

MARKET SNAPSHOT | BEEF & SHEEPMEAT



TRADE

Australia-EU FTA negotiations concluded; marginal increase in quota access



CONSUMERS

Large pool of affluent consumers

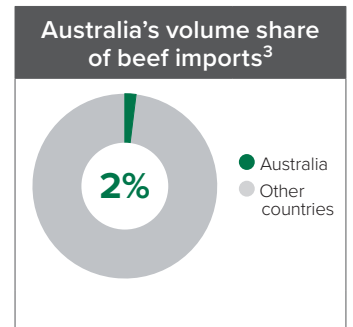
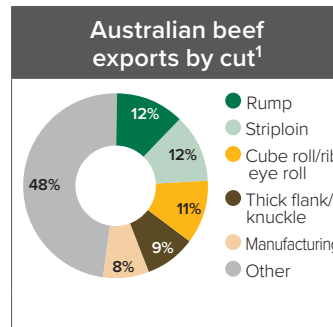
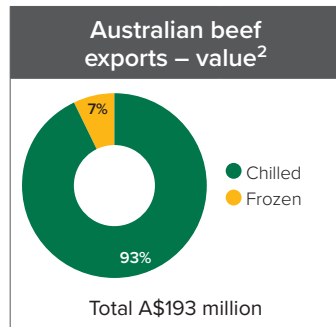
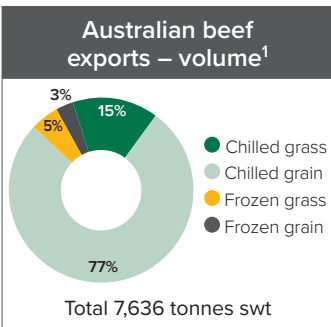
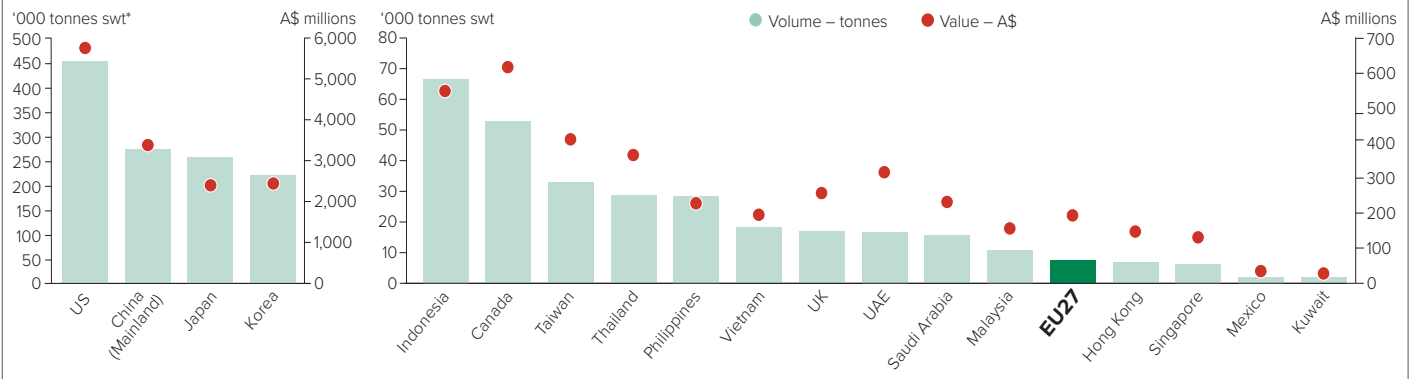


