MEAT & LIVESTOCK AUSTRALIA

# STATE OF THE INDUSTRY REPORT

Exploring the economic impact and landscape of the Australian red meat and livestock industry using comprehensive data from 2023.



# Contents

**The *State of the Industry Report* provides a comprehensive snapshot of the red meat and livestock industry in 2023. Data from that period is used to assess the Australian red meat and livestock industry's performance and measure its contribution to the wider economy. Commentary throughout this document, including the executive summary, is based on the industry landscape in 2023.**

**For timeliness, MLA has provided a number of snapshots on key issues and topics relevant to the current environment, from page 26.**

# Executive summary

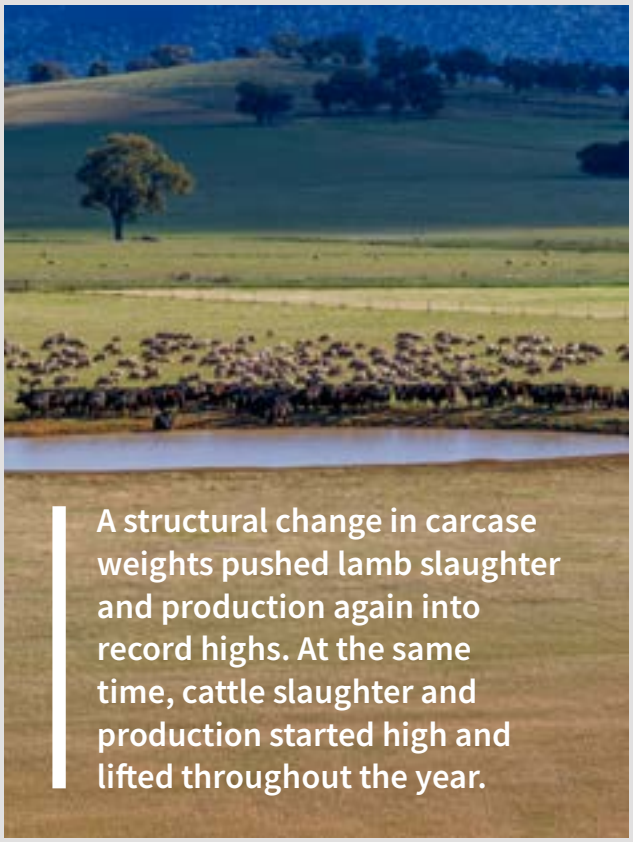
**In 2023, the red meat and livestock industry remained resilient in a year of volatility. After three years of consistent growth, industry was starting from a strong base, moving into a period of significant change. The red meat sector was ready to turn-off record numbers and volumes.**

However, conditions drying out in the second half of the year followed by the declaration of an El Niño and Positive Indian Ocean Dipole (IOD), mimicked conditions that kicked off the 2017–19 drought. This combination impacted confidence and caused instability – pushing prices to concerning lows. Strong demand across a diversifying export market and strength in the processing sector allowed industry to keep up with this unprecedented environment.

A structural change in carcase weights pushed lamb slaughter and production again into record highs. At the same time, cattle slaughter and production started high and lifted throughout the year. The maturing herd was ready to turn-off post-rebuild, and growing demand from the United States to supplement their low herd meant Australia was in a good position to satisfy demand.

The three-year recovery after the 2017–19 drought returned a wider state of confidence in the red meat and livestock industry. Medium-term confidence was positive coming into 2023, boosting the number of businesses and employment figures to within 1% of five-year averages.

In regard to the short term, weather and climate forecasts are cattle and sheep producers' most significant decision-making drivers. As mentioned earlier, the declared El Niño event and positive IOD, along with poor seasonal forecasts, resulted in a large supply of livestock entering the supply chain, causing a shock to the market. Just as prices fell to unexpected lows, the market experienced a form of correction when conditions improved, as much of the country received favourable rainfall in the fourth quarter.



**A structural change in carcase weights pushed lamb slaughter and production again into record highs. At the same time, cattle slaughter and production started high and lifted throughout the year.**

On a global scale, the United States' drought pushed its herd to its lowest point in more than 70 years. The recovery, forecast to start in 2025, meant demand for Australian beef lifted as the year progressed, leading to the United States being our largest market for beef in 2023. The beef opportunity expanded beyond the United States as its withdrawal from the high-value markets of Japan and Korea gave Australia the opportunity to grow and solidify our trade with these nations.

Conflict across the globe continued to cause disruptions to both trade and cost of inputs. Disruptions to the Red Sea trade route halted standard trade of live export, and the Russia and Ukraine conflict maintained pressure on grain and chemical inputs.

A steadying of the domestic labour market and expansion of current and new processing plants have provided growth to Australia's processing capacity. This has allowed industry to absorb and manage the surplus of cattle and sheep turned-off over the year, helping industry reach records in both production and slaughter.

Coming in from record production in 2022, the size of the sheep flock was apparent, with a consecutive lift in lamb production and slaughter through 2023. Breeding ewes were retained over previous years to take advantage of prices and conditions. Despite varied conditions across sheep country, carcase weights held above 24kg/head. 2023 was the highest lamb slaughter and production year on record, positioning Australia as the largest exporter of sheepmeat once again. In 2023 Australia supplied 50% of the global trade of sheepmeat, further solidifying our market share on the global stage.

Goat production continued its upward trajectory, reaching record slaughter and production figures. Despite a 63% dip to over-the-hooks pricing, supply remained firm. China, a strong emerging market for Australian goatmeat, played a leading role in Australian goatmeat exports, making up 20% of 2023 export volumes. Along with additional export markets, China is supporting the diversification of our exports.

The value of red meat and livestock exports lifted once again among strong international demand. Chilled and frozen meat exports made up 83% of export value – an increase from the previous year – and offset the slight reduction in co-product value. Live exports were reduced in value despite increased volumes, due to market prices easing throughout the year.

After prolonged lifts over the last decade, domestic retail beef and lamb prices flattened out toward the end of 2023. Eased retail prices meant an uptick in red meat consumption especially for lamb, which was driven by more Australian households purchasing higher volumes of lamb more often in 2023.

# Operating environment

## Australia holds a relatively small share of the global cattle and sheep inventory

Australia held around 1.9% of the global cattle herd in 2022 *(Australian Bureau of Statistics (ABS), FAO)*.

Australia held around 5.8% of the global sheep flock in 2022 *(ABS, Food and Agriculture Organization of the United Nations (FAO)*.

## Australia is a key exporter in global red meat markets

Australia was the second largest beef and bovine meat exporter in 2023, after Brazil and ahead of India and the US *(Department of Agriculture, Fisheries and Forestry (DAFF), Trade Data Monitor (TDM)*.

Australia was the world's largest sheepmeat exporter in 2023 ahead of New Zealand, the UK and Uruguay *(DAFF, TDM)*.

Australia was the world's largest goatmeat exporter in 2023, ahead of Kenya, Ethiopia and Tanzania *(DAFF, (TDM)*[1].

In 2023, Australia exported 673,695 live cattle and 611,822 live sheep *(DAFF)*.

## Global meat consumption is increasing

Over the past 20 years, total global consumption of meat has been steadily increasing at an average annual rate of 1.0% for beef, 1.9% for sheepmeat, 1.4% for pork, and 3.1% for poultry meat *(Organisation for Economic Co-operation and Development (OECD)*.

According to the Australian Bureau of Statistics' (ABS) consumer price index (CPI) data, retail lamb prices reduced by 15.1% in 2023. Similarly, over the same period retail beef prices were down 4.5%. In contrast, seafood, poultry and pork prices have risen 7.5%, 3.1%, and 5.5% respectively.

In Australia, plant-based protein consumption accounts for 0.47% of in-home fresh meat volume sales. Despite domestic plant-based consumption remaining relatively stable the past few years, this has decreased -3.6% since the same period last year *(NielsenIQ Homescan)*[2].

## Australia's per capita beef and sheepmeat consumption continues to be one of the largest in the world[3]

Australian per capita consumption of beef was approximately 23.4kg in 2023, while the global average was 6.0kg *(ABS, DAFF, OECD-FAO)*.

Australian per capita consumption of sheepmeat was approximately 7.1kg in 2023, while the global average was 1.3kg *(ABS, DAFF, OECD-FAO)*. Easing prices have boosted lamb consumption, making it the highest it has been since early 2021 *(ABS, DAFF)*.

**1** Source changed from Comtrade to TDM in 2024.

**2** Meat & Livestock Australia's calculation is based in part on data reported by NielsenIQ through its Homescan Service for the Fresh Meat for the 52-week period ending 24/03/2024, for the Total Australia Grocery, according to the client defined product hierarchy. Copyright © 2023, Nielsen Consumer LLC.

**3** Domestic meat consumption is measured by removing the portion of exports (DAFF data) from total production (ABS data) and assuming the difference is consumed (or at least disappears) domestically. Imports are also added to domestic consumption when present. Per capita consumption is calculated by dividing domestic consumption by ABS population data. Please note that domestic per capita consumption is entirely a supply statistic and does not take account of waste or non-food uses of livestock meat products.

# The industry environment

## Production of livestock

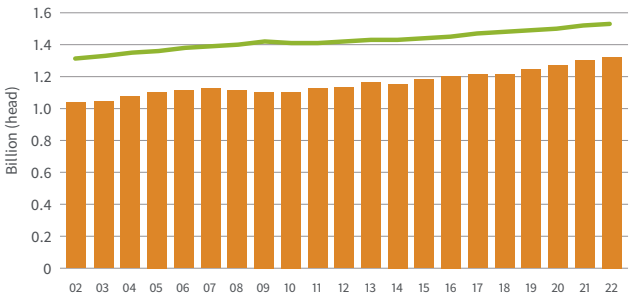
### Global and domestic herd and flock size

- The global cattle herd was 1.6 billion head in 2022 **(Figure 1)** *(FAO)*.
- The global sheep flock was 1.3 billion head in 2022 **(Figure 1)** *(FAO)*.
- Australia accounts for a small proportion of the world's herd and flock – approximately 1.9% of the global cattle herd and 5.8% of the global sheep flock *(ABS, FAO)*.
- Australia's cattle herd was 29.9 million head and the sheep flock was 78.8 million head as of 30 June 2023 **(Figures 2 and 3)** *(ABS, MLA)*.

### Production

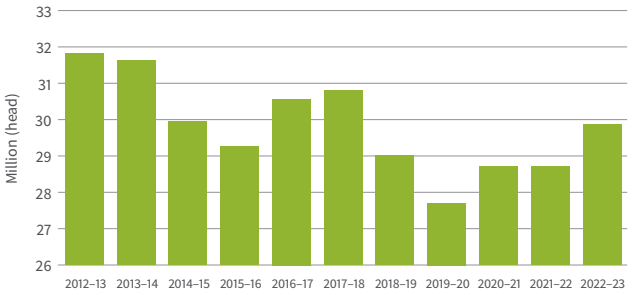
- Global beef and veal production was 74.3 million tonnes carcase weight (cwt) in 2023 **(Figure 4)** *(FAO)*.
- Global sheepmeat production was 16.9 million tonnes cwt in 2023 **(Figure 4)** *(FAO)*.
- Australia accounted for approximately 3% of global beef production and around 5% of global sheepmeat production in 2023 *(ABS, FAO)*.
- Australia produced 2.2 million tonnes cwt of beef and veal, and 849,249 tonnes cwt of lamb and mutton in 2023 *(ABS)*.

**Figure 1:** Global cattle herd and sheep flock




*Source: FAOSTAT*

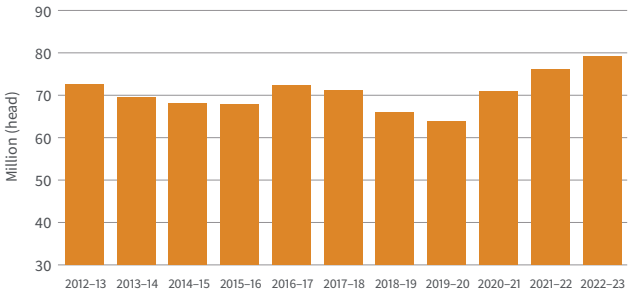
**Figure 2:** Australian cattle herd




*Source: ABS*

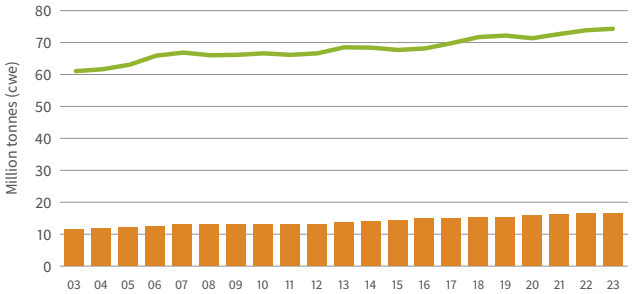
Note: Data is using ABS experimental figures.

**Figure 3:** Australian sheep flock




*Source: ABS, MLA estimate*

**Figure 4:** Global beef and sheepmeat production




*Source: OECD-FAO*

# Consumption of red meat

## Global consumption

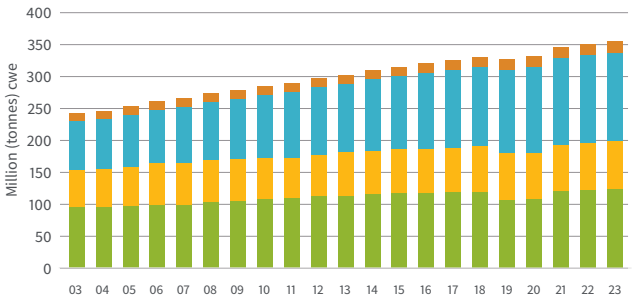
- Over the past 20 years, global consumption of meat has been steadily increasing. In 2023, 353 million tonnes of meat were consumed globally **(Figure 5)** *(OECD)*.
- Total global consumption increased at an average annual rate of 1.2% for beef and veal, 1.0% for sheepmeat and 1.5% for pork in 2023. Chicken grew on average at 3.2% between 2003 to 2022 however with outbreaks of Avian Influenza in multiple parts of the world, growth was relatively flat at 0.7% in 2023 *(OECD-FAO)*.
- In 2023, sheepmeat accounted for 5% of total global meat consumption (excluding seafood), while beef and veal accounted for 21%. Poultry and pork accounted for 39% and 35%, respectively *(OECD-FAO)*.

## Domestic consumption

- Despite the steady decline in Australia's per capita consumption of red meat over the past two decades, Australia remains one of the world's largest consumers of beef, ranked third behind Argentina and the US, with per capita consumption in 2023 averaging 23.4kg[4] **(Figure 6)** *(ABS, DAFF, OECD-FAO)*.

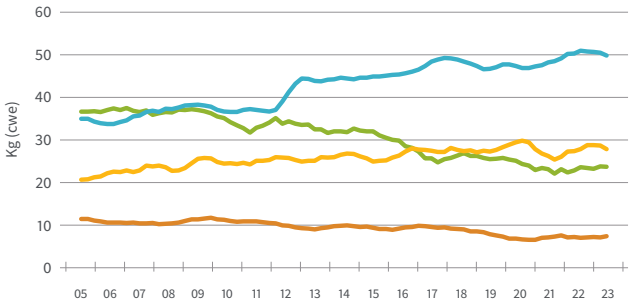
  **Note:** 92% of Australian households purchased beef and 72% bought lamb in the past year *(NielsenIQ)*[2].
- Australia continues to be one of the largest per capita consumers of sheepmeat in the world. The retail price for lamb has been cheaper than beef since mid-2023, helping to boost lamb consumption. According to the OECD, Australia was the largest sheepmeat consumer on a per capita basis in 2023 followed by Kazakhstan, Türkiye, Israel, Norway, Saudi Arabia, China and the UK *(OECD-FAO)*.
- Australia's per capita consumption of lamb has been stable, maintaining an average of 7.1kg between 2020 and 2023 *(ABS, DAFF)*.
- Australia's per capita consumption of mutton on average is 0.5kg over the last 10 years *(ABS, DAFF)*.
- Consumer preferences toward lamb, combined with increased demand from export markets for quality sheepmeat, has resulted in almost all of Australia's mutton being exported.
- Around two thirds of Australian consumers have maintained their level of red meat consumption over the past 15 years, while 28% of consumers have reduced their intake and 15% of consumers have increased their red meat consumption in 2023. **(Figure 7)** *(MLA Community Sentiment Research)*.

**Figure 5:** Total global meat consumption




*Source: OECD-FAO*

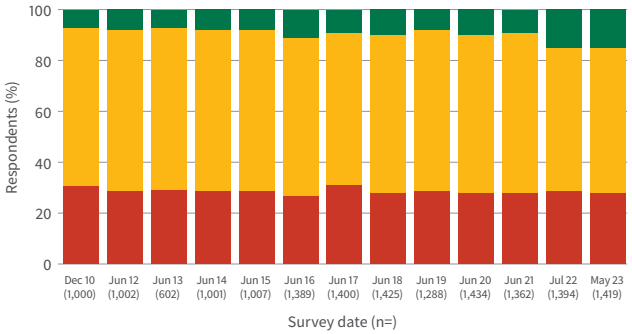
**Figure 6:** Australian per capita meat consumption




*Source: ABS, DAFF, MLA calculations*

Note: Rolling 12-month average per capita consumption kg/head.

**Figure 7:** Australian red meat consumption patterns




*Source: MLA Community Sentiment Research*

**4** Domestic meat consumption is measured by removing the portion of exports (DAFF data) from total production (ABS data) and assuming the difference is consumed (or at least disappears) domestically. Imports are also added to domestic consumption when present. Per capita consumption is calculated by dividing domestic consumption by ABS population data. Please note that domestic per capita consumption is entirely a supply statistic and does not take account of waste or non-food uses of livestock meat products.

## Key export and import players

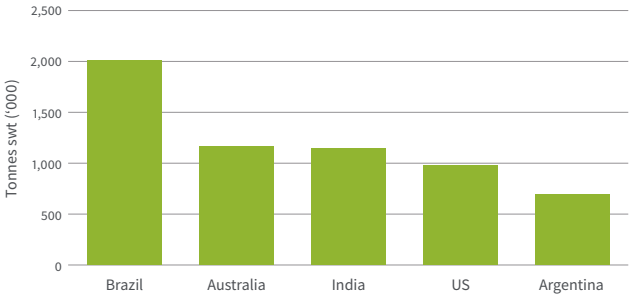
### Exports

- Australia was the second largest beef and bovine meat exporter in 2023, after Brazil and ahead of India and the United States **(Figure 8)** *(DAFF, TDM)*.
- In 2023, Australia was the world's largest sheepmeat exporter, followed by New Zealand **(Figure 9)** *(DAFF, TDM)*.
- Australia was also the world's largest goatmeat exporter in 2023 **(Figure 10)** *(DAFF, TDM)*.

