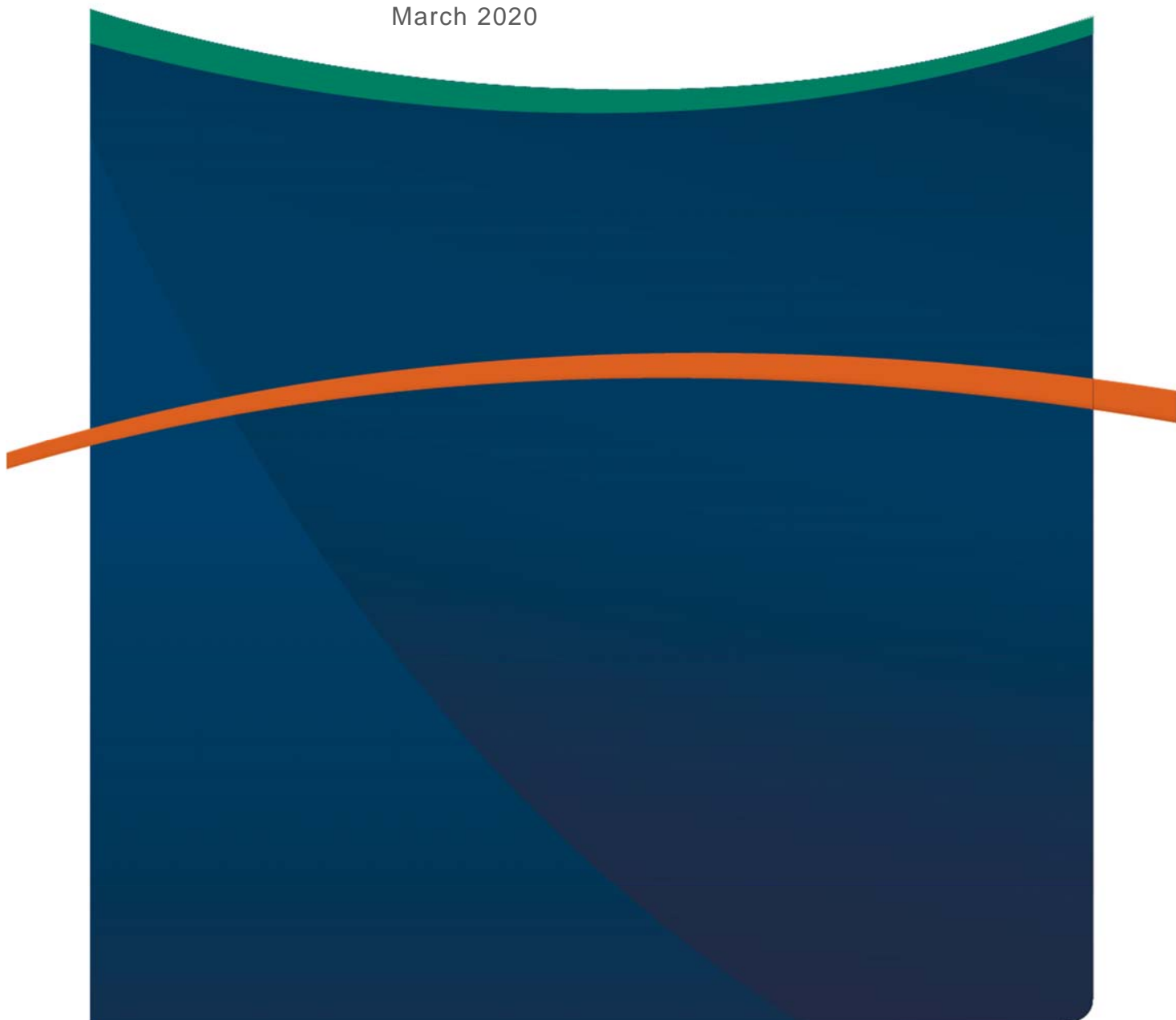




Department of
**Primary Industries and
Regional Development**

DPIRD responses to questions taken on notice during EISC inquiry into Western Australia's Economic Relationship with the Republic of India.

