9 December 2008

Inquiry into Government Drought Support
Productivity Commission
Locked Bag 2, Collins St East
Melbourne, Vic 8003

Dear Commissioner,

Re: Public inquiry; Government Drought Support

Thank you for providing a mechanism to review current drought policy and for inviting submissions to your inquiry.

We look forward to being able to attend the public forum in Adelaide if you think it appropriate for us to do so after reading our submission

Yours faithfully

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Director
Productive Nutrition P/L
Private Consultant – Applied Ruminant Nutrition

Productive Nutrition Pty Ltd
working smarter

Submission from Productive Nutrition P/L to Productivity Commission

Government Drought Support

Background

1. Productive Nutrition P/L

- Private consultancy company, based in Adelaide
- Consulting on-farm and to agribusiness, Australia-wide
- Specialising in applied ruminant nutrition
- Main roles include:
    - One on one consultancy; outcome-based
    - Group education programs tailored to address specific issues
    - Project management & delivery

2. Reasons for writing a submission:

- Livestock nutrition plays a key role in the ability of farmers to cost-effectively manage livestock during increasingly dry times and/or during droughts
- Sheep producers knowledge and understanding of nutrition is generally poor regardless of level of education
- Culling and de-stocking recommendations are currently flawed
- Current drought support programs are developing and sustaining an industry of under- qualified, publicly funded advisers
- Many farmers obtain nutritional advice from product salespeople with a vested interest or from their livestock agent
- Drought management advice obtained through some agencies is dated and not necessarily best practice
- There is no “accreditation program” for advisers
- The role and value of experienced and specialist private consultants in drought management and support is currently under-utilised

The role of nutrition in the cost-efficient management of dry times and droughts

Producers in some areas are able to access subsidies to build containment areas (droughtlots) to encourage early de-stocking of paddocks for environmental purposes; this initiative is to be applauded however producers are required to then fully feed livestock.
Nutritional knowledge is required to assemble the most cost-efficient diet to ensure:

- animal health and welfare is optimised
- nutrition is increased with advancing pregnancy status
- feeding in containment is outcome-based

Complementary feeding can be optimised for as long a feed is available in a paddock situation, but many producers are feeding the incorrect type and amount of grain to each

class of stock.
As a result producers become disillusioned with the workload, the cost and disappointed with the outcome (low pregnancy rates, disease) and move away from livestock production altogether.
Livestock are a valuable risk management tool in cropping enterprises and producers need to increase their confidence and skills in livestock productivity.

Knowledge and understanding of livestock nutrition

Nutrition is only a small component of most university degrees, and many universities have removed the practical components of their agricultural degree programs with the focus being more on research in recent years. Graduates have a limited understanding of applied nutrition, and there is limited opportunity for this knowledge to increase after graduation.

Stock agencies tend to employ university graduates to utilise their limited knowledge to sell products; many of these products have no place during a drought and most are not property specific and offer little return on investment for farmers.

Government agencies are the most sought after source of information during droughts and are often ill equipped to provide cost-effective nutritional advice. Manuals are developed and inexperienced advisers sent out to deliver training programs to producer groups; the social value of these meetings during dry times cannot be underestimated but the efficacy of the advice given is seldom measured.

A common piece of advice in increasing dry times given to farmers is that they "must do a Feed Budget"; although a very good piece of advice, very few farmers have the skills required to do a feed budget (Figure 1) or to adjust it to a cost-effective feed budget.

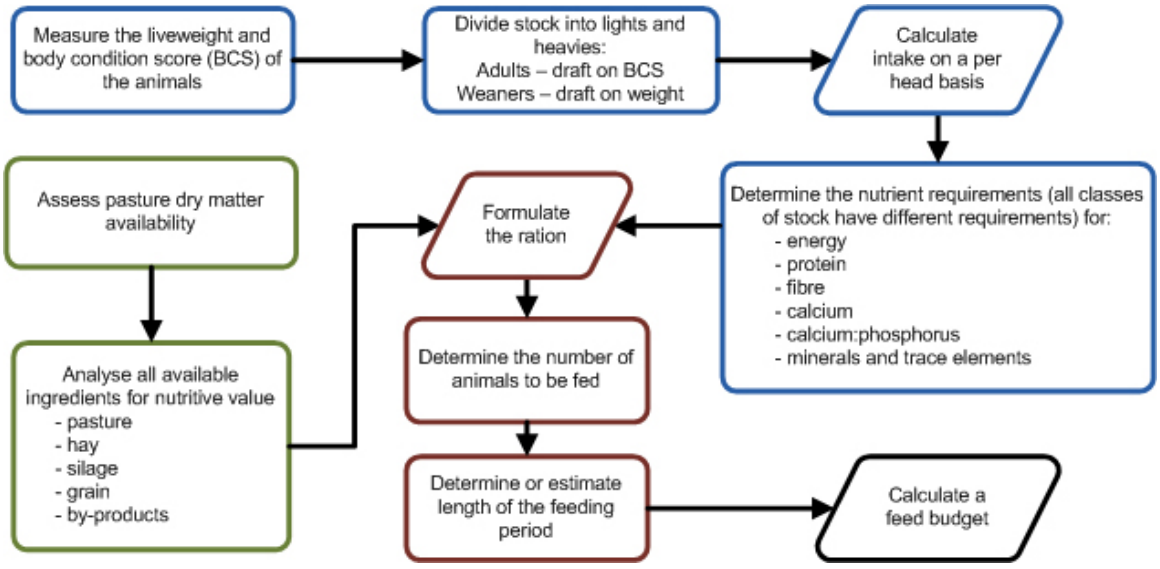

Figure 1 Components of a feed budget (Source: www.productivenutrition.com.au)

