For the latest in red meat R&D

5th August 2022

Northam MeatUp Forum

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Productivity and Animal Wellbeing

MEAT & LIVESTOCK AUSTRALIA

- 1. Environment in which we operate

- 2. Supply Chain Initiatives

- 3. Problems we need to solve

1. The operating environment

Today's consumer drivers, accelerated by COVID

Finding value, buying better

**Expanding repertoires, exploring choice**

Refocus on health
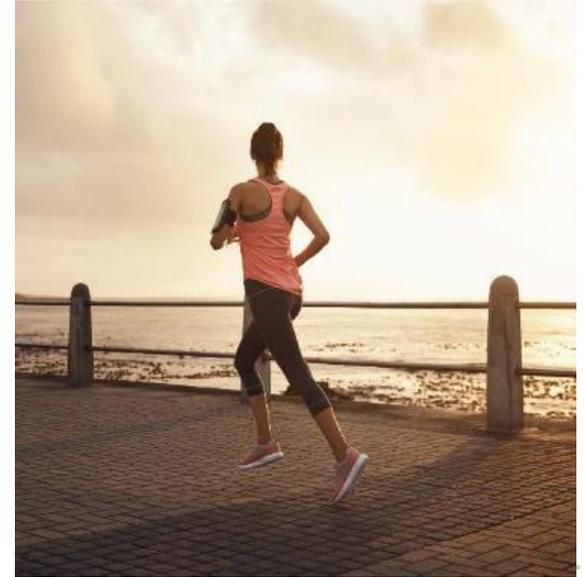
Globally demand is growing much faster than we can supply

EU
🥩 15K t swt
💲 A$228m

North Asia
🥩 779K t swt
💲 A$7.08b
🐄 A$391m

North America
🥩 259K t swt
💲 A$2.45b

MENA
🥩 28K t swt
💲 A$309m
🐄 A$23m

Southern Asia
🥩 124K t swt
💲 A$1.04b
🐄 A$1.29b

Australia
💲 A$8.65b*

Total exports
💲 A$11.27 billion
🐄 A$1.87 billion

Source: IHS Markit, ABS, DAWE and MLA estimates, 2019-20 FY
*please note the Australian figure is calculated using average retail price, whereas export figures are wholesale

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Strong demand from global markets

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Population is traditionally used as an indicator for potential demand

UK 69m
EU 445m
China 1,458m
UAE 10m
Korea 51m
Japan 124m
Saudi Arabia 37m
Malaysia 34m
Indonesia 287m
Singapore 6m
Australia 27m
US 340m
Canada 39m

