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# Commodity outlook and issues

## Northern Territory agriculture

Tim Whitnall – Agricultural Commodities

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

3 July 2019





NT agriculture snapshot

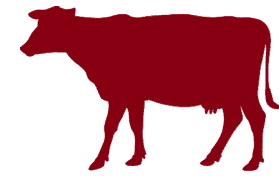
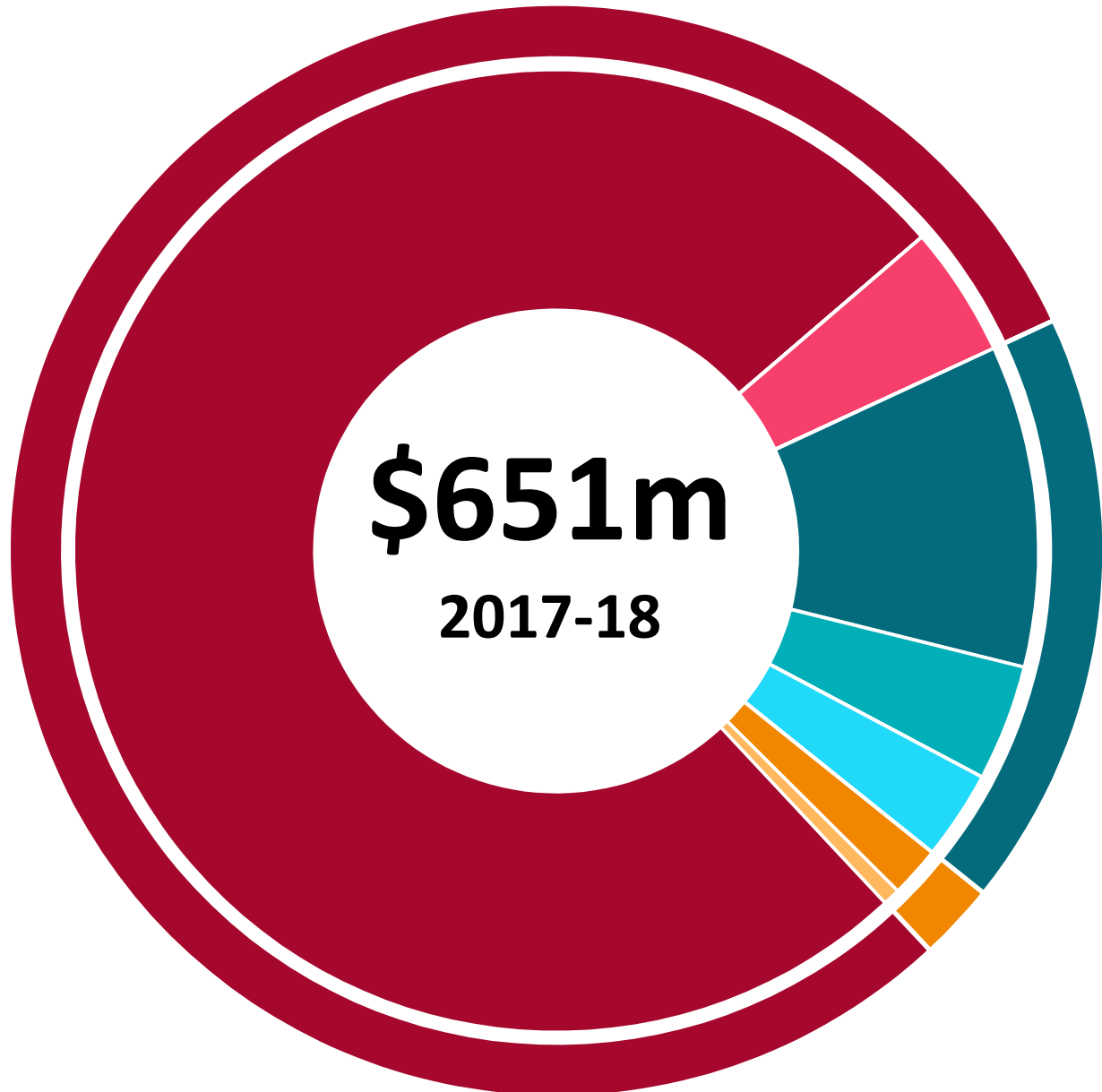
Recent farm business performance

Outlook for key commodities

# NT agriculture - snapshot



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**80%** ● Cattle & calves  
● Other livestock



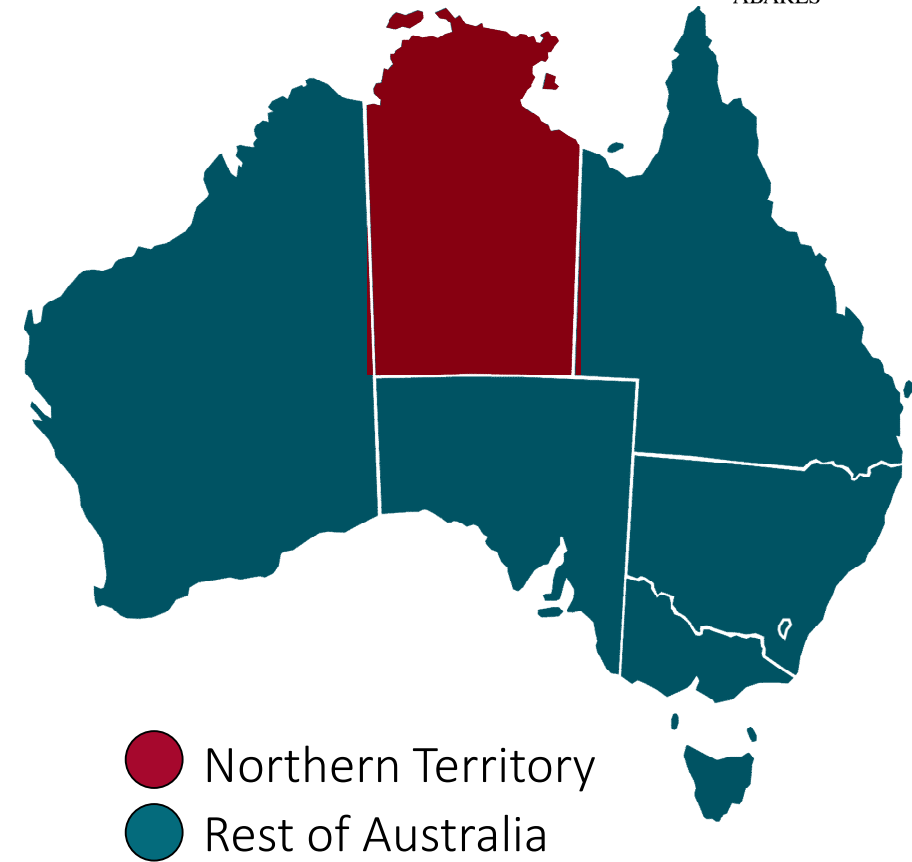
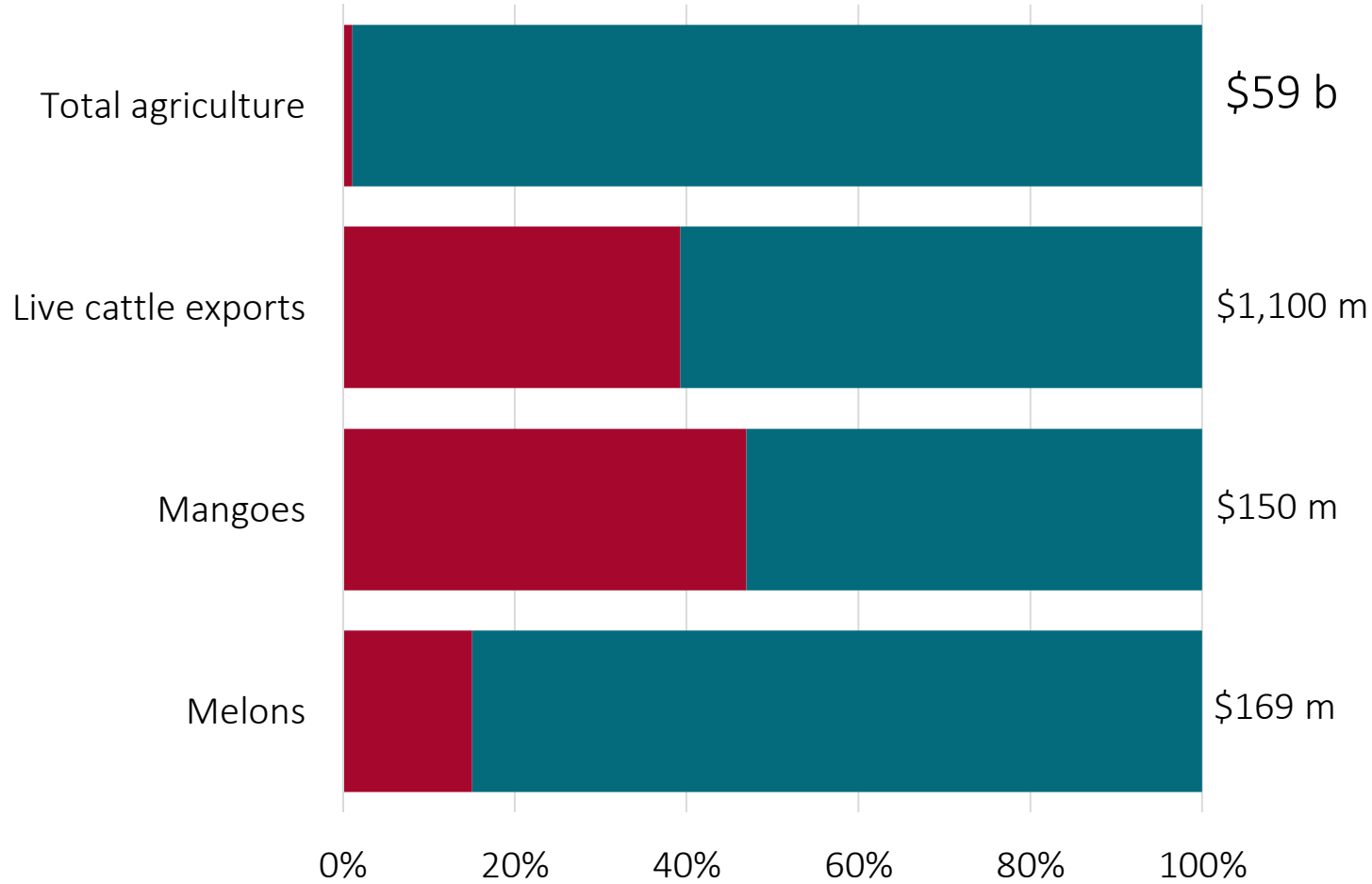
**18%** ● Mangoes  
● Melons  
● Other fruit & vegetables



