



INQUIRY INTO FOOD PRODUCTION IN AUSTRALIA

SUBMISSION

To

Senate Select Committee on Agricultural and Related Industries

Prepared by:-

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Background

The Western Australian Farmers Federation (Inc) (WAFarmers) is WA's largest and most influential rural lobby and service organisation.

WAFarmers represents approximately 3,500 Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers, commercial egg producers and beekeepers.

It is estimated that collectively our members are major contributors to the \$5.9 billion gross value of production (2005/06 – ABS, WA Agri-Food Industry Outlook – December 2007) that agriculture in its various forms contributes to Western Australia's economy.

Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

Introduction

WAFarmers welcomes the opportunity to provide comment to the Senate Select Committee on Agricultural and Related Industries *Inquiry into food production in Australia*.

WAFarmers notes that the committee is proposing to hold public hearings in due course and would appreciate the opportunity of appearing before the committee to expand on this submission.

Food that is affordable to consumers

Australian consumers enjoy year round access to high quality, low cost food. The recently release ACCC report of its inquiry into grocery prices confirmed this fact.

However, consumers will face significant food price increases and a lack of food supply unless governments properly acknowledge the issues facing Australian farmers and put in place strategies and policies to assist food producers. These strategies are completely lacking in the ACCC report.

When the ACCC flippantly states in its report that the red meat supply chain is long and complex and that it is very difficult to pinpoint the price differentials (between paddock and plate) and so doesn't attempt to, it sends a clear message to farmers that their role in feeding the nation is being taken for granted.

Food that is viable for production by farmers

Substantial changes are needed to the Trade Practices Act so that food producers receive some degree of protection and support from the government enabling them to compete on a level playing field in a duopoly supermarket environment.



Farm input costs have skyrocketed in the past 18 months. Some fertiliser costs have increased by \$1,000 per tonne, diesel prices have swelled and key chemicals such as glyphosate have risen from \$80 to \$240 per 20 litre drum.

Farmers are price takers in the market place. They are unable to pass on their production costs.

Prices at the consumer level must increase over the short, medium and long term and these increases must make it back to the farm gate, otherwise Australia's food security will be put in jeopardy.

Food that is of sustainable impact on the environment

Food security may also be jeopardised by the government's management of the agricultural sector under the Carbon Pollution Reduction Scheme.

If farmers are to be penalised for production based emissions without being compensated for on farm mitigation activities such as soil carbon sequestration and stewardship of native vegetation, production will be reduced to levels where viability is not impacted.

Conclusion

The Senate Inquiry is timely given the challenges currently facing agricultural industries. In addition to the outcomes of the Inquiry, a simple question needs to be put to the government;

"Does Australia want viable family farm driven agricultural industries and healthy rural communities?"

WAFarmers trusts that the government response will be in the affirmative and if so looks forward to improved long term agricultural policies that drive agriculture forward rather than short term policies that are tinkered with after every election.

Internationally, the recent collapse of the Doha trade talks has ramifications for the production of food in Australia. The government needs to take steps to ensure that the viability of farmers is preserved in a subsidised and distorted international market place.

Nationally, the introduction of National Competition Policy and associated dry economic theory emanating from governments and their bureaucracies has torn agricultural industries apart over the past two decades.

With NCP having run its race, it is now time for governments to repair the damage it has caused to agriculture.

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