



Australian Government
Department of Agriculture
ABARES

Commodity outlook and issues

Gippsland agriculture

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and Resource Economics and Sciences**

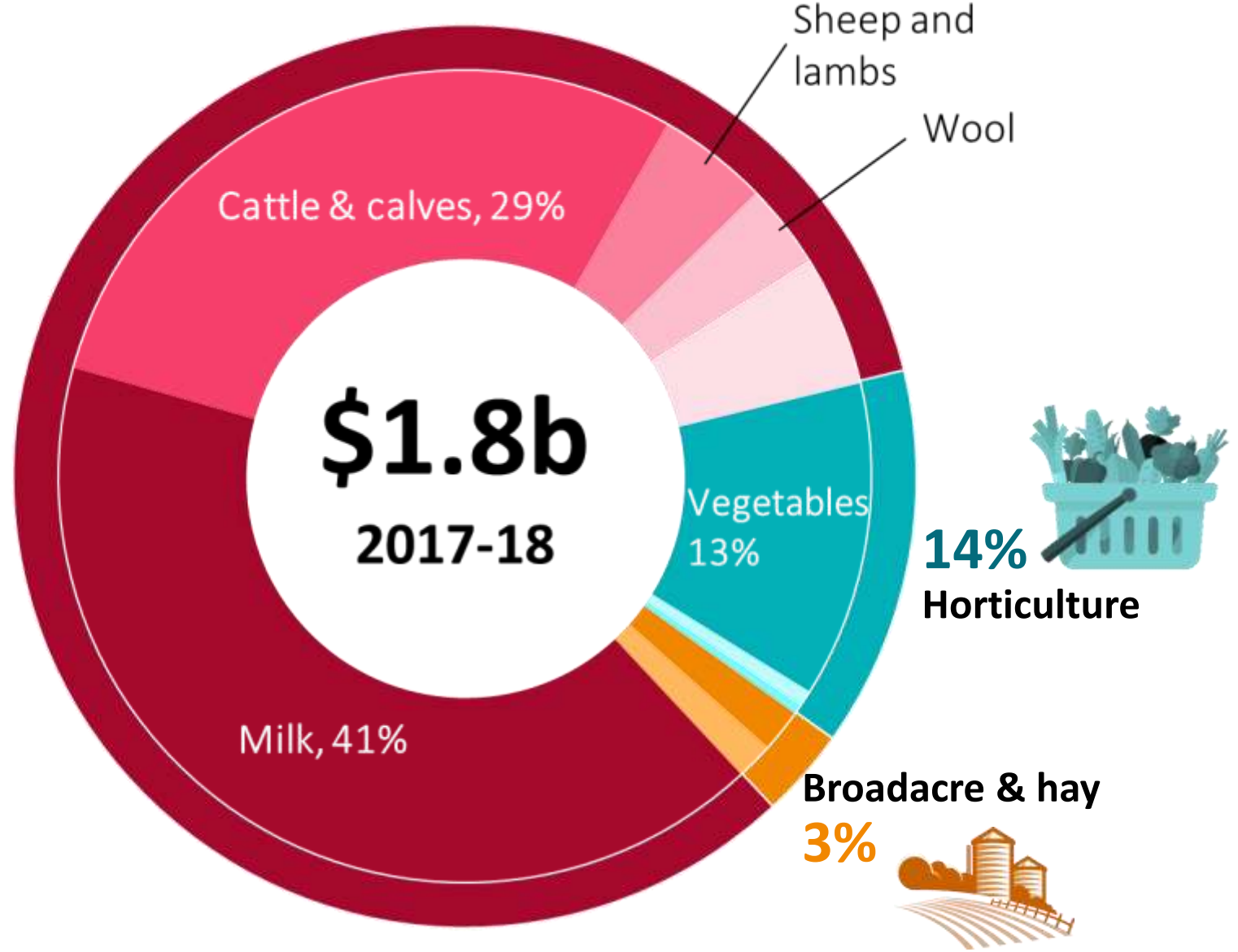
30 October 2019



Gippsland agriculture - snapshot



Livestock &
products **83%**



Outlook for key commodities

- Dairy
- Beef
- Vegetables

Dairy farm cash income

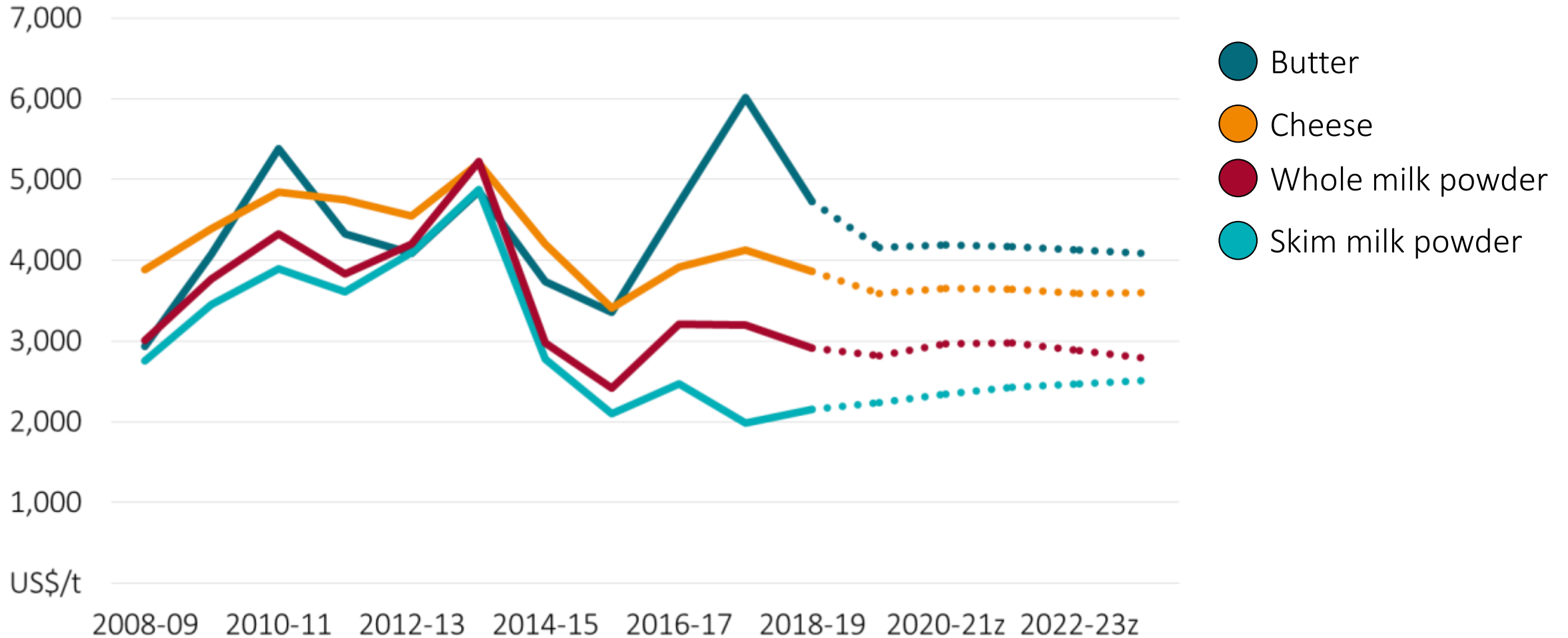
Farm cash income, dairy farms



y Provisional estimates.

