



Australian Government

Department of Agriculture, Fisheries and Forestry
ABARES

Agricultural commodities

Research by the Australian Bureau of Agricultural
and Resource Economics and Sciences

DECEMBER QUARTER 2011





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Outlook 2012

6–7 March, Canberra

Outlook 2012 combines innovative economic research with biophysical and social science to encourage broader analysis of Australia's primary industries.

The conference will start with the economic overview session, then examine farm performance, water reform, carbon mitigation and agriculture, biosecurity reform, coal seam gas development and agriculture, regional development, the outlook for key commodities, and natural resource management issues. Outlook 2012 will conclude with a plenary panel session posing the question *What future for Australian farmers?*

Over two days, delegates will hear from leading international and national speakers, expand professional networks and gain market insights.

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Economic overview



Economic overview

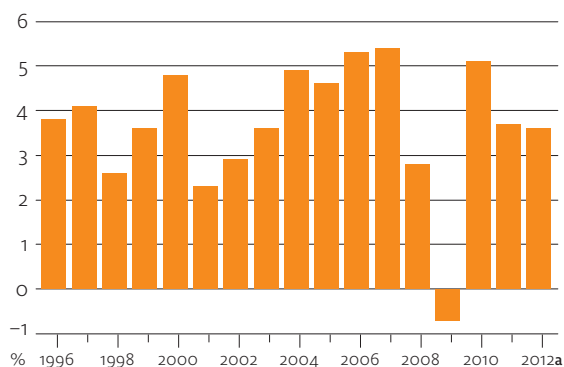
Patrick Hamshere and Neil Thompson

- World economic growth is assumed to be 3.6 per cent in 2012, marginally lower than an estimated growth rate of 3.7 per cent in 2011.
- Emerging economies, particularly China and India, are expected to remain the main drivers of world economic activity, although growth rates in these economies are assumed to moderate.
- In contrast, continued concerns over the financing of European sovereign debts and the US budget deficit are expected to slow Organisation for Economic Co-operation and Development (OECD) economic growth.

Global economy

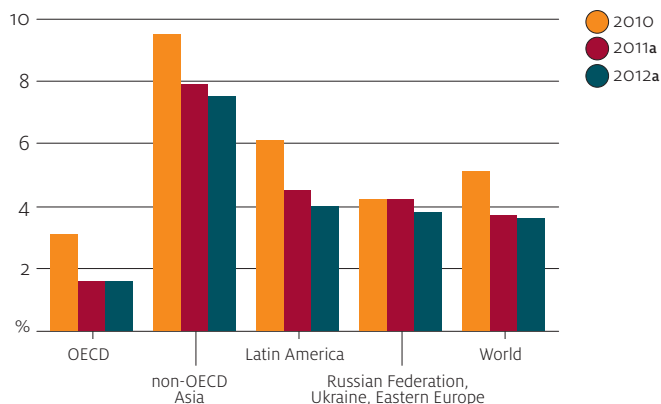
Global economic growth has moderated over the course of 2011. Emerging economies, particularly in Asia, continue to underpin world economic activity, but weak private demand and concerns over public debt levels have weakened activity in major OECD economies.

World economic growth



a ABARES macro assumption.

Regional economic growth



a ABARES macro assumption.

Continued concerns over the financing of European sovereign debts, in combination with weak private sector demand in many OECD countries, have increased uncertainty surrounding the outlook for global economic growth. As a result, financial market volatility has been high. This has the potential to further weaken consumer and business confidence and hence growth in consumer spending and business investment expenditure.

In preparing this set of agricultural commodity forecasts, growth in major OECD economies is assumed to remain relatively weak in the short term. For the OECD as a whole, economic growth is assumed to average around 1.6 per cent in 2011 and 2012.

In contrast, the outlook for emerging economies, particularly China and India, remains positive. Although export performance in these economies is likely to be adversely affected by slower OECD economic activity, strong domestic demand and intraregional trade, especially in the Asian region, are assumed to provide support for economic growth. For developing economies as a whole, economic growth is assumed to average 6.2 per cent in 2012, following an estimated 6.5 per cent in 2011.

Against this backdrop, the world economy is assumed to grow by 3.6 per cent in 2012, marginally lower than an estimated growth rate of 3.7 per cent in 2011.

Key macroeconomic assumptions

World		2009	2010	2011 a	2012 a
Economic growth					
OECD	%	-3.7	3.1	1.6	1.6
United States	%	-3.5	3.0	1.8	2.0
Japan	%	-6.3	4.1	-0.3	2.0
Western Europe	%	-4.3	1.8	1.7	0.5
- Germany	%	-5.1	3.6	3.1	1.0
- France	%	-2.6	1.4	1.7	0.8
- United Kingdom	%	-4.9	1.4	0.8	0.7
- Italy	%	-5.2	1.3	0.7	0.2
Korea, Rep. of	%	0.3	6.2	3.6	3.8
New Zealand	%	-2.0	1.7	1.9	3.5
Developing countries	%	4.4	7.9	6.5	6.2
- non-OECD Asia	%	7.2	9.5	7.9	7.5
South-East Asia b	%	1.7	6.9	4.8	5.4
China c	%	9.2	10.3	9.3	8.5
Chinese Taipei	%	-1.9	10.9	4.6	4.2
Singapore	%	-0.8	14.5	5.3	4.2
India	%	7.0	9.0	7.3	7.5
- Latin America	%	-1.7	6.1	4.5	4.0
Russian Federation	%	-7.8	4.0	4.2	4.2
Ukraine	%	-14.5	4.2	4.2	4.4
Eastern Europe	%	-3.6	4.5	4.2	2.8
World d	%	-0.7	5.1	3.7	3.6
Industrial production					
OECD	%	-13.1	6.9	3.5	4.3
Inflation					
United States	%	-0.4	1.6	3.2	1.9
Interest rates					
US prime rate e	%	3.3	3.3	3.3	3.3
Australia					
		2008	2009	2010	2011
		-09	-10	-11 a	-12 a
Economic growth	%	1.4	2.3	1.9	3.25
Inflation	%	3.1	2.3	3.1	2.9
Interest rates g	%	6.3	6.0	6.6	6.1
Australian exchange rates					
US\$/A\$		0.75	0.88	0.99	1.01
TWI for A\$ h		60	69	74	75

a ABARES assumption. **b** Indonesia, Malaysia, Philippines, Thailand and Vietnam. **c** Excludes Hong Kong. **d** Weighted using 2010 purchasing-power-parity (PPP) valuation of country gross domestic product by the International Monetary Fund. **e** Commercial bank prime lending rates in the United States. **g** Large business weighted average variable rate on credit outstanding. **h** Base: May 1970 = 100.

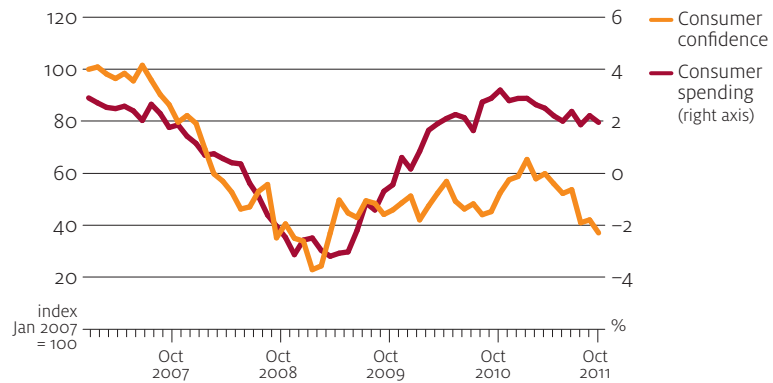
Sources: ABARES; Australian Bureau of Statistics; International Monetary Fund; Organisation for Economic Co-operation and Development; Reserve Bank of Australia

Economic prospects in Australia's major export markets

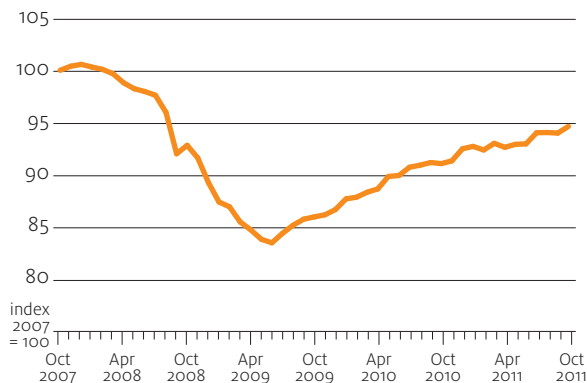
United States

After weak growth in the first half of 2011, the pace of economic activity in the United States remained subdued in the September quarter. Real gross domestic product is estimated to have expanded at a year-on-year rate of 1.5 per cent in the September quarter 2011 and 1.6 per cent in the June quarter. This compares with growth of 2.2 per cent in the March quarter 2011 and 3.1 per cent in the December quarter 2010. The slower pace of economic growth in recent quarters mainly reflects weak private sector demand.

US consumer confidence and spending growth, monthly



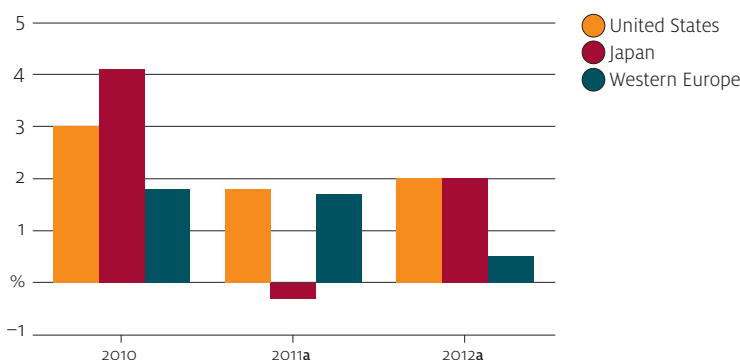
US industrial production



Partial indicators released recently suggest that private sector demand, in particular consumer spending, is unlikely to strengthen markedly. Consumer spending (accounting for around 70 per cent of real gross domestic product) expanded year-on-year by 2.2 per cent in the September and June quarters, compared with growth of 2.8 per cent in the March quarter. High unemployment and a weak housing market are holding back consumer spending.

Growth in the manufacturing sector has continued, albeit at a slower rate than at the beginning of the year. Industrial production grew year-on-year by 3.4 per cent in the September quarter 2011, down from 3.8 per cent in the June quarter and 5.4 per cent in the March quarter. With a slowing growth rate, manufacturing activity is unlikely to provide significant support to general economic activity in the near term.

OECD economic growth



a ABARES macro assumption.

In preparing this set of agricultural commodity forecasts, economic growth in the United States is assumed to remain relatively weak in the short term. Economic growth is assumed to average 2 per cent in 2012, compared with an estimated growth rate of 1.8 per cent in 2011. Continued concern surrounding the fiscal position of the US Government remains a downside risk to this outlook.

China

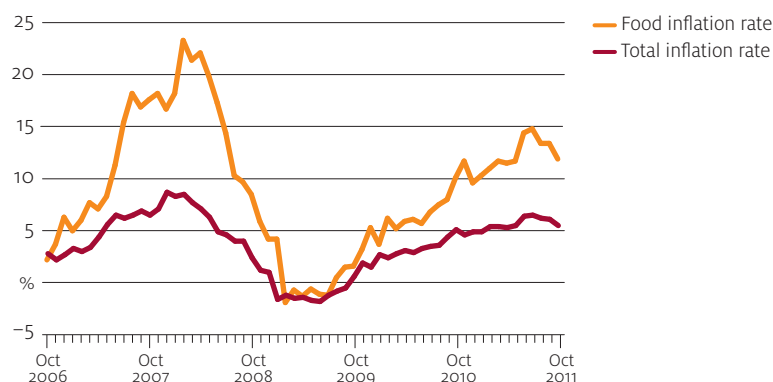
Economic growth in China has remained relatively strong, albeit easing somewhat from the high achieved earlier in the year. Real gross domestic product grew year-on-year by 9.1 per cent in the September quarter 2011, compared with 9.5 per cent in the June quarter and 9.7 per cent in the March quarter. The slowdown largely reflects reduced investment spending in response to tighter monetary conditions implemented by the Chinese Government to ease inflationary pressures.

In line with robust economic growth, investment in fixed assets remained strong, rising at a year-on-year rate of 24.9 per cent in October 2011, compared with a recent high of 26.7 per cent in May 2011. Growth in consumer spending has also been strong, with retail sales rising year-on-year by 17.2 per cent in October, following growth of around 17 per cent in both September and August.

Consumer prices, which have increased significantly over the past year, eased in recent months in response to tighter monetary conditions implemented by the Chinese Government. Consumer prices rose at a year-on-year rate of 5.5 per cent in

October, down from a recent high of 6.5 per cent in July 2011. The easing of inflation was largely driven by slower growth in food prices, down from a year-on-year rate of 14.8 per cent in July to 11.9 per cent in October.

Inflation in China



In recent months, China's export performance has moderated, as weaker economic activity in major OECD economies led to a decline in export demand. Export earnings rose year-on-year by 15.9 per cent in October 2011 compared with growth of more than 17 per cent in September and 20 per cent in August.

In the short term, economic growth in China is expected to be underpinned by domestic demand. Economic growth in China is assumed to be around 9.3 per cent in 2011 and 8.5 per cent in 2012.

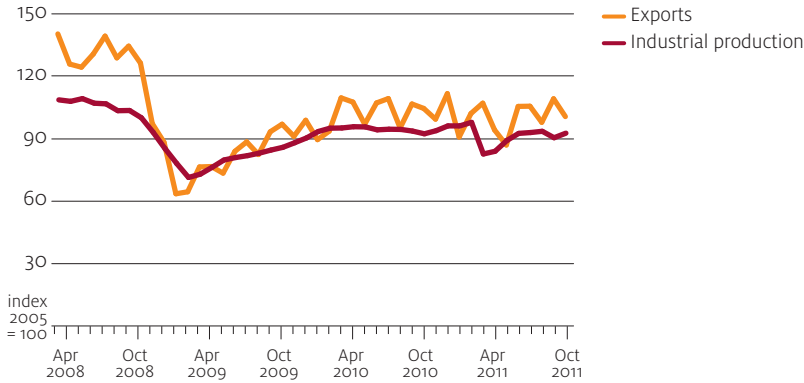
Japan

After the devastating effects of the earthquakes and tsunami earlier in the year, economic activity in Japan is rebounding. Real gross domestic product rose at an annualised rate of 6 per cent in the September quarter 2011, after declines of 1.3 per cent and 2.7 per cent in the June and March quarters, respectively.

While rebuilding efforts are underpinning the economic recovery, partial indicators released recently suggest that the outlook for Japan's factory production and export performance is uncertain. Industrial production expanded month-on-month by 2.4 per cent in October 2011, following a 3.3 per cent contraction in September and relatively flat growth in July and August. The recent instability in financial markets and an associated appreciation of the Japanese yen may have begun to adversely affect Japan's exports. Exports contracted at a year-on-year rate of 3.7 per cent in October, following growth of 2.3 per cent in September and 2.8 per cent in August. A further weakening of export demand and factory production poses a downside risk to the economic outlook.

In coming quarters, economic growth is expected to gain momentum as reconstruction from natural disasters continues. Economic growth in Japan is assumed to be around 2 per cent in 2012, compared with an estimated contraction of 0.3 per cent in 2011.

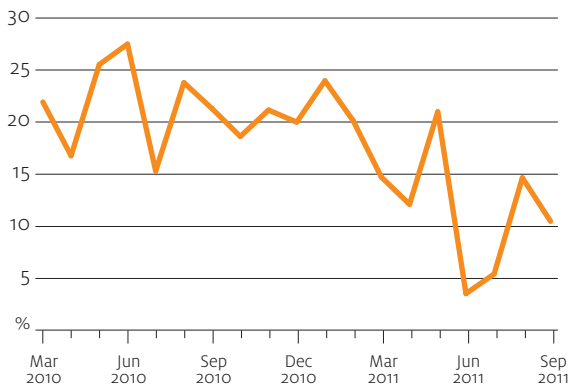
Japan industrial production and exports, monthly



Western Europe

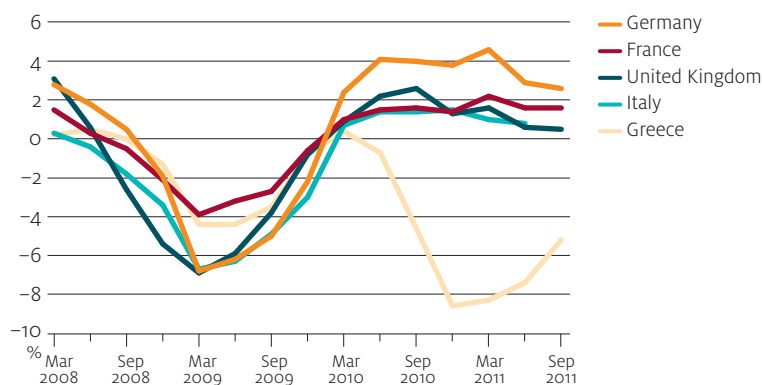
In Western Europe, economic performance has weakened during 2011, with growth varying among the regional economies. Gross domestic product in Germany grew at a year-on-year rate of 2.6 per cent in the September quarter 2011, down from 2.9 per cent in the June quarter. Economic activity continued to contract in Greece in the September quarter, declining at a year-on-year rate of 5.2 per cent. In the United Kingdom, economic growth expanded by 0.5 per cent in the September quarter, following growth of 0.6 per cent in the June quarter.

Monthly export growth in Germany, year-on-year



In the short term, economic growth is unlikely to improve significantly in Western Europe. Export performance, particularly in Germany, is expected to remain subdued as reduced intraregional trade and weak growth in some other OECD economies reduce external demand. Domestic demand is likely to remain weak as regional governments significantly reduce public spending to lower budget deficits. Consumer and business confidence and hence spending is also unlikely to recover markedly.

Quarterly economic growth in selected Western European economies, year-on-year



Heightened concern over the financing of sovereign debt, particularly for Greece and Italy, has led to increased volatility in regional financial markets. There is a risk that economic activity in these economies could contract, having adverse spillover effects on other regional economies.

For Western Europe as a whole, economic growth is assumed to be around 0.5 per cent in 2012, compared with an estimated average of 1.7 per cent in 2011.

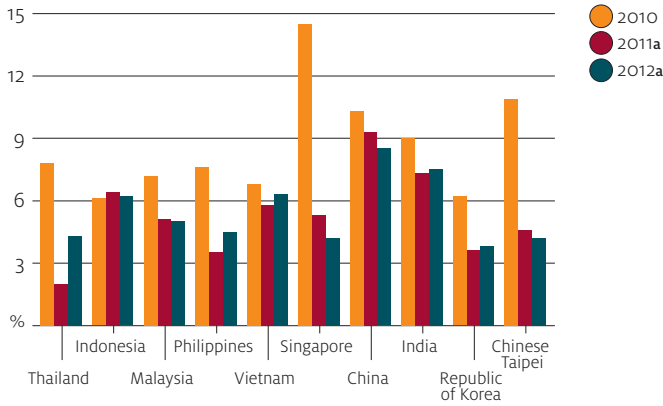
Non-OECD Asia

Despite the weakening in OECD economic performance, economic growth across non-OECD Asia is continuing, although some easing has been observed. Growth in some more export oriented economies has been adversely affected by weakening demand from major OECD economies. For example, real gross domestic product in Chinese Taipei recorded year-on-year growth of 3.4 per cent in the September quarter 2011, down from 4.5 per cent in the June quarter. In contrast, growth remains strong in regional economies where domestic demand is the main driver of economic activity. In Indonesia, economic activity expanded year-on-year by an average of 6.5 per cent in the first three quarters of 2011.

Reflecting relatively strong economic growth, inflationary pressures remain an issue for the regional economies. In Vietnam, consumer prices rose year-on-year by 21.6 per cent in October, compared with a recent high of 23 per cent in August 2011. In Thailand, inflation was 4.2 per cent in October, down slightly from a recent high of 4.3 per cent in August. In the light of increased downside risks to export growth, inflationary pressures remain a concern for some regional governments considering expansionary policies to stimulate domestic demand.

For non-OECD Asia as a whole, economic growth is assumed to average 7.9 per cent in 2011, before easing to 7.5 per cent in 2012.

Economic growth in Asia



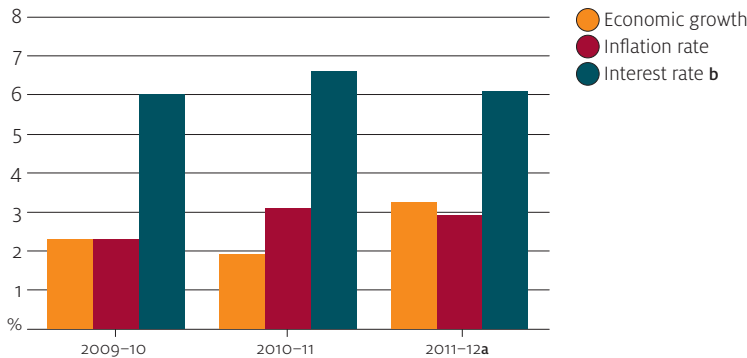
a ABARES macro assumption.

Economic prospects in Australia

In Australia, real gross domestic product rose at a year-on-year rate of 2.5 per cent in the September quarter, following growth of 1.9 per cent in the June quarter 2011. The improved economic performance in the September quarter largely reflects continued strong commodity exports and investment spending, particularly in the mining sector, as well as a pick-up in consumer spending.

For 2011–12 as a whole, economic growth in Australia is assumed to average around 3.25 per cent.

Australian economic indicators



a ABARES macro assumption. b Large business weighted average variable rate on credit outstanding.

Inflation

In Australia, the consumer price index rose year-on-year by 3.5 per cent in the September quarter 2011, compared with an increase of 3.6 per cent in the June quarter.

The most significant price rises in the September quarter were for electricity, international holiday travel and accommodation, rents, water and sewerage, and property rates and charges. Partially offsetting these rises were price falls for pharmaceutical products, audio, visual and computing equipment, automotive fuel, vegetables, motor vehicles and fruit.

For 2011–12 as a whole, the inflation rate in Australia is assumed to average around 2.9 per cent.

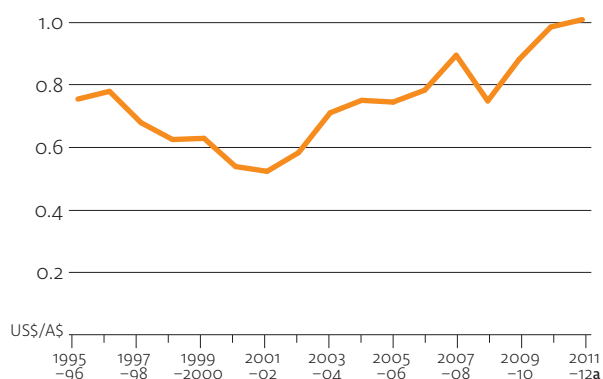
Australian exchange rate

Over the past several months, there has been significant volatility in the value of the Australian dollar, especially against the US dollar. From around US106 cents in early September, the dollar depreciated to US96 cents in early October. The dollar then strengthened to around US103 cents in early November, before depreciating once again to just below parity in early December.

To a large extent, the recent volatility of the Australian exchange rate reflects financial market concerns over the financing of European sovereign debts, and the possible implications for global economic activity and demand for Australia's commodities. In response, investors have moved funds to 'safe haven' assets, particularly US treasury bonds, which resulted in a 5 per cent appreciation of the US dollar against major international currencies since early September 2011.

Despite the prospect of continued financial market volatility, the value of the Australian dollar is expected to remain relatively high, especially against the US dollar. In particular, assumed strong economic growth in China, India and other Asian countries is expected to provide support for commodity demand. Despite some possible easing in the short term, Australia's terms of trade is likely to remain relatively high and this should continue to provide support for the Australian exchange rate.

Australian exchange rate



a ABARES macro assumption.

Australia's official interest rate was reduced by 0.25 percentage points to 4.25 per cent on 6 December 2011, following a 0.25 percentage point cut in November. In preparing this set of agricultural commodity forecasts, the average prime business lending rate in Australia is assumed to decline by another 0.25 percentage points in the remainder of 2011–12, to average around 6.1 per cent for 2011–12 as a whole. Prime lending rates are currently around 3.25 per cent in the United States and 1.5 per cent in Japan. The higher interest rate in Australia relative to the United States is also expected to provide support for the Australian dollar against the US currency.

For 2011–12 as a whole, the Australian dollar is assumed to average around US101 cents and TWI 75. While the value of the Australian dollar is assumed to remain strong, significant volatility is expected to continue. It is therefore important for primary producers and exporters to manage the risks associated with fluctuations in the Australian exchange rate.

Outlook for Australian agricultural, fisheries and forestry exports

The total index of farm production is forecast to increase by 4 per cent for 2011–12 as a whole, following an increase of 6.7 per cent in 2010–11.

The index of crop production is forecast to rise by 6.1 per cent in 2011–12, mainly reflecting forecast higher production of winter and summer crops.

The volume of livestock production is forecast to increase by around 1.5 per cent in 2011–12, reflecting higher lamb turn-off rates and increased wool and milk production.

The index of unit export returns for Australian farm commodities, in aggregate, is forecast to decline by 3.8 per cent in 2011–12, following an increase of 10.7 per cent in 2010–11. Lower world prices for wheat, soybeans, cotton, wool and dairy products are expected to offset forecast price rises for beef and veal and rice.

Export earnings from farm commodities are forecast to be \$34.5 billion in 2011–12, a rise of 6.4 per cent from \$32.4 billion in 2010–11. Farm commodities for which export earnings are forecast to be higher in 2011–12 include wheat (3 per cent), barley (12 per cent), canola (21 per cent), raw cotton (65 per cent), rice (210 per cent), sugar (5 per cent), beef and veal (1 per cent) and sheep meat (7 per cent).

Export earnings for crops are forecast to be around \$19.7 billion in 2011–12, compared with \$17.6 billion in 2010–11. The export value of livestock and livestock products is forecast to remain largely unchanged in 2011–12 at \$14.8 billion.

For fisheries products, export earnings are forecast to be around \$1.4 billion in 2011–12, rising from \$1.2 billion in 2010–11. Export earnings for forest products are forecast to increase by 1.8 per cent to around \$2.5 billion in 2011–12.

In total, the value of Australian agricultural, fisheries and forestry exports is forecast to be around \$38.4 billion in 2011–12, an increase of 6.2 per cent from \$36.1 billion in 2010–11.

Major indicators of Australia's agriculture and natural resources based sectors

		2006	2007	2008	2009	2010	2011	change from previous year	
		-07	-08	-09	-10	-11 s	-12 f	2010-11	2011-12
								%	%
Exchange rate	US\$/A\$	0.78	0.90	0.75	0.88	0.99	1.01	12.5	2.0
Unit returns a									
Farm	index	100.0	111.3	112.0	98.7	109.3	105.2	10.7	-3.8
Value of exports	A\$m	31 754	31 384	36 020	32 057	36 114	38 361	12.7	6.2
Farm	A\$m	27 905	27 570	32 148	28 550	32 391	34 479	13.5	6.4
– crops	A\$m	13 091	13 070	17 001	15 231	17 573	19 719	15.4	12.2
– livestock	A\$m	14 814	14 500	15 147	13 318	14 819	14 759	11.3	-0.4
Forest and fisheries products	A\$m	3 849	3 813	3 872	3 508	3 723	3 882	6.1	4.3
– forestry	A\$m	2 355	2 471	2 343	2 261	2 474	2 519	9.4	1.8
– fisheries	A\$m	1 494	1 342	1 529	1 247	1 249	1 363	0.2	9.1
Gross value of production b									
Farm	A\$m	36 663	43 752	41 964	39 697	48 330	49 363	21.7	2.1
– crops	A\$m	18 411	24 237	22 815	21 185	27 133	28 229	28.1	4.0
– livestock	A\$m	18 252	19 516	19 150	18 512	21 197	21 134	14.5	-0.3
Forestry and fisheries	A\$m	3 929	4 044	3 973	3 967	3 910	3 909	-1.4	-0.0
– forestry	A\$m	1 713	1 837	1 759	1 782	1 735	1 694	-2.6	-2.4
– fisheries	A\$m	2 217	2 207	2 214	2 185	2 175	2 215	-0.5	1.8
Volume of production									
Farm	index	94.8	103.9	108.2	107.5	114.7	119.3	6.7	4.0
– crops	index	84.0	103.9	113.4	114.5	128.3	136.1	12.1	6.1
– livestock	index	105.2	102.3	100.8	98.7	99.8	101.3	1.1	1.5
Forestry	index	128.4	133.3	119.5	118.7	116.2	111.1	-2.1	-4.4
Production area and livestock numbers									
Crop area (grains and oilseeds)	'000 ha	21 163	23 204	24 084	23 793	24 113	24 085	1.3	-0.1
Forestry plantation area	'000 ha	1 903	1 973	2 020	2 009	na	na	na	na
Sheep	million	85.7	76.9	72.7	68.1	74.3	78.0	9.1	5.0
Cattle	million	28.0	27.3	27.9	26.6	28.8	30.2	8.3	4.9
Farm costs	A\$m	31 443	37 137	36 631	34 354	36 576	37 965	6.5	3.8
Net cash income c	A\$m	10 367	10 834	5 901	10 138	16 699	16 500	64.7	-1.2
Net value of farm production d	A\$m	5 220	6 615	5 334	5 344	11 754	11 398	120.0	-3.0
Farmers' terms of trade	index	96.0	91.4	88.9	89.0	98.8	93.3	11.0	-5.6
Employment									
Agriculture, forestry and fishing	'000	350	354	362	369	351	na	-4.8	na
Australia	'000	10 374	10 684	10 892	11 027	11 355	na	3.0	na

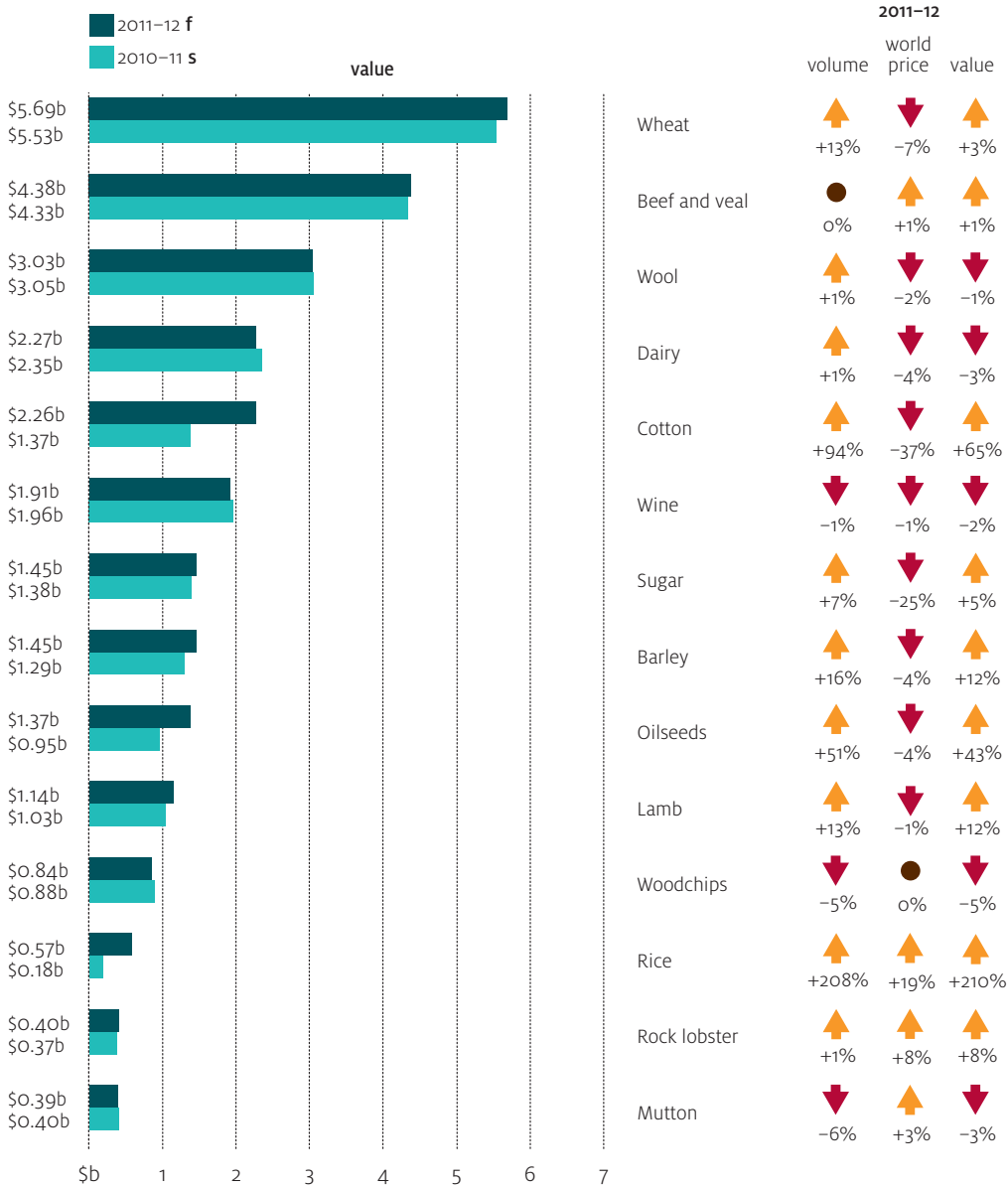
a Base: 2006–07 = 100. b For a definition of the gross value of farm production see Table 13. c Gross value of farm production less increase in assets held by marketing authorities and less total cash costs. d Gross value of farm production less total farm costs. f ABARES forecast. s ABARES estimate. na Not available.

Note: ABARE revised the method for calculating farm price and production indexes in October 1999. The indexes for the different groups of commodities are calculated on a chain weight basis using Fishers' ideal index with a reference year of 1997–98 = 100.

Sources: ABARES; Australian Bureau of Statistics

Major Australian agricultural, fisheries and forestry commodity exports

Wheat, cotton, sugar, rice and oilseeds are world indicator prices in US\$. All other commodities are export unit returns or domestic prices in A\$. For export value, annual forecasts are the sum of quarterly forecasts. As a result, annual export values do not necessarily reflect variations in export volumes, world prices and exchange rates.



f ABARES forecast. s ABARES estimate.

Agriculture

Crops



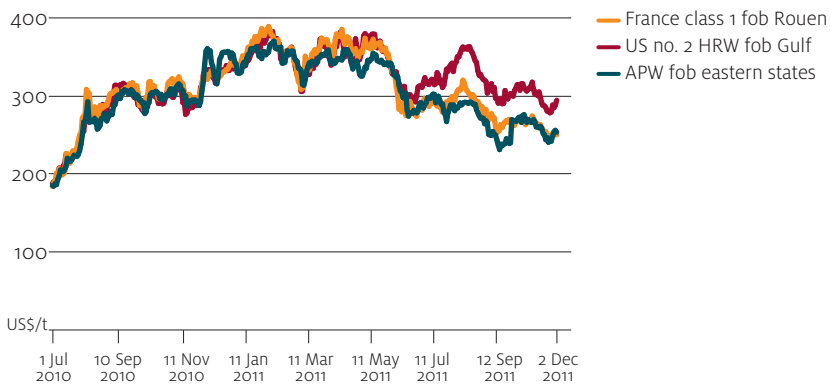
Wheat

James Fell

The world wheat indicator price (US hard red winter, fob Gulf) is forecast to fall by US\$22 a tonne in 2011–12 to average around US\$295 a tonne. This forecast of the world indicator price is relatively high compared with historical averages and also higher than the forecast prices for many other wheat varieties on world markets. This forecast of a relatively high world indicator price largely reflects a reduction in the total production of higher protein wheat varieties such as US hard red winter wheat and Canadian western red spring wheat in 2011–12.

For lower protein wheat varieties, including Australian premium white and France class 1 wheat, world prices have declined more significantly over the past several months. Prices of these lower protein wheat varieties were around US\$40 a tonne less than the world wheat indicator price in early December 2011, despite near parity with the world indicator price in mid-2010. Reflecting the forecast increase in production of lower protein wheat varieties in the current season, these price differentials are likely to continue in the remainder of 2011–12.

