



Australian Government
**Australian Centre for
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Committee Secretary
House of Representatives Standing Committee on Agriculture
PO Box 6021
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Friday 31 May 2024

Dear Committee

The Australian Centre for International Agricultural Research (ACIAR) is pleased to provide the following submission to the House of Representatives Standing Committee on Agriculture regarding the inquiry into the role of Australian agriculture in Southeast Asian markets.

ACIAR is a statutory agency that operates within the Foreign Affairs and Trade portfolio of the Australian Government. Established in 1982, the agency's activities form part of Australia's development program, with the objectives of brokering research for the purpose of identifying, or finding solutions to, agricultural problems of developing countries. Investment in research for development by ACIAR supports and advances Australia's national interests by contributing to sustainable economic growth and civil stability in our region, while also working to solve Australia's own agricultural food systems challenges.

ACIAR brokers, facilitates and invests in partnerships for research and innovation in sustainable, resilient and productive agriculture, fisheries and forestry systems. ACIAR commissions Australian and international research institutions to carry out research and capacity development projects in 35 countries throughout the Indo-Pacific region. ACIAR also supports a suite of capacity development programs and project-related training and manages Australia's investments in international agricultural research centres and multilateral partnerships.

The collaborative international programs and partnerships underpinning ACIAR-supported research also improve Australian scientific capabilities and the productivity and sustainability of agricultural systems in Australia. Improved technologies, practices and policies identified and developed through ACIAR-supported research programs often address shared challenges in the Indo-Pacific region, including Australia. Benefits arising from research brokered by ACIAR include improved biosecurity, better One Health approaches, new crop and livestock varieties, and enhanced value chains and policy development.

ACIAR has identified the following priorities for agricultural research for development in the Southeast Asia region:

- Capitalising on market opportunities that can transform smallholder farming systems as the region undergoes rapid urbanisation and agrifood chains undergo globalisation.
- Understanding and addressing the impacts of climate change on food systems and livelihood security.
- Challenging issues related to acute poverty that require very specific targeting for research collaboration.
- Increasing regional cooperation and trilateral collaboration in research between ACIAR-commissioned organisations and partner countries in the region.

Australia, through ACIAR, can address these priorities to increase the knowledge and capacity of smallholder farmers, and their communities, advisors and researchers, to enhance the agrifood systems of Southeast Asia and Australia and deepen partnerships throughout the region.

I would be pleased to meet with the Committee to further explore the roles of ACIAR and Australian agriculture (including our agrifood innovation system) in Southeast Asian markets in the context of a whole-of-government approach to 'Invested: Australia's Southeast Asia Economic Strategy to 2040'.

Sincerely

Professor Wendy J Umberger
Chief Executive Officer

Encl ACIAR Submission to House of Representatives Standing Committee on Agriculture



Submission by the Australian Centre for International Agricultural Research (ACIAR) to the House of Representatives Standing Committee on Agriculture regarding its inquiry into the role of Australian agriculture in Southeast Asian markets.

1. How the Australian Government can support agriculture and food industries in leveraging partnership opportunities within the region. This includes new and improved market access, streamlining trade systems, and supporting industry to identify and build market opportunities in the region.

The Australian Government has a specialist agricultural research-for-development agency, the Australian Centre for International Agricultural Research (ACIAR). Established in 1982, ACIAR has extensive research-for-development partnerships throughout the Indo-Pacific region, including Southeast Asia. For more than 40 years, ACIAR-brokered partnerships have delivered benefits for agrifood systems and markets, global food security and Australian agriculture. These partnerships have been built through ACIAR brokering, facilitating and investing in Australia's research and innovation system to identify opportunities for Australian researchers to work with partners from research and innovation institutions.

ACIAR investments in Southeast Asia have addressed issues associated with food security (availability, access and utilisation) and built significant individual and institutional capacity, to enable ongoing capability to meet emerging challenges.

Extensive and deep partnerships brokered by ACIAR have been formed within the research ecosystem of partner countries and have had significant impact on evidence-based policy development. The capacity of this policy influence has enhanced market access and trade opportunities in the agrifood sector for both Australia and partner countries in the region.

A recent analysis identified 60–70% of the US\$60 billion invested in innovation in Global South agrifood systems comes from the public sector¹. The public sector of these regions has been ACIAR's primary partners. However more recently, ACIAR's partnerships have been enhanced through the engagement of the *private sector*, both in Australia and throughout Southeast Asia. The partnership with the private sector in Australia and the region is providing complementary mechanisms that enable the scaling of innovation for sustainable impact.

