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Department of Agriculture
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Commodity outlook and issues

South-East South Australian agriculture

Nathan Pitts– Agricultural Commodities

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

25 September 2019





Regional agriculture snapshot

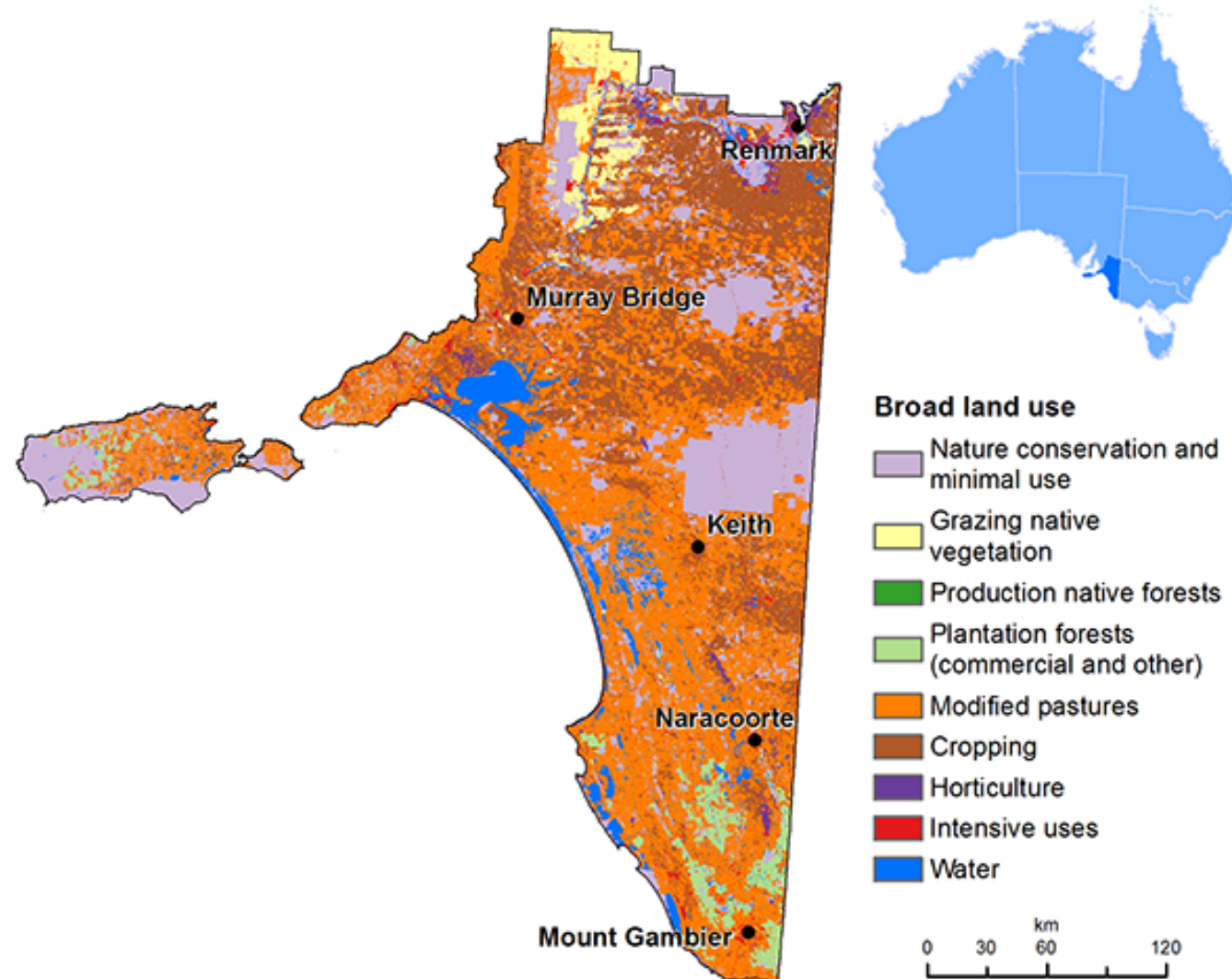
Recent farm business performance

Outlook for key commodities

South-East South Australian agriculture- snapshot



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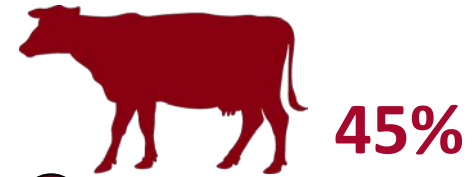
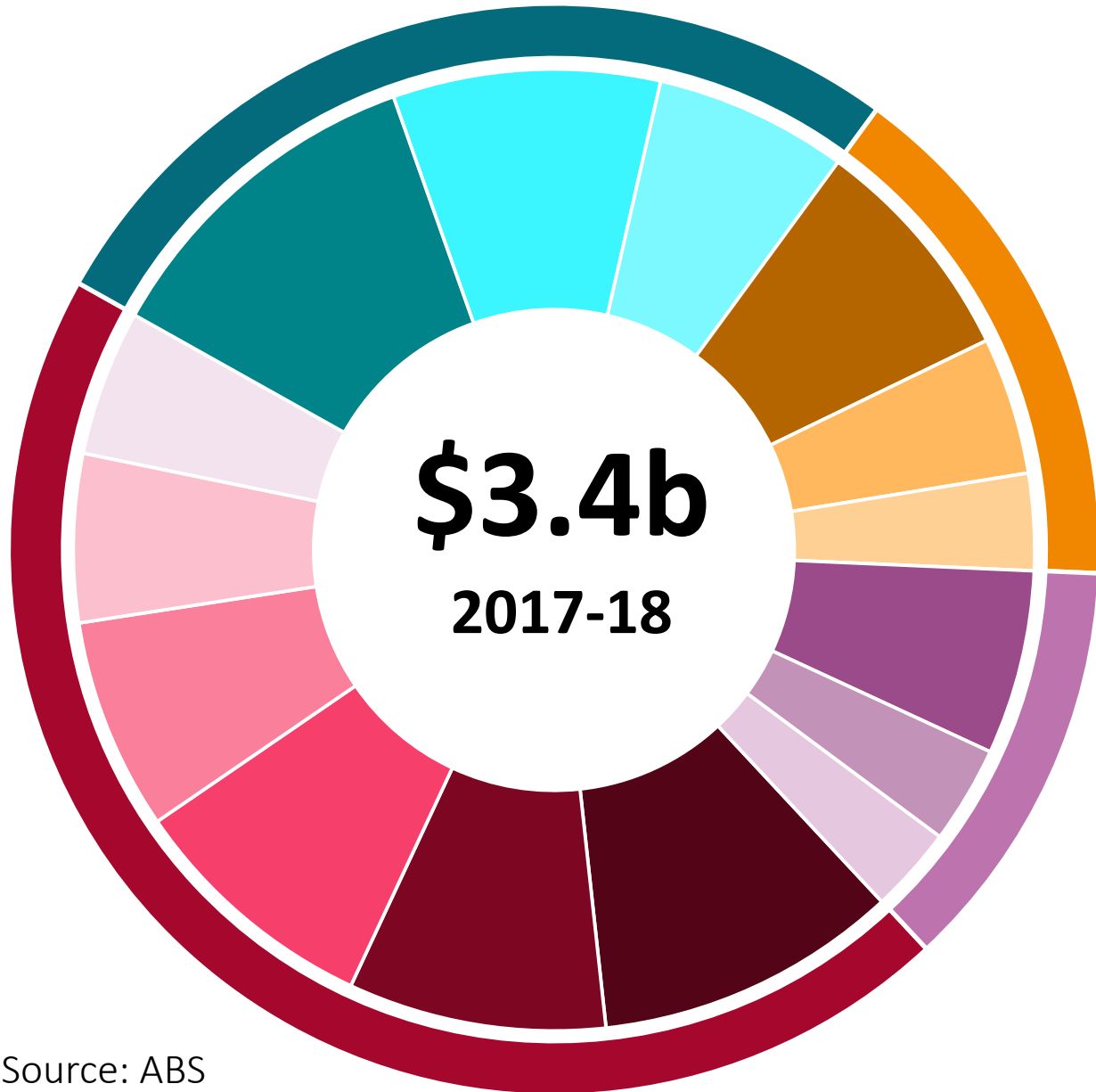


Source: ABS

South-East South Australian agriculture - snapshot



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- Cattle & calves
- Wool
- Sheep & lambs
- Other livestock
- Milk
- Pigs