GROWTH

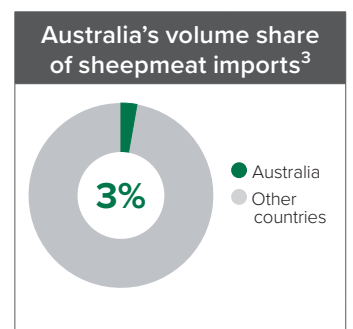
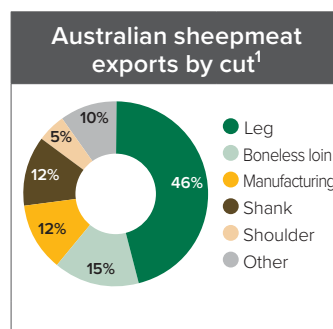
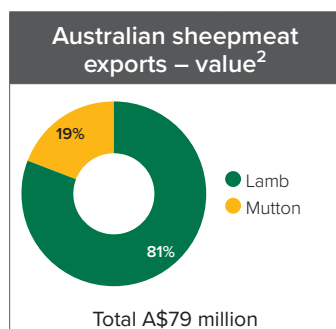
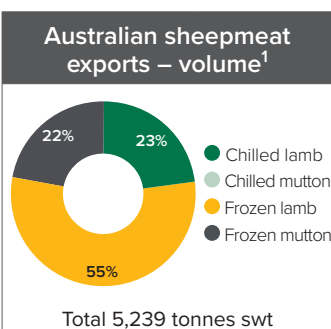
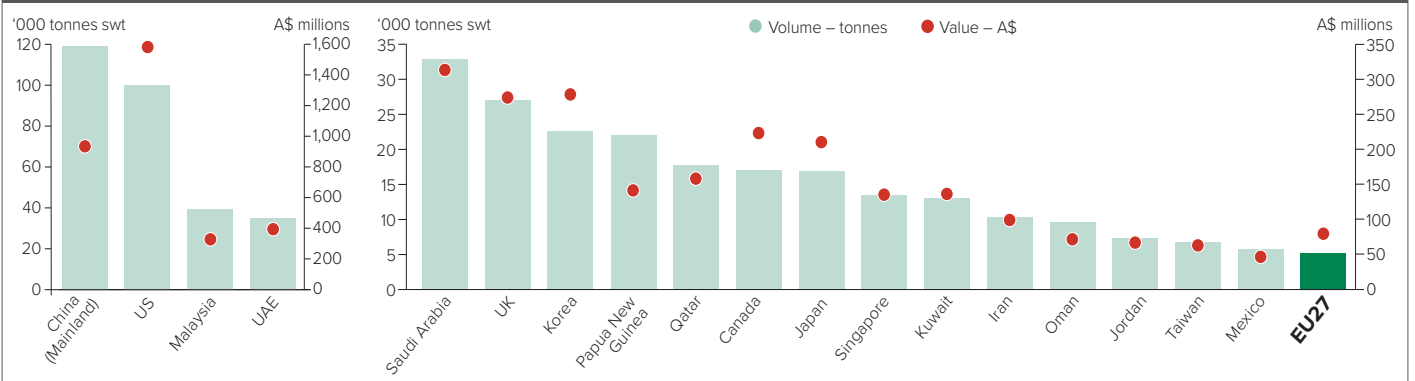
Demand for healthy and environmentally sustainable food

*EU-27 – Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden

Australian beef exports to the EU in a global context^{1 and 2}



Australian sheepmeat exports to the EU in a global context^{1 and 2}



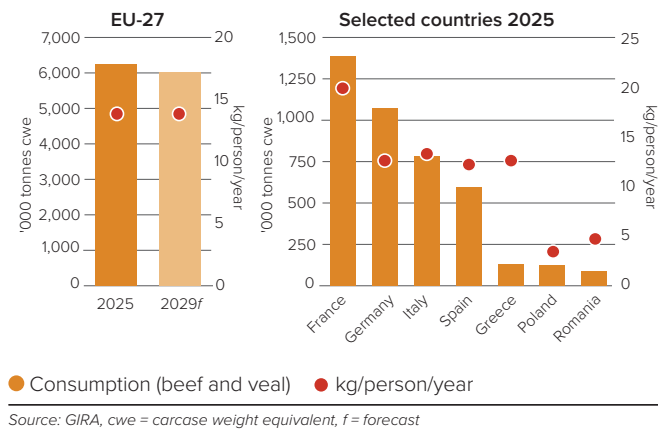
Data source for charts: ¹Department of Agriculture, Forestry and Fisheries (DAFF) 2025, ²Trade Data Monitor, LLC (TDM) Moving Annual Total (MAT) November 2025, ³TDM MAT October 2025
*swt = shipped weight

CONSUMERS



- Beef consumption in the European Union (EU) remains high by global standards, though levels vary widely by market. Luxembourg, Sweden, Denmark, France and Finland rank among the highest per capita consumers, while Poland averages just 3.3kg per person annually (Source: GIRA).

