



AUSTRALIAN LOT FEEDERS ASSOCIATION



# Media Release

19<sup>th</sup> January, 2009

## Feedlot cattle numbers increase amid beef demand uncertainty

Despite the global financial crisis, the latest ALFA/ MLA survey has indicated that the feedlot industry remains resilient with a 15% increase in cattle numbers on feed over the December quarter.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore stated that "the increase in cattle numbers from 622,689 to 719,379 and utilisation of feedlot capacity from 55% to 59% was largely the result of the decline in the Australian dollar, feeder cattle and grain prices".

"Notably feedlot cattle numbers increased in all states with the majority of the growth (52%) in Queensland (as dry weather increased yarding numbers) followed by WA (20%), NSW (12%), Vic (11%) and SA (5%)".

"Over the quarter the Australian dollar declined by 24% against the US dollar, 32% against the Japanese yen and 2% against the Korean won".

"In addition, national saleyard feeder cattle prices averaged 4% lower than the previous quarter while feed grain prices declined by an average of 23% (due mainly to fuel price reductions and increased domestic and international supply)".

"These factors have provided a much more positive outlook for lot feeders, but this has been tempered somewhat by the global financial crisis and its impact upon the demand for beef".

Meat & Livestock Australia's Chief Market Analyst, Peter Weeks stated that "current conditions have stagnated beef trading and created worldwide beef demand uncertainty, with consumers 'trading down' to both cheaper proteins and beef lines".

"The return of the US into our major export markets has also impacted upon the industry and, in combination with slower economic conditions, grain fed exports fell in 2008".

"Grain fed exports into our major market Japan, declined 8% for the quarter and 13% for the 2008 calendar year".

"Similarly, grain fed exports into Korea were down 10% for the quarter and 24% for the year".

"In contrast, US beef exports into both Japan and Korea over the quarter lifted to their highest level since 2003".

"Mr Cudmore continued, "with the Australian dollar and production costs finally more favourable to the industry, it is hoped that beef export demand rises in the not too distant future".

### *For further information:*

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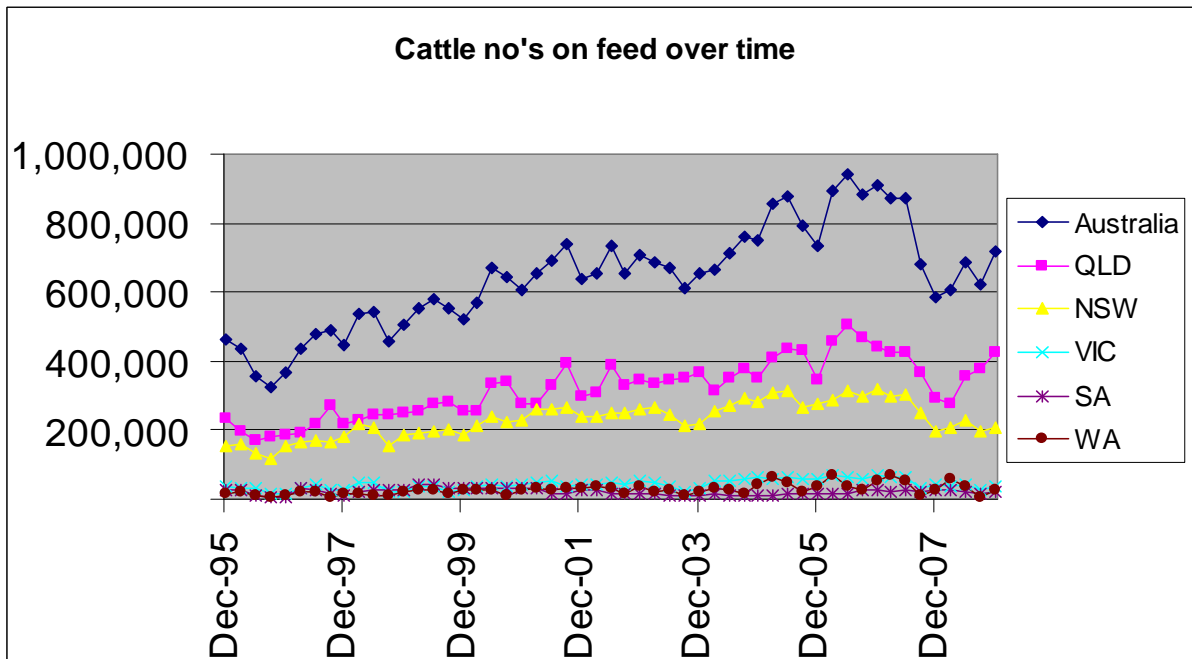
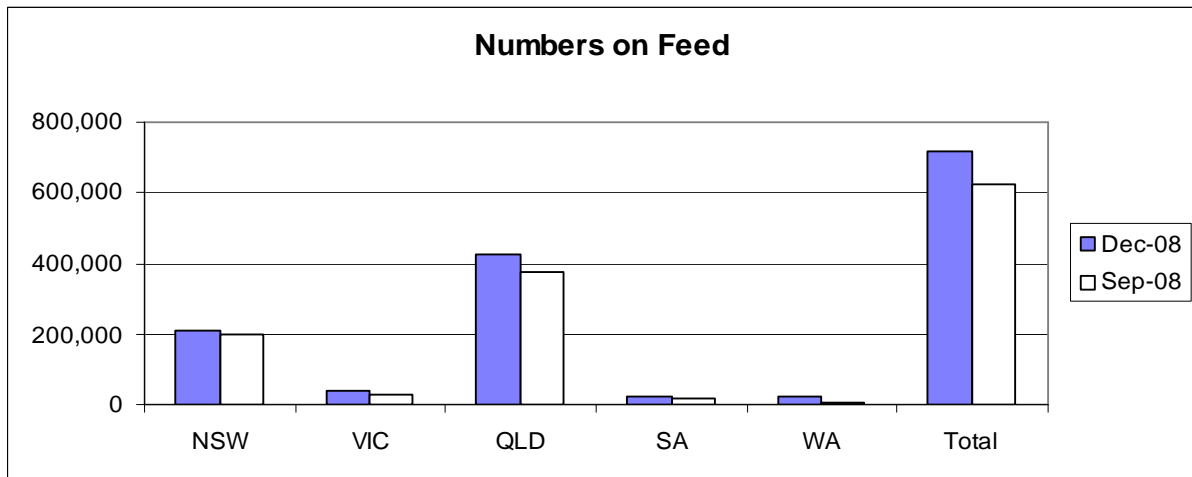
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## ALFA / MLA FEEDLOT SURVEY October – December 2008