- Wine grapes
- Other fruit & nuts
- Oranges



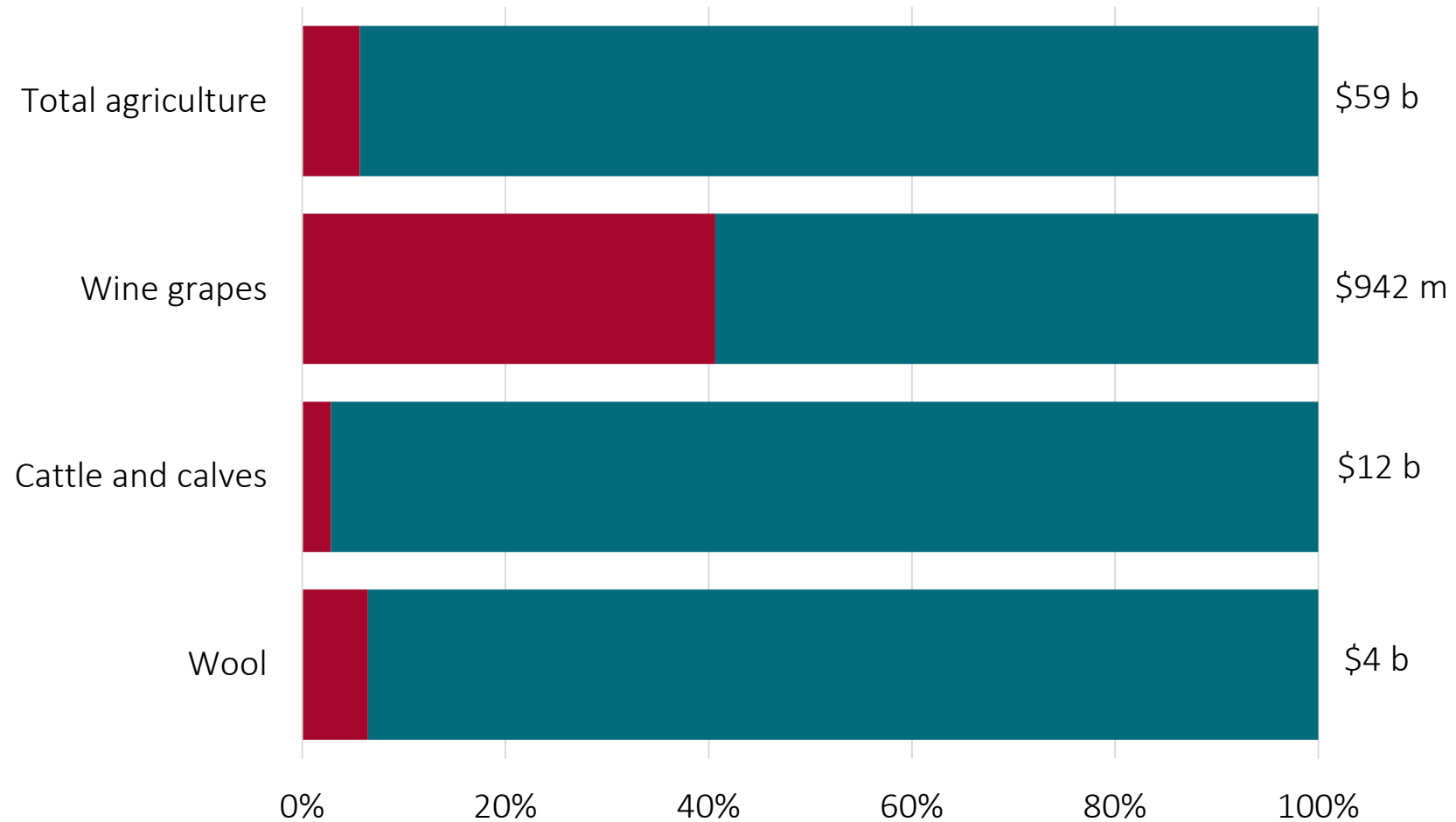
- Other crops
- Wheat
- Barley



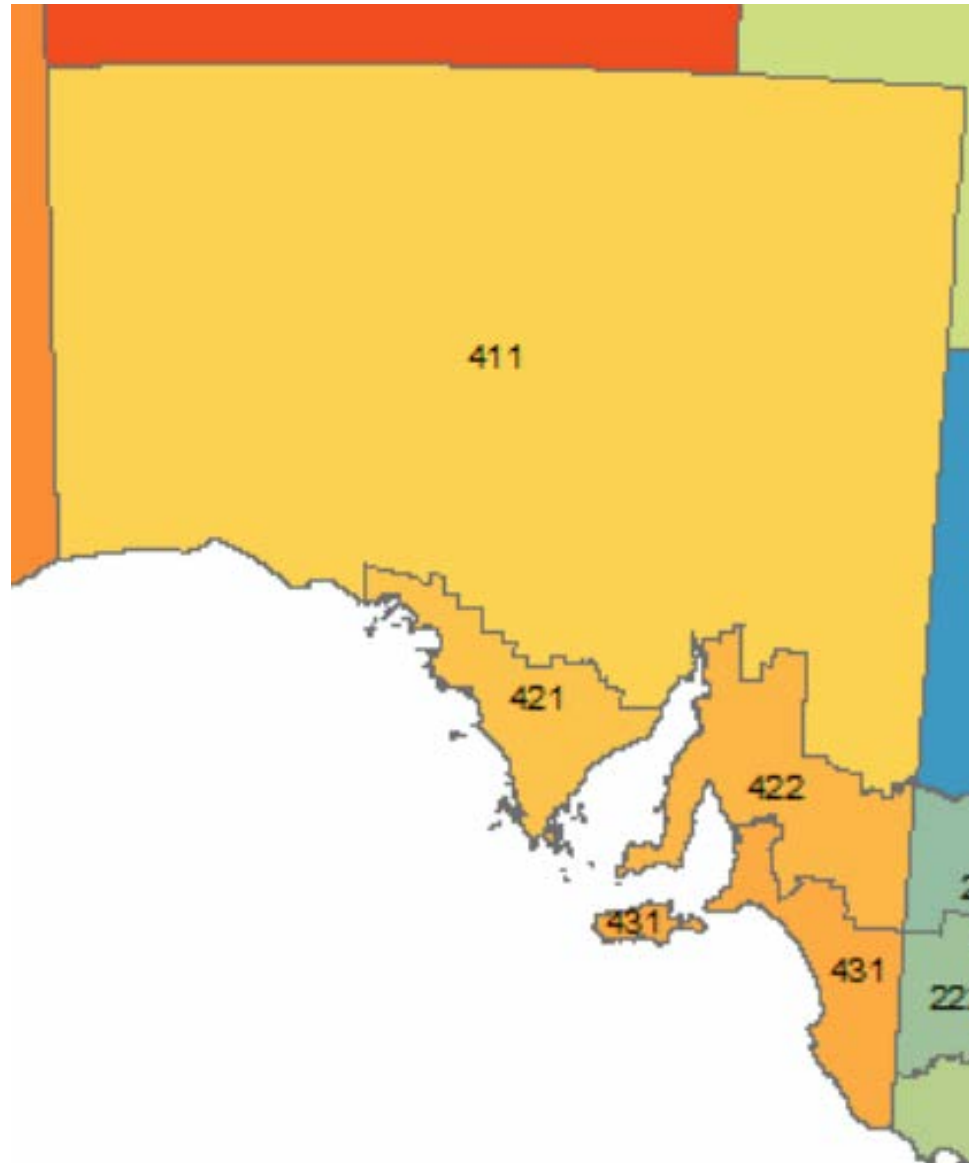
- Potatoes
- Onions
- Other vegetables

South-East South Australian agriculture- snapshot

Percent of national production value, 2017-18

