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Hon Tony Abbott, Prime Minister
Hon Barnaby Joyce, Minister for Agriculture
Agricultural Competitiveness Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
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16 April 2012

Agricultural.Competitiveness@pmc.gov.au

Dear Prime Minister Abbott and Minister Joyce

re: NLN submission to the Agricultural Competitiveness White Paper

It is with pleasure that the National Landcare Network makes this submission to the development of the Agricultural Competitiveness White Paper. NLN welcomes the initiative, and strongly supports the White Paper's intention to create a stronger, more profitable agricultural sector in Australia.

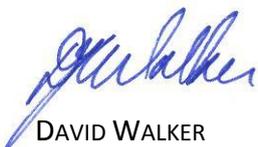
The National Landcare Network is the federation of Australia's State and Territory Landcare representative organisations, which advocate for and represent the more than 5000 Landcare Groups and more than half a million Landcare Group members across Australia.

NLN acknowledges the support towards strengthening these Landcare organisations embodied in the Australian Government's new National Landcare Programme.

In regional communities, farmer-driven and farming-focussed Landcare Groups are the predominant constituency of these State and Territory organisations. Over the 25 years (yes, it's our anniversary year) since Landcare was instigated as a partnership between the farming community and the Australian Government, it has achieved great success in improving the profitability of farm businesses and the productivity of farmland by reversing the spread of land degradation, by promoting and expediting the adoption of improved farming practices, and by building the skills and resilience – the social capital - of the farming community.

The Landcare community awaits with great anticipation the release of the White Paper, so that this contribution to Australia's farming future can be enhanced and secured.

Yours sincerely



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NLN Submission to the Agricultural Competitiveness White Paper **Prepared by David Walker, Chairman National Landcare Network – 16 April 2014**

The National Landcare Network welcomes the opportunity to contribute to the development of the *Agricultural Competitiveness White Paper*.

NLN congratulates the Australian Government on this important initiative and strongly believes that 'Landcare farming' is the key to Australian agriculture's future. Landcare farming encompasses farming systems that aim to build resilience and complexity into the system, and embraces the enhancement of natural ecosystem processes (soil building, and nutrient, water and energy cycling) to enhance productivity while building resilience.

The Australian Government's aim to see Australia's agricultural productivity doubled by 2050 is an ambitious one, and one that will require significant investment in the long-term productive capacity (i.e. the sustainability) of Australia's farmland.

NLN also sincerely welcomes the Australian Government's ongoing commitment to Landcare, through the new National Landcare Programme, as a catalyst for the adoption of farming practices which maintain and enhance the quality, productivity and sustainability of Australia's farming land. It is the 'health' of our land resources that underpins our productive capacity, and is the key driver of both the quality of Australia's farm products, and the reliability of the supply of those products – both fundamental determinants of our Agricultural Competitiveness.

The *Agricultural Competitiveness White Paper* is intended to be the basis for 21st century policies that bring a better return to the farm gate. NLN recognises that the major contribution to farm gate return happens behind the farm gate.

The yields of farm commodities achieved and the costs of production associated with achieving those yields are dependent on the way a farmer manages and cares for the farm resources to best effect. It is around these aspects that NLN will address the matters canvassed in the *Agricultural Competitiveness Issues Paper*.

These aspects are of particular importance in view of the fact that, according to ABARES, the increase in productivity of Australia's farmland has stalled over recent years. At the farm level, productivity increases are based on improved condition of soil, water and vegetation, as well as from the adoption of new technology and knowledge, and increasing the rate of adoption of currently available technologies and knowledge.

Firstly, however, NLN will preface its contribution by providing an overview of Landcare and its role in ensuring Australia's farming systems are both productive and sustainable, and assisting Australia's farming community to be innovative, collaborative, resilient, confident and content.

