



Primary Industries Scorecard 2019-20



**Government
of South Australia**

Department of Primary
Industries and Regions

Primary Industries Scorecard 2019–20
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Executive Summary

South Australia's primary industries are vital to the state's economy. Across South Australia, our grains, livestock, horticulture, wine, seafood, dairy, forestry, food, beverage and fibre sectors are significant contributors to the state's exports and employment.

2019–20 was a challenging year with drought, extreme bushfires, and then the COVID-19 pandemic causing major disruptions to supply and demand of the state's food, wine and agribusiness production. COVID-19 has significantly impacted the global and South Australian economy, and the state's primary industries and agribusinesses are also experiencing these impacts, including a fall in demand for some key exports, including wine, seafood and wool.

In 2019–20, primary industries and agribusiness revenue totalled \$14.1 billion, down by 7.4% from the previous year. Total value of primary production for 2019–20 was \$7.8 billion, a decline of 1.1%. This decline was largely due to the lower average price for grains and wool during the year, combined with lower volumes of sheep meats and wild catch fisheries.

The value of the state's international exports of agriculture, food, wine and forestry products was \$5.6 billion (up 3%). This represented 51% of the state's total merchandise export value in 2019–20. The grains export value increased by 26% and horticulture exports increased by 9%. Meat exports decreased by 4% and the export of wool saw the largest decline (down by 44%). The decline in wool exports was in part due to the COVID-19 pandemic in the last half of the period, which also negatively impacted on seafood exports (down 6%).

Overall, results for the full food and wine industry supply chain were slightly up. Combined gross food and wine revenue was up 0.9% to reach \$20.57 billion, with increases in overseas export of food commodities and retail sales. The largest declines across the chain were reduced food and beverage service sales and net interstate trade of food commodities, and finished food and wine. Overseas exports of finished food and wine were also lower in 2019–20 compared with 2018–19, largely due to 19% decline in sheep meat exports value.

Introduction

To track the performance of South Australian primary industries, the Department of Primary Industries and Regions (PIRSA) has developed a series of industry scorecards which provide value chain measures of annual performance.

The 2019–20 scorecard includes primary industries sectors and associated processing such as field crops, livestock, horticulture, wine, seafood, dairy, forestry, wool, skins, seeds and animal feed.

Headline measures to help describe the economic contribution of the industry to South Australia are also included in the report.

The first of these measures is primary industries and agribusiness revenue which measures the revenue of primary production and associated processing. This includes the final sales of primary industries products (largely international and interstate exports of unprocessed grains and live animals) plus the value of locally processed products (such as fresh and processed food, wine and wood products at wholesale value).

The value of these industries to the state is reflected in the included measures of employment and contribution to the Gross State Product (GSP).

For continuity with previous scorecard reports (SA Food and Wine Scorecard that was published until 2016–17), the full food and wine supply chain measures are included in the food and wine supply chain section of this report. The food and wine scorecards expand beyond primary production and processing to include the value of final local retail and food service sales.

Note, while retail and food service sales are included in this section of the food and wine scorecards, for the purpose of measuring the employment and economic impact of the primary industry and agribusiness sectors, retail and food service contributions are not included.

Overview

Events Impacting on Primary Production and Agribusiness

2019–20 was a challenging year with drought and bushfires impacting production, and then the COVID-19 pandemic resulted in major disruptions in the second half of the year. COVID-19 has significantly impacted the global and South Australian economies, and parts of the state's primary industries and agribusiness are also experiencing these impacts.

In South Australia, the initial lockdown created a spike in retail food sales which jumped by 29% in March 2020. However, with the COVID-19 restrictions in place, food service sales dropped as cafes and restaurants were closed. Fortunately, demand in the food service sector is returning due to the lifting of those restrictions.

Despite the challenges presented by drought, bushfires and the pandemic, South Australian farmers have shown immense resilience and continued to operate and produce the food and beverage products that ensure we have access to a secure and high-quality food supply. The sector also continues to provide the jobs and economic activity vital to the state's recovery from COVID-19.

In the summer of 2019–20, Australia experienced devastating bushfires across the nation. Significant bushfires occurred in five regions of South Australia, impacting almost 300,000 hectares including approximately 172,000 hectares of primary production land. An estimated 1,200 primary production properties were impacted.

Modelled estimates of the economic impact of the bushfires suggest Gross State Product (GSP) in 2019–20 is likely to have been reduced by approximately \$230 million. This represents a reduction in GSP growth of approximately 0.2 percentage points in 2019–20. Total primary production losses from the fires were \$186 million, equating to a GSP reduction of \$145 million. This equates to around 63% of the total GSP impact of the bushfires. The South Australian Government is continuing to work with industries and regional communities to recover from the fires, but there will be ongoing impacts to primary production in those affected regions until that recovery is realised.

In addition to the significant events outlined above, the trading relationship between Australia and China remains uncertain and is impacting on a number of the state's key exports.

Table 1 Estimated total primary production impact of the South Australian bushfires 2019–20

| Sector | Impacts | Impact Estimate |
|----------------------------------|----------------------------|----------------------|
| Sheep | 65,370 head | \$14.4 million |
| Cattle | 2,351 head | \$2.6 million |
| Other livestock | 206 head | \$18,625 |
| Apiary | 27,100kg honey/2,075 hives | \$1.2 million |
| Viticulture | 781 hectares | \$8.6 million |
| Horticulture | 96 hectares | \$2.3 million |
| Cropping | 3,942 hectares | \$5.1 million |
| Hay/fodder | 31,565 tonnes | \$9 million |
| Forestry | 15,275 hectares | \$143 million |
| Primary production impact | | \$186 million |

On 19 May 2020, China imposed a combined 80.5% tariff on Australian barley, comprised of a 73.6% anti-dumping duty and a 6.9 % countervailing duty. This was a result of an anti-dumping and countervail investigation initiated on 19 November 2018 into Australian barley exported to China. The immediate impact of new tariffs on barley production is likely to be minimal as plantings for the 2020–21 season were mostly complete when the tariffs came into effect. The impact on the barley industry from China's new tariff will be from loss of trade with a premium market as China, as Australian barley becomes uncompetitive.

More recently there have been further trade disruptions with China impacting products including wine, seafood, and wood.

Revenue

In terms of industry revenue, the largest sectors (Figure 1) are field crops with \$3.82 billion (27%), livestock with \$3.18 billion (23%), wine with \$1.98 billion (14%), horticulture with \$1.82 billion (13%) and forestry with \$1.6 billion (11%).

Total primary industries and agribusiness revenue for 2019–20 was \$14.1 billion, down 7.4% when compared with 2018–19 (Figure 2). The main drivers of this decline were decreases in overall industry revenue of wool (down 40%), forestry (down 27%), wine (down 13%) and seafood (down 7.6%). Industries recording growth in industry revenue included horticulture with 3% growth, dairy with 4% growth, and field crops and livestock each recording less than 1% growth.

Grain production was up by 12% compared with the 2018–19 season to reach 6.5 million tonnes. However, grain production was still 16% below the five-year average with most areas in the state producing below average yields. Despite growth in overseas export of grains by 26%, overall field crop industry revenue increased by only 0.6% largely because this gain was offset by falls in wholesale grain and hay prices, and a decline in total processing.

Numbers of livestock slaughtered were down by between 4% to 42% across major livestock sectors in 2019–20 while cattle, pig, lamb and mutton prices were higher by as much as 10% to 32% when compared with the previous year. As most of

the gains due to price were offset by decrease in the slaughter numbers, the overall livestock industry revenue recorded a growth of 0.5%.

