

Australian cattle

Industry projections 2016



Australian cattle industry projections 2016

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Summary

The Australian cattle industry will be influenced by a number of extreme forces in 2016.

From a cattle supply point of view, numbers over the coming two years will fall to levels not seen in more than twenty years. This alone will more than likely stimulate strong competition between restockers, feedlots and processors for the limited availability.

The national herd is estimated to fall to 26.2 million head by 30 June 2016, before declining slightly again in 2017, to 25.9 million head. If this occurs, it will represent a 3.4 million head, or 12%, fall since 2013 and become the lowest national herd for 24 years (1993).

Working to partly offset the projected 16% year-on-year decline in adult cattle slaughter for 2016, at 7.6 million head, will be the expectation that average carcass weights will increase considerably. This assumption is based on much lower stocking rates, a greater proportion of lighter northern cattle exported live, a higher proportion of cattle on feed and fewer female cattle processed.

This ultimately means the forecast drop in beef and veal production will be smaller than for slaughter, though still considerable – down 13%, at 2.2 million tonnes cwt in 2016.

As mentioned, one means of offsetting the lower cattle slaughter will be lot feeding a greater proportion of the kill, compared to previous years. This means the estimated 960,000 head of cattle on feed for the 2015 December quarter, could decline to 900,000 head by December 2016, but remain well above the five-year quarterly average of 800,000 head and represent a higher proportion of the reduced cattle kill.

On the demand front, an interesting dynamic is expected to occur between the proportion of cattle exported live and those processed. Typically, the live export contribution is 9% of turn-off, but for 2015, this is estimated to have jumped to 12%. This trend is expected to continue in 2016, increasing the competition for cattle, particularly in the far northern regions of the country.

Beef and veal exports are expected to fall as a result of lower production, not due to waning demand. The prediction of the A\$ to average between 66-69US¢ is a significant positive, but needs to be balanced against the heightened competition from Brazil in many markets, the expectation of high US poultry and pork production, higher year-on-year US beef production and significantly weaker US beef markets compared to 12 months ago.

Nevertheless, on balance, the Australian cattle market will be in a good position in 2016, with any further summer rainfall only acting as a catalyst for additional potential cattle price rises. The key areas to closely monitor will be the footprint Brazil creates in China, developments in the US beef market, and just how tight Australian cattle supplies become at various times through the year.

Meat & Livestock Australia's Market Information

MLA produces a wide range of market information publications, which can be accessed for the latest news, analysis and statistics for the Australian red meat and livestock industry. From MLA Livestock Market Officers at saleyards each day, through to annual forecasts, the provision of timely, accurate and continuous market information is a key service provided to MLA members and stakeholders.

All of MLA's market information publications, including the Australian Cattle Industry Projections 2016, are available at www.mla.com.au, or through a direct email service. If you would like to contact MLA's Market Information Service, please email marketinfo@mla.com.au, or call (02) 9463 9333.



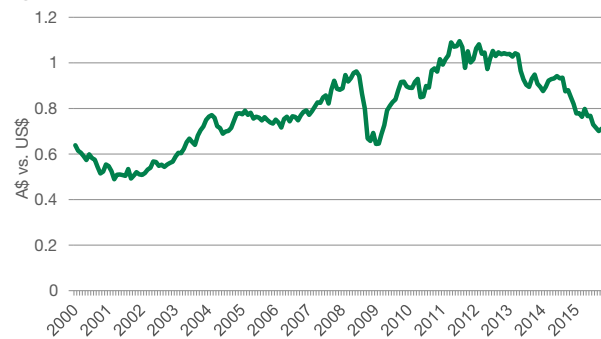
Key assumptions

As part of MLA's annual Beef Industry Projections, a series of "key assumptions" need to be outlined.

- 'Average' seasonal conditions have been assumed for the majority of Australia's cattle producing regions for the 2016 to 2020 projections. During 2015, Queensland recorded 'average' to 'very much below average' rainfall, while NSW had mostly 'average' to 'above average' rain. The Bureau of Meteorology (BOM) report that El Niño indicators peaked at the end of 2015, suggesting the 2015-16 El Niño will ease over the coming months, before returning to neutral in the second quarter of 2016. The latest BOM three month rainfall outlook indicates mostly 'average' rainfall over southern Australia during the January to March period. South-east Queensland, north-east NSW and Tasmania have a higher chance of exceeding median rainfall, while the outlook for the northernmost regions of the country is for a drier than average three months. The remainder of the country has a mostly neutral chance of a wetter or drier January to March period. Given the rains in the northern wet season to date, this holds the promise of at least an average northern wet season and start to the southern autumn rains.
- According to the International Monetary Fund (IMF), global economic growth for 2015 was estimated at 3.1%, down from 3.4% in 2014. Global activity is forecast to pick up slightly in 2016, with a modest recovery expected in advanced economies. Growth in emerging markets and developing economies (including Brazil, Russia, and some countries in Latin America and the Middle East) is projected to improve – more than offsetting the forecast decline in China.
- The A\$ averaged 75US¢ in 2015 – 16¢ or 18% lower than the 2014 average (RBA). The dollar is assumed to trade a little below US70¢ in 2016, in line with forecasts from three of Australia's major banks (Westpac, Commonwealth Bank, and NAB) of around 66-69US¢. The Reserve Bank of Australia reports that the A\$ is adjusting to much lower commodity prices, compared to last year, and that, globally, monetary policy is expected to be more accommodative in the near-term.

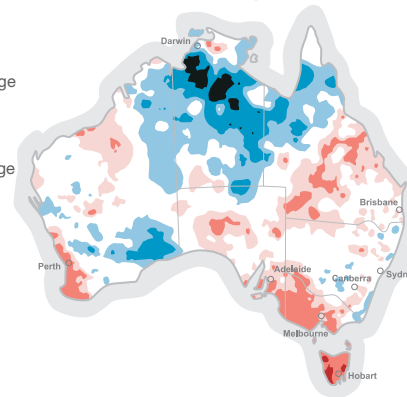
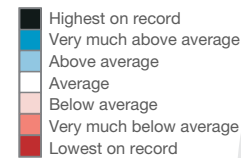


Figure 1. A\$ vs. US\$



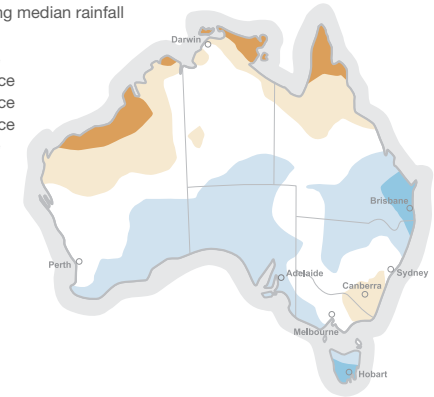
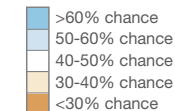
Source: XE.com

Figure 2. Australian rainfall outlook January to March 2016
Rainfall decile ranges



Source: BOM

Figure 3. Australian rainfall outlook January to March 2016
Chance of exceeding median rainfall



Source: BOM

Situation and outlook 2016-2020

Table 1 Situation and outlook for the Australian cattle industry

	2011	2012	2013	2014	2015 ^e	2016 ^f	% change	2017 ^f	2018 ^f	2019 ^f	2020 ^f	% change 2020 ^f on 2015
Cattle numbers ('000 head)*	28,506	28,418	29,291	29,100	27,682	26,179		25,894	26,427	27,019	27,710	0%
percentage change	0.4%	-0.3%	3.1%	-0.7%	-4.9%	-5.4%		-1.1%	2.1%	2.2%	2.6%	
Slaughterings ('000 head)												
cattle	7,261	7,352	8,344	9,226	9,000	7,600	-16%	7,000	7,300	7,500	7,900	-12%
calves	682	625	690	688	630	630	0%	625	640	680	700	11%
total	7,943	7,977	9,034	9,914	9,630	8,230	-15%	7,625	7,940	8,180	8,600	-11%
Avg carcase weight (kg)												
cattle	287.3	287.5	278.0	276.8	279.0	286.0	3%	289.0	291.0	293.0	295.0	6%
calves	62.7	62.2	58.5	60.1	60.0	60.0	0%	60.0	60.0	60.0	60.0	0%
Production ('000 tonnes carcase weight)												
beef	2,086	2,114	2,320	2,554	2,511	2,174	-13%	2,023	2,124	2,198	2,331	-7%
veal	42.8	38.9	40.4	41.4	37.8	37.8	0%	37.5	38.4	40.8	42.0	11%
total beef and veal	2,129	2,153	2,360	2,595	2,549	2,211	-13%	2,061	2,163	2,238	2,373	-7%
Cattle exports ('000 head)	695	619	850	1,294	1,200	1000	-17%	925	950	1000	1100	-8%
Beef exports** ('000 tonnes)												
total, carcase weight	1,398	1,419	1,611	1,881	1,889	1,550	-18%	1,397	1,492	1,558	1,683	-11%
total, shipped weight	949.2	963.8	1,099.8	1,294	1,285	1,055	-18%	950	1,015	1,060	1,145	-11%
Domestic utilisation ('000 tonnes c/c weight)***												
imports	5.1	3.8	2.4	2.9	3.0	3.0	0%	3.0	3.0	3.0	3.0	0%
total, carcase weight	731	733	751	717	663	664	0%	667	674	683	692	4%
kg/head****	32.7	32.3	32.6	30.7	27.9	27.5	-1%	27.3	27.1	27.1	27.0	-3%

Source: ABS, DA, MLA forecasts

* As at 30 June, 2012 is an MLA estimate

** excl. canned/misc, shipped weight

*** Beef and veal production plus imports, less exports of beef and veal and canned/processed beef, carcase weight

**** kg/head consumption calculated from total carcase weight divided by Australian population

f = forecast (in italics)

Australian cattle herd



Cattle herd

The Australian cattle herd is forecast to decline to 26.2 million head by 30 June 2016.

