Knowledge in action!
- an overview of RIRDC’s role

• Peter O’Brien   Managing Director RIRDC
• Paul Miller     President Australian Olive Association
• Ian Mason       Rice grower and Chair Rice R&D Advisory Committee
• Scott Mitchell  Trade Policy Manager, National Farmers Federation
A more profitable, dynamic and sustainable rural sector.
RIRDC MISSION

To maximise the knowledge outcomes from our R&D investments for Australian industries and government in:

- new rural industries
- established rural industries
- national rural issues.
Three goals

**New Rural Industries**
To provide the knowledge for diversification in Australia’s rural industries.

**Established Rural Industries**
To provide the knowledge to increase the profitability, resilience and sustainability of RIRDC’s established rural industries.

**National Rural Issues**
To provide the knowledge to address national rural issues.
Established Rural Industries
To provide the knowledge to increase the profitability, resilience and sustainability of RIRDC’s established rural industries.

New Rural Industries
To provide the knowledge for diversification in Australia’s rural industries.

National Rural Issues
To provide the knowledge to address national rural issues.
Rationale - Diversification

‘New’ industries as a % of total agricultural GVP

- 16% in 1960 (Ag GVP $2.7 bil.)
- 29% in 2005 (Ag GVP $35.6 bil.)
Strategies

Invest in R&D for new rural industries:

• that have significant market opportunities
• where Australian industry has a competitive advantage
• that provide an opportunity for producers to enter and expand the industry.
Portfolio 1:
New Rural Industries

Programs:

- New Plant Products
- New Animal Products
- Asian Foods
- Essential Oils and Plant Extracts
- Rare Natural Animal Fibres
- Wildflowers and Native Plants
- Tea Tree Oil

Knowledge for diversification
Portfolio 2

New Rural Industries
To provide the knowledge for diversification in Australia’s rural industries.

Established Rural Industries
To provide the knowledge to increase the profitability, resilience and sustainability of RIRDC’s established rural industries.

National Rural Issues
To provide the knowledge to address national rural issues.
Rationale: Increasing productivity and sustainability

• Many pressures:
  – declining terms of trade
  – distorted markets
  – declining access to natural resources
  – increasing international competition

• and
  – deep drought
  – water reform
  – climate change risk.

- ‘Productivity growth has accounted for the entire increase in output by the agriculture sector over the last 30 years’

- ‘Agricultural productivity has exhibited strong growth over the last three decades – more than twice the rate achieved in Australia’s market sector as a whole’

- ‘A key source of productivity growth in agriculture has been the generation and adoption of new knowledge and technologies’
Contribution of R&D to agricultural productivity growth
Strategies

Invest in R&D for established rural industries:

• in areas identified by Government and industry as high priority
• that promote development and uptake of innovative technologies and solutions
Portfolio 2:
Established Rural Industries

Programs:

- Chicken Meat
- Honeybee
- Rice
- Horses
- Fodder Crops
- Pasture Seeds
- Deer
- Buffalo

*Increased productivity & sustainability*
Portfolio 3

**New Rural Industries**
To provide the knowledge for diversification in Australia’s rural industries.

**Established Rural Industries**
To provide the knowledge to increase the profitability, resilience and sustainability of RIRDC’s established rural industries.

**National Rural Issues**
To provide the knowledge to address national rural issues.
Rationale: National Rural Issues

- Cross-sectoral, multi-industry → major issues in aggregate
- Complements the sectoral model
Strategies

Invest in R&D in the national interest to support:

• rural policy priorities of Government
• priorities of rural industries and communities
• topics that are cross-sectoral
Portfolio 3: National Rural Issues

Programs:
- Agroforestry and Farm Forestry
- Environment and Farm Management
- Rangeland and Wildlife Systems
- Organic Systems
- Global Competitiveness
- Food Integrity and Biosecurity
- Human Capital, Communications and Information Systems
- Farm Health & Safety

Knowledge for rural Australia’s big issues

Why market access reforms matter
Australian Extra Virgin Olive Oil
innovation for an emerging industry

Paul Miller
— President, Australian Olive Association —
Olives – Innovation for an Emerging Industry

BRS Seminar
October 26 2007

Paul Miller
President
Australian Olive Association Ltd
An Australian Industry
Australian Olive Industry – Status Summary

• Expanding production
• Nationwide production base
• Boutique producer by world standards
• High quality product
• Competing at the high value end of the market
• Competing with subsidized industries in a manipulated market
By 2012 should be 30,000 tonnes pa or more - 1% of global production (5%+ of high quality)
Technology and R&D Needs

