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Report Highlights:

The Australia beef industry is finally showing signs of entering a much-anticipated herd rebuilding phase. This has firmed FAS/Canberra's 2021 forecasts of lower cattle slaughter, cattle exports, beef production, and beef exports. With a reduced breeding herd and more females expected to be retained for breeding in 2021, overall cattle slaughter is expected to fall for the second straight year. Beef production in 2021 is forecast to reach 2.075 metric tons (MT) carcass weight equivalent (CWE), down 2 percent from 2020 and the lowest level since 2003. This is expected to lead to another year of declining Australian exports in 2021, down five percent from 2020 to 1.4 million metric tons (MMT) (CWE). Pork production for 2021 has been revised upwards by FAS/Canberra to 425,000 MT (CWE), a one percent increase from the 2020 result of 419,000 MT (CWE). The improved forecast is due to reduced feed costs after the end of the drought, as well as strong pork prices.

EXECUTIVE SUMMARY

The Australia beef industry is finally showing signs of entering a much-anticipated herd rebuilding phase. Previously expected to commence in the second half of 2020, it is now expected to have started in early 2021. Following the severe impacts of a two-year drought in 2018 and 2019 across much of the beef producing region in Australia, which resulted in cattle producers reducing stocking rates or destocking their properties, much needed rains have arrived. This has boosted pastures and led to along a near record grain harvest in late 2020, reducing supplementary feed costs. This combination of events, along with good rain forecasts across the country, sparked strong re-stocker demand by producers.

This herd rebuilding has firmed FAS/Canberra's 2021 forecasts of lower cattle slaughter, cattle exports, beef production, and beef exports. With a reduced breeding herd and more females expected to be retained for breeding in 2021, overall cattle slaughter is expected to fall for the second straight year. With much improved pasture production, carcass weights are expected to moderately improve, partially offsetting the lower slaughter number. Beef production in 2021 is forecast to reach 2.075 metric tons (MT) carcass weight equivalent (CWE), down 2 percent from 2020 and the lowest level since 2003. This is expected to lead to another year of declining Australian exports in 2021, down five percent from 2020 to 1.4 million metric tons (MMT) (CWE).

FAS/Canberra has revised upward the forecast for Australia's pork production in 2021 to 425,000 MT (CWE), a one percent increase from the 2020 result of 419,000 MT (CWE). The improved forecast is due to reduced feed costs after the end of the drought, as well as strong pork prices.

CATTLE

Production

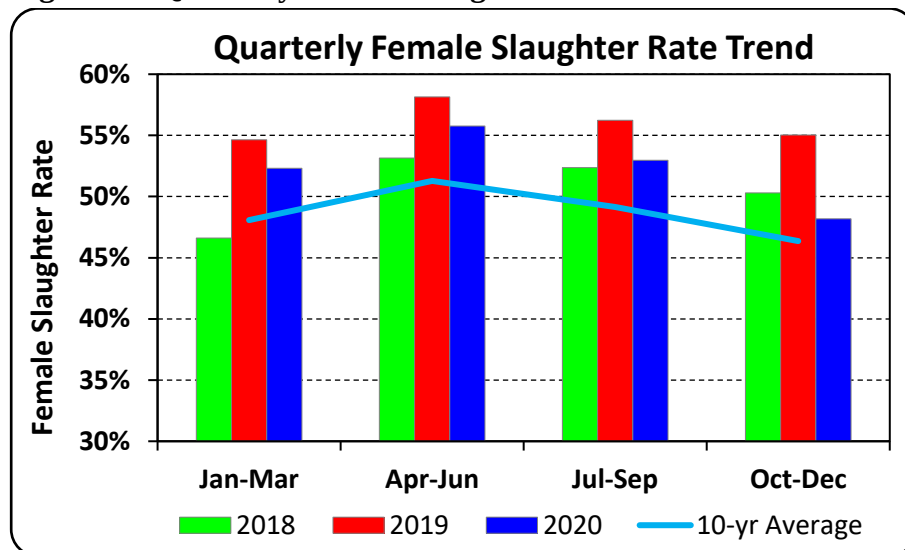
FAS/Canberra forecasts cattle (calf crop) production in 2021 at 8.2 million head, a reduction of 100,000 head from 2020. This lower cattle production is due to the reduced beef cow breeding stock, an impact of the drought in 2018 and 2019, as well as high beef cattle prices encouraging a high female slaughter rate in 2020.

Poor autumn (Mar-May) rains in 2018 marked the onset of the drought in beef cattle producing areas across the eastern states and northern areas of the country. Afterwards, cattle producers promptly responded by commencing destocking programs including a higher culling rate of breeders and retaining less female calf breeder replacements. The drought continued to deepen with poor spring (Sep-Nov) rains in 2018, a below-average wet season (Dec-Mar) in the tropical and sub-tropical regions, and poor autumn and spring rains in 2019. Due to the lack of grass feed in 2019, cattle producers continued to reduce stocking numbers and in some parts totally de-stocked their properties. This resulted in significant reductions in breeder numbers and female calves born in 2018 and 2019.

For a large part of the drought-affected regions the drought began to break in early 2020 and good rains continued throughout the year, and some producers began to restock. Despite this, with continued strong export demand, high levels of female cattle slaughter continued (see figure 1) in 2020. The competition between feedlots and restockers for cattle triggered further price increases, reaching record high levels in 2020. Due to the drought and continued high female cull rates in 2020, low first calf replacement females are expected in 2021, resulting in a further reduction in the overall breeding herd size and calves produced in 2021.

The drought impacts described are evident in female slaughter rate results during this period. The first quarter of 2018, prior to the poor autumn rains and onset of the drought, had a female slaughter rate result of 46.6 percent, marginally below the 10-year average (see figure 1). It is broadly accepted that in Australia the annual average female slaughter rate needs to be at 47 percent or lower for the national herd size to be in an expanding phase. Since the first quarter of 2018, the female slaughter rate has remained well above this rate, reaching as high as 58.1 percent. The October to December 2020 quarter result saw a significant decline in female slaughter from 55 percent in the previous quarter to 48 percent. This decline is in part a typical seasonal trend between Q3 and Q4 as can be seen from the 10-year average, but this decline was bigger than usual, signaling that the Australian cattle industry is moving towards the start of the herd rebuild phase. The results of this are likely to be borne out in the first quarter of 2021.