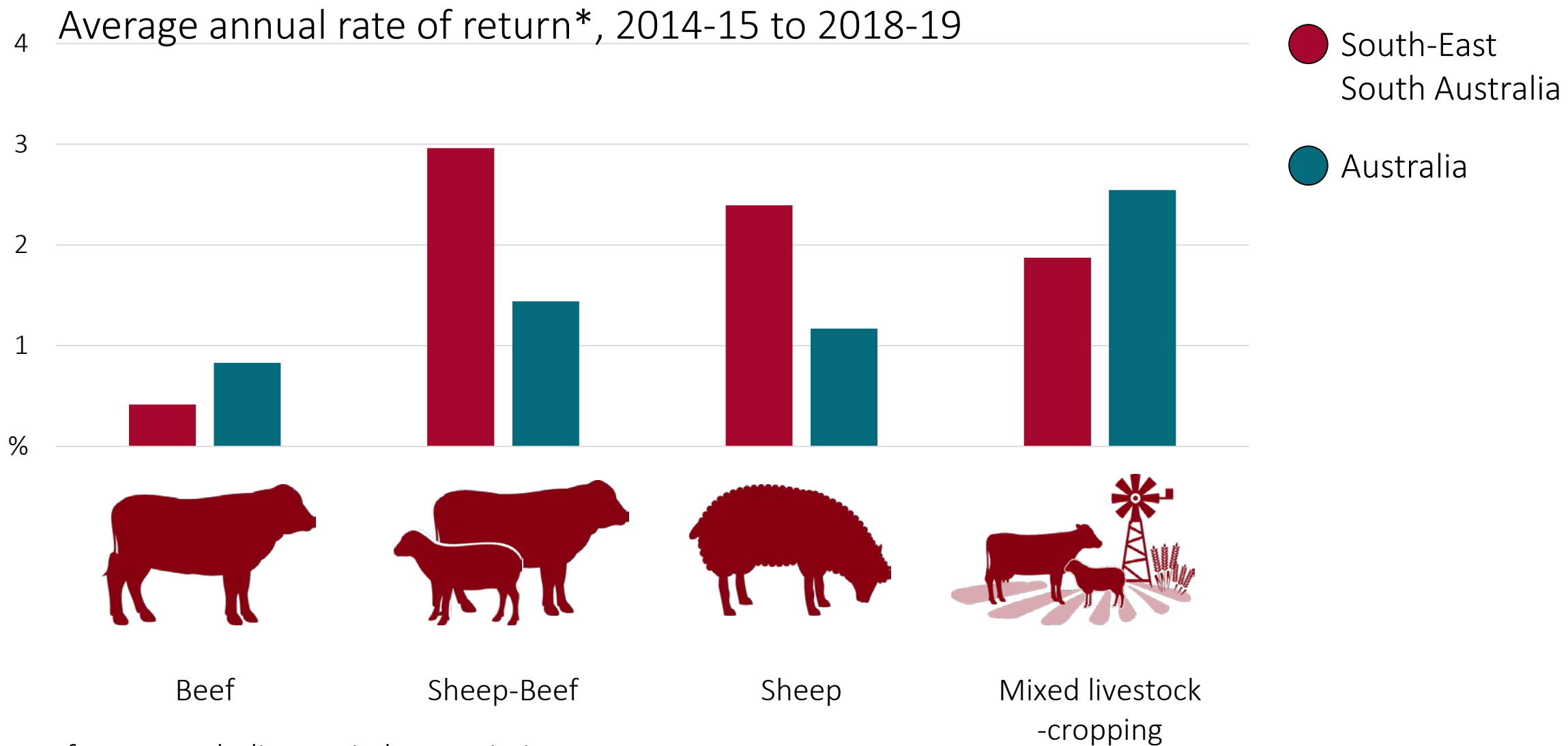


Recent farm surveys results



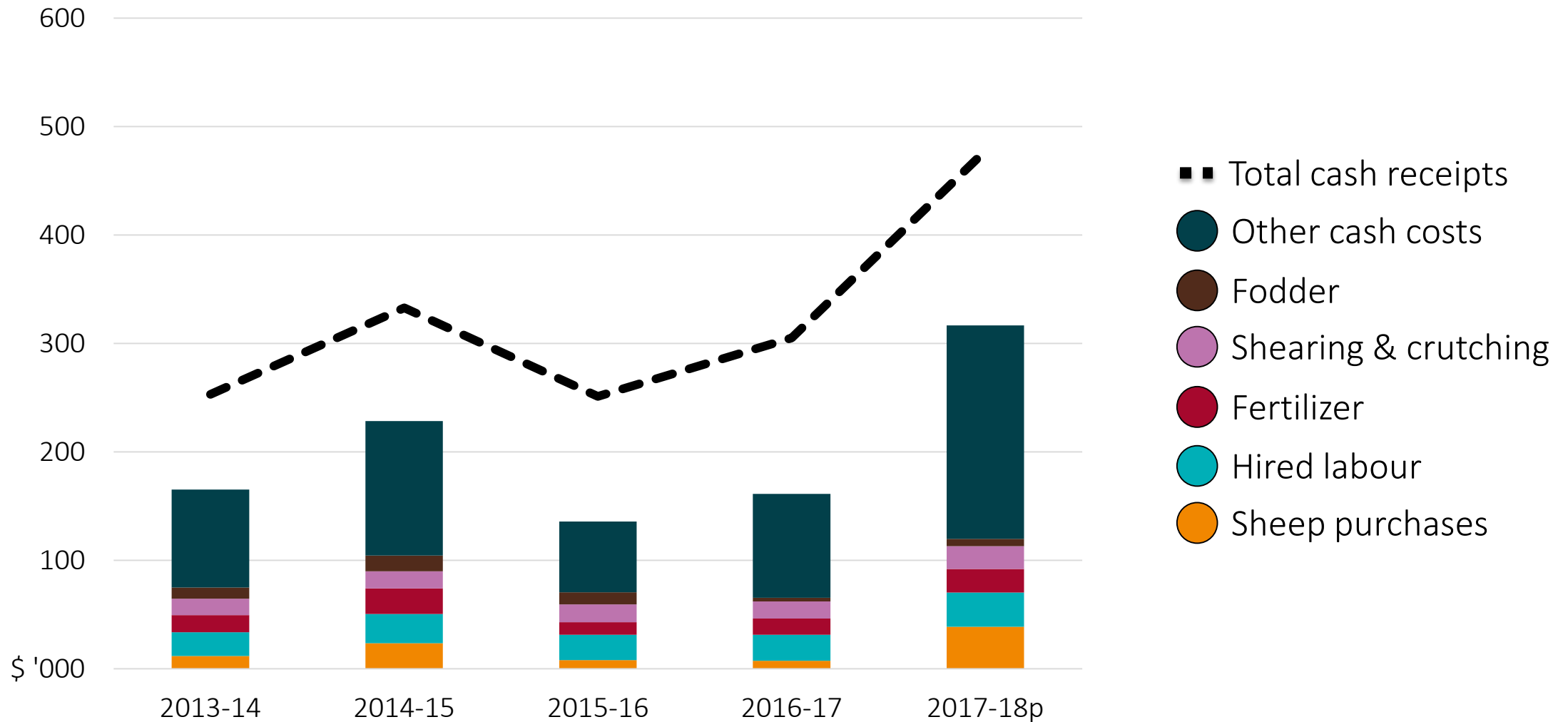


Recent returns to farming have been positive



*Rate of return excluding capital appreciation.

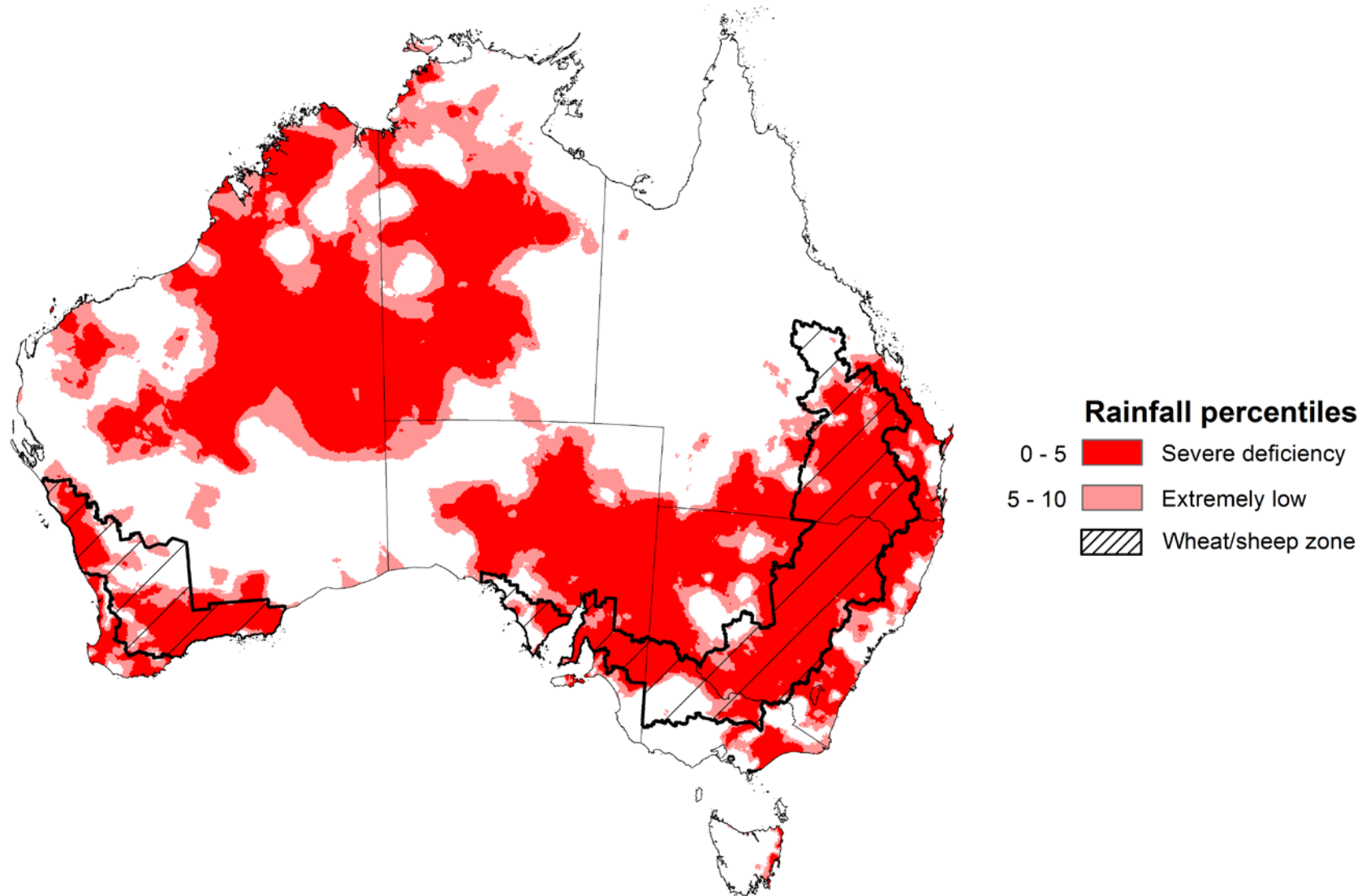
Sheep farm financial performance drivers



p Preliminary estimates.