- Existing global industry hamstrung by tradition
- Normal R&D needs - pests, diseases, pruning, cultural methods, varieties, water use – Spanish manual
- Extraordinary R&D needs – product chemistry, specifications, trade issues and real quality considerations
Quality & Standards Stakeholders

- ACCC
- AOA
- AOCS
- AORL
- AQIS
- EFL
- Food scientists
- Codex
- Alimentarius
- DAFF
- DFAT
- DGF
- EFL
- FOSFA
- FSANZ
- IOC
- ISO
- Local Government
- NATA
- RIRDC
- Standards Australia
- State Government
- Olive oil producers
- Consumers
And the EC/EU
Strategic and Science Based Approach

The Natural Chemistry of Australian Extra Virgin OLIVE OIL
Oil must be Refined - Majority of EU Production

Olives for crushing in Australia
Competition evolving too
Evolution of R&D and Relationship

- From fringe to mainstream science & scientists
- Relationship with RIRDC has evolved
- Simple but important factors - what is done & who determines this
- Knowledge of R&D capability better
- Industry direction of R&D better
- No doubt of imperative to keep innovating and developing

Thankyou
Rice
market-driven varieties, productivity growth and water-use efficiency

Ian Mason
— Rice grower & Chair, Rice R&D Advisory Committee —
RIRDC RICE RESEARCH AND DEVELOPMENT PROGRAM

BRS SEMINAR

26th October 2007
The RIRDC Rice R&D Program is a unique partnership between the Australian Rice Industry and the Australian Government to invest in research and development.
RIRDC Rice R&D Program

Goal:
‘To improve the profitability and sustainability of the Australian rice industry through the organisation, funding and management of a research, development and extension program that is both market and stakeholder driven’.
RIRDC Rice R&D Program Objectives

Indicative share of budget Objectives (%)

1. Varietal improvement 50
2. Crop establishment, agronomy, nutrients 10
3. Crop protection 10
4. Farming systems, sustainability + profit 10
5. Technology transfer + communication 10
6. Market access, marketing arrangements 3
7. Human capital formation 7
Reiziq, *Oryza sativa* cv. was released in 2004, the International Year of Rice, with the first sales in the Middle East commencing mid-2005. Arabic for ‘special gift’, Reiziq, is already showing clear signs of living up to its name and becoming a premium product throughout the Middle East region.
Cold Tolerance

Cold tolerance now joins yield and quality as key indicators of varietal acceptance by the Australian rice industry. Low temperatures affect rice seedlings and are a major yield limiting factor for the Australian rice industry. Cold stress effects at seedling stage leads to poor seedling establishment, which accounts for productivity losses of up to $30 million per annum.

Rice on left has set no grain due to cold at the reproductive stage.
Water Use Efficiency

Electromagnetic Induction
Adoption of electromagnetic soil mapping technology (EM31) to identify leaking soils and exclude them from production areas has significantly reduced water use.
Future Research Direction

• Concentrate resources on products that generate the greatest advantage for the rice industry

• Maintain a viable rice breeding program – special focus on quality and cold tolerance (use of molecular markers)

• Emphasis on whole farm profitability and sustainability (bringing the environmental and profitability issues together)

• Building future human resource capacity throughout the industry
Australian Rice Production

![Graph showing Australian rice production from 1999 to 2008, indicating variations in production levels. The graph includes lines for worst, normal, and best production years.]
THE END

Thank you

Chairman: Ian Mason
Research Manager: Margie Thomson
Trade Policy

analysis underpinning liberalisation

Scott Mitchell

— Manager Trade Policy, National Farmers Federation —
Trade Reform

Scott Mitchell
Manager, Trade Policy

National Farmers’ Federation
Current state of play in world trade

IN AUSTRALIA
WE'RE HAND-FEEDING
THE STOCK
Australia exports 70% (64% in volume and 75% by value) of what we produce... further global trade reform vital
NFF’s trade policy advocacy

- **Australian farmers are a leading advocate for global agricultural trade reform**
  - Since the late 1970s, NFF has remained one of the strongest advocates of Australian trade policy/broader economic reform.
  - NFF strongly supports the reduction of tariffs at home and abroad.
  - NFF believes that ‘global commodity prices’ are only one component of farmer profitability – we must also focus on keeping business costs low.

