Netherlands was making a mockery of free trade.

"We're seeing a staggering growth in the amount of imported frozen potatoes from countries such as Belgium and the Netherlands," Mr Churchill said.

"Consumers are substituting Australian-grown produce with imported food with the effect that processors like McCain and Simplot are trying to remain globally competitive, mostly by dropping the price our growers get paid for their potatoes.

"The way it is going, many growers

will be unable to turn profits on their crops in the near future."

Potatoes South Australia chief executive Robbie Davis said South Australia has the most to lose from importing fresh potatoes. It is the major growing state in Australia with production of almost 500,000 tonnes annually worth \$206 million.

Ms Davis said if New Zealand potatoes were allowed into Australia, after being banned for the past 24 years, it would potentially have catastrophic effects for the industry.

Mr Churchill said the industry feared a continuation of Australia's free trade policy to allow fresh potatoes into the country would be another step in the destruction of the industry.

"We face the real possibility of not having a potato growing industry as more and more of these potatoes from Europe are dumped on our shores and the major supermarkets continue to buy them," Mr Churchill said.

"Supermarkets have fostered a belief among consumers that farmers should be expected to grow food for ridiculously low prices."