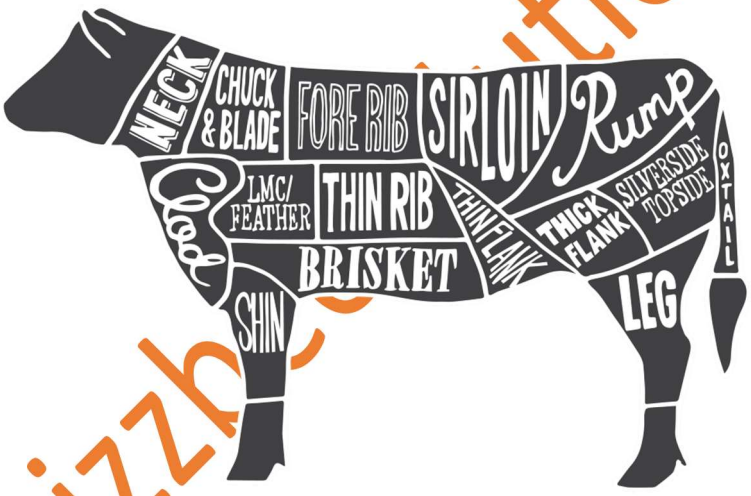
Australia's Beef Market & Export to the United States

MARKET RESEARCH



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INTRODUCTION

The purpose of this research is to assume, if Australia demands good conditions and environment for exporting beef meat to the U.S. There will be **2 main chapters**: **Beef Industry in Australia** and **Beef Meat Export from Australia**. The first chapter would consist data about the Industry and its characteristics in numbers and details. Beef Meat Export from Australia is the second chapter where are described **trends and size** of the Australia's exports for beef meat, supplemented with data about the whole **procedure for exporting** regulated from certain Government bodies, together with information for Fees and Charges.

The research will start with the Overview of the Beef Industry in Australia. This first chapter will include four subchapters: **Consumption, Trade, Map of Production and Cattle in Australia**. In this chapter will be made **Industry overview** for the beef market in Australia with data for the **Consumption and Trade**. The overview is willing to give information about Australia's Beef **Market size and production of beef.** Also in this part includes the list of the **top 20 countries** and its market share in Beef Production, where **Australia is ranged on the 7th place**. The first chapter has two more subchapters: **Map of Production and Cattle in Australia.**

The second chapter would contain 4 subchapters: **Trends and size of the Beef Meat Exports to U.S., Procedure, and Regulations for Beef Meat Export, Fees and Charges for Export Services and Import to the U.S.** Each of the subchapters contains data from formal sources (Government websites and Research Agencies). The second chapter would ends with the special part for the Import to the U.S as the receiving country in the agreement and will contain regulations from the U.S's body for Food Safety.

BEEF INDUSTRY IN AUSTRALIA

Australia is a relatively small beef producer on a global scale but still counted in the Top 10 biggest producers of beef meat. Though the small population means that consumption is low which allows Australia to export a significant volume of beef each year. Going to the different researches made for the beef industry in Australia can be assumed that Australia is mainly an exporter of beef meat. Article from the Beef2Live made a statement that The United States is the largest producer of beef in the world followed by Brazil & the European Union.

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World Beef Production: Ranking Of Countries			
World		61,583,000	
Rank	Country	2017	% Of World
1	United States	12,086,000	19.63%
2	Brazil	9,500,000	15.43%
3	European Union	7,875,000	12.79%
4	China	7,070,000	11.48%
5	India	4,250,000	6.90%
6	Argentina	2,760,000	4.48%
7	Australia	2,065,000	3.35%
8	Mexico	1,910,000	3.10%
9	Pakistan	1,780,000	2.89%
10	Turkey	1,700,000	2.76%
11	Russia	1,310,000	2.13%
12	Canada	1,160,000	1.88%
13	South Africa	885,000	1.44%
14	Colombia	825,000	1.34%
15	New Zealand	610,000	0.99%
16	Paraguay	610,000	0.99%
17	Uruguay	605,000	0.98%
18	Japan	460,000	0.75%
19	Kazakhstan	435,000	0.71%
20	Ukraine	390,000	0.63%

The United States, Brazil, and the European Union produce roughly 47% of the world's beef. The United States produces nearly 20% of the world's beef. Brazil produces 15% of the world's beef. The European Union produces nearly 13% of the world's beef.

The report, "Livestock and Products Annual" had done estimation that Beef and Veal Production Beef and veal production is estimated at 2.15 million MT carcass weight (cwt) in 2017, slightly above the current estimate. Production is up due to the continued increase in average carcass weights, which in turn is being driven by the increased number of cattle in feedlots for a longer period, and the decline in female cattle being processed. Beef and veal production in 2018 is forecast to remain at this level, assuming average seasonal conditions.

CONSUMPTION

In 2017, beef consumption is expected to decline slightly due to supply shortages and higher retail prices. Meanwhile, domestic per capita consumption of alternative meats such as chicken and pork continues to increase. The ratio of retail beef prices to chicken in 2017 was among the highest on record and this margin is expected to be maintained in 2018.

TRADE

For 2017, supported by increasing average carcass weights, beef exports are forecast to remain at 1.5 million MT and then stay at that level in 2018. In recent years, Australian exports have primarily been to the United States, Japan, and Korea.

