



Australian Government

Department of Agriculture,
Fisheries and Forestry
ABARES

Outlook for Australian agriculture

Dr Jared Greenville

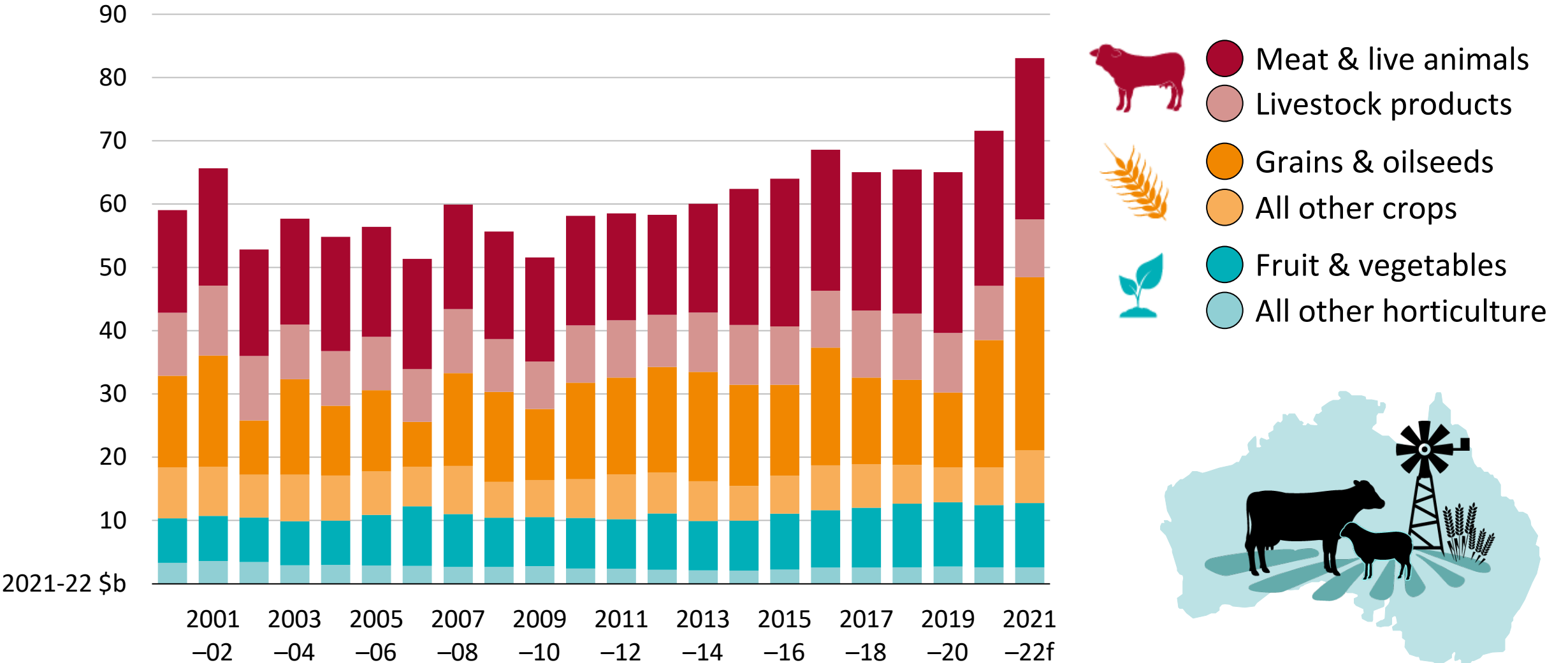
**ABARES: the Australian Bureau of Agricultural
and Resource Economics and Sciences**

2 November 2022



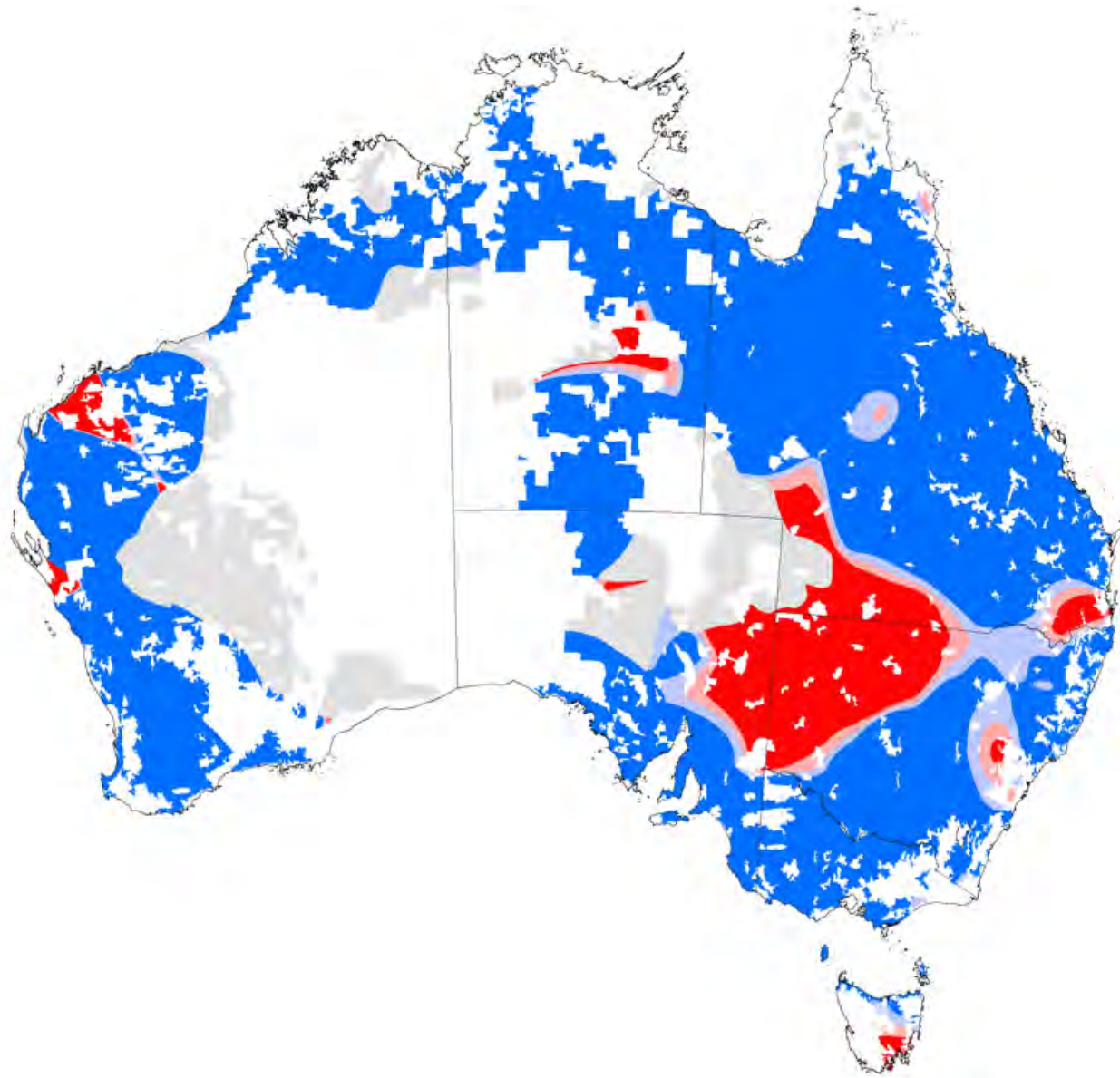
Research by the
Australian Bureau of Agricultural and Resource Economics and Sciences

Australian agriculture's at a high point



Gross value of Australian agricultural production. ^f Forecast.

