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Report Highlights:

In 2024, Australian beef supply has surged and is projected to reach the second-highest production level on record in 2025. This anticipated expansion follows a major turning point in 2024, with production estimated to increase by 14 percent from 2023 and 34 percent from the 2022 low. This recovery is driven by strong U.S. demand amid its own cattle supply shortage, resulting in heightened exports and making the U.S. Australia's largest beef export market. As a result, beef exports are expected to set a new record in 2025. Meanwhile, Australian pork production is forecast to grow by two percent in 2025, continuing the robust growth trend seen over the past four years. Despite stable projections for pork imports and exports in 2025, the U.S. has reestablished itself as Australia's primary source of pork imports in the first half of 2024.

EXECUTIVE SUMMARY

In 2024, Australian beef supply rebounded significantly, reaching the second-highest production on record. The previous peak in 2014 was largely driven by destocking due to drought conditions. The 2025 forecast follows a major turning point in 2024, with production estimated to increase by 14 percent from 2023 and 34 percent from the 2022 low.

Australia’s herd-rebuilding phase is complete, but strong demand for beef from the United States, which is experiencing a cattle supply shortage as it enters its own herd rebuilding phase, has led to a higher-than-expected female cattle slaughter to meet export needs. This has resulted in a slight reduction of Australia’s national herd, a trend expected to continue into 2025. The U.S. has become Australia's largest beef export destination, accounting for one-quarter of total exports in the first half of 2024. This strong demand is forecast to result in record beef exports in 2025, slightly surpassing the anticipated 2024 export record by 1.1 percent.

With the increased beef supply expected to continue through 2025, domestic beef prices in Australia have declined while pork and chicken prices have risen. Additionally, in 2024, salary growth in Australia has slightly outpaced the consumer price index for the first time since early 2021, easing the cost-of-living pressures that had built up in previous years. Australia’s population growth is also expected to remain robust in 2025, leading to a projected 2 percent increase in domestic beef consumption.

The growing supply of beef cattle for slaughter, projected to rise by an additional two percent in 2025, has driven down cattle prices. This is expected to support a six percent growth in live cattle exports in 2025, following an estimated 28 percent increase in 2024 from a two-decade record low.

Australian pork production is forecast to grow by two percent in 2025, following four consecutive years of strong growth. This increase in pork production is expected to boost domestic consumption by a similar margin, while pork imports and exports are projected to remain stable. In the first half of 2024, the U.S. regained its position as Australia’s primary source of pork imports, accounting for approximately half of total imports.

CATTLE

Table 1 - Production, Supply, and Distribution of Cattle Numbers for Australia

Animal Numbers, Cattle	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	25800	25800	27071	27071	0	27020
Dairy Cows Beg. Stocks (1000 HEAD)	1270	1270	1250	1250	0	1230
Beef Cows Beg. Stocks (1000 HEAD)	12000	12000	12000	12000	0	13000
Production (Calf Crop) (1000 HEAD)	9500	9500	9500	9500	0	10000
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	35300	35300	36571	36571	0	37020
Total Exports (1000 HEAD)	626	626	750	800	0	850
Cow Slaughter (1000 HEAD)	3286	3286	3750	4000	0	4050
Calf Slaughter (1000 HEAD)	374	374	400	450	0	550
Other Slaughter (1000 HEAD)	3743	3743	4250	4100	0	4150
Total Slaughter (1000 HEAD)	7403	7403	8400	8550	0	8750
Loss and Residual (1000 HEAD)	200	200	201	201	0	200
Ending Inventories (1000 HEAD)	27071	27071	27220	27020	0	27220
Total Distribution (1000 HEAD)	35300	35300	36571	36571	0	37020
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

2025

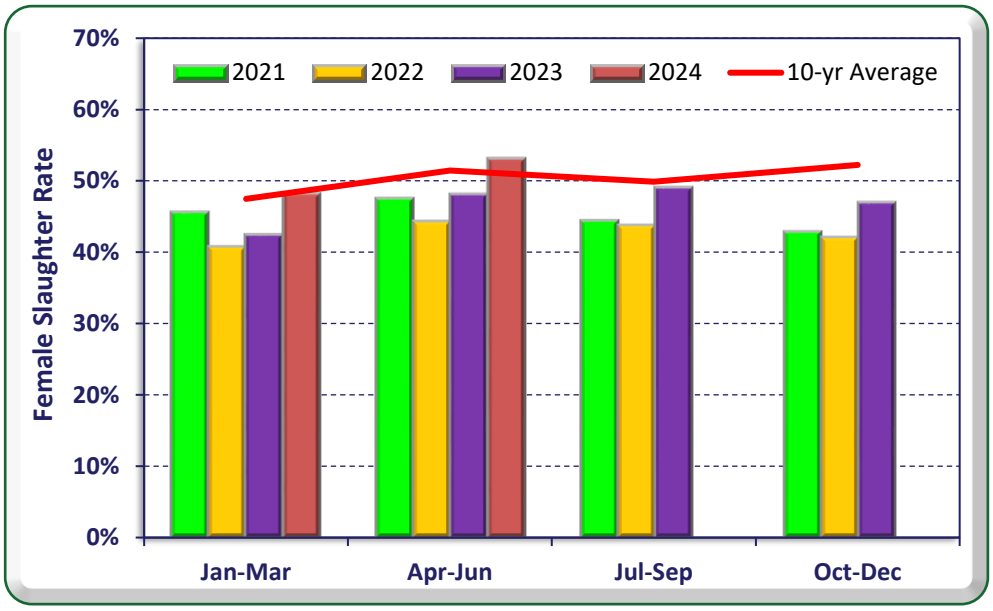
Cattle (calf crop) production in 2025 is forecast to increase from the previous year despite expectations of a higher overall number of female cattle slaughtered and an increased female slaughter rate. This growth is due to the national herd's recovery, which has been in a rebuilding phase since 2021 and reached its peak in 2024. As a result, there is now a large population of females in the herd, supporting a bigger calf crop.

Simultaneously, after several years of high female retention, greater female culling is now needed to maintain optimal breeder herd age structure and reproductive performance. This trend became apparent in the first half of 2024 (see Figure 1).

In the current situation, a substantial cattle disease outbreak of major drought conditions in the beef cattle producing regions would need to significantly impact the calf crop for 2025. Both circumstances are unlikely in the short term.

Most major beef-producing regions (see Figure 2) have received average to above-average rainfall in 2024 (see Figure 3). Consequently, breeding cows are reportedly in good condition ahead of the calving season. Cows in southern areas typically calve in late winter and spring (August to November), and those in tropical regions, which calve during the wet season (January to April), are expected to produce a strong 2025 calf crop. Tropical region cows representing a significant portion of the national herd, are already in calf and due in early 2025.

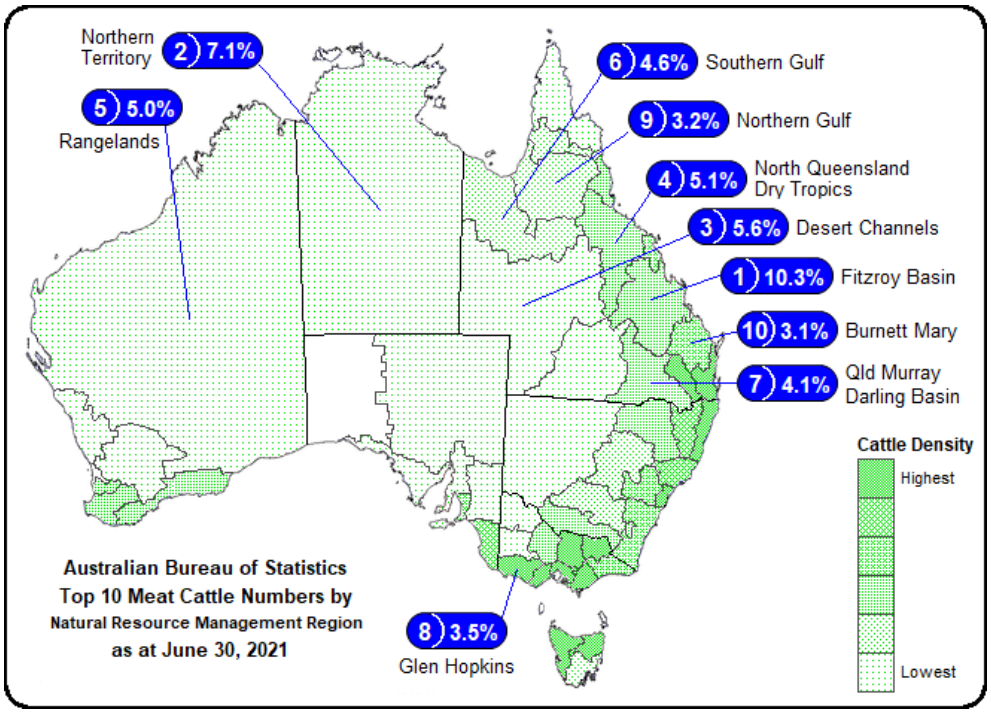
Figure 1 – Quarterly Female Slaughter Rate Trend



Source: *Australian Bureau of Statistics*

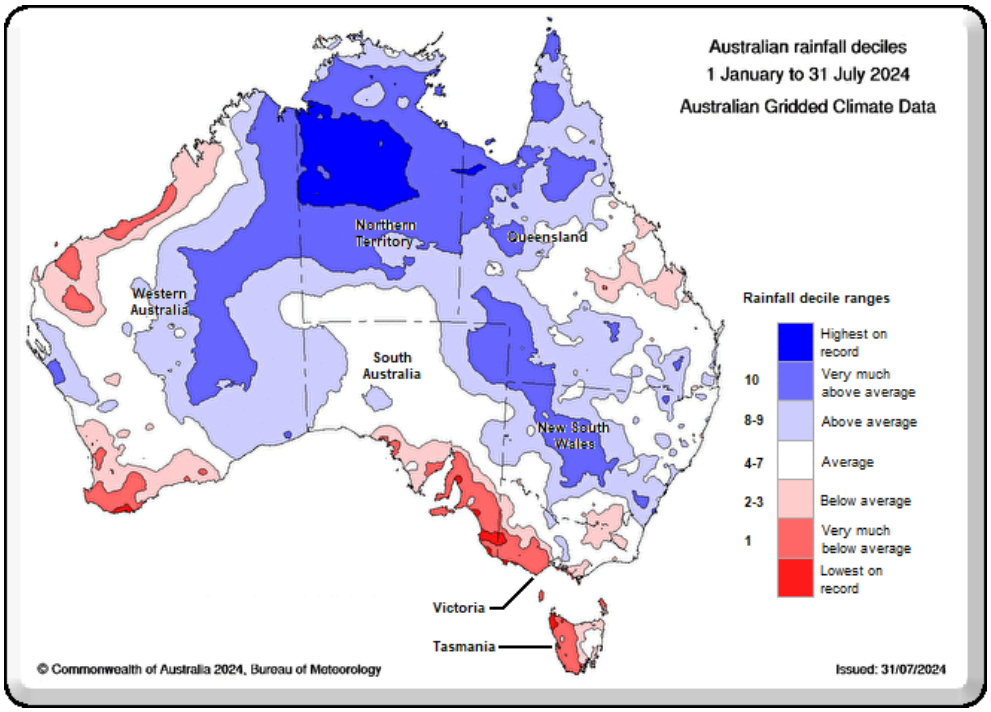
The Australian Bureau of Meteorology's forecast of around-average rainfall in the coming months (see Figure 4) bodes well for pasture conditions and the health of breeding cows leading up to mating season in southern areas. These favorable pasture conditions will likely result in good fertility rates for the 2025 calf crop.

