3. Industry snapshot: Mixed farming

Key takeaways

- Mixed farming industry accounts for about $32 billion in revenue Australia-wide, $6.9 billion from Victoria
- Outlook for the industry is a trend to more dryland with opportunistic irrigation when water is affordable or for specialist production
- Within the GMID, this outlook is tempered by lower costs and larger scale available in NSW

Overview

Mixed farming is the most common business enterprise in Australian agriculture, accounting for more than 50 per cent of all farms and 57 million hectares of land. Mixing livestock and cropping enterprises allows farmers to manage their risk, alternating between crops and pastures according to climatic and other conditions. For the purposes of this snapshot, mixed farming is defined as consisting of beef cattle, sheep, grain, and hay and other crop growing.

*Source: Agriculture Victoria, 2016*

Key statistics

The following charts provide key data on mixed farming in Victoria, as at 2016.

*Source: IBIS World, 2016*

*Data is Australia-wide, not limited to Victoria*
Use of water

- For the 2012/15 period Mixed farming, including rice used 2035GL/y in sMDB, with 386GL/y used in GMID
- Water costs can represent a large proportion of the cost structure of mixed farming, making consumption highly responsive to price

Trends

Strong revenue growth across all sectors

- Rising domestic beef prices due to increasing export share and shift to organics
- Sectors growing at between 1.4 per cent and 7.6 per cent annually to 2016-17
- Rising lamb prices since 2012-13 have driven revenue growth, recovering from previous losses
- Domestic price of wool expected to rise delivering increased revenues to wool producers

Source: IBIS World, 2016

Steady domestic consumption of red meat during the next five years

- Rising health consciousness constraining red meat consumption growth
- Organic beef is an exception and area of potential domestic demand growth

Source: IBIS World, 2016

Increase use of advanced technology in the industry

- New GPS and chip-based sensor technology aiding cropping and animal management
- Genetically modified grains have helped to improve productivity

Source: IBIS World, 2016

Other changes in the industry

- Changing farming practices increasing cut and carry crops like maize
- Increasing summer service demand for crops like maize
- More cereal crops within GMID to maximise yields by applying autumn irrigation

Source: IBIS World, 2016
Reference

4. RMCG. GMID Irrigated Sector Analysis. 2016.