- The Australian cattle herd is forecast to decline to 26.2 million head by 30 June 2016, making the unusual sequence of two consecutive years with 5% year-on-year reductions. This highlights the impact of what has been an extremely dry period for some of the largest cattle producing regions in the country.
- Female cattle turn-off was at unprecedented levels from 2013-2015, meaning the national cow and heifer population is anticipated to have declined 11% from its peak of 13.2 million head in 2014, to 11.7 million head in 2016. This will have a significant impact on the capacity of the calf crop and subsequent herd rebuild.
- In fact, the fewer females, combined with what was estimated to be one of the lowest branding rates in Australia for twenty years, at 75% in 2015, is forecast to result in a 8.9 million head natural increase in 2016 – the lowest since 1996.
- As a result, regardless of whether pasture and water conditions improve, the national cattle herd is projected to continue to decline until 2017, to 25.9 million head – down a further 1% year-on-year.
- Interestingly, while the female cohort of the herd is predicted to have declined significantly over the past two years, what remains is still considerably greater than in the early 1980s (approximately 10 million head). This was in the wake of the beef crash, when the national herd had been a similar size to where it was in 2014. This illustrates the higher turnover of younger cattle now, compared to then, and indicates the eventual herd rebuild should also be much quicker.

- Considering the strength of the Australian cattle market and relatively tight availability, it is anticipated that there will be a strong incentive for producers to retain females and focus on conception rates. In turn, this is projected to mean that the national cattle herd, after bottoming out in 2017, will recover to 27.7 million head by 2020 – a figure only slightly (200,000 head) below the ten-year average for the 2006 to 2015 period.
- The bottom line is that cattle availability should be tightest in 2016 and 2017, and the resulting herd rebuild should not be as slow as in the past.

Figure 4. Branding percentages

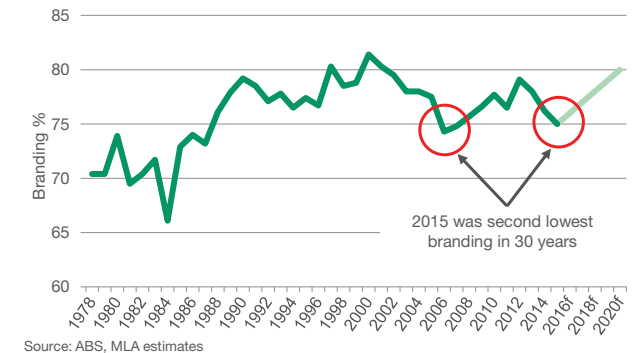
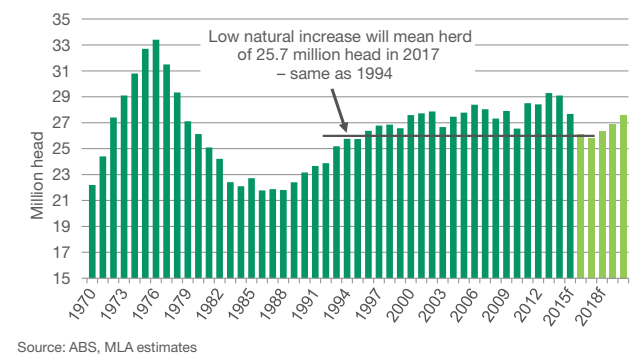


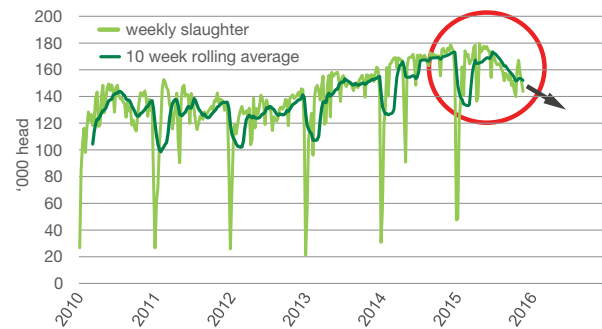
Figure 5. National cattle herd



Cattle slaughter

- Australian adult cattle slaughter is predicted to decline 16% year-on-year in 2016, to 7.6 million head – one of the largest yearly drops ever recorded.
- After a huge first half of 2015, eastern states cattle slaughter drifted lower year-on-year, despite there not being any significant improvement in pasture conditions – i.e. cattle availability became noticeably tighter.
- Even without widespread drought-breaking rain, the decline observed is predicted to continue for the duration of 2016, and in 2017 – resulting in eastern states weekly cattle slaughter moving from in excess of 150,000 head for most of 2014 and 2015, to ranging between 120-140,000 head over the coming two years.
- Reflective of the smaller national herd and challenged by the anticipated strong live export demand, Australian adult slaughter in 2017 is expected to become particularly low, declining a further 8% year-on-year, to 7 million head – the lowest number processed since 1995.
- Following three years of drought, northern Australia was

Figure 6. Eastern states cattle slaughter

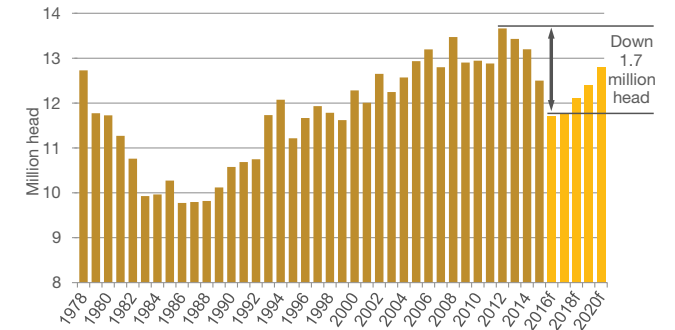


Source: MLA

the region where turn-off was the highest in 2015 and where availability will become the tightest for grass-finished lines in the short-term.

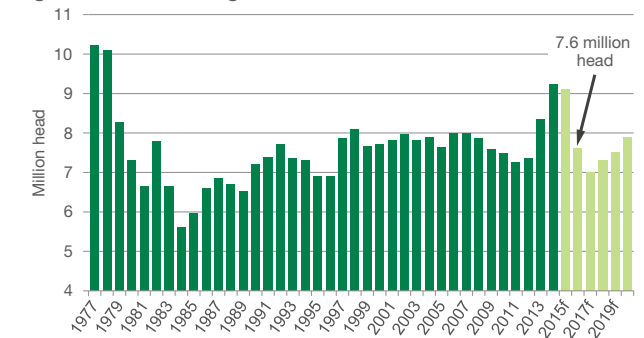
- The large feedlot capacity in Queensland, combined with low grain costs and the anticipated processor desire to limit the decline in beef production, will more than likely see feedlots remain relatively full. Therefore, the comparative fall in grassfed slaughter is expected to be greater than grainfed in 2016, particularly in the north.
- Female cattle slaughter was higher year-on-year for 36 consecutive months, until June 2015. Thereafter, numbers were lower than the corresponding time from the previous year for the remainder of 2015, and this trend is anticipated to continue for 2016. This will largely impact manufacturing beef availability, but on the flip side, could mean that the early stages of herd rebuilding have commenced.
- From 2018 onwards, assuming herd rebuilding is in full swing, adult cattle slaughter is expected to increase from 7.3 million head, to 7.9 million head in 2020 – back in line with the ten-year average.

Figure 7. Female cattle population



Source: ABS, MLA estimates

Figure 8. Adult slaughter



Source: ABS, MLA estimates

“Australian adult cattle slaughter is predicted to decline 16% year-on-year in 2016, to 7.6 million head – one of the largest yearly drops ever recorded”

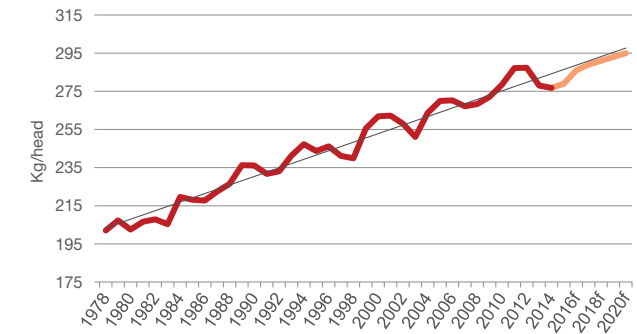
Beef production and carcass weights

- Australian beef and veal production is anticipated to decline 13% in 2016, to 2.2 million tonnes cwt.
- This is less than the estimated fall in slaughter for 2016, as a result of a 3% (7kg) year-on-year increase in the average carcass weights – to 286kg.
- The heavier carcasses will be in response to a greater proportion of lighter northern cattle being live exported rather than processed, better feed conditions and lower stocking rates, a higher ratio of cattle on feed, and the expectation of fewer females slaughtered.
- Average carcass weights are estimated to continue increasing through to 2020, for the aforementioned reasons, but also due to underlying genetic improvements. By 2020, the average Australian adult carcass weight is expected to be 295kg – up 16kg from 2015.
- This will indeed be a record figure, yet this type of increase is not unprecedented, as similar trends in the national average carcass weight have been observed in the past. The most recent was a 21kg jump from 2008 to 2011 (from 268kg to 287kg), to what still stands as the record annual weight.



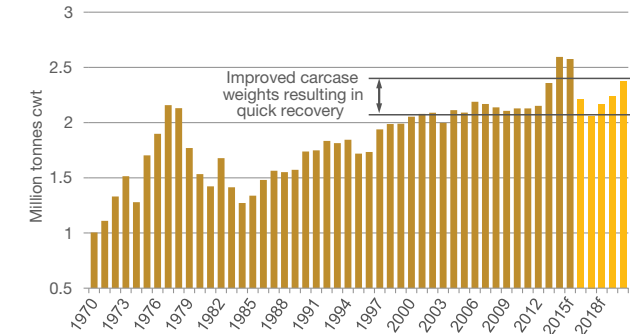
- Hence, heavier carcasses will partly offset the significant contraction in cattle slaughter over the coming five years. At the lowest slaughter point of the projection period (2017), beef and veal production will be 2.06 million tonnes cwt, the lowest in 10 years – rather than the 20 year low for slaughter.
- Nevertheless, beef production on a quarterly basis is anticipated to average 550,000 tonnes cwt in 2016, with the March and December quarters to be slightly below that level, and the cooler months slightly above.
- Looking out to 2020, Australian beef and veal production is predicted to recover to 2.37 million tonnes cwt – similar to the quantity produced in 2013, which was then a record volume.

