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Department of Agriculture, Fisheries and Forestry
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Submission re: Drought Resilience Funding Plan
Granted an extension to submission date

I write regarding development of the Future Drought Fund (FDF) next phase of funding from 2024 to 2028 and the Department of Agriculture, Fisheries and Forestry's request for submissions.

Grain Producers SA (GPSA) is encouraged by the findings from recent the Productivity Commission Inquiry and appreciates the opportunity to provide a submission through this process.

GPSA is the peak industry body representing the 4,500 grain farming businesses in South Australia who plant more than 4 million hectares of cereals, pulses, and oilseeds annually. South Australia produces an average of 7.9 million tonnes of grain each year, which contributes more than \$4 billion to Australia's gross food revenue. This is made possible by grain growing businesses and farming communities across the state.

1. 5.0 Proposed Key Features of New Programs: Does the draft funding plan provide an appropriate framework to guide spending on drought resilience initiatives?

GPSA believes it is important to clearly define what the aim of each of the initiatives and what it would look like if these are achieved, how they will be administered, and how results are measured. Without a clear and well-defined purpose, it becomes difficult to assess project effectiveness and any potential impacts. The draft funding plan must provide an appropriate framework to guide spending on drought preparedness and resilience initiatives.

Our collective goal should be to reduce the hardship and collective pain of drought for farmers and their communities and adequately prepare them to be in the best position possible prior to a dry year. The goal is captured in the FDF vision of *'an innovative and profitable farming sector, a sustainable natural environment and adaptable rural, regional and remote communities – all with increased resilience to the impacts of drought and climate change.'* The monitoring, evaluation, and learning (MEL) framework category groupings based on economic, environmental, and social resilience, measured as a guide to helping test, should confirm and strengthen refinement to the FPF program logic. In addition, consider publishing a single all-inclusive performance indicator captured from the reported quantifiable data measured over each funding period since inception. A single indicator would help demonstrate general progress and achievement of the FDF vision.

GPSA recommends the FDF framework requires performance measurement of long-term resilience benefits to ensure ongoing and new programs are using the funding opportunity to make generational change for the better. The biggest risk we face with the Future Drought Fund is that when a drought occurs, State and Federal

Governments refuse to provide direct support because significant investment has already been made prior through the Fund. There must be ongoing assurances from all levels of government that this will not occur.

2. 5.0 Proposed Key Features of New Programs: Which current FDF programs should be retained?

The *Drought Resilience Innovation Grants program* and the *Drought Resilient Soils and Landscapes program* established credibility and impact actions utilising science. Research is a crucial effort in sustaining change and adaptation towards a more resilient farming community in the face of impacts from future droughts and to protect the environment.

FDF programs at times appear to have had unnecessary bureaucracy divert and hamper the work of individuals and teams, reducing successful outcomes. Ultimately, bureaucracy diminishes the returns from funding. Future FDF programs should establish and reduce unnecessary paperwork, arduous funding applications and selection processes. This will free up and support funding the best recipients, particularly researchers, for them to focus on ground-breaking, ambitious, and meaningful drought impacts. Additionally, many of the projects GPSA has been involved with have provided very little time for consideration and seem to be rushed to meet grant funding deadlines. Timing should be seriously considered for any future changes to the FDF.

GPSA recommends the FDF keeps programs prioritising research and extension that balance between preparedness and response, and the Government needs to plan for both. There is also room to continue focusing on financial literacy, as well as environmental literacy where growers can better understand their carbon emissions footprint. Even for a farmer in drought, markets, governments, banks etc will still want to know what their carbon emissions footprint is.

3. 5.0 Proposed Key Features of New Programs: Which current FDF programs could be integrated with existing programs or built upon to drive efficiency or to maximise impact?

The Productivity Commission Future Drought Fund Act Inquiry report (p.2), recommended FDF programs can be improved by consolidating the climate information tools into a single tool, tailored to the needs of end users. The Productivity Commission (p.47) noted a mapping exercise to identify overlaps should be conducted in as many states, territories or non-government entities as many already have climate information tools. GPSA agrees, as a single point of truth for the *'My Climate View'* tool could be incorporated into, rather than to replicate, to expand and display daily information on drought and soil moisture covering all Australia. With regular updates the *'My Climate View'* could show the drought status of the soil to depth and the topsoil, which reacts more quickly to recent precipitation, and the water available to crops. Live maps could show the development of drought in preceding days, weeks and months and the quantity of water available to plants in the topsoil. Tiers of government, the effected community and farmers could also be forewarned and subsequently aid directly localised in-drought hardship. GPSA does, however, caution against making a single climate tool that does not take into consideration the varying factors that individual agricultural commodities deal with.

GPSA recommends programs build upon climate monitoring and reporting to additionally provide early warning for those activities covering in-drought assistance.

4. 6.1 Place-based Action and Partnerships: How should the Hubs' role be better defined to deliver more impact for their regions? Are the proposed funding options for the Hubs appropriate?

