

Importance to Australia of U.S.A. market

Australia is, by a wide margin, the major overseas supplier of meat to the United States, providing more than half of all U.S. import of frozen manufacturing beef and mutton. Meat accounts for some 45% of Australia's total exports to the United States; thus the trade is of great importance, not only to the cattle and sheep industries, but also to the Australian economy and our capability for development and defence.

The U.S. Market is of vital importance to the Australian cattle industry and of major importance to our sheep industry. More than 75% of our beef and veal exports and over 30% of our mutton exports are now taken by the United States. To appreciate the full significance of this to the cattle and sheep industries, it should be realised that some 45% of our total production of beef and some 40% of our production of mutton is exported. Any further restriction of access to the United States market would have a severe direct effect on these industries.

It would be difficult to overstress the importance of cattle and sheep in the Australian rural economy. They are, of special significance in the more remote inland and northern areas of Australia where they have been the basis for economic development.

The Growth of the U.S. market has meant a great deal to the development of the industry. For producers it has enabled them to improve herds, increase efficiency and accelerate property development. This is especially so in the northern areas which are heavily dependent on exports and which, under extensive range conditions, produce lower quality beef which is very suitable for American requirements. On the slaughtering side, there has been a substantial increase in the number of meatworks, especially in the north. Moreover Australian meatworks have geared their operations to supply boneless meat of the type and form which the U.S. processors have required. Large sums of money have been invested to achieve this purpose.

The U.S.A. need for imported meat

The development of Australian export of frozen boneless manufacturing meat to the United States has occurred in response to a definite shortage of manufacturing type meat in the U.S. This shortfall in U.S. production of manufacturing meat has reflected the increasing concentration of U.S. producers on the production of better quality feed lot beef, from grain fed animals.

Imports are almost wholly of meat for use in processing and so not compete with the bulk of U.S. beef production which is quality beef produced from grain fed animals. Indeed, imports have been complementary to, rather than competitive with, domestic production. Australian beef exported to the U.S. is frozen boneless lean beef produced from range fed animals. It is virtually all used in the processing industry where it is mixed with fat trimmings from domestic fed beef carcasses and used for hamburger meat, sausage, etc.

Over 85% of all Australian exports of meat to the United States are beef and veal, nearly all of which is used in the processing industry.

Frozen boneless mutton accounts for nearly all the balance. Exports of lamb to the United States, are relatively small (less than 3 million lb. in 1967) and those of canned cooked or cured meat are negligible.

For some years the American cattle producers have claimed that meat imports—and in particular beef imports—are having a detrimental affect on the U.S. cattle industry. This claim, however, does not appear to be borne out by the facts. It is not intended to develop this argument in this paper since the relationship between meat imports and domestic production has been analysed in depth in the submission of the Meat Importers' Council and no useful purpose would be served by repetition.

Orderly marketing of Australian meat in the United States

While it does not believe that imports have been the cause of the difficulties faced by the United States cattle industry, the Australian Meat Board has recognised the sensitivity of U.S. producers to meat imports and from the commencement of this trade many years ago, has actively sought to ensure that Australian exports do not disrupt the U.S. Meat market.

The Australian Meat Board has maintained close supervision of the development of the meat trade with the United States. In order to ensure that Australian meat is marketed in an orderly manner the Board has permitted exports only to approved importers in the U.S. and has stationed a representative in