

Message from the Minister and Parliamentary Secretary

In 2008, the world is experiencing a rapid increase in international food prices. The underlying causes for this are complex, including increasing food demand from emerging markets, the shift towards meat and dairy products with rising incomes and biofuel mandates. On the supply side, higher energy, transport and fertilizer prices have increased production costs and adverse seasonal conditions have cut production in key grain regions at a time of declining stocks.

With food accounting for more than 70 per cent of household expenditure in many developing countries, there is a real danger of losing a decade of progress on poverty alleviation. The ongoing aspirations made under the Millennium Development Goals are clearly at risk in current circumstances.

By engaging in collaborative agricultural research and capacity building programs with partner countries, ACIAR is an important instrument of the Government's development assistance program. It is likely to play an even greater role in the context of the Government's long term response to the current global food crisis.

In 2008–09 ACIAR will focus its program around:

- fostering the development and production of new crop varieties with higher yields and more effective use of available water resources
- developing crop rotation systems that enable a second crop to be produced on the same land each season
- improving the efficiency of water and soil nutrient use in rainfed and irrigated areas
- integrating livestock and aquaculture production with cropping systems to help meet the increasing demand for animal protein and farm diversification
- enhancing smallholder incomes particularly in horticulture
- facilitating more appropriate domestic and international agricultural policy frameworks that encourage sustainable broad based economic growth, productivity gains and associated food security.

This Annual Operational Plan (AOP) sets out the strategies, priorities and performance goals for ACIAR's programs operating in 2008–09. These programs can only be successfully executed in partnership with developing countries together with research providers here in Australia and with the International Agricultural Research Centres of the CGIAR. Because of the diversity of situations in different countries, the design of programs must be country-driven and country-owned. These partner countries are playing a pivotal role, with accountability being held by all members of the partnership.

To all those involved, we wish to underline the Government's appreciation and determination to work actively both bilaterally and multilaterally to enhance our efforts in seeking to strengthen global food production systems. The development and adoption of suitable technologies and research collaboration on policy options are essential components for progress at this time when the world is again questioning our capacity to provide for future generations in a way that is sustainable and affordable.



Stephen Smith, MP
Minister for Foreign Affairs



Bob McMullan, MP
Parliamentary Secretary for
Foreign Affairs

Preface from the the Chair and Chief Executive Officer

ACIAR is an integral part of Australia's aid program and, clearly, the strategic framework set by the Australian Government will govern our work. ACIAR will continue to work closely with AusAID in 2008–09 to ensure that we maintain the necessary building blocks to operate within this framework.

Three key building blocks will include:

- the joint country development strategies which all our program directions will support
- the overarching framework of the AusAID Research Strategy released in January 2008 that will guide all aid program-funded research over the next three years
- a close association with the AusAID Office of Development Effectiveness.

Following a review of ACIAR's governance framework, new arrangements are now in place. An oversight Commission, responsible for advising the Government on ACIAR's program and funding priorities, has replaced the previous ACIAR Board. This AOP is the first opportunity for the new Commission to give guidance and advice about ACIAR directions.

As in previous years, this AOP not only reflects the work of the Commission and ACIAR staff but also embodies (as it should) the outcomes of detailed consultations with partner-country and Australian organisations, together with the judgments about where Australia's research capabilities can best make an impact. As well, the AOP seeks to set out priorities that enable a focus on likely investment opportunities.

No planning document can include every detail of our operations and nor should it. All of us need some scope to respond to the unforeseen but, at its heart, the AOP will be ACIAR's key road map for 2008–09.

If you need more information about any aspect of ACIAR's activities, do not hesitate to contact us. Details are in the Corporate Directory on the inside back cover. Our website <www.aciar.gov.au> is also a key gateway to our operations.

ACIAR's Vision

ACIAR looks to a world where poverty has been reduced and the livelihoods of many improved through more productive and sustainable agriculture emerging from collaborative international research.

ACIAR's Mission

To achieve more productive and sustainable agricultural systems, for the benefit of developing countries and Australia, through international agricultural research partnerships.



Peter Core
Chief Executive Officer
June 2008



Meryl Williams
Chair, Commission
June 2008