

Challenges or Opportunities? 1Cow or 100,000 Cows? The Product is Beef!

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Introduction

Responding to challenges, perhaps better approached as 'Seeking Opportunities', requires thought and understanding of the business you are in. Responses can be short, median or long term. Gain in one area commonly results in a loss in another (or several others). Current best practice suggests aiming for profit; along the way consider environmental, animal and financial influences. Wealth creation (at least maintenance), social standing and acceptance, self happiness and satisfaction, contribution and acceptance are just some of many other influences.

'No One Hat Fits All'. This discussion is intentionally not about identifying or listing opportunities or challenges. Instead it is an attempt to overview the Beef Supply Chain. It commences with Australia's beef production capacity and current markets, contracting to a State and a regional overview.

Australia's Beef Production

In 2014 Australia produced 2.5 million tonnes of beef, 41 thousand tonnes of veal and 444 thousand tonnes of cattle sold to live export markets. (1.29 million cattle averaging 344kg per head.)

Queensland's share of the beef only production was 1.2 million tonnes - 47% of national production. During the past decade annual production has varied from 999,358 tonnes to 1,208,333 tonnes- a variation of 208,975 tonnes. That's equivalent to 720,603 cattle averaging 290 kg carcass weight; 4 abattoirs with an annual throughput of 180,000 cattle or 2500-3000 jobs! Just in Queensland. This annual variation is known as seasonality.

Beef Production by State – 2004-2014

Unit	Aust Tonnes	NSW Tonnes	Vic Tonnes	Qld Tonnes	SA Tonnes	WA Tonnes	Tas Tonnes
2004	2,081,332	422441	374204	1013679	89095	122041	58743
		20%	18%	49%	4%	6%	3%
2005	2062518	414859	343644	1034007	87835	125789	55238
		20%	17%	50%	4%	6%	3%
2006	2159179	438010	351714	1108953	88081	113709	57617
		20%	16%	51%	4%	5%	3%
2007	2139674	451560	365507	1058628	87328	117730	58397
		21%	17%	49%	4%	6%	3%
2008	2113606	454819	393257	1010209	74162	126192	54965
		22%	19%	48%	4%	6%	3%
2009	2066383	446080	359216	1008378	89772	111327	51608
		22%	17%	49%	4%	5%	2%
2010	2080959	444731	365724	999358	101385	118321	51440
		21%	18%	48%	5%	6%	2%
2011	2086264	451674	326605	1044660	106284	105638	51404
		22%	16%	50%	5%	5%	2%
2012	2113131	442609	339733	1068866	109297	98524	54102
		21%	16%	51%	5%	5%	3%
2013	2318700	499285	409630	1127821	115162	105715	61086
		22%	18%	49%	5%	5%	3%
2014	2,553,803	552198	493859	1,208,333	125912	107818	65681
		22%	19%	47%	5%	4%	3%

As witnessed during the past three years beef production increases during drought periods as the herd is down sizes. Production then declines as the National herd rebuilds. This variation in annual beef production is more pronounced in Northern Australia.

Opportunity feedlots utilising surplus grain commenced on the Darling Downs in 1964. Grain fed cattle were targeted to the Brisbane domestic market. Developing interest from the Japanese market in the early 1970's led to the construction of large (over

1000 head) commercial feedlots. When the Japanese market closed to Australia in 1974 the feedlot sector reverted to the smaller farmer opportunity lots. The value of feedlots in correcting the erratic supply of cattle due to seasonal variation was established.

Domestic Market

The domestic market is Australia's largest market. In 2014 Australians consumed 660,150 tonnes of beef or 26 percent of the beef produced nationally. Of this

- 62% was distributed by the retail sector
- 38% was distributed by the food service sector

Retail Sector Share		Food Service Share	
Woolworths & Coles	58%	Restaurants	35%
Butchers	20%	QSR Chain	9%
IGA and Aldi	18%	QSR Independent	5%
		Hotel Motels	10%
		Café	11%
		Aged care	6%
		Other	14%

(2014 was a drought influenced supply. Over the past half century domestic consumption has typically been one third of annual production leaving two thirds of production for export.)