Livestock sectors that recorded growth in revenue were beef (up 22%) and pork (up 16%). This result was despite a reduction in slaughter numbers (4% for beef and 11% for pigs), but a strong increase in the average price (17% in beef and 30% in pork).

Horticulture recorded revenue growth of 3% to reach \$1.8 billion. Some of the smaller crops recorded growth in revenue, but overall growth was mainly driven by the increase in almond revenue (up by 40%) that resulted from a 30% increase in the volume of almonds harvested and 24% increase in the farm gate price.

The dairy sector recorded 4% growth in industry revenue driven by an increase in the farm gate price of milk (up 14%), even though the volume of milk produced decreased by 2%.

Industries such as wool and seafood have been severely impacted by the COVID-19 pandemic in the second half of the period. Closures of mills in China in the early days of the pandemic and subsequent slump in global fashion sales negatively impacted on Australian wool exports and price. Direct exports of wool from South Australia fell by 44% in 2019–20 compared with 2018–19. Overall, wool industry revenue fell by 40%.

Seafood industry revenue fell by 7.6% as a result of the decrease in exports of Rock Lobster (down 18%) and Abalone (down 26%) as demand, mainly from China, fell as the pandemic hit during the peak season for exports.

Wine industry revenue decreased by 13% as a result of the reduced wine grape crush (651,195 tonnes) being 15% down on the 2018–19 total (768,936 tonnes). Unfavourable seasonal conditions were a key factor for the drop in grape production, but this was partly offset by an increase in average price of wine grapes. At a regional level, the Adelaide hills wine region was also impacted by the Cudlee Creek bushfire which impacted on more than 700 hectares of vineyard plantings in the region and contributed to reducing the crush by 25%.

Forestry revenue decreased by 27% from \$2.2 billion to \$1.6 billion mainly as a result of 24% decline in sales of wood products.

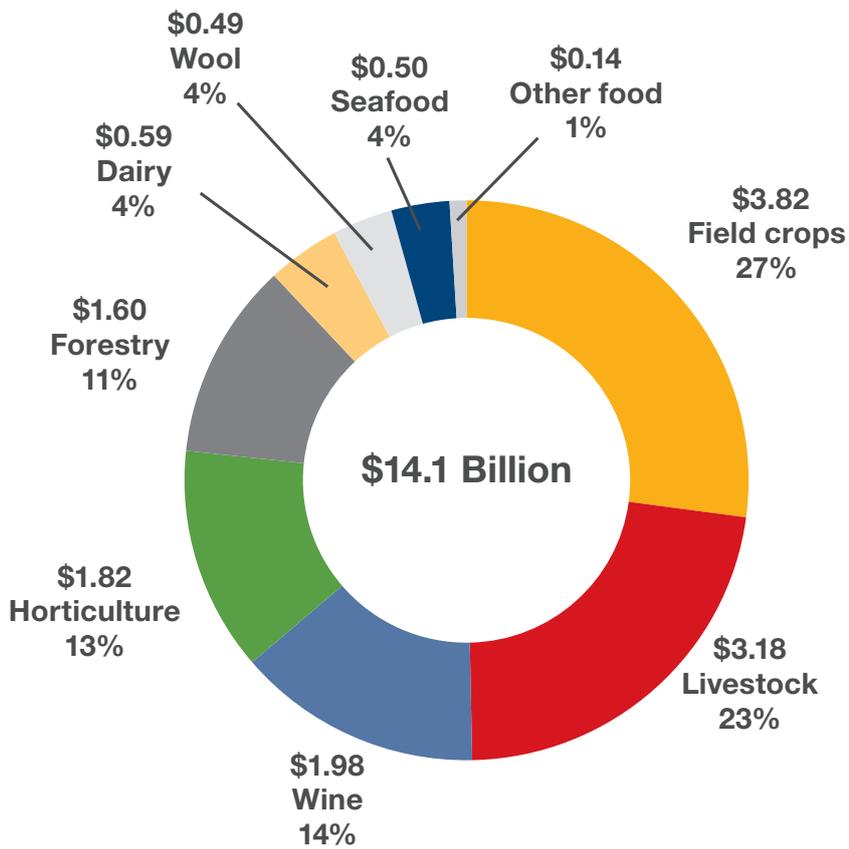


Figure 1. Composition of the 2019-20 primary industries and agribusiness revenue (\$ billion)

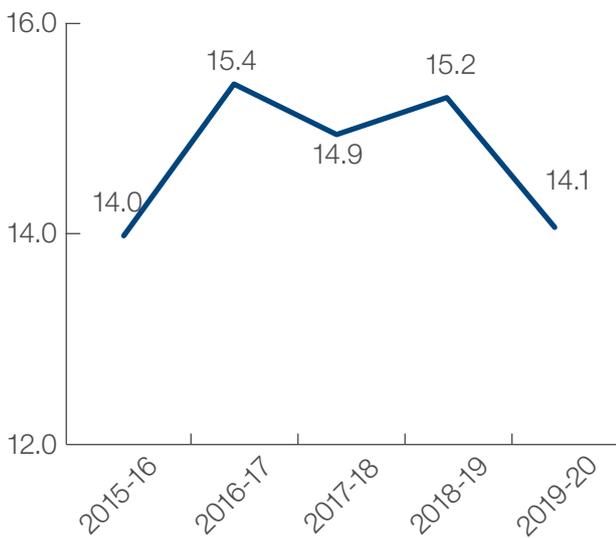


Figure 2. Five-year trend of SA's primary industries and agribusiness revenue (\$billion) from 2015-16 to 2019-20.

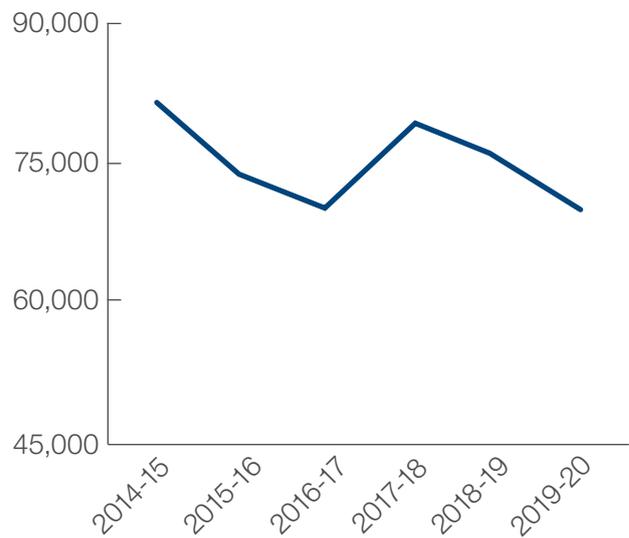


Figure 3. Food and agribusiness employment (number of persons) 2014-15 to 2019-20

Economic Contribution and Employment

Food, Wine and Agribusiness is one of the State Government's nine Growth State sectors. To enable consistent measurement of economic contribution (contribution to Gross State Product) and employment (Full Time Equivalents) of the Growth State sectors, a common methodology has been adopted for reporting of these measures.

From the 2019–20 Scorecard onwards, the estimates of contribution to GSP and employment will align with the South Australian Government's Growth State metrics. For further information regarding changes in method, refer to the Updates and Changes in Methods section.

In 2019–20, total employment in primary industries and associated processing (referred to as the Food and Agribusiness in the Growth State agenda) was 70,000. This was a decline of 8% from 76,000 in 2018–19 (Figure 3) mainly as a result of 12% decline in primary agriculture, forestry and fishing employment. Food and beverage manufacturing employment remained stable over the year.

