



SUBMISSION TO THE INQUIRY INTO GROWING AUSTRALIAN AGRICULTURE TO \$100 BILLION BY 2030

Standing Committee on Agriculture and Water Resources

18 October 2019

1. THE RICEGROWERS' ASSOCIATION OF AUSTRALIA

The Ricegrowers' Association of Australia (RGA) is the collective voice of Australian rice growers representing the interests of around 1200 voluntary members. The RGA's key objective is to provide members with strong and effective representation on issues affecting the viability of their businesses, communities and industry.

The RGA is made up of eight branches located across the Riverina rice growing regions of NSW and Victoria. Each branch annually elects representatives to form the RGA Central Executive. The Central Executive represents their respective branches in determining RGA policy and projects.

The RGA is a member of the National Farmers' Federation, National Irrigators' Council and NSW Irrigators' Council, and supports the submissions and positions provided by these organisations.

2. THE AUSTRALIAN RICE INDUSTRY

The Australian rice industry is located predominantly within the Riverina region of NSW, with two small industries also situated in the Northern Rivers region of NSW and in Northern Queensland.

The Australian rice industry is reliant upon irrigation sourced from the Murray and Murrumbidgee valleys. Provided water is available, the Australian rice industry is considered one of the world's most successful, delivering significant yields while leading the world in water use efficiency.



The rice industry is also an important economic contributor to the Riverina region of NSW. The towns of Griffith, Leeton, Coleambally, Finley, Jerilderie, Denilquin, Wakool and Moulamein are highly dependent on rice production for their social and economic wellbeing. Additionally, rice growers have individually invested over \$2.5 billion in land, water, plant and equipment and collectively invested around \$400 million in mill storage and infrastructure through SunRice.

While the NSW rice industry is very small by world standards, it remains a competitive supplier of premium rice products into world markets.

3. THE RGA'S RESPONSE

The RGA welcomes the opportunity to make a submission to the Standing Committee on Agriculture and Water Resources inquiry into growing Australian agriculture to \$100 billion by 2030.

RGA welcomed the announcement made by the Australian Government in July 2019 to develop a national plan to enable the agriculture, fisheries and forestry industries reach a \$100bn by 2030. To achieve this goal the RGA believes that this plan needs to provide a mechanism for the whole of government and industry to collaborate in a coordinated manner.

Unlike many rice producing regions around the world Australian rice production is a component of multi-enterprise farming systems. Due to Australia's variable climate, fluctuating irrigation water availability and price annual rice production can vary greatly year on year. To enable Australian rice to make a significant contribution to the \$100bn by 2030 target government policy needs to support and not impede all components of the rice farming system and their related policy areas.

The key areas where supportive policy will assist the Australian Rice Industry to contribute to this target include:

- Water
- Trade
- Chemicals
- Sustainability and Social licence
- Land use Planning
- Climate and Energy
- Communication
- People and communities
- Research and Extension
- Drought Policy
- Alignment of policy with all government departments at all levels of government

3.1. Water

The Australian rice industry relies on irrigation, mainly sourced from the Murray and Murrumbidgee valleys. Provided water is available, the rice industry is considered one of the world's most successful rice growing industries, delivering significant yields while leading the world in water use efficiency.

Australia's rice growing success is mainly due to the temperate climate, the largely pest and disease free growing environment (requiring minimal chemical use), the heavy clay soils and the gravity-fed irrigation systems which ensure efficient water delivery and use.

In a typical year, the rice industry produces around 800,000 tonnes of premium paddy rice with a farm gate value of around \$350 million. The industry's value extends beyond this one crop, however. Rice-farming systems are multi-faceted: when not growing rice, the farmers are irrigating winter crops and pasture for livestock. The total industry value is well over \$1 billion each year. This makes the rice industry a significant contributor to the Australian economy.

Rice growers also have individually invested over \$2.5 billion in land, water, plant and equipment and collectively invested around \$400 million in mill storage and infrastructure through SunRice.

While the Australian rice industry is very small by world standards, it remains a competitive supplier of premium rice products into world markets.

The potential to grow the value of the rice is significant, but realising that potential requires a whole-of-Government approach coordinating policies and programs across portfolios and Departments. Otherwise we have the current situation, where the pursuit of policies and programs in one portfolio, Water, is actively negating efforts to boost the value of agriculture to the economy.

State and Commonwealth water reforms since 2000 have fundamentally changed the trajectory of irrigated agribusinesses in the Murray-Darling Basin and the communities depending on them.

The environment now owns about 30 per cent of water entitlements in the southern Basin, most purchased under the Basin Plan but also recovered in earlier programs such as The Living Murray and Water4Rivers. The substantial reduction of water available for production has eroded the productive capacity and value of the rice industry, along with the gross value of irrigated agriculture generally in the Murray-Darling Basin.