Figure 1 – Quarterly Female Slaughter Rate Trend



Source: Australian Bureau of Statistics

Consumption

FAS/Canberra forecasts a decline in cattle slaughter in 2021 to 7.365 million head, marginally lower than the official USDA forecast of 7.385 million head. The difference being that FAS/Canberra has revised down the forecast calf slaughter from 435,000 head to 415,000 head while the forecast female

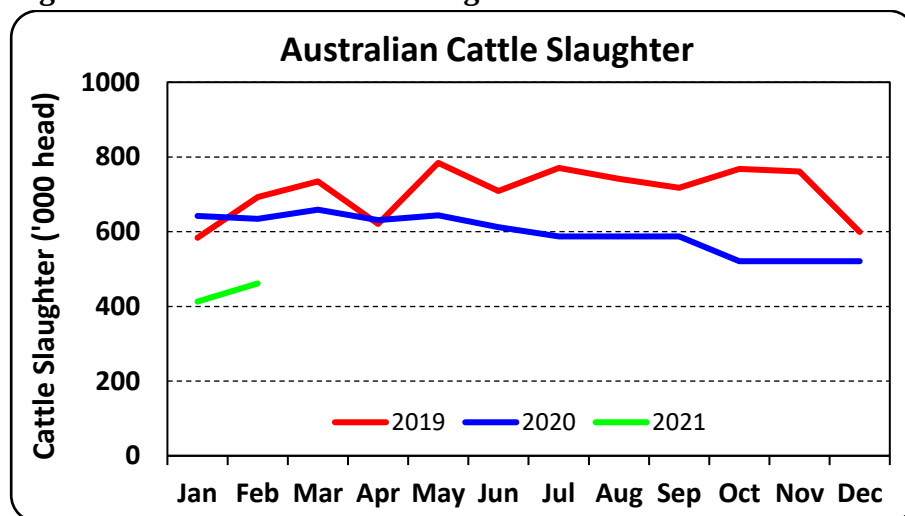
and male slaughter remain at 3.15 million head and 3.8 million head, respectively, and in line with the official USDA forecast. The calf slaughter result of 414,000 head in 2020, although heavily influenced by the dairy sector, is not expected to be higher in 2021 due to minimal change in the breeder herd size in the dairy sector and the reduced breeding herd size in the beef sector. The forecast female and male slaughter rates, if realized, would be a return to a national herd rebuilding phase at an annual female slaughter rate of 45.3 percent.

The forecast total cattle slaughter for 2021 is 2.6 percent below the final 2020 result of 7.56 million head and 13 percent below the previous 10-year average. The 2021 forecast and the 2020 result are a clear reflection of the reduced herd size from the impacts of drought in the eastern states in 2018 and 2019.

Since July 2020 the Australian Bureau of Statistics (ABS) shifted from producing monthly slaughter statistics to quarterly statistics around six weeks after the end of each quarter. In the absence of timely ABS slaughter statistics an indicative cattle slaughter trend can be derived from voluntary weekly reporting slaughter data from the eastern states, produced by Meat and Livestock Australia.

Estimated slaughter results for January and February 2021 show a decline of around one-third relative to the same period in the previous two years (see figure 3). These early indicative results may suggest that overall slaughter for 2021 could decline by far more than the forecast 2.6 percent. However, there are additional considerations that are expected to change the final 2021 outcome from this early trend.

Figure 3 – Australian Cattle Slaughter



Source: Australian Bureau of Statistics / Meat & Livestock Australia / FAS/Canberra

Note: The monthly slaughter rates for Jul-Aug 2020 are the average of the Q3 result and Oct-Dec 2020 are the average of the Q4 result.

January and February 2021 data points are FAS/Canberra estimates based on MLA voluntary weekly cattle reporting data from the eastern states

Key factors influencing cattle slaughter numbers in 2021 are a combination of:

- 1) Industry shift to a herd rebuild phase
- 2) Flow of cattle impacted by breeder culls during the drought
- 3) More cattle retained on farm, less to feedlots
- 4) Good early 2021 rainfalls and forecast rain

1) Industry shift to a herd rebuild phase

After broadly good seasonal conditions during 2020 and producers taking advantage of high cattle prices there has been a distinct decline in female slaughter rates in Q4 2020 towards a herd rebuild phase as previously discussed. This trend is expected to continue and be borne out in the Q1 2021 results and beyond. The reasons for this expectation are interlinked with subsequent key points.

2) Flow of cattle impacted by breeder culls during the drought

The typical flow of cattle through to slaughter has been disrupted by the drought and the subsequent record high market prices in 2020. At the height of the drought in 2019, after a strong breeder cull program in 2018, for farm destocking purposes the number of breeders and therefore calves born diminished considerably in 2019.

The reduced numbers along with high cattle prices particularly for feeder cattle (cattle at or near weights suitable for entry into feedlots) enticed producers to sell them rather than grow them out on grass, bringing forward slaughter into Q3 and Q4 of 2020. This has had the impact of creating a gap and resulting lower slaughter numbers in Q1 of 2021. Industry sources indicate that a higher than usual proportion of females entered feedlots in 2020 contributing to the high female cull rates experienced.

These diminished calf numbers will filter through to these animals reaching slaughter via the feedlots starting around Q2 2021, and grass-fed finished cattle will commence filtering through in Q3 and Q4 and into 2022. This flow of cattle has left a significant gap in Q1 2021 of cattle available for slaughter. The reduced slaughter numbers has prompted numerous abattoirs to announce the shutting down of processing lines or mothballing entire facilities for a period in 2021.

3) More cattle retained on farm, less to feedlots

The feedlot industry has for many years shown an increasing production trend, but the drought period in 2018 and 2019 saw large increases in the volume of feedlot cattle. The plentiful supply of young cattle bound for feedlots was a drought management strategy driven by a lack of on farm grass and escalating grain and fodder costs. It is no surprise that at some point after drought-breaking rains commenced in 2020 that producers would be in a position to carry more cattle on their properties and the need to sell young cattle, which found their way into feedlots, would diminish.

