Australian Meat Industry Council

SUBMISSION

SUBMISSION TO

DEPARTMENT OF FOREIGN AFFAIRS & TRADE

IN RESPONSE TO

INDONESIA AUSTRALIA – COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (IA-CEPA)

July 2016

PREFACE

The red meat sector is now Australia's No.1 agricultural enterprise. The Australian Meat Industry Council (AMIC) is the only employer association and recognised Peak Council in Australia, representing the commercial export and domestic processing industry.

AMIC is also the Peak Industry Council representing the post-farm gate sector including smallgoods manufacturers, wholesalers, distributors, boning rooms and independent retail butchers – in total, close to 2,000 member companies representing over 50,000 workers directly employed in meat processing, exporting, wholesaling and retailing in Australia.

In addition, there is conservatively at least the same number again of Australian's involved in the road transport, shipping, carton and equipment manufacture, insurance, banking, laboratories and other ancillary industries – all dependent on the red meat processing and export sector for a proportion of their livelihood – an industry worth an estimated A$17 billion to the Australian economy in total.

AMIC provides services and support to members that improves their working environment and is focused on achieving the best outcomes for the industry and its members as part of one voice on issues critical to their business.

MARKET ACCESS TO INDONESIA & A FREE TRADE AGREEMENT (IA-CEPA)

1. INTRODUCTION

The Australian Meat Industry Council (AMIC) on behalf of the red meat processing and export sector, welcomes the opportunity to make the following comments on the proposal to enter into a Comprehensive Economic Partnership Agreement (IA-CEPA) with Indonesia.

This submission can be read in association with the general industry submission from Meat & Livestock Australia (MLA). There are however specific issues relating to the red meat processing sector's access to the Indonesian market that should be given greater emphasis and this submission seeks to address those.

Indonesia is a vital export market for Australia's red meat products taking 64,787 tonnes in 2015/2016 made up of 54,503 tonnes of beef in 2015/2016, 1,530 tonnes of mutton, 1,032 tonnes of lamb and 7,702 tonnes of offal worth over A$300 million to the Australian industry in 2015/16. While in the context of Australian global sales, Indonesia represents only around 5% of total volume exports to the world, to those companies that specialize in the market, it is a highly important international market with significant potential and a major part of their overall business.

As one of the world's largest Islamic markets, it requires exporters with knowledge and capability to service its specific needs. A number of exporters have made a significant investment in developing the market for red meat products in Indonesia. In principle, AMIC supports the IA-CEPA negotiations but the agreement must be comprehensive, inclusive of all aspects of Australia's trading relationship with Indonesia and must lead to a more transparent and internationally consistent trading environment between the two countries.

There are some specific areas of the trading relationship any agreement must address.

<u>KEY PRINCIPLES FOR ENTERING INTO AN IA-CEPA WITH INDONESIA</u>

- Any agreement must be comprehensive and include all aspects of Australia's trading relationship with Indonesia.
- All tariff lines applicable to the red meat industry and associated products be either reaffirmed as zero or eliminated within an agreed timeframe including any not secured under the AANZFTA.
- Processed red meat products and the live export trade should be competing <u>on a level playing field</u>.
- A dispute resolution framework for resolving trade related issues that does not require disruption to the trade should be an essential component of this agreement if confidence is to be restored.

<u>PRIORITIES FOR THE MEAT PROCESSING SECTOR IN INDONESIA</u>

- A long term goal of the removal of all quota systems in Indonesia and a return to free market arrangements. In the interim a move to the release of Import Permits on an annual basis to allow the business community to plan production and shipment cycles at minimum cost.
- Removal of the bans on any offal. A government commitment to promoting the nutrient rich nature of Australian offal as meeting Indonesian objectives of a high quality low priced animal protein.