Figure 2 – Top 10 Livestock Cattle Numbers by Natural Resource Management Region



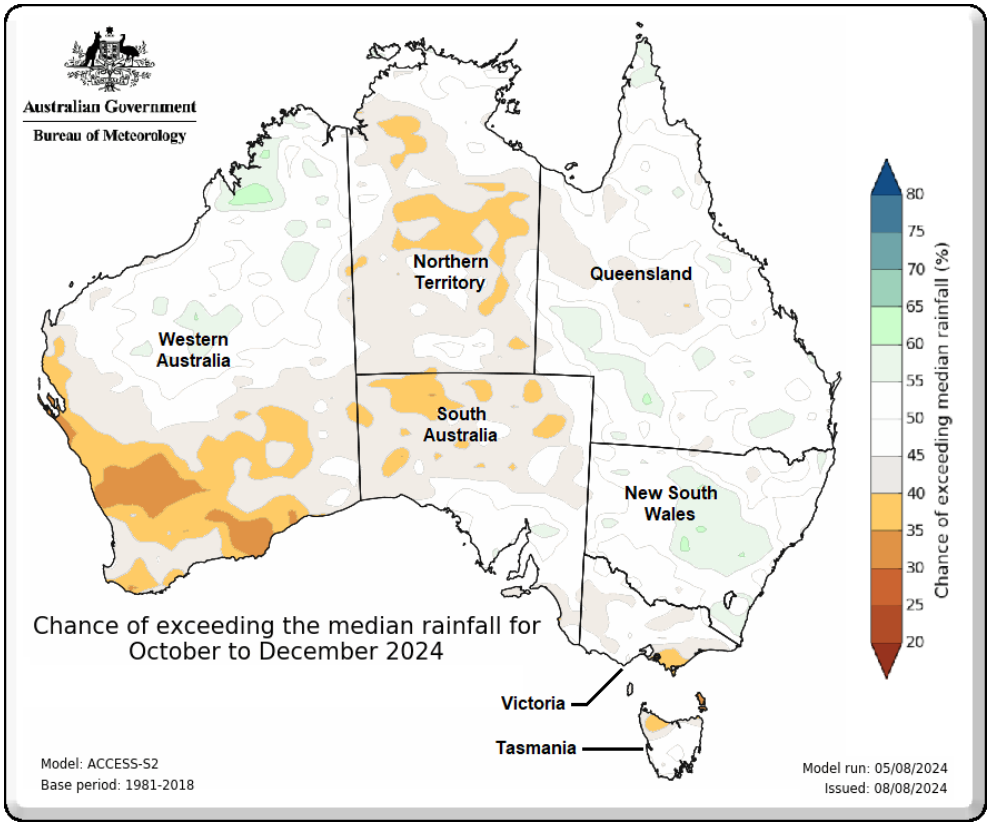
Source: *Australian Bureau of Statistics*

Figure 3 – Rainfall Decile Map – January to July 2024



Source: *Bureau of Meteorology*

Figure 4 – Rainfall Forecast – October to December 2024



Source: *Australian Bureau of Meteorology*

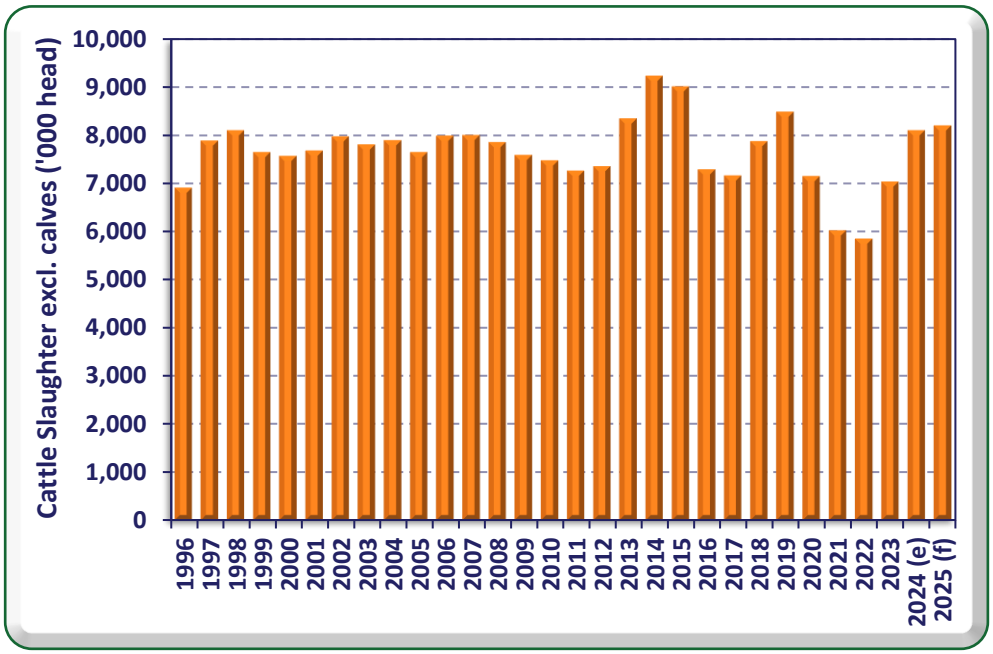
2024
FAS/Canberra's 2024 cattle (calf crop) production forecast remains unchanged and is consistent with 2023.

Slaughter
2025
FAS/Canberra forecasts cattle slaughter in 2025 to increase to 8.75 million head, up by 200,000 from the revised 2024 estimate of 8.55 million head. If realized, this would place 2025 slaughter numbers just 3.3 percent (297,000 head) below the most recent peak in 2019, driven by drought-related destocking. The forecast, alongside the upward revision for 2024, indicates a period of modest destocking. This is being encouraged by strong U.S. demand, driven by low beef supply due to an ongoing herd rebuilding phase likely to continue throughout 2025.

This modest destocking phase is largely the result of producers reaching peak herd numbers. After retaining as many female breeders as possible during the herd rebuild from 2021 to 2023, producers can rebalance their herds by culling based on age, reproductive performance, and genetic quality.

The strength of the national herd means that the forecast slaughter volume for 2025 will be among the highest historical levels for years, not influenced by destocking activity associated with drought conditions. This is especially true for cattle slaughter volumes (excluding calf slaughter). The only periods over the last three decades where cattle slaughter was significantly higher than the forecast for 2025 were during drought related destocking years (see Figure 5).

Figure 5 – Cattle Slaughter (excluding calves) History



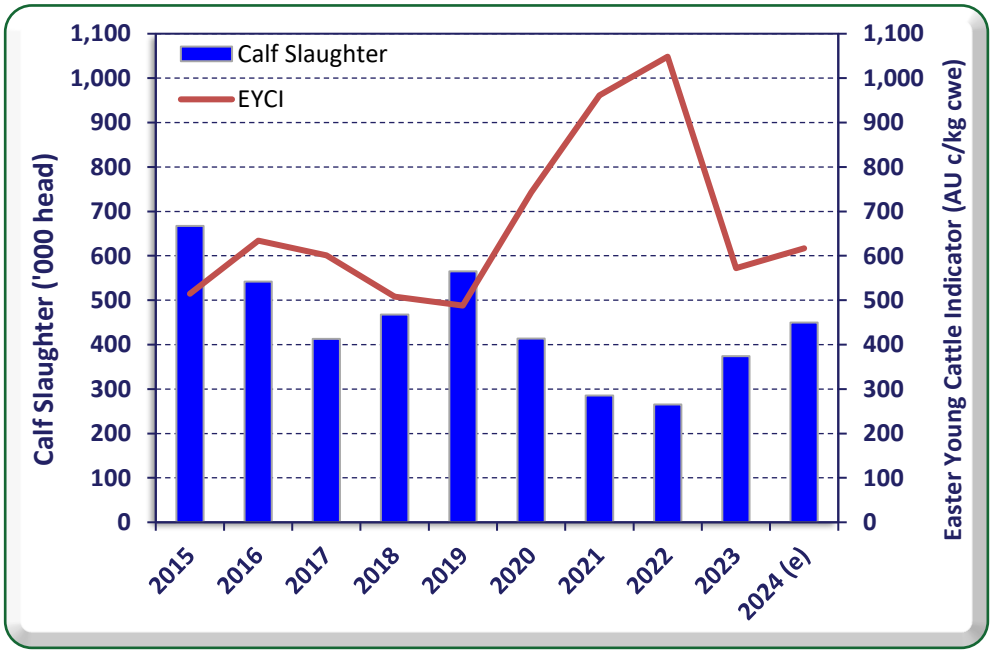
Source: Australian Bureau of Statistics

Of the forecast 200,000 head increase in 2025 slaughter, half is expected to come from increased calf slaughter, which will have minimal impact on beef production. Calf slaughter, mostly from the dairy industry, has gradually declined as artificial insemination has become widespread. In recent years, dairy farmers have increasingly used beef semen and sexed semen to target both live dairy heifer exports and males for beef production.

Holstein-Friesians, which comprise the majority of the Australian dairy herd, are known for their meat marbling capacity, and grass-fed dairy beef production had been expanding. Some beef feedlots in recent years have also shown interest in growing dairy-beef cattle. Dairy-beef cattle generally have lower loin muscle yield, which is the premium value cut compared to beef cattle, which may limit the growth of dairy-beef cattle in feedlots. The volume of calf slaughter is also strongly influenced by beef cattle prices (see Figure 6). High prices encourage the retention of calves for beef production, though there is a lag of about 12 months due to mating and gestation periods, particularly in Australia's seasonal calving system.

Beef cattle prices peaked in 2022 and bottomed out in October 2023, before a modest recovery and stabilizing in 2024. Current beef cattle prices are expected to result in a further increase in calf slaughter in 2025.

