



Lambex 2010

Cameron Hall

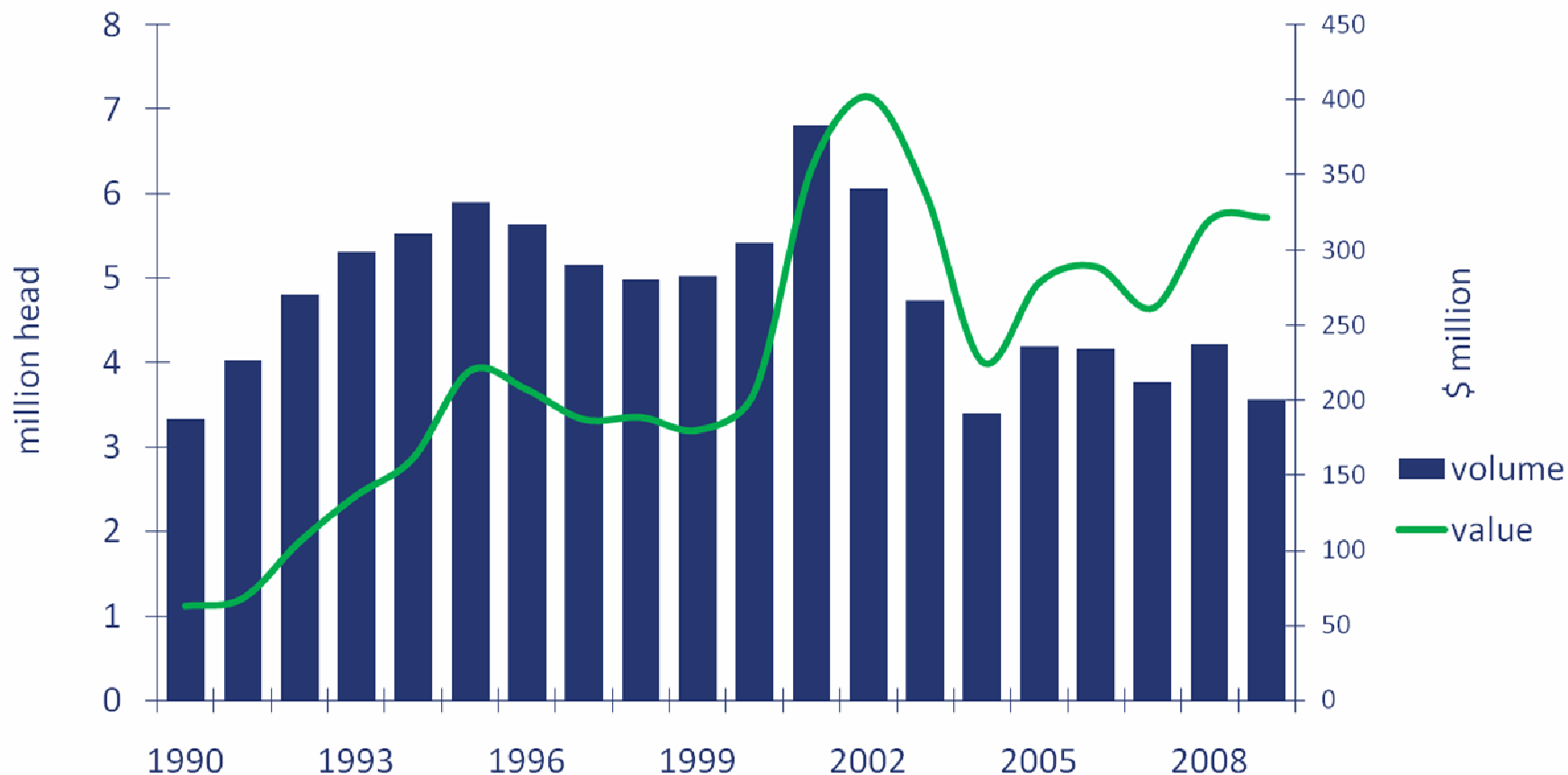
“Meeting the thirst for live product”

