

THE FUTURE OF AGRICULTURE

--one perspective

Chris Oldfield
chief executive officer
Tasmanian Farmers and Graziers Association

The big picture

- ▣ Australian farmers produce 93% of domestic food supply
- ▣ Export 61% (in volume) and 80% (in value) of total agricultural production

-- ABARE, Australian Commodity Statistics, 2007

The big picture

- ▣ Australian farms generate \$103 billion a year in production
- ▣ 12% of GDP

-- *Australia's Farm Dependent Economy Report, 2005*

- ▣ consistently achieve average multifactor productivity growth of 2.8% a year

-- Australian Government Productivity Commission, *Trends in Australian Agriculture, 2005*

The big picture

- ▣ Agriculture supports 1.6 million Australian jobs, most of them in the six capital cities
- ▣ 17.2% of the national workforce
- ▣ 300,000 people directly employed in the Australian farm sector (February 2008)
- ▣ 3% of the national workforce.

Employment

State	Direct jobs
NSW	82,000
VIC	68,000
QLD	64,000
WA	37,000
SA	33,000
TAS	12,500
NT	2700
ACT	300

Gross value

- ▣ \$35.6 billion p.a. (farm gate)

Commodity	value
Cattle and calves	\$8 billion
Milk	\$3.2 billion
Wheat	\$2.5 billion

-- Australian Bureau of Statistics, *Value of Principal Agricultural Commodities Produced*, Preliminary 2006/2007

Tasmanian production

Tasmania	(gross value)
Milk	\$234 million
Cattle and calves	\$173 million
Vegetables	\$169 million

--Australian Bureau of Statistics, Value of Principal Agricultural Commodities Produced, Preliminary 2006/2007

Tasmanian production

Tasmania	By production
Milk	642 million litres
Cattle and calves	58,000 tonnes

- Australian Bureau of Statistics, Agricultural Commodities 2005/2006

Where are the farms?

State	No. of farms	% of total
NSW	43,268	31.4
Victoria	33,310	24.1
Queensland	28,905	21
South Australia	14,901	10.8
Western Australia	12,872	9.3
Tasmania	4068	2.9
Northern Territory	564	0.4
ACT	81	0.06

