

Media Release

28th August, 2012

Grain fed cattle numbers increase

Results from the latest ALFA/ MLA June quarter survey showed a 5% national increase in grain fed cattle numbers on feed over the quarter.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore commented that "lower feeder cattle and grain prices encouraged lot feeders to increase cattle numbers."

"Feeder cattle prices averaged 5% lower year-on-year whilst feed grain prices were 15% lower on the Darling Downs and 11% lower in the Riverina. The impact of the more recent rises in grain prices from late June will no doubt be felt in the September and December quarters."

"The decline in feeder cattle prices reflected a general easing in the cattle market and higher cattle turnoff numbers due to drier than average seasonal conditions in parts of Australia in late summer and early autumn."

"Coupled with lower on farm returns for grain production and a 4% decline in the Australian dollar against the US over the quarter, lot feeders were encouraged to increase cattle numbers on feed, particularly in smaller to medium sized yards."

"The increase in cattle numbers on feed was largely driven by Queensland in absolute terms and Victoria in percentage terms whilst other states remained relatively static."

"Cattle numbers in Western Australia, whilst only increasing slightly over the quarter, were nonetheless double compared to the same time last year on the back of cheaper grain and improved access to suitable feeder cattle."

Meat & Livestock Australia's Manager for Market Information and Analysis, Tim McRae stated that "grain fed exports for the quarter experienced a 15% year-on-year decline as our strong currency, weak consumer demand and US competition continued to challenge trading conditions."

"Grain fed exports to Japan fell 17% year-on-year over the June quarter to 31,540 tonnes swt, whilst grain fed shipments to Korea finished the June quarter 30% down year-on-year to 6,148 tonnes swt.

"Despite the difficult export trading environment, feedlot capacity levels also rose slightly over the quarter indicating that despite the tough conditions, lot feeders remained confident about the future of the industry" Mr Cudmore concluded.

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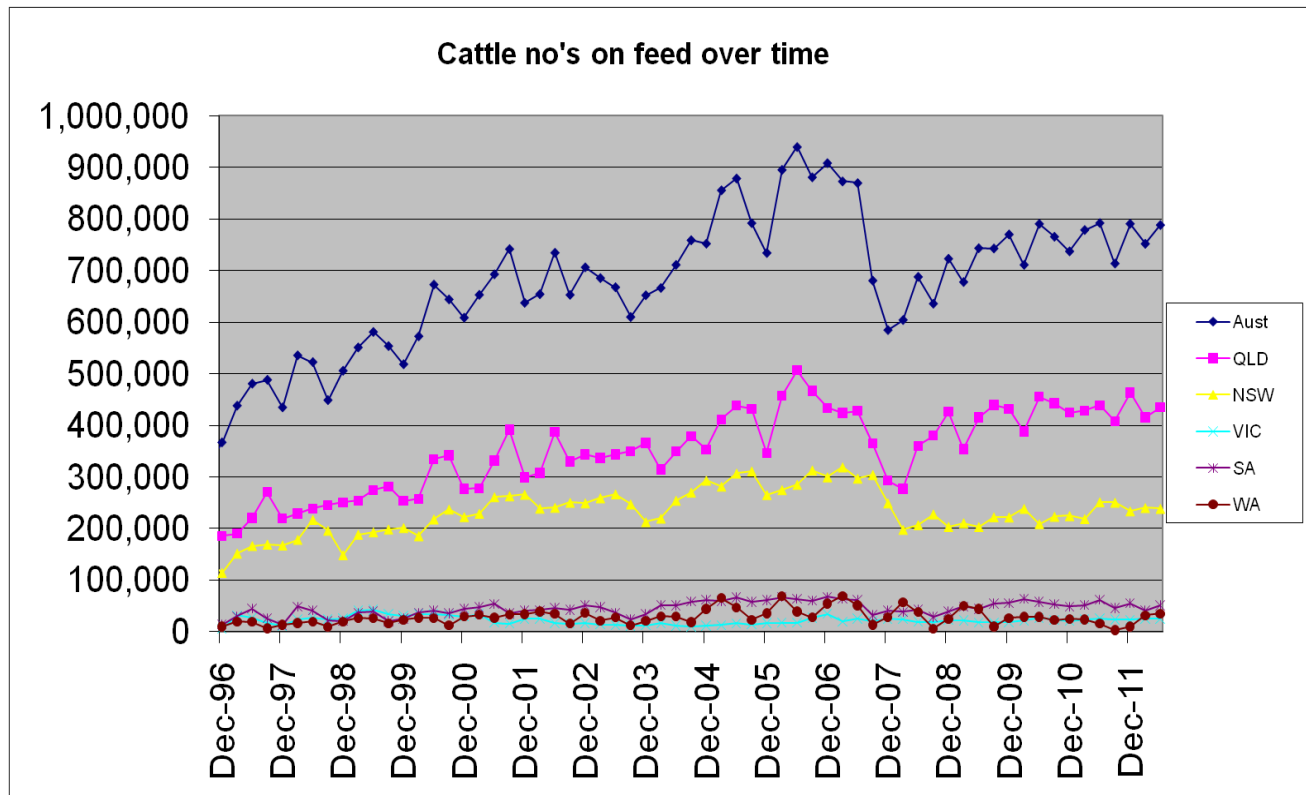
ALFA / MLA FEEDLOT SURVEY April-June 2012

