External influences affecting farming and farmer

Dr Mirjana Prica
March 2019
Who is FIAL?
Growing Population

By 2050, 9.6 billion people

Projected Population Growth (in billions)


Sources: http://ow.ly/rpiMN

Demanding Consuming
Food Safety Issues - Scary Berries
Climate Change: Droughts & Floods

Rainfall Deficiencies: 10 months
1 April 2018 to 31 January 2019
Distribution Based on Gridded Data
Australian Bureau of Meteorology

Rainfall Percentile Ranking
10
5
Serious Deficiency
Severe Deficiency
Lowest on Record

http://www.bom.gov.au

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Changing Australian Political Arena

Prime Minister

Minister
Longest Period of Economic Growth

Australia has the longest economic growth among major developed world.

Number of quarters with positive quarter-on-quarter % growth:

- Australia (since Q3 1991): 98 quarters
- Ireland (Q3 1988 to Q1 2007): 78 quarters
- Poland (since Q2 1995): 77 quarters
- Netherlands (Q4 1981 to Q1 2003): 76 quarters
- South Korea (since Q3 1998): 71 quarters
- Canada (Q2 1991 to Q3 2008): 68 quarters
- USA (Q2 1991 to Q2 2008): 55 quarters
- UK (Q3 1992 to Q1 2008): 63 quarters
- Japan (Q1 1975 to Q1 1993): 68 quarters
- Spain (Q3 1959 to Q2 2008): 60 quarters
- France (Q2 1993 to Q1 2008): 57 quarters
- Sweden (Q2 1993 to Q2 2008): 55 quarters
- Italy (Q1 1983 to Q1 1992): 33 quarters
- Germany (Q1 1981 to Q1 1993): 31 quarters
- Switzerland (Q1 1983 to Q2 1990): 29 quarters

(1) Data for Poland only go back to 1995
Sources: OECD, Data extracted on 06 Mar 2017 from OECD.Stat; Austrade
Changing Europe - Brexit

Courtesy: https://www.express.co.uk/news/politics/1022759/no-deal-brexit-what-no-deal-means-uk-expats-europe-spain-portugal
Changing US-China Relationship

Courtesy: https://www.globalresearch.ca/trump-china-towards-cold-hot-war/5662585
Agility to Adapt

LOW

MEDIUM

HIGH
Changing Mindsets
Identified Three Types of Businesses

Today  Transitional  Tomorrow

>85%  ?  5%
Working Across Three Pillars

- SHARING KNOWLEDGE
- BUILDING CAPABILITY
- CREATING CONNECTIONS
Since 2000, plant-based protein are biggest category by volume, but growth has been faster in other categories.

Breakdown of global volume by protein category in 2000 and 2018[^1]; Million tonnes

<table>
<thead>
<tr>
<th>Protein category</th>
<th>2000</th>
<th>2018</th>
<th>Percent increase from 2018-2025 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant-based</td>
<td>162</td>
<td>226</td>
<td>40% increase</td>
</tr>
<tr>
<td>Meat</td>
<td>44</td>
<td>54</td>
<td>23%</td>
</tr>
<tr>
<td>Eggs &amp; dairy</td>
<td>35</td>
<td>44</td>
<td>26%</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>6</td>
<td>16</td>
<td>74%</td>
</tr>
<tr>
<td>Wild catch fisheries</td>
<td>9</td>
<td>0</td>
<td>9%</td>
</tr>
<tr>
<td>Non-traditional</td>
<td>0</td>
<td>0</td>
<td>872%</td>
</tr>
</tbody>
</table>

[^1]: Latest FAO data point is 2013. 2018 estimated using historical growth rates (i.e. 5-year CAGR)

Note: Figures may not sum due to rounding

Source: FAO stats; AlphaBeta analysis
In value terms, meat-based protein will be the largest category.
**WHAT:** If Australia were to follow the projected global protein consumption trends, the value of its production of protein-containing foods could potentially increase by 21% to 119% from 2018.

### Comparison of volume and value of Australian production of protein-containing foods in 2018 vs in 2025 under the ‘ride the market’ and ‘match global demand’ scenarios

#### Breakdown of the value of Australian production of protein-containing foods by protein category; A$ billion; percent

- **2018:** A$56 billion
  - Meat: 46%
  - Plant-based: 41%
  - Eggs & dairy: 0%
  - Wild catch fisheries: 3%
  - Aquaculture: 2%
  - Non-traditional: 0%

- **2025 ‘Ride the market’**
  - A$67 billion
  - Meat: 47%
  - Plant-based: 40%
  - Eggs & dairy: 7%
  - Wild catch fisheries: 3%
  - Aquaculture: 0%
  - Non-traditional: 0%

- **2025 ‘Match global demand’**
  - A$122 billion
  - Meat: 42%
  - Plant-based: 16%
  - Eggs & dairy: 6%
  - Wild catch fisheries: 11%
  - Aquaculture: 25%
  - Non-traditional: 0%

#### Breakdown of volume of Australian production of protein-containing foods (%)

<table>
<thead>
<tr>
<th>Protein Category</th>
<th>2018</th>
<th>2025 ‘Ride the market’</th>
<th>2025 ‘Match global demand’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat</td>
<td>12%</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Plant-based</td>
<td>77%</td>
<td>76%</td>
<td>56%</td>
</tr>
<tr>
<td>Eggs &amp; dairy</td>
<td>10%</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Wild catch fisheries</td>
<td>0.4%</td>
<td>0.4%</td>
<td>3%</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>0.3%</td>
<td>0.4%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Non-traditional</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

1. *‘Ride the market’ scenario:* In this scenario, the projected growth rates in global protein consumption demand for each protein category were applied to current (2018) Australian production of foods containing protein. These growth rates were based on the ‘business-as-usual’ scenario under the supply analysis.
2. *‘Match global demand’ scenario:* In this scenario, the total production volume of Australian protein-containing foods was pegged to the total volume under the ‘ride the market’ scenario. The breakdown of the total volume by protein category was then modelled to mirror the projected breakdown of global protein consumption demand in 2025 under the ‘business as usual’ scenario in the supply scenario.

Source: Data from FAO and Department of Agriculture and Water Resources; AlphaBeta analysis.
BUILDING CAPABILITY
Readiness - Innovation & Markets

200+ WORKSHOPS DELIVERED ACROSS AUSTRALIA

- IP & Brand Protection
- Are You Ready for Export?
- Winning Export Market Entry
- Win-win negotiations
- Accessing E-commerce Markets
- Fast N Furious Innovation
- Innovation Inspiration
- Mission Impossible
- Retail & Foodservice Readiness
- Private Label Readiness
- Market Diversification
CREATING CONNECTIONS

FIAL’s Cluster Programme

Purpose – To bring a disparate group of stakeholders together to work towards a common purpose

Building Resilience & Agility Requires

- Leadership
- Thinking differently
- Working differently
Contact Us

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