



Australian Government

**Department of Agriculture
and Water Resources**

ABARES



Outlook for meat

Steering through the headwinds



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**Australian Bureau of Agricultural
and Resource Economics and Sciences**

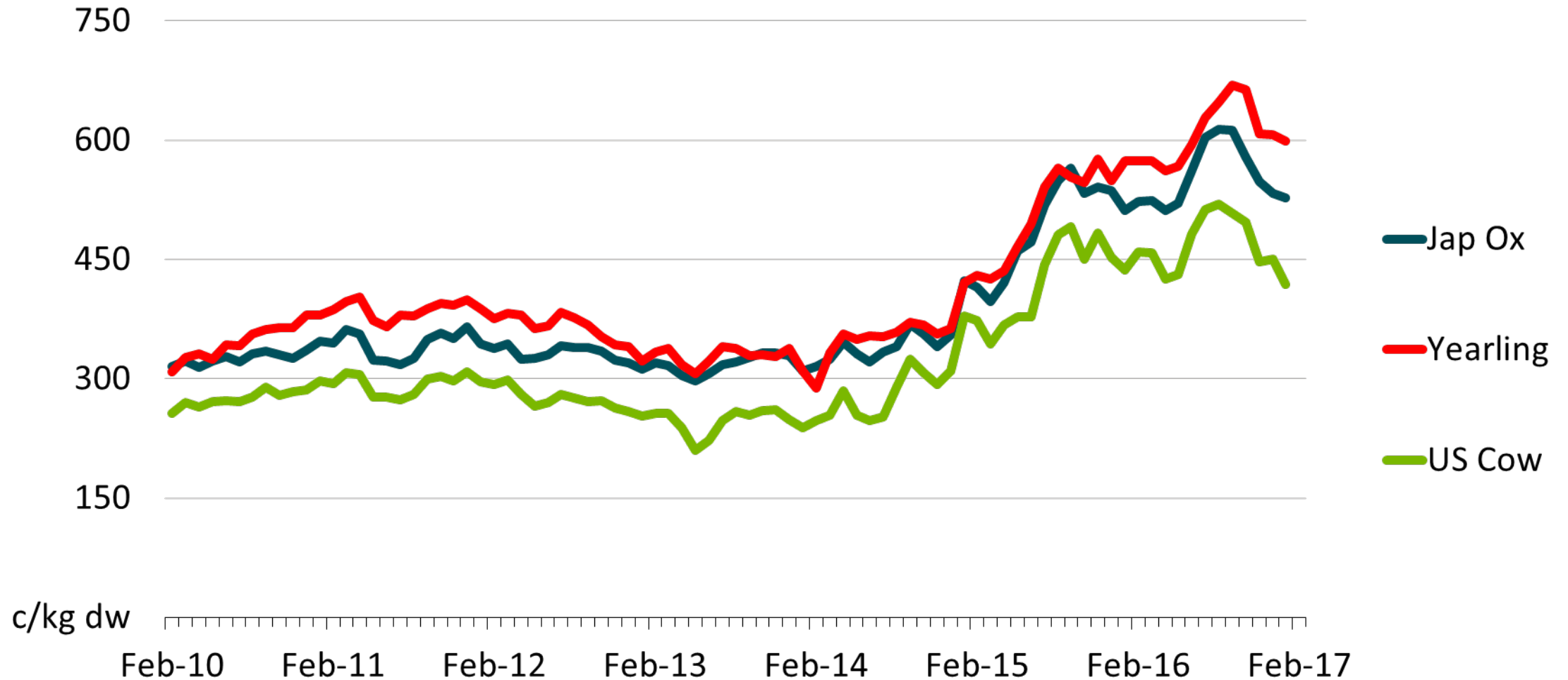
8 March 2017

Research by the
Australian Bureau of Agricultural and Resource Economics and Sciences

