

# Managing Your Water Asset

## 'Setting the scene'

Monday 3 July 2017

Loxton Research Centre



Government of South Australia  
Primary Industries and Regions SA

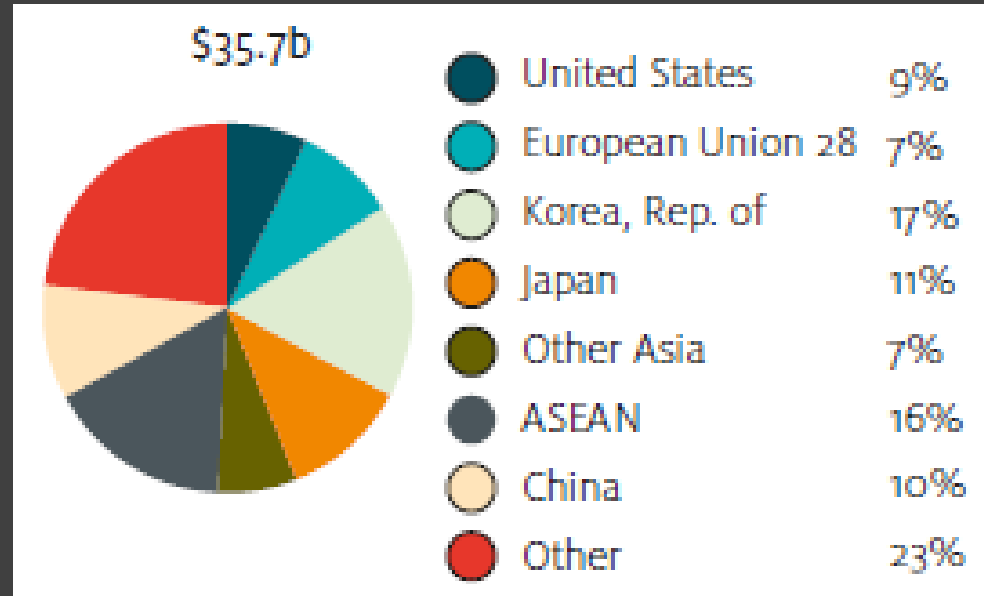
# Global Food – Demand

- Need 70% increase in food production by 2050
- Rising incomes and health conscious consumers  
= ↑ demand for fruits, nuts, vegetables
- The Asian shift ...
  - Rising Asian middle class (~70% world pop'n)
  - 60% of the global economic growth over 2017-18
  - India population > China by 2022 ... to 1.3 billion
  - Indonesia food consumption ↑ x 4
  - Exports assisted by FTAs
- Middle East – direct flight access

