



THE NORTHERN TERRITORY FARMERS ASSOCIATION INC.

NORTHERN AUSTRALIA DEVELOPMENT WHITE PAPER SUBMISSION

Presented by the Northern Territory Farmers Association

Developed in consultation with;

- Regional Development Australia NT;
- The Northern Territory Government's Department of Primary Industries;
- AUSVEG; and
- Australian Mango Industry Association.

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INTRODUCTION

The Northern Territory Farmers Association Incorporated (NT Farmers) is pleased to provide the following submission for the Federal Government's White Paper on Northern Development. The submission pertains to consideration for policies for developing the parts of the Northern Territory which lay north of and including Alice Springs.

NT Farmers' submission places emphasis on development of the region's agricultural and horticultural industries and those industries which impact or are impacted by Plant Industries. NT Farmers represents 10,000 hectares of irrigated agriculture in the Northern Territory, producing \$180 million turnover annually. The industry has developed over last thirty years and is the most successful agricultural industry in northern Australia. For example, the Northern Territory is home to a substantial Vietnamese farming community. Vietnamese produce around \$60 million in mangoes and Asian vegetables. There is a story of small family operations which have grown into strong businesses through determined development, gains and losses, but eventual sustainability and growth. Their model of business is typical of the success stories in our region.

Growers in the Douglas Daly, Katherine and Mataranka catchment areas produce a diverse array of crops, ranging from mangos, bananas, improved and native pastures, melons, vegetables, and grain crops, valued over \$80 million. These regions cover approximately one quarter of the Northern Territory and include the districts of Victoria River and Roper-McArthur basins, the southern part of Katherine-Daly basin and the Mataranka-Daly Waters (*Sturt Plateau*). Growers in this key part of the Northern Territory have behind them some thirty years of development from small scale family farms to their now more diverse and mature industry. The largest businesses have agricultural turnover in the \$10-20 million range.

What sets the Northern Territory experience apart is firstly this story of an ever maturing sector. We believe that as one of the success stories in northern agriculture our sector brings a credible contribution to the discussion on Northern Development.

More than that however, the Douglas Daly, Katherine and Mataranka catchment areas form an already strong production region and a production region with significant opportunities. There exists in these areas existing successful producers and a body of research which can be built on to further the opportunities which come out of this catchment area. Land and water and access to both resources are perhaps an overstated known. There is land and some challenges therein and there exists some solvable challenges regarding water in the NT. However, the real key to our sector's success will be acknowledging the importance that understanding markets and economics plays in our success. The success of our sector has always and will always rely on produce that can arrive into a market and deliver a profit to the grower. It cannot be understated that our success is driven by markets and economics.

The right business models for development will be critical, as evidenced by past failures. Past failures have been characterised by poorly developed business models, failing to budget for the high cost of development

and the high cost of learning in a new environment. Good business models need to budget for resilience and take into real account for the cost of learning and the cost of crop failures in some years.

Market based, economic opportunities lie in commodities such as cotton, sugar and peanuts which, with the right development models can deliver a highly successful return. With gross returns over \$4000 per hectare and freight costs of less than 25% of sale price, these crops represent the best economic start point. Niche crops like poppy and chia could add to development. Further growth in horticultural crops will come from focussed research such as export mangoes. Further development of Fodder and feed grains will grow with growth in the beef industry.

In tandem with those key elements is of course is the North's seasonal advantage and a further boost to the sector's future success has been the changes to the Pastoral Land Act allowing for diversification of land use for horticultural activity and extensive agricultural developments and other endeavours which can co-exist with pastoral enterprise.

BROAD VISION

The Northern Territory Farmers Association recommends that the Federal Government...

- Provide the kind of government support such as tax benefits and rebates that every first world nation depends on for economically viable production. Direct support should be a government priority through taxation incentives and diesel and fertiliser rebates. This will assist existing producers to grow and encourage new investment.
- Make Research and Development a priority. Failure in the north is largely due to the learning curve in relation to wet-dry tropical production practices. There is still a vital requirement to identify the right crops with the right genetics to suit the unique environment in the Northern Territory. Research and Development Corporations (*Grains RDC, Sugar Research Australia, Cotton RDC, Rural Industry RDC, and Horticulture Australia*) should be supported and promoted by government to lead the Research and Development space. Importantly, increased research and development expenditure must be focussed on the Cooperative Research Centre for Northern Agriculture.
- Ensure that there are grower engagement strategies to allow research and improved practices to be communicated on the ground. Organisations such as NT Farmers can play an integral and partnering role in this space.
- Address the issue of over regulation and impediments to growth through innovative approaches such as cross jurisdiction investment and regionalising approval processes and water allocation planning.
- Promote diversity in production along the lines of the changes to the Pastoral Land Act and other innovative initiatives that will support diversity in production.

The Northern Territory Farmers Association recommends that the Federal Government...

- Support a comprehensive audit of Northern Australia's infrastructure. Infrastructure Australia should devise a long-term list of priority-projects, guided by cost-benefit studies. These cost-benefit studies should take into account and not prejudice the unique characteristics of the Northern Territory, such as population base and location.
- Utilise the foundation of good work of the Northern Australian Ministerial Forum's Indigenous Expert Panel and work to integrate development with indigenous landowners. Pursuance of further improvements to the land tenure process will be vital to this end.
- Work to secure Indonesia as a market for horticultural and agricultural produce and also as a co-operative business partner for development of northern Australia. Indonesia is the world's largest sugar importer and imports some two million ton of soybean from the USA and Brazil (value \$US 2 Billion) In addition, Indonesia imports 340,000 ton of peanuts from China and imports one-million ton of feed maize. As a large textile producer Indonesia imports one-million ton of cotton of which 100,000 ton is from Australia.
- Focus AusAid and ACIAR spending in developing countries on joint benefits, developing Northern Australia. This concept could focus on issues such as common research and food security in Indonesia.
- Secure greater cooperation and support from the Mining sector to drive joint development opportunities, using waste mine water and good mine infrastructure to assist agricultural development.
- Seek opportunities to utilise off river water catchment, capturing large wet season rainfall in geographically suitable pockets rather than developing stream dams.

NOTE: *The Northern Territory Farmers Association is conducting its inaugural Northern Australia Food Futures Conference from 3 to 5 November 2014. This will be the first in a series of conferences on northern agriculture and will bring business, government agencies and politicians to discuss development pathways. The conference involves Western Australian, Queensland, the Northern Territory and Federal jurisdictions. This is the first high level conference on northern agriculture since 1982.*

A series of road show events will follow on from the conference in early 2015, focussing the discussion of what Northern Development means to regions. Each of the jurisdictions will host an event, along with forums in several key international destinations such as Indonesia, Singapore and China.

For more information on this submission, please contact

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