Red Meat Market Report

Composition of Australian red meat exports

Key developments - March quarter 2011

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Introduction

There were a number of key changes to the composition of Australia's red meat exports during the March quarter of 2011. These changes reflected:

- A year-on-year increase in beef production facilitated an increased availability of product during the period.
- An overall increase in manufacturing beef exports, but to markets other than the US. A higher A$ against the US$, along with increased technical difficulties to the US, improved demand from Russia, Japan and Korea, and a larger proportion of lower CL product available triggered the trend.
- Low supplies from South America assisted demand for Australian product in Russia, while Korean concerns re supplies from Australia early in the year as a result of flooding in Queensland ramped up forward buying.
- Australian sheepmeat exports continue to fall driven by the ongoing fall in mutton production. However, despite a year-on-year fall in lamb production, exports of these products increased, raising the proportion of lamb exports against production from 40% in 2010 to 45% in 2011.

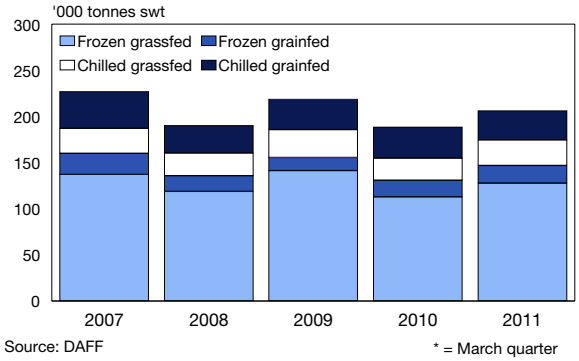
Beef

Overview

Australian beef and veal exports during the first quarter of 2011 increased 9% when compared to the same period in 2011, to 206,104 tonnes swt. This was a strong result, given the high A$, and reflected a much stronger global beef market, driven by some recovery in meat demand and lower global supplies (especially in South America, the US, New Zealand and Korea).

The rise comprised of a 13% increase in frozen grassfed beef exports during the period, to 127,588 tonnes swt, an extra 15% in chilled grassfed shipments, to 27,740 tonnes swt, and 8% more frozen grainfed beef exports year-on-year, to 19,268 tonnes swt. In contrast, chilled grainfed beef exports eased 6% when compared to the March quarter of 2010, to 31,509 tonnes swt.

Figure 1
Australian beef and veal exports*



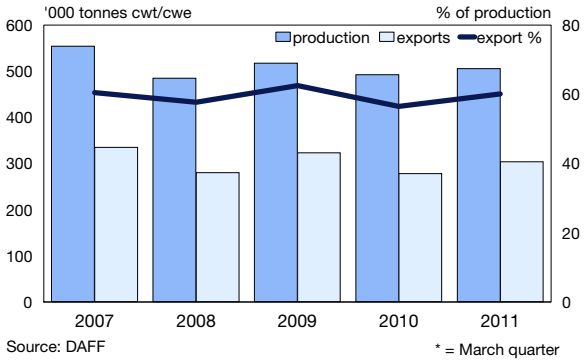
Source: DAFF

* = March quarter

These changes come mainly as a result of lower grainfed beef exports to the Japanese market, a strong Korean market, a recovery in frozen manufacturing beef shipments (with a larger proportion of lower CL exports to markets other than the US) and an increase in beef production during the period.

Although beef production during the first quarter of 2011 rose 3% year-on-year, to 505,531 tonnes cwt, exports grew by a larger proportion – 9% year-on-year, to 303,800 tonnes cwe (carcase weight equivalent). Beef exports during the quarter accounted for 60% of production, higher than the 56% seen in the first quarter of 2010 – a somewhat surprising result given the high A$.

Figure 2
Australian beef and veal production and exports*



Source: DAFF * = March quarter

The main increase in exports for the quarter was to Korea, with a 61% jump to 39,562 tonnes swt, mainly due to a strong local economy, high consumption, lower local production concern about beef shortages.

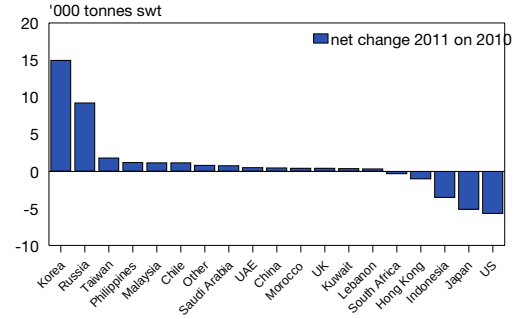
Russia experienced the second largest year-on-year increase, up 369% to 11,719 tonnes swt. However, the March quarter's volumes to Russia compares to a period in early 2010 when exports were still largely restricted by the financial crisis. Russian importers ramped up orders throughout the second half of 2010, when supplies from South America were lower and more expensive.

The US market was the one to experience the largest fall in volumes, down 14% to 35,143 tonnes swt. The strong A$ and technical barriers in the US continued to impede trade.

Following the US, Japan experienced the second largest fall, down 6% to 78,631 tonnes swt during the period. The decrease was mainly attributed to lower supplies of grown steers in Queensland, a strong A$ (which benefited Japanese imports from the US) and a sluggish Japanese economy.

Exports to Indonesia during the March quarter fell 38% to 5,822 tonnes swt year-on-year, as restrictions and uncertainty surrounding the Indonesian government's release of import permits (in an attempt to boost the local cattle industry to reach self sufficiency by 2014) reduced shipments.

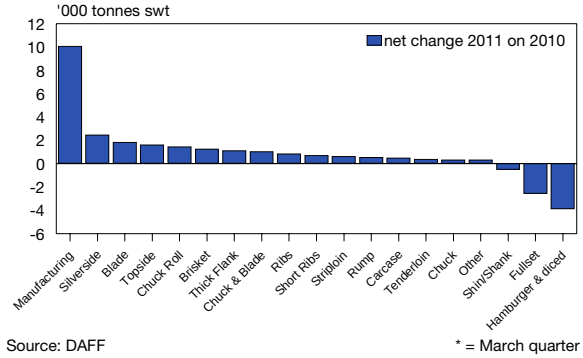
Figure 3
Change in Australian beef & veal exports by market*



Source: DAFF * = March quarter

Regarding cuts composition, the major increase in shipments was in manufacturing product, up 16% year-on-year to 73,978 tonnes swt. The rise came despite a decrease in shipments of these items to the US market (down 20% to 21,768 tonnes swt), as exports to Russia increased from only 86 tonnes swt during the first quarter of 2010, to 5,992 tonnes swt, and exports to Korea rose 219% year-on-year, to 5,546 tonnes swt.

Figure 4
Change in Australian beef & veal exports by cut*



Source: DAFF * = March quarter

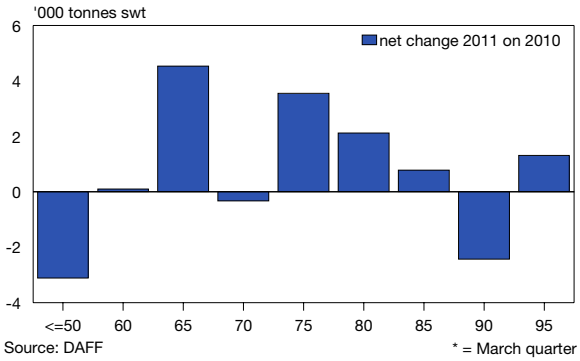
The increase in processing product was experienced mostly in the low CL range, as seasonal conditions allowed for a larger proportion of fat in manufacturing product. This further benefitted trade to Russia and markets other than the US, as the North American market demands mostly high CL beef.

Exports of 50CL and lower lean content decreased considerably during the period down 58% to 2,228 tonnes swt. However, the fall was mainly driven by an 83% slowdown in 24CL product shipped to Japan (to 536 tonnes swt). The overall decrease in 50 or lower CL product was probably related to less grainfed cattle available in Queensland at the beginning of the year and an upgrade to 65CL due to a larger proportion of grassfed cattle availability.

Also contributing to the growth in manufacturing exports, particularly lower CLs, was the large fall in hamburger beef.

Silverside and blade experience the second and third largest year-on-year increases, mainly to the Russian and Korean market.

Figure 5
Australian CL beef exports*



Source: DAFF
* = March quarter

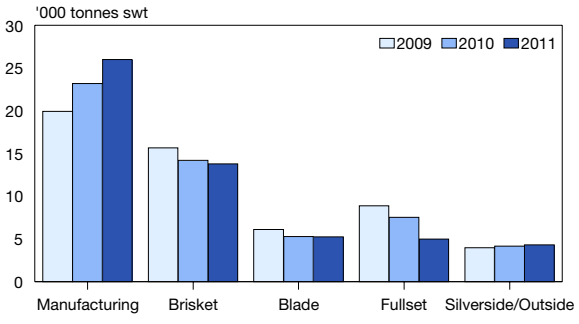
Hamburger and diced beef were the products which experienced the largest decrease, down 65% to 2,139 tonnes swt. The decrease was triggered by a slowdown of shipments of these products to the Japan market and the substitution with manufacturing beef, as further processing shifts to Japan.

In addition, fullset exports were down 34% during the period to 5,004 tonnes swt, as Japanese importers moved away from grainfed fullsets, in favour of individual cuts.

Japan

Australia exported 78,631 tonnes swt of beef to Japan during the first quarter of 2011, down 6% when compared to the same period in 2010. The reduction was mostly attributed to floods in eastern Australia in the early part of the quarter, the robust A$ (which appreciated 10% year-on-year against the US$), and Japan's sluggish economy. The real impact of the natural disaster that hit Japan in mid March will probably be felt during the second quarter.

Figure 6
Australian beef exports to Japan - top 5 cuts*

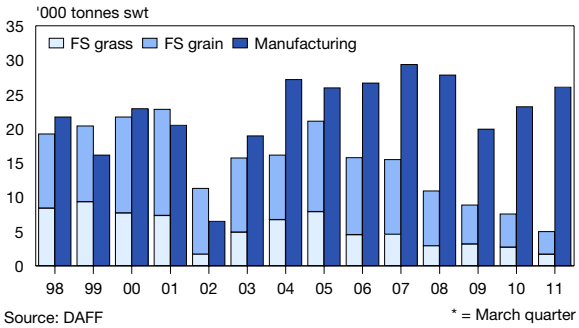


Source: DAFF
* = March quarter

Chilled grainfed beef shipments declined 10% on 2010, to 22,956 tonnes, as the combination of the slow Japan economy, strong A$, competition from US beef and Australian cattle prices continued to challenge both Australian exporters and Japanese buyers. Frozen grassfed product also eased 9% compared with the high 2010 volumes, to 31,929 tonnes swt, but were 1% higher than the first quarter of 2009.

Broken down by cut category, the March quarter followed the ongoing trend of recent years – declining fullset trade (down 34% year-on-year to 4,985 tonnes swt) and robust manufacturing exports (up 12% to 26,017 tonnes swt).

Figure 7
Australian beef exports to Japan - fullset and manufacturing*

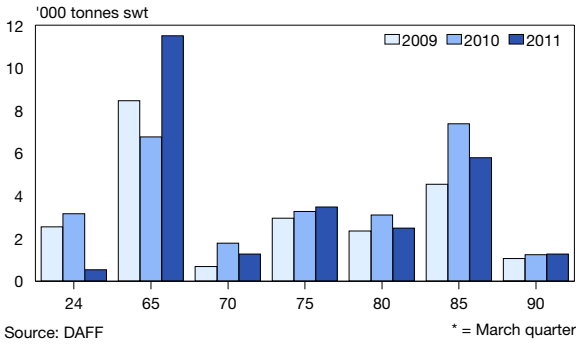


Source: DAFF
* = March quarter

In terms of export volumes, the top five cut groups shipped during the March 2011 quarter were manufacturing, brisket (down 3% year-on-year to 13,814 tonnes swt), blade (down 1% to 5,255 tonnes swt), fullsets and silverside/outside (up 4% to 4,310 tonnes swt).

Shipments of ground and diced beef and hamburger patties peaked in 2009 and early 2010 but declined since, possibly due to the combination of the high A$

Figure 8
Australian beef exports to Japan - major CL*



Source: DAFF
* = March quarter

and manufacturers' shift to processing in Japan. Last quarter, shipments of these products fell 72% on last year to 1,481 tonnes swt.

Among chemical lean categories, 65CL volumes jumped 70% from 2010 to 11,517 tonnes swt, largely due to strong demand for hamburgs (steak sized flattened meat ball) and other pre-cooked food, such as curry and meat sauce. In contrast, shipments of 85CL decreased 22% to 5,791 tonnes swt (but were still 28% higher than in 2009), possibly due to limited availability and increased competition from other international markets.

