

High global prices boost NZ red meat exports, but challenges lie ahead ?? MIA

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New Zealand exported red meat and co-products worth \$777 million during September, a 21 per cent increase from last year. The top three markets were China (\$286m), the United States (\$149m) and the Netherlands (\$29m).

High export values over the last 12 months also saw the value of total red meat and fifth quarter exports (co-products) reach \$11.5 billion in the year ended September, up 20 per cent from the previous year.

Beef exports were worth \$4.8 billion for the year (up 25 per cent), sheep meat exports were worth \$4.5 billion (up 15 per cent), and fifth-quarter exports were worth \$2.2 billion (up 20 per cent).

MIA chief executive Sirma Karapeeva said export volumes of both sheep meat and beef increased during September, compared to the same period last year and were the largest volumes exported in September in recent years.

However, there were also challenges in some key markets with a large drop in the value of the Yen impacting consumer spending in Japan. Beef exports to Japan were worth \$16m, down 23 per cent compared to last September

••Beef exports to the US were also down 13 per cent by volume compared to September 2021. Drought in the US has seen an increase in domestic beef production and record levels of beef in cold storage in the US. That is continuing to impact beef exports.

••The large volumes of beef that China has been importing in recent months, particularly from Brazil, also appears to be having an impact on prices. The Free on Board (FoB) value of beef exports to China in September was \$9.24 a kilo, down from a record \$10.54/kg in July.

••Over the year to date, China has also imported less sheep meat from all markets than in 2021, which is something we are keeping a close eye on.•