

Australian Grains Industry Conference 2009

# Australian Grains Outlook

market prospects and performance

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abare

# Overview

1. Macroeconomic outlook
2. Market prospects for grains
3. Industry performance — productivity

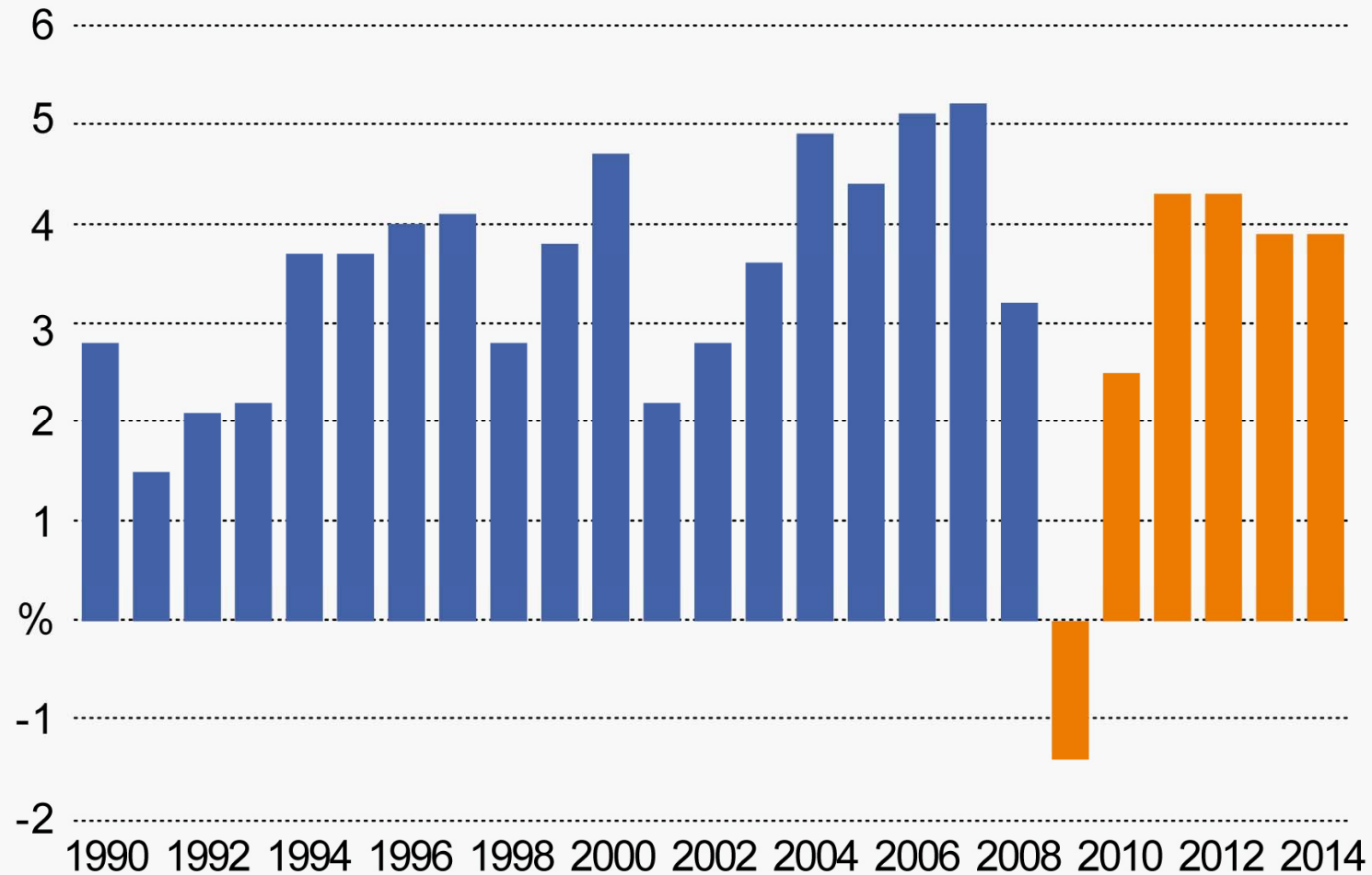
# IMF forecasts of economic growth in 2009

	October 2008 %	November 2008 %	January 2009 %	July 2009 %
OECD	0.5	-0.3	-2.0	-3.8
United States	0.1	-0.7	-1.6	-2.6
Euro area	0.2	-0.5	-2.0	-4.8
Japan	0.5	-0.2	-2.6	-6.0
Emerging economies	6.1	5.1	3.3	1.5
World	3.0	2.2	0.5	-1.4