Source: Fitch Solutions, 2025 forecast

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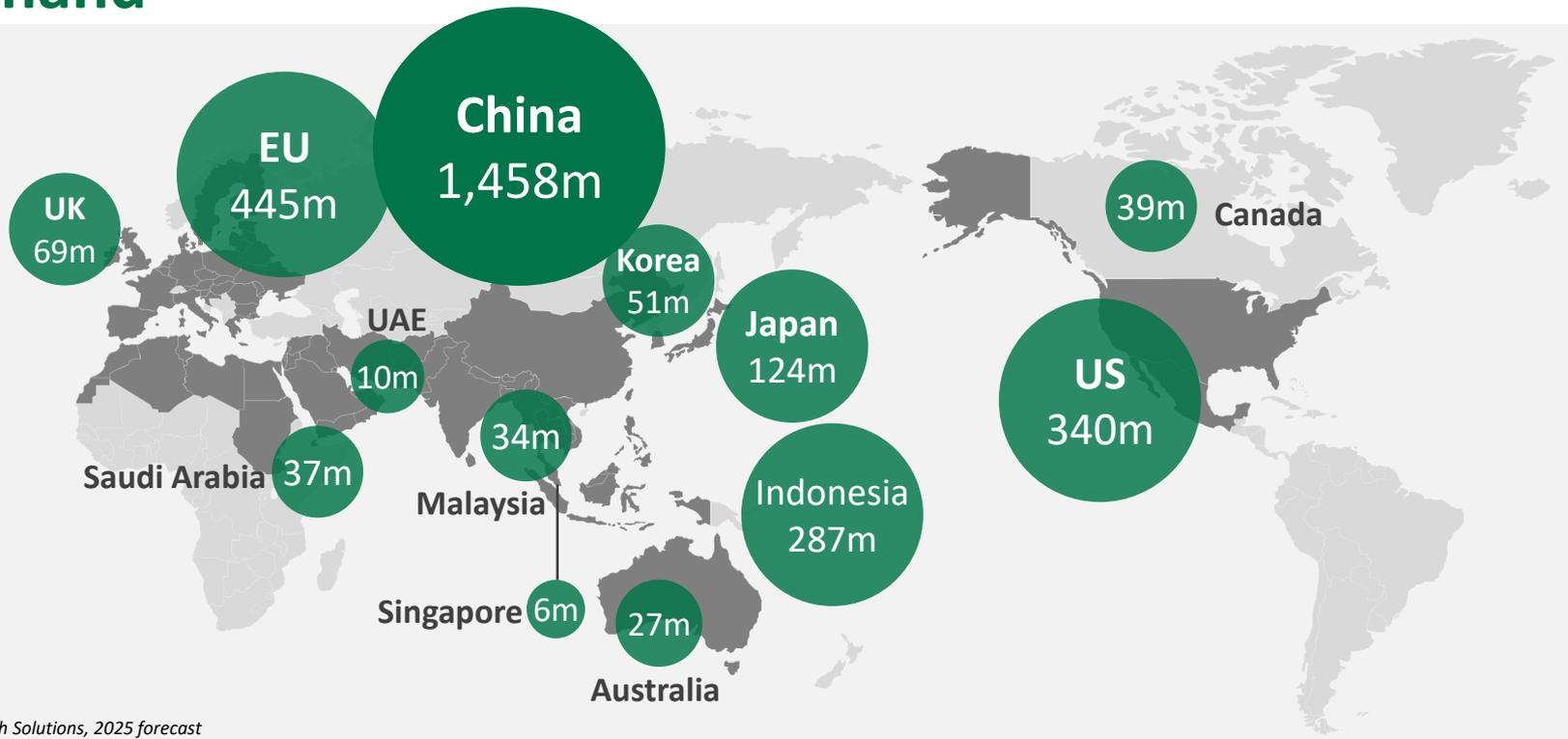
However, 'ability to purchase' is a better indicator

Households earning a DISPOSABLE income above US$35,000 (2025 forecast)

UK
27m

EU
118m

China
62m

Canada
14m

Korea
19m

UAE

Japan
33m

US
106m

Saudi Arabia

1m

2m

Malaysia
2m

Indonesia
4m

Singapore 2m

Australia
11m

Source: Fitch Solutions, 2025 forecast

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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
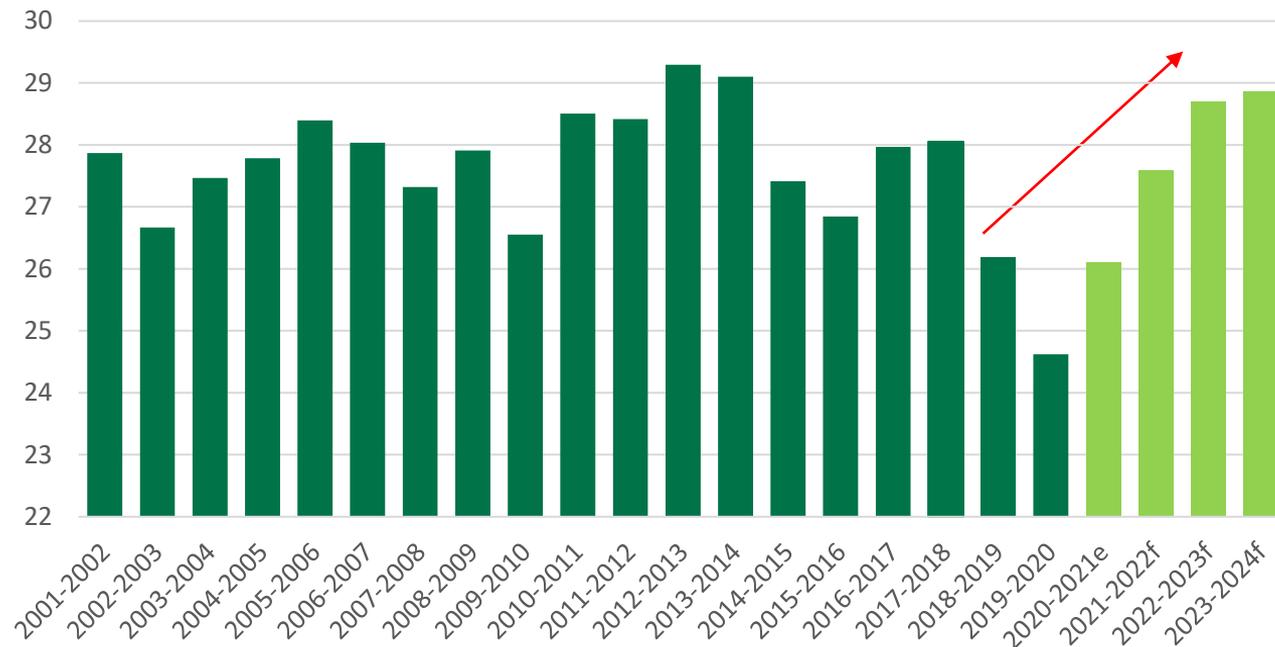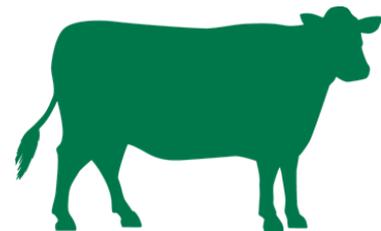
National flock to grow 5%
Strong start with 7% increase in lamb slaughter

