

Beef News

Australia eyeing red meat export opportunities in China

By [Tom Johnston](#) on 6/2/2008 for **Meatingplace.com**

Australia is pushing strongly to expand its exports of red meat in China.

A delegation led by Meat and Livestock Australia (MLA) has visited with more than 140 importers and retailers over the course of a 10-day visit, according to an Australian editor traveling in China with the team of exporters and meat processors.

Glen Thompson, MLA's regional manager for Southeast Asia and China, said the market is almost 100 percent supplied by domestic production, but its sheer size alone presents an exciting opportunity for Australia's red meat industry.

Australia's red meat industry is seeking opportunities beyond the high-end market, particularly lower-value cuts bound for mid-level foodservice and retail.

China historically has been a small importer of beef and a larger market for beef variety meats. Before the first U.S. case of BSE in 2003, the United States was the largest supplier, followed by Australia. Since 2003, Australia has been the dominant supplier of China's direct beef imports, followed by recent growth from Uruguay, USMEF economist Erin Daley told **Meatingplace.com**.

China declared its border open to U.S. beef in June 2006, but the two countries have not reached agreement on trade resumption conditions.

Daley points out that per-capita beef consumption in China is "extremely low" at some 6 kilograms, compared with pork consumption at roughly 30 kilograms. "Therefore, there is tremendous potential growth in per-capita beef consumption," she said.

Bigger picture

A better indicator of demand, Daley adds, is beef trade to the region, rather than direct exports to China. Since mid-2007, a shortage of pork in China has led to higher prices for all proteins, including a 75 percent increase in beef prices, indicating potential for expanded beef imports.

Beef exports to the Greater China region were 150 percent higher during the first quarter of 2008, compared with the same period last year. U.S. exports in the quarter increased nearly 300 percent and totaled 11,461 metric tons, compared with a 77 percent increase in Australian exports for a total of 3,030 metric tons, according to Daley, noting that the United States continues to try to stimulate demand for U.S. beef.

Brazil, with exports increasing 268 percent to 24,162 metric tons, is the largest supplier to the region. Brazil has signed a veterinary protocol with China, but Beijing has yet to approve any Brazilian plants for direct export to China.