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Productivity answer home grown

Australian Prime Minister Kevin Rudd can head to the G8 meeting in Japan this week with the answer to improving world food security growing in his own back paddock.

That's the view of Chair of the Council of Rural Research and Development Corporation Chairs, Enzo Allara, who says the answer is increasing farm productivity. That is, growing more food from the same amount of farming land.

Mr Allara says currently annual global food production is growing at only 1.5%, not enough to keep up with demand.

"A recent study commissioned by the Rural Industries Research and Development Corporation (RIRDC) and undertaken by the Centre for International Economics, found that food production has lagged annual demand for five out of the last eight years.

"But in Australia, agricultural productivity has been at an average of 2.5% and in some industries, including grains, reaching 3% per annum.¹

"If the rest of the world could catch up to Australia's level of farm productivity, we would be well on the way to soothing global fears about food supply," Mr Allara said.

For many years the total area cultivated across the world has not grown. The increases in output of major crops that have occurred have been through increases in agricultural productivity.

The RIRDC report found the key supply side factors causing a spike in world food prices were weak growth in production, the relatively rapid growth of real agricultural input prices, below average harvests and government restrictions on production and trade in food.²

"The Australian Prime Minister can speak with authority at the G8 summit on the question of how Government's can facilitate improvements in farm productivity", Mr Allara said.

¹ Mullen, J. D. & Crean, J. (2007) Productivity Growth in Australian Agriculture: Trends, Sources, Performance. Australian Farm Institute: Sydney

² High Food Prices – Causes, implications and solutions, Rural Industries Research and Development Corporation, June 2008.

“Australia has a world class model for agricultural research and development that underpins our stellar productivity performance. The fifteen Rural Research and Development Corporations are responsible for investing more than half a billion dollars every year in agricultural R,D and E. Their job is to respond to both national issues and industry issues, and invest funds drawn equally from industry and government contributions. They are working together on a range of large scale national projects, such as anticipating what is needed to adapt to climate change, at the same time as managing specific industry research priorities. “

Mr Allara says the combination of national interest and industry specific research has provided the engine room for productivity growth in the Australian farm sector.

“Interestingly, it is a model that is causing interest from countries such as China and South Africa, who have been making overtures to find out more about how they might adapt it to their own production framework.

“So if the G8 is looking to encourage food policy that ensures production, distribution and consumption of food that provides the right food in the right place in a way that makes the best use of available resources, the research model underpinning the success of agriculture in this country could well be a useful starting point.”

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