



Media Release

21st October, 2010

Cattle on feed numbers decline

Trading conditions for lot feeders deteriorated in the September quarter, with the ALFA/ MLA survey recording a 25,000 head decline in cattle numbers on feed.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore commented that "the decline in cattle numbers on feed was experienced in all states (except NSW) as declines in lot feeder margins and international competitiveness discouraged grain fed cattle placements".

"Increases in the price of feed grain, feeder cattle and a much stronger Australian dollar have all combined to negatively impact upon trading conditions".

"Compared to just four months ago, feed barley and wheat prices were 41% and 51% higher (delivered Riverina) and 27% and 39% higher (delivered Darling Downs)".

"At the same time feeder cattle prices reached a four year high during the quarter, 16% above the same quarter last year - more than drowning out the modest 4% rise in finished cattle prices".

"The fantastic season on the east coast has reduced the supply of suitable feeder cattle, and coupled with the positive rainfall outlook for the remainder of spring and summer, producers have been encouraged to retain stock to higher live weights. The good season has also ensured solid restocker demand from grass fed beef producers".

"Increases in the Australian dollar against most trading currencies during the September quarter also reduced international competitiveness for grain fed beef exports".

"Since the previous quarter, the Australian dollar was 2% higher against the Japanese Yen, 4% higher against the Korean Won whilst reaching parity against the US dollar in October".

Meat & Livestock Australia's Manager for Market Information and Analysis, Tim McRae stated that "despite tough export conditions, Australian grain fed beef exports for the September quarter totalled 59,201 tonnes swt, 10% higher than a year earlier, and 20% higher than the June quarter".

"However, whilst grainfed beef exports to Japan lifted 10% for the September quarter, they declined 5% to Korea, as US beef imports assisted by the weak US dollar continued to rise, up 127% for the first seven months of 2010".

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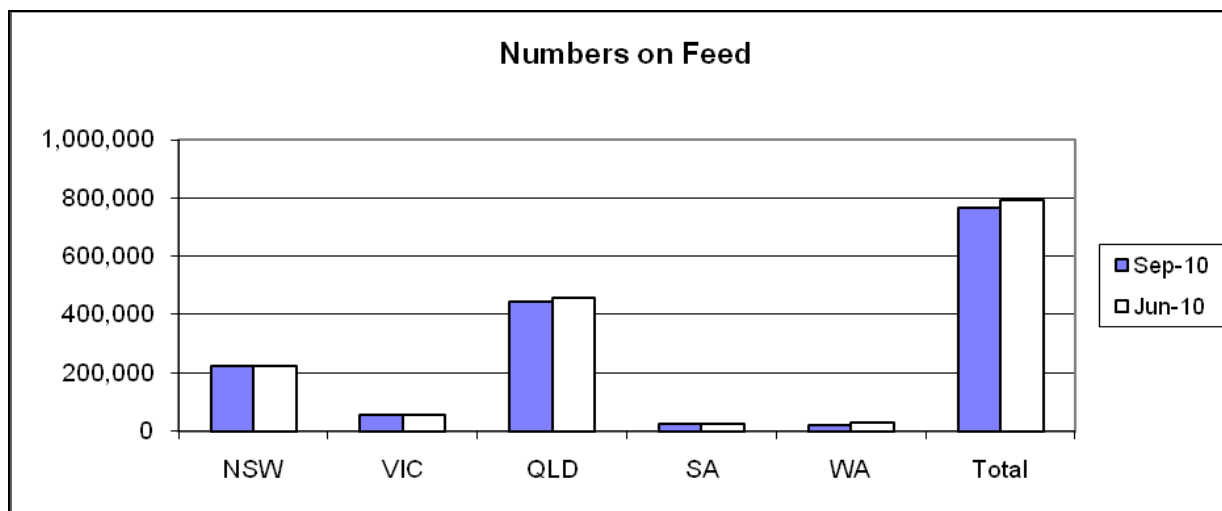
**ALFA / MLA FEEDLOT SURVEY
July – September 2010**

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
Sep-10	224,614	53,306	442,718	22,974	22,206	765,818
Jun-10	223,197	57,555	455,307	26,274	28,439	790,772
Sep-09	221,883	54,022	439,621	17,862	9,664	743,052

Capacity	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Sep-10	427,659	82,313	636,380	31,449	99,965	1,277,766
Jun-10	424,934	80,419	645,870	31,835	99,765	1,282,823
Sep-09	425,375	84,197	627,204	29,288	104,265	1,270,329

