



HD Visy warns of five-year window to gear up for Asia

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Packaging giant Visy says there is a narrow five-year window for Australia to gear up as a major food supplier to Asia.

Visy boss Anthony Pratt says other countries are also positioning to supply that hungry and cashed-up part of the world.

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He's made a few policy suggestions for the Federal Government, including helping farmers adopt new sustainable techniques, and increased research and tax incentives for food manufacturers.

As head of Australia's largest packaging and recycling **company**, Mr Pratt has congratulated the Federal Coalition for successfully sealing a free trade deal with South Korea in its first year in office, and he's talked up the government's commitment to finalising ones in **China** and Japan soon.

"To illustrate what's at **stake**, the Australian Farm Institute estimates that, within six years, Asia will import an additional 5.2 **million** tonnes of **dairy**, 1.9 **million** tonnes of beef and 1.1 **million** tonnes of chicken meat, which represents 50 per cent of Australia's current **dairy** production, 86 per cent of our beef and 140 per cent of our chicken meat production."

Mr Pratt speaks with some knowledge about environmental sustainability, and he worries about Australia's falling farm productivity.

"But are we ready for the future?" he asked, at a Global Food Forum in Sydney.

"Getting the FTAs done doesn't guarantee increased food exports will flow automatically, or food from Australia will make the most of this windfall.

"We have to develop more coherent, long **lead** times policies toward farming and agriculture, on water and soil and plants.

"We have worked closely for the last five years with former Governor General Mike Jeffrey to promote sustainable farming.

"His Soils for Life Program shows that it's possible to boost healthy food production while looking after the environment.

"Now it's time for other companies in the food supply chain to help extend this valuable applied knowledge across the country.

"We also have to invest in innovation to capture opportunities where we have long-run competitive advantages, like advanced food processing technologies, cold pasteurisation packaging that preserves and protects fresh food in transport, better ways to capture soil carbon for crop productivity, advances in genetics for plant and animal selection and many more.

Call for accelerated depreciation

Mr Pratt says the Federal Government should be assisting food manufacturers tap into new markets and become more sustainable, through reducing tax on investments in innovation and technology.

"(I'm calling for) accelerated depreciation in new manufacturing investments in food, to reduce payback time.

"Food manufacturing is perfect target. It would help encourage innovation and cope with the high Australian dollar and high labour costs.

"Australia has a natural competitive advantage as a potential food superpower.

"Ultimately, innovation depends on people with advanced skills with ideas, and we need to catch up particularly with access to more places in universities to study agricultural science.

"At most, we have a five-year window to gear up. In feeding a hungry world, there are other food superpowers eager to steal our lunch."

Mr Pratt says Visy has been showing the way over the last 20 years.

"We've recently invested about \$200 million, including \$80 million in a beverage can factory, \$50 million in a plastics recycling plant and \$20 million upgrading our combi-block carton production.

"And there are many entrepreneurial companies that are confident Australia can lead innovation and grow sustainably."

Mr Pratt cited, as his inspiration on food supply, Dr Norman Borlaug, the agricultural scientist who began the Green Revolution, and is credited with saving a billion people from starvation.

The Global Food Forum was organised by News Corporation.

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