Figure 6 – Australian Calf Slaughter and Cattle Price Trends

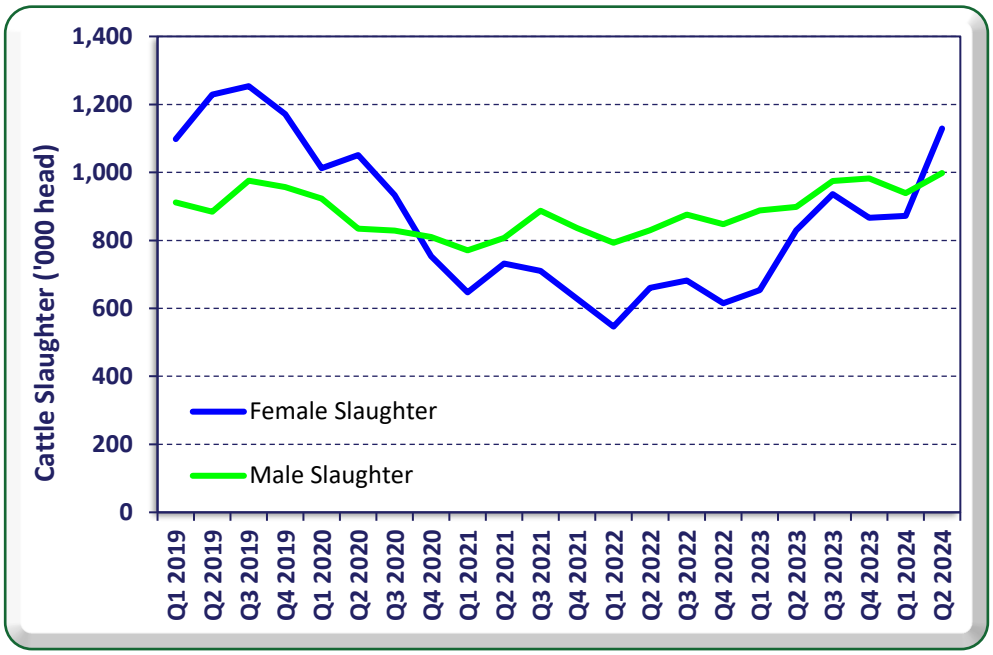


Source: *Australian Bureau of Statistics*
Note: *Easter Young Cattle Indicator price for 2024 is the average for Jan to Aug 2024*

2024

FAS/Canberra has significantly revised its 2024 slaughter estimate upward to 8.55 million head, a 15.5 percent increase from 2023 at 7.40 million head. This increase is mainly due to a spike in female slaughter in the second quarter of 2024 (see Figure 7). Reports indicate that processors across the country have increased their processing capacity and are anticipating greater domestic cattle supply following the completion of the herd rebuild in 2023, as well as the expectation of increased U.S. beef demand.

Figure 7 – Quarterly Australian Cattle Slaughter Trends

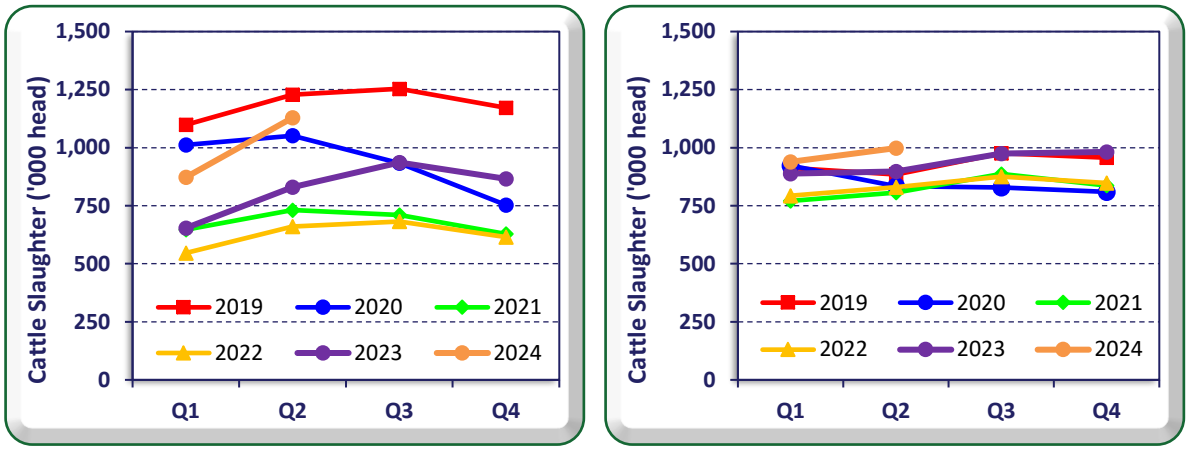


Source: Australian Bureau of Statistics

This expanded processing capacity and strong export demand, has heightened demand for cattle. The supply of male cattle is relatively stable from year to year through various conditions like destocking due to drought or herd rebuilding. However, female cattle supply fluctuates significantly (see Figure 8), and processors have raised cow prices to encourage greater female slaughter to meet current demand. Additionally, dry conditions in southwestern Victoria, southeastern South Australia, and Tasmania in early 2024 (see Figure 3) have boosted female cattle supply to processors.

Total slaughter for the first half of 2024 reached 4.10 million head (including calves), 20 percent higher than the previous year's 3.41 million head. Typically, first-half slaughter is slightly below half of the full-year total. Given this result and typical seasonal trends, the 2024 slaughter figure is expected to reach the revised estimate of 8.55 million head. This is further supported by expectations of increased female slaughter in Q3 following pregnancy testing in tropical regions, followed by a seasonal drop in Q4. Male slaughter, which typically rises in the year's second half, is also expected to increase in 2024.

Figure 8 – Female and Male Quarterly Cattle Slaughter Trends



Source: *Australian Bureau of Statistics*

Trade

2025

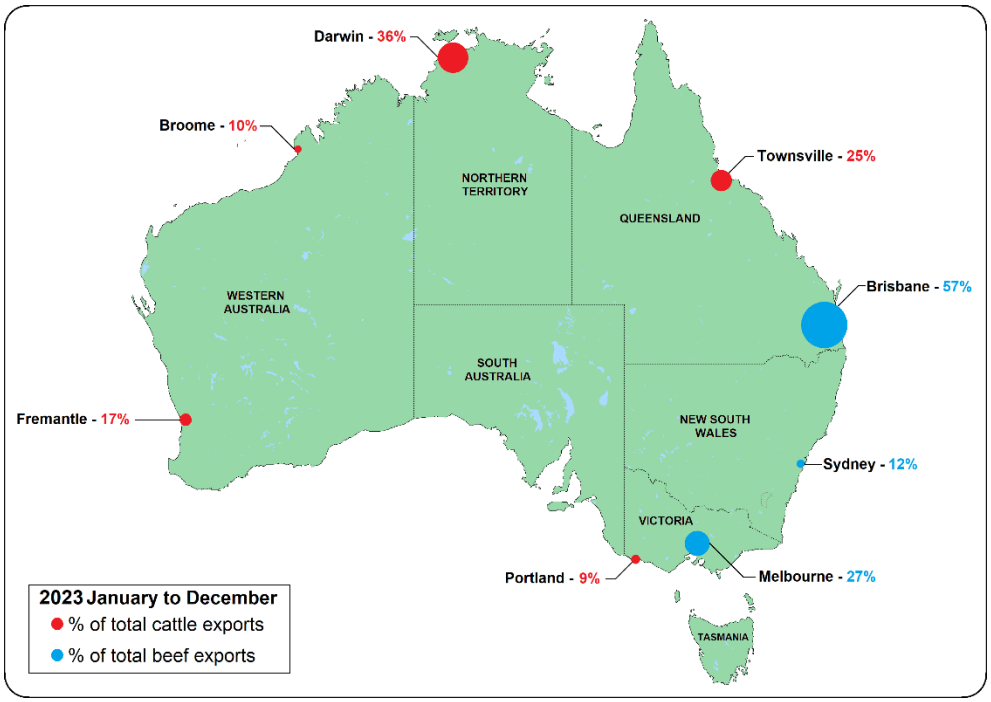
FAS/Canberra forecasts cattle exports to rise by six percent in 2025, reaching 850,000 head, up from the upwardly revised 2024 estimate of 800,000 head. This increase for 2025 is still far below peaks of 1.3 million head achieved on three occasions over the last decade. The key reason for this relatively modest forecast export increase is that during the first half of 2024, the price of cattle has become far more cost-competitive for Australia's major cattle export destinations, which has underpinned the growth in the live cattle estimate for 2024. These lower cattle prices are expected to continue into 2025, with Australia reaching the end of its herd rebuild phase in 2023, which has led to an increase in cattle supply during 2024, and this is expected to continue into 2025. This abundant supply is expected to prevent any major rise in cattle prices in Australia.

Most of the cattle for live export are sourced from the northern regions of the Northern Territory, North Queensland, and Western Australia, which account for 70 percent of Australia's live cattle exports (see Figure 9). In contrast, the port of Portland in Victoria primarily serves the live dairy cattle trade, given its proximity to a major dairy farming region. Historically directed at China, the dairy heifer trade saw a significant decline in 2023 and has remained low in 2024 due to an oversupply of domestic milk in China. Industry sources indicate that during this period, China had an oversupply of domestic milk. Without an increase in China's domestic milk demand, this trade is will remain subdued in 2025.

The exceptionally good wet season that northern Australia experienced in early 2024 (see Figure 3), as was the case in 2023, will support ample cattle supply for live export in 2025. However, cattle suppliers, particularly those around the Townsville port, often have alternative options, such as selling to restockers and feedlots. The relative demand and price differences between the live export and domestic markets will influence producers' decisions. With further increases in domestic cattle supply expected in

2025, following the significant rise in 2024, live export markets should remain competitive, supporting the forecast increase in cattle exports.

Figure 9 – Livestock and Beef Export Ports



Source: Australian Bureau of Statistics

2024

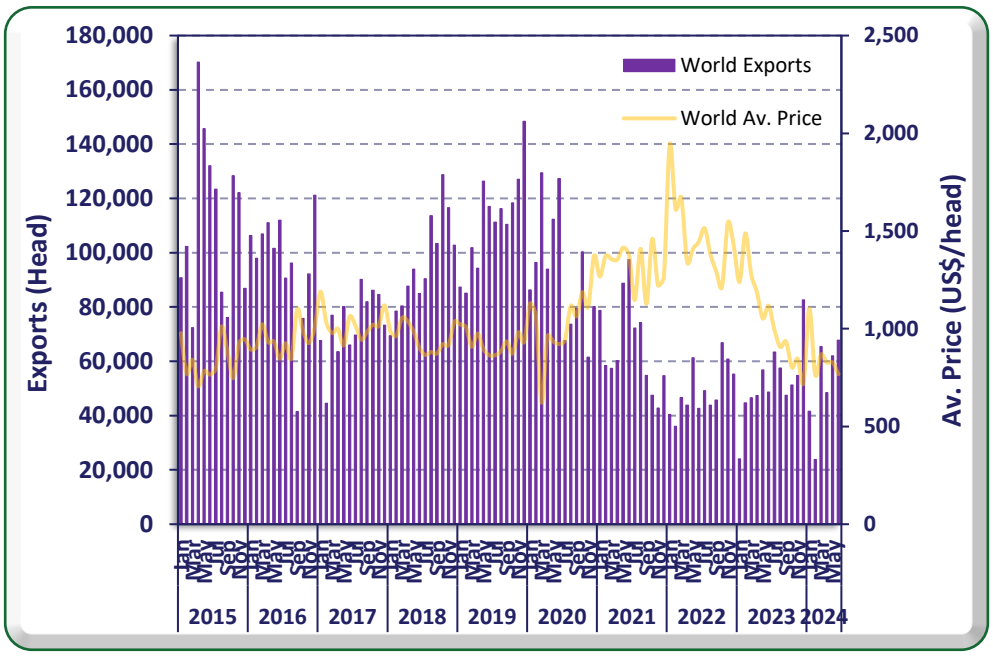
FAS/Canberra estimates live cattle exports at 800,000 head for 2024, an increase of 174,000 head (28 percent) over the 2023 result. Shipments during the first six months of 2024 totaled 309,000 head. Historically, the first half of exports represented around half of the year's total. While this suggests that the 2024 estimate may be overstated, the late approval of import quotas by Indonesia - Australia's largest live export destination - delayed trade in January and February 2024. Given this, the year's second half is expected to see higher export volumes.

