

Greater China

(Mainland China, Taiwan and Hong Kong*)

MARKET SNAPSHOT | BEEF & SHEEPMEAT



EXPORTS
A top destination for Australian red meat

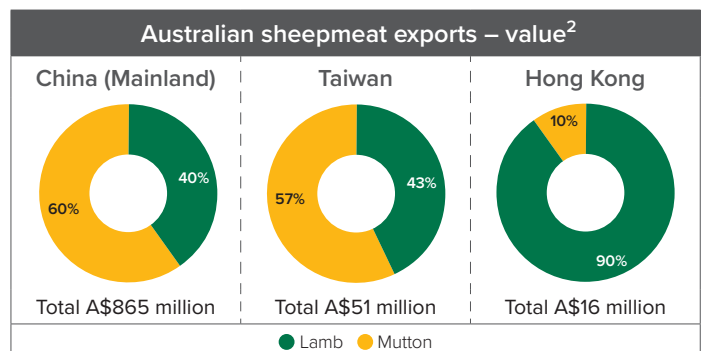
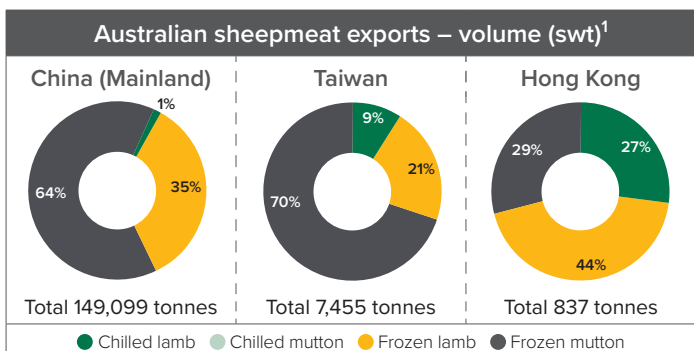
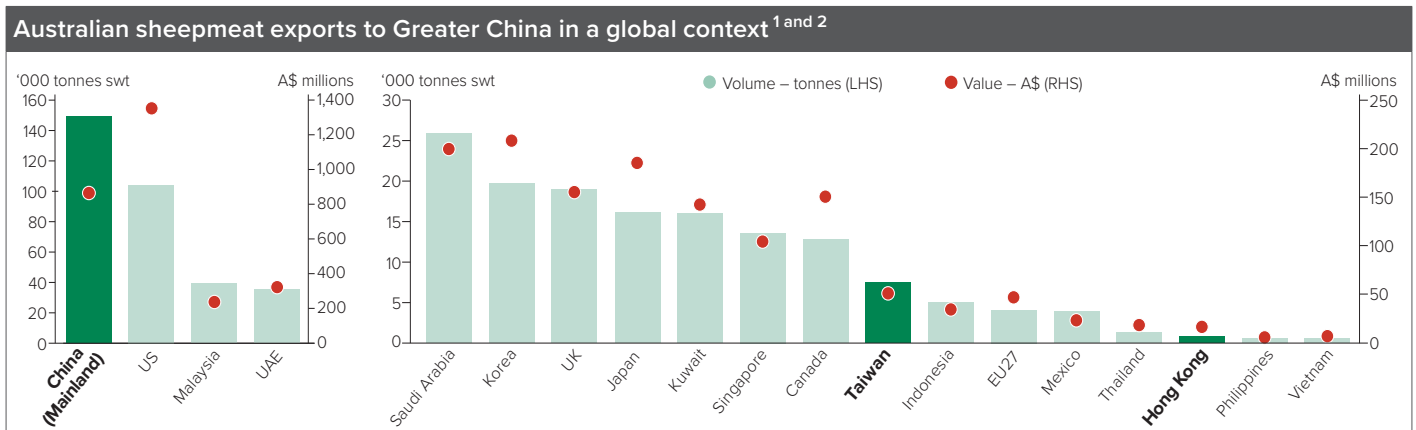
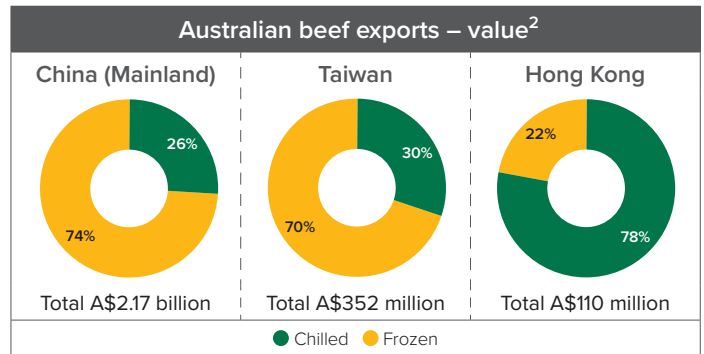
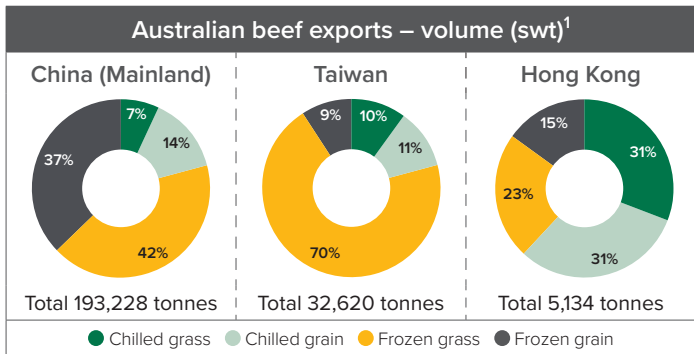
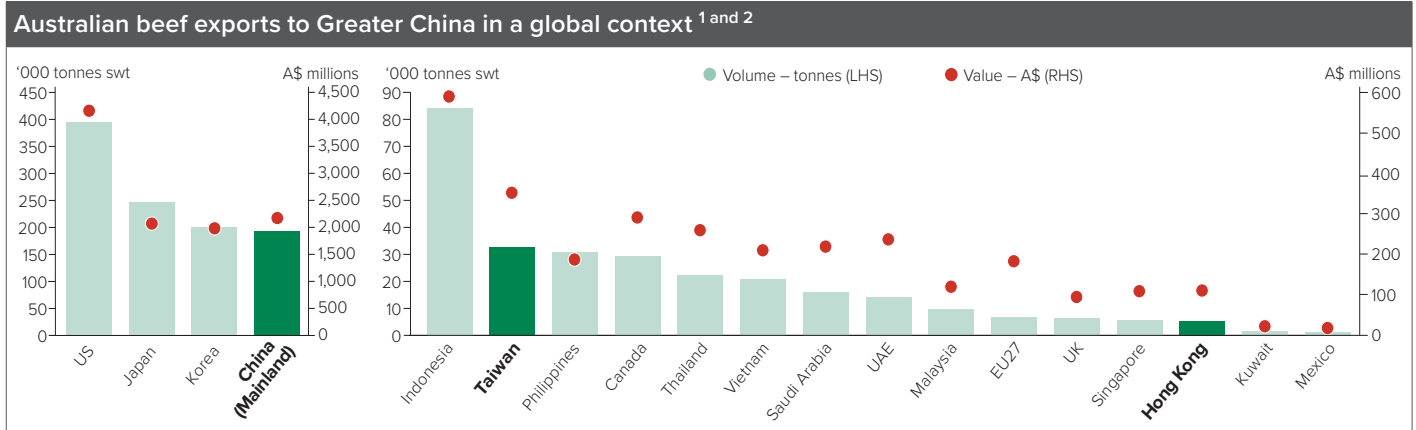


CONSUMERS
Rising incomes and red meat consumption



GROWTH
Demand for quality, healthy, easy meal solutions

*For the purposes of this document, the Hong Kong market includes Macao due to the fact that the majority of red meat product in Macao is supplied through Hong Kong. MLA fully recognises that both Macao and Hong Kong are separate Special Administrative Regions of China.



