

Fresh Food Prices driven by water and electricity cost, irrigators tell NSW Parliament

A NSW Parliamentary Inquiry into Fresh Food Pricing has been told that that skyrocketing electricity prices and Government charges for irrigation water have a direct impact on the cost and availability of fresh food for NSW people.

The National and NSW Irrigators' Councils have made a joint submission to the inquiry.

National Irrigators' Council CEO, Steve Whan said "Irrigation is critical to the supply of fresh fruit and vegetables in NSW. Without irrigated agricultural production, the state would be importing much of the food that appears in its fresh food markets.

"By value 80% of NSW's vegetables come from irrigated production, 76% of fruit and nuts, 90% of grapes, 55% of dairy production, 100% of rice, along with a significant proportion of many other grains (ABS, Gross Value of Irrigated Production 2015-16).

"But farmers growing irrigated crops are seeing massive increases in costs, electricity costs, in particular, are making production less viable.

"Our submission includes a table ranking NSW prices as the 5th highest in the world. Every time a farmer pumps water onto their crop they use power and, if costs don't come back down, they will be unable to supply the affordable fresh food NSW people reasonably expect to see.

"Irrigators advocate a long-term electricity price ceiling of 16c per kw/h. State Governments have a key role in making sure that happens.

"The other cost our submission highlights is the unfair distribution of infrastructure costs onto irrigators. The NSW Irrigators' Council has just put in another submission to IPART seeking to rectify the situation that sees Irrigators paying more than their fair share for infrastructure which has a broad community benefit."

Stefanie Schulte from NSW Irrigators' Council said, "it is pleasing that Members of the NSW Parliament are concerned about NSW people having access to affordable fresh food. However, it is vital that they recognise that it is the cost of the inputs that has the greatest impact on cost of production.

"Farmers are being squeezed from both sides, production costs (some controlled by Government) are going up while at the same time pressure is being applied to keep retail costs down. It's not a sustainable situation."

Steve Whan concluded, "without Irrigators most of the fruit and vegetables Sydney residents buy would be much more expensive, probably many days older (having been imported). In dry times they might even only be available in a tin."

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