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GAIN Report

Global Agricultural Information Network

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Report Highlights:

Optimism Grows As "Dream Season" Gathers Pace; GM Canola Plantings Take off in 2010; Australia Launches Campaign to Boost Wine Market Share in China; Productivity Commission Finds Benefits of Free Trade Agreements Only 'Modest'; Major Retailer Moves to Sow Stall Free Pork; Report Indicates that Green Pressure Could Hold Back Ag Productivity; Asian Trade Opportunity for Summer Crops; Rice Farming in the Ord River Valley

Optimism Grows As "Dream Season" Gathers Pace

There's a rising sense of optimism among growers across New South Wales that, after a decade of drought and failed crops, they are within reach of producing an above-average crop providing the season continues its dream-like run. Most of NSW received good rain at the end of May and early June which produced excellent crop growing conditions, especially in the central and southern areas. The rain has meant there is a good water profile under all crops, which has not been the case for years.

If timely rain continues through into spring forecasters are predicting there could be a State-wide average yield of 2.7 MT a hectare for wheat. The average yield for last year was 1.6t/ha.

The overall NSW winter crop planting is estimated at 5.15 million hectares, with the winter cereal area sitting at 4.31m ha and pulses and oilseeds at 0.84m ha. Canola plantings were now estimated at 316,500ha, an increase of four per cent on the May estimate, and up significantly from the 244,000ha harvested last year. Chickpeas made up 65pc of the total pulse plantings, with an estimated area of 337,070ha in the ground – a big increase on the 219,000ha harvested last season.

Source: [Farm Online](#)

GM Canola Plantings Take off in 2010

In 2010, just the third year of commercial availability in NSW and Victoria and the first year of commercial production in Western Australia, it is estimated that farmers have planted a total area of approximately 133,330 hectares of Roundup Ready canola varieties - 8.3 percent of total area planted to all canola varieties in Australia. This is more than three times the total area planted in 2009, with a huge uptake of the technology in Western Australia. Plantings per state in 2010 have been: 72,790 ha in Western Australia; 24,040 ha in NSW; and, 36,500 ha in Victoria (these areas are subject to change as seasonal conditions develop). If rainfall and seasonal conditions remain 'average' through to harvest, the yield of GM canola crops is forecast at 160,000 MT. The total Australian canola crop is for this year is forecast at 1.960 million MT. Source: [Biotechnology Annual Report](#)

Australia Launches Campaign to Boost Wine Market Share in China

The Australian wine industry has launched a multi-million-dollar campaign to try to boost its market share in the Chinese wine market. The industry expects the Chinese market to become its biggest customer by 2015. It is hoped the move will capitalize on the already strong success of Australian wines in China.

Australian vintners have a 20 percent share of the Chinese market for imported wine, second only to France.

Australian wine exports to China are expected to grow up to 50 per cent this year and will be worth as much as A\$200 million. The new marketing push is aimed at positioning Australia as a producer of high-quality wines rather than cheap quaffing plonk.

The Australian wine industry believes Australia is ahead of the competition, which is starting to emerge from other countries such as Chile, Argentina and South Africa.

Source: [The Australian](#)

Productivity Commission Finds Benefits of Free Trade Agreements Only 'Modest'

In a [draft report](#) on Bilateral and Regional Trade Agreements released for comment on July 16, 2010, the Productivity Commission proposes big changes to Australia's - and the world's - approach to free trade negotiations. It urges a shift away from the Doha Round and bilateral Free Trade Agreements (FTAs) to more flexible, industry-specific deals. The Commission has damned the government's focus on regional and bilateral FTAs with the faintest of praise and finds the gains from past FTAs were "exaggerated in rhetoric but modest in reality."

Between 2003 and 2009, the Australian government negotiated FTAs with the United States, Thailand, Singapore, the 10-member ASEAN group and Chile. The Government is currently negotiating FTAs with China, Japan, Korea, Malaysia, regional FTAs with about 20 other countries, and is considering FTAs with India and Indonesia. The Commission's draft report suggests the negotiating effort going into all this could be better spent elsewhere and urges the government to consider "alternative measures that could deliver similar or greater benefits at less cost".

The report, co-written by former World Trade Organization deputy director-general Andrew Stoler, now at the University of Adelaide, found that while there was some evidence of benefits for Australian exporters from past FTAs, they were only modest ones and that expectations of the benefits have been optimistic.

Source: [FarmOnline](#)

Major Retailer Moves to Sow Stall Free Pork

In a blow for conventional pork production, one of Australia's largest supermarket chains, Coles, is phasing out the sale of pork sourced from piggeries using sow stalls at its in-house butcheries and aims to be fully "sow-stall free" by 2014. Coles said "sow-stall free" producers will start supplying sow stall free pork to the Coles Butcher range from 2011 and for a number of months they have been working with growers to phase out sow stalls and to ensure they avoid onerous costs in changing how they raise pigs. The Coles spokesman indicated that their customers are becoming increasingly interested in welfare issues surrounding pig farming, with the use of sow stalls their greatest concern.

Australian Pork Ltd. (APL), Australia's peak pork industry body, says the move is "unhelpful" to the process of change being undertaken by the industry as a whole to address the public's animal welfare concerns. It is also demanding that Coles apply the same standards to processed pork imported from overseas producers. Currently more than 70 per cent of ham and bacon products sold in Australia are made from imported pork.

RSPCA Australia has commended Coles for showing leadership on pig welfare and said the move was the strongest signal yet that sow stalls were no longer palatable to consumers. Source:

[FarmOnline](#)