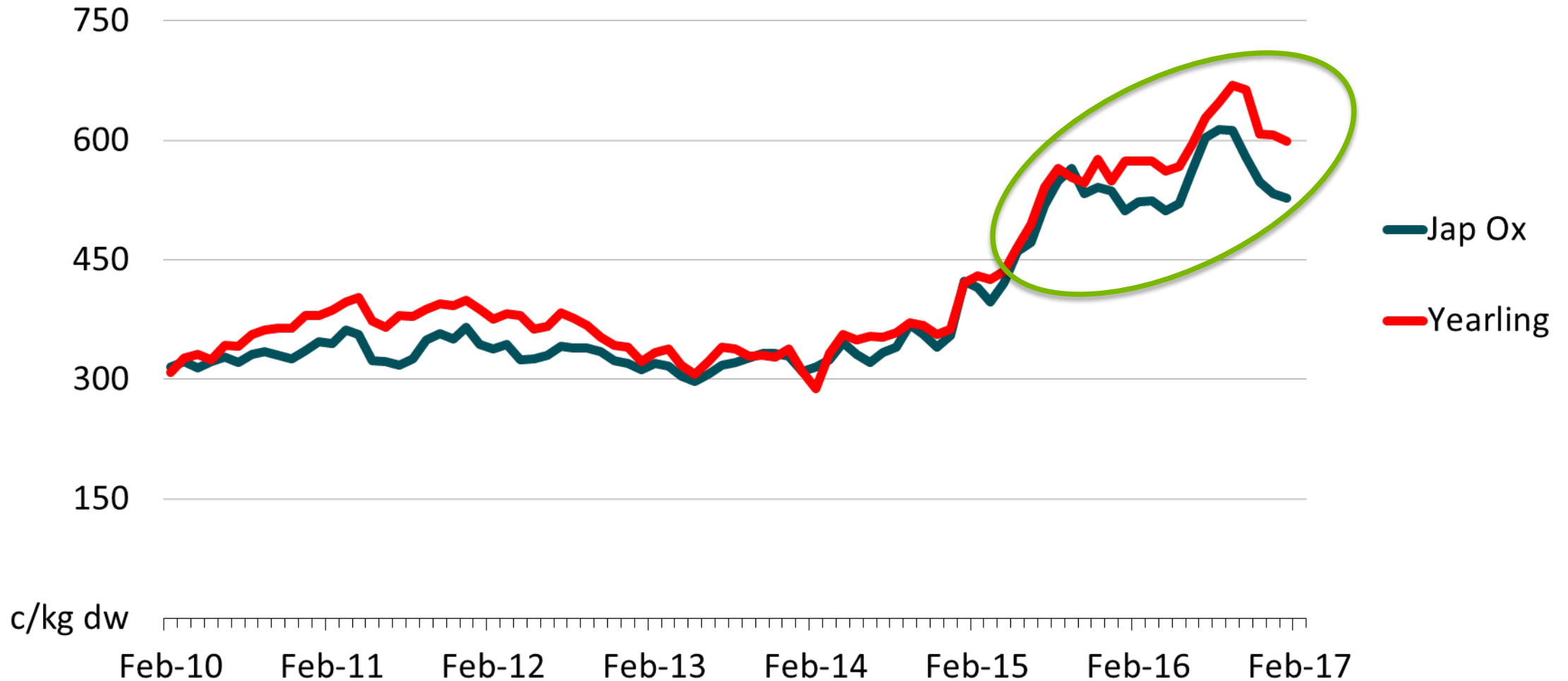
What's driving the outlook?

- Cattle herd and sheep flock rebuilding—strong restocker demand
- Strong result for farm incomes
- Slow growth in beef production, faster growth for lamb
- Competition in export markets will be a constraint
- Innovation required to remain competitive

