



Australian Government

Department of Agriculture,
Fisheries and Forestry
ABARES

Australian agriculture outlook

Kurt Hockey

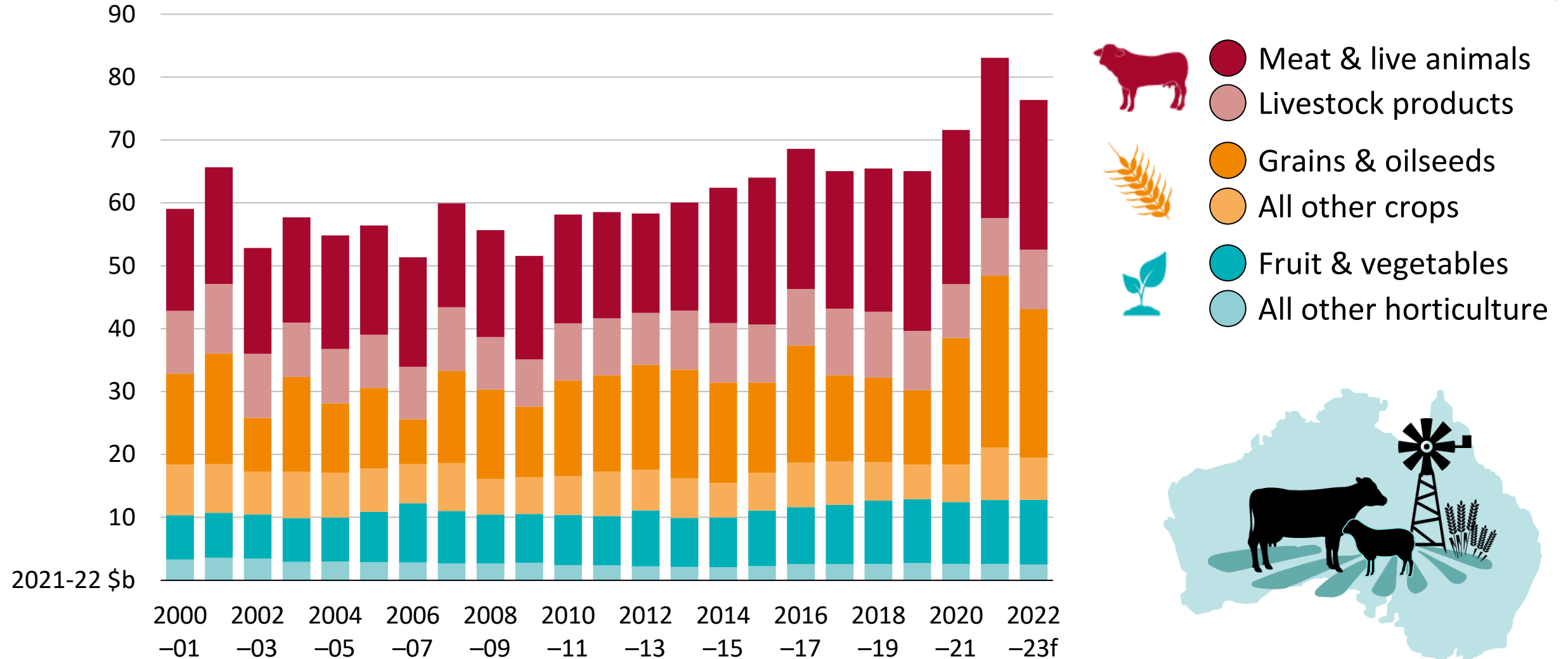
**ABARES: the Australian Bureau of Agricultural
and Resource Economics and Sciences**