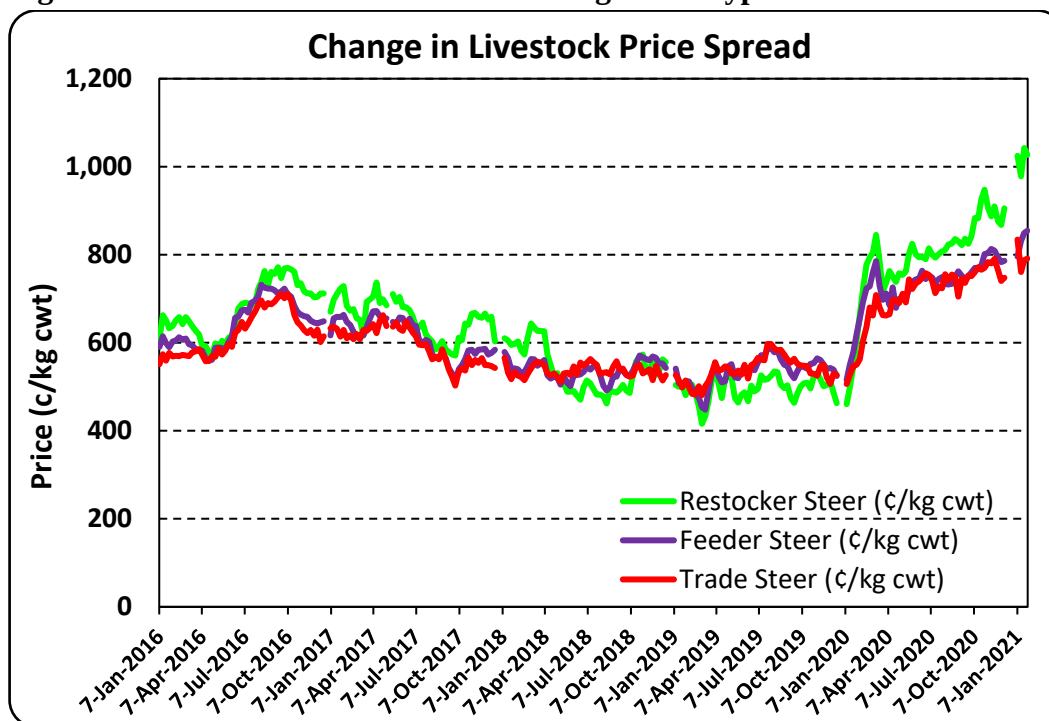
The shift in prices for restocker steers (weaned steers typically 9-12 months of age around 200kg to 240kg) compared to feeder steers (steers around 280kg to 350kg going straight to feedlots for backgrounding for a short period on grass paddocks or direct entry into the feedlots) and trade steers (steers ready for slaughter at around 500kg) shows that in the pre-drought period of 2016, 2017 and

through to autumn 2018 there was typically a healthy price margin for restocker steers compared to feeder and trade steers (see figure 4).

After the onset of the drought in autumn 2018 producers began reducing on farm stocking levels and the restocker steer price fell to below the feeder steer and trade steer prices during the drought period. The low pasture production and high grain and fodder prices led to this drought management strategy, creating a large supply of young cattle suited to the feedlots. This resulted in significant increases in cattle slaughter from feedlots.

After drought-breaking rains broadly commenced in early 2020 across the eastern states, prices for all three categories of steer cattle spiked, due to low livestock availability (see figure 4). In part this is due to the lower national herd size but also with increasing pasture availability, cattle producer intent to shift back towards growing out cattle on grass. During 2020, livestock prices continued to increase but the price spread between restocker steers and feeder and trade steers had increased to well beyond pre-drought levels, highlighting the intense competition for a diminished supply of in particular, young livestock.

Figure 4 – Market Price Trends of Differing Stock Types

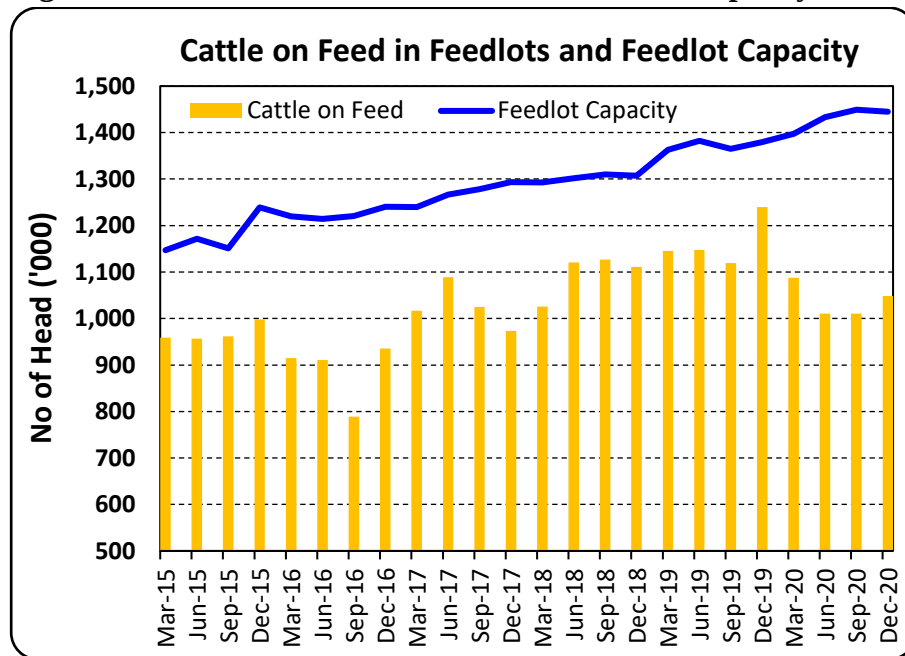


Source: Meat & Livestock Australia – saleyard cattle indicator data

From late 2020 the price spread between restocker and feeder steer prices had widened and importantly also between feeder and trade steer prices. Even with reduced grain and fodder prices after the very strong spring and summer harvest of grain and fodder in Australia in late 2020, cattle price spreads are

now challenging the economics of feedlotting cattle. Although the number of cattle in feedlots declined in 2020 from the previous two years (see figure 5), the feedlot industry reports that the volumes of cattle on feed have noticeably reduced in early 2021. This is expected to be borne out when the Q1 results are reported.

