The Australian beef industry

Australian beef land use

- Beef production is Australia’s second largest agricultural industry. In 2006–07, the gross value of production, including live cattle exports, was $7.99 billion.

- The industry extends over almost half of Australia’s land mass across all climatic zones and is Australia’s most extensive industry. This means that environmentally it has a closer association with more of Australia’s land resources than any other agricultural industry.

- Similarly, in economic and social terms, the beef industry relates to more rural and regional communities, including Indigenous Australians, than any other industry.

- The total number of beef cattle at June 2007 was 25.6 million.

This map shows grazing modified pastures, grazing natural vegetation, and irrigated modified pastures.

Source: Adapted from NLWRA (2006) National Land Use Maps by BRS and CSIRO NLWRA.
Economic overview

Industry assets

Driven by the rising price of land, the financial assets of the industry are increasing, as indicated by farm capital valuation.

Impact of the industry on assets held by others

Productivity for the beef industry shows an overall increasing trend since the late 1970s, with the average productivity growth being 1.4% per year. Productivity growth has been achieved through:

- advanced breeding genetics
- improved herd, pasture and disease management
- the advent of lot feeding in turning off cattle
- the development of the live cattle trade, stimulating higher weaning rates and lower age of turnoff in northern herds.

The beef industry has exported an average of 65% of annual beef and veal production since 2000. In international terms, it outperforms other countries in export sales from a small production base.

Policy and management responses

Decreasing commodity prices (in real terms) and increasing input prices mean that the beef industry is under constant pressure to increase the efficiency of production in order to maintain viable levels of business profitability. Meat & Livestock Australia (MLA) has identified the need for the whole red meat industry to enhance its competitiveness and sustainability as a strategic imperative.

Environmental overview

Industry assets

The beef industry is Australia’s most extensive agricultural industry in terms of the proportion of the Australian landscape where cattle are raised. The industry is managed to match the environment in which it exists.

Biodiversity in existence on beef farms is an asset of the industry that may also provide services that others benefit from. From the industry’s perspective, biodiversity is identified by MLA as a priority natural resource management issue for the red meat industry. MLA notes that it is currently working in the area but only has qualitative indicators of progress.

Beef producers have responded to the challenge of biodiversity conservation by:

- taking areas out of production in order to revegetate
- fencing remnant and revegetated areas to exclude stock and feral animals
- planting tree belts to protect stock and provide shelter for native fauna.

EMISSIONS OF GREENHOUSE GASES FROM BEEF PRODUCTION

Source: Meat & Livestock Australia

ECONOMIC CONTRIBUTION

<table>
<thead>
<tr>
<th></th>
<th>2001-02 $’000m</th>
<th>2002-03 $’000m</th>
<th>2003-04 $’000m</th>
<th>2004-05 $’000m</th>
<th>2005-06 $’000m</th>
<th>2006-07 $’000m</th>
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<tbody>
<tr>
<td>Cattle and calves slaughtered</td>
<td>6617</td>
<td>5842</td>
<td>6341</td>
<td>7455</td>
<td>7325</td>
<td>7550</td>
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<tr>
<td>Cattle exported live</td>
<td>526</td>
<td>569</td>
<td>318</td>
<td>374</td>
<td>358</td>
<td>437</td>
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<td>Total</td>
<td>7143</td>
<td>6411</td>
<td>6659</td>
<td>7829</td>
<td>7683</td>
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Sources: ABARE, Australian commodities, vol 15 no. 1, March quarter 2008; ABARE, Australian commodity statistics 2007

Banner images on first page courtesy of DAFF
Impact of the industry on assets held by others

Australian water statistics do not separate water consumption for beef cattle and for other livestock; in 2004–05, total water consumption for livestock was 1035 gigalitres (GL) (8% of total water consumed in agriculture in that year).

By ceasing broadscale land clearing, the industry has made a major contribution to greenhouse gas mitigation. These savings more than offset the total gross emissions attributed to the beef industry in 2005.

Policy and management responses

- Maintaining areas of conservation significance is applicable to around 90% of the surveyed beef cattle farms, and the practice has been adopted on around 50% of farms.
- The industry gives high priority to water use. MLA is undertaking a 2-year on-farm ‘life cycle analysis’ study that will provide accurate figures on the amount of water and energy used to produce a kilogram of beef.
- Producers are increasingly using effective tools to match fertiliser application to plant needs. Problems of salinity, acidity and erosion that reduce soil fertility are high priorities for the industry and are being addressed at the farm, catchment and landscape levels.

VALUE OF EXPORTS OF BEEF, VEAL AND LIVE CATTLE ($MILLION FREE-ON-BOARD), 1999–2000 TO 2006–07

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<tbody>
<tr>
<td>Beef and veal</td>
<td>3119</td>
<td>4007</td>
<td>4189</td>
<td>3756</td>
<td>3793</td>
<td>4584</td>
<td>4272</td>
<td>4634</td>
<td>4044</td>
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<tr>
<td>Live cattle a</td>
<td>846</td>
<td>846</td>
<td>797</td>
<td>977</td>
<td>581</td>
<td>574</td>
<td>549</td>
<td>638</td>
<td>726</td>
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<tr>
<td>Total</td>
<td>3965</td>
<td>4853</td>
<td>4986</td>
<td>4733</td>
<td>4374</td>
<td>5158</td>
<td>4821</td>
<td>5272</td>
<td>4770</td>
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</table>

a Excludes cattle for breeding purposes
Sources: ABARE, Australian commodity statistics 2007; ABARE, Australian commodities, vol 15 no.1, March quarter 2008
Social overview

Key industry bodies:

- Cattle Council of Australia
- Australian Lot Feeders Association
- Meat & Livestock Australia (MLA)
- Beef Cooperative Research Centre

In social terms, the extensive distribution of beef production means the industry relates to more rural and regional communities, including Indigenous Australians, than any other industry.

Industry assets

- In 2001, 47,086 people (16.4% of those employed in agriculture) were employed on specialist beef farms and an additional 18,052 people (6.3% of employment in agriculture) were employed on mixed sheep–beef cattle farms.
- In the 2001 census, 1477 people who responded said that they were Indigenous and working in grain, sheep and beef cattle farming.
- Over the past decade, there has been a trend of declining occupational injuries in the industry as improved occupational health and safety practices have been adopted.
- The level of education and skills of the beef industry workforce is an asset of the industry.
- The beef industry contributes to the health of Australians by providing an affordable source of high-quality protein and nutrient-rich food.

Policy and management responses

- The beef industry is a major contributor to economic and social development in Australia in economic, environmental and social terms. It is part of an extensive value chain from the farm gate to consumers. In addition, it has led to the creation of an extensive service sector. Producers participate in a wide range of industry and community organisations at local, regional, state and national levels.

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The beef industry is a significant part of national and regional cultures and identity. MLA gives high priority to maintaining high levels of community trust and pride in Australia’s cattle industry, undertaking a range of activities to reconnect urban and rural Australia so that the importance of agriculture to all citizens is better understood and appreciated.

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