

## **MEDIA RELEASE**

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### **Horticultural and agricultural businesses miss out on a share of \$200m**

The Federal Government's \$200 million Clean Technologies Food and Foundries Investment Program (CTIP), administered by AusIndustry, 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, the Hon Joe Ludwig, Minister for Agriculture, Fisheries and Forestry, announced that to date, more than 90 food processing businesses have shared in over \$48 million to help reduce their energy use and implement cleaner technologies, thereby reducing their power bills.

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 that only companies engaging in specific activities as listed under the Manufacturing Division of the (ANZSIC) are eligible.

However, 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 Australian and New Zealand Standard Industrial Classification (ANZSIC) codes which do not conform to their being classified as "manufacturers", while others are structured as legal entities without an ACN.

Robbie Davis, CEO of Potatoes South Australia Inc which represents the potato industry's entire value chain, says that, "these anomalies must be changed to ensure an equitable program in which all businesses in food industry value chains can benefit."

"In the potato industry, enterprises with multi-million dollar investment in washing and packing facilities and wanting to offset the carbon tax through investments in energy-efficient capital equipment and low-emissions technologies, are unable to qualify for this program, because the product is not transformed ie cut up or peeled," she added.

This concerns many businesses in agricultural and horticultural value chains nationally.

In South Australia alone, it is estimated that 615,000 tonnes of fruit and vegetable with a wholesale value of \$700 million, will not be eligible for the CTIP grant under the current guidelines. This includes 216,000 tonnes of potatoes with a wholesale value of close to \$100 million.

"The Carbon Farming Initiative is just not relevant further down the food value chain", she said.

Potatoes South Australia Inc welcomes the support of major state and national horticultural and agricultural bodies.

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**For interviews and further information contact:**

Robbie Davis  
0427 084 319