### Imports

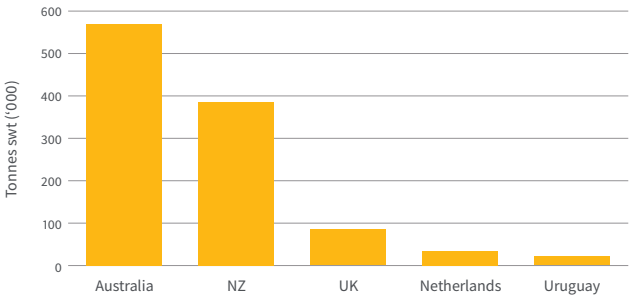
- In 2023, China held its position as the world's largest importer of beef and bovine in volume terms, followed by the US and Japan **(Figure 11)** *(TDM)*.
- China was also the largest importer of sheepmeat in 2023, followed by the US and the UAE **(Figure 12)** *(TDM)*
- The UAE was the largest importer of goatmeat in 2023, followed by the US and China **(Figure 13)** *(TDM)*.

**Figure 8:** Top five beef and bovine meat exporting countries (2023)



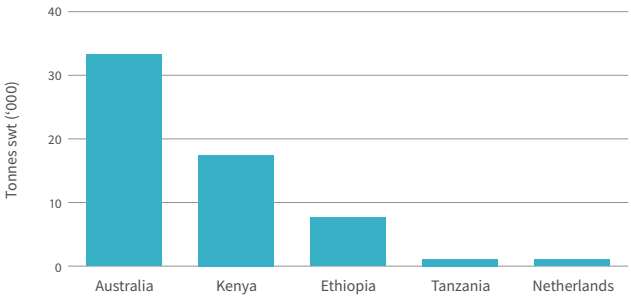

*Source: TDM*

**Figure 9:** Top five sheepmeat exporting countries (2023)



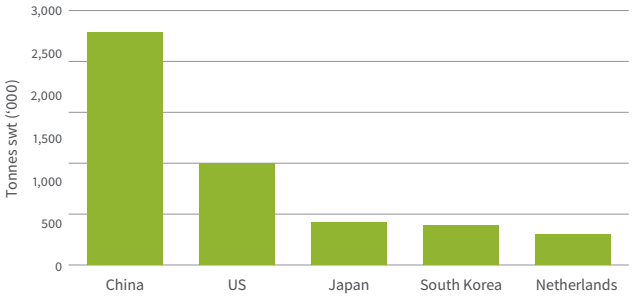

*Source: TDM*

**Figure 10:** Top five goatmeat exporting countries (2023)



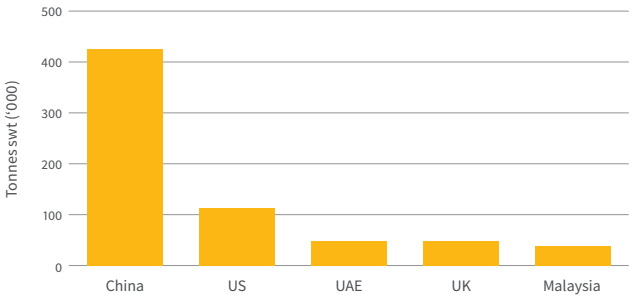

*Source: TDM*

**Figure 11:** Top five beef and bovine meat importing countries (2023)



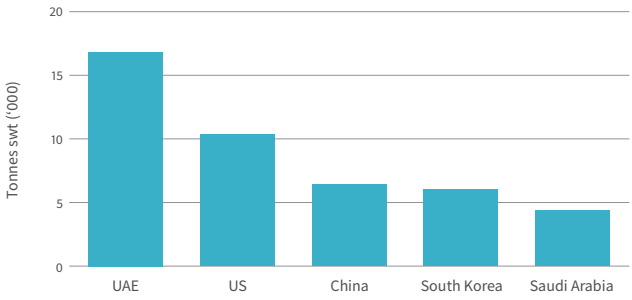

*Source: TDM*

**Figure 12:** Top five sheepmeat importing countries (2023)




*Source: TDM*

**Figure 13:** Top five goatmeat importing countries (2023)




*Source: TDM*

# The economic importance of the Australian red meat and livestock industry

## Industry turnover

**Industry turnover is defined as income generated by businesses within the industry from the sales of goods and services.**

**In 2022–23, Australia's red meat and livestock industry turnover was $81.7 billion. This is 2.2% below revised 2021–22 figures, though an increase of 6.3% on 2018–19 figures** *(ABARES, IBISWorld)*.

### Trends over time

- Red meat and livestock industry turnover decreased by 2.2% from 2021–22 to 2022–23. This was despite a heavy contraction of livestock prices and an elevated supply of finished animals. Unpredictable turn-off caused turnover variation through each sub-sector.
- Sheep farming turnover lifted 11.5% year-on-year. Even with prices falling dramatically over the first six months of 2023, elevated supply supported higher turnover, leading to a second consecutive lift. Beef cattle farming, however, was less supported by increased supply through 2022–23 with turnover easing 7.9%. Cattle slaughter in 2022 was the lowest it had been in 37 years at 5.9 million head.
- After the previous year's growth, turnover in the feedlot sector eased 15.7%. The number of cattle on feed continued to grow, with easing livestock prices and global demand for Australian grainfed beef maintaining an upward trajectory. However, with the growth of long-fed programs, maturing feeder cattle bought in the price highs of 2022 were still making poor returns post lot feeder investment.
- The processing sector remained strong, increasing turnover by 1.2%, recovering from the previous tight supply and high livestock prices. Turnover in the domestic sector (wholesaling and retailing) was varied however, with wholesaling easing by 3.6% and retailing lifting 5%.

### Composition by sub-sector

- In 2022–23, red meat and livestock production (beef cattle, sheep farming and feedlots) accounted for 50.4% or $41.2 billion of overall industry turnover, followed by processing (31.7%, or $25.9 billion) and wholesale and retail sales (17.9%, or $14.6 billion) **(Figure 15)** *(EY, IBISWorld, ABS)*.

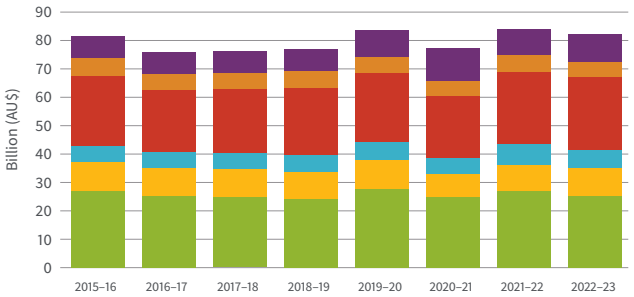
### By state

- NSW, Victoria and Queensland accounted for over 73.9% of red meat and livestock industry turnover in 2022–23, followed by WA (14%) and SA (8.1%) **(Figure 16)** *(EY, IBISWorld, ABS)*.

### Comparison to other industries

- The red meat and livestock industry's turnover totalled $81.7 billion in 2022–23, accounting for approximately 1.6% of Australia's total key industry turnover.

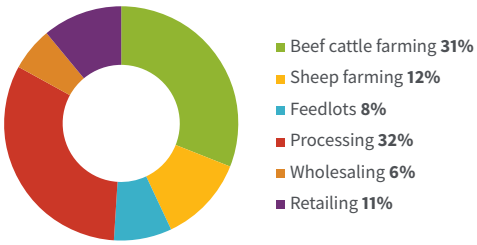
**Figure 14:** Industry turnover by sub-sector*




*Source: EY, IBISWorld*

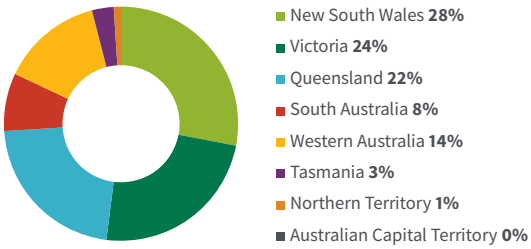
*The contribution of live exports to industry turnover is represented in beef and sheep farming.

**Figure 15:** Industry turnover by sub-sector (2022–23)




*Source: EY, IBISWorld, ABS*

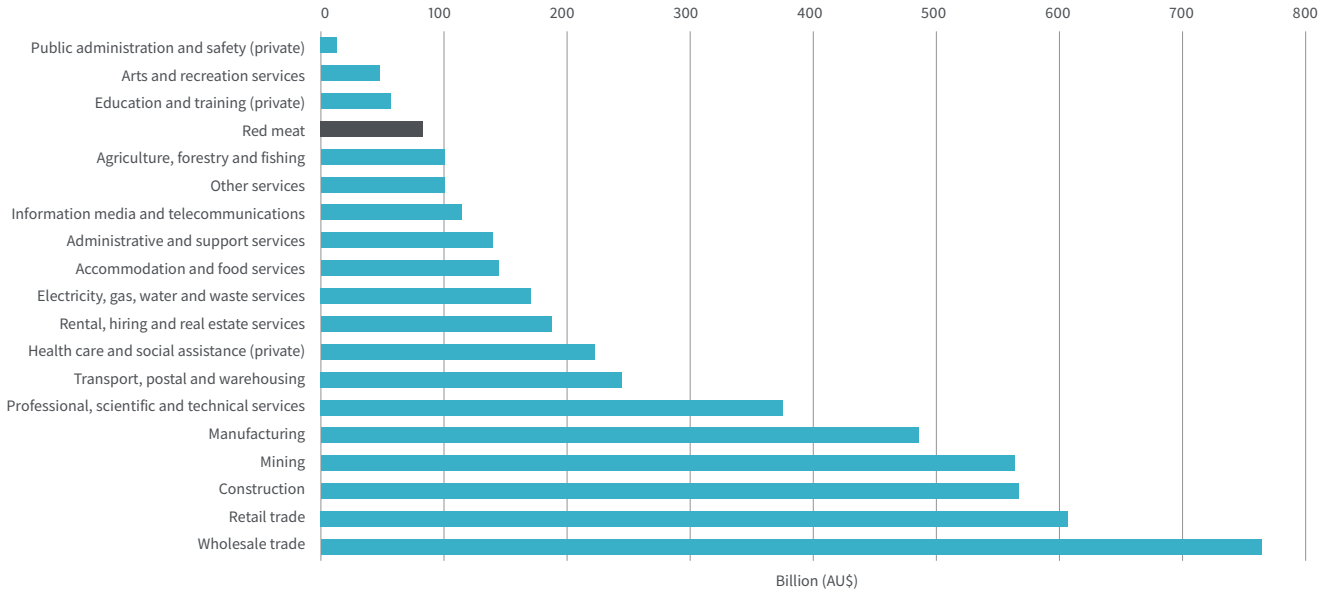
**Figure 16:** Industry turnover by state (2022–23)




*Source: EY, IBISWorld, ABS*

- In comparison to other industries, the red meat and livestock industry remains larger than both the 'education and training (private)', 'arts and recreation services' and 'public administration and safety (private)' industries. However, it is smaller than the 'accommodation and food services' industry **(Figure 17)** *(EY, IBISWorld, ABS)*.
- The wholesale trade industry, by turnover, retained its position as the largest in the country in 2022–23, with a turnover nearly nine-and-a-half times larger than that of the red meat and livestock industry.

**Figure 17:** Industry turnover compared with other industries (2022–23)




*Source: EY, IBISWorld, ABS*

Note: This only includes direct industry turnover for the defined industries.

**Table 1:** Industry turnover by sub-sector ($million, 2015–16 to 2022–23)

| Revenue ($m) | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 | 2020–21 | 2021–22 | 2022–23 |
|---|---|---|---|---|---|---|---|---|
| Beef cattle farming | 26,942 | 25,134 | 25,037 | 24,844 | 27,912 | 25,771 | 27,480 | 25,299 |
| Sheep farming | 10,220 | 9,814 | 9,757 | 9,104 | 9,991 | 8,128 | 8,617 | 9,607 |
| Feedlots | 5,926 | 5,655 | 5,536 | 5,825 | 6,245 | 6,126 | 7,452 | 6,281 |
| Processing | 24,919 | 21,704 | 22,649 | 23,560 | 24,484 | 22,629 | 25,612 | 25,931 |
| Wholesaling | 6,084 | 5,984 | 5,870 | 6,182 | 5,491 | 5,316 | 5,461 | 5,262 |
| Retailing | 7,487 | 7,260 | 7,406 | 7,367 | 9,400 | 9,272 | 8,905 | 9,349 |
| **Total** | **81,579** | **75,551** | **76,256** | **76,882** | **83,523** | **77,242** | **83,527** | **81,730** |

## Industry value add

**Industry value add is the overall value of goods and services produced by businesses in an industry (also known as contribution to gross domestic product (GDP))** *(ABARES, IBISWorld)*.

**Australia's red meat and livestock industry value add was $22.9 billion in 2022–23, 15.3% lower than 2021–22.**

### Trends over time

- Australia's red meat and livestock industry value add eased 15.3% from 2021–22 to 2022–23, driven by a dramatic decline in the domestic livestock market in both the cattle and sheep industries.
- During this period, industry value add for the production sector – encompassing beef cattle, sheep and feedlots – eased $4.73 billion or 21.5%.
- The processing sector was one sector to grow it's value add year-on-year, lifting 13.1%.
- Domestic wholesaling value add eased by just 2%, while retail value add lifted 10.7% or $152 million in 2022–23.

### Composition by sub-sector

- In 2022–23, the production sector (beef cattle, sheep and feedlots) accounted for 75.3% (or $17.3 billion) of industry value add, followed by processing, at 16.2% (or $3.7 billion), then sales (wholesale and retail) at 8.6% ($2 billion) **(Figure 18)** *(EY, IBISWorld, ABS)*.
- The increasing proportion of value add in the production sector was driven by lower livestock prices and inflated supply.

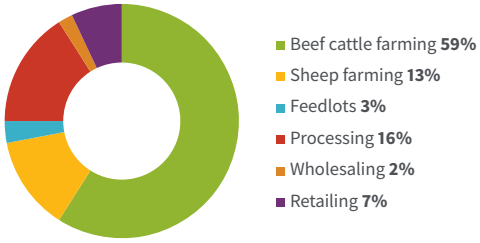
### By state

- Queensland, NSW and Victoria accounted for 71.8% or $16.5 billion of industry value add. The largest state in industry value add terms was NSW, with 26.9% ($6.2 billion), followed by Victoria and Queensland with 22.5% and 22.4% respectively ($5.2 billion and $5.1 billion). These were trailed by WA 14.4% ($3.3 billion), SA 9.2% ($2.1 billion), Tasmania 3.4% ($769 million ), NT 1% ($232 million) and ACT 0.2% ($49 million) **(Figure 19)** *(EY, IBISWorld, ABS)*.

### Comparison to other industries

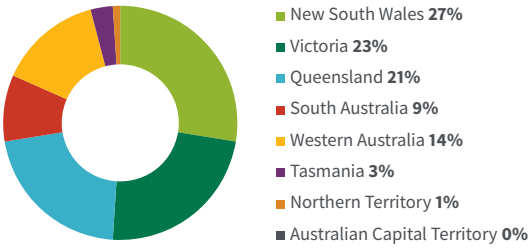
- In 2022–23, value add from the red meat and livestock industry was $22.9 billion, larger than the 'arts and recreation services' industry ($19.2 billion) and the 'public administration and safety (private)' industry ($8.6 billion) **(Figure 21)** *(EY, IBISWorld, ABS)*.
- The red meat and livestock industry accounted for only 1.3% of Australia's key industry total value add in 2022–23.
- Mining retained its position as the industry with the highest value add in 2022–23 at $352.4 billion. This was more than 15 times the value add for the red meat and livestock industry.

