Agricultural Competitiveness White Paper – Submission IP188
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Introduction

Two issues have negative long-term consequences for the competitive position of agriculture and the Australian food industry as a whole.

Greenhouse gas production hurts agriculture's competitiveness

The first is the role agriculture plays in greenhouse gas production. Although current government policy gives climate change low priority, which may be appropriate for a political party, high levels of greenhouse gas production in Australian agriculture will nevertheless damage the industry's competitiveness in international markets in coming years.

International pressure (perhaps stemming from the UN's SD Goals to be decided in 2015) will aim at cutting greenhouse gas production to 2 ton per person or less as population grows. Importers of high quality agricultural products will be including the embodied greenhouse gases in the quality they seek. Agriculture, as a huge emitter of greenhouse gases, will not be exempted from international greenhouse gas regulations for long (political lobby groups in other industries will see to that). Agriculture will have to reorganise to meet its share of this reduction to remain internationally competitive. If Australian agriculture fails to reduce it fair share of greenhouse gas production it will have to compensate by buying international 'permits to pollute' which will increase costs substantially. Australian agriculture products will become increasingly expensive encouraging importing countries to look very hard for substitutes.

Agriculture hurts competitiveness through mal-nourishment

The second issue is the mal-nutrition that affects the majority of Australians that is increasing health costs, reducing productivity (through absenteeism, for example) and reducing the ability of people to reach their potential in work and creativity. Agriculture and the food industry (rather than the health industry) are substantially to blame for this. While the cost of mal-nutrition is spread across all industries, it includes the hundreds of thousands of workers in agriculture / food industries (the largest employment industries in the country). Improving the 'Australian diet' will reduce costs and make agriculture / food industry more competitive.

These issues need to be dealt with to protect the competitive position of Australian agriculture

The amount of good information about both these issues is substantial and the agriculture and food industry cannot plead ignorance.

Markets may eventually sort things out but the harm to individual Australians and businesses by relying on slow and uncertain market processes will be substantial and socially disruptive. A better course would be to deal with these issues politically by changing the rules that allow the agricultural and food industry to operate with these negative outcomes.

The 'habitat' in which these industries operate is changing dramatically and industries need to respond with dramatic technical and business advances.

Seeking solutions

There are solutions. The next steps ought to establish organisations to work with all the experts and parties involved to develop and implement positive programs to reduce agriculture / food industries' greenhouse gas production by the necessary amount and reduce mal-nutrition in Australia.

Hopefully, we will see quantitative evidence of improvement soon. For example, I would like to see 'poor diet' that is implicated in 56% of all deaths in Australia drop to less than 30% before 2025.

The information and technologies developed in seeking these solutions will become marketable, as all other countries will be seeking similar outcomes (less greenhouse gas production from agriculture and food industries and better health of their populations).

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