

The connected consumer: a snapshot of global consumer megatrends

Consumers hold the key to the red meat industry's prosperity

Michael Crowley
PCA General Manager, MLA



Agenda

1. Global demand
2. Supply
3. Headwinds
4. How to compete

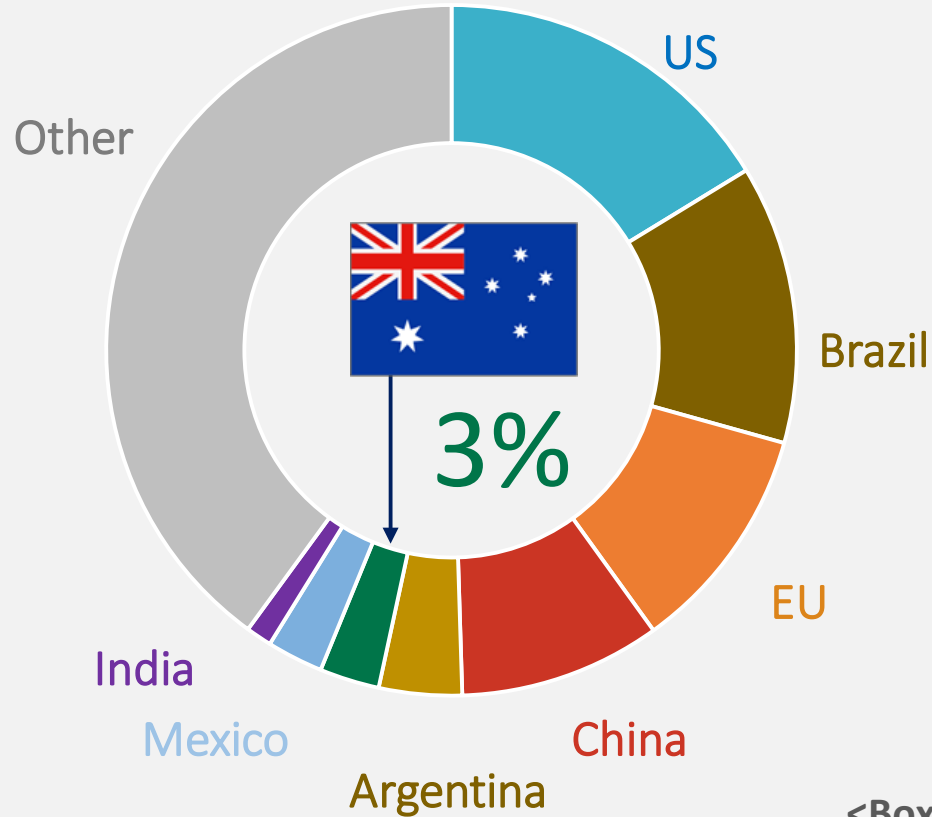


1. Global demand

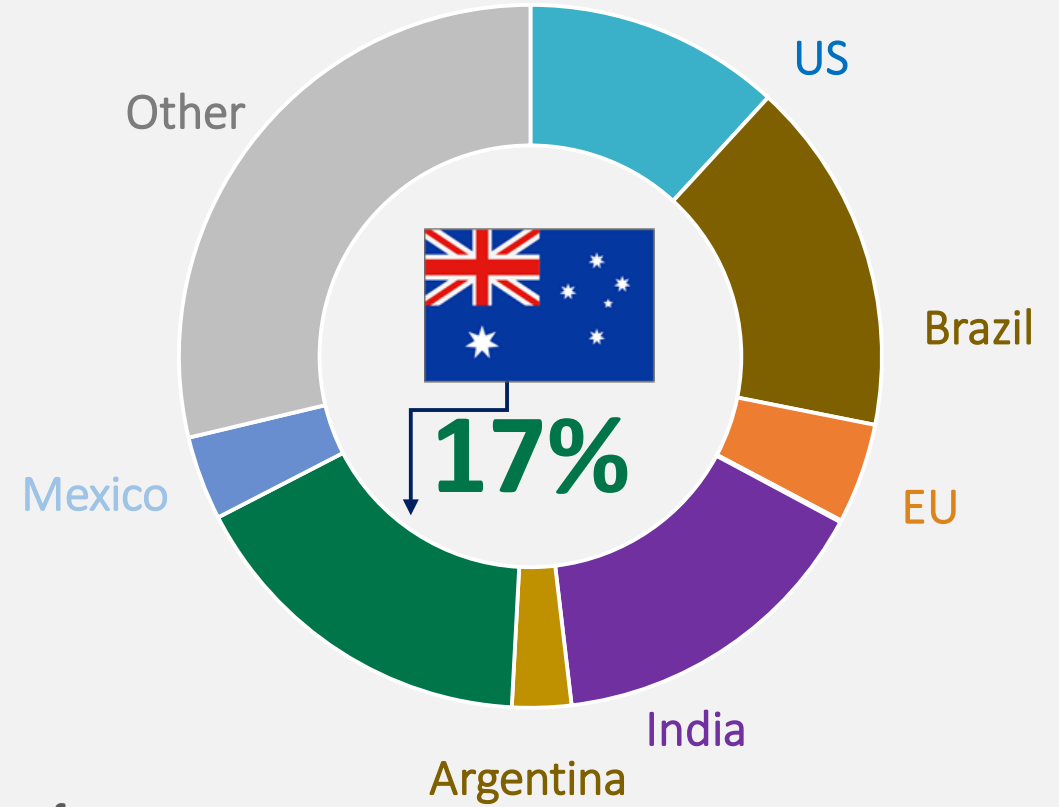
1. Australia in a global context
2. Changing export destinations
3. Key competitors
4. Export value

