

SE TheNation
HD **China** deal on cattle exports
BY EXCLUSIVE: SUE NEALES RURAL REPORTER
WC 1,003 words
PD 7 November 2014
SN The Australian
SC AUSTLN
ED Australian
PG 6
LA English
CY © 2014 News Limited. All rights reserved.
LP

\$1bn boost from **China** deal on cattle exports ONE **million** beef cattle valued at more than \$1 **billion** are set to be shipped to **China** each year under a ground-breaking deal between the Australian and **Chinese** governments that will double Australia's live-export cattle trade.

The finalised live-cattle deal, to be formally announced after this weekend's sensitive talks in Beijing on the long-awaited bilateral free-trade agreement, comes after 10 years of negotiations.

TD

Agriculture Minister Barnaby Joyce said last night that, while the deal had not yet been signed by the two governments, "we are confident we are very close to finalising the protocols and certification requirements for this important market".

It is expected that as many as 50,000 beef cattle valued at more than \$50 **million** will be shipped in the next 12 months to **China**, where they will be slaughtered and eaten as beef, as soon as the deal is signed.

Alison Penfold, the chief executive of the Australian Live Exporters Council, expects the massive **Chinese** market will **buy** as many as one **million** beef cattle for slaughter from Australia each year, within a few years.

"We're all hopeful (it is signed) sooner rather than later, because we all see the massive opportunities that are there for cattle producers across Australia once these **Chinese** live-export access protocols are finalised," Ms Penfold said.

A delegation of high-level **Chinese** agriculture officials visited Australia last week to complete the technical details of the access standards and quarantine requirements that will underpin the new live-export corridor.

In a boom year for live exports, Australia exported a record 1.13 **million** live beef cattle this year, valued at more than \$1bn, to countries such as Indonesia and Vietnam.

The new **China** deal will boost cattle prices across both northern and southern Australia beyond the record \$2.50/kg prices paid by exporters such as Elders and Wellard in Darwin last week.

But amid the record live-export numbers, and given an unprecedented 10 **million** cattle are scheduled to be slaughtered in Australian meatworks by the end of this year as the long drought continues in Queensland and northern NSW, it is feared there are not enough beef cattle left in Australia to meet the new **Chinese** live-export demand.

Wellard Southeast Asia manager Bernie Brosnan, who saw off 7000 cattle bound for Indonesia yesterday from Darwin, was delighted at the prospect of the huge **Chinese** market finally opening for live-cattle exports.

His counterpart at the Elders-owned Northern Australian Cattle **Company**, Patrick Underwood, wondered where all the cattle for the new **Chinese** market would be found, at least in the short term.

"We've exported record numbers, killed record numbers and there's a drought — there's not that many cattle left around," Mr Underwood said.

Live beef cattle from Australia have not been allowed entry into **China** for slaughter, despite its booming demand for red meat, because of the presence of some unusual strains of bluetongue virus in northern Australia.

The **Chinese** have maintained that bluetongue from imported Australian beef cattle could adversely affect **China's** sheep flock.

The only live cattle **sold** to **China** in the past have been thousands of **dairy** heifers and a few beef cows from southern Australia for breeding purposes, but not for red meat consumption.

It appears the new agreement between **China** and Australia will specify periods of the year when live cattle from different parts of Australia can be shipped to **China**.

While bluetongue-free cattle from southern Australia will be allowed access all year round, cattle from northern Australia — where producers breed stock that best suits the young live-cattle trade — will be restricted to supplying animals during the few months of the year when the virus is less prevalent.

There will also be some zones of **China** where sheep flocks are common where cattle from Australia's bluetongue zone — north of a line from Broome to Coffs Harbour — will never be allowed entry.

Ms Penfold hoped the deal would include access for cattle from all parts of Australia at all times of the year. "If we are to make this thing work and deliver the volumes that are needed to supply the **Chinese** market, we are going to need that open access," she said.

Before the new boom **Chinese** trade can begin, all exporters will have to ensure that the **Chinese** feedlots and abattoirs where the Australian live cattle will be fattened and slaughtered on arrival are internationally audited to meet Australia's strict Exporter Supply Chain Assurance System and animal welfare standards.

Northern Territory Cattlemen's Association chief executive Tracey Hayes sees the new **Chinese** trade as a boon for northern Australia after so many years when cattle producers have battled drought and low prices.

"The challenge right across the **board** is going to be supplying the market, particularly once it rains in Queensland and producers look to restock empty properties, because we have had record numbers of breeding females going through processing facilities," Ms Hayes said.

"Our national herd is significantly down (from 28.5 **million** head three years ago to 25.4 **million** now) and the live-export trade is going gangbusters; we already have real competitive tension appearing between buyers and that is pushing prices up." Ms Hayes said it was wonderful to see producers getting long-overdue profitable returns for their cattle, with prices approaching the \$3/kg mark that will spur reinvestment in rundown properties, allow debts to be repaid and encourage greater development.

Wellard chief executive Fred Troncone said he was pleased the **Chinese** and Australian governments were close to finalising market access and certification arrangements to develop the feeder and slaughter live-cattle trade. "When combined with our existing markets in Southeast Asia, the commencement of the trade to **China** could help provide extra demand for cattle producers around Australia," Mr Troncone said yesterday.

IN i010010501 : Beef Cattle Farming | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | ilsfarm : Livestock Farming

NS c312 : External Markets | mlvstk : Livestock/Meat Markets | mcattl : Beef/Dairy Cattle Markets | e512 : Physical Trade | gdip : International Relations | c31 : Marketing/Markets | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gcat : Political/General News | gpri : Politics/International Relations | m14 : Commodity Markets | m141 : Agricultural Commodity Markets | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpin : C&E Industry News Filter

RE china : China | austr : Australia | nterry : Northern Territory | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

PUB News Ltd.

AN Document AUSTLN0020141106eab70005c