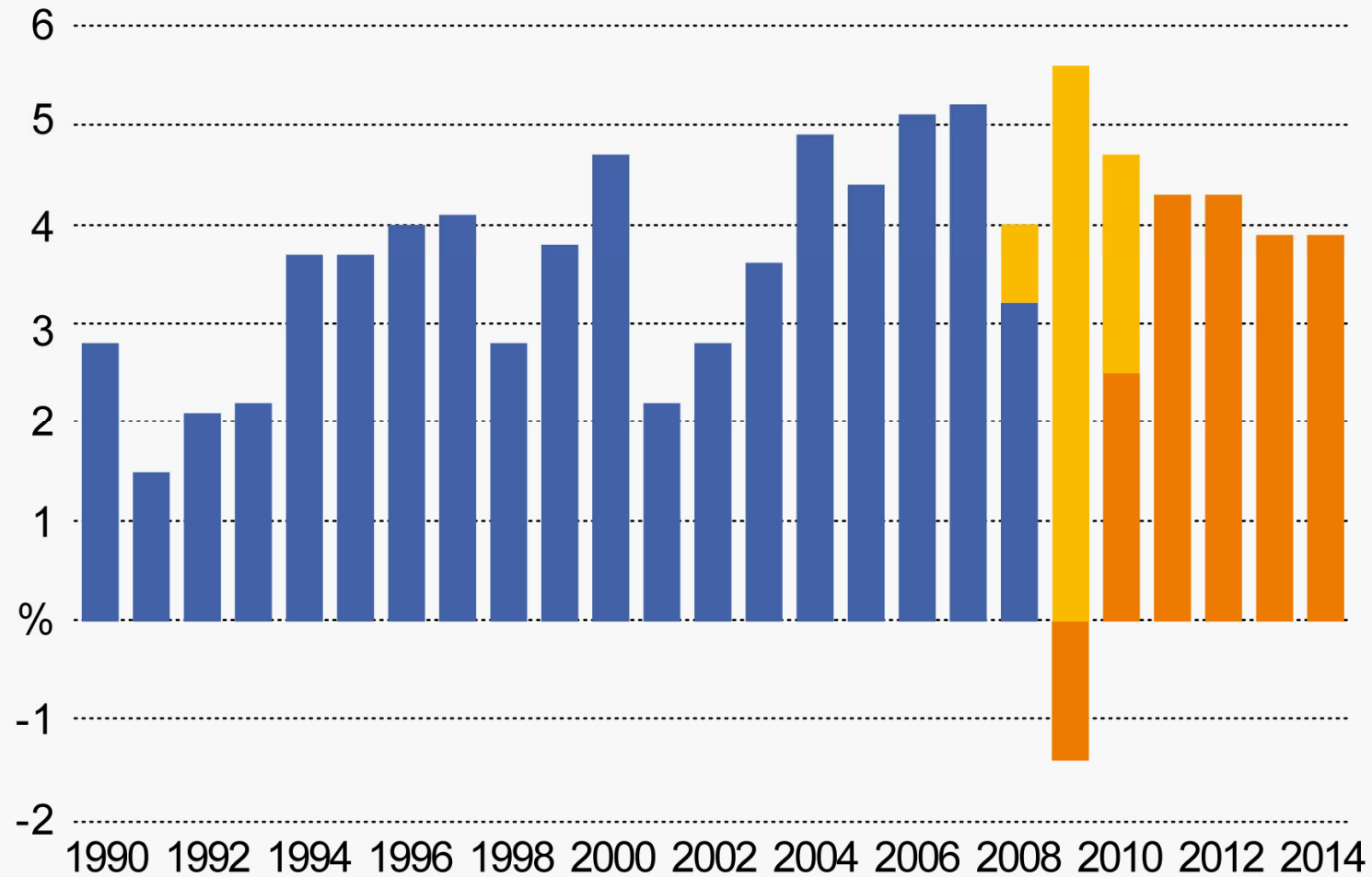
# IMF forecasts of economic growth in 2010

	October 2008 %	January 2009 %	April 2009 %	July 2009 %
OECD	2.0	1.1	0.0	0.6
United States	2.0	1.6	0.0	0.8
Euro area	1.3	0.2	-0.4	-0.3
Japan	1.3	0.6	0.5	1.7
Emerging economies	6.7	5.0	4.0	4.7
World	4.2	3.0	1.9	2.5