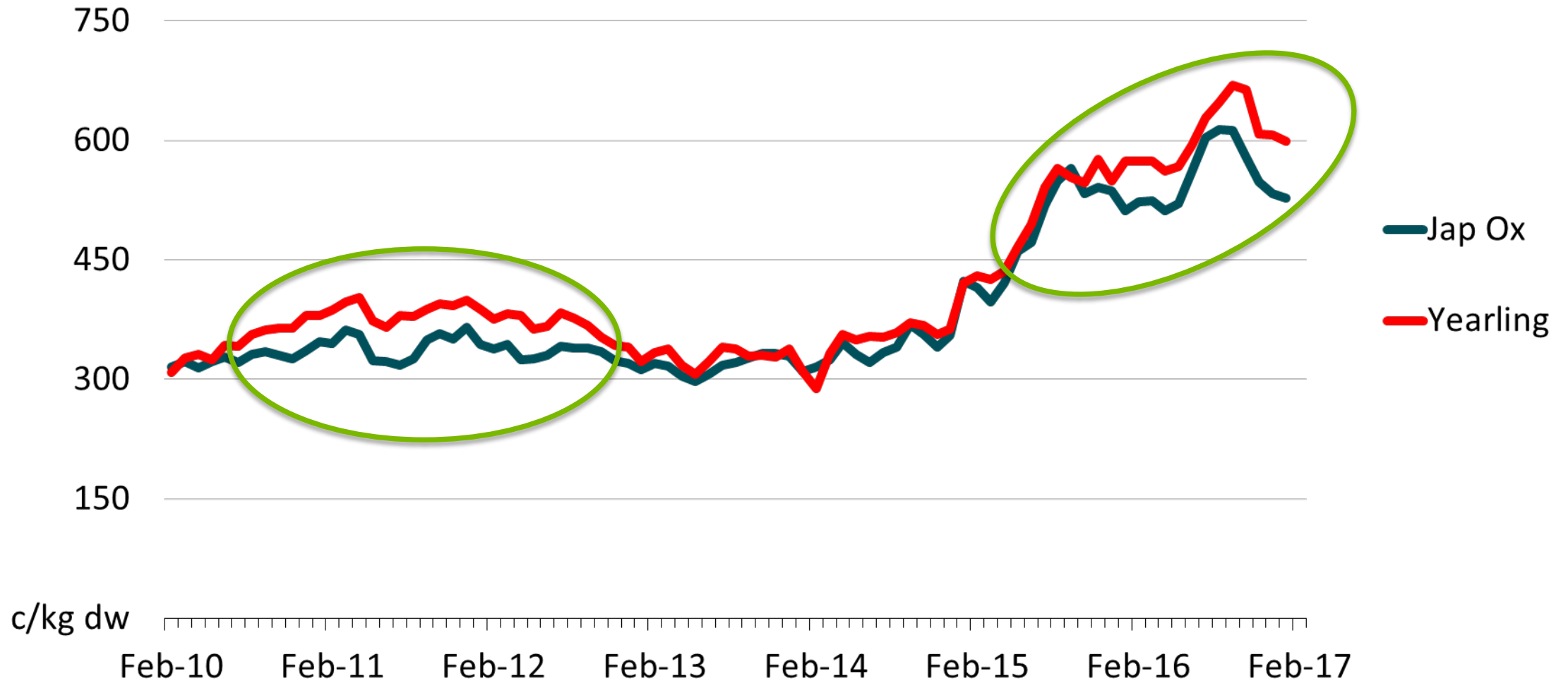
National saleyard cattle prices, monthly



