Why Agricultural Trade Matters?

ABARES Agricultural Outlook Conference 2021

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Main Themes

- Why is agricultural trade important?
- Why do we see so many trade barriers?
- What can we do about it?
Why Agricultural Trade is Good

- Raises real incomes
- Improves the distribution of income
- Reduces volatility
National Yield Volatility vs Global Volatility, Std Dev %

- Wheat Australia
- Wheat World
- Beef Australia
- Beef World
Nominal Rate of Protection, %

Ag Incentives Consortium, Weighted Average
Why the huge barriers?

- Special interests
- Self-sufficiency
- Price insulation
Price insulation for staples
What to do about it?

▪ Information

▪ Negotiations
  o Bilateral
  o Regional
  o Multilateral

▪ Engagement
  o Resist proposals for protection
  o Support a positive agenda for reform