



Capturing the Yield Gap

“Role of risk mitigation tools”

GRDC Growers Day

Presented by Andrew Trotter

25-July-2016

What is Yield Gap?

Gap between Potential and Actual Yield •

What are the common causes? •

Timing of operation –

Lack of crop nutrition –

Root and Foliar Disease –

Rotational Choices •

Fungicide Choices •

Weed Control –

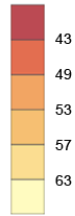
Crop:
Wheat

Show:
Relative Yield

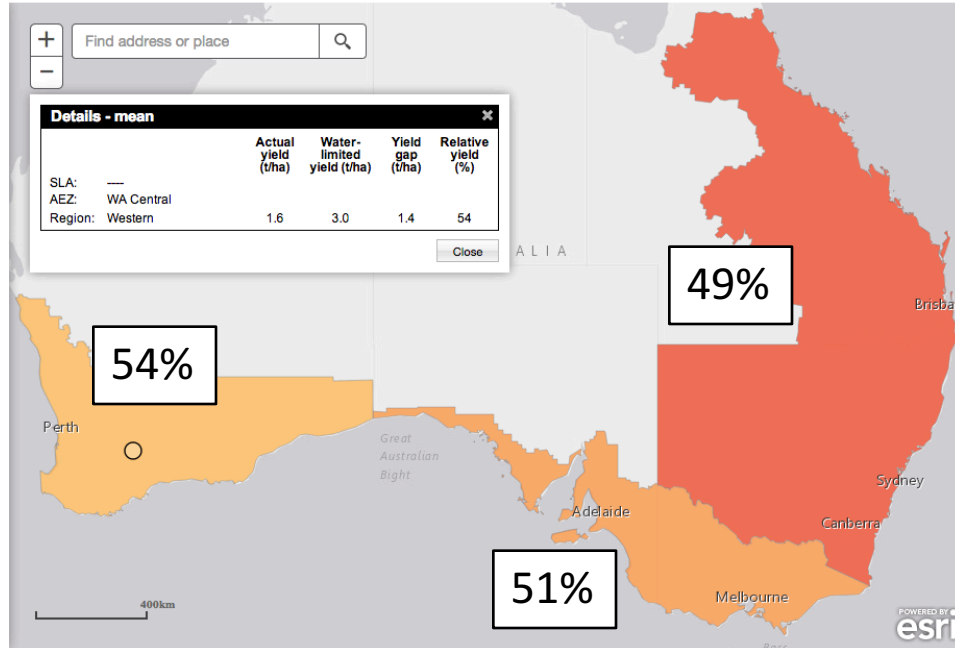
Year: Year: Decile:
17 Year Average

By Area:
Region

Wheat
Relative Yield (%)



[Map Help](#)



