

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Australia and New Zealand**

**Post:** Canberra and Wellington

### **Southern Cross Ag Outlook - Australia and New Zealand October 2013**

**Report Categories:**

Agriculture in the News

Agriculture in the Economy

Dairy and Products

Sanitary/Phytosanitary/Food Safety

Sugar

Wine

Grain and Feed

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**Report Highlights:**

**U.S** Wines achieve fantastic success at Six Nations Wine Challenge; **Delay** for ADM's planned takeover of GrainCorp; **ABARES** Report \_What Asia Wants: Long-Term food consumption trends in Asia today; **Sugar** Semi-Annual 2013; **Australian** Federal Election 2013 – Outcome and appointments; **New Zealand** Dairy and Products Annual 2013; **Director-General** of Ministry of Primary Industries announced; **New Zealand** the “Lucky Country” with Water.

We hope that you will enjoy this edition of the Southern Cross Ag Outlook. The entire FAS team in Australia and New Zealand have been working hard to create a vehicle that will provide a brief, practical and easy-to-read synopsis of current news and events affecting the agricultural sectors in Australia and New Zealand. Our goal is to provide you with an overview that gives you quick insight and news that you can use in a summary format. We also provide links to more detailed articles and GAIN reporting if you want to learn more about a particular story.

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We are always striving for continual improvement in our products and services. Your feedback will help us tremendously in those efforts, and so I encourage you to send us any suggestions or comments you may have. With your help, our goal is to make this publication an even more informative and interesting read.

Happy Reading!

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*This report, Southern Cross Agricultural Outlook from Australia and New Zealand is a summary of issues of interest to the agricultural communities around the globe. The report includes information collected during travel within these two countries, reports in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.*

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# AUSTRALIAN NEWS



## TRADE STATISTICS

U.S. EXPORTS OF AGRICULTURE, FISH & FORESTRY PRODUCTS TO AUSTRALIA (In Millions of US\$)		
	Calendar Year Jan-Dec 2012	% Change Jan-August 2013 versus Jan-August 2012
Agriculture Fish & Forest Products	\$1,61 3.4*	Up 3.5%
U.S. IMPORTS OF AGRICULTURE, FISH & FORESTRY PRODUCTS FROM AUSTRALIA - (In Millions of US\$)		
	Calendar Year Jan-Dec 2012	% Change Jan-August 2013 versus Jan-August 2012
Agriculture Fish & Forest Products	\$2,70 5.0*	Up 1.3%

Source: BICO Reports – Bulk, Intermediate and Consumer

\* Denotes Highest Import Levels Since at Least CY1970

## U.S. WINES ACHIEVE FANTASTIC SUCCESS AT SIX NATIONS WINE CHALLENGE

U.S. wines have been awarded five of the 17 trophies on offer at the Six Nations Wine Challenge in Australia – a fantastic result given

that this was the first time the U.S. was invited to participate.

Originally known as the Tri-Nations Challenge when the event began in 2003, the first participants were limited to Australia, New Zealand & South Africa. In 2011, Argentina & Chile joined to make it the Five Nations Wine Challenge. In 2013, based on efforts made by FAS Canberra, the U.S. was invited to join the group, making it the Six Nations Wine Challenge. This show is unique in that all wines in the Challenge take part by invitation from the judges. A top judge from each country selects a total of up to 100 wines from their country, spread across a number of classes, which they judge to be the best. They are then invited to participate. Dan Berger, a well-known U.S. wine journalist, was the U.S. judge who selected the U.S. wines to invite to the Challenge in 2013. Mr. Berger selected a total of 96 wines from all over the U.S. to participate in all 17 classes. Below is a list of the U.S. trophy winners.

The Association of Australian Boutique Winemakers, Inc. owns the rights to the Six Nations Wine Challenge. Full details of all participants and the full final results are available at: <http://boutiquewines.com.au/5-nations-wine-challenge/>.

U.S. Trophy Winners				
CLASS DESCRIPTION	VINTAGE	WINE	TROPHY WINNER	VARIETY
Sparkling	2007	Blanc de Blancs	<b>Gloria Ferrer Winery</b> , Napa Valley, California	Chardonnay
Pinot Noir	2010	Hallberg Vineyard Crossroads	<b>Alysian Wines</b> , Russian River Valley, California	Pinot Noir
Cabernet Sauvignon	2009	Grand Reserve	<b>Kendall-Jackson Winery</b> , Sonoma County, California	Cabernet Sauvignon
Other Red Varietals	2011		<b>Rancho Zabaco</b> , Sonoma County, California	Zinfandel
Red Blends (Non Bordeaux)	2011	Richard Batchelor Winemaker Red	<b>Maryhill Winery</b> , Columbia Valley, Washington State	Cab Sauv Merlot Shiraz Cab Franc

## **DELAY FOR ADM's PLANNED TAKEOVER OF GRAINCORP**

US Agribusiness giant, Archer Daniels Midland's (ADM) takeover offer of \$3 billion for east coast grains handler GrainCorp has had a deadline extension set to the Foreign Investment Review Board to provide "certainty to all parties" and allow more time for the new government to carefully consider all relevant issues and advice. The Australian Federal Government's Treasurer set the deadline to December 17, as the takeover raises concerns about competition and whether it is in the national interest. Click here to view article from [The Land](#)

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## **ABARES REPORT – WHAT ASIA WANTS: LONG-TERM FOOD CONSUMPTION TRENDS IN ASIA TODAY**

ABARES October report [What Asia Wants: Long-term food consumption trends in Asia today](#), which was released at the recent Darwin ABARES Regional Outlook conference, predicted the Australian economy could grow by \$250 billion over 20 years by promoting five key industries that will benefit from growth in Asia, which included agribusiness.

