

MEDIA RELEASE

15 August 2018

Cattle on feed sets new record as dry bites

Cattle on feed for the April – June 2018 quarter increased 94,777 head, or 9% from the March quarter reaching the unprecedented level of 1,120,459 head according to the results of the latest Australian Lot Feeders Association (ALFA) and Meat and Livestock Australia (MLA) survey.

An increase of numbers on feed was recorded in all states apart from Western Australia, which saw a decrease of 25% to 35,285 head. Queensland indicated the greatest percentage increase of 12%, up 67,962 head from the March quarter, closely followed by NSW and VIC which were both up 10%, or 30,924 and 6,643 head respectively.

ALFA President, Tess Herbert said that the unprecedented numbers of cattle on feed was due to the continued demand for quality Australian beef and the deteriorating seasonal conditions.

“Feedlots play a critical role in meeting consumer led demand for product quality, consistency and availability, no matter the seasonal conditions, however expanding drought conditions over the quarter has certainly contributed to feedlot cattle inventory reaching record levels,” Mrs Herbert said.

“All supply chain participants are being challenged under these conditions and with feedlots at 86% utilisation, even in the face of tightening commodity market conditions, it’s a reflection of good contingency planning and just how sophisticated and resilient lot feeding businesses have become.”

“Investor confidence in the feedlot production system continues to be reflected in the sector’s growing capacity figures which increased again this quarter to a total of 1,301,395 head.” Mrs Herbert said.

Scott Tolmie, MLA’s Manager of Market Intelligence, said that poor prospects for the winter cropping season elevated demand for grain and drove prices higher throughout the quarter putting pressure on lot feeders.

“Steady gains in grain prices were experienced with wheat ex-Darling Downs averaging \$381/tonne, and barley averaging \$383/tonne, up 16% and 17% on the March quarter and an increase of 48% and 58% year-on-year, respectively,” Mr Tolmie said.

“Over the hooks indicators remained relatively stable due to robust Asian demand with grainfed beef exports up 10% from the same period last year reaching a new quarterly high of 74,932 tonnes shipped weight (swt),” Mr Tolmie said.

“Strong export demand was experienced across traditional grainfed markets with shipments to Japan and Korea both up 8% year-on-year. Volumes to China lifted 74% from year-ago levels to 12,653 tonnes (swt) which for the June quarter saw China overtake South Korea to become Australia’s second largest grainfed beef market in volume,” Mr Tolmie said.

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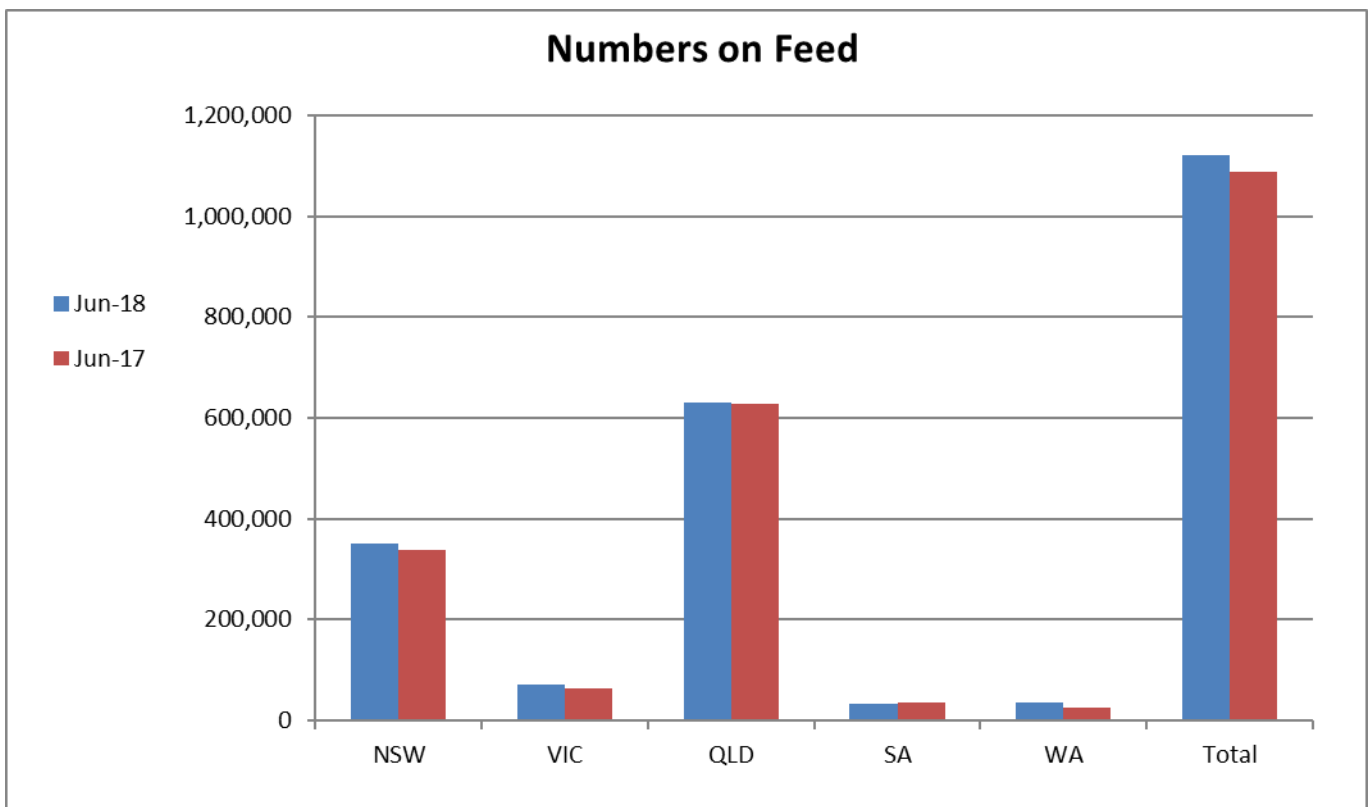
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Survey Results

