



# PAEC Budget Estimates Hearing 2012-13

Peter Walsh, Minister for Agriculture and Food Security  
17 May 2012

# DPI Overview



## Agricultural priorities:

- Boost agricultural productivity, profitability and export opportunities
- Develop new technologies and gain adoption of R&D
- Improve biosecurity and enhance market access
- Prepare, plan and manage emergencies efficiently and effectively

# DPI functions and key activities

- Research, development and extension
- Industry regulation and compliance
- Companion animals and safer communities
- Timber Industry Action Plan
- Recreational and commercial fisheries, including fish stocking
- Game Management
- Farm Debt Mediation
- Dangerous Dogs

# Economic contribution

In 2009-10 the gross value of total Victorian agricultural production was \$10.3 billion, an increase of 1.4% (or \$146.8 million) from 2008-09 (ABS)

**The sector creates jobs in regional Victoria:**

- **It employs 132,000 Victorians in 34,700 businesses**
- **It accounts for one in every six jobs regionally**
- **It supports highly skilled and meaningful local work in regional cities and towns across the state**

# Export contributions

In 2011 Victoria's Agriculture exports were valued at \$8.68 billion, up 17% on 2010

Victoria is Australia's largest food and fibre state exporter with a 28% share of the Australian value

## Top five sectors (2011)\*

Wool skins hides	\$1.99 billion
Dairy	\$1.89 billion
Meat	\$1.61 billion
Grains	\$1.56 billion
Horticulture	\$0.39 billion

\*Note: some interstate producers export through Victoria



# Agriculture – the future

- Growing demand in Asia and India
- High \$A, labour shortages
- Retention of disease free status
- Need for continued innovation and adoption of latest technology
- Ongoing productivity to meet demand (national and international)
- Strengthen partnerships with industry

**Time is right to lift flagging sector productivity post-drought**





# Solution - Growing Food and Fibre

**\$61.4 million over four years** for strategic interventions to target areas of strength and greatest opportunity

**\$15.7 million per year** is ongoing



# Challenges - Dairy

- Need to increase genetic gain to improve profitability and boost fertility
- Feed accounts for half of farm costs – more during drought
- Improved diet formulation means greater milk production without additional cost
- Ongoing work to develop superior forages another factor
- Trade barriers to export





# Response - Dairy

**\$14.3 million over four years**

Delivery of essential research:

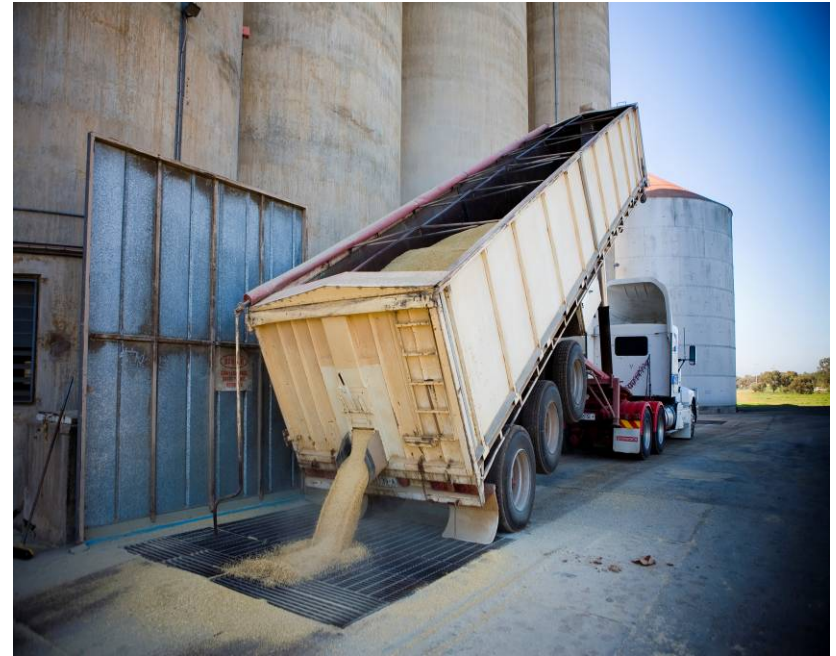
- Boost genetic gain
- Improve feeding systems
- Water use efficiency

Development and extension services



# Challenge - Grain

- Productivity growth has slowed
- More competition from traditional and emerging grain exporters
- Growing areas expanding through South West Victoria



# Solution - Grain

**\$10.6 million over four years on improved genetics, technologies and farm practices**

- Genetic gains improve yield and quality – cereal, oilseed and pulse crops
- Improvement in farm management
- Soils research
- Networks to encourage uptake of new technology



# Challenge – Red meat

- How to leverage Victoria's advantage as Australia's largest lamb producer
- Low level of productivity growth threatens long term prospects
- Breeding capacity has declined due to drought
- Need to lower lamb mortality and lift weaning rates



**Ideal time to act**



# Response – Red meat

**\$8.9 million over four years  
to lift productivity growth**

- Improve livestock fertility and lamb survival
- Red Meat Innovation Centre
- Research sites
- On farm demonstration sites
- Fast track industry take-up through networks





# Challenge - Horticulture

- Sector faces fierce competition
- Production environment volatility
- Availability of labour
- How to target high value and domestic markets in Asia

**Now is the time to target growth in areas of existing or potential advantage**



# Response - Horticulture

**\$8.1 million over four years**  
for targeted research,  
development and adoption

New orchard production  
systems for:

- Pears
- Almonds
- Stonefruits (apricots, peaches  
and nectarines)

Strengthen take-up through the  
Horticulture Industry Network  
(HIN)



# Challenge – Biosecurity

On a global scale, Victoria remains free of many major harmful pests and diseases, but we must remain vigilant to protect access to export markets

An outbreak of Foot and Mouth Disease would cost \$16 billion over ten years in lost opportunity

Weeds and pests animals costs Victoria \$1.2 billion - or \$1 for every \$7 of farm income



# Response - Biosecurity

**\$19.5 million over four years**  
to ensure enterprises are  
properly protected from the  
threat of pest plants and  
animals

- Weeds and pests
- Securing market access
- Wild dogs and foxes
- Disease and pests in forests
- Emergency response





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