



Tom Marland - food for thought and thought for food  
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“There’s good money in agriculture, unless you’re a farmer”

Australia first implemented their national competition policies in the late 80s.

Under the auspice of “microeconomic reform” Australian government policy over the last 30 years has been aimed at achieving economic efficiency either by eliminating or reducing distortions in individual market sectors.

“Economic reform” usually refers to deregulation or reduction in the influence of government, to avoid distortions leading to apparent market failures.

Adam Smith’s “invisible hand” has been replaced by a very “visible fist”, thumping the table, demanding unregulated markets.

Those markets are now dominated by monopolies that control almost every segment of not only Australia’s but the world’s domestic economy.

80% of all retail spending in Australia is controlled by two main players. From food, to fuel to booze it’s controlled by two bank accounts.

Australia’s “competition” policy has allowed the big sharks to swallow up all of the fish in the pool.

It isn’t competition - it’s a feeding frenzy.

While all this “market efficiency” is being played out those that actually produce the product - farmers - have seen an ever-decreasing return on investment and a reduction in terms of trade.

Governments advocate for further increased trade liberalisation and free trade agreements and the greater use of technology and efficiency.

However, these policies have already failed to deliver both food security and rural prosperity.

In the 1960s, trade rationalists advocated that for the farming sector to become more efficient that the “bottom third” had to drop out.

I recently heard one industry alumnite claim that for the beef industry to advance it must “cull the struggling tail”.

It’s easy to cull the tail without recognising the heavy burden they carry.

From 1986 to 2001 – the number of privately held farms in Australia dropped by 22%.

Between 2001 and 2019 – a further 26%.

The percentage of “food dollars” going back to Australian farmers and the communities that they support is ever decreasing.

In Australia, since 1970 we have seen a decrease in the return of retail profits for farmers as follows:

Milk – 55% to 22%

Bread - 14.5% to 3.5%

Apples - 56% to 16%

Beef – 41% to 20 %.

I could name more.

Since 1980, farm costs and inputs have risen three times of farm prices resulting in an average of a 3% decline in terms of trade per year for Australian farmers.

The major cause of loss of farm income is the increasing concentration of agribusiness corporations in all aspects of agriculture – processing, exporting, retail and production.

These market monopolies have weakened the ability of farmers to influence the prices they receive for their products.

Free trade and deregulation have increased imbalance by reducing competition between buyers and increasing competition between farmers.

Today, the world’s top 10 argochemical corporations hold 80% of the global market.

10 firms control 81% of the veterinary pharmaceutical market.

The top 10 seed corpations hold 75% of the market.

The top three machinery corporations control 77% of the market.

Four corporations control 90% of the world grain trade.

Don’t start me on the banks, insurance companies and real estate agencies.

The solution is the consumer or more accurately the “education” of the consumer.

Now - more than ever - is the need for the consumer to be more conscious of their choices.

The “lazy” choices provided by those who have usurped markets is being increasingly challenged.

Consumers are waking up.

And the “small guys” need to wake up also.

But we need government to help.

Drop this bullshit idea that market efficiency is better than market effectiveness.

A spiders web is stronger with multiple points of contact than two really strong ones.

How do we achieve this?

By “this” I mean proper market competition.

The reality is that the farmers plight is one shared by every small business owner, supplier and manufacturer.

The whole system needs an overhaul.

Firstly, we need a proper competition policy not one that is aimed at allowing the big to get bigger and the small to keep getting screwed over.

Secondly, we need better ownership labelling laws. Dan Murphys isn't owned by some drunk Irishman and Caltex isn't owned by some small time petrol pusher. Bunnings isn't your friendly sausage salesman. Subsidiaries owned by large monopoly corporates must be made to label their ownership appropriately.

Thirdly, we need major corporate taxation reform. How our top 100 asx listed companies pay little to no tax is a joke.

Fourthly, any “free trade” agreement must involve a bit of actual free trade and return for Australian farmers.

Fifthly, we all need to stop being “lazy consumers”.

Rather than chasing the “dollar dazzlers” and the “down down” prices we need to start looking at where our consumer dollar is going.

In the current structure, it certainly isn't going to the farmer or Australian small businesses.

We need to support independents, local producers and suppliers.

It will be a long and bumpy road to parity and equity but the journey must start now.