



Controlling Your Own Destiny

R&D helps decide your best options for change

Farmers can choose many different directions for their business. They can select from a diverse range of crops and livestock, they can go for traditional or cutting edge products, they can do it alone or become part of a consortium. How do they make these choices? Can farmers better prepare for the inevitable droughts or sudden falls in commodity prices?

Dr Roslyn Prinsley – General Manager of Research for the Rural Industries Research and Development Corporation (RIRDC) – says farmers can use the resources of R&D to help make these decisions- and not just as a last resort when trouble strikes.

“Anyone interested in diversification should come to RIRDC as a first port of call rather than the last – to help build and protect the farm business,” she said.

RIRDC was established in 1990 to facilitate research and development in rural industries and to help guide industry and government investment. Its three core aims are fostering development of new industries, research and development investments for some established industries, and researching issues affecting the rural sector in general.

A diverse range of over 900 products and publications has been produced by RIRDC, with most aimed at providing support and information for landholders.

One outstanding resource recently launched is “Options for Change: new ideas for Australian farmers” – a handbook packed with case studies from around Australia, which are valuable in supporting any decision to diversify or change management procedures. Many of the farmers in the case studies made a conscious decision to prepare for the ups and downs in weather conditions and markets. These farmers chose to experiment with well targeted planning and research resulting in changes to their business practices. They are now better prepared to deal with falls in commodity prices, rising business costs, unpredictable weather conditions and other challenges such as disease outbreaks.

Australian farmers are resourceful and inventive when faced with challenges and opportunities. Now they are acquiring new skills and broader perspectives to help develop innovative products and new business relationships. The “Options for Change” book highlights the processes that farmers have used in developing their businesses.

Roslyn said diversifying into new enterprises is one option for improved profitability, based on existing conditions and resources.

“Diversifying can be an excellent way to improve lifestyle, achieve family goals, increase a farm’s long term financial viability, or correct environmental factors affecting the farm.”

However, it is important to have the resources and adequate planning to successfully diversify, she said. In the long term, diversification can be “protection against going downhill” in times of drought or other hardships.

Roslyn also stressed that while a crisis can be an incentive in making changes this should not always be the case .

“Farmers don’t need to hit ‘rock bottom’ before bouncing back. There are different options out there to enable them to become master or mistress of their own destiny.”

The emphasis in “Options for Change” is on devising strategies and implementing changes in farming. There is a strong focus on business planning before embarking on change, to “avoid pitfalls and learn from the process” .

While it is acknowledged many farmers don't have business plans, each of the different options outlined in the book (eg: leasing land, off-farm income, syndicating, land tenure) includes important aspects of planning.

"The case studies often show the potential benefits of developing new enterprises and ways of doing business as well as the pitfalls to watch out for. This is especially true where an economic analysis has been done to show how different approaches have resulted in success or failure."

Risk management is another "huge issue for farmers" that comes into each of the book's sections. Anticipation of risks is important in management of long-term farming. For example, if only one commodity is farmed there is a need to consider improving efficiency as a means of competing in a potentially depressed marketplace, and to possibly look at venturing into other commodities of business activities.

As an example of managing risk, Roslyn highlighted the use of syndicates when purchasing expensive machinery.

"It might be risky to invest in an expensive piece of equipment you're only going to use twice a year. An individual can sometimes invest far too much in something that can be successfully shared among a local group of growers."

The philosophy of RIRDC is based around developing positive outcomes in the rural sector, and on striving to improve existing resources and skills.

"RIRDC has excellent proven products that will help farmers manage risk and be better prepared to deal with the ups and downs of farm life including unfavourable weather, the vagaries of international trade and the general nature of rural living."

The "Options for Change" publication provides details of a wide variety of tried and true enterprises from all around Australia. These are based around the traditional farming model and focus on making better use of existing resources and skills on the farm. An outline and introduction to this up-to-date and useful resource can be viewed on the RIRDC website - www.rirdc.gov.au. This website can proudly claim to be "one of the best and most used resources on agricultural innovation and diversification in the world".

"Options for Change" can also be purchased at a cost of \$31.00 (to be verified) from RIRDC, which has an online catalogue and publications E-Shop.

Other RIRDC resources, which should be of interest to Australian farmers considering changes to their practices, include:

- The Rural and Regional Guide to E-commerce (2002)
- E-commerce in Rural Areas – case studies (2000)
- Practical Farm Forestry – whole farm case studies (1999)
- Design Principles for Farm Forestry: a guide to assist farmers to decide where to place trees and farm plantations on farms (1997)
- The New Rural Industries – a handbook for farmers and investors (1998)



Roslyn Prinsley (centre) out in the field with Helen Cameron and Jerry Butler, and several key RIRDC publications