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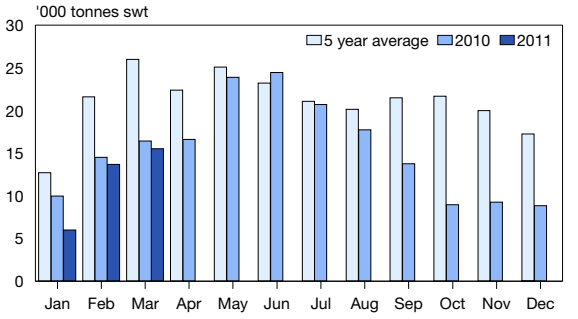
US

Australian beef shipments to the US in the first quarter of 2011 declined 14% on the same period last year, to 35,143 tonnes swt, with a drop in frozen manufacturing beef, making up 96% of the decline.

Australian beef trade flows continue to increase to other export markets, particularly of manufacturing beef, as the strong A$ and technical barriers impede trading to the US.

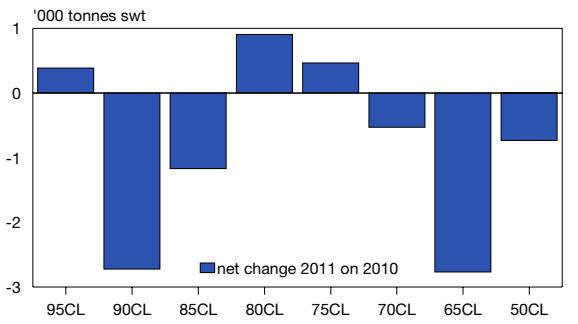
In contrast to the total volume decline to the US, chilled beef shipments during the March quarter increased 12% on 2010 levels, to 5,297 tonnes swt, as opportunities increase for niche grassfed and natural beef products. Chilled beef cuts fuelling the increase were topside/inside (up 40% or 484 tonnes swt), tenderloin (up 41% or 127 tonnes swt), silverside/outside (up 13% or 68 tonnes swt), thick flank/knuckle (up 33% or 55 tonnes swt) and thin flank (up 4% or 61 tonnes swt).

Figure 9
Australian beef & veal exports to the US*



Source: DAFF
* = March quarter

Figure 10
Australian manufacturing beef exports to the US*



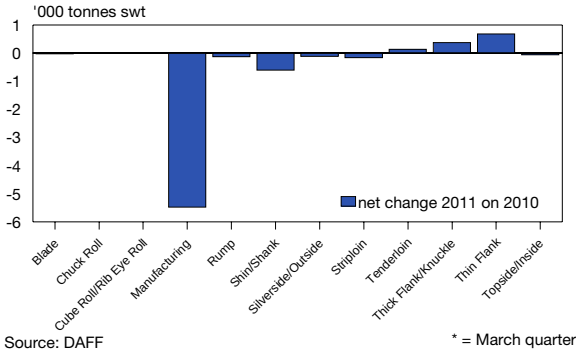
Source: DAFF
* = March quarter

While total Australian manufacturing beef exports over the March quarter increased 16% on year ago levels, manufacturing beef shipments to the US dropped 20%, as lean meat supply tightened amid Australia's improved seasonal conditions, which boosted carcase weights and constrained cow kills. Reflective of this, total Australian 90CL exports declined 18% on year ago volumes, with 90CL and 85CL shipments to the US falling 24% and 22%, respectively, while exports of 80CL to the US increased 32%. Exports of 65CL beef dropped 97% to 90 tonnes swt, as these products were redirected to other markets such as Japan (up 70% year-on-year to 11,517 tonnes swt), South Korea (up 276% to 1,857 tonnes swt) and Russia (up from 0 tonnes in the first quarter of 2010 to 925 tonnes swt during the March quarter in 2011).

Contrary to the US, the majority of Australia's export markets imported more Australian manufacturing beef during the March quarter, with exports increasing to Japan, Korea, South East Asia, Russia, the Middle East and Greater China.

Other cuts to the US to experience a large downturn during the March quarter were shin/shank (down 22% or 615 tonnes swt), striploin (down 17% or 180 tonnes swt), rump (down 24% or 137 tonnes swt) and silverside/outside (down 9% or 127 tonnes swt).

Figure 11
Australian beef & veal exports to the US by cut*



Source: DAFF * = March quarter

Markets which took more Australian shin/shank were Japan and Korea, although there was a 5% decline in total Australian shin/shank exports during the March quarter. Japan and Korea also took more Australian rump and striploin, alongside the EU, with total exports increasing for both these cuts during the first quarter. Australian silverside/outside exports to Russia more than doubled during the March quarter to 2,155 tonnes swt (See figure 33, page 12).

Thin flank exports continue to resist the total volume decline to the US (up 19% or 678 tonnes swt), whereby shipments have been increasing year-on-year. Also experiencing a jump on 2010 levels was thick flank/knuckle (up 53% or 370 tonnes swt) and tenderloin (up 41% or 127 tonnes swt).

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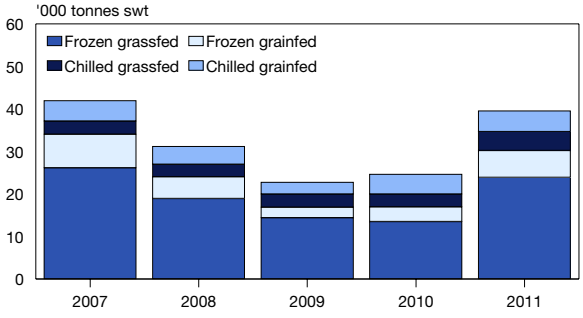
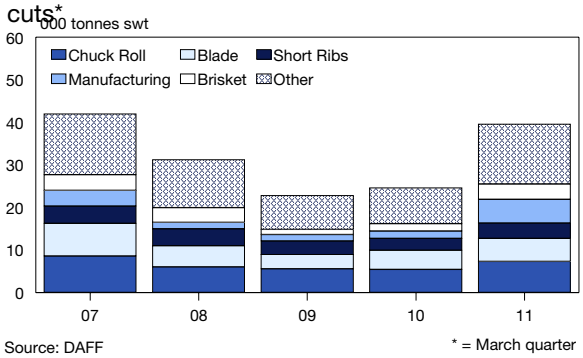
Korea

Figure 12
Australian beef & veal exports to Korea*



Source: DAFF * = March quarter

Figure 13
Australian beef & veal exports to Korea - top 5 cuts*



Source: DAFF * = March quarter

Australian beef exports to Korea during the March quarter totalled 39,562 tonnes swt – a 17% increase on the previous quarter and 61% higher than the same quarter last year. In addition to solid Korean economic growth, local importers ramped up beef purchases from Australia looking to secure future mid-term supplies, assisting in the strong rise in beef exports. Floods in Queensland and Korea's battle against foot-and-mouth disease (which has disrupted beef production) triggered concerns of meat shortages.

Export volumes to Korea last quarter were the highest since the December quarter in 2007 with 46,859 tonnes swt. Strong Korean beef demand was felt across the board, with frozen grassfed, frozen grainfed, chilled grassfed and chilled grainfed volumes all increasing – up 77%, 81%, 51% and 5% year-on-year, respectively. Exports of chilled grassfed reached a record quarterly volume with 4,470 tonnes swt.

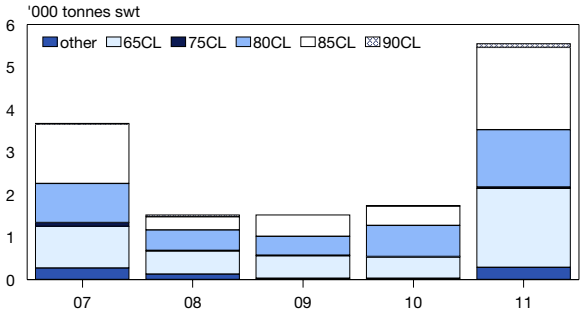
The top five cuts exported from Australia to Korea during the March quarter (making up 64% of total volume) were chuck roll (7,292 tonnes swt), manufacturing (5,546 tonnes swt), blade (5,402 tonnes swt), short ribs (3,649 tonnes swt) and brisket (3,616 tonnes swt).

Manufacturing beef exports rose 219% year-on-year, consisting mainly of 65CL, 80CL trimmings and 85CL forequarter ribs.

While manufacturing beef made up less than 10% of total Australian beef exports to Korea in the last five years, the share of this item represented 14% of total volume in tne March quarter. One of the drivers behind increased Australian manufacturing beef exports to Korea was very strong demand from the fast food sector.

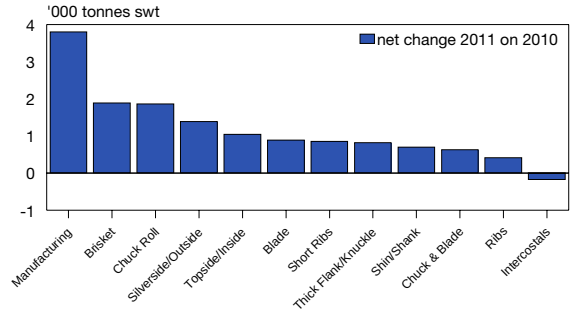
Due to the rising prices for Australian cuts, relatively affordable manufacturing beef was possibly shipped to substitute for other cuts in the production of Bulgogi (marinated beef).

Figure 14
Australian beef exports to Korea - manufacturing*



Source: DAFF * = March quarter

Figure 15
Australian beef exports to Korea - all cuts*



Source: DAFF * = March quarter

The strong demand for Australian beef in Korea resulted in volume increases across most cuts, besides intercostals, fullset and carcase.

Exports of Australian intercostals to Korea have been on a steady decline as Korean barbecue restaurants increasingly take this item off the menu, due to increased supply of traditionally popular cuts like short rib from the US.

Besides manufacturing, exports of brisket (point end deckle off 5-rib), chuck roll (5-rib) and silverside (eye round) all jumped on last year. Rising market prices for Australian brisket earlier this year reportedly triggered a stock-up by Korean beef importers. The average Korean wholesale price for Australian brisket (in local currency terms) during the quarter was 30% higher when compared to the same time last year.

Exports of chuck roll, Korea's staple item, rose 34% year-on-year, while silverside (mainly eye round) was purchased to ensure sufficient product was available for the production of beef jerky – after experiencing shortages in the past.

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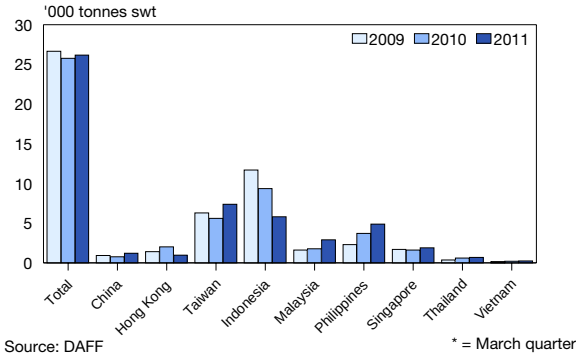
SEA & Greater China Beef

Australian beef exports to South East Asia (SEA) and Greater China (China, Hong Kong and Taiwan) increased 2% during the first quarter of 2011 when compared to the same period last year, to 26,158 tonnes swt.

Figure 16
Beef exports to South East Asia & Greater China*



Source: DAFF * = March quarter

Overall, there was a mixed trend in shipments to the region. Factors influencing trade during the period include the following.

- Lower exports to Indonesia, underpinned by local government's restrictions.
- A fall in shipments to Hong Kong, affected by the high A$.

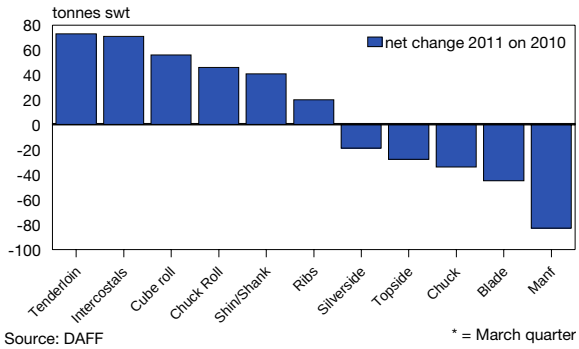
- Increased exports to Taiwan, in response to the local government's partial ban on imports of US product (due to the detection of a leanness promoting drug detected in US beef).

- A rise in exports to Malaysia and the Philippines, supported by strong foodservice and processing demand. In addition, Uruguay (since April 2010) and Brazil (since September 2010) have remained absent from Malaysia due to Halal requirements.

- In contrast to the 2% year-on-year increase in Australian beef exports to South East Asia and Greater China during the first three months of 2011, exports to the region from all major competitors decreased.

Chilled beef exports to SEA and Greater China rose 4%, to 3,158 tonnes swt – 12% of total exports, and frozen exports edged up 1% during this period, to 23,000 tonnes swt.