Presentation Overview

- **Australia's live sheep export industry**
 - **Capacity to supply**
 - **Global issues**
 - **Industry performance and future sustainability**
 - **Keeping and quenching the thirst**
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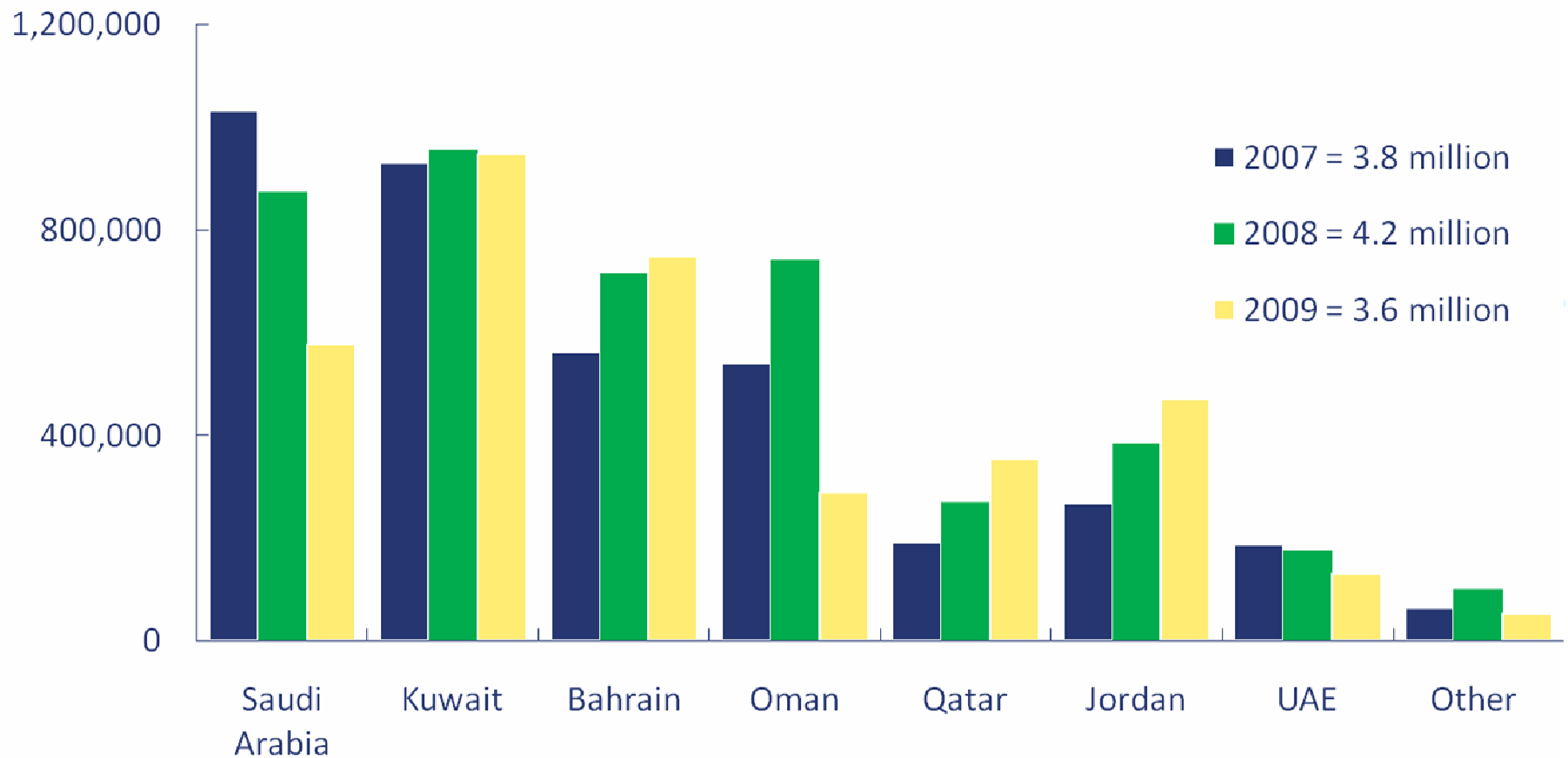