EU-27 beef consumption – tonnes and per capita



Source: GIRA, cwe = carcass weight equivalent, f = forecast

- Per-capita beef consumption has trended lower over the past decade, declining at a compound annual growth rate (CAGR) of 0.6% from 2014 to 2024. A faster decline of 1.0% per year is forecast from 2025 to 2029, though total consumption will ease more gradually due to modest population growth (Source: GIRA).

COMPETITIVE LANDSCAPE

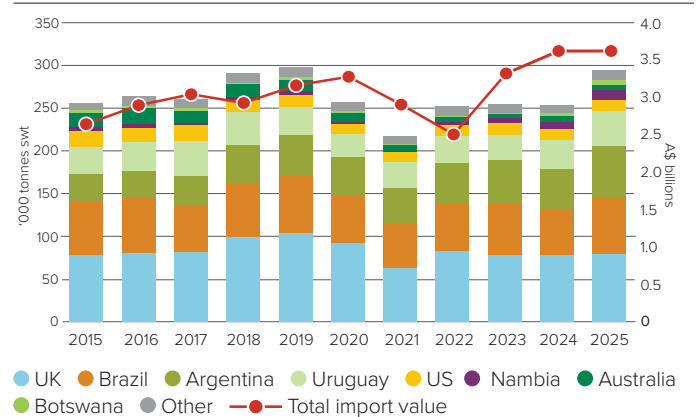


- The EU is a major beef producer, with most output from dairy herds which is largely consumed domestically. In 2025, production reached an estimated 6.5 million tonnes carcass weight equivalent (cwe), almost triple Australia's volume. France accounts for 20% of EU output, followed by Germany (16%), Spain (11%), Italy (10%) and Ireland (9%) (Source: GIRA).
- Domestic production supplies 96% of total consumption, but declining beef production and new trade agreements will lift imports. Beef import volumes are forecast to rise 1.2% annually between 2024 and 2029, supported by expanded quotas and free trade agreements. This growth will be partly offset by reduced imports from major suppliers such as the United States (US) and Mercosur (a South American trade bloc consisting of Argentina, Brazil, Paraguay and Uruguay) (Source: GIRA).
- The EU-UK Trade and Cooperation Agreement allows duty-free and quota-free trade. The United Kingdom (UK) supplied 77,709 tonnes swt in Financial Year (FY) 2025 (27% of total), though Argentina has recently overtaken the UK, averaging 23% market share over the past four years.
- The EU-Mercosur Partnership Agreement (EMPA), signed in December 2024 and pending Entry Into Force (EIF), grants Mercosur markets a beef quota of 99,000 tonnes over five years at a 7.5% tariff, split 50% to Brazil, 30% to Argentina and 20% shared between Uruguay and Paraguay.
- Under the EU-Comprehensive Economic and Trade Agreement (CETA), Canada can export 50,000 tonnes cwe of beef to the EU (Source: Government of Canada), though unresolved technical barriers, such as non-recognition of Canada's food safety system, limit Canadian beef exports.

- As food inflation continues to ease, Europe's food market is stabilising, with household food spending forecast to grow 6% in 2025. Consumers remain price conscious, often trading down or reducing protein purchases to manage budgets. However, rising incomes and health awareness are encouraging greater willingness to pay for value added products (Source: Fitch Solutions).
- The high affluence of EU citizens, alongside stringent import requirements, means that EU beef imports are more valuable than the global average. In 2025, the average EU import value of beef reached €9.45/kg, up 7.6% from the previous year. Exports tend to consist of loin cuts, and chilled beef makes up a considerably larger percentage of imports than the global average.
- Consumers are increasingly paying more attention to the production process, with a greater emphasis on local, organic and quality. Dietary adjustments, health and environmental considerations, and convenience are key drivers that will influence the demand for meat moving forward.
- The EU accounts for nearly 90% of global veal consumption, concentrated in Spain, France, Italy and Germany, averaging at around 1kg per capita, but volumes are gradually falling due to declining interest among younger consumers (Source: GIRA).

- The US holds a reserved share of the High Quality Beef (HQB) grainfed quota which increases to 35,000 tonnes in 2026. Utilisation, however, remains low.
- EU import rules requiring hormone growth promotant-free (HGP-free) beef restrict eligibility for most US and Canadian product. Australian exports to the EU must be accredited under the European Union Cattle Accreditation Scheme (EUCAS) to meet HGP-free requirements.
- New Zealand's 2023 FTA with the EU, effective May 2024, lowered the in-quota tariff on beef from 20% to 7.5% and from year seven onwards, will increase its quota to 10,000 tonnes cwe.