27 July 2022



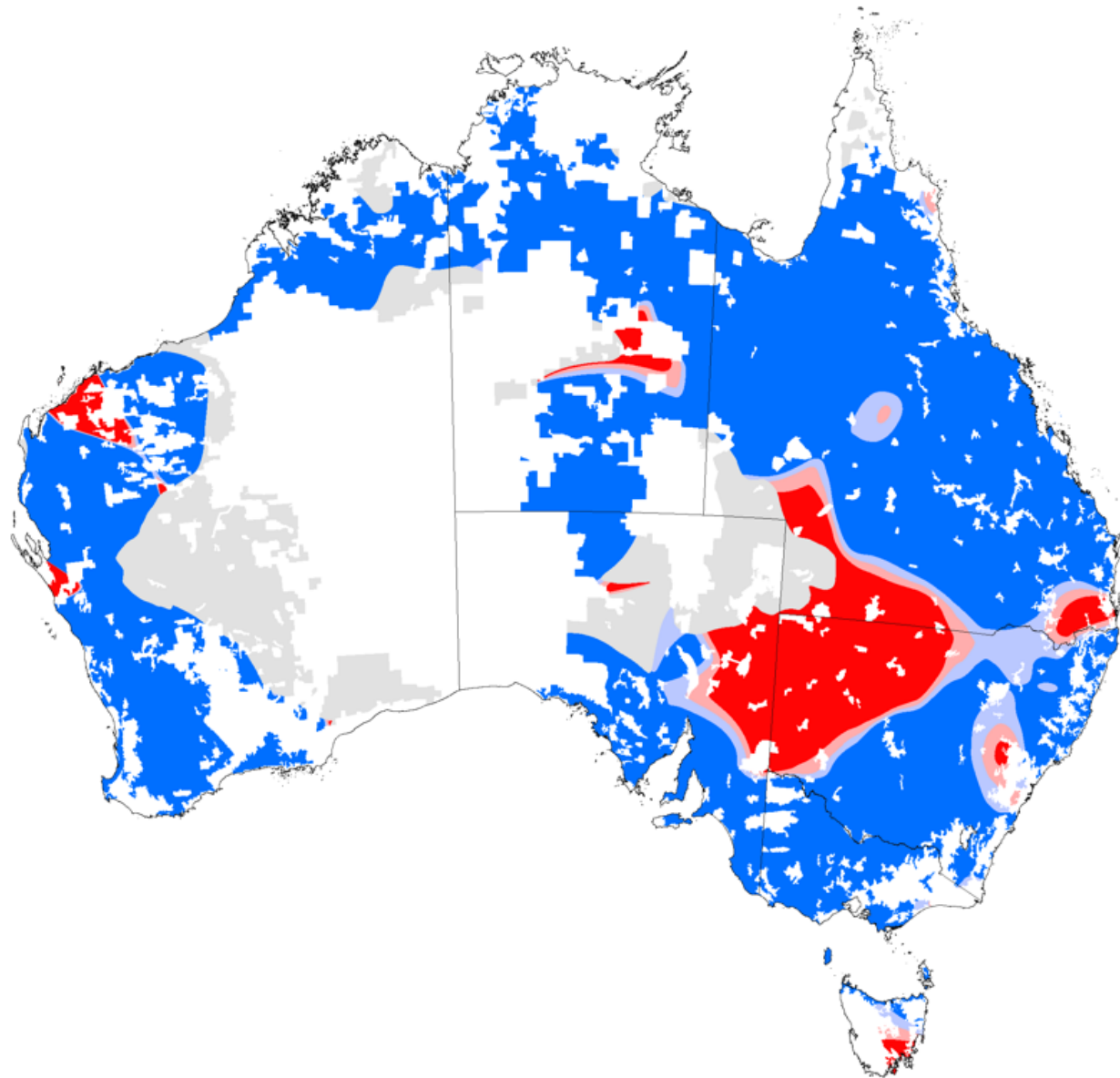
Research by the
Australian Bureau of Agricultural and Resource Economics and Sciences

Australian agriculture at a high point



Gross value of Australian agricultural production. f Forecast.