**Figure 18:** Industry value add by sub-sector (2022–23)



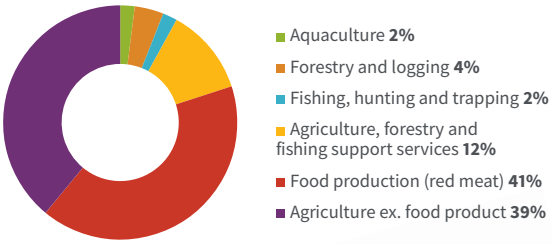

*Source: EY, IBISWorld*

**Figure 19:** Industry value add by state (2022–23)




*Source: EY, IBISWorld, ABS*

**Figure 20:** Agriculture production industry value add (2022–23)




*Source: EY, IBISWorld, ABS*

**Figure 21:** Industry value add compared with other industries (2022–23)

*Source: EY, IBISWorld, ABS*

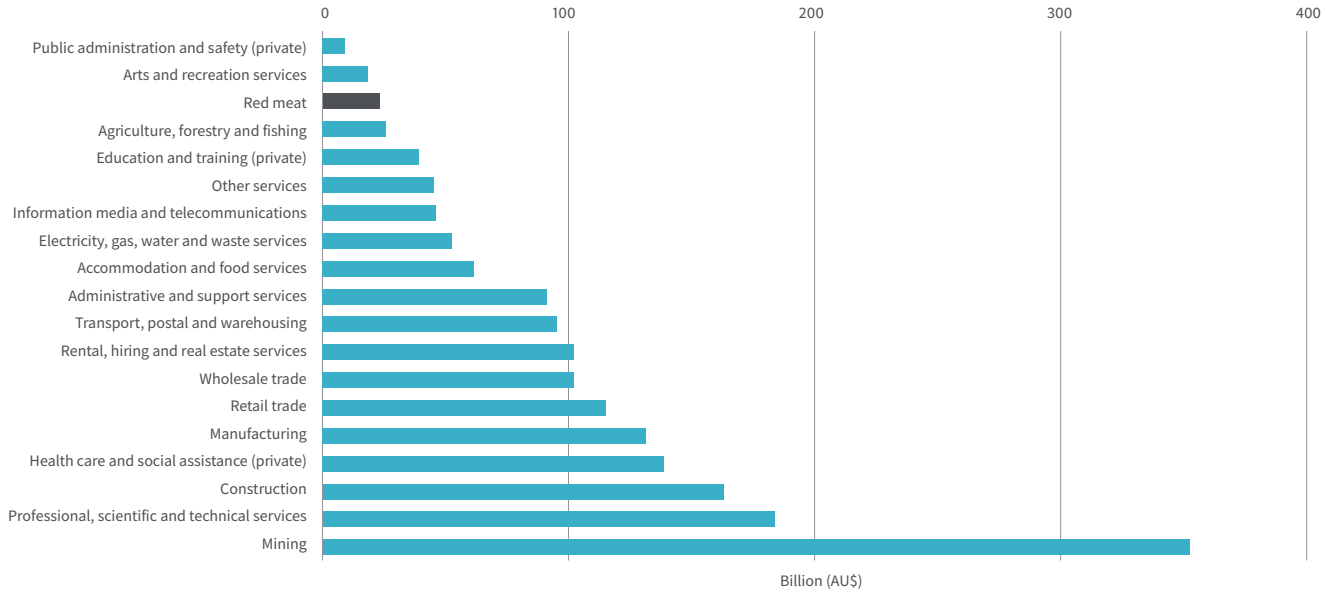
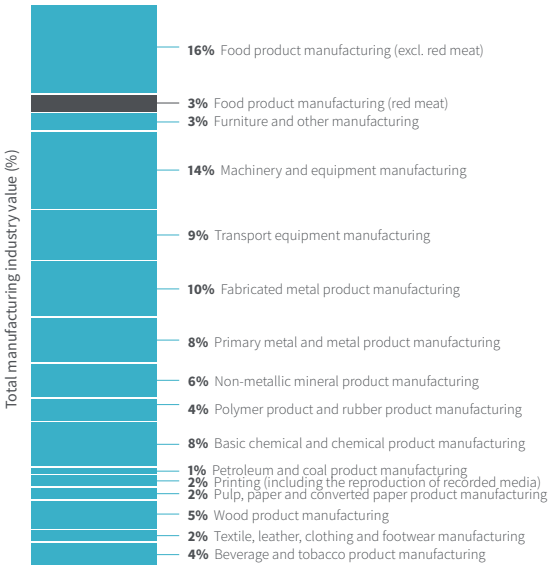



**Table 2:** Industry value add by sub-sector ($million, 2015–16 to 2022–23)

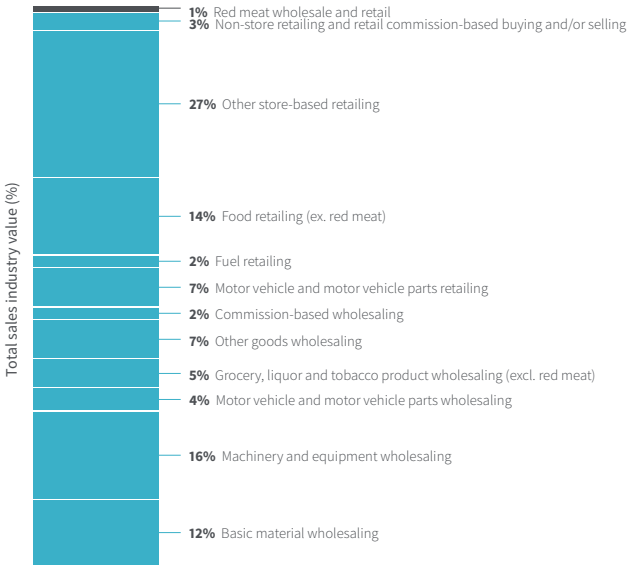
| IVA ($m) | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 | 2020–21 | 2021–22 | 2022–23 |
|---|---|---|---|---|---|---|---|---|
| Beef cattle farming | 10,940 | 12,905 | 11,113 | 5,700 | 4,299 | 13,260 | 17,305 | 13,609 |
| Sheep farming | 3,198 | 3,851 | 3,176 | 2,367 | 2,481 | 3,312 | 3,722 | 2,923 |
| Feedlots | 853 | 1,207 | 1,039 | 1,002 | 1,071 | 1,042 | 963 | 731 |
| Processing | 3,276 | 2,843 | 3,058 | 3,793 | 3,893 | 3,281 | 3,278 | 3,708 |
| Wholesaling | 507 | 444 | 438 | 427 | 389 | 436 | 408 | 399 |
| Retailing | 1,120 | 1,247 | 1,241 | 1,209 | 1,507 | 1,510 | 1,418 | 1,570 |
| **Total** | **19,894** | **22,498** | **20,065** | **14,498** | **13,639** | **22,842** | **27,094** | **22,941** |

**Figure 22:** Manufacturing industry value add (2022–23)




*Source: EY, IBISWorld, ABS*

**Figure 23:** Sales industry value add (2022–23)




*Source: EY, IBISWorld, ABS*

# Employment

**In 2022–23, the Australian red meat and livestock industry employed approximately 418,921 people.**

**Of these, 194,712 were directly employed in the industry. The industry was also responsible for the employment of a further 224,209 people in businesses servicing the red meat and livestock industry.**

*Note: 2021 was the last Census year. Therefore, some employment figures in this section reference 2021 statistics as this is the most recent year of data to make comparisons with.*

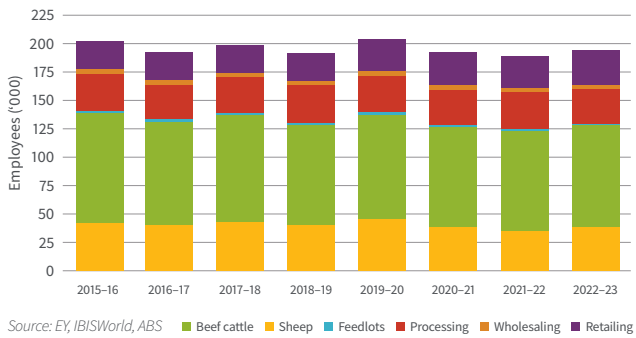
## Generation of direct and indirect employment

- The red meat and livestock industry directly employed 194,712 people in 2022–23, 3.1% higher year-on-year, and 2.6% higher than 2018–19 employment levels *(EY, IBISWorld, ABS)*.
- The industry was responsible for generating indirect employment for 224,209 people in businesses servicing the red meat and livestock industry in 2022–23. These additional jobs included those involved in the transportation of meat and livestock, activities related to livestock sales (i.e. livestock agents) and employment in providing animal health services and supply of farm inputs, such as fertiliser *(EY, IBISWorld, ABS)*.

## Composition by sub-sector

- The production sector (beef cattle, sheep farming and feedlots) accounted for 130,250 jobs in 2022–23, while the processing sector accounted for 30,306 jobs. The remainder were in wholesaling and retailing **(Figure 24)** *(EY, IBISWorld, ABS)*.
- Sheep and beef cattle farming employment rose year-on-year by 2.1% and 9% respectively. The retail sector once again saw growth in jobs of 6.7% and all other sectors eased in employment – the largest being an 8.3% dip in feedlot employment.

**Figure 24:** Direct employment by sub–sector*




*Source: EY, IBISWorld, ABS*

*The contribution of live exports to industry turnover is represented in beef, sheep and mixed farming. From 2021–22 mixed farming outputs were disaggregated to their respective beef and sheep farming categories.

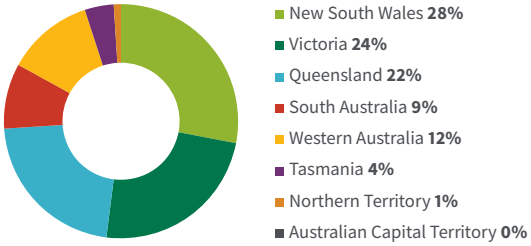
## Direct employment by state

- In 2022–23, NSW continued to have the highest level of direct employment in the red meat and livestock industry at 28.4%, followed by Victoria at 23.7% and Queensland at 21.5% **(Figure 25)** *(EY, IBISWorld, ABS)*.

## Employment compared with other industries and total workforce

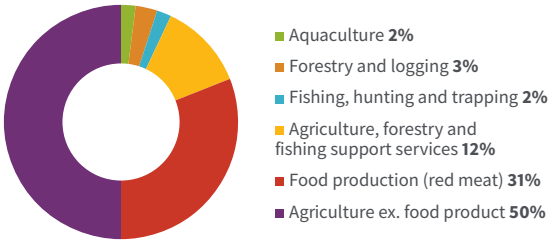
- Direct employment in the red meat and livestock industry represented approximately 1.5% of Australia's key industry total employment in 2022–23 **(Figure 27)** *(EY, IBISWorld, ABS)*.
- Encouragingly, Australia's red meat and livestock production sector (beef cattle, sheep farming and feedlots) accounted for 66.9% of Australia's total direct employment in agriculture production in 2022–23. This demonstrates the foundational role the production sector plays in rural and regional communities alongside meat processing **(Figure 26)** *(EY, IBISWorld, ABS)*.

**Figure 25:** Direct employment by state (2022–23)




*Source: EY, IBISWorld, ABS*

**Figure 26:** Agriculture production employment (persons) (2022–23)




*Source: EY, ABS, IBISWorld*

**The red meat and livestock industry directly employed 194,712 people in 2022–23, 3.1% higher year-on-year, and 2.6% higher than 2018–19 employment levels.**

**Figure 27:** Direct employment compared with other industries (2022–23)

*Source: EY, IBISWorld, ABS*

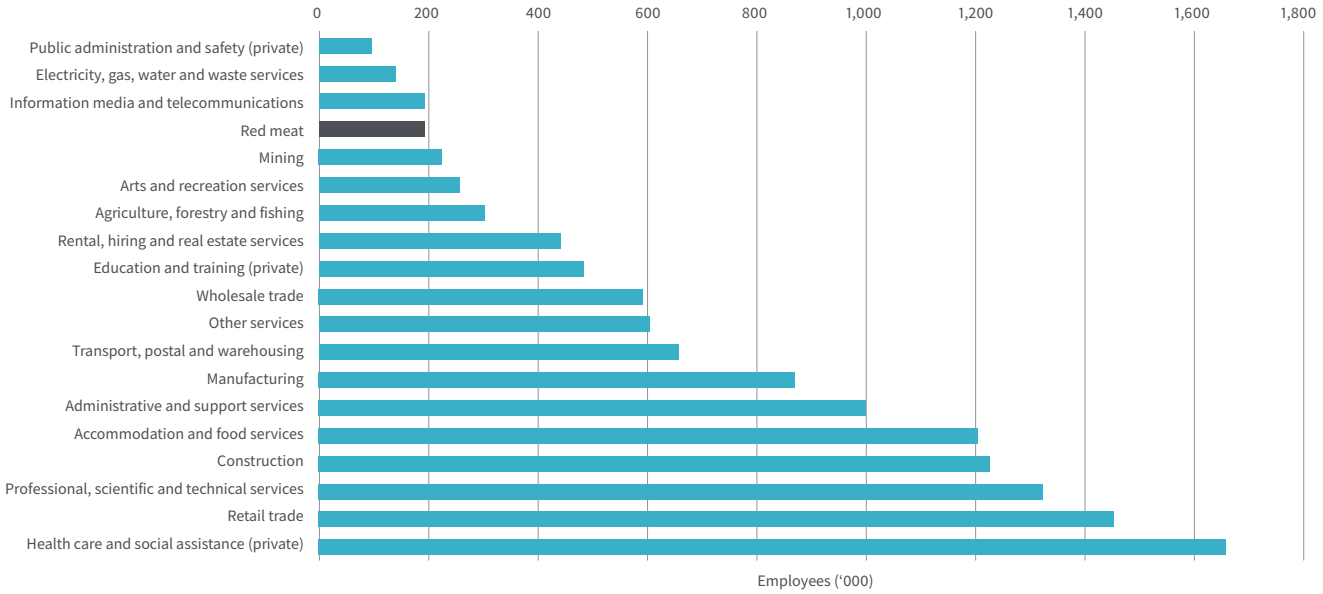
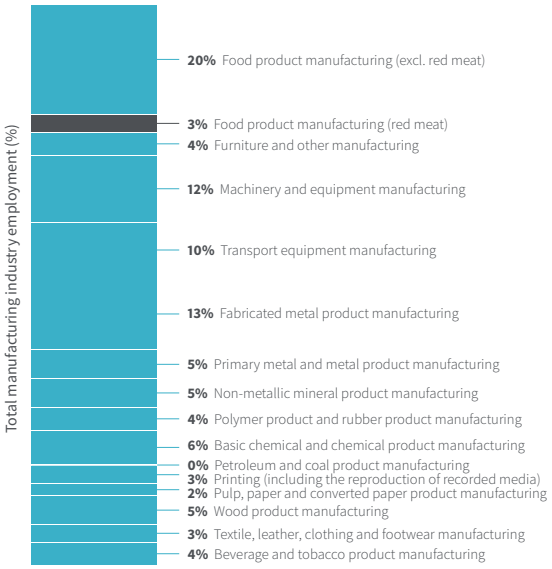
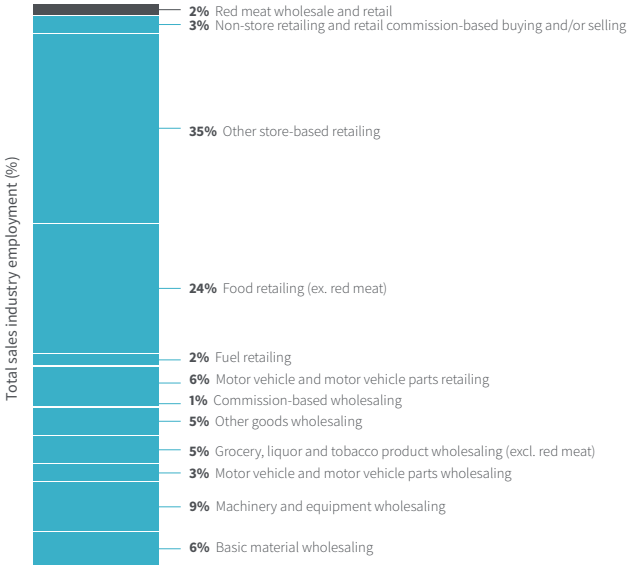



**Figure 28:** Manufacturing employment (persons) (2022–23)




*Source: EY, IBISWorld, ABS*

**Figure 29:** Sales employment (persons) (2022–23)




*Source: EY, IBISWorld, ABS*

**Table 3:** Major players in Australia's red meat processing sector

*Source: IBISWorld*

| Rank | Company | Employees |
|---|---|---|
| 1 | Industry Park Ltd (JBS Australia and Australian Consolidated Food Investment) | 12,926 |
| 2 | Teys Australia | 3,006 |
| 3 | Thomas Foods International | 2,760 |
| 4 | Australian Country Choice (ACC) | 1,308 |
| 5 | NH Foods Australia | 1,303 |
| 6 | Kilcoy Pastoral Company Limited | 1,064 |
| 7 | Northern Co-operative Meat Company (NCMC) | 1,000 |
| 8 | Yolarno Pty Ltd (previously Bindaree Beef Group and Sanger) | 900 |
| 9 | Fletcher International Exports | 808 |
| 10 | Midfield Meat International | 670 |
| 11 | Western Australian Meat Marketing International Co-operative (WAMMCO) | 600 |
| 12 | Craig Mostyn Group | 555 |
| 13 | Australian Agricultural Company Limited (AACo) | 423 |
| 14 | Nolan Meats Pty Ltd | 352 |
| 15 | M C Herd Proprietary Limited | 375 |

## Industry employment is focused on rural and regional areas

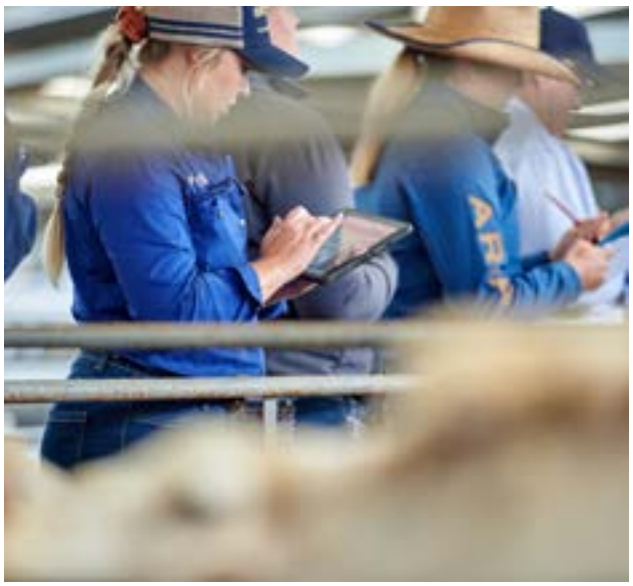
- The majority (85%) of meat and livestock industry employees live in rural and regional areas. This contributes to national decentralisation by taking pressure off increasingly crowded capital cities. Capital cities experienced a 17% increase in population, or 2.5 million people, between 2011 and 2021. Populations in regional Australia also grew by 11%, or 832,000 people, over the same period.
- Just over 60% of meat processing employment and 95% of all beef cattle, sheep and feedlot production employment are located outside capital cities *(ABS 2021)*.

## Age profile of the workforce

- Compared to the total Australian workforce, the meat processing industry offers more employment opportunities to younger Australians, with 55% of workers under 40 years old **(Figure 30)** (2021). Across the total Australian population, 49% of employees are under 40 years old.
- Older Australians tend to dominate in the sheep and beef cattle production sectors, just as they do in the agriculture sector as a whole, with 53% of employees over the age of 55 *(ABS 2021)*.

## Education profile of the workforce

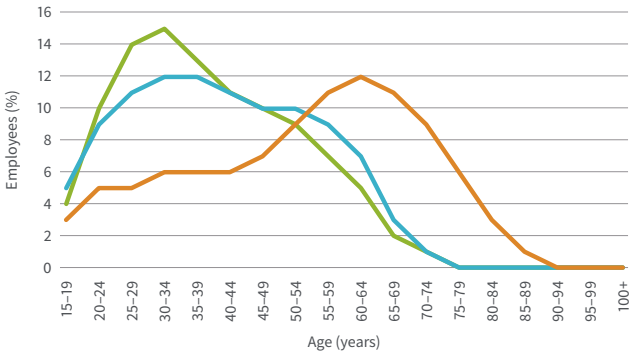
- In the red meat and livestock industry, both the livestock production and meat processing sectors offer most employment opportunities to those with practical and technical skills, rather than those with higher levels of formal education (Associate degree or higher).
- In 2021, the highest level of education achieved by more than 60% of red meat and livestock employees was years 10, 11 and 12 or a certificate level; 14% of red meat and livestock employees held a Bachelor degree or higher **(Figure 31)** *(ABS 2021)*.