Figure 9. Adult carcass weights



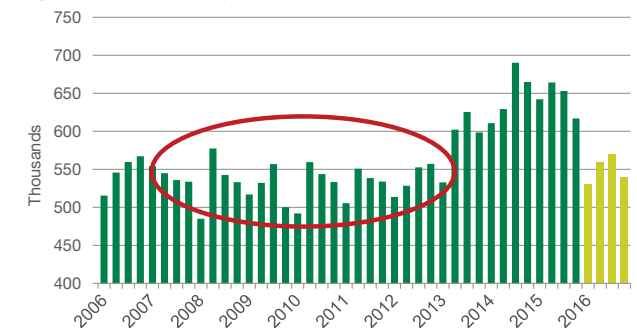
Source: ABS, MLA estimates

Figure 10. Beef production



Source: ABS, MLA estimates

Figure 11. Quarterly beef production



Source: ABS, MLA estimates



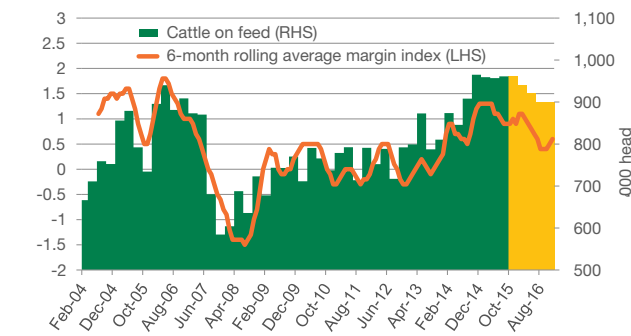
Lot feeding

- The number of cattle in Australian feedlots is expected to decline from an estimated 960,000 head in the 2015 December quarter, to 900,000 head by December 2016.
- While this is a 6% decline – largely influenced by an even larger reduction in the national herd – numbers on feed will still be significantly greater than the pre-drought (pre-2014) five-year average of 800,000 head.
- Supporting the relatively large number of cattle on feed will be the desire for processors to limit the impact of fall in cattle slaughter on beef production, thus looking to secure heavier animals in a more consistent manner. The expected record cattle prices will also provide producers with the incentive to enhance weight gains. This was a trend seen in the US during the 2016 cattle price peak, as a means of offsetting their lowest herd in over 60 years.
- Further supporting high numbers on feed will be the projected high global feed grain production, meaning grain prices should work in lot feeders' favour. One of the most influential feed grain markets on global prices is US corn, where yields were the second largest on record in 2015. The forecast area to be planted in 2016 is anticipated to be near the levels seen last year. Therefore, according to Steiner Consulting Group, the well supplied grain markets should see prices at similar levels to 2015, or even lower.
- The challenge for many feedlots will be the price of feeder cattle, relative to the price received for finished stock. During 2015, the eastern states' paddock 280-350kg feeder steer indicator averaged 279¢/kg lwt – up 86¢, or 45%, from 2014. Considering this jump was with very little competition from restockers and there were relatively large numbers available, it may be that this price will not drop significantly – if at all – during 2016.

- For a finished article, the Queensland 300-320kg over-the-hook 100 day grainfed steer indicator averaged 510¢/kg cwt in 2015, up 28% from the previous year. Considering this lift was less than what occurred for cattle entering lots, margins may have narrowed, particularly in the final months of the year. However, looking forward, grainfed grown steer sale prices should be assisted by the forecast weakening A\$, expected to be below 70US¢ for the majority of 2016.
- Therefore, on balance, high fed cattle prices, the desire to maintain beef production and relatively lower feed grain prices should see the number of cattle on feed stay above 900,000 head during 2016.

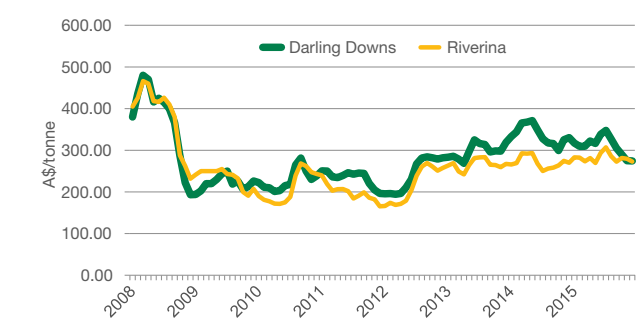


Figure 12. Cattle on feed



Source: ALFA/MLA

Figure 13. Indicative wheat prices



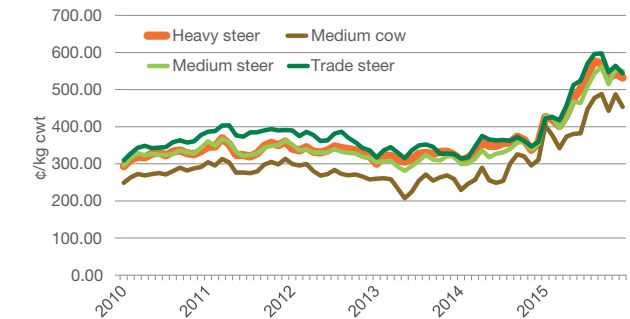
Source: Profarmer

Cattle prices

- The Australian cattle market will find itself battling extreme forces throughout 2016.
- On the one hand, the most influential market in the world – the US – saw a dramatic correction in beef prices in the second half of 2015 after hitting record levels late in 2014. At the commencement of 2016, US beef markets are close to where they were in 2013, and many analysts are forecasting the market to stabilise at current levels. While this is comforting, it does limit the prospect of further Australian cattle price rises, as the US market is much lower than it was 12 months ago.
- On the other hand, working in Australian cattle producers favour is the A\$, which is forecast to continue weakening, and will offset the softer US market.
- During 2011, extremely tight cattle availability saw the Eastern Young Cattle Indicator (EYCI) hit then record highs of 428¢/kg cwt, despite the A\$ also sitting at record highs with the US i.e. it was the A\$ limiting price potential, and hypothetically had it been lower, the market could have gone much higher. This time around though, despite comparatively similar tight supplies, it may be the higher US beef production that limits Australian price potential.
- Additionally, the significantly tighter Australian cattle availability will work in Australian producers' favour. The big unknown is just how strong and long restockers will compete for cattle, and what influence they'll have once entering in force. That is, will there simply be a substitution from lot feeders and processors to restockers, or will there be strong competition between all three parties?

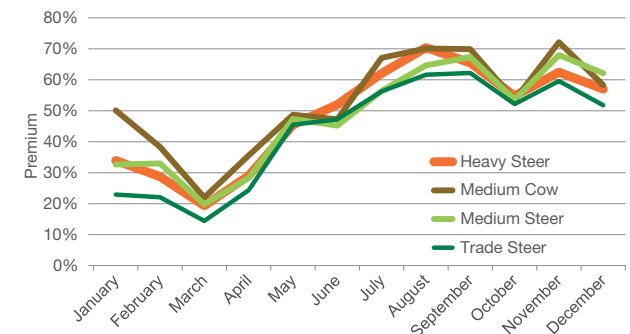
- Of the stock categories, the lines that received the greatest premium in 2015, relative to their respective five-year average price, were medium cows, peaking at a 70% premium in September. Trade steers (330-400 kg lwt) had the lowest premium, yet still peaked at 62%, also in September – albeit, coming from a higher base. However, considering the lower manufacturing beef prices, combined with relatively stronger restocking interest, it may be that this trend reverses in 2016 – i.e. finished cows to be at a lower premium, relative to the respective five-year average, compared to trade steers.
- Overall, Australian cattle prices can be expected to average higher in 2016 than 2015, due to the much tighter supply, restocker demand and a lower A\$. However, average cattle category prices for 2016 are unlikely to match the heady records posted in August/September 2015. Furthermore, over the projection period, it is likely that prices will peak in 2016 and 2017, before the eventual increase in beef production in Australia, the US and Brazil will cause prices to decline modestly (in line with OECD-FAO forecasts).
- Seasonally, Australian cattle price peak in March and October in most years, and if 2016 is to follow that pattern, the lower global beef prices may potentially cap how high those peaks go. If more rain is received during the northern wet season, the March peak could be higher than October.
- The main price risk factors remain further unexpected falls in the US beef market or an unexpected strengthening of the A\$.

Figure 14. National saleyard cattle prices



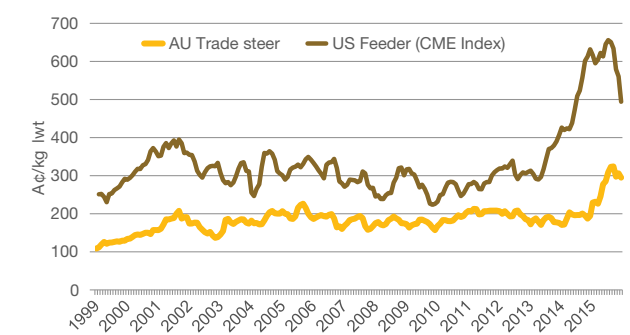
Source: MLA

Figure 15. 2015 premium relative to 2010-2014 average



Source: MLA

Figure 16. US vs. Australian steer prices



Source: MLA, CME



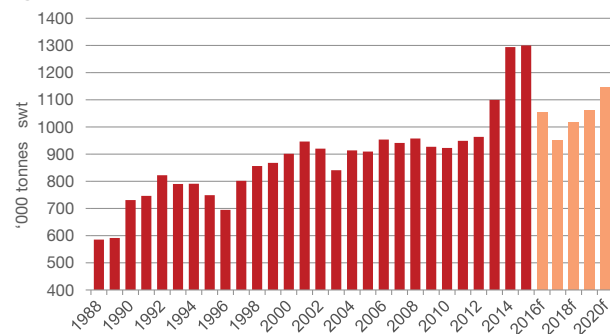
Demand outlook

- With no major demand changes predicted, it is the much tighter supplies and higher beef prices that seem likely to dictate significant changes between markets in the short-term – with most markets taking less Australian beef, including domestic retail and foodservice.
- Tighter supplies and the continuing strong global demand should see the domestic market stretched for product, with exports accounting for around 70% of production over coming years.
- Australian beef and veal exports are expected to decline 18% in 2016, to 1.05 million tonnes swt – lower than the records set in the last three years, but still higher than anything seen before 2013.
- Lower year-on-year exports are expected to continue right through until 2017, when shipments for the projection period are anticipated to bottom out at 950,000 tonnes swt, before starting to increase again.
- Of the various product categories, the fall in grainfed beef exports in 2016 is expected to be less than grassfed beef, influenced by the respective beef production declines. (pp6-7)

- The A\$ is forecast to average between 66-69US¢ in 2016, working in the Australian beef industry's favour, especially at a time when the export environment for lower cost competitors, like Brazil and Argentina, is improving.
- The third year of tariff reductions into Korea, second to Japan and second to China will also work in Australia's favour, and again be beneficial at a time of heightened competition.
- Australia (p11), the US (p12), Japan (p13) and Korea (p14) all seem likely to be more resilient in 2016, while those with increasing competition and potential economic difficulties, such as China/Hong Kong (p15) and the Middle East (p18), may suffer larger falls.
- From 2018 onwards, exports are expected to recover with production levels, and rise to 1.15 million tonnes swt in 2020 – still below the peak of almost 1.3 million tonnes in 2014.