Dry conditions driving uncertainty in Australian agriculture

Rainfall deficiencies between Mar 2018 and Aug 2019

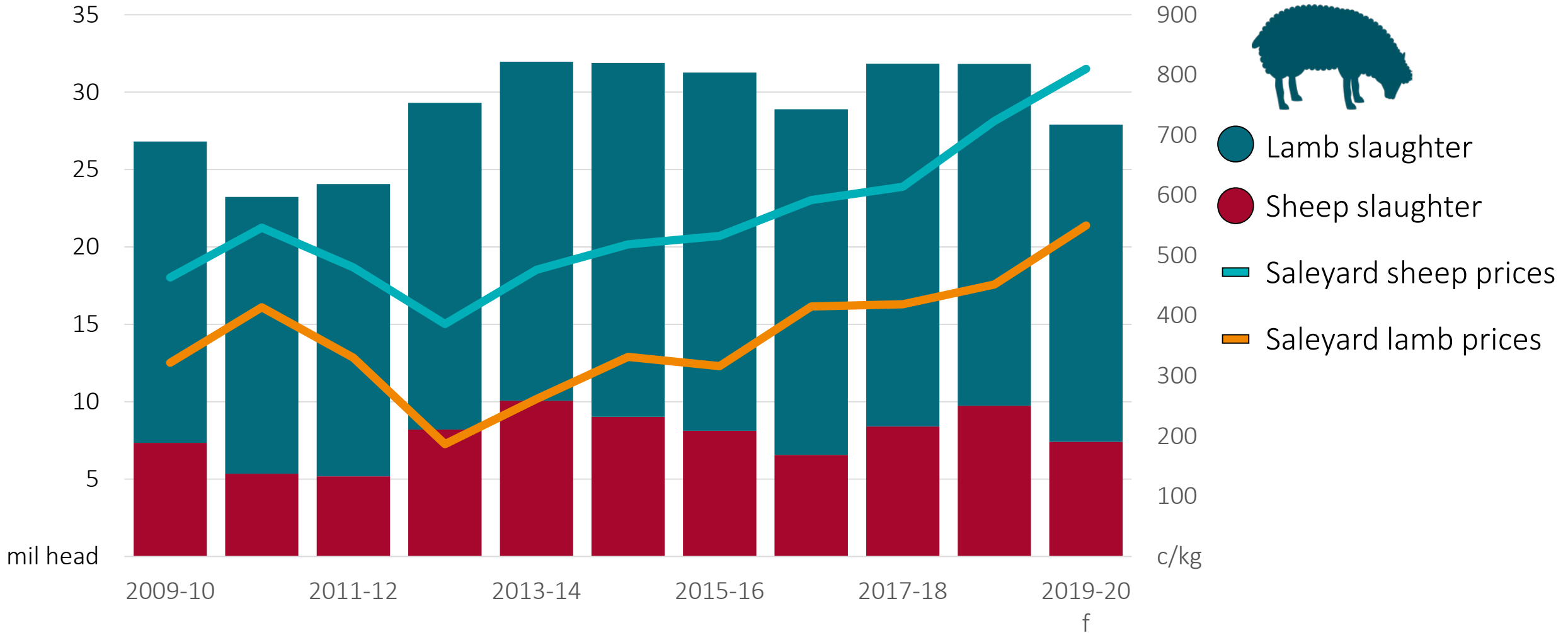


Outlook for sheep meat



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Turnoff to fall in 2019-20



^f ABARES forecast.

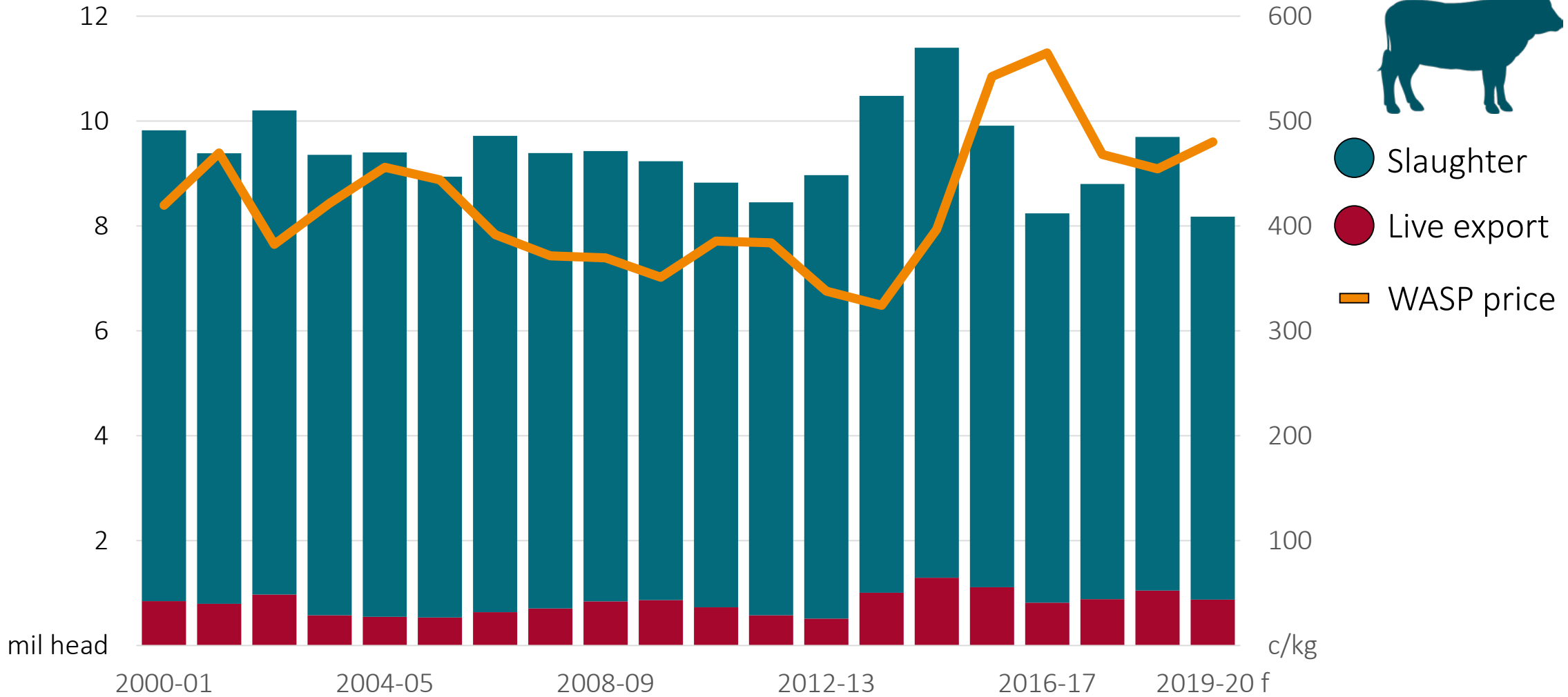
Source: ABS

Outlook for beef



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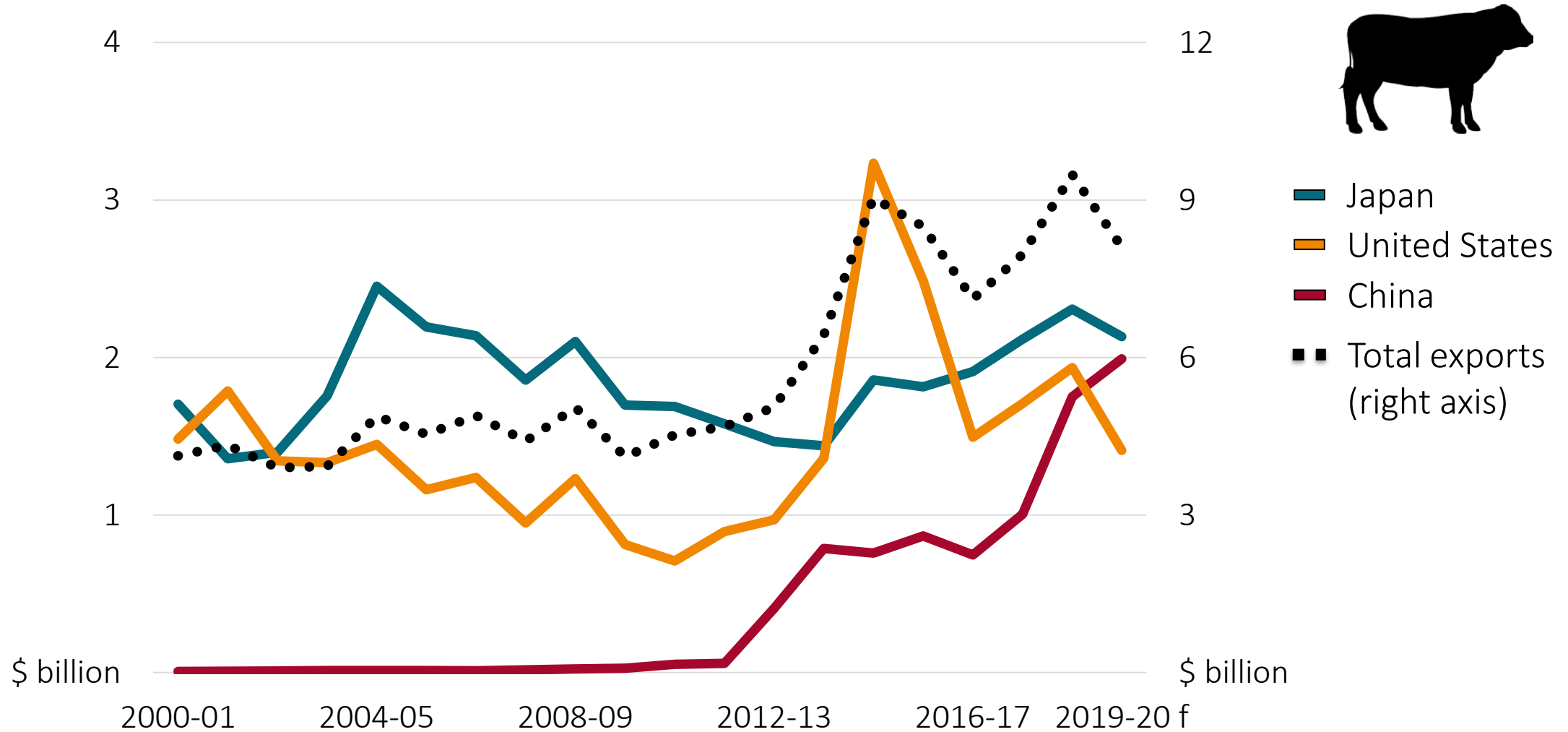
Strong export demand to increase prices



f ABARES forecast.