March 2020



Questions Requested to Be Taken on Notice:

Please see Attachment 1 (Transcript of evidence taken at Perth, Wednesday, 18 March 2020).

- Page 8: *Businesses involved in the co-investment program;*
- Page 11: *Stakeholders at the micro level. In particular, the Member for Jandakot is interested in whether DPIRD has identified members from the Indian diaspora who have worked within the WA agricultural sector (either in government or industry) who can provide experience, knowledge and expertise?*
- Page 12: *Identified opportunities for WA in agricultural technologies and services.*
- Pages 13-14: *Indian markets sensitisation to GMO.*

DPIRD Responses to Questions Requested to Be Taken on Notice:

Page 8: “Can we get a copy of the businesses that you have been able to invest in and in which you have co-investment [in the value add program]”

The Department of Primary Industries and Regional Development (DPIRD) Value Add Agribusiness Investment Attraction Fund, supported by State Government investment through the Royalties for Regions program, is designed to support investment in new projects or expansion opportunities by value adding agribusinesses.

Successful Round One applicants were announced on 15 February 2019:

- 16 grants totalling \$2.68 million awarded to businesses towards capital expenditure to invest in expansion, relocation or new value adding processing and production facilities (grants up to 50% of the value of the total investment) (see Table 1 for successful recipients)
- 7 grants totalling \$486,000 awarded to businesses to undertake pre-investment activities to support decision to expand, relocate or establish processing and production facilities in WA (see Table 2 for successful recipients).

The grants are expected to generate more than \$12 million in total co-investment across a range of industries, and create more than 120 jobs in the regions.



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Table 1. Grants for Capital Expenditure - successful recipients

Organisation	Brief project description	Grant (ex-co-contribution)
Ocean Grown Abalone	Expansion of abalone processing facility in Augusta, including increased capabilities for value adding and live exports, focused primarily on abalone with ability to handle other seafood.	\$150,000
Ryan's Meats	Expansion of Davenport facility to Tier One Export accreditation, and expansion of value added food service product.	\$300,000
Margaret River Eggs	Processing of older laying hens for premium whole meat poultry products.	\$239,000
West Australian Octopus	Refurbishment of Geraldton octopus processing and freezing facility.	\$150,000
Margaret River Kombucha Company	Purchase and commissioning of a bottling line and associated production equipment for scaled growth of rok Kombucha's premium and organic beverages.	\$250,000
Lucky Bay Brewery	Relocation and expansion of Esperance brewery, utilising local barley product, with increased cellar door and product development capacity.	\$125,000
The Lake House Denmark	Development of Vinofood. New food production and warehousing facility for premium value add wine-complimentary specialty condiments.	\$120,000
Ord River District Cooperative	Optical sorting technology to improve quality of high-value grains (chickpeas, culinary	\$125,000



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	beans) and allow for value-added market expansion opportunities.	
Albany Seafoods	Value added processing of sardines through automatic filleting machine, breasting machine and vacuum packer for the wholesale, retail and food service sectors.	\$175,000
Red Range Stock Supplements	Stock supplement plant automation and expansion.	\$175,000
Linley Valley Pork	Equipment for new lines of portion controlled meat products and tray sealing equipment.	\$225,000
Terra Temptations	New processing and retail facility for increased production of preserves, ice-cream, dried fruit and gourmet products including freezer room, coolroom, commercial kitchen and retail.	\$75,000
Simmos Ice Creamery	Expansion of ice-cream factory for increased production and new product lines.	\$75,000
Handasyde Strawberries Albany	Diversification of strawberry production including freeze drying and enhanced packaging of fruit products.	\$75,000
Manjimup Cider Company	Alternative option for Newton Orchards apples for premium juice and cider.	\$125,000
Limeburners	Grain malting plant and distillery expansion in Porongorup and Albany including local product sourcing and craft malting capacity.	\$300,000

