

A photograph of four people (three men and one woman) walking through a field of tall grass at sunset or sunrise. They are all wearing hats and casual work clothes. The man on the far left is wearing a brown hat and a light-colored shirt. The woman next to him is wearing a pink shirt and a brown hat. The woman next to her is wearing a light blue shirt and a dark cap. The man on the far right is wearing a blue shirt and a light-colored hat. The background is a soft, golden light from the setting or rising sun, with trees visible in the distance.

# AAAC Outlook Conference 12<sup>th</sup> November 2021

## The Current Climate of Meat

## Where is the Industry Positioned Today?

David Beatty  
Group Manager  
Productivity and Animal Wellbeing



1. Demand & Supply Outlook

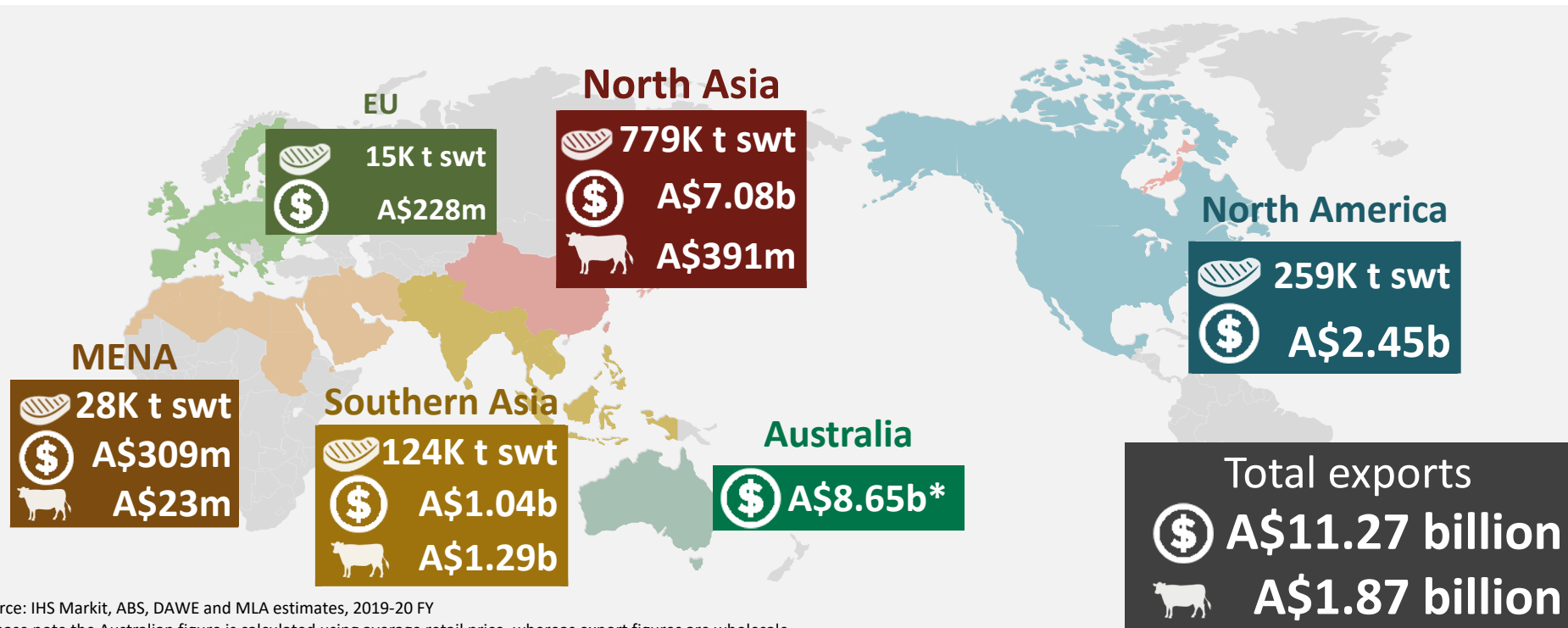
2. Prices and Markets

3. Issues and Challenges

# 1. Demand Outlook

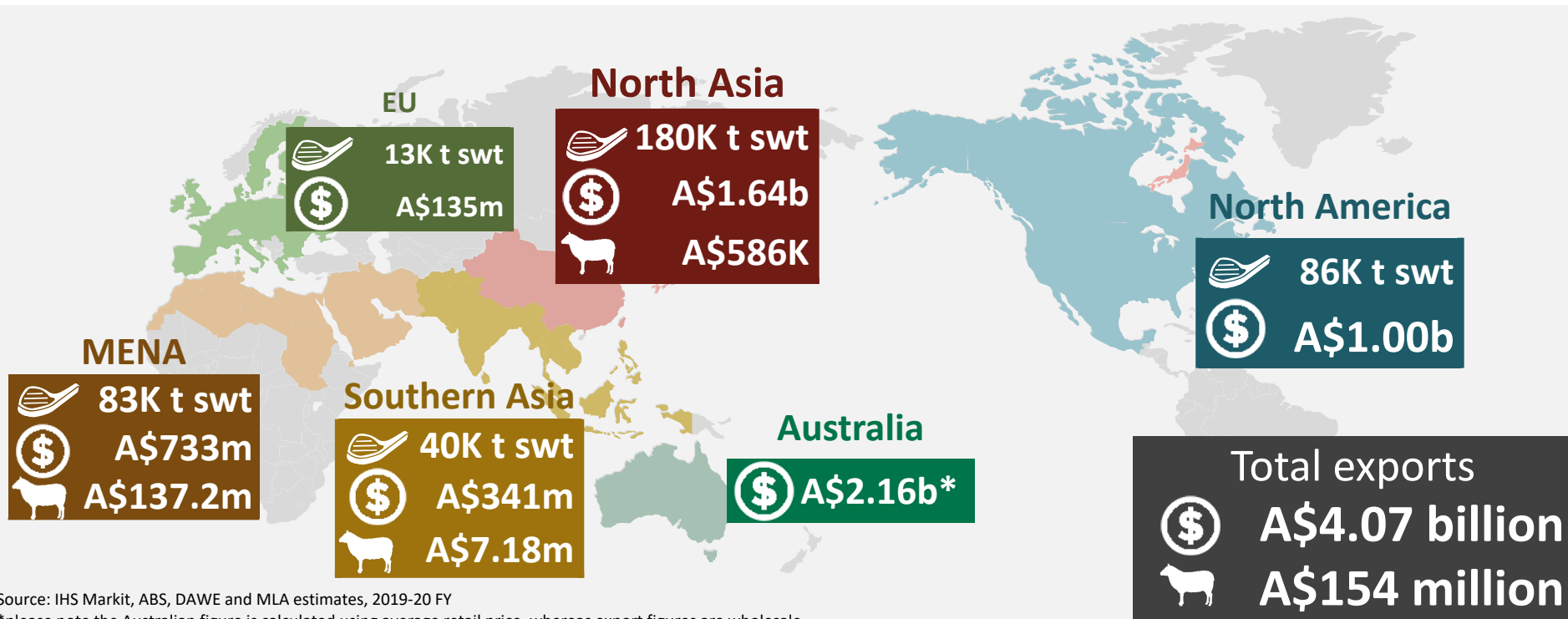


# Beef Global market overview: trade value and volume



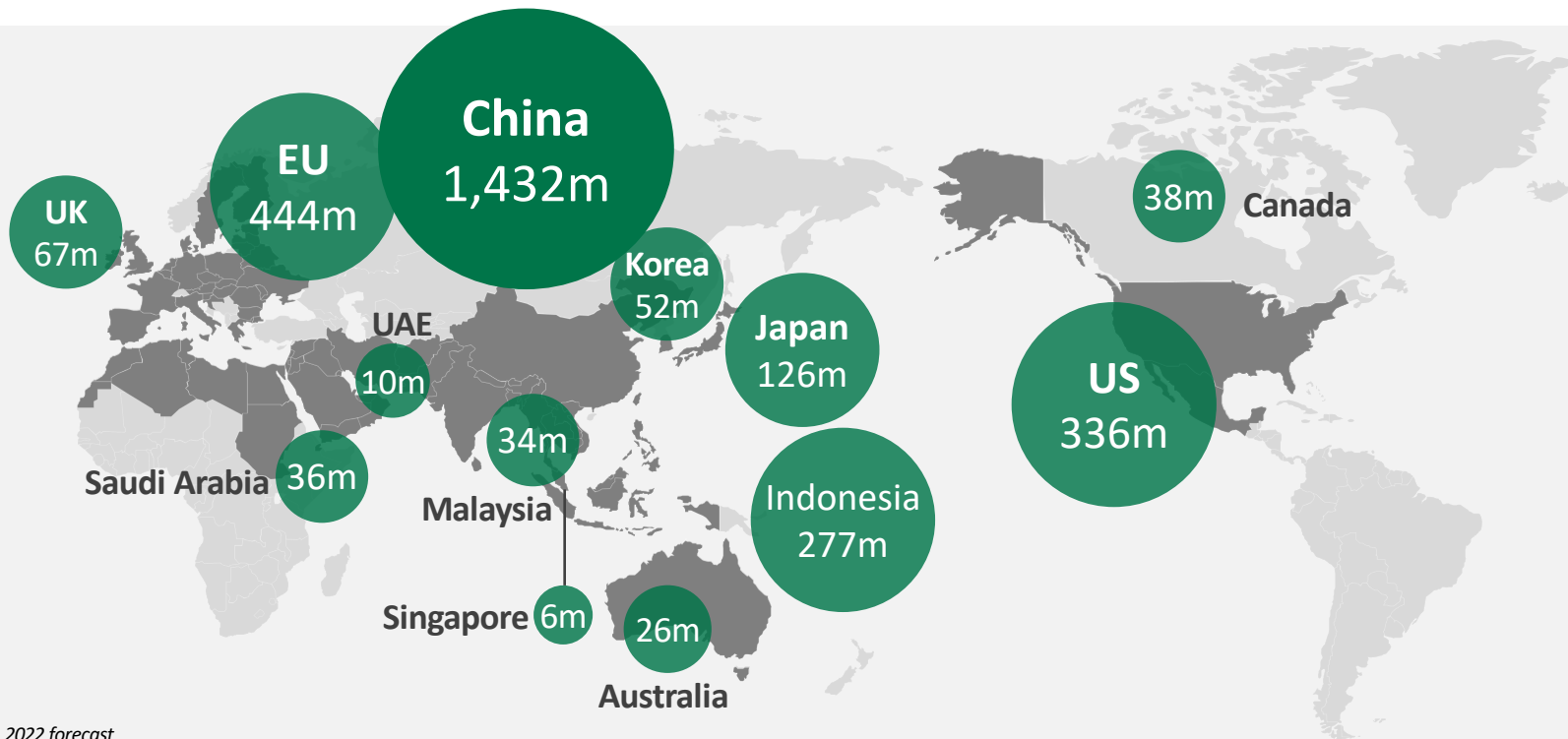
Strong demand from global markets

# Sheep Global market overview: trade value and volume



Strong demand from global markets

# Market attractiveness: population



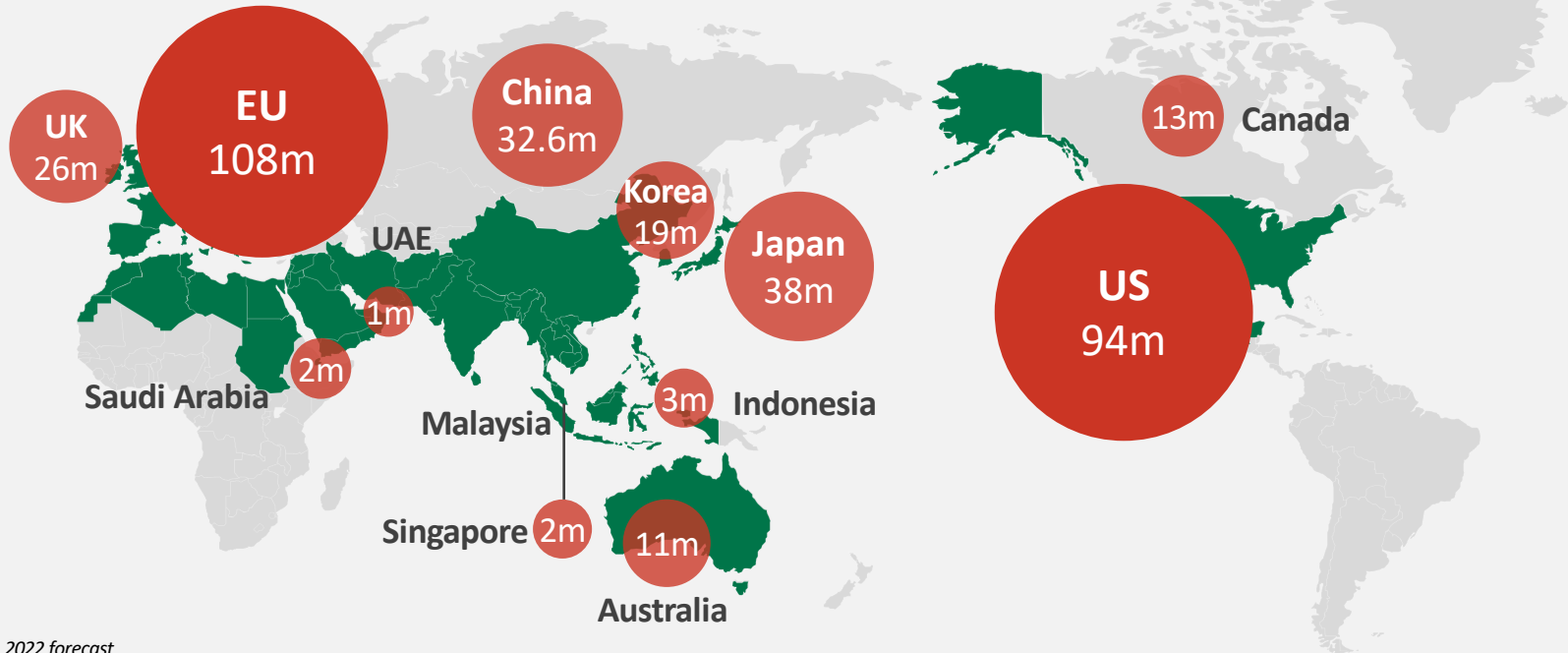
Source: BMI, 2022 forecast