Australian Live Sheep Exports





Live Sheep Exports Principle Destinations

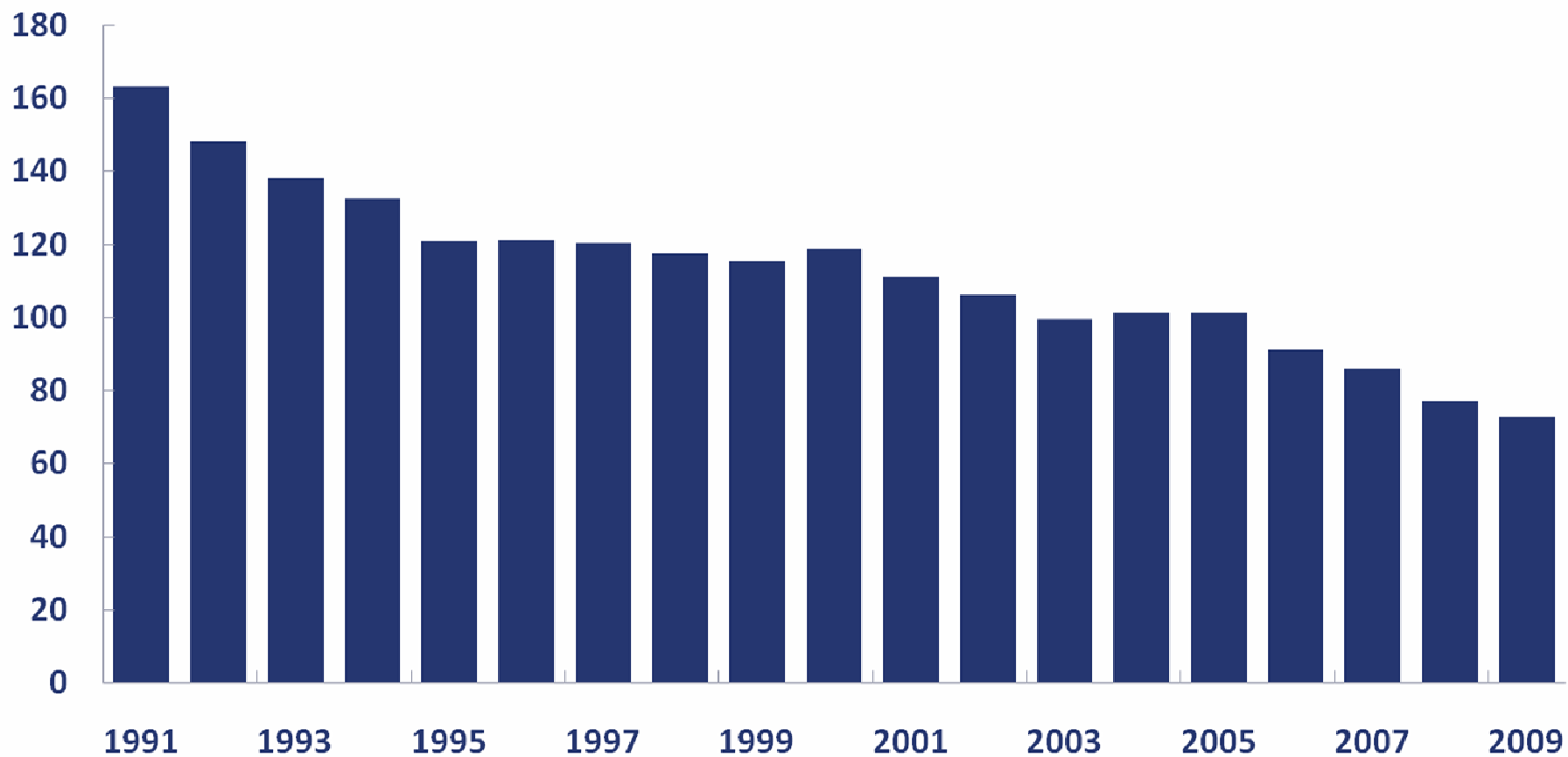


Capacity to Supply

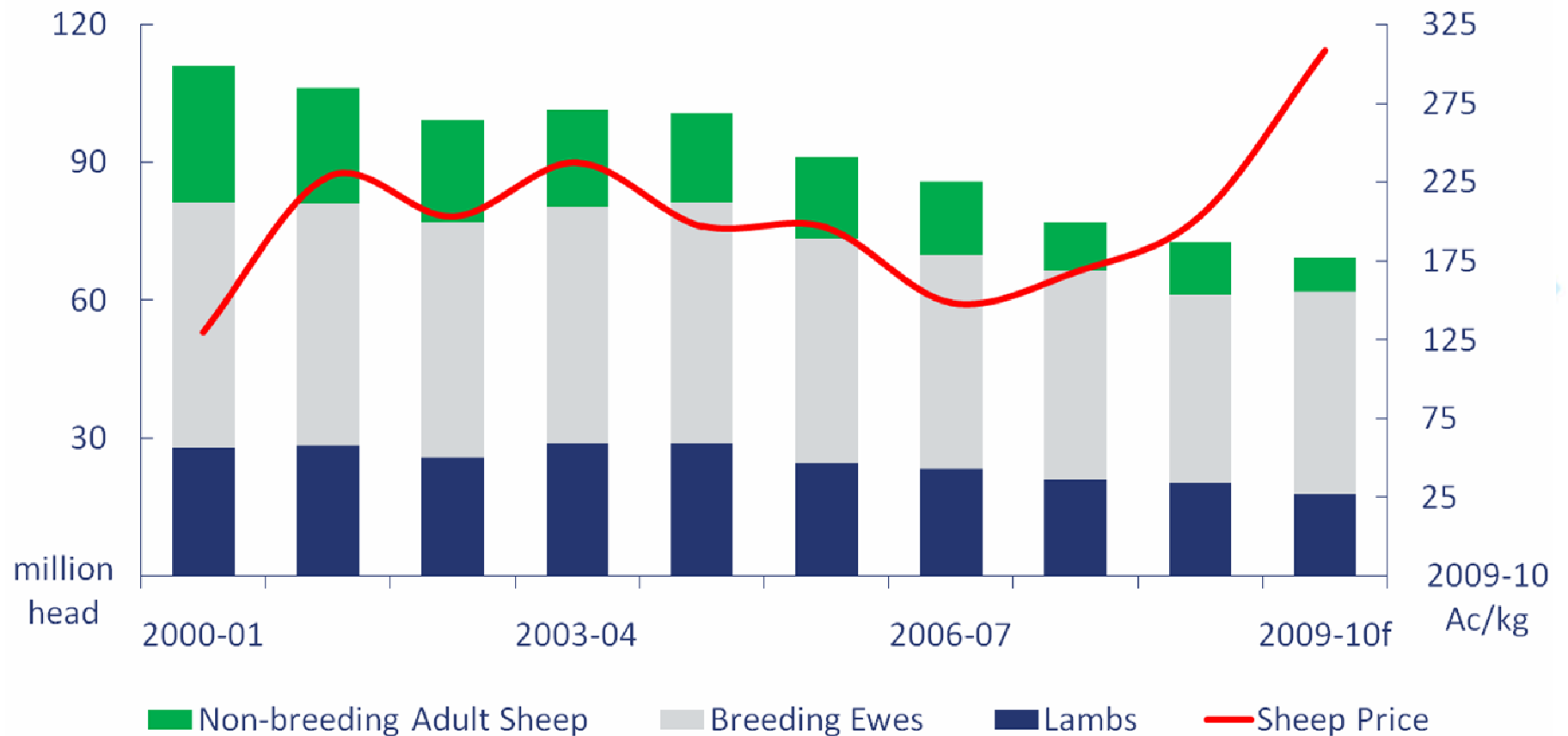
What are the major issues?



