



MEDIA RELEASE

15 May 2019

Continued dry drives cattle on feed to record levels

Cattle on feed for the January – March 2019 quarter increased 34,874 head, or 3.1% from the December quarter to record level of 1,145,563 head according to the results of the latest Australian Lot Feeders' Association (ALFA) and Meat and Livestock Australia (MLA) survey.

An increase in numbers on feed was recorded in Queensland, South Australia and Western Australia. Queensland increased by 22,242 head, or 3.5%, to 653,528 head, South Australia increased by 9,727, or 24%, to 50,166 head and Western Australia increased by 12,887, or 33%, to 52,355 head compared to the December quarter. New South Wales and Victoria experienced a decrease in numbers on feed, down 2.3% and 3.6% from the December quarter to 318,941 head and 70,572 head respectively.

ALFA President, Bryce Camm, said that the number of cattle on feed continues to be influenced by dry conditions coupled with strong demand for high-quality Australian beef.

"The record level of 1,145,563 cattle on feed for the March 2019 quarter was driven by an unfavourably dry summer resulting in more cattle moving into the feedlot production system," Mr Camm said.

"Licensed capacity also reached a new record of 1,363,046 head, up 70,376 head year-on-year, suggesting strong investor support for feedlots and their ability to deliver consistent high-quality Australian beef to our global customers," Mr Camm said.

"The record capacity and cattle on feed number, despite being faced with very challenging seasonal and climatic conditions, indicates how resilient lot feeding businesses have become and the important role they play in meeting our customer's needs," Mr Camm said.

Scott Tolmie, MLA's Manager of Market Intelligence, said that severe weather conditions culminated in a large-scale destocking event beginning in late February, with feeder steers falling to a four-year low of 232¢/kg lwt on 12 March.

"A rain led recovery resulted in feeder steers ending the quarter at 280¢/kg lwt, just 1% below the beginning of the quarter," Mr Tolmie said.

"Lot feeders experienced some slight grain price relief during the quarter, albeit from a very high base, with wheat ex-Darling Downs averaging \$430/tonne and barley averaging \$393. These prices are still an increase of 30% and 20% year-on-year, respectively, and remain considerably elevated when compared to global indicators," Mr Tolmie said.

ALFA / MLA FEEDLOT SURVEY Jan - Mar 2019

“Notwithstanding the volatile growing conditions domestically, global demand fundamentals remain strong for high quality Australian grain fed beef reflected in the Queensland 100-day grain fed steer over-the-hook indicator increasing 9% year-on-year in the March quarter to average 554¢/kg cwt,” Mr Tolmie said.

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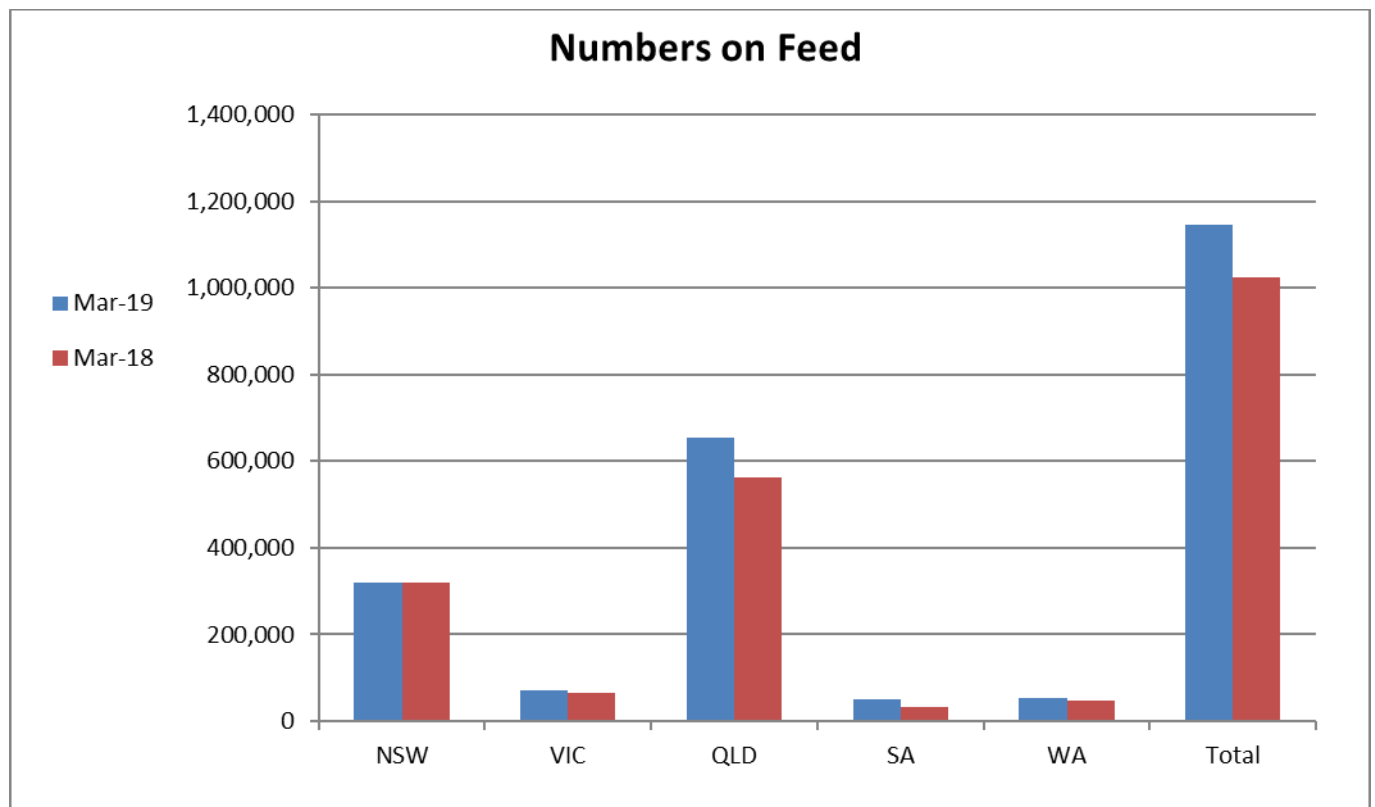
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Cattle Numbers on Feed

