

Inquiry into Supermarket Pricing for Fresh Fruit and Vegetables

Proposal for transparency: Price tags to show both growers' price and retail price

My name is George Parke of Donnybrook, Western Australia. My family have been growing fresh fruit and vegetables since 1900 in WA, so I am speaking with some background in the growing and selling of fresh fruit and vegetables.

These products are different to other market items owing to their perishability, and therefore by their nature give primary producers no bargaining power. This means they should be in a category of their own.

I know the public would be astounded by the mark-ups on fresh fruit and vegetables if they knew. I wish to include all retailers of fresh fruit and vegetables in this proposal, not just supermarkets. I know that mark-ups on fresh fruit and vegetables can go from 100% and upwards. Unfortunately, I have been caught in a market glutted with fruit and then seeing this fruit retailed at a 1000% mark-up.

Farmers and growers of fresh fruit and vegetables are not blameless in this situation; they have not gone into collective bargaining for their products or tried to ensure that overproduction and gluts do not occur. The conservatism of the farming industry ensures they are price takers and not price makers.

I am making this submission believing it is the last chance to make the system more democratic and transparent.

The changes I am proposing will be resisted by retailers of fresh fruit and vegetables as it will actually empower consumers in their buying habits. This in turn will help the producers of fresh fruit and vegetables.

My proposal is as follows:

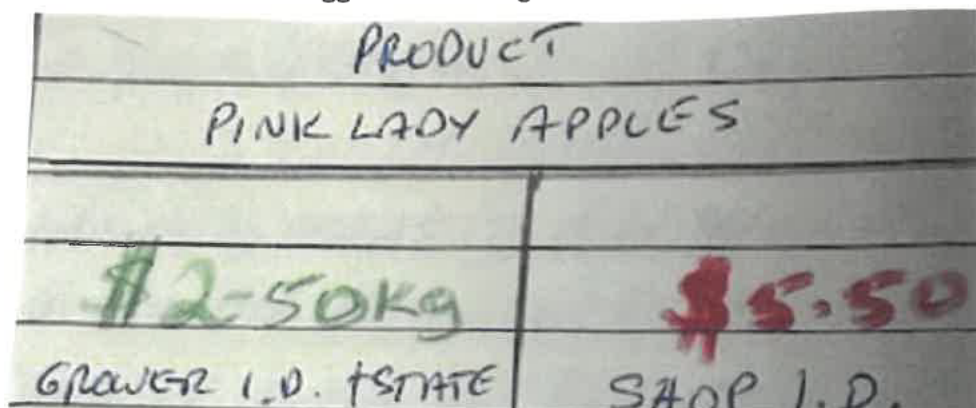
1. All growers of fresh fruit and vegetables will be allocated an ID number, with their state shown as well.
2. All retailers of fresh fruit and vegetables will be allocated an ID number for their stores.
3. All retailers of fresh fruit and vegetables will use standard price tags all over Australia so that consumers know the system.
4. At the retail level the sale price ticket will show two prices:

In GREEN will be the price the grower received for the product, either the farmgate price or the market price, with the farmer's ID number below.

In RED will be the retail price, and below the retailer's ID number.

5. Imported fruit and vegetables will show the landed price of this product, plus country of origin and the retail price - the same as for the local produce.

Suggested Pricetag:



PRODUCT	
PINK LADY APPLES	
\$2.50/kg	\$5.50
GROWER I.D. + STATE	SHOP I.D.

Growers will receive feedback from consumers and this will empower both groups.

Retailers will resist this system and claim that selling fresh fruit and vegetables is too complex to do this. As noted above, fresh fruit and vegetables are a special case: because of their value to the human diet and the nature of their perishability, they should not be at the whim of supply and demand in the market.

Under this proposal, retailers of fresh fruit and vegetables will have to work harder in their business, and why not as they are at the very profitable part of the food chain.

I don't believe that retailers will give up selling fresh fruit and vegetables under this system as too much money is to be made. It may even give rise to a new generation of sellers who are prepared to sell more for less. It would also encourage present retailers to streamline their procurement of fresh fruit and vegetables and cut out some of the middle men.

Yours sincerely,



George Parke



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