



FARMERS' MARKETS: STRENGTH AND SECURITY THROUGH DIVERSITY

SUBMISSION TO THE INQUIRY INTO FOOD SECURITY IN AUSTRALIA

Thank you for the opportunity to prepare a submission regarding the issue of food security in Australia.

We note the broad farming heritage, horticultural and food production experience of the committee and the clear importance placed by committee members on ensuring Australia's food future is fit-for-purpose in an evolving world. We appreciate your work.

KEY POINTS:

- "Agriculture", "agribusiness" and "food" are not interchangeable terms. The priorities of each may be unique.
- "Agriculture" as a subject has largely stood in for discussion about food in Australia
- "Food" requires its own portfolio focus
- As a subject, "Agriculture in Australia" is export-oriented and largely overlooks domestic food system priorities, needs and concerns
- Many entrenched assumptions about the food system in Australia are important to understand and review if better policy outcomes are desired
- The current food system incorporates a large number of externalities that might, if acknowledged or costed, result in improved outcomes.
- Farmers' markets increase national food security through their support of many diverse local and regional producers of all scales; community- and city-focused, short supply chains that are less dependent on fossil fuels, on external labour, on long-distance logistics networks and on extensive packaging
- Smaller scale agricultural enterprises are more nimble, resistant and adaptable to expected climate changes

KEY ASKS:

- That a bipartisan, national food policy be developed that creates space for all food system actors to be heard
- That the Commonwealth elevate "food" to a specific portfolio focus such as DEFRA (Department of Environment, Food and Rural Affairs) in the UK
- That the values and needs of artisan (smaller-scale) food growers and makers are acknowledged and that fair and appropriate policy supports are provided

WHAT IS THE VICTORIAN FARMERS' MARKETS ASSOCIATION?

The Victorian Farmers' Markets Association (VFMA) is a not-for-profit, member association supporting Victorian farmers' markets to be effective retail channels for farmers and artisan producers. We represent around 600 members including farmers, orchardists, graziers, bakers, vigneron, all types of food producers, and operators of genuine farmers' markets.

We stand up for Victorian farmers, strengthen the viability of local producers and jointly defend our food sovereignty through the support and promotion of accredited farmers' markets.



Many of our members create award-winning, successful, and recognisable food and drink products.

We believe that vibrant, sustainable, and diverse local food systems are vital to happy, healthy, and resilient communities. Food security is an integral consideration of our work.

BACKGROUND TO OUR CURRENT FOOD SYSTEM

Food has one of the biggest impacts on our planetary ecosystem. The UN reported in 2021 that more than one-third of human-caused, global greenhouse gas emissions are a result of the way we produce, process, package and sell our food.¹ The current, industrialised food system is adding to the food insecurity risks that this inquiry has been set up to address. Small-scale agriculture already feeds much of the world's population² and cannot afford to be overlooked, especially in a world of increasing climate changes and even in rich countries such as Australia.

We have been fortunate in Australia to enjoy a relatively reliable food system feeding a relatively small population. Nevertheless, risks are increasing and our standard food system is not delivering many of the social values Australians consider important. Many industrial scale farming systems have not been kind to country. Food is not equitably available. Our grocery retail market is highly concentrated and reflects an inherent power imbalance. And many Australians are going to bed hungry, amongst other problems.

While the VFMA cannot address all food system issues, we work collaboratively and our work acknowledges the flaws in our food system that need to be addressed in a comprehensive and coordinated way. We further note that many non-metropolitan communities struggle with access to (particularly) fresh foods – those very foods most important to population health.

What would comprehensive state or national food policies look like? What would their goals be and how might incentives deliver these goals? Some other countries are further advanced in this regard, with health, environment, regional development, trade, social services, urban planning and other portfolios (federal, state and local) providing comprehensive input and more coordinated policy responses.