- Removal of all constraints on secondary cuts.
- If State Owned Enterprises (SOE's) are to be involved in meat imports, establish meat industry supply chain training and assistance for them so they better understand how to access and purchase Australian product that meets their needs.
- If Indian beef has access to the Indonesian market, seek agreement to the removal of all constraints on Australian red meat so that Australia can compete with India on a level playing field.
    - An investment in independent economic modelling that clearly shows the impact that cheap Indian protein will have on the Indonesian market.
- Acceptance of the Australian Government as the single certifier on halal products.
- The acceptance of the Australian Government Authorised Halal Program (AGAHP).
    - Transparency in the application of halal certification for imports of Australian red meat products in to Indonesia and the removal of the need for additional hidden costs for accreditation in Indonesia.
- Acceptance of a systems audit as providing all listing requirements for Australian meat processing facilities for Indonesia.
- Working through the Industry Indonesia Working Group to seek a red meat industry position on multilateral and bilateral issues. AMIC will manage in cooperation with Government and industry all technical barriers to trade.

2. THE PRIORITIES FOR THE MEAT PROCESSING SECTOR IN INDONESIA

BACKGROUND

The boxed meat trade to Indonesia has been an important market for halal certified beef and offal over the last three decades. Since 2000, Indonesian authorities have placed increasing constraints and red tape around the import of boxed beef and offal in favour of the live cattle trade. Australia entered into a $60 million support program for the Indonesian cattle industry in 2013 under the Indonesia-Australia Partnership on Cattle and Beef but to-date the focus has all been on the live trade and the Indonesian industry.

In 2015, Australia shipped just over 39,000 swt of beef to Indonesia at a value of $244m. This represented a decline in volume of 26% from the record high of just over 53,000 swt shipped in 2014, and a decline in value of 13%. The beef import regulation changes by the Indonesian Government in December 2014 had a noticeable impact on the Australian trade in 2015 and continuing into early 2016. In 2013 a joint AMIC-MLA study on non-tariff barriers to trade (NTBs) estimated that key NTBs into Indonesia were costing the industry approximately $80m, either in lost trade opportunities or increased costs of doing business due to inefficiencies or unnecessary restrictions. While some of the barriers referred to in this study may have eased, for example the in-country distribution restrictions through wet markets, others have expanded since the study was completed in 2013 such as the constraints on secondary cuts.

The announcement of the reinvigoration of the IA-CEPA (Indonesia-Australia Comprehensive Economic Partnership Agreement) has put a greater focus on what the boxed meat trade to Indonesia is seeking out of the Indonesian relationship and what government can do to facilitate greater access.

While a free trade environment of no tariffs or quotas would be the ultimate goal, reality suggests more moderate gains might be more achievable.

Below are seven (7) market access goals in order of priority that would significantly benefit access to Indonesia for the boxed meat trade.

1. IMPORT PERMITS

The Import Permit system tied to import quotas is inefficient, distorting, invites manipulation and appears poorly managed and open to political influence. Our fundamental belief is that the market would operate more efficiently and at a reduced cost to importers and end-users, if it was an open and free market with no quotas and no Import Permits.

The reality however is that outcome is unlikely to occur in the short to medium term. The more immediate goal should be to move away from periodic allocations of quota to an annual allocation which would allow greater production planning and shipment scheduling. The single most frustrating part of the current quota and import process is the lack of consistent allocation of permits from one period to the next.

While the recent move to a trimester allocation certainly helps, it is the stop/start nature of the Indonesian market and the lack of up front allocation of permits well ahead of the next quota period that is the most frustrating to commercial business. The legislation in Indonesia we understand, calls for Import Permits for the next quota period to be announced well in advance of the start of that quota period. The reality is currently that just does not happen. It can often be well into the next quota period before permits are actually allocated, leaving the trade in a constant hiatus for periods and then there is a rush once permits are allocated to fill them before the quota period ends.

ESTIMATED COST TO INDUSTRY: $17.3m *

ACTION: *The Australian government support in principle the removal of all quota systems in Indonesia. While that may be a medium to long-term goal, the government in the interim should emphasise the crucial importance of meeting current legislative requirements by allocating Import Permits well in advance of each quota period so there is a continuous flow of product and that both exporters and importers can plan production and shipment cycles at minimum cost*.