Data source for charts: ¹DAFF (CY2024), ²Trade Data Monitor (TDM) (MAT November 2024). Note: Macau has been excluded due to its small volumes

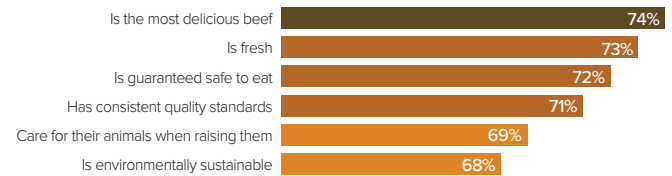
CONSUMERS



- In China, beef comprises a relatively small proportion of dietary protein compared to fish, pork and poultry. However, several factors including rising incomes, a period of pork shortage due to African Swine Fever (ASF) from around 2019 to mid-2021 and greater interest in nutrition to boost immunity against COVID-19, have helped increase beef consumption. This momentum is forecast to continue, with national per capita beef consumption set to rise from 6.3kg in 2018 to 8.4kg in 2028^f. By virtue of its population, China is the world's second largest beef market after the US, with an estimated total consumption of 11.4 million tonnes carcass weight equivalent (cwe) of beef in 2024 (Source: GIRA).
- Higher income levels are the key enabler of more frequent premium protein consumption. Consumers with higher incomes enjoy beef, as well as fish and lamb meals more often, while the less affluent consume more pork and poultry, as well as soy bean-based proteins.
- Chinese consumers consider beef to be a superior protein with high nutritional value and uniquely enjoyable eating qualities, making it a family favourite. Barriers to more frequent consumption, aside from price, are perceptions that beef is more challenging to prepare and cook, and less versatile than some other proteins.
- A proportion of Chinese consumers have temporarily cut back on their discretionary spending in the past two years, including some dining out and retail purchasing, due in large part to a decline in home property values. At the same time, the number of affluent households continues to increase, driven in particular by growth in lower tier cities.
- Beef and beef offal feature across a range of traditional slow-cook, soup, stir fry, dumpling and hot pot dishes,

historically developed to suit product from spent work or dairy animals. In upper middle-class households, there is increasing exposure to non-local cuisines that utilise a wider range of beef types, cuts and cooking methods, mostly via foodservice but increasingly also at home.

Affluent Chinese consumer perceptions of Australian beef



Source: MLA Global Consumer Tracker China 2024, % Agree score, Top 5 attributes, Consumers living in households earning >RMB200,000/year in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities

- A growing segment of consumers seek higher quality beef that is trusted to be safe, nutritious and delicious. Australia is considered among the top suppliers of premium beef, with demand increasing for chilled and grainfed products.
- Popular Australian beef cuts exported to China include manufacturing, brisket, shin/shank, silverside/outside and blade, with chuck roll, cube roll and striploin featuring more prominently in chilled beef exports (Source: DAFF).
- The ready-to-cook segment has seen strong growth, including semi-prepared, semi-cooked or fully-cooked items and dishes and often features beef. This trend is evident in retail, where products support at-home meal time savings and variety but also foodservice, where they additionally offer product consistency.

FOODSERVICE



- As a relatively less familiar but superior protein, around 60% of beef in China is typically consumed outside the home (Source: MLA intelligence). In addition to local cuisine restaurants, diners are increasingly enjoying a wider variety of beef cuts, cooking methods and flavours via other cuisines, such as Western-style steak and grill, pasta and burgers, Korean and South American barbeque, Japanese and Thai.

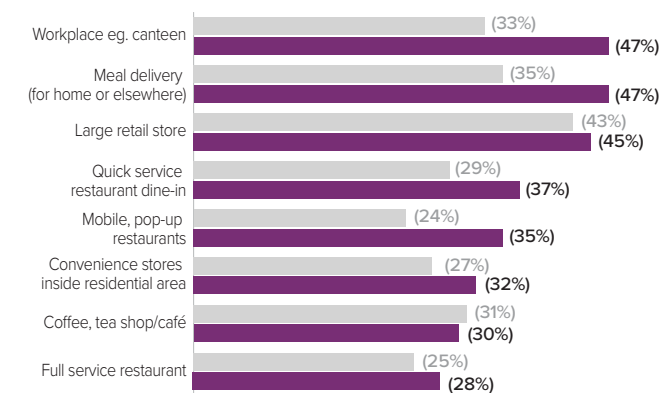


Growing popularity of Western and other Asian cuisines has increased beef consumption in Mainland China restaurants

- The majority of Australian beef is sold in foodservice channels, with a proportion going into further processing of items for the sector such as hot pot rolls, burgers, meatballs and sausages. Higher value product, such as grainfed and Wagyu beef, goes into more premium full-service restaurants. Michelin Guides cover five tier one Mainland cities and will soon include more cities in two new provincial guides for Fujian and Jiangsu.

- Australian beef has a strong, established presence in China's premium Western-style foodservice sector and in some upscale hot pot restaurant chains, where differentiation based on quality, safety, naturalness and country of origin is important to diners.

Channels where consumers order food/drinks from at least weekly



● China ● Global average*

Source: GlobalData Q2 2024, *Global average of 42 countries

- Accelerated by high density living, good connectivity, the pandemic and a growing desire for convenience, there has been strong growth in take-away and delivery services.

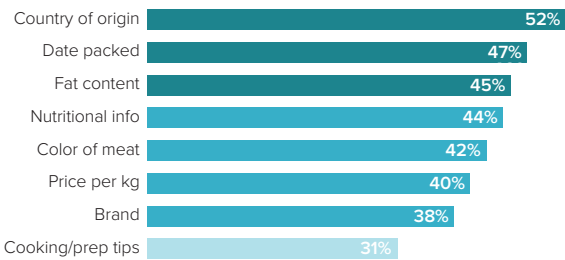
Mainland China – Beef

Retail



- China's retail sales of beef have grown significantly in recent years, accelerated by African Swine Fever (ASF)-driven higher pork prices and increased at-home consumption during the pandemic. As a consequence, demand for chilled beef, much of which is supplied by Australia, has been strong. There has also been an expansion of meal kits and value-added products, offering consumers more ease and convenience to prepare quality beef meals at home.

Product information affluent beef shoppers seek



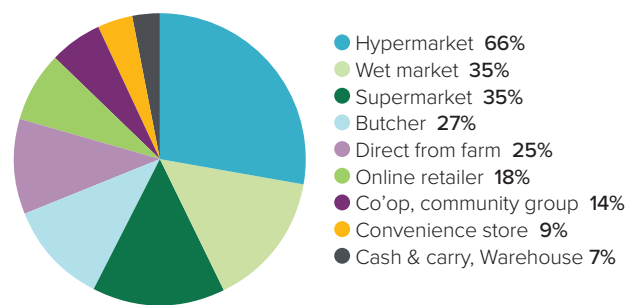
Source: MLA Global Consumer Tracker China 2024, % Agree score, Key 5 things I seek when purchasing beef, Affluent = consumers living in households earning >RMB200,000/year in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities

- Affluent urbanites are driving growth in branded beef products that not only offer the important basics of safety and quality, but also deliver more experiential consumption via elements relating to provenance, production methods and the excitement and variety of new and different cuisines.
- Affluent consumers will still buy beef from convenient local wet markets on occasion, particularly when preparing traditional beef dishes to be consumed on the same day. However, the

pandemic accelerated the shift away from traditional channels in favour of modern offline and online retail. While traditional channels are still growing in line with the total retail market, modern channels are growing faster, led by online and discount stores, as well as convenience stores and smaller format mini-marts (Source: IGD).

