

# Play straight on prices, banana farmers warned

Ian Gerard

NORTH Queensland banana farmers have been warned against colluding to keep prices artificially high as they struggle to recover from Cyclone Larry.

Growers, who are worried the price of bananas will collapse when production returns to pre-cyclone levels later this year, yesterday confirmed plans to stagger production to avoid a glut of fruit flooding the market and forcing down prices.

Australia Banana Growers

Council president Patrick Leahy said that while persistent rain and a shortage of workers was slowing down the recovery, the \$400 million industry was determined not to let the price of the fruit drop to levels that would force farmers out of the industry.

"Growers have to go out and borrow money, and they are already in debt, and if they go into a period of unsustainable prices they wouldn't be able to service their debt," Mr Leahy said. "If there was a glut, there would be an exodus from the market."

But Australian Competition and Consumer Commission guidelines warn against growers working together to devise strategies to distort prices.

"There should not be collusion or arrangements or contracts or understandings between growers in any industry about what they are doing," ACCC spokeswoman Lyn Enright said.

"If there was evidence of collusion, the ACCC would look at it to see if there was anti-competitive conduct."

She said the ACCC would have

to receive a written complaint and evidence of anti-competitive behaviour before it investigated.

Australian Consumers Association spokeswoman Indira Naidoo attacked any moves to distort the market price of bananas and urged buyers to look at other fruit while bananas remained expensive. "Obviously we wouldn't be supportive of anyone artificially manipulating market forces to keep prices down or up," she said.

Banana growers whose crops were devastated by Cyclone Larry plan to spread production out

from mid-September to January, when the industry expects to again reach pre-cyclone production levels.

Cyclone Larry ruined banana crops earlier this year, in an area in which more than 90 per cent of Australian bananas are grown. The lack of bananas has forced prices above \$15 a kilogram, prompting calls for the importation of bananas from The Philippines to ease the shortage.

Yesterday, the industry appeared headed for a shake-up when agribusiness group Timber-

corp teamed up with the wealthy Costa family to launch a \$109 million takeover bid for Far North Queensland grower Chiquita Brands South Pacific.

Bananas account for about 15 per cent of Chiquita's business, and supply will not resume until October or November.

Mr Leahy said growers were being advised to work together to stagger production but denied the organisation was influencing the price of the fruit.

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