Australian consumers continue to reduce spending on dining out. Fast food (QSR) spending has increased 23% over the past 4 years while spending at higher scale restaurants has fallen by 9%.

Factors influencing Australian consumer purchase behaviour are similar to those occurring in other parts of the developed world. They can be summarised:

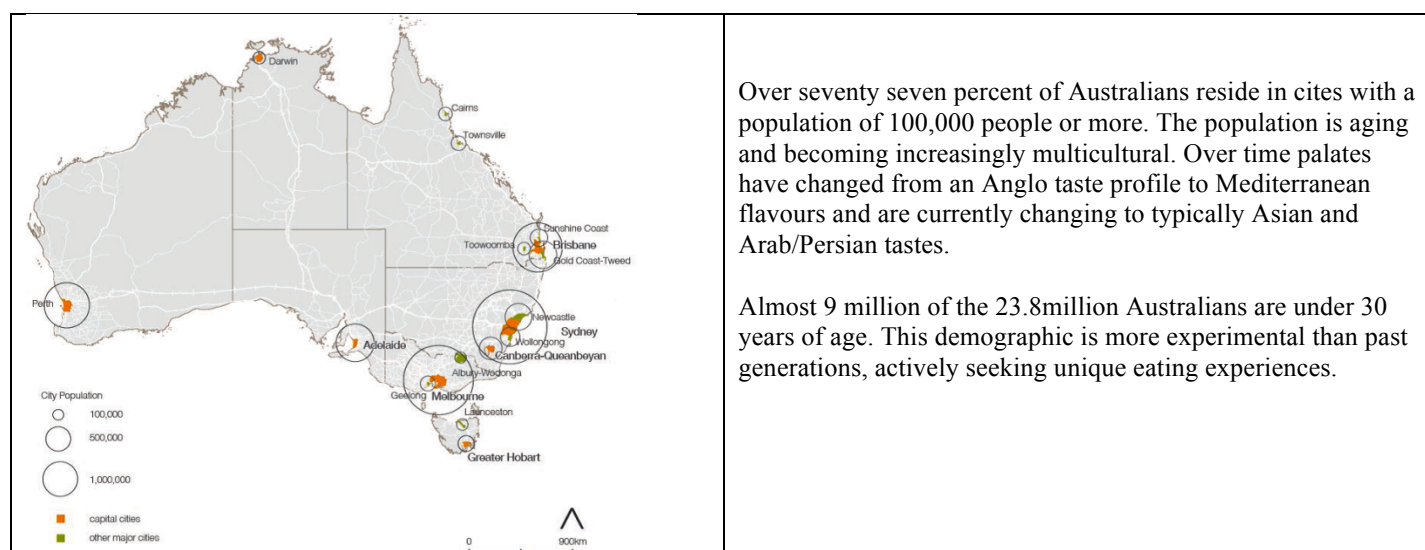
- Food Safety (taken as granted in Australia but sought in other countries).
- Busy lives and a reduction in household size increasing the demand for conveniently packaged and portion sized purchases
- Concern about environment, animal welfare, branded product, road miles etc (BUT for the working meal provider (sadly female dominated) the main concerns are:
 - Is it safe for my children (family)?;
 - Can I afford it?

Australians are not 'Walking the Talk!

Woolworths unveils big plans for 'Lean Retail' model

Woolworths Food Group managing director, Brad Banducci: "What is clear is that while lower prices are essential, the true battleground is the overall customer experience. So we will not be beaten on price, and we will provide better convenience, superior freshness and a more appealing range and a focus on innovation."

Location of Australian Population



Domestic Consumption by State

This concentration of the population in the SE Coastal regional areas is significantly influences individual state contributions to the domestic market. NSW with almost one third of the Australian population, its temperate climate and fertile soils consumes about 50 percent of the beef it produces. Queensland, with 70 percent of its 4.8 million population residing in the south east corner of the state, consumes about 20 percent of its production.

