

NATURAL CAPITAL DEEP DIVE



The Calm After the Storm - Anastasia McFarlane (NSW)

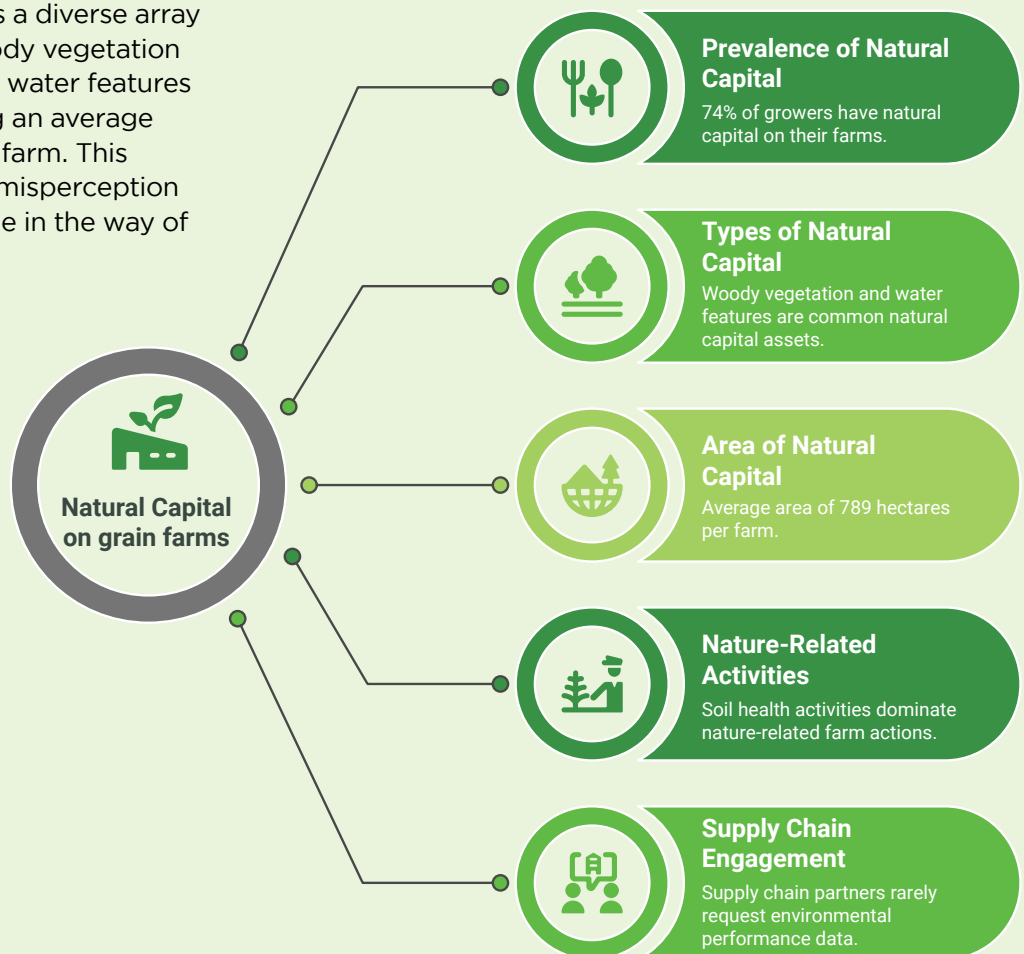
GRAIN GROWERS: EMBRACING NATURAL CAPITAL ON AUSTRALIAN FARMS

As the world increasingly recognises the importance of sustainable agriculture, Australian grain growers are leading the charge in managing their natural capital. Natural capital is the stock of natural resources, such as soil, water, and biodiversity, that provide goods and services to support human wellbeing and economic activity. GrainGrowers' 2025 annual policy survey has highlighted the significant work being done by growers to promote sustainability and biodiversity on their lands.

Widespread presence of natural capital

The survey findings reveal that natural capital is an important feature on most grain farms, with around 74% of growers surveyed indicating the presence of such assets. This includes a diverse array of ecosystems, from woody vegetation (nearly 2 in 3 growers) to water features (2 in 5 growers), covering an average area of 789 hectares per farm. This challenges the common misperception that grain farms offer little in the way of natural capital.

Unveiling Natural Capital Practices in Australian Grain



Proactive management of natural capital

Virtually all growers with natural capital on their farms had undertaken related activities in the 12 months leading up to March 2025. This highlights the proactive approach growers have taken in managing and enhancing these invaluable resources, addressing both the ecological and agronomic aspects of their operations.




Growers have focused on a wide range of nature-based actions. Soil health activities emerged as the dominant focus, with around 50% of growers engaging in such initiatives. Additionally, a significant proportion (around 40%) had avoided clearing native woody vegetation and managed biodiversity on their land, indicating a mix of proactive and passive management.

Low natural capital reporting

The survey found that the demand for environmental performance and sustainability data from supply chain partners was relatively low, with only 21% of growers reporting requests from bulk handlers, 15% from end customers, and 11% from lenders and investors. Moreover, the requested information lacked standardisation and consistency.