Apr - Jun 2018

Cattle Numbers on Feed

Numbers on Feed	NSW	VIC	QLD	SA	WA	Total
Jun-18	351,821	70,965	629,493	32,894	35,285	1,120,459
Mar-18	320,897	64,322	561,531	31,576	47,356	1,025,682
Jun-17	338,406	64,184	626,580	34,235	25,668	1,089,072



Total Cattle Turnoff

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Jun-18	187,463	46,027	420,512	22,061	40,674	716,738
Mar-18	195,004	40,865	391,388	17,696	29,022	673,976
Jun-17	194,905	51,811	464,255	19,480	25,766	756,216

	Numbers on Feed Jun 18	Numbers on Feed Mar 18	Numbers on Feed Jun 17
New South Wales			
Less than 500 head	1,404	693	1,500
500 -1000 head	13,312	7,081	18,245
1000 - 10000 head	117,916	112,797	104,563
over 10000 head	219,189	200,326	214,098
State Total	351,821	320,897	338,406
Queensland			
Less than 500 head	7,941	6,652	10,907
500 -1000 head	14,373	12,880	20,417
1000 - 10000 head	223,287	176,002	169,426
over 10000 head	383,892	365,997	425,829
State Total	629,493	561,531	626,580
Victoria			
500 -1000 head	4,960	4,236	4,661
1000 - 10000 head	19,005	19,339	21,601
over 10000 head	47,000	40,747	37,922
State Total	70,965	64,322	64,184
South Australia			
Less than 500 head	1,136	1,388	874
500 -1000 head	1,388	0	0
1000 - 10000 head	17,371	17,688	15,862
over 10000 head	13,000	12,500	17,499
State Total	32,894	31,576	34,235
Western Australia			
Less than 500 head	611	3,259	2,172
500 -1000 head	3,868	5,208	0
1000 - 10000 head	30,806	38,889	23,496
State Total	35,285	47,356	25,668
Australia			
Less than 500 head	11,092	11,993	15,454
500 -1000 head	37,900	29,404	43,323
1000 - 10000 head	408,386	364,716	334,947
over 10000 head	663,081	619,570	695,349
Total	1,120,459	1,025,682	1,089,072

Total Capacity	NSW	VIC	QLD	SA	WA	Total
Jun-18	392,143	76,551	716,522	44,427	71,752	1,301,395
Mar-18	397,363	76,552	707,066	40,937	70,752	1,292,670
Jun-17	389,263	73,552	695,163	40,637	67,777	1,266,392

Source: Feedlot Capacity figures are provided by AUS-MEAT Limited (AUS-MEAT). AUS-MEAT owns and administers the National Feedlot Accreditation Scheme (NFAS) on behalf of ALFA and the feedlot sector. Actual Feedlot Capacity figures are reported under the NFAS.

Cattle Numbers on Feed over time

