
KG2
Data driven sales & marketing
for farmers & agribusiness™
AASF Element 5: Communication & Engagement Survey Report: Phase 2
National Farmers Federation

Contents

Introduction

In October/November 2021, KG2 contacted a sample of n=612 Australian farmers for a 20 minute interview by telephone. This sample was split into three key groups representing farm types and completed interviews most relevant to the study*:

Key Groups

Group 1	**Pigs, Poultry & Viticulture**	**41**
Group 2	**Sheep, Beef, Dairy**	**375**
Group 3	**Grain, Cotton, Sugarcane, Rice & Horticulture**	**196**
	TOTAL:	**612**

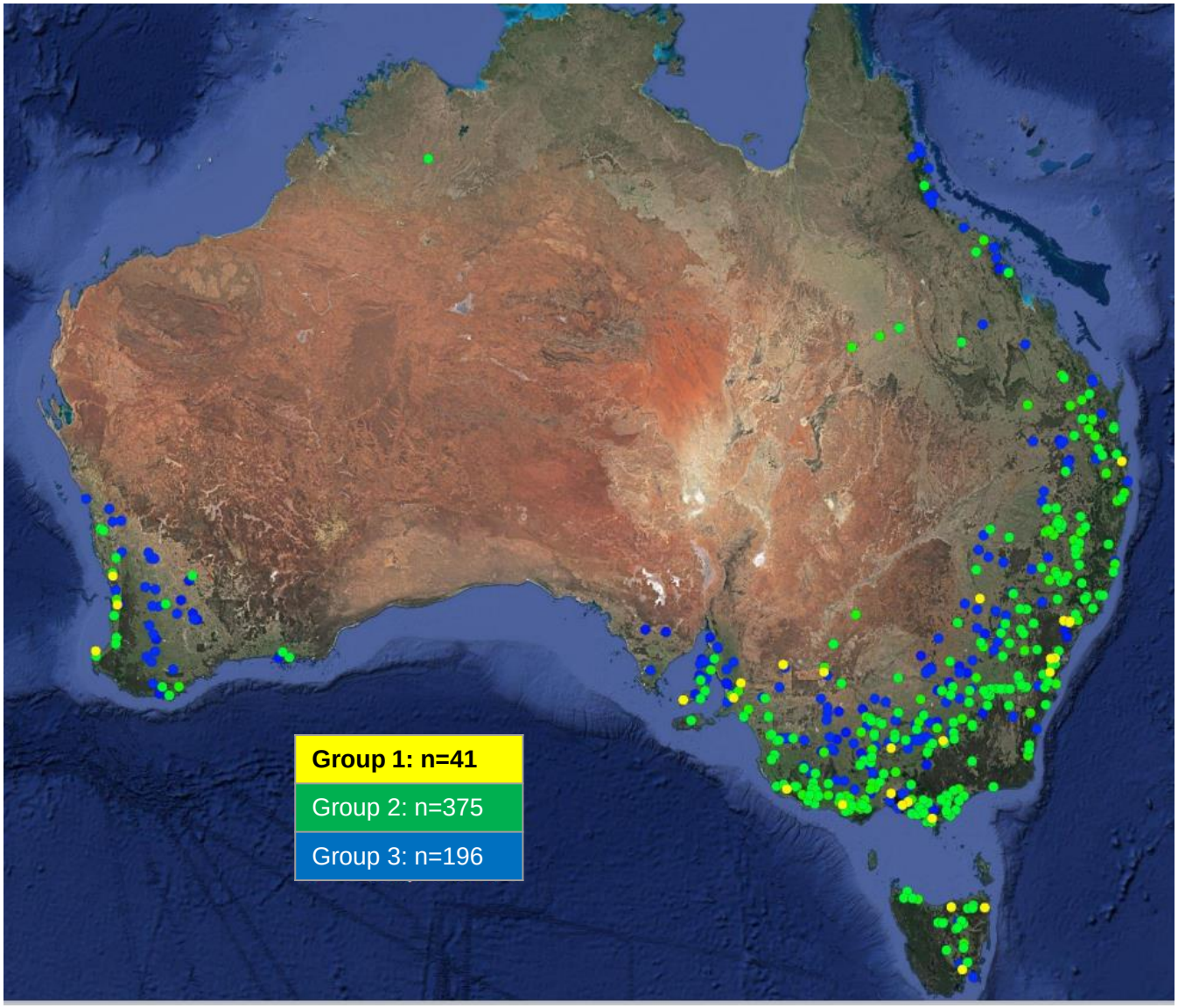
A map showing the distribution of the sample throughout Australia is shown on the next slide. The specific numbers of completed interviews for each group and farm type are shown below. A full sample profile including demographics and farmographics is also included in a later section of this report.

Completed Interviews by Group and Farm Type

Group	Farm Type	# of Completes	% of Completes
1 (n=41)	Pigs	5	1%
	Poultry	13	3%
	Viticulture (Grapes)	23	3%
2 (n=375)	Sheep	135	22%
	Beef	159	25%
	Dairy	81	13%
3 (n=196)	Grain	103	17%
	Cotton	11	2%
	Sugar	25	4%
	Rice	7	2%
	Horticulture (Fruit & Veg)	50	8%
	Total:	**612**	**100%**

**The colour codes for each group are used throughout this report for consistency. Note that some areas overlap (for example, one farmer could have grain, sheep, rice and viticulture, either all in one property or across several properties).*

Australian Distribution of Groups



Methodology

KG2 Database and Call Centre

KG2 owns and manages Australia's most comprehensive agricultural database which provided access to a full list of producers for this survey.

All calls were made from KG2's in-house call centre by trained, experienced interviewers using our CATI (Computer Assisted Telephone Interview) system. Manned by university agriculture graduate and post-graduate students, they have knowledge, understanding and experience that enabled them to create a rapport with farmers and to probe their responses appropriately.

Data Extraction, Coding and Analysis

Data analysis, outputs and reporting were all completed in-house at KG2. Data was extracted from KG2's system for quality assurance checking, analysis and coding of open-ended questions.

All data was converted to Excel and cross-tabulated by relevant variables. Results were analysed to check for statistically significant differences at $p=<0.05$. Charts were created for all questions and commentary added by the Senior Researcher on the project.

Reporting

After n=300 interviews were completed, key operators on the calls provided their insights, comments and feedback to the Operations Manager. These were incorporated into a brief report and sent to the AASF Project Manager. Detailed interviewer feedback is included in a later section of this report.

This feedback was reviewed and results checked by the Senior Researcher on the project against the full data set for Phase 2. Only statistically significant differences were incorporated into the body of this report.

Summary of Interviewer Feedback - Midpoint

Perceptions of the term 'Sustainability"

- The term 'Sustainability' by itself had no clear definition or meaning to producers.
- However, the concepts of 'Economic Sustainability' and 'Environmental Sustainability' are intrinsically linked in their minds. *Economic sustainability* is perceived more as profitability, and always comes first, whereas *environmental sustainability* is perceived as being more about land care and management:

"Do you mean sustainability as my profitability or sustainability as my land care?"

- The majority of producers had at least one sustainable practice on-farm; however, some did not realise they did. When asked to provide examples of sustainability, this changed some of their answers from 'No' to 'Yes'.

Barriers to implementing 'Sustainable Practices'

- Cost was the most significant perceived downside to implementing sustainable practices. This included machinery, fertilizer and fuel costs, as well as profitability and implementation costs.
- Producer perceptions were that most consumers still value lower prices over sustainability. They noted that without income, they have to resort to cheaper methods.
- The multi-generational aspect of farming was referenced by multiple farmers when asked about sustainability. In one sense, sustainability is about preservation and protection of land for future generations of farmers. In the other outlook, some farmers haven't changed their practices for generations, and are unlikely to shift.

Industry support and consumer Demand

- Perceptions of the level of industry support provided varied by industry type.
- There seemed to be fewer producers who thought sustainability impacted demand, compared to expectations or consumer influence.

Awareness of 'Farming Frameworks' or 'Schemes'

- There was little knowledge of farming frameworks or schemes.
- Overall, once introduced to the general concept of the Australian Agricultural Sustainability Framework (AASF), it was generally well-received.
- However, producers needed more information on its operation and questioned: *How would it be implemented, who by and when?*
- Producers were generally not willing to support something that will provide more restrictions.

Source: NFF Mid-Study KG2 Operator Feedback Report: n=300 Completed Interviews at Half-Way Point – 28 October 2021

01.
Executive Summary

Executive Summary

Our Role

KG2 was commissioned to complete the producer/farmer research component of AASF Element 5: Communication and Engagement.

Our work was conducted in two phases:

- Phase 1* (Exploratory Baseline: 5 minute survey; n=109 completed phone interviews); and
- Phase 2 (Engagement Potential; 20 minute survey; n=612 completed phone interviews).

This report focuses only on Phase 2 results.

Purpose

The key objective of this project was to conduct research to inform the development of the Australian Agricultural Sustainability Framework (AASF). More specifically, our objectives were to:

- Collect data to benchmark the main sustainable farming practices currently undertaken;
- Understand farmers' interpretation of the term 'Sustainability';
- Explore farmers' views on the sustainability of Australian agriculture, both now and in the future;
- Gauge the current level of industry activities and support to farmers for sustainable farming practices;
- Understand market and consumer influences and how these impact the farmer in the context of sustainability;
- Gauge awareness of, and participation in, industry frameworks or schemes that demonstrate sustainability;
- Identify expectations and concerns around premium payments for frameworks or schemes and explore compliance issues; and
- Explore the perceived usefulness of the proposed AASF, identify their expectations of how it would best work for them (facilitators) and potential barriers to uptake and adoption of the AASF.

** For enquiries regarding Phase 1 results, please contact Anwen Lovett, Project Manager (AASF) directly.*

Executive Summary (continued)

Current On-Farm Sustainability Practices

- The majority of producers (95%) currently conducted at least one sustainable practice on their farm.
- A key finding here was that some farmers did not realise they actually conducted them – if interviewers were asked to *provide examples of practices*, this changed some of their answers from 'No' to 'Yes'.
- The top five on-farm management practices for sustainability described were: low impact cultivation practices (such as direct drilling, minimum tillage) (32%), improved water management (29%), low impact pasture/grazing strategies (29%), planting trees (27%) and soil maintenance (23%).
- A wide range of other practices were mentioned across many different areas, such as: preserving native vegetation, minimising chemical usage, reducing erosion, renewable energy (such as solar panels with dairy farmers) and utilisation of technology and animal welfare.

Views on the Sustainability of Australian Agriculture (Current)

- Over three-quarters (79%) of farmers felt that Australian agriculture was sustainable now.
- The top three reasons for farmers thinking that Australian agriculture was sustainable now were: that more farmers are adopting sustainable practices (36%), that they have to be sustainable to make a profit (17%) and maintenance of soil structure and fertility (15%).
- The top four reasons for farmers thinking that Australian agriculture was not sustainable now were: that farmers are running the land too hard (30%), the overuse of chemicals (24%), poor farming practices (18%) and environmental neglect (12%).

Views on the Sustainability of Australian Agriculture (Future)

- Around 9 in 10 (87%) farmers felt that Australian agriculture was sustainable in the future, defined as 5+ years.
- The top four reasons given were: that more farmers are adopting new practices (29%), that there is a growing awareness of requirements for sustainability (25%), that there is a more optimistic outlook (17%) and that production practices are improving (17%).
- The top five reasons for farmers thinking that Australian agriculture was not sustainable in the future were: the impact of 'short-sighted' production practices (22%), the denigration of soil structure and fertility (20%), rising input costs (18%), the lack of biodiversity (16%) and the impact of chemical overuse (16%).

Current Industry Activities and Support for Implementation

- When farmers were asked about their industry's activities currently in place to help them implement sustainable practices on-farm, one in five (21%) said that they were either 'doing nothing' or 'not enough'. A further 4% said they were 'doing things themselves'.
- However, activities that were undertaken included a wide range of responses, the most common being: research and development projects (12%), encouraging sustainable practices (10%) and providing access to information (10%).
- When farmers were asked whether their industry offered farmers too few, too many, or about the right amount of support to assist implementation, just under half (48%) stated it was 'too few'.
- A further 36% said it was the right amount or just enough. Some farmers said they have to engage to pursue assistance (8%).

Executive Summary (continued)

Barriers to On-Farm Sustainability Practices

- The top three barriers to increasing sustainable practices were: the profitability/viability of farm production (20%), the cost of implementation (19%) and bureaucracy/regulations (13%).
- When asked about barriers when implementing sustainability practices, 41% said there were none. The key issues mentioned were finance/affordability related (18%) and bureaucracy/red tape (11%).
- When asked about barriers to maintaining their sustainability practices, 42% said there were none. The key issues mentioned were finance/affordability related (14%), income reduction/lower returns (12%) and bureaucracy/red tape (8%).

Concerns when Considering Sustainability Practices – Land Value

- When farmers were prompted about their concerns when considering sustainability practices in relation to the impact on land value, 32% said that it was very or somewhat concerning.
- When asked to explain their response, one in three (31%) said that sustainable farming practices maintain or improve their land value.
- One in five (19%) felt that rising land prices were not related to farming activity, however, 12% said that high land prices reduce the cost effectiveness of farming.

Concerns when Considering Sustainability Practices – Access to Finance

- When farmers were prompted about their concerns when considering sustainability practices in relation to access to finance, 29% said that it was very/somewhat concerning.
- One in three (28%) said that finance was widely available and 14% said that profitability was the main concern (14%). There were quite a few that found finance difficult to obtain, due to issues such as 'agri-phobic' lenders, over-demanding banks on sustainable requirements and the importance of personal circumstances.

Concerns when Considering Sustainability Practices – Land Use Conflicts

- When farmers were prompted about their concerns when considering sustainability practices in relation to conflicts of land use with land tenure arrangements, only 23% said that it was very/somewhat concerning.
- There were relatively few mentions of concerns, the main ones being restrictions on land usage (13%) and being unable to predict what the Government may impose (7%).

Concerns when Considering Sustainability Practices – Consent Difficulties

- When farmers were prompted about their concerns when considering sustainability practices in relation to difficulty gaining consent from eligible interest holders, only 20% said that it was very/somewhat concerning.
- There were relatively few mentions of concerns, the main ones being government being problematic (18%) and difficult banks (6%).

Concerns when Considering Sustainability Practices – Other

- When farmers were prompted about any other concerns when considering sustainability practices, 60% said that the issue mentioned was very concerning and a further 26% said that it was somewhat concerning.
- When asked to explain, there was a wide range of issues mentioned, the top three being government restrictions reducing productive capacity (11%), difficulty in adopting new practices without support (11%) and bureaucratic water control reducing capacity (10%).

Executive Summary (continued)

Industry Frameworks and Schemes (Awareness)

- Overall, only 34% of farmers could name any industry frameworks for demonstrating sustainability.
- Of those who could name one or more frameworks, these naturally varied by industry type, however, the top five mentions were: cropping groups (11%), MLA programs (10%), other livestock programs, regional producers' frameworks (9%) and Landcare (8%).
- Similarly, only 35% of farmers could name any industry schemes for sustainability.
- Of those who could name any, the top four mentioned were: Landcare (14%), sustainable production schemes (13%), livestock QA/advisory bodies (12%) and water/irrigation bodies (12%). A wide range of other schemes were also mentioned – there were quite a few mentioning QA and Accreditation related programs.

Industry Frameworks and Schemes (Participation)

- Overall, only 36% of farmers actually participated in industry frameworks or schemes for sustainability.
- Of those who participated, the top four mentioned were: the livestock grazing program (10%), Landcare Australia (9%), soil/pasture regenerative scheme (8%), and the ICC (7%).

Market and Consumer Influences

- When asked about market influences on their ability to sell products, there was a huge range of comments.
- Overall, 29% stated that there was considerable impact from international markets, with a further 13% stating that there was little or no impact at all.
- A host of other issues ranged from extensive documentation and requirements for multiple organisations (such as industry audits, quality checks, ISSC for shipping) to price volatility and competition.
- Also mentioned were uncontrollable events such as Australian seasonal effects, Covid, trade issues with China and exchange rates.
- When asked about their experience with new or increased market expectations in relation to sustainability, 42% felt there was no impact on marketing.
- However, 11% felt that consumer awareness is increasingly aligned to sustainable production, and many commented that there is rising demand for compliance, verifiability and traceability of products.
- When asked about their experience with new or increased demands due to sustainability, just over a third (36%) said there weren't any.
- However, there was a wide range of responses indicating that demand has increased (24%), and is likely to continue. This could vary by farm type as some produce is more affected by restrictions/standards than others.

Executive Summary (continued)

Premium Payments

- Overall, around a third (27%) of farmers had ever received a premium payment on the basis of sustainability.
- However, around half (52%) of farmers expected a premium for demonstrating sustainability. There is an indication here that around 25% of farmers are either 'missing out' on opportunities currently available, there are not enough opportunities in the industry or that some don't know enough about it.
- Overall, three-quarters (74%) of farmers said they would agree to extra compliance if a premium was available.
- Overall, around two thirds (68%) stated that value chain improvements would be sufficient for them to engage in sustainable practices instead of direct payments. Either way, whether via direct payments or value chain improvements, the data and farmer comments suggest that both need to be encouraged and supported, along with sustainability practices they are already doing.

Experiences with Schemes that Offer a Payment

- Overall, (58%) had heard of schemes that offer payments for sustainability activities. A further (19%) had investigated participating but didn't proceed and (15%) were not aware of any.
- Only (6%) currently have a project registered and a further (2%) tried to register but were rejected.
- For farmers who had a project registered with a scheme, the most common were environmental/ecological (21%), sustainable livestock (21%) and sustainable accreditation (16%).
- A further (13%) mentioned carbon soil/sequestration and (13%) mentioned carbon credits/offsets.
- The key reasons given for rejection or not proceeding with a scheme were: that it was not applicable or beneficial (34%), they needed more information (27%) or that it was 'too hard' (19%).

Concerns with Schemes that Offer a Payment (Prompted Issues)

- When farmers were asked about whether they were concerned about affordable finance to fund capital for sustainable activity, overall (40%) said yes.
- When farmers were asked about whether they were concerned about the tax implications of receiving non-primary production income for sustainable activity, overall (38%) said yes.
- When farmers were asked about whether they were concerned about the reduced access to government assistance measures, overall (38%) said yes.
- When farmers were asked about whether they were concerned about the reduced access to government assistance measures, overall (38%) said yes.
- When farmers were asked about whether they were concerned about the time and cost (e.g. advisor fees), overall (69%) said yes.
- When farmers were asked about difficulty gaining consent from eligible interest holders, overall (36%) said yes.
- When farmers were asked about whether they were concerned about licenses or fees from third parties, overall (60%) said yes.
- When farmers were asked about whether they were concerned about income restrictions of land tenure arrangements, overall (46%) said yes.
- When farmers were asked whether they had any other concerns, overall (18%) said yes. The most likely concerns mentioned were the 'unknowns' or the 'unproven' (29% each) and that it was 'not worth it' (also 29%).

0.2 Recommendations

Key Recommendations

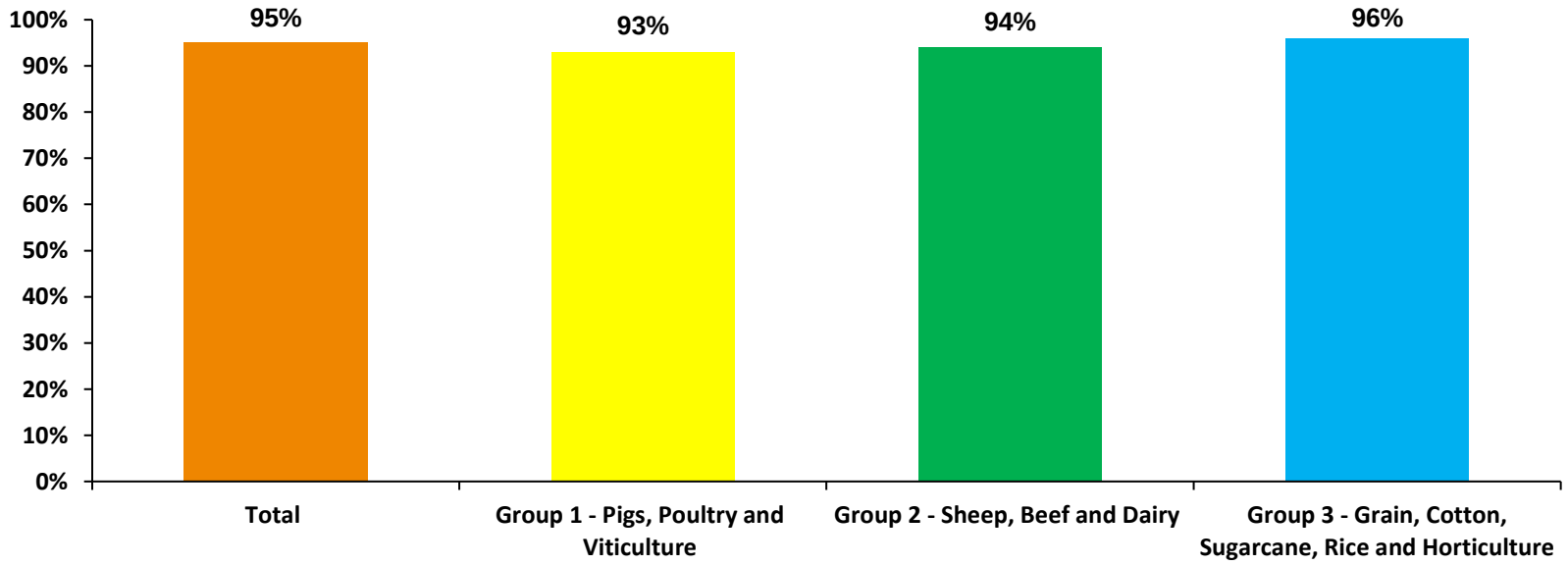
- The term 'Sustainability' used alone has no clear definition or meaning to producers. Farmers' responses suggest that the term alone is more associated with profitability, viability and continuity of their farm business whilst 'looking after the land'.
- However, the good news from this study is that sustainable management practices are definitely happening on Australian farms, they just don't label them as such or even realise they are doing it. The majority of these practices are focused on land care and water management.
- 'Land care' can include everything from 'usual farm activities' that improve on-farm productivity (for example, soil management, paddock/field rotation, minimising tillage, planting trees and native vegetation) to preserving the land for future generations and/or maximising the land value for sale.
- 'Water management' can include everything from irrigation, building dams, preserving waterways, creeks and riverbanks to ensuring survival through drought.
- Other sustainable activities can include everything from the use of technology to implementation of renewable energy sources to animal welfare.
- It is therefore highly important that the term 'Sustainability' is used carefully and always in context with familiar on-farm activities – this will optimise resonance in communications and with the AASF framework itself.
- Further research is needed to track the uptake, implementation and maintenance of these on-farm activities at a national level to fulfil the AASF positioning in its current form:

'The framework communicates the national sustainability status and goals of the Australian agricultural industry to markets and to the community'.

0.3
Detailed Report

Current On-Farm Sustainability Management Practices

- Overall, the majority of farmers (95%) currently conducted on-farm management practices for sustainability purposes.

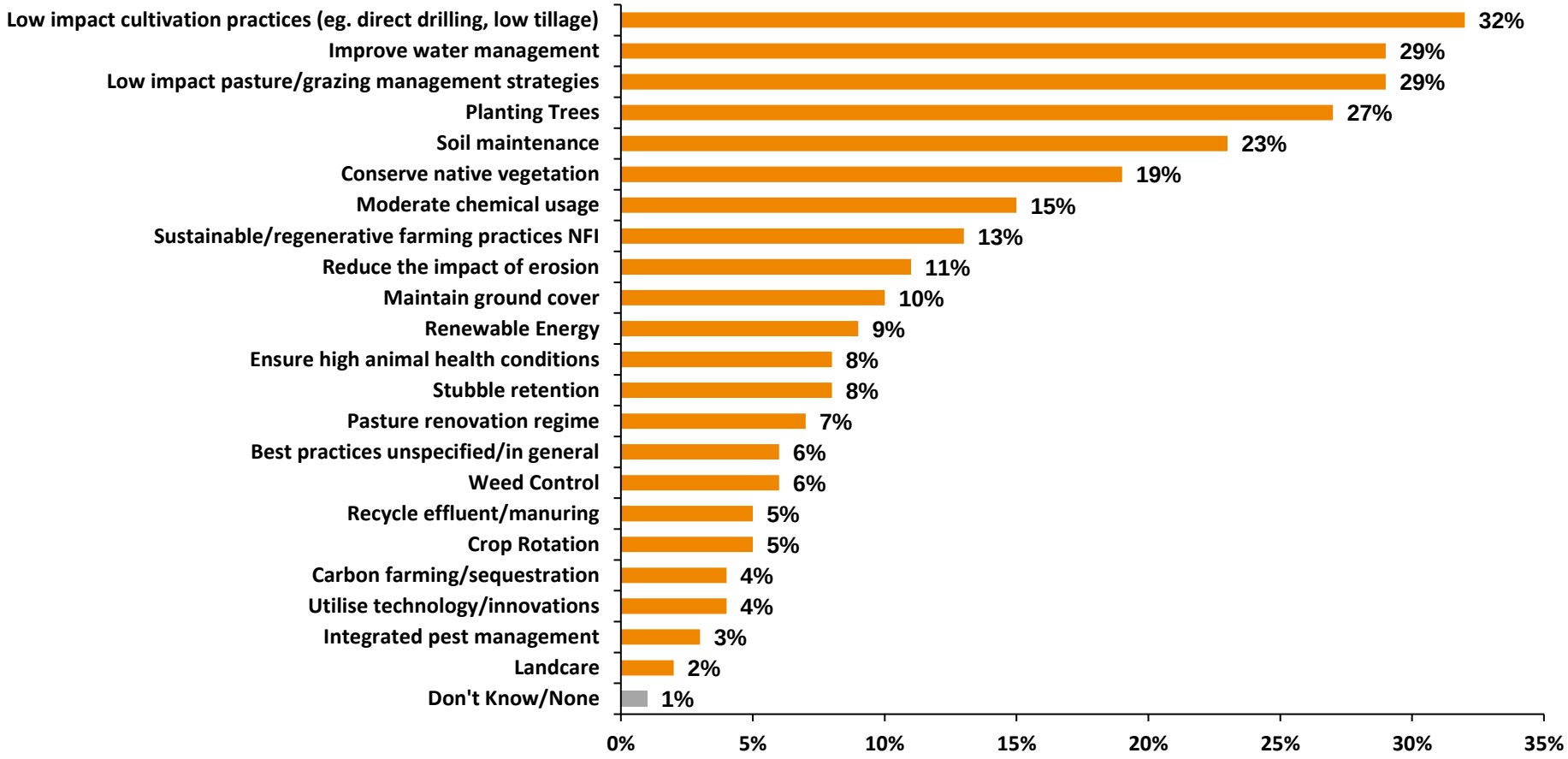


Q1. Do you currently conduct any on farm management practices for sustainability purposes? (% Yes)

Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196

Current On-Farm Sustainability Management Practices Described

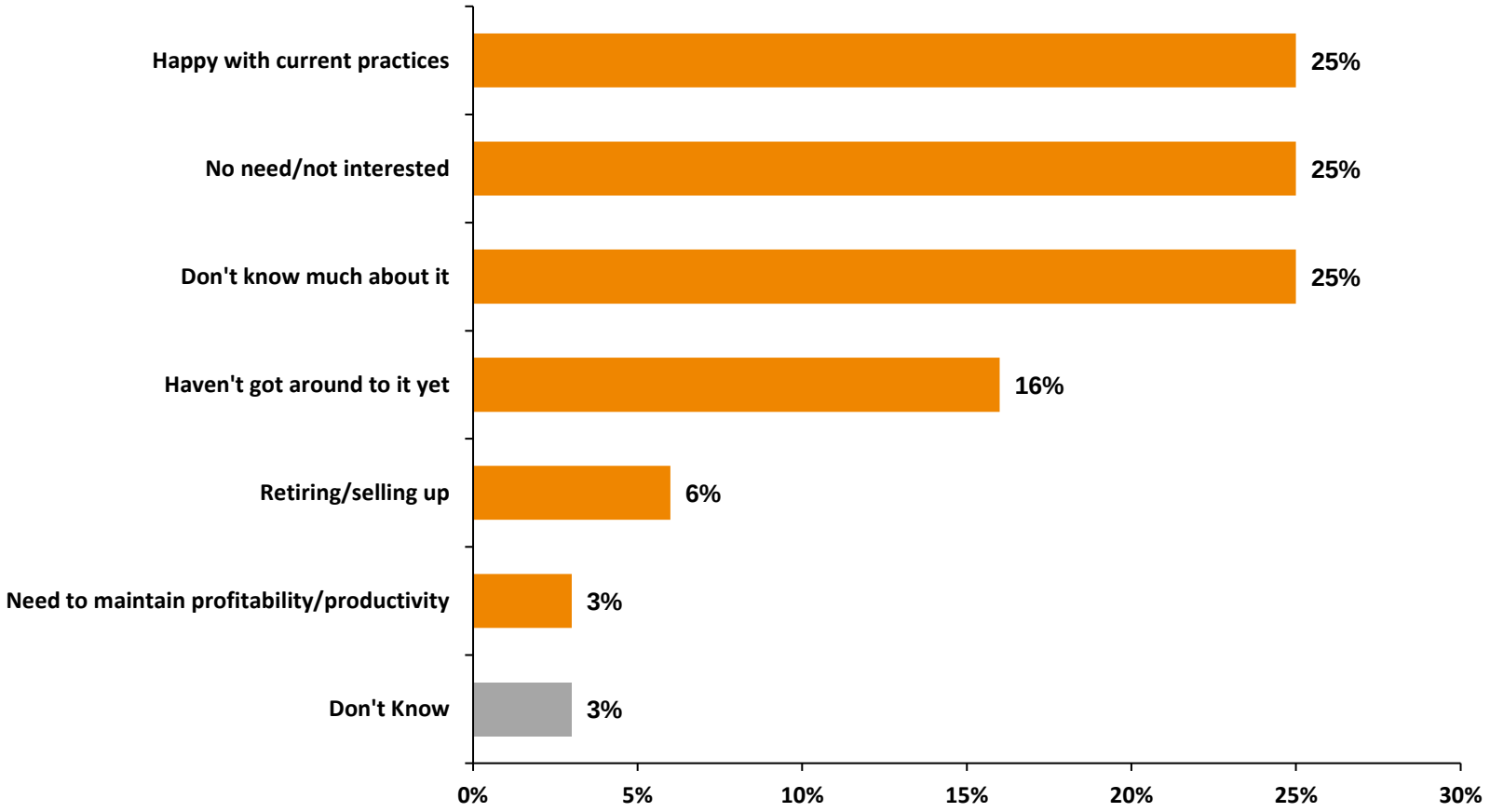
- The top five on-farm management practices for sustainability described were low impact cultivation practices (such as direct drilling, minimum tillage) (32%), improved water management (29%), low impact pasture/grazing strategies (29%), planting trees (27%) and soil maintenance (23%).
- A wide range of other practices were mentioned across many different areas, such as preserving native vegetation, minimising chemical usage, reducing erosion, renewable energy (especially solar panels), utilisation of technology and animal welfare.



Q2. Could you please explain what on-farm management practices you conduct for sustainability? (% Mentioned)
Sample size: Filtered by response to Q1 (Yes): n=580

Reasons for Not Conducting On-Farm Sustainability Practices

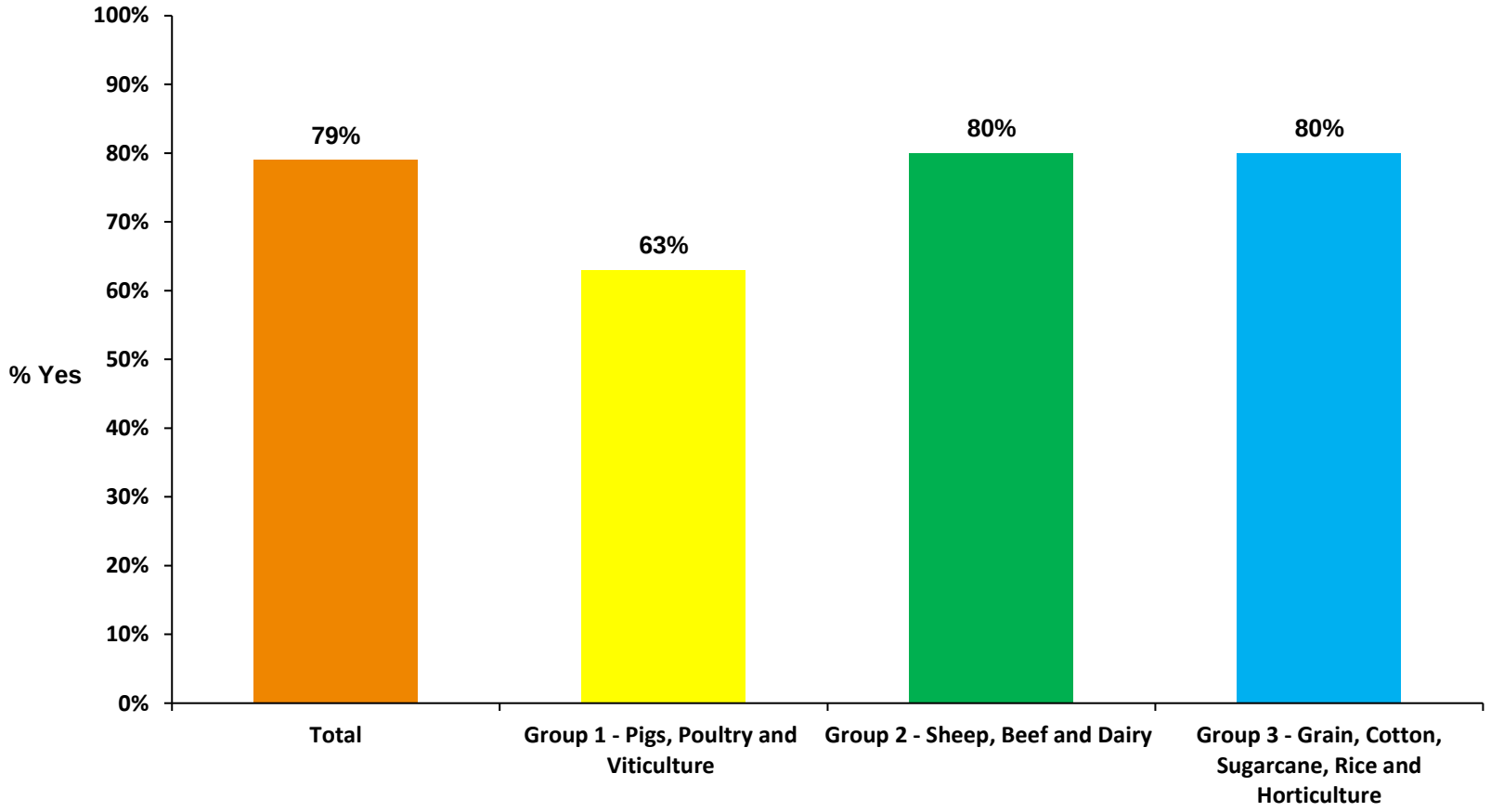
- Of the few that did not currently conduct on-farm management practices for sustainability purposes, most explained that they were happy with current practices (25%), had no need for it (25%) or didn't know much about it (25%). A small proportion were retiring and/or selling up.