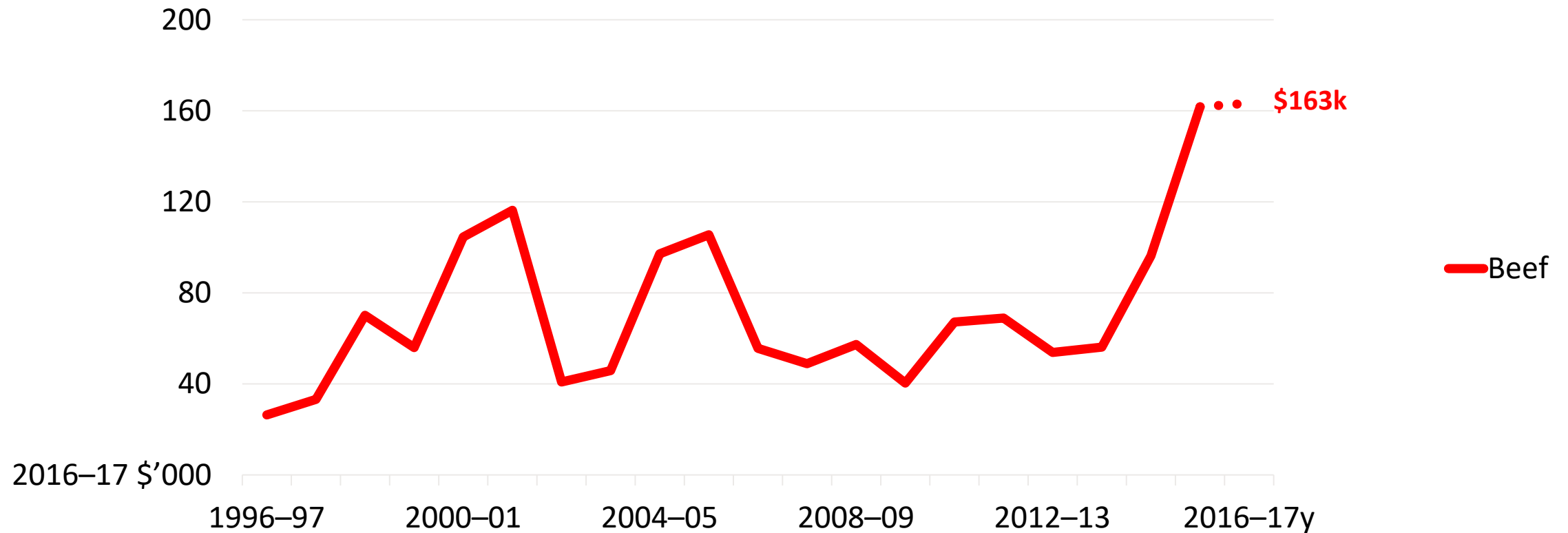
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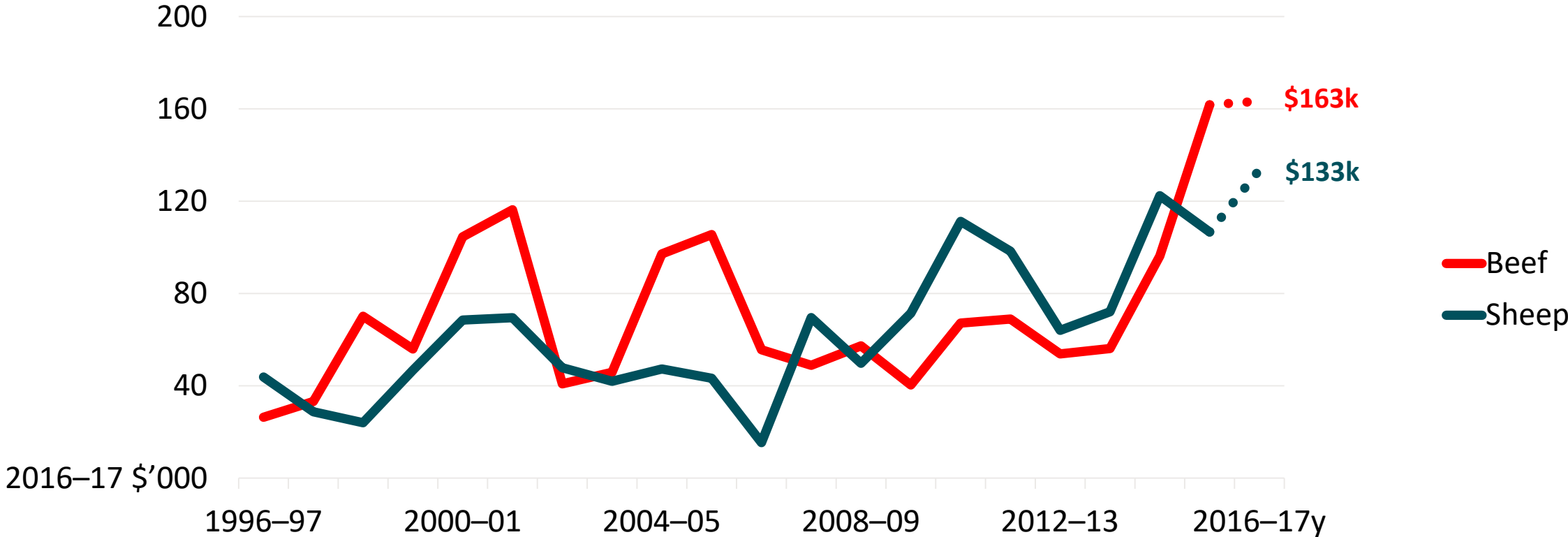