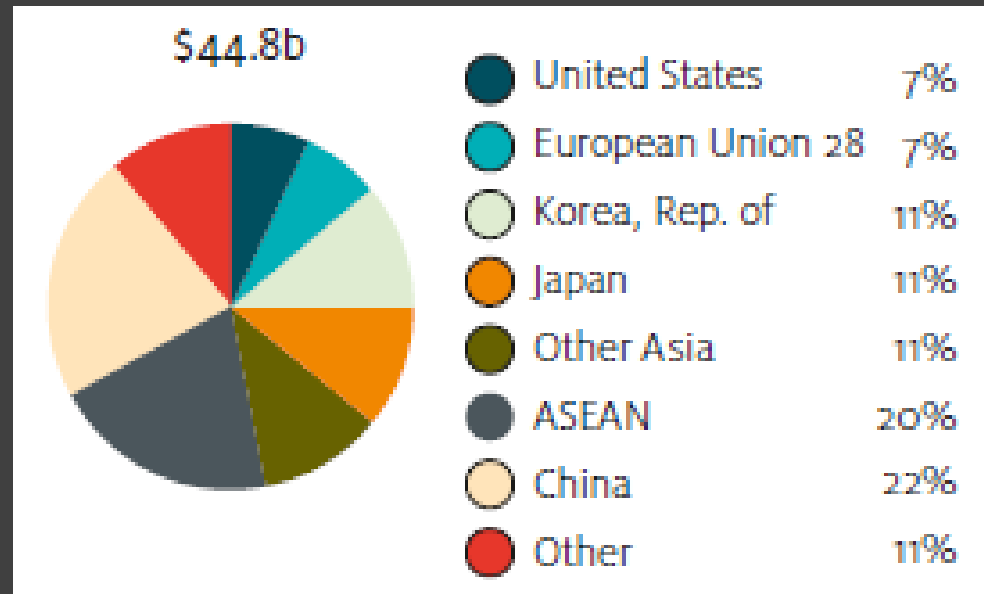


# Changing Market for Australian Agricultural Exports

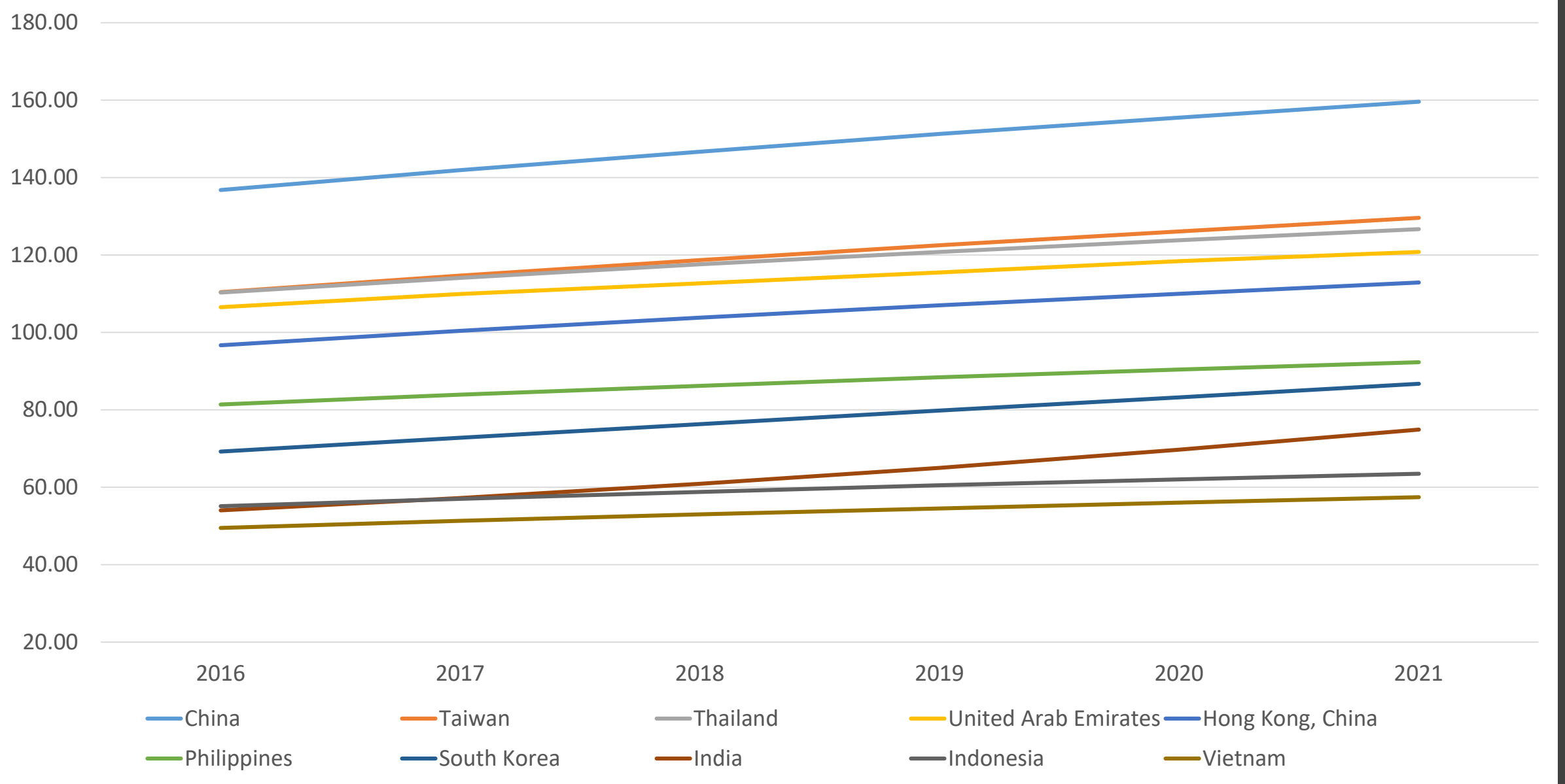
2005-06  
Australian Agricultural  
Export Markets