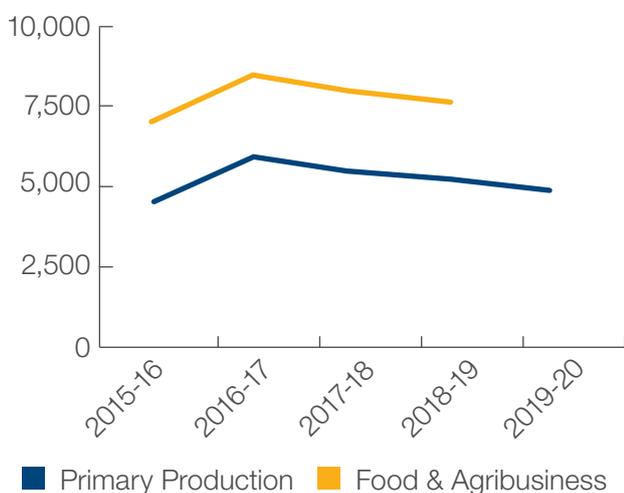


Figure 4. Contribution to Gross State Product (\$ million) 2015–16 to 2019–20.

Contribution to GSP (Figure 4), in terms of Industry Gross Value Added, from primary production activity (agriculture, forestry and fishing) in 2019–20 was \$4.88 billion, down 8% compared with 2018–19. At the time of publishing the processing GSP contribution figure was not yet available.

Exports

The value of South Australia's international exports of primary industries and associated processing industries totalled \$5.6 billion in 2019–20. Overall value of direct international exports increased by 3% from 2018–19 mainly due to the increase in the value of grains exports by 26% and horticulture by 9%. This resulted in the share of primary industries exports increasing from 47% to 51% of the state's total export value (Figure 5).

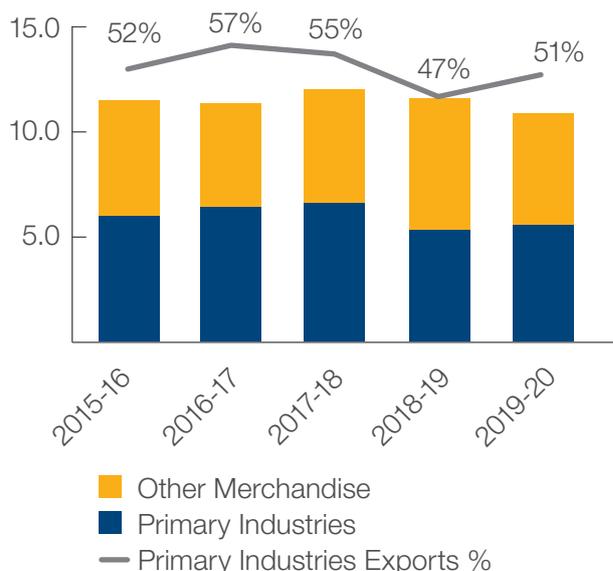
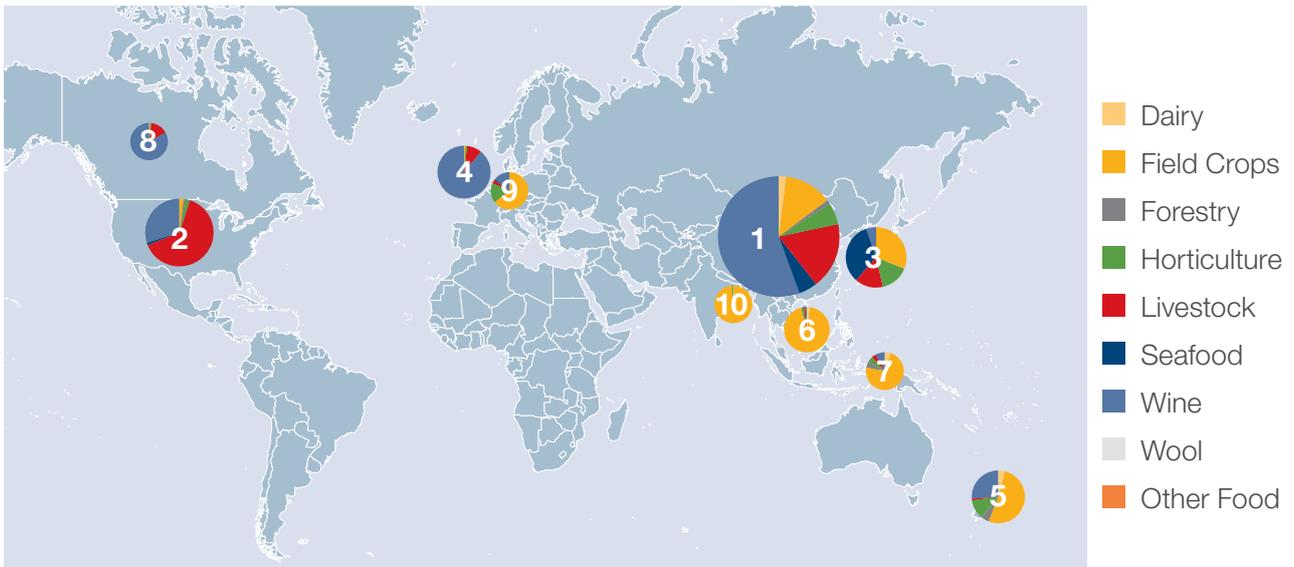


Figure 5. Primary Industries International exports in comparison with total SA merchandise exports, 2015–16 to 2019–20

Overall, field crops and horticulture experienced solid growth in exports while individual sectors varied in performance. Amongst the major sectors, lentils recorded the biggest percentage growth in exports by 56% (up \$91 million to \$253 million), followed by beef with an increase of 39% in export value (up \$87 million to \$306 million). Wheat and barley export value increased by 35% (up \$207 million to \$791 million) and 19% (up \$26 million to \$163 million), respectively. Although both wheat and barley exports experienced growth in 2019–20, they are still significantly below 2017–18 levels. Canola exports also increased in 2019–20 by 11% to reach \$156 million. Almond exports from the state increased by 23% to reach \$181 million while Southern Bluefin Tuna exports increased by 9% to reach \$134 million in 2019–20. Amongst the smaller export sectors, goat meat increased by 45% to \$36 million, chicken exports



- | | | | | | |
|---|----------------|---|-------------|----|------------|
| 1 | China | 5 | New Zealand | 9 | Germany |
| 2 | United States | 6 | Vietnam | 10 | Bangladesh |
| 3 | Japan | 7 | Indonesia | | |
| 4 | United Kingdom | 8 | Canada | | |

Figure 6. Top 10 export markets for South Australia's primary industries and agribusiness in 2019–20.

