

# VICTORIAN GRAINS INDUSTRY FAST FACTS

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AGRICULTURE VICTORIA

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**5,888** ▲ 0.7%  
Grain farm businesses  
(2019–20)

**9,600** ▲ 1.1%  
Jobs in grains industry  
(2020–21)

**\$3.0B** ▲ 54%  
Value of grain production  
(2019–20)

**\$1.1B** ▲ 72%  
Grain exports  
(2019–20)

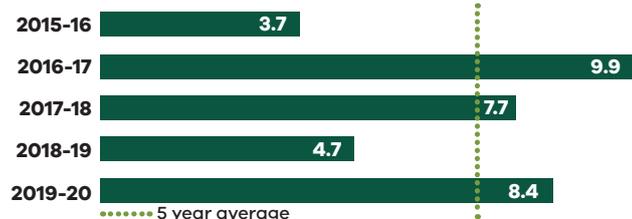
## Grain growing

- Victoria's grain growing areas are mainly located in western and northern Victoria, predominantly in the Mallee, Wimmera and North Central regions, and some parts of southern Victoria high rainfall zone. Victoria's grain farming operated on 3.6 million hectares.
- In 2019–20, approximately 5,890 farms in Victoria produced grains, representing 20 per cent of Australia's grains farm businesses.

## How much is produced?

- Grains industry consists of three types of broadacre crops: cereals (mainly wheat and barley), oilseeds and pulses. In 2019–20, Victoria produced 8.4 million tonnes of grains, comprising cereals (85%), oilseeds (9%) and pulses (6%).
- There can be significant variation from year to year due mostly to climate volatility: 2018–19 grains production (4.7 million tonnes) was significantly lower than the previous two years as well as 2019–20.
- Victoria's grains production accounts for 27 per cent of the Australia's grains production.
- Major grains commodities produced include wheat (3.7 million tonnes), barley (3.1 million tonnes), canola (731,000 tonnes) and pulses (550,000 tonnes).

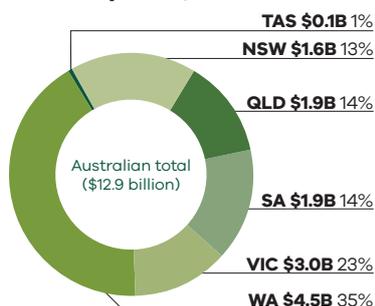
## Victoria's grain production (million tonnes)



## What is the value of farm-gate production?

- The gross value of Victoria's grain production was \$2.98 billion in 2019–20, up 54 per cent year-on-year. Grain production contributed 17 per cent to Victoria's total farm production value of \$17.8 billion.
- Gross value of Victoria's major grains commodities included \$1,266 million from wheat, \$850 million from barley and \$437 million from canola.
- Victoria contributed 23 per cent to the national gross value of grain production (\$12.9 billion).
- By value, Victoria is Australia's second largest grains producer behind WA (\$4.47 billion).

## Gross value of grains by state, 2019–20



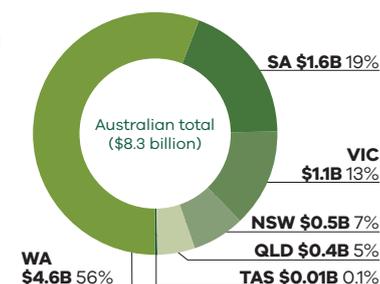
## Sector employment

- It is estimated that approximately 9,600 persons work on farms that produce grains in the year to May 2021.

## Grains exports performance

- In 2019–20, Victoria's total grains exports were valued at \$1.1 billion, up 72 per cent year-on-year. Poor seasonal conditions in eastern Australia reduced coarse grain production in 2018–19 to its lowest level since 2015–16. Victoria's grains exports represent 10 per cent of Victoria's total food exports (\$11.4 billion).
- Cereals exports were valued at \$350 million representing 31% of Victoria's grain exports, pulses exports were valued at \$370 million (33%), whereas oilseeds were valued at \$240 million (22%). Of the cereals, wheat exports were valued at \$250 million.
- Victoria is the third largest grains exporter by value, accounting for 13 per cent of Australia's total grains exports valued at \$8.3 billion.
- Despite the barley tariff, China (\$284 million) was Victoria's largest grains market, driven by canola and wheat exports.
- Other top destinations include Bangladesh (\$91 million), Vietnam (\$75 million), Egypt (\$71 million) and Sri Lanka (\$63 million).

## Australia's grain exports by state, 2019–20



## Price

- As of 25 June 2021: Wheat (ASW1) price was \$327/tonne (a 7% fall compared to similar period last year); Canola price (\$744/tonne) was 18 per cent up compared to June 2020, while feed barley price (\$277/tonne) was 9 per cent up compared to June 2020.

## Farm financial performance

- Victoria's cropping specialists (wheat and other crops) farms are projected to record a large increase in average farm incomes in 2019–20 because of a substantial increase in receipts from cropping as a result of increased production.
- The average farm cash income for cropping farms is projected to increase almost double increasing from \$189,740 in 2018–19 to \$356,800 in 2019–20.

## Outlook

- ABARES forecasts Australian canola production will increase by 59 per cent in 2020–21 to 3.7 million tonnes – 12 per cent above the 10-year average to 2019–20. This rebound reflects improved seasonal conditions. Australian wheat production is forecast to more than double in 2020–21 to around 31 million tonnes.
- Australian wheat exports are forecast to reach around 21 million tonnes in 2020–21, more than double 2019–20 exports.
- Rising east coast barley production and declining domestic demand are expected to result in a significant east coast grain surplus available for export.