

## Will consumer whims kill Australian farm competitiveness?

There is a very real risk that consumer whims could kill the export competitiveness of Australian agriculture, with retail and marketing demands potentially becoming default production standards for the industry. The sector needs to think very carefully about how to navigate through this growing challenge, according to the Australian Farm Institute's Executive Director Mick Keogh.

*'Over recent years there has been growing pressure on Australian farmers to respond to consumer perceptions on issues like animal welfare, GM crops, intensive animal production standards and the use of chemicals', said Mr Keogh.*

*'These consumer perceptions are given effect through production standards applied by food and fibre marketers. Examples include Australian retailer's recent announcements about chemical use and animal welfare policies, McCain Foods' recent launch of a new campaign to remove or decrease preservatives and additives in their products, and Unilever US aiming to only use cage-free eggs for all its products globally.*

*'The real risk for Australian agriculture is that new standards that do not have a good scientific basis will, over time, become the default standard for the industry and erode the sector's longer-term competitiveness.*

*'Australian agriculture needs to be responsive to the concerns of consumers and others in the market, but to slavishly bow to every demand is a sure path to industry decline, as farmers in locations such as the UK have learnt over recent decades.*

*'In many instances it seems that consumers and activist organisations have a very traditional view of how farms should operate, and are opposed to any new technologies that don't fit that traditional image. For example, local and organic production systems are viewed favourably while genetically modified production systems are not, irrespective of the quality and safety characteristics of products from either of these systems.*

*'The reality is that Australian farmers rely heavily on new technologies and intensive production systems to remain competitive in both domestic and international markets, and standards that make those technologies inaccessible have the potential to have a big negative economic impact on the sector.*

*'The risk of perverse outcomes is also large, with higher standards in Australia likely to lead to increased imports from countries that do not have the same standards. For example, banning Australian vegetable growers from using a certain chemical could simply result in increased imports from nations that allow the use of that chemical.'*

How the Australian agricultural sector should respond to this growing challenge is the subject of a forthcoming [Australian Farm Institute conference, to be held in Sydney on June 15th and 16th](#). It will bring together Australian and international experts to discuss these issues, and to provide insights gleaned from experiences in international markets.

**Ends**

Media contact: Mick Keogh – (02) 9690 1388 or 0418 256 066