25 years of Landcare and its role in agricultural productivity

Landcare is a partnership between government and the farming community, which recognises and respects the fact that it is the farmers who manage the 53% of Australia utilised for farming, and that effective engagement of these farmers is the pre-requisite to achieving changed farming practices. In this partnership the farmers provide the land, the implementation, the innovation and the lion's share of inputs, while the Government provides resources, support and a framework for cohesive action. Both sets of contributions are vital. At its most effective the partnership works because it enables and empowers farmers to take charge of improving their land management, their production systems and their profitability.

Ever since the National Farmers Federation's Rick Farley and the Australian Conservation Foundation's Phillip Toyne bridged the divide between farmers and conservationists in 1989 to commence the 'Decade of Landcare', attitudes and action towards productivity, sustainability and conservation on farmland have been transformed. That hitherto unlikely collaboration sparked the proliferation of Landcare across rural Australia.

The genesis of Landcare was the realisation that agricultural productivity and sustainable landuse were inextricably linked and mutually dependant, and that effective action against declining farm productivity and associated land degradation often required collaborative action with neighbouring farmers. The Decade of Landcare was the catalyst that stimulated many farmers to think about, and to talk with other farmers, with scientists and advisors to gain a better understanding of the landscape function that underpinned their farm's productivity and integrity. With government support came resources and the opportunity to work with their neighbours to take coordinated action to address declining productivity and to learn about innovations that would improve their profitability and sustainability.

The Landcare model brought groups of farmers together to identify and learn about the issues that impacted upon their farms' productivity, and helped them assemble the information and resources, by seeking advice from relevant technical specialists and accessing funding, necessary to address those issues.

Integral to the success of Landcare has been the 'peer-to-peer' learning and mentoring that the group enables, and the fact that trialling and adoption of the 'new' sustainable practices is led by the farmers themselves – self-determination and 'ownership' are paramount in ensuring that the changes are embedded as 'social norms' rather than being directed by outsiders – Landcare is founded on 'respect', 'trust' and 'connection'.

When the National Landcare Program was launched in 1989, it was envisaged there would be 2000 Landcare Groups by 2000. Landcare has continued to grow, with more than 5000 Landcare and related Community Groups in 2014, with more than half a million members. "This army of volunteers has changed the face of Australia's rural and urban landscapes. It has planted millions of trees, shrubs and grasses; repaired riparian zones and restored water quality by reducing erosion and fencing out stock from riverbanks; protected remnants of native vegetation; regenerated areas to provide habitat for native wildlife; improved ground cover, grazing methods and soil management; and rehabilitated coastal dunes and recreational areas" (DAFF, 2012a).

The value of Government investment in Landcare has been outstanding. The average ratio of private cash equivalent contribution by Landcare groups to National Landcare Program funding has been about \$3:\$1 or \$4:\$1, with some studies showing an investment multiplier of up to \$12:\$1 (AFFA, 2004).

But of equal significance has been the contribution that Landcare has made to building the capacity and resilience of rural communities. By providing a comfortable social forum to get farmers and their families off their farms and mingling with their peers, it has delivered invaluable community development and lifted the spirits of farming families, particularly in time of drought or natural disasters, and mitigated or prevented the development of serious rural mental health issues under the stresses that such situations bring. For example, the Little River Landcare Group in Central NSW has been widely recognised for its targeted rural mental health program to address drought stress.

Similarly recovery from natural disasters, in terms of both rebuilding farm infrastructure and mental health has been a major focus of, for example, the Upper Goulburn Landcare Group in Victoria, following the 'Black Saturday' fires of 2009, and Landcare Tasmanian following the fires of 2013. Active Landcare groups, being local and non-government and not restricted by 'procedural matters', can identify needs and respond immediately when needs are most acute and victims most vulnerable.

However, over the past decade Government policy has demonstrated a misunderstanding of Landcare's strengths, and the type of investment that Landcare needs to be effective and to engender self-reliance, confidence and innovation in the farming community. Rather than facilitating the process whereby farmers designed and developed their own solutions to the productivity/sustainability problems that confronted them (but would access relevant technical expertise as appropriate), a regime of programs that merely 'purchased' specified onground outcomes was implemented, towards targets established by government agencies remote from and ignorant of local priorities and realities.