Australia's place in the world

Global production



Exports

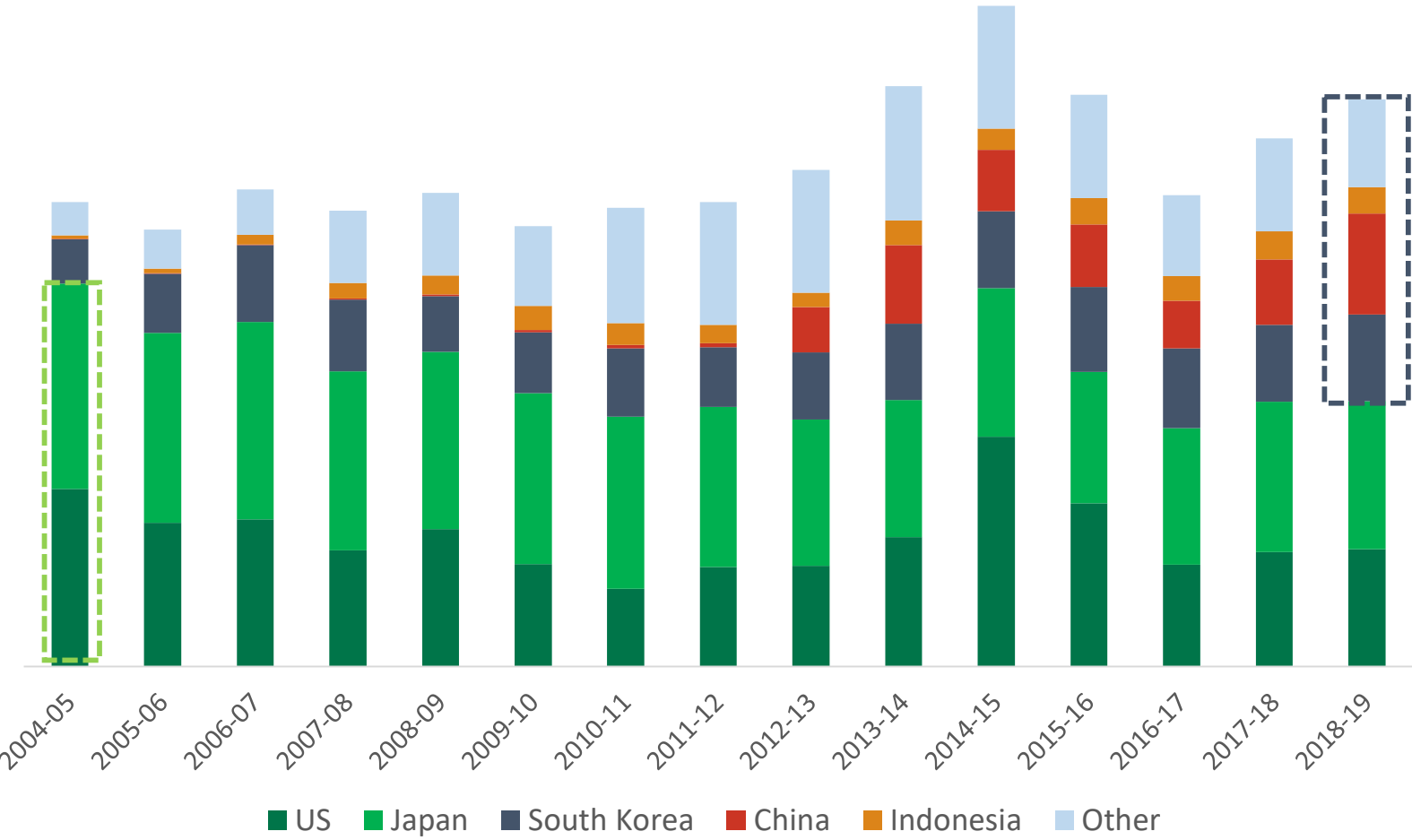


<Boxed beef>

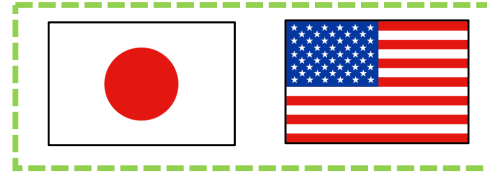
Source: FAOSTAT, OECD-FAO

We are a small producer with a large global presence

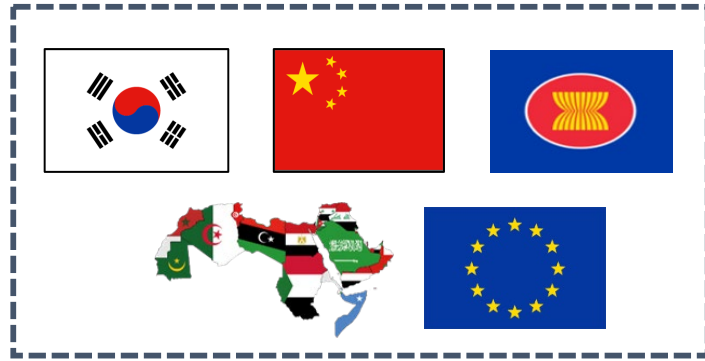
Our national export destination mix is changing



In 2004-05, top two markets accounted for **82%** of exports



In 2018-19, top two accounted for **47%** - and 53% went to the rest of the world