million head
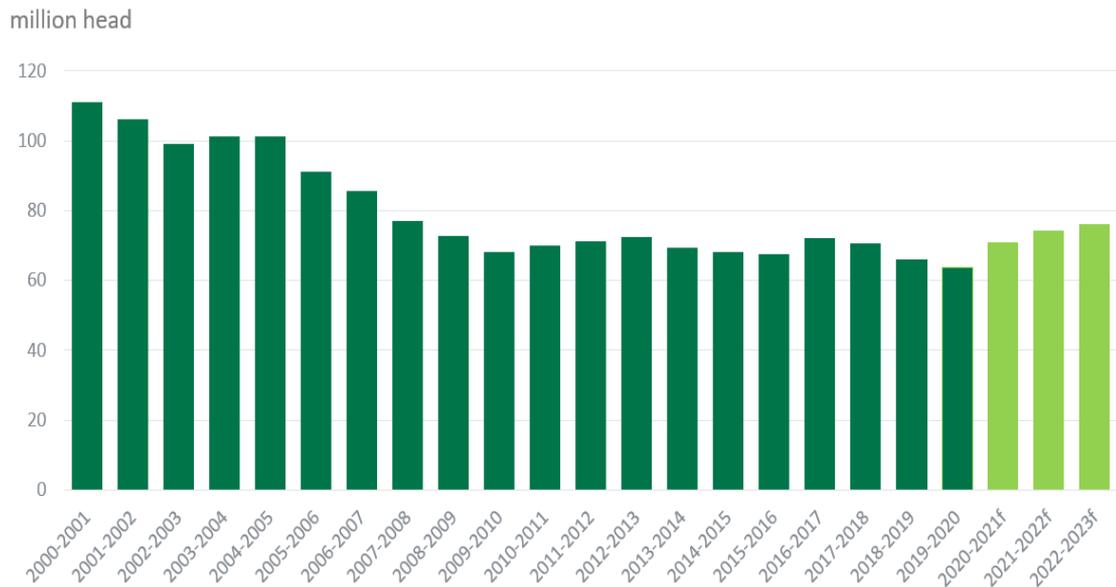
2022 – 74.4m head
- 4.9% or 3.5m head growth on 2021 volume

2023 – 76.3m head
- Highest since 2009
- Up 8% on 2021 level

2. Supply chain initiatives

Commercial supply chain opportunities
Calculating true carcase value

How much meat is there to sell?

How well does the meat eat?

What impact does animal disease have?

An evolving red meat industry

Arcadian Organic supply chain embraces carbon-neutral credentials

Jon Condon, 06/09/2019

farmonline
NATIONAL

NEWS BEEF DAIRY SHEEP CROPPING MACHINERY PROPERTY WEATHER CLASSI

BEEF STUDSTOCK SALES AUCTIONS CALENDAR

Clothing Manufacture Australia
Scout Brand Supply   Open

Beef   Livestock Auctions   NEW

Great Southern launches sustainability promises

24 Jun 2021, 9:14 a.m.   Beef

AUSTRALIA'S leading certified grass-fed beef and lamb program, Great Southern, has announced the inclusion of its first sustainability framework in response to evolving consumer expectations.