Source: ABARES

World dairy prices to fall, then flatten

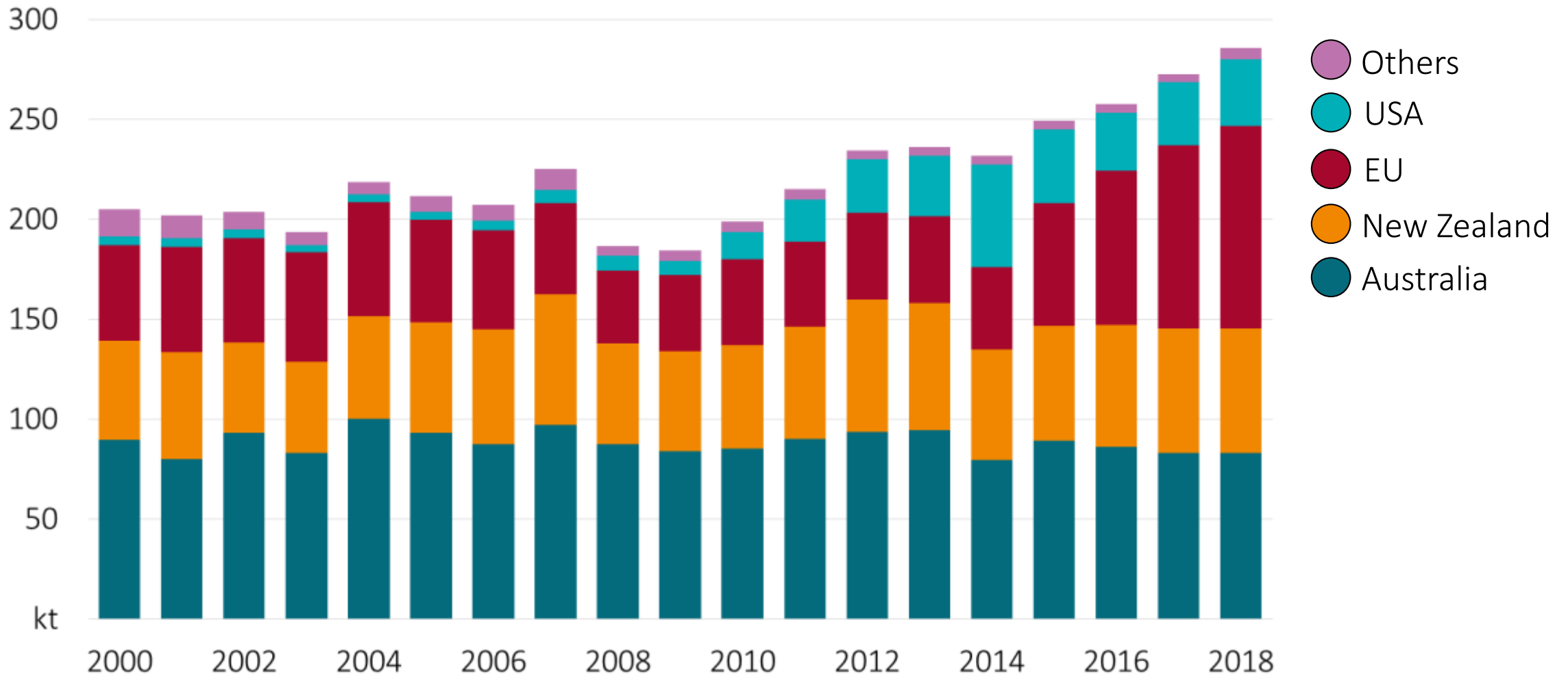


z Projection.

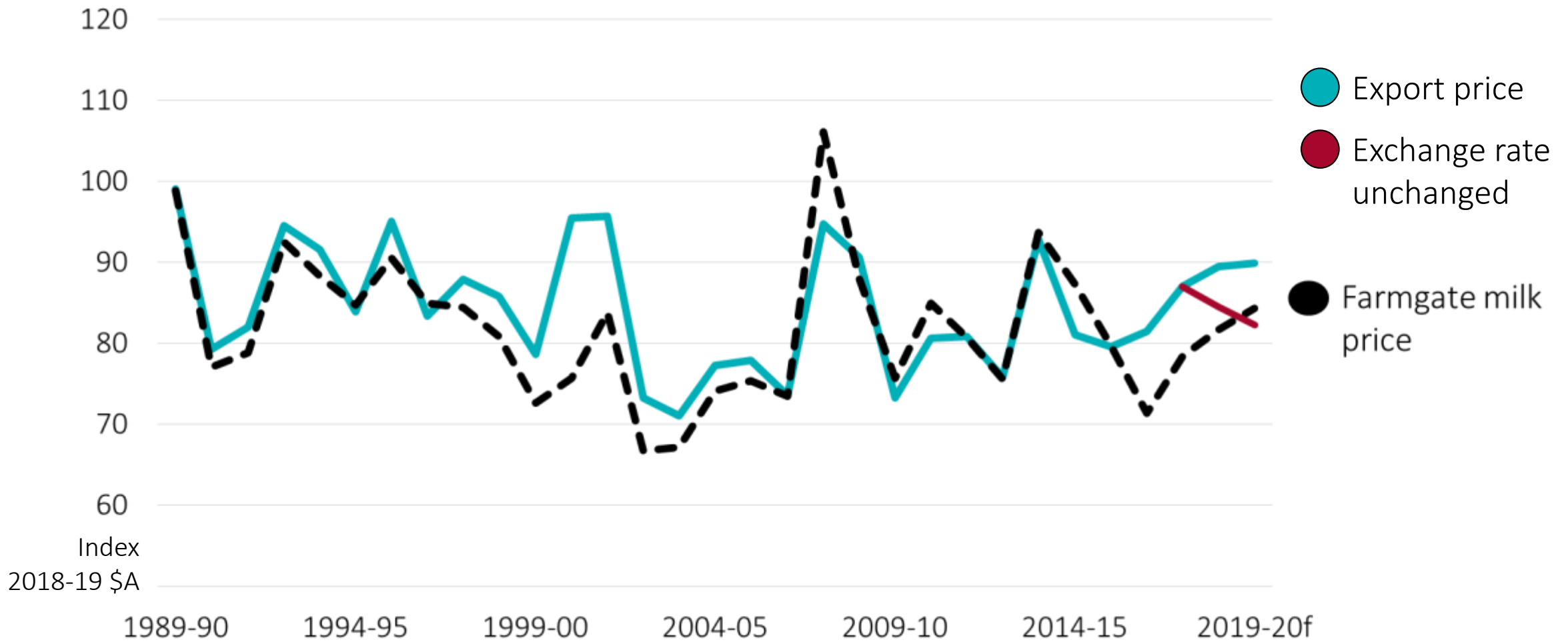
Source: ABARES; Dairy Australia

Competition increasing in major export markets

Japanese cheese imports by origin



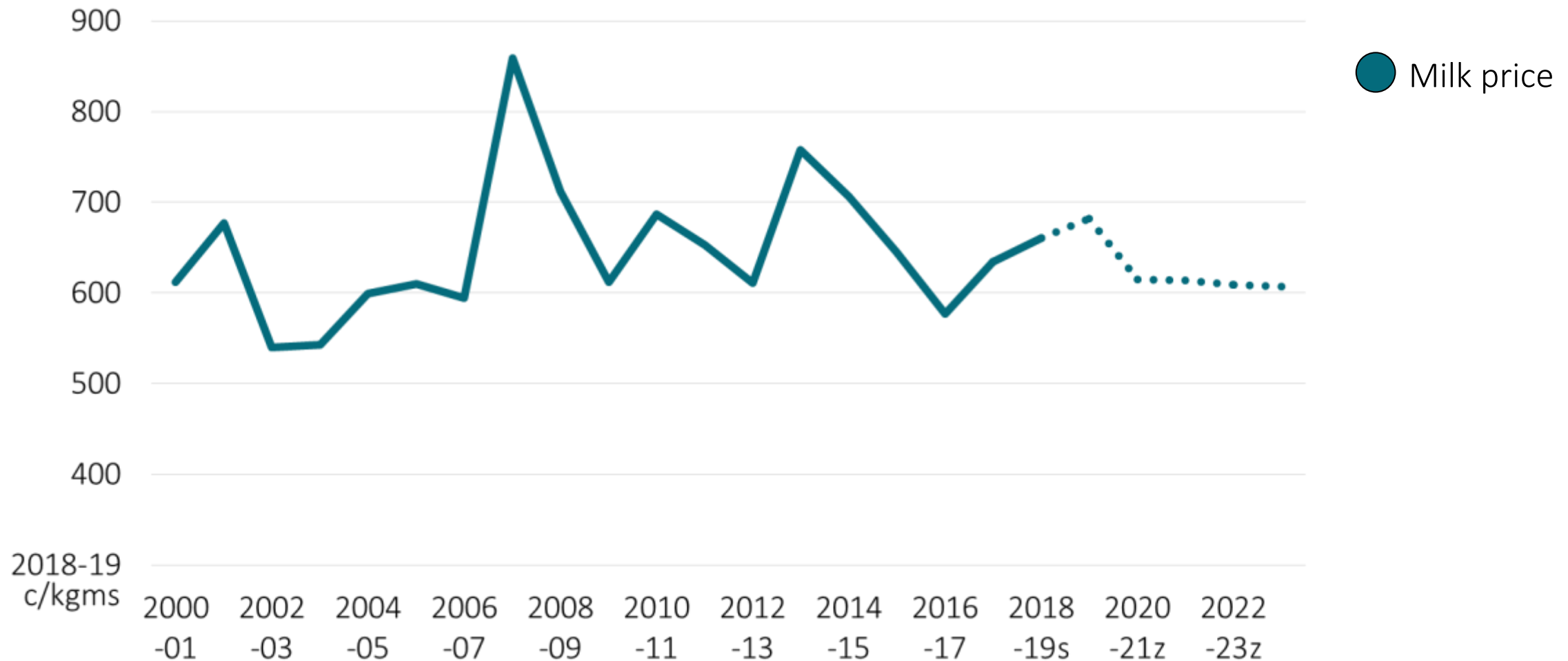
Export prices supported by the Australian dollar



f forecast.

