



LIVESTOCK SA...

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14 October 2019

Mr Rick Wilson MP
Chair
Agriculture and Water Resources Committee
PO Box 6021,
Parliament House, CANBERRA ACT 2600
(Email: agriculture.reps@aph.gov.au)

Dear Mr Wilson

Inquiry into growing Australian agriculture to \$100 billion by 2030

Livestock SA welcomes this Federal Parliament Agriculture and Water Resources Committee Inquiry looking at how to expand Australia's agriculture. Similarly, in South Australia, the State Government is looking at how to support a three per cent per annum growth from the State's food, wine and agribusiness sector.

Livestock SA, which represents sheep, beef cattle and goat producers in South Australia, is pleased to be participating in further developing these sectors as part of this growth agenda.

As a major initiative, Livestock SA has worked with the entire value chain to develop both a South Australian Sheep Industry Blueprint and a South Australian Cattle Industry Blueprint (see <https://livestocksa.org.au/sa-sheep-industry-blueprint/> and <https://livestocksa.org.au/sa-beef-industry-blueprint/>). A hard copy of each blueprint will be forwarded to you by separate correspondence. In brief these blueprints can be summarised:

South Australian Sheep Industry Blueprint

The South Australian Sheep Industry Blueprint was launched in April 2016 with an overarching aim to increase productivity by 20% by 2020. There are five key objectives we are working toward:

1. **GROWING:** Grow the South Australian sheep industry's production and value from \$1.48 billion in 2015 to \$1.80 billion in 2020 while maintaining international competitiveness.
2. **UNITING:** Develop a united value chain workforce plan from 2015 to 2020 that attracts new and energetic people to the industry.
3. **ENGAGING:** Support a 20% increase in the engagement of quality consultants and advisers with increased use of business decision-support tools.
4. **INNOVATING:** Act as a conduit for greater research, development and extension collaboration along the value chain at the regional, state and national level and develop a measure of greater adoption and uptake.
5. **SHARING:** Develop a proactive and progressive industry communication plan that, through advocacy and champions, gives greater consumer confidence to increase their demand and engages the whole value chain.

It is anticipated that this blueprint will be renewed during the first half of 2020.

South Australian Beef Industry Blueprint

The South Australian Beef Industry Blueprint, launched in September 2018, seeks to position the industry to capture the benefits that exist in growing demand for premium beef.

For cattle producers and the wider value chain to fully benefit from increasing global demand South Australia's industry must be able to sustain consistent supply of highly credentialed product year-round. The Blueprint has been developed with input from across the value chain. It contains ambitious productivity and revenue targets. Moreover, the Blueprint details actions required over the next decade to ensure the South Australian beef value chain can sustainably increase revenue.

The South Australian beef industry makes a crucial contribution to the state and underpins substantial economic activity in our regions. Recent seasons and prices have been broadly favourable. In 2016-17 farm-gate cash incomes were the highest in 20 years supported by high prices. More than one in five farms recorded a rate of return on assets under management of greater than 5%. Despite record farmgate returns the South Australian beef industry faces several significant challenges. Firstly, there are nearly 240,000 fewer beef cattle than five years ago and some 140,000 fewer breeding stock. As an industry we need to re-build our breeding herd and improve productivity. This will enable sufficient supply of stock year-round to allow for efficient processing of cattle and marketing of premium beef products.

An agenda for industry development

Livestock SA is fortunate that the State Government has recognised the importance of both the South Australian Sheep and Beef Industry Blueprints in setting the agenda for industry development in South Australia, and has committed in this year's State budget \$7.5 million over three years to implement a red meat and wool industry growth program. This program aims to improve productivity in the sector, help with cyber and technology adoption and vital infrastructure, and support the One Biosecurity program which provides greater traceability and market advantage for livestock producers.

Livestock SA would also like to acknowledge that based on the traction the South Australian Sheep Industry Blueprint has gained, the Commonwealth Government's Building Better Regions Fund provided \$30,000 towards the development of the South Australian Beef Cattle Industry Blueprint.

Also, to assist in expanding the State's sheep industry, there will now be a rebuild of the SA dog fence. A BDO Econsearch report released in April, jointly commissioned by the State Government and the South Australian Dog Fence Board on the advice of Livestock SA, showed that replacing sections of the ageing dog fence would generate a net benefit to South Australia of up to \$120.3 million over 20 years. The Commonwealth Government has recognised this economic benefit by contributing \$10 million, adding to the \$10 million commitment by the South Australian Government and \$5 million pledged by industry. The BDO Econsearch report also indicated that a new dog fence will reduce wild dog management costs for pastoralists by up to \$97 million, while sheep enterprise sales income is expected to increase by up to \$69.7 million with a new dog fence.

It is unfortunate that while the Agriculture and Water Resources Committee is accepting submissions up to 14 October, the closing date for comments on "Growing food, wine and agribusiness in South Australia" is 25 October.

It is anticipated that in addition to highlighting the success and strength of the two Blueprints, that Livestock SA's submission to the South Australian inquiry will cover such aspects as:

- allowing the farming of rangeland feral goats on pastoral leases in this State,

- the expansion of the kangaroo meat industry and commercialising of kangaroo products particularly skins across Australia,
- improvements in the State's planning processes so that existing broadacre farmers are not penalised when vineyards or various horticulture enterprises are developed on neighbouring properties,
- security of water supplies for livestock at reasonable prices (including the protection of water on pastoral leases), and
- ensuring that agriculture pursuits, and particularly livestock production, are not jeopardised without reasonable compensation by mining interests.

All of these could assist in ensuring that the value of Australia's agriculture grows to \$100 billion by 2030, and that the State's growth agenda of three percent per annum for the food, wine and agribusiness sectors is also achieved.

As part of the process of growing Australia's agriculture, there is a need for effective peak agriculture bodies to be able to promote the various sectors within agriculture. It is important that they can effectively advocate on their sector's behalf to not only governments but to the whole of the nation. The social license to be able to farm and to have sustainable production is becoming increasingly important, and it must be up to producers to promote and defend their agricultural practices. To do so requires the need for a sustainable funding model for peak industry bodies that does not leave them dependent for operating funds from levy bodies every year.

In the case of Livestock SA, advocacy and industry assistance is funded from producer levies on sheep and cattle. The money is collected through the South Australian Sheep and Cattle Industry Funds under South Australian Government legislation. Livestock SA's share of the levy is currently about ten percent for sheep and about 30 percent for cattle. The Agriculture and Water Resources Committee needs to consider if this effective South Australian model could be used at the national level to assist with the growth agenda.

Livestock SA would be willing to meet with the Committee if visiting South Australia to further expand on any aspects in this submission.

Yours sincerely

A handwritten signature in black ink that reads "Joe Keynes". The signature is written in a cursive, flowing style.

Joe Keynes
PRESIDENT