



# GLOBAL SNAPSHOT | BEEF

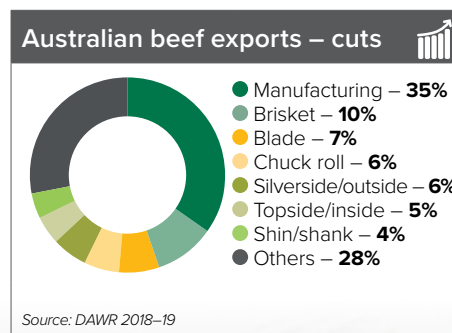
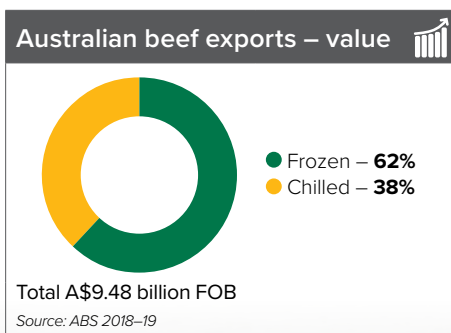
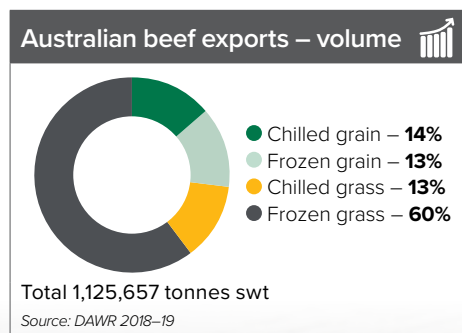
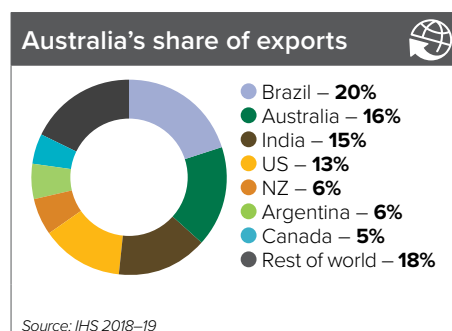
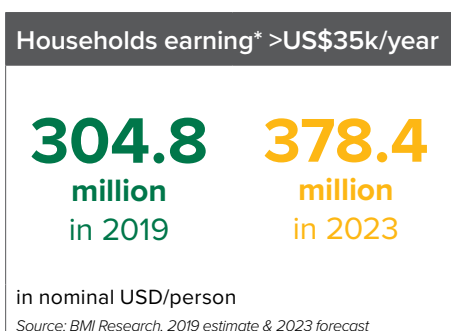
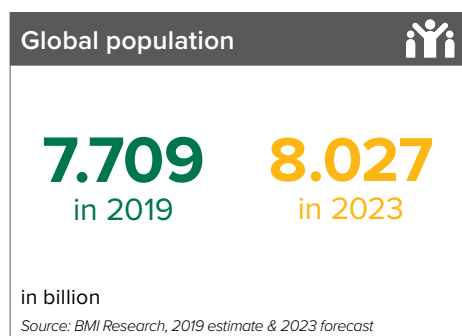


This report offers a comprehensive overview of the global beef industry and Australia's trade relationship with the world.

The outlook for global beef consumption is positive, largely underpinned by growth in population and household wealth in developing markets, particularly Asia. Australia produces only 4% of global beef production, but accounts for around 16% of world trade and has consistently been one of the top three largest exporters for several decades. While Australian beef faces a number of headwinds, particularly regarding an expected downturn in production, there are many opportunities for targeted growth.

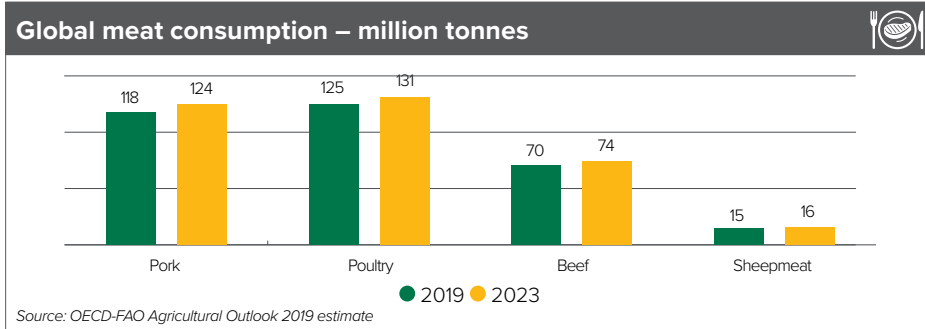
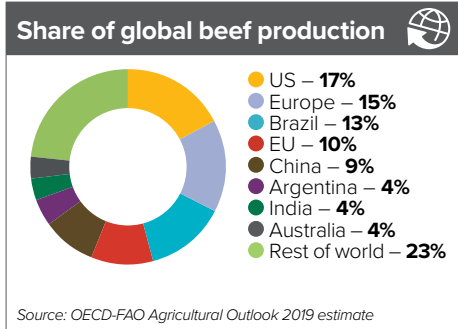
## Key points

- Australian beef exports are expected to decline in 2020 due to a diminished herd, following elevated drought-induced turnoff through 2018 and 2019.
- African Swine Fever has had a dynamic and rapid influence upon the global meat market, with Chinese import demand driving price inflation across all major proteins in 2019. Chinese demand has led to a huge trade shift, with many major beef exporting nations pivoting towards the market. This has left various traditional markets with a meat supply deficit.
- Growing production and exports from key competitors, particularly the US and Brazil, will intensify competition in coming years, especially in Asian markets. For now, strong global demand, led by the pork shortage in China, has soaked up additional beef on the global market and supported prices.
- Growing household incomes in developing markets are providing many consumers the ability to increase protein consumption, with those shifting into the middle-upper income brackets often seeking to improve the quality of meat they consume.
- In developed markets, consumers are seeking differentiated segments within the beef category, such as grassfed and grainfed product, certified breeds or raising claims. Australia's diverse production system allows the industry to target a broad range of differentiated opportunities across markets.
- In many mature markets, growing consumer interest and awareness of provenance, sustainability, animal welfare, food safety and traceability provide messaging opportunities for Australian beef brands and underpin ambitious industry-wide programs for Australia to differentiate itself.
- The high price of beef in comparison to competitor proteins such as chicken and pork, will continue to test growth and keep the category sensitive to economic conditions and consumer purchasing power.
- There is growing consumer interest in alternative proteins with a number of meat substitutes becoming more embedded in the mainstream marketplace, directly competing for market share with beef and other proteins.



