



**Australian Government**  
**Department of Agriculture  
and Water Resources**

## The Australian beef industry

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21 April 2019

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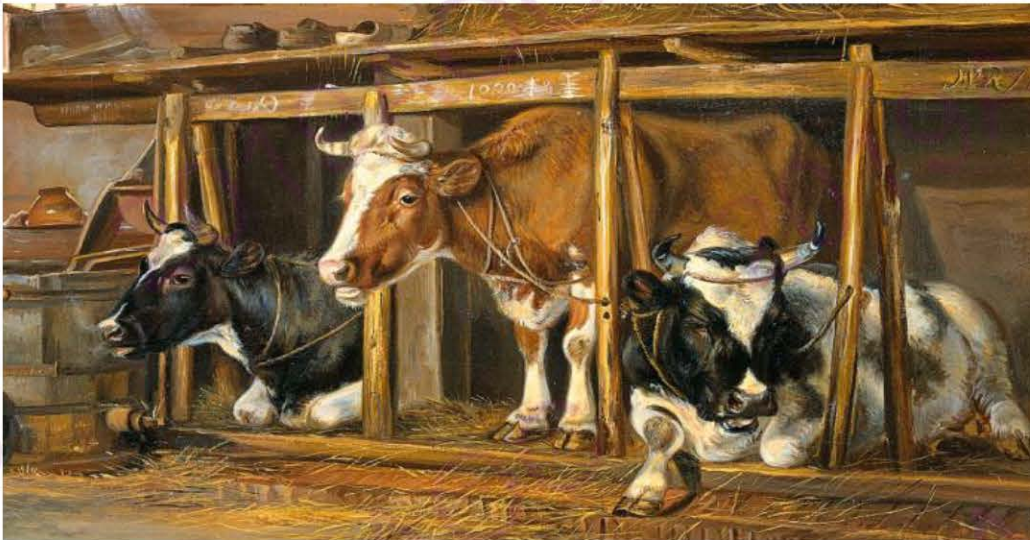


# Overview

- Production systems
- Food Safety Systems
- Research and development
- International Trade

## A Brief History

- Australia's herd started with 6 head of cattle in 1788
- 1,044 by 1800 but close to 1.9 million by 1850
- Larger numbers of Bos Indicus breeds introduced in 1950's
- Herd size peaked at close to 30 million in 2012
- Today it is estimated to be 25.8 million head

