



Feedback to the Australian Government's
Agricultural Competitiveness Green Paper

December 2014

Note:-AgriMinds is addressing selected policy areas where it has real expertise.

Policy Idea 6: Education, Skills and Training and Labour

The AgriMinds “Think-Tank” proposes a revitalisation of the AgriFood sector

BY

- 1. Separating the business of Food from the business of Fibre. To successfully supply new market opportunities in Asia, we need a very clear focus on the **THE FOOD BUSINESS**. Down the track, AgriMinds members plan to work through a similar proposal for transformation of the **FIBRES BUSINESS**.**
- 2. Lifting the bar in university teaching through designing and adopting a new premium model BSc degree in Food Production and Processing. We believe that production and processing need to be closely aligned. AgriMinds believes that focussing on food enables in-depth teaching of both production and processing. Coupled with high quality teaching, this course is expected to attract top-rate Australian and overseas students.**
- 3. Bringing together the teaching of the sciences and technologies involved in the production of retail-ready foods. This involves teaching primary production (as in farming) coupled with the further processing/ packaging (value adding) of primary foods. This makes for a unique, world class qualification.**
- 4. Recognizing that much of Agriculture has habitually been production oriented, focussed on commodities. Producers need to recognize they are part of a new value chain leading to the consumers in domestic as well as overseas markets.**

The primary drivers for AgriMinds thinking are:

- a) **The Food industry needs to gear up to supply increased demand for responsibly produced, safe, quality foods for Asian and domestic customers and at the same time, compete with imports.**
- b) **Australia's population is expected to grow substantially. But farm output is growing slowly at present due in part to reduced R&D support.**
- c) **The food processing sector is dominated by overseas owned companies which may or may not be interested in supplying markets beyond Australia's borders.**
- d) **The Australian supermarket oligopoly has shown a tendency to increase imports of cheap overseas-sourced foods. We need the skills and people to fight back.**
- e) **There is a deficit in the quality of Agriculture courses currently on offer leading to reduced student intakes and employers concerned about the standard of the graduates.**
- f) **There is a real need for top rated, well taught, big picture, mature executives with leadership skills who can manage field to retail food operations.**
- g) **The overseas – owned food companies have their own food processing expertise – much of it generated in their homeland operations, which may not align with Australian values or standards.**
- h) **There is a real prospect of attracting city-based students to the proposed new course as there is keen interest in the FOOD business but little interest in traditional Agriculture.**

What university courses are envisaged and where would the student intake come from?

- **AgriMinds has drafted a typical curriculum for a premium course in Food Production and Processing. (See contact at the end of the paper for a copy).**
- **The planned degree course is a premium course for top level applicants. This course is expected to attract students from Australia, New Zealand, Indonesia, Malaysia, Thailand, India, Korea, China, South Africa countries and Middle Eastern countries. This list of source countries reflects, to an extent, the nationality of people who now own substantial land holdings in Australia as well as Australia's nearest neighbours.**
- **The confidence and expertise graduates will gain from this course will lead to superior management in the Australian Food industry as well as the making of lifelong contacts in a number of countries.**

- **The degree course includes a section on food processing and packaging. To take this sector further it is proposed that an Honours or a Masters course in food processing technology be available to interested students. The addition of an AgriFood MBA has also been discussed (with NSW D.P.I.)**

What can universities offer?

- **The goal is to build a course which is second to none internationally. It is envisaged that a number of universities will contribute elements of the course where it can be established that they offer “best in class” teaching.**
- **It has often been suggested that universities should collaborate to create great teaching. Now is the time to make this happen. It is envisaged, for example, that the teaching of a Dairy Technology segment might be optimized by attending a course in New Zealand and additional international linkages are possible.**
- **UNSW has lost its prominence in Food Science/Technology/Processing, probably due to the growth of overseas ownership in the food industry. This is clearly one of the key teaching areas for the new course and other universities, particularly in regional areas, should be encouraged to examine the expertise they can contribute to the proposed course.**
- **AgriMinds members are keen to work with teaching groups to help transfer ideas for fine-tuning the proposed curriculum.**

Where are the jobs for graduates?

