



2021 Report Card



National
Farmers
Federation

Leading
Australian
Agriculture

If drought demonstrates the harsh reality of agriculture in Australia, rain reveals the opportunities. Widespread favourable seasonal conditions, coupled with high commodity prices have agriculture on track for a record \$78 billion in farm-gate output this financial year.

This magnificent result comes despite challenges such as the mouse plague in south-eastern Australia, and a wet harvest in much of the eastern wheat belt.

2021 has proven that the fundamentals which underpin agriculture's growth are solid, and policymakers of all persuasions should continue to look to food and agriculture as a cornerstone of Australia's future economy.

But one good year doesn't mean we can take the goals of our 2030 Roadmap for granted. Continued focus and investment is needed to ensure the long-term, smart growth of Australian agriculture to 2030 and beyond.

This Report Card captures our sector's progress in 2021. It highlights our successes and shortcomings in the areas we believe will determine our industry's success in the coming decade.

Aside from the fortune of good seasons and markets, industry and governments have taken steps in 2021 to strengthen our sector for the future.

These steps include access to new markets; deepening connections with our customers; investing in the systems that underpin our exports; creating pathways to welcome new talent; and becoming smarter in how we manage our precious natural resources.

Where we need to focus our gaze in the year ahead is in continuing to invest in connectivity and digital capability; solving the sector's workforce crisis; better integration of natural capital recognition; and addressing our capital shortfall through new investment pathways.

There is always more to do and I hope you'll join us in 2022 as we celebrate another record year for our industry and continue to plan ahead for more record breaking years to come.



Fiona Simson
President, National Farmers' Federation

ABOUT OUR COVER.

2021 Syngenta AgDay Photo Competition Runner-up

'Stripy sunrise'

Photographer: Mark Merrett, Kaniva Victoria



Pillar 1. Customers and the Value Chain

ASPIRATION	2030 METRIC	2021 OUTCOMES
1.1 The agricultural value chain has deep engagement with its customers, based on trust and transparency.	Agriculture is ranked Australia's most trusted industry.	<ul style="list-style-type: none"> NFF research has shown a positive improvement in community sentiment towards agriculture over the past 12 months. Industry positioning initiatives including the NFF's 'Telling Our Story' project, the Australian Government-funded 'Kids to Farms' program, and Victorian Farmers' Federation-led 'Open Gate Conversations' and NFF-led National Agriculture Day have increased industry's reach and impact. The Telling Our Story #RealClimateAction campaign was seen almost 9 million times during August-November.
2021 PROGRESS* >		7
1.2 Our value chain provides a competitive connection to global markets and delivers clear market signals to guide paddock-to-plate investment.	Australia's freight cost per tonne-kilometre is competitive with major agricultural exporting nations.	<ul style="list-style-type: none"> The ongoing impact of COVID-19, global logistics challenges, and domestic industrial disputes have disrupted agricultural supply chains, increasing input and freight costs and creating significant delays. The Australian Government has responded to NFF-led calls to embrace 'regionalisation' with a dedicated portfolio, and a shakeup of infrastructure prioritisation methods.
2021 PROGRESS* >	4	
1.3 Australia has world-leading market access, and the capacity to maximise the economic benefits.	A 50% reduction in agriculture exports experiencing non-tariff barriers each year. An average tariff faced by agricultural exports of 5%.	<ul style="list-style-type: none"> The Australian Government provided record funding of \$400 million over 4 years to boost Australia's biosecurity capability. Signing of new free trade agreements has continued to provide new and expanded markets for agricultural products. This includes the UK FTA and PACER Plus. NFF is developing an Agricultural Sustainability framework, with Government funding, which will provide better assurance of Australia's sustainability performance to our markets. The Australian Government announced new funding to support expansion into new markets through the Agri-Business Expansion Initiative. The Australian Government has appointed the first Special Representative for Australian Agriculture to boost our presence and influence in shaping farmers' access to export markets. However, significant risks remain, including the introduction of Carbon Border Adjustment Mechanisms and ongoing trade tensions with larger markets.
2021 PROGRESS* >		7

*2021 Progress: Indicative progress against expectations for this 12-month reporting period. 1-3: Below expectation. 4-7: As expected. 8-10: Above expectations