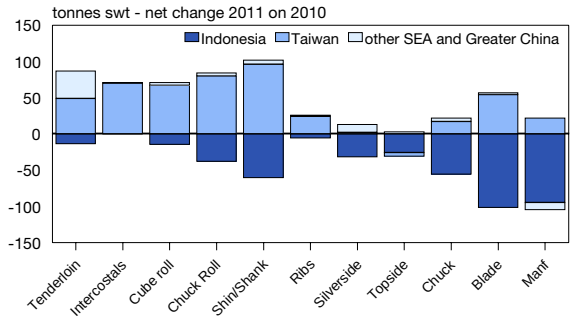
Figure 17
Chilled beef exports to SEA and Greater China*



Source: DAFF

* = March quarter

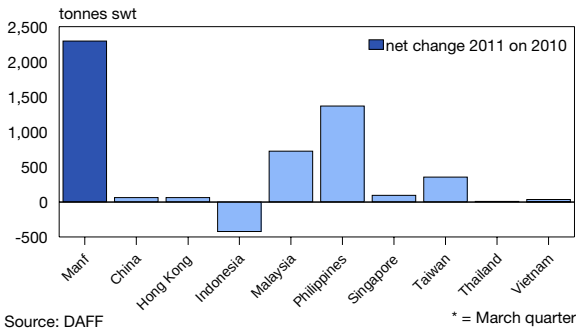
Figure 18
Chilled beef exports to SEA and Greater China*



Source: DAFF

* = March quarter

Figure 19
Frozen manufacturing beef exports to SEA and Greater China*



Source: DAFF

* = March quarter

Chilled

Chilled beef exports were mainly lifted by an increase in shipments to Taiwan, despite a fall in exports to Indonesia.

The increased trade in chilled beef cuts (including tenderloin, intercostals, cube roll, chuck roll and shin shank) was driven by increased demand for these products in Taiwan, as the local government restricted imports of US beef. Some foodservice outlets in Taiwan withdrew from using US beef, and major modern retailers, at the time this report was written, also reduced or removed US beef from shelves.

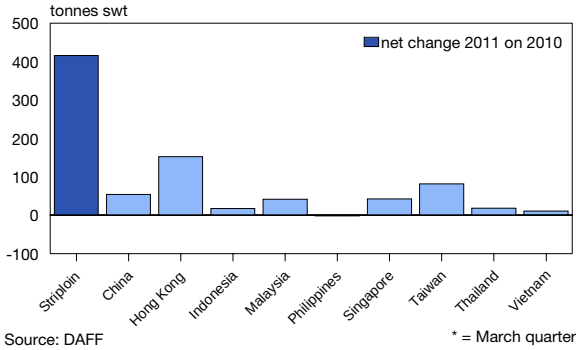
Beef exports to Thailand during the March quarter also reflected higher chilled tenderloin shipments, as buyers placed increased orders for these high-value cuts, anticipating an early filling of the import tariff rate quota this year. By 12 April 2011, imports of Australian beef into Thailand totaled 686 tonnes swt, 66% of the total 1,039.91 tonne import quota for 2011 (Thai Customs Department).

In contrast, chilled Australian blade, chuck, topside and silverside exports to the region were suppressed by the Indonesian government's restriction on beef import permits. Chilled manufacturing beef (fore & hindquarter mix) exports to Indonesia also fell substantially.

Frozen

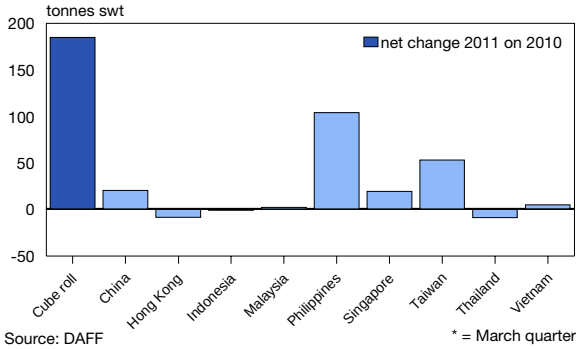
Total frozen exports to the region during the quarter experienced mixed changes, with falls to Indonesia and Hong Kong, and increases to all other markets in the region.

Figure 20
Frozen striploin exports to SEA and Greater China*



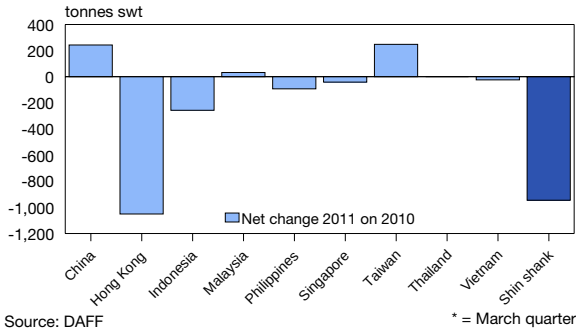
Source: DAFF * = March quarter

Figure 21
Frozen cube roll exports to SEA and Greater China*



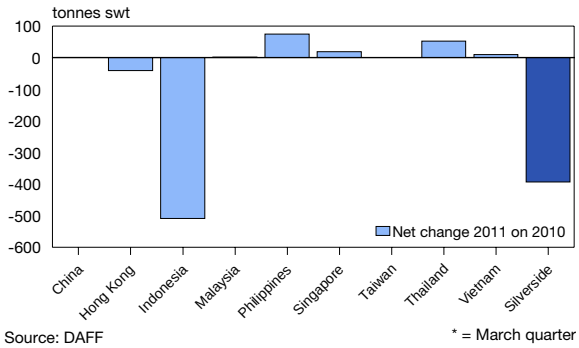
Source: DAFF * = March quarter

Figure 22
Frozen shin/shank exports to SEA and Greater China*



Source: DAFF * = March quarter

Figure 23
Frozen silverside exports to SEA and Greater China*



Source: DAFF * = March quarter

The major increases in shipments to the region were experienced by manufacturing product (up 28%), striploin (up 52%) and cube roll (up 48%), while shipments of shin shank (down 19%), silverside (down 33%) and knuckle (down 18%) fell.

Manufacturing beef, shin shank and knuckle were the top three cuts exported to the region during this period.

While frozen manufacturing beef exports to Indonesia fell 14% during the March quarter to 2,570 tonnes swt, a net increase in exports of these products to the region was driven by a 45% surge in shipments to the Philippines to 4,422 tonnes swt. Shipments from Brazil to the Philippines during the March quarter eased 3% year-on-year to 2,962 tonnes swt. The continuous growth in demand for processed meat, such as hamburger patties and corned beef, subsequently drove up exports from Australia.

For the first time since the March quarter 2007, Philippines overtook Indonesia as the largest market of Australian manufacturing beef in the region.

Frozen manufacturing beef exports to Malaysia also grew 122% during this period, to 1,317 tonnes swt, as imports from Uruguay (since April 2010) and Brazil (September 2010) have been suspended due to Halal requirements. Frozen manufacturing beef exports to Taiwan (up 56% to 990 tonnes swt), which mainly contained trimmings and forequarter, were also lifted by demand in the foodservice sector.

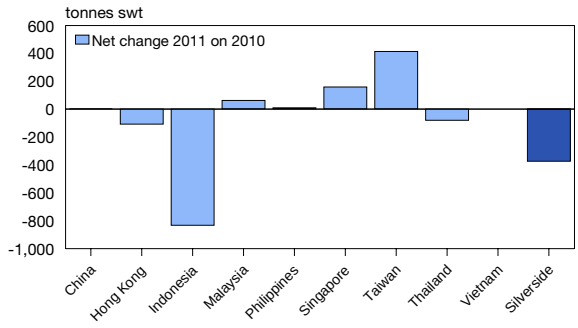
Of the total frozen manufacturing beef exports to the region, Indonesia, Malaysia and Taiwan took the majority of 85CL products, while shipments to the Philippines were dominated by 75CL.

The frozen striploin (689 tonnes swt) and cube roll (351 tonnes swt) trade to SEA and Greater China took advantage of softer demand in Japan and the US over the March quarter, with increased shipments seen to almost all markets in the region.

On the down side, total frozen shin shank exports to SEA and Greater China during the March quarter dropped 20% year-on-year, to 3,699 tonnes swt. The fall came despite a 10% increase in shipments to Taiwan (to 2,746 tonnes swt).

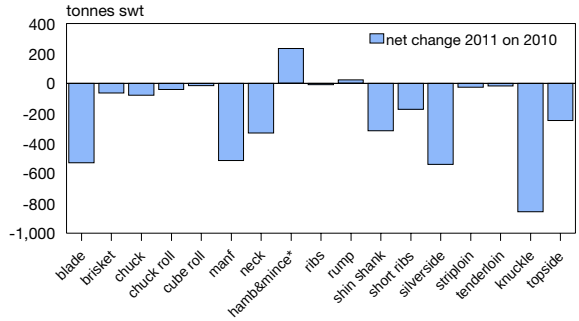
Frozen shin shank exports to Hong Kong fell 94% during the three months to March 2011 (to only 67 tonnes swt), partly offset by the 225% jump in exports to China (to 353 tonnes swt). While a small part of the fall was

Figure 24
Frozen knuckle exports to SEA and Greater China*



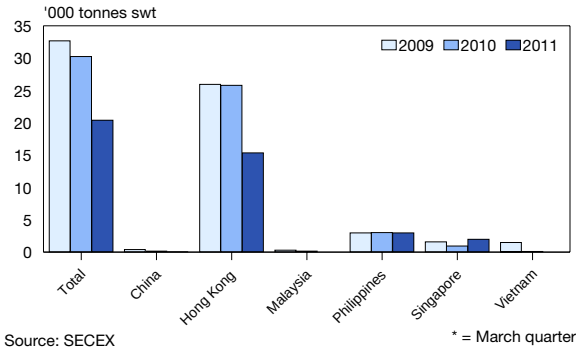
Source: DAFF
* = March quarter

Figure 25
Beef exports to Indonesia*



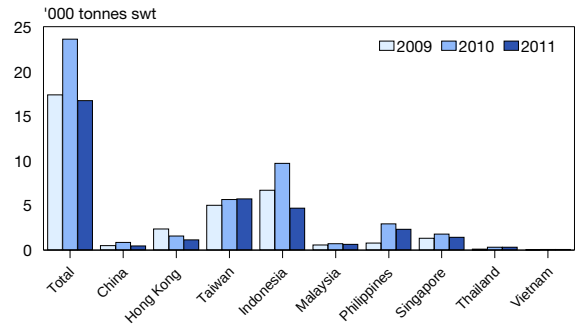
* hamburger (ground beef), hamburger patty and mince beef (ground)
Source: DAFF
* = March quarter

Figure 26
Brazilian beef exports to SEA & Greater China*



Source: SECEX
* = March quarter

Figure 27
New Zealand beef exports to SEA & Greater China*



Source: Beef + Lamb New Zealand
* = March quarter

experienced in grassfed shin shank, the majority of the decline was attributed to drops in shipments of grainfed shin shank. A low US$/record high A$ benefited a more competitively priced US product, over Australian shin shank shipments.

Exports of frozen silverside (683 tonnes swt) and knuckle (1,564 tonnes swt), the two popular beef cuts at modern retail outlets in Indonesia, were mainly affected by the government's restriction on beef imports.

Indonesia

Overall, beef exports from Australia to Indonesia during the March quarter fell 38% to 5,822 tonnes swt year-on-year, as restrictions and uncertainty surrounding the Indonesian government's release of import permits took toll on beef shipments.

Chilled shipments during the three months to March dropped 55% year-on-year, to 433 tonnes swt, and frozen volumes fell 36%, to 5,389 tonnes swt.

Shipments of chilled beef to Indonesia slid across all cuts during the March quarter. Falls in frozen volumes were seen across almost all cuts, with the exception of hamburger (ground beef), hamburger patty and mince beef (ground) (altogether up 226% to 338 tonnes swt) and rump (up 24% to 124 tonnes swt).

Increased exports of hamburger (ground beef), hamburger patty and mince beef (ground) to Indonesia started in July 2010, as the openings of new international fast food outlets urged demand and permits for these products.

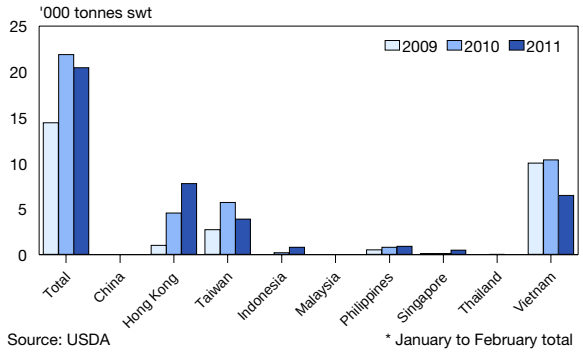
Shipments of hamburger (ground beef), hamburger patty and mince beef (ground) during the March quarter accounted for 6% of total frozen beef exports to Indonesia, compared with 1% in the March quarter 2010.

