

The value of the red meat industry to Australia

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- This report examines the economic contribution of the red meat industry to Australia and presents the effects on the industry of factors such as seasonal conditions, changes in the demand for red meat, exchange rate fluctuations and barriers to trade.
- While the Australian red meat and livestock industry encompasses the production and processing of beef cattle, sheep, goats and buffalo for export and domestic consumption, this report focuses on the production and processing of sheep and cattle.
- In 2007-08, red meat production and live exports of sheep and cattle accounted for around 22 per cent of the total gross value of Australian agricultural production, and a similar percentage of the value of farm exports.
- Seasonal factors affect the red meat industry. In particular, drought reduces the availability of pasture, increasing feed costs. This can result in higher slaughterings and a decline in herd and flock numbers.
- Over the past 20 years, the industry has become more reliant on export markets as Australian red meat production has increased and domestic per person consumption has declined.
- At the same time, there has also been an increase in the per person consumption of poultry and pig meat, reflecting changes in relative prices and changing tastes and preferences.
- Important barriers to trade include country specific EU import quotas on sheep meat and beef, and the Japanese tariff on imported beef.
- With a large proportion of Australia's red meat being exported, exchange rate fluctuations influence the industry, with a stronger dollar reducing the quantity of meat demanded in export markets.
- The demand for meat in developing countries has been increasing, driven largely by income and population growth. While Australia's major markets, particularly for beef, are mainly developed countries, developing country markets are becoming increasingly important.

Report: Fletcher, S, Buetre, B and Morey, K 2009, *The value of the red meat industry to Australia*, ABARE research report 09.13, Canberra, June.