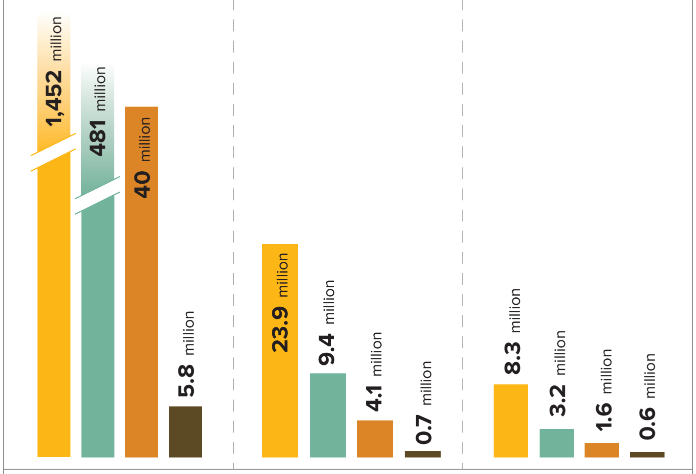
Greater China

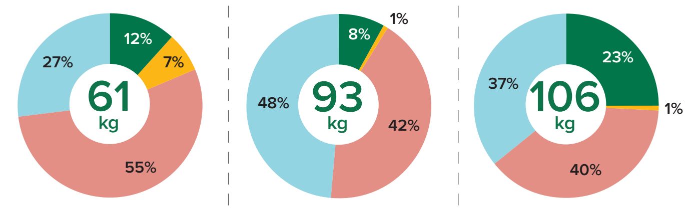
(Mainland China, Taiwan and Hong Kong*)

Meat trade and consumption in the Greater China region is dominated by Mainland China by virtue of its population. However, each market has unique characteristics and presents different opportunities for Australian red meat. While strong demand growth in Mainland China is driven by its rapidly increasing affluent population base, Taiwan and Hong Kong are also significant high value markets. Despite various challenges, Australia's red meat exports to Greater China for 2021–22 totalled 376,003 tonnes swt and, when combined with livestock, was valued at A$3.8bn, up 14% on the previous year.

Population, households and affluent households[1]



Meat consumption per capita[2]



Average annual household food spending[3]

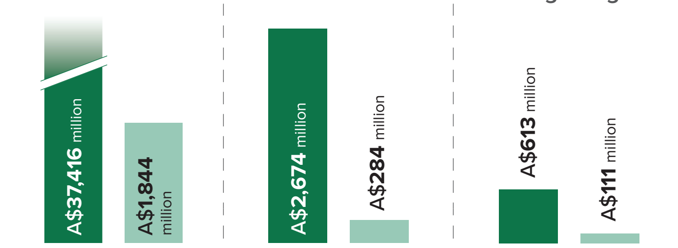
Mainland China	Taiwan	Hong Kong
US$ 3,305	US$ 5,104	US$ 2,833

Average annual household restaurant spending[4]

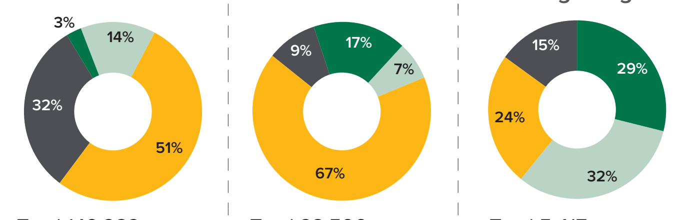
Mainland China	Taiwan	Hong Kong
US$ 879	US$ 3,969	US$ 6,606

Greater China Beef

Total beef market – value[5]

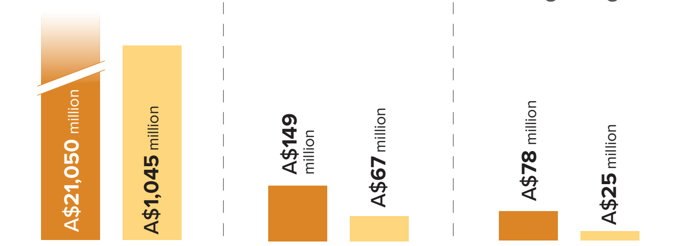


Australian beef exports – volume[6]

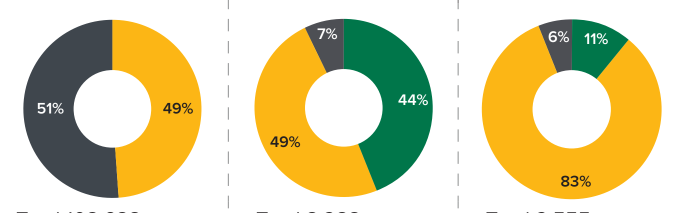


Greater China Sheepmeat

Total sheepmeat market – value[5]



Australian sheepmeat exports – volume[6]



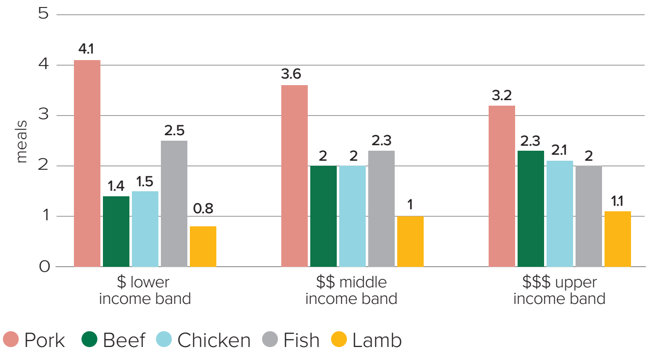
*For the purposes of this document, the Hong Kong market includes Macao due to the fact that the majority of red meat product in Macao is supplied through Hong Kong. Whilst the data for Hong Kong includes Macao, MLA fully recognises that both Macao and Hong Kong are separate Special Administrative Regions of China. Data source for charts: [1]Fitch Solutions 2023f, (disposable income = earnings after taxes and social security charges), [2]GIRA 2023f (per person per year in cwt, [3]Fitch Solutions 2023f, (Food spending is based on average household spending on food purchased via all channels but consumed in the home) Hong Kong only, [4]Fitch Solutions 2023f (Restaurant spending is based on household spending on restaurants, catering and accommodation services) Hong Kong only, [5]Fitch Solutions 2023f (Total sales value is based on average household spending for domestic consumption through all channels) IHS Markit (2021–22). Excludes offal **Hong Kong only, [6]DAFF, IHS Markit (2021–22) tonnes shipped weight

Mainland China – Beef

CONSUMERS

- In China, beef comprises a relatively small proportion of dietary protein compared to fish, pork and poultry. However, several factors including rising incomes, a recent period of pork shortage due to African Swine Fever (ASF) and greater interest in nutrition to boost immunity against COVID-19 have helped increase beef consumption. This momentum is forecast to continue, with national per capita beef consumption set to rise from 6.4kg in 2018 to 7.8kg in 2026f. By virtue of its population, China is the world's second largest beef market after the US, with an estimated total consumption of 10.3 million tonnes cwe of beef in 2022 *(Source: GIRA)*.
- Higher income levels are the key enabler of more frequent premium protein consumption. Consumers with higher incomes enjoy beef, as well as fish and lamb meals more often, while the less affluent consume more pork and poultry, as well as plant-based proteins.

Number of protein meals in the past 7 days



Source: MLA Global Consumer Tracker China, 2022.
Income bands based on annual household income - Lower = <RMB100,000, Middle = RMB100,000-199,999, Upper = >RMB200,000

- Chinese consumers consider beef to be a superior protein with high nutritional value and uniquely enjoyable eating qualities, making it a family favourite. Barriers to more frequent consumption, aside from price, are perceptions that beef is more challenging to prepare and cook, and less versatile than other proteins.
- Beef and beef offal feature across a range of traditional slow-cook, soup, stir fry, dumpling and hot pot dishes, historically developed to suit product from spent work or dairy animals. In upper middle-class households, there is increasing exposure to non-local cuisines that utilise a wider range of beef types, cuts and cooking methods, mostly via foodservice but increasingly also at home.

Affluent* Chinese consumer perceptions of Australian beef

*Source: MLA Global Consumer Tracker, 2022. % Agree. *Consumers living in households earning >RMB200,000 p.a. in Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu and Chongqing cities*

- A growing segment of consumers seek higher quality beef that is trusted to be safe, nutritious and delicious. Australia is considered among the top suppliers of premium beef, with demand increasing for chilled and grainfed products.

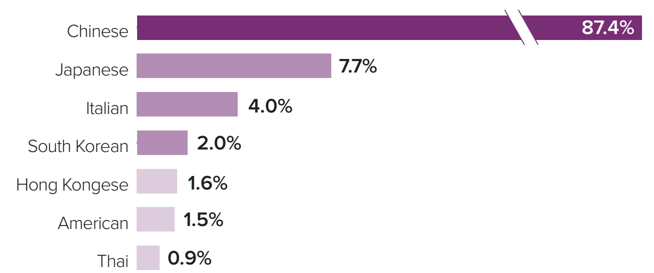
FOODSERVICE

- As a relatively less familiar but superior protein, around two-thirds of beef in China is typically consumed outside the home *(Source: GIRA)*. In addition to local cuisine restaurants, diners are increasingly enjoying a wider variety of beef cuts, cooking methods and flavours via other cuisines, such as western-style steak and grill, pasta and burgers, Korean and South American barbeque, Japanese and Thai.

