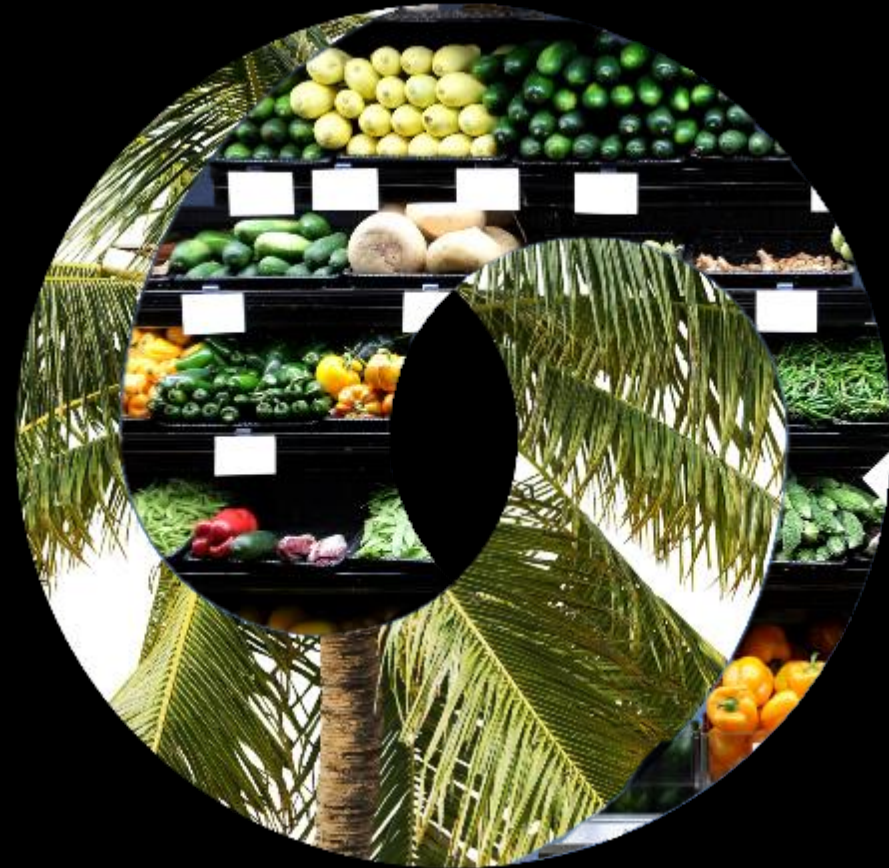


Transforming Australia into a food superpower

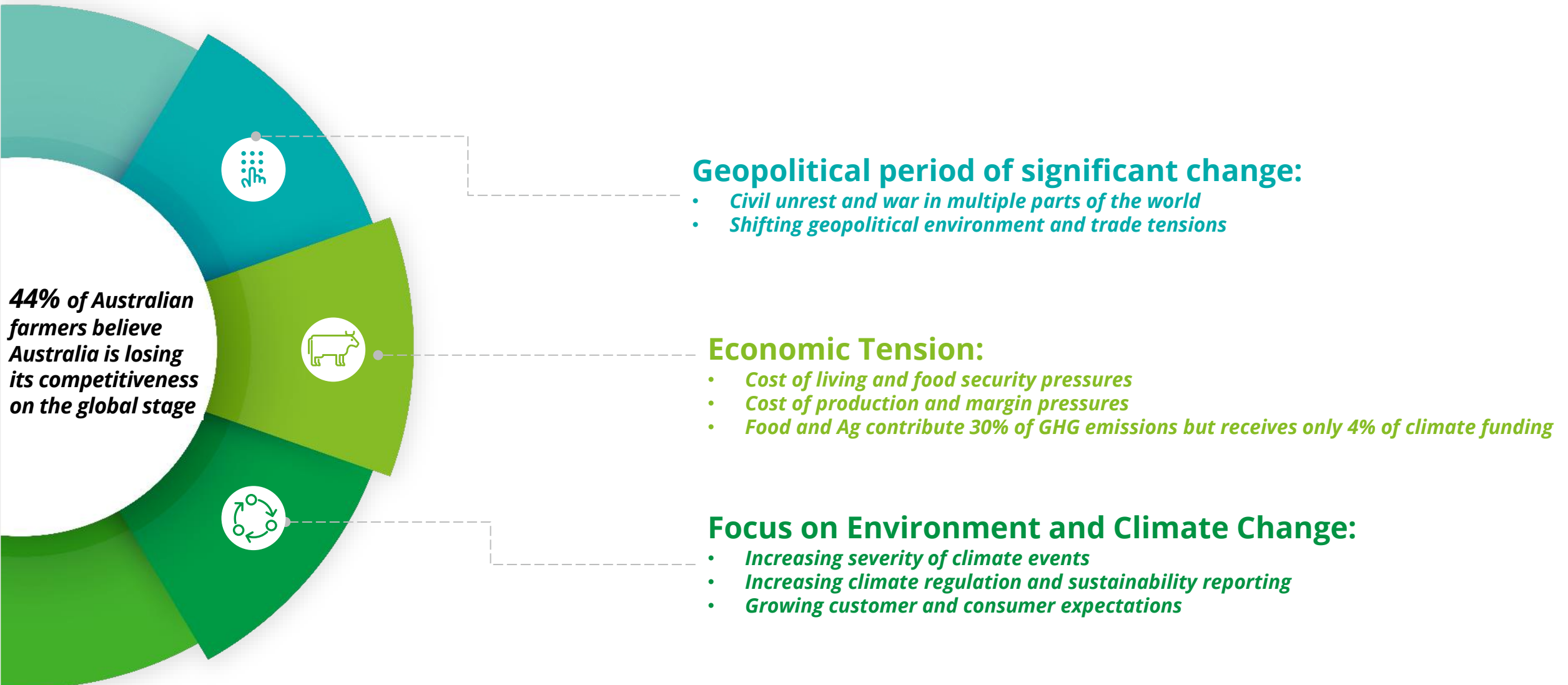
Ben van Delden

Deloitte AgriFood Partner

Food and Ag Industry Taskforce member



Period of immense change | The past year has seen the greatest level of global political and environment change ever, with these global shifts how we produce food and feed our communities must also change. Change presents opportunity



National Food and Agri Industry Taskforce assembled in October 2023



Mark van Dyck
Taskforce Chair
CEO Dominos Pizzas



Holly Kramer
Non-Executive Director
Woolworths, Fonterra,
ANZ



Barry Irvin
Chairman
Bega Group, Regional
Circularity Coop



Rob Spurway
MD and CEO
GrainCorp



Anthony Holme
Managing Director
Kellonova ANZ, AFGC
Chairman



Dr Michele Allan
Charles Sturt University, Chair
Wine Australia, Smart Sat CRC



Mark Wiessing
CEO
Rabobank ANZ



Tony Mahar
Former Chief Executive
National Farmers Federation



David Foote
Non-Executive Director
Cattle Australia, Craig
Mostyn Group



Roy Green
Chairman
Advanced Robotics for
Manufacturing, CSIRO,
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Vanessa Matthijssen
Partner, Future of Food,
Asia Pacific Consumer
Retail Lead Deloitte



Ben van Delden
Partner, AgriFood
Transformation
Deloitte



Alasdair MacLeod
Executive Chairman
Macdoch Foundation



Jonathon Quigley
Co-founder
Sparklabs, Cultiv8

- Farming/ Primary producers
- Manufacturers/ processors
- Food service/ Retail
- Financiers
- Tech sector
- Academia, research
- Industry bodies

Recognising and supporting Australia's farmers and graziers:

The need for a strategic and equitable climate-smart land use transition

SURVEY INSIGHTS

- There is growing concern that the **onus** for the food system transformation will be **unfairly placed** on primary producers.
- Australian farmers and graziers **have already begun leading this transformation**, often without assistance from the value chain.

Adoption rates are high for several climate-smart practices, e.g. managed grazing and regenerative agriculture.

