

**Submission  
No 19**

## **FOOD PRODUCTION AND SUPPLY IN NSW**

**Organisation:** Costa Group

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## Costa Group Submission

### Inquiry into food production and supply in NSW

#### Overview

Costa is Australia's leading grower and marketer of fresh fruit and vegetables. In Australia, our operations include approximately 7,000+ planted hectares of farmland, 40 hectares of glasshouse facilities and three mushroom growing facilities. We supply fresh fruits and vegetables to all the major Australian supermarket chains, as well as independent grocers and a range of food industry stakeholders.

We also export to Asia, North America and Europe and have strategic foreign interests, with majority owned joint ventures growing blueberries in Morocco and China.

In New South Wales, Costa has berry farms on the Mid North Coast near Corindi (north of Coffs Harbour), and in southern NSW near Tumbarumba; avocado farms on the Mid North Coast, at Fishermans Reach and Comboyne; large scale tomato glasshouses at Guyra; and grape and citrus farms in the Sunraysia region.

We recognise that finding more sustainable ways to make fresh, healthy food available for everyone is one of the most critical issues of our times. Costa has established a Sustainable Commercial Farming framework through which we are tackling a range of challenges, with particular emphasis on improving our water efficiency use, the way we mitigate the risks from climate change, improving our crop yields and productivity, and reducing waste through recycling and less disposal to landfill.

We welcome this inquiry into food production and supply in NSW, and in particular the focus on reducing food waste; improving food security and equitable access to food; preserving productive land; and the development of new export opportunities to ensure the long-term sustainability of food production across the state.

#### Improving food security and equitable access to food

##### Health policy

The health benefits of consuming diets high in fruit and vegetables is well recognised. The fresh produce sector also plays an important role in society's efforts to address preventative disease, including obesity and type 2 diabetes. Ensuring that our population has access to fresh produce that is both affordable and of a high quality is a responsibility that the sector and our food and grocery retailers take very seriously. The financial impost on the state health budget relating to the treatment of preventative chronic diseases mandates that more be done to ensure every Australian has access to food that is healthy and nutritious.

We need a 'fresh' approach to state and national health policy which considers consumer trends, works with industry to amplify positive trends, and provides better holistic planning and integration in health and nutrition policy.

Governments can directly influence the habits and nutrition of Australian consumers through targeted educational campaigns and government procurement policies, which can be used to lead the way in providing healthy food options in government funded programs, sport and recreational centres and activities.

## Reducing food waste and destruction

### Packaging

Australians throw away an estimated three million tonnes of food every year, wasting the resources used to harvest, transport, process and distribute this food. In landfill, food also produces methane, a powerful greenhouse gas and source of carbon emissions.<sup>1</sup>

Food waste through the supply chain is an economic, social and environmental loss that all parties are seeking to minimise.

Packaging plays a key role in minimising food waste, extending shelf life and protecting the produce as it travels through the supply chain. It is primarily designed to provide protection in handling and transport, respiration management; gas management i.e., for ethylene; food safety aspects; and limiting access to stop people touching produce to reduce bruising or damage. As such, produce is generally delivered to consumers intact<sup>2</sup>.

Packaging helps to ensure that the food gets to the market in an acceptable condition, has freshness and longevity, is purchased and consumed, rather than being discarded in the supply chain.

There is a lack of understanding however between the use of packaging to among other things, reduce the environmental impacts of food waste, compared to reducing the environmental impacts of packaging.

A collaborative process involving producers, retailers, government, researchers and waste/logistics organisations is required to better understand the role that packaging plays in the food supply chain and to find solutions to meet needs across the supply chain.

### Recycling and reuse

Recycling of packaging (and the food waste) is a critical step which also needs greater attention to ensure we are actively managing and reducing our collective environmental impact.

Efficient recycling systems need to be developed using a circular economy approach.

The potential for using food waste as a biofuel is also an area that needs further consideration. A number of Councils in NSW are already operating Food Organics and Garden Organics (FOGO) kerbside collection services that allows food to be added to the green lid garden waste bin so it can be recycled into top quality compost.

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<sup>1</sup> <https://businessrecycling.com.au/category/food>

<sup>2</sup> The role of packaging for Australian fresh produce, Australian Fresh Produce Alliance.

This also has potential, if produced in large enough quantities, to be used as an alternative fuel source for agricultural operations. This would have a number of flow-on benefits in regional communities including the creation of new employment opportunities and a reduction in the use of fossil fuels.

At the Costa tomato glasshouses in Guyra, for example, the use of biomass as a fuel in place of Liquid Natural Gas, has the potential to reduce CO<sub>2</sub> emissions by 98 per cent.

## Preserving productive land and water resources

The Right to Farm legislation is welcome, but further work needs to be done to ensure growers can continue to produce food without the impost of additional unnecessary and costly planning requirements.