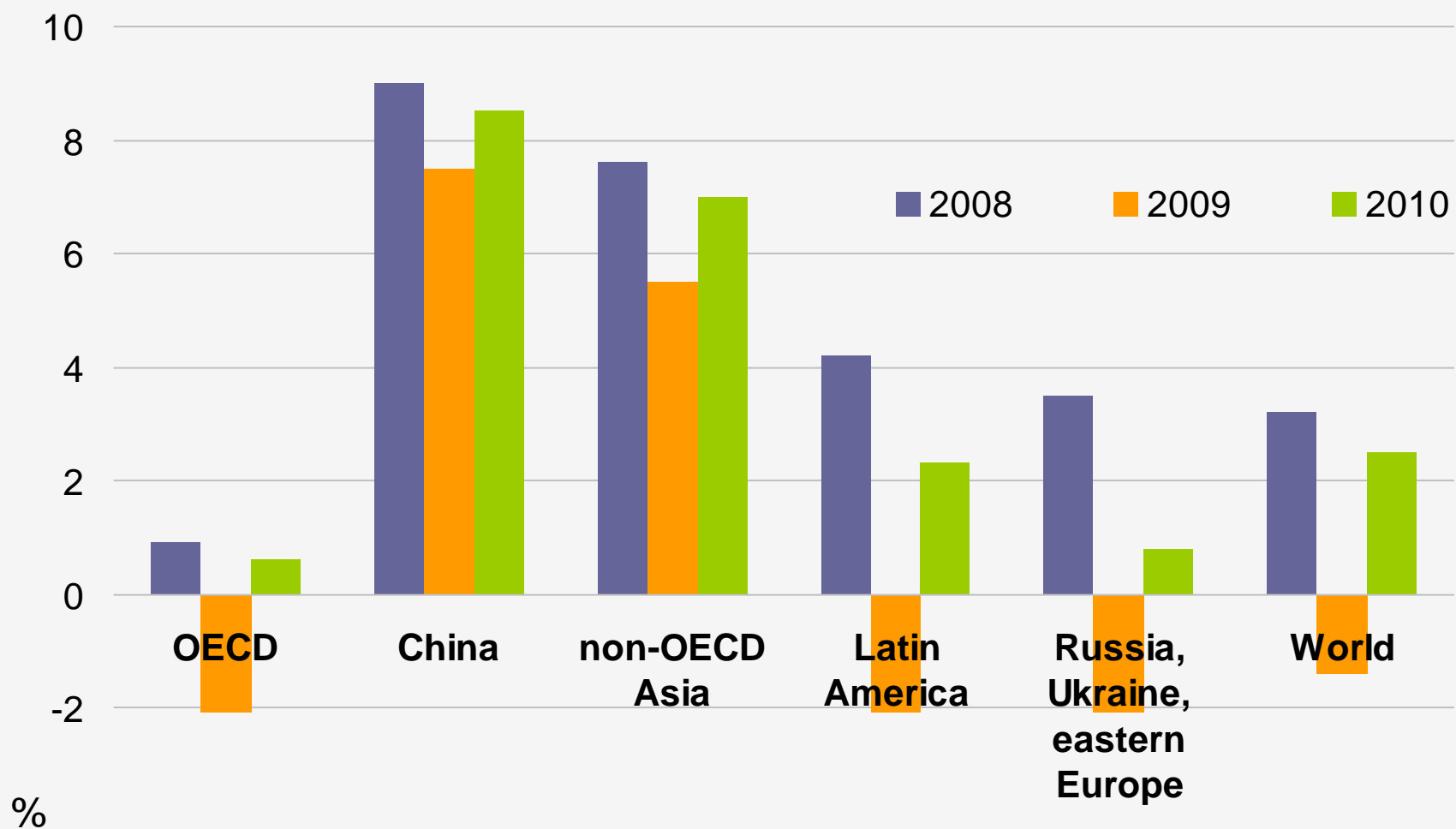
# World economic growth



# World economic growth



# Regional economic growth



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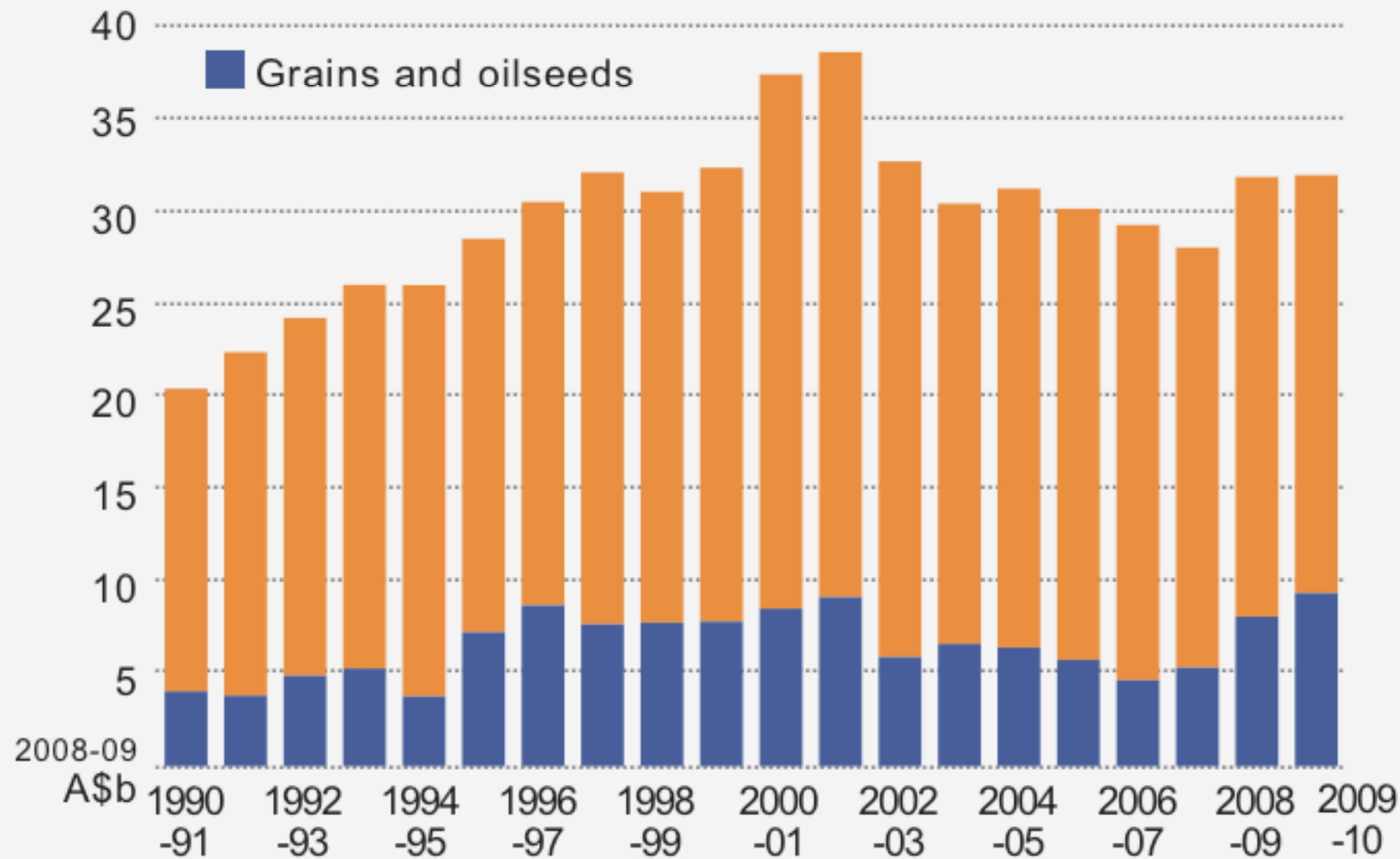
# Impact of global economic downturn

- food consumption less sensitive to income changes, especially grains
- herd rebuilding and export demand to support beef saleyard prices
- downward price pressure on wool and dairy products
- lower Australian dollar to support farm exports