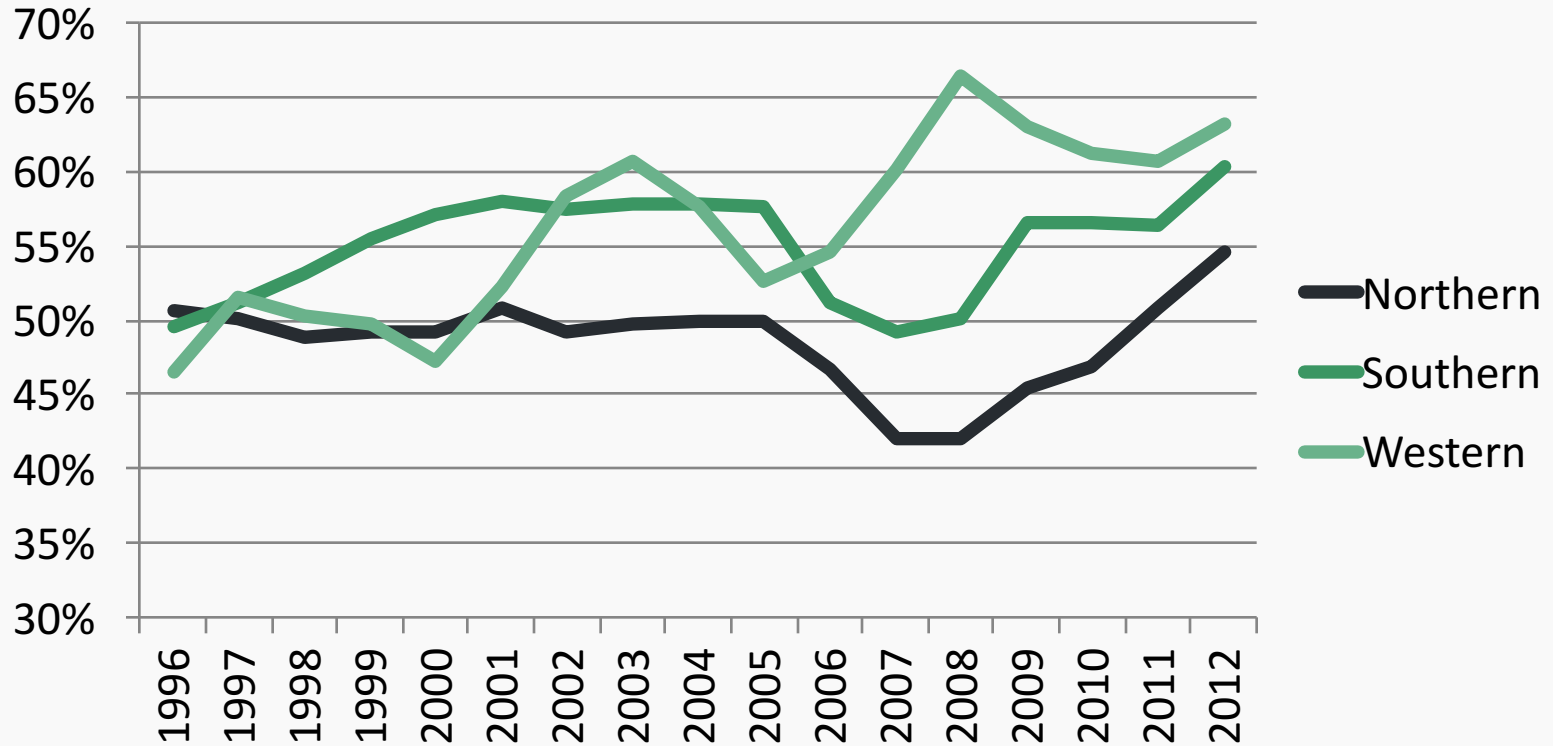
[Disclaimer](#) | [Copyright](#) | [Sitemap](#)



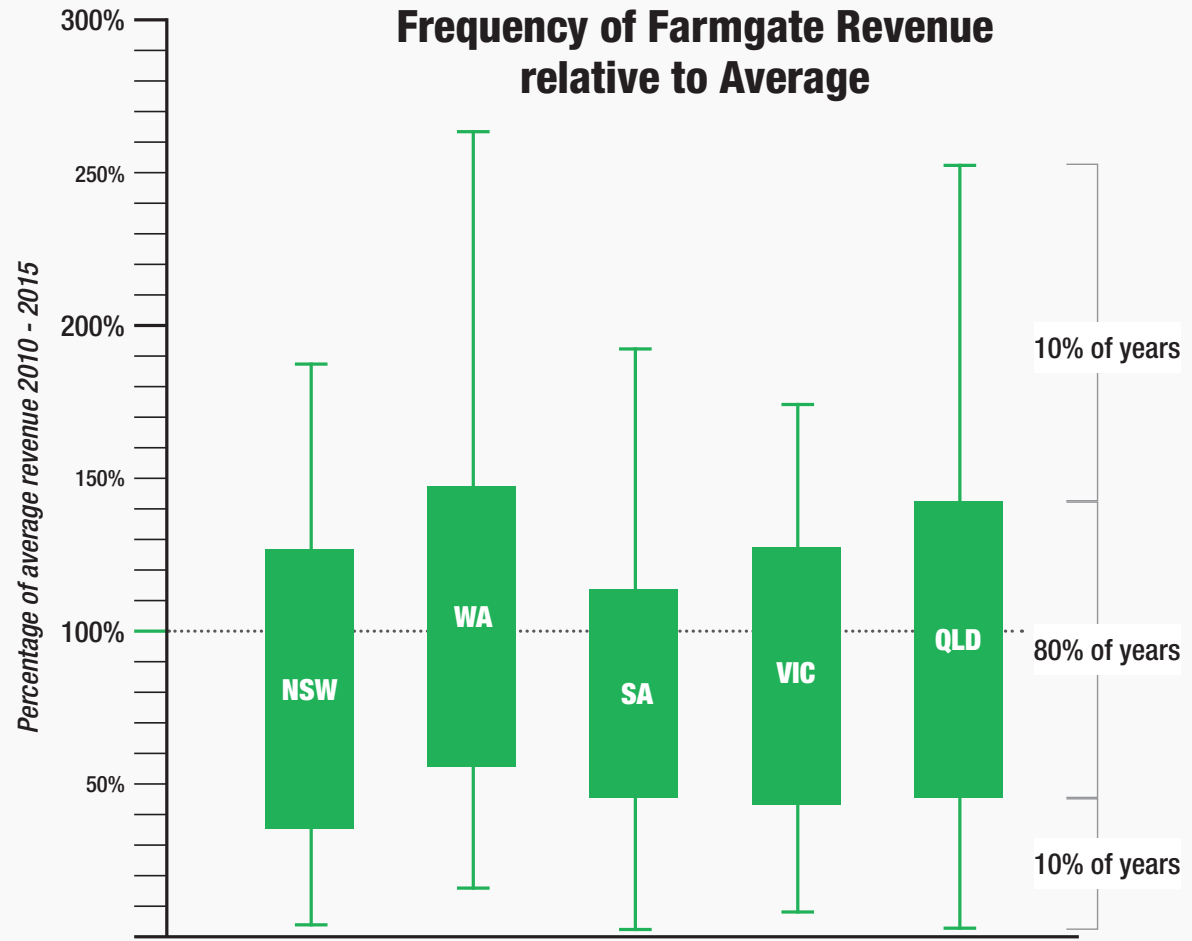
Developed by: Mapping Services AUSTRALIA



