

Agribusiness

Fast Facts '24



15 May 2024

Drought, low emissions, ceasing live sheep export and sweet potatoes are the top priorities in this year's budget, but farmers are still asking where are the hidden gems.

Key takeaways

Future Drought Fund

- \$519.1m over 8 years from 2024-25 from the Future Drought Fund for initiatives and support to manage drought and adapt to climate change
- The funding will be used for various drought and climate resilience initiatives to support the agriculture industry and communities, which will substantially be used to continue existing programs
- The Department of Agriculture, Fisheries and Forestry (DAFF) will also be provided \$42.2m over 4 years from 2024-25 to support the delivery of the Future Drought Fund initiatives.

Low emissions future & the environment

As renewable energy projects continue to be rolled out on agricultural land, the following environmental and renewable energy measures are relevant:

- \$63.8m over 10 years from 2024-25 (and \$0.9m per year ongoing) to support initial emission reduction efforts in the agricultural and land sectors as part of Australia's transition to net zero by 2050
- \$96.6m over 4 years from 2023-24 to strengthen environmental approvals for renewable energy, transmission, critical minerals projects, and targeted scientific studies to improve environmental data in decision-making

- \$20.7m over 7 years from 2024-25 for the permanent establishment of the Australian Energy Infrastructure Commissioner, which includes the development of a regulatory reform package to realise community benefits in regional communities affected by the energy transition
- Over \$48m over 5 years from 2023-24 to continue the implementation of the Murray-Darling Basin Plan.

Phase out of live sheep export by sea

- \$107m over 5 years from 2024-25 to support the phase out of live sheep exports by sea
- Majority of the funding (\$91.6m) will be used to assist sheep producers and the supply chain with transition actions (i.e. expanding domestic sheep processing capability), and to enhance Australian and international demand for sheep products to maintain and develop the market during the phase out.

Support for various priorities & initiatives

- \$20.7m over 5 years from 2023-24 (and \$3.4m per year ongoing) to support various priorities of the agriculture, fisheries and forestry portfolio. This includes continuing the AgCAREERSTART pilot program, and improving existing arrangements for the accurate and clear labelling of plant-based alternative protein products

- \$2m in 2024-25 to support affected Australian agricultural exporters to re-establish commercial connections in China and continue to diversify into other markets
- \$29.9m over 4 years for the Digital Trade Accelerator program to promote cross-border trade and enhance biosecurity risk assessment
- From 1 July 2024, changes to the agricultural levy and charge will decrease the overall levy rate on sweet potatoes from 1.5% to 0.5%
- The Plantation Development Concessional Loans program will be terminated and the loan provisions (\$37.5m) will be redirected to other loan products managed by the Regional Investment Corporation to maintain support for the farm business sector.

Support for regional communities

- \$73.8m over 3 years from 2024-25 to support the Royal Flying Doctor Service to support people living in remote communities
- As part of the Government's support for Medicare Urgent Care Clinics, it will also provide additional support to clinics in regional and rural Australia.



Accountants & Advisors

Opportunities

Given the phase out of live sheep exports and majority of the funding being dedicated towards increasing domestic sheep processing, there are opportunities for meat processing plants to benefit from this measure.

Did the Budget measure up?

Not by a country mile. While there have been plenty of measures initiated for this sector, they are mostly directed towards the Government's priorities.



Jeremy Wicht, Partner

E jwicht@sw-au.com



Michael Qin, Partner

E mqin@sw-au.com



Doreen Ng, Senior Manager

E dng@sw-au.com



Eric Lay, Senior Consultant

E elay@sw-au.com

We score it: **2/5**



If this budget was a potato, it wouldn't be very sweet.