

Unreliable and Expensive Power Putting Food Production at Risk

The National Irrigators' Council says the unreliability and high cost of power is a serious challenge to the future of affordable local food production.

NIC CEO Steve Whan says "the experience of power interruptions, on top of high prices, seen again in South Australia, has serious short and long term implications for food and fibre production. Power is a key component of irrigated agriculture. That's particularly true of water efficient systems which pump, pipe and pressure the water.

"Irrigated agriculture helps feed Australia. Its product was valued over \$15 billion in 2014-15. It's a core part of putting fresh fruit, vegetables and dairy products on Australian tables.

"But right now, the people growing Australia's food are getting a double whammy. High electricity prices are making local production less competitive, and unreliable supply is stopping the water flowing at critical points in the production cycle.

"Data from one irrigation pump station at Loxton shows the cost of power increasing from \$880,000 in 2010 to over \$1.8 million in 2017, a 107% increase which can only be passed on to farmers. Add to that black outs and farmers must wonder what they are paying for."

NIC Chair and CEO of Central Irrigation Trust, Gavin McMahon, says those increases end up built into the cost of production of everyday staples. "Unfortunately, because farmers are often price takers it means their margin drops away and eventually we will see less local product on supermarket shelves.

"It is clearly ridiculous that Australia, a land with plentiful renewable and non-renewable energy sources, with productive and efficient agricultural production is heading toward being a less competitive global food producer because of energy policy failure."

CEO Steve Whan said "The NIC advocates [a policy response aimed at reigning in costs, including reforms to pricing and market regulation](#). While we would be delighted to have affordable power from renewables, we have consistently highlighted the danger of failing to have enough synchronous generators, in particular in South Australia.

"The so-called energy market is not working, it lacks genuine competition and appears dominated by maximising returns to generators and infrastructure owners instead of industrial consumers, including irrigators.

"It's time all political parties recognised that the implications of continuing to get this wrong include impacting our Nations' ability to produce affordable and internationally competitive food and fibre".

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