

AVERTING A LONG-TERM DISASTER

By Rebecca Thyer

An ageing rural workforce is a long-term disaster in the making, but could be addressed by 'firststart' programs or tax breaks for young farmers, says 2007 Nuffield Australia Farming Scholar Ronald Thompson.

The Queensland farmer has spent the past year studying Australia's diminishing rural workforce and says an ageing rural population is just part of this complex issue. But farm economics, education, overseas workers and R&D could help arrest rural decline, he says.

The findings from his GRDC-funded scholarship – which took him to New Zealand, the US, Canada, Mexico, Brazil, France, Ireland, the UK, Sweden, the Philippines and China – were presented at Nuffield Australia's Innovative Farming Australia conference in Fremantle in October this year.

Ron, who farms 935 hectares at Chinchilla in southern Queensland, says that with an ageing farming community and a diminishing rural workforce "Australian agriculture faces a tight future".

The simple solution to the ageing problem is to get more young people farming and this is where first-start programs or tax breaks in the early stages of setting up could help, he says.

"A point missed by many in business is the big capital commitment needed to start a farm."

But the best result lies in improving farm economics, he says.

A diminishing rural workforce can be addressed – Australia's rural community just needs to get behind some innovative solutions, says Nuffield scholar Ronald Thompson.

"The easy way is to have the farm making a big operating profit so the next generation wants to farm." This is where he sees biofuels playing an important role. This renewable fuel could be agriculture's unsung hero, he says.

Biofuels an unsung hero

Ron says that in every country he visited biofuels were a major part of life, with farmers the big winners. "It left me embarrassed that Australia, a past leader in so many fields, had essentially turned its back on an amazing industry. We have tinkered around the edge while Brazil embraced biofuels 30 years ago, the US has mandated that 20 per cent of its fuel contain biofuel by 2013, Sweden also has a mandate and even China is selling it."

He acknowledges arguments against biofuels – especially from the intensive feed industry and consumer groups worried about increases in food prices – but says these concerns are mainly confined to Australia. "Other countries have worked through the problems and grain farmers have prospered.

"There are many forms of renewable energy available to farmers including wind, solar, recycling waste to energy, as well as grains and sugar. All of these have a place to varying degrees and will reinvigorate our rural communities." He says farmers need to push the government to mandate biofuel use, while encouraging the feed industry to follow models set up in the US and Sweden where feedlots are located next to biofuel factories.

Need to keep researchers here

Ron says that anything is possible with the right R&D, but questions Australia's scientific ability when many of its top researchers work overseas.

He says that increasing funding or tax breaks for agricultural R&D is essential to keeping Australian scientists in Australia. "Regardless of whether findings stay in Australia or not, we need scientists working here. If they go overseas the information they discover has less credence in this country and we lose the ability to at least have some control over our own destiny."

Ron says that in almost every country he visited, Australians were the head of research facilities. But he says a large number of scientists would stay in Australia if they had access to cutting edge research.

"The answer to R&D is to make it worthwhile by doubling tax incentives for a start, while cutting red tape and getting R&D projects linked to current problems is also going to benefit. R&D has contributed to farmers' profitability as well as community viability."

Labour needs

For the short-term, one solution to the nation's labour needs is to recruit overseas workers.

Ron acknowledges this is a hot topic but asks Australians to consider it.

"We are in a global economy and we export all over the world,



Nuffield-GRDC 2007 Scholar Ronald Thompson at home on his Chinchilla farm.

the assistance of the GRDC, investigates recent advances in international grains R&D.

why not recognise we are in a global labour pool? Australians go all over the world to work and we don't question whether they should go.

"History shows rural migration has been successful in Australia," he says. "Recognising that there are two types of workers – ones looking to migrate and others looking at short-term work is essential to making it work today."

Ron's other recommendations include improving systems for the intergenerational transfer of farms; value adding or vertical integration to maintain product ownership for longer; and promoting agriculture in a positive way through education.

"If the economics of the farm are not dramatically improved, the ability to attract workers and career people at all levels associated with farming will result in further agricultural decline," he says.

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NUFFIELD SCHOLAR DOING THE WORK OF 14,000 FARMERS

Almost 50 million Chinese have heard 2007 Nuffield-GRDC Scholar Ronald Thompson speak about opportunities for technology to improve agriculture during live interviews in October 2009 on Chinese agricultural television and radio stations.

Ronald said during his interviews he spoke about the Weedseeker technology and cattle identification systems being used in Australia. This followed from his presentation on *Agricultural Business Start-up in Australia* at the International Forum on High-tech Agriculture at Yangling, near Xian in central China.

He used his own 935 hectare farm, near Chinchilla northwest of Brisbane, as an example for the presentation. He is the sole operator of the business, producing peanuts, pulses, cereals and grazing cattle on leucaena.

An equivalent area in China would be worked by 14,025 farmers.

"I hope that the sheer scale of my operation has not been too daunting for the audience," Ronald said.

"China is looking to increase its agricultural efficiency by using scale and there is a trend to amalgamate farms to improve production efficiency. There are excellent examples of foreign companies assisting the Chinese in this.

"There are opportunities to help the Chinese in the central area around Xian to gain better efficiencies. I see opportunities in cattle management and genetics, particularly as that is an area they are not traditionally strong in. Generally the Chinese are keen to learn and the Nuffield network could provide a wide array of people who could potentially help."

Ronald was invited to speak at the forum after leading a group of Nuffield Scholars through China on a study trip in June this year. His presentation follows on from Nuffield Scholars Mark Branson and Peter Treloar, who have spoken at the forum in the past two years.

Ronald said his presentation had been a great success and he has been invited to present at future forums.

BRIGHT FUTURE FOR AUSTRALIAN GRAINS BUT MANY CHALLENGES

Broadacre grain production in Australia has export opportunities on its doorstep underpinning its long-term future, but the sector will need to meet the challenge of its dependence on imported inputs that will eventually become increasingly expensive.

Advisers attending the GRDC Update in Adelaide in March this year were treated to a detailed talk by the Western Australian Department of Agriculture and Food's Associate Professor Ross Kingwell.



**Associate Professor
Ross Kingwell.**
(PHOTO: Brendon Cant)

Emerging international markets

Ross said that although Australia faced increased competition from emerging grain exporters, it was well placed to service emerging markets in Asia. Twelve nations in our region – China, India, Indonesia, Pakistan, Bangladesh, Japan, the Philippines, Vietnam, Thailand, South Korea, Malaysia and Sri Lanka – already represent more than half the world's population and by 2020 are expected to have a combined population of almost four billion.

It is projected that by 2020, these nations' consumption of protein (beef, pork, chicken and dairy) will have risen dramatically. Current global feed grain production growth will only meet about a third of this demand. Ross said Australia will benefit from this increased demand probably by specialising in human consumption grains while other countries focus on serving the increased need for feed grain and fodder. All this could mean sustained high prices.

Energy prices the big challenge

Commentators are very confident that over the long term – and despite a recent drop in oil prices – the cost of fuel and fertiliser will increase and herein lies one of the biggest challenges facing Australian grain producers.

"Our future lies in energy-efficient production," Ross said.

"To meet these and other challenges and profit from emerging market opportunities, we will require science and innovation, sound advice, skilful farm management and policy to support farm business resilience. But history tells us that Australian farmers, scientists and advisers are likely to be up to the challenge."



Ross Kingwell points out that 12 nations in Australia's region are expected to have a combined population of almost four billion by 2020. This represents an enormous opportunity for Australia's agricultural export industries.