Population is traditionally used as an indicator for potential demand



# Market attractiveness: household income

Households earning a disposable income above US\$35,000 (2022 forecast)



Source: BMI, 2022 forecast

‘Ability to purchase’ is a better indicator







## A-UK FTA agreement in principle

- Current UK access:

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

- FTA access Year 1:

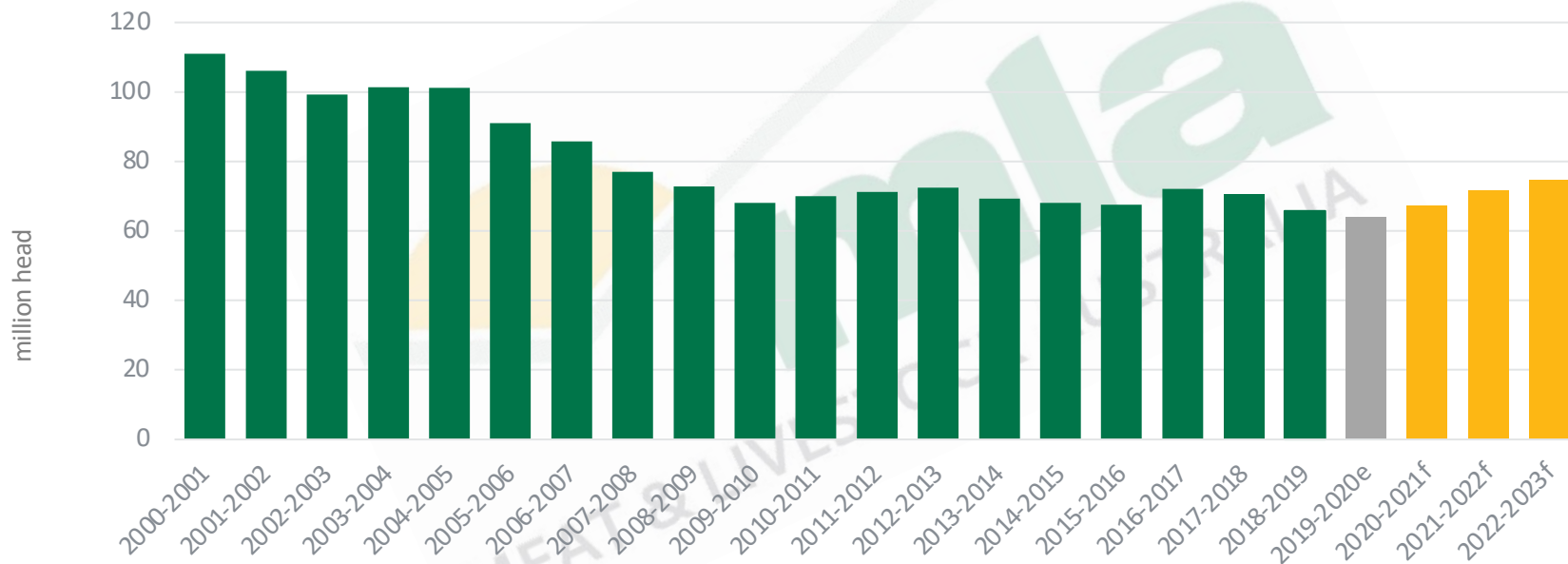
**Beef +35kt; Sheep/Goatmeat +25kt**

- After 10 yrs

**Beef 110kt; Sheep/Goatmeat 75kt**

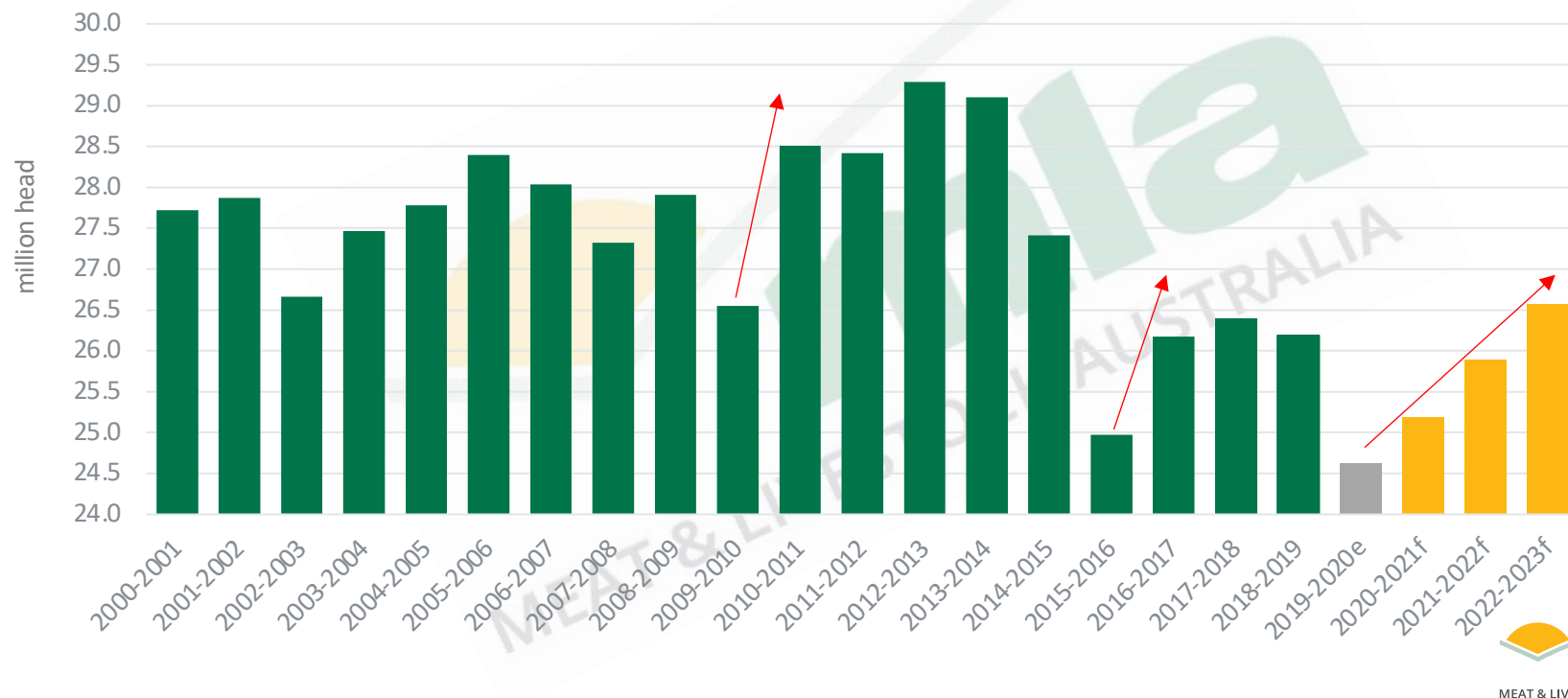
# National sheep flock to begin a rebuild

