For the latest in red meat R&D

Welcome and industry update

Michael Crowley

Meat & Livestock Australia

Industry Update
Wagga Wagga MeatUp Forum

Michael Crowley – General Manager RD&A

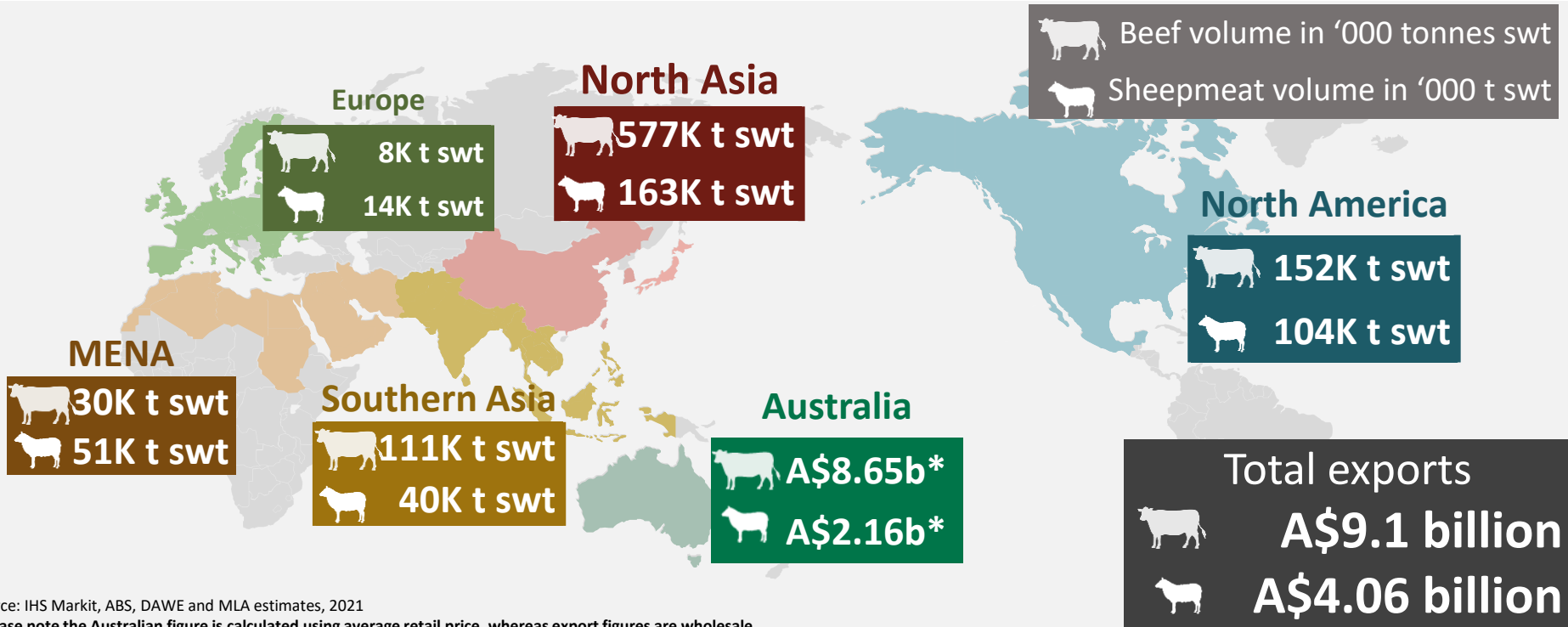MEAT & LIVESTOCK AUSTRALIA

- 1. Environment in which we operate

- 2. Supply chain initiatives

- 3. Complex problems to solve

1. Environment in which we operate

Australia has a diverse global portfolio

Beef volume in '000 tonnes swt
Sheepmeat volume in '000 t swt

Europe
8K t swt
14K t swt

North Asia
577K t swt
163K t swt

North America
152K t swt
104K t swt

MENA
30K t swt
51K t swt

Southern Asia
111K t swt
40K t swt

Australia
A$8.65b*
A$2.16b*

Total exports
A$9.1 billion
A$4.06 billion

Source: IHS Markit, ABS, DAWE and MLA estimates, 2021
*please note the Australian figure is calculated using average retail price, whereas export figures are wholesale