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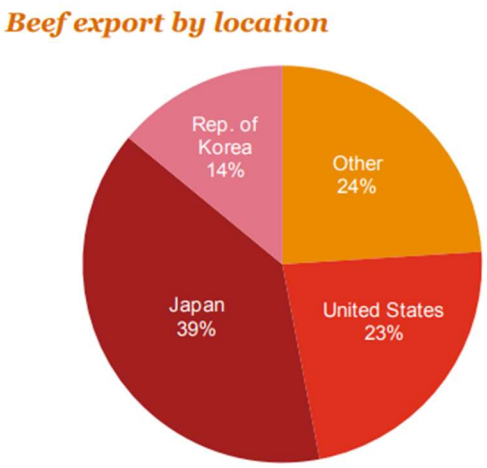
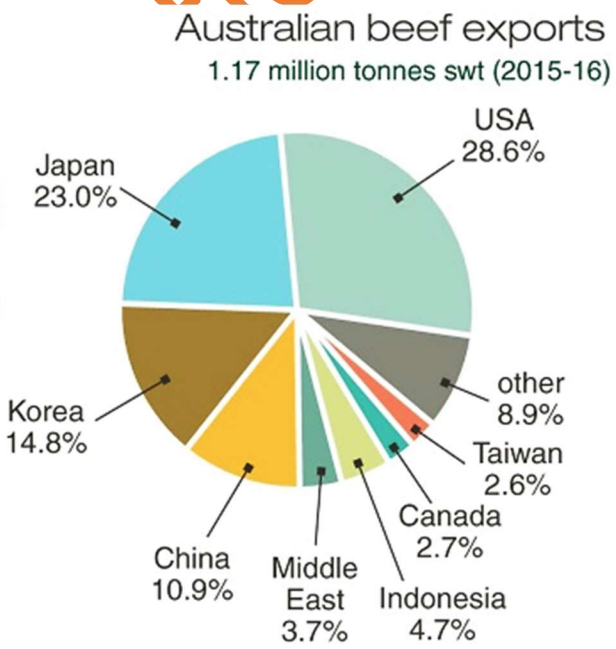


As the statistics form ABARES from 2014-2015 (Australian Bureau of Agricultural and Resource Economics) states, Australia exports high quality, high marbled beef to Japan and Korea. Typically, beef that goes to these markets has been through the production system and may have been fed in a feedlot for anywhere up to 300 days. Despite the fact that the US has a much larger cattle herd compared to Australia, it services high-value markets. **This gives Australia an opportunity to provide for its significant 'hamburger' market**. The beef that enters this market is typically **boxed beef** that comes from northern producers.



According to another research - MLA's Fast Facts about Beef Industry **1.17 million tons of swt. Are exported from Australia**. In **2015-16, Australia exported 74% of its total beef and veal production to 84 countries (DA, ABS).** The value of total beef and veal exports in 2015-16 was $8.5 billion (ABS). Australian live cattle exports were valued at $1.5 billion in 2015-16 (ABS), with 1.2 million head exported. An MLA report looking at the 2015/16 financial year valued Aussie exports of beef, veal and cattle at $10 billion with $8.5b of that figure attributed to beef and veal with the remaining $1.5b from the 1.2 million head of live cattle exported within the period.

Further to this, the off-farm value (domestic expenditure plus export value) of the Australian beef and cattle industry came to $17.87b in 2015/16.

MAP OF PRODUCTION

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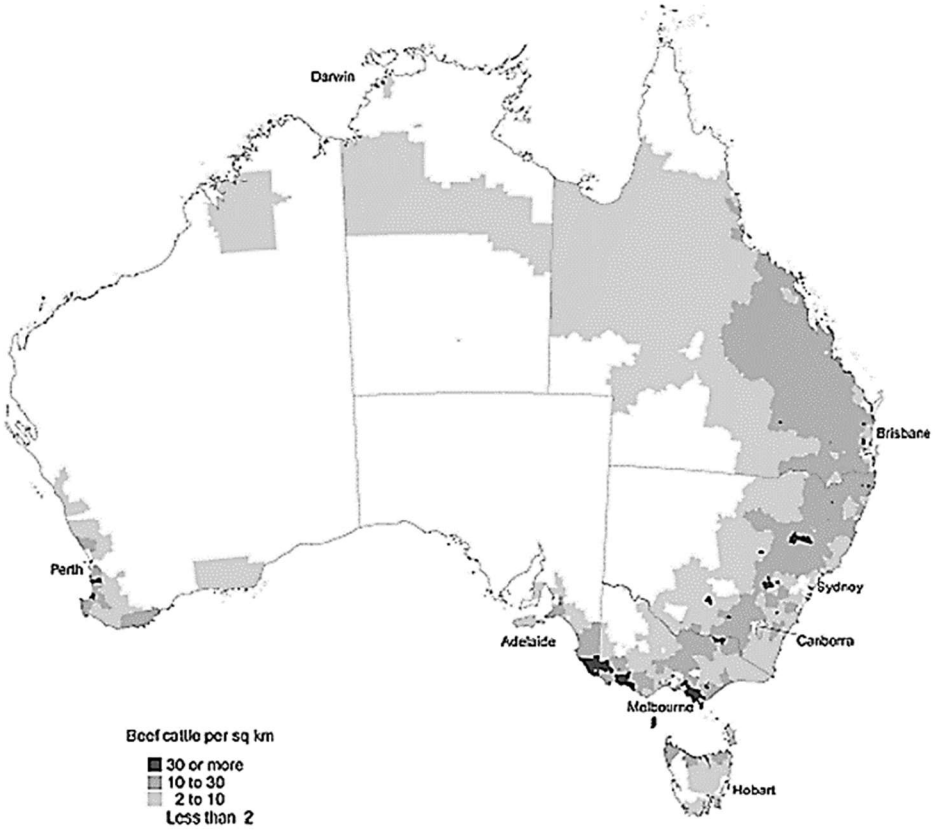
Geographically, the production is divided into Northern cattle producers and Southern cattle producers. In the PWc's report is found a map, originally made from (ABS), of beef cattle per sq.km presented below.