<b>Numbers on Feed</b>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	<b>Total</b>
Dec-08	208,174	38,395	426,022	22,247	24,541	<b>719,379</b>
Sep-08	196,219	27,923	376,126	17,311	5,110	<b>622,689</b>
Dec-07	197,706	41,189	292,990	24,701	27,886	<b>584,472</b>
<b>Capacity</b>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	<b>Total</b>
Dec-08	408,374	79,523	600,370	31,921	103,016	<b>1,223,204</b>
Sep-08	385,632	80,405	543,844	32,391	90,230	<b>1,132,502</b>
Dec-07	389,501	77,255	551,567	32,594	101,566	<b>1,152,483</b>

<b>Utilisation</b>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	<b>Total</b>
Dec-08	51%	48%	71%	70%	24%	<b>59%</b>
Sep-08	51%	35%	69%	53%	6%	<b>55%</b>
Dec-07	51%	53%	53%	76%	27%	<b>51%</b>



**ALFA / MLA FEEDLOT SURVEY  
October – December 2008**

**Market and feedlot size analyses**

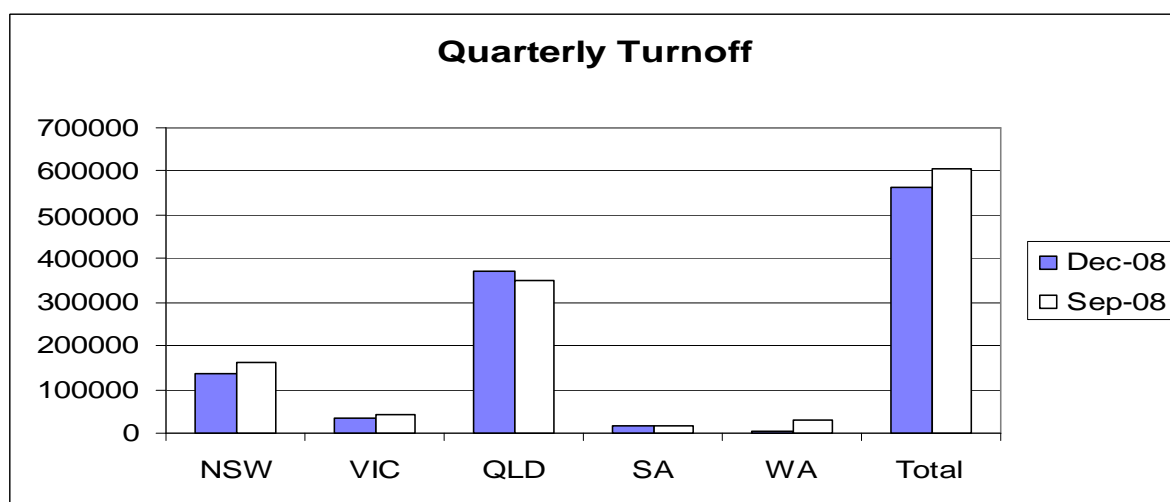
Market Destination	Dec-08		Sep-08		Dec-07	
	Numbers	%	Numbers	%	Numbers	%
<b>Export</b>	531180	73.8%	458318	73.6%	417650	71.5%
<b>Domestic</b>	187390	26.1%	159241	25.6%	160224	27.4%
<b>Unknown</b>	809	0.1%	5130	0.8%	6598	1.1%
<b>Total</b>	719,379	100.0%	622,689	100.0%	584,472	100.0%