## First Nations peoples employment

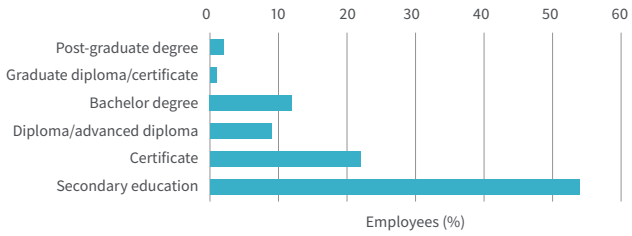
- First Nations peoples employment plays an important role in sheep, beef cattle, grain farms, and cattle feedlots.
- Of those directly employed in specialist beef or sheep farms, 1.6% identified as Indigenous or Torres Strait Islander in 2021 **(Figure 32)** *(ABS 2021)*.
- For specialist cattle farms in the NT, First Nations peoples employment accounted for 8.8% of the total employment in 2021, while in north-west WA, it was 16.2% **(Figure 32)** *(ABS 2021)*.
- First Nations peoples also comprised a higher proportion (3.1%) of the meat processing workforce than for Australian industries in general in 2021, at 2.1% **(Figure 32)** *(ABS 2021)*.

**Figure 30:** Age profile of industry and Australian workers (2021)



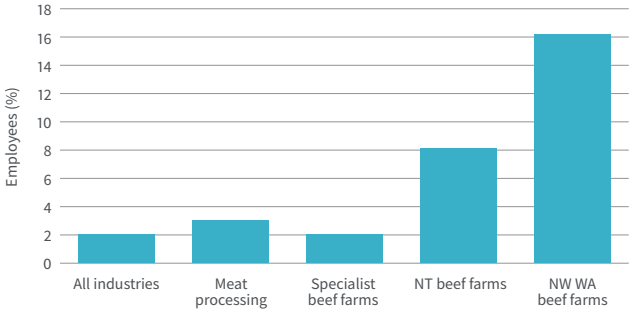

*Source: ABS*

**Figure 31:** Red meat sector education level (2021)




*Source: ABS*

**Figure 32:** First Nations peoples employment (2021)




*Source: ABS*

## Number of businesses

**In 2022–23, Australia had 76,999 red meat and livestock businesses, up 3.2% from 2021–22 though back 1.3% on 2018–19 levels.**

### Trends over time

- The number of businesses within the red meat and livestock industry has been volatile over the last five years, moving between 2% and 7% each year. However, after hitting its lowest figure in 10 years in 2021–22, the number of businesses is moving closer towards its five-year average.
- The fall in red meat and livestock businesses since 2015 can be attributed to industry rationalisation through economies of scale, with a move to larger farms and fewer individual businesses in total. The 2023 recovery can be attributed to a lift in sentiment, and improved conditions post drought.

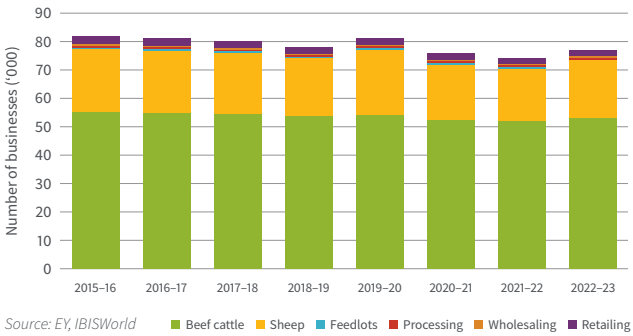
### Composition by sub-sector

- In 2022–23 production, beef cattle, sheep farming and feedlots accounted for 95.9% of all red meat and livestock businesses. Beef and sheep farming were the only sub-sectors that experienced a lift in number of businesses year-on-year.
- Sales – which encompasses wholesale and retail – made up 3.2%, while the processing sector eased, making up only 0.9% (Figure 34) *(EY, IBISWorld, ABS)*.

### By state

- NSW had the largest number of red meat and livestock businesses in 2022–23 (20,010), accounting for 26% of all red meat and livestock businesses in Australia. This was followed by Queensland at 23% (17,682) and closely followed by Victoria at 21.3% (16,373). This is the first time in five-years that Queensland has had more red meat businesses than Victoria (Figure 35) *(EY, IBISWorld, ABS)*.
- In 2022–23, all states except Victoria and the ACT lifted in the number of red meat businesses. Agricultural business numbers in Queensland grew by 7.5%, while in WA, businesses grew by 7.4% *(EY, IBISWorld)*.

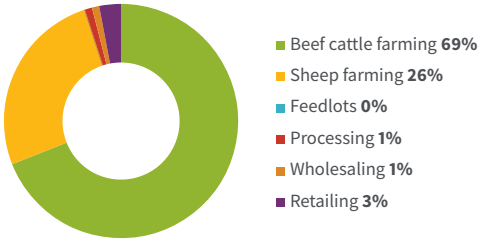
**Figure 33:** Red meat and livestock businesses across the supply chain*




*Source: EY, IBISWorld*

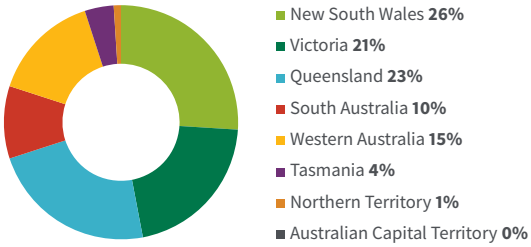
*The contribution of live exports to industry turnover is represented in beef, sheep and mixed farming. From 2021–22 mixed farming outputs were disaggregated to their respective beef and sheep farming categories.

**Figure 34:** Business numbers by sub-sector (2022–23)




*Source: EY, IBISWorld, ABS*

**Figure 35:** Red meat and livestock business numbers by state (2022–23)




*Source: EY, IBISWorld, ABS*

**Table 4:** Number of businesses by sub-sector (2015–16 to 2022–23)

*Source: EY, IBISWorld, ABS*

| Establishments | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 | 2020–21 | 2021–22 | 2022–23 |
|---|---|---|---|---|---|---|---|---|
| Beef cattle farming | 55,302 | 55,091 | 54,730 | 53,854 | 54,187 | 52,452 | 52,376 | 53,359 |
| Sheep farming | 22,140 | 21,970 | 21,517 | 20,418 | 23,238 | 19,687 | 18,634 | 20,147 |
| Feedlots | 395 | 395 | 394 | 393 | 392 | 386 | 383 | 350 |
| Processing | 713 | 669 | 609 | 661 | 696 | 674 | 701 | 657 |
| Wholesaling | 548 | 534 | 521 | 515 | 458 | 475 | 476 | 453 |
| Retailing | 2,710 | 2,721 | 2,197 | 2,170 | 2,354 | 2,158 | 2,067 | 2,033 |
| **Total** | **81,809** | **81,380** | **79,968** | **78,011** | **81,326** | **75,833** | **74,637** | **76,999** |

## Exports

**Red meat and livestock export value rose 3% year-on-year to total $18.2 billion in 2022–23. This was, however, still 5% lower than the peak of 2019–20.**

### Trends over time

- Red meat and livestock exports (including co-products) increased 7% from 2018–19 to total $18.2 billion in 2022–23. This was due to increases in international prices for beef, sheepmeat and associated products. Despite lower supplies, due to Australia's herd and flock rebuild over the period, average prices rose substantially and allowed for considerable increases in values.

### Composition by sub-sector

- Australia's red meat and livestock exports occur in three primary forms: meat, meat co-products and further processed products, and livestock.
- In 2022–23, the value of chilled and frozen meat accounted for nearly 83% of total meat and livestock exports at $14.7 billion, with live sheep and cattle exports accounting for 7% at $1.3 billion. Co-products and further processed exports accounted for the other 10%, valued at $1.7 billion **(Figure 36)** *(IBISWorld, TDM)*.

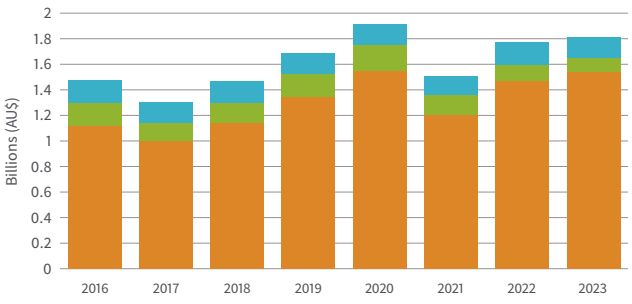
### By state of production

- Of all Australian states and territories, Queensland continued to be the largest exporter of beef and veal in 2022–23, accounting for approximately 55.3% of Australia's beef and veal export volumes **(Figure 37)** *(EY, IBISWorld, ABS)*.
- Victoria was Australia's largest sheepmeat exporter, accounting for approximately 40.8% of total sheepmeat exports. NSW was the second largest sheepmeat exporter, accounting for 29.9% of total exports *(EY, IBISWorld, ABS)*.
- The three mainland eastern states accounted for 84.4% of total red meat exports, followed by WA (7.6%), SA (5.2%) and Tasmania (2.8%) *(EY, IBISWorld, ABS)*.

### Comparison to other industries

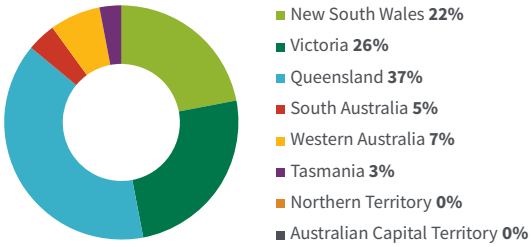
- In 2022–23, red meat and livestock exports accounted for approximately 3.2% of Australia's key industry exports, valued at $18.9 billion **(Figure 38)** *(EY, IBISWorld, ABS)*.

**Figure 36:** Export value by category



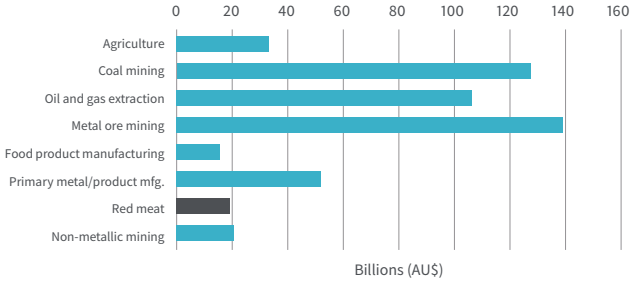

*Source: TDM*

**Figure 37:** Red meat export volume by state of production (2022–23)




*Source: EY, IBISWorld, ABS*

**Figure 38:** Red meat exports compared with other industries (2022–23)




*Source: EY, IBISWorld, ABS*

# Species statistics and performance

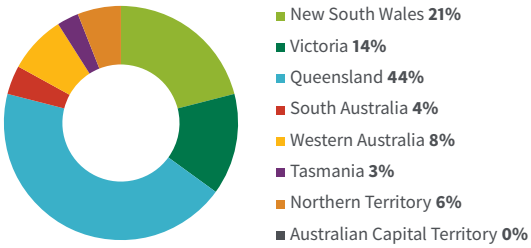
## Beef cattle

- The Australian cattle herd sat at 29.9 million head[5] on 30 June 2023, lifting 4% year-on-year to its largest size in five years **(Figure 39)** *(ABS)*.
- 93.1% of the herd consisted of beef cattle, while 6.9% were dairy cattle in 2022–23 *(ABS)*.
- Queensland cattle accounted for 44.5% of the national herd in 2022–23, NSW made up 20.6%, and Victoria accounted for 13.7%. The NT and WA accounted for 6.4% and 7.8% respectively, while SA and Tasmania made up the remaining 4.2% and 2.9% respectively **(Figure 40)** *(ABS)*.
- The November 2023 Beef Producer Intentions Survey, run by MLA, indicated 61% of the beef herd were breeding cows and heifers (aged one year and over), 8% were calves, and 31% were other (castrated males, and bulls)[6] **(Figure 41)** *(MLA)*.

### Feedlots

- The number of cattle on feed was reported at 1.4 million head in the June quarter of 2024, a record quarterly number, an increase of 5.3% on year-ago levels, and 21% above the five-year average **(Figure 42)** *(MLA/ALFA Feedlot Survey)*.
- National utilisation for the quarter lifted to 87%, while capacity further increased to 1.6 million head *(MLA/ALFA Feedlot Survey)*.
- There were 2.8 million grainfed cattle turned off in the 2024 financial year, a 4% lift on FY 2023 levels, with the increase driven by further investment in capacity. **(Figure 43)** *(MLA/ALFA Feedlot Survey)*.
- When compared to the June quarter of 2023, feedlot numbers grew in every state with the exception of WA, which decreased by 5% year-on-year. *(MLA/ALFA Feedlot Survey)*.

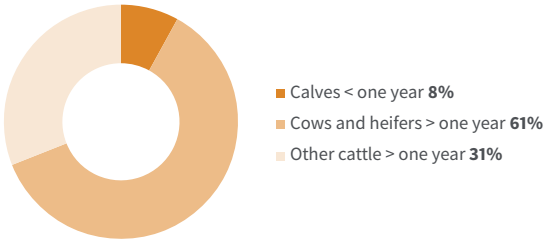
**Figure 40:** Australian cattle herd by state (2023)




*Source: ABS*

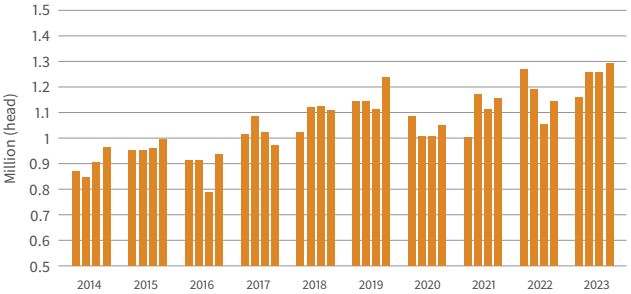
Note: Data is using ABS experimental figures.

**Figure 41:** Australian beef grassfed beef cattle herd composition (2023)



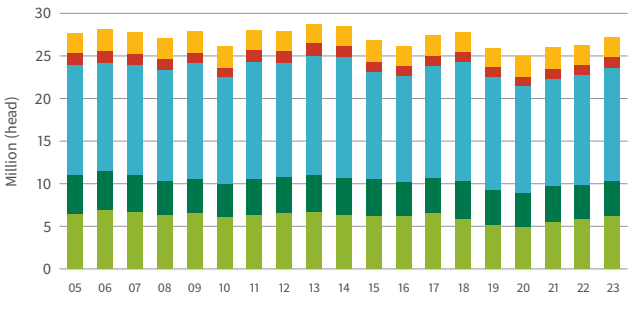

*Source: MLA Beef Producer Intentions Survey – November 2023*

**Figure 42:** Australian cattle on feed




*Source: MLA/ALFA Feedlot survey*

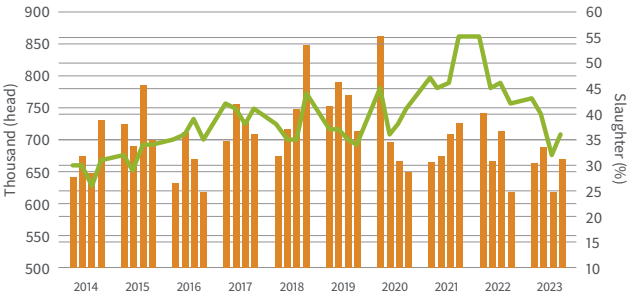
**Figure 39:** Australian cattle herd




*Source: ABS*

Note: June 30 year end. Data is using ABS experimental figures.

**Figure 43:** Australian grainfed cattle turn-off




*Source: MLA/ALFA Feedlot survey*

**5** In 2022 the ABS stopped the ABS agriculture survey as part of the move to modernise the agriculture statistics program. These figures are from the ABS model.
**6** Due to the pullback of ABS data, MLA developed the Beef Producers Intentions Survey to provide the missing and additional data points. The survey is robust, covering approximately 10% of producers.

## Grainfed beef exports

- In 2023, grainfed beef exports accounted for 29% of Australia's total beef export volumes, down from 35% in 2023 *(DAFF)*.
- Australia's grainfed beef exports totalled 319,000 tonnes shipped weight (swt) in 2023, up 8% from the previous year **(Figure 44)** *(DAFF)*.
- Japan continued to be Australia's largest destination (in volume terms) for grainfed beef exports in 2023 *(DAFF)*.
- Japan accounted for 35% of Australia's total grainfed beef exports in 2023, followed by China at 26% and South Korea at 21% *(DAFF)*.
- Compared with the five-year average, grainfed beef exports to Japan eased 12% in 2023, while exports to China increased 26% and exports to South Korea increased by 21% *(DAFF)*.

## Slaughter

- Adult cattle slaughter totalled 7 million head in 2023, up 20.2% year-on-year **(Figure 45)** *(ABS)*. This is the largest year-on-year change in 48 years.
- In 2023, female (cow and heifer) slaughter accounted for 46.8% of total adult cattle slaughter in 2023 **(Figure 45)** *(ABS)*.
- Female slaughter totalled 3.3 million head, up 31.2% on year-ago levels, while male slaughter increased 11.9% to 3.7 million head *(ABS)*. The significant increase in female slaughter lifted the female slaughter rate, though kept it below the long-term average of 47.6%. A female slaughter percentage under 47% indicates the national herd is rebuilding.

## Carcase weight

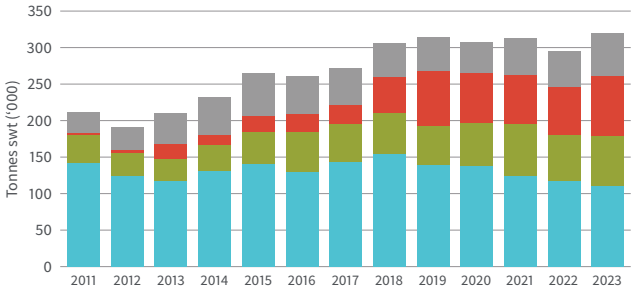
- The national average adult carcase weight in 2023 was 314.96kg/head, down 1.5% on the previous year. This ease in carcase weight was driven mainly by elevated female and grassfed slaughter numbers **(Figure 46)** *(ABS)*.

## Production

- In 2023, Australian beef and veal production totalled 2.2 million tonnes cwt, up 18.4% on year-ago levels. Record lifts to slaughter numbers resulted in production returning to 10-year averages **(Figure 47)** *(ABS)*.
- Queensland accounted for 47.9% of total beef production in 2023, followed by NSW (21.5%), Victoria (19.6%), WA (5.3%), Tasmania (3%) and SA (2.7%) *(ABS)*.