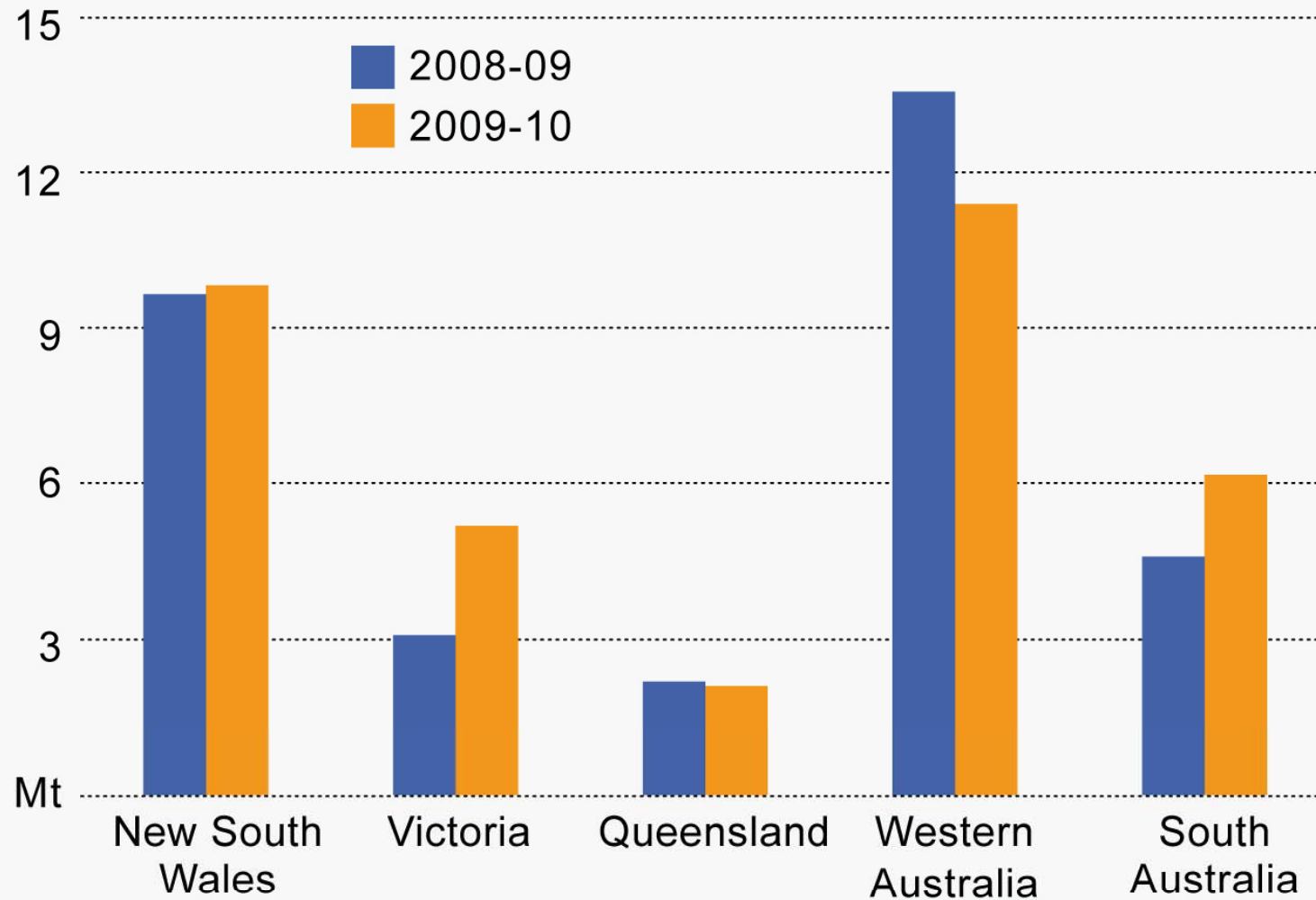
## Recent movements in exchange rate weekly, ended 10 July 2009



