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Te Mania Angus Rural Update

Trucking fatigue sets in

Farmers, agents and buyers of stock or grain will be obliged to help manage driver fatigue in the trucking industry according to a report in *The Land* when new laws take effect from October.

More importantly, transport ministers on the Australian Transport Council (ATC) this month gave hope for better interstate co-ordination, signing up to review inefficiencies in livestock, meat and grain transport nationally.

All states – except WA – have passed their heavy vehicle driver legislation, but the paper says the penalties for fatigue infractions in NSW are yet to be decided and the new rules follow a chain of responsibility laws, in force since 2005, which extended overloading penalties back onto header drivers and farmers.

Under the fatigue laws, it will be an offence to contribute to unreasonable driver delays (such as being locked out of saleyards overnight with a loaded truck) that put drivers outside their legal working hours.

GGA's early departures in GrainCorp 'cull'

Two of the Grain Grower Association's (GGA) six members sitting on the GrainCorp board have resigned says Rural Press, despite being entitled to retain their positions until GrainCorp's 2009 annual general meeting.

Bruce Smith, Cootamundra, was elected to the GGA board only three months ago, and Victorian Spender Millear, have both confirmed their departure and speculation is rising that others may soon follow.

The move appears to signal an aggressive push by GrainCorp to "cull" its board from 11 to six or seven members following its AGM decision in February to ditch the GGA foundation share which guaranteed all six GGA directors also served as GrainCorp directors.

Some observers suggest the men were pressured to leave and GrainCorp chairman Don Taylor has already said an 11-member board for a company the size of GrainCorp was "cumbersome" and favoured a board of six or seven to speed up decisions and make GrainCorp attractive to investors.

El Nino added to Basin water worries

An increasingly likely return of El Nino weather conditions later this year and no decent rain forecast for winter has prompted some authorities to suggest the drought may be a long way off breaking in the Murray Darling Basin says *The Land*.

At a special drought update two weeks ago Murray Darling Basin Commission head Wendy Craik said farmers and irrigators should prepare for the worst as low autumn inflows and poor forecasts point to another season of potentially zero allocations in the southern half of the Basin.

Coincidentally, NSW Primary Industries minister Ian Macdonald last week announced a slight worsening in the drought situation with the proportion of the State officially in drought climbing from 42.9 pc in April to 48.4 pc in May.

The area considered satisfactory fell sharply, from 45.4 pc of the State to just 28 pc, with many areas, most notably on the Northern and Central Tablelands, slopes and the far west, sliding from satisfactory to marginal.

No confidence

A national Rural Press report says that Australia's quarantine system lacks the technical capacity and resources to prevent major disease outbreaks, such as equine influenza (EI) according to the National Farmers Federation.

In its submission to a review of existing arrangements, NFF president David Crombie says a breakdown in quarantine as seen with horse flu has triggered a lack of confidence in the system which needs to be addressed by the government.

Crombie says the system's technical capacity has been reduced over time, particularly within State Departments of Primary Industries and the CSIRO, which is putting increased pressure on the nation's border protection.

He says all levels of government must ensure they have the expertise and resources to meet the programs with which they are charged and the NFF is calling for an injection of resources and targeted strategies to ensure these deficiencies are rectified.

No liquidity in water

Irrigator and community groups in the Murrumbidgee and Murray valleys are accusing government agencies buying water for the environment of forcing the prices down when drought affected farmers are at their most vulnerable says *The Land*.

They are also calling for more transparency in the market and want prices paid and volumes traded publicly and immediately available – much as in the same way as the share market is operated.

The paper says that most of the action in the water market is occurring in the Murray valley, where NSW irrigators have zero general security allocations and relatively low high security allocations.

Four agencies – the Federal Department of Environment and Water, Murray Darling Basin Commission, NSW government's Riverbank and the Federal, NSW and Victorian sponsored Water for Rivers – are in the market.

Fonterra throws hat in the ring

New Zealand dairy giant Fonterra has stepped up for battle with the Japanese-owned National Foods, to buy at least part of big NSW processor Dairy Farmers says *The Land* – a move milk suppliers say will offer their best chance of lifting farmgate prices.