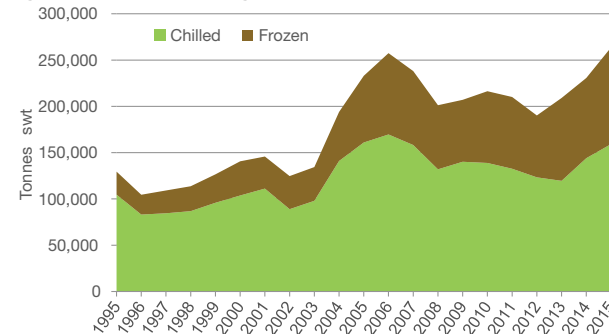


Figure 17. Beef and veal exports



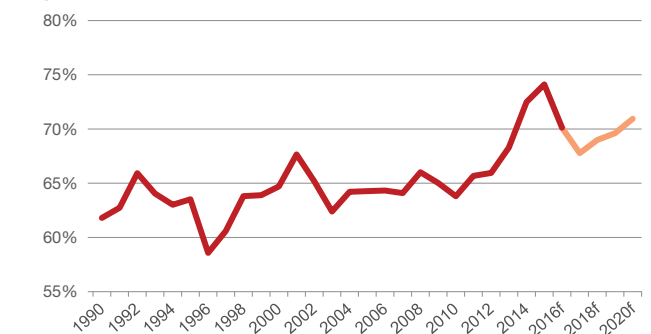
Source: DAWR, MLA estimates

Figure 18. Australian grainfed beef exports



Source: DAWR

Figure 19. % production exported



Source: ABS, MLA estimates



Australian beef and veal exports

Table 2 Australian exports of beef and veal

	2011	2012	2013	2014	2015	% change 2015 on 2014
To:						
Japan	342.2	308.5	288.8	293.8	285.2	-3%
US	167.8	224.1	212.7	397.9	416.0	5%
Korea	146.4	126.0	144.4	150.9	166.6	10%
China	7.8	32.9	154.8	124.6	148.2	19%
Canada	10.1	15.7	17.9	32.9	42.6	29%
Taiwan	36.7	38.3	35.7	36.4	30.4	-16%
Indonesia	39.6	27.1	39.4	53.1	39.1	-26%
Philippines	21.0	25.7	27.0	34.4	25.4	-26%
Singapore	9.7	14.1	10.6	10.1	8.8	-13%
Malaysia	14.4	15.5	15.9	13.1	12.3	-6%
Thailand	2.5	2.8	4.3	5.4	5.9	9%
Hong Kong	8.9	6.3	5.1	14.7	6.7	-55%
EU	12.8	14.9	19.8	24.6	23.4	-5%
Middle East	32.1	31.4	61.0	59.8	53.4	-11%
Other	97.2	80.4	62.1	35.2	21.0	-40%
Total	949.2	963.8	1,099.5	1,287.0	1,285.0	0%

Source: DA

Main countries in other = PNG, South Africa, Central and South America, Russia
Eastern Europe & CIS includes Poland



Australian market

Trend

The domestic market is the single largest market in volume and value terms for Australian beef, accounting for 30% of production, and was valued at an estimated \$7.8 billion in 2014-15.



Strengths

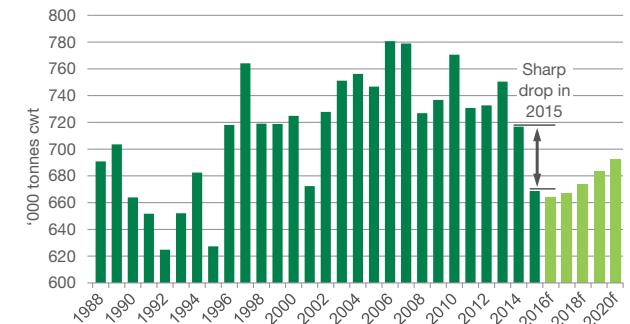
- Annual GDP growth in Australia is expected to average 3% between 2015 and 2019, up from 2.7% between 2010 and 2014 (International Monetary Fund - IMF).
- For the calendar year-to-October, total fresh beef retail value increased 8% compared to the same period in 2014, while the volume purchased declined 4% (Nielsen - HomeScan).
- The Australian population grew 1.4% during the year ended 31 March 2015, to 23.7 million people (Australian Bureau Statistics), with all states and territories recording population growth.
- According to Roy Morgan Research, consumer confidence in 2015 was slightly above 2014 levels, averaging 111.8 points for the January to November period.
- The foodservice sector is expected to improve in 2016, with the commercial sector value forecast to rise 1.1% and the institutional sector 1.8%. Among other factors, the rise will be driven by an expected increase in foreign visitors and Australians holidaying at home rather than overseas.



Threats/Weaknesses

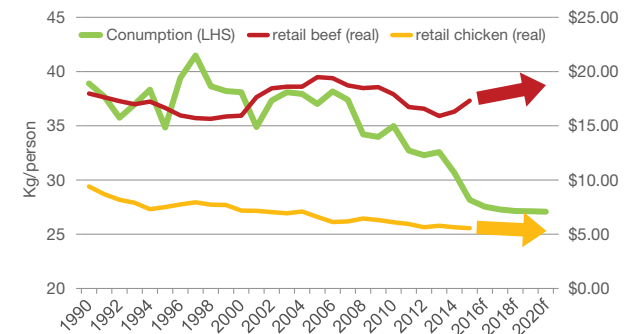
- Retail beef prices averaged \$17.32/kg during the first three quarters of 2015, up 8.7% on the previous year, the result of the higher global beef prices throughout the year.
- For the calendar year-to-October, fresh pork retail values increased 15% from the previous year, mainly a reflection of the rise in total volume purchased, up 9% (Nielsen - HomeScan). The value and volume per occasion have also increased, with a higher penetration in Australian households.
- According to Food Industry Foresight (FIF), income available per person (real net disposable income per capita) has diminished in Australia in the past few years, which is likely to have an impact on discretionary spending – particularly meals out and takeaway.

Figure 20. Domestic utilisation



Source: ABS, MLA estimates

Figure 21. Per capita consumption



Source: ABS, MLA estimates

The Bottom Line

- The significant drop in domestic beef consumption observed in 2015, as a result of the upward movement in retail prices, is expected to stabilise in 2016, in line with the same expectation for retail prices. Therefore, domestic utilisation is expected to decline slightly in 2016, to 664,000 tonnes cwt.

The US has been Australia's largest beef export destination for the past two years (2014 and 2015). A very large drop in cattle slaughter and beef production in the US in recent years resulted in strong demand for imported beef to meet that shortfall. The majority of the export volume was lean manufacturing beef, but there has also been significant growth in whole cuts of beef, which tend to be a much more valuable product, on a unit basis.

In 2015, Australia exported a record large amount of beef to the US, at 415,951 tonnes shipped weight (swt). To the end of November, the value of beef exported to the US was A\$2.9 billion FOB (a record for a calendar year, with one month to go). Chilled grassfed beef exports reached a new high of 74,260 tonnes swt.

Strengths

- Beef has traditionally been the most popular meat protein eaten in the US, though chicken has challenged this position (at least in volume terms) in recent years. Beef remains popular despite per capita consumption falling over the long-term – it is rated significantly higher than other meats in terms of "favourite meat".
- There is strong demand among certain consumer groups for "better beef", which includes demand for grassfed, natural or organic beef. Australia's production systems fit well into supplying this sector.
- The strong US\$ relative to the A\$ will keep Australian beef relatively competitive against US-produced beef.

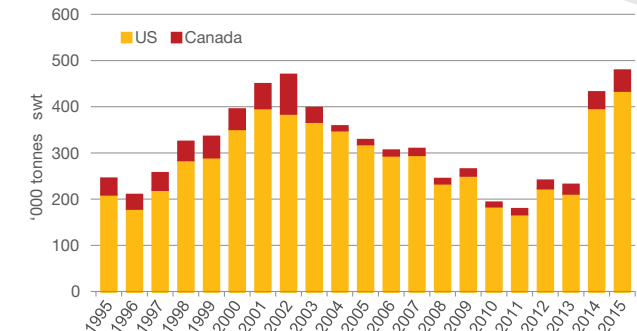
Weaknesses

- Pork and poultry production is close to record levels, resulting in much lower prices at retail. The competitive landscape for beef is tough, particularly at the commodity level.
- US beef production is forecast to increase 4.3% in 2016, after significant cow and heifer retention over the past two years. This will likely reduce the pull for Australian and other imported beef.
- Other beef-supplying countries are working hard to gain or regain access to the US beef market (including Brazil and Argentina).

The Bottom Line

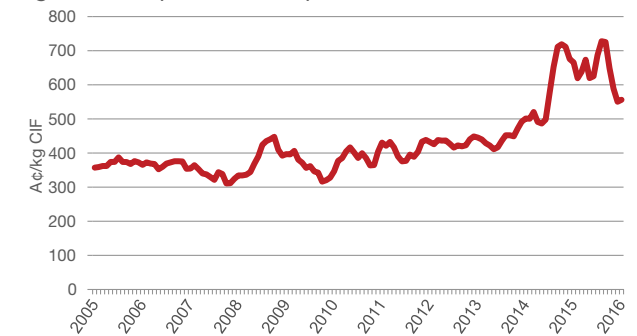
- Australia's beef exports to the US will probably be lower in 2016 than 2015 – much lower Australian beef production (especially cow beef), and less pull from US importers to fill a protein gap will be the main causes. High value grassfed beef will continue to find a growing market in the US, as it meets requirements for animal welfare and perceived health benefits. While a year-on-year decline is expected, the US is anticipated to be one of the more resilient markets for Australian beef.

