



**AUSTRALIAN FOOD
SOVEREIGNTY ALLIANCE**

Australian Food Sovereignty Alliance Peoples' Food Plan

Value Chain

Executive summary

The infrastructure of Australia's food value chains are amongst the highest in the world. This consolidation has accelerated since the neoliberal turn commencing from the 1980s, and accelerating through the late 1990s in response to the Hilmer Report. The dairy industry is a salient example of what happens when the government pursues policy that conflates the 'national interest' with financial imperatives - in 1980 there were 21,994 dairy farms nationally, in 2022 just 4,420¹ remained, and by 2016 just five companies processed 79 per cent of Australian milk by volume.² This has torn the social fabric of communities where dairying was a mainstay, caused inequitable farm development, and places worsening pressures on the farmers who remain at a detriment to their physical health, mental health, and the ecological health of their farms. Abattoirs have gone through a very similar consolidation of ownership, leading to many smallholders losing access to slaughter options as large industrial abattoirs refuse to process private kills in favour of their own vertically-integrated operations.

Further downstream, the retail sale of food is even more heavily dominated by just two corporations - Coles and Woolworths - who own 64 percent of the grocery market. The scale, length and complexity of supply chains, and profit motives of these actors leads to pressure on farmers and shameful waste of more food than is needed to feed hungry Australians every day. Value chains act to extract value from farmers when not owned by the food producers themselves, their collectives or their communities. For the native food industry, this is highly problematic as just 1 percent of native foods are sold by First Peoples.

The gig economy is an emerging value chain of concern. With the rapid increase in demand for delivery applications such as UberEats, they are a growing extractor of value from the distribution of food. As an unregulated and informal sector, convenience and low costs for eaters come at the cost of often migrant workers who barely earn a livelihood in often unsafe working environments and the small food businesses who have to pay excessive commission fees.

¹ Dairy Australia Limited, 2015

² Robertson, n.d.

While the government relies on self-regulation for corporations, it also invites the biggest players to its decision making tables. This hinders the political agency of smallholders and local communities to influence reforms in the processing and distribution sectors of the food system. Governments can play an enabling role in supporting cooperative projects that genuinely benefit communities, but to do so governments need to engage with democratically run civil society organisations to participate in these decision-making processes.

Key peoples' policy recommendations*:

Local and State Governments:

- Support food value chain platforms, incubators and aggregation mechanisms in which public bodies invest and reward sustainable food producers and the production of public goods, to:
 - Fund the development of community-led local and regional processing hubs and distribution channels that provide greater processing and handling capacities for fresh products from small and medium-sized farmers adopting agroecological approaches and improve their access to local food markets;
 - Provide incentives for First Peoples, young farmers and food producers, women and community-led enterprises that capture and retain value locally, recognizing and addressing their specific constraints and needs; and
 - Adapt support to encourage local food producers, food enterprises and communities to build recycling systems by supporting the reuse of animal waste, crop residue and food processing waste in forms such as animal feed, compost, bio gas and mulch.
- Alter current Agricultural Census data collection to ensure proper representation from small scale farmers and alternative distribution models (e.g. CSAs, farmers' markets, direct sales) to understand how government processes such as scale-appropriate regulation can be amended to support scaling out; the social benefits of alternative distribution models including cohesion and food literacy; and public health benefits through improved access to fresh food.
- Survey the extensive research completed³ on food distribution models during the COVID-19 pandemic, to ascertain how CSAs, farmers markets and other alternative models remained largely unaffected by long chain supply disruption. Research findings should be used to develop policy and regulations that support localised food systems being the strongest pathway to domestic food security. In order to lessen the disadvantage already encountered by communities located in outer regional and remote areas who pay increasingly more for food than their urban counterparts.
- Develop a dedicated grant scheme to support localised distribution models, especially in their initial stages, to help to grow these models and ensure their longevity. Recognising that access to fresh, healthy, and locally produced food is often precluded by geographical location and socio-economic status (which themselves are interlinked), AFSA recommends that grants servicing

³ See Estrada-Flores & Larsen, 2010 ; Tarkunde, 2021

distribution in low socio-economic areas are prioritised, and that consideration is given to subsidising the price of produce to increase accessibility while maintaining farmer livelihoods.

- Publish a series of ‘how-to’ guides to assist in the development of alternative distribution models. These guides should be informed directly by small-scale farmers and civil society to ensure pathways to alternative distribution models are reflected accurately in government resources.