Q3. Could you tell me a bit more about why that is? (% Mentioned)
Sample size: Total, filtered by response to Q1 (No/Don't Know): n=32

Views on the Sustainability of Australian Agriculture - Current

- Over three-quarters (79%) of farmers, felt that Australian agriculture was sustainable now.
- Group 1 (Pigs, Poultry and Viticulture) were the least likely (63%) out of the three groups, however, the percentage is still relatively high.



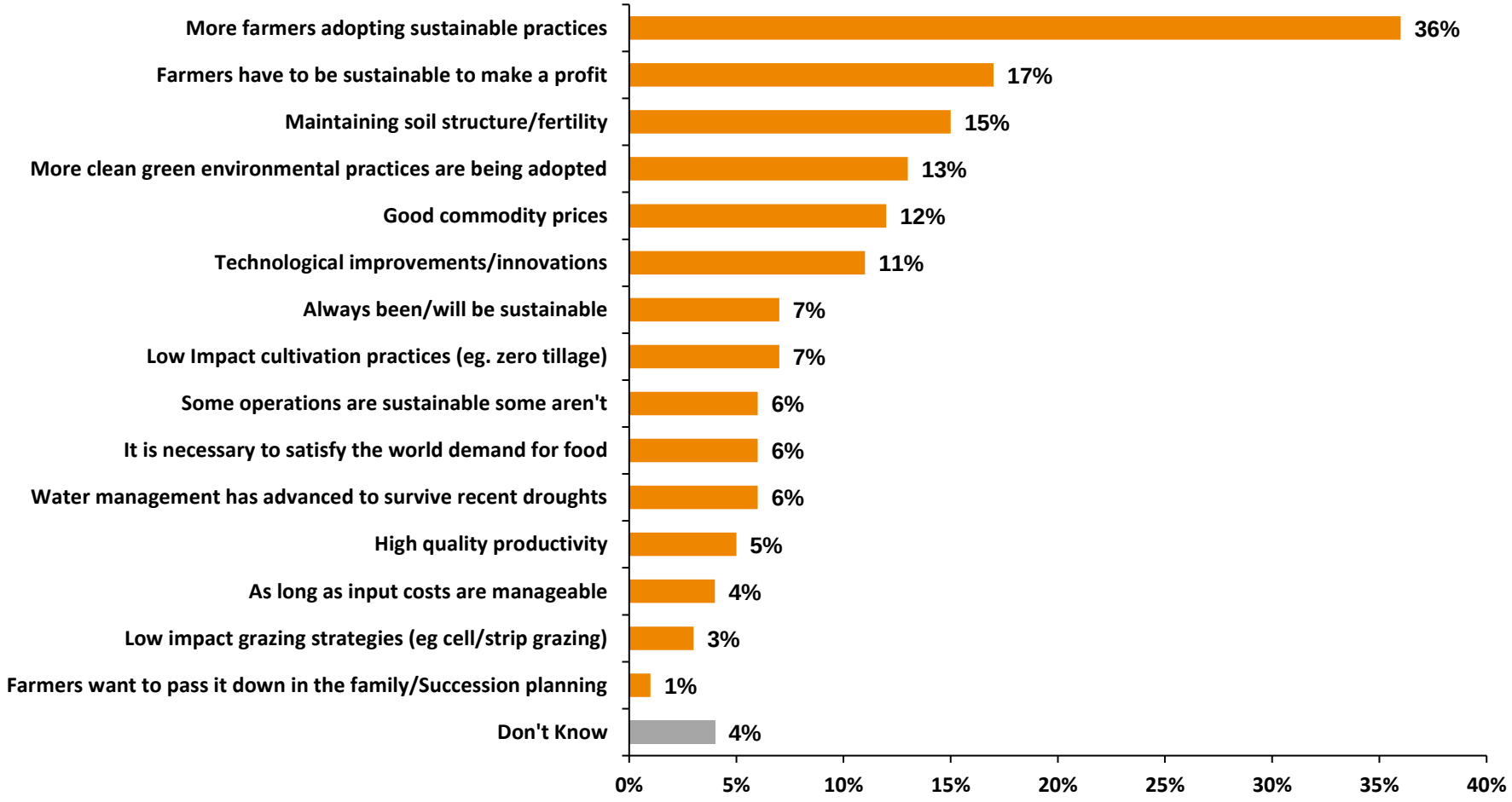
Q4A. Do you think Australian agriculture is sustainable now? (% Yes)

Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture n=26; Group 2: Sheep, Beef and Dairy n=267; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=319.*

**Caution: low sample size.*

Reasons for Thinking that Australian Agriculture is Sustainable Now

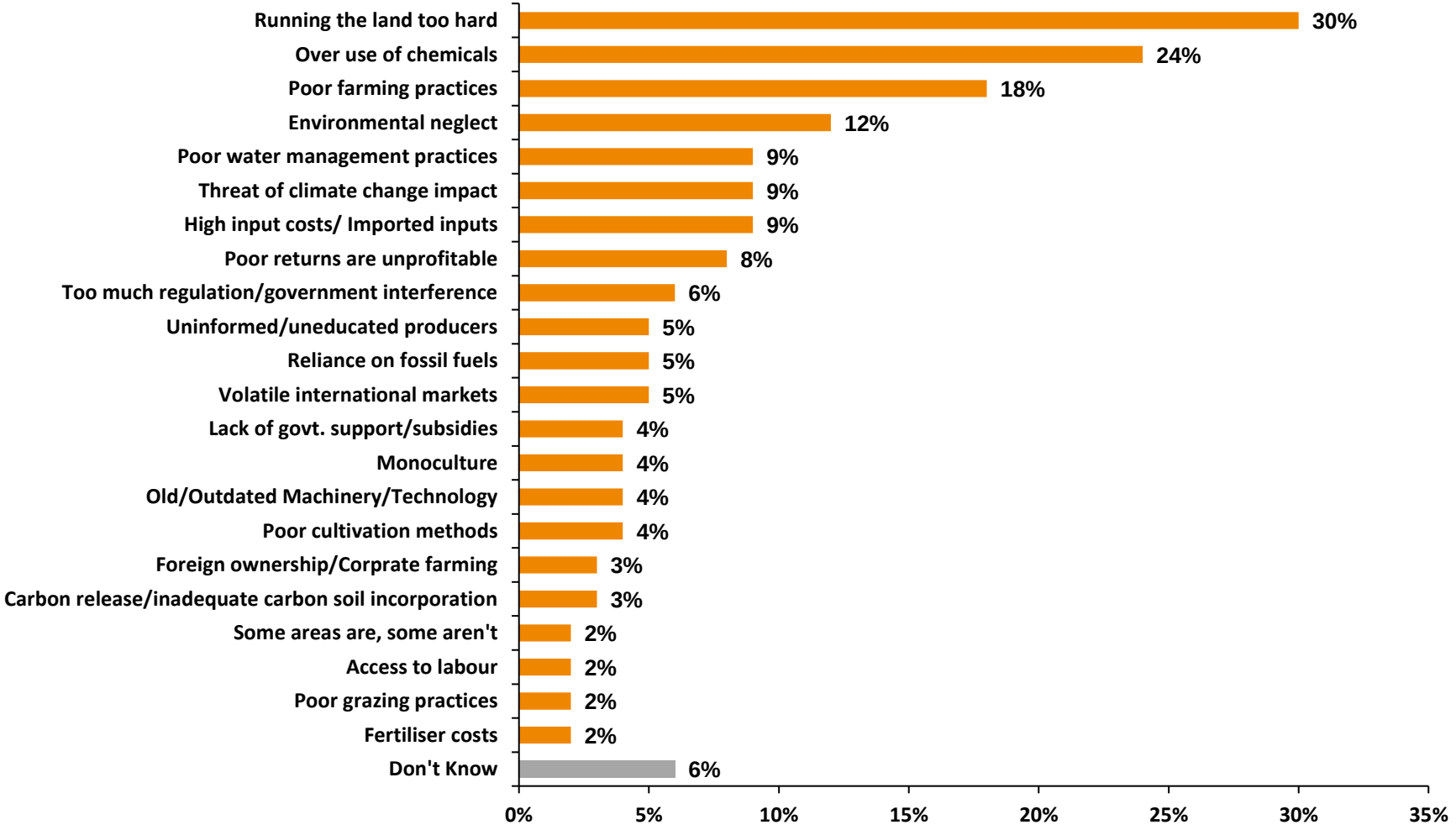
- The top three reasons for farmers thinking that Australian agriculture was sustainable now were: that more farmers are adopting sustainable practices (36%), that they have to be sustainable to make a profit (17%) and maintenance of soil structure and fertility (15%).



Q4B. Why do you think that Australian agriculture is sustainable now? (% Yes)
Total Sample size, filtered on response to Q4A: n=481

Reasons for Not Thinking that Australian Agriculture is Sustainable Now

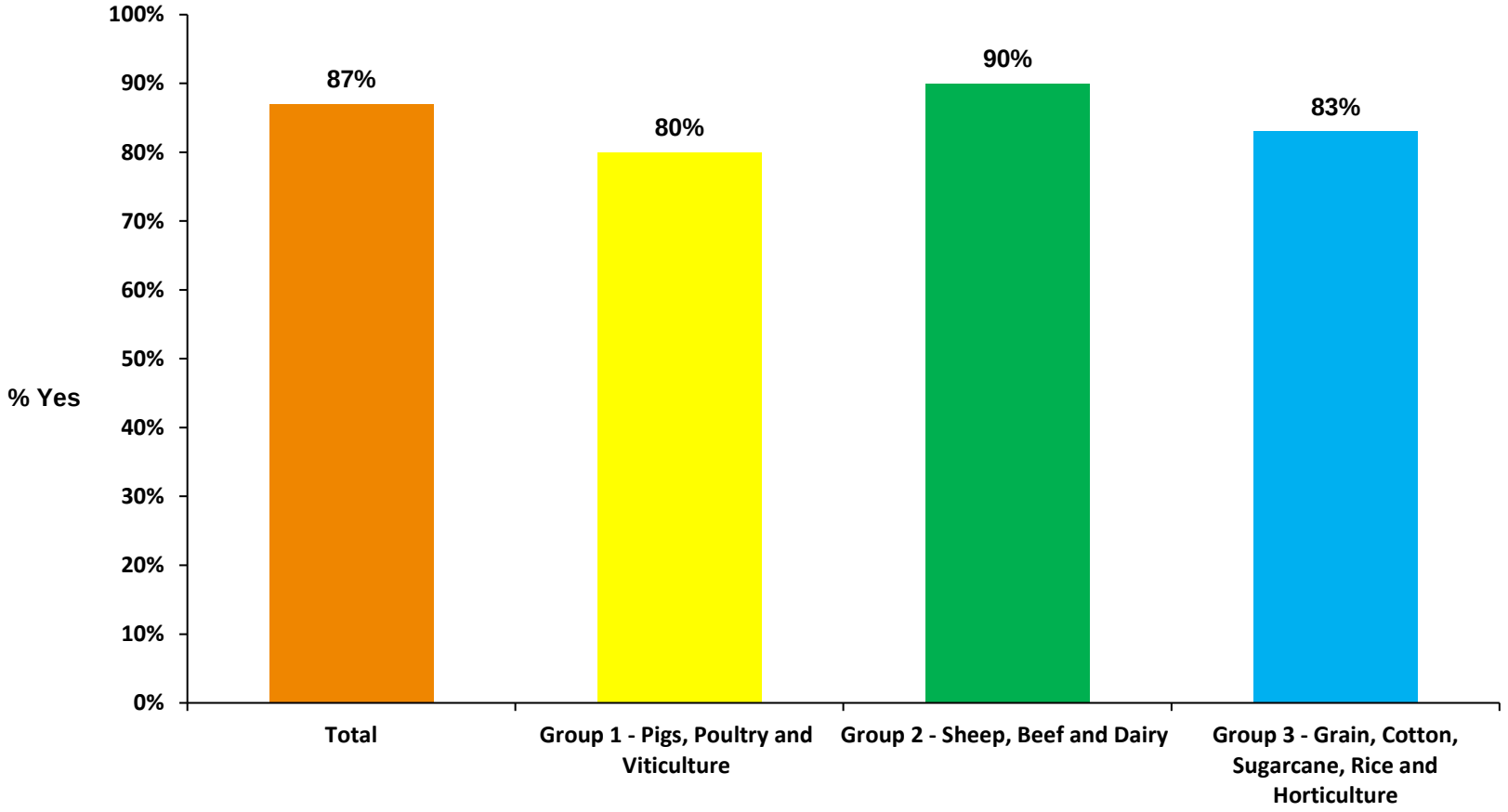
- The top four reasons for farmers thinking that Australian agriculture was **not** sustainable now were: that farmers are running the land too hard (30%), the overuse of chemicals (24%), poor farming practices (18%) and environmental neglect (12%).



Q4C. Why don't you think that Australian agriculture is sustainable now? (% Mentioned)
Total Sample size, filtered on response to Q4A: n=110

Views on the Sustainability of Australian Agriculture - Future

- Over three-quarters (87%) of farmers felt that Australian agriculture was sustainable in the long term, defined as 5+ years.

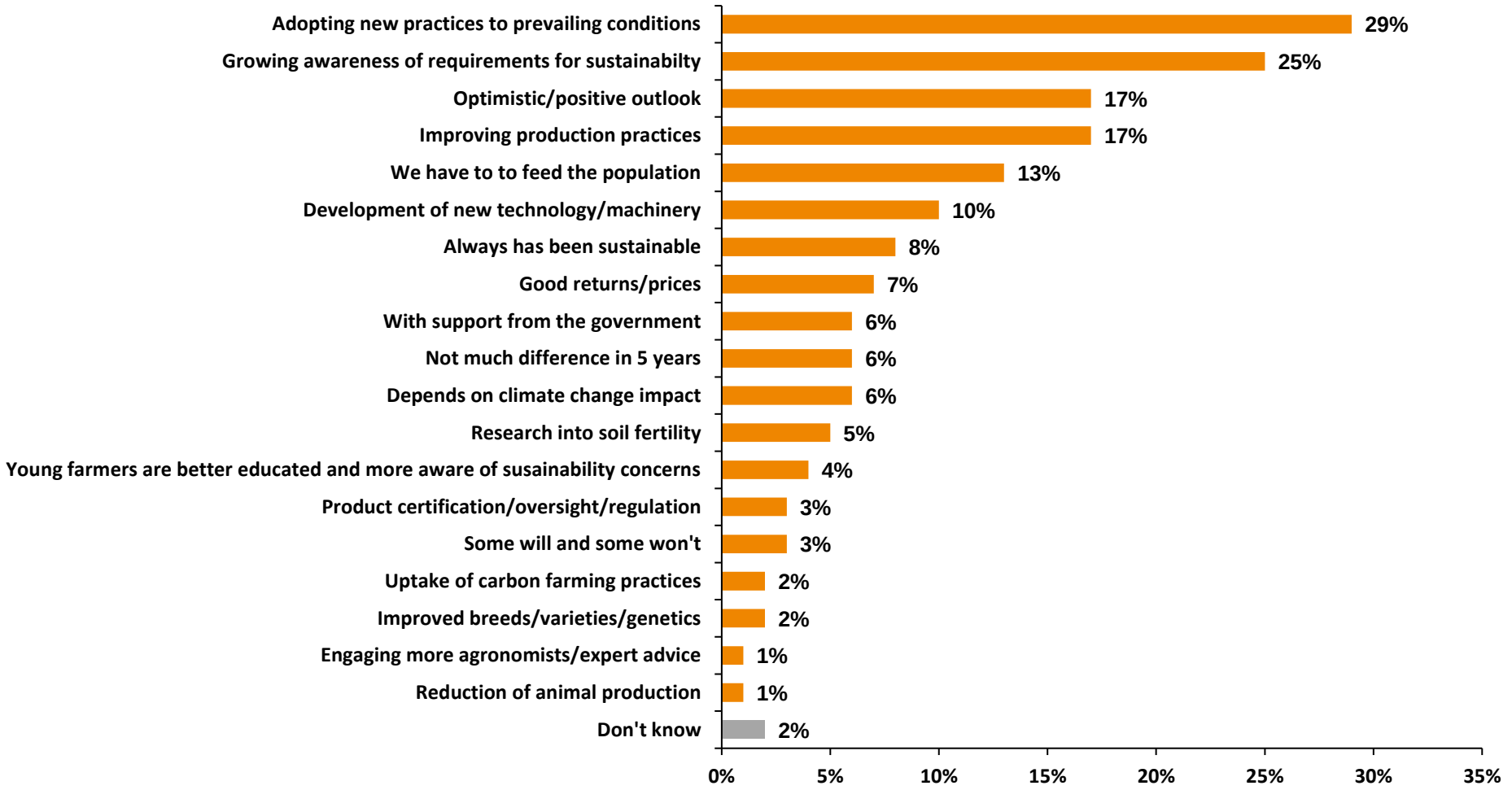


Q5A. Do you think Australian agriculture is sustainable in the long term (5 years or more)? (% Yes)

Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196

Reasons for Thinking that Australian Agriculture is Sustainable - Future

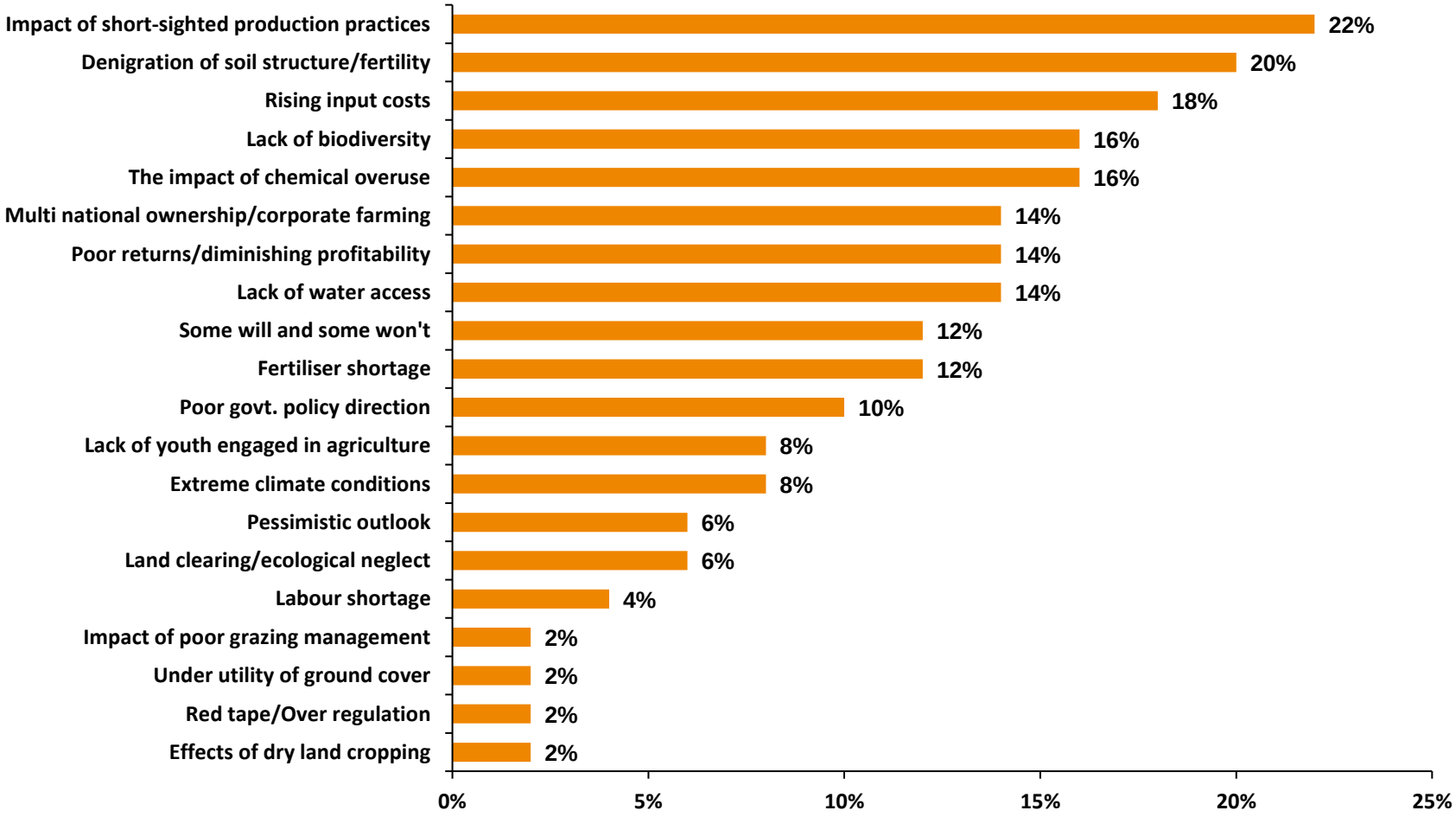
- The top four reasons for farmers thinking that Australian agriculture was sustainable in the long term were: that more farmers are adopting new practices (29%), that there is a growing awareness of requirements for sustainability (25%), that there is a more optimistic outlook (17%) and that production practices are improving (17%).



Q5B. Why do you think that Australian agriculture is sustainable in the long term (5 years or more)? (% Mentioned)
Total Sample size, filtered on response to Q5A: n=532

Reasons for Thinking that Australian Agriculture is Not Sustainable - Future

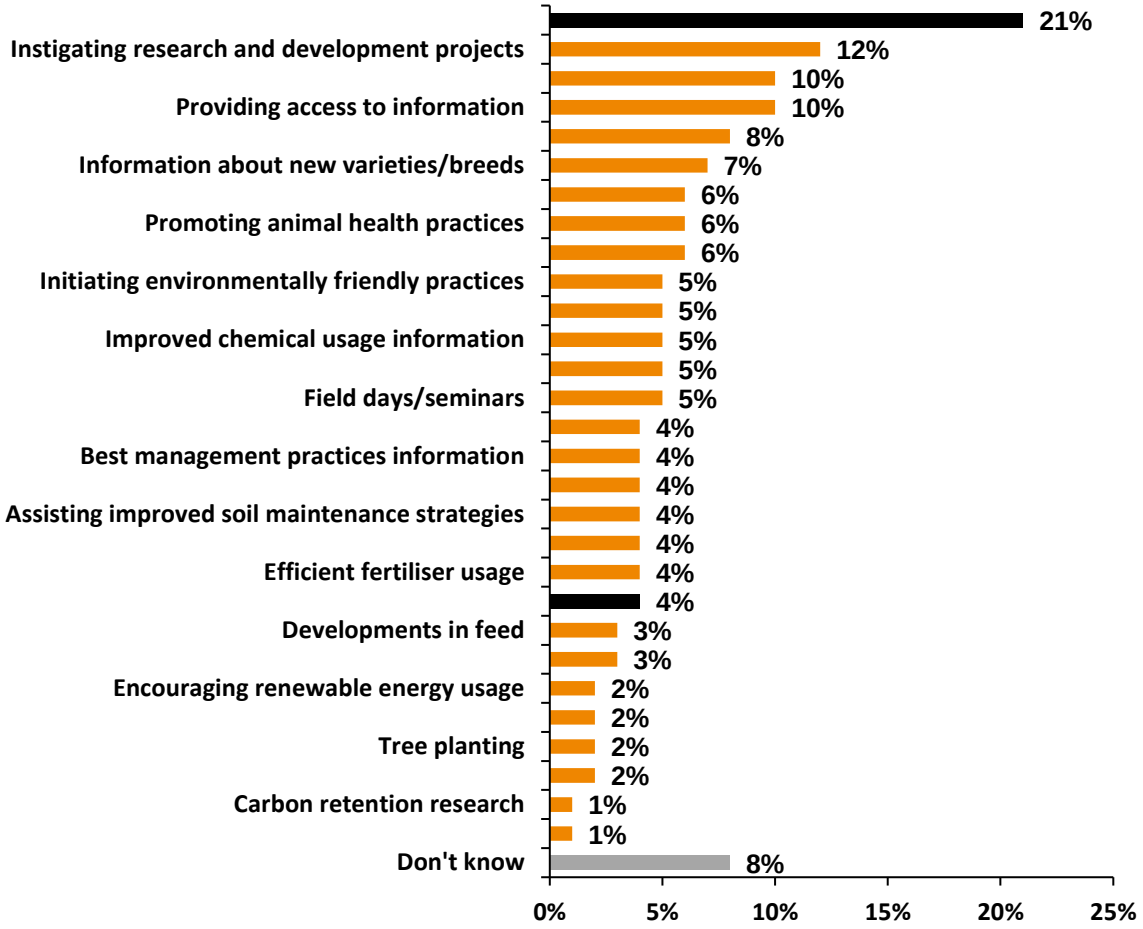
- The top five reasons for farmers thinking that Australian agriculture was not sustainable in the future were: the impact of 'short-sighted' production practices (22%), the denigration of soil structure and fertility (20%), rising input costs (18%), the lack of biodiversity (16%) and the impact of chemical overuse (16%).



Q5C. Why don't you think that Australian agriculture is sustainable in the long term? (% Mentioned)
Total Sample size, filtered on response to Q5A: n=51

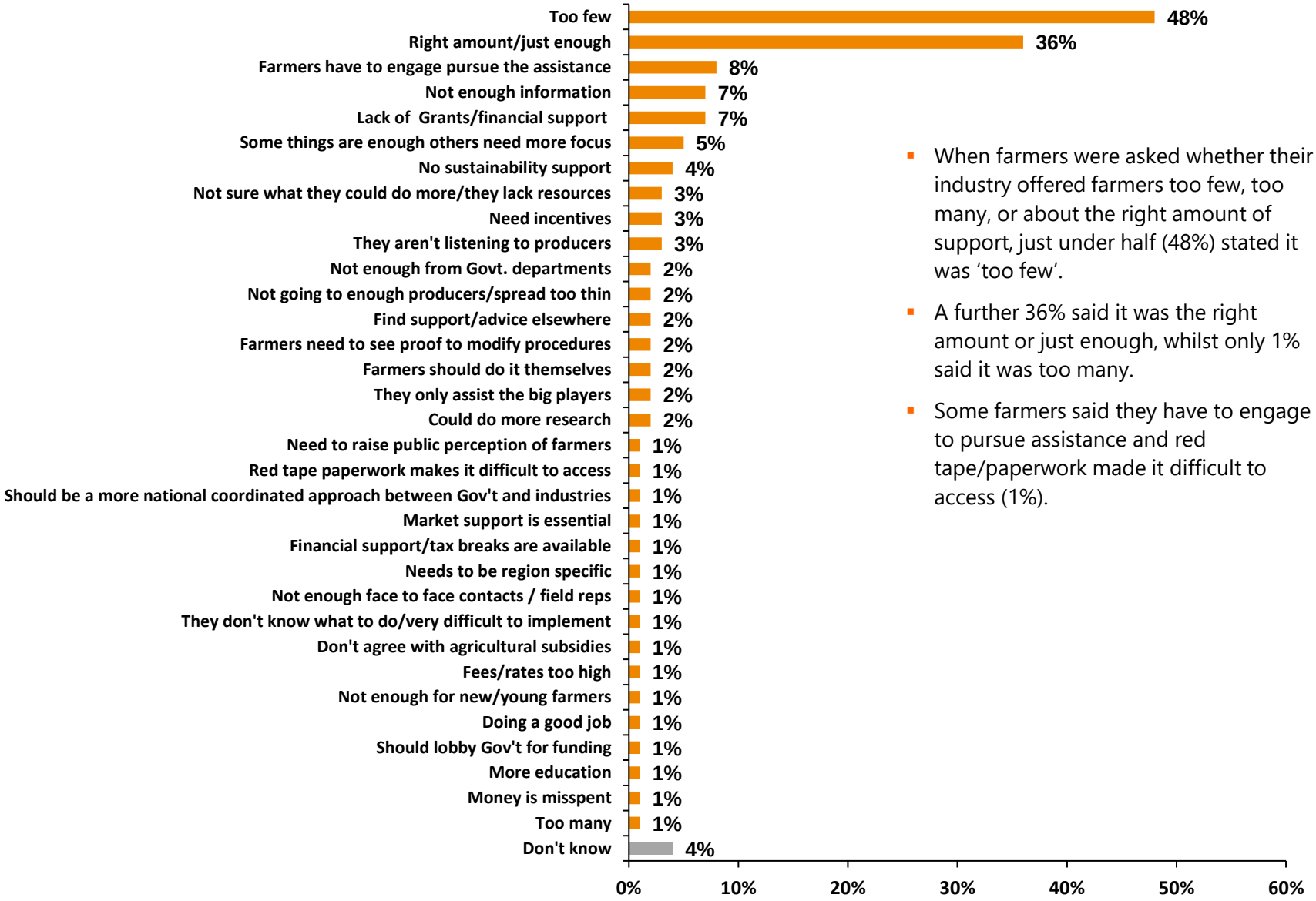
Current Industry Activities to Assist Implementation

- When farmers were asked about their industry's activities currently in place to help them implement sustainable practices on-farm, one in five (21%) said that there were either 'doing nothing' or 'not enough'. A further 4% said they were 'doing things themselves'.
- However, activities that were undertaken included a wide range of responses, the most common being: research and development projects (12%), encouraging sustainable practices (10%) and providing access to information (10%).



Q6. What activities is your [GRAIN/CROP TYPE/FARM TYPE] industry currently doing to help farmers implement sustainable practices on-farm? (% Mentioned) *Total sample, n=612*

Level of Industry Support to Assist Implementation

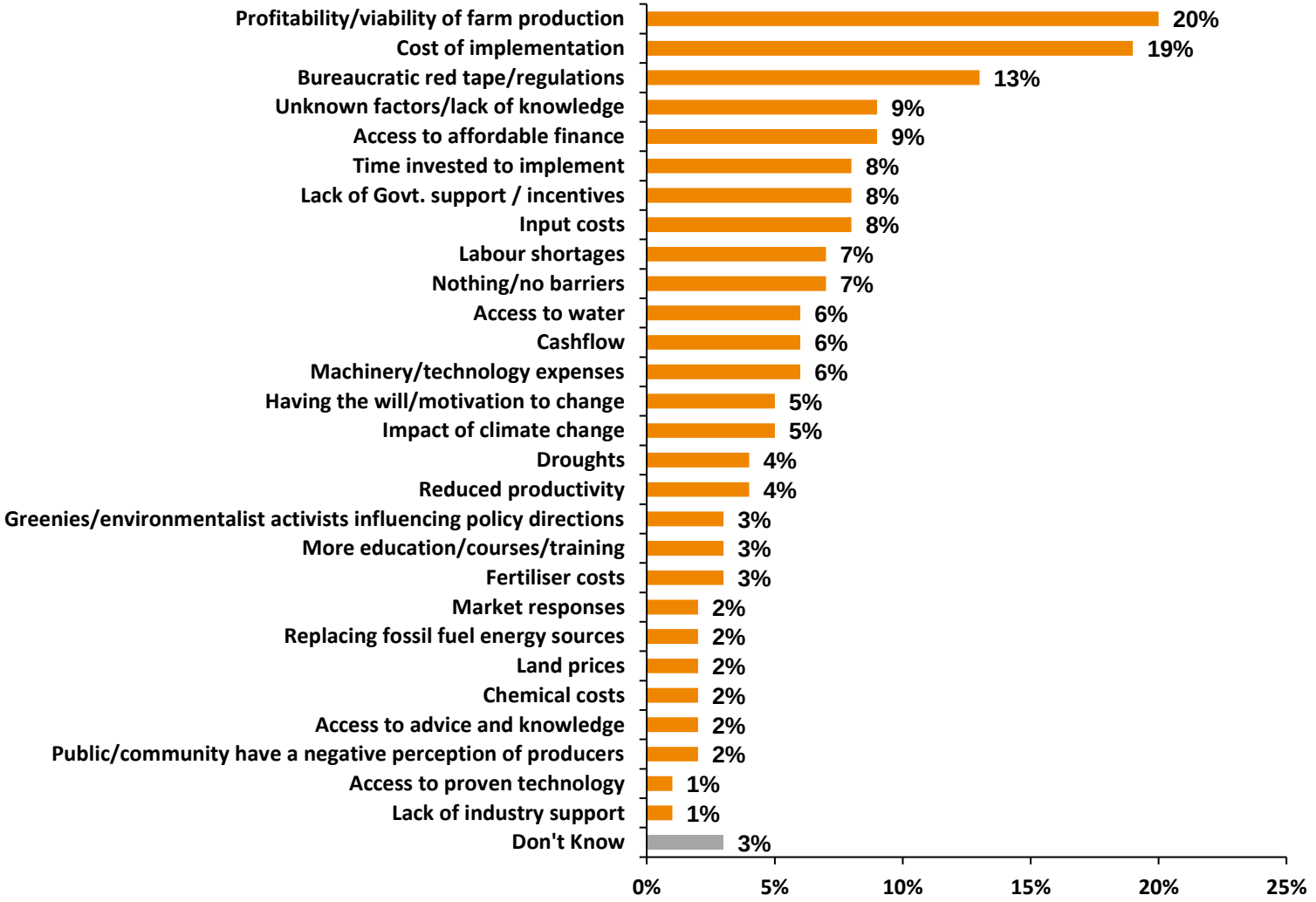


- When farmers were asked whether their industry offered farmers too few, too many, or about the right amount of support, just under half (48%) stated it was 'too few'.
- A further 36% said it was the right amount or just enough, whilst only 1% said it was too many.
- Some farmers said they have to engage to pursue assistance and red tape/paperwork made it difficult to access (1%).