2015-16  
Australian Agricultural  
Export Markets

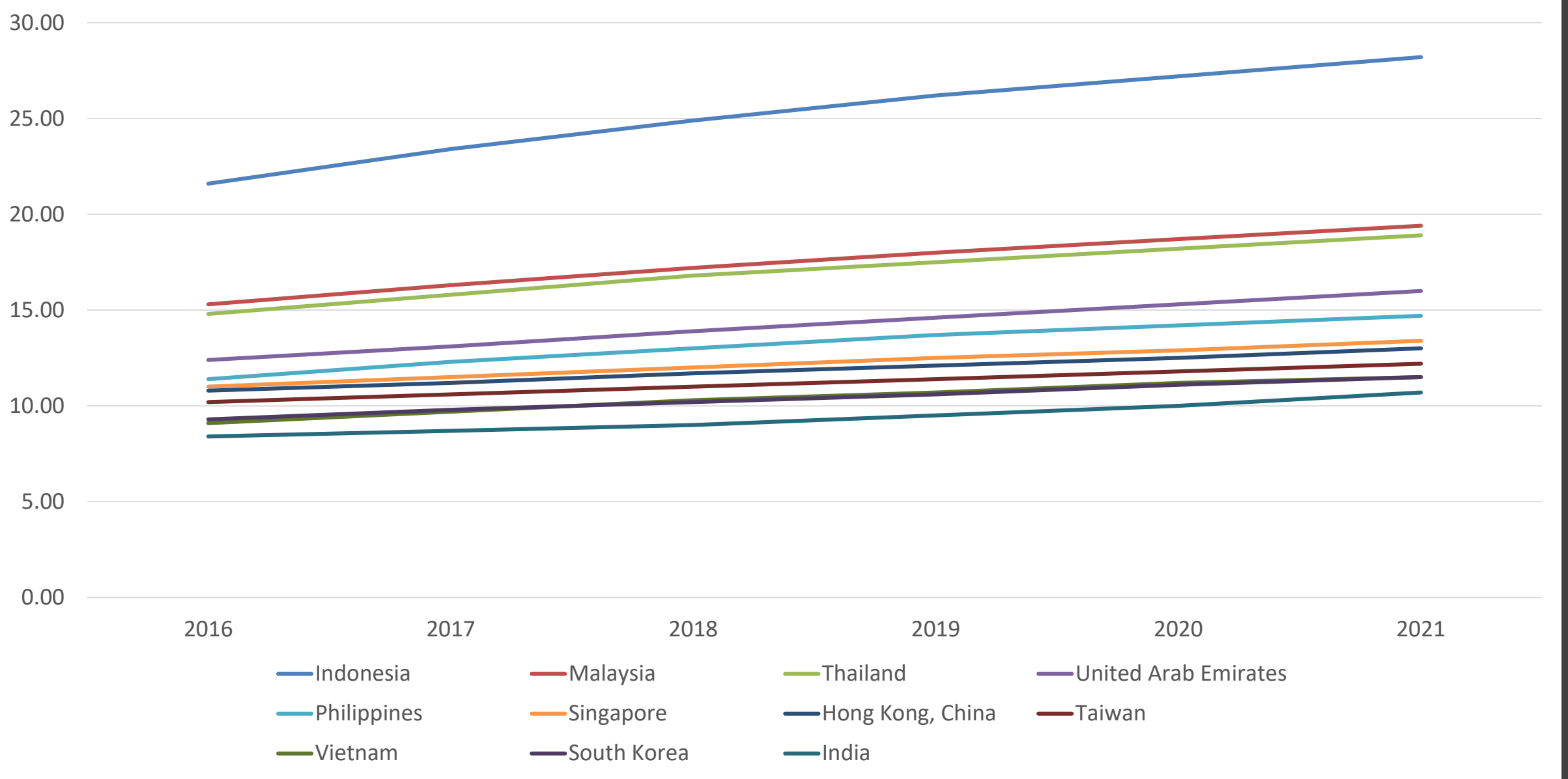