The Drought Resilience Adoption and Innovation Hubs are designed to achieve Australian Government objectives. GPSA advocates for a heightened emphasis on interaction with grain producers, defining a collaborative approach, particularly among non-government entities, outlining how stakeholders can effectively collaborate, and enhancing clarity surrounding roles and responsibilities.

Funding options should not overlook the importance of providing ongoing employment opportunities for people engaged in projects for completion in four years. Performers whose results, skills or social networks may be critical to future drought preparedness and resilience efforts, both in keeping the lights on during change in government as well as in delivering longer-term environmental objectives.

5. 6.1 Place-based Action and Partnerships: What implementation pathways and governance options are the most appropriate ways of actioning regional plans?

The Productivity Commission Future Drought Fund Act Inquiry report (p.44) quotes various sources; *'Regions facing severe climate conditions are more likely to need transformational changes to overcome future climate risks.'* GPSA agree with findings that to undertake innovative changes, barriers may be too large. Because transformational change involves greater risks, costs and uncertainties, progress could also be impeded by governance constraints. The FDF could explore the function and benefits of self-certification or earned autonomy for recipients with a strong track record of assurance. Governance operating in a siloed manner with statutory or prescriptive requirements should be prevented, to encourage innovation environmental sciences to flourish.

GPSA emphasises the importance of prioritising user-friendliness and simplicity in actions, urging governments and non-government entities to minimise bureaucratic hurdles and streamline compliance requirements within the programs they implement as part of their policy design.

6. 6.2 Information, Skills, and Capacity Building: Should a future iteration of the FBR program be more focussed on specific learning areas or target particular cohorts of farmers (e.g., young farmers, remotely located farmers, smaller landholders and/or those operating on marginal land)?

While encouraging drought preparedness and resilience through specific learning areas or targeting cohorts is a commendable idea, it needs to be elaborated further. It's important to ensure that findings and obligations do not disproportionately burden vulnerable individuals or farming families who may already be facing challenges.

Farming in areas where climatic factors, such as temperature and rainfall, are most likely to negatively influence grain production suggests that those farmers are most exposed to drought. Transformational change programs could target those farmers with technological advancements to improve their crops' ability to withstand environment stress. In parallel, programs to monitor their farming evolution would also recognise proven technology of benefit for attention and adoption by the wider agricultural sector.

7. Information, Skills, and Capacity Building: How should public and private good be balanced in a future iteration of the FBR program? Should the program require farmer co-contributions?

GPSA does not agree with further taxes or levies on grain producers to fund public benefit drought resilience projects. The Federal Budget's announcement of a new 10 per cent Biosecurity Protection Levy to be imposed

on our grain producers is an example of funding and financing options government should not consider as help for farmers and rural communities to prepare for the impacts of drought.

A project that has shown how a future iteration of the FBR program might better balance funding with other organisations is the SA Drought Resilience Adoption and Innovation Hub sponsored and co-funded South Australian Grain Industry Trust project: *'Using grain protein maps to optimise nitrogen fertiliser to paddock-scale nitrogen variability'*. Water availability is critical in the mobility of nitrogen and through demonstration sites, field days, crop walks and extension events, this project visualised sustainable nitrogen management for grain producers and agronomists.

8. 6.2 Information, Skills, and Capacity Building: Should the FDF provide training on how best to use and interpret information from existing climate tools, including but not limited to 'My Climate View'? If so, who could benefit most from such training?

Effective implementation of drought projects requires clear communication and widespread dissemination of information. Information, skills, and capacity building should underscore the importance of transparent communication to ensure that rural and regional communities are aware of available resources, training, and support.

GPSA recommends that State farming organisation extension officers and local agronomists are targeted with resources, training, and support.

9. 6.2 Information, Skills, and Capacity Building: Should the long-term goal for CSA be providing adaptation information to better support practice change in response to climate projections?

On-farm problem solving directly related to water and moisture retention and use is critical to sustainable dry-land cropping and grain production. Soil that contains more carbon has higher water holding capacity and infiltration capacity and better uses rainfall when it occurs. Should CSA incorporate Carbon Farming Initiative (CFI) mapping to show improved carbon sequestration? However, any advice given to farmers on actions they can take to improve climate resilience should also consider carbon emissions.

GPSA recommends a long-term goal for CSA is to provide adaptation information to better support practice change in response to climate projections.

10. 6.3 Agriculture and Land Management: Should the FDF prioritise natural capital management projects through discrete programs (such as a new Drought Resilience Soils and Landscapes program) or should NRM continue to be embedded throughout most streams of investment? Or both?

It is from natural assets that crops are produced. Various legislation, regulations and ongoing amendments intersect land degradation, conservation of water and biodiversity, influencing crop inputs, weed and vertebrate pest managements and myriad other farm management practices. If natural resource management legislation and regulation overlooks or conflicts with enriched drought preparedness and resilience actions, how will discrete programs operate?