These research partnerships have been used to successfully grow the agrifood sector through engagement with profitable markets at the local, national, regional and global level, whilst delivering substantial livelihood benefits for those involved in emerging value chains.

¹ Dalberg Asia. 2021. Funding Agricultural Innovation for the Global South: Does it Promote Sustainable Agricultural Intensification? Colombo, Sri Lanka: Commission on Sustainable Agriculture Intensification. 57p

ACIAR, and its partners, have developed extensive evidence that has informed policy improvements for trade and sector development, improved livelihoods and influenced rural transformation. This influence is best demonstrated through two case studies:

1. An ACIAR-invested horticulture project in the Philippines is helping smallholder farmers move towards Philippines Good Agricultural Practice (PhilGAP) certification for their farming and food safety practices, which is key for improved market access. Farmer capacity development is one element of the project, along with the value chain and production research, which is being undertaken throughout the southern provinces of Mindanao and Leyte, involving more than 130 smallholders.
2. Several investments spanning more than a decade have advanced beef enterprises, trade and market opportunities in Indonesia, Vietnam and Australia. The investments in the region aim to evaluate and implement new technical and market growth strategies to improve smallholder incomes from beef cattle, while also improving the profitability and sustainability of these enterprises.

These investments, and others in the ACIAR portfolio, have not only benefited the sectors in our partner countries but have also benefited Australia's agriculture systems through aspects such as improved market intelligence, market access, certification implementation, scaling innovation and overcoming barriers to trade.

The Australian agriculture and food sector can build from these extensive and deep partnerships developed by ACIAR.

2. Opportunities to build and strengthen partnerships in Southeast Asia to build capability in the region, including in the area of animal and plant biosecurity, adapting to a changing climate, improving agriculture sustainability and agriculture technology and innovation.

ACIAR-funded research and partnerships in Southeast Asia have improved food security and supported the establishment of profitable markets, enabling the transformation of regional and rural sectors, households and communities.

Into the future, there is a significant opportunity for these partnerships to address current and emerging global challenges. These include enabling adaptive capacity to manage climate change, transforming food systems to mitigate greenhouse gas emissions (GHG) and improving the livelihoods of all members of the agrifood system, from producers to consumers.

ACIAR has established pathways to impact, and 40 years of research and innovation partnerships have influenced policy implementation and sustainable scaling. These pathways have arisen from engagement with both the public and private sector and form the foundations to sustainably transform the agrifood systems of Southeast Asia and Australia, through knowledge, innovation and capacity to withstand future challenges.

Each Southeast Asian nation, and Australia, has committed to lowering GHG emissions through their nationally determined contributions (NDCs). This commitment will be challenging for Australia and our partners in Southeast Asia, however the challenge presents a unique opportunity for Australia and partners to work together in a transdisciplinary way with clear impact pathways and policy influence to collectively achieve industry and national commitments. The Australian agrifood sector, and its research and innovation ecosystems, have developed pathways and frameworks that will enable sectors to transition to net zero emissions.

ACIAR is ideally placed, with its deep partnership networks, to broker engagement with Australian and Southeast Asian partners to share lessons and knowledge to achieve net zero emissions in food systems. Additionally, having worked to address complex, long-term challenges in Southeast Asia, ACIAR can contribute in the following ways:

- Australian innovations, through ACIAR-brokered partnerships, can be adapted in the region to create opportunities and strategies to improve biosecurity, market access and trade for selected high value horticultural markets, climate adaptation or food systems and rural communities. This includes technologies to sustainably manage vegetable production systems through agronomic techniques and nutrient use across Southeast Asia, and advancing digital agricultural technology, innovation and capacity across the region.
- Moving integrated regional supply chains into profitable markets, planning and establishing sustainable value chains which benefit households while also meeting market requirements to enable access to higher value markets. These partnerships in integrated value chains enable joint learning and collective action to address contemporary market challenges, such as biodiversity and carbon equalisation measures.
- Developing Australian capacity to address future and ongoing threats throughout the region, including lumpy skin disease, rabies, varroa mite, fire ant and fruit fly, where they are endemic and/or persistent.

3. Identifying new and emerging opportunities and challenges in the region for the Australian agriculture industry, including enhanced market intelligence for exporters to support them to navigate markets and realise opportunities.

In 2011, Australia's Chief Scientist noted that Australian agriculture feeds about 20 million people in Australia and about 40 million people overseas. However, far more significantly, Australia, through knowledge generated in its research and innovation ecosystems, and shared through the unique partnerships of ACIAR, has contributed to the improving the nutrition of over 400 million people worldwide.²

Future engagement should ensure Australia continues to be both a key trading partner and a knowledge partner, enabling broader impact for the sustainability of the agrifood sector in the region.