State Contribution to Domestic Market

	Aust	NSW	Vic	Qld	SA	WA	Tas
2010	37%	51%	36%	23%	45%	71%	50%
2011	36%	51%	37%	21%	35%	71%	51%
2012	34%	46%	40%	19%	38%	74%	52%
2013	34%	46%	37%	20%	37%	72%	53%
2014	26%	42%	30%	17%	35%	68%	49%

Export Markets

In 1958 Australia shipped 93,748 tonnes of beef to the United Kingdom and 6,134 tonnes to the USA. By 1963 shipments to the UK had fallen to 25,628 tonnes while shipments to the USA had risen to 208,811 tonnes. This period focused Australia's beef production future. Prior to this the Australian cattle industry operated as two distinct segments:

- Northern Australia where vast properties produced grass fed cattle for export as frozen, bone in carcasses or for canning. Seasonal beef only abattoirs with cold storage facilities were located at most ports along the coast. As most beef was sold to England abattoir ownership was dominated by British Companies. (Vestey and Borthwick) although there was some American presence (Swift). Property infrastructure was minimal. Road and rail infrastructure was crude and limited to the major routes connecting south eastern Australia with Darwin. Cattle were walked to point of slaughter. Male cattle were turned off at 4-6 years of age. Few female cattle were processed due a vision to increase herd size. This was also due to a harsh environment that resulted in significant drought losses and low female carcase weights.
- By contrast abattoirs in Southern Australia were typically large, mixed specie Government owned operations located adjacent to major population centres. Their priority was to supply beef with thorough hygiene inspection on a service basis to local butchers.

Britain's proposed entry into the Common Market in 1960 saw it officially cut its preferential trading ties with Commonwealth countries like Australia. This blow to the northern export industry was softened by the simultaneous opening of the American

'grinder beef' market. Lean Australian meat was ideal to dilute USA feedlot produced fatty trimmings to satisfy the growing popularity for hamburgers by American consumers. The northern industry found a niche!

The Commonwealth Government Beef Roads scheme initiated in 1960 bought quick results with beef exports growing not quite threefold by 1963, albeit from a low base of 165,000 tonnes. Subsequent developments included road trains, improvements in refrigeration, containerisation, mechanised vegetation clearing, introduced pastures, water storage and its reticulation. These developments bought significant change, especially to Queensland.

Today beef and veal are exported to over 100 countries, but the market currently is dominated by four countries.

2014 Export Beef Market Share

	Tonnes swt	Share	Aus \$ Value	\$/Tonne
USA	397,889	31%	2,400,000,000	6032
Japan	293,780	23%	1,650,000,000	5616
Korea	150,918	12%	944,000,000	6255
China	124,586	10%	658,000,000	5281
SE Asia	66,799	5%	390,000,000	5838
MENA	64,399	5%	390,000,000	6056
EU	24,619	2%	278,000,000	11292
Indonesia	9,000	1%		
Other	158,000	12%		

swt = Shipped Weight

USA

The USA cattle herd at 87million is the smallest it has been in the past 50 years. The decline is the lingering effect of drought that has plagued Kansas and other Plains and Midwestern states.

The population is 318million people. Per capita consumption is 24.6 kg per year

- The high income consumer is prepared to pay for high quality meals but this is not expected to increase purchase volume.
- Lower income consumer is looking for cheaper alternatives - change to chicken, pork etc

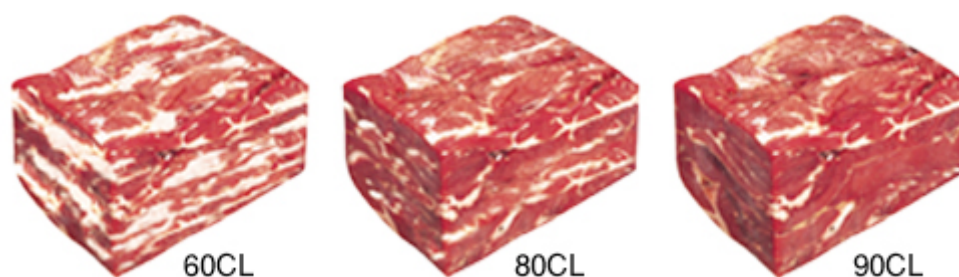
Australian beef remains predominantly an ingredient to blend with the feedlot produced local product (burgers)