- 2020 national flock was the lowest on record at 64m head
- Second year of improved conditions expected for key sheep growing regions
- Increased marking rates on the back of improved seasonal conditions
- Expect a transition from wool sheep to meat sheep



# National cattle herd to rebuild to 26 million head 2021

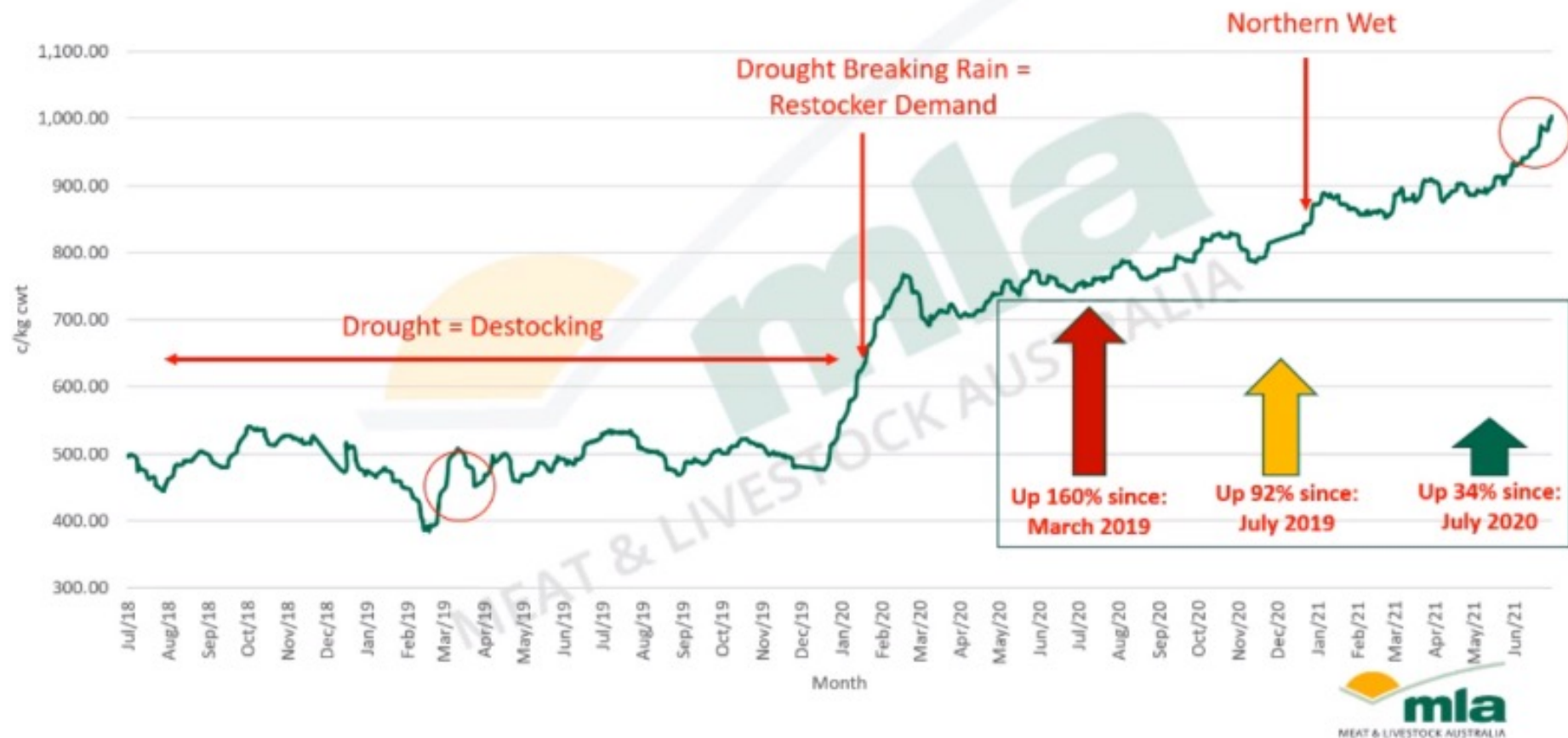
- Up from 24.6 million head in 2020, the lowest level since the 1990's
- Slower rebuild than other La Nina rebuilds



