



Media Release

23 August 2017

Cattle on feed growth continues

Cattle on feed for the April – June quarter increased 72,597 head, or 7.1% from the March quarter, reaching the unprecedented level of 1,089,072 head according to the results of the ALFA/MLA quarterly survey.

An increase of numbers on feed was recorded in all states apart from Western Australia, which saw a decrease of 36% to 25,668 head.

South Australia again indicated the greatest percentage increase of 14%, up 4,371 head from the March quarter, closely followed by Queensland which was up 12%, or 69,694 head.

ALFA President, Tess Herbert said that the results from the June survey reflected an exciting period in the Australian feedlot sector and supported an underlying level of confidence in the grain fed production system.

“Supply chains are continuing to recognise the importance that the Australian grain fed beef production system plays in enabling brand owners to meet the demand for high quality beef every day of the week,” Ms Herbert said.

“This longer term confidence in the sector is reflected in the level of capital works and expansion projects underway commercially, which has resulted in overall feedlot capacity reaching an all-time record of 1.26 million head,” Ms Herbert said.

“The record number of cattle on feed and increase in capacity reported in this quarter’s survey reinforces the underlying confidence the sector is experiencing at the moment,” Ms Herbert said.

“Recent seasonal conditions have impacted cattle and grain prices over the period, further demonstrating lot feeders’ resilience to ever changing market dynamics.”

Ms Herbert said that despite these normal market dynamics, the upward trend of cattle on feed and investment in the sector illustrates the depth to which grain fed product and production system is embedded in the Australian beef industry, “The feedlot industry continues to demonstrate its ability to produce high quality beef that consistently meets customer’s expectations.”

Damon Holmes, MLA’s Manager of Data Intelligence, said that the national saleyard feeder steer indicator was buoyed in the first half of the 2016-17 fiscal year by historically high cattle prices, however, “Deteriorating seasonal conditions over the last couple of months, combined with a poor rainfall outlook has resulted in restocker demand subsiding somewhat and has put downward pressure on the cattle market,” Mr Holmes said. “This has seen more feeder cattle buyer activity within the store market.”

Mr Holmes also said that fiscal year grain prices averaged lower in 2016-17, on the back on high global production. “2016-17 represented Australia’s largest year of grain production on record,” Mr Holmes said.

“Wheat ex-Darling Downs averaged \$238.29/tonne, while barley averaged \$217.88, to both be 17% lower year-on-year and sorghum was 9% lower, averaging \$230.77/tonne,” Mr Holmes said. “Similarly, wheat ex-Riverina eased 23% year-on-year, averaging \$211.21/tonne and barley settled on \$173.94 for the 12 month period, back 28%.”

“More recently, the forecast decline in grain production has resulted in prices recovering somewhat, however this has been partially mitigated by decreasing livestock prices.”

-Ends-

For more information:

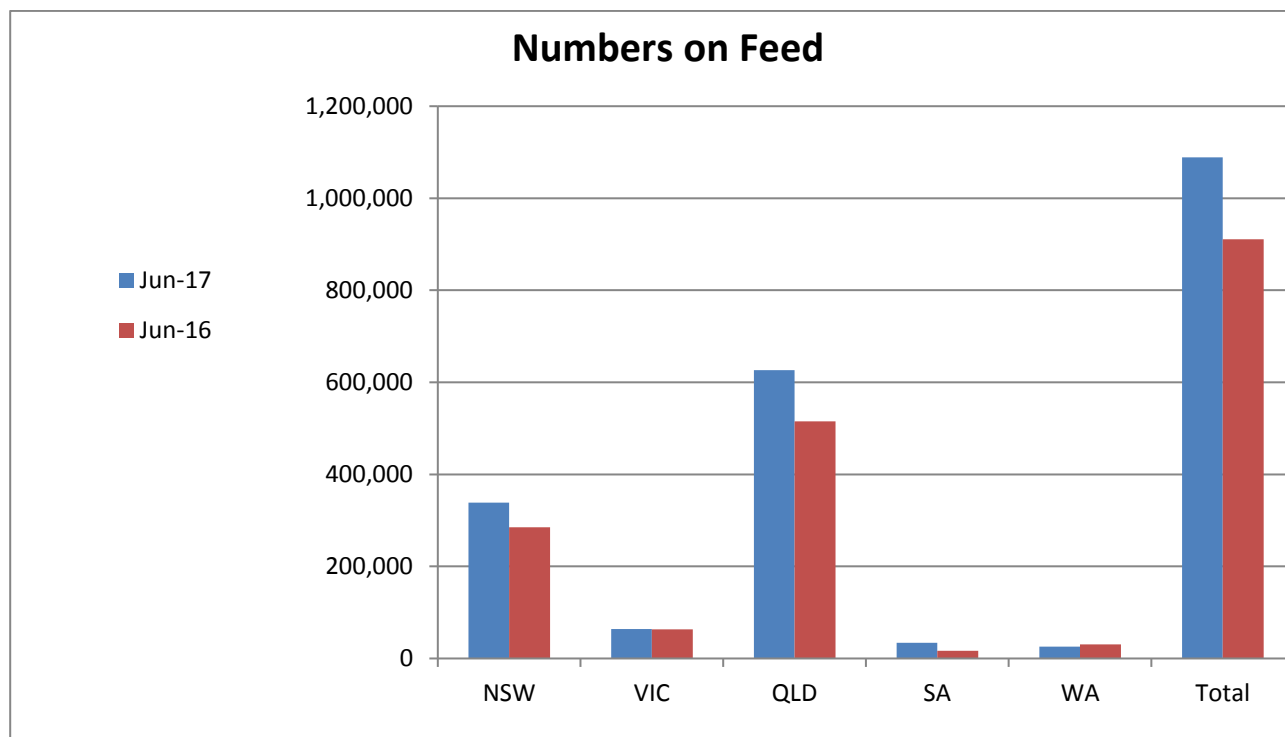
Tess Herbert
President – ALFA
E: tess_herbert@gundamain.com.au
P: (02) 6859 2784

