



**Australian Pork
Limited**

PO Box 4746 Kingston ACT
2604 Australia

T: 02 6270 8814
F: 02 6285 288

ABN 83 092 783 278

www.australianpork.com.au

11 July 2023

Productivity Commission
GPO Box 1428
Canberra ACT 2601

**Re: Review of Part 3 of the Future Drought Fund Act
Interim Report**

To whom it may concern,

On behalf of the Australian pork industry, we would like to thank you for the opportunity to provide comment on your interim report on the effectiveness of part 3 of the *Future Drought Fund Act 2019*.

Australian Pork Ltd

APL is the peak national representative body for Australian pork producers. It is a producer-owned company combining marketing, export development, research and innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

The existing regulatory and supply chain oversight of Australian pork businesses is a complex space. APL can assist you to navigate the pork industry as we hold a number of important roles and maintain a range of partnerships that could inform your processes. APL is:

- The peak body leading the pork industry's Sustainability Framework implementation,
- The pork Research, Development and Extension organisation leading climate research and extension in partnership with the Australian government and the research community,
- Part of the sector-wide collaborative effort to develop Australian Agricultural Sustainability Framework, coordinated by the National Farmers' Federation on behalf of the Federal Department of Agriculture, and

- The industry signatory to the Emergency Animal Disease Response Deed (EADRA).

The pork industry is a significant contributor to the economic, environment and social prosperity of Australia

The domestic pork industry is a vital part of Australia's food supply chain, with pork the second most consumed meat in Australia and all fresh pork consumed in Australia domestically sourced.

The Australian pork industry contributes around \$5.5 billion in gross domestic product to the economy and supports a diverse range of careers across the food supply chain. The industry is domestically focused with around 90% of our production supporting food security for Australians. Of the 10% that is exported, the total value is around \$173 million.

More than 31,000 jobs are supported nationally, predominantly in regional Australia, supporting the economic and social prosperity of communities and the wellbeing of individuals. The Australian pork industry's workforce is skilled, specialised and generally engaged on a permanent basis. Like many rural industries the pork industry is currently being impacted by staff shortages with the industry willing and able to support more than 36,000 jobs nationwide and opportunity for growth up to 38,000 as Australian pork replaces imported pork in the domestic production of smallgoods.

The largest volume of production is sourced from Queensland, Victoria and South Australia, respectively. Australia's domestic sow herd numbers as end of June 2022 were 271,000. In 2021/22, the Australian pork industry produced more than 438,000 metric tonnes of pork.

Response to the Draft Interim report

APL hopes, that prior to finalising the report, the Productivity Commission makes time to meet with APL and other intensive farming peak bodies to discuss ways the Future Drought Fund (FDF) can recognise and more effectively support pork and other intensive animal industries. APL looks forward to building a strong working relationship with the Productivity Commission.

The intensive animal industries have a critical role to play in the current and future food production for Australia, however, the full potential of these industries is yet to be realised. There are opportunities to share knowledge and assist you to identify and pursue mechanisms which would help ensure the funding within the FDF can be accessed and therefore the FDF could be a more effective partner in our industries adaption to climate change.

APL would like to have seen the interim report acknowledge both the role of intensive industries and the impact of the current FDF frameworks which exclude those industries from many of the FDF funding programs and opportunities.

APL Sustainability Framework

The Pork Industry Sustainability Framework (2021) set goals, targets, and measures to demonstrate the industry's commitments.

These commitments aim to reflect the community's concerns to improve social licence. The Framework will be reported on and updated and will track the industry's ongoing sustainability achievements/progress.

The Sustainability Framework is built around four priority pillars:

People – Producing our products in a way that supports both our industry's people and our local communities.

Pigs - A world leader in animal welfare and health.

Planet - A world leader in environmental best practice.

Prosperity - A revolutionary contributor to Australia's economy and those who work within the sector.

Our framework is aligned to the UN Sustainable Development Goals (SDGs) and we see a really strong opportunity for pork to assist in meeting these – particularly goal 12 (responsible consumption and production). The Australian pork industry has the potential to be a key domestic provider of safe, affordable, sustainable low emissions protein.

The APL Sustainability Framework was established to support the pork industry to adapt and mitigate the impacts of climate change, support activities being undertaken to mitigate the current labour shortages, reinforce the importance of animal welfare and biosecurity and support the pork industry's ability to thrive.

In the planet pillar we have three focus areas:

1. Carbon cycling and nutrient accounting.
2. Farm biodiversity and natural resource stewardship.
3. Closing the loop to reduce waste.