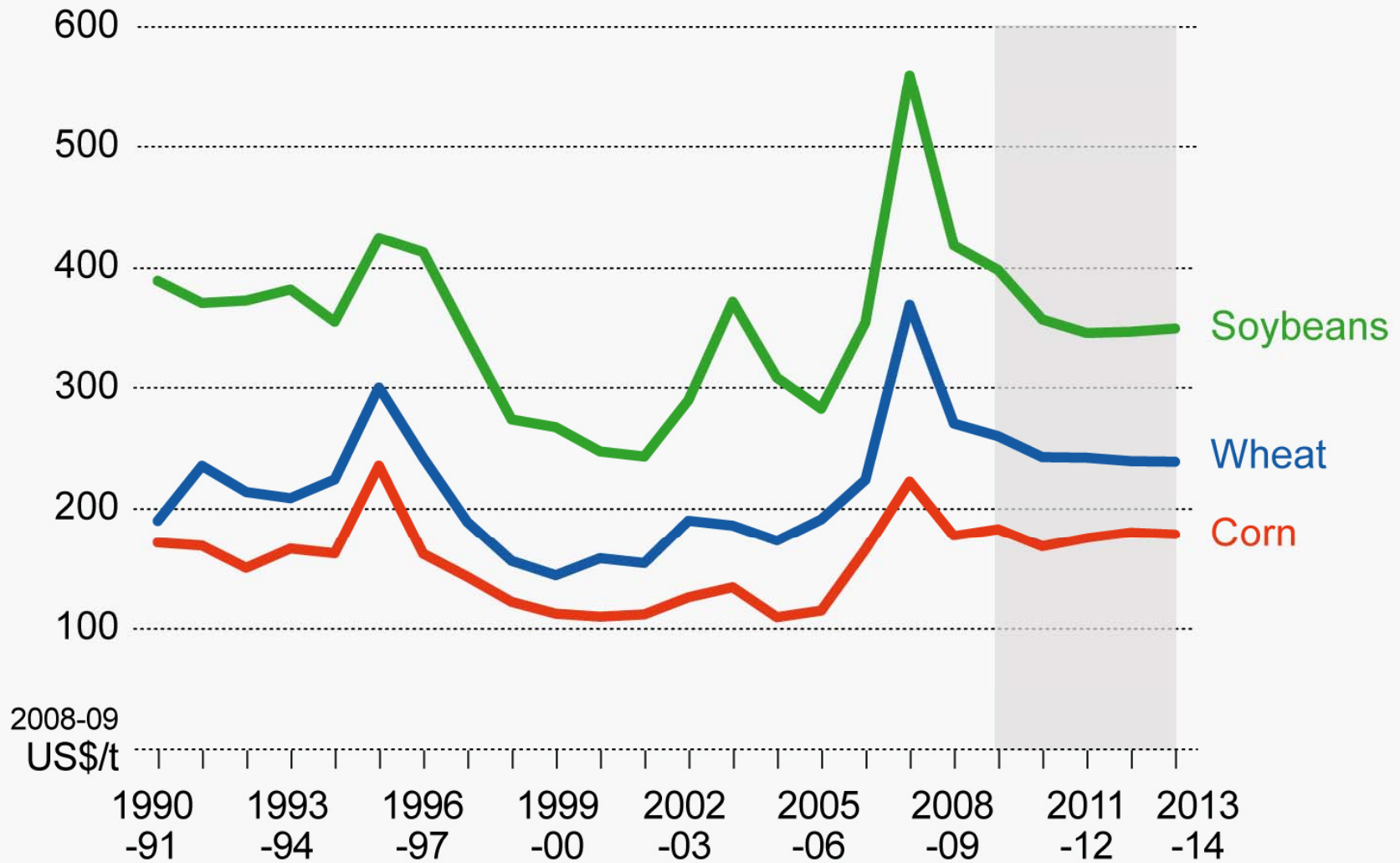
# Value of Australian farm exports



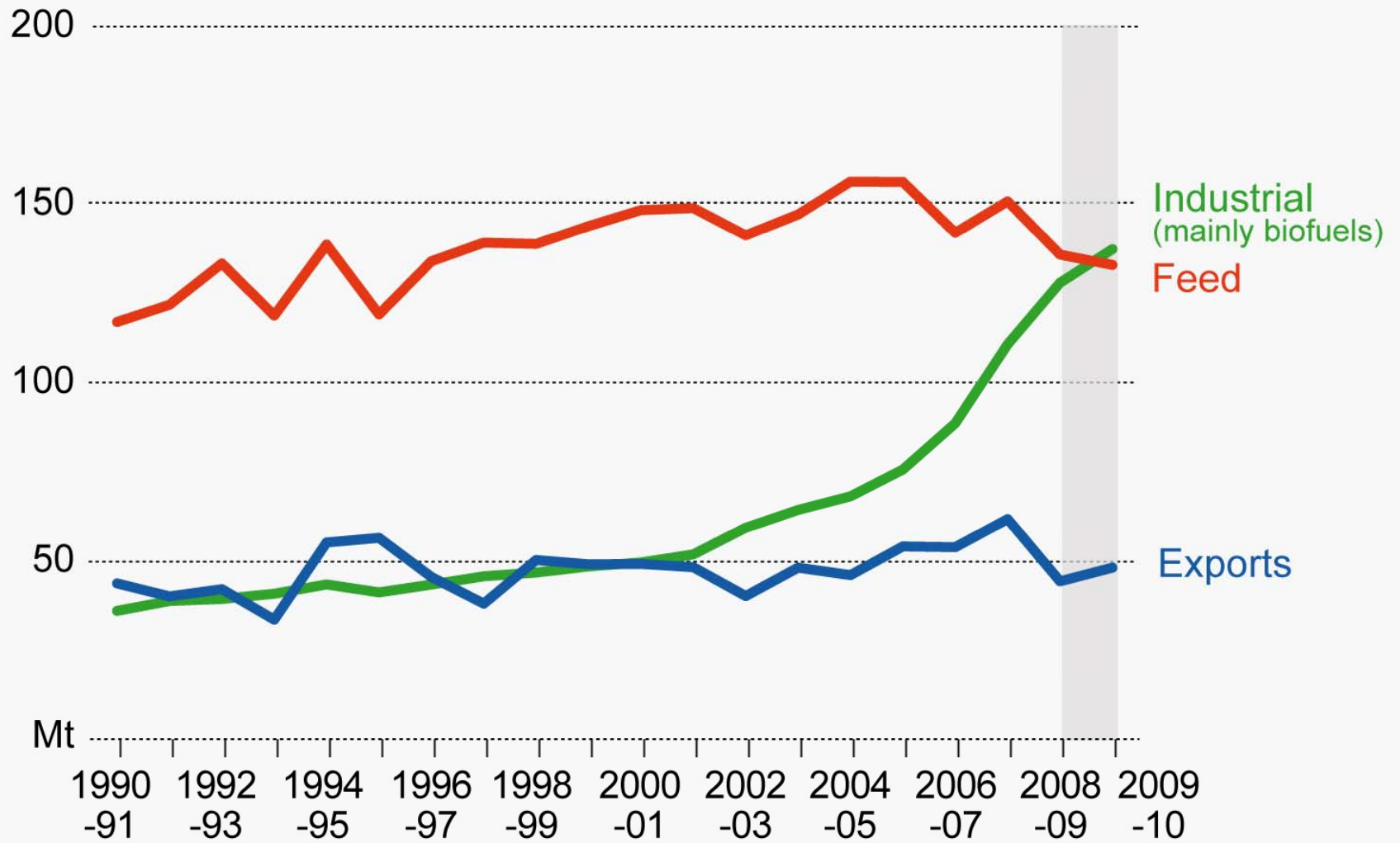
# Winter crop production



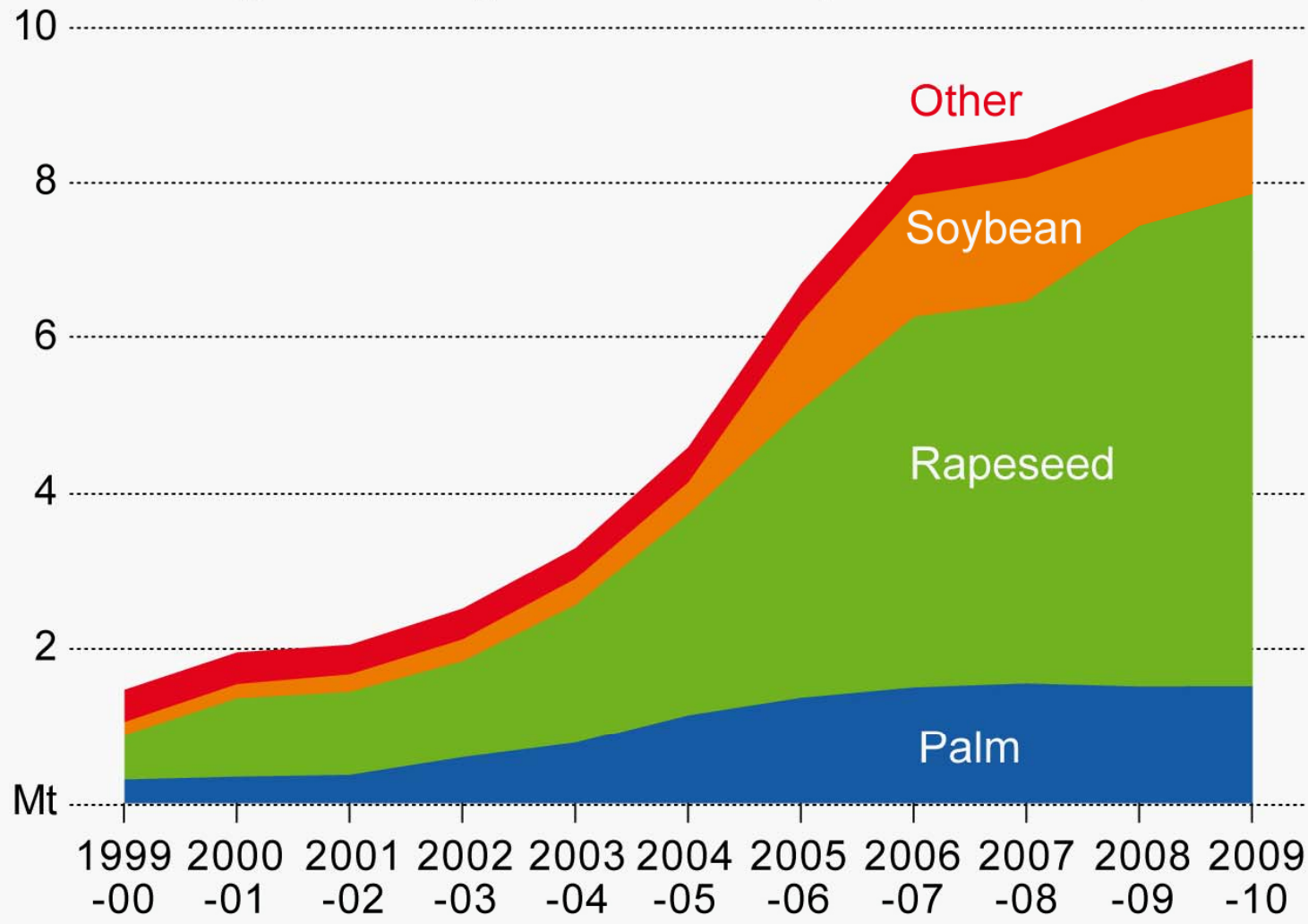
# World grains and oilseeds price



# Corn use in the US



# Industrial use of vegetable oil in EU (primarily biodiesel production)

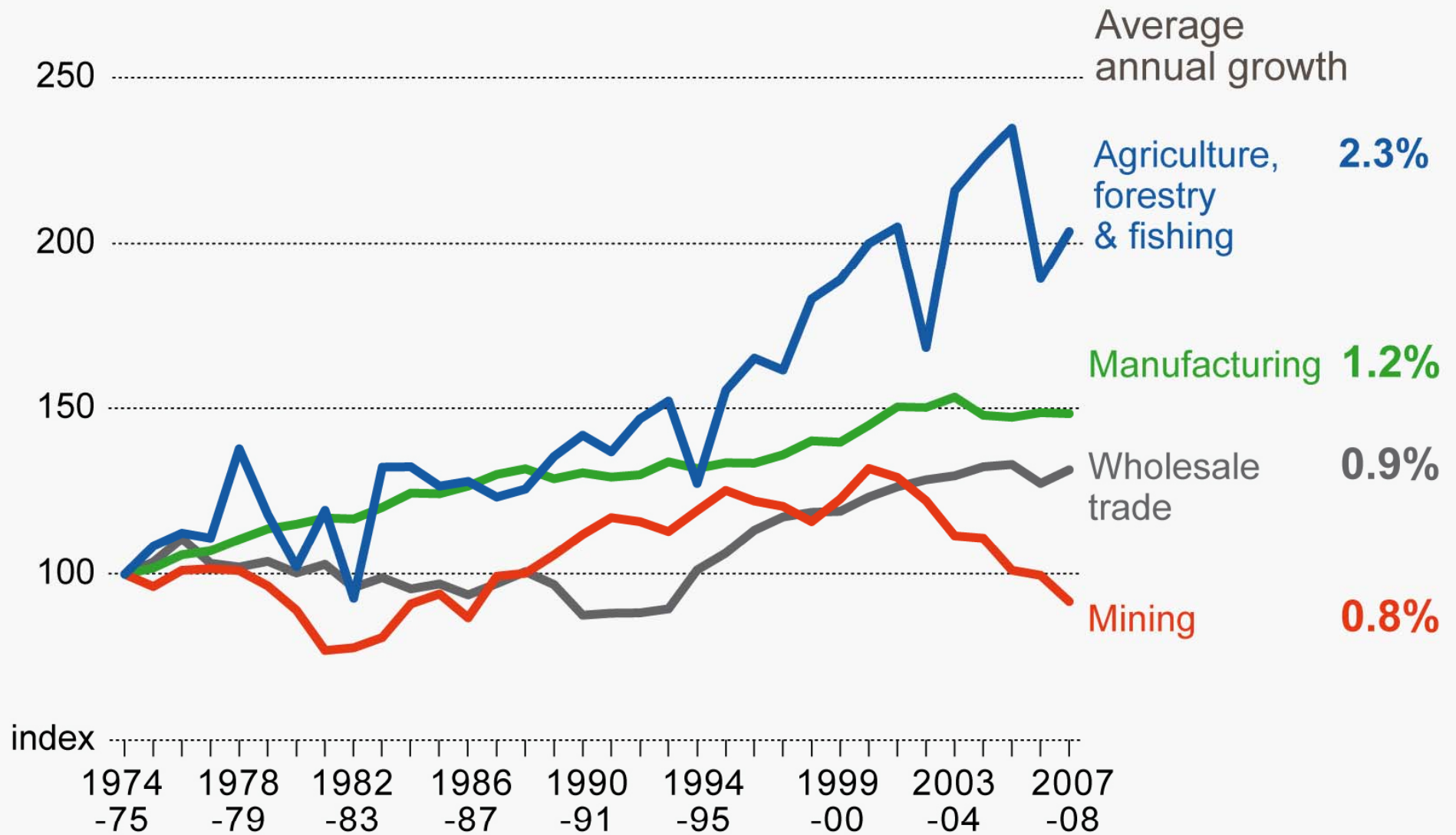