Source:

Australian Bureau of Statistics.

NORTHERN CATTLE PRODUCERS

Northern cattle producers account for 75% of farming land in Australia dedicated to beef. Despite this, they account for just under half of the national herd. Cattle in the northern region typically forage for feed over sprawling properties. Beef from these cattle is of lower quality compared to southern beef. Thus the northern area targets the Asian market through live exports. Alternatively, cattle are sent south where they are fed grain before slaughter. At which point, the beef is boxed and sent to countries such as America as 'hamburger' meat.

SOUTHERN CATTLE PRODUCERS

Farms in southern areas are generally more intensive than their northern counterparts. Farmers in this area generally run European and British breeds which are kept for their ability to gain weight and produce favorable quality meat. After being slaughtered at varying ages, meat from these cattle is typically sold into high-value markets. These include: Korea, Russia, and Japan.

Similar to other agricultural commodities **Australia produces just 3.9% of the world's beef, however over 60% of production is exported**. This means that Australia is typically one of the three largest beef exporters alongside America and Brazil.

GRASS-FED VS. GRAIN FED

At the last count, **grain fed beef** made up around 3% of total cattle in **Australia** with many farmers choosing to raise their cattle on a **grass**-based diet before finishing the cattle on a **grain**-based diet. **Grain** in the cattle diet can include wheat, barley or sorghum.

a) **Grass-fed:** Around 97% of Australian cattle are raised on natural pastures and are considered grass fed. While grass makes up the majority of the animal's feed, they may also be fed grain to supplement their diet when pastures are poor. Different breeds of cattle along with changes in the seasons can influence the style and quality of beef produced as a result of being 100% grass fed.

Meat color - You can often pick when beef is grass-fed by the slight yellow hue of the fat. This is a result of the pigments in the grass and does not affect the quality of the beef.

b) **Grain-fed:** To be classified as Grain-fed, cattle must be fed a grain-based diet for over 60 days. At the last count, grain fed beef made up around 3% of total cattle in Australia with many farmers choosing to raise their cattle on a grass-based diet before finishing the cattle on a grain-based diet. Grain in the cattle diet can include wheat, barley or sorghum.

Meat color - Beef from grain-fed cattle have brighter, whiter fat with more marbling throughout due to the higher sugar and fat content of the grains.

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NUMBER OF CATTLE

Today, according to PwC's research, Cattle farmers in Australia collectively run **28 million cattle** across **200 million hectares**. And as the report "Livestock and Products Annual" states, Cattle numbers are forecast to reach 27 million head in 2018, up 1.9 % from an estimated 26.6 million in the previous year, close to the official estimate for 2017. The number of cattle in Australia makes it a relatively small producer on a global scale. However, due to its small population, **Australia exports around 60% of produce making it the world's second-largest beef exporter behind Brazil**. In the table below are presented the key points from the industry:

Key facts about the industry	
Herd size	28 million head
Percent exported	60%
Beef Exports	$5 billion
Live Exports	$600 million
Producers	40,000
Herd size	28 million head
Percent exported	60%

RECENT CATTLE PRICES

Production up on the back of rising carcass weights, as MLA's research, says. Beef production has risen in 2017, largely due to a significant lift in carcass weights. In the first 10 months of the year, average male carcass weights were up 10kg year-on-year at a record 329kg, while females were up 7kg at 256kg.Weights were underpinned by three consecutive quarters of over one million head of cattle on feed, and female slaughter remained in rebuild territory at around the 45% mark. **Beef production is forecast to finish this year at 2.16 million tons cwt, up 3% year-on-year.**

