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**The Australian Meat Industry**

**Presentation to the 2002 Australian Agribusiness Congress**

by  
**Mike Hayward**  
General Manager  
Overseas Operations

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**Australian Meat Industry**

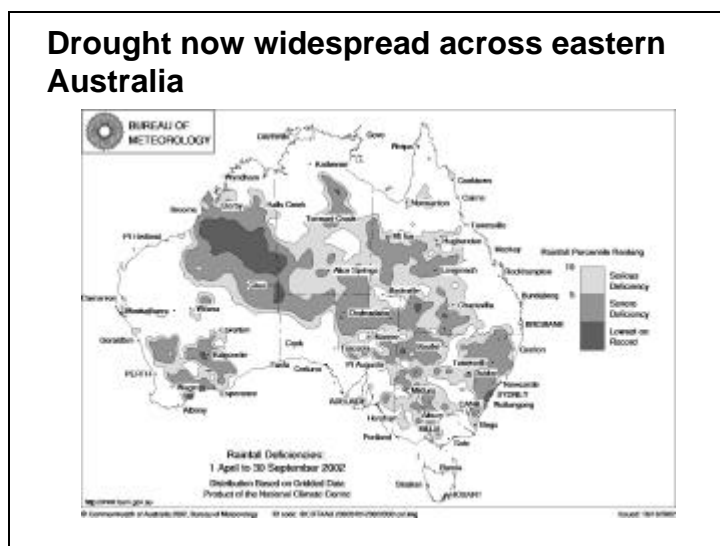
Key Market Developments

- Drought
- BSE in Japan
- US Beef Quota
- Liberalising Korean Market
- Lamb Exports

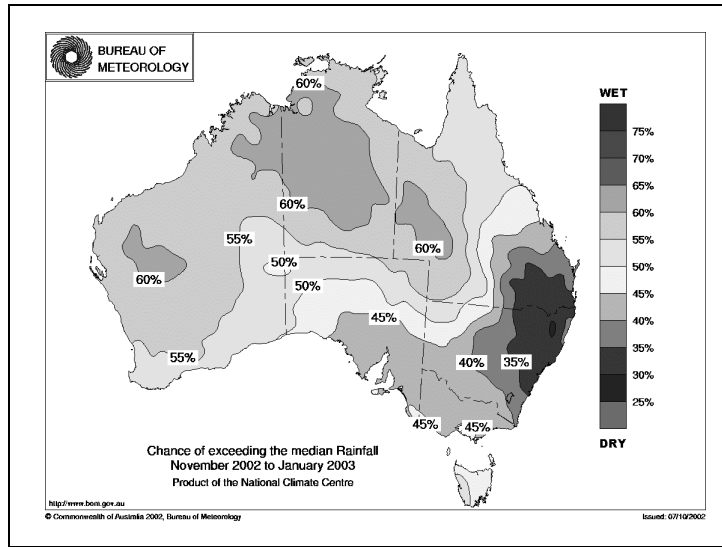
Key Issues

- On-farm QA
- National Livestock Identification System (NLIS)