2. THE BANNED OFFAL LIST

Since 2007, the list of banned offal has varied but the existence of a banned offal list in itself has resulted in a significant area of Australia's offal trade being affected. Indonesia was a significant market for items such as lungs, tripe and spleens before 2007. They are now a prohibited item under the Regulation without any valid health or food safety reasons.

Open and free trade should allow the market to decide the supply and type of offal required as long as health, hygiene and religious requirements are met. The same restricted offal walk freely into Indonesia as part of the live cattle trade from Australia. There are competitive market forces at work that have no basis under the World Trade Organization (WTO) or in a free trade agreement between Indonesia and Australia.

The perception that there is a public health issue with Australian frozen boxed offal needs to be corrected at the highest levels in Indonesia. The image that Australia is selling frozen offal to Indonesia that Australian's won't eat themselves thereby suggesting Indonesians are third class citizens <u>must be corrected</u>.

The removal of the banned offal list and allowing the trade in offal to operate in a free and open market would meet some resistance from the live cattle trade import that benefits from the current offal ban but the Federal government in purporting to support a level playing field should support the removal of the banned offal list as having no basis in health, science or commerce.

The nutrient rich nature of many offal and the low cost to Indonesian consumers should be emphasised as meeting two essential principles in Indonesia's current food security strategy. The domestic price of selected offal increase substantially for those sourced from local supply (both domestic and imported live cattle from Australia) from when any competition from imported frozen offal has been removed. Beef lungs is a particular case in point. It is therefore hard to divorce internal price-driven incentives from this proposal.

Trade sources suggest that there is an unfilled demand for imported frozen offal that could be anything between 12,000 to 20,000 tonnes per annum if the banned list was removed.

Producing halal certified offal for Indonesia requires a specific investment in plant and cattle. Those that have invested in facilities to supply Indonesia a halal approved offal product to Indonesian requirements have been significant losers since the introduction of the banned offal list. The opportunity cost is much greater on the halal accredited offal produced for Indonesia as there is often no similar alternative market for the product.

Attached is a table of current indicative wholesale prices for the most saleable range of offal, fancy meats and bones in Jakarta in April 2016

ESTIMATED COST TO INDUSTRY: $9.0m *

ACTION: *The government needs to emphasise with Indonesia that there is no public health issues tied to the consumption of imported frozen offal from Australia. They are a nutrient-rich, low cost alternative that meets all of the objectives in Indonesia's food security strategy.*

It needs to be emphasised by government that Australia does not have a traditional consumption pattern of consuming offal simply because over the last century Australians have been very lucky in having access to plentiful supplies of low cost animal protein from beef, sheep, pigs and poultry. A tradition of consuming offal in Australia has never been developed. In other parts of the world where that tradition continues, Australian offal are warmly received.

3. THE CONSTRAINTS ON SECONDARY CUTS

There is a clear demand for secondary cuts in Indonesia. The banning of secondary cuts and then more recently a partial liberalisation of their importation is clearly inconsistent with Indonesia's commitments under the WTO. The additional requirement that they can only be imported through State-owned Enterprises (SOE's) has in itself additional inherent problems and inefficiencies.

These SOE's have no expertise in importing frozen or chilled meat, no infrastructure (feedlots, cold-stores or cold-chain logistics) and no established customer base but no doubt provide the opportunity for greater influence over price movements. Nonetheless the SOE's can only conduct a government business with access to private enterprise infrastructure. Import businesses will have to support SOE's such as BULOG and Berdikari or risk becoming redundant.

The SOE's lack any previous experience in importing frozen and chilled meat which introduces a number of complexities, potential inefficiencies and costs. The ongoing exclusion of the commercial sector from this aspect of the trade has implications for the supply chain over all.