On the rebound: 2021-22 farm cash incomes



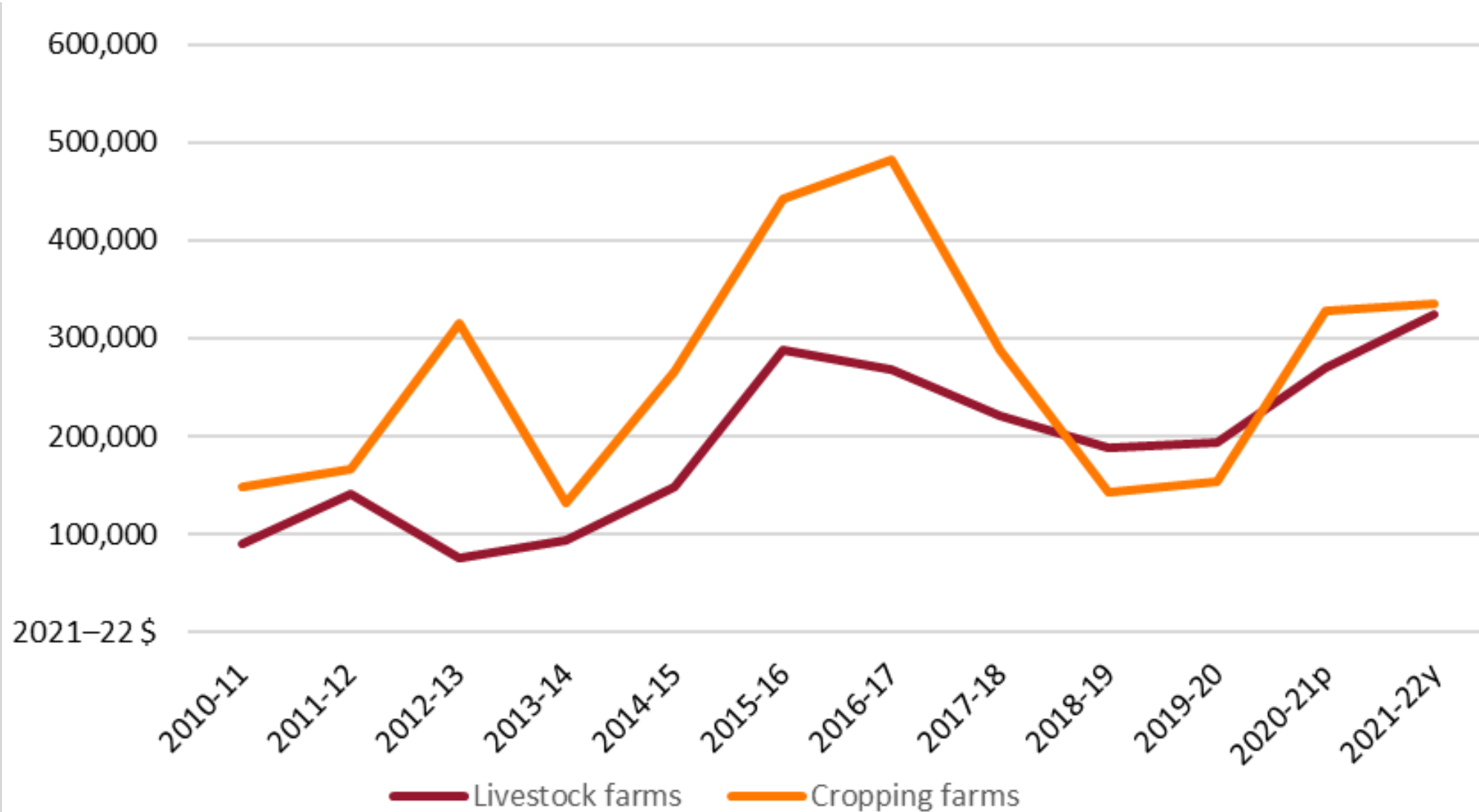
**Current broadacre farm cash
income compared to the 10-year
average from 2011–12 to 2020–21**

