Innovative capacity key for building a productive grains industry

The innovative capacity of grain growers should be lifted if the industry is to boost productivity over the medium term, according to research carried out by the Australian Bureau of Agricultural and Resource Economics.

Innovation and Productivity in the Australian grains industry, released today by ABARES, explores the recent uptake of innovations by grains growers and the impact of innovative capacity on their productivity performance.

ABARES Acting Deputy Executive Director, Kim Ritman, said there is a strong case for building the capacity of Australian farmers to adapt, adopt and apply innovative technologies and practices to their business.

“While Australian farmers are renowned for being innovative, those with a higher capacity for innovation are undertaking a greater number of innovative activities and are achieving higher productivity through the process,” Dr Ritman said.

The report notes that while innovative capacity is largely determined by a grower’s characteristics, such as education, farm size, business acumen and financial resources, policies and investment decisions also bear influence.

“Strengthening education, skills and training across the agriculture sector, as well as improving information accessibility through efficient public and private extension systems are two policy directions important to lifting innovative capacity of farmers,” Dr Ritman said.

“Human capital is likely to become increasingly relevant to agricultural productivity given a tightening labour market, increasingly sophisticated farm technologies and the growing importance of integrated farm management practices.

“The recent slowdown in agricultural productivity, particularly in the cropping industry, has seen climate and research and development take the spotlight.

“Yet it remains that on-farm innovation is one of the most direct ways that growers can influence their productivity and competitiveness.”

The report forms part of ABARES research into the trends and drivers of grains industry productivity growth, commissioned by the Grains Research and Development Corporation.

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