Figure 5 – Cattle on Feed in Feedlots and Feedlot Capacity



Source: Meat & Livestock Australia

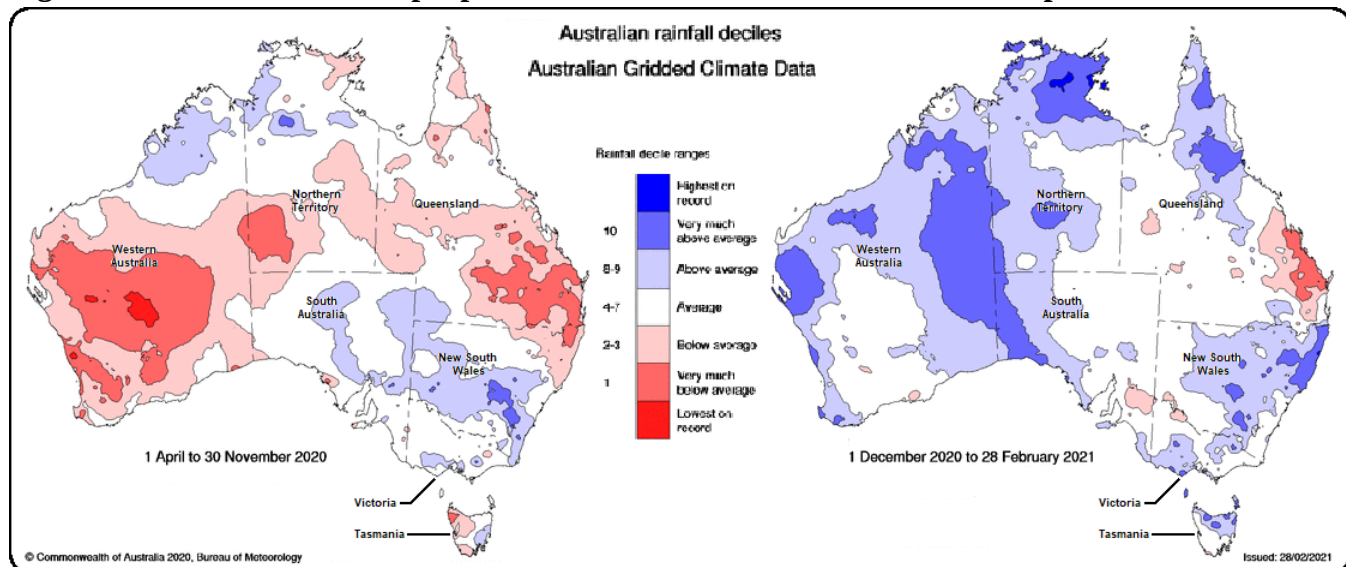
The reported reduction in the number of cattle being grown out in feedlots in early 2021 is expected to have an amplified impact on the number of cattle slaughtered in the first half of 2021. As previously mentioned, the estimated slaughter number for January and February 2021 are around one-third lower than the same time in 2020 (see figure 3). This is due to growth rates of cattle in feedlots being around double that of those on grass (this varies greatly across the country with higher rainfall temperate climate areas generally having a lower differential and those in tropical and sub-tropical inland areas having a greater differential). Hence the shift away from feedlots towards grass-fed cattle is expected to create a significant decrease in slaughter numbers in the first half of 2021 before recovering in the second half of 2021 as grass-fed cattle reach point of slaughter.

4) Good early 2021 rainfalls and forecast rain

Overall, there were good drought-breaking rains in early 2020 across much of the country. Ongoing good rains continued throughout New South Wales, Victoria, South Australian and the northern parts of Northern Territory (see Figure 6). These recovering parts of the country drove the commencement of the industry rebuild leading to very strong prices for cattle to restock properties, exacerbated by the demand from feedlots.

Much improved rainfall in the December 2020 to February 2021 for most of the rest of the country, other than coastal and inland areas of central and southern Queensland (see Figure 6), sparked more industry optimism further driving demand for limited available cattle.

Figure 6 – Rainfall Decile Map Apr-Nov 2020 and Dec 2020 - Jan 2021 Comparison



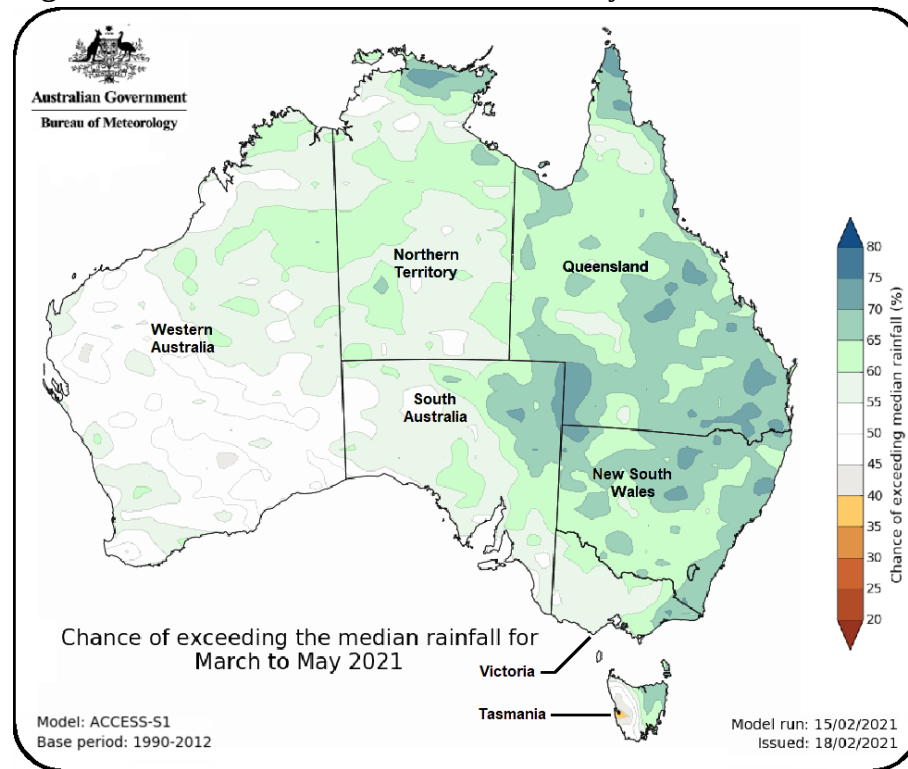
Source: Bureau of Meteorology

The improved rainfalls in recent months along with the Bureau of Meteorology forecast of a high chance of above-average rainfall across the country for March to May 2021 (see figure 7), sparked the further escalation of cattle prices to record levels and the widening of price spreads previously mentioned.