\*includes: EU, Egypt, Bahrain, Iran, Jordan, Kuwait, Qatar, Saudi Arabia, UAE, US, Canada, Mexico, Japan, Korea, China, Australia, ASEAN, Taiwan and Hong Kong.





## GLOBAL CONSUMPTION

Global beef consumption is forecast to grow at an average rate of 1.1% a year out to 2023 (FAO-OECD 2019), supported by population and income growth. Six of Australia's top 10 beef export markets have forecast gross domestic product growth over 2% in the coming year (IMF).

Relative to 2019, global beef consumption is expected to grow by 3.3 million tonnes by 2023. However, beef's share of global meat consumption is expected to decline slightly over that period to 21.4% (down 0.1%) due to the faster expansion of poultry production.

Beef consumption levels vary across the world but are often determined by a combination of factors, including:

- economic growth and consumer purchasing power
- population growth and demographics
- consumer dietary preferences associated with culture and religion
- a history of local meat production and consumer familiarity
- competition from other proteins and relative prices
- trade policy and market access
- urbanisation and cold chain development.

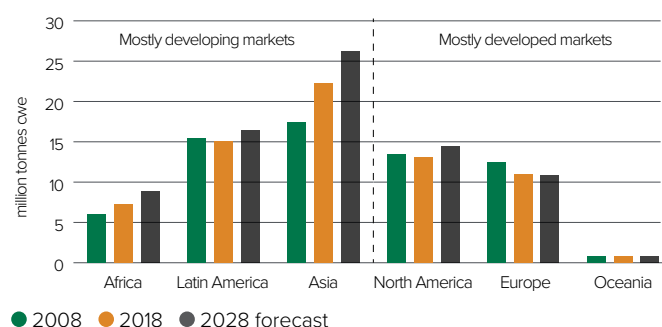
Increasingly, however, consumption in developed markets is also guided by health perceptions, environmental considerations and animal raising claims.

Global beef prices have been growing at a faster rate than both chicken and pork. Between 2000 and 2018, global beef prices more than tripled, while poultry and pork increased just 70% and 30% respectively (FAO meat price index). This consistent divergence in price, underpinned by substantial efficiency gains in the poultry and, to a lesser extent, pork industries, has contributed to the share of consumption shifting away from beef towards cheaper proteins.

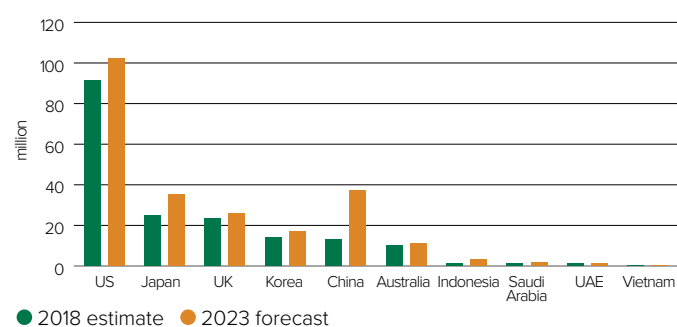
Demand in many mature markets is shifting focus from quantity to quality, presenting both a challenge and an opportunity for

Australian beef. Starting from a lower per capita base, developing countries are forecast to account for 77% of additional world beef consumption growth over the next five years, largely due to population growth, urbanisation and increasing incomes.

### Beef consumption



### Number of households earning over US\$35,000





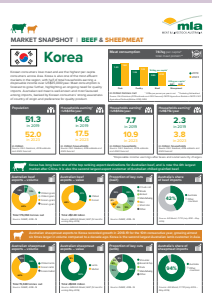
# CONSUMER LANDSCAPE

Beef has a long history of consumption in many markets around the world and constitutes a major part of diets in some countries. Beef encompasses a wide range of products and can range from low value offal and manufacturing product through to high value Wagyu steaks, all of which play a unique role depending on the country and consumer segment.

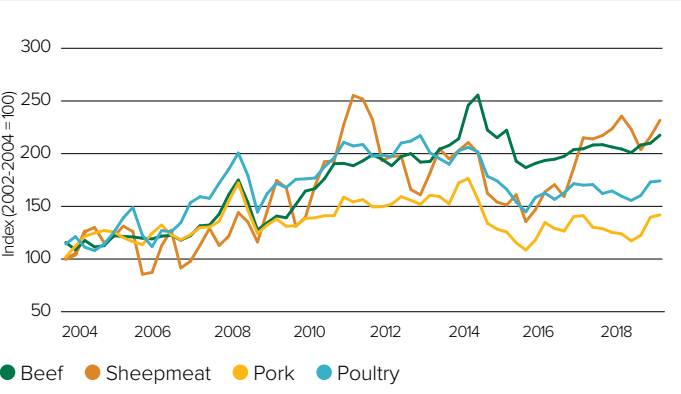
In many western countries, beef is considered the ‘prime’ meat in the sense it is viewed as the most superior and delicious, and is often a family favourite. However, the role of beef shifts in many Asian and Middle Eastern countries, where proteins such as pork (in Asia), seafood, chicken and sheepmeat (Middle East) play a larger role in consumer diets.

A number of trends around the world that favour both grassfed and grainfed beef – as well as other points of difference, such as breed and raising claims – provide Australia’s broad production system numerous opportunities to target growing segments.

For a detailed overview of Australia’s primary beef markets, visit: [mla.com.au/market-snapshots](http://mla.com.au/market-snapshots)



## World meat price indices



Source: FAO

Broad global consumer trends affecting beef consumption through foodservice and retail channels include shifts towards:

- fresher and less processed offerings
- more customised meals
- more international cuisines
- messaging relating to provenance and health e.g. ‘grassfed’, ‘free from’, ‘natural’
- growth of e-commerce and different delivery methods
- more convenient, on-the-go offerings
- smaller but higher quality premium portions.

Consumer perceptions of beef and competing proteins can vary significantly from market to market. For instance, the economic development of a country influences typical consumer purchasing drivers, with developing countries focusing more on freshness and safety and developed markets on quality and points of difference. Given the diversity of Australian beef, understanding consumer needs and what drives purchasing decisions in each market is essential.

## Key motivators to purchase beef

Japan	Safety	Freshness	Value	Origin
Korea	Safety	Natural	Freshness	Environmental
Saudi Arabia	Halal	Safety	Natural	Origin
China	Safety	Natural	Freshness	Origin
United States	Freshness	Natural	Value	Quality
Indonesia	Halal	Freshness	Safety	Natural
Malaysia	Halal	Safety	Freshness	Natural

Source: MLA Global consumer tracker

Supported by population and economic growth, demand for meat is growing at a faster pace than traditional meat production can sustain. As such, the popularity of meat alternatives is growing and research indicates that, as protein demand evolves in the future, traditional growth drivers may shift towards more contemporary ones (dietary shifts for health and ethical reasons, government regulations, environmental constraints and technological advances). While traditional meat is expected to dominate the protein mix for decades ahead, supply growth will be constrained and the shortfall is expected to be offset by emerging plant-based alternatives and expanding aquaculture production.