- Recent years have seen significant additional investment in the cold chain which has been improving product handling and shelf-life across the supply chain, including for retail-ready product.
- New opportunities in major cities are being presented by the fast-growing 'fresh on-demand' or 'quick commerce' sector, offering delivery of fresh produce, including red meat, within 30 minutes.

Affluent Chinese monthly beef purchase channels



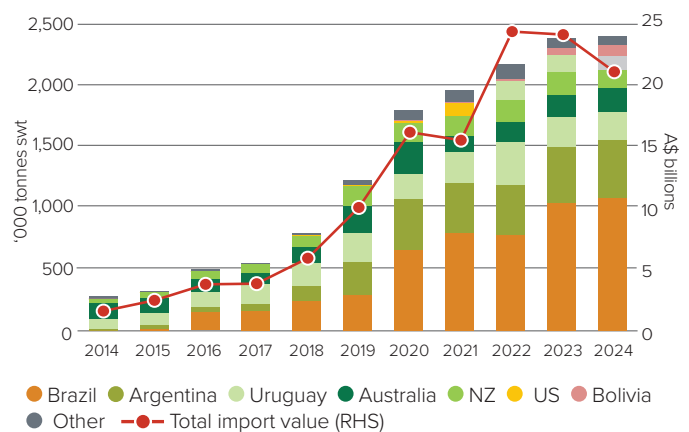
Source: MLA Global Consumer Tracker China 2024, Purchase beef at least monthly from these channels, Consumers in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities living in households earning >RMB200,000/year

Competitive landscape



- China has become by far the world's largest beef importer in recent years. Increasing demand is the key factor driving record import volumes to pass through customs in recent years. For the 12 months ending June 2024, China's beef import volume reached almost 3 million tonnes swt, valued at over A\$22 billion (Source: Trade Data Monitor (TDM)). During 2024, there has been some slowing in import growth due to high inventories and sluggish consumption. However, the medium-term outlook for import demand remains positive, currently forecast to grow at a compound annual growth rate (CAGR) of 2.9% to exceed 4.1 million tonnes cwe by 2028 (Source: GIRA).
- Competition in China's beef market is intense, with at least 31 countries granted market access, with a government priority to diversify the country's supply.
- China has a large cattle herd of its own of around 104 million head in 2024f (Source: GIRA). The herd is forecast to remain around the 100 million mark out to 2028f. While domestic beef production will increase, the country will require greater imports to meet forecast consumption demand growth.
- The US has increased its value share of China's total beef imports from 1% in 2019–20 to 10% in 2023–24, benefiting from its preferential establishment listing and market access conditions. The US has sole approval to export HGP-treated beef (within maximum residue limits and excluding beta-agonists) to China.
- Australia is China's largest supplier of chilled beef, despite market access challenges since 2020 restricting Australian exports, with New Zealand and the US filling some of the gap. Australia exported just over 40,000 tonnes of chilled beef to China in 2023–24 valued at A\$559 million (Sources: DAFF, Trade Data Monitor (TDM)).

China beef imports by supplier*



Source: Trade Data Monitor (TDM), *MAT year ending September

- South American countries dominate China's direct frozen beef import market, particularly Brazil, Argentina and Uruguay, which have benefited from weaker currencies and lower beef prices. However, these suppliers are also relatively exposed to the Chinese market, with the 2023–24 combined export value to China and Hong Kong accounting for 57%, 57% and 39% of total beef exports for these countries respectively, compared to 19% for Australia (Source: Trade Data Monitor (TDM)).
- Key bovine offal competitors for Australia are Uruguay, the US and New Zealand, though Australia is at a disadvantage with no direct access to China's tripe market.

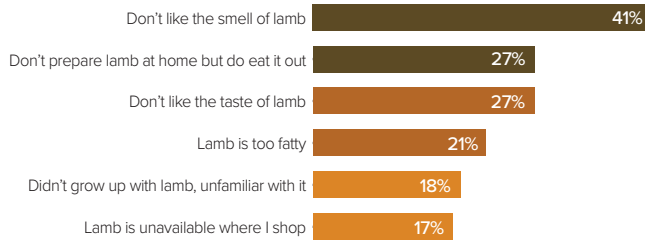
Mainland China – Sheepmeat



Consumers

- China has consistently been among Australia's top two largest sheepmeat export markets by volume and value since 2013 along with the US.
- While sheepmeat accounts for a relatively small proportion of dietary protein in China, consumption has grown gradually over the past decade with rising incomes and urbanisation. Consumption was further boosted by the protein deficit caused by African Swine Fever from 2018 to 2020, with per capita consumption anticipated to increase from 3.8kg in 2018 to 4.3kg by 2028f (Source: GIRA).

Top barriers to affluent Chinese consumers buying lamb



Source: MLA Global Consumer Tracker China 2024, % Agree score, Reasons for never buying lamb, Consumers living in households earning >RMB200,000/year in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities

- Traditionally, sheepmeat consumption has been higher in the northern areas of the country and during the cooler months. However, in recent decades, interest in the protein has grown faster in coastal cities, where wealthier consumers seek more protein variety with regard to taste and nutritional benefits.
- Sheepmeat and ovine offal feature in a limited number of traditional home-cooked recipes – mostly stew and soup-based dishes – but are a popular street food in the form of spiced grilled kebabs and in thin-slice form for hot pot. There are opportunities to increase lamb consumption by providing consumers with more knowledge and suitable products to help them successfully cook lamb at home. Online retail and value-added products in ready-to-cook and ready-to-eat formats provide easier access to sheepmeat.

Attributes of lamb compared to other proteins

Strengths	Challenges
✓ The most superior meat	✗ Easy and convenient to purchase
✓ The meat is usually tender	✗ Easy and convenient to prepare
✓ The animal is well cared for	✗ Can use in many different meals

Source: MLA Global Consumer Tracker China 2023

Foodservice



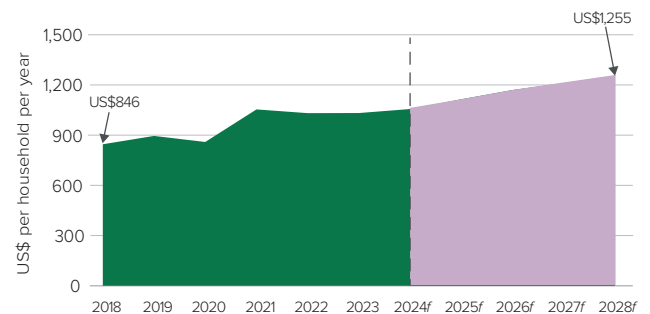
- Around 90% of the sheepmeat in China is consumed outside the home (Source: MLA market intelligence). With key motivators for eating out being the variety of dishes and cuisines, unique flavours and superior quality, lamb plays an important role in the foodservice sector. China total lamb sales are currently forecast to grow at a CAGR of 3.5% from US\$14 billion in 2024f to US\$16.1 billion by 2028f (Source: Fitch Solutions).
- The majority of Australian sheepmeat – both lamb and mutton – exported to China comprises frozen cuts such as breast and flap, manufacturing, carcass and neck, which are further processed in market – a large proportion in the form of thin-sliced rolls for use in hot pot and barbecue restaurants.



Hot pot is a popular way to eat sheepmeat out of home

- For affluent consumers, higher-end full-service restaurants are popular venues for enjoying lamb, where it features in a range of cuisines and dishes, including Chinese, Western and Middle Eastern styles. Australian lamb can be found on menus in high-end Western-style restaurants and five-star hotels, as well as high-end hot pot establishments. This has driven growing demand for higher value Australian sheepmeat cuts such as rack, backstrap and loin cuts, as well as leg and shoulder.

