



**NORTHERN  
TERRITORY  
LIVESTOCK  
EXPORTERS  
ASSOCIATION INC.**

# NTLEA NEWSLETTER

**INDUSTRY UPDATE**

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*Dear Members,*

*Well, the livestock export industry is never dull or boring, there is always one or more major issues threatening our survival and requiring our urgent attention. At the present time it seems we have more than the usual number of threats but we have always managed to get through them in the past and no doubt will find our way through the current mine field.*

*Take time to read the Tempo articles attached and you will learn a great deal about politics and food supply policies in Indonesia. The current focus on box beef is making the live cattle trade look pretty good from an Indonesian perspective.*

*The dry season has well and truly arrived in Indonesia so hopefully it won't take much longer to get to northern Australia.*

*Kind Regards,  
Ross Ainsworth*

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## **Market Overview:**

Cattle prices for live export have continued to be strong throughout the wet season as expected. This can be attributed to the normal slowdown in supply during the wet season as well as the demand for cattle under 350Kgs into Indonesia, which ultimately restricts many other normally available cattle suited more for direct slaughter.

The latest PMU (NT Govt.) attached shows numbers are back through Darwin for March, leaving the YTD total numbers back by 17,700 head.

The Livelink report shows an even more drastic change to the market with Indonesia back by 42% compared to the year before. Other markets in the SE Asian region have lifted slightly although not enough to counteract the Indonesian fall.

The eastern states are experiencing record prices for cattle which is also driven by wet season shortage and growing demand for beef into some key and growing markets.

Attached are some market reports from MLA including:

1. Livelink April and the NT Government PMU March
2. Australian Cattle Industry Projections 2011
3. Red Meat Market Report – composition of Australian red meat exports

These reports are available to us to give a balanced understanding of the beef industry markets right across the country and what is affecting their performance.





### **Import Permits:**

As of the end of March it has been confirmed that there has been the release of import permits by the DGLS in the vicinity of about 200,000+ head of cattle and spread across many of the major importers. This comes just in time given the end of the first quarter on the 31<sup>st</sup> March. These permits are valid for the next 3 months ending 30<sup>th</sup> June.

The challenge will now be to fill these orders given the difficult access issues caused by the extended wet season and also the reduced shipping space available into SE Asia.

### **DG Visit:**

The Director General has postponed his visit to Darwin again due to government travel approval problems. It was hoped that he would be in Darwin to coincide with travel to Katherine for the NTCA Conference and take advantage of meeting many people involved with the trade.

The motivation behind the trip is for the DG to inspect the pre shipping management of cattle weights so that the industry may negotiate the 350kg weight certification in Australia rather than Indonesia. This takes much of the guess work out when sending cattle close to the weight threshold. This opportunity will allow us to demonstrate the use of RFID tags linking animal identification to weight whereby it may then become compulsory for use to the Indonesian market.

The use of RFID is certainly a market access issue and in simple terms will allow the industry to confidently load up to 20kgs more in live weight per animal rather than a conservative approach which increases the risk of delivering over weight animals into the market.

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The industry certainly needs some solid direction in regards to this section of the protocol as it has created a lot of confusion in both countries from a management point of view.

### **NT Road Access:**

Given the record wet season the NT has had, many of the roads are in grave disrepair causing access issues for many exporters and producers with weight restrictions over many. Obviously the wet season is an act of nature and cannot be controlled, however, we will be in close contact with the NT Government on the issues we face going into the dry season and get an understanding of what their R&M plan is for the road infrastructure.

### **TEMPO Magazine Article:**

A recent article in the TEMPO Magazine is attached. This is an Indonesian publication written by Indonesian journalists. It gives an interesting perspective of the current issues in the boxed beef trade.

### **NTCA Conference:**

The Minister for Agriculture Joe Ludwig opened the NTCA conference on Friday 1<sup>st</sup> April pledging his support for the live export trade for the NT. This support is no doubt needed in any political environment given the strong calls for the stopping of the trade by animal welfare activists and processors. A recent motion to Federal Parliament by the Member for Page, Ms Janelle Saffin, to stop live exports and create a transition from live to boxed meat exports, is an example of the ongoing opposition we face as an industry.