# GLOBAL SUPPLY

Forecasts for 2020 indicate that global beef supply will be tight, with year-on-year growth expected to reach just 1%. Beef production growth from key competitors, particularly the US (1.1%), will place pressure on Australia's high value export markets. Production growth in Brazil (3.5%), Argentina (1.0%) and India (0.3%) will compete with Australian manufacturing beef and live cattle exports in China, South-East Asia and Middle East & North Africa.

Australia is a major player in the beef export market, particularly in providing high value product backed by integrity and quality assurance systems. Following on from a sustained period of drought, the outlook for Australia is one of tighter supplies in 2020, with beef exports forecast to fall to about 1 million tonnes shipped weight (swt). Diminished supply will intensify competition for share across export markets. Strategically targeting markets which offer the best value for each cut will continue to be a priority for Australia at a time when domestic supplies are expected to tighten.

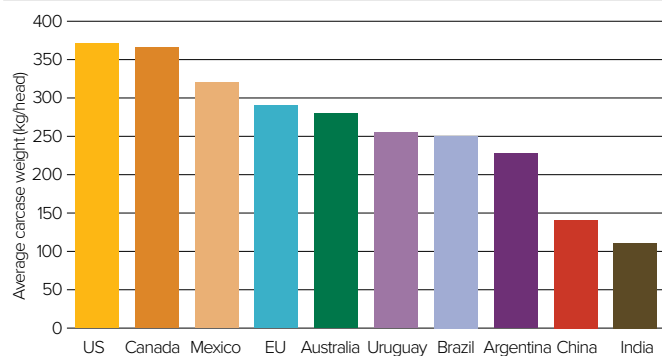
The types of production systems and supply chains vary greatly across the world. Beef production in New Zealand, the EU and India is largely a by-product of large dairy industries; however, at one extreme New Zealand is almost entirely export-focused, while the EU is domestic-oriented.

Meanwhile, most producers in North America and South America rely on beef cattle genetics, but the former primarily finishes *Bos*

*taurus* cattle on grain and the latter a mix of *Bos taurus* and *Bos indicus* cattle on predominantly grass. With *Bos taurus* genetics, traceability systems and an export focus, Uruguay reflects the industry makeup of Australia; however, it remains a much smaller competitor in global markets and produces predominantly grassfed beef.

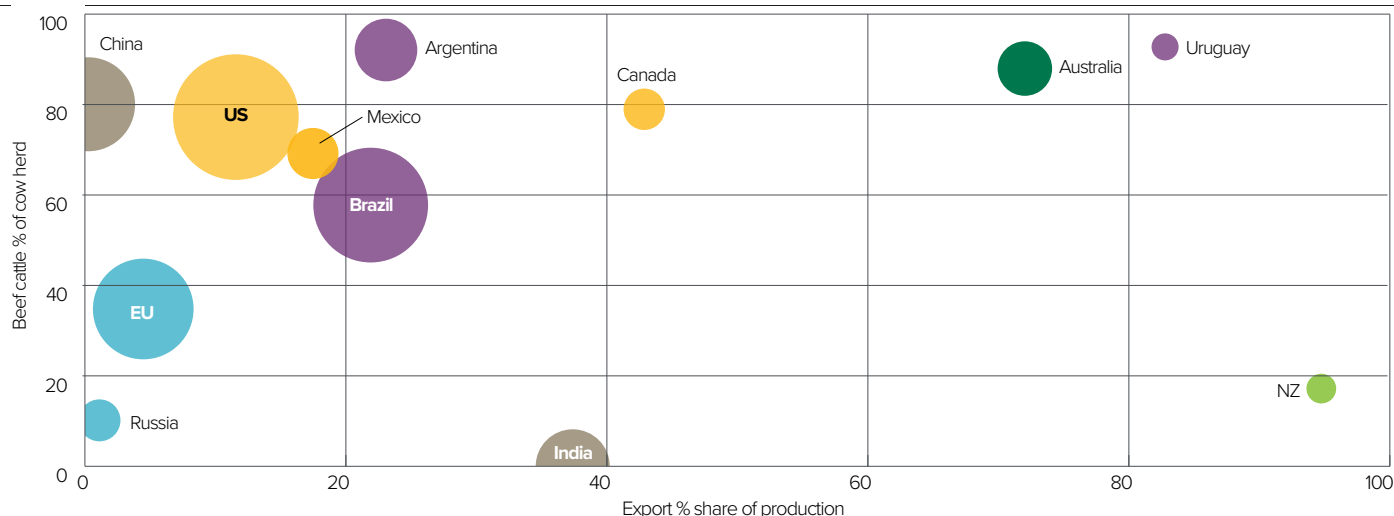
While production trends paint part of the picture, market access changes, such as the increasing number of South American plants gaining export approval for China, could have a far greater competitive impact on Australian beef in some markets.

## Global carcass weights



Source: USDA

## Production mix



Source: USDA

Bubble size reflects 2019 production and colours reflect region

## Australia

Driven by ongoing dry conditions the size of the Australian cattle herd has been in contraction phase in recent years, with numbers expected to dip to new 20-year lows and below 25 million head in 2020. Forecast beef production is expected to decline in 2020 and 2021, especially if seasonal conditions turn around and the herd enters a rebuild phase.

Incentivised by volatile weather conditions, the feedlot sector continues to grow as producers look to mitigate periods of extended drought by utilising grain to finish cattle. This has enabled Australia to produce high volumes of quality beef year-round. The quality of grassfed and grainfed beef is guaranteed through the Meat Standards Australia (MSA) grading system, which has been developed to improve the supply of consistently high quality beef to the consumer. A record number of cattle were processed through the MSA system in 2018–19, comprising 43% of the national kill.