In conjunction with enhancing a knowledge-based approach to engaging in markets in Southeast Asia, there are new and emerging opportunities to work in research-for-development partnerships:

- share market intelligence and relationships in key areas that can support trading opportunities, such as ACIAR's investments in the beef and dairy sectors of the region
- integrate supply chains supported through digital technology
- address changing market access requirements, such as carbon border adjustments
- improve policy alignment, including in trade, climate and nationally determined contributions.

² Chubb, I. (chair), 2011. Strategic framework for international agricultural research within Australia's aid program. Report of an independent panel. Australian Centre for International Agricultural Research, Canberra.

Yet, perhaps a greater opportunity is to continue to work together to build evidence and knowledge that transforms our agrifood systems, so they feed the world well, reduce GHG emissions, improve resilience to shocks (short- and long-term) and improve the livelihoods of those involved, including the farmers, the entrepreneurs, the value chain stakeholders and the consumers in the region.

There is also an opportunity to integrate the development of solutions to address agrifood system challenges into the broader geo-political dialogue, with a focus on addressing food security and livelihoods with the region which has a broader impact on regional stability and security and an ongoing willingness of partners to engage in dialogue.

4. Mechanisms for government and industry to leverage identified opportunities for Australian agriculture, and to address key priorities in the Southeast Asia region.

ACIAR is highly supportive and seeks an active role as part of a whole-of-Australia approach, in the implementation of the recommendations associated with agriculture in 'Invested: Australia's Southeast Asia Economic Strategy to 2040'. Specifically, ACIAR can contribute to the following:

- Developing and deepening cooperation on sustainable agrifood systems through existing mechanisms and development programs.
- Expanding training programs to support regional farmers on world's best agriculture practices (including water, soil, and broader environment and sustainability practices).
- Providing long-term support for Southeast Asian trading partners' capacity to address biosecurity threats, including by in-country deployments of specialist technical capabilities.
- Establishing an Australian Agriculture Partnership to bring together public and private sector expertise to support agricultural trade cooperation and development in Southeast Asia.

The Australian Government, and Australia's agricultural industry, could utilise the deep research and innovation partnerships developed by ACIAR to engage in effective dialogue around trade and investment supported by an evidenced-based approach that has been generated through ACIAR's previous investments.

There is also a strong potential to build from ACIAR's comprehensive capacity development efforts, which has focused on building research, innovation and policy development expertise, ACIAR can expand this effort into other components of the agrifood system including smallholder farmers and value chain stakeholders.

ACIAR's evidence, gained in the region, could also be used to enhance world's best practice in building future food systems. ACIAR research partnerships and capacity development has already supported the management of biosecurity threats, both for our partner countries and Australia. This evidence and capacity could be utilised to further support the development of technical specialisation with our partners in managing these ongoing and emerging threats. ACIAR could bring forward a significant alumni cohort, who have been engaged in both research projects and capacity building programs, to form the foundation of an Australian Agricultural Partnership in the region.

5. *How Australian agriculture can support Southeast Asia's food security [towards 2040].*

Australian agriculture has great potential to be a supplier of a diverse range of food to Southeast Asia, to enhance the region's food security. However, Australia can also build on the impact of 40 years of ACIAR-brokered partnerships in the region and work with smallholder farmers and their communities, science organisations, and public and private sector organisations to build sustainable and resilient food systems that can adapt to emerging challenges.

Through ACIAR, and its role of engaging Australia's unique research and innovation system to work in partner countries, Australia can:

- Continue to underpin productivity growth that enabled profitability through market engagement.
- Enhance efforts to not only address food security, but to also achieve this in a climate challenged environment.
- Develop biosecurity research strategies to manage emerging pest and disease threats, including zoonotic threats, in high-value, high nutritional outcome agrifood systems in the Pacific, Indonesia, the Philippines and Vietnam resulting from a changing climate.
- Build from the extensive networks that have been developed by ACIAR and move this influence into the broader enabling environment through engagement with leaders within and outside the agrifood ecosystem.
- Ensure ongoing policy influence and seek opportunities to influence the broader geo-political environment.
- Expand ACIAR's engagement to enable innovation and services provision partnerships (technological, policy, financial and institutional through capacity building) to continue productivity and profitability for the significant number of smallholder farmers in Southeast Asia, which also benefits consumers in the region and beyond.
- Enable these research partnerships to address emerging challenges such as that posed by increasing levels of climate change.
- Be linked more closely to the global agrifood architecture, such as the UN food agencies, (FAO, WFP and IFAD), with the evidence derived from ACIAR-brokered research, and influence policy settings at the multilateral and national levels.