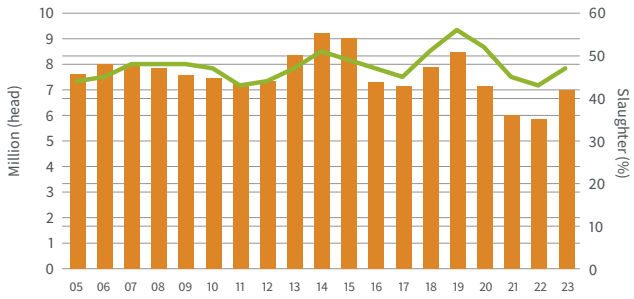
**Japan accounted for 35% of Australia's total grainfed beef exports in 2023, followed by China at 26% and South Korea at 21%.**

**Figure 44:** Australian grainfed beef exports



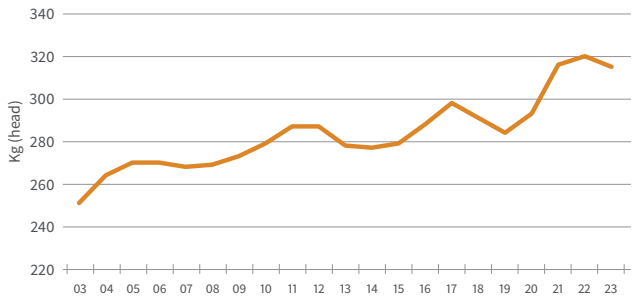

*Source: DAFF*

**Figure 45:** Australian adult cattle slaughter



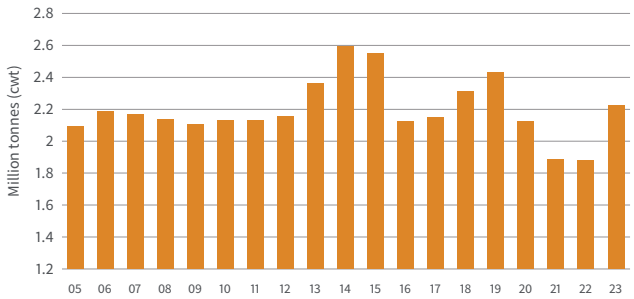

*Source: ABS*

**Figure 46:** Australian average adult cattle carcase weight




*Source: ABS*

**Figure 47:** Australian beef and veal production




*Source: ABS*

## Beef exports

- In 2023, Australian beef and veal exports totalled 1.08 million tonnes swt, up 27% year-on-year **(Figure 48)** *(DAFF)*.
- The United States became Australia's largest beef export market (in volume terms) in 2023, totalling 246,000 tonnes swt **(Figure 49)** *(DAFF)*.
- The United States' market share of Australian beef exports in 2023 was 23%, followed by Japan (19%) and China (19%) *(DAFF)*.
- The value of Australian beef exports was $11.3 billion in 2023, which is an increase of 11% year-on-year **(Figure 48)** *(TDM)*.

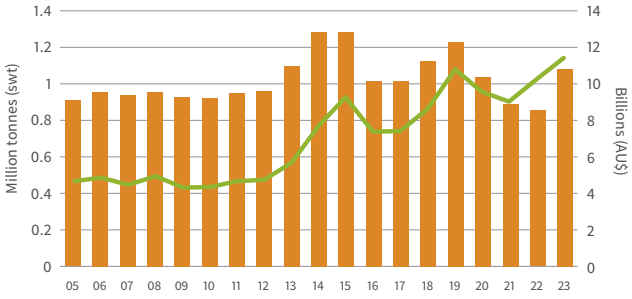
## Live cattle exports

- Live cattle exports totalled 673,695 head in 2023, up 12% from 2022 **(Figure 50)** *(DAFF)*.
- In 2023, feeder and slaughter cattle accounted for 83% of Australia's live cattle exports, followed by breeders at 17% *(DAFF)*.
- Indonesia was Australia's largest market for live cattle exports in 2023 (53%), followed by Vietnam (19%) and China (12%) *(DAFF)*.

## Saleyard prices

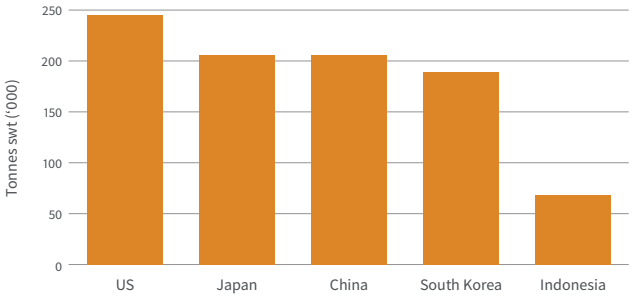
- The National Feeder Steer Indicator saw a 40.2% year-on-year decrease to average 311.71¢/kg liveweight (lwt) in 2023 **(Figure 51)** – 20.9% below the five-year average *(MLA National Livestock Reporting Service (NLRS)*.
- The National Heavy Steer Indicator averaged 276.95¢/kg lwt in 2023, 36.1% below the previous year and 20.8% under the five-year average *(MLA NLRS)*.
- The National Processor Cow Indicator dropped 37.9% year-on-year to average 218.21¢/kg lwt in 2023, 20.4% below the five-year average *(MLA NLRS)*.
- The National Young Cattle Indicator, covering online and saleyard transactions, averaged 318.42¢/kg lwt in 2023. This is 46.4% below the previous year, and 24.2% below the five-year average. The indicator fell to 191.55¢/kg lwt in October, the lowest nominal price since 2014 (unadjusted) *(MLA NLRS)*.

**Figure 48:** Australian beef and veal export volume and value



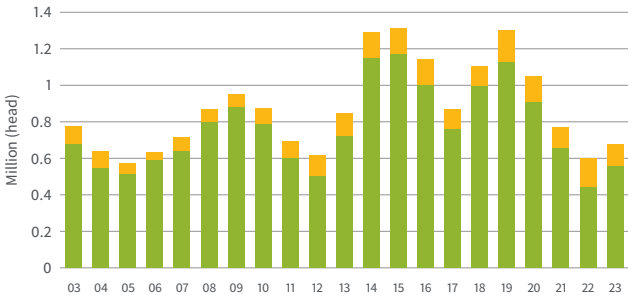

*Source: DAFF, TDM*

**Figure 49:** Australia's top five beef export markets (2023)



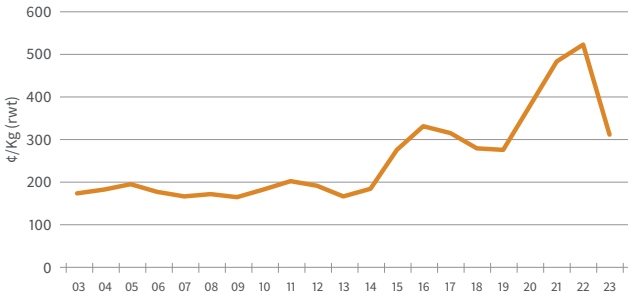

*Source: DAFF*

**Figure 50:** Australian live cattle exports




*Source: DAFF*

**Figure 51:** National feeder steer saleyard indicator




*Source: MLA NLRS*

## Retail price

- The National Beef Retail Price Indicator averaged 23.36$/kg retail weight (rwt)[7] in 2023, down 2.3% year-on-year **(Figure 52)** *(ABS, MLA calculations)*.

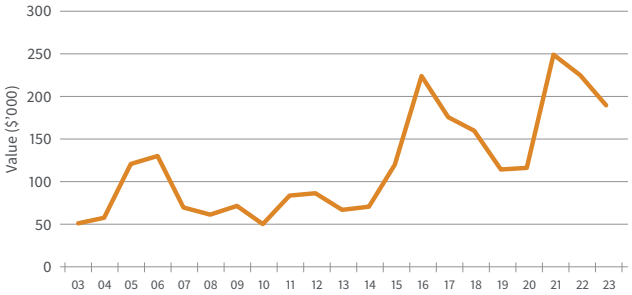
**Figure 52:** National beef retail price indicator


*Source: ABS, MLA NLRS*

## Farm financial performance

- Drying out conditions and poor seasonal forecasts encouraged stock turn-off impacting cattle prices in 2022–23. Input costs lifted year-on-year, placing further financial pressure on farm.
- The average farm cash income of Australian beef producers[8] was estimated to be $190,200 in 2022–23, a 15.6% decrease on year-ago levels (in real terms) **(Figure 53)** *(ABARES)*.
- The average rate of return (excluding capital appreciation) of Australian beef cattle farms eased to 1.5% in 2022–23 *(ABARES)*.

**Figure 53:** National average beef farm cash income




*Source: ABARES*

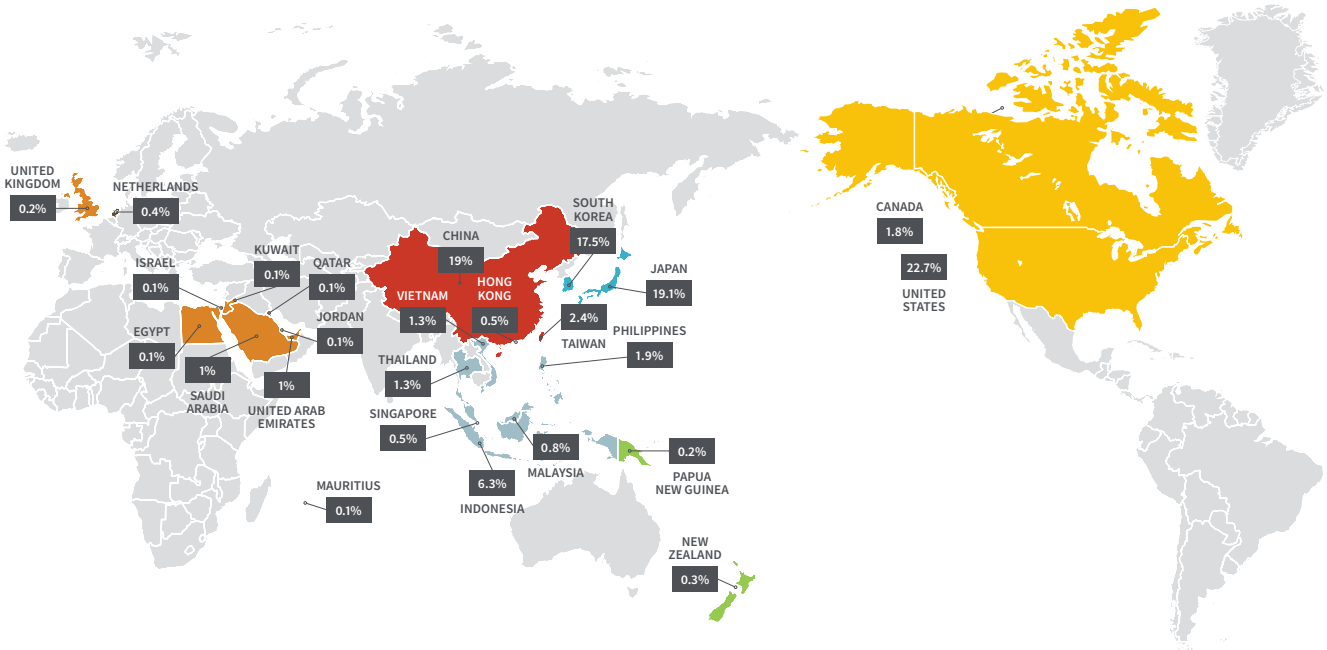
Note: This data in real terms.

**7** Retail price indicators are estimated by indexing forward from actual average prices of beef, lamb and pork during the December quarter 1973, based on meat sub-category indexes of the consumer price index. These indexes are based on average retail prices of selected cuts (weighted by expenditure) in state capitals.

**8** The ABARES Australian Agricultural and Grazing Industries Survey includes beef producers with at least 100 head of beef cattle on hand at 30 June.

**Figure 54:** Australian beef exports by volume (2023)

In 2023, Australia's top three beef export destinations (in volume terms) were US (245,849 tonnes swt, or 22.7% of total exports), Japan (206,803 tonnes swt, or 19.1% of total exports) and China (206,193 tonnes swt, or 19% of total exports).




*Source: DAFF*

# Sheep

## National sheep flock

- The national sheep flock comprised of 78.8 million head[9] on 30 June 2023, a 3.6% lift on year-ago levels, making it the largest sheep flock since 2007 **(Figure 55)** *(ABS)*.
- Most of Australia's sheep population was located in NSW (36.6%), Victoria (14.9%), WA (18.8%) and SA (14.9%). Tasmania and Queensland accounted for 3% and 4% respectively **(Figure 56)** *(ABS)*.
- Breeding ewes (aged one year and over) accounted for 68% of the national flock, while lambs under one year made up 20% in 2023.[10] **(Figure 57)** *(MLA/Australian Wool Innovation Sheep Producer Intentions Survey – May 2024)*.
- There are 48 million breeding ewes (61% Merino, 15% prime lamb, 12% first cross) *(MLA/AWI SPIS – May 2024)* and 27.1 million lambs (38% prime lamb, 37% Merino, 13% first cross) *(MLA/AWI SPIS – October 2023)*.

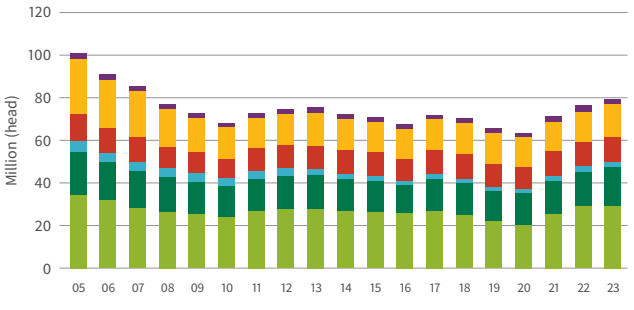
## Slaughter

- In 2023, national lamb slaughter totalled 25 million head, 16.4% up year-on-year, 15.1% above the five-year average **(Figure 58)** *(ABS)*. This was a new record for lamb slaughter, 9% above the previous record of 23 million in 2016.
- Sheep slaughter totalled 10 million head, up 47.2% from the previous year and 30.2% above the five-year average. 2023 was the largest sheep slaughter since 2014 **(Figure 58)** *(ABS)*.

## Carcase weights

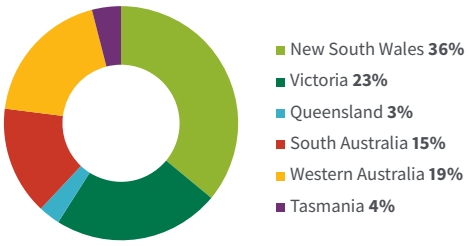
- National lamb carcase weights averaged 24.09kg/head in 2023, down 3.6% year-on-year and 0.7% below the five-year average **(Figure 59)** *(ABS)*.
- Sheep carcase weights decreased 2.6% from 2023 to 25.3kg/head and fell 1.1% below the five-year average **(Figure 59)** *(ABS)*.

**Figure 55:** Australian sheep flock



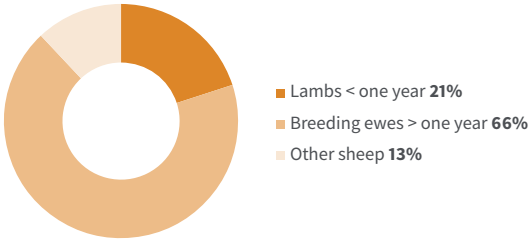

*Source: ABS, MLA projections, MLA Sheep Producers Intentions Survey – October 2023*
*Note: 30 June year end.*

**Figure 56:** Australian sheep flock by state (2023)



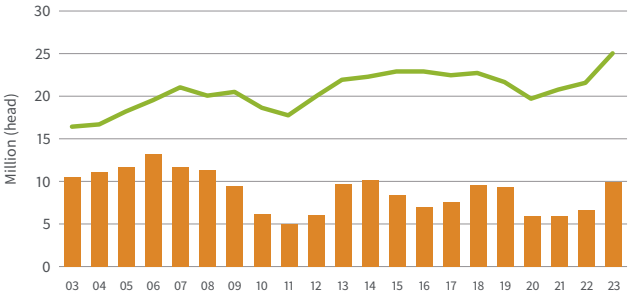

*Source: Source: ABS, MLA projections, MLA Sheep Producers Intentions Survey – October 2023*

**Figure 57:** Australian sheep flock composition (2023)



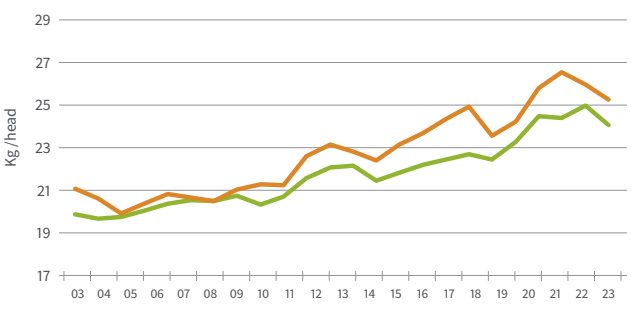

*Source: MLA Sheep Producers Intentions Survey – May 2023*

**Figure 58:** Australian sheep and lamb slaughter




*Source: ABS*

**Figure 59:** Australian average sheep and lamb carcase weights




*Source: ABS*

**9** The ABS has not yet released its updated sheep flock numbers for 2023. MLA has used internal estimates for the 2023 flock size.

**10** Due to the pullback of ABS data, MLA relies on the joint MLA/AWI Sheep Producers Intentions Survey to provide the missing and additional data points. The survey is robust, covering approximately 5% of producers.

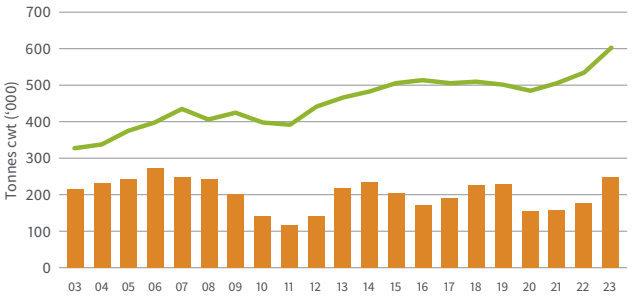
## Production

- In 2023, lamb production in Australia totalled 602,184 tonnes cwt, 12.1% above year-ago levels. The consecutive record production was driven by elevated slaughter **(Figure 60)** *(ABS)*.
- Mutton production increased 42.9% year-on-year, totalling 247,065 tonnes cwt, the largest year-on-year increase in a decade **(Figure 60)** *(ABS)*.
- Total sheepmeat production (lamb and mutton) was 849,249 tonnes cwt in 2023, 19.6% above year-ago levels *(ABS)*.

