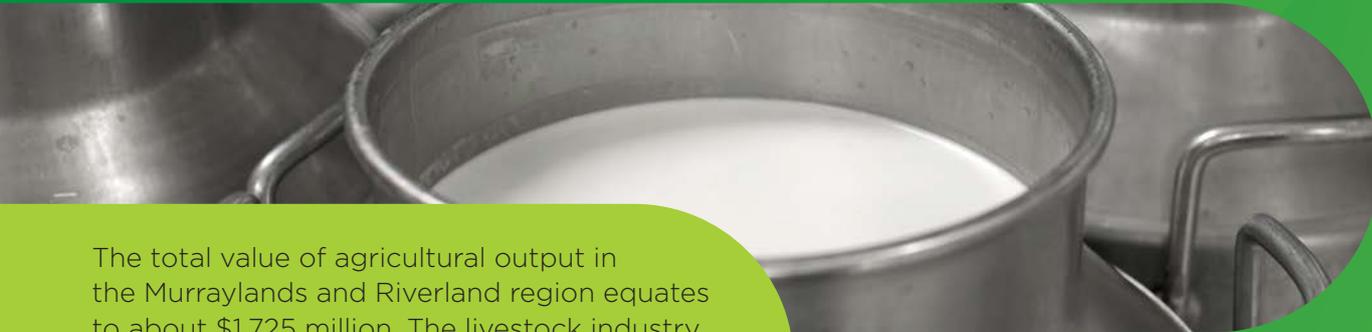


Open for business

Livestock in the Murraylands and Riverland



Regional
Development
Australia
MURRAYLANDS & RIVERLAND INC.
SOUTH AUSTRALIA



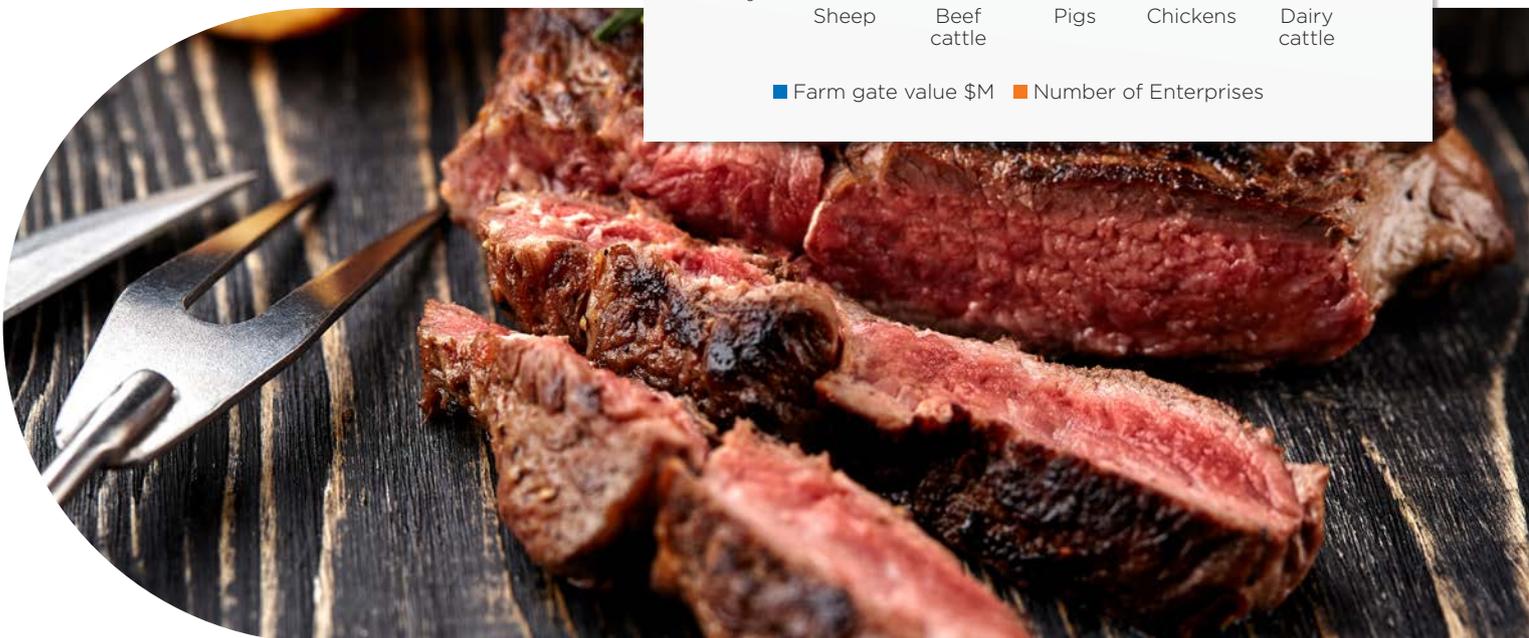
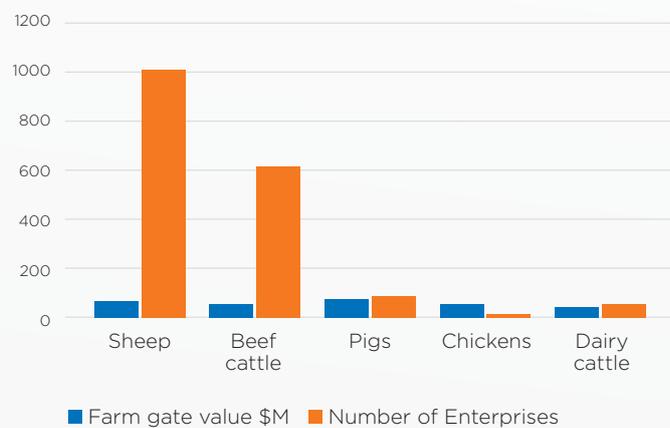
The total value of agricultural output in the Murraylands and Riverland region equates to about \$1,725 million. The livestock industry makes up almost 27% of this - valued at \$461m of gross regional product (GRP) - and almost one-third of all livestock processing in South Australia in terms of output value.