# Rising Fruit Consumption (kg/capita)



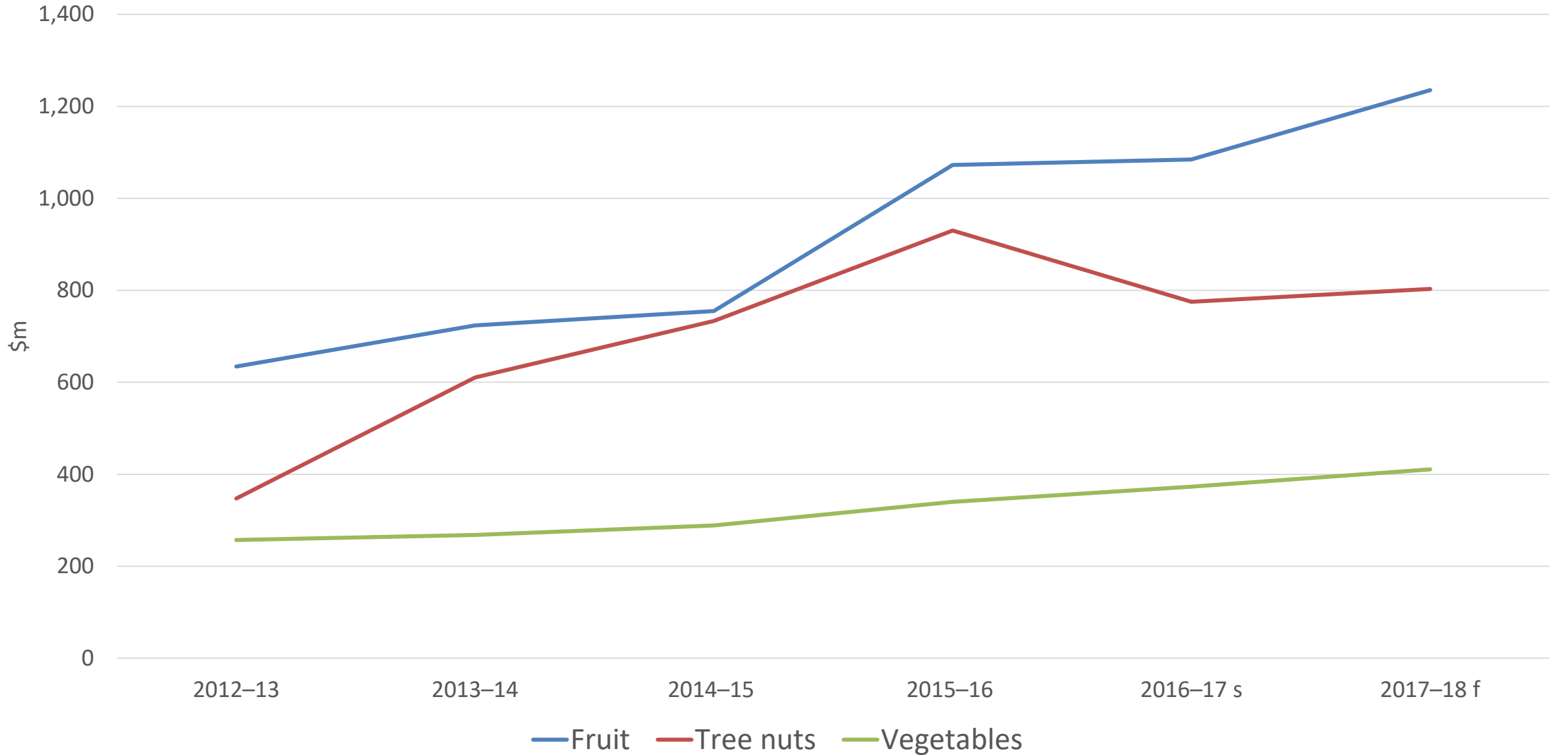
[Source: Euromonitor, 2017]