The impact is stark. The gross value of irrigated agriculture in the Basin has stagnated, compared with the gross value of irrigated agriculture across Australia which has risen 11 per cent in real terms since 2001¹. Similarly, the maximum real value of all agriculture in the Basin has risen only four per cent, compared with 11 per cent nationally.

¹ MDBA Basin Plan Evaluation 2017, p88. Murray Darling Basin Authority publication no: 52/17

<https://www.mdba.gov.au/sites/default/files/pubs/BPE-report-2017.pdf> Website access 7 October 2019.

Table 3: Comparison of observed percentage changes between Australia and the Murray-Darling Basin

Category	Australia	Murray-Darling Basin
Population	23%	12%
Labour force	31%	13%
Agriculture, fisheries, forestry jobs	-26%	-40%
Real value of irrigated production	11%	0%
Real value of total agricultural production	11%	4%

Source: Australian Bureau of Statistics. Catalogue numbers: 3235 population by age and sex, regions of Australia; 3105 Australian historical population and statistics; 4610 Gross value of irrigated agricultural production

Irrigated agriculture everywhere in Australia has faced the same challenges over the last 20 years with volatile commodity markets, drought, floods, and rising input prices. The only difference in the Basin is the substantial reduction in water availability for agriculture through buying and transferring irrigation entitlements for environmental use.

And while water market reforms have seen the remaining productive water moving increasingly to high value irrigated crops such as nuts, the increase in their gross value has not been enough to offset the lost value from reduced production of other commodities such as rice and dairy.

The RGA supports water sector reform, which has delivered many benefits including:

- Clear and secure property rights which provide entitlement holders with certainty to encourage long term investment.
- Improvements in water trade and the take-up of water markets.
- Improvement in the access to timely and accurate water market information.
- Significant uptake of irrigation efficient practices on farm and within irrigation delivery systems.

Much work remains to be done to refine the water reforms and their implementation to better support irrigated agriculture. Areas for improvement include:

- ***Improved water resource accounting to maximise extractive water use within the constraints of the Basin Plan's Sustainable Diversion Limit.***
- ***Greater efficiency in river operations to increase the water available for all users, including the environment.²***
- ***Water market transparency, accountability and trading in real time.***
- ***A single water market exchange.***
- ***Better climate forecasting technologies, with greater investment in research, development and technologies that increase the accuracy of long range weather forecasts.***

However, action on the above will count for nothing if the Commonwealth Government does not unequivocally rule out further water recovery from the consumptive pool. It is impossible for agriculture to increase the value of its production when the Government is pursuing policies that further limit access to an input as critical and irreplaceable as water.

² Noting that on average over 20,000 gigalitres of water flows throughout the Murray-Darling Basin system each year, a 2% increase in the efficiency of river operation (i.e. by reducing seepage and evaporation) will achieve at the very least an additional 400 gigalitres of high reliability water resource for water users. For the rice industry, an additional 400 gigalitres of water supply is equivalent to an additional 400,000 tonnes of rice per annum or \$120 million of farm-gate value (based on a value of \$300 per tonne).

3.2. Trade, the value chain and biosecurity

With global population rapidly increasing and Asian countries become more dominant, the importance of strong relationships and trade agreements will become imperative in the future. As Asian countries have a growing middle class population that eat rice between 3-5 times a days it will become crucial to strengthen and build upon existing regulations around product integrity information and traceability. Greater access to markets and increased transparency around trade barriers will be crucial to ensuring increased economic and employment growth to build a sustainable rice industry for the future. The growth of trade and increased global movement of agriculture products will also come with Biosecurity consequences. We believe that greater awareness surrounding biosecurity in the tourism industry will be crucial, particularly in relation to cultural and ethnic beliefs and traditions.

Government policy should support SunRice in their overseas ventures and provide information for the education about biosecurity risks in rice to tourists visiting our Australia Rice Regions.

3.3. Chemicals

The Australian rice industry implements some of the best management practices in the world surrounding chemical pesticide and insecticide use. The industry aims to continue to improve these practices by having access to chemicals with new and safe modes of action and adopting application techniques that minimize the risk of environmental impact. To achieve this end the industry will require ongoing investment in R&D and a robust and timely response from the APVMA for registration and or permit approval for chemicals that will control current and new rice pest species.

Government policy that ensures ongoing investment into research and development of new chemicals and application technology.

