Agriculture and Fisheries in the Outback region of Queensland, 2013

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About my region 13.30
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1 Regional overview

The Queensland-Outback region of Queensland is located in the west of the state, and spans from the tip of Cape York to the borders of the Northern Territory and New South Wales (Map 1). The region comprises 34 local government areas. The region covers a total area of around 1 million square kilometres, or 68 per cent of Queensland’s total area, and is home to approximately 82,900 people (ABS 2011).

The total land held by farm businesses was estimated to be 94 million hectares in the Queensland-Outback region in 2010–11. Agricultural land in the region was mainly used for grazing (92 million hectares), with some cropping (100,489 hectares) also taking place. In addition, 1,117,818 hectares of land held by farm businesses was set aside for conservation (ABS 2012).

Employment

Australian Bureau of Statistics (ABS) census data from 2011 indicate that around 37,400 people were employed in the Queensland-Outback region. The Queensland-Outback region accounts for 2 per cent of total employment in Queensland and 9 per cent of all people employed in the Queensland agriculture, forestry and fishing sector.

Agriculture, forestry and fishing was the largest employing sector (5127 people; Figure 1) representing 14 per cent of the region’s workforce. Of these employees, 91 per cent were employed in agriculture, 5 per cent were employed in support services for the agriculture, forestry and fishing sector, and 2 per cent were employed in fishing, hunting and trapping. In addition, an estimated 312 people were employed in food product manufacturing and 28 people were employed in wood, pulp and paper manufacturing in the region (included in manufacturing sector employment).
Mining was the second largest employing sector (4912 people), followed by public administration and safety (4397 people). Other important employment sectors in the region were health care and social assistance (3679 people), education and training (2928 people), and retail trade (2650 people).

Figure 1 Employment profile, Queensland-Outback region, August 2011

Source: Australian Bureau of Statistics
2 Agriculture sector

Value of agricultural production

In 2010–11 the gross value of agricultural production (GVAP) in the Queensland-Outback region was $1.8 billion, which was 18 per cent of the total gross value of agricultural production in Queensland ($9.5 billion) for 2010–11. This is the most recent year for which data are available from the ABS on GVAP by statistical area.

The Queensland-Outback region has an important agricultural sector. In 2010–11, the Queensland-Outback region accounted for around 70 per cent of the total value of Queensland sheep and lamb production, 66 per cent of the total value of wool production, 66 per cent of the total value of papaya production, and 43 per cent of the total value of cattle and calve production.

The most important commodity in the region, based on the value of agricultural output, was cattle and calves (Figure 2). In 2010–11, cattle and calves contributed 84 per cent ($1.5 billion) to the total gross value of agricultural production in the Queensland-Outback region. Wool accounted for 4 per cent ($78 million) and fruit contributed 3 per cent ($57 million), with the main crops being mangoes ($15 million), papayas ($11 million), and limes ($9 million).

![Figure 2 Value of agricultural production, Queensland-Outback region, Queensland, 2010–11](image)

Source: Australian Bureau of Statistics

Number and type of farms

ABS data indicate that in 2010–11 there were 2337 farms in the Queensland Outback region with an estimated value of agricultural operations of more than $5000 (Table 1). The region contains 8 per cent of all farm businesses in Queensland.
### Table 1 Number of farms, by industry classification, 2010–11

<table>
<thead>
<tr>
<th></th>
<th>Queensland - Outback region</th>
<th>Queensland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>no.</td>
<td>%</td>
</tr>
<tr>
<td>Beef cattle</td>
<td>1,493</td>
<td>64</td>
</tr>
<tr>
<td>Mixed livestock</td>
<td>257</td>
<td>11</td>
</tr>
<tr>
<td>Fruit and nuts</td>
<td>160</td>
<td>7</td>
</tr>
<tr>
<td>Sheep</td>
<td>90</td>
<td>4</td>
</tr>
<tr>
<td>Other livestock</td>
<td>88</td>
<td>4</td>
</tr>
<tr>
<td>Other crop growing</td>
<td>43</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>205</td>
<td>9</td>
</tr>
<tr>
<td>Total Agriculture</td>
<td>2,337</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: Where the estimated value of agricultural operations is more than $5000.