ESTIMATED COST TO INDUSTRY: More than $20.0m **

ACTIONS: *That government should continue to seek access for secondary cuts through the commercial trade based on <u>commercial demand</u> for the product. SOE's,* *with no infrastructure and no experience, should have to operate in an open market. There is no basis for their involvement in commerce or in food safety and they only add to cost if they don't have to compete openly with the commercial trade.*

On the other hand the involvement of SOE's in the beef import supply chain has clear policy objectives from an Indonesian Government perspective and there is a role for the Australian Government to be pro-active in providing supply chain training and assistance through the Red Meat and Livestock Partnership program to the SOE's as a means of forging closer ties to the supply of Australian product through these Government channels.

4. IMPORTS FROM INDIA

Farmers groups and veterinary associations along with importers and end-users in Indonesia are continuing to lobby against the broadening import policy that would allow the entry of livestock and/or animal products from countries or zones within countries. This potentially opens the market to supplies from countries such as Brazil and particularly India where FMD has been a significant issue. While meat establishments still have to be inspected and approved by the Ministry of Agriculture as well as the religious requirements for halal certification be approved, the possibility of Indian meat entering the country legally before the end of the year is quite high.

Current proposals are that private enterprises will not be permitted to import meat or livestock from India or any other FMD source. The Indonesian government is constraining any imports from these countries to SOE's thereby giving them privileged access to product.

It is clear from other Asian markets that have permitted cheap Indian beef in any volume that it has the ability to undermine the local industry. Cheap Indian beef in to Indonesia will impact the Indonesian domestic beef industry. It will also affect Australian live cattle imports and the associated feed-lotting sector, local abattoirs and further processing along with imports of boxed beef from Australia, New Zealand or elsewhere.

The impact will ultimately depend on the volumes involved. There is a need for independent economic modelling that clearly shows the commercial impact of cheap Indian protein on the Indonesian domestic industry.

Businesses involved in these sectors of Indonesian industry stand to be significantly impacted by this import of cheap protein with a resultant loss of job opportunities. Traditional wet markets across Indonesia would be forced to sell Indian beef or shut down their premises as no alternative sourced beef (local or imported) would be commercially viable to compete against Indian beef or buffalo.

Attachment 2 shows the effect on the imports of Australian product to the Philippines in the decade after 1999 once Indian product was allowed in the market. It is clear from Attachment 2 that imports of Australian boxed beef and live cattle fell considerably once Indian meat was given access to the market. The same outcome will occur in Indonesia.

Cheap protein can be sourced out of Australia without endangering Indonesia's animal health status that would occur if they allow access to Indian meat product, unrestricted.

<u>Note</u> - The Australian industry would also ask how the Australian government can continue funding Indonesian related industry/initiatives while the current government simultaneously develops policy around the import of meat from a local supplier like India that will have implications for the Australian industry right across the board. To import from FMD prone regions is also a direct quarantine risk to Australia's cattle industry and flies in the face of the notion of self-sufficiency and food security that Indonesia has been striving for.

ESTIMATED COST TO INDUSTRY: $20.0 to $50.0 million for the Australian boxed beef trade. Additional losses would occur in the Australian live export trade and the Indonesian domestic cattle industry.

ACTION: *The Australian government should continue to lobby the Indonesian government on the downside risks of importing from FMD-free zones within countries that currently still have the live virus.*

The Australian government should encourage independent economic modelling that clearly shows the impact that cheap Indian protein will have on the Indonesian domestic industry.

The government should also be arguing that while they respect the sovereign right of Indonesia to make such decisions, it would then be unfair to allow imports from these countries and not open up to free trade from a dependable and traditional supplier like Australia.

If Indonesia wants to make the decision to import from India, then it should remove the banned offal list, remove SOE's from the control over secondary cuts and open the import market into Indonesia for Australian beef so that we can compete on a level playing field. It would be unfair to do otherwise.