Government oversight and funding of the APVMA that allows for a robust and timely approval of existing and new chemicals

3.4. Sustainability and Social licence

Australian rice farmers operate in highly modified landscapes however as demonstrated by the Bitterns in rice project¹ the infrastructure and rice fields within these landscapes provides habitat for range of wetland species including at least three that are threatened. There is an urgent need for government and the broader community to acknowledge this habitat provision and support research into not only the modified irrigation landscapes but more broadly all productive landscapes so that farm habitat provision can be integrated with that of our National Parks, Ramsar wetlands and other publicly managed areas. An incentive or rewards system then needs to be established to both encourage greater adoption of research recommendation but also to cover any additional costs incurred.

Sustainability reporting programs will require ongoing support particularly in the area of simple, integrated in the field data capture. This will be keystone to minimize the burden on farmers and to maximize farmer participation. These sustainability programs will support the reputation or Social License of the rice industry but more broadly for the other commodities produced.

Government policy should acknowledge habitat provision in modified landscapes and support research into these landscapes and more broadly all productive landscapes so that farmer habitat provision can be integrated with publicly managed areas. An incentive or rewards system then needs to be established to encourage the adoption of the research recommendations.

Government programs should continue to support the implementation of robust sustainability reporting platforms for all sectors of agriculture.

¹Rice fields support the global stronghold for an endangered waterbird
Matthew W. Herring,*, Wayne Robinsonb, Kerstin K. Zandera, Stephen T. Garnettc

3.5. Climate and Energy

The RGA aims to maximise the number of rice growers who, on the basis of current and future scientific research, undertake practices that **reduce** their on-farm emissions. These will include the adoption of renewable energy technologies and management practices for irrigation, stubble and fertiliser that have been demonstrated to reduce GHG emissions.

Government policy should support rice growers to undertake best practice energy use, acknowledge the role of vegetation, water management and soil in carbon sequestration. The policies must ensure that vegetation management does not unfairly burden farmers with the cost of achieving emissions reduction goals. A coordinated regulation and energy policy must be implemented, so that growth in the use of renewable energy does not result in unintended energy price distortions.

3.6. Land use policy

The RGA believes that both land use planning and water trade regulations should be developed together to ensure that the majority of new horticulture and other irrigated crops are planted within existing areas developed for irrigation particularly the key irrigation districts of the MIA, Coleambally, NSW Murray and the Victorian Goulburn Murray. This will maintain the sustainability of these regions and ensure the cost effective and efficient delivery of irrigation water to all irrigators in these districts.

The RGA believes the government policy at all levels should ensure that any change in land use is compatible with agriculture by ensuring that water resources are protected, food safety and biosecurity are not compromised and that the ability of farmers to implement modern farming practices is not restricted.

Government policy must ensure that the majority of new horticulture and other irrigated crops are planted within existing areas developed for irrigation and that any change in land use is compatible with agriculture by ensuring that water resources are protected, food safety and biosecurity are not compromised and that the ability of farmers to implement modern farming practices is not restricted.

3.7. Communications

Access to high quality, reliable and affordable telecommunications services is critical for regional development and underpins the adoption of innovative digital technologies on farm. The Regional Telecommunications review recommendations must be implemented in full, including a long term commitment to a telecommunications fund for infrastructure investment in regional Australia.

The RGA supports NFF in their call for the government to continue to act on the Regional Telecommunications Review, and ensure long term funding for mobile network expansion.

3.8. People and communities

The RGA believes that developing strong and effective industry leaders is essential. These leaders will assist the rice industry to structurally adjust to the many drivers of change influencing the industry. They will allow the industry to continue its economic, environmental and innovation success. The future of young leaders in the rice industry will grow in strength through the funding we receive to facilitate programs that have successfully produced RGA presidents and SunRice Board members. Due to this success the RGA aims to continue the relationship with federal government bodies to develop and support the young leaders and next generation of farmers in the rice industry by providing them with leadership programs to engage, challenge and provide opportunities to

develop skills equipping them to face the challenges that will affect the rice industry over the next 10 years.

Government policy should ensure ongoing investment into leadership programs aimed at developing future leaders in the rice and agricultural industries.

3.9. Research development and extension

Agricultural research, development and extension is at the forefront of innovation and technology developments in agriculture. Ongoing investment via industry bodies, government agencies and private industry will be integral to help grow the agricultural industry and meet challenges associated with economic, social and global sustainability for food supply and production. The increased reliance on technology and innovation will only be able to support a growing agricultural industry through support from researchers, universities and government organisations in the development of new tools to increase agricultural production while maintaining a stable and sustainable environment where chemical, mechanical and biological practices are at the forefront.

Government policy should ensure ongoing investment into Rice RD&E through government programs, grower levies and industry partners.

