

Australian Government

AGRICULTURAL COMPETITIVENESS ISSUES PAPER

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Slow Food Hobart is a Convivium of the organisation Slow Food International which originated in northern Italy in 1986. It now has >100,000 members in 160+ countries.

Slow Food is committed to protecting traditional & sustainable quality foods, primary ingredients, conserving methods of cultivation & processing & defending the biodiversity of cultivated & wild varieties.

Its philosophy encompasses:

GOOD.....tasty, flavoursome & fresh

CLEAN.....produced without straining the earth's resources, its ecosystems & its environments, & without harming human health

FAIR.....fair pay & conditions for all concerned-from production to commercialisation to consumption.

Issue 1: Ensuring food security in Australia & globally

Food security is best achieved by food diversity which equates to genetic diversity. In order to attempt to ensure such security the widest possible gene pool has to be available to all farmers whatever their size & wherever they are located. Slow Food is against the patenting of *any* seed by a handful of multinational companies. Only with unhindered access to the widest possible range of seed, with many farmers trialling multiple varieties of those best suited to their area, and then altering those varieties in response to changing localised climatic conditions, can the world have the best chance of improving &/or increasing agricultural production. Indigenous food crops have to be an integral part of this process.

Wild and relatively “undiluted” gene pools have been, and will continue to be, the starting point for new domesticated varieties that might have any chance of cropping in our changing climatic conditions. RICE is a classic example. 50 years ago across India 100,000+ varieties of rice were being grown. Now it is ~6,000 & decreasing every year. Debel Deb; a plant scientist turned farmer (who has worked at University of California at Berkeley) is cultivating 920 varieties on one hectare of land. This number is rising as farmers donate seeds from many “landrace” varieties. These

perform better in marginal conditions, & do not need synthetic fertilisers, pesticides & more water to grow. He makes the point that after 60 years GM science & hybrid rice growing have not come up with a rice variety that can withstand drought, severe flooding or inundation with seawater – exactly the extreme weather events that are increasingly affecting major rice growing areas of the world.

Reference: The Guardian Weekly; 04 April 2014; p.33

The entire range of agricultural producers will have to be considered. All have something to contribute to this issue – small & medium enterprises (SME's) are just as important as large broad acre farms or the largest multinational managed properties.

All growing methods will have to be recognised as having a place in current & future agricultural production. This includes businesses which employ Integrated Pest Management (IPM) as well as Organic & Biodynamic producers.

Integral to the questions of expanding agricultural production, and better integration into domestic & global supply chains is the issue of **eliminating waste**.

The UN “Trade & Environment Review 2013” made the point that the world currently grows enough food to feed 12 - 14 billion people. People currently don't get enough to eat due to WASTE. Much of the food being produced becomes unfit for human consumption at some point between the producer / grower & the end consumer.

Eliminating waste requires a range of infrastructure requirements, funded by a mix of public money, private enterprise & the end consumer.

The topic of eliminating waste & its associated financial drain on agricultural enterprises is addressed in more detail under Issue 2.

Issue 2: Farmer decisions for improving farm gate returns

All primary producers require a FAIR financial return for their product(s) that allows them to earn a living, as well as to reinvest in their enterprise. This will require a massive re-education program of the Australian public to make them understand that **food cannot be bought solely on price**.

In the UK on 06 April 2014 the *House of Lords EU Committee* released the findings of its detailed investigation into Food Waste in Europe. It called for urgent action on food waste, highlighting that at least 90 million tonnes of food are wasted across the EU each year. **The 15 million tonnes wasted in the UK each year equates to a financial loss to business of at least 5 billion pounds per year.**

The committee called on the new European Commission, due to be established in November 2014, to publish a 5 Year Strategy on Food Waste within 6 months of taking office. It calls “for retailers, especially supermarkets, to act more responsibly in limiting food waste by farmers and consumers including stopping the practice of cancelling orders of food already grown by producers, leading to unsold but perfectly edible food being ploughed back in to the ground or left unharvested”.

It calls for government action, via changes to VAT rates & new tax breaks, “to encourage retailers to redistribute unsold food where safe for human consumption, to food banks, rather than sending it for composting or to landfill”.