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

Farm cash income



Darling Downs – Maranoa region, 2010-11 to 2021-22

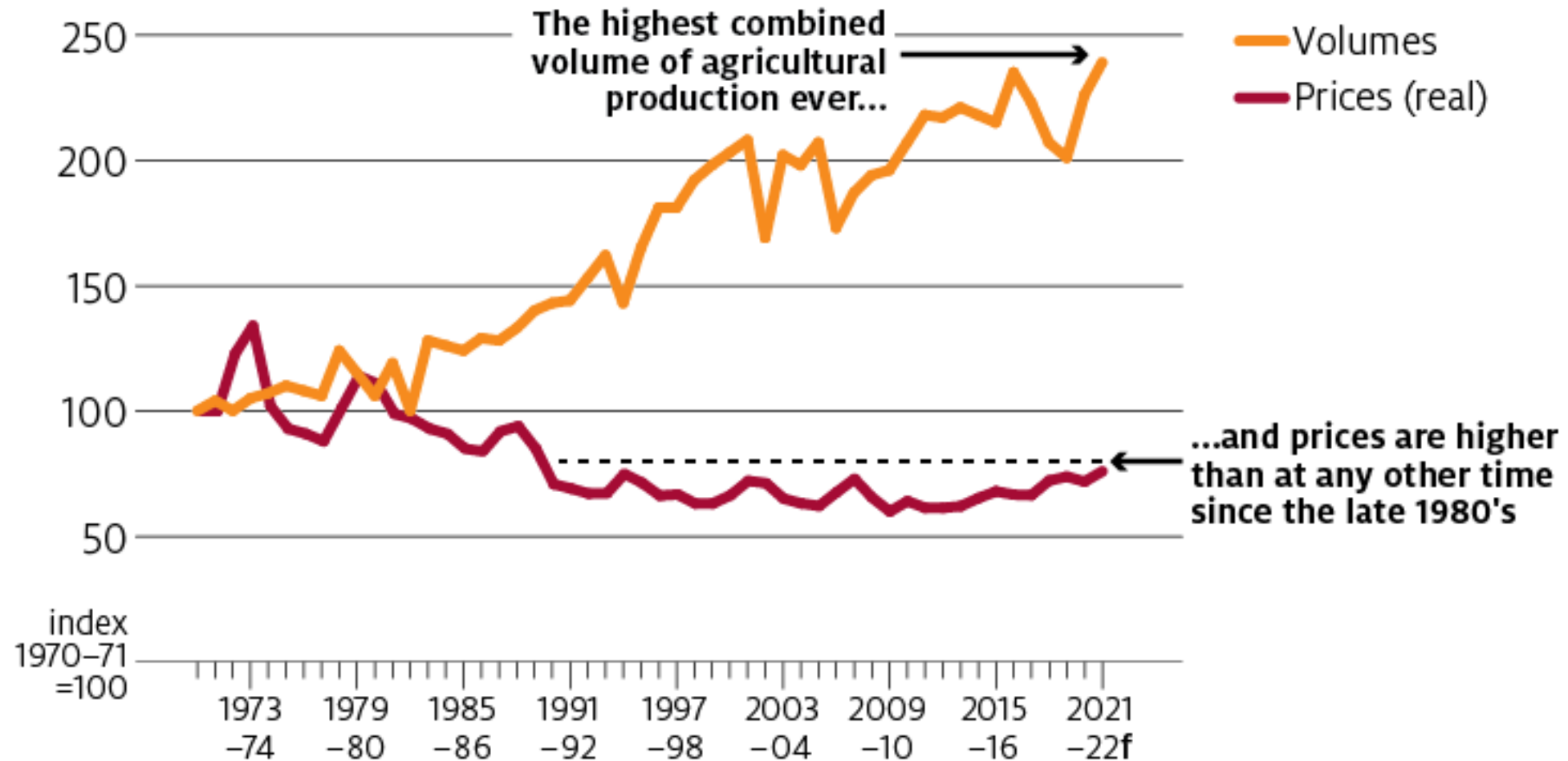




Value of Australian agricultural exports. **f** Forecast.



