



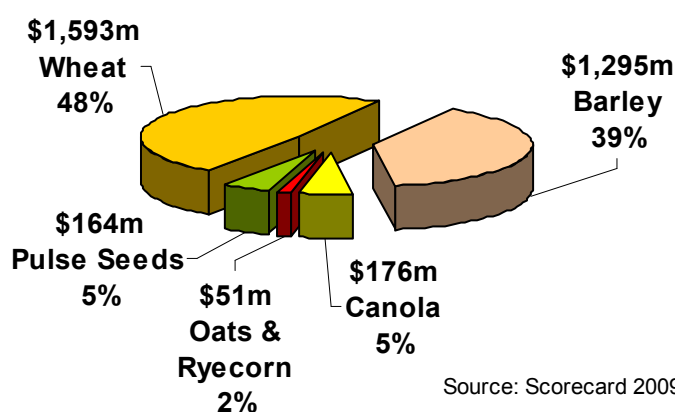
SOUTH AUSTRALIAN FIELD CROP INDUSTRY OVERVIEW 2008-09

1. Introduction

Primary Industries and Resources SA (PIRSA) conduct detailed value chain analyses for each food area. This information is used to create the South Australian Food Industry ScoreCard, which measures the commercial value of each industry sector. The ScoreCard measures all of the value adding components of food revenue – in the case of Field Crops; we measure how the value of field crops increases from the ‘paddock to the plate’. This involves looking at each stage of the food chain from production to finished food and through to consumption. From this economic analysis, the following are identified: the farm gate value of production; exports; imports; inter-state trade; retail sales; and the contribution made by the food services (hospitality and tourism) sector ¹.

In 2008-09 the South Australian field crop industry contributed \$3.3 billion or 27 per cent of South Australia’s gross food revenue. The net food revenue for the same period was \$2.9 billion indicating that \$372 million worth of field crop products were imported from overseas and interstate. Figure 1 shows the percentage and value that each field crop type contributed to the industry’s gross food revenue.

Figure 1: South Australian Field Crop Gross Food Revenue, 2008-09

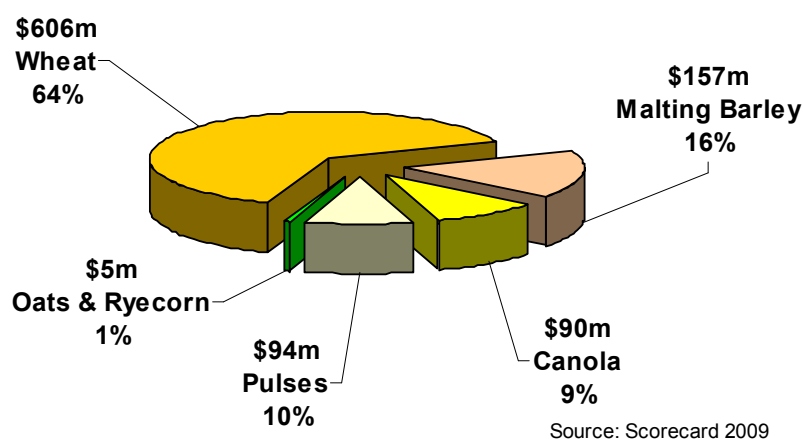


¹ The SA Food Industry Scorecard calculates the value of Food Revenue as the sum of the value of overseas exports (free on board value), interstate exports (at wholesale prices), retail sales and food service sales.

2.1 Production

In 2008-09 3.2 million tonnes of grains, oilseeds and pulses were produced in South Australia². This is valued at \$952 million (measured at farm gate prices³). Figure 2 shows the 2008-09 farm gate value and share for each of the major sectors of the South Australian field crop industry.

Figure 2: Farm Gate Value of South Australian Field Crop Sector Production (for food & beverage), 2008-09



2.2 Commodity Exports

A substantial proportion of revenue earned from South Australia Field Crops was derived from the 2.5 million tonnes⁴ of grain, oilseed and pulses that were exported overseas in 2008-09. Figure 3 shows the contribution that each field crop sector made to the \$1,023 million worth of field crop commodity exports.

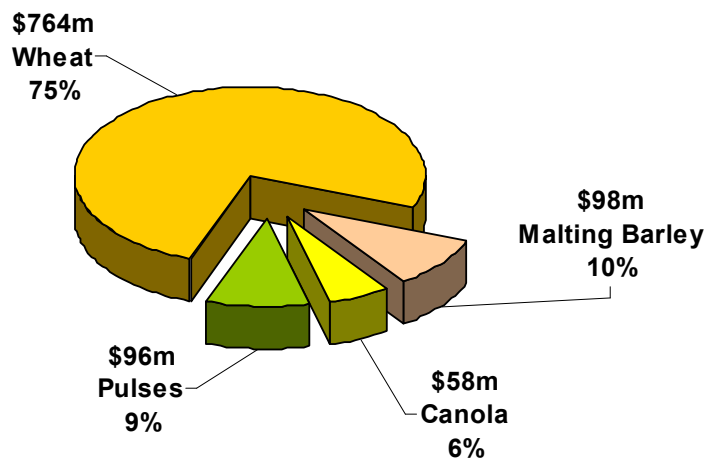
² This quantity only includes grain, pulse & oilseed seed that is suitable for eventual human consumption. In 2008-09 a further 1.8 million tonnes of grains and pulses were produced for stockfeed for an additional farm gate value of \$388 million. The total farm gate value of field crops is therefore estimated to be \$1,340 million.