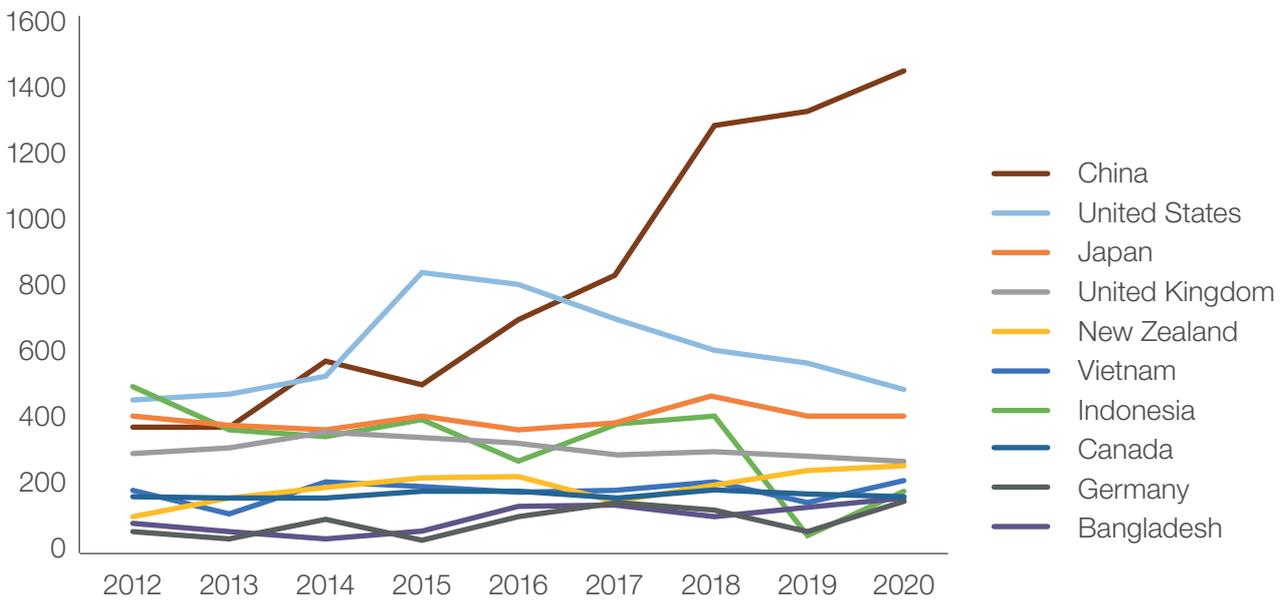


Figure 7. SA's major food and agribusiness export markets and their growth in the past nine years (\$ million)

increased by 35% (up \$5 million to \$18 million) and potato exports increased by 14% to \$19 million.

The top ten export markets for South Australian agriculture, food, wine and forestry commodities in 2019–20 are shown in Figure 6, with the recent trend growth for these markets shown in Figure 7.

China was the biggest international customer in 2019–20, importing goods worth more than \$1.45 billion, accounting for just over one quarter of South Australia’s agriculture, food, forestry and wine exports.

Export growth to China, at an average annual rate of about 23%, has been remarkable since 2014–15, while exports to the United States have been decreasing at an average of 10% annually during the same period. Key drivers of these trends include the shift in higher value wine exports to China and some loss in meat export capacity following a fire at a major meat processor in 2018. Exports to Indonesia have been lower in the past two years due to reduced grain exports to this market.

Total International Exports, Interstate Trade and Change in Stocks

South Australia’s total value of direct international exports, net interstate trade and change in stocks, declined slightly (5%) to \$9.6 billion over the year mainly due to the decrease in net interstate trade of wheat, sheep meats, hay and wine (Figure 8).

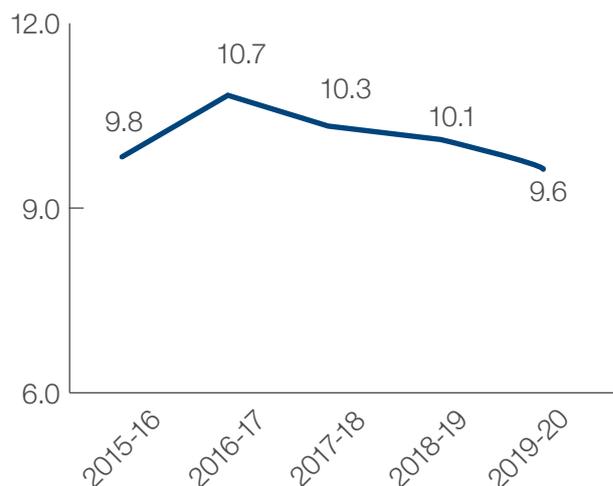


Figure 8. Five year trend of primary industries’ total international and net interstate trade (\$ billion) 2015–16 to 2019–20



Sector Summaries

The sector performance summaries include the 2019–20 value of the major industries at the primary production and processing level. Comparisons with the previous year and over the past five years are also provided.

Primary production value is shaded to indicate how much local production is processed in the state, exported interstate, or sent unprocessed overseas.

The processed value indicates the wholesale value of processed products. The totals are shaded to reflect the proportion that is exported internationally, interstate or sold in the South Australian market.



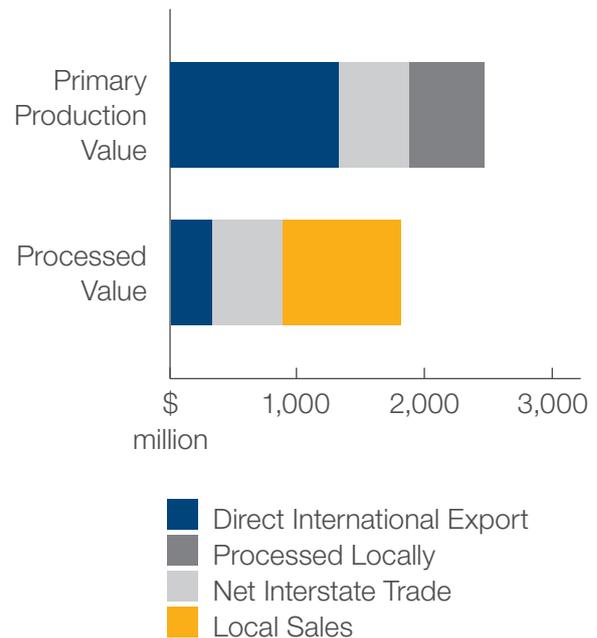
Field Crops

Field crops include wheat, barley, hay, canola, seeds and pulses. Many parts of the state have been impacted by drought since the record harvest in 2016–17. Grain production was up by 12% in 2019–20 compared with 2018–19 season to reach 6.5 million tonnes. However, grain production was still 16% below the five-year average of 7.75 million tonnes, with most areas in the state producing below average yields.

Value of production in 2019–20 totalled \$2.4 billion which was 1.5% lower than 2018–19, mainly because lower prices of wheat, barley, and hay. Lentils saw 69% increase in production value followed by beans (48%), and canola (36%). However, these gains were offset by decrease in production value of wheat (down 5%), hay (down 32%) and barley (down 4%).

Exports of grains in 2019–20 was \$1.5 billion, up 26% when compared with the previous year and was mainly driven by increase in export value of lentils (up 56% to \$253 million), wheat (up 35% to \$791 million) and barley (up 19% to \$163 million). In 2019–20, the value of barley exports to China was down by 10% to \$81 million. However, this was offset by growth in exports to Thailand (up 510% to \$32 million), Taiwan (up 147% to \$5 million) and Japan (up 9% to \$37 million) resulting in an overall increase in value by 19%. Although overall grains export has improved, it is still below 2017–18 levels.

Processing value of field crops saw a reduction in value by almost 15%, mainly as a result of a decline in the wholesale value of hay and feed grains due to lower prices. On average, the feed grain price and the hay price fell by 12% and 7%, respectively, in 2019–20 when compared with 2018–19. The reduction in the processing value also reflects the decline in the state’s beer processing capacity as a major manufacturer was operating below previous capacity and has recently announced that it will cease all operations in 2021. This has been partially offset by continued increase in craft brewery capacity in the state.



| Field Crops | Total (\$ million) | 2018–19 | 2015–16 | 5-Year Trend |
|--------------------------|--------------------|----------|----------|--------------|
| Primary Production Value | 2,410 | ↓ -1.5% | ↑ 18.3% | |
| Processed Value | 1,769 | ↓ -14.8% | ↓ -12.2% | |

Figure 9. Field crops primary production and processed values (\$ million), 2019–20.

Note: the primary production value does not include all commodity exports during the period, with \$228 million of carry-over stocks from previous seasons.