Industry sources report that in recent years, outbreaks of Foot and Mouth Disease and Lumpy Skin Disease have reduced Indonesia's cattle population. Additionally, a rebound in international tourism to Indonesia is expected to drive higher demand for beef. Lower live export prices in 2024, which have stabilized at levels similar to those seen when export volumes were much higher, are also anticipated to support stronger export volumes in the latter half of the year.

Factors limiting further growth in live cattle exports include cost-of-living pressures in Indonesia and Vietnam, Australia's second-largest export partner, and increased buffalo meat imports by Indonesia, which offer a lower-cost alternative to beef.

Historically, there has been a strong correlation between live export volumes and prices (see Figure 10). Cattle prices for live export fell sharply in 2023 before stabilizing in 2024 at levels similar to those seen between 2015–2016 and 2018–2019, when export volumes averaged around 1.25 million head annually. These lower prices are expected to drive increased demand in the second half of 2024 and into 2025. Industry reports indicate strong live export numbers in July 2024, with significant interest from Indonesia as they prepare for the high-demand Ramadan (Eid al-Fitr) in late March 2025.

Figure 10 – Live Export Volumes and Average Price



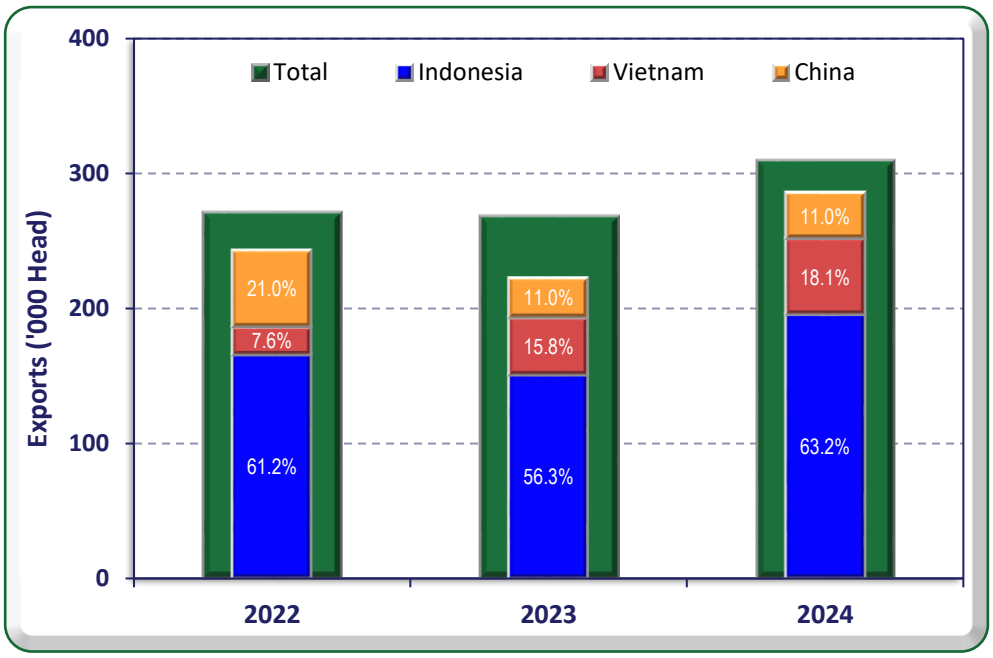
Source: Australian Bureau of Statistics

Indonesia and Vietnam remain Australia's primary live export destinations for beef cattle, with both markets favoring Bos Indicus (tropical breed) cattle due to their suitability for local conditions. Additionally, China has been a significant destination for dairy heifers rather than beef cattle. While the trade to Indonesia and Vietnam improved in the first half of 2024 compared to the previous two years (see Figure 11), it remains well below the peak levels of the last two decades. The live dairy heifer trade to China has remained flat and is not expected to grow significantly in 2025.

Vietnam sources mainly slaughter-weight cattle from Australia, which typically go into their feedlots for only a short period. Generally, when feedlots hold cattle for an extended period, such as around 100 days for Indonesia, the high price of cattle at entry can be averaged down (on a cost per kilogram basis) if feed costs are low, enabling finished cattle to be sold at a lower unit cost (price per kilogram) than the original purchase price while still maintaining profitability in the feedlot. However, in Vietnam, where the feedlot period is short, there is little scope to average down the unit cost of the cattle with low feed costs. So, the live export market to Vietnam depends on the cattle purchase price and shipping costs. The

Vietnamese market has responded more quickly than Indonesia to the lower live beef export prices which strongly declined during 2023.

Figure 11 – Live cattle Export Destinations – Jan to Jun 2022 to 2024



Source: *Australian Bureau of Statistics*

BEEF

Table 2 - Production, Supply, and Distribution of Beef and Veal Meat for Australia

Meat, Beef and Veal	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	7403	7403	8400	8550	0	8750
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	2224	2224	2470	2525	0	2560
Total Imports (1000 MT CWE)	19	19	16	16	0	15
Total Supply (1000 MT CWE)	2243	2243	2486	2541	0	2575
Total Exports (1000 MT CWE)	1560	1560	1790	1835	0	1855
Human Dom. Consumption (1000 MT CWE)	683	683	696	706	0	720
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	683	683	696	706	0	720
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	2243	2243	2486	2541	0	2575
(1000 HEAD) ,(1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

2025

FAS/Canberra forecasts a 1.4 percent increase in beef production for 2025, bringing the total to 2.56 million metric tons (MMT) Carcass Weight Equivalent (CWE), compared to the upwardly revised estimate of 2.525 MMT for 2024. If achieved, this would mark the second-highest beef production on record despite being based on the fifth-largest cattle slaughter volume (excluding calves). The previous peak in production, recorded in 2014, was largely driven by destocking during drought conditions. Achieving this forecast would represent a significant milestone for the Australian beef industry. The difference between slaughter volume and beef production is mainly due to increasing carcass weights, a trend attributed to genetic improvements, better pasture and grazing management, and the rise in Wagyu cattle finishing in feedlots.

While overall slaughter numbers for 2025 are expected to rise by 2.3 percent, half of this growth is projected to come from increased calf slaughter, which will have minimal impact on beef production. This dynamic accounts for the more modest 1.4 percent growth in forecasted beef production.

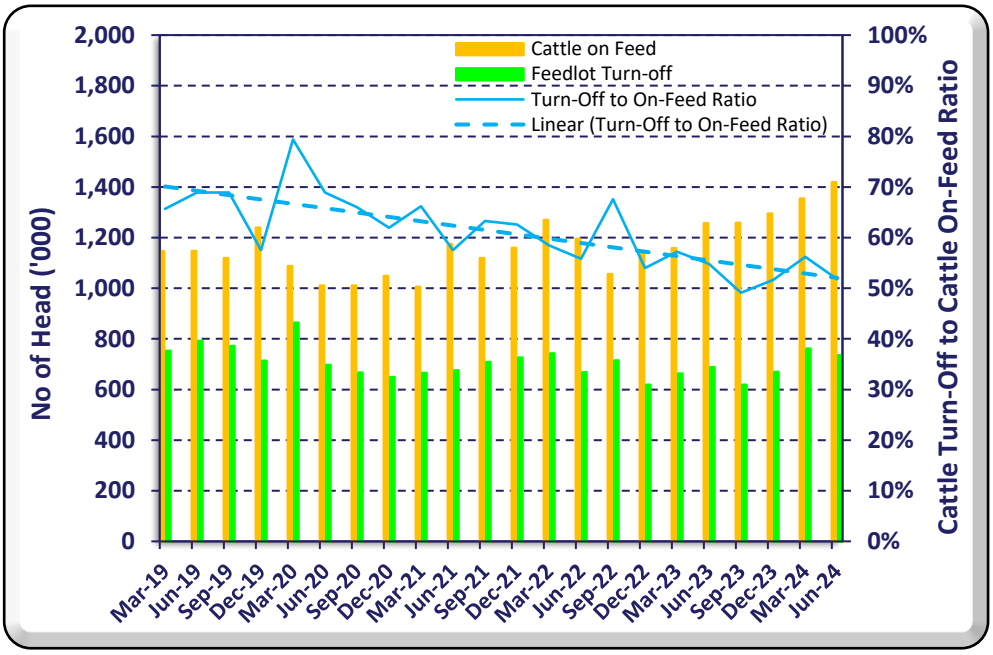
Female cattle, which have lower average slaughter weights than males, comprised a higher-than-usual proportion of the slaughter in the first half of 2024 (see Figure 1). This trend will continue for the remainder of 2024 and into 2025 as the national herd structure rebalances following a rapid herd rebuild phase. Female slaughter rates in 2025 are expected to be similar to 2024 levels. Additionally, the proportion of cattle finished in feedlots is anticipated to remain consistent between 2024 and 2025, resulting in a stable average carcass weight for the forecast period.

The ongoing genetic improvement of beef cattle in Australia focuses on enhancing traits such as growth rates, feed efficiency, reproduction, and meat yield and quality. Increased use of artificial insemination,

embryo transfer, and, more recently, genomic testing has driven these genetic gains. However, pasture production and grazing management improvements are essential for realizing the benefits of genetic enhancements. Industry efforts toward achieving carbon neutrality by 2030 have promoted research and adoption of practices that improve both cattle performance and environmental sustainability. For instance, incorporating more legumes into pastures not only enhances soil health and carbon sequestration but also provides a better nutritional balance for grazing cattle. Rotational grazing practices also contribute to improved pasture productivity and environmental benefits, which have collectively supported the rise in average carcass weights.

A significant shift in the cattle breed structure within the national herd has further contributed to increasing slaughter weights. Although the number of cattle on feed in Australian feedlots has generally increased over the past five years, the volume of cattle turned off for slaughter from feedlots has decreased (see Figure 12). This reflects the growing prominence of Wagyu cattle, which are typically fed in feedlots for around 400 days, compared to 70 days for the domestic market or 100 days for the export market for other breeds. While specific data on the proportion of long-fed versus short-fed cattle in feedlots is limited, industry sources suggest that Wagyu cattle now account for over 20 percent of the cattle on feed.