**2%** ● Other crops  
● Hay

# NT agriculture - snapshot

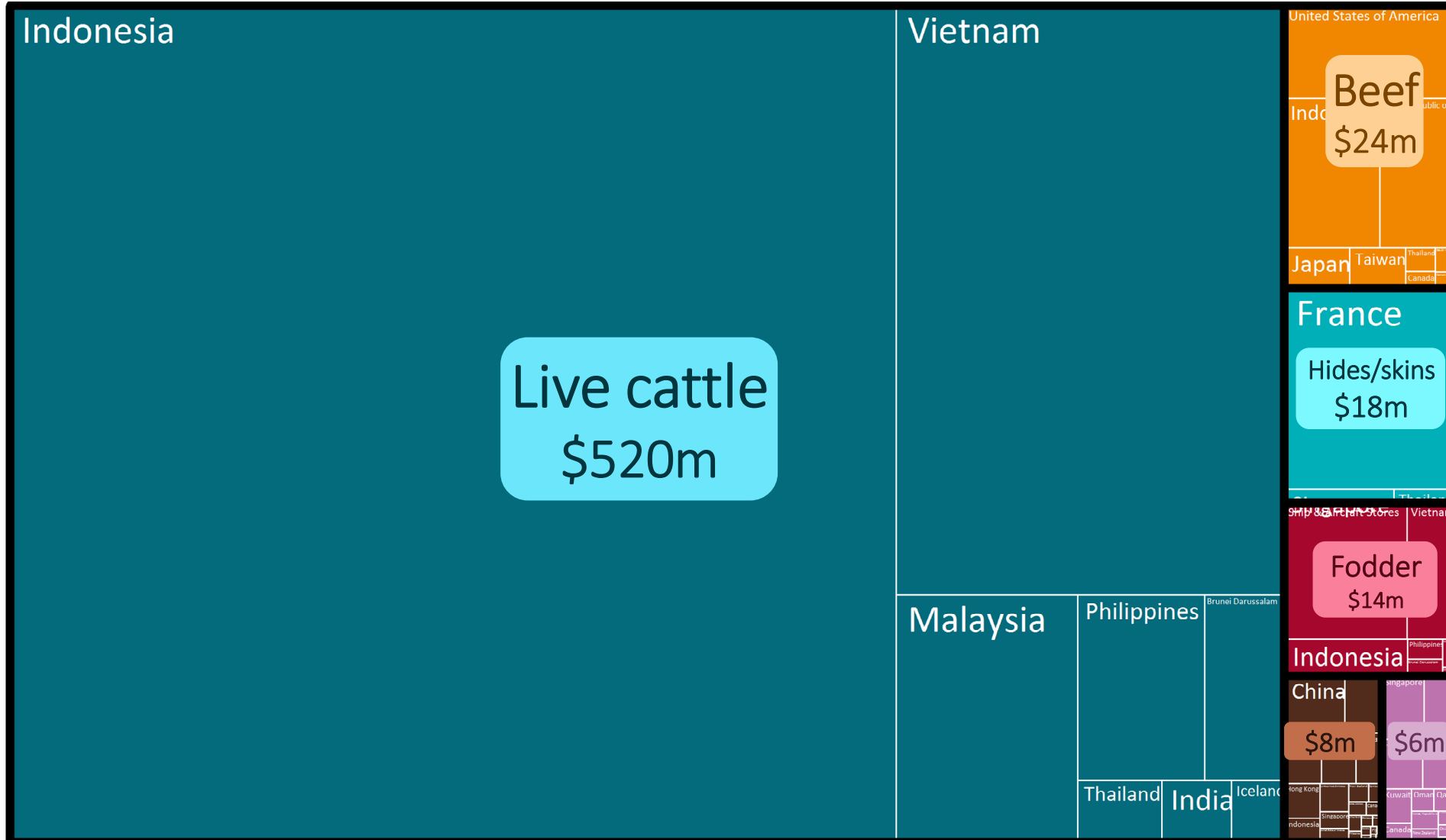
Percent of national production value, 2017-18





# NT agriculture - snapshot

Value of exports by commodity and destination, 2018 - \$590m

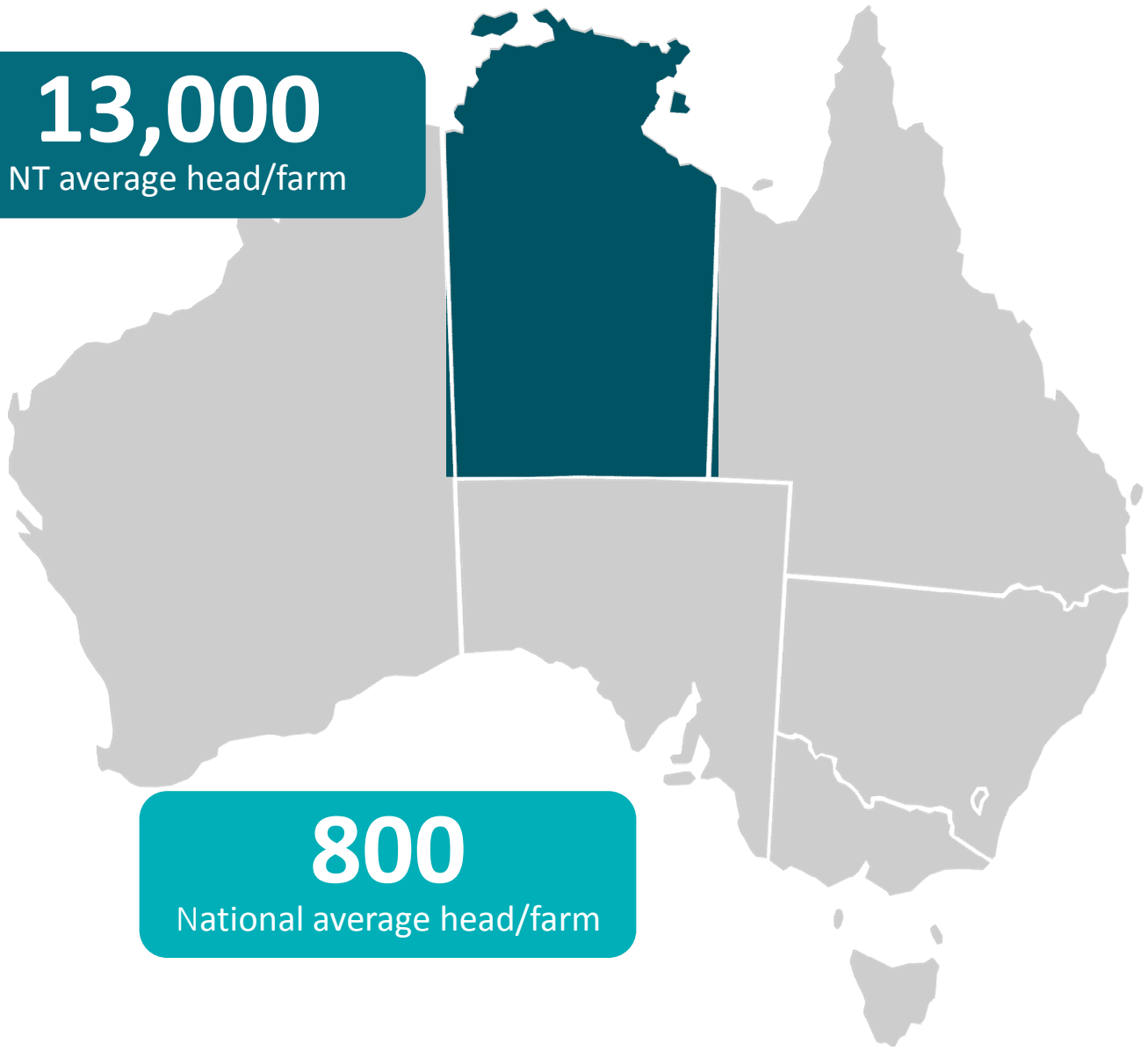


- Live cattle
- Beef and veal
- Hides and skins
- Fodder products
- Mangoes
- Other