Growing popularity of western and other Asian cuisines has increased beef consumption in Mainland China

- The majority of Australian beef is sold in foodservice channels, with a proportion going into further processing of items for the sector such as hot pot rolls, burgers, meatballs and sausages. Higher value product, such as grainfed and wagyu beef, goes into more premium full-service restaurants.
- Australian beef has a strong, established presence in China's premium western-style foodservice sector and in some upscale hot pot restaurant chains, where differentiation based on quality, safety, naturalness and country of origin is important to diners.

Mainland China restaurant beef items by cuisine



Source: GlobalData August 2022. Only full-service restaurants with online menus are included

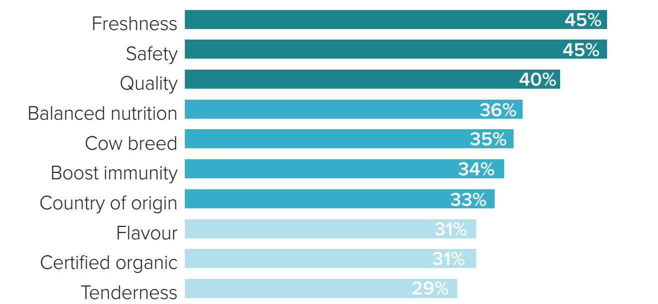
- Accelerated by high density living, good connectivity, the pandemic and growing desire for convenience, there has been strong growth in take-away and delivery services. This is forecast to continue at a compound annual growth rate (CAGR) of over 8% from 2021–2026, even as dine-in service recovers from ongoing lockdowns *(Source: GlobalData)*.

Mainland China – Beef

Retail

- China's retail sales of beef have grown significantly in recent years, accelerated by African Swine Fever (ASF)-driven higher pork prices and increased at-home consumption due to the pandemic. As a consequence, demand for chilled beef, particularly from Australia, has been strong. There has also been an expansion of meal kits and value-added products, offering consumers more ease and convenience to prepare quality beef meals at home.

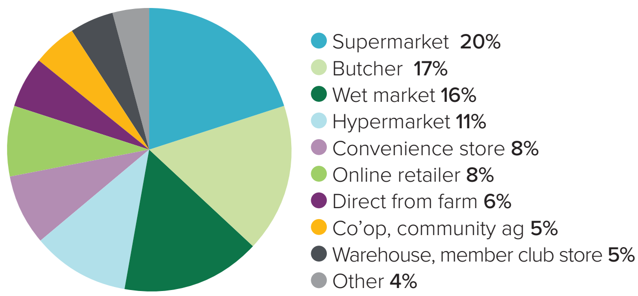
Chinese affluent* consumers' beef purchase considerations



Source: MLA China COVID-19 Consumer Impact Survey, March 2020
**Average monthly household income RMB28,000. Base: frequent imported beef consumers at home in Shanghai*

- Affluent urbanites are driving growth in branded beef products that not only offer the important basics of safety and quality, but also deliver more experiential consumption experiences via elements relating to provenance and production methods.
- Affluent consumers will still buy beef from convenient local wet markets on occasion, particularly when preparing traditional beef dishes to be consumed the same day. However, it is now more common for them to shop at modern retail channels. The pandemic accelerated the shift away from traditional channels in favour of modern offline and online retail. While traditional channels are still growing in line with the total retail market, modern channels are growing faster, led by online and discount stores *(Source: IGD)*.
- The pandemic increased consumer demand for Australian beef at retail due to its strong reputation for safety and quality. Recent years have seen significant new investments in cold chain which is improving product handling across the supply chain, including for retail-ready product.
- New opportunities are being presented by the fast-growing 'fresh on-demand' or 'quick commerce' sector, offering delivery of fresh produce including red meat within 30 minutes.

Retail channels for affluent Chinese beef purchasing

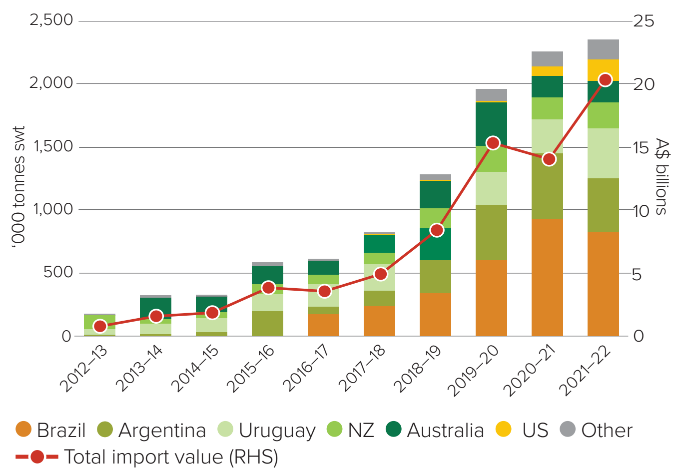


Source: MLA Global Consumer Tracker China, 2022. Purchase beef at least weekly from these channels. Consumers in Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu and Chongqing cities. Living in households earning >RMB200,000 p.a.

Competitive landscape

- China is the world's top beef importer by volume. Increasing demand is the key factor driving another record for the country's beef imports passing through customs. For the 12 months ending June 2022, China's beef import volume exceeded 2.35 million tonnes swt (up 4.3% year-on-year), valued at A$20.2 billion (up 45% year-on-year) *(Source: IHS Markit)*.
- Competition in China's beef market is intense with now at least 31 countries granted market access, driven by a government priority to diversify the country's supply.
- China has a large cattle herd of its own of around 97.2 million head in 2022*f*, with an estimated 4 million dairy cattle, 66 million beef cattle and the remainder a mix of others *(Source: GIRA)*. The herd is forecast to increase to around 99.9 million head by 2026*f*. While domestic beef production will increase, the significant and increasing supply gap needed to meet consumption demand will need to be filled by imports.
- The US has increased its value share of China's total beef imports from 1% in 2019–20 to 11% in 2021–22, benefiting from its preferential establishment listing and market access conditions. The US has sole approval to export HGP-treated beef (within maximum residue limits and excluding beta-agonists) to China.
- Australia is China's largest supplier of chilled beef. However, market access challenges since 2020 have restricted Australian exports, with New Zealand and the US filling some of the gap.

Mainland China direct total beef imports by supplier



Source: : IHS Markit, China Customs. Excludes offal

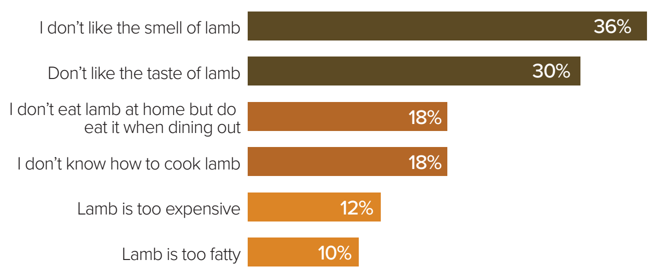
- South American countries dominate China's direct frozen beef import market, particularly Brazil, Argentina and Uruguay, which have benefited from weaker currencies and lower beef prices. These suppliers are also relatively exposed to the China market, with 2021–22 combined export value to China and Hong Kong accounting for 59%, 62% and 63% of total beef exports for these countries respectively.

Mainland China – Sheepmeat

Consumers

- China has consistently been among Australia's top two largest sheepmeat export markets by volume and value since 2013 along with the US.
- While sheepmeat accounts for a small proportion of dietary protein in China, consumption has grown gradually over the past decade with rising incomes and urbanisation. Consumption was further boosted by the protein deficit caused by African Swine Fever from 2018 to 2020, with per capita consumption anticipated to reach 4.0kg in 2022 *(Source: GIRA)*. Having developed a taste for sheepmeat, it is anticipated that consumers will continue to enjoy more of it, even as the pork industry recovers.

Top 5 barriers to affluent Chinese buying lamb



Source: MLA Global Consumer Tracker China, 2022. % Agree Score. Consumers living in households earning >RMB200,000 p.a. in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities. Reasons given for never buying lamb

- Traditionally, sheepmeat consumption has been higher in the northern areas of the country and during the cooler months. However, in recent decades interest in the protein has grown faster in coastal cities, where wealthier consumers seek more protein variety with regard to taste and nutritional benefits.
- Per capita and household annual spending on discretionary items is forecast to double from 2016 to 2026 which bodes well for consumption of niche proteins such as lamb *(Source: Fitch Solutions)*.
- Sheepmeat and ovine offal feature in a limited number of traditional home-cooked recipes – mostly stew and soup-based dishes – but are popular street food in the form of spiced grilled kebabs and in thin-slice form in hot pot. There are opportunities to increase lamb consumption by providing consumers with more knowledge to help them successfully cook lamb at home.