- ✓ **The target job markets internationally include major farming companies and their suppliers, major and SME food processors, food distributors and retailers, major banks, international traders and universities.**
- ✓ **The course is likely to be of interest to major food and commodity trading companies with international linkages and there will be opportunities for sponsorship, bursaries and secondments which will be valuable for students and businesses.**

What can the government do?

- 1. Provide support for the new Food Industry model proposed. AgriMinds believes that the proposition we are tabling is compelling and can lead to very positive outcomes for the food industry.**
- 2. Provide funding/encourage sponsorship of the proposed new AgriMinds degree course to ensure its introduction in at least a couple of (probably) regional universities. This can be the game-changer which energises the whole sector.**

- 3. Provide funding for the proposed Food Science and Processing Technology facilities which should be co-located with the teaching of the new degree. We do not see this as an arm of CSIRO.**
- 4. Encourage the establishment of commercial Cooperatives or Businesses involved in food manufacturing, probably located near the teaching and research, to take advantage of the new expertise available.**

THE BUSINESS OF FIBRES

The AgriMinds “Think-Tank” also suggests that when Food is separated from Fibre in Agriculture, and Fibre is treated as an entity in its own right, a very exciting field of study and new business opportunities open up. This is currently untouched and Australia can lead the world in this sector. However AgriMinds has decided that we need to pioneer with the Food course and help make it successful so that we can transfer some of the learning systems to the Fibres/ fabric industries. A lot of new thinking is required.

The Fibre business we envisage will include the Animal Fibres, Plant Fibres (including timber) and synthetic fibres including relatively new composite synthetics such as Carbon Fibre and Graphene. As in the Food area, the teaching would incorporate a Fibre Production Technology section followed by a Fibre Processing Technology section (with options for post-graduate study). The teaching of cotton processing, for example might take place in China or India.

The AgriMinds “Think Tank” has not yet fully analysed the opportunity in this area, but is planning to do so at the beginning of 2015.

Policy Idea 9: Research, Development and Extension (R.D&E)

Having proposed a new focus on Foods and Fibres separately, the members of the AgriMinds “Think Tank” also have a clear vision of the need to align the fields of Science and Technology with high level degree teaching.

Taking Food as the example, the vision is that when a university invests in the establishment of the new premium degree course in Food Production and Processing Technology, the government will cooperate by establishing a professionally manned but modest Food Science and Technology Centre at that university.

The Science and Technology Centre would contribute not only to the teaching but would also provide expertise of relevance to businesses in that community. A key focus would be on bringing local industry and the R.D&E sector together to achieve commercial outcomes.

For example, if Charles Sturt University at Wagga invested in the proposed new degree course, the government would step in with support for a new Food Science laboratory and Technology Centre which would supply expertise, say, in cereal breeding, processing and food packaging if these are key needs in the Wagga area.

This example offers food science and technology expertise in regional Australia where existing and new businesses would benefit from the expertise available. By the centre’s very nature the scientists and technologists would be close to the local industry on an ongoing basis. Other regional universities would undoubtedly follow the Wagga initiative and in time a series of Food Science and Technology centres, ideally with specialist local expertise, would become established. The expertise of each centre would be shared, as required, across the nation.

The Green Paper mentions the need for primary producers, generally in regional areas, to come together in Cooperatives or new Business entities to harvest, process and brand primary foods, building more negotiating power with retail clients. If such business entities become established once again, the expertise of the Science and Technology Centres will provide invaluable support.

Opportunities Ahead!

Producers of retail-ready food products need now to be encouraged by government to change their mindsets and consider that their customers are no longer just Coles, Aldi and Woolworths in Australia but a range of similar supermarket groups already established in Asian countries. Presumably Austrade can supply the commercial linkages.

After building relationships with Asian supermarket groups, Australian food producers wishing to expand their offering need to weigh up whether or not they can add value by processing in Australia or, if costs are a barrier, by processing in the country of sale. In these times of free trade zones and predicted increased demand for quality food there is every reason why organized and professionally staffed Australian food producer/processors, with international know-how enhanced by government agencies, should aim to market value-added, shelf- ready food direct to supermarket groups in a number of countries in our region!

These ideas are from AgriMinds “Think Tank” based in Sydney.

AgriMinds members are senior Agribusiness people involved in primary production, processing, marketing, research, the media and administration.

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