Source: ABS

China will likely rival Japan as our most valuable market this year



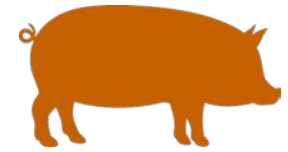
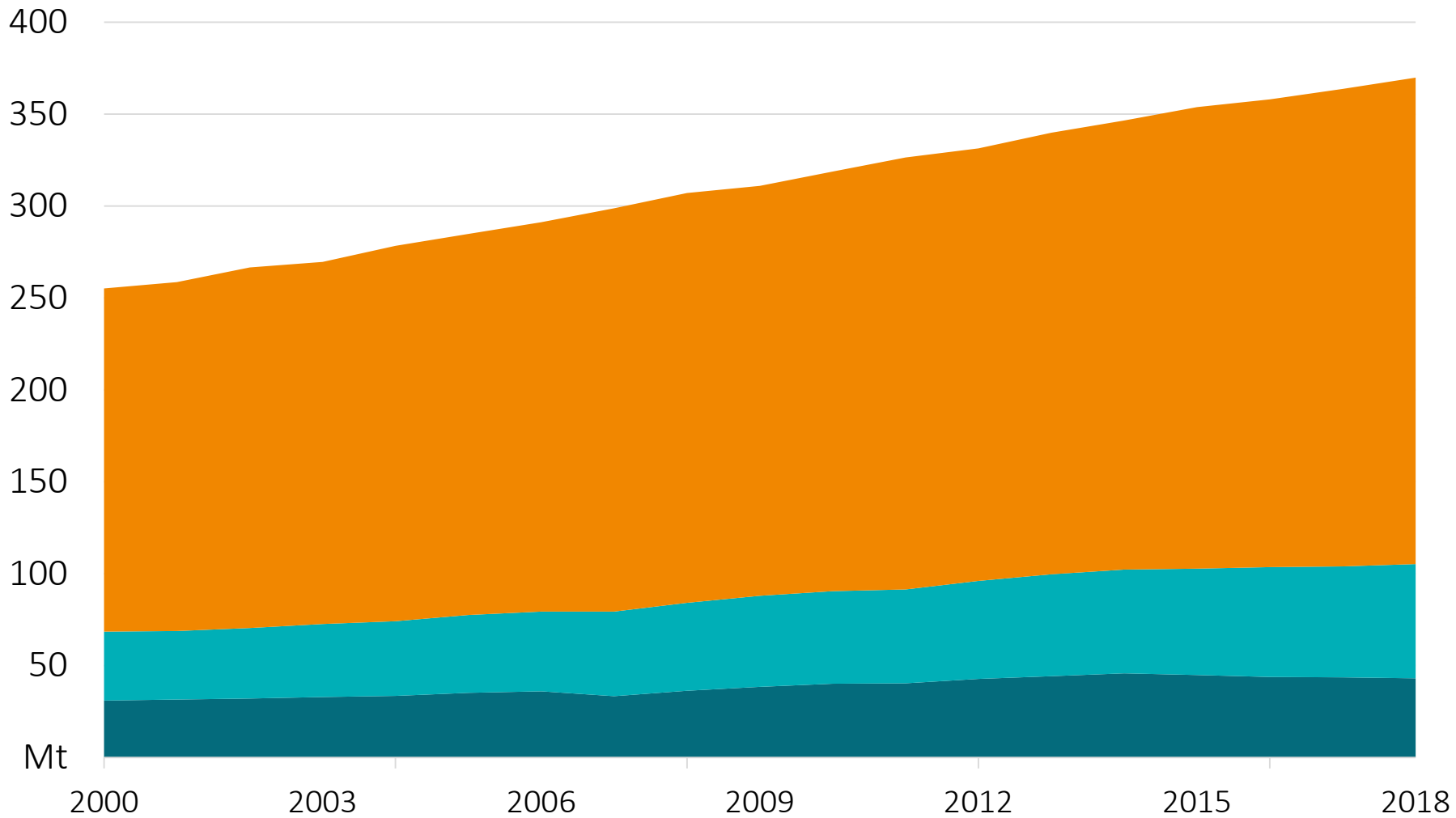
f ABARES forecast.

Source: ABS

Chinese pig meat imports growing



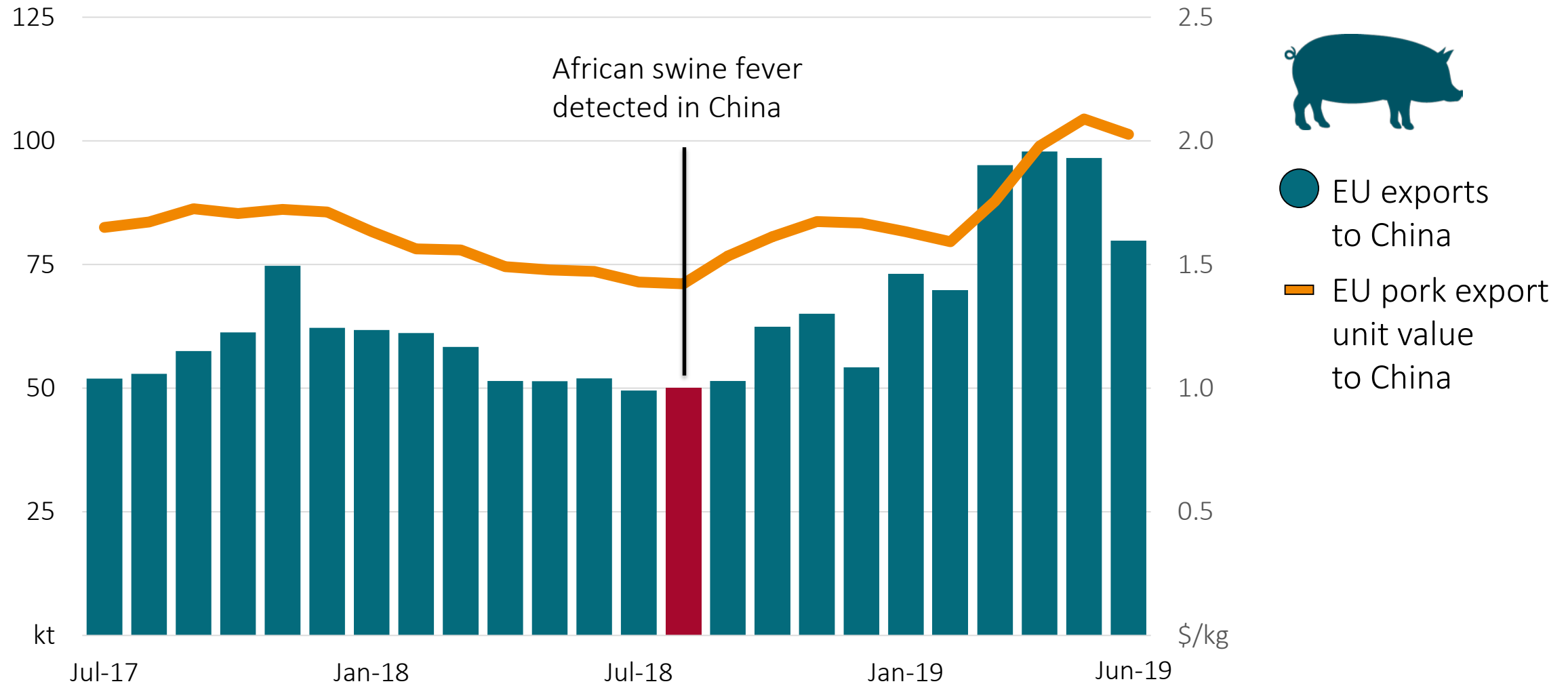
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- Rest of world - All meat
- China - Other meat
- China - Pig meat

