



Feeding Asia-Pacific

Australia's role
in regional
food security

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Executive summary

- Many industrialising Asian countries, including China and India, are experiencing growing populations and wealthier middle classes. These trends will continue to create increasing demand for more, and higher-value, agricultural products that will need to be sourced via imports.
- Asian countries will have difficulties meeting this demand with local resources, providing export opportunities for countries, such as Australia, with strong agricultural sectors.
- East Asia's dominance as the target of Australia's exports will continue to grow over the next fifteen years. China is the primary export market, although the region as a whole imports more than two-thirds of all Australian merchandise exports. The share of Australian food exports to Asia is lower, but already exceeds 40% of total food exports.
- Australia's potential to serve as a food bowl for Asia is dependent on how high Asia's economic growth rates will be and how this growth will influence structural changes and import demand in Asia.
- The demand for Australian agricultural products will be contingent on the policies that Asian countries pursue to maintain their food security and food self-sufficiency. Currently, trade restrictions are the preferred path, but improving agricultural productivity and research and development (R&D) should be considered.
- There are considerable opportunities for Australia to serve as a primary exporter of natural resources and agricultural products to these Asian countries. The agricultural sector's success is subject to a number of factors, including volatility in weather, the strength of the Australian dollar, the importance of mineral and energy exports, and the growth of key industries, such as shale and biofuels.
- Australian mining exports have historically influenced the value of the Australian dollar and consequently the competitive success, and the volume, of Australian agricultural exports. The demand for Australian mineral exports will continue to play an important role for the agricultural sector.
- Domestic policies in Australia will also determine the role that the country can play in furthering Asian food security. Trade policy, foreign investment policy, infrastructure investment, and agricultural R&D investment and productivity are areas that may have an impact on Australia's agricultural exports.
- Definitions of food security and food self-sufficiency as used in this paper. Food security is a consumption issue that explores the availability, affordability and utilisation of food by households. This differs from food self-sufficiency, which only considers a country's ability to feed its population from domestic resources.
- This paper relied upon a Global Trade Analysis Project (GTAP) model to forecast the potential Asian demand for Australian agricultural products in 2030, by modelling the implications of selected policy scenarios in Asia. ■