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# Submission on the 'Protecting the Barossa Valley and McLaren Vale' discussion paper

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The move to protect these iconic and productive cultural and agricultural bioregions is very welcome and will prove to be a wise investment from both economic and social perspectives as well as enhancing the food security of South Australians. Land-owners serious about using their land for productive purposes have nothing to fear and everything to gain from the protection.

## General points of advantage include:

- Increasing the value of products from the regions
- Increasing employment
- Enhancement of cultural activity and tourism
- Improvement in quality of life through environmental enhancement, fresh food production and stronger community identity
- Increase in general economic activity in the regions as a result of farmers markets and tourism
- Increase in biodiversity
- Reduction in carbon emissions as a result of lowering food miles, regional food value-adding and less commuting miles
- Extra balance and resilience in the economy
- Better connection and understanding between rural and urban communities
- Setting clear boundaries between land eligible for urban development and 'non-urbanisable' land tends to encourage densification and efficiency in urban design and allows for the setting of different land values which shield landholders in protected areas from increasing rates resulting from speculation.

#### **Examples**

The above points are all borne out in examples of such protection:

1. Barcelona

In Barcelona an area of 3500 ha immediately adjoining the city, and involving 13 municipalities has been protected at 3 levels of government. The Baix Llobregat Agricultural Park contains the intensive agricultural zone of 2000ha

leaving land for biodiversity, infrastructure and intractable pre-existing developments.

When the protection area was formed there was a small exodus of landowners who realised that they were never going to get rich from land subdivision and were not interested in agriculture. Ultimately some 600 farms (averaging 3.7 ha) occupied the agricultural zone, mostly growing horticultural crops.

The authority organising the area has a strong advisory role for governments and to the rural population. It enthused the local population and emphasised the badging or appellation of products from the region. The population of Barcelona (population 1.5M) responded by paying premium prices for the local produce and flocking to the 30 farmers markets that brought the food to their city. 80% of the food from the protected area is sold in the city. In promoting food value-adding the authority encouraged the farmers to become certified organic growers and ran skills-upgrade courses for them. Organic growing avoided clashes between urbanites and nearby conventional farmers spraying toxic chemicals.

### 2. Napa Valley

In the 1960s established vine growers and wine makers of the Napa Valley in California recognised that hobbyists were buying into their valley and driving land prices beyond what could be rationally paid for land to grow grapes. They set about protecting their valley through legislation in the Napa county, establishing 'The Agricultural Preserve' which still covers most of the valley floor, preventing individual parcels of less than 40 acres from being created and allowing property owners to pay taxes based upon the value of the land as farmland, rather than as land available for subdivision and urban development. It originally protected 26,000 acres of the valley floor and foothills and has since grown to more than 38,000 acres. No land has ever been taken from the preserve.

Beyond the preserve of the valley floor, the county also designated a large area as Agriculture, Watershed and Open Space (AW zoning). Together, the two total 482,000 acres. The Agricultural Watershed districts are subject to a minimum parcel size of 160 acres, which further restricts residential development potential in the county.

In 1982 Napa County established urban growth boundaries which limit the development of urban infrastructure outside established municipal boundaries. In 1990 the voters of the county adopted, by initiative, restrictions on the conversion of agricultural land to urban uses, requiring until the year 2020 a county-wide vote on every proposal to convert an agricultural parcel to a non-agricultural use. In the same year, County government began to regulate more closely the establishment of new wineries and the expansion of existing wineries, restricting their commercial and industrial operations on agriculturally zoned lands, thus further protecting the valley from encroaching urbanization and from the pressures of tourism.

In 1991 agriculturalists and environmentalists worked together to put in place regulations designed to minimize the environmental impacts of vineyard development. Inspired by the continuing development of hillside vineyards, these local regulations mandate the inclusion of erosion control measures,

riparian and wildlife corridors and other environmental controls in vineyard development and operations.

In 2002 the State of California assented to a law making it illegal to sell wine labelled in a manner suggesting it was from the Napa Valley unless at least 75% of the grapes used to make it originated from the valley.

In 2003, the Napa Valley Vintners Association, which includes 220 Valley wineries as members, commenced a voluntary certification program whereby any winery can use a "100% Napa Valley" logo on wine produced and bottled in the Napa Valley from 100% Napa Valley grapes. This 100% standard for Napa Valley origin is stricter than applicable federal law and serves as a quarantee of authenticity for wine consumers.