Australian Sheep Flock

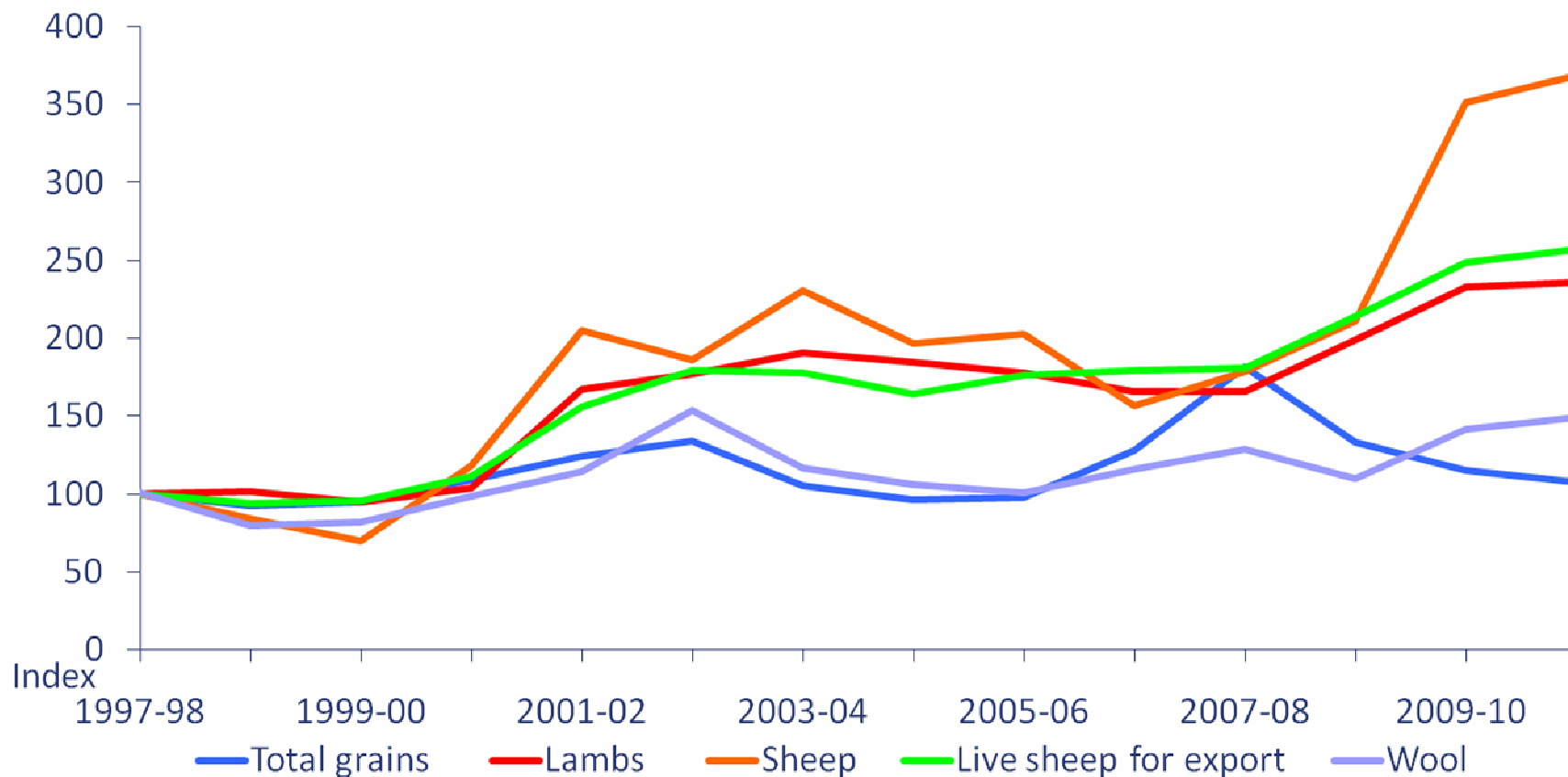


Australian Sheep Flock and Prices





Index of prices received by Australian Farmers



Live Sheep Exports to Fall but Shipping to Increase

- Australian live sheep exports are forecast to fall by 16 per cent in 2010, to around 3.0 million head
 - MLA do not expect a substantial recovery in sheep flock numbers to support any growth in the live trade during the next four years
 - Shipping capacity is increasing in the next year
 - Multi species vessels, modern, focussed on but not limited to Australian supply.
 - Potential for downward pressure on freight rates and tighter competition for the opportunity to ship.
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Global Issues

What will drive demand?