Fonterra has sought regulatory clearances from the Australian Competition and Consumer Commission (ACCC) before submitting its bid to buy Dairy Farmers to formal assessment by the co-op's Sydney based board.

Industry analysts, meanwhile, suggest National Foods will likely sell off assets in NSW and SA to meet competition laws and ensure a takeover of Dairy Farmers – which is due to be floated within weeks if not sold – can proceed.

With brands which dominate the lucrative Sydney market, the paper reports that analysts see Dairy Farmers as hot property – with the asking price already believed to be starting around \$800 million.

PrimeAg keeps on rolling on

Listed broadacre farming group PrimeAg has taken a further step in the development of its network of regional farming “hubs” according to a report in *The Land*, with the purchase of nine Darling Downs properties for \$47 million.

The paper says that the latest purchases involved a total of 6580 hectares of dryland cropping country and a further 1300 hectares of irrigation country – and bring the group’s cumulative property acquisitions to \$223 million.

PrimeAg only listed on the Australian Stock Exchange in late December following a successful \$300 million capital raising and has since been putting together a portfolio of quality farming properties across northern NSW and Queensland.

Its strategy has been to purchase properties in regional groupings, or hubs, for management efficiency and optimum use of labour and plant and the latest acquisitions around Condamine join other hubs already established at Emerald, Goondiwindi, Moree and Gunnedah.

Playing safe may cost you

If you think the most prudent approach for dealing with droughts is to run your property conservatively during the good years, it could be time to think again according to a report in *The Land*.

The paper says that a new study suggests conservative management practices – such as modest stocking rates – are not the safety net against drought losses that many farmers have traditionally supposed.

On the contrary, the study shows farms managed for high profitability in the good years are likely to fare better in times of drought as well – or at least will lose less than their conservative neighbours.

The findings are the result of benchmarking analysis undertaken by management consultant Holmes Sackett of Wagga Wagga, using data that was generated during the worst of the drought year 2007.

Forget sentiment, plant a paddock

Even if rain arrives across south eastern Australia this week, a national Rural Press report says that it will be generally too late to provide the valuable – and essential – winter feed needed for many regions.

Meat and Livestock Australia chief market analyst Peter Weeks has told Rural Press the national flock is still in a state of decline and is set to fall by between three and five pc again this year.

And Weeks says that is assuming that we have a decent season and he says that as it hasn’t started very well it is only heightening the move to grain production, with wool and meat still to join the soft commodity boom.

In the past three weeks sheep turnoff and slaughter numbers have risen dramatically and in Victoria alone Weeks says there has been a 70 pc increase in sheep turnoff compared with the same period last year.

Indians turn to wool

Indian manufacturers will buy more wool – according to a report in *The Land* – as long as the international economy remains relatively stable a buyer from a leading company who has been touring Australia.

Pravin Patel, animal fibre specialist and yarn seller for New Delhi-based Natural Fantasy has been observing at the Sydney and Melbourne wool sales and says there is a steadily growing demand for quality woollen clothing for the increasingly affluent Indian, Nepalese and Bangladeshi populations.

The wool processing and manufacturing company Natural Fantasy imports between 25 and 20 million tonnes of Australian wool annually and targets the fine and superfine types mostly for women's knitwear and blazers for the Indian market and a range of fashion items for the European and US markets.

Patel says demand for these types of products could increase by as much as 10 pc in the next few years and recent increases in Australian wool prices are being offset by increasing the percentage of blending with synthetic products.

Canberra backs live-ex to Egypt

The Federal government has taken a significant step in support of the besieged livestock export industry, announcing a resumption in the live cattle trade with Egypt according to a report in *Queensland Country Life*.

The breakthrough came following the development of a "closed system" supply chain designed to guarantee the animal welfare protection of Australian beef cattle consigned into the market.

The trade with Egypt was suspended two years ago after animal cruelty allegations were made by an animal rights group and while the Australian industry strenuously denied the allegations, public outrage forced Canberra to suspend the trade.