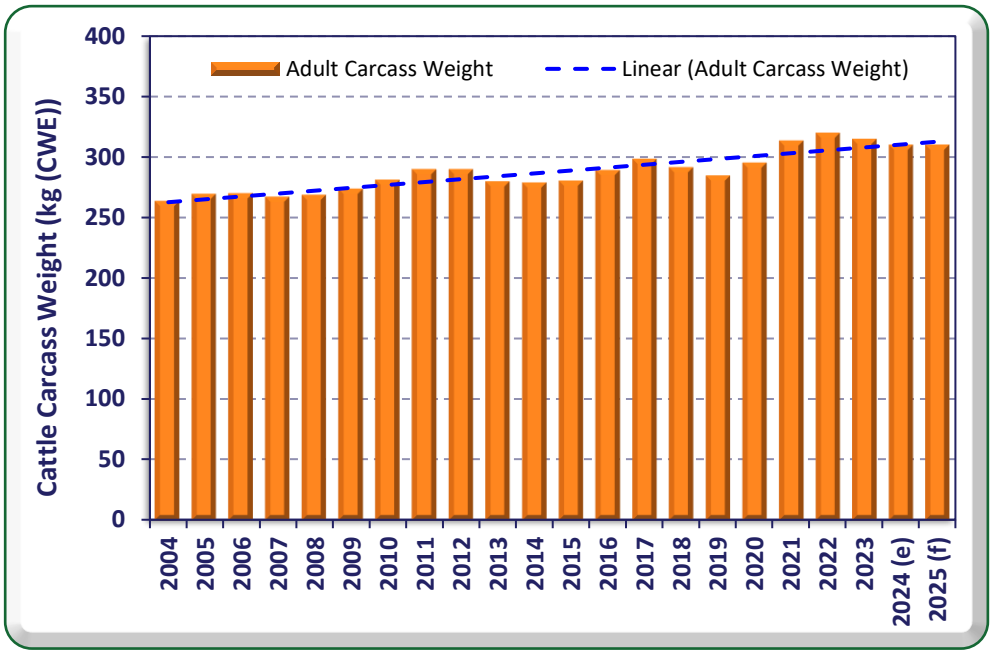
Figure 12 – Cattle on Feed and Feedlot Turn-off



Source: *Meat & Livestock Australia*

Wagyu cattle, which reach a live weight of around 800 kilograms after a 400-day feedlot program, have significantly higher slaughter weights than other beef cattle. The growing presence of Wagyu cattle in Australian feedlots has been a key factor driving the overall increase in average slaughter weights (see Figure 13).

Figure 13 – Carcass Weight Trend in Australia



Source: Australian Bureau of Statistics

2024

The FAS/Canberra beef production estimate for 2024 has been revised upward by 2.2 percent to 2.525 MMT (CWE), a 13.5 percent increase over 2023 at 2.224 MMT (CWE). Beef production for the first half of 2024 reached 1.22 MMT (CWE), a 16.9 percent rise from 1.04 MMT (CWE) in the same period of 2023. As noted, first-half slaughter typically falls slightly below half of the full-year total, with expectations of further growth in female slaughter numbers in Q3 before tapering off in Q4, which is a common trend. Additionally, the seasonal increase in male slaughter during the year's second half is expected to occur in 2024.

Cattle slaughter (excluding calves) for 2024 is projected to be 15.2 percent higher than the 2023 total, slightly outpacing the 13.5 percent estimated growth in beef production. This difference reflects an anticipated decline in the average carcass weight for 2024, which is expected to be 309.5 kilograms per head, down from 314.3 kilograms per head in 2023. The lower average carcass weight is primarily due to the higher proportion of female cattle in the slaughter mix, as females typically weigh less than males. In the first half of 2024, 50.8 percent of cattle slaughtered (excluding calves) were females, compared to 45.4 percent during the same period in 2023.

Consumption

2025

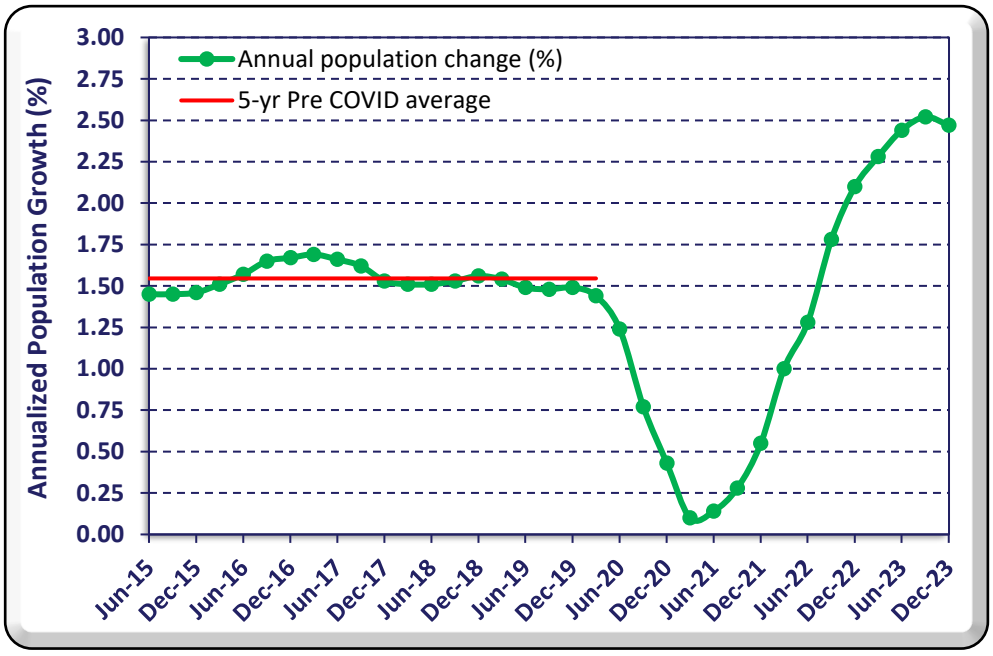
FAS/Canberra forecasts a 2.0 percent increase in domestic beef consumption in 2025, reaching 720,000 metric tons (MT) (CWE), up from the upwardly revised estimate of 706,000 MT in 2024. This rise in consumption is attributed to the decline in the consumer price index for beef in 2023 and 2024, making

it more competitive compared to pork and chicken, whose prices have increased (see the detailed discussion in the 2024 consumption section). With a stable and slightly increasing beef production forecast for 2025, beef prices for consumers are expected to remain relatively unchanged, sustaining its current competitive edge. However, beef will still be priced higher than pork and chicken.

A further factor contributing to the forecast rise in beef consumption is the rapid rise in Australia's population since the start of 2023. Australia's population growth rate has surged beyond the steady pre-COVID-19 pandemic rate of a little over 1.5 percent. From late 2022, the rate has continued to climb past the 5-year average prior to the pandemic, and as of the end of 2023, the annualized growth rate is at around 2.5 percent (see Figure 14). Most of this growth is driven by high immigration rates. Although the federal government has indicated plans to moderate immigration, record monthly immigration levels were reported in January and February of 2024, suggesting that strong population growth will likely persist through the year. While recent measures aimed at limiting student university migration could have an effect in 2025, population growth is still expected to remain well above pre-pandemic levels.

Given the continued population increase and ample beef supply, beef prices will likely maintain the competitiveness gained in 2023 and the first half of 2024. As a result, domestic beef consumption is forecast to rise by 2.0 percent in 2025, reaching 720,000 MT (CWE).

Figure 14 – Australian Population Growth Trend



Source: *Australian Bureau of Statistics*

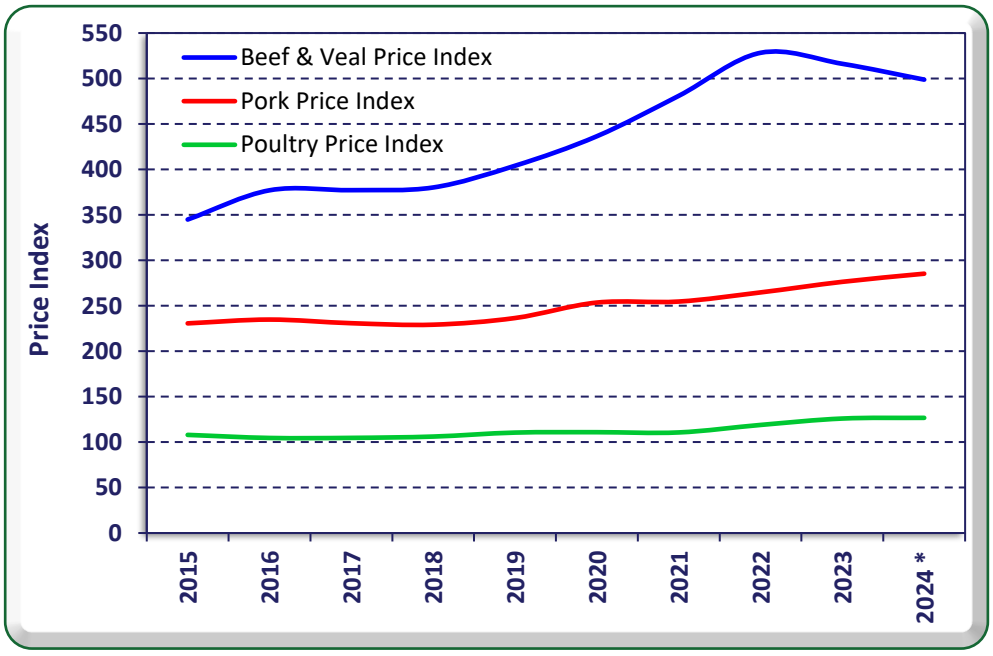
2024

FAS/Canberra has revised the beef consumption estimate for 2024 to 706,000 MT (CWE), a 3.4 percent increase over 2023 at 683,000 MT (CWE). Several factors are driving this strong growth in beef consumption:

- **Strong Population Growth:** The Australian government forecasts robust population growth for 2024.
- **Decline in Beef Prices:** The Consumer Price Index (CPI) for beef has decreased compared to rising prices for pork and chicken.
- **Easing Cost-of-Living Pressures:** Cost-of-living pressures have eased in the first half of 2024.

The price gap between beef and other major meat proteins - pork and poultry - has been widening for years. However, 2023 marked a turning point for beef, a trend that has continued into the first half of 2024 (see Figure 15). This shift is due to increased beef supply following the end of the national herd rebuilding phase. Although beef prices are approximately double that of pork and four times that of poultry, per capita beef consumption is comparable to pork and only half that of poultry. This indicates a strong preference for beef among Australian consumers. The decline in beef prices relative to the rise in pork and chicken prices is expected to drive a strong consumer response, boosting beef consumption in 2024.

