

LIVEXchange 2019

MLA and the Live Export Program

Jason Strong, Managing Director, MLA



Overview

1. Australia's live export market

2. Importance of live exports sector

3. Collaboration

4. MLA's program LEP community engagement

Australia's live export market

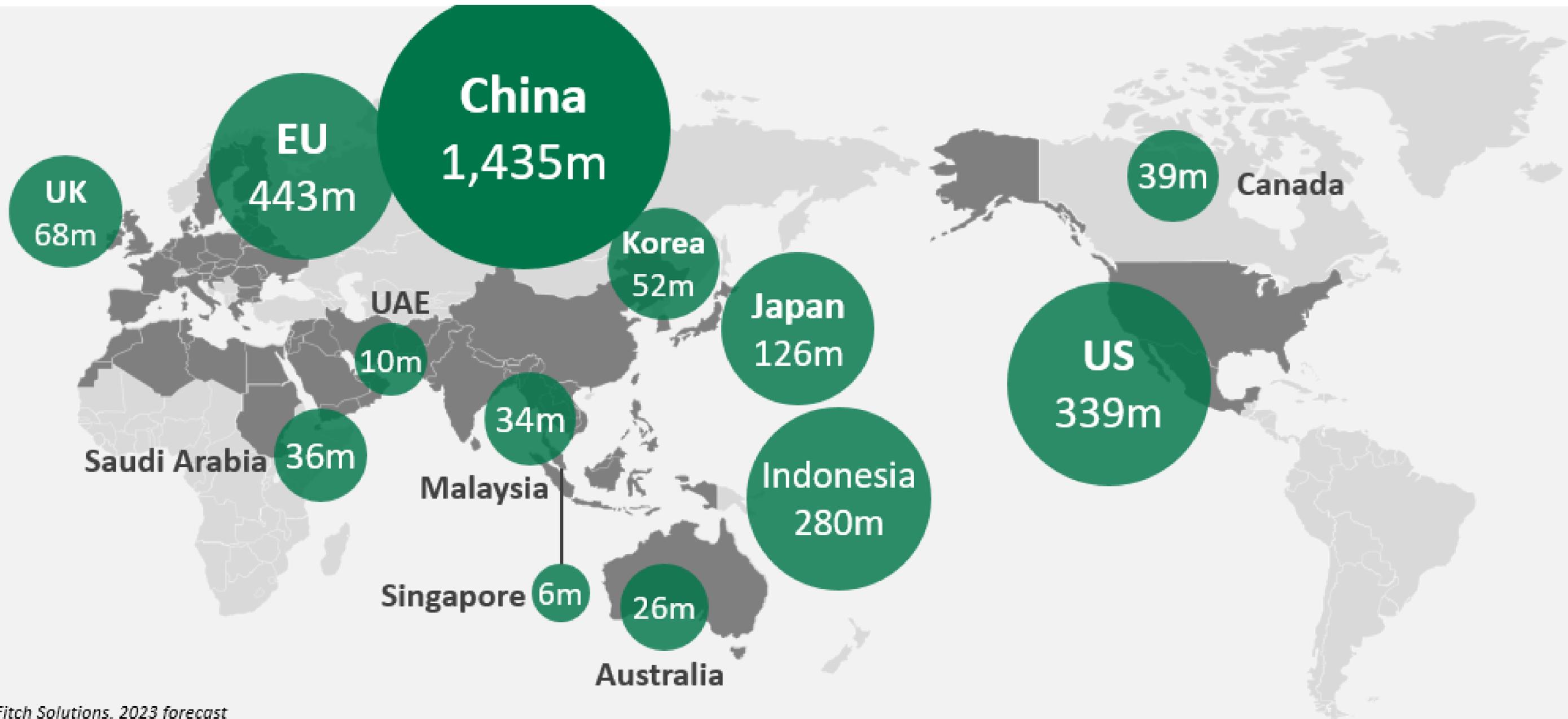
Cattle:

- Australia exported **1.09 million cattle** in 2018, made up of primarily feeder (746,000 head) and slaughter (236,000 head) cattle and some dairy and beef breeders (107,000 head).
- In 2017-18, the live export trade was worth **A\$1.26 billion FOB**, while the value of cattle slaughtered locally was estimated at **A\$10.93 billion**.