## Sheepmeat exports

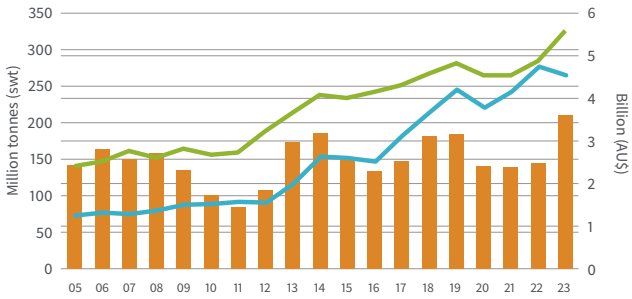
- In 2023, Australian lamb exports totalled 326,014 tonnes swt, the highest on record and 15% above 2022 **(Figure 61)** *(DAFF)*.
- China became Australia's largest lamb export destination in 2023 (in volume terms), at 67,763 tonnes swt, followed by the United States at 66,875 tonnes swt **(Figure 62)** *(DAFF)*.
- Exports to the United Arab Emirates saw a 44% increase year-on-year to 23,764 tonnes swt, becoming the third largest export destination for Australian lamb.
- Australian mutton exports were 209,580 tonnes swt in 2023, up 46% year-on-year and the highest on record **(Figure 61)** *(DAFF)*.
- Mutton exports to China (in volume terms) were 97,481 tonnes swt, up 70% year-on-year **(Figure 63)** *(DAFF)*.
- The other key export destinations for Australian mutton were Malaysia (21,414 tonnes) and the US (13,748 tonnes swt) **(Figure 63)** *(DAFF)*.
- The value of Australian sheepmeat (lamb and mutton) exports in 2023 was $4.4 billion, down 4% from the previous year *(TDM)*.

**Figure 60:** Australian sheepmeat production



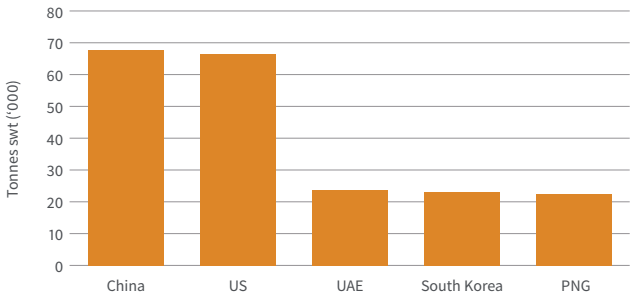

*Source: ABS*

**Figure 61:** Australian sheepmeat export volume and value



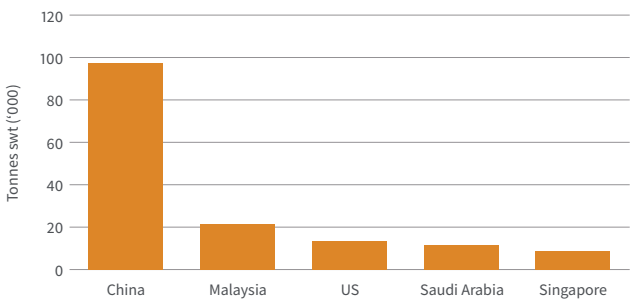

*Source: DAFF, TDM*

**Figure 62:** Australia's top five lamb export markets (2023)




*Source: DAFF*

**Figure 63:** Australia's top five mutton export markets (2023)




*Source: DAFF*

## Live sheep exports

- In 2023, Australian live sheep exports totalled 611,822 head, up 22% on the previous year **(Figure 64)** *(DAFF)*.
- Kuwait remained Australia's largest destination for live sheep exports in 2023, accounting for 44% of exports, followed by Israel at 14% *(DAFF)*.

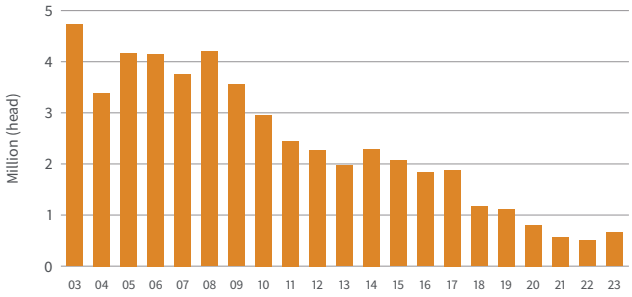
## Saleyard prices

- The National Trade Lamb Indicator averaged 587.26¢/kg cwt in 2023 **(Figure 65)**, 24.6% below the previous year and 22.9% below the five-year average *(MLA NLRS)*. In October 2023, trade lamb prices fell as low as 433.80¢/kg cwt, the lowest nominal price since 2013 (unadjusted).
- In 2023, the National Mutton Indicator decreased 48.3% year-on-year to 269.01¢/kg cwt, 47.2% below the five-year average *(MLA NLRS)*. In October 2023, mutton prices fell to 105.21¢/kg cwt, the lowest nominal weekly price since 2007 (unadjusted).

## Retail prices

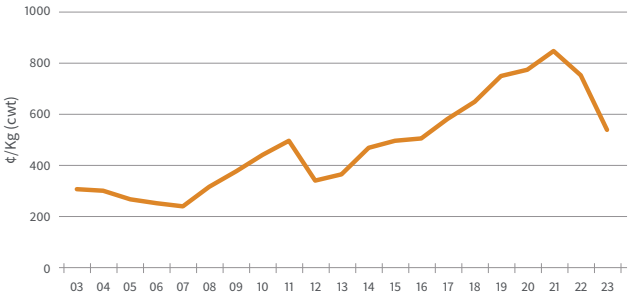
- The National Lamb Retail Price Indicator was estimated at 18.38$/kg rwt[11] in 2023, down 6.3% year-on-year **(Figure 66)** *(ABS, MLA calculations)*.

**Figure 64:** Australian live sheep exports




*Source: DAFF*

**Figure 65:** National trade lamb saleyard indicator




*Source: MLA NLRS*

**Figure 66:** National lamb retail price indicator


*Source: ABS, MLA NLRS*

**Kuwait remained Australia's largest destination for live sheep exports in 2023, accounting for 44% of exports, followed by Israel at 14%.**

**11** Retail price indicators are estimated by indexing forward from actual average prices of beef, lamb and pork during the December quarter 1973, based on meat sub-category indexes of the consumer price index. These indexes are based on average retail prices of selected cuts (weighted by expenditure) in state capitals.

## Farm financial performance

- The intense rebuild over 2020–22 elevated supply of lamb and mutton, which entered the market in 2023. Inflated input costs, the supply driven price fall, and a dip in market confidence impacted farm cash income year-on-year.
- The average farm cash income of Australian lamb producers[12] was estimated at $91,600 in 2022–23, back 27.6% year-on-year (in real terms) **(Figure 67)** *(ABARES)*.
- The average rate of return (excluding capital appreciation) of Australian sheep producing farms eased to 0.4% in 2022–23 *(ABARES)*.

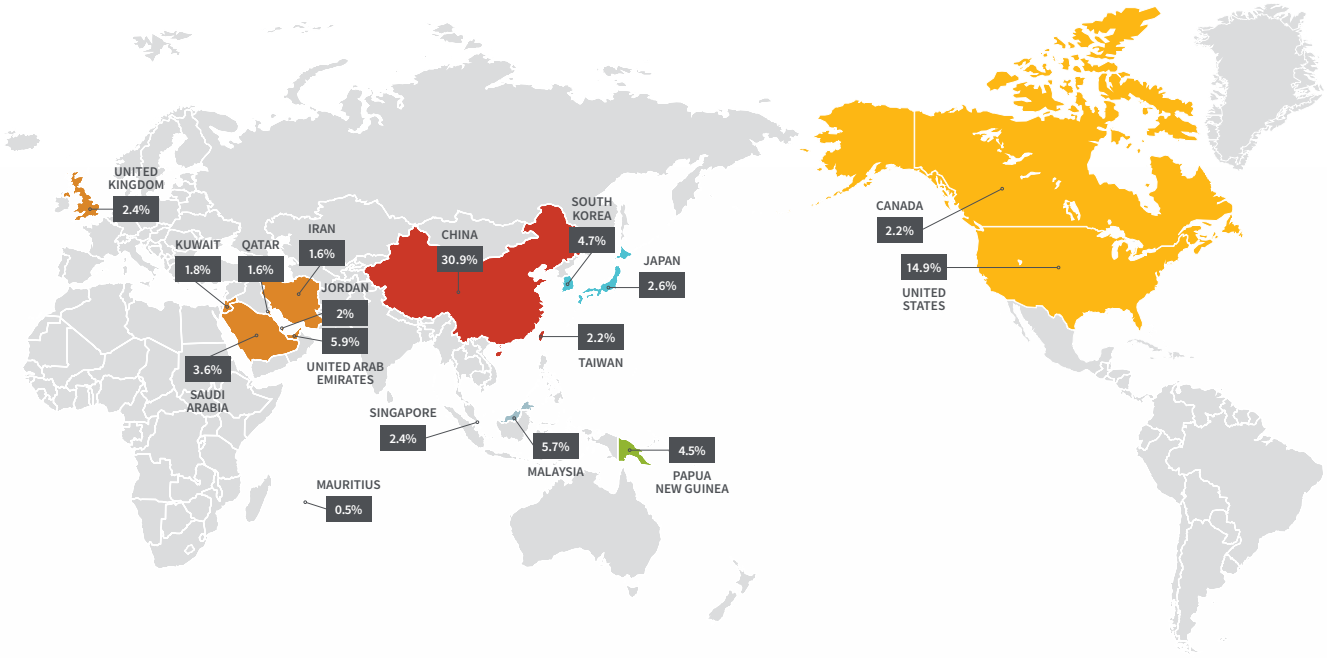
**Figure 67:** National average sheep farm cash income


*Source: ABARES*

Note: This data in real terms.

**Figure 68:** Australian sheepmeat exports by volume (2023)

In 2023, Australia's top three sheepmeat (lamb and mutton) export markets were China (165,244 tonnes swt, or 30.9% of total exports), the US (80,069 tonnes swt, or 14.9% of total exports), and Malaysia (30,380 tonnes swt, or 5.7% of total exports).




*Source: DAFF*

12 The ABARES Australian Agricultural and Grazing Industries Survey includes producers that sold at least 200 lambs for slaughter.

# Goat

## Slaughter

- Australian goat slaughter totalled 2.4m head in 2023, up 41.4% year-on-year and 53% above the five-year average, the largest year for goat slaughter on record **(Figure 69)** *(ABS)*.
- In 2023, goat slaughter in Victoria made up 46.7% (1,103,283) head, while Queensland made up 30.2% (713,702 head), NSW made up 17.8% (420,280 head), SA 4.6% (109,407 head) and WA at 0.8% (17,635 head). **(Figure 70)** *(ABS)*.

## Carcase weights

- Australian goat carcase weights averaged 15.6kg/head in 2023, down 7.7% on the 2022 carcase weights *(ABS)*.

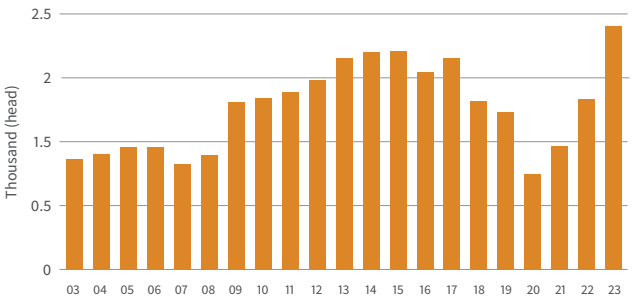
## Production

- Goatmeat production increased 29.7% to 36,904 tonnes cwt in 2023 **(Figure 71)** *(ABS)*.

## Goatmeat exports

- Australian goatmeat exports totalled 33,891 tonnes swt in 2023, up 55% on the year prior **(Figure 72)** *(DAFF)*.
- The United States remains the largest destination for goatmeat, accounting for 42% of exports or 14,477 tonnes swt in 2023, though declining from 57% market share the previous year **(Figure 73)** *(DAFF)*. China became Australia's second largest export market for goatmeat in 2023, taking 20%, or 6,757 tonnes swt in 2023 **(Figure 73)** *(DAFF)*. In 2022 China only accounted for around 1% of Australian goatmeat export market share.

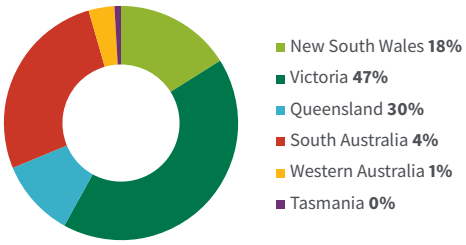
**Figure 69:** Australian goat slaughter




*Source: DAFF*

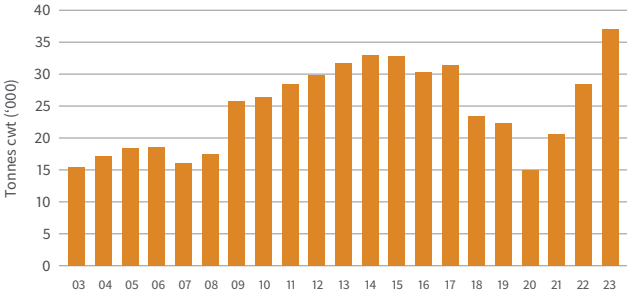
**Australian goat slaughter totalled 2.4m head in 2023, up 41.4% year-on-year and 53% above the five-year average, the largest year for goat slaughter on record.**

**Figure 70:** Australian goat slaughter by state (2023)



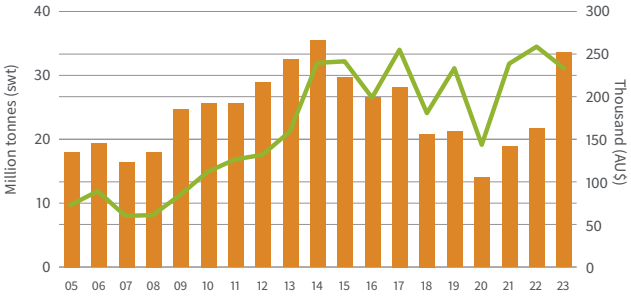

*Source: ABS*

**Figure 71:** Australian goatmeat production



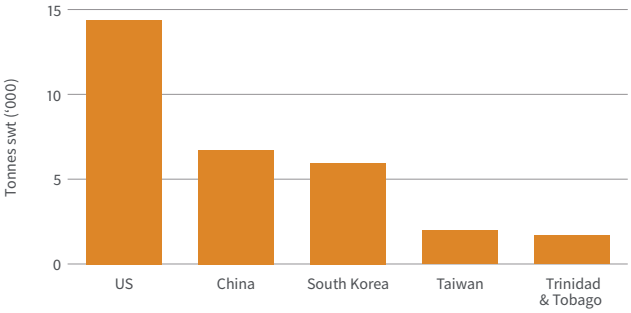

*Source: DAFF*

**Figure 72:** Australian goatmeat export volumes and value




*Source: DAFF*

**Figure 73:** Australia's top five goatmeat export markets (2023)




*Source: DAFF*

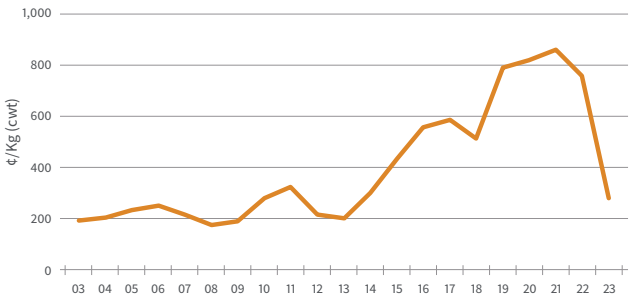
## Live goat exports

- In 2023, Australian live goat exports rose 277% to 18,356 head. Exports to Malaysia, normally the largest live goat export market, rebounded very strongly, alongside exports to China. *(DAFF, ABS)*.

## Over-the-hooks indicators

- The goat eastern states over-the-hooks indicator (12–16kg cwt) 2023 averaged 280.83¢/kg cwt, a decrease of 62.9% from the previous year **(Figure 74)** *(MLA NLRS)*.

**Figure 74:** Eastern states over-the-hooks goat indicator (12–16kg)

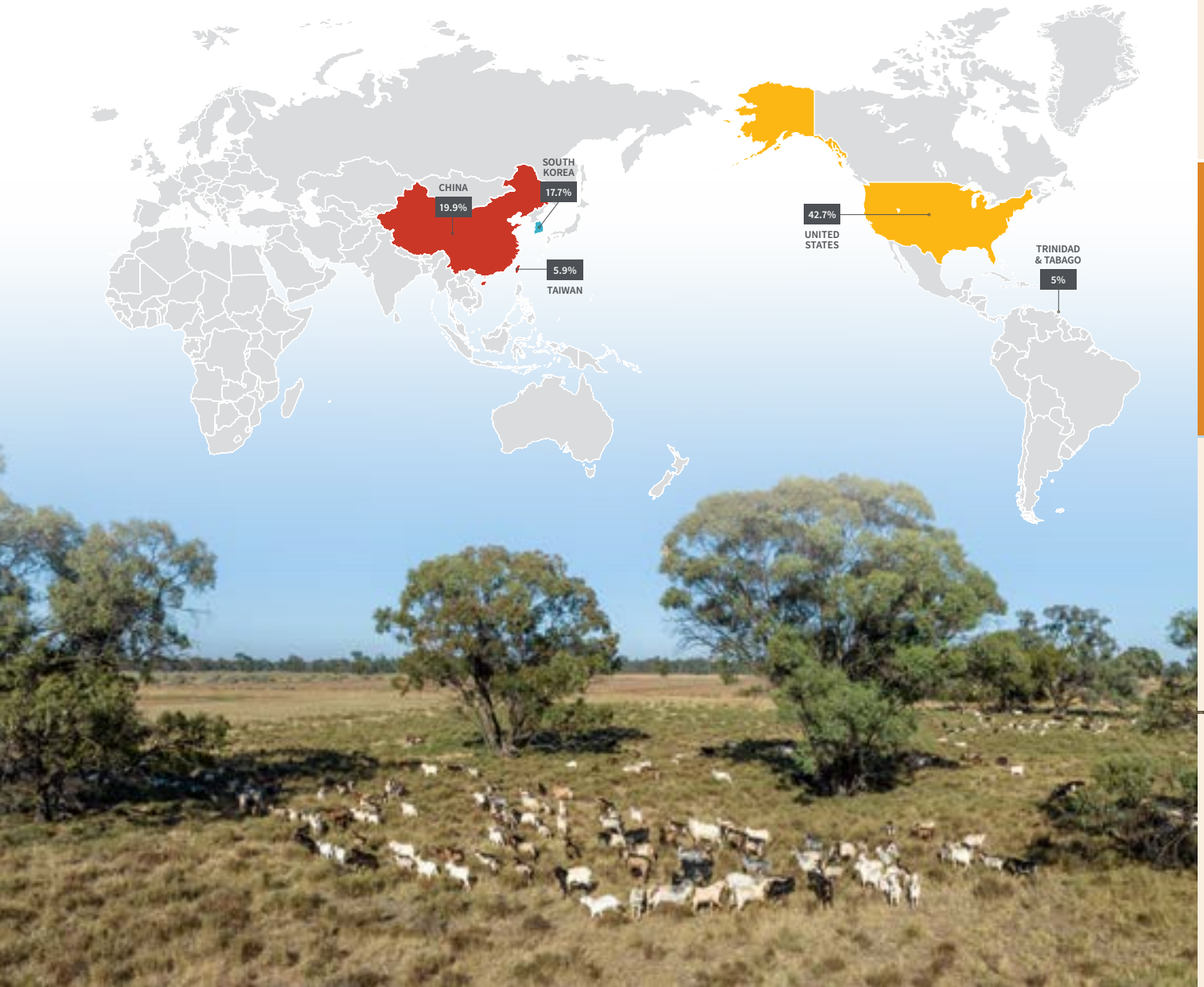



*Source: MLA NLRS*

**Figure 75:** Australian goatmeat exports by volume (2023)

*Source: DAFF*

In 2023, Australia's top three goatmeat export destinations (in volume terms) were the US (14,477 tonnes swt, or 42.7% of total exports), China (6,757 tonnes swt, or 19.9% of total exports) and South Korea (5,994 tonnes swt, or 17.7% of total exports).



