

15th April 2014

Agricultural Competitiveness Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Agricultural Competitiveness Issues White Paper

The Little River Landcare Group would like to thank you for the opportunity to make comment relating to the Agricultural Competitiveness Issues Paper. This is a promising opportunity for the rural sector to make comment and help shape the future of agriculture.

The agricultural sector is faced with a diverse range of challenges in the formation of environmental, financial and social issues; all contributing towards the complexity of agriculture and the need to recognise that a one-size-fits-all approach will not achieve long term, robust practice changes in farming families.

In reading through the issues snapshot, consideration questions and supporting material it became apparent that there is one component of agriculture that requires immediate addressing and this supports what we have observed in our Catchment region.

Issue 1:

Business acumen and in particular, financial literacy, is a serious issue for farming families, rural communities and the agricultural industry at large. An investment needs to be made in developing the business skills of the farming sector so that they can be confident and skilled in assessing their financial position and also the skills to undertake planning processes and implement systems where decision making is robust.

A significant change in mind-set is required in the agricultural sector whereby they manage the business first and the farm second. Once this occurs, farming families will benefit from:

- being in control of their financial position and circumstances
- will be able to respond early to adverse conditions such as variable climate
- increase profitability through sound business assessment and decision making
- opportunities in innovation to invest in new technologies and practices
- Opportunity to invest profits into natural resource management projects and new agricultural technologies
- Establishing a financially robust business that can support agricultural practices into the future
- The use of profits to support their local economy and boost local economic growth

Little River Catchment Area:

- Cumnock
- Baldry
- Yeoval
- Obley
- Arthurville
- Curra Creek
- Suntop
- Toongi

Investment into education, centred on business acumen and financial literacy can be delivered through a diverse range of delivery mechanisms, ranging from school based education and adult learning mechanisms, including not-for-profit community owned organisations. Agriculture would benefit from business acumen education being delivered across all tiers of education – formal and informal education. This shift in thinking needs to start from early school years and will create future generations of business thinkers.

Further investment needs to be made in assisting the agricultural sector in identifying the weaknesses in their business and sourcing enabling tools and resources to strengthen those aspects identified. The work of the [Sirolli Institute](#) and the Enterprise Facilitator and Trinity of Management model has extensive opportunity to reinvigorate and enhance the capacity of farming families and build robust businesses.

We have recently started a new program called 'Generation Wise' targeting the next generation of farmers (20-40 year olds) where the prime focus is to create a group of younger farmers who have the skills and capacity to manage their business to meet variability in climate, markets, community dynamics and family circumstances. Importantly, that they have the skills to analyse and act strategically to ensure their stability in agriculture and make investments in the growth of their business, trial and adopt innovative practices and technology, meet the needs of their family and invest in natural resource management activities.

Issue 2:

In order for the agricultural sector to innovate and advance, access to the NBN is crucial. Access to the NBN opens up to the agricultural sector information, products and services on a global scale. This enables innovation and problem solving that will advance agriculture. Further to this, access to the NBN will encourage producers to increase their marketing profile and access to markets not previously explored. NBN across rural and regional Australia will also allow regional centres to provide the key functions and services required by the agricultural sector to operate in a financial, social and environmental capacity. A key focus of the Department should be to have the NBN installed and accessible to every Australian family and business.

Issue 3:

One aspect which seems to be forgotten in the documentation is the need for the integration of sustainable and regenerative land management practices in a productive agricultural system. The long-term future of agriculture will be solely dependent upon having healthy and productive ecosystem processes which provide essential services to the creation of agricultural products. If agriculture is to be competitive, this must be at the forefront of thinking.

The National Soil Research, Development and Extension Strategy 'Securing Australia's Soil For Profitable Industries and Healthy Landscapes' articulates, quite clearly, the direct relationship between soil management and its impact on productivity and profitability. Therefore, it should be of the highest priority to ensure that the Agricultural Competitiveness review aligns with strategies such as this.

Issue 4:

Drought preparedness needs to be centred on encouraging and rewarding the agricultural sector to make decisions, plan and respond early to changing trends. During dry periods, land managers seem to neglect the most basic of principles – match stocking rate to carrying capacity. Land managers should be required to regularly monitor the feed they have on hand and adjust their stocking numbers accordingly. Networks can be created whereby farmers support farmers through support and learning frameworks and have a level of accountability to each other in reporting their landscape condition and management decisions to respond to variable seasons.

No one is ever able to fully prepare for drought. All they can do is respond to the conditions they have today. Should you 'plan' for a two year drought, you will not be prepared when drought enters its third year and the same applies should you plan for a 10 year drought. The focus must be on creating policies that determine critical dates and/or conditions and in having business skills that ensure you commit to the policy created, as opposed to making decisions based on hope.

Issue 5:

Assistance must be available to assist young farmers in entering the industry. The transition process, moving agriculture into a competitive industry framework may be extensive. Young farmers have passion and attitude and we need to harness this in agriculture and enable them to get started in agricultural business. Too many young farmers exit the industry feeling deflated and disappointed.

Issue 6:

Organisations such as Landcare has significant capacity to engage and deliver programs that meet the needs of their local people and have the trust, respect and integrity required being effective in their delivery. Community organisations offer significant budget efficiency, with organisations such as ours, achieving an efficiency of .91c in each dollar received being used on on-ground and capacity building activities and only .9c used on salary and administration. Little River Landcare has a variety of capacity building models that have proven to be extremely successful in achieving change in practices and thinking. Some of these models include 'Farmers Teaching Farmers' and the 'Positive Farming Footprints' program. Between these two programs, more than 100 farming businesses have undertaken more than 200 days of training a low cost investment of \$660/business.

We wish to emphasise that in order to achieve true, long term agricultural competitiveness, a holistic approach needs to be taken in addressing not just the perceived barriers, but the root cause issues. As stated above, we believe the driving root-cause is a lack of business acumen, being expressed as financial illiteracy. Once a business has the skills and/or resources to address this, they can then generate opportunities that deal with terms of trade, equalisation and profitability.

This is an opportunity to be proactive in how agriculture is placed into the future and it would be welcomed, to see a movement away from reactive management, towards long term proactive management.

We welcome the opportunity to share further information about our capacity building models and experiences and extend an open invitation to the Taskforce to visit our catchment to meet with our team and landholders if required.

Yours sincerely,



Ms Pip Job
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