Required Report: Required - Public Distribution

Date: March 18, 2026

Report Number: AS2026-0003

Report Name: Livestock and Products Semi-Annual

Country: Australia

Post: Canberra

Report Category: Livestock and Products

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Report Highlights:

Australian beef production and exports are forecast to remain strong in 2026, although moderating slightly from the record levels reached in 2025. Favorable seasonal conditions are expected to support the Australian beef industry in maintaining a large national herd while continuing to meet strong global demand for Australian beef. However, changes in global beef trade dynamics—most notably China's implementation of a beef safeguard mechanism from the start of 2026—are expected to soften overall demand for Australian beef. Demand for Australian live cattle exports is forecast to ease in 2026, largely due to rising feeder cattle prices. In the pork sector, Australian production is projected to grow by one percent in 2026, supported by strong domestic pork prices and relatively low feed costs. However, a strengthening Australian dollar is expected to improve the competitiveness of imported pork products while reducing the competitiveness of Australian pork exports.

EXECUTIVE SUMMARY

Australian beef production and exports are forecast to reach the second-highest levels on record in 2026, easing slightly from the record volumes achieved in 2025. Export demand, supported by tight livestock supplies in the United States, is expected to remain strong. However, changes in global beef market dynamics are likely to influence demand for Australian beef, with flow-on effects for domestic cattle markets and processor demand.

Live cattle exports are expected to decline in 2026 from the elevated levels recorded in 2025. Rising feeder cattle prices during late 2025 are anticipated to challenge the economic viability of feedlots in Indonesia, by far Australia's largest live cattle export market. As a result, demand for Australian feeder cattle is expected to soften in 2026. This decline may be partially offset by increasing demand for breeder cattle, including both beef and dairy breeds, as Indonesia and several other countries pursue greater self-sufficiency in beef and dairy production.

Australia's cattle herd remains large and stable, positioning the industry to continue supplying strong global beef demand. Seasonal conditions during late 2025 and early 2026 have been favorable, supporting expectations for another strong calf crop and continued high levels of beef production while maintaining a robust national herd.

Demand from the United States is expected to remain particularly strong in 2026 and could increase further if the U.S. cattle industry enters the widely anticipated herd rebuilding phase. However, several shifts in international beef trade conditions, combined with a strengthening Australian dollar, are expected to moderately dampen overall global demand for Australian beef.

The most significant trade development is China's implementation of a beef safeguard mechanism beginning in 2026. Under this mechanism, each exporting country is allocated an import quota based on its average exports to China between July 2021 and June 2024. Imports exceeding these quotas will be subject to a prohibitive 55 percent tariff. This measure is expected to displace substantial volumes of Australian and Brazilian beef from the Chinese market once quotas are filled. The displaced product is likely to be redirected into other markets, which may ultimately place downward pressure on cattle prices in Australia as processor demand softens after China's quota is reached.

Australian pork production is projected to increase by one percent in 2026, marking the fifth consecutive year of growth. This expansion is primarily supported by strong domestic pork prices and relatively low feed costs during 2025, conditions that are expected to continue into 2026. Under normal circumstances, these signals would support stronger production growth. However, a strengthening Australian dollar is expected to increase the competitiveness of imported pork relative to domestically produced pork while also reducing the competitiveness of Australian pork exports. In addition, higher retail pork prices are likely to moderate growth in domestic per capita pork consumption.

CATTLE

Table 1 - Production, Supply, and Distribution of Cattle Numbers for Australia

Animal Numbers, Cattle	2024		2025		2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	27080	27080	27260	27260	27410	27366
Dairy Cows Beg. Stocks (1000 HEAD)	1330	1330	1315	1315	1310	1320
Beef Cows Beg. Stocks (1000 HEAD)	12500	12500	13500	13500	13600	13600
Production (Calf Crop) (1000 HEAD)	9800	9800	10800	10800	10880	10880
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	36880	36880	38060	38060	38290	38246
Total Exports (1000 HEAD)	724	724	750	806	700	750
Cow Slaughter (1000 HEAD)	4261	4261	5015	4930	4865	4650
Calf Slaughter (1000 HEAD)	394	394	395	409	350	425
Other Slaughter (1000 HEAD)	4035	4035	4290	4349	4385	4350
Total Slaughter (1000 HEAD)	8690	8690	9700	9688	9600	9425
Loss and Residual (1000 HEAD)	206	206	200	200	200	200
Ending Inventories (1000 HEAD)	27260	27260	27410	27366	27790	27871
Total Distribution (1000 HEAD)	36880	36880	38060	38060	38290	38246
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: Not Official USDA Data

Production

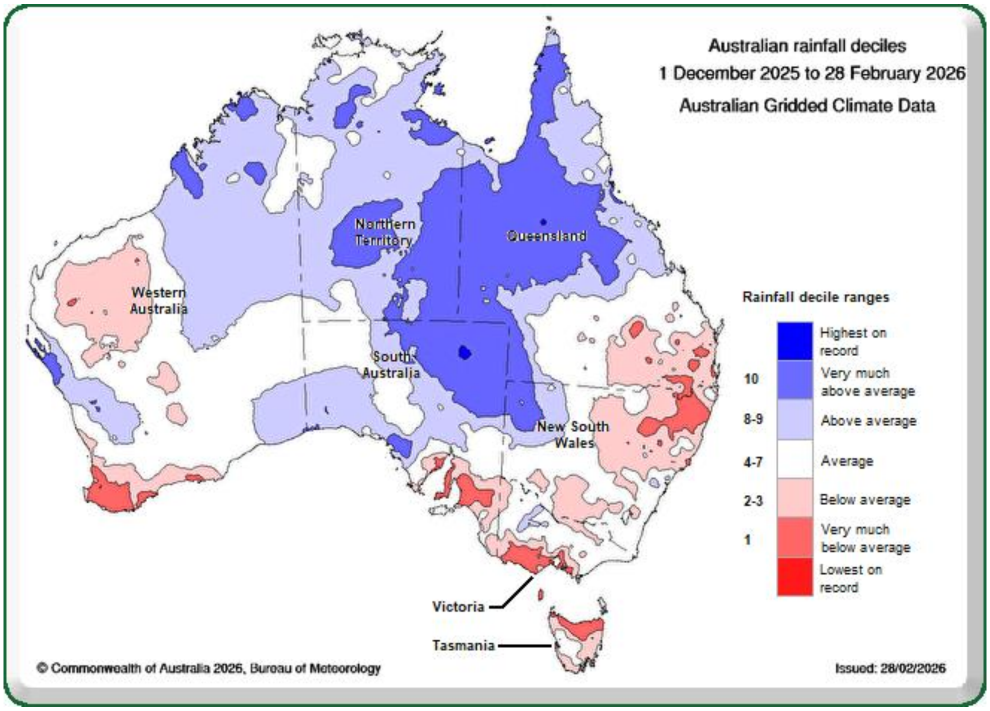
2026

Cattle (calf crop) production in 2026 is forecast to remain high and largely unchanged from the previous year, with the national herd also expected to remain stable. While herd expansion remains possible, continued strong demand for slaughter cattle from the processing sector is expected to limit significant growth in herd numbers. The outlook for another large calf crop is supported by favorable seasonal conditions during 2025, which carried a strong calf drop into early 2026, as well as generally positive conditions across much of Australia so far in 2026.

A large share of Australia's cattle production occurs in the northern regions, where seasonal conditions are heavily influenced by the tropical wet season from December through March. In northern Australia, most calves are born in the months leading up to the wet season—typically October and November, although the calving period can extend from September through December. A favorable wet season supports strong pasture growth, improving cow body condition during lactation and enhancing fertility, thereby creating conditions for a strong subsequent calf crop later in the year.

Seasonal conditions across northern Australia during the current wet season have generally been favorable. Much of the region has experienced multiple rainfall events, with most areas receiving average to well above-average precipitation (see Figure 1). However, heavy monsoonal rains in late January and early February caused significant flooding across northwestern Queensland. Initial reports estimate that approximately 90,000 head of cattle were lost as a result of these floods. While this represents a short-term setback for affected producers, the rainfall is expected to result in exceptional pasture growth across the region, which will support improved breeder condition and reproductive performance. This is expected to contribute to strong conception rates and support a large calf crop in 2026.

