



# FOOD SECURITY 2022

## Submission

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### Prepared For:

Standing Committee for Agriculture  
Inquiry into Food Security in Australia

### Date Prepared:

Date: 15 December, 2022



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## About Growcom

Growcom is the peak representative body for the fruit, vegetable and nut growing industries in Queensland, providing a wide range of advocacy, research and industry development services. We represent the second largest and fastest growing agricultural sector in Queensland. And as a state, we deliver approximately one third of all horticultural value of production nationally.

We are the only organisation in Australia to deliver services across the entire horticulture industry to businesses and organisations of all commodities, sizes and regions, as well as to associated industries in the supply chain. We are constantly in contact with growers and other horticultural business operators. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

The organisation was established in 1923 as a statutory body to represent and provide services to the fruit and vegetable growing industry. As a voluntary organisation since 2003, Growcom now has grower members throughout Queensland and across Australia, and works alongside other industry organisations, local producer associations and corporate members.

To provide services and networks to growers, Growcom has over 20 staff located in Brisbane, Bundaberg, the Sunshine Coast, Innisfail, and Toowoomba. We are a member of a number of state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

# Introduction

Growcom welcomes the opportunity to provide a submission to the House of Representatives Standing Committee on Agriculture's (the Committee's) inquiry into food security in Australia.

It is crucial as humans for all people, at all times, to have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. It is imperative as a supplier of this resource that the interconnectedness of food security is well understood to provide optimum outcomes into the future.

It is also important to recognise that horticulture is a highly complex commodity sector which, although shares many similarities, also shares many nuances.

We agree with the National Farmers Federation submission that "it is important to acknowledge that individual agricultural commodity supply chains will respond differently and experience varied impacts from the rising cost or insecure supply of different inputs. Australian farmers are ultimately responsible for ensuring Australia's continued and sustainable food security. For example, in 2020-21 horticulture producers were most affected by labour costs and availability, while fertiliser and fuel accounted for 20% of farm cash costs for broadacre cropping farms."

These nuances not only exist through commodities but also exist throughout the supply chain.

**Without viable and profitable farm businesses, Australia's food production capacity would collapse.**

# Executive Summary

Growcom supports the Queensland Farmers Federation, National Farmers Federation and Ausveg in their overarching recommendations, and call for action to:

- Develop a National Food Supply Chain Resilience Plan.
- Develop (Government) and execute a national strategy and behaviour change program to increase fresh vegetable consumption.
- Invest in a marketplace transparency tool.
- Make the Food and Grocery Code mandatory.
- Develop Unfair Practices Provision in the Competition and Consumer Act.
- Invest in local manufacturing facilities to develop key inputs such as fertiliser.
- Support on-farm initiatives to increase farm sustainability i.e. renewables funding, waste recycling.
- Develop a National Labour Hire Licensing Scheme.
- Embed Agriculture into National curriculum.
- Restart consultation on the Biosecurity Imports Levy with stakeholders.
- Increase capacity and capability of critical government services in biosecurity through increased and sustained funding.
- Develop a measurable implementation plan to measure progress against the National Biosecurity Strategy.
- Investigation of workforce trade agreements with other countries.
- Investigation of mobile, seasonal workforces.

## Growers

The foundation of food security is entirely dependent on the profitability of growers into the future. We must ensure farm businesses remain profitable and operate in competitive environments.

As the name suggest, primary production is the basis on which all other markets are built. The combination of soil and water provide society with plant biomass for human use, providing food, feed, fibre, and fuel.

Horticulture is the most vital industry in the world. Not convinced? Name one industry that doesn't rely on a human who needs to eat a range of fruit, vegetables and nuts in order to live.

Horticulture provides jobs which include scientists, bankers, managers, supervisors, machinery operators, machinery sales, pickers, packers, agronomists, food tech specialists, QA, administration, mechanics and marketers to name just a few. The freight supply chain for horticulture alone employs 57,000 Australians. Horticulture also serves as the foundation of the 57,000 restaurants and cafes we have across the country.

