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Averting a long-term disaster

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

By Rebecca Thyer

An ageing rural workforce is a long-term disaster in the making, but could be addressed by ‘first-start’ programs or tax breaks for young farmers, says 2006 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 Grains Research and Development Corporation-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 on 5 October.

Mr Thompson, 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 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.”

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

Mr Thompson 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

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to Australia. "Other countries have worked through the problems and grain farmers have prospered.

"There is a lot of pressure in this country to ignore biofuels, which I do not understand given what the rest of the world is doing."

He says a short-term increase in grain prices could give Australian farmers a much needed boost, which would have positive spin-offs. "This boost could help improve terms of trade, in turn grow farm businesses and profitability and result in an ability to pay better wages and provide better working conditions."

The biofuel market is a way of diversifying farm incomes from all food and fibre to energy, a resource usually associated with wealth and high income, Mr Thompson says.

"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.

Mr Thompson 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."

Mr Thompson says that in almost every country he visited, Australians were the head of research facilities. However, 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.

Mr Thompson 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, 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."

Mr Thompson'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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