Submission: National Food Plan 2011

Submitting Organisation: Biological Farmers of Australia Ltd

Theme: "Having our cake and eating it too"

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National Food Plan Unit c/- Department of Agriculture, Fisheries and Forestry

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Biological Farmers of Australia Ltd (BFA) is a public, not for profit, member owned industry organisation servicing the needs and interests of farmers, value adders, marketers and consumers with an interest in organic foods and fibres produced from natural farming systems.

The BFA has over 20 years of experience in representing and servicing the organic food and biological agriculture sectors, and owns the well recognised and Choice Awarded brand "Australian Certified Organic" with the Organic Bud logo, while certifying the majority of organic producers and marketers, large and small, in Australia via its independent certification subsidiaries.

BFA's vision for food production in Australia is one that sees increasing opportunities for primary producers value adding and capitalizing on Australia's natural competitive advantages to produce biologically and organically, and a growing base of consumers appreciating this value.

It is recognized that for this vision to be realized, that the market alone will not deliver this outcome. A number of policies and strategies need to be brought to bear, including a clear national food policy vision that prioritises and supports biological farming, working to protect and enhance the very resources upon which those production systems are based.

To achieve this, a high priority needs to be placed on supportive policies and programs that deliver greater capacity to achieve this in the field, as well as programs and policies (from primary production to marketing the end product) that support value adding of such products to capitalize on Australia's natural advantages.

BFA is involved in education and capacity building to achieve these goals and looks forward to working with future government policies and programs that operate in synergy with these aims and investments in this organic and high value adding industry's future.

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Key Points: Proposals and actions required

- **Prioritisation of value adding based on natural production and processing**
- **A paradigm shift in R&D resourcing to more collaborative holistic research**
- **Capacity building via training and education at field level**
- **Practical but also world leading regulations that promote natural production**
- **Placement and recognition of food as key to national security and wellbeing**

- Australia needs to orient its food production policies towards **high-value added production** via a range of niche markets (large and small) for both export and domestic consumption. This would compliment the current over-emphasis on bulk commodity yields and gross turnover value as the main measurement of food industry success. A focus on net returns to producers and processors is required, based on enhancing food value by greater reliance on **natural production and processing methods**;
- Concomitant with this there needs to be a **paradigm shift** in **R&D** and related policy thinking pertaining to **agricultural productivity** in such a manner that productivity is seen through a farming-systems prism of **multi-yield, resilient, productive agriculture**, rather than mono-culturally focused on single yield crop increases in isolation. Such "multi-yield" thinking is manifest in production systems including organic and biological farming but needs top down support for such approaches for this to be systemically engrained within bureaucracies and research institutes, to reverse a decades-long trend away from this towards single-yield R&D. The broader "good of the commons" needs to be reintegrated back into R&D policies, which can only be achieved by a top down policy approach that prioritises **multi-disciplinary collaborations** and champions holistic research approaches at the coalface of research and development;
- Food policy and planning needs to be seen in the context of cultural and economic enhancement and resource protection and enhancement in such a manner that **food security** is intimately linked with national security, and more broadly with a pride in national identity such that the broader values of food and agriculture (social resilience and wellbeing, environmental sustainability, economic diversity) are seen more than simply related to job creation, export activity or rural or regional investment. Food and agriculture should not be seen nor treated as simply another part of the economy but a unique one playing **cultural, national security and socio-economic roles** well beyond measurement as a share of GDP. The **links between food and health/wellbeing** need to be made and consistently **reinforced via policies and supporting programs**;
- There needs to be more effective policy and program **integration across departments, governments, sectors and regions**, for these initiatives which deliver policy changes or initiatives that have the potential for impact (positive or negative) on food producers. Only by linking any planning and policy agendas back via an overarching mandatory (ie to be considered in all policy decisions affecting food production and consumption) national food plan strategy can this harness the power and impact of the range of these

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agencies. This would include such areas as taxation regimes, resource management, employment programs, health programs and objectives, competition policy, etc;

