# National Food Security Strategy

Submission to the Department of Agriculture, Fisheries and Forestry

1 October 2025

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Business Council of Co-operatives and Mutuals

## Introduction

The Business Council of Co-operatives and Mutuals (BCCM) thanks the Department of Agriculture, Fisheries and Forestry (DAFF) for the opportunity to make a submission in response to the National Food Security Strategy Discussion Paper.

The BCCM is the peak body representing the co-operative and mutual business sector, including agricultural and fisheries co-ops, First Nations-owned food businesses, independent retailers' co-ops and consumer-owned grocery retail co-ops.

Agricultural co-operatives, food and beverage supply chain co-operatives and co-operative supermarkets and stores account for 19.7 per cent of gross incomes of the national mutual economy (National Mutual Economy Report 2025).

Many of Australia's leading agribusinesses are structured as co-operatives, a business model that facilitates primary producer access to value adding, risk transfer, global export and commodity markets, lower input costs, and collaborative solutions to resource management and environmental stewardship. Together with the downstream co-operatives that wholesale, transport, supply and sell food and beverage products to Australian and global customers, co-operatives are active in all parts of the food supply chain, enhancing competition in food supply chains and consumer access to food.

Australia's largest co-operative in any sector is CBH Group, a bulk handling and storage giant that exports more than 40 per cent of Australia's grain crop. Co-operatives also represent 50 per cent of Australia's fresh blueberries, 85 per cent of Australia's almond growers exporting 33 per cent of Australia's almond crop and are the largest marketers of macadamias and Western Rock Lobster in the world.

Internationally, the world's 1.2 million agricultural co-operatives are recognised by the Food and Agriculture Organization (FAO) of the United Nations as 'key drivers in the fight against hunger and poverty' and are included in FAO policy frameworks and programs.

Through participation in global and regional initiatives, such as the 2025 International Year of Cooperatives, the FAO raises awareness and fosters collaboration among governments, international organisations, and the co-operative sector. These efforts reinforce co-ops as partners to governments in achieving national and global food security objectives.

While 24,000 Australian farmers and fishers, thousands of independent food retailers and tens of thousands of consumers are active in food system co-ops in Australia, there are many others who are not. Australia lags behind comparable nations such as New Zealand, Canada, the United States or the United Kingdom in both producer and consumer ownership in our food value chains. Household brands like The Co-operative (UK), Arla and Danish Crown (Demark), Oceanspray and Land O'Lakes (USA), Fonterra (NZ), LeClerc (France), FrieslandCampina (Netherlands) and Amul (India) show the scale and breadth of co-operatives operating in the global food sector.

As noted in ASPI's recent food security Green Paper, Australia has an opportunity to respond to ongoing geopolitical certainty with a food security strategy that includes a clear 'economic policy framework that guides policy approaches and market interventions to support preparedness activities.' This can be supported by the Minister having a clear cross-cutting role in relation to the strategy, going beyond agriculture to the whole food system.

Further, we believe a business model and ownership lens is required in the development and implementation of the strategy. Co-operatives are structured to support long-term agricultural production, environmental stewardship, open and transparent supply chains, market competition and stakeholder custodianship. COVID showed that co-operatives allocate reserves to respond proactively to supply chain disruptions and other challenges, since they exist only to benefit members.[1]

Where purpose and profits align with the objectives of food security, so lies the most impactful strategy. It is crucial that the co-operative sector, with our experience of business collaboration in the food system, is recognised as a food security stakeholder.

We believe the co-operative sector could work together with governments and other stakeholders to advance food security in three areas:

- **Undertaking research on food processing and supply chain capacity and ownership in Australia** to inform alignment between the food security strategy and Australia's sovereign capacity priorities, energy policy and other related policies. Applying a capacity and ownership lens can complement other ways of analysing Australia's food security.
- **Increasing the availability of information for primary producers and consumers about co-operatives** as a means for increasing their bargaining power and fair access to markets. This would align with the ACCC's recommendation that governments support more community-owned grocery retailing, particularly in regional areas and would leverage existing industry resources and networks.
- **Collaborative solutions to environmental stewardship** to better align the interests of stakeholders in the food supply chain from paddock to plate. This could draw on existing co-operative sustainability initiatives and leadership in sectors such as fisheries and grains.

