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**Department of Agriculture, Fisheries and Forestry
ABARES**

Engaging with Asia in agri-business – the challenges and opportunities



**Paul Morris
Executive Director**

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

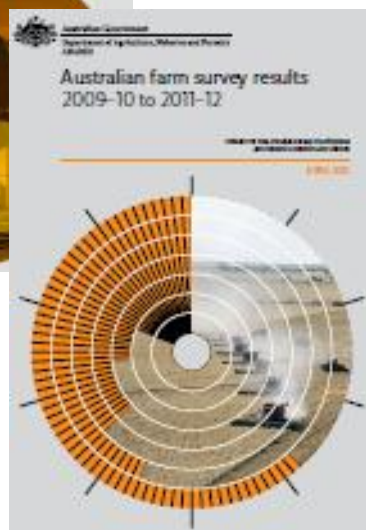
**Victoria and the Asian Century Conference
9 August 2013**

About ABARES

Forecasting



Statistics



Analysis




About my region:
regional profiles



Overview

 Food demand and supply to 2050

 Future challenges

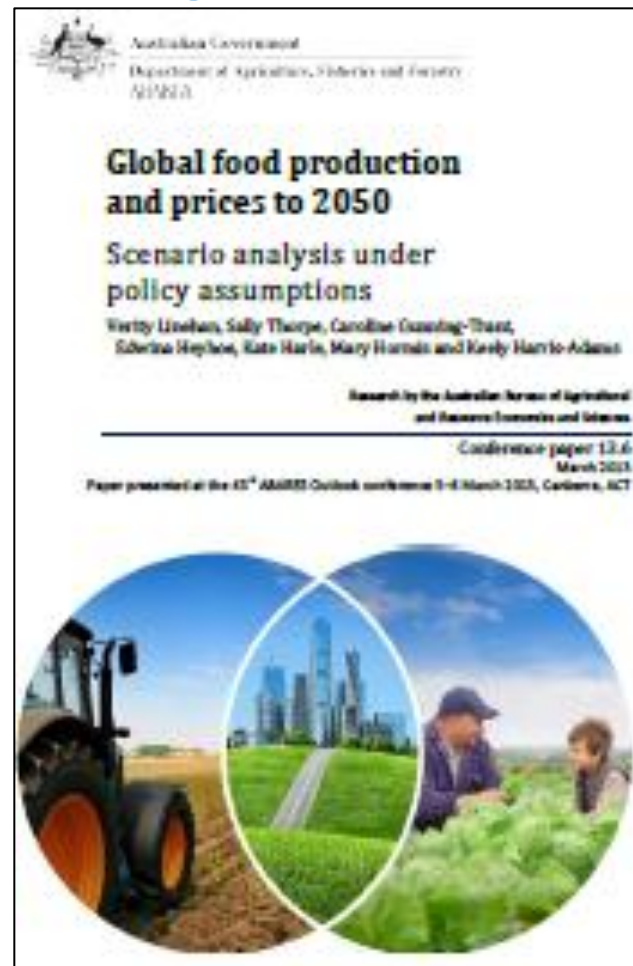


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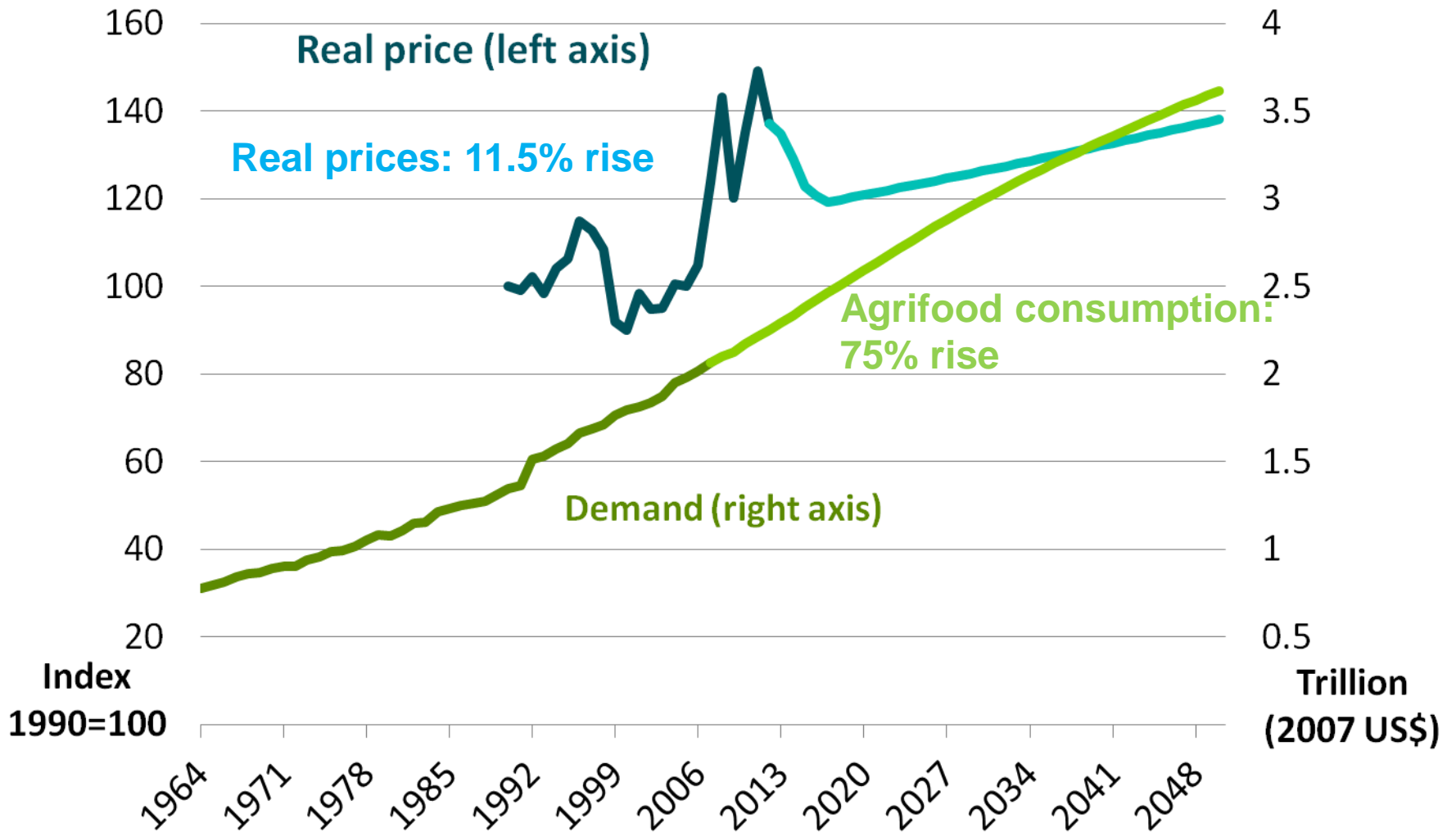
Outlook to 2050