Source: ABARES; ABS; Dairy Australia

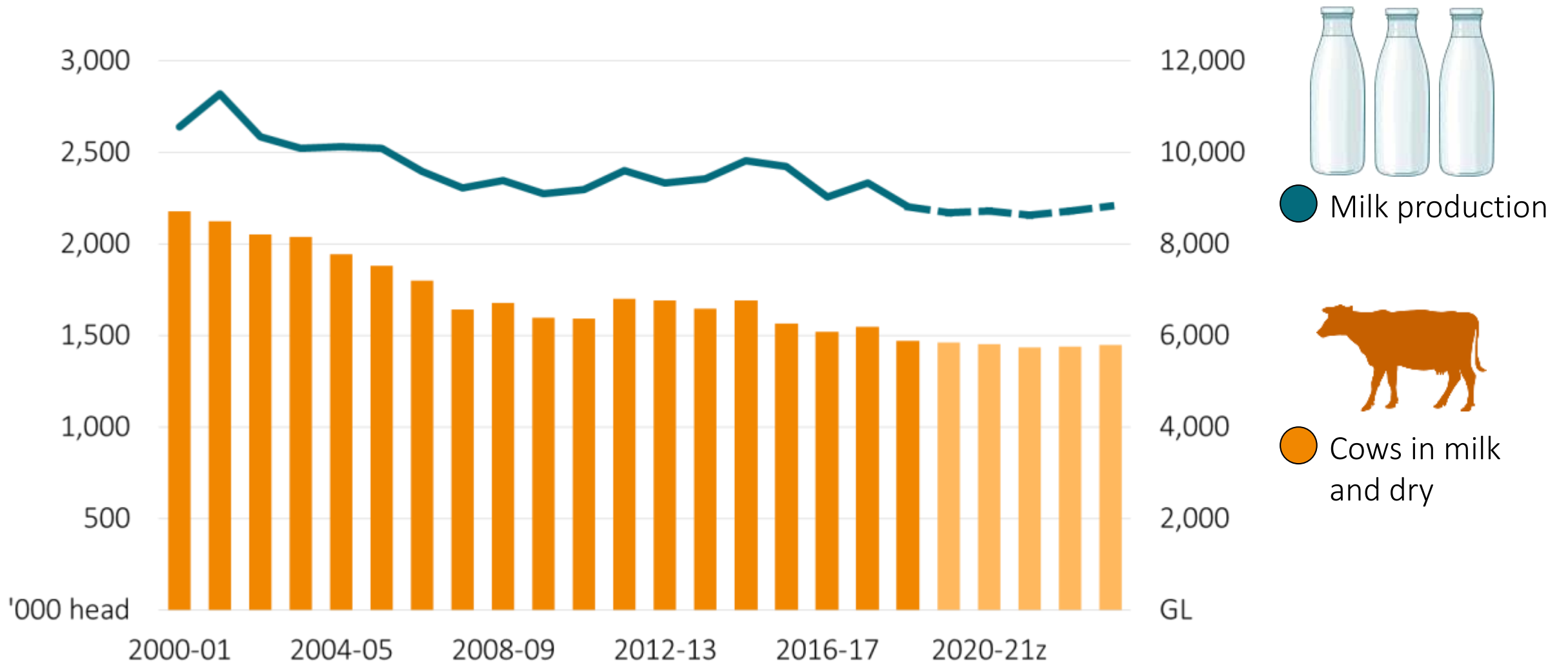
Australian milk price to trend lower over the medium term



2018-19
c/kgms
s estimate. z Projection.

Source: ABARES; Dairy Australia

Drought and cow culling slowing production

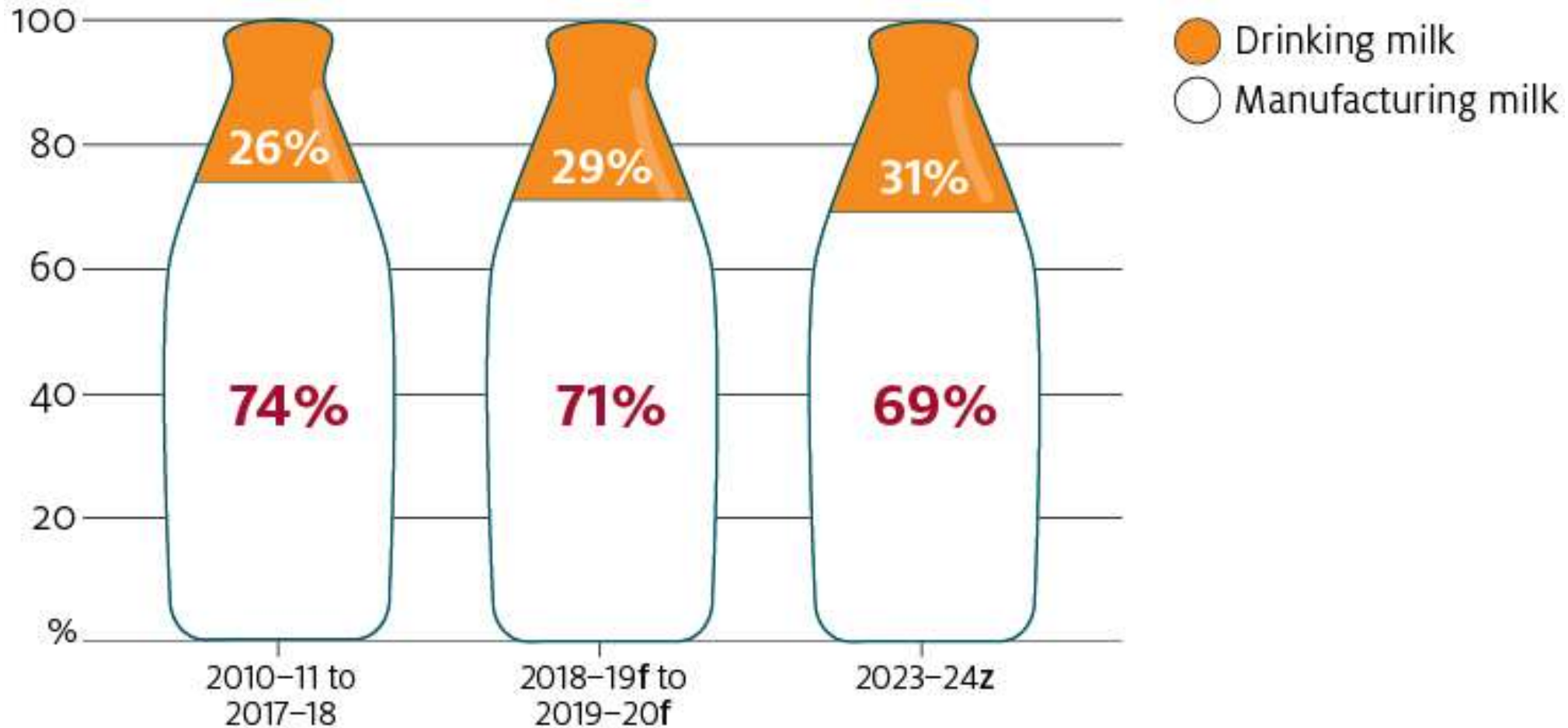


z Projection.

