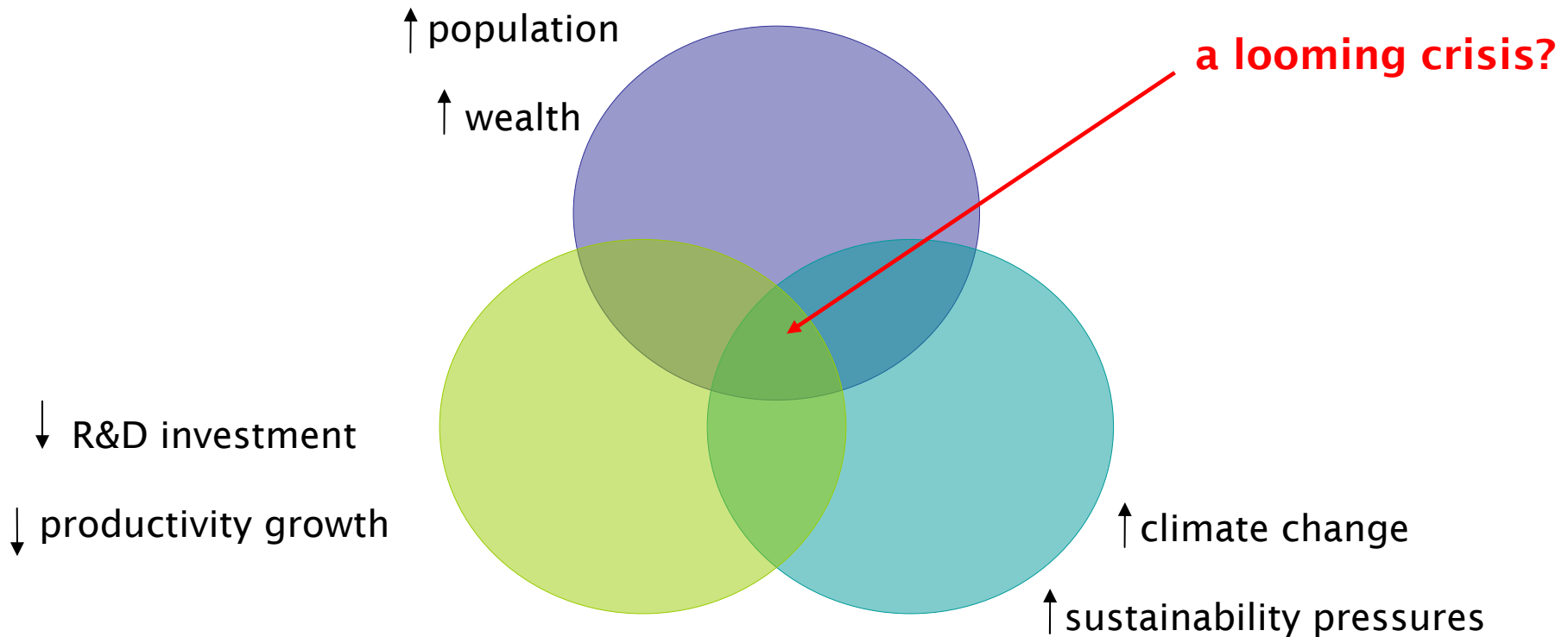




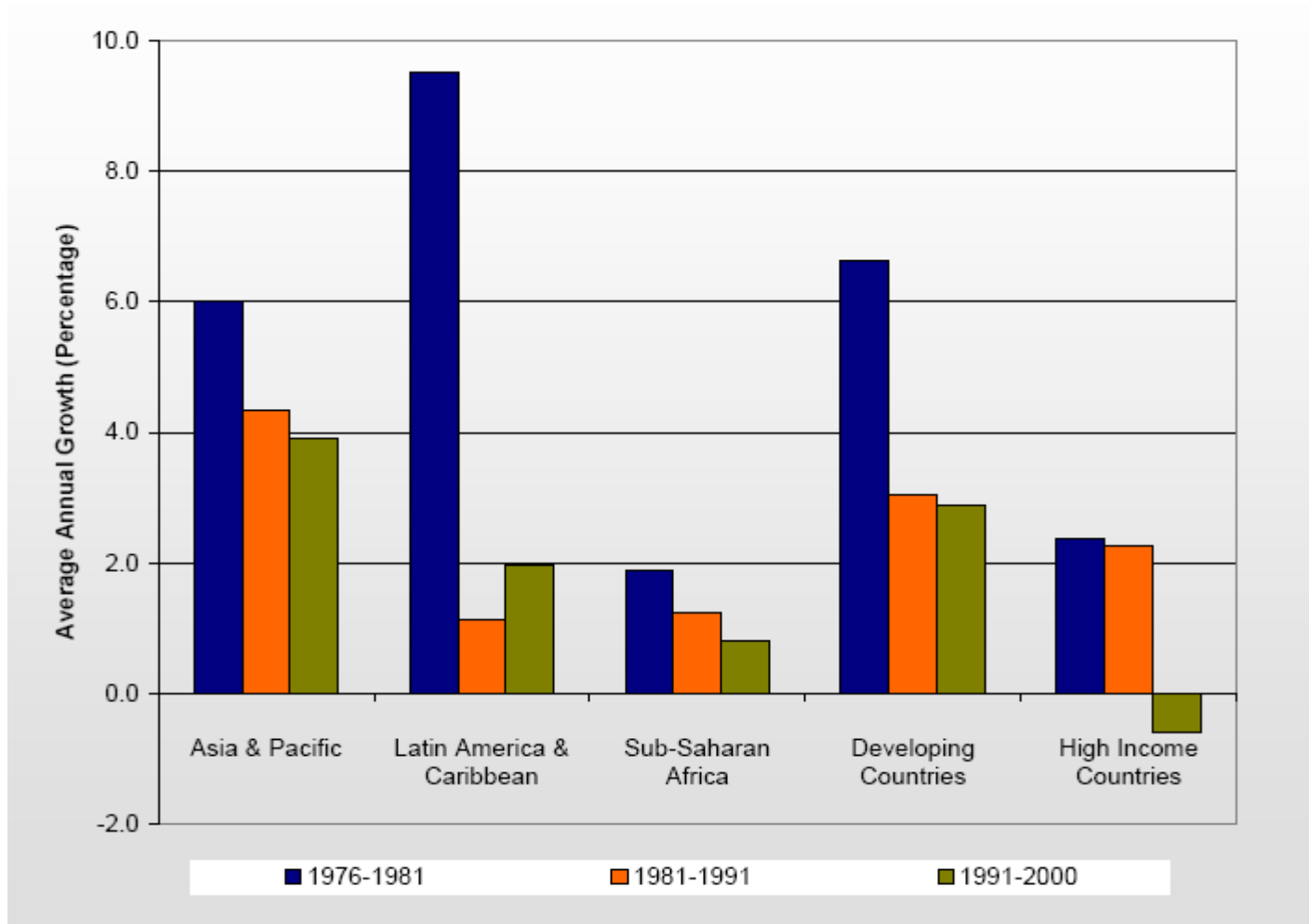
**Economic, environmental and
social returns from rural
research and development
- an Australian example.**

**Dr Peter O'Brien, Managing Director
Rural Industries Research & Development Corporation**

The global food supply system is under increasing pressure:



And public funding of R&D is declining in developed countries



“a global initiative for accelerated agriculture productivity is necessary now

- such an initiative makes economic sense, is pro-poor and sustainable, and serves security”

Joachim von Braun, Director General International Food Policy Research Institute, February 2008

What is the rural R&D need?

Increase Productivity, Sustainability, Adaptability

- Productivity to:
 - Underpin profitability and competitiveness
 - meet global food needs
 - offset impacts of climate change and climate change policy
- Sustainability to ensure production practices are environmentally sustainable
- Adaptability to climate variability and policy shifts

This paper provides an Australian case study

- The rural research and development corporation model
- Results of a recent evaluation of returns from research & development

The Rural Research & Development Corporation model in Australia

- Sectoral research and development corporations
- Role – to plan, fund and manage R&D to support industry and government priorities
- Funded by taxes on farm production, matched \$ for \$ by government up to 0.5% GVP
- Industry-driven, focussed on adoption

Evaluation

- Nationally coordinated evaluation across 15 rural research & development corporations
- Standardised *ex post* benefit : cost methodology
- Assessed returns from:
 - 36 highly successful projects
 - 32 randomly selected projects from a pool of 600

Results

- A small number of highly successful projects returned \$10.5b of private and public investments quantified from \$465m expenditure
 - More than paid for the last 10 years of investment
- Average return of \$11 for every \$1 invested measured from a random selection of projects

Lessons

- Analysis shows very strong return on investment
 - consistent with other evaluations
- Social and environmental returns and spillovers less easy to quantify
 - but fundamental to government investment

More information

www.ruralrdc.com.au

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