The BCCM stands ready to provide further information to DAFF.

[1] See BCCM-Leading-Resilience-Report.pdf

## The contribution of co-operatives to food security

**What are co-operatives?**

Co-operatives and mutuals are businesses that are owned and democratically controlled by members, who may be consumers, producers, workers or a combination of these stakeholders. They are guided by seven internationally-agreed principles[2]:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Co-operation among co-operatives
7. Concern for community

Rather than seeking to maximise profits, the purpose of a co-op or mutual is to benefit members and their communities through equitable access to goods and services.

Australian co-operatives use a variety of legal forms. The most common forms are incorporation under Co-operatives National Law (and the consistent Co-operatives Act 2009 (WA)) or incorporation as a mutual company under the Corporations Act.

There are more than 1,800 co-operatives and mutuals in Australia and the top 100 alone have a combined turnover of $47.7 billion (National Mutual Economy Report 2025).

CBH Group port facility. CBH is Australia's largest grain exporter.

[2] Cooperative identity, values & principles | ICA

## The role of co-ops in Australia's food system, from paddock to plate and beyond

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## The role of primary producer-owned co-operatives in the food system

There are 220 primary producer-owned co-operatives with 24,000 members undertaking a range of business activities that support their members' on-farm productivity and profitability. This can include provision of:

- farm inputs
- farm advice
- irrigation infrastructure and services
- pooling or bargaining services
- farm risk or finance products
- storage and handling
- processing
- distribution and marketing
- climate resilience initiatives and environmental stewardship

The sector is diverse in services, size and commodities. For example, CBH Group stores and handles around 40 per cent of Australia's grain production on behalf of approximately 3,500 growers and is also involved in farm inputs (fertilizer), marketing and milling activities, while Mountain Milk Co-op pools the milk of 15 north-eastern Victorian dairy farmers.

### The top 10 agricultural co-operatives by turnover (National Mutual Economy Report 2025):

| Co-operative | Turnover | Sector/main activities |
|---|---|---|
| CBH Group | $4.68bn | Grain storage, handling, marketing and milling. Farm inputs (fertiliser). |
| Norco Co-operative | $769m | Dairy processing and marketing. Farm input manufacturing and retail. |
| WAMMCO | $424m | Meat processing and marketing. |
| Geraldton Fishermen's Co-operative | $324m | Lobster processing and marketing. |
| OZ Group Co-op | $259m | Berry packing and marketing. |
| Almondco Australia | $245m | Almond processing and marketing. |
| Australian Dairy Farmers Corporation | $217m | Dairy pool. |
| NSW Sugar Milling Co-operative | $163m | Cane processing and marketing (via Sunshine Sugar JV). |
| Yenda Producers Co-operative | $141m | Farm input retail and farm advice. |
| Isis Central Sugar Mill | $132m | Cane processing and marketing. |

Whether large or small, producer-owned co-ops act to boost the productivity, competitiveness and profitability of family farming businesses. By doing this they contribute to regional economic and social development, domestic food production capacity and food security interests. These benefits are outlined in more detail in the Co-operative Farming Blueprint produced by the BCCM.

CEO Michael Hampson at one of Norco's 100% Australian farmer-owned processing sites, credit Paul Harris

## The role of consumer co-ops in the food system

There are other types of co-operative that play a direct role in the food system. These include more than 70 consumer-owned grocery retail co-ops. These range from large supermarket and shopping centre operators like The Barossa Co-op, to remote Aboriginal community-controlled retailers like Bynoe Community Advancement Co-operative and local food co-ops with a focus on direct procurement from farmers and sustainable products.

The Barossa Co-op operates a large consumer-owned supermarket and shopping centre in Nuriootpa

Consumer-owned co-ops provide business model competition with investor-owned retailers in the interests of consumers. As was noted in the ACCC's Supermarket Inquiry, this type of co-op can play a special role in reginal and remote Australia, where community ownership can act to secure access to food at a transparent price when other businesses may not be able to enter the market due to high logistics costs and low profit margins.

