

## **INQUIRY INTO FRESH FOOD PRICING**

**Organisation:** The Australian Food Sovereignty Alliance

**Date Received:** 1 June 2018

---



# AUSTRALIAN FOOD SOVEREIGNTY ALLIANCE

Response to the Parliamentary Inquiry into Fresh Food Pricing  
New South Wales

**1 June 2018**

**Prepared by**

Sarah de Wit & Tammi Jonas

*Australian Food Sovereignty Alliance*

We thank the committee for presenting this opportunity to make a submission. AFSA welcomes all further opportunities to participate in this Parliamentary Inquiry and hope that the NSW government will again facilitate stakeholder engagement across the agricultural and food sector.

## Key recommendations

1. Make it a New South Wales (NSW) state priority to lead Australia's observance of our international obligation to ensure the Right to Food. The Committee should form a methodology for monitoring public policies and compliance with obligations under the right to adequate food.
2. Research and report on direct sales models such as the Community Supported Agriculture model (CSA) and farmers' markets by way of facilitating direct participation of producers in the process of conducting this Parliamentary Inquiry.
3. Protect valuable agricultural land by fortifying the NSW planning system for horticulture production in urban, peri-urban, regional and rural areas.
4. Reduce reliance on production inputs, especially chemical inputs such as pesticides and synthetic fertilisers, and facilitate farms and market gardens that increase resilience to climate fluctuation and strengthen the health and vitality of farming and communities.
5. Explore ways to strengthen competition and consumer law protections for growers, for example the [Horticulture Code of Conduct](#) which came into effect on 1 April 2018.
6. Facilitate nutritious and local fresh food procurement in social sectors and state institutions. The Committee should, for example, report on the NSW Health Department's milk supply contract with foreign-owned Dairy Farmers, replacing Norco.<sup>1</sup>
7. Mitigate producers' vulnerability to climate change by targeting funding and support for more resilient systems such as regenerative agriculture.
8. Commence an assessment of the current and potential disruption of fresh food pricing directly caused by [Amazon's recent acquisition of supermarket chain Whole Foods](#). This should include consultation with growers who are impacted by the discounting of wholesale fresh food.
9. Undertake investigations to create a detailed understanding of factors in domestic and export value chains that influence pricing and, in particular, farmgate prices. More research is needed to understand how Australians access food through their own production and purchasing activities.
10. Conduct a survey to gather information about food access across the retail sector, including farmers' markets and Community Supported Agriculture participants (CSAs).
11. Recognise the worth of improving transparency and price disclosure through the value chain.<sup>2</sup>
12. In reinforcing the Right to Food, the Committee should not overlook other rights such as worker and labour rights and the right to water, land and access to other productive resources.

---

<sup>1</sup> ABC Rural, 15 May 2018, Dairy Farmers land NSW hospitals' milk supply contract over local Norco, draws angry reaction from farmers, <<http://www.abc.net.au/news/rural/2018-05-15/norco-no-longer-supplying-hospitals-in-favour-of-os-supplier/9758830>>.

<sup>2</sup> AgriFutures, Food price determination in the Australian Food industry. <<http://www.agrifutures.com.au/related-projects/food-price-determination-in-the-australian-food-industry/>>. The 2004 Price Determination in the Australian Food Industry report emphasised the need for greater transparency.

13. Encourage the NSW government to foster the state's food security and strengthen its efforts to identify 'Food Sheds' by consulting with shires and taking into consideration current and emerging research in relation to peri-urban planning.
14. Consider fresh food subsidies for lower-income families. Targeted public health strategies, including subsidies, discounts or incentives for lower income households, are necessary to make food more affordable.<sup>3</sup>
15. Adapt market interventions from Belo Horizonte to the Australian context. The Committee should investigate opportunities to subsidise produce bought from local farmers so that consumers can access low prices and farmers can be paid fairly. Further, allow licenced traders to serve subsidised meals at set low prices made from local food to the general public to improve alleviate food insecurity and homelessness.<sup>4</sup>
16. Improve the functioning of Australia's Central Wholesale Markets and make reference to new research on these markets.<sup>5</sup>

**As guiding objectives, the Committee should:**

- Ensure that all stakeholders in the food system can actively participate in key decisions that affect the system
- Support growing numbers of farmers in the transition to agroecological production, which re-integrates environmental priorities into production decisions.
- Recommend and support policy and legislative measures that contribute to the health and well-being of all Australians, especially those who are vulnerable and marginalised.
- Promote the local and regional production and distribution of food, so that greater quantities of fresh food may be consumed closer to where it is produced.
- Work with other stakeholders and governments to tackle the excessive concentrations of corporate power at key points in Australia's food economy.

## Who we are

The Australian Food Sovereignty Alliance (**AFSA**) is a collaboration of organisations and individuals working together towards a food system in which people can create, manage, and choose their food supply and distribution system. AFSA is an independent organisation and is not aligned with any political party. We have more than 700 individual, organisational, business, and farm members.

In 2014 we established a producers' branch of AFSA, Fair Food Farmers United (FFFU) to provide a balanced voice to represent farmers and advocate for fair pricing for those selling to the

<sup>3</sup> ABC, 31 March 2016, Fruit and vegetables, healthy food cost more in regional Victoria: study, <<http://www.abc.net.au/news/2016-03-31/rural-victorians-paying-more-for-healthy-food/7285482>>.

<sup>4</sup> Food and Agriculture Association of the United Nations, Urban and Peri-Urban Agriculture in Latin America and the Caribbean: Belo Horizonte. < [http://www.fao.org/ag/agg/greencities/en/ggclac/belo\\_horizonte.html](http://www.fao.org/ag/agg/greencities/en/ggclac/belo_horizonte.html)>.

<sup>5</sup> Fresh Markets Australia, Central Wholesale Markets and the Australia Economy Fact Sheet, <[https://www.freshmarkets.com.au/wp-content/uploads/FMA\\_Factsheet\\_1\\_Economic-contribution-2.pdf](https://www.freshmarkets.com.au/wp-content/uploads/FMA_Factsheet_1_Economic-contribution-2.pdf)>.

domestic market, connect Australian farmers for farmer-to-farmer knowledge sharing, and to be a voice for farmer-friendly regulations and standards.

We are part of a robust global network of farmer-led organisations involved in food security and food sovereignty policy development and advocacy. We are members of the International Planning Committee for Food Sovereignty (IPC), Urgenci: the International Network for Community-Supported Agriculture, and La Via Campesina – the global movement of peasant farmers, and we have strong relationships with Slow Food International and its Australian chapters. We also provide support for the sole Australasian representative on the Civil Society Mechanism (CSM), which relates to the Committee on World Food Security (CFS).

We work extensively with primary food producers and consumers across every state and territory in Australia. Our committee has consisted of published academics and lecturers from the University of Melbourne, RMIT, Deakin University, University of Tasmania, University of Sydney, and QUT. We have also had representation from farmers from every state, and local advocates and campaigners such as Food Connect, Friends of the Earth, Fair Food Brisbane, and the Permaculture Network.

Our vision is to enable regenerative farming businesses to thrive.

Australians increasingly care about the way their food is produced, including its social and environmental impacts. They seek out food that is grown locally and without damage to the environment. Food produced on small regenerative farms is increasingly in demand, and we believe that it is critical that government heeds changing community expectations and facilitates, supports and encourages the growth and viability of regenerative agriculture while protecting the environment and human and animal health.

## Food sovereignty

*“Food sovereignty asserts the right of peoples to nourishing and culturally appropriate food produced and distributed in ecologically sound and ethical ways, and their right to collectively determine their own food and agriculture systems.”<sup>6</sup>*

- Australian Food Sovereignty Alliance, *Food Sovereignty Convergence Flyer 2017*

The core of Food Sovereignty lies in the following principles:

- Food is a human need and a basic right, rather than a commodity

---

<sup>6</sup> The Australian Food Sovereignty Alliance, <<https://afsa.org.au/?s=food+sovereignty+>>.

- Food systems should be democratically constructed, responding to diverse social, cultural and environmental conditions.
- Food systems should be based on a strong commitment to social justice: for farmers, food system workers, and the most vulnerable members of our society who experience food insecurity.
- Resilient food systems require long-term environmental sustainability, where agriculture transitions away from total dependence on fossil fuel and chemical inputs; and towards solar energy and regenerative soil fertility.
- Resilient and sustainable food systems will be more localised and regionalized.
- Trade in food and agricultural products can enhance economic and social well-being but should be conducted on the basis of international solidarity, respecting and not undermining the Food Sovereignty ambitions of other peoples and countries.<sup>7</sup>

## Background

An Upper House inquiry was established to examine the price of fresh food in New South Wales. Committee Chairman, Revd the Hon Fred Nile, MLC, said, ‘this inquiry will examine trends in the pricing of fresh food in New South Wales compared to both domestic and international markets’.

‘The committee will also **consider the relationship between wholesale prices paid to farmers and the retail price paid by consumers, as well as payment arrangements between growers, wholesalers and fresh food retailers**’.