## 2. Prices and markets

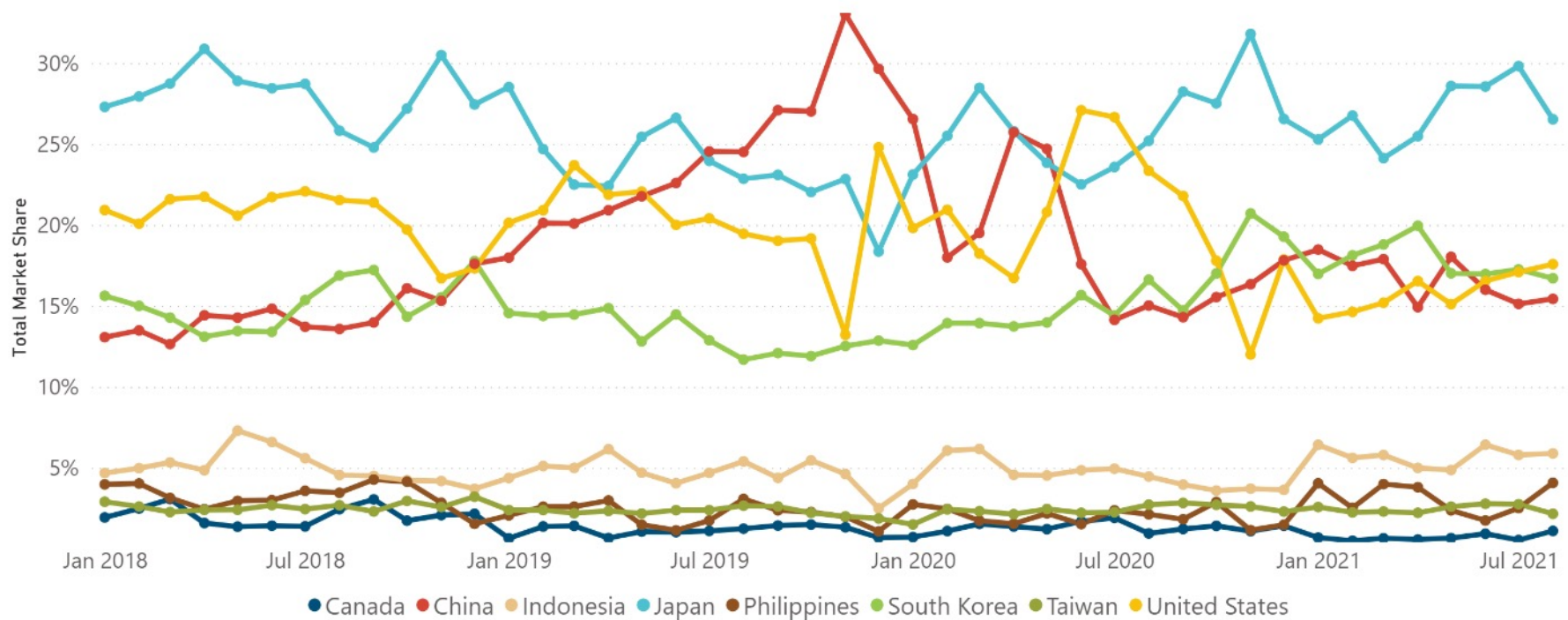


# The EYCI breaks the 1,000c/kg record



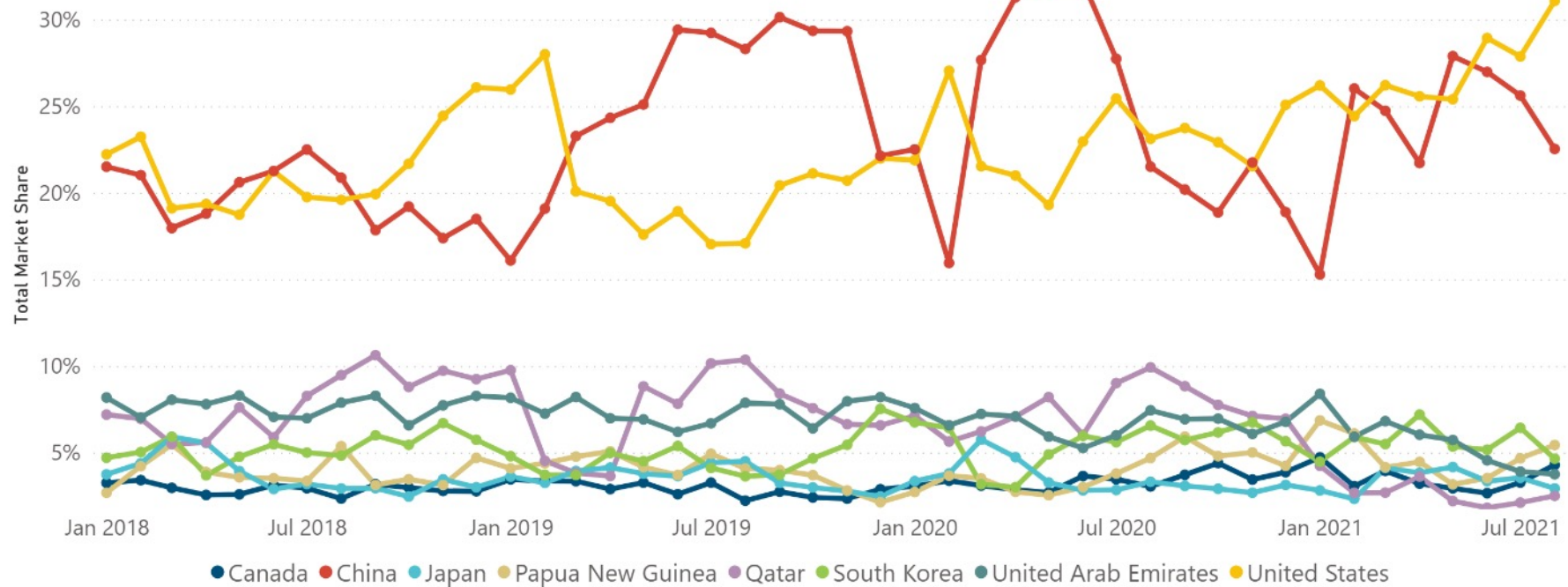


# Beef exports by market: percentage share



Source: DAWE

# Lamb exports by market: percentage share



Source: DAWE

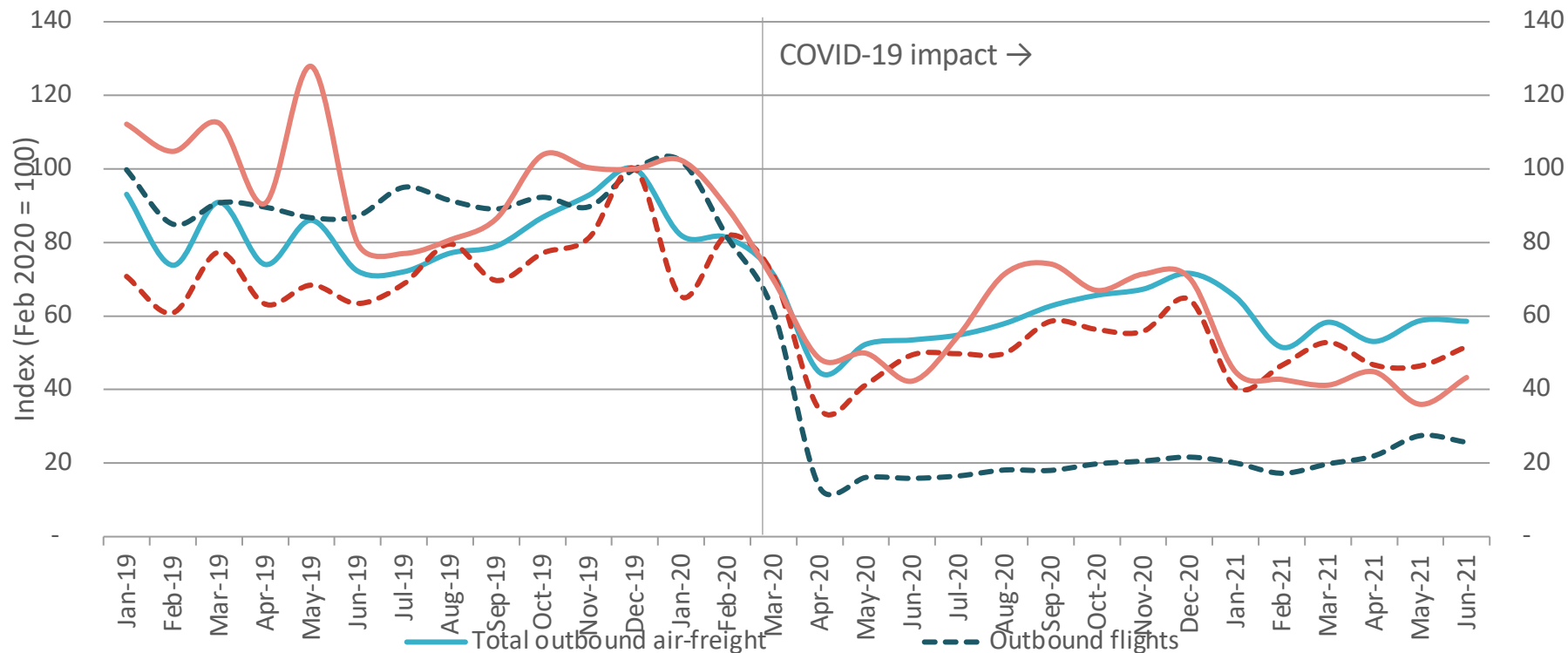
### 3. Issues and challenges



# COVID impacts

- Australia is the second largest exporter of chilled beef and the largest exporter of chilled lamb
- Global shipping and airfreight have been in turmoil over last 18 months
- The total volume of all Australian outbound air-freight in 2020–21 declined by 19%, but beef and sheepmeat were more exposed, falling 24% and 30% year-on-year, respectively,

