

Chairman's Annual Report to the 2008 AGM of GRFL held 26th November 2008

Members,

The Foundation has just completed its first full year of operation. It has been a successful year as we have bedded down many of the operations of our start-up company.

Memorandum of Understandings (MOUs) have been entered into with AgForce Grains and the Queensland Department of Primary Industries and Fisheries (QDPIF). These formal relationship agreements reinforce the Foundation's key objective of representing the grain industry's views on Research Development and Extension (RD&E). We have a working relationship with the Grains Research Development Corporation.

The Foundation, like many others, has been affected by the downturn in the global financial market. While our capital base has been eroded our reserves are more than adequate to cover on-going business.

The Research Advisory Committees (RACs) continue to improve their performance, reporting and importantly, influence within the industry. Our Priority Issues Paper for the Northern Region (PIPn) has become a leading document in the Grains RD&E sector. We need to continue to seek innovative ways to ensure the relevance of the information we produce on behalf of the wider grain industry.

This year we forwarded the 2008 Priority Issues Paper to 300 leading Queensland grain growers to ensure greater accountability and most importantly endorsement of the priorities determined by the RACs.

Our RACs also played a vital role in gauging growers concerns regarding the performance of the NVT. The Foundation was successful in having the GRDC review this important project and had senior GRDC and NVT representatives attend RAC meetings to hear the concerns of growers regarding this issue. Discussions have also led to the QDPIF agreeing to publish the Wheat Variety Guide for Queensland in 2009.

It's also worth noting that the four (4) new Northern Panel GRDC members appointed late last year have been members of the RACs. This clearly demonstrates the importance of the RACs for building the skills, knowledge and experience of regional grain industry people to position them to compete for higher level roles in RD&E management.

Following advice from QDPIF that it intended withdrawing from the Independent Sorghum Midge Rating Scheme, the Foundation led a joint industry initiative to have this scheme continue. The latest information we have is that this vital scheme will continue.

The Foundation is currently leading discussions with the QDPIF about the vision for the northern grains industry research and the research structures going forward nationally. This approach compliments Minister Tim Mulherin's Fresh Approach to doing business.

This year marks the retirement of our Executive Officer, John Obst. I would like to place on the record that John's help and advice has been invaluable to the Foundation, myself and the grains industry in general. This opens up an opportunity for the Foundation to move forward with renewed energy. We would hope to make an announcement on a new Executive Officer within the week.

Recently John Moloney resigned as an independent director. John's insight and experience with start-up companies was pivotal to GRFL. His movement interstate necessitated his retirement and this vacancy will be filled in the New Year. As per the Company Constitution, 3 Independent Directors are invited onto the board by the 4 elected Grower Directors.

The Foundation is being confronted with a number of challenges as the champion of grain growers concerns about RD&E. We will build on our efforts to ensure that valid grains arguments see the light of day. Some of the major issues facing us as we move into 2009 are:

- The reluctance of governments to invest in industry RD&E
- Our aging R&D infrastructure. Much of our R&D infrastructure was built 40 to 50 years ago and needs to be overhauled to best support the grain industry for the next 50 year period.
- A decline in the number of students studying agricultural science. For our grain industry to remain internationally competitive, we need to attract more students to study agricultural science and enter our research sector. We need to reward students with better salaries, facilities, further training and recognition. This is a grain industry problem and needs a grain industry solution.
- The restructuring of the crop breeding programs. Many of our crop breeding programs are in a stage of major restructure with governments withdrawing and the private sector entering this field. There is no guarantee that this new approach will work in the best interests of grain growers. Growers will need to watch these developments very closely and if necessary intervene.
- The increasing threat of crown rot and herbicide resistance to our production systems.
- The Carbon debate. We need to take greater control of this issue and have strong science behind us to maximise our opportunities.
- Lastly there is a growing trend of politics entering research determinations that is clearly not healthy for the industry. This needs urgent attention.

In closing, there are numerous challenges for the Grains Research industry going forward. GRFL will pick its mark and keep a narrow focus on the research outcomes that most affect Northern Grain Growers.

Damien Scanlan
Chairman
GRFL.