- **Training and education** in particular need to be **rethought** with specific investment in **capacity building** (technical and business of food training, as well as consumer education) from primary school through to tertiary and TAFE. Such training needs to encompass at the agricultural level a far greater emphasis on organic and more broadly biological farming systems practices;
- While not acting to unduly (or ineffectively) commercially disadvantage Australian producers and processors (in comparison to their international peers), **regulations** ranging from pesticide registration and animal welfare through to food labeling policies need to be oriented towards **protecting and enhancing Australia's clean and green reputation** and to increasing, rather than detracting from, consumer confidence in food labeling and food marketing laws. **Australia should take the world lead** in this domain, as unlike other leading positions, this domain will continue to build **reputation and integrity** in Australian produced goods for the long term which will in turn result in higher profitability from premium high value products sold into the world market;
- Ultimately food and food production needs to be seen through a prism of values that prioritise sustainable land management and the support for those willing and competent to manage primary production ventures or to take business investment risks in value adding Australian primary produce into high value added products for Australians and the world. Food and agriculture should not be simply seen as another sector of the economy counted only by the numbers of people employed or the dollar values exported but more broadly to encompass measurements of **national security** and **national health and wellbeing** while also being a means of raising the level of economic diversity and resilience via value adding primary production.

BFA believes that it is feasible and realistic to pursue policies and programs that support more sustainable production practices which may have optimal (rather than maximal single-yield) production outcomes while also in fact adding to overall economic growth and sustainability.

Hence we believe we can indeed "have our cake and eat it too" by having a sustainable and resilient food future, with one that achieves high levels of successful and profitable economic activity in rural and regional Australia. Indeed we believe without such an approach supporting such practices (of high value adding of sustainably produced products), we will have fewer choices and fewer cakes long term to choose from.

1) What is the most important thing a national food plan should try to achieve?

The food plan needs to ensure that **cornerstone resources**, both **natural and cultural/economic** resources, are protected and **enhanced by supporting inter-departmental policies** and initiatives whilst being front of mind in relation to all strategic policy initiatives (eg carbon pricing, water allocation, competition policy, R&D, etc) that may affect (or enhance) sustainable and profitable food production in Australia.

The food plan should particularly and **unrepentantly prioritise and support high value added products** and related profitable processes as part of the export supply chain and/or for import replacement, ensuring highest value achieved per litre of water "exported" and per unit of energy/land area used. This value should be based on environmental attributes wherever feasible.

One of the low lying fruits to achieve greater high-value added production in Australia is certified organic production, which has internationally aligned production and marketing standards and recognized market demand. A lack of both significant R&D support, and a lack of co-ordinated export promotion and support (eg market access) has seen this market opportunity languish for Australia while having taken off in countries such as NZ and the US. Investment in the organic industry (capacity building, R&D and policies) would benefit all in the Australian supply chain by creating a "leader by example" for other production and market systems, as well as enabling growth in this now clearly defined market segment.

While organic as the example here is a niche opportunity, the majority of high-value added markets are niche in nature, which therefore requires a rethink of how government policies to date have arguably often failed such opportunities and initiatives, ones otherwise well supported by industry and the market itself. The lack of an ability to achieve co-ordinated support across governments and departments highlights a broader issue of the need for a rethink of how governments, both Federal and State, deal with niche high-value added food production and consumption opportunities.

Even biological farming (the non use of synthetic inputs and a focus on soil health), being a farming production system more immediately achievable for the majority of primary producers, at least in part, is challenged in terms of growth and uptake by a lack of systematically linked and supported R&D and related production policies. While R&D organisations including CSIRO and the RDCs remain pushed (due to a mixture of financial pressures as well as policy settings) towards short term commercialisation of R&D output, this lack of significant (as opposed to tokenistic) integrated holistic-farm research programs will remain.

The food plan should not be structured in a way as to push for constant increases in food production volumes simply due to global pressures for the world to produce more food, but instead one that sees **Australia as a leader in sustainable production and high value added food products**, which will in turn deliver long term sustainable and profitable yields for its producers and the environment.