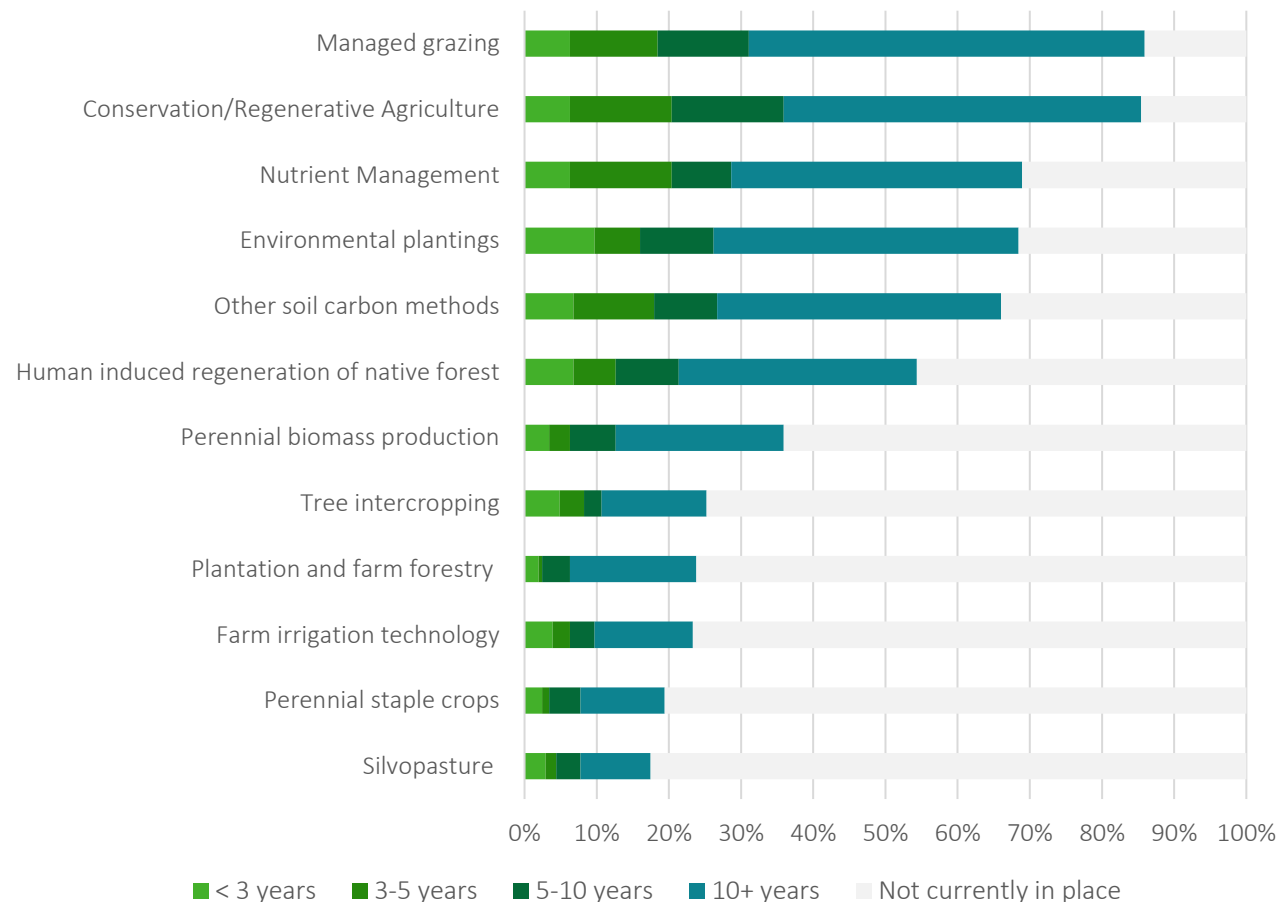
"We started implementing regenerative agriculture 40 years ago. We just call this good farming."

- Several survey respondents were concerned that they **would not be recognised** for their historical efforts

"We've been implementing climate-smart practices on our property for over 20 years. It's frustrating to think we could be disadvantaged as we've been investing prior to any baseline studies."

- We should consider how to **celebrate and learn from these leaders** and **leverage our climate smart food experience**

Proportion of Australian farmers & graziers currently implementing climate-smart land management practices



When asked about the **key benefits** experienced from implementing climate-smart practices on-farm:

- **70%** of primary producers reported **increased resilience**, for example to droughts
- **63%** of primary producers reported **environmental benefits**, for example increased habitat and presence of native species
- **52%** of primary producers reported **productivity benefits**, for example increased yields.

When surveyed on barriers to adopting climate-smart practices, the 52% said that a lack of perceived benefits was NOT a barrier to adoption, suggesting **the benefits were clear to most**.

49% of respondents who have adopted climate smart agriculture practices reported that, to their knowledge, they had **not needed to make any compromises with regards to productivity, finances or resilience** in order to implement these climate-smart practices.