5. HALAL CERTIFICATION IN AUSTRALIA AND IN INDONESIA

Halal red meat production for export is governed by the Australian Government Authorised Halal Program (AGAHP). Government and industry considers the AGAHP to be a transparent and efficient halal standard when included in an Establishments' Approved Arrangements.

The AGAHP is incorporated into the arrangements of all halal exporting red meat establishments. The system is underpinned by legislation and the Australian government through the Department of Agriculture (DAWR). These aspects contribute to the transparency and efficiency of the system and assists in assuring Australia's halal export markets on the integrity of the system.

Indonesia has pursued a state based monopoly system of halal approval over recent years which has generated considerable complexities, additional costs and increased uncertainties. At some point the whole trade out of Queensland has been unable to get access to Indonesia because of halal issues.

Indonesia is an important market for any beef abattoir with a halal program. The constant constraints and costs imposed by an inefficient market access policy will reach a "tipping point" where some processing facilities will make a decision that it not worth the costs and effort of maintaining a halal program thus reducing the ability of Australia to meet Indonesian demand for halal products.

Recent developments highlight the uncertain nature of halal certification in Indonesia. In February 2016 five out of seven Australian Approved Islamic Certifiers (AIO's) saw their licences expire with the Indonesian religious authority (MUI) and currently four sit as delisted on the MUI website. At the time of writing there were only three AIO's that had valid licences to provide Halal certification to the Australian red meat processing sector, a problem that is exacerbated by the fact that Indonesia only allows state-based certification in Australia (which is a unique requirement amongst Muslim countries).

The Department of Agriculture and Water Resources (DAWR) has advised that those AIOs whose licences have expired have until the end of 2016 to renew their licences with the Indonesian MUI and that trade will not be disrupted in the interim. The assessment from the trade has been different. Our advice is that the situation is more serious and that delisted certifiers only have until the end of July 2016 in order to be reaccredited with MUI before the possibility of disruptions to trade may occur.

This issue is causing nervousness in the trade and has led to some isolated containers being held due to AIO licence expiry. Ordinarily it would be dealt with seamlessly but there are complicating factors, which are drawing this issue to a head.
As some of the delisted AIO's now engage with the MUI to seek reaccreditation they are being told that the cost of this will now increase substantially with set payments to be made to MUI between now and the end of the year and a percentage of total revenue in Australia to be agreed for any commercial activity in 2017. We are advised some have refused to pay the increased amounts with the resultant concerns over production they have certified that is already in the pipeline, let alone future business given their delisted status on the website. If the July31 deadline is correct the trade is likely to enter in to a period of instability.

In addition, there are proposals that a new Executing Agency for Halal Product Assurance (BPJPH) be established in Indonesia to act as a coordinating body on all halal matters in Indonesia including the accreditation and registration of foreign Islamic organisations. Clarity over what this will mean for boxed beef shipments is paramount as well as whether the current drive for increased fees in Indonesia is associated with these changes.

This issue has also been tabled with the Indonesia-Australia Red Meat partnership to address in the longer-term. AMIC continues to support the Partnership and appreciate that it can't be all things to all people, but there is a growing level of frustration and increasingly AMIC is looking for it to provide real benefits to the processing sector on issues of this nature.

We are working with DAWR to develop a Halal green paper addressing some of the systemic issues around Halal certification, AIOs and the Government's role in providing assurances to overseas trading partners of the integrity of Australia's Halal certification system. <u>Halal certification has become a significant market access issue in Indonesia and must be rectified through the IA-CEPA if the potential of the market is to be realised.</u>

ESTIMATED COST TO INDUSTRY: $10.5m (including establishment listing restrictions) *

ACTION: *We would encourage the Australian government to consistently support the AGAHP as the system most appropriate for Indonesia's needs and most cost effective for access to product.*

The Australian Government should be supporting Indonesia's <u>acceptance of the AGAHP on a national basis</u> and removing the need for the state-based monopoly system that they introduced over recent years.