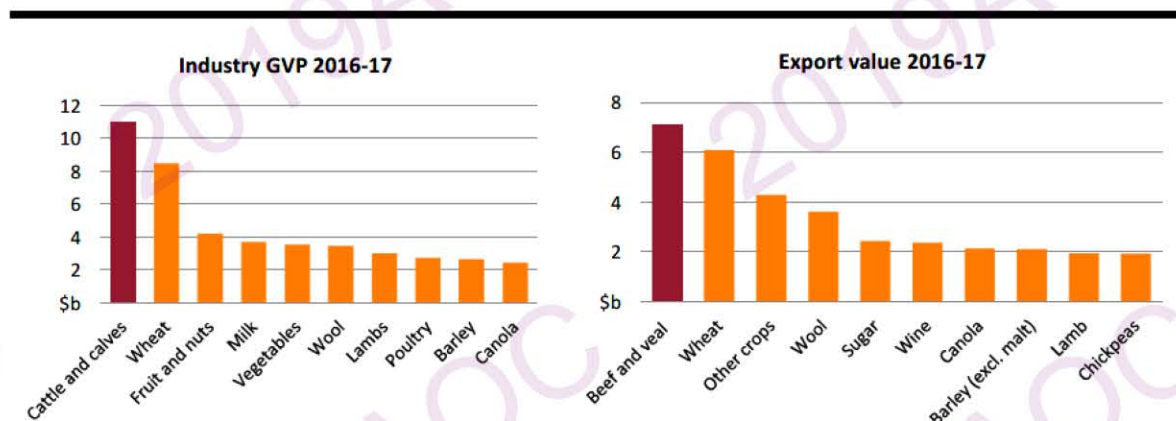


# Australian industry statistics

Provided by ABARES February 2019 - Last updated: 24 October 2018

## Australian beef industry

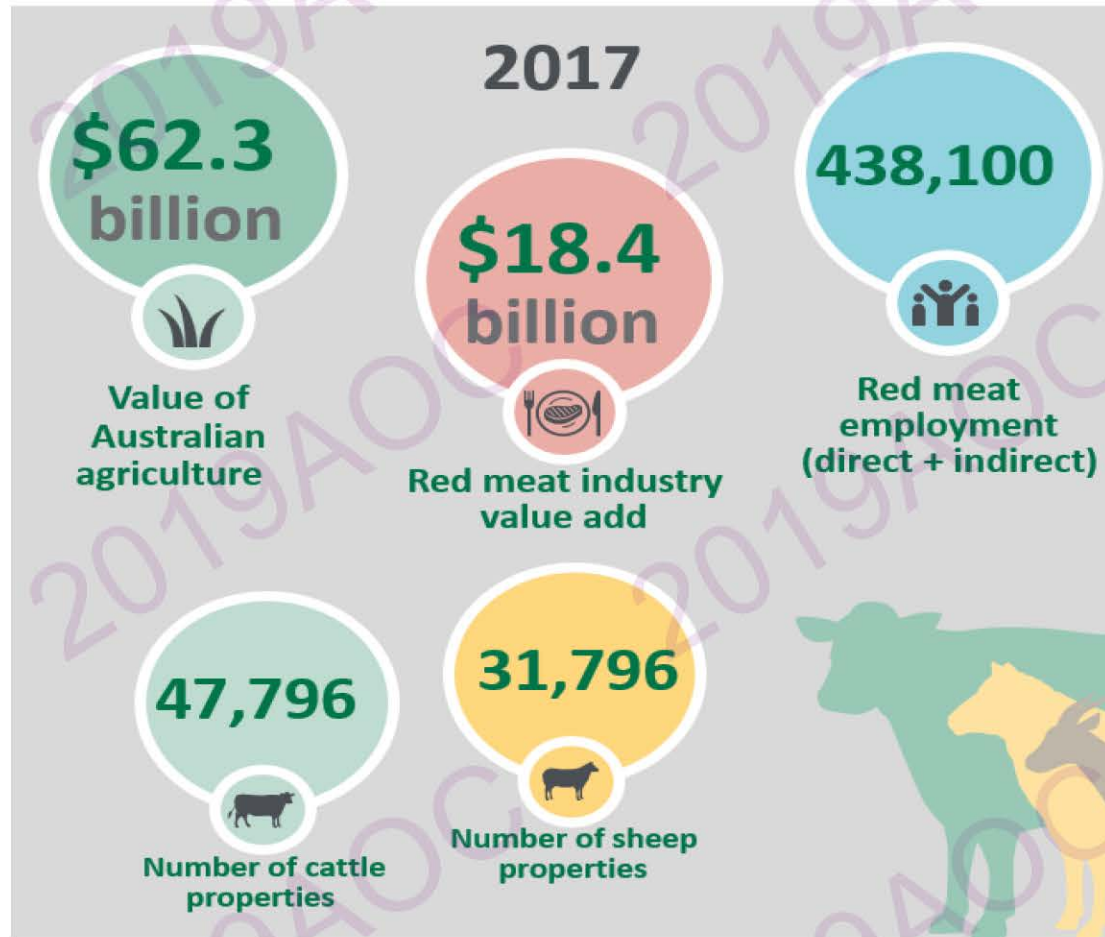
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>GVP - cattle &amp; calves slaughter (\$ million)</b>	7,136	7,495	10,175	11,536	10,940
<b>Export value - beef &amp; veal (\$ million)</b>	5,052	6,422	9,040	8,495	7,115
<b>Export value - live cattle exports (\$ million)</b>	589	1,049	1,356	1,551	1,199
<b>Saleyard price (Ac/kg)</b>	297	293	364	505	535
<b>GVP ranking (cattle &amp; calves)</b>	1st				
<b>Export ranking (beef &amp; veal)</b>	1st				



Note: GVP excludes the value of live cattle exports. Prior to 2015-16 figures are based on an EVAO of \$5,000. From 2015-16 onwards figures are based on an EVAO of \$40,000.

Sources: ABARES; ABS, *International Trade, Australia*, cat. no. 5465.0, Canberra; ABS, *Value of Agricultural Commodities Produced, Australia*, cat. no. 7503.0, Canberra; MLA

# Value of Australia's red meat sector



# Production forecasts for 2019 and beyond



Source: ABS, MLA

# 2019 projections from industry

## KEY POINTS

- Herd to contract while dry conditions persist
- Shrinking pool of cattle to impact cattle turn-off
- Cattle on feed to ease from record highs
- Strong demand from Asia, but increasing competition from the US and South America