Figure 1 – Australian Rainfall Deciles – December 2025 to February 2026



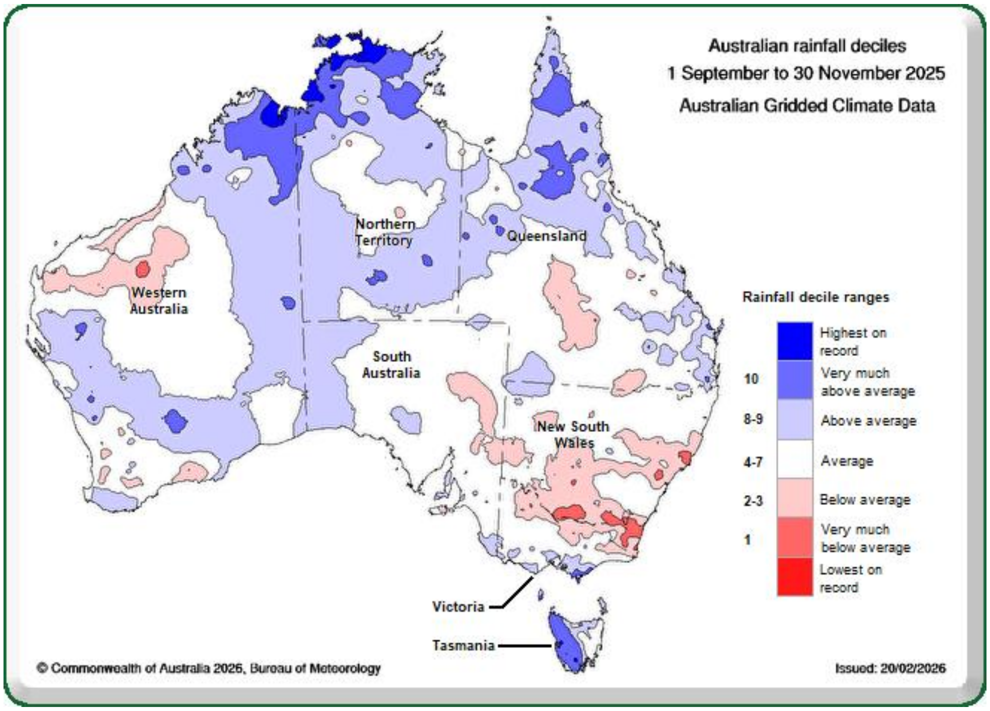
Source: *Australian Bureau of Meteorology*

Further heavy rainfall during the first week of March 2026 has extended beyond northern Australia to include South Australia, New South Wales, Victoria, and Tasmania. These southern regions have temperate climates where livestock production systems benefit significantly from fall rainfall.

In temperate regions of Australia, beef cattle typically calve from late winter through early spring (July to September), ahead of the seasonal spring flush in pasture growth. Consequently, seasonal conditions during spring 2025—particularly in the lead-up to mating in late 2025—are a key determinant of the strength of the 2026 calf crop.

Across much of the temperate beef-producing regions, rainfall during spring 2025 was average to above average. However, parts of central and southern New South Wales experienced well below-average rainfall (see Figure 2). Despite these localized dry conditions, seasonal circumstances were generally not severe enough to significantly reduce reproductive performance or materially affect the overall calf crop forecast for 2026.

Figure 2 – Australian Rainfall Deciles – September to November 2025



Source: Australian Bureau of Meteorology

2025

The FAS/Canberra estimate for cattle (calf crop) production in 2025 remains strong and unchanged from the forecast published six months earlier. Seasonal conditions during the year were generally favorable across most cattle-producing regions, supporting herd productivity and the anticipated calf crop.

Slaughter

2026

FAS/Canberra has revised its previous 2026 cattle slaughter forecast downward by 1.8 percent to 9.43 million head, representing a 2.7 percent decline from 2025 levels. Adult cattle slaughter (excluding calves) is forecast at 9.00 million head, which would still represent the fourth-highest annual level recorded in the past 45 years.

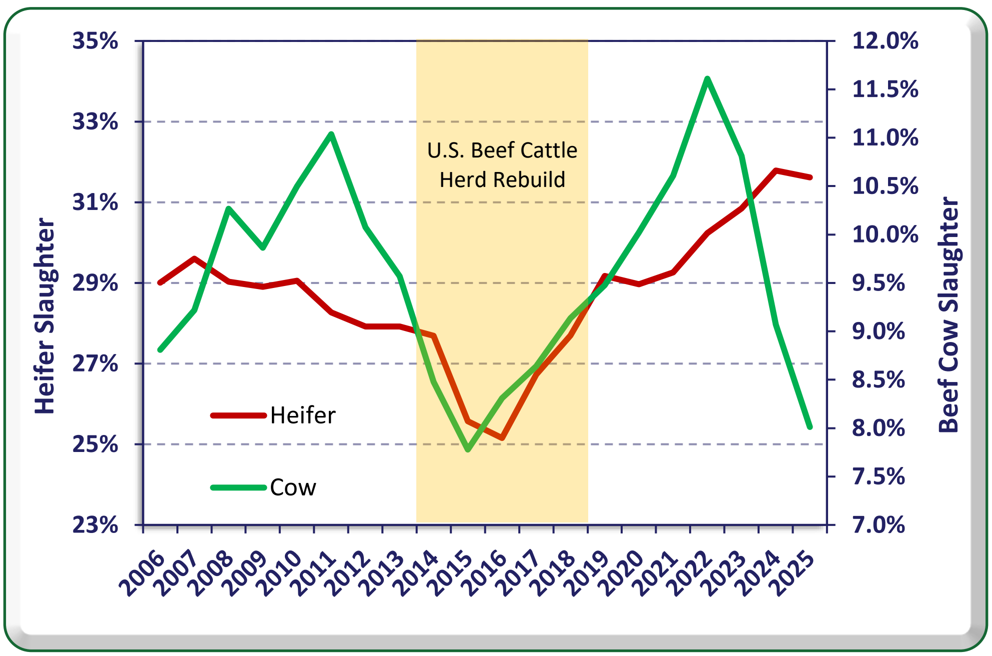
Notably, this forecasted adult slaughter figure is second only to 2025 when drought and extreme price impacted herd reductions (1970's) are excluded. This underscores the current size and relative stability of the Australian beef cattle herd.

Australia exports approximately 75 percent of its beef production, meaning processor slaughter demand is largely driven by export markets. The two most significant drivers of export demand growth in 2025 were the United States and China. Demand from the United States is expected to remain very strong in 2026, while Chinese demand is anticipated to moderate slightly.

The sharp rise in U.S. demand for Australian beef during 2024, which expanded further in 2025, was largely driven by prolonged drought conditions in the United States that significantly reduced domestic cattle numbers. Many analysts expected the U.S. cattle industry to enter a herd rebuilding phase in 2025; however, this did not occur. Nevertheless, developments during 2025 suggest the industry may be moving closer to that phase.

Historically, during the previous U.S. herd rebuilding cycle from 2014 to 2019, cow and heifer slaughter rates as a proportion of the national cattle herd declined significantly (see Figure 3). Cow slaughter rates in the United States fell sharply in 2025 to levels similar to those observed during the previous herd rebuild. However, heifer slaughter declined only marginally and would need to fall further to signal the start of a sustained herd rebuilding phase. Exceptionally high cattle prices in the United States during 2025 continued to incentivize ranchers to market heifers rather than retain them for breeding, delaying herd expansion. High cattle prices are expected to persist into 2026, which may continue to discourage large-scale heifer retention.

Figure 3 – U.S. Cow and Heifer Slaughter as % of Cattle Slaughter



Source: USDA - National Agricultural Statistics Service

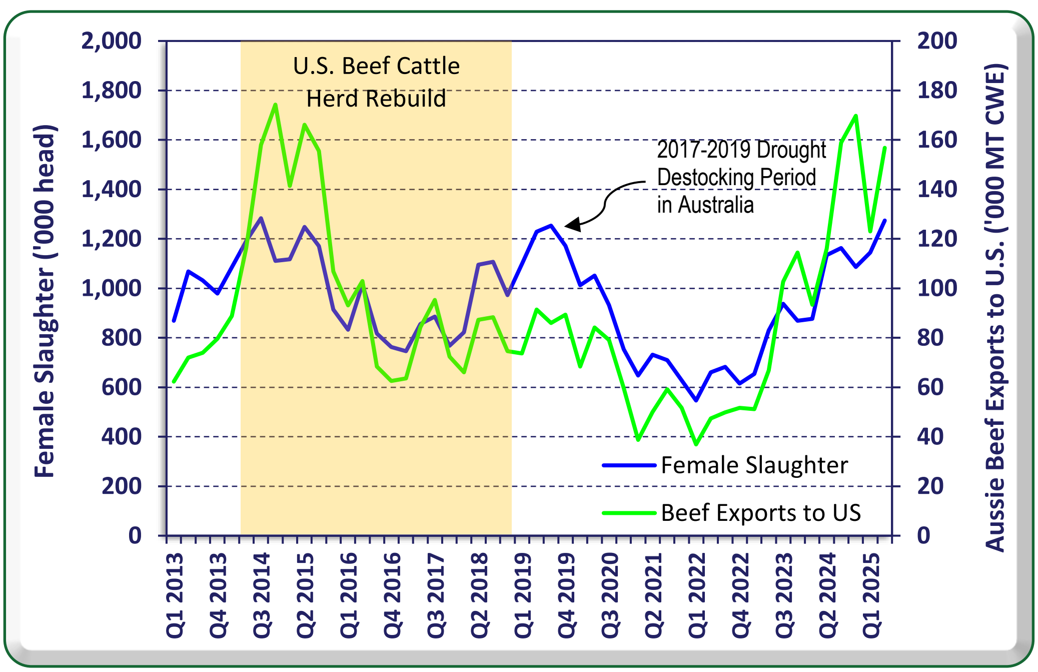
In the event that the U.S. herd rebuild gains momentum in 2026, domestic cattle and beef supplies would tighten further as fewer heifers are sent to slaughter. This would likely increase U.S. demand for imported beef relative to the previous year.

