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The Chairman
Economic Regulation Authority
PO Box 8469
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29 April 2014

To whom it may concern: Potato Marketing Corporation of WA (PMCWA)

In relation to the current review of the activities of the Potato Marketing Corporation of WA, I would like to make the following submission.

I am the Director of the Western Australian State Agricultural Biotechnology Centre, and Professor of Agricultural Biotechnology at Murdoch University.

The PMCWA recognised that there was a market failure in terms of R&D support for the WA potato industry, and in discussions with Professor David Morrison, DVC (R&D) of Murdoch University and Professor Michael Jones, Director of the WA State Agricultural Biotechnology Centre (SABC) at Murdoch University, the PMCWA and Murdoch University agreed to address this issue by co-funding the formation of Potato Research WA (PRWA), a one stop shop to address and solve issues of the potato industry in WA.

As a result, PRWA was established in 2013, and Dr Stephen Milroy was appointed as Manager of PRWA, based in the SABC. The need for a dedicated R&D organisation in WA was recognised for a number of reasons, including:

- The unique climate and conditions for growing potatoes in WA – potatoes evolved in the high Andes, at equatorial latitudes, ie essentially as temperate crops at constant daylength. WA has a Mediterranean climate and variable daylength, with sandy soils and much higher temperatures than where potatoes originated. All this means that potatoes grown in WA are at the extreme limit of their growth range, and so R&D specific for this environment is of vital importance
- There are special needs for irrigation, fertigation, pest and disease control for improving potato production in WA, to improve quality and yields
- The Department of Agriculture WA (DAFWA) has moved out of potato R&D
- Horticulture Australia (HAL) has stopped funding any potato breeding in Australia for Australian conditions, and has clearly failed to support any substantial R&D on the potato crop

- Given the challenges associated with changing climatic conditions, salinity, water quality and soil degradation in WA, there are a substantial number of growers who are in real need of help to increase their yields, quality and profitability

With these R&D failures and needs in mind, the establishment of Potato Research WA was a much needed and timely initiative, which as a joint venture with PMCWA is really getting into its stride. Research is already in progress on:

- Irrigation regimes
- Nutrient testing as a measure of crop health
- Testing for the presence of virus diseases (via facilities and involvement of Saturn Biotech, a company at the SABC)
- Studying conditions for cool storage of WA potatoes
- Developing agronomic packages to enhance yellow flesh production
- Investigating the potential for introduction of new potato varieties
- Establishing growers groups and sustainable farming projects
- Leveraging research funds (eg from national funding bodies)
- Developing an advisory manual for WA growers

In a de-regulated market there would be complete market failure in R&D support for potato growers – there would be absolutely no industry-wide R&D for the potato industry in WA, a loss of growers in WA, loss of the potential to expand seed potato exports, and increased importation of potatoes into WA. A key benefit that the PMCWA brings is that in addition to funding R&D, it provides a unique nexus between growers, researchers and agronomists such that R&D is translated into real world outcomes that benefit the industry and the State as a whole. In addition, I am also aware that the PMCWA is actively working with seed growers to facilitate the interaction between ware and seed growers and the development of the seed industry in WA.

From an R&D perspective, there is therefore a compelling need to retain the PMCWA, and to ensure the success of PRWA to underpin potato R&D in WA to maintain a productive and profitable potato industry in this State.

I would be happy to expand on these points.

Yours sincerely

Michael Jones

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<http://profiles.murdoch.edu.au/myprofile/michael-jones/>

cc Professor David Morrison, DVC(R&D) Murdoch University, Perth.