

Rice and the Economy

Rice was first grown in Australia in the early 1920's - near the townships of Leeton and Griffith in the New South Wales Riverina. Today the rice industry contributes to supporting 63 regional towns, all of which are located in the temperate climate of southern NSW and North Eastern Victoria. There are approximately 2,000 farms eligible to grow rice in Australia producing around 1 million tonnes of rice each year. Most rice farms are owned and operated by Australian families. The rice is grown, processed and packaged in regional areas, creating over 8,000 jobs.

■ Australian rice feeds up to 40 million people daily.

Rice production is one of the most important agricultural activities on the planet as more than half the people in the world eat rice at least once a day. Australia produces enough rice to feed almost 40 million people one meal a day, every day.

■ Rice is Australia's third largest cereal grain export,

and the ninth largest agricultural export. Australian rice is exported to over 70 countries, including the Middle East, Japan and Hong Kong.

■ Australian rice is recognised worldwide for its high quality and is demanded by the higher priced international markets.

The Australian rice industry is the most efficient in the world, operating without any production or export subsidies — unlike most of its major competitors. Australian rice competes in international markets, against subsidised product and is prohibited from free entry into many countries because of trade barriers.

The major types of protection in world rice markets are import tariffs and tariff rate quotas in key importing countries and price supports in key exporting countries. In 2000, the global trade weighted average tariff on all rice was 43.3%.

Only 25 million of the 600 million tonnes of world annual rice production is traded outside the country of origin. Therefore, although **Australian rice only represents around 0.2% of world rice production, our exports represent over 4% of world trade.**

The Australian rice industry also invests in research and development. \$18 million has been directly invested into research and development in the rice industry, maintaining Australia's competitive advantage in irrigation, crop breeding, crop protection and product development.

The rice breeding program has been designed to develop new varieties which require less water to grow and have a place on the international market.

Rice and the Economy Continued

One such variety is Reiziq, which has been specifically bred to meet Middle Eastern demand for larger grain. After identifying this gap in the international rice market, the industry set about breeding this new variety to meet the demands of the Middle Easter market. With almost one quarter of Australia's rice exported to the Middle East, the industry recognised the opportunity and filled the apparent gap, with great flow on benefits to Australian farmers.

The outlook for the continuation of an economically viable industry in Australia into the long term is very positive. World market prospects are bright with world consumption exceeding production and stocks being at their lowest level since 1982/83.

¹ Weighted average means that the average level of tariff has been weighted according to the quantity of rice traded.