Breakdown by Feedlot Size	Capacity Dec 08	Capacity Sep 08	Capacity Dec 07	Numbers on Feed Dec 08	Numbers on Feed Sep 08	Numbers on Feed Dec 07
<b>Australia</b>						
Less than 500 head	44,806	34,436	78,458	11,589	8,589	10,896
500 -1000 head	82,597	70,868	79,758	23,160	14,980	29,418
1000 - 10000 head	472,002	423,421	388,025	238,859	194,200	193,832
over 10000 head	623,800	603,778	606,242	445,771	404,920	350,326
<b>Total</b>	1,223,204	1,132,502	1,152,483	719,379	622,689	584,472

**Total Cattle Turnoff**

Total Turnoff (year ending)	NSW	VIC	QLD	SA	WA	Total
Dec-08	570099	150271	1212738	76910	124485	<b>2134503</b>
Dec-07	717243	197930	1261965	79036	148021	<b>2404195</b>
Dec-06	702085	208248	1495867	70054	149847	<b>2626101</b>

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Dec-08	137554	33840	371981	16553	5022	<b>564950</b>
Sep-08	163292	42646	351376	18499	29098	<b>604911</b>
Dec-07	151751	38037	265156	16243	10310	<b>481497</b>



**ALFA / MLA FEEDLOT SURVEY  
October – December 2008**

**State Breakdown by Feedlot Size**

	Capacity Dec 08	Capacity Sep 08	Capacity Dec 07	Numbers on Feed Dec 08	Numbers on Feed Sep 08	Numbers on Feed Dec 07
<b>New South Wales</b>						
Less than 500 head	4,039	2,938	7,398	1,469	1,469	1,172
500 -1000 head	19,203	19,702	20,610	5,753	5,104	9,532
1000 - 10000 head	116,800	108,660	102,160	36,232	27,365	35,957
over 10000 head	268,333	254,333	259,333	164,720	162,281	151,045
<i>State Total</i>	<i>408,374</i>	<i>385,632</i>	<i>389,501</i>	<i>208,174</i>	<i>196,219</i>	<i>197,706</i>
<b>Queensland</b>						
Less than 500 head	14,998	11,240	43,502	5,620	5,620	7,418
500 -1000 head	47,127	39,622	45,586	12,091	5,856	11,989
1000 - 10000 head	230,839	205,576	173,245	150,122	141,751	104,799
over 10000 head	307,406	287,406	289,234	258,189	222,899	168,784
<i>State Total</i>	<i>600,370</i>	<i>543,844</i>	<i>551,567</i>	<i>426,022</i>	<i>376,126</i>	<i>292,990</i>
<b>Victoria</b>						
Less than 500 head	1,225	0	1,345	400	0	647
500 -1000 head	4,299	2,406	3,160	1,800	1,906	2,736
1000 - 10000 head	25,938	15,960	15,075	13,333	6,277	7,309
over 10000 head	48,061	62,039	57,675	22,862	19,740	30,497
<i>State Total</i>	<i>79,523</i>	<i>80,405</i>	<i>77,255</i>	<i>38,395</i>	<i>27,923</i>	<i>41,189</i>
<b>South Australia</b>						
Less than 500 head	4,128	4,328	4,347	1,485	1,500	1,659
500 -1000 head	7,368	7,638	8,902	3,516	2,114	5,161
1000 - 10000 head	20,425	20,425	19,345	17,246	13,697	17,881
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>31,921</i>	<i>32,391</i>	<i>32,594</i>	<i>22,247</i>	<i>17,311</i>	<i>24,701</i>
<b>Western Australia</b>						
Less than 500 head	20,416	15,930	21,866	2,615	0	0
500 -1000 head	4,600	1,500	1,500	0	0	0
1000 - 10000 head	78,000	72,800	78,200	21,926	5,110	27,886
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>103,016</i>	<i>90,230</i>	<i>101,566</i>	<i>24,541</i>	<i>5,110</i>	<i>27,886</i>
<b>Australia</b>						
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