



AUSTRALIAN LOT FEEDERS ASSOCIATION



Media Release

14th April, 2008

Feedlot cattle numbers improve

Reflecting marginally improved trading conditions on the domestic market, the numbers of cattle on feed increased by 3% since the December quarter according to the March ALFA/ MLA survey.

However there has been no improvement on cattle numbers on feed for the export market with the increase largely driven by the need in Western Australia to finish cattle in feedlots due to normal dry summer conditions.

Australian Lot Feeders' Association (ALFA) President, Malcolm Foster said "a 23% reduction in sorghum prices along with a 17% reduction in barley prices over the quarter helped offset increases in feeder cattle prices and a resilient Australian dollar".

"Regardless, trading conditions remain tight and it is not surprising that cattle numbers as a proportion of feedlot capacity remain at 51% - the same as the December quarter. This is down from 77% at the same time last year".

"The survey indicated that the larger feedlots in Western Australia and New South Wales drove the overall cattle number increases while the majority of feedlots in Queensland, Victoria and South Australia continued to experience reductions".

Manager for Market Information and Analysis at Meat & Livestock Australia (MLA), Peter Weeks stated that "grain fed exports to Japan, Korea and the US continued to decline with 22%, 27% and 52% reductions compared to the same period in 2007".

"Nor has there been any improvement in the numbers of cattle on feed for export markets, which remained at 417,000 head at the end of March, down almost 30% on the previous year".

"Beef demand in Japan and Korea is being constrained by increased competition from the US and higher prices for Australian beef - primarily due to decreased production and high grain costs. The decline in US grain fed exports is due to tight supplies, lacklustre demand and the high Australian dollar".

"The small improvement in numbers of cattle on feed in the March quarter will benefit predominantly domestic consumers, with cattle on feed for this market up 15% on December, to 184,000 head (though still 30% down on a year earlier)."

Mr Foster continued "lot feeders remain hopeful that increased wheat plantings throughout the world over the next few years will help offset the price impact of global stock shortages and ethanol driven demand".

"In any event grain and food prices will continue to increase if Governments throughout the world maintain assistance for the grain derived ethanol industry, Mr Foster concluded".

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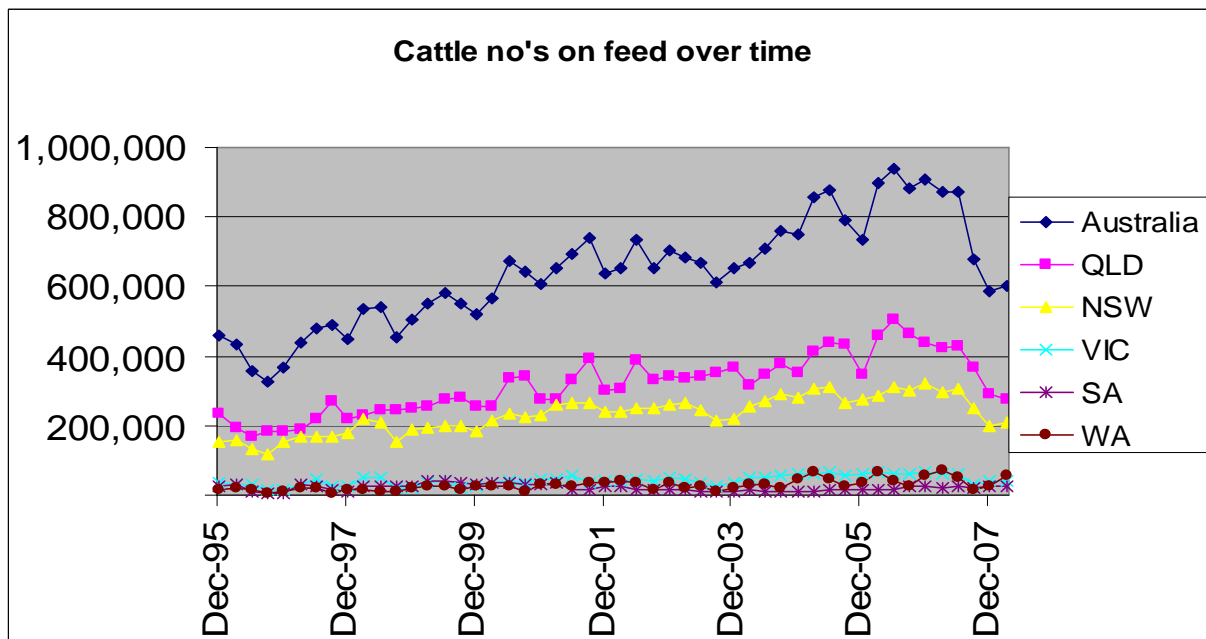
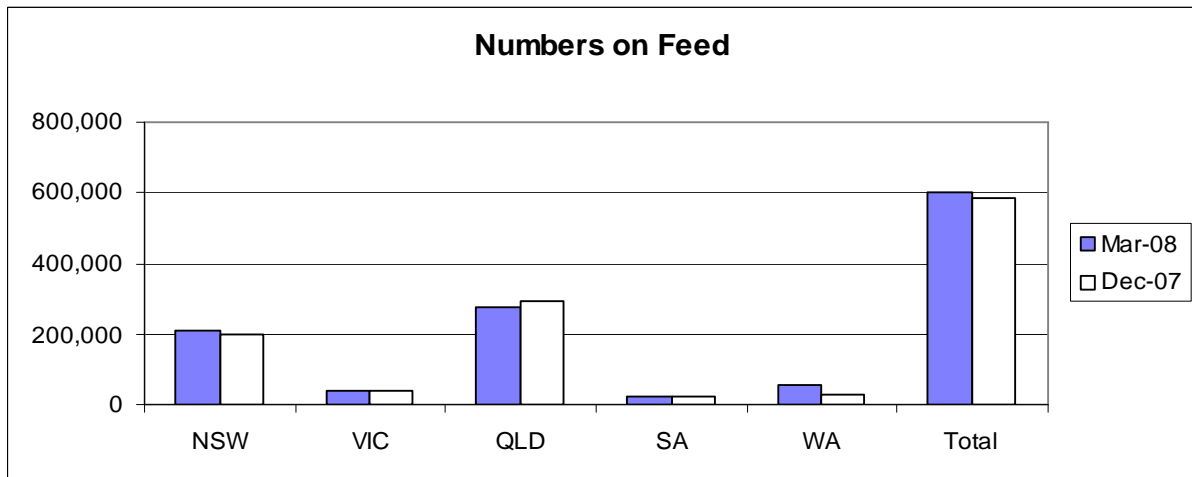
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ALFA / MLA FEEDLOT SURVEY January – March 2008