Sheep:

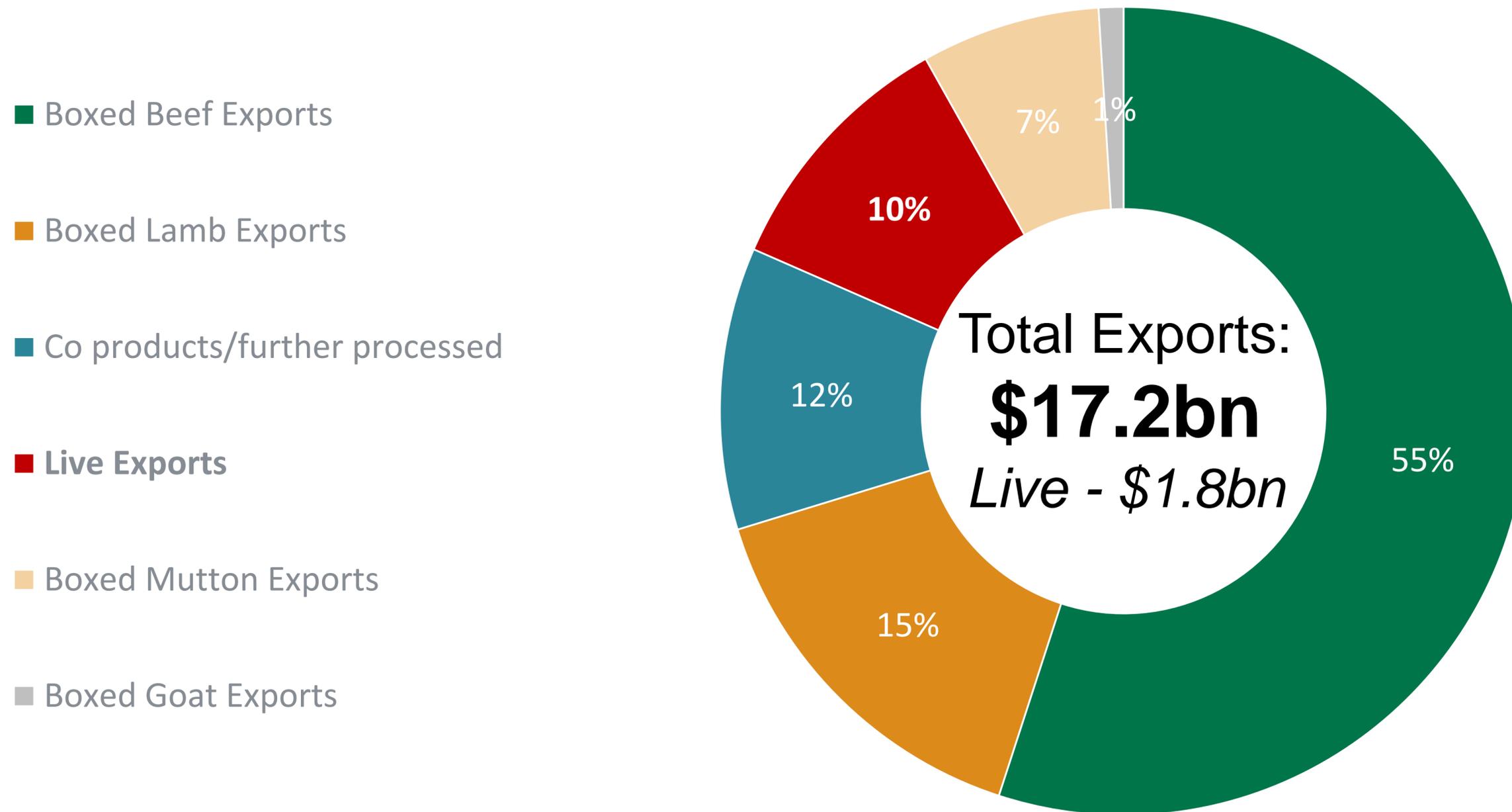
- In 2017-18, the gross value of national sheepmeat production was **A\$4.14 billion**, while the value of sheep exports was **A\$259 million FOB (ABS)**.
- Australia exported **1.11 million** sheep in 2018, down 36% on the year prior and the result of reduced trading between July and October. Live exports represented 3% of the estimated 33.4 million head of lambs and sheep turned-off nationally in 2018.