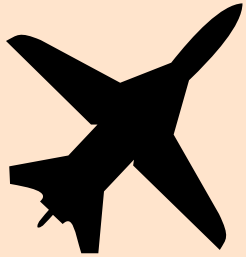
The high country: prices, volume tell the story



High prices and uncertainty to feature in 2022-23



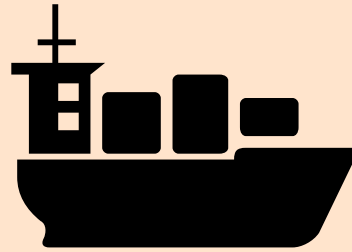
War in Ukraine



Impacts on Ukraine supply, uncertainty over nature of Russian exports

Implications for global growth

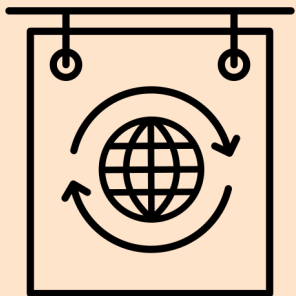
Freight & logistics



Costs have increased worldwide for bulk & container shipping

Record harvests pose logistics challenge

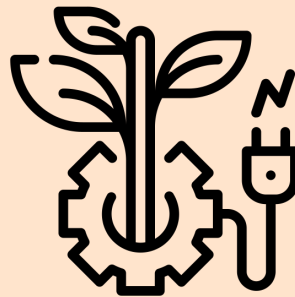
Trade relations



Responses to global conditions and risks of export restrictions.

Tense trading environment

Climate conditions



Seasonal outlook suggests below average production in major grain and oilseed regions