### Extreme weather events

***Call to action:***

*Consistent and continued government support is necessary for growers to be proactive and build upon their preparedness to a level that will ensure business sustainability.*

It is acknowledged that weather is outside of our control however there are plenty of mitigation measures well within the management reach of growers on their farms.

Growcom acknowledges the Government's strong commitment to facilitate and encourage preparedness to address a range of climate change related risks including drought, and to provide an effective safety net to assist Australian farmers and regional communities.

Programs such as the Farm Business Resilience Program are having immediate 'on ground' impact which will hold growers in good stead for generations to come.

Growcom is strongly aligned with the government to ensure growers and growing communities across Queensland are effectively and efficiently supported in advance of, during and post extreme weather events to minimise future triple bottom line impacts.

# Inputs

**Call to action:**

1. *Investigate the role of wholesale and retailers in price taking. Given approximately 70% of horticulture's costs are labour, don't wholesalers and retailers have a role to play in ethical purchasing by paying a price which is reflective of appropriate growing costs?*
2. *Investigate subsidies on inputs when situations arise which if left without intervention, would mean a risk to food security. Example: 2022 fuel subsidies.*

Covid and politically based shortages have demonstrated the on the ground impact to food security during the last few years. Availability and costs of critical inputs such as fuel, machinery, spare parts, ag-vet chemicals, fertilizer, and seed play a role in getting product to market for consumers, and negatively impact the viability of the grower.

- The problem arises with increasing input costs due to the grower being a price taker. Increases in input costs are continually passed down to the grower however the grower has no ability to pass these costs on.

Agriculture is heavily reliant on diesel fuel to power on-farm activities international supply chains for its fuel supply, sourcing approximately 90% of the country's liquid fuel from overseas.

Although this has significant cost advantages, the current arrangements for the sourcing and distribution of liquid fuel in Australia leave the agricultural industry vulnerable to a range of supply risks.

## Labour Attraction and Retention.

### **Call to action:**

1. *A targeted Harvest Work Visa or Agriculture Visa would assist in filling the gap in workers and ensure the visa parameters are more flexible to better meet the unique needs of the industry.*
2. *Targeted embedding of agriculture in the National Curriculum including engaging heavily with industry to ensure curriculum is co-designed and relevant.*
3. *A focus on positive media narratives*

Horticulture is unique in that it can require a significant amount of labour for short, variable and unpredictable picking seasons.

The sector's reliance on seasonal workers from overseas was demonstrated during covid. The migrant workforce upon which the Australian agriculture industry and public relies to deliver food from field to fork should be diversified, sourced from a range of partner countries. Creating a dependence on migrant labour, for example from a handful of countries within one region, unnecessarily exposes our food supply to natural disasters and geopolitical risks well outside our control.

There has been a substantial impact to horticulture, created by the legislation changes in 2021 for Working Holiday Makers (88 days) which resulted in them now being able to work in hospitality.

Due to the labour-intensive nature of farm work, its usual positioning away from tourism infrastructure and the negative publicity through some media outlets, we will see many backpackers choosing hospitality over horticulture. An unintended but significant consequence to horticulture and our food security

Although much has been made about the PALM Scheme, it is only a small piece of the horticultural labour puzzle. The seasonality impact on labour is often overlooked or not well understood.

The sector requires competent, efficient and reliable workers which are available when and where the season requires and for the season's duration.

Long-term productivity growth will be promoted by education options far beyond what we have currently.



Horticulture will need to be embraced as a modern, professionalised workplace and employer of choice.

***Call to action:***

- 1. Urgently increase systemic support towards plant biosecurity.*

## Threat of disease

Australia's biosecurity system is fundamental to the success of our agriculture industry, the health of our natural environment and to our society and economy at large.

Given the volume and frequency of incursions faced by our industry, as well as the plant industries in general, there is a clear and obvious need for increasing capacity and capability across all plant biosecurity agencies.