Attributes of lamb compared to other proteins

Strengths	Challenges
✓ The most superior meat	✗ Easy and convenient to purchase
✓ The meat is usually tender	✗ Cheaper
✓ The animal is well-cared for	✗ Easy and convenient to prepare
✓ I'm willing to pay more for this meat	✗ Can use in many different meals
✓ Has high nutritional value	✗ Not considered essential in kids' diets

Source: MLA Global Consumer Tracker China, 2022

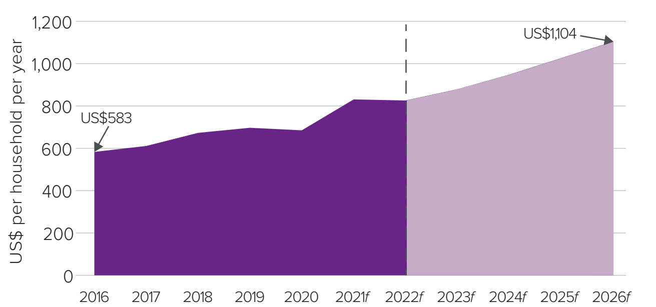
Foodservice

- Around two-thirds of the sheepmeat in China is typically consumed outside the home *(Source: USMEF)*. With the key motivators for eating out being the variety of dishes and cuisines, unique flavours and superior quality and taste, lamb plays an important role in the foodservice sector. Recent data indicates that the value of foodservice sales of lamb by operator buying price for 2023 is anticipated to total around U$7.75 billion and forecast to grow at a CAGR of 3.7% to 2026 *(Source: GlobalData)*.
- The majority of Australian sheepmeat exported to China comprises frozen cuts such as breast and flap, manufacturing, carcase and neck, which are further processed in market – a large proportion in the form of thin-sliced rolls for use in hot pot restaurants.

Hot pot is a popular way to eat sheepmeat out of home

- For affluent consumers, higher-end full-service restaurants are popular venues for enjoying lamb, where it features in a range of cuisines and dishes, including western and Middle Eastern style. Australian lamb can be found on menus in high-end western-style restaurants and five-star hotels, as well as high-end hot pot establishments. This has driven growing demand for higher value Australian sheepmeat cuts such as rack, backstrap and loin cuts.
- China's total sheepmeat import volumes were down 11% in 2021–22 on the previous year, in part due to the impact of the country's COVID Zero policy on the foodservice sector as well as high global sheepmeat prices and tight supply. However, current forecasts indicate that household spending on restaurants will continue to increase, supported by delivery and take-away service during lockdown periods.

Mainland China household restaurant and hotel spending*



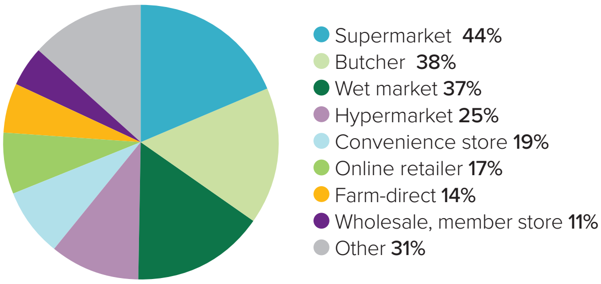
*Source: MLA Global Consumer Tracker China, 2022. % Agree Score. * Annual spend. Consumers living in households earning >RMB200,000 p.a. in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities*

Mainland China – Sheepmeat

Retail

- Lack of familiarity and knowledge about how to cook lamb is the main barrier to increasing lamb sales through retail channels. Among those who do purchase it for home consumption, the most common are traditional slow wet cook dishes such as stews and soups.

Where affluent* Chinese consumers usually buy lamb



*Source: MLA Global Tracker China, 2022. Bought at least weekly in the past 6 months. *Affluent = living in households earning >RMB200,000 p.a. Consumers in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities*

- Retail has been a relatively small channel for Australian sheepmeat, but branded lamb product is becoming available in stores in some larger cities and online. This is driven by affluent consumers seeking products that offer not only safety and quality consistency, but also unique eating experiences and attributes linked to provenance. Australian lamb is highly regarded in the market.
- China's grocery retail is highly fragmented and regional. Nationally, retail group Sun Art has the biggest market share (7.8%), followed by Yonghui (5.5%), Wal-Mart (5.4%), Vanguard (5.3%) and Wumart (3.2%) *(Source: Kantar World Panel 12w to Jul 2022)*.

Affluent* consumer perceptions of Australian lamb

62% say they love **Australian lamb**

- ✓ High quality lamb
- ✓ Comes from the perfect place to produce lamb
- ✓ Grown to the highest standards at every step
- ✓ Traceable at all steps of production
- ✓ Processed under the highest standards
- ✓ Tastes great
- ✓ Good for my health
- ✓ Ethically and humanely produced

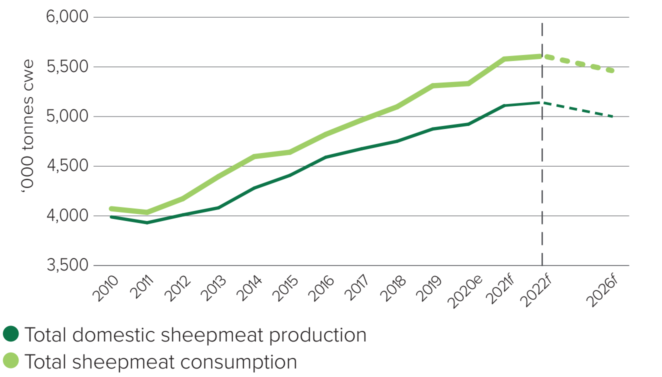
*Source: MLA Global Consumer Tracker China, 2022. 1 + 2/10 point scale. *Affluent = living in households earning >RMB200,000 p.a. in Shanghai, Beijing, Guangzhou, Chengdu and Chongqing cities*

- Rapid growth in household ownership of particular cooking appliances such as air fryers, multi-functional microwave ovens and electric hot pot cookers, accelerated by the boom in home cooking due to the pandemic, is presenting new growth opportunities for Australian product at retail. National sales of air fryers are reported to have increased over 20-fold from 743,900 units in 2016 to 16.4 million units in 2020 and increased a further 124% in Q1 2022 *(Source: Xinsijie Industry Research Centre)*. This has led to a step-change in urban middle-class households' ability to roast, broil and grill foods such as lamb at home, where ownership of conventional ovens and grills had previously been very limited.
- Growing consumer demand for quality and healthier convenience foods and technological innovations such as self-heating packaged meal products, have also increased consumption of lamb, enabling the normally extended and highly social hot pot restaurant meal experience to become an individual snack.

Competitive landscape

- China is the world's largest producer of sheepmeat, with a sheep and goat flock estimated at around 316 million head in 2022. However, China is forecast to remain a net importer of sheepmeat over the coming years, with imports to contribute around 8% of consumption volume in 2022 *(Source: GIRA)*.
- China sheepmeat import demand has seen long-term steady growth, increasing at a CAGR of 15.8% over the decade from 2010 to 2020, although it is now expected to plateau over the next few years. However, import demand, particularly for mutton, can be volatile depending on domestic production cycles. With environmental policies restricting flock sizes and gradual consolidation of larger-scale feeding operations, import demand is expected to become more stable in the future.

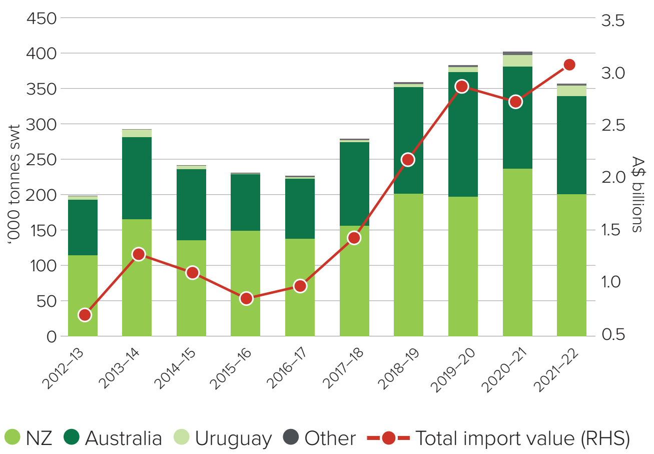
Growing Mainland China sheepmeat import demand



Source: GIRA, figures includes goatmeat

- New Zealand is the leading sheepmeat supplier to China, followed by Australia. New Zealand has become increasingly dependent on China which, for the year ending June 2022, accounted for 52% of its sheepmeat exports, compared to 31% for Australia. Smaller volumes are supplied by Uruguay and Chile. Several countries granted market access are not yet exporting significant volumes, but competition from Argentina and Kazahkstan may increase in the future.
- Australia and New Zealand are approved suppliers of chilled sheepmeat. However, New Zealand has an advantage with a greater number of listed plants, including for tripe.

Mainland China direct sheepmeat imports by supplier



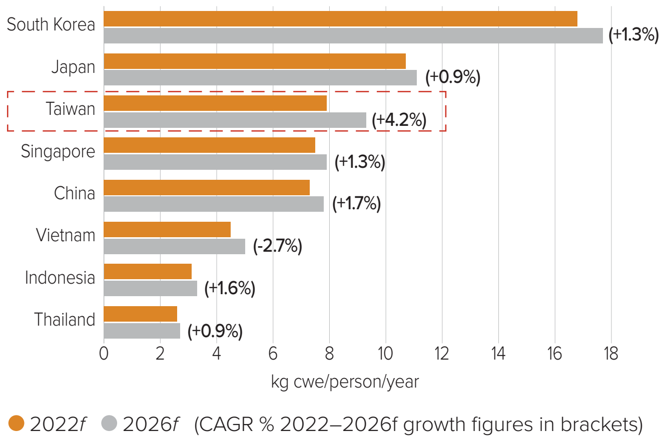
Source: IHS Markit, China Customs. Excludes offal

Taiwan – Beef

Consumers

- Taiwan has been a major export market for Australian beef for over 25 years, consistently ranking among the top 10 markets for both grassfed and grainfed exports.
- Taiwan beef consumption growth is forecast to further accelerate in coming years, driven by a large young adult population, increasing numbers of affluent households and enjoyment of cuisines that feature beef – from local dishes to western-style, Japanese and Korean.

