Australia’s grains industry in 2030

Prof Ross Kingwell
ABARES National Outlook 2020
Key Messages

Australia’s grains industry will experience important structural change towards 2030 due to population growth, diet and the challenge of climate change.
Climate change

it’s limiting winter crop yield

it’s causing extensive livestock production to be more dependent on supplementary grain feeding.
Declining rainfall
Warmer springs
Wheat yield annual improvement since 1990
Key Messages

East Coast & SA farmers are likely to further increase their grain storages, feed grain production and domestic marketing of grain. WA farmers less so.
Key Messages

Grain export will remain of key importance to Australia.
The Outlook for Australia’s Grains Industry in 2030

Demand Drivers

Population (Local and global)

Income & Diet
Local Population Change

By 2030, ~ 30 million Australians.
Population density

5 million

~¾ will reside here
Diets

Direct consumption of grains

Indirect consumption of grains
Australia’s per capita consumption of meats

Per capita consumption (kg)

- Beef & Veal (kg)
- Lamb & Mutton (kg)
- Pork (kg)
- Chicken (kg)
Australia’s per capita consumption of meat

Per capita meat consumption (kg)

0 20 40 60 80 100 120


Australia’s per capita consumption of meat
Australia’s total consumption of various meats

Meat consumption (m. kg)

- Beef & Veal
- Lamb & Mutton
- Pork
- Chicken
- Total

Graph showing the consumption of various meats from 1974-75 to 2016-17.
Key messages...so far

- Our per capita meat consumption is not changing much.... BUT the mix of meats IS changing.
Key messages….so far

• Poultry and pork are increasingly important.
Key messages….so far

• Population growth is helping offset the per capita decline in beef and lamb consumption.
What industries are using feed grains?

Feed grain use in 2017/18 (mmt)

- Beef: 3.5mmt
- Poultry: 3mmt
- Dairy: 2.5mmt
- Pork: 1.5mmt
- Eggs: 1mmt
- Horses: 0.5mmt
- Sheep: 0.5mmt
- Other: 0.5mmt
- Aquaculture: 0.5mmt

Source: Spragg (2018)

13.5mmt
By 2030?

Feed grain demand in Australia will increase by up to 2.5mmt.

Drought will increase demand for feed grains and fodder in beef, dairying and sheep production.

Most of the feed grain demand will arise in eastern Australia.
Also by 2030

The increase in Australia’s population will require ~ 0.8mmt of extra grain for flour and malt production.

Most of this additional demand will be in eastern Australia.
How might Australian grain producers respond towards 2030?

• More grain storage
More feed grain production
More regional flows of grain and feed.
Grain flows in the 2018/19 drought
Regional grain flows in 2018/19

- **Average Production**
- **2018/19 Production**
- **2018/19 Domestic Consumption**

![Bar chart showing regional grain flows in 2018/19 for NSW, Vic, and Qld.](chart.png)

- **NSW**
  - Average Production: 10.0
  - 2018/19 Production: 3.0
  - 2018/19 Domestic Consumption: 5.0

- **Vic**
  - Average Production: 6.0
  - 2018/19 Production: 3.0
  - 2018/19 Domestic Consumption: 3.0

- **Qld**
  - Average Production: 4.0
  - 2018/19 Production: 2.0
  - 2018/19 Domestic Consumption: 2.0

[chart.png](chart.png)
Regional grain flows in 2018/19

- **NSW**: 11.0 Million tonnes
- **Vic**: 6.0 Million tonnes
- **Qld**: 4.0 Million tonnes

- **Average Production**
- **2018/19 Production**
- **2018/19 Domestic Consumption**
Coastal shipping flows from or into each State in 2017/18 and 2018/19

Source: Based on data in an appendix in ACCC (2019)
Coastal shipping flows from or into each State in 2017/18 and 2018/19

Source: Based on data in an appendix in ACCC (2019)
Other things to note towards 2030…….

- Inland rail due for completion ~2025
Other things to note……..

• SA building new grain port terminals

T-Ports Wallaroo

Cape Hardy
Other things to note……

• High-yielding feed grains for high rainfall regions
Other things to note…….

- Improved feed efficiency (animal breeding)
Key Messages

• Australia’s grains industry will experience important structural change towards 2030 due to population growth, dietary change and the challenge of climate change.

• East Coast and SA farmers are likely to increase grain storage, feed grain production and pursue more domestic market opportunities. WA farmers, less so.

• Some useful R&D and industry opportunities ahead.

• Greater regional flows of grain and feed.

• International grain export will remain crucial for WA and SA farmers.
THANK YOU

Email: ross.kingwell@aegic.org.au