For the latest detailed outlook on Australian beef supply, visit:

[mla.com.au/cattleprojections](http://mla.com.au/cattleprojections)

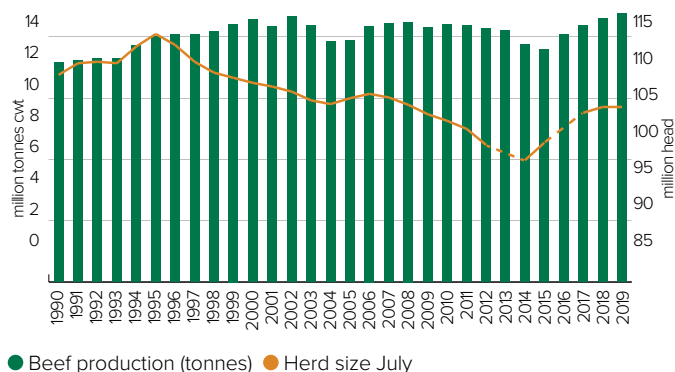


## United States

The US, with a substantial domestic feed grain supply, large herd and consolidated feedlot industry, is the world leader in beef production and a major competitor to Australia within key export markets, such as Japan and Korea. US carcass weights are the heaviest of all major producers and impressive economies of scale allow it to compete strongly with other global producers where land, labour and cattle are substantially cheaper.

The US can produce high quality beef, with grainfed cattle of *Bos taurus* genetics making up the majority of production, while developed cold chain infrastructure and modern slaughter facilities provide the capability to export chilled product.

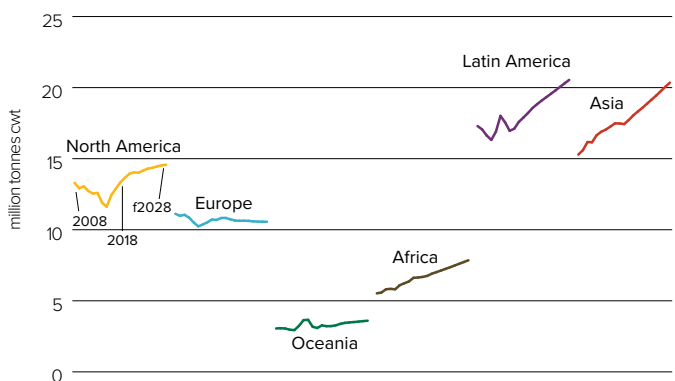
### US beef production/herd size



Source: USDA

The US cattle herd has recently reached its expected cyclical peak and will likely contract over the coming years. Following four years of expansion, the cyclical contraction is underpinned by reduced cow-calf profitability, increased female slaughter and an eventual smaller calf crop. Driven by higher levels of fed cattle and cow slaughter, US beef production will continue to grow in coming years, which will likely lead to an increased exports, elevating competition for market share in international markets.

### Regional beef production growth (2008–2028f)



Source: FAO-OECD 2019 Outlook

## Brazil

Brazilian beef production is expected to continue growing in coming years, underpinned by a slowly expanding herd, the opening up of new land, greater availability of slaughter cattle and strong international demand. Brazil lags the efficiency of the US in producing beef, but it has been catching up in recent years as they adopt new practices and technologies.

Compared to Australia and the US, the Brazilian herd is far less productive, giving it greater ability to lift future production from efficiency gains as opposed to greater resource use. The Brazilian herd is predominantly *Bos indicus* cattle, finished on

pasture and destined for the commodity beef trade. However, there has been significant investment in improving genetics and expanding feedlot capacity. In 2019, about six million cattle were finished on grain – almost double a decade prior but dwarfed by the 40 million processed overall. Investment and modernisation has improved production efficiency, with Brazil increasing beef production by 3.7 million tonnes cwt (or 55%) since the beginning of the millennium.

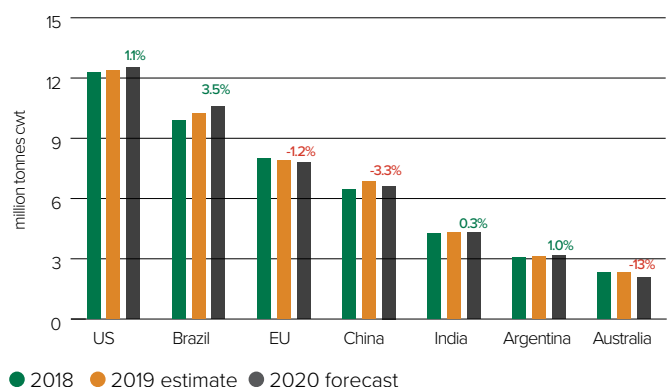
Currency movements have also had a profound impact upon Brazilian exports, with the Brazilian Real continuing to depreciate, finishing 2019 near an all-time low of US\$0.25 and making Brazilian beef more affordable on the global market.

## Argentina

Argentina's beef export situation improved substantially in 2015 following the removal of a 15% export tariff, export restrictions and currency controls overvaluing the peso. However, recent years have seen a surge in inflation and a collapse of the Argentinian Peso. Following the recent election of Peronist president Alberto Fernandez, greater export controls may be reinstated in an attempt to mitigate inflation, creating investment risk within the beef sector.

Argentine beef has become very competitive on the global market. China became a major destination for Argentine beef in 2019, with shipments doubling relative to 2018 and the market accounting for almost three-quarters of exports. However, the supply expansion is expected to slow given cattle slaughter was elevated beyond sustainable levels for much of last year, diminishing the Argentine cattle herd. Argentina produces a mix of low and high quality beef, with the herd predominantly *Bos taurus* genetics and grainfed cattle accounting for close to a third of cattle turn-off.

### Major beef suppliers expanding production



Source: USDA, MLA (Australia)  
% reflects 2020 year-on-year growth

## European Union

The EU is a significant producer of beef, but most production is derived from a dairy-based herd and consumed domestically. The region is a high-cost producer of beef, remains heavily protected from the global market and is subsidised through the EU Common Agricultural Policy. Nevertheless, in 2019, beef production was an estimated 7.88 million tonnes carcass weight (cwt) – almost four times that of Australia. France holds the position as the largest beef producer in the region, accounting for 17% of EU production in 2019, followed by Germany (13%) and the UK (11%).

EU beef production is forecast to decline in 2020, dropping 95,000 tonnes (1.2%). Regardless of this decline, the EU will benefit from newly obtained access to China for some member states, combined with increasing demand from existing partners in the Philippines, Bosnia and Israel, amid sluggish domestic demand. Irish beef exports, currently dominated by the UK market, remain sensitive to the Brexit outcome and may be directed into new markets in coming years.



## China

Small-scale producers and abattoirs dominate beef production in China, and as such growth remains limited by resource constraints. An inability to expand local production and swelling demand has led to a surge in imports in recent years (see China section below). China's domestic beef production shortfall is expected to continue expanding over the next five years, but short-term fluctuations in local production – which still accounts for more than 70% of consumption – will still have a significant impact on import requirements.