Australia Product to USA 2014

Manufacturing	69%
Topside/Inside	7%
Thin Flank	6%
Silverside/Outside	5%
Think Flank/Knuckle	4%
Shin/Shank	2%
Brisket	2%
Chuck Roll	1%
Tenderloin	1%
Rump	1%
Other	3%

High value grass fed beef is growing in volume. It is seen as more environmentally sustainable and healthy. In 2014 chilled grass fed exports were up 89% to 63,107 tonnes swt - 16 percent of total export to USA.

BONELESS BEEF MANUFACTURING BULK PACKS DEFINITION



Manufacturing bulk packs are generally made up of the following combinations:

- Primal cuts or portions of primal cuts.
- Residual trimming from primal cut preparation.
- Boneless Forequarter or Hindquarter.
- Grinding beef.

Manufacturing packs are generally prepared to a specified lean content, assessed visually or tested chemically and expressed as a percentage of lean meat of the pack (CL). Lean assessment by chemical testing of bulk pack manufacturing meat for export is a standard industry requirement.



Japan

Japan is the third largest economy behind the USA and China. It has a population of 127million.

The Japan Australia Economic Partnership Agreement signed in January this year has invigorated beef sales to Japan and should provide Australia an advantage over competitors in the short term.

Aging consumers and their desire to stay healthy are a big opportunity for innovative food products. Key food concerns for the Japanese consumer are nutritional balance, portion size, texture, flavour and price. One in four Japanese consumers is over 65 years.

Convenience stores are serious competition for supermarkets. Consumers currently prefer to shop more frequently for smaller portions from outlets within walking distance and to eat in rather than dine out.

Average consumption is 6kg per person per annum - 41% is sourced from domestic product, 32% is Aussie beef and 21% is US product. Domestic production is in decline.

Australian Beef Cuts to Japan -2014

Manufacturing	34%	101344
Brisket	18%	52384
Blade	6%	18861
Chuck Roll	6%	18698
Fullset	6%	17239
Silverside/outside	5%	15800
Topside/Inside	5%	13949
Striploin	4%	11011
Thin Flank	3%	7508
Ribs	2%	6342
Other	10%	30643
		293779

While the Japanese consumer has a preference for grain fed beef it is worth noting that 55 percent of Australian sales are grass fed product. Sixty percent of imported Aussie beef is frozen.

Chilled Aussie beef is mostly sold as cooked meals for small households and time constrained consumers. Typically it is sold as roast meat, hamburgers, curry and stir fry dishes.

The fast food sector is a high volume outlet for Australian brisket and manufacturing beef while the higher value loin cuts are utilised in family and fine dining restaurants.

Korea

Korea is Australia's third largest market.

2014 Beef Cuts to Korea

Chuck Roll	25%
Blade	16%
Manufacturing	13%
Brisket	7%
Short Ribs	10%
Ribs	7%
Other	22%

The Korean market takes 54% of Australia's chuck rolls and 47% of short rib exports. These cuts are well suited to traditional Korean cooking. Seventy six percent of product into Korea is grass fed product.

Annual consumption is 10.8 kg per person. The number of single households and working mothers is increasing leading to an increase in convenient, ready to eat, smaller portion meals.

Korea's domestic cattle herd (Hanwoo cattle) is in decline, increasing the demand for chilled grain fed product, especially Wagyu.

China

China has emerged as a major export market in recent years. Taking 124,586 tonnes in 2014, this was a 20% decline on 2013 exports - the result of economic issues, non tariff access barriers and strong competition from USA.