This has been tried before. A National Food Plan was explored in 2013. The Parliamentary Library noted that “the original stated goal of the National Food Plan was to assess food sustainability, affordability and security. The Paper, however, only briefly addresses any of these issues. The Paper reads as if the goal of food policy in Australia is to enhance the brand of Australian food and help to feed the world, particularly Asia and China.”³ While food exports are a worthy and valuable focus, they cannot be allowed to stand in for serious consideration of national, domestic policy needs.

¹ <https://news.un.org/en/story/2021/03/1086822>

² <https://www.iied.org/can-small-scale-farmers-feed-world>

³

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2013/July/The_National_Food_Plan_food_policy_or_something_else

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AUSTRALIA'S ASSUMPTIONS ABOUT FOOD SUPPLY

Food security cannot be fully understood without exploring and reviewing the underpinning values and many assumptions of our current, Australian food system.

It is vital that food policy development and settings are based on evidence, current data and realistic projections of population needs, climate change forecasts, urban planning pressures and social expectations.

Assumption: Australia is a big food player with global responsibilities

Australia understands itself through a lens of abundant agricultural exports. "Feeding the world" is frequently framed as a moral responsibility and is a deeply rooted, cultural legacy of Australia's 19th-century colonies vying for export to Britain.⁴ We are not alone in this type of thinking⁵ being used to justify industrial-scale food policies. Calls to a moral imperative underpin consideration of, and discussion about, the relative merits of "Big versus Small Agriculture" and the focus of attention and types and quantum of support (or lack of it) from decision makers.

Discussions about agriculture in Australia often revolve around large-scale, export-focused industries. Small-scale farming and food production is frequently, dismissively characterised as "Mickey Mouse" "lifestyle" or "hobby farming". Despite this, when travelling, most Australians celebrate the values of small-scale farming in other countries. A preparedness to include small-scale farming in the Australian food production mix is undermined by the export narrative. Indeed the current inquiry's first point for examination is "national production, consumption and export of food". Priorities not being necessarily the same, these focus areas need separate exploration.

Not well measured or understood in Australia, small scale agricultural and food production is nonetheless regarded as desirable employment for many people: young people through to retired, experienced farmers, food producers and novices. Many farmers and artisan food producers are satisfied focusing on local and domestic markets. Genuine farmers' markets provide critically important spaces for innovation, product testing and growing appealing and viable businesses.

Smaller-scale enterprises sometimes fill the niches of high-quality agricultural land surrounding our urban centres. Market gardens, orchards, meat production, dairy foods including milk and cheese, flower growers, bakers, vigneron, cider makers and other artisans create many of the foods we value and cherish, that support our health, add interest and delight to our diets, create diversity in our landscapes and expand employment opportunities and economic security in regional and rural areas. Local uniqueness is increasingly desired in a generic world and this only comes from the smaller-scale production nurtured by farmers' markets.

⁴ <https://www.rba.gov.au/speeches/2013/sp-gov-181013.html>

⁵ Rissing, A. "We feed the world": the political ecology of the Corn Belt's driving narrative [<https://journals.librarypublishing.arizona.edu/jpe/article/2959/galley/3051/view/>]

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Assumption: Australia is a fully food secure nation and rural areas are at an advantage

The COVID-19 pandemic and current flood crisis demonstrate that food security cannot be taken for granted.

A commonly repeated assumption is that Australia produces more than enough food for the domestic market (hence, all's well, no need to worry – any problems are just glitches).

It's vital to understand the repeated claim of Australia feeding c. 80 million+ people. The methodology behind this represents the divergence of agriculture and food. It's a simplistic measure factoring in just the total calorific value of everything grown in Australia (largely wheat, beef, dairy and other commodities. It takes no account of real, varied diets and what is required to be healthy.⁶ We draw to the committee's attention the explanation of this by the Farm Institute in the reference below. Australia is a net importer of some foods such as fish.⁷

According to 2011 research, Australia doesn't produce sufficient fresh fruits and vegetables for every Australian to eat the recommended number of servings each day.⁸ Shouldn't food security ensure that we are delivering and incentivising every Australian to eat a nutritious diet? Currently we are not, nor do we nominate this as a national goal. Since this research was done even more of the valuable smaller-scale, high-value farming landscapes surrounding our biggest cities have disappeared under urban expansion. Where will our food come from when that land runs out? Long-term, national, food security requires consideration of, and action in, many discrete policy areas.