Pork is already a low emissions protein emitting 3.3kg of greenhouse gas emission per kilo of liveweight produced, second only behind chicken meat. The industry is making further gains through strong investment in decarbonisation such as through renewable energy technologies and better use of waste.

The pork industry has been actively mitigating climate change risks for decades and must be provided with opportunities to demonstrate the contribution they can make to meeting national climate change targets.

Climate change is expected to impact the pork industry in a number of ways:

- Increased biosecurity threats: Animal health specialists are predicting that increased temperatures due to climate change, combined with biodiversity and species migratory changes, will lead to an increased risk of zoonotic diseases. The pork industry has responded to a range of animal disease threats (Swine influenza 2009, Japanese encephalitis virus 2022) while keeping a watchful eye on the potential threats from key exotic diseases such as Foot and mouth disease and African swine fever.
- Availability of stock feed: The grains industry will be particularly susceptible to the impacts of climate change. The quality and quantity of Australian grain produced and available as stock feed is expected to be impacted by:
 - Changes to the length of growing seasons impacting the varieties able to be successfully grown,
 - Erratic weather impacting the sowing or harvest periods,
 - Weather damage reducing the quality of the grain,
 - Greater potential for flood or heavy rainfall events to cause soil and crop damage, and
 - Increased frequency of droughts or below average rainfall.

APL recommendation: That the Future Drought Fund works to better understand the sustainability initiatives being driven by the pork industry and undertakes to work with the industry to provide support for those initiatives which also deliver public and broader good.

Environmental excellence to deliver sustainable protein

The pork industry in Australia demonstrates strong environmental credentials with a low emissions footprint of 3.3 kgCO₂ -e/ kg live weight of pork, a reduction of over 69 per cent since the 1980s. Over 20 per cent of production is currently carried out using biodigesters that reduce methane emissions, with 16 per cent of production completely powered off-grid using piggery bi-products and renewable energy technologies. While our environmental story is strong, APL continues to work with industry to significantly increase uptake of emissions reduction technology and manure management opportunities.

Industry research is also investigating opportunities to reduce waste by maximising the value of non-edible food and agricultural waste as pig food or feedstock to optimise performance of digesters. Ongoing water reduction has also been prioritised, with industry achieving an 80 per cent reduction in usage over the past three decades.

We have also extended investment to include dedicated resources to drive adoption of emissions reduction technologies which has seen good engagement and interest from farmers.

As outlined in our initial submission APL were working with 50 of our member producers across Australia to investigate the feasibility of anaerobic digestion of piggery manure either through digestion in covered anaerobic lagoons or in manufactured digester tanks. This has now progressed to detailed feasibility studies being prepared for 11 producers.

We are aiming for an increased adoption of anaerobic digestion by industry which in turn will deliver significant emissions reductions for the pork industry. However, little of the work being done in this space meets the criteria within the FDF. It is not considered 'new or innovative' as per the funding criteria, it is however proven technology which is a substantial opportunity for growth and therefore delivers the benefits of long-term emissions reduction.

Recommendation: That consideration be given to providing greater flexibility within the Future Drought Fund to support producers to invest in long-term capital infrastructure which will deliver environmental and climate change adaption benefits.

The industry is guided by our Strategic Plan 2020-2025, with key targets aimed at ensuring pork is a low emissions protein, specifically 60 per cent of production using waste recycling and renewable energy technology. Our industry remains committed to further improving our already strong environmental credentials, maintaining our focus on carbon abatement strategies and technologies, along with circular economy approaches to waste reduction and energy production.

Australian pig producers were among the earliest participants in Australian government agriculture emissions reduction initiatives. APL continues to work closely with the Clean Energy Regulator at a Commonwealth level, along with jurisdictional regulators, to ensure policy settings and programs are aligned, and regulation is outcomes and risk based, responsive and proportionate. Getting these settings right is critical for ensuring our producers continue to play a key role in delivering environmentally sustainable protein to Australians every day.

In order to support long-term investment in on-farm innovations, farmers need confidence they are working within clear and consistent parameters. Investment in innovations such as biogas are capital intensive and the cost benefit analysis can easily be skewed if the regulatory environment is inconsistent.

APL recommendation: There is a need for the Future Drought Fund to better understand the broader Federal and State regulatory context impacting farmers ability to invest in on-farm technologies.

How the Future Drought Fund could improve incorporation of invasive pest management, including feral pigs.