3.10. Drought policy

Increased awareness and understanding of the affects and flow on implications of drought that are felt through agricultural production. This policy must target measures to increase resilience and support the mental health and well-being of all.

The RGA fully supports the National Drought Policy that is being developed by the National Farmers Federation and their quest to develop relationships and communication between all levels of government.

The RGA supports the NFF in their quest to see a national drought policy that is all encompassing and the development of relationships and communication between all levels of government.

3.11. Awareness between urban and regional communities

The RGA fully supports the NFF in their quest to bridge the divide and lack of knowledge around agricultural production and farming practices between urban and regional communities. Develop a relationship that encompasses a transparent understanding and agreement around the role that agriculture plays in the future development of the Australian economy.

Government policy must support the communications of accurate and positive information to urban communities and assist in the inclusion of agricultural studies in the national curriculum.

3.13 Alignment of policy with all government departments at all levels of government

The RGA believes that government policies at all levels need to support and not impede all aspects of the rice farming system. Government policy and regulation needs to align with all government departments and at all levels of government. This will avoid any unintended consequences from farm management and investment decision making. Government departments should aim to co-ordinate and provide a transparent plan in which all sectors are in agreement.

Government should coordinate policy development across all related departments at all levels of government.

4. CONCLUSION

The RGA as a commodity group member of the National Farmers Federation (NFF) has contributed to the development of the “NFF \$100bn by 2030 Roadmap” and believes meeting this target will provide huge socioeconomic benefits to all communities across Australia.

The RGA strongly supports the Australian Government’s decision to develop a national plan to support the agriculture, fisheries and forestry industries to reach a \$100bn in production value by 2030 and believes that the NFF Roadmap provides the basis for building this national plan.

It is clear that to enable Australian rice to make a significant contribution to the \$100bn by 2030 target government policies at all levels needs to support and not impede all components of the rice farming system.

The key areas that supportive policy will assist the Australian Rice Industry include the following.

Water

- ***Improved water resource accounting to maximise extractive water use within the constraints of the Basin Plan’s Sustainable Diversion Limit.***
- ***Greater efficiency in river operations to increase the water available for all users, including the environment.***
- ***Water market transparency, accountability and trading in real time.***
- ***A single water market exchange.***
- ***Better climate forecasting technologies, with greater investment in research, development and technologies that increase the accuracy of long range weather forecasts.***
- ***Rule out further water recovery from the consumptive pool.***

Trade

- ***Government policy should support SunRice in their overseas ventures and provide information for the education about biosecurity risks in rice to tourists visiting our Australia Rice Regions.***

Chemicals

- ***Government policy that ensures ongoing investment into research and development of new chemicals and application technology.***
- ***Government oversight and funding of the APVMA that allows for a robust and timely approval of existing and new chemicals***

Sustainability and Social licence

- ***Government policy should acknowledge habitat provision in modified landscapes and support research into these landscapes and more broadly all productive landscapes so that farmer habitat provision can be integrated with publicly managed areas. An incentive or rewards system then needs to be established to encourage the adoption of the research recommendations.***
- ***Government programs should continue to support the implementation of robust sustainability reporting platforms for all sectors of agriculture.***

Climate and Energy

- ***Government policy should support rice growers to undertake best practice energy use, acknowledge the role of vegetation, water management and soil in carbon sequestration.***
- ***The policies must ensure that vegetation management does not unfairly burden farmers with the cost of achieving emissions reduction goals.***
- ***A coordinated regulation and energy policy must be implemented, so that growth in the use of renewable energy does not result in unintended energy price distortions.***

Land use planning

- ***Government policy must ensure that the majority of new horticulture and other irrigated crops are planted within existing areas developed for irrigation and that any change in land use is compatible with agriculture by ensuring that water resources are protected, food safety and biosecurity are not compromised and that the ability of farmers to implement modern farming practices is not restricted.***

Communications

- ***The RGA supports NFF in their call for the government to continue to act on the Regional Telecommunications Review, and ensure long term funding for mobile network expansion.***

People and community

- ***Government policy should ensure ongoing investment into leadership programs aimed at developing future leaders in the rice and agricultural industries.***

Research development and extension

- ***Government policy should ensure ongoing investment into Rice RD&E through government programs, grower levies and industry partners.***

Drought policy

- ***The RGA supports the NFF in their quest to see a national drought policy that is all encompassing and the development of relationships and communication between all levels of government.***

Awareness between urban and rural communities

- ***Government policy must support the communications of accurate and positive information to urban communities and assist in the inclusion of agricultural studies to national curriculum.***

Alignment of policy with all government departments at all levels of government

- ***Government should coordinate policy development across all related departments at all levels of government.***

5. CONTACTS

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