



## Bowen Gumlu Growers Association Inc

### Submission to Agricultural Competitiveness White Paper

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The Bowen Gumlu region is the largest winter vegetable growing region in Australia, supplying produce to both domestic and export markets. The horticulture industry is worth an estimated \$450 million dollars annually, injecting money into the local community and a large economic driver for the region. The industry provides employment to 3200 skilled and unskilled employees regionally.

Bowen Gumlu Growers Association Inc (BGGA) is a not-for profit association setup to represent growers in the Bowen Gumlu region. BGGA is managed by a voluntary Executive Committee and two full time staff members. BGGA provides support to growers in the areas of Research & Development, Market Access, Market Development, Workforce Development, Strategic Planning, Water Issues, Industrial Relations, Reef Program, Horticulture Code of Conduct and more.

BGGA as a representative body is aware of the issues that affect the local horticulture industry and in-turn, its competitiveness and sustainability. Our submission outlines the issues locally that reduce the overall profitability of our horticultural industry and their effects on our competitiveness domestically and internationally.

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#### Market Access

The region has identified market access as a key priority area. The region has the ability to grow and increase production however without an increase in markets available to industry, there is no point in producing more, this would only continue to cripple the already loaded domestic market.

Regionally many growers relied upon the New Zealand (NZ) market prior to its loss due to the APVMA review of dimethoate. This left the industry without an important market, increasing the supply on the domestic market and poorer returns for many growers. During the review process of dimethoate, regionally BGGA, Queensland DAFF and local growers put their time and money into a project looking at alternative chemicals to maintain market access to NZ.

The regional research has resulted in a systems approach. The definition of a systems approach is the integration of different risk management measures, at least two of which act independently, and which cumulatively achieve the appropriate level of protection against regulated pests. The systems approach in the past year has been worked into an Interstate Certification Assurance (ICA) 48 Pre-



*harvest treatment and Post Harvest Inspection of Tomato and Capsicum in the Bowen Gumlu Region.* This is regionally specific to the Bowen Gumlu area and is also specific for our winter window. This is accepted for market access into Victoria, New South Wales, Northern Territory, South Australia and Tasmania.

Currently two post harvest treatment pathways exist into NZ. This includes irradiation which is available for both tomatoes and capsicums, however growers are reluctant to use due to the high costs associated with this treatment. As of early 2014, fumigation with methyl bromide treatment for capsicums became available but due to the negative effects this treatment has on produce shelf life growers do not want to use it. Currently post-harvest treatments are preferred by authorities, which mean our regional systems approach (ICA-48) does not fall in this category, as it utilises pre-harvest treatments and post-harvest inspections. BGGA believed that our systems approach should be considered as a viable export market pathway option. It utilises insecticides used for treatment of multiple pests, hence reduces the number of applications needed on a crop, a win for both the producer and consumer. Research project results were well received and demonstrated that the treatments used to control fruit fly were effective.

Currently Queensland DAFF is assisting BGGA in developing an Office of Horticulture Market Access (OHMA) application to get our systems approach on the export agenda. The OHMA application is the first step in this process, however support from Government is required to assist in this process and engage in consultation with NZ counterparts. Into the future BGGA believed there will be an increased demand for systems approach by consumers into the future as they become more conscious about where their food comes from and what happen to it before it reaches their plate. A systems approach uses a range of measures to control pests, which can include the use of Integrated Pest Management (IPM) practices that into the future will become best practice.

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### **Transport and Logistics**

The Bowen Gumlu region is located in North Queensland within the Whitsunday Regional Council. Produce coming out of the region is transported by road along the Bruce Highway. The Bruce Highway needs to be upgraded and maintained to allow for more reliable transport down to the markets. Currently the journey can take upwards of 12hrs due to the traffic and road works. This means that growers now face the prospect of transport fees rising due to the increased time it takes produce to travel from Bowen or Gumlu to Brisbane.