As part of Great Southern's Farm Assurance Program, lamb and cattle producers, via a producer advisory committee, have developed the sustainability framework to ensure their on-farm practices meet the evolving expectations of customers and consumers.

Coles to be first Australian supermarket to offer carbon-neutral beef

Colin Packham
Energy and resources reporter
Apr 20, 2022 - 5.00am

Coles will be the first major Australian supermarket to offer a carbon-neutral beef product line, as it seeks to tap into rising demand from consumers for sustainable products.

Agriculture is one of the world's largest sources of emissions, prompting calls for consumers to reduce meat consumption in a bid to aid global efforts to meet net zero emissions by 2050.

A growing number of Australians are consuming less meat, while those continuing their eating habits are increasingly looking for sustainable products.

RELATED QUOTES

COL $18.600 ▲0.05%

Updated: May 12, 2022 - 8.48am. Data is 20 mins delayed.

View COL related articles →

Coles to launch Australia's first carbon-neutral beef line.

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Objective carcase measurement
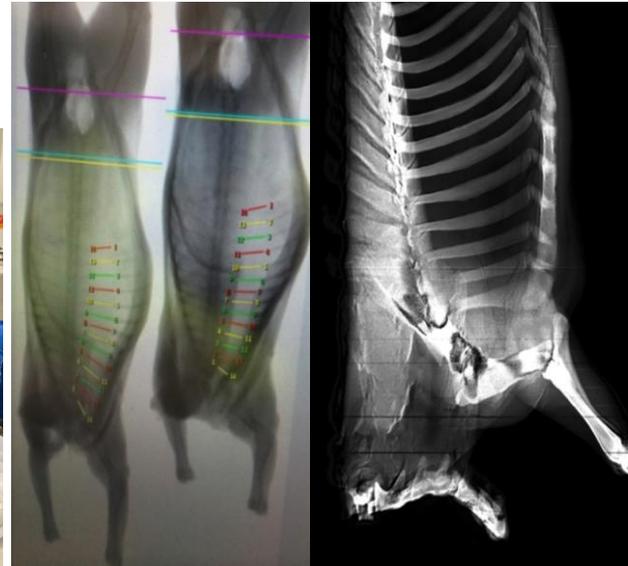
Revolution for sheepmeat is coming

INPUTS

Hot standard carcase weight (HSCW)

Lean meat yield (LMY)

Intramuscular fat (IMF)

OUTPUTS

Grill	Roast
knuckle	knuckle
loin	leg
outside	rack
rump	shoulder
topside	

5STAR Supreme Quality

4STAR Premium Quality

GRADED

FAIL

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Markets are evolving – as are buying habits
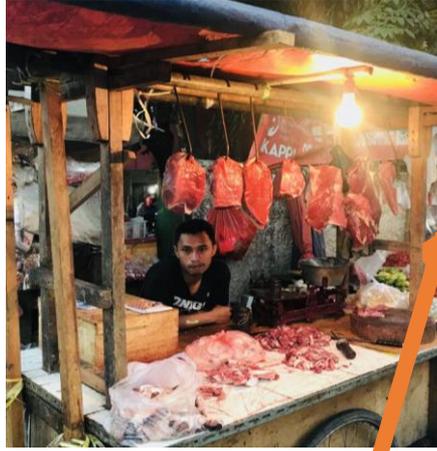
3. The problems we need to solve

Trusted source of high quality protein

Double the Investment in adoption

Double the value of red meat sales

Achieve carbon neutrality

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Connecting producer needs with adoption

SRSP
Sheep Reproduction Strategic Partnership

Opportunity
Improve sheep reproductive performance, ewe and lamb survival

Sheep reproduction strategic partnership

Best practice management	Human social factors	Enabling technologies

Influence and motivate
Bred Well Fed Well, EDGE Network and livestock advisors

Involve and partner
PGS e.g. Lifting Lamb Survival training package,
PDS projects and large regional adoption projects

Current projects
Accelerating sheep reproduction best practice
Edible shelter to improve lamb survival
Investigating heat stress in ewes

