Speech by Agriculture Minister Terry Redman

to

The Rural Media Association

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AGRICULTURE IN WA- MAKING EVERY HECTARE COUNT

Food, Fibre and Fuel for the Future

(CHECK AGAINST DELIVERY)

ACKNOWLEDGEMENTS

Thank you Travis King, Rural Media Association President

Acknowledge colleagues:

Hon Brendan Grylls MLA, Minister for Regional Development; Lands; Minister assisting the minister for State Development, Minister Assisting the Minister for Transport.

Hon Wendy Duncan MLC, Member for the Agricultural Region

INTRODUCTION

It’s easy to get a little depressed when you pick up the paper at the moment.

There’s a fair amount of doom and gloom about, but I believe that we in the food and agriculture industries in WA have cause for optimism.

I want to make it clear that when I talk about agriculture, I’m talking broadly about everyone involved in the agriculture and food industries – farm hands, fruit-pickers, chemical consultants, agronomists, stockmen, seed breeders, plant biologists, wine-makers, software developers, organic beef growers, butchers, bakers, goat cheese makers.
Agriculture is the ultimate renewable industry. Mines and gas fields will eventually be depleted, and the price of nickel will always fluctuate. One certainty is that people always need to eat. They will also choose fibre for clothes and houses and increasingly they will turn to biofuels for energy.

Our challenge is to make sure the world sources its food, fibre and fuel (the three ‘f’s) from what we produce here in Western Australia.

The bacon and eggs you are enjoying today are the result of the hard work of the men and women of the WA agriculture and food industries.

For some time now, food and agriculture has been the Justin Langer of our great state – often forgotten, and taken for granted during the last decade.

In the developed world the relationship between food and health which is leading to a growth in demand for healthy choices. Consumers are demanding more information about what they are eating and where it comes from. In many countries – and many regions within countries – food is more than just nutrition. It’s a complete cultural experience. Issues like food-related diseases, food safety and integrity and environmental footprint are top of mind for these savvy consumers.

At the other end of the scale, many organisations around the world are talking about the possibility of food shortages in coming years – particularly in our least developed countries. World population is projected to increase to 9 billion by the mid-21st century. Just to keep pace, food production must increase by over 50%.

Chatham House researchers in the UK have warned that the global food system will come under increased pressure because of population growth, increased meat consumption, scarcity of energy, land, water and labour, as well as climate change.

Rather than looking at these challenges and throwing up our hands in despair, we need to take advantage of the opportunities this situation might throw our way.

**WHY DO WE NEED A PLAN?**

By now you would have all had a glance over the brochure on your table. It is a very condensed summary of a framework for agriculture in this state. It gives an indication of my priorities and how they can be achieved.

Being a new Minister in a new Government seems the most obvious time to do a stock-take of where we are at with agriculture in this state, where we want to be and how we can get there.

Being a National Party Minister in a Liberal-National power-sharing alliance is not only a mouthful, it’s a proving a great opportunity.

I want to take this opportunity to make a very clear point. The commitment to Royalties for Regions is for each year of the life of this Government. Even if we as a Government have to make tough
decisions (and we will), there will be a significant Royalties for Regions funding component going forward.

Royalties for Regions is a rock solid commitment to the people who elected the National Party and we will hold to it. However, we are not economic vandals and if our State’s proud AAA credit rating (one delivered by a previous Liberal National Government) is to be retained, then the Royalties for Regions component will have to take an equal hit along with all other government expenditure. But no more than an equal hit.

Besides Royalties for Regions, there are other Government policies I am particularly proud of. Together with my department we have been pushing along the Government’s commitment to the expansion of the Ord River region, which saw the first earthworks occur last month – something the people of Kununurra never thought would become a reality. I have also been working closely with my colleague Brendon Grylls on the direction of the Gascoyne to see the food bowl potential of that area unleashed.

I also ticked off 3 major election commitments in 3 months - Muchea Livestock Centre, GM cotton in the Ord and GM canola trials.

This week, Cabinet have agreed to abolish the Grain Licensing Authority, ending the regulation of export grains other than wheat. I know that some quarters of industry and growers won’t agree, but I am equally confident that many will, because many more have been asking me to do this since becoming Minister.