Livestock

The livestock sector includes beef, sheep, pigs and chicken meats, along with smaller sectors including eggs, kangaroo and goats. In terms of primary production value (\$2.1 billion), the sector recorded modest growth of 4.7% in 2019–20 compared with 2018–19. This growth was driven by increases in the value of production for beef (up 15%) and pig meat (up by 30%) resulting from higher farm gate prices (cattle price up by 17%, and pigs prices up 30%). Cattle prices were largely driven by restocking across Australia, whereas the increase in pig prices were an indirect benefit of the global impact of the deadly disease, African Swine Fever, which pushed the price above \$4 per kilogram in the first half of 2019–20. The sheep and chicken industries recorded negative growth largely because of a decrease in flock size.

The value of livestock processing decreased by 1.8% due to the drop in value of sheep meat, chicken and goat meat. This was despite average prices for both lamb and sheep being at high levels due to restocking nationally (lamb prices up by 10% and sheep prices up 32%). The value of sheep processing fell by 21% due to a decline in the number of lambs and sheep slaughtered in 2019–20 compared with 2018–19.

The value of chicken meat fell by 2.4%, resulting from a decrease in the number of birds processed.

In 2019–20, the value of meat exports was down 4% to just over \$880 million. Amongst major products, beef export value experienced growth (up 39% to \$306 million), while sheep meat exports (\$514 million) were down 19%. Although smaller in value, goat meat exports (\$36 million) and chicken exports (\$18 million) grew by 45% and 35% respectively.



Across the state, livestock producers are reportedly in the process of building up stock after the impacts of drought into the first half of 2019–20 which is pushing up cattle prices to historically high levels, with the flow-on effect being felt by both producers and processors.



| Livestock | Total (\$ million) | 2018–19 | 2015–16 | 5-Year Trend |
|--------------------------|--------------------|---------|----------|--------------|
| Primary Production Value | 2,080 | ↑ 4.7% | ↑ 21.5% | |
| Processed Value | 2,591 | ↓ -1.8% | ↓ -17.2% | |

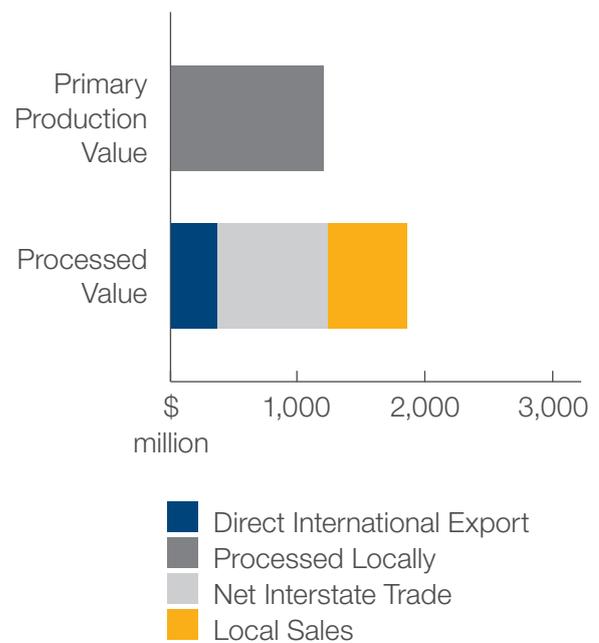
Figure 10. Livestock primary production and processed values (\$ million), 2019–20



Horticulture

More than 40 horticultural products are measured in the Scorecard, with the largest being potatoes, citrus, almonds and tomatoes. The value of primary horticulture production has exceeded \$1 billion for the second straight year totalling \$1.2 billion, up by 12% compared with 2018–19. Similarly, the value of horticulture processing was up by 3.2% totalling \$1.8 billion. The overall value in production and processing was driven by increased volumes of almonds (up 30%), potatoes (up 6%), onions (up 8%), and carrots (up 10%).

Total value of horticultural exports increased by 9% to reach \$374 million. Major export products like almonds (up 23%) and citrus (up by 0.6%) increased their value in offshore markets, along with potatoes which saw growth in export value by 14% totalling \$19 million.



| Horticulture | Total (\$ million) | 2018–19 | 2015–16 | 5-Year Trend |
|--------------------------|--------------------|---------|---------|--------------|
| Primary Production Value | 1,206 | ↑ 12.0% | ↑ 31.1% | |
| Processed Value | 1,822 | ↑ 3.2% | ↑ 25.6% | |

Figure 11. Horticulture primary production and processed values (\$ million)



Wine

The state's wine sector recorded falls in value for both primary production (down 12%) and processing (down 13%) which resulted from the reduced wine grape crush (651,195 tonnes) in 2019–20 being 15% below the 2018–19 crush (768,936 tonnes). Unfavourable seasonal conditions were the key factor and bushfires had a regional impact, with vineyard losses and smoke taint in adjacent regions. Production declines were partly offset by an increase in average price of wine grapes.

Despite the COVID-19 pandemic impacting negatively on premium wine demand in the second half of the period, the overall value of wine exports across the year fell by only 3% (\$1.87 billion in 2019–20 compared with \$1.92 billion in 2018–19). The demand from China across the year along with premium prices, continued positive export growth. However, exports to the United States (\$148 million), United Kingdom (\$239 million), Hong Kong (\$75 million) and Japan (\$21 million) were down by 3%, 0.4%, 19% and 30% respectively.



| Wine | Total (\$ million) | 2018–19 | 2015–16 | 5-Year Trend |
|--------------------------|--------------------|----------|---------|--------------|
| Primary Production Value | 557 | ↓ -11.9% | ↓ -4.1% | |
| Processed Value | 1,979 | ↓ -13.1% | ↑ 4.2% | |

Figure 12. Wine primary production and processed values (\$ million), 2019–20

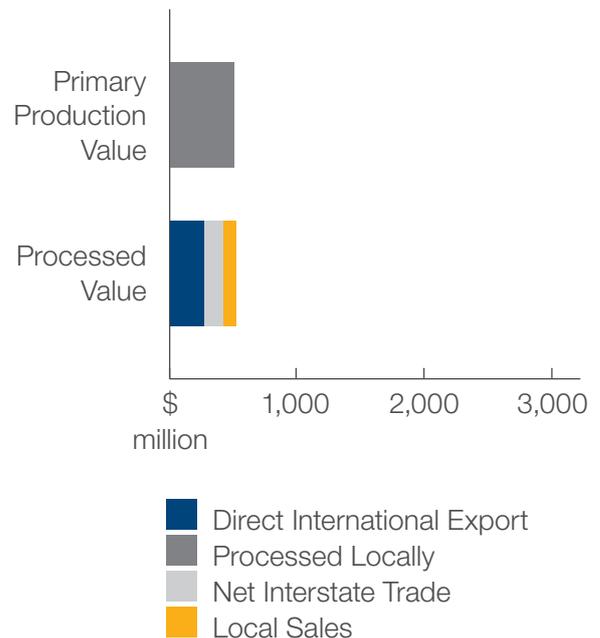


Seafood

The seafood sector includes fisheries and aquaculture production such as Rock Lobster, Southern Bluefin Tuna, oysters, prawns and Abalone. Seafood demand was negatively impacted by COVID-19, with initial disruption to exports to China and subsequent disruption to food service and premium markets where much of SA seafood is sold. The value of seafood production in 2019–20 was around 6% lower compared with 2018–19, with processing value down by 7.6%. Catch of Rock Lobster was reported to be over 100 tonnes less than 2018–19 due to the reduced demand from China as a result of the pandemic lock down.