Based on the positive Bureau of Meteorology rainfall forecasts across the country there is no expectation that there will be any short-term elevation of feedlot cattle numbers at the expense of grass feeding in 2021.

Overall, the forecast reduction in cattle slaughter in 2021 is small, especially compared to the decline in 2020. Good rainfalls producing ample pasture across much of the beef producing regions would typically result in a rapid shift to a herd rebuilding phase and a greater decline in slaughter numbers. However, high beef cattle prices in Australia, partly driven by strong world demand for beef, will drive a slower herd rebuilding phase as producers continue to take advantage of these prices. Although the early slaughter number estimates for January and February 2021 indicate much larger declines, the industry transition to an increase in grass-fed cattle is expected to filter through to higher slaughter numbers in second half of 2021, partially compensating for low slaughter in the first half of the year.

Figure 7 – Rainfall Forecast – March to May 2021



Source: Bureau of Meteorology

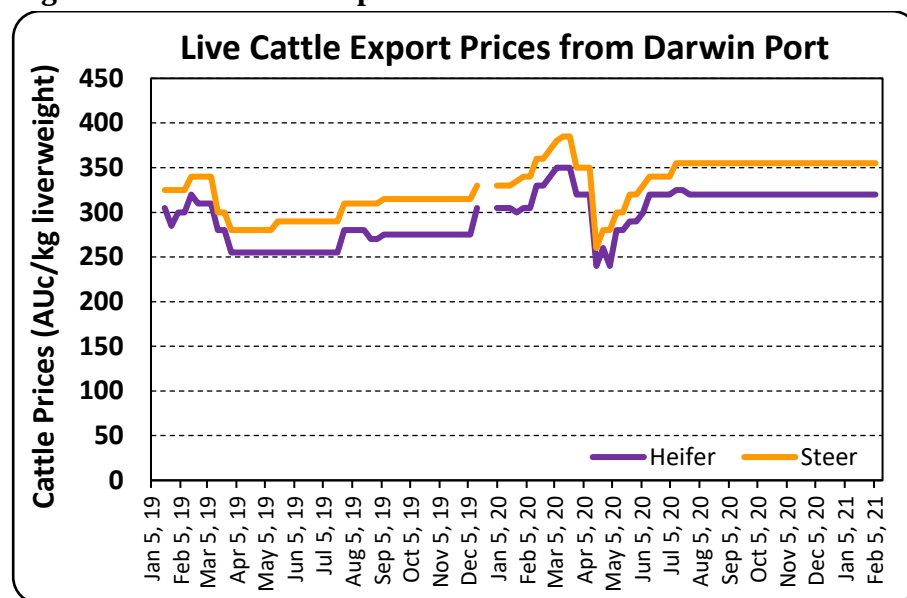
Trade

FAS/Canberra forecasts for live cattle trade are unchanged at 900,000 head in 2021, and in line with the official USDA forecast. The forecast is a decline of 19 percent from the 2020 result of 1.1 million head. This forecast decline is due to a reduced supply of available cattle as a result of the smaller national herd, along with the increased prices for live cattle creating resistance from buyers.

The reduced national herd is continuing to have an impact on the availability of cattle for the live export trade. The key supply regions of live cattle from the Northern Territory and northern Queensland were impacted by drought in 2018 and 2019 similarly to other parts of Queensland, New South Wales and Victoria. The low breeder numbers in the key supply areas will have a significant impact on available live cattle in 2021 and in the subsequent years until the breeder herd size is regenerated.

Industry sources have reported that the high price of livestock for the live trade was having a negative impact on demand from importing countries, predominantly Indonesia and Vietnam. The average price in 2020 was around 12 percent higher than in 2019 (see figure 8). Industry analysts anticipate that prices will remain strong in 2021 due to the limited available supply. The majority of these live cattle exported go into feedlots in the destination countries and there are reports, from Indonesia in particular, that they have reached and exceeded their price limits, not unlike feedlots in Australia.

Figure 8 – Live Cattle Export Prices from Darwin Port



Source: Meat and Livestock Australia

Animal Numbers, Cattle Market Year Begins	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	25734	25734	23690	23690	23165	23217
Dairy Cows Beg. Stocks (1000 HEAD)	1475	1475	1450	1450	1450	1450
Beef Cows Beg. Stocks (1000 HEAD)	11000	11000	10300	10300	10000	10000
Production (Calf Crop) (1000 HEAD)	8700	8700	8300	8300	8200	8200
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	34434	34434	31990	31990	31365	31417
Total Exports (1000 HEAD)	1344	1344	1100	1113	900	900
Cow Slaughter (1000 HEAD)	4753	4753	3750	3750	3150	3150
Calf Slaughter (1000 HEAD)	565	565	435	414	435	415
Other Slaughter (1000 HEAD)	3729	3729	3440	3396	3800	3800
Total Slaughter (1000 HEAD)	9047	9047	7625	7560	7385	7365
Loss and Residual (1000 HEAD)	353	353	100	100	100	100
Ending Inventories (1000 HEAD)	23690	23690	23165	23217	22980	23052
Total Distribution (1000 HEAD)	34434	34434	31990	31990	31365	31417
(1000 HEAD)						

BEEF

Production

FAS/Canberra forecasts beef production in 2021 to fall again to 2.075 million metric tons (MMT) (CWE) from the 2020 result of 2.123 MMT (CWE), and an upward revision of 25,000 MT (CWE) from the official USDA forecast. If realized, this would be Australia's lowest beef production since 2003.

This year-to-year fall is due to expected lower slaughter, a result of a decrease in the breeding herd and cattle being held back to rebuild the Australian herd.