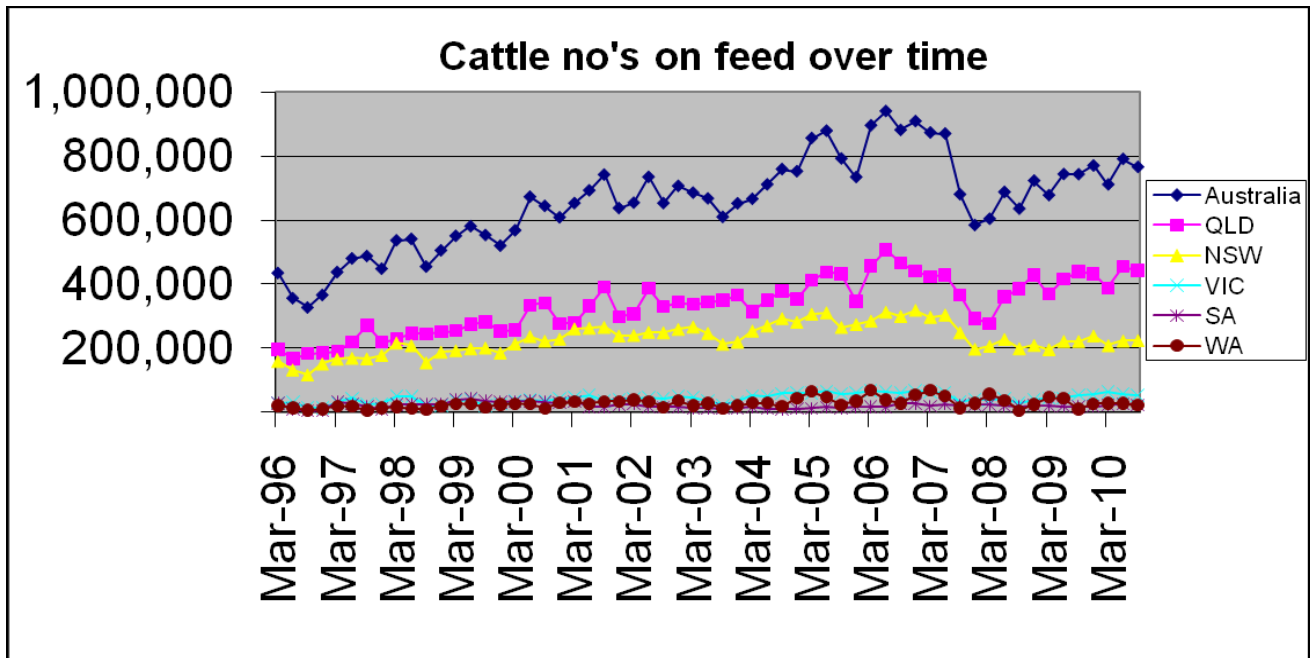
Utilisation	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Sep-10	53%	65%	70%	73%	22%	60%
Jun-10	53%	72%	70%	83%	29%	62%
Sep-09	52%	64%	70%	61%	9%	58%



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Market Destination

	Sep-10		Jun-10		Sep-09	
	Numbers	%	Numbers	%	Numbers	%
Export	457690	59.8%	508834	64.3%	513958	69.2%
Domestic	291758	38.1%	247314	31.3%	227223	30.6%
Unknown	16370	2.1%	34624	4.4%	1871	0.3%
Total	765,818	100.0%	790,772	100.0%	743,052	100.0%