meatup FORUM

mla
MEAT & LIVESTOCK AUSTRALIA

Share of exports covered by preferential (FTA) access

RM2030 target

AUSFTA

JAEPA
KAFTA

ChAFTA

CPTPP

92%
90%
86%
78%

Red meat   Beef   Sheepmeat   Goatmeat
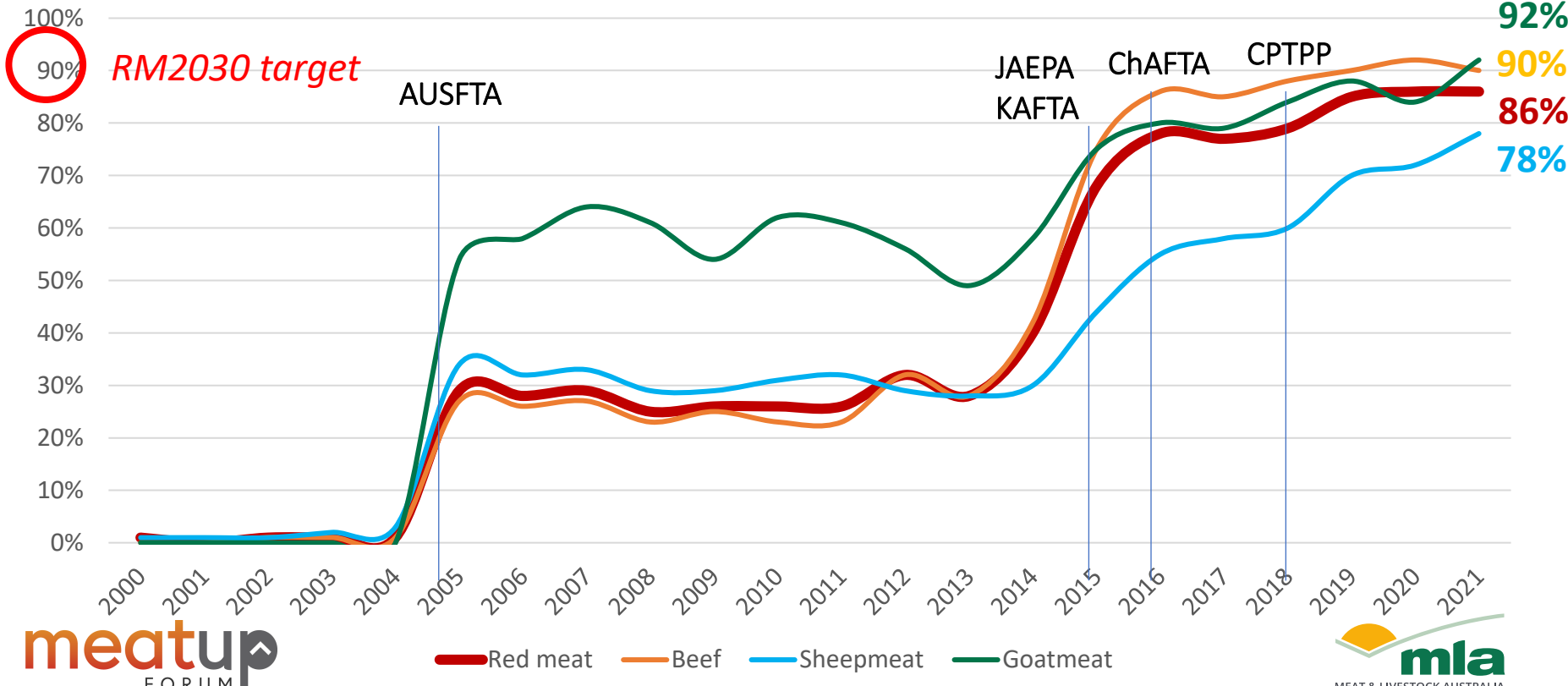
A-UK FTA agreement in principle

- Current UK access:

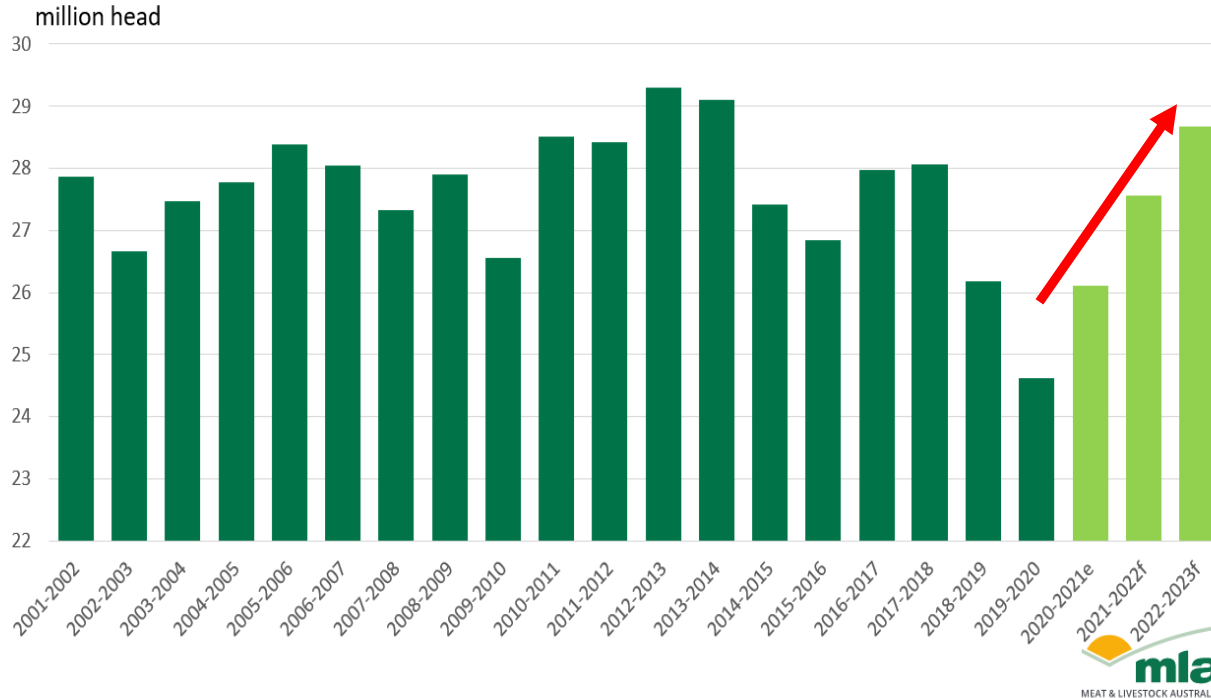**Beef: 3.7kt; Sheep/Goatmeat: 13.3kt**

- FTA access Year 1:

Beef +35kt; Sheep/Goatmeat +25kt

- After 10 yrs

Beef 110kt; Sheep/Goatmeat 75kt

The national herd
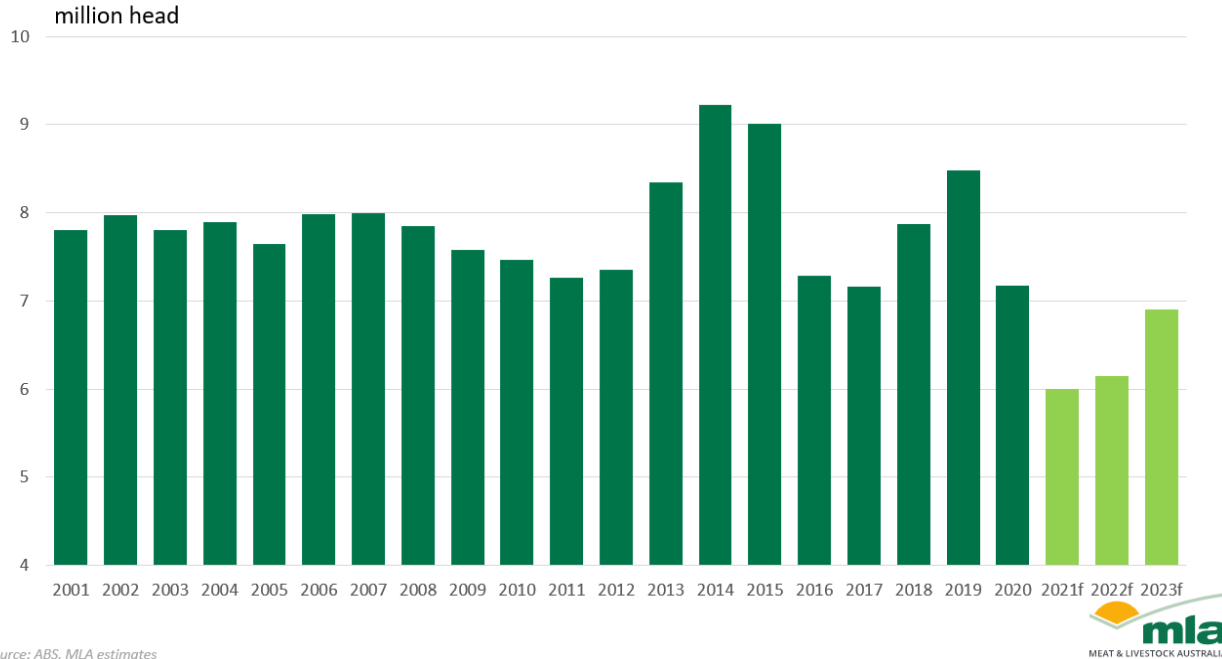

Figure 6: National cattle herd

2022 – 27.58m head
- Up 5.6% or 1.4m head

2024 – 28.8m head
- Highest since 2014
- Up 11% on 2021 level

Slaughter

Figure 7: National adult cattle slaughter

million head

Source: ABS, MLA estimates

2022 – 6.15m head
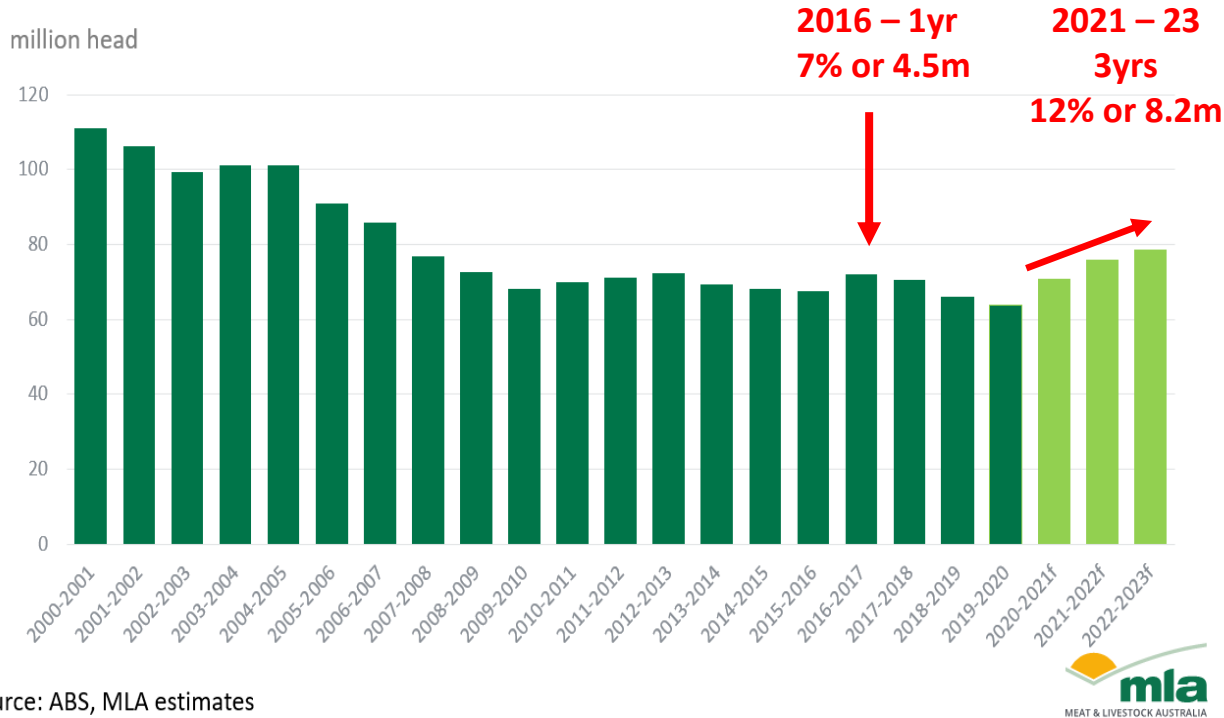- Forecast 2% growth on 2021 volumes