Strong global demand in 2025 significantly influenced the Australian cattle industry, contributing to record levels of beef production and exports. However, even if U.S. import demand strengthens further in 2026, it may not translate into additional growth in demand for Australian beef due to emerging changes in global beef trade dynamics. These include improved access for Argentine beef into the U.S. market and the introduction of China's beef safeguard mechanism, which is expected to disrupt trade flows from the two largest suppliers to China—Brazil and Australia (discussed in greater detail later in this report).

During the initial phase of the previous U.S. herd rebuild (2014–2015), Australia responded to rising U.S. demand by increasing female slaughter, which coincided with a surge in beef exports to the United States (see Figure 4). However, these elevated female slaughter levels proved unsustainable and declined by late 2015.

A comparable pattern has emerged during 2024 and 2025, despite the U.S. industry not yet entering an official herd rebuild phase. Industry sources in Australia indicate that national cattle numbers remain strong, positioning the sector for another year of high processing levels in 2026. Nevertheless, FAS/Canberra expects that even if the U.S. cattle industry moves into a herd rebuild during 2026—further tightening domestic U.S. cattle supplies—global beef trade disruptions are likely to result in a modest decline in demand for Australian beef, particularly during the second half of the year.

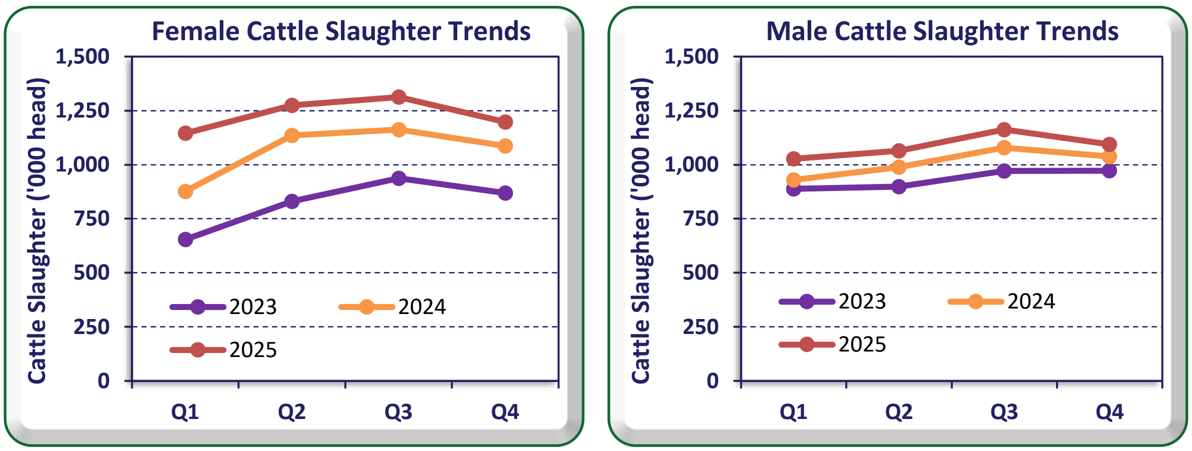
Figure 4 – Quarterly Female Slaughter and Exports to U.S.



Source: *Australian Bureau of Statistics*
Note: *High female slaughter numbers in 2018 and 2019 were related to drought conditions from 2017 to 2019*

The increase in Australian beef production between 2023 and 2024, and again between 2024 and the record levels reached in 2025, has been driven primarily by higher female slaughter rather than increases in male cattle slaughter (see Figure 5). Male slaughter volumes tend to remain relatively stable, while female slaughter fluctuates more significantly in response to seasonal conditions and price signals associated with processing demand. For 2026, FAS/Canberra expects the projected modest decline in total slaughter to be largely attributable to lower female slaughter.

Figure 5 – Female and Male Quarterly Cattle Slaughter Trends

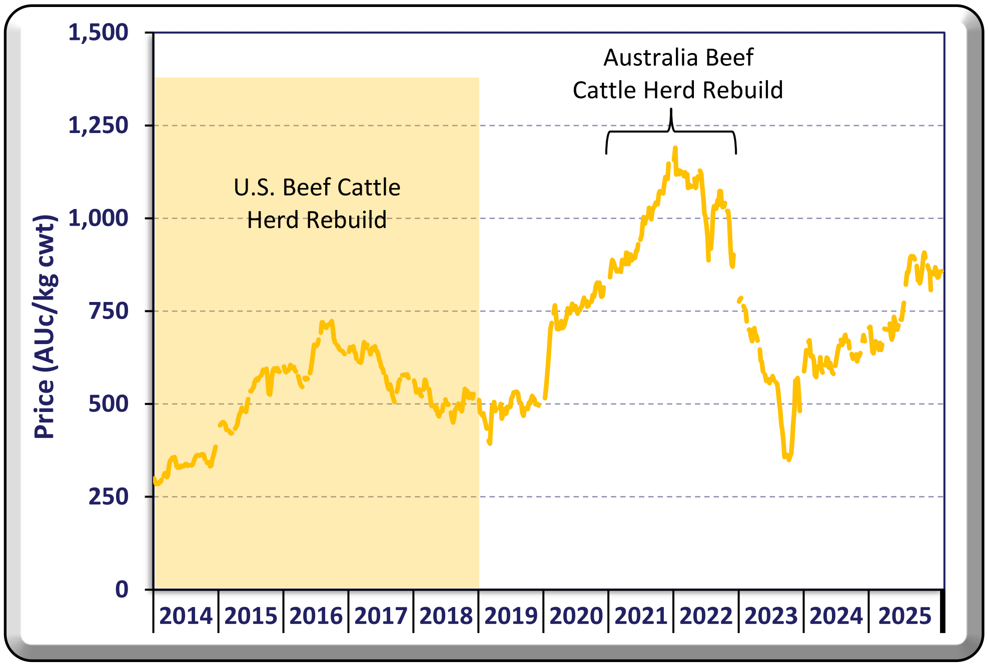


Source: *Australian Bureau of Statistics*

Cattle prices in Australia began rising in late 2023 and have continued to strengthen into early 2026, a pattern broadly similar to that observed during 2014–2015 in the early stages of the previous U.S. herd rebuilding cycle (see Figure 6). Although cattle prices continued to increase during 2016, Australia was unable to sustain the elevated slaughter levels observed in the preceding year.

Under current conditions, FAS/Canberra expects cattle prices may receive further support during the first half of 2026. However, some moderation in prices is likely during the second half of the year as changes in global beef trade dynamics begin to soften processor demand. This is expected to result in some reduction in slaughter volumes later in 2026, primarily through lower female slaughter.

Figure 6 – Eastern Young Cattle Indicator Price History



Source: Australian Bureau of Statistics / Meat and Livestock Australia

2025

Total adult cattle slaughter (excluding calves) in 2025 reached 9.279 million head. The final figure was 11.8 percent higher than the 8.296 million head recorded in 2024 and represented the highest adult slaughter level since the late 1970s.

The final slaughter outcome exceeded most industry expectations. This was primarily driven by stronger-than-anticipated demand from both China and the United States for Australian beef.

Processors were able to accommodate the surge in slaughter numbers by expanding their labor force and operating additional processing shifts, allowing facilities to run near capacity. In addition, ongoing investment in processing infrastructure—including facility expansions, new equipment, and increased automation—has contributed to higher operational capacity across the sector.