The Terms of Reference state that the Premier and Finance will inquire into and report on the price of fresh food in New South Wales, and in particular:

- (a) trends in pricing, comparable to other states in Australia and internationally
- (b) the relationship between wholesale prices paid to farmers and the retail price paid by consumers
- (c) payment arrangements between growers, wholesalers and fresh food retailers
- (d) the prevalence of food insecurity in New South Wales
- (e) the identification of ‘food deserts’ and any efforts to address them
- (f) the impact on fresh food prices in New South Wales of:
  - (i) transportation costs

---

<sup>7</sup> Patel, R. (2009). What does food sovereignty look like? *Journal of Peasant Studies*, 36(3), 663-671.

- (ii) the level of competition between retailers,
- (iii) drought, climate change and extreme weather events,
- (iv) new retail operators, such as AmazonFresh, and
- (g) any other related matter.

## Food price determination in the Australian food industry

Market forces are believed to dictate food prices. However, studies done by political economy academic Dr Brigit Busicchia show otherwise. Food price inflation in Australia has reached in excess of 40% over the last decade.<sup>8</sup> Busicchia calls us to question why some are happy to pay \$5 for a croissant or a loaf of bread in Sydney while in Paris, a similarly high-wage city, it costs only one euro (\$1.45).

Dr Busicchia's research shows that price is not due to high-wages or price support, but with what is socially acceptable and what politicians believe voters will demand. She aptly stated:

*"Food is vital to many of our social and cultural endeavours, not to mention the essential role it plays in our nourishment and survival,"*

Economists such as John Ferguson from the Economist Intelligence Unit concurs that rising Australian wages have allowed many to willingly absorb higher retail prices and this has created an opportunistic environment for the supermarket sector, allowing them to mark-up their products significantly. Australians will spend more on food, but a only a mere 10.2% of their total household expenditure goes towards food according to the Economist Food Security Index. In contrast, the world average spending on food is 34.5%.

Prices are also affected by weather events such as drought and flood, but little research is being done on the effect of climate change impacts on food prices,<sup>9</sup> despite that extreme weather events are expected with greater certainty each year.

Lack of competition is apparent in the Australian fresh food market context. The two major supermarkets operating have been able to compete and change retail prices with little intervention from Australian governments, despite demand for better outcomes for consumers.

---

<sup>8</sup> Bussichia, B, 2012, The Question of a Reasonable Price for Food: Policy Alternatives to Control Food Price Inflation in Developed Economies, Chapter 6 in Food Security in Australia pp 79-96, <[https://link.springer.com/chapter/10.1007%2F978-1-4614-4484-8\\_6](https://link.springer.com/chapter/10.1007%2F978-1-4614-4484-8_6)>.

<sup>9</sup> Chang, C, Why is food so expensive in Australia compared to other countries?, 14 July 2014, <<https://www.news.com.au/lifestyle/food/why-is-food-so-expensive-in-australia-compared-to-other-countries/news-story/a6fe9cc1c264e39c0536d07a064904bb>>.

Woolworths is recognised as one of the most profitable supermarkets in the world. Former chief executive officer of Kelloggs ANZ, estimates that shoppers are paying about 3-3.5% more for groceries due to the dominance of the two main supermarkets in Australia.<sup>10</sup>

*The value chain is perceived by many participants, from farmers to consumers, to lack transparency in relation to price determination and profit allocation. This has resulted in discussion and comment from, for example, farmers, peak industry bodies and consumers supportive of sustainable agriculture, about the apparent discrepancy between farmgate prices received by producers, both for produce consumed domestically and for export, and the prices paid by consumers.*

*There have been attempts to draft and introduce to the parliament Bills that would require supermarkets to, for example, display the farmgate price next to the retail price. Although supermarkets have attempted to respond to concerns about the pricing 'system', they can be perceived as having a vested commercial interest in the discussion. Although Australia exports around two thirds of its agricultural food production<sup>11</sup>, in many instances, this provides a relatively minor contribution to total international trade—the impact of this on Australia's ability to influence prices should be put into context.<sup>12</sup>*

The Committee members appointed for this Parliamentary Inquiry are well placed to assess the impact of Australia's fresh food pricing system and should take into account vested interests of supermarkets and the influence of unregulated market economies which have tended towards concentration, monopolies and lack of competition.<sup>13</sup>

Horticulture makes up the largest agricultural sector employer with around 61,000 people employed in the sector, with a further 6,250 in fruit and vegetable processing as of August 2014. As of June 2013, Australia had around 30,000 horticultural producers, which are largely small and medium sized family businesses.<sup>14</sup>

Producers bear the rising costs of electricity, irrigation, water, refrigeration, freight and distribution, sometimes fertilisers and other inputs, while supermarkets and wholesalers

---

<sup>10</sup> Chang, C, Why is food so expensive in Australia compared to other countries?, 14 July 2014, <<https://www.news.com.au/lifestyle/food/why-is-food-so-expensive-in-australia-compared-to-other-countries/news-story/a6fe9cc1c264e39c0536d07a064904bb>>.

<sup>11</sup> Current figures show that Australia exports approximately 60% of its agricultural produce.

<sup>12</sup> AgriFutures, 2014, <<http://www.agrifutures.com.au/related-projects/food-price-determination-in-the-australian-food-industry/>>.

<sup>13</sup> Chang, C, Why is food so expensive in Australia compared to other countries?, 14 July 2014, <<https://www.news.com.au/lifestyle/food/why-is-food-so-expensive-in-australia-compared-to-other-countries/news-story/a6fe9cc1c264e39c0536d07a064904bb>>.

<sup>14</sup> Business Council of Australia, Horticulture Industry in Australia, <[https://www.google.com.au/search?q=processing+prices+fruit+and+vegetables+2018+australia&ei=KnsPW-CMGYKZ0gSbnKXgDw&start=10&sa=N&biw=1440&bih=678#](https://www.google.com.au/search?q=processing+prices+fruit+and+vegetables+2018+australia&ei=KnsPW-CMGYKZ0gSbnKXgDw&start=10&sa=N&biw=1440&bih=678#>)>.



continue to lower offers to growers. Further, the cost of labour along the supply chain affect the price of produce. Returns are increasingly volatile when dependent on use of direct supply to major purchasers or wholesale markets. The rapid movements in wholesale fruit and vegetable prices are demonstrated in [ABARES' recent weekly update](#).<sup>15</sup>

Volatile processing prices present another major issue across the chain. This is partly due to an import-saturated market and high operating costs.

For example, lowered demand in conjunction with the processing price of Valencia oranges has forced grower to pay 30 cents per kilo to grow Valentias with a return of only 16 cents. It now costs growers per kilo to produce Valencia oranges.<sup>16</sup> *Valencia orange grower Tania Chapman said she is getting 25¢ per kilogram, which barely cover her rising production costs. Others are getting as low as 17¢ per kilogram and losing money.*<sup>17</sup>

According to the IBISWorld *Fruit and Vegetable Processing - Australia Market Research Report*, high local wages and overheads compared with overseas producers have prompted many processors to move their processing facilities or to consolidate operations and reduce costs.<sup>18</sup>

The 2017 Report identified that domestic demand for processed fruit and vegetables has trended down over the past five years and that Australian fruit and vegetable processors are forecast to face greater regulatory restraints.<sup>19</sup> Climate change and deteriorating growing conditions in some areas have caused an increase in raw material prices. In addition, the combined high bargaining power of large supermarkets and increasingly price sensitive domestic consumers has tightened margin squeeze, which has forced some processors to close.<sup>20</sup>

New South Wales, along with Victoria and Queensland, account for over 75% of Australia's processing establishments.<sup>21</sup>

---

<sup>15</sup> ABARES, Movements in Fruit and Vegetable Prices, <[http://www.agriculture.gov.au/abares/publications/weekly\\_update/movements-selected-fruit-vegetable-prices#broccoli-lettuce-iceberg-pumpkin-grey-bulk-and-bean-round-stringless](http://www.agriculture.gov.au/abares/publications/weekly_update/movements-selected-fruit-vegetable-prices#broccoli-lettuce-iceberg-pumpkin-grey-bulk-and-bean-round-stringless)>.

<sup>16</sup> The Sydney morning Herald, < <https://www.smh.com.au/business/companies/fruit-and-vegies-why-do-they-cost-so-much-and-who-gets-what-20160115-gm6kf8.html>>.

<sup>17</sup> Ibid.

<sup>18</sup> IBISWorld, September 2017, Fruit and Vegetable Processing - Australia Market Research Report, <<https://www.ibisworld.com.au/industry-trends/market-research-reports/manufacturing/food-product/fruit-vegetable-processing.html>>.

<sup>19</sup> Ibid.

<sup>20</sup> Business Council of Australia, Horticulture Industry in Australia, <<https://www.google.com.au/search?q=processing+prices+fruit+and+vegetables+2018+australia&ei=KnsPW-CMGYKZ0gSbnKXgDw&start=10&sa=N&biw=1440&bih=678#>>.

<sup>21</sup> Ibid.