On the rebound: 2021-22 farm cash incomes

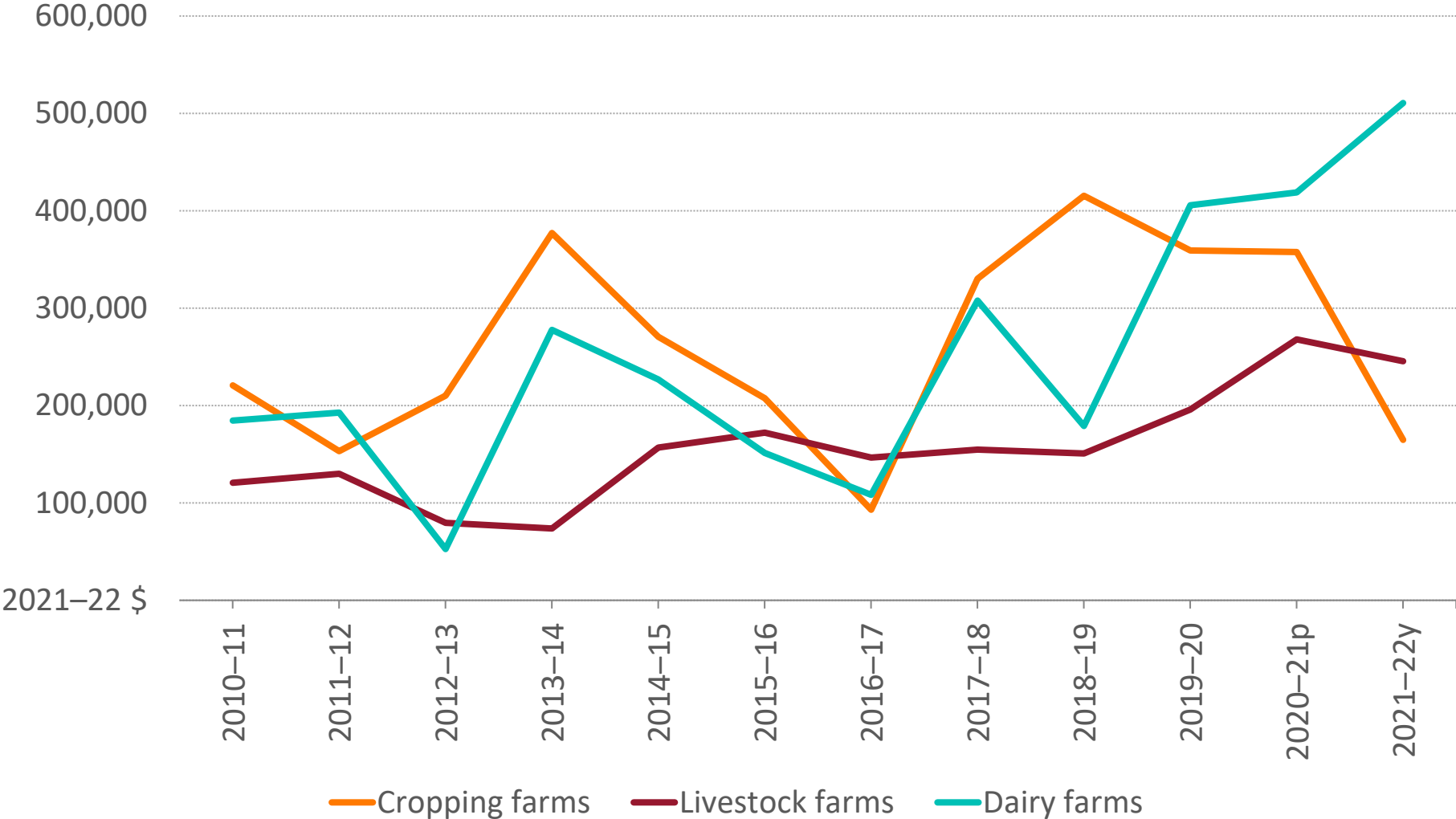


Current broadacre farm cash income compared to the 10-year average from 2011–12 to 2020–21

