

Farming for the Future: Assessing relationships between natural capital and farm business performance

Our mission

Farming for the Future is a research and change program initiated by philanthropic foundation, the Macdoch Foundation. *Farming for the Future* seeks to help farm managers realise greater productivity and profitability in their core production enterprises by providing information about how different types of natural capital contribute to farm business performance.

At present, information about returns on investment in natural capital is weak, provided only by case studies of individual farm businesses or small-scale studies that might not be representative of the industry more broadly. *Farming for the Future* will provide the large-scale evidence and the practical support that producers need to incorporate natural capital as part of their farm business foundation to achieve greater productivity, efficiency and resilience, and associated wellbeing benefits for farmers, farming families and rural communities.

Farming for the Future is collaborating with the extensive network of actors required to achieve systemic change and prepare the Australian agricultural sector for a future of unknown climate conditions and new market opportunities. These include farm advisors, agricultural industry bodies, Ag-Tech companies, supply chain actors, the finance and investment sectors, state and Commonwealth government agencies, and academics. Together we are developing the survey protocols, statistical relationships and data platforms required to:

- Demonstrate the relationship between natural capital and farm business performance, including productivity, efficiency and resilience to climate and market stressors,
- Reveal the 'Opportunity Zone' where farmers can invest in natural capital to improve farm business outcomes,
- Empower producers to navigate and access new and emerging natural capital opportunities,
- Provide information about when and how government investment in natural capital can maximise additionality and avoid unintended impacts on agricultural productivity,
- Improve institutional investment in natural capital by quantifying likely return on investment and investment risk,
- Measure and report on natural capital at both farm and landscape scales in order to meet ESG standards, as well as national and international targets and commitments.

What activities are we undertaking?

Farming for the Future is implementing research and change activation activities, including:

1. Collecting natural capital information and farm financial information for farms across a wide range of ecological zones.
2. Conducting robust analytical research, supported by leading researchers, to quantify the relationship between natural capital and farm business performance.
3. Producing a natural capital benchmarking module to achieve adoption of new insights relating to on-farm natural capital.
4. Helping farm advisors build our natural capital benchmarking module and associated information and insights into their existing products and services.
5. Undertaking formal engagement and activation activities with the supply chain and finance and investment sectors to ensure that farmers are supported to make strategic natural capital investments.
6. Harmonising natural capital metrics and assessment protocols to help farmers navigate this complex space.
7. Developing a platform that provides Australian farmers with streamlined access to the full suite of current and emerging natural capital opportunities with minimal transaction costs.
8. Strengthening networks across the philanthropic, industry, government and academic sectors to achieve systemic and lasting change.

Wherever possible, our activities are undertaken by local firms working on the ground in our focus agricultural regions. For example, financial, production and management data are collected by trusted farm advisory firms; natural capital data are collected by analysts, ecologists and other natural resource specialists. This ensures that farmers can access good advice about potential natural capital investments that takes their unique local situation into account. It also means that more than 70% of our funding is spent in the local communities we work in.

Farming for the Future delivers pre-competition, pre-commercial outputs. Our outputs will be placed in the public domain, consistent with the Macdoch Foundation's philanthropic purpose and its privacy policies. The broad accessibility of our outputs will enable the development of complementary natural capital innovations, for example, by providing a ground-truth reference data set to support and improve the remote sensing and AI products being developed by Ag-Tech companies. It will also minimise the need for duplicate data collection processes, and hence ensures efficient investment that will accelerate Australian agriculture towards climate- and market- readiness.

Who's behind the project?

Farming for the Future was initiated by [Macdoch Foundation](#) - a philanthropic organisation that supports and delivers key programs that align with its core objective: to build the resilience of people and the planet. Macdoch Foundation's *Farming for the Future* Leadership Council comprises prominent business figures: John Anderson AC – Chairman and ex-Deputy Prime Minister of Australia; Tony Mahar – Chief Executive Officer, National Farmers' Federation; Tanya Barden OAM – Chief Executive Officer, Australian Food and Grocery Council; Alasdair MacLeod – Chairman, Macdoch Foundation.

Dr. Sue Ogilvy (Program Director) and Dr. Liz Heagney (Research Director) are employed by Macdoch Foundation to lead this project. Both are experienced research, policy and adoption practitioners in this field. They are supported by a robust network of farm advisors, NRMs, academics and industry professionals. All are leaders in their field, and collectively they span the breadth of roles that are required to support farmers in adopting climate-resilient natural capital practices and achieve systemic and lasting change. A full list of our contributing partners can be found [here](#).

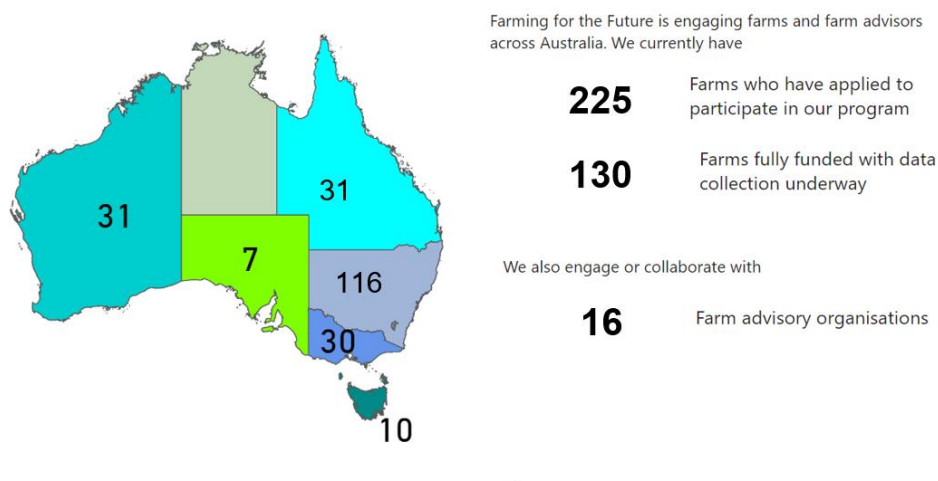
Farming for the Future is an industry-led and industry-supported program. It is supported by the National Farmers Federation and has received funding support from philanthropists, industry bodies including Meat & Livestock Australia and Australian Wool Innovation, the NSW Government and members of the agricultural supply chain.

Where are we up to?

Farming for the Future is currently engaged with more than 200 farms across the country through our expression of interest and recruitment processes. In its present phase, *Farming for the Future* is focusing on livestock operations in focus regions of NSW, Victoria, Tasmania and the south of Western Australia. We are collecting data from 130 livestock businesses whose operations are representative of the range, natural capital types, and enterprise size in these regions.

We will be publishing our findings from this current research phase in mid-2023.

Farming for the Future - National participation



Where to from here?

Farming for the Future is currently seeking funding for Phase 2+. In Phase 2+ we will expand our research activities to include 400 livestock, cropping and mixed cropping-grazing farm enterprises across NSW, Victoria, Tasmania, Western Australia, South Australia and Queensland. These will be representative of farms across the full extent of Australia's wheat-sheep belt and will provide insights into the role that natural capital can play in supporting production from this key agricultural region. Outputs from Phase 2+ will be available from mid-2024,

In Phase 3 *Farming for the Future* will expand further to incorporate 1,500 farm businesses in wheat-sheep and pastoral farming regions across all Australian states and territories.

Farming for the Future will continue to strengthen its network of contributors, collaborators and delivery partners across all future stages of our program.