



## **SUBMISSION TO THE AGRICULTURE AND FOOD POLICY REFERENCE GROUP**

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## OUTLINE

The Royal Agricultural Society of NSW (RAS) is a not-for-profit organisation established in 1822 to raise the standards of Agriculture in Australia. Now in the 21<sup>st</sup> Century, the RAS continues to support and promote Australian Agricultural excellence and innovation through events, competition and education.

Agriculture is one of Australia's most valuable industries – affecting our daily lives, our economy and our future. The RAS is playing a role in securing this future by encouraging excellence and innovation through competition and education.

Amongst many other activities, the RAS is primarily responsible for organising and staging Australia's largest animal event – the Sydney Royal Easter Show. This Show brings together the best of the best for two weeks of agricultural competitions and demonstrations, exhibitions, entertainment, commercial exhibits, carnival rides and Showbags.

The RAS' Purpose as defined in our Mission Statement is, in part, as follows:

- To encourage the sustainable development of agriculture by holding events and competitions that support agricultural excellence and innovation; and
- To expand and promote our role as a key constructive influence in Australian Agriculture, its development and education.

The RAS is a member of the Australian Council of Agricultural Societies (ACAS) which was established to provide a National voice for the combined Show movement in Australia. Annually over 5-1/2 million people attend Agricultural Shows throughout the country.

This brief paper deals with just two issues, the importance of Sustainable Agriculture and the urgent need to address the ever increasing divide in Australia between country and city populations.

## THE IMPORTANCE OF SUSTAINABLE AGRICULTURE

The need for Sustainable Agriculture has almost achieved “motherhood” status. At current rates of human population growth, we will have outstripped known available food resources within 20 years. Everywhere human activities encroach on eco systems and are extinguishing flora and fauna species often with unpredictable snowballing consequences for the environment. In future years, increasing pressure will be placed on agriculture to provide more food and fibre that will add to the environmental damage unless carefully managed. It is certainly difficult to imagine that concerted global action can stabilise population growth in sufficient time to prevent irreversible degradation of the environment in many regions. It may well be that in many parts of the world events have already overtaken the chance for Sustainable Agriculture.

In Australia this presents us with both an opportunity and a problem. Some years ago the then Executive Director of the Crawford Fund, Professor Derek Tribe made the following comment:

“We should consider the current recession in agriculture is a very temporary situation and that if we look ahead to the next 50 years we are sitting on the edge of an enormous gold mine in Asia. They will need our agriculture. Therefore, the future of the Australian economy will be as much dependant on agriculture as it has ever been and the nonsense talked about by politicians on our dependence on primary industries as being a third world concept should be ignored. We have to keep reminding ourselves and the rest of the world that the highest technology industry in Australia is agriculture.”

There would seem to be an inevitable truth in Professor Tribe’s vision which should sustain the farming community. We need to understand the ongoing and increasing impact farming will have on the environment and take into account the shortfall in resources for Sustainable Agriculture that farmers will be faced with in the foreseeable future until the “goldmine” becomes a reality – a great deal of irreversible environmental degradation could take place in the meantime.

Living systems in Agriculture can adapt to any change, but as the CSIRO claims “in 200 years many Australian environments have changed.....too fast for the flora and fauna to adapt. Nearly 90% of the temperate woodlands....and 50% of the rainforests have been cleared. More than 50% of the agricultural land now needs restoration because of salination, water logging, soil erosion and other degradation.” The fact of the matter is that we still have a real recession overlain by drought in most of Australia and prices for many of our agricultural commodities seem to be relatively resistant to change and provide marginal returns to producers. There is no guarantee that this will not continue for some years to come. In progressing Sustainable Agriculture in Australia one of the biggest constraints in the short to medium term would seem to be the farmers’ inability to fund the required prevention and remedial activities. Since the 1950s, the irregular pattern of return to the primary producer from the physical nature of weather and commodity prices has in the longer term trended downwards. The good years never seem to quite make up for the poor ones. We need to assist the farming community not only to meet Sustainability obligations in the medium term but also to bridge the gap created by inevitable cyclical downturns compared to “golden years” and ensure the momentum is kept going on Sustainable Agriculture programs.

Whilst Government regulation has its place, we believe it should be used as a “last resort”. The majority of individuals involved in agriculture are protagonists of the sustainability ethics; not only are they lovers of the land, they see sustainability as in their own long-term interests. Certainly ecologically Sustainable Agriculture can only be achieved through the

active and enthusiastic support of our farmers, land managers, and all those involved in agriculture. Regulation, as a last resort, should not preclude well constructive initiatives by Government to provide farmers with the resources, financial and otherwise, for Sustainable Agriculture while ever that Government is forcing the farmers to compete as the only honest players on the "level playing field".

