

Food Value Adding Economic Snapshot

June 2016



MOUNT BARKER
DISTRICT COUNCIL

Mount Barker Region

The Food Value Adding sector of the Mount Barker economy forms part of the overall agricultural sector of the economy.

In 2010/11, the total value of agricultural output in the Mount Barker District was \$46m, which decreased from \$60m in 2005/06. The largest commodity produced was livestock slaughtering, which accounted for 43.7% of the district's total agricultural output in value terms.

Agricultural production is a very important contributor to Australia's economy, and is a key industry in many rural and regional areas, as well as some outer metropolitan areas. The data presented is sourced from the five year Agricultural Census, run by the Australian Bureau of Statistics. This data shows the gross value of agricultural commodities in broad categories, measured across two Agricultural Census periods.

Australian Agricultural Status

The agricultural sector, at farm-gate, contributes 3% to Australia's total gross domestic product (GDP). The gross value of Australian farm production in 2010-11 was \$48.7 billion.

Yet this is only part of the picture. When the vital value-adding processes that food and fibre go through once they leave the farm are added in, along with the value of all the economic activities supporting farm production through farm inputs, agriculture's contribution to the GDP averages out at around 12% (or \$155 billion).

Australian farmers export around 60% of what they grow and produce. Australia's farm exports earned the country \$32.5 billion in 2010-11, up from \$32.1 billion in 2008-09; while the wider agriculture, fisheries and forestry sectors earn the country \$36.2 billion in exports. The value of farm exports, and indeed the future of Australian agriculture, depends largely on conditions in overseas markets, due to our high level of exports.

Australian farmers continue to face the challenge of declining terms of trade in agriculture, yet remain internationally competitive through efficiencies and productivity growth. The growth in the farm sector has increased steadily over the 30 year period from 1974-75 to 2003-04 at an average rate of 2.8%, consistently out-performing other sectors. In more recent times, agricultural productivity growth has slowed to 1% per annum, illustrating the need for an increased spend on research and development to ensure the industry can meet the food and fibre needs of the growing world population.

Opportunities

The Mount Barker Economic Development Strategy advocates for the establishment of a 'Food Council' or similar to help unify the region's food producers to pursue value adding and investment opportunities.

An approach of this type can also provide Council with a significant export proposition by providing a unified message via such a Food Council and/or cluster group.

The Rural DPA also has the capacity to generate additional economic activity in the form of:

- The provision of a rich cultural landscape supporting a wide variety of farming enterprises
- A variety of on-farm value-adding enterprises including processing, farm-gate sales and tourist accommodation and farm experiences promoting a strong regional identity
- Small-scale agricultural and home-based industries based on farming, arts and crafts and heritage
- The retention of existing primary production and associated processing such as the vineyards north and east of Hahndorf, and the Beerenberg Farms and factory.



Council's Recycled Wastewater facility is also a valued and significant investment attraction feature, currently servicing a number of agricultural clients in the region e.g. Eastbrook Farms.

Mount Barker also has a reputation for being a premium wine and food producer and this is continually enhanced via promotion of the Adelaide Hills region as a pristine clean, green environment and tourism destination.

Global population growth and climate change continue to elevate the importance of food, water and energy security, especially in Asia. Markets such as China and India – both from an in-bound tourism and out-bound investment potential cannot be overlooked in terms of the agriculture and food value-adding sectors of the Mount Barker regional economy.

The Mount Lofty Ranges World Heritage bid is a significant opportunity to increase the region's global profile. Combined with the region's clean and green image, this profile could open premium global, national and niche markets for locally produced high-quality fruit, grain, beverages, vegetables and meat. Conservative estimates of the potential economic impact for the region predict 3,044 new jobs in the agriculture and tourism sectors, \$321m increase in GRP and \$155m increase in household income over 10 years.