There is a call for a fundamental refocussing of government policy away from a “waste hierarchy” to a “food use hierarchy”.

www.parliament.uk/business/committees

The Federal Government should ensure that it has a similar **complete understanding of both the extent of food waste in Australia, and the financial impact of such waste on businesses in the agricultural sector.**

There needs to be on-going support for the concepts of “eating local”, “reducing food miles”, & smaller scale retail outlets such as “Farmers Markets”. Maximising options for local sales of agricultural products means improved farm gate returns for producers since they incur lower overhead costs due to decreased transport costs, & selling directly to the end customer. Maximising the “range” of retail outlets means that all agricultural enterprises have a good chance of finding the one(s) most suited to selling their production volume at a profit.

In conjunction with this, young children have to be re-connected with fresh food – how to grow & process (prepare & cook) it. This is already being addressed via a range of Primary School Kitchen Garden Projects – run by among others Stephanie Alexandra, Slow Food & the MONA 24 Carrot Garden Project.

Any increase in consumption of unprocessed food will support our domestic primary producers. It will also have a positive impact on the country’s health budget, since there will be a concomitant decrease in the consumption of processed foods which contain high levels of fat, salt & sugar.

Enough data has been accumulated to show that some areas of Australia are either on the verge of, or are already unsuitable for growing produce historically associated with that area e.g. conditions in parts of South Australia that have traditionally grown potatoes are now consistently so hot & dry that the crop is no longer viable. Tasmanian growers are now entering markets previously supplied by SA.

More thought will have to be given as to the appropriateness of growing certain crops in particular areas. When does it become financially (& ecologically) unviable to continue to produce agricultural products in traditional areas that are becoming increasingly marginal due to changing climatic conditions. Hard decisions will have to be made.

“Drought proofing” an area is often not the viable long term option it may appear. Irrigation schemes have to be carefully targeted. All climatic factors including temperature, humidity, altitude, cloud cover, frost & UV strength can adversely impact crop production, & need to be taken into account.

Children raised on farms, whatever their size & wherever their location, are entitled to be able to access as good an education as is available to other children. Such educational opportunities are actually even more important for farming children. They

increasingly have to acquire & develop the skills & knowledge to equip them for either tertiary education, or the wide range of on-going education & training programs currently available for the agricultural sector. Such “education for life” is increasingly a pre-requisite for running a successful modern day agricultural enterprise.

Issue 3: Enhancing access to finance

Slow Food Hobart is not in a position to give feedback on this issue.

Issue 4: Increasing competitiveness of agricultural sector & its value chains

At the very least, imported food products should be required to meet the same health & safety provisions required of those same products when grown / produced / processed in Australia. This includes but is not limited to herbicide, insecticide & fungicide residues; heavy metal contamination limits; limits to antibiotic & growth promotant usage; & animal welfare standards.

Any free trade agreements which Australia concludes need to impose the same conditions, including tariffs, on both / all parties.

The fact that Australian, & Tasmanian producers in particular, can currently still compete with the much more heavily subsidised agricultural sectors in the USA, EU & Japan shows that they are already more efficient & competitive. Government needs to work harder to reduce further &/or eliminate tariffs & subsidies in these areas. Only then might local producers be able to obtain higher profit margins which they can then reinvest in their business. They will then become more competitive, be able to access more export markets, & thus grow their enterprises and create more employment opportunities.

Issue 5: Enhancing agriculture’s contribution to regional communities

The bottom line here is that many / most services that urban dwellers take for granted are either more limited or totally non-existent in many regional & rural communities. The view seems to have developed that if a community’s population falls below a certain level it no longer requires such services. However, it is usually the threat of, or the actual removal of these services, that of itself contributes to a community’s demise.

Asking how agriculture can boost rural / regional communities is not necessarily the correct question, Farmers can implement profitable business models, & aim to reinvest as much as they can in their enterprise, but if they don’t have relatively convenient access to services - input suppliers, shops, banking, postal, health, education, mobile phone, internet services to name a few - they cannot actually run their own businesses, let alone grow the local community.

The most important concept here is “community”. Such an entity often needs a “seed” to grow. It seems rather short sighted that the “Community Food Grants” scheme (an offshoot of the National Food Program) launched on World Environment Day in June

2013 with funding of \$1.5M was wound up in February 2014. There were 364 applications from communities which had managed to find the required equivalent amount in cash or equipment, in order to fund co-op food gardens & farmers markets among other enterprises. Such “small scale” retail outlets are an increasingly important & integral part of the agricultural sector’s interaction with its local community.