2014 Beef Cuts to China

Brisket	22.7%
Carcase	16.0%
Shin/Shank	12.0%
Silverside/outside	8.5%
Blade Thick	5.9%
Flank/knuckle	5.8%
Striploin	4.2%
Manufacturing	3.9%
Ribs	3.4%
Thin Flank	2.8%
Other	14.9%

The Chinese population is 1.36 billion people. Consumption is 3.5kg per person. Local beef production is constrained by land, feed, water and environmental constraints. China has the world's third largest cattle herd. The local industry is in decline as small scale farmers relocate to larger cities for employment.

Proof of food safety is a high priority. NLIS is currently providing Australia an advantage but competitors are gearing up to provide similar security. Related to food safety is the demand for organic food. The current premium for organic food is 25%-45% over non organic food.

The food service sector is currently the largest user of Australian beef. Imported beef was estimated to account for 24% of China's beef utilisation in 2014

European Union

Exports have consistently increased over the past six years but at 24,619 tonnes remain a small market share. Of note though is the high value per tonne -\$10,550.

Aust Beef Cuts to EU

Topside	17.2%
Striploin	13.9%
Rump	12.6%
Silverside	12.3%
Rib eye roll	7.6%
Tenderloin	5.3%
Chuck roll	7.3%
Blade	8.3%
Think Flank	7.6%
Other	7.9%

Forty five percent of Australian product goes to the UK but a greater diversity of destinations is emerging. The target population is 278 million. Per capita consumption is 15.8kg.

Issues include:

- Food safety (horse meat scare 2014 and, BSE 2000 has triggered consumption decline)
- Prefer fresh chilled product
- Increasing demand for smaller portion size, whole meal solutions and purchasing at smaller outlets.
- Branding is particularly important.

Competitors include: Brazil (currently major supplier), Argentina, Uruguay and USA.

Veal Production

Victoria, with its significant dairy herd processes the highest percentage of calves in Australia. With the decline in Queensland's dairy industry it is now processing about 95,000 calves annually or about 14% of all calves processed in Australia.

	Aus	NSW	Vic	Qld	SA	WA	Tas
2010	801.0	234.2	377.2	134.8	2.9	2.3	49.7
		29%	48%	17%	0%	0%	6%
2011	682.0	217.5	307.7	108.9	1.9	1.5	44.5
		32%	45%	16%	0%	0%	7%
2012	625.4	200.9	281.4	95.6	2.6	1.4	43.8
		32%	45%	15%	0%	0%	7%
2013	690.1	203.6	332.8	96.3	3.5	1.7	51.8
		30%	48%	14%	1%	0%	8%
2014	687.8	210.2	321.1	99.1	3.4	1.1	53.1
		31%	47%	14%	0%	0%	8%

Live Export

The Northern Territory and Western Australia are the major beneficiaries of the beef live export trade, due mainly to transport advantages. Cattle are sourced from Queensland, South Australia and Victoria when NT and WA cattle supply is impacted by season or transport disruption

	Calender Years				Fiscal
	2010	2011	2012	2013	2013/14
No. Feeder/Slaughter	792303	602949	504860	725567	1005419
No. Dairy Breeders	77220	73935	76980	79723	92629
No. Beef Breeders	5393	17912	37578	45633	35408
Total Number	874916	694796	619418	850923	1133456
Transport Mode (No)					
Sea	866412	686487	611274	841022	1121616
Air	8504	8309	8144	9901	11840
FOB Value \$'000	684526	629196	606131	755024	1050090
FOB Value \$/head	782.39	905.58	978.55	887.30	926.45
State Share					
Vic	9%	13%	14%	13%	11%
Qld	12%	9%	5%	11%	20%
WA	44%	37%	36%	33%	28%
NT	35%	39%	39%	41%	37%
Other	0%	2%	6%	3%	4%
Market Share					
Indonesia	60%	60%	45%	53%	55%
China	7%	8%	9%	8%	8%
Israel	5%	8%	8%	12%	9%
Malaysia	2%	2%	5%	6%	5%
Phillipines	2%	3%	5%	2%	2%
Russia	1%	0%	0%	4%	4%
Vietnam	0%	0%	1%	8%	12%

Where are Australia's Cattle?