## The role of retailers' co-ops and other SME co-ops in the food system

There are at least six co-ops that bring together independent retailers, processors, butchers and others in the food system to be able to compete with larger businesses such as the supermarket duopoly. As with other co-ops, business models vary. While Co-operative Supermarkets Australia seeks better deals for members with suppliers, other retailer-owned co-ops like ILG or Tasmanian Independent Retailers Co-op operate their own wholesale and logistics. Master Butchers Co-op not only gives its member access to wholesale prices but undertakes circular economy activities including manufacturing waste from the meat supply chain into value-added products for export.

By taking on concentration in our grocery supply chains, these co-ops benefit the community through diversified supply chains, price competition and retention of local access and choice in food retail.

Co-operatives and mutuals additionally provide essential services such as banking, housing, hospitality venues and healthcare that allow workers to remain in regional areas and support a traditional way of life in farming communities.  They also can work to promote food and agri-tourism, which can also support additional employment in and community awareness of food systems. An example is the Geraldton Fishermen's Co-operative Shore Leave festival.

By reinvesting profits where they have members, all co-operatives act to support vibrant communities, including the regional communities that are central to our food production.

### The role of co-operatives in the global food system

Internationally, co-ops are ubiquitous in the food system, including 1.2 million agricultural co-ops owned by primary producers and significant independent retailer-owned or consumer-owned grocery retail chains in many countries. Examples in developed countries include Fonterra in New Zealand, the Co-op Group in the UK, or Leclerc in France.

Co-operatives are recognised by the United Nations and its agencies for their contribution to sustainable development, including the FAO. 2025 has been declared by the United Nations as the International Year of Cooperatives in recognition of the unique contribution of co-operatives to the Sustainable Development Goals: FAO highlights the cooperative model as a key driver in the fight against hunger and poverty

## Responses to discussion questions

**1. What other principles should government, industry, and community prioritise to support the development of the strategy and why are these important?**

BCCM does not propose any other principles but notes that the principle of collaboration and the focus on shared 'ownership' of the strategy and actions lends itself to the practical experience of business collaboration of food system stakeholders (i.e. farmers, fishers, consumers and retailers) in co-operatives.

**2. What timeframe should the strategy work towards – short (1 to 2 years), medium (5 to 10 years) or long (10-plus years) terms, and why?**

We note that at least some provision for the long-term is required to account for matters such as climate change.

**3. Are there examples of current or planned initiatives by you or your organisation to improve food security in your sector?**

As outlined earlier in this submission in the table 'The role of co-ops in Australia's food system, from paddock to plate and beyond', co-operatives are active across all the proposed priority areas from farm input purchasing to circular econonmy and food tourism initiatives.

As an industry body, BCCM's role in promoting a fair and productive food system includes:

- Advocacy and education to combat low awareness of co-operatives and to promote an enabling operating for the growth of co-operatives in the food system as recommended by the 2016 report of the Senate Inquiry into Cooperative, Mutual and Member-owned Firms.

*The Better Prices, Better Competition report recommended inconsistent regulatory regimes for co-operatives be addressed through the National Competition Policy agenda. The BCCM has produced a large repository of case studies, podcasts, and an ABC=commissioned documentary on Australian agricultural and food system co-operatives.*

- Managing the The Bunya Fund, Australia's first industry-funded development fund by and for co-operatives.

*The Bunya Fund provides small capacity building grants to emerging co-operatives, including in the agricultural and food retail sectors. In 2024, we supported formation of a olive producers' processing co-op. In 2025, we are supporting Edithvale Community Grocer, a local food retailer that buys direct from market gardens, to commence conversion to a co-operative structure.*

- Maintaining the Co-operative Farming resources and access to expert advisors for primary producer and food supply chain co-operatives.

*Co-operative Farming hosts free resources on all stages of testing, start-up and financing of agircultural co-operatives. These resources were developed through the DAFF-funded Co-operative Farming program and are now maintained by the BCCM.*

- Convening the National Agricultural Co-operatives Roundtable and the Retail and Buying Group Co-operatives Forum to foster collaboration among food system co-operatives.