Source: ABARES; ABS; Dairy Australia

Fewer cows means less manufacturing milk

Australian milk utilisation

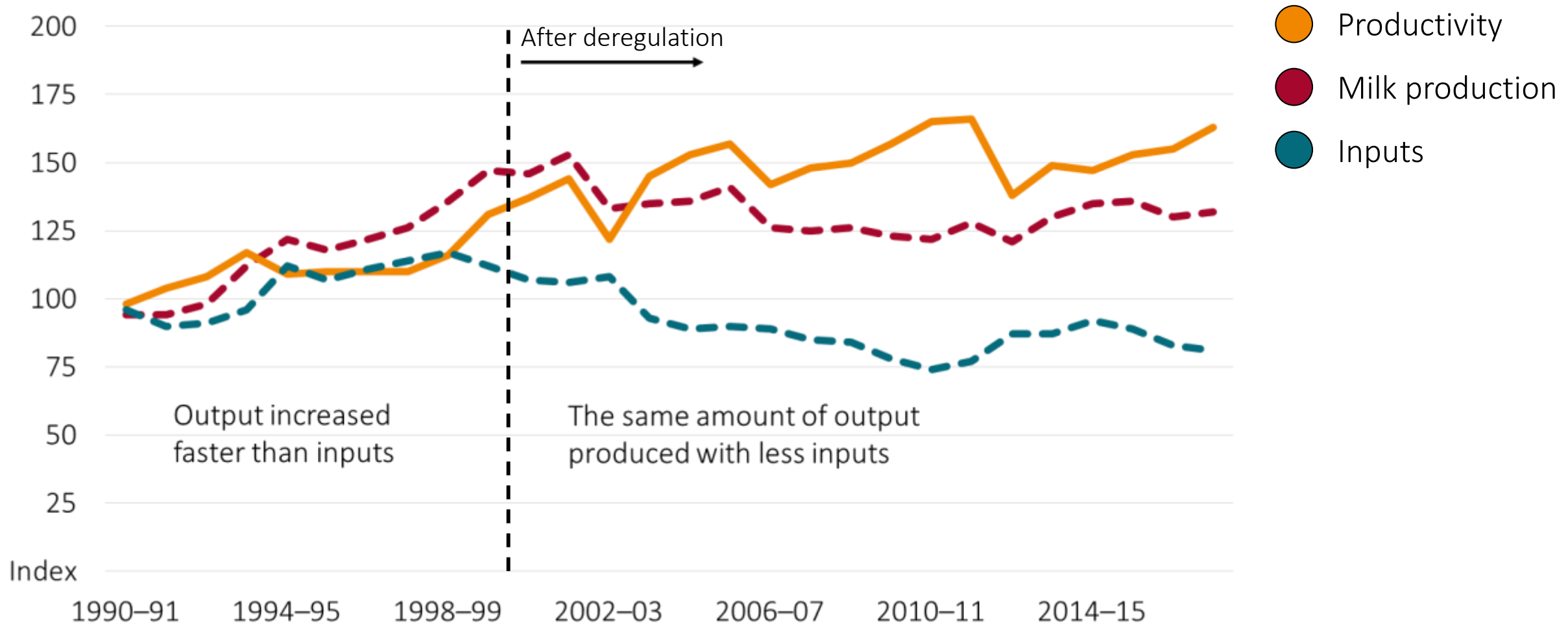


f Forecast. z Projection.

Source: ABARES; ABS

Industry productivity has continued to grow

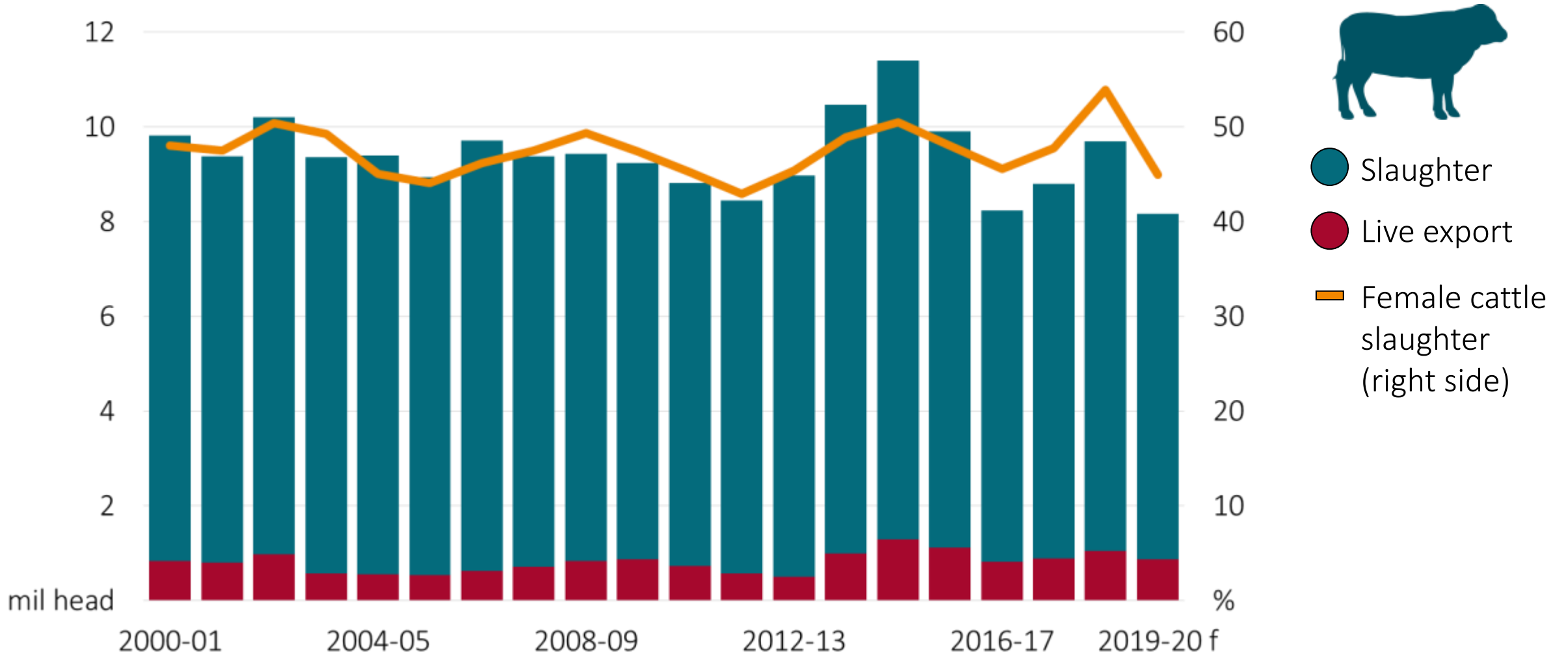
Input, output and productivity estimates, Australian dairy



Outlook for key commodities

- Dairy
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- Vegetables

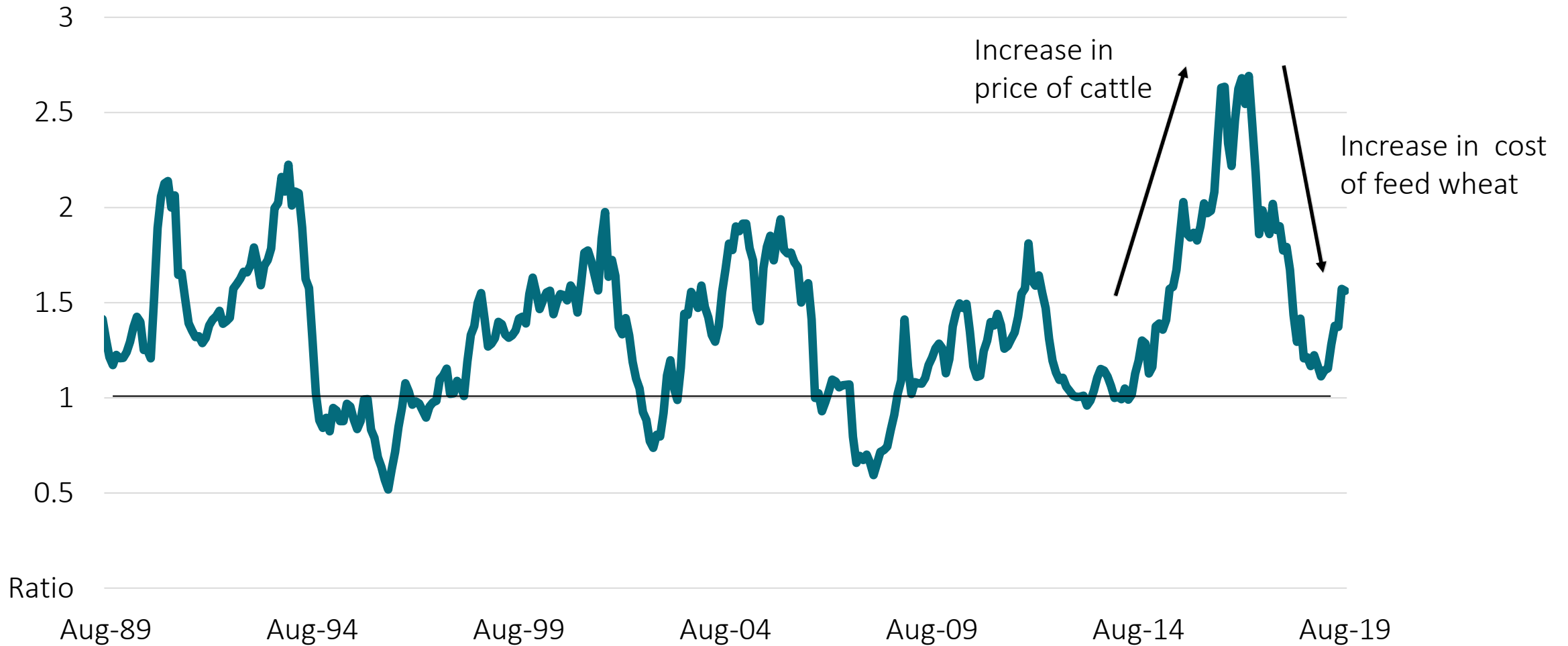
Cattle turn-off to fall in 2019-20



f ABARES forecast.