Note: For the purpose of this document, the 'livestock industry' includes the breeding, raising and preparing of stock for sale. It also includes processing to value-added products from stock - including sheep, cattle, poultry and pigs to generate a profit.

Livestock processing is the region's largest commodity.

The GRP of the region's dairy industry is estimated at \$52m. The relative values of each livestock sector is illustrated in Figure 1.

**FIGURE 1:
Livestock**





Sheep

South Australian Mallee farms have a long history of being mixed cropping and livestock systems. Merinos and Merino crosses are the dominant breeds due to their ability to handle the low rainfall conditions and generate good wool production. The sheep industry in the region is also supported by the regional presence of *Thomas Foods International (TFI)* – the largest mutton and lamb processor in the State, and one of the top three in Australia.

South Australian production

The State produces 19% of the national sheep flock – or 11 million head. The SA farm gate value of sheep (for processing to lamb or mutton meat) is \$649m.

Murraylands and Riverland production

The region has 1.53m head of sheep from 1015 producers. Production is generally broadacre, though there are some feedlot facilities in the region.

Exports

Half of Australia's lamb production is bound for export. Australia produces approximately 6% of the world's lamb and mutton supply. Australia is the largest exporter of mutton and live sheep globally and the second largest exporter of lamb (behind New Zealand).

Australia exports more than half of its lamb and almost all mutton produced with a total value of \$1.1 billion for lamb and \$551m for mutton. Markets in the Middle East take up 29% of our lamb exports and 34% of our mutton exports.

Australia is also a significant exporter of live sheep, with major markets including Kuwait, Qatar, Turkey, Bahrain and Jordan, with a value of \$201m. (It's important to note that the Murraylands and Riverland region is an incidental player in the live sheep export market. The majority of sheep produced here are processed to meat products destined for the domestic market with a smaller proportion going to export markets.)



Beef

Australian cattle are reared either through grazing, feedlots or a combination of both. In recent years 33%, or more than 2.5 million grain-fed cattle, were marketed. Only 4% of grain-fed cattle came from South Australia.

South Australian production

The South Australian herd consists of about 1.3m head of cattle from over 4,600 producers.

Murraylands and Riverland production

There are 141,172 head of cattle in the Murraylands coming from 601 producers.

Exports

The Australian beef export market consists of both live and processed product. In recent years, the total value of beef and veal exports has exceeded \$5.06 billion with live cattle exports valued at over \$590m.

The largest export markets are Japan, the United States and the Republic of Korea. Chinese Taipei is another important established market, while the largest emerging markets are the Russian Federation, Indonesia, the Middle East, Philippines and Malaysia. For the Murraylands and Riverland region, there are a number of abattoirs near Adelaide which process for the domestic market, but beef intended for the export markets is processed at *TFI's* abattoir in Murray Bridge.