APL also manages the National Feral Pig Management Coordinator Program funded by the Commonwealth Department of Agriculture, Fisheries and Forestry, which commenced in January 2020. Through this program, the National Feral Pig Action Plan (the Plan), endorsed by the National Biosecurity Committee in October 2021, is now being implemented. The Plan aims to reduce the impacts caused by feral pigs to Australia's environmental, agricultural, cultural and social assets through sustained, coordinated and collaborative actions by land managers applying integrated best practice management on a landscape scale, nil tenure basis.

The control of feral pig populations by agricultural land managers is often reactive, *ad hoc*, fragmented and short term in nature. Coordinated and collaborative, landscape-scale, nil tenure management approaches by land managers are advocated, including through the Plan. This requires long term, strategic and proactive focus, resourcing, timing and prioritisation of feral pig management by land managers relative to other on-farm management activities.

Whilst it is complex, difficult and challenging, integrated and holistic approaches that better incorporate invasive pest management within agricultural systems are required to deliver agricultural, environmental and community resilience objectives of the FDF. On review of current projects funded through FDF grants, these projects do not appear to be addressing invasive pest management *per se*, including feral pigs. There is a strong need for invasive pest management to be better integrated into on-farm management planning for drought resilience.

It is well documented that the optimum time to effectively, efficiently and strategically reduce feral animal populations is during periods of drought, when animals are drawn to dwindling permanent water sources and are attracted to free-feed and bait. However, available time, resourcing and priorities of primary producers, coupled with heightened mental stress, are often in conflict with undertaking invasive pest management activities.

Innovations in how feral pig best practice management methods can be more effectively applied, coordinated regionally, and how communities can be brought together and better supported during drought periods to remove feral pig populations (with a view to achieve localised eradication) are needed - however, such studies are exempt from the FDF due to funding principle (3). *Not provide in-drought assistance.*

APL Recommendation: That the Future Drought Fund provide a mechanism through which funding for invasive species control can be considered, particularly as it relates to feral pig management.

Increased engagement of Aboriginal and Torres Strait Islander people

There is potential for local Indigenous Ranger organisations across Australia, who hold local knowledge of managing Country, to be contracted to deliver integrated best practice pest management services to support primary producers. The source of funding to do this, however, will be a key issue. Initiatives to develop funding mechanisms that incentivise land managers to work in coordinated ways together at a regional scale to undertake control are needed, but remain out of current scope for the current FDF.

APL Recommendation: That the Future Drought Fund provide a mechanism through which the National Feral Pig Management Coordinator program is supported in its work with indigenous communities.

How the Future Drought Fund could consider the needs of the pork industry and other intensive animal industries.

There is still an opportunity for the Productivity Commission report to recommend that the FDF recognise and support the needs of the pork industry and other intensive animal industries.

Most of the funding offered, including the most recent long-term drought trial funding, are focused on extensive agricultural systems and the FDF rules don't allow the flexibility to consider intensive animal industries such as pork.

APL recommendation: There needs to be more flexibility allowed within the grant funding framework to support applications and opportunities for intensive animal industries to access long-term drought trial funding.

The Climate Services for Ag platform, one of the big outcomes from the FDF, currently does not offer services for intensive animal industries. APL believes this is an opportunity to improve. While the tool does provide general local climate information, there would be easy ways to consider intensives for e.g. they have a temperature humidity index for beef, dairy and sheep – there is an opportunity to fund research to investigate if a heat load for shed kept livestock could be provided for industries like pork as heat stress and infertility associated with high temperatures are a key issue for our industry.

APL recommendations: That the Climate Services for Ag platform work with APL to support the research needed to incorporate temperature and humidity information for shedded animals.

The FDF Science to Practice forum, while a great initiative, takes a very high-level approach to agricultural issues and to date nothing specific has been offered or mentioned for the intensive industries, including pork. You can see the past forum agendas here:

<https://www.agriculture.gov.au/agriculture-land/farm-food-drought/drought/future-drought-fund/research-adoption-program/science-to-practice-forum>.

APL recommendation: That further consideration be given to ensuring the pork industry and intensive animals industries are provided with opportunities to be recognised by and actively participate in the programs within the Future Drought Fund.

APL believe there continues to be a number of opportunities for the Productivity Commission to make recommendations within their report which would ensure the FDF more effectively engages with and meets the needs of the Australian Pork industry and other intensive animal industries.

Thank you for the opportunity to provide a submission. To arrange a time for APL to provide a more detailed briefing, please contact the General Manager of Policy and Industry Relations, Tanya Pittard

For information about the National Feral Pig Coordinator Program please contact Dr Heather Channon, National Feral Pig Management Coordinator

Yours sincerely,

Margo Andrae
Chief Executive Officer