



AUSTRALIAN LOT FEEDERS ASSOCIATION



Media Release

21st July, 2009

Domestic market drives grain fed beef increase

The latest ALFA/ MLA survey has indicated that cattle numbers on feed increased 10% for the June quarter and 8% compared to this time last year on the back of the resilient domestic market and more favourable input prices.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore stated that "with the appreciating Australian dollar and continued 'hand to mouth' trading of importers stymieing export growth, the strength of the domestic market has been significant".

"Notably, grain fed cattle production was more competitive as a result of favourable feeder cattle and feed grain prices earlier in the quarter, and declining grass fed cattle numbers due to normal winter trends".

"Whilst these input costs increased towards the end of the quarter, feed grain prices in particular were still significantly lower than this time last year, around 37% on average".

"Cattle numbers on feed rose mainly in New South Wales and Queensland, with the smaller lot feeding states of Victoria, Western Australia and South Australia showing numbers in line with normal seasonal patterns. Industry capacity utilisation increased from 54% to 60% on a national basis".

"Trading conditions are nonetheless still difficult, with the global financial crisis continuing to dampen beef demand in export markets".

Meat & Livestock Australia's Chief Market Analyst, Peter Weeks stated that export market results for grain fed beef reflected reduced consumer demand, difficult conditions for importers and traders, along with the disruption to the market by the return of US beef.

"Grain fed beef exports into Japan and Korea, declined by 3% and 20%, respectively, compared to this time last year".

"However, both markets experienced normal seasonal improvement compared to the March quarter (increasing by 5% and 9%)".

Mr Cudmore concluded, "the growth in the grain fed beef sector despite the on-going challenges in our export markets was a positive sign for the industry".

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ALFA / MLA FEEDLOT SURVEY
April – June 2009

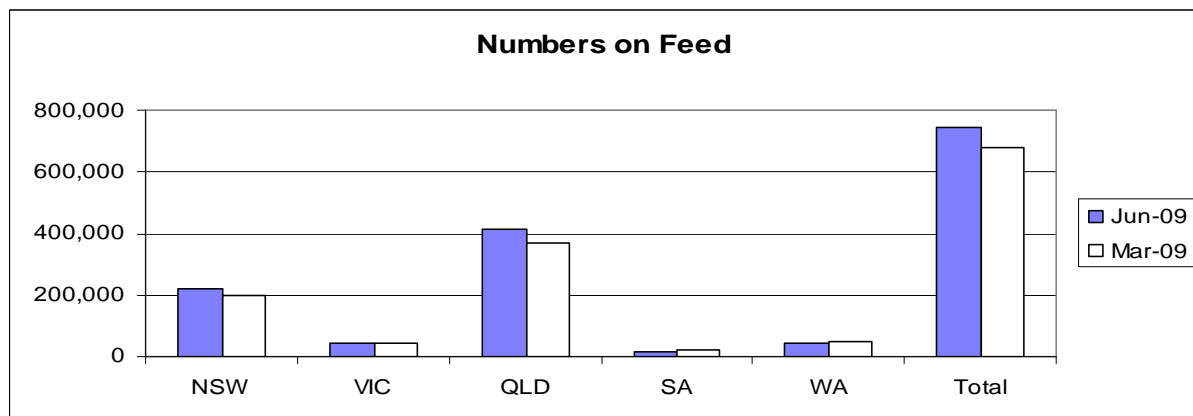
Cattle numbers on feed, capacity and capacity utilisation

Numbers on Feed	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Jun-09	222,216	44,411	415,099	18,027	43,790	743,543
Mar-09	196,348	44,816	368,988	20,699	46,954	677,805
Dec-08	209,654	38,395	428,271	22,247	24,541	723,108
Sep-08	199,170	27,923	386,201	17,311	5,110	635,715
Jun-08	227,898	42,814	359,980	19,151	37,937	687,780

Capacity	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Jun-09	404,884	77,418	627,873	31,771	101,116	1,243,062
Mar-09	397,538	79,532	633,062	31,921	102,016	1,244,069
Dec-08	412,964	79,523	635,260	31,921	103,016	1,262,684
Sep-08	389,922	80,405	577,822	32,391	90,230	1,170,770
Jun-08	398,091	76,293	561,267	31,494	110,924	1,178,069