Figure 22. Australian beef exports to North America



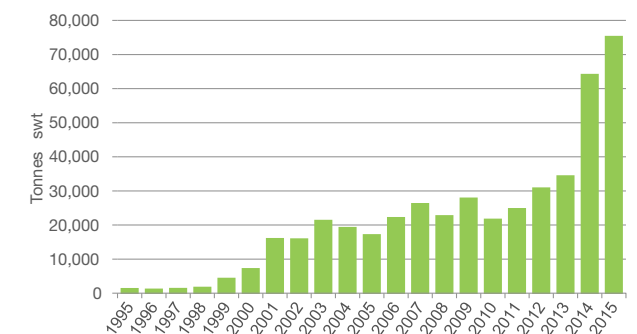
Source: DAWR

Figure 23. Imported 90CL prices



Source: Steiner Consulting Group

Figure 24. Chilled grassfed beef exports to the US



Source: DAWR

Japan

Trend



Japan is one of Australia's critically important markets for beef and beef offal, with its economic presence – the third largest economy in the world – and demand from its retail, foodservice and processing sectors providing a solid foundation for the Australian beef industry. In 2015, Australia exported 285,224 tonnes swt of beef to the market, with the value of shipments for the January to November period up 17% year-on-year at \$1.7 billion FOB.

Key cuts for Japan include manufacturing beef (36% of total shipments), brisket (14%), and fullsets (7%), as well as a range of loin and fore/hindquarter cuts. Japan is also the largest market for beef offal (at 27,920 tonnes swt), demanding high value products (such as tongue) for the yakiniku table top BBQ sector.



Strengths

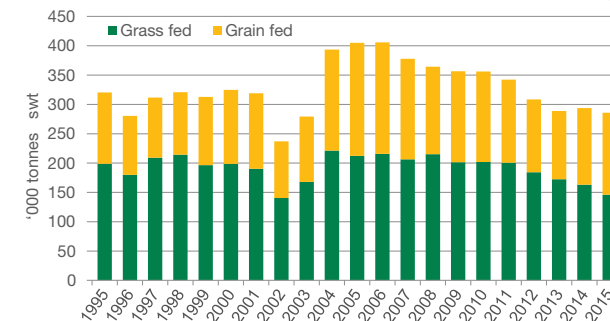
- The second largest export destination in volume and value terms in 2014 and 2015, and a long-term, mature and stable partner with commercial and bilateral protocol firmly established.
- Top destination for chilled (39% of total exports) and grainfed beef products (53% of total). Average export value improved 19% year-on-year to \$6.73/kg (Jan-Nov), proving the market's ability to keep up with increasing prices.
- Top market for Australian beef offal exports in volume and value terms, including high value products, such as tongue.
- Ongoing need to import approximately half a million tonnes swt of beef per year, to meet total beef requirement in the market. Australia's share in the imported beef market improved from 54% in 2014 to 59% in 2015.
- Young generation's preference to eat meat over seafood, and growing appreciation for various type of beef products (aged beef, thick cut steaks, breed types, etc).



Weaknesses/Threats

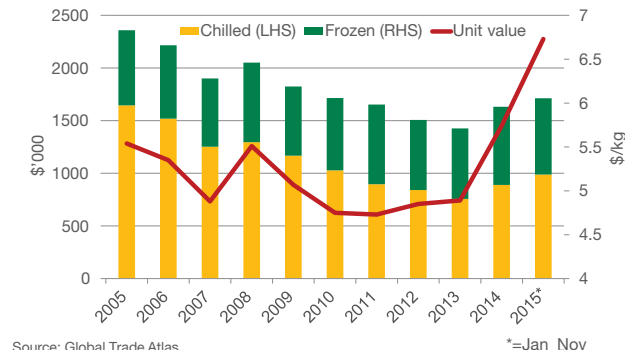
- Aging and declining population – by 2026, more than 30% of Japanese will be over 65 years old, with total population declining 5% from 2015, to 120 million.
- Weaker Yen to partially offset the depreciation of A\$.
- Cautious and low key consumer spending, subdued by the low growth economy and limited wage increase. Subsequently, Japanese importers' ability – or willingness – to bid competitively in the global beef market may become limited.
- US beef supply is anticipated to recover in 2016, with some Japanese importers already showing strong interest in re-engaging with US suppliers – indicating increased competition for Australian beef.
- Ongoing strong competition for Australian chilled grainfed products from Korea, frozen cuts from China and manufacturing beef from almost all markets.

Figure 25. Australian exports to Japan



Source: DAWR

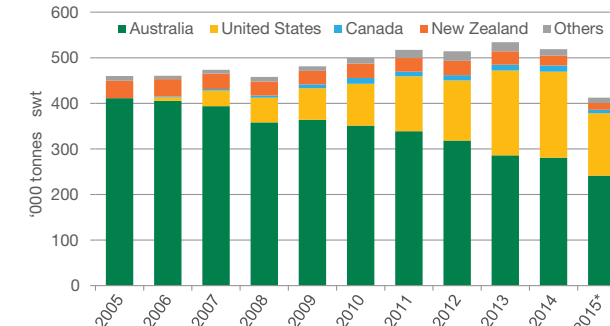
Figure 26. Australian beef export values



Source: Global Trade Atlas

*=Jan-Nov

Figure 27. Japan beef imports



Source: Global Trade Atlas

*=Jan-Nov

The Bottom Line

- In 2016, Australia's beef export volumes to Japan are forecast to decline, constrained by reduced supplies from Australia, stronger competition from US product, ongoing competition with other markets and continued low economic growth. That said, Japan is anticipated to remain critically important for Australia, with its high value sustained by a high proportion of chilled and grainfed shipments.

Korea remains one of Australia's largest and most valuable beef export markets, with 166,588 tonnes swt exported there in 2015, at a value of A\$1.1 billion (January to November).

The major beef cuts exported to Korea are chuck/chuck roll, brisket, ribs and short ribs – in addition, Korea is among Australia's largest markets for these cuts, making the trade highly beneficial for balancing the carcase.

Australian short ribs are usually much cheaper than US short ribs in Korean wholesale markets, but the gap narrowed significantly in the second half of 2015, as US beef export volumes started to climb.



Strengths

- Beef is becoming a more popular source of protein in Korea, albeit from a relatively low base compared with some other markets.
- Australian beef is recognised as a healthy, safe source of nutrition, the result of long-term relationship developments, and Australia's robust biosecurity.
- The demand for highly-marbled beef in Korea continues to provide opportunities for the Australian Wagyu and feedlot sectors.
- Korean beef production is expected to remain relatively low over the next two years, as the national cattle herd has been in decline in the last two years of the cattle cycle.



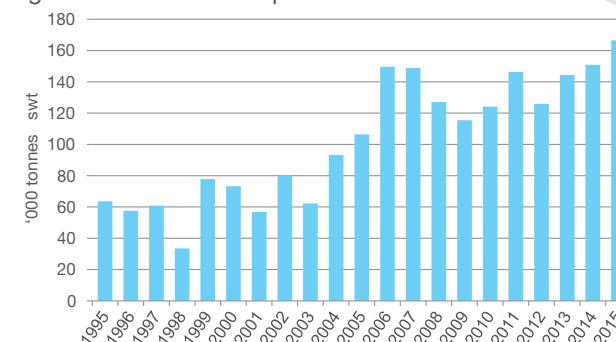
Weaknesses

- Korea remains an attractive market for a number of other major beef suppliers, most notably the US, New Zealand and Canada (Canada has just regained access after a BSE-related ban).
- The US has a 5.3% tariff advantage over Australian beef, which will continue until 2026 (towards the end of the 15-year tariff phase-out period).
- Domestically-produced (Hanwoo) and US beef tend to be more popular among consumers with regard to flavour, as the meat is usually more heavily marbled than Australian beef.

The Bottom Line

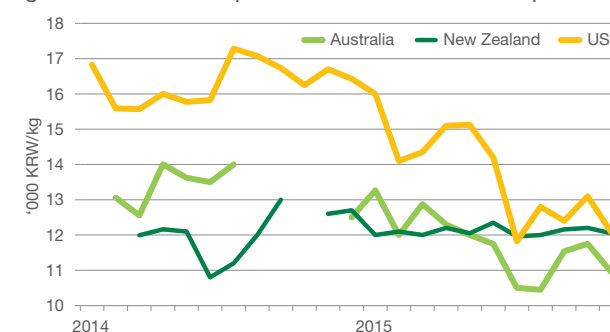
- In line with most other export destinations, Australian beef exports to Korea are expected to be lower in 2016 than in 2015, largely due to lower Australian production. Also, US beef will continue to put pressure on the market as it gains more acceptance from Korean consumers on safety – US beef production is forecast to grow in 2016, and the short rib trade to Korea is significant for US beef exporters

Figure 28. Australian exports to Korea



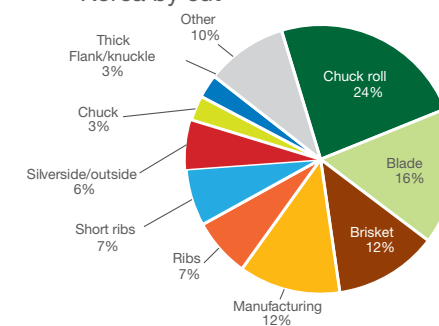
Source: DAWR

Figure 29. Korean imported wholesale short rib prices



Source: Korean trade

Figure 30. 2015 Australian beef and veal exports to Korea by cut



Source: DAWR

China and Hong Kong

Trend

China was Australia's fourth largest beef export market in 2015, at 148,222 tonnes swt, with the value from January to November reaching A\$917 million. The majority (95%) of this volume was frozen product.

Hong Kong SAR (Special Administrative Region) population will continue to register among the highest GDP per capita in the Asia Pacific region, although its ageing population will limit growth potential. Retail sales growth is forecast to fall from 2% in 2015 to -0.4% for 2016 (IMA Asia).



Strengths

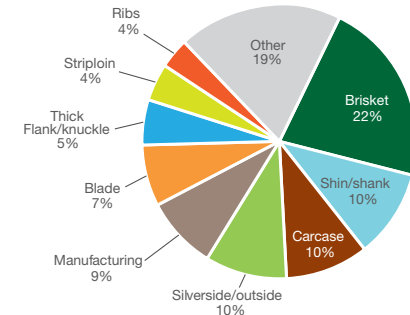
- Consumer spending is expected to remain strong in **China**, particularly among the urban affluent population who are the key target consumers for Australian beef.
- Strong demand will likely keep China wholesale beef prices high compared to other proteins, and ended 2015 steady at RMB53.96/kg (Department of Agriculture, PRC).
- The China-Australia Free Trade Agreement entered into force on December 20, 2015 bringing two early tariff reductions.
- Modern retail and foodservice will remain key users of Australian beef, but the e-commerce channel offers opportunities to reach more consumers.
- Chinese beef production is expected to remain steady for 2016.
- Australia continues to be **Hong Kong's** leading supplier of chilled beef, totalling 3,274 tonnes swt in 2015 – accounting for half of our exports to Hong Kong, and with an increase in market share from 36% in 2014 to 46% in 2015 (Jan-Nov).