Cattle numbers on feed, capacity and capacity utilisation

Numbers on Feed	NSW	VIC	QLD	SA	WA	Total
Jun-12	243,261	51,077	434,862	24,477	34,948	788,625
Mar-12	238,703	41,109	415,508	25,440	31,353	752,113
Jun-11	250,716	61,702	438,778	25,882	15,369	792,447

Capacity	NSW	VIC	QLD	SA	WA	Total
Jun-12	417,412	93,195	613,780	32,940	109,383	1,266,710
Mar-12	388,749	107,645	631,598	28,733	101,404	1,258,129
Jun-11	418,432	102,824	644,975	32,540	106,345	1,305,116

Utilisation	NSW	VIC	QLD	SA	WA	Total
Jun-12	58%	55%	71%	74%	32%	62%
Mar-12	61%	38%	66%	89%	31%	60%
Jun-11	60%	60%	68%	80%	14%	61%

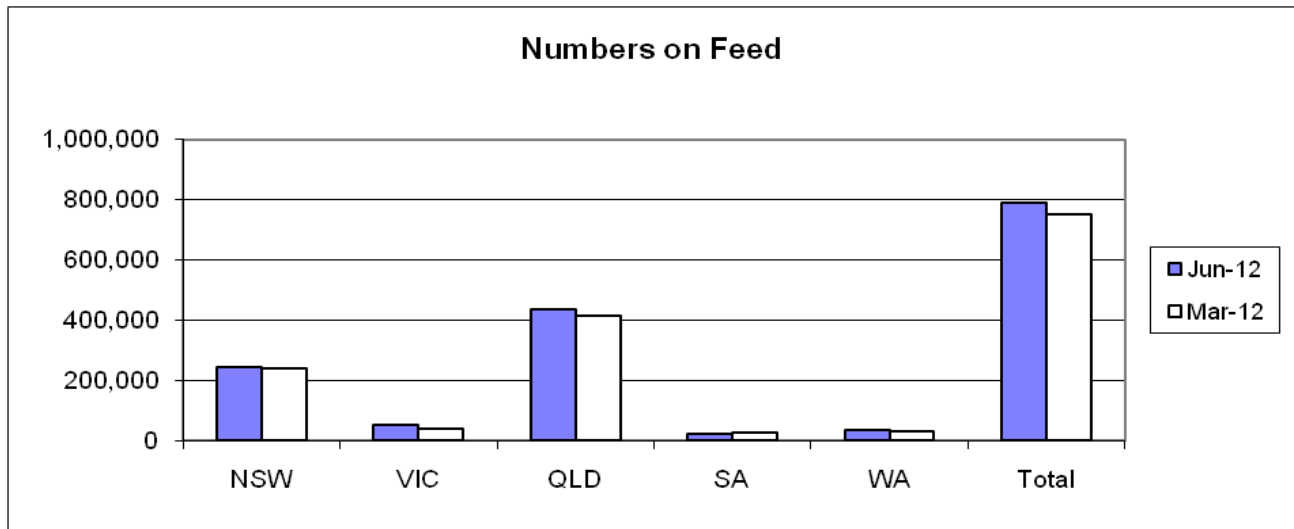


Total Cattle Turnoff

ALFA / MLA FEEDLOT SURVEY
April-June 2012

<i>Total Turnoff (year ending)</i>	NSW	VIC	QLD	SA	WA	Total
Dec-11	665278	220082	1402924	101822	55026	2445132
Dec-10	634526	207305	1468631	110831	112318	2533611
Dec-09	587444	161614	1374959	77281	130601	2331899
Dec-08	570099	150271	1212738	76910	124485	2134503
Dec-07	717243	197930	1261965	79036	148021	2404195
Dec-06	702085	208248	1495867	70054	149847	2626101