Federal Government:

- Support food value chain platforms, incubators and aggregation mechanisms in which public bodies invest and reward sustainable food producers and the production of public goods, to:
 - Fund the development of community-led local and regional processing hubs and distribution channels that provide greater processing and handling capacities for fresh products from small and medium-sized farmers adopting agroecological approaches and improve their access to local food markets;
 - Provide incentives for First Peoples, young farmers and food producers, women and community-led enterprises that capture and retain value locally, recognizing and addressing their specific constraints and needs; and
 - Adapt support to encourage local food producers, food enterprises and communities to build recycling systems by supporting the reuse of animal waste, crop residue and food processing waste in forms such as animal feed, compost, bio gas and mulch.
- Alter current Agricultural Census data collection to ensure proper representation from small scale farmers and alternative distribution models (e.g. CSAs, farmers’ markets, direct sales) to understand how government processes such as scale-appropriate regulation can be amended to support scaling out; the social benefits of alternative distribution models including cohesion and food literacy; and public health benefits through improved access to fresh food.
- Survey the extensive research completed⁴ on food distribution models during the COVID-19 pandemic, to ascertain how CSAs, farmers markets and other alternative models remained largely unaffected by long chain supply disruption. Research findings should be used to develop policy and regulations that support localised food systems being the strongest pathway to domestic food security. In order to lessen the disadvantage already encountered by communities located in outer regional and remote areas who pay increasingly more for food than their urban counterparts.
- Develop a dedicated grant scheme to support localised distribution models, especially in their initial stages, to ensure their longevity. Recognising that access to fresh, healthy, and locally produced food is often precluded by geographical location and socio-economic status (which themselves are interlinked), AFSA recommends that grants servicing distribution in low socio-economic areas are prioritised, and that consideration is given to subsidising the price of produce to increase accessibility while maintaining farmer livelihoods.

****Please refer to the Value Chain section of AFSA’s Peoples’ Food Plan for a full list of policy recommendations for local, state and federal government.***

⁴ See Estrada-Flores & Larsen, 2010 ; Tarkunde, 2021

Case studies

Southern Harvest (NSW/ACT, Australia) - Farmers Market and Multi-farm box⁵

The Southern Harvest Association (SHA) is a farmer and volunteer led non-profit working to enhance the availability of sustainable and local produce within the Southern Harvest bio-region. The SHA has multiple enterprises designed to create a more sustainable food distribution system within the region. Its yearly Bungendore Harvest Festival attracts 3000-8000 visitors each year and showcases local businesses in the community. SHA's farmers markets in Bungendore (in the traditional lands of the Ngarigo, Ngambri, Ngunawal/Ngunawal, Yuin, Wiradjuri, Gundungurra people Aboriginal people) and multi-farm box schemes connect local farmers directly to their local eaters. Southern Harvest Education facilitates access to education and supports the development of sustainable, local food and agricultural systems. Such enterprises serve to enhance a culture of sustainable, ethical and ecologically-just eating and farming systems within the region.

Mornington Peninsula Food Economy and Agroecology Strategy 2022-2028

The Mornington Peninsula Shire's Food Economic and Agroecology Strategy is a ground-breaking local government policy which aims to drive sustainable growth in the agriculture, food and beverage sectors whilst enhancing the region's ecology and biodiversity. It signals Australia's first local policy to highlight the need for transformational industry change guided by principles and practices of agroecology, circular economies and regenerative local agriculture. It departs from the conventional use of gross and net financial returns often found in economic development strategies to consider the environmental and social benefits of the Strategy. As such, its 5 Pillars focus on:

- Pillar 1: promoting collaboration between stakeholders to secure a more resilient and sustainable food economy (Pillar 1);
- Pillar 2: reinvigorating the Mornington Peninsula Produce provenance brand based off a local regenerative agriculture certification system (Pillar 2);
- Pillar 3: facilitating the regional uptake of regenerative, agroecological farming practices through certification schemes, incentives and land leasing (Pillar 3);
- Pillar 4: engaging industry, schools and training organisation in training around regenerative agriculture and sustainable food production (Pillar 4);
- Pillar 5: strengthening infrastructure for a circular food economy, including on-farm composting, organics recycling, recycled water schemes and renewables (Pillar 5).

The Strategy positions the Mornington Peninsula Shire as an exemplar food economy operating a sustainable food system production to protect the region against future supply and climate shocks.

⁵ <https://southernharvest.org.au>