Relative Yield – 3 Year Rolling Average

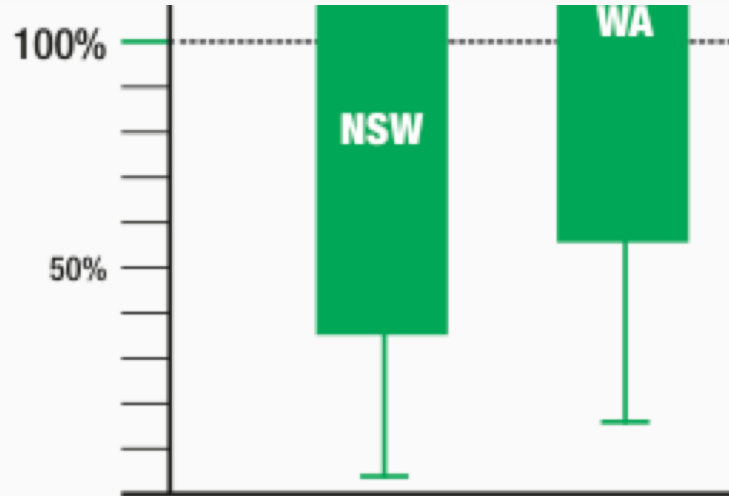


Frequency of Farmgate Revenue relative to Average



Based on data from 1982 to 2015

Climate Variability NSW v WA?



WA 90% Years Greater than 60% of Average

NSW 90% Years Greater than 35% of Average



Australian Government

Application Grants
50% Contribution
Maximum \$2,500
5 Years
\$20 M



Premium Rebates
50% - 25% Contribution
Maximum \$30,000
5 Years
\$40 M

COMMUNITY BENEFITS

OF SUPPORTING FARMERS WITH INCOME PROTECTION INSURANCE



Supported by income protection insurance, farmers can boost confidence in the regional economy

In the event of a drought or natural disaster

Funds from the global reinsurance industry ensures all claims of income protection insurance for farmers are swiftly paid in full providing a base of support for the whole regional community

COMMUNITY LEVEL

Ensures consistent cash flow
Less bankrupt farmers
No prolonged effects from natural disaster

PERSONAL LEVEL

REDUCED
Financial stress
Men's Mental Health issues
Drug and Alcohol issues

BUSINESS LEVEL

BETTER DECISION MAKING
Confidence to hit operational timing windows
Reduced gambling on weather
Plant crops in favourable conditions

FORWARD SELLING AT HIGHER PRICES
Utilize - Swap contracts
Utilize - Multigrade contracts
When the market is right

TARGETING HIGHER YIELDS
Greater adoption of proprietary input technologies
With higher fertiliser rates
Strategic fungicide use

Every \$1 in insurance is rated at an increase of 3:1 to the farmer due to productivity increases, and an even greater multiplier for the community

By mitigating the perennial rural recessions, we can actually build our rural communities back up to a sustainable level



Take Home Message

For approx \$20/ha

3.7% of Average Revenue

Farmers can bridge the yield gapTM