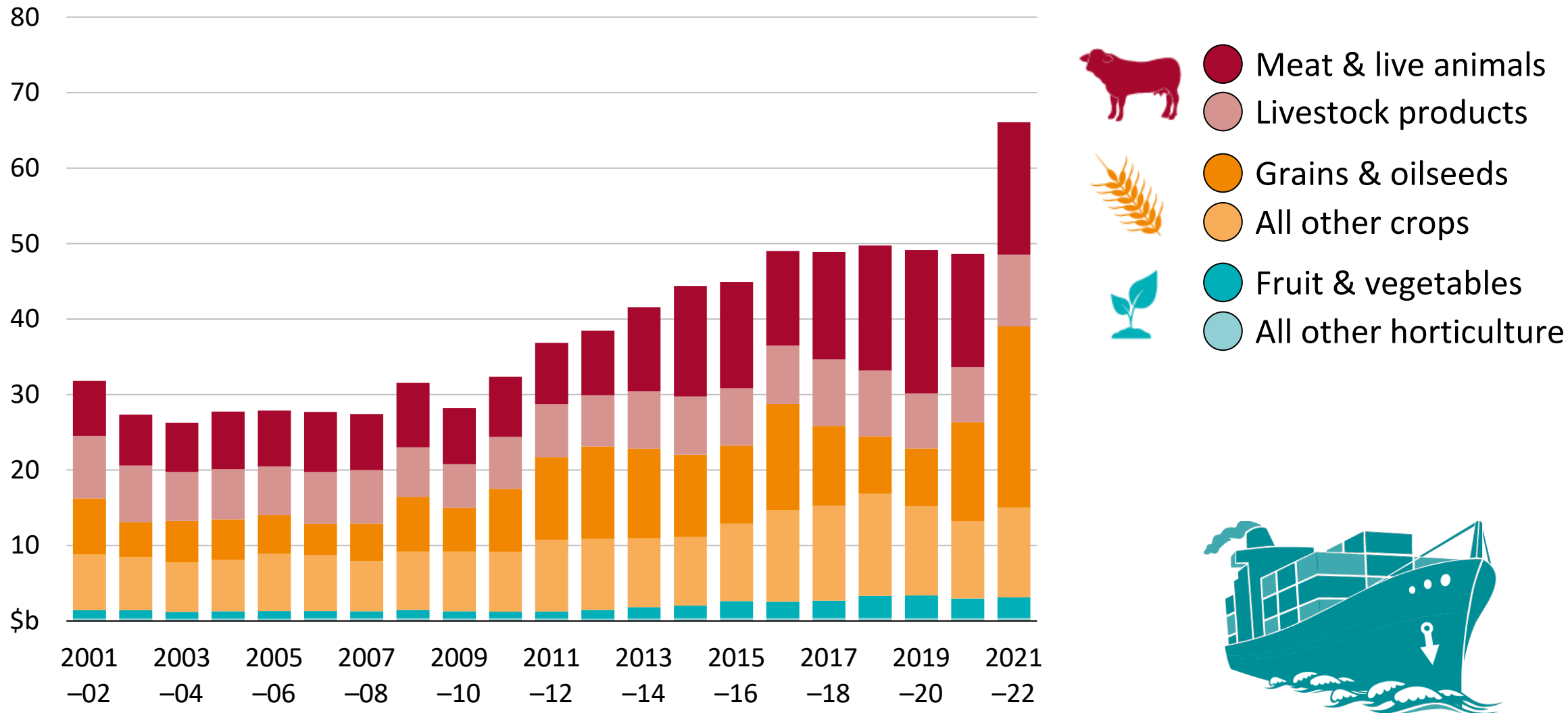
- >25% below average
- 0-25% below average
- 0-25% above average
- >25% above average
- Insufficient data
- Non-agricultural land

Higher costs impact incomes

Farm cash income, 2010–11 to 2021–22

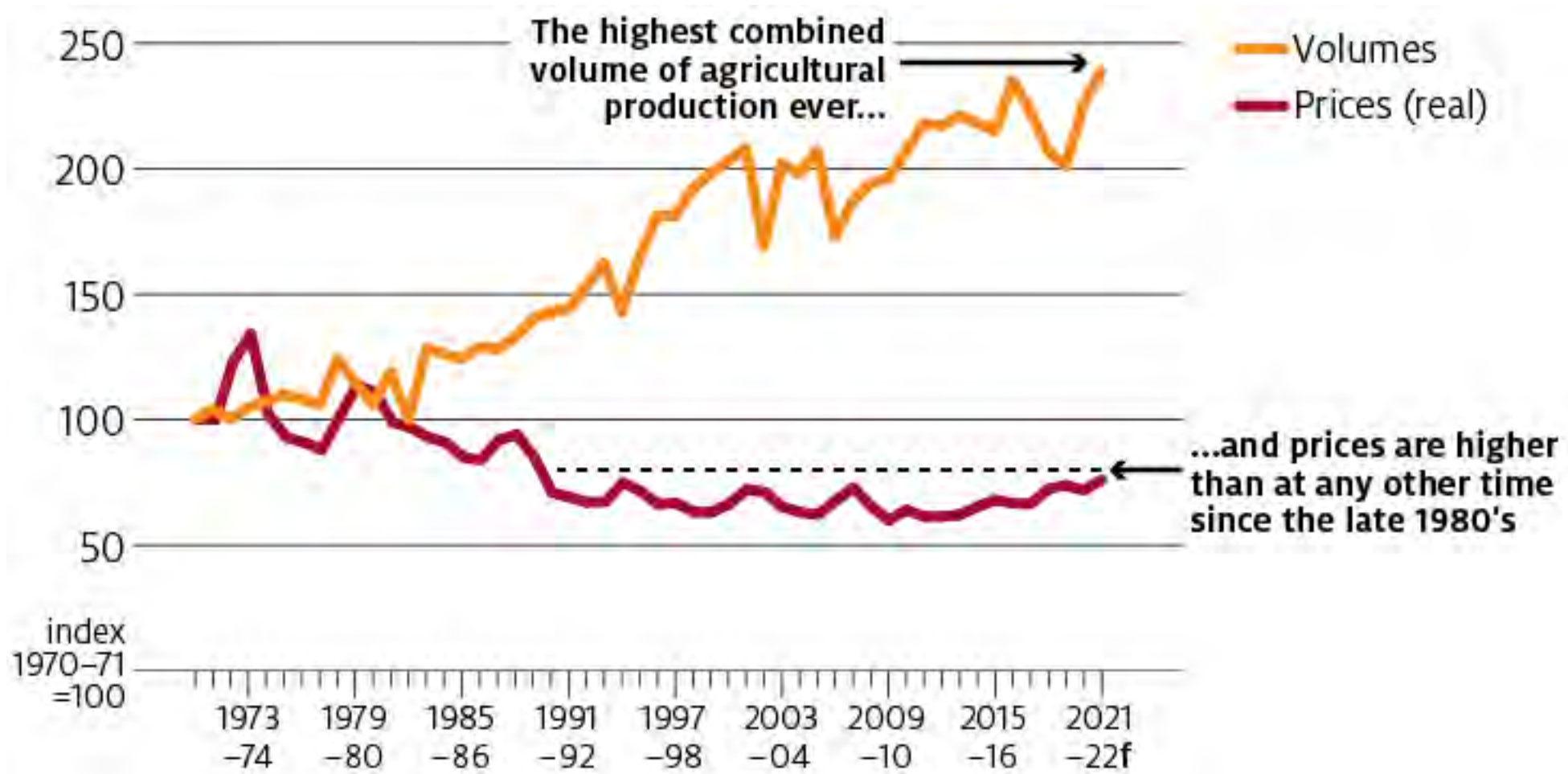


Agricultural trade also at record levels



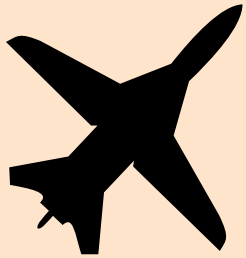
Value of Australian agricultural exports. f Forecast.