Transparency in the application of halal certification for the import of Australian red meat is essential with the removal of the need for additional hidden costs for halal accreditation in Indonesia

6. THE ESTABLISHMENT LISTING PROCESS

The 2013 joint AMIC-MLA study into NTBs placed a high priority on resolving this trade barrier into Indonesia. Even though over 75% of beef export processing establishments have accreditation for Indonesia (and over 60% of sheep meat export establishments), there are still establishments seeking listing to Indonesia that have not been individually assessed. AMIC is aware of a number of members that are seeking listing for Indonesia and DAWR is currently negotiating an Indonesian government audit, though timing is still not agreed to.

The fact that Indonesia requires an individual audit before approving an export establishment is a considerable barrier in itself, due to lost trade opportunities and the costs of facilitating the visit by Indonesian government officials. In addition, AMIC is aware of Indonesian government audits of individual establishments done under commercial arrangements, without the knowledge of DAWR.

This industry priority, in conjunction with the restrictions on Halal certification, should be supported by the Australian government through advocating a systems approach to both establishment listing and recognition of the AGAHP. While we welcome Indonesian government audits both on food safety and religious grounds, it would be advantageous and a wise use of limited resources to restrict these audits to audits of the Australian system, as is common practice with other major trading partners.

ESTIMATED COST TO INDUSTRY: $10.5m *

ACTION: *We would encourage the Australian government to consistently push for Australia to maintain the right to list establishments and negate the need for individual establishment listing by Indonesian authorities. This would be done in conjunction with support and recognition of the AGAHP.*

7. THE INDONESIAN RED MEAT & LIVESTOCK INDUSTRY WORKING GROUP

The industry has the opportunity to convene the Indonesian Red Meat & Livestock Industry Working Group chaired by David Foote, CEO of Australian Country Choice from the discontinued MLA Task Force process.

The Working Group includes representatives from all sectors of the supply chain including MLA, the live export trade and meat processing. The Working Group could offer Government as it has done with China, the opportunity to convene as an industry touch point to assist Government in finalising an industry strategy as part of the final negotiating position on the free trade agreement with Indonesia (IA-CEPA - The Indonesia Australia – Comprehensive Economic Partnership Agreement).

ACTION: *The Australian Government to work closely with a reformed Indonesian Red Meat & Livestock Industry Working Group to forge a co-ordinated industry strategy for the IA-CEPA.*

NOTE

JUNE 2016 – REVIEW OF MINISTERIAL DECREES ON IMPORTED BEEF

Following a public consultation between Indonesian importer associations and Ministries of Trade and Agriculture on 22 June 2016, the government has announced that it will issue a draft decree amending 58/2015 that will:

- Broaden the list of beef and offal items that can be imported into Indonesia, specifically, no restrictions on secondary cuts, manufacturing cuts and offal items liver, heart, lungs, tongue and lips.
- That all items can be imported by commercial importers and not be limited to State Owned Enterprises (SOE's).
- There will be a six monthly permit issuance process with flexibility for importers to bring in additional tonnage as required (in the event of supply shortage).
- Will allow distribution into wet markets that have cold chain facilities.
- Will not specify a percentage of local cattle absorption in order to be allowed Import Permits.

There may be a few other amendments but advice from the Ministry of Agriculture and industry is that this will be signed off in the near future. Even though the changes have been agreed, until the decree is signed there is still a possibility of last minute alterations.

The changes suggest a significant rethink of import policy on beef in Indonesia. If lowering consumer prices is the ultimate objective of the government then constraining imports is not going to achieve that. If having cheaper animal protein is the objective, Australia can supply large quantities of highly nutritious offal at cheap prices. This would bring the price down in the wet markets which is what the government wants to achieve, albeit a little late for Ramadan. If sufficient good Australian product goes in, perhaps it may prove that they don't need cheap Indian buffalo after all and may help the current Indonesian feeders' legal case against access for Indian beef and FMD.

Beef exports to Indonesia have doubled in the past few months. Given the ever changing policy positions in Indonesia, Australia still needs to advocate strongly for the priorities listed above to ensure they become a permanent policy change in Indonesia.

