

EMBARGO: Tuesday 4th December, 12.00 noon

Asian animal protein demand creates opportunities for Australian agriculture: Report

Rapidly growing demand for animal protein by increasingly wealthy Asian consumers will create enormous opportunities for Australian livestock and grain producers over the next decade, according to a Research Report released today by the **Australian Farm Institute** and the **Rural Industries Research and Development Corporation (RIRDC)**.

'While world agricultural markets have been dominated by excess supply over the past half century, a new era has now begun in which global demand looks likely to grow faster than supply. Australian farmers have an opportunity to reap the benefits', according to **Mick Keogh**, Executive Director of the Australian Farm Institute.

The research examined recent trends in animal protein demand in 12 Asian nations and developed projections of likely demand trends over the period to 2020. Future demand trends are based on population growth rates, increasing consumer wealth, and trends in consumer diet preferences.

'It is important for the Australian rural sector to have an informed view of developments in international markets, and, to this end, RIRDC invests in research – like this project – that that will lead to options and strategies to improve the global competitiveness of our agricultural exports,' RIRDC Managing Director **Dr Peter O'Brien** said.

Over the period to 2020, the research projects that annual beef, pork, chicken and dairy product demand within these 12 nations will increase by between 30 and 50%. This is projected to result in increased import demand for 1.9 million tonnes (Mt) of beef, 1.2 Mt of pork, 1 Mt of chicken meat and 5.2 Mt of dairy products. These are very large increases compared with current volumes of international trade in these products.

Perhaps just as important for Australian agriculture will be the resultant increases in demand for feedgrains, as developing nations scale up their intensive livestock production capacity, but at the same time face limits on available arable land to produce extra stockfeed. The research indicates there will be additional demand created for between 350 and 450 Mt of feedgrains by 2020, a 20–30% increase on current global production levels.

'The feedgrains that are likely to experience the greatest demand increases are maize and sorghum, both of which can be produced in northern Australia where there is capacity for further expansion of agriculture. Australian governments need to carefully re-examine the potential for agricultural expansion in northern Australia in the light of these research findings', Mr Keogh advised.

'Australian farmers will not be alone in seeking to take advantage of these expanded markets, nor will it be easy to increase Australian agricultural output given the limits on Australian land and water resources', explained Mr Keogh. 'However, the rising trend in agricultural commodity prices that is likely to result will create new opportunities for increased farm profitability in Australia.'

The Research Report will be officially launched in Canberra on Tuesday 4 December by Mary Boydell, Chair of RIRDC Board of Directors. The results of the research will also be presented at breakfasts hosted by the Agribusiness of Australia in Sydney on Wednesday 28 November and in Melbourne on Thursday 29 November.

Copies of the report, *The Implications for Australian Agriculture of Changing Demand for Animal Protein in Asia*, are available from the Australian Farm Institute: phone 02 9690 1388 or email info@farminstitute.org.au

Media contacts:

Mick Keogh, Australian Farm Institute: 02 9690 1388 (W); 0418 256 066 (M)
Martin Field, RIRDC: 02 6271 4715 (W); 0418 430 760 (M)