**Source:** Australian Bureau of Statistics

Farms are classified in Table 1 according to the activities that generate most of their value of production. Beef cattle (1493 farms) were the most common, accounting for 64 per cent of all farms in the Queensland Outback region, and 12 per cent of all beef cattle farms in Queensland.

A significant proportion of farms in the region are small in terms of their business size. Estimated value of agricultural operations (EVAO) is a measure of the value of production from farms and a measure of their business size, and is somewhat similar to turnover. Around 51 per cent of farms in the Queensland Outback region had an EVAO of less than $350 000 (Figure 3). These farms accounted for only 11 per cent of the total value of agricultural operations in 2010–11. In comparison, 49 per cent of farms in the region had an EVAO of more than $350 000 and accounted for an estimated 89 per cent of the total value of agricultural operations in the region in 2010–11.

**Figure 3 Distribution of farms by estimated value of agricultural operations, Queensland Outback, Queensland, 2010–11**

[Graph image showing distribution of farms by estimated value of agricultural operations]

**Source:** Australian Bureau of Statistics
Farm financial performance—Queensland

Each year, ABARES interviews Australian broadacre and dairy producers as part of its annual survey program. Broadacre industries covered in this survey include the grains, grains–livestock, sheep, beef and sheep–beef industries. The information collected is a basis for analysing the current financial position of farms in these industries and expected changes in the short term. This paper uses data from the ABARES Australian agriculture and grazing industries survey (AAGIS) to compare estimates of financial performance indicators (Box 1) for broadacre farms in Queensland.

Box 1 Definitions

<table>
<thead>
<tr>
<th>Major financial performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total cash receipts</strong>: total revenues received by the business during the financial year.</td>
</tr>
<tr>
<td><strong>Total cash costs</strong>: payments made by the business for materials and services and for permanent and casual hired labour (excluding owner manager, partner and family labour).</td>
</tr>
<tr>
<td><strong>Farm cash income</strong>: total cash receipts – total cash costs</td>
</tr>
<tr>
<td><strong>Farm business profit</strong>: farm cash income + changes in trading stocks – depreciation – imputed labour costs</td>
</tr>
<tr>
<td><strong>Profit at full equity</strong>: return produced by all the resources used in the business, farm business profit + rent + interest + finance lease payments – depreciation on leased items</td>
</tr>
<tr>
<td><strong>Rate of return</strong>: return to all capital used, profit at full equity * 100 / total opening capital</td>
</tr>
<tr>
<td><strong>Equity ratio</strong>: Farm capital minus farm debt expressed as a percentage of farm capital</td>
</tr>
</tbody>
</table>

Industry types

- **Grains**: farms mainly engaged in producing broadacre crops such as wheat, coarse grains, oilseeds and pulses, and including farms running sheep and/or beef cattle in conjunction with substantial broadacre crop activity.
- **Sheep**: farms mainly engaged in running sheep.
- **Beef**: farms mainly engaged in running beef cattle.

Performance of broadacre farms—Queensland

Farm cash income for Queensland broadacre farms is projected to increase from an estimated average of $95 500 per farm in 2011–12 to an average of $101 000 per farm in 2012–13. If achieved, the 2012–13 farm cash income would be around 25 per cent above the average farm cash income recorded for the 10 years to 2011–12 (Table 2, Figure 4).

The projected increase in average broadacre farm cash income is mainly a consequence of increased crop receipts, particularly in central Queensland, combined with increased receipts from sale of beef cattle in some regions.

Overall, production of winter crops in 2012–13 is estimated to have been similar to 2011–12, but production of summer crops is projected to decline significantly. However, the reduction in
overall crop production is projected to be more than offset by higher grain prices to result in crop receipts increasing, on average. Significant differences are expected across regions with the largest increase in crop receipts occurring in central Queensland.