Competitors

Brazilian beef exports to the SEA and Greater China region fell 33% year-on-year, to 20,415 tonnes swt, mirroring the 40% slump in shipments to Hong Kong, to 15,371 tonnes swt – 75% of total beef shipments from Brazil to this region.

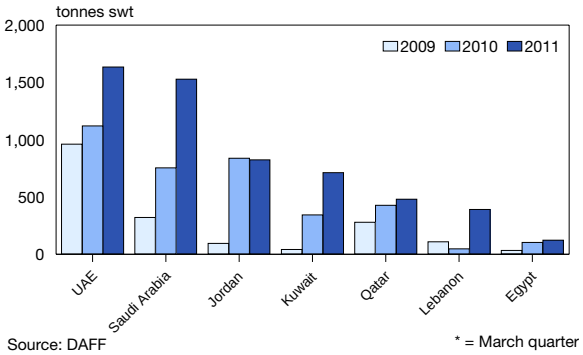
Shipments from New Zealand during the first three months of 2011 decreased 29%, to 16,737 tonnes swt. Exports fell to most markets in the region, with the exception of Taiwan and Thailand.

Figure 28
US beef exports to SEA & Greater China*



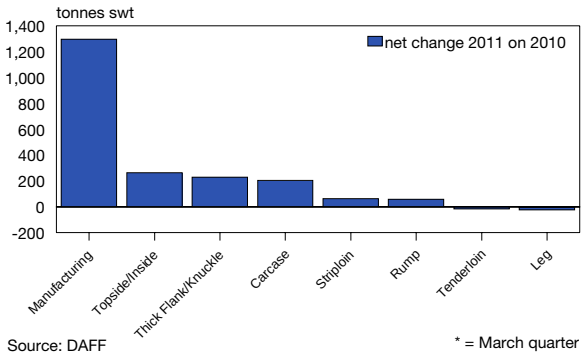
Source: USDA
* January to February total

Figure 29
Australian beef & veal exports to the Middle East*



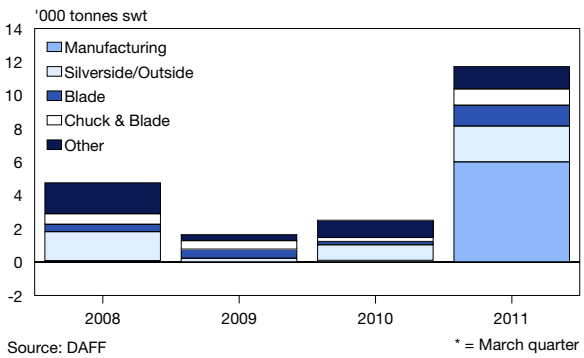
Source: DAFF
* = March quarter

Figure 30
Australian beef & veal exports to the Middle East*



Source: DAFF
* = March quarter

Figure 31
Australian beef & veal exports to Russia*



Source: DAFF
* = March quarter

US beef exports to SEA and Greater China over the two months to March totalled 30,965 tonnes swt, 6% less than 12 months ago. The Taiwanese government's ban on imports of US beef raised with the use of leanness promoting drugs impacted US exports during the two month period.

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Middle East

Australian beef and veal exports to the Middle East during the first quarter of 2011 increased 59% year-on-year to 6,035 tonnes swt.

The shipment increase was mainly attributed to the UAE (up 46% to 1,632 tonnes swt), Saudi Arabia (up 102% to 1,526 tonnes swt), Lebanon (up 693% to 392 tonnes swt) and Kuwait (up 107% to 712 tonnes swt).

The cut groups which experienced the main increases were manufacturing product (up 130% to 2,299 tonnes swt), topside/inside (up 22% to 1,461 tonnes swt) and thick flank/knuckle (up 75% to 539 tonnes swt).

The top four countries demanding manufacturing beef were Saudi Arabia (849 tonnes swt), the UAE (485 tonnes swt), Kuwait (426 tonnes swt) and Jordan (363 tonnes swt).

The main manufacturing products exported were forequarter ribs and trimmings, destined mainly for use in hamburger outlets and also as the key ingredient for the local dish - 'kofta' (meatball or meatloaf).

Topside/inside exports were led by the UAE (345 tonnes swt), Jordan (336 tonnes swt), Saudi Arabia (303 tonnes swt) and Qatar (225 tonnes swt). The key use for this cut is as barbeque steak, along with being diced at retail.

Lebanon was the main driver behind the increase in thick flank/knuckle shipments, up from just 22 tonnes swt during the first quarter of 2010 to 226 tonnes swt during the same period in 2011, due predominantly to shortages from Brazil. The main uses are as diced beef, given the relatively low fat content and therefore high yield in 98CL product for hamburger mix, and in some cases as steak in retail.

The UAE was the other major destination, rising from 55 tonnes swt during the first three months 2010 to 104 tonnes swt in 2011, attributed partly to strong retail promotions.

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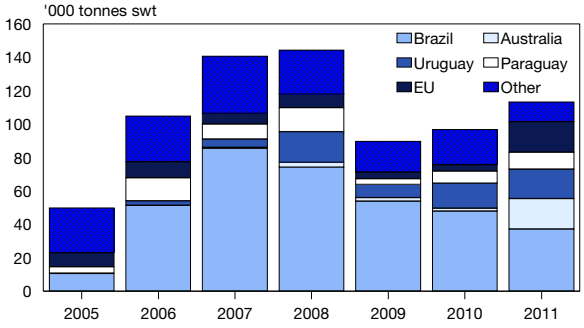
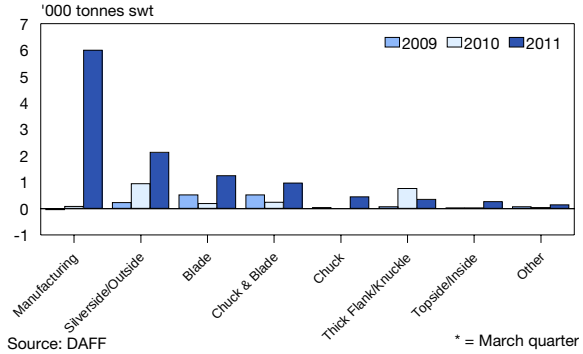
Figure 32
Russian beef imports*



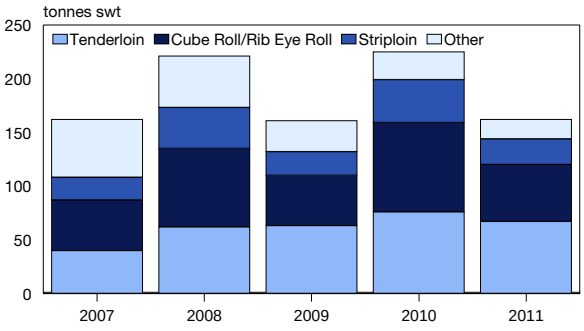
Source: Global Trade Atlas
* = March quarter

Figure 33
Frozen Australian beef & veal exports to Russia*



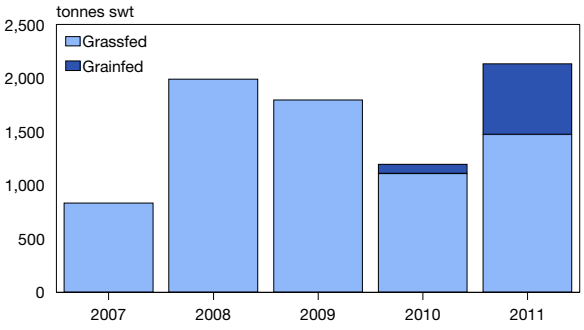
Source: DAFF
* = March quarter

Figure 34
Chilled Australian beef & veal exports to Russia*



Source: DAFF
* = March quarter

Figure 35
Australian beef & veal exports to the EU*



Source: DAFF
* = March quarter

Russia

Australian beef and veal exports to Russia during the first three months of 2011 jumped 369%, when compared to the same period in 2010 to 11,719 tonnes swt. Shipments were also 147% higher when compared to the 4,740 tonnes swt exported during the first quarter of 2008, a year in which exports to this market reached a record 69,763 tonnes swt.

Although exports to this market have reached a record for the period and were much higher than in 2010, Russian demand remains somewhat uncertain.

Imports from Australia to this country during the quarter were driven by the low supplies from the dominant South American suppliers. However, Russian purchasing behaviour remains subdued even when compared to mid 2008 and late 2010 levels, as importers are buying in a more conservative way avoiding the piling up of stocks. Although total Russian imports during the March quarter were up 17% year-on-year to 113,297 tonnes swt, trade was 22% lower when compared to the same period in 2008 and 19% below 2007 volumes.

Russian buying of Australian beef and veal will remain dependant on underlying beef demand, the availability of more competitive processing beef supplies from South America, the A$ and the return of Australian product to the US market.

The year-on-year rise was driven mainly by a 407% jump in frozen product, to 11,533 tonnes swt. Within these products, manufacturing beef exports increased from only 86 tonnes swt during the first quarter of 2010 to 5,992 tonnes swt in 2011. Other main increases were silverside/outside (up 127% to 2,130 tonnes swt) and blade (up 560% to 1,246 tonnes swt).

Exports of chilled products to Russia during the period decreased 28%, to 162 tonnes swt, as the high end segment continues to be restrained by a cautious local customer that has not yet returned to the high spending behaviour seen before the GFC. In addition, a low US$ has made beef imports from the US increasingly attractive, with restaurants using both chilled and frozen US products in their menus.

The main chilled products shipped to Russia during the first quarter of 2011 were tenderloin (36% of the total) and cube roll (28%).

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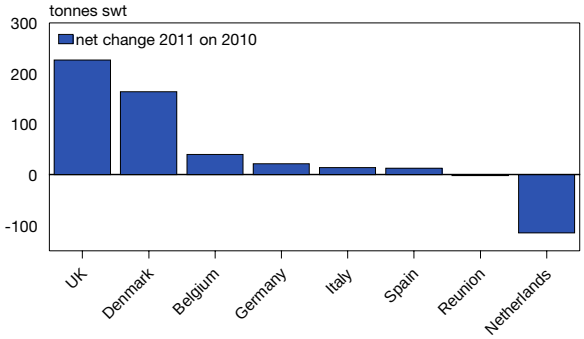
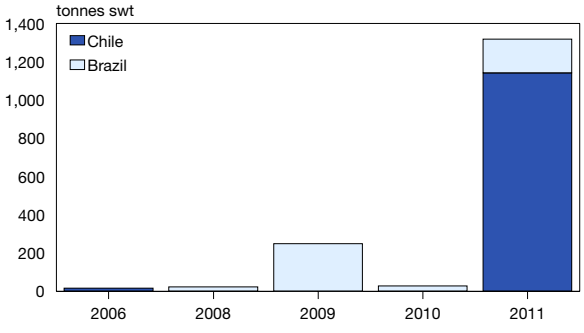
Figure 36
Australian grassfed beef & veal exports to the EU*



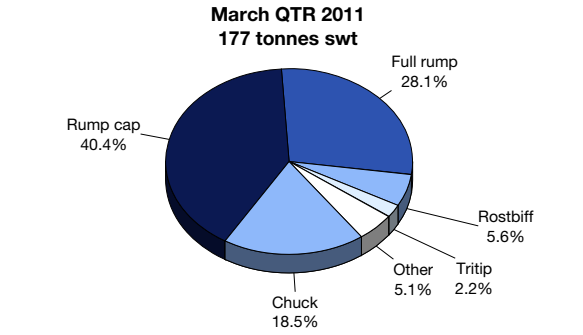
Source: DAFF * = March quarter

Figure 37
Australian beef & veal exports to South America*



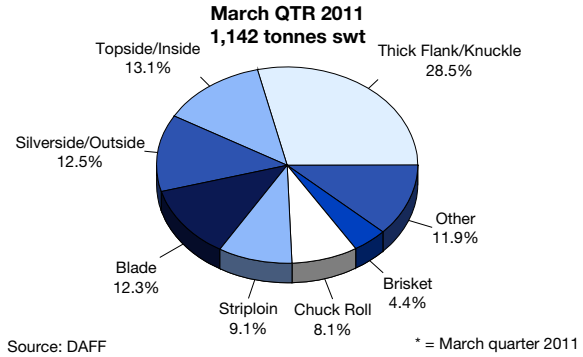
Source: DAFF * = March quarter

Figure 38
Australian beef & veal exports to Brazil*



Source: DAFF * = March quarter 2011

Figure 39
Australian beef & veal exports to Chile



Source: DAFF * = March quarter 2011

European Union

Australian beef exports to the European Union during the March quarter of 2011 were up 78%, to 2,135 tonnes swt. The increase was driven by a 663% rise in exports of grainfed beef shipped mostly under the new grain fed beef quota, for which Australia was granted access in February 2010.

