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Media Release

## **Bleeding banana industry hits back at profiteering accusation in SA**

Australia's banana industry has reacted strongly to the accusation of profiteering by South Australian markets saying current prices are a short term phenomenon and a factor of market forces.

Tony Schirripa, Managing Director of Lamanna Bananas Adelaide said, "Rather than profiteering from the severe shortage of bananas, most members of the banana industry are bleeding as a result of the supply shortage caused by Cyclone Larry.

"This week only 2,000 cases of bananas made it to the Adelaide markets representing only five percent of normal supply. As wholesalers that are part of a national market, we have to compete for the tiny available supply and pay high prices just to secure stock; otherwise it ends up in Melbourne and Sydney.

"If we were self-interested and not consumer-minded, we could still sell a carton of bananas for \$250, twice the current price. That's how strong demand is for the fruit. We ration the available supply among retailers just to satisfy a little of that demand, but in doing so, have kept prices as limited as possible to try to help the consumer.

"There is no doubt that nationally the banana shortage has cost wholesalers in the markets millions. As a result of supplies being between five and ten percent of normal levels, our business and others supporting bananas have had to ride out the downturn keeping our employees and infrastructure going while we wait for supplies to return to normal.

"Many other industries would sack their employees in such circumstances but we have stood by our people and we will need quality staff when bananas start to come back on stream in four or five months.

"Reduced prices can be charged by small retailers in some places like Mackay because their supplies come from local, non-commercial growers who only supply a handful of retailers in their area. All Adelaide bananas come from commercial growers and these are the people whose crops were destroyed by the cyclone. Cyclone Larry destroyed 90 percent of our commercial plantations.

"Many in the industry have taken offence to the accusation of profiteering because it unfairly denigrates our industry. Australian banana consumers are our lifeblood and are doing our best in these tough times. We are fortunate that we can look after our employees and consumers as best we can, because there are many others in the industry who have had no income whatsoever since March when the cyclone struck.

"Banana supplies are expected to start to increase from October with more again reaching the markets in November and December, Mr Schirripa said.

### **Enquiries**

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