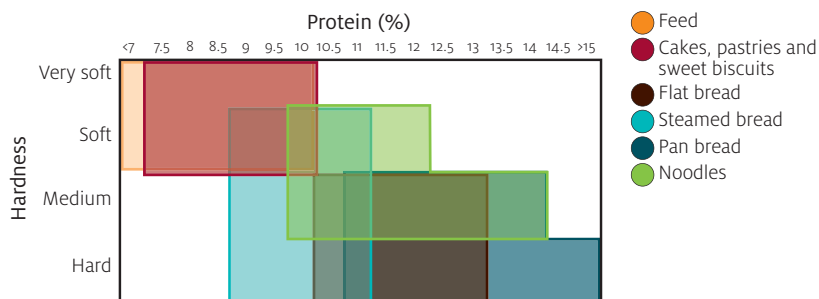
World wheat prices



Source: International Grains Council

Lower protein wheat varieties are typically used in pastries, cakes, steamed bread and livestock feed, whereas higher protein (11 per cent protein or higher) hard wheat varieties are typically used in pan breads (the protein content of wheat affects dough strength and elasticity properties).

Wheat uses and characteristics



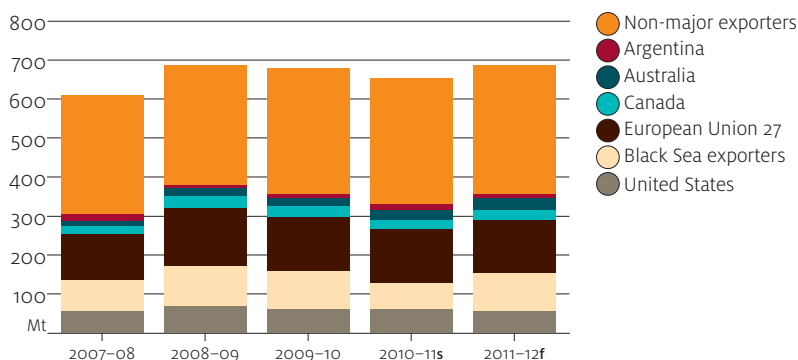
Note: protein and hardness boundaries are approximate.

Sources: ABARES; Food and Agriculture Organization; Grain Growers Australia

Production to increase in 2011-12

World wheat production is forecast to increase by 5 per cent in 2011-12 to around 685 million tonnes as a result of improved seasonal conditions in the Black Sea region. The total world wheat area to be harvested is forecast to increase by 2 per cent to 221 million hectares. Harvesting of winter and spring wheat is complete in the northern hemisphere. Yields in many producing countries in the northern hemisphere were generally higher than previously forecast, resulting in an upward revision of the forecast of world production in 2011-12.

World wheat production



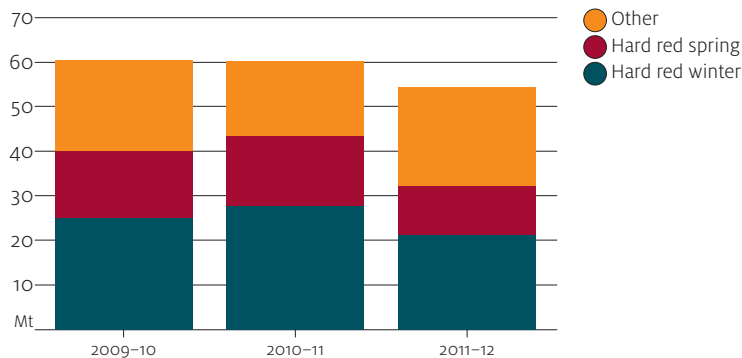
f ABARES forecast. s ABARES estimate.

Sources: ABARES; International Grains Council

Wheat

In the United States, wheat production is estimated to be 9 per cent lower in 2011–12, at around 54 million tonnes. Dry conditions in southern winter wheat areas adversely affected yields, and excessively wet conditions at planting time in many spring wheat areas led to a 16 per cent fall in the spring wheat area harvested. Total production of the higher protein hard red winter and spring wheat is estimated to have fallen by 26 per cent.

Wheat production, United States



Sources: US Department of Agriculture; US National Agricultural Statistics Service

In Canada, the estimate of wheat production by Statistics Canada is around 25 million tonnes, a rise of around 9 per cent compared with 2010–11. Production of higher quality Canadian milling wheats is estimated to be similar to the previous year.

In the European Union, wheat production in 2011–12 is estimated to be around 138 million tonnes, similar to the previous year. Dry growing conditions resulted in a 5 per cent fall in production in France and Germany (the two largest EU wheat producing countries). However, this was largely offset by better crop conditions in many other European producers. Production rose by 7 per cent in the rest of the European Union (excluding France and Germany).

In 2011–12, wheat production in the three major Black Sea exporting countries (the Russian Federation, Ukraine and Kazakhstan) is estimated to be 43 per cent higher, at around 98 million tonnes, as a result of improved seasonal conditions. These three countries produce both milling and feed wheat, and export predominantly to Africa and the Middle East, where milling wheat use favours low to medium protein content.

In Argentina, wheat production is forecast to fall by 15 per cent to 13 million tonnes in 2011–12, as a result of less favourable seasonal conditions. This is despite an estimated 5 per cent rise in forecast harvested area. Rainfall throughout winter and early spring was below average in most producing regions. This continued throughout October in Buenos Aires Province, which typically produces more than half of Argentina's crop. Yield potential improved in other producing regions as a result of above average rainfall in October, an important month for wheat plant development in the southern hemisphere.

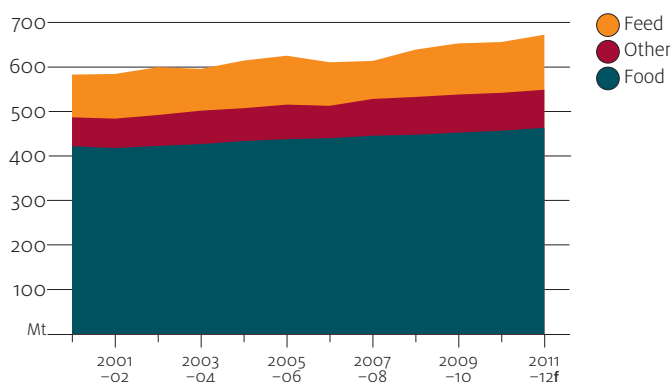
While China and India are not major exporters of wheat, they are major wheat producers and consumers. In 2011–12, Chinese wheat production is estimated to be largely unchanged at around 116 million tonnes. In India, wheat production is estimated to be 6 per cent higher at around 86 million tonnes.

High corn prices to encourage greater feed wheat consumption

World wheat consumption is forecast to increase by 3 per cent in 2011–12 to around 676 million tonnes. World food use is forecast to increase by 1 per cent to around 461 million tonnes in line with population growth. Human consumption of wheat for food accounts for a little less than 70 per cent of world wheat consumption.

World feed use of wheat is forecast to increase by around 10 per cent in 2011–12 to around 126 million tonnes. This forecast increase reflects an expected higher corn-to-wheat price ratio, which will encourage substitution of wheat for corn in feed. Even though feed use accounts for only around 18 per cent of world wheat consumption, it is the major driver of movements in world wheat consumption because both human and industrial wheat consumption are relatively stable in the short term.

World wheat consumption



f ABARES forecast.

Sources: ABARES; International Grains Council

Higher production leading to higher trade

World trade in wheat is forecast to increase by 6 per cent in 2011–12 to around 133 million tonnes. This increase will be driven by the recovery in production, the relaxation of export bans in the Black Sea region and the removal of the export tax on wheat in Ukraine, which was imposed on 1 July 2011 and removed on 19 October 2011. Combined exports from the Russian Federation, Ukraine and Kazakhstan are forecast to more than double to around 36 million tonnes in 2011–12.

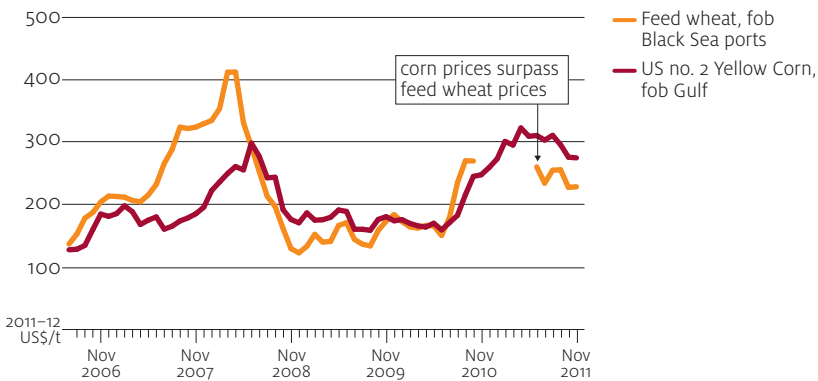
Exports from other major producing countries in the northern hemisphere are forecast to decline in 2011–12, with the exception of Canada as a result of substitution in import markets towards that country's higher quality milling wheats. Exports from Canada are forecast to increase by 7 per cent to around 17 million tonnes. Exports from the European Union are forecast to fall by 28 per cent to 17 million tonnes

Wheat

as a result of greater competition with the Black Sea countries in export markets and lower availability of wheat for export given the relatively low closing stocks in 2010–11. After historically high exports in 2010–11, US exports are forecast to fall by around 24 per cent in response to lower production and lower opening stocks.

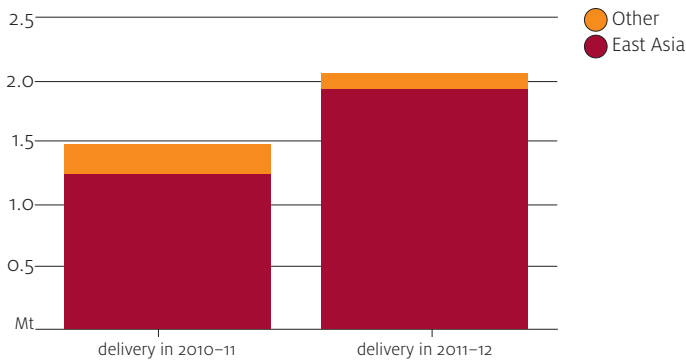
World wheat imports are forecast to rise in 2011–12, led by an increase in demand for feed wheat in East Asia. International sales of feed wheat, as reported by the International Grains Council for the period from late May to late October 2011, have increased by more than 35 per cent compared with the same period last year, with the largest increase being in East Asia. The increase in world imports is in line with an increase in world trade and the substitution of wheat for corn in feed.

Monthly corn and feed wheat spot prices



Note: Break in feed wheat price was caused by trade restrictions in 2010–11.
Sources: International Grains Council; US Department of Agriculture

Reported international sales of feed wheat, late May to late November 2010 and 2011

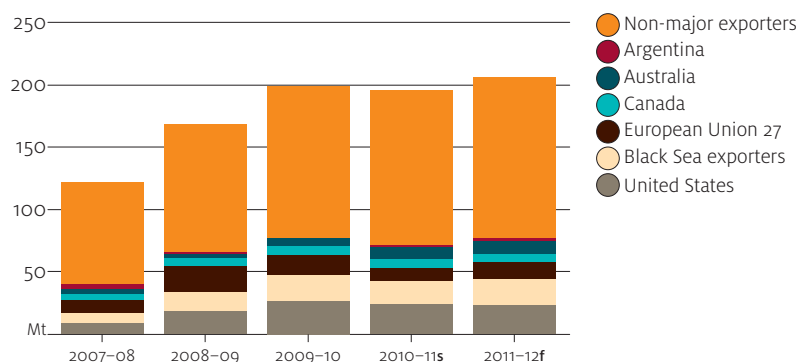


Source: International Grains Council

Stocks to rise

World closing stocks of wheat are forecast to increase by around 5 per cent in 2011–12 to 205 million tonnes. However, the increase in world consumption will leave the wheat stocks-to-use ratio remaining around 30 per cent. Stocks in the major exporting countries are forecast to rise by around 6 per cent. In particular, closing stocks are forecast to increase in the European Union, as a result of a fall in export volumes. Stocks are also forecast to rise in Kazakhstan and Australia, as a result of relatively large harvests.

World wheat closing stocks



f ABARES forecast. s ABARES estimate.

Sources: ABARES; International Grains Council

Australia

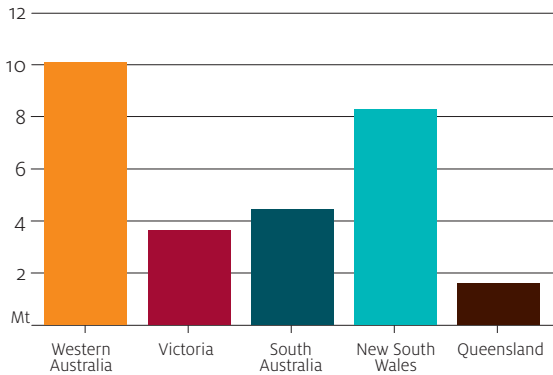
WA recovery leads to record national wheat production

Australian wheat production is forecast to be the highest on record at 28.3 million tonnes in 2011–12. This reflects a recovery of wheat production from drought in Western Australia and generally favourable seasonal conditions in eastern Australia, despite recent untimely heavy rain, which has delayed harvest and affected crop quality in some regions in northern New South Wales and southern Queensland.

Production in Western Australia, typically the largest producing state, is forecast to almost double to around 10 million tonnes in 2011–12, as a result of an estimated 9 per cent increase in area sown to wheat and favourable seasonal conditions so far in this season. Yields are expected to be above average, largely as a result of above average spring rainfall in the northern and central wheat belt. As of early December, harvest in Western Australia was more than half complete.

Production in eastern Australia (including South Australia), is forecast to fall by 21 per cent in 2011–12 to around 18 million tonnes. Despite relatively favourable seasonal conditions, yields are expected to be below the exceptional highs achieved last season. In the major Victorian and South Australian wheat growing regions, rainfall was generally below average in September. However, rainfall in October and November, the important periods for grain development and grain filling, was average to above average.

Australian wheat production, 2011-12

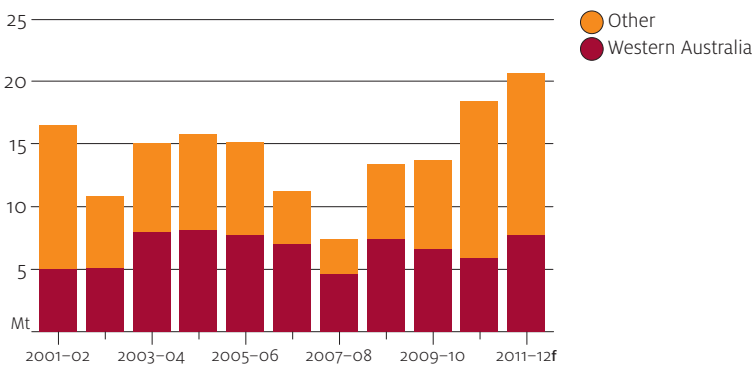


In New South Wales, growing conditions were generally favourable in September and October. However, in the north of the state, which harvests in November, above average rainfall led to a downgrade in crop quality in some regions. Harvest results from northern New South Wales and Queensland, where harvest is largely complete, also suggest lower than normal protein levels.

Large harvest to boost exports

Australian wheat exports are forecast to increase by 13 per cent in 2011-12 to a record of around 21 million tonnes, driven by a forecast 31 per cent increase in exports from Western Australia. In the eastern states (including South Australia), export volumes are forecast to be largely unchanged in 2011-12 at around 13 million tonnes.

Australian wheat export volume, July to June



f ABARES forecast.

The value of Australian wheat exports is forecast to rise by 3 per cent in 2011–12 to \$5.7 billion as a result of higher export shipments and an expected increase in the proportion of exports of milling grade wheat. However, export unit returns are forecast to fall, reflecting lower world prices, expected lower average protein content of Australian wheat exports and an increase in the proportion of feed wheat exported from Western Australia.

Wheat outlook

		2009 –10	2010 –11 s	2011 –12 f	% change
World					
Production	Mt	679	653	685	5.0
– China	Mt	115	115	116	0.7
– European Union 27	Mt	138	137	138	1.2
– India	Mt	81	81	86	6.3
– Russian Federation	Mt	62	42	58	39.7
– United States	Mt	60	60	54	–9.4
Consumption	Mt	652	656	676	3.1
– human	Mt	452	456	461	1.0
– feed	Mt	114	115	126	9.9
Closing stocks	Mt	199	196	205	4.7
Stocks-to-use ratio	%	30	30	30	1.6
Trade	Mt	128	126	133	5.7
Exports					
– Argentina	Mt	5	9	8	–16.7
– Australia	Mt	14	18	21	13.3
– Canada	Mt	19	16	17	7.3
– European Union 27	Mt	22	24	17	–28.3
– Kazakhstan	Mt	8	6	9	52.3
– Russian Federation	Mt	19	4	18	350.0
– Ukraine	Mt	9	4	9	113.1
– United States	Mt	24	35	27	–24.4
Price ^a	US\$/t	209	317	295	–6.8
Australia					
Area	'000 ha	13 881	13 645	14 108	3.4
Production	kt	21 834	27 891	28 286	1.4
Exports ^b	kt	13 725	18 448	20 900	13.3
– value	A\$m	3 692	5 526	5 686	2.9
APW 10 net pool return	A\$/t	249	346	272	–21.3

^a US hard red winter wheat fob Gulf, July–June. ^b July–June years. ^f ABARES forecast. ^s ABARES estimate.

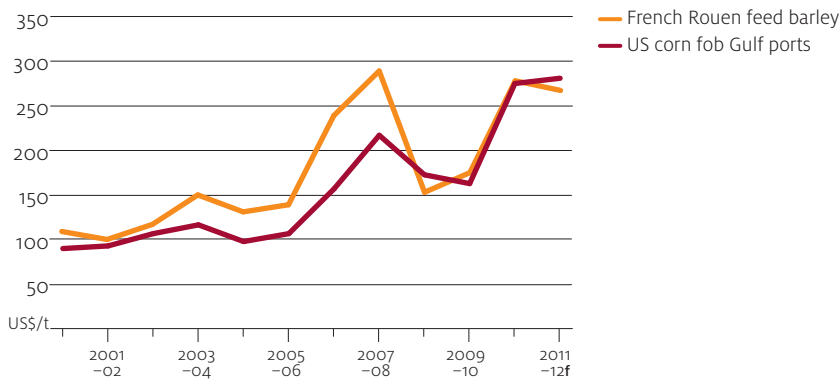
Sources: ABARES; Australian Bureau of Statistics; International Grains Council

Coarse grains

David Mobsby

The world coarse grains indicator price (US corn, fob Gulf ports) is forecast to increase by 2 per cent in 2011–12 to US\$282 a tonne. This forecast price rise mainly reflects an expected further decline in world stocks because global consumption is forecast to exceed production for the second year in a row. However, the world indicator price for barley (French Rouen feed) is forecast to fall by 4 per cent to US\$267 a tonne as a result of an expected significant increase in global production.

World coarse grains prices



f ABARES forecast.

Production to rise in most countries

World coarse grain production is forecast to rise by 4 per cent in 2011–12 to reach a record 1.14 billion tonnes. Higher production is expected in most major producing areas, including China, the European Union, Latin America and the Black Sea region.

World corn production is forecast to increase by 4 per cent in 2011–12 to 859 million tonnes, reflecting higher production in China, the European Union and Ukraine.

The United States is the world's largest producer of corn and the harvest for the 2011–12 season is now complete. An increase in the area planted to corn has allowed production to remain well above the 10-year average at 316 million tonnes. Above average temperatures and dry conditions during key stages of crop development adversely affected yields, which are estimated to have been the lowest since 2003–04.

In the European Union, ideal growing conditions in several of the major producing countries (including France, Hungary and Romania) have led to record corn production in 2011–12, at 63 million tonnes, a rise of 14 per cent over the previous season.

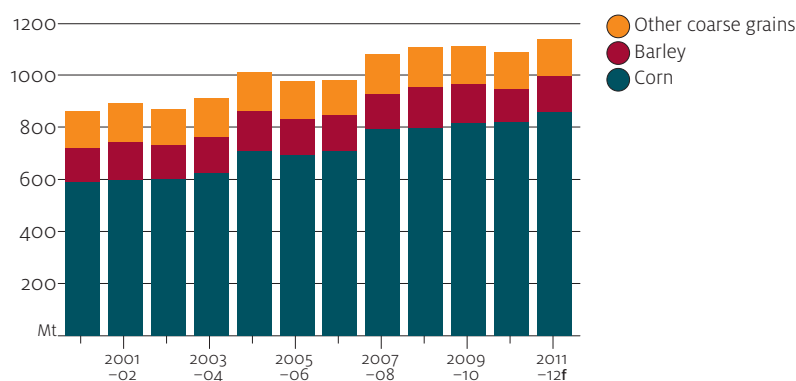
In China, corn production is set to increase by 5 per cent in 2011–12 to a record 184 million tonnes. This forecast reflects an increase in area harvested and record yields stemming from favourable seasonal conditions.

In Ukraine, corn production in 2011–12 has recovered from last season's drought. Production is estimated to have increased by around 76 per cent to 21 million tonnes. In addition to improved yields, this significant increase in production reflects an increase of 38 per cent in harvested area.

In Latin America, planting of the 2011–12 corn crop has begun. Higher returns from corn compared with other crops have led to increased area planted to corn in both Argentina and Brazil, two of the region's largest producers. In Brazil, corn production is forecast to increase by 5 per cent to 58 million tonnes, in line with the increase in area planted. Favourable seasonal conditions so far in the season have assisted planting.

In Argentina, production is forecast to rise by 30 per cent in 2011–12 to 27 million tonnes. This forecast also reflects an expected rise of 17 per cent in area planted, to 3.8 million hectares. Planting was delayed because of adverse seasonal conditions in September. However, plantings resumed in October following rains that provided good subsoil moisture.

World coarse grains production



f ABARES forecast.

Barley production recovers

World barley production is forecast to increase by 10 per cent in 2011–12 to 136 million tonnes. A rebound in production from Canada and the Black Sea region is expected to more than offset declines in the European Union.

In the European Union, barley production is estimated to have fallen by 2 per cent in 2011–12 to 52 million tonnes. Adverse seasonal conditions throughout much of the growing season in France and Germany, two major EU producers, significantly affected yields. Wet conditions at harvest also had a negative effect on the quality of malting barley, with some of the crop downgraded to feed.

In the Black Sea region, barley production is estimated to increase substantially in 2011–12. Harvesting in the Russian Federation is largely complete and barley production there is estimated to double to 17 million tonnes, reflecting a significant improvement in yields. In Ukraine, yields are reported to be well above the five-year average at 2.6 metric tonnes a hectare. Barley production in Ukraine is estimated to be 10 per cent higher in 2011–12 at 9.4 million tonnes.

In Canada, production is estimated to increase by 8 per cent in 2011–12 to 8.3 million tonnes as favourable seasonal conditions have led to record yields, although the effect on production is partially offset by lower planted area.

Feed and industrial use driving consumption increase

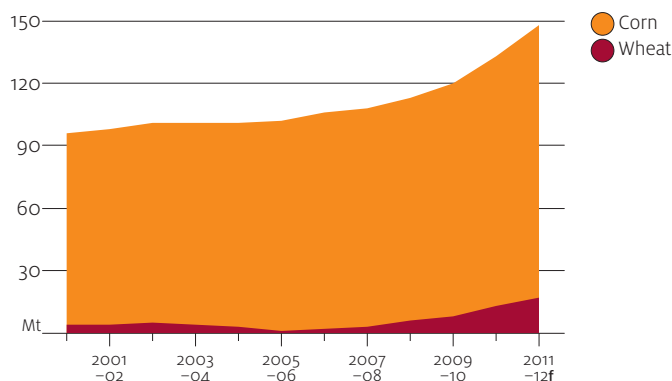
Global consumption of coarse grain is forecast to rise by 2 per cent in 2011–12 to 1.15 billion tonnes. An increase in world feed and industrial use, particularly in China, is forecast to more than offset an expected fall in consumption in the United States and the European Union.

Industrial use of corn in the United States is expected to fall by 2 per cent in 2011–12 to 161 million tonnes. The Energy Independence and Security Act of 2007, which includes the Renewable Fuels Standard, requires higher use of biofuels to 2022. In 2011, the mandated requirement for biofuel production is 53 billion litres, of which the maximum amount of ethanol that can be derived from corn is 48 billion litres. Although falling gasoline demand and the relatively high price of corn as feedstock are expected to slow the growth of ethanol use in 2011–12, the full quota for corn-based ethanol production is still expected to be met.

World demand for beer is expected to rise in 2011–12, especially in rapidly growing economies in regions such as Latin America and East Asia. The rising demand for beer increases the demand for malting barley, which is a principal ingredient in beer production. In China, the world's largest producer of beer, production growth has been rapid in recent years and is expected to grow by 6 per cent in 2011–12 to 45 billion litres. Higher world demand for beer (and therefore for malting barley) and tight malting barley supplies are expected to maintain upward pressure on the price of malting barley.

World feed consumption of coarse grains is forecast to increase by 2 per cent in 2011–12 to 667 million tonnes because of rising demand in East Asia, Latin America and countries in the Black Sea region.

Feed grain use in China



f ABARES forecast.

In the United States, feed consumption of corn is forecast to fall by 6 per cent in 2011-12 to 120 million tonnes, the fourth consecutive year of decline. Despite a 5 per cent increase in the number of cattle on feed in the year to October 2011, relatively high corn prices have led to substitution away from corn to other grains and alternative feeds.

In China, rapid economic growth and rising per capita incomes continue to fuel demand for livestock products, especially pork. This has the flow-on effect of higher demand for feeds grains. Over the past several years, feed wheat use has increased in China. However, the use of feed wheat remains relatively small compared with corn. Without sufficient viable alternative feed sources, demand for corn is forecast to rise by 7 per cent in China in 2011-12.

Higher production adding to tradeable supplies

World trade in coarse grains is forecast to rise by 5 per cent in 2011-12 to 121 million tonnes, enabled increased supplies in major exporting countries.

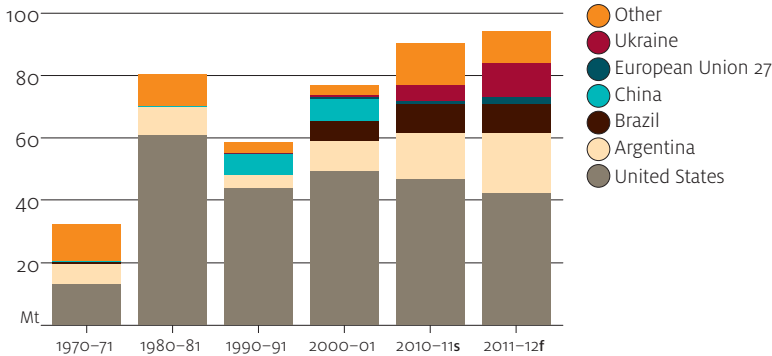
World trade in corn is forecast to increase by 6 per cent in 2011-12 to 94 million tonnes. Increased exports from Argentina, Ukraine and Brazil are expected to offset an expected decline in exports from the United States.

US corn exports are forecast to decline by 10 per cent in 2011-12 to 42 million tonnes. For the first time since 1970-71, the United States will account for less than half of the world's corn exports.

In Ukraine, corn exports are forecast to double in 2011-12 to 10 million tonnes, in line with record production. The removal of export duties on maize in October 2011 will assist exports this year.

In Argentina, corn exports are forecast to increase by 34 per cent in 2011-12 to 19 million tonnes. This is driven by the forecast increase in production and assumes a relaxation of the Argentine export quota on corn, as supply is forecast to be more than adequate to meet domestic demand.

World corn trade



f ABARES forecast. s ABARES estimate.

Despite an expected increase in corn production, China is forecast to increase imports in 2011-12. For a second consecutive year, production is expected to fall short of consumption requirements. In 2010-11, China imported 980 million tonnes of corn to meet the shortfall in production and to contain the rise in the domestic price. In 2011-12, imports are forecast to rise between 4 and 6 million tonnes.

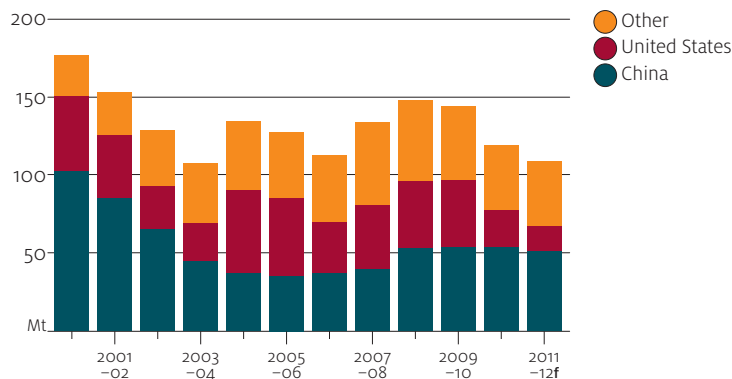
World barley trade is expected to increase by 22 per cent in 2011-12 to 19 million tonnes. This increase reflects the recovery in production in the Black Sea region, which is expected to lead to greater export supplies. World trade in malting barley is forecast to increase, with higher exports from Canada offsetting the anticipated fall in European exports.

World stocks to decline

World stocks of coarse grains are forecast to decline by 8 per cent in 2011-12 to 147 million tonnes as world consumption exceeds production for a second consecutive year. World corn stocks are forecast to fall by 8 per cent in 2011-12 to 109 million tonnes, because of expected falls in stocks in both the United States and China. In the United States, stocks are expected to fall by 30 per cent to 16 million tonnes, following a disappointing 2011-12 season. In China, stocks are forecast to fall by 5 per cent to 51 million tonnes as consumption is expected to again exceed available supplies. Since the beginning of 2011-12, China has released 3.7 million tonnes of corn from state reserves with the aim of mitigating upward pressure on the domestic price. Reflecting the effect of higher consumption, the world stocks-to-use ratio for corn is forecast to fall by 1 per cent in 2011-12 to 13 per cent, which is expected to keep upward pressure on corn prices ahead of the Southern Hemisphere harvest.

In contrast to corn, world barley stocks are expected to rise by 4 per cent in 2011-12 to 26 million tonnes, following the recovery in production in the Black Sea region.

World corn stocks



f ABARES forecast.

Australia

Higher Australian barley production

Australian barley production is estimated to increase by 4 per cent in 2011–12 to 8.5 million tonnes, with a recovery in Western Australian production more than offsetting forecast lower production in the eastern states. Production in New South Wales is expected to decline by 24 per cent to 1.7 million tonnes, reflecting a smaller area planted and a reduction in yields. Lower production is also expected in Victoria and South Australia because of a forecast fall in yields. In contrast, production in Western Australia is forecast to increase by 48 per cent to 2.4 million tonnes.

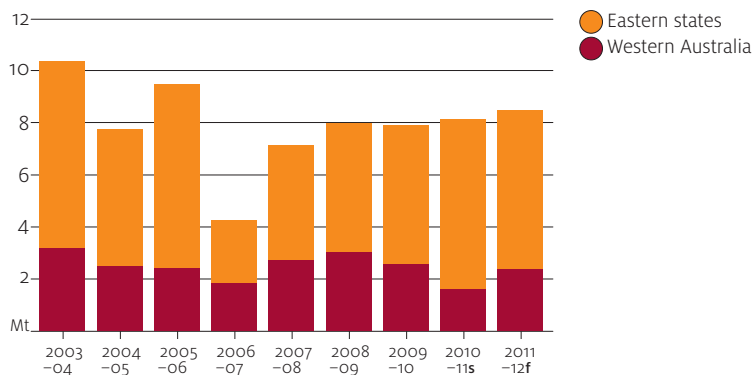
For 2011–12 the area planted to grain sorghum is forecast to remain largely unchanged at 667 000 hectares, with a 6 per cent decrease in New South Wales offsetting a marginal increase in Queensland. The area planted to grain sorghum is being affected by the relatively higher returns from alternative crops, such as cotton, and softening feed grain prices. Spring rainfall has replenished soil moisture profiles in Queensland, which is expected to boost yields. Australian production is forecast to increase by 17 per cent to 2.4 million tonnes.

Exports to increase

Australian coarse grains exports are forecast to increase by 15 per cent in 2011–12 to 6.2 million tonnes, with earnings forecast to increase by 12 per cent to \$1.7 billion. The increase in exports reflects higher domestic production and favourable world prices.

Export shipments of barley are forecast to rise by 15 per cent in 2011–12 to 5.4 million tonnes. The value of barley exports is forecast to increase by 13 per cent to \$1.4 billion.

Barley production in Australia



f ABARES forecast. s ABARES estimate.

Coarse grains outlook

		2009 -10	2010 -11 s	2011 -12 f	% change
World					
Production	Mt	1 107	1 091	1 138	4.3
– barley	Mt	150	124	136	9.7
– corn	Mt	820	829	859	3.6
Consumption	Mt	1 107	1 127	1 147	1.8
Trade	Mt	123	115	121	5.2
Closing stocks	Mt	196	159	147	-7.5
Stocks-to-use ratio	%	18	14	13	-7.1
US corn price (fob Gulf, Sep–Aug)	US\$/t	163	277	282	1.8
Australia					
Area	'000 ha	6 179	5 638	6 092	8.1
– barley	'000 ha	4 422	3 740	4 038	8.0
– grain sorghum	'000 ha	498	674	667	-1.0
Production	kt	11 408	12 390	13 438	8.5
– barley	kt	7 865	8 145	8 491	4.2
– grain sorghum	kt	1 508	2 068	2 415	16.8
Exports a	kt	4 974	5 337	6 160	15.4
– value	A\$m	1 280	1 493	1 665	11.5
Feed barley price	A\$/t	155	217	190	-12.4
Malting barley price	A\$/t	202	259	256	-1.2

a July to June years. f ABARES forecast. s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; United States Department of Agriculture.

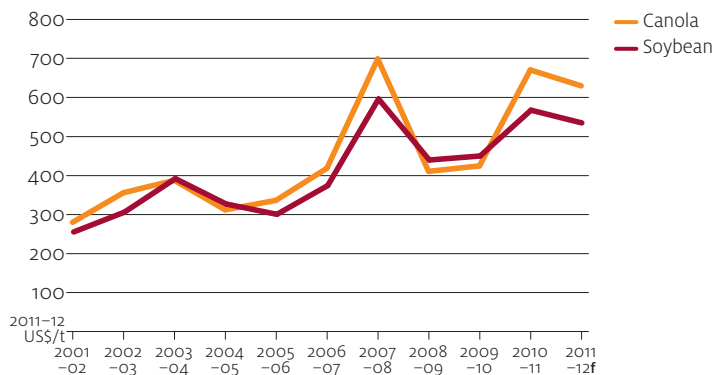
Oilseeds

Fiona Crawford

The world oilseeds indicator price (soybeans, cif Rotterdam) is forecast to average 4.5 per cent lower in 2011–12 at US\$535 a tonne. The forecast decline reflects an expected increase in world soybean export supplies, assisted by relatively high closing stocks for the 2010–11 growing season.

The world canola indicator price (cif Hamburg) is forecast to decrease by 3 per cent in 2011–12 to US\$630 a tonne. This forecast decline is mainly driven by continued high world canola production.

World oilseed indicator prices



f ABARES forecast.

World production to remain at record high

World oilseed production is forecast to increase by 1 per cent in 2011–12 to 455 million tonnes. Higher soybean and sunflower production in Latin America and the Black Sea region offset falls in soybean and canola production in the United States and the European Union.

Canola

World canola production is forecast to decrease by 1 per cent in 2011–12 to 59 million tonnes, reflecting lower production in the European Union as a result of adverse seasonal conditions.

In Canada, canola production is estimated to increase by 12 per cent in 2011–12 to a record 13.3 million tonnes. While hot and dry conditions in August adversely affected yields in some canola producing areas, a record planted area of 7.3 million hectares, combined with average and above average yields in other producing regions, led to production of a record crop this season.

Rapeseed/canola production in the European Union is forecast to decrease by 7 per cent in 2011–12 to 18.9 million tonnes. Unfavourable seasonal conditions severely affected yields in major producing countries. In Germany, the largest producer in the European Union, a significant reduction in production resulted in large imports of rapeseed/canola.

Soybeans

World soybean production is forecast to decline by 2 per cent in 2011–12 to 259 million tonnes. Lower production in the United States and China is driving this forecast decline.

In the United States, harvest is nearly complete across all states and soybean production is forecast to decrease by 8 per cent in 2011–12 to 83 million tonnes. Mixed seasonal conditions throughout the growing season have led to yields being slightly below the five-year average at around 2.8 tonnes a hectare.

