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DEPARTMENT OF
PRIMARY INDUSTRY AND FISHERIES



Economics of Grain Industry Development

Francis Bright, Economics Leader,
NTDPIF.

www.nt.gov.au

Summary of the Main Points

Many grain choices

Water

Profit

Whole farm impact

Future directions

Choices

Traditional

Rice

Maize

Chickpeas

Soybean

Dry beans

Mungbean

Sorghum

Hybrid grain seed

Sunflowers

New and revisited

Chia

Quinoa

Mustard

Safflower

Rice (aromatic)



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Water thoughts

Quality of irrigation water

Quantity of available water



Cost of water

Cost of water delivery

rainfall

furrow

pivot

travelling irrigator

trickle tape



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Grow profit by

Scale of production

Rotation with horticulture

Two Crops per year

Cost control

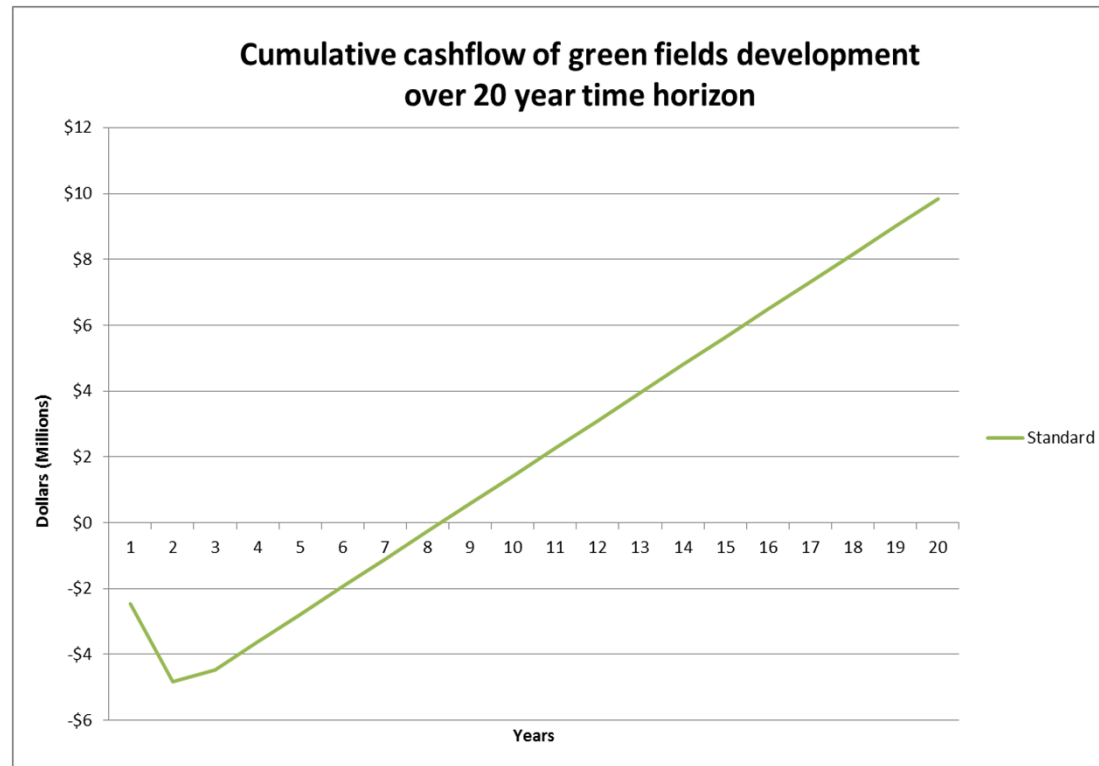
More revenue streams

Find closer market

Co-operatives



Whole farm impact



Will grain profit cover the costs of development?

Need to pay back debt

Need farm to be sustainable

Cropping requires farming skill set.

Future directions for grain

Supply high value niches

Vertical integration

Co-operative marketing

Processing/food packaging of
cracked grain.

Scale of industry

Look for new markets close by.

Share machinery ownership

Supporting ongoing RDE





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Economic Imperatives for Developing Northern Agriculture.