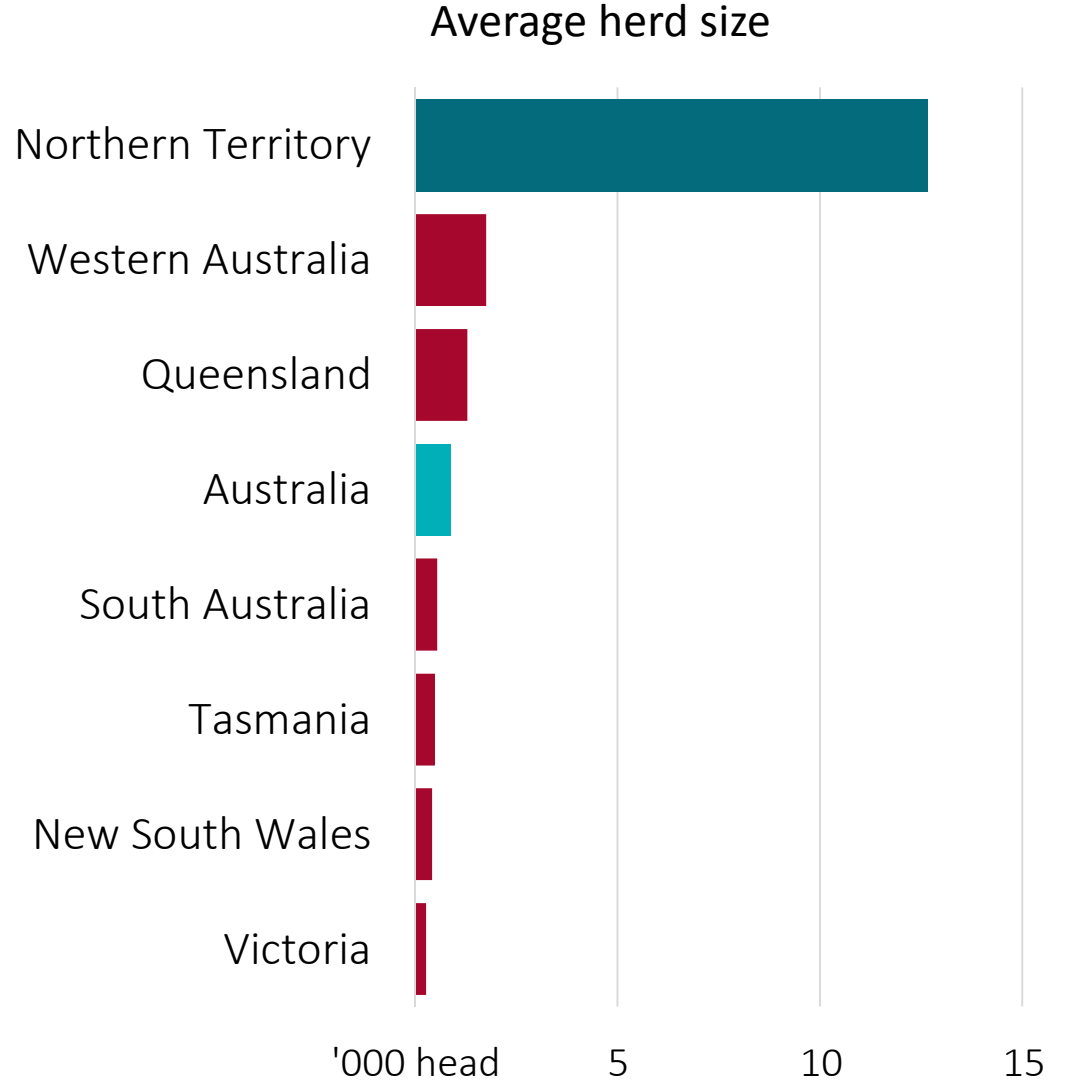
# Large farms provide economies of scale



**13,000**  
NT average head/farm



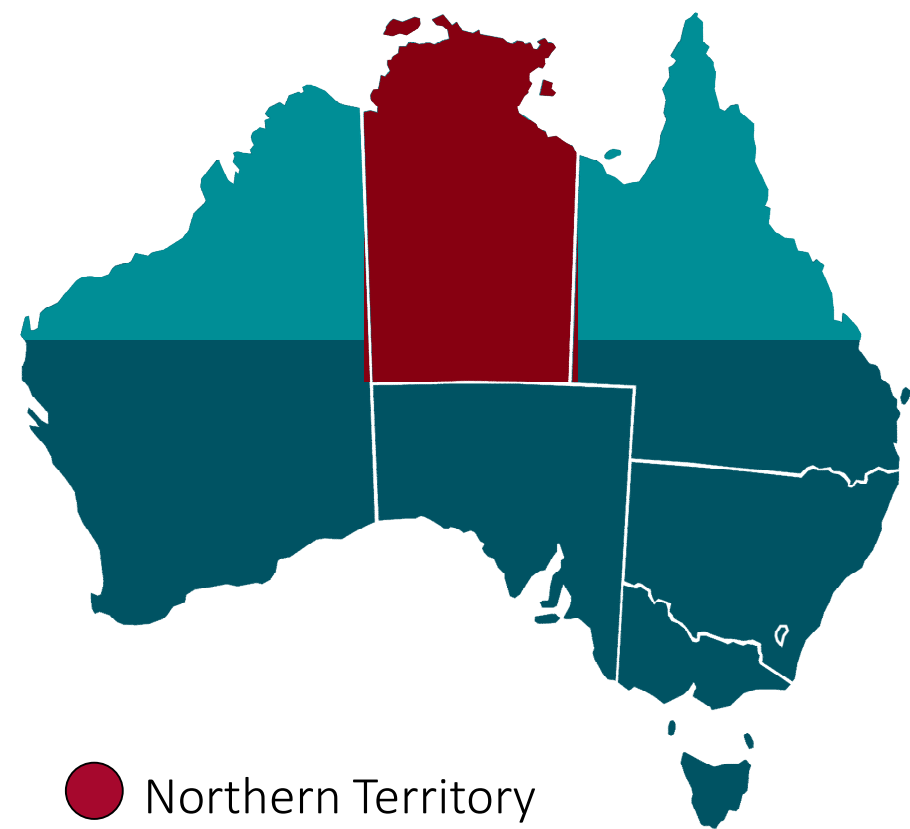
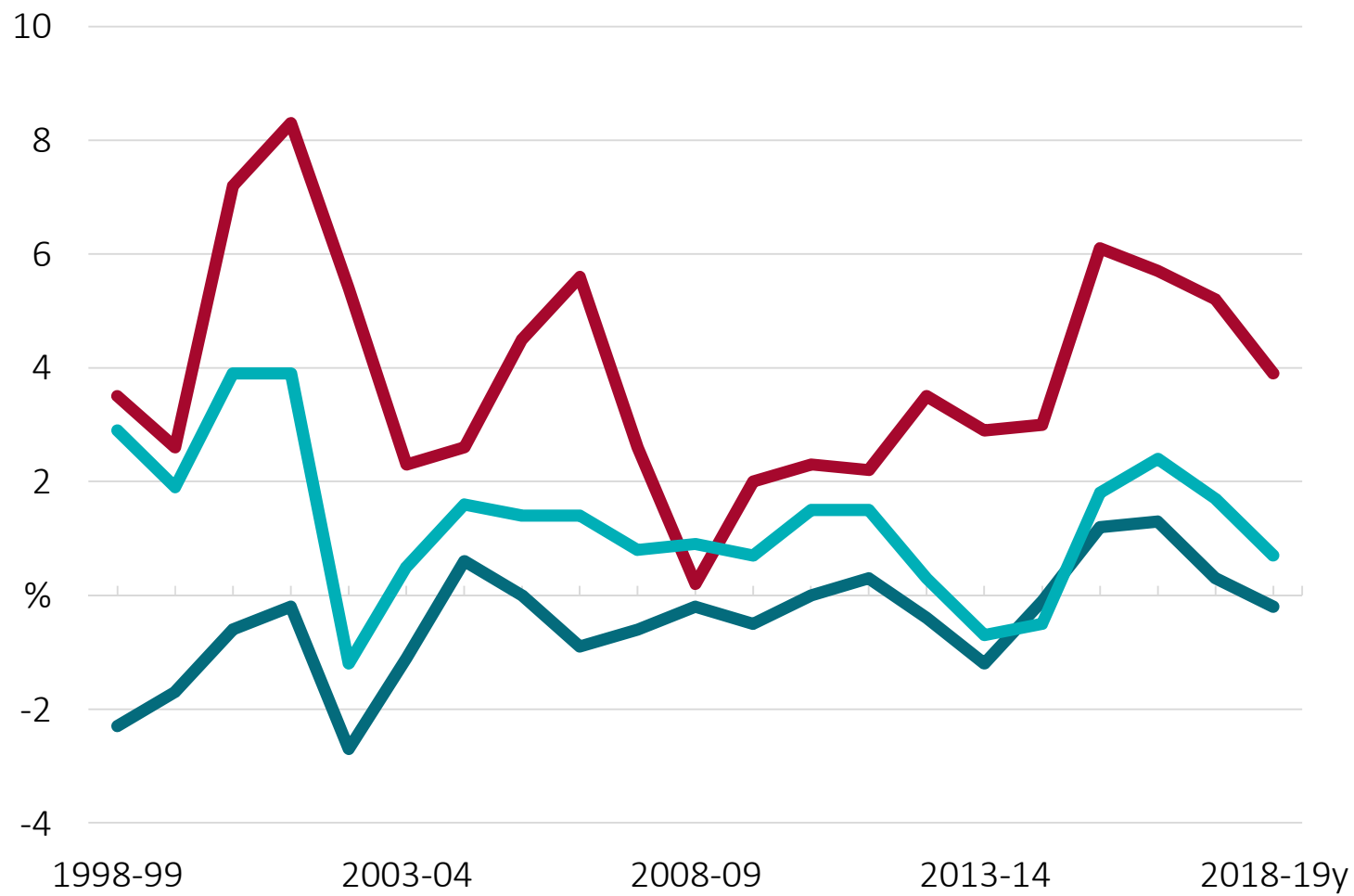
**800**  
National average head/farm





# Farm financial performance – rate of return

## Beef farms



- Northern Territory
- Balance of Northern Australia
- Southern Australia

y Provisional estimate.

