

Victorian Agriculture Industry Overview



Fast Facts
June 2024



By volume, Victoria is the #1 producer in Australia of:

- Table and dried grapes:** 78% of national production.
- Milk:** 64% of national production.
- Sheep meat:** 46% of national production.
- Fruit and nuts:** 33% of national production.
- Vegetables:** 25% of national production.

By value, Victoria is Australia's #1 food and fibre exporter of:

- Dairy products:** 73% of Australia's dairy exports.
- Skins and hides:** 47% of national exports.
- Animal fibre:** contributing 46% of national exports.
- Horticulture produce:** contributing 45% of national exports.
- Total food and fibre exports:** contributing 24% of national exports.

Overview of Victorian farms

- In 2021-22, there were 21,300 farm businesses in Victoria, accounting for 24% of all farm businesses in Australia.
- Most of Victoria's farm businesses are beef specialists (5,000 farms), with a further 2,100 mixed-livestock and 650 sheep-beef farms. Other types of farm businesses include dairy (2,980), sheep specialists (2,450), and horticulture (2,800).
- In 2021-22, Victoria used 10.7 million hectares (or 48% of the state's total land) for agricultural production. Victoria accounts for approximately 3% of Australia's total agricultural land area (367 million hectares).

- Victoria is Australia's second largest agriculture industry employer accounting for 68,870 jobs in agricultural production, making up 25% of Australia's agricultural workforce.
- Victoria's largest agriculture industry by employment in 2021-22 was horticulture (14,260), followed by dairy (13,290 people), beef (10,800) and grains (9,810).
- Over 75% of agricultural jobs are located in regional Victoria, highlighting the significance of agriculture in supporting employment in regional areas.

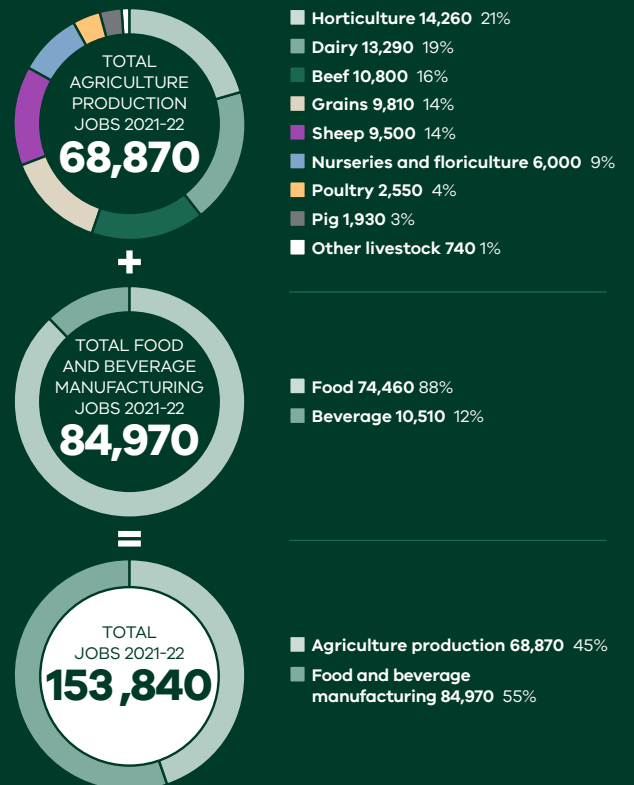
How much is produced?