Mainland China household restaurant and hotel spending



Source: Fitch Solutions, 2024–2028 forecast, Figures for China Mainland national average

- With two Australian processing plants now approved to export chilled sheepmeat to China, chilled volumes are anticipated to grow in coming years, expanding Australian premium lamb's footprint in modern retail.

Mainland China – Sheepmeat

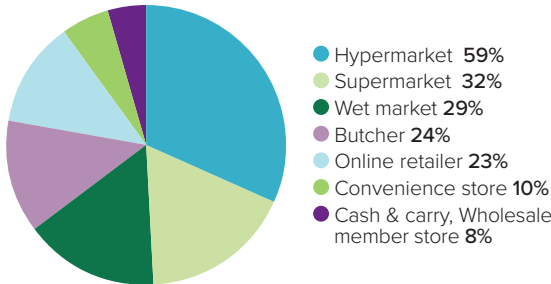


Retail



- Lack of familiarity and knowledge about how to cook lamb is the main barrier to increasing lamb sales through retail channels. Among those who do purchase it for home consumption, the most common are traditional slow wet cook dishes such as stews and soups. However, there has been some growth in households using lamb in thin-slice hot pot, grilled kebabs and pan fry dishes at home.

Where affluent* Chinese consumers usually buy lamb



Source: MLA Global Consumer Tracker China 2024, Channels buy lamb at least once a month from. *Affluent = living in households earning >RMB200,000/year, Consumers in Beijing, Shanghai, Guangzhou, Chengdu and Chongqing cities

- Retail has been a relatively small channel for Australian sheepmeat, but branded lamb product is increasingly available in stores in some larger cities and online. This is driven by affluent consumers seeking products that offer not only safety and quality consistency, but also unique eating experiences and attributes linked to provenance. Australian lamb is highly regarded in the market.
- China's grocery retail is highly fragmented and regional. Nationally, retail group Sun Art Group has the biggest market share (7.7%), followed by Wal-Mart Group (6.2%),

Yonghui Group (5.5%), Vanguard Group (4.5%) and Wu-Mart Group (2.8%) (Source: Kantar World Panel 12w to 9 Aug 2024).

Affluent* consumer perceptions of Australian lamb



Source: MLA Global Consumer Tracker China 2024, Affinity = 1 + 2/10 point scale, *Affluent = living in households earning >RMB200,000/year in Shanghai, Beijing, Guangzhou, Chengdu and Chongqing cities

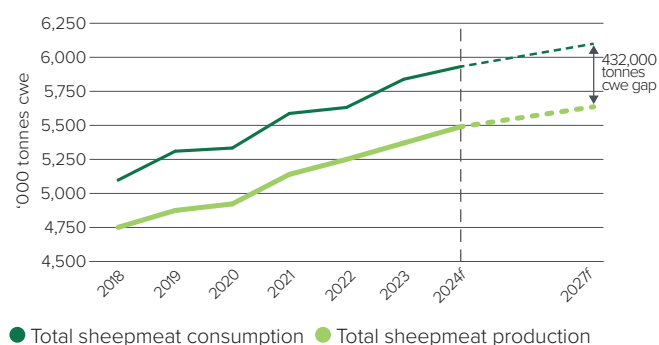
- Rapid growth in household ownership of particular cooking appliances such as air fryers, multi-functional microwave ovens and electric hot pot cookers, accelerated by the boom in home cooking due to the pandemic, has presented new growth opportunities for Australian product at retail. The wide adoption of new appliances has led to a step-change in urban middle-class households' ability to roast, broil and grill foods such as lamb at home, where ownership of conventional ovens and grills had previously been very limited.
- Growing consumer demand for quality and healthier convenience foods and technological innovations such as self-heating packaged meal products, have also increased consumption of lamb, enabling the normally extended and highly social hot pot restaurant meal experience to become an individual snack indulgence.

Competitive landscape



- China is the world's largest producer of sheepmeat, with a sheep and goat flock estimated at around 334 million head in 2024f. However, China is forecast to remain a net importer of sheepmeat over the coming years, forecast to import around 441,000 tonnes cwe in 2025f, similar to 2024 (Source: GIRA).
- However, import demand, particularly for mutton, can be volatile depending on domestic production cycles. With environmental policies restricting flock sizes and gradual consolidation of larger-scale feeding operations, import demand is expected to become more stable in the future.

Growing Mainland China sheepmeat import demand

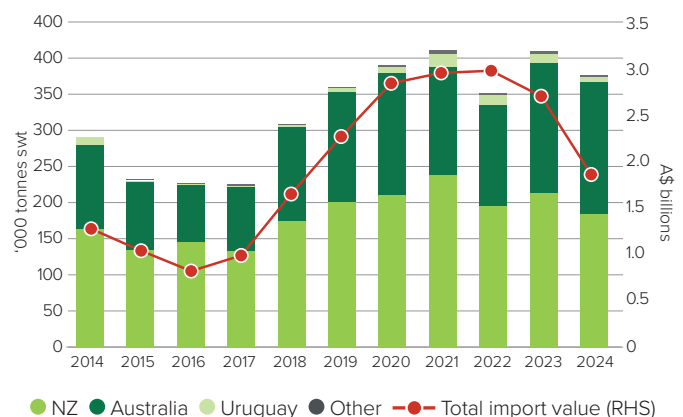


Source: GIRA, figures includes goatmeat

- New Zealand has long been China's leading sheepmeat supplier until 2023–24, when tight supply in New Zealand and good

- supply out of Australia saw Australian volumes overtake New Zealand for the first time (Source: Trade Data Monitor (TDM)). New Zealand became increasingly dependent on China, which for the year ending June 2024, accounted for 48% of its sheepmeat exports, compared to 30% for Australia. Smaller volumes are supplied by Uruguay and Chile. Several other countries granted market access are not currently exporting significant volumes.
- Australia and New Zealand are approved suppliers of chilled sheepmeat. However, New Zealand has an advantage with a greater number of listed plants, including for tripe.

China sheepmeat imports by supplier*



Source: Trade Data Monitor (TDM), *MAT year ending September



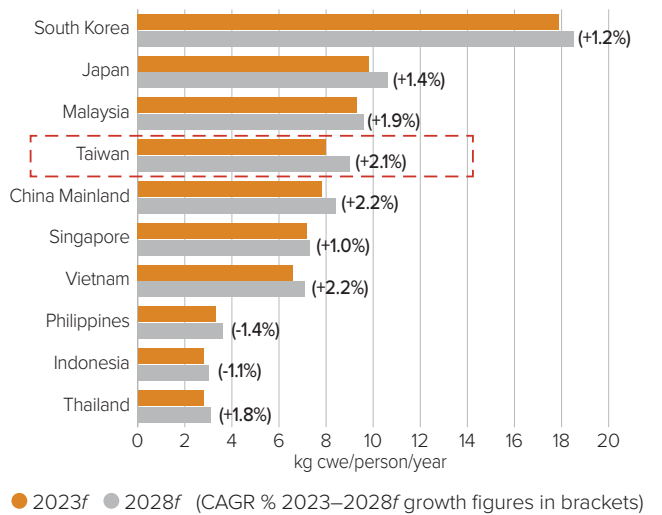


Consumers



- Taiwan has been a major export market for Australian beef for more than 35 years, consistently ranking among the top 10 markets for both grassfed and grainfed exports.
- Taiwan beef consumption growth is forecast to further accelerate in coming years, driven by a large young adult population, increasing numbers of affluent households and enjoyment of cuisines that feature beef – from indigenous local dishes to Chinese, Western-style, Japanese and Korean.