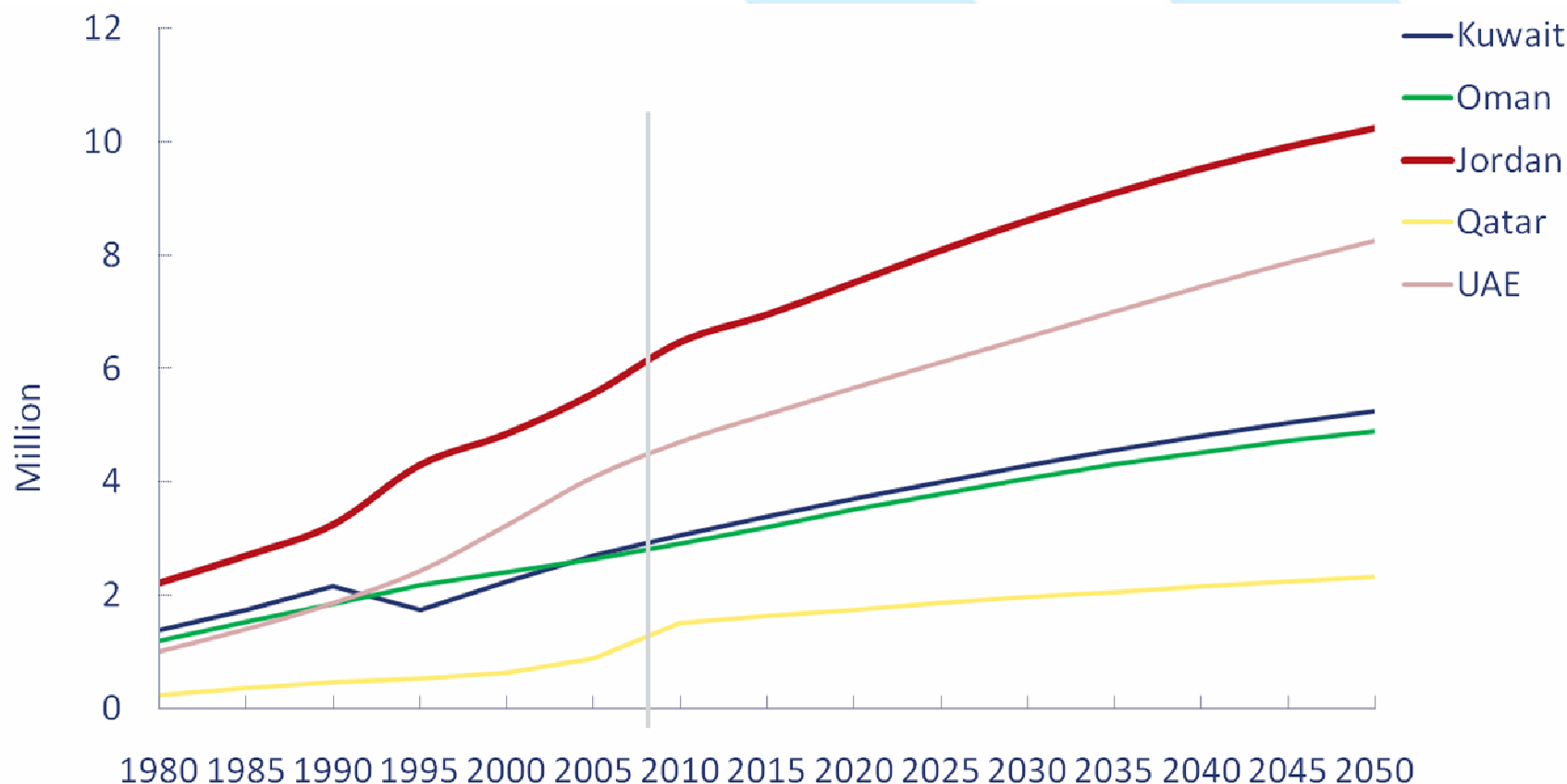


Global Issues

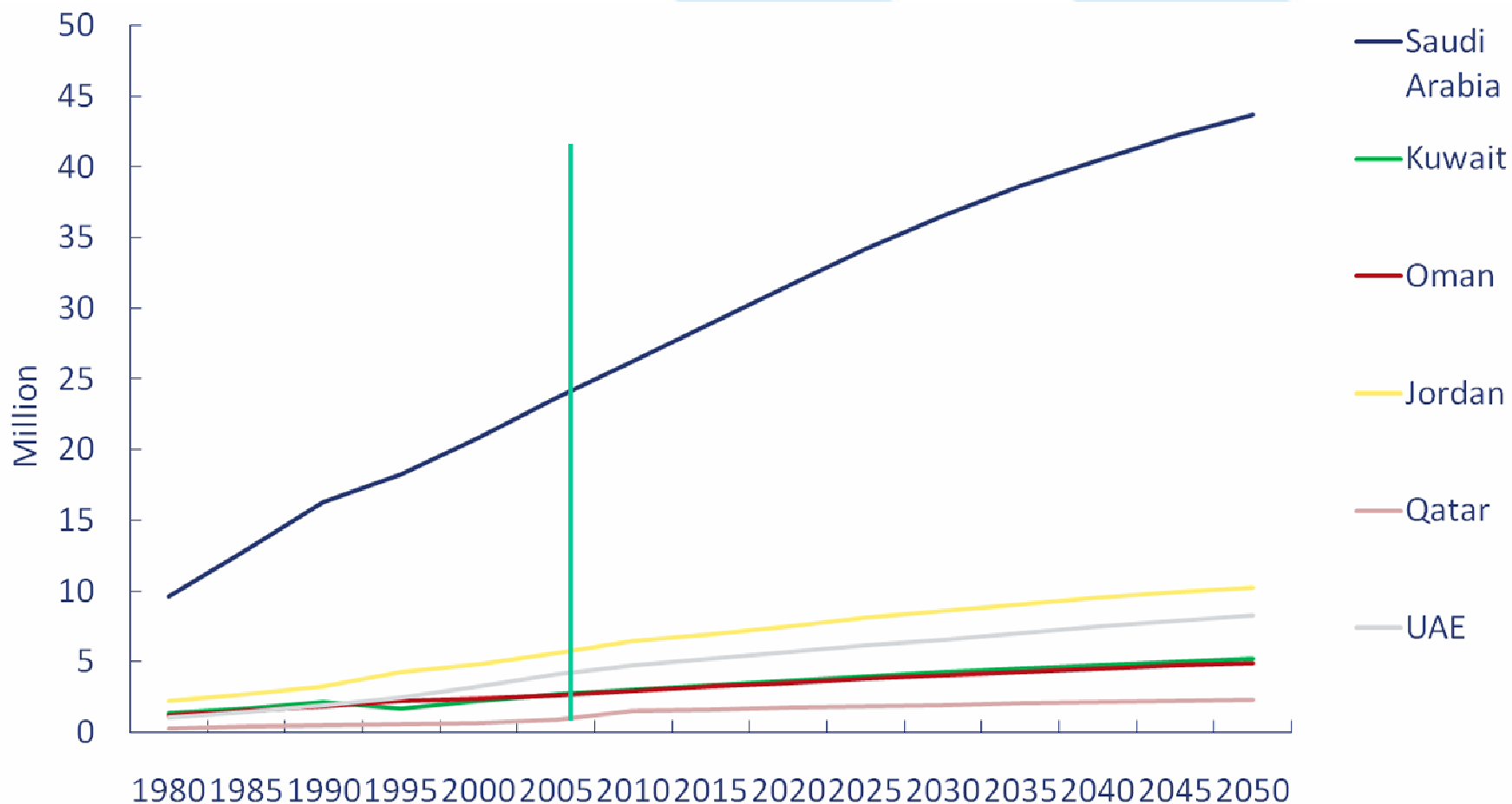
- 1. Global Economic Conditions**
- 2. Food Security**
- 3. Population Growth**
- 4. Per Capita Income in Key Markets**
- 5. Consumer Trends and Environmental Issues**



