

NSW Cattle & Beef Industry Summary

March 2017

Australian beef industry in global markets

- In 2016, Australia is forecast to represent 3% and 4% of the world cattle herd and beef production, respectively (Figure 1).
- However, Australia has been a major beef exporter (Figure 2: the third largest exporter in 2016 – USDA forecast), and so international markets are important to the Australian beef industry.
- The industry and Australian / State Governments work collaboratively to ensure Australian beef is a high quality and safe product, with food safety and quality assurance systems / programs in place throughout the supply chain.
- Australian beef is highly recognised as a clean, green and safe product in international markets.

Figure 1: World beef production

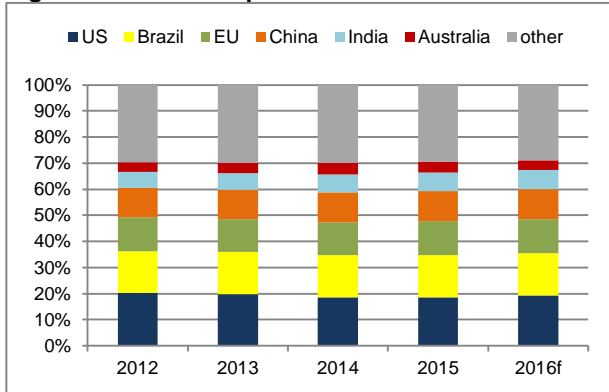
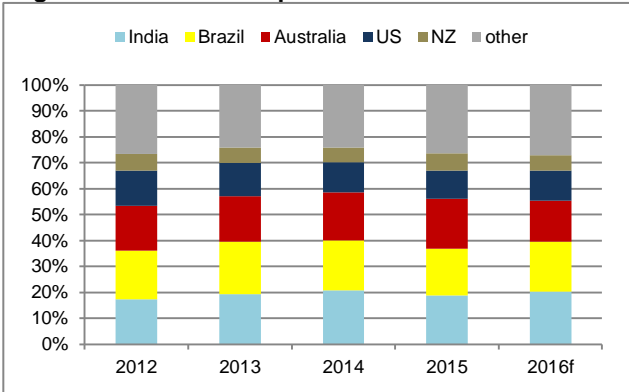


Figure 2: World beef export



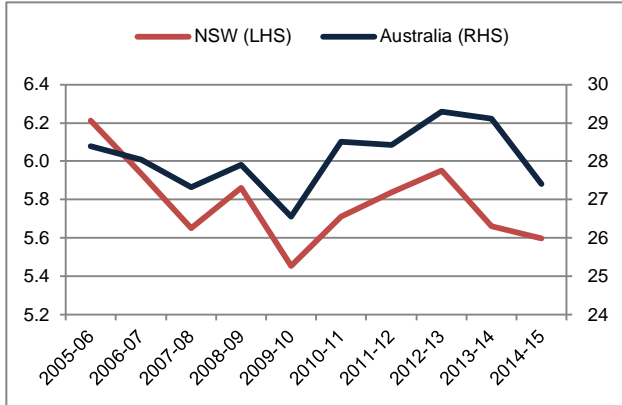
Source: USDA / f –forecast

NSW cattle and beef industry – supply

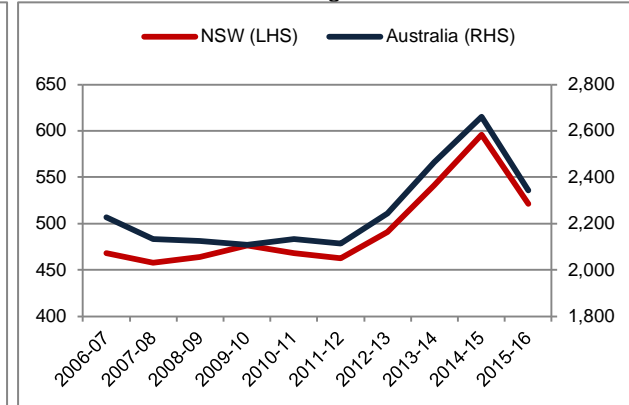
- New South Wales (NSW) has the second largest cattle herd in Australia, with a long-term average 21% of Australian cattle (Figure 3).
- Similarly, NSW is the second largest beef producing state in Australia, contributing to a long-term average 22% of Australian total beef and veal production (Figure 4).
- Beef cattle farms were the most popular sector in NSW in 2013-14, totalling 12,722 farms. This number accounted for 35% of the total cattle farms in Australia (Australian Bureau of Agricultural and Resource Economics and Sciences).
- In 2014-15, cattle and calves registered the highest gross value of production in NSW, at 2.3 billion – 19% of the state's total gross value of agricultural production.