Weaknesses

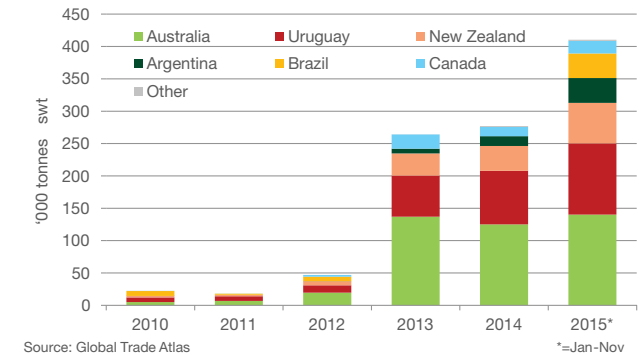
- Australia is facing increasing competition from lower cost suppliers, such as Uruguay, Brazil and Argentina in **China**.
- Market access restrictions on chilled product limits industry's ability to target higher end consumer segments. Only ten Australian plants are currently approved to export chilled beef to China and there is no protocol to export tripe.
- In **Hong Kong**, GDP growth is expected to slow as the outlook for trade and tourism weakened in 2015. This is expected to continue impacting the high-end foodservice sector – a big user of Australian beef.
- "Grey channel" crackdowns by Chinese authorities in 2015 significantly impacted frozen beef imports from all participating countries to Hong Kong, which were down 31% year-on-year (Jan-Nov). During 2015, Australia exported 3,381 tonnes swt of frozen beef to Hong Kong - down 71% year-on-year.

Figure 31. 2015 Australian beef and veal exports to China by cut



Source: DAWR

Figure 32. China beef imports



Source: Global Trade Atlas

*=Jan-Nov

The Bottom Line

- China – Despite a cooling economy, demand for imported beef is expected to remain strong. However, Australian beef export volumes are expected to be down in 2016 compared to 2015 as a result of tighter supplies and stronger competition from Brazil.
- Hong Kong SAR – Frozen beef exports to Hong Kong are likely to fall further and remain volatile due to grey channel restrictions, though chilled beef volumes are expected to remain comparatively steady.

Taiwan was Australia's eighth largest beef export market in 2015 and Australia is Taiwan's largest supplier of frozen beef and second largest supplier of chilled beef. The market is primarily a frozen commodity destination.



Strengths

- Taiwan has one of the highest per capita food spends and meat consumption rates in the region, with beef consumption at an all-time high of 5.16 kg/person in 2014 (Taiwan Council of Agriculture).
- Total beef exports to Taiwan for the first 11 months of 2015 were valued at A\$195 million.
- Australia is Taiwan's largest supplier of frozen beef, and frozen beef accounted for 84% of Australian beef exports to Taiwan, at 25,697 tonnes swt in 2015.



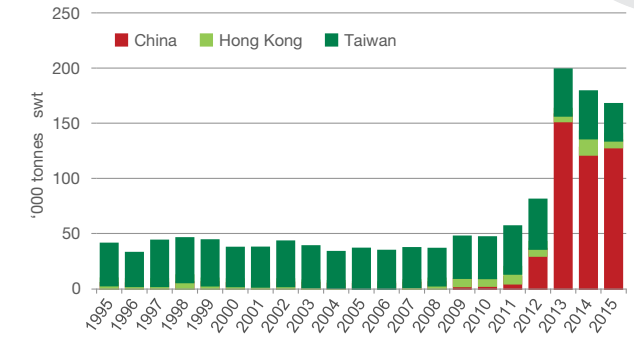
Weaknesses

- A slowdown in Taiwan's population growth may impact negatively on demand. GDP growth depends on manufacturing, but the manufacturing sector is slowing.
- Overall consumption is expected to drop to 1.5-2% for 2016, as stagnating incomes and rising living costs add pressure on consumer spending (IMA Asia).
- Taiwan's imports of Australian frozen beef were down 22% year-on-year (Jan-Oct) in 2015, as Australia lost market share – from 41% in 2014, to 33% in 2015 (Jan-Oct) – due to competition from the US and New Zealand. This was in spite of Australia's lower unit price – Australia averaged \$7.47/kg, the US averaged \$9.64/kg and NZ averaged \$7.94/kg for the January to October period of 2015. In the smaller volume but higher value chilled beef market, Australia is also facing more competition.
- Australian beef exports to Taiwan attract a tariff of NT\$10 per kilogram, whilst New Zealand product is benefiting from reduced tariffs due to their economic agreements with Taiwan.

The Bottom Line

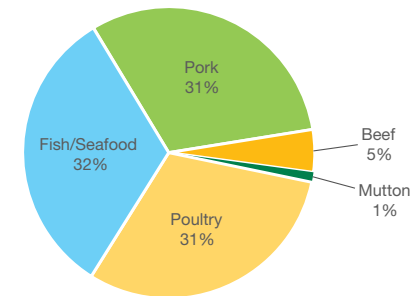
- Australian frozen beef exports to Taiwan are expected to decline further in 2016 due to tighter supply and strong competition from the US and New Zealand. However, chilled beef exports, though small in volume, are expected to remain comparatively steady.

Figure 33. Beef exports to Greater China



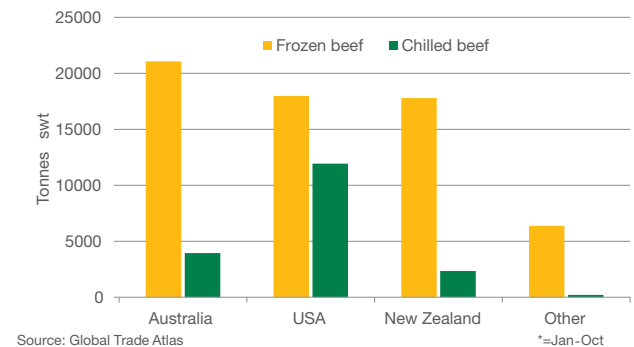
Source: DAWR

Figure 34. Taiwan protein consumption (2014)



Source: Taiwan Council of Agriculture

Figure 35. Taiwan beef imports*



Source: Global Trade Atlas

*=Jan-Oct

The Association of the Southeast Asian Nations (ASEAN) consists of ten member states - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. ASEAN is a fast growing destination for Australian red meat, with their meat consumption steadily rising in line with the region's economic development and population.

Australia's largest market for beef in ASEAN is Indonesia, followed by the Philippines, Malaysia and Singapore (in both volume and value terms). In 2015, Australia exported 96,271 tonnes swt to the region (down 20%), with the value of shipments for the January to November period down 6% year-on-year at \$560.9 million FOB. The declines were largely due to reduced shipments to Indonesia.

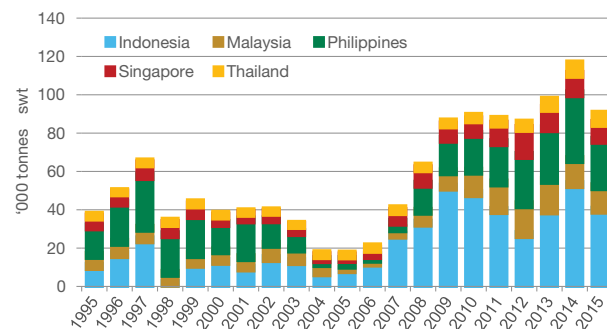
Manufacturing beef accounts for 60% of total shipments to the region, with the rest spread across various loin, forequarter and hindquarter cuts.

The region is also a major destination for beef offal, accounting 19% of total Australian offal shipments in 2015 (at 29,686

Strengths

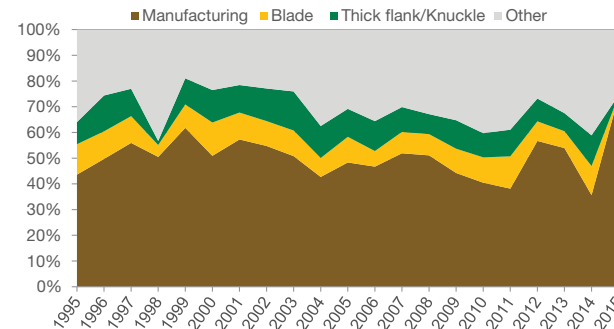
- Large, steadily rising population – set to reach 666 million people by 2020 (up 5% from 2015) – matched with firm economic growth. In particular, the Philippines and Vietnam have and are forecast to maintain resilient GDP growth, while Indonesia is anticipated to see a mild recovery in 2016.
- Rising number of middle class consumers – in Vietnam alone, an additional 4 million households are anticipated to enter the US\$5,000-10,000 income/annum bracket over 2015-2019, which will boost demand for quality proteins.
- Agricultural production is limited across the region, creating opportunities for food imports to grow further over time.
- The high end foodservice sector in ASEAN offers sophisticated dining experience to international tourists as well as affluent local consumers, and is one of the key markets for branded Australian beef products. Multinational fast food chains are also expanding fast, with many consumers becoming more familiar with the western style, meat protein based diet.
- While a great proportion of retail grocery share is still dominated by traditional, non-organised outlets, modern formats – supermarkets, hypermarkets, shopping malls and convenience stores – are continuing to grow across the region.

Figure 36. Australian exports to ASEAN



Source: DAWR

Figure 37. Beef exports to Indonesia by cut



Source: DAWR



Weaknesses

- The largest and most critically important market in the region – Indonesia – is also the market with the greatest uncertainties, as its imports are largely governed by the Indonesian government's import regulations (permits and cut restrictions).
- Despite the fast economic growth and growing interest in food safety and quality, many segments of the region remain very price-sensitive. The anticipated tight supplies and subsequently strong prices from Australia may send some Governments and importers to seek alternative, low cost suppliers, such as India and Brazil.

The Bottom Line

- Despite underlying rising import demand, Australian beef exports to ASEAN are forecast to decline in 2016, largely restricted by the availability of supply. Exports will remain focussed on frozen grassfed beef, while demand for higher value, chilled and grainfed products are anticipated to grow in the medium-to-long term.

Middle East and North Africa (MENA)

Trend

In 2015, Australia exported 53,397 tonnes swt of beef and veal to 18 countries across the Middle East and Northern Africa. This was an 11% decline on 2014, largely due to a drop in the volume exported to Saudi Arabia.