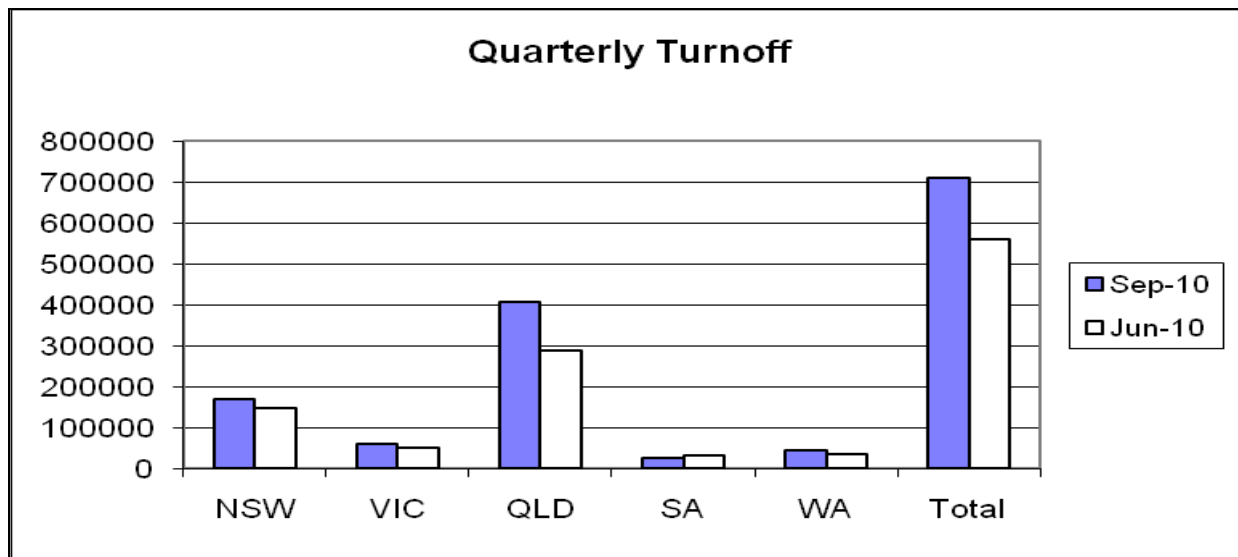


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Total Cattle Turnoff

<i>Total Turnoff (year ending)</i>						
	NSW	VIC	QLD	SA	WA	Total
Dec-09	587444	161614	1374959	77281	130601	2331899
Dec-08	570099	150271	1212738	76910	124485	2134503
Dec-07	717243	197930	1261965	79036	148021	2404195

<i>Total Turnoff (quarterly)</i>	NSW	VIC	QLD	SA	WA	Total
Sep-10	171018	60278	407275	27561	44035	710167
Jun-10	149382	52378	287129	33376	36564	558829
Sep-09	171006	57046	326652	16035	36361	607100



ALFA / MLA FEEDLOT SURVEY
July – September 2010

State Breakdown by Feedlot Size

	Capacity Sep 10	Capacity Jun 10	Capacity Sep 09	Numbers on Feed Sep 10	Numbers on Feed Jun 10	Numbers on Feed Sep 09
<i>New South Wales</i>						
Less than 500 head	7,309	7,459	7,499	2,369	3,787	3,317
500 -1000 head	23,701	22,202	20,603	2,504	5,558	3,054
1000 - 10000 head	111,076	109,700	111,700	44,407	49,394	40,440
over 10000 head	285,573	285,573	285,573	175,334	164,458	175,072
<i>State Total</i>	427,659	424,934	425,375	224,614	223,197	221,883
<i>Queensland</i>						
Less than 500 head	50,128	44,558	46,419	9,173	6,742	18,680
500 -1000 head	48,204	48,264	47,126	17,273	18,314	22,588
1000 - 10000 head	227,642	230,642	219,520	159,447	172,199	161,680
over 10000 head	310,406	322,406	314,139	256,825	258,052	236,673
<i>State Total</i>	636,380	645,870	627,204	442,718	455,307	439,621
<i>Victoria</i>						
Less than 500 head	1,814	420	1,225	927	0	405
500 -1000 head	500	1,000	3,973	0	0	593
1000 - 10000 head	24,610	18,756	26,999	20,026	13,967	22,927
over 10000 head	55,389	60,243	52,000	32,353	43,588	30,097
<i>State Total</i>	82,313	80,419	84,197	53,306	57,555	54,022
<i>South Australia</i>						
Less than 500 head	3,290	3,290	3,978	1,243	1,176	934
500 -1000 head	6,734	7,975	7,385	3,040	5,665	3,315
1000 - 10000 head	21,425	20,570	17,925	18,691	19,433	13,613
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	31,449	31,835	29,288	22,974	26,274	17,862
<i>Western Australia</i>						
Less than 500 head	15,465	16,265	11,705	78	2,668	0
500 -1000 head	6,800	5,800	11,660	0	0	0
1000 - 10000 head	77,700	77,700	60,900	22,128	25,771	6,027
over 10000 head	0	0	20,000	0	0	3,637
<i>State Total</i>	99,965	99,765	104,265	22,206	28,439	9,664
<i>Australia</i>						
Less than 500 head	78,006	71,992	70,826	13,790	14,373	23,336
500 -1000 head	85,939	85,241	90,747	22,817	29,537	29,550
1000 - 10000 head	462,453	457,368	437,044	264,699	280,764	244,687
over 10000 head	651,368	668,222	671,712	464,512	466,098	445,479
<i>Total</i>	1,277,766	1,282,823	1,270,329	765,818	790,772	743,052