Exports of these products have been mainly composed of silverside/outside (16%), topside (15%), striploin (11%), chuck roll (11%) and thick flank/knuckle (10%).

Exports of grass fed product, which are exported to the EU mostly under the 'Hilton' High Quality Beef quota (although a small percentage has also been shipped under the frozen GATT quota), were also higher year-on-year, up 33% to 1,472 tonnes swt.

The main increases in exports to the region were to the UK (up 41% to 783 tonnes swt), Denmark (up 90% to 348 tonnes swt) and Belgium (up 145% to 67 tonnes swt). The only major fall was to the Netherlands.

The main grassfed products exported to the EU during the period were topside/inside (25% of the total), striploin (20%), rump (18%), cube roll (10%) tenderloin (9%) and silverside/outside (9%).

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South America

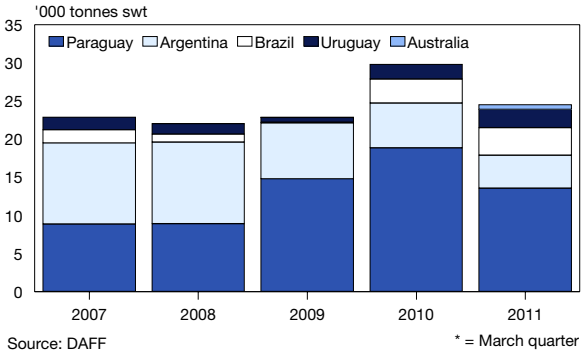
Australian beef and veal exports to South America during the March quarter rose from only 28 tonnes swt in 2010, to 1,319 tonnes swt in 2011.

Exports to Brazil jumped 539% year-on-year, to 177 tonnes swt (all frozen product), with 76% of the total consisting of rump (mainly rump cap and full rump), 19% chuck and the remainder 5% striploin, cube roll and other cuts.

Beef and veal exports to Chile during the period totaled 1,147 tonnes swt, compared with no exports in the March quarter of the previous three years and only 17 tonnes swt in the first quarter of 2006.

Although shipments to this market have jumped year-on-year, volumes in recent years have been sporadic and have not shown any seasonal pattern. Beef exports to Chile reached a record of 9,831 tonnes swt during the full calendar year 2008 (when Chile's traditional suppliers were in short supply and the financial crisis had not yet hit) and almost 4,939 tonnes swt in 2010.

Figure 40
Chilean beef imports*



Source: DAFF * = March quarter

Exports to Chile during the March quarter (90% of which was chilled product) were mainly composed of thick flank/knuckle (29% of the total), topside/inside (13%), silverside/outside (13%) and blade (12%), with striploin, chuck roll and brisket also significant.

The Chilean economy is experiencing a period of sustained growth, with an expanding middle class increasingly demanding higher value food items, including beef. At a time when traditional South American beef suppliers are in short supply (especially Argentina and Paraguay) and local beef production has stalled, demand for beef from other sources, such as Australia and the US, are anticipated to increase.

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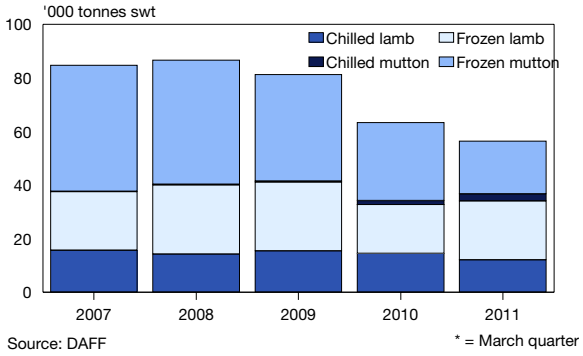
Sheepmeat

Overview

Australian sheepmeat exports during the first quarter of 2011 fell 11% when compared to the same period in 2010, to 56,367 tonnes swt. The decline continues to be driven by the ongoing decrease in mutton exports, which fell 27% to 22,278 tonnes swt during the period. In contrast, increasing availability of lamb allowed for a 4% increase in exports to 34,089 tonnes swt in the March quarter.

Figure 41
Australian sheepmeat exports*



Source: DAFF * = March quarter

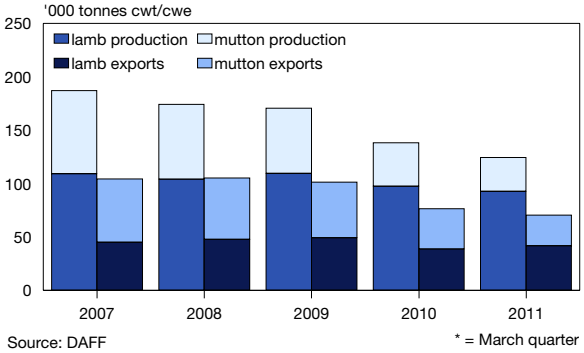
The rise in lamb exports came despite a 5% fall in production during the period, to 92,709 tonnes cwt, with exports (41,641 tonnes cwe) accounting for 45% of production (in contrast to 40% in the first quarter of 2010) – testament to the strength of global demand (especially in the Middle East and Asia), despite the high A$.

Mutton production during the period fell by a larger 22% year-on-year to 31,706 tonnes cwt, with exports (28,866 tonnes cwe) accounting for 91% of mutton production, down from 92% in 2010.

As such, total sheepmeat production in the March quarter totaled 124,415 tonnes cwt – down 10% when compared to the March quarter in 2010. Total sheepmeat exports fell by a lower 8% to 70,508 tonnes cwe during the period, accounting for 57% of sheepmeat production (higher than the 55% out of the total during the first quarter of 2010).

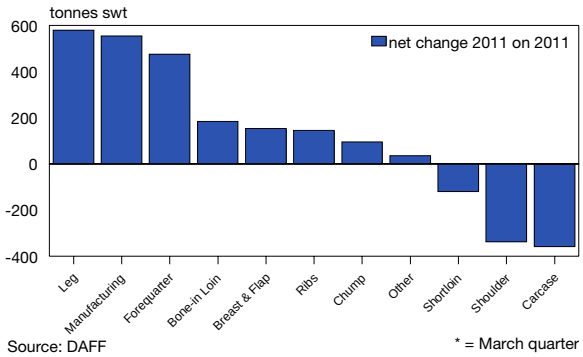
Leg was the main cut for which lamb shipments increased – up 8% to 7,489 tonnes swt. The rise was mainly driven by higher shipments to the UK, Iran and Canada, although these items experienced slight falls to France and Jordan.

Figure 42
Australian sheepmeat exports and production*



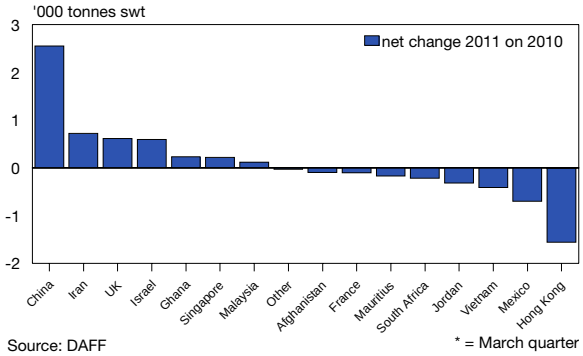
Source: DAFF * = March quarter

Figure 43
Change in Australian lamb exports by cut*



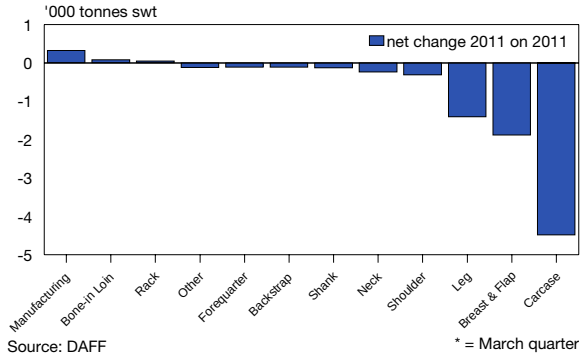
Source: DAFF * = March quarter

Figure 44
Change in Australian lamb exports by market*



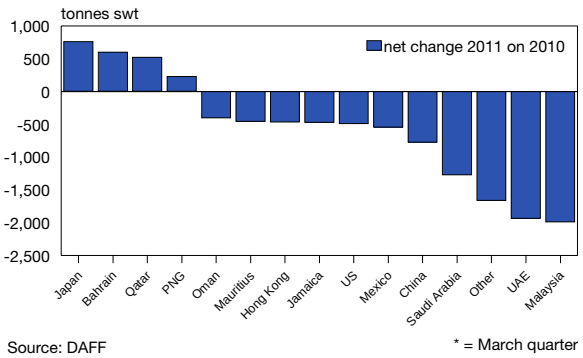
Source: DAFF * = March quarter

Figure 45
Change in Australian mutton exports by cut*



Source: DAFF * = March quarter

Figure 46
Change in Australian mutton exports by country*



Source: DAFF * = March quarter

The decline in lamb shipment was in carcases, shoulders and shortloins.

Manufacturing lamb followed (up 21% to 3,204 tonnes swt), with a large rise in shipments to China, partly offset by a fall in shipments to Hong Kong. Forequarter experienced the third largest increase (up 69% to 1,163 tonnes swt), as shipments of this product increased to the Middle Eastern markets of UAE, Israel, Saudi Arabia, Iran and Jordan.

The main increase during the period was experienced in shipments to China (up 127% year-on-year to 4,563 tonnes swt). The rise in shipments to this market was driven by a 119% jump in breast & flap exports (the dominant export) to 3,358 tonnes swt, and a 136% rise in manufacturing lamb exports to 940 tonnes swt.

The US, Australia's main lamb export destination, remained steady during the period, increasing 1%, to 8,659 tonnes swt.

The main decrease in lamb exports during the period was experienced by Hong Kong (down 53% year-on-year to 1,373 tonnes swt). The fall was driven by a 63% fall in breast & flap shipments to 777 tonnes swt and a 37% fall in manufacturing product to 416 tonnes swt. Other falls were predominantly to some of the most price-sensitive markets, notably Mexico, Vietnam, South Africa and Afghanistan.

The fall in mutton exports during the first quarter of 2011 was driven by a 31% decrease in carcase exports to 9,853 tonnes swt, as traders aimed to increase the value of the animal by shipping individual cuts. The main falls in carcase shipments was experienced in exports to Malaysia (down 84% to 314 tonnes swt), the UAE (down 57% to 912 tonnes swt), Saudi Arabia (down 27% to 1,885 tonnes swt) and Jamaica (down 78% to 136 tonnes swt).

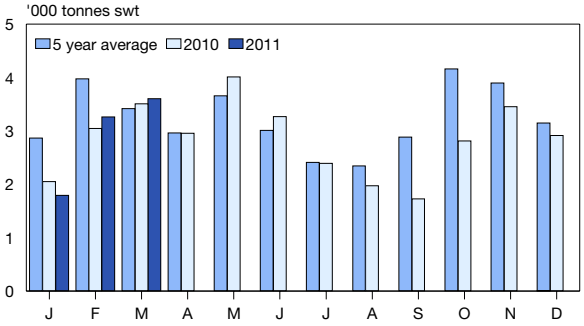
Other mutton cuts which experienced a considerable drop were breast & flap, down 56% to 1,500 tonnes swt (with the main falls experienced in shipments to China, Hong Kong and South Africa) and leg, down 25% year-on-year to 4,135 tonnes swt (with the main decreases experienced in exports to the US, the UAE, Saudi Arabia and Singapore).

The only increases in mutton exports were to Japan, Bahrain, Qatar and, surprisingly given its normal price-sensitivity, Papua New Guinea.

US

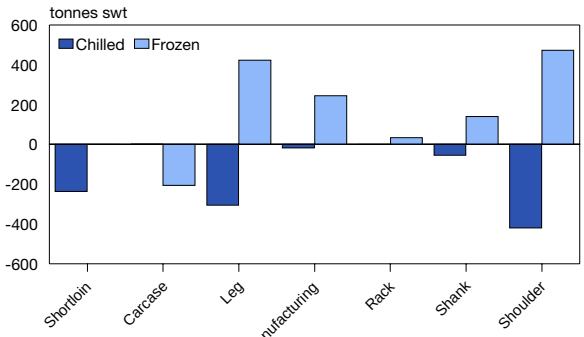
Australian lamb exports to the US over the 2011 March quarter lifted slightly (1%) on the same period last year, to 8,659 tonnes swt, although the comparison is against a year which saw the lowest March quarterly shipments to the US since 2003. In comparison to the five year average, Australian lamb exports to the US were down 12%.