The plan therefore should try to achieve a **paradigm change** in thinking about food production in Australia from simply another sector providing some jobs and providing Australians with some of their food needs and some of the region's/world's food needs, to one which sees food production as a **cornerstone of national security, national identity and well being**, while positioning Australia as a world leader in **high quality, high value food products** supplied to its own citizens and the world.

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To achieve this requires rethinking some assumptions about competition policy (including shifting ACCC focus on short term benefits to consumers in isolation to the national food system they are part of), import policies (without being anti free-trade, but shifting this more to "equal-trade"), biosecurity, and resource management.

There is a tendency to lump agriculture and food production into the same category as any other sector of the economy without realization of the long term costs and consequences of this (should large segments of it wither and disappear). There is a need to resource and rethink education and training of consumers and producers to achieve a new vision for food and agriculture which is seen at the centre of national security and national wellbeing.

Placing such value on a thriving agricultural and food sector in Australia would put into context the overall costs to Australia and Australians were it to be lost.

2) *What should be the vision and objectives for a national food plan?*

Vision:

An Australian landscape populated by sustainable, resilient and profitable resource managers and value adders feeding both Australians and the world with a diversity of high value added food products oriented towards the health, wellbeing and prosperity of the producers and the consumers linked within this web.

Objectives:

Deliver integrated planning and strategic policy frameworks across departments, governments, RDCs, sectors and regions to achieve a thriving and profitable food and agriculture sector in Australia.

Prioritise high value added products (including more encouragement to value add existing commodities exported at low value) and supporting training, research, marketing and policy initiatives that work to achieve these outcomes.

Prioritise support, in terms of policies and programs, for organic production systems from primary production through to marketing of end products, in line with trends with Australia's main international competitors. Create additional background support for this via pro-biological farming practice policies and programs which assist in building capacity for this sector.

3) *What are the major risks to Australia's food supply in the coming years and decades and how could they be avoided or managed more effectively?*

A lack of **co-ordinated policy framework** (a national food plan) and supporting regulations which would otherwise protect existing producers and value adders and enhance their profitability and resilience is a major

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risk. The consequence of a lack of such a co-ordinated approach means we are running out of competent land managers and farm business managers, and also losing capacity to effectively develop and grow a high value added food processing sector into the future. This is lost easily and quickly but takes years to establish and maintain.

A second risk is the simplification of the issues and a **simplified R&D approach**. An ongoing unchecked race to increase single crop yields to the potential detriment of broader social, economic and environmental objectives is a risk to the future of a resilient agricultural future for Australia. An over emphasis on some potential technical solutions (eg GM research) to the neglect of other production approaches is a risk to the practicality and effectiveness of the scientific and technical pool of solutions for Australian farmers into the future. A diversity of technical and R&D responses should be supported and resourced. The absence of this threatens long term food security and farm productivity and resilience.

4) *What does food security mean? How would this be achieved? How would we know if/when we are food secure?*

Food security is defined by the level of health and wellbeing achieved through reliance on a diverse, sustainable and resilient productive agricultural and food industry base. If the productive base is constantly stretched to its productive limits it will risk creating food insecurity.

By achieving the vision of a more diverse food production-consumption system which prioritises both local production at the community level but also high value added, high volume production (and seeing no contradiction in this) we will achieve as best as is ever possible, food security for Australia and Australians.

Food security is a process, not a place. It is a journey and therefore it is about the path that is being trodden. Such a path requires constant review, consistent resourcing to enable capacity for production (education and training, R&D resourcing) and a relentless focus on the health and wellbeing of producers and consumers within its web of supply and consumption.

5) *What are the most important benefits that Australian consumers get or should get from our food supply? Why?*

Beyond what are now assumed to be givens such as a secure source of safe food, consumers should be able to obtain health, nutrition and wellbeing, a sense of being able to support Australian farmers in viable and profitable roles, and a sense that they have control and influence over the food that they consume (by being able to make clear consumer choices based on information available to them).