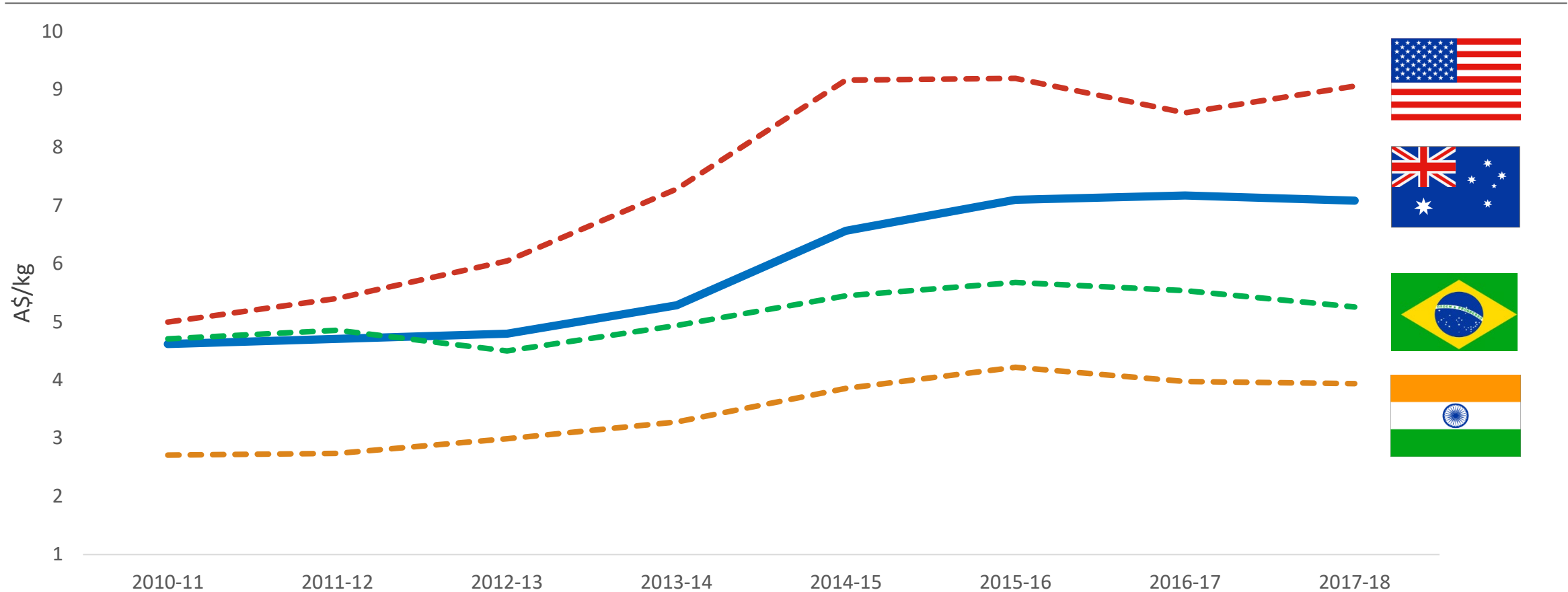


Source: DAWR

Our mix of destinations is changing and expanding

All competition is not equal

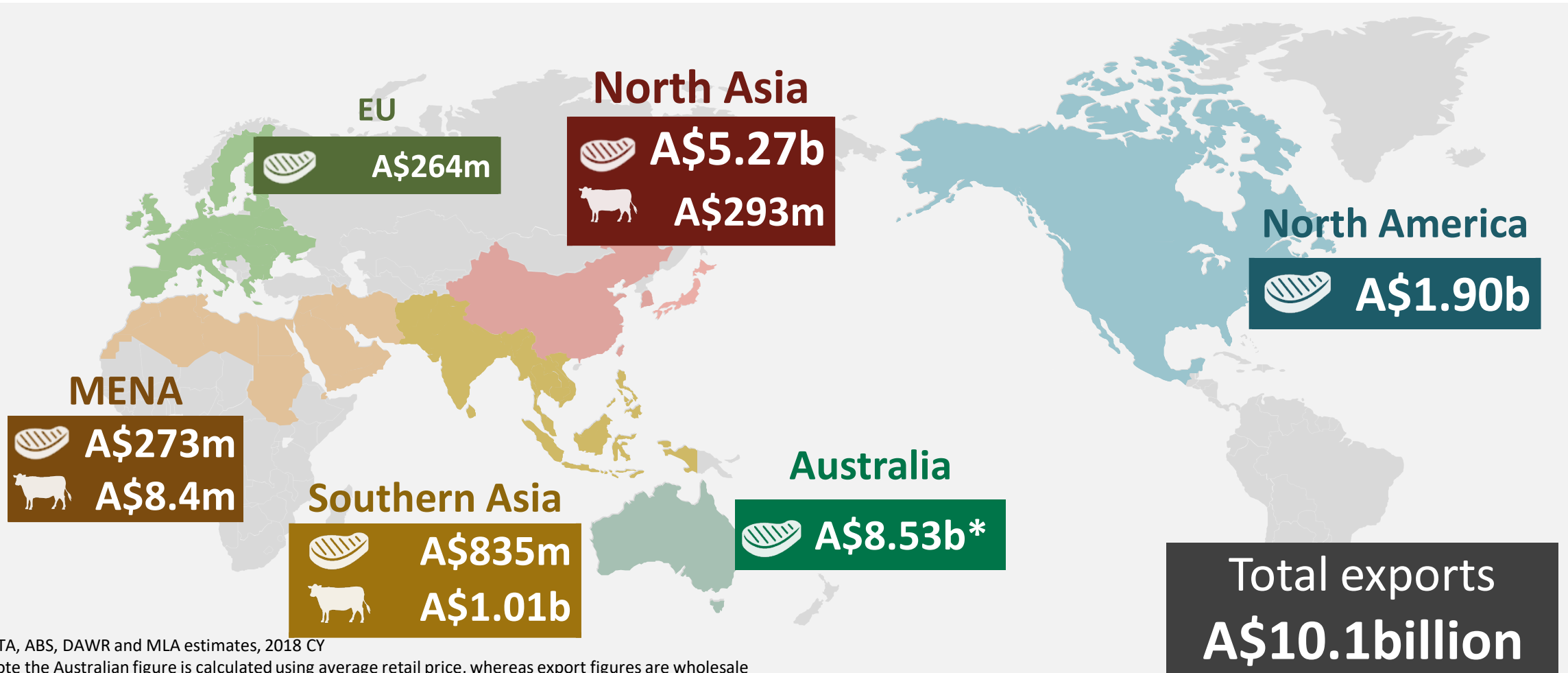
Average beef export prices (\$/kg)