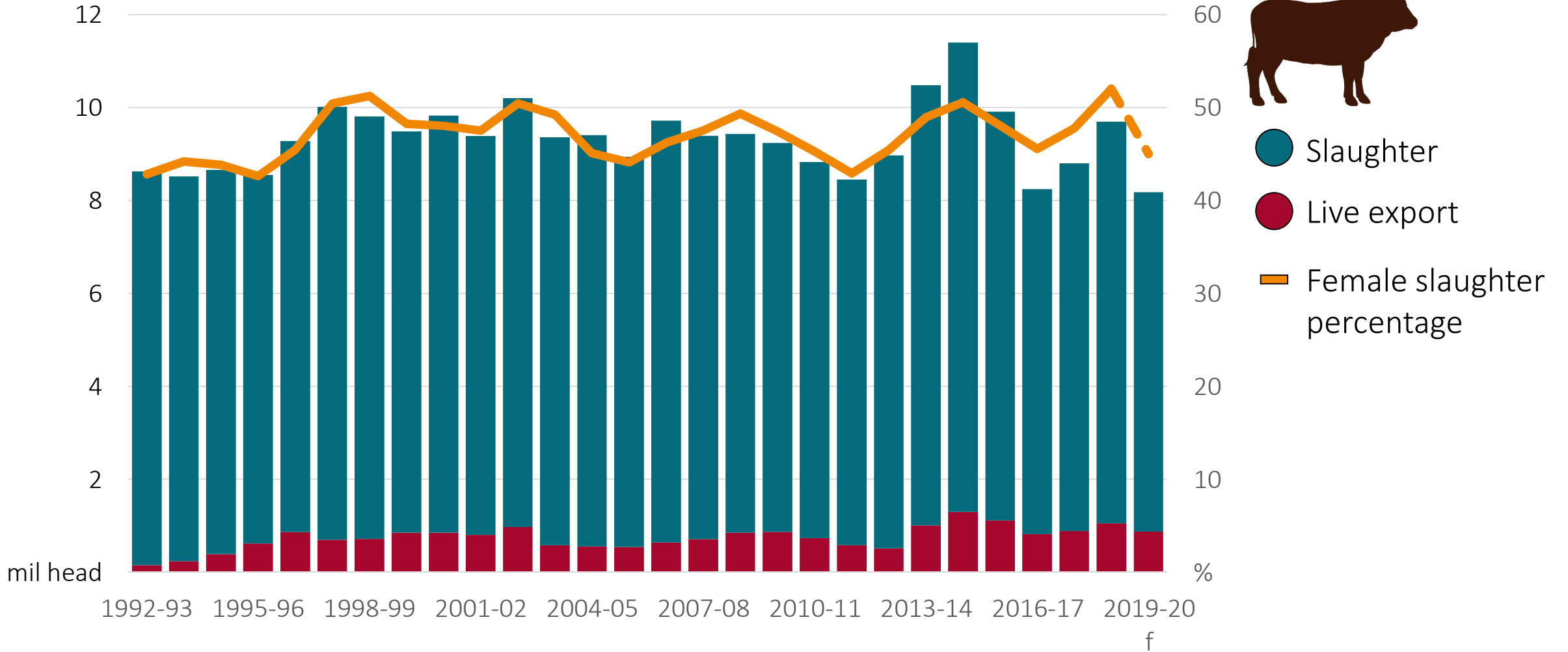
Note: Excludes capital appreciation.

# Outlook for beef



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Turnoff to fall in 2019-20



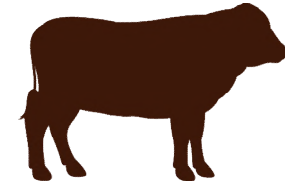
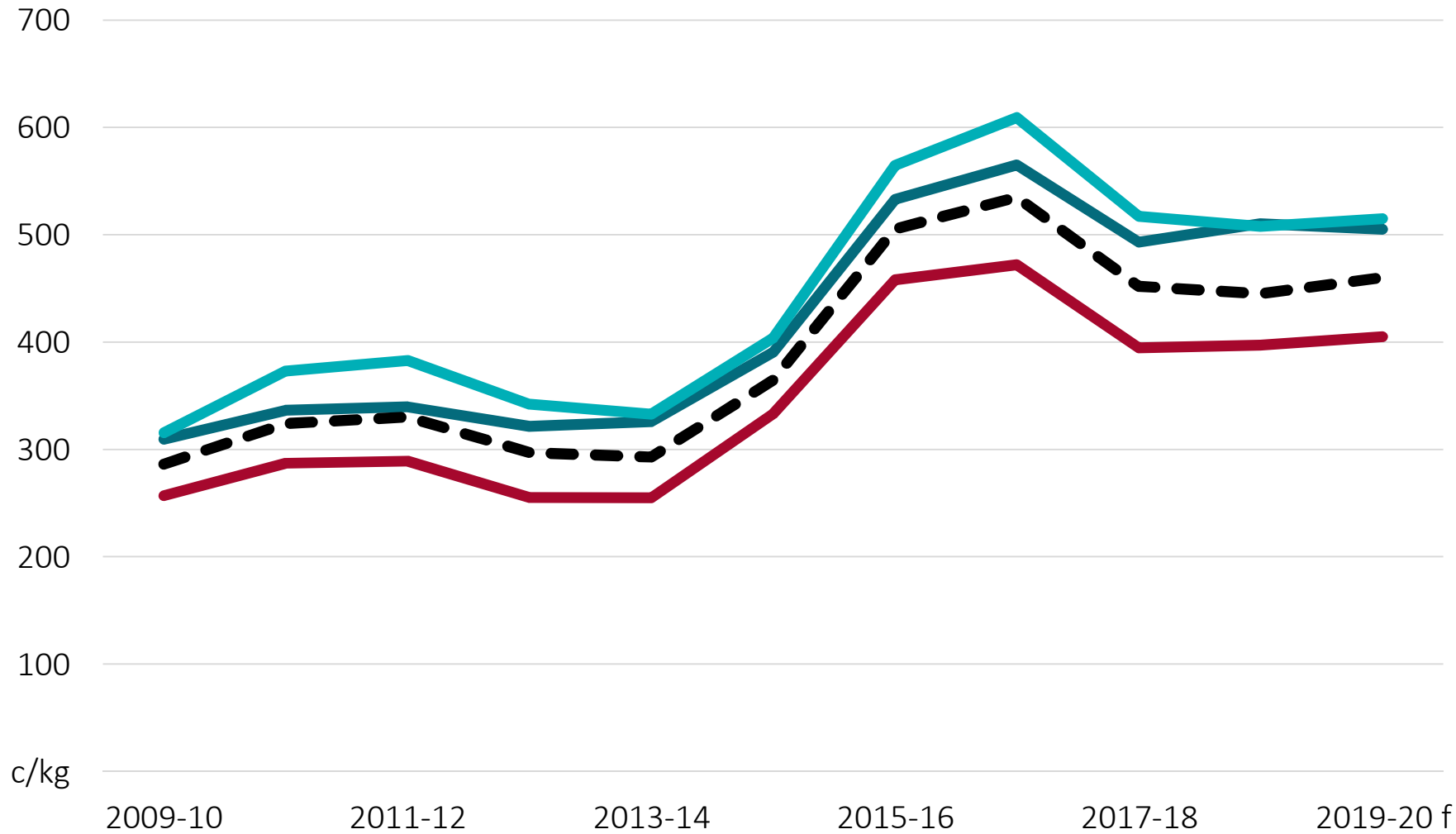
f ABARES forecast.



# Saleyard prices – flat to rising



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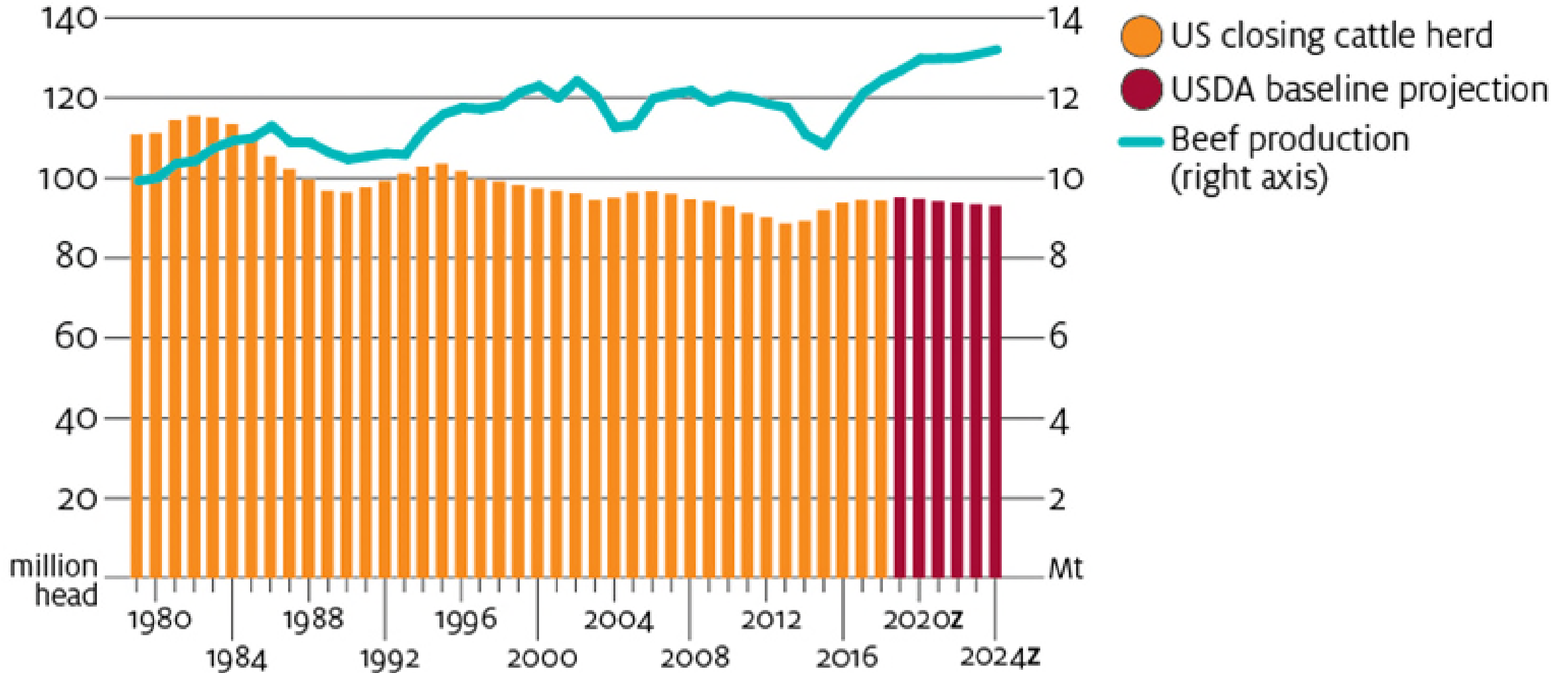
- Heavy Steer
- Trade Steer
- Medium Cow
- Weighted average  
Saleyard price

f ABARES forecast.

