Grain Producers Australia (GPA) Seed Committee
C/-
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Katunga Vic 3640

26th November 2010

Productivity Commission

Dear Commissioners

Re Draft Report, *Rural Research and Development Corporations*

Thank you for this opportunity to respond to the draft Report on the Rural Research and Development Corporations.

The proposed withdrawal of government support for these programs is totally unacceptable.

To have government support cut by 50% will have a grievous impact on these programs, and sends a very clear message to the agricultural sector that this Government does not appreciate or value:

- the agricultural community,
- the role agriculture plays in underpinning a large proportion of secondary industry,
- nor the importance of agriculture to the economy.

Writing as a Chairman of an R&D program,

I can assure you that this cut in overall funding by 25% will have a severe effect on a program which could well afford an increase in funding. The RIRDC Pasture Seed Program is in a suitable position to conduct National Variety Trials (NVT), similar to the grains concept of NVT, for pasture - but this is well beyond our finances.

Recently we have had to refuse good funding applications for the development of plants which would be extremely valuable in the face of hotter and drier growing conditions – because of inadequate funding.

Lack of funding forces our Committee to be painstaking in their selection of projects. I believe the Committee does a good job in selecting the projects most urgently required by the seed industry, but there are many good projects, with the potential for great benefits, which have to be refused.

My submission to this inquiry suggested the Government could increase Government funding and support – instead we have a slashing of funding proposed.

I support the concept of developing R&D programs for sectors of the Agricultural industry which is currently missing out, or inadequately supported – **BUT NOT AT THE EXPENSE OF CURRENT, HIGHLY SUCCESSFUL PROGRAMS.**

It could well be argued the R&D for the seed industry is not sufficiently funded when you consider how few levy payers there are, and how important seed is to all agriculture. The success of the farmer relies heavily on the seed he sows.

Writing as a farmer,

I can't begin to tell you how distressed I am about the proposed cut in funding.

Farming in Australia has always been problematic owing to the unpredictable and often harsh climate. Farmers have managed their risks extraordinarily well. R&D has played a major role in their survival.

No decade has been more difficult than the last decade, culminating in the one of the worst (if not the very worst) droughts in recorded Australian history.

The majority of farmers are now seriously in debt. They are relieved the drought is over, and hesitantly look forward to a good harvest this year. Hesitantly, I say, as success is not assured until the grain is harvested, stored, freighted, and sold. This year, there is a cloud over the harvest, with fears of weather damage from too much rain at the late stages of the crop, and perhaps even more worrying is the prospect of a locust plague.

And this is the year where it is proposed to slash Government support to R&D programs!

I hear an argument that if the industry wants R&D badly enough, it will fund the R&D itself. Is this sensible? Or is it akin to suggesting that the poor and starving should increase their own food supply. It might be different if farmers were well resourced - it might be different if they were heavily subsidized by government as our competitors overseas are.

The fact is the cut in funds in these programs will result in Australian agriculture becoming

- less competitive,
- less productive,
- less able to feed a growing population,
- less able to farm efficiently with decreasing resources.

It is folly to think otherwise.

Writing as an Australian citizen

I am concerned about the economic and social impact of the proposed cut in funding to Rural R&D programs. Has a socio an economic impact study been conducted before considering such a significant proposal?

R&D Models

I can't emphasize enough the value of the RIRDC model. I can't speak for other programs within RIRDC, but I know the Pasture Seed program benefits enormously from levy payer representatives being on the Advisory Committee. These are the people at the coal face. These are the people who are best at recognizing emerging urgent problems. These are the people who are the most careful to ensure "bang for buck".

While our program suffers need, we are envious of the millions of dollars being poured into other areas of research such as climate change.

We are not arguing that the climate is a major factor influencing the success or failure of farming, and I for one hope that progress will be made towards extremely reliable long term weather forecasting, as **it is the current unpredictability of the weather that is the real problem.** If farmers knew there was going to be a certain climate for the growing and harvesting season, they would plan around it. For example, if they knew there was going to be inadequate rain during the growing season, they would have the opportunity to **not** sow a crop. Then at least they wouldn't suffer the expense of fuel, fertilizer and seed, and end up with no ability to recoup these costs.

However, do these newer Research and Development programs have the right model? I have to ask, what useful tangible results have any of them had up to this point of time? Millions of dollars have been spent, and what do we have in return? I perceive these new programs are heavily influenced by scientisst, and I wonder at their conflict of interest.

In summary:

I support the concept of developing R&D programs for sectors of the Agricultural industry which is currently missing out, or inadequately supported – **BUT NOT AT THE EXPENSE OF CURRENT, HIGHLY SUCCESSFUL PROGRAMS.**

Please do not cut funding to programs such as the RIRDC Pasture Seed program which is highly successful in assisting the seed industry to achieve many of their long and short term objectives,[i] with the consequent flow on of benefits to every other sector of the Agricultural industry.

Yours sincerely

P. A. Hendy

Penny Hendy, per
Bruce Goss, Chairman
Grains Producers of Australia (GPA) Seed Committee

Appendix A

Better preparing pasture seed producers for climate variability.
Better communication of the great work already done in pasture seed R&D, and providing the seed industry with timely, relevant information.
Overcoming researcher capacity constraints.
Strategies to halt the disappearance of grower skills in an ageing production base.
Utilizing biotechnology including Genetically Modified (GM) plants, and seed implant and coating technologies to meet market demand.
Developing pasture seed crops with higher metabolizable energy.
Developing pasture seed crops that are better adapted, more productive and water efficient legumes.
Capturing the opportunities from a swing back toward livestock production and away from back-to-back cropping systems in acknowledgement of the risk spreading benefits.
Developing new technologies that package desirable attributes either in the seed or on its coating.
Optimizing breakthroughs in the sustainable production and harvesting of pasture seeds.
Developing more environmentally friendly seed production techniques.
Developing a better consumer appreciation of the benefits of improved pastures including renewing pastures after drought, increased soil fertility, and economical in comparison to grain feed.
Better alignment of product with market preferences.
Improving consumer understanding of species potential e.g. overcoming potential environmental problems.
Facilitating required resources for seed production e.g. pollinators.

[i] Seed Industry objectives as outlined at the RIRDC Pasture Seed programs Five Year Planning workshop which involved all sectors of the seed industry – Appendix A