# Rising Nut Consumption (kg/capita)

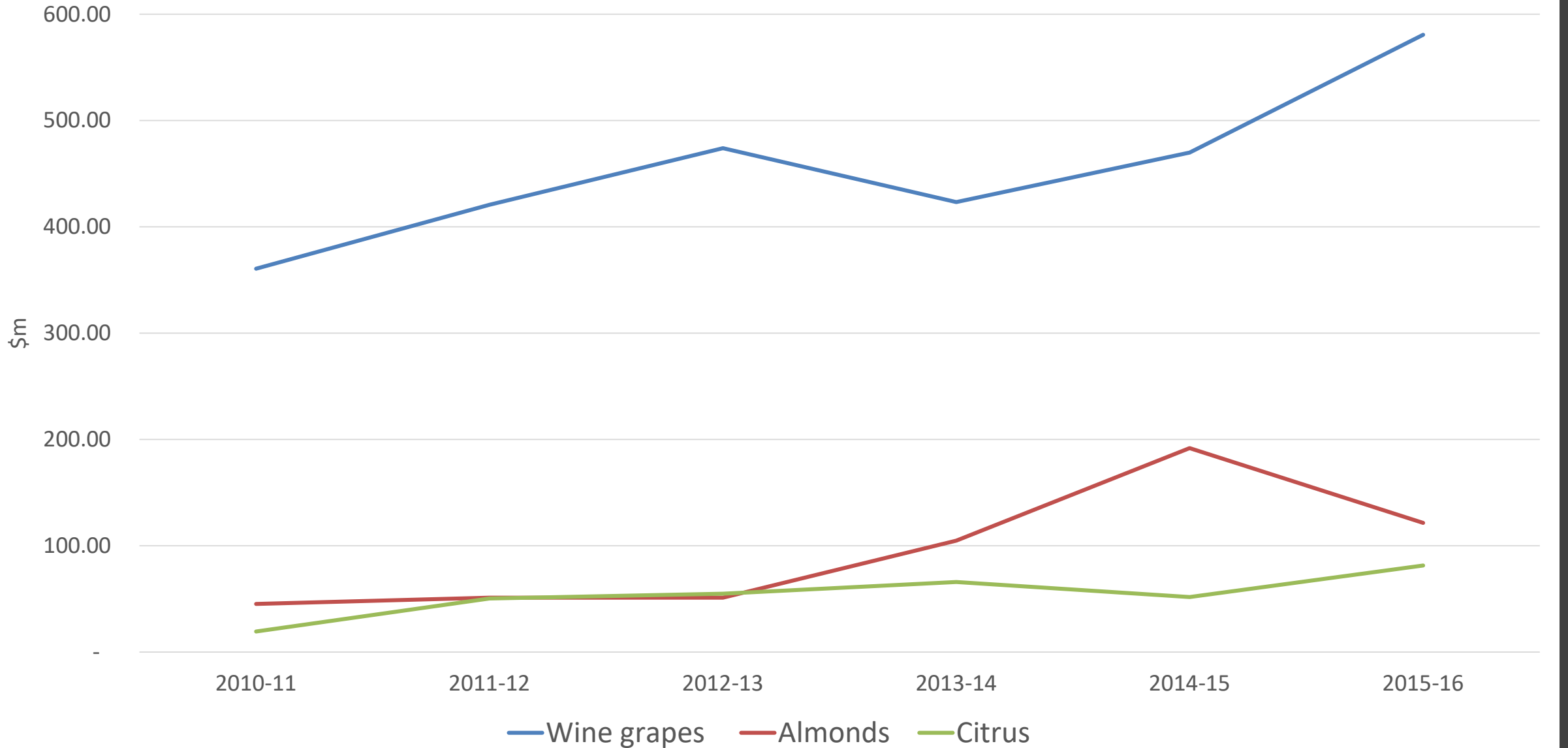


[Source: Euromonitor, 2017]

# Value of Australian Horticulture Exports



# SA Farm Gate Value of Production



[Source: PIRSA Scorecard, based on ABS data]



# Global Food – Supply

- Global food production constrained by water
- Water has shifted towards crops with highest returns (\$/ML)
- Need ongoing innovation / productivity improvements
- Minimise food losses – cyclical economy
- Decrease input costs – precision agriculture & business mgt
  - Netting, canopies and side walls – ↑ yields, ↓ water use
  - Drip irrigation, precision nutrients, advanced fertigation
  - Tech – drones, thermal imaging, automation, robotics
  - Controlled atmosphere
  - Energy