Australian Cattle Numbers by State and Territory 2012 -13

State	Meat Cattle		Dairy Cattle		Total Cattle	
	Number	%	Number	%	Number	%
NSW	5593037	21%	360185	13%	5953222	20%
Vic	2427181	9%	1801790	64%	4228971	14%
Qld	12628328	48%	169682	6%	12798010	44%
SA	1193450	5%	133394	5%	1326844	5%
WA	1883241	7%	121183	4%	2004424	7%
Tas	522244	2%	247631	9%	769875	3%
NT	2199864	8%	0	0%	2199864	8%
ACT	9560	0%	0	0%	9560	0%
Australia	26456905		22833865		29290770	
Percent	90.3%		9.7%			

Ten percent of Australia's cattle are dairy cattle, located predominantly in Victoria - Note the similarity with north Queensland where cast for age cows make a major contribution to abattoir supply..

The combined Western Australia and Northern Territory herd comprises about 15% of the Nations cattle. They currently supply over 80% of live cattle exports through six of the largest live cattle export ports. Their contribution to chilled beef and veal exports is about 2%.

Where are Queensland's cattle?

Natural Resource Management Regions	Catchment	No	%	Region	% Qld	
	SE Queensland			3343606	26%	
	Border Rivers Maranoa Balonne	1261461	10%			
	Burnett Mary	1034861	8%			
	Condamine	482577	4%			
	SE Queensland	564708	4%			
	CQ Queensland					
	Fitzroy	2993722	23%	3143668	25%	
	Mackay Whitsunday	149947	1%			
	N Queensland					
	Burdekin	855225	7%	2105791	16%	
	Cape York	58640	0%			
	Northern Gulf	1019714	8%			
	Wet Tropics	172213	1%			
	SW Queensland			4204944	33%	
Desert Channels	1957487	15%				
SW Queensland	794927	6%				
Southern Gulf	1452530	11%				
	Total 2012-13			12798010		

Where are Queensland's abattoirs?

The following table has been compiled from information sourced from abattoir company websites, annual reports and similar sources. It is not an official estimate and as such is open to challenge for its accuracy. Estimated annual capacity can quickly and easily change with cattle supply, work force agreements and plant modifications. The intention is to demonstrate the number of major export focused abattoirs currently operating in Queensland, their geographical spread and scale. It is estimated that 70 percent of Queensland's cattle are processed by the three largest abattoir operators. Another estimate is that abattoirs from Rockhampton north process 20-25percent of Queensland's cattle. This capacity includes livestock from the northern areas of NT and WA.

Queensland's Major Export Abattoirs

Owner	Location	Daily Capacity	Est Annual Capacity (240 days)	Company Capacity	Qld Capacity		% Share in Qld	Big 3 Share
JBS (Swifts, AMH)	Dinmore	3350	804000	2037840	804000	1449840	35%	73%
	Beef City	1092	262080		262080			
	Rockhampton	696	167040		167040			
	Townsville	903	216720		216720			
	Riverina Beef	600	144000					
	Brooklyn	1400	336000					
	Longford	450	108000					
	Cobram	sheep						
	Bordertown	Small Stock					Cental/NQ Share 23%	
Teys (Cargill)	Beenleigh	1428	342720	1575120	342720	930720	23%	
	Rockhampton	1750	420000		420000			
	Biloela	700	168000		168000			
	Naracoorte	735	176400					
	Tamworth	700	168000					
	WaggaWagga	1250	300000					
NH Foods (Borthwicks)	Oakey	1200	288000	660000	288000	468000	11%	
	Mackay	750	180000		180000			
	Wingham	800	192000					
Australian Country Choice/Coles	Cannon Hill	1125	270000	270000	270000	270000	7%	
Stanbroke Beef	Grantham	700	168000	168000	168000	168000	4%	
Kilcoy Past Co	Kilcoy	800	192000	192000	192000	192000	5%	
Bindaree Beef	Inverell	1300	312000	312000				
John Dee	Warwick	480	115200	115200	115200	115200	3%	
Nolans Meats	Gympie	500	120000	120000	120000	120000	3%	
Green Mountain Churchill	Coominya	400	96000	96000	96000	96000	2%	
/Woolworths	Ipswich	500	120000	120000	120000	120000	3%	
Carey Bros	Yangan	240	57600	57600	57600	57600	1%	
Small Abattoirs		500	120000	120000	120000	120000	3%	
			5843760		4107360	4107360	100%	