Taiwan's beef consumption is forecast to see strong growth



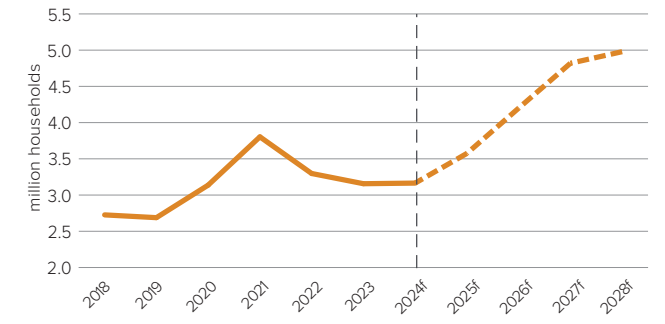
Source: GIRA, Kg cwe per person per year

- Reflecting this growing demand, Taiwan's total beef imports trended up for more than twenty years. In 2023, beef imports achieved an all-time record of just over 145,000 tonnes swt valued at just under A\$2 billion.
- Taiwan is a comparatively high value market, importing beef at a notably higher average unit value than other mature import

markets such as the US, UK, Japan and South Korea (Source: Trade Data Monitor (TDM)). Australia supplies a wide range of cuts to Taiwan, with the top three by volume being blade, shin/shank and chuck roll (Source: DAFF).

- Taiwan has a high urbanisation rate of 81% expected for 2025 and a large number of households with high disposable incomes of over US\$35,000 that is forecast to grow at a CAGR of 12% from 2023 to 2028, enabling strong spending growth on discretionary items such as premium beef (Source: Fitch Solutions).

Taiwan has a large and growing affluent consumer base



Source: Fitch Solutions, Households earning disposable income USD 35,000+ /year

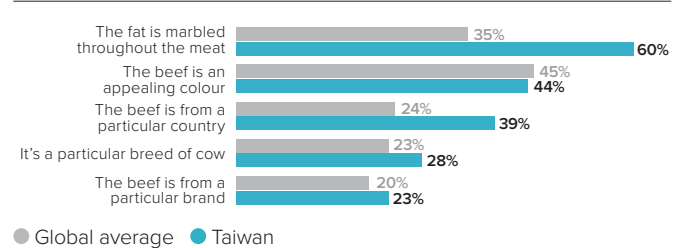
- Taiwan consumers see beef as a protein with superior taste and nutritional benefits, which makes it a family favourite and worth paying a premium for compared to other proteins. However, beef's biggest perceived weaknesses are that it can be high in fat and less versatile compared to pork and chicken (Source: MLA Global Consumer Tracker Taiwan 2020).
- Taiwan is a notable bovine offal market. Australia exports a similar volume to Taiwan as to China Mainland but a different cut mix, with Taiwan largely taking tripe, tendon and tongues. Australia's 2023–24 exports were valued at A\$26.6 million (Source: DAFF, Trade Data Monitor (TDM)).

Retail



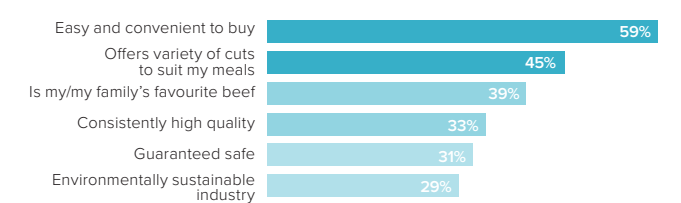
- Taiwan's retail sector is quite mature by global standards, with modern grocery retail outlets comprising around 65% of the sector. Taiwan is unique globally for having the highest concentration of convenience stores, contributing the largest share of retail grocery sales at 30%, followed by supermarkets and online grocery retail (Source: IGD).
- In the coming years, online retail, discount and convenience stores are the channels forecast for strongest grocery sales growth.
- Taiwan's retail market is both large, with total grocery sales valued over A\$66.6 billion in 2024, and dynamic, with a number of significant mergers occurring in recent years resulting in increased consolidation. Key players include Uni-President (including 7-Eleven and Carrefour), PX Mart (including RT-Mart), FamilyMart, Hi-Life and Costco (Source: IGD).
- With mandatory country of origin labelling across all channels, the majority of Taiwanese consumers are aware of the origins of the beef they buy. Australian beef is largely purchased from hypermarkets and supermarkets. Taiwan consumers are very familiar with Australian beef, and particularly appreciate its strong safety profile and consistently high quality, as well as the wide range of cuts it supplies. These attributes make it particularly attractive for home consumption in family settings and for consumers who prioritise safe, healthy and natural products.

Top five cues for high quality beef



Source: MLA Global Consumer Tracker Taiwan 2020, Global average of 11 countries, % Agree score

Taiwan consumer perceptions of Australian beef



Source: MLA Global Consumer Tracker Taiwan 2020, % Agree score



Foodservice



- Taiwan has a strong dining out culture by global standards, with a high proportion of socialising occurring in restaurants. The fastest-growing per capita non-essential spending category in the next few years is expected to be restaurants and hotels, averaging 8.6% per year to 2026 (Source: Fitch Solutions).
- Taiwan has developed a unique food culture, with influences from its own indigenous aboriginal culture, various regional Chinese cuisines and Japanese cuisine. Taiwan is widely considered a regional food trendsetter, with its unique offerings a key attraction for tourists. Taiwan is expected to host around 12 million tourist visitors in 2025, surpassing pre-pandemic numbers, spending an estimated US\$33 billion (Source: Fitch Solutions).
- MLA estimates that around 76% of Australian beef in Taiwan is utilised in the foodservice sector. A majority of Australia's frozen grassfed beef exports are comprised of shin/shank (particularly special trim), blade, manufacturing (forequarter and trimmings), intercostals and thick flank/knuckle cuts which are mainly used in popular slow wet cooking local dishes. The market has also been taking growing volumes of Australian chilled and frozen beef offal, particularly tripe (honeycomb) and tendon.
- The Western-style fine dining segment has been expanding, particularly with the growth in popular hotel restaurant and steakhouse segments that use premium cuts such as cube roll/rib eye roll, striploin and tenderloin. There is widespread appreciation for highly marbled beef such as US prime, Australian Wagyu and Japanese Wagyu, alongside increased demand for quality and leaner grassfed beef. Australia exports a mix of frozen and chilled volumes of chuck roll, cube roll/rib-eye roll and loin cuts for use in Western-style steak cooking. Notable volumes of Australian hamburger mince also go into the Western-style quick service and casual dining segments.