But taking a longer-term view of the industry, I realised we need a framework to ensure the decisions we make now, set us up for the future.

As a Minister and a local member many people put their views to me as I move around my electorate and around the state. Some of you are here today. There are constant themes that come up in nearly every conversation I have about agriculture in this state. These five themes form the foundation of my plan.

It just makes sense to me that if you strengthen the agricultural industry you will strengthen regional communities. And being a National Party Minister, that’s what I’m all about.

I also wanted to reflect these thoughts back to make sure what we do in my department aligns with what’s happening in the real world. I want to ensure that we are responsive to the challenges facing the industry, that we are standing side by side, once again developing innovations and better ways of providing food, fibre and fuel.

The best decisions are made in the toughest times. From now until Budget time in May I am giving priority to the redirection of the department’s resources. This is a meticulous process – and I know the Government’s actions in this area have received intense media scrutiny. We must ensure the department is delivering the best programs possible to drive value for the industry. Just as industry and the general public must adapt and change - so must the department.
In these times of change, it’s obvious that communities don’t stay stagnant. Dynamics move faster than most of us could imagine. You only have to look at the recent examples of Ravensthorpe and Hopetoun to see how lives and livelihoods can be transformed in the blink of a multi-national eye. The recent Victorian bushfires and floods in north Queensland as well as northern WA attest to the fragility of communities when faced with Mother Nature at her most awesome.

But the beauty of agriculture, compared with the resources sector, is that with care and proper stewardship, it’s the original renewable industry.

In the 1960’s and 1970’s, there was a global green agriculture revolution. I know many people involved in agriculture who were inspired by the opportunities presented by the then new technologies and new ways of farming. I want to build on that proud legacy, and make every hectare count.

The ability of agriculture to contribute to the economy, particularly in tough times is indisputable but we can, and must do more. Recent stats from ABARE show WA comes in well above the average Australian farm in making a profit. What this says to me is that in WA we do it well – but we cannot rest on our laurels.

A point the Premier made recently is the increasing gap between the value of the resources and agriculture sector. This gap has significantly widened since the 1970’s. He has thrown out a challenge to try and close the gap. I have every confidence we can narrow this gap, but it won’t happen if we as an industry stagnate – we need to be constantly moving forward.

I’ve thought long and hard about what my role as Minister is and I’ve come up with one key task - and that is to make decisions that make a positive difference to those making a livelihood out of agriculture.

As a Minister, I want to make decisions that encourage people to make every one of their hectares count. And, I don’t want to waste the opportunity provided to me in being given this Ministerial portfolio.

I will consult widely, but I will make timely and considered decisions. I believe that the people of Western Australia have put me in this office to make decisions on their behalf. In this era of poll driven politics, this might seem a quaint notion, but it is one which this government and I personally hold very dearly. We all know in our own lives, in our own businesses that the best decisions are made in tough times. Government is no different.

As a Government, and as a Minister, we will be judged by the quality of our decisions, not by the quality of our indecisions. By setting out a framework for where I want the agriculture and food industry to be, I’ll be able to make the decisions that will help us get there.

**MY NUMBER ONE OBJECTIVE**

As the Minister, my number one objective is to make decisions that lead to progressive and profitable agriculture and food sectors to drive value for the WA economy.
So now that I’ve talked the talk – I need to walk the walk. Exactly how are we going to achieve this objective?

There are five areas that I see as the absolute key to growing WA agriculture.

**1) IMPROVE LONG TERM PROFITABILITY OF THE AGRICULTURE AND FOOD SECTORS**

The first one is to improve long term profitability.

The Department of Agriculture and Food has a key role in this as an economic development agency – something we often lose sight of. Everything we do must be to improve the long term profitability of producers. Stronger farming businesses mean stronger communities which contribute to a resilient and growing state.

So how do we do it – how do we set about improving the long term profitability of the industry?

One of those ways is to invest in areas that have been crying out for attention for years. Both the Ord and the Gascoyne are examples of the untapped (or barely tapped) agricultural resources we have in this state.

Getting our research, development and extension settings right are also imperative to ensuring WA is leading the pack on new technologies new ways of farming and processing, and keeping pace with our international competitors. Because a business that’s not changing and embracing improvements, is a business that’s going backwards.

