



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



THE CRAWFORD FUND
For a Food Secure World

THE BUSINESS OF FOOD SECURITY:

Profitability, sustainability and risk

The Crawford Fund
2015 Annual Parliamentary Conference
Parliament House, Canberra

10-12 August 2015

Editor: Janet Lawrence



THE BUSINESS OF FOOD SECURITY

OFFICIAL OPENING

The Hon. Steven Ciobo MP

Parliamentary Secretary to the Minister for Foreign Affairs and Parliamentary Secretary to the Minister for Trade and Investment



Good morning to everyone here from The Crawford Fund and the many experts in the room today from the public and private sectors. It is a pleasure to be here to help open The Crawford Fund's 2015 Annual Conference.

I do not intend now to run through Sir John Crawford's long list of achievements – I am sure that everyone here knows them well. Sir John Crawford was the founding head of the Department of Trade and was central to the establishment of the Australian Centre for International Agricultural Research before a distinguished career in academia. What is less well known is that his role as a pioneer of Australian engagement with Asia.

In a 1938 paper on Australia and the region, he wrote about 'awakening a new interest in our status in the Pacific'. He even went as far to suggest – no doubt controversially at the time – that Australia look to expand trade links with the 'Far East' at the expense of our relationship with 'the Empire'. Without doubt, he was a visionary and it is wonderful to see The Crawford Fund keeping his legacy strong today.

The issue of food security

Food security is one of the most important global issues of our time. Demand for food across Asia will nearly double over the coming decades. Meeting this demand in a sustainable way will require major advances in productivity, market systems, resource management and governance. These must be underpinned by wider and more innovative partnerships that bring together public and private sector interests and responsibilities.

So this year's Crawford Fund Conference, with its focus on *The Business of Food Security: Profitability, Sustainability and Risk*, is certainly timely. The Coalition is changing the way government engages with business

and the non-government sector – and agriculture is no exception. We want to harness the strengths of the private sector and NGOs to find smart and innovative solutions to food security issues.

The Coalition has made agriculture a key feature of Australia's trade agenda, and we've delivered results, including in our Free Trade Agreements with Korea, Japan and China. We have also ensured Australian business expertise in agriculture, fisheries and water management is deployed in our aid program to improve agricultural productivity in developing countries.

The region

While food security is a global issue, it is particularly acute in our region. In Asia, not only will there be an extra billion people to feed, but the middle class is expected to grow from 600 million to more than 3 billion over the next 30 years. When incomes rise, consumers demand nutritious and more diverse sources of food. Inevitably, this means food quality and safety comes to the fore.

This is creating significant new opportunities for countries like Australia. Indeed, we are uniquely positioned to help meet the region's growing food demands. The Government's trade, investment and broader economic policies are designed to make the most of this opportunity. We are taking steps to unlock the vast, untapped potential of Northern Australia and have made food and agribusiness one of five key national investment priorities.

Growing global demand for food also brings with it significant challenges. Australia has formed partnerships with the private sector, NGOs and countries in our region to tackle future pressures on land, water, and energy. Australian research and expertise is improving productivity along food and agriculture chains and promoting more efficient and sustainable use of natural resources.

Australian Centre for International Agricultural Research

The Australian Centre for International Agricultural Research is one of Australia's most valuable assets for connecting our agricultural expertise to the development challenges of the region. Over the years, the Centre has sent many Australian scientists into Africa, Asia and the Pacific to

assist developing countries build the sustainability of their agricultural sectors and the capacity of their people.

The Centre has long recognised the value of engaging with the private sector. In Indonesia, the Centre has teamed up with the Mars company to help Indonesian cocoa farmers provide better quality cocoa and reduce the environmental impacts of cocoa farming. In the Pacific, the Centre is supporting supply-chain and market-driven research in the forestry, fisheries and crops sectors. In Timor Leste, the Centre is working with government and local farmers to identify more productive varieties of staple food crops through the Seeds for Life program.

The Centre continues to make a real difference in our region – developing economies, improving livelihoods and alleviating poverty – and we are excited about its agenda for the years ahead. I encourage all of you to seek out the Centre’s publication ‘Partners in research for development’. The latest issue focuses on the vital contribution that Australian agricultural research is making to the world.

Trade

Trade is a great enabler of improved food security. Trade policy reform is central to enhancing the role of the private sector in meeting global food demand. Agriculture is the most distorted sector of world trade. Australia has long advocated for reducing the barriers to trade in agriculture as the single most valuable step governments can take to support global agricultural development and food security.

The World Bank estimates that reforming trade rules for agriculture would boost global income by US\$265 billion – a substantial portion of this would go to developing countries. We want to see the Doha round of multilateral trade negotiations concluded, with a substantive agricultural element.

The successful conclusion of the WTO Trade Facilitation Agreement shows the WTO can deliver. This Agreement has the potential to generate significant gains for developing countries by cutting red tape and the costs associated with exporting and importing. Businesses should now find it easier to navigate trade requirements and enter new markets.

When fully implemented, the Agreement is expected to increase global GDP by US\$1 trillion per annum and create 21 million jobs. In June, Australia became the seventh WTO Member to formally accept the Agreement – just last month, we donated \$1 million to support less developed countries with implementation.

Free Trade Agreements can also have a significant impact on agricultural trade and development. The China-Australia Free Trade Agreement removed a number of agricultural trade barriers between Australia and our largest trading partner. Our FTAs with Japan and Korea have also removed or reduced tariffs on major agricultural exports.

Agriculture for development

In our immediate region, agriculture will remain an important development issue for decades to come. In Indonesia, over 100 million people still live on less than \$2 a day and many rely on small-scale agriculture.

Through our aid program, the Government is working with the private sector to identify and develop new products and services. We are helping farmers and fishers to reach markets by leveraging private sector investment and innovation. We are assisting partner governments to develop policies that promote sustainable growth and open trade and improve the enabling environment for business and investment.

We are driving innovative partnerships with the private sector in Fiji, Timor Leste and Pakistan through the Market Development Facility. The Facility, which focuses on the horticulture, agribusiness and meat and dairy sectors, has resulted in more than \$3 million worth of private sector investment and helped increase the incomes of 16,200 people.

On the back of this success, the program has been expanded to PNG and Sri Lanka. We are also supporting the new 'Grow Asia' partnership between the World Economic Forum and the ASEAN Secretariat. The Government's \$8 million contribution to the Grow Asia partnership will help to leverage innovative private sector financing aimed at realising the commercial potential of agribusinesses and farmers across Southeast Asia.

Conclusion

Ladies and gentlemen, agriculture is a key pathway for increased prosperity –productive, efficient and market-oriented agriculture is a key source of jobs, incomes and exports. In the years ahead, there is no doubt demand will increase for more efficient food production and processing.

Australia has much to offer in this regard. Our natural strengths in the food and agricultural sector and the partnerships we are forming with the private sector will help address this global challenge. Thank you.