Long-term Megatrends

A more contested
international trading
landscape

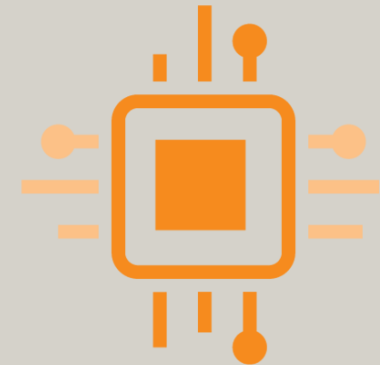


A changing climate

The need for
continued productivity
growth



An increasing number of
high-income consumers

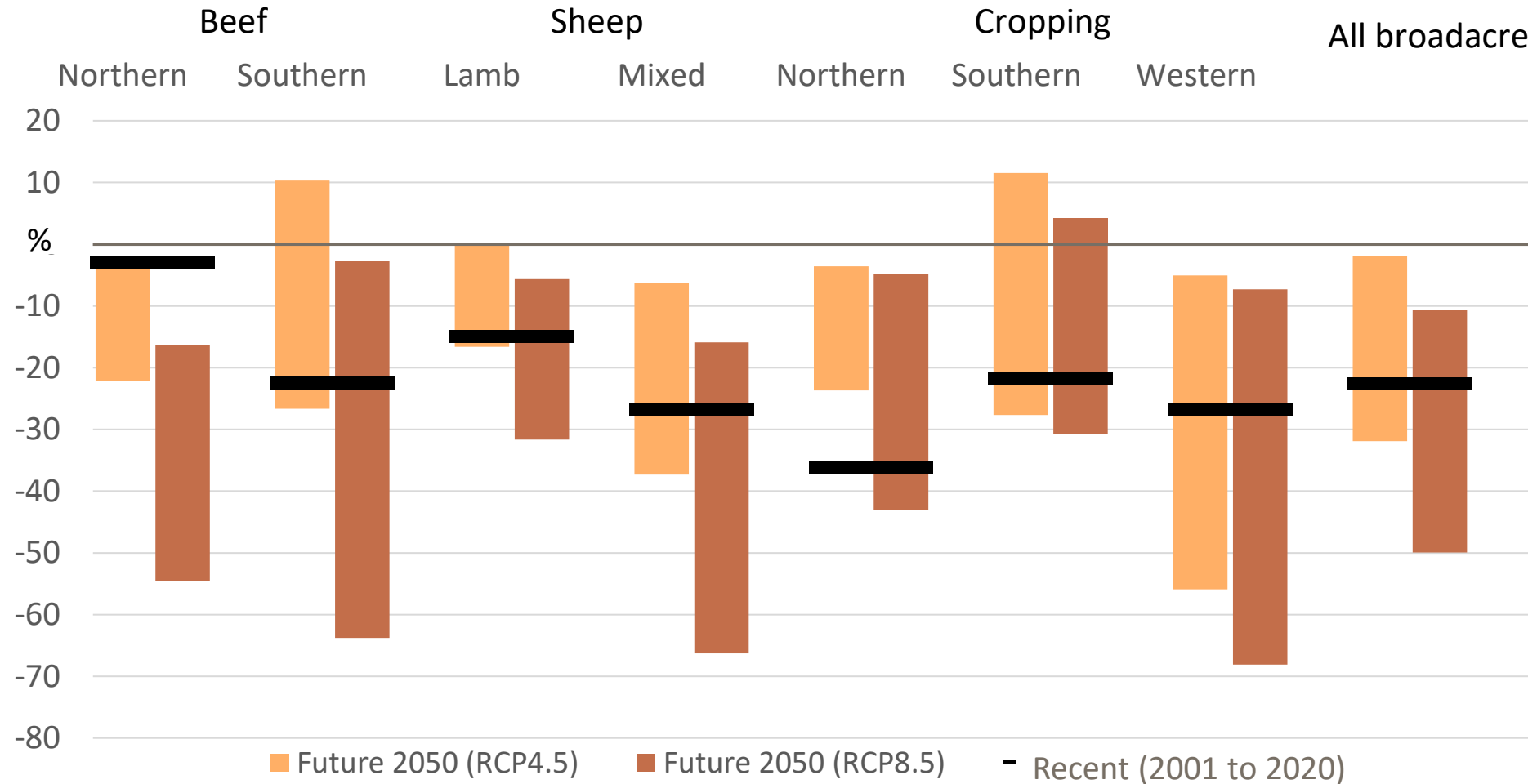


Disruptive
technologies

Our future climate is uncertain, but it won't look like the past



Percentage change in farm profits relative to the *Historical (1950 to 2000)* period by farm group