## KEY 2019 NUMBERS



**Slaughter:**  
**7.6** million head



**Carcase weights:**  
**289** kg/head



**Production:**  
**2.2** million tonnes cwt



**Beef exports:**  
**1.06** million tonnes swt

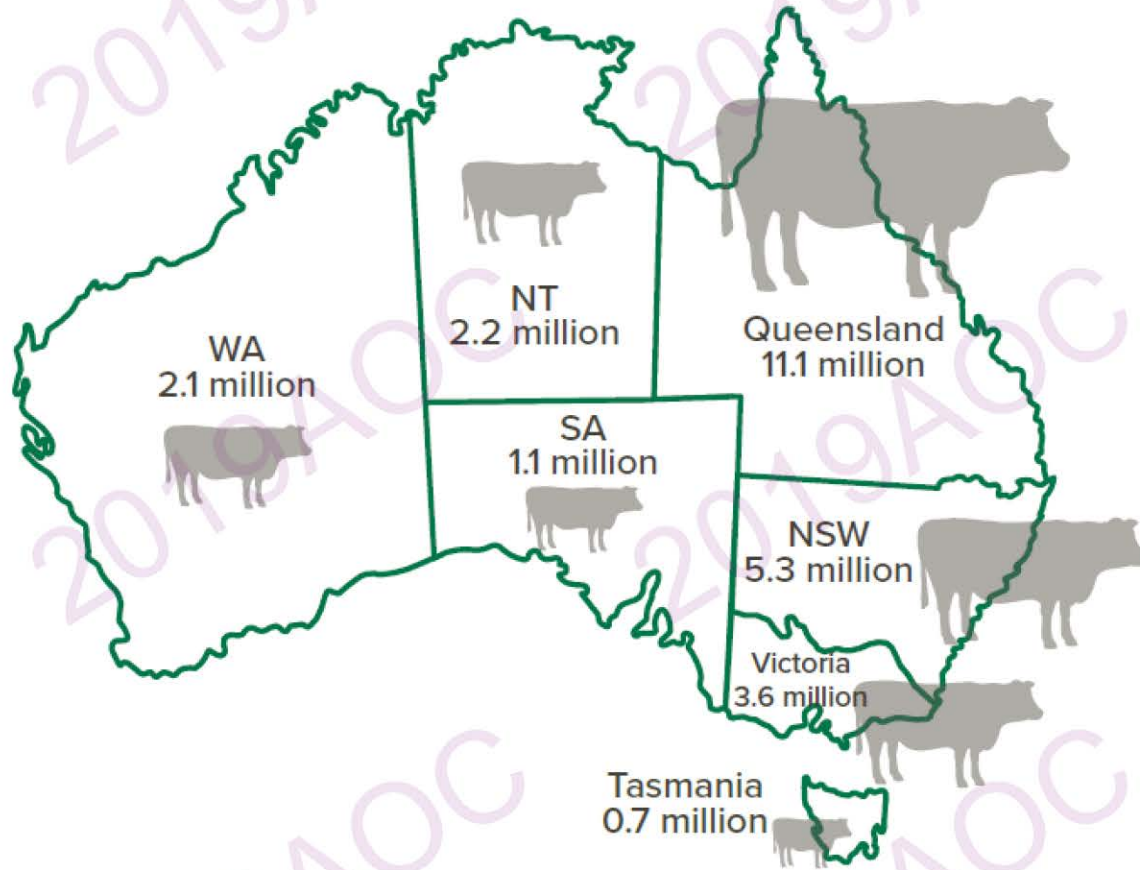
\* Graphic illustrates year-on-year change

# Production Systems

- Northern Australia
- Southern Australia
- Climatic Challenges



# Australian beef industry



Source: ABS

# Northern and Southern production systems



## Climate classes

- **Summer dominant**  
Marked wet summer and dry winter
- **Summer**  
Wet summer and low winter rainfall
- **Uniform**  
Uniform rainfall
- **Winter**  
Wet winter and low summer rainfall
- **Winter dominant**  
Marked wet winter and dry summer
- **Arid**  
Low rainfall

Source: [BOM](#)

# Cattle suitability

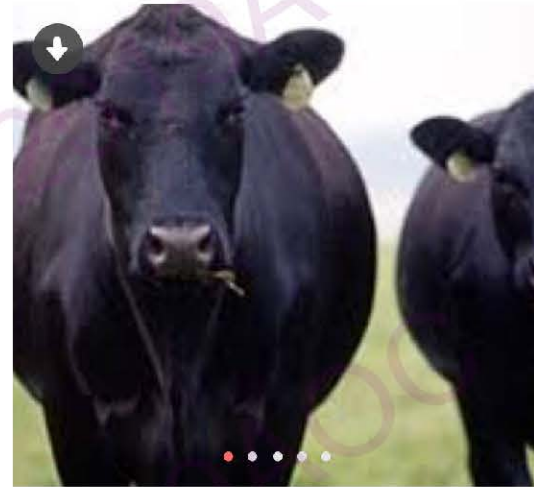


**Bos Indicus, 2**

Beef Producer  
BSc Pasture  
1531 kilometers away



Likes: tropical climate, high temperatures, monsoon rainfall, variable pasture growth.  
Tolerates: long distance relationships, ticks.  
Dislikes: gaining weight, marbling, calving



**Bos Taurus, 2**

Beef Producer  
BSc Pasture Consumption, PhD grains  
0 kilometers away



Likes: consistent temperatures, rainfall, pasture growth.  
Loves: gaining weight, marbling, reproducing  
Dislikes: travelling long distances, ticks