EU-27 beef imports by supplier*



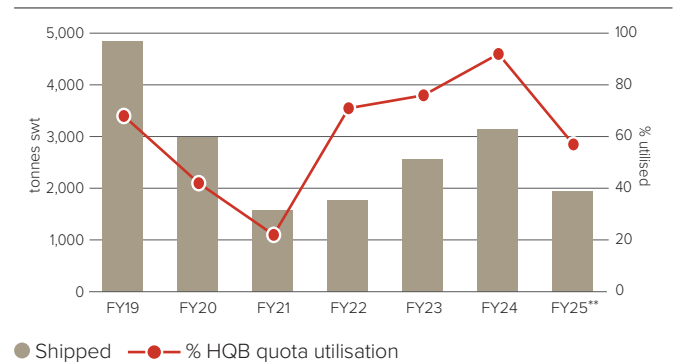
Source: TDM, *MAT year ending August



MARKET ACCESS

- Australia's access to the EU is via two quotas:
 - HQB 'Hilton' or World Trade Organization (WTO) market specific quota: 3,389 tonnes with 20% in-quota tariff.
 - Global HQB grainfed quota: in 2026, a 10,000 tonne quota for the year will be allocated on a first come, first served basis, shared between Australia, Canada, New Zealand (NZ), Uruguay and Argentina.
- Under the Australia-EU FTA, an extra 30,600 tonnes cwe has been provisioned 10 years after entry into force; while the 20% in-quota tariff under the HQB Hilton quota will be eliminated.
- Australia's current access to the EU beef market is in stark contrast to the majority of other export markets, which have largely liberalised trade. Unfortunately the FTA outcome has not addressed the disparity in access compared to other beef suppliers to the EU, with Australian beef still facing an ongoing competitive disadvantage.
- Australian beef exported to the EU will need to comply with the European Union Deforestation Regulation (EUDR). Under the EUDR, importers must verify the production of imported beef has not been subject to deforestation or forest degradation since 31 December 2020.
- Within the EU, the majority of Australian beef is typically discharged in the Netherlands. However, this does not necessarily denote the point of consumption, as importing markets often serve as central distribution points for the beef to be transported to neighbouring markets.

Australian EU High Quality Beef 'Hilton'* utilisation



Source: DAFF, *also known as WTO quota, **July 2025 to October 2025





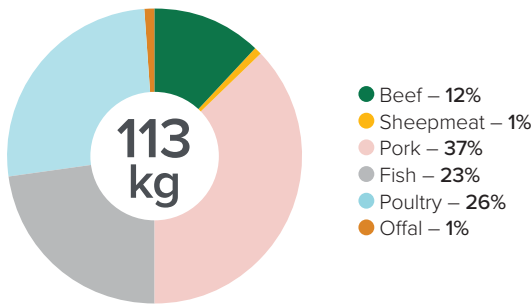
Sheepmeat

CONSUMERS



- The role and prevalence of sheepmeat consumption varies significantly between EU members. For instance, in Greece, consumption is traditionally linked to the seasonal production cycle, while in other markets, demand is tied to culturally significant occasions such as Easter. There has been a slight decline in consumption since 2000, but sheepmeat demand in the EU is generally inelastic, with demand fluctuating in line with particular religious celebrations. Sheepmeat consumption is forecast to remain stable at 1.4kg per capita in the years leading to 2029 (Source: GIRA).

EU-27 meat consumption per capita



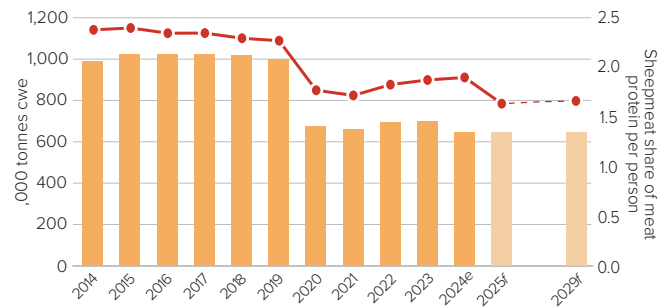
Source: GIRA, 2025f, kg cwe per person per year

- Sheepmeat plays a minor role in European consumer diets. Consumption is primarily concentrated in Western Europe, particularly France, Germany and Spain, but Romania and

Greece are also significant producers and consumers. However, similar to other developed markets, social factors such as health concerns, animal welfare and environmental issues remain a challenge for increasing sheepmeat consumption in the EU.

