


VICTORIAN AGRICULTURE INDUSTRY OVERVIEW

AGRICULTURE VICTORIA

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21,900 
3.2%
Farm businesses
(2018-19)

77,177 
8%
Jobs in agriculture
(year to Feb 2021)

\$15.9B 
6.5%
Value of agricultural
production (2018-19)

\$14.5B 
2.1%
Total food and fibre
exports (2019-20)

\$7.0B 
-3.7%
Agriculture's
contribution to
Victoria's economy
(2019-20)

Victoria is a leading agricultural producer ...

#1 milk producer

(5.6 billion litres, or 64% of national production)

#1 in sheep meat production

Victoria contributes 46% of national production

#1 wool producer

contributing 29% of Australia's wool production

#1 in fruit and nuts production

contributing 38% of national production

#1 in table and dried grape production

accounting for 71% of national production

... and a food and fibre exports leader in Australia

#1 in dairy exports

(\$2.1 billion, or 77% of Australia's dairy exports)

#1 in sheep meat exports

Victoria contributes 42% of national exports

#1 in wool exports

contributing 53% of national exports

#1 in horticulture exports

contributing 50% of national exports

#1 in poultry meat exports

contributing 31% of national exports

#1 in food and fibre exports

contributing 28% of national exports



Overview of Victorian farms

- There were 21,900 farm businesses in Victoria in 2018-19, accounting for 24 per cent of all farm businesses in Australia.
- Majority of Victoria's farm businesses produce beef (9,600 farms), followed by sheep meat/wool (8,200), grains (5,900), dairy (3,700) and horticulture for human consumption (2,800). Some farms produce multiple commodities.
- The area of land in Victoria used for agricultural production was 11.5 million hectares in 2018-19, or 50 per cent of the state's total land. Of the total agricultural land, 40 per cent was used for cropping and 54 per cent for grazing.



How much is produced?

- **Dairy:** Victoria is Australia's largest dairying state, producing nearly two-thirds (5.6 billion litres of milk) of Australia's milk in 2019-20.
- **Beef:** In 2019-20, Victoria produced 495,000 tonnes of beef and veal, processed from 1.8 million adult cattle and 0.3 million calves. Victoria produced 21 per cent of the 2.4 million tonnes of beef and veal produced in Australia, behind Queensland and NSW.
- **Sheep meat:** In 2019-20, Victoria produced 315,000 tonnes of sheep meat, processed from 3.1 million adult sheep and 10.4 million lambs. Victoria is the largest sheep meat producing state, contributing 46 per cent to the national production of 684,000 tonnes.
- **Grains:** Victoria produced 4.7 million tonnes grains in 2018-19, comprising cereals (83%), oilseeds (11%) and pulses (6%). Victoria contributed 14 per cent to the national grain production of 33.4 million tonnes. Major commodities produced included wheat (2.3 million tonnes), barley (1.3 million tonnes), canola (511,000 tonnes), and pulses (287,000 tonnes).

- **Horticulture:** In 2018-19, Victoria produced around 1.5 million tonnes of horticultural produce including 520,000 tonnes of fruit and nuts, 100,000 tonnes of table and dried grapes, 200,000 tonnes of wine grapes and 700,000 tonnes of vegetables. Victoria is the second largest horticulture producer after South Australia (SA), accounting for 25 per cent of Australia's 6 million tonnes of horticulture produce. Victoria is Australia's largest fruit and nuts producer (38% of the national production), number one producer of table and dried grapes (71%), the second largest vegetables producer after SA (22%), and the third largest producer (after SA and NSW) of wine grapes (14%).



Jobs in the agri-food sector

- In the year to February 2021, there were around 190,200 people employed in Victoria's food and fibre production and manufacturing sectors - 84,500 in primary production and 105,700 in processing.
- Of all states, Victoria had the third largest number of people employed in food and fibre production, employing 77,200 people, or 25 per cent of food and fibre production employment in Australia. Of the 84,500 jobs: 77,200 (91 per cent) were in agriculture, 1,100 in forestry, 250 in fishing, and 5,900 in agriculture, forestry and fishing support services.
- The largest number of persons are employed in beef cattle (20,000), followed by horticulture for human consumption (14,100), sheep (13,800), grains (10,000) and dairy cattle (9,990).
- Around 65,000 (or 77%) of Agriculture, Forestry and Fishing jobs were in regional Victoria, underscoring the role agriculture plays in supporting employment in regional Victoria.



What is the value of farm-gate production?