Figure 47
Australian lamb exports to the US



Source: DAFF

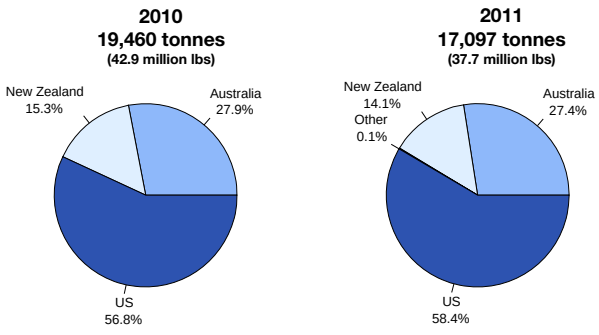
Figure 48
Australian lamb exports to the US by cut*



Source: DAFF

* = March quarter

Figure 49
US lamb market supply: January to February



Source: USDA

Assisting lamb exports to the US has been a 32% jump in heavy weight lamb yardings during the first quarter of this year. In contrast, yardings of light and trade weight lambs dropped 38% and 16% over the same period. With demand strong from all buying sectors, competition intensified at Australia's physical markets. This has meant Australian lamb livestock prices reached unprecedented levels at the start of February - smashing through the 600¢/kg cwt barrier for trade and heavy lambs.

For the March quarter, total Australian lamb leg exports jumped 4% (up 116 tonnes) on 2009 volumes. Alongside lamb legs, racks, manufacturing, shoulders and shanks also recorded rises to the US, with exports up 3%, 163%, 3% and 10%, respectively. However, there was also a significant shift from chilled to frozen form in two of the main export cuts, leg and shoulder.

Despite a high A$ and import prices, demand for Australian lamb (particularly for frozen lamb racks, legs and shoulders) has been assisted by an overall drop in total lamb supply in the US – down 12% in January/ February. Lamb stocks appear to have been depleted by lower supplies from New Zealand and US domestic production over the past three months.

New Zealand lamb exports to the US for the first quarter of this year dropped 12% on 2010, with a 26% decline in frozen lamb exports, while chilled exports increased 12%. US sheepmeat production over the January to February period dipped 12% below year ago levels.

Reflecting record Australian lamb livestock prices, a persistently higher A$, and an overall decline in total lamb supply in the US, US import prices of Australian lamb for a range of products (according to USDA price reporting) over the March quarter averaged approximately 35% above the same period in 2010.

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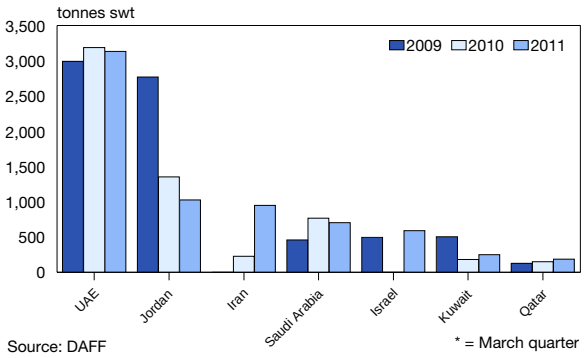
Middle East

Australian lamb exports to the Middle East during the first quarter of 2011 increased 12% year-on-year, to 6,923 tonnes swt.

The main increases in lamb shipments to the region were experienced by Iran (up 318% to 948 tonnes swt), Israel (up from zero in 2010 to 594 tonnes swt) and Kuwait (up 38% year-on-year to 252 tonnes swt). The UAE held relatively steady (down 2% to 3,132 tonnes).

Iran's demand was partly due to shortages in supply. The main cuts exported were leg at 289 tonnes swt, bone-in loin at 144 tonnes swt (increasing due to the barbeque season) and shoulder at 123 tonnes swt (all frozen product). Carcase was the only chilled product exported to this market, making up 11% of the total volume.

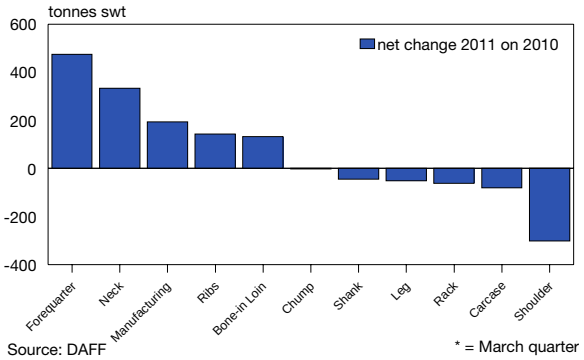
Figure 50
Australian lamb exports to the Middle East*



Source: DAFF

* = March quarter

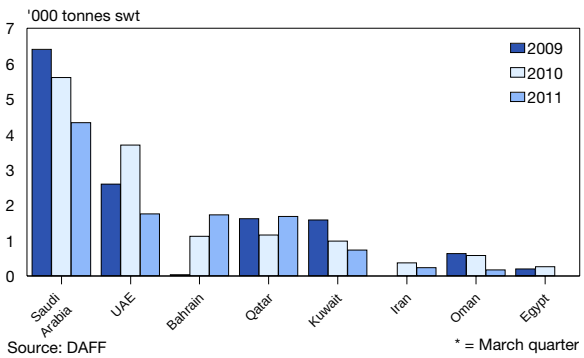
Figure 51
Australian lamb exports to the Middle East*



Source: DAFF

* = March quarter

Figure 52
Australian mutton exports to the Middle East*



Source: DAFF

* = March quarter

Israel's jump in lamb demand this year was the result of clearing imported meat out of cold storage that had built up during fourth quarter of 2010.

Jordan experienced the main decrease in shipments (down 24% to 1,029 tonnes swt), followed by Egypt (down to zero from 65 tonnes swt in 2010). Due to the political upheaval in the region, logistics in Egypt have been lacking and Jordan's role as a hub for redistribution into Syria and Iraq has been more challenging.

The leading cut increase was forequarter (up 77% to 1,089 tonnes swt), used in kofta and dicing meat at retail. Neck was also up, rising from just 11 tonnes swt in 2010 to 344 tonnes this year, specifically destined to the many building construction labour camps, as a cheap protein substitute in lieu of the short supply of six-way cut mutton.

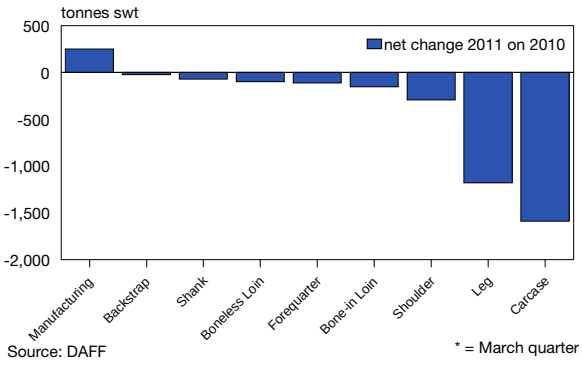
Carcase exports registered the largest volume shipped to the region at 2,527 tonnes swt, though down 3% on 2010, while shoulder dropped 29% to 752 tonnes swt.

Australian mutton exports to the Middle East during the period decreased 24% year-on-year, to 10,561 tonnes swt.

The low availability, and resultant increase in prices, has seen some retailer resistance, particularly in Saudi Arabia (down 23% to 4,330 tonnes swt), and in the UAE (down 52% to 1,754 tonnes swt) – where a continued clearance of significant stocks from the religious festival 'Eid Al Adha' in late 2010 has meant a reduced volume has been required.

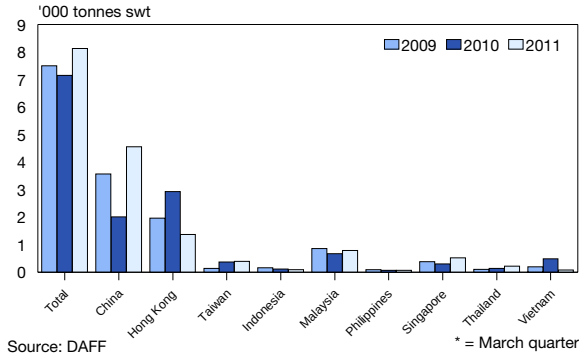
The main increases were again seen in Bahrain (up 54% to 1,724 tonnes swt) and Qatar (up 45% to 1,681 tonnes swt), both markets being assisted by government subsidies to contain price rises.

Figure 53
Australian mutton exports to the Middle East*



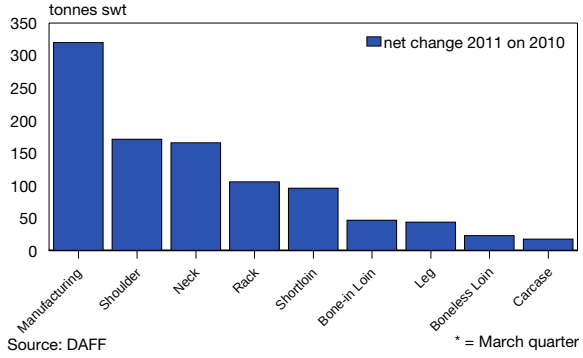
Source: DAFF
* = March quarter

Figure 54
Lamb exports to South East Asia & Greater China*



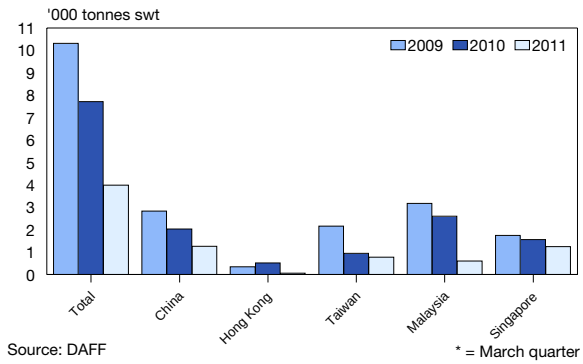
Source: DAFF
* = March quarter

Figure 55
Lamb exports to South East Asia and Greater China*



Source: DAFF
* = March quarter

Figure 56
Mutton exports to South East Asia & Greater China*



Source: DAFF
* = March quarter

The leading cuts exported to the region were manufacturing product and neck, up 34% to 989 tonnes swt and 87% to 68 tonnes swt respectively.

Manufacturing mutton is used similarly to manufacturing lamb, being the key 'kofta' ingredient and as diced product, while neck is being channelled into the labour camps, given the lack of six-way cut mutton.

The main falls in mutton shipments during the period included carcase (down 20% to 6,245 tonnes swt), leg (down 37% to 2,039 tonnes swt) and shoulder (down 34% to 575 tonnes swt).

Bahrain's increase was dominated by carcase, suitable for the island Kingdom's 'souks' (wet markets). This is to compensate for lower slaughter numbers in Bahrain, due to political unrest and a lack of live sheep supply.

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South East Asia and Greater China

Australia exported 8,130 tonnes swt of lamb to South East Asia (SEA) and Greater China during the first quarter of 2011, up 14% when compared to the same period last year – the highest volume on record for the March quarter.

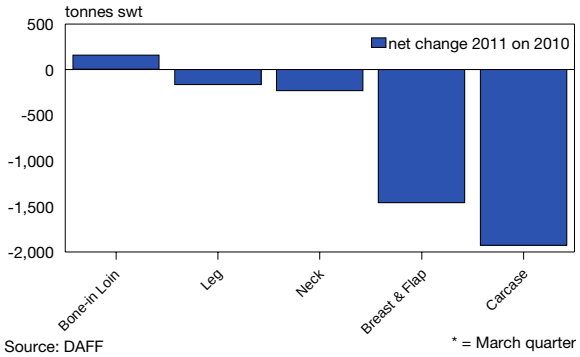
A trend noticed since the second half of 2010 was the increased lamb exports to mainland China, more than offsetting a fall in shipments to Hong Kong. While demand for lamb hot pot in China remained the key driver for breast and flap, manufacturing and neck exports to the region and increased shipments to Malaysia (mainly shoulder) also contributed to the rise during the March quarter.

Underpinning the strong growth in exports to the region during the period was also the lower lamb supply from New Zealand. This followed adverse weather conditions last spring, which saw New Zealand shipments during the three months to March fall 21% year-on-year to 11,441 tonnes swt.

In contrast to lamb, Australia's mutton exports to SEA and Greater China during the three months to March dropped 48% year-on-year, to 3,981 tonnes swt.

Ongoing factors affecting mutton exports to the region during this period were tight supply, a high A$ and record sheep prices. Consequently, exports of mutton carcase and breast & flap to the region during March quarter 2011 both fell 61% to 1,232 tonnes swt and 924 tonnes swt, respectively.

Figure 57
Mutton exports to South East Asia and Greater China*



Source: DAFF
* = March quarter

Mutton neck exports slumped 69% during the period, as the hot pot product demand dropped due to warmer spring temperatures, demand which was already affected by accelerating import prices.