Damon Holmes
Manager, Data Intelligence – MLA
E: dholmes@mla.com.au
P: (02) 9463 9333

ALFA / MLA FEEDLOT SURVEY
Apr - Jun 2017

Cattle Numbers on Feed

Numbers on Feed	NSW	VIC	QLD	SA	WA	Total
Jun-17	338,406	64,184	626,580	34,235	25,668	1,089,072
Mar-17	329,170	60,008	556,886	29,864	40,548	1,016,475
Jun-16	285,128	63,368	515,088	16,990	30,393	910,967



Total Cattle Turnoff

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Jun-17	194,905	51,811	464,255	19,480	25,766	756,216
Mar-17	219,141	35,909	397,154	5,985	40,008	698,199
Jun-16	231,453	58,383	350,577	28,031	44,060	712,504

ALFA / MLA FEEDLOT SURVEY
Apr - Jun 2017

	Numbers on Feed Jun 17	Numbers on Feed Mar 17	Numbers on Feed Jun 16
New South Wales			
Less than 500 head	1,500	1,500	2,951
500 -1000 head	18,245	10,078	10,424
1000 - 10000 head	104,563	94,312	96,988
over 10000 head	214,098	223,280	174,765
State Total	338,406	329,170	285,128
Queensland			
Less than 500 head	10,907	9,253	17,014
500 -1000 head	20,417	12,896	9,026
1000 - 10000 head	169,426	167,738	163,363
over 10000 head	425,829	366,998	325,685
State Total	626,580	556,886	515,088
Victoria			
500 -1000 head	4,661	4,408	8,498
1000 - 10000 head	21,601	21,700	29,556
over 10000 head	37,922	33,900	25,313
State Total	64,184	60,008	63,368
South Australia			
Less than 500 head	874	624	778
500 -1000 head	0	1,602	630
1000 - 10000 head	15,862	12,638	15,582
over 10000 head	17,499	15,000	0
State Total	34,235	29,864	16,990
Western Australia			
Less than 500 head	2,172	2,971	2,158
500 -1000 head	0	4,640	3,898
1000 - 10000 head	23,496	32,936	24,337
State Total	25,668	40,548	30,393
Australia			
Less than 500 head	15,454	14,348	22,902
500 -1000 head	43,323	33,624	32,475
1000 - 10000 head	334,947	329,324	329,826
over 10000 head	695,349	639,178	525,764
Total	1,089,072	1,016,475	910,967

Total Capacity	NSW	VIC	QLD	SA	WA	Total
Jun-17	389,263	73,552	695,163	40,637	67,777	1,266,392
Mar-17	389,662	74,652	667,432	40,307	67,777	1,239,830
Dec-16	390,222	74,651	667,432	40,307	67,777	1,240,389

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.

ALFA / MLA FEEDLOT SURVEY Apr - Jun 2017