- Australia predominantly exports lamb legs to the EU, which are directed into retail channels. New Zealand lamb has a larger footprint in retail due to more advantageous trade access.
- Australian lamb is perceived as having strong food safety credentials, likely tied to a history of no major animal disease outbreaks, but is perceived as less fresh compared to locally sourced product.

EU-27 sheepmeat consumption trend



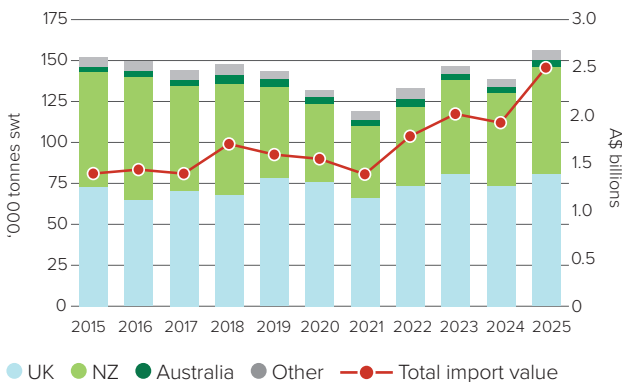
Source: GIRA, 2025f, e = estimate

COMPETITIVE LANDSCAPE



- The majority of EU sheep production is located within five countries – Spain, Romania, France, Ireland and Greece – making up more than 75% of production. Despite the brief uptick of sheepmeat production in 2022, production is expected to continue to contract, declining by a CAGR of 0.9% between 2024 to 2029 (Source: GIRA).
- UK sheepmeat accounts for more than 50% of EU lamb and mutton imports into the EU, while EU markets accounted for 96% of all UK sheepmeat exports between September 2024 to August 2025. This highlights the importance of the trade relationship between the two regions (Source: TDM).

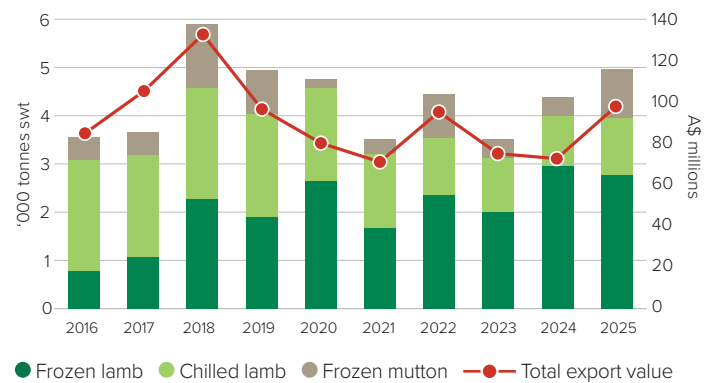
EU sheepmeat imports by supplier*



Source: TDM, *MAT year ending August

- New Zealand's preferential market access with the EU has allowed it to capture the majority of the remaining market share. However, imports from New Zealand over the past several years have fallen due to a combination of land increasingly reallocated to the dairy sector and Asian markets' continued emergence as major buyers of New Zealand sheepmeat.
- Australian sheepmeat exports to the EU are high value products, with an average unit price of €11.00 (A\$18.67) which was 144% higher than the average of Australia's global exports (Source: TDM).

