



Australian Government

Department of Agriculture, Water and the Environment
ABARES



2021
OUTLOOK
awe.gov.au/abares

milk or Milk[©] ?

Understanding an evolving
playing field for industry and
government

Andrew Cameron

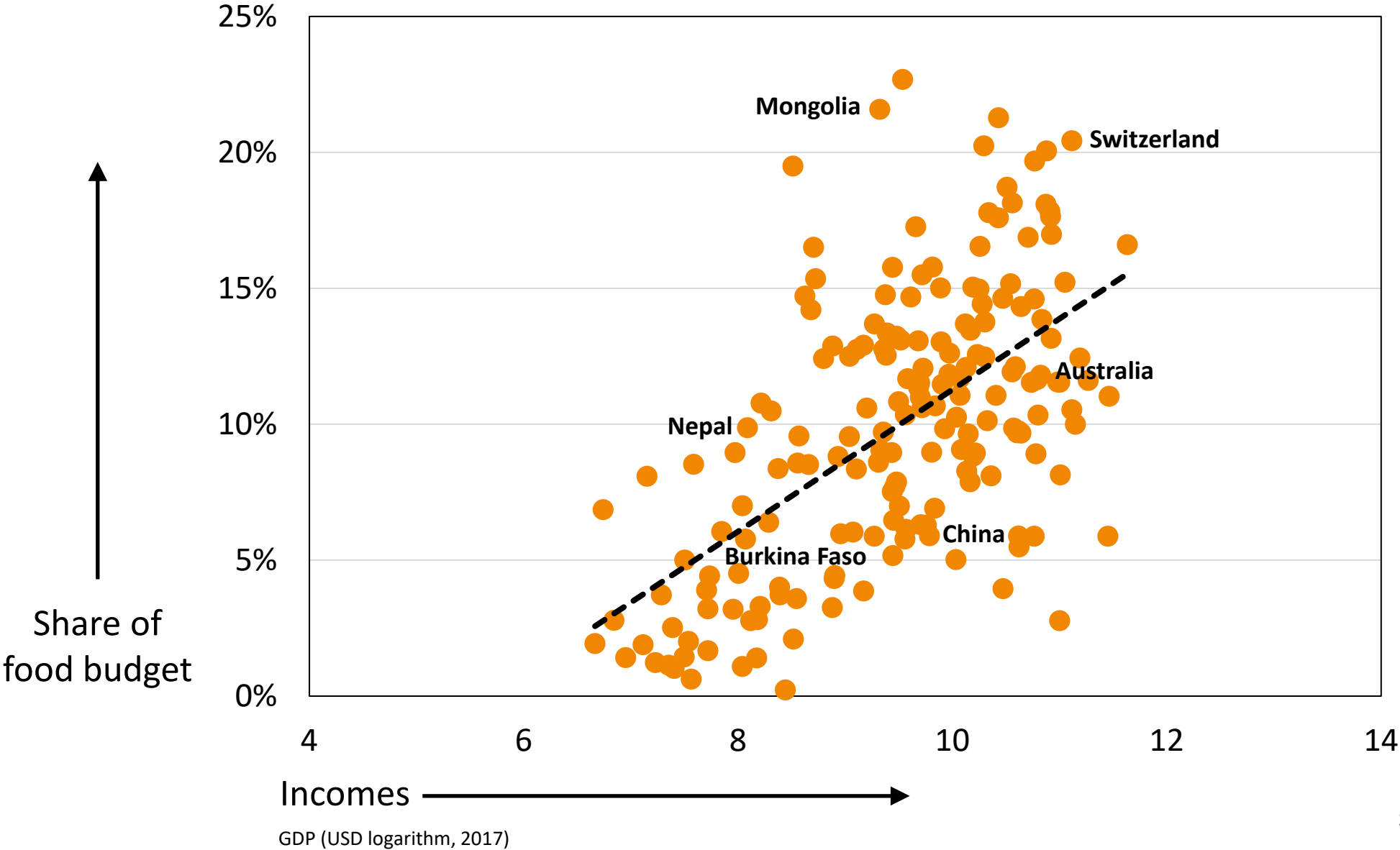
**Australian Bureau of Agricultural
and Resource Economics and Sciences**

