

Q&A with Emeritus Professor Kym Anderson AC

on 'Addressing off-farm impediments to global food security'

Chair: Dr Cate Rogers, Assistant Secretary, Climate Financing and Programming Branch, Climate Change and Sustainability Division, Australian Department of Foreign Affairs and Trade

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First, thank you for a fantastic presentation in which you raised so many issues. You are not just talking about agricultural research and climate-smart agriculture in isolation; you are connecting it to so many other things and so many of the policy challenges. Macro-economic changes can make a big difference to food affordability, as just one example. Research has shown that the additional cost to developing countries of food imports as a result of the US dollar strengthening was \$9 billion, which is not insignificant during a global food crisis, and puts pressure on the system making it harder for countries to respond with that array of policy tools such as social protection, which you also mentioned.

Q:

A question about extension. My understanding is that public funded extension was a response to the distortion of markets. I wonder if that is something that is going to happen further in the future, if it's something that someone like yourself supports?

A: Kym Anderson

Certainly, in Australia extension has almost disappeared from the public sector. The State departments of agriculture used to do that extensively and now that's been dissipated and the private sector has filled that gap. As an initial result, most farmers tended to get less of it because they were not as willing to access it when they had to pay for it as they were when it was free. But now we see more firms providing very sophisticated services to farmers; and even farmers who can't afford to pay for such services can look over the fence and see how somebody else changed their methods as a consequence of using a consultant.

In developing countries, the loss of extension services may have happened less so far, but it's moving in that same direction. To offset that, public-private partnerships may help to get the private sector to upscale at least the best of the technologies that are sitting on the shelf. I'm really impressed by the best of these initiatives, such as what USAID's been doing and now also this new Innovation Commission that's set up at the University of Chicago: they offer a way of filling that gap.

Q: John Angus, Charles Sturt University in Wagga Wagga NSW

Thanks for your talk. I'd like your comments on farm cooperatives. The background is that grain growers in Australia sell grain to multinationals, whereas many grain growers in the United States market grain through a co-operative. I'd be grateful for your comment.

A: Kym Anderson

Australia has had a long history of cooperatives, starting in the 19th century and expanding during the depression of the 1930s. But now they've almost disappeared. They were taken over, or became private companies, or went on the stock exchange or whatever, and found they could operate more efficiently that way than having farmers on the co-op's board who may not have

known much about exchange rates or interest rates or markets in distant countries. That's been the evolution here in Australia.

Many developing countries still have cooperatives though, and it's partly because they may have had lenders of finance – as for example in a local monopoly situation – who were exploiting farmers, and the farmers could see a benefit from getting together and forming their own co-operative. But again, over time, as costs of doing business decline with IT, with better rural infrastructure, with more transport between cities and country areas, we see a relative demise of cooperatives or even their absolute disappearance in some settings. They still have a place while ever there are these unfortunate situations of monopoly or monopsony, though.

Q: Sibjan Chaulagain, a Crawford Fund Scholar at the Australian National University

I come from Nepal, from a smallholder farming family. We talk here about technology, technological uncertainty and policy uncertainty. My question is a bit away from the climate challenges and similar problems. If I was in Nepal now, I would be asked to go to the field to guard the crops against monkeys. Raiding by monkeys, and by invasive species is a big problem in Nepal (even discussed in the parliament), and in other countries as well. There is no long-term solution. Sometimes farmers fire a gun or similar noise-making device, but its effects don't last long. What can be done with policy? For example, in Australia there is policy about culling kangaroos. Can that sort of policy be applied to monkeys in Nepal, and problem animals elsewhere? I would like to hear from any experts who are here. Have you come across any thoughts about technological innovations to deal with this kind of thing, or any relevant policy solution? I am raising this question here where there are so many experts aiming to help farmers in developing countries, because if I do not raise this issue here I will have missed an important opportunity for a solution.

A: Kym Anderson

Well, you might be surprised to know I'm not an expert on monkeys! But I think this is a common issue throughout the world. Farmers have to deal with several types of raiding animals in Australia: birds in vineyards or orchards, for example. Growers put nets over the vineyard if they want to keep the birds off, or they plant vineyards where there are very few trees nearby. Those are among the solutions farmers use wherever this type of issue arises. I'm sorry, I can't help you with monkeys in particular though.

Chair: Cate Rogers

I think the broader issue there is that if farmers in developing countries have better access to resources, that can mean they are better placed to find their own solutions. One of our jobs that we take seriously at DFAT is to try and ensure that farmers *do* have access to resources.

Thank you very much, Kym, and thanks very much to the audience for your questions. Let's thank Kym in the usual way.