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PRESS RELEASE

S&P Dow Jones Indices and ASX Launch S&P/ASX Agribusiness Index to Track Australia's Agribusiness Sector

SYDNEY, MAY 31, 2022: S&P Dow Jones Indices (“S&P DJI”), the world’s leading index provider, and ASX, today announce the launch of the [S&P/ASX Agribusiness Index](#), a valuable market indicator that measures performance trends in Australia’s expanding agribusiness industry.

The S&P/ASX Agribusiness Index is a broad representation of Australia’s agribusiness industry and tracks the performance of ASX listed companies that are directly engaged in or benefit from agricultural-related activities.

The S&P/ASX Agribusiness Index selects constituents from the largest 1,000 ASX-listed securities and applies a liquidity screening process. In addition to Agricultural Products, the Index selects companies from other ten GICS® sub-industries such as Fertilizers & Agricultural Chemicals, Paper Products, Food Distributors, Brewers, Distillers & Vintners, and Packaged Foods and Meats. A list of keywords such as beverage, brew and dairy are also utilized to identify eligible companies through their business activity descriptions.

As a result of global population growth, climate change and geopolitical risks, the demand for food and other agricultural products has significantly increased worldwide, providing opportunities for exporters of high-quality products. Australia is a major producer of many agricultural products including wheat, wool, and beef, and the country currently exports approximately 70% of its agricultural products to other countries. The earnings of agricultural product exporters accounted for 12% of Australia’s total exports from 2020 to 2021¹.

Indeed, the country’s agribusiness sector is expected to continue to grow. To support the continuous expansion of the agricultural sector and to help build resilience against global challenges, the Australian government laid out the *Delivering Ag2030* plan which sets the foundations for the country’s agriculture sector to grow to \$100 billion by 2030².

Reid Steadman, Head of ESG and Innovation Products, S&P Dow Jones Indices said: “We are honoured to collaborate with the ASX and jointly bring this timely S&P/ASX Agribusiness Index to life which aligns with the Australian government’s goal of expanding the country’s agribusiness industry.”

¹ Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). ABARES Insights Issue 1, 2022. https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1033241/0

² Department of Agriculture, Water and the Environment: <https://www.awe.gov.au/agriculture-land/farm-food-drought/ag2030>

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“This innovative index reflects the market’s heightened awareness of the need for sustainable agriculture and will serve as a valuable tool for investors seeking to gain exposure to this vital driver of Australia’s economy,” he added.

The S&P/ASX Agribusiness Index is weighted by float-adjusted market capitalization, subject to a 10% single stock cap, and is rebalanced semi-annually in May and November. Real-time calculation of the Index will commence on July 1.

During the 2020 Covid-19 market selloff (Feb – March), the S&P/ASX Agribusiness Index led the S&P/ASX 200 by 18.7% based on back-tested data, demonstrating the sector’s resilience.

Ken Chapman, Head of Strategic Delivery, Capital Markets, ASX said, “The S&P/ASX Agribusiness Index sets a new benchmark for monitoring the performance of ASX listed primary production companies and the primary industry sector as a whole. By raising the profile of the sector, the Index will increase investor understanding and interest and be a critical ingredient in priming the market for the next phase of agricultural innovation.”

“For many investors, the recent market volatility has highlighted the benefits of a diversified investment portfolio and of quality counter-cyclical stocks, such as those in the agribusiness sector.”

For more information about S&P Dow Jones Indices, please visit: www.spglobal.com/spdji
For more information about ASX, please visit www.asx.com.au

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S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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