Further, retailers currently claim a share as high as 76% of the final price of produce while growers are left with the smallest return.<sup>22</sup> Retailers gain approximately 65% of the final price of juicing oranges according to Fairfax Media. Similarly, for apples, retailers held 60% of the share.<sup>23</sup>

In 2012, supermarkets account for an estimated 55% of total market share at the retail level.<sup>24</sup>

### Comments from the sector

*"...the real cost of producing fresh food [is] not reflected in the price consumers pay."*

- Linda Snart, owner of Village Herb Farm

*"Chris Cope, of the Sydney Market Reporting Service, which collects wholesale prices, said some growers, especially from the Sydney basin, bypassed merchants and sold their produce direct to retailers, getting a bigger slice of the price pie. He also revealed two major mushroom growers shut down over the past year because they were not making any money. The sudden dip in supply saw mushroom wholesale prices peak, but it had since stabilised."*<sup>25</sup>

The Committee should assess the supply chain for fresh foods in New South Wales by way of a broad-reaching survey to discover the disparity in returns between retailers and growers in the state. The Committee is reminded of DAFF's findings in their 2004 *Price Determination in the Australian Food Industry Report*: "...simple comparisons of farmgate and retail prices are often simplistic and misleading... a range of different factors are behind what is seemingly an increasing gap between farmgate and retail prices, and behind claims of a higher share of prices paid at the checkout flowing to the retailer."<sup>26</sup>

The Rural Industries Research and Development Corporation (RIRDC) presented '[From farm to retail – how food prices are determined in Australia](#)' to the Government in 2016. The analysis summarised the factors that primarily set prices along supply chains in each major food sector or category.

---

<sup>22</sup> Sydney Morning Herald, Fruit and vegies why do the cost so much and who gets what, 17 January 2016, <<https://www.smh.com.au/business/companies/fruit-and-vegies-why-do-they-cost-so-much-and-who-gets-what-20160115-gm6kfb.html>>.

<sup>23</sup> Ibid.

<sup>24</sup> Business Council of Australia, Horticulture Industry in Australia, <<https://www.google.com.au/search?q=processing+prices+fruit+and+vegetables+2018+australia&ei=KnsPW-CMGYKZ0gSbnKXgDw&start=10&sa=N&biw=1440&bih=678#>>.

<sup>25</sup> Ibid.

<sup>26</sup> Whitehall and Associates, *Price Determination in the Australian Food Industry: A Report, 2004* <[http://www.icciaus.com.au/wp-content/uploads/2016/08/food\\_pricing.pdf](http://www.icciaus.com.au/wp-content/uploads/2016/08/food_pricing.pdf)>.

These were their key findings for the fresh fruit and vegetables sector:

Farmgate	Processing/Wholesale	Retail
<ul style="list-style-type: none"> <li>• Prevailing balance of seasonal supply and demand of fresh produce at the time of marketing/supply.</li> <li>• Returns variable dependent on use of direct supply to major purchasers or wholesale markets.</li> <li>• Climatic events and regional seasonality.</li> </ul>	<ul style="list-style-type: none"> <li>• Prevailing balance of seasonal supply and demand at the time of marketing, enhanced by ineffective transparency at certain stages (including packing and wholesaling).</li> <li>• Integrated supply chains with retailers reduces some price uncertainty and generally delivers a higher gross return to suppliers based on specifications.</li> </ul>	<ul style="list-style-type: none"> <li>• Prices set to provide target margin over full costs of produce category.</li> <li>• Strong influence of perceived price-sensitive points to consumers, with periodic fluctuation according to fruit availability and quality.</li> <li>• Short-term pricing subject to local competitive pressure between grocery chains and specialists.</li> <li>• Competitive price points of frozen/preserved product.</li> </ul>

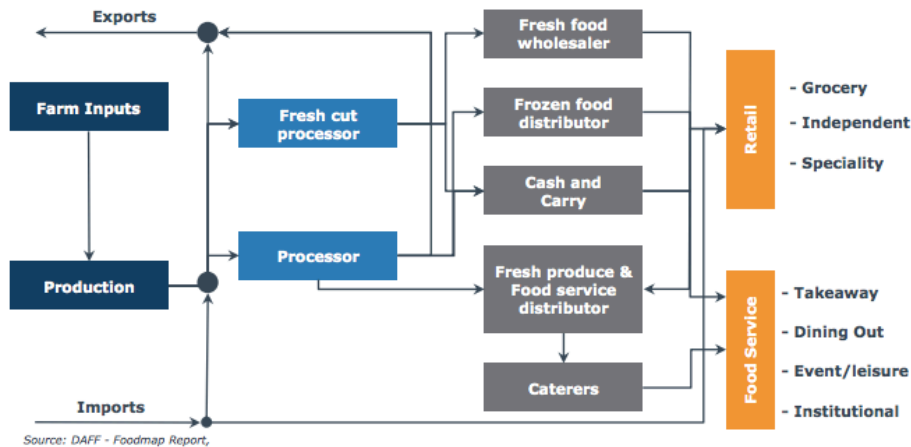
The analysis found that the relationship between farm and retail prices were strong. It also produced a high-level summary of the common factors seen across food categories. As recommendations, the analysis emphasised the need to improve transparency. The Business Council of Australia has emphasised in a report on the horticulture industry that a lack of information on consumer markets has led to Australia underplaying its role to provide produce.<sup>27</sup>

The horticulture supply chain is largely categorised into production, processing and distribution, with the inputs sourced from both local and imported sources. See the Department of Agriculture and Water Resources' *Foodmap Report* resource below:

<sup>27</sup> Business Council of Australia, Horticulture Industry in Australia, <<https://www.google.com.au/search?q=processing+prices+fruit+and+vegetables+2018+australia&ei=KnsPW-CMGYKZ0gSbnKXgDw&start=10&sa=N&biw=1440&bih=678#>>>.

## HORTICULTURE INDUSTRY IN AUSTRALIA

Fruit and Vegetable Supply Chain<sup>20</sup>



Source: the [Business Council of Australia](#)

The complexity of this supply chain may prompt the Committee to recognise that price determination should involve a broad consideration of the variety of inputs, processes, economic forces, and other factors that are reflected in the final price of food.<sup>28</sup>

### Food insecurity and health

Food security debates have only recently emerged in Australia. It is predicted that the population could reach 35 million by 2050.<sup>29</sup>

The current food system – and our farmers in particular - are under enormous stress, as the United Nations previous Special Rapporteur on the Right to Food, Dr Olivier de Schutter, stated in [his final report](#). He emphasised that countries should be rebuilding local food systems, which is in direct opposition to the Australian government’s current focus to increase our agricultural exports.<sup>30</sup>

The Committee would also be aware of the increasing threat of climate change on food production, as identified by the Intergovernmental Panel on Climate change (IPCC).<sup>31</sup>

<sup>28</sup> AgriFutures, 2014, <<http://www.agrifutures.com.au/related-projects/food-price-determination-in-the-australian-food-industry/>>.

<sup>29</sup> Joanne Millar and Jane Roots, 2012, Changes in Australian agriculture and land use: implications for future food security, Institute of Land, Water and Society, Charles Sturt University, NSW, Australia. <<https://researchoutput.csu.edu.au/ws/portalfiles/portal/8816111>>.

<sup>30</sup> De Schutter, O., Report of the Special Rapporteur on the right to food, Final report: The transformative potential of the right to food, United Nations, 2014, p 15; available at <http://www.srfood.org/en>.

<sup>31</sup> IPCC WG11 AR5, Climate change 2014: Impacts, Adaptation and Vulnerability, Vol 1 Global and Sectoral Analysis, Chapter 7 Food Security and Food Production Systems

The IPCC is right to be concerned over decreased crop yields due to shifting weather patterns, and this change to climate is being reported on the ground by our farmers and support by both the CSIRO and the Bureau of Meteorology.<sup>32</sup>

Health and wellbeing of Australians is also at risk with more than 9 in 10 people aged 16 and over not consuming sufficient serves of vegetables and fruit.<sup>33</sup>

Low access to adequate fresh food is aggravated by housing stress, low incomes, disability and poor access to transport. Food insecurity and poverty have been shown to be intrinsically linked. For instance, in Sydney (“Australia’s least egalitarian city”<sup>34</sup>), the Australian Bureau of statistics reported 11.4 percent of income going to one percent of residents.

According to a study reported by Australian Food News this month, Sydney is the tenth most expensive city to live in the world and groceries for Sydneysiders are currently more expensive than in New York, London and Hong Kong.<sup>35</sup> Tomatoes and apples were found to be the most expensive compared to other expensive global cities. The report was referenced by finance expert Ross Greenwood in an interview on Channel 9. He revealed that, according to the Economist Intelligence Unit’s Worldwide Cost of Living 2018 report, there are great fluctuations in grocery prices between the states and territories. The report compared the prices of 160 products and services and analysed 130 cities based on the costs of food and other costs.

As stated, Australia’s expensive groceries have traditionally been attributed to our relatively high wages, social acceptance of product mark-ups and supermarket duopoly between Woolworths and Coles. Additionally, our small population, geographical isolation, and strict food regulations force groceries to become costlier.<sup>36</sup>

The University of Sydney published that:

- 5% of Australians cannot regularly feed themselves or provide their families safe, healthy food without relying on charity.
- The [rates of food insecurity](#) for Aborigines and Torres Strait Islanders, most of whom live in urban areas, are five times higher than those of other Australians.

