

Our farmers carry their own weight

**Letter to the Editor – The Australian Financial Review
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Agriculture is a shining light of the national economy and our society, contributing \$48 billion to our economy in 2013, providing food and fibre for domestic and international markets, and employing many Australians throughout the supply-chain. Australia's absolute and comparative advantage in agriculture is clearly demonstrated by the fact that Government support to producers is the lowest in the OECD.

Much debate has surrounded the proposal that a drought relief package should be immediately considered. Commentators with limited understanding of Australian agriculture are making ill-informed statements about levels of industry assistance, comparisons with other industries, and drought-planning by farmers.

The reality is Australian agriculture has done the heavy lifting and already removed the interventionist and subsidised approach still in place with many of our international competitors. Academics who argue otherwise, then pursue Government-funded projects, are clearly demonstrating double standards. The Prime Minister recently acknowledged that farmers are not people holding onto the past; they are mainstays of our future.

Farming is not the same as any other business. Expectations around normal business-risk-management practices are simply not appropriate for the agriculture sector. Indeed, the Productivity Commission recognised that 'Agricultural activities, because they generally have a larger environmental component, are different... Many physical and biological factors... are largely outside the control of farmers, yet they can have a significant effect on the level of production, input use, prices and the performance of farms.'

Australian farm businesses have faced a more volatile operating environment than anywhere in the world over the last 40 years, yet the sector has adapted accordingly with productivity improvements greater than other sectors of the economy. Agriculture has been lauded as being partially responsible for our nation surviving the global financial crisis.

Just as responses to cyclones and floods may require an increased focus by Governments and industry, in light of an increasingly variable climate, so will drought. Drought requires a response from government and industry—a mix of preparation and in-event action. It is important to remember that farmers manage the majority of Australia's landscape and deliver a variety of ecosystem services that could not be provided at such low cost by any other means. Maintaining a strong farming sector will always be in Australia's national interest.

While we work to consistently strive towards ensuring the longer-term viability of farm enterprises, the NFF has provided to government what we believe is a sensible and responsible immediate relief package to this drought. We look forward to an appropriate response.

These were strong, viable and productive communities before this natural disaster. Providing they receive the appropriate assistance to recover, when the drought breaks, they will be once again.

Brent Finlay
President
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