Following the development of a new facility at the Egyptian port of Sokhna, cattle will disembark from livestock vessels and walk 800 metres to a shaded feedlot, where they will have access to feed and water.

Why world wants wheat

The US Department of Agriculture has flagged a world record wheat crop for 2008-09, but *Queensland Country Life* says that consumption is also set to rise, meaning world wheat stocks will remain tight.

There is expected to be a lift of eight pc on this year's production's figures, which are around 604 million tonnes, taking 08-09 production to 656 million tonnes – importantly this is around 5 pc higher than the previous world record of 628 million tonnes recorded in 2004-05.

On the flipside, the paper says that the US Department of Agriculture is also predicting a big four pc increase in world consumption – for food, stockfeed and biofuels – which will lift consumption to as high as 642 million tonnes, up from the 620 million tonnes expected for the 2007-08 year.

This means global stocks will remain perilously tight, with supply exceeding demand by only 14 million tonnes and the market has reacted to the news chiefly with a negative response, recording slight falls on the major futures exchanges.

Beef in for bleak winter

Conversion of country formerly used for oats-finishing of cattle into winter grain production is just one of the factors contributing to a tough second-half supply outlook for beef processors across Queensland says Rural Press.

Major processors contacted by Queensland Country Life last week now seem resigned to a critical shortage of suitable slaughter cattle later in the year unless there is a major turnaround in seasonal prospects.

What was earlier shaping as a bumper year across many beef cattle producing regions of the State is now coming to a grinding halt, with little, or no, follow-up rain after the good falls through to the end of February.

Queensland's weekly kill has climbed steadily to average almost 75,000 head since March, not including weeks shortened by public holidays, suggesting the dry conditions in many areas are now starting to bite – this figure is up 2000 head per week on the corresponding period last year.

AWI rejects 'Bt' as effective blowfly cure

A report in the *Stock Journal* says the same bacteria used to produce insect-resistant cotton could also provide a natural, chemical-free answer to wool's mulesing problems according to Adelaide scientist Barry Hayes.

He says the highly-effective bacteria used to generate Ingard and Bollgard cotton – *Bacillus thuringiensis* (Bt) – could become the basis for a natural defence against the sheep blowfly for which sheep are currently mulesed.

Hayes, from the North Haven based company Geomite, says Bt has been found to effectively kill sheep blowfly larvae when combined with a protein bait for the flies to lay eggs in but despite offering the patent to AWI he says the industry's peak research and marketing arm has refused to trial it.

He says he thought the wool industry was "desperate to find alternatives" to fight the blowfly. "Here I have an idea with real scientific merit and they're not interested," Hayes says. AWI responded to the claims by saying he could resubmit ideas for assessment under the due process.

Wheat's golden run losing some shine

New season wheat values are now cooling off significantly in light of the increasing likelihood of a good northern hemisphere winter harvest according to a report in the *Stock and Land*.

However, experts tip corn values will put a floor in the wheat market and keep wheat prices at historic highs although Chicago Board of Trade 2008 futures have had almost a third shaved off their March highs of around US1280 cents a bushel to sit at US840 cents.

On the domestic front AWB has reduced its 2008-09 estimated pool return (EPR) by \$30 a tonne, to leave the new season pool in the range of a\$350-\$370 a tonne for the benchmark Australian Premium White paygrade.

Along with the expected hike in production in the northern hemisphere, which has led to US Department of Agriculture predictions of a world record crop, Australian farmers are also suffering from high exchange rates with the Australia dollar surging.

Bulldust the answer to P woes

Many farmers are dismissing the current phosphorous (P) price spike that is sending input costs soaring on farms around the country as a load of bulldust according to a national Rural Press report.

But it's also bulldust – or, more specifically, feedlot manure – that could help alleviate traditional producer reliance on traditional (and expensive) P fertilisers such as MAP and DAP this season.

MAP prices have jumped from \$530 a tonne last season to closer to \$1400 a tonne, which has in turn pushed cereal production costs up by as much as \$70 per hectare based on an application rate for MAP of 80 kilograms per hectare.

