

Successes

The growers' rating of the GRDC's performance as an investor in grains research improved during 2004–05, with 74 percent rating it as fairly high to very high (72 percent gave that rating in 2003–04).

Other successes for 2004–05 include:

- *The Way Forward*, a new planning document was introduced.
- The development of the National Variety Trials (NVT) was concluded.
- In the wheat, durum and barley breeding programs, population development and testing was achieved against the defined schedule, overcoming earlier losses in material caused by drought and an outbreak of the wheat streak mosaic virus.
- Two new chickpea varieties, both with significantly improved resistance to ascochyta blight, were released. This improved resistance should lead to a resurgence of the crop in the southern and western regions.
- The Precision Agriculture Initiative established in 2002–03 began to deliver new knowledge about the use of precision agriculture technology.
- The GRDC commenced the Crop Biofactories Initiative, a new four-year joint innovation agreement with CSIRO.

More information is provided in the *Key achievements* section in Part 1 (page 16).

Figure 1 Australian growers' benefits

Percentage of growers reporting direct benefits from GRDC activities over the past five years

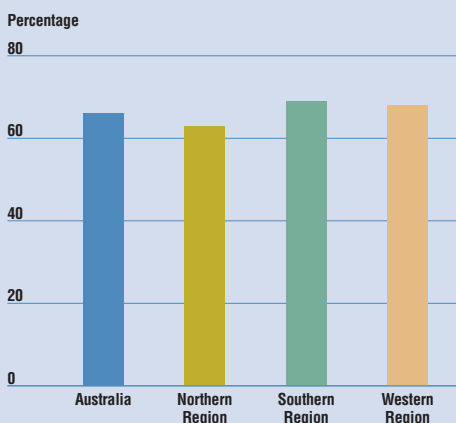
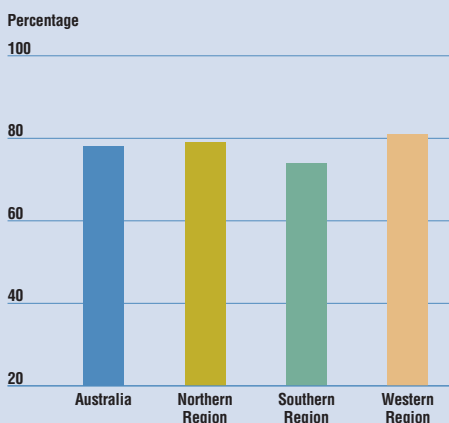


Figure 2 Australian growers' adoption

Percentage of growers adopting new or improved agronomic practices in the past five years



Challenges

The GRDC's financial reserves are expected to come under pressure, due to the carryover effects of a disappointing winter cereal crop in 2004 and the compounding effects of soft commodity prices and the high value of the Australian dollar.

Other major challenges the GRDC currently faces include:

- We need to work with our R&D partners and industry representatives to formulate a nationally coordinated approach to grains R&D, to reduce fragmentation and duplication and to ensure maximum leverage for R&D expenditure.
- Together, the GRDC and its stakeholders need to further evaluate and agree on a total grains R&D portfolio, achieving the most appropriate portfolio balance and clearly defined 'gateways' and 'pathways to market'. The GRDC must continue to encourage cross-industry cooperation on common issues and challenges facing the Australian grains industry.
- The GRDC and its stakeholders need to develop an industry-wide agreement on the evaluation and development of genetic modification technology as it applies to the Australian grains industry.
- The GRDC must continue to work closely with R&D partners and industry to at least maintain current levels of R&D expenditure.
- The GRDC needs to work together with industry in supporting the development of varieties and management practices that produce grain of high quality as well as high yield, so that end-user requirements are met and maximum value is returned to growers.

