Healthy farming – stronger communities?

Summing up

Professor David Pannell

ARC Federation Fellow
What I saw

• Huge diversity of issues raised
• Lots of challenging trends and changes
• Some innovative responses to the challenges
• “Constant change is an ongoing reality”
The treadmill

• Need to continuously improve the productivity of agriculture

• Largely achieved

• But at cost of
  
  ❖ Declining number of commercial farmers
  ❖ Resulting social changes
The University of Western Australia
Achieving International Excellence

Source: John Mullen

Gross Value of Production, WA Agriculture ($m)

Real GVP Without Productivity Growth

Real GVP From Productivity Growth
Economies of scale unlikely to be main driver of further farm no. reductions
Declining terms of trade?

- For past 300 years
Wheat yield (EU, USA, World)
Declining terms of trade

Is it still declining?
Different “landscapes” (Barr)

- Production
- Transition
- Amenity
  - Trend towards “amenity” a dominant factor in Victoria and parts of NSW
  - Demand for land for subdivision a much bigger driver of change than declining terms of trade
Victoria (Barr)
Amenity landscapes

• Lifestylers important in certain locations
  - E.g. around Bunbury, Albany and Esperance

• Much less of a factor overall than in the east
  - Sea Changers, not Tree Changers
Social changes

• Increasing average age
• Young people move to coast
• Woman drought
• Rising expectations (e.g. about housing, salary)
• Declining social amenity in some regions
• “Drive-in drive-out” farming
Importance of agriculture to rural communities

• Households shop elsewhere

• Farmers buy inputs and services in town
  - 85% in Lachlan shire (Bill Pritchard)
  - Likely to continue to be true to some extent
  - The person you buy wheatbix from doesn’t need to understand your situatio
  - Its good if the person you buy farming inputs from does
Impressions from case studies

- Emphasis on people
- Commitment to rural communities
- Passion
- Positive attitudes (Julian Kreig)
- Stresses
- Succession/Progression
Impressions from case studies

- Thinking differently
- Innovation
- Thinking big
- Strong business/market/marketing nous
Policy

• Agriculture is now a minor part of the Australian economy (Nazrul Islam)

• Extremely urbanised society

• Policy cannot stop the changes

• Can facilitate adaptation
Policy (Environment)

- EMS (Mingenew-Irwin Group)
- Declining rural populations mean big challenges for our traditional environmental programs
  - The reliance on volunteerism
  - Management demands of large, complex farming businesses
  - Presumptions about adoption
  - Labour shortages also have implications for which environmental practices can be adopted
Policy

• Challenge: policy prefers “one size fits all”
• High hopes/expectations
• Low capacity to really deliver
Policy

- Crucial role of R&D in maintaining agriculture
- Shift in policy focus from production to
  - Environment
  - Markets
- Will come home to roost over the next 20 years