Pork

Globally pork is the most popular meat, with 1.5 times more pork consumed than beef.

South Australian production

South Australia processes 25% of all pig meat in Australia. This equates to over 90,000 tonnes of pig meat or 1.233 million pigs processed.

Murraylands and Riverland production

The Murraylands and Riverland has 175,826 (or 47% of the SA herd) coming from 85 producers. The South Australian herd is made up of 373,000 pigs. This region has several large producers, Processing for both the domestic and export markets is carried out in the region.

Exports

Volumes of pig meat exports have been relatively consistent over recent years – however the value of exports has seen a decrease over this same time frame due to the impact of subsidised Pork production from our major competitors, including USA, Canada, Brazil and Denmark.

Primary countries of export include Singapore (31%), New Zealand (15%), Hong Kong (12%), the Philippines (16%) and Papua New Guinea (12%). Other markets include China (4%), South Korea (1%), Malaysia (1%), and Japan (1%).



Poultry

Industry leaders have forecast that Australian poultry exports are expected to grow in 2019-20.

Agrifutures forecast that from a 2017 base, chicken meat production will increase by about 14% over the period to 2023. Australia exports only about 3% of its production and this low figure is expected to continue, with most growth going to satisfy domestic demand.

South Australian production

Production of chicken meat in South Australia has a growth rate about 4% p.a. and contributes \$209 million farm gate value to the State's economy.

Murraylands and Riverland production

The Murraylands and Riverland produces around 50% of SA's chicken meat. The region has a hatchery located at Monarto, and growers are located in the northern parts of the region or around Murray Bridge.

There are currently 13 chicken meat producers in the Murraylands and Riverland.

Exports

Around 4% of chicken meat production in Australia is exported. The primary countries of export have been South Africa (33% of exports by volume), Hong Kong (21%), Philippines (18%), Papua New Guinea (6%) and Vietnam (5%). All of the commercially-produced chicken in this region is processed by *Ingham Enterprises* at facilities near Adelaide.



Dairy

The Lower Murray swamps and Lake Albert districts have a long history of milk production in the region. The drought and resultant lowering of water allocations, combined with lower milk prices, saw many of these producers exit the industry. However - post drought there is an increasing demand for milk, which combined with higher milk prices will see the industry expand over the coming years.

South Australian production

The South Australian dairy industry is spread across the State with a dairy herd of 77,000 head, producing 570 million litres of milk from 275 enterprises and 43 accredited processors.

Murraylands and Riverland production

The Lower Murray swamps and Meningie Lower Lakes are the two main districts of dairy farming in the Murraylands and Riverland. The region has 47 dairy farms, and a significant processor located in Murray Bridge, currently accessing 90 megalitres of milk from local production. The region's milk production contributes \$39.5 million to the economy and represents 18.1% of the state's milk production.



Wool

Australia is the world's largest wool producer, accounting for about a quarter of total production. The value of Australian wool exports exceeds \$3 billion.

South Australian production

South Australia produces about 55,000 tonnes of wool with an estimated gross value of more than \$365 million. The State is currently estimated to have a flock of 11 million sheep.

Murraylands and Riverland production

Recent Murraylands and Riverland production of wool realised a gross value of \$58.1m, or 16% of SA's production. The State's Mallee area has been a long-term wool producing region, with much of the region covered by mixed farms, encompassing both sheep (meat and wool) and grain production. The region has several Merino and Poll Merino studs that breed for the region's low rainfall environment.

Exports

Almost all of Australia's wool is exported with the major markets being China (\$2.235b), India (\$209m) and Italy (\$178m). The Murraylands and Riverland production of wool is traded to wool brokers and then to domestic and export markets.

We are open for business

There are significant opportunities within the Murraylands and Riverland region. Our products and services are some of the best in the world, and there is no doubt there is substantial demand for them in expanding international markets.

We offer a supportive business environment, with advice and assistance on the development and investment processes, government grants and tax incentives, workforce planning and development and industry networks.

Our team works with investors to connect them with investment-ready businesses, to assess potential development locations and opportunities, and to coordinate government approvals.

If you are considering importing product from our region or investing, contact us to maximise benefits to your business and to the region.

To find out more, contact us today!

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