## India

Indian buffalo meat (IBM) is a commodity product and sets the world price floor. IBM is a by-product of the large but smallholder-based Indian dairy industry. India does not have foot and mouth disease-free status, restricting access to many countries. Therefore, it predominantly exports to developing and price-sensitive markets in South-East Asia and the Middle East.

IBM production expanded rapidly throughout the 2000s as the dairy sector grew and buffalo began being utilised for meat, but has slowed more recently. While a massive industry, IBM remains sensitive to domestic politics, with some Hindu groups calling for its outright ban. More than half of IBM production is consumed domestically, predominantly by India's Christian and Muslim populations.

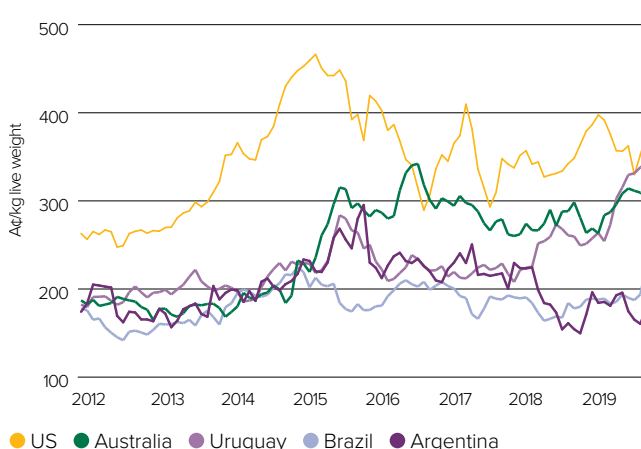
## COST OF PRODUCTION

While one of the most efficient countries to breed and grow out calves – largely due to high levels of broadacre labour efficiency and economies of scale – Australia is less competitive in finishing cattle relative to other major producers (the result of high store cattle, land, labour, regulatory and feed costs). High on-farm costs are compounded by additional expenses in the supply chain, particularly in processing cattle, where Australia costs twice that of Brazil and 24% more than the US (AMPC). With a high reliance on exports, Australia also faces greater freight and supply chain costs, as well as tariffs in some markets, compared with other major producers which also service large domestic markets.

Prior to 2015, Australian cattle prices closely tracked South America on a currency adjusted basis, but the decoupling in markets following the 2014–15 drought has not reversed, partly due to relatively tight supplies of finished cattle in Australia and the Brazilian Real and Argentine Peso coming under significant downward pressure in recent years.

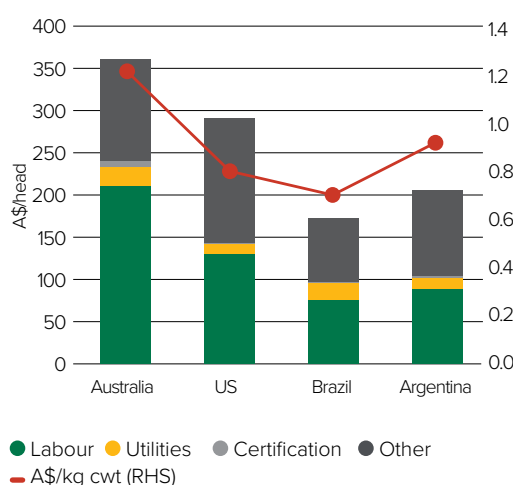
While elevated prices are positive for Australian producers, high slaughter and supply chain costs mean that Australia must continue to focus on improving efficiency and increasing the value proposition for consumers to remain competitive.

### Global cattle prices



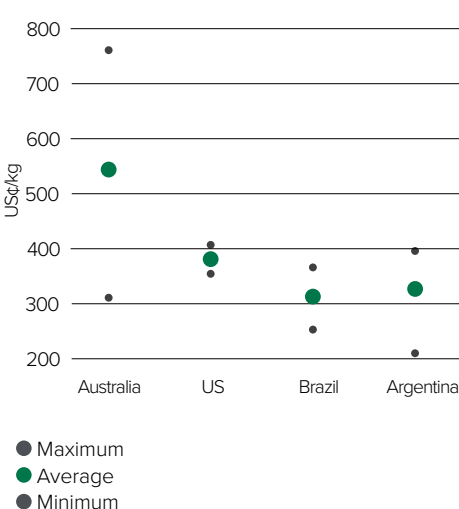
Source: IPCVA (Argentina); MLA's NLRs (Australia); Esalq/Cepea (Brazil); INAC (Uruguay); USDA/Steiner Consulting Group (US). Finished cattle (steer) specifications vary between indicators.

### Cattle slaughter costs\*



Source: \*AMPC (Analysis of regulatory and related costs in red meat processing) 2015-16 typical operating slaughter costs and excludes cost of cattle. \*\*agri benchmark 2018 typical farm/feedlot cost of finishing cattle, includes the cost of store cattle.

### On-farm cost of finishing cattle\*\*



For more information on Australia's comparative cost of production, visit:

[ampc.com.au/2018/10/Analysis-of-Regulatory-and-Related-Costs-in-Red-Meat-Processing](http://ampc.com.au/2018/10/Analysis-of-Regulatory-and-Related-Costs-in-Red-Meat-Processing)

[mla.com.au/prices-markets/Trends-analysis/agribenchmark](http://mla.com.au/prices-markets/Trends-analysis/agribenchmark)



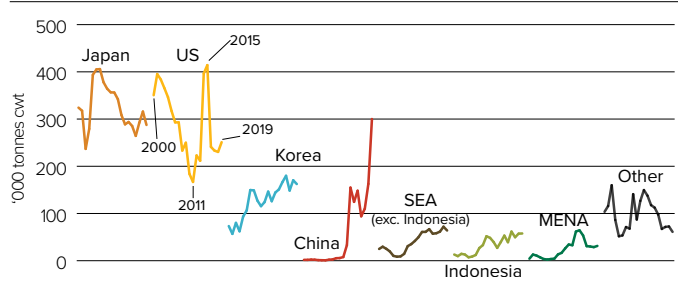


# TRADE

The bulk of beef consumption growth over the past decade, and forecast over the next, has been in the developing world, particularly Asia. However, surplus production remains centred in North and South America and Australasia. These production and consumption imbalances drive global trade.

In addition, reduced tariffs and sea freight costs, improved cold chains and the development of governing institutions have supported the growth of the global beef trade over the past two decades.