Farm cash income average per farm



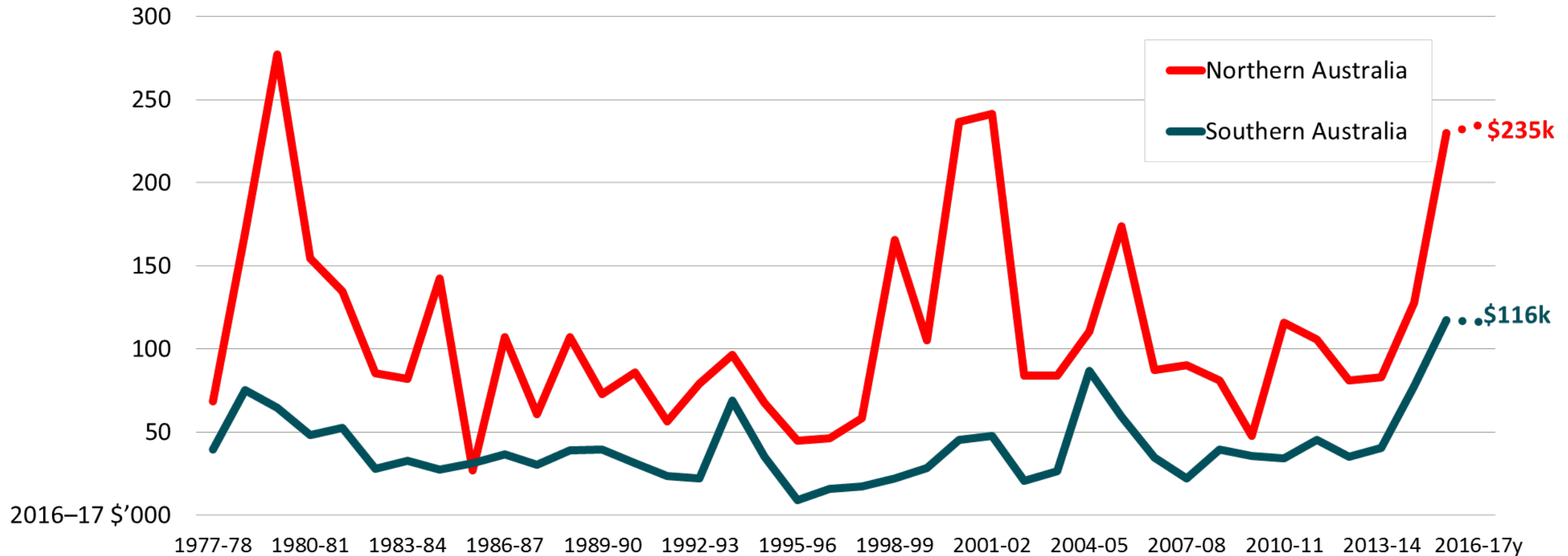
y ABARES provisional estimate

Farm cash income average per farm



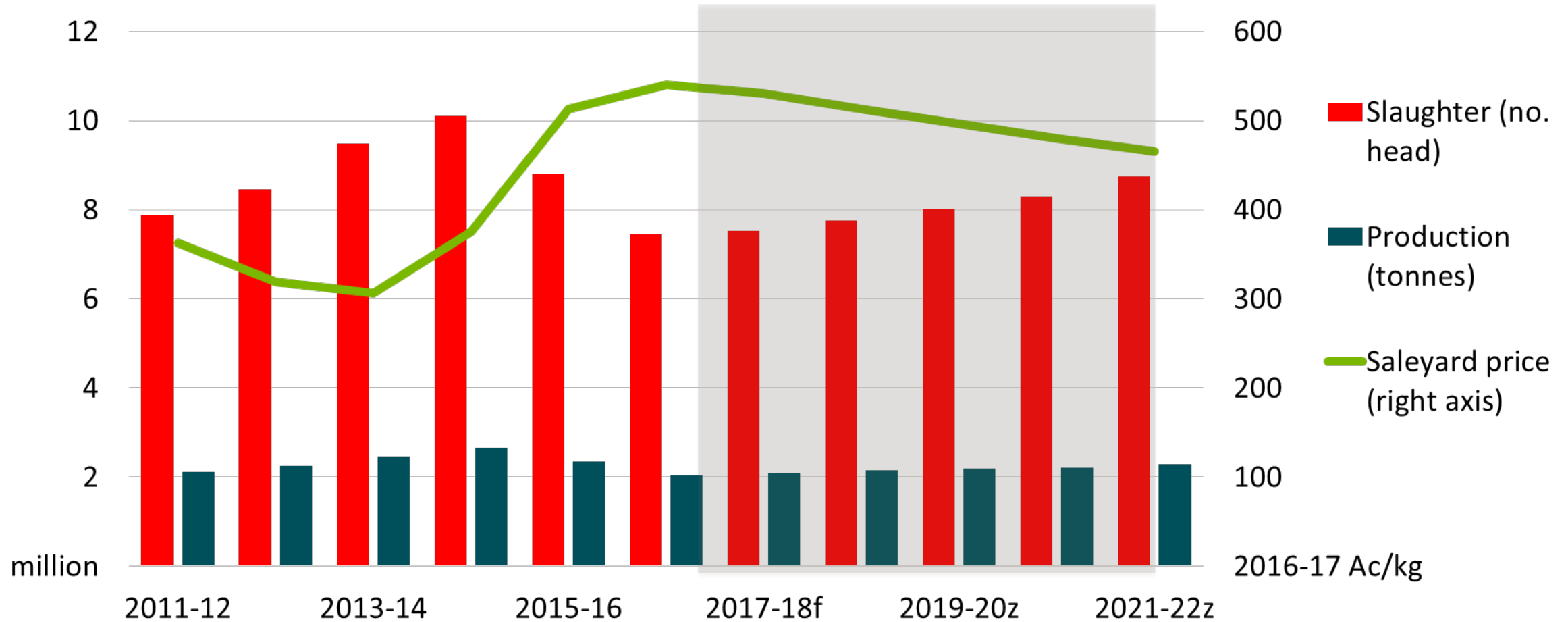
y ABARES provisional estimate

Farm cash income—beef industry farms average per farm



y ABARES provisional estimate

Cattle slaughter, beef production and saleyard prices

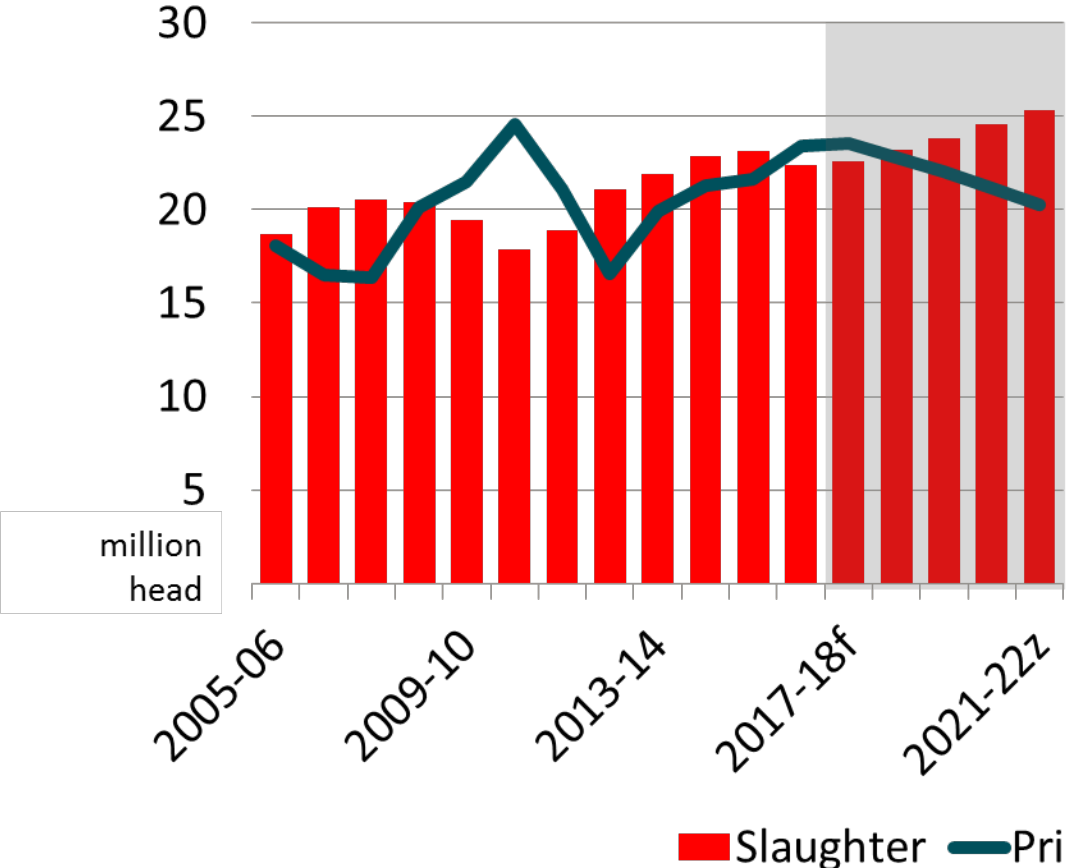


f ABARES forecast