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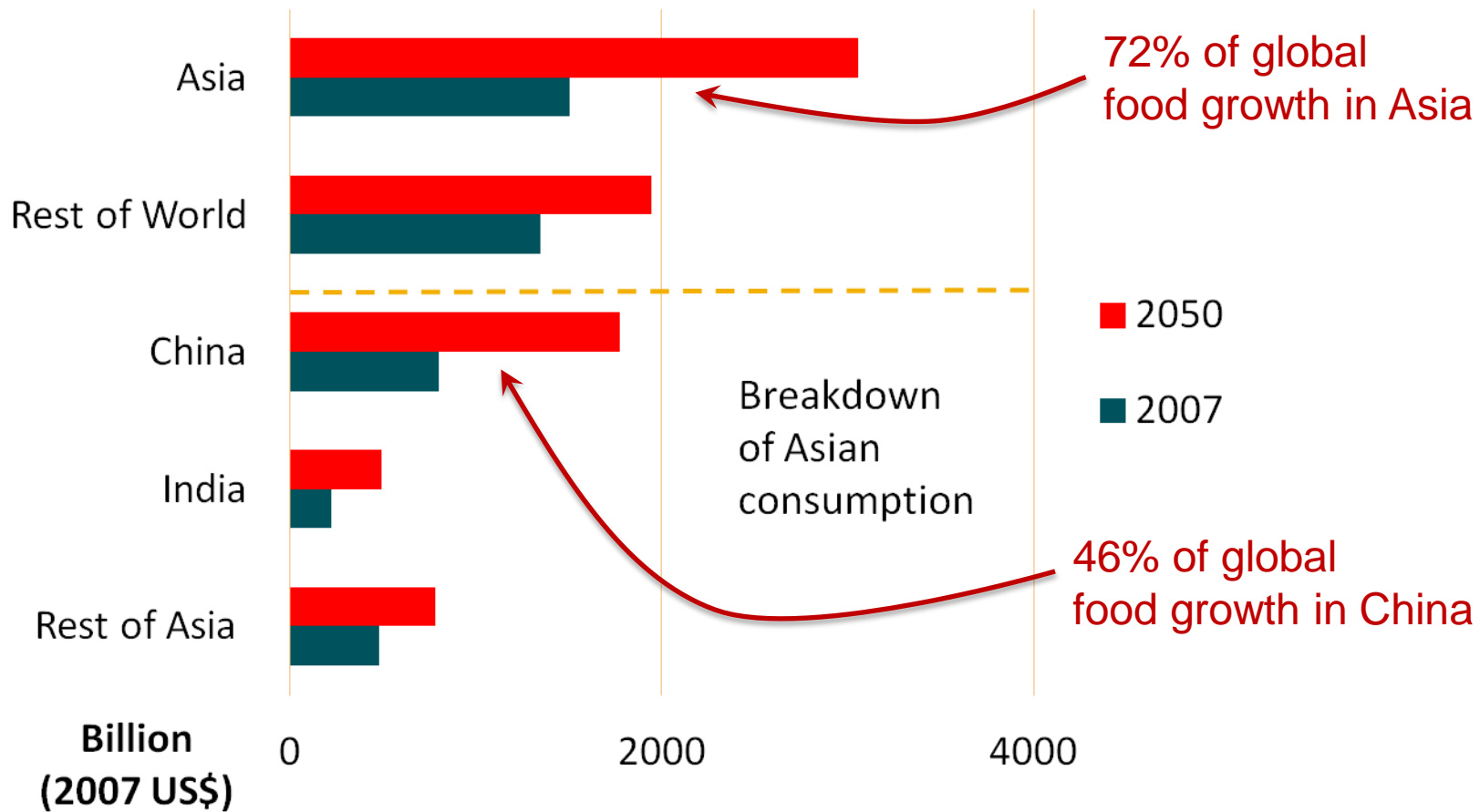
Strong growth in global food demand