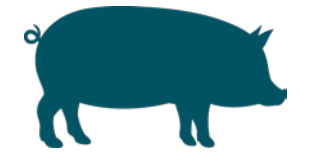
Source: OECD

Chinese pig meat imports growing

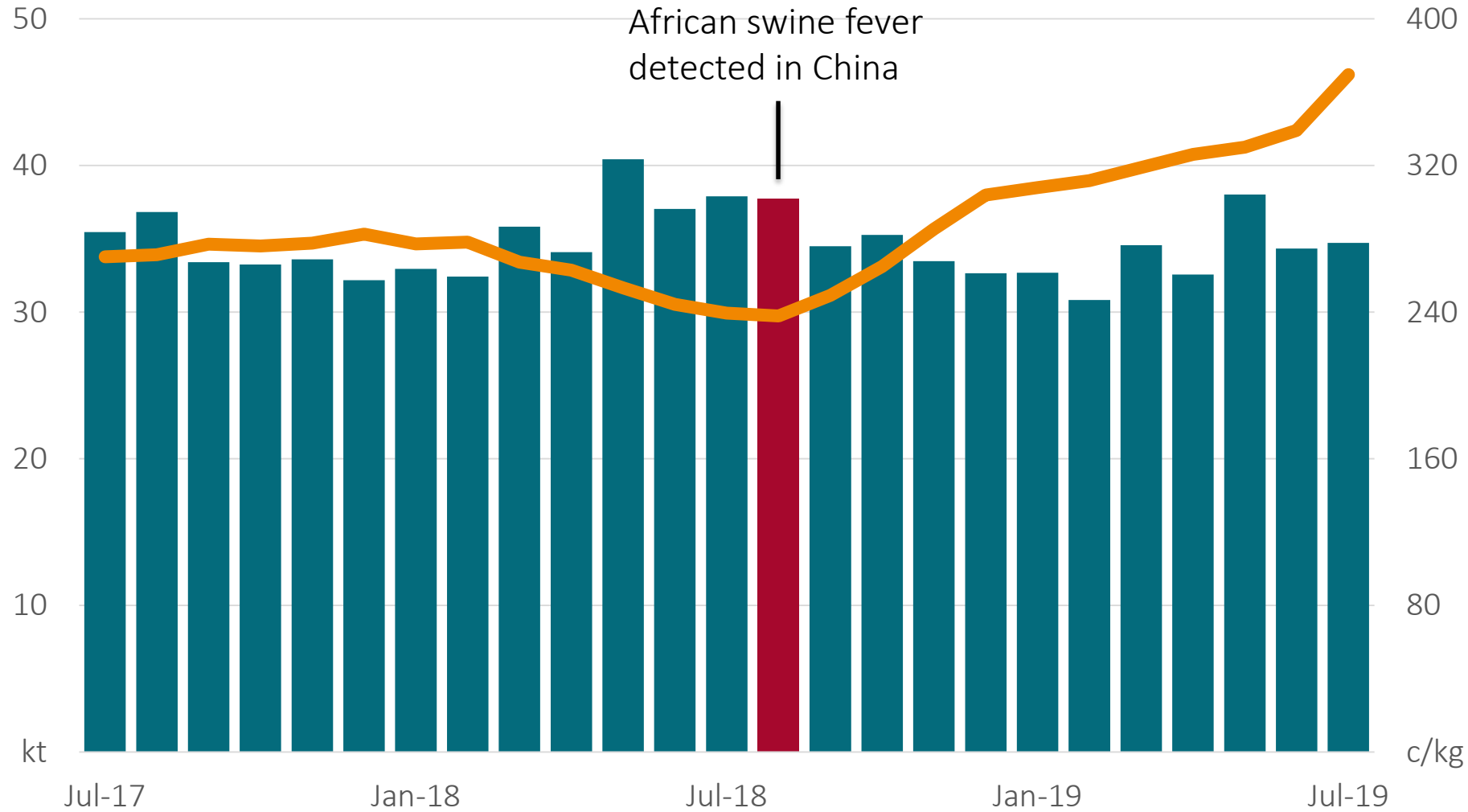


Source: Eurostat

Higher global prices raising Australian pig prices



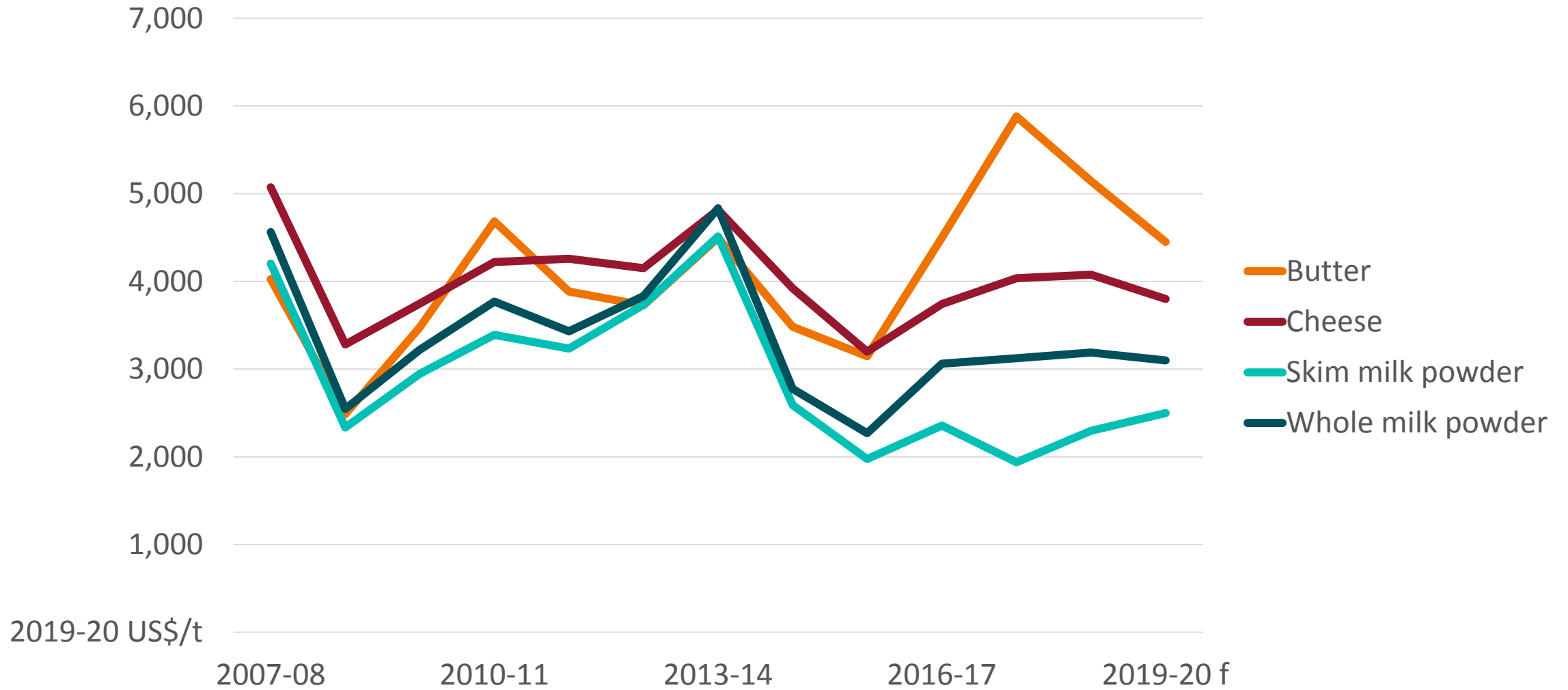
-  Australian production
-  OTH pig price