Pillar 2. Growing Sustainably

ASPIRATION	2030 METRIC	2021 OUTCOMES
2.1 Farmers continue to embrace sustainable farming methods as part of a coordinated national framework that drives productivity and profitability, while recognising and rewarding environmental stewardship.	The net benefit for ecosystem services is equal to 5% of farm revenue.	<ul style="list-style-type: none"> • New government initiatives are laying the groundwork to recognise the significant, positive role Australian farmers play in environmental management. • The Australian Government announced the introduction of the Carbon + Biodiversity Pilot and the Enhancing Remnant Vegetation Pilot. • Australia is signed on to the Taskforce for Nature Related Financial Disclosure, key negotiations on implementation and risk are underway. • NFF has continued development of the Australian Agriculture Sustainability Framework – aimed at demonstrating agriculture's sustainability credentials. • 95% of surveyed farmers currently conduct at least one sustainable practice on their farm • The horticulture sector released its first sustainability framework.
2021 PROGRESS* >		8
2.2 Australian agriculture has cemented a competitive advantage and productivity gains by embracing a carbon neutral approach.	Australian agriculture is trending towards carbon neutrality by 2030.	<ul style="list-style-type: none"> • Agriculture continues to be recognised for its central role in reducing and sequestering greenhouse gas emissions. • The Australian Government has invested \$214.9 million in soil management through the National Soil Package, released a new soil carbon method under the ERF, and named promising new ERF method priorities for 2022. • Agricultural Innovation Australia has undertaken initial scoping and consultation on a cross-industry 'Climate Initiative'. AIA will make decisions on an implementation framework for the Climate Initiative shortly.
2021 PROGRESS* >		8
2.3 Smart water policy has improved the health of our waterways, made our farms more productive, and made our regional communities more resilient.	A 20% increase in water use efficiency for irrigated agriculture by 2030.	<ul style="list-style-type: none"> • The Inspector-General of Water Compliance was established, increasing confidence in the performance and function of the Murray Darling Basin Plan. • Industry continues to call for sensible implementation of the Murray Darling Basin Plan, particularly the integration of Productivity Commission recommendations. • Agricultural industries continue to drive water use efficiency, leading to more output from limited resources.
2021 PROGRESS* >		7
2.4 We have stemmed the loss of productive farmland, improved the health of our landscapes, and brokered lasting co-existence arrangements with other landholders.	Maintain Australia's total farmed area at 2018 levels.	<ul style="list-style-type: none"> • Release of the 2020 review of the Environment Protection <i>Biodiversity Conservation Act</i>. However, the lack of action on recommendations has hampered common sense improvements. Meanwhile the proportion of agricultural land continues to diminish. • Creation of first Indigenous Agriculture Roundtable aims to create new opportunities for first nations people within agriculture and improving the productive agricultural capacity of indigenous land.
2021 PROGRESS* >	3	
2.5 Australia has halved food waste, and significantly reduced the number of Australians facing food insecurity – thanks in part to a proactive partnership with the agricultural value chain.	Halve food waste by 2030.	<ul style="list-style-type: none"> • While Australia demonstrated its national food security, COVID-19 lockdowns placed significant stress on vulnerable communities – highlighting ongoing need to tackle both hunger and food waste. • The Australian Government committed \$171 million to prevent 3.4 million tonnes of organic waste from entering landfills each year – diverting it to farms to improve soil health. • \$4 million was also committed to Stop Food Waste Australia, a partnership of organisations who operate along the farm-to-fork food supply chain that are committed to halving Australia's food waste by 2030.
2021 PROGRESS* >		8