In seeking solutions to Sustainable Agriculture and defining the position that Stakeholders should take on this issue, we believe it is important to examine all options – even the slaughter of some sacred cows – provided that the outcome is healthy for agriculture, achieves the Sustainability objective and delivers a dignified income to the producer. In this context we see the need to re-examine some existing attitudes and policies, the first of which relates to the "level playing field" – Free Trade.

Our current Australian environment is one in which it is politically correct to embrace Free Trade and the "level playing field" concept is *de rigueur* for Agricultural policy makers. There are several good reasons why this may amount to foolishness in the longer term and more particularly for Australia, where there appears to be a consistently naive view on the subject. There is no doubt that many industries and the nation benefit from the competition and attendant efficiencies that can follow deregulation and withdrawal of support schemes. However, for broad acre farming in Australia with our fragile soils, delicate ecology and unpredictable water supplies, increased efficiencies have been generally undesirable. Lack of political vision for agriculture in the last 20 years has seen agriculture caught up with the lemmings in their rush to Free Trade and has ensured that, for many of our commodities, we have been the lone player on the "level playing field", slavishly following to the letter the Free Trade Policies espoused by the US and others whilst the same countries compete with us behind intricately contrived and disguised frameworks of tariffs and support schemes. Meanwhile we watch our crop farmers, faced with static and sometimes declining prices for their commodities, struggle to become more "efficient" – the holdings get larger, the fences and trees come down for crop land, fallowing is reduced and more fertilizers and pesticides are used. With grazing operations, stocking rates and vermin tend to go up, pasture renovation and fertilizer application are delayed or reduced and so on – scenarios we have seen repeated on one operation after another in recent years, where good managers have to push their land to the edge – in order to compete on an illusory "level playing field". Not only is our agriculture unsustainable from a profitability standpoint but it is also becoming uneconomic because we are using up our capital without replenishing it – the capital being our soils.

We also believe we should look outside Australia for Sustainable Agriculture models in other countries where lessons could be learnt. One such example is Europe. Mention Europe, the EEC, CAP (Common Agricultural Policy) and farm subsidies to most people associated with Australian agriculture and you will provoke a negative and often hostile knee-jerk reaction. Yet we should pause for a moment and try to understand why the European's took their position on farm subsidies and why European consumers are prepared to underwrite them with high food prices and taxes. The CAP was a child of the Cold War in the 1950's when the chill of fear from threatened invasion from the Eastern Block welded Western Europe into a community that decided, amongst other things, that it should not be dependant again on outside sources for food. They put in place the necessary incentives to keep farmers on their land and control the urban drift that has occurred in many other countries since World War II. This policy enjoyed general political support within Western Europe. Farmers have demanded more over time and created their own strident lobby, but the European farmers' politics within this broad social arrangement should not be allowed to smoke-screen the CAP's real intent – to secure food supplies for Europe. In more recent times, high food prices existing along side the "food mountains" might have been expected to make the European consumer gag. However the environmental benefits of the subsidies supporting

farmers and, more importantly, supporting family farms and the environment, have been appreciated by European voters/consumers as providing an acceptable cost/benefit, and these subsidies with high food prices, are still generally supported. The move to larger operations, deforestation, soil decline and the host of other side effects from large scale farming in an unregulated environment have been significantly stemmed.

We believe the farming community here in Australia should reassess its position with the environmental movement. There would seem to be no philosophical reason why farmers should not join the mainstream of the environment movement. The antipathy felt by much of the farming community towards the "Greenies" is probably because they see themselves as unfairly targeted by the more extreme elements. In Australia, we have a preponderance of urban dwellers. This majority within our society probably have fewer fears about agriculture than farmers, and those opinions they do have are probably negative (pesticides/residues). However they have increasingly strong opinions on the perceived obligations of the farming community – we have to deal with an environmentally aware urban electorate that will strongly impact on the political realities of this country in years to come. So far they have had a free ride with agriculture – some of the best and cheapest food that you could see in the world plus the moral high ground with the environmental debate. This luxury cannot persist into the future. The urban electorate can only indulge in the moral high ground of the environmental debate if, like the Europeans, they are willing to put their money where their mouth is. If farmers continue to operate in the current "Free Trade" environment and remain unsupported, then we will see our soil, trees, clean water, fauna and our farms gradually disappear and weeds and vermin replace them. Farmers must be seen and encouraged to be custodians of their own environment as they are in Europe. This requires money and to obtain this from the taxpayer there must be changes in attitude. The obvious way to achieve this is for the Agricultural Industry as a whole to recognise, understand, ally itself with and take its place in controlling the environmental movement to which the urban consumer is becoming increasingly committed and which will become the strongest non-partisan force in Australian politics.

