

News Release

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All eyes on India: Is India the next frontier for Australian Agriculture?

Fundamental demand shifts in the big populations of China and India – one third of the planet’s people – are challenging global food and fibre production systems to respond, according to a new ANZ report.

Launched today in Delhi at an event for the bank’s Opportunity Asia Agri Delegation, *India, The Next Frontier for Australian Agriculture* looks at the country’s thriving and self-sufficient agricultural sector and its opportunities for Australian exporters.

ANZ Head of Agribusiness, Mark Bennett said: “India this year surpassed China as the country with the world’s largest population so it is only natural that all eyes have turned to this market to understand its needs, its capacity, and where opportunities exist.

“While there are opportunities in India’s growth, India is a very different market from China. It is Australia’s fifth largest export market – receiving just under four percent of our exports and valued at US\$21.6 billion in 2023 – and there’s a high level of diversification in India’s trade landscape,” he said.

The report highlights:

- At current population growth rates, India is growing by more than 11 million people per annum, with growth exceeding the total population of Australia approximately every two and a half years.
- India’s middle class constitutes 31 percent of people, a figure that is projected to grow to 60 percent in 2047.
- The demand for food is huge – but so is India’s current agricultural production. Since the Green Revolution and the implementation of new agricultural practices, India has become a global front-runner in agricultural production.
- India is the largest producer of milk, pulses, and spices in the world, and has the world’s largest bovine herd, as well as the largest area under wheat, rice and cotton.
- While there is much opportunity, there are also significant challenges. India’s production base faces the challenges of water stress and high reliance on the global fertiliser market, due to the imbalance of holding 3.7 per cent of the world’s arable land, and 18 per cent of the global population.
- Maintaining growth and expansion of production will require significant advances in productivity and efficiency on-farm.
- Average per annum growth in Australian exports to India between 2019-2023 has outstripped the total growth in Indian imports in several key commodities – pulses, cotton, wheat, canola, sugar and sheep meat.

"Our agricultural exports tend to fluctuate depending on the season in both India and Australia and mostly occur on an opportunistic basis to support domestic production and supply with coal, gold, pulses and education services dominating our exports," Bennett said.

"Much of this can be attributed to both the Australia-India Economic Co-operation and Trade Agreement (ECTA) and the improving relationships which comes with negotiations.

"Since the ECTA came into force, agricultural exports to India are 50 per cent higher, particularly driven by products like sheep meat, seafood, broad beans, citrus and almonds. Paired with Prime Minister Modi's push to grow the domestic manufacturing sector, particularly the food manufacturing sector, Australia may see an increase in demand for goods to be manufactured and exported.

"India remains a protectionist economy, determined to be self-sufficient for domestic food supply. As a result, Australian exports to India are likely to fall into one of three categories – unpredictable supply to support a poor domestic Indian season, supply of luxury, clean, green food to the growing middle class, or food and fibre for the growing Indian manufacturing sector.

"In the post Covid-19 world, the need to shore up food supply, not just now but into the future, is a significant challenge given continuing climate impacts and geo-political instabilities. The modern rise of India is an opportunity to leverage long held and valued trade and political relationships," he said.

To view the full report visit: [India, The Next Frontier for Australian Agriculture](#)

Representatives from ANZ are currently travelling through India and Singapore as part of the bank's Opportunity Asia Agri Delegation. Returning for the first time since the Covid-19 pandemic, the Opportunity Asia program provides ANZ's Agribusiness bankers and its customers the opportunity to meet with industry, trade and local businesses, taking advantage of the bank's global network to learn and understand the opportunities firsthand.

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