Utilisation	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Jun-09	55%	57%	66%	57%	43%	60%
Mar-09	49%	56%	58%	65%	46%	54%
Dec-08	51%	48%	67%	70%	24%	57%
Sep-08	51%	35%	67%	53%	6%	54%
Jun-08	57%	56%	64%	61%	34%	58%

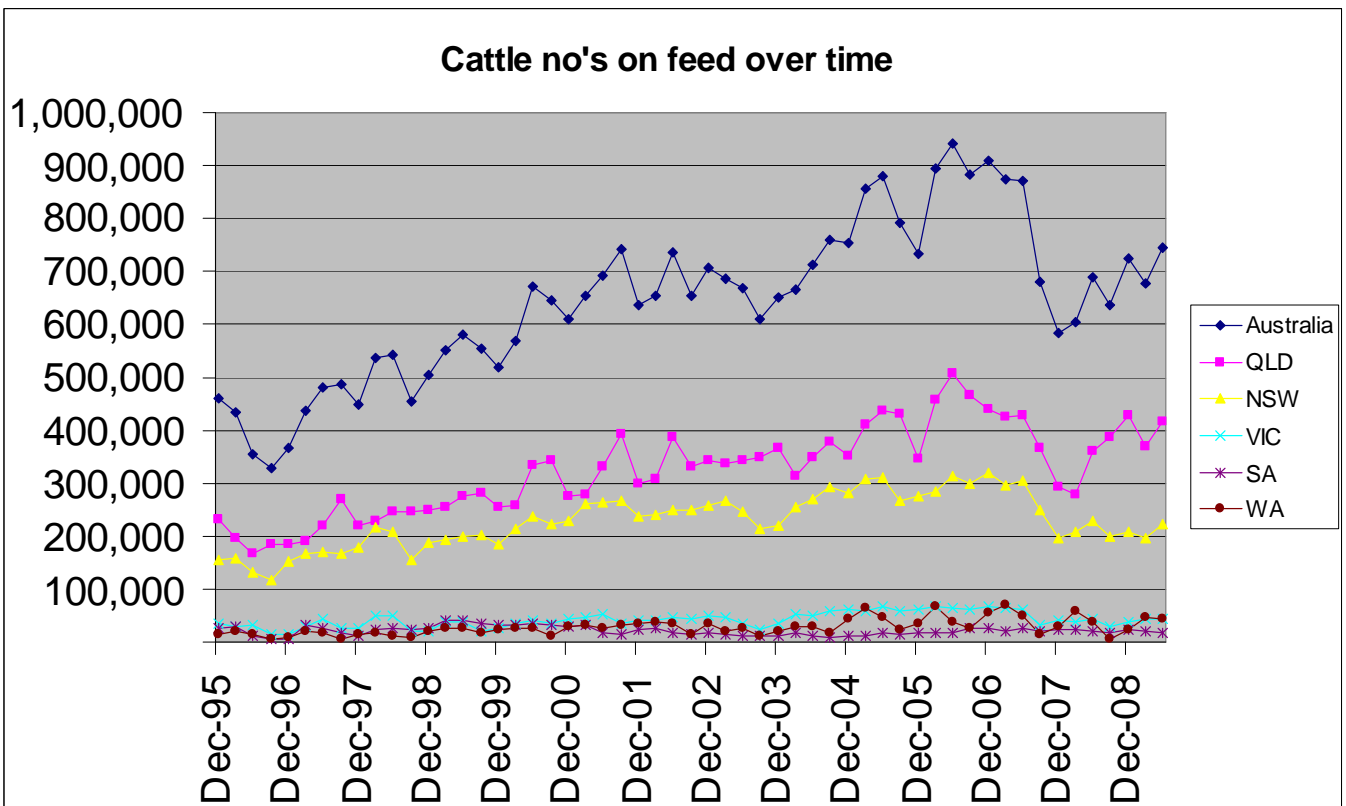
* Note that there has been a revision in the aggregate cattle on feed data for the preceding four quarters following a review of survey methodology.