Figure 3: Australian / NSW cattle herd

Unit: million head

**Figure 4: Australian / NSW beef production**

Unit: '000 tonnes carcass weight



Source: ABS / Note: the latest stats available for the cattle number is as at June 2015

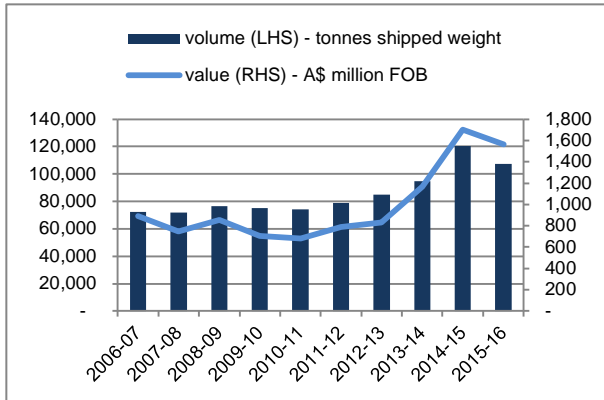
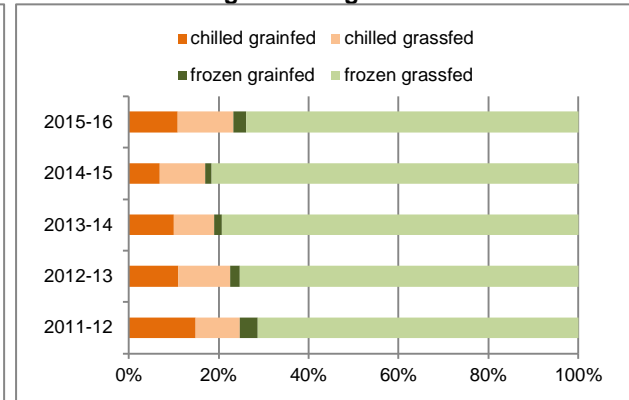
NSW cattle and beef industry – demand

Export values

- Assisted by higher international demand, NSW beef and veal export values during 2015-16 totalled A\$ 1.6 billion (Free On Board) – the highest return among other raw agricultural commodities.
- The top four markets (the US, Japan, Korea and China) accounted for 78% of NSW's total beef and veal export values in 2015-16, at A\$ 1.2 billion.
- Within these four markets, exports to Korea and China registered the highest values on record (since 2003-04 when statistics became available) in 2015-16, at A\$ 241 million and A\$ 209 million, respectively.
- Additionally, values to some emerging markets showed a substantial year-on-year rise or hit all-time highs in 2015-16. Such international markets include Indonesia, the Netherlands, the Philippines, UAE and Vietnam.

Export volumes

- NSW contributes to a ten-year average 8% out of Australian beef and veal annual exports.
- Like the national trend, the majority of NSW's beef and veal export has been grassfed beef.
- Unlike Australia's trend, the shipments of chilled beef in 2015-16 rose 21% year-on-year – the largest shipments since 2002-03. The increased export volumes also contributed to a rise in NSW's chilled export values during the past financial year.
- Since 2003-04, more than 80% of NSW's chilled beef has been exported to the US, Japan and Korea.
- NSW's grainfed beef exports in 2015-16 also increased year-on-year, with almost half (48%) shipped to Japan.
- However, it should be noted that some beef processed in NSW is exported from other states. Additionally, some NSW cattle are also processed in other states and are exported as meat products from those states. The NSW products that are exported from other states are not shown as the NSW's export figures in the official statistics (released by the Department of Agriculture and Water Resources and Australian Bureau of Statistics) used in this report.