In contrast to the general downward trend for mutton during the period was exports of mutton bone-in loin. While mutton rack is served in foodservice outlets in Taiwan, high prices for rack during the first few months this year saw increased placement of bone-in loin orders in substitution. Mutton rack and bone-in loin are mainly served as chops in high-end foodservice outlets.

While the record high A$ during January to March continued to put pressure on the already high mutton prices, New Zealand mutton shipments to the region during the period jumped 23% year-on-year, to 12,023 tonnes swt.

Australian sheepmeat shipments to SEA and Greater China totalled 12,111 tonnes swt during the March quarter 2011, down 18% compared with a year ago. During the same period, New Zealand exported 15,123 tonnes swt of sheepmeat to the region, 4% below the volume sent last March quarter.

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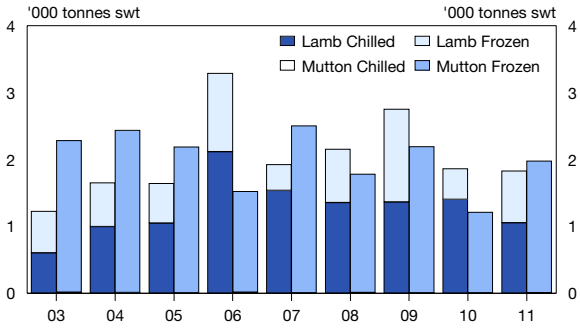
Japan

In the first quarter of 2011, Australia exported 3,799 tonnes swt of sheepmeat to Japan, up 24% when compared to the low volumes in 2010. The improvement was largely due to an increase in frozen mutton shipments, as buyers had momentum to replenish reduced stocks after months of limited supplies and subdued buying.

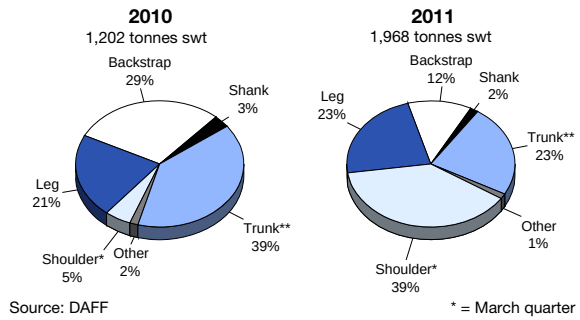
Figure 58
Australian sheepmeat exports to Japan*



Source: DAFF
* = March quarter

Frozen mutton exports to Japan during the period surged 64% on the previous year, to 1,968 tonnes swt, with major increases in shoulder meat (33 tonnes swt in 2010 to 728 tonnes swt this year) and leg shipments (up 74% to 449 tonnes swt). In contrast, higher value items declined, such as backstrap, down 32% year-on-year to 239 tonnes swt, reflecting the tough market conditions. These mutton products are used for Genghis Khan dishes (Mongolian style sheepmeat barbecue), mostly in Hokkaido (the northern island of Japan), both in the foodservice and retail sectors (often marinated and pre-packed).

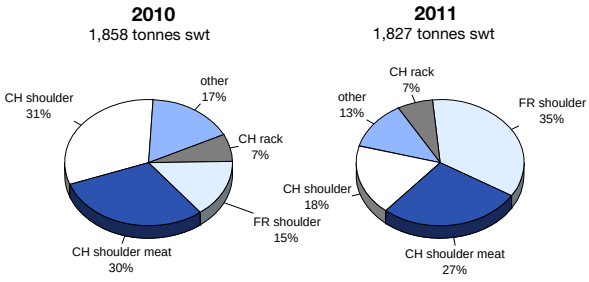
Figure 59
Frozen mutton exports to Japan by cut*



Source: DAFF
* = March quarter
Note: Shoulder* includes shoulder meat. Trunk** includes trunk meat.

Australian lamb shipments to Japan totalled 1,827 tonnes swt during the quarter, down 2% on the same period in 2010. A fall in chilled shoulder and shoulder meat volumes (43% to 329 tonnes swt and 11% to 502 tonnes swt, respectively) was compensated by a surge in frozen shoulder shipments, up 133% to 641 tonnes swt.

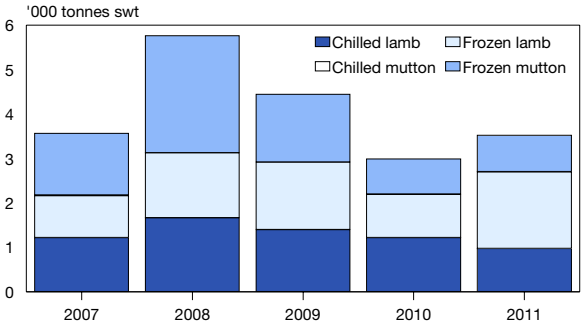
Figure 60
Lamb exports to Japan by cut*



Source: DAFF

* = March quarter

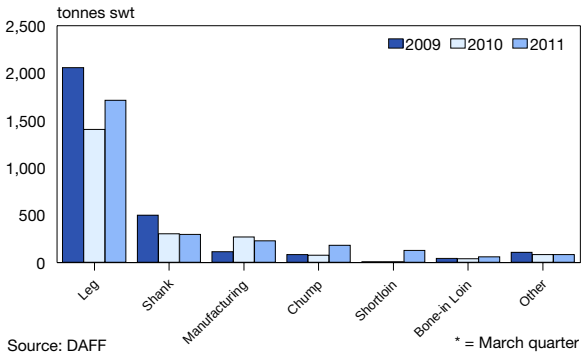
Figure 61
Australian sheepmeat exports to the EU*



Source: DAFF

* = March quarter

Figure 62
Australian lamb exports to the EU*



Source: DAFF

* = March quarter

While a shift towards more affordable frozen items was evident, there was also an increased availability of frozen shoulder for Japanese buyers, due to lower demand from other Australian international markets. Frozen lamb is widely used at Genghis Khan restaurants, both in Hokkaido and some metropolitan areas.

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European Union

Australian sheepmeat exports to the EU during the first quarter of 2011 were up 18% year-on-year, to 3,522 tonnes swt. The increase was driven by a 23% rise in lamb shipments to 2,698 tonnes swt (due mainly to a higher availability from Australia when compared to the same period in 2010 and lower shipments from New Zealand). Mutton exports rose by a slight 3%, to 824 tonnes swt. However, despite the increase, exporters are still having difficulties in placing product in the European market, due to a rising A$ and a continuing poor economic situation in the market, which has slowed down demand for high value proteins.

Among lamb products, leg continues to be the dominant item exported to the EU, rising 22% to 1,713 tonnes swt. This product was mainly directed to the UK (90% of the total), Belgium (5%) and Cyprus (4%). The main destination of this product is restaurants and other foodservice, reaching these users directly through importers or through cash & carry stores competing directly with local lamb.

Shank remained as the second largest product shipped to this market, declining slightly (2%) to 298 tonnes swt. The main countries taking this product were the UK (64%), France (32%) and Belgium (5%).

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Table 1

Australian beef exports to top 20 destinations by cut grouping
March quarter 2011 vs March quarter 2010 (tonnage change swt)

	10 main cut groups																																	
	Total			Manufacturing			Brisket			Blade			Silverside			Chuck roll			Topside			Shin/Shank			Thick Flanck			Striploin			Thin Flank		
Destination	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change
Grand Total	206,104	17,735	9%	73,978	10,046	16%	18,311	1,235	7%	14,096	1,821	15%	12,435	2,442	24%	12,173	1,425	13%	11,249	1,583	16%	9,154	-529	-5%	8,040	1,085	16%	5,910	590	11%	5,297	308	6%
Japan	78,631	-5,130	-6%	26,017	2,814	12%	13,814	-409	-3%	5,255	-51	-1%	4,310	154	4%	4,251	-638	-13%	3,945	-62	-2%	1,442	309	27%	2,229	22	1%	2,193	-319	-13%	1,805	-215	-11%
Korea	39,562	14,961	61%	5,546	3,806	219%	3,616	1,888	109%	5,402	895	20%	2,489	1,391	127%	7,292	1,862	34%	1,637	1,045	177%	1,510	706	88%	1,653	826	100%	560	155	38%	261	102	64%
US	35,143	-5,710	-14%	21,768	-5,488	-20%	13	-34	-72%	131	-33	-20%	1,261	-127	-9%	16	-27	-63%	2,517	-76	-3%	2,185	-615	-22%	882	361	69%	875	-180	-17%	2,994	266	10%
Russia	11,719	9,220	369%	5,992	5,905	6838%	-	0	-	1,247	1,058	560%	2,155	1,214	129%	8	8	6875%	265	240	973%	4	-1	-26%	350	-410	-54%	32	-13	-28%	50	50	80367%
Taiwan	7,393	1,777	32%	1,015	376	59%	34	7	25%	1,088	275	34%	52	2	4%	198	64	48%	27	-5	-15%	2,876	344	14%	712	425	149%	155	133	612%	6	-4	-38%
Indonesia	5,822	-3,534	-38%	2,570	-516	-17%	126	-66	-34%	362	-532	-60%	432	-542	-56%	54	-42	-44%	120	-248	-68%	363	-318	-47%	455	-859	-65%	95	-27	-22%	0	-1	-57%
Phillipines	4,916	1,209	33%	4,448	1,367	44%	2	-1	-28%	3	-7	-71%	129	68	112%	-	-1	-100%	27	-4	-14%	121	-96	-44%	46	8	23%	4	-5	-52%	0	-1	-64%
Malaysia	2,934	1,160	65%	1,317	722	121%	69	-13	-16%	60	28	85%	34	-4	-11%	3	2	341%	137	62	82%	35	33	1258%	83	58	239%	180	22	14%	1	0	-25%
Singapore	1,911	260	16%	269	94	53%	53	5	11%	88	8	10%	95	44	84%	11	-10	-46%	80	-2	-3%	59	-40	-41%	358	170	90%	239	55	30%	20	0	2%
Canada	1,708	135	9%	718	-22	-3%	-	0	-100%	1	-3	-84%	607	43	8%	0	0	-61%	39	2	4%	39	-27	-41%	91	12	16%	140	126	890%	0	0	-79%
UAE	1,632	511	46%	485	227	88%	30	3	9%	24	2	10%	93	28	42%	15	10	166%	345	165	92%	10	-1	-7%	104	49	88%	157	51	48%	1	1	219%
Saudi Arabia	1,526	773	102%	849	480	130%	0	0	-66%	-	0	-	33	10	40%	-	0	-	303	-15	-5%	0	0	296%	1	1	111%	4	3	556%	-	0	-
China	1,224	442	57%	352	64	22%	48	-118	-71%	23	2	12%	6	1	15%	11	-3	-23%	13	8	130%	359	249	225%	8	5	135%	106	52	97%	4	3	188%
PNG	1,198	170	17%	912	210	30%	7	-13	-67%	54	-30	-36%	17	3	23%	7	-1	-11%	25	9	55%	-	-10	-100%	7	-7	-50%	30	14.4	96%	25	4	19%
Chile	1,142	1,142	-	-	0	-	50	50	-	140	140	-	143	143	-	93	93	-	150	150	-	30	30	-	326	326	-	104	104	-	3	3	-
Hong Kong	985	-1,047	-52%	63	62	4983%	55	-8	-12%	7	0	6%	8	-42	-84%	48	12	32%	91	11	14%	75	-1,048	-93%	45	-107	-70%	285	147	107%	9	0	-3%
UK	955	396	71%	-	0	-100%	-	-3	-100%	23	20	709%	134	-13	-9%	16	14	707%	231	96	71%	-	0	-	72	-17	-19%	169	114	209%	3	2	209%
Jordan	824	-13	-2%	363	114	46%	-	0	-100%	0	-4	-99%	-	-31	-100%	-	0	-	336	-33	-9%	1	0	-13%	111	-52	-32%	3	0	17%	1	1	344%
Thailand	726	115	19%	128	110	9%	75	47	166%	32	11	55%	67	52	350%	6	-7.4	-54%	35	-6	-16%	4	-2	-31%	2	-79	-97%	130	35	37%	1	0	-21%
Kuwait	712	368	107%	426	348	440%	1	1	292%	5	-7	-55%	6	-25	-81%	5	5	977%	57	-26	-32%	3	2	301%	12	-15	-55%	19	16	476%	-	0	-

Source: Department of Agriculture, Fisheries and Forestry

Table 2

Australian lamb exports to top 20 destinations by cut grouping
March quarter 2011 vs. March quarter 2010 (tonnage change swt)