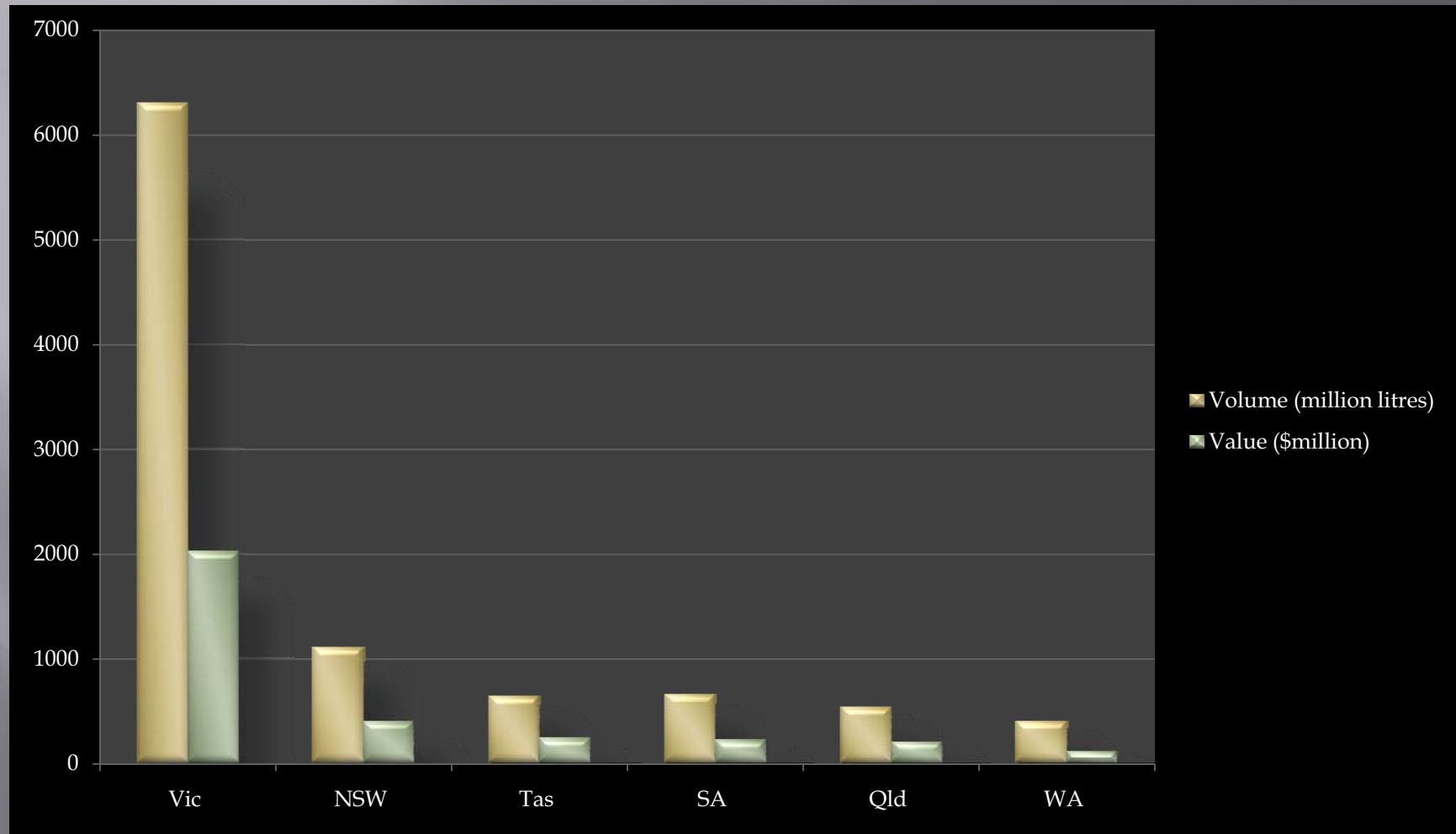
Dairy herds

State	Properties	Herd
Vic	5346	1.18 million
NSW	924	205,000
Qld	734	125,000
Tas	475	135,000
SA	354	100,000
WA	222	65,000

Whole milk production

State	Volume (million litres)	Value (\$million)
Vic	6297	2016.3
NSW	1104	394.3
Tas	643	234.3
SA	654	213.7
Qld	534	207.1
WA	394	111.9

Whole milk production



How Aus farmers are positioned

Positives

- ❑ Australia is positioned well to the rapidly growing Asian markets
- ❑ Australian farmers, with high exposure to the global marketplace, can and will respond to clear market signals
- ❑ Australian farmers low intensity emitters of carbon (important consideration with modern consumers)
- ❑ Australian farmers are improving their utilisation of scarce resources through:
 - More efficient use of water (irrigation technologies)
 - High uptake of technologies (GPS, minimum till, biotechnology, machinery)
 - Creative marketing initiatives and foresight (eg: NLIS)
 - Up-skilling of labour resources

How Aus farmers are positioned

Challenges

- ❑ Labour is in short supply
- ❑ Australian dollar driven high by strong commodity prices (particularly for resources)
- ❑ Input prices are escalating (fuel, , chemicals, debt financing)
- ❑ Slow progress in multilateral trade negotiations (Doha Round)
- ❑ Increased risk from competitive bilateral free trade agreements
- ❑ Dilapidated freight transport infrastructure
- ❑ Regulatory inconsistencies (transport, taxation environment)

Tasmania's Brand values



Key values and associations

- pristine, green, natural, clean
- relaxed, unhurried, stress-free lifestyle
- warm, welcoming, genuine
- step back in time, different
- small, separate, secluded, safe

Key values and associations

Tourism

wilderness
trees
national parks
rivers, coasts
unspoilt

Lifestyle

healthy
wholesome
not urbanised
community
relaxed

Produce
clean fresh quality

The importance of quality

- ▣ An underlying value that could be better harnessed
- ▣ Air, environment, produce
- ▣ Characteristic of quality resonates with Tasmania
- ▣ World-class
- ▣ Best practice
- ▣ Worth paying for

Brand

- ▣ The Tasmanian Brand is unique
- ▣ the brand is strong but some values need greater investment
- ▣ some weaknesses need to be addressed
- ▣ Tasmania's core values are:
 - pristine
 - warm
 - welcoming
 - relaxed
 - step back in time
 - small
 - secluded

Conclusion

- ▣ Australian farmers are well positioned to capitalise on record agricultural commodity prices
- ▣ But challenges need to be addressed head-on or the opportunities could be diminished
- ▣ Australian agriculture has demonstrated an amazing ability to adapt to change when provided with an appropriate market environment
- ▣ Government must also play a role, particularly in the trade liberalisation, infrastructure and regulatory areas

Current TFGA challenges

- ▣ **Irrigation Development Board issues:**
 - Farmer representation on the IDB
 - Water rights 'capital' funding
 - Compulsory acquisition issues
- ▣ **Enzootic Bovine Leucosis (EBL)**
 - Request to State Government to assist in funding
- ▣ **Midlands fire-damaged fences**
 - No action to date
- ▣ **King Island abattoir**
 - TFES
 - Brand protection

Current TFGA challenges

- ▣ **Longford abattoir lamb skin tendering**
 - TFGA continues to promote alternatives
- ▣ **Native grasslands**
 - Potential major impact on irrigation projects
 - Significant campaign required
- ▣ **Clyde River**
 - Federal Government EPBC Act issues similar to native grasses
- ▣ **Council rates increases**
 - State Government willing to discuss alternatives
- ▣ **Aurora increases**

Current TFGA challenges

- ▣ **Duck River**
 - State Government to organise joint meeting with Government/TFGA/producers
- ▣ **Flinders, King and Bruny Islands Shipping Inquiry**
 - TFGA preparing submission and has requested input from island branches
- ▣ **TPI and the Tasmanian Poppy Growers Association**
 - TFGA approached by TPI growers requesting representation
 - TPGA informed of TFGA actions
- ▣ **DPIW staffing cuts**
 - TFGA briefed by Government but seeking additional information

Current TFGA challenges

- ▣ **Cloud seeding**
 - Proposal to call a stakeholders meeting
- ▣ **Animal welfare**
- ▣ **2010 State Budget**
 - Input required by October
- ▣ **Membership**
 - New Circular Head branch operating well
 - Approaches received to consider establishing a North West Branch