



**Chairman's Annual Report
2012 Annual General Meeting
20th December 2012**

Welcome Members.

I begin by acknowledging the traditional custodians on whose land this meeting takes place: The Giabal and Jarowair peoples of Toowoomba.

To open my report I would with two quotes from John Leslie, previous Director of the Wheat Research Institute now known as the Leslie Research Facility. Incidentally this is not in the memory of John himself, rather the original Leslie pioneers of the Darling Downs.

“Producers have substantial weight in the system,” and “the role of the industry (growers) is absolutely critical”.

John was delivering a paper in 1994 entitled “Towards an innovative R&D environment for the grains industry.” So just short of 20 years ago John Leslie recognised that the mechanism we use for grains R&D needed substantial change going forward and that growers or as he called them at the time-producers needed to take greater control of the grains R&D effort.

With the change of government early in the year, the Foundation approached the incoming Agricultural Minister with the GRFL Institute Model as a new way of approaching Grains R&D in Queensland. The Minister requested a full business plan and GRFL has commissioned Dr Brian Hare to assist with its preparation. This represents a rare opportunity for significant change to a system that is groaning under the weight of previous government inertia.

Unfortunately the present government seems not to be in a position to increase funding and in fact there are still cuts to the Grains R&D today.

To date we have seen the Wheat and now the Barley Breeding moved off to South and West Australia which means that end point royalties' collected will leak from the Qld State. This figure could be upward of several million dollars annually. Interestingly Growers in these two states have been proactive in retaining or initiating a Voluntary Grains R&D levy. I will let you draw your own conclusions.

The Queensland grain growers need to consider how well resourced their grains R&D needs to be for the future. It is becoming clear that a voluntary levy collected in a manner similar to the cotton industry will be required to maintain the critical mass of grains R&D. Voluntary levies in S.A. are 50 cents per tonne collecting upwards of \$2 million annually, W.A. collects .5% could be as much as \$10 million.

The benefits of a commercially focussed Grains R&D business where State Government makes an annual contribution and external funds from GRDC and others as well as contributions by Queensland growers will far outweigh the present ailing system of grains R&D.

Make no mistake this is the single biggest game changer facing Grains R&D in QLD at this time.

Research Advisory Committees are still core business for GRFL and with that in mind we commissioned a review of the RAC process. Chris Bazley, a well-known Industry figure and grower conducted this Review. Chris has made a number of recommendations that GRFL will follow. However one observation stood out. That being that RACs are the only grower owned research body that deliver grass roots grower R&D priorities.

It is a constant challenge to recruit growers that have an interest or passion in Grains R&D. Greatly underestimated by a number of Research funders and providers. As the current RAC term finishes I would like to take the opportunity to thank all the RAC members for their contribution over the last three years. The Foundation will be calling for nominations early in 2013 for a further three year term. I would also like to take the opportunity to thank John Obst for his

work in facilitating the RAC's. GRDC has given part support to the RAC's for over ten years. We would encourage them to go past one year contracts and look strategically at a longer term relationship.

A very successful forum was held in Dalby mid-year bringing together the RAC chairs, RAC committees, growers, GRDC, DAFF, CSIRO, QAAFI, seed companies and interested industry people to discuss current and future RD&E investments. The meeting showcased the science effort and passion within the industry to maintain and expand the Qld grains industry RD&E effort. The meeting re-established a rapport and a communication channel between all the RD&E entities and growers that has been neglected in recent times.

Les Webb left the organisation early this year and his position has not been filled. The Board is considering the options one of which may be a part time appointment. In the mean time we enjoy the continued strong working relationship with Conservation Farmers Inc with respect to Administration and Secretarial support. We thank Michael Burgis and Lyn Schneider for their efforts.

On the financial front we have recorded an operating loss of \$55,492.64 compared to \$57,596.18 the previous year. The overall loss was \$127,512.20. The Investment fund realised losses of \$23,098 and negative movements in our investment portfolio of \$44,129 contributed greatly to the overall loss. We continue to retain professional fund managers Shadforth Financial Group.