Given the environment – new Minister and volatile economic circumstances – now is a good time to ensure we are properly targeting our R&D and extension activities to make sure we are getting the best bang for our buck.

With new technologies, we shouldn’t be afraid to dip our toe in the pool – or the gene pool, as it may be with GM crops. This is an issue that will continue to create much debate, but I maintain that we will approach it with caution and with our eyes wide open – to both the potential risks and the opportunities.

Industry needs world class infrastructure to run world class businesses, which is why we acted so quickly on the issue of saleyards. It was heartening to see the steelworks going up at the Muchea Livestock Centre site the other day. I am now working on the rest of the Regional Saleyards Strategy. I know how frustrating it is to be outside Government while Ministers sit on decisions for years. Industry needs leadership from Government to provide certainty.

**Example : Opening of the avocado packing shed in Manjimup.**

*Co-op of 30 growers in order to get a big enough operation to warrant a shed.*

*Facility is state of the art and allows for tracking of the fruit from tree to market.*

*Great example of a world class infrastructure and innovation.*
The second area key to making every hectare count is to develop an effective natural resource management policy that manages land and water assets, climate variability and bio-security.

How well land is managed directly relates to the how profitable our farm businesses are.

Even in a state as large as ours, there is a scarcity of water and arable land. So how do we ensure that every hectare of arable agricultural land is being used to its full potential?

We are undertaking a review of pastoral land use and I have a particular interest in pastoral diversification and getting land tenure right. There are opportunities to create new industries on Pastoral Leases, Aboriginal lands and other Crown Lands.

The availability of water is the key to pastoral diversification and work has commenced to develop a plan for the expansion of horticulture and stock feedlots on pastoral leases. Areas such as the East Kimberley, Pilbara mine dewatering and the Gascoyne have significant potential for expansion into horticulture and fodder crops.

Brendon Grylls as Minister for Lands will be reviewing the options to allow for fast-tracking new opportunities for developing Crown lands and leases. The concept of “Rangelands Lease” outlined in the Alternative Models of Land Tenure report which allows for different types of land use, other than pastoral uses, such as private conservation/eco-tourism, and mining will be one of the options examined.

Equally, urban encroachment is an issue that we need to turn our minds to. The higher rainfall, prime producing areas in the south west are coming under increasing pressure from developers looking to sell off smaller lots to sea and tree-changers and hobby farmers. While attracting new people into country areas is something I would encourage, we are also looking at ways to encourage those people to actually do something with their land instead of just enjoying the view.

Biofuels is another area I’m keenly interested in as it may deliver on the triple bottom line – economic, social and environmental.

Western Australia imports 65% of crude oil feedstocks for liquid transport fuels, so there is an import replacement opportunity here. Biofuels should be part of this state’s natural resource management policy, and the Department is trialling new perennial tree crops such as Ponamia which are showing promise for biodiesel production. You may not realise that DAFWA also has a small biodiesel processing plant, and has been running vehicles on 100% biodiesel for three years. However, I’m yet to be convinced of the extent of Government incentive required to establish the industry.

As result of climate change, which I do accept is occurring, the best current advice is that we can expect the south of the State to become hotter and drier. In fact, according to a recent assessment
by the Weather Bureau and the CSIRO, the South West of Western Australia will be the worst affected region in the country when it comes to increases in the number of exceptionally hot years and years with exceptionally low rainfall.

The Federal Government’s Carbon Pollution Reduction Scheme is the great unknown in this debate. The costs to agriculture from an emissions trading scheme continue to be widely debated. However, any predictions on the future of farming under a CPRS are just that – predictions. For now, we don’t know whether agriculture will be included in the Scheme and we certainly don’t know any of the details. Most of the predictions about increased costs for farmers are based on the assumption that things will stay as they are. That we’ll continue to do business the same way we always have. They ignore the fact that agriculture as an industry has always been a leader in flexibility, adaptation and efficiency. If we can be smarter and more efficient, those costs could be offset.

If agriculture is to be covered by the Scheme, a number of issues will need to be resolved beforehand. At the very least, we will need increased accuracy in estimating and measuring emissions. Then we’ll need to develop practical and cost-effective management practices and technologies that reduce agricultural emissions. Resolution of these and other issues will require significant research for both agricultural emissions and possible reduction opportunities, such as soil carbon and revegetation.