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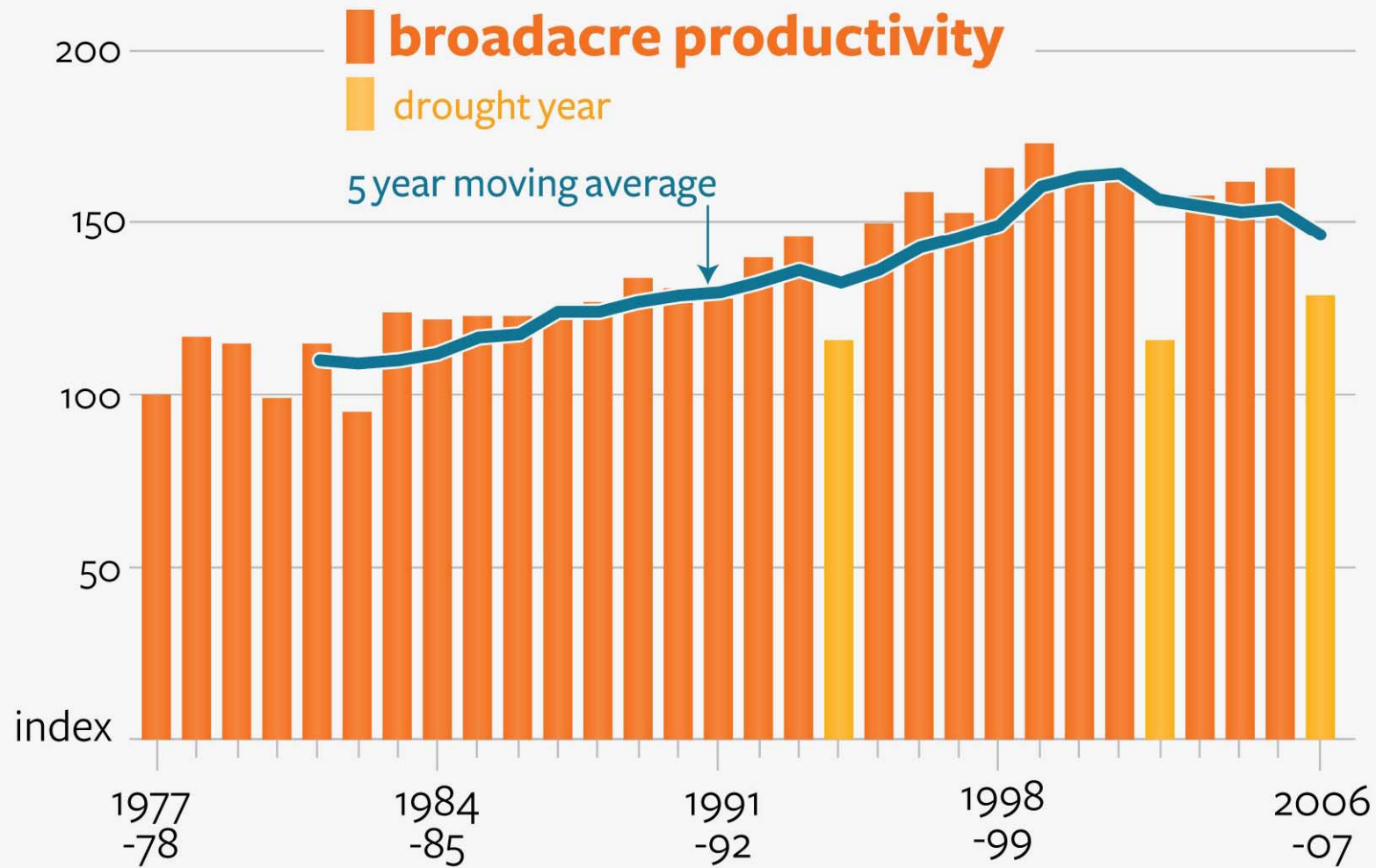
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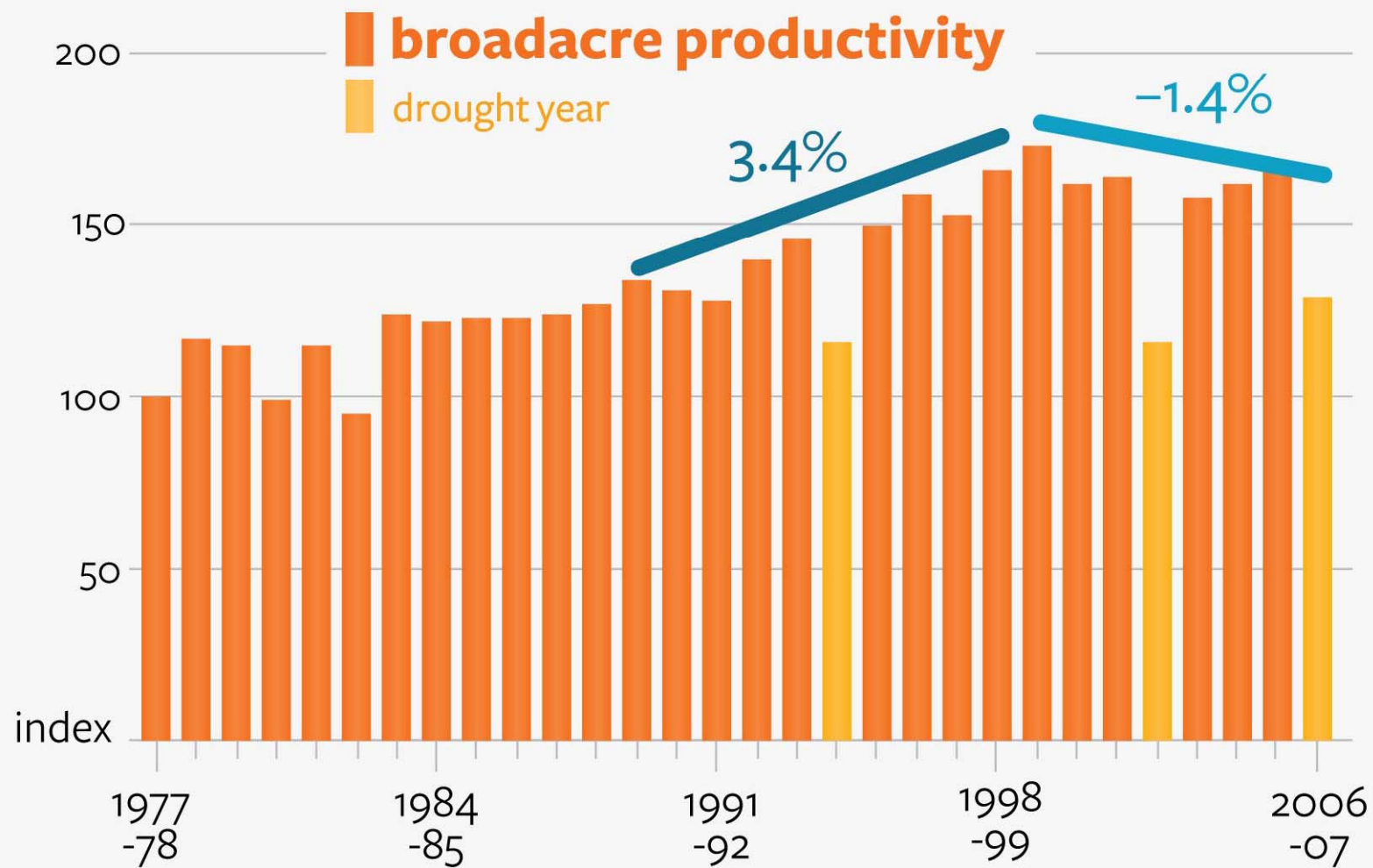
# Australian productivity growth



# Is productivity growth slowing down?



# Is productivity growth slowing down?



# Lifting productivity

- Remains the key to handling pressure on the farm sector
- Whether it be:
  - seasonal variability and drought
  - climate change
  - global food crisis
  - global economic crisis
  - protectionist responses

# ABARE's productivity workshops 2009-10

- Jointly funded by GRDC and RIRDC
  - workshops in Toowoomba, Dubbo, Horsham, Adelaide, Perth and Canberra
- Focus on strategies for productivity growth
  - innovations and uptake
  - expectations and barriers
  - potential areas for productivity gains
- Economic analysis
  - productivity drivers
  - improving methodology and measures

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innovation in economics

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