## Australian beef exports (2000–2019)

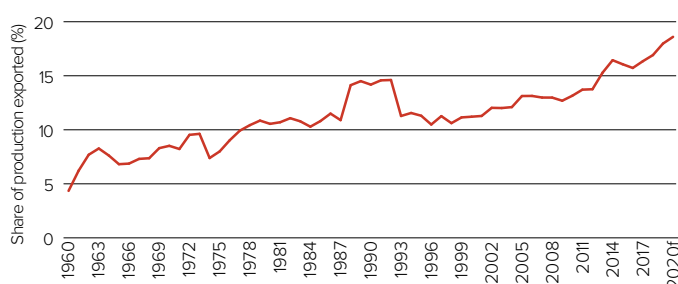


Source: DAWR

In 2019, a record 18% of beef production was traded internationally – higher than poultry, pork and sheepmeat. With the influence of African Swine Fever upon global trade, the percentage of pork exported has reached 9% in 2019, up from 7% last year.

Exporting more than 70% of beef production, Australia – far more than most but comparable to New Zealand and Uruguay – is heavily exposed to currency fluctuations, the health of the global economy and market access changes. Over the past 12 months, Australia has been the beneficiary of a soft Australian dollar, which contributed towards making 2018–19 the most valuable year for beef exports on record.

## Global share of production exported



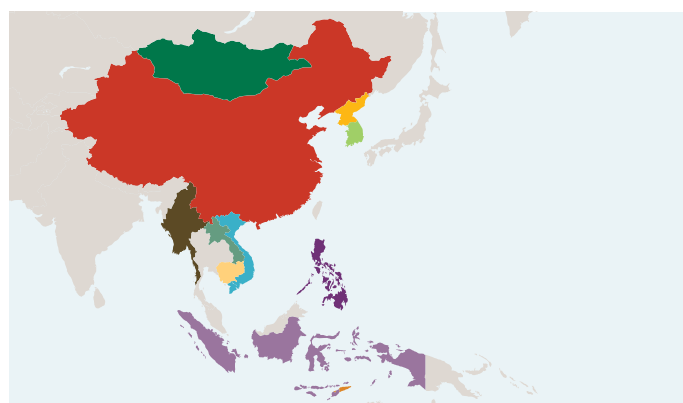
Source: USDA, MLA calculations

## The ascent of China and influence of African Swine Fever

China's influence on the global beef trade in the last decade cannot be overstated. It has transformed from being a minor import market to replacing Japan as the top destination for Australian beef. China's import expansion of beef was underway well before the onset of African Swine Fever (ASF), as the swelling number of affluent consumers began demanding higher quality meat, but the disease accelerated this growth.

ASF has quickly spread throughout Asia's largely informal and fragmented pig industry. The disease is transmittable when pigs come into direct contact with infected animals, indirect contact with contaminated objects, or are fed contaminated pork products. Vietnam, Cambodia, Laos, Myanmar, Mongolia, Indonesia, East Timor, North Korea, South Korea, the Philippines and Indonesia have all reported cases of ASF.

## Distribution of ASF across Asia



The dates below specify the dates ASF was first reported in each country

- Mongolia – 15/01/19
- North Korea – 23/05/19
- South Korea – 17/09/19
- China – 03/08/18
- Philippines – 25/07/19
- Vietnam – 19/02/19
- Laos – 20/06/19
- Cambodia – 02/04/19
- Myanmar – 01/08/19
- Indonesia – 04/09/19
- Timor-Leste – 27/09/19

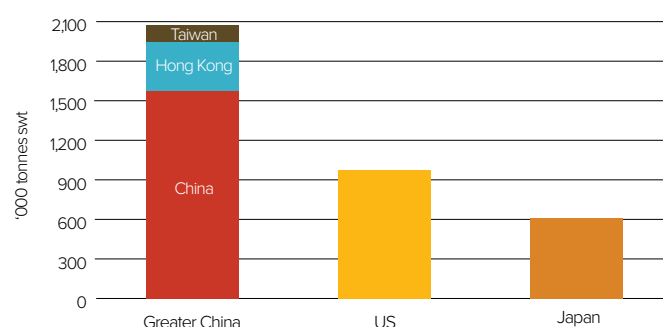
Source: FAO

Chinese pork production for 2020 is estimated to be down 40% on 2017 levels and the breeding herd is expected to be down 50% for the same period. Based on these figures, the pork contraction would equate to approximately 21.8 million metric tonnes. There is simply not enough meat traded around the world, let alone out of Australia, to cover any immediate deficits in China. The surge in Chinese demand has caused international meat prices to spike, and Australia, Brazil, Argentina, New Zealand and Uruguay have all recorded unprecedented beef export volumes to China in 2019.

With the US-China trade war hampering the Chinese economy and pork supplies expected to recover over the next five years, there are risks with being too exposed to the Chinese market – which is particularly the case for New Zealand and the major South American exporters. A slow-down in demand from China would directly dampen demand for Australian exports and indirectly increase competition elsewhere, as major exporters redirect beef to other markets at a time when there has never been so much product traded on the global market.

Chinese beef imports reached an estimated 1.6 million tonnes shipped weight for 2019, an increase of almost 60% relative to 2018, with Argentina, New Zealand and Australia the leading contributors to this growth. However, this additional volume pales in comparison to the pork deficit, and retail prices across China surged in the second half of 2019. The China retail pork price at the end of December was up by 115% year-on-year, while chicken, beef and sheepmeat were up 23%, 20% and 17%, respectively.