Figure 15 – Australian Meat Consumer Price Index Trend 2015 to 2024



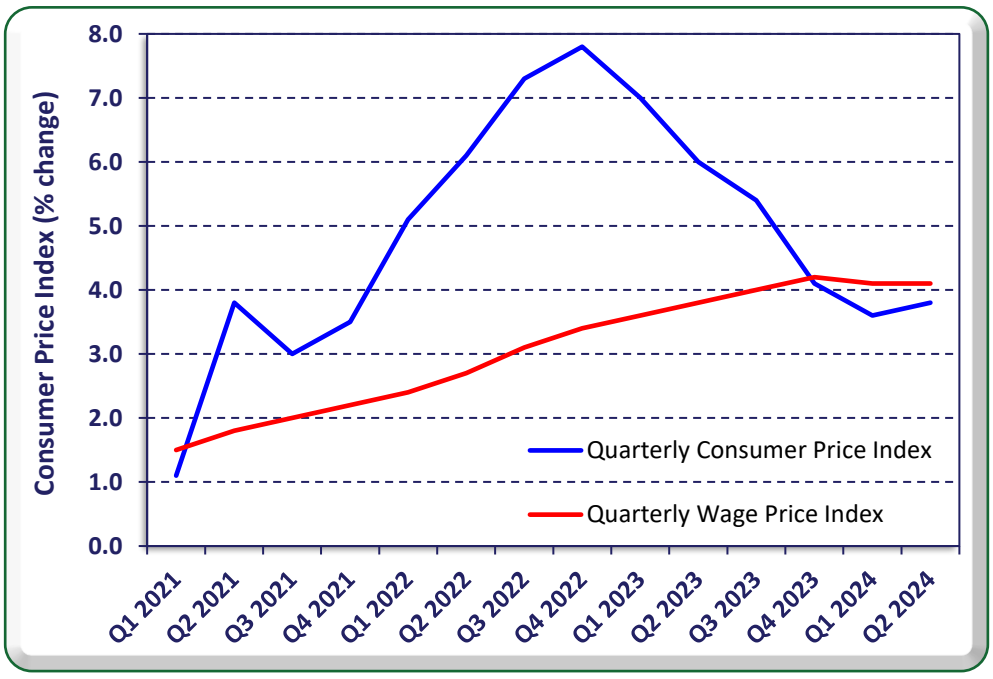
Source: *Australian Bureau of Statistics*

Note: ** = January to June 2024*

The Price Indexes are set based on the actual relative average meat prices in 1992 from the Australian Bureau of Statistics. The relative difference in the price indexes is reflective of the actual average meat price differences.

Since the last quarter of 2023, there has been a positive shift in the gap between inflation growth and salary growth, with both at similar levels for the first time since early 2021. In the first half of 2024, salary growth has outpaced the overall CPI (see Figure 16), easing cost-of-living pressures. Economists expect CPI and wage growth rates will moderate in the second half of 2024, with CPI likely remaining below wage growth. This slight improvement in disposable income is anticipated to support the forecast increase in beef consumption.

Figure 16 – Australian Consumer Price Index and Wage Growth - 2021 to June 2024



Source: *Australian Bureau of Statistics*

Trade

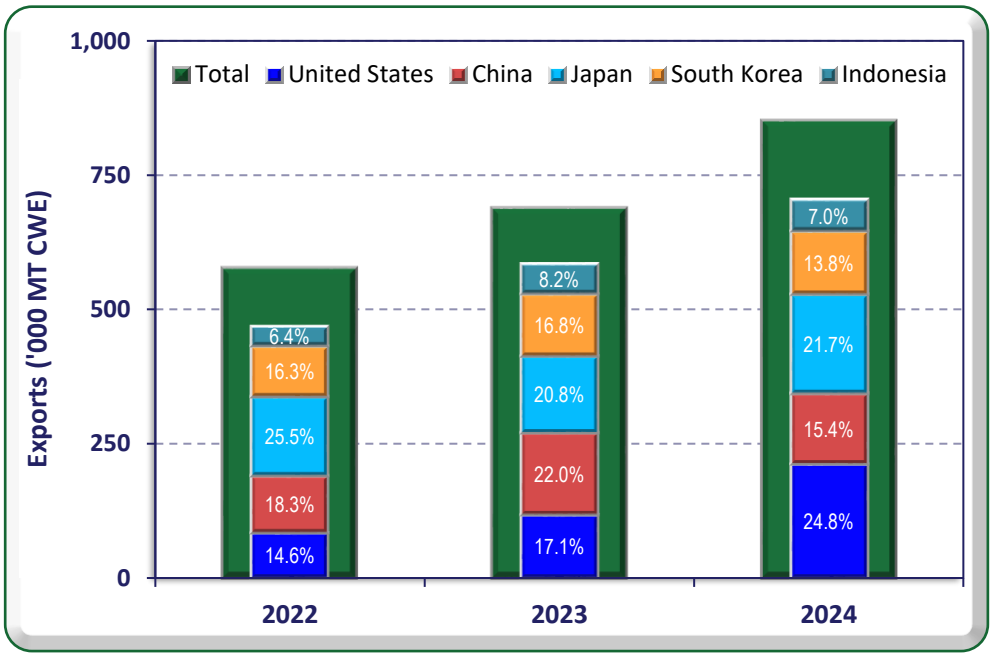
2025

FAS/Canberra forecasts beef exports in 2025 to rise to 1.855 MMT (CWE), a 20,000 MT (CWE) increase from the upward revised 2024 estimate. If realized, this would set a new record, surpassing the estimated 1.835 MMT (CWE) for 2024. The anticipated rise in beef exports is primarily driven by the expected increase in beef production for 2025. However, some of the increased production is forecast to contribute to a growth in domestic consumption. This production growth builds on the significant rise in cattle slaughter in 2024, following the completion of the herd rebuilding phase.

As the United States rebuilds its own national herd post-drought, demand for Australian beef is projected to remain strong. Australia is expected to fill the gap in U.S. markets and other regions left by reduced U.S. beef exports. This robust demand has bolstered cow prices in Australia, leading to a higher rate of female slaughter in 2024, a trend expected to continue into 2025.

The four major export destinations (China, Japan, the United States, and South Korea) have, in recent years, accounted for over three-quarters of Australian beef exports (see Figure 17). In the first half of 2024, increased beef supply has led to significant growth in export volumes to the U.S. and Japan. Conversely, exports to China have contracted following a substantial increase in the previous year. The U.S. has emerged as the largest market, accounting for a quarter of overall exports, up from third place the prior year. This shift reflects the reduced beef supply in the U.S. due to its herd rebuilding phase, while Australia has stepped in to fill the gap left by lower U.S. beef exports to Japan.

Figure 17 – Beef Export Destinations – Jan-Jun 2022 to 2024



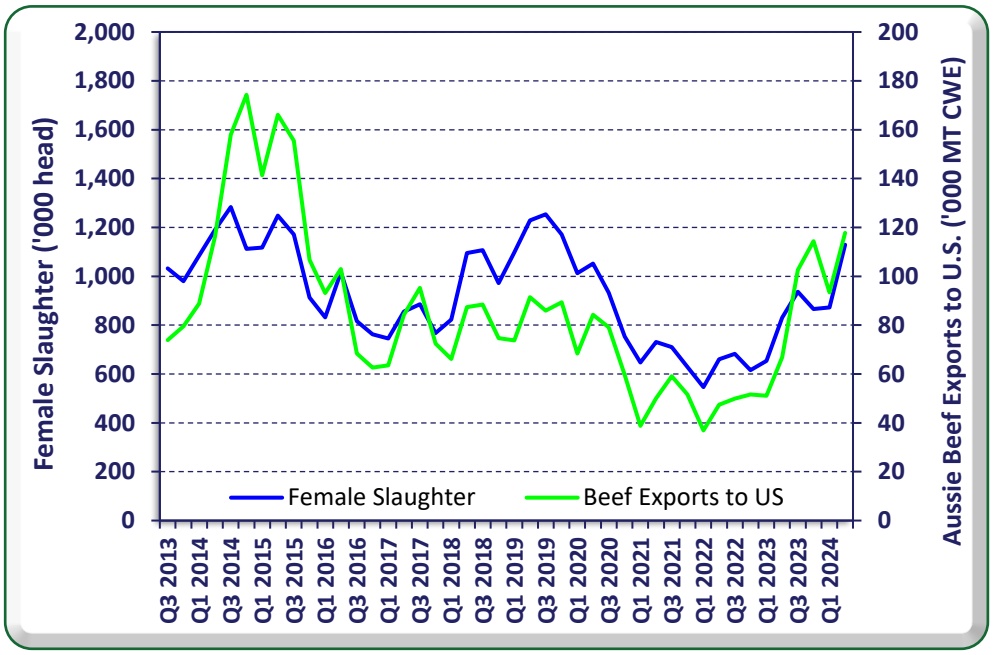
Source: *Australian Bureau of Statistics*

The majority of beef exported to the U.S. consists of lean grinding beef, primarily from cows. Over the past decade, there has been a strong correlation between female slaughter rates in Australia and beef exports to the U.S. (see Figure 18). The increase in female slaughter that began in 2023 has led to a 79 percent surge in beef exports to the U.S. in the first half of 2024 compared to the same period in 2023. This rise in female slaughter, representing a small destocking after the herd was rebuilt in 2023, has significantly contributed to Australia's rapid beef export growth in 2024 and is expected to continue into 2025. As the U.S. is not anticipated to complete its herd rebuild and increase its beef supply in 2025, strong cow prices in Australia and higher female slaughter rates are likely to persist.

While Australian beef exports to the U.S. are often viewed as predominantly lean grinding beef, the market is more nuanced. Chilled beef exports typically include higher quality prime cuts, while frozen beef exports generally consist of lower quality products, including lean grinding beef. Among Australia’s four major beef export markets, only Japan imports a higher volume and proportion of chilled beef than the U.S. (see Figure 19). Nearly 30 percent of beef exported to the U.S. is chilled,

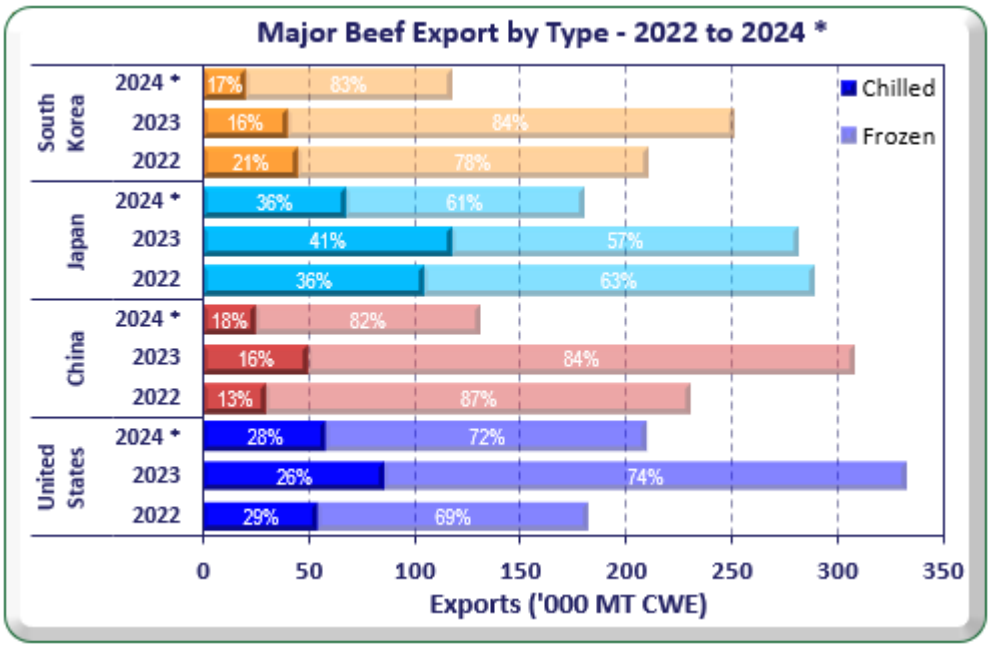
compared to almost 40 percent for Japan. Chilled beef exports to South Korea and China constitute 15-20 percent of their total imports. The strong demand from the U.S. has resulted in chilled and frozen beef exports in the first half of 2024, surpassing the full-year totals for 2022.