<i>Numbers on Feed</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Mar-19	318,941	70,572	653,528	50,166	52,355	1,145,563
Dec-18	326,322	73,173	631,286	40,439	39,469	1,110,689
Mar-18	320,897	64,322	561,531	31,576	47,356	1,025,682



ALFA / MLA FEEDLOT SURVEY
Jan - Mar 2019

Total Cattle Turnoff

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Mar-19	199,843	55,507	428,618	29,182	39,602	752,752
Dec-18	201,083	51,229	565,278	23,657	7,753	848,999
Mar-18	195,004	40,865	391,388	17,696	29,022	673,976

Cattle Numbers on Feed

	Numbers on Feed Mar 19	Numbers on Feed Dec 18	Numbers on Feed Mar 18
<i>New South Wales</i>			
Less than 500 head	936	650	693
500 -1000 head	3,041	6,866	7,081
1000 - 10000 head	102,801	108,426	112,797
over 10000 head	212,163	210,379	200,326
State Total	318,941	326,322	320,897
<i>Queensland</i>			
Less than 500 head	8,456	4,281	6,652
500 -1000 head	19,141	18,013	12,880
1000 - 10000 head	216,925	213,119	176,002
over 10000 head	409,006	395,873	365,997
State Total	653,528	631,286	561,531
<i>Victoria</i>			
500 -1000 head	4,455	4,553	4,236
1000 - 10000 head	26,117	28,620	19,339
over 10000 head	40,000	40,000	40,747
State Total	70,572	73,173	64,322
<i>South Australia</i>			
Less than 500 head	1,174	1,390	1,388
500 -1000 head	1,943	1,665	0
1000 - 10000 head	31,214	21,684	17,688
over 10000 head	15,836	15,700	12,500
State Total	50,166	40,439	31,576
<i>Western Australia</i>			
Less than 500 head	3,785	2,245	3,259
500 -1000 head	6,392	4,038	5,208
1000 - 10000 head	42,178	33,187	38,889
State Total	52,355	39,469	47,356
<i>Australia</i>			
Less than 500 head	14,351	8,566	11,993
500 -1000 head	34,971	35,135	29,404
1000 - 10000 head	419,236	405,036	364,716
over 10000 head	677,004	661,952	619,570
Total	1,145,563	1,110,689	1,025,682

ALFA / MLA FEEDLOT SURVEY
Jan - Mar 2019

Total Feedlot Capacity

Total Capacity	NSW	VIC	QLD	SA	WA	Total
Mar-19	400,291	76,151	763,393	51,734	71,477	1,363,046
Dec-18	393,012	76,551	725,911	43,879	68,077	1,307,430
Mar-18	397,363	76,552	707,066	40,937	70,752	1,292,670

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.