# Impact of COVID-19 on Australian air-freight

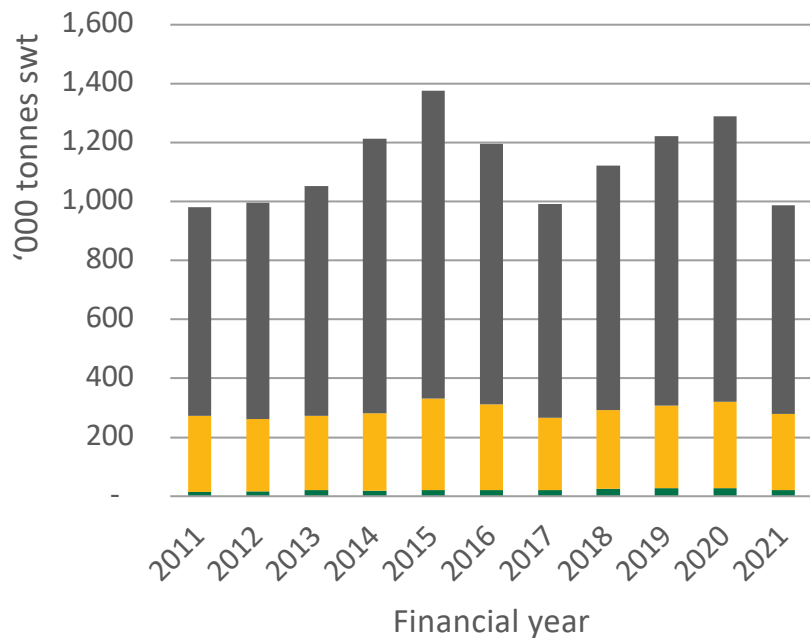


Source: BITRE, IHS Markit, MLA



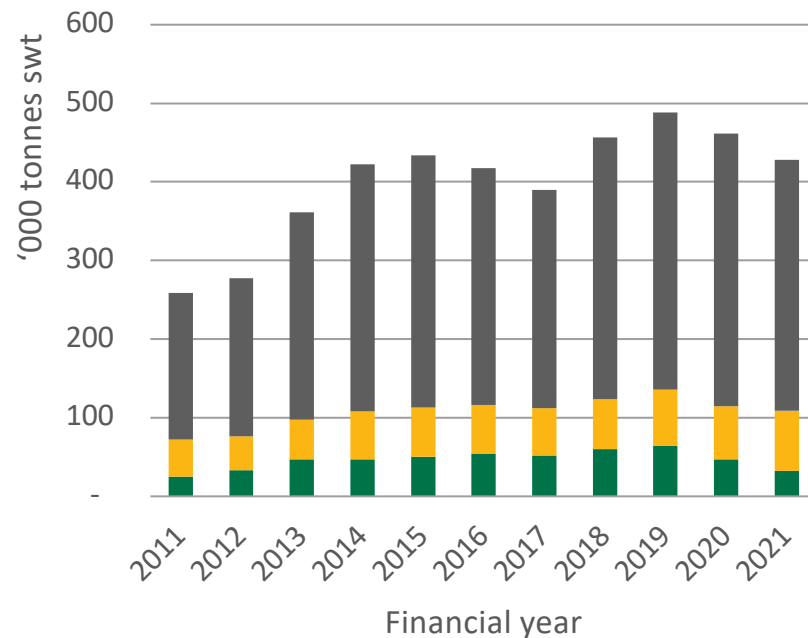
# Australian red meat exports by mode

## Beef



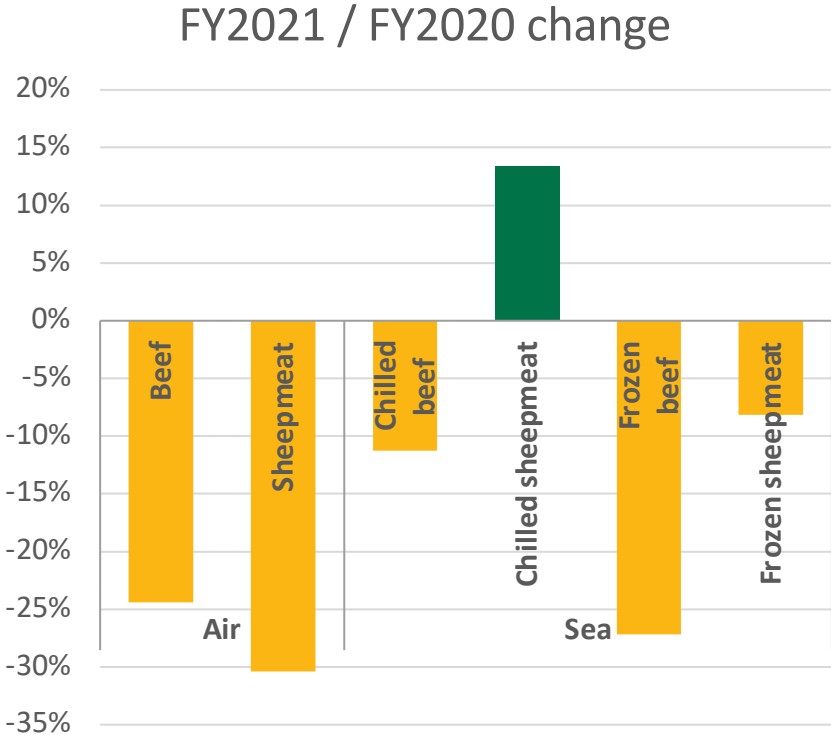
