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OFFICE OF THE  
**MAYOR**



**Cr Steve Jones AM**  
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The Honourable Barnaby Joyce MP  
Minister for Agriculture  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Minister Joyce

The Lockyer Valley Regional Council represents one of the largest vegetable growing regions in Australia. The success for our region relies heavily on the success of our farmers and the supporting industries throughout our region.

The previous two years have seen the Lockyer Valley face devastation and destruction twice from heavy rainfall events: stormwater runoff, inland tsunamis, creeks and streams over-flowing, and rising floodwaters. Lives have been lost, property destroyed, businesses ruined and the community tested. Our agricultural community has suffered incredible setbacks. The region has been working hard to recover from the floods and significant mitigation works have begun to reduce future flooding risks. The economy, however, is struggling to make progress.

Many of our farmers rely heavily on the domestic market; making them vulnerable to pressures from major retailers and cheaply imported goods. Over the past year Council has been working to find ways to assist our local farmers to increase their commercial resilience and improve the region's economy to recover from the recent natural disasters. An area Council has identified as a potential way to diversify and strengthen our agricultural economy is the export market.

Although the Australian vegetable production sector is generally competitive, there is evidence of increased international competition in both the domestic market — particularly in processed vegetables — and in many of Australia's export markets. Competition is generally price related; indicating that Australian producers need to reduce the unit price of commodity outputs, or develop markets for higher priced differentiated products.



A number of trade related factors appear to be affecting the competitiveness of the Australian vegetable production sector. Exchange rates, competitiveness of other exporting countries that are subsidised, internal competition from Australian states, increased production costs in Australia are an important factor in determining the price competitiveness of Australian vegetable imports and exports. Tariffs have also inhibited Australian vegetable exports in recent years as well.

Other factors that we see from a growers perspective is a lack of knowledge about the overseas market, a lack of key contacts and strong competition from heavily subsidised countries who have the time and money to build better relationships. To investigate these and other issues, and to further develop relationships, Council sent a group of delegates to Hong Kong, Singapore and Japan in 2013. Here Council staff witnessed an affluent society and a demand for quality Australian products. The following lessons were learned:

- The Australian Brand is premium
- Confusion for customers and retailers rears when multi-bodies from Australia compete in the market and events. It should all come under the one brand and have a united approach
- Visiting potential customers and developing strong relationships is vital;
- Trust and integrity are highly valued in the Asian market; and
- Politicians in our case a Mayor are well received in Asia and highly respected – doors are opened.

The main reason Council has stepped in to assist the farmers of the Lockyer Valley is that they are not well represented or supported by existing organisations. They don't have the connections or relationships with these bodies to learn more. Most major industry bodies are located in Victoria and those that are closer to home are providing little benefit to our growers. We find this hard to comprehend as we are one of the largest growing regions. Also key representative bodies are not establishing connections between our growers and the importers in Asia. Lockyer Valley farmers feel they are without leadership and guidance and are struggling to find a suitable alliance.

The farmers of the Lockyer Valley need appropriate and committed representation to assist them to prepare and develop, so that they can successfully export their products. Our growers need direct connection, a conduit to access the latest information from the Asian market. We believe that the connections we make and the relationships our farmers build will be the key to their success. Another vital step will be the sharing of information. Council will facilitate this by:

- A single point of contact for export information in the region.
- Easy to access appropriate export information
- Connections between local farmers and exporters
- An avenue for the exchange and sharing of information –
  - Logistics
  - Overseas marketing
  - Packaging
  - Contacts
  - Market niche details.



- The development of relationships and trust with overseas partners.
- Trips to Asia to visit target markets and cement relationships.
- The development of a regional group to represent the farmers of the Lockyer Valley in the long term.

We sincerely hope that the Federal Minister will look at our points and back us in our endeavour to build these relationships and use this as a pilot to assist other councils in similar programs but marketing all activities under an Australian brand.

Yours sincerely



Cr Steve Jones AM

**MAYOR**

**LOCKYER VALLEY REGIONAL COUNCIL**