# Northern Production



## Southern Production

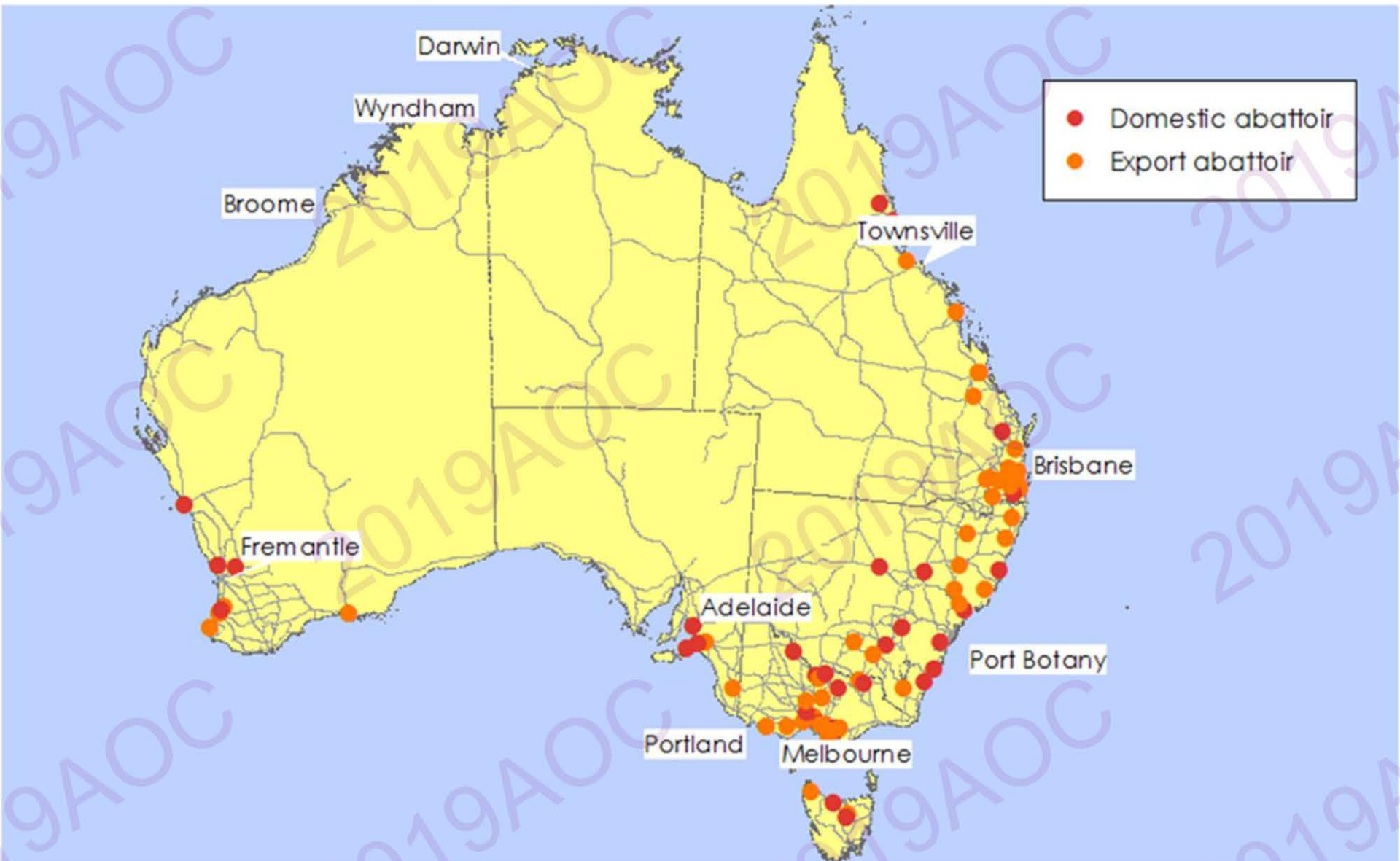


## Feedlots

- 400+ registered feedlots
- Average capacity: 2 793 head
- Average number of days in feedlot: 95 days
- Only 2-3% of the Australian cattle herd in feedlots at any one time
- Supply 80% of beef sold in Australia's major supermarkets



# Abattoir locations



## Climatic challenges

- **Australia and Drought**
- **Beef production and exports during drought**
- **Drought policy and assistance to farmers**
- **Not just drought but also floods.**





# Australia's Food Safety System



## Australia's Food Safety System

- Australian agricultural producers reliably deliver safe, clean and sustainable premium products.
- Australia's food safety system ensures that all exported products meet our rigorous food safety standards and importing country requirements.



## Strength through cooperation

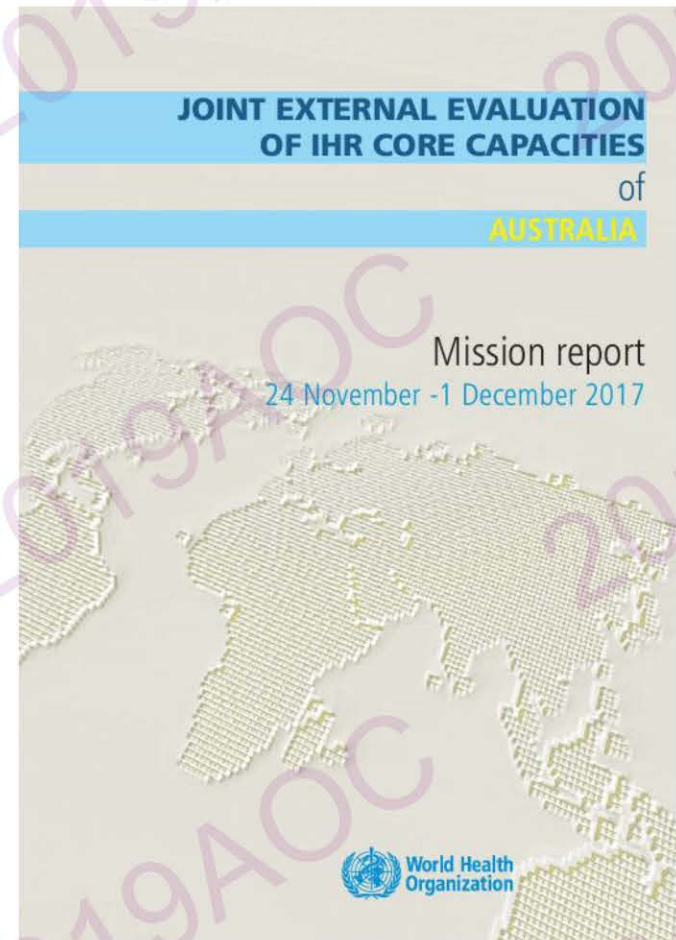
The Australian Government, state and territory regulatory authorities, and the food industry work together to ensure all food exported from or consumed in Australia is safe.