---

<sup>32</sup> State of the Climate Report, 2014, CSIRO and Bureau of Meteorology.

<sup>33</sup> AIHW 2012. Australia’s food and nutrition 2012. Cat. No PHE 163. Canberra: AIHW.

<sup>34</sup> The Conversation, 8 August 2017, Egalitarian or Edwardian? The rising wealth inequality in Australia, <https://theconversation.com/egalitarian-or-edwardian-the-rising-wealth-inequality-in-australia-81832>.

<sup>35</sup> <sup>35</sup> Cain, Jack, Study reveals Sydney has some of highest grocery prices in the world, Australian Food News, published 29 May 2018 <<http://www.ausfoodnews.com.au/2018/05/23/study-reveals-sydney-has-some-of-highest-grocery-prices-in-the-world.html>>.

<sup>36</sup> Cain, Jack, Study reveals Sydney has some of highest grocery prices in the world, Australian Food News, published 29 May 2018 <<http://www.ausfoodnews.com.au/2018/05/23/study-reveals-sydney-has-some-of-highest-grocery-prices-in-the-world.html>>.

- The most food insecure are 20 to 40 percent more likely to suffer from obesity due to their reliance on cheap, calorific fast food.<sup>37</sup>

In rural and remote Australia, Australians experience great disparity in the cost of healthy food.<sup>38</sup> A study found that this was largely due to the cost and length of transport, the quality of fresh fruit and vegetables deteriorating fast, storage and handling of fresh produce, fresh fruit and vegetables being less available, more expensive and of poorer quality. Regional and remote areas are also among Australia's most economically disadvantaged and residents generally have less disposable income to spend on healthier food options. The study found that this means rates of [diabetes](#), [heart](#) and [kidney disease](#) in rural and remote Australia are among the highest in the world.

*"Country Victorian families have to fork out up to \$40 more for healthy food per fortnight than suburban counterparts, a study has found. Monash University researchers sampled the cost of a healthy food basket at 115 major and independent stores."*<sup>39</sup>

Further statistics and findings were canvassed by the Australia Council of Social Service's most recent report on poverty in Australia.<sup>40</sup>

University of Sydney academic (and former AFSA committee member) Dr Alana Mann asserted that *"statistics alone are not a valid indicator of food poverty. They can't tell us everything, least of all the lived reality of food poverty and our failure to fix it."*<sup>41</sup>

*"Land enclosure, privatisation, legislation, excessive pricing and patents have all played a role in limiting the access to food as a public good. The industrial food system exists mainly to maximise profit for a few, not to maximise the nutritional benefits of food to all".*<sup>42</sup>

**In order to improve health and well-being, the Committee should consider:**

---

<sup>37</sup> Second Bite, <<https://www.secondbite.org/information-and-resources/>>.

<sup>38</sup> The Conversation, 23 December 2013, Rural Australians are missing out on affordable fresh food <<https://theconversation.com/rural-australians-are-missing-out-on-affordable-fresh-food-21358>>.

<sup>39</sup> Herald Sun, Country Victorians pay more for healthy food, <<http://www.heraldsun.com.au/news/victoria/country-victorian-families-paying-more-for-healthy-food/news-story/30b4ab39bfcc6aa13d388a92c34715a>>.

<sup>40</sup> ACROSS, <[http://www.across.org.au/images/uploads/ACOSS\\_Poverty\\_in\\_Australia\\_2014.pdf](http://www.across.org.au/images/uploads/ACOSS_Poverty_in_Australia_2014.pdf)>.

<sup>41</sup> Alana Mann, 11 April 2016, What does the human right to food mean for Australians living in food poverty?, Opinion, <<https://sydney.edu.au/news-opinion/news/2016/04/11/-the-right-to-food---and-how-1-2-million-australians-miss-out.html>>.

<sup>42</sup> The Conversation. <<https://theconversation.com/staying-alive-shouldnt-depend-on-your-purchasing-power-20807>>.

- Following recommendations of the World Health Organisation and the UN Special Rapporteur on the Right to Food. For example, so-called ‘sugar’ taxes introduced in many countries across Europe.<sup>43</sup>
- Monitoring and reporting on corporate sponsorship of health initiatives. This could apply to the fast-food, junk-food and tobacco industries.
- Curtailing the ability of large industries to target young children as consumers of their products.
- Measures to support regional food sources in the social sector and in schools and hospitals. For example, communal food gardens and orchards should be an integral part of all new residential developments.

## The Right to (Fresh) Food

As a signatory to the United Nations (UN) Covenant on Economic, Social and Cultural Rights, Australia is bound to ensure the full enjoyment of the universal human rights it outlines, include the right to adequate food.<sup>44</sup>

That obligation includes *respecting, protecting, facilitating* and *providing* access to adequate food to ensure food security and healthy livelihoods.<sup>45</sup>

The Right to Food is now a well-established concept world over, aided by the special mechanisms of the UN, which has been appointing Special Rapporteurs on the Right to Food for over three decades.<sup>46</sup> It is now being implemented in Constitutions, laws and government-civil society institutions in a growing number of countries and localities around the world, from Ecuador and Venezuela in Latin America, to Nepal in South Asia, to Mali in Africa, to Spain and Italy in Europe, and Maine and Vermont in the United States.

Australia is currently lagging in government policy on the right to food. Indeed, the Department of Agriculture has set out a number of aspirational agricultural and food policies and has set up numerous task groups in order to improve policymaking. However, major determinants of food prices along value-chains are becoming more complex in nature and connection to other factors. Access to food among the population is largely unequal despite our high production rates and competitiveness with the export industry.

---

<sup>43</sup> <http://www.ephia.org/a/4814>

<sup>44</sup> Article 2 of the International Covenant on Economic, Social and Cultural Rights (ICESCR).

<sup>45</sup> United Nations Human Rights Office of the High Commissioner, Special Rapporteur on the Right to Food, <<http://www.ohchr.org/EN/Issues/Food/Pages/FoodIndex.aspx>>.

<sup>46</sup> Food and Agriculture Organization (2012b), *Right to Food Timeline, Legal Office, Food and Agriculture Organization of the United Nations*, archived from the original on 6 June 2012. <<https://www.webcitation.org/68Cm7UmiN>>

In order to achieve better success in meeting its obligations, Australian arms of governments must address the challenges within the food system, including concentrated control of our fresh food supply and an economic model that limits the possibilities of realising the right to food.<sup>47</sup> This model restricts the role of the State in regulating the domestic food market.

Concurrently, Australia is ninth highest on the inequality scale among the 26 OECD countries and 14 percent of our population lived below the poverty line in 2014.<sup>48</sup> Australia is clearly failing to deliver its obligation to guarantee the right to food. This calls for greater understanding and evaluation by Governments and responsible industry bodies.

To become a leading state in addressing the impacts on fresh food prices, the committee members of this Inquiry should thoroughly consider the challenges faced by fresh food producers, such as increased industrialisation of the food system, climate change and other economic, social and cultural issues. By considering the right to food, the Committee will be better equipped address these issues.

Australia needs to strengthen its efforts to establish the right to food. Despite the adoption of the *Voluntary Guidelines to support the progressive realisation of the right to adequate food in the context of national food security* by the Food and Agriculture Organisation of the UN (FAO) in 2004, the Right to Food remains unrealised for one out of seven people, globally.

*The Right to Food Guidelines do not provide legal entitlements but provide a framework for the development of national strategies and policies including budgeting and allocation of funds to food security. States including South Africa, Kenya, Switzerland, Bolivia, Ecuador, Mexico and Brazil have made constitutional provisions guaranteeing the right to food with varying success.*<sup>49</sup>

## AFSA's contribution to Right to Food

### People's Food Plan

AFSA recognises the failure of the Australian government to fulfil its obligation to guarantee the human right to food. In 2010, AFSA created the Peoples' Food Plan as an alternative to a corporate-led, market-driven food policy that ignores household food security and leaves food

---

<sup>47</sup> Alana Mann, 11 April 2016, What does the human right to food mean for Australians living in food poverty?, Opinion, <<https://sydney.edu.au/news-opinion/news/2016/04/11/-the-right-to-food---and-how-1-2-million-australians-miss-out.html>>.

<sup>48</sup> ABC <<http://www.abc.net.au/news/2014-10-12/poverty-levels-among-australians-on-the-rise-across-report-abs/5807624>>.

<sup>49</sup> Alana Mann, 11 April 2016, What does the human right to food mean for Australians living in food poverty?, Opinion, <<https://sydney.edu.au/news-opinion/news/2016/04/11/-the-right-to-food---and-how-1-2-million-australians-miss-out.html>>.



relief organisations to fill the gap. It was written in extensive collaboration and consultation with community groups, non-corporate farmers, social entrepreneurs, health and nutrition professionals, trade unionists, academics and other working people. It represents their interests and priorities, not the interests and priorities of big business. The fundamental guiding principles of this Plan were based in the internationally-recognised framework of food sovereignty.

