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Australia

Poultry and Products

Annual

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Report Highlights:

Australian poultry production is forecast to continue growing from the record levels achieved in 2003/04. Production, however, has been constrained by reduced feed grain supplies and record high feed grain prices brought on by one of the worst droughts in a century. Exports amounted to only three percent of total production in 2002/03 making poultry a relatively unique industry within Australia's largely export orientated agricultural sector. Australian quarantine regulations prohibit the importation of fresh chicken meat.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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Canberra [AS1]
[AS]

SECTION ONE: SITUATION AND OUTLOOK

Australian poultry production is forecast to continue growing from the record levels achieved in 2003/04, albeit at an incremental rate. Strong domestic demand for poultry meat combined with higher retail prices for alternative meats provided incentives to poultry producers to increase production. Production, however, has been constrained by reduced feed grain supplies and record high feed grain prices brought on by one of the worst droughts in a century.

Production: Total poultry meat production for 2003/04 is forecast at a record 766 thousand metric tons (TMT). Post has revised total poultry production for 2002/03 upwards to 752 TMT, sharply higher than the 704 TMT produced in 2001/02. While the growth in broiler production slowed in the last quarter of 2002/03, a liquidation of layer hens due to high feed grain prices and reduced industry profitability contributed to the upturn in total poultry production. Tight regional egg supplies and sharply higher egg prices are evidence of the liquidation of laying stock.

According to historical records of the Australian Bureau of Agriculture and Resource Economics (ABARE), poultry production has increased incrementally every year since 1993 when annual production was only 482 TMT. ABARE's longer-term projections have production increasing incrementally every year reaching 877 TMT in 2007/08.

Exports: Total poultry meat exports are forecast at 24 TMT in 2003/04 (July-June). This is up slightly on the 23 TMT for 2002/03 and 21 TMT for 2001/02. Exports amounted to only three percent of total production in 2002/03 making poultry a relatively unique industry within Australia's largely export orientated agricultural sector.

South Africa remained Australia's largest export destination in calendar year 2002, taking 40 percent of all shipments. Hong Kong is another significant market, accounting for 20 percent of exports, followed by China and Sri Lanka, with six and five percent, respectively. Export markets appear to be growing slowly year-over-year from 2000-2002.

Imports: Australian quarantine regulations prohibit the importation of fresh chicken meat, primarily given concerns about infectious bursal disease (IBD). Importation of cooked chicken meat is permitted under very strict conditions. Imports are virtually zero.

Australia has been working on an Import Risk Analysis (IRA) for uncooked chicken meat since 1997. Most recently, Biosecurity Australia released an IRA Draft Methods Paper on uncooked poultry meat on January 6, 2003. The Paper was circulated to stakeholders to provide information on the proposed approach to be taken on the IRA. The IRA Panel is still working on the draft IRA Report, which will contain risk assessments for each disease agent identified in a previously released Technical Issues Paper and propose risk management, where required. The United States, Thailand and the European Union would be among the potential suppliers of fresh poultry to Australia.

Consumption: Per capita poultry meat consumption has been the success story of Australian livestock industries. ABARE puts total poultry meat consumption at 36.5 kilograms per person for 2002/03, up from 26.5 kg in 1993/94. ABARE projects per capita consumption rising fairly steadily to 40 kg per person by 2007/08.

Broiler Production: Statistics on broiler production are currently unavailable for Australia. Post estimates that broiler meat production accounts for about 89 percent of total poultry meat production. A conversion factor of 0.89 is applied to total poultry meat figures to

derive broiler production. Layer hens, ducks, drakes, turkeys and pheasants provide the balance of poultry meat production in Australia.

Prices: ABARE estimates retail poultry meat price at A\$3.80 per kg in 2002/03, down slightly from A\$3.84 per kg in 2001/02. ABARE's longer-term projections have poultry meat prices rising to A\$3.88 in 2003/04, before gradually falling to A\$3.58 per kg in 2007/08. An expected return to more normal feed grain pricing is expected to allow for the declining longer term pricing.

SECTION TWO: STATISTICAL TABLES

Australia							
Poultry, Meat, Broiler							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2001		07/2002		07/2003	MM/YYYY
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	0	0	0	0	0	0	(MIL HEAD)
Beginning Stocks	0	22	0	20	0	28	(1000 MT)
Production	620	629	630	669	0	682	(1000 MT)
Whole, Imports	0	0	0	0	0	0	(1000 MT)
Parts, Imports	0	0	0	0	0	0	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	620	651	630	689	0	710	(1000 MT)
Whole, Exports	0	18	0	19	0	20	(1000 MT)
Parts, Exports	15	0	15	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	15	18	15	19	0	20	(1000 MT)
Human Consumption	605	613	615	642	0	660	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	605	613	615	642	0	660	(1000 MT)
TOTAL Use	620	631	630	661	0	680	(1000 MT)
Ending Stocks	0	20	0	28	0	30	(1000 MT)
TOTAL DISTRIBUTION	620	651	630	689	0	710	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)

Australia Poultry, Meat, Total							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2001		07/2002		07/2003	MM/YYYY
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	0	0	0	0	0	0	(MIL HEAD)
Beginning Stocks	24	10	16	25	0	30	(1000 MT)
Production	693	704	0	752	0	766	(1000 MT)
Whole, Imports	0	0	0	0	0	0	(1000 MT)
Parts, Imports	0	0	0	0	0	0	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	717	714	16	777	0	796	(1000 MT)
Whole, Exports	29	21	0	23	0	24	(1000 MT)
Parts, Exports	0	0	0	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	29	21	0	23	0	24	(1000 MT)
Human Consumption	672	668	0	724	0	738	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	672	668	0	724	0	738	(1000 MT)
TOTAL Use	701	689	0	747	0	762	(1000 MT)
Ending Stocks	16	25	0	30	0	34	(1000 MT)
TOTAL DISTRIBUTION	717	714	0	777	0	796	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)