Policy issues for Australian agriculture

Daryl Quinlivan

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Policy issues for Australian agriculture

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3 Feb 2016
Contributions to growth in average incomes – needed for long run GNI growth

Note: No contribution from foreign income flows assumed to 2022. Long-run GNI growth of 2.3 per cent a year.
Source: ABS cat. no. 5204.0, unpublished ABS data, Treasury calculations and PC calculations.
Contributions to growth in average incomes – for the decade to 2022

Note: No contribution from foreign income flows assumed to 2022. Long-run GNI growth of 2.3 per cent a year. Source: ABS cat. no. 5204.0, unpublished ABS data, Treasury calculations and PC calculations.
Utilisation of Australian beef production

2010-11
- Domestic Utilisation: 36%
- United States: 11%
- Japan: 24%
- Republic of Korea: 10%
- Other export markets: 19%

2014-15
- Domestic Utilisation: 26%
- United States: 26%
- Japan: 17%
- Republic of Korea: 9%
- Other export markets: 22%
Australian live cattle exports by market

'000 head


Other markets  Malaysia  Israel  Vietnam  Indonesia

1400  1200  1000  800  600  400  200
Urban population in China to grow strongly
Productivity trends – broadacre farms
Water prices and storage volumes

![Graph showing water allocation price and storage volume over time](image)

- **Orange line**: Water allocation price ($/ML)
- **Blue line**: Storage volume (GL)
Investment by Australian farmers

Repairs and maintenance ($)  
Net capital additions ($)
Output share by farm size

- Large farms: greater than $1m
- Medium farms: $200K to $1m
- Small farms: less than $200K

Share of total sales value for sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Large Farms</th>
<th>Medium Farms</th>
<th>Small Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978-79</td>
<td>50%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>2012-13p</td>
<td>90%</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Number of farms by size

- Large farms: greater than $1m
- Medium farms: $200K to $1m
- Small farms: less than $200K

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History of key agricultural reforms

1986
Reductions in price support for domestic dairy

1988
Phased reduction of tariffs for ag commodities

1989
Deregulation of domestic wheat industry

1991
Wool reserve price scheme dismantled

1995
Tariff and border protection measures removed

2000
Deregulation of the dairy industry

2007
Deregulation of exports of wheat in bags & containers

2008
Deregulation of bulk wheat exports