By tapping into niche markets and focusing on high-quality produce, Australian food producers can literally dish up what Asia wants as food demand soars.

The report also estimates that Asian food consumption is expected to increase significantly to 2050, driven by large populations, higher incomes and bigger cities.

A full copy of this article can be found here  
Source: [Farm Online](#)

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## **SUGAR SEMI ANNUAL 2013**

Sugar production for 2013-14 has been revised down to 4.3MMT due to poor seasonal conditions. Sugar exports for 2013-14 have also been revised down by six percent to 3.2MMT. Australia used only 76 percent of allowable U.S. sugar import quota in the 2012-13 trade year. This is the first time Australia has not filled the quota. (For Further information see [Gain Report](#)).

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## **AUSTRALIAN FEDERAL ELECTION 2013 – OUTCOME AND APPOINTMENTS**

On September 19<sup>th</sup> 2013 Tony Abbott was sworn in as the 28th Australian Prime Minister. The Deputy Nationals Leader Barnaby Joyce was appointed as Minister for Agriculture and Senator Richard Colbeck was appointed as Parliamentary Secretary for Agriculture. (For Further information see [Gain Report](#)).

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## **AUSTRALIAN DAIRY AND PRODUCTS ANNUAL 2013**

The overall outlook for the dairy industry in Australia for 2014 is generally positive with milk production expected to increase by two percent. The August industry survey estimated overall industry confidence at 73 percent; a significant increase from the 44 percent recorded in February, which is attributed to the improvement in farm gate prices, the reduction in the Australian dollar and more favourable seasonal conditions. (For Further information see [Gain Report](#)).

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*What did mumma grass say to baby grass?  
.....It's pasture bedtime.*

*What do you call it when you feed a stick of dynamite to a steer?..... Abominable.*

# NEW ZEALAND NEWS



## TRADE STATISTICS

U.S EXPORTS OF AGRICULTURE, FISH & FORESTRY PRODUCTS TO NEW ZEALAND - (In Millions of US\$)		
	Calendar Year Jan-Dec 2012	% Change Jan-August 2013 versus Jan-August 2012
Agriculture, Fish & Forest Products	\$411.3*	Up 7.6%
U.S. IMPORTS OF AGRICULTURE, FISH & FORESTRY PRODUCTS FROM NEW ZEALAND (In Millions of US\$)		
	Calendar Year Jan-Dec 2012	% Change 2013 versus Jan-August 2012
Agriculture, Fish & Forest Products	\$2,479.9*	Down 2.7%

Source: BICO Reports – Bulk, Intermediate and Consumer  
 \* Denotes Highest Import Levels Since at Least CY1970

"In the future, wars will be fought over water, not oil," A comment made by Federated Farmers President, Bruce Wills, at the recent World Water Week Conference in Stockholm, Sweden. With many government and UN-funded organizations attending, this was the first time World Farmer's Organization (WFO) had been at the event and had taken part in panel discussions. Mr. Wills represented the (WFO) and said despite agriculture using 70% of the world's water, he was the only farmer to be invited to take part in the programme in the 23 years the conference has been held.

"The United Nations' figures surrounding water usage say that 70% of [the world's] water used is for agriculture, 20% for industry and 10% for households and that is quite extraordinary. Click here to view the full [Media article](#)

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## DIRECTOR-GENERAL OF MINISTRY OF PRIMARY INDUSTRIES ANNOUNCED

Minister for Primary Industries Mr. Nathan Guy announced that Mr. Martyn Dunne will be the new Director-General of New Zealand's Ministry of Primary Industries (MPI). Minister Guy and Food Safety Minister Nikki Kaye have both welcomed Mr. Dunne's appointment.

Currently, Mr. Dunne is serving as New Zealand's High Commissioner to Australia, and prior to that he served as Chief Executive of the New Zealand Customs Service. He also has a distinguished record of 27 years' service in the military, where he attained the rank of Major General. He was also the commander of New Zealand forces in East Timor. (For Further information see [Gain Report](#)).

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## NEW ZEALAND THE "LUCKY COUNTRY" WITH WATER

## NEW ZEALAND DAIRY AND PRODUCTS ANNUAL 2013

New Zealand milk production in 2014 is expected rebound from 2013's drought-impacted levels to reach 20.6 million metric tons, essentially equaling the record production levels seen in 2012. Exports will also bounce back to top 2.9 million metric tons in 2014. Farmers are smiling at the moment enjoying a productive spring and the prospect of the highest milk price payout ever received in New Zealand. Confidence is good despite the setback Fonterra received over the contaminated whey protein concentrate issue. (For Further information see [Gain Report](#)).