SUMMARY

With the growing importance of Indonesia, the increasing concern is that politically motivated decisions inconsistent with principles of international trade or on technical issues (such as the offal ban) not based on science will have major disruptive effects on those processors who have made a large financial commitment to meet Indonesian requirements. Similarly, confidence in the Australian Halal certification system and changes in Halal certification requirements at short notice or contrary to agreed protocols can quickly disrupt trade causing substantial backup of containers on wharves in Indonesia and in Australia until the issue is resolved. Australia has invested heavily in establishing a Government supervised Halal system envied by most other non-Muslim countries. Government now has a clear role in instilling confidence in the Australian Halal and export certification system and gaining a commitment from Indonesia to a dispute settlement process that identifies the issue and possible areas for resolution before stopping the trade, rather than the reverse. The market is now too big and important for disruption based on hearsay.

As part of any closer economic partnership with Indonesia, a more commercially sensitive approach to trade matters needs to be included. The costs to those that have invested in facilities to supply Indonesia a Halal approved product will be large and they are the biggest losers. The opportunity cost is much greater on the offal because they don't have a ready market elsewhere.

AMIC members have great difficulty with some aspects of the Indonesian meat regulations as currently implemented. It is essential that every effort is made to address the issues raised above in order to allow commercial practicality to prevail in Indonesian import requirements. This is especially the case in an environment where Australia is now entering into discussions with Indonesia on a closer economic partnership. There is political influence in the development of regulations and their trade limiting nature. Given the size and political influence of the live export trade, it is essential a Free Trade Agreement delivers an open and transparent environment, especially amongst competing Australian companies and businesses.

Processor Group
Australian Meat Industry Council
July 2016

* David Harris et al June 2013 – AMIC-MLA report into non-tariff barriers to trade.

** Estimate based on lost trade between 2014 and 2015 in secondary cuts (not including lost trade in offal).

Attachment 1

A list of current indicative wholesale prices for the most saleable range of Offal, fancy meats and bones in Jakarta
(April 2016)

FAS AUSTRALIAN MAIN PORT BASIS
(AUD$ per Kg)

Lung lobe (uncooked)	$2.72	
Spleen	$2.55	
Liver	$3.18	
Heart	$4.25	
Tripe (raw, uncooked)	$2.27	(whole, undifferentiated)
Oxtail	$6.55	PERMITTED IMPORT
Tongue (Swiss-cut)	$8.89	PERMITTED IMPORT
Brain	$3.24	
Pizzle	$7.60 # per piece	
Testes	$1.55	
Intestine (green)	$2.88	
Lips	$2.72	PERMITTED IMPORT
Tongue Root	$1.63	PERMITTED IMPORT
Neckbone (FAQ)	$2.63	
Rib cage preparations	N/A	@ prices now distorted a/c widespread bastardisation of "approved" SHORT Rib and PREPARED Rib variations

N/Q = Thick / Thin Skirts, Kidney, Tendon, Head / Cheek Meat, other lower demand items met by local slaughter

Source: Trade sources

Attachment 2

Australian Beef and Live Cattle Exports to the Philippines
1995 to 2015

Showing the impact of Indian Beef on Australian Exports

Year	Beef	Live Cattle
	(Tonnes Shipped Weight)	*(Actual Numbers)*
1995	14,906	209,192
1996	20,493	206,317
1997	26,943	259,702
1998	20,157	215,961
1999	20,369	268,784
2000	14,270	223,773
2001	19,683	97,411
2002	12,856	115,522
2003	8,576	96,016
2004	2,071	46,918
2005	2,951	20,941
2006	1,937	13,159
2007	3,416	20,354
2008	14,143	10,791
2009	16,960	12,860
2010	19,205	16,244
2011	20,998	21,708
2012	25,718	32,268
2013	26,992	19,412
2014	34,352	28,873
2015	25,352	26,716

Source: MLA

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