



Wednesday, 16th May, 2007

Media Release

Feedlots weather tough trading conditions

Reflecting ongoing difficult market conditions, the number of cattle on feed came back 4% nationally in the ALFA/MLA March 2007 quarterly feedlot survey.

The survey found that numbers held up better than expectations. The total number of cattle on feed dropped from 908,820 head as at the end of December 2006 to 873,265 - 2.5% or 22,411 lower than the 895,676 on feed 12 months ago. Numbers on feed fell in all States except Western Australia.

Turnoff for the quarter at 658,641 head was up 9% on the same quarter last year and just over 2% higher than the December 2006 quarter. National feedlot capacity remains at 1.1 million.

According to ALFA president Malcolm Foster, "The industry is showing remarkable resilience, despite the number of adverse factors that are having an impact. Drought has lifted grain prices by 75% to 90% since the beginning of 2006, to be well above international parity, and cattle prices have not fallen sufficiently to compensate for this."

Compounding this is the arrival of much more difficult international trading conditions. Mr Foster pointed to the 9% escalation of the Australian dollar over the twelve months to March. "This together with low demand in Japan and Korea (in part due to the re-entry of US beef) is playing a big role in weakened trading conditions. Chilled shortfed beef export prices to Japan, Australia's biggest grainfed export market, have fallen 15% since December and grainfed exports in March were 13% below the previous year. US beef is also being offered into Korea at very competitive prices."

"Many feedlots are not able to make a profit in this business climate," said Mr Foster.

The supplies of quality feeder cattle continue to be tight. "This could well be complicated if there is a general break in the season," Mr Foster pointed out. "However, good winter rain should lead to a fall in grain prices back closer to export parity and this would provide welcome relief."

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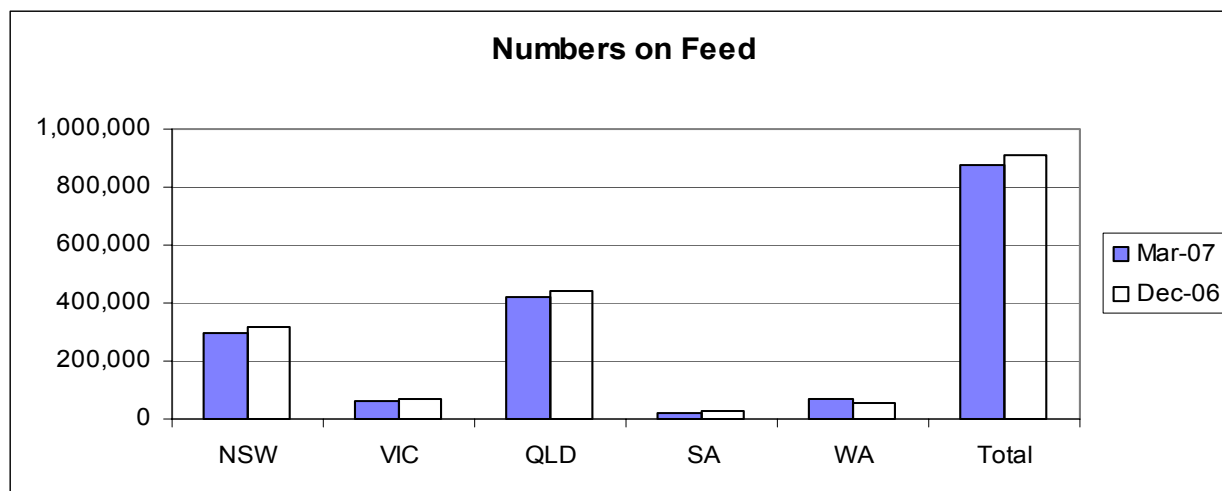
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ALFA / MLA FEEDLOT SURVEY January - March 2007

Capacity	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Mar-07	377,484	77,638	550,769	31,544	91,366	1,128,801
Dec-06	369,521	72,097	528,675	34,539	86,890	1,091,722
Mar-06	350,821	74,764	542,415	26,633	103,941	1,098,574

Numbers on Feed	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Mar-07	297,305	63,639	423,923	19,466	68,932	873,265
Dec-06	319,067	67,468	440,704	27,161	54,420	908,820
Mar-06	285,180	66,876	457,803	17,115	68,702	895,676

Utilisation	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Mar-07	79%	82%	77%	62%	75%	77%
Dec-06	86%	94%	83%	79%	63%	83%
Mar-06	81%	89%	84%	64%	66%	82%