# Key issue snapshots

## How has the global economic landscape shifted since 2023, and what are the implications for red meat demand?

**Cost of living has been one of the most discussed issues globally, since inflation shot up in many countries in 2022 and negatively impacted consumer demand across the world. While inflation rates have generally been easing since 2023 and are forecast to continue to decline, consumer behaviours and their impact on red meat demand differ across markets in the medium- to long-term future.**

In 2024, the global economy presents a mixed landscape – growth in major advanced economies is becoming more subdued, while Asia's emerging economies remain the main engine of global economic growth. Growth in emerging markets is being driven by strong domestic consumption and investment, though they remain vulnerable to external shocks such as fluctuating commodity prices and political instability. Despite challenges, India and China still account for almost half of global growth.

### Global inflation to recede further but uncertainty remains

Global headline inflation receded from 6.8% in 2023 to 5.9% in 2024 and is forecast to further decline to 4.5% in 2025, with advanced economies returning to their inflation targets sooner than developing economies *(IMF)*. However, inflation remains a significant concern, as rising services costs and wages may keep overall inflation higher than desired, adding uncertainty to the economic outlook.

### Disparities in consumer confidence

In 2024, global consumer confidence reflects a general climate of cautious optimism but also regional disparities. In advanced economies, consumer confidence has seen a moderate rebound, supported by stable employment rates, government stimulus measures, and advancements in technology that enhance consumer convenience. Countries with robust growth prospects, such as South-East Asian countries, exhibit higher consumer confidence, buoyed by expanding middle classes and improving economic indicators.

### China – weaker demand, cautious spending

In the wake of the pandemic, China has overall seen weaker market sentiment, making consumers more cautious about their discretionary spending.

China's GDP growth has been slowing for some time, albeit off record-high levels, with recent forecasts ranging between 4.4–5% for 2024, slowing to between 3.8–4.4% in 2026. In contrast to many countries that have had tight labour markets, China has experienced a rise in unemployment, particularly among urban educated youth, putting downward pressure on wages.

MLA market intelligence has found that the average meat spend per shopping trip and restaurant meal in key cities has remained below pre-pandemic levels in 2024 to-date, with some retailers and foodservice operators switching to cheaper cuts in order to shore up sales and profitability.

### Medium- to long-term opportunities for Australian red meat in China

While the first half of 2024 has seen some weakening of demand for some Australian red meat products, the medium- to long-term prospects for Australian exports to China remain positive. This is supported by a number of current and forecast market insights:

- Year-on-year growth in household discretionary spending is currently forecast to bounce back from 2.4% in 2024, to 6% in 2025 and 6.1% in 2026 *(Fitch Solutions)*.
- The number of affluent households earning at least US$35,000 annual disposable income, is still forecast to increase strongly at a Compound Annual Growth Rate (CAGR) of 17% from 2023 to 2028 *(Fitch Solutions)*.
- Data indicates that affluent consumers have continued to be willing to trade-up in some categories such as those related to health. E-commerce red meat sales have bucked the offline retail trend, continuing to grow by offering a larger range, competitive prices and convenience *(MLA China)*.
- China demand for premium red meat imports has been relatively resilient. In the 12 months ending June 2024, import volumes of chilled beef were up 29% year-on-year compared to 6% for frozen beef. In 2023–24, Australian exports of chilled beef to China rose 49% year-on-year and total grainfed exports increased 32%. Australian lamb and mutton export volumes to China for the same period were both up 6%, with notable increases in shortloin, backstrap and boneless loin cuts.
- Australian red meat and livestock are highly regarded by China trade customers and consumers, particularly for our safety, consistently high quality, sustainability and good animal welfare *(MLA Global Consumer Tracker China 2024)*.

With increased high-level dialogue between Australia and China since 2023, bilateral relations have been improving, resulting in more positive trade relations and enhanced market access for Australia.

**More information:**
**mla.com.au/international-markets**
**aussiemeattradehub.com.au**

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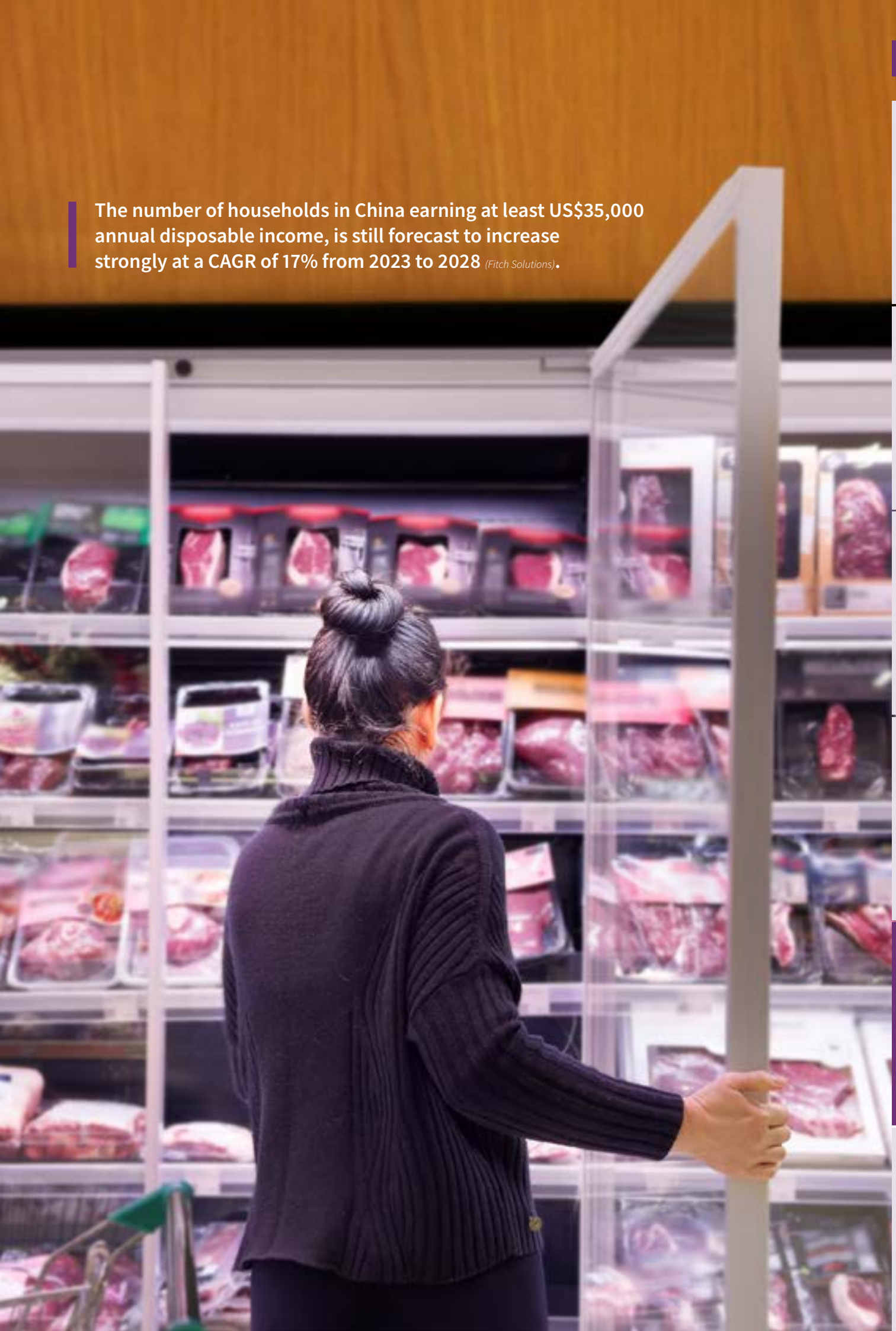


## What is the outlook for countries competing in the global red meat market moving into 2024–25?

**Australian red meat exports are set to reach record levels in 2024–25, as the cattle herd and sheep flock rebuilds mature and increasing supply comes into the global market.**

**With the additional supply, the relative position of Australia's competitors will become more important. The risk of high Australian supply would be that the global market becomes 'filled with meat', impacting prices.**

Fortunately, Australia's main competitors in beef and sheepmeat exports look set to see declining production and lower export volumes over the next financial year. This will create the space in global markets for Australian supply and help to realise the potential of record export volumes.

### Beef

Australia's primary competitors in beef export markets are facing lower production and lower export volumes over the coming financial year.

The United States is currently emerging from a destock, which has been ongoing since mid-2019. Despite persistently high production, slaughter numbers have come down substantially since a peak in 2022, and production is forecast to decline by 2% over the coming financial year to 11.9 million tonnes, according to the United States Department of Agriculture (USDA).

As the US consumes around 90% of production domestically, this decline in production will have an outsized effect on export markets. As such, by the end of 2024–25, the net trade position of US beef is set to decline by 32% to 517,000 tonnes cwe.

This means that demand for Australian beef in the US is set to rise to replace US domestic production. However, it also opens up space in key Asian export markets where Australia and the US compete for market share, namely Japan and South Korea.

### Sheepmeat

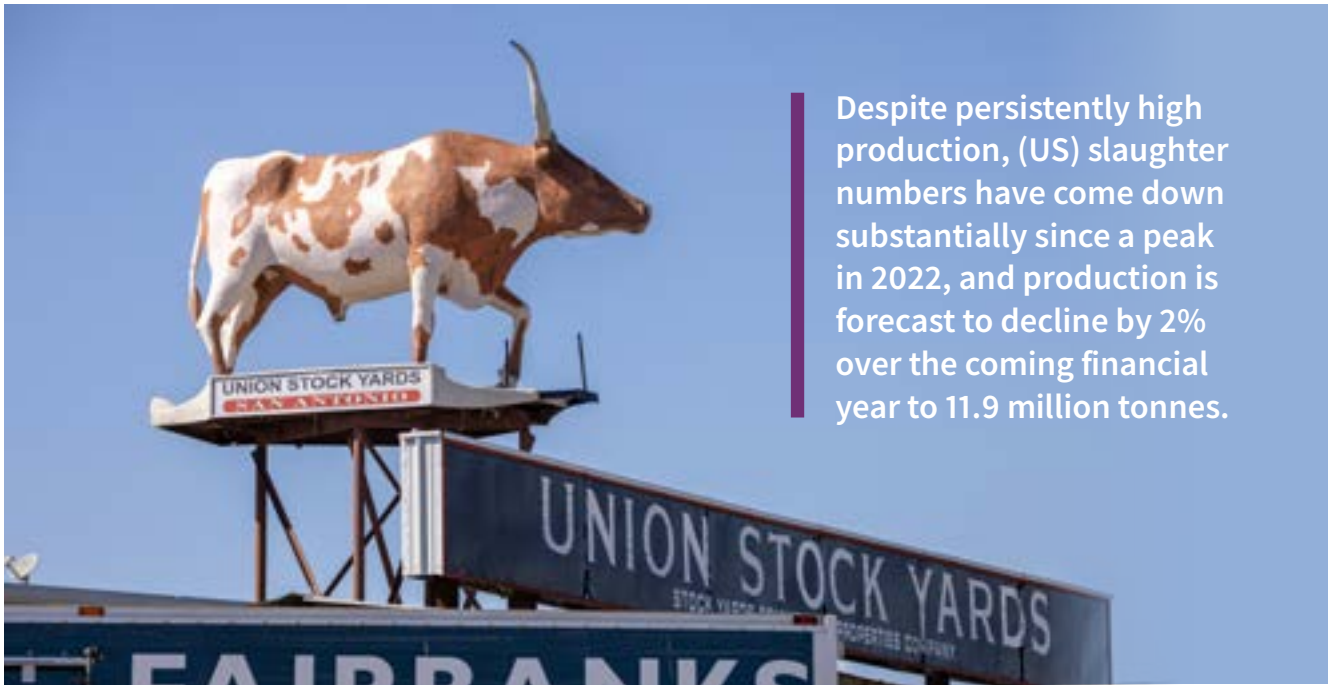
In 2023, Australian lamb and mutton exports accounted for half of the global total. After Australia, New Zealand was the largest exporter by some margin, accounting for roughly one third of the total.

New Zealand sheepmeat production has been steadily declining over the past decade, as the dairying and forestry industries have grown and taken up an increased share of agricultural land use. This has meant that the NZ sheep flock fell below 25 million in 2023, for the first time since records began.

Slaughter numbers have consistently fallen over the past decade, though by less than the decline in flock size. This has manifested in a persistently high stock turn-off rate, driving continued flock decline.

Despite this, a slight increase in carcase weights and a decrease in domestic consumption have kept exports in a narrow range of 400,000–440,000 tonnes cwe per year for the past decade. However, it means that the capacity of New Zealand exports to rise is very limited; domestic consumption is already low enough that further reductions would not meaningfully affect export volumes.

As such, New Zealand exports are unlikely to rise substantially over the next year, notwithstanding a substantial destocking event. Given that, the increase in Australian exports will likely result in continued growth in export market share.




**Despite persistently high production, (US) slaughter numbers have come down substantially since a peak in 2022, and production is forecast to decline by 2% over the coming financial year to 11.9 million tonnes.**

## How will the Australian red meat industry address changes to the labour market in the future?

**The red meat industry is exposed to pressures on both sides of supply and demand. The weather has the number one impact on herd and flock growth and turn-off. As climate seasons shift on long-term trends, production becomes more unpredictable and, in turn, more volatile.**

The red meat processing sector has had to keep up with the fluctuating supply of red meat, manage breakdown demands from global consumers, and maintain profit through moving input prices. Since 2012, production has become more volatile, fluctuating over destock and rebuilds, while trade agreements have driven demand movement into new markets.

Current labour conditions for processors remain strained. Filling skilled and unskilled positions in regional Australia is hindered by unemployment rates, motivation to work and a stable workforce. In addition, the fluctuating supply creates issues for maintaining a labour pool. Industry is in a period of extreme supply, with red meat production breaking records in 2023 and forecast to remain high in the coming years. This means there is a strong need for more hands-on ground, though when supply is low, seasonally or in rebuild periods, processors drop shifts and have less need for workers.

The sector has relied heavily on short- and long-term international labour programs to manage staffing during periods of high and low supply. The Pacific Australia Labour Mobility (PALM) Scheme and the Meat Industry Labour Agreement (MILA) will remain essential for the red meat industry to operate at total capacity.

### Pacific Australia Labour Mobility Scheme

The Pacific Australia Labour Mobility Scheme (PALM) has provided the Australian red meat industry with labour resources since its foundation in 2022. PALM focuses on filling unskilled, low-skilled and semi-skilled labour shortages, particularly across regional Australia, and currently provides jobs to more than 30,000 workers.[13]

Most employers participating in PALM are in the agriculture/fishing and meat processing sectors, with just under 10,000 participants in the meat processing sector – making up 21.8% of all 'Meat and Meat Product Manufacturing' employment.[14]

Processors invest in their employees through the Scheme. Appropriate wages, leave entitlements, and accommodation are promoted through the Scheme, building strong foundation relationships between employers and employees, their families and the broader local and offshore communities. Additionally, the program's popularity has fostered healthy competition in accessing motivated staff, leading employers to focus on pastoral care and community investments to encourage retention and promotion through local communities.

Most employment through PALM is used to fill the unskilled gap in the labour market. This means employers make a significant investment in upskilling and training. The PALM scheme offers positions up to four years.

### Meat Industry Labour Agreement

The major vehicle for employing skilled overseas workers is the Meat Industry Labour Agreement (MILA). The MILA is a long-standing and formal arrangement popular in South-East Asia, Korea, and China. MILA has a minimum salary expectation as a Temporary Skilled Migration Income Threshold or TSMIT, which, as of 2023, is $73,000, sitting above the domestic Meat Industry Award. Despite this, the MILA has been incredibly successful in accessing and filling skilled staffing positions and remains one of the more widely adopted pathways to reach employees.

Moving forward, processors continue to use both schemes in accessing employment and are moving towards using them in conjunction with each other. This involves employing a worker through the PALM scheme as an unskilled staff, training them for their four-year program, and then successfully transferring them to the skilled labour MILA scheme.

**13** Australian Government (2023) *Expanding and improving the PALM scheme: December 2023*. Available at: palmscheme.gov.au/sites/default/files/2024-01/Expanding%20and%20improving%20the%20PALM%20scheme%20-%20December%202023_0.pdf (Accessed: 11 September 2024).

**14** Australian Bureau of Statistics (2024) *Labour force, Australia, detailed, May2024*. Available at: abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/may-2024 (Accessed: 11 September 2024).

