

Australia

R&D and Smart Food Tour

November 1-12, 2005



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Freda Molenkamp - AARI
Presentation to Boards &
Commissions

March 3, 2006



Australia Smart Food Tour

■ Participants:

- Brian Rhiness - AAFRD
- Bob Christie - ALIDF
- Bob Wilson – Olds College
- Cam Klapstein - ACIDF
- Clarence Assenheimer - ACPC
- Darcy Fitzgerald - ALIDF
- Doug Walkey - ACIDF
- Freda Molenkamp - AARI
- Howard Oudman - ALIDF
- Paul Hodgman – AB Pork
- Ron Axelson - AB Cattle Feeders Assoc.
- Ron Pettit - AAFRD
- Steve Mason – AB Milk
- Tom Facklam - IFASA

Sydney



Meat & Livestock Australia

- Producer owned company with three main focus areas:
 - Grow the demand for Australian beef, sheep, pork and goat meat
 - Grow market access
 - Improve industry efficiency through R&D
- *“we do for producers what they can’t do for themselves”*

MLA continued...

- Funds are generated through levies:
 - \$3.08/head (cattle)
 - 1.7% of the value of the sheep
- Revenues - approximately \$140M/year
 - \$45M from cattle levies
 - \$27M from sheep levies
 - \$68M from other sources

Cooperative Research Centres

- CRC Model was developed in 1990 - \$10B investment
- Over 150 CRCs have been funded to date – currently 71 active CRCs
- Roles:
 - Link producers with industry
 - Enhance the process of utilization, commercialization & technology transfer
 - Education and training

CRCs con't

- Funding is provided on a 7-year basis but an annual report that outlines the activities of the previous year and the plans for the future year(s) must be provided
- Allocation of funds:
 - 70% for R&D
 - 10% for education (supporting PhDs)
 - 5% for commercialization
 - 15% for CEO and Board of Directors

CRCs con't

- Challenges:
 - Lack of personnel to run the CRCs effectively
 - Difficulty in finding staff with business expertise
 - Creating commercialization opportunities
 - Conducting work that is truly 'market disruptive'
 - Sustained funding (after 7 years)

Melbourne



Dairy Australia

- Established in 2003 as a private industry-owned organization
- Is the 'single service company' for Australia's dairy industry
- Revenue comes from levies (59%), gov't (28%), industry (3%), and royalties (5%)
- Levy is 0.31 cents/litre based on butterfat and protein. Levy vote every 3-5 years.

Dairy Australia

- R&D&E = research, development and extension
- 3 categories of R&D:
 - Evolutionary – protecting the core by making things cheaper, faster and better
 - Tactical – extend into emerging markets
 - Revolutionary – create/lead new make new markets and new product development

Dairy Ingredients Group of Australia

- Not-for-profit research company made up of individual companies
- Unique model for capacity building:
 - All companies pool their money into 1 pot and then the DIGA determines with them which capacity building proposals get funding
 - If companies want specific R&D done for their company, they enter into a separate agreement
 - Similar to the Poultry Product Utilization Model

AusBiotech Ltd.

- Agricultural Biotechnonology International Conference (ABIC) 2006 will be held in Melbourne from August 6 – 9, 2006
- Zero-tolerance toward GMO continues to be a big hurdle for Australia and its agricultural industries
- “Australia is a very highly education nation but we’re oozing innovation without commercialization”

Canberra



Grains Research & Development Corporation (GRDC)

- Statutory corporation, operating as a research investment body on behalf of its stakeholders (Aussie grain growers and government) (1990)
- Role is to invest in R&D and related activities to benefit Australian grain growers, wider industry and the community
 - Investigating and evaluating the requirements for R&D for the grains industry
 - Coordinating and funding R&D activities
 - Facilitating the dissemination, adoption and commercialization of the results of R&D

GRDC con't

- Funds for GRDC come from:
 - levies 49.7% (collected on 25 crops – temperate and tropical cereals, oilseeds and pulses)
 - Government match 40.9%
 - Other 9.4%
- Annual operating budget ~\$132M
 - R&D investments 71% (ongoing) 19% new
 - Employees 4%
 - Suppliers 6%

Australia Pork

- Industry-owned organization (like MLA, DA)
 - Approx. 600 members (80% of the production)
 - \$2.42/hog levy - \$0.70 for R&D and \$1.35 for marketing, policy and communication
 - United communications voice
 - United voice for R&D priorities
 - NOT involved in agri-politics
 - Governed by a Board of Directors (producers & industry)
 - Value-chains/supply chains – key approach to success

Perth



CSIRO

- Commonwealth Scientific and Industrial Research Organization – R&D providers
- Established in 1926
- Priorities for Farming and Food:
 - Animal products
 - Aquaculture
 - Crops
 - Farm management
 - Food
 - Forestry
 - Pastures

CSIRO

- 6 Flagships:
 - Food Futures
 - Energy Transformed
 - Light Metals
 - Preventative Health
 - Water for a Health Country
 - Wealth from Oceans
- Organized by flagships with a complete value-chain spanning from production to processing to the market
- Priorities within the flagships were chosen based on the potential for the industry to grow

Agriculture Research Institute

- Like our IFASA...
- Alliance of 3 major universities and the state
- Provide leadership and strategic direction of agricultural R&D in Australia
- Moved from a project to program approach
- Implementation phase

Take-Home Messages

- Australia – national approach
- Industry drives the R&D agenda
- Cooperation among R&D providers, funders and industry
- Commercialization is a key priority in the R&D continuum
- **IMPLEMENTATION** – no more talking...taking action!!!