On 2 May 2012 the Minister for Agriculture and Food, Terry Redman, addressed the Kimberley Economic Forum in Broome. Below is summary of the issues discussed in the Minister's speech.

Kimberley on the cusp of an agriculture "boom"

Given all the talk about WA's resource riches and the mining "boom", people in the rest of the country can be forgiven for thinking digging big holes in the ground is all we do in Western Australia. While the mining and resources sector clearly make the biggest contribution to the WA economy, it's important to remember that WA is not a one trick pony. Agriculture, for instance, is also an important contributor to the WA economy, especially in regional areas.

The Premier doesn't like the word "boom", because it implies at some stage there will inevitably be a "bust". But as a neat way to identify what is the key driver of rapid economic development at any given time, like a mining "boom", the word "boom" does have some merit.

If you think about what will be a key driver of economic development in the Kimberley into the future - and all the social benefits that will flow as a result - it's fair to say the Kimberley is on the cusp of an agriculture "boom".

Irrigated Agriculture

The Kimberley is an area of 423,517 square kilometres, but less than 20,000 hectares is intensively managed for food production. The Government believes the Kimberley region has the potential to become a significant global food supplier when its water and land resources are appropriately developed. The WA Government's role is to encourage investment by proving up land capability and removing legislative and logistical obstacles to development.

East Kimberley

The current irrigation area at Kununurra produces about $140 million of produce from 14,000 hectares. This is a higher gross value of production than the Kimberley pastoral beef industry and demonstrates the economic value of intensive production.

Through Royalties for Regions, the WA Government has committed $311 million to expanding irrigated agriculture at Kununurra. Expressions of interest to develop the new 15,200 hectares of farm land have been sought. Fourteen proposals have been received and are currently being assessed.

Preliminary soil surveys indicate that about 52,000 hectares of Cockatoo sands may be suitable for future release. The Government recently announced $1.3 million

through Royalties for Regions to undertake a land capability study on 6000 hectares of these soils to test their development potential.

In the medium term, irrigated agriculture in the Ord will double in size and, over time, double again. This will enable the establishment of base industries such as sugar and cotton, and generate the much needed scale of production to compete in international markets.

West Kimberley

The West and Central Kimberley also have significant potential for irrigation development. The Government, through Royalties for Regions, has committed $5.1 million to study the potential for irrigation from the La Grange aquifer. La Grange already has an annual water allocation plan of 50 gigalitres. It produces watermelon, pumpkin, sweetcorn, and beans, with an annual production worth around $10 million. Successful horticultural enterprises in the La Grange region demonstrate its capacity to produce high quality crops.

Indigenous Communities

One of the best features of the Ord expansion is the partnership with the traditional owners – the Miriuwung Gajerrong people. It is a true partnership based on mutual respect and a mutual desire to raise the living standards of the Indigenous community.

The La Grange area is home to WA's largest Aboriginal community, Bidyadanga. The Karajarri peoples have a Native Title determination over the entire La Grange area, and beyond. Collaboration with the Karajarri peoples is critical to ensure the community's economic and development aspirations are embedded within the project's scope. It's also critical that the Karajarri are active participants in the land planning components of the project.

The Department of Agriculture and Food, through the award-winning Indigenous Landholder Service, is doing some great work with Indigenous communities right across the State. We see agriculture playing a critical role in helping our Indigenous people overcome the economic and social disadvantage they currently face.

Pastoral Diversification

The La Grange area is home to six pastoral stations. Pastoral permit conditions restrict the opportunity for investment. The Rangeland Reform process, also funded through Royalties for Regions, is running in parallel to the La Grange project. This process aims to give pastoralists a lot more freedom and flexibility with what they can do on their lease.

The La Grange project will deliver a detailed regional understanding of the aquifers and land resources in the area, so that sustainable irrigation mosaics projects - instead of one big precinct - can be identified for future development. Integration of irrigated cropping with the pastoral industry is vital for the future. It could lead to the development of a feedlot sector, which in turn could lead to a northern abattoir.

Mine De-watering

Another area that has great potential is harnessing the billions of litres of ground water that gets pumped out of mine sites and using for agriculture. A joint research project by the Department of Agriculture and Food and Rio Tinto has resulted in Rio establishing plans to roll out commercial irrigated hay production on its Hamersley pastoral station. Using surplus water from the company's Marandoo mine, the project will produce an estimated 25,000 tonnes of quality hay over 1,650 hectares each year. It is estimated up to 200 gigalitres of surplus mine water is expected to become available each year in the Pilbara.

Kimberley Cattle Industry

WA supplies approximately 40 per cent of Australia's exports of live cattle. In 2011, 109,489 head worth $71 million were exported from WA to Indonesia. Of this, 98,346 head, worth $64 million, came from the Kimberley ports of Broome and Wyndham. This was despite the suspension of trade for almost two months.

The suspension of the trade to Indonesia was a big shock for the Kimberley cattle industry. The WA Government response included visiting Indonesia at the time of the ban, visiting affected pastoralists and providing direct input back to the Federal Government on the impacts, rigorous economic analysis on the impact of cessation of live exports and convening an industry/Government taskforce to get the trade back up and running.

The number of cattle permitted to be imported from Australia in 2011 was 500,000. The permits have been halved by the Indonesian government for 2012 with a total of 283,000 cattle permitted to be imported from Australia. So far in 2012, the first quarter quota of 60,000 head was quickly subscribed by exporters operating out of Darwin. Recently, the second quarter permit allocation was announced at 125,000 head. In the same period last year there were 133,201 cattle exported to Indonesia.

There are rumblings coming out of Indonesia that the self-sufficiency program is causing a shortage of beef. There's also now the mad cow disease outbreak in the US. Time will tell what impact this will have on Australian cattle exports to Indoensia.

Alternatives to Indonesia

I'm firmly of the view that the trade with Indonesia is highly complementary – it works well for Australia and Indonesia. However, the suspension and subsequent quota reduction has highlighted the danger in having all your eggs in one basket. Since the suspension a Northern Beef Industry Strategy has been developed as a result of the Ministerial Forum convened by the Federal Government. The strategy is investigating options for developing new markets and intensification using irrigation, which could lead to a northern abattoir.

Global Food Security

While the State Government is working hard on developing the supply side of agriculture in the Kimberley – the ability to grow things, the other side of the coin is the demand side – people wanting to buy the things we grow. There are some interesting developments happening on that front as well.

From the Middle East to South East Asia to China and Japan, governments are paying more attention to food security – ensuring they have enough food to feed their people. The Kimberley region is, literally, well placed to meet that demand. I'm very keen to foster the relationships with these countries so WA and the Kimberley becomes their supplier of choice.

In summary, it is an exciting time for agriculture in the north. The expansion of the Ord that is already underway is massive, and it's already contributing to social and economic development in the East Kimberley. And this is just the tip of the iceberg for the Ord.

Combine that with the potential for irrigated agriculture in the West Kimberley, diversification on pastoral leases, and new opportunities for the cattle industry, and you really do have an agriculture "boom". And when it comes to comparing an agriculture "boom" against a mining "boom", agriculture does have one significant advantage. With mining, at some point the resources will inevitably run out. With agriculture, if you do it right, it can go on forever – providing a solid economic foundation for the Kimberley for generation after generation after generation.