Figure 4 Real farm cash income, broadacre industries, average per farm

Receipts from beef cattle typically account for around 70 per cent of average total cash receipts in Queensland. Overall receipts from beef cattle are projected to decline slightly due to lower saleyard prices and despite an increase in turnoff in most inland regions resulting from drier seasonal conditions and increased availability of sale cattle following above average seasonal conditions in 2010–11 and 2011–12.

Table 2 Financial performance, Queensland broadacre industries, 2010–11 to 2012–13, average per farm

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>units</th>
<th>2010–11</th>
<th>2011–12p</th>
<th>RSE (%)</th>
<th>2012–13y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash receipts</td>
<td>$</td>
<td>375 150</td>
<td>360 400</td>
<td>(4)</td>
<td>365 000</td>
</tr>
<tr>
<td>Total cash costs</td>
<td>$</td>
<td>287 450</td>
<td>265 000</td>
<td>(5)</td>
<td>263 000</td>
</tr>
<tr>
<td>Farm cash income</td>
<td>$</td>
<td>87 700</td>
<td>95 500</td>
<td>(9)</td>
<td>101 000</td>
</tr>
<tr>
<td>Farms with negative farm cash income</td>
<td>%</td>
<td>26</td>
<td>28</td>
<td>(13)</td>
<td>28</td>
</tr>
<tr>
<td>Farm business profit</td>
<td>$</td>
<td>32 160</td>
<td>33 800</td>
<td>(26)</td>
<td>23 000</td>
</tr>
<tr>
<td>Profit at full equity - excluding capital appreciation</td>
<td>$</td>
<td>80 940</td>
<td>80 200</td>
<td>(12)</td>
<td>66 000</td>
</tr>
<tr>
<td>Farm capital at 1 July a</td>
<td>$</td>
<td>5 131 190</td>
<td>5 255 200</td>
<td>(7)</td>
<td>na</td>
</tr>
<tr>
<td>Farm debt at 30 June b</td>
<td>$</td>
<td>585 060</td>
<td>569 700</td>
<td>(10)</td>
<td>573 000</td>
</tr>
<tr>
<td>Equity ratio b</td>
<td>%</td>
<td>88</td>
<td>89</td>
<td>(1)</td>
<td>na</td>
</tr>
<tr>
<td>Rate of return - excluding capital appreciation c</td>
<td>%</td>
<td>1.6</td>
<td>1.5</td>
<td>(12)</td>
<td>1.3</td>
</tr>
<tr>
<td>Off-farm income of owner manager and spouse b</td>
<td>$</td>
<td>23 650</td>
<td>30 400</td>
<td>(11)</td>
<td>na</td>
</tr>
</tbody>
</table>

Note: a Excludes leased plant and equipment. b Average per responding farm. c Rate of return to farm capital at 1 July. p ABARES preliminary estimates. y ABARES provisional estimates. na Not available. RSE Relative standard errors, expressed as a percentage of the estimate provided.

Average total cash costs are projected to decline around 1 per cent in 2011–12, mainly due to a further reduction in beef cattle purchases expenditure combined with lower expenditure on interest payments.
Despite an increase in average farm cash income, average farm business profit is projected to decline as the rate of increase in beef cattle numbers slows and as stocks of grain on-farm are reduced relative to those held in 2011–12.

**Performance of grains industry farms—Queensland**

Average farm cash receipts increased, on average, for Queensland grains industry farms in 2011–12 as a result of larger summer and winter crop harvests. Total cash costs also increased in 2011–12 due to higher expenditure on fertiliser, crop chemicals, fuel and costs associated with harvesting a larger crop compared with 2010–11. Average farm cash income for grains industry farms in Queensland increased to around $107 600 per farm in 2011–12 (Figure 5).

In 2012–13, average farm cash income for grains industry farms in Queensland is projected to increase further to average around $139 000 per farm in 2012–13, around 63 per cent above the industry average for the previous 10 years (Figure 5).

