



**Submission to the Agricultural Competitiveness White Paper
from
Manangatang Branch Victorian Farmers Federation**

Level Playing Field

Food production in Australia is regulated regarding types of chemicals that are permitted to be used. Food that has not followed these regulations is allowed into Australia resulting in a lack of competitiveness for Australian grown produce. Why are there different rules for Australian and international produce?

Product Labelling

Country of Origin/Manufacture labeling needs urgent review. How can produce grown in Australia compete with cheap imported food labelled 'made in Australia from local & imported ingredients'? Many Australians want to buy food grown & processed in this country but cannot distinguish between food grown here and food that is not. The advantage any Australian produce has is lost, consumers buy on price alone and our produce is 'trumped' by imported food posing as being locally produced when clearly it is not.

Produce needs to be clearly labelled stating what percentage is produced in Australia and what percentage is processed in Australia.

Cost of Production

Cost of production is spiralling out of control:- power, shire rates, water, fuel, regulatory three tiered government red tape and lack of accountability by government departments. This means competitiveness with imported goods is reduced.

Local Government Rates

Local Government rates have been increasing at an average rate which is well above the rate of inflation and is not sustainable in the long term. Victorian farmers in some districts are paying more than double the rate in the dollar paid by metropolitan communities for access to similar services.

Supply Chain Costs

It is estimated that it costs on average \$70 a tonne to get grain to port in Victoria. This equates to about 30% of grower's cost of production. Poor rail tracks mean longer delivery times, slower turnaround times and reduced track capacity, all resulting in reduced efficiency & higher freight costs to growers.

Government needs to address the lack of investment in rural rail and roads so that produce can be moved to port as efficiently as possible thereby making our grain as competitive as possible.

Insolvencies

Primary producers are vulnerable to secondary industry insolvencies as they are normally the unsecured creditor, resulting in losses being borne mainly by farmers. The insurance industry estimates that any loss needs to be recouped by a factor of twenty before the grower is back to their original position.

For primary producers to be sustainable and grow quantities of high quality food in an ever changing environment, they need to see more security in primary production investment.

The industry with the help of government needs to address the issue by considering the introduction of the following:

1. Primary producer to retain ownership of produce by becoming a first mortgagee of the product on delivery.
2. A levy be applied to all produce sold to support industry owned insurance
3. Establishment of a national accreditation scheme for traders

Support for Young people in primary production

Government needs to support Primary production in both Secondary and tertiary education. More support is needed for young people who are prepared to take on sustainable family primary production enterprises.