

Potato Research WA

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Mr Lyndon Rowe
Chairman
Economic Regulation Authority
Inquiry into Microeconomic Reform in Western Australia
PO Box 8469
Perth Business Centre
PERTH WA 6849

Dear Mr Rowe,

Re. Draft ERA report on the review of the Potato Marketing Corporation.

The Western Australian potato industry is currently undergoing a period of dramatic change with a focus on the application of research outcomes and improved technology. The intent is to improve productivity and product quality and to reduce the risk of environmental impact. The Potato Marketing Corporation (PMC) is playing a central role in driving this change.

Agronomic and soil data collected by Potato Research WA over the last year emphasise a number of areas in which improvement is critical:

- Efforts to correct micro-nutrients (including Cobalt, Copper, Magnesium, Manganese and Zinc) will increase plant resistance to disease and physiological disorders; improving both production and quality. Further, because rectifying micronutrient status typically provides benefit for a number of years, it is expected that intervention will also lead to improved productivity of subsequent pastures and enhance the health of grazing stock.
- Developing grower skills to tailor the management of macro-nutrient (such as nitrogen) to the requirement of individual crops will reduce the risk of excessive fertilizer applications. This will have economic benefits for growers but importantly, will also reduce the risk of nitrate leaching into surface and ground water systems with negative environmental consequences. This is particularly important given the close proximity of areas of high tourism value.

- Soil physical quality is being improved by a range of interventions including adjustments to soil chemistry and organic matter levels, improved rotation sequences and rationalized cultivation.

While these issues can be readily addressed, a coordinated and industry wide effort is needed. It is apparent that these interventions will have consequences beyond the potato industry and beyond agriculture more broadly.

Western Australia is a challenging environment for potato production both agronomically and economically. The loss of a centrally coordinated system of production and marketing is likely to result in a significant number of smaller producers leaving the industry and an influx of product into WA from other states. This poses both biosecurity and food security questions.

- WA is free from a number of key potato pests and diseases. Without a coordinated production system, the flow of material into WA during low production periods in the state, would increase the risk of introducing these biological threats. Not only would this further disadvantage the remaining WA producers of table and processing potatoes, it would threaten the development of the emerging export seed-potato industry. The high phyto-sanitary status of WA being an important marketing advantage.
- The movement of higher levels of ware potatoes to Western Australia raises questions of potato freshness and quality for WA consumers. This would not only due to the transport times involved, but also the likelihood of imports having been stored for significant periods prior to shipment and the use of chemical suppressants to prevent sprouting during storage.
- The removal of the coordinated production and marketing system will see an increasing disparity between material produced within closed loop production, processing and sales systems maintained by PBR holders and the rest of the industry. Within these loops, basic variety specific agronomy is supported by PBR holders and their agents. However, varieties and producers not within these systems will not be supported by appropriate agronomic R&D, presenting a risk for both production and the environment.

The PMC plays a key role in encouraging industry specific research and its implementation. It is thus of broad importance in fostering the development of a successful industry based on appropriate science and technology. In this way the organisation is not only working to improve production and quality but also contributing to biosecurity, food security, and the protection of high value environmental and tourism areas. In the absence of the PMC, research and support for the potato industry in WA would decline significantly.

I make these comments as an industry observer and participant. They do not reflect current or potential future research support from the PMC.

Yours,

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/ Dr Steve Milroy /
Research Manager
Potato Research WA