Figure 5: NSW beef and veal exports**Figure 6: NSW beef and veal export (volume base) - chilled / frozen & grassfed / grainfed**

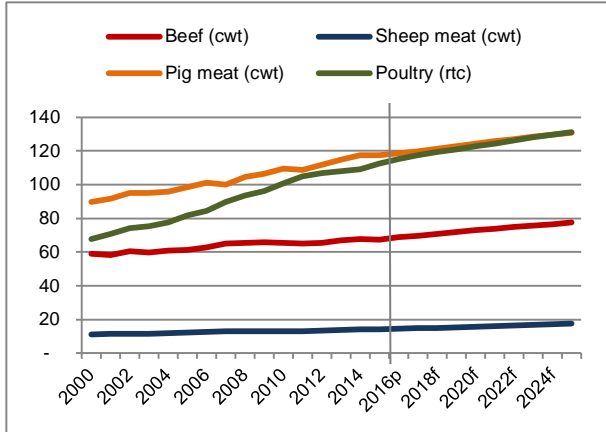
Source: DAWR, ABS, MLA

NSW cattle and beef industry - outlook

- Global beef consumption is forecast to increase 13% over the next 9 years (2017-2025). The growth is stronger than seen for the previous 9 years (2007 to 2015). The expected rise is also more significant than poultry and pig meat, the global consumption of which in the lead up to 2025 is projected to be slower than that of 2007-2015 (Figure 7).
- Global beef production is anticipated to keep up with the growing consumption (Figure 8).
- With the expected consumption growth, global meat import is also projected to increase by 2025. The highest growth rate is forecast to be registered for poultry – up 28% by 2025 on 2016, followed by beef (up 22%) and sheep meat (up 16%). The global beef import volume in 2025 is forecast to be almost twice that of 2000 (Figure 9).
- Following Australia's national trend, NSW's beef and veal production is anticipated to fall (compared to the past few years when Australia / NSW produced a larger amount of beef) over the medium term.
- However, the industry suggests gradual herd recovery over the medium-long term.
- NSW will continue to need to meet steady demand from the domestic market, as well as ongoing high interest in NSW cattle and beef from international markets.
- While Australia's access to international markets is improving, other major beef exporters also have improved access to overseas markets, including major importing countries of the Australian product.
- Also, it should be noted that Australia / NSW's beef export capabilities are influenced by a wide range of factors, such as the weather, currency fluctuation, economic situations, supply from other countries, and import requirements and in-market regulations.

Figure 7: Global meat consumption

Unit: million tonnes



Source: OECD-FAO / e – estimate (2015), p – provisional, f – forecast, cwt – carcass weight

Figure 8: Global beef production and consumption

Unit: million tonnes carcass weight

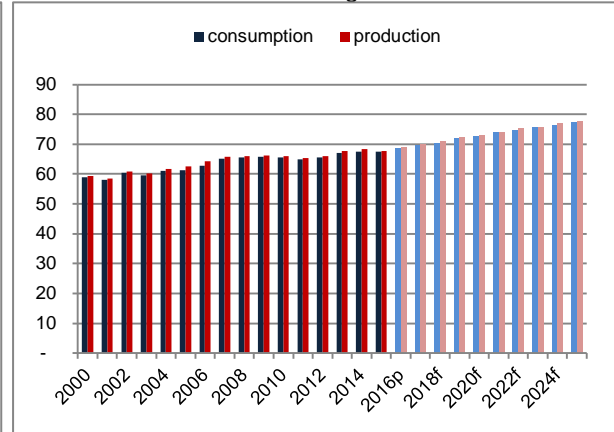
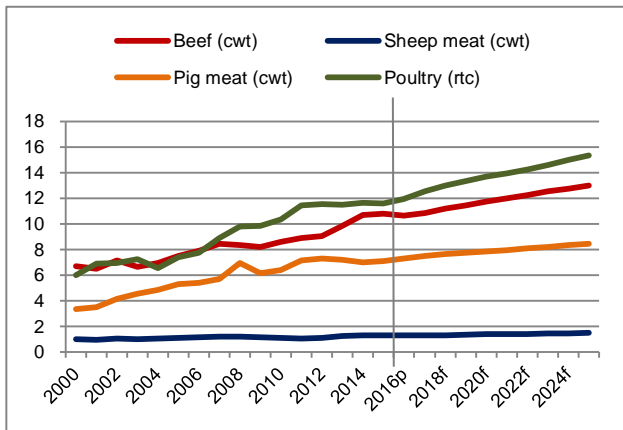


Figure 9: Global meat import

Unit: million tonnes



Source: OECD-FAO / e – estimate (2015), p – provisional, f – forecast, cwt – carcass weight

More information

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References

Meat & Livestock Australia, Australian Bureau of Statistics, Department of Agriculture & Water Resources, OECD-FAO, Australian Bureau of Agricultural and Resource Economics and Sciences, USDA, Global Trade Atlas

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