The high country: prices, volume tell the story



High prices and uncertainty to feature in 2022-23

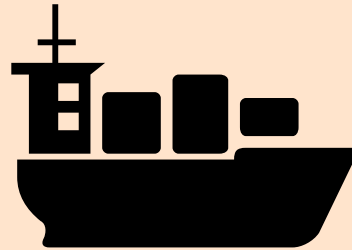
War in Ukraine



Impacts on Ukraine supply, shifting role of Russian exports

Implications for global growth

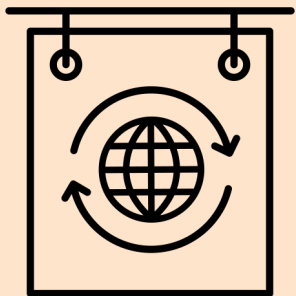
Freight & logistics



Costs have increased worldwide for bulk & container shipping

Record harvests pose logistics challenge

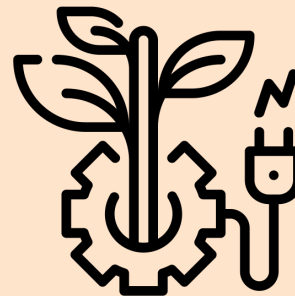
Trade & Global economy



Global inflation and responses by central banks.

Tense trading environment

Climate conditions

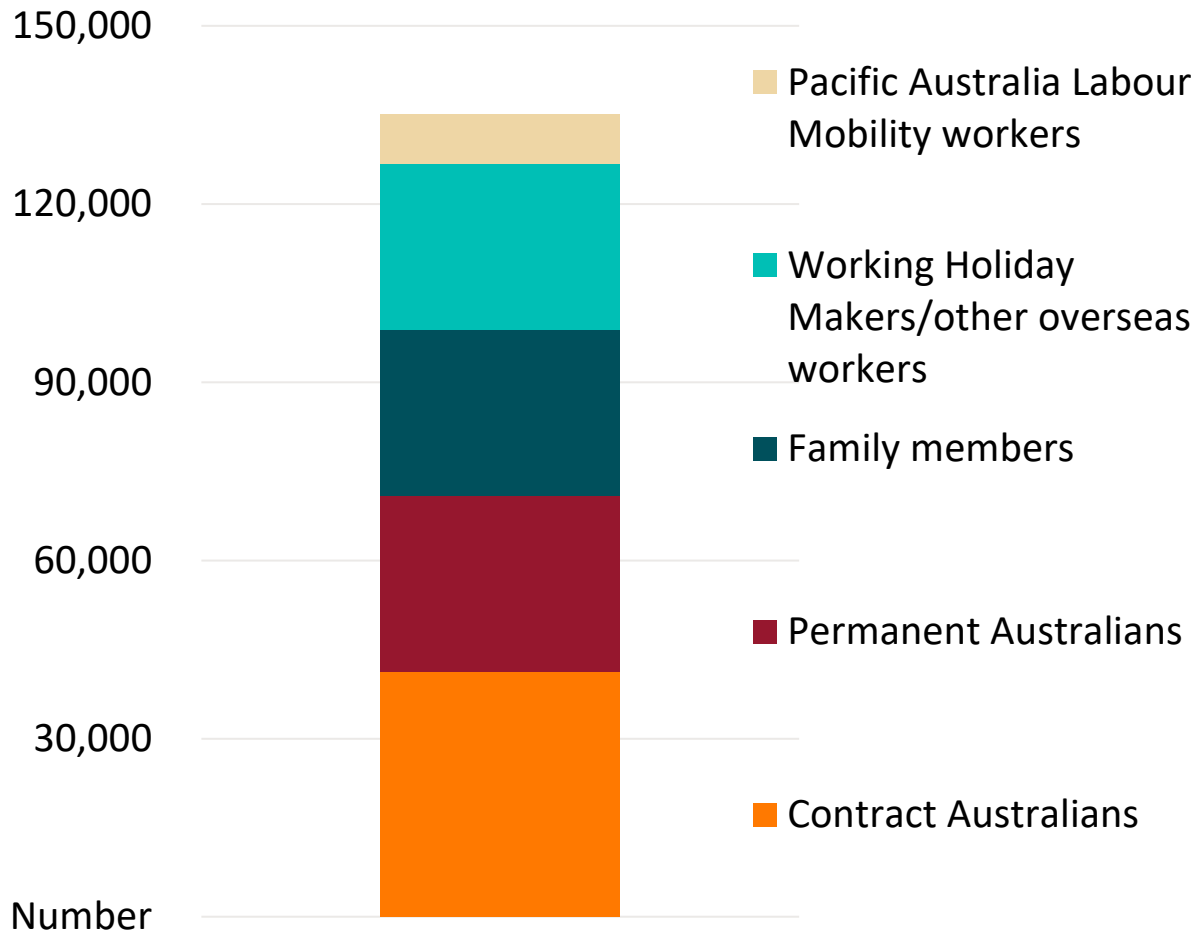


Global outlook suggests a decline in grain production, but a slight increase in oilseed production

