

Sustainable Agribusiness in the GMID

A Way Forward

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Purpose

The purpose of this document is to set out the key actions required to be undertaken to ensure sustainable agribusiness for the GMID for the next 50 years.

Background

A major forum was held in Shepparton on 24 and 25 September 2007 that assembled the best thinking across Australia and the USA to consider the needs for a long term sustainable agribusiness future for the Goulburn Murray (GMID) region.

After a lot of hard work in a very short time, the Foodbowl Forum was most successful, with more than 260 attendees and a bevy of high quality speakers.

The work of the Foodbowl Forum is to continue and a website has been established to enable further development of the key actions identified at the forum.

Key Considerations

Markets

1. There are and will be continually expanding international opportunities for agribusiness in Australia, and particularly the Goulburn Valley.
2. Insufficient information was presented to identify clearly what these opportunities will be.
3. Asia, particularly China, and India are moving to a more Western diet which means increased demand for cereals, fruit and vegetables, dairy products and wines
4. China and India will not have a major labour cost advantage as they move to developed economies. Also, the availability of water will become a major concern in the future in these countries.
5. Other components of agribusiness such as power, product quality and transportation links in China and India will be negatives for these countries.
6. Australia is well placed geographically to service Asia and the Indian sub-continent. This is a major shift in comparison to servicing current developed economies such as Europe and North America.
7. There needs to be a flexible approach to markets and associated services to be able to adapt as markets change.

Climate and Water Availability

1. There will be less water available in the GMID and greater variability due to climate change.
2. Temperatures will be higher
3. Although there will be less water, the GMID will still have an availability advantage over similar regions in southern Australia, although northern Australia is likely to have more rainfall than at present.

Water Infrastructure

1. The current irrigation system is outmoded and is inefficient
2. The state and federal governments have made once off contributions, with minimal strings, to modernise the irrigation system.
3. Current farm sizes and arrangements are not conducive to the likely size and operating regimes to maximise efficiencies in the future. In addition, the types of farming practices will need to be revisited.
4. There are areas of the GMID that are not suitable for sustainable farming
5. Although there is a push for the modernisation to commence immediately and the funds to be spent quickly, there are uncertainties about what are the most appropriate infrastructure arrangements.

Other Infrastructure

1. Transportation systems are not adequate for an increased intensity of agribusiness in the GMID
2. A rail-based goods transfer system, possibly linking to Mangalore, but definitely linking to Melbourne is necessary.
3. Telecommunications need to be improved.

Social and Educational

1. The current drought/climate change is causing significant stress in the GMID communities, particularly in the rural sector. This means many in the community are concerned for their future and are wary of change.
2. There is increasing difficulty in gaining and retaining human resources, particularly skilled workers.
3. Educational facilities need to be expanded to provide the necessary training for the workforce.
4. The community is ageing as more young people migrate to capital cities, interstate and overseas.
5. The changes likely to be required will result in significant social disaffection and considerable disruption of the social fabric of the GMID

A Way Forward for Sustainable Agribusiness in the GMID

Ploughing ahead without adequate assessment of the current situation, future needs, how these needs can best be met; along with assessment of physical, social, environmental and economic constraints will not result in a long term sustainable future for the GMID. A structured approach is essential to ensure such a future. It is better to take some time to plan properly now.

The Irrigation Futures project undertaken by the DPI has started the process. The following is a structured approach to the many aspects that need to be addressed:

1. Assess future markets and opportunities in agribusiness
2. Establish water availability (currently in progress under the Water for Healthy Rivers program).
3. Match water availability with future markets/agribusiness types.
4. Constraints mapping of the GMID taking account of constraints such as land types (and suitability for future agribusiness), transportation, water infrastructure, telecommunications, services, agribusiness types, land use, etc
5. Integrate constraints with future agribusiness to establish ideal future arrangements.
6. Establish the order of works.
7. Estimate costs.
8. Establish timing
9. Establish project delivery method.
10. Establish land use and other planning controls required.
11. Establish human resources needs.
12. Undertake social effects studies and develop social management program (e.g land buyback, retraining)
13. Develop and implement a community engagement plan from the inception of the investigations.

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