

MEDIA RELEASE:

Complacency the key enemy of future agricultural export success

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Australia's Independent Farm
Policy Research Institute

Media Release

Complacency the key enemy of future agricultural export success

The opportunities to expand the Australian agricultural sector through increased exports are enormous, but the biggest stumbling block is complacency, according to the Executive Director of the Australian Farm Institute, Mick Keogh.

“The growth in demand for food and fibre amongst the growing middle class of Asia is spectacular, and unlike the minerals boom, the demand will persist indefinitely into the future. This presents great opportunities for agricultural exporting nations such as Australia, with more than 60% of Australia’s annual agricultural production exported, and more than half of those exports already to Asian nations.”

“However, the greatest risk faced by the agriculture sector is complacency on the part of both farmers and policy-makers. Australian agriculture does not have a monopoly in Asia, and in fact over the past five years has lost considerable market share to other agricultural exporting nations, including the USA, Canada, Brazil, Argentina and Asian exporting nations such as Thailand.” Mr. Keogh said.

“For example, despite growing in total value, Australia’s share of ASEAN agricultural imports has fallen from almost 25% in the late 1990s to around 12% by 2013.”

“There are a range of different reasons Australia has lost market share in these regions. Irrespective of the reasons, the statistics highlight that Australian farmers and policy-makers have no room to be complacent about future export success.”

“For policy-makers, it is essential to realise that securing a free trade agreement is just the first step, and is no guarantee of future export success. Improved trade access for Australian agricultural products requires constant effort, as technical barriers to trade – such as complex testing or paperwork requirements – can be just as much a barrier as tariffs and quotas.”

“For Australian farmers, it is essential to realise that Australia is a relatively high-cost nation, and many competing overseas agricultural producers enjoy much lower costs. In addition, sea freight costs from south and north America to Asia are often only marginally higher than freight costs between Australia and Asia, meaning Australia does not have a major geographical advantage in Asian markets.”

“This means that it is absolutely essential the every effort is made to revitalise productivity growth in the Australian agriculture sector, and to ensure that Australian products meet the highest standards of quality and safety.”

How Australian agriculture can best respond to the opportunities being presented by Asia and avoid falling victim to complacency will be discussed by leading agricultural exporters and policy-makers at a two day conference to be held in Canberra on June 10 and 11 by the Australian Farm Institute.

The conference will feature presentations from some of Australia’s leading agricultural exporters and senior trade officials, providing an unparalleled opportunity for attendees to hear first-hand about the opportunities and challenges associated with achieving success in agricultural export markets.

Ends.

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