But the report in the paper says that researchers are recommending farmers – at least those located close to feedlots – could keep a lid on inputs by building phosphorous levels with animal manure.

CSIRO signals 5 pc water cut

Northern Victorian irrigators may face a cut in their water of at least 5 pc under a revised cap on extractions as new forecasts indicate climate change will reduce water availability across the region says *Stock and Land*.

Three CSIRO reports recently released forecast that under best estimate climate change conditions, surface water availability will fall between 14 and 18 pc by 2030 in the Goulburn/Broken, Loddon/Avoca and Campaspe regions.

At the same time the report says that water diverted for irrigator use is also tipped to fall – by between five and six pc and that the end of stream flows into the Murray will drop by an alarming 22-27 pc.

If the dry conditions experienced in the past 10 years become the norm, irrigators could see their irrigation water cut by a quarter as surface water availability plummets by 41-54 pc, cutting flows into the Murray by 58-76 pc.

MLA UPDATE

Uncertainties over US beef shadows trading with Korea

23/05/2008

Export trading with Korea was mixed this week, with some buyers showing increased interest, while others remained quiet, as uncertainties surrounding US beef continued in the market. The shortage of beef stocks became more evident, increasing wholesale prices of Australian beef across most categories, particularly point end brisket, chuck roll and clod.

The Korean Trade Minister and his US counterpart signed a letter this week that would allow Korea to take necessary measures in case another bovine spongiform encephalopathy (BSE) case is confirmed in the US. The Korean government is likely to proceed with implementation of its decision to allow imports of US beef regardless of the age of the cattle (with a modified set of OIE specified risk materials removed), in spite of strong protests from Korean public as well as opposition parties. However, the final outcome remains uncertain until the formal notification is issued, expected sometime next week.

US imported beef market eases

23/05/2008

After a flurry of activity in the US imported beef market last week and record prices, trading volumes were lighter, as Memorial Day orders started winding down. Consequently, the rising trend in imported beef prices stalled, with values easing slightly this week, amid lighter trading.

US import prices for Australia 90CL cow beef shed 4¢, to 157US¢/lb CIF – but remained at a record, up 24% on last year. In A\$ terms, 90CL cow beef prices dropped 21.7¢ on last week, to 330.9A¢/kg FAS, with the higher A\$ exchange rate contributing.

Imported beef supplies are still very tight and are likely to remain so in coming months, as New Zealand supplies wind down seasonally.

Costs, currency, bans and amortisation hits Brazilian meatpackers

23/05/2008

Rising input costs, the EU's partial import ban, a strengthening currency (the real), and Argentina's food export policy have partially contributed to negative first quarter results for Brazilian meatpackers. Two of the three Brazilian meatpackers listed on the Sao Paulo Stock Exchange (BOVESPA) reported losses compared with 2007's first quarter positive results.

JBS-Friboi, the largest meatpacker in the world, reported a net loss of US\$3.86 million, despite an increase in consolidated net revenue of 600% to US\$3.43 billion during the first quarter, while Minerva reported a net loss of US\$1.17 million in comparison to 2007's first quarter US\$6.4 billion.

In the case of JBS, the funding of last year's acquisitions, the strengthening Brazilian real against the US\$, rising input costs (cattle prices, energy and labour) and the export bans in place in Argentina (which affect income from the JBS plants in that country), have been the major factors influencing the result. Minerva claims that the EU's partial ban on imports from Brazil, together with Brazil's soaring cattle prices, hit last quarter's performance.

Nominal Brazilian cattle prices are at their highest since 1994, and are not expected to decrease during the next two or three years, as a result of rising local and global beef demand and prices and constrained supplies, as herd rebuilding commences.

Profitability in the Brazilian cattle industry is reportedly too low, particularly relative to alternative land uses (such as sugar cane and crops), to encourage significant new investment. Beef production costs have soared recently and interest rates are among the highest in South America, in order to reduce inflation.

First export food identification system in China

23/05/2008

China's first food identification tracing-down system has been established in Fujian province, and will soon be applied to the exports of aquatic products, meat and vegetables (People's Daily Online, 9 May).