Current drought management; de-stocking decisions and advice

Current advice on de-stocking during a drought includes:

- sell older stock first
- in the case of sheep, sell the wethers
- keep younger sheep and cull progressively from older age groups to young and productive groups as a last resort

This advice indicates a clear misunderstanding of nutrition, as feeding stock is the biggest cost incurred during prolonged drought.
Young animals consume the highest percentage of body weight on a dry matter basis which is often equivalent in kilograms to the amount consumed by older stock. Young stock have higher nutrient requirements and are therefore the most costly to feed; young stock are less likely to be pregnant, or in the case of sheep to have high lambing rates following the drought.

Stocking rates
Producers have been advised by farm economists to increase stocking rates to increase profitability for many years, however many of these farmers are ill-equipped to know how to manage these stocking rates in dry times or during prolonged drought. Many producers in high rainfall areas do not have the infrastructure required to feed large numbers of stock through droughts as was the case in 2006.

On farm storage of feed supplies has long been considered uneconomic, but with the increasing impact of climate change the above strategies need to be reevaluated.

The growing industry of programs

Drought support programs currently appear to be supporting a growth industry, particularly in the public sector, of manual developments and workshop delivery by largely (but not exclusively) under-qualified people. This should not be taken as an individual criticism but is intended to highlight the need for more appropriate training investment in future advisers and/or graduates.
The success of these programs appears to be measured by the number of producers attending the workshops, rather than by any measure of an increase in self reliance.

The role of the private sector in drought management programs

Private sector specialists are under-utilised in current drought support programs. Unlike the public sector, private consultants are engaged and paid to facilitate cost-effective outcomes for farmers. If improved outcomes are not achieved the consultancy is generally terminated, as it should be. Private consultants are not underpinned by Government subsidies and are at a significant disadvantage in competing to deliver drought management programs.
Large government agencies are commonly allocated funds to deliver state-based programs, but due to the perceived competition for funds, specialists are rarely engaged by these agencies to deliver potentially improved outcomes; this practice is becoming increasingly common and requires review.
All organisations, public and private should be invited to tender to deliver education

programs to farmers and program delivery should be allocated on merit.

The National Drought Policy

Under the key objectives of the National Drought Policy, Productive Nutrition P/L would like the commission to consider the following recommendations:

1. ***Adopt self reliant approaches for managing a changing climate***
    a. Adopt a system for assessing the qualifications, experience and ability of those engaged in advising farmers
    b. Invest in training the trainers
    c. Support one on one training / advice / education; group learning is effective as an awareness tool but one on one assistance will make real and lasting change
    d. Encourage the private sector to increase their level of involvement and influence; take into account that small consulting businesses do not have the time to spend all day monitoring websites for opportunities; communicate via company listings etc
    e. Consider subsidising "registered private consultants" to do a percentage of work in this area to the same degree that publicly funded advisers are currently subsidised, if subsidies are planned to continue
    f. Develop a monitoring system to track the increase in self reliance preparedness and adaptation to climate change
    g. Increase the investment in strategic and targeted on-farm education and reduce the investment in generic, feel-good programs
    h. Drought assistance programs need to be targeted to areas of specific need (e.g. transition from reliance on irrigation to dryland farming)
    i. Identify areas where substantial cost reductions can be made
    j. Reevaluate drought management strategies to ensure best and current practice is being promoted, not just old ideas being rebadged

2. ***Maintain and protect Australia's agricultural and environmental resource base during period of extreme climatic stress***
    a. Invest in containment areas; one per farm by a target date
    b. Develop a policy document relating to the best practice of sheep and or cattle held in containment
    c. Invest in training advisers
    d. Develop an accreditation program specifically for advisers working in this area (the current AIAST program doesn't address this)
    e. Develop an accreditation program that is a prerequisite for producers intending to intensively manage livestock in containment
    f. Increase the number of pastoral inspectors to ensure pastoral properties are inspected and assistance provided at least once every 2 years and not once every 15 years as is current practice

3. ***Retain drought assistance***
    a. Provide targeted assistance for two years to enable farmers to accumulate drought feed reserves on farm
    b. Ensure in the intervening 2 years that following a viability assessment appropriate and targeted assistance is provided to farmers
    c. Ensure a monitoring and assessment program is developed and implemented

Conclusion

It is our belief that the current level of drought assistance required will diminish over time if some or all of the above strategies are implemented.