Truck driver hours are tightly restricted and if a driver goes over 12hrs, they have to stop until their hours have built back up. Due to this, issues can arise with produce not actually making it to market before driver hours run out. If drivers go over their allocated hours they can face fines and risk losing their licence thus livelihood. The horticultural industry needs to see more concessions made, like

that seen in the cattle industry, so that perishable products have some flexibility with driver hours so they do reach market as soon as possible.

The Bowen Gumlu region is located within the Whitsundays with tourism also a large economic driver in the region. There are potential opportunities for both sea and air freight. The Port of Townsville located 2.5 hours North of Bowen has the capability to transport produce into Asia as it is already a multi cargo facility. The Whitsunday Coast Airport located 1 hour South of Bowen is a relatively small domestic airport. For this to be used to move Australian produce around the world there would need to be significant investment in infrastructure as well as an upgrade to international airport status. Considerations should also be made with regards to market entry requirements when it comes to export into other countries. Currently facilities that conduct post harvest treatments (e.g irradiation) for produce are located in Brisbane. There are opportunities in our region to link tourism industry with the horticultural industry for the benefit of both.

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### **Cost of production**

The horticultural industry is a high cost industry with labour a major cost to producers. There needs to be research into technologies and methods to reduce labour costs. Currently labour accounts for around 37% (based on tomatoes) of grower's costs.

Increases in the price of electricity are also on the rise, affecting the profitability of the industry. In our region we have the one energy provider, Ergon Energy. Due to this there is no competition between providers making people within the community and in our industry price takers. There has been a shift with growers looking at alternative energy sources, such as solar. Incentives or subsidies to uptake solar would be welcomed by growers as the cost outlaid to buy and install solar panels is high. If energy prices continue to increase and there are not alternative providers, diversifying into solar will have huge benefits to local growers.

In recent times, increases in the price of vegetable seeds have become an issue for growers. There have been dramatic increases in the amount growers have been paying for the seeds. Seeds are sourced from countries outside Australia, with lower labour costs as it is a very labour intensive activity. During this season there have been instances when seed companies have raised the price of seed by up to 250%. This has occurred when there has been a crop failure or when the variety is the only one available to Australian producers. This issue effects grower's profitability and sustainability dramatically, as their seeds costs can triple in some cases, a cost which is unsustainable. There needs to be some regulation seen in this area, to stamp out exorbitant price rises by seed suppliers, who are also in some cases owned by chemical companies so that they are regulated and do not monopolise the market.

## **Image of Agriculture**

BGGA feels that the general community lacks an understanding of the horticultural industry. There needs to be more work done to educate children so that they have a better understanding and hence appreciation of the industry.

Locally BGGA have been working with local primary and high schools to engage and educate students about the local horticultural industry. The lack of understanding within our own local community of an industry at their doorstep has left BGGA looking into ways to engage students.

Programs have been setup to teach children of primary school age about the horticultural industry. This has been done in collaboration with our local DAFF Research Station, where research blocks used for vegetable trials are now being used to grow students produce. This will provide them with an understanding of how to grow and take care of a horticultural crop, the importance of good soil health and beneficial insects. The produce will then be entered into our local Bowen Show.

There are also programs that have been initiated with Year 8 and 9 high school students. These students are currently participating in industry tours of local horticultural businesses as well as career talks from people working within the local horticultural industry. These tours outline the career opportunities that are available in the industry and are delivered at a time when students are starting to choose subjects that will then guide their future working career.

An increased incorporation of agriculture within the national curriculum would be of great benefit to the industry. With the increased urbanisation of our society and a reduction in family links back to the land, if there is no adoption or delivery of agricultural based programs in schools the divide between the city and country will continue to grow.

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## **Summary**

In this submission BGGA have outlined four key areas which we believe impact on the overall sustainability and competitiveness of the horticultural industry. These four issues include Market Access, Transport and Logistics, Cost of Production and the Image of Agriculture. Without efforts by the Government to tackle and remedy some of the outlined issues, BGGA believes that this will affect the overall competitiveness of the horticultural industry.