In Brazil, soybean production is forecast to remain relatively unchanged in 2011–12 at around 75 million tonnes. This forecast assumes above average yields, although they will be below last season's record yields. The area planted to soybeans is forecast to increase by 2 per cent to 24.8 million hectares given the good stored subsoil moisture following recent rains. Favourable soil conditions are encouraging producers to plant earlier than usual to take advantage of the possibility of double-cropping with corn.

In Argentina, soybean production is forecast to increase by 8 per cent in 2011–12 to around 53 million tonnes, the second largest crop on record. Below average rainfall during winter and spring was followed by more favourable rainfall in October, an important month for plant development. As a result, the area planted to soybeans is forecast to increase by 5 per cent to 19.2 million hectares. Because Argentina is experiencing a La Niña year, below average rainfall is a distinct possibility in the coming months, which presents a downside risk to this forecast.

In China, soybean production is forecast to decrease by 8 per cent in 2011–12 to 14 million tonnes. This forecast reflects a return to average yields following last year's near-record yield, as well as the effect of adverse seasonal conditions during planting, which lowered the total area planted by 3 per cent to around 8 million hectares.

Sunflower

World production of sunflower seed is forecast to increase by 16 per cent in 2011–12 to a record 35.6 million tonnes. This forecast is driven by record production in both the Black Sea region and the European Union.

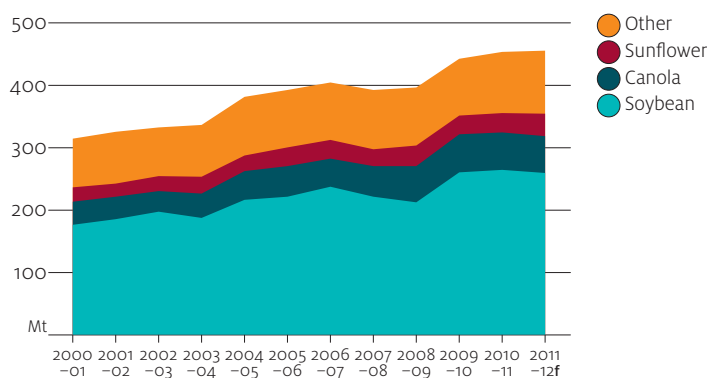
In the Black Sea region, record sunflower production is forecast in 2011–12 in the Russian Federation and Ukraine at around 8.8 million tonnes and 7.6 million tonnes,

respectively. This forecast represents an increase of 59 per cent in the Russian Federation and 12 per cent in Ukraine. These increases were the result of favourable summer rainfall, which led to record high yields.

In the European Union, sunflower seed production is forecast to increase by 15 per cent in 2011–12 to almost 7.9 million tonnes. Higher production in Spain and France is the principal driver behind this forecast increase. Favourable seasonal conditions in most other producing countries have also led to expected yield increases.

In Argentina, sunflower production is forecast to decrease by 3 per cent in 2011–12 to 3.4 million tonnes. Sunflower seed planting is well underway, with planted area forecast to increase by 5 per cent to 1.8 million hectares. Despite this forecast increase in the area planted, the lower production forecast reflects an assumed return to average yields following record yields in 2010–11.

World oilseed production



f ABARES forecast.

Record production allows increased crush

World total oilseed crush is forecast to increase by 3 per cent in 2011–12 to 387 million tonnes. Sunflower and soybean crush is expected to rise as a combined result of the forecast increase in production and the higher crush margins for these two oilseeds relative to canola. In contrast, canola crush is forecast to decline.

In the Black Sea region, sunflower seed crush is forecast to increase by 23 per cent in 2011–12 to a record 14 million tonnes. Over the past decade, crushing capacity in this region more than tripled. The forecast record crush this season reflects the record production in the Russian Federation and Ukraine following the drought-affected crop of 2010–11.

In Latin America, total crush is forecast to increase by 3 per cent in 2011–12 to 83 million tonnes. This reflects the continued high production of soybeans in Brazil and the forecast of record soybean production and near-record sunflower seed production in Argentina.

China remains the largest oilseed crusher in the world; crush is forecast to increase by 7 per cent in 2011–12 to 93 million tonnes. The volume expected to be crushed

this year represents a doubling of China’s crush over the past decade. In contrast, the United States decreased its crush by 4 per cent to nearly 49 million tonnes over the same period.

In the European Union, total oilseed crush is forecast to decrease by 1 per cent in 2011–12 to almost 41 million tonnes. Rapeseed/canola crush is forecast to decrease by 6 per cent to 21 million tonnes following reduced production this season. In contrast, total sunflower seed crush is forecast to increase by 11 per cent to 6.8 million tonnes on account of record sunflower seed production.

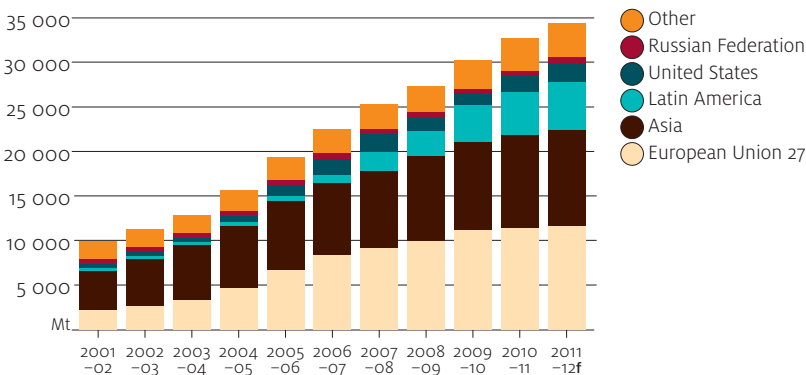
Record consumption expected

World oilseed consumption is forecast to rise by 3 per cent in 2011–12 to 455 million tonnes. World vegetable oil consumption is forecast to increase by 1 per cent to 152 million tonnes. Increased population growth, rising per capita incomes in developing countries and sustained demand for biodiesel are the principal causes of this forecast growth.

World consumption of protein meal is forecast to increase by 3 per cent in 2011–12 to 256 million tonnes on account of growth in intensive livestock production. In China in particular, consumption of protein meal is forecast to increase by 7 per cent to 64 million tonnes, making China the largest consumer of protein meal. In the European Union and the United States, protein meal consumption remained relatively steady over the past five years.

World industrial use of vegetable oil is forecast to increase by 5 per cent in 2011–12 to 34.4 million tonnes. The European Union is the largest consumer of vegetable oil for industrial use and consumption is forecast to increase by 2 per cent in 2011–12. However, European biodiesel production is forecast to decrease significantly in 2011–12 on account of the change in the relative price of European biodiesel compared with imported biodiesel from Latin America and Indonesia. The European Union increased imports of biodiesel by 21 per cent in 2011–12 to 2.52 million tonnes, with half of that volume sourced from Argentina. The European biodiesel industry is facing a number of challenges, including continued high prices for feedstock, increased competition from cheaper imports and low capacity use.

Consumption of vegetable oil for industrial use

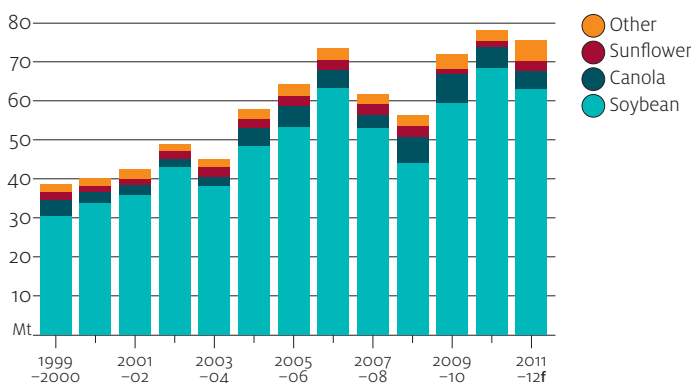


f ABARES forecast.

Closing stocks to decline

World closing oilseed stocks are forecast to decrease by 2.6 per cent in 2011–12 to 76 million tonnes. This forecast reflects an expected 16 per cent decline in world canola stocks to 4.5 million tonnes and an 8 per cent decrease in world soybean stocks to 63 million tonnes. Although sunflower seed closing stocks are expected to increase by 76 per cent, this is from a low base of 1.5 million tonnes in 2010–11 and therefore will only slightly offset the expected decline in soybean and canola closing stocks.

Oilseed closing stocks



f ABARES forecast.

Increased production boosts trade

World trade in oilseeds is forecast to increase by 6 per cent in 2011–12 to 113 million tonnes, reflecting increased trade of all three major oilseeds (soybeans, canola and sunflower seed). World trade in soybeans is forecast to increase by 6 per cent to 96.8 million tonnes, primarily on account of the forecast rise in production in Latin America and consequent increase in export supplies. World canola trade is forecast to increase by 2.4 per cent to 10.6 million tonnes as import demand for rapeseed/canola increases in the European Union in response to lower domestic production. World trade in sunflower seed is forecast to increase by 45 per cent to 2.2 million tonnes, largely as a result of the forecast increase in shipments from the Black Sea region.

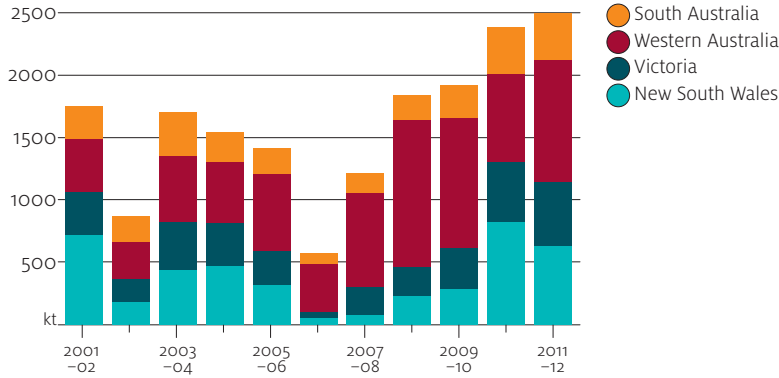
Australia

Australian canola to rise

Australian canola production is forecast to increase by 5 per cent in 2011–12 to around 2.5 million tonnes, the second largest crop on record. Production in Victoria and South Australia is expected to increase by 9 per cent and 2 per cent, to 520 000 tonnes and 375 000 tonnes, respectively. Good subsoil moisture during planting and timely rainfall toward the end of the season are expected to lead to above average yields. Canola production in Western Australia is expected to increase

by 37 per cent compared with last year, to 975 000 tonnes. In contrast, canola production in New South Wales is expected to fall by 24 per cent to 625 000 tonnes following last year's record production.

Australian canola production



Record canola exports

The volume of Australian canola seed exports is forecast to increase by 19 per cent in 2011-12 to 1.7 million tonnes, the highest on record. At this forecast level, Australian canola seed exports will account for around 16 per cent of world trade in 2011-12, which will make Australia the second largest exporter of canola after Canada. With prices forecast to remain relatively high throughout the year, the value of Australian canola exports is forecast to increase by 21 per cent to \$1.03 billion, by far the highest on record.

Australia's main export destinations for canola oil include the Republic of Korea, New Zealand, Malaysia and Chinese Taipei. In the first 11 months of the 2010-11 marketing year (November-October), Australia exported around 106 600 tonnes of canola oil. This was 12 per cent higher than for the entire 2009-10 marketing year. In the 2011-12 marketing year, Australian canola oil exports are forecast to increase by 4 per cent to 110 800 tonnes.

Australian canola oil exports, by destination, November to October ('000 tonnes)

	2008-09	2009-10	2010-11as
Republic of Korea	23.40	35.61	30.14
New Zealand	18.53	19.99	19.24
Malaysia	11.30	13.55	18.84
Chinese Taipei	10.01	7.95	13.39
Singapore	5.80	7.32	8.07
Japan	3.74	1.88	7.43

a November-September. s ABARES estimate.

Oilseeds outlook

		2009 –10	2010 –11 s	2011 –12 f	% change
World					
Production	Mt	442	452	455	0.7
Consumption	Mt	423	442	455	2.9
– oilseed meal	Mt	236	249	256	2.8
– vegetable oil	Mt	138	151	152	0.7
Closing stocks	Mt	72	78	76	–2.6
Stocks-to-use ratio	%	17	18	17	–5.6
Soybeans indicator price	US\$/t	429	560	535	–4.5
Australia					
Total production	kt	2 609	3 782	4 222	11.6
– winter	kt	1 933	2 397	2 508	4.6
– summer	kt	676	1 385	1 714	23.8
Canola					
Production	kt	1 920	2 382	2 495	4.7
Exports	kt	1 238	1 453	1 730	19.1
– value	\$m	583	855	1 031	20.6
Price (Nov–Oct) (delivered Melbourne)	A\$/t	440	557	529	–5.0

f ABARES forecast. s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; ISTA Mielke GmbH, *Oil World*, Hamburg; United States Department of Agriculture

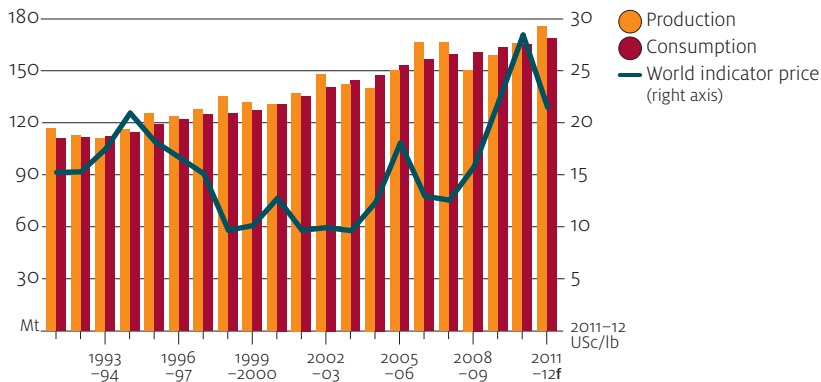
Sugar

Max Foster

Lower sugar prices in 2011-12

The world indicator price for raw sugar (Intercontinental Exchange, nearby futures, no. 11 contract) is forecast to decline by around 24 per cent in 2011-12 to average US20.9 cents a pound (October to September). The forecast decline reflects the expectation that record world sugar production in 2011-12 will enable rebuilding of world sugar stocks, despite a forecast increase in global consumption.

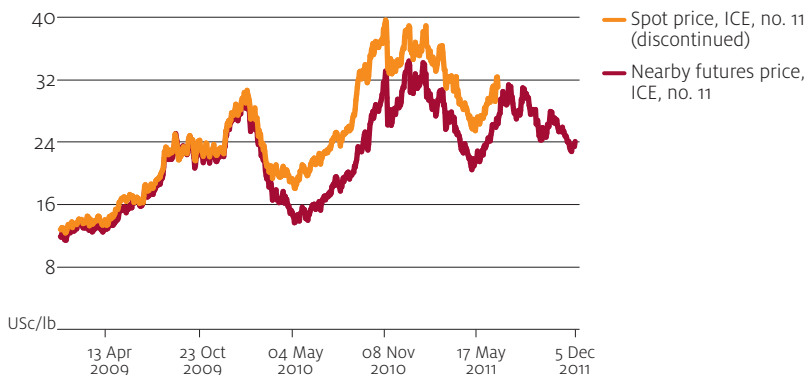
World sugar indicators



f ABARES forecast.

At 5 December 2011, the world sugar indicator price was US24.1 cents a pound, down from its late January 2011 high of US34.2 cents a pound. Despite the weaker outlook for sugar production in Brazil, higher world sugar production in 2011-12 is forecast to put downward pressure on world sugar prices over the coming year.

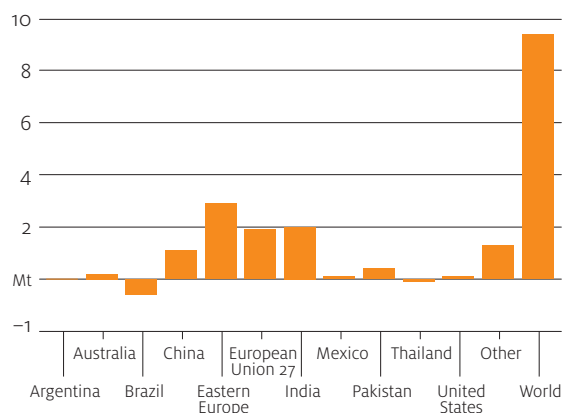
Spot and nearby futures prices (daily, ended 5 December 2011)



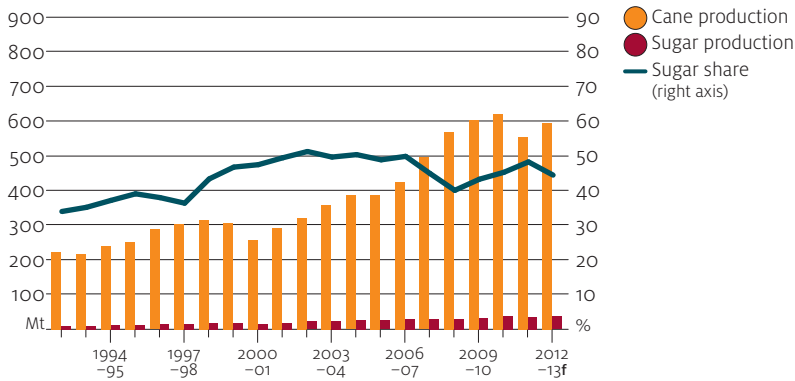
Record world sugar production in 2011-12

World sugar production is forecast to increase by 9.4 million tonnes in 2011-12 to a record 175.4 million tonnes, due largely to an increase in beet sugar production in Europe. Production increases are forecast for all major sugar producing countries, apart from Brazil, as sugarcane and beet growers respond to high world sugar prices. Brazilian sugar production in the 2011-12 harvest season was affected by a combination of crop disease, ageing cane plantings and adverse seasonal conditions. Declining cane production meant a higher proportion of cane allocated to sugar production in 2010-11, despite increasing ethanol prices. Production is forecast to recover for the 2012-13 harvest season and, as a result, the share of cane used for sugar is forecast to decline by that time. Brazilian sugar production in the 2011-12 harvest season is forecast to decline by 1.6 per cent to 38 million tonnes.

Forecast change in world sugar production, 2011-12



Sugarcane production and allocation, Brazil



f ABARES forecast.

Indian sugar production is forecast to increase by 2 million tonnes in 2011–12 to 28.5 million tonnes. This reflects a 4 per cent increase in cane area harvested and a favourable Indian (south-west) monsoon in 2011.

Sugar production in the European Union is forecast to increase sharply to 17.4 million tonnes in 2011–12, 1.9 million tonnes or 12 per cent higher than in 2010–11, due to a 6 per cent increase in area planted and near record yields. This production is 4.3 million tonnes higher than the European Union quota for sugar for human consumption.

Sugar production in the Russian Federation is forecast to increase by 80 per cent in 2011–12 to a record 5.2 million tonnes (see box). The forecast increase reflects record plantings and a recovery in yields after the dry season of 2010–11.

Thailand’s sugar production is forecast to be 10 million tonnes in 2011–12, a similar level to 2010–11, despite severe flooding in parts of the country in late 2011. High sugar prices have encouraged Thai farmers to continue growing sugar cane, rather than switching back to cassava production.

In the United States, sugar production is forecast to increase by only 0.5 per cent in 2011–12 to 7.1 million tonnes. Beet sugar production is forecast to account for around 58 per cent of this total.

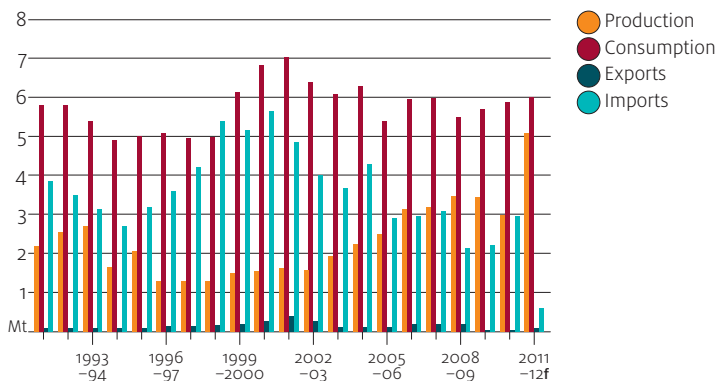
Sugar production in Mexico is forecast to increase by 0.2 million tonnes in 2011–12, to around 5.6 million tonnes, as high sugar prices encourage increased use of fertilisers to improve yields.

Sugar production in China is forecast to increase by 10 per cent in 2011–12 to 12.6 million tonnes, based on a 3 per cent increase in area planted and expected higher yields. At this forecast level, production will still be well below the record of 15.9 million tonnes produced in 2008–09.

Sugar industry in the Russian Federation

The Russian Federation is a significant producer of sugar beet, but traditionally was an importer of raw cane sugar to be refined for domestic consumption.

Sugar production, consumption and trade, Russian Federation

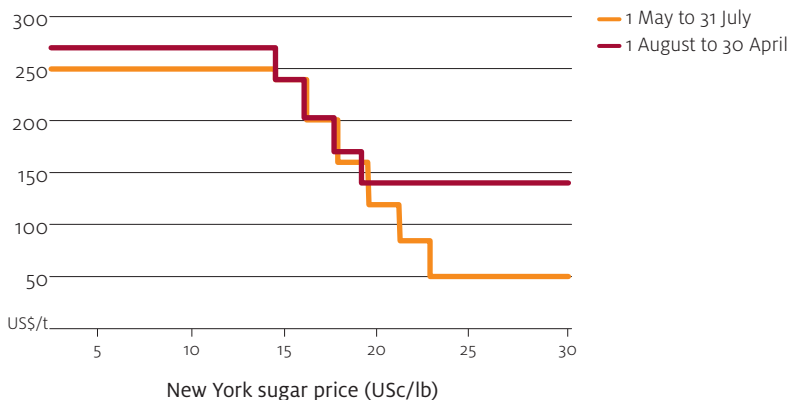


f ABARES forecast. s ABARES estimate.

Russian sugar production declined after the breakup of the Soviet Union in the early 1990s but grew strongly over the past 10 years. Large agricultural organisations (collectives) still account for 86 per cent of sugar beet production but the proportion of privately owned farms is growing.

To support returns to sugar beet growers, the Russian Federation imposes duties on raw sugar imports. The duty rate is linked to the raw sugar price in New York, calculated monthly.

Import duty schedules for raw sugar, Russian Federation



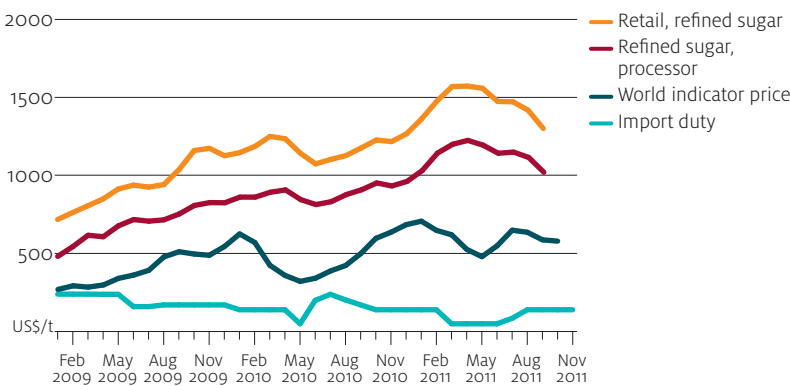
There are separate import duty schedules for the period 1 August to 30 April—taking into account the usual marketing period for domestic sugar beet production—and for the post-harvest marketing period of 1 May to 31 July. The marketing period duty schedule ranges from a minimum of US\$140 a tonne, when the calculated New York sugar price is greater than US18 cents a pound, to a maximum of US\$270 a tonne when the New York sugar price is less than US13 cents a pound. The duty schedule for the post-marketing period is generally lower and also varies according to the New York sugar price. The post-marketing period can be changed when domestic sugar beet production is low—for example, when drought reduced domestic sugar beet production in 2010–11, the duty was lowered to US\$50 a tonne and the post-marketing period started from March 2011 to encourage imports.

The import duties mean domestic prices in Russia are much higher than world prices. The Russian Federation also employs a system of state-owned sugar reserves aimed at stabilising domestic prices.

Domestic consumption of sugar in the Russian Federation peaked at over 7 million tonnes in 2001–02, but averaged only around 5.8 million tonnes a year over the five years to 2010–11.

The Russian Federation recently announced plans to increase its self-sufficiency in sugar consumption to 91.2 per cent by 2020, compared with around 60 per cent over the past five years. This would entail a requirement of annual sugar production of 5.4 million tonnes a year, around 0.3 million tonnes higher than the expected record production in 2011–12. The measures to be used to achieve this target include interest rate subsidies for constructing or modernising sugar refineries and seed processing facilities, aimed at reducing sugar beet storage and processing losses. There will also be subsidies for fertilisers and crop protection chemicals, aimed at boosting sugar beet yields.

Sugar prices and import duties, Russian Federation



Steady growth in world sugar consumption

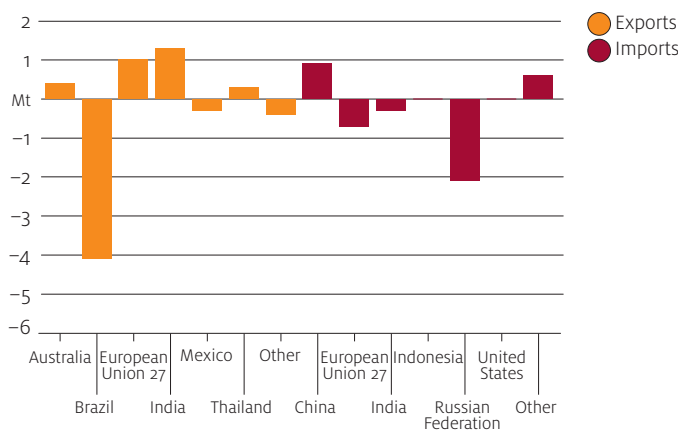
World sugar consumption is forecast to grow by 2 per cent in 2011–12 to 168.3 million tonnes. The forecast growth mainly reflects world population growth and steadily rising consumer incomes, particularly in developing countries such as China and India. Forecast lower world sugar prices in 2011–12 and higher prices for high fructose corn syrup are also expected to encourage increased sugar consumption.

Lower world sugar trade in 2011–12

World sugar exports are forecast to decline by 1.8 million tonnes in 2011–12 to around 50 million tonnes. The forecast decrease is expected to be mainly driven by lower import demand from Eastern Europe. Supplies available for export are forecast to increase in India, the European Union, Thailand and Australia, but decrease in Brazil.

India is forecast to export around 3.5 million tonnes of sugar in 2011–12, based on current stocks and the forecast of 2011–12 sugar production, after being a large net importer of sugar in 2009–10 and early 2010–11. The Indian Government decides how much sugar India exports annually, taking into account the effect on domestic sugar prices. India reimposed an import tariff of 60 per cent on raw sugar imports, after having lowered the tariff to zero in early 2009 to contain increases in domestic sugar prices.

Changes in world sugar trade, 2010–11, by country



US sugar imports are forecast to increase by 0.1 million tonnes in 2011–12 to 3.4 million tonnes, including imports from Mexico that are not subject to the US import quota on sugar. Sugar production forecast for the United States and Mexico suggest that the United States Government will again increase its tariff-free sugar import quota in 2011–12 (October to September) above the minimum 1.2 million tonnes specified under its World Trade Organization obligations.

The bumper harvest in the Russian Federation in 2011–12 implies that Russian sugar imports will decline by 2 million tonnes in the year, to a forecast 0.7 million tonnes. These are the lowest sugar imports on record and well below the annual average of 2.4 million tonnes in the five years to 2010–11.

The large harvest in the European Union will enable its sugar exports to non-EU countries in 2011–12 to exceed the maximum of 1.3 million tonnes permitted under its World Trade Organization obligations. However, European Union imports from non-EU countries are forecast to decrease to 3.1 million tonnes in 2011–12, from the 3.8 million tonnes imported in 2010–11.

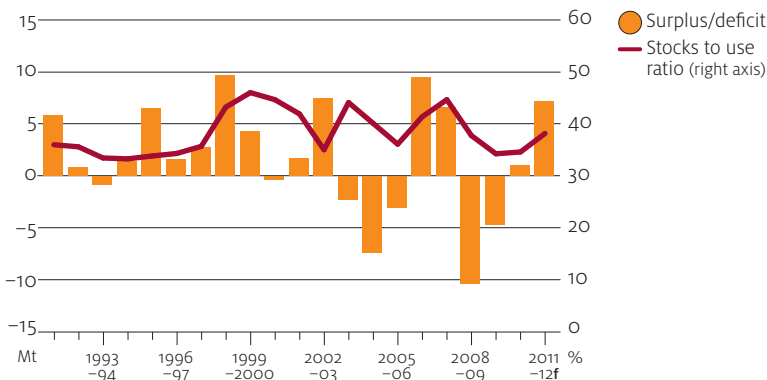
With strong growth in sugar consumption in China, its sugar imports are forecast to increase by around 0.9 million tonnes in 2011–12, to 3 million tonnes, despite a forecast increase in domestic sugar production.

Low sugar production in Mexico caused the Mexican Government to announce a second import quota of 150 000 tonnes at a reduced tariff rate for 2011–12 to keep domestic sugar prices low.

Recovery in world sugar stocks to continue

A substantial surplus in world sugar production in 2011–12 is forecast to increase world closing stocks of sugar by 7.2 million tonnes to 64.3 million tonnes. If realised, this would increase the stocks-to-use ratio from 35 per cent to 38 per cent in 2011–12.

Indicators of the world sugar balance



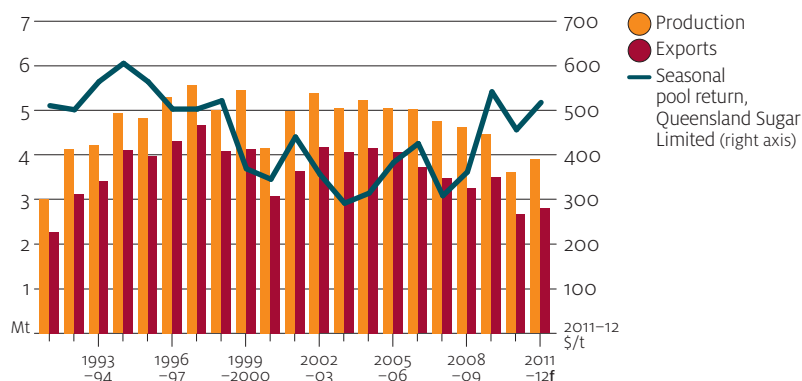
f ABARES forecast.

Higher Australian production and returns in 2011–12

Queensland Sugar Limited (QSL) is forecasting its 2011–12 seasonal pool return to be in the range of \$495 to \$540 a tonne, International Polarity Scale, compared with \$444 a tonne in 2010–11. More than 90 per cent of Australian sugar exports are marketed through QSL. Returns in 2010–11 were substantially reduced by estimated financial losses of \$105 million arising from a shortfall between Australian sugar production and the quantity of sugar sold forward.

Based on current expectations for prices and sugar yields from cane, the average mill-gate return to Australian sugarcane growers is forecast to be around \$41 a tonne in 2011–12, compared with \$38 a tonne in 2010–11.

Australian sugar production, exports and returns



f ABARES forecast.

Australian sugar production is forecast to increase to 3.9 million tonnes in 2011–12, up 0.3 million tonnes on the severely rain-affected harvest of 2010–11, despite damage from tropical cyclone Yasi in February 2011 and lower sugar yields from cane that was stood over from the 2010–11 harvest. The harvest of stood-over cane started nearly a month earlier than usual in 2011–12 aided by drier than normal weather in some key cane producing regions.

Australian sugar exports are forecast to increase by 7 per cent in 2011–12 to 2.8 million tonnes, in line with an expected increase in sugar production. With lower world sugar prices and an assumed strong Australian dollar, the value of Australian sugar exports is forecast to increase by 5.4 per cent in 2011–12 to around \$1.45 billion.

Sugar outlook

		2009 -10	2010 -11 s	2011 -12 f	% change
World a					
Production	Mt	158.8	166.0	175.4	5.7
– Brazil	Mt	40.9	38.6	38.0	-1.6
Consumption	Mt	163.5	165.0	168.3	2.0
Exports	Mt	52.9	51.8	50.0	-3.5
Closing stocks	Mt	56.0	57.1	64.3	12.6
Change in stocks	Mt	-4.8	1.1	7.1	
Stocks-to-use ratio	%	34	35	38	9.1
Price	US\$/lb	21.0	27.7	20.9	-24.5
Australia b					
Area	'000 ha	389	334	370	10.8
Production c	kt	4 472	3 610	3 899	8.0
Exports	kt	3 506	2 624	2 815	7.3
– value	A\$m	1 887	1 376	1 450	5.4

a October–September years. b July–June years. c Raw tonnes actual. f ABARES forecast. s ABARES estimate. Sources: ABARES; Australian Bureau of Statistics; International Sugar Organization

Cotton

Benjamin K Agbenyegah

World cotton prices lower in 2010-11

The world indicator price for cotton (the Cotlook 'A' index) is forecast to average US103 cents a pound in 2011-12 (August to July), down from around US164 cents a pound in 2010-11. The forecast world record production in 2011-12 is expected to bring cotton prices down as world production is forecast to exceed world consumption for the second consecutive year.

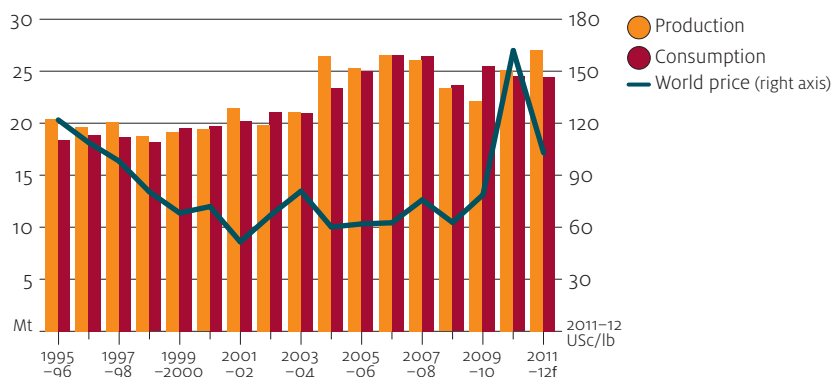
World cotton indicator price, daily, ended 9 December 2011



Note: Cotlook 'A' index data series was not quoted in June and July 2010 and 2011 due to insufficient price data.

World cotton prices have been declining steadily over the past six months as world cotton production sets for a record in 2011-12. While the Cotlook 'A' index rose to a high of US244 cents a pound in early March 2011, it eased to below US100 cents a pound by the end of November 2011. The cotton indicator price is forecast to decline further over the remainder of 2011-12 in response to record world cotton production.

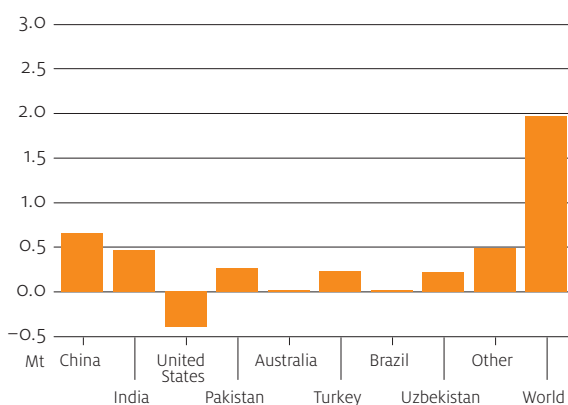
World cotton indicators



Record world cotton production in 2011-12

World cotton production is forecast to increase by more than 8 per cent in 2011-12 to a record 27.1 million tonnes. This forecast reflects the 8.8 per cent increase in world cotton harvested area in 2010-11 to a record 36.1 million hectares in response to higher potential returns from cotton compared with production of alternatives such as corn and soybeans in many countries. Larger cotton harvests are forecast for all major producing countries except the United States, which experienced adverse seasonal conditions. For smaller producers, production is also expected to increase in Francophone African countries and Turkey.