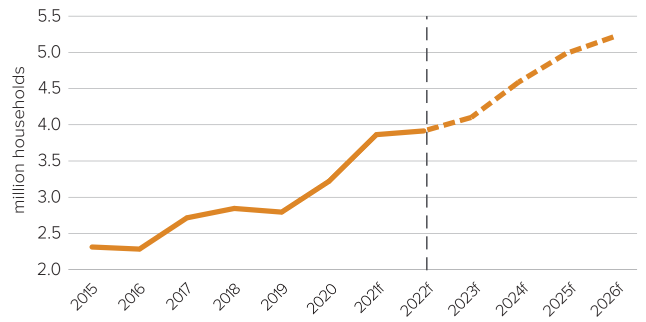
Taiwan has Asia's fastest beef consumption growth outlook



Source: GIRA

- Reflecting this growing demand, Taiwan's total beef imports have trended up for over twenty years. In 2021–22, beef imports achieved another all-time record of 144,871 tonnes swt valued at A$1.96 billion, boosted by foodservice recovery post-pandemic.
- Taiwan has a high urbanisation rate of 80% expected for 2023 and a large number of households with high disposable incomes that is forecast to grow at a CAGR of 6.2% from 2021 to 2026, enabling strong spending growth on discretionary items such as premium beef *(Source: Fitch Solutions)*.

Taiwan has a large and growing affluent consumer base



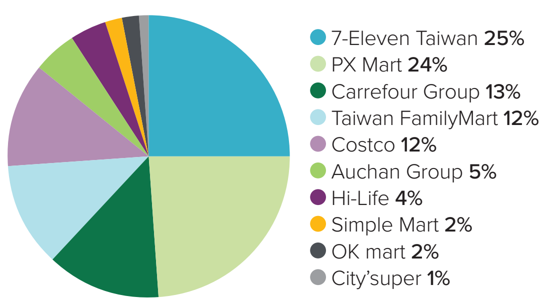
Source: Fitch Solutions. Households earning disposable income USD 35,000+ p.a.

- Taiwan consumers see beef as a protein with superior taste and nutritional benefits, which makes it a family favourite and worth paying a premium for compared to other proteins. However, beef's biggest perceived weaknesses are that it can be high in fat and less versatile compared to pork and chicken *(Source: MLA Global Consumer Tracker Taiwan, 2020)*.

Retail

- Taiwan's retail sector is quite mature by global standards, with modern grocery retail outlets comprising around 70% of the sector. Taiwan is unique globally for having the highest concentration of convenience stores, contributing the largest share of retail grocery sales at 29%, followed by supermarkets and hypermarkets *(Source: IGD)*.

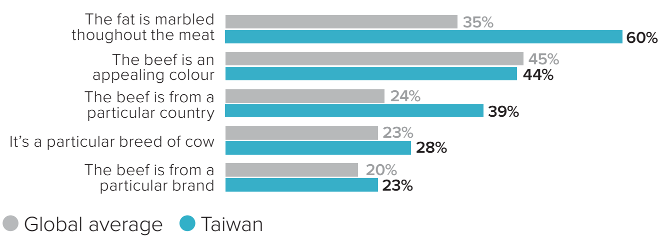
Taiwan mass grocery retailer market share – 2023f



Source: IGD. % share of A$34.6 bn total forecast grocery sales value

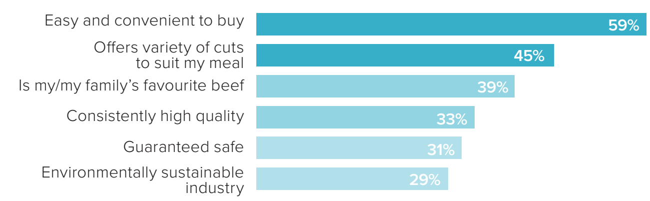
- In the coming years, online retail, supermarkets and minimarts are the channels forecast for strongest grocery sales growth.
- With mandatory country of origin labelling across all channels, the majority of Taiwan consumers are aware of the origins of the beef they buy. Australian beef is largely purchased from hypermarkets and supermarkets. Taiwan consumers are very familiar with Australian beef, and particularly appreciate its strong safety profile and high quality consistency, as well as the wide range of cuts it supplies. These attributes make it particularly attractive for home consumption in family settings and for consumers who prioritise safe, healthy products.

Top 5 cues for high quality beef



Source: MLA Global Consumer Tracker Taiwan, 2020. Global average of 11 countries

Taiwan consumer perceptions of Australian beef



Source: MLA Global Consumer Tracker Taiwan, 2020. % Agree Score

Taiwan – Beef

Foodservice

- Taiwan has a strong dining out culture by global standards, with a high proportion of socialising occurring in restaurants. The fastest-growing per capita non-essential spending category in the next few years is expected to be restaurants and hotels, averaging 8.6% per year to 2026 *(Source: Fitch Solutions)*.
- Taiwan has developed a unique food culture, with influences from its own indigenous aboriginal culture, various regional Chinese cuisines and Japanese cuisine. Taiwan is now widely considered a regional food trendsetter, with its unique offerings a key attraction for tourists. In 2019 prior to the pandemic, Taiwan was estimated to have had almost 12 million tourist visitor arrivals *(Source: Fitch Solutions)*, with a high proportion from around Asia.
- MLA estimates that around 85% of Australian beef in Taiwan is utilised in the foodservice sector. A majority of Australia's frozen grassfed beef exports are comprised of shin/shank (particularly special trim), blade, manufacturing (forequarter and trimmings), intercostals and thick flank/knuckle cuts which are mainly used in popular slow wet cooking local dishes. The market has also been taking growing volumes of Australian chilled and frozen beef offal, particularly tripe (honeycomb) and tendon.
- The western-style fine dining segment has been expanding, particularly with the growth in popular hotel restaurant and steakhouse segments that use premium cuts such as cube roll/ rib eye roll, striploin and tenderloin. There is widespread appreciation for highly marbled beef such as US prime, Australian Wagyu and Japanese Wagyu, alongside increased demand for quality, leaner grassfed beef. Australia exports a mix of frozen and chilled volumes of chuck roll, cube roll/rib-eye roll and loin cuts for use in western-style steak cooking. Notable volumes of Australian hamburger mince also go into the western-style quick service and casual dining segments.

Reflecting Taiwan's rich food culture, beef is enjoyed in various forms and cuisines

Taiwan's iconic dish, beef soup noodles.

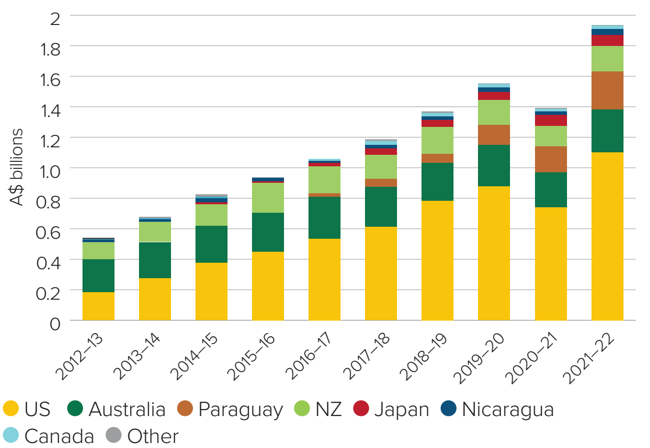
Yakiniku

Steak

Competitive landscape

- Taiwan has a small beef herd, and while production is forecast to grow in the coming years, the market will continue to rely on imports in order to meet around 96% of its beef needs for the foreseeable future.
- Australia's exports of both chilled beef and frozen grainfed have been strong to the market, despite high prices due to temporary supply constraints and Japan's re-entry to the market since 2017. Australia's key competitors in the market are the US, Japan, New Zealand and Paraguay.

Taiwan total beef imports value by supplier



Source: IHS Markit. Period of 12 months ending May

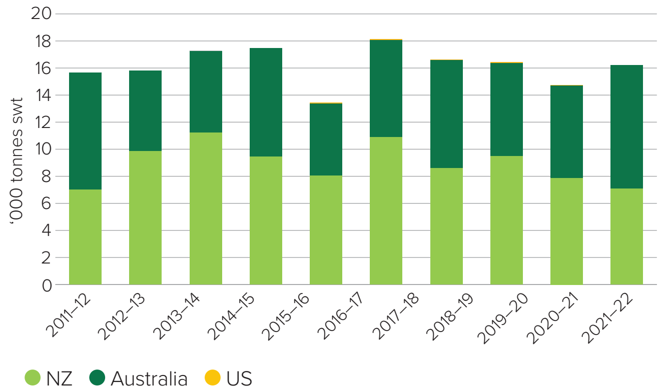
- The US supplies a wide range of products, particularly chilled boneless cuts (rib, loins, sirloins, rump) and frozen boneless cuts (short plate, ribs, shin/shank, intercostals and steak cuts).
- New Zealand benefits from preferential market access to Taiwan, exporting mostly frozen boneless steak and other cuts.
- Paraguay has taken advantage of improved market access and lower-priced product in recent years to rapidly increase its exports. Paraguay's volume share of Taiwan's frozen beef imports increased from 4% in 2016–17 to 29% in 2021–22, overtaking Australia as the market's second largest supplier in 2020. Smaller volumes of frozen beef are supplied by Nicaragua and Canada.
- Taiwan import demand for chilled beef (CAGR 9.8%) has grown faster than frozen (CAGR 2.3%) over the past decade. Australia competes in the high-end grainfed beef market, mainly with the US and Japan. Taiwan quickly became one of Japan's top 3 wagyu export markets, after gaining market access in 2017. The majority of Japan's beef exports to Taiwan are chilled. Despite rapid growth into the Taiwan market, Japanese wagyu has not displaced Australian wagyu – rather, together they have grown the wagyu segment.

