

FORESTRY CONFERENCE 2022

Towards  
\$100 billion



National  
Farmers  
Federation



# Overview

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2. Our 2030 Roadmap
3. Headwinds & Tailwinds
4. Agriculture in the 47<sup>th</sup> Parliament
5. Topical issues – Forestry
6. Questions



# About Us



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# About the National Farmers' Federation

- **Founded in 1979** as the **peak advocacy organisation** for Australia's farm sector.
- Recognised as one of the **most trusted** advocacy organisations in Australia.
- Headquartered in Canberra with 33 staff.
- The NFF has been at the centre of many nation-shaping debates including those relating to **industrial relations**, the **environment, tax**, and **trade**



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# Our Members

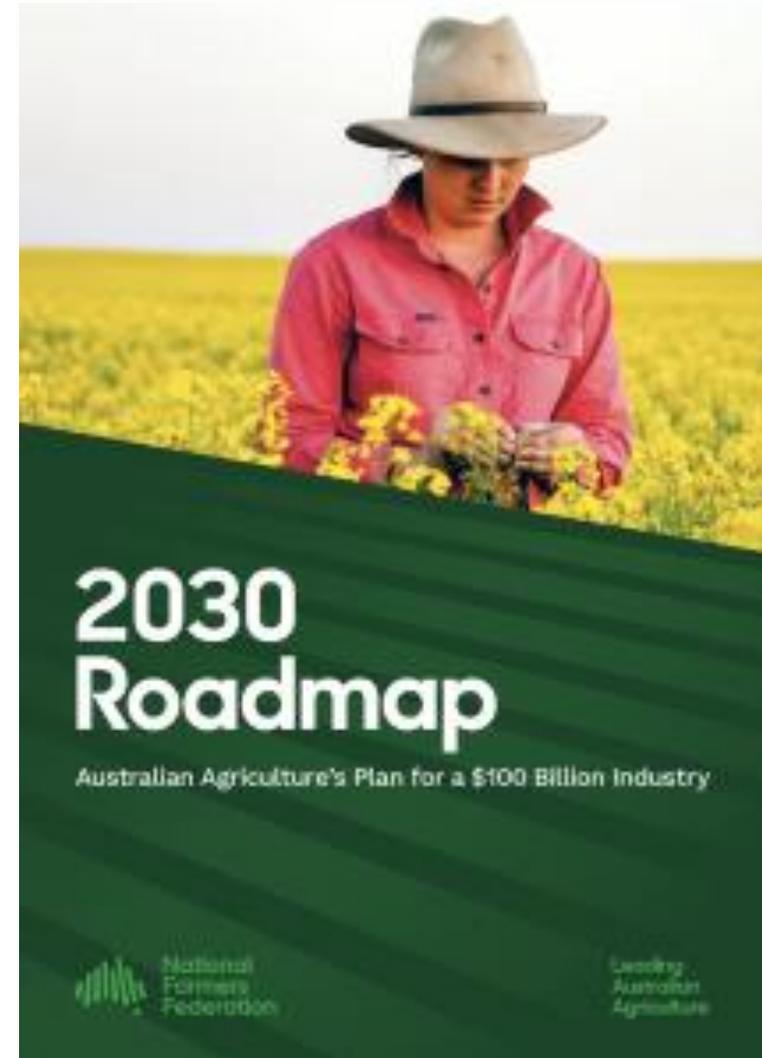


# The 2030 Roadmap



# Our 2030 Roadmap

- Puts a plan behind our vision to grow the farm sector to \$100 billion by 2030
- Product of detailed national consultation over 2017 – 2018.
- Has bipartisan support of both major parties Federally
- Now forms the basis of the Federal Government's Ag2030 Agenda.
- NFF provides annual report card on industry's progress



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# Our Roadmap aspirations



## Customers and the Value Chain

- Agriculture is ranked **Australia's most trusted industry**.
- Australia's **freight cost** per tonne-kilometre is competitive with major agricultural exporting nations.
- An **average tariff** faced by agricultural exports of 5%.
- A 50% reduction in agriculture exports experiencing **non-tariff barriers** each year.



## Growing Sustainably

- The net benefit for **ecosystem services** is equal to 5% of farm revenue.
- Australian agriculture is trending towards **carbon neutrality** by 2030.
- A 20% increase in **water use efficiency** for irrigated agriculture by 2030.
- Maintain Australia's total **farmed area** at 2018 levels.
- Halve **food waste** by 2030.



## Unlocking Innovation

- Australia becomes a Top 20 nation for **innovation efficiency**.
- Every Australian farm has access to infrastructure and skills to connect to the **Internet of Things**.
- Australia's farm energy sources are **50% renewable** by 2030.



## People and Communities

- Double the number of tertiary and vocational **agriculture graduates**.
- Increase the available **work force** by 25%.
- Achieve **gender parity** in the agricultural workforce, and double the number of women in management roles.
- Zero **farm fatalities**.
- Close the **farmer wellbeing** gap.



## Capital and Risk Management

- Year on year increase in **equity investment** in Australian farm businesses.
- 90% of Australia's farmers employing multiple financial tools to **manage risk**.
- 90% of family farms gave documented business plans, including **succession plans**.



# Agriculture and the 47<sup>th</sup> Parliament



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# Albanese Government Agenda

- **Climate Change (increased ambition, Powering Australia)**
- **Domestic manufacturing (\$15bn National Reconstruction Fund)**
- Integrity ('Federal ICAC')
- **Repairing international relationships**
- **Jobs & skills**
- **Cost of living**
- The Care Economy (health, aged care, education)
- Indigenous Voice to Parliament



# Expanding the Forestry Estate – Farmers Perspective

- Benefits from forestry include:
  - I. Wood production
  - II. Extend to agriculture through an increase in agricultural productivity and
  - III. Provide benefits to the environment and mitigate climate change through carbon mitigation.
- The making of the economic case over time, has always been the challenge.



# Expanding the Forestry Estate – Farmers Perspective

- How to assure farmers a viable market for their product in 30 years time at a price that makes the investment timeframe worthwhile.
- The discount rate the forestry sector applies to form a net present value. This takes the final value of the plantation at harvest and applies an annual discount rate.
- This reduces that value of the plantation to sub economic levels in the early stages, which almost directly conflicts with an annual return paradigm of grazing enterprises.
- Important to note is the comparative competition from other land uses and that this will be a key influencer of decisions.
- We also need to recognise carbon is a component which changes the value proposition.



# Expanding the Forestry Estate – Farmers Perspective

- There is probably a switching point around year 20-25.
- The problem is that the value of the plantation becomes a burden in the balance sheet if a farm is being valued for sale with standing plantations.
- This is not unusual given the 30 plus year rotation of plantations.
- Plantations have a place and the better we can attribute their values then the greater opportunity to integrate them into farm landscapes.



# Questions?



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