Change in cotton production, 2011-12, by country



The two main cotton producing countries in the southern hemisphere are expecting record harvests in 2011–12. Australia is forecast to produce 1.14 million tonnes of cotton in 2011–12, a 27.4 per cent increase over the 2010–11 harvest, which was severely affected by floods. Cotton production in Brazil, the largest cotton producer in the southern hemisphere, is forecast to increase by 1.1 per cent in 2011–12 to a record 2 million tonnes, as favourable cotton prices are expected to lead to a larger planted area.

In China, cotton production is forecast to increase by 9.9 per cent in 2011–12 to 7.3 million tonnes. This forecast increase reflects favourable returns to cotton compared with competing crops and an assumed return to more normal yields in 2011–12 following the flood-affected harvest in 2010–11. Harvested area in China is forecast to increase by 6.8 per cent in 2011–12 to 5.5 million hectares.

In India, the world's second largest cotton producer, production is forecast to increase by 8.4 per cent in 2011–12 to a record 6 million tonnes. India's harvested area is forecast to increase by 12 per cent to a record 12.5 million hectares.

In Pakistan, production in 2011–12 is forecast to recover from the flood-affected crops of 2010–11, increasing by nearly 13.6 per cent to around 2.2 million tonnes. This recovery reflects a forecast increase in both harvested area and yields, which are forecast to increase by 10.3 per cent and 3 per cent, respectively, to 3.2 million hectares and 680 kilograms a hectare.

In Uzbekistan, cotton production is forecast to increase by around 2.4 per cent in 2011–12 to 915 000 tonnes. Relatively high cotton prices and improved water availability favour a return to cotton growing compared with alternative crops such as wheat, corn and soybeans. Harvested area is forecast to rise by 3.1 per cent to 1.3 million hectares.

Turkey is forecast to produce 679 000 tonnes of cotton in 2011–12, a 48.6 per cent increase over the previous year. Harvested area in Turkey is forecast to increase by around 41 per cent in 2011–12 to 450 000 hectares.

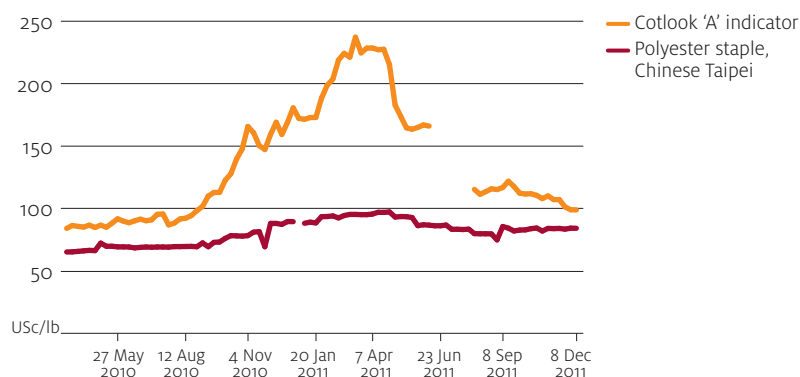
In the United States, cotton production is forecast to decrease by 10 per cent in 2011–12 to around 3.5 million tonnes, despite an estimated 25 per cent increase in planted area to 5.6 million hectares. The decline in production reflects an expected increase in the US abandonment rate to a record 32 per cent because of the drought in Texas and adverse seasonal conditions in the south-west and south-east cotton growing regions. This is much higher than the average abandonment rate of about 10 per cent over the decade to 2010–11.

World cotton consumption lower in 2011–12

Despite the forecast decrease in cotton prices, world cotton consumption is expected to remain unchanged at 24.9 million tonnes in 2011–12. The gap between cotton and polyester prices that opened in 2010–11 has narrowed in recent months as polyester prices have risen in line with higher naphtha prices and cotton prices have declined. Nevertheless, cotton prices remain high relative to prices for competing synthetic fibres and this is expected to constrain growth in demand for cotton.

In India, the government imposes export restrictions on raw cotton. The aim of these restrictions is to keep domestic cotton prices low in order to sustain India's large textile industry, which exports around 15 per cent of its production.

World weekly apparel fibre prices



Notes: Cotlook 'A' index data series was not quoted in June and July 2010 and 2011 due to insufficient price data. Break in Polyester staple, Chinese Taipei data series was caused by Christmas–New Year holiday period.

World cotton trade growing

World cotton exports are forecast to increase by 3 per cent in 2011–12 to around 7.8 million tonnes, driven by strong growth in import demand in China, Indonesia and Pakistan. Australia and Brazil, the two major cotton growing countries in the southern hemisphere, are expected to increase their exports in 2011–12 because of the bumper crops harvested in 2010–11. In the case of Brazil, cotton exports are forecast to increase by 90 per cent in 2011–12 to an all-time high of around 814 000 tonnes.

India, the world's second largest cotton exporter, is forecast to increase its cotton exports by around 3 per cent in 2011–12 to 1.1 million tonnes. Other producers for which increased cotton exports are forecast in 2011–12 include Uzbekistan (a rise of 5.7 per cent to 600 000 tonnes) and Greece (33 per cent to 214 300 tonnes). In contrast, US cotton exports are forecast to decrease by 20 per cent in 2011–12 to around 2.5 million tonnes.

World cotton stocks higher in 2011–12

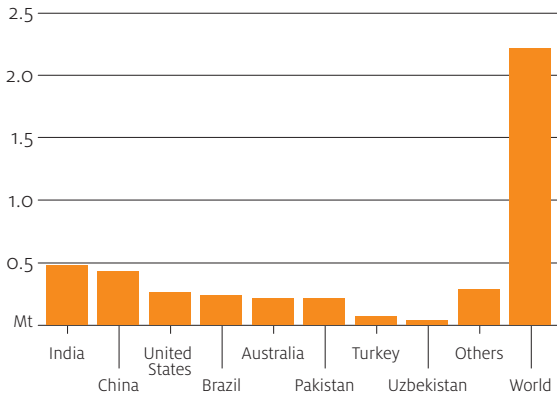
World cotton stocks are forecast to increase by 22.4 per cent in 2011–12 to 12 million tonnes. Closing stocks are forecast to be higher in all major cotton producing and consuming countries, particularly in China, Brazil, India, the United States, Australia and Pakistan. Consequently, the world cotton stocks-to-use ratio is forecast to increase to 48 per cent in 2011–12, compared with 39 per cent in 2010–11.

Lower Australian cotton prices in 2011–12

Returns to Australian cotton growers at the gin gate are forecast to decrease by \$128 a bale of lint in 2011–12 to \$545 a bale (including the value of cottonseed and net of ginning costs).

Forward cash prices on offer to Australian cotton growers on 6 December 2011 were around \$470 a bale for 2012 delivery (2011–12 crop) and \$452 a bale for 2013 delivery.

Forecast change in world cotton ending stocks, 2011–12, by country

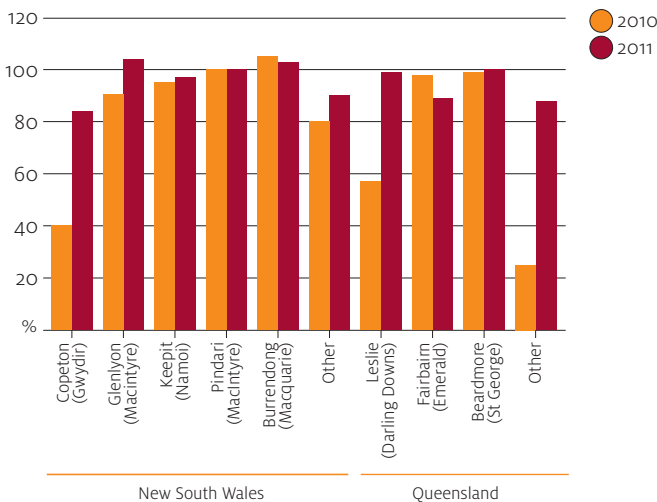


Record Australian cotton production in 2011–12

Australian cotton production is forecast to increase by around 27.4 per cent in 2011–12 to a record 1.14 million tonnes. This increase reflects the response to abundant supplies of irrigation water in almost all dams serving Australian cotton-producing regions, adequate soil moisture and relatively favourable cotton prices. Harvested area is forecast to increase by only 1.7 per cent to around 600 000 hectares but yield is forecast to increase by 17 per cent, compared with the flood-affected average of 2010–11.

As at 6 December 2011, the average storage level of the public irrigation dams serving the cotton regions was at 95.4 per cent of capacity, compared with an average of 79 per cent at the same time in 2010. The markedly higher water availability in all dams should ensure adequate supply of irrigation water.

Irrigation dam capacities as at 6 December 2011

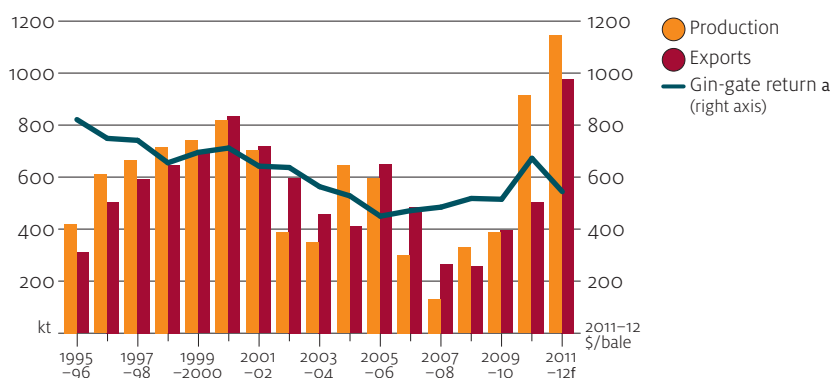


Favourable soil moisture profiles in most New South Wales and Queensland summer cropping regions are expected to lead to dryland cotton plantings of around 151 100 hectares, accounting for around 25 per cent of forecast total plantings. The planting window for the 2011–12 cotton season closed around mid-November 2011, due to restrictions placed on use of the genetically modified cotton varieties that now make up around 95 per cent of total Australian cotton plantings.

Record Australian cotton exports in 2011–12

Australian cotton exports are forecast to increase by around 94 per cent in 2011–12 to a record 979 000 tonnes. Higher exports in 2011–12 are expected to move Australia into the third highest ranking of world cotton exporters, behind the United States and India. Since Australian cotton is largely harvested between March and June, the large increase in 2011–12 production will also affect Australian cotton exports in 2012–13. The value of Australian cotton exports is forecast to increase by around 63 per cent in 2011–12 to \$2.3 billion.

Australian cotton production, exports and gin-gate returns



a value of lint and cottonseed, less ginning costs.

Cotton outlook

		2009 -10	2010 -11 ^s	2011 -12 ^f	% change
World ^a					
Production	Mt	22.1	25.1	27.1	8.0
Consumption	Mt	25.9	24.9	24.9	0.0
Closing stocks	Mt	9.6	9.8	12.0	22.4
Stocks-to-use ratio	%	37.2	39.4	48.2	22.3
Cotlook 'A' index	USc/lb	77.5	164.3	103.0	-37.3
Australia ^b					
Area harvested	'000 ha	208	590	600	1.7
Lint production	kt	387	898	1 144	27.4
Exports	kt	395	505	979	93.9
- value	A\$m	755	1 367	2 257	65.1

^a August–July years. ^c July–June years. ^f ABARES forecast. ^s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; United States Department of Agriculture

Agriculture

Livestock



Beef and veal

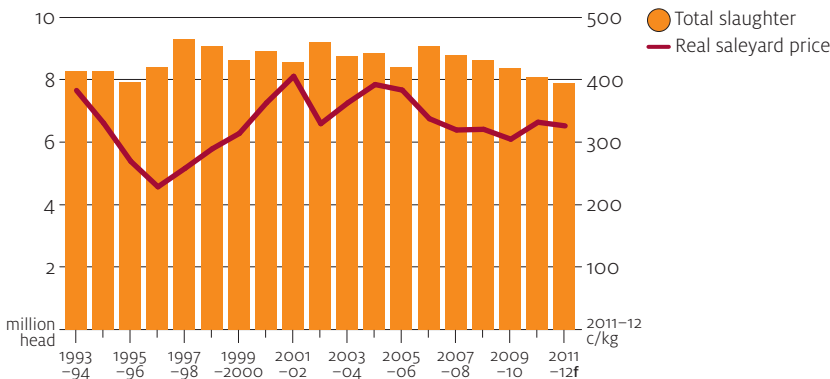
Clay Mifsud

The Australian weighted average saleyard price for beef cattle is forecast to remain relatively high in 2011–12 at an average of 326 cents a kilogram (dressed weight). Saleyard prices are expected to be supported by a combination of strong domestic restocker demand for young cattle, limited supplies because of low slaughter rates and increased demand from emerging markets, including the Russian Federation and those in the Middle East and South-East Asia.

Cattle numbers at 34-year high

The national cattle herd is forecast to increase by 5 per cent in 2011–12 to 30.2 million head. This growth in the herd is supported by assumed continuation of favourable seasonal conditions, which are expected to lead to good pasture growth and replenished water supplies. The forecast cattle herd at the end of 2011–12 takes into account the preliminary estimate of herd numbers at the end of 2010–11 released by the Australian Bureau of Statistics (ABS) on 2 December 2011. The ABS estimates that cattle numbers rose by 9 per cent to 28.8 million head as at 30 June 2011. Herd sizes rose in all states except Western Australia and the Northern Territory.

Australian cattle slaughter and real saleyard price



f ABARES forecast.

Beef cattle slaughter is forecast to fall by 2 per cent in 2011–12 to around 7.9 million head, the lowest since 1995–96. While male cattle slaughter is forecast to rise, calf and female cattle slaughter are forecast to decline as producers seek to hold back stock to increase herd sizes. During the September quarter 2011, Australian male cattle slaughter was 3 per cent higher than for the same period last year. By comparison, female cattle slaughter fell by 13 per cent and calf slaughter fell by 11 per cent, year-on-year.

Higher carcass weights driving production

Despite the forecast reduction in total slaughter, Australian beef and veal production is forecast to remain largely unchanged in 2011–12 at 2.1 million tonnes. This is because widespread fodder availability throughout northern and eastern Australia and the greater proportion of adult males in total turn-off are expected to result in higher average carcass weights.

In the first three months of 2011–12, national average adult carcass weights were 4 per cent higher than for the same period last year. Gains were highest in Tasmania (5.4 per cent), Queensland (4.8 per cent) and New South Wales (4.5 per cent), which together accounted for three-quarters of national production.

Average adult cattle carcass weights



YTD year to date.

Australian exports to remain steady

Australian beef and veal exports are forecast to remain largely unchanged in 2011–12 at 941 000 tonnes (shipped weight). However, the trade is becoming increasingly diversified, with the proportion of beef and veal exported to the United States, Japan and the Republic of Korea forecast to fall to 68 per cent. Over the past decade these three markets accounted for 82 per cent of Australian beef exports. Growth in export volumes to a number of emerging markets, including many ASEAN countries and the Middle East, is expected.

Exports to the United States

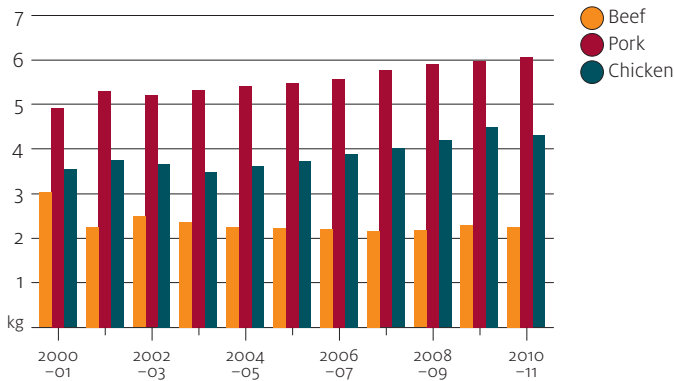
Over the first four months of 2011–12 Australian beef and veal exports to the United States were 11 per cent lower than for the same period in 2010–11. This decline was in response to several factors. First, US beef production remained historically high as drought-induced herd liquidation continued, particularly in the southern states of Texas, Oklahoma, Kansas and New Mexico. This resulted in higher domestic supplies and reduced demand for imported product during that period. Second, poor seasonal conditions resulted in reduced average slaughter weights. This led to relatively more beef being redirected into grinding, reducing demand for Australian manufacturing beef.

Over the remainder of 2011–12, total beef and veal exports to the United States are forecast to recover from the low shipments of the first four months. For 2011–12 as a whole, total export shipments to the United States are forecast to be unchanged from 2010–11 at 160 000 tonnes (shipped weight). In the southern states cattle slaughter is expected to remain high in the absence of any improvement in seasonal conditions, resulting in continued high production of manufacturing beef. For total beef production, the United States Department of Agriculture is still forecasting a 2 per cent decline in 2011–12, which reflects the more favourable seasonal conditions in northern states where producers are expected to rebuild herds. Lower domestic production and forecast higher US beef exports into the Pacific markets are expected to support demand for imported beef, including from Australia, over the remainder of 2011–12. However, the assumed strong Australian exchange rate against the US dollar and strong competition from Canadian and Mexican beef remain the risk factors to the outlook for Australian beef exports to the United States.

Increased competition from the United States in Japan

Australian beef exports to Japan are forecast to fall by 4 per cent in 2011–12 to 336 000 tonnes (shipped weight). This forecast decline reflects the combined effect of expected stable beef consumption in Japan and increased competition from US beef in the Japanese market. Japanese consumers have a preference for higher marbled US beef, and recent exchange rate movements have increased the competitiveness of US beef against Australian beef.

Japanese household meat consumption, per person



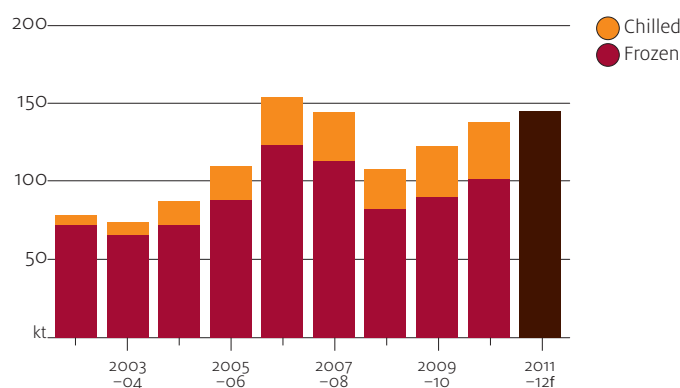
In Japan, consumption of imported frozen beef rose because of increasing demand in the food service sector, but this was offset by declining sales of premium fresh and chilled cuts. There has also been increased substitution of pork and chicken for beef. Over the past decade, Japanese pork and chicken consumption per person rose by 23 per cent and 21 per cent respectively, while per person beef consumption fell by 25 per cent.

Exports to the Republic of Korea to rise

Australian beef exports to the Republic of Korea are forecast to rise by 4 per cent in 2011–12 to 145 000 tonnes (shipped weight). The share of Australian imports in the Korean beef import market has been declining because of increasing competition from US beef. Consumer acceptance of US beef after its re-entry to the Korean market in 2007–08 accelerated as it has become more widely distributed, especially in the food service sector. Despite a declining cattle herd, US beef export volumes to the Republic of Korea rose by 47 per cent year-on-year during the first three months of 2011–12, compared with a 12 per cent rise for Australian beef exports.

Over the remainder of 2011–12, Australia is expected to be the primary supplier of imported chilled beef to the Republic of Korea. For the past five years, Australian chilled beef made up 78 per cent of the total chilled beef import market in the Republic of Korea. The recent growth in US beef exports to the Republic of Korea has primarily been for lower value frozen cuts.

Australian beef exports to the Republic of Korea



f ABARES forecast.

Growth in exports to other markets

Australian beef exports to markets other than Japan, the United States and the Republic of Korea are forecast to grow by 5 per cent in 2011–12 to 300 000 tonnes (shipped weight). Entry of the Russian Federation to the World Trade Organization from December 2011 is expected to result in Australia gaining improved access to that market. Beef exports to the Middle East are also forecast to increase, by around 15 per cent in 2011–12 to 34 000 tonnes. Exports to ASEAN countries (excluding Indonesia) are also forecast to grow by 5 per cent to a total of 48 000 tonnes in 2011–12.

Live cattle exports to fall

From 1 July to 6 December 2011, around 253 500 cattle for feeder and slaughter purposes were exported from Australia. Of these, around 65 per cent were exported to Indonesia. Among other markets, the largest were Israel (24 830 head), Turkey (16 530) and Egypt (14 600).

For 2011–12 as a whole, Australian exports of live cattle are forecast to fall by 31 per cent to 500 000 head. Since the resumption of trade with Indonesia, shipments to that country have averaged around 36 000 head per month, compared with a monthly average of 58 000 head at the height of the trade in 2008–09.

Beef and veal outlook

		2009 –10	2010 –11 <i>s</i>	2011 –12 <i>f</i>	% <i>change</i>
Cattle numbers <i>a</i>	million	26.6	28.8	30.2	4.9
– beef	million	24.0	26.2	27.6	5.3
Slaughterings	'000	8 364	8 097	7 948	– 1.8
Production	kt	2 109	2 133	2 145	0.6
Exports (shipped weight)					
– to United States	kt	211	160	160	0.0
– to Japan	kt	350	351	336	– 4.3
– to Korea, Rep. of	kt	124	139	145	4.3
– total	kt	899	937	941	0.4
– value	A\$m	3 953	4 328	4 383	1.3
Live cattle	'000	871	728	500	– 31.3
Price					
– saleyard	Ac/kg	288	323	326	0.9
– US import	USc/kg	319	391	410	4.9
– Japan import	USc/kg	511	575	589	2.4

a At 30 June. *f* ABARES forecast. *s* ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; Department of Agriculture, Fisheries and Forestry

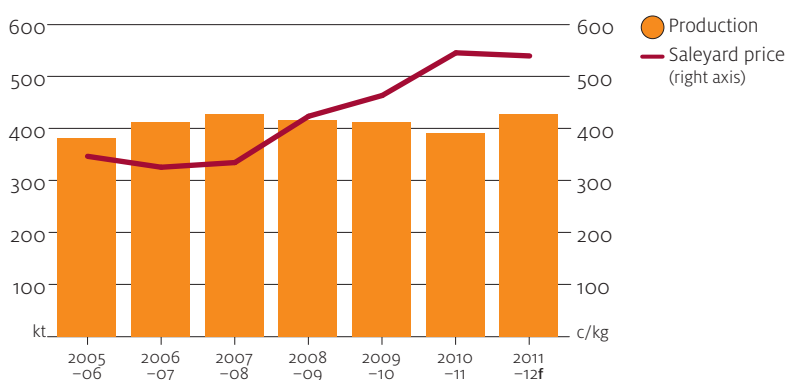
Sheep meat

Farah Beaini

The Australian weighted saleyard price for lambs is forecast to average marginally lower in 2011–12 at 540 cents a kilogram, a decline of 1 per cent compared with 2010–11. Strong export demand is expected to provide continued support for prices in the remainder of 2011–12 despite forecast higher lamb production. In the short term, lamb prices are expected to remain favourable.

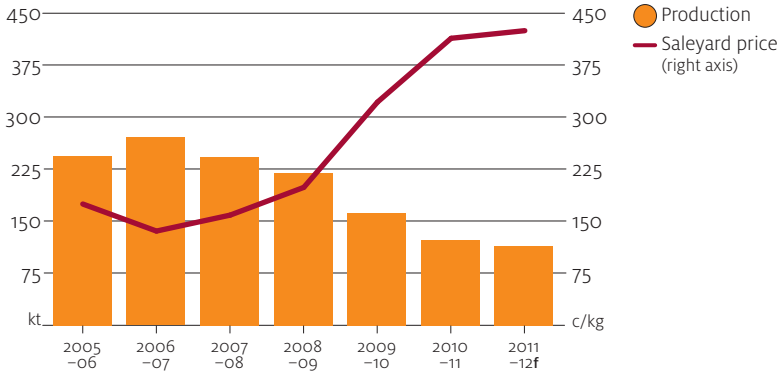
The weighted average saleyard price for sheep is forecast to rise by 3 per cent to 425 cents a kilogram in 2011–12, as producers are expected to continue rebuilding flock numbers in response to favourable seasonal conditions. In addition, competition between processors and exporters for adult sheep will support sheep prices, with demand from key markets, including the Middle East and developing countries in Asia, expected to remain firm for the remainder of 2011–12.

Australian lamb



f ABARES forecast.

Australian mutton



f ABARES forecast.

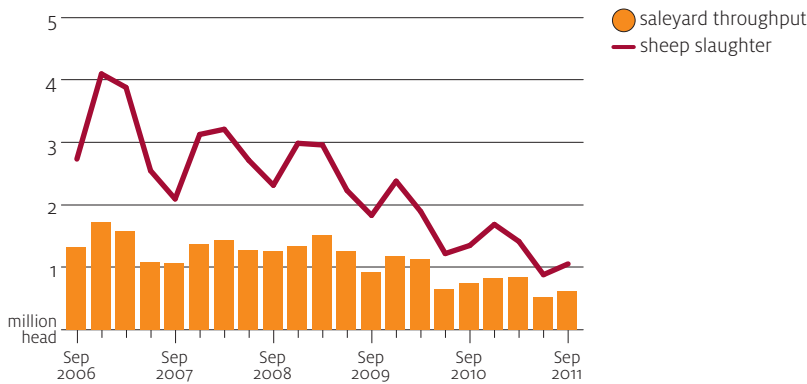
Australian sheep numbers to increase

The Australian sheep flock is forecast to increase by 5.4 per cent in 2011-12 to around 78 million head. Improved seasonal conditions in key sheep producing states have encouraged producers to rebuild flocks. The forecast sheep flock at the end of 2011-12 takes into account the preliminary estimate of the flock numbers at the end of 2010-11 released by the ABS on 2 December 2011. The ABS estimated sheep numbers to have risen by 9 per cent to 74.3 million as at 30 June 2011.

Restocking activity to reduce availability of mutton

Adult sheep slaughter is forecast to fall by 6 per cent in 2011-12 to 5 million head. Mutton production is forecast to be 115 100 tonnes, 7 per cent lower than production in 2010-11.

National saleyard sheep throughput and sheep slaughter



Sources: Australian Bureau of Statistics; Meat & Livestock Australia

Sheep saleyard throughput in the September quarter 2011 declined to its lowest September level in the past decade. Compared with the same quarter a year earlier, sheep slaughter in the September quarter 2011 declined year-on-year by 22 per cent.

Continued higher lamb production

As a result of a greater number of lambs marked at the beginning of 2011–12, lamb slaughter is forecast to increase in 2011–12 to around 19.8 million head. With increasing ewe numbers in the flock, and assuming favourable seasonal conditions in key lamb producing regions, lamb births are forecast to increase. This will lead to higher lamb turn-off in response to favourable saleyard prices. Lamb production is forecast to increase in 2011–12 by 9 per cent to 427 100 tonnes.

Value of sheep meat exports to rise

The volume of Australian lamb exports is forecast to increase by 13 per cent in 2011–12 to 177 000 tonnes shipped weight. Export earnings from lamb are forecast to rise by 12 per cent to \$1.1 billion in 2011–12. Higher export shipments are expected to more than offset the effect of an assumed strong Australian dollar.

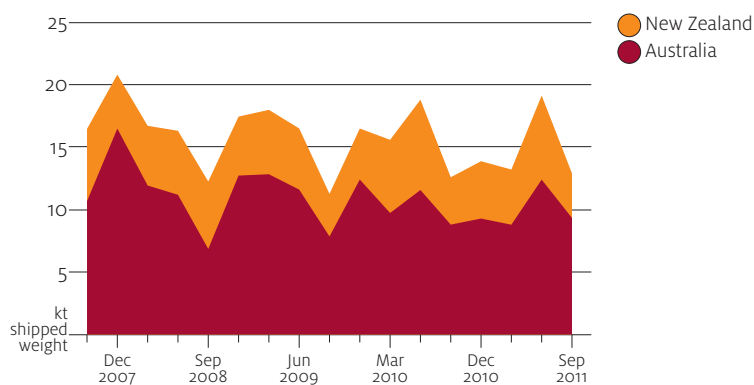
The total value of mutton exports is forecast to fall by 3 per cent to \$391 million in 2011–12. While export prices are forecast to rise in response to increased demand in the Middle East and China, the effect on the value is expected to be more than offset by the 6 per cent decline in shipments.

Lamb exports to the United States to recover

The United States is one of Australia's key lamb export markets. The United States Department of Agriculture forecast domestic sheep meat production to decline by 3 per cent in 2011–12 to 69 400 tonnes reflecting a long-term decline in the US sheep flock. Relatively high feed costs and poor seasonal conditions in producing regions are also expected to contribute to this forecast decline in 2011–12.

With US sheep meat consumption forecast to remain steady, this will require increased sheep meat imports. As a result, Australian lamb shipments to the United States in 2011–12 are forecast to increase by 6 per cent to 35 000 tonnes. However, the assumed strong Australian dollar, especially against the US dollar, presents a downside risk to this forecast.

US lamb imports

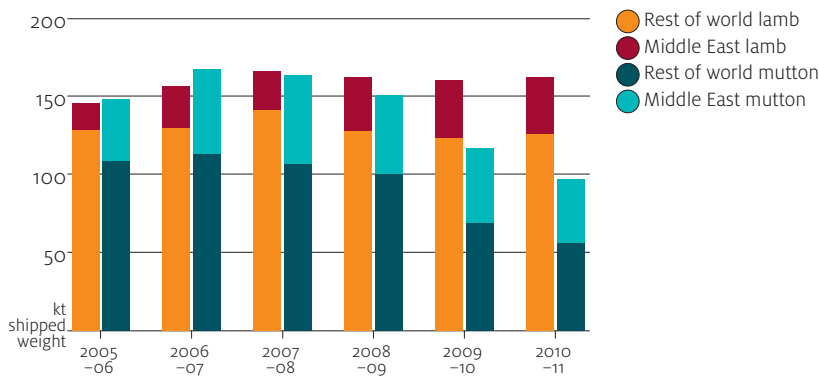


Source: United States Department of Agriculture

Lamb exports to developing countries to rise

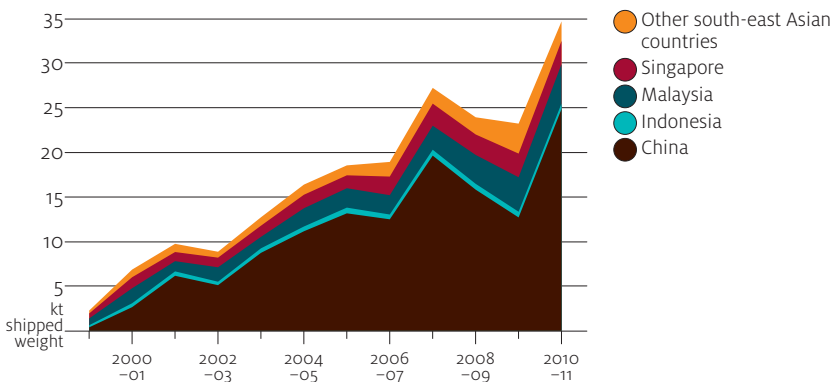
The Middle East is one of Australia’s key mutton export markets. It is also becoming a significant destination for Australian lamb, overtaking the United States as the largest lamb export market in 2010–11. Tight global supplies of mutton have encouraged some substitution toward lamb in the region, with Australian lamb exports to the Middle East totalling 11 500 tonnes in the first quarter of 2011–12, a 12 per cent increase year-on-year.

Australian sheep meat exports



Australian lamb exports to Asia, most notably China and South-East Asia, have grown significantly over the past decade and are expected to continue increasing in 2011–12. The rise in lamb exports is attributable to rising incomes and changing consumer food choices in many Asian countries. In the September quarter 2011, Australian shipments of lamb to China and South-East Asia totalled around 9700 tonnes shipped weight, a 19 per cent increase year-on-year.

Australian lamb shipments to South-East Asia and China



New Zealand lamb exports to recover

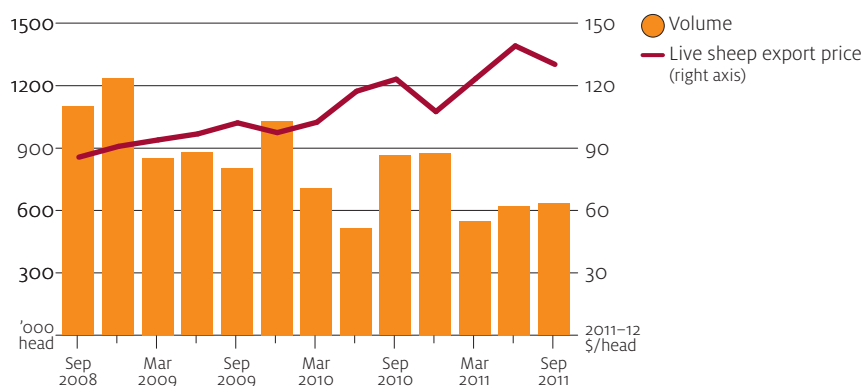
In the September quarter 2011, lamb exports from New Zealand were 34 per cent higher year-on-year, at 51 000 tonnes shipped weight. This rise in exports reflects a recovery in production following adverse seasonal conditions in 2010. Despite increased competition from New Zealand, Australian lamb exports to key markets remained firm.

The United States has been a major market where strong competition occurred between Australia and New Zealand. In the September quarter 2011, Australia supplied around 72 per cent of total US lamb imports, compared with 69 per cent in the September quarter 2010. Because both the Australian and New Zealand currencies have appreciated against the US dollar, the short-term outlook for Australian lamb in the US market is likely to be influenced more by the effect of higher landed lamb prices and competition from US domestic production, and less by competition from New Zealand.

Live sheep exports to fall

Live sheep exports are forecast to fall by 4 per cent in 2011–12 to 2.8 million head. This forecast decline follows a 5 per cent fall in 2010–11, and reflects continued tight sheep supplies and increased competition for suitable sheep (particularly wethers) from restockers. The total value of Australian live sheep exports is forecast to be around \$354 million in 2011–12.

Australian live sheep exports, quarterly, ended September 2011



Sheep meat outlook

		2009 -10	2010 -11	2011 -12 f	% change
Slaughtering					
Sheep	'000	7 333	5 341	5 001	-6.4
Lamb	'000	19 478	17 880	19 840	11.0
Production a					
Mutton	kt	162	123	115	-6.5
Lamb	kt	413	391	427	9.2
Exports (shipped weight)					
Mutton	kt	111	86	81	-5.8
Lamb	kt	157	157	177	12.7
- to United States	kt	35	33	35	6.1
Total sheep meat	kt	268	243	257	5.8
- value	\$m	1 348	1 430	1 536	7.4
Live sheep	'000	3 055	2 909	2 800	-3.7
- value	\$m	297	346	354	2.3
Saleyard prices					
Mutton	Ac/kg	322	414	425	2.7
Lamb	Ac/kg	464	546	540	-1.1

a Carcass weight. f ABARES forecast. s ABARES estimate.

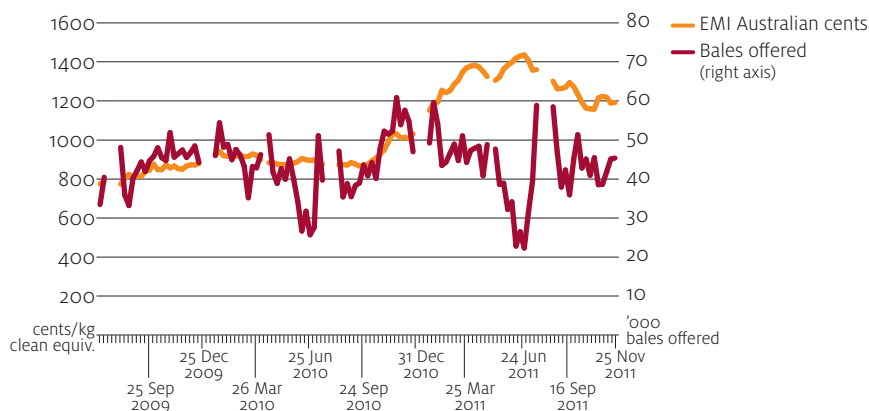
Sources: ABARES; Australian Bureau of Statistics; Department of Agriculture, Fisheries and Forestry

Wool

David Barrett

The Australian Eastern Market Indicator (EMI) price for wool is forecast to decline by 2 per cent in 2011–12 to average 1110 cents a kilogram clean. An assumed slowdown in economic growth in the European Union and weak economic growth in the United States and Japan are expected to dampen retail demand for wool apparel in those regions in 2011–12. In China, domestic retail demand for woollen products is expected to remain firm, but is unlikely to be sufficient to offset the effect on wool prices of weaker OECD demand. On the supply side, production of wool in Australia is forecast to rise, which has the potential to place additional downward pressure on wool prices over the remainder of 2011–12.