Trade

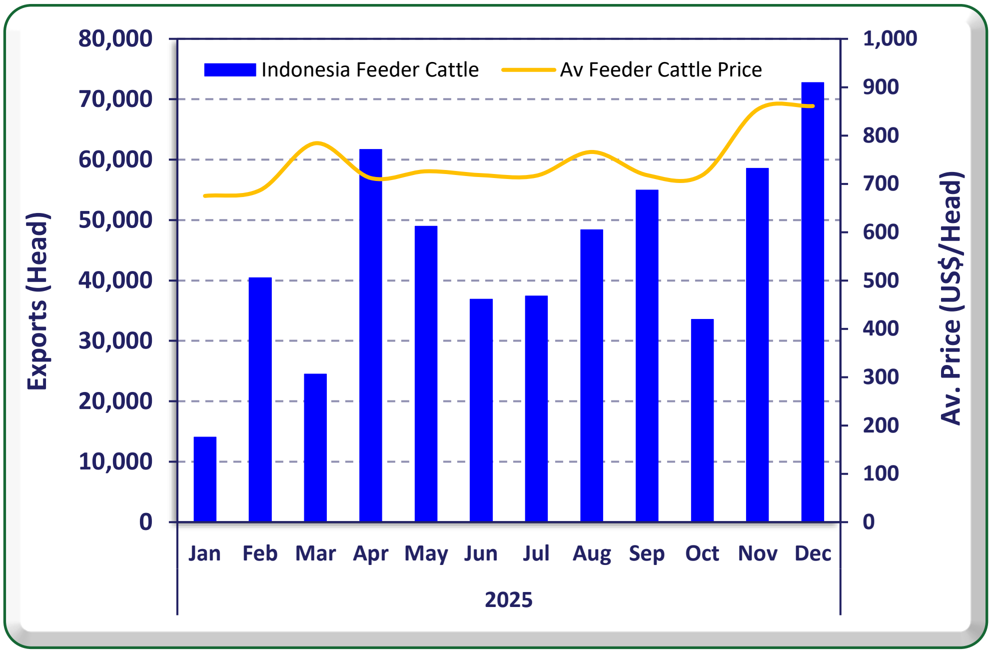
2026

FAS/Canberra forecasts live cattle exports in 2026 to decline to 750,000 head, down from 806,000 head in 2025. A key factor underlying this forecast is the significant rise in feeder cattle prices in late 2025 for exports to Indonesia, Australia's largest live cattle market. Higher cattle prices are placing pressure on the economic viability of Indonesian feedlot operations and are expected to temper demand for imported feeder cattle during 2026.

Indonesia now accounts for just under three-quarters of Australia's total live cattle exports. More than 90 percent of these shipments consist of feeder cattle destined for the Indonesian feedlot sector, with the remainder comprising breeder beef and dairy cattle. As a result, Australia's live cattle export industry is highly dependent on the feeder cattle trade to Indonesia. Changes in feeder cattle export prices therefore have a significant impact on overall demand for Australian live cattle.

During the final two months of 2025, the export price for feeder cattle to Indonesia increased by more than 20 percent (see Figure 7). Export volumes also rose during this period, although historically higher export volumes have not typically been the primary driver of price increases.

Figure 7 – Indonesian Feeder Cattle Export Volume and Price –2025



Source: Australian Bureau of Statistics

The higher export volumes observed in November and December are consistent with seasonal trade patterns. Imports typically rise ahead of the Eid al-Fitr festival, which marks the end of the fasting month of Ramadan in Indonesia and is associated with increased beef consumption. In addition, import permits for the new year are often not issued until well into January, prompting Indonesian feedlots to increase cattle imports during the final months of the preceding year to ensure adequate supply. During 2025, the Indonesian government announced its intention to remove live cattle import quotas; however, this policy change has not yet been implemented.

Domestic cattle prices in Australia remained relatively stable during the first half of 2025 before increasing significantly from August through December, rising by approximately 25 percent. A similar pattern was observed in domestic feeder cattle prices. However, feeder cattle prices in northern

Australia—the main sourcing region for live export cattle—lagged the broader national trend by roughly three months.

Feeder cattle prices for live export markets are expected to remain firm well into 2026. According to industry sources, current price levels are approaching the upper limit of economic viability for Indonesian feedlots. Under these conditions, FAS/Canberra anticipates some weakening in demand for live cattle exports in 2026 compared with the previous year.

At the same time, policy developments in Indonesia could support increased demand for breeder cattle imports. The administration of President Prabowo Subianto has pledged to provide free milk and meals to 82.9 million children and pregnant and lactating mothers by 2029. Achieving this objective will require significant expansion in domestic dairy production as well as increased beef supply. As part of this broader food security initiative, the government has indicated that it intends to strengthen national breeding herds for both beef and dairy cattle.

In response, Indonesia has increased imports of breeder cattle in recent years, including both beef and dairy breeds. While breeder imports remain relatively small compared with feeder cattle shipments, the upward trend suggests growing demand for breeding stock as the country seeks to improve domestic livestock productivity.

The Indonesian government has also sought to diversify its sources of live cattle imports and has strengthened diplomatic and trade relations with Brazil. FAS/Canberra understands that an import protocol for live cattle from Brazil is now in place. However, logistical constraints are likely to limit the commercial viability of this trade.

Sea transit time from Brazil to Indonesia is approximately 35 days—significantly longer than the five-day voyage from northern Australia. To reduce freight costs, large-capacity livestock vessels capable of transporting around 30,000 head would likely be required, yet such vessels are reportedly not readily available. Smaller vessels operating at higher stocking densities may be more readily available but would increase transit times to as much as 45 days, significantly raising feed costs and operational risks.

Industry sources indicate that, under current conditions, sourcing feeder cattle from Brazil is unlikely to be commercially competitive with imports from Australia. Consequently, Australia is expected to remain Indonesia’s dominant supplier of live cattle in the foreseeable future.

2025
According to the Australian Bureau of Statistics, live cattle exports in 2025 totaled 806,000 head. This represents an increase of 11.3 percent (82,000 head) compared with 2024 and marks the strongest export result since 2020.

Despite this growth, export volumes remain well below the historical peak of 1.3 million head recorded in 2019, a period during which annual exports typically exceeded 1.1 million head. The increase in exports during 2025 was driven primarily by higher shipments to Indonesia, largely for feeder beef cattle, and to Mexico for dairy breeder cattle. Exports of feeder cattle to Vietnam declined during the year.

Indonesia has historically accounted for approximately half of Australia's live cattle exports; however, its share increased substantially in 2025 to nearly three-quarters of total shipments (see Figure 8).

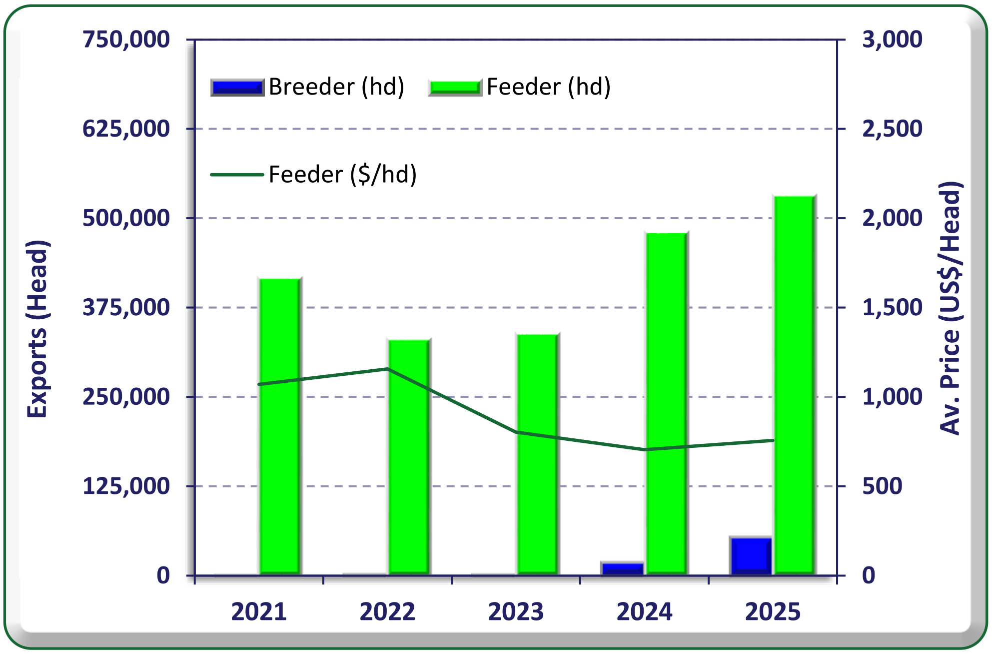
Figure 8 – Major Live Cattle Export Destinations – 2021 to 2025

Source: Australian Bureau of Statistics

Of the 82,000-head increase in total cattle exports during 2025, approximately 65,000 head consisted of breeder cattle. This increase was driven largely by a rise of 35,000 head in breeder exports to Indonesia (see Figure 9), meaning breeder cattle accounted for roughly 40 percent of the growth in exports to that market. An additional 26,000 head of breeder cattle exports were shipped to Mexico.