- Victoria's gross value of agricultural production (GVAP) was \$15.9 billion in 2018-19 or 26 per cent of Australia's GVAP, making Victoria Australia's largest agricultural producer.
- Ranked by value, horticulture for human consumption (\$2.95 billion), milk (\$2.7 b), beef (\$2.4 b), sheep meat (\$1.9 b) and wool (\$1.4 b) are the most valuable commodities.
- Victoria tops all the states in dairy (61% of the national value), sheep meat (46%), wool (33%) and table and dried grapes (71%), and was the second largest in fruit and nuts (28%) and vegetables (25%).
- The gross value of Victorian beef production was \$2.4 billion, or 15 per cent of Victoria's GVAP. Victoria contributed 19% to the national gross value of beef production estimated at \$12.8 billion.
- Grain's value of production fell by 15 per cent to \$1.9 billion, compared to \$2.3 billion in 2017-18. Victorian grain production contributed 12 per cent to Victoria's value of agricultural production and 13 per cent to the national gross value of grain production (\$15.1 billion)
- Horticulture production for human consumption (fruit, nuts, grapes and vegetables) increased by 11 per cent to \$2.9 billion in 2018-19, from \$2.7 billion in 2017-18. Victorian horticulture production contributed 19 per cent to Victoria's total agricultural production value and 27 per cent to the national gross value of horticulture production of \$10.8 billion.



Food and fibre exports performance

- Victoria's food and fibre exports were valued at \$14.5 billion (comprising \$11.4 billion of food exports and \$3.1 billion of fibre exports) in 2019-20, an increase of \$299 million (up 2%) on 2018-19.
- Victoria is Australia's largest food and fibre exporter, accounting for 28 per cent of the Australia's food and fibre exports.

- Food and fibre exports from Victoria represent almost half (47 per cent) of all Victoria's goods exports in 2019-20.
- Victoria's top five valuable food exports are meat (\$4.7 billion), dairy (\$2.1 billion), horticulture (\$1.6 billion), prepared foods (\$1.3 billion) and grains (\$1.1 billion).
- China (\$4.8 billion), the USA (\$1.3 billion), Japan (\$1.3 billion), New Zealand (\$803 million) and Indonesia (\$562 million) were the most valuable markets for Victorian food and fibre exports in 2019-20, accounting for 61 per cent of Victoria's food and fibre exports.
- Compared to any other state in Australia, Victoria is the largest exporter of dairy (77 per cent), animal fibre (52 per cent), skins and hides (50 per cent) and horticulture (50 per cent), and is the second largest exporter of meat (25 per cent), prepared foods (31 per cent) and animal feed (26 per cent).



Economic contribution to the Victorian economy

- In 2019-20, the Agriculture, Forestry and Fishing industry contributed \$8 billion (or 2%) to the Victorian economy (\$459 billion).
- Agriculture production contributed \$7 billion or nearly 90 per cent of the Victoria's Agriculture, Forestry and Fishing industry value add of \$8 billion.
- The combined industry value add of agriculture production (\$7 billion) and food and beverage processing (\$7.5 billion) of \$14.5 billion, contributes 3.2 per cent to the Victorian economy.



Major commodity prices

- Some commodity prices have been affected by the ongoing volatility, partly related to the impact of COVID-19 and tariffs levied by China on imports of Australian barley.
- Prices trending downwards since COVID-19 outbreak (February 2020) include feed barley (down 22%), wool (down 19%), wheat (down 16%), and pork (down 17%).

Industry	Sector	Latest price	Change since COVID-19 outbreak (February 2020)	10-year trend (2010-11 to 2019-20)
Livestock	Beef	856 cents per kg cwt (19 Mar 2021)	+56% ▲	
	Lamb	800 cents per kg cwt (19 Mar 2020)	+4% ▲	
	Wool	1,277 cents per kg (19 Mar 2020)	-19% ▼	
	Pigs	357 cents per kg cwt (19 Mar 2020)	-17% ▼	
Dairy	Milk	6.30-7.00 \$ per kg MS (2019-20)	Fixed annual price	
	Cheddar cheese	5,558 \$ per tonne (19 Mar 2020)	-5% ▼	
Grain	Wheat (ASW1)	309 \$ per tonne (19 Mar 2020)	-16% ▼	
	Canola	685 \$ per tonne (19 Mar 2020)	+12% ▲	
	Feed Barley	257 \$ per tonne (19 Mar 2020)	-22% ▼	
Horticulture	Almonds *	4.11 \$ per kg (export) (January 2021)		Yearly decrease ▼
	Apples & Pears **	Royal Gala 55-60 \$ per 12kg Carton (December 2020)		Yearly increase ▲
	Citrus **	Navels 75-80 \$ per 18kg Carton (December 2020)		Yearly increase ▲
	Wine grapes	Shiraz 1,593 \$ per tonne (Heathcote region 2020 vintage) Chardonnay 1,892 \$ per tonne (Yarra Valley region 2020 vintage)		Yearly increase ▲ Yearly increase ▲

* Estimated from export data. ** From DataFresh.