NOTE: 4.2million cattle processed in Queensland during 2014

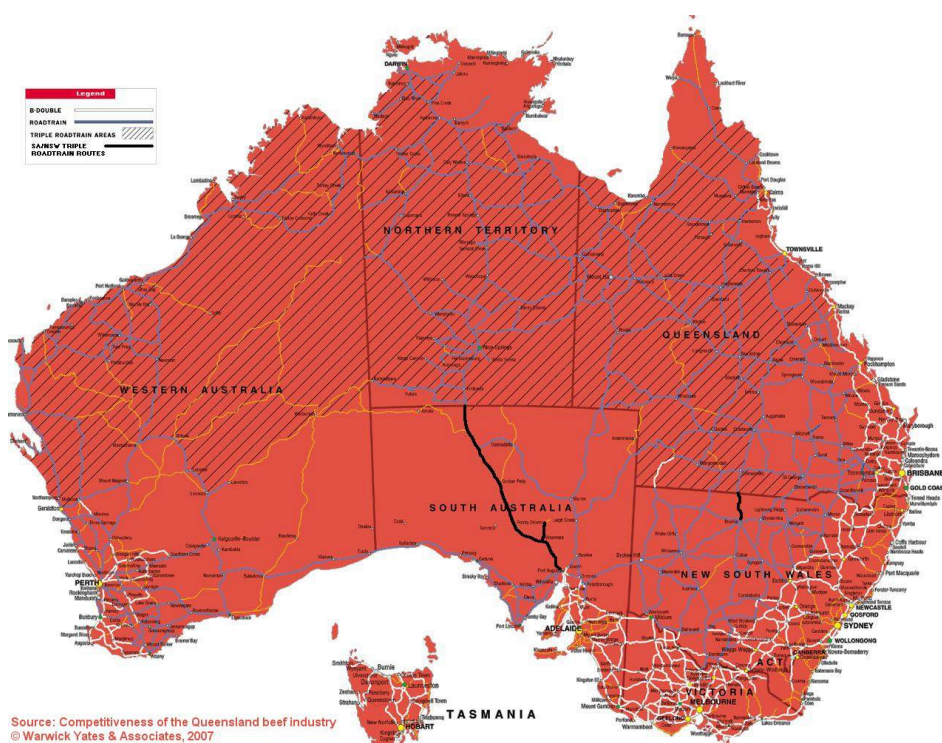
Significant rationalisation of the abattoir sector occurred during the 20 year period commencing in 1983. A Beef Industry Commission Enquiry at that time recommended that market forces rather than government intervention drive the rationalisation.

In 1986 the merger of four major abattoir groups -Smorgon, Tancred Brothers, Elders IXL and Metro Meat – to form the consortium Australian Meat Holdings (AMH) proved pivotal to the rationalisation of abattoir capacity. Each company held a 25 percent share. With abattoir utilization rates claimed to have fallen to 32 percent the consortium closed five of the initial eleven Queensland abattoirs in its control. Within two years, Elders had bought out the other consortium members to become the sole owners of AMH. This company is now owned by Brazil based JBS which also operates abattoirs in USA, Mexico, Paraguay, Uruguay, Argentina and Brazil.

In 1998 the Queensland Government committed \$20 million to restructure its processing sector. A Food and Meat Taskforce was set up in May 2000. Some key areas of consideration were to improve competitiveness and to assist Government exit from meat processing.

