



**ADELAIDE™  
PRODUCE  
MARKET**



**Pooraka**  
SUNDAY MARKET

**CrunchBunch**



8 April 2013

Committee Secretary  
Senate Standing Committees on Rural and Regional Affairs and Transport  
PO Box 6100  
Parliament House  
Canberra ACT 2600

To whom it may concern,

**Re: Submission: Examination of the Foreign Investment Review Board  
National Interest Test**

On behalf of the Board of Directors and the wider Adelaide Produce Market community, I wish to lodge our submission to the Senate Standing Committees on Rural and Regional Affairs in response to the above matter.

The Adelaide Produce Markets Limited (APML) is a publically unlisted company that, amongst other things, runs and operates a 22-hectare wholesale fruit and vegetable market. The ownership structure of APML is certainly unique whereby shareholders must be from within the industry, such owning and operating growing, wholesaling and/or retailer-based businesses. It would be a fair comment to make that the vast majority of our 350+ shareholders are small to medium-sized local family-owned enterprises.

Our tenants supply over \$750 million in fresh produce to greengrocers, supermarkets, restaurants, cafes and other food service providers each year. With 45 wholesalers, 60 growers and over 1,500 staff and guests coming together each morning, the Adelaide Produce Market has grown to become the distribution centre for fresh fruit and vegetables in South Australia. South Australia, likewise has further cemented itself over this time as being a clean, green producer of premium fresh fruits and vegetables.

In essence, the Adelaide Produce Market community shares the concerns and opinions previously raised by the South Australian Farmers Federation and South Australian Senator Nick Xenophon with regards to foreign ownership. The Adelaide Produce Market community feels that foreign investment in agriculture, especially horticulture such as fruit and vegetable production needs special consideration due to the wider community concerns, the forecasted increase in the global population, the decreasing availability of premium farmland and the ongoing battles over water entitlements and availability.

We are deeply concerned that nationally over 10% of farmland currently has some level of foreign ownership and of reports stating foreign state-owned enterprises (i.e., foreign Governments) have been purchasing land. Furthermore, we are deeply concerned that South Australia has the highest level of foreign ownership for any State, bar Northern Territory (of which 24% of farmland is either partly or wholly foreign owned) and that 31% of water entitlements in Western Australia are partly or wholly foreign owned.

A recent report has named China, South Korea, Japan, India, Saudi Arabia and Gulf States as the most aggressive purchasers of local farmland in recent years. If anything, we believe this poses even more of a threat to our local food security as a foreign Government-owned is perhaps even more likely to secure food for its own people before those in Australia. A recent poll (The Lowly Institute, July 2008) backed up our concerns, with the results suggesting that 85% of Australians believe investment companies controlled by foreign Governments should be more strictly regulated than investment by foreign private investors.

Good food producing land is at a premium around the world and this was severely highlighted in 2008 with the global food shortage. And despite our reputation and access to prime farmland, food prices in Australia have risen by over 40% since 2000, compared to 22% in France and 29% in the United States. This is again more evidence that we need to act now on food security.

As you are aware, the Federal Government's Foreign Investment Review Board only assesses acquisitions that are over and above the \$231 million threshold. We believe that foreign ownership, whilst it cannot be stopped, it needs greater scrutiny from the Foreign Investment Review Board to ensure our own agricultural security and long-term food security. As such, we believe that any acquisition exceeding \$5 million should go through a more rigorous national interest based test, similar to what currently exists for media and residential real estate purchases. The current national interest based test looks at national security, competition, impact on economy and the character of the investor. We believe this assessment should go much further, to include job creation, whether Australia's economic interests are adequately safeguarded and promoted, impact on vertical integration and whether the acquisition will result in increased processing in Australia of our own primary products.

In summary, we are selling our backyard and jeopardising our own food security at a rapid rate, which will have severe ramifications in the long term if we do not act now. Foreign investment will not stop but we can certainly have a system in place that is clearer, more transparent, gives us a better indication of who is buying what and ultimately has Australia's interests foremost at heart.

Yours sincerely  
**Adelaide Produce Markets Limited**

**ANGELO DEMASI**  
Chief Executive Officer

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