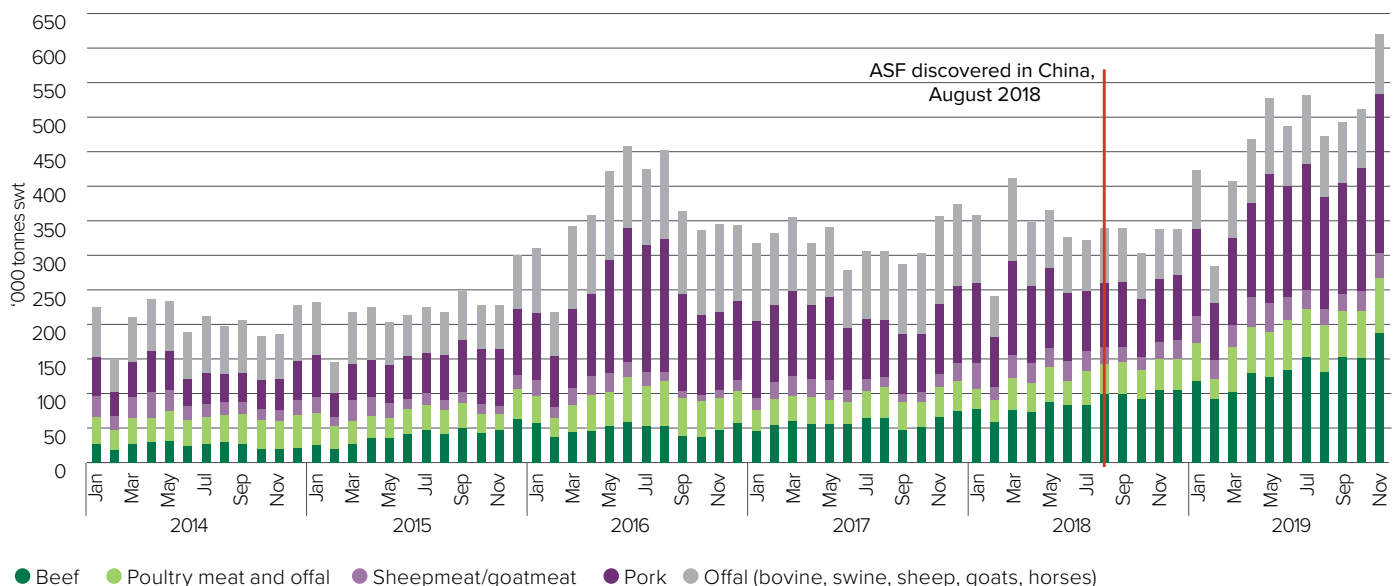
## Top three imported beef markets



Source: IHS, volumes are year ending November 2019.



## Evolution of China meat imports



Source: IHS, China Customs

## Market access

Trade is central to the ongoing viability of the Australian beef industry and pursuing unrestrained entry to global customers remains critical. Australia's access to export markets has generally improved over the past three decades, led initially by multilateral negotiations through the World Trade Organization, and more recently through a series of bilateral and regional free trade agreements. Reductions in non-tariff barriers have also been advantageous; however, many remain and have a noticeable impact on the cost of doing business.

Australia has some of the best beef access globally due to trade reform initiatives and Australia's animal health status underpinned by a suite of industry integrity systems. Australia now has free trade agreements with most major beef import markets including the US, Japan, Korea, China and Indonesia, which represented 82% of Australian beef and beef offal export value in 2018–19. The EU and Russia remain exceptions.

The Comprehensive and Progressive Trans-Pacific Partnership has been ratified, providing improved access to Japan, Canada and Mexico. Negotiations for the Regional Comprehensive Economic Partnership – a multilateral agreement between ASEAN nations and China, India, Australia, New Zealand and Korea – have concluded. Additionally, new trade agreements with Indonesia, Hong Kong and Peru will facilitate trade and foster new opportunities.

Australia is in the process of negotiating a trade agreement with the EU, and the Australian government has signalled a desire to engage the UK in trade talks when it is in a position to do so following Brexit.

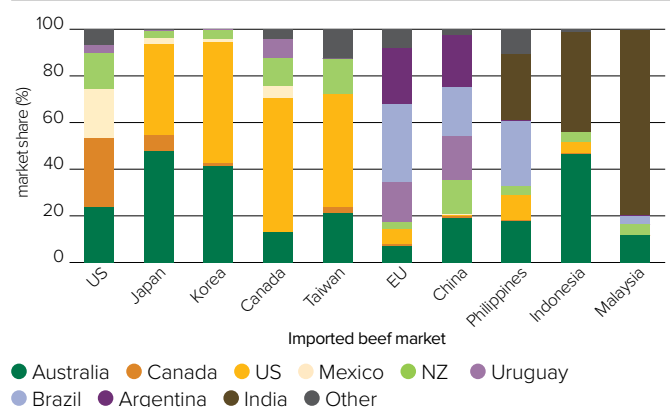
However, recent political shifts have meant trade liberalisation has become increasingly challenging. The increase in protectionism led by the US's approach to trade does pose some risk, but Australian beef exports have largely avoided any blowback from the US-China trade war.

Australia's favourable access to global markets is underpinned by strong animal health credentials, world-leading animal traceability and food safety systems, and the fact it has never had a case of foot and mouth disease or bovine spongiform encephalopathy. While Australia's track record has sheltered the industry from competition, sanitary and phytosanitary measures imposed on other exporters due to various diseases continue to be wound back, and Australia is being increasingly exposed to a widening line-up of competitors across markets.

## Competitive landscape

The competitive landscape for beef has evolved over the decades. While export volumes are ten-fold what they were in the 1960s, Australia has consistently maintained an important role within the international market and remained one of the top three largest exporters.

### Competition in Australia's major export markets



Source: IHS, 2019 year-to-September

The US is Australia's single largest export competitor due to its access to high value markets, large scale and exportable surplus, and an ability to supply high quality chilled product. Competitive pressure from the US is set to increase, due to an expanding production base and market access improvements.

The US has recently come to an agreement with the EU to 'ring-fence' a portion of the EU HQB grainfed quota (shared with Uruguay, Argentina and Australia) for exclusive access, starting at 18,500 tonnes shipped weight (swt) annually and growing out to 35,000 tonnes swt over the next seven years. These changes commenced at the beginning of 2020 and will cut into Australia's share of the quota over the coming years.

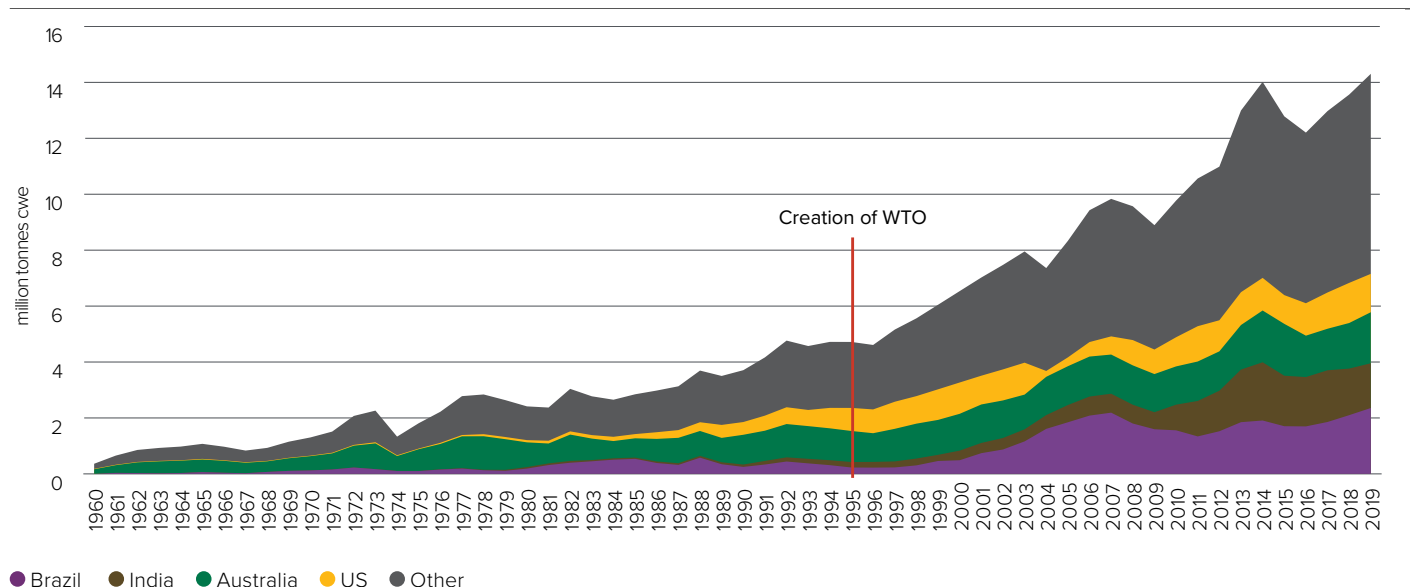
The US and China have signed an initial trade deal, which will remove many of the existing technical restrictions on US beef, opening the door for a trade to develop in coming years.