Source: ABARES; ABS

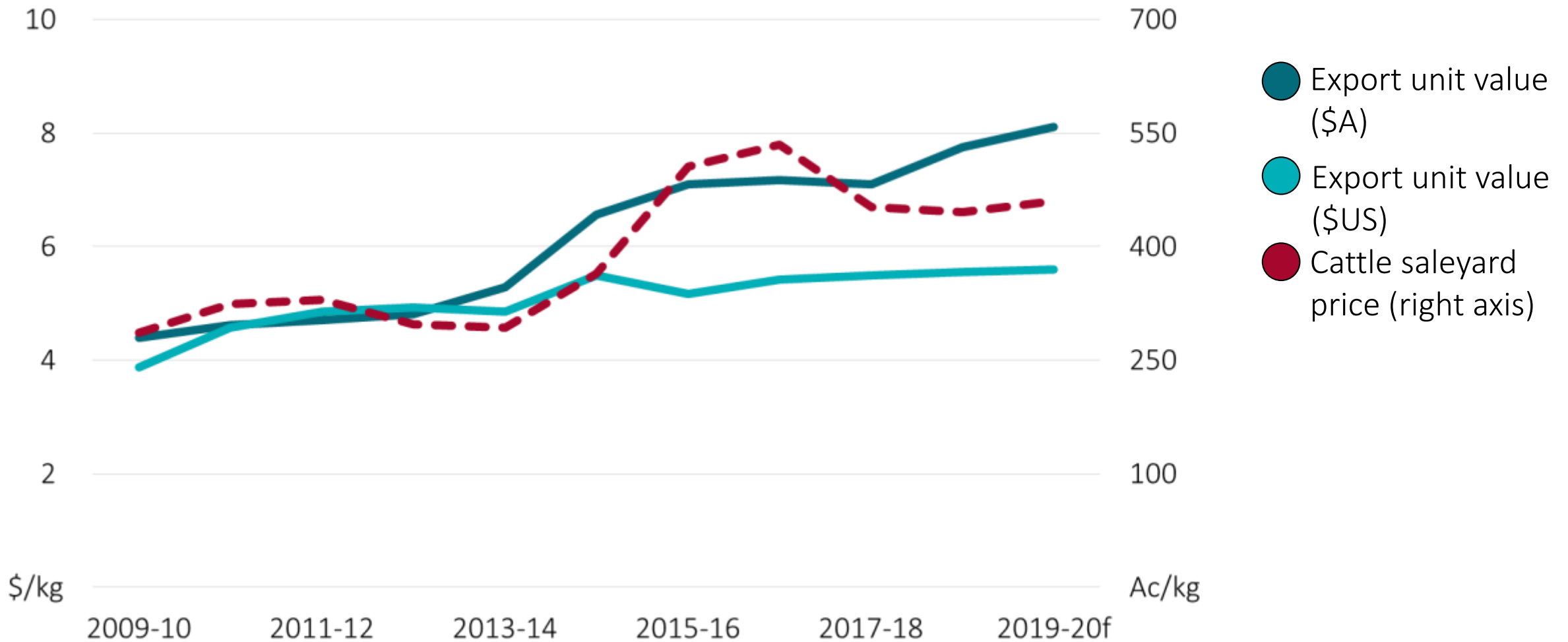
Production down but supported by feedlots



f ABARES forecast.

Source: ABARES; ABS; Meat & Livestock Australia

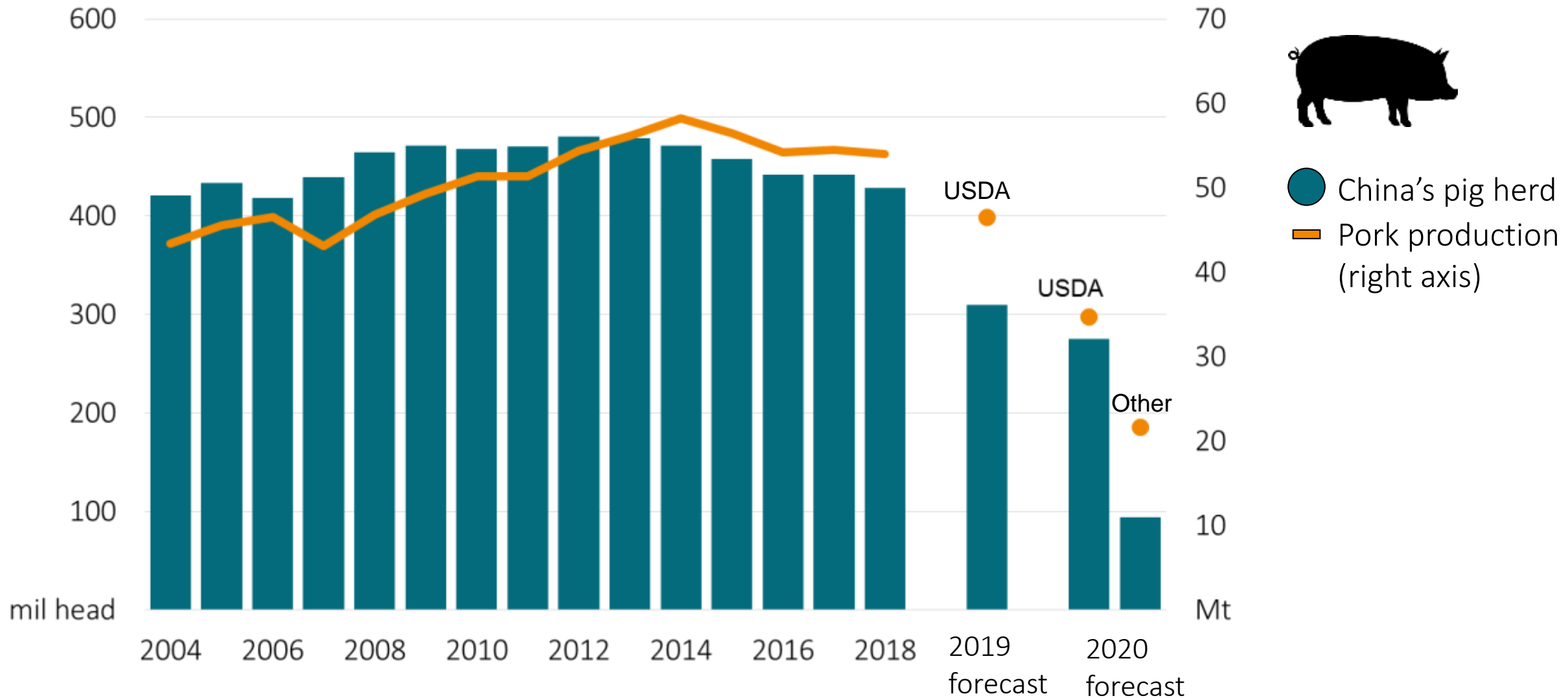
Global demand supporting beef and cattle prices



f ABARES forecast.

