



The Hon. Barnaby Joyce MP

Minister for Agriculture
Federal Member for New England

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Mayor Felicity-ann Lewis
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

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Dear Mayor

Thank you for your correspondence of 21 October 2013 about those resolutions (53, 55 and 60) from this year's national general assembly of the Australian Local Government Association relevant to my agricultural portfolio.

I welcome hearing from your members about community concerns. Local Councils play a vital role in delivering services and facilities to all Australians and are often the first to hear when there are problems. I appreciate your desire to better understand the Australian Government's position on the issue raised in your resolutions.

In relation to Resolution 53, I am aware of the potential impacts that restrictions on the use of insecticides for combating fruit fly may have on fruit and vegetable growers. The Department of Agriculture continues to work with industry and other stakeholders, as it has over recent years, to coordinate efforts to minimise the potential impacts that these restrictions may have.

The Australian Pesticide and Veterinary Medicines Authority (APVMA), an independent expert authority, took action on both fenthion and dimethoate due to the risk that children could be exposed to residues of these insecticides at levels much higher than the safety standards. These standards are set by the Department of Health at levels sufficiently below toxic levels to protect both the community and the people using the chemicals. The APVMA's rigorous scientific risk assessment is consistent with international best practice and takes Australian use patterns and environmental conditions into account.

While fenthion and dimethoate products have long been used by farmers, it is important that when new information becomes available, the regulator acts to safeguard consumers from potentially harmful chemicals in food. It is not within my power to influence the APVMA's decision on these matters.

I am advised that the APVMA has not taken any regulatory action on products containing omethoate. These products have never been approved for control of Queensland Fruit Fly in eastern states on any crops.

Because of the potential for changes to the allowed uses of dimethoate and fenthion, Australian Government agencies have been working with industry and state and territory authorities to develop alternative fruit fly treatments and integrated management options for susceptible crops. This has included investing in research and development on fruit fly management through Horticulture Australia Limited (HAL). HAL advises that since 2005 it has invested \$22.2 million in projects related to the impending removal of dimethoate and fenthion products, including \$16.3 million on alternatives (which included \$9.9 million funding from the Australian Government).

I am advised that there are alternatives to fenthion and dimethoate to control fruit fly. These include the use of combinations of other chemicals, traps and mulching of fallen fruit to control infestation. However, the alternative regimes do require more intensive management of the orchard, and this can be costly when trying to control heavy pest pressure. To achieve best results, growers are encouraged to work with their industry groups and state departments to ensure that these alternatives are applied according to best practice and as part of a collective approach to fruit fly management.

In relation to Resolution 55, the government recognises that the development of agriculture and agribusiness in northern Australia has potential to increase Australia's food production capacity and agricultural exports. The government is developing a White Paper which will set out a policy platform for developing the north to 2030, and seek to foster opportunities for the agriculture, tourism, and resources and energy sectors in northern Australia.

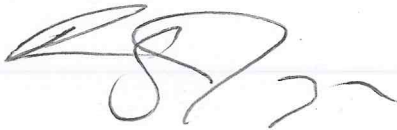
In relation to Resolution 60, I am conscious that 2012–13 was a tough year for many Australian dairy farmers. This was due to a range of factors, including fluctuating global milk prices, a relatively high Australian dollar, higher input costs and reduced returns to processors from branded products. However, I am pleased to note that conditions and farmgate pricing are looking more favourable for dairy farmers in 2013–14. Farmgate milk prices are forecast to increase by 18 per cent in the 2013–14 financial year to a national average of 46 cents per litre. The value of dairy exports is also likely to rise by approximately 15 per cent to \$2.6 billion.

I am aware of the recent restructure of the national dairy farmer representative body, Australian Dairy Farmers (ADF). I understand that ADF continues to work with all state representative bodies to ensure the views of all dairy farmers are considered. I encourage the Australian dairy industry to work together to resolve matters for the benefit of Australian dairy farmers.

I also note your reference to perceived market inequality between retailers and dairy farmers. The Australian Government wants all farmers to receive a fair price for their product and understands the concerns of some dairy farmers about the supermarket discounting of retail milk. To this end, the government, through the Australian Competition and Consumer Commission, continues to monitor the activities of the major supermarkets. The government has committed to a 'root and branch' review of competition laws and the competition framework with the aim of providing a level playing field for businesses, including the dairy industry.

Thank you again for raising these matters with me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Barnaby Joyce', written over a horizontal line.

Barnaby Joyce MP

13 NOV 2013