While Queensland’s winter crop production is estimated to have remained largely unchanged in 2012–13 compared with 2011–12, the area planted to summer crops in Queensland is forecast to decline by around 11 per cent in 2012–13, reflecting the very dry start to the summer cropping season. With lower yields also expected, total summer crop production is forecast to fall by 14 per cent. However, lower overall crop production is expected to be more than offset by higher grain prices to result in a small increase in average cash receipts for grains industry farms. The increase in crop receipts is expected to be only partly offset by increased cash costs, mainly resulting from increased expenditure on repairs and maintenance, fertiliser and hired labour compared with 2011–12, and despite a reduction in interest expenditure.

**Performance of beef industry farms—Queensland**

In 2011–12, beef cattle turnoff was reduced on Queensland beef industry farms and cattle numbers increased. Average beef cattle receipts declined by 5 per cent despite an increase of around 2 per cent in average sale prices received for beef cattle. The decline in farm receipts was more than offset by a large reduction in expenditure on beef cattle purchases as cattle purchase...
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numbers were reduced from the very high numbers in 2010–11. This reduction, together with reduced interest payments, resulted in average farm cash income for beef industry farms increasing slightly to an average of $95 700 per farm in 2011–12 (Figure 6).

In 2012–13 drier seasonal conditions and high beef cattle numbers in northern Australia are projected to lead to an increase in beef cattle turnoff and a slowing in the rate of increase in herd sizes in Queensland. Lower average sale prices for beef cattle are projected to more than offset the increase in turnoff to result in a decline in average beef cattle receipts for Queensland beef industry farms. However, further reductions in expenditure on the purchase of beef cattle together with lower interest expenditure is projected to more than offset the reduction in beef cattle receipts and result in average farm cash income for Queensland beef industry farms increasing slightly to average $96 000 per farm in 2012–13. If achieved this would be around 17 per cent above the average for the previous 10 years, in real terms.

The slow-down in growth of beef herds resulting from increased cattle turnoff will reduce the the build-up in trading stocks on Queensland beef industry farms. As a consequence, farm business profit for the Queensland beef industry is projected to decline from an average of $32 800 per farm in 2011–12 to $26 000 per farm in 2012–13.

Figure 6 Real farm cash income, beef industry, average per farm

Note: p Preliminary estimate. y Provisional estimate.
3 Fisheries sector

The coastal areas of this region include the Queensland coast of the Gulf of Carpentaria, the coastal areas of Cape York and the Torres Strait. This region is an important area for the wild harvest of prawns. The East Coast Trawl Fishery, which is the largest of Queensland’s commercial fisheries, operates in the region extending from the Cape York along the east coast south to the border with New South Wales. The fishery targets mostly prawns, but also harvests bugs, squid, scallops and other species. The main fishery in the Gulf of Carpentaria is the Commonwealth Northern Prawn Fishery, the most valuable single gear fishery managed by the Commonwealth ($94.8 million in 2010–11), which extends across Northern Australia. This fishery targets tiger and banana prawns in the Torres Strait, one of the most valuable commercial fisheries is the Torres Strait Prawn Fishery, that targets mostly endeavour and tiger prawns. Karumba is a key fishing port in the region.

Fisheries in the Torres Strait area are managed under the 1985 Torres Strait Treaty between Australian and Papua New Guinea. Marine resources are a staple in the diet of Torres Strait Islanders, as well as being central to traditional island culture and a primary source of income. In terms of commercial fisheries, the tropical rocklobster fishery is the most valuable ($28.3 million in 2010–11) and other fisheries include spanish mackerel, coral trout, barramundi, trochus and sea cucumber. The region is also important for pearl production, both farming and wild-catch (The Queensland East Coast Pearl Fishery and Torres Strait pearl shell fishery).

In 2010–11, the far north area of Queensland — an area comprising both the Outback Queensland and Cairns regions — contributed $19.4 million of Queensland’s total value of aquaculture production ($86.3 million), accounting for 22 per cent of the total value of production (Wingfield 2012). The Far North area produced 2115 tonnes of aquaculture production accounting for 30 per cent of the volume of Queensland aquaculture production, utilising 238 hectares of ponds. The aquaculture industry in the area employed approximately 131 persons in 2010–11. Aquaculture species produced in the Far North area include barramundi, jade perch, prawns and pearls.