Pillar 3. Unlocking Innovation

ASPIRATION	2030 METRIC	2021 OUTCOMES
3.1 Public and private R&D efforts work seamlessly to translate world-class research into tools and services which give Australian agriculture a competitive edge.	Australia becomes a Top 20 nation for innovation efficiency.	<ul style="list-style-type: none"> The Australian Government's National Agricultural Innovation Policy Statement was released – clarifying the Government's plan to modernise agricultural innovation. Eight Australian Government-funded Drought Resilience Adoption and Innovation Hubs were launched across Australia – aimed at boosting collaboration and turning research into practical on-farm outcomes. Agricultural Innovation Australia commenced operation, with the appointment of a Board and Chief Executive. Tangible results are required from AIA in 2022.
2021 PROGRESS >		7
3.2 The agricultural value chain is highly digitised, with the benefits of new technology shared fairly among participants.	Every Australian farm has access to infrastructure and skills to connect to the Internet of Things.	<ul style="list-style-type: none"> The Australian Government continued to rollout investment in telecommunications infrastructure, with an additional \$112 million allocated to the Regional Connectivity Program to deliver place-based solutions in the regions. Private network operators also increased their investment, with Telstra re-investing \$75 million from the part sale of its infrastructure business in regional Australia. The rollout of new satellite and small-scale terrestrial networks continue to provide farmers with greater choice. An NFF survey of more than 500 regional Australians, found a significant number of respondents reported the reliability of mobile network coverage (50%), internet coverage (40%), and landline service (20%) had declined in the past 12 months, with the overall satisfaction of services reducing since NFF's last survey in 2018. Connectivity in the bush, both quality and reliability, continues to provide a challenge to digital agriculture.
2021 PROGRESS >		6
3.3 The agricultural value chain has reduced its reliance on fossil fuels, in favour of biofuels and renewable sources of electricity that are affordable and reliable.	Australia's farm energy sources are 50% renewable by 2030.	<ul style="list-style-type: none"> Roadmaps have been developed for alternatives to fossil fuels including for hydrogen and biofuels. However, an holistic plan has not yet been developed for the transition for the farm sector, including new fueling infrastructure and supply chains, and upskilling the repair networks that will service alternate fuel machinery.
2021 PROGRESS >	5	





Pillar 4. Capable People, Vibrant Communities

ASPIRATION	2030 METRIC	2021 OUTCOMES
4.1 There is a clear career pathway to attract workers and develop their skills, with tailored streams for new entrants through to seasoned professionals.	Double the number of tertiary and vocational agriculture graduates by 2030.	<ul style="list-style-type: none"> A new pathway to introduce young Australians to careers in agriculture through AgCAREERSTART. Introduction of AgUP to support the development and upskilling of Australia's agricultural workforce.
2021 PROGRESS >		6
4.2 We have robust and sustainable mechanisms to access labour from Australia and around the world.	Increase the available work force by 25%.	<ul style="list-style-type: none"> Introduction of a dedicated Agriculture Visa provides a new pathway for agricultural labour in Australian industries. Ongoing international border closures continued to heavily restrict access to labour and workers. The closure of domestic borders also created disruptions despite classification of agriculture as an essential service.
2021 PROGRESS >	3	
4.3 A career in Australian agriculture is an accessible aspiration for all.	Achieve gender parity in the agricultural workforce and double the number of women in management roles.	<ul style="list-style-type: none"> The Future Drought Fund Drought Resilience Leadership program supports people in regional communities develop their personal leadership capability. The NFF's Diversity in Agriculture Leadership Program completed its fourth intake, now boasting an alumnae of 41 graduates. The Program's Partners - leading agricultural organisations - continue to deliver on their commitment to improving female participation in their workforce. The Indigenous Agriculture Roundtable provides a forum to understand and remove barriers to industry participation by indigenous Australians.
2021 PROGRESS >		6
4.4 We live in strong regional communities that are home to: world class education and health facilities; culture and entertainment; and a diverse economy.	A mean score of 5 for every Physical Capital sub-measure in the Regional Wellbeing Survey.	<ul style="list-style-type: none"> The latest findings from the Regional Wellbeing Survey show regional Australia continues to trail urban Australia in access to basic services, including health, education, roads and transport.
2021 PROGRESS >	5	
4.5 Australian farms have embraced a culture of safety, dramatically reducing workplace injuries and eliminating on-farm fatalities. A coordinated effort has improved the physical and mental health of industry participants.	Zero farm fatalities. Close the gap between the psychological wellbeing of farmers and the broader community.	<ul style="list-style-type: none"> FarmSafe Australia's <i>Safer Farms Report</i> found that preliminary fatality figures for 2021 compared favourably to 2020, however serious injuries had remained consistent. New funding of \$1.6 million has been made available through the Australian Government's National Farm Safety Education Fund. Mandatory fitting of operator protection devices (roll bars) to new quad bikes took effect after a long-running industry campaign.
2021 PROGRESS >		6