ALFA / MLA FEEDLOT SURVEY
April – June 2009

Market Destination

	Jun-09		Mar-09		Jun-08	
	Numbers	%	Numbers	%	Numbers	%
Export	497657	66.9%	449729	66.4%	500993	72.8%
Domestic	240965	32.4%	225784	33.3%	175146	25.5%
Unknown	4923	0.7%	2292	0.3%	11641	1.7%
Total	743,543	100.0%	677,805	100.0%	687,780	100.0%

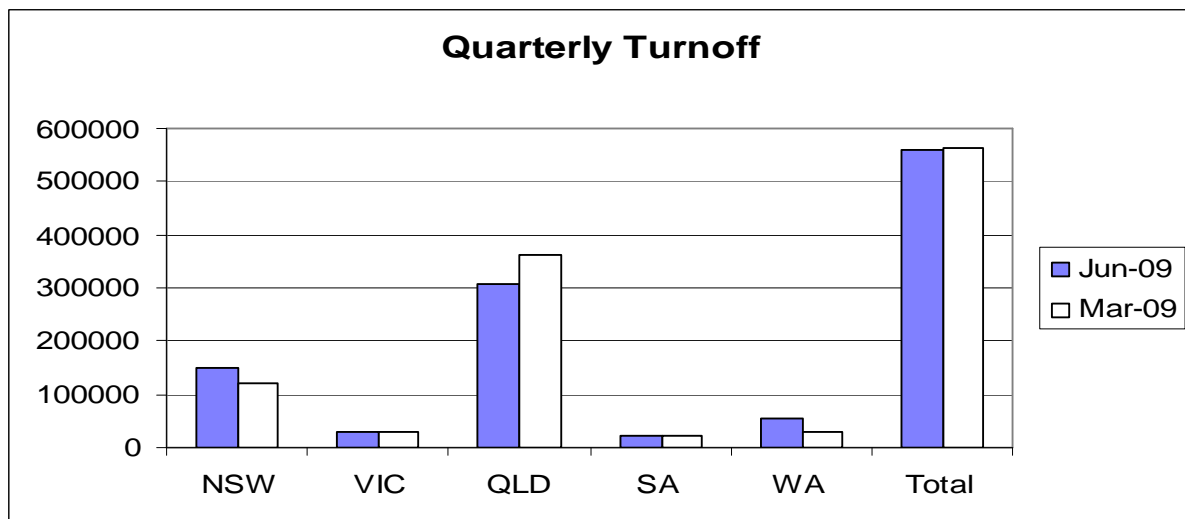


ALFA / MLA FEEDLOT SURVEY
April – June 2009

Total Cattle Turnoff

<i>Total Turnoff (year ending)</i>						
	NSW	VIC	QLD	SA	WA	Total
Dec-08	570,099	150,271	1,212,738	76,910	124,485	2,134,503
Dec-07	717,243	197,930	1,261,965	79,036	148,021	2,404,195
Dec-06	702,085	208,248	1,495,867	70,054	149,847	2,626,101

<i>Total Turnoff (quarterly)</i>	NSW	VIC	QLD	SA	WA	Total
Jun-09	148,310	30,565	307,223	21,687	53,596	561,381
Mar-09	120,913	28,590	363,647	22,080	29,085	564,315
Jun-08	134,875	38,982	267,141	19,903	57,593	518,494