# US cattle cycle projected to peak



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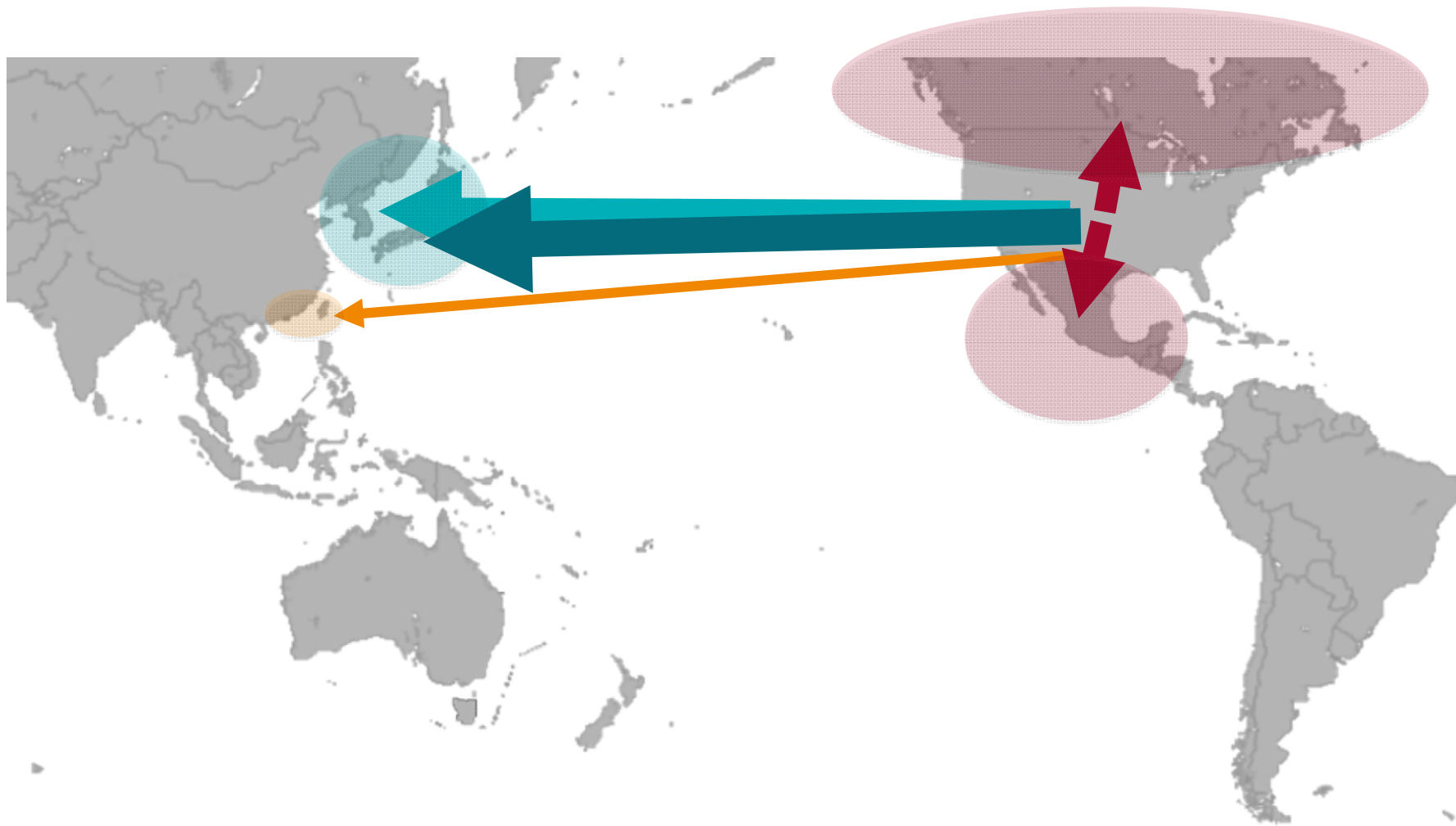


z USDA projection.

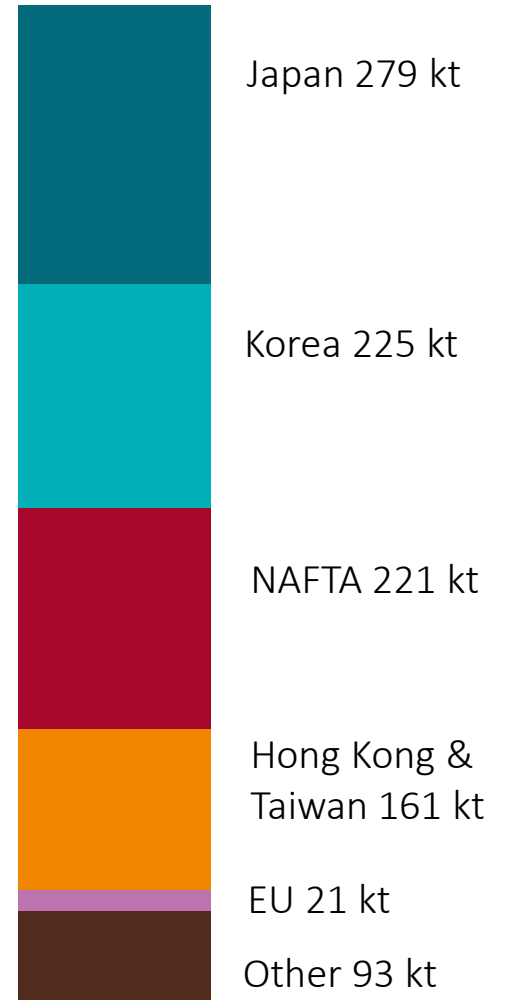
# Major US beef markets



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1 Mt

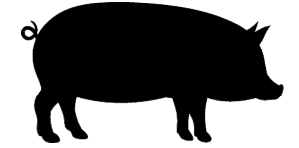
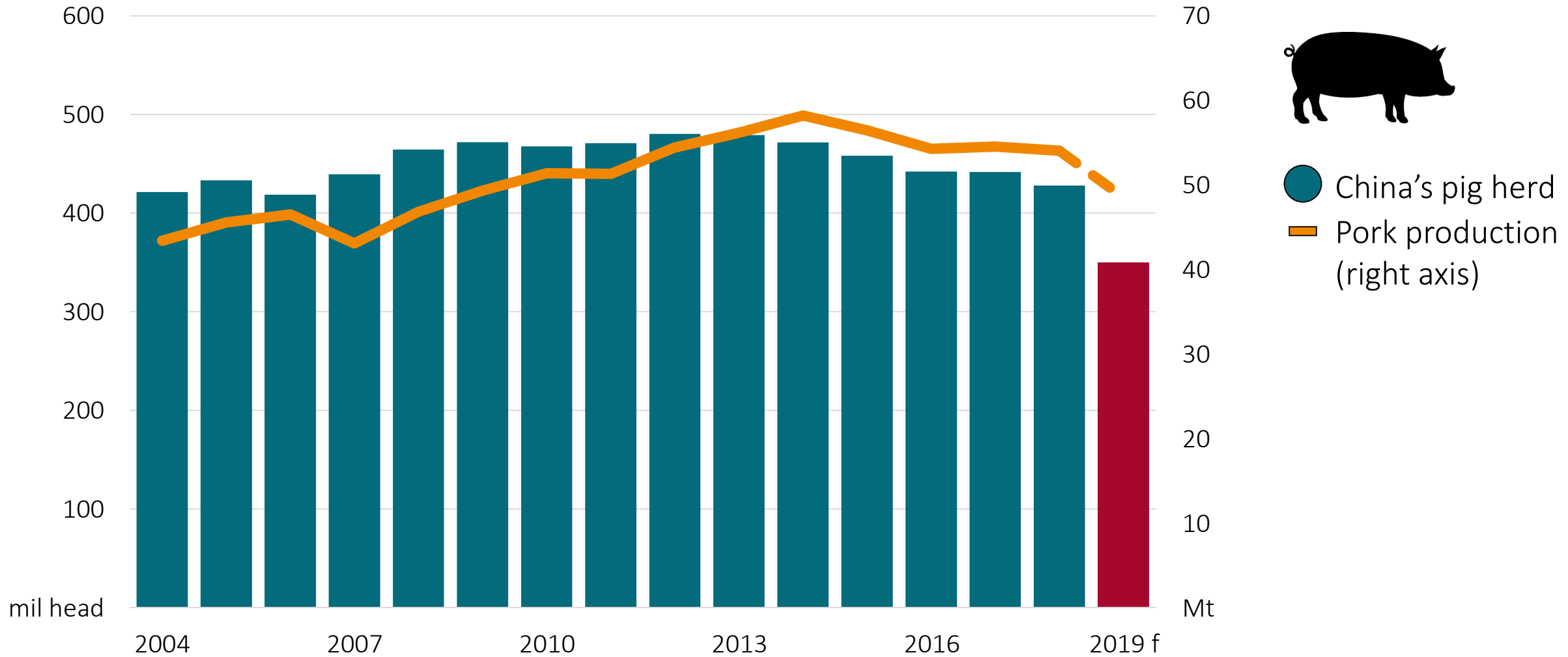