RCP4.5 ~+2.4°C
-2% to -32%

RCP8.5~+4°C
-11% to -50%



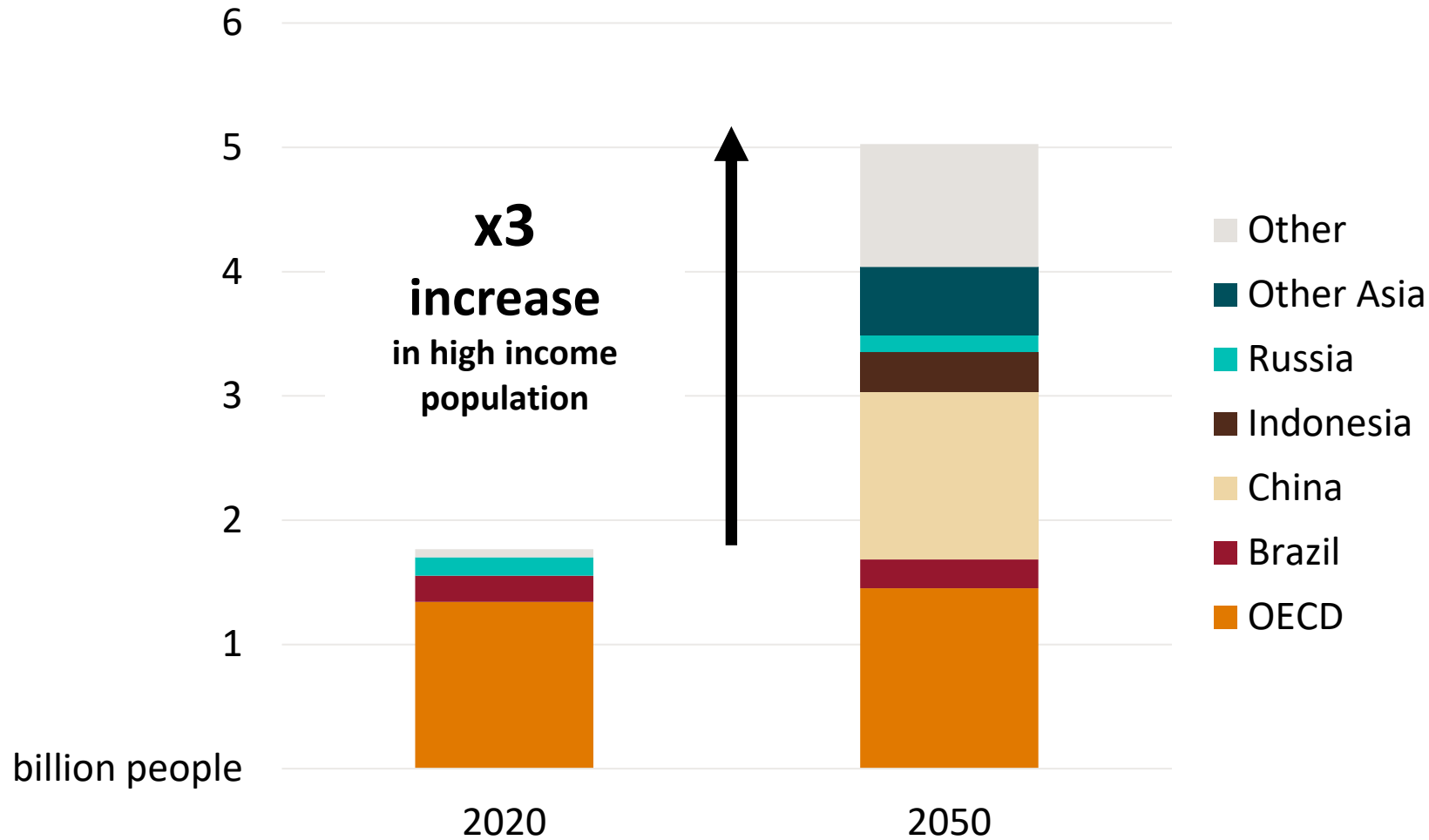
**More from
less to stay
competitive
and be
competitively
sustainable**