Many city people consider that country people – being closer to the land – are at an advantage in being able to access fresh foods. In fact this is mostly a paradox. Metropolitan markets are powerful aggregators of foods and most non-metropolitan communities are reliant on cities to send them their food supplies, even those farming communities represented by some of the committee's members. Our national supply chains are centred on capital cities which aggregate and reship. It is frequently noted by residents that fresh foods in non-metropolitan locations are less fresh, more handled and more expensive. Over decades, increasing volumes of the nation's food is distributed through opaque, supermarket supply networks, increasing risk. It is important to consider the role and possible expansion to regional locations of the nation's existing wholesale markets. There are only six central markets in Australia (Brisbane, Sydney, Melbourne, Adelaide, Perth and Newcastle).⁹

Farmers' markets provide circuit breakers to this highly fossil-fuel reliant, risky, long-distance model.

⁶ While the figures are from 2014, the methodology applies: <https://www.farminstitute.org.au/australia-exports-enough-food-for-61536975-people-give-or-take-a-few/>

⁷ <https://www.agriculture.gov.au/agriculture-land/fisheries/aus-seafood-trade>

⁸ Carey, R and McConell, K (2011) A Resilient Fruit and Vegetable Supply for a Healthy Victoria. Working together to secure the future. A report by the Food Alliance.

⁹ <https://www.freshmarkets.com.au/>

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Assumption: Long supply lines are always reliable

Increasing consolidation and concentration of market power is a defining feature of our food economy, including at a global level¹⁰. Assuming an alternate supply chain will always be there to switch on and off when required has been shown as not being the case, whether that is vaccines, facial masks, toilet paper or some daily foods. The precarious nature of global supply chains were highlighted during the COVID-19 pandemic.

Long, national supply chains also present increased risks including from rising fuel costs and natural disasters. COVID-19 affected the workforce at all stages of food supply from farm labour to logistics and retail.

Research done after the 2011 Queensland floods show “clear evidence that the supermarket-based (long) food chain delivery system experienced significant difficulties in supplying food to flood-affected towns. In contrast, more localized (short) food supply chains—which relied upon supply from growers in peri-urban areas and community-based food initiatives—remained largely intact, and provided food at a time when the supermarkets were limited in their ability to respond to consumer demand.”¹¹ Further research into the security and reliability of long-distance supply chains is warranted, including exploring best practice alternatives.

EXTERNALITIES IN THE CURRENT SYSTEM

Externalities are built into our current food system, including declining public health, increasing numbers of Australians going to bed hungry, reliance on fossil fuels, environmental damage and a growing burden of plastic waste.

Although Australia’s relative lack of food subsidies and other direct supports are often talked up, our current, large-scale food system is still underpinned by many unacknowledged externalities. These include both the externalised costs and the internalised benefits accruing to participants.

A few current examples of current benefits underpinning export-oriented agriculture include:

- Inland Rail which is focused on “better connecting businesses, manufacturers and producers to national and global markets”.¹² Up to \$14.5 billion in equity and \$300 million in grant funding has been committed by the Australian Government to support the Australian Rail Track Corporation (ARTC) to deliver this project.¹³
- Austrade and its role of promoting international exports (including agricultural exports) and investment. According to its latest Annual Report, Austrade has 107 locations, including 66

¹⁰ <https://philhoward.net/>

¹¹ Smith, K., Lawrence, G., MacMahon, A. *et al.* The resilience of long and short food chains: a case study of flooding in Queensland, Australia. *Agric Hum Values* **33**, 45–60 (2016).