Population Growth

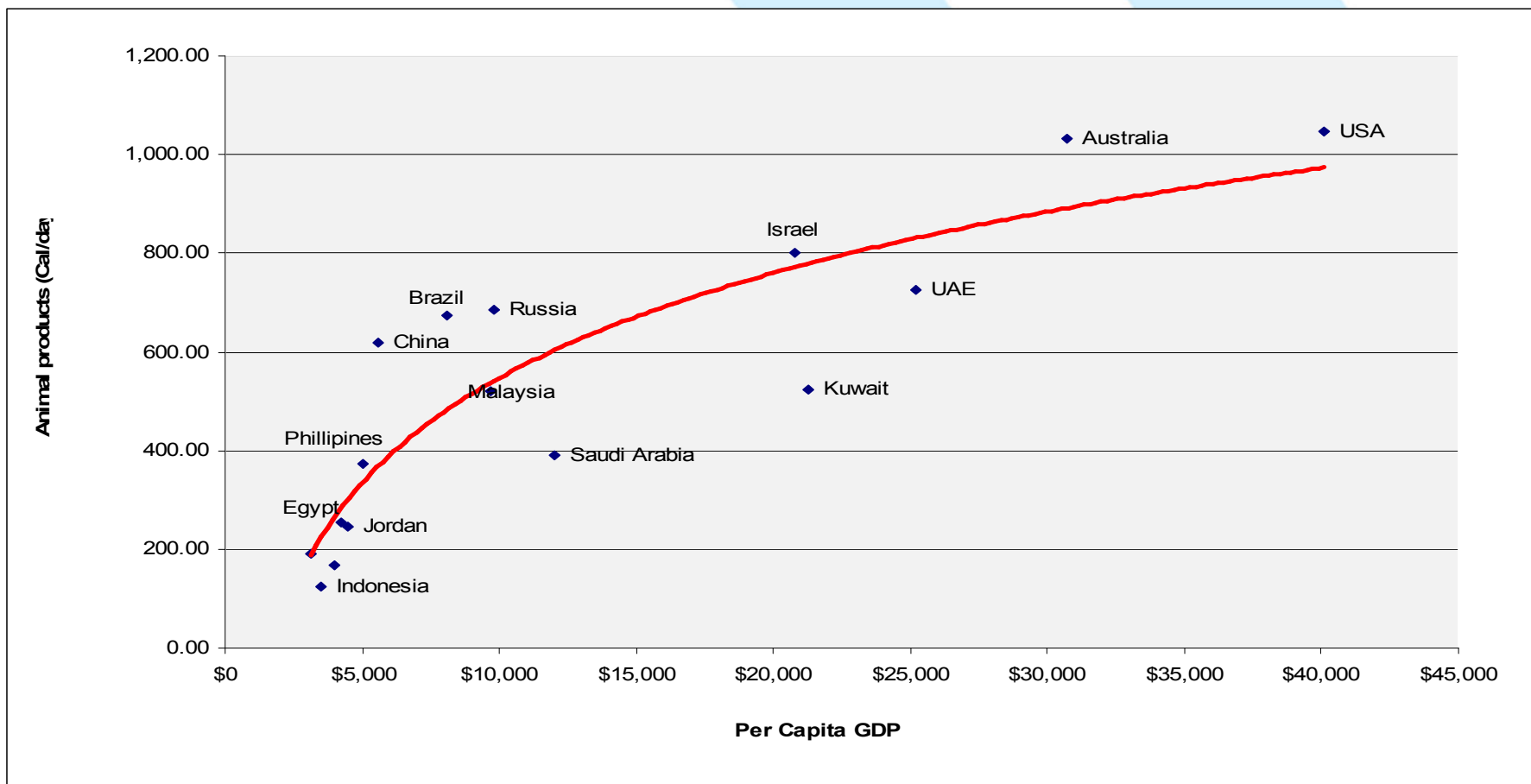


Population Growth - key markets





Per Capita GDP and Animal Protein Consumption



Consumer trends and Environmental Issues

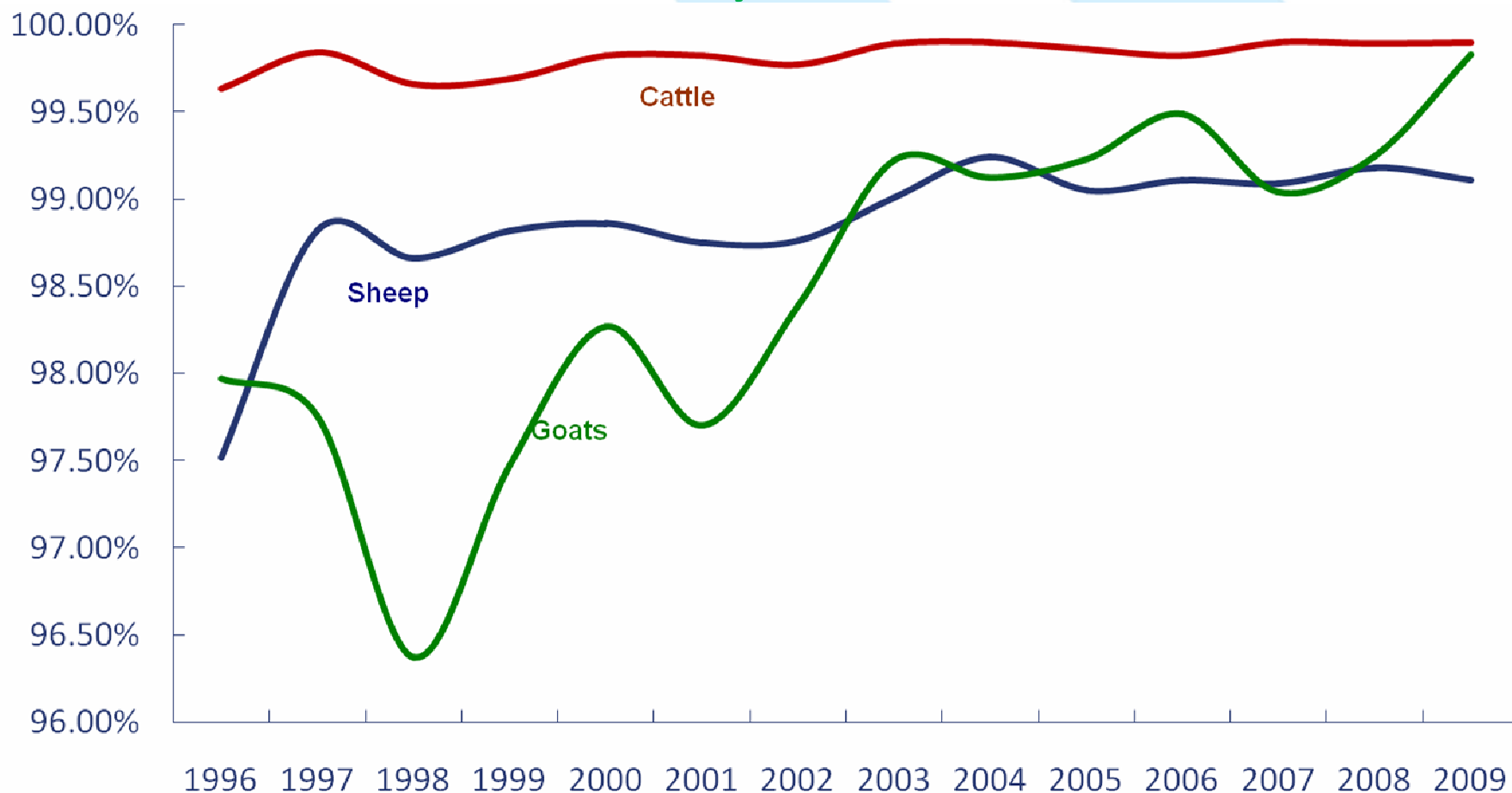
- **Increasing product diversification (especially perceptions of quality).**
 - **Climate change and how that may impact on consumers “green” preferences.**
 - **Capacity to sustainably produce, which has and will see changes in production capacity in the Middle East due to water availability constraints.**
 - **Animal welfare and production systems for livestock.**
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Industry Performance and Sustainability



Livestock Delivery Rates





Delivering improved animal welfare

- **Animal welfare is an over-arching consideration in the industry's R&D program. In 2010-11, 65 per cent of the \$2 million R&D budget will be spent on livestock management and welfare.**
 - **Industry also invests both money and human resources into improving animal welfare outcomes in the countries we export to, particularly in the Middle East and South East Asia, and we are seeing great benefit from this work.**
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Factors impacting animal welfare

People

- Management
- Animal husbandry practices
- Livestock handling

Facilities

- Ships and ports
- Trucks
- Feedlots
- Abattoirs

Weather – extremes



Relationships are absolutely key



Animal handling and feedlot management workshops



Infrastructure and facilities



So, what are the key messages?

- The major challenge is having enough supply to meet current and increasing demand.
 - Our role is to provide clear messages about the direction of the markets and future demand.
 - Returns are high and likely to remain so for some time – this should provide some confidence.
 - We are working hard to ensure security of the market and future sustainability.
 - Demand is sustainable at levels much higher than current volumes.
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Questions?