Figure 18 – Quarterly Female Slaughter and Exports to U.S.



Source: *Australian Bureau of Statistics*

Figure 19 – Major Beef Export by Type - 2022 to 2024 *



Source: *Australian Bureau of Statistics*

Note: ** = January to June 2024, 2022 and 2023 are full year exports*

2024

FAS/Canberra has revised its beef export estimate for 2024 to 1.835 million metric tons (MMT) Carcass Weight Equivalent (CWE), a substantial 17.6 percent rise from the 1.56 MMT (CWE) achieved in 2023.

In the first half of 2024, exports totaled 851,536 MT (CWE), up 23.5 percent from 689,685 MT (CWE) in the same period of 2023. Since January and February are traditionally low export months, the first half of the year typically accounts for about 47 percent of annual exports. With production expected to increase in the latter half of 2024, the export pace is anticipated to accelerate in the second half of the year.

PORK

Table 3 - Production, Supply, and Distribution of Swine Meat for Australia

Meat, Swine	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	5801	5801	5900	5900	0	6000
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	467	467	480	480	0	490
Total Imports (1000 MT CWE)	195	195	200	200	0	200
Total Supply (1000 MT CWE)	662	662	680	680	0	690
Total Exports (1000 MT CWE)	46	46	50	50	0	50
Human Dom. Consumption (1000 MT CWE)	616	616	630	630	0	640
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	616	616	630	630	0	640
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	662	662	680	680	0	690
(1000 HEAD) ,(1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

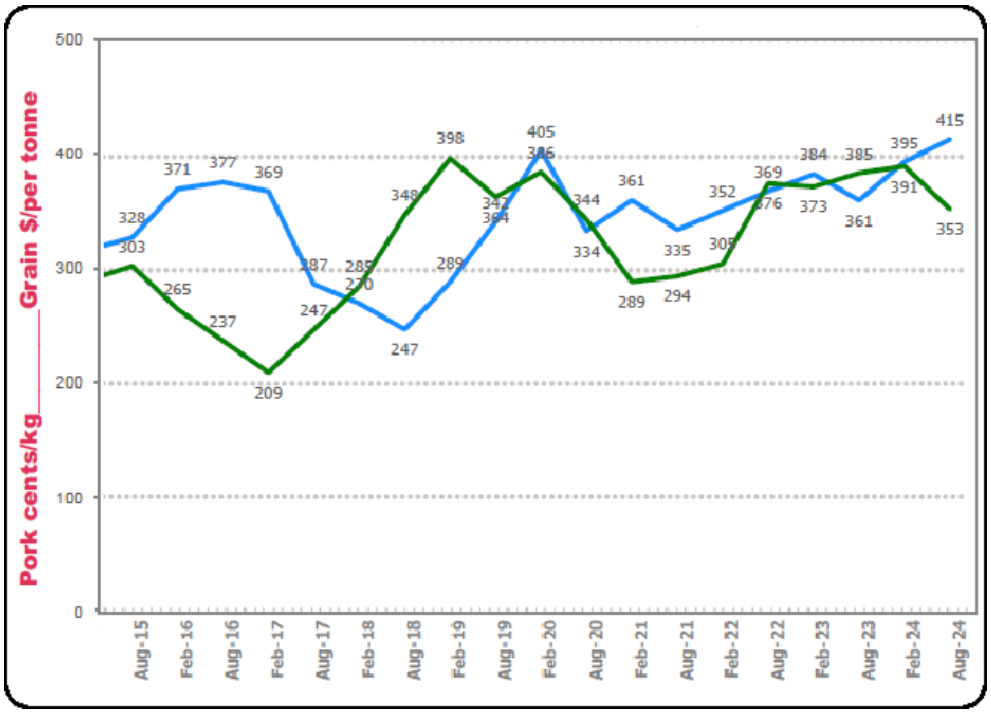
Production

For 2025, FAS/Canberra projects Australian pork production to rise by two percent to 490,000 MT (CWE), up from the unchanged 2024 estimate of 480,000 MT (CWE). This anticipated increase is supported by easing of feed grain prices, a significant cost component in pork production, and stable pork prices. However, growth in pork production will be moderated by the recent decline in consumer beef and lamb prices, which is expected to limit the boost in pork consumption associated with population growth (further discussed in the 'Consumption' section).

Feed costs are the primary expense for pork producers. Historical trends show that when the domestic average pork price, measured in cents per kilogram, falls below the average feed grain prices in AU$ per ton, pork production either stagnates or declines, as observed from late 2017 to early 2020 (see Figure 20). However, when pork prices were at or above grain prices starting in 2020, industry confidence improved, leading to increased production from 2021 onward, despite a setback in 2022 due to the Japanese Encephalitis Virus (JEV) outbreak. Recently, feed grain prices have softened while pork prices

have risen, creating a favorable environment for production growth. Nonetheless, the USDA's recent downward revision of global feed grain production could lead to higher domestic feed grain prices in the coming months, potentially narrowing the price gap between pork and feed grains. Given these factors and the breeding cycle timeline, modest growth in pork production is expected to continue into 2025.

Figure 20 – Average Baconer and Feed Grain Prices



Source: *Australian Pork Limited – Data from Pro Farmer*

For 2024, FAS/Canberra's pork production estimate remains at 480,000 MT (CWE), a 2.8 percent increase from 2023 at 467,000 MT (CWE). Pork production for the first half of 2024 stands at 235,672 MT (CWE), reflecting a one percent increase compared to the first half of 2023. While production typically splits evenly between the first and second halves of the year, a slight increase in production is anticipated in the latter half of 2024, driven by strong population growth and lower feed grain prices.

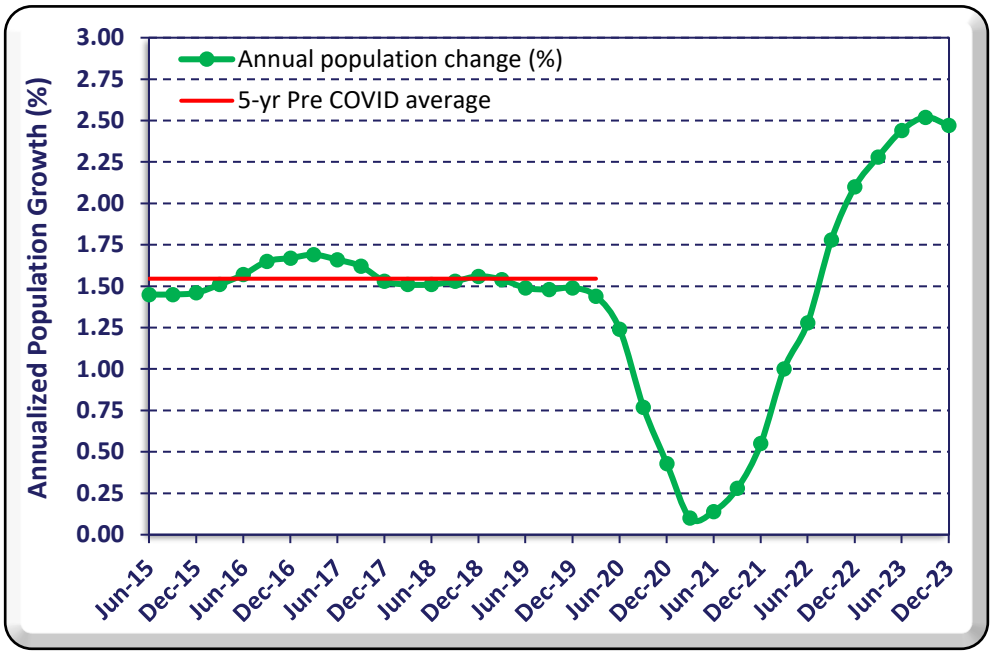
Consumption

Pork consumption in Australia is projected to rise slightly in 2025 to 640,000 MT (CWE), up from an estimated 630,000 MT (CWE) in 2024. This 1.6 percent increase in consumption is primarily due to above-average net migration rates. Although the migration rate is expected to slow in 2025, population growth will likely continue to outpace the growth in pork consumption. However, the rise in beef and lamb prices over the past two years moderated the growth rate of pork consumption.

Australia’s population growth rate has accelerated beyond the pre-COVID-19 level of just over 1.5 percent. Since late 2022, it has exceeded the 5-year average prior to the pandemic, with an annualized growth rate reaching approximately 2.4 percent by the fourth quarter of 2023 (see Figure 21). This

growth is largely attributed to high immigration rates. Although the federal government has introduced measures to slow immigration, record monthly immigration rates were reported in January and February 2024. Consequently, population growth is expected to remain strong in 2024 before tapering off in 2025.

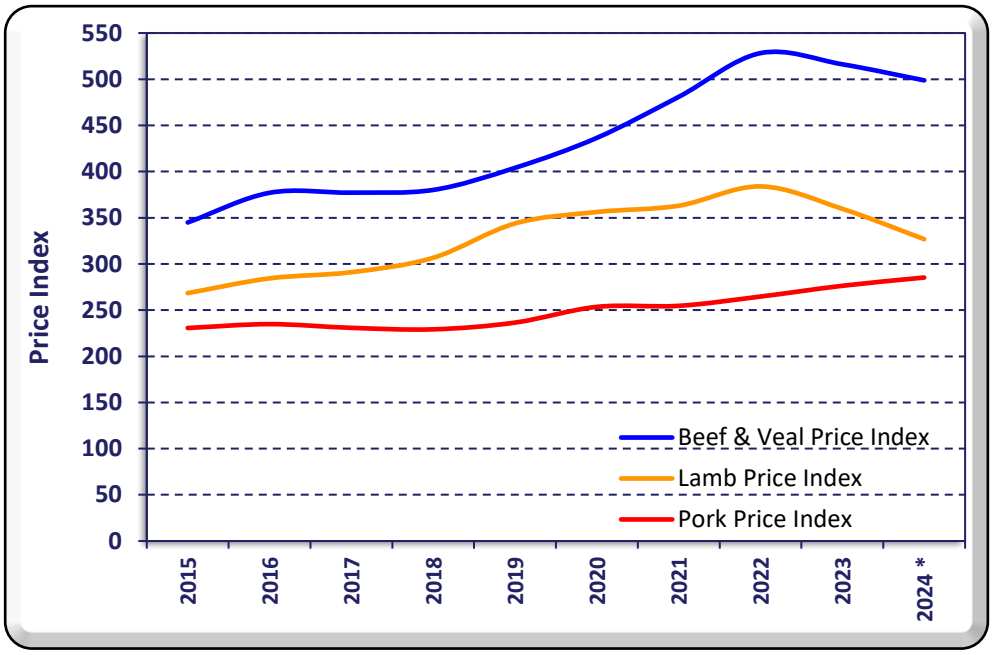
Figure 21 – Australian Population Growth Trend



Source: *Australian Bureau of Statistics*

Over the past two years, beef and lamb consumer prices have decreased (see Figure 22) due to a return to full production levels. This followed a significant reduction in national herd and flock numbers during the multi-year drought from 2017 to 2019. By 2023, production levels were restored, leading to declining beef and lamb prices and diverging from broader economic inflation trends. In contrast, consumer pork prices have risen, making pork less competitive than beef and lamb. While beef and lamb prices are not expected to continue declining in 2025, the shifting price dynamics between red meats are likely to constrain pork consumption growth to below the rate of population growth.