ALFA / MLA FEEDLOT SURVEY
April – June 2009

State Breakdown by Feedlot Size

State	Capacity Jun 09	Capacity Mar 09	Capacity Dec 08	Capacity Sep 08	Capacity Jun 08	Numbers on Feed Jun 09	Numbers on Feed Mar 09	Numbers on Feed Dec 08	Numbers on Feed Sep 08	Numbers on Feed Jun 08
NSW										
Less than 500 hd	7,749	8,529	8,629	7,228	9,520	4,585	2,321	2,949	4,420	2,217
500 -1000 hd	21,602	19,203	19,203	19,702	22,109	6,353	6,432	5,753	5,104	9,869
1000 - 10000 hd	107,200	115,474	116,800	108,660	105,544	38,195	33,559	36,232	27,365	37,412
over 10000 hd	268,333	254,333	268,333	254,333	260,919	173,083	154,036	164,720	162,281	178,400
<i>State Total</i>	<i>404,884</i>	<i>397,538</i>	<i>412,964</i>	<i>389,922</i>	<i>398,091</i>	<i>222,216</i>	<i>196,348</i>	<i>209,654</i>	<i>199,170</i>	<i>227,898</i>
QLD										
Less than 500 hd	49,888	50,375	49,888	45,218	44,580	16,464	9,132	7,869	15,695	6,896
500 -1000 hd	48,625	49,125	47,127	39,622	43,447	15,454	13,393	12,091	5,856	20,409
1000 - 10000 hd	221,954	226,156	230,839	205,576	174,797	173,949	135,503	150,122	141,751	121,624
over 10000 hd	307,406	307,406	307,406	287,406	298,443	209,232	210,960	258,189	222,899	211,051
<i>State Total</i>	<i>627,873</i>	<i>633,062</i>	<i>635,260</i>	<i>577,822</i>	<i>561,267</i>	<i>415,099</i>	<i>368,988</i>	<i>428,271</i>	<i>386,201</i>	<i>359,980</i>
VIC										
Less than 500 hd	420	1,538	1,225	0	0	0	1,118	400	0	0
500 -1000 hd	1,999	3,995	4,299	2,406	4,262	0	1,996	1,800	1,906	2,842
1000 - 10000 hd	18,064	18,533	25,938	15,960	22,031	13,475	9,385	13,333	6,277	16,475
over 10000 hd	56,935	55,466	48,061	62,039	50,000	30,936	32,317	22,862	19,740	23,497
<i>State Total</i>	<i>77,418</i>	<i>79,532</i>	<i>79,523</i>	<i>80,405</i>	<i>76,293</i>	<i>44,411</i>	<i>44,816</i>	<i>38,395</i>	<i>27,923</i>	<i>42,814</i>
SA										
Less than 500 hd	3,978	4,128	4,128	4,328	4,347	1,574	1,695	1,485	1,500	1,970
500 -1000 hd	7,368	7,368	7,368	7,638	9,802	4,332	4,512	3,516	2,114	7,011
1000 - 10000 hd	20,425	20,425	20,425	20,425	17,345	12,121	14,492	17,246	13,697	10,170
over 10000 hd	0	0	0	0	0	0	0	0	0	0
<i>State Total</i>	<i>31,771</i>	<i>31,921</i>	<i>31,921</i>	<i>32,391</i>	<i>31,494</i>	<i>18,027</i>	<i>20,699</i>	<i>22,247</i>	<i>17,311</i>	<i>19,151</i>
WA										
Less than 500 hd	19,316	20,216	20,416	15,930	33,160	4,267	9,680	2,615	0	3,401
500 -1000 hd	3,800	3,800	4,600	1,500	1,500	0	0	0	0	0
1000 - 10000 hd	78,000	78,000	78,000	72,800	76,264	39,523	37,274	21,926	5,110	34,536
over 10000 hd	0	0	0	0	0	0	0	0	0	0
<i>State Total</i>	<i>101,116</i>	<i>102,016</i>	<i>103,016</i>	<i>90,230</i>	<i>110,924</i>	<i>43,790</i>	<i>46,954</i>	<i>24,541</i>	<i>5,110</i>	<i>37,937</i>
Australia										
Less than 500 hd	81,351	84,786	84,286	72,704	91,607	26,890	23,946	15,318	21,615	14,484
500 -1000 hd	83,394	83,491	82,597	70,868	81,120	26,139	26,333	23,160	14,980	40,131
1000 - 10000 hd	445,643	458,588	472,002	423,421	395,981	277,263	230,213	238,859	194,200	220,217
over 10000 hd	632,674	617,205	623,800	603,778	609,362	413,251	397,313	445,771	404,920	412,948
<i>Total</i>	<i>1,243,062</i>	<i>1,244,069</i>	<i>1,262,684</i>	<i>1,170,770</i>	<i>1,178,069</i>	<i>743,543</i>	<i>677,805</i>	<i>723,108</i>	<i>635,715</i>	<i>687,780</i>