Outside of the Carbon Pollution Reduction Scheme, there are other ways in which we can adapt to climate change, like the introduction of new crop varieties better suited to a harsher environment. More cyclones mean more rain and more water, so how can we capture and take advantage of it?

Part of the success story of WA agriculture is that we have always been highly adaptive to seasonal conditions.

This is because in essence, let’s be honest, the soils of Western Australia aren’t exactly the stuff of dreams, and the rainfall has always been right on the edge of sufficient. These factors weren’t seen by our forefathers as terminal setbacks, and each generation of WA farmer, supported by the Department of Agriculture, has made incredible productivity leaps which has kept them ahead of the game.

So as a Government, we need to ensure that, in order for industry to best adapt to the current challenges, we provide targeted R and D support, effective extension, and sometimes just get out of the way and let people get on with their business.

3) BUILD INDUSTRY CAPACITY TO ADAPT AND GROW

The third key area to making every hectare count is to build the industry’s capacity to adapt and grow.

When it comes to capacity in agriculture, we’re talking about our people. How many we have, their skill-level, their confidence and their ability to implement their ideas.

It’s a fact that our farmers are ageing and less and less young people are stepping up to take over.
Example: Kimberly Indigenous Management Support Service (KIMSS).

Visited Lamboo Station near Halls Creek last November.  
Station is run by young indigenous guy Robin Yeeda.  
Implementing some really innovative things – spear gates and solar panels – supported by the KIMSS.  
Talked about his plans for the property, linked with his family’s future.  
Great illustration of investment in our people.

During a recent visit to UWA I was told that enrolments in agriculture science were down 18 per cent this year whereas enrolments in environmental science were up 30 per cent. This gives you an idea of the current focus for younger people when it comes to their career choices. This astounds me, because the environment is such an integral part of any farming enterprise. The challenge is to get those people as passionate and as interested in environmental outcomes in a farming setting as other industries.

When I was the Principal of the Denmark Ag College, the common perception was that to be involved in agriculture you have to a) be male, b) have come off a farm, and c) you have to want to be a farmer. As you and I know – that’s garbage.

Attending an agricultural course or college is a foreign concept to many kids, especially those not off a farm. We need to plant the seed in our young people – town kids and city kids- that agriculture can be a viable, rewarding, enriching career. It doesn’t mean you won’t find yourself up to knees in sheep shit every now and then – but the rewards are enormous.

In fact, a career in the three “f”s” could mean farming, but it also could mean becoming a food technologist, or a fabric designer, or a developer of a renewable fuel.

From autosteer GPS steering on grain harvesters, new horticultural products like the non-browning “Enchanted” apple to virtual fencing for managing cattle, agriculture is a fascinating, diverse industry at the cutting edge of science, technology and engineering.

4) IMPROVE MARKET ACCESS FOR WA PRODUCT

The fourth key area for making every hectare count is to improve market access for WA product.

It has always been the case in Western Australia that because of our relatively small population and the efficiency of our farmers the bulk of what we produce is exported – and that will remain the case.

We are fortunate, however, to be geographically well placed to service the North Asian, Middle East and South-East Asian markets. Although Asia (like the rest of the world) is experiencing a downturn at the moment, there is still a burgeoning middle class which is keen to show off its new status by enjoying things like prime steaks and fine wines. Along with this growing affluence comes an awareness of and desire for top quality, clean, safe produce, and we are in the box seat to exploit that kind of awareness.
In more mature markets like Europe there is also an increasing focus on safe, sustainable, environmentally aware produce. Again WA is well placed to exploit these markets as our reputation is one of a supplier of premium quality food from a pest and disease free corner of the world.

I visited the Middle East last month – a region we do more than $1.3 billion worth of business with. This trip brought home to me just what sort of competition we are facing to sell our products to the rest of the world.
**Example: The Race to Sell Wheat to the Saudi’s**

Travelling around Saudi I saw that every plant is attached to trickle irrigation. Saudi’s are changing the way they use their water and are moving from 6 million tonnes of irrigated wheat to full importation. This creates a huge opportunity for WA growers to sell to a market that previously did not exist. Fierce competition from Canada- won the last tender. We need to look at how we market ourselves to the Saudi’s to ensure we are front of the pack.