YOUNG, LIVE, FINISHED CATTLE PRICES

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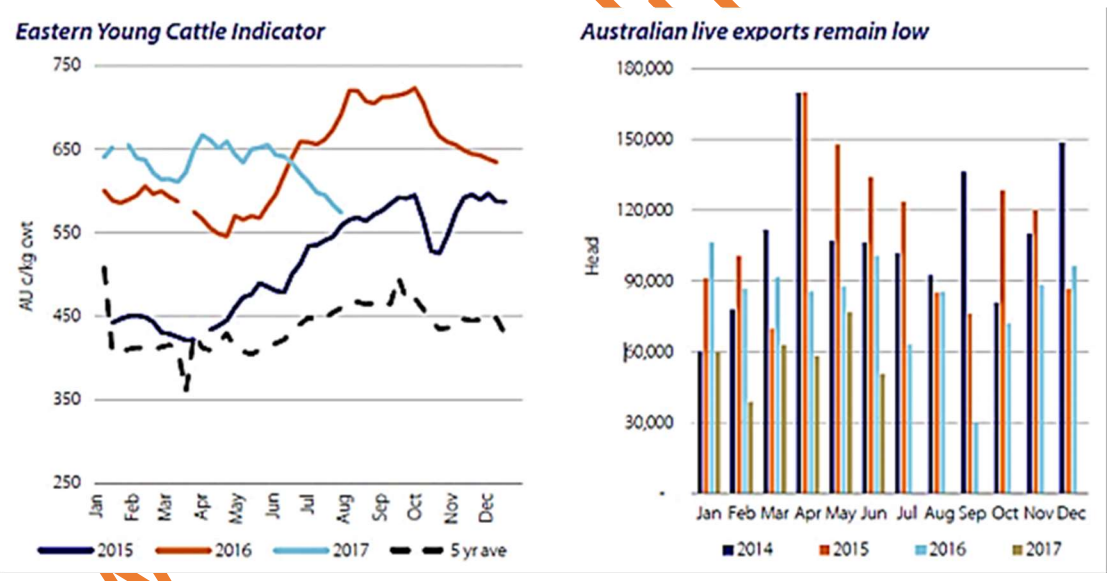
As discussed in MLA's Prices and Markets e-newsletter on 13 December 2017, the Eastern Young Cattle Indicator (EYCI) enjoyed a 65.25¢ rally throughout October before stabilizing in November. This is due to good falls across Queensland and northern NSW, driving strong restocked demand.

EYCI (c/kg cwt)	Medium Cow (c/kg lwt)	Trade Lamb (c/kg cwt)	Mutton (c/kg cwt)
562.5 ▲ 1	201.5 ▲ 3	668 ▼ 14	456 ▲ 2

Daily indicators as of: 11 January 2018

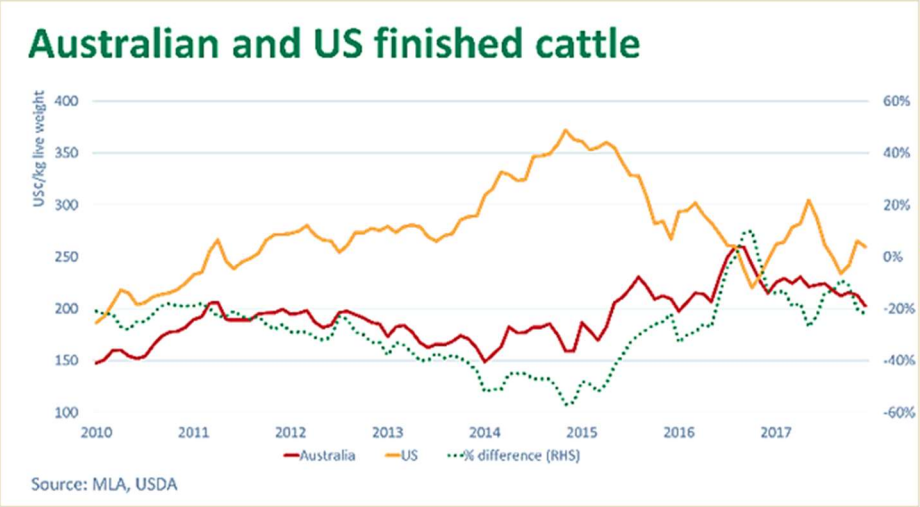
The Eastern Young Cattle Indicator (EYCI) is the general benchmark of Australian cattle prices. The indicator is a seven-day rolling average produced daily by MLA's National Livestock Reporting Service (NLRS). The EYCI includes vealer and yearling heifers and steers, grade score C2 or C3, 200kg+ live weight from sale yards in NSW, QLD, and VIC. The results include cattle purchased for slaughter, restocking or lot feeding and are expressed in cents per kilogram carcass (dressed) weight (c/kg cwt).



Finished cattle prices have largely eased in recent weeks as seasonal plant closures loomed, kill sheets filled up and the US imported beef market softened. While the national heavy steer and medium cow indicators remain below where they tracked this time in 2016 and 2015, finished cattle prices are still historically high – above any level prior to mid-2015.

Furthermore, Australian cattle prices appear to have realigned themselves through 2017 to the historical ratio to the US market. Made according to MLA's statistics, the figure below illustrates the relative price difference between finished cattle in both countries in US$ – Australia

has returned to a 20% discount, after hitting a massive 57% discount in the grip of drought (and record US prices) and a historic premium when both indicators crossed over for the first time in 2016.



While Australia appears to be back in sync with the US, currency movements and the growth in Australian cattle prices over the past three years have made South America a more competitive supplier to the global market. Up until 2015, Australia tracked relatively closely to Brazil, Uruguay, Paraguay, and Argentina. However, steers in Australia are now tracking close to a 50% premium to those in Brazil.

The US remains Australia's principle competitor but Brazil and other South American producers are supplying increasing volumes into some Asian markets, namely China.

So what may 2018 hold for Australian cattle prices? One guide could be the US futures market, which has cattle prices next year pegged close to the spot market, albeit softer in the second half after the grilling season. If the US market can maintain gains in recent months, this will provide some support to Australian prices in 2018.