2003 also saw the commencement of the Napa Green Certified Land program, which looks at all aspects of a grower's property from vineyards to roads, buildings and non-farmed land to curtail erosion, reduce or eliminate pesticide use and adopt practices that will ultimately enhance the Napa River watershed and preserve or restore wildlife habitat through sustainable agriculture practices. Currently, 22,000 acres are enrolled in the program. Nearly 90 percent of the Napa River watershed is in private ownership and this public/private partnership is vital to the long term viability of the Napa Valley winegrowing community.

The Napa Green Certified Winery program covers such issues as water and materials recycling and energy conservation to reduce the carbon footprint of wine production facilities. As a result of these initiatives and the terroir Napa valley wines consistently attract higher prices than other US wine.

As a result of the establishment of the Ag Preserve, agriculture remains the leading source of revenue in Napa County, unlike other Bay Area counties where farmland has largely been displaced by urban development.

#### 3. Gawler

The Gawler area is a typical example of Adelaide's peri-urban area. It used to be a major cereal growing district and many citrus orchards were established along the Gawler river. In the last 20 years land values have risen exponentially as urban sprawl headed for Gawler and reached a point that broad acre agriculture had no hope of paying even the interest on money borrowed to purchase the land which was valued by the Valuer General at \$35000 per hectare for vacant rural land.

My wife and I own a 15ha property, now within the Adelaide Urban area, at Gawler and were alarmed by rising government valuations on rural land. We discovered the existence of a provision to ask the Valuer General for a Notional Valuation to be made taking into account that the land is within the flood zone of the Gawler River and is therefore disqualified from urbanisation. This dropped the government valuation to \$22000 per hectare, at least reducing council rates and demonstrating, in part, the effect that protection could have on the viability of agriculture close to cities.

It is worth knowing that the gross margin (effective income) per hectare for growing wheat on the land is approximately \$250 per year, ie yielding about 1% return to capital, still completely unviable. So for people to buy land for agricultural production the level of protection needs to be greater than that currently afforded by the Valuer General.

I believe that in the Spanish and Californian examples the land prices were allowed to 'float' under the strict land use provisions of the 'preserves'; this seems to have been effective in making land purchases viable for high value horticultural and viticultural crops .

#### **Boundaries**

Boundaries for the Barossa and 'McLaren Vale' (perhaps better known as 'Southern Hills and Vales') areas seem reasonable and will include excellent areas for the growing of fruit, vegetables, livestock and cereals which will aid in balancing the erratic economic history of wine grapes.

### Characteristics to preserve and developments to encourage

- · Agricultural, horticultural and viticultural landscapes
- Natural landscapes and natural resource management
- Industries that support agriculture (including transport)
- Festivals
- Farmers markets
- Tourism
- Education
- Health services
- Food and fibre value-adding

### Developments to be prohibited

- Urbanisation beyond existing town limits (or reasonable limits to be determined as part of the establishment of the protected areas)
- Heavy industry or manufacturing unrelated to the agricultural industries

#### Coordination

Independent Authorities should be established to engage the community in the schemes, establish marketing systems and brands and to coordinate other aspects of the areas (possibly including the setting of notional valuations, land swapping and strategic government land purchases) and to advise various levels of government about them

## Other areas for protection

Other areas within Metropolitan Open Space System (MOSS) should be similarly protected. The Gawler Green Belt is a case in point. Landholders have hung onto land in the area expecting government at local and state levels to rezone the land for urban development sooner or later though they have no intention of seriously using the land for agricultural purposes. Many have sold water entitlements and have no capacity to irrigate the land. Much of the land is weedy, and unproductive and people suggest that if it has no future as a green belt it may as well go under urban sprawl, yet its potential as a vibrant vegetable and fruit growing zone for the northern suburbs is unquestioned. In terms of an irrigation water supply suggestions have been made that it would be an excellent site for a modern sewerage treatment plant for the new urban areas around Gawler and/or a beneficiary of the waterproofing the North project.

#### References

- <a href="http://www.grdc.com.au/uploads/documents/GRDC-FarmGrossMarginGuide2011.pdf">http://www.grdc.com.au/uploads/documents/GRDC-FarmGrossMarginGuide2011.pdf</a>
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- Personal communication with <u>Valerià Paül</u> Carril concerning the Baix Llobregat Agricultural Park

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