Source: Adapted from Australian Food and Grocery Council (2018)

## Internationally recognised food safety capacity

- Australia is a global leader in its ability to prevent, detect and respond to public health threats, including food safety.
- WHO: Australia has “strong and comprehensive legislation, guidance, and mechanisms in place to effectively reduce risks of entry of foodborne pathogens, transmission of foodborne diseases, and to respond to foodborne disease events.”



## Food safety activities

Activities undertaken by governments and industry underpin Australia's system for producing safe food, including:

- Monitor of microbial pathogens, chemical residues and environmental contaminants in products
- putting systems in place to deliver hygienic food products to the marketplace
- identification, surveillance, prevention and control of outbreaks of foodborne illness.



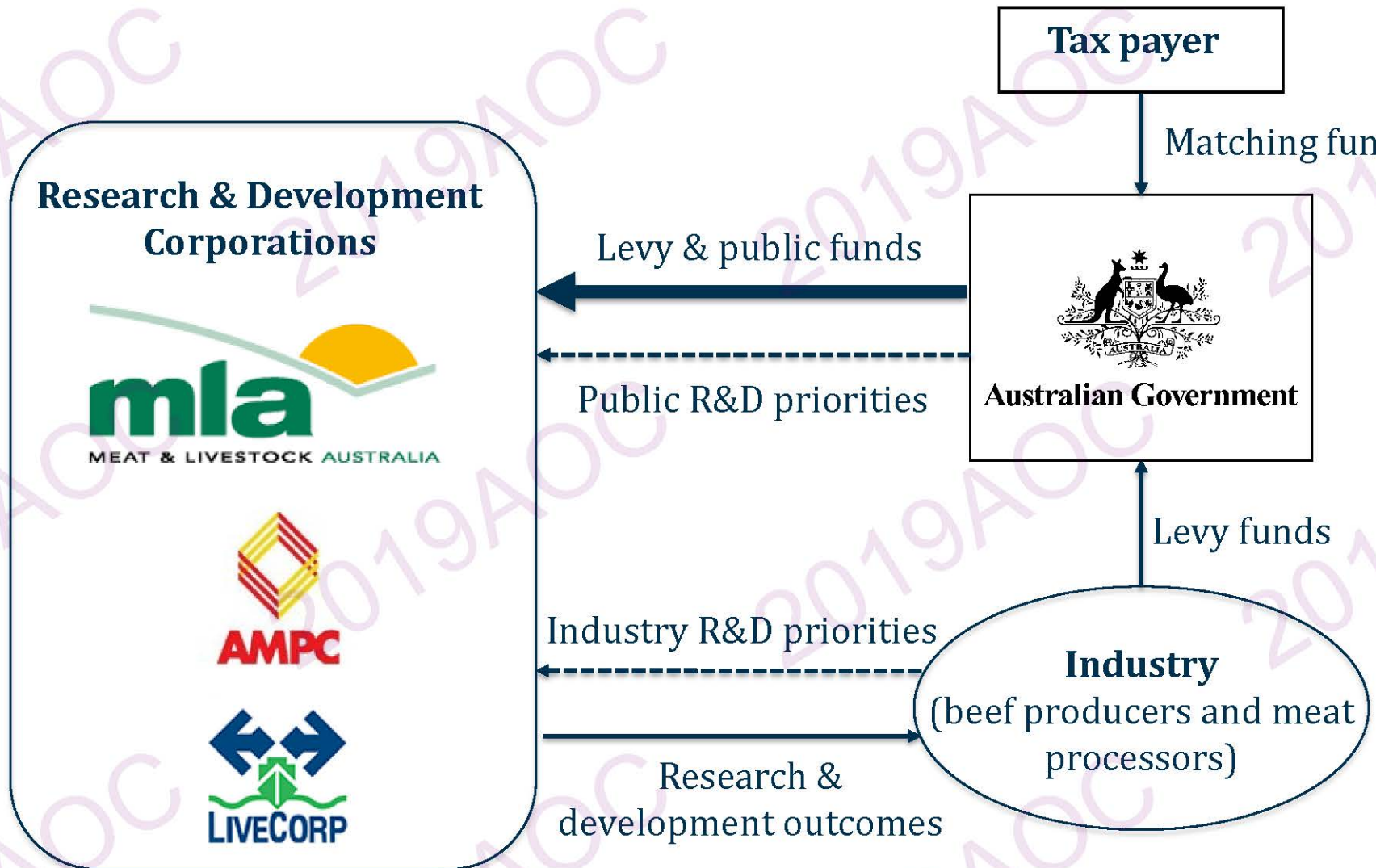
## Food safety system features

- Traceability
- Commitment from industry:
  - Livestock Production Assurance program
  - Dairy Food Safety Programs
  - FreshCare horticulture program.
- Monitoring