Figure 3 Australian grains industry production

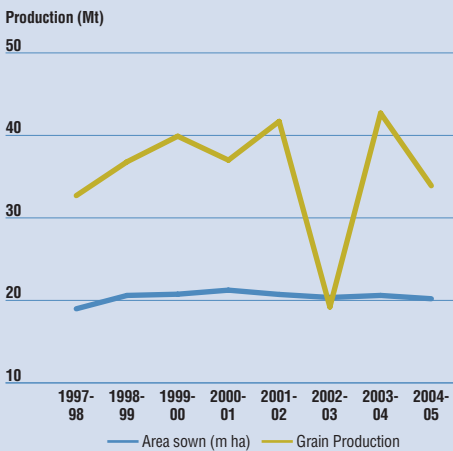
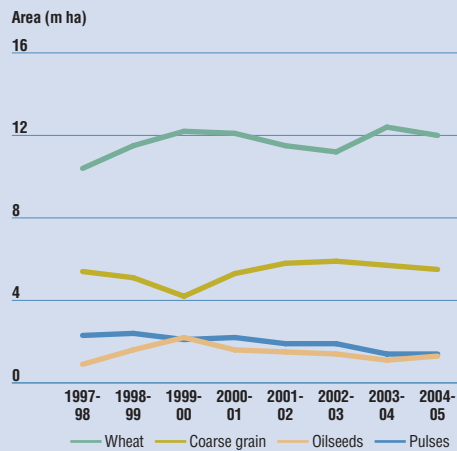


Figure 4 Area sown to grains in Australia



GRDC's five years at a glance

	2004–05		2003–04	2002–03	2001–02	2000–01
GRDC						
Revenue	\$110.0m	▼	\$122.3m	\$116.2m	\$114.2m	\$93.5m
Expenditure	\$119.5m	▼	\$124.0m	\$112.0m	\$113.8m	\$115.7m
Operating surplus/(deficit)	(\$9.5m)	▲	(\$1.7m)	\$4.2m	(\$0.4m)	(\$22.2m)
Total assets	\$135.7m	▼	\$141.0m	\$151.7m	\$150.0m	\$134.5m
Total equity	\$94.0m	▼	\$102.5m	\$104.2m	\$102.5m	\$99.5m
Industry contributions	\$64.2m	▼	\$68.8m	\$65.0m	\$63.2m	\$48.9m
Commonwealth contributions	\$35.7m	▼	\$42.3m	\$39.0m	\$40.8m	\$34.5m
R&D expenses	\$106.4m	▼	\$112.5m	\$101.3m	\$101.2m	\$107.8m
Employees	\$4.9m		\$4.9m	\$4.0m	\$3.5m	\$3.0m
Suppliers	\$5.5m	▼	\$6.1m	\$6.2m	\$6.3m	\$4.9m
Number of full-time GRDC staff positions	46	▲	43	42	38	36
Grains industry						
Estimated number of grain farms*	37,841	▼	38,574	38,802	38,466	38,811
Number of grain crops covered by R&D levies	25		25	25	25	25
Grain industry's estimated gross value of production	\$7,000m	▼	\$9,200m	\$4,746m	\$9,116m	\$7,968m
Total grain production—summer and winter crops	33,928,000 tonnes	▼	42,731,000 tonnes	16,930,000 tonnes	39,441,000 tonnes	37,290,000 tonnes

* ABARE estimates for the total number of broadacre farms planting more than 30 ha per annum for grain production.

Figure 5 GRDC performance

Percentage of growers rating GRDC performance as 'high'

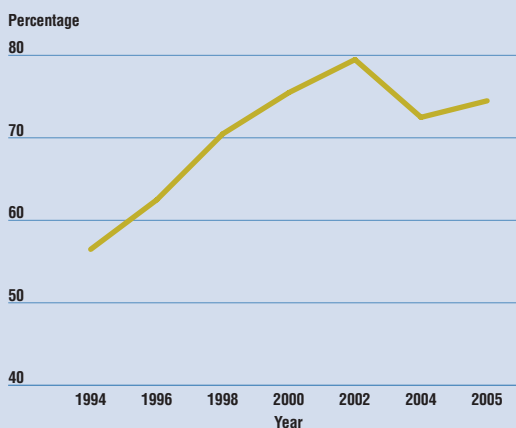


Figure 6 GRDC R&D investments in 2004–05 (\$m)

