Ag misses out on share of $200m

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THERE is little doubt that agriculture's voice in Canberra is at a very low volume, silent or just not being heard.

The national capital where most of the key decisions affecting primary production are now made by a parliament whose representatives are largely out of touch with the industry.

Primary producers almost need to mount an inquiry into the future of Australian agriculture.

An example of this is the Federal Government's $200 million Clean Technologies Food and Foundries Investment Program, administered by AusIndustry.

This program is intended to support Australian manufacturers to maintain competitiveness in a carbon-constrained economy, through investments in energy-efficient capital equipment and low-emissions technologies, processes, and products.

In the opening address to the 2013 ABARES Outlook Conference *Future Food, Future Farming* in March, Agriculture Minister Joe Ludwig announced that more than 90 food processing businesses had shared in more than $48m to reduce their energy use and implement cleaner technologies, thereby reducing power bills.

It was announced in mid-April that this number had now risen to 106 successful grant recipients.

> Many horticultural and agricultural businesses do not qualify for the valuable assistance program as they do not meet manufacturing classifications

To be eligible for a grant, projects must improve the energy efficiency or carbon emissions intensity of the business's manufacturing process. The definition of manufacturing is the physical or chemical transformation of materials into new products and only companies engaging in specific activities as listed under the Manufacturing Division of the Australian and New Zealand Standard Industrial Classification are eligible.

But a range of horticultural and agricultural businesses do not qualify for this valuable assistance program as they do not meet the manufacturing classifications. Some have codes which do not conform to their being classified as 'manufacturers' while others are structured as legal entities without an ACN.

The program is not equitable and many businesses in the food sector are not benefitting.

In the potato industry in South Australia, and nationally, there are a significant number of enterprises with multi-million dollar investment in washing, grading and packing facilities which want to offset the carbon tax through further investments in energy-efficient capital equipment and low-emissions technologies.

But they are unable to qualify for this program because the product is not transformed. Simply put – the potatoes are not cut up or peeled.

This oversight concerns many businesses in agricultural and horticultural value chains. Specific examples include:

▲ Multi-million dollar enterprises in the SA potato trade are losing out on funding simply because the potatoes are not cut up or peeled.

- Fruit packers and cold storage facilities for fresh produce such as apples, pears, citrus and carrots
- Bottling facilities for wine and olive oil despite the manufacturers of the bottles, labels, closures, cartons, and the wine itself qualifying
- Agricultural processors using modern technologies and energy from the grid, including tomato growers, mushroom growers, tissue culture manufacturing laboratories, piggeries, broiler houses, and dairies.

Potatoes South Australia has contacted all relevant state and federal politicians concerning this inequity and continues to lobby for change.

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