## How is industry extracting additional value and uses from carcases?

**In many markets, the effects of a changing lifestyle where consumers are demanding increased on-the-go convenience along with heightened interest in wellbeing is seeing a rise in demand for value added protein products. Red meat is high in protein, iron and amino acids. Harvesting high-quality collagen from livestock hides/skins, which are produced in accordance with Australia's exceptional animal welfare, sustainability and biosecurity credentials, allows it to be well positioned to address this opportunity.**

Recent advances in food and packaging technologies are now assisting the red meat industry to transform meat, co-products and by-products into new usages and occasions. This includes transforming raw product into functional, clean labelled food ingredients through to new ready-to-eat/heat snacks, meals, nutraceuticals and even beverages that include red meat components.

A number of factors are driving innovation and competition for red meat (and by-products) into premium value-added products. These include the burgeoning purchasing power of baby boomers globally, the bounce-back in the foodservice sector post COVID (coupled with labour shortages to value add on-site, resulting in more centralised processing), and the continued growth in pet ownership and humanisation of pet food. MLA investments have focused on the opportunity provided by new usages and occasions for red meat consumption through the High Value Foods Frontiers sub-program.

### Activation of the co-product opportunity

After two years of joint research identifying the opportunity to valorise a range of 5th quarter beef organs, Kilcoy Global Foods has launched their Kilcoy Nutrition brand. By using spray drying technology to deliver a range of powders that can be encapsulated or used as an ingredient in other products, Kilcoy has utilised co-products to generate a possible 10x–30x value multiplier for the current low value inputs. The incredibly nutrient dense range of shelf-stable red meat products is a functional ingredient or capsule which can be used in both the human and pet nutrition space.

**For more information visit** kilcoyglobalfoods.com

Freeze Dry Industries (FDI) have successfully accessed a high value global market, launching their Organic Collagen Australia range of certified organic collagen products across North America. FDI's collagen is extracted from Queensland organic beef hides that are of no value to the existing leather market due to hide damage caused by free roaming. Using investments from the High Value Food Frontiers sub-program, FDI have transformed a 'cost of doing business' in hide disposal to a supplement and value-add opportunity. Leveraging Australia's Bovine Spongiform Encephalopathy free status, FDI continues to promote the outstanding quality of the industry's clean green status to new markets servicing new customers.

**For more information visit** organiccollagenaustralia.com.au

### Utilising global markets

Aussie Select have activated in the $8 billion dollar North American deli meats sector, launching an Australian lamb pastrami across 73 Costco stores in North America. Initial market research indicated the North American market was seeking premium innovations through the ready-to-eat cooked meats sector, leading to Aussie Select, in partnership with Meat Tender Group, capitalising on Australia's leading production of high-quality lamb.

Research projections show an opportunity for over 3.7 million pounds (1,678 tonnes) of exclusively Australian raw product over the next five years, with further growth opportunities accessed in the ready-to-heat, ready-to-eat and snack-kit categories.

Thomas Foods International have completed work in the development of a range of value-added goat products for the North American, Mexican and Caribbean markets, processing beyond the traditional six-way cut frozen product. The United States has traditionally been Australia's largest export market for goat, however at an average per capita consumption of less than 100 grams per year there is considerable growth potential. It is estimated 5% of the US population that have never tried goat meat could become consumers equating to an increase in volume of almost 10,000 MT per annum.

The average price of goat exported from Australia in 2022 was $12.28 compared to average price for January to June in 2023 of $7.38 per kilogram. By uplifting the export value from 2023 prices to 2022 prices there is a $100-million-dollar uplift opportunity for the sector.

**Research projections show an opportunity for over 3.7 million pounds (1,678 tonnes) of exclusively Australian raw product over the next five years, with further growth opportunities accessed in the ready-to-heat, ready-to-eat and snack-kit categories.**


Aussie Select™
PASTURE EXPECTATIONS
LAMB PASTRAMI
NO ARTIFICIAL INGREDIENTS
NO ARTIFICIAL COLORS OR FLAVORS
A GOOD SOURCE OF PROTEIN
PASTURE EXPECTATIONS.™
Aussie Select™ is a trailblazing brand, hand crafting a delicious new line of deli ready-to-eat meats featuring premium, pasture-raised Australian Lamb.
Take a DELIcious Journey.
TRUE AUSSIE LAMB

## What are the key drivers for producer decision making?

**Livestock producers making decisions that will impact their businesses' needs to juggle numerous factors to determine whether the decisions will be of benefit. Considerations are made for cost of implementing decisions, enabling factors and risks.**

Examples of enabling factors include available capital, likely benefit, infrastructure, labour and knowledge, and skills to successfully act on the decision. Further, producers must assess risks such as seasonal outlook and commodity prices, which can vary significantly within and between years.

In assessing decisions that will impact their businesses, producers are also assessing whether the decision will help them achieve the short- and long-term goals for their businesses. Business goals may relate to herd or flock size, purchasing of additional properties, sustainability or property improvements.

MLA can provide producers with the knowledge, skills and tools to help them assess decisions for their businesses through the following training products:

### Business EDGE and Business EDGE Young Guns

Business EDGE is a two-day financial and business management training course and increases producers' knowledge of key profit drivers, and how to assess and manage agricultural business risk and manage business performance.

**More information:**
mla.com.au/business-edge

### Profitable Grazing Systems packages including Benchmarking for Profit and Production, and Leading with Certainty

Profitable Grazing Systems (PGS) is a group learning program, which uses supported learning packages to deliver training and individual coaching to producers over six to 12-months. The supported learning package, 'Benchmarking for Profit and Production' assists producers to develop their business goals, which benchmarks to use to monitor progress in achieving those goals, and how to assess the strengths and weaknesses of the business.

The 'Lead with Certainty' package empowers producers to increase awareness of themselves and their teams and learn techniques they can use to create a positive team culture through planning, goal setting and communication.

A PGS package currently being developed as part of MLA's investment in the North Australia Climate Program is the training product, 'Managing Climate for Decision Making'. The package will upskill producers in how to apply climate knowledge to the management of pastures and livestock.

**More information:**
mla.com.au/pgs

### Sheep Producers Intentions Survey

MLA gather short-term drivers of decision making through the joint MLA/AWI Sheep Producers Intentions Survey. Producers are asked, beyond prices, what their on-farm and off-farm factors of decision making are over the following six months. Data collection on decision making is a recent priority of the survey in the past two years, though early responses have been important in understanding the influences of producer behaviours.

Weather, as expected, emerges as the predominant short-term driver, both on-farm and off-farm, highlighting the need for sheep producers to remain flexible in the face of uncontrollable forces. Based on the survey results, feed considerations and pasture growth remain the second largest decision driver for producers. In recognising this, MLA has developed a number of online decision support tools for feed growth and pasture management.

Online decision support tools include:

- Stocking rate calculator: mla.com.au/stocking-rate
- Feedbase planning and budgeting tool: mla.com.au/feed-budget
- Pasture improvement calculator: mla.com.au/pasture-improvement-calculator
- Soil phosphorus tool: mla.com.au/ptool
- Pasture trials network: mla.com.au/pasture-trials-network

Beyond weather and feed, drivers can vary from year-to-year, depending on the current climate. Labour availability, input costs, feed availability and prices will always remain a constant in producers' businesses, though they vary in importance from season to season. Labour concerns have been high on the list during the Covid recovery, however, more recently, 19% of respondents in the May 2024 wave of the survey considered Government policy and live export as an off-farm factor of decision making, proving how influential sudden and short-term changes can be on our sheep industry.

**More information:**
mla.com.au/elearning-peopleandbusiness

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## How important is Australia's disease status in our major export markets?

**Strict biosecurity and the maintenance of Australia's disease-free status is critical in retaining and further improving Australia's access to international markets. Being disease free has not only enhanced Australia's eligibility to export red meat but has helped secure preferential access and diversified trade opportunities.**

Recent (and ongoing) animal disease incursions in Australia's near neighbours – specifically lumpy skin disease (LSD) and foot-and-mouth disease (FMD) in Indonesia – has heightened attention on protecting Australia's disease-free status quo as well as ensuring disease preparedness. Overseas experience has shown that animal diseases can have serious economic and social implications – which the Australian red meat sector is strongly committed to avoiding.

### Implications of an outbreak

An incursion of an emergency animal disease would instantly alter Australia's 'free from' status, resulting in meat products being shut out of many export destinations under existing trade protocols. This would result in product being diverted to either the domestic market or alternative export markets. No other country's red meat production sector is as export exposed as Australia's, meaning a loss of access to international markets would have a devastating impact on the supply chain.

The fallout would cause a reduction in product prices and financial returns as well as negative impacts in associated service sectors and surrounding communities. ABARES has estimated the impact of an FMD incursion in Australia at around $80 billion[15], which would be felt by the whole economy for many years. An outbreak would lead to a loss of consumer confidence in both domestic and export markets – particularly amongst consumers who prioritise safety and quality.

The process of re-establishing disease freedom would begin with negotiations with destination markets to regain access – a lengthy and stagnated process in line with World Animal Health guidelines and Australia's ability to eradicate the disease. This could be challenging, costly and far from uniform across markets.

Reassuring exporting nations and consumers post a disease incursion would require a significant industry investment in order to rebuild confidence, drive demand and support future exports.

### Protecting the status quo

Fortunately, Australia has invested significant resources into developing advanced surveillance systems, agreements and protocols to rapidly detect and respond to exotic disease incursions. These are detailed in the Emergency Animal Disease Response Agreement (EADRA) and AusVetPlan, which are administered by Animal Health Australia (AHA) and supported by financial and operational contributions from industry.

An accurate and effective traceability system for FMD and LSD susceptible species is also critical to Australia's trade security as it will dictate the extent of an outbreak, how quickly we could contain it and how soon Australia could demonstrate freedom from the disease to regain international market access.

In this regard, the National Livestock Identification System (NLIS) forms the foundation of Australia's post-border capability to respond to an outbreak, as it is the mechanism industry will use to track and trace affected animals. The Federal Government's investment in the current NLIS Database Uplift project will further underpin Australia's preparedness.

Additionally, ongoing industry investment in accreditation programs such as Livestock Production Assurance and the National Feedlot Accreditation Scheme, further protect and secure our favourable disease status. Producers, lot feeders and processors also support Australia's biosecurity system through implementing good biosecurity practices and plans, both within their own enterprises and across the sector.

Combined, these measures play a pivotal role in mitigating disease incursion risk.

### Global developments

Australia, however, is not alone. Similar disease risk mitigating investments are being made by other red meat producing/exporting countries around the world. While this is essential in reassuring governments and consumers alike about the safety of the red meat category per se, it is also providing an opportunity for Australia's competitors to access previously restricted export markets.

The most recent development has seen Brazil declaring itself FMD-free and indicating it will now pursue this status at an international level. That in turn will require World Organization for Animal Health recognition of 'country free from FMD without vaccination' status. If achieved, the result could place the Brazilian beef industry on a new sanitary level and ultimately provide the country access to highly discerning North Asian export markets (pending agreement with the importing country) – in direct competition at some time over coming years, with Australian beef.

Fortunately for the Australian industry, our suite of free trade agreements provides a comparative advantage in global markets regardless of technical market access. That said, the future for global markets looks set to be increasingly competitive, and ongoing vigilance to keep exotic diseases at bay and maintain our disease-free status will be critical if Australia is to hold onto this export underpinning credential.

**15** Department of Agriculture, Fisheries and Forestry (2023) *FMD update of 2013 estimate*. Available at: agriculture.gov.au/abares/research-topics/biosecurity/biosecurity-economics/fmd-update-of-2013-estimate (Accessed: 11 September 2024).

## What benefits are there to industry of improved data sharing?

**Greater data sharing and collaboration across the industry will empower the whole supply chain, allowing for informed decision making and the opportunity to better utilise feedback. myFeedback is a recently launched platform, which for the first time, combines animal disease and defect data, alongside carcase and eating quality data, all accessible in one place.**

The platform centres around allowing producers to more accurately benchmark their performance and improve the quality and animal health of livestock produced, whilst being in line with market requirements.

Since the system was launched in late 2023, over 1600 producers have already created an account and accessed the myFeedback system.

Industry collaboration has also seen nearly 30% of all Meat Standards Australia (MSA)-licensed processors already contribute data to the system. MSA is continuing to work alongside interested processors to ensure that disease and defect data can be collected as per the Red Meat Supply Chain Committee (RMSCC) industry standards and enable this information to be shared along the supply chain. By ensuring information is captured accurately across all processing sites, industry can have confidence in the consistency of the carcase feedback they are receiving.

myFeedback is a program designed to help producers make data-driven, on-farm decisions to improve quality and health of their livestock in line with market requirements. It provides producers with a tool to understand and use processor feedback to improve compliance moving forward. This allows producers to benchmark their performance against an industry pool of deidentified and aggregated information and compare their results at a regional, state or national level.

As more information is shared on the platform, better insights will be available across more of the supply chain. myFeedback also allows long-term analysis which allows producers the ability to identify any patterns in their data and how this may relate to on-farm management practices. It will also develop their understanding of how livestock comply with grid specifications and help them to identify opportunities for increased productivity and profitability. Uniquely, this visibility allows breeding operations to have lifetime traceability in the form of access to carcase information at the point of processing.

myFeedback gives processors a wide range of benefits, from an ability to increase their compliance to being able to identify pathways of consistent supply. Processors can work with producers to improve their product over the long-term by sharing information and thus capitalising on lost opportunities with carcase meat and offal quality. By sharing information with producers, on-farm practice changes will be enabled and strong relationships between producers and processors will further strengthen the supply chain. Using a centralised tool provides greater benchmarking opportunities. Combining eating quality insights with animal disease and defect data streamlines and supports data-based decision making.

The digitalisation of agricultural information will empower the supply chain to ensure the continuing strength of the agriculture industry. myFeedback provides data that allows producers a key resource for various improvements and optimisations in business operations from production and product distribution. Centralisation of data collected from different farming systems along the value chain is crucial to prevent biosecurity risk and building a resilient supply chain.

## How does transparency of information flow along the supply chain?

**In 2023, the cessation of over-the-hook pricing for cattle, sheep and goats drew attention to price transparency in the red meat and livestock industry. Price transparency allows producers to accurately compare the price offered with product supply, demand, market conditions, and prices paid to other producers.**

In the red meat sector, the supply chain is becoming increasingly more complex encompassing a wide range of stakeholders. Value-based pricing is an opportunity to increase price transparency and thus an opportunity to instil confidence in the grading system for livestock. Objective carcase grading and improvements in the coverage of market reporting aids in building trust and integrity in the red meat industry. A robust methodology for grading carcases is essential in signalling demand of the market.

The National Livestock Reporting Service (NLRS) aims to provide transparency at a saleyard level but with the diversification of sales channels, direct contracts are becoming more important. Supply chains are continuing to evolve with market requirements which are now focusing on creating opportunities for businesses to adopt eating qualities principles.

The NLRS has become the industry gold standard for price transparency for the cattle and sheep market, however the voluntary nature of the service means its effectiveness is constrained. Therefore, the NLRS relies on all industry participants to regularly report their information to ensure the most value to industry. While the NLRS has expanded its reporting from physical saleyards to the online marketplace, industry should continue to strive for greater data transparency across the supply chain.

Over-the-hook (OTH) pricing provides crucial information for stakeholders participating in a free market. A majority of smaller producers utilise OTH pricing to negotiate their business terms and make informed and timely selling decisions. Price transparency enables producers an opportunity to focus on improving eating quality.

Meat Standards Australia (MSA) is the world's leading beef and sheepmeat grading system, which enables product segmentation of beef based on eating quality, to ensure a consistent product for customers both in Australia and internationally.

Providing consistent eating quality to the customer enables brand owners to capture value and share it along the supply chain. This may be through price premiums for producers who provide a higher value carcase. As a result, the farm gate return for MSA-graded cattle is continuing to grow. This resulted in a record estimate $326 million return to farmgate in FY24, totaling $1.9 billion over the past 10 years.

As brand owners capture more value from the MSA program through providing more consistency in eating quality for their customers, improving secondary cuts utilisation, and other value-drivers such as assurance or raising claims, the more this value can be shared along the supply chain. This incentivises producers to supply cattle to meet the eating quality that the consumer expects and encourages continual improvement of on-farm practices, such as genetics, management and/or nutrition to achieve these aims

As industry strives for price transparency, an important piece of the puzzle is missing. The disconnect in the supply chain from producers to end consumer has sown distrust between stakeholders. Asymmetrical information has led to cattle and sheep production increasingly focusing on weight gain and yield as opposed to brand owners providing incentives to meet different tiers of eating quality. Value based pricing incentivises more market segmentation, compensating those who are investing in premium livestock and livestock products.

# Glossary and key terms

| | |
|---|---|
| **ABARES** | Australian Bureau of Agricultural and Resource Economics and Sciences |
| **ABS** | Australian Bureau of Statistics |
| **ACT** | Australian Captital Territory |
| **ALFA** | Australian Lot Feeders' Association |
| **AU$** | Australian dollar |
| **AWI** | Australian Wool Innovation |
| **cwe** | carcase weight equivalent |
| **cwt** | carcase weight |
| **DAFF** | Department of Agriculture, Forestry and Fisheries |
| **FAO** | Food and Agriculture Organisation |
| **FY** | financial year |
| **GDP** | gross domestic product |
| **IOD** | Indian Ocean Dipole |
| **Industry turnover** | The income generated by business within the industry from the sales of goods and services. It includes the income generated from rent, leasing and hiring income. |
| **Industry value add** | The overall value of goods and services produced by businesses in an industry (also known as contribution to gross domestic product (GDP)). |
| **lwt** | liveweight |
| **MLA** | Meat & Livestock Australia |
| **MSA** | Meat Standards Australia |
| **NLRS** | National Livestock Reporting Service |
| **NSW** | New South Wales |
| **NZ** | New Zealand |
| **NT** | Northern Territory |
| **NW** | north west |
| **OECD** | Organisation for Economic Co-operation and Development |
| **Over-the-hooks (OTH)** | Refers to the marketing of cattle/sheep/lambs directly from a farm to an abattoir where a producer is paid for the value of the carcase based on a sliding grid. The skin is also evaluated for length and quality and is purchased by the processor. The seller generally pays for the animal's transport from the farm to the abattoir. The producer generally receives payment within a seven to 14-day period. |
| **PNG** | Papua New Guinea |
| **QLD** | Queensland |
| **rwt** | retail weight |
| **SPIS** | Sheep Producer Intentions Survey |
| **swt** | shipped weight |
| **SA** | South Australia |
| **TAS** | Tasmania |
| **TDM** | Trade Data Monitor |
| **UAE** | United Arab Emirates |
| **UK** | United Kingdom |
| **US** | United States |
| **VIC** | Victoria |
| **WA** | Western Australia |


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**MLA's *State of the Industry Report 2023–24***
**is available online at mla.com.au/soti**