I don’t back away from my comments I made earlier in the year about being supportive of long term investors like the Saudi’s because if done properly, all parts of the agricultural value chain can be winners. But having knee jerk populist reactions will put us at a disadvantage to our competitors like the Canadians. We can have foreign investors as participants in the supply chain, without selling out the country. We just need to use or commonsense and integrity.

Further to my trip to the Middle East, I attended Gulfood in Dubai where Hillside Meats, Narrogin were sponsors of the event. The Department of Agriculture and Food played a direct a role in opening the Middle East market for this company which resulted in tripling of export sales. They are a great example of how markets are there for the taking, if we are strategic in how we approach them.

Tailoring products to meet export demands is another area of focus for me. Higher protein wheat and niche varieties of wheat for noodles and low bacterial count milk gives us a great competitive advantage in the Asian markets and we need to further develop this sort of forward thinking.

Providing products of superior quality and integrity requires all parts of the supply chain to work together to maintain existing markets and establish new markets. This whole-of-supply-chain focus is driving the development of a new state-wide strategy for the food industry.

**5) PROMOTE A POSITIVE PROFILE OF WA AGRICULTURE AND FOOD**

The last key area in making every hectare count is to promote a positive profile of the West Australian agriculture. This sounds simple, and probably is, but our image plays a huge role in the success or failure of our industry.

There still persists among some people the ancient stereotype of whinging farmers kicking the dirt and asking for a hand-out. This has got to change.

**Example: Promoting Agriculture As Innovative, High-Tech And Cutting Edge**

Recently I flew from Perth to Esperance to inspect hail damage at Salmon Gums
20 years ago I took the same flight – paddocks in circles
However this time – paddocks and harvesting are in straight lines
GPS technology has changed the face of farming
There are a lot of really exciting, innovative and dare I say it profitable things that are happening in agriculture in this State that I’m so keen to promote. There are also lots of young, bright, intelligent people out there who are making a very good and stable living out of agriculture and food.

These are the stories I want people to hear.

As I’ve said previously, for too long agriculture has been the poor cousin to the resources sector. People have forgotten just how fundamental agriculture is to their very existence.

Buy West Eat Best is a great example of raising the profile of the WA food industry directly at the supermarket, to our customers. That great big green logo jumps right out at you to let you know the food you are buying comes from your own backyard.

I know there are many other marketing initiatives to promote our wares – for example in the wine industry. I don’t think we should underestimate just how important it is to publicly advocate buying local.

With all the negativity in other parts of the economy – agriculture has a positive story to tell and now is the time to tell it.

And this is where you, the rural media, play such a crucial role. You understand the changing environment of agriculture, you have a love for regional areas and you have the tools to be able to spread the word that there are good things happening in this State.

Together, with you, I want to promote a picture of WA agriculture as the industry to be in. Come with me to meet the people doing the good work, seek out the stories that showcase the best of our industry and ask the difficult questions when you see something that could be done better.

CONCLUSION

I’m well aware that given the economic circumstances of the Government, I will need to be clever about how I deliver this agenda. It’s no secret that there are limited dollars, but that won’t hold us back from looking at better ways of doing things.

In the same way that I am looking to the industry to be flexible and adaptable, I know I will need to be flexible and adaptable when confronting the issues of this portfolio.

I know that making a living in this industry can be hard yakka. It can be tough, but it’s rewarding.

I want to change the perception of agriculture in this state and I believe now is the time to do it. The current economic circumstances may provide WA producers with the opportunity to grow and take advantage of the times we live in.
As the ‘Global Financial Crisis’ worsens, it’s becoming more apparent to those outside agriculture that it is a solid foundation stone of our economy.

Recently the Reserve Bank predicted overall GDP growth to be a quarter of one per cent to the end of June. It went on to say that non-farm growth would be a big fat zero. That is, without the contribution of the farm sector Australia’s economy would be at a standstill. It is the farm sector that is keeping this country afloat.

The global environment continues to change and evolve – now is the time to look at what we do and make sure we are doing it the best way possible.

I believe the framework that I’ve outlined this morning will help guide us towards the decisions that need to be made to make sure every single one of our West Australian hectares count.

ENDS