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Data shows that Australian Government stimulus package is on the money

The Victorian Farmers Federation (VFF) today welcomed the Australian Government's announcement of the \$17.6 billion stimulus package that will help bolster the state's agricultural industries.

VFF President David Jochinke said support will be needed for Victoria's agricultural sector which contributes almost one quarter of the nation's total agricultural output and more than \$14 billion to the Victorian economy.

Mr Jochinke said "we have a strong competitive advantage across multiple agricultural industries including a global reputation as a source of clean, safe food and fibre, diversity of products, a long history of excellence in research and development, growing export markets and a strong biodiversity security system."

"That is why we have been working closely with the Victorian Government to grow the sector from \$14 billion to \$20 billion by 2030," said Mr Jochinke.

"We know there are now very strong headwinds for our industry. The impact of drought and bushfires was obviously devastating and now the deleterious impact of Coronavirus (COVID-19) will kick the industry while its down."

The Australian Bureau of Agricultural and Resource Economies and Science (ABARES) forecast this week that almost one third of Australia's broad acre farms are likely to have negative income this year. It is forecasting total farm production to drop by \$3 billion compared to last year.

Mr Jochinke said this is coming at a time when farmers are desperately trying to restock their paddocks.

"Nationally, our sheep flock numbers are at the lowest they have been in more than a century (1904). ABARES is also forecasting a 12 per cent slide in the production value of the seafood industry," Mr Jochinke said.

"On top of this, there are real challenges going forward for our industry to deliver food and fibre to consumers. Restrictions on travel and people movement will have a clear impact on the ability of farmers to secure the much needed seasonal worker workforce. And there are the attendant supply chain issues associated with transportation including road, air and freight."

"This is a dire situation not only for farmers but for Victorians more broadly who will start to see the impacts of this on food, meat and seafood prices," Mr Jochinke said.

In this environment, the Victorian Farmers Federation welcomes the much needed injection of funds to small business in particular.

Of particular note to farmers are the following initiatives:

- Eligible businesses will be able to claim up to \$25,000 against income tax costs of their staff.
- The instant asset write-off threshold will also be increased from \$30,000 to \$150,000
- Households who receive benefit payments will receive a stimulus payment of \$750, including pensioners, those receiving Newstart, the disability support pension, carers' allowance, youth allowance, veterans support payments and family tax benefits.

“Earlier this week I met with Treasurer Tim Pallas as we continue to work with the Victorian Government on bolstering the Victorian economy.”

It is pleasing to see Governments working together to address the impacts of bushfires and Coronavirus and the VFF will work in partnership to secure the future of our agricultural industry”, Mr Jochinke concluded.

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