Q6A. Do you think they are offering farmers too few, too many or about the right amount of support to implement sustainable practices? (% Mentioned) *Total sample, n=612*

Barriers to Increasing On-Farm Sustainability Practices

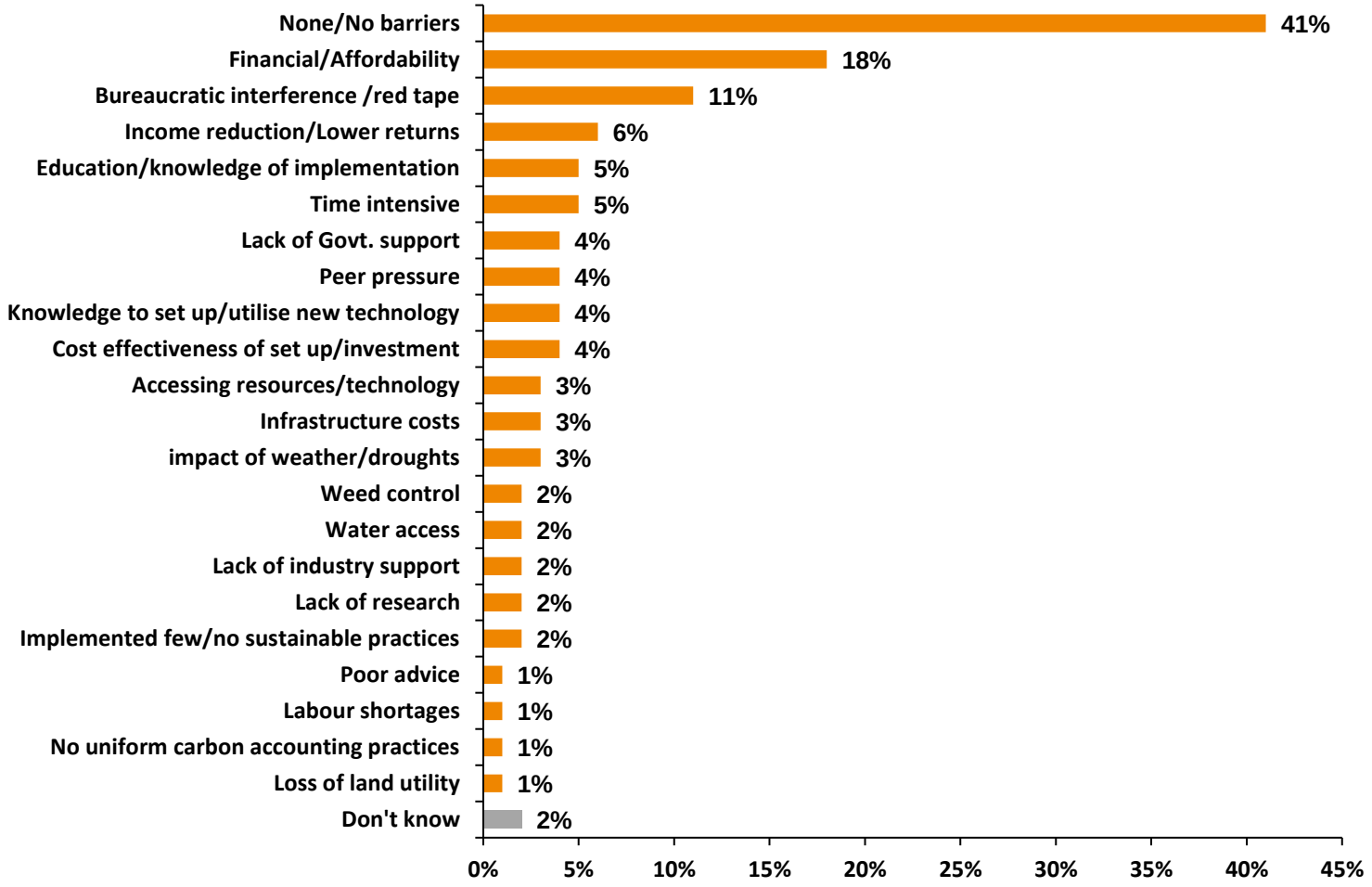
- The top three barriers to increasing sustainable practices were: the profitability/viability of farm production (20%), the cost of implementation (19%) and bureaucracy/regulations (13%).



Q7A. What do you think are the barriers to increasing your on-farm sustainability practices? (% Mentioned)
Total Sample: n=612

Barriers When Implementing On-Farm Sustainability Practices

- When asked about barriers when implementing sustainability practices, 41% said there were none.
- Other key issues mentioned were finance/affordability related (18%) and bureaucracy/red tape (11%).

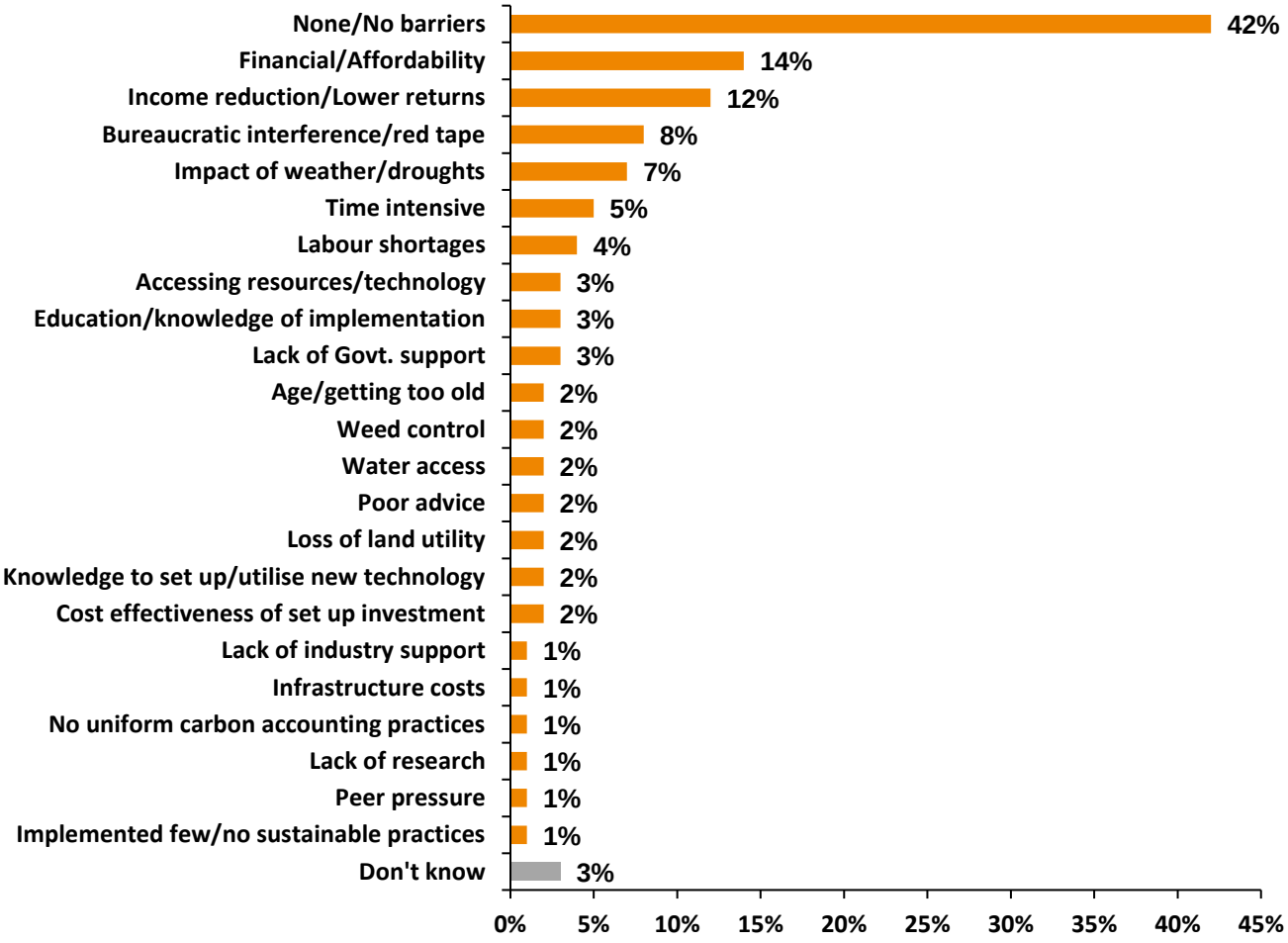


Q7B. Have you experienced any barriers when implementing sustainable activities on your farm? (% Mentioned)

Total Sample: n=612

Barriers to Maintaining On-Farm Sustainability Practices

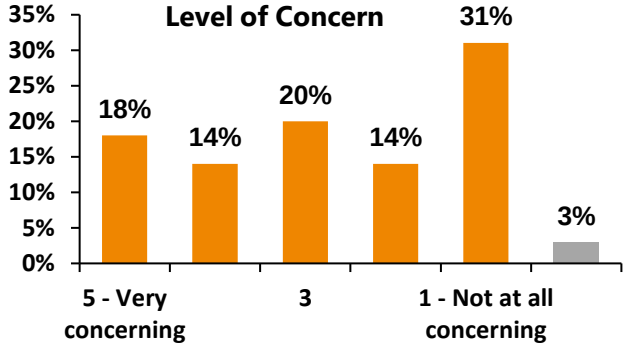
- When asked about barriers to maintenance of their sustainability practices, 42% said there were none.
- The key issues mentioned were finance/affordability related (14%), income reduction/lower returns (12%) and bureaucracy/red tape (8%).



Q7C. Have you experienced any barriers with maintaining your on-farm sustainability practices?
(% Mentioned) Total: n=612

Concerns When Considering On-Farm Sustainability Practices: Impact on Land Value

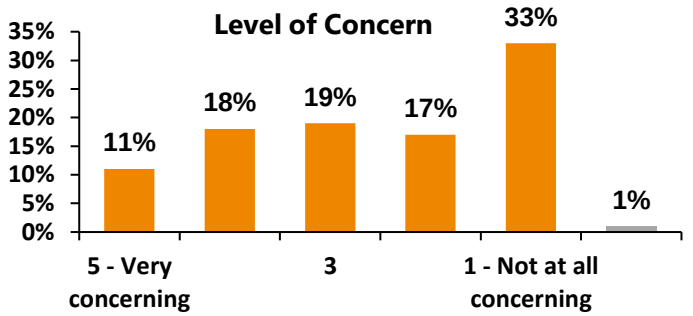
- When farmers were prompted about their concerns when considering sustainability practices in relation to the impact on land value, 32% said that it was very or somewhat concerning.
- When asked to explain their response, one in three (31%) said that sustainable farming practices maintain or improve their land value.
- One in five (19%) felt that rising land prices were not related to farming activity, however, 12% said that high land prices reduce the cost effectiveness of farming.

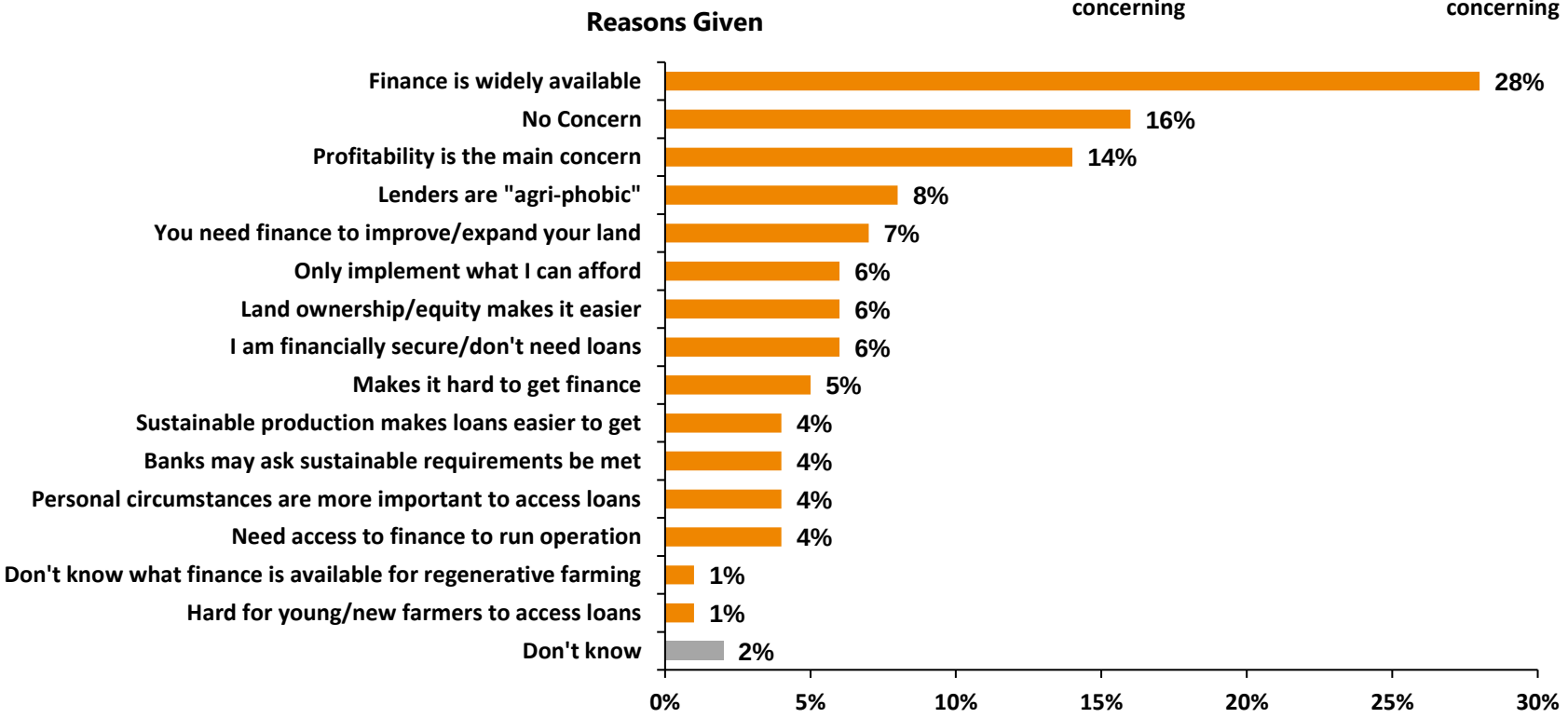


Q8A. & Q8B. On a scale of 1 (not at all concerning) to 5 (very concerning), how concerning are the following when considering sustainable management activities for your property? - Impact on land value
Total n=612

Concerns When Considering On-Farm Sustainability Practices: Access to Finance

- When farmers were prompted about their concerns when considering sustainability practices in relation to access to finance, 29% said that it was very/somewhat concerning.
- One in three (28%) said that finance was widely available and 14% said that profitability was the main concern (14%). There were quite a few that found finance difficult to obtain, due to issues such as 'agri-phobic' lenders, over-demanding banks on sustainable requirements and the importance of personal circumstances.

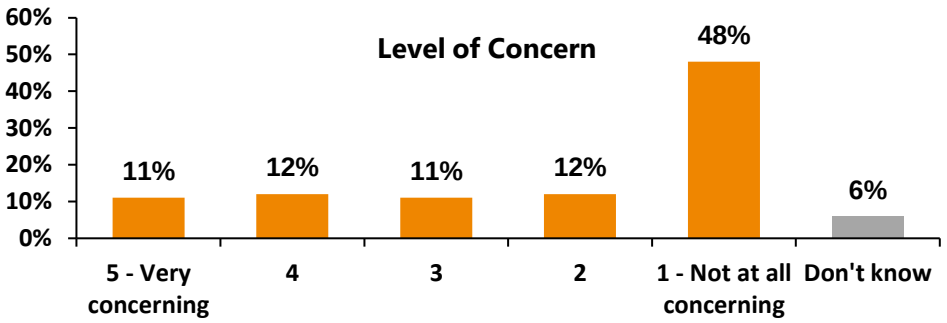


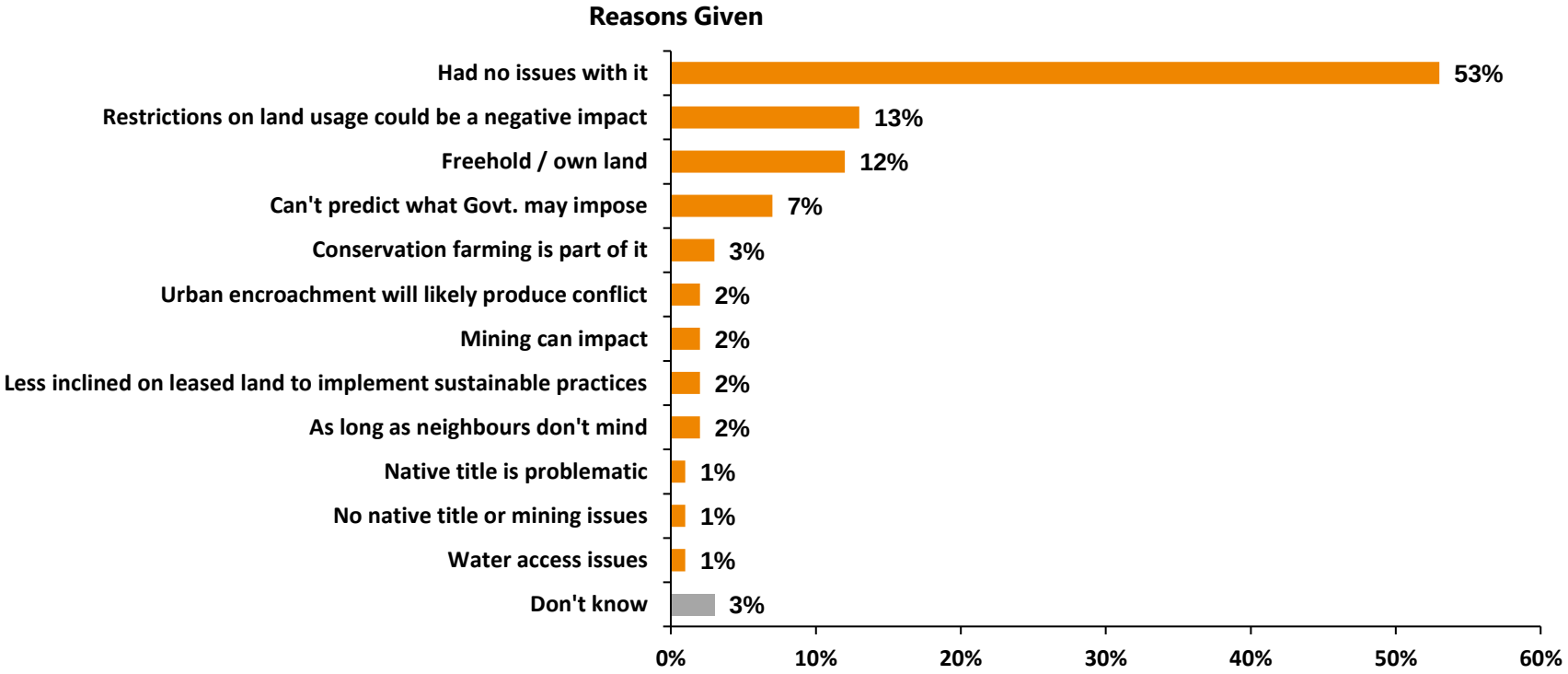


Q8c. & Q8d. On a scale of 1 (not at all concerning) to 5 (very concerning), how concerning are the following when considering sustainable management activities for your property? – Access to finance
Total n=612

Concerns When Considering On-Farm Sustainability Practices: Conflicts of Land Use

- When farmers were prompted about their concerns when considering sustainability practices in relation to conflicts of land use with land tenure arrangements, only 23% said that it was very/somewhat concerning.
- There were relatively few mentions of concerns, the main ones being restrictions on land usage (13%) and being unable to predict what the Government may impose (7%).



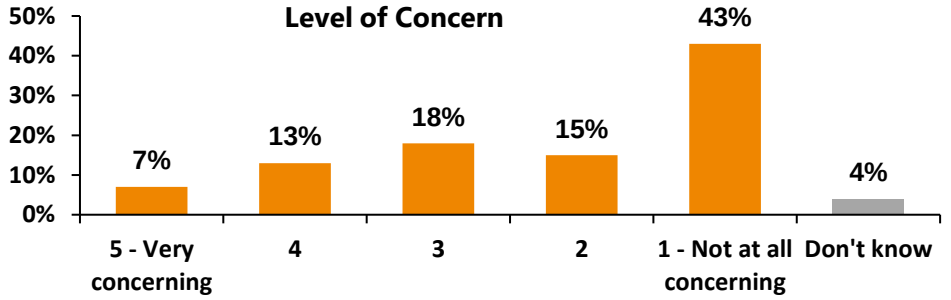


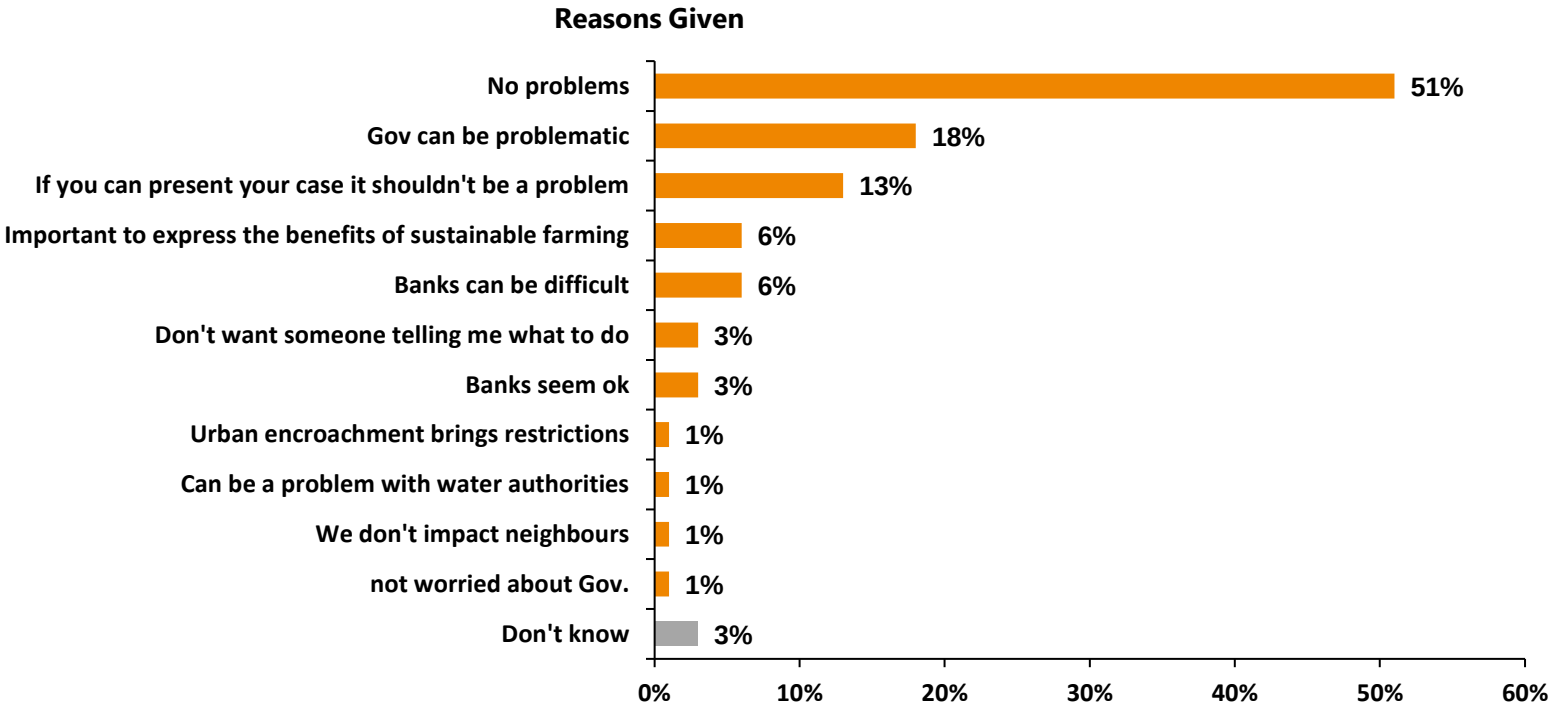
Q8e. & Q8f. On a scale of 1 (not at all concerning) to 5 (very concerning), how concerning are the following when considering sustainable management activities for your property? – Conflicts of land use with land tenure arrangements

Total n=612

Concerns When Considering On-Farm Sustainability Practices: Difficulty Gaining Consent

- When farmers were prompted about their concerns when considering sustainability practices in relation to difficulty gaining consent from eligible interest holders, only 20% said that it was very/somewhat concerning.
- There were relatively few mentions of concerns, the main ones being government being problematic (18%) and difficult banks (6%).

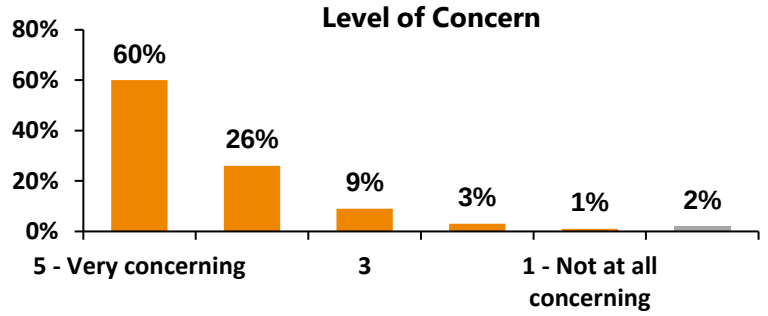


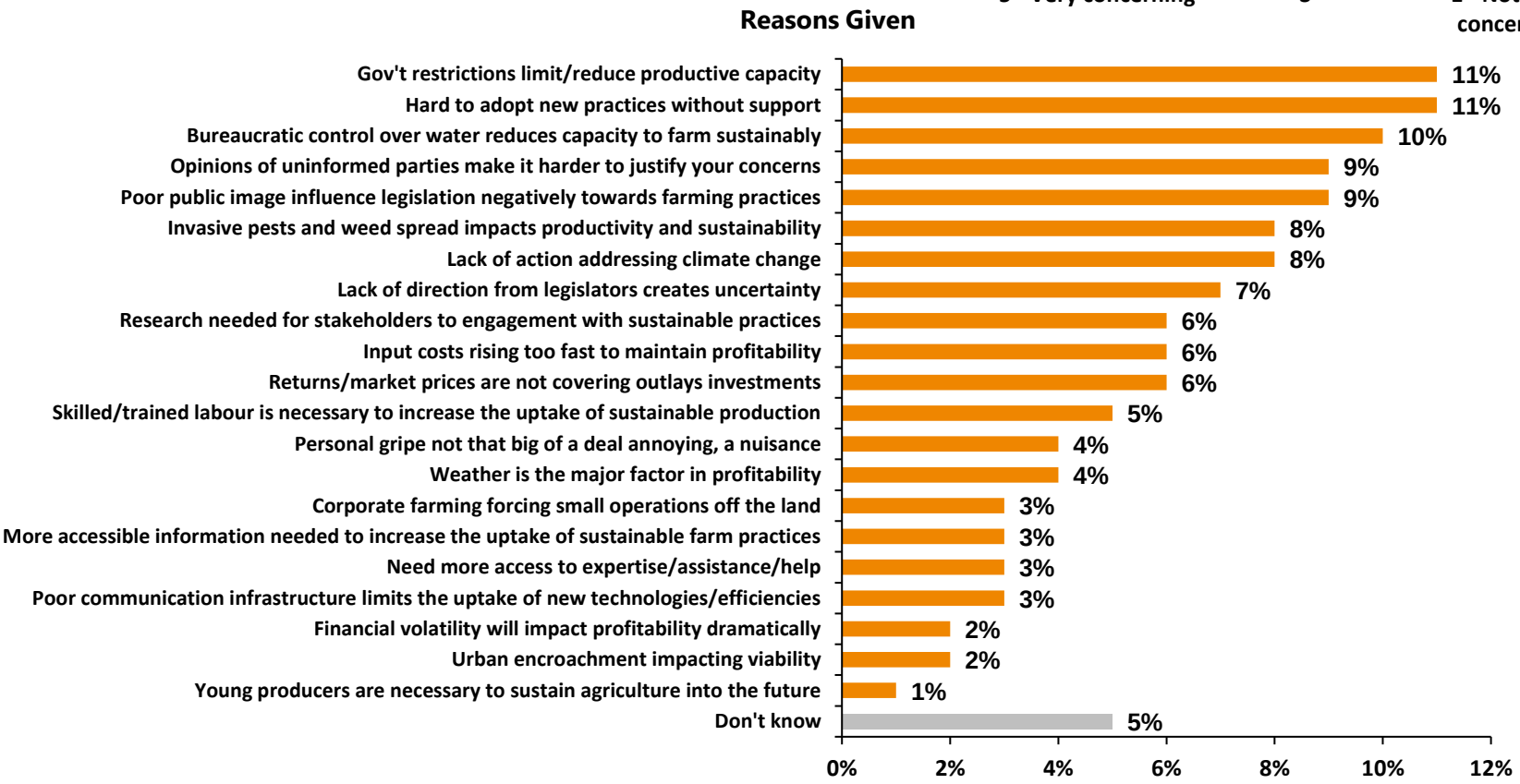


Q8g. & Q8h. On a scale of 1 (not at all concerning) to 5 (very concerning), how concerning are the following when considering sustainable management activities for your property? – Difficulty gaining consent from eligible interest holders (e.g. landowners, banks, native title holders, local & state government) *Total n=612*

Concerns When Considering On-Farm Sustainability Practices: Other

- When farmers were prompted about any other concerns when considering sustainability practices, 60% said that the issue mentioned was very concerning and a further 26% said that it was somewhat concerning.
- When asked to explain, there was a wide range of issues mentioned, the top three being government restrictions reducing productive capacity (11%), difficulty in adopting new practices without support (11%) and bureaucratic water control reducing capacity (10%).

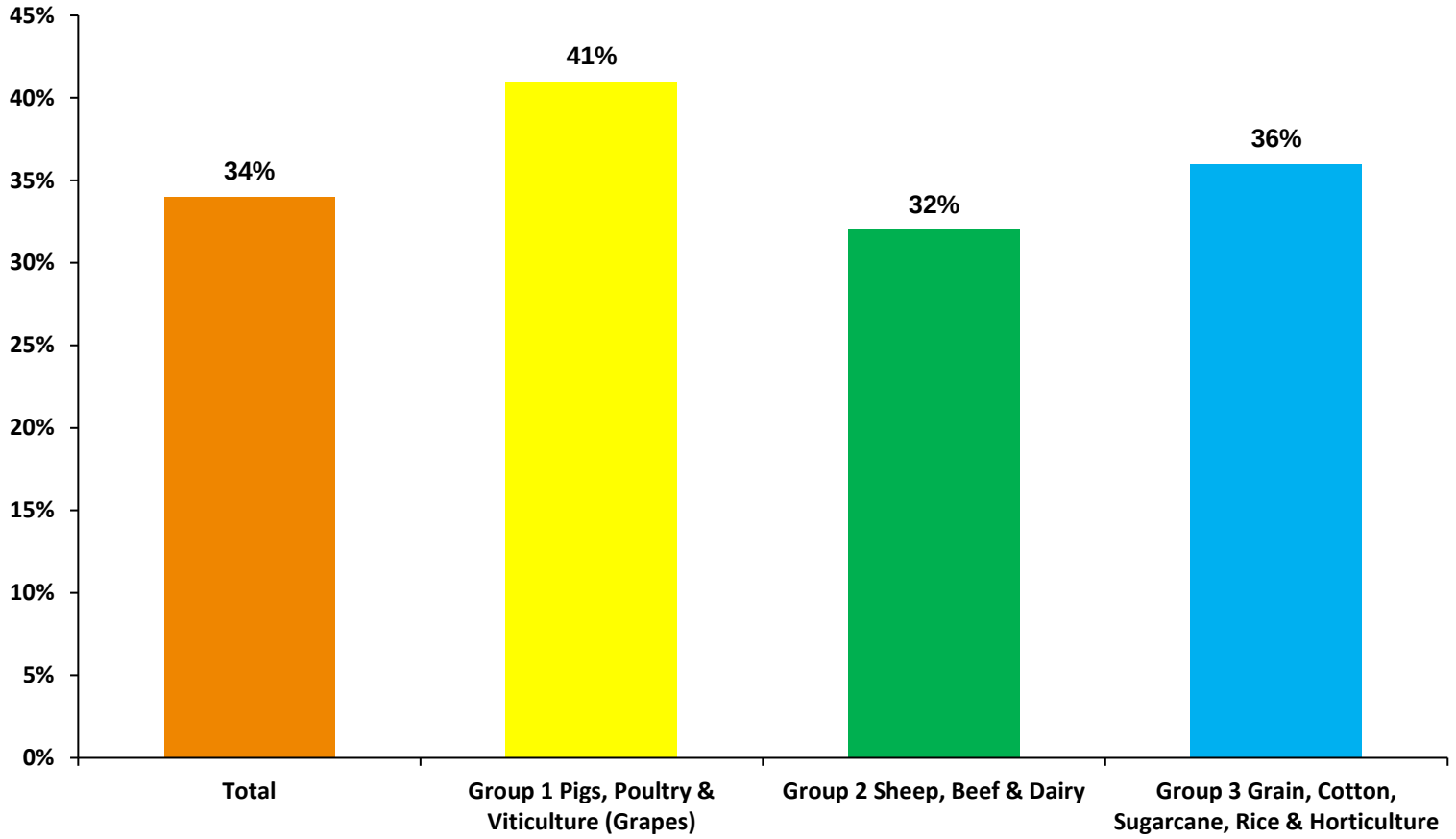




Q8i. & Q8j. On a scale of 1 (not at all concerning) to 5 (very concerning), how concerning are the following when considering sustainable management activities for your property? – Is there anything else that is concerning? *Total n=612; Q8J. Concerns: Other (% Yes): Filtered by response to Q8I: n=159*

Industry Frameworks for Demonstrating Sustainability

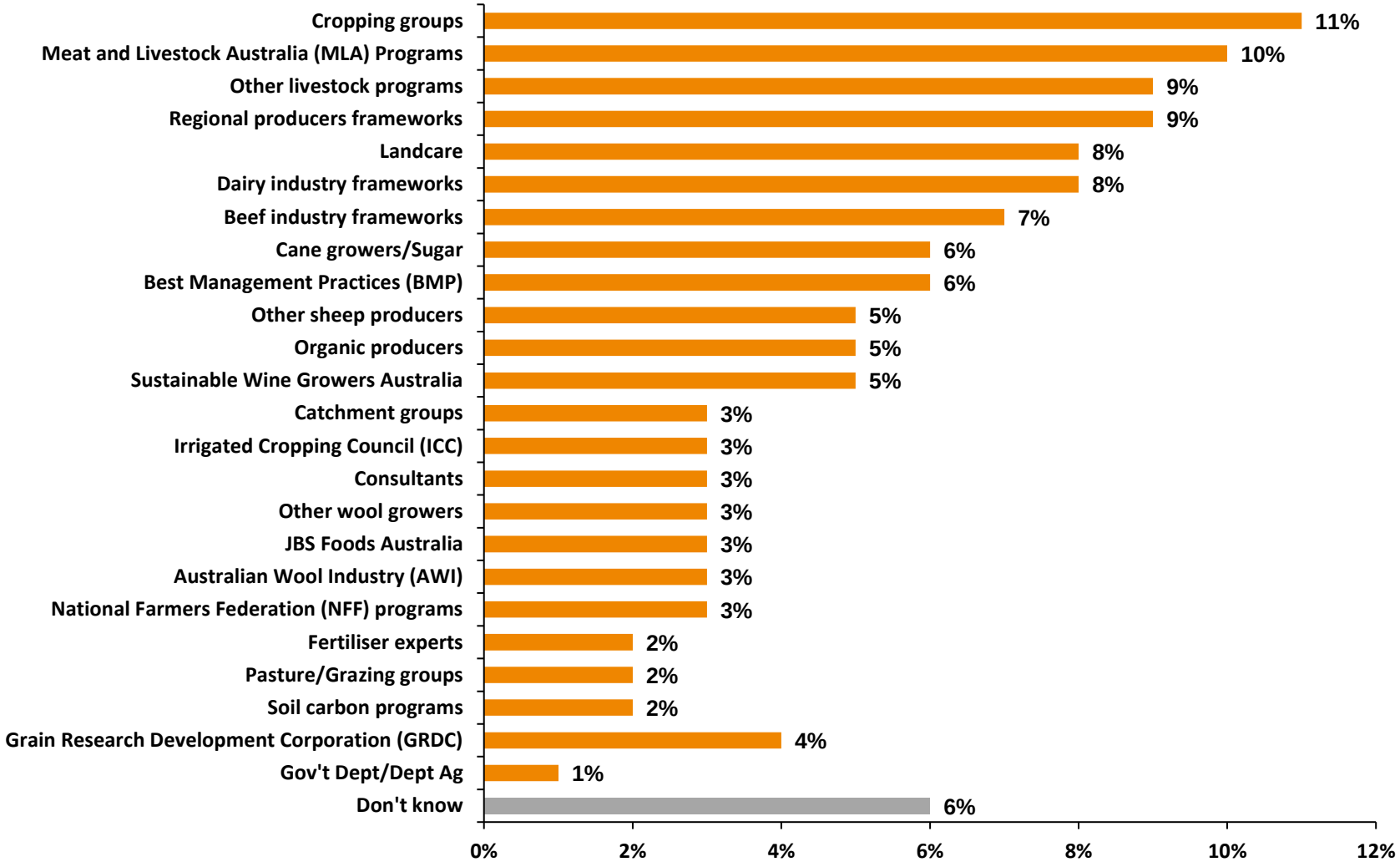
- Overall, only 34% of farmers could name any industry frameworks. There were no significant differences by group.