Market overview: the global market is big



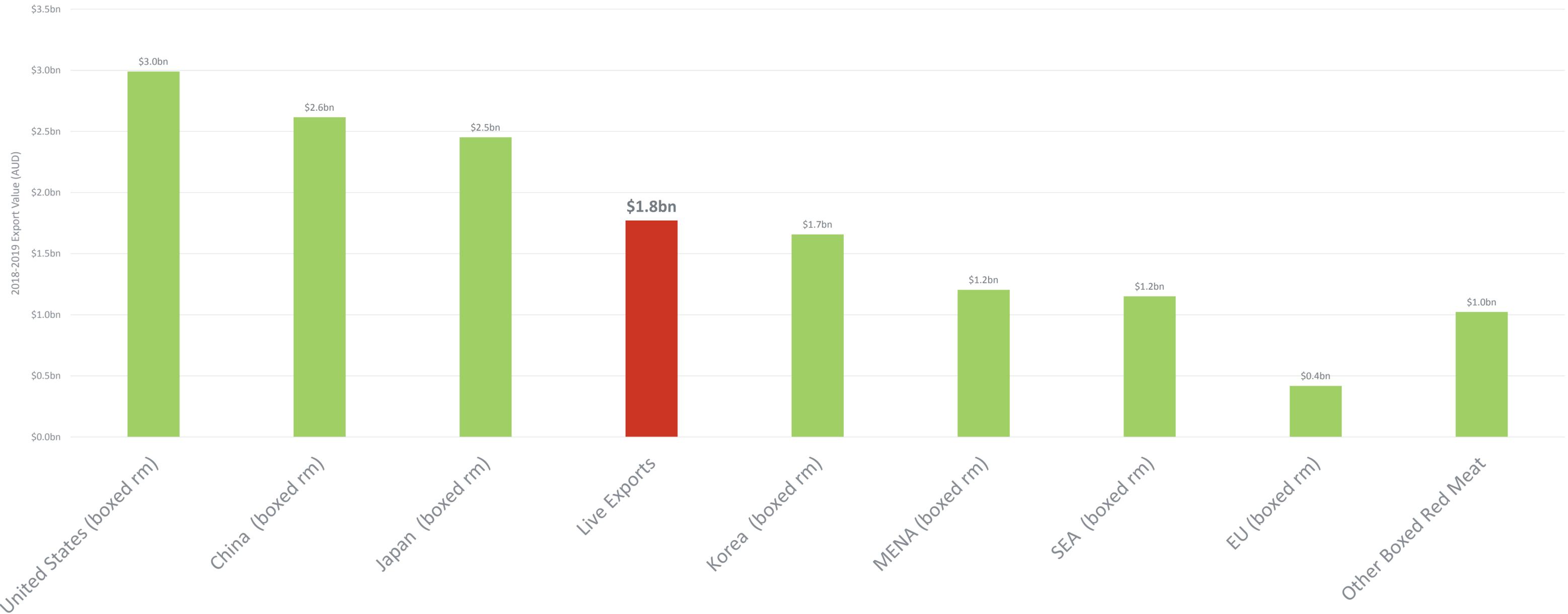
Source: Fitch Solutions, 2023 forecast

Live Export accounts for 10% of our total exports



Source: ABS, IHS Markit

Live Export is more valuable than our 4th largest boxed red meat market (Korea) and greater than boxed exports to SEA and EU combined



Source: ABS, IHS Markit

* boxed rm = Boxed Red Meat (Beef, Lamb, Mutton and Goat combined)

Live exports are as valuable as our total sheepmeat exports to the US and China combined

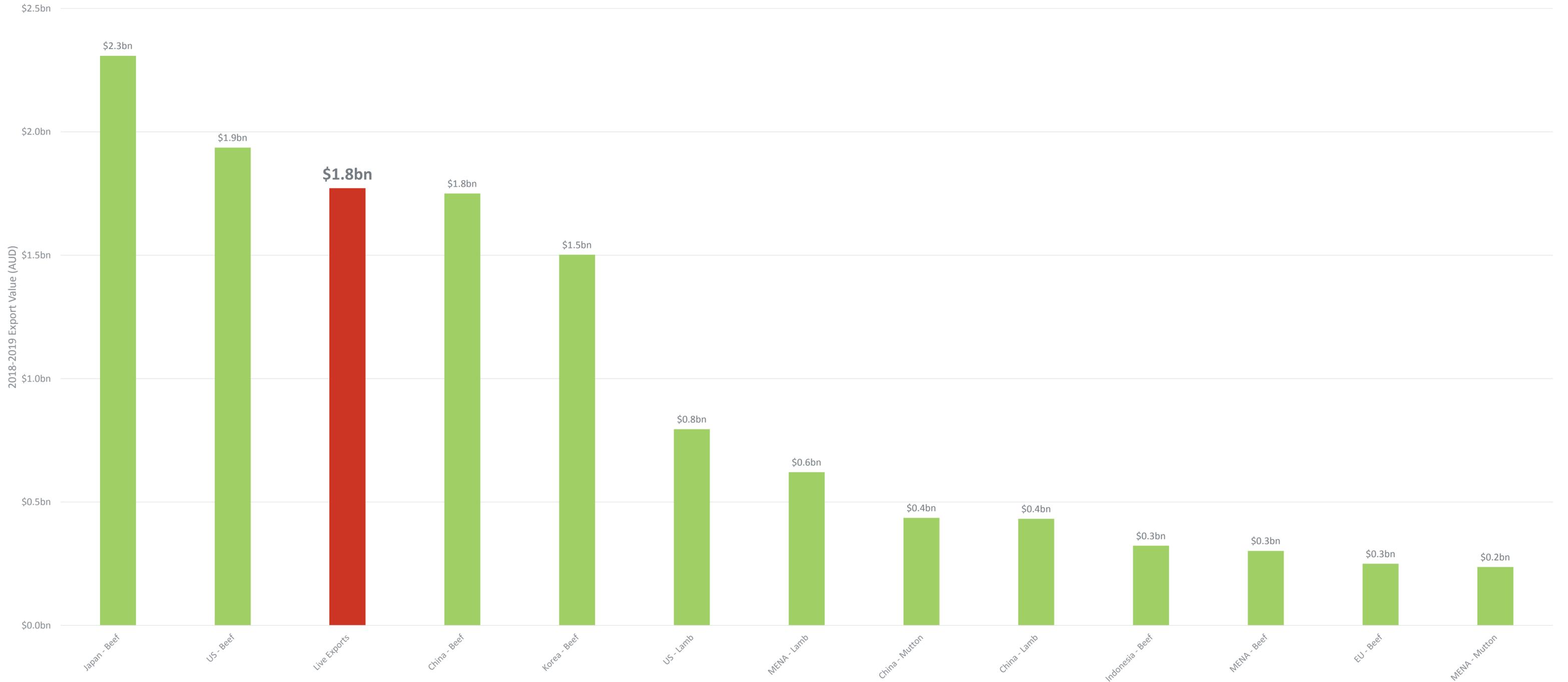
Australian red meat and livestock exports – 2018-19