Thankfully, the clear intention of the new National Landcare Programme is to address these shortcomings.

The Purpose of the White Paper

The purpose of the White Paper is to enable the Australian Government “to set stable, long-term policies to improve productivity and growth”, and to “outline a clear strategy to improve the competitiveness and profitability of agriculture”.

Landcare should play, and intends to play, a central role in achieving these aims.

Landcare has a proven track record of assisting farmers to boost their productivity, and the efficiency of that production, to implement flexible and season-responsive production systems that are resilient to climate variability, to adopt an ethos of “maintaining and enhancing the natural resource base” and to assume custodianship of the biodiversity on their farms.

Landcare has seen a recognition by farmers that there is an element of ‘social licence’ in their ownership and utilisation of their 53% of Australia, the same social licence that is expected of mining companies. The wider community looks to farmers to provide them with food and fibre produced ‘sustainably’, and, as custodians of so much of the Australian land mass, to make a contribution to the preservation of the unique flora and fauna that it carries.

Involvement in Landcare, because it encourages farmers to take a longer term view of their involvement in agriculture, tends to stimulate farmers to critically evaluate their longer term approach to farming, regarding such issues as family succession, and business structures.

Issue 1: Ensuring food security in Australia and globally

“The White Paper will consider food security in Australia and the world through the creation of a stronger and more competitive agriculture sector”.

“Landcare farming delivers food security that doesn’t cost the earth”.

One factor that will impact upon global food security is consistency of supply. Farm production systems that maximise efficiency of rainfall use and build resilience into the system can minimise year-to-year fluctuations in farm produce quantity and quality.

Australian agriculture will indeed “need to expand significantly to take advantage of new opportunities”.

This ambition runs the risk of ignoring physical constraints to production increases, and past lessons of attempted expansion leading to land degradation. The contribution that farming has made to Australia’s economic growth over 226 years has generally been at the expense of our soil organic matter and the complexity and stability of our vegetation communities. The afore-mentioned Decade of Landcare has been remarkably successful in arresting that trend, and underpinning productivity gains, but there is no doubt that the increases in production envisaged will not be achievable without broader adoption of Landcare farming systems.

Of course the greatest challenge to global food security is the impact of climate change. Increased temperatures and more heatwaves, higher evaporation, reduced effectiveness of rainfall, along with longer and more extreme fire danger periods, and extreme rainfall and flooding events are already impacting on food production and farming communities right around the world.

The best means we have of mitigating the ‘perturbations’ for food production systems that will come from climate change is to build resilience and flexibility into those systems, and that means Landcare farming.

While technology will make an important contribution to farmers' ability to adapt to climate change, the rate of adaptation necessary may well be beyond our capacity to adapt, certainly in the longer term.

Issue 2: Farmer decisions for improving farm gate returns

“The White Paper will consider the means of improving market returns at the farm gate, including through better drought management”.

A major determinant of farm gate returns is the amount of, and the quality of, product for sale. High yields of top quality produce depend on a healthy production system, and such systems are based on healthy soils. Management practices that improve soil structure, increase soil organic matter, maximise rainfall infiltration and retention, and include pasture and crop plants that can respond to these optimal conditions, will underpin profitable, productive and successful farms – the types of farms that can stimulate confidence in agriculture, and re-investment and expansion.

Unfortunately there is far-too-large a proportion of farms that do not fit this description, and they are holding agriculture back, and providing a poor perception of farming. And it is incorrect to assume that these farmers will soon leave agriculture and will be replaced by more efficient operators. The ability of such farmers to hold on, their tenacity, defies logic, and this stoicism brings with it family disruption and conflict.

Far better to engage these farmers, and help them become profitable and sustainable. Better for the land and better for the communities they live in.