Francis Bright, Economics Leader

www.nt.gov.au

Summary of the Main Points

Understand



Regional differences

Land tenure issues*

Production



Profit the key*

Capital/Debt

Industry



Critical mass*

Demand pull

Government



Infrastructure*

Biosecurity

Overcome



Skill shortage*

Paradigms

*priority



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Understanding

Nation building

Links between sectors

Regional differences

Tropical seasons

Arid Zone

Evaporation > rainfall = irrigation

Scale is daunting



Farm businesses

Profit

Farm records

Environmentally responsible,

Products

Cope with change

- global market
- build capacity
- good decisions
- debt and expansion
- good advice

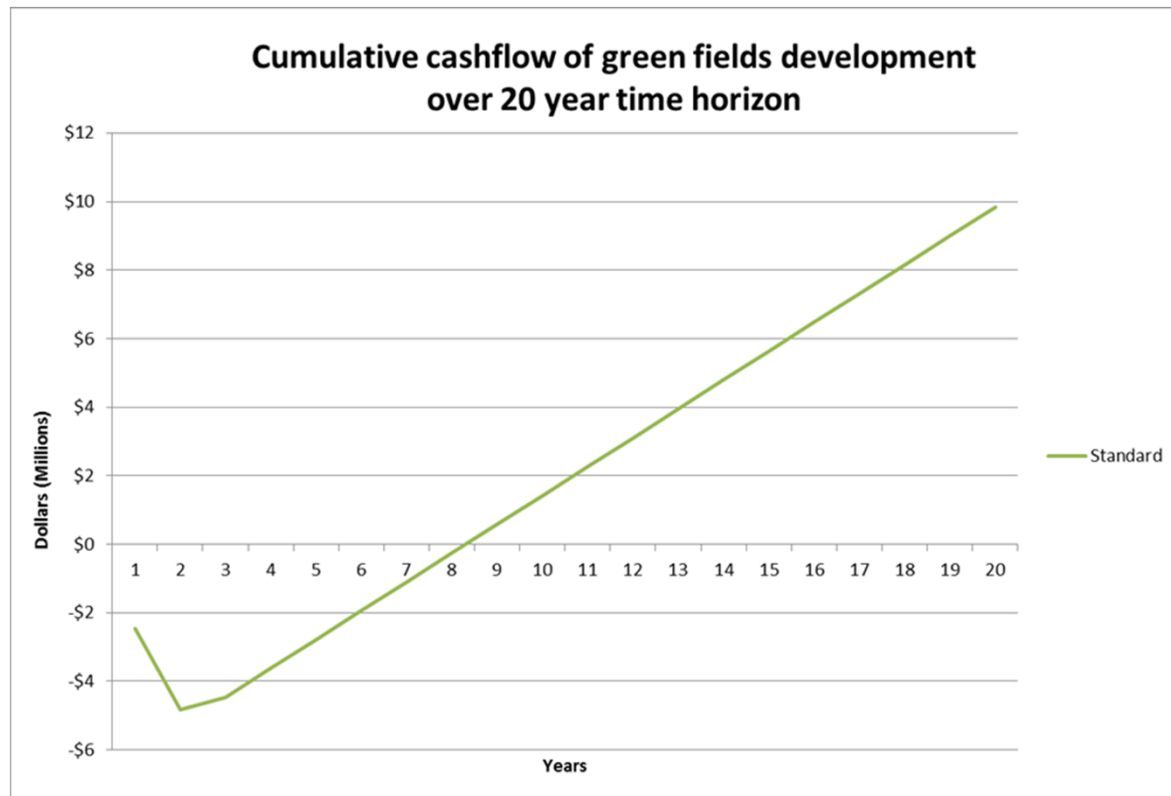




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- Irrigated cropping
- 1000 ha
- Tail water recycling
- Crop mix
- Debt
- Timeframe

Source: adapted from DAFWA Ord
Farm Model 2011





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Industry Development



Land availability

Infrastructure

Attract investment

Critical mass

Business environment

Opportunities

- productivity
- more revenue
- markets
- innovation

Public sector challenges

Invest in RDE and skills

Infrastructure

Paradigms

Across jurisdictions

Market access

Streamline quarantine

Statistics – limited use

Market failure





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Take home messages



Nation building

Resolve land access and tenure

Infrastructure to facilitate growth

Profitable primary industry businesses

Regional differences

Work across jurisdictions

Opportunity to engage communities