Source: GTA

The gap between premium and commodity is widening

Global market overview: export value



Strong demand from global markets



2. Supply

1. Production outlook
2. Herd in decline
3. Numbers on feed

Annual slaughter increased 3% to 8.1m head in 2019

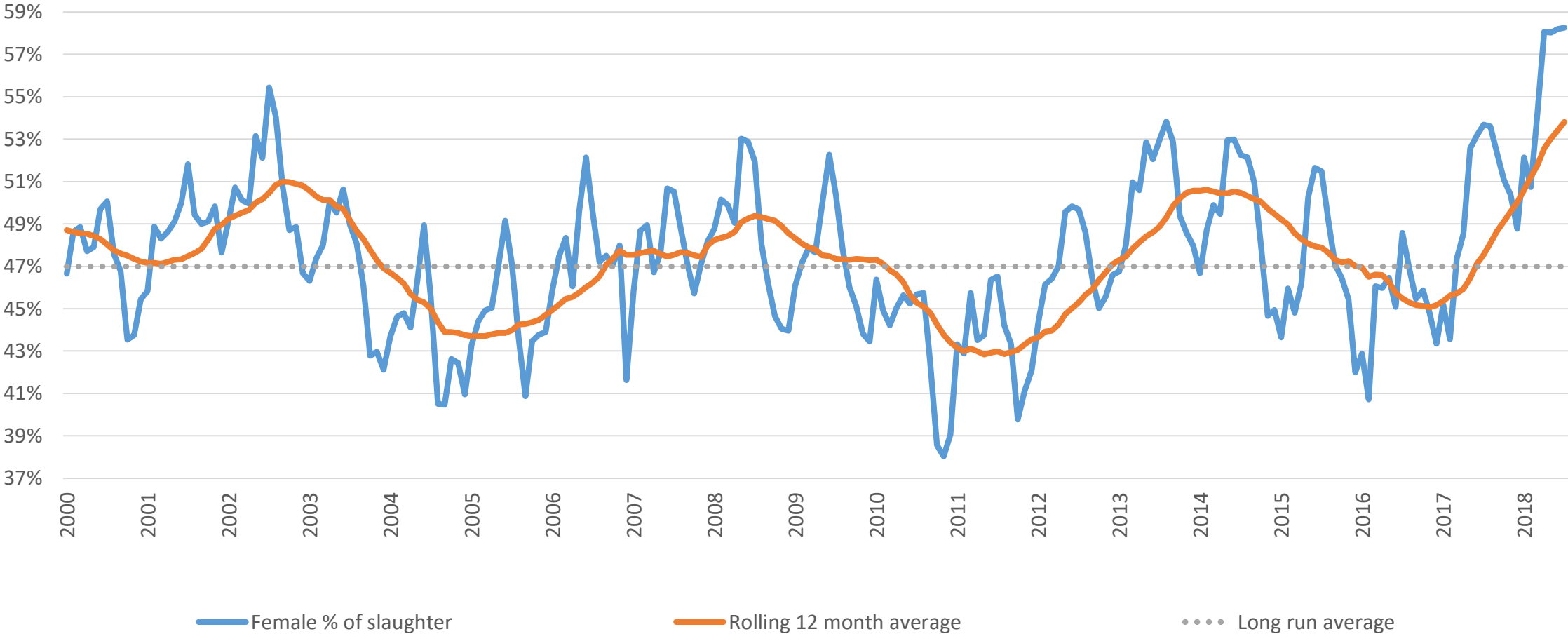


	Slaughter	Live exports
2018	7.87	1.09
2019	8.10	1.15
2020f	6.90	0.90
2021f	7.15	0.90
2022f	7.50	0.95

(million head)

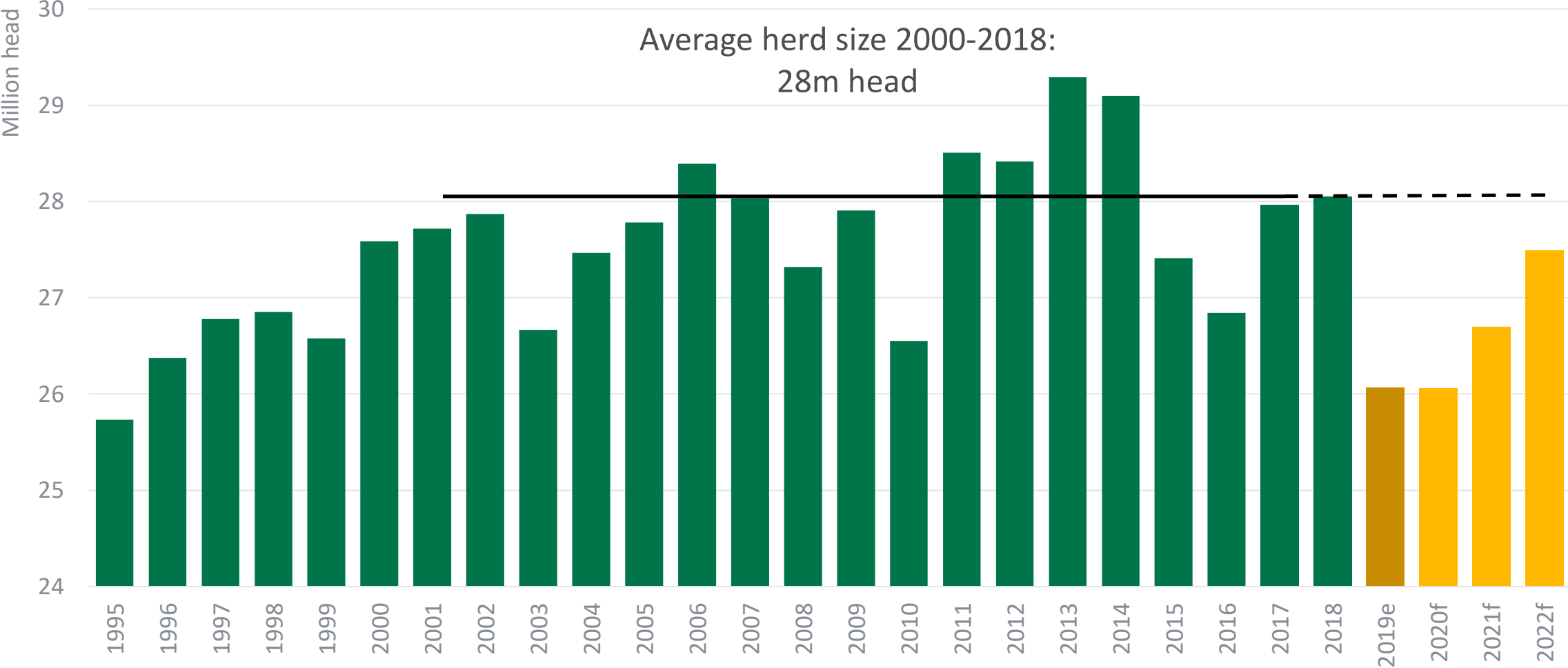
Herd liquidation continues with high female slaughter