Market Destination	Mar-07		Dec-06		Mar-06	
	Numbers	%	Numbers	%	Numbers	%
Export	578529	66.2%	583226	63.7%	579072	64.7%
Domestic	263343	30.2%	298621	32.6%	293097	32.7%
Unknown	31397	3.6%	34167	3.7%	23503	2.6%
Total	873,269	100.0%	916,014	100.0%	895,672	100.0%

Breakdown by Feedlot Size	Capacity Mar 07	Capacity Dec 06	Capacity Mar 06	Numbers on Feed Mar 07	Numbers on Feed Dec 06	Numbers on Feed Mar 06
Australia						
Less than 500 head	69,747	71,197	75,010	29,838	31,364	35,138
500 -1000 head	93,517	88,637	93,753	51,546	57,114	54,282
1000 - 10000 head	370,780	363,265	371,864	288,446	291,071	320,544
over 10000 head	594,757	568,623	557,947	503,435	529,271	485,712
Total	1,128,801	1,091,722	1,098,574	873,265	908,820	895,676

ALFA / MLA FEEDLOT SURVEY

January - March 2007

State Breakdown by Feedlot Size

	Capacity Mar 07	Capacity Dec 06	Capacity Mar 06	Numbers on Feed Mar 07	Numbers on Feed Dec 06	Numbers on Feed Mar 06
New South Wales						
Less than 500 head	8,441	8,478	11,447	5,852	6,509	6,011
500 -1000 head	20,610	20,610	15,195	11,813	15,590	6,470
1000 - 10000 head	100,100	99,100	81,846	58,867	61,428	67,884
over 10000 head	248,333	241,333	242,333	220,773	235,540	204,815
<i>State Total</i>	<i>377,484</i>	<i>369,521</i>	<i>350,821</i>	<i>297,305</i>	<i>319,067</i>	<i>285,180</i>
Queensland						
Less than 500 head	43,963	44,480	45,550	17,005	17,130	21,085
500 -1000 head	44,447	40,970	48,732	20,928	21,250	31,603
1000 - 10000 head	167,935	167,935	186,519	145,388	158,811	173,342
over 10000 head	294,424	275,290	261,614	240,602	243,513	231,773
<i>State Total</i>	<i>550,769</i>	<i>528,675</i>	<i>542,415</i>	<i>423,923</i>	<i>440,704</i>	<i>457,803</i>
Victoria						
Less than 500 head	805	1,497	1,779	880	1,170	2,455
500 -1000 head	4,833	4,600	3,985	5,222	3,463	3,485
1000 - 10000 head	20,000	14,000	15,000	15,477	12,617	11,812
over 10000 head	52,000	52,000	54,000	42,060	50,218	49,124
<i>State Total</i>	<i>77,638</i>	<i>72,097</i>	<i>74,764</i>	<i>63,639</i>	<i>67,468</i>	<i>66,876</i>
South Australia						
Less than 500 head	4,647	4,527	3,769	2,274	2,835	1,387
500 -1000 head	9,552	8,982	8,622	5,608	7,834	5,513
1000 - 10000 head	17,345	21,030	14,242	11,584	16,492	10,215
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>31,544</i>	<i>34,539</i>	<i>26,633</i>	<i>19,466</i>	<i>27,161</i>	<i>17,115</i>
Western Australia						
Less than 500 head	11,891	12,215	12,465	3,827	3,720	4,200
500 -1000 head	14,075	13,475	17,219	7,975	8,977	7,211
1000 - 10000 head	65,400	61,200	74,257	57,130	41,723	57,291
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>91,366</i>	<i>86,890</i>	<i>103,941</i>	<i>68,932</i>	<i>54,420</i>	<i>68,702</i>
Australia						
Less than 500 head	69,747	71,197	75,010	29,838	31,364	35,138
500 -1000 head	93,517	88,637	93,753	51,546	57,114	54,282
1000 - 10000 head	370,780	363,265	371,864	288,446	291,071	320,544
over 10000 head	594,757	568,623	557,947	503,435	529,271	485,712
<i>Total</i>	<i>1,128,801</i>	<i>1,091,722</i>	<i>1,098,574</i>	<i>873,265</i>	<i>908,820</i>	<i>895,676</i>

ALFA / MLA FEEDLOT SURVEY

January - March 2007

Total Cattle Turnoff

Total Turnoff (year ending)	NSW	VIC	QLD	SA	WA	Total
Dec-06	702085	208248	1495867	70054	149847	2626101
Dec-05	755550	220123	1457222	54673	131161	2609194
Dec-04	684645	171388	1264864	43745	77619	2242261

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Mar-07	198980	51168	339371	19951	49171	658641
Dec-06	174590	51888	375397	22045	19265	643185
Mar-06	167449	51762	322297	15912	46627	604047