Voice of Australian farmers
Australian Government imposed policies increasing costs

- Farmers realised that in many cases, Government policy was reducing the competitiveness of the rural sector.
- Government policy was indirectly placing upward pressure on farmers costs which farmers were unable to pass on.
- As a result, the NFF called on the Government to implement a structural reform agenda across many industries – both agricultural and non-agricultural.
- Structural reform in Australia began with the tariff debate.
What happened then?

- Since the early 1970s the Australian economy has witnessed, in general, reductions in industry assistance, especially in the level of tariffs.
- The general tariff is now under 5% following significant across the board tariff cuts in 1988 and 1991.
- These reductions have benefited the Australian economy and Australian consumers as a whole as well as farmers and exposure to the market with R & D investment has driven average farming productivity growth of 3.8% per year for over a decade.
Why is Doha important?
Why do we need another Round?

• Despite CAP reform EC farmers still get 32% of their income from the government and the US continues to spend in the order of US$21 billion annually subsidising their farmers

  • Overall the world continues to spend around A$1 billion a day

• Agriculture remains the most **distorted sector** of goods trade in the world

• On top of this there are also around 1.1 billion people surviving on US$1 per day and 1.6 billion living on less than US$2 per day and trade reform remains a key driver of growth and poverty reduction
Manufactured trade growth is higher than agriculture

World trade (US$ billion)

- Red: Manufactures
- Blue: Agricultural Products

Source: The CIE

Voice of Australian farmers
Bound tariffs for manufactured goods are much lower than in agriculture.

Source: The CIE

Voice of Australian farmers
Where are we now?
Where are the negotiations now?

- We are close on issues that can deliver 5% – 10% of the potential gains – such as ‘Domestic Support’ and ‘Export Competition’.
  - However this Round must do more than lock in domestic support spending at a high point and eliminate export subsidies.

- Unfortunately differences remain wide on agricultural market access – this is where 90% – 95% of the potential gains could be delivered.
  - We are especially not far on key issues such as ‘Sensitive’, ‘Special’ and ‘Safeguards’.

- As a result, little has been progressed on ‘Services’ or ‘NAMA’
Big issues remain unresolved

- **INSUFFICIENT** political leadership – from the EC, key DC’s (India, Brazil) and the USA.
- But most importantly the existence of the black box…

**Agricultural Market Access:**
- General Tariff Cut;
- Sensitive Products;
- Special Products;
- Safeguards;
- TRQ Administration;
- In-quota Tariffs; and more…

Voice of Australian farmers
What needs to happen to conclude negotiations?

• Strong political leadership
• Europe must offer more on market access, Developing Countries need to be fair on special products and other issues
• The US must also do more on domestic support and Brazil and India need to show greater leadership
• NGO engagement has a vital role to play in lobbying for a good outcome
  – Which is where RIRDC and R & D comes in, in arming industry with strong and robust R & D
Research and Development

• R & D and RIRDC’s contribution in particular via their Global Competitiveness Program continues to make a significant and invaluable contribution to global trade negotiations:
  – Trade Policy Made Easy (Portuguese and Spanish)
  – Termites in the Basement
  – Structural Adjustment lessons (relevant to FB, CAP and Doha)
  – Doha for Developing Countries and more...
• These examples are all Extremely valuable contributions.
R & D cont.

- The role that RIRDC has and continues to play in arming CG farmers and negotiators is invaluable.

- RIRDC has a demonstrated ability to quickly respond to needs i.e to support a Cairns Group, Cairns Group Farm Leader’s or International Federation of Agricultural Producers where NFF lobbies other farm leaders.

- Because strong and robust R & D is also needed to help industries understand issues in the ‘Black Box’
- It is vital that sound principles, not politics dominate trade discussions.
R & D cont.

• Frankly, if countries like Australia don’t do this work no one does

• RIRDC’s GLC program truly fills a ‘market failure’ niche

• Thank you
Conclusions

• 3 goals, 3 investment portfolios
  – New rural industries
  – Established rural industries
  – National rural issues

• Industry and government driven R&D priorities

• Underpinning diversification, productivity, sustainability and national issues.
Next BRS Seminar
Friday 9 November
Dr John Triantafilis (UNSW)
terraGIS: a Natural Resource Management tool for cotton consultants and farmers

In irrigated cotton growing areas, there is an increasing emphasis on generating natural resource management information. This is the case at the district level, where integrated soil and water management is highly desirable. However, biophysical data (e.g. pH, salinity, sodicity) acquisition, required for scientific purposes and policy development, is labour intensive and time consuming.