Q10. Can you name any industry frameworks for demonstrating sustainability? (e.g. Beef, Sheep, Wine, Horticulture or Grains Sustainability Frameworks) (% Yes) *Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196*

Industry Frameworks for Demonstrating Sustainability: Names

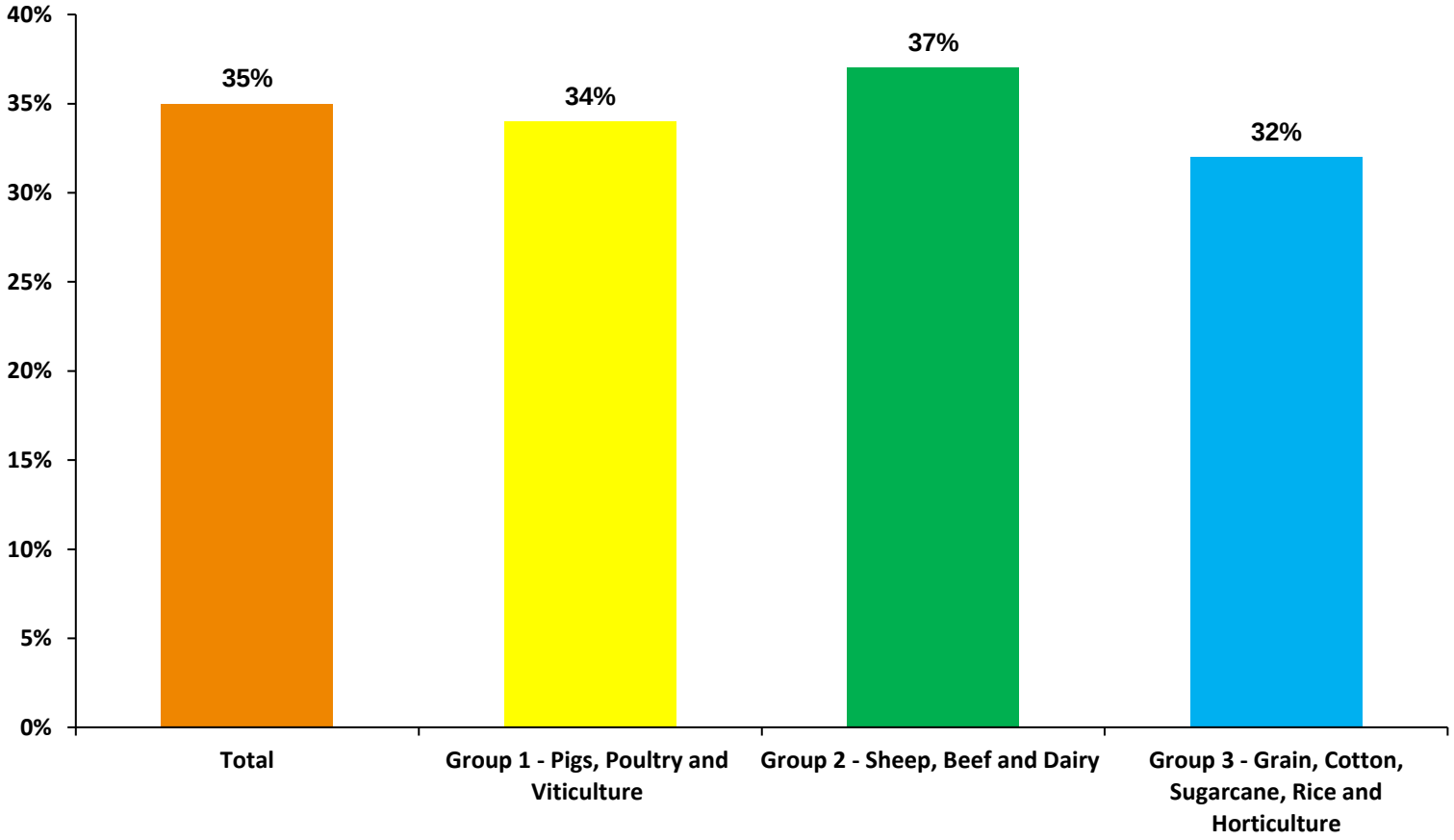
- Of those who could name one or more frameworks, these naturally varied by industry type, however, the top five mentions were: cropping groups (11%), MLA programs (10%), other livestock programs, regional producers' frameworks (9%) and Landcare (8%).



Q10A. What are these industry frameworks?
Ask Q10A if Q10= Yes: n=209

Industry Schemes for Demonstrating Sustainability

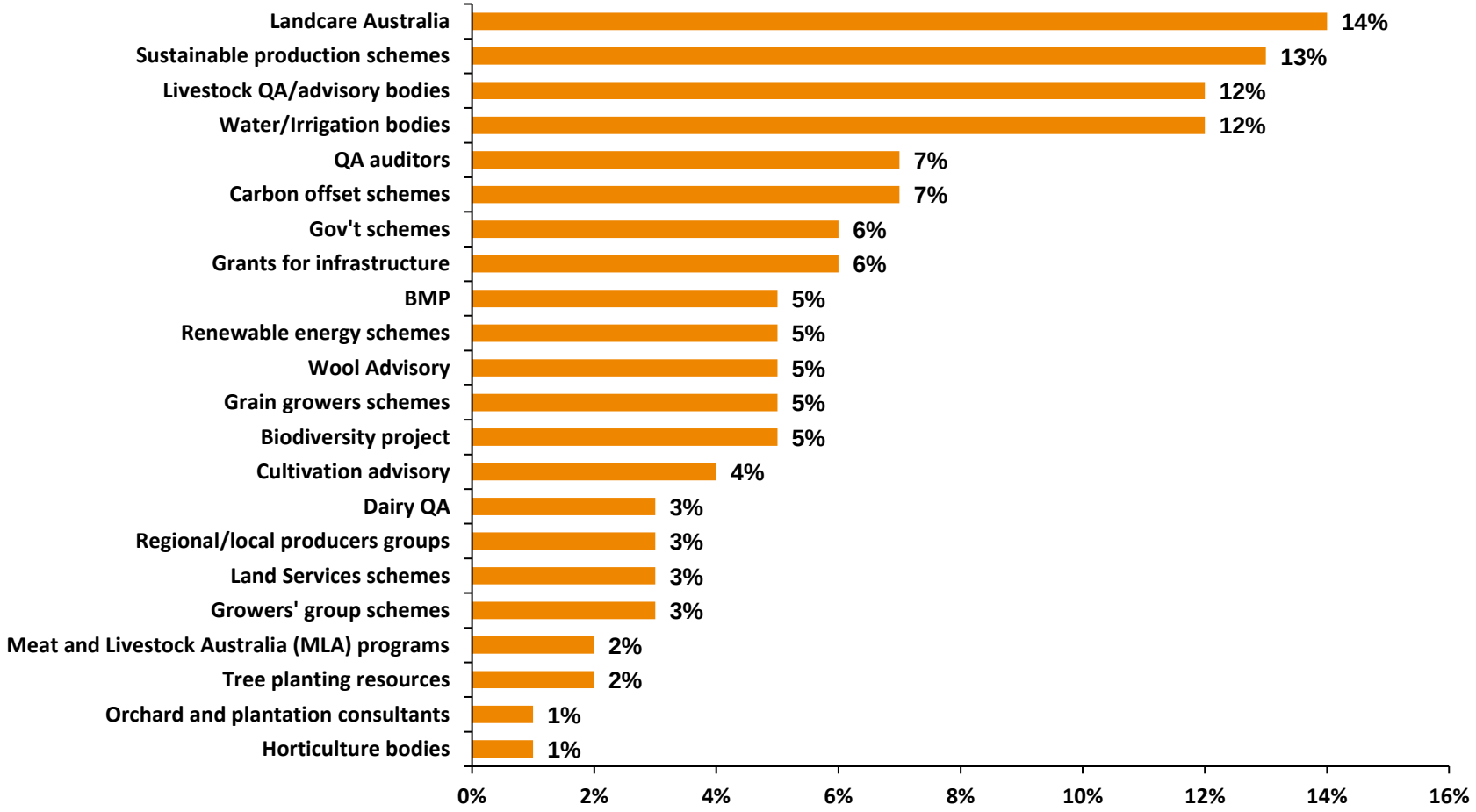
- Overall, only 35% of farmers could name any industry schemes for sustainability.



Q10B. Can you name any on-farm schemes for sustainability? (e.g. Beef, Sheep, Wine, Horticulture or Grain Sustainability Frameworks) (% Yes)
Sample sizes: Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196

Industry Schemes for Demonstrating Sustainability: Names

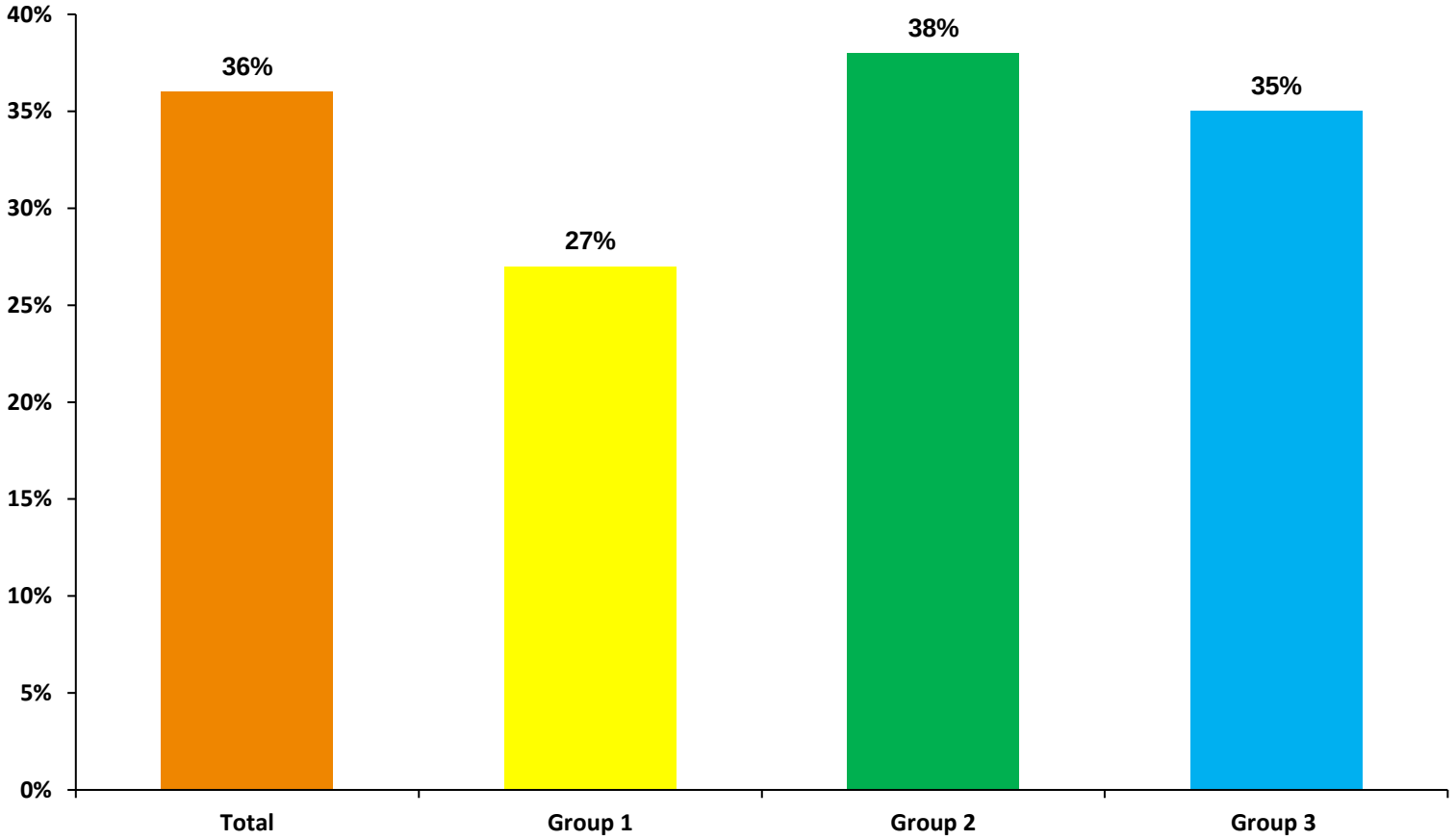
- Of those who could name any industry schemes for sustainability, the top four mentioned were: Landcare Australia (14%), sustainable production schemes (13%), Livestock QA/advisory bodies (12%) and Water/Irrigation bodies (12%). A wide range of other schemes were also mentioned – there were quite a few mentioning QA and Accreditation related programs.



Q10C. Can you name any on-farm schemes for sustainability? (e.g. Hort360, MYBMP, Cotton…); Q10D. If yes, let them list (% Yes) n=215

Participation in Sustainability Related Schemes and Frameworks

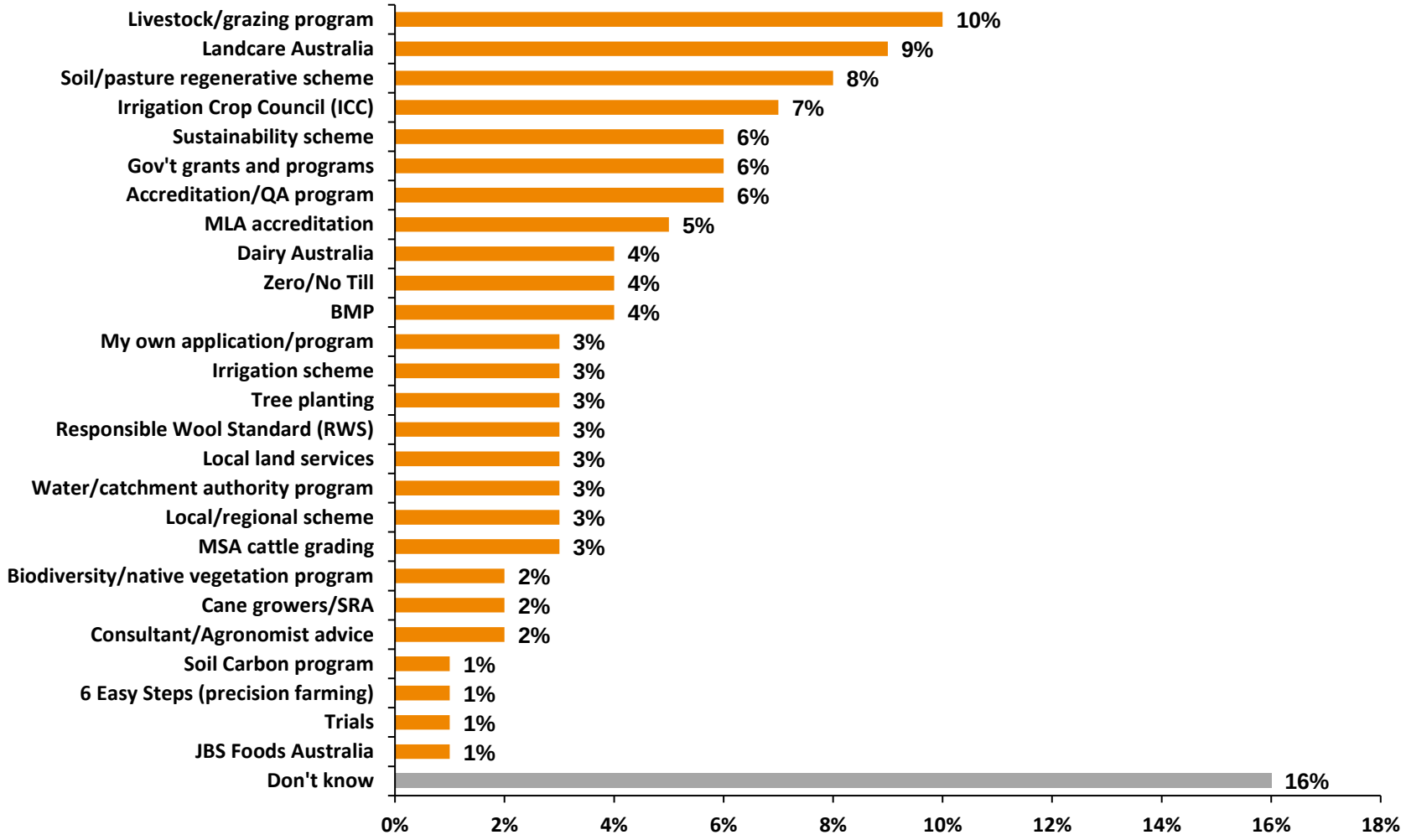
- Overall, only 36% of farmers actually participated in industry frameworks or schemes for sustainability.
- From the data and the previous slides, it is possible that those who actually participate in them are more likely to be able to name them, and that the mentions across all three questions are fairly similar.



Q11. Do you participate in or use any sustainability related schemes and frameworks relevant to your farm type? (% Yes)
Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196)

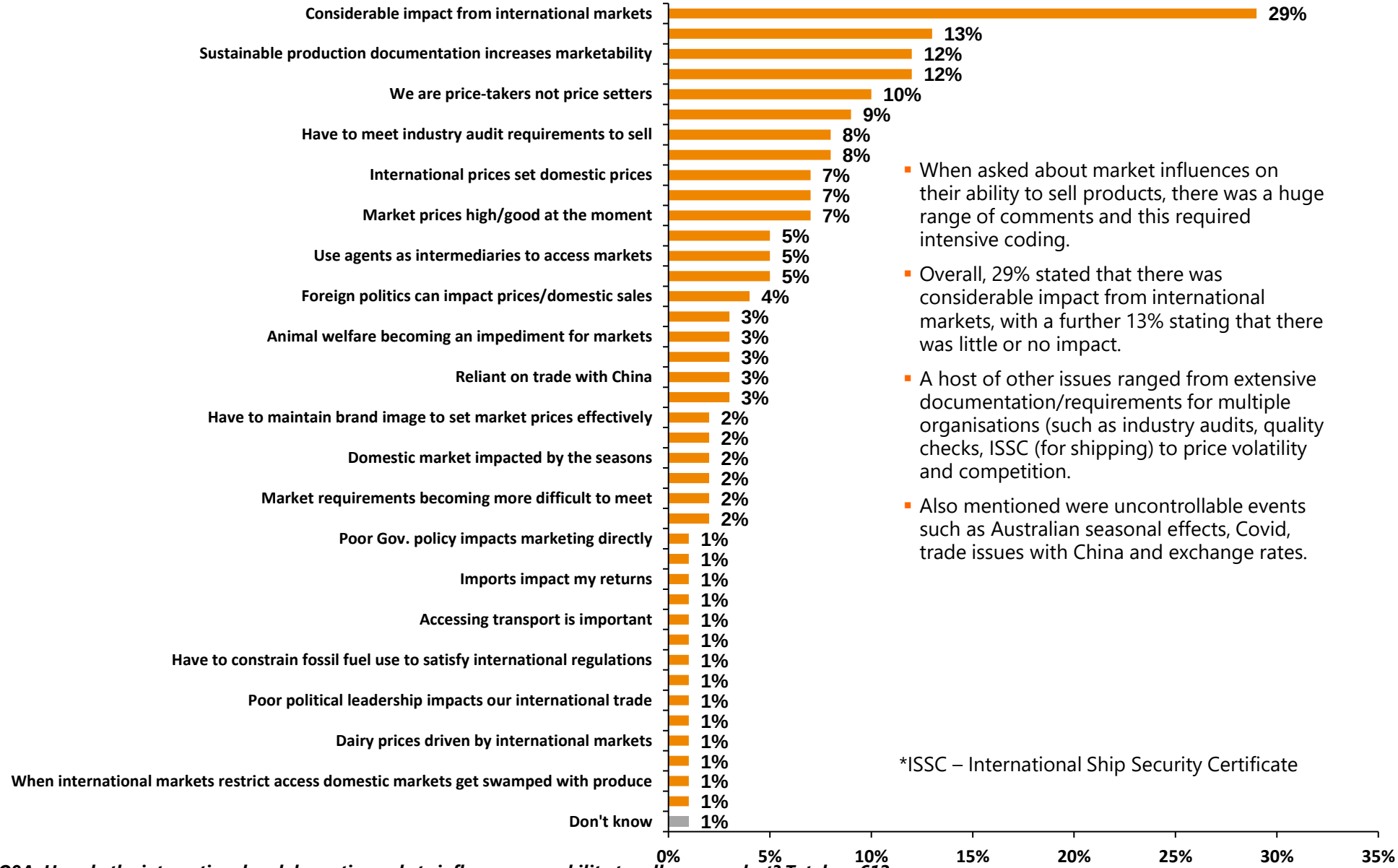
Participation in Schemes and Frameworks: Names

- Of those who participated in industry schemes for sustainability, the top four mentioned were: the Livestock grazing program (10%), Landcare Australia (9%), soil/pasture regenerative scheme (8%), and the ICC (7%).



Q11. Do you participate in or use any sustainability related schemes and frameworks relevant to your farm type? Q11A. IF YES: Can you provide the names of the frameworks or schemes (% Mentioned) n=222

Influence of Markets on Ability to Sell Products



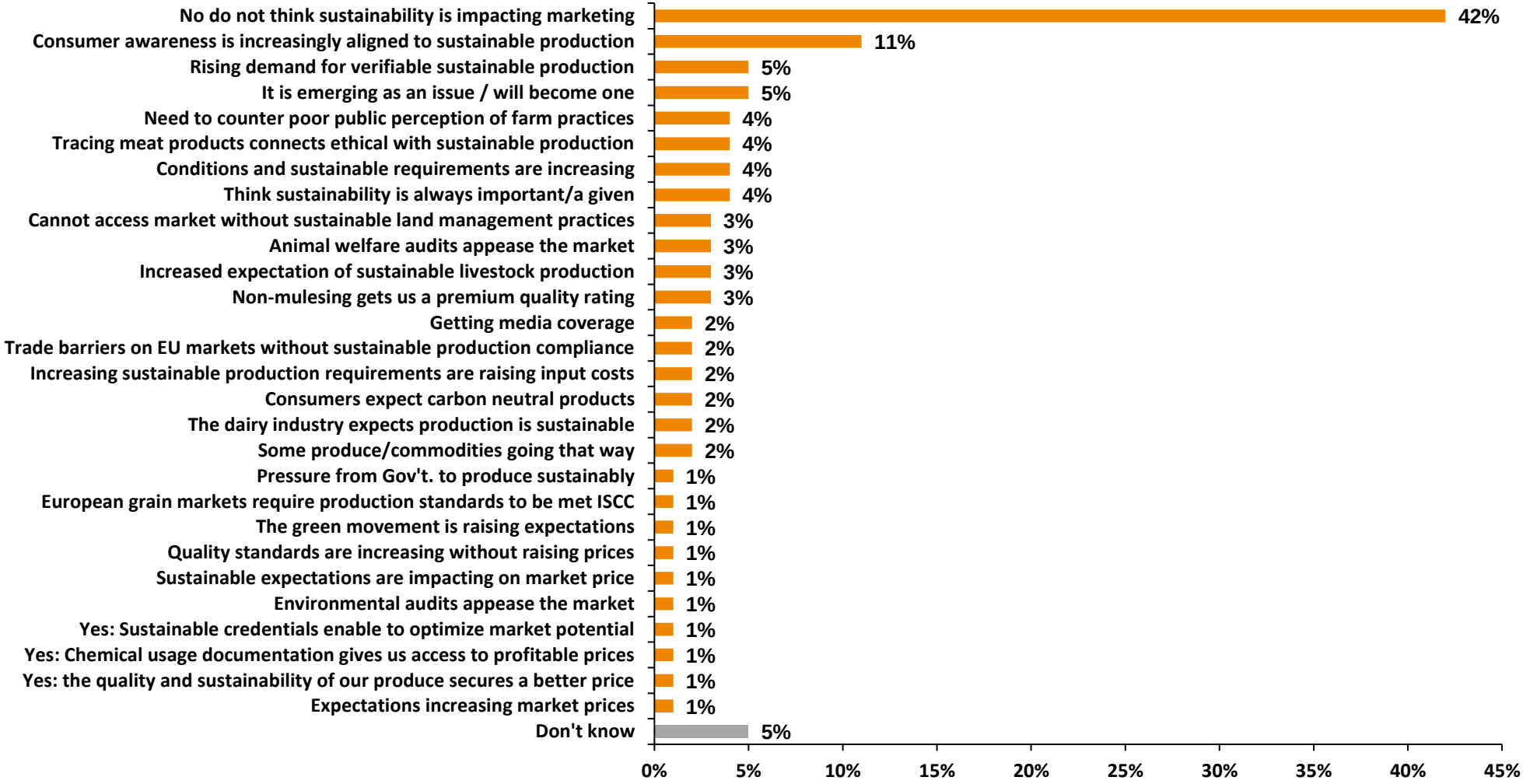
- When asked about market influences on their ability to sell products, there was a huge range of comments and this required intensive coding.
- Overall, 29% stated that there was considerable impact from international markets, with a further 13% stating that there was little or no impact.
- A host of other issues ranged from extensive documentation/requirements for multiple organisations (such as industry audits, quality checks, ISSC (for shipping) to price volatility and competition.
- Also mentioned were uncontrollable events such as Australian seasonal effects, Covid, trade issues with China and exchange rates.

*ISSC – International Ship Security Certificate

Q9A. How do the international and domestic markets influence your ability to sell your product? Total: n=612

Experience of New or Increased Market Expectations

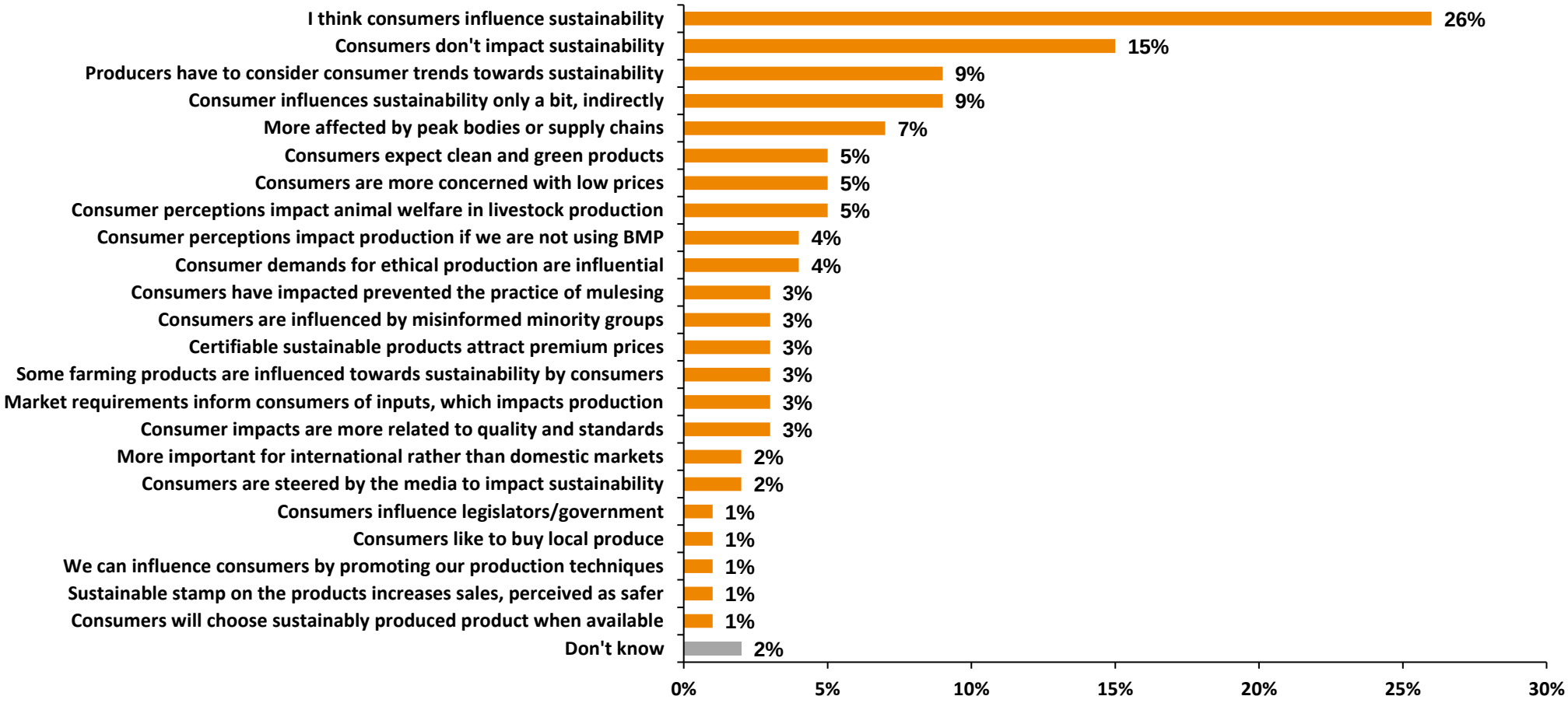
- When asked about their experience with new or increased market expectations in relation to sustainability, 42% felt there was no impact on marketing.
- However, 11% felt that consumer awareness is increasingly aligned to sustainable production, and many commented that there is rising demand for compliance, verifiability and traceability of products.



Q9B: Have you experienced new or increased expectations? *PROBE:* ***Does sustainability impact on market expectations?***
Total: n=612 (% Mentioned)

Influence of Consumers on Ability to Sell Products

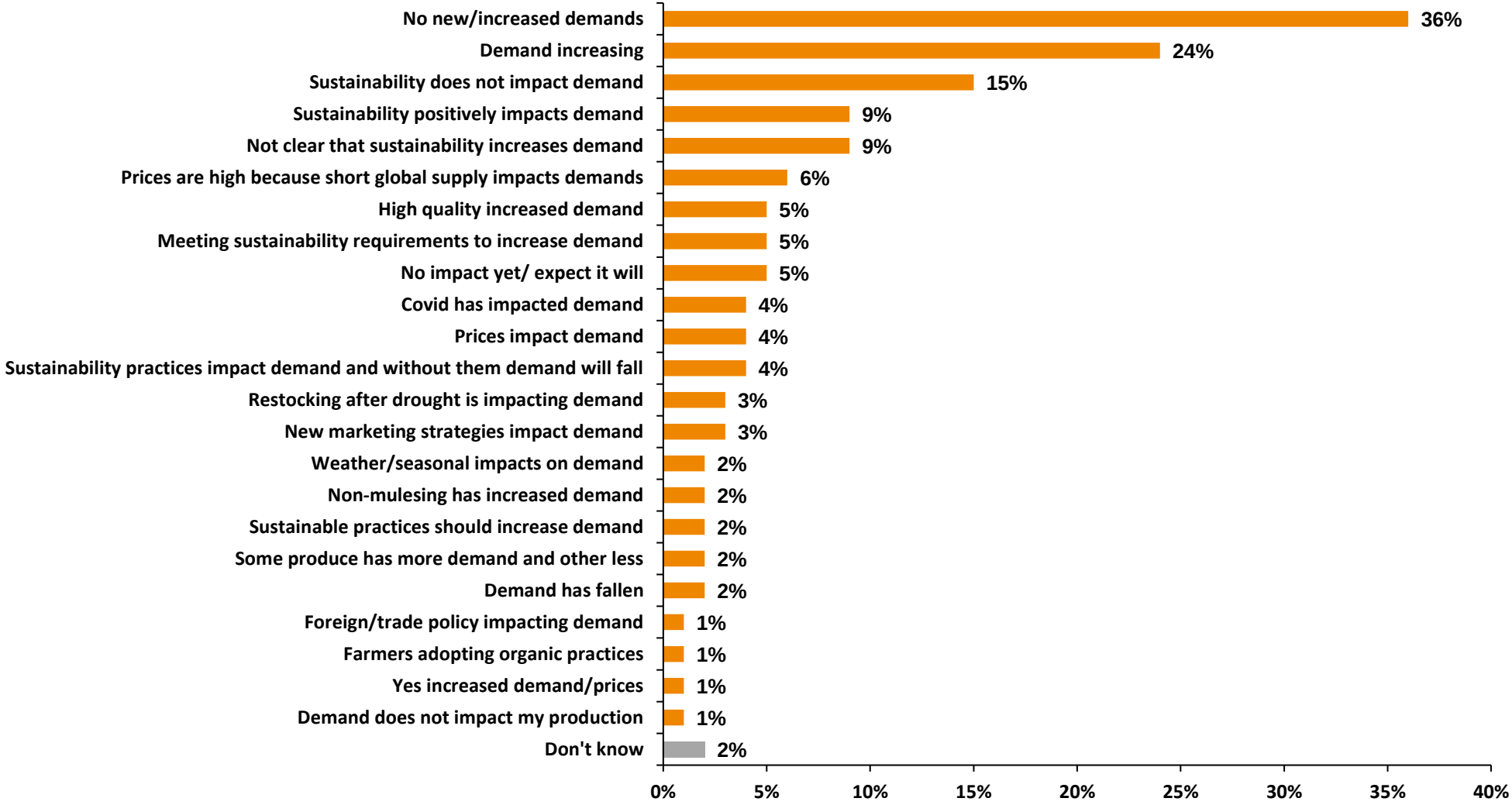
- When asked about the influence of consumers on their ability to sell products, most felt that they do have an impact on sustainability and this needs to be considered, particularly in terms of expectations around clean/green products, low chemical/fertiliser usage and ethical issues such as animal welfare.
- The importance of certifiability here is emphasised as it helps attract higher price points and can be perceived by the consumer as safer.
- Some felt that it was more important for international markets, whilst others felt consumers were often misled by the media and minority groups.