2018 Exports (sw)

# African swine fever to disrupt Chinese protein supply



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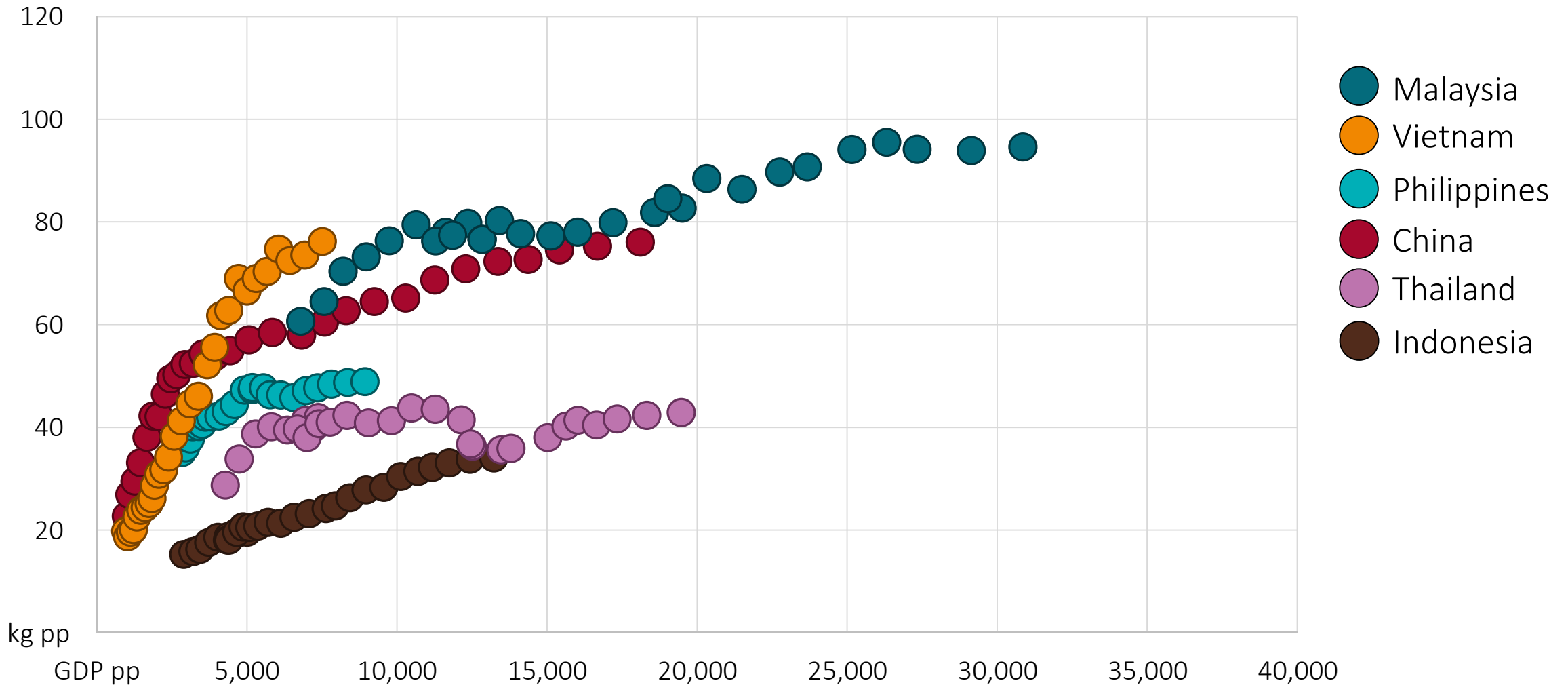
- China's pig herd
- Pork production (right axis)

f USDA forecast.