In 2019–20, the value of direct export of Rock Lobster was \$64 million and 18% lower compared with 2018–19 (SA Rock Lobster is also exported through Melbourne and not included in the direct international export statistics). Abalone exports also declined by 26% to reach \$27 million. Amongst major seafood products, only the export

of Southern Bluefin Tuna recorded growth in value (up 9% to \$135 million). Overall, the value of the state’s direct seafood exports fell by 6% in 2019–20 totalling \$249 million.



| Seafood | Total (\$ million) | 2018–19 | 2015–16 | 5-Year Trend |
|--------------------------|--------------------|---------|---------|--------------|
| Primary Production Value | 452 | ↓ -5.9% | ↓ -0.3% | |
| Processed Value | 496 | ↓ -7.6% | ↓ -7% | |

Figure 13. Seafood primary production and processed values (\$ million), 2019–20

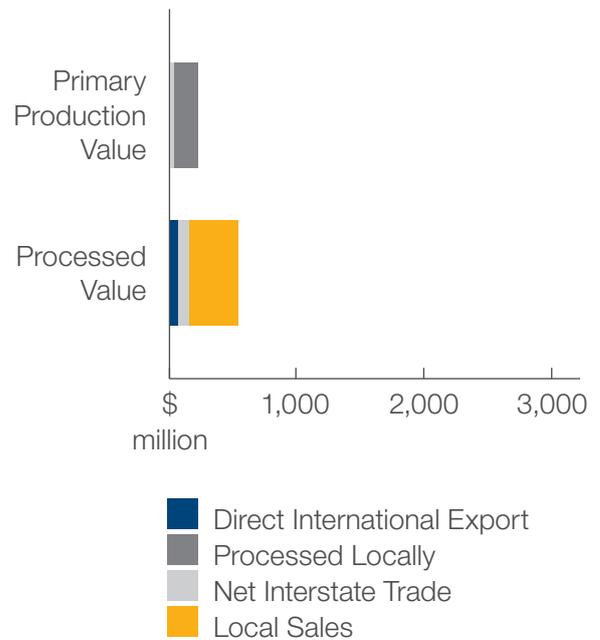


Dairy

Dry seasonal conditions in the first half of 2019–20 proved challenging for many dairy farmers, especially with increasing feed costs. However, farming conditions have continued to improve since December 2019 with higher rainfall, lower input costs and strengthening farm gate milk price.

The dairy sector recorded a 12% increase in production value in 2019–20 despite a small decrease in the volume of milk produced. This was reflected by an increase in average farm gate milk prices of around 13.5%.

Dairy processing value fell slightly (down 0.7%) while the value of overseas exports remained relatively stable reaching \$72 million (up 0.7%). Cheese exports fell by 46% to \$15 million and falls were also seen in the exports of other dairy products like butter, milk and yoghurt. Exports maintained their value with milk powder increasing by 39% to \$53 million.



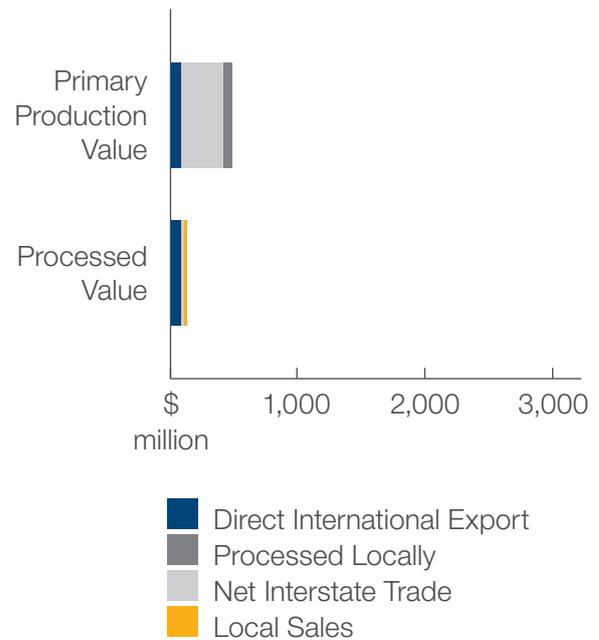
| Dairy | Total (\$ million) | 2018–19 | 2015–16 | 5-Year Trend |
|--------------------------|--------------------|---------|---------|--------------|
| Primary Production Value | 262 | ↑ 11.6% | ↑ 22.4% | |
| Processed Value | 527 | ↓ -0.7% | ↑ 46.3% | |

Figure 14. Dairy primary production and processed values (\$ million), 2019–20



Wool

The wool sector has been severely impacted by the COVID-19 pandemic. Production volume was impacted (down 8%) by a reduced flock number and smaller wool clip, coupled with a drop in the average wool price at auction (down by 26%) resulting in a fall of total wool production value to \$469 million (down 34%). The drop in wool price was a result of reduced demand due to mill closures in China and the drop in global fashion sales. As global demand for wool reduced, wool processing decreased by 27% and wool exports decreased by 44% totalling \$133 million.



| Wool | Total (\$ million) | 2018-19 | 2015-16 | 5-Year Trend |
|--------------------------|--------------------|----------|---------|--------------|
| Primary Production Value | 469 | ↓ -33.6% | ↑ 16.5% | |
| Processed Value | 102 | ↓ -27.5% | ↓ -3.9% | |

Figure 15. Wool primary production and processed values (\$ million), 2019-20

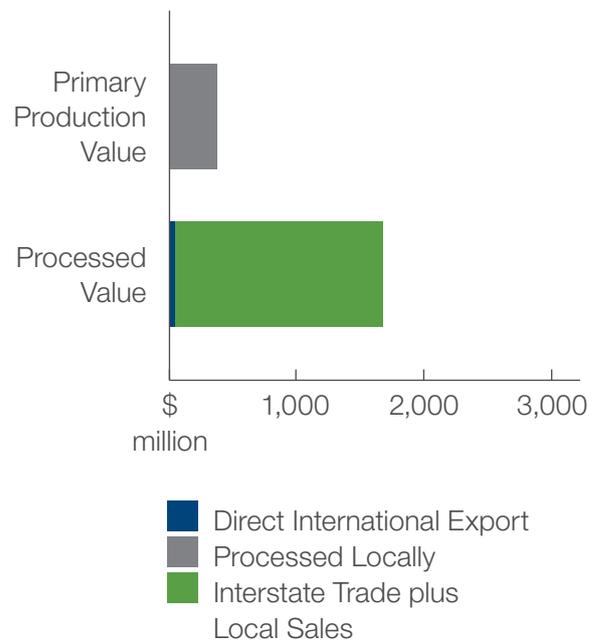


Forestry

Forestry production includes softwood and hardwood logs, with the forestry processing including wood and paper products. Forestry data used in this report is from 2018–19, reflecting the latest data available from Australian Bureau of Agricultural and Resources Economics and Sciences (ABARES).

At the primary production level, the forestry sector saw growth in value (up 11%) totalling \$371 million. However, the value of processed products fell by 27% totalling \$1.6 billion. The decreased value was a result of a 24% fall in sales of wood products.

Over the past five years, forestry production values have increased substantially by 55%. This reflects an increase in harvest of both softwood and hardwood.



Note Interstate Trade includes some products destined for international export

| Forestry | Total (\$ million) | 2017–18 | 2014–15 | 5-Year Trend |
|--------------------------|--------------------|----------|---------|--------------|
| Primary Production Value | 371 | ↑ 11.2% | ↑ 54.6% | |
| Processed Value | 1,597 | ↓ -26.7% | ↓ -5.5% | |

Figure 16. Forestry primary production and processed values (\$ million), 2018-19

Note interstate trade includes products destined for international export.



Primary Production Values

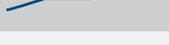
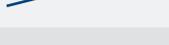
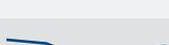
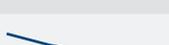
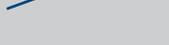
Total primary production value was down by 1.1% to \$7.8 billion in 2019–20 compared with 2018–19. Industries that experienced growth in production value were livestock (up 4.7% to \$2.1 billion), horticulture (up 12% to \$1.2 billion), forestry (up 11%), and dairy (up 12%).

