

The Productivity Divide

Australia's two-speed agricultural economy

Recent figures released by ABARES indicate that productivity growth in Australia's broadacre industry is slowing.

However, a closer look reveals a two-speed agricultural economy, with continued strong growth in the cropping sector. The difference? Adoption of new, evidence-based farming practices using technologies such as innovative crop protection products.

Across the broadacre sector, productivity grew steadily at almost 2.2 per cent through the 1980s and 90s driven by policy reform, the removal of market support, farm consolidation and uptake of science and technology.

Since 2000, growth slumped to 0.72 per cent with an assumption that gains became harder to find, with fewer technological breakthroughs, smaller marginal returns associated with farm aggregation and growing headwinds from climate change.

Yet, ABARES analysis shows cropping productivity still grew at 2.2 per cent annually over the past 20 years - driven by science-based practice change. While cropping is more exposed to climatic volatility than livestock, the industry is becoming more resilient in drier periods through no-till farming, improved weed control and climate adapted crop varieties.

Farmers are adopting GM crops to support moisture retention, pest management and improved crop rotation. Newer plant varieties are being developed through the use of new breeding techniques that will tolerate harsher environments and need less fertiliser. These innovations will add to the suite of technologies to drive productivity further.

Sustaining growth depends on Australia's ability to adopt practical technologies in the paddock. A science-based, efficient and predictable regulatory system for innovations like crop protection and biotechnology is essential to ensuring farmers can access the next generation of tools being developed through focused investment by the global plant science industry.

The adoption of technologies, like innovative crop protection products, has seen productivity in the Australian cropping sector triple since the late 1970s.

Productivity by farm type

