# Postcards from Post: Interview with Jesse Mahoney, Australia’s agriculture counsellor based in the USA

(Duration 10 mins 04 secs)

## Transcript

**Tim Dawson [host]:** Australia exports over 70% of its agriculture, fisheries and forestry produce. And DAFF has a network of agricultural counsellors posted in Australian embassies across the globe to help make that trade happen. In this series, we'll hear from those counsellors. Welcome to Postcards from Post.

The United States of America is known as the land of opportunities for a reason. It's the world's biggest and most powerful economy, and there are 330 million people there hungry for Australian products.

Today, I'm speaking with Jessie Mahoney, our agricultural counsellor based in Washington, DC.

Jesse, good morning. How are you?

**Jesse Mahoney [Agricultural Counsellor USA]:** Yeah, good. Thanks. How are you, Tim?

**Tim Dawson:** What's the importance of this network and in particular, for, your position and the relationship with the US.

**Jesse Mahoney:** The importance of the network, I think, is broadly stated by the growth in the Australian ag trade over the last 5-6 years. We haven't increased the footprint of the network. We haven't increased the base of that, but our ag trade has continued to grow.

When that ag trade grows, we have more opportunities. We have more challenges. So, things being held up at borders, so distressed consignments. The value is that you have someone on the other side of the world who you can pick up the phone to, to go in and ask that question of the customs authority in the case here, CBP and say, what's going on? How can we fix this? So that's probably the single biggest day-to-day value that I can assign to us.

But it's bigger than that. It's about creating relationships. It's understanding what's going on, what’s currently being tweaked or reinforced in the market, and how that relates to what we're doing back home, whether that's the land policy that's happening here for climate change aspects and how we're doing it in Australia. Or maybe it's labelling requirements that are more important to an exporter here so that they know how to continue to use those labelling requirements to get their product in the market.

Or then maybe it's a change in the way that an animal welfare practise is done in another market, and we might be able to get that intel back home quickly, be early adopters and get our product into market and be an early adopter and blitz everyone. So, there's a lot of value here in the market, in every market. Really not just ours.

**Tim Dawson:** Currently, what does Australia export to the US? What do they export to us? And what opportunities can you see for us to expand our exports?

**Jesse Mahoney:** Yes. So, the overwhelming lion's share of exports from Australia to the US is in our red meat. That makes up about 70 odd percent of our exports to this market, beef, veal, and sheep meat. That continues to grow, but we've had a surprising entrant to the top, to the top three of our trade. And that's been, use cooking oil, animal fats, which is going into the biofuels industry here in the US, which is quite a novel, development in the last 18 months.

The US, their main product going back to Australia is probably, pig meat, goes into our small goods industry. Then it's followed by, I suspect it's cheese, which is used for our pizzas in Australia.

Now, as far as growth opportunities go, that was that's really been foreshadowed by that growth in that animal fats trade from Australia to the US. 18 months ago, that trade was about $20 million at the end of last year, that figure had popped up to about $580 million.

We understand that a lot of that animal fat used cooking oil is going into renewable biodiesel, sustainable aviation fuel because that's a growth market in this in this country. I see that as probably a really good growth opportunity going forward, not just in the used animal fats, but also in grains. So, this is a really untapped market. They're not getting enough feedstock for those types of products. So, there's going to be a continued demand for that.

**Tim Dawson:** You mentioned Australian agriculture exporting some waste products to be used in biofuels in the US Can you talk a little bit about Australia and the US cooperating on sustainability and climate change initiatives?

**Jesse Mahoney:** It's a really good growth area, a lot of opportunity for further collaboration there. We've been working closely with the Americans for a few years in what's called the Aim for Climate Initiative. That was launched at the COP, the climate COP, probably two years ago or so. And that's a US and UAE led initiative around growing sustainable and climate focused investment in agriculture.

And the Australian Government's been able to throw in about half a billion dollars-worth of projects there, which is which is really unique. Things like the methane reduction in livestock has been a piece of that. We've also been a partner to their sustainable, productivity growth coalition. And that's around increasing the productivity curve of agriculture. So that was an outcome of the UN food system summit, 2.5 years or so ago and we've got we're actively engaged in that. We're providing, research, information into that group. And there are a number of Australian companies and organisations that are supporting that work such as MLA. So, that's just the tip of the iceberg. There's a lot more co-operation to be done.

**Tim Dawson:** We've got well established trade with the US. But what new or emerging agricultural products can we export over there?

**Jesse Mahoney:** Biofuels. All of the conversation here is about renewable biodiesel, sustainable aviation fuel. Because you can't fly jets off battery electricity at the moment, so they don't have enough feedstock.

We've got a lot of grains available. We've got a lot used cooking oil and we've just scratched the surface on what we can export here. So, the next few months, two years is going to be about what we can export to support that feedstock if we're not using it domestically.

**Tim Dawson:** When it comes to the USA lot of the recent news coverage has been about the upcoming election in November. If there is a change of government, what would that look like for Australian agricultural exports?

**Jesse Mahoney**: I think it's going to be much the same as what we've been used to for the last few years. The US is in a phase right now where they're really rebuilding trust in trade after the failed TPP negotiations that that their congress didn't pass. So, I think we've just got to hold steady, on the path of what we're doing, continue to build trust in this market in our quality product. Things like the red meat industry are going to be essential to the US market. Our beef exports are for their insatiable hamburger demand, and they simply don't have enough, beef at the moment. So, as long as we hold fast on what we're doing and provide that quality and trust, I think we're in a good spot here.

**Tim Dawson:** I know that we export Australian wine to the US and the US aren't familiar with a lot of wines. They produce their own spirits and their own beer, some wine out of California and so on. But can you see an opportunity for us to expand our wine exports?

**Jesse Mahoney:** The US is a difficult regulatory space for alcohol. Broadly, that goes back to the prohibition era. But before the global financial crisis 15 years ago, this was a billion-dollar wine market for Australia.

We're less than half of that at the moment. But I think some of the new varietals that are coming through in Australia have that opportunity to sort of penetrate this market, to introduce younger buyers to more sophisticated wines that are not just your normal spirits.

So, I think there's growth opportunity there. We just have to work out, the marketing opportunities there to get that product in the market and on those tables.

**Tim Dawson:** The US is an established market. What do you do on a day-to-day basis to help Australian trade run smoothly?

**Jesse Mahoney:** It's a very mature market. So, a lot of our day-to-day job is around, maintenance of this market to make sure that, we're upholding what the regulators here require from our product and making sure that we continue to have visibility in the market, and that's working with our Austrade folks and other agencies that exist here but that doesn't mean we're not looking for new opportunities.

And there is ongoing market access work, ongoing market access negotiations so that we can get we can grow the variety of products that we can get into this market.

**Tim Dawson:** What would your one message be to the Australian industry if they want to get into the US market?

**Jesse Mahoney:** This is a market about relationships and volume. It's a big, 330-million-person market, so there's a lot of money here. There's a lot of, interest in a broad range of products, but what that means is that that to get a space on a shelf, you probably need to have some good connections, and you probably need to have a strong presence here. Be consistently in market. Come over here, come through the embassy and speak with us here in the embassy. And we can help you on your way.

[Video ends]

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We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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