For January to November 2015, the value of Australia's beef and veal exports to the Middle East was A\$403 million FOB, up 22% from the same period in 2014.

The two largest markets - Saudi Arabia and the UAE - accounted for 73% of the total value, and the next four markets - Jordan, Kuwait, Egypt and Qatar - a further 21%.

The main beef cuts exported to the Middle East include manufacturing beef (from trimmings to pre-made hamburgers), lean cuts that are suitable for slow, stewing meals (especially topside, inside, outside, blade and knuckle), and high value loin cuts for hotels and restaurants (tenderloin, striploin and cube roll). There is also a strong trade of light veal carcasse, generally sides, to a few major markets.

Strengths

- Agricultural production is limited across the region, creating opportunities for food imports to grow further over time.
- The foodservice sector in the Middle East has matured quickly over the past few years, and has become a key market for high quality Australian beef. The retail sector is also continuing to grow and modernise across the region.
- The large construction boom that is expected over the next few years will increase the size of the labour force, which is a large consumer of lower-priced proteins - potential for some cheaper beef products to help fill this gap.

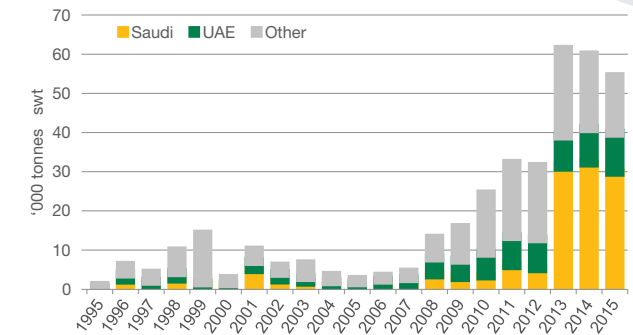
Weaknesses

- There is still a large part of the market, across all countries in the MENA region, that is very price sensitive. The return of Brazilian beef to markets like Saudi Arabia, and the growth of poultry production and consumption, will make it more difficult for cheaper commodity beef trading in the region.
- A number of markets have a strong dependence on oil and related products for revenue. With the current low oil prices, Governments and consumers have reduced spending. Relatively expensive beef products could potentially become more difficult to sell in this environment.

The Bottom Line

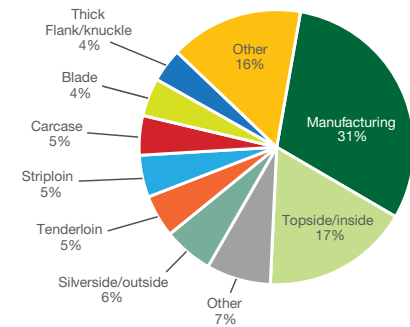
- In 2016, Australia's beef trade to the Middle East is likely to be lower again. A major factor, besides the previously mentioned forecast drop in Australia's beef supplies, is the re-entry of Brazilian beef into Saudi Arabia. The beef that Australia exports tends to be more expensive than Brazilian, displacing it from some sectors of the market.

Figure 38. Australian exports to the ME



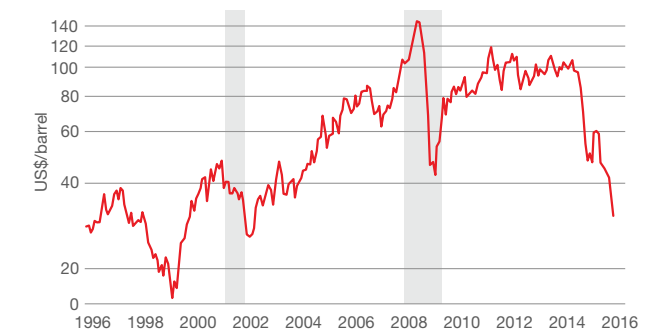
Source: DAWR

Figure 39. 2015 Australian beef and veal exports to the Middle East by cut



Source: DAWR

Figure 40. WTI crude oil



Source: Nymex

European Union

Trend

The EU remained the highest value market for Australian beef on a per tonne basis in 2015, averaging A\$12,610/tonne (Jan-Nov). Australia's access to the HQB 'Hilton Quota' and grainfed HQB quota ensure that the majority of cuts exported to the EU are high quality and subsequently of high value.



Strengths

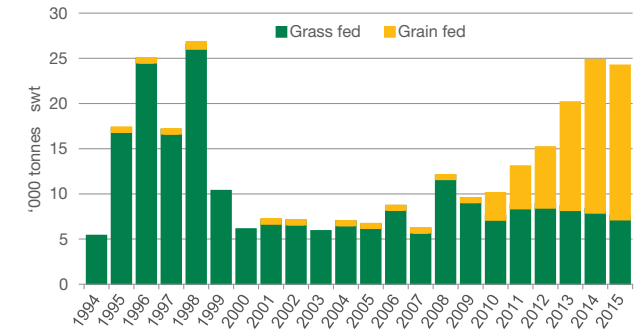
- Since the expansion of the grain fed quota (from 20,000 tonnes to 48,000 tonnes swt) in mid-2012, EU demand for grainfed beef has grown strongly. Total EU grainfed beef imports from all countries under the HQB "grainfed" quota increased 15% in 2014-15, to 47,605 tonnes swt – the highest usage registered since the quota was established.
- The A\$ weakened significantly against the British pound throughout 2015, assisting the price competitiveness of Australian product, as the UK remained Australia's main destination in the EU region (accounting for 40% of total exports).
- The HQB grainfed quota has allowed Australia to diversify its export destinations and cut matrix to the region, with shipments to the Netherlands, Italy and the Nordic countries increasing substantially in recent years.
- The EU economy is expected to improve, with real GDP forecast to grow 2% in 2016 and 2.1% in 2017. Domestic demand strengthened in most EU Member states in 2015 and economic activity should rise across the EU in 2016 and 2017 (EU Commission).
- Australian beef, through its strong presence in the foodservice sector, is positioned to capitalise on the European consumers improving discretionary spending power. Expected economic growth, combined with a recovery in consumer confidence, is likely to see increased spending for non-essential personal consumption items.



Weaknesses/threats

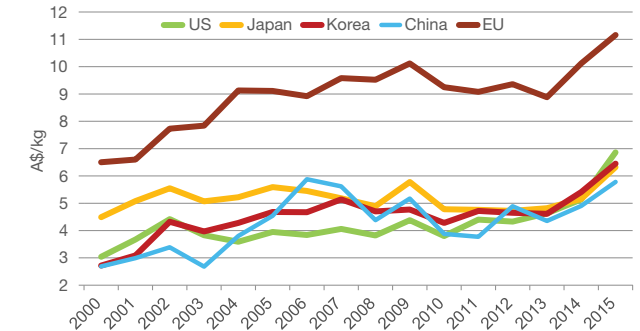
- Australian beef exports to the EU are severely constrained by two quotas, the HQB Hilton quota (Australia's share of this quota is 7,150 tonnes swt/year) which utilisation ranges from 90% to 100% each year, and global HQB Grainfed quota (48,200 tonnes swt/year – first come first served).
- Despite the continuous growth in demand for grainfed beef in the EU, Australian shipments to the EU declined 2% in 2015, to 16,128 tonnes swt, due to growing competition.
- Uruguay has been a growing supplier of beef to the EU, increasing its market share under the Grainfed Quota and with "Hilton Quota" utilisation ranging from 90% to 100% each year. Uruguayan beef production is forecast to reach 600,000 tonnes cwe in 2016, the highest since 2006. (USDA).

Figure 41. Australian exports to the EU



Source: DAWR

Figure 42. Export unit values



Source: Global Trade Atlas

The Bottom Line

- Australian beef and veal exports to the EU under the "Hilton" Quota is expected to be filled again in 2016, while shipments under the grainfed quota are forecast to decline slightly driven by strong competition from Uruguay and the US under the quota.

Live exports - summary

- Australian live cattle exports in 2016 are forecast to decline 17% year on year, to 1 million head – limited by availability, rather than waning demand.
- While the 2016 forecast is a decline, live cattle exports are still forecast to account for 12% of total cattle turn-off (live export plus slaughter), rather than the ten-year average of 9%, indicating slightly stronger demand for live animals than boxed beef, compared to previous years.
- Indicative feeder steer prices from Darwin during 2015 constantly found new highs, commencing the year at 253¢/kg lwt, before finishing at 340¢/kg lwt – up 87¢ from where 2015 closed.
- There are reports that importing countries were showing resistance at those price levels. However, the simultaneous rise in wet market prices in Indonesia in particular is working to offset some of the pressure. In fact, many of the indicative monthly Jakarta Wet Market prices ended 2015 at record, or near record, highs.
- The markets likely to continue demanding large live cattle numbers and be the influence on the market in 2016 will be Indonesia and Vietnam.

- Contributing to the rise in shipments during 2015 was the number of cattle exported from Townsville, where the market contribution for the year-to-November increased significantly. This may decline in 2016, considering the expected stronger local competition for cattle by processors and restockers for the reduced cattle supply.
- The growth to Malaysia, Israel and Thailand observed in 2015 may be tempered in 2016 – the result of fewer cattle – while the same reason will probably see the declines to Egypt, the Philippines and Russia repeated.