In other words the challenge is to lift the productivity and capacity of the bottom 75% of farmers closer to the high-achievers.

The issues paper notes that farm productivity growth has slowed in the last 15 years. NLN questions the extent to which this is due to a slowing in uptake of 'sustainable practices' – Landcare farming – by farmers, and also how much is due to a slowing in addressing the land degradation issues impacting on their productivity, both of which were such a focus during the Decade of Landcare that, coincidentally, finished 15 years ago.

Droughts clearly have a devastating impact on farm gate returns. An understanding of the ecosystem processes that underpin their production systems is vital for farmers developing drought preparedness strategies, and also maintaining their farms in a condition that enables less severe drought impact and more rapid recovery afterwards.

A Landcare farming approach enables farmers to maximise returns when seasons are good, but provides early warning of deteriorating conditions, triggering de-stocking (or reduced cropping activity) so that losses are minimised and post-drought recovery is rapid. One presenter at ABARES2014 in March this year, Natalie Williams, spoke of how their Landcare farming system supported a livestock enterprise at seven times the stocking rate of their Shire average. In order to maintain that productive capacity to maximise profit in good seasons, they completely destocked during the recent severe Queensland drought.

The building of resilience into the farming system is the best means of risk management we have.

One of the best predictors of resilience in the system is maintaining or increasing soil organic matter. The recently released Soil Carbon Methodology in the Carbon Farming Initiative may be an important step in quantifying the benefits and rewarding Landcare farmers for building their soil carbon.

Issue 3: Enhancing access to finance

“The White Paper will consider access to finance, farm debt levels and debt sustainability”.

One means of attracting investment in agriculture is to increase the sector’s attractiveness to the Corporate Social Responsibility aspirations of non-agricultural firms. If agriculture can demonstrate ‘environmental sustainability’ then it will be better able to partner with outside investors who have such investment parameters.

Issue 4: Increasing the competitiveness of the agriculture sector and its value chains

“The White Paper will consider the competitiveness of the Australian agriculture sector and its relationship to food and fibre processing and related value chains, including achieving fair returns”.

The adoption of Landcare practices will see Australian farm produce compare favourably with competitors, and capture greater market share. This is particularly important as consumers demand to know more about where their food comes from, and the environmental credentials of the farmers who produce it.

Issue 5: Enhancing agriculture’s contribution to regional communities

“The White Paper will consider the contribution of agriculture to regional centres and communities, including ways to boost investment and jobs growth in the sector and associated regional areas”.

Over its 25 years Landcare has been an important agent for community development and community capacity building. The opportunity for social interaction provided by a commitment to and involvement in Landcare by farming families has built community spirit and provided a valuable support mechanism for those families in the face of uncertain seasons, exchange rates, mounting rural debt, commodity prices and government policies.

There are numerous anecdotes of farmers ‘at their wits end’, but comforted and strengthened by the support of neighbours and the realisation that most of the problems are shared and almost universal, but only because the opportunity to share their problems is available through some community group mechanism.

Landcare builds stronger, more self-reliant and capable rural communities. Investment in Landcare is an investment in the social capital of the community.

Where Landcare is effectively supported by Government, it is often manifest through the employment of a local Landcare coordinator. They are often young, well-educated and enthusiastic, adopting the farming community as their own, marrying a local and becoming leaders in the community. This is a source of community enrichment that is often not well-recognised, and provides effective mitigation against the usual drain of youth and talent to the larger centres.

The Landcare ethic recognises that Indigenous Australians effectively managed the Australian landscape for thousands of years. Landcare celebrates indigenous community linkages by freely conceding that while ‘white fella’ Landcare might have been practised for 25 years, Landcare has been a part of the Australian landscape for 25,000 years.

Issue 6: Improving the competitiveness of inputs to the supply chain

“The White Paper will consider the efficiency and competitiveness of inputs to the agriculture value chain—such as skills, training, education and human capital; research and development; and critical infrastructure”.