Primary production that saw a drop in value were field crops (down 1.5%), wine (down 12%), wool (down 34%), and seafood (down 5.9%).

Table 2 is a summary of the change in production values compared to 2018–19 and 2015–16, and the trend in values over the previous five year period.

- **Field crops:** Field crops: Seasonal conditions in 2019–20 in many parts of the state were more favourable than the 2018–19 season. Grain production was up by 12% to reach 6.5 million tonnes, which was still 16% below the five-year average with most parts of the state producing below average yields. Despite this growth in harvest tonnage, primary production value (\$2.41 billion) was slightly below (down 1.5%) that of 2018–19 mainly because of lower average grain and hay prices in 2019–20. Growth in the production value of lentils, canola, beans, were offset by a decline in the values of wheat, barley and hay.
- **Livestock:** Overall the livestock industry recorded modest production value growth of around 4.7% compared with 2018–19. This growth in production value was largely driven by growth in the beef and pig sectors. Beef sector production value increased by 15% to reach \$647 million which can be mainly attributed to a 17% increase in average cattle price compared with 2018–19. Similarly, the increase in pig production value was mainly driven by a 30% increase in the average pig price, much of which was gained as an indirect benefit of the African Swine Fever in the first half of 2019–20 before the COVID-19 pandemic hit. Sheep meat production value declined by 5% to \$745 million. Although average sheep price (\$5.71/kg) and lamb price (\$7.97/kg) were 32% and 10% higher, respectively, compared with 2018–19, the number of sheep and lambs slaughtered were down in 2019–20. Number of sheep slaughtered for mutton was down 42% and the number of lambs slaughtered was down 11% when compared to the previous year. The value of chicken production fell by about 1% due to a decrease in the total number of chickens produced.
- **Dairy:** Farm gate value of dairy production increased by 12% in 2019–20 to \$262 million. The increase was due to a rise in the farm gate milk price by almost 13.5%. In terms of volume of milk produced, 488 million litres was produced in 2019–20 which was a decrease of almost 2% from 2018–19.
- **Horticulture:** Primary production value of horticulture totalled \$1.2 billion, up 12% from 2018–19. Significant growth in value was recorded in almonds (up 62%) and potatoes (up 10%). The growth in almond production has been driven by the significant area of planting over the past decade coming into production. Citrus production value declined by 5% to \$129 million mainly due to a 1% decline in harvest tonnage and a 4% decline in average farm gate price.
- **Seafood:** Overall seafood production value declined by around 6% to \$452 million, mainly as a result of decline in value of wild catch fisheries. Rock Lobster catch was reported to have decreased by more than 110 tonnes in 2019–20, and its average beach price was also down by 4% translating to a 11% decline in production value. This largely attributed to softening demand from China. Production value of prawns was also down by 45% because of a 31% decline in the average price and 20% decline in volume.
- **Wool:** The value of wool production decreased by 34% to \$469 million mostly because of a decrease in the average wool price by around 26% in 2019–20 compared with 2018–19 when wool prices were at historically high levels. This price decline was a result of reduced demand resulting from the mill closures and slump in global fashion sales due to the COVID-19 pandemic. The lower wool production value was also because of the decreasing flock size and smaller wool clip that resulted in an 8% decline in wool production.
- **Wine Grapes:** Wine grape production value was down 12% to \$557 million in 2019–20 due to a reduced crush of 651,195 tonnes (down by 15%) in 2019–20. Unfavourable seasonal conditions and regional bushfires contributed to the drop in grape production, but this was partly offset by an increase in average price of wine grapes.
- **Forestry:** Forestry production value increased by 11% in 2018–19 compared with 2017–18, reflecting an increase in both the total volume of logs harvested (up 2%) and the average price (up 9%) of logs. Volume of hardwood harvested increased by 10% while the volume of softwood harvested did not record any significant change in 2018–19.

Table 2. South Australia's primary industries' production (farm gate value) by sector

| | Value \$ million | | | |
|---------------------------------|------------------|---------------------|---------------------|---|
| | 2019–20 | Change from 2018–19 | Change from 2015–16 | 5-Year Trend |
| Field crops total | 2,410 | ↓ -1.5% | ↑ 18.3% |  |
| Wheat | 935 | ↓ -3.3% | ↑ 16.1% |  |
| Barley | 474 | ↓ -4.2% | ↑ 36.4% |  |
| Other | 1,001 | ↑ 1.7% | ↑ 13.3% |  |
| Livestock total | 2,080 | ↑ 4.7% | ↑ 21.5% |  |
| Sheep | 745 | ↓ -4.9% | ↑ 52.1% |  |
| Beef | 647 | ↑ 14.7% | ↑ 13.2% |  |
| Chicken | 324 | ↓ -0.8% | ↑ 11.4% |  |
| Pig | 249 | ↑ 29.5% | ↑ 12.1% |  |
| Other | 115 | ↓ -4.1% | ↓ -16.6% |  |
| Horticulture total | 1,206 | ↑ 12.0% | ↑ 31.1% |  |
| Potatoes | 203 | ↑ 9.6% | ↑ 67.7% |  |
| Citrus | 129 | ↓ -5.0% | ↑ 58.4% |  |
| Almonds | 219 | ↑ 62.2% | ↑ 80.1% |  |
| Other | 655 | ↑ 5.6% | ↑ 9.9% |  |
| Wool | 469 | ↓ -33.6% | ↑ 16.5% |  |
| Wine Grapes | 557 | ↓ -11.9% | ↓ -4.1% |  |
| Seafood total | 452 | ↓ -5.9% | ↓ -0.3% |  |
| Aquaculture | 229 | ↑ 8.5% | ↑ 11.3% |  |
| Wild Catch Fisheries | 223 | ↓ -17.2% | ↓ -9.8% |  |
| Forestry* | 371 | ↑ 11.2% | ↑ 54.6% |  |
| Dairy total | 262 | ↑ 11.6% | ↑ 22.4% |  |
| Total primary production | 7,806 | ↓ -1.1% | ↑ 19.0% |  |

*Most recent production data available for forestry is the 2018-19 data from ABARES

Food and Wine Supply Chain

Key highlights for 2019–20 include:

- Gross food and wine revenue increased by 0.9% (up \$192 million) to reach \$20.57 billion (Table 3).
- Gross food revenue increased by around 2.4% (up \$414 million) to \$17.98 billion (Table 4).
- Food revenue increases were driven by increases in food commodity (grains) exports and retail sales.
- Gross wine revenue decreased by around 8% (down \$222 million) to reach \$2.6 billion (Table 5).
- Value of food commodity exports (Table 3) increased by 26% (up \$295 million), whereas export of finished foods (Table 4) decreased by 1.2% (down \$22 million) and wine exports (Table 5) decreased by 2.5% (down \$48 million).
- In March 2020, food retail sales jumped by 29% fueled by panic buying as South Australia went into lockdown. And, as restaurant and cafes closed or focused more on takeaway, food service sales dropped by 13% in March, and a further 28% in April 2020. However, sales have stabilised since the lockdown ended and over the year retail sales of finished food increased by 5% (up \$460 million) while food service sales of finished food decreased by more than 8% (down \$218 million). In 2019–20 retail and food service sales of finished food products recorded a combined revenue of \$11.6 billion (Table 4).
- Retail sales of wine increased by almost 7% (up \$28 million) while food service sales of wine decreased by more than 22% (down \$78 million). Together they recorded a combined revenue of \$719 million (Table 5). Nationally, Wine Australia reported that food service sales of wine were lower by 25% in 2019–20 as a result of lock downs to control the COVID-19 pandemic.
- Gross food and wine revenue increased by 0.9% which is below the long-term average annual growth rate of 3% recorded since 2001–02 (Figure 17).
- Overall, decreases in finished food and wine exports, both overseas and interstate, have been offset by increases in the value food commodity (grains) export and retail sales.
- Tables 3, 4, and 5 show how totals along value chain contributed to gross food and wine revenue growth in 2019–20.