Q9C. How does the consumer influence your ability to sell your product? (% Mentioned) *Total n=612*

Experience of New or Increased Demands

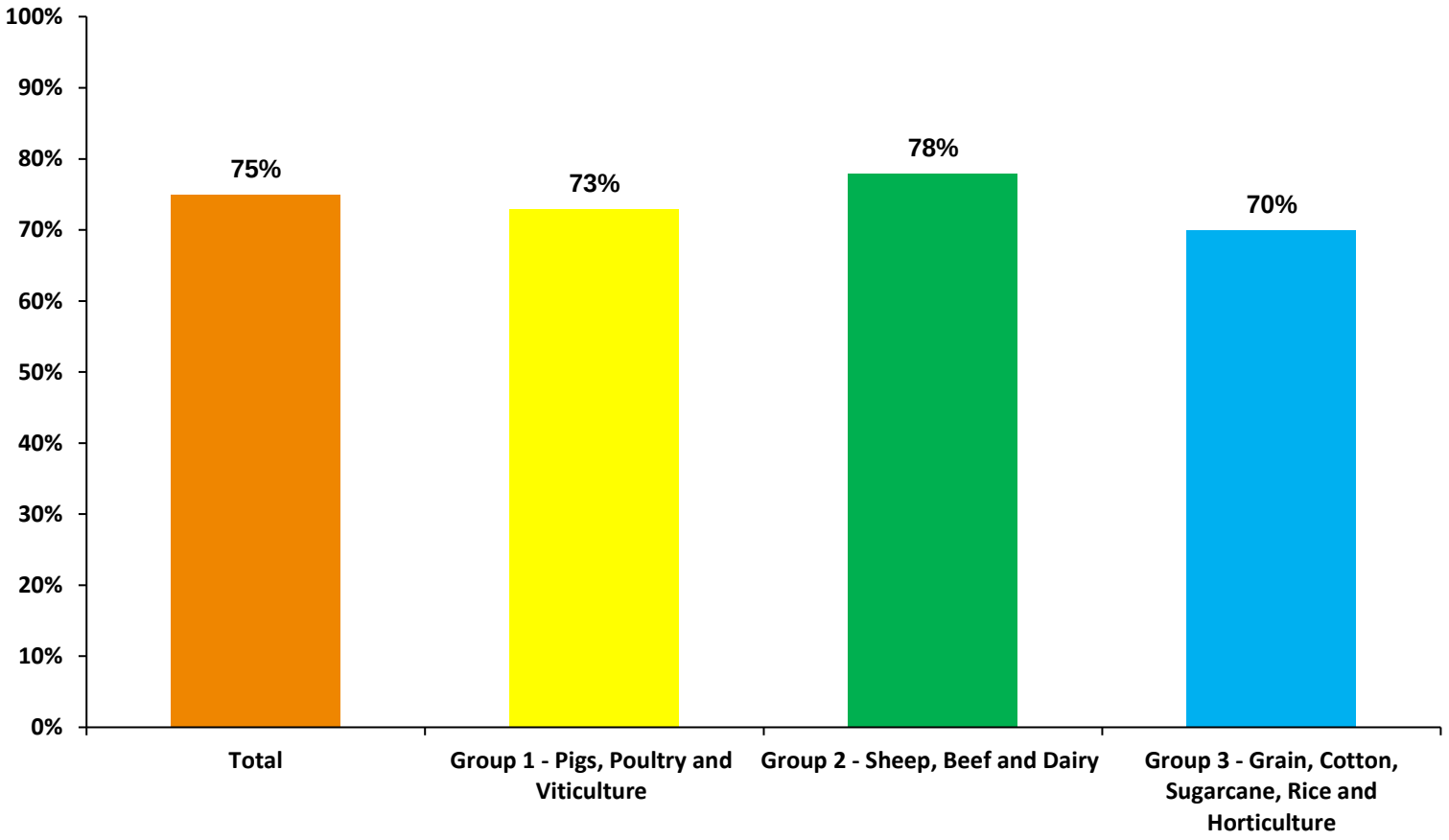
- When asked about their experience with new or increased demands due to sustainability, just over a third (36%) said there weren't any.
- However, there was a wide range of responses indicating that demand has increased (24%), and is likely to continue. This could vary by farm type as some produce is more affected by restrictions/standards than others.



Q9D: Have you experienced new or increased demands? Does sustainability impact demand? (% Mentioned) Total: n=612

Perceptions of the AASF

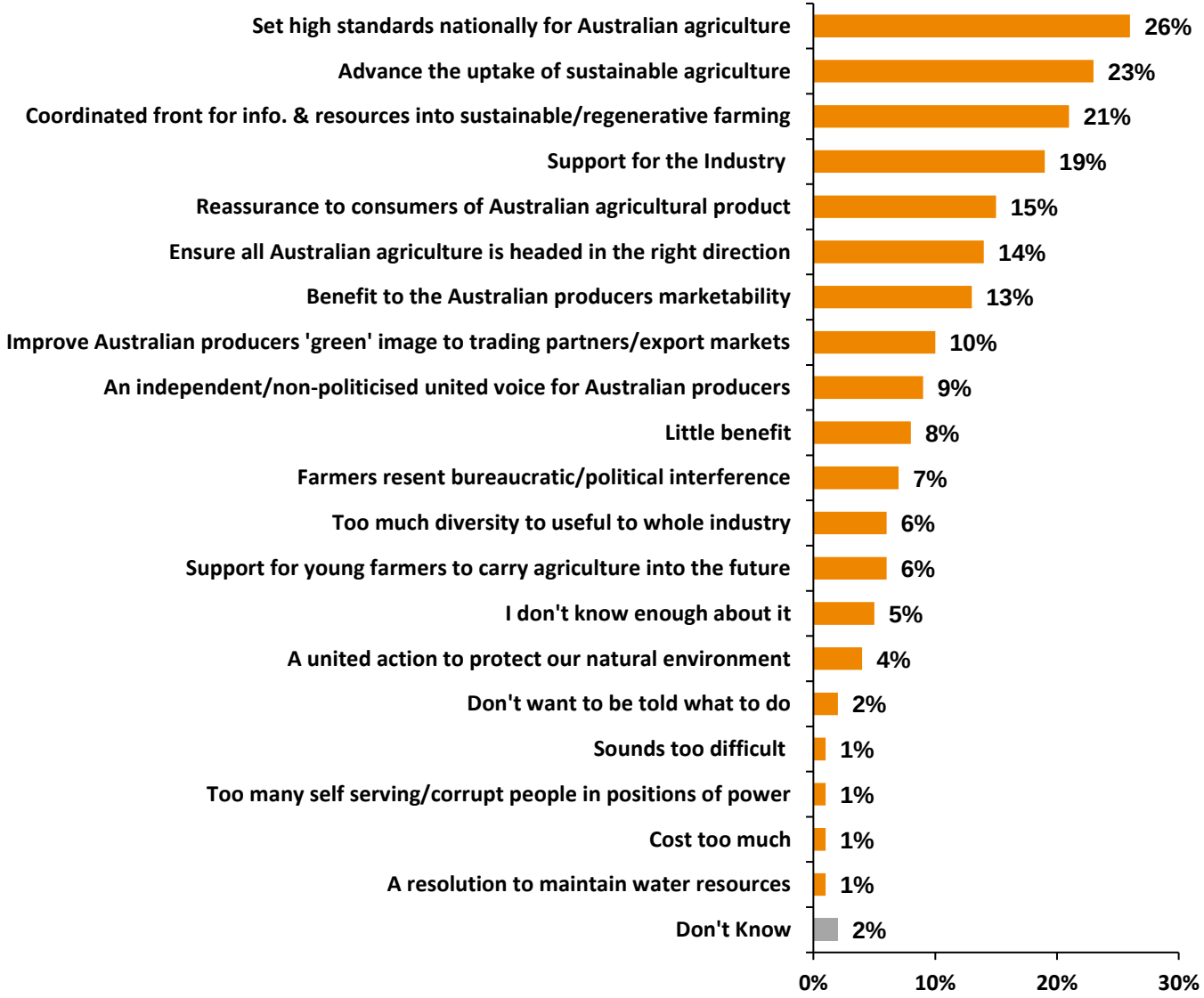
- Overall, the AASF (as presented to farmers) was well received, with 75% of farmers agreeing that it would be useful.



Q12. Do you think an Australian Agriculture Sustainability Framework would be useful? The framework communicates the national sustainability status and goals of the Australian agricultural industry to markets and to the community. (% Yes)

Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196

Reasons Given for Perceptions of the AASF



The top 4 reasons for thinking that the AASF **would** be useful were:

- Set high standards nationally for Australian agriculture (26%)
- Advance uptake of sustainable agriculture (23%)
- A coordinated front for information and resources into sustainable and regenerative farming (21%); and
- Provide support for the Industry (19%)

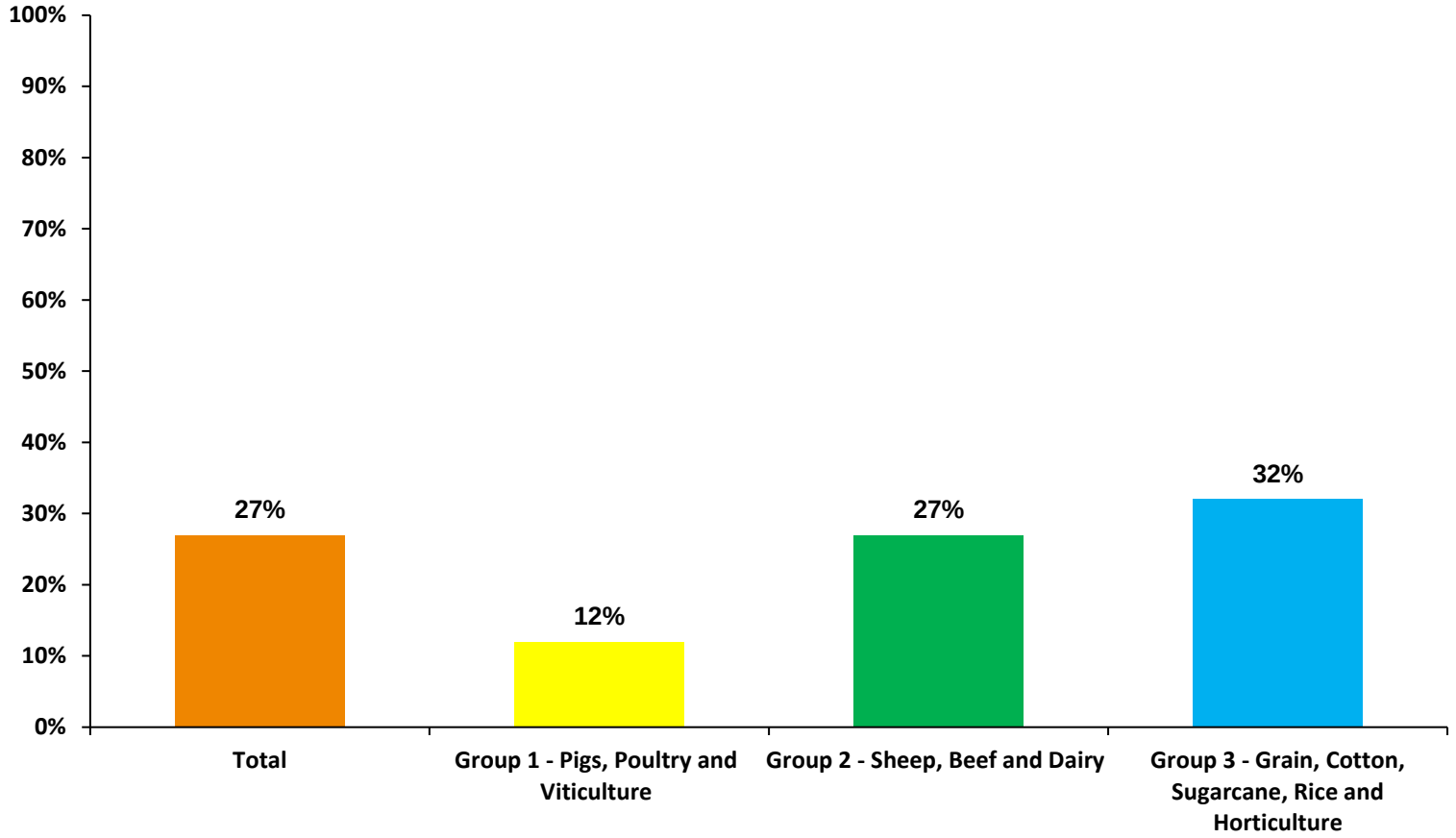
The key reasons for thinking that the AASF **would not** be useful were:

- Little benefit to farmers (8%);
- Farmers resent bureaucratic/political interference (7%);
- Too much diversity to be useful to the whole industry (6%); and
- Don't know enough about it (5%)

Q12. Why do you think that? *(open-ended) Total: n=612*

Premiums for Sustainability – Ever Received

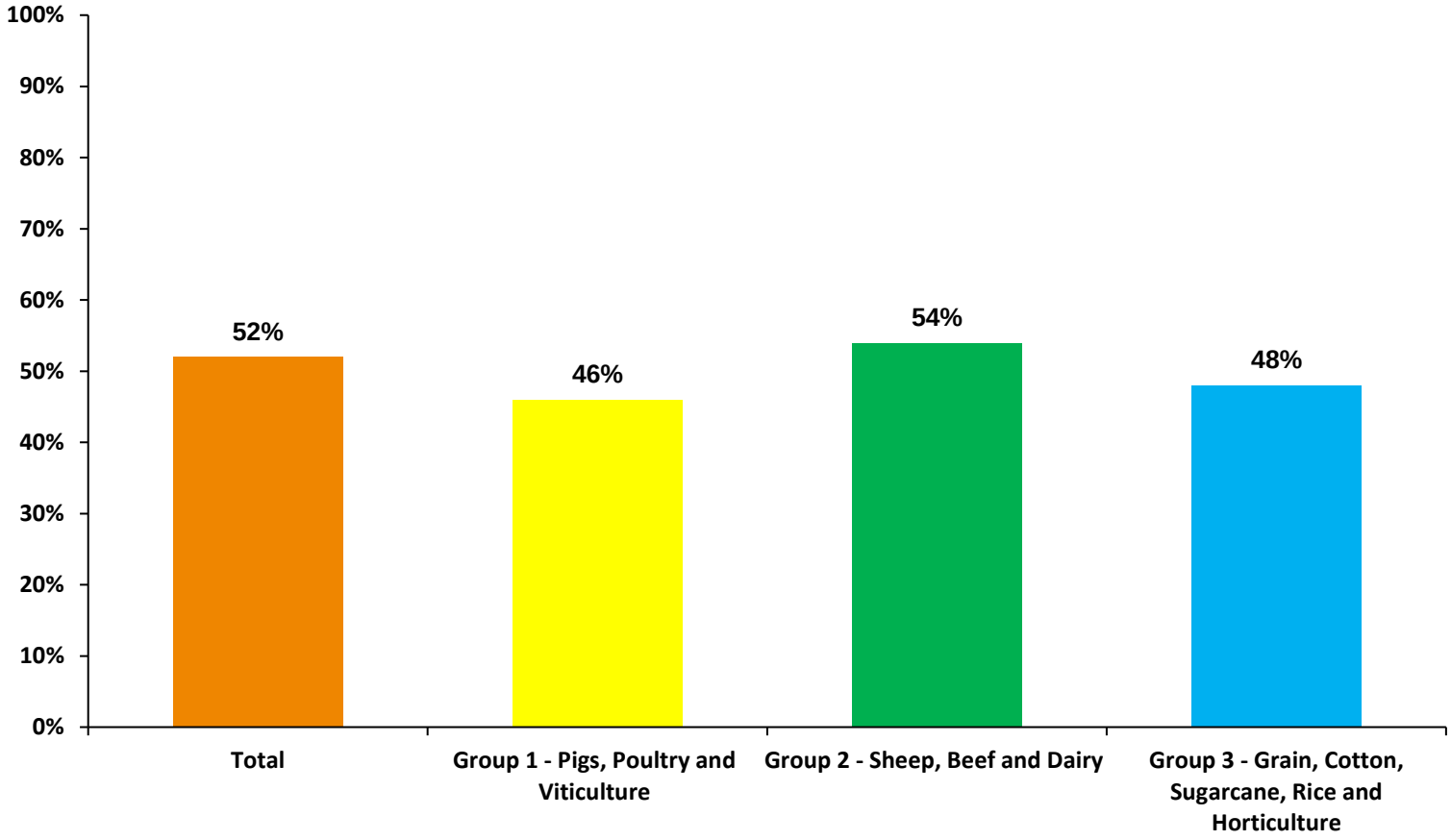
- Overall, around a third (27%) of farmers had ever received a premium payment on the basis of sustainability.
- Group 3 were the most likely (32%), followed by Group 2 (27%). Group 1 were the least likely (12%) than the other two groups.



Q13A. Have you ever received a premium payment for an agricultural product on the basis of your sustainability/stewardship? (% Yes) *Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n= 196*

Premiums for Sustainability – Expectations

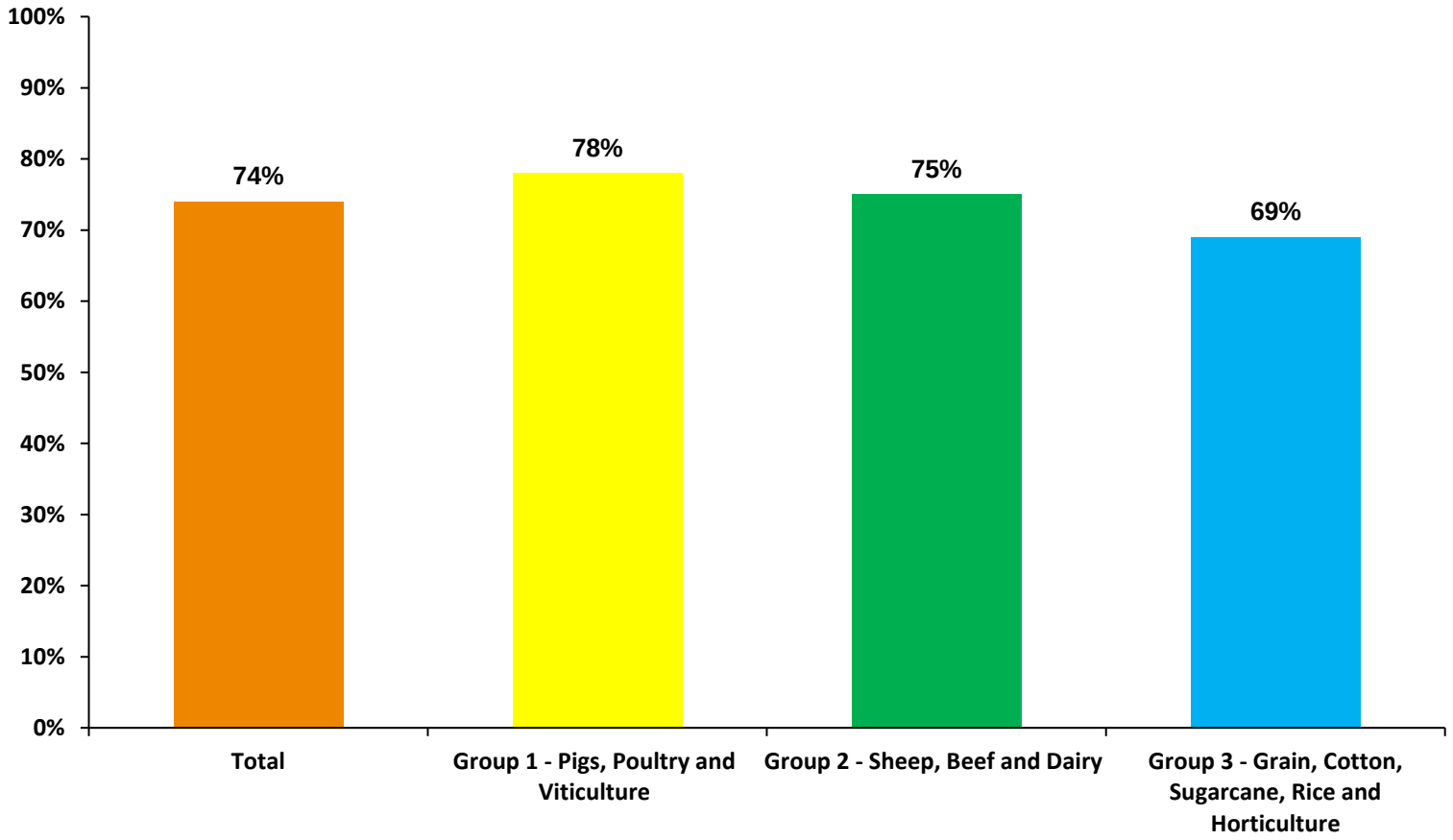
- Overall, around half (52%) of farmers expected a premium for demonstrating sustainability. Given that only 27% had ever received one, there is an indication here that around 25% of farmers are either 'missing out' on opportunities currently available, there are not enough opportunities in the industry or that some don't know enough about it.
- Group 1 were the least likely to expect a premium (46%) than the other two groups.



Q13B. Do you expect a premium for demonstrating sustainability/stewardship? (% Yes) *Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196*

Premiums for Sustainability – Agree to Extra Compliance

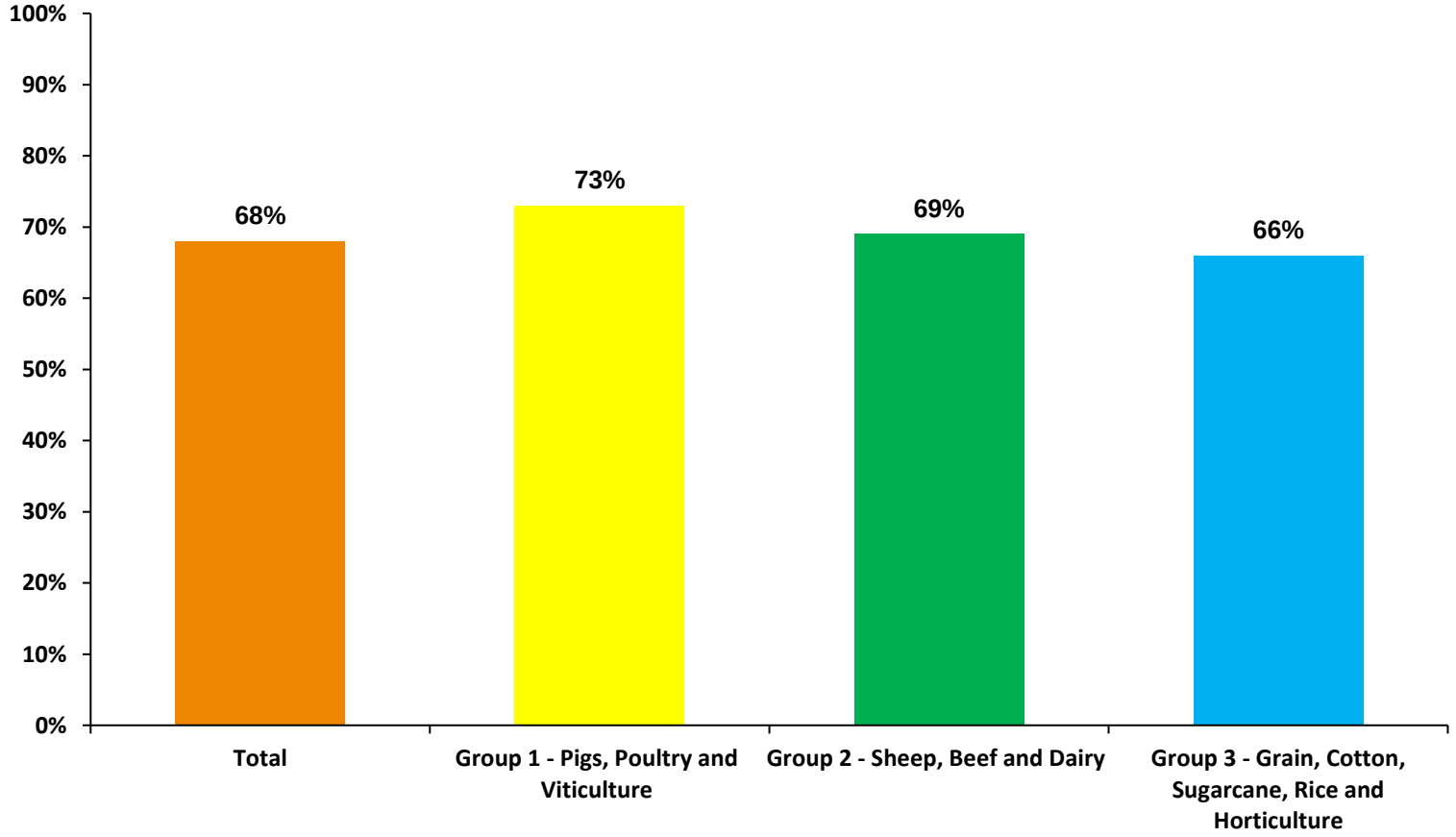
- Overall, three-quarters (74%) of farmers said they would agree to extra compliance if a premium was available.



Q13C. If a premium was available, would you agree to extra compliance to access it? (% Yes) *Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196*

Value Chain Improvements vs. Direct Payments for Sustainability

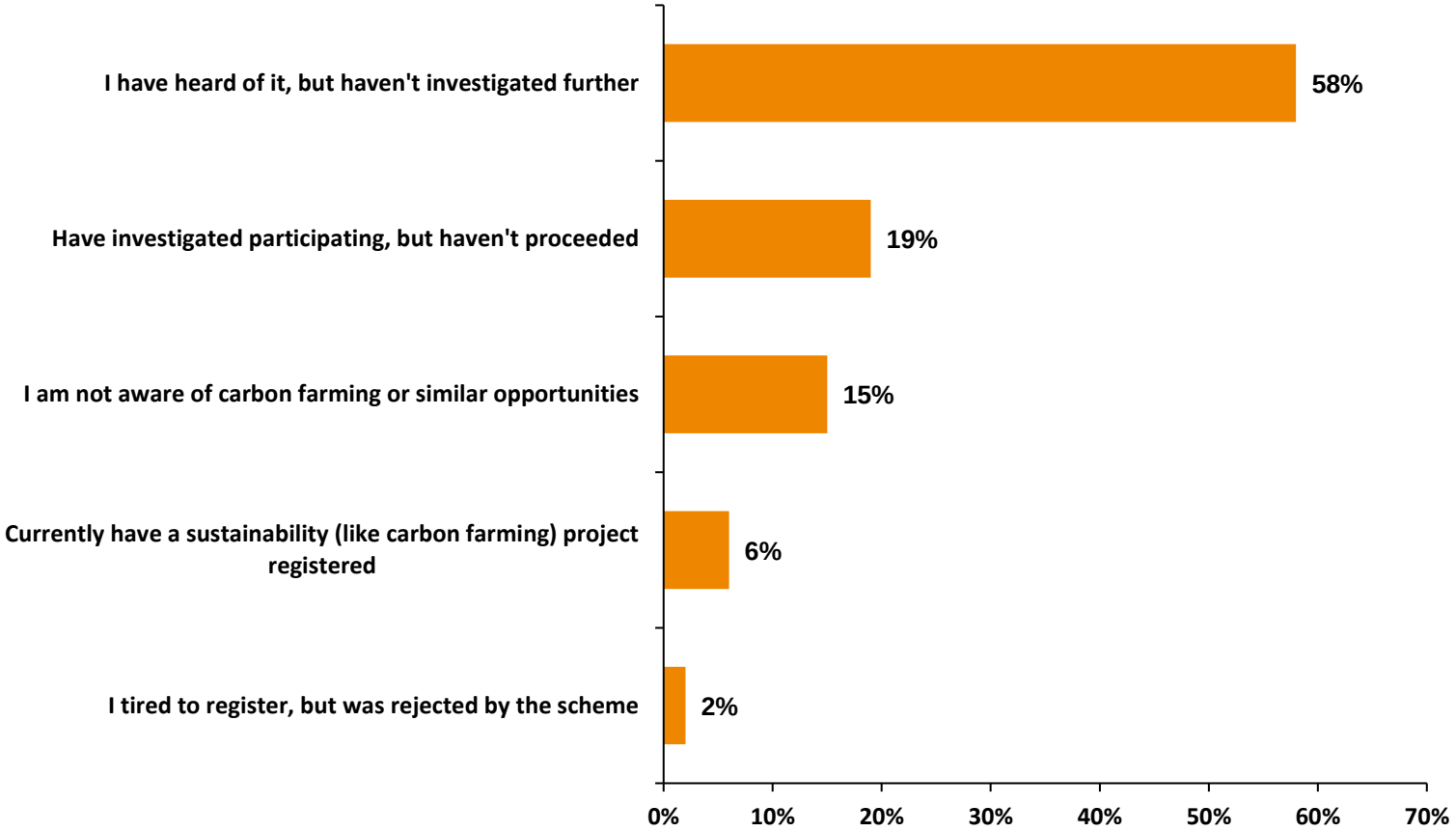
- Overall, around two thirds (68%) stated that value chain improvements would be sufficient for them to engage in sustainable practices instead of direct payments. Either way, whether via direct payments or value chain improvements, the data and farmer comments suggest that both need to be encouraged and supported, along with sustainability practices they are already doing.
- Group 1 were more likely to agree (73%) than the other two groups.



Q13D. Would an improvement along the value chain (premium product, market access, etc.) be sufficient for you to engage in sustainable practices, instead of direct payments? (% Yes) *Sample sizes: Total n=612, Group 1: Pigs, Poultry and Viticulture (Grapes) n=41; Group 2: Sheep, Beef and Dairy n=375; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=196*

Experience with Schemes that Offer a Payment

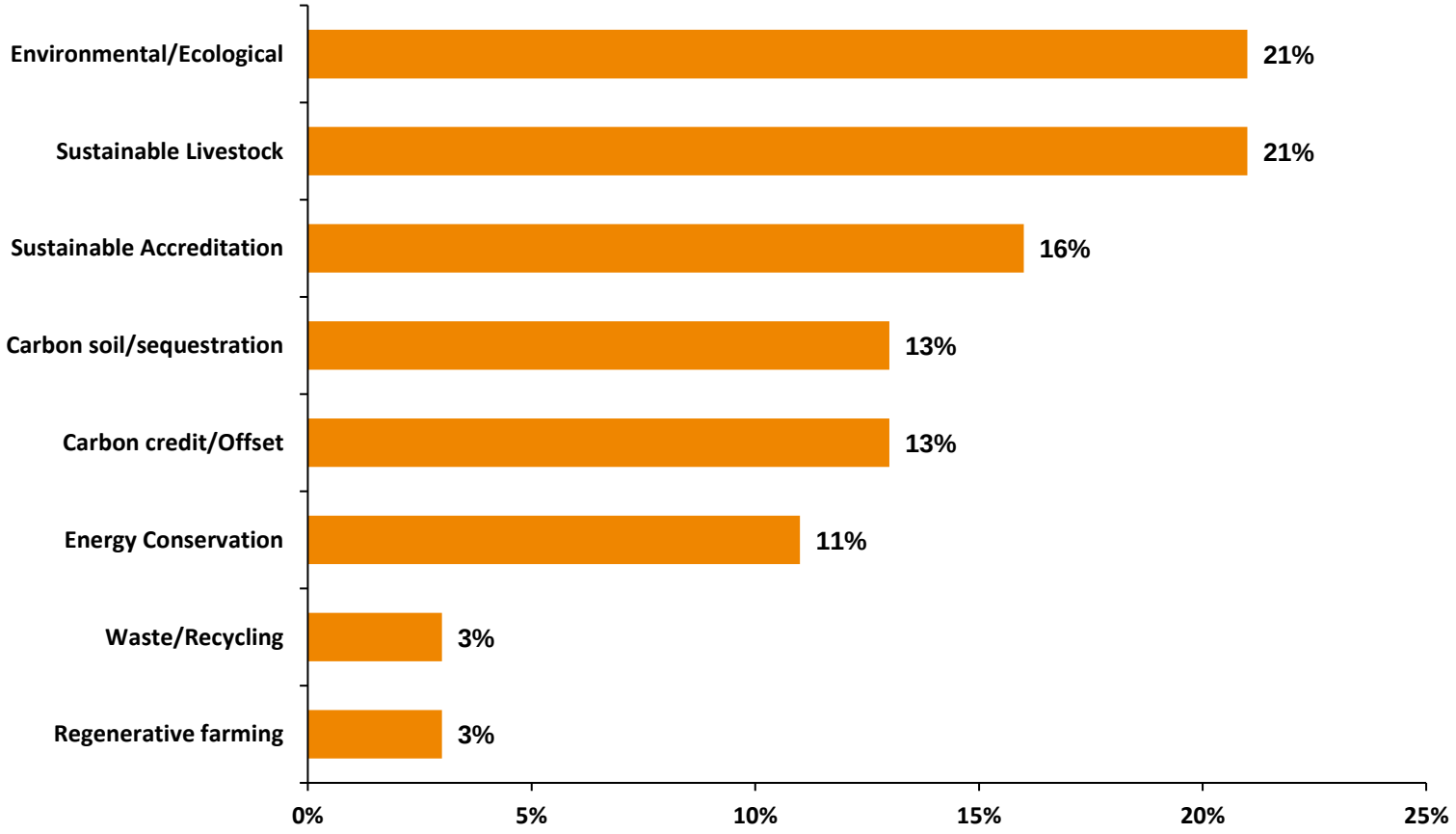
- Overall, 58% had heard of schemes that offer payments for sustainability activities. A further 19% have investigated participating but haven't proceeded and 15% were not aware of any. Only 6% currently have a project registered and a further 2% tried to register but were rejected.