				10 main cut groups																													
	Total			Leg			Breast & flap			Shoulder			Manufacturing			Carcase			Rack			Shank			Shortloin			Forequarter			Neck		
Destination	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change
Grand Total	34,089	1,400	4%	7,489	578	8%	6,735	154	2%	5,246	-338	-6%	3,204	554	21%	2,805	-359	-11%	2,287	-9	0%	1,606	-1	0%	1,390	-121	-8%	1,163	474	69%	907	-11	-1%
US	8,659	61	1%	3,385	116	4%	22	15	200%	1,828	51	3%	363	225	163%	15	-208	-93%	1,133	31	3%	942	83	10%	889	-239	-21%	38	23	150%	-	-8	-100%
China	4,563	2,553	127%	5	0	-6%	3,358	1,824	119%	0	-27	-99%	940	541	136%	4	2	69%	12	-1	-11%	1	0	48%	0	-1	-85%	-	0	-	242	217	896%
UAE	3,132	-54	-2%	467	42	10%	0	0	-28%	304	-60	-16%	9	-7	-43%	1,994	-70	-3%	144	-107	-43%	31	-17	-36%	7	0	2%	161	160.7	-	1	1	-
UK	2,260	613	37%	1,540	550	56%	-	0	-	-	0	-	229	-41	-15%	0	0	-64%	1	1	2325%	190	-114	-37%	101	101	-	-	0	-	-	0	-
Japan	1,827	-31	-2%	106	-17	-14%	2	-4	-74%	914	142	18%	553	-65	-11%	15	-34	-69%	188	-35	-16%	5	-3	-40%	2	-1	-20%	24	-8	-26%	-	0	-100%
PNG	1,802	-12	-1%	69	21.71	46%	1,382	74	6%	122	-44	-26%	32	2	7%	-	-11	-100%	6	4	197%	8	6.39	353%	11	8	257%	3	1	114%	166	-77	-32%
Hong Kong	1,373	-1,564	-53%	18	7	62%	777	-1,348	-63%	40	21	108%	416	-242	-37%	0	0	78%	79	16	24%	3	-2	-38%	5	1	23%	-	0	-	24	-20	-45%
Jordan	1,029	-325	-24%	54	-117	-69%	-	0	-	100	-243	-71%	52	52	-	38	-198	-84%	0	-7	-100%	20	0	1%	-	0	-	600	25	4%	164	162	8318%
Iran	948	722	318%	289	200	226%	37	12	47%	123	94	330%	7	7	-	117	117	-	93	93	-	9	-12	-56%	-	0	-	81	52	181%	28	19	220%
Malaysia	800	120	18%	57	5	10%	3	1	21%	578	83	17%	-13	-15	-531%	45	16	54%	41	31	298%	23	-34	-60%	19	19	9251%	0	-4	-99%	26	9	56%
Canada	761	-7	-1%	384	130	51%	-	0	-	9	0	4%	3	3	-	1	-47	-97%	116	-15	-11%	69	17	31%	166	-98	-37%	-	0	-	-	-1	-100%
Saudi Arabia	704	-65	-9%	182	-100	-35%	-	0	-	2	-189	-99%	59	55	1230%	175	56	48%	22	-57	-72%	7	-15	-68%	-	0	-	97	97	-	81	81	-
Israel	594	594	-	-	0	-	-	0	-	181	181	-	-	0	-	67	67	-	-	0	-	-	0	-	-	0	-	150	150	-	53	53	-
South Korea	569	-27	-5%	21	-9	-29%	81	29	56%	213	5	2%	133	-90	-40%	2	2	-	17	-5	-22%	41	19	90%	2	-1	-29%	-	0	-100%	19	10	116%
Singapore	524	219	72%	134	31	30%	20	6	42%	41	27	181%	1	-3	-72%	54	-20	-27%	78	42	120%	32	14	77%	99	72	273%	-	0	-100%	0	0	-
South Africa	517	-225	-30%	-	-18.0	-100%	470	-124	-21%	-	0	-	-	-19	-100%	-	0	-	-	0	-	22	0	-1%	-	-17	-100%	-	0	-	24	-47	-66%
Switzerland	452	38	9%	80	-4	-4%	-	0	-	75	34	81%	-	0	-100%	7	7	75139%	55	-26	-32%	2	2	-	0	0	-58%	-	0.00	-	-	0	-
Taiwan	395	19	5%	2	2	324%	-	-119	-100%	96	65	207%	237	104	79%	0	0	-	8	2	29%	37	3	8%	-	0	-	-	0	-100%	-	-42.6	-100%
Ghana	351	230	190%	-	0	-	351	230	190%	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-
Mauritius	336	-175	-34%	56	-30	-35%	129	-94	-42%	119	-29	-20%	-	-1	-100%	2	1	96%	18	-1	-4%	3	-15	-83%	2	1	49%	1	-1	-47%	-	0	-

Source: Department of Agriculture, Fisheries and Forestry

Table 3

Australian mutton exports to top 20 destinations by cut grouping
March quarter 2011 vs March quarter 2010 (tonnage change swt)

				10 main cut groups																																		
	Total			Carcase			Leg			Manufacturing			Breast & flap			Shoulder			Bone-in loin			Rack			Backstrap			Shank			Neck								
Destination	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change						
Grand Total	22,278	-8,352	-27%	9,853	24,193	-31%	4,135	9,681	-31%	3,501	6,671	10%	1,500	4,881	-56%	1,075	2,463	-23%	519	955	19%	412	774	14%	354	825	-25%	328	786	-28%	229	696	-51%						
Saudi Arabia	4,330	-1,275	-23%	1,885	-694	-27%	838	-452	-35%	832	225	37%	3	3	-	471	-315	-40%	160	-138	-46%	22	22	-	2	2	#DIV/0!	68	51	312%	41	41	-						
Japan	1,972	764	63%	5	-10	-68%	449	190	74%	1,209	704	140%	-	0	-	39	5	16%	-	0	-	-	0	-	239	-114	-32%	31	-8	-21%	-	-2	-100%						
US	1,803	-491	-21%	1,494	33	2%	134	-471	-78%	-	0	-	-	0	-	65	-99	-60%	-	0	-	6	6	-	-	-1	-100%	99	38	64%	-	-3	-100%						
UAE	1,754	-1,938	-52%	912	-1,225	-57%	645	-466	-42%	9	2	41%	-	0	-	2	-45	-95%	-	-10	-100%	105	-38	-27%	4	-28	-87%	28	-57	-67%	3	-17	-86%						
Bahrain	1,724	602	54%	1,707	591	53%	16	10	163%	1	1	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-						
Qatar	1,681	523	45%	1,470	533	57%	158	-31	-16%	25	7	39%	-	0	-	-	-6	-100%	-	0	-	-	0	-	15	15	-	-	0	-	-	0	-						
China	1,255	-774	-38%	1	1	-	22	22	-	192	128	201%	839	-977	-54%	-	0	-	-	0	-	129	129	-	-	0	-	-	0	-	72	-77	-52%						
Singapore	1,252	-314	-20%	868	-232	-21%	205	-115	-36%	116	0	0%	3	3	-	25	25	53015%	0	-8	-94%	0	0	-	3	0	-6%	-	0	-	13	13	-						
Russia	999	171	21%	500	-235	-32%	266	183	220%	63	61	2953%	-	0	-	142	142	-	25	20	366%	3	3	-	-	0	-	-	0	-	-	0	-						
Taiwan	771	-183	-19%	27	-93	-78%	5	3	194%	383	65	21%	42	-71	-63%	-	0	-	172	172	-	91	-93	-51%	5	3	106%	25	-14	-35%	14	-147	-91%						
Kuwait	732	-249	-25%	285	-273	-49%	218	-33	-13%	123	16	15%	-	0	-	74	57	336%	-	0	-	11	-9	-44%	-	0	-	16	12	299%	-	0	-						
UK	635	-64	-9%	-	0	-	548	109	25%	1	-171	-100%	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-						
Malaysia	612	-1,989	-76%	314	-1,602	-84%	25	-79	-76%	216	-246	-53%	1	1	-	27	-90	-77%	3	2	443%	19	19	3839%	-	-1	-100%	2	1	89%	5	5	-						
PNG	542	232	75%	-	0	-	2	0	1%	34	10	40%	465	196	73%	27	22	438%	-	0	-	-	0	-	13	13	-	0	-1	-79%	-	-5	-100%						
Canada	242	134	125%	23	-18	-44%	86	38	79%	-	-19	-100%	-	0	-	99	99	-	35	35	-	-	0	-	-	0	-	-	0	-	-	0	-						
Iran	230	-140	-38%	17	17	-	67	-63	-48%	-	0	-	18	-27	-60%	9	5	100%	47	43	1334%	8	8	-	1	-16	-96%	-	-37	-100%	7	-9	-55%						
Mauritius	221	-455	-67%	-	0	-	82	-61	-43%	70	-296	-81%	24	-13	-34%	13	-24	-65%	-	-3	-100%	-	0	-	-	0	-	32	-58	-64%	-	0	-						
South Africa	192	-351	-65%	11	9	618%	-	-15	-100%	83	42	104%	-	-341	-100%	26	26	14891%	-	-15	-100%	-	-1	-100%	-	-2	-100%	25	-4	-13%	38	-42	-53%						
Germany	190	135	243%	0	0	-	96	96	12047%	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-100%	44	25	128%	-	0	-	-	0	-						
Oman	174	-405	-70%	70	-341	-83%	94	-60	-39%	-	0	-	-	0	-	-	-6	-100%	-	0	-	1	-1	-50%	-	0	-	-	0	-	-	0	-						

Source: Department of Agriculture, Fisheries and Forestry

Table 4

Australian offal exports to top 10 destinations by cut
March quarter 2011 vs March quarter 2010

	5 main cut groups																	
	Total			Tripe			Liver			Skirt			Heart			Tongue		
Destination	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change
Grand Total	33,416	2,270	7%	8,023	640	9%	7,593	552	8%	2,804	122	5%	2,754	-227	-8%	2,052	246	14%
Hong Kong	6,306	2,235	55%	6,135	2,354	62%	1	1	252%	2	0	-2%	2	2	-	2	-2	-59%
Kapan	6,114	1,171	24%	471	-1	0%	217	54	33%	1,957	516	36%	1	0	79%	1,846	216	13%
Korea	4,403	508	13%	314	-336	-52%	-	-5	-100%	813	-320	-28%	-	0	-	1	-3	-69%
Russia	3,741	314	9%	-	0	-	3,292.6	304	10%	-	0	-	433	65	18%	-	0	-
Indonesia	2,608	-843	-24%	-	0	-	418	-177	-30%	6	-25	-80%	852.84	-238.8	-22%	24	-37	-60%
South Africa	1,587	-1,132	-42%	2	-89	-98%	380	-440	-54%	-	0	-	340	-337	-50%	-	-15	-100%
Saudi Arabia	1,425	46	3%	30	-37	-55%	1,351	98	8%	-	0	-	5	5	-	5	-4	-47%
PNG	1,022	411	67%	-	0	-100%	3	2	1135%	-	0	-	709	286	68%	41	28	213%
Malaysia	993	-220	-18%	298	-88	-23%	272	-49	-15%	0	0	79%	11	-13	-53%	-	-3	-100%
Jordan	590	454	333%	-	0	-	333	280	532%	-	0	-	67	58	663%	32	18	126%

Source: Department of Agriculture, Fisheries and Forestry

Table 5

Australian goatmeat exports to top 10 destinations by cut
March quarter 2011 vs March quarter 2010

	5 main cut groups																	
	Total			Carcase			Cubed pieces			Leg			Manufacturing			Rack		
Destination	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change	2011 tonnage	Net change	% change
Grand Total	5,559	-670	-11%	5,305	-681	-11%	176	20	13%	65	31	90%	10	-2	-16%	2	-8	-75%
US	3,149	-344	-10%	2,988	-322	-10%	111	-45	-29%	43	16	58%	8	6	402%	-	0	-
Taiwan	754	-115	-13%	752	-102	-12%	-	0	-	-	0	-	-	0	-	2	-8	-75%
Trinidad & Tob.	547	58	12%	543	66	14%	-	0	-	2	-3	-63%	2	-5	-68%	-	0	-
Canada	510	183	56%	457	129	39%	38	38	-	16	16	-	-	0	-	-	0	-
Jamaica	157	-428	-73%	157	-428	-73%	-	0	-	-	0	-	-	0	-	-	0	-
Vietnam	121	26	27%	121	25.72	27%	-	0	-	-	0	-	-	0	-	-	0	-
Korea	100	-11	-10%	100	-11	-10%	-	0	-	-	0	-	-	0	-	-	0	-
Japan	85	19	29%	85	20	31%	-	0	-	-	-1	-100%	-	0	-	-	0	-
Puerto Rico	75	50	200%	75	50	200%	-	0	-	-	0	-	-	0	-	-	0	-
Reunion	24	24	-	-	0	-	24	24	-	-	0	-	-	0	-	-	0	-

Source: Department of Agriculture, Fisheries and Forestry