Taiwan – Sheepmeat

Summary

- Taiwan has been a significant importer of sheepmeat for the past several decades. For the 12 months ending May 2022, the market imported 16,207 tonnes swt valued at A$141.5 million. This was a 15% increase in volume on the year prior, as foodservice re-opened post-pandemic.

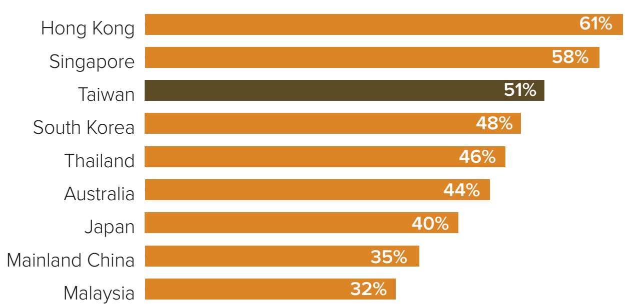
Taiwan sheepmeat imports by supplier



Source: IHS Markit. Excludes offal. 2021–22 is for the 12 months ending May

- The vast majority of Taiwan's sheepmeat imports are supplied by New Zealand and Australia, with only a small and gradually declining volume produced domestically.
- Sheepmeat is a relatively minor part of dietary protein in Taiwan but consumption is forecast to increase at a CAGR of 2.5% from 2022 to 2026f *(Source: GIRA)*, driven by younger affluent consumers who enjoy protein variety in taste and nutrition. Affluent Taiwanese report consuming a higher number of meals with lamb in the previous week than the less affluent *(Source: MLA Global Consumer Tracker, 2020)*. This will drive continued demand for imports in the coming years.
- MLA estimates that around 85% of Australian sheepmeat is consumed in Taiwan's foodservice sector. Australia's frozen lamb exports to Taiwan have grown at a CAGR of 15.1% over the past 5 years, comprised largely of manufacturing (trimmings), breast and flap, shank and carcase, while frozen mutton is mostly manufacturing (trunk meat) and carcase.
- Taiwanese consumers have high discretionary spending levels by regional standards, with restaurants and hotels spending among the fastest growing non-essential categories.

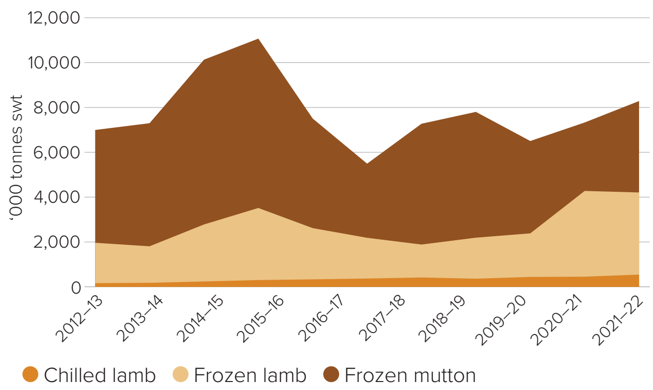
Non-essentials spending proportion of total spending – 2023f



Source: Fitch Solutions

- While still relatively small, demand for Australian chilled lamb has been growing, with exports increasing at a CAGR of 8.1% over the past 5 years, with shoulder (neck fillet roast) and rack being the key cuts.

Australian sheepmeat exports to Taiwan



Source: DAFF

- Slow-cook recipes such as casseroles, stir fry, soups and hot pot are relatively popular local cuisine sheepmeat dishes to cook at home or order when dining out. Roasting, grilling and pan-frying of prime cuts is available at high-end western-style restaurants.

Hot pot is among the most popular ways to enjoy sheepmeat in Taiwan

Top 3 Australian sheepmeat cuts exported to Taiwan

Chilled	Frozen lamb	Frozen mutton
Shoulder	Manufacturing (trimmings)	Manufacturing (trunk meat)
Rack	Breast and flap	Breast and flap
Shank	Shank	Carcase

Source: DAFF, 2021–22

Hong Kong – Beef

Summary

- Beef has not traditionally been a major dietary protein in Hong Kong and Macao. However, a wealthy, younger consumer segment enjoys a variety of cuisines that feature more beef than traditional Cantonese-style cuisine, which has increased consumption.
- Hong Kong has been a comparatively small but high value and growing market for premium Australian beef for over 20 years. In 2021–22, the average unit price of Australian beef exports to Hong Kong (A$19.99/kg) and Macao (A$22.92) was double the average to all global markets (A$10.48/kg) *(Source: IHS Markit)*. Consumers have a high regard for Australian beef, which is perceived to be safe, high quality, fresh and easy to buy and prepare, making it a family favourite *(Source: MLA Global Consumer Tracker, 2018)*.

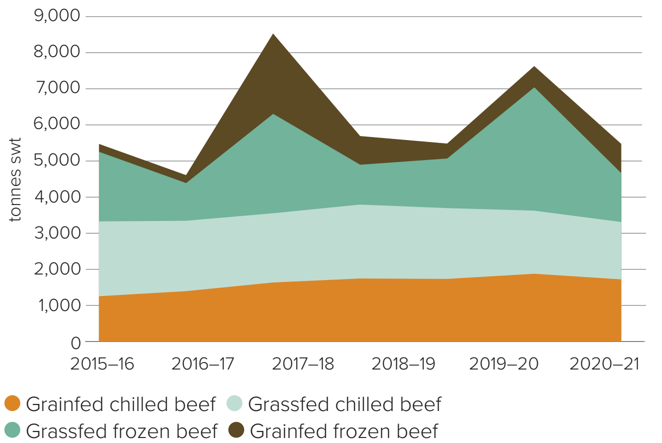
Hong Kong consumer perceptions of Australian beef

✓	Guaranteed safe to eat
✓	Offers suitable cuts to suit my meals
✓	Is easy and convenient to buy
✓	Fresh
✓	Is my/my family's favourite beef
✓	Consistent quality standards

Source: MLA Global Consumer Tracker Hong Kong, 2018

- In contrast to many other markets, over half of Australian chilled beef in Hong Kong is sold through modern retail for home consumption. The market's grocery retail sector is highly developed and competitive, with Australian beef purchased mainly from supermarkets and hypermarkets, but also through food halls and specialist gourmet stores.

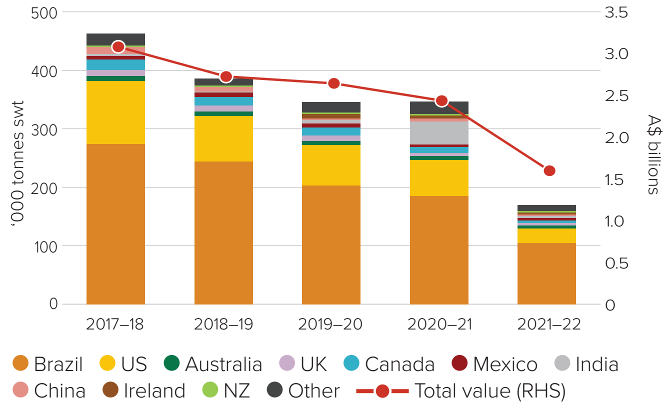
Australian chilled beef exports to Hong Kong and Macao



Source: DAFF

- Australian grassfed and grainfed beef products are enjoyed by Hong Kong consumers, with chilled exports growing steadily over the past decade. Growth has been particularly strong for chilled grainfed beef, which has increased fourfold in volume over the past decade.
- Australia has been Hong Kong's top chilled beef supplier for over 25 years, with supply also coming from the US, Japan and New Zealand.
- Frozen beef imports are largely utilised in the foodservice sector. In Hong Kong, the largest proportion of beef is utilised in the casual full-service segment, followed by quick service restaurants and then fine dining full-service *(Source: GlobalData)*.
- Hong Kong has 71 Michelin star restaurants in 2022 and Macao has 15. Australian beef features in such high-end full-service restaurants, with diners enjoying special occasion experiences at western and Japanese cuisine restaurants where product provenance is more prominent on the menu.
- A large and growing number of tourist visitors have contributed to beef consumption in the sector – in 2018 pre-pandemic, an estimated 65 million tourists visited Hong Kong and 35.8 million visited Macao *(Source: Fitch Solutions)*.
- Key frozen beef suppliers to Hong Kong are Brazil, the US, and India. Australia exports small volumes of frozen beef but is Hong Kong's third largest frozen bovine offal supplier after Brazil and Argentina.