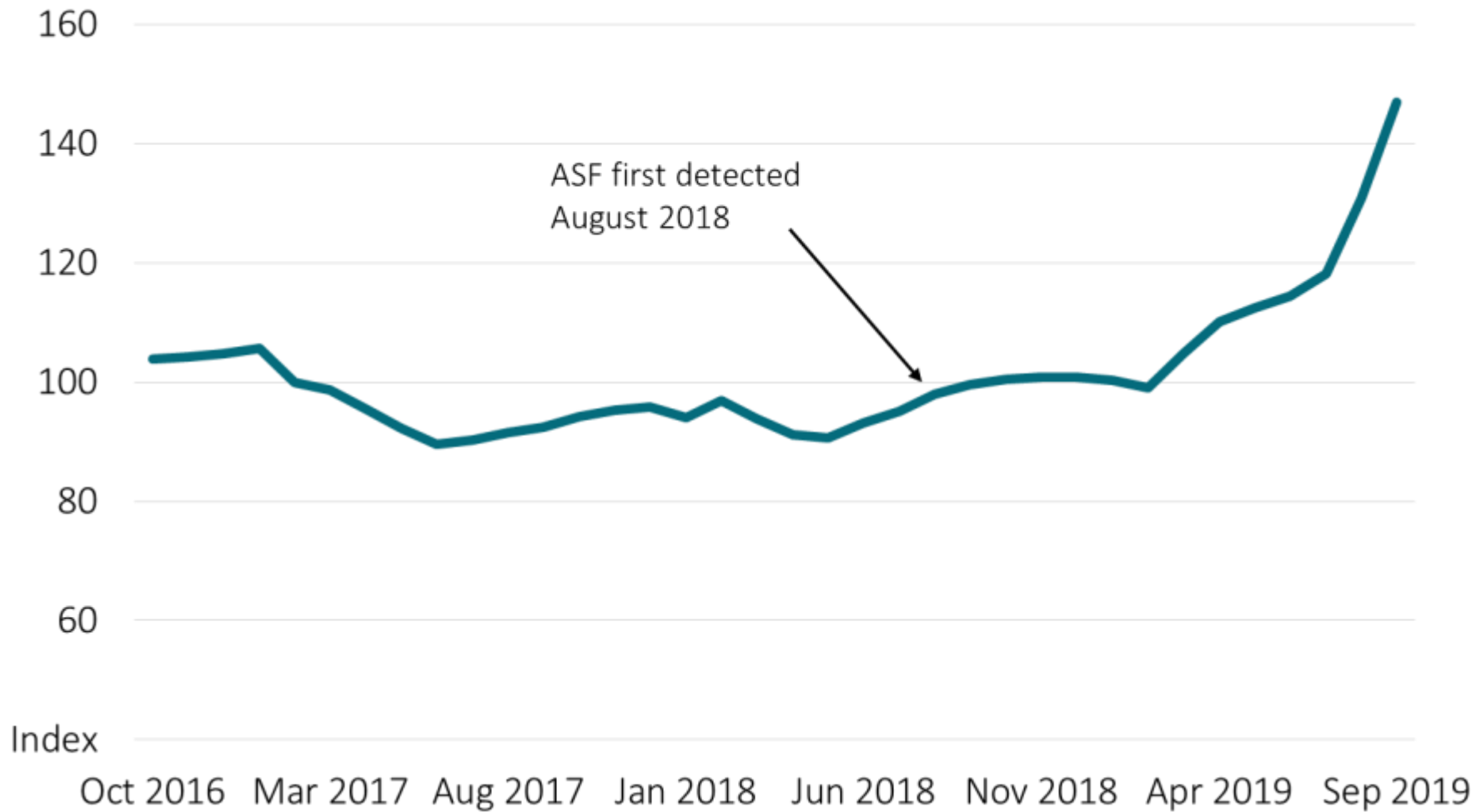
Source: ABARES; ABS; Meat & Livestock Australia

African swine fever is disrupting global protein markets



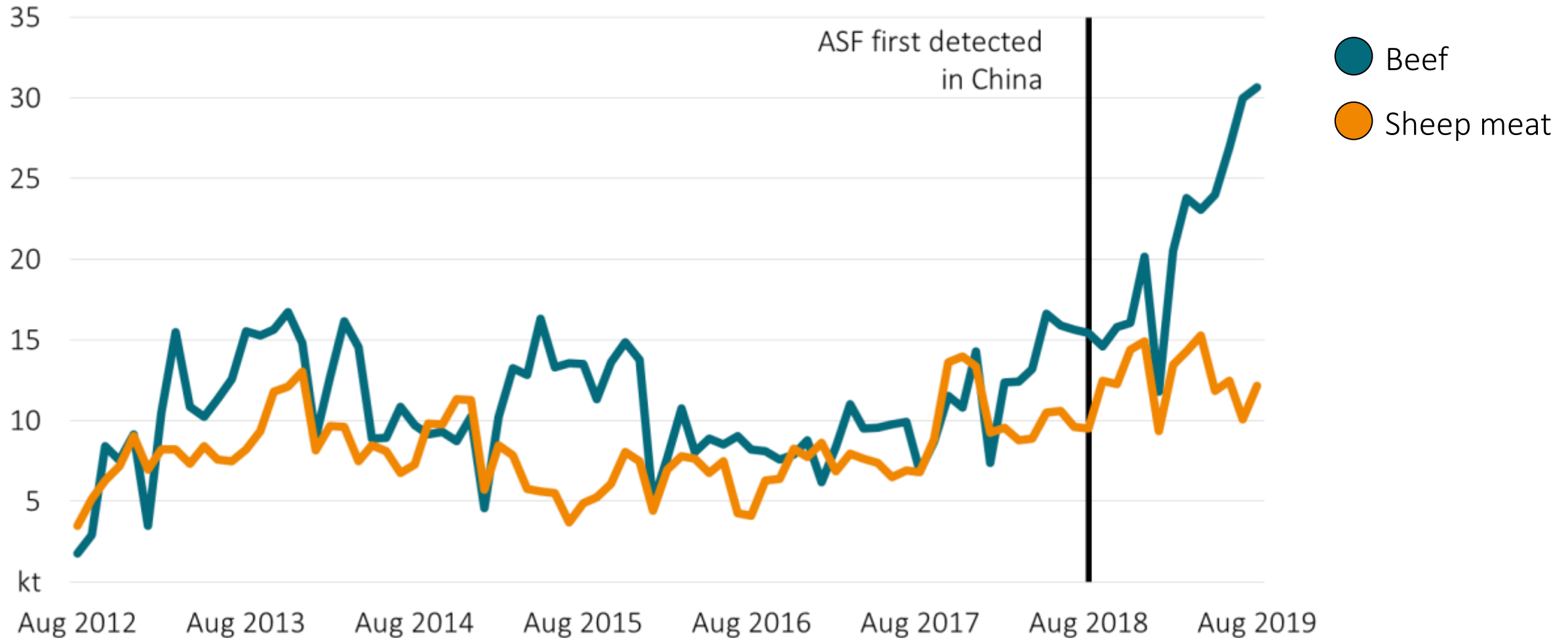
Chinese retail prices have begun to increase sharply

Chinese consumer price index, food



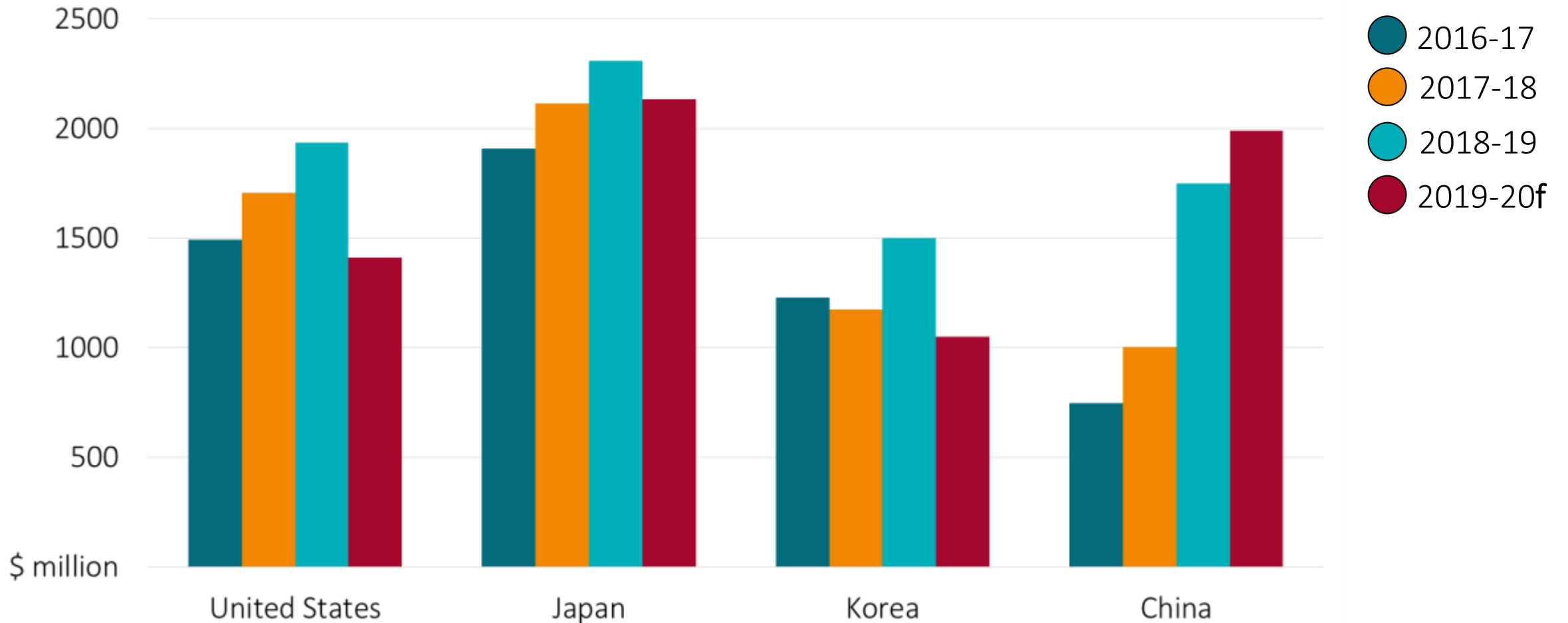
Item	Change from a year earlier (%)
Food	11
Meat	47
Pork	69
Beef	19
Mutton	16
Poultry	15
Fish	3