Unfortunately, the opposite is transpiring, and the plant biosecurity agencies are stretched beyond capacity exacerbated by weather events that the agencies are responding to. This is reflection of a systemic lack of biosecurity support for plant industries by Government.

The varroa mite incursion put further burden on an already strained plant biosecurity system.

## Market price transparency

***Call to action:***

- Ensure effective policy is in place to encourage fair competition and equal power for all stakeholders.*
- Ensure visibility of the retailer and supplier relationships and dealings to ensure a fair negotiation system,*
- Mandate the Food and Grocery Code.*

The highly concentrated market share in the Australian system gives the duopoly a high degree of bargaining power in commercial negotiations with suppliers.

This concentrated marketplace and lack of transparency has made it increasingly difficult for growers to receive a competitive and sustainable price for their goods.

The size and power disparity between these supply chain actors and farm businesses creates significant bargaining power issues and empowers anti-competitive behaviour.

## Market Access

***Call to action:***

- 1. Growcom supports fast tracking negotiations to support new market access.*
- 2. Growcom supports the packaging of ESG solutions to global standards to support growers within new markets.*

Australia has an excellent reputation as a leading exporter for safe, sustainable and nutritious produce.

Increasing geopolitical tensions have had substantial impacts on commodities particularly those who relied on China as their main market. We must continue to manage associated risks through diversifying export markets, to ensure to stability of Australia's export capacity.

Now alternative export markets are being sought, ESG is no longer a conversation topic but an expected action and integral part of trade negotiations.

To assist Queensland horticulture to compete within a sustainable global market, our fruit, vegetable, and nuts growers need clear, timely guidance and appropriate tools to aid their business operations.

## Freight

***Call to action:***

Growcom supports the NFF continuing to make the case to bring back regional manufacturing, as one solution to address this reliance risk.

Australia's food security is reliant on farmers being able to get their produce to supermarket shelves.

Our industry's reliance on the timely import of critical inputs means port productivity and the functionality of international supply chains also critical to Australia's domestic food security. Similarly, the ability of famers to access export markets at prices competitive with our international counterparts is key to ensuring the ongoing viability and profitability of the sector.

The inefficiency of Australia's road and rail freight networks has long plagued the agricultural industry. A reliable, cost-effective supply chain is critical to the future of agriculture. If we accept that Australia is truck dependent, it's easy to see how fuel increases are going to impact all that are reliant on transport.

The agricultural sector is heavily reliant on the timely availability of fertilisers and seeds. This vulnerability was exposed during COVID-19, as supply chains almost ground to a complete halt and exposed Australia's reliance on the import of key inputs including urea.

Many Australians would be shocked to learn Australia imports 90% of its urea, the most commonly used fertiliser in agriculture. Without urea, crop production would fall 30-40%. Additionally, farmers have seen fertiliser prices double in the space of 24 months.

## Ag-vet chemicals

***Call to action:***

Growcom supports the development of local markets to reduce risk.

Australian farmers are heavily reliant on imported ag-vet chemicals for herbicides, pesticides and fungicides, and the active ingredients for these products are mostly only available from one country.

During 2020 there was real fears that the availability of glyphosate would be severely curtailed due to supply chain disruptions in China. Any disruption to glyphosate would have impacted most Australian agricultural commodities and would likely adversely impact other agriculture exporting countries. This would make the task of importing commodities to meet any shortfall difficult.

***Call to action:***

- Additional resources to support the understanding of the benefits of eating nutritionally.
- Increase consumption through behaviour change programs
- Support the work by the fruit and vegetable consortium...

## Consumers

Although we understand price is still the deciding factor in fresh produce, the consistently low intake of fruit, vegetables, nuts and herbs demonstrate that the economic and social benefits of increasing vegetable consumption and associated positive health outcomes such as reduced expenditure within the health budget and lower disease and death rates are still not commonly known or embraced.