The growth in breeder exports to Indonesia consisted predominantly of beef cattle (approximately 85 percent), while breeder exports to Mexico were entirely dairy cattle.

Figure 9 – Live Cattle Export Trend to Indonesia – 2021 to 2025



Source: Australian Bureau of Statistics

BEEF

Table 2 - Production, Supply, and Distribution of Beef and Veal Meat for Australia

Meat, Beef and Veal	2024		2025		2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	8690	8690	9700	9688	9600	9425
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	2582	2582	2885	2885	2865	2790
Total Imports (1000 MT CWE)	19	19	20	20	20	20
Total Supply (1000 MT CWE)	2601	2601	2905	2905	2885	2810
Total Exports (1000 MT CWE)	1898	1898	2185	2208	2165	2110
Human Dom. Consumption (1000 MT CWE)	703	703	720	697	720	700
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	703	703	720	697	720	700
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	2601	2601	2905	2905	2885	2810
(1000 HEAD) ,(1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: Not Official USDA Data

Production

2026

FAS/Canberra forecasts Australian beef production in 2026 to reach 2.79 million metric tons (MMT) carcass weight equivalent (CWE). If realized, this would represent the second-highest level of beef production on record, following the 2025 record of 2.89 MMT.

Australia enters 2026 with strong cattle numbers and generally favorable seasonal conditions. However, emerging trade headwinds are expected to influence export demand and are expected to contribute to a modest decline in beef production.

Several factors could weigh on Australian beef exports during 2026 (discussed in more detail in the export section below). These include the introduction of China's beef safeguard mechanism at the start of 2026, the expansion of the United States tariff rate quota for Argentine beef, and a strengthening Australian currency. Collectively, these factors are expected to moderate processor demand for cattle.

As discussed earlier, the Australian cattle herd remains in a healthy condition, and seasonal conditions in early 2026 have generally supported pasture growth. This is particularly evident in Queensland and the Northern Territory—regions that account for a significant share of Australia's cattle production—which have experienced a strong tropical wet season to date. Favorable rainfall in these regions is expected to support pasture availability and standing feed reserves through much of 2026.

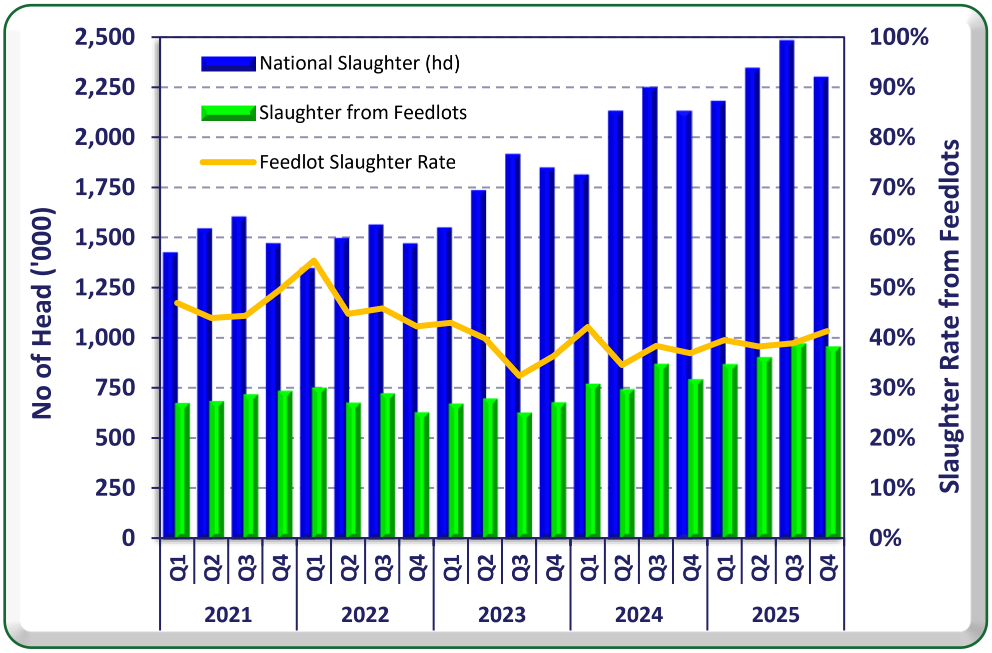
Under these circumstances, any softening in processor demand for cattle is more likely to occur in the second half of 2026. When pasture availability is strong, producers typically have greater flexibility to retain feeder cattle and grow them out on pasture rather than sell them to feedlots. This extends the time required for cattle to reach market weight and reduces production costs.

In recent years, increases in cattle slaughter in Australia have been accompanied by a rising share of cattle finished in feedlots prior to slaughter (see Figure 10). Strong international demand for Australian beef—particularly from the United States and China—has played an important role in driving this trend. Feedlot finishing accelerates weight gain and enables cattle to reach slaughter weight more quickly, thereby supporting higher levels of beef production.

In the current environment of trade uncertainty and a stronger Australian currency, FAS/Canberra expects the proportion of slaughter cattle sourced from feedlots to decline slightly during the second half of 2026. Given strong cattle numbers and favorable seasonal conditions, some producers are likely to retain cattle on pasture for longer periods rather than placing them into feedlots. This adjustment would slow the rate at which cattle reach slaughter weight and contribute to a modest reduction in beef production.

Cattle finished in feedlots typically achieve higher slaughter weights than grass-fed cattle. Consequently, a reduction in the proportion of feedlot-finished cattle could also contribute to a slight decline in average slaughter weights during 2026.

Figure 10 – Cattle Slaughter Rate from Feedlots



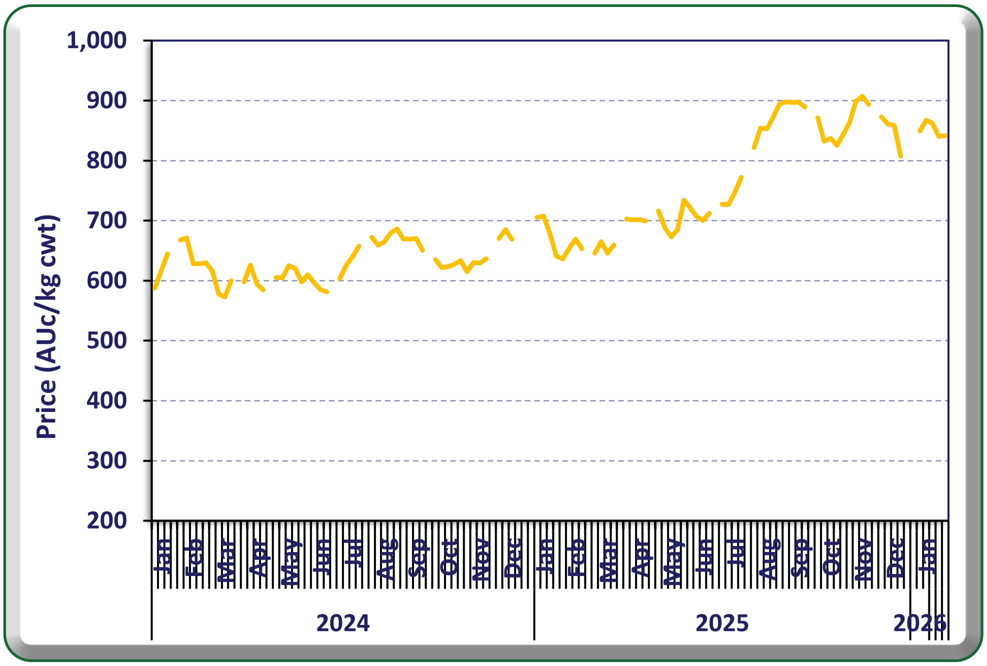
Source: Meat & Livestock Australia

2025

FAS/Canberra forecasts beef production in 2025 at 2.90 MMT (CWE), a new record, and an 11.7 percent increase over 2024.

The record production outcome in 2025 was largely driven by strong international demand for Australian beef, particularly from the United States and China. This surge in export demand supported strong processor demand for cattle in Australia, reflected in a significant increase in domestic cattle prices (see Figure 11), particularly during the second half of the year.