Following the operation of the traceability system, an integral traceable electronic information chain, linking the whole production process will become available, from planting and breeding to production and transportation. Relevant information will be made accessible to customers, buyers and the official import and export regulatory commission, by utilising the batch numbers of the products, and can also be translated into three languages (Chinese, English and Japanese).

The new identification system is expected to facilitate China's food exports to other markets, including beef and sheepmeat exports to South-East Asia and the Middle East.

Slight ease in US imported beef market

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Imported beef supplies are still very tight and look to continue to be so in coming months, as New Zealand supplies wind down seasonally.

\$A smashes through 96US¢

23/05/2008

The A\$ broke through the 96US¢ barrier this week, with forecasts for further rises against a weakening US\$ expected to bring more unwelcome news for Australian red meat exporters. The A\$ finished Thursday trading at 96.44US¢, its highest level since March 1984, having strengthened almost 10% since the start of the year, and 17% over the past 12 months.

The continued appreciation of the A\$ in 2008 has been largely due to the positive economic conditions in Australia, and a weakening US economy and currency. In contrast to the US\$, as at Thursday the A\$ was only 1% higher against the Japanese yen since the start of 2008, at 99.4 yen, and unchanged on the same period last year. Similarly, the A\$ was up 2% on the euro in 2008, and unchanged year-on-year.

The rising A\$ continues to hinder export returns for Australian beef, lamb and mutton, with the stronger A\$ erasing much of the price gains reported in most markets. US imported beef prices are at record levels, with US imported 90CL manufacturing cow prices up 24% year-on-year, in US\$ terms. However, when converted to A\$, 90CL prices have only increased 7%.

The higher A\$ has been the main reason for the 3% fall in Japan ox prices this year, and has caused Japan ox, medium weight steer and cow prices to fall 7-10% since 2006. It has also contributed to a decline of 7% in total beef exports over the first four months of 2008 and a fall of over 30% in shipments to the US market.

The high A\$ is having a similar impact on export prices and returns for lamb and mutton, which is being felt all the way back to the saleyard.

Russian ban on EU meat

23/05/2008

In April, the Russian Federation introduced a series of company specific bans on western European poultry, pork and beef due to antibiotic levels in meat shipments exceeding Russia's required 'safe limit'.

To date, approximately 53 meat establishments (which produce mostly pig meat and poultry) in Spain, France, Germany, Belgium, the Czech Republic, Denmark, Italy and Hungary have been affected by the ban. Meat imports from some establishments have also been banned indefinitely in the US, Canada, Brazil and Argentina.

A statement issued by the European Commission (EC) states that the levels of antibiotic residues in meat imports reported by Russia were in most cases well below the maximum allowed in EU legislation, and in the international standard. The EC has requested Russia review its measures, maintaining that

EU meat does not pose a risk to consumers and that the measures taken by Russia are disproportionate.

A series of bilateral meetings are being held through to early June to resolve the situation.

EU inflation heats up

23/05/2008

Rising food and commodity prices have been a hot topic among the European Union's governing bodies, with the EU27 Harmonised Index of Consumer Prices (HICPs) for all-items in March increasing 3.7% year-on-year (European Market Survey). The index was up 2.5% in the UK, while the highest inflation was recorded in Latvia, Bulgaria and Estonia.

Average food prices in the EU27 increased 6.9% year-on-year, with the highest inflation rates again recorded in Eastern Europe. Dairy product prices increased the most – up almost 15% year-on-year, followed by bread and cereals, at 10.3%, oils and fats, at 9.9% and fruit at, 9.6%. In contrast, meat inflation was lower, at 3.9%, while inflation for fish and seafood was 3%, and vegetables only 1.8%.

Growing acceptance of US beef in Japan

23/05/2008

The Japanese trade reported slow but growing demand in the wholesale market for US beef, particularly yakiniku (Japanese/Korean style barbeque) cuts. In retail, a major retailer Daiei started selling a wider range of US beef from this week, supported by demand from their customers, as well as the recent appreciation of the Japanese yen against the US\$.