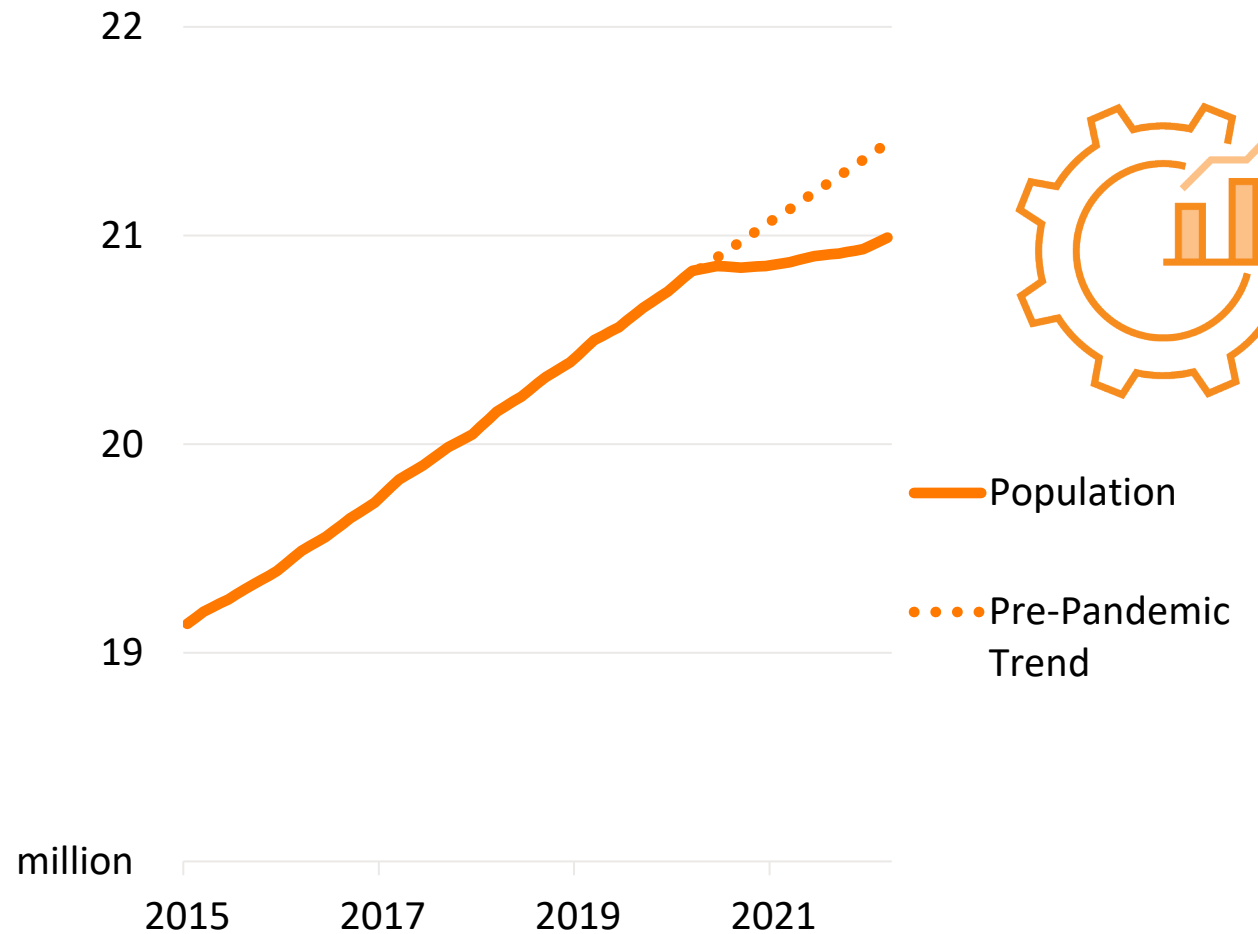


Labour pressures to persist

Farm workforce by type of employment, horticulture, Australia, 2020–21




Working-age population, actual and long-run trend, January 2015 to March 2022



International cooperation needed to manage biosecurity risks




 The Guardian

What is foot-and-mouth disease and what happens if it enters Australia?

FMD could force animal slaughters, cripple livestock industries and cost the country \$80bn. Here's what you need to know.

10 hours ago

 ABC

Foot-and-mouth disease fears spark extra \$14m in government funding to keep it out of Australia


The move comes amid fears an outbreak of foot-and-mouth disease in Australia could cost \$80 billion over a decade. The latest federal funding...

3 hours ago



Costs of FMD outbreak estimated to be around \$80 bn over 10 years (ABARES)




 The Canberra Times

New import rules to stop invasive beetle

The highly invasive khapra beetle destroys grain quality and can contaminate stored products. Additional import rules have been introduced in...

21 Apr 2022

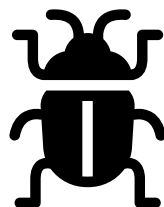


 Far Eastern Agriculture

Khapra beetle endangers grain security in Australia

The government of Australia has issued measures to reduce the growing risk of khapra beetle entering Australia with stricter import...