Figure 11 – Eastern Young Cattle Indicator



Source: Meat & Livestock Australia

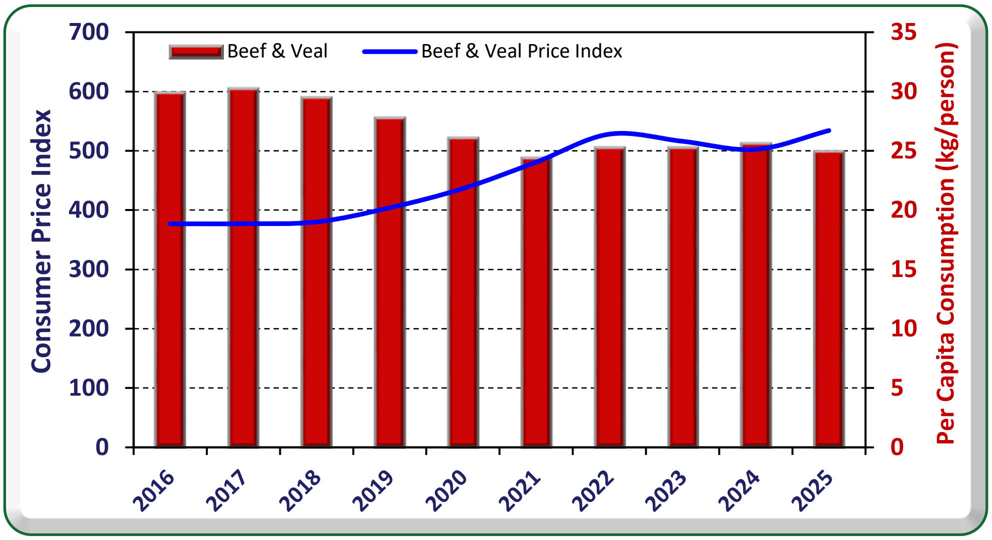
Consumption

2026

FAS/Canberra forecasts Australian beef consumption in 2026 at 700,000 metric tons (MT) carcass weight equivalent (CWE), representing a 3,000 MT increase from the downward-revised 2025 estimate. This 0.4 percent rise is largely attributable to expectations of a small easing in demand for beef cattle during the second half of 2026 (discussed in greater detail in the trade section), which may result in lower domestic beef retail prices and, in turn, support consumption.

Australian consumers are responsive to changes in beef retail prices. Historical data indicate that lower beef prices tend to encourage higher per capita consumption, while rising prices typically constrain consumption (see Figure 12). FAS/Canberra anticipates that beef prices will moderate in the second half of 2026, supporting per capita consumption. Coupled with projected population growth in Australia, this is expected to result in a modest increase in overall beef consumption for 2026.

Figure 12 – Beef Consumer Price Index and Consumption Trend – 2016 to 2025



Source: Australian Bureau of Statistics

2025

Beef consumption in 2025 is estimated at 697,000 MT (CWE), a 0.7 percent decline from 2024. Over the same period, domestic retail beef prices rose by approximately six percent—substantially higher than the increases observed for pork and poultry. As beef is the highest-priced meat in Australia, this relative price increase shifted consumer preferences toward lower-cost alternative meats, contributing to the decline in per capita beef consumption.

Trade

2026

FAS/Canberra forecasts Australian beef exports in 2026 to decline by 4.6 percent, reaching 2.11 MMT (CWE). While this would still represent the second-highest level on record, behind 2025, it remains well above the third-highest export volume of 1.90 MMT in 2024. With strong cattle numbers, favorable seasonal conditions, and relatively low feed costs for feedlots, both beef production and exports are structurally capable of matching 2025 levels. However, a combination of global trade shifts and currency dynamics is expected to moderate export growth.

<u>Potential Upside: U.S. Herd Rebuild and Tariff Removal</u>

Australia could benefit if the U.S. beef industry enters a herd rebuild phase, as this would tighten domestic supply, increase import demand, and reduce competition for Australian beef in key U.S. export markets, including Japan, China, and South Korea.

The removal of the 10 percent "Liberation Day" import tariffs in mid-November 2025 (originally imposed in April 2025) also strengthens Australia's competitive position in the U.S. market. This action, intended to provide cost-of-living relief for U.S. consumers, may support or increase U.S. beef demand and benefit all major exporters, including Australia.

Key Headwinds for 2026

Several factors are expected to weigh on Australian beef exports in 2026:

1. China's Beef Safeguard Mechanism
    - Implemented in January 2026, this mechanism limits China's overall beef imports to 2.7 MMT, a 3.9 percent decline from 2.81 MMT in 2025.
    - Australia's quota was reduced from 305,600 MT in 2025 to 205,000 MT in 2026.
    - Tariffs on imports exceeding the quota are set at 55 percent.
    - Without a self-imposed quota from Australian processors, in-quota allocations are expected to be filled before mid-2026, forcing exporters to seek alternative markets.
    - Brazil's reduced quota (~353,000 MT) and the displacement of ~100,000 MT of Australian beef will further complicate global trade flows. Only some of this volume could be absorbed by the U.S., depending on the status of its herd rebuild.
2. Expanded U.S. Tariff Rate Quota for Argentina
    - Through bilateral negotiations, Argentina's existing annual 20,000 MT CSQ remains unchanged. An additional 80,000 MT has been established and will be administered quarterly in four allocations of 20,000 MT each. The supplemental quota is restricted to lean trimmings.
    - This directly competes with Australian beef exports to the U.S., likely reducing demand for Australian product.
3. Korean Beef Safeguard Mechanism
    - Australia's 2026 quota under the Korea-Australia Free Trade Agreement is 195,050 MT, with an in-quota tariff of 5.3 percent (reducing to zero by 2028). Out-of-quota imports face a 24 percent tariff.
    - Exports to Korea are expected to exceed the quota earlier than usual, triggering higher tariffs and dampening demand.
4. Strengthening Australian Dollar
    - From mid-January 2026, the Australian dollar rose from AU$1.50 to AU$1.41 per U.S. dollar. Further appreciation is anticipated, which will reduce export competitiveness and place downward pressure on Australian beef prices.
5. Potential EU-Australia Free Trade Agreement
    - Negotiations resumed in 2025 after Australia withdrew from talks in 2023.
    - Even if concluded, implementation is unlikely to occur quickly in 2026. Any expansion in tariff-free quota to the EU is expected to be modest and of limited immediate impact.

U.S. Beef Market Dynamics

The U.S. beef herd remains at its lowest level since 1951. Although a herd rebuild did not occur in 2025, U.S. imports reached record levels due to tight domestic supply. Should a rebuild commence in 2026, domestic supply would tighten further, driving higher import demand for Australian beef. This scenario could allow Australia to fill supply gaps in key U.S. export markets.

Overall Outlook for 2026

Despite support from a potential U.S. herd rebuild and tariff removal, the combined impact of safeguard mechanisms, expanded Argentine access, and a stronger Australian dollar is expected to moderate Australian beef exports in the second half of 2026. FAS/Canberra anticipates a softening in domestic cattle demand, reflected in lower cattle prices and reduced processor activity. Nevertheless, exports are expected to remain strong, reaching the second-highest level on record, only 4.6 percent below 2025.

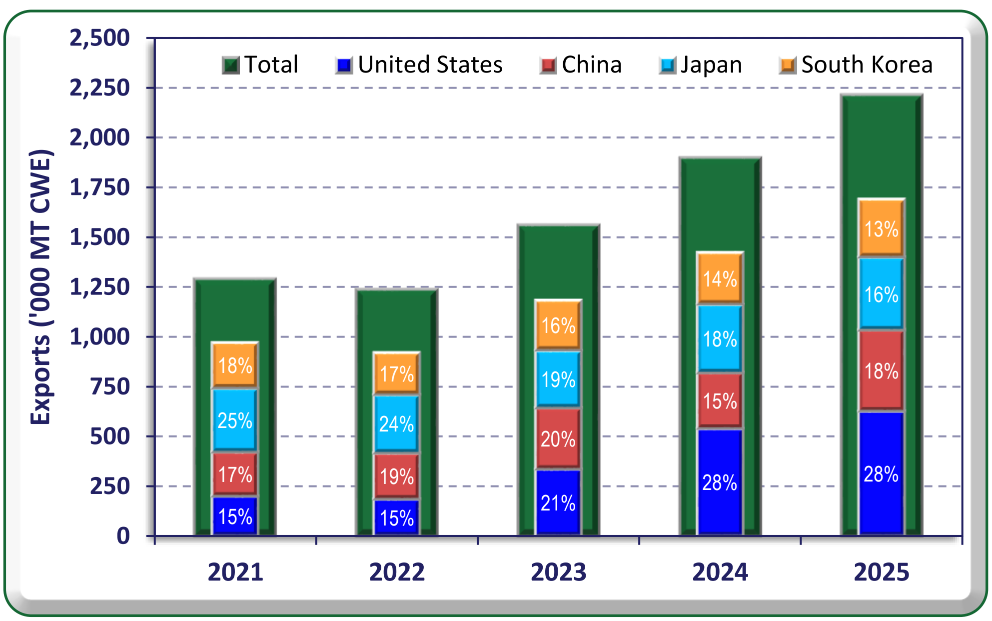
2025

In 2025, beef exports reached a record 2.21 MMT (CWE), smashing the previous record of 1.90 MMT (CWE) from 2024 by 16.5 percent. This sharp rise to a new record was enabled by Australia's beef cattle industry in the prior years reaching the end of a rapid herd rebuilding phase and subsequently coinciding with very strong growth in demand from all four of Australia major export destinations: U.S. China, Japan and South Korea, but the greatest demand driven from the U.S. and China.