Reflecting Taiwan's rich food culture, beef is enjoyed in various forms and cuisines



Taiwan's iconic dish, beef soup noodles



Yakiniku



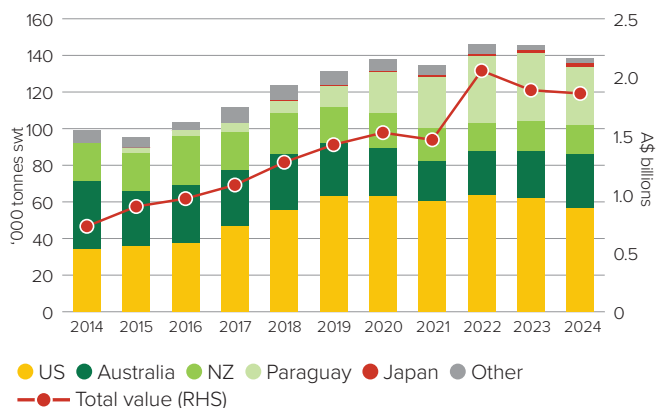
Steak

Competitive landscape



- Taiwan has a small beef herd, and while production is forecast to grow in the coming years, the market will continue to rely on imports in order to meet around 96% of its beef needs for the foreseeable future.
- Australia exports a wide range of beef products to the market from frozen grassfed shin/shank to chilled Wagyu. Australia's key competitors in the market are the US, Japan, New Zealand and Paraguay.
- Compared to Australia, the US supplies a smaller range of cuts, particularly short plate, ribs, shin/shank, chuck roll, intercostals and steak cuts.
- New Zealand benefits from preferential market access to Taiwan, exporting mostly frozen boneless steak and other cuts.
- Paraguay has taken advantage of improved market access and lower-priced product in recent years to rapidly increase its exports. Paraguay's volume share of Taiwan's frozen beef imports increased from 4% in 2016–17 to 25% in 2023–24, becoming Taiwan's largest single frozen beef supplier. Smaller volumes of frozen beef are supplied by Nicaragua and Canada.
- Taiwan import demand for chilled beef has grown somewhat faster than frozen over the past decade. Australia competes in the high-end grainfed beef market, mainly with the US and Japan. Taiwan quickly became one of Japan's top three Wagyu export markets, after gaining market access in 2017. The majority of Japan's beef exports to Taiwan are chilled. Despite rapid growth into the Taiwan market, Japanese Wagyu has not displaced Australian Wagyu – rather, they have together grown the Wagyu segment.
- Australia mostly competes with Paraguay, New Zealand, Nicaragua and Panama in Taiwan's bovine offal import market. In 2023–24, Taiwan imported a combined 8,438 tonnes swt valued at A\$34.5 million (Source: Trade Data Monitor (TDM)).

Taiwan beef imports by supplier*



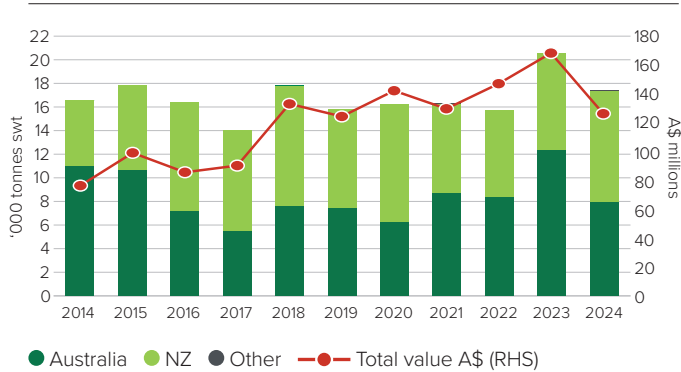
Source: Trade Data Monitor (TDM), *MAT year ending September

Summary



- Taiwan has been a significant and growing importer of sheepmeat for the past several decades. For the 12 months ending June 2024, the market imported just under 19,000 tonnes swt valued at A\$141 million.

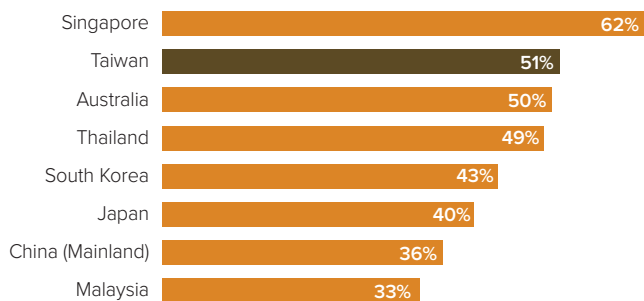
Taiwan sheepmeat imports by supplier*



Source: Trade Data Monitor (TDM), *MAT year ending September

- The vast majority of Taiwan's sheepmeat imports are supplied by New Zealand and Australia, with only a small and gradually declining volume produced domestically.
- Sheepmeat is a relatively minor part of dietary protein in Taiwan but per capita consumption is forecast to increase at a CAGR of 5.4% from 2023 to 2028^f (Source: GIRA), driven by younger affluent consumers who enjoy protein variety in taste and nutrition. Affluent Taiwanese report consuming a higher number of weekly meals with lamb than the less affluent (Source: MLA Global Consumer Tracker Taiwan 2020). This will drive continued demand for imports in the coming years.
- MLA estimates that around 85% of Australian sheepmeat is consumed in Taiwan's foodservice sector. Australia's frozen lamb exports to Taiwan had grown over recent years and was comprised largely of manufacturing (trimmings), breast and flap, shank and carcase, while frozen mutton was mostly manufacturing (trunk meat) and carcase. In 2023–24, however, whilst chilled lamb volumes continued to trend up, frozen lamb and mutton volumes were notably lower in response to softer consumption demand and reportedly high inventories.
- Taiwanese consumers have high discretionary spending levels by regional standards, with restaurant and hotel spending among the fastest growing non-essential categories.

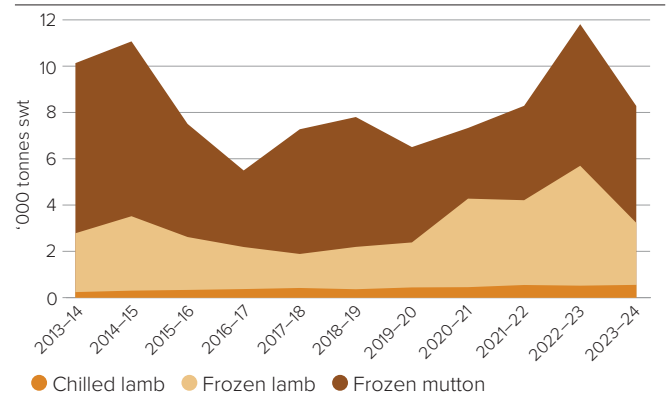
Non-essentials spending proportion of total spending



Source: Fitch Solutions, 2025^f

- While still relatively small, demand for Australian chilled lamb has also been growing, with shoulder (neck fillet roast) and rack being the key cuts.

Australian sheepmeat exports to Taiwan



Source: DAFF

- Slow-cook recipes such as casseroles, stir fry, soups and hot pot are relatively popular local cuisine sheepmeat dishes to cook at home or order when dining out. Roasting and grilling of prime cuts is available at high-end Western-style restaurants.



Hot pot is a popular way to enjoy sheepmeat in Taiwan

Top three Australian sheepmeat cuts exported to Taiwan

Chilled lamb	Frozen lamb	Frozen mutton
Shoulder	Manufacturing (trimmings)	Manufacturing (trunk meat)
Rack	Breast and flap	Breast and flap
Shank	Shank	Carcase

Source: DAFF, 2023–24



Summary



- Beef has not traditionally been a major dietary protein in Hong Kong and Macao. However, a wealthy, younger consumer segment enjoys a variety of cuisines that feature more beef than traditional Hong Kong and Cantonese-style cuisine. This has led to increased consumption.
- Hong Kong has been a comparatively small but high value and growing market for premium Australian beef for more than 20 years. In 2023–24, the average unit price of Australian beef exports to Hong Kong (A\$22.10/kg) and Macao (A\$29.50) was more than double the average to all global markets (A\$9.61/kg) (Source: Trade Data Monitor (TDM)). Consumers have a high regard for Australian beef.