¹² <https://inlandrail.artc.com.au/what-is-inland-rail/>

¹³ <https://www.inlandrail.gov.au/understanding-inland-rail/independent-review>

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overseas locations. Within Australia, Austrade has 10 offices, complemented by a further 31 TradeStart offices.¹⁴

- The Australian Government committed \$1.04 billion to the International Freight Assistance Mechanism program, to help keep international supply chains open until 31 July 2022.¹⁵
- Some states also retain overseas offices focused on trade and investment. For anyone following the John Barilaro story from NSW several months ago, some of the large and relatively opaque costs underwriting these trade offices were brought to light.¹⁶
- Investment NSW has 12 offices reportedly costing almost \$13 million.¹⁷ Global Victoria maintains 23 international trade and investment offices around the world. Many duplicate services in the same cities (albeit with attention directed to their particular states).

There is understandably a need to justify these costs, conservatively estimated at more than \$40 million annually.¹⁸ While exporting is a worthy aim (and indeed some of our VFMA members serve both domestic and international markets), the role of the Victorian Farmers' Markets Association is to ensure that domestic – and specifically Victorian – opportunities to do business are diverse, fair, open, recognised, valued and supported.

There are very few supports aimed to specifically domestic and locally-focused, small-scale farmers and food producers. Fair, holistic policy considerations would seek to ensure all Australians eat well, that high-quality farmland (particularly that which is proximate to cities) is protected in perpetuity and that small food businesses can operate in fair and transparent markets. These sit as foundations for food security.

FARMERS' MARKETS: NOT PLACING ALL OUR EGGS IN ONE BASKET

Diversity lends strength, resilience and creates opportunities for businesses to start, evolve, adapt and innovate. Some small businesses become big businesses. Diversity reduces risk and increases security. Farmers' markets are the foundational building blocks of a safe, secure, healthy and delicious food supply.

It was not such a long time ago that there were many more food relationships across the country: market gardeners, greengrocers, butchers, grocery stores, small and regional supermarket chains: a web of food system strength. Distribution was supported through a strong wholesale market network. Over time, these many points of connection, this strong and resilient network of relationships, has been simplified in the name of efficiency and reduced costs. At each step however, and largely invisible to modern consumers, scale and risk increase, and choice and transparency have declined. This is not inevitable and previous policy choices by governments, a lack of specific

¹⁴ <https://www.transparency.gov.au/annual-reports/australian-trade-and-investment-commission/reporting-year/2021-22-4>

¹⁵ <https://www.bulletpoint.com.au/international-freight-assistance-mechanism/>

¹⁶ <https://www.themandarin.com.au/195387-californian-nsw-trade-office-closed-prior-to-new-york-office-opening/>

¹⁷ <https://www.smh.com.au/politics/nsw/nsw-has-spent-almost-13-million-on-six-overseas-trade-offices-hearing-told-20220901-p5behl.html>

¹⁸ <https://www.crikey.com.au/2022/08/04/what-do-trade-commissioners-do/>

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food system focus, “industry self-regulation” and assumptions of all being well have led to the current situation.

Farmers’ markets offer a degree of food security and resilience in both metropolitan and rural locations. In metropolitan locations they ensure that high quality agricultural land close to towns and cities remains farmed and that producers have options for better returns than the price-driven supermarket model. In rural locations farmers’ markets incentivise local production, support healthy eating and offer an alternative to supermarkets, at the same time keeping local money circulating in their own communities and providing enhanced, local employment opportunities.

We ask that in your considerations about food security in Australia, the committee discerns and values the contribution of the farmers’ market and artisan food sector to our Australian food system. We call on the development of initiatives that will assist us to better understand its breadth, value and contribution to our nation’s food security.

We would be delighted to talk to you further and invite you to a Victorian or your local farmers’ market!

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