Female percentage of kill



Source: ABS

Herd to fall to 26m head by June 2019



*NOTE: June herd estimates
Source: ABS, MLA forecasts.*

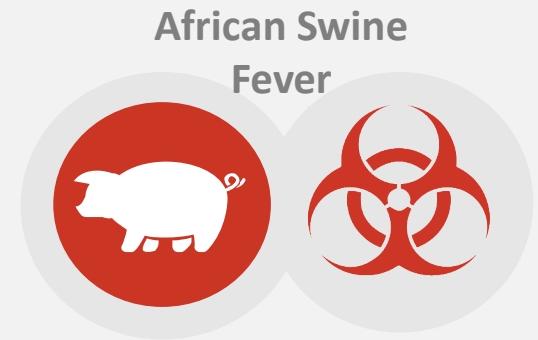
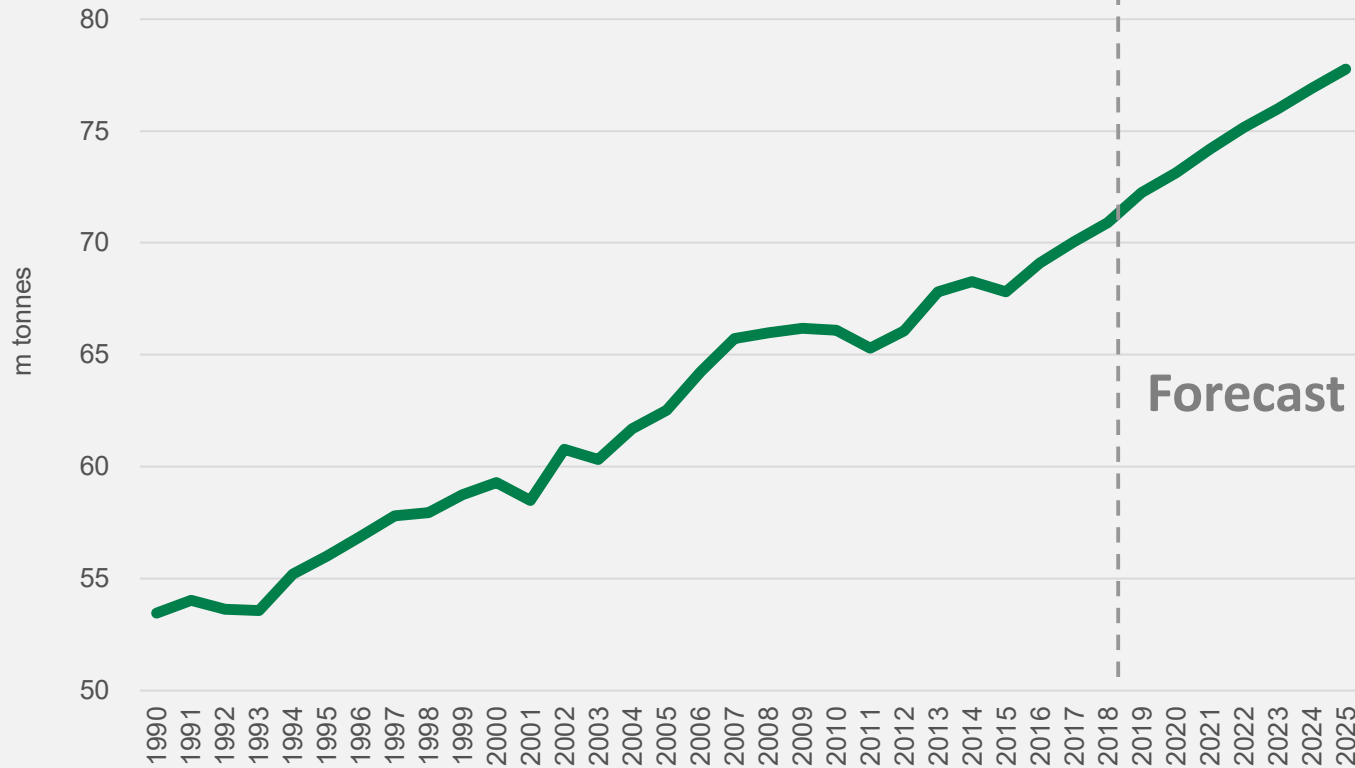


3. Headwinds

1. **Global beef demand set to increase**
2. **Trade tensions**
3. **Market access**
4. **New competitors**

Global beef demand is forecast to grow, but there are headwinds

Global beef consumption



China-US trade war



Economic expansion slowing



Brexit

Source: OECD-FAO

Global trade: heading in the right direction?



Competition is intensifying



Indonesia issues
100,000 tonnes of
Indian buffalo meat
permits



China lifts ban on
meat imports in
boost for Brazil



A wall of US meat,
or a tidal wave?

Brexit: the uncertainty continues



Industry taskforces prepare for headwinds – in partnership with government



New competitors: those mirroring meat are making claims against meat

High in salt to add taste and to act as a preservative.
This is processed food

THE BEYOND BURGER VS ANIMAL-BASED BEEF



THE BEYOND BURGER
PLANT-BASED BURGER PATTIES

ANIMAL-BASED BEEF
RAW UNSEASONED 80/20 BEEF

INGREDIENTS: Water, Protein Isolate, Expeller Pressed Sunflower Oil, Water, Yeast Extract, Maltodextrin, Natural Flavors, Gum Arabic, Sunflower Oil, Salt, Succinic Acid, Non-GMO Modified Food Starch, Cellulose From Wood, Hydroxyethylcellulose, Potato Starch, Beet Juice Extract (for color), Ascorbic Acid (to maintain color), Annatto Extract (for color), Citrus Fruit Extract (to maintain quality), Vegetable Glycerin.