The four major export destinations have collectively accounted for over three-quarters of Australian beef exports in recent years (see Figure 13). In 2025, exports to the U.S. increased by 16 percent after surging by 61 percent from 2024 to 2025.

Beef exports to China jumped by 44 percent in 2025 with a volume increase of 125,000 MT (CWE) compared to 88,000 MT (CWE) for the U.S. Despite this growth, beef exports to the U.S. in 2025 were around one third greater than exports to China.

Figure 13 – Beef Export Destinations – 2021 to 2025



Source: Australian Bureau of Statistics

PORK

Table 3 - Production, Supply, and Distribution of Swine Meat for Australia

Meat, Swine	2024		2025		2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	5787	5787	5750	5753	5730	5625
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	471	471	475	475	480	480
Total Imports (1000 MT CWE)	226	226	225	214	235	220
Total Supply (1000 MT CWE)	697	697	700	689	715	700
Total Exports (1000 MT CWE)	48	48	48	46	50	50
Human Dom. Consumption (1000 MT CWE)	649	649	652	643	665	650
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	649	649	652	643	665	650
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	697	697	700	689	715	700
(1000 HEAD) ,(1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: *Not Official USDA Data*

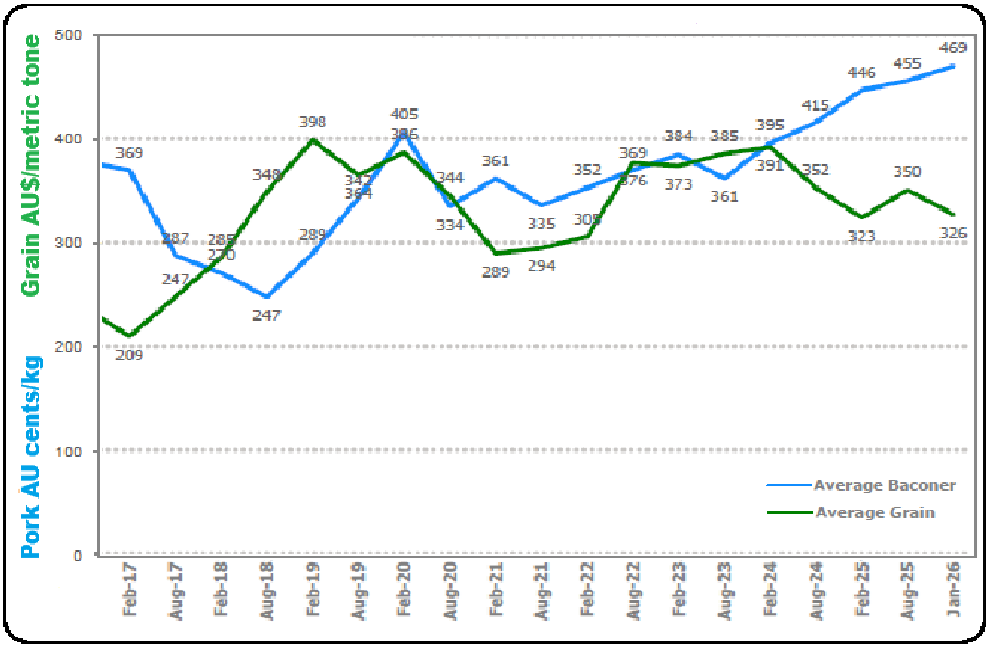
Production

2026

FAS/Canberra forecasts Australia's pork production in 2026 at 480,000 MT (CWE), up 5,000 MT from 2025. Rising pork prices during 2025 and early 2026, coupled with relatively low and stable feed grain prices, are expected to boost producer confidence and support expansion in production. However, these positive drivers are offset by a strengthening Australian dollar in early 2026, which reduces Australia's export competitiveness and enhances the competitiveness of imported pork products. Without these countervailing factors, production growth expectations for 2026 would likely have been higher.

The widening gap between domestic pork prices and feed grain costs in 2025 and early 2026 provides a strong signal for producers to increase pig production. Feed costs are the largest expense for pork producers, and historical trends indicate that when pork prices (cents per kilogram) exceed feed grain prices (AU$ per ton), production tends to expand. Since mid-2024, this price gap has widened significantly due to a ~30 percent rise in pork prices and a ~15 percent decline in feed grain costs (see Figure 14), creating favorable conditions for increased production.

Figure 14 – Average Baconer and Feed Grain Prices



Source: Australian Pork Limited – Data from Pro Farmer

The rapid rise in pork prices, while very favorable for pork producers, also impacts the affordability of pork to domestic consumers, impacting demand. Additionally, there has been a rapid strengthening of the Australian currency in early 2026 and there are expectations of a further strengthening during 2026 (discussed in further detail in the Trade section below). This has a two-fold effect of reducing Australia's export competitiveness and also increasing competitiveness of pork imports against domestic pork products. However, importing bone in fresh or frozen pork is banned in Australia for biosecurity reasons. Domestic pork producers for this reason have some degree of protection from the stronger Australian currency.

If the domestic pork price rise had not been as strong and instead there had been a greater dip in feed grain prices, FAS/Canberra anticipates that there would have been a stronger pork production response as the competitive disadvantage impacts on exports and pork imports would be lessened, despite the adverse impacts of a strengthening Australian currency.

2025

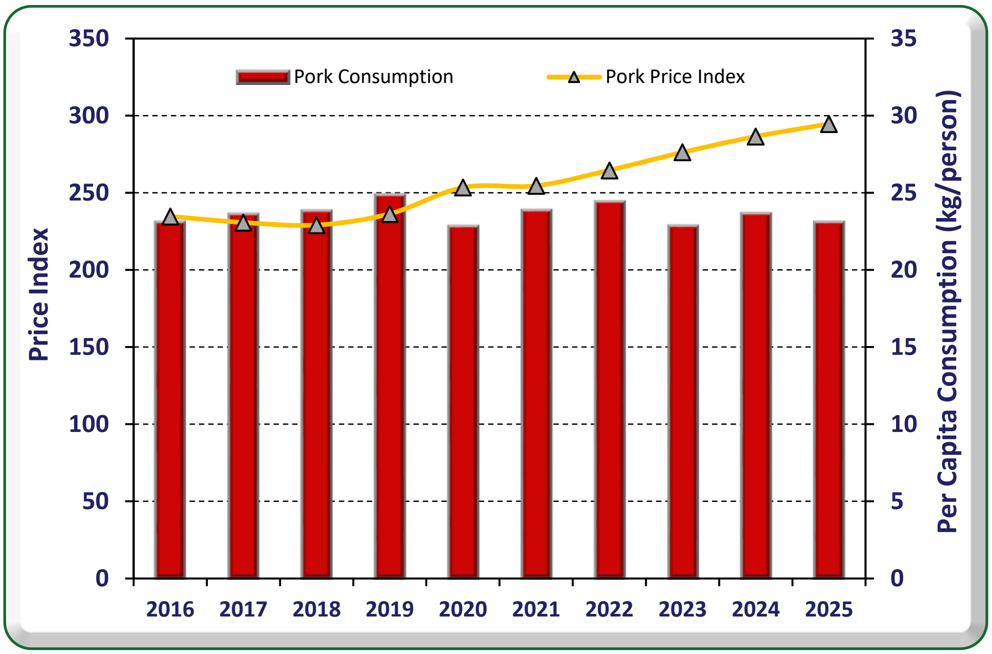
Pork production in 2025 reached 475,000 MT (CWE), up 4,000 MT from 2024, in line with FAS/Canberra's previous estimate. Despite favorable production conditions with rising pork prices and lower feed costs, growth was modest. Strong pork prices limited domestic consumption and reduced export competitiveness, constraining production expansion.

Consumption

Pork consumption in 2026 is forecast at 650,000 MT (CWE), up from an estimated 643,000 MT in 2025. If realized, this would mark the highest level of pork consumption on record, primarily driven by population growth rather than increases in per capita consumption.