Australian chilled beef exports to Hong Kong and Macao



Source: DAFF

- Both Hong Kong and Macao are among Japan's top 10 beef export markets and taking increasing volumes. In 2021–22, a combined 1,512 tonnes swt valued at over A$100 million was exported to these markets.
- While foodservice consumption has been impacted by the pandemic since 2020, Hong Kong is expected to continue to be a high value market. Hong Kong total beef consumption is forecast to increase from 176,000 tonnes cwe to around 186,000 tonnes cwe by 2026 *(Source: GIRA)*.

Popular Hong Kong beef dishes – beef stir fry with rice flour noodles and honeycomb tripe

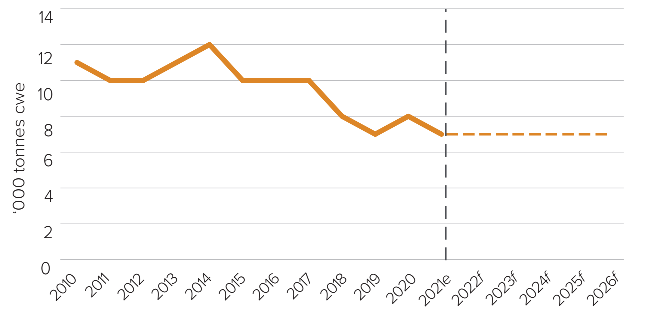
- Hong Kong plays an important role as a regional re-export hub for many goods, including frozen meat and is Macao's largest beef supplier. A significant proportion of Hong Kong imports of frozen beef, buffalo meat and offal are re- exported to regional markets. Hong Kong is Japan's second largest beef export destination.
- Two-thirds of Australia's direct beef exports to Macao are frozen, with the majority of product utilised in the foodservice sector that supports casino-related tourism. The majority of this product is striploin and cube roll/rib-eye roll. Australia's direct beef exports to Macao have averaged over A$1 million in value per year for the past five years, despite the pandemic.

Hong Kong – Sheepmeat

Summary

- Hong Kong has been a small but steady and high value market for Australian sheepmeat for over 30 years. Combining all sheepmeat and ovine offal, Australia's exports to the market in 2021–22 were valued at over A$25 million.
- A proportion of Hong Kong's frozen sheepmeat and offal imports have historically been re-exported to other destinations such as Mainland China, Vietnam and Macao. In 2021–22, Hong Kong imported a total of around 6,800 tonnes swt of sheepmeat and offal, a 25% fall on the previous year due to the pandemic and high global sheepmeat prices.
- Sheepmeat is a very small part of Hong Kong locals' diets and total consumption has been on a gradual long-term decline from 11,000 tonnes cwe in 2010 to 8,000 tonnes cwe in 2020. However, annual consumption is anticipated to remain stable at around 7,000 tonnes from 2021 through to 2026 *(Source: GIRA)*. In 2018, some 42% of Hong Kong consumers say they hadn't purchased lamb, with a major barrier being a lack of knowledge about how to cook it *(Source: MLA Global Tracker, 2018)*.

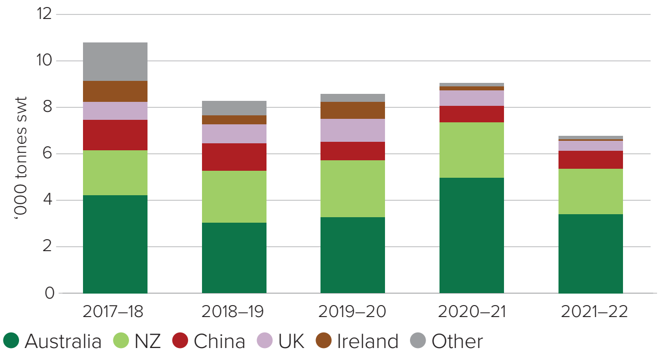
Hong Kong total sheepmeat consumption



Source: GIRA. Includes goat meat

- The majority of Hong Kong's sheepmeat imports are supplied by Australia and New Zealand, with smaller volumes coming from the UK and Ireland. Hong Kong is then Macao's biggest sheepmeat supplier.
- Macao sheepmeat imports have been steadily growing over the past 20 years. Hong Kong exported an average of 500 tonnes of sheepmeat, mostly frozen, to Macau annually in the 5 years prior to COVID-19. Volumes of chilled sheepmeat are small but have also been increasing.

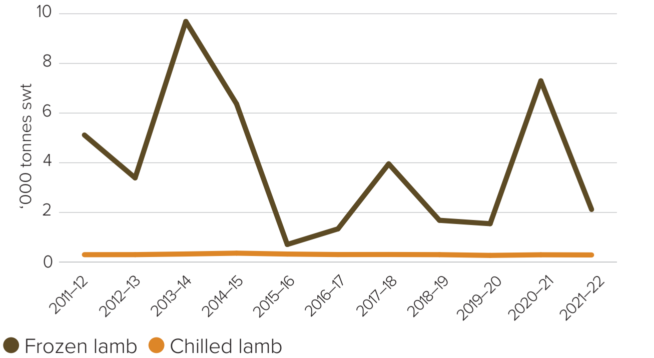
Hong Kong sheepmeat imports by supplier



Source: IHS Markit

- Australian exports of chilled lamb for consumption in Hong Kong have averaged around 300 tonnes per year for decades, with a high proportion in the form of rack, leg and shoulder cuts, as well as some loin cuts. Volumes of frozen lamb and mutton vary greatly from year to year but mostly comprise breast and flap, manufacturing and carcase cuts.

Australian lamb exports to Hong Kong



Source: DAFF

- Consumers who are aware of Australian lamb regard it very highly. When purchasing lamb for home consumption, Hong Kong shoppers mostly buy product from supermarkets, hypermarkets, wet markets and butchers (*Source: MLA Global Consumer Tracker, 2018)*.

Braising is a popular way to eat sheepmeat at home, while hot pot is popular when dining out

Soya braised lamb

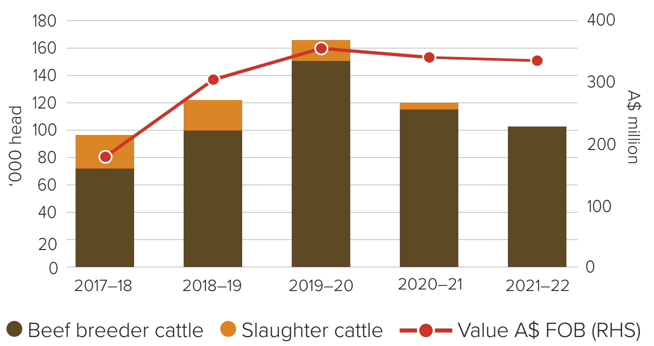
Lamb hotpot

Greater China – Australian Livestock Exports

Cattle

- Australia exported 102,603 head of breeder cattle to China in 2021–22 valued at A$332.5 million, with the vast majority of these being dairy breeders. The past 12 months witnessed a significant decline in the export of beef breeders and no exports of slaughter cattle to the market, with high cattle prices in Australia a factor *(Source: DAFF)*.
- Due to export protocols relating to Blue Tongue disease, as well as the strengths of state herds, both dairy and beef breeders are mostly exported out of Victoria and a smaller number out of Western Australia.

Australian live cattle exports to Mainland China



Source: DAFF, ABS

- Australian dairy breeder cattle exports to China grew rapidly after 2008 in the wake of the melamine milk scandal, as the country focused on developing its dairy industry. Australian beef breeder cattle exports picked up from 2015, when several large operators invested in improving their beef herds.
- Australia is one of the largest official suppliers of live cattle to China, with smaller, intermittent numbers of mostly dairy breeder cattle supplied by New Zealand, Uruguay and Chile *(Source: GIRA)*. New Zealand has announced it will cease exporting livestock by sea by end of April, 2023.
- China's total live cattle imports are anticipated to have peaked in 2021 at around 330,000 and are currently forecast to decline at a CAGR of –17% from 2021 to 2026 *(Source: GIRA)*.
- In 2019–20, Australia exported 433 head of live breeder cattle to Taiwan but none in recent years.

Sheep

- Australia has exported live breeder sheep to Mainland China and Taiwan in the past, to improve the genetics of local flocks. These animals are typically air freighted.
- In 2021–22, no live sheep were exported to Greater China.