Dr Alana Mann, a senior lecturer in the University of Sydney's Department of Media and Communications, and former committee member of AFSA, emphasises the significance of AFSA's work towards the right to food. Dr Alanna Mann is leading a research project at the [Sydney Environment Institute](#) examining the social-cultural dimensions of food security in the Sydney City Local Government Area, where eight of the ten most densely populated and culturally diverse neighbourhoods in Australia are located.<sup>50</sup> She advocates for affordable, accessible and healthy food being made available to everyone, and recommends creating a publicly-funded safety net for the most vulnerable.

#### Annual Australian Food Sovereignty Convergence

AFSA also runs Food Sovereignty Convergences which encourage participation from attendees including government ministers, our members, farmers, chefs, Aboriginal Traditional Owners and the broader public. The Convergence facilitates wide-ranging and inclusive discussions around the measures needed to promote food sovereignty. At last year's Convergence in Canberra, the topic of 'right to food' in Australia and at a global level was discussed, among many other issues relating to food sovereignty. (See our media release 16 October 2017).

#### Meeting of the Coordinating Committee of the Civil Society Mechanism

In May 2017, AFSA President Tammi Jonas participated in a Meeting of the Coordinating Committee of the Civil Society Mechanism (CSM), in Italy.

The Civil Society Mechanism (CSM) for relations with the United Nations Committee on World Food Security (CFS) is the largest international space of civil society organisations (CSOs) working to eradicate food insecurity and malnutrition.<sup>51</sup>

Participants spoke about wealthy states such as the US 'redlining' the right to food in attempts to stifle discussion about addressing food insecurity in their countries. They emphasised the importance of food and health becoming the centre of the right to food framework.

---

<sup>50</sup> Alana Mann, 11 April 2016, What does the human right to food mean for Australians living in food poverty?, Opinion, <<https://sydney.edu.au/news-opinion/news/2016/04/11/-the-right-to-food---and-how-1-2-million-australians-miss-out.html>>.

<sup>51</sup> Civil Society Mechanism for relations to the UN Committee on World Food Security, What is the CSM? <<http://www.csm4cfs.org/the-csm/>>.

## Indigenous Food Sovereignty and Remote Communities

Low access to affordable fresh food in many remote communities calls for more consultation with those communities, importantly including indigenous communities. It is not possible to lay the foundations of food sovereignty without talking about indigenous sovereignty.

“Indigenous Food Sovereignty [is based on] sacred or divine sovereignty – food is a gift from the Creator; in this respect the right to food is sacred and cannot be constrained or recalled by colonial laws, policies and institutions. Indigenous food sovereignty is fundamentally achieved by upholding our sacred responsibility to nurture healthy, interdependent relationships with the land, plants and animals that provide us with our food.”

*From the Canadian-based [Indigenous Food Systems Network](#)*

Food sovereignty provides a process for transforming the current food system to ensure that those who produce food have equitable access to, and control over, land, water, seeds, fisheries and agricultural biodiversity. All people have a right and responsibility to participate in deciding how food is produced and distributed. Governments must respect, protect and fulfill the right to food as the right to adequate, available, accessible, culturally acceptable and nutritious food.<sup>52</sup>

## La Via Campesina and international efforts

In La Via Campesina’s Declaration of 2001, titled ‘Our World is Not for Sale’, food sovereignty is defined as the right of peoples to define their own agriculture and food policies, to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives, to determine the extent to which they want to be self-reliant, and to restrict the dumping of products in their markets. Food sovereignty does not negate trade, but rather it promotes the formulation of trade policies and practices that serve the rights of peoples to safe, healthy, and ecologically sustainable production.

This declaration calls upon governments to adopt policies that ‘promote sustainable, family-farm based production rather than industry-led, high- input and export-oriented production and names governments as responsible for promoting market policies to meet these goals as well as food safety and quality criteria “appropriate to the preferences and needs of the people”

---

<sup>52</sup> International Planning Committee, 2009

## Brazil

The Brazilian city of Belo Horizonte (pop: 2.5 million) has perhaps taken the right to food more seriously than any other. With a long-standing 'food-as-a-right' policy, a city agency was created to oversee dozens of innovations, weaving together interests of farmers and consumers to assure that every citizen had the right to food. One strategy to eliminate hunger involved the establishment of four 'Popular Restaurants' that serves low-priced, heavily subsidised meals made from local food to the general public, many are low-income or homeless.<sup>53</sup>

*"Within six years, initiatives such as the Bolsa Família cash transfer scheme for low-income families, free meals in every public school, and support to small-scale family farming had reduced the number of people facing food insecurity from 50 million to 30 million. Many of the programmes implemented under Zero Hunger were pioneered in the 1990s in the Brazilian city of Belo Horizonte."*<sup>54</sup>

Belo Horizonte's alternative food system is managed by the national Secretariat for Nutrition and Food Security. They oversee 19 programmes, aimed at:

- food and nutrition assistance to schools, kindergartens and adult education centres, subsidised food marketing and nutritionist-designed meal plans;
- food supply and market regulation through a supply programme which allows licenced traders to sell produce in designated areas on the condition they offer at least 20 products at fixed, reduced prices;
- nutrition education and careers in the food sector including food and nutrition classes for the public;<sup>55</sup>

These programmes create emergency measures, redistribute income, boost food production and create employment.

## Toronto

In Toronto, Canada, the city government has been working on a local food procurement policy since 2008. The strategy sets a medium-term goal of sourcing 50% of the \$11 million spent annually on food for children's day-care and aged-care facilities from local producers and processors, with an interim target of 25% locally-sourced food.

---

<sup>53</sup> Food and Agriculture Association of the United Nations, Urban and Peri-Urban Agriculture in Latin America and the Caribbean: Belo Horizonte. < [http://www.fao.org/ag/agp/greenercities/en/ggclac/belo\\_horizonte.html](http://www.fao.org/ag/agp/greenercities/en/ggclac/belo_horizonte.html)>.

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

## Agroecology

*Agroecological* farming is the application of ecology to the design and management of sustainable agroecosystems<sup>56</sup>. Agroecological farmers favour long-term strategies that are flexible and can be adjusted and re-evaluated over time. They aim to diversify production on farm, which creates resilience ecologically, and for farmers and eaters in the face of climate change, but also for shifting market prices<sup>57</sup>. At the core of agroecology is the idea that the type of farming undertaken must be appropriate for that particular environment.

This farming philosophy has been gaining an increasing following globally as farmers are beginning to seek out more sustainable farming methods. The concept has been endorsed by the Food & Agriculture Organisation of the UN (FAO) as a means to feed growing populations sustainably<sup>58</sup>.

The aim is to design complex and diverse agroecosystems for all the individual parts to eventually support and sustain each other to prevent the outbreaks of pests and disease common in monoculture systems. In practice this means incorporating a range of livestock, grains and plants in ways that minimise external inputs by re-using waste on the farm, spreading out the risk of relying on just one crop, conserving water and looking after the soil<sup>59</sup>.

The Committee should support growing numbers of farmers in the transition to agroecological production, which re-integrates environmental priorities into production decisions.

Agroecology ought to be anchored to the right to food as a strategic goal to form access. Effectively consumers would be provided alternative options of healthy and nutritious food, for example, food that is not necessarily certified 'organic'. This should involve vast stakeholder consultation with consumers as well as building better public policy.

## Local governance

### Victoria

A study led by Monash University spanning 2012-2014 found the price of fruit and vegetables across the state rose 12% on average, while non-core foods like sugar, margarine and oil actually fell 3%.

---

<sup>56</sup> Gliessman, S.R., *Agroecology : the ecology of sustainable food systems*. 2007, Boca Raton: CRC Press.

<sup>57</sup> Parfitt, C., et al., *THE PEOPLE'S FOOD PLAN. A common-sense approach to a fair, sustainable and resilient food system.*, in *Working Paper*, C. Richards and N. Rose, Editors. 2013, Australian Food Sovereignty Alliance: Kambah.

<sup>58</sup> FAO, *Final report for the International Symposium on Agroecology for Food Security and Nutrition*. 2015, Food and Agriculture Organisation of the United Nations: Rome.

<sup>59</sup> SOCLA, *Acroecology: Key Concepts, Principles and Practices*, ed. T.W.N.a.S.C.L.d.A. (SOCLA). 2015, Penang: Malaysia: Jutaprint.

The researchers looked at foods people "should be eating", and found the further the store was from Melbourne, the higher the cost of healthy food. "The cost of food is one of the major factors influencing the choice of food, so if a healthy diet is less affordable it's something people are less likely to buy."

A key finding was the fluctuation in price of fruit and vegetables compared to other food groups in the basket.

### Melbourne case study

Local government food security policies are being developed slowly around Australia. The City of Melbourne launched their City of Melbourne Food Policy document. It is a plan for the future of food in Melbourne providing visions and frameworks to guide coordinated action and decision making to ensure sufficient access to healthy food into the future. Yarra Council should also be commended for their leadership in urban agriculture and promoting local, healthy and sustainable food systems. Local governments are perfectly positioned close to the community to take a lead in a range of community food initiatives.