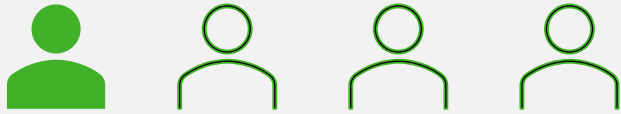
So - what is needed to further extend adoption of climate smart farming practices in Australia?

Finance is a key barrier to climate smart practice adoption

SURVEY INSIGHTS



Almost **2/3** (61%) of farmers surveyed agreed that **cost is a barrier** to implementing new climate-smart practices on farm



Over **1/4** (28%) of farmers surveyed reported that they **needed to compromise financially** in order to implement climate-smart practices on farm

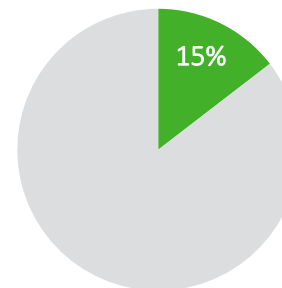


Over **75%** of farmers surveyed agreed that **financial assistance, compensation or recognition** would enable them to implement new-climate-smart practices

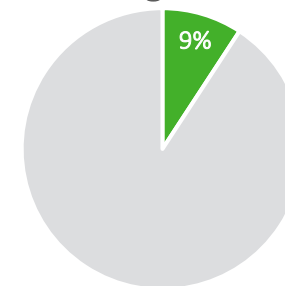
Despite there being a range of programs which aim to support farmers to transition to climate-smart practices, **current rates of participation are low.**

Survey respondents often cited that these programs were **particularly difficult to access for owners of small farms.**