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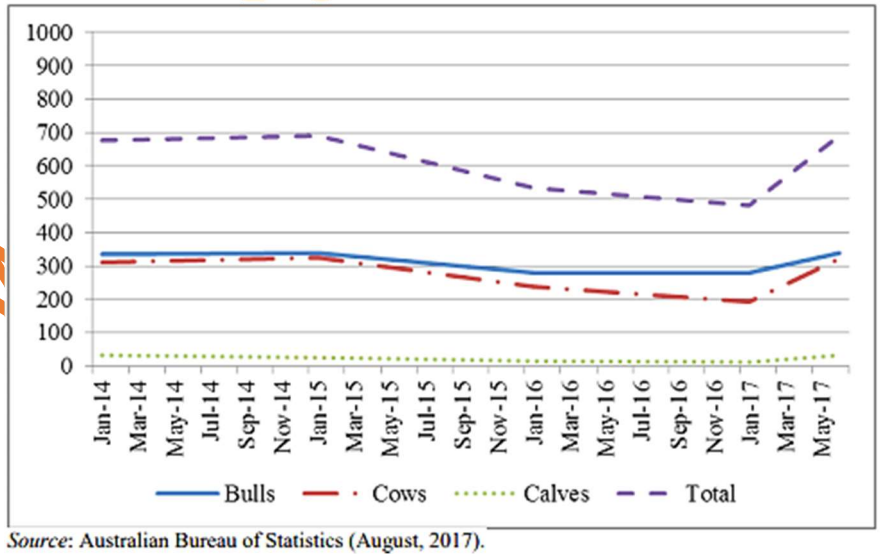
SLAUGHTERED BY CARCASS WEIGHT PRICE

Slaughter cattle supplies are forecast to increase in 2018 – in fact, supplies have arguably improved since mid-2017. According to the report "Livestock and Products annual" made in September 2017, uncertain seasonal conditions for Australia are expected to slow cattle herd rebuilding. In 2018, **cattle slaughter is forecast at 7.6 million head**, with beef production at 2.15 million MT due to rising carcass weights. Beef exports are forecast to increase to 1.5 million MT in 2018 for this reason. Beef and veal production in 2018 is forecast to remain at this level, assuming average seasonal conditions. For 2017, **beef exports will be maintained at 1.5 million MT**, slightly above the current forecast due to an increase in average carcass weights. In 2018, beef exports are forecast to be maintained at 1.5 million MT for the same reason. Live cattle exports in 2017 are estimated at 0.9 million head and are forecast to remain at that level in 2018.

According to the report "Livestock and Products Annual" in 2017, Australian cattle slaughter is expected to decline from historic highs in previous years to 7.6 million head, slightly above the official forecast. Slaughter is forecast to be at the same level in 2018 due to continuing poor to average seasonal conditions.

Cow slaughter is expected to slow in 2017 to 3.13 million head, the same as the official estimate (41.3% of total slaughter) as the female stock is retained. For 2018, **female slaughter** is forecast at 3.2 million, assuming average seasonal conditions.



Source: Australian Bureau of Statistics (August, 2017).

The picture above shows Australian cattle slaughter, January 2014 to June 2017 ('000 head). In 2017, more adverse seasonal conditions are expected to contribute to higher than expected **calf**

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slaughter, estimated to increase to 0.6 million, up from the official estimate of 0.55 million. The post has forecast calf slaughter to be maintained at this level in 2018, assuming average seasonal conditions. **Other slaughter** is expected to be the major category in 2017 at 3.85 million head, matching the official estimate. Other slaughter is forecast to decline slightly to 3.8 million in 2018, assuming average seasonal conditions.

UNIQUE SELLING POINT FOR AUSTRALIAN CATTLE

Australia prides itself on producing superior quality beef that is free from diseases. Beef quality is determined by the size of the cuts produced from an animal and the marbling of the beef. The quality of product from Australian beef can be broadly segregated based on the breed of animal. **Bos Indicus cattle** (also called **zebu**, are adapted to hot climates) are generally selected by northern producers due to their hardiness, tick resistance and ability to cope with heat. The beef produced from these animals is typical of lower quality than beef produced from Bos Taurus animals. This strain of animals are generally used in southern production systems due to their ability to produce quality beef.

A major strength of the **Australian beef industry is its disease free, 'clean and green' image**. As it is mentioned in the report from VCL International, The adoption of the National Livestock Identification System assists with this. The NLIS requires cattle to be given an electronic identification ear tag at an early age. **NLIS collects data on individual animals that extends across their lifetime** and along the value chain from birth to slaughter. That 99.5 % of movement transactions are received electronically within 24 hours of the movement occurring illustrates how effective the NLIS system has become in the gathering of data.

As the animal progresses through the supply chain, it can be tracked via the NLIS. **An outbreak of the disease in the US lead the Japanese to suspend US beef imports for many years.** This gave Australia an opportunity to gain a foothold in the Japanese meat market. If such a disease were to break out in Australia, the NLIS could isolate the disease in a very short space of time. Australia was the first country to impose such a system and it has given Australia improved access to many markets.