THE BEYOND BURGER

VS

ANIMAL-BASED BEEF

20	PROTEIN (G)	19
25%	IRON (DV)	12%
5	SATURATED FAT (G)	9
0	CHOLESTEROL (MG)	80
22	TOTAL FAT (G)	23
290	CALORIES	287
✓	PLANT-BASED	✗
✓	ANTIBIOTIC-FREE	?
✓	HORMONE-FREE	?
✓	GMO-FREE	?
✓	SOY-FREE	✓
✓	GLUTEN-FREE	✓

USDA NATIONAL NUTRIENT DATABASE*

 No Artificial Colours, Flavours or Preservatives

BEEF MINCE

Typically **82% MEAT 18% FAT**

With nothing else added

Lab grown protein is the other alternate emerging

Ground beef
– USD **\$3.52** per pound



Memphis Meats meatball
– USD **\$2,400** per pound



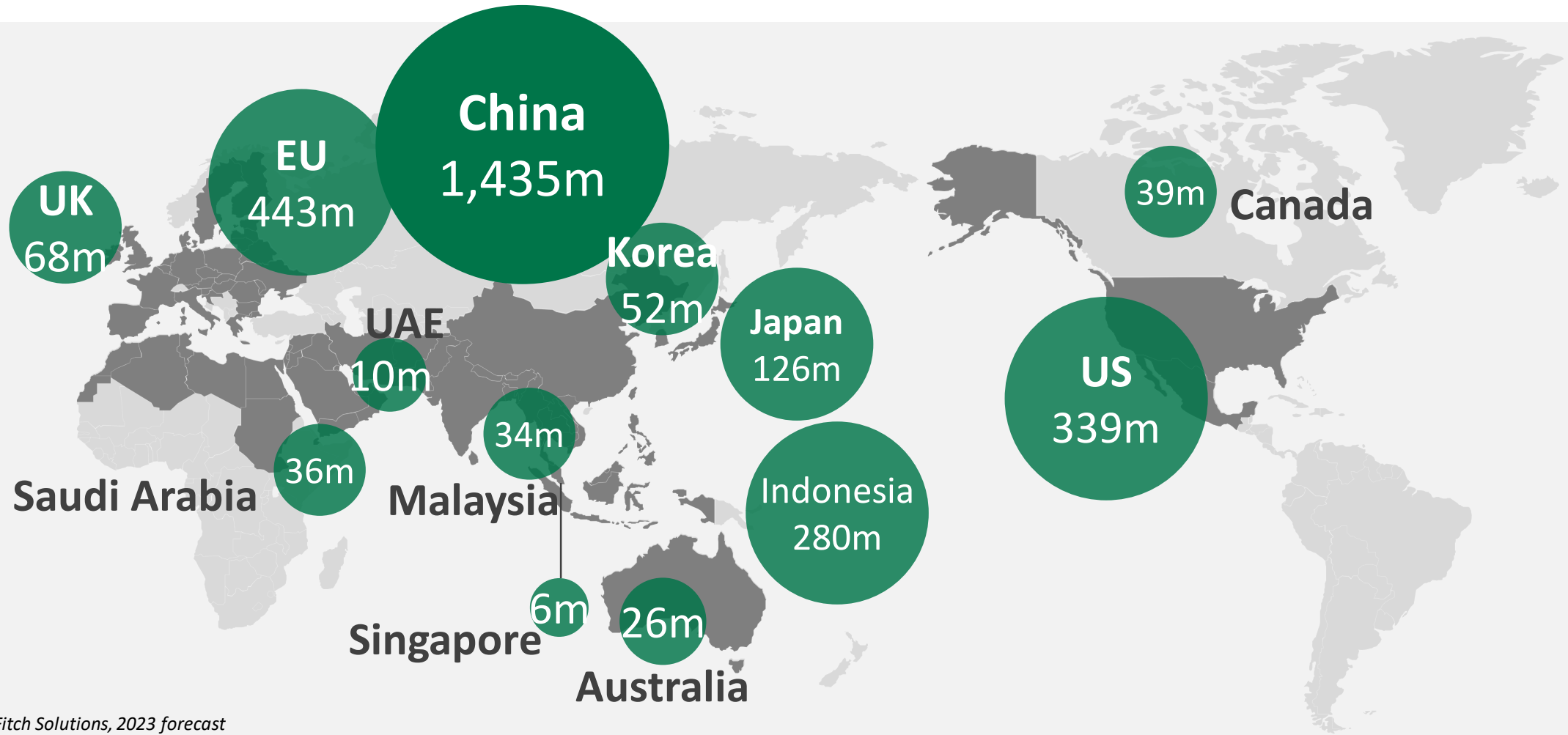
Source: US Bureau of Labor Statistics Dec 2017; Forbes January 2018.
Image sources: Alpha Stock Images - <http://alphastockimages.com>; Forbes.com