Australia's meat exports to China exceed annual beef quota



Beef exports to China forecast to rival Japan

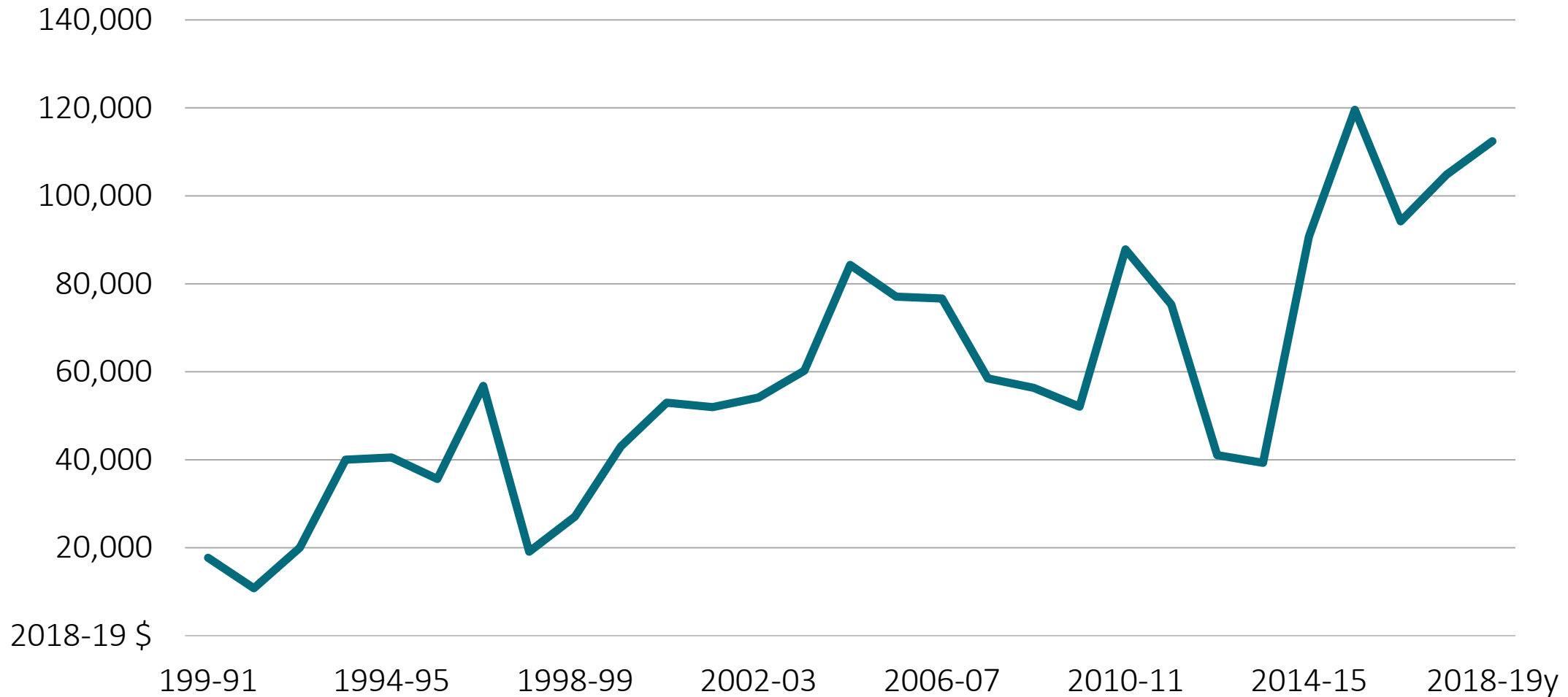
Australian beef export value by top 4 markets



f ABARES forecast.

Source: ABARES; ABS

Farm cash income, Victorian beef farms



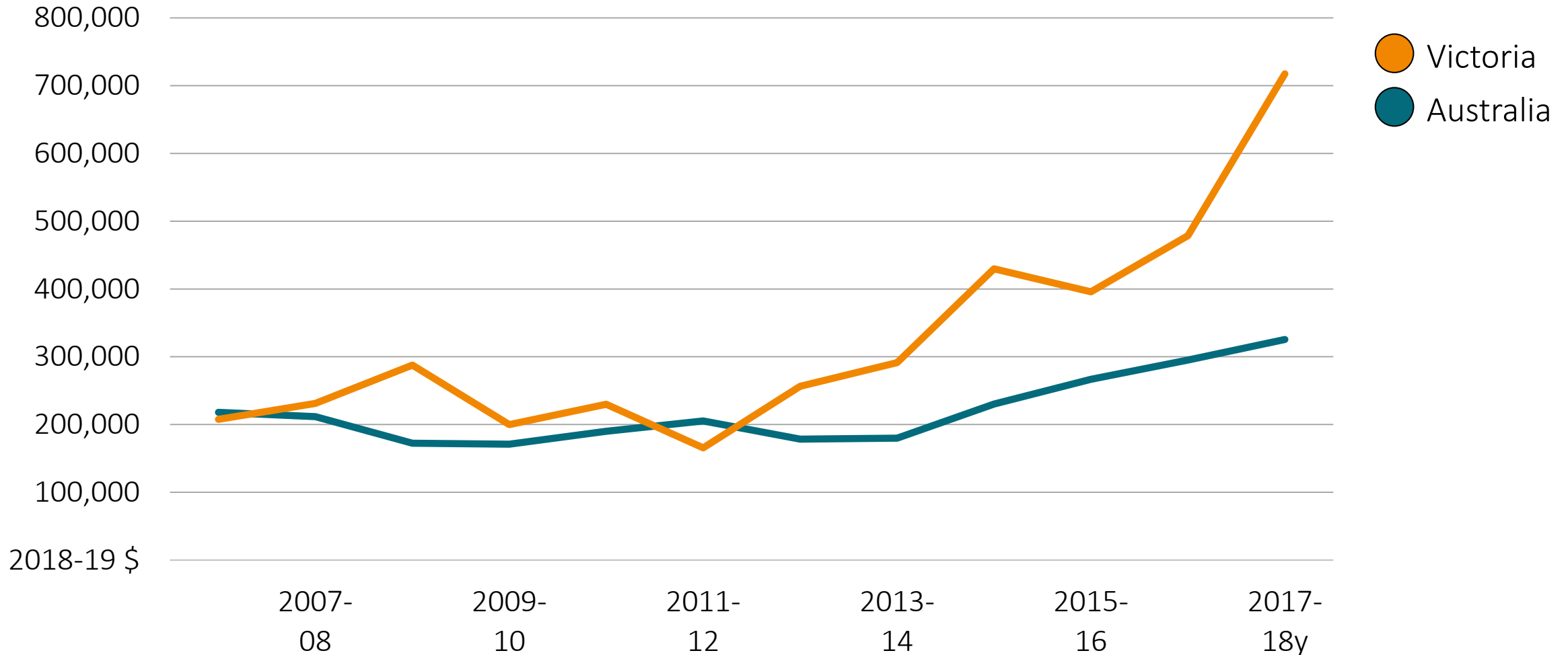
^y Provisional estimates.