2023 – 6.850m head

2024 – 7.4 m head
- Up 23% on 2021 volumes

Spring 2020 & Autumn 2021 calves reach processor weights ➡ **Supply increase in H2 2022**

The national flock

Figure 5: National sheep flock

2016 – 1yr
7% or 4.5m

2021 – 23
3yrs
12% or 8.2m

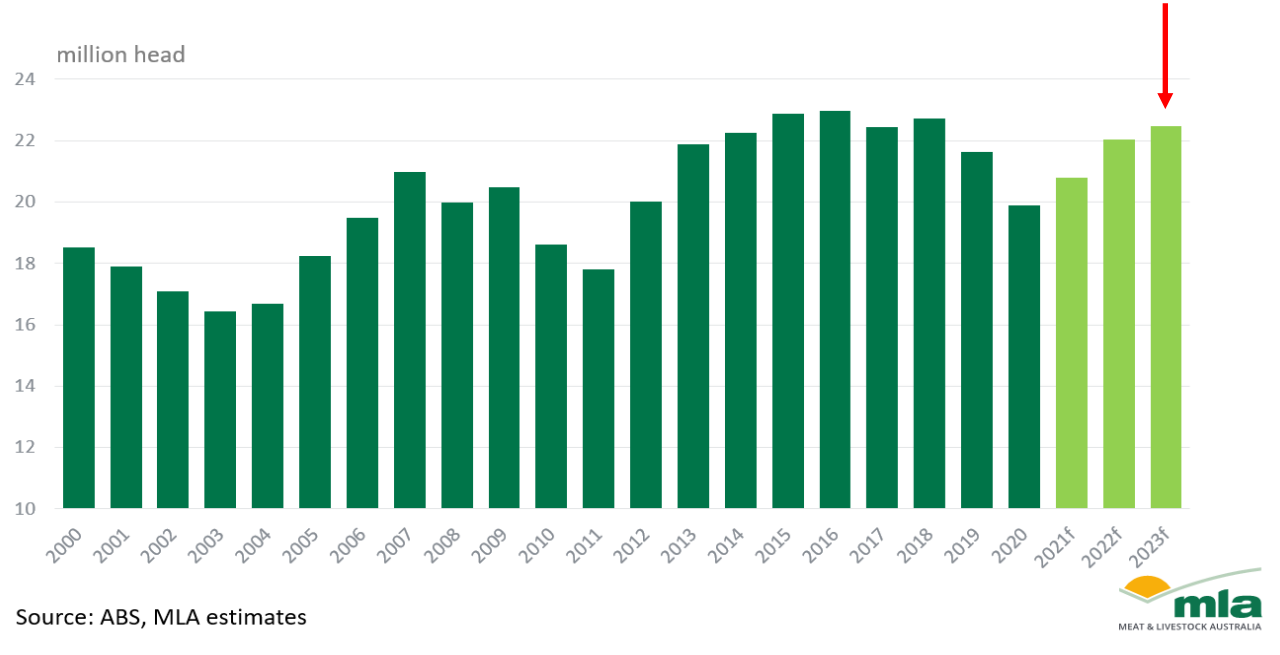Source: ABS, MLA estimates

2022 – 76.02m head
- 8% or 5.4m head growth on 2021 volume

2023 – 78.8m head
- Highest since 2009
- Up 12% on 2021 level

Lamb slaughter

Figure 6: National lamb slaughter

2022 – 22m head

- 6% higher than 2021 volumes
- Strong start to February
- 2021 cohort carry over

2023 – 22.6m head

- 8.6% higher than 2021 levels

Marking rates + larger breeding flock

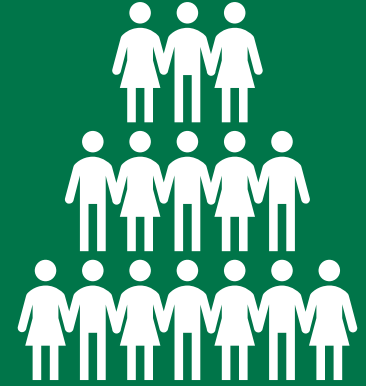- Larger lamb cohort
- Higher turnoff volumes

