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**SUBMISSION TO THE PRODUCTIVITY COMMISSION
Rural Research and Development Corporations
Public inquiry**

Introduction

Evergreen Farming was established in 2001. It is a farmer-driven group that aims to achieve sustainable "Green Farms all Year Round" throughout the agricultural regions of Southern Australia.

Through many years of applied research, demonstrations and trials on perennial pastures, Evergreen Farming has shown that perennials can substantially increase farm profitability and also combat water-logging, salinity and erosion.

Evergreen members are developing systems that include perennial grasses and legumes (sub-tropical and temperate), annual grasses and legumes, and fodder shrubs. In many cases using a mixture of species is the best way to deal with soil and rainfall variability.

Evergreen now has over 500 members. They are mostly farmers with properties spread from Northampton to Esperance, along with several members in South Australia, Victoria and New South Wales.

As a result of the work of Evergreen, many farmers have successfully trialed perennial pastures and received production benefits especially in the dry 2006.

With over 10 tonnes of perennial grass seed sold per year for the last three years in WA and successful pastures from Northampton to Esperance there are indeed many opportunities for Evergreen to "Show us your Grass".

Evergreen believes that continued and focused investment in R&D for agriculture is vital to ensure sustainable animal and grain production in Australia. Without significant investment in R&D, particularly on farm production, food supply in Australia will not advance.

Erin Gorter
Chairman

Comment on Issues and Questions

(PC questions summarized in italics)

Is Government investment in R&D justified?

Evergreen Farming believes that Government investment in Agricultural R&D is fully justified.

Tax payers in Australia benefit from a strong primary industry and food production sector. Without Government funding disparate individuals and businesses who benefit from food production mostly have limited methods to significantly invest in R&D.

Is the RDC model fundamentally sound?

Is there sufficient oversight of, and coordination and collaboration between RDCs?

It is an Evergreen Farming opinion that communication between the RDCs and to end users of their results could be significantly improved. We are aware that there are across sector RDC programs such as the Grain and Graze program that are collaborative and this is to be applauded. However we believe more needs to be done in this regard as Evergreen Farming believes that overlap in research over time and between states is far too common. We believe that more funded projects in WA in comparison to eastern states is required.

Evergreen Farming is of the opinion that details of current and past projects (who, where, what & results) could be much more readily accessible/visible on a common database on a common website. In particular more information on current research being conducted would be likely to assist reduction of duplication of effort, encourage increased understanding by industry members and increase the adoption of results.

Is there sufficient emphasis on the evaluation of outcomes and sharing the lessons learned?

Evergreen Farming believes there should be a greater emphasis on measuring and evaluating project outcomes to demonstrate the on farm relevance of the research and the results.

An increased emphasis on project reporting detailing the economic benefits (on and off farm) of the project results is suggested.

Evergreen Farming is aware of projects that have benefited the industries in WA. These projects have resulted in significantly improved agronomy for crops, new genetic plant material, increased scientific capacity, improved rural leadership capacity and stronger regional networks amongst other very significant benefits.

Some specific strengths and weaknesses of the RDC model

It is that there is a growing tension between the requirements of levy payers and of the Australian Government. Not unreasonably, the former wish to see their contributions spent on R&D (and extension) of direct benefit to the industry concerned. However, the Australian Government is increasingly seeking to encourage the RDCs to undertake cross-sector or so-called 'cross cutting' R&D of benefit beyond the industry (as well as more downstream supply chain research where the benefits to primary producers may be less immediately apparent).

We encourage the PC to fully investigate the results of projects and to form its own opinion on the value of past research to various supply chain sectors and to consider the benefits of investment in R&D for the entire supply chain and beyond the production sector.

Government (via government departments) has an understandable bias to direct funds to politically sensitive objectives. This does not always lead to the greatest gains for the nation as a whole. One of the strengths of the RDC model is that it appears less subject to political objectives and more inclusive of commercial interests.

Although we are of the opinion that more dollars need to be directed to the key supply chain issues/blockages/rate limiting functions it recognizes that certain RDC'S have invested in projects that have resulted in increased Australian scientific capacity, improved rural and remote regional leadership capacity, stronger rural and regional networks and industry input into government policy

They have also addressed the broader communities concerns over adaptation to climate change, storing more carbon in soils, healthy soils, reduction of soil erosion and the sustainable production of food. It is this last point that is arguably where the grain industry most greatly benefits the community. It is an easily overlooked fact that the more efficient the food production is then the more people who are able to work in secondary and tertiary sectors.

If State Governments continue to wind back their role in R&D and extension, should the RDCs be seeking to fill the gap, or are there private players that could effectively fill this role?

It is crucial that government still provides funds to allow research and development to occur in the agricultural sector. However, this R&D needs to be driven from the ground up in order to have direct relevance, therefore increased adoption rates, by growers.

Evergreen Farming does not believe more Government funded extension is required. It would like to see more funding for extension projects funded directly to or in conjunction with grower groups like Evergreen to assist their extension. With the presence of grower driven groups, adoption rates of new information increase as technologies are extended through such groups on a needs basis. As such, farmers can direct information that has direct relevance to their businesses and maintain greater ownership over factors affecting their businesses

In Western Australia there are independent consultants and advisers effectively providing extension direct to growers. Many larger WA growers now employ at least one consultant and in many cases several to advise on farm management, agronomy and marketing. Agribusiness companies such as Elders, Landmark and CRT still provide agronomic advice although the continuation of this service appears to be under extreme pressure and has reduced farmer credibility due to perceived product sales interests. Farmer driven grower groups assist by providing objective trials and extension of research information to district growers where again the growers are engaging the researchers and advisers directly to advise them. The continued service provision / employment of these researchers and advisers depends directly on their benefit to growers.

Improving the levy arrangements

What are the relative merits of compulsory and voluntary levies for addressing free-rider problems?

Voluntary levies are not effective in generating sufficient funds.

Is there any evidence of a significant mismatch between the regional distribution of levy payments and the regional distribution of the benefits from the ensuing R&D, for particular RDCs or across the program as a whole? Would an explicit effort to more closely align the two materially reduce the overall return to the community from the RDC program?

This has always been the perception in West Australia.