



Speech by

Hon. HENRY PALASZCZUK

MEMBER FOR INALA

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MINISTERIAL STATEMENT

Primary Industries Forecast

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries and Rural Communities) (10.02 a.m.), by leave: Primary industries is a major economic generator in Queensland and is a driving force in the development of our Smart State. The performance of primary industries as a sector is dependent on many variables, particularly climate, competition and exchange rate fluctuations. With these challenges in mind, the Department of Primary Industries issued a forecast in June this year which projected that the gross value of Queensland's food and fibre production would increase to \$7.89 billion for 2001-02. If released, that projection would have delivered a record 12 months for Queensland's primary industries sector. I report today that the Department of Primary Industries has revised its forecast upwards by four per cent to \$8.2 billion. If achieved, this will be the first time the value of food and fibre production pre-processing would have exceeded \$8 billion.

The main contributor to the improved result is the beef industry. The value of cattle and calf disposals is expected to increase to \$3.37 billion this financial year, which is an increase of 18 per cent over the previous 12 months. Fruit and vegetable production is forecast to increase by two per cent to \$1.25 billion, with improved results tipped for bananas, avocados and tomatoes. The outlook for sugarcane remains improved, with the value of production increasing over 2001-02 to \$960 million.

Reduced international prices for cotton due to a global oversupply has led the DPI to forecast a 31 per cent reduction in the value of Queensland's cotton crop this financial year to \$355 million. The prolonged dry conditions in the state's grain belt have had a major impact on Queensland's cereal crops, which are forecast to decline eight per cent to \$460 million. This reflects a 37 per cent decline in the value of the state's wheat crop to \$195 million. This is expected to be partly offset by the grain sorghum harvest, which is forecast to yield 44 per cent more at \$180 million and a more than doubling of the barley crop to \$45 million.

Milk production is forecast to slightly recover this financial year following the impacts of national dairy deregulation, which took effect on 1 July last year. The value of Queensland's milk production is expected to increase by two per cent to \$225 million. The pig and poultry sectors are each expected to increase by nine per cent to \$190 million and \$175 million, respectively. The value of the state's wool clip is anticipated to fall back slightly to \$190 million, while the gross value of the state's approximately 35 million dozen eggs is expected to also decline slightly to \$45 million. Total fisheries production is expected to increase by 3 per cent to \$390 million, with the trawl fishery to remain level at \$215 million, non-trawl to increase by three per cent to \$110 million and aquaculture to increase by 16 per cent to \$65 million. The value of sheep and lamb production is expected to remain level at \$70 million. Forestry is also expected to be unchanged at \$80 million, but this figure does not take into account value adding; rather, it includes the at-stump value of the trees produced.

The outlook for Queensland's primary industries sector is promising. However, the changes of climate and market competition pose significant hurdles and setbacks for some individual industries. We do expect a record year for primary industries, with the gross value of production forecast to exceed \$8 billion this financial year. This is a first time target. It is a target and it is a challenge. The Queensland government is working with industry to achieve that target. Later today, each member in this chamber will receive the updated copy of Prospects for Queensland Primary Industries, December 2001 update.