Growing Agriculture @ 41 Degrees South

Excellence in farm management through innovation, diversification and integration with tourism
Roles of Governments in providing food sufficiency and developing rural economies

Nicola Morris
AGENDA

• Definitions
  • Food Sufficiency
  • Developing Rural Economies
  • Roles of Governments
• Tasmania – A Case Study
  • Tasmania – AgriVision 2050
  • Tasmania – Now
• Governments Role – Enabler, Leader, Producer, Derailer?
DEFINITIONS

• Food Sufficiency
  Being able to meet consumption needs from own production rather than by buying or importing.
• Rural Economies
  An economy where a significant proportion of the economies income is generated by rural enterprises.
DEFINITIONS

• Roles of Governments
Government has two main roles:
A regulatory role and
A promotional or developmental role.

Regulatory – direct and indirect measures
to monitor and regulate economic
activities; the desire is that these activities
should encourage industry to work towards
the growth of the economy.
Regulatory Measures / Policies Include:
Employment
Environmental
Foreign exchange
Import and export
Industrial and licensing
Industrial safety
Monetary and credit
Taxation
Technology
DEFINITIONS

Roles of Governments

A promotional or developmental role.

Promotional or Developmental – policies and measures taken to progress developmental infrastructure in an economy.
DEFINITIONS

Promotional Measures / Policies Include:
• Development of transport and communication facilities
• Development of irrigation infrastructure
• Production and distribution of natural resources such as electricity, gas and coal
• Expanding businesses with strategic importance
• Promoting of advanced technology
TASMANIA
A CASE STUDY
# A CASE STUDY

## LAND USE

<table>
<thead>
<tr>
<th>LAND USE</th>
<th>Sq Km</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AREA</td>
<td>68,401</td>
<td></td>
</tr>
<tr>
<td>CONSERVATION AND NATURAL ENVIRONMENT</td>
<td>32,650</td>
<td>48%</td>
</tr>
<tr>
<td>AGRICULTURAL LAND</td>
<td>18,900</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: [Catchment scale land use of Australia ARARES 2017](https://example.com/land-use-data)
A CASE STUDY

FARMS

2,426 farms (estimated value of agricultural operations $40,000+ ; 3% of Australia’s farms)

2% of the Gross Value of Agricultural Production in Australian (61B)
A CASE STUDY

SCALE

Distribution of farms by estimated value of agricultural operations, Tasmania, 2016–17

Note: Only farms with an EVAD of $50,000 or more in 2016–17 are included in these data. The scope of ABS Rural Environment and Agricultural Collections changed in 2015–16 to include only agricultural businesses with an EVAD of $40,000 or greater.

Source: Australian Bureau of Statistics
COMPOSITION

Gross value of food and non-food agriculture

<table>
<thead>
<tr>
<th>Year</th>
<th>Wine</th>
<th>Vegetables</th>
<th>Fruit</th>
<th>Dairy</th>
<th>Livestock</th>
<th>Field Crops</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
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<tr>
<td>2011-12</td>
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<tr>
<td>2012-13</td>
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<tr>
<td>2013-14</td>
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<td></td>
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<tr>
<td>2015-16</td>
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<td></td>
</tr>
<tr>
<td>2016-17</td>
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</tr>
</tbody>
</table>
The Tasmanian government has set a target to grow the value of Tasmanian agriculture to $10 billion by 2050.
### WHERE ARE WE NOW?

<table>
<thead>
<tr>
<th>Primary production 2016-17</th>
<th>Gross value</th>
<th>Nominal growth in 2016-17</th>
<th>10 year average real growth rate [y-o-y]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food agriculture</td>
<td>$1.22 billion</td>
<td>-3.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Non-food agriculture</td>
<td>$0.25 billion</td>
<td>15.8%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Total agriculture</td>
<td>$1.47 billion</td>
<td>-1.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Seafood</td>
<td>$0.95 billion</td>
<td>3.9%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Agri-food (total agriculture + seafood)</td>
<td>$2.42 billion</td>
<td>0.8%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

1. Salmonids include Atlantic salmon and ocean trout.
2. Commodities not sold as or manufactured into food for human consumption, such as wool, poppies, and fodder crops.
AGRIVISION 2050

Gross value of Tasmanian Agriculture

- Actual Gross value
- Agrivision target growth rate
- 20 Year Trend Rate in 2013-14

$ billion

- 2009/10
- 2011-12
- 2013-14
- 2015-16
- 2017-18
- 2019-20
- 2021-22
- 2023-24
- 2025-26
- 2027-28
- 2029-30
- 2031-32
- 2033-34
- 2035-36
- 2037-38
- 2039-40
- 2041-42
- 2043-44
- 2045-46
- 2047-48
- 2049-50
<table>
<thead>
<tr>
<th>TIME</th>
<th>ACTUAL</th>
<th>REQUIRED</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 - 2010</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 - 2017</td>
<td>1.47</td>
<td></td>
<td>6.00%</td>
</tr>
<tr>
<td>2019 - 2020</td>
<td></td>
<td>1.74</td>
<td></td>
</tr>
<tr>
<td>2029 - 2030</td>
<td></td>
<td>3.06</td>
<td></td>
</tr>
<tr>
<td>2039 - 2040</td>
<td></td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>2049 - 2050</td>
<td></td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>
RECAP

Tasmania is clearly a rural economy

Tasmania has achieved food self sufficiency

Tasmania has an aggressive Agrivision 2050 to see the value of agricultural production reach 10 Billion dollars.

The latest available data shows that there was little to no growth between 15/16 and 16/17 years with a value of 1.47 Billion
THE CHALLENGE

To achieve the Agrivision 2050 target of $10 Billion Year on Year growth of 6% is required.
WHAT DRIVES VALUE GROWTH?