Growing rural / regional communities requires the acceptance that all sizes of agricultural enterprise are considered important. It is well documented that SME’s are the biggest job creators in developed economies. Such smaller scale entrepreneurs are quite likely to be attracted to rural / regional areas, and the most likely to establish businesses marketing high end / premium / niche / high value-added products. SME’s tend to be highly creative, innovative & entrepreneurial – all traits to be valued when looking to grow a rural / regional economy.

Issue 6: Improving competitiveness of inputs to the supply chain

Based on changes in the Energy sectors in Europe & the USA, the Agricultural sector in Australia is going to have to start considering moving away from the carbon economy. Energy is a major, & ever increasing, input cost. All alternatives will have to be considered - solar, wind, biomass.

The agricultural sector could continue to consider waste as a cost which has to be factored in to its overheads. Alternatively the sector could view its waste as something of value, to be used to generate revenue, by finding enterprises for which the waste is a vital input to their operations.

A campaign has been underway in the UK to highlight, & overturn the current ban on feeding food waste to pigs. Pigs at the Stepney City Farm in London are being fed a diet based primarily on the limited range of food waste that can currently be legally fed to pigs. The pork will be used at a feast in Trafalgar Square where a free meal will be provided to thousands of people. The campaign is being run by Tristram Stuart (Feeding the 5000) & Thomasina Miers (founder of Wahaca restaurant chain, & currently writing for *Country Life*). The campaign has the support of many high profile people including Darina Allen, Hugh Fearnley-Whittingstall, Ben Fogle, Giorgio Locatelli, and Jimmy Doherty.....

<http://thepigidea.org>

The UK *House of Lords EU Committee* findings on Food Waste in Europe released on 06 April 2014 “welcomes the review of legislation regarding feeding food waste to animals”. However, it accepts that the transfer of human food waste to animals should only take place if scientific evidence establishes it is safe to do so.

Slow Food is against the commercial growing of Genetically Modified (GM) crops & promotes GM-free food & animal feed. With genetically modified organisms Slow Food believes we risk transforming our food into a patented commodity controlled by a few multinationals and stripping farmers & consumers of their rights.

The GMO moratorium in Tasmania has enabled many primary producers to research & establish new non-GM markets overseas. These customers “know” that the products are non-GM & do not require producers to undergo (expensive) testing to prove their GMO-free status. This, along with Tasmania’s fruit fly free status provides a double benefit for its producers. The enhancement of its food & agricultural reputation is confirmed by the increasing demand for Tasmanian fresh food produce from China, Japan & other Asian markets. Being GM-free is currently seen as a definite advantage by Tasmanian producers in establishing price points for their products.

The GM moratorium, along with Tasmania’s size, location & environment has made it an increasingly desirable place to set up SME’s in the agricultural sector. These SME’s are the least likely to utilise GM technology, but the most likely to produce high end / premium / niche / high value-added products. Relatively speaking, per unit of size, they contribute more to the economic well being of the country than large corporations producing “commodity” crops.

Any change in any Tasmanian primary product status from non-GM to GM will result in a decrease / loss of existing export market(s) if there is a change of government policy or consumer sentiment in those markets to anti-GM.

Tasmanian producers will no longer have freedom of choice as to the export markets they pursue. Their options will be determined solely by the legislation applicable in each overseas market.

HONEY is a classic example. The EU Court of Justice ruled that “pollen is an ingredient”. Shipments tested & found to contain >0.9% GM pollen have to be labelled as GM. If several shipments register GM pollen, albeit at <0.9%, EU law requires that the producer state that the GM-pollen has made their product GM. At present Tasmanian beekeepers cannot keep up with overseas demand for their GM-free honey.

Slow Food has created an “Ark of Taste”, akin to a heritage listing, for endangered food plants & animals. Tasmanian Leatherwood Honey & the Belted Galloway Cattle Breed are on this list. Any change in their GM status would immediately remove them from this listing.

<http://www.slowfoodfoundation.com/ark>

At the Slow Food AsiO Gusto Food Expo in Seoul, South Korea in 2013, Tasmanian Ark of Taste products were available for tasting. Over 300,000 people attended the event. Tasmanian Leatherwood Honey was very well received and there is now strong interest in marketing this GM-free honey in South Korea.