The 2021 forecast of a 2.2 percent decline in beef production, is moderately smaller than the forecast 2.6 percent fall in slaughter numbers as a result of anticipated higher slaughter weights. These higher expected weights are due to:

- 1) A smaller national herd size resulting in lower on farm stocking rates relative to pre-drought levels.
- 2) Greater pasture availability following widespread rainfalls in 2020, as well as forecasts for continued above-average rainfall in 2021.
- 3) A higher percentage of animals for slaughter being adult male cattle due to an increase in female cattle being held back to rebuild the breeder herd size.

The positive factors towards an increase in average slaughter weights will be partially offset by an expected decrease in the overall number of slaughtered feedlot cattle relative to grass-fed slaughtered cattle. Feedlot cattle typically have higher average carcass weights than grass-fed cattle and with reduced numbers the anticipated increase in average carcass weight will be tempered.

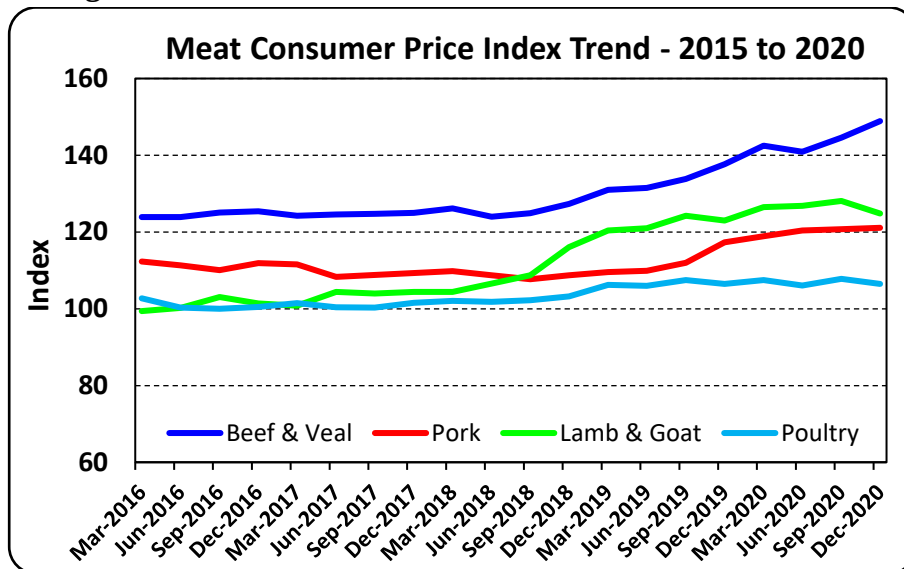
The FAS/Canberra beef production estimate for 2020 has been revised up from 2.115 MMT (CWE) to 2.123 MMT (CWE), aligning with the final result produced by the Australian Bureau of Statistics.

Consumption

FAS/Canberra forecasts domestic beef consumption in 2021 to increase 3.9 percent to 690,000 MT (CWE) from the prior year result of 664,000 MT (CWE). However, this is still a downward revision of the official USDA forecast of 705,000 MT (CWE).

This increase is due to an expected improvement in food service sector activity in 2021 with the anticipated reduction in restrictions associated with the COVID-19 pandemic in Australia. Although Australian COVID-19 cases in 2020 have been far below those elsewhere, restrictions have impacted the food service sector. There is an expectation that the intermittent travel restrictions between states in 2020 will continue to diminish in 2021, particularly given that Australia commenced rolling out its COVID-19 vaccination program in late February 2021. This is expected to boost domestic tourism and subsequently food service sector activity in 2021. FAS/Canberra forecasts a partial recovery of domestic beef consumption towards the pre-COVID-19 level in 2019 of 709,000 MT (CWE). However, a full recovery is not expected largely due to high domestic beef prices. Prices are expected to decline somewhat throughout 2021, but still remain well above the levels in 2019. The escalation of beef prices relative to other proteins, particularly chicken, contributes to limit expectations for further consumption increases (see figure 9).

Figure 9 – Meat Consumer Price Index Trend 2015 to 2020



Source: Australian Bureau of Statistics

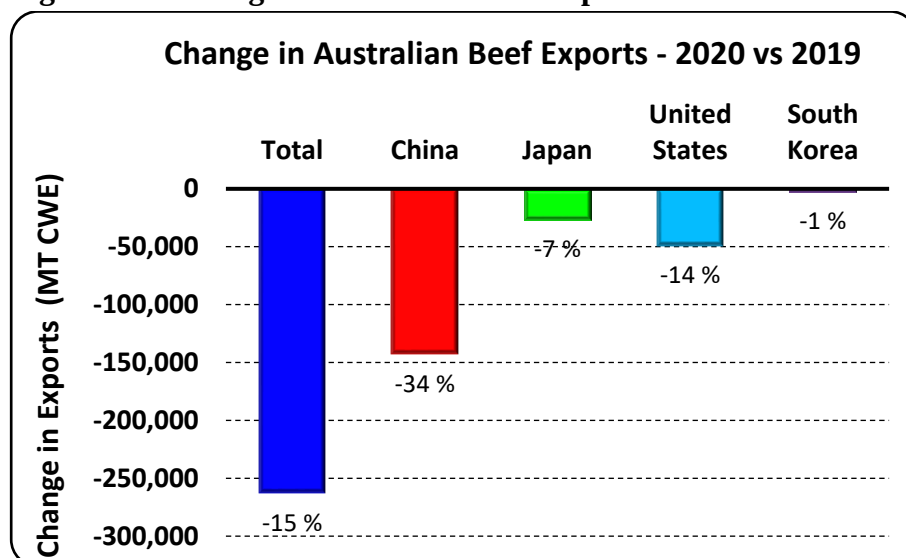
The FAS/Canberra beef consumption estimate for 2020 has been revised down to 664,000 MT (CWE) from the official USDA estimate of 674,000 MT (CWE) based on final production and trade results from the Australian Bureau of Statistics.

Trade

FAS/Canberra has revised upward the beef export forecast for 2021 to 1.4 MMT (CWE), but this remains a decrease of 76,000 MT (CWE) from the 2020 result. The decrease from 2020 to 2021 is a result of lower forecast beef production and higher domestic consumption, but is a much smaller decrease than the prior year-on-year change between 2019 and 2020. The revision for 2021 is a 40,000 MT (CWE) increase over the official USDA forecast.

