

Smarter farming needed to reap Asian rewards

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FARMERS must work the land smarter rather than harder to take full advantage of the coming Asian population boom and to combat increasing soil degradation and climate change pressures on agriculture, in a bid to capitalise on estimated \$16 billion increase in food exports over the next four decades.

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The Centre for Policy Development, a progressive think tank, will today release a paper that examines how agriculture can continue to bolster the Australian economy, especially with the Asian boom — farm products currently make up 10 per cent of all exports and are worth \$35.9 billion.

"Australia will need to use farm inputs more efficiently than our competitors, as many of our soils are low in nutrients and are vulnerable to degradation. Every year we continue to lose soil faster than it can be replaced," the report says.

"How we manage our land and soils will be key to turning projections of an extra \$16.4 billion in food commodity exports by 2050 into reality."

The report found agriculture could achieve a competitive advantage by improving productivity, minimises fuel and fertilizer use, and preserves the environment and resources it draws on.

To do this the Centre recommends establishing a national research and development centre.

"Federal and State government funding for research and development should be significantly increased at a rate of up to 7 per cent a year to match investment through the 1950s to 1970s."

The Centre says Australia needs to look after land and soil assets, and that acting now to improve soil condition could increase wheat production by up to \$2.1 billion per year.

Other recommendations include diversifying farm revenue sources to reduce financial risk.

The research found that without action to adapt to more variable and extreme weather, by 2050 Australia could lose \$6.5 billion a year in wheat, beef, mutton, lamb and dairy production.

Overseas demographic pressures and climate change may add to food insecurity, particularly in the developing world, with global food prices likely to trend higher and be more volatile.

"Farm input costs are also likely to rise. This means that countries with less fossil-fuel intensive agriculture, and more reliable production, will better placed to benefit from times of high prices."

"Australia's challenge is to increase productivity per hectare, without raising farm input costs through higher fertilizer and fuel use. Maintaining strong farm finances is essential to allow farmers to invest in new farming practices, and stewardship of natural capital."

It argues that maintaining healthy ecosystems is important for long term agricultural viability. "Native grasses and other vegetation can protect agricultural soils from erosion and severe degradation during drought periods. They

also offer habitat for bee populations that provide \$1.8 billion each year in pollination services."

This story was found at: <http://www.theage.com.au/national/smarter-farming-needed-to-reap-asian-rewards-20121031-28k9f.html>