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15th April 2014

Agricultural Competitiveness Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

RE: Submission to developing an Agricultural Competitiveness White Paper

Dear Minister Joyce,

Thank you for the opportunity to make this submission.

Mallee Sustainable Farming (MSF) Inc. is a farmer driven organisation delivering research and extension services to the < 350mm rainfall Mallee cropping regions of New South Wales, Victoria and South Australia. MSF operates within a region of over four million hectares, extending beyond Balranald in the east to Murray Bridge in the west. Our mission is to provide excellence in research, development and extension initiatives for the dryland Mallee of South Eastern Australia.

MSF Inc. was formed in 1997 in response to a recognition that conservation farming practices had not been widely adopted across the region. There was a need to identify the issues restricting the adoption of technology that would enhance the development of profitable and sustainable farming systems.

MSF has achieved a great deal in partnership with Mallee farmers. Increases in farm profitability have been observed as a result of activities undertaken in conjunction with industry scientists and advisers, along with environmental and social gains.

MSF continues to strive to be relevant to farmers' information needs, whether in the sphere of cereal cropping or livestock management, supporting farmers to increase their knowledge and skills to meet continually changing production, environmental, climate and market challenges.

The Mallee has approximately 2000 dryland farming families whose farming activities include cropping (wheat, barley, vetch, lupins and canola) and livestock (sheep for wool, lambs and cattle for meat).

Mallee Sustainable Farming Inc proposes that the following topics be addressed by the Agricultural Competitiveness Taskforce:

- **Research and Development**

In order for Australian primary industry to retain its competitive edge, R&D in Australia must be ahead of our competitors. Government should have a stronger role in funding towards R&D that benefits the industry and Australia as a whole in areas that are not immediately a priority for the corporates but nevertheless impacts on industry advancing with best practice for example; funding to farmer groups to drive R&D, Extension of R&D, funding of research into:

- Improving production in sandier soils
 - Robotics – this will increase efficiency of use of inputs and may reduce the need for labour for some seasonal activities
 - Developing farming systems which are N positive to reduce the reliance on synthetic fertilisers. This will be beneficial
 - Herbicide resistant weeds – can this problem be addressed using different crop sequences?
 - Diversification of new crops
 - Value adding grains produced within the region – how can we build relationships with export markets to market grain
- **Capacity Building**
 - Provide opportunities for farm businesses to participate in training where they use different software or planning packages to assess different scenarios (enterprise mixes and business structures).
 - To develop long term resilience, whole farm planning could be encouraged through projects associated with farming systems groups. This will tie in with projects such as the GRDC funded Profit Risk workshops and utilise the outcomes of other GRDC funded projects such as Crop Sequencing.
 - Resilience can also be built through programs such as Mallee Sustainable Farming's Strengthening Our Communities Project (funded by DSS) or the WA Drought Ready Pilot Program.
 - Building the resilience of communities to change by creating community clusters which draw on different skill sets and interests. This has mental health and economic benefits.
 - Building the leadership potential of everyone involved in the grains supply chain.
 - Provide opportunities for farm business partners to more accurately identify production costs.
 - Facilitated groups are a great way to encourage the sharing of information between farmers. They also provide an opportunity to learn from and provide feedback to researchers and consultants. The facilitated groups give people the confidence to try new ideas based on the activities of other farmers in their region or networks.
- **Freight Infrastructure**

Freight in regional Australia is a very large part of the cost of conducting farm businesses. The high freight costs are reducing Australian grain producers' competitiveness with Western neighbours Eg. Canada and the US. Australia can reduce freight costs through:

 - Standardised freight lines with adequate carrying capacity which will enable train movements to take place across state boundaries. One benefit will be the economic use of rolling stock with the purpose of decreasing costs of freighting inputs and produce.
 - Improved road systems which are capable of moving freight economically so that producers can be price competitive with other producers of food and fibre in the world market place. If the cost remains high then it will make it increasingly difficult for farm businesses to remain competitive on the international market.
- **Technology Infrastructure**

The lack of adequate mobile telephone service and availability of high speed internet access is limiting business growth in regional and remote areas.

The roll out of the NBN needs to be prioritised to provide rural businesses with suitable access to data speed. Greater access to the internet will make regional areas more attractive to urban based businesses whom often take fast internet speed for granted.

- **Attracting the next generation of farmers and new people to the industry**
 - Attracting and retaining new people in the agricultural industry is important for the future of Australian agriculture. One way in which this could be achieved is in supporting farming systems groups to mentor university students so that they are industry ready and are engaged in opportunities
 - Skilled labour force – filling the annual labour gaps on broadacre farms
 - The next generation of farmers can be attracted through addressing the high cost of stamp duty in transferring land from one generation to the next.

- **Production costs**

The cost of production of food in the grains industry in Australia is significantly higher than that of other countries (Stretch T, Carter C, and Kingwell R., 2014 “The cost of Australia’s bulk grain export supply chains - An information paper”, Australian Export Grains Innovation Centre). This could be reduced by decreasing the cost of inputs. Variable costs in general are rising much faster than commodity prices and agronomic gains. Training could be provided to assist farmers to develop a better picture of the cost of production for each of their enterprises leading to more financially viable businesses.

 - One production cost which could be reduced is vehicle registration.

- **Better informed stakeholders through communication and relationship building**
 - With an increase in demand for food in Asia set to rise by 75% by 2050, it is essential that primary producers have a good understanding of what consumers want so that they can tailor their products to meet the market needs. An increased understanding of growers can be achieved by establishing relationships through visits by overseas customers eg. Brewers and bakers to Australian farms and vice versa. This will also assist grain marketers to help shape crops as CBH does in WA through grower meetings and working with farming systems groups.
 - Farming systems groups have filled the void that was created when the Departments of Agriculture changed their focus. Farming Systems Groups have the capacity to build the skills and knowledge of people within farm businesses so that they can create strong communication networks within the supply chain.
 - Improved intergenerational communication will enhance the likelihood of adoption of new technology and practices. This can be achieved through opening up the lines of communication and encouraging farming families to talk about the succession of their businesses.

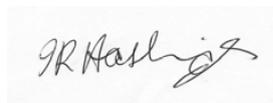
- **Removing Barriers to increasing the area of land for production**
 - Private capital could be attracted to the industry for farm investment through models such as share farming (New Zealand has some great models). This will enable a city based investor to have ownership of land and provide opportunities for young farmers to enter farming by leasing the land or share farming.

- Many farmers have adopted new technology to improve production efficiencies. One of the barriers to adoption of technology such as autosteer is single trees or small pockets of trees in cropping paddocks. This could be addressed through changes in legislation. For example in New South Wales legislation makes clearing prohibitive to grain growers. The current legislation means that if they clear one hectare that they are required to lock up 6 hectares. That one hectare can only be used for grazing. This is not feasible if it is in the middle of a cropping paddock. Rewriting of the legislation would enable land managers to clear single trees or small patches of trees which cause inefficient use of resources eg. Spraying around trees increases the amount of chemical used in that area of the paddock and significantly slows down operations.
- **Regional Governance**
For some rural people, capital cities in other states are closer to their properties than the capital city of their own state. Regional governance would better serve people in a more efficient manner.

In conclusion, MSF is willing to make further presentations in person or written submissions to the parliamentary select committee if deemed to be of value.

For further information about any of the above suggestions, please contact me on 0418 502 032 or Gemma Walker, Executive Manager, on 03 5021 9100.

Yours sincerely



Ian Hastings
Chair