- Undertaking relevant research, including the annual National Mutual Economy Report and a report on the role of farmer co-ops in disaster recovery

*The National Mutual Economy Report is a longitudinal research project undertaken by the BCCM in partnership with the University of Western Australia. Utilising the underlying data from the report, the BCCM is currently working to update our geo-locator tool providing a map of co-operatives by sector.*

- Maintaining membership of the International Co-operative Alliance to collaborate on global strategies to connect Australia to global efforts to address food security through the co-operative movement.

- Facilitating study tours and international exchange to increase skills, knowledge and capacity of Australian agricultural and food system co-operatives. In 2026 the BCCM will convene two study tours with an agricultural/food focus to Europe and New Zealand.

**4. Do the proposed key priority areas and whole-of-system considerations adequately represent the actions needed for an effective food security strategy? If not, what is missing?**

The priority areas and whole-of-system considerations mostly represent what is needed for an effective food strategy.

However, there should additionally be a clearer sovereign capacity lens. After COVID and in fast-changing geopolitical context, supply chain resilience and trade access cannot be taken for granted. The ASPI food security green paper states that Australia '…now faces chronic challenges due to rising geopolitical tensions, geo-economic transitions, climate change, deteriorating water security and rapid technological advances. The world is changing so rapidly that the assumptions, policy approaches and economic frameworks that have traditionally supported Australia's food security are no longer fit for purpose.'

Furthermore, we note that biosecurity is discussed in the paper, but is potentially absent from the priority areas. DAFF could clarify this in the final strategy.

Finally, our members note the importance of guaranteeing clear legislated access rights to fisheries and industry engagement being embedded in the development and implementation of Australia's marine protection policies.

**5. What actions could the strategy take to address the challenges under each key priority area?**

Under resilient supply chains, we suggest a focus on mapping domestic food supply chain ownership and physical production and processing assets. We suggest applying such an ownership lens would assist in informing an alignment between food security and adjacent government policies focused on sovereign capacity, energy security, migration and climate change alongside other ways of assessing this.

We also suggest a focus on supporting collaborative environmental stewardship initiatives and science-based policy and research funding. This could leverage co-operative leadership and initiatives to promote sustainable grains (CBH Group), sustainable wild catch fisheries (Geraldton Fishermen's Co-operative), promotion of traditional Kakadu Plum harvesting (NAAKPA) and farmer engagement with environmental markets (Regen Farmers Mutual).

Under productivity, innovation and economic growth we suggest a focus on increasing access to information about co-operatives for primary producers, leveraging existing stakeholder resources such as those hosted by the BCCM on the Co-operative Farming website. In particular, we think that primary producers should be more aware of the ability to develop simple co-operative bargaining or pooling models to get better outcomes with private processors and retailers.

Under competition and cost of living, we suggest a focus on increasing access to information about co-operatives for consumers. The first recommendation in the ACCC Supermarkets Inquiry was for governments to support community-owned and co-operative stores in regional and remote areas of Australia. We note this would also align with existing government policies for First Nations communities to exercise self-determination about their preferred food retailing model, including community/co-operative retail models.

**6. What actions could the strategy take to address challenges under these whole-of-system considerations?**

Co-operatives are active across our region and globally in the food system. Many of our Pacific neighbours view co-operatives as an attractive private sector model that can boost food production and consumer access to food while aligning with traditional ways of life and values. For example, BCCM has met with the Deputy Prime Minister of Fiji, Fijian Government and DFAT representatives. Being prepared to engage with the co-operative sector regionally could therefore align with and accelerate the achievement of Australia's broader food security and trade objectives.

The BCCM is a member of the International Co-operative Alliance, the global apex body of the co-operative movement, with members representing co-operatives in most parts of the Asia-Pacific.

Geraldton Fishermen's Co-operative Chair and Fisher Basil Lenzo, credit Tony McDonough

## About the BCCM

The BCCM is the national industry peak body for co-operatives and mutuals, working with governments, regulators, and policymakers to ensure the Australian economic landscape is fully able to benefit from a competitive co-op and mutual movement.

Through its member co-ops and mutuals, the BCCM represents 14.4 million memberships, including 60,000 small and medium businesses.

Sector snapshot from the National Mutual Economy Report 2025:


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