Numbers on Feed	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Mar-08	206,900	38,398	277,159	24,291	57,278	604,026
Dec-07	197,706	41,189	292,990	24,701	27,886	584,472
Mar-07	297,305	63,639	423,923	19,466	68,932	873,265
Capacity	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Mar-08	398,522	77,468	565,010	32,594	113,372	1,186,966
Dec-07	389,501	77,255	551,567	32,594	101,566	1,152,483
Mar-07	377,484	77,638	550,769	31,544	91,366	1,128,801

Utilisation	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Mar-08	52%	50%	49%	75%	51%	51%
Dec-07	51%	53%	53%	76%	27%	51%
Mar-07	79%	82%	77%	62%	75%	77%



ALFA / MLA FEEDLOT SURVEY
January – March 2008

Market and feedlot size analyses

Market Destination	Mar-08		Dec-07		Mar-07	
	Numbers	%	Numbers	%	Numbers	%
Export	416860	69.0%	417650	71.5%	578529	66.2%
Domestic	184367	30.5%	160224	27.4%	263343	30.2%
Unknown	2797	0.5%	6598	1.1%	31397	3.6%
Total	604,024	100.0%	584,472	100.0%	873,269	100.0%

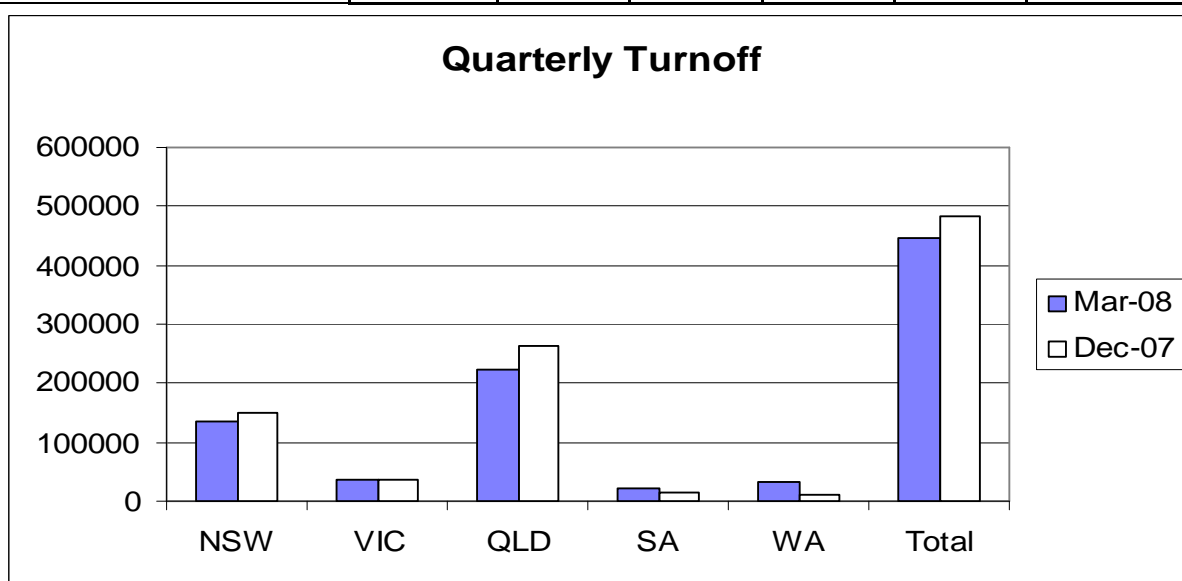
Breakdown by Feedlot Size	Capacity Mar 08	Capacity Dec 07	Capacity Mar 07	Numbers on Feed Mar 08	Numbers on Feed Dec 07	Numbers on Feed Mar 07
	Less than 500 head	78,307	78,459	69,747	15,407	10,896
500 -1000 head	80,293	79,758	93,517	25,005	29,418	51,546
1000 - 10000 head	421,053	388,025	370,780	210,673	193,832	288,446
over 10000 head	607,314	606,242	594,757	352,941	350,326	503,435
Total	1,186,966	1,152,483	1,128,801	604,026	584,472	873,265

Total Cattle Turnoff

Total Turnoff (year ending)	NSW	VIC	QLD	SA	WA	Total
Dec-07	717243	197930	1261965	79036	148021	2404195
Dec-06	702085	208248	1495867	70054	149847	2626101
Dec-05	755550	220123	1494793	54673	131161	2609194

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Mar-08	134378	34803	222240	21955	32772	446148
Dec-07	151751	38037	265156	16243	10310	481497
Mar-07	198980	51168	339371	19951	49171	658641

Quarterly Turnoff



ALFA / MLA FEEDLOT SURVEY
January – March 2008