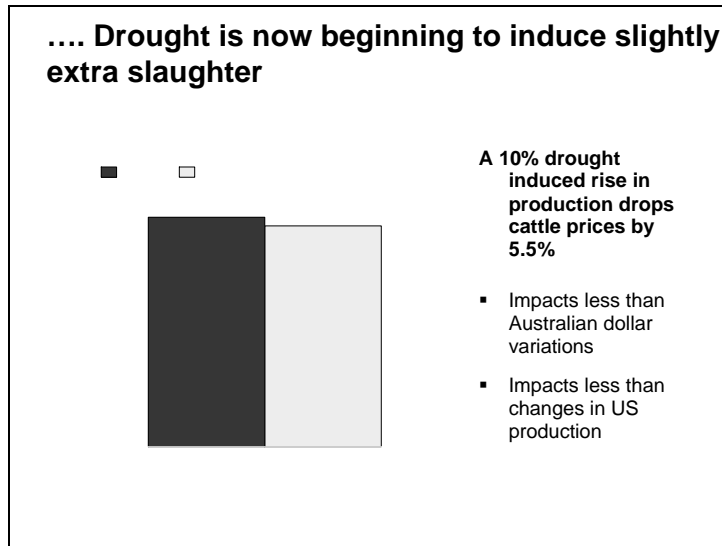
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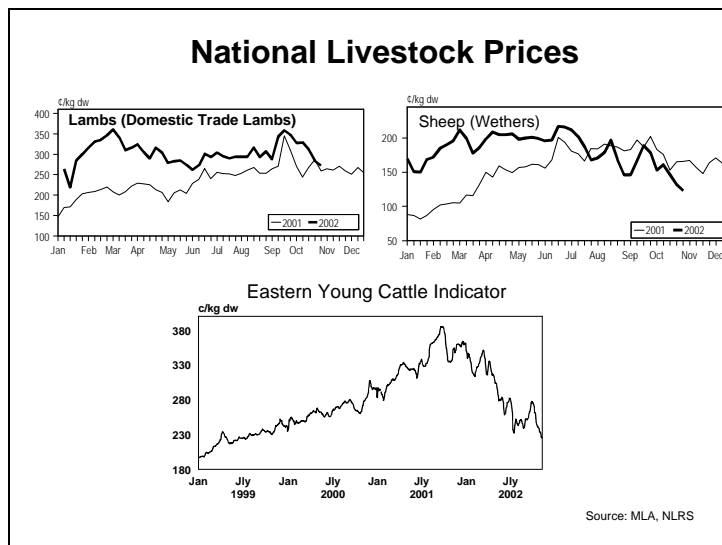
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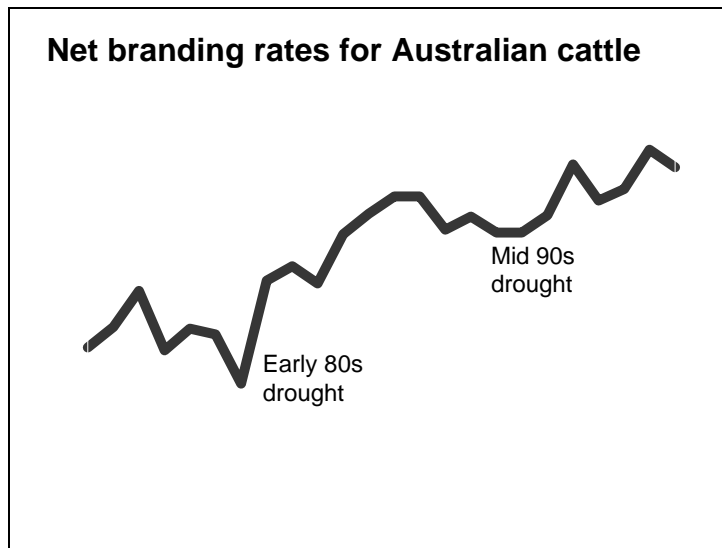
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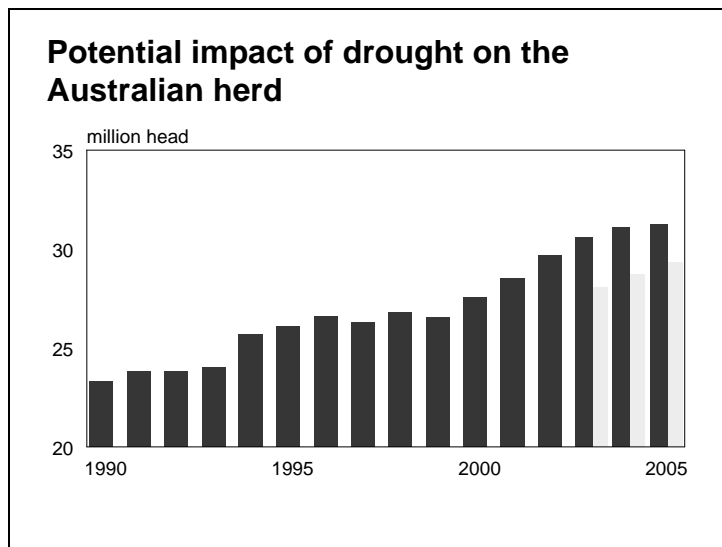
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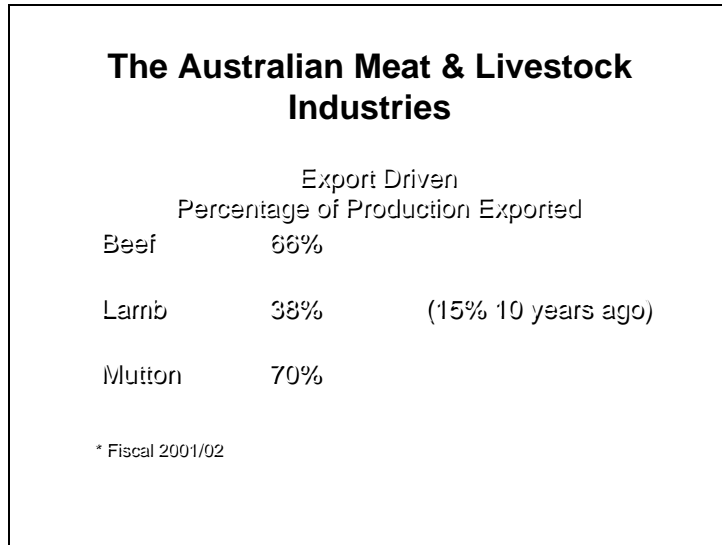