# Research & Development

- Funding layout
- Success stories





## Successful R&D outcomes

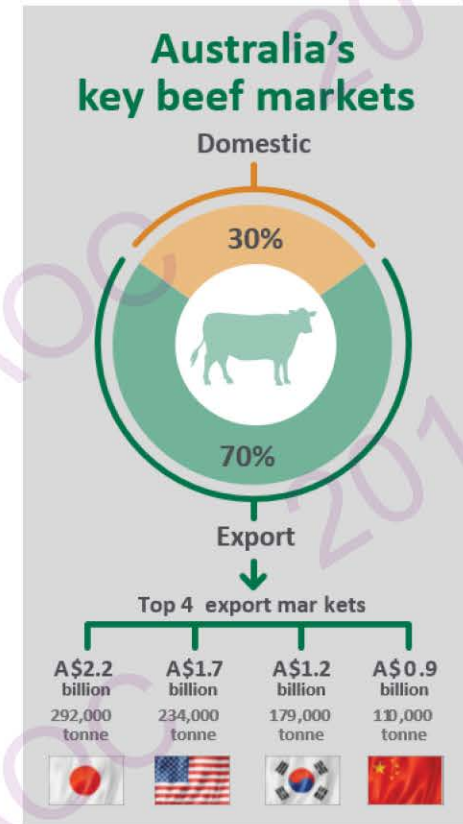
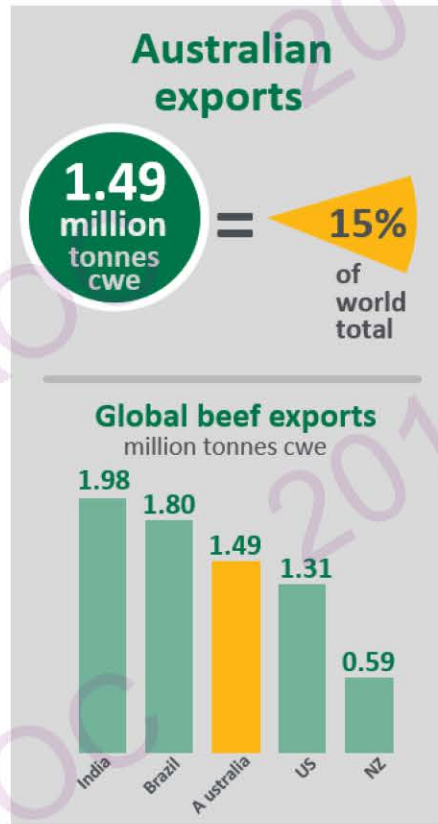
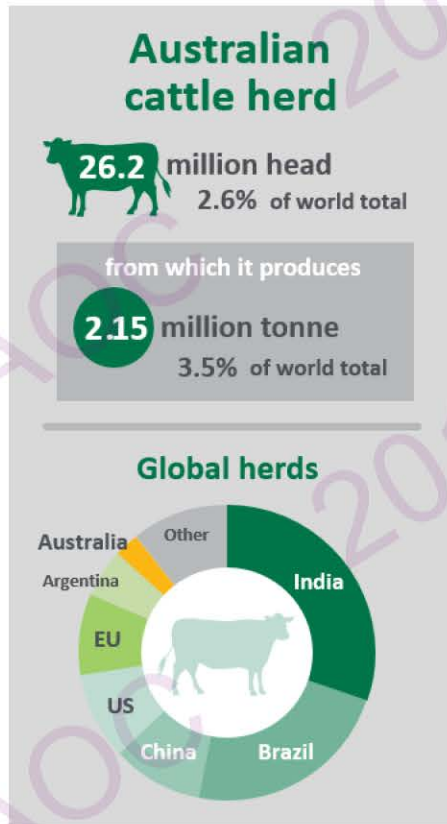
- DEXA