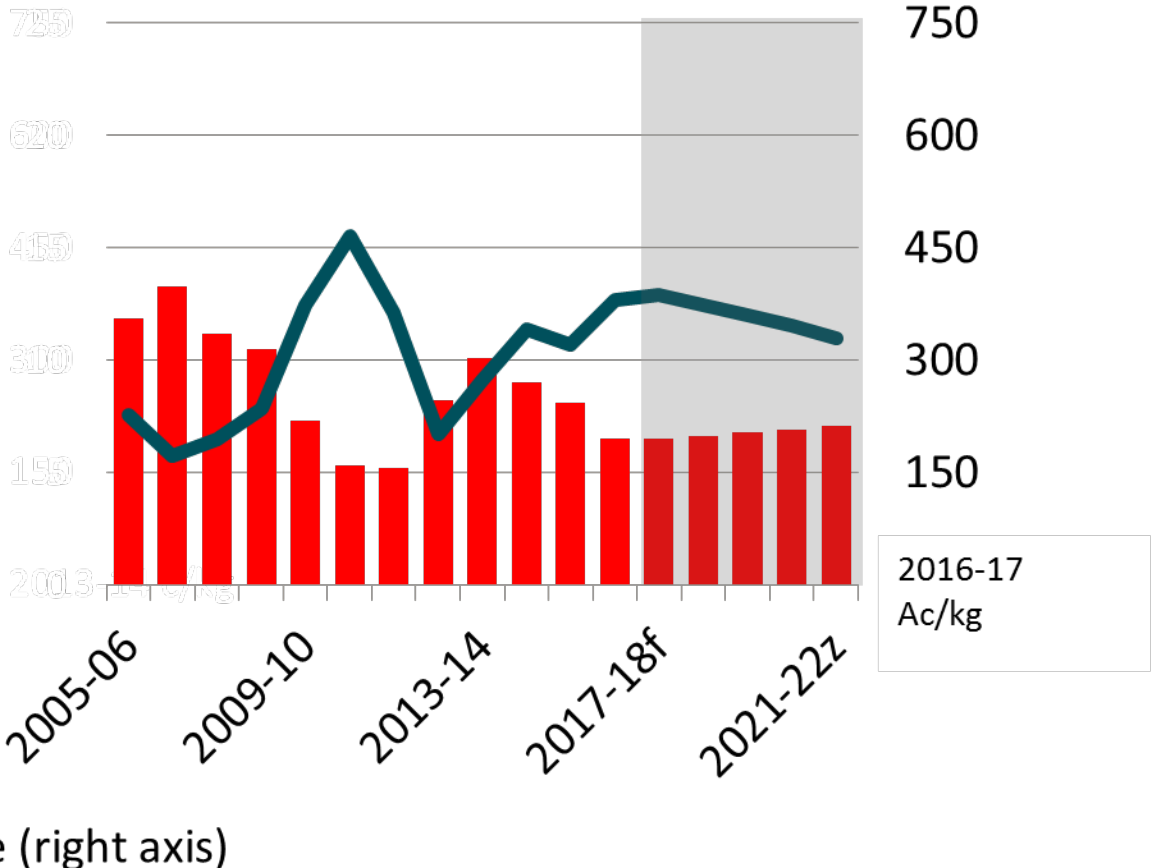
z ABARES projection

Lamb and sheep slaughter and saleyard prices

Lambs

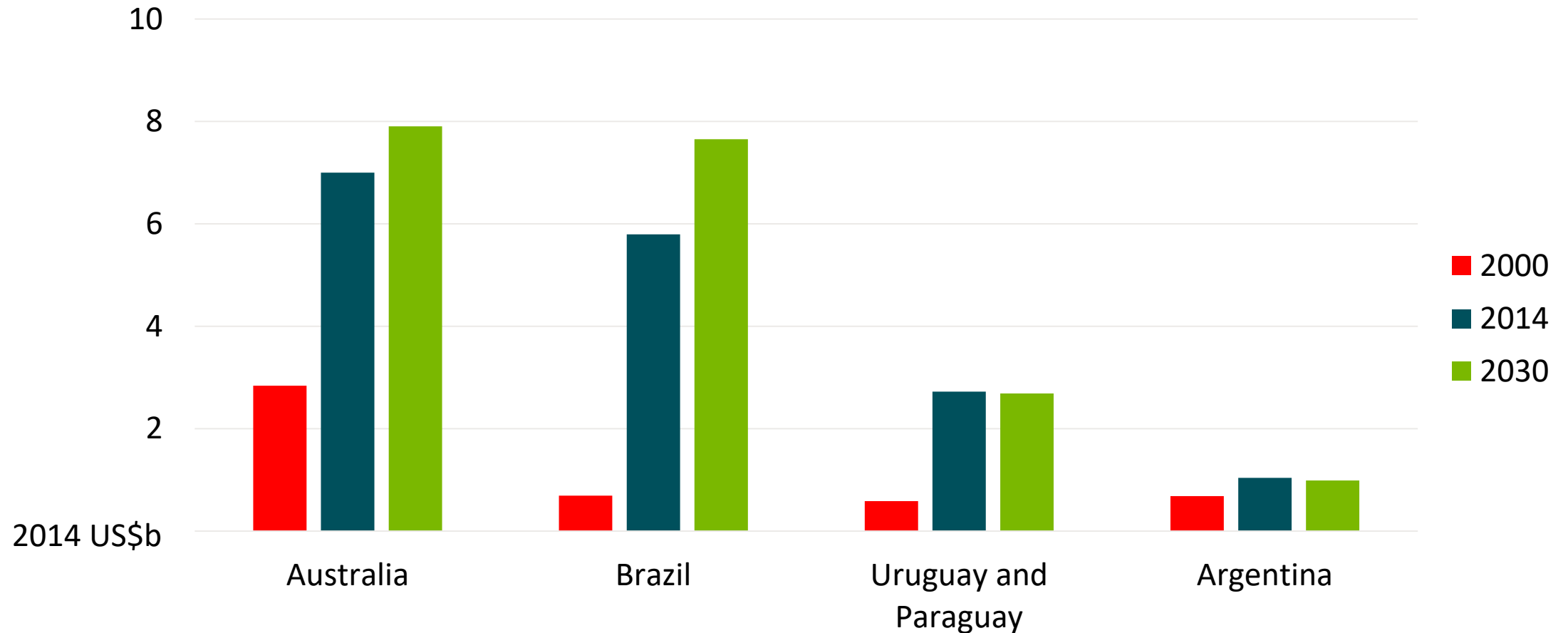


Sheep



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Beef export value, Australia and South America



Source: *South America: an emerging competitor for Australia's beef industry* (Hyde M, Thorpe S, Waring A, Moir B & Gunning-Trant C 2016)

Drivers of growth in beef exports between 2000 and 2014

Australia

Export value (2014 US\$)

- 2000 US\$2.8 billion
- 2014 US\$7.0 billion

Export supply costs

↑ 26%

Market access

↑ 88%

Real exchange rates

↓ 22%

Income growth

↑ 8%

Drivers of growth in beef exports between 2000 and 2014

	<u>Australia</u>	<u>Brazil</u>
Export value (2014 US\$)		
• 2000	US\$2.8 billion	US\$0.7 billion
• 2014	US\$7.0 billion	US\$5.8 billion
<hr/>		
Export supply costs	↑ 26%	↑ 37%
Market access	↑ 88%	↑ 55%
Real exchange rates	↓ 22%	— 0%
Income growth	↑ 8%	↑ 8%

Innovation

- Virtual fencing
- Remote livestock and pasture management
- Acid tolerant pastures
- Genetic marker tests – Hornless cattle and sheep
- Big data analytics
- Automated processing
- Carcase measurement technology
- Food for the future—developing new value added beef, goat and lamb products



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