There appears to be one fundamental truth – that for Sustainable Agriculture to become a reality it will cost a great deal of money – and that can only come from the consumer/tax payer. New technology will not deliver the efficiencies for farmers in time for them to "bootstrap" their operations into full environmental sustainability and some new technologies will be incompatible with Sustainable Agriculture. The average urban consumers and tax payers, who we must ask to part with their money, probably see farmers as self interested and represented by a political party living in the past and reluctant to change. In other words, the Agricultural Industry must make a credible political power base amongst the vast majority of Australian voters who must fund Sustainable Agriculture for national environmental preservation. If our Agricultural Industry wants to win the Sustainable Agricultural battle, and it must, it needs the support of the urban consumer who must ultimately be willing to act at the ballot box to underwrite the cost. We see the very essence of future debate will be in deciding the strategy and mechanisms for delivering financial assistance to farmers for Sustainable Agriculture.

Before any conclusions can be reached, one of the two key tasks is to define what are feasible targets for Sustainability for the farming community. Elements of the environmental movement would probably want uneconomic solutions to protect the environment. However, we must recognise that there may be situations with some of our fragile marginal crop/grazing country where it is imperative to abandon traditional farming to save the environment and where non-traditional or less damaging alternatives may be available in the future. We also need to better understand what progress primary producers are already making towards sustainability using their own funds while at the same time assess the effectiveness of the other initiatives such as Landcare groups. This will help to provide a

baseline on what producers can achieve unassisted. We could then better understand what impact different levels of support would have on progress towards Sustainability. We need to examine differences, if any, between family farming and industrial agriculture both in terms of relative impact on the environment and also any likely differences in responses to remedial strategies. Above all, we need to reach some agreement on minimum targets for Sustainability activities over a longer term before we can start to address solutions.

## **BRIDGING THE CITY/COUNTRY DIVIDE**

There can be no doubt that one of the bigger issues facing Rural Australia (particularly the farming community) today is the lack of understanding of their key issues by City people.

Whilst much more needs to be done, the RAS has recognised this important issue and has as one of its key platforms at the Sydney Royal Easter Show, the education of City-based people (particularly school children) to promote a better understanding of the importance of the resources of Australia to all of us.

A key outcome of this initiative by the RAS has been the production of a schools resources kit in line with NSW Board of Studies curriculum. This material, along with many other initiatives, has ensured that the RAS has a sustainable Agriculture Education Program which primarily focuses on the importance of the rural sector to our economy and national wellbeing.

We have been encouraged by the feedback we have received from this program but believe strongly that substantial additional Government support is necessary in developing school curriculums which focus on Sustainable Agriculture and the importance to our Nation's economic and social wellbeing. Such initiatives will ensure a more vibrant and sustainable rural economy and help build on improved living conditions, high employment and reduced urban dwelling density.

A recent article in the Sydney Morning Herald by John Huxley succinctly addresses the City/Country divide and supports our views that Government action and intervention is required. In part, the article said:

"The outgoing Deputy Prime Minister, John Anderson, has acknowledged that his fellow farmers are an endangered species. Rural leaders have warned that, in the words of Sinclair Hill, a leading Australian pastoralist, the 'death of the bush is the biggest calamity facing Australia today'.

They are issues which will not be washed away by a few drops of rain. But what is this: special pleading, more whingeing? Or a wake-up call to the nation? How have perceptions of the farmer changed? How significant is the 'great dividing rage' between City and Country?

And what does it all mean for the future of the farmer and, more important, for the future of an Australia to which he or she still contributes 10 per cent of gross domestic product (if dependent food and fibre is included), 11 per cent of employment, almost 20 per cent of exports and a sizeable streak of the national character?

Rugged. Independent. Laconic. Supportive of his mates. Such, at least, are the qualities traditionally associated with the Australian farmer, who like the tree-feller has been part of the landscape since the first day of European settlement."

and later in the article Huxley goes on to say:

"No longer do most City families have roots or relatives in the bush. No longer do they have first-hand insight into how food materialises in supermarkets".

Farmers' political clout – their ability to get things done in state parliaments and in Canberra – has been progressively eroded. Significantly, while the federal Coalition still relies on rural

conservatives, of 93 seats in the NSW Legislative Assembly barely a dozen are west of the 'sandstone curtain'."

In summary, the RAS strongly believes that education of the importance of Australia's rural sector is necessary in facilitating a renewed enthusiasm and understanding of this sector as these children grow into adulthood.