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## Drought

Feed grain supply  
Chemical residues

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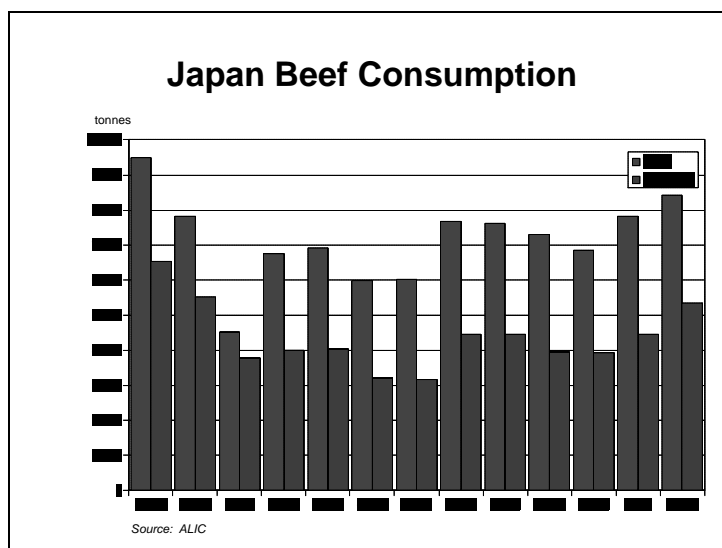


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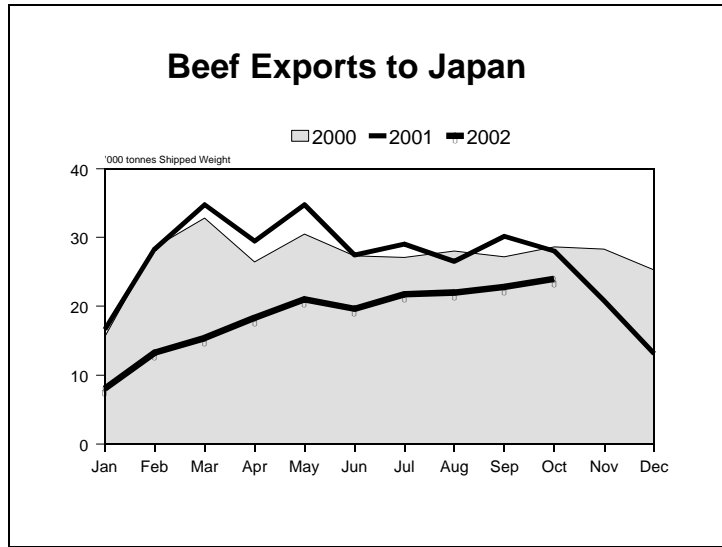
### BSE in Japan

**BSE discovered in September 2001**  
**Compounded by mislabelling scandals**  
**Initial 50% drop in beef consumption**  
**A\$500 million lost export sales**