Australian eastern market indicator, weekly, ended 25 November 2011



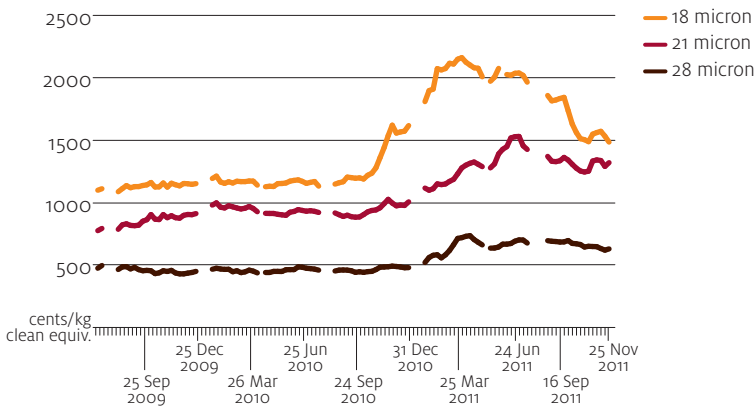
Source: Australian Wool Exchange Limited

From the beginning of July to 25 November 2011 the EMI declined by 15 per cent to 1192 cents a kilogram clean following the strong price rise over much of 2010–11. Weaker demand for raw wool and increased offerings at Australian wool auctions are the cause of this decrease. In the first five months of 2011–12, a proportionally sharper decline occurred in the prices of fine and superfine wool (less than 19.5 microns) relative to medium wool (19.6 to 22.9 microns). The difference between the

prices for 18 micron and 21 micron wool increased from 25 per cent at the beginning of 2010–11 to 80 per cent in February 2011, reflecting strong increases in demand for fine and superfine wool relative to medium wool in the first seven months of 2010–11.

By late November 2011 the difference between 18 micron and 21 micron wool prices had fallen to 13 per cent, largely as a result of a sharp decline in the price of fine wool. The different movements in the price of the two wool types over this period reflected weaker Chinese demand for fine wool and the proportionally higher year-on-year increase in fine wool offered at Australian sales.

Wool prices by micron, southern region, weekly, ended 25 November 2011



Source: Australian Wool Exchange Limited

Demand to weaken

Subdued economic growth in key wool apparel consuming countries is expected to dampen demand for the remainder of 2011–12. Consumer spending on apparel is expected to be affected by slowing economic growth in Western Europe and concerns over public debt in many European countries. Given relatively high unemployment and modest economic growth in the United States, consumer spending on discretionary items such as clothing is not expected to recover markedly.

It is expected that activity in the Chinese wool textile industry will slow over the remainder of 2011–12 as demand in export markets weakens. While relatively strong domestic demand for clothing and textiles in China is expected to continue, it will not be sufficient to cause an increase in total Chinese raw wool demand in the remainder of 2011–12.

China’s exports of woven wool apparel declined in the first eight months of 2011 reflecting a sharp reduction in exports to the European Union and the United States. The decline in export demand for woven wool products was reflected in reduced import demand for fine and superfine wool by Chinese mills. Imports of Australian wool of less than 19 microns fell by 28 per cent year-on-year to 16 227 tonnes (greasy equivalent) in the three months to September 2011. Total Australian wool exports to China were down only 1.9 per cent over this period.

In contrast, China's export of wool knitwear increased by 19 per cent in the first eight months of 2011. Given the weaker demand outlook for wool apparel in Western Europe and the United States, demand for raw wool and semi-processed wool by Chinese mills is likely to fall during the remainder of 2011–12, exerting downward pressure on wool prices.

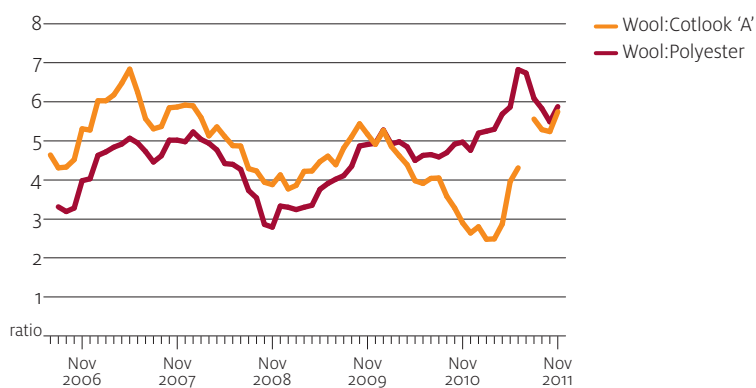
Competition from alternative fibres

Use of fibres, such as cotton and polyester, in wool-blend products is influenced by the relative prices of competing fibres and wool. Because both cotton and wool prices increased in the second half of 2010 and early 2011, the proportionately stronger increase in the cotton price caused the wool (21 micron) to Cotlook 'A' price ratio to fall by 38 per cent, from 4.0:1 to 2.5:1. Since April 2011, world cotton prices have fallen. Despite recent lower wool prices, the index increased to 5.75:1 by November 2011 in response to a more significant decline in cotton prices, decreasing the price competitiveness of wool relative to cotton. The price competitiveness of cotton over wool is expected to be maintained over the remainder of 2011–12.

During 2010–11 polyester became more price competitive relative to wool, with the 21 micron wool to polyester price ratio increasing by just under 50 per cent to 6.83:1, as at June 2011. While the wool to polyester price ratio has declined, it remains relatively high. Polyester is expected to maintain its price competitiveness with wool over the next six months.

The expected prices of cotton and polyester relative to wool are likely to place downward pressure on demand for the 21 micron and above wool, as textile manufacturers substitute cotton and polyester for wool, where possible, in their textile blends.

Price ratio of wool to alternative fibres



Australian wool production

Australian wool production is forecast to increase by 4 per cent to 446 000 tonnes in 2011–12 reflecting an increase in the number of sheep shorn and a relatively high wool cut per head.

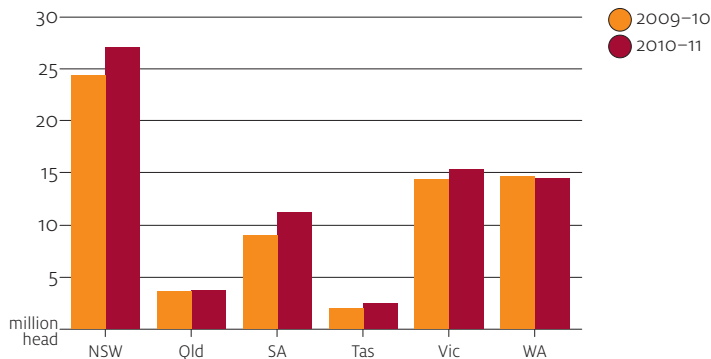
Following favourable seasonal conditions in the primary sheep growing areas of eastern Australia, combined with relatively favourable wool and sheep meat prices, the flock increased by 9 per cent to 74.3 million head in the year to 30 June 2011. While there were large increases in the sheep flock in all eastern states, sheep numbers in Western Australia declined slightly following adverse seasonal conditions in 2010–11.

In 2011–12 the Australian sheep flock is forecast to rise by 5.4 per cent to 78 million head given growers' intentions to retain stock and continue rebuilding their flocks. This was evident in 2010–11 during which slaughter of adult sheep and lambs was significantly reduced. Assuming favourable seasonal conditions in the primary wool growing areas for the rest of the year, the average wool cut per head is forecast to remain relatively unchanged at 4.3 kilograms in 2011–12.

Australian Wool Testing Authority (AWTA) key test data indicate a 4.8 per cent increase year-on-year in the total volume of wool tested for the first four months of 2011–12. Western Australia experienced a 12 per cent fall in the volume of wool tested over the same period. The test results for New South Wales and Victoria were 4.3 per cent and 11.2 per cent higher, respectively.

According to the AWTA key test data, the quantity of wool testing less than 17.5 microns in the first four months of 2011–12 increased by 18 per cent year-on-year; the increase in these wool categories was much stronger in Western Australia where the quantity of wool less than 17.5 microns rose by 92 per cent over the same period. In New South Wales, the quantity of wool in this category increased by 12 per cent.

Sheep numbers, as at 30 June



Source: Australian Bureau of Statistics

Australian wool exports

The volume of wool exports (greasy equivalent) fell year-on-year by 4.6 per cent in the first quarter of 2011–12. Australia's wool exports are forecast to be largely unchanged at 448 000 tonnes in 2011–12. In value terms, Australia's wool exports are forecast to be around \$3 billion in 2011–12.

Wool outlook

		2009 –10	2010 –11 <i>s</i>	2011 –12 <i>f</i>	% <i>change</i>
Sheep numbers <i>a</i>	million	68	74	78	5.4
Sheep shorn	million	83	85	88	3.5
Wool production (greasy)					
– shorn	kt	353	368	381	3.5
– other <i>b</i>	kt	70	61	65	6.6
– total	kt	423	429	446	4.0
Wool exports					
– volume (gr. equiv.)	kt	428	444	448	0.9
– to China	kt	331	325	319	–1.8
– value <i>c</i>	\$m	2 306	3 048	3 028	–0.7
Market indicator (clean)					
– eastern	Ac/kg	872	1 132	1 110	–1.9
– western	Ac/kg	863	1 092	1 077	–1.4
Auction price (greasy)	Ac/kg	551	734	724	–1.4

a At 30 June. *b* Includes wool on sheepskins, fellmongered and slipe wool. *c* Balance of payments basis. *f* ABARES forecast. *s* ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; Australian Wool Exchange

Dairy

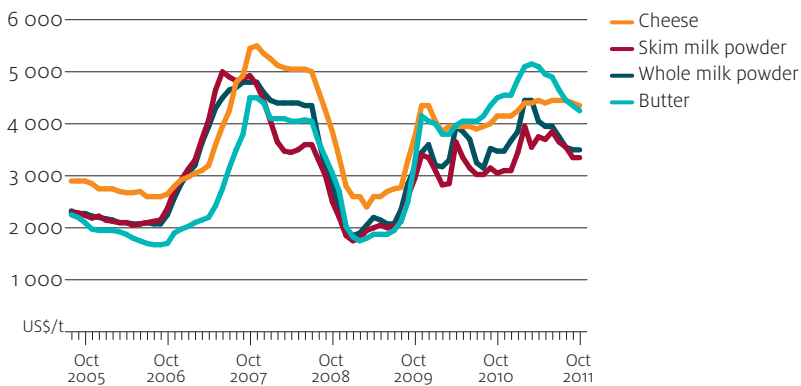
David Barrett

World prices for most dairy products are forecast to average lower in 2011–12. Prices for butter and whole milk powder are forecast to decline by 10 per cent and 5 per cent, respectively, to average US\$4200 a tonne and US\$3600 a tonne in 2011–12. Prices for both cheese and skim milk powder are forecast to fall by 1 per cent to average US\$4190 a tonne and US\$3350 a tonne, respectively. Such dairy price outcomes for 2011–12 would still be around 12 per cent to 20 per cent above the 2009–10 average prices.

World dairy product prices fell between 2 per cent and 9 per cent during the first four months of 2011–12, reflecting a softening in global dairy demand and increased supplies of dairy products from the major producing and exporting countries.

Over the remainder of 2011–12, world prices for most dairy products are expected to be supported by continuing, but slower, growth in dairy demand in Asia, the oil exporting countries of North Africa and the Middle East, and the Russian Federation. However, forecast slower economic activity in the European Union in 2012 is expected to dampen European demand for dairy products, particularly cheese.

World dairy prices



Source: Dairy Australia

Global supplies to remain high

Despite an expected slowdown in the growth of global milk production in the second half of 2011–12, the supply of dairy products is forecast to remain high in the major producing and exporting countries.

European Union

While EU milk production increased year-on-year by 1.8 per cent in the first six months of the 2011–12 marketing year (April to March) the growth in milk output is forecast to slow in many EU member countries in the second half of the year. This slowdown can be attributed to an expected small reduction in the EU dairy herd and forecast continuing high feed grain prices.

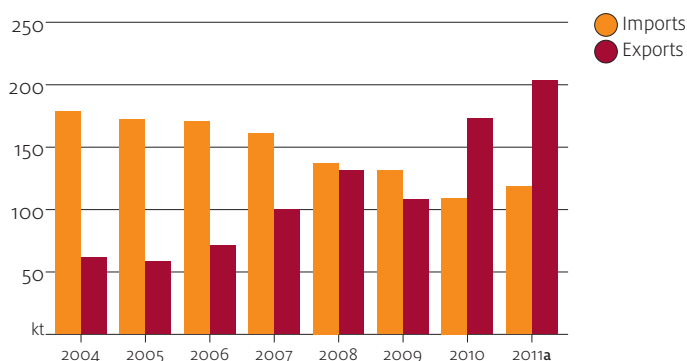
Despite a 1 per cent increase in the milk quota for the 2011–12 marketing year, total EU production is expected to remain below the quota. However, given the strong rise in milk output in France and Ireland in the first half of the 2011–12 marketing year, farmers in those two countries may limit milk deliveries in the second half of the year in order to remain within their respective quotas.

While EU cheese production is forecast to increase in 2011–12, weaker growth in EU demand for cheese is likely to increase the quantity of cheese available for export.

United States

Despite high feed grain prices and continued slaughtering of dairy cows, the US dairy herd expanded in the second half of 2011, reflecting the large number of heifers entering the herd. As a result, US milk production is forecast to increase by 1.6 per cent in 2011.

United States cheese trade



a Estimate.

Source: United States Department of Agriculture

The growth in US milk production is expected to slow in 2012, with output forecast to rise by 1.3 per cent to 90 million tonnes. Forecast continuing high feed grain prices and lower farmgate milk prices are expected to reduce profitability in the US dairy sector in 2012, limiting gains in milk yields. Furthermore, lower profitability is expected to result in farmers increasing their culling of dairy cows, which would

lead to a contraction in the national herd. The forecast higher milk production in the United States in 2012 is expected to be diverted into the manufacture of butter, cheese and skim milk powder. With only modest gains expected in US domestic dairy consumption, there is likely to be increased availability of these products for export in 2012, particularly skim milk powder and cheese. In 2011, US exports of skim milk powder are estimated to have risen significantly. It is expected that skim milk powder exports will increase again in 2012, providing strong competition to other exporters, such as Australia and New Zealand, especially in Asian markets.

New Zealand

New Zealand milk production is forecast to rise by around 5 per cent in the 2011–12 marketing year (June to May) to 18.8 million tonnes, as producers respond to relatively high milk prices and favourable seasonal conditions, particularly in the first half of the 2011–12 marketing year. Dairy cow and heifer numbers are estimated to have increased year-on-year by around 3 per cent to 4.68 million as at June 2011. Most of this increase is expected to have occurred on the South Island where additional farms have entered the dairy industry. Assuming average seasonal conditions for the remainder of 2011–12, average milk yields are forecast to rise by around 2 per cent for the year as a whole.

South America

With higher domestic milk production during 2011, Argentina significantly increased its production and exports of whole milk powder and cheese. Assuming average seasonal conditions, Argentina is forecast to produce a similar volume of milk in 2012 and to export around 200 000 tonnes of whole milk powder. A greater share of exports is forecast to be shipped to Brazil where demand for dairy products is expected to remain strong and domestic production is expected to increase slightly.

World trade supported by firm demand

An assumed slowing in economic growth in developing countries through the remainder of 2011–12 is not expected to significantly affect global trade in dairy products. Import demand for dairy products by the Russian Federation, Asia, the Middle East and North Africa is likely to remain firm.

Chinese imports of whole milk powder increased year-on-year by 16 per cent in the first eight months of 2011, although a year-on-year easing was observed between July and October 2011. Chinese imports of milk powders are forecast to remain strong in the remainder of 2011–12. Consumer concerns over the safety of domestically produced milk powders, due to detection of melamine, led to sustained strong demand for imported product. Overall, Chinese imports of whole milk powder are forecast to increase by around 14 per cent in 2012 to 450 000 tonnes.

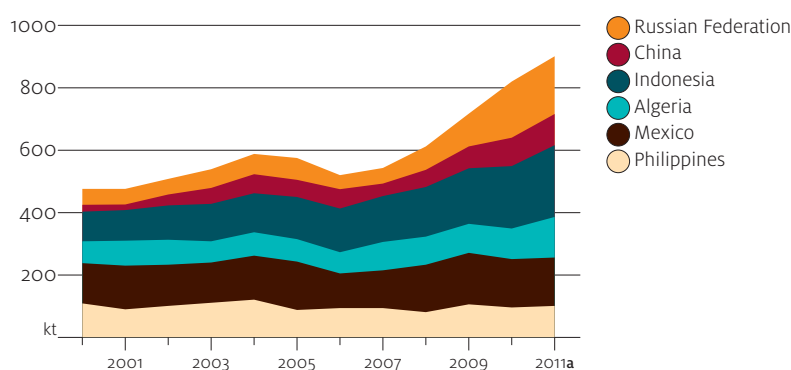
The Russian Federation is the world's largest export market for cheese and butter, importing an estimated 315 000 tonnes of cheese and 135 000 tonnes of butter in 2011. Increased supplies of domestic grain and fodder are expected to lead to an increase in milk production in 2012. However, production of cheese and butter is forecast to decline as the forecast additional milk supplies are expected to be used for fluid milk and production of milk powders. Consequently, cheese and butter imports by the Russian Federation are forecast to remain firm in 2012.

Following a reduction in domestic production, Japan more than trebled its butter imports to around 13 000 tonnes in the first six months of the 2011–12 marketing year (April to March) compared with the same period in 2010–11, while imports of

cheese rose by around 9 per cent over the same period. Despite weak income growth assumed in the short term, demand for dairy products in Japan is forecast to remain relatively firm.

Elsewhere in Asia, import demand for dairy products is expected to remain firm over the remainder of 2011–12. Reflecting strong growth in domestic demand and concerns about domestic supplies, the Indian Government increased the import quota for skim milk powder (subject to a zero tariff rate) from 30 000 tonnes in 2010–11 (April to March) to 50 000 tonnes in 2011–12. Indonesia, a major market for skim milk powder, is forecast to increase its imports of milk powders in 2012 following an expansion in milk recombining plants in 2011.

Importers of skim milk powder



a Estimate.

Source: United States Department of Agriculture

Australian milk production

Australian average farmgate milk prices are forecast to decline by 4 per cent in 2011–12 to 41.5 cents a litre, reflecting the compounding effect of forecast lower world dairy prices and an assumed relatively strong Australian dollar.

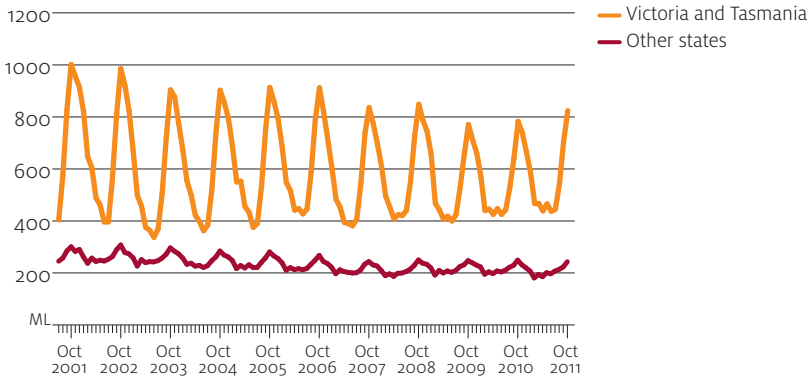
After a slow start in July and August 2011, Australian milk production increased by 6.4 per cent in September 2011 as a result of improved pasture growth in the dairy regions of south-eastern Australia. Victorian milk production was 8 per cent higher year-on-year in September 2011, with particularly strong increases in the northern and western regions. Milk production in the northern dairying areas of Victoria increased by 11.4 per cent in the first quarter of 2011–12 compared with the same period last year.

Assuming average seasonal conditions over the remainder of 2011–12, Australian milk production is forecast to increase by 3 per cent to 9.35 billion litres. Nearly all the increase in production is expected to occur in Victoria, southern New South Wales and Tasmania. Farmers have increased the size of their herds, with dairy cow numbers increasing by 0.5 per cent to over 1.6 million head as at June 2011. The significant improvement in water availability for irrigation in northern Victoria and southern New South Wales is expected to underpin the forecast increase in milk production

in these areas, which are recovering from the effects of below average seasonal conditions over the past few years. The favourable seasonal conditions are expected to result in many dairy farmers replenishing on-farm storage of hay and silage.

Australian production of cheese and whole milk powder is forecast to rise by around 3 per cent in 2011–12 to 350 000 tonnes and 156 000 tonnes, respectively, reflecting higher returns relative to other dairy products.

Australian milk production



Source: Dairy Australia

Australian consumption

Australian consumption of market milk is forecast to rise by around 2 per cent in 2011–12 to around 2.4 million litres. Consumption of market milk increased year-on-year by 2.7 per cent in the first three months of 2011–12.

The price discounting of home brand milk by major supermarkets since late January 2011 continued to affect market milk sales. Between February and September 2011, the share of home brand milk sold through supermarkets increased by 5 percentage points to 54 per cent while branded milk sales declined by 5 percentage points to 46 per cent.

Australian dairy export earnings to fall

The value of Australian dairy exports is forecast to fall by around 3 per cent in 2011–12 to around \$2.27 billion following a 12.4 per cent increase in 2010–11. The forecast decline mainly reflects lower world prices and the continued effect of an assumed strong Australian dollar.

Dairy outlook

		2009 -10	2010 -11 ^s	2011 -12 ^f	% change
Cow numbers ^a	'000	1 596	1 604	1 620	1.0
Milk yields	L/cow	5 653	5 675	5 772	1.7
Production					
Total milk	ML	9 023	9 102	9 350	2.7
– market sales	ML	2 269	2 316	2 357	1.8
– manufacturing	ML	6 754	6 787	6 993	3.0
Butter ^b	kt	128	122	121	-0.8
Cheese	kt	349	338	350	3.6
Whole milk powder	kt	126	151	156	3.3
Skim milk powder	kt	190	222	215	-3.2
Farmgate milk price	Ac/L	37.3	43.2	41.5	-3.9
Value of exports	A\$m	2 088	2 346	2 270	-3.2
World prices					
Butter	US\$/t	3 477	4 683	4 200	-10.3
Cheese	US\$/t	3 748	4 221	4 190	-0.7
Skim milk powder	US\$/t	2 948	3 392	3 350	-1.2
Whole milk powder	US\$/t	3 221	3 771	3 600	-4.5

^a At 30 June. ^b Includes the butter equivalent of butteroil, butter concentrate, ghee and dry butterfat. ^f ABARES forecast. ^s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; Dairy Australia

Fisheries



Fisheries

Daniel George

The decline in the value of Australian fisheries production over the past decade is attributable to a decrease in the value of production of higher value species groups, such as rock lobster, prawns, abalone and tuna.

Over the past five years, the pace of decline has slowed, primarily reflecting growth in farmed salmonids production, which partly offset continued declines in the wild-catch sector. In 2010–11, the value of Australia's fisheries production remained largely unchanged at around \$2.18 billion, as the negative effect on prices received for export products (from the significant appreciation of the Australian dollar) was offset by higher production volumes. In 2011–12, gross value of production is forecast to rise to \$2.21 billion.

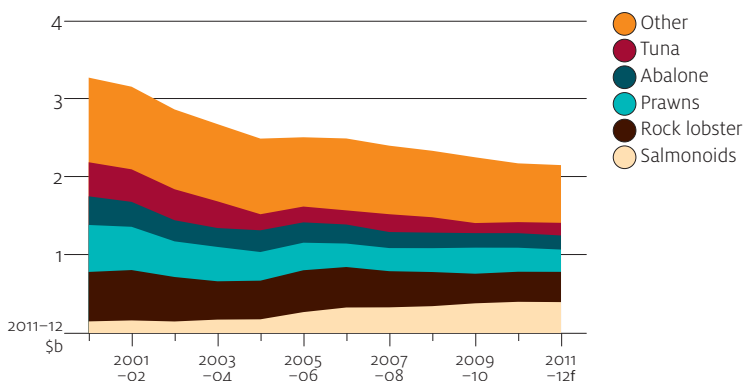
Australia's fisheries resources and production

Historically, the majority of fisheries products were wild caught from Australia's state, territory and Commonwealth fisheries. However, in recent years, lower wild catch volumes and the increasing efficiency and quality of aquaculture production led to a significant increase in farmed seafood products.

In 2009–10, Australia's gross value of fisheries production was \$2.18 billion, 1 per cent lower than in 2008–09. This was the lowest gross value of production in more than a decade, having fallen by 31 per cent (\$997 million) in real terms since 2000–01.

The composition of Australian fisheries production has not changed substantially over the past few years. In 2009–10 salmonids were Australia's most valuable species group at \$369.1 million, representing 17 per cent of the gross value of fisheries production. This was followed by rock lobster (\$368.0 million, 17 per cent), prawns (\$324.1 million, 15 per cent), abalone (\$180.6 million, 8 per cent) and tuna (\$125.3 million, 6 per cent).

Real value of Australian fisheries production, by key species group



f ABARES forecast.

Wild-catch sector

In 2000–01, the wild-catch sector accounted for around 74 per cent of Australia's gross value of production from fisheries products. Of this, state and territory fisheries accounted for 74 per cent while the remaining 26 per cent was produced in Commonwealth fisheries. In 2009–10, the wild-catch share of Australia's gross value of fisheries production declined to 62 per cent as a result of a fall in wild-catch gross value of production and a rise in aquaculture gross value of production.

Aquaculture sector

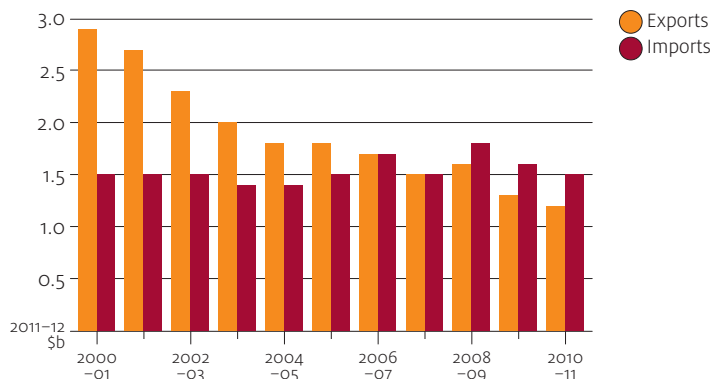
Despite a significant decline in the early 2000s, Australia's aquaculture sector has grown by 18 per cent since 2004–05, reaching around \$870 million in 2009–10. As a result, the share of aquaculture production increased from 26 per cent of total value of fisheries in 2000–01 to 38 per cent in 2009–10.

The largest contributor to Australian aquaculture production is salmonids, making up 43 per cent and 42 per cent of the total aquaculture production volume and value, respectively. Between 2004–05 and 2009–10, the real value of Australian farmed salmonids production increased by 117 per cent (to \$369.1 million), supported by rapid growth in Tasmanian aquaculture production.

Australia's trade in fisheries products

Historically, Australia was a net importer of fisheries products in volume terms but a net exporter in value terms. This is because Australian fisheries exports are dominated by high-value products such as rock lobster, tuna and abalone and imports by lower value products such as frozen fish fillets, prepared and preserved fish, and frozen prawns. In recent years, the gap between imports and exports in value terms closed and in 2007–08 Australia became a net importer of fisheries products in value terms. In 2010–11, this trend continued with the value of Australian imports of fisheries products rising by \$16.3 million (1 per cent) compared with 2009–10. Australian exports of fisheries products increased by a lesser amount (\$2.1 million), further increasing the net import gap in the value of Australian fisheries product trade.

Real value of Australian fisheries exports and imports



Overall, total exports of fisheries products increased by almost 2 per cent in 2010–11 to \$1.25 billion. Rock lobster remained the top export product with export earnings of \$365 million. The rankings of the top five exports remained unchanged between 2009–10 and 2010–11, despite an 8 per cent fall in the export value of rock lobster and an 18 per cent increase in the value of prawn exports. Tuna exports increased, rising by 11 per cent, to \$131 million, while abalone fell by 2 per cent to \$212 million and pearls by 1 per cent to \$241 million.

In 2010–11, Hong Kong remained the largest destination for export of Australian fisheries products taking 41 per cent of total exports. In 2010–11, the value of exports to Hong Kong and the United States fell by 20 per cent and 28 per cent to \$394 million and \$35 million, respectively, compared with 2009–10. This was offset by a 229 per cent increase in the value of exports to China, increasing to \$143 million, while exports to Singapore and Japan rose by 10 per cent to \$41 million and 5 per cent to \$226 million, respectively.

Top five exports and destinations, by value in 2010–11

Major exports		Major export destinations	
Rock lobster	\$365 million	Hong Kong, China	\$394 million
Pearls	\$241 million	Japan	\$226 million
Abalone	\$212 million	China	\$143 million
Tuna	\$131 million	Singapore	\$41 million
Prawns	\$68 million	United States	\$35 million

Outlook

In 2010–11, Australian fisheries production was estimated to have been around \$2.18 billion, representing a 0.5 per cent decline on 2009–10. Contributing to this decline was lower production volumes of several of the higher value species, including rock lobster, tuna and pearls.

In 2011–12, the value of fisheries production is forecast to increase by 2 per cent to \$2.21 billion. The value of tuna and oyster fishery products is forecast to rise by 18 per cent and 7 per cent to \$167 million and \$102 million, respectively. These increases are expected to be offset by a 5 per cent fall in the value of prawns to \$294 million and a 2 per cent fall in the value of pearls to \$114 million.

Despite the strength of the Australian dollar against the US dollar, exports remained strong in 2010–11. Exports are forecast to increase by 9 per cent in 2011–12 driven by forecast increases in scallops (42 per cent), tuna (22 per cent), rock lobster (8 per cent), and abalone (8 per cent).

Fisheries outlook

		2009 –10	2010 –11 ^s	2011 –12 ^f	% change
Gross value of fisheries production					
Fish ^a	\$m	897	941	973	3.4
Crustaceans	\$m	768	780	769	– 1.4
Molluscs	\$m	363	359	361	0.7
Pearls	\$m	104	117	114	– 2.3
Total ^b	\$m	2 185	2 175	2 215	1.8
Export value					
Fish	\$m	258	287	294	2.4
Crustaceans ^c	\$m	455	433	461	6.5
Molluscs ^d	\$m	216	212	229	8.2
Other fisheries products	\$m	43	60	121	102.0
Total seafood	\$m	1 003	1 007	1 127	11.9
Pearls	\$m	244	241	236	– 2.3
Total fisheries products	\$m	1 247	1 249	1 363	9.1

^a Excludes tuna transhipped at sea or captured under joint venture or bilateral agreements. ^b Also includes fish and aquaculture values not elsewhere included. ^c Includes prawns (headless and whole) and rock lobster (tails and whole). Other prawn products included in other fisheries products. ^d Includes abalone and scallops. ^f ABARES forecast. ^s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics

Farm financial performance
2011–12: projections for
broadacre and dairy farms



Farm financial performance 2011–12: projections for broadacre and dairy farms

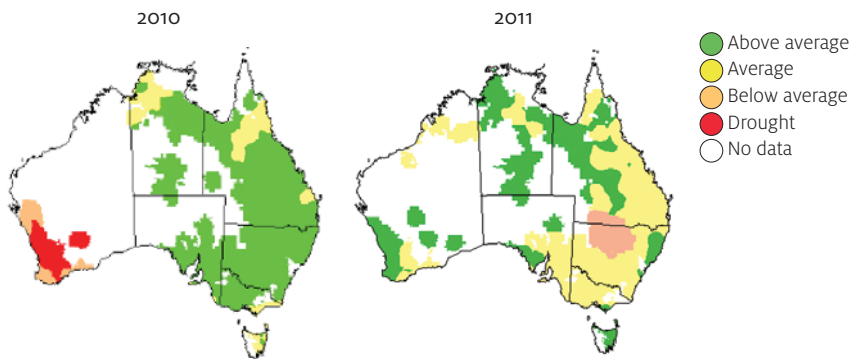
Peter Martin and Paul Phillips

Broadacre farm incomes remain high in 2011–12

Incomes for broadacre farms are expected to remain high in 2011–12, according to preliminary estimates for broadacre farms in the ABARES Australian agricultural and grazing industries survey. In 2010–11, average farm cash income increased markedly because of increased crop and livestock production combined with higher prices. In 2011–12, average to above average seasonal conditions for the majority of Australian broadacre farms sustained high grain and livestock production and as a result average farm cash incomes are projected to be among the highest recorded (in real terms) since 2001–02.

In the eastern states, winter crop production is expected to be the second highest on record while excellent pasture growth is expected to support increased livestock numbers. Although grain prices are expected to be lower this financial year compared with 2010–11, farm cash incomes in eastern states in 2011–12 are projected to remain high.

Reported seasonal conditions, October–November, broadacre and dairy farms

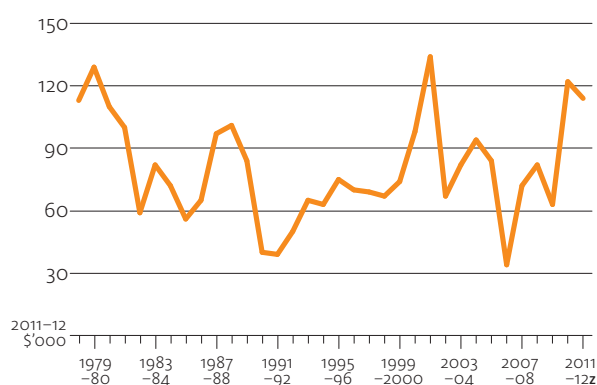


Note: Seasonal conditions as reported by farmers in ABARES farm surveys.

In contrast to 2010–11, in Western Australia there has been a marked turnaround in seasonal conditions. Increased rainfall over winter and spring is expected to result in winter crop production in 2011–12 increasing to the second highest on record for that state. As a consequence, average Western Australian farm cash income is projected to substantially improve compared with 2010–11.

Overall, at the national level, average total cash costs per farm are projected to remain similar to those recorded in 2010–11. Purchases of both beef cattle and sheep are expected to slow in all states except Western Australia in 2011–12. Sheep and beef cattle numbers were substantially rebuilt on many eastern state properties in the past two years. In addition, improved pasture availability and lower feed grain prices are expected to result in a further small reduction in fodder expenditure on broadacre farms. Overall, reductions in these cost items are expected to be mostly offset by increased expenditure on fuel, fertiliser, chemicals, repairs and maintenance.

Farm cash income for broadacre farms, Australia



z ABARES projection.

Nationally, farm cash income for broadacre farms is projected to average \$114 000 per farm in 2011–12, down slightly from an average of \$118 300 per farm estimated for 2010–11. If achieved, this farm cash income for broadacre farms would be around 37 per cent above the 10-year average to 2010–11 of \$83 000 (in real terms).

In 2010–11, large increases occurred in on-farm inventories of grain in eastern states, resulting in higher average farm business profit because of a build-up in the value of trading stocks. For 2011–12, a much smaller increase in inventories is expected in eastern states. Cattle and sheep numbers are expected to continue increasing but this is expected to be partly offset by reductions in wool stocks as farmers take advantage of higher wool prices.

The smaller increase in the value of farm inventories in 2011–12, combined with a small reduction in farm cash incomes in most eastern states, is projected to result in average farm business profit for Australian broadacre farms declining to around \$44 000 a farm. If achieved, this would rank in the three highest farm business profits recorded for broadacre farms in the past 30 years. In 2011–12, farm business profit is expected to be positive, on average, in all states for the first time since 2001–02.

State and regional financial performance of broadacre farms

In New South Wales, slightly lower farm cash incomes are projected in 2011–12, particularly for dryland cropping farms where both production and prices are generally expected to be significantly lower than in 2010–11. However, increases in farm cash incomes are expected for cropping farms growing cotton or rice because of the increase in receipts from larger cotton and rice crops in 2010–11 and 2011–12. Farm cash incomes for livestock farms are projected to increase, with higher sheep, wool and beef prices as well as an increase in sales numbers and sale weights for livestock. Overall, New South Wales broadacre farm cash income is projected to average \$100 000 a farm in 2011–12, around 70 per cent above the real average farm cash income recorded for the 10 years to 2010–11.

