

kialla pure foods

organic grain millers

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Committee Secretary

Senate Standing Committee on Environment, Communications and the Arts

PO Box 6100

Parliament House, Canberra ACT 2600

19-Oct-09

Dear Sir/madam



Re: Inquiry into the impact of mining in the Murray Darling Basin

I wish to lodge an objection to the proposed mining development in the Murray Darling Basin. Kialla Pure Foods is one of Australia's largest organic cereal grain processors located at Greenmount which is between Toowoomba and Felton, the proposed site for a large open cut mine. The organic industry is one of the fastest growing agricultural industries in the world currently and is emerging from the latest economic downturn largely unscathed, due to the increasing demand for healthy and sustainably produced food. These developments threaten the ability for farmers to remain certified dramatically reducing their productive capacity.

We source organic grains from across the Darling Downs as well as the Central Highlands. Some of our organic farmers in the Central Highlands have suffered considerable economic loss from the lack of understanding of neighboring mining companies. In addition we have a number of farmers whose farms are currently under threat of total destruction as a result of open cut mining.

Food security continues to be of increasing concern across the world - thus providing a great opportunity for Australia as outlined in the attached report from ABARE.

I urge the Government not to focus on short term mining revenues at the expense of long term and sustainable food production.

Regards,

Quentin Kennedy

Managing Director



Attachment 1 of 4

Food the new boom industry

LUCY KNIGHT
2/10/2009 11:56:00 AM

FORGET the mining boom – food is shaping up as Australia's 21st century growth industry.

Fresh statistics and a new Government report reveal agribusiness has not only played a big role in holding Australia out of recession, but it is on track to be the country's biggest growth sector in coming years.

The report, Food Statistics 2008, was compiled by ABARE and reveals Australia's food and beverage industries supported 14,000 new jobs in 2007-08, with the strongest long-term growth in regional areas.

Launching the report last week, Minister for Agriculture, Tony Burke, said there had been significant new job growth in dairy and bakery products industries and some growth in the meat, meat products and fruit and vegetable processing sectors.

The report says the overall value of Australian farm and fisheries food production grew by 18pc in the 12 months to 2007-08, to \$37.4 billion.

This followed a decline of 7pc in the previous year, largely due to falling crop production related to the drought.

In 2007-08 Australia's food exports were worth \$23.4b (now believed to be about \$24.7b) which included increased grain and oilseed exports, and a slight increase in fish or shellfish exports.

Wine exports increased from around 2pc of total food export value in 1990-91 to nearly 12pc in 2007-08.

The report also found the proportion of food exports to markets such as Indonesia, the Republic of Korea, New Zealand the United Kingdom increased over the long-term and while food exports to major markets like the US and Japan decreased, they were still Australia's largest food export markets.

Mr Burke said farmers were continuing to feed Australia and the world, despite challenges such as the drought and higher input costs, and the report reinforces Australia's role as one of the "food production hubs of the world".

Australian Food and Grocery Council chief executive officer, Kate Carnell, told the Agrifood Skills Australia conference in Sydney last week that agribusiness was becoming the "new mining sector" in terms of growth industries in Australia.

Ms Carnell said the agribusiness sector – which includes Australia's \$100 billion food, grocery and beverage industry – had been resilient during the global financial crisis when other industries had struggled.

She said the latest Australian Bureau of Statistics figures on Australia's GDP show agriculture has grown by 3pc between June 08 and June 09 and food manufacturing increased by 5.4pc over the same period.

"Australia's \$208b agribusiness sector – which feeds more than 60m people worldwide - employs more than 900,000 people and has continued to be a key export earner for Australia," Ms Carnell said.

"The agribusiness sector has the potential to be the best performing industry of the future, overshadowing previous boom industries- it's essential to everyone's daily needs, and supplies safe, healthy and sustainable products to the world."