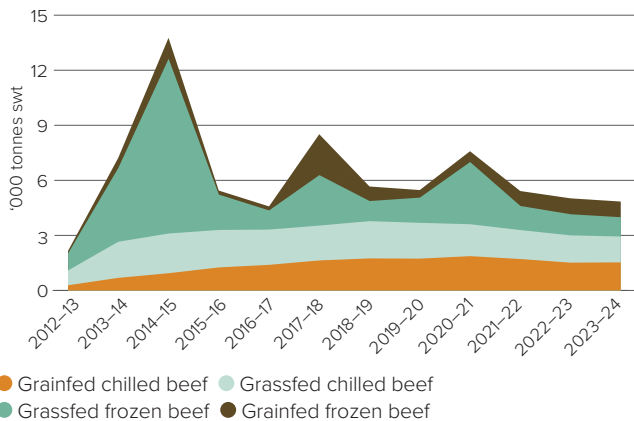
Hong Kong consumer perceptions of Australian beef

✓	Offers cuts to suit my meals
✓	Guaranteed safe to eat
✓	Consistent quality standards
✓	Is easy and convenient to buy
✓	More nutritious

Source: MLA Global Consumer Tracker Hong Kong 2023

- MLA estimates that around 30% of Australian beef is sold through Hong Kong retail. The market's grocery retail sector is highly developed and competitive, with Australian beef purchased mainly from supermarkets and hypermarkets, but also through food halls and specialist gourmet stores.

Australian beef exports to Hong Kong

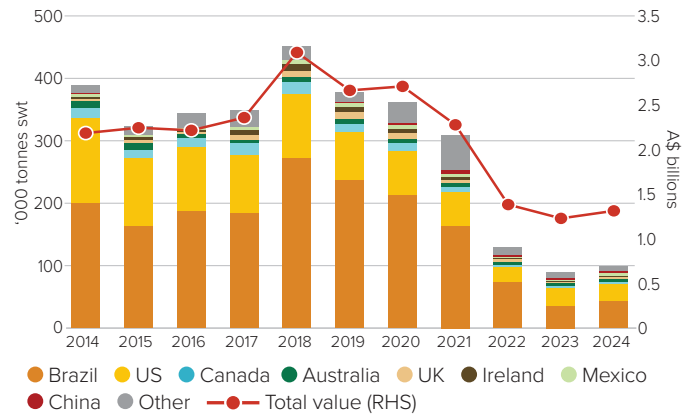


Source: DAFF

- Australian grassfed and grainfed beef products are enjoyed by Hong Kong consumers, with chilled exports growing steadily over the past decade. Growth has been particularly strong for chilled grainfed beef, which increased over fourfold in volume over the past decade.
- Australia has been Hong Kong's top chilled beef supplier for more than 25 years, with notable volumes also coming from the US, Japan and New Zealand.
- Frozen beef imports are largely utilised in the foodservice sector. Frozen beef imports have declined in recent years due to a combination of reduced tourism as well as increased restrictions on cross-border trade.
- Hong Kong currently has 79 Michelin star restaurants in 2024 and Macao has 16. Australian beef features in such high-end full-service restaurants, with diners enjoying special occasion experiences at Western and Japanese cuisine restaurants where product provenance is more prominent on the menu.

- A large and growing number of tourist visitors have contributed to beef consumption in the sector. An estimated 24 million tourists are forecast to visit Hong Kong and 19 million to visit Macao in 2025f, recovering to pre-pandemic levels (Source: Fitch Solutions).
- Key frozen beef suppliers to Hong Kong are Brazil and the US. Brazil and Argentina are Hong Kong's key suppliers of bovine offal, with Australia a relatively small supplier. In 2023–24, Australia exported around A\$31.3 million worth of bovine offal to Hong Kong, mostly tripe.

Hong Kong beef imports by supplier*



Source: Trade Data Monitor (TDM), *MAT year ending September

- Both Hong Kong and Macao are among Japan's top beef export markets and are taking increasing volumes. In 2023–24, a combined 1,658 tonnes swt valued at just under A\$100 million was exported to these markets.
- Hong Kong is expected to continue to be a high value market, with total beef consumption forecast to increase at a CAGR of 3.2% from 139,000 tonnes cwe in 2023 to around 161,000 tonnes cwe by 2028 (Source: GIRA).



Popular Hong Kong beef dishes – beef stir fry with rice flour noodles and honeycomb tripe

- Hong Kong has historically played an important role as a regional re-export hub for many goods, including frozen meat, and is Macao's largest beef supplier. However, as Mainland China has granted access to more suppliers, demand for re-exports via Hong Kong have declined.
- Australia exported 116 tonnes swt of beef directly to Macao, double the previous year, valued at just under A\$2 million. The majority of this product is utilised in the foodservice sector that supports casino-related tourism, consisting of a high proportion of striploin and cube roll/rib eye roll (Source: DAFF, Trade Data Monitor (TDM)).

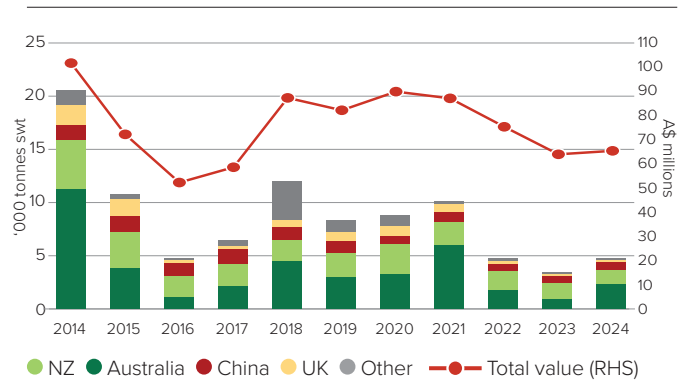
Hong Kong – Sheepmeat

Summary



- Hong Kong has been a small but steady and high value market for Australian sheepmeat for more than 30 years. In 2023–24, Australia exported 702 tonnes swt of lamb and 185 tonnes of mutton (mostly frozen carcase), valued at a combined A\$15.5 million. The unit value of these recent Australian lamb exports to Hong Kong was 37% higher than the average for Australia's global exports. In 2023–24, Australia also exported a combined 11,005 tonnes of sheepmeat offal, mostly tripe (Source: DAFF, Trade Data Monitor (TDM)).
- A proportion of Hong Kong's frozen sheepmeat and offal imports have historically been re-exported to other destinations such as Mainland China, Vietnam and Macao. In 2023–24, Hong Kong imported a total of 4,536 tonnes swt of sheepmeat, continuing a declining trend due mostly to high global sheepmeat prices and tougher restrictions on re-exports, as well as somewhat weaker demand in the Hong Kong market.
- Sheepmeat is a very small part of Hong Kong locals' diets but younger consumers aged under 35 enjoy more serves of lamb than average (Source: MLA Global Consumer Tracker Hong Kong 2023). With both domestic and tourism consumption growth trending up, annual sheepmeat consumption is anticipated to grow at a CAGR of 8.7% from around 2,000 tonnes in 2023 to 6,000 tonnes by 2028f (Source: GIRA).
- The vast majority of sheepmeat is consumed in the foodservice channel, though lamb has a small but growing presence at modern retail. Some 30% of Hong Kong consumers say they hadn't purchased lamb because they don't like the taste or smell of it. However, while some 20% say they don't know how to cook lamb, 30% enjoy it when dining out (Source: MLA Global Tracker Hong Kong 2023).
- The majority of Hong Kong's sheepmeat imports are supplied by Australia and New Zealand, with smaller volumes coming from the UK and Ireland.
- Consumers who are aware of Australian lamb regard it very highly. When purchasing lamb for home consumption, Hong Kong shoppers mostly buy product from supermarkets, hypermarkets, wet markets and butchers (Source: MLA Global Consumer Tracker Hong Kong 2023).