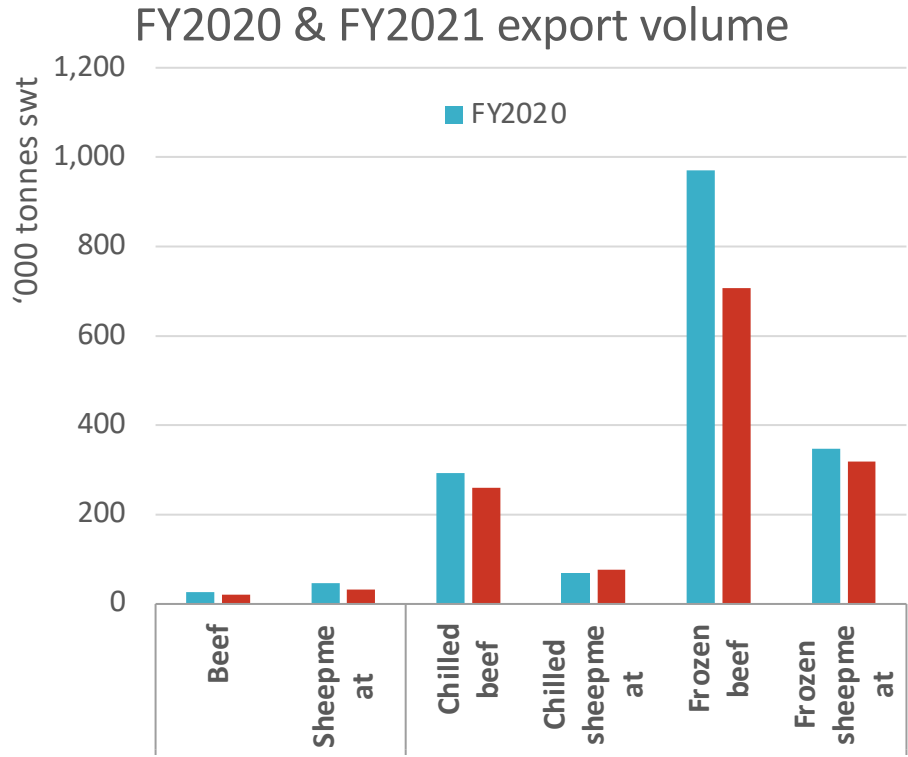
■ Air-freight ■ Chilled sea-freight ■ Frozen sea-freight

## Sheepmeat



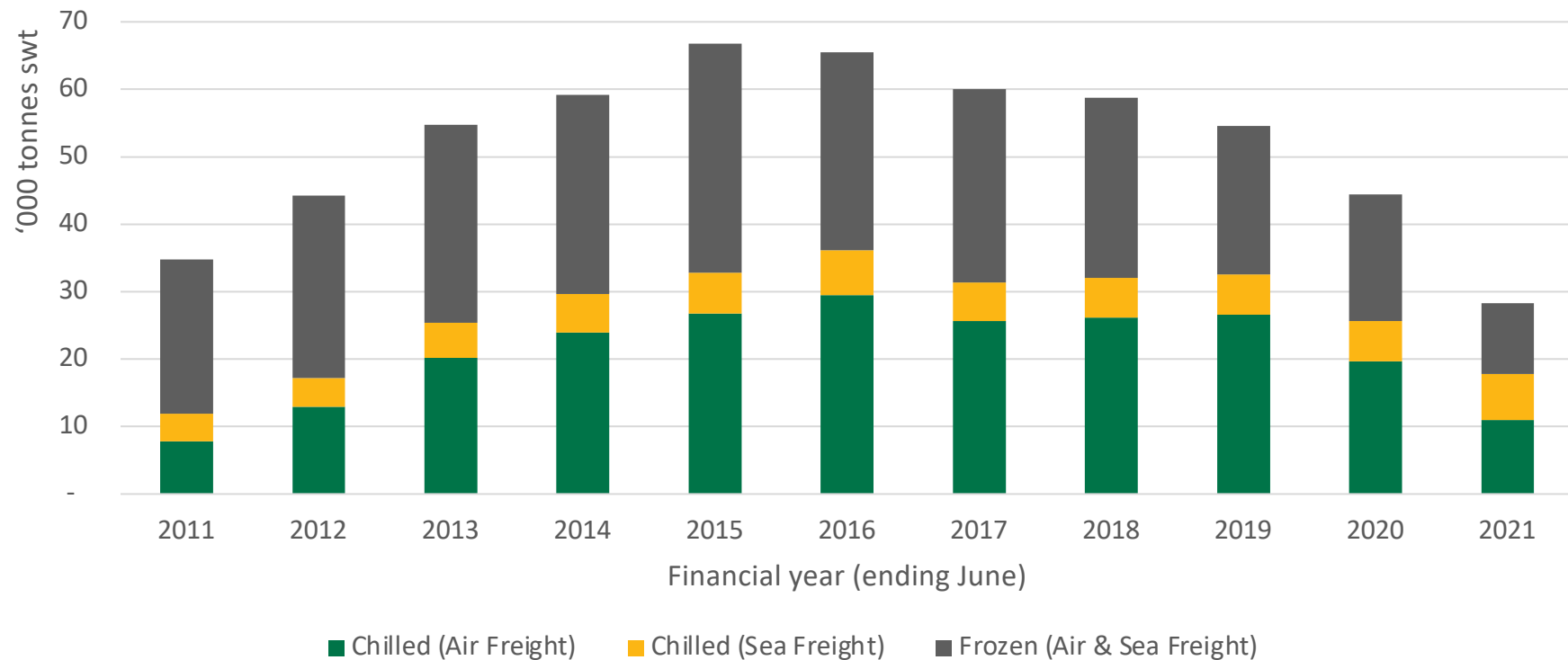
■ Air-freight ■ Chilled sea-freight ■ Frozen sea-freight