4. How to compete

1. Growing population
2. Market segmentation
3. Australian beef attributes

The global market is big

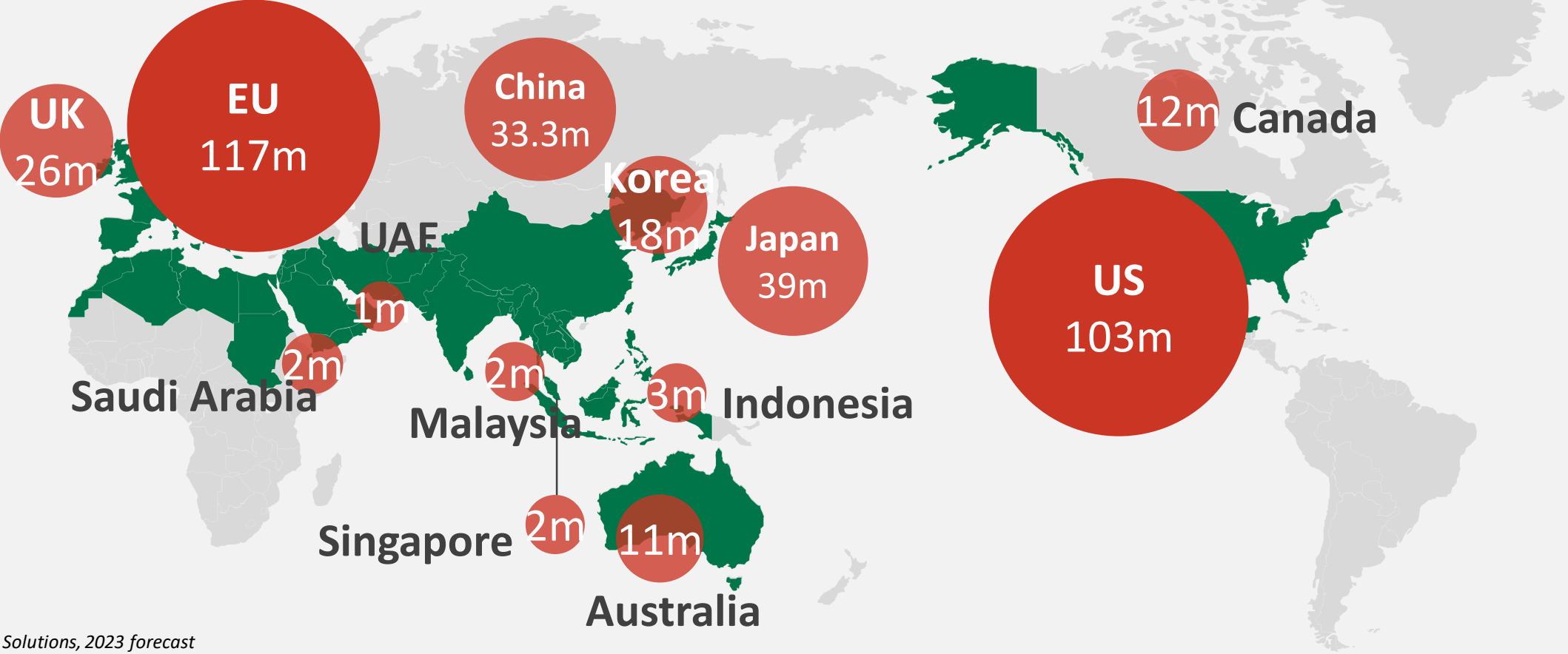


Source: Fitch Solutions, 2023 forecast

Our production can't meet the demand of 6.5 billion people

We have a more premium consumer

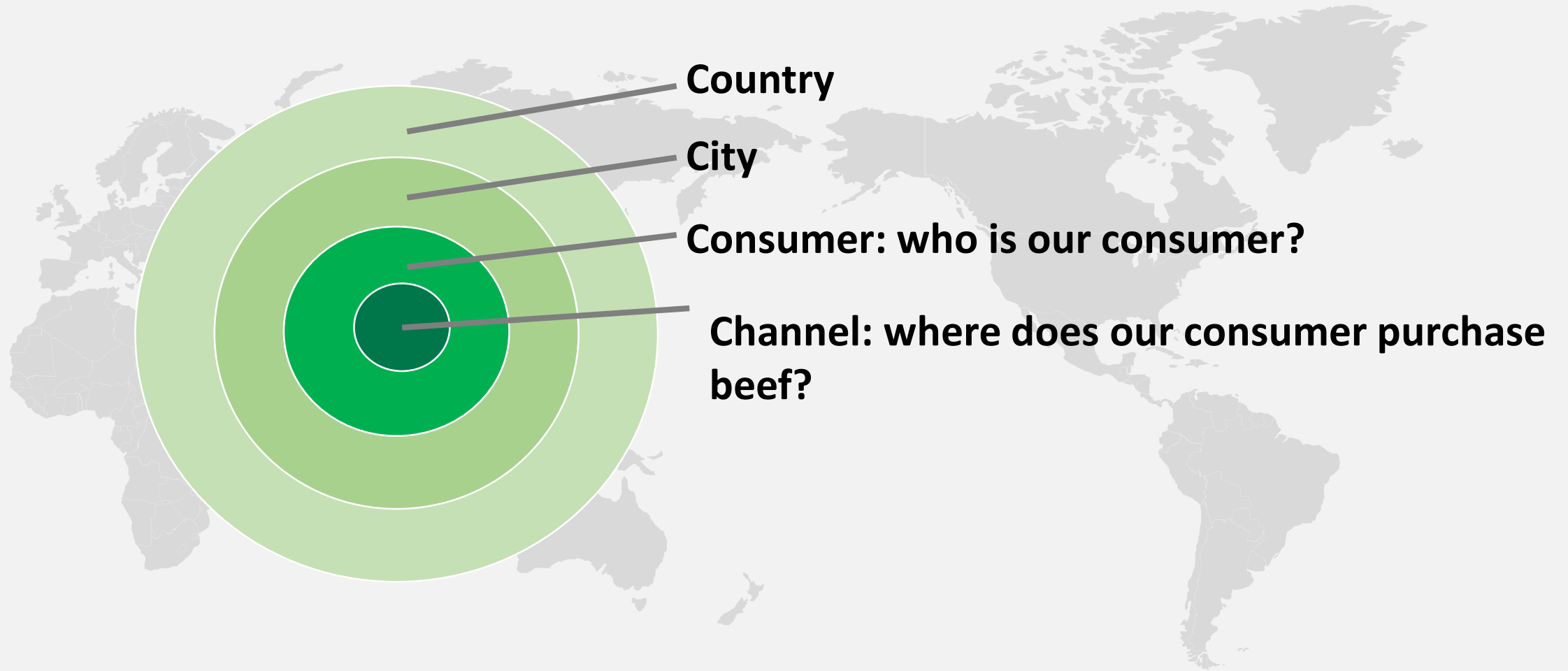
Households earning a disposable income above US\$35,000 (2023 forecast)



