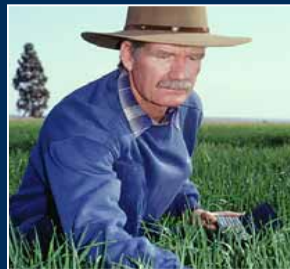


Terry Enright
Chairman of the Board
Grains Research & Development Corporation

Market Access through R&D

MAC Conference September 2003



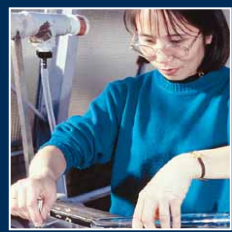
GRDC

- Partnership between Australian graingrowers and the Australian Government, investing over \$120m per annum.
- Market access – win/win: Government priority and graingrower priority.



Drivers of Market Access

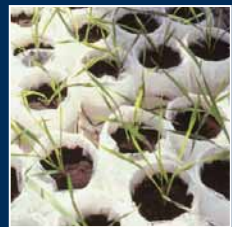
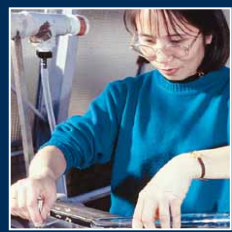
- Multilateral talks (WTO)
 - ❖ Failure to deliver on agriculture. Probably worse off than mid 80's (eg. Ivan Roberts assessment)
 - ❖ Highly complex and difficult to assess the 'bottom line' – tariff quotas, green boxes, blue boxes etc.
- Bilateral talks: including prospects of agreement with U.S.
 - ❖ Unique post-Iraq US relations environment
 - ❖ "I am not a pessimist but..."
- Business-to-business links and facilitation of those links, including by government
 - ❖ Building links not just overcoming barriers
 - ❖ Stimulating demand from within protected domains



Drivers of Market Access

Research and development as a driver

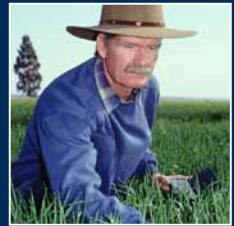
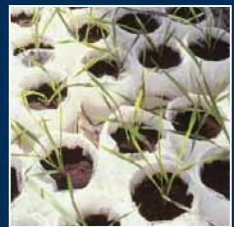
- Avoiding new or resurrected barriers
 - ❖ Food safety research: contributes to prevention, detection, assurance and remediation
 - ❖ Quarantine relevant research: strategic threats, accessing foreign germplasm
- Also building business-to-business links: R&D based alliances, ventures and partnerships
 - ❖ Research links in developing quality for high value markets
 - ❖ Business-to-business R&D joint ventures
 - ❖ Includes (but not limited to) partnerships in food safety, grain testing, quality traits, product development



Food safety and 'technical barriers'

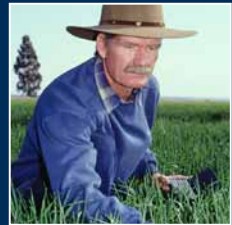
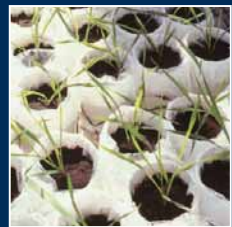
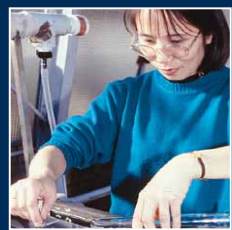
Global drivers of this agenda:

1. Tariff quota reform means incentive for alternative or contrived barriers
2. Hyper-vigilance: 'mad cow', GMOs and so forth.
 - 'Food safety' being extended to environmental stewardship and other related issues
3. 'Technical barriers' not just political but commercial and consumer driven. Businesses are setting the bar higher than regulatory standards.
4. Bilateral talks with US will drive challenges to quarantine (eg 'zero tolerance')



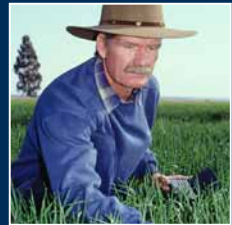
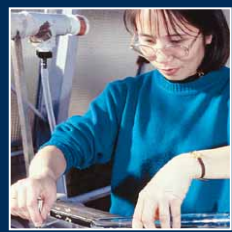
Examples: R&D overcoming barriers

- Grain storage: new fumigants and non-chemical approaches (GRDC and bulk handlers)
 - ❖ Carbonyl sulphide & ethyl formate
- Grain testing technologies for pesticide residue and other attributes (GRDC and BRI)
- On farm QA: QA products 'on the shelf'
- EMS (special case of QA): 4 pilot groups supported by GRDC



Examples: R&D overcoming barriers

- Work on food safety and risk management practices
 - ❖ Recent initiative: Core partner of University of Tasmania Centre for Food Safety & Quality
- Integrated management options for pest, disease and weed control – impacts on residues and ‘clean & green image’
- Ongoing work to contain endemic diseases – GRDC Crop Protection program
- Work with CIMMYT on Russian wheat aphid & carnal bunt

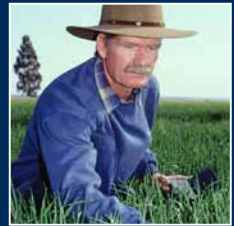
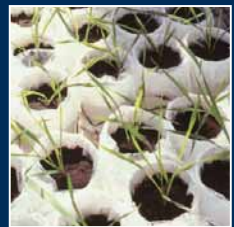
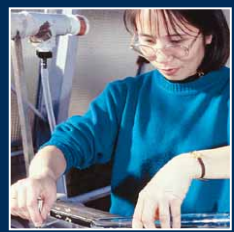


R&D alliances for market access

- building links

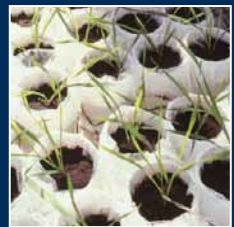
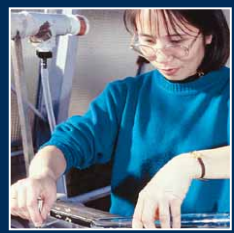
We need not just the quality attributes themselves, but the relationships and presence in the high value markets

- Asian noodle market development based on grain quality research collaboration
- Malting barley and new Asian markets
- Need to move beyond researcher collaboration to B2B collaboration built on R&D – as path to market strategy



Conclusions

- Market access not just a job for trade negotiators and food scientists.
- Not just a job of overcoming trade barriers, but of building links & relationships
- R&D has a major contribution to make with respect to both
 - ❖ overcoming/preventing barriers, and
 - ❖ building linkages and paths to market
- Managers and leaders of agricultural innovation are responsible for building global business relationships.



“Driving Innovation”

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