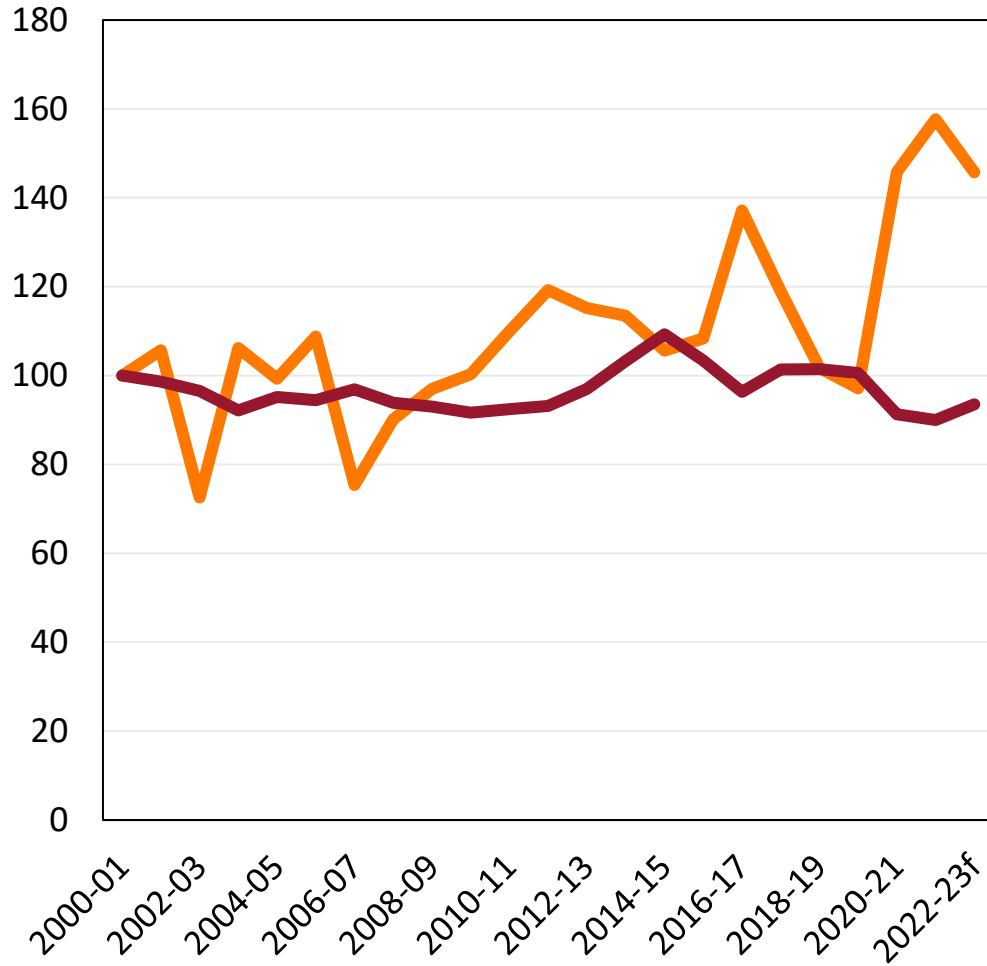
30 Sept 2021



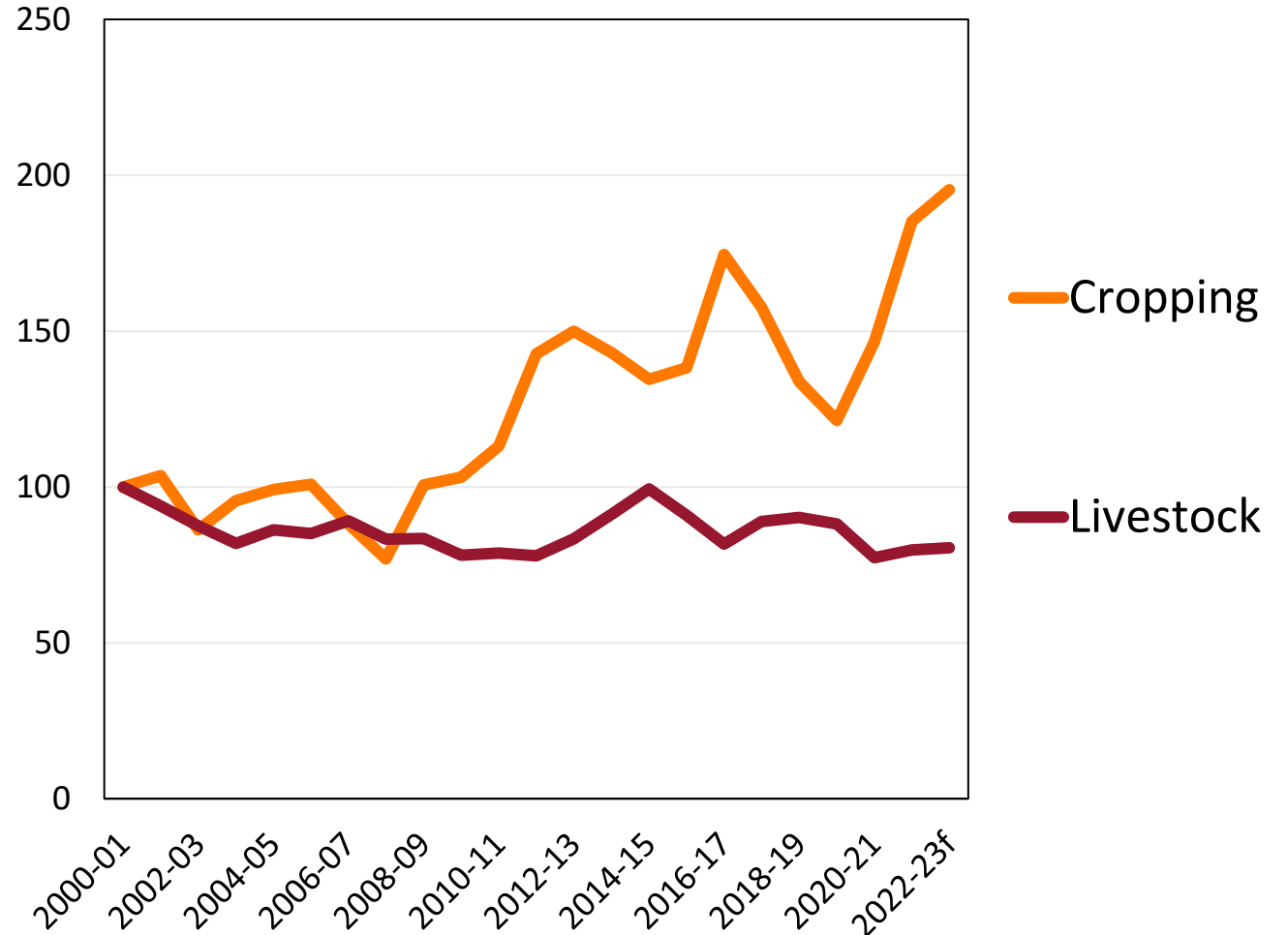
Costs of Khapra beetle incursion estimate to be \$15.5 bn over 20 years in 2014 (ABARES)

