

Asia ties not far-fetched



By **ROBBIE DAVIS**
CEO, Potatoes
South Australia



POTATOES
SOUTH AUSTRALIA

THERE has been significant media coverage about the Federal Government's National Food Plan and the Asian Century White Paper.

But what does this mean and what opportunities are available to the average Australian farm?

The prospect of direct business ties with China's vast food market may seem a little far-fetched to most producers but given the limited number of domestic consumers and the increasing concentration of buyers, primary producers need to explore ways of participating in these emerging international markets.

There is serious competition from lower-cost bulk agricultural exporters and Australia must focus on value-added niche opportunities.

In fact, the role of the industry association or peak industry body has never been greater. It has a bigger responsibility in accessing business support and market intelligence to detect international trade gaps, where international buyers would greatly value close relationships with quality

producers in Australia.

The key words here are 'Australia' and 'relationships'.

The nation must have a globally recognised brand synonymous with high-quality, innovative, safe and sustainable food, services, genetics, practical know-how,



We produce more than twice the food we consume, but need to focus on finding and supplying markets

food safety, product development, management and technology.

It must be about one Australia, not state-by-state, particularly in the establishment of market access.

Additionally, successful long-term business relationships take time to build and historically, we have been inadequate at best in understanding the markets, their changing requirements and the cultures which sustain them.

This is all about an Australian-led Asian food and technology boom.

China, which has a population of 1.36 billion, and Indonesia, which has a population of 238 million, have been earmarked by the Federal Government's Department of Food, Fisheries and Forestry as targets for its \$28.5-million Asian Food Markets Research Fund.

This fund will tackle roadblocks to exports, to help businesses increase exports of food products and services to Asian markets in particular.

This includes a 'What Asia Wants' study to identify long-term food demand prospects and preferences in the region.

We seem to forget that Indonesia, with a growing middleclass like China, is our nearest neighbour. Both countries regard Australia's large-scale agricultural systems and supply chain management as setting the benchmark for efficiency and innovation globally, and we must capitalise on this recognised reputation when adapting to their markets.

But Australia's attention must also turn to yield improvements to lift food production by putting its foot back on the accelerator in terms of farm-relevant R&D.

DAFF's goals to 2025 under the National Food Plan recognise



Australia produces twice the food it can consume, and needs to find new markets.

this, and include the following:

- The value of Australia's agr culture and food-related exports will have increased by 45 per cent – in real terms – contributing to an increase in its gross domestic product;
- Australia will have stronger food trade and investment relationships with countries across the region and the capabilities to promote Australian interests; and
- It will have its own trusted and globally-recognised food brand. This will be achieved by investing \$5.6 million to build on government-endorsed relationships with trading partners in key and emerging markets and \$2m to develop a brand identity for Australian food and related technology.

DAFF will also work, through global, regional and bilateral trade agreements, to reduce trade barriers and negotiate market access to benefit Australia's food sector

and promote its world-class food safety management and biosecurity systems.

Funding will include grants for projects covering commercialisation of new products, development of value-added products appropriate for the Asian market and research to overcome trade/quarantine barriers. But DAFF can only do all of this through strong links with industry.

Australia's food is the envy of the world. We produce more than twice the food we consume, but we need to build focus on finding and supplying markets.

The closest are the most logical, but we need to plan and implement as a priority, as we are not the only exporting country in the race.

There is indeed a great opportunity for Australia to contribute to feeding the world indefinitely and profitably.

Details: 08 8425 4531, robbiedavis@potatoessa.com.au