GPSA recommends the FDF avoids duplicating existing NRM activities and continue to present NRM throughout most streams of investment.

11. 6.3 Agriculture and Land Management: How can First Nations communities be supported so that their knowledge and practices to care for country can be maintained for the benefit of their communities and land?

GPSA welcomes ongoing support through the FDF for First Nations farmers and encourage all to work together to share knowledge and manage the land. The Department of Agriculture, Fisheries and Forestry (DAFF) notes Australia uses only 4.4% of its land for dryland cropping. First Nations knowledge and practices considering local conditions, climate, plants, and animals, must be supported for mutual benefit.

12. 6.4 Innovation and Transformation: Should the FDF focus on innovation, or broader extension and adoption of tried and tested practices to enable change at scale in Australia? Or both?

Innovation has a key role as a driver of crop water-use efficiency. GPSA recommends activities and funding to help make grain production more drought resilient through supportive business practices and research to improve environment friendly crop pest and weed management, plant breeding and crop varieties. GPSA has effectively participated in two fundamental Hub Sponsored Projects: *'Cropping without glyphosate, and Rapid detection of significant crop diseases.'* Future investments could also be in the form of research infrastructure.

Grain producers focusing on soil moisture choose to implement better ways to use the water that they have. Tried and tested practices enable adoption. An example is no-till farming in which the soil is left intact between harvests to help keep moisture in the soil, as does using cover crops or stubble and working with agrichemicals to reduce thirsty competing weeds. Step change increase for water use and sustainable crop production, increases when extension and demonstration are merged with other crop yield improvement initiatives on-farm. Particularly when improvement in farm gate values is confirmed.

GPSA recommends the FDF focus on both innovation and broader extension work. It is also important that there is no duplication in this work across Australia.

13. 6.4 Innovation and Transformation: Should transformational change, and partnerships that facilitate it, be prioritised by the FDF? What incentives or programs would best support transformational change? Or should the FDF continue to also build incremental change – that eventually lead to transformation – and focus on the preconditions (knowledge, skills, and support etc) that enable individuals and communities to make transformational changes?

South Australia's grain output has a strong export focus, with bulk shipments accounting for 76% of SA's grain usage. Compared to other states SA typically has low levels of domestic consumption (18%) and container exports (6%)¹. In effect offshoring of production processes to import back some part of the output. South Australian canola for example, is highly sought after, particularly in Europe which is where a large portion of sustainably grown canola is exported to for use in biofuels and stockfeed. To access the European market, grain producers need to meet various legal requirements. Additionally, potential buyers may request certification. For grains, pulses and oilseeds, European regulations prioritise consumer health and safety. Grain producers need to be prepared for the growing importance of export markets sustainability standards. It is essential to stay informed about changing laws and requirements by monitoring and responding to the market constantly.

¹ <https://www.accc.gov.au/system/files/Bulk%20grain%20ports%20monitoring%20report%20-%20data%20update%20-%202021-22.pdf>

Transformational or incremental change to dryland cropping and farm productivity must be profitability underpinned to be sustainable. Establishing and credentialing Australia's economic, social, and environmental dryland cropping and grain production activities to inform offshore consumers, export markets and their certification architects is directly linked to productivity and profitability. Which change is most supportive?

GPSA recommend the FDF continue to fund both transformational and incremental change programs.

14. 6.4 Innovation and Transformation: What Drought Resilience Innovation Challenges could be targeted in the proposed new innovation pilot program?

There is a need for improved drought monitoring and assessment methods. Drought has a relatively slow onset, and the complexity of its impacts are challenges for the innovation pilot programs. Improvements in drought monitoring and forecasting techniques will allow for better preparation, lead to better management practices, and reduce the vulnerability of grain producers and their communities to drought and its subsequent impacts. We would also like to see more collaborative sustainability and drought focused projects aiming to improve the profitability and productivity of grain producers.

15. 6.5 Enabling Activities: What enabling activities are essential to the success of the FDF and should be directly funded to support FDF programs?

Grain production is part of a food system that needs transportation, power and supply inputs and achieving net zero-emissions will be challenging for grain producers, particularly in the short term. Effective decarbonization actions include shifting the energy mix away from diesel and toward zero-emissions electricity and other low-emissions energy sources such as biofuels and hydrogen. Enabling grain producers to transform grain production to net zero-emissions throughout drought should be part of FDF programs.

GPSA contributed into and promoted the SA Drought Hub Event Sponsorship Program. This program allowed GPSA to seek sponsorship for small events including workshops, field days, farm tours, and training sessions where drought resilience information, tools, and practices are promoted. With FDF funding allocated to GPSA, our organisation participates in accelerating agricultural extension, communication and promotion of drought preparation and resilience knowledge and sharing, empowering our grain producing members to make decisions in everyone's collective interest.

Thank you once again for the opportunity to provide a submission to the Future Drought Fund Investment Strategy 2024 to 2028.

Yours sincerely,



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GRAIN PRODUCERS SA