

The Australian cattle feedlot industry

- The Australian beef industry is the largest agricultural industry in Australia. The cattle feedlot industry has a value of production of approximately \$2.7 billion and employs some 2000 people directly and almost 7000 more indirectly. There are around 450 accredited feedlots throughout Australia with the majority located in areas that are in close proximity to cattle and grain supplies. Queensland is the largest state in terms of cattle numbers on feed with approximately 60% followed by NSW with 30%, Victoria with 7% and the remainder shared between South Australia and Western Australia.
- The Australian beef feedlot industry plays a complementary role to the larger extensive grass fed cattle sector given that feedlot cattle spend 85-90% of their lives in a pasture based environment. However, approximately 25% of Australia's total beef supply, 80% of beef sold in major domestic supermarkets and the majority of production growth in the beef industry over the last 10 years has been due to the feedlot sector.
- The industry was the first agriculturally based industry in Australia to embrace quality assurance and has had in place the National Feedlot Accreditation Scheme (NFAS) since 1994. This program ensures that every accredited feedlot is annually audited to ensure compliance with food safety, product integrity, environment and animal welfare legislation. Notably, all grain fed beef intended for export markets must be sourced from NFAS accredited feedlots. In addition, the major domestic supermarket chains (who sell the bulk of beef in Australia) require feedlot beef to be overwhelmingly derived from NFAS feedlots.
- The productivity of Australian beef production has significantly improved over time. According to ABARE, total factor productivity grew by an average 1.8 per cent a year between 1977-78 and 2001-02¹. The Australian grain fed cattle industry was the primary driver for this change. The main reasons why the cattle feedlot industry has grown over the last 30 years is; 1. Because it fulfills the market need to supply a consistent quantity and quality of beef throughout the year (regardless of seasons and climatic variation) and 2. Because of the increasing consumer demand for grain fed beef. Specifically, Australia's variable climate meant that pastures were insufficient during seasonal dry periods or drought and finishing cattle on grain enables beef to have a more consistent eating quality. The emergence of markets such as Japan and Korea has also greatly assisted industry growth whilst the exclusion of US beef into world markets due to BSE concerns has ensured that this growth has been sustained.
- ALFA is the national peak representative body for the beef cattle feedlot industry with membership covering over 90% of industry capacity. While ALFA has worked for members since the 1970's, it became a legislated peak body in 1998. In accordance with the *Australian Meat & Livestock Industry Act 1997* it has a legislative responsibility to direct the funding priorities for expenditure of grain fed cattle transaction levies on behalf of lot feeders throughout Australia. This includes research, development and marketing under Meat & Livestock Australia (MLA), animal health activities via Animal Health Australia (AHA) and residue management through the National Residue Survey (NRS). ALFA's mission is to lead the industry in a manner that fosters excellence and integrity; improves the feedlot business environment; and ensures its community standing. It has a pivotal role in actively representing the industry to Local/ State and Federal Government; advancing and promoting industry issues; developing and improving environmental and animal welfare standards along with quality assurance & training programs; working to keep lot feeders abreast of legislative developments; informing lot feeders regarding emerging best management practices and directing the allocation of grain fed levies. ALFA has also instigated a number of important industry initiatives such as the development of Meat Standards Australia (the eating quality guarantee system), the National Feedlot Environmental Code of Practice and Guidelines (to ensure good environmental performance) and National Commodity Vendor Declarations (to ensure good chemical residue management).
- Whilst Australian grain fed beef is sold to over 100 different countries around the world, the main markets are the domestic market, Japan, Korea and the United States.

¹ ABARE, (2004) *Australian beef industry productivity*, http://www.abare.gov.au/publications_html/livestock/livestock_04/ab04_nov.pdf