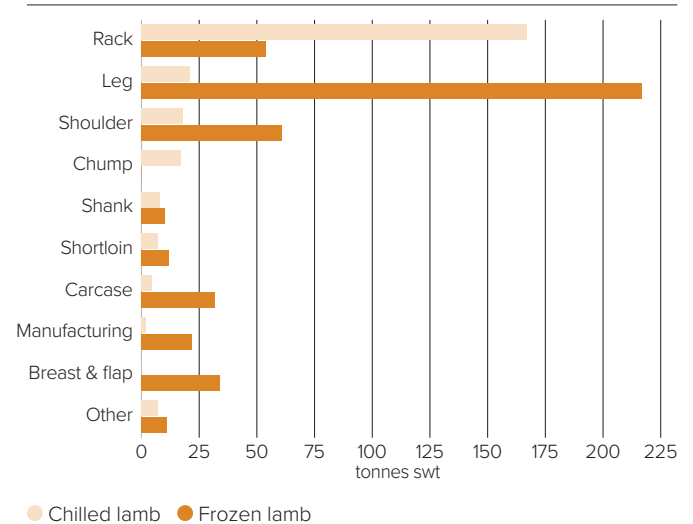
Hong Kong sheepmeat imports by supplier*



Source: Trade Data Monitor (TDM), *MAT year ending September

- Australian exports of chilled lamb for consumption in Hong Kong have averaged around 300 tonnes per year for decades, with a high proportion in the form of rack, leg and shoulder cuts, as well as some loin cuts.

Australian lamb exports to Hong Kong



Source: DAFF, 2023–24

Braising is a popular way to eat sheepmeat at home, while hot pot is popular when dining out



Soya braised lamb



Lamb hotpot

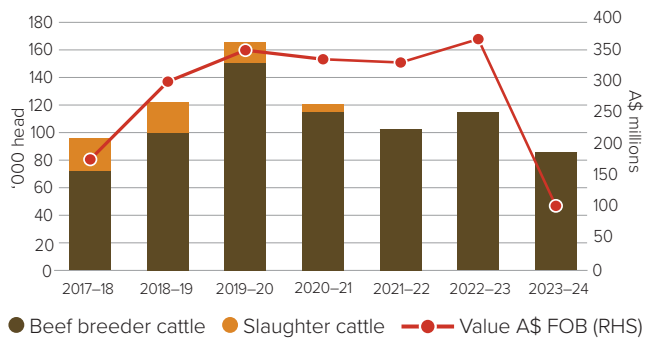
Greater China – Australian Livestock Exports



Cattle

- Australia exported 85,506 head of breeder cattle to China in 2023–24 valued at A\$103.5 million. This volume was down 25% year-on-year with lower demand from China's dairy industry (Source: DAFF).
- Due to export protocols relating to Blue Tongue disease, as well as the strength of state herds, both dairy and beef breeders are mostly exported out of Victoria and a smaller number out of Western Australia and South Australia.

Australian live cattle exports to Mainland China



Source: DAFF, Trade Data Monitor (TDM)

- Australian dairy breeder cattle exports to China grew rapidly after 2008 in the wake of the melamine milk scandal, as the country focused on developing its dairy industry. Australian beef breeder cattle exports picked up from 2015, when several large operators invested in improving their beef herds but declined after 2020.

- Australia is one of the largest official suppliers of live cattle to China, with smaller, intermittent numbers of mostly dairy breeder cattle supplied by Uruguay and Chile (Source: GIRA). A significant supplier in the past, New Zealand ceased exporting livestock by sea from 30 April 2023.
- China's total live cattle imports are anticipated to have peaked in 2021 at around 330,000 and are currently forecast to decline at a CAGR of -7.8% from 2023 out to 2028 (Source: GIRA).
- In 2019–20, Australia exported 433 head of live breeder cattle to Taiwan but none in recent years.



Sheep



- Australia has exported live breeder sheep to Mainland China and Taiwan over the years, to improve the genetics of local flocks. These animals are typically air freighted.
- In 2022–23, Australia exported 564 head of breeder sheep by air to China. In 2023–24, some 113 head were exported (Source: DAFF).
- No live sheep have been exported to Taiwan since 2020.





Market access overview – beef – Mainland China

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
<p>China-Australia Free Trade Agreement (ChAFTA) (entered into force 20 December 2015)</p> <p>Regional Comprehensive Economic Partnership (RCEP) (entered into force 1 January 2022)</p>	<p>Under ChAFTA: All product categories zero tariffs from 1 Jan 2024</p>	<p>US: Phase One Economic and Trade Agreement signed 15 January 2020. China agreed to lift most restrictions on US beef products, including HGP-free status*. Full** tariff rate: Meat 42%, carcass – chilled 45%, frozen 50%</p> <p>New Zealand: Zero from 2016</p> <p>Brazil, Uruguay, Argentina, Nicaragua (Most-favoured nation (MFN) tariff rate): Chilled and frozen meat 12%, chilled carcass 20%, frozen carcass 25%, offal 12%</p>	<p>Safeguard: MFN tariffs apply if Australian imports exceed: 202,240 metric tonnes in 2024 208,307 metric tonnes in 2025</p>	<p>Restrictions on the number of approved plants, chilled plants and restrictions on edible offal</p> <p>Some remaining plants suspended from exporting to China</p>

Best access  Major challenges

Source: Trade agreements, DFAT, MLA, China applies a 9% VAT on most items, *The US has sole approval to export HGP-treated beef within maximum residue limits (excluding beta-agonists), **18-02-2020 China announced a new tariff waiver application system for Chinese companies importing US frozen and chilled beef and by-products available from 02-03-2020, with de facto tariffs in line with the MFN rate, (12% meat, 20% chilled carcass, 25% frozen carcass)



Market access overview – beef – Taiwan

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
N/A	<p>NT*\$10/kg on beef 15% tariff on offal</p> <p>Since 1 July 2023 tariffs on 16 beef items (not offal) have been halved to NT*\$5/kg to help with cost of living and subject to periodic review</p>	<p>US, Japan and Canada: Same access as Australia</p> <p>Paraguay, Honduras, Panama, Nicaragua, New Zealand: 0% tariff on beef</p>	Zero	No major hurdles

Best access  Major challenges

Source: Trade agreements, DFAT, MLA, *New Taiwan Dollar



Market access overview – beef – Hong Kong

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
<p>The Australia-Hong Kong Free Trade Agreement (A-HKFTA) (entered into force 17 January 2020)</p>	Zero	Australia has same access as other suppliers	Zero	No major hurdles

Best access  Major challenges

Source: Trade agreements, DFAT, MLA, Market access conditions to Macao are similar to Hong Kong, except there is no FTA



Sheepmeat



Market access overview – sheepmeat – Mainland China

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
China-Australia Free Trade Agreement (ChAFTA) (entered into force 20 December 2015) Regional Comprehensive Economic Partnership (RCEP) (entered into force 1 January 2022)	Under ChAFTA : All product categories zero tariffs from 1 Jan 2023	New Zealand: Import tariffs zero from 2016 Multiple plant listings for chilled sheepmeat and sheep tripe	Zero	Restrictions on the number of approved plants, chilled plants and edible offal

Best access Major challenges

Source: Trade agreements, DFAT, MLA, Note: China applies a 9% VAT on most items



Market access overview – sheepmeat – Taiwan

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
N/A	15% (or NT* \$11.3/kg whichever is higher)	New Zealand: 0% tariff on sheepmeat since 2013	Zero	No major hurdles

Best access Major challenges

Source: Trade agreements, DFAT, MLA, *New Taiwan Dollar



Market access overview – sheepmeat – Hong Kong

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
The Australia-Hong Kong Free Trade Agreement (A-HKFTA) (entered into force 17 January 2020)	Zero	Australia has same access as other suppliers	Zero	No major hurdles

Best access Major challenges

Source: Trade agreements, DFAT, MLA, Market access conditions to Macao are similar to Hong Kong, except there is no FTA

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