

## **Beef Week 2018 – ANZ Head of Agribusiness, Mark Bennett**

*\* cow moos in the background \**

**Mark Bennett:** Australia produces around 4 per cent of beef globally, that takes up around 15 per cent of global trade and about 70 per cent of what we produce goes into that export market.

**Andrew Olive:** Raglan Station is situated 68 kilometers south of Rockhampton. It's a coastal block, it's 11,500 hectares.

Brahmans have been in my family for about 50 odd years and we just find they adapt well in the northern parts of Australia and that's where our main market is.

The Indonesians and Philippines buy a lot of boat cattle. Now they want to source the genetics so they come to where the genetics are produced.

**Mark Bennett:** Trade talk at the moment is around the reformed TPP and whether the US is participating in that. Clearly Australia has a tariff advantage over US beef into the important Japanese market.

That looks like a positive outcome for Australian industry. But the one thing about distortions and interruptions to international trade is that it does impact confidence and investment.

People like stability in looking at all of that so over the longer term you'd like that to be more stable so that industry could just get on with knowing what's in front of them and producing to their comparative advantage as their way of attracting premium prices into any given market.

**Andrew Olive:** At the moment we're trying to set up a bit of an export yard. So we're trying to hone that a little bit. By being here at beef week those people over there are also doing a bit of IVF and genetic work.

So that's another thing for us. And then the next one is China. They want to pull out of our export yards to go to China. And you know we're lucky, we've got three great kids and they're coming through and they're nearly ready take over and we'll just take the back seat.

**Mark Bennett:** We do have strong competition in these markets. We've had, and enjoyed, preferential or market access to China, for example, for chilled beef when the US for example was locked out on BSE concerns.

They're now back in that market and the US is competing heavily on a product equivalent, safe and respected brand and origin basis.

So that's one thing to consider but there are other countries like Uruguay, New Zealand and Canada putting good product, putting safe product, and reliable product into these markets as well.

There's still an opportunity for Australian industry but there's a need to rebuild the herd first. And we're balancing that right now but we're still in early days of a rebuild.

We have 22-23 million head of cattle and trying to push towards 30 million head to then sustainably supply a higher volume to markets.

If we're taking a long time in getting to that point it's somebody else's opportunity in the meantime to be more dominant into our traditional markets that could make it hard for us later.

Of course, the other issue is restocking at high prices as well. There's no doubt that better weather will drive local demand. That would impact prices making it harder again to find capital to restock for a lot of graziers particularly in northern Australia that have been operating in difficult conditions for a number of years now.

Nonetheless, cattle on the ground is going to be a really important part of industry sustainability.