# Rising incomes driving increased meat consumption

Income and meat consumption, 1990 - 2018

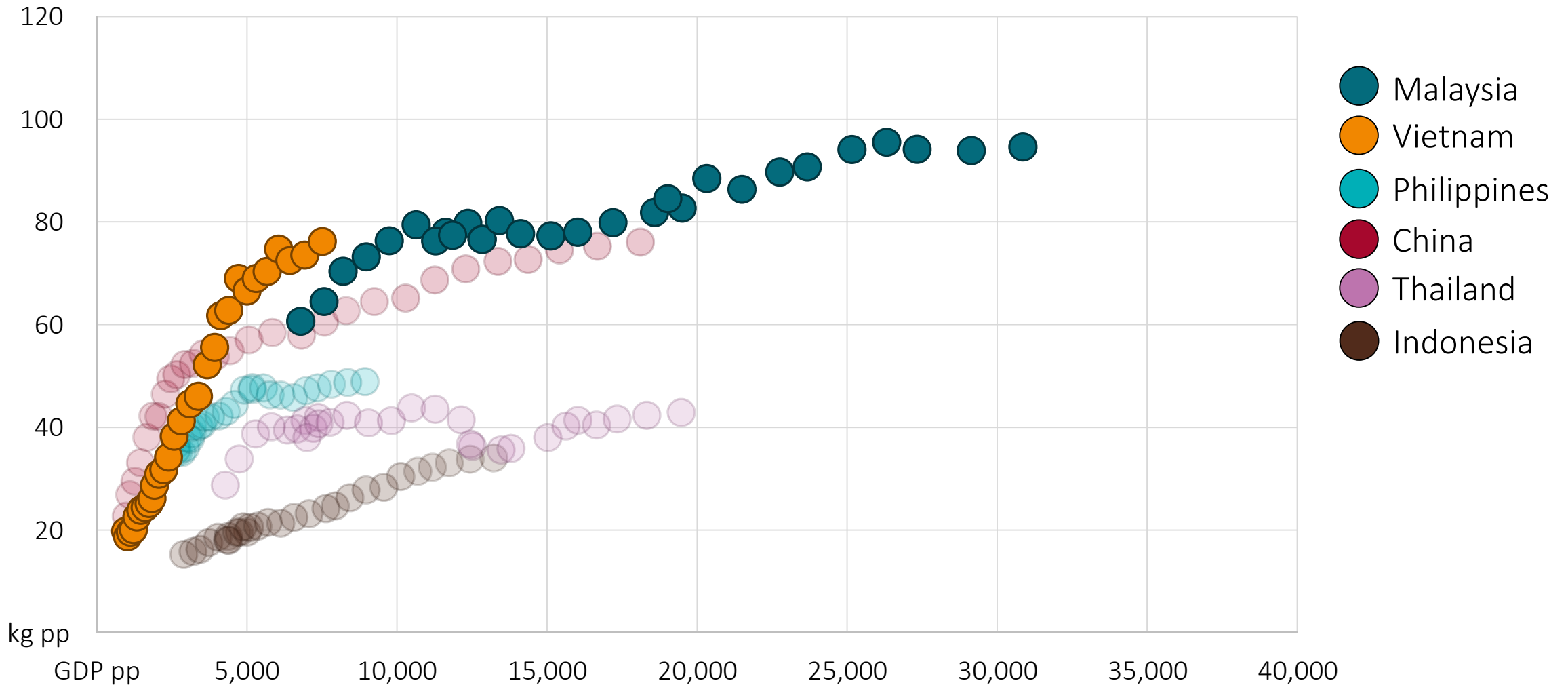


Source: OECD, International Monetary Fund



# Rising incomes driving increased meat consumption

Income and meat consumption, 1990 - 2018

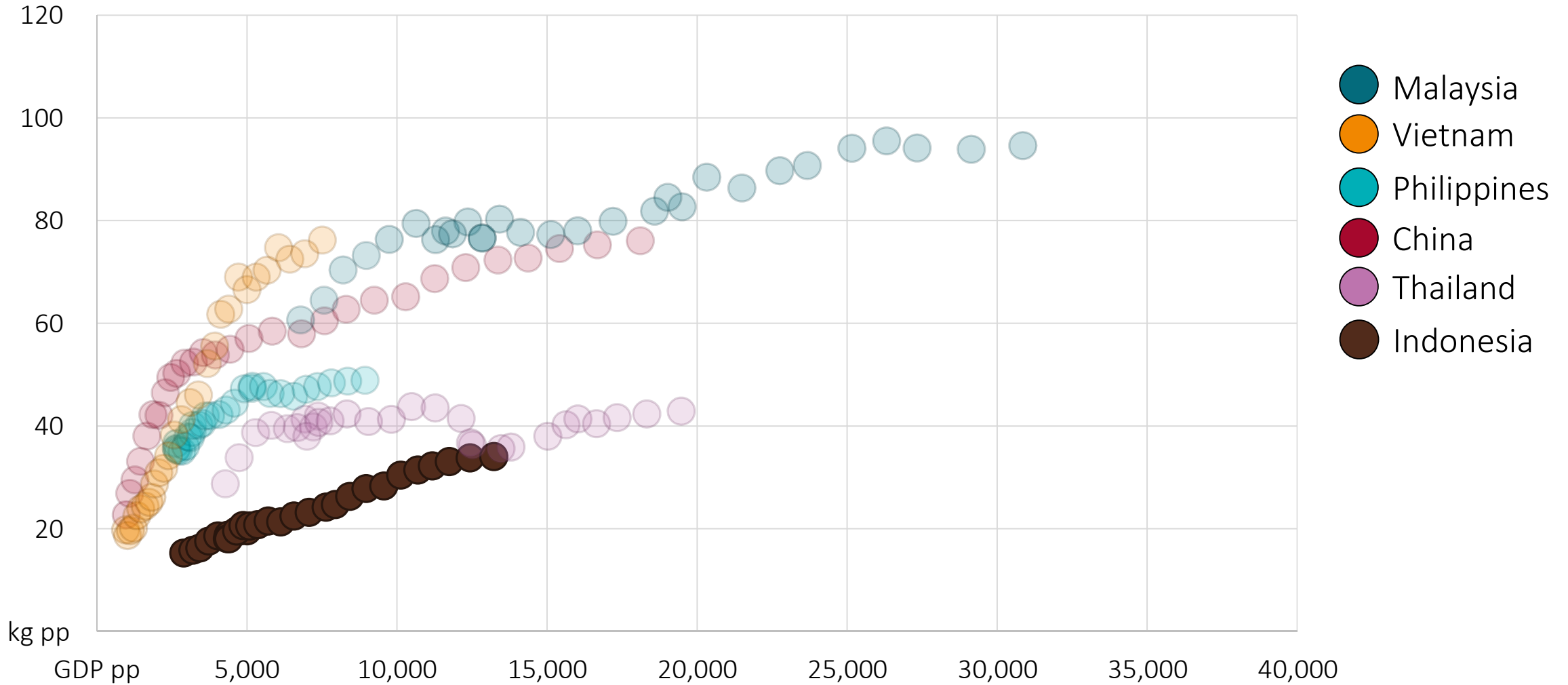


Source: OECD, International Monetary Fund



# Rising incomes driving increased meat consumption

Income and meat consumption, 1990 - 2018

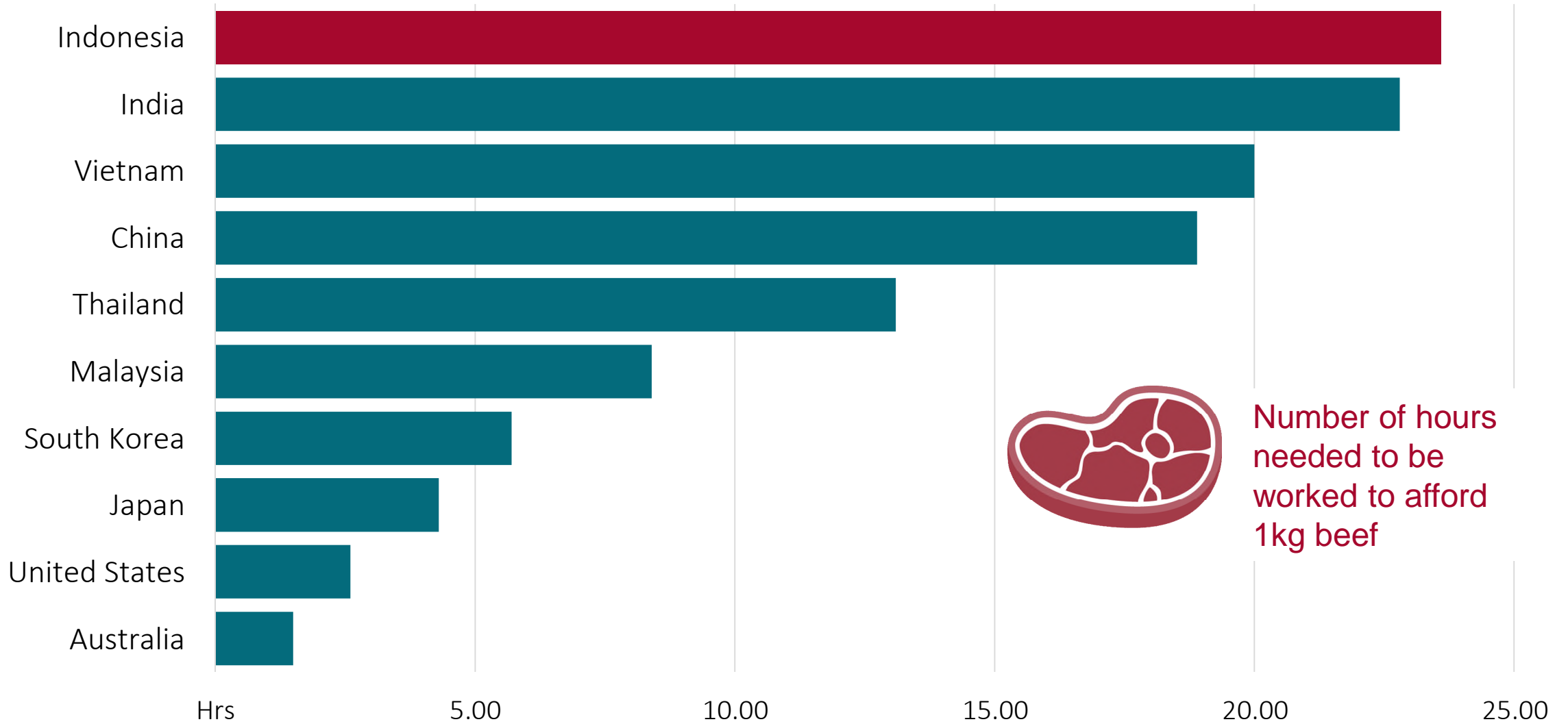


Source: OECD, International Monetary Fund

# Indonesian beef demand



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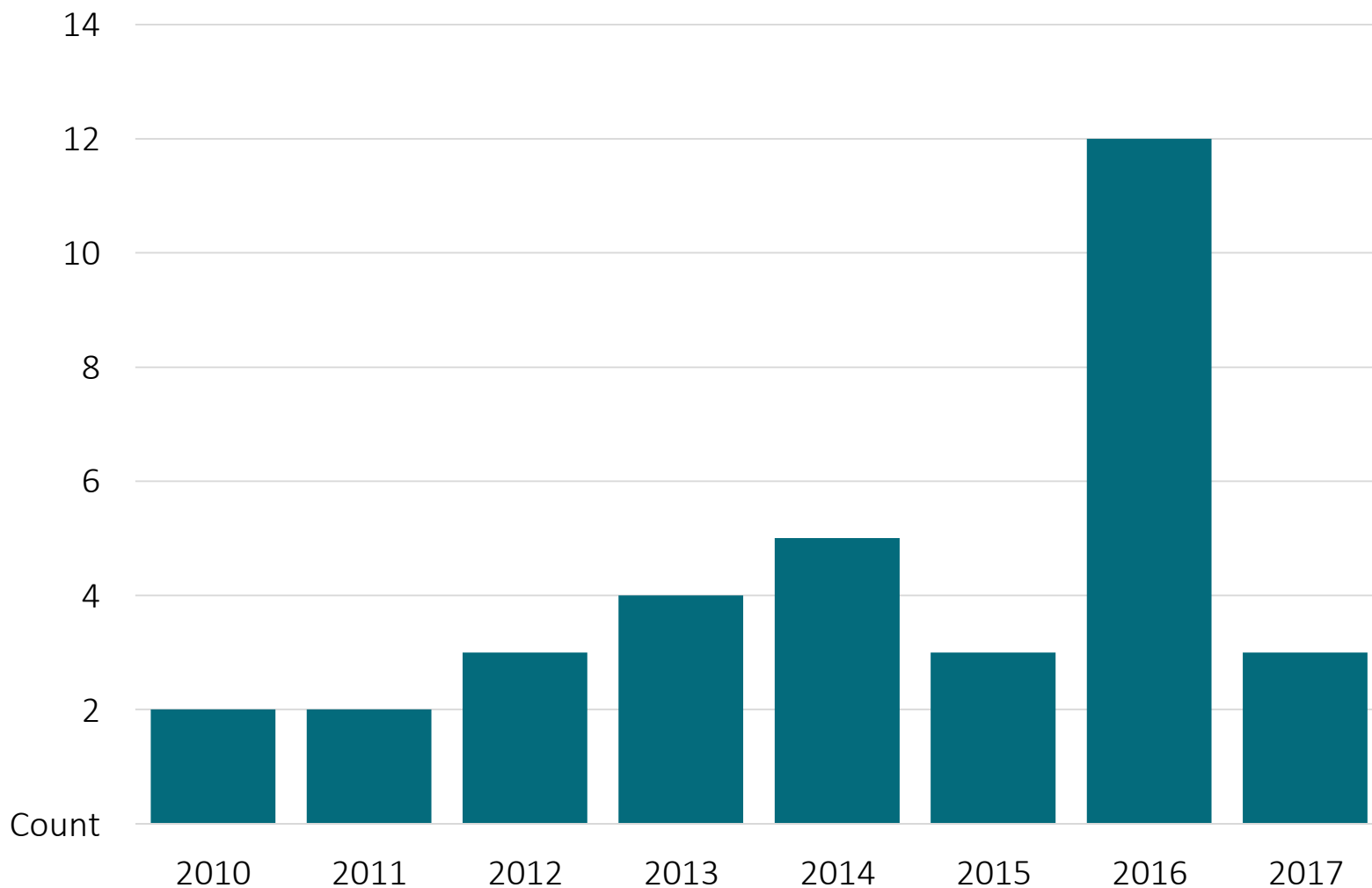
Source: Caterwings





