

MEAT

Market developments according to Australian Lamb Co., Bindaree Beef, BE Campbell, Finco Trading, and Wilpak Meats:

The Organisation for Economic Co-operation and Development (OECD) outlook noted that a number of factors will have a significant influence upon the global trade of meat over the coming decade. African swine fever, microbial resistance and climatic events will impact the supply of food, while evolving diets, health and sustainability issues and trading complications all have the potential to impact global trade.

BEEF

- Beef market pricing is on the rise due to a decrease of stock kills because producers are selling less livestock, as well as livestock pricing increasing
- Australia currently accounts for 15.7% of global beef trade, this represents only 3.6% of global production. Therefore, it is essential Australia targets the most attractive beef consumer and presents a convincing value proposition to maintain premiums and differentiate itself against low cost competitors
- Developing nations, namely from South America, are expanding their share of global exports. However, beef from Australia is strongly perceived as a high quality, safe and natural product, providing a point of differentiation
- Young cattle prices advanced in July, particularly in Western Australia, Victoria and Southern New

South Wales. Re-stocker demand in these regions has improved, as some winter rainfall has provided renewed confidence for spring feed prospects. More showers will be required to sustain demand, with Northern New South Wales and Queensland still very much awaiting a break

LAMB

- Australia and New Zealand have cemented themselves as the predominant suppliers of lamb to the global market
- While New Zealand has experienced a shift away from sheep farming towards dairy, Australian production is expected to increase in response to broad global demand
- Despite productivity gains in Australia and New Zealand, global demand growth for sheep meat will outpace the capability of either major supplier, reinforcing the importance for Australia to maintain premium brand status and target affluent consumers
- Eastern states lamb indicators have continued to strengthen, with little indication of slowing down. Lamb yarding last week fell to their lowest point since the first week of September 2018 which, unsurprisingly, was the week the eastern states trade lamb indicator reached its 2018 peak



August / September 2019

PORK

- Grain prices are presently at an all-time high this, factored with current drought conditions, will see pricing during August and September increase. Due to these factors, pig farmers cost of production is still on the rise
- Pig numbers are down 4.2% (4000-5000 head) from the same time last year, which will put pressure on supply
- It is currently an ideal time to start storing frozen pork products for the spring and summer months
- The forecast pig numbers for the second half of the year are back 6% on the first 6 months actual kill, this creates a huge supply and demand increase

POULTRY

- The poultry market has seen stable prices for chicken breast
- The demand for frozen chicken thighs, drumstick fillets and chicken wings remains strong creating shortages for these cuts
- Predicting the price going forward is always difficult. At this point it is believed that prices will remain stable for chicken breast, however, there may be price increases for other cuts due to the demand and supply issues

