



## FARMER POWER SUBMISSION

Regarding the Adequacy of Australia's biosecurity measures and response preparedness, particularly in respect to foot-and-mouth disease

In 2013 ABARES Produced the following report

Direct economic impacts of a foot-and-mouth (FMD) disease incursion in Australia,  
An update of ABARES 2013 estimate

### Updated estimate

A large multi-state foot and mouth disease outbreak has an estimated direct economic impact over 10 years of around \$80 billion<sup>a</sup>(in \$2020-21 with a 3% discount rate).

<sup>a</sup>ABARES 2022 estimate based on Buetre et al. (2013) updating for current industry conditions and adopting the discounting approach outlined in Hone et al. (2022).

### Background

In 2013, ABARES estimated the direct economic impact of a large multi-state outbreak to be \$52 billion over 10 years at a 7% discount rate.

- The outbreak, as modelled using the AusSpread epidemiological model, is assumed to have already spread from Victoria to all eastern states by the time of detection.
- The disease is assumed to be eradicated in 5 months from detection at a cost of \$0.37 billion.
- The estimated impacts are largely due to a slow recovery in market access. By year 10 export market access is 80% for beef, 87% for pork and 92% sheep meat.

For the updated estimate to reflect changes in industry structure and economic conditions since 2013 adjustments have been made to reflect changes in the value of industry output. In addition, it is also appropriate for the discount rate used in calculating present values to be changed to 3%, from 7% used in the original study (as described in Hone et al. 2022).

**Table 1 Updated economic impacts of a large multi-state outbreak (\$ billion 2020-21)<sup>a</sup>**

	ABARES (2013) <sup>b</sup>	ABARES update (2022)	
		7% DR <sup>c</sup>	3% DR <sup>c</sup>
Revenue losses			
Beef	32.26	47.64	53.77
Sheep meat	10.22	14.73	16.35
Pork	1.11	1.48	1.60
Wool	2.19	1.69	1.69
Dairy products	6.05	5.95	6.50
Sub total	51.84	71.49	79.91
Control cost	0.37	0.40 <sup>d</sup>	0.40 <sup>d</sup>
Total direct cost	52.21	71.90	80.31

See full report here: <https://www.agriculture.gov.au/abares/research-topics/biosecurity/biosecurity-economics/fmd-update-of-2013-estimate>

This report was completed in 2013 with a projected updated for 2020-21

I am sure the values would be out even more now taking all the other economic factors at play within Australia presently. We are not only playing with the Livelihoods of Our Dairy Farmers but all other farmers who run Hooved stock as well. This would have a devastating impact on our agricultural sector for livestock. The devaluation of our Standing on the world stage for our Dairy livestock sector would be irrecoverable for years.

Australia already has comprehensive plans in place to deal with such outbreaks <https://www.agriculture.gov.au/agriculture-land/animal/health/modelling/fmd>

Whilst Farmers are aware of theses plans and solutions many are nervous and so should this Government be. Our single Take out of all of this is simple

## PREVENTION IS BETTER THAN THE CURE.

This Government needs to keep that in mind!

Garry Kerr

Chief Executive Officer