Pillar 5. Capital and Risk Management

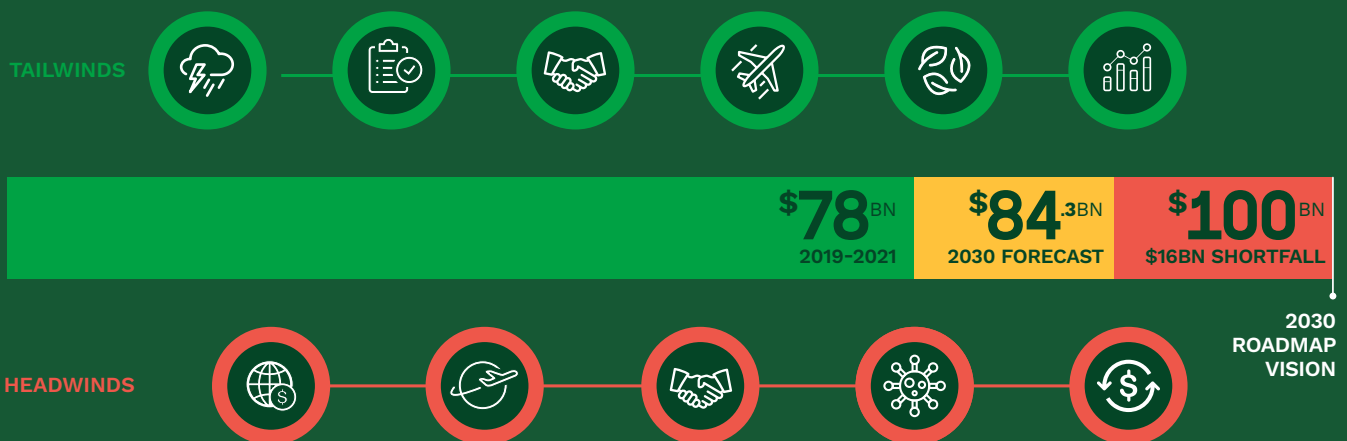
ASPIRATION	2030 METRIC	2021 OUTCOMES
5.1 Farm businesses have embraced new governance models - helping them better plan for the future, manage risk, and increase profit.	90% of family farms have documented business plans, including succession plans.	<ul style="list-style-type: none"> Family Business Australia and the Australian Small Business and Family Enterprise Ombudsman's office release the '<i>Introductory Guide to Family Business Succession Planning</i>' to provide greater support and guidance on succession planning. The Australian Government provided over \$56 million for the ongoing delivery of rural financial counselling services to farmers, extending this service to 2024. Despite the challenges of COVID, private sector providers such as Rabobank have continued to rollout free financial literacy and succession planning programs around the country. Despite this significant effort, according to ABARES only 38% of farm businesses have a written business plan.
2021 PROGRESS* >	5	
5.2 Investors are lining up to inject capital into Australia's agricultural businesses, based on demonstrated returns and a supportive policy environment.	Year on year increase in equity investment in Australian farm businesses.	<ul style="list-style-type: none"> Updated modelling released by AgriFutures showed that agriculture needs to attract an additional \$7.5 billion of new investment each year to fund its 2030 ambitions. Strong growth in agricultural land values demonstrates robust investor appetite for the sector, however higher land costs may further erode available capital for productivity-enhancements.
2021 PROGRESS* >	3	
5.3 Innovative tools to reduce the inherent risks of farming are used by every Australian farm business - supported by consistent and well administered government risk management policies.	90% of Australia's farmers employing multiple financial tools to manage risk.	<ul style="list-style-type: none"> The roll out of Future Drought Fund programs, provide potential opportunities for the use of new innovative tools to manage risk on farm. NFF released the findings of the NSW Government-funded Financial Risk Management Project - increasing understanding of various risk management approaches available to the sector.
2021 PROGRESS* >	5	



What lies ahead in 2022?

Tailwinds

- La Niña weather pattern forecast to persist until late summer / early Autumn – providing above average summer rainfall.
- A Federal Election provides the opportunity to put the needs of agriculture and the bush front and centre on the national agenda
- Major agricultural commodities continue to maintain historically strong prices.
- Recommencement of international travel coupled with the dedicated Agricultural Visa will start to normalise labour supply.
- Supportive policies and projects to begin opening new environmental services markets to farmers.
- Significant increases in land values provide farmers with greater access to capital to invest in productivity and resilience.



Headwinds

- Spike in prices and risks to supply for key inputs such as fertiliser and chemicals.
- Freight disruptions, delays and price increases for shipping and air freight.
- Ongoing trade tensions with major trading partners.
- Uncertainty over timeframes for international travel normalisation.
- Increasing demands from financiers and trading partners to demonstrate sustainability.