<i>Total Turnoff (quarterly)</i>	NSW	VIC	QLD	SA	WA	Total
Jun-12	161974	59766	359425	29882	33229	644276
Mar-12	158565	31327	358045	32179	12083	592199
Jun-11	175222	58245	381518	23258	21854	660097



ALFA / MLA FEEDLOT SURVEY
April-June 2012

State Breakdown by Feedlot Size

	Capacity Jun 12	Capacity Mar 12	Capacity Jun 11	Numbers on Feed Jun 12	Numbers on Feed Mar 12	Numbers on Feed Jun 11
New South Wales						
Less than 500 head	7,409	7,209	7,459	5,034	4,458	1,979
500 -1000 head	20,354	21,754	20,253	2,740	3,898	5,310
1000 - 10000 head	106,076	117,174	119,147	53,593	67,393	63,064
over 10000 head	283,573	242,612	271,573	181,894	162,954	180,363
<i>State Total</i>	<i>417,412</i>	<i>388,749</i>	<i>418,432</i>	<i>243,261</i>	<i>238,703</i>	<i>250,716</i>
Queensland						
Less than 500 head	36,118	38,403	42,748	12,103	4,672	8,763
500 -1000 head	45,775	48,260	47,589	16,981	14,453	20,320
1000 - 10000 head	223,972	222,529	232,232	163,672	128,654	170,151
over 10000 head	307,915	322,406	322,406	242,106	267,729	239,544
<i>State Total</i>	<i>613,780</i>	<i>631,598</i>	<i>644,975</i>	<i>434,862</i>	<i>415,508</i>	<i>438,778</i>
Victoria						
Less than 500 head	7,696	16,146	1,225	5,826	13,885	427
500 -1000 head	1,000	1,000	6,100	0	0	5,600
1000 - 10000 head	28,499	28,499	31,499	15,986	14,648	15,953
over 10000 head	56,000	62,000	64,000	29,265	12,576	39,722
<i>State Total</i>	<i>93,195</i>	<i>107,645</i>	<i>102,824</i>	<i>51,077</i>	<i>41,109</i>	<i>61,702</i>
South Australia						
Less than 500 head	3,498	2,896	2,900	1,064	2,046	892
500 -1000 head	6,368	25,837	7,475	2,915	23,394	3,760
1000 - 10000 head*	23,074	0	22,165	20,498	0	21,230
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>32,940</i>	<i>28,733</i>	<i>32,540</i>	<i>24,477</i>	<i>25,440</i>	<i>25,882</i>
Western Australia						
Less than 500 head	13,623	8,844	10,585	4,260	1,645	937
500 -1000 head	15,160	14,160	11,660	4,068	2,540	174
1000 – 10000 head	80,600	78,400	74,100	26,620	27,168	14,258
over 10000 head	0	0	10,000	0	0	0
<i>State Total</i>	<i>109,383</i>	<i>101,404</i>	<i>106,345</i>	<i>34,948</i>	<i>31,353</i>	<i>15,369</i>
Australia						
Less than 500 head	68,344	73,498	64,917	28,287	26,706	12,998
500 -1000 head	88,657	111,011	93,077	26,704	44,285	35,164
1000 – 10000 head	462,221	446,602	479,143	280,369	237,863	284,656
over 10000 head	647,488	627,018	667,979	453,265	443,259	459,629
<i>Total</i>	<i>1,266,710</i>	<i>1,258,129</i>	<i>1,305,116</i>	<i>788,625</i>	<i>752,113</i>	<i>792,447</i>

*The zero capacity and cattle numbers on feed result for the March quarter in SA was due to a lack of survey responses leading to the amalgamation of categories.