Figure 22 – Meat Consumer Price Index Trend 2015 to 2024



Source: *Australian Bureau of Statistics*

Note: ** = January to June 2024*

The Price Indexes are set based on the actual relative average meat prices in 1992 from the Australian Bureau of Statistics. The relative difference in the price indexes is reflective of the actual average meat price differences.

The FAS/Canberra pork consumption estimate for 2024 remains unchanged at 630,000 MT (CWE) and is 2.3 percent higher than for 2023 at 616,000 MT (CWE).

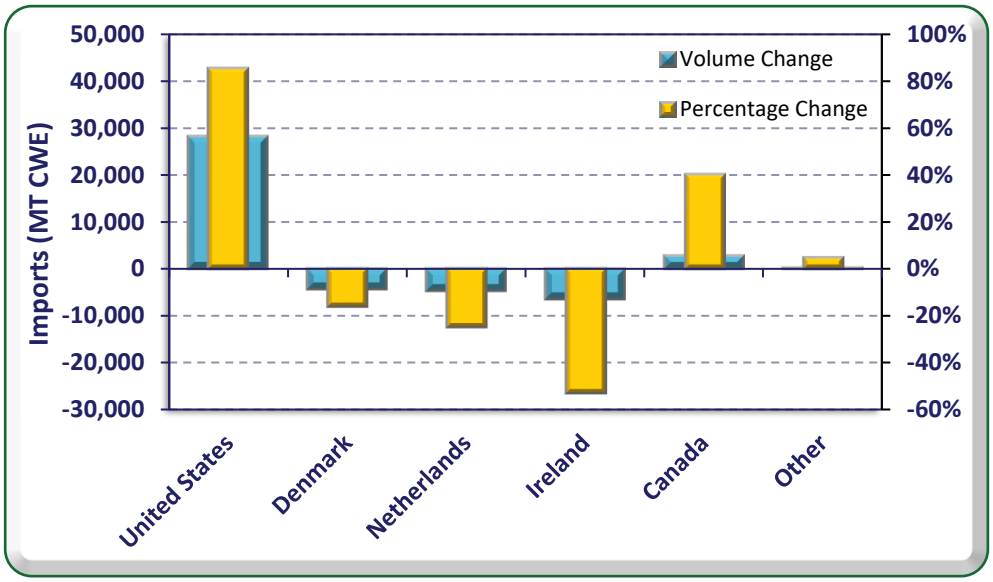
Trade

Imports

FAS/Canberra forecasts that Australia's pork imports will remain stable at 200,000 MT (CWE) in 2025, consistent with the estimate for 2024. Despite an anticipated increase in domestic pork production, import volumes are expected to remain unchanged, as the rise in domestic production will meet the anticipated consumption needs.

In recent years, the top four pork suppliers to Australia have accounted for nearly 95 percent of total imports. Historically, the United States supplied half or more of Australia's pork imports. However, from 2022, there was a notable shift toward sourcing pork from Denmark, the Netherlands, and, to a lesser extent, Ireland. For the first half of 2024, there has been a significant shift back towards the U.S. for pork imports, with a reduced imports from Denmark, the Netherlands, and Ireland (see Figure 23). This trend reflects a return to previous patterns where the U.S. fulfilled approximately half of Australia's pork import needs.

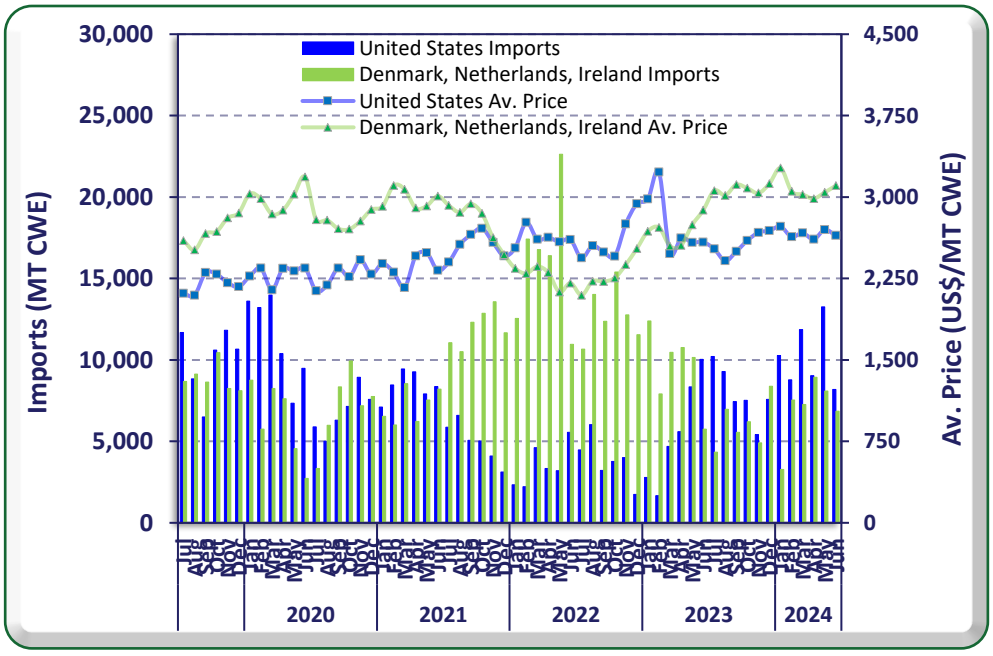
Figure 23 – Change in Pork Imports from Major Sources – Jan to Jun 2023 to 2024



Source: *Australian Bureau of Statistics*

The primary driver for Australian pork imports reverting to mainly being sourced from the U.S. is that U.S. pork prices have shifted back to being lower than those of European sources. Between late 2021 and early 2023, European pork prices were lower than those in the U.S. (see Figure 24), due to reduced pork import demand from China as its industry recovered from the impact of African Swine Fever (ASF).

Figure 24 – Australian Pork Import Volumes and Prices – Jul 2019 to Jun 2024



Source: *Australian Bureau of Statistics*

FAS/Canberra's pork imports for 2024 remain unchanged at 200,000 MT (CWE) and are marginally above 2023 at 195,000 MT (CWE). Imports for the first half of 2024 are at 117,630 MT (CWE), and on average, over the last five years, imports over the first six months have been marginally over half of the full year result. Expectations are that the pace of imports will decline considerably for the second half of 2024 as consumer consumption will need to rise at an extraordinary rate to keep pace with the current rate of pork imports.

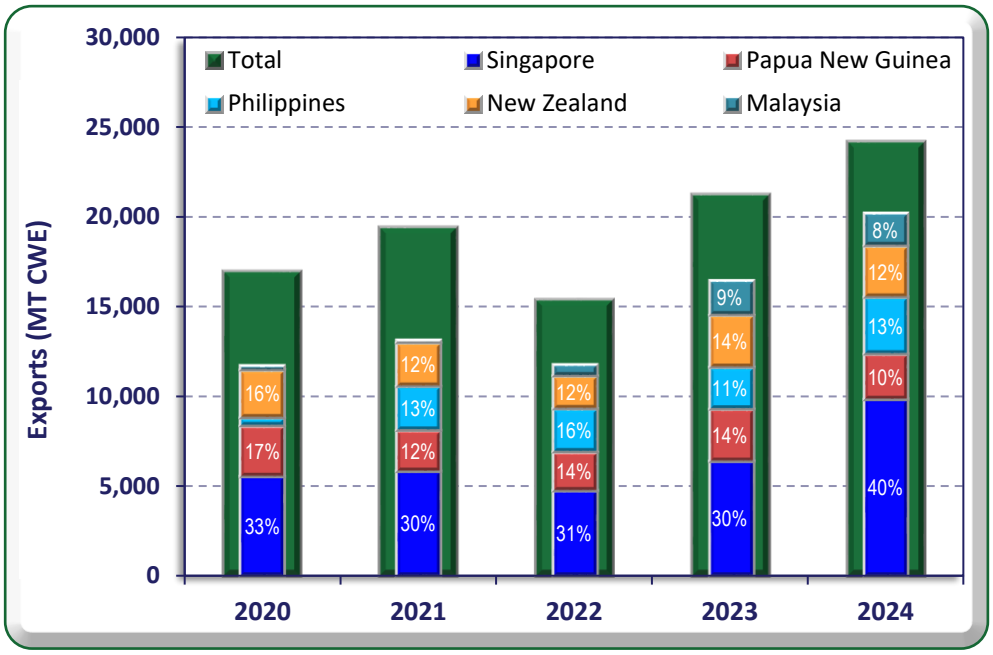
In Australia, the fresh pork market is supplied by local producers due to biosecurity regulations that prevent the importation of fresh and chilled pork. Processed pork products, such as ham, bacon, and small goods, primarily come from frozen pork imports. Local manufacturers face competitive challenges in producing processed pork compared to major pork-producing countries, leading to stable import volumes year to year. The average price of pork imports for the first half of 2024 is only one percent higher than the average price in 2023, further supporting the forecast of stable import volumes for 2024.

Exports

FAS/Canberra forecasts that pork exports will remain stable at 50,000 MT (CWE) in 2025. This stability is primarily due to the anticipated increase in domestic production, which is expected to be consumed primarily within the domestic market. The forecasted export volume represents only about 10 percent of Australia's total pork production. As such, fluctuations in export volumes have a minimal impact on Australian pork imports and domestic consumption.

Over the last five years, the top five Australian pork export destinations have accounted for an increasing proportion of overall exports, rising from 69 percent in 2020 to 83 percent in 2024 (for the first half of each year). Most of Australia's pork exports are to Asian countries and New Zealand. Singapore is consistently the most important destination, and the rising importance of the top five destinations is mainly due to the growth in exports to Singapore (see Figure 25). With such a stable set of export destinations for Australian pork over many years, little change is anticipated in the forecast year.

Figure 25 – Pork Export Destinations – Jan to Jun 2020 to 2024



Source: Australian Bureau of Statistics

FAS/Canberra's pork export estimate for 2024 remains unchanged at 50,000 MT (CWE) and marginally above the 2023 result of 46,000 MT (CWE). For the first half of 2024, exports totaled 24,210 MT (CWE). Historically, the second half accounts for approximately 51.5 percent of annual exports. Therefore, export volumes are expected to increase in the latter half of 2024 to meet the annual estimate of 50,000 MT (CWE).

Attachments:

No Attachments