Additionally, the US has reached an agreement with Japan to bring tariffs on US beef in line with signatories to the Comprehensive and Progressive Trans-Pacific Partnership from the start of 2020, but it will operate within its own smaller safeguard.





## Beef trade growth over time



Source: USDA

South American suppliers, Brazil and Argentina, have large production bases to draw exports from, and have expanded their footprint heavily into Asia – particularly China, which has increased plant approvals off the back of pork shortages. Brazil has also been permitted 50,000 tonnes of access into Indonesia, which will potentially impact Australian cattle and beef shipments if fully realised. South American suppliers may also benefit from the EU-Mercosur trade agreement and the ear-marked 99,000 tonnes of access provided to the EU market; however, this agreement is yet to be ratified and political appetite may be waning on both sides to finalise the deal.

Other exporters, such as New Zealand and Canada, compete in similar markets and segments to Australia but remain limited by supply constraints to expand exports. While India is an exporting powerhouse, it purely supplies the commodity market and developing nations such as Vietnam, Malaysia and Indonesia.

## Live export

Australia is a leading long-haul exporter of live cattle globally. The trade links Australian cattle producers to supply chains in South-East Asia and the Middle East. Trade dynamics allow Australia to be the leading, if not sole, supplier of cattle to many countries; however, the high cost of Australian cattle presents a significant challenge in often price-sensitive markets.

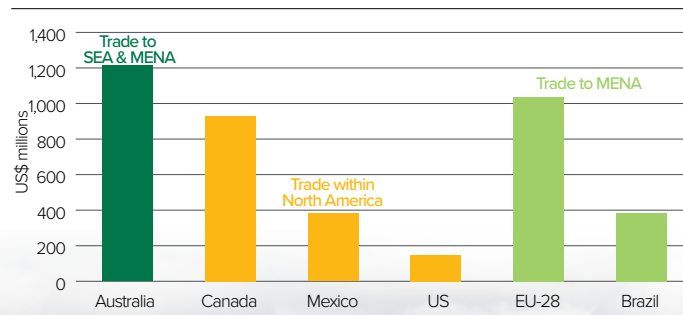
Indonesia is the top destination for Australian feeder cattle. Broadacre pastoral production in northern Australia is very suited to raising calves but less so at finishing cattle, while efficient Indonesian feedlots are able to utilise by-products from palm oil and other crops as low-cost feed. A lack of cold chain

infrastructure and the dominance of wet markets also supports the need for freshly slaughtered cattle. Australian exports to Vietnam are based on similar fundamentals however the trade is predominantly made up of slaughter cattle.

Major live export trade flows also exist across North America, primarily comprised of feeder cattle from Mexico and Canada destined for US feedlots, as well as finished cattle from Canada and the US crossing the border to be killed in either country. While Mexico has traditionally exported over one million cattle a year to the US, the synergies and sea-freight infrastructure is not in place to ship large quantities to South-East Asia.

Brazil, another major exporter of cattle, previously focused shipments within South America however its attention has since shifted to the Middle East, particularly Turkey. While Brazil's foot and mouth disease status is a barrier for exporting cattle to Indonesia, Vietnam (Australia's second largest market) is already endemic with the disease and is expected grant Brazil access in the foreseeable future. The EU also exports considerable volumes of cattle to markets across the Middle East and North Africa but no trade exists to South-East Asia.

## Value of exports for major live cattle suppliers



Source: UN Comtrade, 2018-19 exports



# SUMMARY TABLE

	Australia	NZ	US	Mexico	Canada	Brazil	Argentina	Uruguay	India	China	EU
Cattle head (million head)*	26.0	10.1	95.0	16.9	11.1	244.1	54.1	11.4	308.7	87.5	86.1
Dairy % of cow herd**	12%	83%	23%	31%	21%	43%	8%	7%	100%	20%	65%
Cattle and calf slaughter (million head)*	8.9	4.4	34.0	6.3	3.7	40.6	13.5	2.3	38.8	50.0	27.0
Cattle exports (million head)*	1.18	0.02	0.27	1.35	0.71	0.63	-	0.15	-	0.02	0.95
Beef and veal production ('000 cwt)*	2,397	686	12,289	2,030	1,330	10,210	3,040	568	4,287	6,850	7,910
Total domestic consumption ('000 tonnes cwt)*	634	50	12,240	1,880	967	8,003	2,360	137	2,687	9,233	7,905
Domestic share of production	26%	5%	88%	83%	57%	78%	77%	17%	63%	100%	95%
Per capita domestic consumption (kg/person cwe)***	25.0	16.8	38.2	12.5	25.2	35.1	56.7	56.1	0.8	5.4	15.4
Beef exports ('000 tonnes swt)*	1,158	453	999	225	379	1,504	436	335	1,130	-	226
Chilled % share of exports	26%	7%	44%	85%	79%	13%	20%	11%	1%	2%	51%
Average export price (\$US/kg)**	5.54	4.93	5.61	5.57	7.24	3.90	5.13	5.02	2.92	7.02	4.23
Top three export markets†	China Japan US	China US Taiwan	Japan Korea Mexico	US Japan Korea	US Japan Hong Kong	China Hong Kong Egypt	China EU Chile	China EU US	Vietnam Malaysia Iraq	-	B&H*** Hong Kong Israel

Source: \*USDA, MLA (Aust.) 2019 estimate; \*\*USDA 2019 estimate; \*\*\* MLA (Aust.), FAO-OECD 2019 estimate converted to carcase weight equivalent; †IHS, DAWR (Aust.) 2018-19 actual, ††IHS 2018-19 actual. †††Bosnia & Herzegovina