## Community Supported Agriculture

A CSA (which stands for Community Supported Agriculture) is a membership model that helps farmers share the rewards and distribute risk when there are unexpected increases or decreases in supply, and to manage production as per known demand. In sharing some of the farmers' risk, a CSA helps connect eaters more closely to the farm and knowledge of food production.

CSA was developed in Japan in the 1970s and is based on the Principles of Teikei.<sup>60</sup>

Members of CSAs are more connected to where their food comes from by way of gaining a deeper understanding of farmers' ethics and of food production.

AFSA supports the CSA model because we can attest to the positive changes it makes on local food systems and people's health and well-being. By providing more genuine options to eat food produced in ethical and ecologically sound ways, CSAs enact food sovereignty.

---

<sup>60</sup> Urgenci: the international network for community supported agriculture, *Principles of Teikei*, building up of Producer-Consumer Co-Partnership in Organic Agriculture Movement // JAPAN ORGANIC AGRICULTURE ASSOCIATION, NOVEMBER 1978, <<https://urgenci.net/principles-of-teikei/>>.

Australia has a growing CSA movement as small-scale farmers move to this solidarity economy for financial security, risk sharing, and deeper connection with the people who eat their produce.

To find examples of the many CSAs operating amongst our membership base, please refer to [our directory](#).

## Planning for fresh food pricing security

The Committee should consider the current trends in urban sprawl and peri-urban development in NSW and the relevant planning challenges associated with loss of rural land and food bowls.

Community responses to the 2012 National Food Plan Issues Paper brought to the fore many concerns for the loss of agricultural land, foreign ownership, mining exploration, water use and food attributes. Regarding land use planning, authors concluded that *“traditional land-use planning schemes in Australia have not coped with rapid demographic change in rural areas, particularly in regions with net in-migration (Bunker and Houston 2003, Buxton et al. 2006; Millar 2010). Furthermore, Budge and Slade (2009) maintain that the links between land use planning and food security are poorly understood in Australia.”*<sup>61</sup>

*“Peri-urban areas play an important role in agricultural production. Although these regions comprise less than 3% of land used for agriculture across the five mainland states, they are responsible for almost 25% of Australia’s total gross value of agricultural production.*

*This figure may be conservative due to a significant amount of agricultural production being grown and consumed locally, retailed through Farmers’ Markets and less formal farmgate sales which are not recorded in the census statistics, states, “State and local governments need to recognise the loss of finite areas of productive land around cities as a negative externality requiring strategic intervention.”*<sup>62</sup>

We recommend the Committee address the gap in research apparent here. The Committee should survey food access across the retail sector, including farmers’ markets and CSAs.

Data on the area of agricultural land being lost annually to urbanisation is currently unavailable in Australia on a national scale despite the obvious trends and growing public concerns.

---

<sup>61</sup> Millar J and Roots J, 2012, Changes in Australian agriculture and land use: implications for future food security, International Journal of Agricultural Sustainability, Issue 1, pp 25-39. <<https://researchoutput.csu.edu.au/ws/portalfiles/portal/8816111>>.

<sup>62</sup> Ibid.

Remaining and expanding intensive agricultural industries dominate landscapes on the urban fringes, effectively causing further conflict between urban and rural landscapes.

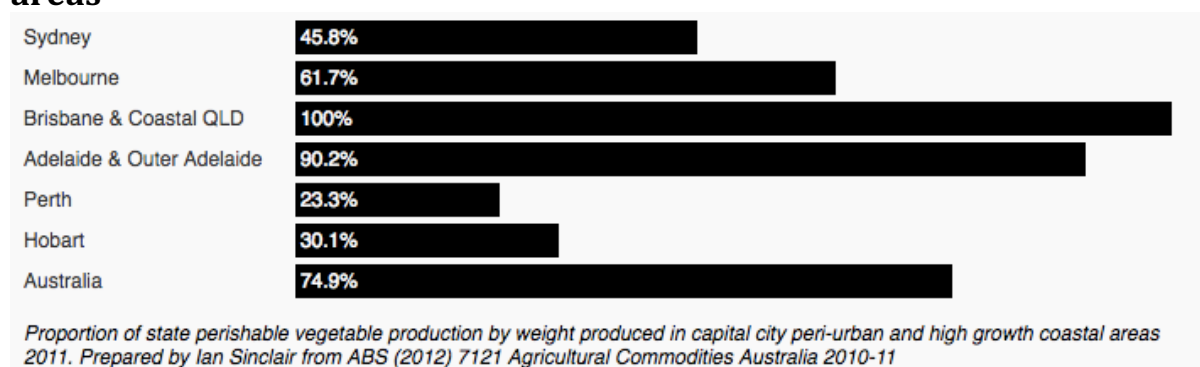
## Food Security: Preserving Valuable Land for Farming

The increasing attention of the NSW Premier and the Department of Planning and Environment on further housing for the state<sup>63</sup> has made negative impacts on rural zones in NSW. Peri-urban areas have been targeted as future growth spots, which endangers precious prime agricultural land previously reserved for food production. The increased restriction of rural activities in the Sydney Catchment Water Area has also triggered issues among NSW's small producers, for the impacts of rural development in these areas has been bundled into one collective issue rather than one to be managed based on intensity of the culpable industries.

"In fact, the benefit of Sydney's agriculture to the economy is estimated at upwards of \$4.5 billion. Loss of agriculture therefore presents serious risks to the resilience of the city, to the health of residents and the viability of farmers' operations." <sup>64</sup>

### How NSW compares

#### Amount of food produced in capital city peri-urban areas



Source: [Melbourne's food future: Planning a resilient city foodbowl](#)

Data from the **Sydney Peri-Urban Network** Issues Paper shows that the peri-urban area is a significant producer of nurseries, perishable vegetables, meat chickens, ducks, turkeys, other poultry and eggs. The data represents historical ties between agriculture and markets on the

<sup>63</sup> NSW Department of Planning and Environment, Development Assessment Best Practice Guide, March 2017, pg. 2.

<sup>64</sup> University of Technology Sydney. The future of Sydney's food bowl. 17 February 2016. <https://www.uts.edu.au/research-and-teaching/our-research/institute-sustainable-futures/news/future-sydneys-food-bowl>

edges of urban areas. It identifies that this is because of proximity to markets and good growing climate, access to water and soils.<sup>65</sup>

The reforms must address this underlying issue of the perceived or actual conflict between residential and agricultural land use. The Rural Production Zones **must** maintain the objectives to preserve land for agricultural use, as the pressures of development for non-agricultural uses are being felt in peri-urban areas that have not been responsibly managed to date and have forced farming further and further from major cities and regional cities.

If the NSW Government is committed to rural development, then it ought to substantiate this commitment by supporting agricultural uses that are compatible with the area. The Government has stated that it is committed to reducing land use conflict.<sup>66</sup> The Government has also identified opportunities for “targeted settlement”. Low-risk agroecological systems are clearly best management practice for NSW’s future food supply.

The NSW Government conducts thorough geospatial mapping exercises to identify “prime agricultural land” or ‘Strategic Agricultural Land’.<sup>67</sup> AFSA encourages NSW to further protect these selected areas, to expand them, and to strengthen its efforts to identify “Food Bowls”<sup>68</sup> or “Food Sheds”.

The Sydney Peri-Urban Network of Councils (**SPUN**) comprises 12 Councils surrounding Sydney and formed to stimulate discussion and action by all levels of Government. SPUN wrote in its 2015 Report that “peri-urban areas play a vital food security role for Sydney (as a food bowl and due to relatively low “food miles”)”.<sup>69</sup>

The University of Technology Sydney’s (**UTS**) Food Shed Project is being conducted by the Institute of Sustainable Futures as part of one of their key research areas, ‘Food Futures’. The research produced ‘Mapping Sydney’s Potential Foodsheds’ through funding from the [LGNSW](#)

---

<sup>65</sup> Edge Land Planning, Sydney Peri-Urban Network Issues Paper, September 2015, pg. 9.

<sup>66</sup> Page 6 of the Explanation of Intended Effect, accessed at: [http://www.planning.nsw.gov.au/~/\\_media/Files/DPE/Other/primary-production-and-rural-development-eie-2017-10.ashx](http://www.planning.nsw.gov.au/~/_media/Files/DPE/Other/primary-production-and-rural-development-eie-2017-10.ashx)

<sup>67</sup> Sharing and Enabling Environmental Data. Datasets accessible at:

[https://datasets.seed.nsw.gov.au/dataset?q=agriculture&sort=score%20desc%2C%20metadata\\_modified%20desc](https://datasets.seed.nsw.gov.au/dataset?q=agriculture&sort=score%20desc%2C%20metadata_modified%20desc)  
Accessed via: <https://data.gov.au/dataset/42e2a51d-3c11-431f-ac62-f8511c859516>

<sup>68</sup> In Victoria, the University of Melbourne’s *Foodprint Melbourne project* have published a report highlighting that Melbourne’s “foodbowl” is an important building block in a resilient and sustainable food future for the city. The report summarises project findings about what grows in Melbourne’s foodbowl and what it takes to feed the city, and it outlines the economic value generated by Melbourne’s foodbowl. The report highlights that: **1) The loss of Melbourne’s foodbowl is not inevitable as the city grows** if growth on the city fringe can be limited to existing growth corridors and strong targets are set for urban infill and increased urban density; **and 2) Melbourne can plan for a resilient city foodbowl** that provides healthy food for a growing population, promotes a vibrant regional food economy and acts as a buffer against future food system shocks.”