**Quantity** determined by variety of factors including Area in production, Location and Costs of Production

**Price** determined by Quality, Demand and product Supply pattern
WHAT IS THE ROLE OF GOVERNMENT?

Remembering that could be regulatory or developmental

And it could be either at a state level or at an industry level
The government says

We need Tasmanian farmers, fishers, primary producers and processors to grow more and make more, in terms of volume and value, and sell it into markets that value the Tasmanian provenance and brand attributes. We need Government, industry and the community to work together to protect the private sector’s capacity to do this through upholding biosecurity, product integrity, food safety and animal welfare, and by looking after our primary production sectors, the natural environment, and the Tasmanian Brand.
What the government is doing

• Agri Growth Loans
• Biosecurity at an island level, protection, control, eradication
• Capacity building and skills development – rural youth, rural women, agri skills plan
• Horticulture export facilitation
• Infrastructural growth through infrastructure Tasmania, freight strategy, forestry development initiatives
• Regional support initiatives
What the government is doing

- R and D across many industries with industry and TIAR - poppies, water, vineyards, on farm productivity – precision agriculture
- Rural community support
- Safety Initiatives
- Tasmanian Brand development
- Trade strategy – announced this week
- Water for Profit, irrigation initiatives, water resource management
Do the government’s actions drive growth?
### Key contributors to gross food value

<table>
<thead>
<tr>
<th>Product</th>
<th>Volume Value 2016-17</th>
<th>Volume Value 2015-16</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salmonids</td>
<td>6%</td>
<td>5%</td>
<td>$739</td>
<td>$326</td>
</tr>
<tr>
<td>Dairy</td>
<td>5%</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td>17%</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potatoes</td>
<td>3%</td>
<td>5%</td>
<td>$111</td>
<td></td>
</tr>
<tr>
<td>Rock lobster</td>
<td>7%</td>
<td>9%</td>
<td>$87</td>
<td></td>
</tr>
<tr>
<td>Abalone</td>
<td>14%</td>
<td>1%</td>
<td>$85</td>
<td></td>
</tr>
<tr>
<td>Berryfruits</td>
<td>14%</td>
<td>26%</td>
<td>$80</td>
<td></td>
</tr>
<tr>
<td>Lamb &amp; mutton</td>
<td>4%</td>
<td>9%</td>
<td>$80</td>
<td></td>
</tr>
</tbody>
</table>

**$ million AUD**
So what are the roles we want Government to play in order to provide food sufficiency and to develop rural economies
Provide an environment which supports growth
Remove Barriers
Provide Leadership
# TASMANIA
## THE WAY FORWARD

<table>
<thead>
<tr>
<th></th>
<th>16/17</th>
<th>20</th>
<th>30</th>
<th>40</th>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milk</strong></td>
<td>0.33</td>
<td>0.41</td>
<td>0.73</td>
<td>1.29</td>
<td>2.29</td>
</tr>
<tr>
<td><strong>Cattle and Calves</strong></td>
<td>0.28</td>
<td>0.36</td>
<td>0.63</td>
<td>1.12</td>
<td>1.99</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>0.28</td>
<td>0.35</td>
<td>0.63</td>
<td>1.11</td>
<td>1.97</td>
</tr>
<tr>
<td><strong>Other berry and vege</strong></td>
<td>0.15</td>
<td>0.19</td>
<td>0.34</td>
<td>0.59</td>
<td>1.05</td>
</tr>
<tr>
<td><strong>Potatoes</strong></td>
<td>0.11</td>
<td>0.14</td>
<td>0.25</td>
<td>0.44</td>
<td>0.78</td>
</tr>
<tr>
<td><strong>Wool</strong></td>
<td>0.11</td>
<td>0.14</td>
<td>0.25</td>
<td>0.44</td>
<td>0.78</td>
</tr>
<tr>
<td><strong>Hay</strong></td>
<td>0.06</td>
<td>0.08</td>
<td>0.13</td>
<td>0.24</td>
<td>0.42</td>
</tr>
<tr>
<td><strong>Cherries</strong></td>
<td>0.06</td>
<td>0.07</td>
<td>0.13</td>
<td>0.23</td>
<td>0.40</td>
</tr>
<tr>
<td><strong>Sheep and Lambs</strong></td>
<td>0.05</td>
<td>0.08</td>
<td>0.13</td>
<td>0.24</td>
<td>0.42</td>
</tr>
<tr>
<td><strong>Wine Grapes</strong></td>
<td>0.04</td>
<td>0.04</td>
<td>0.08</td>
<td>0.14</td>
<td>0.25</td>
</tr>
</tbody>
</table>
TASMANIA
THE WAY FORWARD

Can’t Control
CLIMATIC VARIABILITY - Mitigate
MARKET FLUCTUATIONS - Diversify

Can be a competitive edge or a weakness
SIZE - A VERY SMALL PLAYER
REMOTE – FROM AUSTRALIA AND FROM EXPORT MARKETS

Play to our strengths
ISLAND STATUS
ABILITY TO PROMOTE AND LEVERAGE THE TASMANIAN BRAND ACROSS AGRICULTURAL PRODUCE

Key Initiatives
ADOPTION OF NEW TECHNOLOGIES TO INCREASE PRODUCTION, ADD VALUE AND REDUCE INPUT AND PROCESSING COSTS
FARMERS TO GROW MORE AND OF A HIGHER VALUE
TARGETED INVESTMENT FROM PRIVATE AND GOVERNMENT
ACKNOWLEDGEMENTS

**DPIPWE** (Department of primary industries, parks, wildlife and environment).
Produce the annual agri-food scorecard.

**ABARES** (Australian Bureau of Agricultural Resource Economics and Sciences)