Outlook for dairy

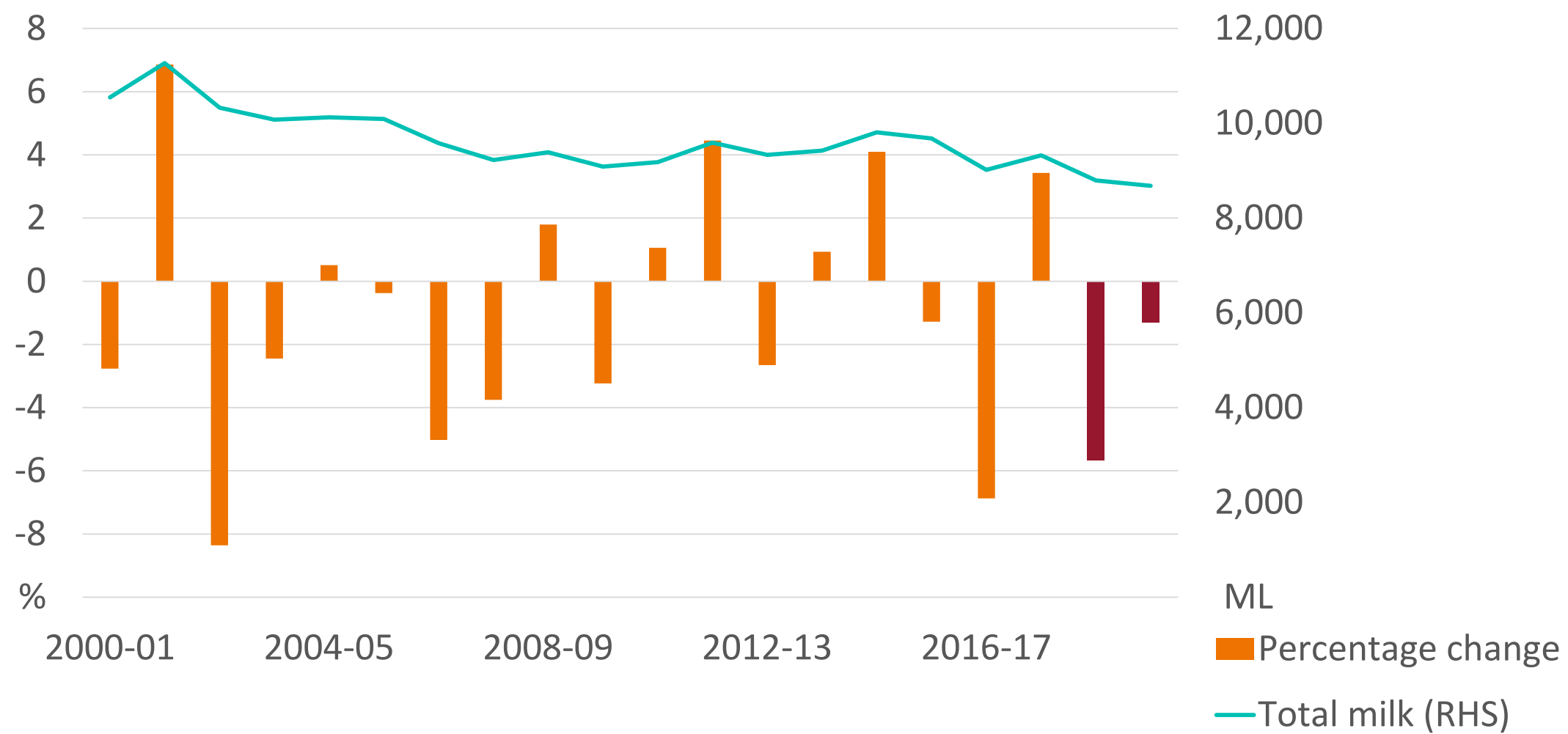


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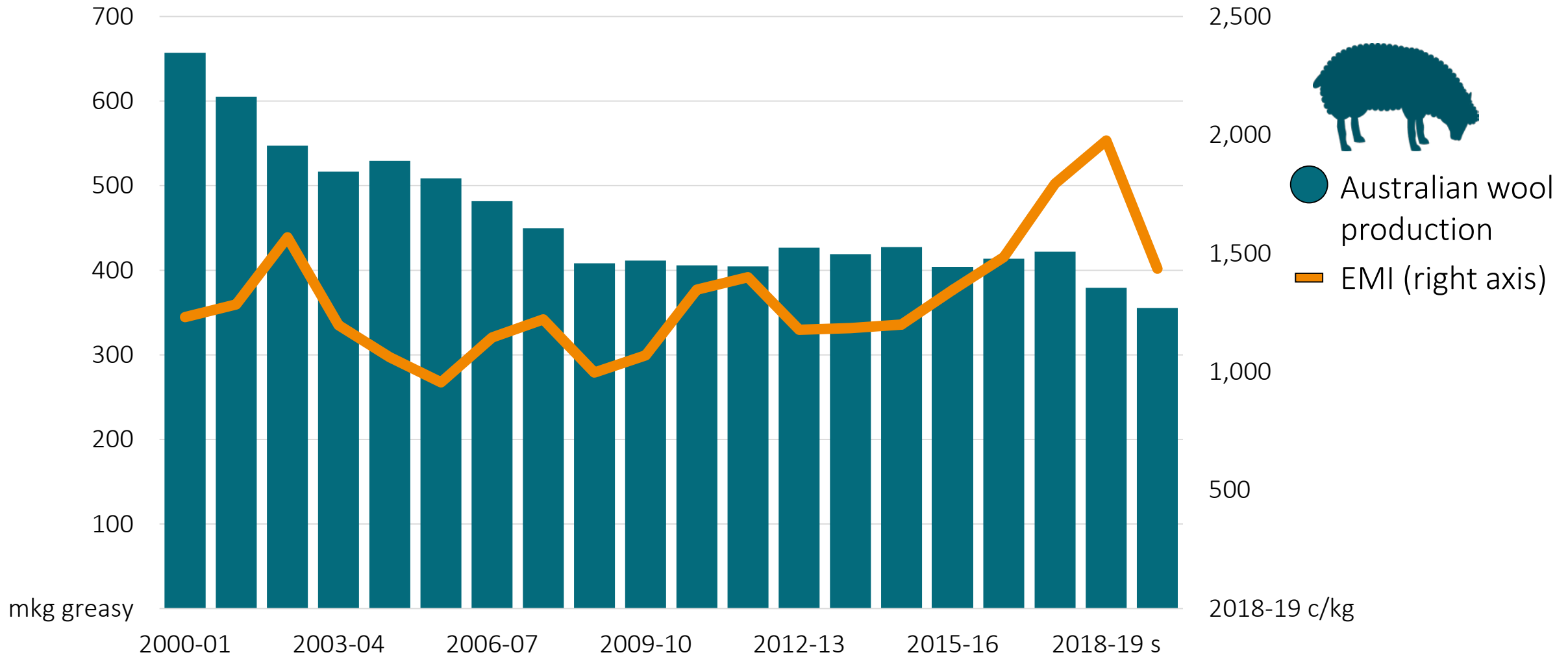