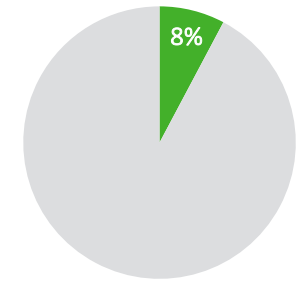
Grant Programs



Carbon Credit Programs



Sustainable agriculture methods or certifications

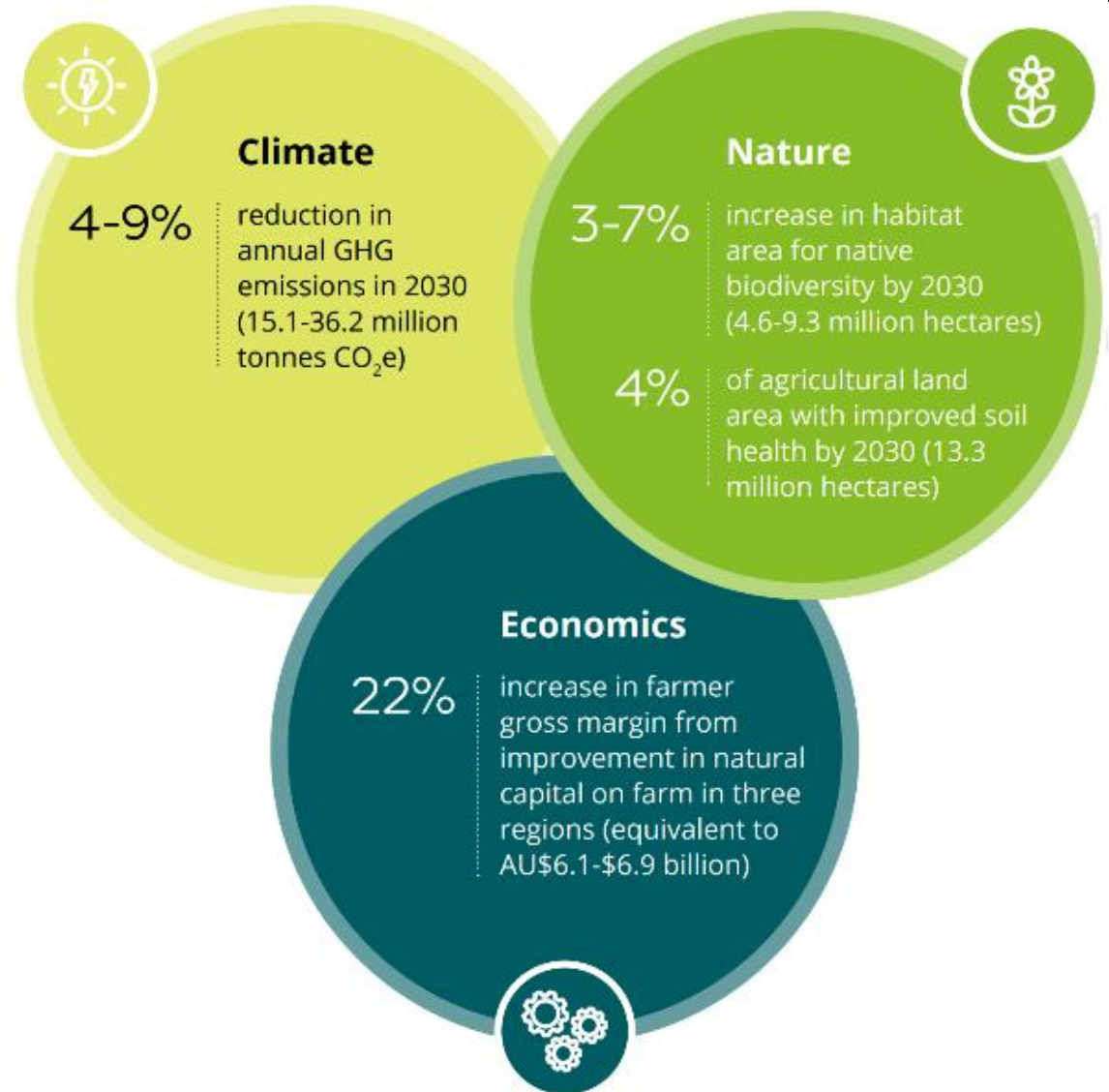


Deloitte Access Economics conducted quantitative analysis to **estimate the opportunity** from the adoption of the following on agricultural land in Australia:

- climate-smart agricultural practices
- land sector carbon farming methodologies
- nature positive land management practices which improve the condition of nature

Analysis covered both **cropping and grazing** (modified and native pasture) land.

Analysis focuses just on opportunities from **adopting land-use practices**, and therefore has not sought to quantify benefit of other practices, e.g. methane reduction initiatives or Australia's blue economy