Reduce lamb mortality by 5%

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Australian Feedbase Monitor
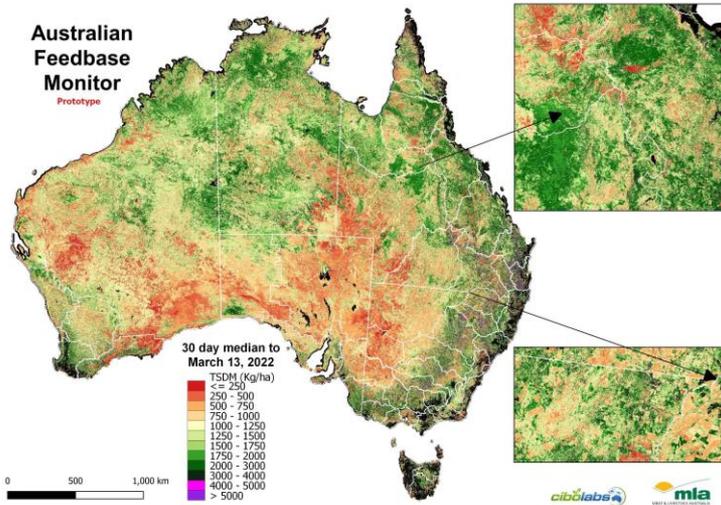
- Total Standing Dry Matter (KgDM/Ha) & Groundcover (%)

- Resolution of 1Ha & updated every 5 days

- Access through myMLA platform

- Access will be linked to PIC and LPA land parcels

- Available from 1st July 2022
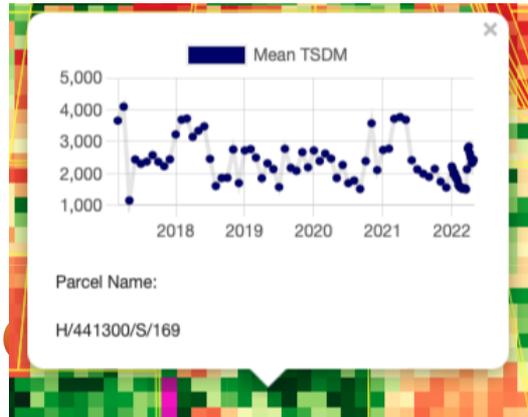
Source: P.PSH.1336 'Driving adoption of objective management of pasture biomass for Australian livestock producers'.

Making more from less

CN3Ö | 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

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

Industry progress

Red meat + manufacturing

THE ONLY MAJOR SECTORS in the Australian economy to **REDUCE EMISSIONS** since 1990, with red meat making by far the greatest reduction[3]

Red meat producers manage

HALF OF AUSTRALIA'S LAND MASS

Most of this land isn't suitable for crop production - in fact, <8% of Australia's land mass is suitable for cropping[4]

Greenhouse gas emissions from the Australian red meat industry have

FALLEN 53%

since 2005[1]

The Australian red meat industry's contribution to national emissions has

FALLEN 46%

since 2005[2]

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FMD and LSD

- The risk of these diseases is the highest of industry priorities.

- There is a very clear and robust plan in place. It's known as the AUSVETPAN and you can read more about it online. Emergency response arrangements - Animal Health Australia

- MLA role is to support and collaborate with Government and RMAC and provide key technical advice via our subject matter experts as part of the crisis management process.

- MLA is a member of a cross-industry taskforce formed by the Red Meat Advisory Council (RMAC) – the peak body for the entire Australian red meat industry. MLA does not lead the taskforce.

- MLA in conjunction with the Australian Govt, is working closely with the Indonesian Govt and Industry via a biosecurity support program to help control the spread of FMD and LSD in Indonesia

- What all livestock producers can do now is be prepared, vigilant and on the lookout:
  - Making sure you are aware of the symptoms of LSD and FMD https://www.agriculture.gov.au/biosecurity-trade/pests-diseases-weeds/animal/fmd
  - If you suspect LSD or FMD in your livestock, immediately calling the Emergency Animal Disease Watch Hotline on **1800 675 888**
  - Adhering to all traceability obligations, including ensuring all documentation is correctly completed – reference to https://www.integritysystems.com.au/on-farm-assurance/livestock-movements/
  - Reviewing your on-farm biosecurity plan https://www.integritysystems.com.au/on-farm-assurance/Biosecurity/

Red Meat, Green Facts