Table 2. Grants for De-risking and feasibility study - successful recipients

Organisation	Brief project description	Grant (ex-co-contribution)
Dandaragan Camel Dairies	Feasibility of high capacity dairy for the production and processing of premium quality camel milk and milk based products.	\$100,000
Avon Valley Beef	Northam Abattoir expansion and strategic business plan feasibility.	\$100 000
Dardanup Butchering Company	Viability modelling of dedicated meat processing and value added products.	\$75,000
Kimberley Wild Gubinge	Infrastructure and planning research for processing of gubinge.	\$37,216
Yarrie Station	Feasibility study for the design, construction and operation of a mobile abattoir and processing facility.	\$79,000
Hall's Family Dairy	Feasibility study for dairy production facility for single origin cheeses.	\$55,000
Chestnut Grove Holdings	Feasibility for winery diversification for apple crushing, juicing and cider production.	\$40,000

DPIRD is investing \$4.55 million in round two of the Value Add Agribusiness Investment Attraction Fund (VAIAF). The fund aims to support Western Australian-based companies to invest in new projects or expansion opportunities that will build competitiveness, adopt innovative technologies and grow their operations.



The fund aims to create jobs and drive economic growth, productivity and capability of this growing industry sector, by supporting WA's food, beverage and value add processing industry by enabling businesses to confidently invest in new projects, technology or expansion opportunities.

Round two consists of three components:

- **Capital Expenditure**
Up to \$3 million available. Up to \$300 000 per business towards value add capital expenditure related to investment in expansion or relocation in regional WA.
- **De-risking Investment**
Up to \$550 000 available. Up to \$100 000 per business towards de-risking investment in value adding enterprises. This includes, but is not limited to, contributing to costs occurred in businesses undertaking feasibility for regional expansion or relocation; costs associated with undertaking approvals for regional expansion or relocation.
- **Agrifood Technology Investment Fund**
Up to \$1 million available. Up to \$100 000 per business to support value adding businesses to invest in globally competitive ag-tech and food-tech, including technology that can reduce input costs and environmental impact; improve productivity; and ensure product quality, product provenance and animal welfare.

Businesses are required to provide matched funding with a minimum of \$1 to \$1 co-contribution; and how evidence of material growth that the grant funding would support.

It is anticipated that successful recipients of the Round 2 grants will be announced in May 2020.

Page 11: Stakeholders at the micro level. In particular, the Member for Jandakot is interested in whether DPIRD has identified members from the Indian diaspora who have worked within the WA agricultural sector (either in government or industry) who can provide experience, knowledge and expertise?

DPIRD works with a range of stakeholders in the primary industries sector to support trade and investment activities related to India. It is standard practice as part of bilateral engagement activities for DPIRD to facilitate industry and government networking functions that include representatives from the Australia India Business Council and sometimes the Indian diaspora.



In June 2018, and again in October 2019, as part of India-Australia Plant Technical Discussions led by Federal Department of Agriculture, DPIRD delivered a visit program for the Indian Department of Agriculture Cooperation and Farmers Welfare to gain support for acceptance of phosphine fumigation as an effective treatment (and better alternative to methyl bromide) for Australian malting barley exports to India and market access for avocados as the next negotiating priority.

In September 2019, the Grain Industry Association of Western Australia (GIWA), in conjunction with Austrade, hosted an India Grain Storage and Finance Delegation, responsible for managing 1.3 million tonnes of pulses and spices in India. The purpose of the visit was to investigate options for upgrading grain storage technology and use of phosphine fumigation to manage insects. GIWA developed a visit program that positioned WA as world leaders in grain storage technology and insect management, including fumigation, and promoted the capability of WA agribusinesses providing silo and sealing products.

As part of these programs, networking dinners hosted by GIWA under service agreement with DPIRD were held at Annalakshmi on Swan an Indian vegetarian restaurant located in Elizabeth Quay. Menus were customised to incorporate and promote use of WA grains (pulses and lupins) and avocados into traditional Indian cuisine so that both the Australia and India sides could understand how WA products can meet the needs of end users including the consumers.

DPIRD also supported the South East Premium Wheat Growers Association (SEPWA) visit to India in July/August 2019 to understand the Indian market and opportunities available to WA growers for trade in pulses. The visit was funded by the DPIRD Agribusiness Innovation Fund Grower Group Research and Development Grant, which included representatives from Esperance Quality Grains was part of projects titled “New Export Link for WA South East” and “Change of Pase”.