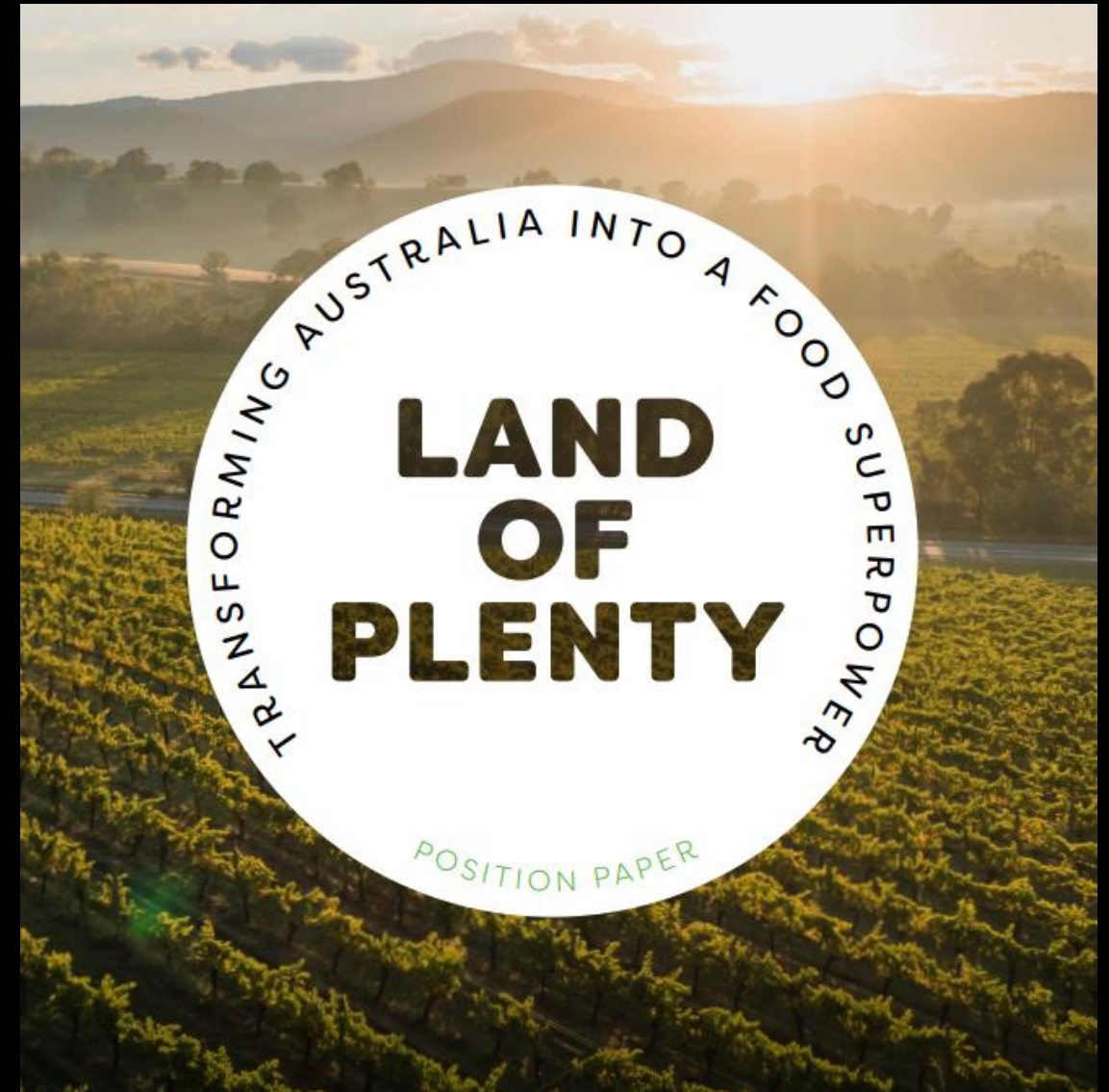


The conclusion of the Taskforce :

Australia's food system has great potential but it is at a tipping point, requiring a coordinated and deliberate whole of industry approach in order to transform Australia into a thriving climate smart food superpower

Change is needed across three fronts:

1. Scaling Climate Smart Practices
2. Strengthening Sovereign Capabilities
3. Diversification of markets and competitive global positioning



THE RECOMMENDATIONS

Key 1: Climate-smart farming practices

Financing

Co-funding and incentive programs | Build programs to be offered by value-chain partners, including processors and retailers, to support farmers, producers and graziers with upfront transition costs associated with accelerated adoption of climate-smart practice.



Climate-smart Farming Transition Advance scheme | Construct a patient capital funding scheme for farmers, producers and graziers to address the financial challenges associated with the timing of benefit realisation as they transition. This scheme leverages industry and government funds.



Tax policy and incentives | Develop and implement tax incentives for producers and food manufacturers to accelerate the adoption of additional climate-smart practices and decarbonisation initiatives.



Data and standards

Standardised measurement and reporting | Create a single national open-source framework for climate and sustainability requirements, which builds upon Australia's existing frameworks, such as the Australian Agriculture Sustainability Framework, and recognises local best practice.



Climate-smart food certification | Design a robust verification and certification process that builds trust and differentiates Australian produce and food products in global markets.



Central data exchange platform | Build a platform to facilitate efficient and consistent data collation and sharing for natural capital, greenhouse gas emissions and product traceability. This could be achieved by enhancing the existing Australian Agricultural Data Exchange initiative.



Key 2: Sovereign supply chains

National food system strategy | Design deliberate strategies and investments to improve supply chain resilience and food security to enhance sovereign capability.



Manufacturing and regional precincts | Invest in food and input manufacturing precincts and scale innovation centres with universities and CSIRO to accelerate circular economy business models.



Key 3: Export markets

Export market diversification | Strengthen our competitive positioning in key export markets, and diversify beyond food products into intellectual property, bio- and agriculture technologies.



Communication tools | A digital platform that provides food exporters with a cohesive, fact-based brand narrative. This includes a repository of key artefacts and high-quality digital marketing assets that showcase Australia's leading-edge practices and technologies.



Transforming a complex and interconnected food system at pace and at scale requires close coordination across the value chain, including effective public and private collaboration. The taskforce recommends the establishment of a food system coordinating body to

facilitate this collaboration and enable action. Similarly to other successful markets, its remit could include the development of climate and sustainability standards, strategic direction and priority setting to guide funding, and the provision of communication tools for exporters.



Relevant food value chain actors

- | | |
|------------------------|----------------------|
| Processors/retailers | Ag/Food/Climate tech |
| Financial institutions | Farmers |
| Government | |

Land of Plenty: Transforming Australia into a Food Superpower



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