Year on year change in milk production



Wool prices to fall but remain above average



Sources: ABS & AWEX

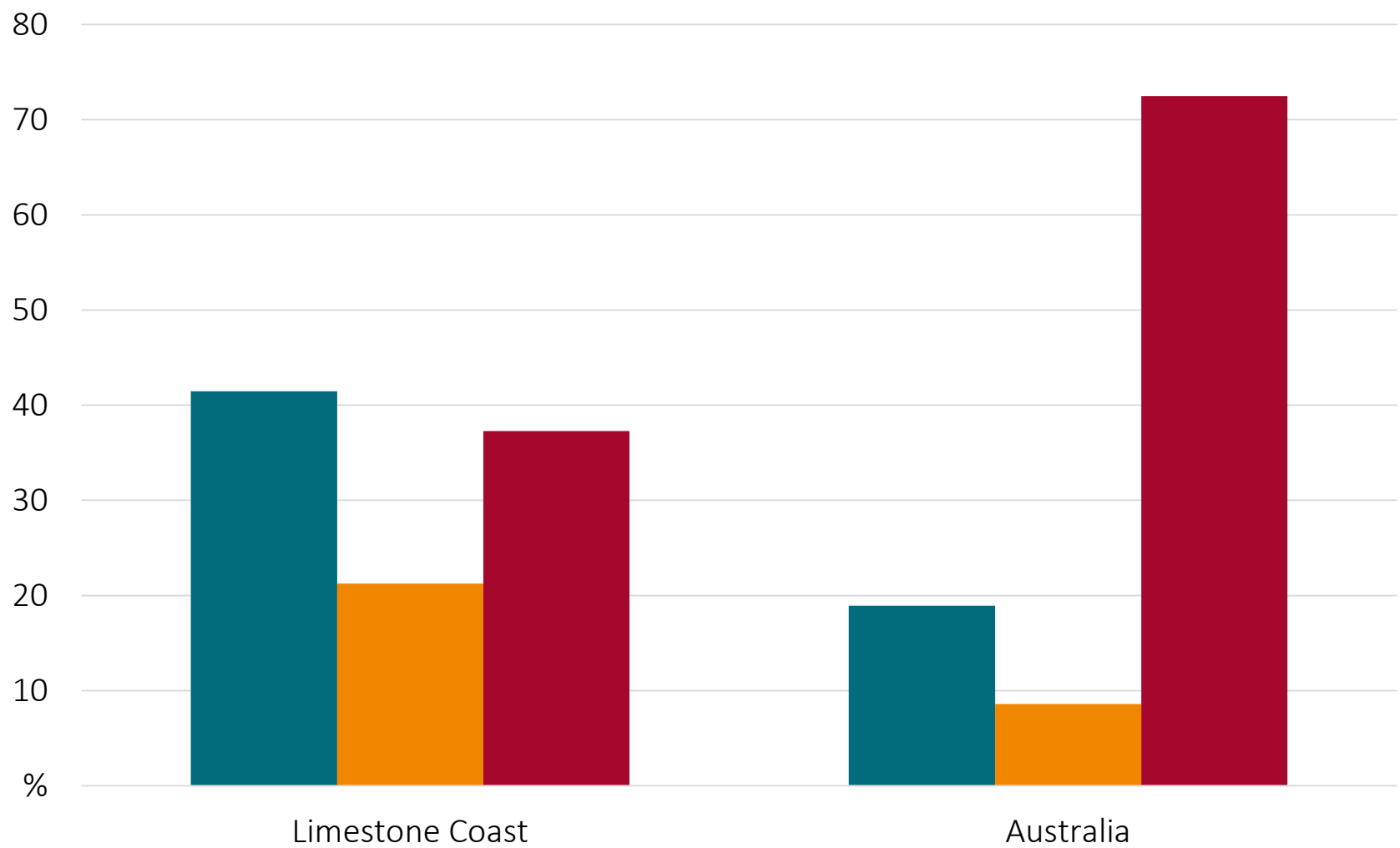


Regional wine exports to China and Canada are high

Share of export volumes, 2018–19 to March



- Other
- Canada
- China



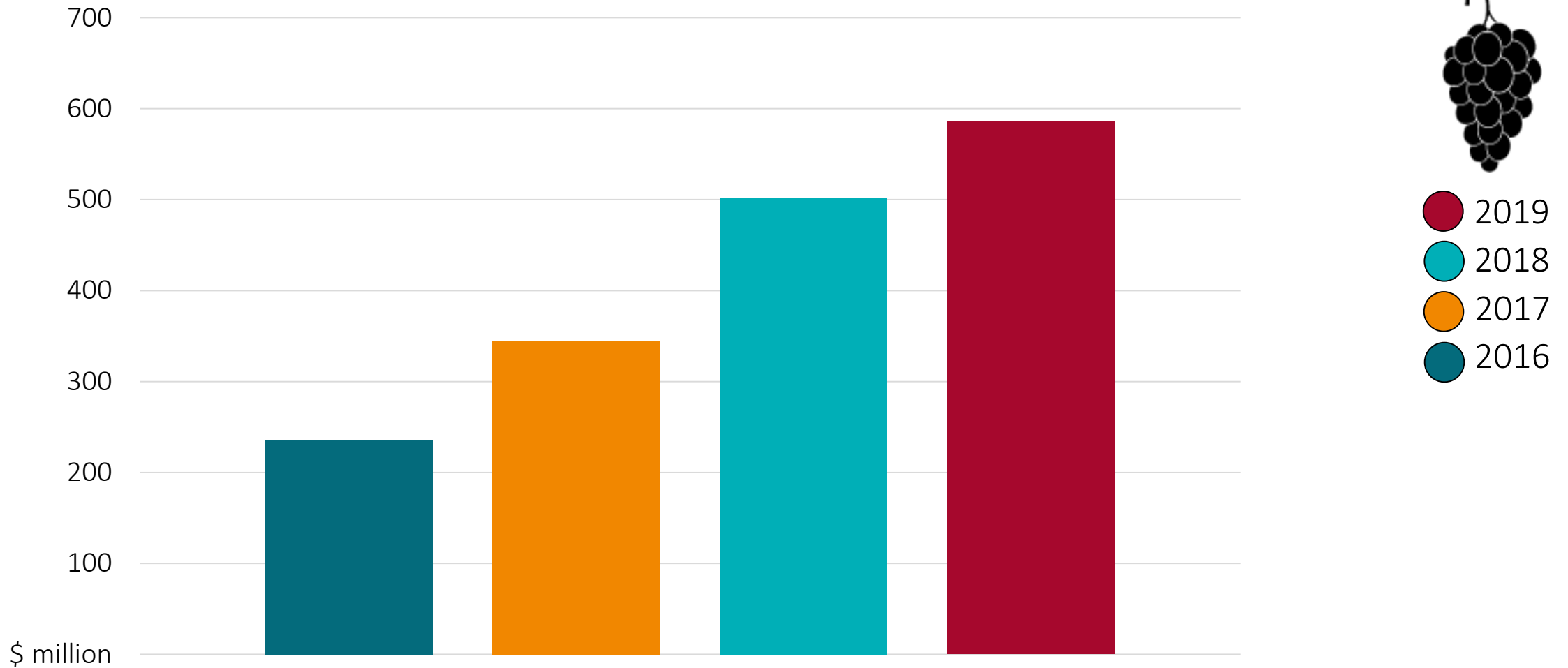
Source: Wine Australia

Australian wine exports to China to grow further



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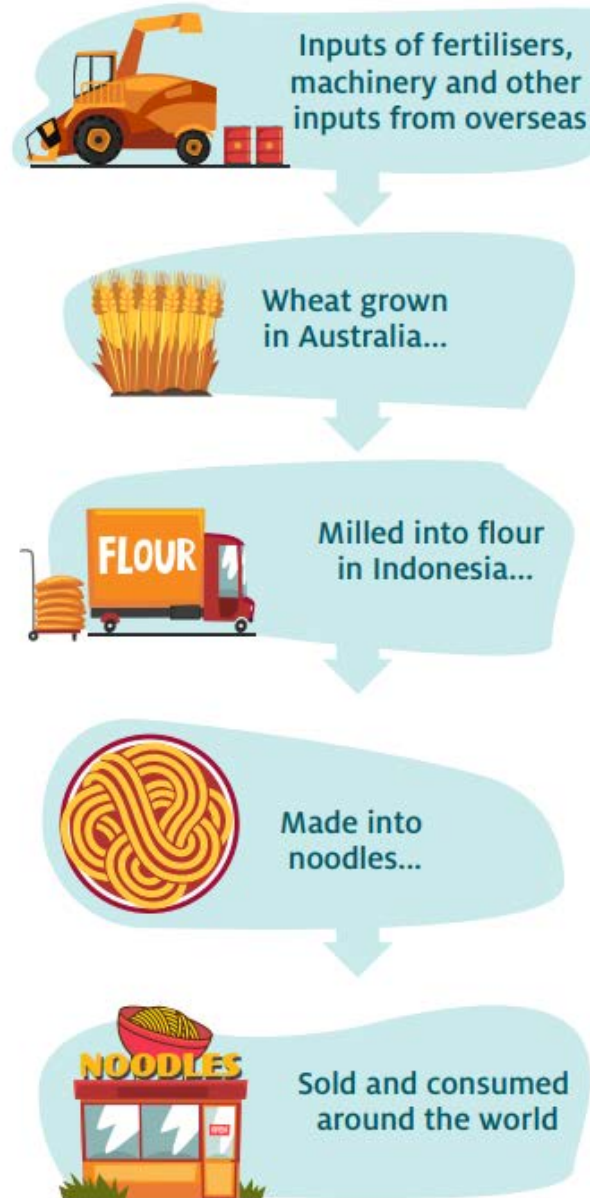
Cumulative fiscal year to date imports, January to July



- 2019
- 2018
- 2017
- 2016

Source: ABS

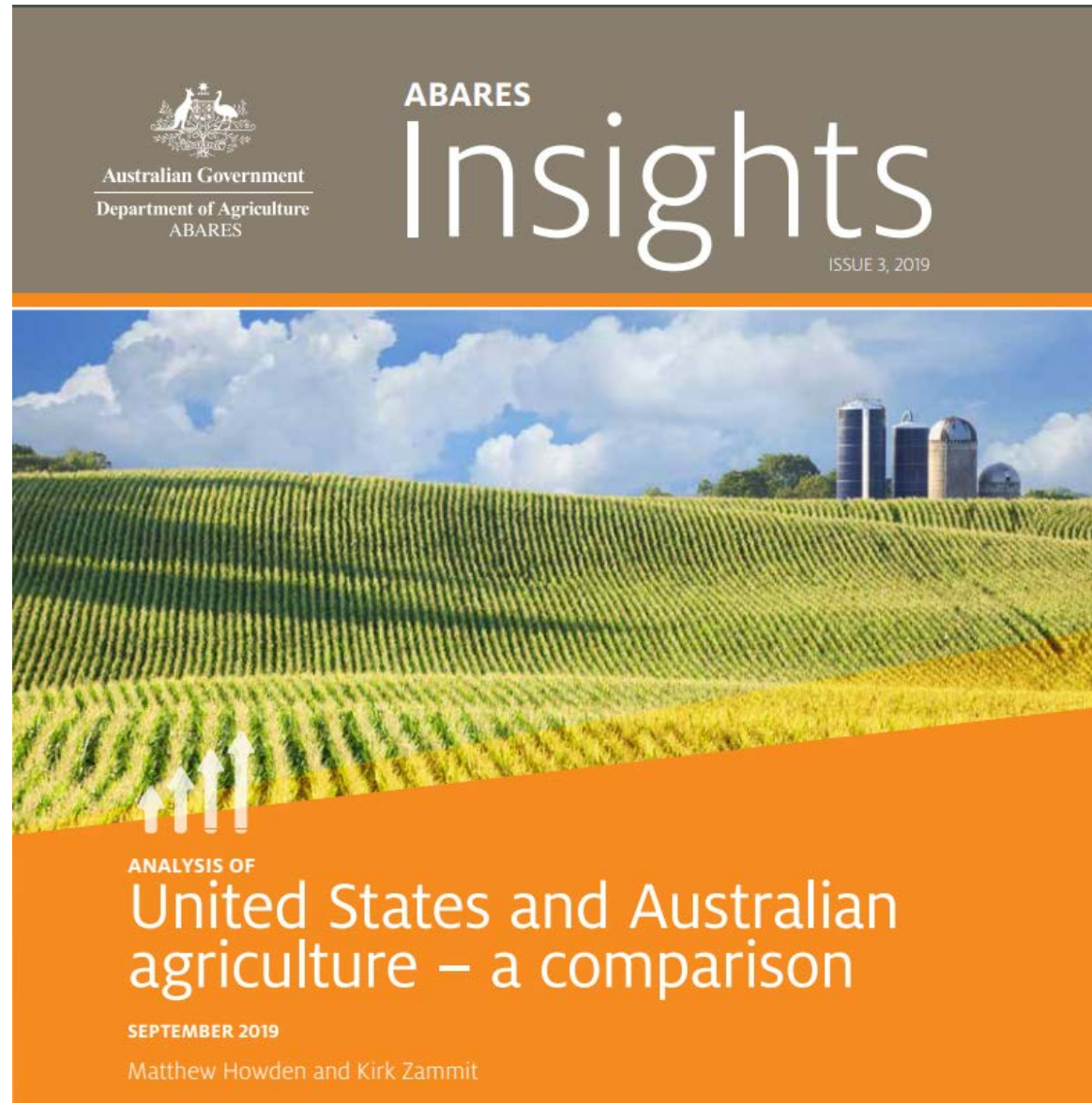
Australia's position in global value chains



We also do policy analysis



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