Country	Beef	Lamb	Mutton	Livestock
United States	\$1,936m	\$795m	\$135m	-
China	\$1,750m	\$432m	\$436m	\$301m
Japan	\$2,308m	\$101m	\$42m	\$37m
South Korea	\$1,502m	\$136m	\$12m	-
MENA-10	\$302m	\$621m	\$237m	\$120m
Indonesia	\$323m	\$11m	\$6m	\$690m
Total	\$9,485m	\$2,636m	\$1,236m	\$1,766m

\$1.8bn

Source: ABS, IHS Markit

Live Export is almost as valuable as beef exports to the US



Source: ABS, IHS Markit

Collaboration is vital

- We are a diverse industry – made up of different parts of a large value chain – with many representative groups.
- We are all part of one industry, ultimately with a common goal:

Ensuring a prosperous red meat industry, with profitable red meat businesses

- A viable live export sector is critical to our industry. Future success will be defined by our ability to working together.

The Livestock Export Program

- The Livestock Export Program (LEP) is a program jointly funded by MLA and LiveCorp to deliver **animal welfare improvements**.
- FY 19/20 investment in the LEP is **\$6.9 million** from MLA and LiveCorp, including \$1.2m Australian Government support of R&D.
- In 2018-19, the LEP program investments are directed towards:
 - Assisting supply chain productivity gains and efficiency of production
 - Improving animal health and welfare through the supply chain
 - Managing R&D projects including LGAP, heat stress and salmonella.

Key in-market program framework

Animal welfare

- Support industry to mitigate welfare risks and implement adoption of best practice welfare systems and innovations.

Productivity gains

- Support the improvement of livestock productivity and supply chain efficiencies to improve competitiveness
- Support industry to identify and improve supply chain productivity, regulatory compliance and opportunities to reduce cost of production
- Conduct extension activities to encourage adoption of efficiency and productivity improvements through feedlots, breeding projects and processing of livestock.

Key In-market Program Framework contd.

Market intelligence and access

- Provide industry with **timely & valuable** market intelligence
- Monitor and report trade flows
- Relay key importing government trends and positions
- Development of in-market networks
- Establishing and maintaining key foreign govt contacts
- Maintain a network of key strategic relationships and support industry to reduce barriers to trade

LEP RD&E – Animal Welfare (AW) Indicators

1. Developing a suite of practical and reliable AW indicators for the live export supply chain
2. Transitioning and supporting industry from mortality to welfare as the performance base
3. Ensuring a rigorous scientific base is applied, in defining the most useful indicators.

What is MLA doing – community engagement

- **Good Meat website** - where 20 frequently asked questions from consumers are answered
- **Paddock to Plate virtual reality** experience for beef and lamb
- **School education** - engaging schools and teachers through red meat teaching resources aligned with the national curriculum
- **Partnerships with major community events** - royal shows and food festivals



We are Australian Farmers

MLA has teamed up with NFF on the Telling our Story campaign, that was launched mid-October through **We are Australian Farmers**.