# Australian red meat exports by mode



Source: IHS Markit

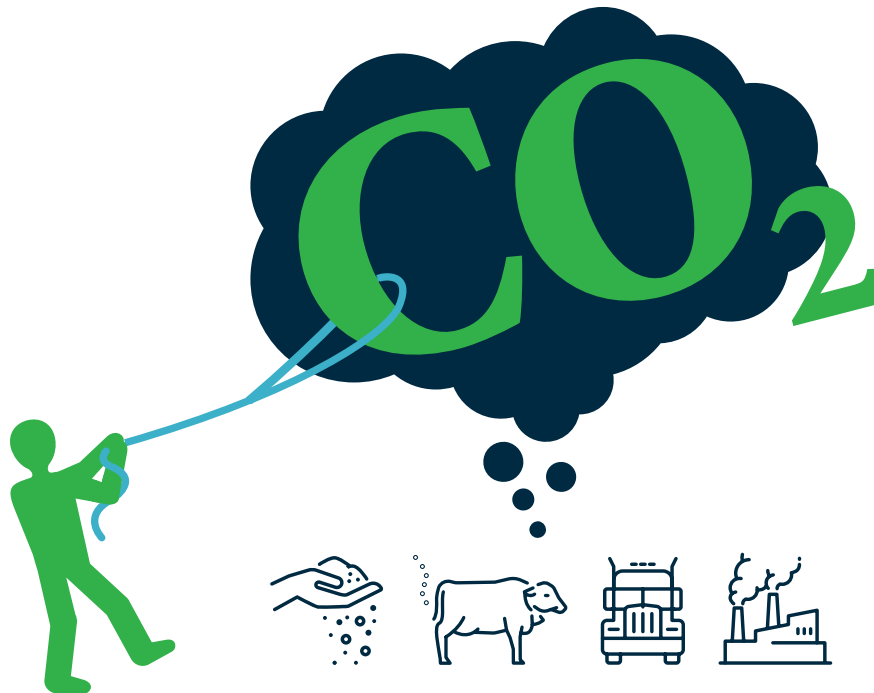
# Sheepmeat exports to the Middle East by mode



Source: IHS Markit

## 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 are measured and reported by the National Greenhouse Gas Inventory accounts:

GHG emissions — Emissions captured and/or offset = 0 tonnes CO<sub>2w</sub>

# Key work areas



## 1. Industry leadership



## 2. GHG emissions avoidance

- Grazing properties
- Feedlots
- Processing facilities



## 3. Carbon storage

- Grazing properties



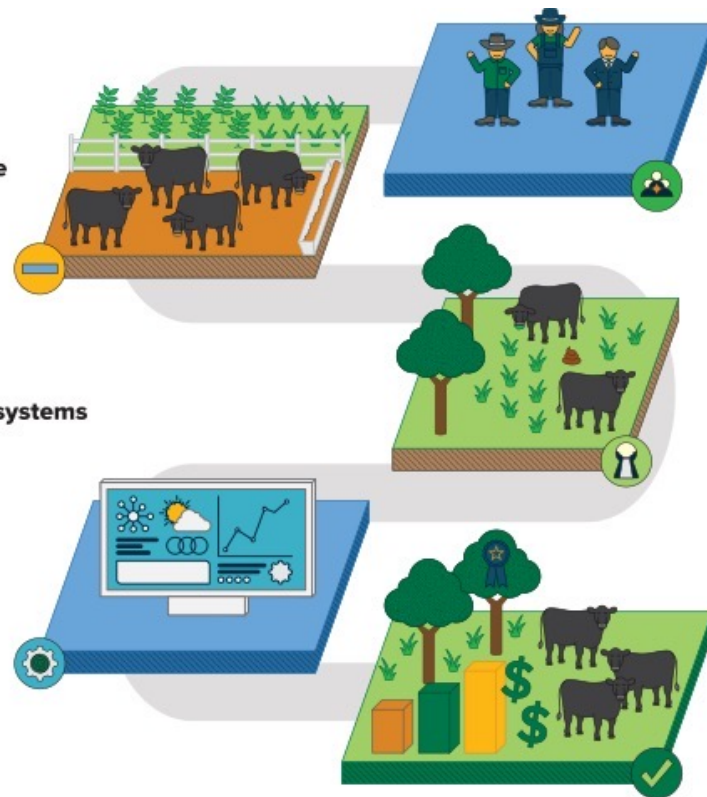
## 4. Integrated management systems

- Rapid adoption
- Carbon accounting
- Measurement & reporting



## Multiple benefits

- Demonstrated environmental stewardship
- Increased profitability
- Increased animal productivity





# 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<sup>3</sup>

Red meat producers manage



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

Greenhouse gas emissions from the  
Australian red meat industry have

**FALLEN  
53%**

since 2005<sup>1</sup>

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

**FALLEN  
46%**

since 2005<sup>2</sup>

# Some early movers

Arcadian is a 100% Carbon Neutral Business

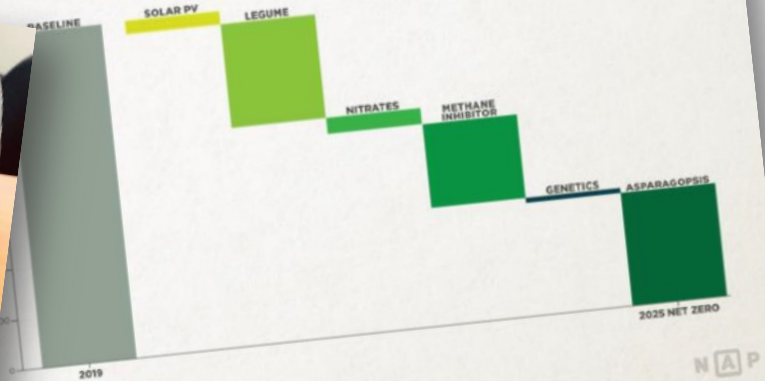


OUR PROSPERITY IS TIED TO THE LAND. WE WANT TO DO EVERYTHING WE CAN TO KEEP OUR COUNTRY HEALTHY AND PRODUCTIVE.



## OUR GOAL IS NET ZERO EMISSIONS BY 2025

In 2018, Independent Consultants were engaged to calculate NAPCo's Life Cycle Assessment, evaluating the environmental impacts and resources used throughout the full life cycle of breeding, raising and delivering our product to the marketplace.



# Questions?