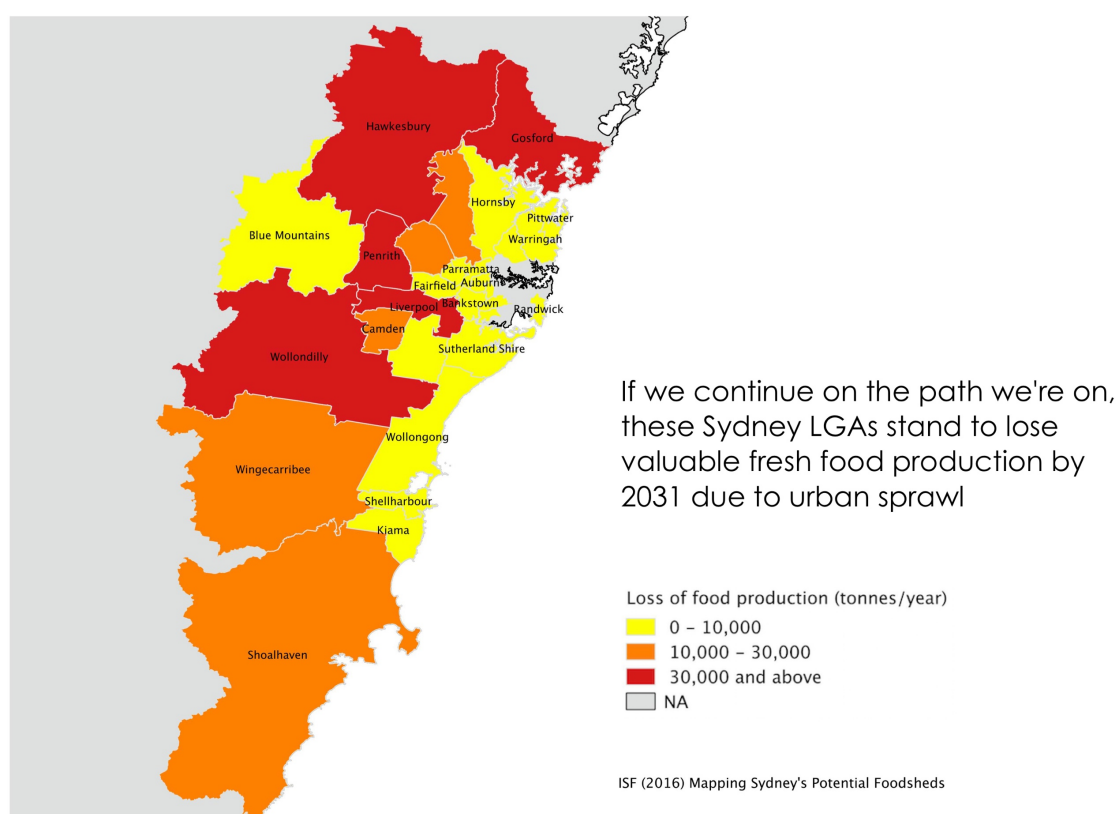
<sup>69</sup> Wollondilly Shire Council, SPUN Action Plan, 2015, accessed at: <http://www.wollondilly.nsw.gov.au/assets/Documents/Planning-and-Development/SPUN/Sydney-PeriUrban-Network-of-Councils-SPUN-2015-Action-Plan.pdf>



[Building Resilience to Climate Change](#) scheme. SPUN, represented by Wollondilly Shire Council, is a key partner on the project.

The aim of the project is to understand the major factors that affect Sydney's future food production. Interactive spatial maps of Sydney's future food production and demand until 2031 show the consequences of failing to value peri-urban food production in the current planning strategy. One such consequence is unconstrained population growth planned under the [Sydney Metropolitan Strategy](#). By engaging with stakeholders, the Food Shed Project researches potential impacts, desirability and feasibility of a range of future food production scenarios and how this contributes to the resilience of cities like Sydney in the face of future shocks and stresses.<sup>70</sup>

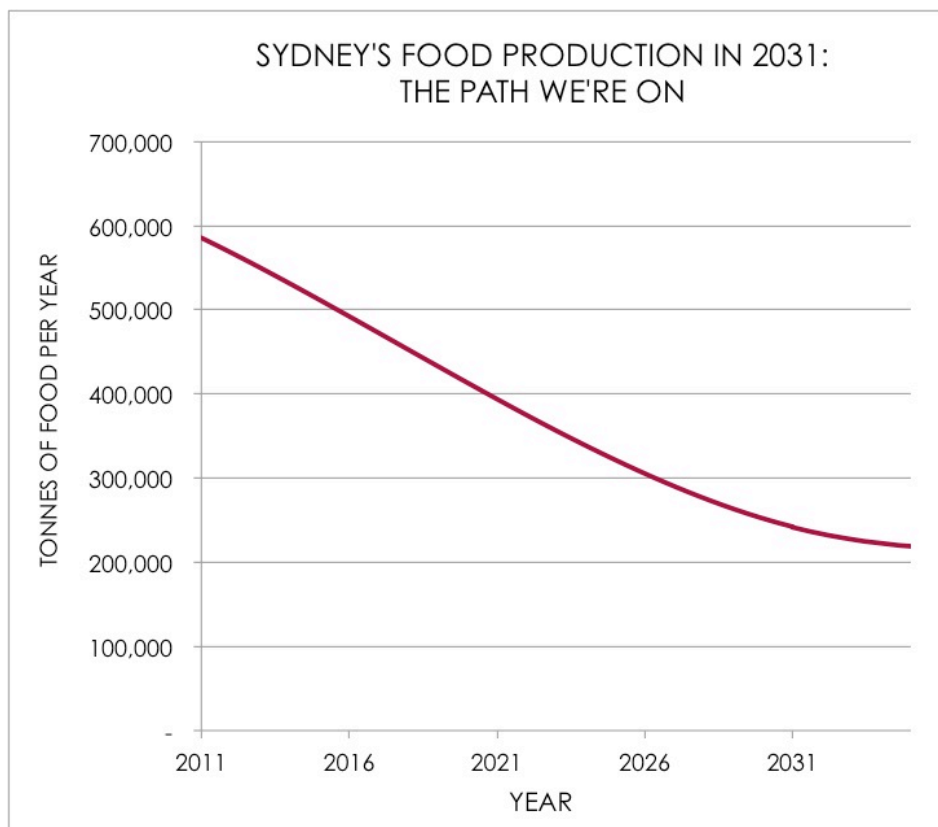
The project essentially mapped where current and potential food producing areas are located around Sydney.<sup>71</sup> In the range of scenarios modelled, the first assessed what would happen if Sydney's agriculture was not protected and the proposed population growth under the Metro Strategy occurred in an unconstrained way. This is shown in Figure 1.



*Figure 1. potential loss of food production by LGA under the '2031 urban sprawl' scenario.*

<sup>70</sup> University of Technology Sydney. Planning Sydney's Food Futures. Accessed at: <https://www.uts.edu.au/research-and-teaching/our-research/institute-sustainable-futures/news/planning-sydneys-food-futures>

<sup>71</sup> Maps created by Sydney Food Futures (2015-2016): <https://www.uts.edu.au/research-and-teaching/our-research/institute-sustainable-futures/news/future-sydneys-food-bowl>  
Accessed via: <http://www.sydneyfoodfutures.net/>



*Figure 2: Permanent loss of food production under urban sprawl scenario.*

Figure 2 shows that if the urban sprawl scenario continues uninterrupted, Sydney stands to lose approximately **60% of its total food production by 2031**. Vegetables, meat and eggs will be hardest hit: **92% of Sydney's current fresh vegetable production could be lost, 91% of meat and 89% of eggs** (Figure 3 below).

The project found that this is directly caused by the current planning system, which tends not to prioritise agriculture as a land use, meaning urban sprawl into peri-urban areas is permitted. The scenario was based on Sydney's metropolitan strategy, [A Plan for Growing Sydney](#), which allocates new population growth to each local government area, and, concentrates urban growth around North West and South West Growth Centres. Consequently, loss of fresh food production is greatest in Wollondilly, Liverpool, Penrith and Hawkesbury areas.