On average, farm cash income for broadacre farms in Victoria is projected to decline to \$88 000 a farm in 2011–12, but remain around 27 per cent above the average farm cash income recorded for the 10 years to 2010–11.

Victorian cropping farm cash incomes are projected to decline moderately in 2011–12. Less favourable seasonal conditions led to reduced grain production compared with last season and wheat and oilseed prices were lower.

In contrast, receipts from beef cattle are projected to increase slightly, with higher beef prices as well as an increase in sale weights for cattle. Receipts from sheep, lambs and wool are projected to be higher this season because of higher wool and sheep prices, together with an increase in wool production and a small increase in the number of lambs sold. As a result, farm cash incomes for producers mainly reliant on sheep are projected to increase further in 2010–11.

Farm financial performance, by state

average per farm

	Farm cash income			Farm business profit ^a		
	2009–10	2010–11 ^p	2011–12 ^z	2009–10	2010–11 ^p	2011–12 ^z
	\$	\$	\$	\$	\$	\$
Broadacre industries						
New South Wales	45 680	102 300 ⁽¹²⁾	100 000	-41 230	64 100 ⁽¹⁵⁾	43 000
Victoria	46 510	99 500 ⁽¹¹⁾	88 000	-8 110	51 400 ⁽²¹⁾	21 000
Queensland	52 950	87 600 ⁽¹³⁾	89 000	-6 450	31 500 ⁽³⁴⁾	33 000
Western Australia	106 020	149 900 ⁽¹¹⁾	181 000	-38 640	-7 900 ⁽²²³⁾	64 000
South Australia	93 450	203 200 ⁽¹⁰⁾	172 000	33 610	156 200 ⁽¹³⁾	74 000
Tasmania	53 240	101 500 ⁽¹⁰⁾	82 000	11 250	53 200 ⁽²²⁾	53 000
Australia	59 410	118 300 ⁽⁵⁾	114 000	-16 420	57 600 ⁽¹⁰⁾	44 000
Dairy industry						
Australia	75 110	144 800 ⁽⁹⁾	137 000	-3 660	72 800 ⁽¹⁶⁾	45 000

^a Defined as farm cash income plus build-up in trading stocks, less depreciation and the imputed value of operator, partner and family labour. Estimates for 2009–10 are final. ^p Preliminary estimates. ^z ABARES projection.

Note: Figures in parentheses are standard errors expressed as a percentage of the estimate provided.

Major financial performance indicators

Farm cash income	= total cash receipts	– total cash costs		
	<i>total revenues received by the farm business during the financial year</i>	<i>payments made by the farm business for materials and services and for permanent and casual hired labour (excluding owner manager, partner and family labour)</i>		
Farm business profit	= farm cash income	+ changes in trading stocks	– depreciation	– Imputed labour costs

Broadacre and dairy farms

Broadacre and dairy farms account for 68 per cent of commercial-scale Australian farm businesses. They manage more than 90 per cent of the total area of agricultural land in Australia, account for the majority of Australia's family owned and operated farms, are located in all regions, and form a vital part of rural communities and economies across the country.

Each year ABARES interviews the operators of around 1600 broadacre farm businesses in its Australian agricultural and grazing industries survey (AAGIS) and 300 dairy farm businesses in the Australian dairy industry survey (ADIS), as part of its annual farm survey program. The AAGIS is targeted at commercial-scale broadacre farms—farms that grow grains or oilseeds, or run sheep or beef cattle and that have an estimated value of agricultural output exceeding \$40 000. The ADIS is targeted at commercial-scale milk producing farms.

Methodology

Data provided in this note have been collected through on-farm interviews and incorporate detailed farm financial accounting information.

Estimates for 2009–10 and all earlier years are final. All data from farmers, including accounting information, have been reconciled. Final production and population information from the Australian Bureau of Statistics (ABS) has been included and no further change is expected in the estimates.

The 2010–11 estimates are preliminary and are based on full production and accounting information from farmers. However, editing and addition of sample farms may be undertaken and ABS production benchmarks may also change.

The 2011–12 projections are based on data collected through on-farm interviews and telephone interviews between October and December 2011. The 2011–12 projections include crop and livestock production, receipts and expenditure up to the date of interview, together with expected production, receipts and expenditure for the remainder of 2011–12. Modifications have been made to expected receipts and expenditure for the remainder of 2011–12 where significant price changes have occurred post-interview.

South Australian broadacre farm cash incomes are projected to decline to average \$172 000 a farm in 2011–12, but remain around 48 per cent above the average farm cash income recorded for the 10 years to 2009–10. The decline in farm cash income is mainly driven by a reduction in wheat and barley production from the record 2010–11 production, combined with lower grain prices in 2011–12. Reductions in crop receipts in 2011–12 would have been larger if substantial pool payments for grain delivered in 2010–11 had not been received. Receipts from sheep, lambs and wool are projected to be higher this season because of relatively high sheep and lamb prices, together with an increase in wool production.

Queensland broadacre farm cash incomes are projected to increase to average \$89 000 a farm in 2011–12, up from \$87 600 in 2010–11 and around 8 per cent above the average for the 10 years to 2010–11. Receipts from beef cattle are projected to remain relatively unchanged with a small reduction in turn-off offset by higher prices and sale weights. However, crop receipts for Queensland broadacre farms are expected to increase by around 15 per cent, with the expected increase in production of winter crops along with an increase expected in receipts from summer crops, particularly grain sorghum and cotton, more than offsetting lower grain prices.

In Western Australia, severe drought sharply reduced grain production in 2010–11. However, the reduction in farm cash incomes was partly cushioned by much higher grain prices in 2010–11, together with substantial pool payments for grain delivered in 2009–10. Livestock numbers on broadacre farms in southern Western Australia were also markedly reduced as farms were destocked, increasing farm cash receipts but decreasing the value of farm inventories.

In 2011–12, a return to favourable seasonal conditions across most of southern Western Australia is estimated to have resulted in a marked increase in grain production and grain receipts, despite lower grain prices. However, average receipts for sheep, lambs, wool and beef cattle are projected to decline in 2011–12 as farmers reduce turn-off and commence rebuilding flocks and herds. Farm cash income for Western Australian broadacre farms is projected to rebound to average \$181 000 a farm in 2011–12, around 30 per cent above the average for the 10 years to 2010–11.

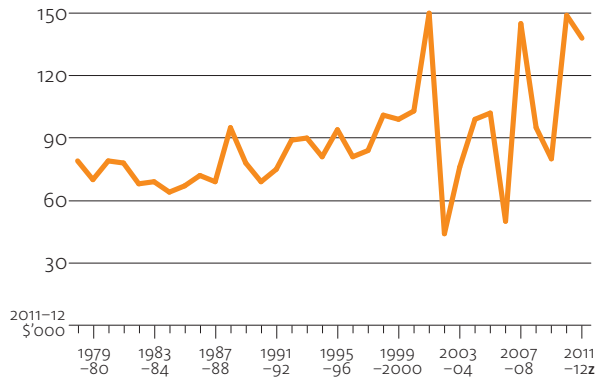
Tasmanian broadacre farm cash incomes are projected to decline slightly to average \$82 000 a farm in 2011–12, after a substantial improvement recorded in 2010–11. This is around 30 per cent above the average farm cash income recorded for the 10 years to 2010–11. Turn-off of beef cattle and sheep is projected to decline slightly, reducing farm receipts as farmers increase sheep and beef cattle numbers.

Dairy farm income maintained in 2011–12

Financial performance of dairy farms is projected to remain largely unchanged in 2011–12 in the southern dairying region of New South Wales and in Victoria. A small increase in milk production is expected to largely offset lower prices paid for milk used for manufactured dairy products, in combination with a further small reduction in farm cash costs resulting from reduced expenditure on purchased fodder due to the generally good seasonal conditions and availability of irrigation water.

In Tasmania, a relatively larger increase is expected in milk production, but the effect on farm cash incomes should be mostly offset by reductions in receipts from other farm enterprises.

Farm cash income for dairy industry farms, Australia



z ABARES projection.

In Western Australia, a small increase is expected in farm cash incomes for dairy farms due mainly to a reduction in expenditure on purchased fodder, together with an increase in average milk prices received, compared with 2010–11 when average milk prices received were affected by the financial difficulties of a milk processor.

In northern dairying regions in Queensland and in northern New South Wales lower average milk prices and reduced milk production are projected to result in a further small reduction in average farm cash incomes.

When the variations in projected farm cash incomes for dairy farms across Australia are taken into account, the overall average farm cash income for Australian dairy farms is projected to decline slightly to average \$137 000 per farm in 2011–12, around 30 per cent above the average for the 10 years to 2010–11.

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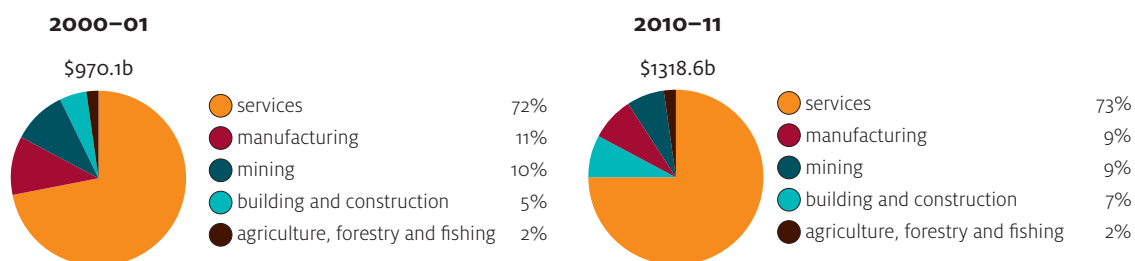
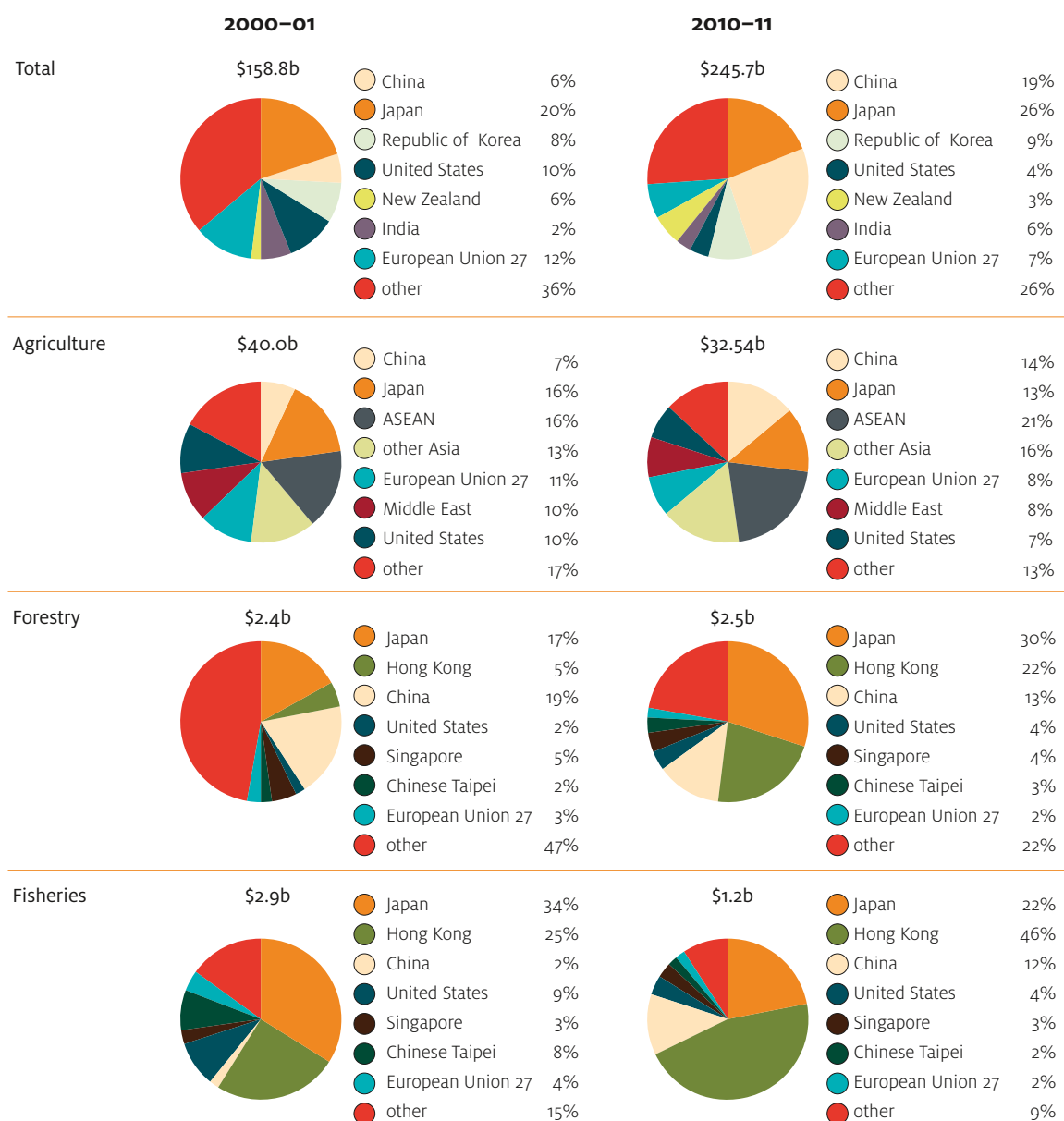
FIGURE 1 Contribution to GDP Australia, chain volume measures, reference year 2009–10**FIGURE 2** Markets for Australian merchandise exports in 2010–11 dollars

FIGURE 3 Sources of Australian merchandise imports in 2010–11 dollars

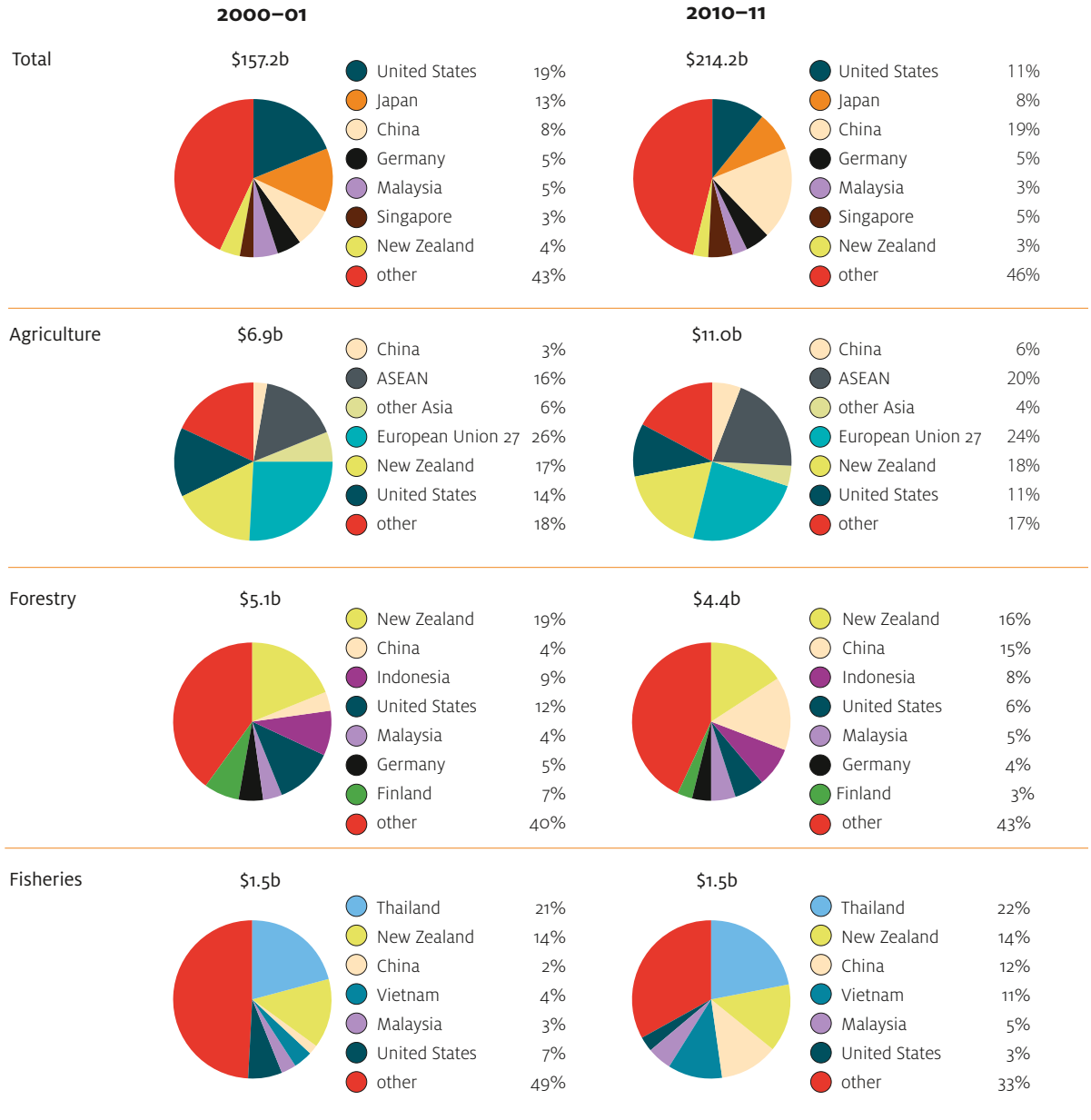


FIGURE 4 Principal markets for Australian agricultural, forestry and fisheries exports



FIGURE 4 Principal markets for Australian agricultural, forestry and fisheries exports

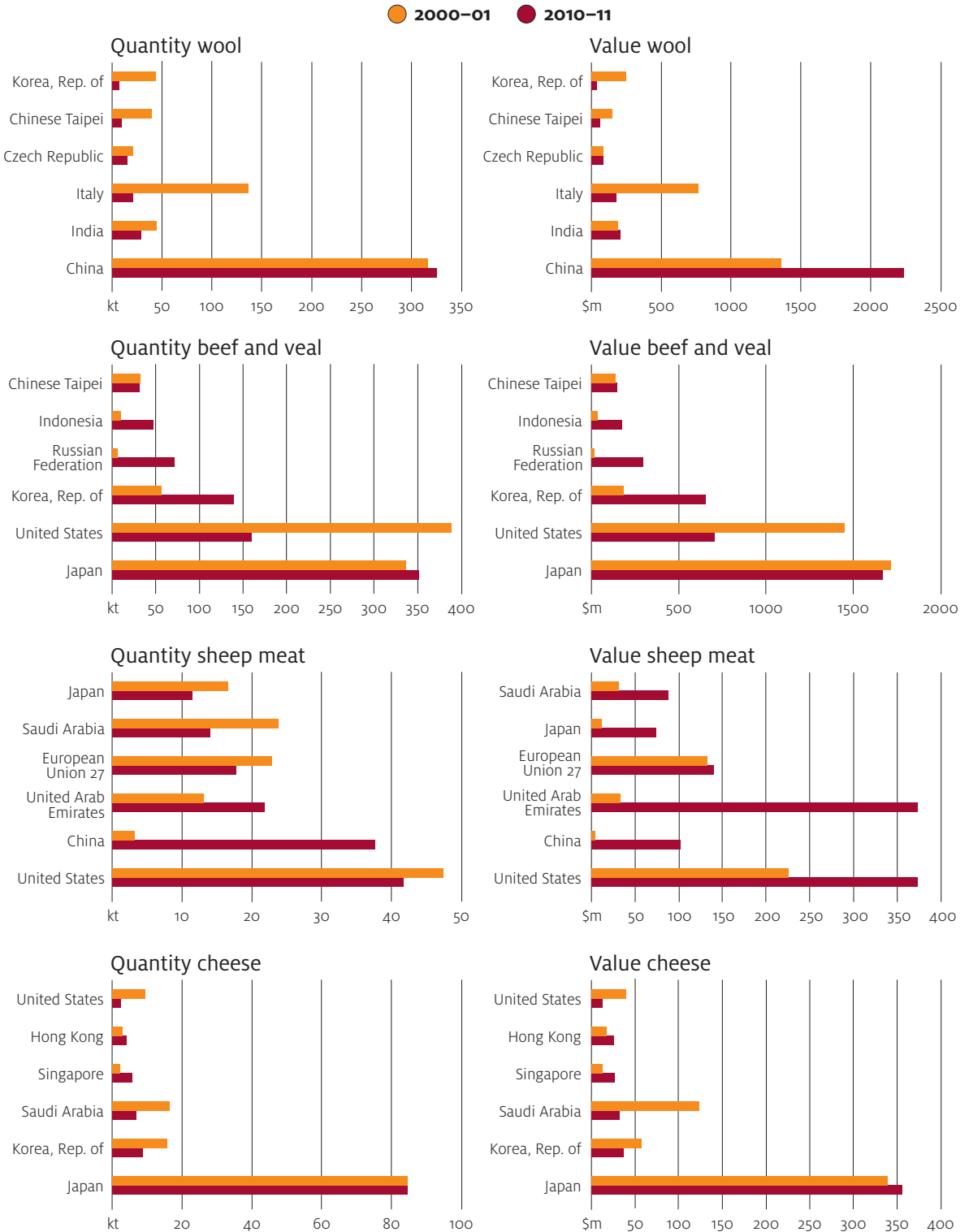


FIGURE 4 Principal markets for Australian agricultural, forestry and fisheries exports

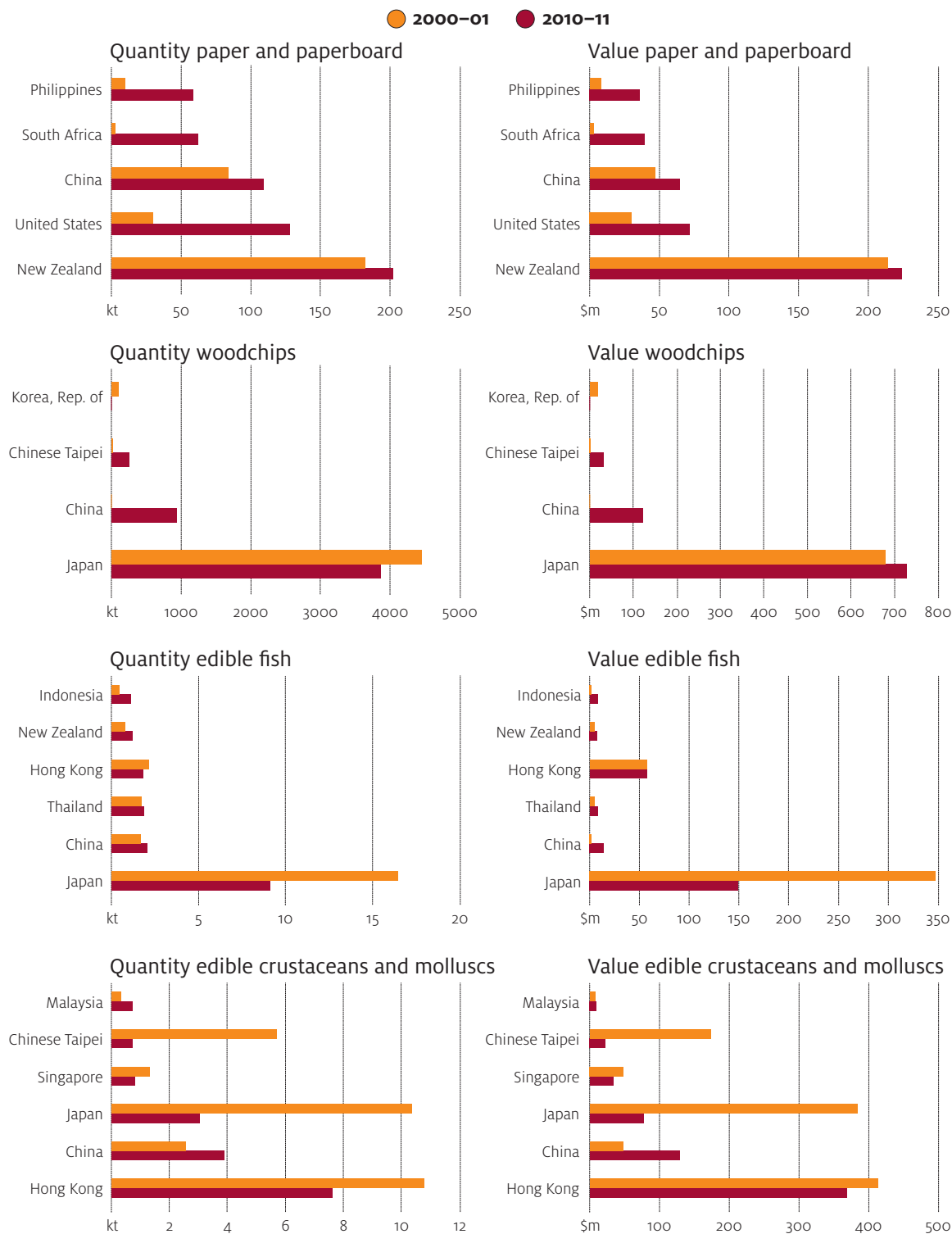


TABLE 1 Indexes of prices received by farmers Australia

	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Crops sector						
Grains						
Winter crops						
barley	153.3	196.9	145.3	108.6	129.8	122.4
canola	102.8	140.7	142.2	113.4	141.0	133.8
lupins	135.7	171.0	142.9	127.0	123.2	138.9
oats	235.8	136.9	158.3	116.9	139.9	95.3
wheat	122.4	197.2	142.1	110.4	138.0	134.3
Summer crops						
grain sorghum	126.1	152.4	121.3	126.7	128.2	125.4
Total grains ^a	128.5	178.3	137.4	108.8	130.4	126.5
Cotton	82.5	87.7	96.7	98.4	132.4	110.3
Sugar	108.4	80.6	98.3	137.8	128.9	139.0
Hay	230.7	254.6	219.0	181.5	151.1	128.4
Fruit	184.0	148.4	148.2	146.6	181.8	186.4
Vegetables	141.3	153.7	152.9	150.4	167.3	171.5
Total crops sector	127.6	138.0	120.2	109.0	126.1	123.3
Livestock sector						
Livestock for slaughter						
cattle	174.3	164.6	171.3	160.0	174.5	184.3
lambs ^b	165.6	170.3	204.3	218.7	255.4	271.3
sheep	156.2	183.3	216.8	343.3	438.0	483.0
live sheep for export	179.1	180.7	214.2	249.3	305.7	324.2
pigs	124.8	120.7	140.1	147.1	130.3	135.4
poultry	84.5	109.4	120.0	114.2	115.6	115.1
total	152.6	152.7	165.5	163.7	177.2	185.5
Livestock products						
wool	115.5	127.9	109.2	116.0	158.4	156.1
milk	111.1	166.1	142.3	125.2	144.7	139.1
eggs	102.0	107.5	108.5	105.5	104.2	105.2
total	112.2	147.0	127.5	120.0	145.0	141.2
Store and breeding stock	157.9	153.8	161.2	168.4	195.5	211.3
Total livestock sector	135.9	148.2	149.2	145.7	164.0	168.1
Total prices received	130.4	141.7	132.5	124.8	142.4	142.4

^a Total for the group includes commodities not separately listed. ^b Lamb saleyard indicator weight 18–22 kg. ^f ABARES forecast. ^s ABARES estimate.

Notes: ABARE revised the method for calculating these indexes in October 1999. The indexes for commodity groups are calculated on a chained weight basis using Fisher's ideal index with a reference year of 1997–98 = 100. Indexes for most individual commodities are based on annual gross unit value of production. Prices used in these calculations exclude GST.

Source: ABARES

TABLE 2 Indexes of prices paid by farmers, and terms of trade Australia

	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Farmers' terms of trade ^a	96.0	91.4	88.9	89.0	98.8	93.3
Materials and services						
Seed, fodder and livestock						
fodder and feedstuffs	151.7	195.3	167.9	145.9	121.2	120.7
seed, seedlings and plants	109.9	135.0	120.6	109.5	124.7	125.9
store and breeding stock	157.8	153.7	165.1	168.4	199.3	197.6
total	147.2	178.0	161.7	147.0	140.3	138.8
Chemicals	124.7	149.7	136.7	116.2	110.4	113.1
Electricity	107.6	111.3	121.4	142.0	158.8	174.7
Fertiliser	121.4	220.4	239.6	156.0	157.3	161.3
Fuel and lubricants	208.3	243.7	211.0	191.7	211.3	228.2
Total	140.3	170.8	164.2	146.5	147.1	150.5
Labour	133.5	138.0	142.6	147.3	151.8	156.5
Marketing	129.1	143.2	137.1	133.9	144.7	155.2
Overheads						
Insurance	139.4	143.5	155.6	167.0	180.4	189.4
Interest paid	127.8	142.6	116.7	111.1	122.3	127.8
Rates and taxes	132.7	137.3	141.6	144.8	149.3	153.9
Other overheads	128.5	132.8	137.1	140.5	144.8	149.3
Total	130.8	141.8	126.6	124.3	133.9	139.5
Capital items	132.3	136.8	141.1	144.7	149.3	154.0
Total prices paid	135.9	155.1	149.0	140.8	145.3	150.2
Excluding capital items	136.2	157.3	150.0	140.4	144.9	149.8
Excluding capital and overheads	137.6	161.7	156.9	145.0	147.8	152.4
Excluding seed, fodder and store and breeding stock	133.6	150.3	146.4	139.4	146.3	152.5

^a Ratio of index of prices received by farmers and index of prices paid by farmers. ^f ABARES forecast. ^s ABARES estimate.

Notes: ABARE revised the method for calculating these indexes in October 1999. The indexes for commodity groups are calculated on a chained weight basis using Fisher's ideal index with a reference year of 1997–98 = 100. Prices used in these calculations exclude GST.

Sources: ABARES; Australian Bureau of Statistics

TABLE 3 Farm costs and returns Australia

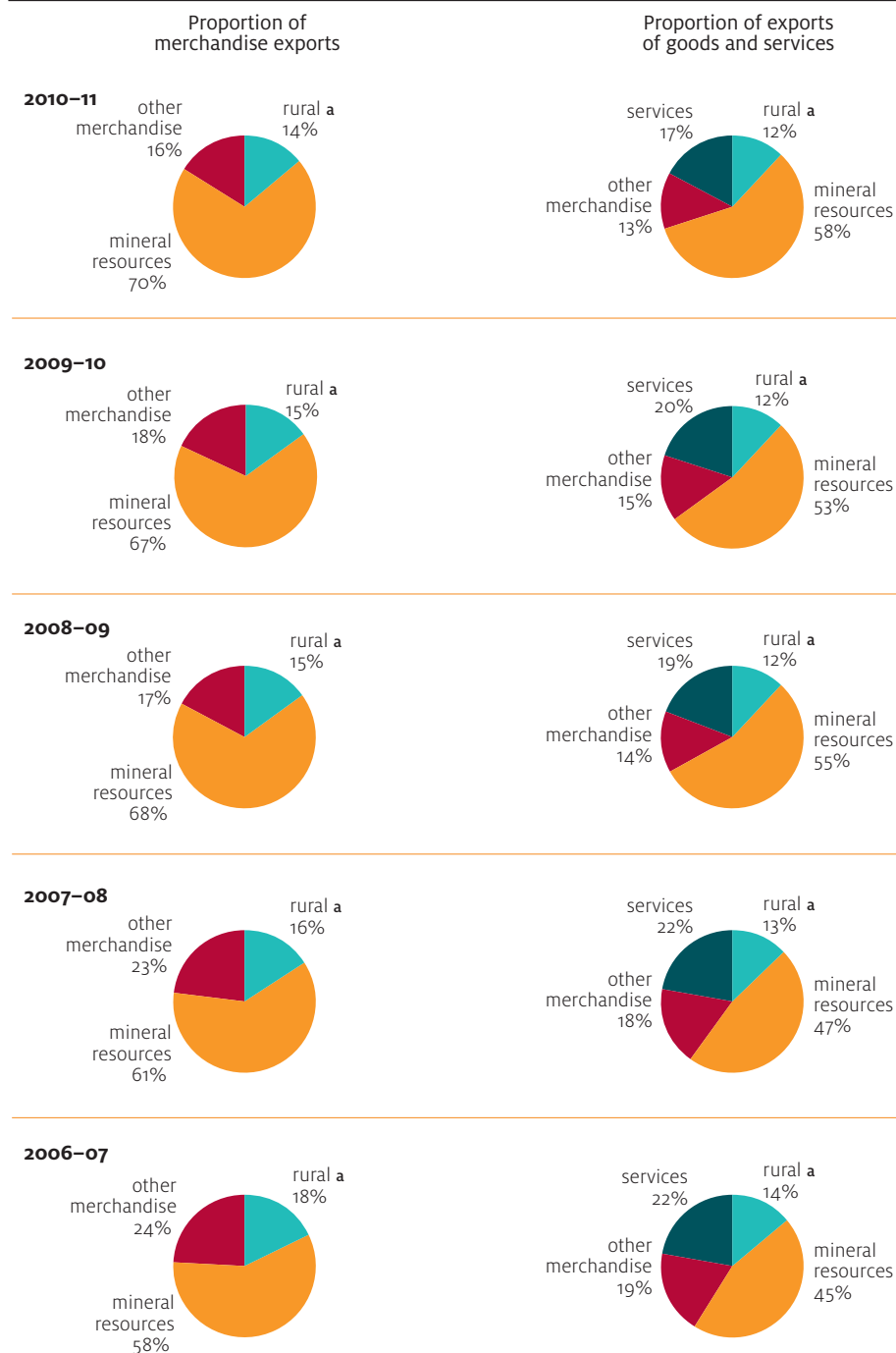
	unit	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Costs							
Materials and services							
chemicals	\$m	1 545	1 901	1 792	1 473	1 459	1 478
fertiliser	\$m	1 659	3 034	3 381	2 118	2 221	2 268
fuel and lubricants	\$m	2 199	2 551	2 243	1 946	2 215	2 383
marketing	\$m	2 744	3 180	3 733	3 814	3 839	3 891
repairs and maintenance	\$m	2 466	3 073	3 080	3 002	3 887	4 108
seed and fodder	\$m	4 955	6 177	5 263	4 526	4 176	4 242
other	\$m	3 543	3 659	3 829	3 967	4 287	4 444
total	\$m	19 111	23 575	23 320	20 846	22 082	22 815
Labour	\$m	3 654	3 667	3 827	3 766	4 013	4 137
Overheads							
interest paid	\$m	3 848	4 901	4 331	4 455	5 023	5 382
rent and third party insurance	\$m	447	462	477	493	513	529
Total	\$m	7 950	9 030	8 634	8 713	9 549	10 048
Total cash costs	\$m	27 060	32 605	31 955	29 560	31 631	32 863
Depreciation ^a	\$m	4 383	4 532	4 676	4 794	4 945	5 102
Total farm costs	\$m	31 443	37 137	36 631	34 354	36 576	37 965
Returns							
Gross value of farm production	\$m	36 663	43 752	41 964	39 697	48 330	48 974
Net returns and production							
Net value of farm production ^b	\$m	5 220	6 615	5 334	5 344	11 754	11 009
Real net value of farm production ^c	\$m	6 042	7 406	5 790	5 669	12 095	11 009
Net farm cash income ^d	\$m	10 367	10 834	5 901	10 138	16 699	16 110
Real net farm cash income ^e	\$m	12 000	12 129	6 406	10 755	17 183	16 110

^a Based on estimated movements in capital expenditure and prices of capital inputs. ^b Gross value of farm production less total farm costs.

^c In 2011–12 Australian dollars. ^d Gross farm cash income less total cash costs. ^f ABARES forecast. ^s ABARES estimate.

Note: Prices used in these calculations exclude GST.

Sources: ABARES; Australian Bureau of Statistics

FIGURE 5 Contribution to exports by sector, balance of payments basis Australia

a includes farm, forest and fisheries products.

Sources: ABARES, Australian Bureau of Statistics

TABLE 4 Volume of production indexes Australia

	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Farm						
Grains and oilseeds	58.2	88.0	116.2	116.6	142.9	146.9
Total crops	84.0	103.9	113.4	114.5	128.3	136.1
Livestock slaughtering	115.5	113.4	112.1	109.5	110.7	111.5
Total livestock	105.2	102.3	100.8	98.7	99.7	101.3
Total farm sector	94.8	103.9	108.2	107.5	114.8	119.4
Forestry ^a						
Broadleaved	124.2	130.1	120.8	108.2	107.9	104.7
Coniferous	132.4	136.3	117.5	127.4	123.1	116.3
Total forestry	128.4	133.3	119.5	118.7	116.2	111.1

^a Volume of logs harvested excluding firewood. ^f ABARES forecast. ^s ABARES estimate.

