

Top 10 trends of 2024

1 US protein deficit



The US cattle herd is the smallest in 72 years. Despite a level of climate recovery and slaughter figures pulling back, US beef production remains firm thanks to increased carcass weights.

As Australia approaches record beef production in 2025, increasing demand for beef trim in the US has and will continue to support our inflated grassfed turn-off and prices. Additionally, US beef redirected to domestic consumption has increased Australian market share in Japan and Korea.

2 Improved confidence



Producer sentiment is a lead market indicator. Sheepmeat sector sentiment has returned to positive scores of +42 after high supply and climate outlooks led sentiment to dip to -42 in 2023. Scores lifted across all states, however WA remained a strong outlier, remaining negative at -2.

While sentiment scores have lifted, the market remains susceptible to the influence of producer sentiment. However, with the volatility of the past 24 months, producers may act conservatively to avoid the impact of an unpredictable market.

3 Wet north, dry south



A separation of conditions across the north and south of Australia caused variance in herd and flock reactions over 2024. Queensland, northern NSW and pastoral regions entered a fourth generally positive season leading to turn-off of quality mature cattle and elevated feedlot utilisation. Southern NSW, Victoria, South Australia, Tasmania, and parts of WA have faced dry conditions, leading to destocking activity.

Variation across the country has led to a stable national flock and herd and a level of market protection, as participants move to trading based on feed availability.

4 Wool-to-meat – the rise of the shedder



The national sheep flock was built on Merinos and a strong Australian wool sector. More recently the sector has trended towards dual-purpose sheepmeat breeds and crop production, influenced by input prices, policy decisions, and shifting generational desires.

The fastest-growing sheep breed type is the shedding sheep. Uptake of shedding genetics has grown in traditionally wool-based regions as an alternate stock option. With lower infrastructure needs, decreased labour requirements, and fertility benefits, more shedding genetics in the national flock will lead to higher sheepmeat production capability.

5 Growth in the feedlot sector



Australia's lot feeding sector has seen rapid growth as the number of cattle on feed lifted 24% to more than 1.4 million in five years. Investments in feedlot capacity, efficiency, international demand for grainfed beef, and a domestic preference for production stability have fuelled this expansion.

Grainfed export volumes are growing faster than turn-off, signalling a shift towards longer-fed programs that produce larger carcasses. Quarterly exports have exceeded 100,000 tonnes for the first time to a strong market base. This growth in exports and numbers on feed provides reassurance of a stable and consistent supply.

6 Market access breakthroughs



The United Arab Emirates (UAE) is Australia's largest trade and investment partner in the Middle East, representing a total export value of A\$525.6 million in 2023–24. The conclusion of the Australia-UAE Comprehensive Economic Partnership Agreement (CEPA) negotiations was announced in September 2024, with frozen red meat to benefit via the elimination of the 5% import tariff (chilled products already enter the UAE at 0%). The Australia-United Kingdom Free Trade Agreement (AUKFTA) entered into force in May 2023 and in the first year, increased the value of our red meat trade by 79% to A\$170 million (albeit from a previously very small quota-constrained volume) underpinned by demand growth in chilled grassfed, chilled grainfed and frozen lamb.

7 Record lamb production



Australian sheepmeat production has entered a new phase. A combination of elevated slaughter rates and increased carcass weights have pushed a 24% lift in Australian lamb production over the past two years. Lamb production is forecast to reach record production volumes of 665,000 tonnes carcass weight by the end of 2024.

The use of weight-based carcass valuing from processors has led producers to focus on practices to increase weights. The increased popularity of breeds such as Dorpers with impressive weight gaining ability, and fertility suitable for accelerated breeding, will further push industry to elevated production.

8 Goat surpassing records



Australia, the world leader in goatmeat exports, has set a new export volume record in 2024. Production is running at exceptionally high capacity, breaking the previous record set in 2014. A high supply of animals, expanded processing capacity, and strong and sustained demand from key markets, supported this year's surge.

The US and Korea, Australia's top export destinations, have shown strong appetites for goatmeat, readily absorbing increased export volumes and maintaining relatively stable prices throughout the year. This highlights the enduring appeal of Australia's high-quality goatmeat in high-value markets.

9 Cost-of-living



Global red meat demand remains sensitive to cost-of-living pressures. Although inflation eased in 2024 from recent peak levels, household budgets continue to be strained, with consumers still feeling 'pessimistic' according to the Organisation for Economic Co-operation and Development Consumer Confidence Index.

Economic pressures are changing consumer behaviours, with many still enjoying Australian beef and lamb, but shifting to lower value cuts. In China, while Australian beef is now commonly featured in modern retail, demand for fine dining has significantly reduced due to softer economic growth and cautious consumer sentiment.

10 Input costs and freight



Sea freight rates have become more volatile in 2024 due to global events and persistent supply-demand pressures. Conflicts, including the Red Sea Crisis, have added unique challenges, such as delaying red meat shipments from Australia to parts of Europe and the Middle East. Broader impacts on container logistics have also driven up rates for essential grower inputs, such as fertilisers, grain, and fuel, underscoring the complex logistical and financial pressures facing the red meat industry in 2024.