³ A measure of the value of a commodity at the local level of production (i.e., farm gate). Farm value is calculated by multiplying the volume of production by the price received and, therefore, represents the value of production to the farmer. This measure can also be used as a benchmark for estimating the additions to the price of a product (and through this, its value) as it moves through the value chain from production to consumption.

⁴ It is estimated that an additional 998,200 tonnes of feed grain (i.e., barley) was exported for \$314 million.



Figure 3: South Australian Field Crop Commodity Exports 2008-09



Source: Scorecard 2009

2.3 Interstate Trade⁵ in Commodities

It is estimated that grain, oilseed & pulses to the value of \$96 million were either sold interstate or held in stock. A large proportion of this was barley (\$30 million) and canola (\$33 million).

2.4 Finished Food

Approximately 383,000 tonnes of SA grain & pulses were processed in South Australia at a wholesale value of \$854 million.⁶ Table 1 shows the amount of the various grains that are processed in South Australia and the value of the finished food calculated from wholesale prices.

Table 1 Grain and Pulse seed processed in South Australia, 2008-09

Type of Grain	Processed in SA (Tonnes)	Wholesale Value (\$million)
Wheat	132,000	466
Barley	192,000	346
Oats	42,000	34
Peas	17,500	7

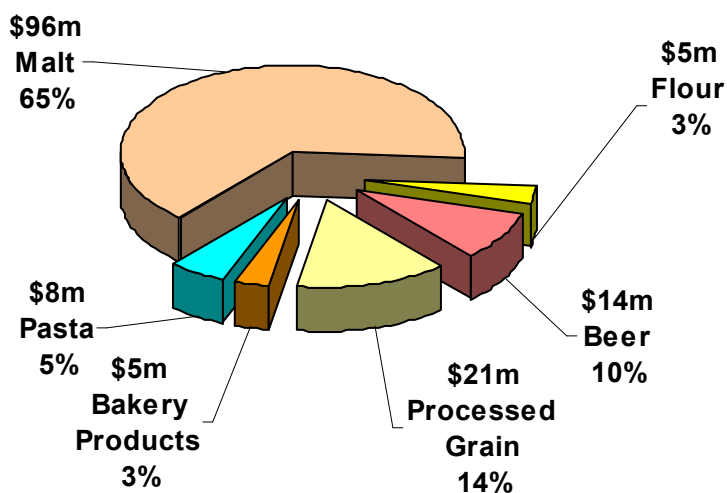
⁵ Interstate trade is calculated by taking the difference between the amount of grain produced and the amount exported overseas and processed. This means that this figure could include additional stock that has not yet been sold.

⁶ The Food South Australia ScoreCard measures finished food value at the final stage the product is processed in South Australia.

2.5 Finished Food Exports

In 2008-09 South Australia exported \$148 million worth of finished food exports that originated from various types of South Australian produced field crops. Figure 4 shows the proportion and value that the various products contribute to that amount.

Figure 4: South Australian finished food field crop exports 2008-09



Source: Scorecard 2009

2.6 Net Interstate Trade of Finished Food

South Australia trades finished food with other states. Table 2 shows the value of this trade in the various processed grain and pulse products.

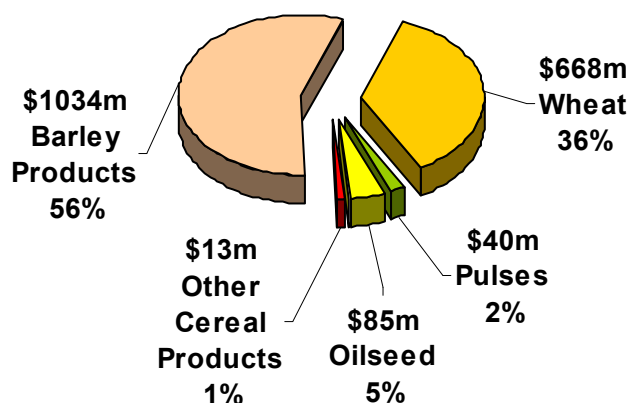
Table 2 Value of finished food interstate trade with other Australian States

Grain Product	Value of trade out (\$ million)	Value of trade in (\$ million)
Wheat Products	132.8	5.6
Malt & Beer	23.9	113.7
Oats & Rye	25.3	0
Oilseed Products	0.0	58.2
Pulses	0.0	10.7
Total	182.0	188.3

2.7 Retail & Service Sales

It is estimated that grain products to the value of \$983 million (retail prices) were consumed in South Australia at the retail level in 2008-09. A further \$857 million worth were consumed at hospitality and service sales outlets. Figure 5 shows the value that the various grains and pulse seed products contribute to total South Australian retail, hospitality and food service sales.

Figure 5: Sector value of South Australian grain finished food retail, hospitality and service sales



Source: Scorecard 2009

3. Conclusion

Field crop revenue for 2008-09 was \$3.3 billion. This was \$119 million higher than last year's equivalent figure. In total 4.9 million tonnes of various grains, pulse seeds and oilseeds were produced in 2008-09, slightly below the five-year average production level of 5.8 million tonnes. The decrease in commodity prices contributed to the decline in field crops production value. Field crops commodity and processed exports, at \$1.2 billion, is 30% higher than the previous year's figure.

Grain exports continued to increase from last year but still have not recovered to the levels experienced in 2001-02.