

Australian agriculture, fisheries and forestry anticipates \$86 billion gross production value

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Executive Director of ABARES Dr Jared Greenville said today's release of the ABARES Agricultural Commodities and Crop Reports shows the sector is remaining strong despite challenging conditions.

“For agriculture, after a record \$92 billion result in the 2022-23 financial year, the forecast 14% decrease will see value fall to \$80 billion in 2023-24 because of drier domestic conditions and an expected fall in global commodity prices,” Dr Greenville said.

“As we come out of a higher rainfall La Niña period and move into a drier El Niño climate, it is expected that below-average rainfall and warmer temperatures will reduce Australian crop yields and production from the previous year's record highs. Total crop production value is set to fall 20% in 2023-24 to \$46 billion.

“National winter crop production is expected to be around 45.2 million tonnes, slightly below the 10-year average. Drier conditions are so far having the greatest impact on northern cropping areas, with prospects for the southern cropping regions holding up after better-than-expected winter rainfall. It is also expected that summer crop plantings will fall from last year but remain above average, due to lower rainfall forecast for spring and summer being buffered by high levels of water storages.

â??Production and prices outcomes will also weigh on export performance with the value of agricultural exports expected to decrease by 17% to \$65 billion. Farmers are also facing elevated input costs across key inputs such as fertiliser, diesel and labour. High interest rates are also increasing the costs of debt repayments. Despite all the challenges, it is important to remember that falls are coming off the back of record years which have helped rebuild financial reserves and our agricultural sector remains resilient and competitive.