Specific outcomes included the sale of Cannon Hill abattoir to Australian Country Choice as a major provider to Cole's supermarket. The Ipswich abattoir was sold to Churchill Abattoir Pty Ltd (\$2.1M) to be operated as a meat processing plant for Woolworth's. Australia Meat Holdings was assisted with redevelopment of its Dinmore plant. Assistance also extended to regional abattoirs to improve international competitiveness, improved quality assurance, increased value adding and increased exports.

Cattle Supply Routes



This map of roads for B Double, road train and triple road trains suggests that due to logistics cattle from the northern regions of NT and WA are processed in Queensland while cattle from the more southern regions are processed in southern states.

Breeding enterprises dominate the northern regions of WA, NT and Qld. Progeny are typically sold to live export or relocated to more favourable growing conditions to the south. This leaves a dominance of cull breeders and slow growing castrates for the northern processing sector.

With southern abattoirs located adjacent to major grain growing districts in all states, younger, more quickly grown cattle are processed in SE Qld and NSW.

Export Ports.

The major beef export Ports are Brisbane (47% share), Melbourne (32% share) and Sydney (11% share). Exports through regional Ports such as Cairns and Townsville are less than 0.5 percent.

The major exporters have significant cold storage and chiller capacity as well as value adding facilities at capital city ports.

Mackay Regional Beef Industry

Accurate regional beef industry information is lacking. ABS data suggests a herd of 1.2 million cattle which is about 10 percent of the Queensland's herd. About 140,000 cattle are estimated to run on the high rainfall coastal strip. Less than 20 percent of the regions cattle are processed each year suggesting significant numbers are relocated to other regions for finishing. For example young cattle from the black spear grass and wet coastal zones find ready markets in the Burnett district and other parts of central Queensland. Cattle fit for processing are traded through abattoirs at Brisbane and Rockhampton as well as the Mackay abattoir.

A 2013 survey of regional NLIS records indicated that 3400 regional holdings are running beef cattle. Of these 64% run less than 100 head and t about 10 percent of properties are running more than 1000 cattle.

Percentage and Number Distribution of Holdings by Herd Size

	Mackay	Whitsunday	Isaac	Region
% Holdings by Herd Size				
Over 6000	0%	1%	6%	1%
Over 4000	0%	3%	7%	1%
1000-3999	1%	9%	26%	7%
500-999	3%	1%	11%	4%
100-499	27%	17%	13%	23%
50-99	15%	13%	9%	15%
25-49	20%	11%	7%	16%
Under 25	34%	45%	21%	33%
Holdings less than 100 head	69%	69%	37%	64%
Est. No. of Holdings by Herd Size				
Over 6000	0	5	25	30
4000-5999	0	15	40	55
1000-3999	25	45	186	256
500-999	69	5	65	145
100-499	596	89	95	791
50-99	318	70	90	501
25-49	433	55	45	532
Under 25	739	234	146	1116
Total	2180	518	692	3426

Conclusions

- Regardless of the talk, energy and excitement about branded product, high value beef, animal welfare, environmentally friendly, increasing number of consumers worldwide willing to pay, the story behind the product, hormone free, organic, free range etc, the beef industry remains very much a commodity market.
- Within this commodity market there are niche opportunities. The cost of change and the competition for niche markets can be high. Beware that the cost of access (including your time) does not exceed the additional return. The abattoir sector is aware of Australian and International consumer trends. Trends, like cattle supply, do change.
- The abattoir sector is dominated by three large foreign (or part foreign) owned operations. The sector is highly vertically integrated along the Eastern coast with central or niche locations in terms of cattle supply, access to feedlots, domestic consumers, wholesalers, retailers, freezing and chilling facilities near export ports and international support offices and distribution centres.
- South Queensland and Coastal NSW is the central hub of the beef industry. It is the home of the domestic consumer and abattoir employee. North Queensland and Victoria are similar in terms of access to cull cows and slower growing ox. NT and WA have the biggest share of the live exports.
- Seasonality remains a supply issue, especially for abattoirs remote from grain growing districts. Guarantee of eating experience is another issue requiring attention.