In January 2020, DPIRD identified the following WA agribusinesses and industry groups with a strategic interest or existing trade relationship with India, including but not limited to:

- South East Premium Wheat Growers Association and Esperance Quality Grains
- Grain Industry Association of WA
- CBH
- Quaker Oats
- Wines of Western Australia
- Geraldton Fisherman’s Cooperative
- Northern Valley Packers / Moora Citrus



Contact details for members of these organisations were passed onto Austrade via JTSI to be considered for participation in the Austrade Australia India Business Exchange Mission held in February 2020. While a wide range of WA agribusinesses and industry organisations were invited to be part of the Mission, none of the businesses or industry organisations participated in the Mission.

Page 12: Identified opportunities for WA in agricultural technologies and services.

Grain Storage Technology Equipment (silos)

DPIRD has been involved in promoting WA grain storage technology and equipment including silos during a GIWA/Austrade hosted India grain storage and finance delegation in September 2019. The delegates who participated are responsible for managing 1.3 million tonnes of pulses and spices in India. The purpose of the visit was to investigate options in India for upgrading grain storage technology and use of phosphine fumigation to manage insects. GIWA developed a visit program that positioned WA as world leaders in grain storage technology and insect management, including fumigation, and promoted the capability of WA agribusinesses providing silo and sealing products.

Ag-tech

DPIRD works closely with Austrade who have business development assets in the Indian market. DPIRD is aware of WA agribusinesses exploring opportunities in India that are currently offering ag-tech solutions which provide growers and agronomists with precise data and knowledge to optimise yield, sustainability and return-on-investment.

Agriculture Services

WA government and private enterprise have the expertise, knowledge and skills to offer worldwide consultancy services in agriculture and agribusiness. However, there is currently no mechanism to promote and deliver combined services since the cessation of AGWEST International.

AGWEST, was an international consulting arm of the Department of Agriculture and Food Western Australia (DAFWA). AGWEST clients ranged from governments in developing countries, particularly ministries of agriculture, to international and bilateral organisations. Individual experts and specialists were placed in developing countries



government agencies, international organisations and consultancy firms to carry out agricultural development projects and consultancies.

In India for example, from 2001 to 2003, AGWEST managed an AusAid-funded technical assistance and capacity building project for the Sikkim Department of Horticulture to help rebuild its apple industry after it was decimated by pest and disease. The project helped plan for the long term sustainability of the apple industry in India.

DPIRD will continue to link in with the WA Govt Office in Mumbai and Austrade to monitor opportunities for provision of agricultural services and in the absence of other mechanisms communicate any international opportunities to the Australian Association of Agricultural Consultants (WA) Inc. which is a professional association of Member Consultants.

Page 12 – 13: Indian markets sensitisation to GMO.

Indian research journals and media outlets have reported that India does not have a clear stance on the release and consumption of genetically modified (GM) food crops. The only approved crop for production is Bt-cotton, which has provided India with the capability to become a cotton exporter.

There are currently as many as 20 GM crops undergoing trials at various stages in India. Due to anti-GM activism in India, Bt-brinjal (a form of eggplant) for example is under indefinite moratorium. Anti-GM activism has also prevented GM DHM-11 mustard from undergoing commercial trials despite being developed locally and partly funded India's Department of Biotechnology.

Food Safety and Standards Authority of India (FSSAI) approval documents do not allow for the import or manufacture of GM. However, the Genetic Engineering Appraisal Committee in the Ministry of Environment can provide approval for GM material. The GEAC derives its authority from the 1989 rules to give effect to the 1986 Environment Protection Act, which, among other things, governs GM crops.

Export of GM crop or product to India is risky due to the uncertain regulatory environment. Austrade recommends that exporters should avoid exporting any GM product to India. However, the GEAC will allow import and use of processed food (food, stuffs, ingredient in food stuffs and additives including processing aids) derived from GM ingredients where the end product is not GM. If a product is genetically modified and is sold in India, it must include on the label the acronym "GM".