Moderate growth in food prices to 2050



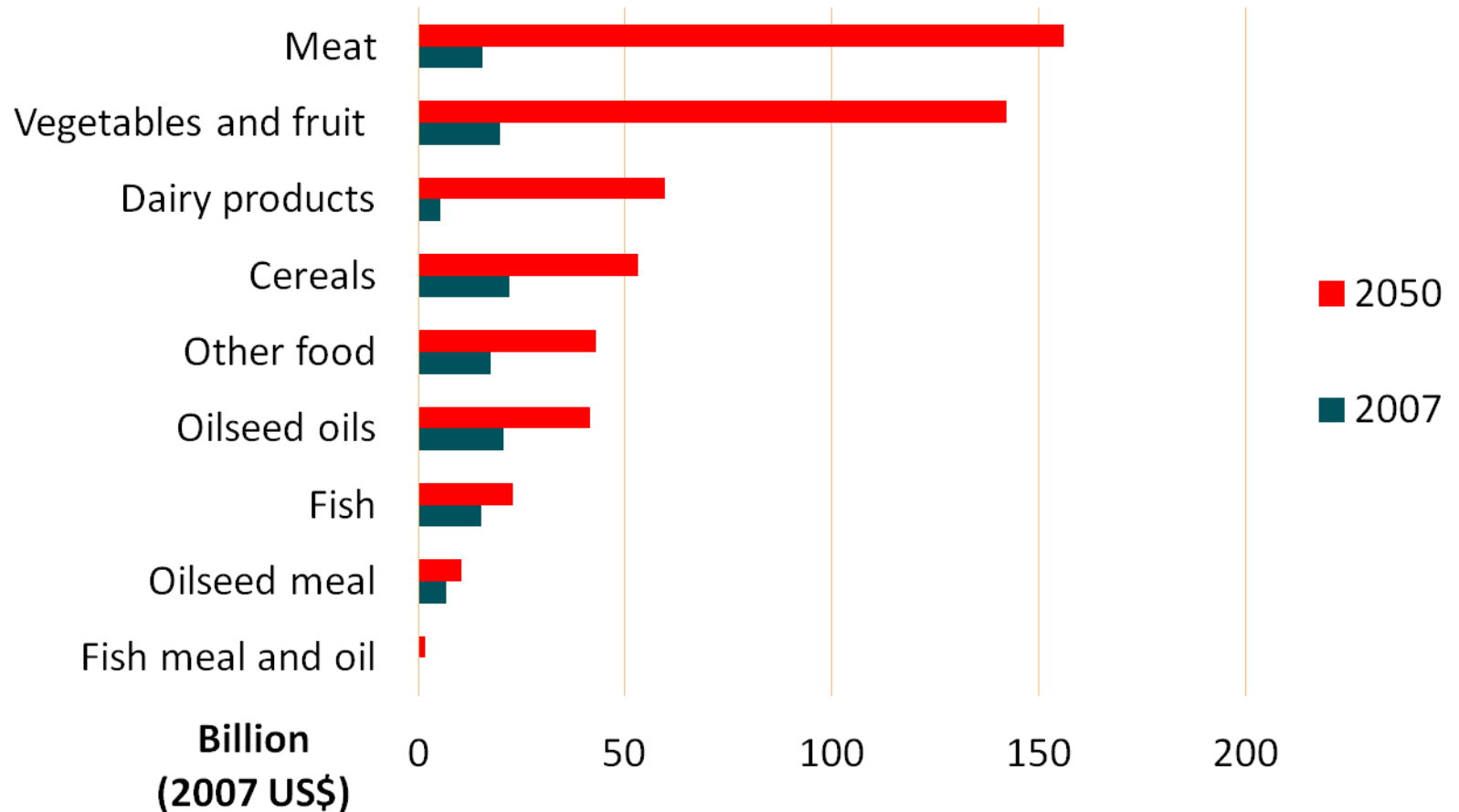
Most of the food consumption growth is expected to happen in Asia

Real value of agrifood consumption



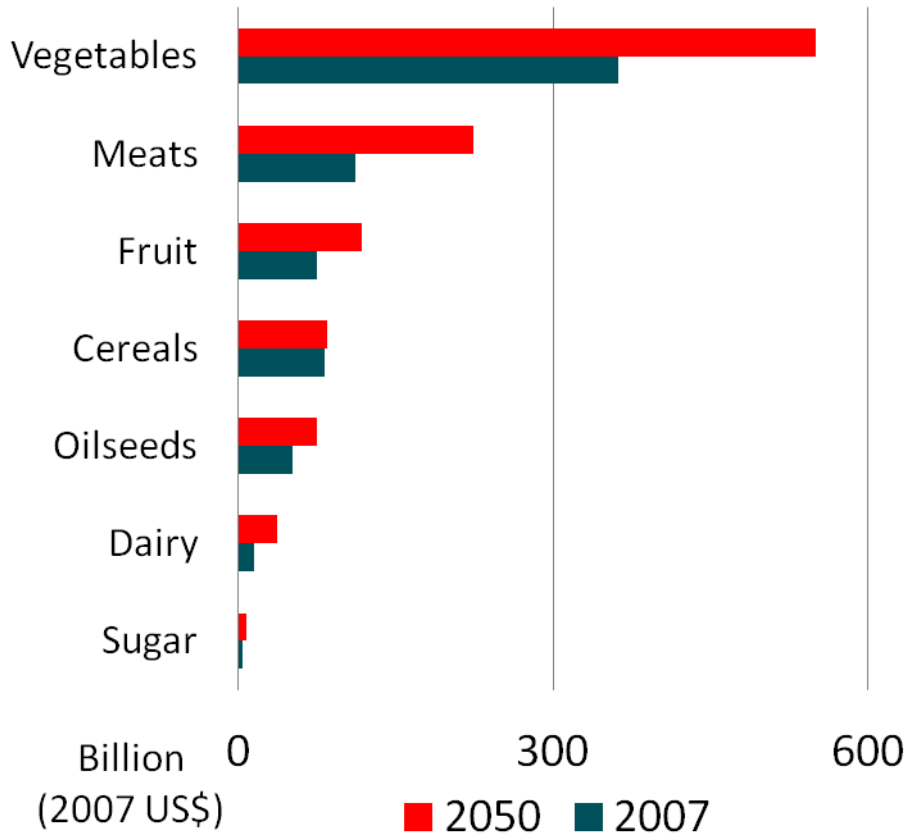
Australia (and Victoria) supplies the food that Asia wants