This highlights the need for greater collaboration and a more unified approach to recognising and valuing the natural capital contributions of grain growers, which the Grain Sustainability Framework can provide.

Natural Capital Management by Australian Grain Growers

	 Presence of natural capital	 Management of natural capital	 Natural capital reporting
Extent	74% of growers surveyed have natural capital	Virtually all growers with natural capital manage it	Relatively low demand from supply chain
Types	Diverse ecosystems, average 789 hectares per farm	Soil health activities (50%), biodiversity management (40%)	Lack of standardisation and consistency
Drivers	Driven by innate value recognition	Addressing ecological and agronomic aspects	Requests most likely to come from bulk handlers

Recognising the innate value of natural capital

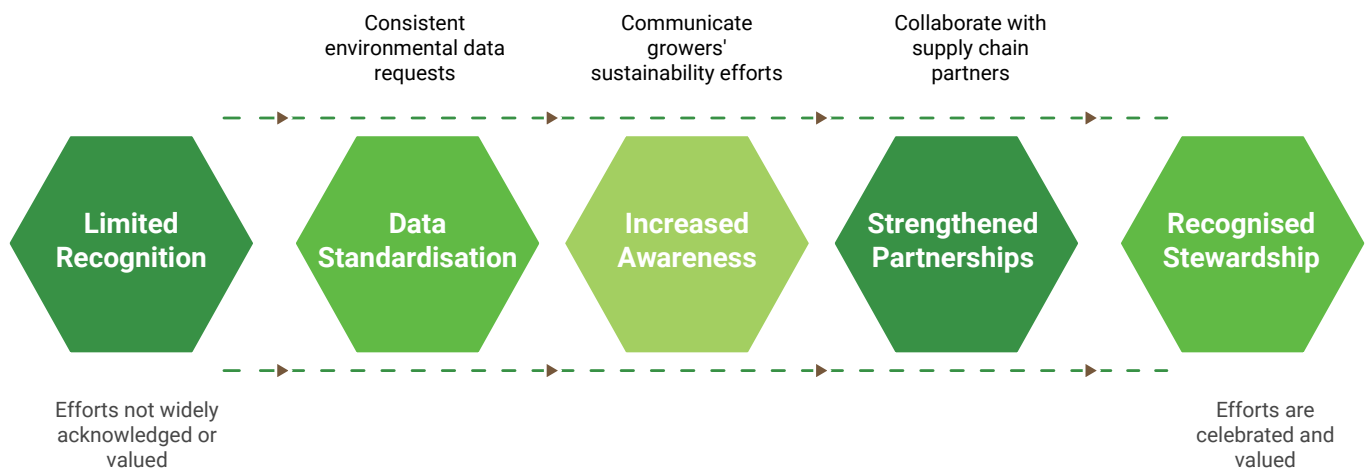


Wheat at sunset - Maddisan Preston (NSW)

Grower’s proactive management of natural capital is particularly noteworthy given the lack of market signals or external drivers compelling growers to undertake these nature-based initiatives. Despite the limited demand for environmental performance and sustainability data from their supply chain partners, growers have chosen to prioritise the stewardship of natural capital, demonstrating strong internal commitment.

However, the lack of recognition from supply chain partners represents a missed opportunity. Without adequate awareness and appreciation for the work being done, the grain sector is unable to fully unlock the value of these natural capital assets. This presents an opportunity for growers to better communicate their extensive efforts and increase awareness of the work already being undertaken.

Valuing Natural Capital in Grain Farming



The way forward

The insights gained from GrainGrowers' annual policy survey underscore the value that Australian grain growers place on proactive natural capital management. This commitment to sustainable agriculture exists despite limited external drivers or recognition.

The survey highlights the need to close the gap between grower's efforts in caring for natural capital on farm and the lack of external acknowledgement. By fostering greater collaboration across the agricultural supply chain, the grain sector can showcase the natural capital stewardship already underway. Amplifying growers' sustainability achievements can strengthen the sector's sustainability credentials and ensure the value of these natural resources is properly recognised and rewarded.

GrainGrowers is committed to advocating for policies and partnerships that enable growers to continue their strong management of natural capital. GrainGrowers supports an enabling policy and market landscape that includes greater recognition of the wide-ranging public benefits provided by healthy agricultural landscapes. GrainGrowers also seeks the development of mechanisms that incentivise continual progress across the sector and guidelines to assist growers to measure, report and integrate natural capital into farm decision-making.

To learn more about what GrainGrowers' is seeking to support growers managing their natural capital on farm, scan the QR code or visit graingrowers.com.au



Proactive natural capital management

Growers actively manage assets

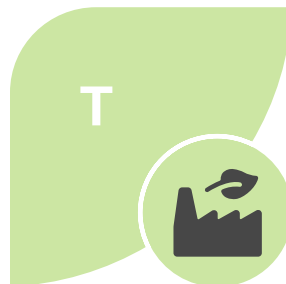


Limited external recognition

Lack of standardised data requests

Enhanced communication efforts

Increase awareness of grower efforts




Lack of market signals

Limited external drivers

Stay in touch with GrainGrowers

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