It is well recognised that farmers are operating in a constantly changing commercial and climatic environment. The need for farmers to familiarise themselves with changing technologies and improved production methods is an ongoing challenge.

Over many years it has been shown that the best way for farmers to learn about and consider adopting new technologies is from their peers. The success of the Landcare model, particularly when it was well-supported through the Decade of Landcare, attests to the effectiveness of grassroots learning.

Whether it is improving irrigation water use efficiency, targeting fertiliser applications to crop needs, understanding the benefits of healthy soils, grazing management to favour more productive and persistent perennial grasses, the modification of cropping machinery to minimum tillage, the best understanding and uptake of these productivity enhancing innovations come from farmers kicking the dirt on a ‘real farm’, and seeing how ‘real farmers’ have implemented the changes, and asking them about their real life experiences and the pitfalls.

NLN believes that it is no accident that the decline in the rate of productivity improvement over the last 15 years coincides with the reduction in support for Landcare’s ‘peer-to-peer’ learning style from around 2000. The continued ‘up-skilling’ of the farming community is as important now as it ever was, and the best methods of delivery and uptake need to be supported.

The encouragement of innovation and on-farm experimentation can also make a significant contribution to agricultural competitiveness. There are many cutting-edge thinkers in agriculture, not constrained by the strictures of institutions, who develop novel approaches to production issues. The forum provided by Landcare gives them the opportunity to share and fine-tune their ideas, and have their neighbours adapt and modify ideas for their own particular situations.

A constant theme through this submission is the importance of increasing the uptake of Landcare farming practices in order to increase productivity and product quality.

The refinement and improvement of the production systems and management techniques through R & D, both on-farm and by research teams, is an important first step in this process. The second step is to facilitate farmer access to the information, so that on-farm implementation and trialling can be undertaken, followed by advocacy and support towards wider adoption across the farming community.

Landcare has been an integral part of the mechanism for wider adoption.

Now in the situation where there has been a general withdrawal or reduction in Government involvement in extension, this role needs to expand. The Australian Government’s R, D & E strategy for agriculture needs to recognise and support Landcare’s (and like farming systems group’s) vital role in the development of an effective R, D & E continuum for practice change.

Landcare and production and farming systems groups also play an essential role in providing a feedback loop between practising farmers and researchers to ensure research is targeted appropriately, and the information packaged in a format that is easily understood and is seen by farmers as relevant, in order that it is readily adopted and it engenders the intended

practice change. Government can better identify and prioritise R, D & E by making sure that the ideas and needs of the farming community are supported and heard.

Talking to and learning from ‘farmer champions’ also has seen a greater understanding by farmers of the importance of complexity in a farm ecosystem, and how beneficial biodiversity can be to a resilient, sustainable production system.

Issue 7: Reducing ineffective regulations

“The White Paper will consider the effectiveness of regulations affecting the agriculture sector, including the extent to which regulations promote or retard competition, investment and private sector-led growth”.

Regulation is indeed important for both economic and social reasons but regulation must be effective and efficient. NLN would love to see less regulation of agriculture, but recognises that the wider community good requires insistence on minimum standards of land management, product quality and good corporate citizenship.

The need for regulation can be minimised when the capacity and capability of farmers is maximised. When they have a good understanding of their responsibilities, and why it is in their best interests to uphold those standards, then they don’t need Government looking over their shoulder.

Issue 8: Enhancing agricultural exports

“The White Paper will consider opportunities for enhancing agricultural exports and new market access”.

Again, the best opportunity for Australia to maximise opportunities for new and expanded export markets lies in enhancing our reputation for the sustainability of our production systems and the quality and reliability of our products. Landcare farming equips farmers to best meet these challenges.

Landcare itself is already a valued Australian export. The Landcare model, of farming communities taking ownership of their natural resource and productivity issues, is now being implemented in more than 20 countries worldwide.