Market access overview – beef – Mainland China

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
China-Australia Free Trade Agreement **(ChAFTA)** (entered into force 20 December 2015) Regional Comprehensive Economic Partnership **(RCEP)** entered into force 01 January 2022	**Under ChAFTA** **2022:** Chilled and frozen beef 2.4%, chilled carcases 4%, frozen carcases 5%, offal 0% **2023:** Chilled and frozen beef 1.2%, chilled carcases 2%, frozen carcases 2.5%, offal 0% **2024:** Zero	**US:** Phase One Economic and Trade Agreement signed 15 January 2020. China agreed to lift most restrictions on US beef products, including HGP-free status*. Full** Tariff Rate: Meat 42%, carcase – chilled 45%, frozen 50%. **NZ:** Zero from 2016 **Brazil, Uruguay, Argentina (Most-favoured nation (MFN) tariff rate):** Meat 12%, carcase – chilled 20%, frozen 25%	**Safeguard:** MFN tariffs apply if Australian imports exceed: 190,630 tonnes in 2022 196,349 tonnes in 2023 **Most-favoured nation tariffs:** Chilled and frozen beef 12%, chilled carcases 20%, frozen carcases 25%, offal 12%	Restrictions on the number of approved plants, chilled plants and restrictions on edible offal Several plants suspended from exporting to China***

Best access — Major challenges

*Source: Trade agreements, DFAT, MLA. NB: China applies a 9% VAT on most items. *The US has sole approval to export HGP-treated beef within maximum residue limits (excluding beta-agonists). **18-02-2020 China announced a new tariff waiver application system for Chinese companies importing US frozen and chilled beef and by-products available from 2-03-2020, with de facto tariffs in line with the MFN rate. (12% meat, 20% chilled carcase, 25% frozen carcase). ***Total 10 plants as at August 2022*

Australian beef exports to Mainland China – summary table

Volume – in tonnes swt		2021–22	% out of total	2020–21	% out of total	five-year average (2016–17 to 2020–21)	% out of total	change 2021–22 vs five-year average %	change 2021–22 vs five-year average in tonnes swt
	Total	**149,282**		**147,670**		**177,627**		**-16%**	**-28,345**
Storage	Chilled	25,281	17%	25,231	17%	19,357	11%	31%	5,924
	Frozen	124,001	83%	122,439	83%	158,269	89%	-22%	-34,269
Meat type	Grassfed	81,405	55%	87,898	60%	124,863	70%	-35%	-43,458
	Grainfed	67,877	45%	59,772	40%	52,764	30%	29%	15,113
Storage/meat type	Chilled grassfed	4,819	3%	8,034	5%	9,043	5%	-47%	-4,224
	Chilled grainfed	20,462	14%	17,197	12%	10,314	6%	98%	10,148
	Frozen grassfed	76,586	51%	79,864	54%	115,820	65%	-34%	-39,234
	Frozen grainfed	47,415	32%	42,575	29%	42,449	24%	12%	4,966

Source: DAFF, figures are rounded

Value – in A$ 000

		2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
		1,844,442		**1,510,768**		**1,570,544**		**17%**	**273,898**
Storage	Chilled	400,048	22%	334,285	22%	242,864	15%	65%	157,183
	Frozen	1,444,394	78%	1,176,483	78%	1,327,679	85%	9%	116,715

Australian beef exports to Mainland China – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Manufacturing	27,130	18%	33,044	22%	33,388	19%	-19%	-6,258
Brisket	26,323	18%	27,487	19%	32,566	18%	-19%	-6,244
Shin/shank	16,796	11%	16,619	11%	18,592	10%	-10%	-1,797
Silverside/outside	13,372	9%	10,597	7%	15,577	9%	-14%	-2,206
Blade	12,098	8%	10,936	7%	14,321	8%	-16%	-2,223
Chuck roll	8,812	6%	8,558	6%	9,734	5%	-9%	-922
Ribs	8,591	6%	8,603	6%	7,976	4%	8%	616
Thick flank/knuckle	7,744	5%	5,976	4%	8,946	5%	-13%	-1,201
Other	28,416	19%	25,849	18%	36,526	21%	-22%	-8,110
Total	**149,282**		**147,670**		**177,627**		**-16%**	**-28,345**

Source: DAFF

Australian beef offal exports to Mainland China – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Heart	965	45%	155	17%	1,493	48%	-35%	-528
Skirt	338	16%	202	23%	184	6%	83%	154
Tail	334	16%	303	34%	391	13%	-15%	-57
Other	511	24%	233	26%	1,040	33%	-51%	-529
Total	**2,148**		**892**		**3,108**		**-31%**	**-960**

Source: DAFF

Value – in A$ 000

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
Total	**28,524**		**36,905**		**40,340**		**-29%**	**-11,816**

Source: ABS/IHS Markit

Market access overview – sheepmeat – Mainland China

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
China-Australia Free Trade Agreement **(ChAFTA)** (entered into force 20 December 2015) Regional Comprehensive Economic Partnership **(RCEP)** entered into force 01 January 2022	Under ChAFTA: **2022:** Chilled meat and carcases 1.7–2.6%, frozen meat and carcases 1.3–2.6%, offal 0% **2023:** Zero	**NZ** Import tariffs zero from 2016 Multiple plant listings for chilled sheepmeat and sheep tripe	Zero	Restrictions on the number of approved plants, chilled plants and edible offal

Best access — Major challenges

Source: Trade agreements, DFAT, MLA. Note: China applies a 9% VAT on most items

Australian sheepmeat exports to Mainland China – summary table

Volume – in tonnes swt

		2021–22	% out of total	2020–21	% out of total	five-year average (2016–17 to 2020–21)	% out of total	change 2021–22 vs five-year average %	change 2021–22 vs five-year average in tonnes swt
	Total	**108,688**		**121,737**		**109,344**		**-1%**	**-656**
Storage	Chilled	0	0%	0	0%	278	0%	-100%	-278
	Frozen	108,688	100%	121,737	100%	109,121	100%	0%	-433
Meat type	Lamb	53,089	49%	60,511	50%	57,178	52%	-7%	-4,089
	Mutton	55,599	51%	61,226	50%	52,166	48%	7%	3,433
Storage/meat type	Chilled lamb	0	0%	0	0%	228	0%	-100%	-228
	Chilled mutton	0	0%	0	0%	203	0%	-100%	-203
	Frozen lamb	53,089	49%	60,511	50%	56,996	52%	-7%	-3,907
	Frozen mutton	55,599	51%	61,226	50%	52,126	48%	7%	3,474

Source: DAFF, figures are rounded

Value – in A$ 000

		2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
	Total	**1,044,890**		**972,299**		**785,946**		**33%**	**258,944**
Meat type	Lamb	555,237	53%	473,716	49%	406,803	52%	36%	148,434
	Mutton	489,652	47%	498,583	51%	379,143	48%	29%	110,509

Source: ABS/IHS Markit

Australian lamb exports to Mainland China – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Breast and flap	26,311	50%	27,041	45%	30,867	54%	-15%	-4,556
Manufacturing	11,069	21%	11,376	19%	11,542	20%	-4%	-472
Neck	4,438	8%	4,346	7%	4,781	8%	-7%	-343
Other	11,270	21%	17,748	29%	9,988	17%	13%	1,283
Total	**53,089**		**60,511**		**57,178**		**-7%**	**-4,089**

Source: DAFF

Australian mutton exports to Mainland China – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Carcase	24,268	44%	22,495	37%	21,163	41%	15%	3,105
Breast and flap	16,052	29%	15,286	25%	15,399	30%	4%	652
Manufacturing	5,738	10%	6,323	10%	4,700	9%	22%	1,038
Other	9,541	17%	17,122	28%	10,904	21%	-12%	-1,363
Total	**55,599**		**61,226**		**52,166**		**7%**	**3,433**

Source: DAFF

Market access overview – beef – Taiwan

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
N/A	NT* $10/kg 15% tariff on offal	**US, Japan and Canada:** Same access as Australia **Paraguay, Honduras, Panama, Nicaragua, New Zealand:** 0% tariff on beef	Zero	No major hurdles

Best access — Major challenges

*Source: Trade agreements, DFAT, MLA. * New Taiwan Dollar*

Australian beef exports to Taiwan – summary table

Volume – in tonnes swt

		2021–22	% out of total	2020–21	% out of total	five-year average (2016–17 to 2020–21)	% out of total	change 2021–22 vs five-year average %	change 2021–22 vs five-year average in tonnes swt
Total		**23,596**		**22,792**		**28,120**		**-16%**	**-4,525**
Storage	Chilled	5,646	24%	5,158	23%	5,242	19%	8%	403
	Frozen	17,950	76%	17,634	77%	22,878	81%	-22%	-4,928
Meat type	Grassfed	19,830	84%	21,279	93%	26,251	93%	-24%	-6,421
	Grainfed	3,766	16%	1,513	7%	1,869	7%	101%	1,897
Storage/meat type	Chilled grassfed	4,040	17%	4,225	19%	3,937	14%	3%	103
	Chilled grainfed	1,605	7%	933	4%	1,306	5%	23%	300
	Frozen grassfed	15,790	67%	17,054	75%	22,315	79%	-29%	-6,525
	Frozen grainfed	2,160	9%	580	3%	563	2%	283%	1,597

Source: DAFF, figures are rounded

Value – in A$ 000

		2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
Total		**283,880**		**217,588**		**241,411**		**18%**	**42,469**
Storage	Chilled	103,246	36%	71,171	33%	61,431	25%	68%	41,815
	Frozen	180,634	64%	146,416	67%	179,980	75%	0%	654

Source: ABS/IHS Markit

Australian beef exports to Taiwan – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Shin/shank	7,045	30%	6,406	28%	9,744	35%	-28%	-2,699
Blade	4,479	19%	5,228	23%	5,838	21%	-23%	-1,359
Manufacturing	2,716	12%	2,235	10%	2,393	9%	14%	324
Chuck roll	2,404	10%	2,047	9%	1,627	6%	48%	777
Brisket	1,439	6%	1,294	6%	508	2%	183%	931
Intercostals	1,368	6%	2,058	9%	2,714	10%	-50%	-1,346
Minced/ground	1,209	5%	745	3%	515	2%	135%	694
Silverside/outside	900	4%	638	3%	520	2%	73%	380
Other	2,035	9%	2,143	9%	4,261	15%	-52%	-2,226
Total	**23,596**		**22,792**		**28,120**		**-16%**	**-4,525**