Sector value to remain high, exports to break records

Production

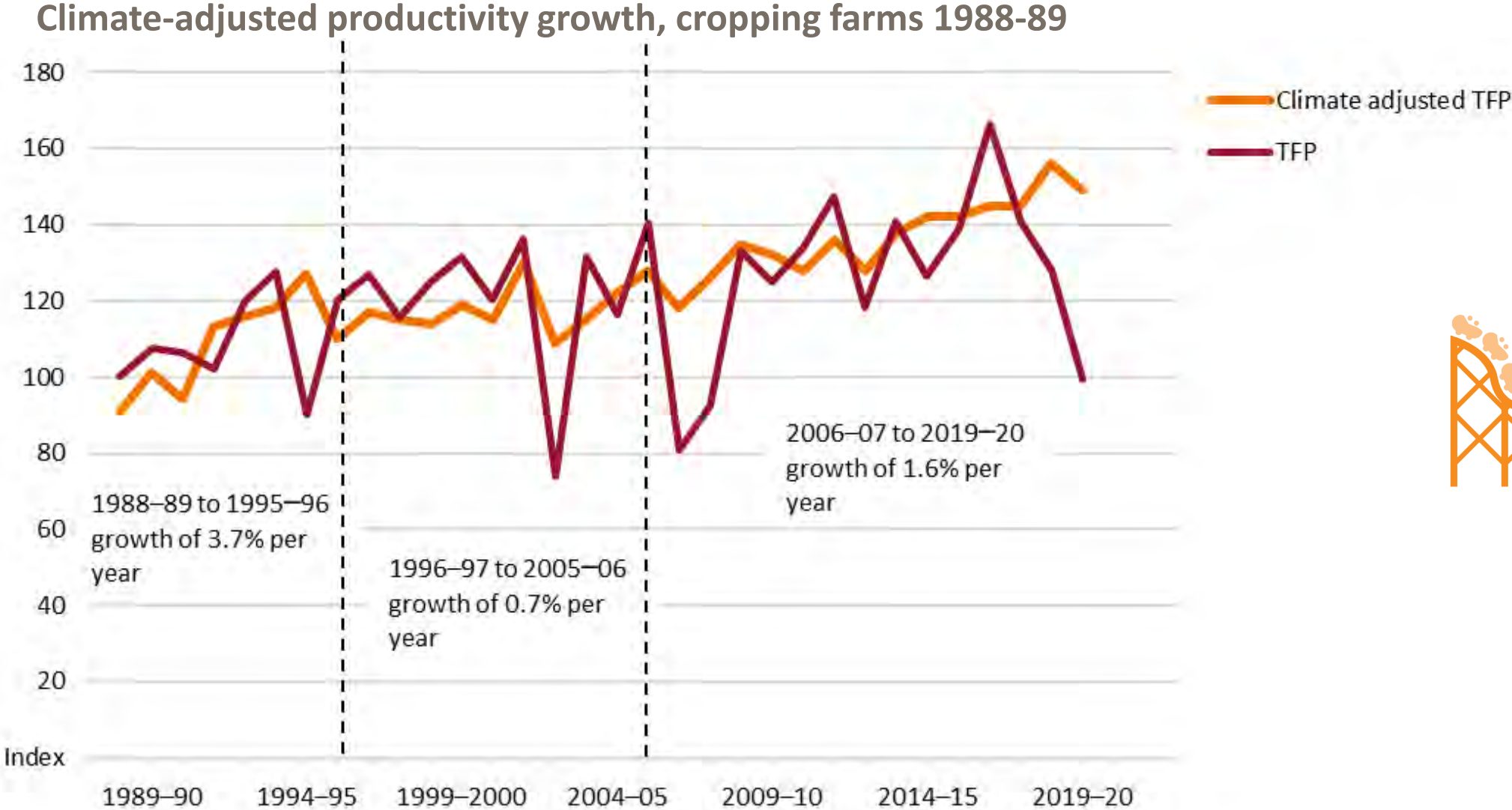


Exports



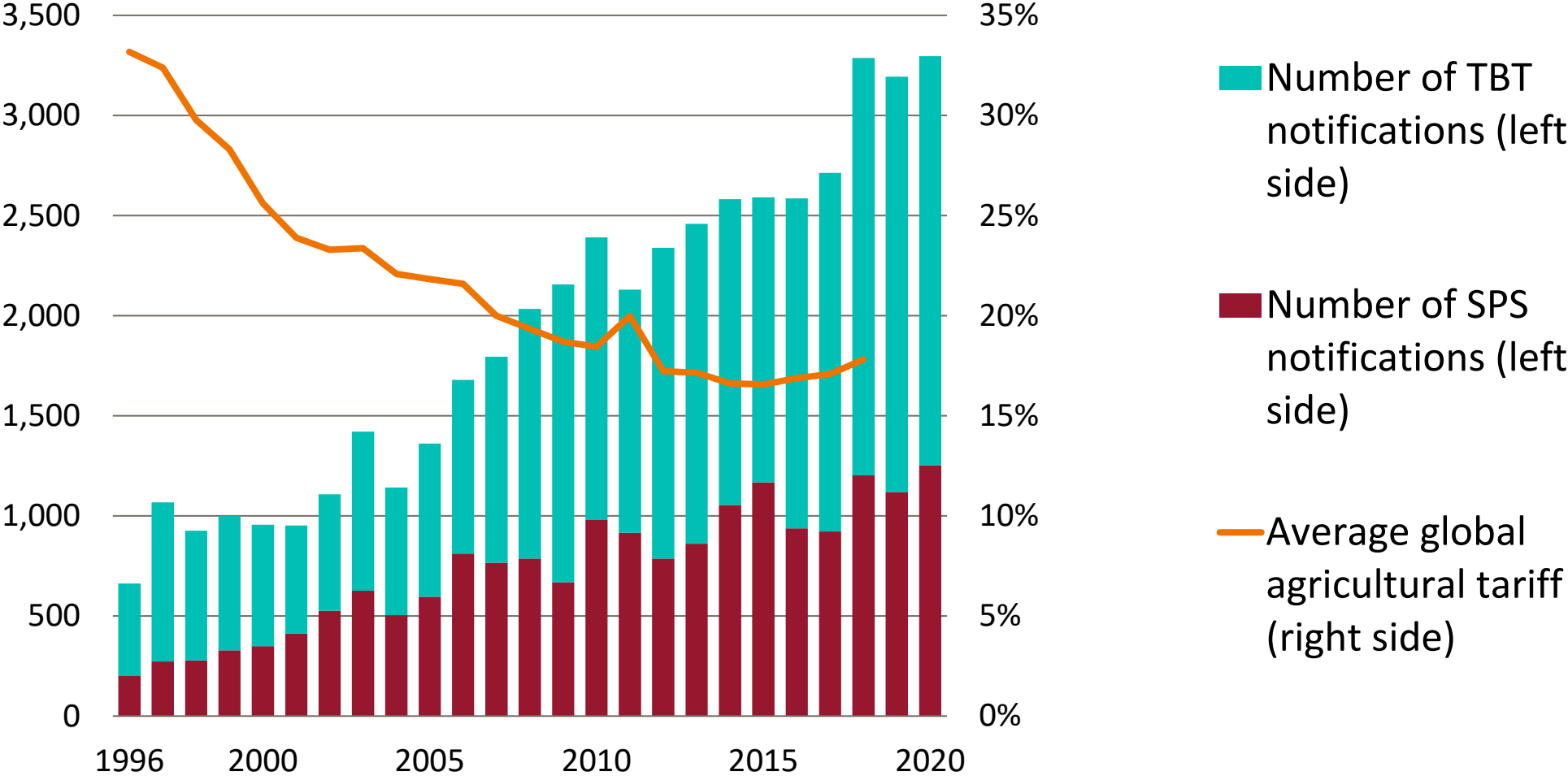
Chain volume measures. f Forecast.

