

Australia's food system



AGRICULTURE IS **50%** OF LAND AREA



0.54% of agricultural land is irrigated



Australian farmers are some of the **least subsidised** in the world



87,800 AGRICULTURAL BUSINESSES



50% of agricultural output is produced by **10%** of farms



More than **70%** of agricultural production is exported each year



A TYPICAL FOOD BASKET TRAVELS **21,000+ KM** TO REACH CONSUMERS



7,200 supermarket stores



Top 4 account for **82%** of retail turnover



46,000 fast food outlets



\$1,644 ultra-processed food sales per person each year



13,800 FOOD MANUFACTURERS



Australia's **largest** manufacturing sector



206,000 employed



26 MILLION CONSUMERS



Food consumption makes up **10%** of household spending



105kg per person of meat each year

Australian farmers have significantly increased their productivity over the past 50 years, achieving higher yields with fewer inputs

- Farms accounted for 387 million hectares of land in 2020, just over 50% of Australia's total land area¹.
- In 2020-21, 1.9 million hectares of agricultural land was irrigated. The primary uses of irrigation were for pastures (including lucerne) and cereal crops used for grazing⁶.
- On average, 82.6 kilograms of fertiliser was used in Australia per hectare of arable land in 2020¹⁸, with half manufactured domestically⁹.
- Average pesticide use in Australia was 2.05 kilograms per hectare in 2020, which is below the world average¹².
- Australian agriculture is highly mechanised, with 225 tractors per 100 square kilometres of arable land¹⁸.
- Agriculture total factor productivity in Australia grows at an average annual rate of 1%¹⁰.
- Market reform has contributed to productivity growth by reallocating resources from smaller, less efficient farming businesses to larger, more efficient ones¹³.
- The number of farming businesses in Australia decreased from just under 206,000 farms in 1954-55 to around 87,000 in 2021-22¹¹.
- Half of all agricultural output is now produced by around ten percent of Australia's largest farming businesses¹⁷.
- 95% of Australian farms are family owned and operated (ABARES pers. comm.).

Agriculture is important to the Australian economy

- Australia's agricultural production was valued at \$71 billion in 2020-21⁶ and contributed 2% to GDP in 2020-2021¹⁸.
- The primary agricultural commodities produced in Australia include cereal grains (21%), oil seeds (6%), meat (28%), dairy (5%), sugarcane (2%), cotton (3%), wool (3%) and fruit and nuts (7%)¹.
- Australia is the world's second-largest exporter of sheep² and the fourth-largest exporter of beef⁴.
- 72% of Australia's agricultural production was exported in value terms in 2021-22. China was the primary importer, followed by Japan, the United States and South Korea¹.
- The agriculture sector employs 256,000 (2.5%) of Australia's workforce, including residents and overseas workers¹¹.
- Australian farmers operate successfully with minimal state support, with only 2.85% of farmer revenues derived from government support in 2021. In countries such as Norway, South Korea and Switzerland around 50% of farm revenue is derived from government support¹⁶.

The food sector is Australia's largest manufacturing sector

- Food manufacturing had a gross production value of \$109 billion in 2021-22⁷.
- Food manufacturing contributed close to 24% of total manufacturing in Australia in 2021-22, with over 206,000 workers (24% of the manufacturing labour force)⁷, with 40% of them working in rural or regional Australia.
- There are over 14,000 Australian and multinational businesses of all sizes manufacturing food and beverages.
- Meat processing is the largest contributor to Australian food manufacturing with a significant 32% share in 2021-22⁷.
- The food and beverage sector generated close to \$60 million in exports (including re-exports) in 2021, with imports totalling around \$24 million (including re-imports)¹¹.
- The food manufacturing sector depends heavily on imports of specialised ingredients, including food additives, colourings, flavourings, processing aids and packaging materials⁹.

The top 4 supermarket chains account for 82% of the Australian food and grocery market

- There are more than 7,100 supermarkets in Australia, or 16.3 supermarkets per 100,000 people¹⁵.
- 37% of the supermarkets' revenues result from the sales of meat and fresh produce¹⁵.
- Australian supermarkets depend on advanced global supply chains to ensure consistent food supply, importing from countries where products are seasonally available and can be distributed cost-effectively⁹.
- Australia had more than 46,000 fast food and takeaway establishments in 2022¹⁵.

Australians spend a significant share of their income on food

- On average, Australian households spent 10% of household expenditure on food and non-alcoholic beverages in 2021. This was less than New Zealand (12%)¹⁹.
- Food and non-alcoholic beverages are the second-largest household expenditure category for Australians, following housing costs⁵.
- Spending on meals out and fast food increased from 25% of total food expenditure in 1988-89 to 34% in 2015-16⁵.
- Meat consumption in Australia was 105 kilograms per person per year in 2023, with changing consumer preferences over the last five decades leading to a decline in beef and lamb consumption, and an increase in chicken and pork consumption¹¹.
- Food imports, mainly processed foods, have increased, though they still represent a relatively low proportion of household food consumption at 15% in 2015-16¹⁴.
- Discretionary foods contribute one-third of Australians' total energy intake, signalling a shift in dietary patterns and evolving preferences³.

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