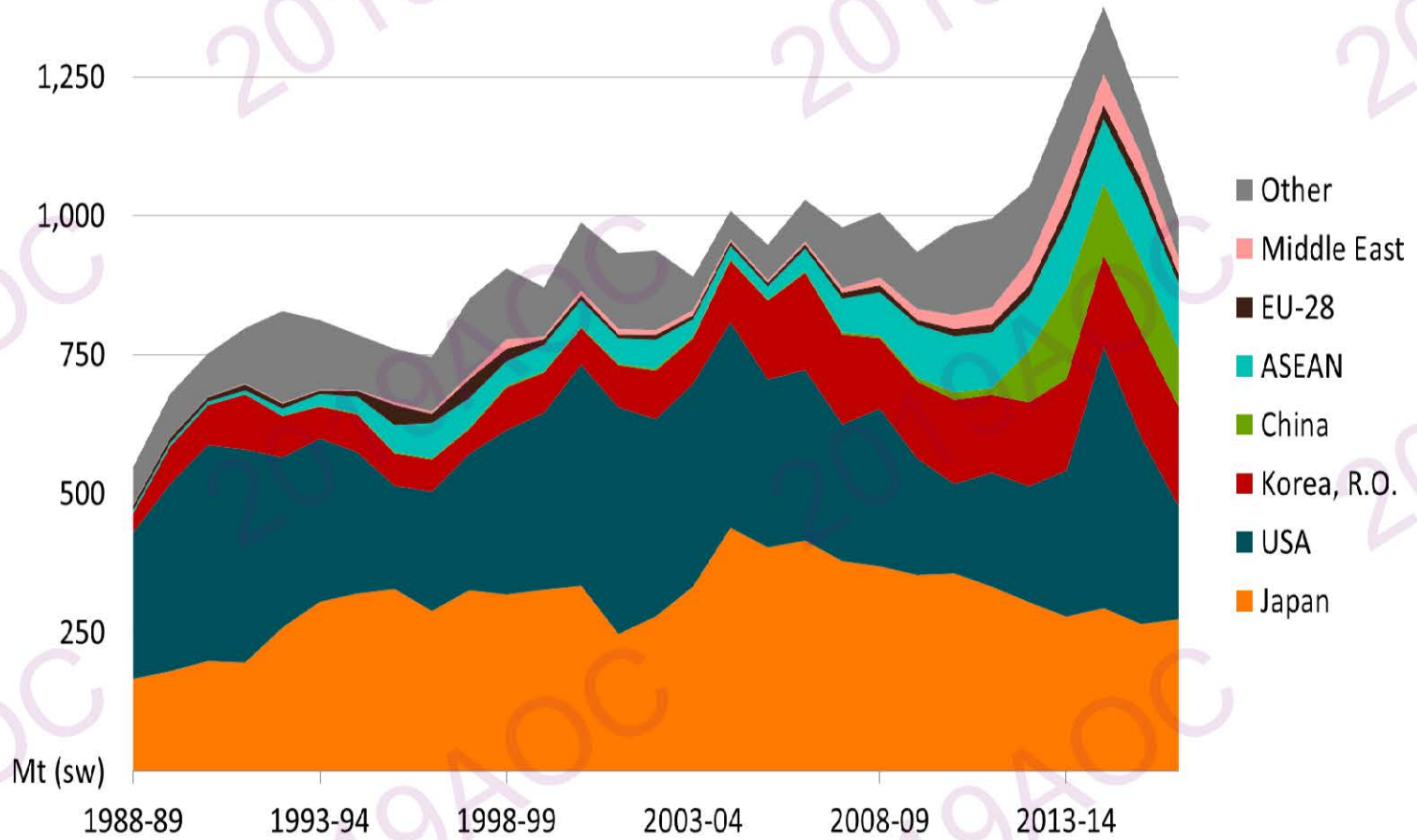
Supplied: Murdoch University

# International Trade

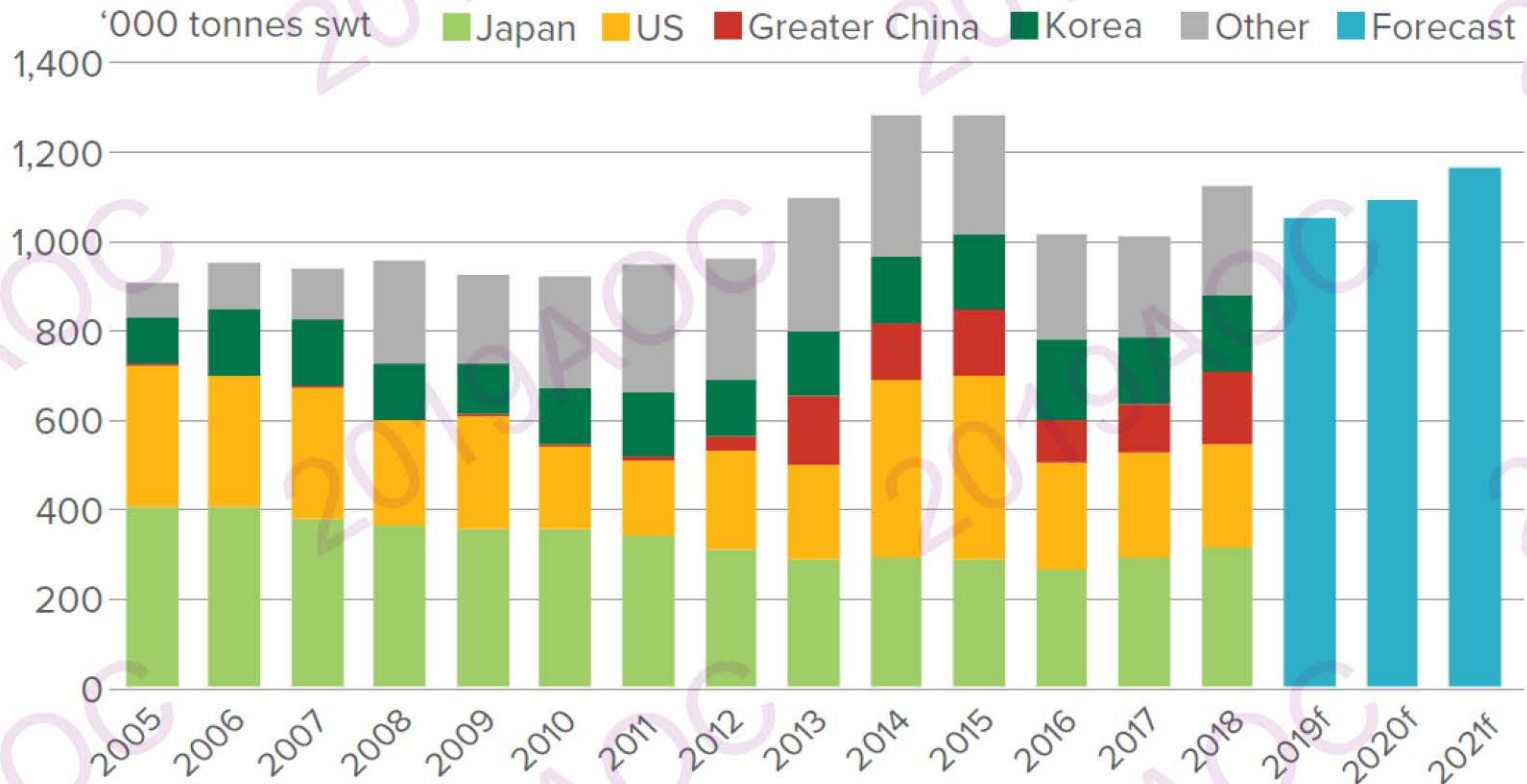
# Australian beef in a global context



# Australian exports by market

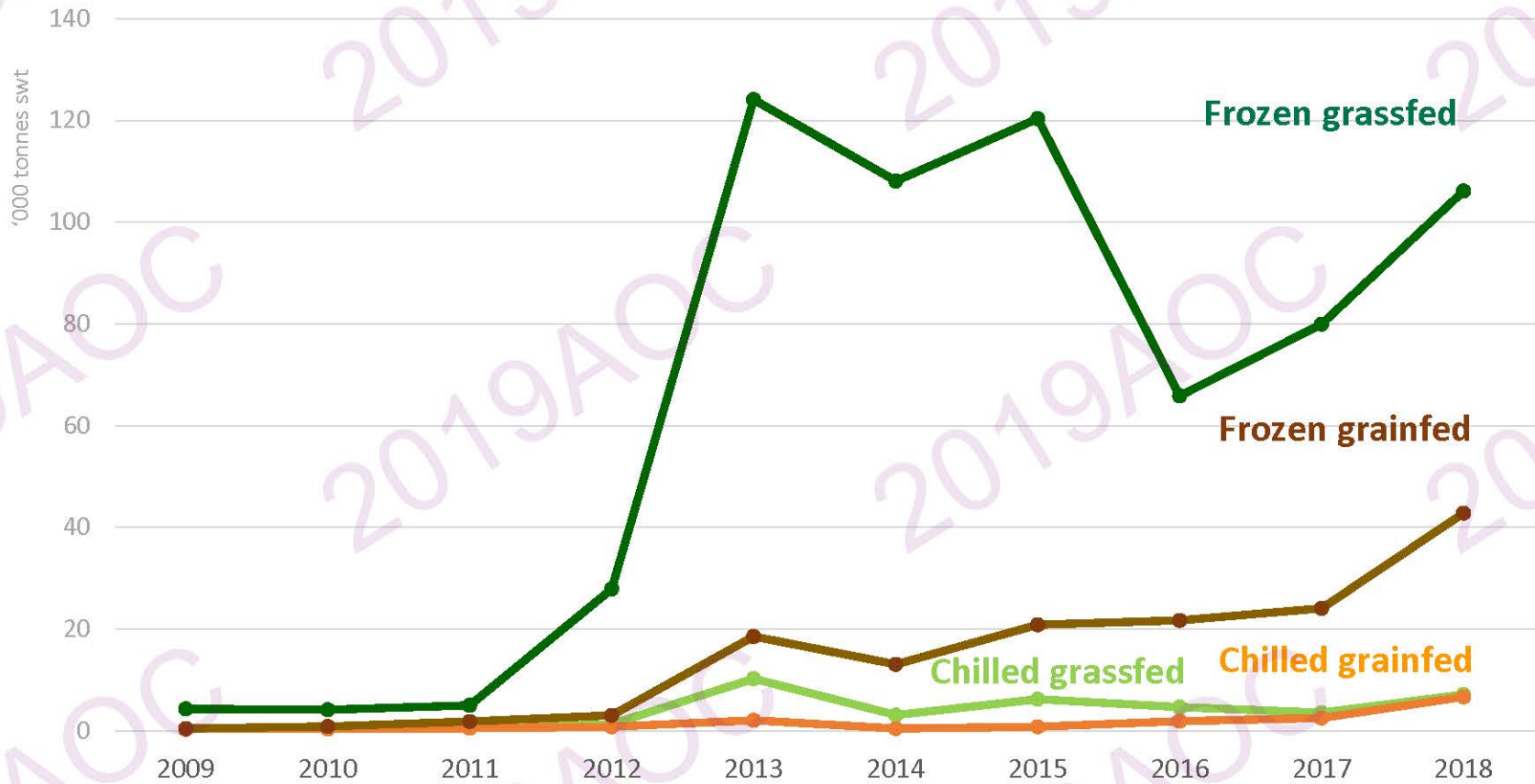


## Export forecasts



Source: DAWR, MLA forecasts

# Exports to China by category



# China's two distinct markets

## Foodservice industry



## Retail Industry



## Realising the full potential

- **China-Australia Free Trade Agreement**
- **Joint Statement on Enhancing Agriculture and Quarantine Cooperation**





# Thank you!