Table 3. South Australia’s food and wine revenue (\$ million) summary, 2019–20, in comparison with 2018–19 and five year trend

| Indicator | 2019–20 (\$m) | Change from 2018–19 (\$m) | 5-Year Trend |
|--|---------------|---------------------------|--------------|
| Finished food and wine exports | 3,684 | ↓ -70 | |
| Food commodity exports | 1,422 | ↑ 295 | |
| Net Interstate processed food & wine sales | 2,216 | ↓ -214 | |
| Net Interstate food commodity sales | 940 | ↓ -10 | |
| Retail trade sales | 9,628 | ↑ 488 | |
| Food service sales | 2,684 | ↓ -296 | |
| Gross food and wine revenue | 20,574 | ↑ 192 | |

Table 4. South Australia’s food revenue (\$ million) summary, 2019–20, in comparison with 2018–19 and five-year trends

| Indicator | 2019–20 (\$m) | Change from 2018–19 (\$m) | 5-Year Trend |
|-------------------------------------|---------------|---------------------------|--------------|
| Finished food exports | 1,816 | ↓ -22 | |
| Food commodity exports | 1,422 | ↑ 295 | |
| Net Interstate processed food sales | 2,206 | ↓ -90 | |
| Net Interstate food commodity sales | 940 | ↓ -10 | |
| Retail trade sales | 9,181 | ↑ 460 | |
| Food service sales | 2,412 | ↓ -218 | |
| Gross Food Revenue | 17,977 | ↑ 414 | |

Table 5. South Australia’s wine revenue (\$ million) summary, 2019–20, in comparison with 2018–19 and five-year trend

| Indicator | 2019–20 (\$m) | Change from 2018–19 (\$m) | 5-Year Trend |
|--------------------------------------|---------------|---------------------------|--------------|
| International exports | 1,868 | ↓ -48 | |
| Net Interstate Trade/Change of stock | 10 | ↓ -124 | |
| Retail trade sales | 447 | ↑ 28 | |
| Food service sales | 272 | ↓ -78 | |
| Gross Wine Revenue | 2,598 | ↓ -222 | |

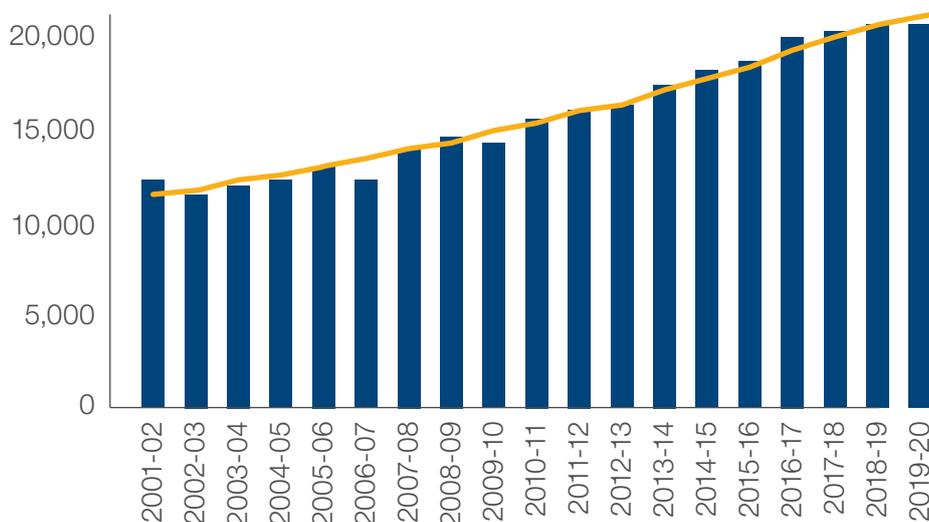


Figure 17. South Australian Gross Food and Wine Revenue (\$ million), 2001–02 to 2019–20

Glossary of Terms

Primary production value

This measures the value of a commodity at the local level of production (alternatively known as farm gate value). This represents the value of production to the primary producer.

Processed

Products that have been minimally or highly processed. The value is represented by the product's wholesale price into the local or export market (alternatively known as "finished" for food and wine products). It also includes unprocessed food products that are ready to eat, such as fruit or seafood.

Commodity exports

Commodity exports are products that have a minimal change from their natural form and require further processing before consumption – for example bulk grain, unprocessed wool or live animals.

International exports

The value of international exports of products reported by the Australian Bureau of Statistics (ABS) as being of South Australian origin, noting some South Australian products including forestry, wool and Rock Lobsters are often consolidated for international export through interstate ports and are not reported as being of South Australian origin. In these instances, these products are included in the scorecard's interstate trade totals.

Local sales

A measure of sales at wholesale value within the state. It includes the wholesale value of processed products minus the values of international exports and net interstate trade.

Net interstate trade and change in stocks

This represents the difference in the value of goods exported interstate from those that are imported from interstate, and any change in stocks. This includes products that are consolidated interstate for international export but not reported in ABS Statistics as South Australian international exports. For products that can be stored across years (mostly grain and wine), it also includes any change in stocks.

Primary industries and agribusiness revenue

This measures the revenue of primary production and associated processing. This includes the final sales of commodity primary industry products (mostly international and interstate exports of unprocessed grain, wool and live animals) plus the value of locally processed products (such as fresh and processed food, wine and wood products) at wholesale value.

Food and Wine Specific Measures

Food retail sales

The value of food sales made through all retail stores including supermarkets and grocery stores, takeaway food, meat, fish, poultry, fruit and vegetable retailing, liquor retailing, bread and cake, and specialist food retailing.

Food service sales

The value of sales of food and beverages through restaurants, hotels, and tourism operations within South Australia. The calculation estimates the percentage of total sales that occur through these outlets. Prices used in this calculation are usually higher than those used at the retail level.

Food and wine gross revenue

An aggregate measure of revenue that includes international and interstate food and beverage exports and the value of food and beverage retail and service sales.

Updates and Changes in Methods

Economic contribution

In the 2017–18 and 2018–19 Scorecards, contribution to GSP and employment was estimated by measuring the direct contribution of primary industries and processing, and the economic contribution of supply chain inputs to these sectors using the REMPLAN Input Output Model.

For the 2019–20 Scorecard contribution to GSP and employment measures will be aligned with the South Australian Growth State estimates which are based on the Australian Bureau of Statistics' Australian National Accounts and Labour Force survey data. Industries included in the estimates are agriculture, forestry and fishing, food product manufacturing, beverage manufacturing, wood product manufacturing, and pulp, paper and paperboard manufacturing.

Wool

The Wool Scorecard, although not reported in the PIRSA scorecards before 2017–18, historically had not included the value of processing in the state. The scorecard method has been updated in 2019 to better capture the value of wool processed within the state and was applied retrospectively to all years prior in order to capture processing.

Dairy

Milk powder processing had never been reported in the scorecard as the sector had remained relatively small. However, in the recent years, especially since mid-2017, milk powder processing in the state has been growing which is reflected in the remarkable growth in exports since in 2017–18. Therefore, milk powder processing has been included since 2018–19.

Seafood

Seafood production data has been updated on 1 November 2021, after the BDO Econsearch's S.A. Aquaculture report 2019-20 became available.



**Government
of South Australia**

Department of Primary
Industries and Regions