- Dairy:** Victoria is Australia's largest dairying state, producing two-thirds (5.47 billion litres of milk) of Australia's milk (8.55 billion litres) in 2021-22.
- Beef:** In 2021-22, Victoria produced 352,000 tonnes of beef and veal, processed from 1.3 million cattle and calves. Victoria produced 19% of Australia's 1.9 million tonnes of beef and veal.
- Sheep meat:** In 2021-22, Victoria produced 314,000 tonnes of sheep meat, processed from 12.8 million adult sheep and lambs. Victoria is the largest sheep meat-producing state, contributing 46% to the national production of 679,000 tonnes.
- Grains:** Victoria produced approximately 8.8 million tonnes of grains in 2021-22, contributing 13% to the national grain production of 67.2 million tonnes. Major commodities produced include wheat (4.3 million tonnes), barley (2.3 million tonnes), and canola (1.3 million tonnes).
- Horticulture:** In 2021-22, Victoria produced approximately 1.9 million tonnes of horticultural produce, including 994,000 tonnes of fruit and nuts, 182,000 tonnes of wine grapes and 918,000 tonnes of vegetables. Victoria is the largest horticulture producer in Australia, accounting for 25% of Australia's 7.6 million tonnes of horticultural produce.

Jobs in the agrifood sector

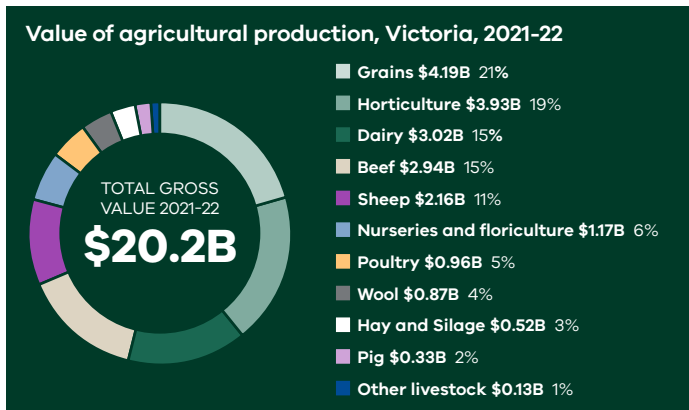
- In 2021-22, there were 153,840 employees in Victoria's agriculture production and food manufacturing sectors. Of these, 68,870 worked in primary production and 84,970 in food and beverage manufacturing.

Employment by industry, Victoria, 2021-22



Data attribution: Sourced from publicly available data published by the Australian Bureau of Statistics (ABS) | ABARES | Agriculture Policy and Programs Branch analysis. Data are the latest available as of June 2024.

What is the value of farmgate production

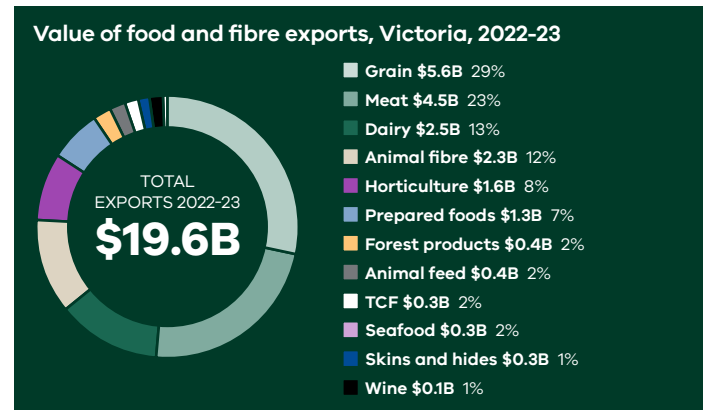


- In 2021-22, Victoria’s gross value of agricultural production (GVAP) was \$20.2 billion or 23% of Australia’s GVAP, making Victoria Australia’s second largest agricultural producer after New South Wales.
- The most valuable commodities, ranked by value, were grains (\$4.19 billion), horticulture for human consumption (\$3.93 billion), milk (\$3.02 billion), beef (\$2.94 billion), sheep meat (\$2.16 billion), and nurseries and floriculture (\$1.17 billion).
- By value, Victoria tops all the states in dairy (62% of the national value), sheep meat (44%), nurseries and floriculture (34%), hay and silage (31%), and horticulture for human consumption (30%); it is the second largest producer of wool (27%).
- The gross value of Victorian beef production was \$2.94 billion, or 15% of Victoria’s total GVAP. Victoria contributed 19% to the national gross value of beef production, estimated at \$15.3 billion.
- The value of grains rose by 18% to \$4.19 billion in 2021-22, compared to \$3.55 billion in 2020-21. Victorian grain production contributed 21% to Victoria’s total GVAP and 15% to the national gross value of grain production (\$29 billion).
- Horticulture production for human consumption (fruit, nuts, grapes, and vegetables) increased by 21% to \$3.93 billion in 2021-22 from \$3.24 billion in 2020-21. Victorian horticulture production contributed 19% to Victoria’s total GVAP and 30% to the national gross value of horticulture production of \$13.31 billion.