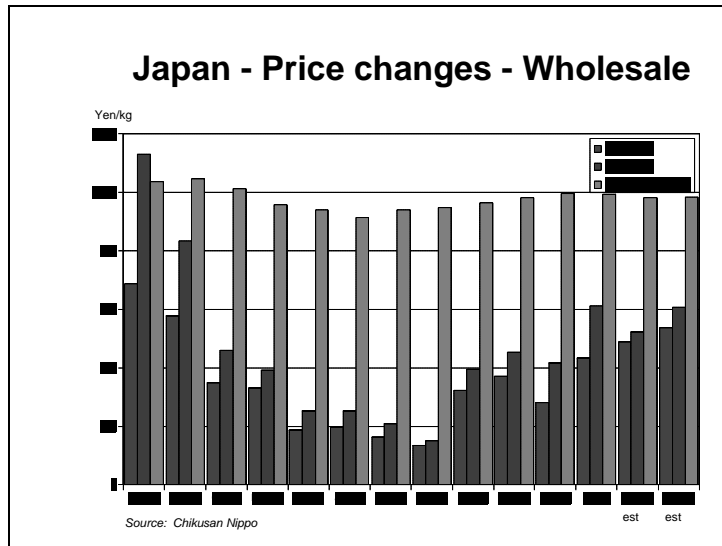
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### Long Fed promotions – 2002

- Nebru Plains
  - Tear-away POP material highlighting production process

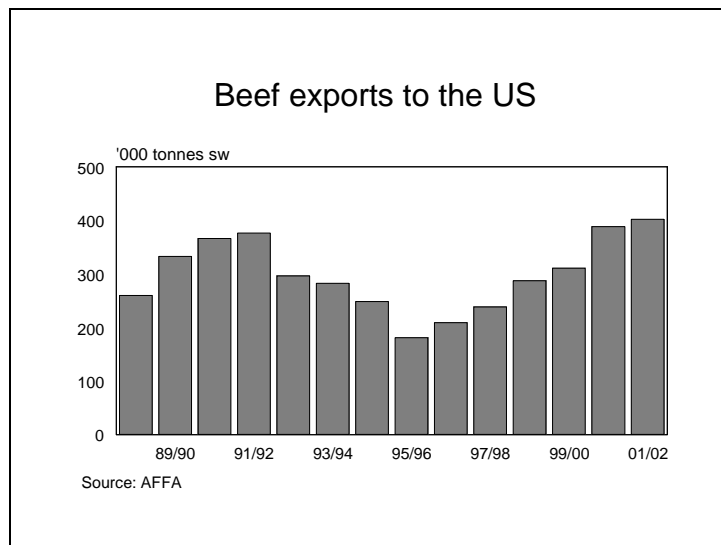
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### Other Grain Fed promotions – 2002

- Ito Ham
- POP material



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### US Beef Quota

**Tariff Rate Quota (TRQ)**  
**26.4% tariff paid on exports above 378,214 tonnes**

**Australian Government introduced a quota management scheme**  
**12,000 tonnes shipped with tariff paid**

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### Korea

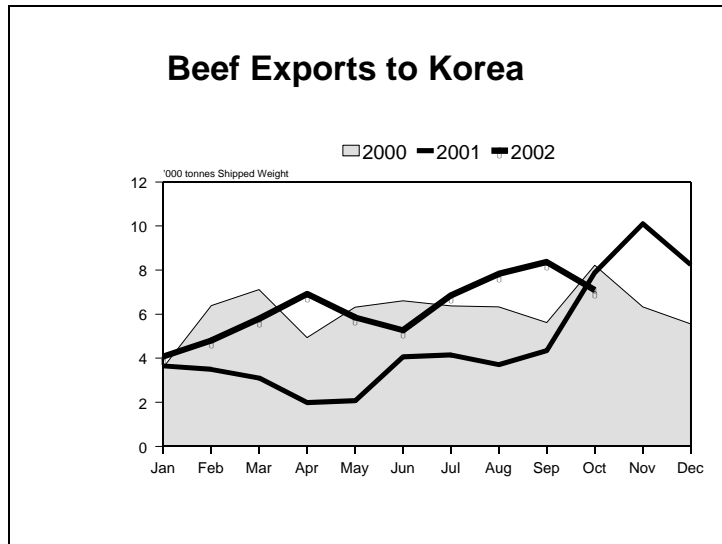
**Market liberalised January 1, 2001**

- With 40% tariff

**Final two impediments removed since then**

- Retail distribution restrictions
- Freezing chilled beef

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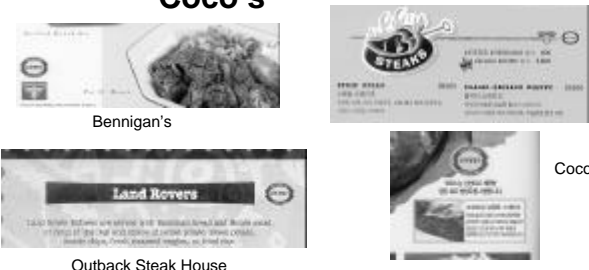


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### Food Service

#### 1. Family Restaurant

**Bennigan's, Outback Steak House, Chill's, Marche, Vip's  
Coco's**



Bennigan's

Chill's

Outback Steak House

Coco's

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????? ?? ??



