Hello Ladies and Gentlemen,

The build-up in beef cattle numbers in Western Victoria in recent years has been nothing short of spectacular.

Paddocks which once held some of the best sheep in Australia are now supporting a great variety of beef cattle.

Saleyards in Warrnambool, Hamilton and Horsham all report marked increases in the numbers of beef cattle being offered for sale, and importantly, the prices these are bringing are holding up well. Although, if you are in the position of purchasing breeding or fattening stock, high prices of course lose much of their attraction.

What is the future of beef? Is it a boom and bust market, or is it possible to plan for a long-term swing to beef production? To answer this question requires a great deal of caution because there are so many uncertain factors.

However, the Minister for Trade and Industry, Mr. Doug Anthony, said after his recent investigation of world markets, that he was most impressed with the market prospects for beef. Consumption and demand for beef products are expanding in overseas countries as living standards rise. The capacity of most countries to produce more beef is such that, given good management, our future must be regarded as fairly promising.

For the year 1970-71, a total of 5.8 million cattle were slaughtered in Australia, producing more than 1-million tons of beef and veal in carcase weight. This is valued at $650 million. The total weight of beef and veal exported in this period was 335-thousand tons, valued at more than 300-million dollars.

This makes the beef industry one of the largest in Australia, and one of our major earners of export income, roughly equivalent to, and possibly ahead of, the wool industry.

The total cattle population in Australia is now nearly 25-million head, of which 20 million are beef cattle. This is an increase in ten per cent over last year in total cattle numbers, and a thirteen per cent increase in beef cattle numbers.
To put these figures into perspective, I think it is worth remembering that a production of 1-million tons of beef was achieved in 1964/65 with slaughterings of over 6.8 million head of cattle. This year we have exceeded this production with slaughterings of one million head fewer.

In recent years the consistently high prices for cattle has attracted significant resources into this industry, a trend which has been accelerated by the low wool prices and wheat quotas, and by the shift away from dairying.

Several authorities have argued that the outlook for beef is exceptionally favourable for producers, and that demand will outstrip supply by a considerable margin.

For example, the Organisation for Economic Co-operation and Development prepared a set of projections which indicated a possible deficit of beef among O.E.C.D. countries, including Western Europe, North America, Japan and Australia, of 489,000 tons by 1975.

More recently, the world bank also suggested that there could be a small shortfall in Western countries' beef supplies by 1975, increasing even further by 1980. While these studies point to demand exceeding availability in future years, it must be remembered that the studies are based on historical trends and static assumptions which may or may not be valid for the future.

The United States market continues to be the main source of the industry's present prosperity, taking well over two hundred thousand tons annually. But we are subject to restrictions which place an annual ceiling on our shipments to that market. We have negotiated hard with the Americans each year and have won annual increases in our entitlement.

Certainly I believe there are strong grounds on which we can continue to press for a larger share of that market in the future, and we will certainly be doing so.

Turning to wheat, as you have possibly heard or read by now, the Acting Minister for Primary Industry, Mr. Peter Nixon, announced last week that the guaranteed price and home consumption price of wheat for the 1971-72 pool had been increased by four cents per bushel for
local sales and 4.3 cents for exports.

This brings the guaranteed price which applies to 200 million bushels of exports from the pool to 151.8 cents per bushel for fair average quality wheat.

These annual adjustments to prices are determined in accordance with the provisions of the Wheat Industry Stabilisation Plan.

Since the last adjustment was made, there have been increases in wages, rail and other freight rates, and prices of fuel, parts and repairs.

Wheat growers I am sure will welcome this new price.

Goodbye for now.