Contribution of Victorian irrigated agriculture

- In 2020-21, there were 5,400 irrigation farms in Victoria, accounting for 25% of Victoria’s 21,600 farm businesses.
- About 490,000 hectares were irrigated in Victoria, equivalent to 4% of Victoria’s farming area (11.4 million hectares).
- Victorian farmers used 1,640 GL of irrigation water – 40% (675 GL) applied on grazing pastures, 24% (400 GL) on fruit and nut trees, and 14% (234 GL) on pastures cut for hay and silage.
- Victoria’s total gross value of irrigated agricultural production (GVIAP) was \$5.24 billion, representing 30% of Victoria’s total gross value of agricultural production of \$17.5 billion.
- Victoria has the largest irrigated agriculture of all states, accounting for 28% of Australia’s GVIAP (\$18.9 billion). By value, fruit and nuts (excluding grapes) (\$1.52 billion or 29%) are the most valuable irrigated commodity, followed by dairy (\$1.2 billion or 23%) and vegetables (\$716 million or 14%).

Food and fibre exports performance, Victoria



- Victoria exported \$19.6 billion worth of food and fibre in 2022-23, a 7.4% increase from the previous year. Food exports accounted for \$15.9 billion and fibre exports accounted for \$3.7 billion.
- Victoria accounted for 24% of Australia’s total food and fibre exports by value, making it the largest exporter in the country.
- Victoria’s food and fibre exports represent approximately 60% of Victoria’s merchandise (goods) exports.
- Victoria’s top five food and fibre export commodities are grains (\$5.6 billion), meat (\$4.5 billion), dairy (\$2.5 billion), animal fibre (\$2.3 billion) and horticulture (\$1.6 billion).
- The most valuable food and fibre markets for Victoria were China (\$4.7 billion), Japan (\$1.7 billion), the USA (\$1.6 billion), New Zealand (\$1.1 billion), and Indonesia (\$1 billion), accounting for 52% of Victoria’s food and fibre exports.
- Victoria is Australia’s largest exporter of dairy products (73%), skins and hides (47%), animal fibre (46%), and horticultural produce (45%).

Economic contribution to the Victorian economy

- In 2022-23, the Agriculture, Forestry and Fishing industry contributed approximately \$10.8 billion, which accounted for about 2% of the Victorian Gross State Product (\$569 billion).
- Victoria’s agriculture sector accounts for 90% (or \$9.7 billion) of Victoria’s Agriculture, Forestry, and Fishing industry value added.

Australian agriculture outlook

- ABARES forecasts the gross value of agricultural production in Australia will decrease by 15% to \$80 billion in 2023-24. The gross value of crop production is expected to decline by 18% to \$48 billion, while the gross value of livestock is forecast to fall by 10% to \$32 billion due to low cattle and sheep prices.
- However, in 2024-25, the value of agricultural production is expected to rise by 6% to reach \$85 billion. It is anticipated that there will be a slight decrease in international grain prices, which will result in a reduction in domestic prices.
- On the downside, the Australian agricultural sector is expected to experience a decline in exports as the value of agricultural exports is forecasted to drop by 14% to \$67 billion in 2023-24. This decline is primarily driven by the falling domestic crop production and lower international prices for most crop commodities. Crop exports are expected to decrease by 20%, while livestock exports are expected to drop by 4%.