



NORTHERN AUSTRALIA
FOOD FUTURES



Food Futures Conference 2014

- 300 participants
- 3 State Ministers
- Federal Minister and Shadow Minister
- President NFF
- Government Agencies – state departments, GRDC, ACIAR, RIRDC, Cotton RDC, Sugar Research Australia, CSIRO, Austrade
- Leading Agribusiness- northern farmers, Auscott, OLAM, DAVCO
- Indigenous and environment organisation
- Brazil, China, Indonesia agribusiness

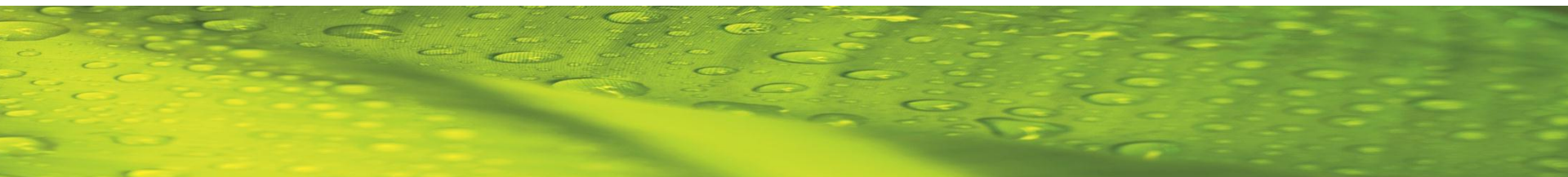
Roadshows 2015

Hughenden, Katherine, Alice Springs, Kununurra,
Broome

Engage with local farmers and organisations

Make connections across the north

What's happening in other regions





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Food Futures 2016 Darwin

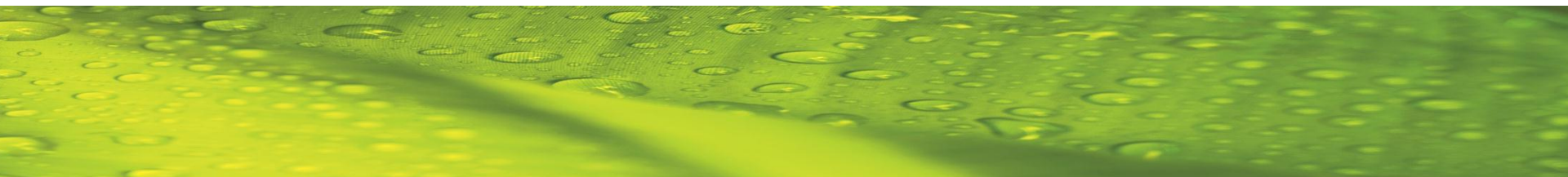
Investment focus

- What do investors want
- What's the opportunity
- What the development pathway

Politicians, Government agencies and agribusiness

From the 3 states Qld, WA, NT

China Development Bank, Mitsui, NAB, World Bank





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NT FARMERS





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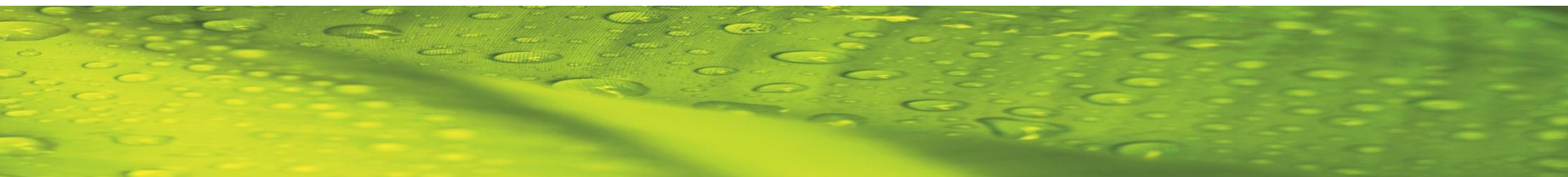


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Current success and past failures

- Success from start small grow big
- Failure comes from start big grow small
- Still lots of start big models around
- Market and Economic drivers
- A 2 crop irrigated system
- Meet the cost of capital
- Budget for the cost of learning
- Make mistakes when small not big





Net return to capital

	Yield	Gross Sales/ha	Net return/ha	Possible Capital expenditure
Cotton	1.8 ton/ha	\$3,500/ha	\$1,000	\$6,000
Basmati/Aromatic rice (not padi)	6t/ha	\$3900/ha	\$900	\$4,500
Peanut	4 ton/ha	\$4,000/ha	\$1,000	\$6,000
Sugar	100ton/ha	\$4,000/ha	\$1,200	\$7,200
Kimberly chick pea Kabouli	3ton/ha	\$4500/ha	\$1,200	\$7,200
Chia	1 ton/ha	\$3000/ha	\$700	\$4,200
Soy	4 ton/ha	\$2,000/ha	\$500	\$3,000
Mung Bean 90 days	1.5 ton/ha	\$2,800/ha	\$700	\$4,200
Rice long grain	7 ton/ha	\$2,400/ha	\$500	\$3,000
Guar	1 ton/ha	\$1,000/ha	\$300	\$1,800
Maize	8 ton/ha	\$2,400/ha	\$600	\$3,600
Sorghum	7 ton/ha	\$1,800/ha	\$400	\$2,400
Chick pea Desi	2 ton/ha	\$1,000/ha	\$300	\$1,800



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Freight as % of price

	Sale Price	Freight @\$80/ton
Cotton	\$2,000/ton	4%
Basmati/Aromatic rice (not padi)	\$600/ton	12%
Peanut	\$1,000/ton	8%
Sugar	\$40/ton	
Kimberly chick pea Kabouli	\$1,500/ton	5%
Chia	\$3000/ton	3%
Soy	\$500/ton	16%
Mung Bean 90 days	\$1200	6%
Rice long grain	\$350/ton	23%
Guar	\$600- \$1000/ton	10%
Maize	\$300	27%
Sorghum	\$260	31%
Chick pea Desi	\$500/ton	16%

Crops with freight more than 15% limited to local markets
Sale price <\$500/ton is difficult



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Scale needed to process locally

	Min scale
Cotton	10,000ha
Basmati/Aromatic rice (not padi)	2,000ha
Peanut	1,000ha
Sugar	25,000ha
Kimberly chick pea Kabouli	500ha
Chia	500ha
Soy Bunya	500ha
Mung Bean 90 days	500ha
Rice long grain	500ha
Guar	500ha
Maize	500ha
Sorghum	500ha
Chick pea Desi	500ha

Start with smaller scale.
Sugar is hardest start point



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Northern Australia Food Futures Conference

Darwin 11-3 April 2016