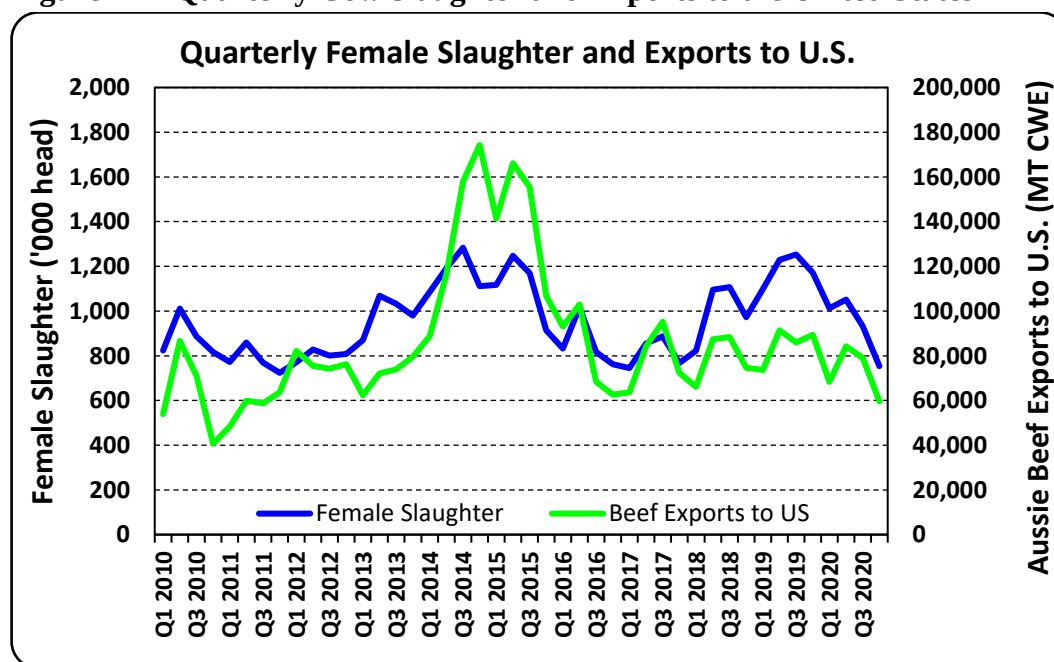
The four major export destinations for Australian beef - Japan, China, United States and South Korea - have accounted for 75 to 80 percent of Australian beef exports over the last four years. In 2020, even with a 15 percent reduction of overall exports, the volumes to South Korea and Japan remained surprisingly stable. There was a 34 percent decline in exports to China, although this came off of a very large increase in 2019 and the volume was still 24 percent above 2018. There was also a 14 percent decline in exports to the United States because of the reduced supply of Australian lean beef for blending.

Figure 10 – Change in Australian Beef Exports – 2020 vs 2019



Source: Australian Bureau of Statistics

Figure 11 – Quarterly Cow Slaughter and Exports to the United States



Source: Australian Bureau of Statistics

For 2021, despite reduced overall exports, industry experts believe that exports to Japan and South Korea will still remain robust. Exports to China on the other hand are expected to decline due to strong competition from other lower cost South American suppliers.

Beef exports to the United States are largely lean beef which is primarily sourced from cows. Over many years there appears to be a significant correlation between cow slaughter in Australia and beef exports to the United States (see figure 11). This being the case, with a decrease in beef cow breeding stocks and an expected reduced female slaughter a further supply driven reduction in exports to the United States is likely in 2021.

A further negative factor impacting Australian beef exports in 2021 is the strengthening Australian dollar. For instance, the Australian dollar exchange rate against the U.S. dollar had been trading around a range of AU\$1.47 to one U.S. dollar prior to the impacts of COVID-19 globally. The Australian dollar then weakened to as low as AU\$1.72 in March 2020 before recovering to pre-COVID-19 levels in June 2020 but has since strengthened significantly further to AU\$1.27 in February 2021.

The beef exports for 2020 have been revised up by 1.4 percent to 1.476 MMT (CWE) from 1.455 MMT (CWE), and in line with the Australian Bureau of Statistics final results.

Meat, Beef and Veal Market Year Begins Australia	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	9047	9047	7625	7560	7385	7365
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	2432	2432	2115	2123	2050	2075
Total Imports (1000 MT CWE)	15	15	14	17	15	15
Total Supply (1000 MT CWE)	2447	2447	2129	2140	2065	2090
Total Exports (1000 MT CWE)	1738	1738	1455	1476	1360	1400
Human Dom. Consumption (1000 MT CWE)	709	709	674	664	705	690
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	709	709	674	664	705	690
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	2447	2447	2129	2140	2065	2090
(1000 HEAD) ,(1000 MT CWE)						

PORK

Production

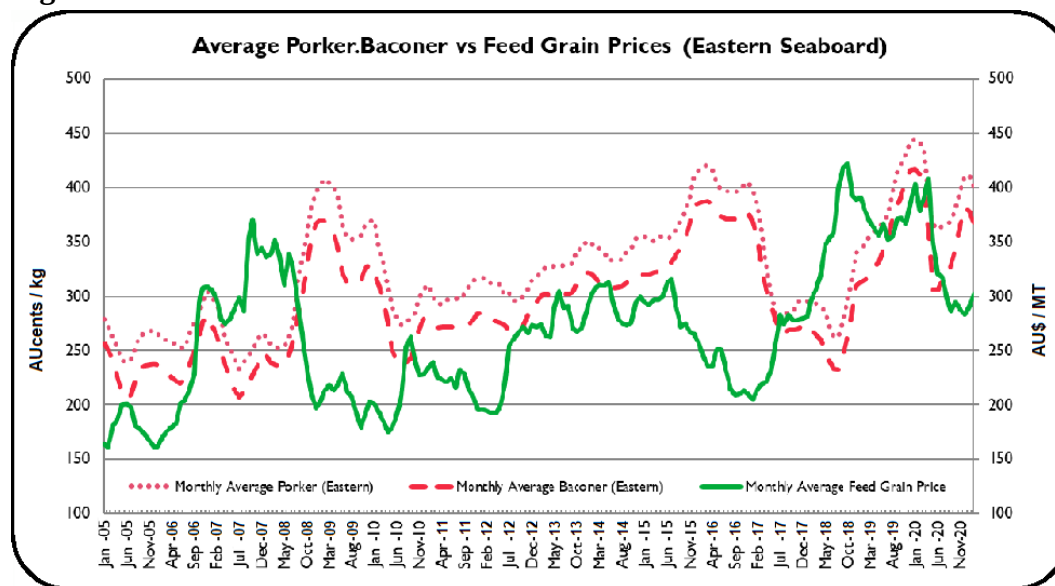
FAS/Canberra forecasts Australia's pork production to increase by one percent in 2021 to 425,000 MT (CWE), from the 2020 result of 419,000 MT (CWE). The forecast is an upward revision of the official USDA forecast at 410,000 MT (CWE). The increase in production is expected to be supported by strong pork prices and lower feed prices.