BEEF MEAT EXPORT FROM AUSTRALIA

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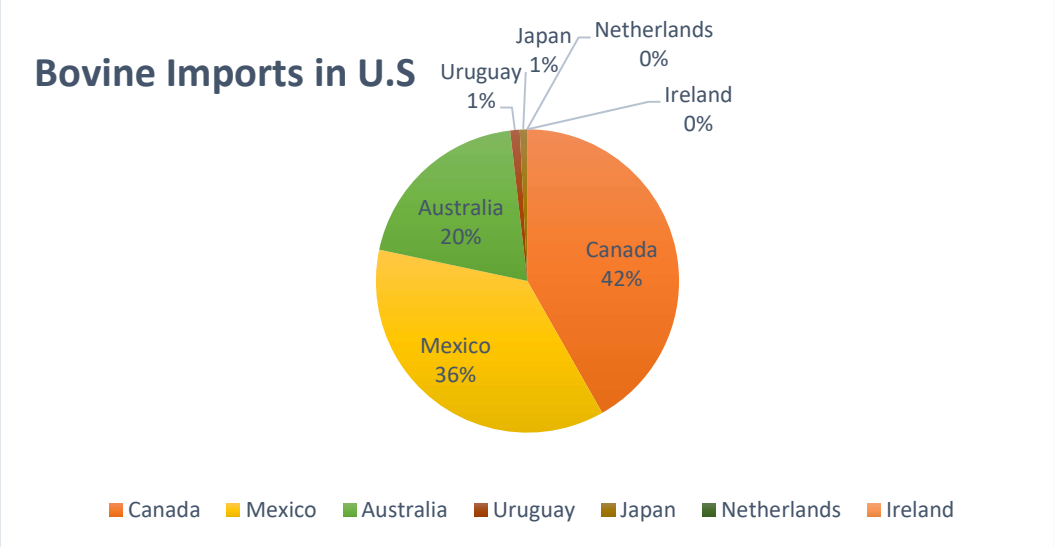
TRENDS AND SIZE OF THE BEEF MEAT EXPORTS TO U.S.

Roughly 8 to 10 % of beef consumed in the U.S. is imported from other countries, while 11 to 14% of the beef raised in the U.S. is sent elsewhere. The global beef trade is a complex web of supply and demand, based largely on the differences in what each society values from their cattle.

Speaking of Beef Meat, there are statistics from OEC, that **U.S imports 19% Bovine meat from Australia,** Mexico 35% and Canada 40% and the rest percentage from Japan, Uruguay, Netherlands, and Ireland.



The primary driver for U.S. beef imports is the fact that the cattle are just too fat, as it is mentioned in the article from "Food Safety News". Or, at the very least, our ground beef is too fatty. Foreign beef most commonly makes it to the U.S. in the form of lean, grass-fed beef.

Domestically, the U.S. produces ground beef categorized as "50s," a mixture of 50-% lean beef trimmings and 50-% grain-fed cattle fat. The fat ratio is too high to sell as hamburger without mixing in leaner products from grass-fed imports or older, leaner cows in the domestic supply.

This beef – several billion pounds a year – comes from Canada, Mexico, Australia, New Zealand, and Central and South American countries such as Nicaragua, Brazil, and Uruguay.

Australia's beef exports are globally competitive but are generally low-value exports (grass fed for ground beef) rather than high-value products (grain-fed for high-value sale). According to Meat

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& Livestock Australia, in 2016, 75% of Australian beef exports to the US were low-value manufacturing or hamburger beef (MLA). The US cattle herd has been near historic lows, fueling increased demand for imported beef. **In 2016, Australia exported one million tonnes swt. Exports for this period were valued at $7.4 billion.**

In the further paragraph will be showcased table that shows in which countries Australia exports Beef Meat. Japan, U.S, and Korea are Australia's top destination for Beef Export.

Top ten Australian beef export destinations based on 2016 volumes (tonnes swt)

	2012	2013	2014	2015	2016
TOTAL	963,782	1,099,487	1,287,012	1,285,073	1,018,105
% of production exported	66%	68%	72%	74%	70%
US	224,111	212,703	397,889	415,951	242,013
Japan	308,540	288,796	293,780	285,224	264,325
Korea	125,957	144,365	150,918	166,588	179,854
China	32,906	154,833	124,586	148,222	94,040
Indonesia	27,097	39,418	53,140	39,134	61,676
Taiwan	38,280	35,703	36,419	30,448	31,385
Philippines	25,718	26,992	34,352	25,352	29,431
Canada	15,661	17,898	32,972	42,575	19,316
Saudi Arabia	5,241	31,126	32,213	29,629	11,271
Malaysia	15,544	15,935	13,105	12,344	10,391
other	144,728	131,721	117,638	89,605	74,404

PROCEDURE AND REGULATIONS FOR BEEF MEAT EXPORT

The Food Exports are regulated by few Government bodies in Australia. Meat Exports as fragile food category are under The Department of Agriculture and Water Resources, also Governance Department.

The Australian Export Meat Inspection System (AEMIS) is an integrated set of controls specified and verified by Government that ensure the safety, suitability, and integrity of Australian meat and meat products. Underpinning AEMIS are objective hygiene and performance standards which are continually monitored. A departmental veterinarian is responsible for ante-mortem inspection and verification of post-mortem inspection and processor hygiene practices.

The **Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption (AS4696)** requires that a suitably qualified meat safety inspector performs post-mortem inspection and make decisions on each carcass and its carcass parts (any tissue or structure removed from a carcass and includes head, viscera and blood). Inspection services are delivered either by department officials **called Food Safety Meat Assessors (FSMAs)** or **Australian Government Authorised Officers (AAOs).**

Exporting meat and meat products - The Export Meat Program provides inspection, verification and certification services to the export meat industry in Australia

Services provided include: The provision of export certification acceptable to Australia's trading partners, a scientifically-based inspection system that underpins the production of wholesome meat and meat products, a capacity for ongoing scientific review of the inspection system the supply of inspection services and veterinary oversight as required to all establishments registered for export with the Department of Agriculture and Water Resources, audit activities that verify industry compliance with the Export Control Act 1982 and subordinate orders, including overseas market access requirements and establishments' Approved Arrangements.