호주청정우

이제까지  
이곳이 두산서로 알려지기  
이제부터  
이곳이 두산서로 알려지기

최고 품질의 호두 유 300g 100% 100% 100% 100% 100% 100% 100%

**Miss Choi is featured strongly in newspaper advertisements and in store POS promotions promoting Hoju Chungjungwoo**



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**Summary of future cattle market influencing factors**

Recovery in Japan expected to continue, albeit at a slower pace.

..... But competition in Canada may be a little greater next year.

Sales into the US market capped, but with higher prices the possibility of some over quota sales

Korea, South Asia & China to continue to represent growth markets

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**Lamb Exports**

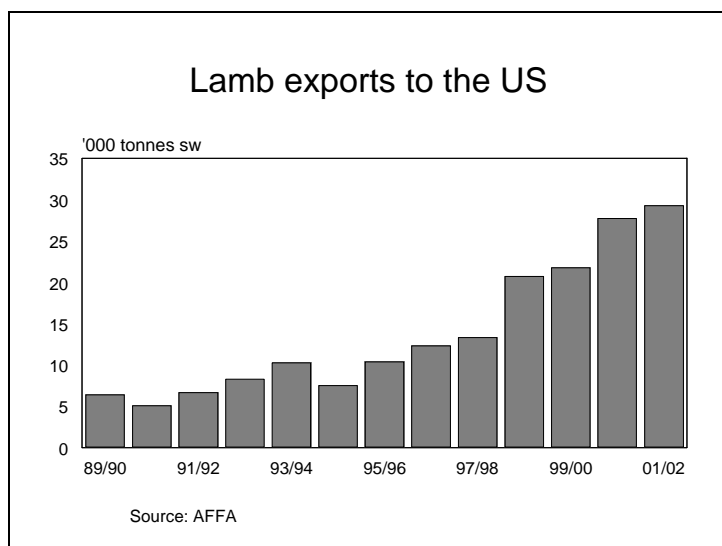
10 years ago only 15% of lamb production exported

Now 35% exported

Average lamb slaughter weights

1991	17 kgs
2001	20kgs

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### **A reasonably bright outlook for the Australian lamb industry**

Lower flock inventories & forecast lower competitor production levels indicates strong future export demand

Growing interest in lamb from Asia

Broad base of export demand a positive for the industry

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### **On-farm QA**

**Only 43% cattle and 10% sheep slaughtered covered by QA**

**CATTLECARE 17% cattle**

**FLOCKCARE 2% sheep**

**NVD almost universal**

- **Producer liability**
- **No audit, no records required**

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### **On-farm QA**

**Two-tiered system to be developed**

#### **Level 1**

- **Food safety certification only**
- **Linked to NVD**
- **Driven through AUS-MEAT accreditation**

#### **Level 2**

- **Added modules**
- **Eg. Animal handling/welfare environmental management**

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**National Livestock Identification Scheme (NLIS)**

- Permanent electronic identification system**
- Secure identification and tracing of animals from property of birth to slaughter**
- National, central data base**
- Enhancement of tail tag system**
- To roll out State-by-State**

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**NLIS**

**Industry benefits:**

- Better control of disease epidemics**
- Enables access to EU market**
- Maintains Australia's reputation as supplier of safe meat**
- Improved management on-farm**



The graphic on the right features the NLIS logo at the top, which includes a stylized 'i' and 'd' in a diamond shape. Below the logo, it reads 'Australia's system for livestock identification and traceability'. The central part of the graphic shows several identification tags and a small photograph of a farm scene. At the bottom, there is a 'SafeMeat' logo and the website address 'www.nlis.gov.au'.

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- Drought**
  - medium term effects
- Recovering Japanese market**
- Opportunities in Korea**
- Limitations in North America**
- Bright outlook for lamb exports**
- On-farm QA and secure traceability**