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**Media Release
April 19, 2013**

Central Victorian farmers soak up sheep and beef industry forecasts

The economic environment remains challenging with consumers in the developed world still price-sensitive, however an increase in red meat entering China is a positive sign for the sheep and beef sectors, according to Rabobank's animal proteins analysts travelling central Victoria this week.

Presenting to local sheep and beef producers this week from Albury, Bendigo, Ballarat and Hamilton, Sydney-based senior Animal Proteins analyst Sarah Sivyer from Rabobank said there have been notable volumes of beef shipped to China in 2013.

"We've seen record exports to China – 28,623 tonnes have been shipped for the first quarter of 2013 versus 1,232 tonnes in 2012 for the same three months," she said.

"These record numbers have been sparked by China tightening their informal trade channels, with Australia very well placed to meet this increased demand.

"Australia also continues to lead the world as a clean, safe traceable source of protein."

China is also facing tight domestic supply dynamics with the retail price of beef increasing 40 per cent in the past 12 months.

Looking ahead, Ms Sivyer said Australia is well placed to meet this increased demand with high volumes of beef being processed recently due to seasonal conditions leading to increased turnoff.

Visiting from New Zealand, Rabobank analyst Matt Costello discussed the recent trends in the Australian and New Zealand sheepmeat industry.

Mr Costello said the historically tight supply in both Australia and New Zealand has now given way to high stock turn-off due to extremely dry conditions.

"The economic environment remains challenging and consumers in the developed world are still cautious about their spending, which is limiting growth in these markets," Mr Costello said.

"However, export volumes continue to track at high levels, with a large increase in shipments during the first quarter of 2013.

"We've certainly seen positives out of emerging markets such as China, which have helped to take additional volume, but returns are lower than the more developed markets and look set continue in this mode for the medium term."



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Mr Costello is based in Rabobank's Christchurch office and covers the New Zealand animal proteins sector, with a particular focus on sheep and beef.

Accompanying the red meat analysts throughout the week, Rabobank regional manager for western Victoria Daker Pern said it was a privilege to bring such high calibre industry professionals to the region to provide up-to-date knowledge to clients.

"As an agricultural lender, we are able to introduce our clients to research analysts such as Matt and Sarah who have incredible knowledge of the red meat sectors – this helps farmers make sound decisions around price direction when choosing to buy or sell stock," Mr Pern said.

"We've received very positive feedback on the week's events held among the local farming community. It's great to see how Rabobank's Food and Agribusiness Research & Advisory division can value-add to our clients' businesses."

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Rabobank Australia & New Zealand is a part of the international Rabobank Group, the world's leading specialist in food and agribusiness banking. Rabobank has more than 110 years' experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. Rabobank is structured as a cooperative and operates in 47 countries, servicing the needs of approximately 10 million clients worldwide through a network of more than 1600 offices and branches. Rabobank Australia & New Zealand is one of Australasia's leading rural lenders and a significant provider of business and corporate banking and financial services to the region's food and agribusiness sector. The bank has 93 branches throughout Australia and New Zealand.

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