Key macro issues

Inflation

- Global rate rises
- Inflation to impact domestic meat price

Freight & Shipping

- Forecast to remain into 2023
- Costs have surged up to 700%
- Access to refrigerated containers
- Cost hikes for live export

Labour

- Forecast impact slaughter capabilities
- Long term immigration challenge in Aus ag workforce
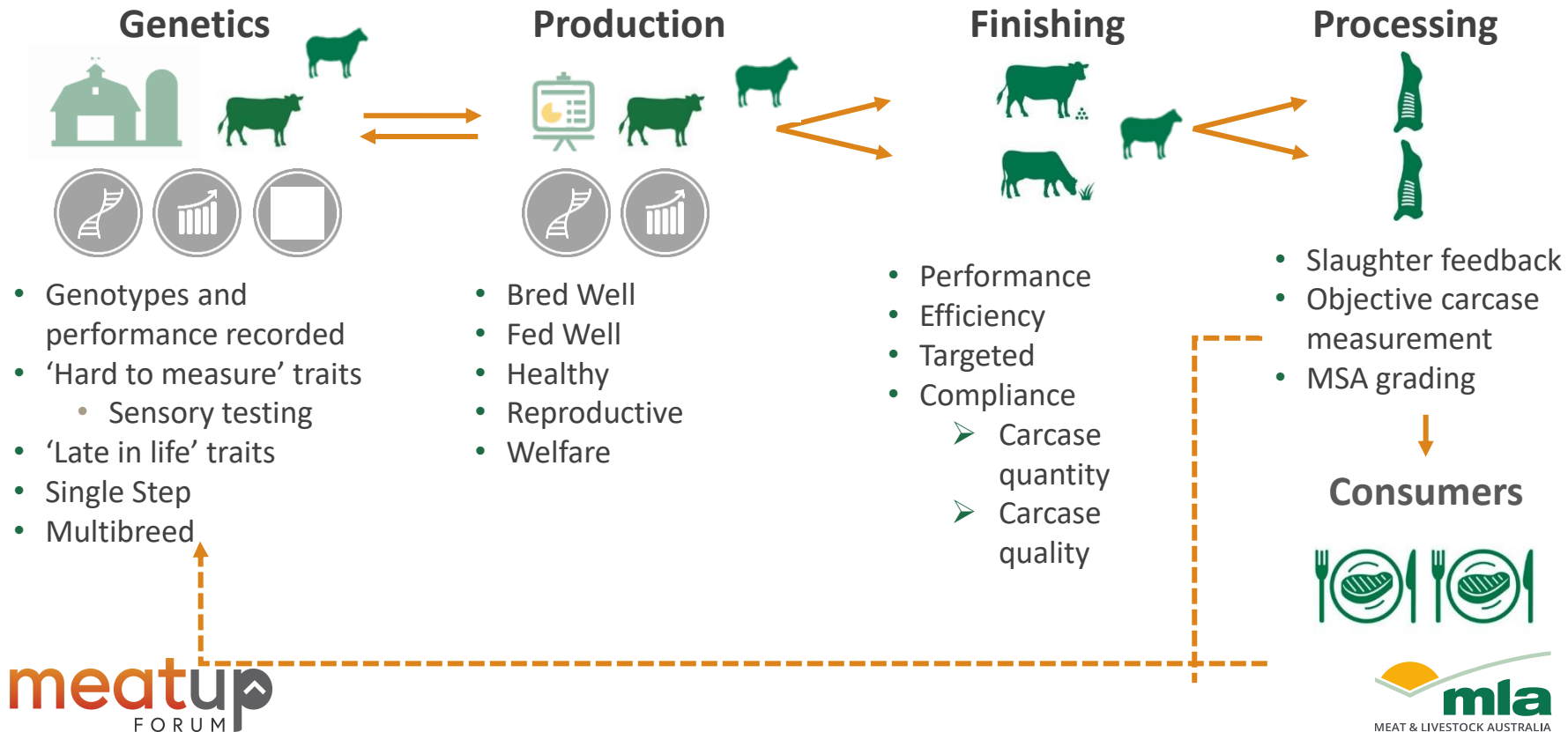
Low AUD = ✓ **Good for exports**

mla
MEAT & LIVESTOCK AUSTRALIA

2. Supply chain initiatives

Whole farm system, value chain approach
Linking genetics to consumer outcomes

Genetics

- Genotypes and performance recorded
- 'Hard to measure' traits
  - Sensory testing
- 'Late in life' traits
- Single Step
- Multibreed