Australian consumers are highly price sensitive. Over the past decade, lower pork prices have supported per capita consumption, while rising prices typically reduce it (see Figure 15). FAS/Canberra anticipates that pork prices will rise in 2026, but at a slower rate than in 2025, which is expected to slightly reduce per capita consumption. When combined with population growth, overall consumption is expected to increase modestly.

Figure 15 – Consumer Price Index and Per Capita Consumption – 2016 to 2025



Source: *Australian Bureau of Statistics / PSD Online*
Note: *2025 population is an estimate based on the official data to June 30, 2025*

2025

In 2025, pork consumption declined by 0.9 percent to an estimated 643,000 MT from 649,000 MT (CWE) in 2024. The outcome for 2025 is well below FAS/Canberra's estimate of 657,000 MT (CWE) from six months prior. The decline was attributed to a greater-than-anticipated rise in pork prices, which negatively impacted per capita consumption.

Trade

Imports

2026

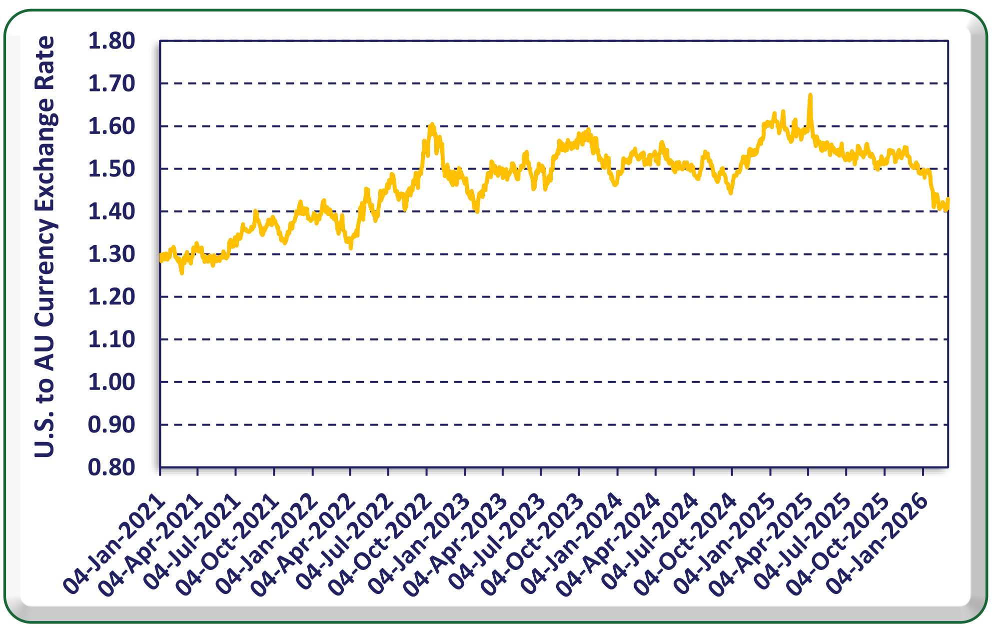
FAS/Canberra forecasts Australia's pork imports to increase in 2026 to 220,000 MT (CWE), from 214,000 MT (CWE) in 2025. Australia imports around one third of its overall domestic consumption. Given that the level of imports is substantial, a shift in the strength of the Australian currency can have a significant impact on the volume of imports. The Australian dollar has strengthened early in 2026 and there are expectations that it may strengthen further during the remainder of 2026. This improves the competitiveness of imported pork products compared to those produced domestically and mostly for this reason FAS/Canberra anticipates growth in pork imports in 2026.

The Australian currency has strengthened by around six percent over a four-week period from mid-January to mid-February of 2026. It is at its strongest point since February of 2023 (see Figure 16).

The Australian economy is facing inflationary pressures and economists broadly anticipate further reserve bank interest rate rises during 2026, whereas many other major economies, including the United States, are anticipating reducing federal reserve interest rates. This would improve Australia's relative cash yield rate and attract capital inflows. For these reasons the broad consensus from economists is that Australia's currency is likely to further strengthen throughout 2026.

This currency strength enhances the competitiveness of imported pork relative to domestically produced pork, which is expected to drive higher import volumes in 2026.

Figure 16 – US:AU Currency Exchange Rate – January 2021 to March 2026



Source: *Reserve Bank of Australia*

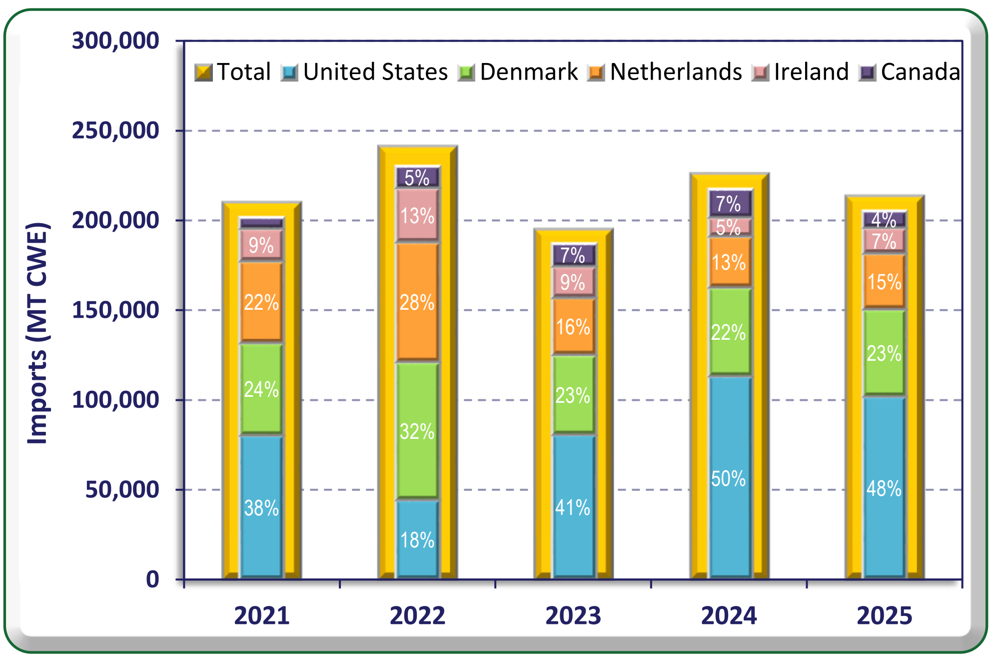
2025

Australia's total pork imports for 2025 were 214,000 MT, which was substantially lower than the 230,000 MT forecast by FAS/Canberra six months prior. The main reason for this was that domestic production was substantially higher than previously anticipated. This was driven by softer than expected world feed grain prices and strong domestic wheat production in 2024/25, which improved pork production margins.

In recent years, Australia's top five pork suppliers have accounted for over 95 percent of total imports. The United States is Australia's primary supplier, providing around half of all imported pork (see Figure 17). Denmark is also a major source of pork imports nearing one quarter of overall supplies and the Netherlands is also a substantial contributor to pork product supplies for Australian consumers.

The last two years (2024 and 2025) are a return to past import trading patterns after substantial world pork export disruptions associated with China's pork industry recovery from Asian Swine Fever (ASF). With no significant trade disruptions anticipated in 2026, Australia's pork import dynamics are expected to remain consistent with the trade patterns re-established over the last two years.

Figure 17 – Major Pork Import Sources – 2021 to 2025



Source: Australian Bureau of Statistics

Exports

2026

FAS/Canberra's 2026 pork export forecast remains at 50,000 MT (CWE), unchanged from six months earlier. This represents a 4,000 MT increase from 2025, but only 2,000 MT above 2024.

Australia is a relatively small pork exporter, accounting for approximately 10 percent of total production, with higher domestic production costs than major exporters. As such, export focus is on nearby Asian markets, where the priority is consistent quality and strong relationships rather than price competitiveness. Despite a strengthening Australian dollar, FAS/Canberra expects Australia to maintain export markets in 2026.

2025

In 2025, exports totaled 46,300 MT (CWE), slightly below FAS/Canberra's forecast of 48,000 MT. Lower-than-expected imports may have redirected some domestically produced pork from exports to domestic consumption.

Singapore remained Australia's largest pork export market, accounting for 42 percent of exports, followed by Papua New Guinea, New Zealand, and the Philippines (10–15% each). Collectively, these four markets represented 78 percent of total exports, absorbing most of the growth in Australian pork exports over the past five years (see Figure 18).

Figure 18 – Pork Export Destinations – 2021 to 2025

Source: Australian Bureau of Statistics

Attachments:

No Attachments