Source: ABARES

Outlook for key commodities

- Dairy
- Beef
- Vegetables

Farm cash income, vegetables industry

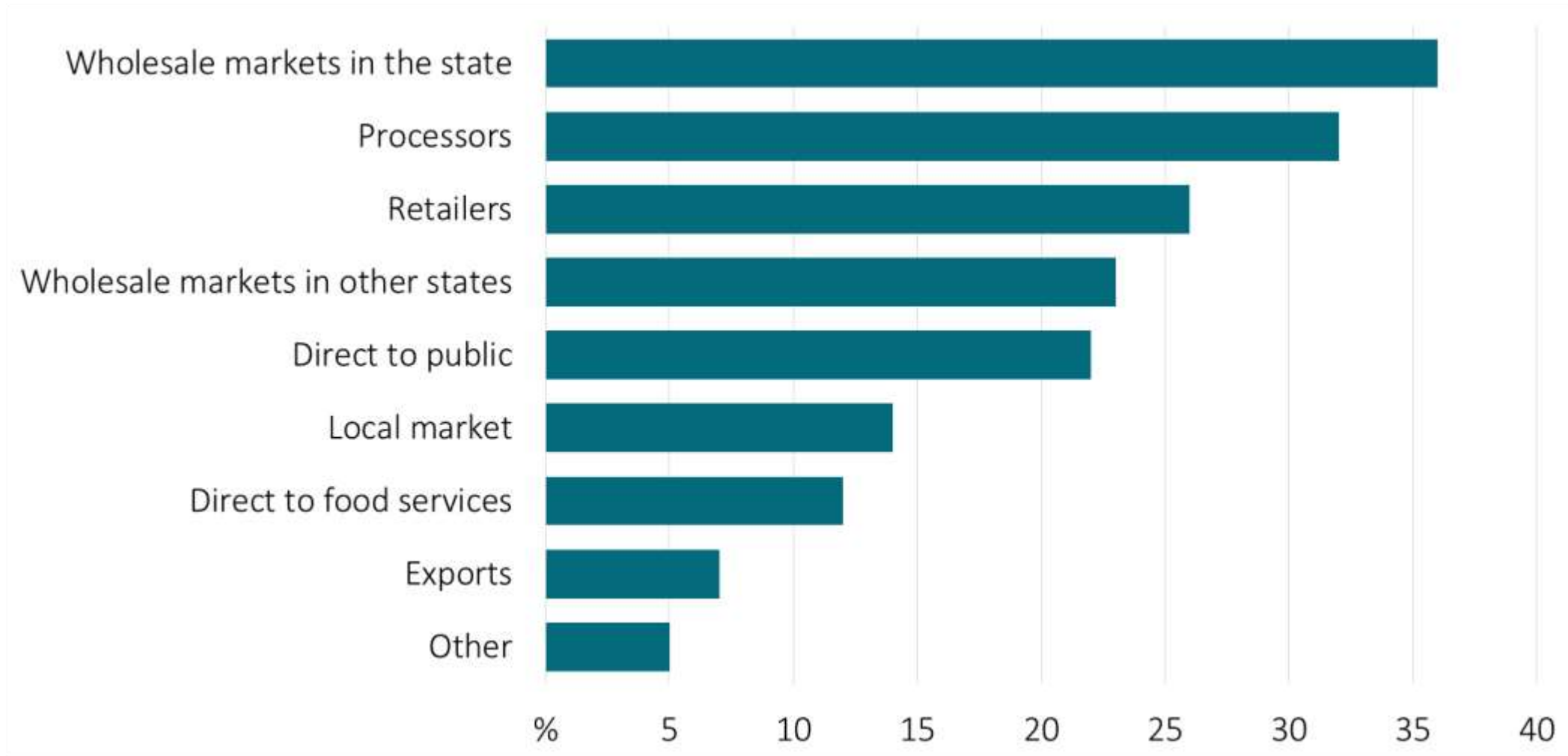


y Provisional estimates.

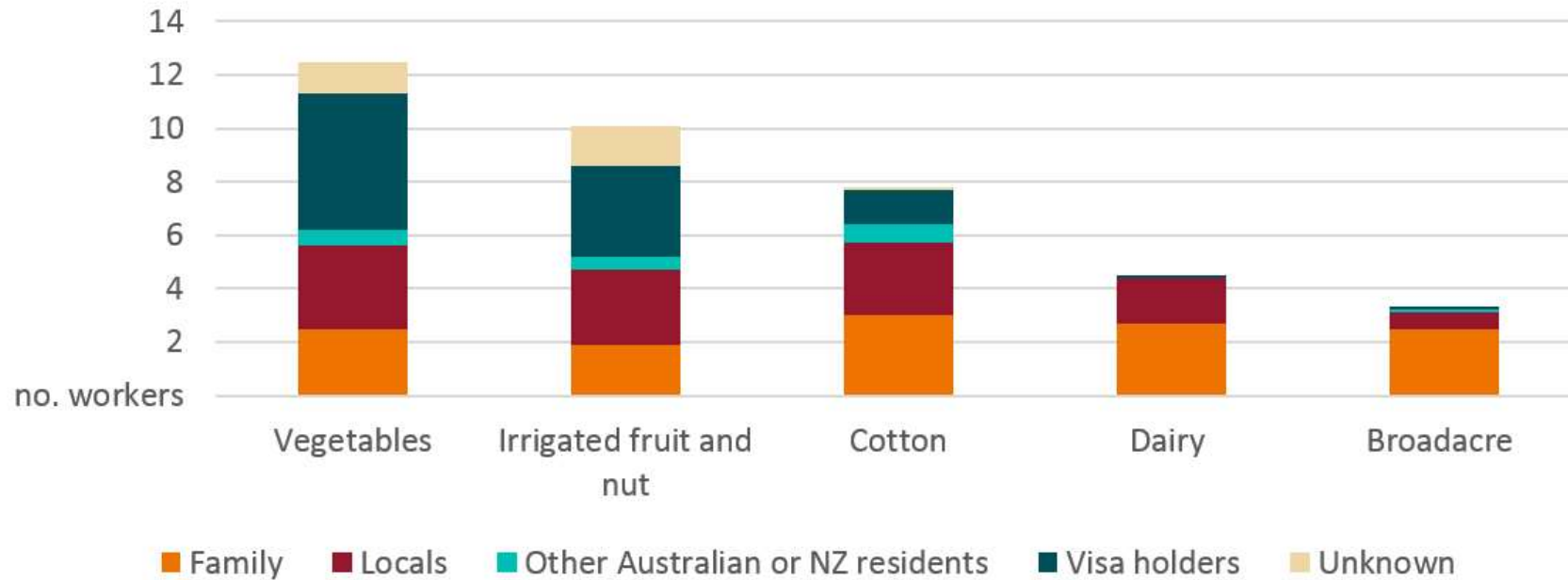
Source: ABARES

Incomes supported by strong demand

Vegetable selling methods in Victoria, 2016-17



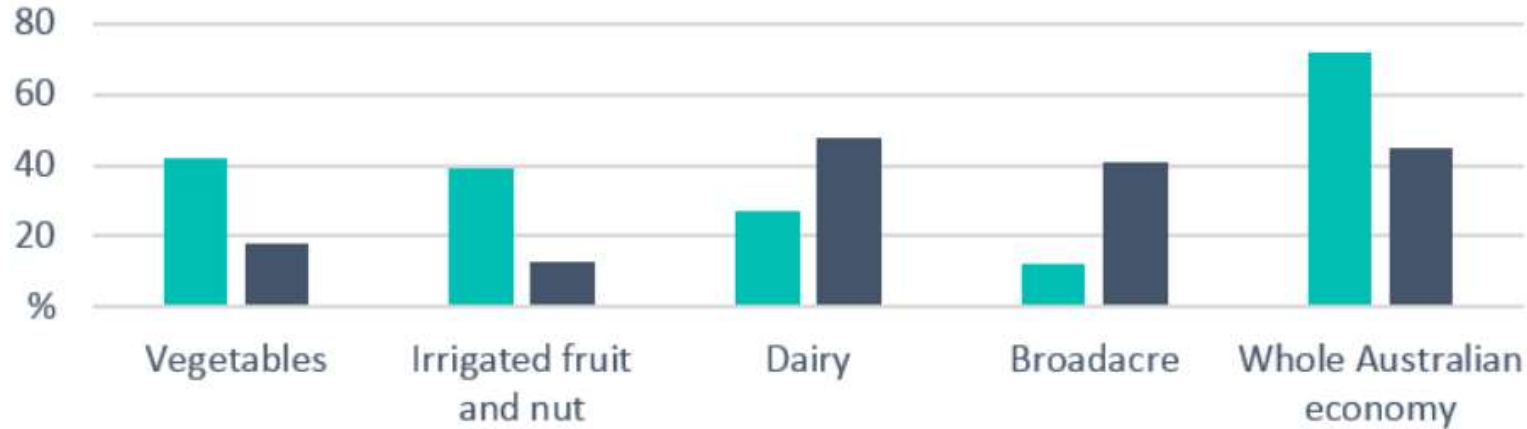
Horticultural farms use large numbers of low-skilled workers from overseas



Most workers are Australians, living nearby highlighting the importance of local labour.

Dependence on overseas workers exposes farms to visa changes.

Some farms had difficulty recruiting



Dairy and broadacre farms had more difficulty recruiting in 2017-18



Proportion of farms that recruited



Proportion of recruiting farms that had difficulty



Higher skilled vacancies were more difficult to fill



Vegetable farms located near cities reported more difficulty recruiting workers

Note: Vegetable farm results reported for 2016–17. Irrigated fruit and nut farm results are based on farms surveyed in the southern Murray–Darling Basin for 2016–17.

Source: ABARES



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and Water Resources
ABARES

agriculture.gov.au/ag-commodities-report