Pork and baconer prices in Australia spiked from around mid-2019 to early 2020, achieving record levels, which was in large part due to high global prices caused by African Swine Fever (ASF). However, around March 2020, at the onset of COVID-19, industry sources reported a significant decrease in overall consumption attributed to lockdowns. This led to a build-up of pork meat stockpiles

and as a consequence a significant decline in pork prices (see figure 12). As lockdowns broadly eased across the country in the second half of 2020 so too did pork and baconer prices, recovering to near peak levels. These high prices will encourage producers to continue to increase production in 2021.

Beyond the high pork prices, reduced feed prices will further encourage producers to expand production. The feed grain harvest during late 2020 and early 2021 was at or near record levels which has resulted in over a 25 percent reduction in prices since late 2020 (see figure 12). Despite this drop, feed grain prices still remain firm relative to historical levels which will temper further growth of pork production in 2021.

Figure 12 – Pork/Baconer Prices v's Feed Grain Price Trends



Source: Australian Pork Limited

Consumption

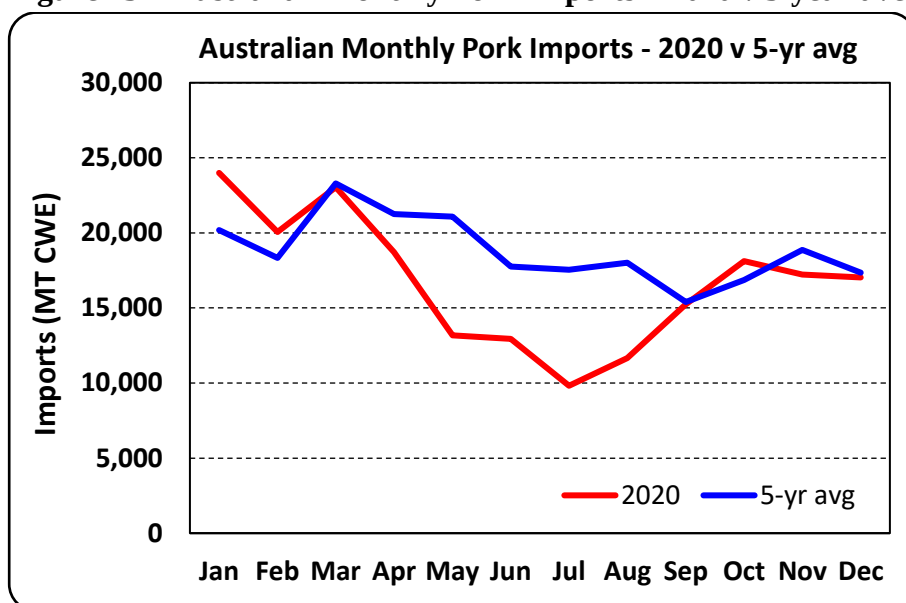
Pork consumption is expected to rise in 2021, based on a recovery in demand that was impacted by COVID-19 in 2020. Consumption in 2020 declined primarily due to a drop in the demand for pork from the food service sector (which uses a substantial amount of domestically produced pork). Retail demand for pork, however, was not significantly impacted. As mentioned earlier it is anticipated that the intermittent travel restrictions between states in 2020 will continue to diminish in 2021 on the basis that Australia has commenced rolling out its COVID-19 vaccination program in late February 2021. From this domestic tourism and subsequently food service sector activity is expected to increase in 2021.

Overall pork prices for domestic consumers are lower than beef prices with the gap widening particularly in 2020. This has been a factor in a long-term trend of rising pork consumption in Australia.

Trade

FAS/Canberra forecasts Australia's pork imports to rise by nine percent to 220,000 MT (CWE) in 2021, from a result of 201,000 MT (CWE) in 2020. The low import result in 2020 was in part due to a build-up in processed pork stock in Australia at the end of 2019 by wholesalers as a risk mitigant to potential global supply shortages caused by ASF. A further factor was due to the processing disruptions in the United States (the largest pork supplier) during 2020 (see figure 13), evidenced by a significant drop in imports from April to August relative to the previous 5-year average. There are no such disruptors expected to impact trade in 2021. The fresh pork market is supplied by local producers as biosecurity regulations prevent imports of fresh and chilled pork. Processed pork, which includes ham, bacon and small goods, is mainly supplied from frozen pork imports.

Figure 13 – Australian Monthly Pork Imports – 2020 v 5-year average



Source: Australian Bureau of Statistics

Pork exports are relatively low at around eight percent of production and is forecast to remain steady at 35,000 MT (CWE). Australia typically exports pork to Singapore, Hong Kong, and New Zealand. These countries managed through the COVID-19 pandemic very well, and their imports from Australia in 2020 were largely not disrupted. On this basis pork exports are anticipated to remain stable in 2021.

FAS/Canberra has revised pork imports for 2020 down to 201,000 MT (CWE) from the official USDA estimate of 220,000 MT. The revised figure is in line with recent final import data from the Australian Bureau of Statistics.

Meat, Swine Market Year Begins Australia	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	5150	5150	5250	5346	5250	5400
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	398	398	410	419	410	425
Total Imports (1000 MT CWE)	269	269	220	201	230	220
Total Supply (1000 MT CWE)	667	667	630	620	640	645
Total Exports (1000 MT CWE)	33	33	35	35	35	35
Human Dom. Consumption (1000 MT CWE)	634	634	595	585	605	610
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	634	634	595	585	605	610
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	667	667	630	620	640	645
(1000 HEAD) ,(1000 MT CWE)						

Attachments:

No Attachments