



October 11, 2011

«Title» «Initial» «Name»

«Company»

«Mail\_Address»

«Town» «State» «Post\_Code»

Dear «Given»,

### **DISCUSSION PAPER – Proposal for an increase in the Agaricus Mushroom Levy**

At the Annual Levy Payers' Meeting held in Sydney recently, AMGA announced its intention to propose an increase in the Agaricus Mushroom Levy. In promoting this proposal AMGA have undertaken to consult fully with all levy payers and the enclosed Discussion Paper is an important first step in that process.

#### Why is an increase proposed?

The Australian Mushroom industry is forecasting rapid growth in production – to around 90,000 tonnes in 2016. For grower profitability to be maintained throughout this growth, it will be essential that we effectively market and promote our produce. We must continue to keep demand a little ahead of supply – to keep our returns adequate.

Over the 9 years since the Agaricus Mushroom Levy was introduced the 'buying power' of our marketing dollar has shrunk. Costs to advertise and promote have increased markedly, while our levy rate has not. In 2002 the industry was investing around 1% of its GVP in Marketing and R&D. Now, that figure is just 0.6% and it continues to drop.

A recent 6-month test-market exercise in Tasmania showed that, with an increased budget, the right marketing messages and supply-chain support, we can markedly increase Mushroom consumption in the Australian market. This real-life test (with independent analysis and evaluation) provides the sound argument for an increase in the levy.

#### Industry consultation

The AMGA is keen consult with all levy payers on this proposal. We want you to understand the need and opportunity and then have your say on the increase in a formal ballot to be conducted by the Australian Electoral Commission.

The Discussion Paper that accompanies this letter had been prepared for the information of all levy payers. AMGA is very keen to have your comments and input on it. Your feedback should be directed to our Levy Increase Manager, Richard de Vos, on:

Email: [devos.avalon@gmail.com](mailto:devos.avalon@gmail.com)

Fax: 02 8088 6694

The second stage of our consultation process will be a series of levy payer meetings to be conducted in all States between November 14 and 19. At these meetings we will be taking into account and addressing any issues raised in your feedback on the Discussion Paper.

Details of the dates, times and venues for these meetings are provided on the attached separate sheet.

The Board of AMGA endorses and strongly supports this proposal. We urge you to read through the Discussion Paper and come along to the State meetings. If you have any questions about the process, don't hesitate to contact Richard de Vos as above, or by phone on 0413 588 054.

Yours sincerely

A handwritten signature in black ink, appearing to read "Greg Seymour". The signature is stylized with a long horizontal stroke at the end.

Greg Seymour  
General Manager, AMGA

Enclosure – Levy Increase Discussion Paper