
Agribusiness - Industry Commentary, Debate, Analysis and Research

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Organic Farming Study

The 5th July Ernst and Young Weekly Food and Agribusiness report (<http://www.agrifood.info/E&Y/364.pdf>) contained a brief article referring to the results of a 21 year study in Switzerland into organic farming. A note of caution needs to be sounded to those who would jump on the findings of the study as 'proof' that organic farming is, at this time, a viable large scale alternative to conventional farming in Australia.

The Swiss study must be viewed with an eye to the contextual differences that exist in climate, soil structures, soil micro flora and fauna, nutrient profiles, soil age, plant species and existing agricultural practices. For example, research done in here has pointed to the natural deficiency of phosphorous in Australian soils as a major factor limiting the application of European methods of organic farming in this country, so simply transferring the results of the Swiss study to Australian conditions is problematic.

US Farm Policy: A-Bomb or a bomb?

That is the title of a presentation given by Professor David Trechter from the Muresk Institute of Agriculture on July 1st this year, which is available online now at <http://www.agrifood.info/proceedings/USFarmPolicy.pdf>

The presentation dissects the US farm sector to illustrate its demographic characteristics, looks at the political factors driving the 2002 Farm Bill and discusses the implications for Australian and US farmers.

Professor Trechter points out that the US farm sector has, perhaps a more dramatic farm number / farm production split than the Australian farm sector, small farms making up 91% of the 2.1 million US farms, but accounting for only 34% of total production – with a stunning 2/3 of production from just 9% of US farms.

The presentation points out that the majority of small farms generally make an operational loss, are dependent on off farm income and thus are a drag on the overall productivity / efficiency of the farm sector.

There is an interesting political lesson in the presentation that should not be missed by the farm lobby in Australia. Unlike their Australian counterparts, whose votes are considered as 'rusted on' to the National or Liberal parties, farmers in the US are swinging voters (with a high percentage of voter registration) and they exercise their electoral power at the ballot, giving them a disproportionate electoral clout.

If we were to lay an Australian template over the US, we would see almost exclusively Republican - Liberal Party equivalent - candidates elected from farm states. But this is not the case, with a large number of Democrat – Labor Party equivalent – representatives coming from farm states, a situation that doesn't happen in Australia. The US Farm Bill is definitely about domestic politics and income distribution and is, to a great degree, a product of the political savvy of the US farm lobby (and farmers) exercising their electoral power.

With the coming expansion of the EU and the ballooning of CAP (Common Agricultural Policy) farm subsidy payments to farmers in the new member countries, Trechter points out that farm policy is starting to resemble the arms race between the US and the Soviet Union during the 1970's and 80's, where the US massively out-spent the USSR on arms and in trying to keep up the Soviet economy was crippled, contributing to the eventual collapse of the communist regime.

A similar strategy seems to be at work with farm policy, although the bottom line is that the EU will be forced to change their policies, under the burden of the cost of the CAP, with US farm policy pressure as a contributing factor.

Event Announcements.

'Managing the Manager' – Seminar.

Innovative Farming will hold a seminar on 'Managing the Manager' on Tuesday 6 August at the City Tattersalls Club in Pitt St, Sydney from 6-8pm.

The speakers will be two farm managers Tom Carey and Graeme Walker from NSW.

It costs \$20 pp to attend. All rural property owners are welcome. To register visit www.innovativefarming.com or ring 9459 3320.

"Food for the Future - Opportunities for a Crowded Planet"

This year's ATSE Crawford Fund annual conference, "Food for the Future - Opportunities for a Crowded Planet", will be held on **Thursday, 8 August 2002** at the Theatre, Parliament House, Canberra.

The event will inform and generate debate on the benefits and concerns that surround food production, especially the breeding technologies, and the issues involved in the development and marketing of new varieties.

The confirmed keynote speaker for this year is Dr Gordon Conway, President of the Rockefeller Foundation.

Further info and on-line registration is available at the Crawford website www.crawfordfund.org or call Wendy Parsons Phone 02 6231 6342 Mobile 0419 208 194
