

An overview of the challenges and opportunities associated with foreign investment in Australian agriculture



Australian investment environment

Some key questions

Foreign farm and agribusiness ownership

Risks and opportunities

Need for policy response ?

Australian investment environment

One of Australia's largest superannuation fund managers had no investment exposure to Australian agriculture, despite managing 10% of Australia's trillion dollar superannuation investment pool.

Some key questions

- What is the extent of foreign investment in agriculture, and has this changed recently?
- What are the dangers and opportunities associated with ‘selling off the farm’?
- What should governments or industry do about this issue?

Foreign farm land ownership

- ABS (2011)
 - 44 million Ha (11%) of Australian farmland had some degree of foreign ownership
 - 99% of Australian agricultural businesses entirely Australian owned
 - 10% of water entitlements have foreign ownership
 - Little change since 1984

Foreign ownership of agribusiness

- Grain trading and storage 40-55%
- Dairy processing 50%
- Sugar processing 60%
- Red meat processing 40%
- Vegetable processing foreign dominated
- Pork 25% foreign
- Cotton processing foreign dominated
- Beef feedlots foreign dominated
- Grain/oilseed processing 65-95%
- Poultry 100% Aus (for now)

Risks and opportunities

- Diversion of production
- Unfair access to finance
- Sustainable management
- Foreign workers
- Innovation
- Capital investment
- Market access

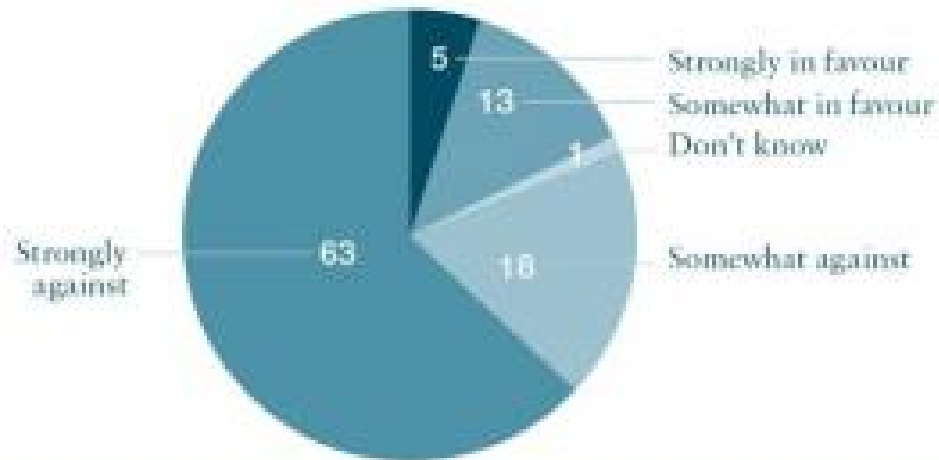
Risks and opportunities

... risks arise not so much from foreign agribusiness ownership *per se*, but from monopoly or near monopoly control over supply chains.

Need for policy response ?

Figure 2: Foreign companies buying Australian farmland

Now about foreign companies buying Australian farmland to grow crops or farm livestock. Are you personally in favour or against the Australian government allowing foreign companies to buy Australian farmland to grow crops or farm livestock? And is that strongly or somewhat?



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