2 – 5 March 2021



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

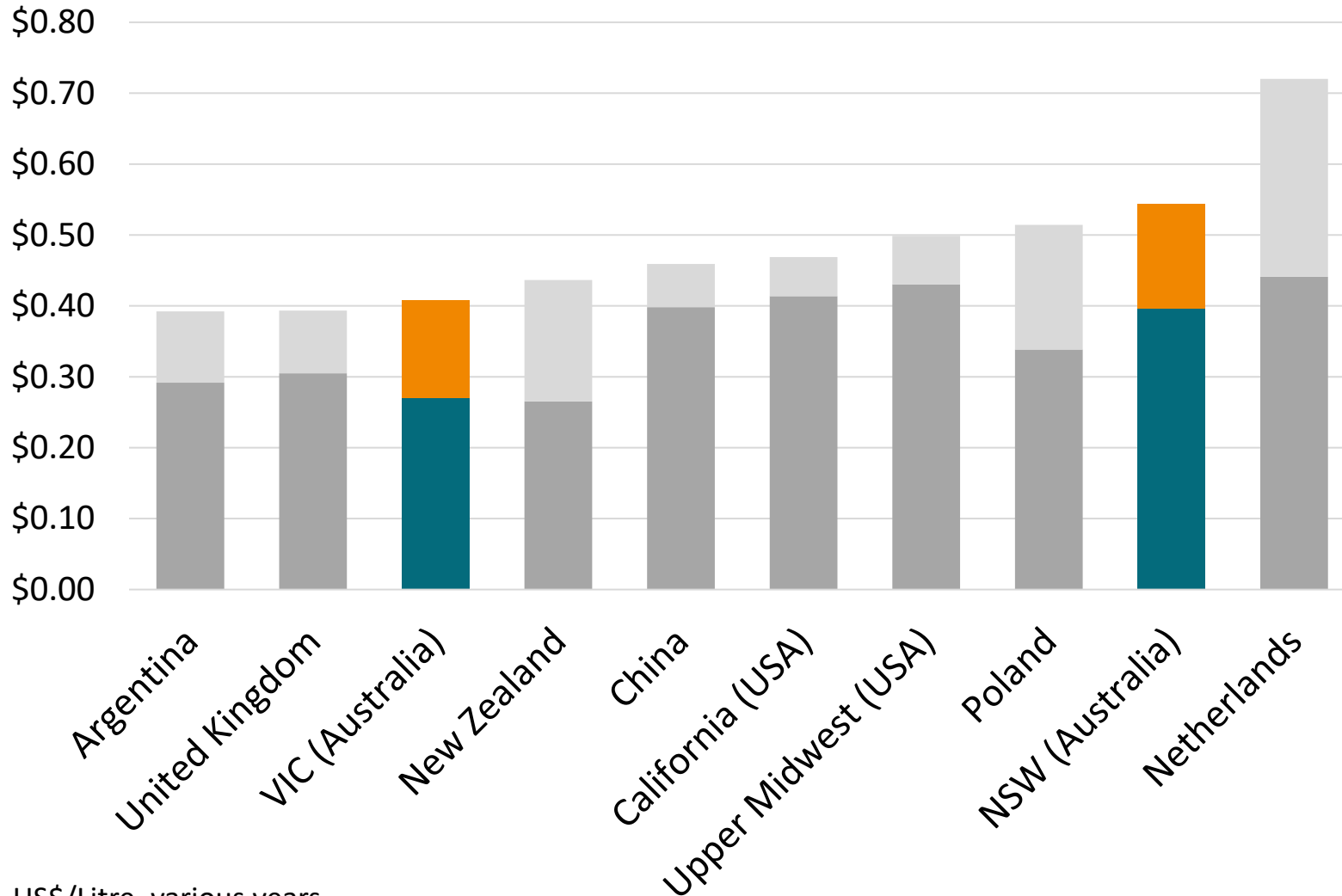
Dairy spending grows with incomes



Source: World Bank International Comparison Program, 2017 data

Australia has a comparative advantage here

Raw milk production costs (lower is better)