Q14. Which of the following best describes your experience with schemes that offer a payment for undertaking sustainability-related activities (like carbon farming)? (% Yes) Total: n=612

Scheme Description

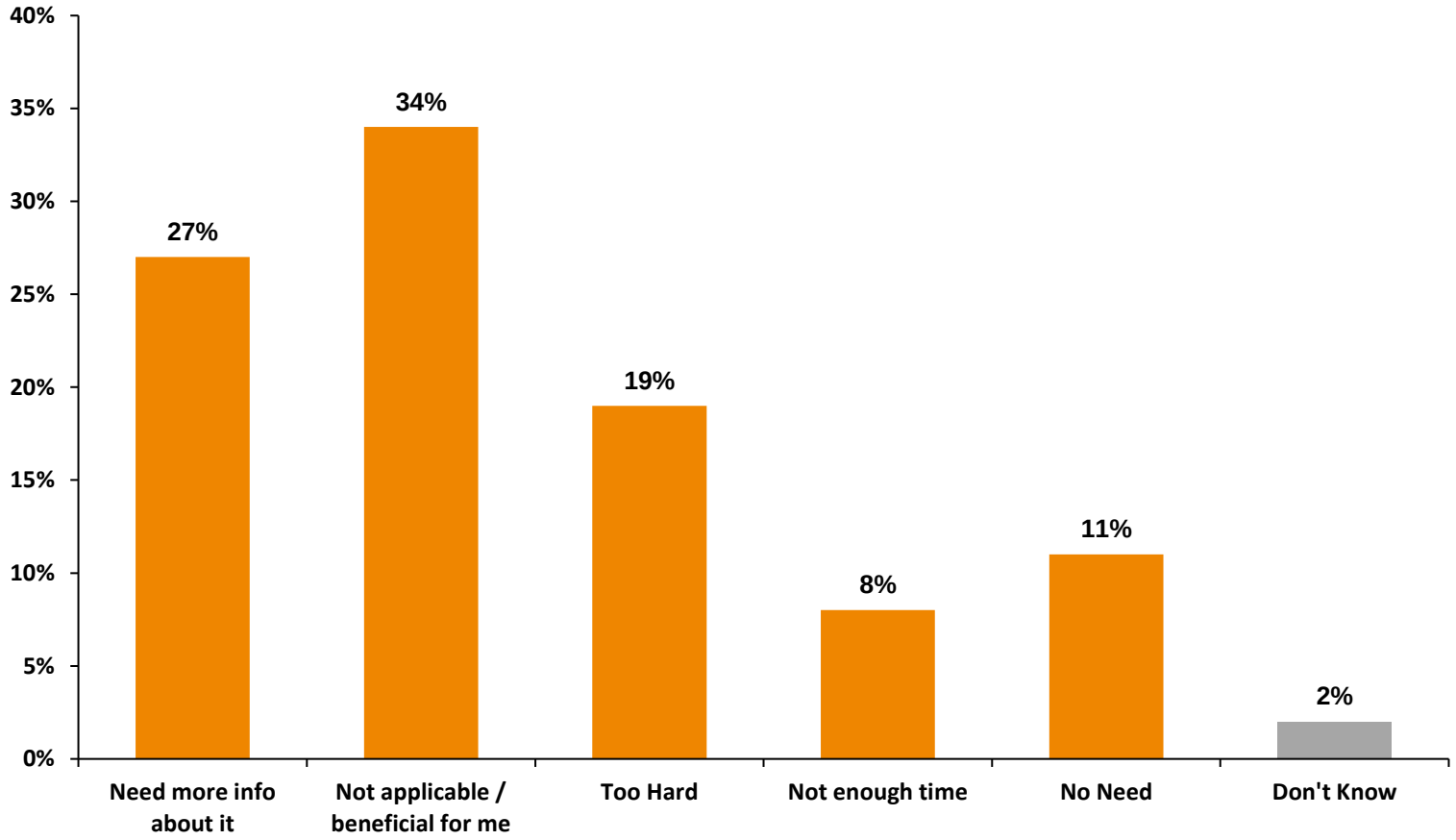
- For farmers who had a project registered with a scheme, the most common were environmental/ecological (21%), sustainable livestock (21%) and sustainable accreditation (16%).
- A further 13% mentioned carbon soil/sequestration and 13% mentioned carbon credits/offsets.



Q14B. Please describe the scheme? *(% Mentioned). Filtered on response to Q14A, have a current project registered: n=38*

Reasons Given for Rejection or Not Proceeding

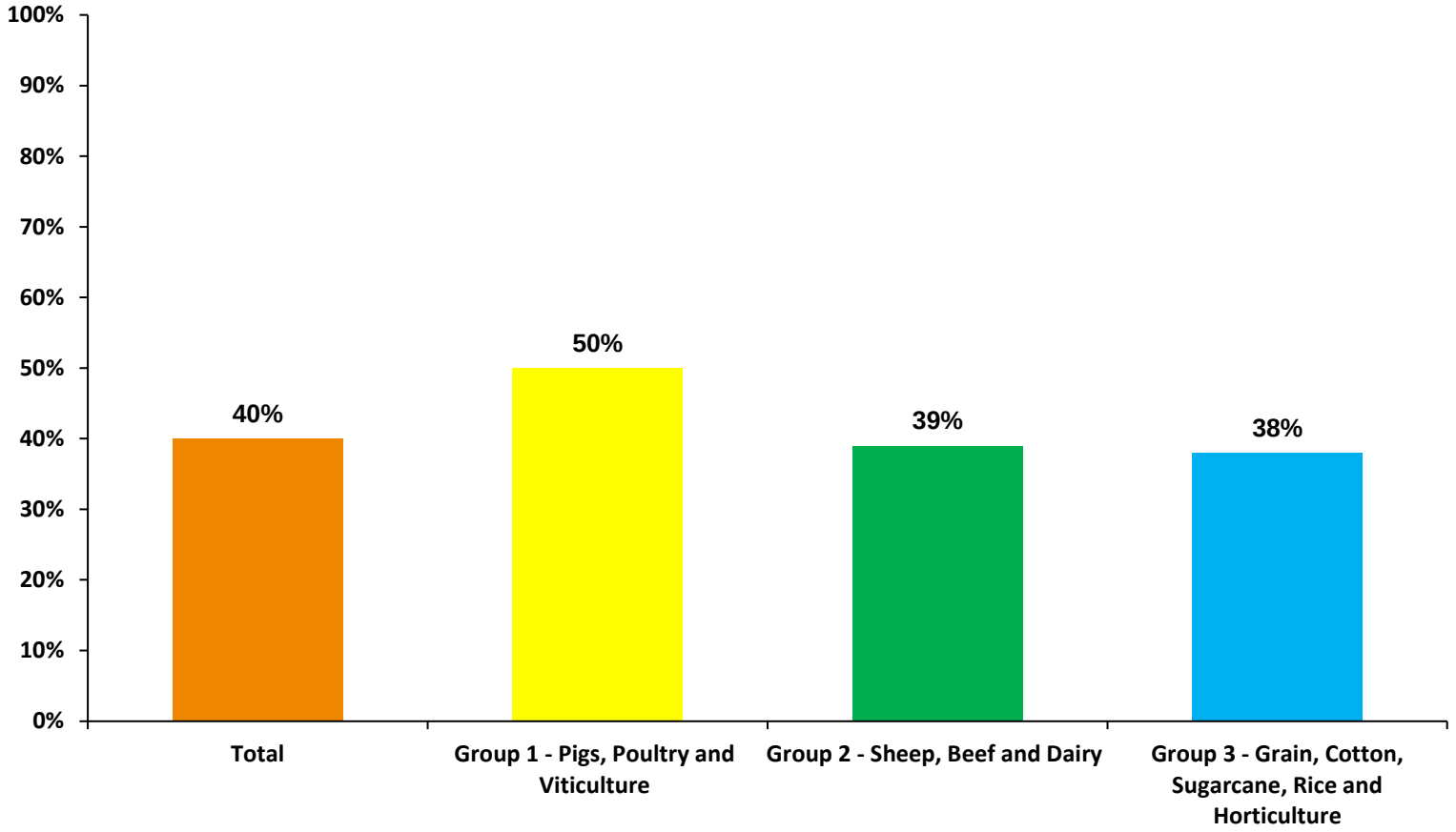
- The key reasons given for rejection or not proceeding with a scheme were: that it was not applicable or beneficial (34%), they needed more information (27%) or that it was 'too hard' (19%).



Q14C. Why? *(% Mentioned). Filtered on response to Q14A, tried to register and was rejected or investigate participating but did not proceed: n=131*

Concerns with Schemes that Offer a Payment – Affordable Finance

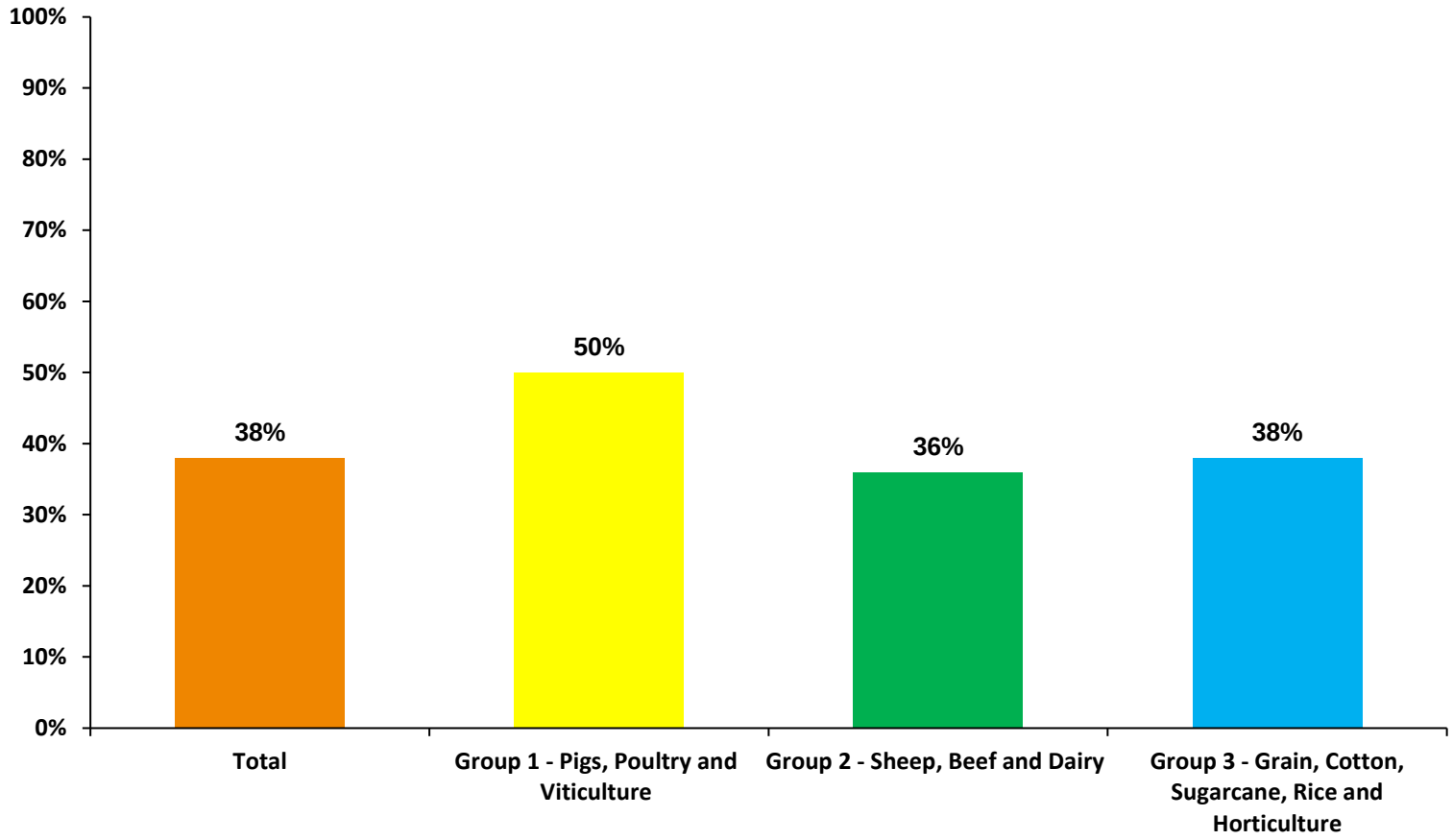
- When farmers were asked about whether they were concerned about affordable finance to fund capital for sustainable activity, overall 40% said yes.



Q15A. Access to affordable finance to fund capital requirements of the activity (e.g. unable to increase debt with the bank)?
Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47.*
**Caution: low sample size*

Concerns with Schemes that Offer a Payment – Tax Implications

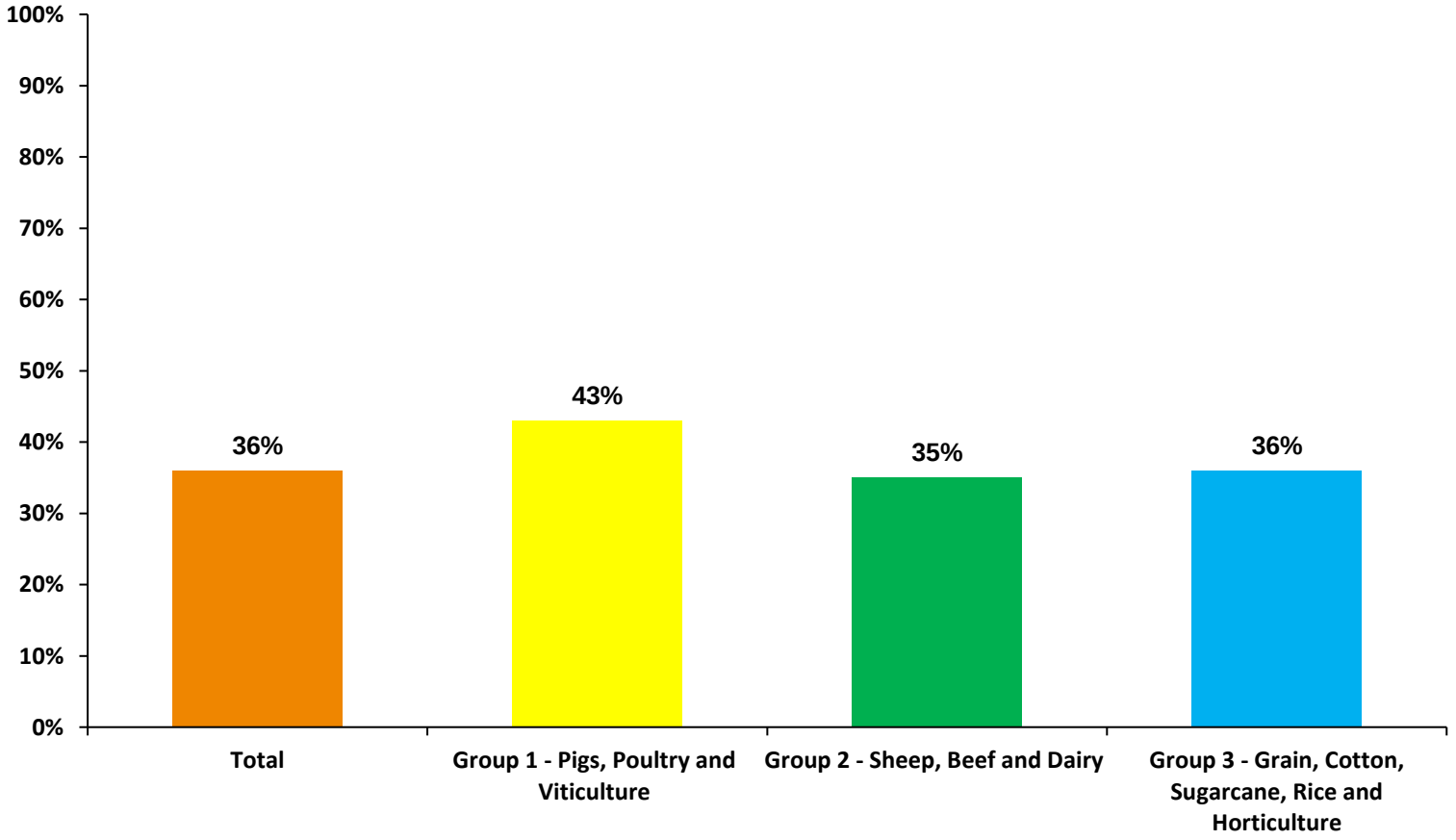
- When farmers were asked about whether they were concerned about the tax implications of receiving non-primary production income for sustainable activity, overall 38% said yes.



Q15B. Tax implications of receiving non-primary production income (e.g. loss of access to tax averaging offset or inability to make FMDs)? *Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14*; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47. *Caution: low sample size*

Concerns with Schemes that Offer a Payment – Reduced Access

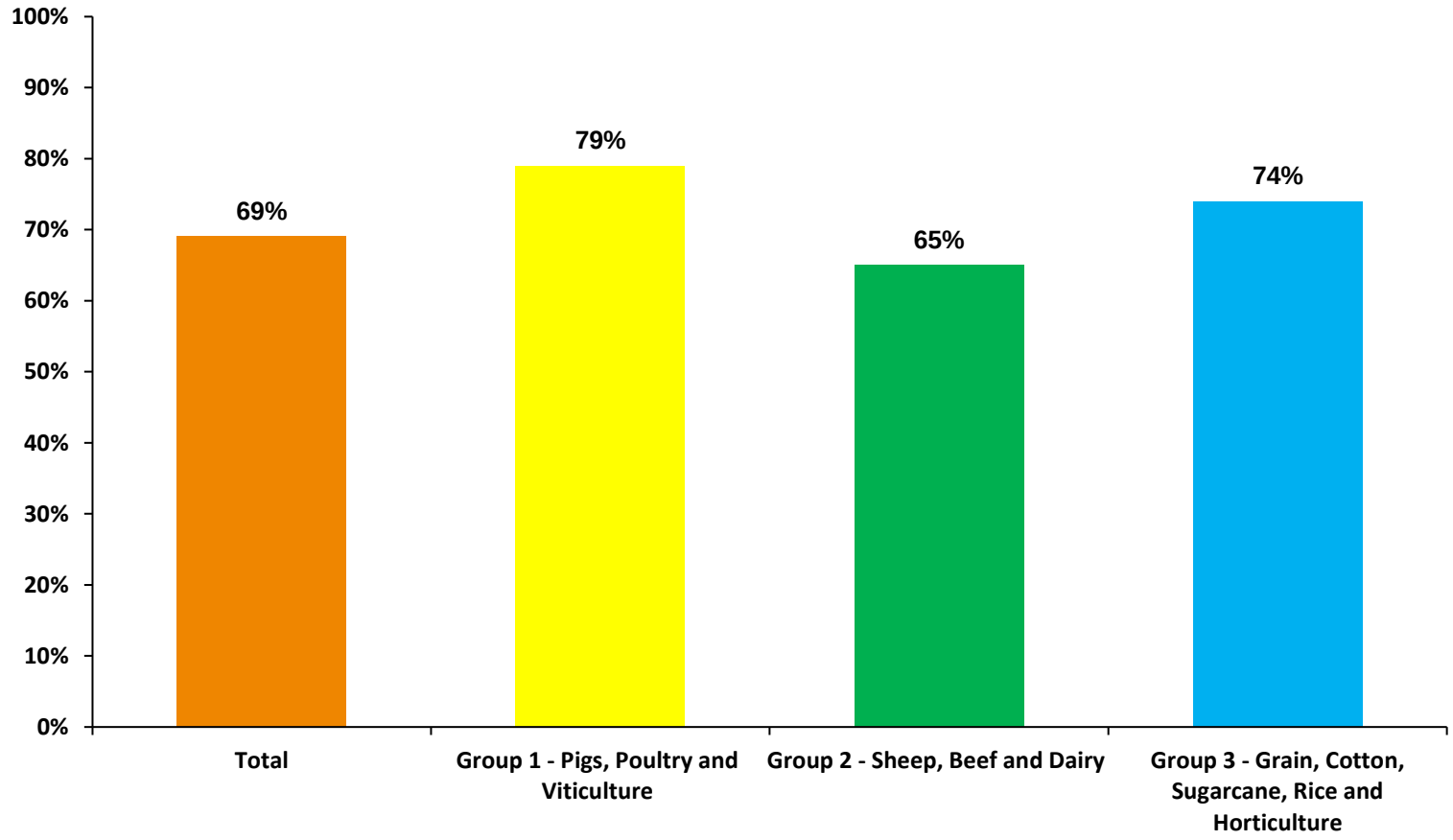
- When farmers were asked about whether they were concerned about the reduced access to government assistance measures, overall 36% said yes.



Q15C. Reduced access to government assistance measures (eg. FHA's, disaster recovery loans)? *Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14*; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47. *Caution: low sample size*

Concerns with Schemes that Offer a Payment – Time and Cost

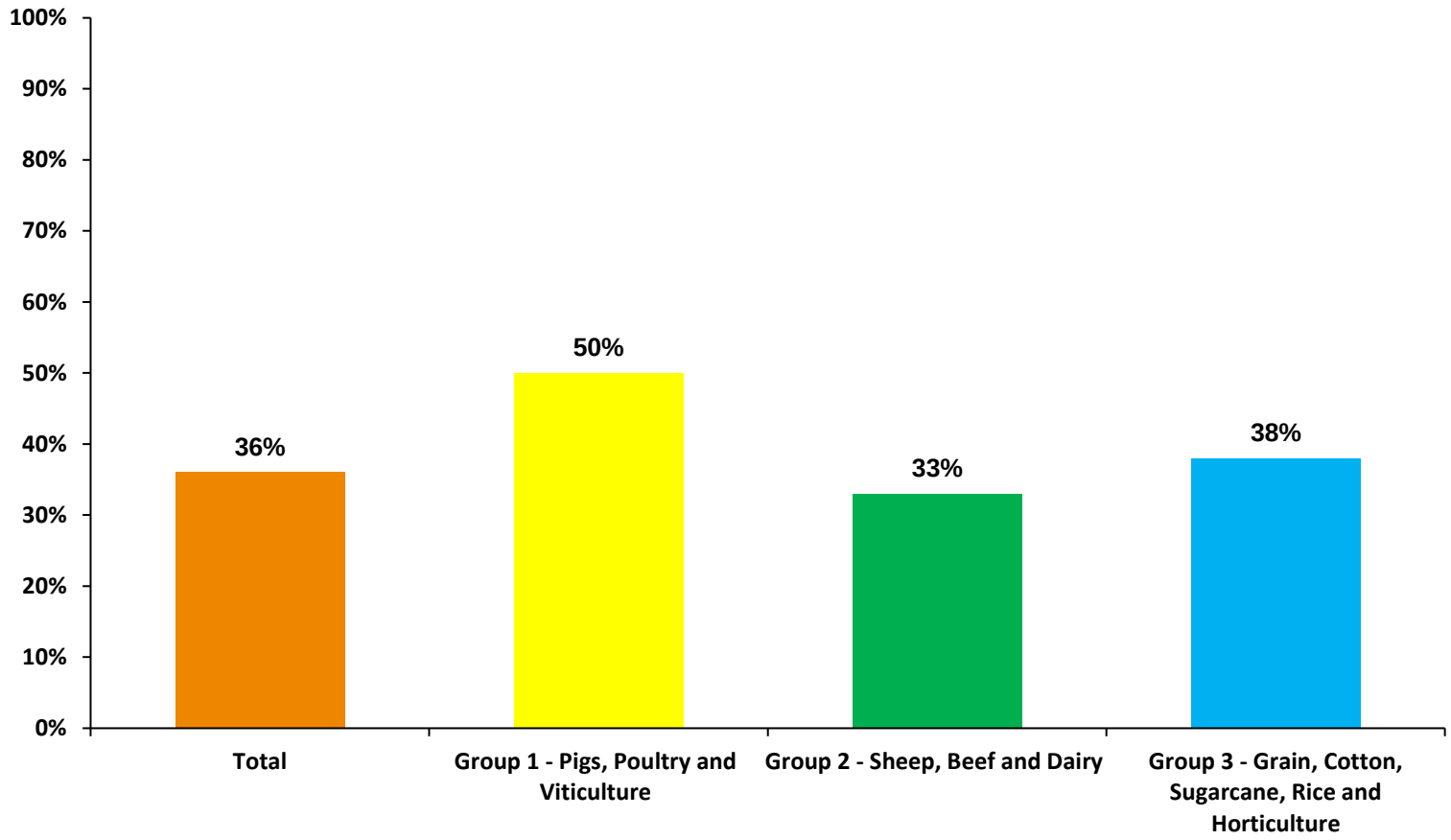
- When farmers were asked about whether they were concerned about the time and cost (e.g. advisor fees), overall (69%) said yes.



Q15D. The time and cost (e.g. advisor fees) to understand sustainability or scheme requirements and implications? *Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14*; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47. *Caution: low sample size*

Concerns with Schemes that Offer a Payment – Consent Difficulties

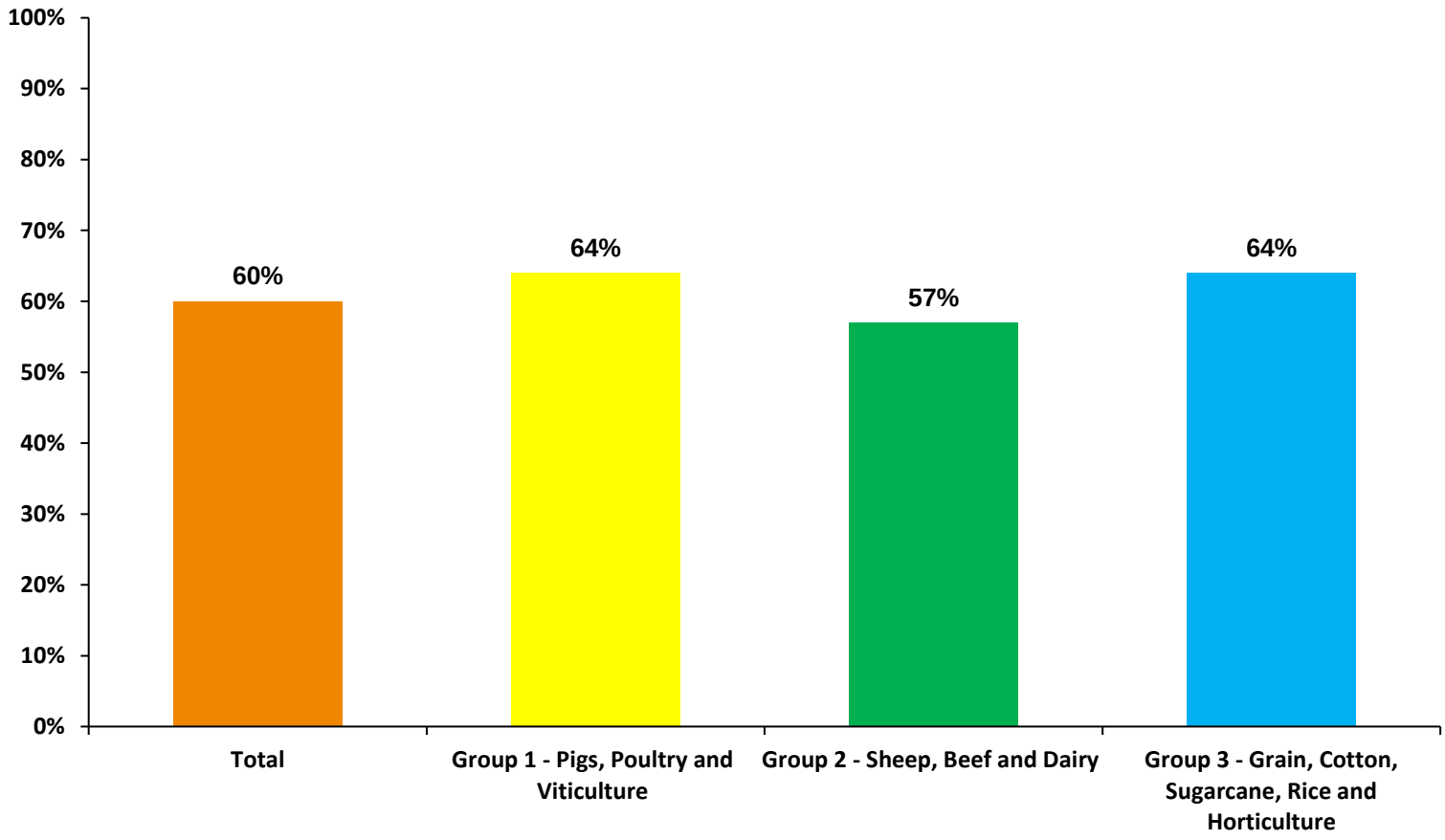
- When farmers were asked about difficulty gaining consent from eligible interest holders, overall (36%) said yes.



Q15E. Difficulty gaining consent from eligible interest holders (e.g. land owners, banks, native title holders, local and state government)? *Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14*; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47. *Caution: low sample size*

Concerns with Schemes that Offer a Payment – Licences/Fees

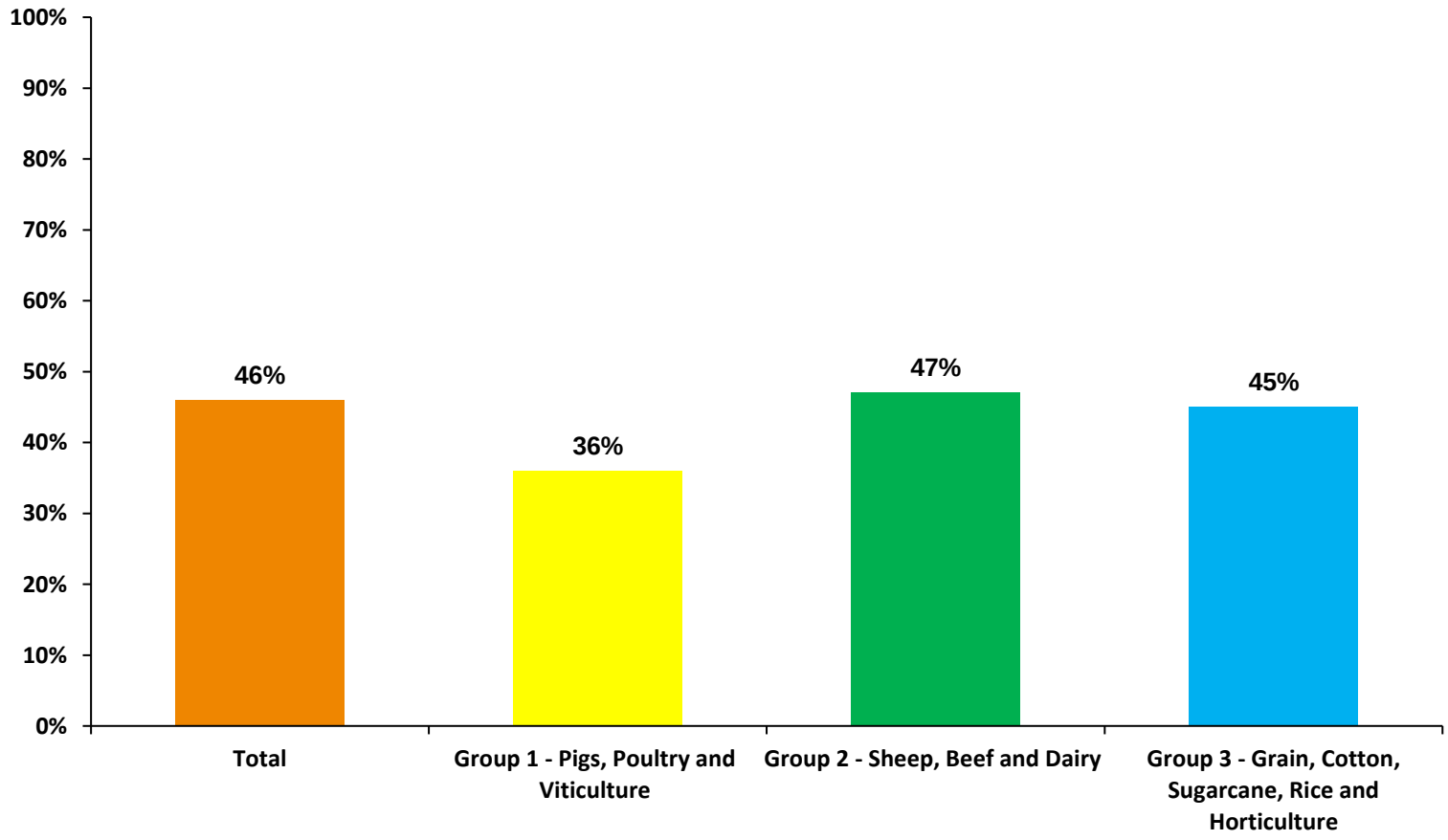
- When farmers were asked about whether they were concerned about licenses or fees from third parties, overall (60%) said yes.



Q15F. Licenses or fees from third parties (e.g. aggregators) required to receive sustainability payments? *Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14*; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47. *Caution: low sample size*

Concerns with Schemes that Offer a Payment – Land Tenure

- When farmers were asked about whether they were concerned about income restrictions of land tenure arrangements, overall 46% said yes.