Australian sheepmeat exports to the EU*



Source: DAFF, TDM, *MAT year ending August





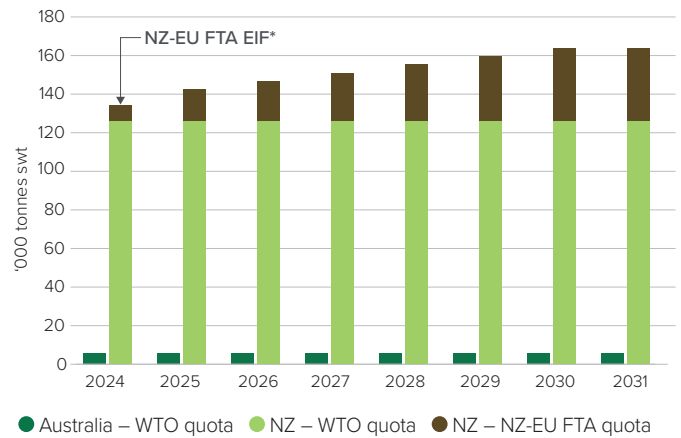
Sheepmeat



MARKET ACCESS

- Australia has a 5,851 tonne cwe (combined sheepmeat/ goatmeat) country-specific in-quota tariff into the EU at 0%. Out-of-quota imports from Australia incur prohibitive import duties of 12.8%, plus up to an additional €3.10/kg.
- Under the Australia-EU FTA, an extra 25,000 tonnes cwe has been provisioned 7 years after entry into force.
- There is also a 200 tonne *erga omnes* (applies to all) sheepmeat and goatmeat quota that is accessible to a number of suppliers.
- Australian sheepmeat access is currently at a disadvantage compared to New Zealand, which has had a 125,769 tonne cwe sheepmeat and goatmeat tariff-free WTO quota annual allocation since 1 July 2023.
- Although New Zealand has not fully utilised its quota in recent years, reaching just 42% of the allotted volume in 2024, its sheepmeat export volumes to the EU were 15 times more than Australia in the same period (Source: TDM).
- The New Zealand-European Union Free Trade Agreement (NZ-EU FTA) entered into force on 1 May 2024. The agreement allows an additional 38,000 tonnes of New Zealand sheepmeat imports after a seven-year transition period. This means that combined with the WTO duty-free quota, New Zealand sheepmeat exporters will have duty-free access to the EU of 163,769 tonnes seven years after FTA entry into force.

EU annual sheepmeat quota volume: Australia compared to New Zealand



Source: DAFF, New Zealand Meat Board, Annual tariff-free quota, * EIF = entered into force





Market access overview – beef

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
Australia-EU Free Trade Agreement (Australia-EU FTA) negotiations concluded in March 2026	WTO (or 'Hilton') quota: 20% in-quota tariff; above quota tariff 12.8% + €3/kg Grainfed beef quota: 0% in-quota tariff; above quota tariff 12.8% + €3/kg	Argentina, Brazil, US/Canada have larger allocations than Australia under the WTO quota Ongoing pressure on reduced shared grainfed quota, with quarterly allocation being filled within weeks New Zealand: The New Zealand-European Union Free Trade Agreement (NZ-EU FTA) allows NZ additional 10,000 tonnes cwe beef access Mercosur: The EU-Mercosur Partnership Agreement (EMPA) is set for provisional application on 1 May 2026 and will provide 99,000 tonnes cwe of beef access over five years at a 7.5% tariff. This will be allocated to Brazil (50% of the quota), Argentina (30% of the quota) and Paraguay and Uruguay (remainder 20% will be shared)	WTO (or 'Hilton') quota: 3,389 tonnes cwe country specific high quality beef Shared access to 10,000 tonnes global grainfed quota (available on a first-come, first-served quarterly basis) in 2026 Access via EU importer held licences to shared frozen beef quota and frozen beef for processing quota The A-EU FTA provides 20,600 tonnes cwe 10 years after entry into force	All beef supplied to the market must be European Union Cattle Accreditation Scheme (EUCAS) accredited and thus free of hormone growth promotants (HGP) The European Union Deforestation Regulation (EUDR) will require importers to verify that the production of imported beef has not been subject to deforestation or forest degradation since 31 December 2020 and is compliant with local laws

Best access  Major challenges

Source: Trade agreements, Department of Foreign Affairs and Trade (DFAT), MLA



Market access overview – sheepmeat

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
Australia-EU Free Trade Agreement (Australia-EU FTA) negotiations concluded in March 2026	WTO quota: 0%; above quota: 12.8% + 90.2~311.8 €/100kg	New Zealand: WTO quota allows for 125,769 tonnes cwe while the New Zealand-European Union Free Trade Agreement (NZ-EU FTA) allows additional 38,000 tonnes cwe after a seven-year transition period UK: No quota or tariff applicable for exports to the EU	WTO quota: 5,851 tonnes cwe country-specific The A-EU FTA provides 25,000 tonnes cwe 7 years after entry into force	No trade restrictive non-tariff barriers currently operational

Best access  Major challenges

Source: Trade agreements, DFAT, MLA

Global Insights on



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