State Breakdown by Feedlot Size

	Capacity Mar 08	Capacity Dec 07	Capacity Mar 07	Numbers on Feed Mar 08	Numbers on Feed Dec 07	Numbers on Feed Mar 07
New South Wales						
Less than 500 head	7,399	7,399	8,441	2,758	1,172	5,852
500 -1000 head	20,610	20,610	20,610	6,674	9,532	11,813
1000 - 10000 head	109,672	102,160	100,100	25,723	35,957	58,867
over 10000 head	260,842	259,333	248,333	171,745	151,045	220,773
<i>State Total</i>	398,522	389,501	377,484	206,900	197,706	297,305
Queensland						
Less than 500 head	43,502	43,502	43,963	5,877	7,418	17,005
500 -1000 head	45,586	45,586	44,447	9,954	11,989	20,928
1000 - 10000 head	186,688	173,245	167,935	106,898	104,799	145,388
over 10000 head	289,234	289,234	294,424	154,430	168,784	240,602
<i>State Total</i>	565,010	551,567	550,769	277,159	292,990	423,923
Victoria						
Less than 500 head	1,023	1,345	805	0	647	880
500 -1000 head	3,695	3,160	4,833	2,586	2,736	5,222
1000 - 10000 head	15,512	15,075	20,000	9,046	7,309	15,477
over 10000 head	57,238	57,675	52,000	26,766	30,497	42,060
<i>State Total</i>	77,468	77,255	77,638	38,398	41,189	63,639
South Australia						
Less than 500 head	4,347	4,347	4,647	2,342	1,659	2,274
500 -1000 head	8,902	8,902	9,552	5,791	5,161	5,608
1000 - 10000 head	19,345	19,345	17,345	16,158	17,881	11,584
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	32,594	32,594	31,544	24,291	24,701	19,466
Western Australia						
Less than 500 head	22,036	21,866	11,891	4,430	0	3,827
500 -1000 head	1,500	1,500	14,075	0	0	7,975
1000 - 10000 head	89,836	78,200	65,400	52,848	27,886	57,130
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	113,372	101,566	91,366	57,278	27,886	68,932
Australia						
Less than 500 head	78,307	78,459	69,747	15,407	10,896	29,838
500 -1000 head	80,293	79,758	93,517	25,005	29,418	51,546
1000 - 10000 head	421,053	388,025	370,780	210,673	193,832	288,446
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