<http://slowfood.com/international/slow-stories/196437/asio-gusto-a-great-success/>

If a GM-crop were to be introduced into Tasmania there would be concerns expressed by our existing export markets as to the GM-status of any food or beverage produced on the island. All producers would likely have to incur the expense of ongoing testing of their products to prove their ongoing GM-free status.

The legal liability of seed companies &/or growers, whose GM-crops cross contaminate non-GM crops, resulting in the loss of livelihood for non-GM producers due to exclusion from their established markets, would have to be resolved. The current situation where the non-GM grower bears the entire cost of any GM-contamination of their crop could not continue.

The recent West Australian court case involving organic farmer Steve Marsh is a test case in this regard. Mr Marsh took his neighbour to court after he lost his organic produce licence when his crops were cross-contaminated by GM-canola from a neighbouring farm. The judge decided that because there was so much interest in this case from the rural sector, and since most of those people could not attend the court in person, transcripts of the entire proceedings would be made public. All parties are currently waiting for the judgement to be handed down.
www.abc.net.au/news/2014-02-10/landmark-court-case

Australian law has to catch up with such technological developments before any more such incidents occur.

To truly improve competitiveness along the supply chain infrastructure needs to be in place to minimise, or preferably eliminate, waste. There needs to be adequate provision of, & access to, temperature &/or humidity controlled, storage facilities. These may be required at any point from on the farm; during transit; to the point of sale. Finally the end consumer of the product in question has to have both the knowledge as well as the facilities to safely store the products before processing & consumption.

Eliminating waste requires the timely availability of road, air & sea transport options for exporters, both from Tasmania to mainland Australia, and then from Australia to overseas export markets. These transport options have to have adequate capacity as & when required.

Such infrastructure provisions must be maximised for all categories of producers. SME's are often overlooked in such planning. However, although they may be producing lower volumes they are often producing much higher value products.

Many high value agricultural products become available for harvest & transport outside of "normal" working hours. Government departments that interact with primary producers (e.g. Quarantine Services) may in the future have to amend working practices so that SME's in particular do not have their profit margins significantly eroded by paying high penalty rates for such services.

Issue 7: Reducing ineffective regulations

Organisations such as the Tasmanian Farmers & Graziers Association (TFGA), as well as sector-specific associations, must be actively solicited by government for their input into any such discussions. Their members are best placed to give examples of everyday experiences of duplicate, unnecessary or ineffective regulations.

Issue 8: Enhancing agricultural exports

This is a major issue for Tasmanian agricultural producers of all sizes. Many could increase exports but the major constraint is “Bass Strait”. Both Bass Strait shipping costs, and the fees charged by the Port of Melbourne to Tasmanian agricultural exporters, place an enormous financial burden on its producers. In spite of this, many Tasmanian producers are maintaining & expanding their export markets. This means that they are already among the most efficient & thus most competitive, agricultural producers in Australia.

“Australia” needs to accept that Tasmania is part of the Commonwealth of Australia & that Bass Strait is a fact of life. In the current state of climate disruption & increasing climate variability, although Tasmania’s size & topography is not amenable to huge agricultural enterprises, it has good quality soils. These continue to be made increasingly available for agricultural production by targeted irrigation schemes. Tasmania is becoming an increasingly important Australian food producing area as increasing tracts of the mainland succumb to more frequent & severe climate events.

Within the EU the view is that all areas are important. e.g. The Highlands & Islands of Scotland receive funding to enable vital infrastructure to be developed so that communities continue to be viable & can then meaningfully contribute to the overall economy. In particular it is accepted that where the only access to an area is by sea, funding should be made available to ensure that this does not totally disadvantage the community.

Bass Strait should not continue to be used as a means of limiting the competitiveness & export potential of Tasmanian agricultural producers. The Bass Strait shipping route needs to be considered as part of the National Highways Network, with Tasmanian producers charged accordingly for using it. This would create a more equitable situation with the mainland agricultural sector, & acknowledge the reality that we do all live in the same country. Any increase in overseas agricultural exports from Tasmania is going to benefit the country as a whole by improving its balance of payments figures.

Issue 9: Assessing effectiveness of incentives for investment & job creation

Slow Food Hobart is not in a position to give feedback on this issue.