Source: DAFF

Australian beef offal exports to Taiwan – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Tripe	1,028	51%	1,308	48%	1,500	44%	-31%	-472
Tendon	479	24%	915	33%	1,460	43%	-67%	-981
Tongues	247	12%	251	9%	173	5%	43%	74
Other	255	13%	268	10%	251	7%	2%	4
Total	**2,009**		**2,743**		**3,384**		**-41%**	**-1,375**

Source: DAFF

Value – in A$ 000

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
Total	**23,980**		**22,173**		**25,109**		**-4%**	**-1,129**

Source: ABS/IHS Markit

Market access overview – sheepmeat – Taiwan

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
N/A	NT* $11.3/kg 15% on offal	**New Zealand:** 0% tariff on sheepmeat	Zero	No major hurdles

Best access Major challenges

*Source: Trade agreements, DFAT, MLA. * New Taiwan Dollar*

Australian sheepmeat exports to Taiwan – summary table

Volume – in tonnes swt

		2021–22	% out of total	2020–21	% out of total	five-year average (2016–17 to 2020–21)	% out of total	change 2021–22 vs five-year average %	change 2021–22 vs five-year average in tonnes swt
	Total	**8,288**		**7,330**		**6,881**		**20%**	**1,407**
Storage	Chilled	546	7%	452	6%	409	6%	34%	138
	Frozen	7,742	93%	6,878	94%	6,472	94%	20%	1,270
Meat type	Lamb	4,210	51%	4,277	58%	2,585	38%	63%	1,624
	Mutton	4,078	49%	3,053	42%	4,295	62%	-5%	-217
Storage/meat type	Chilled lamb	546	6.6%	452	6%	409	6%	34%	138
	Chilled mutton	0	0%	0	0%	0	0%	-100%	-0
	Frozen lamb	3,663	44%	3,825	52%	2,177	32%	68%	1,487
	Frozen mutton	4,078	49%	3,053	42%	4,295	62%	-5%	-217

Source: DAFF, figures are rounded

Value – in A$ 000

		2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
	Total	**67,165**		**50,807**		**49,371**		**36%**	**17,794**
Meat type	Lamb	32,617	49%	26,332	52%	19,375	39%	68%	13,242
	Mutton	34,548	51%	24,475	48%	29,996	61%	15%	4,552

Source: ABS/IHS Markit

Australian lamb exports to Taiwan – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Breast and flap	1,693	40%	1,934	45%	543	21%	211%	1,149
Manufacturing	1,579	38%	1,531	36%	1,348	52%	17%	231
Shoulder	280	7%	264	6%	292	11%	-4%	-12
Other	658	16%	548	13%	401	16%	64%	256
Total	**4,210**		**4,277**		**2,585**		**63%**	**1,624**

Source: DAFF

Australian mutton exports to Taiwan – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Breast and flap	2,029	50%	1,293	42%	1,293	30%	57%	735
Manufacturing	1,848	45%	1,401	46%	2,357	55%	-22%	-509
Shank	93	2%	201	7%	154	4%	-40%	-61
Other	109	3%	158	5%	491	11%	-78%	-382
Total	**4,078**		**3,053**		**4,295**		**-5%**	**-217**

Source: DAFF

Market access overview – beef – Hong Kong*

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
The Australia-Hong Kong Free Trade Agreement **(A-HKFTA)** (Entered Into Force 17 January 2020)	Zero	Australia has same access as other suppliers	Zero	No major hurdles

Best access — Major challenges

Source: Trade agreements, DFAT, MLA. Market access conditions to Macao are similar to Hong Kong, except there is no FTA
** Figures on this page are for Hong Kong only*

Australian beef exports to Hong Kong – summary table

Volume – in tonnes swt

		2021–22	% out of total	2020–21	% out of total	five-year average (2016–17 to 2020–21)	% out of total	change 2021–22 vs five-year average %	change 2021–22 vs five-year average in tonnes swt
	Total	**5,417**		**7,587**		**6,363**		**-15%**	**-946**
Storage	Chilled	3,291	61%	3,609	48%	3,584	56%	-8%	-293
	Frozen	2,126	39%	3,978	52%	2,779	44%	-23%	-653
Meat type	Grassfed	2,892	53%	5,129	68%	3,839	60%	-25%	-947
	Grainfed	2,526	47%	2,458	32%	2,524	40%	0%	2
Storage/meat type	Chilled grassfed	1,578	29%	1,740	23%	1,909	30%	-17%	-330
	Chilled grainfed	1,713	32%	1,869	25%	1,676	26%	2%	37
	Frozen grassfed	1,313	24%	3,389	45%	1,930	30%	-32%	-617
	Frozen grainfed	813	15%	589	8%	848	13%	-4%	-35

Source: DAFF, figures are rounded

Value – in A$ 000

		2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
	Total	**109,974**		**117,945**		**97,226**		**13%**	**12,748**
Storage	Chilled	81,818	74%	80,196	68%	72,628	75%	13%	9,190
	Frozen	28,156	26%	37,750	32%	24,598	25%	14%	3,558

Source: ABS/IHS Markit

Australian beef exports to Hong Kong – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Striploin	746	14%	854	11%	991	16%	-25%	-245
Minced/ground	731	13%	669	9%	419	7%	74%	312
Chuck roll	588	11%	524	7%	428	7%	38%	160
Cube roll/rib eye roll	516	10%	635	8%	652	10%	-21%	-136
Topside/inside	478	9%	595	8%	575	9%	-17%	-98
Brisket	434	8%	672	9%	978	15%	-56%	-544
Blade	426	8%	373	5%	262	4%	63%	164
Shin/shank	335	6%	1,935	26%	740	12%	-55%	-405
Other	1,164	21%	1,329	18%	1,318	21%	-12%	-153
Total	**5,417**		**7,587**		**6,363**		**-15%**	**-946**

Source: DAFF

Australian beef offal exports to Hong Kong – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Tripe	12,384	95%	11,297	93%	18,221	95%	-32%	-5,838
Tendon	177	1%	248	2%	547	3%	-68%	-370
Cheek meat	148	1%	139	1.1%	110	0.6%	34%	38
Other	345	3%	490	4%	289	2%	19%	56
Total	**13,054**		**12,174**		**19,168**		**-32%**	**-6,114**

Source: DAFF

Value – in A$ 000

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
Total	**51,204**		**46,743**		**55,218**		**-7%**	**-4,014**

Source: ABS/IHS Markit

Market access overview – sheepmeat – Hong Kong*

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
The Australia-Hong Kong Free Trade Agreement **(A-HKFTA)** (Entered Into Force 17 January 2020)	Zero	Australia has same access as other suppliers	Zero	No major hurdles

Best access — Major challenges

Source: Trade agreements, DFAT, MLA
** Figures on this page are for Hong Kong only*

Australian sheepmeat exports to Hong Kong – summary table

Volume – in tonnes swt

		2021–22	% out of total	2020–21	% out of total	five-year average (2016–17 to 2020–21)	% out of total	change 2021–22 vs five-year average %	change in tonnes swt
Total		**2,555**		**7,812**		**4,309**		**-41%**	**-1,754**
Storage	Chilled	288	11%	296	4%	295	7%	-2%	-7
	Frozen	2,267	89%	7,517	96%	4,013	93%	-44%	-1,747
Meat type	Lamb	2,408	94%	7,593	97%	3,459	80%	-30%	-1,052
	Mutton	147	6%	219	3%	849	20%	-83%	-702
Storage/meat type	Chilled lamb	288	11.3%	295	4%	295	7%	-2%	-7
	Chilled mutton	0	0%	1	0%	1	0%	-53%	-0
	Frozen lamb	2,120	83%	7,298	93%	3,164	73%	-33%	-1,045
	Frozen mutton	147	6%	219	3%	849	20%	-83%	-702

Source: DAFF, figures are rounded

Value – in A$ 000

		2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in A$ 000
Total		**25,004**		**42,004**		**28,988**		**-14%**	**-3,984**
Meat type	Lamb	22,991	92%	39,735	95%	24,379	84%	-6%	-1,388
	Mutton	2,013	8%	2,269	5%	4,609	16%	-56%	-2,596

Source: ABS/IHS Markit

Australian lamb exports to Hong Kong – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Manufacturing	841	35%	2,740	36%	1,386	40%	-39%	-545
Breast and flap	774	32%	3,377	44%	1,064	31%	-27%	-290
Rack	252	10%	423	6%	408	12%	-38%	-156
Other	541	22%	1,054	14%	601	17%	-10%	-60
Total	**2,408**		**7,593**		**3,459**		**-30%**	**-1,052**

Source: DAFF

Australian mutton exports to Hong Kong – by major cut (in tonnes swt)

	2021–22	% out of total	2020–21	% out of total	five-year average	% out of total	%	in tonnes swt
Carcase	123	84%	139	64%	253	30%	-51%	-130
Leg	18	12%	18	8%	21	2%	-13%	-3
Shoulder	3	2%	11	5%	5	1%	-40%	-2
Other	3	2%	51	23%	570	67%	-99%	-567
Total	**147**		**219**		**849**		**-83%**	**-702**

Source: DAFF