Investing in agriculture: growing our future

Research by the Australian Bureau of Agricultural and Resource Economics and Sciences
World economic growth

- World
- OECD
- Emerging b
- China

2015
2016a
2017a
2018-21a

% 

a ABARES assumption. b includes China.
Australian dollar


$US/$A

0.2  0.4  0.6  0.8  1.0  1.2

Exchange rate

a ABARES assumption.
Value of agricultural production and exports

Gross value of production

f ABARES forecast. z ABARES projection.
Value of agricultural production and exports

Gross value of production

Value of exports

2015–16 $b


f ABARES forecast. z ABARES projection.
Major Australian agricultural exports

<table>
<thead>
<tr>
<th>Product</th>
<th>2015–16f</th>
<th>2016–17f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef and veal</td>
<td>$9.0b</td>
<td>$10.0b</td>
</tr>
<tr>
<td>Wheat</td>
<td>$5.5b</td>
<td>$6.0b</td>
</tr>
<tr>
<td>Wool</td>
<td>$3.0b</td>
<td>$3.5b</td>
</tr>
<tr>
<td>Dairy</td>
<td>$2.5b</td>
<td>$3.0b</td>
</tr>
<tr>
<td>Wine</td>
<td>$2.0b</td>
<td>$2.5b</td>
</tr>
<tr>
<td>Sugar</td>
<td>$1.5b</td>
<td>$2.0b</td>
</tr>
<tr>
<td>Barley</td>
<td>$1.0b</td>
<td>$1.5b</td>
</tr>
<tr>
<td>Lamb</td>
<td>$0.5b</td>
<td>$1.0b</td>
</tr>
</tbody>
</table>

f ABARES forecast.
Australian farm cash incomes

y ABARES provisional estimate.
Australian farm cash incomes

- All broadacre
- Wheat and other crops

y ABARES provisional estimate.
Australian farm cash incomes

- All broadacre
- Wheat and other crops
- Beef

ABARES provisional estimate.
Australian farm cash incomes

- All broadacre
- Wheat and other crops
- Beef
- Dairy

ABARES provisional estimate.
Water storage and prices
Southern Murray-Darling Basin

Storage volume
Average water allocation price (right axis)
Brazilian beef export values
Broadacre and dairy farm investment average per farm

p ABARES preliminary estimate.
Investment by farm size average per farm


Large farms
Medium farms
Small farms

2015–16 $'000

p ABARES preliminary estimate.
## Rates of return for large farms (receipts greater than $1 million)

<table>
<thead>
<tr>
<th>Time period</th>
<th>Excluding capital appreciation (%)</th>
<th>Capital growth (%)</th>
<th>Including capital appreciation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>4.4</td>
<td>-0.9</td>
<td>3.5</td>
</tr>
<tr>
<td>10 years</td>
<td>3.9</td>
<td>1.4</td>
<td>5.3</td>
</tr>
<tr>
<td>15 years</td>
<td>4.2</td>
<td>2.4</td>
<td>6.6</td>
</tr>
<tr>
<td>20 years</td>
<td>4.4</td>
<td>2.4</td>
<td>6.8</td>
</tr>
</tbody>
</table>
Financial performance of large farms
2009–10 to 2013–14

Rate of return ex capital appreciation (%)

- Wheat and other cropping
- Dairy
- Beef

Corporate
Family farm