Raw milk is the **single largest input cost** for manufacturers

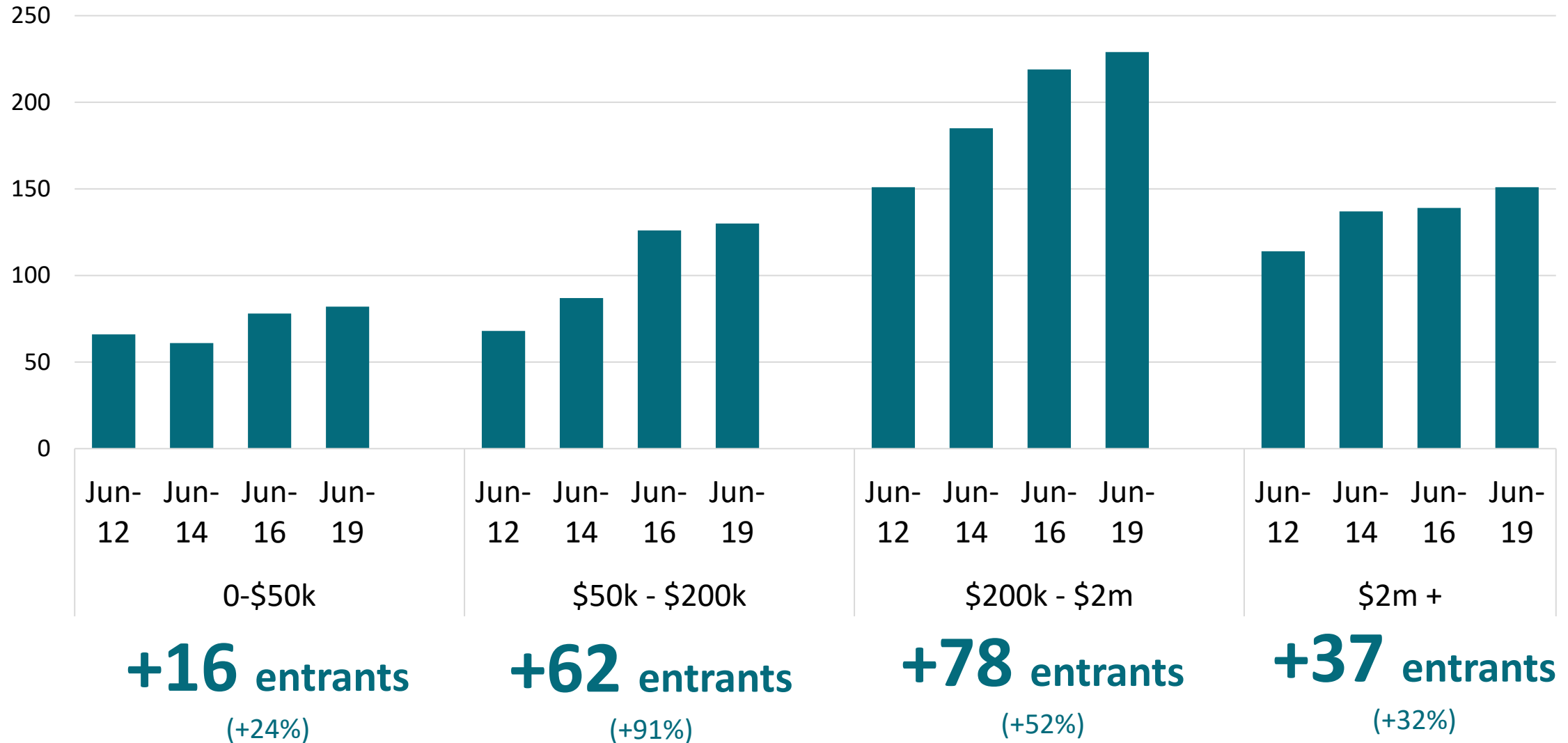
- Other costs
- Farm working expenses

US\$/Litre, various years

Adapted from Productivity Commission 2014, *Relative Costs of Doing Business in Australia: Dairy Product Manufacturing*

Firms are entering dairy manufacturing at all levels

Counts of dairy manufacturing businesses by year, 2012 to 2019



Source: ABS Counts of Australian Businesses, various years

Food regulation



Created by AmOkay
from Noun Project

Key source of Australian advantage

Health claims a watch point

Competition policy

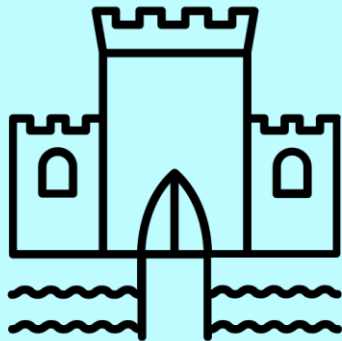


Created by Lars Meieroberens
from Noun Project

Does this play to our strengths?

Who benefits, and who might lose?

Is there a moat?



Created by Made
from Noun Project

Is it unique?

Can it be copied?

Innovation/ R & D



Created by Maxim Kulikov
from Noun Project

Rural innovation system under spotlight

Government funding has fallen over long period



Australian Government

Department of Agriculture, Water and the Environment
ABARES



2021
OUTLOOK
awe.gov.au/abares

awe.gov.au/abares