FEES AND CHARGES FOR EXPORT SERVICES

The Department of Agriculture and Water Resources is responsible for applying fees and charges to industry and the public.

Fees and charges are applied for services provided by the department, including:

- Regulatory services, including biosecurity and export certification.
- Requests for information under the Freedom of Information Act 1982 (FOI Act).

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Cost recovery fees and charges are applied to the department's import and export services, including inspection and certification of goods and premises. You can find full details of these charges and how they are applied in the department's charging guidelines.

The current CRIS document for Food Exports is available to view at the following link: Food Export (CRIS). This is Cost Recovery Implementation Statement (CRIS) that provides information on all **Department of Agriculture and Water Resources cost recovery arrangements for exporters of food, including meat, dairy, seafood and egg, non-prescribed goods, organics, and quotas.** This includes the fees and charges for these activities for the financial years 2015–16 to 2018–19, reports on financial and non-financial performance information for the delivery of these activities and financial forecasts for cost recovery up to 2018–19.

Cost recovery fees and charges **applied by the department** are periodically reviewed. A key part of this process is the development of a Cost recovery implementation statement (CRIS).

Each CRIS document provides information on:

- the legislative basis for cost recovery;
- the design of fees and charges;
- how fees and charges are applied;
- Ongoing reporting on the fees and charges.

In order to Export Beef Meat from Australia, you will need to have complete documentation which contains different fees and chargers. **Fees and charges for Meat Export** are presented below:

1. **Export certificate** - Increases in the volumes of electronic certificates issued by the department since the last review of charges provides an opportunity, subject to government approval, to temporarily adjust the charge for electronic certificates from $49 to $12
2. **Quota - The Department of Agriculture and Water Resources** manages the United States (US) beef quotas, which were put in place by the Australia–United States Free Trade Agreement (AUSTFA) and the General Agreement on Tariffs and Trade (GATT).

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Australian exporters can export 418,214 tonnes (combined AUSFTA and GATT) to the US at a zero tariff rate through these quotas.

a) Quotas are issued on a first-come, first-served (FCFS) basis, and run on a calendar year basis.

b) To be eligible to receive a US beef quota certificate, an exporter must hold a meat export licence, issued under section 10 of the Australian Meat and Live-stock Industry Act 1997.

c) If Australia exports more than 85% of the quota amount before 1 October each year, the remaining 15% of the quota is allocated proportionally based on an exporter's record of shipment to the US, averaged over the previous 2 years.

3. **Registration charges** - Subject to government approval, the prices of charges on some registered meat export establishments, including abattoirs, independent boning rooms, and export casings establishments, will be temporarily adjusted down from 2015–16 to 2018–19 as outlined in Table below.

4. **Throughput Rates** - Subject to government approval, charges for some throughput rates for some categories of animals will be temporarily adjusted down from 2015–16 to 2018–19, as outlined in the table below. These reductions will occur in rates charged at Tier 1 establishments – which are Export-Registered Australian Standard Meat Establishments as set out in Meat Notice 2014-04

5. **Inspection and audit fees** - Subject to government approval, there will be a temporary reduction in inspection prices from $30 to $21 for inspections carried out by a Food Safety Assessor and from $39 to $26 for inspections carried out by veterinarians. There will not be any change to existing audit fees, however, the differential rate of audit fees to reflect the required audit competency will be maintained. Audits conducted by Food Safety Assessors will continue to be charged at $30 per quarter hour and audits, where a veterinarian is required, will continue to be charged at $108 per quarter hour.

Each of the Fees, Levy, and Charges are presented in the table below with prices.

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Charge item	Levy	Fee	**Total Charge**	Post Remission Levy	Post Remission Fee	**Total Charge (post remission)**	**Total Reduction (post remission)**
Electronic certificate	$46	$3	**$49**	$9	$3	**$12**	**$37**
Establishment– Abattoir	$840	-	**$840**	$588	-	**$588**	**$252**
Establishment– Casings	$840	-	**$840**	$588	-	**$588**	**$252**
Establishment– Independent boning room	$1 250	-	**$1 250**	$875	-	**$875**	**$375**
Through put – full unit (Tier 1 establishment)	$0.70	-	**$0.70**	$0.35	-	**$0.35**	**$0.35**
Through put – Sheep/Goat/Lamb (Tier 1 establishment)	$0.18	-	**$0.18**	$0.09	-	**$0.09**	**$0.09**
Through put – Calf (Tier 1 establishment)	$0.07	-	**$0.07**	$0.04	-	**$0.04**	**$0.03**
Through put – Kangaroo/Wild Boar (Tier 1 establishment)	$0.05	-	**$0.05**	$0.03	-	**$0.03**	**$0.02**
Inspection- Food safety meat assessor	-	$30	**$30**	-	$21	**$21**	**$9**
Inspection- On-plant veterinarian	-	$39	**$39**	-	$26	**$26**	**$13**

Note: Information given above is taken from the Governmental website for exporting goods from Australia, but more details about the procedure could be found with the help from some export-import agency or logistics company.

IMPORT TO U.S

On the other side of the agreement for export/import is U.S that has its own specific body for food regulation Food Safety and Inspection Service (USDA), which have its laws for the imported food: **FSIS is responsible for assuring that U.S. imported meat, poultry, and processed egg products are safe, wholesome, unadulterated, and properly labeled and packaged**.