Real value by commodity group

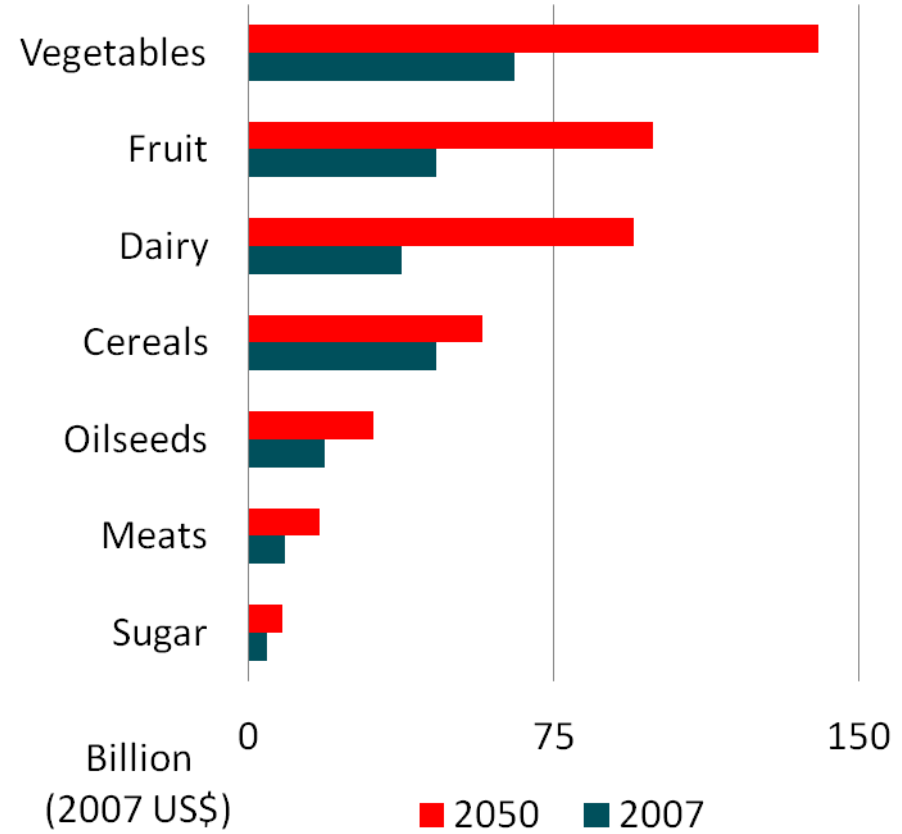


Opportunities in China and India

China consumption



India consumption





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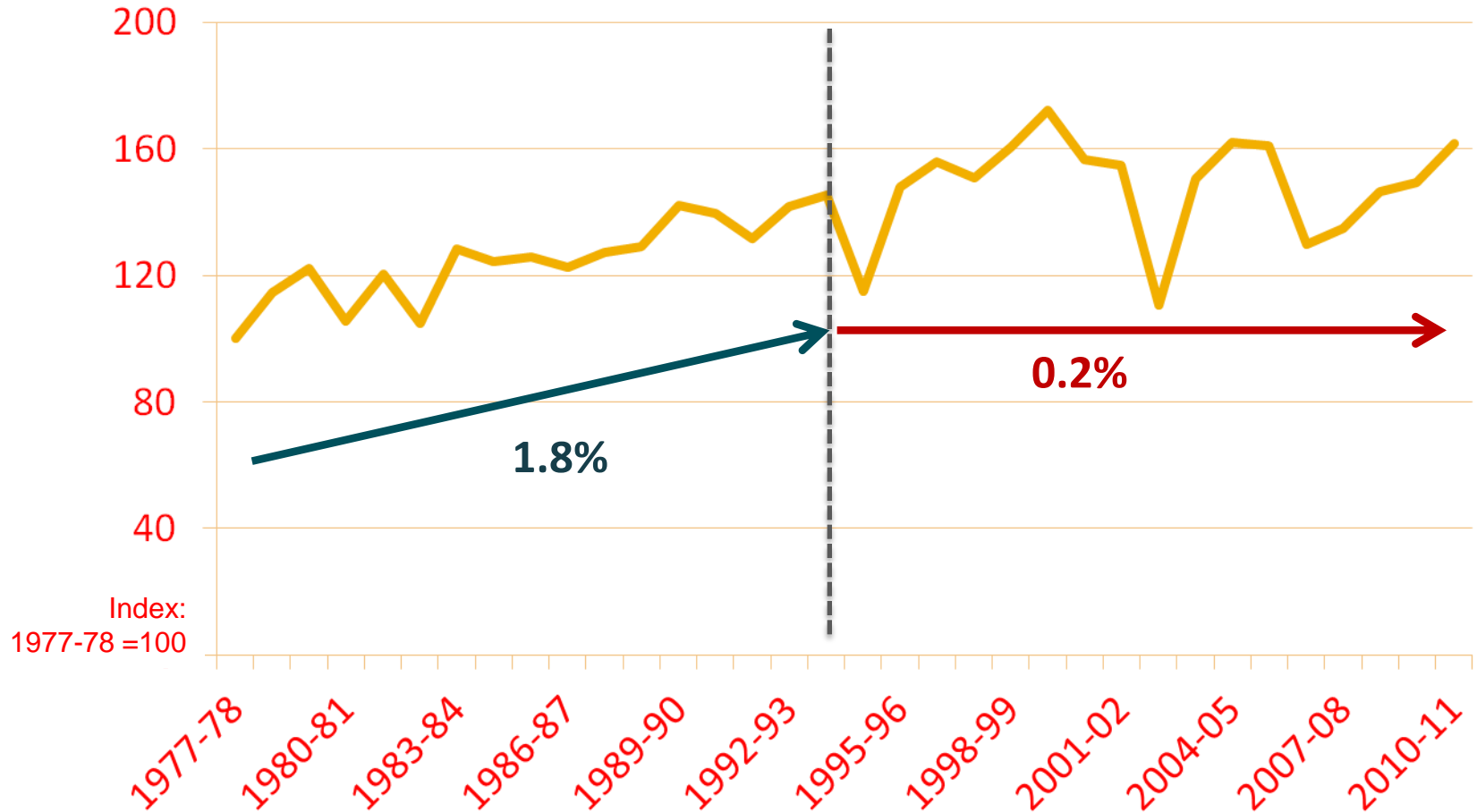
Future challenges



**Australia is now a relatively high cost producer:
transformational change is required to take
advantage of the Asian century**

- 1. Reinvigorate productivity growth**
- 2. Target what consumers want**
- 3. Turning our costs into advantages**

Productivity growth – broadacre agriculture



Achieving closer vertical coordination

1. Connecting farmers to consumers

2. Understanding:

a. what consumers want

b. how they want it

c. when they want it

3. Investing in off farm research

4. Governments can:

a. encourage innovation

b. secure market access

c. reduce barriers



Turning our costs into advantages

1. Sustainable agricultural production

2. Animal welfare standards

3. Food safety

4. Low pest and disease status

Transformational change required

Role for industry?

1. Increased R&D
2. Increased innovation
3. Increased intensity
4. Encourage foreign investment
5. Target consumers (value chain)

Role for Government?

1. Access to overseas markets
2. Sound economy
3. Information/education/training
4. Regulation for market failures
5. Trade-off between economy/ environment / society



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