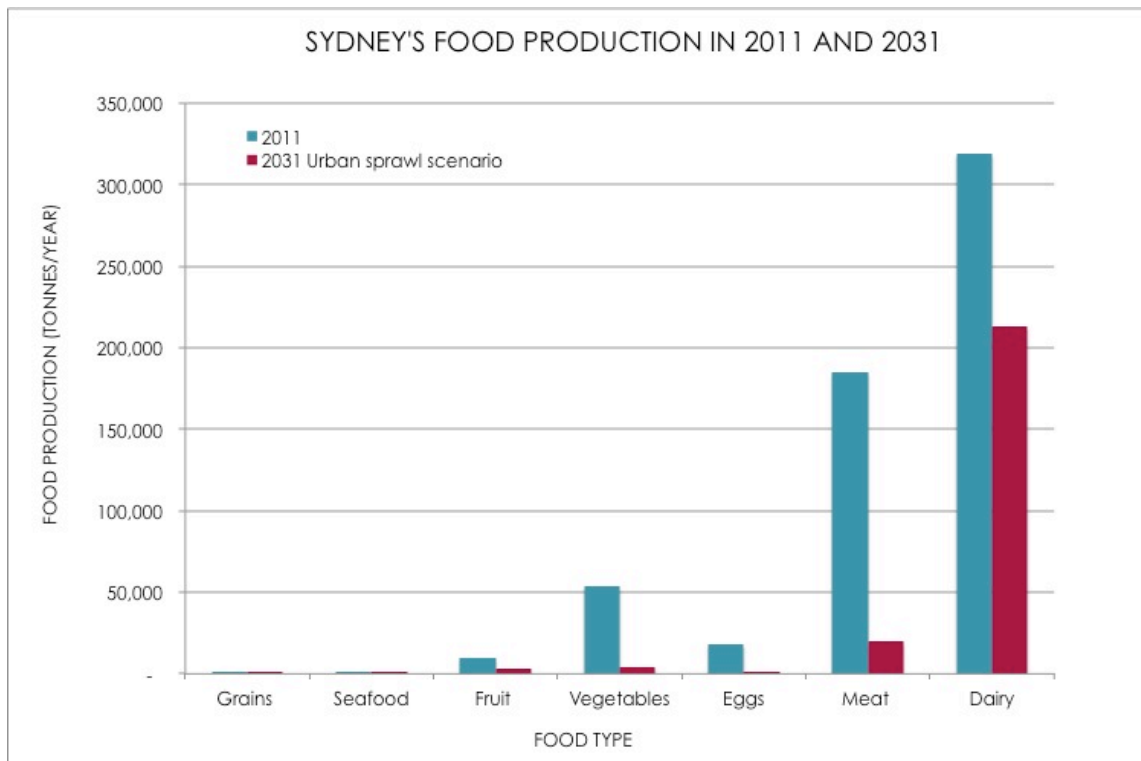


Figure 3: Food loss by food type under urban sprawl scenario.

As a consequence of this loss of agricultural land to urban expansion, coupled with 1.6 million extra mouths to feed, food production in the basin would only be able to feed **6%** of Sydney instead of the current **20%**, increasing Sydney's vulnerability to a range of [risks](#).

#### Changes to greater NSW area

In addition to the Sydney Metropolitan Strategy, the *Greater Sydney Commission Act 2015* was set up as a regime for regional and district planning in the greater proportion of NSW. A range of development codes were expanded and standardised. Regional plans have now been brought about as the Government fulfils its ambitions to “make it happen”. Consideration for agricultural land needs to be core to the many changes to the NSW planning system.

The pressures of a growing population must be dealt with in the residential suite of zones, not in Primary Production, Rural Landscape, and Primary Production in Small Lots zones. 88% of NSW Farmers responding to our survey are located in RU1 and RU2 zones.

This is especially critical in the face of the negative impacts of climate change on Australia's capacity to grow food on the limited arable land available, most of which is concentrated around cities. If the Government continues to allow inappropriate encroachment and urban growth into viable farm land, future generations will become food insecure. A food secure and food sovereign future depends on appropriate planning controls that preserve farm land in perpetuity.

The NSW government should foster NSW's food security and strengthen its efforts to identify 'Food Sheds' by consulting with shires and taking into consideration research by UTS and SPUN in relation to peri-urban planning.

## Chemical residue on fresh food

In a [new report](#) by the current Special Rapporteur on Food, Dr. Hilal Elver, written in collaboration with the Special Rapporteur on Toxics, a clearer account is provided of global pesticide use in agriculture and its impact on human rights. The report also canvasses the negative consequences that pesticide practices have had on human health, the environment and society, which are underreported. It also examined how to better protect farm workers, consumers and vulnerable groups, as well as what natural resources are necessary to support sustainable food systems.<sup>72</sup> The report stated that pesticides kill 200,000 people each year and that pesticides do not increase agriculture yields.

Many farmers, especially those in the grain industry, are concerned about the rising costs of chemicals. A [recent Deloitte report](#) commissioned by [CropLife Australia](#) indicated Australia's increasing reliance on agricultural chemicals and the subsequent costs.<sup>73</sup> The increasing price of chemicals for farmers represents a major concern of the majority of the industry and demonstrates the need to take a significant step back from agricultural reliance on chemical inputs.

## AmazonFresh

AmazonFresh presents a number of challenges and opportunities in this fresh food industry:

- it has achieved mixed results in Europe
- it poses threats to local retailers and small businesses, including farmgate shops
- it affects prices negatively - for example, on the day Amazon took ownership of the chain Whole Foods, prices on avocados and bananas were slashed by as much as 43%
- it heavily discounts upon entering a new market to attract new customers
- it cannot guarantee its success as online shopping has a history of varied demand
- it pushes farmers to the fringes and aims to go to the market based on the "unreliability" and "uncertainty" of buying directly from the farmer<sup>74</sup>

---

<sup>72</sup> UN Special Rapporteur on human rights and toxics, Pesticides and the Right to Food, 7 March 2017, <<http://www.srtoxics.org/2017/03/pesticides-right-food/>>.

<sup>73</sup> The Conversation, < <https://theconversation.com/the-real-cost-of-pesticides-in-australias-food-boom-20757>> .

<sup>74</sup> ABC, Amazon's pending arrival forces online retailers to compete, <<http://www.abc.net.au/news/rural/2017-11-04/amazons-pending-arrival-forces-online-retailers-to-compete/9115098>>

In conjunction with other factors affecting the market for online fresh food shoppers, such as land use planning, urban sprawl, loss of agricultural land, industrialising farm operations, increasing land prices and heavy discounting from supermarkets, AmazonFresh only serves to further diminish farmers' enjoyment of getting a fair price for their produce.

The Committee should consider how many consumers are using online shopping and whether they are gaining benefits from it in terms of food access and health and wellbeing. According to data from Roy Morgan Research, *despite the availability of online grocery shopping, Australian shoppers have been reluctant to use online shopping services. Easy access to physical stores and the similarity of pricing in-store and online means that despite a stated intention to use online shopping for fresh produce, few were buying online.*<sup>75</sup>

We bring to the Committee's attention current realisations in food governance among the UN World Food Programme members:

*"Hunger still prevails in a world of abundance even as obesity grows steadily. A food system anchored in market principles of supply and demand will never feed the world, because the private sector is not interested in feeding people who cannot pay. No analysis or research of recent decades has ever questioned this nature of food as a private good, and so the perception is that access to food is the problem."*

- Jose Luis Vivero Pol, the Conversation - Why the current food system is failing to feed the world

Privatisation of food directly contradicts the standard economic definition of public goods. Food production should not exclude people regardless of the supply and demand factors present. Many societies have and still consider food as a common good, as well as forests, fisheries, land and water.<sup>76</sup> Better governance and new production and distribution models for food are needed to make the system fairer for producers and more accessible for consumers.<sup>77</sup>

---

<sup>75</sup> Australian Food News, Research survey reveals more Australian grocery habits

<<http://www.ausfoodnews.com.au/2015/05/18/research-survey-reveals-more-australian-grocery-shopping-habits.html>>.

<sup>76</sup> Jose Luis Vivero Pol, the Conversation, <<https://theconversation.com/staying-alive-shouldnt-depend-on-your-purchasing-power-20807>>.

<sup>77</sup> Refer to the work of political economist Elinor Ostrom, a commons expert, who suggested polycentric governance as a novel means to solve global problems, such as climate change. "There are already many initiatives worldwide that demonstrate how a right combination of collective action, government regulations and incentives, and private sector entrepreneurship yield good results for food producers, consumers, the environment, and society. The challenge is how to scale up those local initiatives to national level."

## Final remarks

Farmers, fishers, indigenous peoples, youth, women, chefs, urban dwellers and farm workers call on the Committee to initiate beneficial changes to fresh food pricing and to facilitate the participation of food producers in addition to governments and other peak bodies in this Inquiry. In the past, small-scale farmers have increasingly become marginalised. Concurrently, the emphasis in agricultural development remains on exports and boosting production. We urge the Committee to recognise and embrace the importance of inclusive, participatory decision making and the current demand on states to make the human right to food a reality.<sup>78</sup>

As an established voice for small-scale farmers, chefs, eaters and supporters of food sovereignty, AFSA welcomes further opportunities to be engaged in this Parliamentary Inquiry.

---

<sup>78</sup> Lucy Jarosz, 2014, Comparing food security and food sovereignty discourses, University of Washington, USA, *Dialogues in Human Geography* Vol. 4(2) 168–181.