Note: ABARE revised the method for calculating production indexes in October 1999. The indexes for the different groups of commodities are calculated on a chained weight basis using Fisher's ideal index with a reference year of 1997–98 = 100.

Sources: ABARES; Australian Bureau of Statistics

TABLE 5 Industry gross value added ^{a, b} Australia

	unit	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
Agriculture, forestry and fishing							
agriculture	\$m	23 203	18 993	20 572	24 634	24 265	26 567
forestry and fishing	\$m	4 194	4 131	4 175	4 478	4 499	4 875
total	\$m	27 302	23 139	24 743	29 109	28 764	31 443
Mining	\$m	79 688	86 446	88 193	90 507	96 104	95 548
Manufacturing							
food, beverage and alcohol	\$m	22 928	23 160	23 127	22 404	23 953	23 576
textile, clothing, footwear and leather	\$m	9 348	9 262	9 695	8 688	7 150	6 647
wood and paper products	\$m	8 645	8 400	8 071	7 457	7 736	7 567
printing, publishing and recorded media	\$m	5 002	5 048	5 174	4 268	4 088	4 101
petroleum, coal, chemical products	\$m	18 994	18 652	19 114	17 200	17 807	17 907
non-metallic mineral products	\$m	5 547	5 673	5 926	5 890	5 783	5 608
metal products	\$m	18 562	20 408	22 719	21 993	21 310	22 673
machinery and equipment	\$m	19 279	19 257	19 884	18 760	19 881	19 552
total	\$m	106 646	108 703	113 062	106 363	107 707	107 633
Building and construction	\$m	82 078	86 469	92 517	95 291	95 804	101 480
Electricity, gas and water supply	\$m	26 546	26 798	26 866	27 894	28 623	28 893
Taxes less subsidies on products	\$m	87 446	89 888	91 668	90 826	90 334	90 986
Statistical discrepancy	\$m	0	- 1	0	0	0	-3 658
Gross domestic product	\$m	1 157 783	1 201 562	1 246 899	1 263 935	1 293 379	1 318 554

^a Chain volume measures, reference year is 2009–10. ^b ANZSIC 2006. 0 is used to denote nil or less than \$0.5 million.

Source: Australian Bureau of Statistics, *Australian National Accounts: National Income, Expenditure and Product*, cat. no. 5206.0, Canberra

TABLE 6 Employment a, b Australia

	2005–06 '000	2006–07 '000	2007–08 '000	2008–09 '000	2009–10 '000	2010–11 '000
Agriculture, forestry and fishing						
agriculture	300	306	302	322	325	307
forestry and logging	8	8	8	8	7	6
commercial fishing c	12	10	14	9	11	12
support services	27	26	30	24	26	27
total	348	350	354	362	369	351
Mining	129	135	146	170	173	205
Manufacturing						
food, beverages and tobacco	205	214	229	226	228	229
textiles, clothing, footwear and leather	56	50	50	48	46	45
wood and paper product	77	78	69	67	64	57
printing, publishing and recorded media	52	51	54	51	52	56
petroleum, coal and chemical product	88	92	98	90	88	85
non-metallic mineral product	38	36	42	40	37	37
metal product	161	161	159	157	147	147
other manufacturing	347	342	359	348	343	336
total	1 025	1 024	1 060	1 028	1 006	992
Other industries	8 587	8 864	9 124	9 332	9 479	9 806
Total	10 088	10 374	10 684	10 892	11 027	11 355

a Average employment over four quarters. b ANZSIC 2006. Caution should be used when utilising employment statistics at the ANZSIC subdivision and group levels due to estimates that may be subject to sampling variability and standard errors too high for most practical purposes. c Includes aquaculture, fishing, hunting and trapping.

Source: Australian Bureau of Statistics, *Labour Force, Australia*, cat. no. 6291.0, Canberra

TABLE 7 All banks lending to business a Australia

	2009–10			2010–11			
	Dec \$b	Mar \$b	Jun \$b	Sep \$b	Dec \$b	Mar \$b	Jun \$b
Agriculture, fishing and forestry	58.4	57.8	59.1	58.7	58.8	58.6	60.4
Mining	13.9	14.1	12.1	11.3	11.2	11.0	12.1
Manufacturing	40.6	40.8	39.2	38.6	38.2	40.1	39.9
Construction	29.7	29.3	28.2	28.3	28.2	28.7	28.4
Wholesale, retail trade, transport and storage	91.9	91.9	90.5	89.3	92.0	92.6	92.5
Finance and insurance	131.9	126.2	133.0	132.0	125.0	121.2	114.8
Other	308.4	305.3	307.3	306.6	303.9	309.0	307.1
Total	674.8	665.4	669.3	664.7	657.2	661.2	655.2

a Includes variable and fixed interest rate loans outstanding plus bank bills outstanding.

Source: Reserve Bank of Australia, *Bank Lending to Business – Selected Statistics*, Bulletin Statistical Table D8

TABLE 8 Rural indebtedness to financial institutions ^a Australia

	2005–06 \$m	2006–07 \$m	2007–08 \$m	2008–09 \$m	2009–10 \$m	2010–11 \$m
Rural debt						
All banks ^a	43 546	47 188	53 743	57 384	59 064	60 362
Other government agencies ^b	1 073	1 286	1 409	1 620	1 812	1 871
Pastoral and other finance companies	3 454	4 592	5 126	4 462	2 029	2 010
Large finance institutional debt ^c	48 073	53 066	60 278	63 467	62 905	64 243
Deposits						
Farm management deposits	2 797	2 782	2 879	2 843	2 784	3 216

^a Derived from all banks lending to agriculture, fishing and forestry. ^b Includes the government agency business of state banks and advances made under War Service Land Settlement. Prior to 1996, includes loans from the Queensland Industry Development Corporation. From 1996 these loans are included in bank lending. ^c Sum of the above.

Sources: ABARES; Department of Agriculture, Fisheries and Forestry; Reserve Bank of Australia, *Estimated Rural Debt to Specified Lenders*, Bulletin Statistical Table D9

TABLE 9 Annual world indicator prices of selected commodities

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
World							
Crops							
Wheat ^a	US\$/t	212	362	271	209	317	295
Corn ^b	US\$/t	151	201	190	160	254	306
Rice ^c	US\$/t	320	551	609	532	518	615
Soybeans ^d	US\$/t	335	549	421	429	560	535
Cotton ^e	USc/lb	58.1	72.9	61.2	77.5	164.3	103.0
Sugar ^g	USc/lb	11.2	10.9	13.3	20.9	25.5	27.1
Livestock products							
Beef ^h	USc/kg	282	294	307	319	391	410
Wool ⁱ	Ac/kg	864	945	794	872	1 132	1 110
Butter ^j	US\$/t	2 023	4 027	2 485	3 477	4 683	4 200
Cheese ^j	US\$/t	3 004	5 073	3 281	3 748	4 221	4 190
Skim milk powder ^j	US\$/t	3 188	4 204	2 333	2 948	3 392	3 350

^a US hard red winter wheat, fob Gulf. ^b US no. 2 yellow corn, delivered US Gulf. ^c USDA nominal quote for Thai white rice, 100 per cent, Grade B, fob, Bangkok (August–July basis). ^d US cif Rotterdam (October–September basis). ^e Cotlook 'A' index. ^f ABARES forecast. ^g Average of monthly averages of New York no. 11 spot price; basis: fob Caribbean ports. ^h US cif price. ⁱ Australian Wool Exchange eastern market indicator. ^j Average of traded prices (excluding subsidised sales). ^s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; Australian Dairy Corporation; Meat & Livestock Australia; Australian Wool Exchange; Cotlook Ltd; Food and Agriculture Organization; General Agreement on Tariffs and Trade; International Grains Council; ISTA Mielke and Co.; New York Board of Trade; Reuters Ltd; United States Department of Agriculture

TABLE 10 Gross unit values of farm products ^a

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Crops ^b							
Grains and oilseeds							
Winter crops							
barley	\$/t	244	313	231	173	207	173
canola	\$/t	397	543	548	437	544	516
field peas	\$/t	283	407	345	241	229	287
lupins	\$/t	266	335	280	248	241	272
oats	\$/t	241	281	216	160	191	130
triticale	\$/t	223	252	257	220	219	208
wheat	\$/t	242	390	281	218	273	266
Summer crops							
maize	\$/t	249	258	283	268	296	283
rice	\$/t	337	414	566	457	240	326
grain sorghum	\$/t	213	258	205	214	217	159
soybeans ^c	\$/t	349	554	551	551	706	629
sunflower seed ^c	\$/t	706	814	696	696	765	712
Industrial crops							
Cotton lint ^d	c/kg	177	191	193	205	372	231
Sugar cane (cut for crushing)	\$/t	34	26	32	44	38	41
Wine grapes	\$/t	881	787	527	464	413	410
Livestock							
Beef cattle	c/kg	336	317	319	311	340	359
Lambs	c/kg	336	346	415	444	519	551
Pig	c/kg	247	239	299	291	258	268
Poultry	c/kg	151	196	215	205	207	206
Livestock products							
Wool	c/kg	454	503	430	456	623	614
Milk	c/L	33.2	49.6	42.5	37.4	43.2	41.5

^a Average gross unit value across all grades in principal markets, unless otherwise indicated. Includes the cost of containers, commission and other expenses incurred in getting the commodities to their principal markets. These expenses are significant. ^b Average unit gross value relates to returns received from crops harvested in that year, regardless of when sales take place, unless otherwise indicated. ^c Price paid by crusher. ^d Australian base price for sales in the financial year indicated. ^f ABARES forecast ^s ABARES estimate.

Note: Prices used in these calculation exclude GST.

Sources: ABARES; Australian Bureau of Statistics

TABLE 11 World production, consumption, stocks and trade for selected commodities a

	unit	2006-07	2007-08	2008-09	2009-10	2010-11 s	2011-12 f
Farm							
Grains							
Wheat							
production	Mt	597	607	685	679	653	685
consumption	Mt	609	602	645	652	656	676
closing stocks	Mt	127	132	172	199	196	205
exports b	Mt	111	110	137	128	126	133
Coarse grains							
production	Mt	986	1 078	1 107	1 107	1 091	1 138
consumption	Mt	1 009	1 057	1 079	1 107	1 127	1 147
closing stocks	Mt	139	162	193	196	159	147
exports b	Mt	118	127	113	123	115	121
Rice							
production c	Mt	420	432	447	440	451	460
consumption c	Mt	419	429	436	437	448	457
closing stocks c	Mt	77	80	92	95	98	102
exports bd	Mt	32	29	29	31	33	32
Oilseeds and vegetable oils							
Oilseeds							
production	Mt	404	392	396	442	452	455
consumption	Mt	393	401	402	423	442	455
closing stocks	Mt	73	62	55	72	78	76
exports	Mt	83	93	94	111	106	113
Vegetable oils							
production	Mt	122	128	133	139	146	152
consumption	Mt	122	126	130	138	151	152
closing stocks	Mt	10	11	13	12	9	8
exports	Mt	49	54	56	57	59	62
Vegetable protein meals							
production	Mt	224	226	223	239	253	260
consumption	Mt	223	223	223	236	249	256
closing stocks	Mt	8	7	6	7	8	9
exports	Mt	69	72	69	69	76	75
Industrial crops							
Cotton							
production	Mt	27	26	23	22	25	27
consumption	Mt	27	27	24	26	25	25
closing stocks	Mt	14	13	13	10	10	12
exports	Mt	8	8	7	8	8	8
Sugar							
production	Mt	166	166	151	159	166	175
consumption	Mt	157	160	161	163	165	168
closing stocks	Mt	65	71	61	56	57	64
exports	Mt	49	48	48	53	52	50

Continued

TABLE 11 World production, consumption, stocks and trade for selected commodities *a continued*

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 <i>s</i>	2011–12 <i>f</i>
Livestock products							
Meat <i>deg</i>							
production	Mt	260	265	266	248	259	262
consumption	Mt	238	245	247	253	257	262
closing stocks	Mt	2.2	2.6	2.6	2.3	2.3	2.7
exports b	Mt	20.7	29.0	28.0	23.0	23.5	23.6
Wool <i>h</i>							
production	kt	1 229	1 191	1 104	1 119	1 119	1 129
consumption di	kt	1 223	1 165	1 105	1 115	1 125	1 122
closing stocks j	kt	75	55	65	55	49	56
exports k	kt	590	553	484	501	507	509
Butter <i>dg</i>							
production	kt	7 565	7 872	8 040	8 145	8 432	8 630
consumption	kt	7 281	7 474	7 527	7 842	7 940	8 130
closing stocks	kt	201	250	281	136	155	182
exports	kt	785	705	827	741	783	800
Skim milk powder <i>gl</i>							
production d	kt	3 229	3 311	3 455	3 370	3 532	3 660
consumption d	kt	2 923	2 988	2 923	2 975	3 166	3 250
closing stocks d	kt	279	347	556	534	371	310
exports	kt	1 095	1 087	1 140	1 349	1 505	1 550

a Some figures are not based on precise or complete analyses. *b* Includes intra-EU trade. *c* Milled equivalent. *d* On a calendar year basis, e.g. 1991–92 = 1992. *e* Beef and veal, mutton, lamb, goat, pig and poultry meat. *f* ABARES forecast. *g* Selected countries. *h* Clean equivalent. *i* Virgin wool at the spinning stage in 65 countries. *j* Held by marketing bodies and on-farm in five major exporting countries. *k* Five major exporting countries. *l* Non-fat dry milk. *s* ABARES estimate.

Sources: ABARES; Argentine Wool Federation; Australian Bureau of Statistics; Capewools South Africa; Commodities Research Unit; Commonwealth Secretariat; Department of Agriculture, Fisheries and Forestry; Economic Commission for Europe; Fearnleys; Food and Agriculture Organization; International Grains Council; International Sugar Organization; ISTA Mielke and Co.; Meat & Livestock Australia; Ministry of Agriculture, Forestry and Fisheries (Japan); New Zealand Dairy Board; New Zealand Wool Board; Poimena Analysis, Beef + Lamb New Zealand; Uruguayan Association of Wool Exporters; United States Department of Agriculture

TABLE 12 Agricultural, fisheries and forestry commodity production Australia

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 s	2011–12 f
Crops							
Grains and oilseeds							
Winter crops							
barley	kt	4 257	7 160	7 997	7 865	8 145	8 491
canola	kt	573	1 214	1 844	1 920	2 382	2 495
chickpeas	kt	229	313	443	487	379	394
field peas	kt	140	268	238	356	434	301
lupins	kt	470	662	708	823	841	712
oats	kt	748	1 502	1 160	1 162	1 142	1 654
triticale	kt	199	450	363	545	685	580
wheat	kt	10 822	13 569	21 420	21 834	27 891	28 286
Summer crops							
cottonseed s	kt	388	188	466	547	1 269	1 617
maize	kt	239	387	376	328	351	298
rice	kt	163	18	61	197	726	915
grain sorghum	kt	1 283	3 790	2 692	1 508	2 068	2 415
soybeans	kt	34	35	80	60	47	39
sunflower seed	kt	21	73	55	41	44	33
other oilseeds a	kt	34	56	34	41	40	38
Total grains and oilseeds	kt	19 602	29 683	37 935	37 713	46 443	48 267
Industrial crops							
Cotton lint	kt	301	133	329	387	898	1 144
Sugar cane (cut for crushing)	kt	36 397	32 621	31 457	31 235	27 443	29 878
Sugar (tonnes actual)	kt	5 026	4 763	4 634	4 472	3 610	3 899
Wine grapes	kt	1 410	1 837	1 684	1 533	1 563	1 654
Horticulture							
Fruit							
apples	kt	270	265	295	264	234	250
bananas	kt	213	207	270	302	241	280
oranges	kt	471	409	348	391	277	388
Vegetables							
carrots	kt	271	273	264	267	253	275
onions	kt	246	254	284	260	281	282
potatoes	kt	1 212	1 400	1 179	1 278	1 217	1 300
tomatoes	kt	296	382	440	472	407	450
Livestock							
Slaughtering							
Cattle and calves	'000	9 081	8 799	8 643	8 364	8 097	7 948
Sheep	'000	13 271	11 158	10 501	7 333	5 341	5 001
Lambs	'000	20 158	20 529	20 395	19 478	17 880	19 840
Pigs	'000	5 322	5 217	4 499	4 561	4 643	4 708
Live exports							
Cattle exported live b	'000	636	708	845	871	728	500
Sheep exported live b	'000	4 138	4 069	4 064	3 055	2 909	2 800
Meat produced							
Beef and veal c	kt	2 226	2 155	2 137	2 109	2 133	2 145
Lamb c	kt	413	428	416	413	391	427
Mutton c	kt	271	243	220	162	123	115
Pig meat	kt	382	377	322	331	342	346
Poultry meat c	kt	855	835	866	872	1 053	1 087
Total	kt	4 147	4 039	3 961	3 886	4 043	4 120

Continued

TABLE 12 Agricultural, fisheries and forestry commodity production Australia *continued*

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Livestock products							
Wool ^d	kt	502	459	420	423	429	446
Milk ^e	ML	9 583	9 223	9 388	9 023	9 102	9 350
Butter ^g	kt	133	128	148	128	122	121
Cheese	kt	364	361	325	349	338	350
Casein	kt	8	10	10	8	5	7
Skim milk powder ^h	kt	191	164	212	190	222	215
Whole milk powder	kt	135	142	148	126	151	156
Buttermilk powder	kt	14	13	15	13	12	13
Forestry – logs harvested ⁱ							
Broadleaved	'000 m ³	12 602	13 211	12 485	11 181	11 145	10 815
Coniferous	'000 m ³	14 590	15 157	13 314	14 436	13 948	13 174
Total	'000 m ³	27 192	28 368	25 799	25 616	25 093	23 989
Fisheries ^j							
Tuna	kt	13.1	14.6	13.7	11.0	9.9	12.2
Salmonids ^k	kt	25.6	25.9	30.0	31.9	33.9	35.1
Other fish	kt	118.8	119.6	122.1	120.4	121.8	122.5
Prawns	kt	20.8	22.8	24.2	27.0	26.4	24.1
Rock lobster ^l	kt	14.3	14.3	12.2	9.6	9.6	9.5
Abalone	kt	5.5	5.3	5.6	5.2	5.5	5.4
Scallops	kt	10.5	10.3	7.6	7.5	6.2	6.2
Oysters	kt	15.4	13.5	14.2	14.9	13.3	14.2
Other molluscs	kt	9.3	6.8	6.6	6.3	6.6	6.5
Other crustaceans	kt	6.5	6.4	5.8	6.2	6.6	6.2

^a Linseed, safflower seed and peanuts. ^b Excludes animals exported for breeding purposes. ^c In carcass weight and includes carcass equivalent of canned meats. ^d Greasy equivalent of shorn wool (includes crutching), dead and fellmongered wool and wool exported on skins.

^e Includes the whole milk equivalent of farm cream intake. ^f ABARES forecast. ^g Includes the butter equivalent of butteroil, butter concentrate, ghee and dry butterfat. ^h Includes mixed skim and buttermilk powder. ⁱ Excludes logs harvested for firewood. ^j Liveweight. ^k Includes salmon and trout production. ^l Includes Queensland bugs. ^s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics; Australian Dairy Corporation; Australian Fisheries Management Authority; Department of Fisheries, Western Australia; Department of Primary Industries, Parks, Water and Environment, Tasmania; Fisheries Queensland, Department of Employment, Economic Development and Innovation; Fisheries Victoria, Department of Primary Industries; Industry & Investment New South Wales; Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources; Primary Industries and Resources, South Australia; Raw Cotton Marketing Advisory Committee; South Australian Research and Development Institute; State and Territory Forest Services; various Australian forestry industries

TABLE 13 Gross value of farm and fisheries production Australia

	2006–07 \$m	2007–08 \$m	2008–09 \$m	2009–10 \$m	2010–11 s \$m	2011–12 f \$m
Crops						
Grains and oilseeds						
Winter crops						
barley	1 039	2 244	1 850	1 359	1 684	1 469
canola	227	659	1 011	840	1 295	1 288
chickpeas	151	195	199	194	182	186
field peas	40	109	82	86	99	86
lupins	125	222	198	205	203	193
oats	181	423	251	186	218	215
triticale	44	113	93	120	150	121
wheat	2 619	5 292	6 021	4 765	7 611	7 514
Summer crops						
maize	60	100	106	88	104	84
rice	55	7	34	90	174	298
grain sorghum	274	977	553	323	449	383
soybeans	12	19	44	33	33	25
sunflower seed	15	59	38	29	33	23
other oilseeds a	21	35	28	34	35	33
Total grains and oilseeds	5 090	10 803	10 778	8 676	12 734	12 311
Industrial crops						
Cotton lint and cottonseed b	542	254	693	828	2 588	2 747
Sugar cane (cut for crushing)	1 221	861	1 021	1 382	1 043	1 214
Wine grapes	1 243	1 446	887	709	618	678
Total industrial crops	3 005	2 560	2 601	2 919	4 249	4 640
Horticulture						
Table and dried grapes	240	202	286	273	284	269
Fruit and nuts (excl. grapes)	3 499	2 758	2 871	2 950	3 273	3 479
Vegetables	3 165	3 363	3 012	3 023	3 166	3 568
Other horticulture	1 730	1 693	1 556	1 649	1 757	1 927
Total horticulture	8 633	8 015	7 725	7 895	8 480	9 243
Other crops nei c	1 683	2 858	1 711	1 695	1 670	1 645
Total crops	18 411	24 237	22 815	21 185	27 133	27 839

Continued

TABLE 13 Gross value of farm and fisheries production Australia *continued*

	2006–07 \$m	2007–08 \$m	2008–09 \$m	2009–10 \$m	2010–11 ^s \$m	2011–12 ^f \$m
Livestock						
Slaughtering						
Cattle and calves ^d	7 491	6 813	6 806	6 567	7 245	7 692
Sheep ^e	380	400	428	499	484	499
Lambs ^{eg}	1 387	1 481	1 725	1 832	2 029	2 352
Pigs	944	902	966	965	883	928
Poultry	1 294	1 637	1 861	1 785	2 179	2 241
Live exports						
Cattle exported live ^h	497	541	646	701	660	532
Sheep exported live ⁱ	289	286	339	297	346	354
Total livestock ^j	12 335	12 104	12 823	12 696	14 079	13 996
Livestock products						
Wool ^k	2 282	2 309	1 806	1 928	2 673	2 738
Milk ^l	3 178	4 572	3 988	3 371	3 932	3 880
Eggs	388	468	447	428	421	426
Honey and beeswax	70	64	86	90	92	94
Total livestock products	5 917	7 412	6 327	5 816	7 118	7 138
Total farm	36 663	43 752	41 964	39 697	48 330	48 974
Forestry products ^m						
Broadleaved	843	947	936	853	851	847
Coniferous	869	890	823	929	884	847
Total	1 713	1 837	1 759	1 782	1 735	1 694
Fisheries products ⁿ						
Tuna	161	210	187	125	141	167
Salmonids ^o	291	302	326	369	400	408
Other fish ^a	397	413	390	403	399	398
Prawns	267	272	290	324	308	294
Rock lobster ^r	461	426	415	368	385	399
Abalone	217	189	189	181	187	186
Scallops	29	33	26	26	17	17
Oysters	91	89	93	100	95	102
Pearls ^t	124	114	90	104	117	114
Other molluscs ^u	70	52	53	57	59	56
Other crustaceans	63	63	66	76	86	76
Total fish	2 217	2 207	2 214	2 185	2 175	2 215

^a Linseed, safflower seed and peanuts. ^b Value delivered to gin. ^c Mainly fodder crops. ^d Includes dairy cattle slaughtered. ^e Excludes skin values. ^f ABARES forecast. ^g Lamb saleyard indicator weight 18–22 kg. ^h Includes animals exported for breeding purposes. ⁱ Excludes animals exported for breeding purposes. ^j Total livestock slaughtering includes livestock disposals. ^k Shorn, dead and fellmongered wool and wool exported on skins. ^l Milk intake by factories and valued at the farm gate. ^m Excludes logs harvested for firewood. ⁿ Value to fishermen of product landed in Australia. ^o Includes salmon and trout production. ^q Includes an estimated value of aquaculture. ^r Includes Queensland bugs. ^s ABARES estimate. ^t Includes Northern Territory aquaculture production from 2009–10. ^u Also includes fish and aquaculture values not elsewhere included. ^{nei} Not elsewhere included.

Note: The gross value of production is the value placed on recorded production at the wholesale prices realised in the marketplace. The point of measurement can vary between commodities. Generally the marketplace is the metropolitan market in each state and territory. However, where commodities are consumed locally or where they become raw material for a secondary industry, these points are presumed to be the marketplace. Prices used in these calculations exclude GST.

Sources: ABARES; Australian Bureau of Statistics

TABLE 14 Crop and forestry areas and livestock numbers Australia

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Crop areas							
Grains and oilseeds							
Winter crops							
barley	'000 ha	4 182	4 902	5 015	4 422	3 740	4 038
canola	'000 ha	1 052	1 277	1 693	1 712	2 093	1 705
chickpeas	'000 ha	284	306	338	429	546	283
field peas	'000 ha	384	293	300	285	292	244
lupins	'000 ha	736	752	577	692	783	490
oats	'000 ha	1 003	1 238	870	850	833	1 003
triticale	'000 ha	369	360	323	350	330	330
wheat	'000 ha	11 798	12 578	13 530	13 881	13 645	14 108
Summer crops							
maize	'000 ha	49	68	65	59	61	54
rice	'000 ha	20	2	7	19	75	101
grain sorghum	'000 ha	613	942	767	498	674	667
soybeans	'000 ha	14	15	42	31	19	18
sunflower seed	'000 ha	22	48	52	27	29	26
other oilseeds ^a	'000 ha	14	16	22	16	17	16
Total grains and oilseeds	'000 ha	21 163	23 204	24 084	23 793	24 113	24 085
Industrial crops							
Cotton	'000 ha	144	63	164	208	590	600
Sugar cane ^b	'000 ha	409	381	391	389	334	370
Winegrapes	'000 ha	163	166	157	152	153	154 ^e
Livestock numbers ^c							
Cattle							
beef	million	25.37	24.78	25.29	24.01	26.21	27.56
dairy	million	2.66	2.54	2.61	2.54	2.60	2.64
milking herd ^d	million	1.80	1.64	1.68	1.60	1.60	1.62
total	million	28.04	27.32	27.91	26.55	28.81	30.20
Sheep	million	85.7	76.9	72.7	68.1	74.3	78.0
Pigs	million	2.60	2.41	2.30	2.29	2.34	2.34
Forestry plantation area							
Broadleaved	'000 ha	883	950	991	973	na	na
Coniferous	'000 ha	1 010	1 014	1 020	1 024	na	na
Total plantation area ^g	'000 ha	1 903	1 973	2 020	2 009	na	na

^a Linseed and safflower seed. ^b Cut for crushing. ^c At 30 June. ^d Cows in milk and dry. ^e This figure is for grapes for wine only. Prior to 2008–09 this figure includes grapes used for winemaking and other purposes such as drying and table. ^f ABARES forecast. ^g Includes areas where plantation type is unknown. ^s ABARES estimate. ^{na} Not available.

Sources: ABARES; Australian Bureau of Statistics

TABLE 15 Average farm yields Australia

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Crops							
Grains and oilseeds							
Winter crops							
barley	t/ha	1.02	1.46	1.59	1.78	2.18	2.10
canola	t/ha	0.54	0.95	1.09	1.12	1.14	1.46
chickpeas	t/ha	0.81	1.02	1.31	1.14	0.69	1.39
field peas	t/ha	0.37	0.91	0.79	1.25	1.49	1.24
lupins	t/ha	0.64	0.88	1.23	1.19	1.07	1.45
oats	t/ha	0.75	1.21	1.33	1.37	1.37	1.65
triticale	t/ha	0.54	1.25	1.12	1.56	2.07	1.75
wheat	t/ha	0.92	1.08	1.58	1.57	2.04	2.00
Summer crops							
maize	t/ha	4.92	5.69	5.82	5.56	5.75	5.52
rice	t/ha	8.15	8.15	8.46	10.39	9.68	9.08
grain sorghum	t/ha	2.09	4.02	3.51	3.03	3.07	3.62
soybeans	t/ha	2.51	2.34	1.89	1.90	2.47	2.16
sunflower seed	t/ha	0.96	1.51	1.07	1.54	1.51	1.25
Industrial crops							
Cotton (lint)	t/ha	2.10	2.12	2.01	1.86	1.52	1.91
Sugar cane (for crushing)	t/ha	89	86	80	80	82	81
Winegrapes	t/ha	8.7	11.1	10.7	10.1	10.2	10.7
Livestock							
Wool ^a	kg/sheep	4.09	4.30	4.29	4.25	4.34	4.31
Whole milk	L/cow	5 336	5 624	5 602	5 653	5 675	5 772

^a Shorn (including lambs). ^f ABARES forecast. ^s ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics

TABLE 16 Volume of agricultural, fisheries and forestry exports Australia

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 s	2011–12 f
Farm							
Grains and oilseeds							
Winter crops							
barley a	kt	3 136	4 051	3 898	4 234	4 625	5 366
canola	kt	238	519	973	1 238	1 453	1 730
chickpeas	kt	244	218	467	459	408	422
lupins	kt	174	76	157	377	289	393
oats (unprepared)	kt	62	115	196	216	127	157
peas b	kt	248	142	118	163	254	262
wheat c	kt	11 196	7 408	13 410	13 725	18 448	20 900
Summer crops							
cottonseed	kt	104	18	37	106	268	864
rice	kt	491	104	106	54	211	651
grain sorghum	kt	46	251	1 368	487	553	612
other oilseeds d	kt	13	11	10	13	7	11
Total grains and oilseeds	kt	15 950	12 913	20 740	21 073	26 643	31 368
Industrial crops							
Raw cotton e	kt	487	266	260	395	505	979
Sugar	kt	3 719	3 493	3 268	3 506	2 624	2 815
Wine	ML	798	709	750	777	727	720
Meat and live animals for slaughter							
Beef and veal gh	kt	974	930	968	899	937	941
Live cattle i	'000	636	708	845	871	728	500
Lamb g	kt	150	163	156	157	157	177
Live sheep i	'000	4 138	4 069	4 064	3 055	2 909	2 800
Mutton g	kt	162	158	146	111	86	81
Pig meat g	kt	41	39	32	30	31	34
Poultry meat g	kt	28	30	37	28	31	31
Wool							
Greasy js	kt	402	343	314	308	335	338
Semi-processed	kt (gr. eq.)	82	67	62	49	44	42
Skins	kt (gr. eq.)	92	73	69	70	65	67
Total js	kt (gr. eq.)	576	483	445	428	444	448
Dairy products							
Butter k	kt	81	57	70	74	56	55
Cheese	kt	213	203	146	168	163	171
Casein	kt	12	9	8	10	5	7
Skim milk powder	kt	164	123	162	126	156	148
Whole milk powder	kt	94	82	116	91	108	114

Continued

TABLE 16 Volume of agricultural, fisheries and forestry exports Australia *continued*

	unit	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
Forest products							
Sawnwood	'000 m ³	416	338	355	387	349	na
Wood-based panels	'000 m ³	309	274	345	244	216	na
Paper and paperboard	kt	805	790	769	890	1 029	1 093
Woodchips	kt	5 952	6 166	5 255	4 818	5 064	4 800
Fisheries products							
Tuna	kt	11.6	12.6	11.5	9.5	7.8	10.1
Other fish	kt	11.4	9.8	14.2	11.2	14.1	12.5
Prawns ^l							
headless	kt	0.1	0.4	0.5	0.5	0.5	0.4
whole	kt	6.0	3.9	4.0	3.8	4.8	4.8
Rock lobster							
tails	kt	1.5	1.0	0.8	0.6	0.4	0.4
whole	kt	8.3	8.1	8.4	7.0	6.4	6.4
Abalone							
fresh, chilled or frozen	kt	2.2	2.1	2.1	2.2	2.1	2.1
prepared or preserved	kt	1.7	1.4	1.2	1.4	1.4	1.6
Scallops ^m	kt	1.4	1.1	1.1	1.1	0.6	0.8

a Includes the grain equivalent of malt. **b** Includes field peas and cowpeas. **c** Includes the wheat equivalent of flour. **d** Includes soybeans, linseed, sunflower seed, safflower seed and peanuts. Excludes meals and oils. **e** Excludes cotton waste and linters. **f** ABARES forecast. **g** In shipped weight. Fresh, chilled or frozen. **h** Includes meat loaf. **i** Excludes breeding stock. **j** ABS recorded trade data adjusted for changes in stock levels held overseas by Wool International. **k** Includes ghee, dry butterfat, butter concentrate and butteroil, and dairy spreads, all expressed as butter. **l** Excludes volume of other prawn products. **m** Includes crumbed scallops. **s** ABARES estimate. **na** Not available.

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra; Department of Agriculture, Fisheries and Forestry; Department of Foreign Affairs and Trade

TABLE 17 Value of agricultural, fisheries and forestry exports (fob) Australia

	2006–07 \$m	2007–08 \$m	2008–09 \$m	2009–10 \$m	2010–11 s \$m	2011–12 f \$m
Farm						
Grains and oilseeds						
Winter crops						
barley a	833	1 496	1 321	1 093	1 295	1 447
canola	108	303	595	583	855	1 031
chickpeas	168	139	275	255	213	212
lupins	38	31	61	115	90	93
oats	20	37	64	53	37	39
peas b	80	61	62	60	85	88
wheat c	2 765	2 990	5 028	3 692	5 526	5 686
Summer crops						
cottonseed	31	8	19	46	85	305
rice	347	110	143	59	183	565
grain sorghum	13	76	405	116	146	192
other oilseeds d	22	27	27	24	14	33
Total grains and oilseeds	4 426	5 278	8 001	6 094	8 529	9 690
Industrial crops						
Raw cotton e	823	466	500	755	1 367	2 257
Sugar	1 510	1 006	1 338	1 887	1 376	1 450
Wine	2 990	2 683	2 428	2 164	1 957	1 910
Total industrial crops	5 323	4 155	4 266	4 805	4 700	5 617
Horticulture						
Fruit	627	606	692	593	463	466
Tree nuts	169	177	229	198	207	248
Vegetables	385	375	437	497	561	479
Nursery	30	28	26	20	17	18
Total horticulture	1 211	1 186	1 384	1 309	1 248	1 211
Other crops	2 131	2 451	3 349	3 023	3 096	3 202
Total crops	13 091	13 070	17 001	15 231	17 573	19 719
Meat and live animals for slaughter						
Beef and veal	4 634	4 190	4 857	3 953	4 328	4 383
Live cattle g	436	446	538	550	499	347
Lamb	748	803	925	916	1 026	1 145
Live sheep g	289	286	339	297	346	354
Mutton	458	443	482	433	404	391
Pig meat	142	128	124	109	106	117
Poultry meat	26	32	43	36	38	40
Total	6 732	6 329	7 308	6 293	6 747	6 777
Wool						
Greasy h	2 316	2 115	1 729	1 776	2 371	2 352
Semi-processed	393	362	281	238	251	238
Skins	356	319	312	291	426	439
Total h	3 065	2 796	2 322	2 306	3 048	3 028

Continued

TABLE 17 Value of agricultural, fisheries and forestry exports (fob) Australia *continued*

	2006–07	2007–08	2008–09	2009–10	2010–11 ^s	2011–12 ^f
	\$m	\$m	\$m	\$m	\$m	\$m
Dairy products						
Butter	179	195	232	211	252	215
Cheese	824	968	796	715	732	742
Casein	113	125	107	88	53	66
Skim milk powder	505	533	553	358	505	470
Whole milk powder	275	392	475	296	402	399
Other dairy products	543	551	518	419	402	377
Total	2 439	2 764	2 682	2 088	2 346	2 270
Other livestock exports	2 577	2 611	2 836	2 632	2 678	2 684
Total livestock exports	14 814	14 500	15 147	13 318	14 819	14 759
Total farm exports	27 905	27 570	32 148	28 550	32 391	34 479
Forest products						
Sawnwood	145	120	125	125	115	118
Wood-based panels	126	109	101	88	98	106
Paper and paperboard	650	635	606	649	747	769
Woodchips	950	1 072	997	856	884	840
Other	483	535	514	543	629	686
Total forest products	2 355	2 471	2 343	2 261	2 474	2 519
Fisheries products						
Tuna	162	206	177	118	131	160
Other fish	118	119	157	140	156	134
Prawns ⁱ						
headless	2	6	8	5	4	4
whole	89	56	71	53	64	64
Rock lobster						
tails	102	63	53	35	24	27
whole	357	333	405	363	341	367
Abalone						
fresh, chilled or frozen	139	124	119	133	120	113
prepared or preserved	107	93	89	83	92	117
Scallops ^j	35	28	33	30	15	22
Pearls	314	264	366	244	241	236
Other fisheries products	69	49	52	43	60	121
Total fisheries products	1 494	1 342	1 529	1 247	1 249	1 363
Total rural exports ^k	31 754	31 384	36 020	32 057	36 114	38 361

a Includes the grain equivalent of malt. **b** Field peas and cowpeas. **c** Includes the wheat equivalent of flour. **d** Includes soybeans, linseed, sunflower seed, safflower seed and peanuts. Excludes meals and oils. **e** Excludes cotton waste and linters. **f** ABARES forecast. **g** Excludes breeding stock. **h** On a balance of payments basis. ABS recorded trade data adjusted for changes in stock levels held overseas by Wool International. **i** Other prawn products included in other fisheries products. **j** Includes crumbed scallops. **k** Derived from farm, forest and fisheries products. **s** ABARES estimate.

