

EU-AUSTRALIA TRADE AT A GLANCE

QUICK FACTS

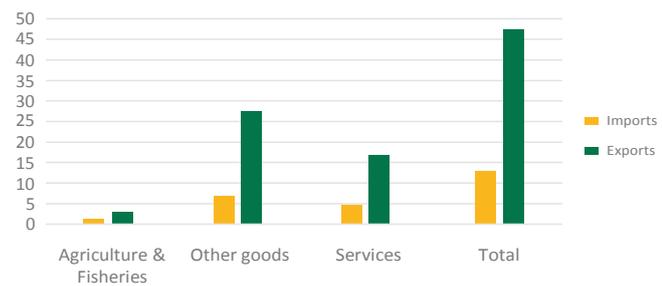
- ✓ Trade in goods and services is worth **over €60bn a year**.
- ✓ The overall balance of trade is in the EU's favour, resulting in an **EU surplus of approx. €23bn for goods and €14bn for services**.

AGRICULTURAL TRADE

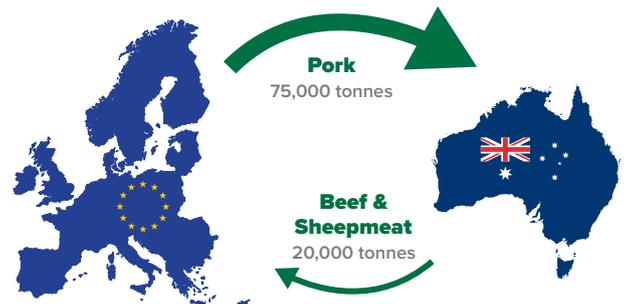
The EU enjoys a **€1.4bn surplus in agricultural trade**.

In red meat, EU pork exports to Australia alone are almost **4 times** Australian beef & sheepmeat exports to the EU.

Overall trade (EU27-Australia – 2018, € billion)

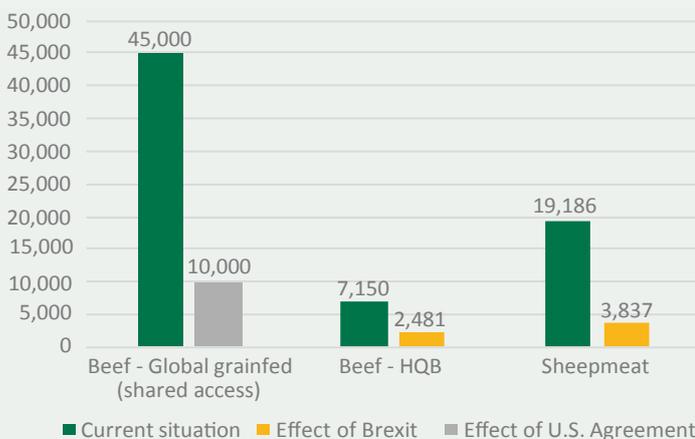


Red meat trade (EU27-Australia – 2018)



AUSTRALIA'S RED MEAT ACCESS TO THE EU27

Australia's beef & sheepmeat market access to the EU27 (tonnes)



Australia's access to the EU market is **strictly limited** by a system of tariff-rate quotas. Prohibitive out-of-quota tariffs severely constrain trade above quota volumes.

Recent developments will further reduce Australia's access:

- 1 Brexit and the resulting apportionment of previous EU28 import TRQs for beef and sheepmeat between the EU27 and the UK;
- 2 2019 EU agreement with the U.S. on the ringfencing of a share of the global grainfed beef import quota for the U.S. alone.

EU beef & sheepmeat import requirement ('000 tonnes)



The EU has **an import requirement for beef & sheepmeat**. Australia is well positioned to supply the EU market with high-quality red meat.

In 2018 Australia exported **13,440 tonnes of beef and 5,392 tonnes of sheepmeat** to the EU27, approximately **0.2%** of the EU27 total beef consumption and **1%** of the EU27 total sheepmeat consumption.

Ranking of selected beef & sheepmeat producing countries (2018, '000 tonnes)



Note: all data is sourced from the Eurostat COMEXT database and from the European Commission's EU agricultural outlook for markets and income, 2019-2030. Data on EU beef & sheepmeat consumption and import requirement is relative to the former EU28.



CARBON NEUTRALITY BY 2030

- ✓ The Australian red meat industry is the first in the world to aspire to becoming **carbon-neutral by 2030**. Significant investment in research and development will be required to achieve this target.
- ✓ The Australian red meat industry is investing up to **€3.3 million a year** in environment and sustainability research and development projects.
- ✓ **Emissions have been reduced by 57.6%** over the last 11 years, and now the Australian livestock industry accounts for around 10% of Australia's GHG emissions, down from 21% in 2005¹.



LOW TRANSPORT EMISSIONS

- ✓ A full-scale Life Cycle Analysis of beef & lamb production in Australia was completed in 2019, estimating greenhouse gas (GHG) emissions at every stage of production, from Australian farms to delivery to European consumers.
- The study found:
 - ✓ Processing and shipping red meat to the EU accounts for less than **4% of total GHG emissions**.
 - ✓ Producing beef in Australia and shipping it to the EU leads to **equal or lower carbon emissions** than producing beef in European countries, as well as other countries worldwide.



100% HORMONE-FREE BEEF

- ✓ Australia has a **dedicated production system** to meet the EU market requirements for beef, the **European Union Cattle Accreditation Scheme (EUCAS)**.
- ✓ EUCAS allows Australian producers to segregate cattle that have never been treated with hormones throughout all stages of production, providing an assurance that **Australian beef exported to the EU is 100% hormone-free**.



AUSTRALIAN RED MEAT IS QUALITY MEAT

- ✓ We export **70% of our beef** and **76% of our sheepmeat** production to customers in over **100 countries worldwide** who value and trust our products.
- ✓ Australia's Integrity Systems Company (ISC) is responsible for Australia's world leading red meat integrity system which guarantees the **food safety, quality assurance and traceability** of Australian products as clean, safe and natural.
- ✓ Quality comes at a cost - **Australian red meat is not "cheap" to purchase**. The main customer for Australian red meat exports to the EU is **high-end foodservice**.
- ✓ Australia has **higher on-farm costs** when compared to other producers worldwide, particularly in the case of beef. Such costs are compounded by **additional expenses in the supply chain** (e.g. meat processing) where Australian costs are twice that of Brazil and 24% more than the US.



HIGH ANIMAL WELFARE STANDARDS

- ✓ Australian animal welfare legislation is in line with the World Organisation for Animal Health (OIE) guidelines, being equal to, and in some cases more stringent than, European regulation in this area.
- ✓ The OIE's comprehensive evaluation of Australia's animal health and biosecurity system benchmarked it against 130 countries worldwide. Australia was awarded the highest level of competence (level 5) in the field of animal welfare.
- ✓ The OIE evaluation confirms Australia's reputation as a producer and exporter of **safe, healthy and high-quality animal products**.