Source: Fitch Solutions, 2023 forecast

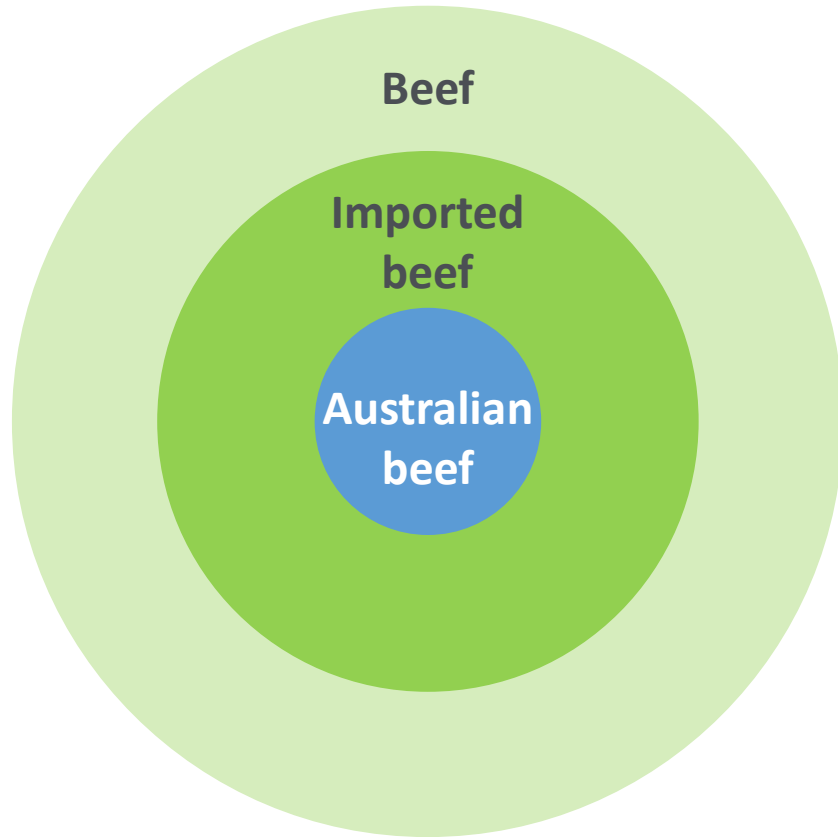
'Ability to purchase' is a better indicator

There are markets within markets

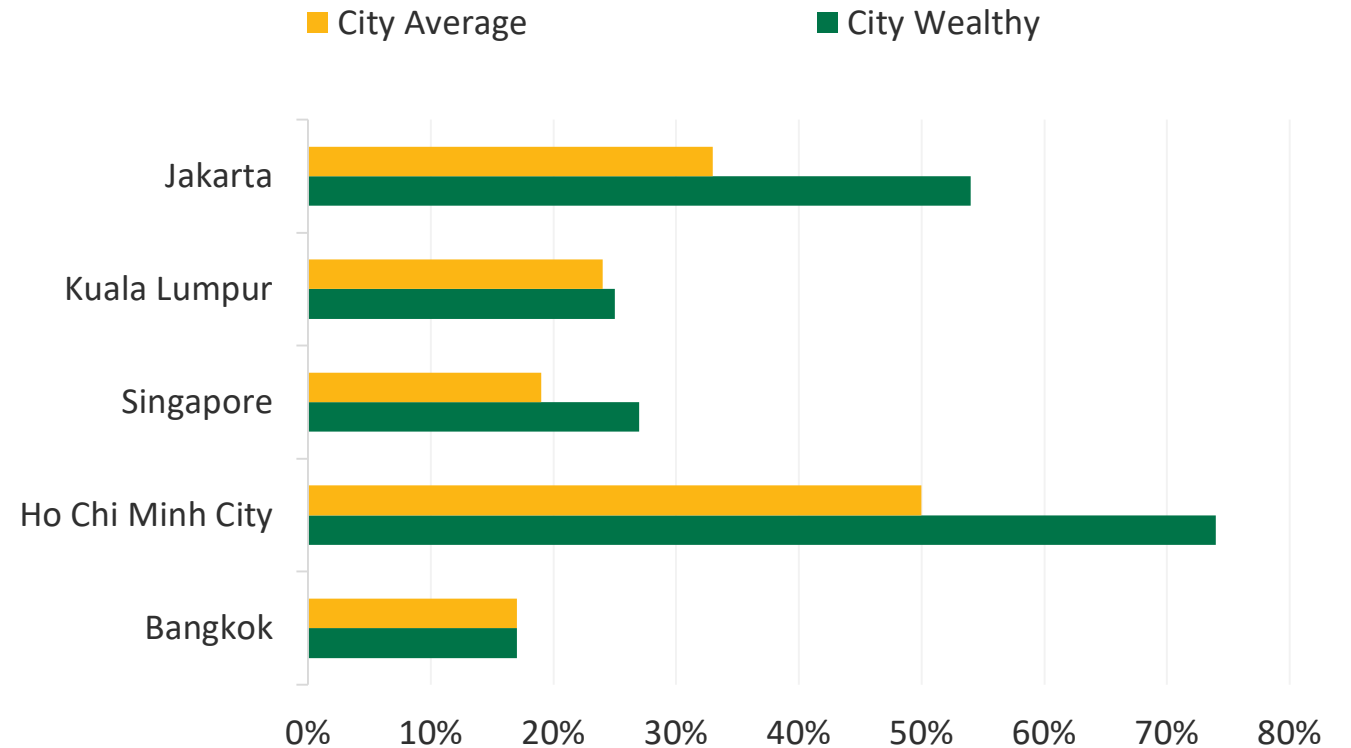


We need to focus our efforts, deeper than thinking about a whole country

Australian beef has a clear target consumer



Eaten imported beef at least once a week



Source: MLA/GlobalData ASEAN Attractive Cities Study

Community engagement

Australian Good Meat doesn't just happen

It's produced intentionally...in a way that cares about Australia's livestock, environment and consumers. Here, you'll find out how this happens, as well as the answers to some commonly asked questions about the red meat industry.

What would you like to know?

[SEE FAQs](#) ▾

🔍 Search questions, keywords, topics

We care about

**Animal health and
welfare**



**Environmental
sustainability**



Health and nutrition



Direct consumer advertising