# Rapidly changing policy environment

Number of policy changes to beef/cattle imports, 2010 - 2017

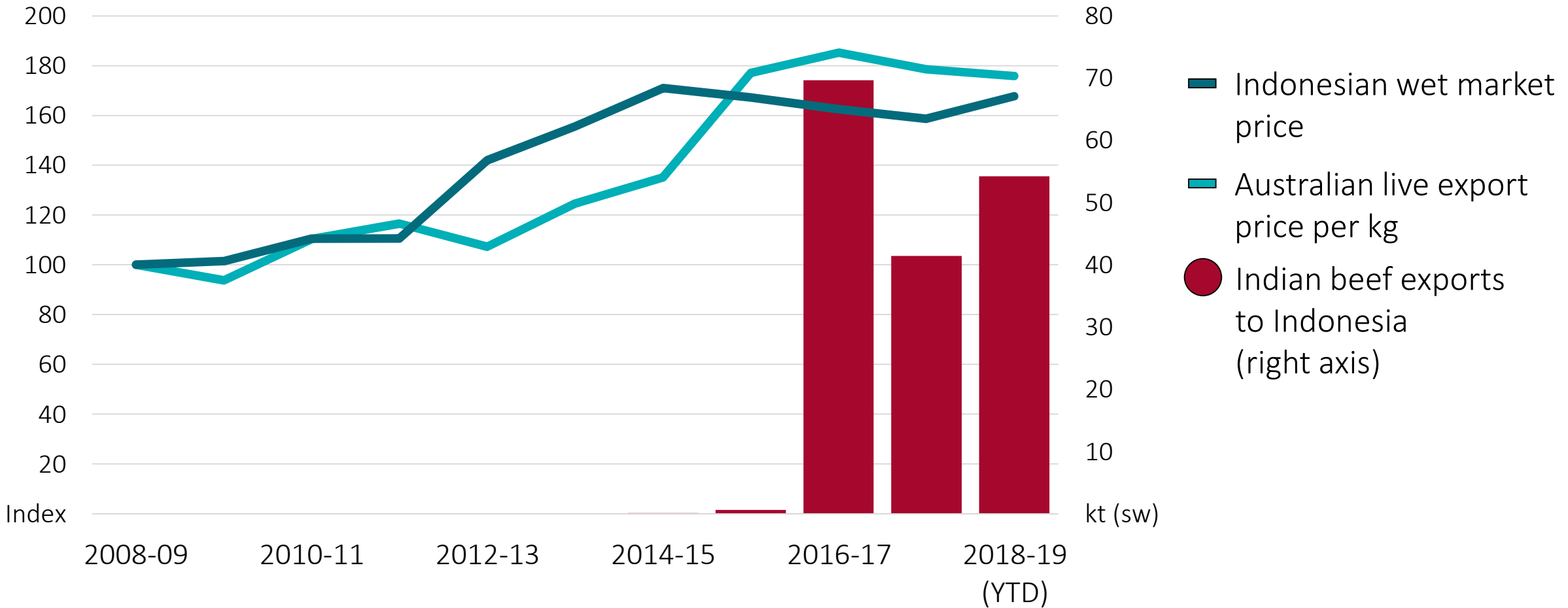


- Import quota
- Age and weight limits
- Validity of permits
- Days on feed
- Halal certification
- “5:1 feeder to breeder”

# Indonesian beef demand



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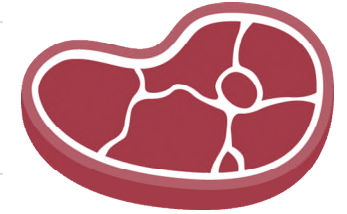
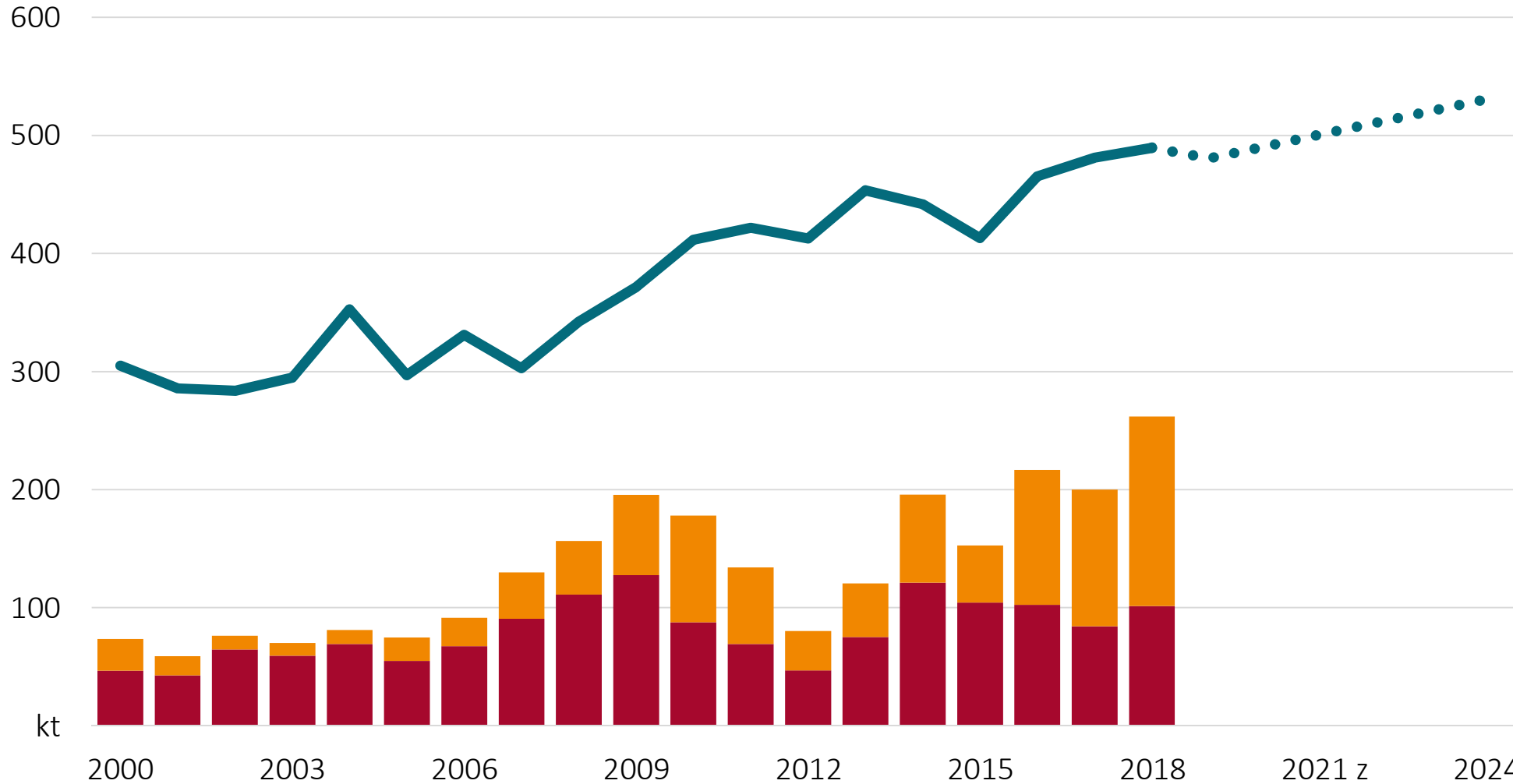
Source: MLA, ABS, UN Statistics Division

Note: 2018-19 includes live export Price data to March 2019.  
Wet market price and Indian export data to December 2018.

# Population growth to drive beef consumption



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- Indonesian beef consumption
- Beef imports
- Beef from live exports

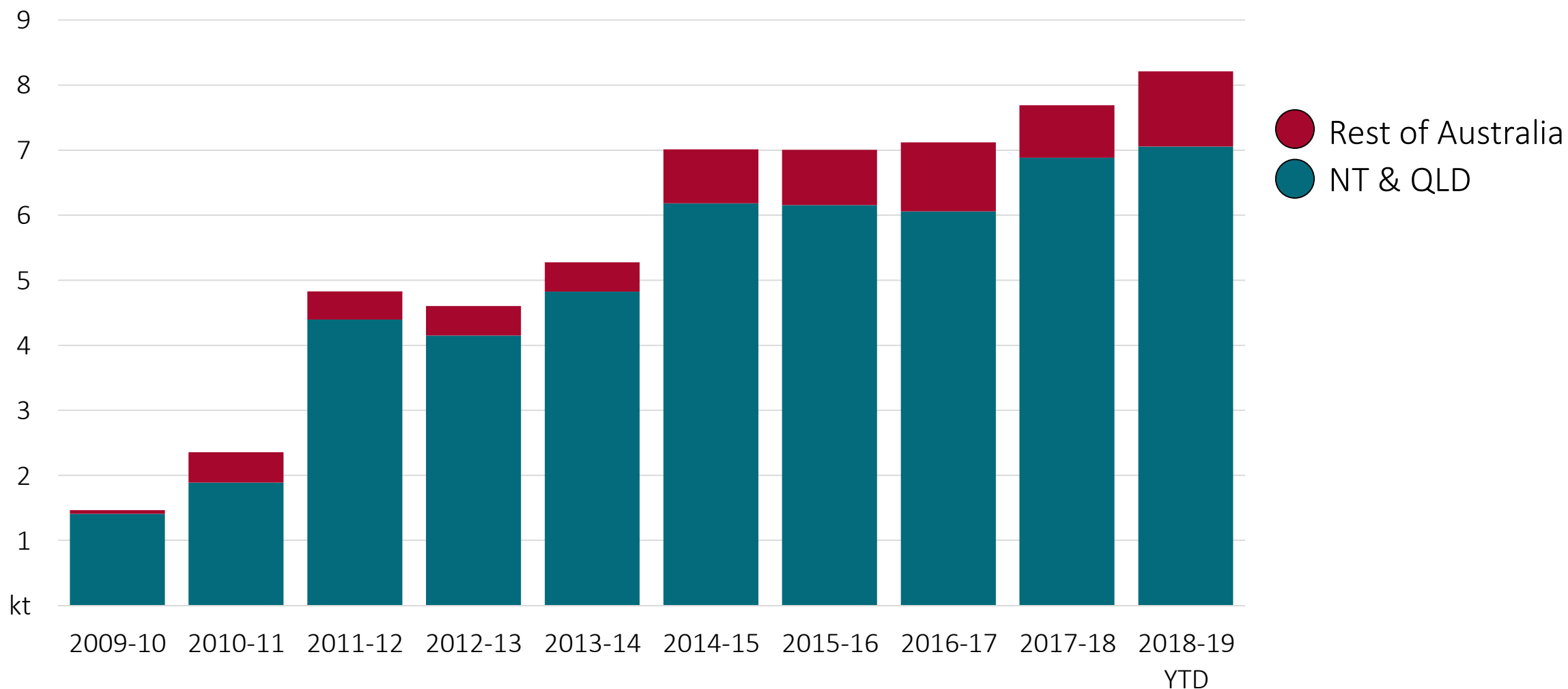
z Projection. Beef from live export assumes average slaughter weight converted to retail weight equivalent

Source: UN Population Division, UN Statistics Division, FAO, ABS, BPS



# Horticulture exports

## Exports of mangoes, mangosteens & guavas



Note: 2018-19 includes data to April 2019.



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[agriculture.gov.au/ag-commodities-report](http://agriculture.gov.au/ag-commodities-report)