The outback region of Queensland is sparsely populated but has a high participation rate for recreational fishing amongst its residents at 23 per cent, significantly higher than the state average of 17 per cent (Taylor et al. 2012). The Murray-Darling Rivers catchment is the most heavily fished by residents of the outback region but also by Darling Downs and Brisbane residents. The western Queensland and Gulf Country rivers are also fished by residents. The Gulf Country is a popular destination for fishers living in other Queensland regions as well as fishing tourists from New South Wales and Victoria. In the freshwater rivers and dams the catch consists of mainly golden perch and yabbies. In the Gulf Country and Cape York, barramundi is the main species caught by fishers although most fish are released. Threadfin salmon, mud crab, catfish and sooty grunter are also common in the recreational catch from the Gulf Country. On the east coast of Cape York, bream, whiting, tropical snapper and coral trout are the dominant species in the recreational catch.

In 2010–11 the total gross value of Queensland’s fisheries production was $271 million, a decrease of 16 per cent ($51 million) from 2009–10. Queensland contributed 12 per cent of the total value of Australian fisheries production in 2010–11. In value terms, the wild-catch sector accounted for 70 per cent ($188.5 million) of the state’s total production and the aquaculture sector accounted for the remaining 30 per cent ($82.5 million).
Queensland's wild-catch fisheries sector provides a range of fisheries products. The highest contribution being from prawns, which account for 35 per cent of the total value of wild-catch fisheries with a value of $65 million, followed by crabs (16 per cent; $29 million), coral trout (14 per cent; $26 million) and bugs ($13 million; 7 per cent). Over the last decade the value of Queensland's wild-caught fisheries products has reduced from $337 million (2000–01) to $188 million (2010–11; in 2010–11 terms). Prawns and coral trout, showed the largest decline in the real value of production over the past decade, reducing by $43 million and $54 million respectively. A large proportion of prawns and coral trout is exported and the appreciation of the Australian dollar since 2000–01 has had a significant effect on the value of exports of these products. Competition from imported prawns in the domestic market has also placed significant downward pressure on prices in recent years.

The value of Queensland's aquaculture production has declined by 17 per cent from $99 million in 2009–10 to $82 million in 2010–11. Prawn and barramundi farming account for the largest share of production by value, with prawns accounting for 67 per cent, and $56 million of production, followed by barramundi (26 per cent; $21 million).

Commonwealth fisheries active in the waters off the east coast of Queensland include the Commonwealth Eastern Tuna and Billfish fishery (mainly supplying export markets with tuna) and the Coral Sea Fishery. The final proposed Commonwealth Coral Sea Marine Reserves network released on 14 June 2012 is estimated to displace $4.0 million of gross value of production from these fisheries when the zoning comes into effect.

In 2011–12, Queensland's fisheries product exports were valued at $143 million. The main export products include live and fresh, chilled or frozen fish, prawns and rocklobster. Hong Kong, Japan and the United States are the major destinations for Queensland fisheries exports, accounting for 53 per cent, 20 per cent and 7 per cent of the total value of exports in 2011–12, respectively. Other major export destinations include Vietnam (5 per cent) and China (4 per cent).

Recreational fishing is popular in Queensland, with approximately 700,000 Queenslanders going recreational fishing, crabbing or prawning in Queensland in the 12 months prior to July 2010 (QDAFF 2013). Total expenditure in the sector was estimated to be between $350 million and $420 million in 2008–09 (DEEDI 2009). The tropical waters of Queensland are also a key area for tourism, attracting anglers from around the world and Australia. Popular target species include crabs, prawns and a range of finfish species including cods and groupers, coral trout, redthroat emperor, rosny snapper, and mackerel. For freshwater activity some key species caught include barramundi, eels, silver perch, and yabby and blueclaw crayfish.
References