According to a survey conducted by the Foodservice Industry Research Institute of Japan, 35% of respondents said they have 'no intention of buying US beef', compared with 57% during the same survey previous year.

Exporters noted firm demand for trimmings from Japan this week, but trading was mostly limited otherwise, due to importers not matching market prices. Monthly exports to Japan as of 18 May totalled 18,143 tonnes swt (Department of Agriculture, Forestry and Fisheries), while volumes to Eastern Europe – mainly Russia – reached to 10,060 tonnes during the same period.

Sliding start for US beef imports

23/05/2008

Over the first quarter of 2008, US beef imports fell below year ago volumes by 17% (289,122 tonnes cwt) – reaching the lowest March quarter volume since 1999. Imports have been particularly low from Uruguay and Australia.

Uruguay has virtually ceased exporting to the US, diverting product to the Russian market instead – shipments fell 84% in the first quarter of 2008, to 8,036 tonnes cwt. Beef imports from Australia also fell 16% (63,011 tonnes cwt), due principally to the low US\$ and better returns in other markets, particularly in Russia and South East Asia. Also, Australian cow supplies remain tight, particularly in the north, due to increased restocker activity.

In contrast, beef imports from New Zealand (NZ) increased 9% in the first quarter of 2008, to 74,905 tonnes cwt. Dry conditions across NZ saw cow and heifer slaughter jump 26% year- on-year during the January/February period.

US traders and end users have lifted beef offer prices by 25% since January and 10% in the past six weeks in an effort to attract increased imports. This is yet to be reflected in Australian shipments, with only 8,782 tonnes sent to the US in the first 18 days of May, compared with over 10,000 tonnes to Russia.

With a combination of tight imported beef supplies and increasing domestic grinding beef demand, the US beef market should remain bullish over coming months.

Argentinean exports expected to resume

23/05/2008

As a result of the partial lifting of the agricultural strike in Argentina, which the beef industry was supporting, the Argentinean government is expected to recommence issuing export certificates to meatpackers – reportedly the Trade Control Trade Agency (ONCCA) stopped authorising exports in an attempt to pressure the industry to withdraw from the strike.

According to the Argentinean Regional Meatpacker Federation (FIFRA), around 85% of slaughterhouses ceased operations last week in support of the strike.

The current export situation has resulted in a decision by JBS-Friboi to reduce its operations in Argentina, dismissing 1,500 workers, if the export ban situation persists, and seen other companies, such as Brazilian Minerva, withdraw from investing in the country. JBS-Friboi currently produces beef (such as thermo processed beef and Hilton cuts) for the export market, which it is not able to sell in the local market.

The general poor profitability and mid to long term prospects in the Argentine cattle and beef industry, affected by live cattle price controls, export bans, taxes, and increasing production costs, appear to have triggered a cattle herd liquidation, with a high percentage of females slaughtered so far this year.

Record winter crop plantings forecast

23/05/2008

Last weekend's rain across Victoria and SA should see all winter crop areas planted, according to ProFarmer Australia, though follow-up rains will be required during the growing season to achieve decent yields.

However, the promised widespread falls did not reach into NSW to any extent, leaving many croppers still waiting. ProFarmer describes the planting window in NSW and Queensland as still "wide open" despite the delayed start, due to good subsoil moisture.

In line with the deteriorating NSW and Victorian pastures and water availability, and high supplementary feeding costs, livestock numbers have increased in recent week at most southern markets, as producer's lightened numbers heading into winter.

ProFarmer's latest grain grower survey, undertaken in early May, indicated record Australian plantings of wheat, barley and canola this year. Wheat planting intentions were up 13% nationally, to around 13.9 million hectares (ha), compared with the 13.1 million ha record in 2004-05. A 15% rise was indicated for both NSW and WA plantings, 35% in Queensland and 8% in SA. NSW producers may well be less confident now, given the dry May.

Barley planting intentions were also up 11% nationally, to a record 4.8 million ha, with jumps of 14% in WA and 16% in SA. The increase of only 2% and 5% in plantings of wheat and barley in Victoria was described as "disappointing", but explained by the 10% lift in canola plantings (40% nationally).