Ongoing productivity growth needed to weather the future



We know market access will be key

More work needed to address global tariffs and rising NTMs



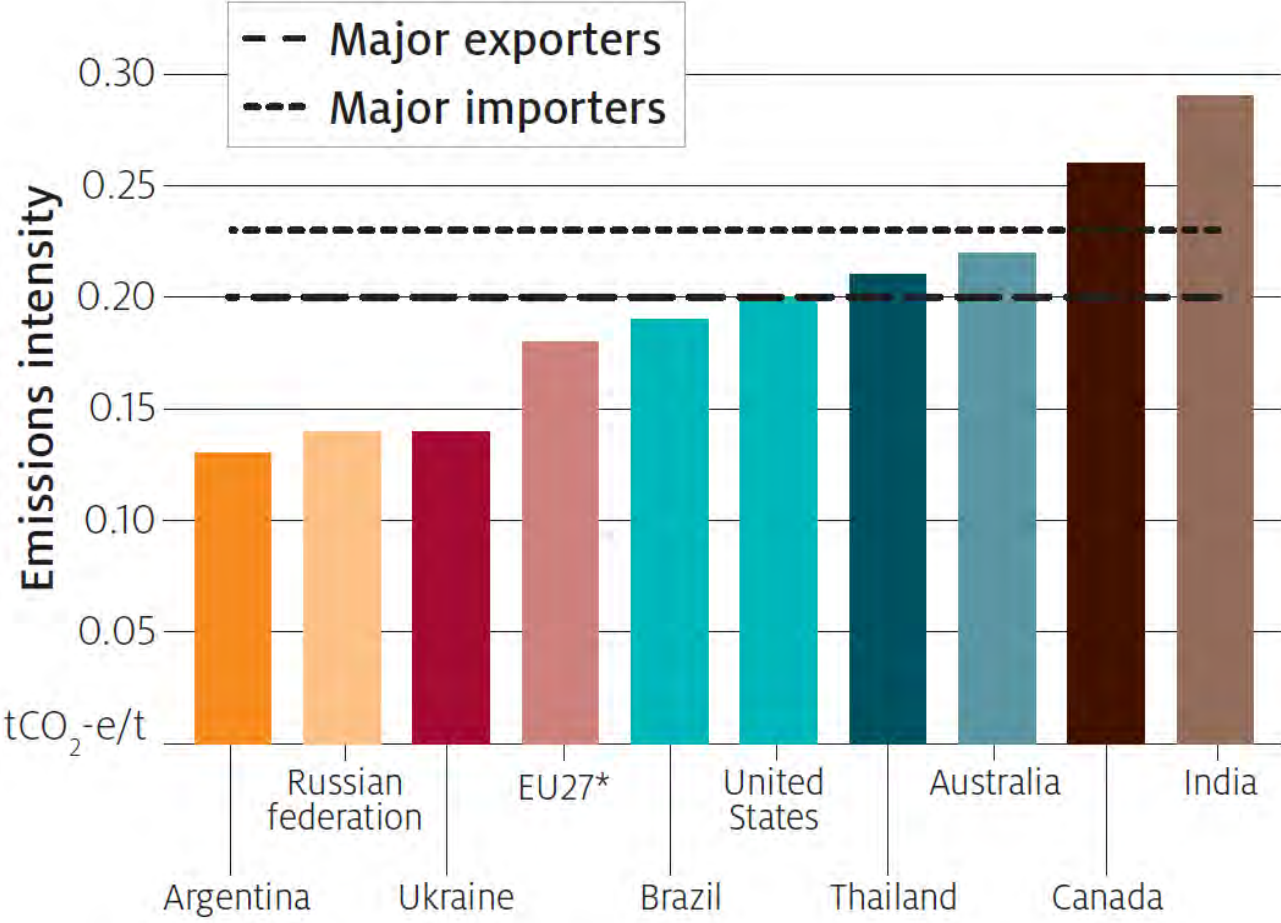


**More from
less to stay
competitive
and be
competitively
sustainable**



Opportunities also exist: emission intensity

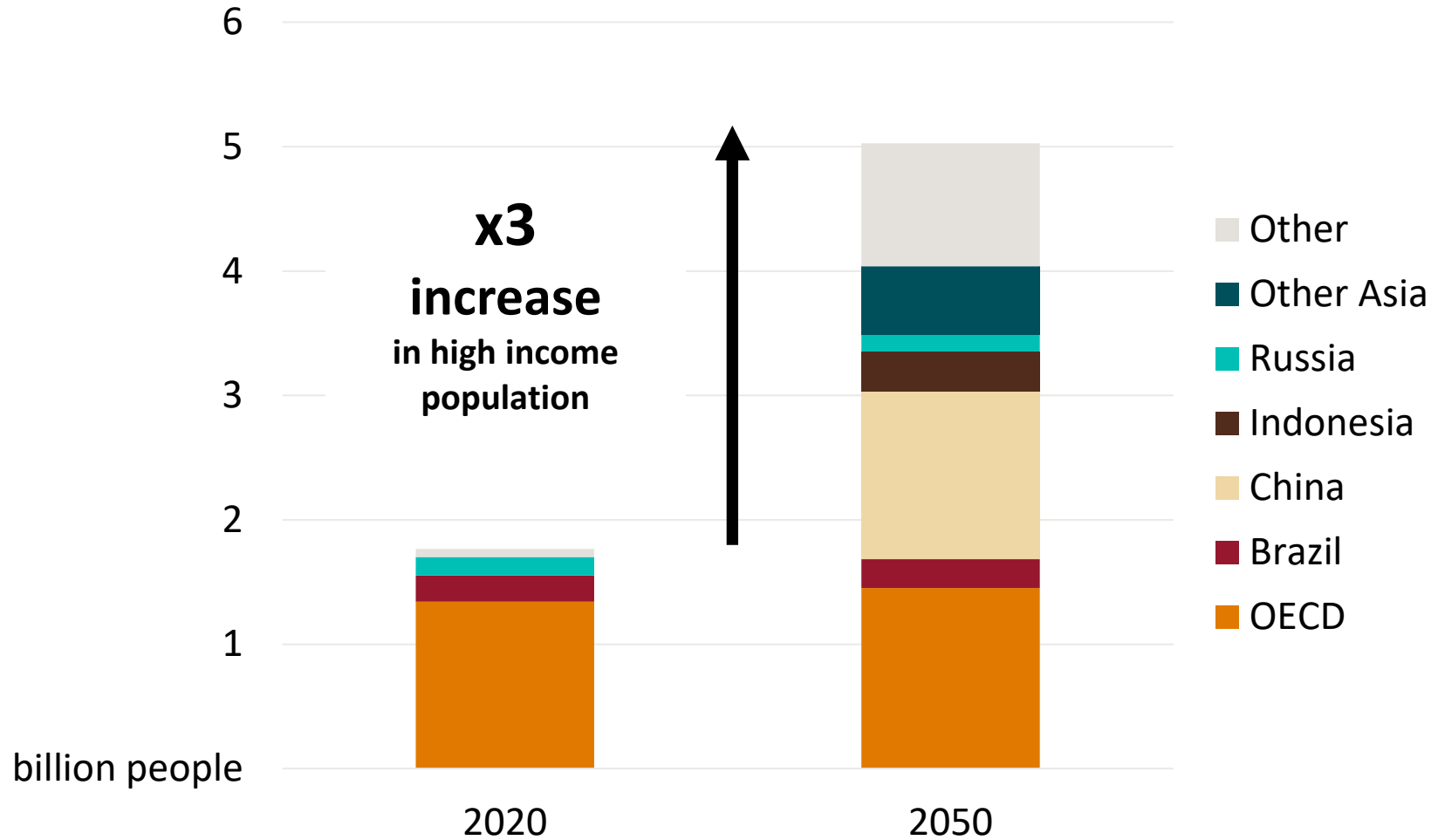
Beef emissions



Source: Greenville et al. 2020 Insights (2020.10); FAO 2020

3 billion more good reasons

Population in countries exceeding high income threshold, 2020 and 2050



Notes: Figure shows modelled real GDP per capita by countries and regions, for 2020 and 2050, in 2015 dollars (excluding the effect of inflation). The high income threshold is US \$12,000 GDP per capita, based on World Bank (2014). OECD Includes Asian OECD nations Japan and South Korea, and non-OECD countries Bulgaria, Croatia, Lithuania and Romania.

Data Source: unpublished data for Existing Trends scenario, IRP (2019)



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