Agricultural Competitiveness White Paper Submission - IP246
Sustainable Agriculture and Gardening Eurobodalla
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COMMENTS ON PROPOSED WHITE PAPER

AGRICULTURAL COMPETITIVENESS

This response is from SAGE (Sustainable Agriculture and Gardening Eurobodalla). It is an attempt to communicate the issues arising from the proposed white paper in our region.

1 Food security in Australia and the world through the creation of a stronger and more competitive agricultural system.

This statement implies that a stronger and more competitive food system is the way to food security. This is a bold assumption and assumes retention of the status quo of international trade and the dependence of agriculture on fossil fuels.

Food security and resilience has extremely different connotations and strategic responses whether you're talking regional Australia, urban Australia, Australia as an entire economic unit and the world. It's virtually impossible to treat them as a single agriculture sector. To maintain viable regional economies (as regional areas are where agriculture takes place) firstly we must address the resilience of that economy.

Regional towns must be able to feed and clothe themselves in order to expand agricultural activity which then allows supply to urban centres and expands again to export markets. If we take cotton areas for example that have focussed upon an export economy through the gin we have seen many farms being consolidated into a few with fewer staff due to mechanisation which has resulted in the service towns virtually closing down.

This issue requires a broader approach that aims for “increased food resilience” with a 2 tiered system that aims to achieve that goal at a national level whilst also addressing regional resilience through support to regional food producers.

2 Means of improving market returns at the farm gate, including better drought management

Drought management comes from better soil management. Better returns come form shortening the supply chain or at least facilitating for a portion of the farm business to be direct sales.

Sustainable food production will by its very nature improve drought management. Market returns at the farm gate are ultimately a factor of the business acumen of the producer at small scale with assistance and training from groups such as SAGE. Hence support of SAGE through Government programmes supports growers.

For many producers in Eurobodalla the creation of the SAGE Farmers Market Moruya has seen them at better than break even for the first time. Local markets that have strong ethics and truly support local growers are one of the strongest mechanisms to improve farm gate returns. There should be a nation wide program to support genuine farmers markets for this reason alone.

Many of the lessons of using drought tolerant perennial species to help drought management have been lost in the past 50 years. Prior to World War 2 there were many grazing properties that had plantations of tree crops that produced storable protein and sugars enabling ruminants to survive on dry fodder. The main problem is that the need to service farm loans outweighs the planning needed to plant crops that will take a decade to bear.

3 Access to finance, farm debt levels and debt sustainability.

There are many complications that relate to fluctuating values of commodity products, interest rates, land values and the price at which the land has been secured as collateral.

Australia is in a fairly unique situation where the cost of land, labour, infrastructure, borrowing and inputs are amongst the highest in the world yet the price of food has to be 'competitive' with the cheapest product in the world.

Export driven agriculture can only grow sustainably through a strong domestic market. Small scale producers who have established themselves through a supportive local food economy could then ramp up the scale of their operation with access to finance through a micro-loan program. This be facilitated by a group such as SAGE with Government support such as a Sustainable Growers Micro finance fund.

4 The competitiveness of the Australian agriculture sector and its relationship to food and fibre processing and related value chains, including achieving fair returns

We may be able to compete if we take the angle of preserving our soils for the long term, supplying a quality product with high nutritive value, grown with high ethical and environmental standards. Let the rest of the world do cheap, we should be doing good. It will stand up.

Export markets will be high demand. One small local vegetable grower that believed they had zero export potential has been identified by a Shanghai business man who has explained that they are screaming out for quality, chemical free produce grown in areas that have clean environments. They have seen the very worst of agricultural production.

Even the Chinese (who are not known for their ethical treatment of animals) are disgusted by the recent controversies over tainted milk, pigs washing down rivers, farmers dying of pollution. The Chinese middle class who successive Australian governments seem keen to embrace do not trust their food supply. the Koreans don't trust the Chinese food supply, the Japanese don't trust their government after Fukushima and they certainly won't eat anything that comes from anywhere near Fukushima and they don't trust the Chinese food supply.

With genuine recognition and support of the role played by small producers, areas such as Eurobodalla could service this high demand market.

5 The contribution of agriculture to regional centres and communities, including ways to boost investment and jobs growth in the sector and associated regional areas

This is exactly what SAGE is doing in our region. Making agriculture visible, demonstrating that there is a good living to be made in growing local food. The community benefits through better produce, and both benefit by understanding the problems faced by farmers.

Small scale sustainable agriculture is making a major contribution to our regional centres, and needs to be seen as a player in the overall scene.

To boost investment and create jobs we need to faciliate and encourage direct marketing initiatives such as farmers markets and regional e-commerce. We should investigate regional branding. Identify that large commercial intensive operations generate totally different risks to small extensive diversified farming systems and to create a one size fits all legislatory and compliance framework does not make any sense and is preventing jobs growth.

6 The efficiency and competitiveness of inputs to the agriculture value chain—such as skills, training, education and human capital; research and development; and critical infrastructure;

The TAFE system has been hit so badly by cuts at all levels that it seems unable to deliver relevant training for our agricultural sector. SAGE has been running hands on training for commercial vegetable growers with no government assistance for 2 years because relevant training was not available.

7 The effectiveness of regulations affecting the agriculture sector, including the extent to which regulations promote or retard competition, investment and private sector-led growth;

In the case of many small farms they have potential regulation obligations to 5 different sectors (numerous bodies within each sector) which prices to cover costs to the point where they are no longer competitive. Many local farms also practice organic farming, but the regulation load from government is so onerous that they choose not to undertake organic certification because of the added administration load. This is why most farms are forced to produce one or 2 lines of products only, and this opens up the farmer to all sorts of insecurity to the income stream of a small scale farm.

8 Opportunities for enhancing agricultural exports and new market access

Small regional centres with access to an airport could participate in high value fresh product export. We should aim to be better, not cheaper and to promote our regions that can truly deliver safe (non GMO) sustainable, nutrient dense food.