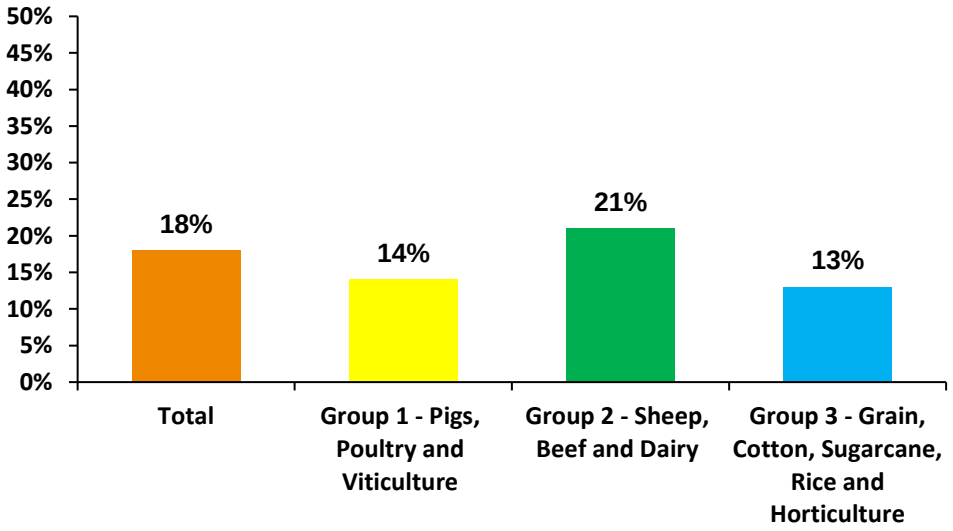


Q15G. Income restrictions of land tenure arrangements (i.e. prohibited from undertaking beneficial activities)? *Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14*; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47. *Caution: low sample size*

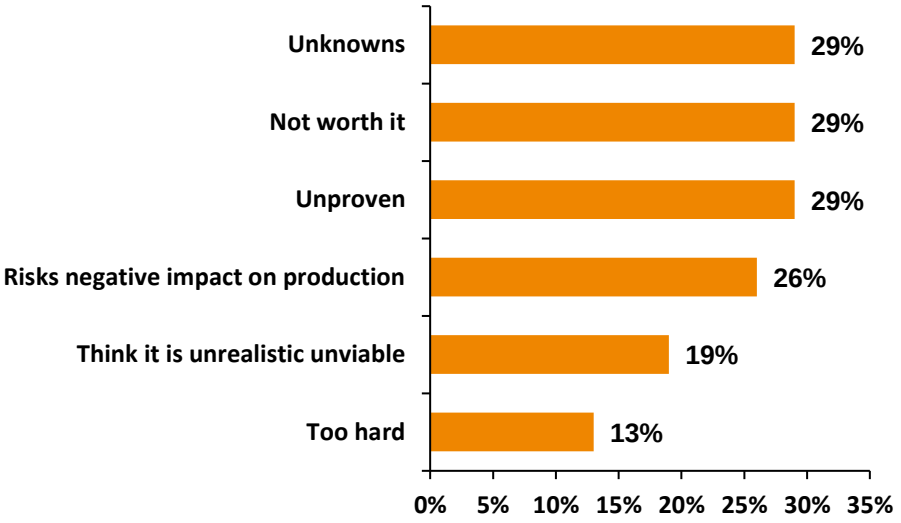
Concerns with Schemes that Offer a Payment – Other

- When farmers were asked whether they had any other concerns, overall 18% said yes.
- The most likely concerns mentioned were the 'unknowns' or the 'unproven' (29% each) and that it was 'not worth it' (also 29%).

% Other Concerns



Reasons Given

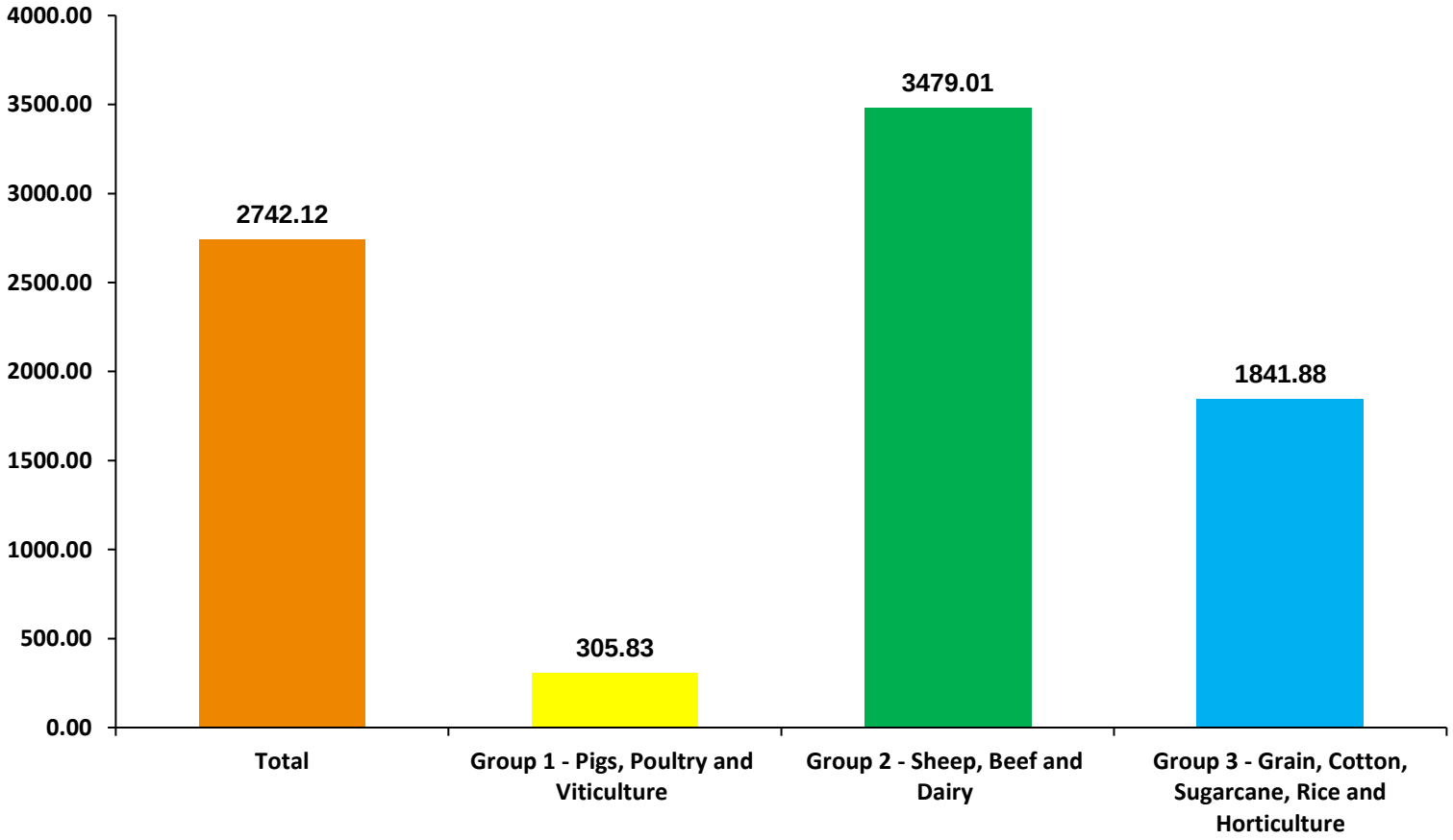


Q15H. Any other concerns? *Sample sizes: Total n=169, Group 1: Pigs, Poultry and Viticulture (Grapes) n=14*; Group 2: Sheep, Beef and Dairy n=108; Group 3: Grain, Cotton, Sugarcane, Rice and Horticulture n=47. *Caution: low sample size*

Q15O. And what was the other concern regarding issues related to the farming business you have in the context of schemes? *(% Mentioned) Total filtered on response to Q15H; n=31*

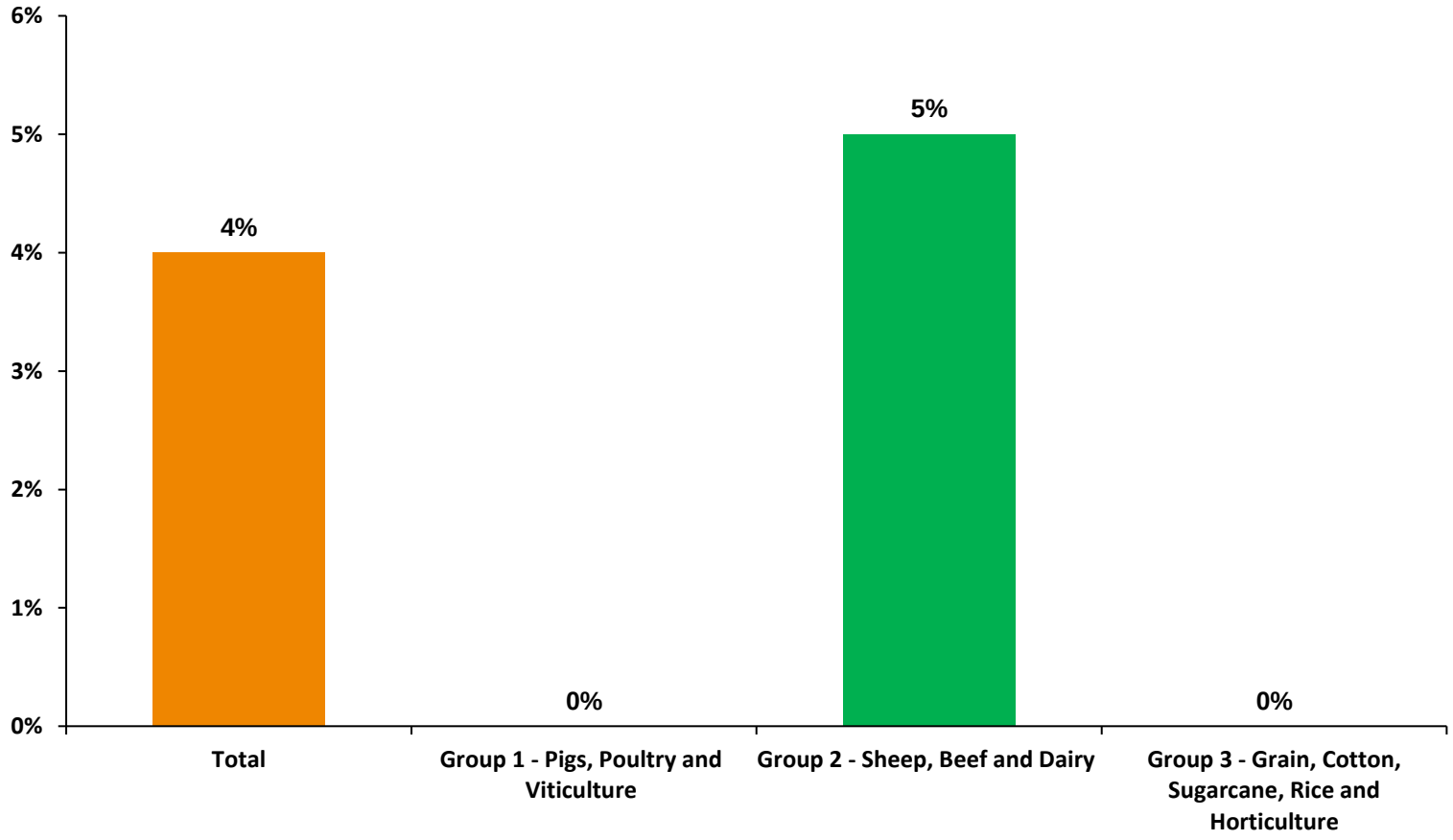
0.4
Sample Profile

Average Farm Size: Total and By Group



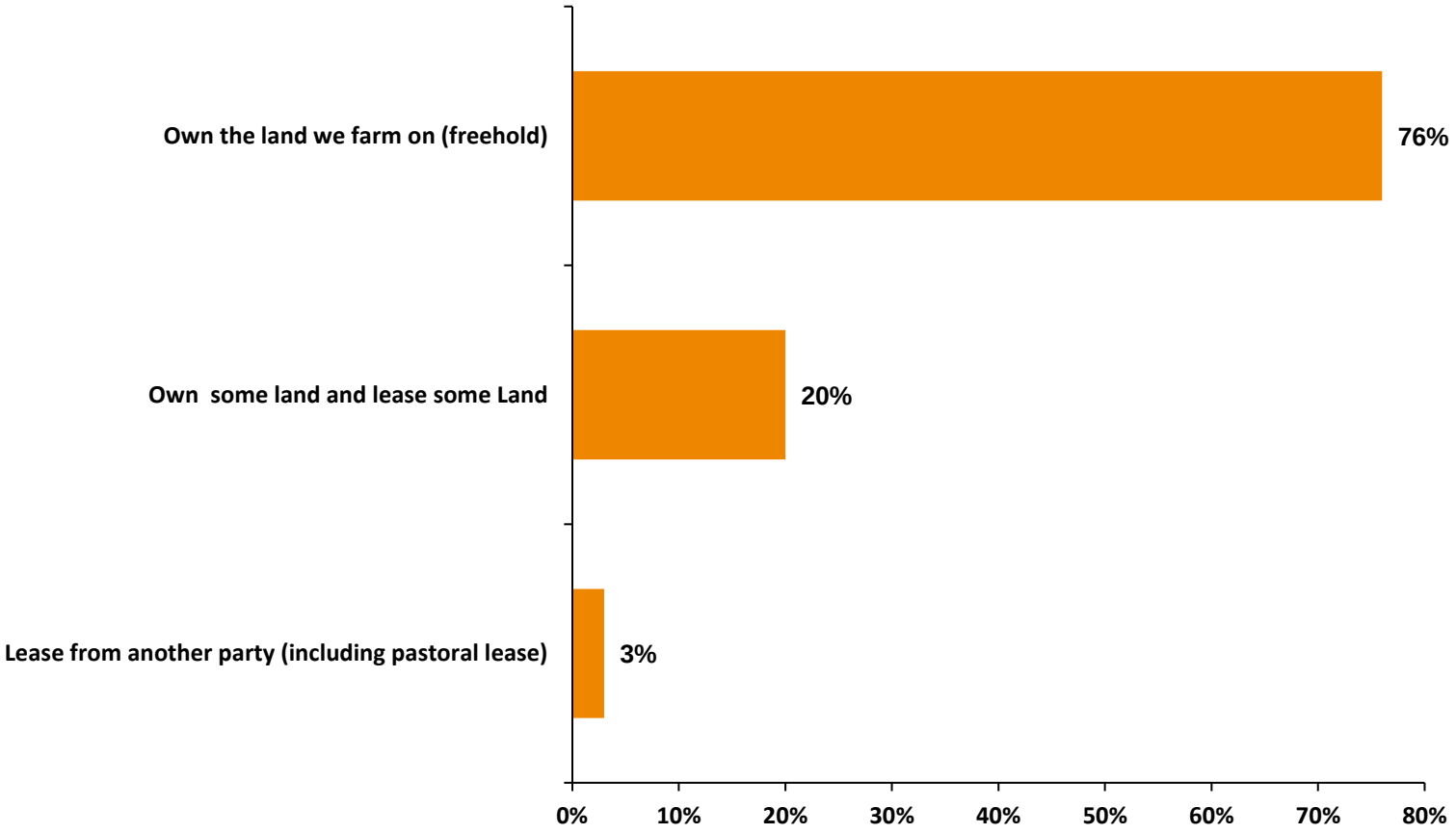
Total: n=612; Mean Farm Size (Ha.)

Feedlots: Total and By Group



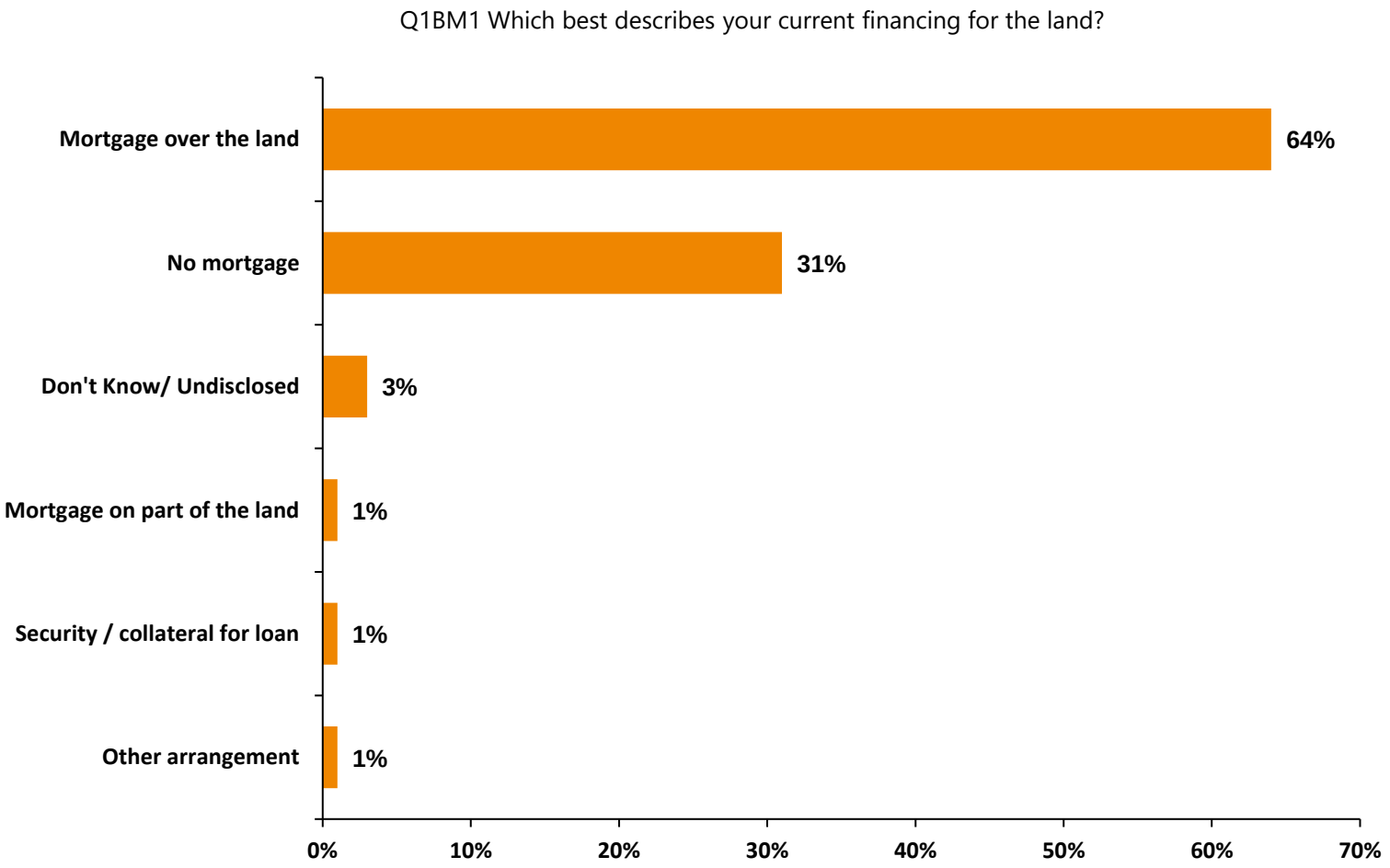
Total: n=612

Land Tenure Arrangements



Total: n=612

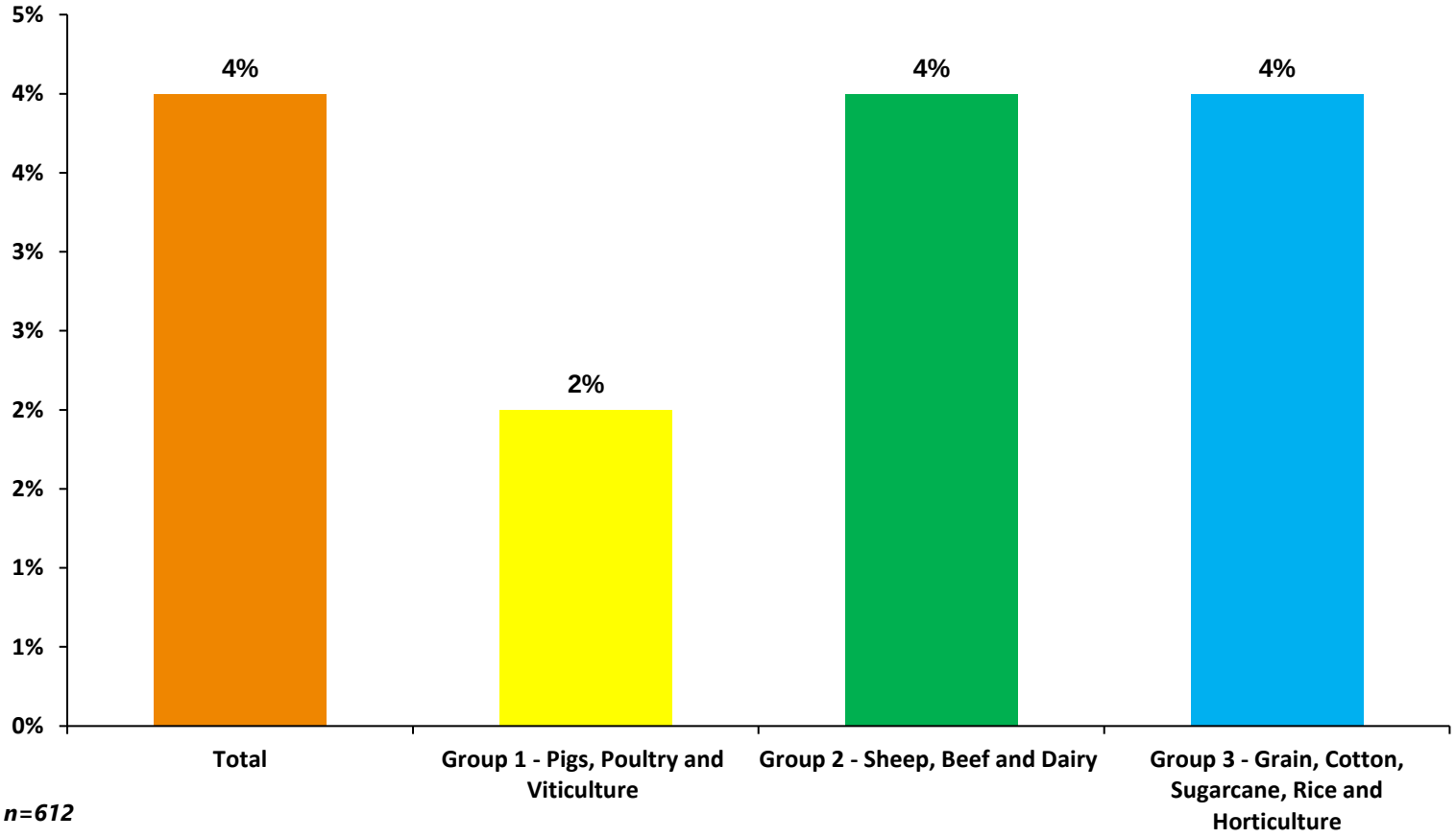
Land Finance



Total: n=577

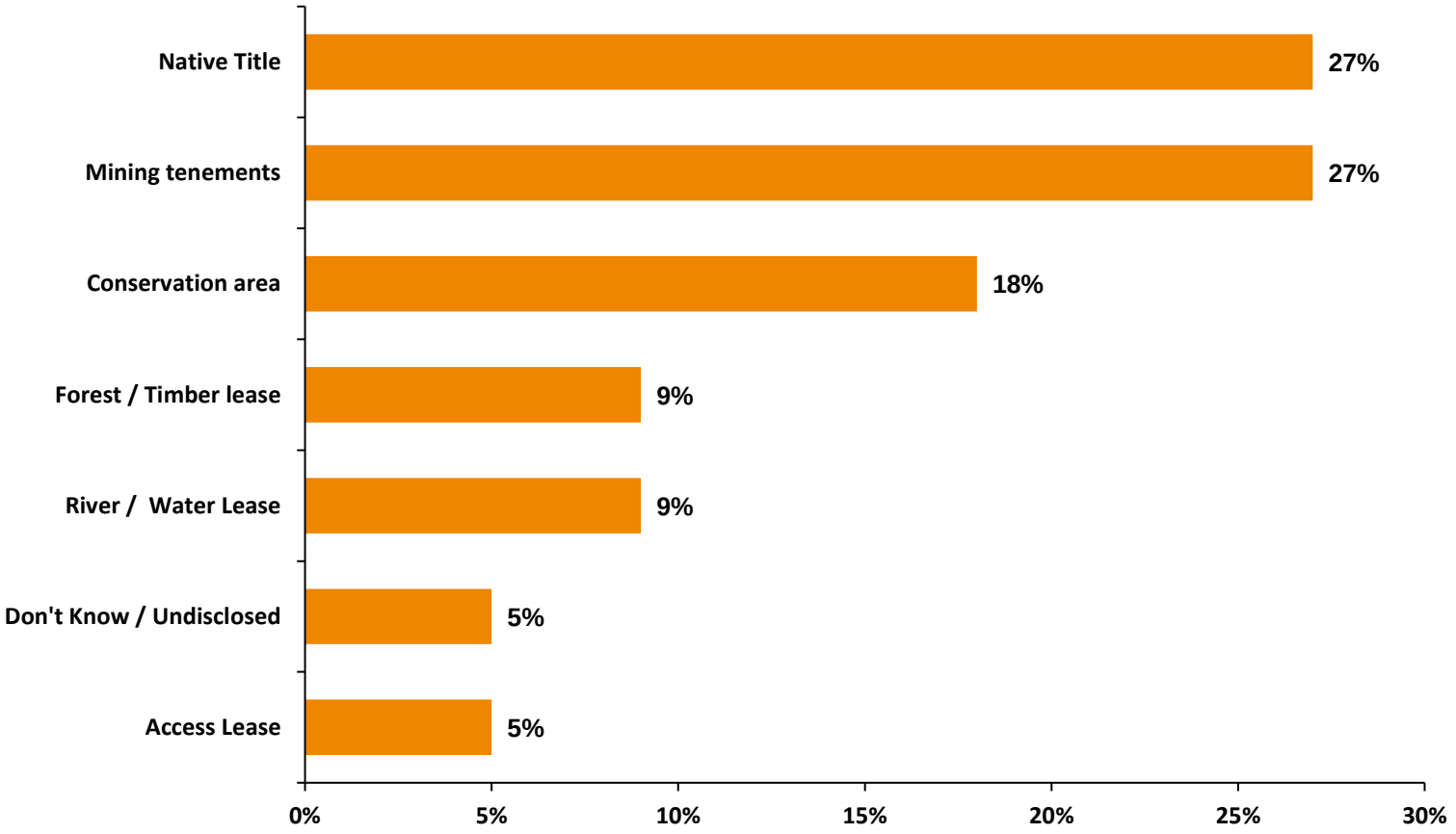
Native Title Claims or Other Land Tenure Arrangements

Q1C. Are there any current Native Title determinations or claims, or other land tenure arrangements (e.g. mining tenements) on your land?



