

SE **Business**
HD **FARMERS SET FOR GROWING PROFITS**
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QUEENSLAND'S agriculture sector is on the cusp of a boom.

The state government released a report yesterday predicting strong growth over the medium term for all the state's major farm commodities.

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But the industry hates the word "boom" because it means a bust is just around the corner, Agforce chief executive Charles Burke said.

However, the conditions are there if it rains.

"It's like a packet of two minute noodles: just add water," Mr Burke said. "If the seasonal conditions are favourable there are a lot of economic and structural issues that are in place for strong progress." That will be good news for farmers with the report showing that the state's broadacre farmers facing an average income loss of \$77,000 this financial year and that they have been chewing into their **equity** which has fallen on average by \$200,000.

But the Australian dollar also stands in the way with every US1¢ movement costing or earning about \$200 **million** for agriculture over a year.

However, ABARE's Jammie Penm said global food demand would be strong towards 2015.

"Especially Asia, but we expect agricultural production in Asia will also increase, but I don't think they can be self-sufficient in every food," he said.

Suncorp head of agribusiness Greg Leahy said farmers should focus on sending premium products to Asia.

"Australia's largest export of **wine** by bottle to **China** is in the \$100-a-bottle category," he said.

"We are currently producing enough food to feed 75 **million** middle class people. If we double that it will still be only a couple of hundred **million**. We can't feed them all so we need to concentrate on the premium end." According to the State Government report, Australia's cattle herd will continue to move north which will lead to an increase in slaughter numbers.

Pig meat production and prices in Queensland will also lead the nation and revenue in the egg industry will jump 12 per cent.

Queensland's wool industry will also grow steadily and the fruit and nut sector will have growth driven by global demand.

Sugar and cotton are also expected to continue strong growth. Poultry will boom with Queensland expected to take the lead in the sector. The report said Queensland's agricultural exports are worth almost \$9 **billion** with another \$3.6 **billion** shipped interstate.

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