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Why? Because this is the cheapest means of managing long term health costs, ensuring long term food security and in turn long term national security.

6) What two or three actions:

a. By government sector would most benefit consumers?

b. By non-government sector would most benefit consumers?

Government:

1. Enhance food labeling laws to give consumers clear choice and information to make informed decisions (eg relating to imported products; GM derived ingredients; etc). These laws remain lax and/or confusing for consumers under the FSANZ Code;
2. Promote locally available food production and consumption via farmers markets, locally supported retailers/retailers supporting local producers and other market channels to bring farmers closer to consumers where feasible;
3. Assist NGOs in achieving these aims – particularly in bringing farmers closer to consumers (education, information) and also in assisting in the enabling of NGO development of standards and certification programs that deliver confidence for consumers in food products and claims.

NGO:

1. Work with governments and consumers to enhance food labeling laws to give consumers clear choice and information to make informed decisions based on standards and independent certification programs, managed by industry with broad stakeholder input, to ensure ongoing integrity of such programs;
2. Build and maintain financially resilient corporate structures which maintain a functional independence from commercial and government influence such that the ongoing interests of the consumer and the producer are equally respected, promoted and protected.

7) What are the major opportunities for Australia's food industry and how could they be realized?

High value added products exported to the world and to Australians, realized via the above listed proposals relating to policy, programs and R&D investment changes.

A significantly expanded organic production and market sector (both for domestic and export) that is positioned as a leader by example for other sectors to emulate. Such development would require changes to the way in which policies, programs and R&D investment is currently prioritized such that such production practices, and market orientations, are directly supported and enhanced by such policies, programs and R&D.

8) What two or three actions:

a. By government sector would most benefit businesses that make, distribute or sell food?

Government

1. Offer simplified programs and application processes to match investment dollars in high value adding objectives that offer long term financially viable solutions for growing export markets (currently this remains too complex and onerous for most SMEs);
2. Partner with industry associations to deliver these goals.

9) What specific food policy and regulatory functions within or between governments:

a. Overlap?

b. Are at cross purposes?

c. Have gaps?

What should be avoided is one off, selected regional support for initiatives if they are not supported by an integrated approach across governments to achieving long term sustainable and profitable development in the food sector, whether primary production or value adding.

There are serious gaps in a policy supporting organic farming at the Federal level (refer Labor policy during the 2007 election) versus what has then been delivered in (lack of significant) supporting policies and programs at the departmental levels. State governments have in turn been either nonchalant in terms of articulating support for organics, or at best having one off, non recurring, support policies and programs that are of little longer term practical benefit to the organic industry and organic market sector.

There are therefore serious gaps both between governments (Federal to State, and Local) in blending supportive programs and delivering longer term sustained and practical programs that deliver outcomes that see a support to the growth of the organic farming sector. This includes the domain of R&D as well as extension services.

Testament to this gap is the lack of the major supermarkets in being able to source sufficient volumes of organic products to provide for identified consumer demand for such products. Such a turn around will not be achieved by 1 or 2 year programs of support but will require integrated, long term approaches via supportive policies, programs and support services in field. Capacity building at the primary production level is critical for this to be achieved.

One other example of cross purposes or at least policy failure to date is the current regulatory arrangements pertaining to the approval and registration of biological farm inputs (in particular biopesticides). The APVMA is currently restricted in its process of approval of such products (costly, lengthy and not commercially viable in instances where the product is naturally occurring and therefore not of competitive value to separately register). The US, EU and even New Zealand have more pro-biological approval processes that need to be adopted here to enable Australia to more effectively support an uptake of the use of such inputs and to make them more readily commercially (and legally) available. Failing to do this will keep Australia competitively behind in this trend to greater use of biologicals in primary production, which in turn will remain dampening its ability to realize greater growth in value adding of natural and sustainably produced primary products.

End of submission.

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