The extra land for cropping is expected to come principally at the cost of less livestock and fallowed land in WA and NSW, lower sorghum plantings in Queensland, falls in oaten hay plantings and specialty crops in Victoria and in specialty crops in SA.

Imported beef prices creeping up in Japan

22/05/2008

The average retail price of imported beef (chilled loin cuts) in Japan hit a record 4,020 yen/kg (A\$41.14) during the second week of May, the highest since Japan's Ministry of Agriculture, Forestry and Fisheries commenced the price survey in August 2003. Contributing to the rise was the strong A\$ and high Australian grain prices.

The average retail price of imported beef hovered around 3,700 to 3,800 yen/kg during 2007. However, it started to creep up in January 2008, as food price increases became more common in the market.

In April, imported beef prices averaged 3,950 yen/kg, up 7% on last year. Subsequently, the May record of 4,020 yen/kg was an increase of 10% compared with the same week in 2007.

In contrast, Japanese domestic beef values were stable at 6,990 yen/kg in April (no change from 2007), as higher supplies from domestic producers resulted in soft wholesale prices.

Australia supplies over 80% of imported beef to Japan.

Increased lamb exports to South Asia

22/05/2008

Australian lamb exports to South-East Asia/Chinas during the four months to April 2008 jumped 48% compared with the same period last year, to total 10,251 tonnes swt. Higher lamb shipments to the region, despite the high A\$, were a result of stronger demand in China and Malaysia, particularly in the high-end food service and retail segments.

Shipments to China bounced 49% during January to April, to 5,959 tonnes swt, including a 57% surge in consignments of breast and flap, at 4,191 tonnes swt.

Lamb exports to Hong Kong during the same period also soared 157%, to 1,970 tonnes swt, with the breast and flap volumes sent to the market increasing four fold, to 1,453 tonnes swt, the majority of which were re-exported to China.

The lamb trade with Malaysia improved 43% during January to April, to 1,080 tonnes swt, as increased volumes of lamb legs and lamb shoulders was shipped to the market instead of the eastern and western coast of the US.

New Zealand also sent 8% more lamb to South-East Asia/Chinas during the four months to April, at 14,880 tonnes swt. Higher exports were mainly registered for volumes shipped to China (10,989 tonnes swt), Taiwan (1,736 tonnes swt), Hong Kong (938 tonnes swt) and Singapore (339 tonnes swt) – 92% of which were bone-in cuts.

US technical mission to assess Brazil

21/05/2008

The Under Secretary for Farm and Foreign Agricultural Services of the US Department of Agriculture (USDA) has announced a technical mission to the Brazilian state of Santa Catarina between 9 and 13 June 2008 to assess fresh beef and pork production conditions. The decision was made after a Brazil-US Agricultural Committee meeting was held on Monday 19 May in Brazil.

Santa Catarina is the only state recognised by the World Animal Health Organization (OIE) as free of foot and mouth disease without vaccination in Brazil. The US has not recognised the regionalisation principle for phytosanitary measures in previous years, but there is increasing optimism among Brazilian authorities, as the World Trade Organisation (of which the US is a member) has recently agreed to recognise this principle, although it will not be mandatory for its members to accept it.

Exports to Japan up in April

20/05/2008

Australian beef exports to Japan during April increased 8% year-on-year, to 33,080 tonnes swt (Department of Agriculture, Fisheries and Forestry). However, overall weaker demand during the first four months of 2008 has seen exports decline 10% on the same period last year, to 114,153 tonnes swt – the slowest start to a year since 2003.

Grainfed beef exports to Japan during April totalled 12,730 tonnes swt – back 6% year-on-year. The sharp fall in turnoff of heavy grainfed cattle out of Australian feedlots during 2008 has contributed to lower grainfed shipments for the four months to April, declining 18%, to 46,597 tonnes swt.

Exports of lamb to Japan were strong in April, at 1,182 tonnes swt - up 41% on the same period last year and 21% for the first four months of 2008.