There is a need to ensure that an appropriate balance is struck between ensuring responsible agricultural activity can be undertaken on 'rural' zoned land under a so called 'right to farm' and that such activity is not compromised or adversely affected by inappropriate planning decisions (either Council or State Government initiated) with respect to adjacent land and areas, whether they be rural zoned or otherwise.

Any clarification of agricultural land use definitions must reflect modern agricultural practices ie. intensive horticulture and recognise that such practices are as legitimate as traditional forms of agriculture. This includes crops grown out of the soil under protective cover. This should not be confused with the establishment of more permanent structures such as commercial glasshouses.

The lack of clarity relating to buffer zones is a major source of conflict, especially with respect to existing versus new developments which are often approved with little regard to buffer requirements. Buffer zones should be properly enshrined and protected under relevant planning schemes.

A statutory mechanism to implement policy regarding agricultural lands and agricultural activities is required to achieve consistent outcomes at the local government level which reflect the economic and social value of farming to the state of NSW. The mechanism should be clear, consistent, comprehensive and binding with respect to its application and consideration of the impacts of development on all rural land and agricultural activities.

It should also provide an appropriate emphasis on avoiding or mitigating potential adverse impacts of non-agricultural activities.

The problem as it currently stands in a number of jurisdictions is the approval of development which then results in parties seeking to retrospectively impose unreasonable conditions on the agricultural enterprise. This is particularly the case where residential and commercial developments occur adjacent to, or in the vicinity of rural land, ie. not necessarily on rural zoned land.

Protected cropping systems play a crucial role in the production of fresh and nutritious food. These systems, including the use of tunnels for berry plantings, help to optimise climate conditions and deliver improved productivity.

In NSW, the economic value of the NSW berry industry is around \$1 billion, and it is the State's largest horticulture industry by value. There are around 200 berry growers in NSW with the majority located in the Coffs Harbour region.

However, the planning scheme does not currently adequately recognise these protected cropping structures. It is important that these protected cropping structures are appropriately recognised at the state level to ensure consistency between LGAs and a recognition of their importance to farming in NSW. The use of more temporary structures, including netting and protective tunnels should not require development approval.

### Consideration of workforce challenges and skills development

The COVID pandemic has resulted in extreme worker shortages across a range of sectors, including agriculture. The seasonal nature of the fresh fruit and vegetable industry means large number of harvest workers are required at specific times. Without these workers, fruit and vegetables cannot be picked and will go to waste.

The shortage of workers due to the dramatic drop in people on working holiday visas is well documented and the efforts of both the State and Federal governments to assist with the mobilisation of workers through the PALM (Pacific Area Labour Mobility) program has been welcome.

Exacerbating the labour problems are the accompanying housing shortages in many regional areas. This has been driven in part by the influx of people into regional areas as a result of COVID.

Research on rental housing and homelessness from the University of NSW and Australian Council of Social Service shows a rapid increase in rents from mid-2020, the fastest in over a decade.

The increased reliance on workers through PALM has also led to an increased requirement for specific types of housing, which is in scarce supply in many regional areas.

The solution to this problem, which is impacting across the State, will vary from region to region and we encourage local forums to discuss options and solutions. Reforms to the planning system may be required.

### Development and growth of the food industry as an export

Exports are key to the growth of Australian agriculture in order to meet the ambitious target of a \$100 billion agricultural industry by 2030. Access to and expansion of new global markets will help ensure the long-term growth of the fresh produce sector and the flow on benefits to regional jobs, families and communities.

Horticulture is a major economic driver in NSW, providing employment opportunities in regional communities. The berry industry, for example, is one of the major employers in northern NSW and employs in excess of 5500 workers, providing immense flow on benefit for the region.

Currently only about 2% of blueberry production is exported and there is almost no rubus exported. This is primarily due to a lack of market access. Blueberry exports represent an enormous

opportunity for Australian agriculture because they are worth 50% more per kilo than their closest competitor, cherries.

NSW avocado growers will also continue to face significant challenges, as the option to export product to the largest and most lucrative Asian market for avocados, namely Japan, remains closed to eastern seaboard avocado growers.

The situation is made even more frustrating by the fact that Western Australian avocado growers do have access to Japan. It is also frustrating to watch the seemingly close relationship Australia has with Japan, including in matters of trade, defence and security intelligence, not be leveraged in any apparent way to finalise what should be a straightforward trade access negotiation for avocados.

A whole of government approach is required when negotiating not only free trade agreements, but the multitude of non-tariff barriers that continue to exist even after the conclusion of a successful bi-lateral agreement.

The opening up of new export opportunities will provide confidence and security in an environment where rising input costs are placing added pressure on growers. This in turn will ensure the ongoing provision of much needed jobs and the associated economic and social contribution in many regional communities.