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 18 Volume of forest products exports Australia

	unit	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
Quantity							
Roundwood	'000 m ³	864	1 171	1 045	986	1 377	1 638
Sawnwood ^a							
Coniferous roughsawn	'000 m ³	226	317	258	283	322	266
Coniferous dressed	'000 m ³	23	49	23	18	13	13
Broadleaved roughsawn	'000 m ³	31	36	40	40	37	40
Broadleaved dressed	'000 m ³	12	13	16	13	16	29
Total	'000 m ³	293	416	338	355	387	349
Railway sleepers	'000 m ³	9	11	11	9	9	8
Wood-based panels							
Veneers	'000 m ³	3	4	35	86	90	119
Plywood	'000 m ³	4	13	15	53	24	7
Particleboard	'000 m ³	14	18	6	17	9	5
Hardboard ^b	'000 m ³	7	4	0	2	1	2
Medium density fibreboard	'000 m ³	352	260	204	181	118	78
Softboard and other fibreboards	'000 m ³	11	10	14	8	2	5
Total	'000 m ³	391	309	274	345	244	216
Paper and paperboard							
Newsprint	kt	0	0	5	2	6	19
Printing and writing	kt	147	132	119	112	146	84
Household and sanitary	kt	32	32	37	38	31	39
Packaging and industrial	kt	632	640	630	617	708	887
Total	kt	811	805	790	769	890	1 029
Recovered paper	kt	907	1 060	1 286	1 216	1 444	1 322
Pulp	kt	6	16	21	22	18	31
Woodchips ^{cd}	kt	5 363	5 952	6 166	5 255	4 818	5 064

^a Excludes railway sleepers. ^b Uncoated hardboard confidential from January 2007. ^c Includes particles. ^d Bone dry tonnes.

Sources: ABARES; Engineered Wood Products Association of Australasia; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 19 Value of forest products exports (fob) Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Value						
Roundwood	82	117	105	101	138	198
Sawnwood						
Coniferous roughsawn	63	81	63	70	76	67
Coniferous dressed	15	18	11	9	7	5
Broadleaved roughsawn	31	35	38	38	33	35
Broadleaved dressed	12	11	8	8	9	8
Total	121	145	120	125	125	115
Railway sleepers	4	5	3	4	2	3
Miscellaneous forest products	69	63	56	51	59	65
Wood-based panels						
Veneers	7	6	19	36	44	52
Plywood	5	8	9	4	3	2
Particleboard	6	6	4	7	3	2
Hardboard a	5	3	0	1	1	2
Medium density fibreboard b	121	97	76	52	36	39
Softboard and other fibreboards	10	6	2	1	1	1
Total	153	126	109	101	88	98
Paper and paperboard						
Newsprint	0	0	3	2	6	13
Printing and writing	147	149	133	128	143	88
Household and sanitary	98	102	106	111	97	94
Packaging and industrial	356	400	395	364	404	552
Total	601	650	635	606	649	747
Paper manufactures	125	112	103	106	102	112
Recovered paper	140	175	252	235	228	240
Pulp	5	12	15	18	13	11
Woodchips	839	950	1 072	997	856	884
Total	2 140	2 355	2 471	2 343	2 261	2 474

a Uncoated hardboard confidential from January 2007. **b** Some categories of medium density fibreboard are confidential.

Sources: ABARES; Engineered Wood Products Association of Australasia; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 20 Volume of forest products imports Australia

	unit	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
Quantity							
Roundwood	'000 m ³	0.6	5.0	0.7	1.4	0.9	0.6
Sawnwood ^a							
Coniferous roughsawn	'000 m ³	301.4	289.2	340.2	255.6	292.6	290.1
Coniferous dressed	'000 m ³	239.3	193.9	321.2	278.8	367.3	468.2
Broadleaved roughsawn	'000 m ³	70.5	67.4	61.5	52.2	44.1	43.8
Broadleaved dressed	'000 m ³	60.4	60.1	60.9	41.7	44.1	44.2
Total	'000 m ³	671.5	610.7	783.9	628.4	748.1	846.3
Wood-based panels							
Veneers	'000 m ³	23.7	29.0	31.5	21.4	15.4	17.4
Plywood	'000 m ³	204.8	244.0	236.6	199.1	227.7	277.5
Particleboard	'000 m ³	36.8	77.5	99.6	68.7	64.2	71.6
Hardboard	'000 m ³	30.2	38.4	32.1	23.5	33.0	47.4
Medium density fibreboard	'000 m ³	51.9	26.5	68.8	88.3	69.9	59.1
Softboard and other fibreboards	'000 m ³	14.3	14.2	14.3	10.6	6.2	6.5
Total	'000 m ³	361.7	429.5	482.8	411.7	416.4	479.5
Paper and paperboard							
Newsprint	kt	324.5	262.5	227.6	197.6	190.6	221.5
Printing and writing	kt	1 140.1	1 173.5	1 235.3	1 122.1	1 167.4	1 236.7
Household and sanitary	kt	87.9	101.8	81.1	82.0	101.1	113.8
Packaging and industrial	kt	190.8	258.4	303.1	254.0	285.3	314.1
Total	kt	1 743.4	1 796.3	1 847.1	1 655.7	1 744.4	1 886.1
Recovered paper	kt	7.4	9.6	10.2	3.0	3.4	2.0
Pulp	kt	348.0	359.0	388.7	344.7	265.0	233.2
Woodchips	kt	0.9	0.8	0.7	0.7	0.7	1.2

^a Excludes railway sleepers.

Sources: ABARES; Engineered Wood Products Association of Australasia; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 21 Value of forest products imports Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Value						
Roundwood	0	1	1	1	0	1
Sawnwood						
Coniferous roughsawn	150	148	186	134	140	135
Coniferous dressed	150	143	191	168	200	248
Broadleaved roughsawn	65	67	59	51	41	41
Broadleaved dressed	53	60	56	53	48	49
Total	419	418	492	405	429	473
Miscellaneous forest products	528	567	583	651	603	682
Wood-based panels						
Veneers	25	32	33	28	22	21
Plywood	134	168	153	145	138	170
Particleboard	14	26	34	27	20	21
Hardboard	27	30	28	26	30	39
Medium density fibreboard	22	14	33	41	37	35
Softboard and other fibreboards	7	7	3	4	3	3
Total	228	276	284	271	250	289
Paper and paperboard						
Newsprint	267	224	185	173	158	176
Printing and writing	1 438	1 453	1 456	1 468	1 355	1 347
Household and sanitary	152	177	137	154	164	185
Packaging and industrial	330	416	470	481	499	515
Total	2 187	2 270	2 248	2 276	2 175	2 223
Paper manufactures ^a	426	470	513	590	563	557
Recovered paper	1	2	2	1	1	0
Pulp	225	265	285	263	178	180
Woodchips	2	1	2	2	1	2
Total	4 017	4 271	4 412	4 459	4 200	4 408

^a Includes other paper articles that have had some further processing. 0 used to denote nil or less than \$0.5 million.

Sources: ABARES; Engineered Wood Products Association of Australasia; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 22 Volume of fisheries products exports Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	kt	kt	kt	kt	kt	kt
Edible						
Fish						
Live	na	na	na	na	na	na
Fresh, chilled or frozen						
Whole						
Tuna a	11	11	12	11	9	8
Other	7	7	6	11	8	11
Fillets	2	2	1	0	1	1
Prepared and preserved	1	1	2	2	1	1
Dried, salted and smoked	0	0	0	0	0	0
Other fish products	1	1	1	1	1	1
Total fish b	23	23	22	26	21	22
Crustaceans and molluscs						
Rock lobster	12	10	9	10	8	7
Prawns	9	6	5	5	5	6
Abalone	4	4	4	3	4	3
Scallops	1	1	1	1	1	1
Oysters	0	0	0	0	0	0
Crabs	2	1	1	1	1	1
Other	1	1	1	1	1	1
Total	29	25	22	21	19	20
Total edible b	52	48	44	47	40	42

a Exports of tuna landed in Australia. **b** Excludes live tonnage. **na** Not available. 0 is used to denote nil or less than 500 tonnes.
Source: Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 23 Value of fisheries products exports (fob) Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Edible						
Fish						
Live	40	41	43	46	40	33
Fresh, chilled or frozen						
Whole						
Tuna a	177	160	202	175	117	130
Other	31	34	37	71	57	82
Fillets	15	13	6	5	10	10
Prepared and preserved	7	6	13	10	6	5
Dried, salted and smoked	14	15	17	17	13	19
Other fish products	12	10	8	9	15	8
Total fish b	295	280	325	334	258	287
Crustaceans and molluscs						
Rock lobster	489	463	401	462	400	368
Prawns	134	94	69	82	61	77
Abalone	246	246	217	208	216	212
Scallops	39	35	28	33	30	15
Oysters	2	2	2	3	3	4
Crabs	18	17	16	16	14	13
Other	15	19	8	6	5	12
Total	943	878	741	811	729	704
Total edible b	1 237	1 158	1 065	1 145	988	991
Non-edible						
Marine fats and oils	4	12	5	5	5	5
Fish meal	9	5	1	1	2	2
Pearls c	290	314	264	366	244	241
Ornamental fish	1	2	2	3	3	2
Other non-edible	6	5	4	8	5	7
Total non-edible	310	336	276	384	259	258
Total fisheries products b	1 547	1 494	1 342	1 529	1 247	1 249

a Exports of tuna landed in Australia. **b** Includes live value. **c** Includes items temporarily exported and re-imported.

Source: Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 24 Volume of fisheries products imports Australia

	2005–06 kt	2006–07 kt	2007–08 kt	2008–09 kt	2009–10 kt	2010–11 kt
Edible						
Fish						
Live fish	na	na	na	na	na	na
Fresh, chilled or frozen						
Fresh or chilled whole	6	6	7	7	8	8
Frozen whole	7	6	6	6	6	6
Fresh or chilled fillets	1	1	1	1	1	1
Frozen fillets	41	42	43	41	43	45
Other	5	4	5	3	4	2
Canned fish	53	52	54	54	54	60
Smoked, dried or salted fish	3	4	4	4	4	4
Other fish preparations	14	17	18	18	21	21
Total a	129	134	137	134	140	147
Crustaceans and molluscs						
Fresh, chilled or frozen b						
Prawns	23	26	19	13	18	16
Lobster	1	1	1	0	1	1
Scallops	2	3	2	2	3	3
Oysters	1	1	1	1	1	1
Mussels	2	2	2	3	2	3
Other	17	17	17	19	18	18
Prepared and preserved	13	15	19	21	24	24
Extracts and pastes	0	0	0	0	0	0
Other	322	420	197	212	297	286
Total	59	65	61	60	67	65
Total edible a	188	199	198	193	208	212

a Excludes live tonnage. **b** Includes dried and salted. **na** Not available. 0 is used to denote nil or less than 500 tonnes.

Source: Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 25 Value of fisheries products imports Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Edible						
Fish						
Live fish	0	0	0	0	0	0
Fresh, chilled or frozen						
Fresh or chilled whole	36	46	52	55	60	63
Frozen whole	19	18	22	22	22	22
Fresh or chilled fillets	5	7	7	7	9	9
Frozen fillets	197	228	228	239	232	230
Other	16	17	15	13	19	13
Prepared and preserved fish	229	244	257	331	257	287
Smoked, dried or salted fish	36	53	45	50	46	43
Other fish preparations	64	88	87	107	106	102
Total a	602	701	715	825	751	769
Crustaceans and molluscs						
Fresh, chilled or frozen b						
Prawns	201	246	167	135	159	149
Lobster	10	13	14	9	11	14
Scallops	31	30	28	30	34	34
Oysters	6	7	7	9	9	6
Mussels	9	9	9	12	9	10
Other	80	74	63	75	82	98
Prepared and preserved	88	101	128	185	188	190
Extracts and pastes	0	0	0	0	0	0
Other	2	2	1	3	2	2
Total	426	483	417	458	494	504
Total edible a	1 028	1 184	1 132	1 283	1 246	1 273
Non-edible						
Pearls c	159	182	166	321	171	167
Fish meal	22	40	41	42	52	47
Ornamental fish	5	5	5	6	5	4
Marine fats and oils	17	24	27	34	27	31
Other marine products	34	32	26	25	15	10
Total non-edible	237	283	266	427	269	258
Total fisheries products a	1 266	1 467	1 398	1 710	1 515	1 531

a Includes live value. **b** Includes dried and salted **c** Mostly re-imports. 0 is used to denote nil or less than \$0.5 million.

Source: Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 26 Agricultural exports to Japan (fob) Australia

	2005–06 \$m	2006–07 \$m	2007–08 \$m	2008–09 \$m	2009–10 \$m	2010–11 s \$m
Grains and oilseeds						
Winter crops						
barley a	195	218	234	335	284	239
canola	140	86	70	65	109	41
chickpeas	0	0	0	0	0	0
lupins	12	7	4	9	9	5
oats	3	2	2	3	2	2
peas b	0	0	0	0	0	0
wheat c	1	1	13	92	299	408
Summer crops						
cottonseed	41	25	8	16	31	24
rice	0	0	0	0	0	0
sorghum	14	1	25	319	70	105
other oilseeds d	2	1	6	4	1	1
Total grains and oilseeds	408	342	362	843	805	826
Industrial crops						
Raw cotton e	57	59	47	39	31	48
Sugar s	179	238	129	192	190	200
Wine	44	49	49	54	43	44
Total	280	346	225	285	264	291
Horticulture						
Fruit and nuts	110	101	93	85	77	85
Vegetables	27	21	19	27	20	24
Other crops	379	351	329	392	352	368
Total crops	1 205	1 161	1 029	1 632	1 519	1 595
Meat and live animals for slaughter						
Beef and veal	2 195	2 138	1 856	2 101	1 698	1 689
Live cattle g	19	18	18	15	15	16
Lamb	93	64	54	70	56	61
Live sheep g	0	0	0	0	0	0
Mutton	33	32	28	39	25	26
Pig meat	12	9	5	6	2	2
Poultry meat	0	0	0	0	0	0
Total	2 352	2 262	1 962	2 231	1 796	1 794
Wool						
Greasy h	6	6	0	2	4	9
Semi-processed	25	33	17	12	12	23
Skins	3	3	5	3	1	1
Total h	34	42	22	17	17	33
Dairy products						
Butter	5	8	17	11	2	6
Cheese	298	338	427	399	358	356
Casein	30	32	38	44	26	22
Skim milk powder	13	11	10	22	3	2
Whole milk powder	1	1	0	0	0	0
Other dairy products	51	63	53	46	44	37
Total dairy product exports	398	453	545	521	433	423
Other livestock exports	549	504	447	472	352	378
Total livestock exports	3 332	3 261	2 976	3 240	2 598	2 629
Total agricultural exports	4 537	4 422	4 004	4 872	4 117	4 223

a Includes the grain equivalent of malt. b Field peas and cowpeas. c Includes the wheat equivalent of flour. d Includes soybeans, linseed, sunflowerseed, safflowerseed and peanuts. Excludes meals and oils. e Excludes cotton waste and linters. g Excludes breeding stock. h On a balance of payments basis. ABS recorded trade data adjusted for changes in stock levels held overseas by Wool International. s ABARES estimate. 0 is used to denote nil or less than \$0.5 million.

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 27 Agricultural exports to the United States (fob) Australia

	2005–06 \$m	2006–07 \$m	2007–08 \$m	2008–09 \$m	2009–10 \$m	2010–11 ^s \$m
Grains and oilseeds						
Winter crops						
barley ^a	1	1	0	0	0	0
canola	0	0	0	0	0	0
chickpeas	0	0	1	2	1	2
lupins	0	0	0	0	0	0
oats	0	0	0	1	0	0
peas ^b	0	1	0	0	1	0
wheat ^c	0	0	0	0	0	0
Summer crops						
cottonseed	0	0	0	0	10	0
rice	0	0	0	0	0	0
sorghum	0	0	0	0	0	0
other oilseeds ^d	1	0	0	0	0	0
Total grains and oilseeds	2	2	2	3	12	2
Industrial crops						
Raw cotton ^e	0	0	0	0	0	0
Sugar ^s	96	97	47	78	68	101
Wine	865	857	734	762	627	524
Total	961	955	782	841	695	625
Horticulture						
Fruit and nuts	93	77	72	64	78	37
Vegetables	0	0	0	0	0	1
Other crops	115	128	149	242	228	228
Total crops	1 171	1 163	1 004	1 149	1 013	893
Meat and live animals for slaughter						
Beef and veal	1 161	1 239	949	1 231	813	709
Live cattle ^g	0	0	0	0	0	0
Lamb	314	309	307	357	296	333
Live sheep ^g	0	0	0	0	0	0
Mutton	45	47	44	36	33	41
Pig meat	0	0	0	0	0	0
Poultry meat	0	0	0	0	0	0
Total	1 520	1 595	1 300	1 623	1 142	1 082
Wool						
Greasy ^h	17	16	9	7	9	11
Semi-processed	2	1	2	1	3	3
Skins	2	1	0	0	0	0
Total ^h	21	19	11	8	12	14
Dairy products						
Butter	25	13	10	19	10	3
Cheese	54	53	37	60	20	12
Casein	27	32	42	29	23	13
Skim milk powder	4	5	7	0	0	0
Whole milk powder	15	13	9	8	9	4
Other dairy products	14	7	10	10	13	17
Total dairy product exports	139	123	115	126	74	50
Other livestock exports	126	129	133	136	129	139
Total livestock exports	1 806	1 866	1 559	1 893	1 358	1 286
Total agricultural exports	2 978	3 029	2 563	3 043	2 371	2 179

^a Includes the grain equivalent of malt. ^b Field peas and cowpeas. ^c Includes the wheat equivalent of flour. ^d Includes soybeans, linseed, sunflowerseed, safflowerseed and peanuts. Excludes meals and oils. ^e Excludes cotton waste and linters. ^g Excludes breeding stock. ^h On a balance of payments basis. ABS recorded trade data adjusted for changes in stock levels held overseas by Wool International. ^s ABARES estimate. 0 is used to denote nil or less than \$0.5 million.

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 28 Agricultural exports to China (fob) Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11 s
	\$m	\$m	\$m	\$m	\$m	\$m
Grains and oilseeds						
Winter crops						
barley a	276	220	295	235	280	242
canola	0	1	0	21	0	0
chickpeas	0	0	0	0	0	0
lupins	0	0	0	0	0	0
oats	0	0	0	0	0	0
peas b	0	0	0	0	0	0
wheat c	21	23	1	42	189	144
Summer crops						
cottonseed	0	0	0	0	0	44
rice	0	0	0	0	0	0
sorghum	0	0	0	0	14	56
other oilseeds d	1	1	1	2	1	1
Total grains and oilseeds	299	245	296	300	485	487
Industrial crops						
Raw cotton e	505	281	164	165	274	551
Sugar s	69	28	15	3	4	33
Wine	21	49	62	94	140	181
Total	595	358	241	262	418	765
Horticulture						
Fruit and nuts	13	16	17	16	11	9
Vegetables	0	0	0	0	0	0
Other crops	16	31	38	28	46	45
Total crops	923	651	592	606	960	1 306
Meat and live animals for slaughter						
Beef and veal	13	12	17	23	28	52
Live cattle g	8	8	0	16	43	19
Lamb	22	22	43	42	37	76
Live sheep g	2	0	0	0	0	0
Mutton	3	3	9	15	21	26
Pig meat	0	0	0	0	0	0
Poultry meat	0	0	0	0	0	0
Total	48	46	70	97	128	173
Wool						
Greasy h	1 258	1 689	1 455	1 328	1 460	1 864
Semi-processed	46	49	28	55	62	21
Skins	181	293	265	271	257	351
Total h	1 485	2 031	1 748	1 654	1 779	2 235
Dairy products						
Butter	1	3	4	3	5	4
Cheese	10	12	18	14	23	30
Casein	1	3	4	5	7	1
Skim milk powder	14	23	34	39	22	37
Whole milk powder	7	2	21	48	38	52
Other dairy products	27	37	58	54	45	35
Total dairy product exports	59	81	139	164	139	159
Other livestock exports	297	238	357	413	493	548
Total livestock exports	1 890	2 396	2 315	2 327	2 540	3 115
Total agricultural exports	2 813	3 046	2 907	2 933	3 500	4 422

a Includes the grain equivalent of malt. b Field peas and cowpeas. c Includes the wheat equivalent of flour. d Includes soybeans, linseed, sunflowerseed, safflowerseed and peanuts. Excludes meals and oils. e Excludes cotton waste and linters. g Excludes breeding stock. h On a balance of payments basis. ABS recorded trade data adjusted for changes in stock levels held overseas by Wool International. s ABARES estimate. 0 is used to denote nil or less than \$0.5 million.

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 29 Value of Australian forest products trade, by selected countries

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Exports						
China	252	270	360	390	394	544
Chinese Taipei	84	83	88	77	88	79
Hong Kong	92	72	54	51	68	42
Japan	802	888	965	860	774	745
Malaysia	47	48	57	78	82	106
New Zealand	369	365	375	324	319	314
Korea, Rep. of	75	116	91	103	48	40
Imports						
China	409	509	547	611	624	676
Finland	238	248	272	274	171	143
Germany	200	190	178	167	178	182
Indonesia	332	404	336	374	351	331
Malaysia	181	199	209	215	217	228
New Zealand	752	741	790	744	703	715
United States	281	276	289	320	313	285

Source: Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 30 Value of Australian fisheries products trade, by selected countries Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Exports						
Edible (excluding live)						
China	102	59	26	30	43	143
Chinese Taipei	55	50	45	54	33	30
Hong Kong, China	396	447	426	525	491	394
Japan	371	306	328	302	215	226
Malaysia	6	5	8	13	9	13
New Zealand	12	10	13	9	17	10
Singapore	36	41	40	44	38	41
Thailand	8	8	8	7	9	16
United States	113	115	72	64	49	35
Non-edible						
Hong Kong, China	150	156	128	201	138	145
Japan	63	69	53	64	50	43
New Zealand	10	9	2	2	3	3
United States	28	34	24	22	15	8
Imports^a						
Edible (excluding live)						
Canada	25	22	16	13	13	15
China	101	156	133	152	173	186
Chinese Taipei	24	27	32	33	37	39
Denmark	19	26	19	24	24	19
Indonesia	26	28	23	31	39	28
Japan	14	9	15	17	16	14
Malaysia	26	39	55	65	63	71
New Zealand	160	192	199	209	213	211
Norway	16	20	21	20	27	25
South Africa	29	33	24	23	30	28
Thailand	270	279	295	368	322	340
United States	27	40	29	50	37	40
Vietnam	133	155	142	167	153	162

^a Country details for non-edible imports are not available.

Source: Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 31 Food exports by level of transformation Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Minimally transformed						
Live animals except fish	668	752	761	924	924	873
Fish or shellfish	657	632	647	747	650	667
Horticulture						
Vegetables	149	147	137	152	150	166
Fruit and nuts	482	451	433	563	472	368
Total	631	598	571	716	622	534
Grains a	4 305	3 329	4 221	6 383	4 632	6 756
Oilseeds	412	167	346	644	657	962
Food nec	49	54	41	49	43	50
Substantially and elaborately transformed						
Meat						
Meat processing	6 673	7 048	6 506	7 411	6 313	6 887
Poultry processing	21	26	32	43	36	38
Bacon, ham and smallgoods	91	43	33	47	54	57
Total	6 785	7 117	6 571	7 501	6 403	6 983
Seafood	606	548	440	417	357	349
Dairy						
Milk and cream processing	1 210	1 089	1 258	1 354	880	1 107
Ice cream	41	42	37	31	31	33
Cheese	837	824	968	796	715	732
Other dairy products	481	482	499	497	440	451
Total	2 569	2 438	2 763	2 679	2 066	2 323
Fruit and vegetables	555	574	568	575	523	572
Oil and fat	150	169	239	303	289	293
Flour mill and cereal food						
Flour mill products	230	269	315	419	365	344
Cereal food and baking mix	248	372	287	390	445	614
Total	478	642	602	809	811	958
Bakery products						
Bread, cake and pastry	26	27	26	25	26	22
Biscuit	107	111	118	127	135	134
Total	132	137	144	152	161	155
Other food						
Sugar a	1 503	1 551	1 035	1 374	1 924	1 420
Confectionery	208	215	237	269	260	252
Food nec	1 099	1 142	1 094	1 422	1 424	1 360
Total	2 809	2 907	2 366	3 065	3 607	3 031
Beverage and malt						
Soft drink, cordial and syrup	42	39	38	45	55	61
Beer and malt	218	273	335	447	406	318
Wine	2 768	2 894	2 700	2 493	2 188	2 009
Spirit	91	89	86	105	101	97
Total	3 120	3 294	3 159	3 091	2 750	2 485
Total food and beverage						
Minimally transformed	6 722	5 532	6 586	9 463	7 528	9 843
Substantially transformed	16 919	17 530	16 528	18 243	16 606	16 804
Elaborately transformed	286	297	324	350	362	346
Total	23 927	23 359	23 439	28 056	24 495	26 992

a Includes ABARES estimates where ABS confidentiality restrictions apply. nec Not elsewhere classified.
Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 32 Food imports by level of transformation Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Minimally transformed						
Live animals except fish	1	1	1	2	1	2
Fish or shellfish	47	57	65	67	72	73
Horticulture						
Vegetables	41	45	53	49	58	76
Fruit and nuts	191	194	216	225	262	245
Total	233	238	269	274	320	322
Grains	1	2	2	2	3	4
Oilseeds	20	78	49	49	36	36
Food nec	140	176	188	180	229	306
Substantially and elaborately transformed						
Meat						
Meat processing	290	446	381	525	497	478
Poultry processing	0	0	0	0	0	0
Bacon, ham and smallgoods	43	42	50	68	82	90
Total	333	489	431	593	579	567
Seafood	998	1 151	1 095	1 249	1 201	1 231
Dairy						
Milk and cream processing	45	40	67	69	66	72
Ice cream	30	40	37	39	40	44
Cheese	292	302	377	365	360	398
Other dairy products	66	98	176	157	150	180
Total	432	480	656	631	615	694
Fruit and vegetables	1 043	1 233	1 390	1 559	1 367	1 486
Oil and fat	417	481	489	578	485	517
Flour mill and cereal food						
Flour mill products	57	34	66	83	66	48
Cereal food and baking mix	305	325	462	576	577	523
Total	362	358	527	659	643	572
Bakery products						
Bread, cake and pastry	138	163	175	197	191	222
Biscuit	199	254	267	297	305	338
Total	337	417	442	493	496	560
Other food						
Sugar	19	20	22	44	71	125
Confectionery	333	371	438	518	525	547
Food nec	1 075	1 186	1 270	1 492	1 450	1 525
Total	1 427	1 577	1 731	2 054	2 046	2 196
Beverage and malt						
Soft drink, cordial and syrup	571	656	697	791	798	818
Beer and malt	112	126	161	226	212	196
Wine	248	334	454	502	477	490
Spirit	414	465	491	530	538	544
Total	1 345	1 582	1 802	2 050	2 026	2 048
Total food and beverage						
Minimally transformed	441	551	574	574	661	742
Substantially transformed	6 435	7 430	8 167	9 437	9 024	9 425
Elaborately transformed	259	338	396	429	434	445
Total	7 135	8 319	9 138	10 441	10 119	10 613

0 is used to denote nil or less than \$0.5 million. **nec** Not elsewhere classified.

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 33 Total food exports, by selected destination Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Canada	425	423	402	380	335	332
China	786	664	917	1 178	1 426	1 369
Chinese Taipei	704	595	574	671	613	629
Egypt	471	151	174	315	266	400
Germany	172	123	162	153	109	262
Hong Kong, China	789	827	857	1 082	997	888
Indonesia	1 442	1 566	1 702	2 652	2 129	2 304
Japan	4 916	4 752	4 553	5 517	4 278	4 122
Korea, Rep. of	1 634	1 850	1 655	1 873	1 925	1 939
Malaysia	750	801	799	1 231	853	865
New Zealand	1 092	1 203	1 303	1 406	1 323	1 260
Philippines	285	240	308	563	318	501
Saudi Arabia	777	568	1 144	1 020	566	363
Singapore	622	650	712	792	722	739
Thailand	385	305	393	626	424	538
United Arab Emirates	419	284	445	567	528	571
United Kingdom	1 175	1 209	1 136	1 005	784	685
United States	3 006	3 058	2 552	3 054	2 379	2 174
Other	4 078	4 092	3 652	3 971	4 522	7 051
Total	23 927	23 359	23 439	28 056	24 495	26 992

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

TABLE 34 Total food imports, by selected source country Australia

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
	\$m	\$m	\$m	\$m	\$m	\$m
Brazil	78	120	129	150	110	148
Canada	176	254	222	271	237	223
China ^a	416	552	634	776	733	775
France	194	224	279	290	281	299
India	122	144	160	179	168	172
Indonesia	117	140	163	207	198	198
Ireland	468	510	536	559	586	252
Italy	364	427	438	498	467	439
Malaysia	250	279	361	468	402	466
Netherlands	137	169	184	227	201	201
New Zealand	1 359	1 472	1 734	1 746	1 877	1 981
Papua New Guinea	34	38	36	45	44	57
Singapore	164	127	160	207	196	541
Spain	144	194	174	154	187	173
Thailand	450	483	554	713	698	770
United Kingdom	272	298	299	318	334	328
United States	631	721	810	1 006	902	978
Vietnam	245	279	251	299	282	305
Other	1 512	1 891	2 013	2 329	2 216	2 308
Total	7 135	8 319	9 138	10 441	10 119	10 613

^a Excludes imports from Hong Kong.

Sources: ABARES; Australian Bureau of Statistics, *International Trade, Australia*, cat. no. 5465.0, Canberra

Report extracts

ABARES reports released since *Agricultural commodities* (vol 1 no 1 September quarter 2011)

Following is a selection of ABARES reports released since publication of the first issue of *Agricultural commodities* in September 2011. A brief description of the nature of each report is provided. While not comprehensive, the selection provides an overview of the range of interests ABARES covers.

All reports can be downloaded from www.daff.gov.au/abares/publications.

For more information contact info.abares@daff.gov.au.

Research reports

Australian vegetable growing farms: an economic survey, 2009–10

Research Report 11.8

Author: Therese Thompson

Publication date: 10 November 2011

This report contains results from the most recent survey of Australian vegetable growers conducted by ABARES between February and August 2011 on behalf of Horticulture Australia Limited. This is the fifth survey of Australian vegetable growers ABARES has conducted. Comprehensive data on the physical, financial and socioeconomic characteristics of vegetable growing farms in 2009–10 and some provisional projection data for 2010–11 were collected as part of this survey.



Status of Australia's plant genetic resources

Research Report 11.9

Authors: Paul Hattersley, José ten Have & Peter Stoutjesdijk

Publication date: 8 December 2011

This report reviews the status of Australia's plant genetic resources, including their conservation and management status. It explains the importance of plant genetic resources to Australian agriculture. It also describes the major seed banks and their current status, and provides an account of recent activities aimed at consolidating the collections.



Science and Economic Insights

Landscapes in transition: tracking land use in Australia

Science and Economic Insights, Issue 2.2 2011

Authors: Rob Lesslie, Jodie Mewett & James Walcott

Publication date: 16 November 2011

This report reviews some of the challenges researchers and policymakers face in tracking land use change in Australia, with a particular focus on agriculture and natural resources management. It identifies concepts relevant to tracking change and how land use change can be characterised, and illustrates how these concepts can be applied by using some examples of land use change, mainly in cropping and forestry.

It concludes by outlining information needs for accurately tracking land use change and identifies priorities for reporting national land use change.



Other reports



Fishery status reports 2010

Author: ABARES

Publication date: 28 October 2011

The sixteenth edition of the *Fishery status reports* provides an independent evaluation of the biological status of fish stocks and the economic status of fisheries, managed or jointly managed by the Australian Government.

The reports assess the biological status of the target and key byproduct species in each Commonwealth fishery, with respect to their biomass and fishing mortality. The economic performance of each fishery is also examined in terms of maximising net economic returns to the Australian community.



Field measurement of fractional ground cover: a technical handbook supporting ground cover monitoring for Australia

Authors: J Muir, M Schmidt, D Tindall, R Trevithick, P Scarth & JB Stewart

Publication date: 2 November 2011

The handbook provides a national standard for field measurement of fractional ground cover. Fractional ground cover classifies ground cover into photosynthetic (green) vegetation, non-photosynthetic (brown) vegetation, and bare soil. The handbook supports establishment of a national network of sites to improve medium-scale remotely sensed ground cover data.

The field measurement methods were modified from the Queensland Department of Environment and Resource Management's state-wide land and trees survey methods and were trialled and endorsed by all states and territories at an Australian Collaborative Land Use and Management Program (ACLUMP) meeting in April 2011.



Australian forest and wood product statistics: March–June quarters 2011

Author: ABARES

Publication date: 8 November 2011

This biannual report provides quarterly and annual data on consumption, production, import and export of wood and paper products.

This issue incorporates a number of updated datasets and minor revisions to previously published data. These include updated data on production and consumption of wood-based panels for 2010–11 and updated Australian Bureau of Statistics trade data, including those for the March and June 2011 quarters.

Detailed statistical tables can, as of this issue, only be viewed in Excel workbooks linked in an appendix and available on the ABARES website.

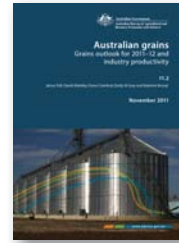
Australian grains: Grains outlook 2011–12 and industry productivity

Authors: James Fell, David Mobsby, Fiona Crawford, Emily M Gray & Katarina Nossal

Publication date: 15 November 2011

The Grains Research and Development Corporation commissions ABARES every six months to produce a short summary on the grains industry outlook, which is made available to growers.

This report provides a summary of the September edition of the *Australian crop report* and the grains section of the *Agricultural commodities* September edition. The report also includes an update on productivity in the Australian grains industry.



The National Dynamic Land Cover Dataset

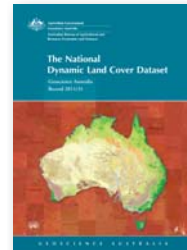
Authors: Geoscience Australia and ABARES

Publication date: 16 November 2011

The National Dynamic Land Cover Dataset for Australia has been derived using remote sensing technology that can detect change in natural biophysical features (such as forests and grasslands) and anthropogenic features (such as agriculture).

The dataset has the potential to support a wide range of DAFF portfolio policies and programs, including natural resource management, climate change and variability and risk management. It also addresses the need for a single, nationally consistent and complete land cover dataset for Australia. This technical report adds to ABARES capability to report on land use and land management in Australia.

The dataset was developed by Geoscience Australia in partnership with ABARES and with the support of DAFF's Sustainable Resource Management Division.



Australian Crop Report, no. 160 December 2011

Author: ABARES

Publication date: 6 December 2011

This report, released four times a year, provides a consistent and regular assessment of crop prospects for major field crops, and contains estimates of area, yield and production, and a summary of seasonal conditions on a state-by-state basis.



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