3 billion more good reasons for optimism



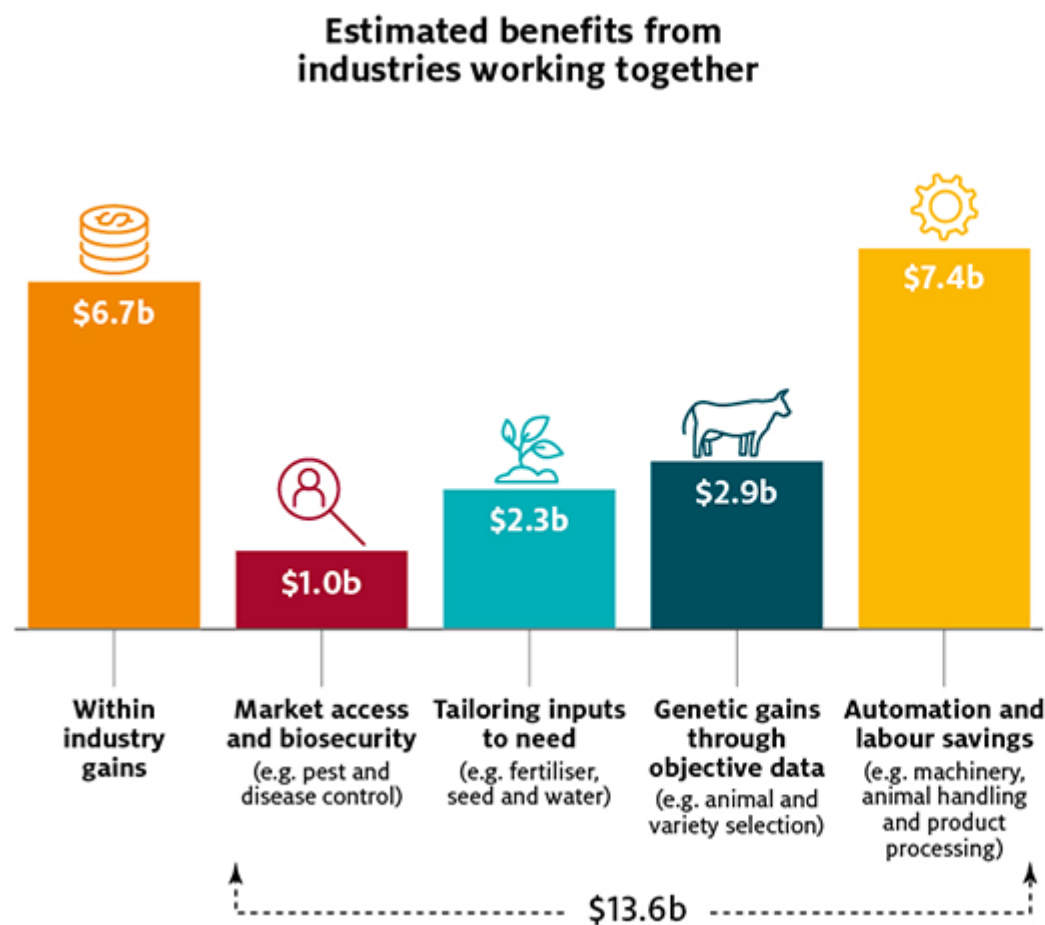
Population in countries exceeding high income threshold, 2020 and 2050



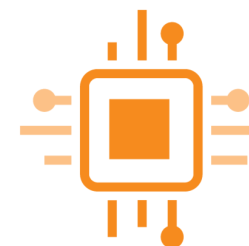
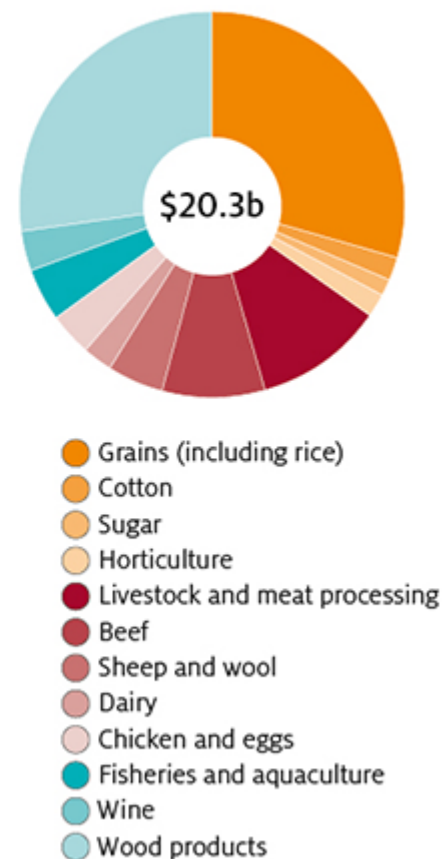
Notes: Figure shows modelled real GDP per capita by countries and regions, for 2020 and 2050, in 2015 dollars (excluding the effect of inflation). The high income threshold is US \$12,000 GDP per capita, based on World Bank (2014). OECD Includes Asian OECD nations Japan and South Korea, and non-OECD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

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

Digital agriculture could unlock significant benefits



Estimated total benefits by industry





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