Production

- Bred Well
- Fed Well
- Healthy
- Reproductive
- Welfare

Finishing

- Performance
- Efficiency
- Targeted
- Compliance
  - Carcase quantity
  - Carcase quality

Processing

- Slaughter feedback
- Objective carcase measurement
- MSA grading

Consumers

Objective carcase measurement
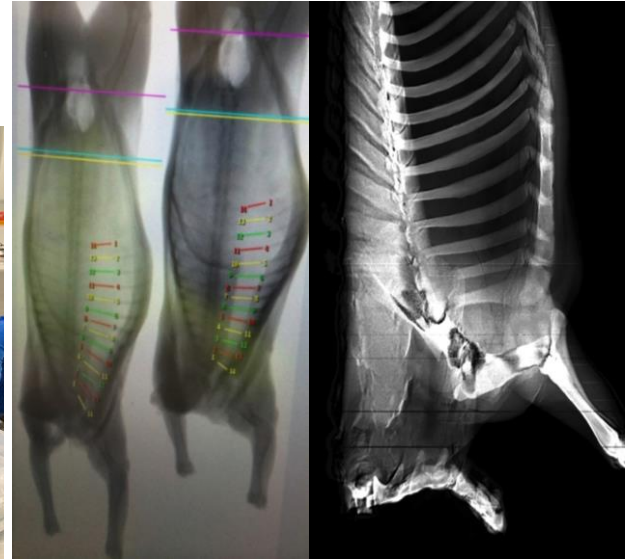
Automation and technology

Measuring intramuscular fat (IMF)

MEQ Probe (invasive device)

ASD NIR (denuded muscle device)

Soma Optics NIR (cut surface device)

MasterLamb (cut surface device)

Applying nine cut by cook combinations

INPUTS

- Hot carcase weight (HCW)
- Lean meat yield (LMY)
- Intramuscular fat (IMF)

- Electrical stimulation
- Ageing (5-20 days)

OUTPUTS

Grill	Roast
knuckle	knuckle
loin	leg
outside	loin
rump	shoulder
topside	

GRADED MEAT STANDARDS AUSTRALIA ★★★★★ 5STAR Supreme Quality

GRADED MEAT STANDARDS AUSTRALIA ★★★★ 4STAR Premium Quality

GRADED MEAT STANDARDS AUSTRALIA

FAIL

meatup FORUM

Carcase inputs will generate nine potential EQ outcomes.

mla MEAT & LIVESTOCK AUSTRALIA

3. Complex problems to solve

CN3O | **Carbon Neutral 2030**

Two key components:

1. Target – for the Australian red meat industry to achieve net zero greenhouse gas (GHG) emissions by 2030

2. Coordinated RD&A effort

CO_2 CH_4 N_2O

GHG emissions ━ Emissions captured and/or offset ═ 0 CO_{2e} emissions p.a.

meatup FORUM

mla
MEAT & LIVESTOCK AUSTRALIA

Southern multi-breed project

- Create a southern multi-breed dataset
- Angus, Charolais, Hereford, Shorthorn, Wagyu and Brahman
- Compare irrespective of hide colour
- Build reference for hard-to-measure traits
- Enable the development of a temperate multi-breed genetic evaluation

Outcomes

2000 cows, 6 breeds, across 5 sites.

First cohort of steers in feedlot, ovarian scanning heifers.

Second cohort born and third AI program underway

All animals will be genotyped and intensively phenotyped.

Sheep Reproduction Strategic Partnership

Aim: Profitability and sustainability increase lamb production through increasing weaning rates and decreasing mortality.

On-farm best practice management	Human social factors – adoptability	Enabling technologies

Balance R&D and Adoption

Adoption programs