Table 3 Australian live cattle exports (head)

	2010	2011	2012	2013	2014	2015 Jan-Nov	% change ^e
To:							
Indonesia	521,002	413,726	278,767	452,239	728,404	576,367	-21%
Vietnam	1,427	1,276	3,353	66,953	181,561	311,315	71%
China	57,418	53,570	55,912	66,530	117,906	75,581	-36%
Israel	43,212	53,925	50,087	98,320	78,181	79,334	1%
Russia	12,538	30,568	38,977	34,584	47,780	41,706	-13%
Malaysia	17,084	12,287	32,781	47,534	53,004	50,719	-4%
Philippines	16,244	21,708	32,268	19,412	28,873	24,666	-15%
Japan	15,041	14,216	11,281	13,639	9,473	6,861	-28%
Others	190,950	93,520	115,992	51,062	47,020	74,695	59%
Total	874,916	694,796	619,418	850,273	1,292,202	1,241,244	-4%

Source: ABS, MLA forecasts

e = estimate (indicated in italics)

Figure 43. Australian live cattle exports

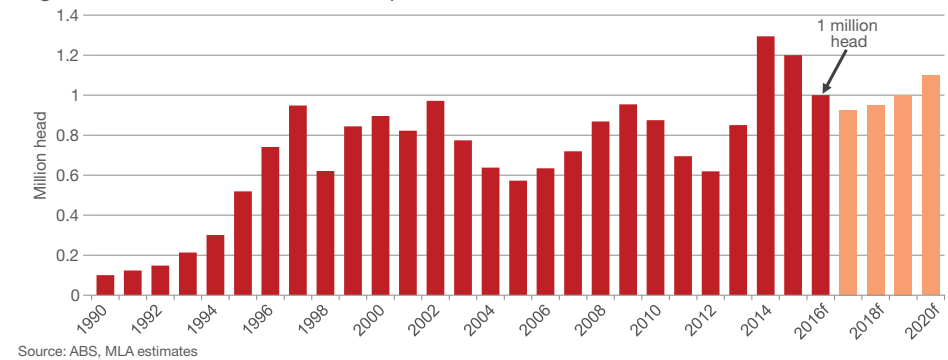
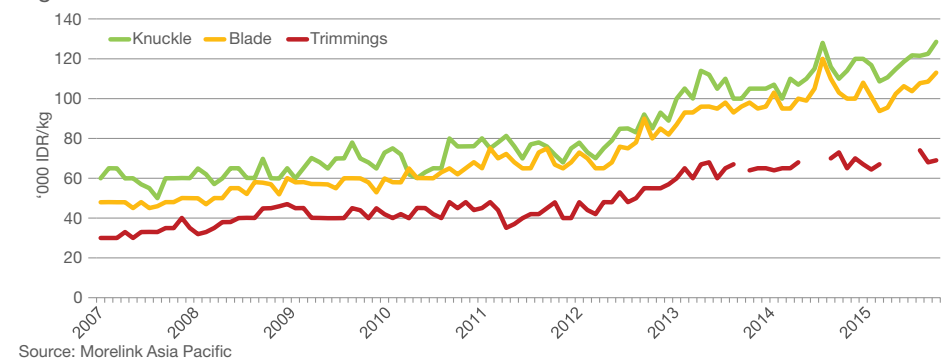


Figure 44. Jakarta wet market



Competitor summary

India

- India's beef production has been steadily increasing over the past five years. In 2015, total beef production was 2% higher year-on-year, at 4.2 million tonnes cwe (USDA). Domestic consumption in India jumped 9% over the same period, to 2.2 million tonnes cwe, while beef exports declined 4% on the previous year, to 2.0 million tonnes cwe.
- In 2016, USDA forecast India's cattle herd to remain fairly steady year-on-year, at 301.6 million head, while beef production is projected to rise 7% on 2015 levels, to 4.5 million tonnes cwe. Domestic consumption is projected to lift 6% over the same period, to 2.3 million tonnes cwe, while beef exports are forecast to reach 2.2 million tonnes cwe – up 9% on last year.

Brazil

- Brazil experienced poor climatic conditions during 2013 and 2014, which contributed to slower growth rates and low calving rates in 2015 – consequently impacting beef production. In 2015, Brazilian beef production fell 3% on the previous year, to 9.4 million tonnes cwe (USDA). As a result, Brazil's beef exports also declined over the same period, despite benefiting from competitive export prices due to the depreciation of the Real. Total beef shipments were 1.6 million tonnes cwe in 2015, 15% lower than the year before, reflecting reduced demand from Hong Kong and Russia – two of Brazil's largest markets for beef (USDA, Beef + Lamb NZ).
- USDA forecasts Brazil's cattle herd to grow 3% in 2016, to 219.1 million head, with beef production expected to follow suit, lifting 3% year-on-year, to 9.6 million tonnes cwe. Consequently, beef exports are forecast to lift 9% on year-ago levels to 1.8 million tonnes cwe. Prospects for Brazil are more positive in 2016, with trade having resumed to China and some signs of herd rebuilding evident.

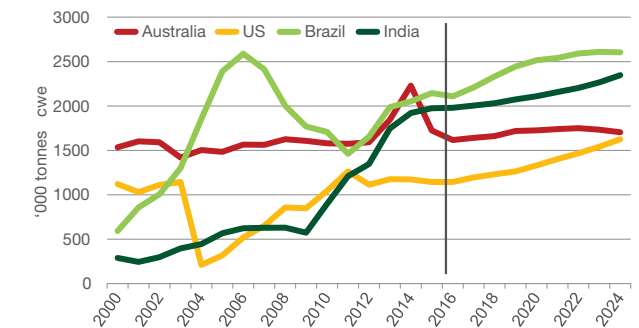
United States

- Following three consecutive years in decline, the US cattle herd has undergone a period of rebuilding over the last two years, lifting 1% in 2014 to 89.8 million head, and is forecast to have increased a further 3% in 2015, to 92.9 million head – back to 2011 levels (USDA).
- The herd rebuild has limited US beef production over the past couple of years, and as a result, beef imports increased considerably. US beef production declined 2% year-on-year in 2015, to 10.9 million tonnes cwe, while beef imports surged 17% over the same period, to 1.6 million tonnes cwe. USDA forecasts US beef production to ramp up in 2016, increasing 5% on the previous year, to 11.4 million tonnes cwe, and therefore imports are expected to fall 11%, to 1.4 million tonnes cwe.
- With less beef available, US beef exports dropped 11% in 2015, to 1.0 million tonnes cwe in 2015. Shipments are projected to increase 6% in 2016, creating greater competition for Australia in markets like Japan and Korea, to 1.1 million tonnes cwe (USDA).

New Zealand

- New Zealand (NZ) cattle slaughter is forecast to drop 8.5% for the 2015-2016 season (year ending September 2016), to 2.39 million head, off the back of elevated slaughter levels throughout 2014-15 (Beef + Lamb NZ). The forecast average carcass weight is 250kg per head, up 3.6% or 9kg year-on-year – the result of improvements across all categories, and the lower proportion of cows in the total slaughter. Consequently, NZ beef production is projected to total 598,600 tonnes carcass weight in 2015-16, down 5.3% on 2014-15 levels, although still 2.6% higher than the five-year average.
- In 2014-15, NZ beef exports surged 10% year-on-year to 421,700 tonnes shipped weight (swt), driven by strong global beef demand, high NZ beef production and a weaker NZ dollar. Beef + Lamb NZ's outlook for the year ending September 2016 is for beef exports to decrease 5.3%, to 400,000 tonnes swt.

Figure 45. Competitor beef export forecasts



Source: OECD-FAO

Sources and acknowledgements

This document was produced and compiled by Meat & Livestock Australia (MLA), with the help of industry participants in the annual cattle projections workshop.

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Agriculture and Livestock Industry Corporation (ALIC), Japan

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)

Australian Bureau of Meteorology (BOM)

Australian Bureau of Statistics (ABS)
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Australian Lot Feeders' Association (ALFA)

Beef + Lamb New Zealand
(formerly Meat & Wool New Zealand)

Business Monitor International (BMI)

CattleFax (US)

Centre for International Economics (CIE)

Chicago Mercantile Exchange

China Customs Bureau

Department of Agriculture (DA), Australia

Food and Agriculture Organisation (FAO) – United Nations

Frost and Sullivan

Global Trade Atlas (Australia)

HKJM - Hankook Jungbo Munwha

Hong Kong Customs and Statistics Department

IMA Asia

Indonesian Bureau of Statistics

International Monetary Fund (IMF)

Japan's Nissei Research Institute

Japan Foodservice Association

Japan Chain Stores Association

Korean Trade Information Service (KOTIS) – the Korea International Trade Association

Landmark

Ministry of Agriculture, Fisheries and Forestry (MAFF), Japan

Ministry of Agriculture and Fisheries, South Korea

Ministry of Finance, Japan

Morelink

NZ Ministry of Foreign Affairs and Trade

Reserve Bank of Australia (RBA)

Steiner Consulting Group, USA

The Economic Service – Beef + Lamb New Zealand

The Land newspaper

United States Department of Agriculture (USDA)

United States Department of Commerce

Acronyms

AANZFTA	– ASEAN-Australia-New Zealand FTA	HKJM	– Hanwoo Korean Market
ABARES	– Australian Bureau of Agricultural and Resource Economics and Sciences	HQB	– High Quality Beef
ABS	– Australian Bureau of Statistics	IMF	– International Monetary Fund
ALFA	– Australian Lot Feeders' Association	JAEPA	– Japan-Australia Economic Partnership Agreement
ALIC	– Agriculture and Livestock Industry Corporation – Japan	JFY	– Japanese fiscal year (April to March)
ASEAN	– Association of South East Asian Nations	KAFTA	– Korean-Australia Free Trade Agreement
BMI	– Business Monitor International	KORUS	– Korea–US Free Trade Agreement
BPIPI	– Beef Producers Input Price Index	KOTIS	– Korean Trade Information Service – the Korea International Trade Association
BSE	– Bovine spongiform encephalopathy (mad cow disease)	Ib	– Pounds (weight)
ChAFTA	– China-Australia Free Trade Agreement	lwt	– Liveweight
CIF	– Cost insurance and freight (export price at destination)	MENA	– Middle East North Africa
CIS	– Commonwealth of Independent States	MLA	– Meat & Livestock Australia
CLM	– Cambodia Laos Myanmar	NLRS	– National Livestock Reporting Service (Meat & Livestock Australia)
CME	– Chicago Mercantile Exchange	NZ	– New Zealand
cwt	– Carcase weight	OIE	– Office International Des Epizooties (world animal health organisation)
DAWR	– Department of Agriculture and Water Resources	PNG	– Papua New Guinea
DFAT	– Department of Foreign Affairs and Trade	RBA	– Reserve Bank of Australia
EIF	– Enter Into Force	RCEP	– Regional Comprehensive Economic Partnership
EPA	– Economic Partnership Agreement	SEA	– South East Asia
ESCAS	– Exporter Supply Chain Assurance System	swt	– Shipped weight
EYCI	– Eastern Young Cattle Indicator (price)	TPP	– Trans Pacific Partnership
EU	– European Union	TRQ	– Tariff Rate Quota
FAS	– Free alongside ship (export price before departure)	UAE	– United Arab Emirates
FAO	– Food and Agriculture Organisation (United Nations)	UK	– United Kingdom
FMD	– Foot and Mouth Disease	US	– United States
FOB	– Free on board ship (export price loaded on ship before departure)	USDA	– United States Department of Agriculture
FTA	– Free Trade Agreement	WTO	– World Trade Organization
GFC	– Global Financial Crisis (mid-2008)		
GTA	– Global Trade Atlas		



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