Issue 9: Assessing the effectiveness of incentives for investment and job creation

“The White Paper will consider the effectiveness and economic benefits of existing incentives for investment and job creation in the agriculture sector”.

The success of Landcare is greatest when the investment (by Government) is in the farmer, rather than the farm.

Over its 25-year history, Landcare has provided Government with a remarkable return on investment. By providing support for the involvement of farmers in Landcare and for Landcare activities, Government has enabled farmers to become aware of their sustainability and productivity issues, and to learn how to address them and put the Landcare farming solutions into practice. The transformation of attitudes to sustainable farming, the reduction

of land degradation, the increased productivity, and the reduced impact of weeds and pest animals have been significant.

The average ratio of private cash equivalent contribution by Landcare groups to National Landcare Program funding has been about \$3:\$1 or \$4:\$1, with some studies showing an investment multiplier of up to \$12:\$1 (AFFA, 2004).

The effectiveness of the incentives to production improvement and the adoption of Landcare farming practices, and the economic benefits that have flowed from the provision of these incentives has been a most worthwhile investment for the Australian community.

Closing Comments

The Australian Government's aspiration to see Australia's farm production doubled by 2050 is a worthy one.

However we are not dealing with a factory floor here, where installing a second production line and doubling the quantity of components-in will give twice the output.

The productive capacity of our farmlands is often constrained by the underlying quality of what we have to work with. The issues paper itself states: "our soils have less organic matter, lower phosphorus and other nutrients, and poorer structure and are susceptible to erosion, salinization, acidification and compaction (DAFF 2012a)" (see page 23).

It was in response to the creeping impact of such land degradation, and the realisation that the problems were not contained by farm boundaries, that gave rise to the advent of Landcare 25 years ago.

And Landcare can be justifiably proud of its achievements in turning that degradation around.

The basis of farmers increasing the productivity of their land is their gaining an understanding of the basic land function, the ecosystem processes, that underpins their productive capacity. Soil health, ground cover, water infiltration, soil organic matter, soil structure, perenniality in pastures, complex plant communities, biodiversity, ecosystem services, are all terms that few farmers understood or cared about 25 years ago. Now leading farmers well-understand that knowledge of, and management towards enhancing, these attributes is the foundation of their profitability.

Landcare farming, with its understanding of the importance of maintaining the integrity of the resource base, is the foundation of drought planning and drought preparedness. Farmers who are drought prepared refuse to compromise the condition of their farm resources, and take the necessary steps, when rainfall deficits occur, to prevent degradation.

However, again as the issues paper states, there is a significant proportion of farm businesses that underperform (see page 11), and this has a major impact in their ability to lift productivity and invest in expansion or productivity growth.

"Recognising the characteristics of farms that achieve this (profitability) can help other farmers improve the profitability of their farms". The improvement of management capability and the adoption of more productive, sustainable practices is the key to these underperforming farms being able to make their contribution to the aspiration for doubled farm production.

Currently, with a decline in the rate of productivity growth over the last 15 years, the trend is heading in the wrong direction.

If that decline is to be reversed, and we are to recapture the transformation of productivity that was engendered through the Decade of Landcare, we need to increase investment in extension and the mentoring of laggard farmers by our farming trend-setters. Landcare, with its 'peer-to-peer' learning model and the high regard with which it is held across the farming (and broader) community, is the logical vehicle to undertake this task.

The Agricultural Competitiveness White Paper provides an opportunity for those who believe in the future of agriculture to regather our thoughts on what is needed, what we already have, and what can be harnessed to drive the change and adoption at the local scale necessary to bring agriculture to its full potential.

There are Landcare groups and networks all across Australia that would be delighted to host the Agricultural Competitiveness Taskforce to allow it to investigate how Landcare has already significantly lifted agricultural productivity and sustainability, and assisted farmers build resilience into their businesses and their communities, and how Landcare must be a key player in taking agriculture forward to 2015 and beyond.

Thank you for the opportunity to contribute.

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