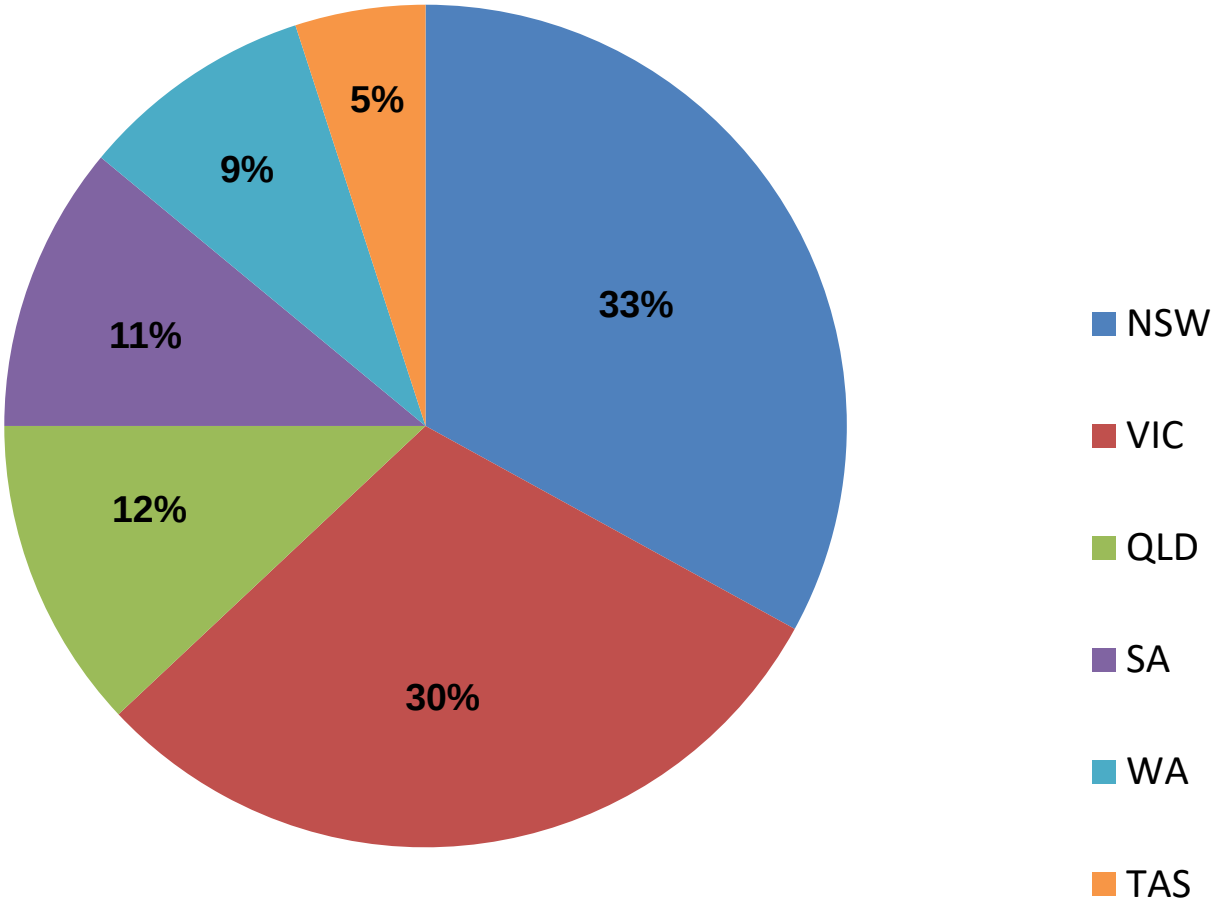
Total: n=612

Native Title Claims or Other Land Tenure Arrangements

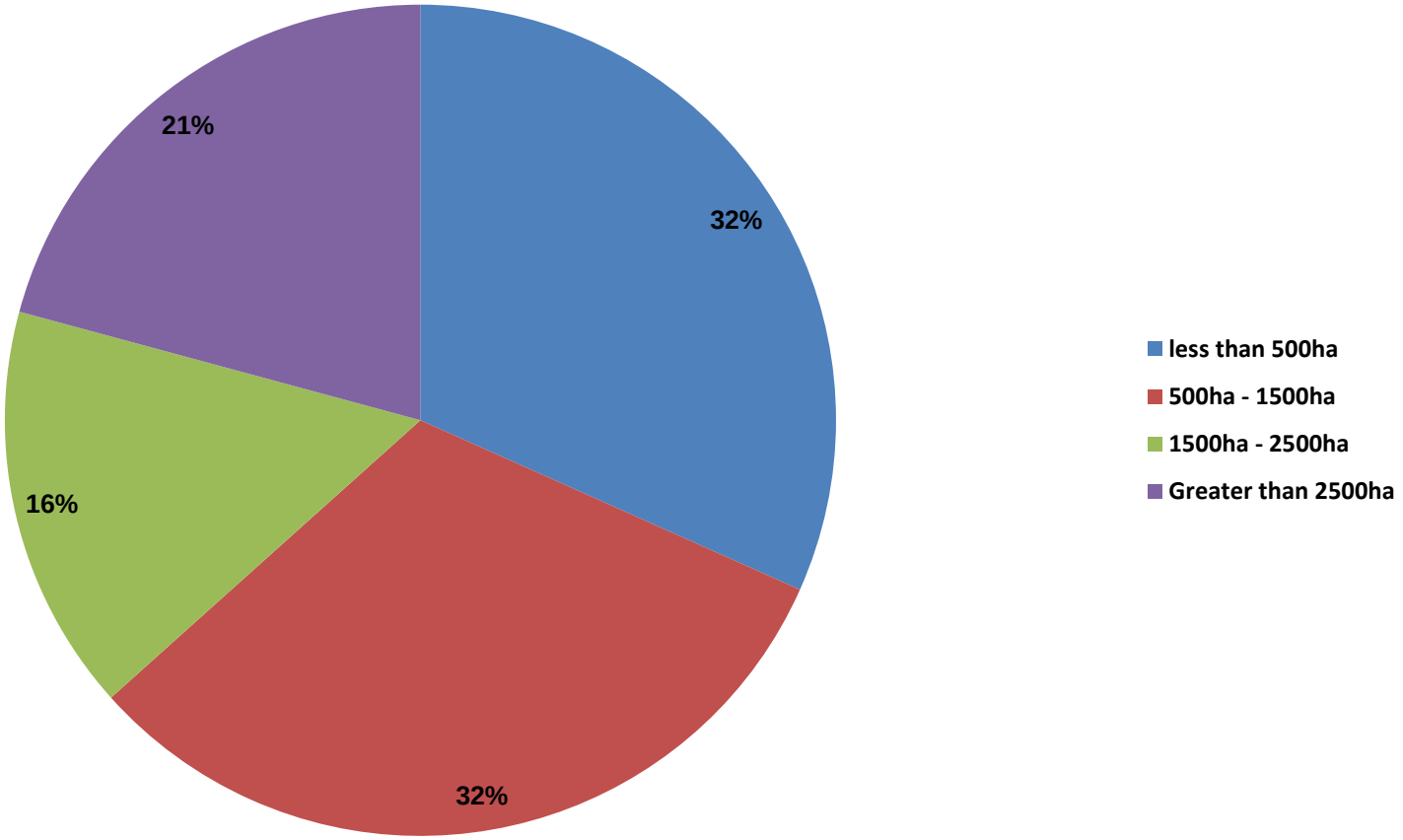


Total, filtered on response to Q1C: n=22

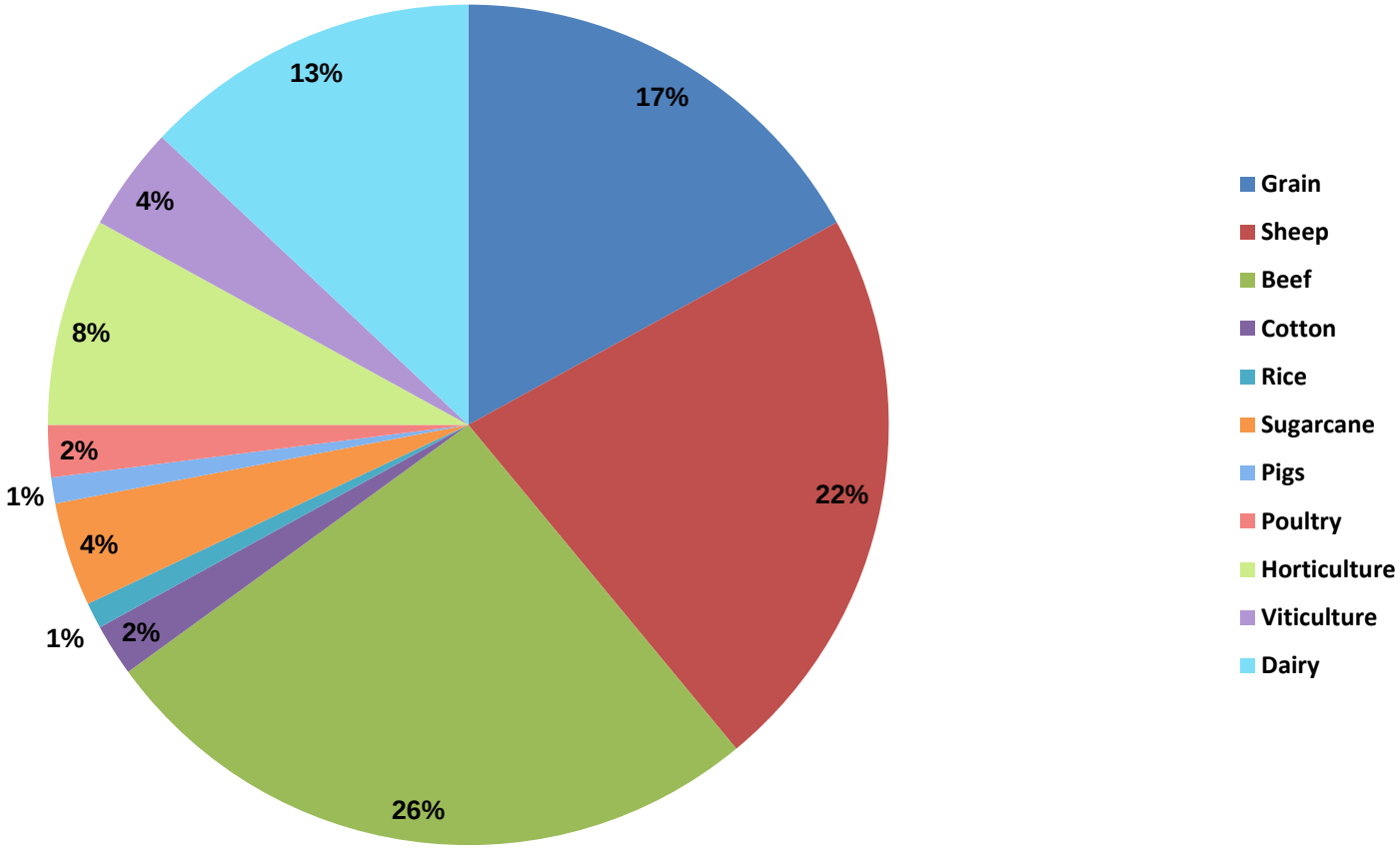
State Breakdown



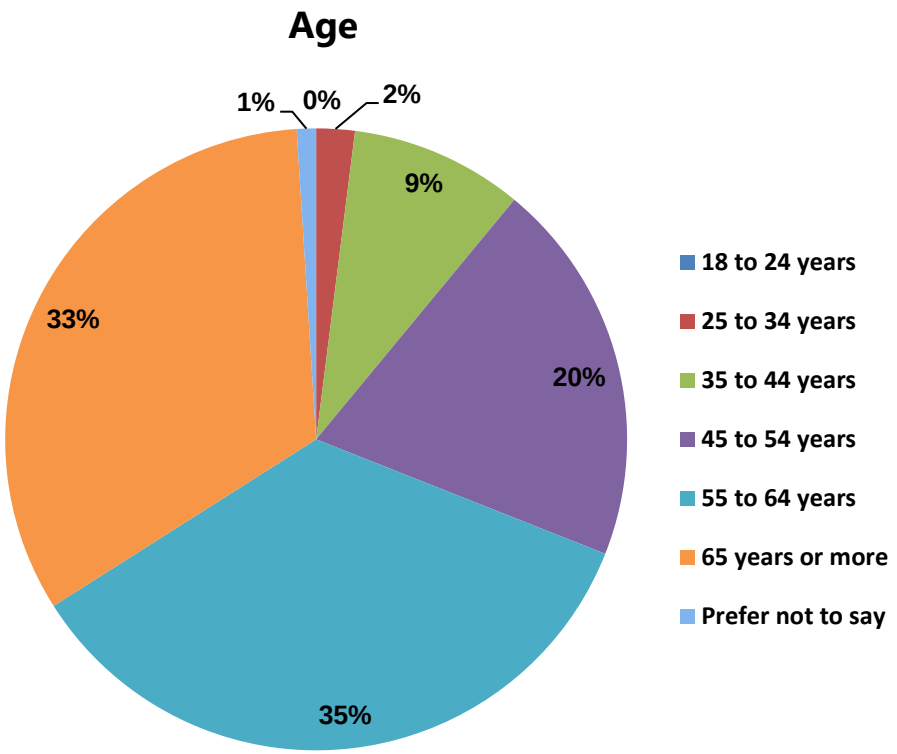
Farm Size Breakdown

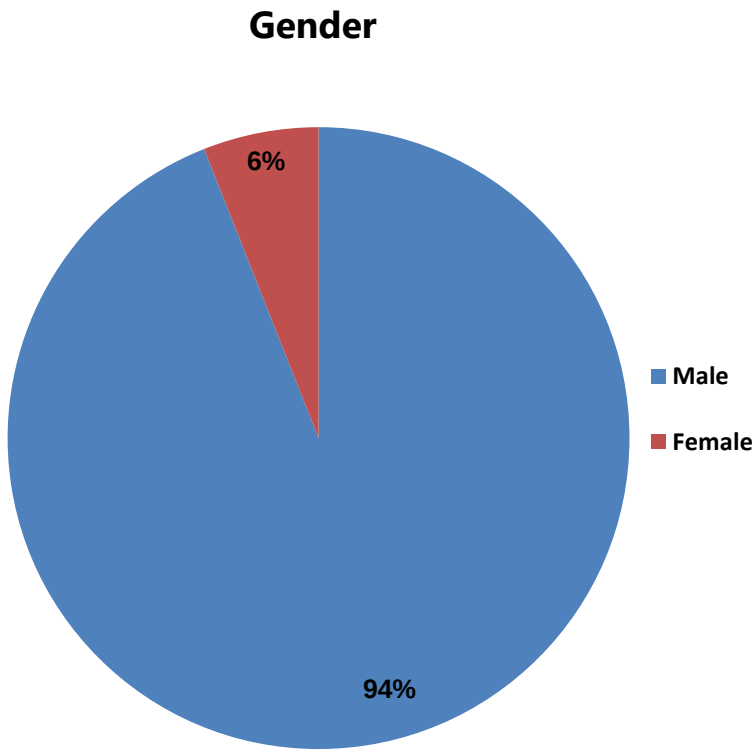


Farm Type Distribution



Age and Gender





0.5
Detailed Interviewer Feedback

This section provides feedback from our interviewers on their experience when talking to producers. Note that this is not quantitative data but it does provide interesting insight into survey responses.

Summary of Interviewer Feedback: Key Points

Perceptions of the Term "Sustainability"

- The term 'Sustainability' by itself had no clear definition or meaning to producers.
- However, the concepts of 'Economic Sustainability' and 'Environmental Sustainability' are intrinsically linked in their minds. Economic sustainability is perceived more as profitability, and always comes first, whereas environmental sustainability is perceived as being more about land care and managements:

"Do you mean sustainability as my profitability or sustainability as my land care?"

- The majority of producers had at least one sustainable practice on-farm; however, some did not realise they did. When asked to provide examples of sustainability, this changed some of their answers from 'No' to 'Yes'.

Barriers to implementing 'Sustainable Practices'

- Cost was the most significant perceived downside to implementing sustainable practices. This included machinery, fertilizer and fuel costs, as well as profitability and implementation costs.
- Producer perceptions were that most consumers still value lower prices over sustainability. They noted that without income, they have to resort to cheaper methods.
- The multi-generational aspect of farming was referenced by multiple farmers when asked about sustainability. In this sense, sustainability is about preservation and protection of land for future generations of farmers.

Industry Support and Consumer Demand

- Perceptions of the level of industry support provided varied by industry type.
- There seemed to be fewer producers who thought sustainability impacted demand, compared to expectations or consumer influence.

Awareness of 'Farming Frameworks' or 'Schemes'

- There was little knowledge of farming frameworks or schemes.
- Overall, once introduced to the general concept of the Australian Agricultural Sustainability Framework (AASF), it was generally well-received.
- However, producers needed more information on its operation and questioned: *How would it be implemented, who by and when?*
- Producers were generally not willing to support something that will provide more restrictions.

Source: NFF Mid-Study KG2 Operator Feedback Report: n=300 Completed Interviews at Half-Way Point – 28 October 2021

Detailed Interviewer Feedback (continued)

1. Did producers perform 'Sustainable Practices' and what did they think of them?

- The majority of producers actually did perform sustainable management practices.
- Many perceived sustainable management practices as essential to the future and longevity of farming; however, there were varied opinions on how to define sustainability and what counted as a sustainable management practice.
- Most producers conducted at least one sustainable management activity, ranging from stubble retention to solar energy to soil management. Many had sectioned off areas of their farm for native vegetation.
- A lot of producers were unsure of what was meant by 'sustainable management practices'. However, when provided with examples they were more easily able to give some examples of what they did for sustainability. and in many cases did not realise that they were already conducting them. For example, some viewed this as a more 'severe' form of management that they weren't performing, when in reality they were actually running such activities and needed validation.
- Many understood that these practices were a necessity for farming these days and critical in preserving the land for future use by younger generations of farmers. Many understood that to farm the land to breaking point was a 'horrible practice' that would only negatively affect the profitability of the producer and impact their ability to offload the land if they ever wished to sell.
- This seemed to be more common when it came to direct drilling or something similar, where producers had performed this practice, yet it didn't come to mind when we mentioned sustainability.
- Many farmers engaged in zero tillage; this was one of the most common practices farmers performed.
- Most farmers had also implemented fencing off wooded areas and creeks to prevent cattle or sheep from ravaging those areas.
- Many producers made the statement that "if they weren't sustainable, they wouldn't be here".
- Many saw their operation as sustainable; however, this perception of sustainability made it difficult for some producers to explain specific programs or methods they have in place that would qualify as a sustainable practice.
- Some also stated that they needed to have sustainable practices in place on the farm to continue being profitable, so most to all producers were able to identify at least one sustainable management practice.
- A number of cropping industry producers gave irrigation, field rotation, and the use of land positive fertilizers as examples.
- Environmental sustainability ties into economic sustainability for them because it allows production on the land into the future.

Source: NFF Mid-Study KG2 Operator Feedback Report n=300 Completed Interviews Half-Way Point – 28 October 2021

Detailed Interviewer Feedback (continued)

2. What did producers define 'Sustainability' as and were there common themes or definitions? (Environmental Sustainability vs. Economic Sustainability)

- 'Sustainability' had a dual meaning for producers that had an interlocking relationship between the land and the economic viability of the farm.
- The term 'Sustainable' means to be sustainable to the environment and the land, managing it with 'healthy' practices to keep soil, water, and vegetation in good condition for future management. At the same time it also meant being economically sustainable, running the farm with a profit and not a loss, to ensure that the farming operation could be running this year and with the next.
- Many producers seemed to see these two as having equal value with sustainability. To be running an environmentally sustainable property with active environmental practices in place, the property as a first priority needed to be economically viable, because without income the main barriers to these activities, costs, would overwhelm the farmer.
- A number of producers thought that environmental and economic sustainability were not mutually exclusive. Many noted how their practices were constantly evolving and that those who did not evolve are left behind. Many were optimistic about the future of agriculture because of changing attitudes and technological advancements, as well as a sense of 'Learn as you go' which has been occurring over the past few decades to increase farm sustainability (particularly with prevention of soil erosion).
- There were some common themes and definitions when it came to sustainability management practices and some differences. These differences became particularly clear when producers spoke about economic or environmental sustainability. The word 'sustainability' produced many different interpretations. Some spoke strictly about environmental sustainability, and protecting the land for future generations, whilst some spoke about economic sustainability, and how farming would survive 'because it always has'. Many combined the two: you need to be economically sustainable to be able to afford to be environmentally sustainable. This was the more common response seen across the study.
- Many producers thought that sustainable management practices were continuing to evolve across the industry and were, on the whole necessary to continue producing effectively. Many shared the view that it wasn't an option not to be sustainable.
- Many producers also mentioned how supplying to both international and domestic markets prompted sustainability, where they have to keep their products 'up to scratch' or risk losing certain markets to other competitors. Also, consumers are now more likely to want to know where their product has come from and the processes that it has gone through (such as the use of sustainability stickers). For example, most consumers only buy free range eggs or similar milk and beef products.
- A theme among some farmers was that a majority of the negative press surrounding climate action and the move towards sustainability was often directed towards them and that they needed to defend their industries' image. Some felt that despite their dependence on being sustainable, the media and government shifted the blame towards them and they are now expected to cater to the consumers' ideas of sustainability, not what is practical to the producer.

Source: NFF Mid-Study KG2 Operator Feedback Report n=300 Completed Interviews Half-Way Point – 28 October 2021

Detailed Interviewer Feedback (continued)

2. What did producers define 'Sustainability' as and were there common themes or definitions? (continued)

- For many farmers, sustainability means running their farm in a way that increases its ability to run and its longevity. Many viewed sustainability in both an economic viability sense as well as running it efficiently and environmentally sound for the future.
- Some producers thought that sustainability practices were necessary for the livelihood of their properties. Alternatively, some producers feel that if the practice doesn't implement some initial monetary return then they don't see much point (unless it has a low cost). In terms of economic sustainability, some referred to ensuring that they could get a price for their produce and that they are always producing, even if at times for a lower amount than desired.

3. Were their industries helping producers?

- There were varied opinions on whether the industry was helping producers, with many unaware if it was, which suggests that they likely aren't. Particularly as we are speaking to so many farm types, there is such a range of industries, so responses were very varied.
- Generally speaking, producers didn't have a problem with their specific industries providing support, with many feeling as if they had access to the right information and services. Many said that the industry was offering the right amount of support, whilst others said they can always offer more.
- Alternatively, some had no idea what their industry was doing or thought their industry was doing nothing.
- Many farmers thought that the industry could do more in terms of funding/providing economic incentives to assist farmers to implement more sustainable practices.
- Producers noted that the industry was a mixed bag for them. They provided the research and information that many producers required to run a sustainable property. However, the overall costs that were incurred to implement and set up these practices were going to be barriers for the producers. They understood the necessity of this industry support in overall country sustainability, but also that these industries themselves are made up of farmers, supporting themselves. So there was some confusion at times in terms of the levels of support meant with some arguing that the implementation of monetary support would be true support over research.
- A fair amount of producers stated that they didn't access said support or just assumed it was there to be accessed if needed.
- Another issue that has conflicted farmers on their management practices has been the supply chain: they have been unable to obtain resources, inputs or repair parts required for their sustainable practices. Another issue mentioned was the intelligence of labour: new technology that supports sustainability demands a level of knowledge to operate them correctly that cannot be in high supply.

Source: NFF Mid-Study KG2 Operator Feedback Report n=300 Completed Interviews Half-Way Point – 28 October 2021

Detailed Interviewer Feedback (continued)

4. What were producer's thoughts on sustainability concerning the market? (Influence, demand, expectations, etc.)

- Producers had varied thoughts on sustainability concerning the market. Some did not think it had any impact and that they would still have demand and a market irrespective, whereas some perceived sustainability as having a significant impact.
- Sustainability for producers both did and did not affect market influences and expectations.
- For most, producers didn't see a high impact on their current sustainable practices to be improved or increased or changed in any way. They saw demand and influence from markets being still the same as before, with most commenting that the demand increases are from Australia recovering from drought on supplying other markets and still seeing high demand and price for livestock. They relate this to sustainability with the economic side of their production being supported by these forces. The majority of producers stated that sustainability does not increase demand in the sense of product, but again rather economic sustainability.
- Other producers have noted that environmental sustainability has impacted them. Notably, sheep producers raised mulesing as a concern that has impacted them because consumers have been influencing this method and want something more sustainable and involved with better husbandry practices. Others raised that the international markets are now looking for measurements to determine a farm's sustainability to ensure they are purchasing from well-managed farms, and this is creating some issues with producers and other note that it's the way of the times and only slow farmers won't adapt. There were also increased expectations for canola.
- Many producers felt as if the domestic and international markets were changing as a result of the recent move towards more sustainability-focused produce, as well as from the effect of COVID on those markets. Many mentioned that there is an increased expectation for all products to be sustainable, that it is no longer a differentiating feature, and is now something that all farmers are expected to be. Some also saw increased demand for more sustainable/environmental products (for example, vegan products, synthetic meats etc).
- For growers appealing to an international market, there were expectations of being 'green', of low chemical residue, and of keeping sustainability records. If the grower does not meet these requirements, they may struggle to find a market. Alternatively, conditions in other countries may reduce these requirements (for example, due to the drought in Canada, there is now a large demand for Australian canola).
- There were also those who did not think that sustainability impacted; however, it would or should be in the future.
- Many also believed that sustainability had an impact on market expectations yet stated that the consumer cares more for the price than sustainability. Consumers are starting to have an impact, although many are still not prepared to buy a premium product on the basis of sustainability.

Source: NFF Mid-Study KG2 Operator Feedback Report n=300 Completed Interviews Half-Way Point – 28 October 2021

Detailed Interviewer Feedback (continued)

4. What were producer's thoughts on sustainability concerning the market? (continued)

- Many also noted how consumers want to know where their product has come from, how it was treated and what processes it went through before arriving at the supermarket. Furthermore, sustainability stamps and organic processes opened some producers up to a new niche market, which can be profitable. Some consumers are willing to pay more for better quality products/sustainability practices.
- There seemed to be fewer producers who thought sustainability impacted demand, compared to expectations or consumer influence.
- Some producers mentioned how industries were expecting more change and had already prepared for more traceability. Some noted how traceability is not ideal but is good for accountability and to improve the reputation of Australian agriculture.

5. What did producers think of sustainability-related frameworks or schemes?

- Producers were rarely able to fully name their sustainability-related frameworks or schemes that they are aware of, or even a part of. It goes to show that there is little information being delivered to producers regarding such schemes or frameworks that farmers themselves have so little knowledge about it. There was little idea of what those terms meant or which industries or associations they were provided by. Some provided names of practices, compared to schemes (such as minimum tillage).
- Additionally, it appeared that the majority had heard of sustainability-related practices (such as carbon farming), however, they had not investigated it further. This is generally because they aren't interested in sustainability in the sense advertised by schemes – or (and more importantly) – they don't feel they would be eligible so they don't bother trying (often they have applied for schemes before and had been rejected).
- Generally, producers seemed to like the idea of the AASF sustainability framework. Some thought it was important to have a baseline, expectations, and information for how to be sustainable. Many thought it would be good to have guidelines.
- Some producers mentioned how industries were expecting more change and had already prepared for more traceability. Some noted how traceability is not ideal but is good for accountability and to improve the reputation of Australian agriculture.
- Alternatively, there were some who thought the Agricultural industry is too diverse to have one broad framework, or that their industry (vineyards particularly) already had a good framework. Some were worried that this would lead to more bureaucracy and red tape.
- Covid also influenced schemes as it delayed the receipt of relevant information (such as an on-farm brief of how sustainability-related schemes like carbon farming could be beneficial for them.

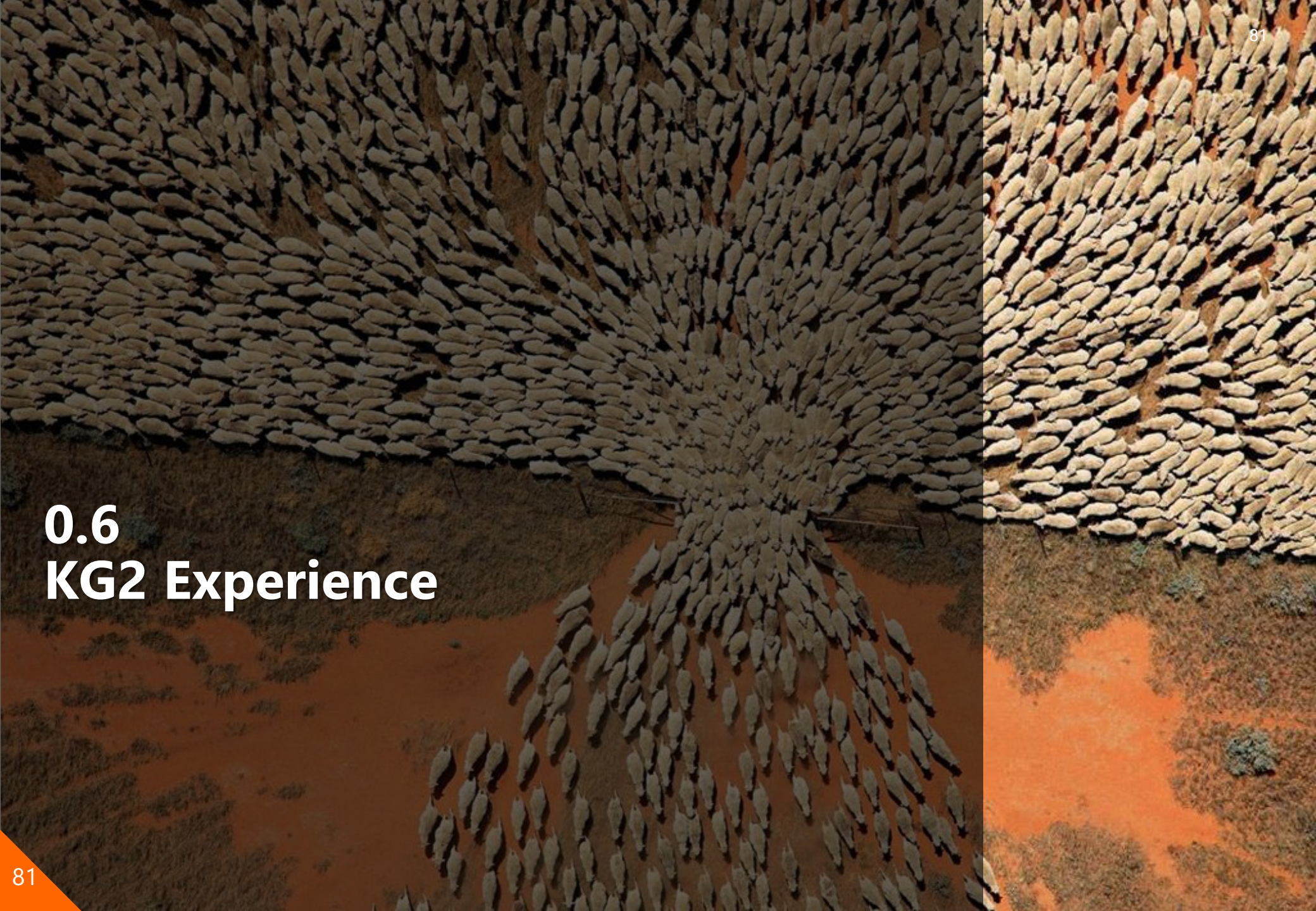
Source: NFF Mid-Study KG2 Operator Feedback Report n=300 Completed Interviews Half-Way Point – 28 October 2021

Detailed Interviewer Feedback (continued)

General Comments

- Overall, it was much easier than anticipated to get producers to do this longer study. Producers seem happy to talk about sustainability practices.
- The word 'sustainability' is so broad it can make it difficult for farmers to identify what they need to be doing and why they are doing it.
- Many producers made it known that they will do whatever they need to, to keep their produce in demand and profitable.
- Many producers are adopting sustainable practices without actually knowing the benefits.
- Additionally, instead of associating sustainable practices with programs that will improve the general climate and farm productivity, many associate the word with what they have already been doing for hundreds of years on a farm. This means when asked about sustainability the common response is "I've always been sustainable otherwise I wouldn't be here."
- Producers see sustainability as a core issue for Australia, but they are split between its approach towards an economic model that means the farm can continue its operations or an environmental model that involved with proper land management (that many farmers might argue are basic and standard practices throughout Australia).
- To properly understand sustainability and its related problems, an understanding of farmers' definitions of it needs to be established.
- Many farmers want to be sustainable because otherwise, they will not remain profitable.

Source: NFF Mid-Study KG2 Operator Feedback Report n=300 Completed Interviews Half-Way Point – 28 October 2021



0.6
KG2 Experience

Skills and Qualification Profile

KG2 has a highly skilled team who are independent, experienced and passionate about their profession. KG2's contact centre is in-house and employs a team of interviewers who are highly educated specialists. They are working at KG2 as a requirement of their agriculture degree at Sydney University. Considerate interviewing and being able to communicate well with producers results in higher response rates.

Adam McNeill
Bbus
Managing Director

Adam facilitates growth in both research and direct marketing for the KG2 business. Adam is a strategic thinker with a proven track record in market research and has been instrumental in achieving efficiencies in terms of the farmers' participation in major national quantitative market research studies.

Andrew Negline
BEs
Commercial Director

Andrew has more than 30 years' experience as a senior executive in the agriculture industry. Andrew has played a central role in many notable innovations and served on numerous advisory committees to major industry organisations and as a consultant specialising in production innovation, market development and supply chain management.

John Campbell
B.Sc.(Agr.)
Data Analyst

John manages the data collection and supervision of research activities undertaken by the business. His attention to detail and extensive contact centre experience maximises the efficiencies of the interviewing team.

Deborah Dunn
BA (Hons.)
Senior Researcher

Deborah has over 25 years experience in complex quantitative and qualitative research, including questionnaire design, project development, data analysis and reporting.

Sample of Our Clients

0.7 Questionnaire

Questionnaire Design

Demographics and Farmographics

The questions asked in this survey included our standard demographic and farmographic questions and our screening data such as State, Postcode, Age, Gender, Property size (Ha) and Production/Farm Type.

Other questions (such as land tenure arrangements, current land financing, native claims and property operating as a feedlot) were also included at the request of the client.

Questionnaire

Introduction

Good (...) my name is … from KG2 Agricultural Research. Calling on behalf of the National Farmers Federation. How are you today? (PAUSE) Reason for the call, we are conducting a study to better understand sustainable agricultural practices employed by Australian farmers, such as land, soil and water management. It will take around 20 minutes. Are you willing to help us today? Great, thank you….

Q1A. Which best describes your land tenure arrangements?

1. Own the land we farm on (freehold)
2. Lease from another party (including pastoral lease)
3. Other arrangement

Q1B. Which best describes your current financing for the land? *Only read if Q1A=1*

1. Mortgage over the land
2. No mortgage
3. Other arrangement

Q1C. Are there any current Native Title determinations or claims, or other land tenure arrangements (e.g. mining tenements) on your land?

1. Yes
2. No
3. Don't know

Current On-Farm Sustainability Practices

Q1D. IF YES AT Q1: ASK - Please describe…

Q1. Do you currently conduct any on-farm management practices for sustainability purposes*? (this could be anything - for example, soil, land, vegetation, water, energy management, animal welfare and so on)

[NOTE: IF HAVE DIFFICULTIES UNDERSTANDING THEN GIVE EXAMPLES] Yes/No/DK

Q2. IF YES AT Q1: ASK:

Could you please explain what on-farm management practices you conduct for sustainability?

OPEN ENDED Only read if Q1=01

Q3. IF NO/DON'T KNOW AT Q1: ASK:

Could you tell me a bit more about why that is?

OPEN ENDED Only read if Q1=02

Questionnaire

Views on the Sustainability of Australian Agriculture (Current & Future)

Q4A. Do you think Australian agriculture is sustainable now?

1. Yes

2. No

3. Don't know

Q4B. Why do you think that Australian agriculture is sustainable now? *Ask Q4B if Q4A = Yes*

Q4C. Why don't you think that Australian agriculture is sustainable now? *Ask Q4C if Q4A = No*

Q5A. Do you think Australian agriculture is sustainable in the long-term (5 years or more)?

1. Yes

2. No

3. Don't know

5B. Why do you think that Australian agriculture is sustainable in the long-term (5 years or more)? *Ask Q5B if Q 5A= Yes*

Q5C. Why don't you think that Australian agriculture is sustainable in the long-term (5 years or more)? *Ask Q5C if Q5A = No*

Industry Activities and Support

Q6. What activities is your [GRAIN/CROP TYPE/FARM TYPE] industry currently doing to help farmers implement sustainable practices on-farm? Open ended

Q6A. Do you think they are offering farmers too few, too many or about the right amount of support to implement sustainable practices?

Barriers to On-Farm Sustainability and Negative Experiences

Q7A. What do you think are the barriers to increasing your on-farm sustainability practices?

Q7B. Have you experienced any barriers when implementing sustainable activities on your farm?

Q7C. Are there any barriers to maintaining your on-farm sustainability practices?

Questionnaire

Concerns when Considering On-Farm Sustainable Management Activities

Q8. On a scale of 1 (not at all concerning) to 5 (very concerning), how concerning are the following when considering sustainable management activities for your property? FOR EACH, ASK: CAN YOU BRIEFLY EXPLAIN WHY YOU GAVE YOUR RESPONSE?

8a. & 8b. Impact on land value (either no impact or negative impacts)?

8c. & 8d. Access to finance?

8e. & 8f. Conflicts of land use with land tenure arrangements (i.e. prohibited from undertaking beneficial activities)?

8g. & 8h. Difficulty gaining consent from eligible interest holders (e.g. landowners, banks, native title holders, local & state gov't)?

8i. & 8j. Is there anything else that is concerning?

Market and Consumer Influences

Q9A. How do the international and domestic markets influence your ability to sell your product?

Q9B: Have you experienced new or increased expectations? PROBE: Does sustainability impact on market expectations?

Q9C. How does the consumer influence your ability to sell your product?

Q9D: Have you experienced new or increased demands? PROBE: Does sustainability impact demand?

Industry Frameworks and Schemes

Q10. Can you name any industry frameworks for demonstrating sustainability? (e.g. Beef, Sheep, Wine, Horticulture or Grains Sustainability Frameworks) Yes/No/DK

Q10A. If yes, let them list Ask Q10A if Q10= Yes

Q10C. Can you name any on-farm schemes for sustainability? (e.g. Hort360, MYBMP, Cotton…) Yes/No/DK

Q10D. If yes, let them list Ask Q10D if Q10C= Yes

Q11. Do you participate in or use any sustainability related schemes and frameworks relevant to your farm type? Yes/No/DK

Q11A. If Yes, please provide the names of the frameworks or schemes *Ask Q11A if Q11= Yes*

Questionnaire

Perceptions of the AASF

Q12. Do you think an Australian Agriculture Sustainability Framework would be useful? The framework communicates the national sustainability status and goals of the Australian agricultural industry to markets and to the community. Yes/No/DK

Q12A. Why do you think that (open-ended)

Premium Payments (Whether Received, Expectations, Compliance and Value Chain)

Q13. Thinking about agricultural sustainability or stewardships premiums:

A. Have you ever received a premium payment for an agricultural product on the basis of your sustainability/ stewardship? Yes/No/DK

B. Do you expect a premium for demonstrating sustainability/ stewardship? Yes/No

C. If a premium was available, would you agree to extra compliance to access it? Yes/No

D. Would an improvement along the value chain (e.g. improvements along the value chain can include greater market access or premiums for a product,) be sufficient for you to engage in sustainable practices, instead of direct payments? Yes/No/DK

Level of Experience with Schemes that Offer a Payment

Q14A. Which of the following best describes your experience with schemes that offer a payment for undertaking sustainability-related activities (like carbon farming) or other?

1. Currently have a sustainability (like carbon farming) project registered Continue

2. I tried to register, but was rejected by the scheme Skip to Q14C

3. Have investigated participating, but haven't proceeded Skip to Q14C

4. I have heard of it, but haven't investigated further

5. I am not aware of carbon farming or similar opportunities

Q14B. Please describe the scheme (if Answer to Q14A is 1) OPEN ENDED

Q14C. Why? (if answer to Q14 A is 2 or 3) OPEN ENDED Only read if Q14A =02

Questionnaire (continued)

Concerns about Schemes that Offer a Payment

Q15. (Only ask if answer to Q14A is 1,2 or 3) In the context of schemes offering a payment for undertaking sustainability-related activities (like carbon farming), are you concerned about any of the following issues?

Yes/No to the following:

Q15A. Access to affordable finance to fund capital requirements of the activity (eg. unable to increase debt with the bank)?

Q15B. Tax implications of receiving non-primary production income (eg. loss of access to tax averaging offset or inability to make FMDs)?

Q15C. Reduced access to government assistance measures (eg. FHAs, disaster recovery loans)?

Q15D. The time and cost (eg. advisor fees) to understand sustainability or scheme requirements and implications?

Q15E. Difficulty gaining consent from eligible interest holders (eg. landowners, banks, native title holders, local and state government)?

Q15F. Licences or fees from third parties (eg. aggregators) required to receive sustainability payments?

Q15G. Income restrictions of land tenure arrangements (ie. prohibited from undertaking beneficial activities)?

Q15H. Other (please describe)

Thank you for your time and we appreciate your input and views.

Background Information on Frameworks and Schemes

BMP/BPM - There is some confusion and interchangeability between these terms – sometimes they seem to refer to a generic description of 'Best Management Practice' (BMP) and/or 'Best Practice Management' (BPM).

However, some programs are generated or adopted within specific farm types such as in poultry:
https://www.dpi.nsw.gov.au/animals-and-livestock/poultry-and-birds/poultry-planning-and-keeping/planning-for-poultry-development/bpm

Another example: https://www.qff.org.au/advocacy/best-management-practice-programs/

Please note that the scheme named 'myBMP' is specific to the cotton industry where participating farms produce cotton using efficient management practices: https://cottonaustralia.com.au/mybmp

Landcare Australia – This is a national not-for-profit organisation whose goal is to improve biodiversity and food and farming systems, mainly involved with regeneration: https://landcareaustralia.org.au/about/

MSA – This is the grading system for red meat known as Meat Standards Australia:
https://futurebeef.com.au/knowledge-centre/meat-standards-australia msa/#:~:text=MSA%20is%20a%20'tenderness%20guaranteed,beef%20based%20on%20eating%20quality.&text=The%20MSA%20system%20grades%20each,each%20cut%20is%20labelled%20accordingly.

NASAA Approval - Refers to an organic industry association - https://nasaaorganic.org.au/

Sustainable Wine Growing Australia is similar https://sustainablewinegrowing.com.au/

MAP Plans: In general, MAP plans refer to the following https://www.dpi.nsw.gov.au/agriculture/lup/agriculture-industry-mapping/ag-mapping

However, there are some specific MAP Plans such as MAP Plan OJD for sheep: http://www.ojd.com.au/trading-sheep/sheep-map/

FMD - Farm Management Deposits Scheme https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd

FHA - Farm Household Allowance (FHA) https://www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/farm-household-allowance

Land positive fertiliser – This is a generic term that refers to fertilisers that improve the soil/land and is often mentioned in relation to the minimisation of chemical use.

Traceability – This refers to the ability to know that the product is Australian and came from a farm that performs proper sustainable practices.

Thank You

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