Availability of FSIS Guidance for Importing Meat, Poultry, and Egg Products into the United States:

- Docket No. FSIS-2017-0020 - PDF;
- Related Document: Compliance Guide;

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- Review/Submit Comments via regulations.gov;

Also, FSIS had provided a checklist **as an overview of the steps needed to be taken when you want to import meat, poultry, or processed egg products to the United States.**

1. Products must originate from certified countries and establishments eligible to export to the United States.
2. The Animal and Plant Health Inspection Services (APHIS) restricts some products from entering the United States because of animal disease conditions in the country of origin. For information on restrictions related to animal diseases and information about APHIS, contact the APHIS Veterinary Services, National Center for Import and Export.
3. Countries and establishments become eligible following an equivalence determination process by FSIS.
4. Imported products must meet the same labeling requirements as domestically-produced products.
5. After filing the necessary forms for U.S. Customs and Border Protection, and meeting animal disease requirements of APHIS, all imported meat, poultry, and processed egg products must be presented for inspection by FSIS at an official import establishment.

SUMMARY

The whole research was divided into **two main chapters**: Beef Industry in Australia and Beef Meat Export from Australia.

The first chapter starts with Beef industry Overview in Australia. There was made Industry Overview for the **beef market in Australia** with data for the Consumption and Trade. The overview gives information about Australia's Beef Market size and production of beef. Also this part includes the list of the top 20 countries and its market share in Beef Production, where **Australia is ranged on the 7th place or it participate with only 3.35% in the world beef production**. Speaking of the trade Australia exports quite lot because of the small population. The domestic consumption is smaller than the international exports for Beef. **23% (or most) of the**

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Beef export is to the U.S., followed by Japan 39% and Rep. of Korea with 14%. The first chapter has two more subchapters: Map of Production and Cattle in Australia.

In a following text is the part **Map of Production**, where are described in details the locations of the mass production and its divide in Northern and Southern cattle, but also what type of bovine there are in Australia's lands – Grass-fed or Grain fed. It came up that **Australian cattle is around 97% grass-fed**, which is not case with U.S cattle. The last subchapter is for the **Cattle in Australia its size, prices, and types,** finally ending with Cattle's **unique selling points**. The subchapter about Australian Cattle, contains important statistics and information about: Number of cattle, Recent cattle prices for each categories of cattle: Young, Live and Finished but also Slaughter cattle by Carcass Weight Price. As it is mentioned before in 2017, Australian cattle **slaughter is expected to decline from historic highs** in previous years to 7.6 million head, slightly above the official forecast. All the data lead to the conclusion that the **Beef production is forecast to finish this year at 2.16 million tons cwt, up 3% year-on-year.**

Finally the **unique selling points** for Australian beef could be assumed. A **major strength of the Australian beef industry is its disease free**, 'clean and green' image. As it is mentioned in the report from VCL International, The adoption of the National Livestock Identification System assists with this.

The second main chapter contains 4 subchapters: Trends and size of the Beef Meat Exports to U.S., Procedure, and Regulations for Beef Meat Export, Fees and Charges for Export Services and Import to the U.S.

Trends and size of the Beef market includes data about Australian Beef Export and Imports for Beef in U.S as second country in the agreement for export-import. Bovine as group where beef meat is deployed, is quite lot imported to U.S specifically from three countries: Canada 43%, Mexico 35% and Australia with 19%, which proves the opportunity for Australian beef export to U.S. **The primary driver for U.S. beef imports** is the fact that the cattle are just too fat. Foreign beef most commonly makes it to the U.S. in the form of lean, grass-fed beef. On the other hand **Australia's beef exports** are globally competitive but are generally low-value exports (grass fed for ground beef) rather than high-value products (grain-fed for high-value sale). According to Meat

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& Livestock Australia, in 2016, 75% of Australian beef exports to the US were low-value manufacturing or hamburger beef (MLA).

Further is presented the **Procedure and Regulations for Beef Meat Export and the Fees** and Charges for export Services. This parts consist in details explained and described all that one exporter must to know about how to export a beef meat. Procedure is regulated by few government bodies, but closely for the meat export is responsible Department of Agriculture and Water Resources that audit activities that verify industry compliance with the Export Control Act 1982 a capacity for ongoing scientific review of the inspection system the supply of inspection services and veterinary oversight as required to all establishments registered for export.

Also The Department of Agriculture and Water Resources is responsible for applying **fees and charges** to industry and the public. Cost recovery fees (CRIS) and charges are applied to the department's import and export services, including inspection and certification of goods and premises. CRIS's documents are attached on the government website in **Department of Agriculture and Water Resources** and provides information on all **Department of Agriculture** and Water Resources cost recovery arrangements for exporters of food, including meat, dairy, seafood and egg, non-prescribed goods, organics, and quotas. In this subchapter are also described all of the needed **documents for starting the procedure of export:** Export certificate, Quota, Registration charges, Throughput Rates and Inspection and audit fees. In further, all of the costs, are taken from this source and showcased in the table.

The research ends with the instructions and regulations about Importing in U.S that are given from U.S government body FSIS that must be accomplished if the product is entering the country. FSIS is responsible for assuring that U.S. imported meat, poultry, and processed egg products are safe, wholesome, unadulterated, and properly labeled and packaged.

Each of the subchapters contains data from formal sources (Government websites and Research Agencies).

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