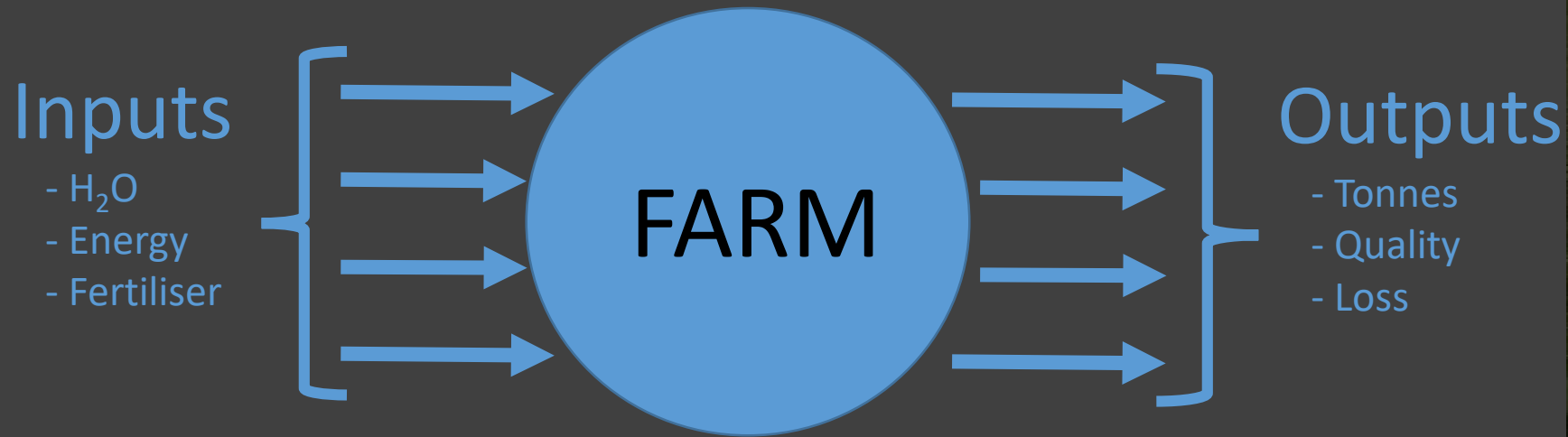




# Local Agribusiness in a Global Context

- Evolution from the farm to agribusiness

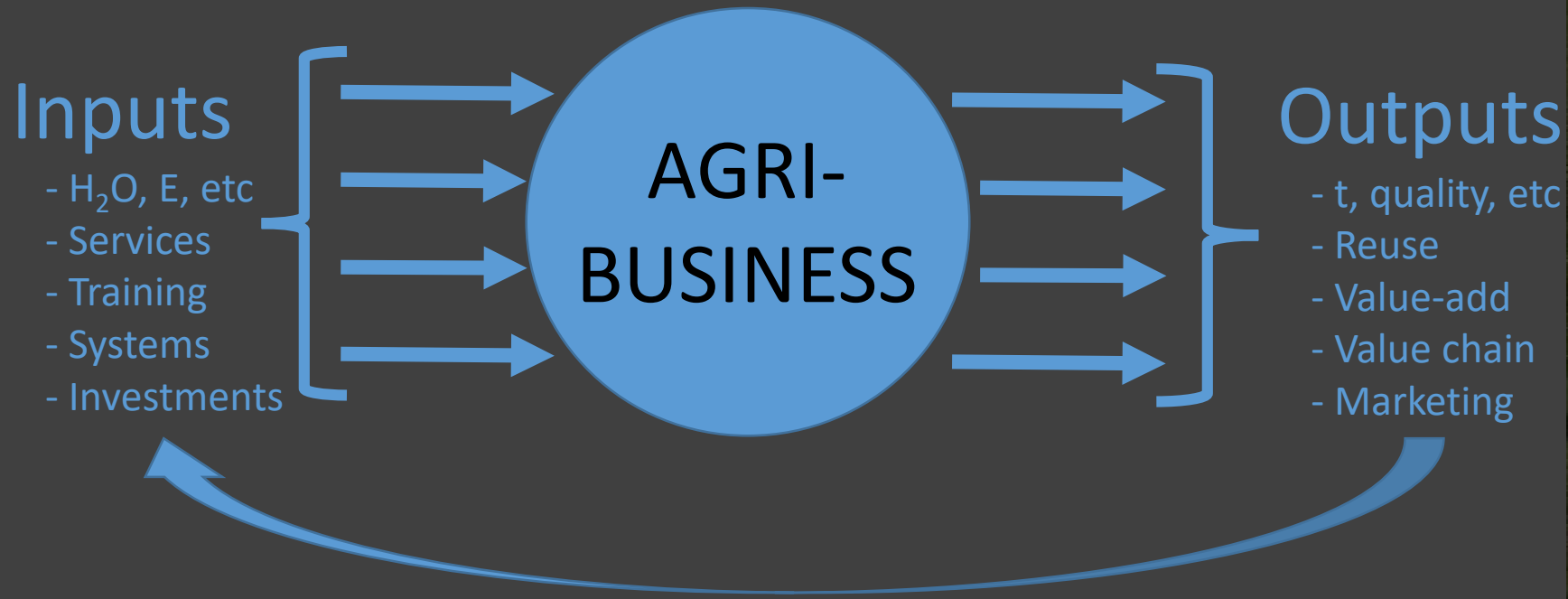
## Working for production



# Local Agribusiness in a Global Context

- Evolution from the farm to agribusiness

Working for profit



# Water – A Farm Input or Business Asset

- There are many approaches to water management
  - Water per area (ML/Ha) – water efficiency
  - Water for production (ML/t) – water productivity
  - Water for profit (\$/ML) – water optimisation
  - Water for security (equity / nest egg)
  - Water for trading (markets)
- No one model is perfect – all require active management
- Questions to consider
  - Entitlement – is your asset working for you?
  - Allocation – can you afford the fluctuations?
  - Market – are you considering all markets?





Thank you ...  
Questions?

