



5 August 2020

## CATTLE ABOVE 1 MILLION HEAD DESPITE CHALLENGES

Cattle on feed for the April to June 2020 quarter remained above 1 million to reach 1,010,192 head according to the latest results of the Australian Lot Feeders' Association (ALFA) and Meat & Livestock Australia (MLA) survey.

While cattle numbers declined 7% nationally from March 2020, Queensland experienced an increase in cattle numbers on feed, with an additional 5,050 head or 0.8% increase, to 611,683 head.

All other states experienced reductions with New South Wales decreasing by 40,621 or 13.4%, to reach 263,489 head on feed, Victoria decreased by 13,032, or 18.6%, to 57,211 head, and South Australia decreased by 6,302, or 13.4%, to 40,714 head.

Western Australia recorded the largest percentage decrease, falling 22,496, or 37.7%, to 37,096, reflecting the seasonal nature of lot feeding in the state.

ALFA President, Bryce Camm, said improved seasonal conditions and its impact on cattle availability has been a key driver of feedlot production dynamics over the last quarter.

“Good rainfall in southern states increased competition and reduced availability of suitable livestock to feedlot buyers. While old crop prices eased slightly with the prospect of a good winter crop outcome, the combined factors of dearer cattle and relatively high grain price has impacted lot feeders' decisions.”

“Whilst there has been a level of pressure on the feedlot sector, it's encouraging for the cattle industry to see a number of areas currently experiencing improved conditions for cattle production and cropping.”

“National feedlot utilisation is back 8% in the June quarter to 70%, with all states recording declines from the March quarter, except for Queensland which remained relatively stable with the previous quarter.”

“Despite these challenges cattle on feed remains above 1 million head demonstrating the industry's resilience and continued demand for high quality grain fed beef from our customers.”

“Long-term commitment and investor confidence in the feedlot production system continues with feedlot capacity increasing 2.5% on the March 2020 quarter to an impressive record of 1,432,989 head,” Mr Camm said.

Adam Cheetham, MLA's Senior Market Analyst, said that while COVID-19 added a level of uncertainty in global markets there was sustained demand for finished cattle over the April to June period.

“Reduced feedlot turnoff generated solid demand for finished cattle with the Queensland 100-day grain fed steer over-the-hook (OTH) indicator reaching a record high at 670¢/kg carcass weight (cwt) in the last week of June.”

“Prices averaged 613¢/kg cwt for the quarter, in line with the March quarter and 7% above year-ago levels giving some relief to the challenges faced by the lot feeding industry.”

**ALFA / MLA FEEDLOT SURVEY**  
**Apr - Jun 2020**

“Despite the uncertainty COVID-19 has had on overseas markets, Australia’s overall grainfed exports remained stable with the previous March quarter, totalling 78,076 tonnes shipped weight (swt) for the June quarter, back only 2% from year-ago levels,” Mr Cheetham said.

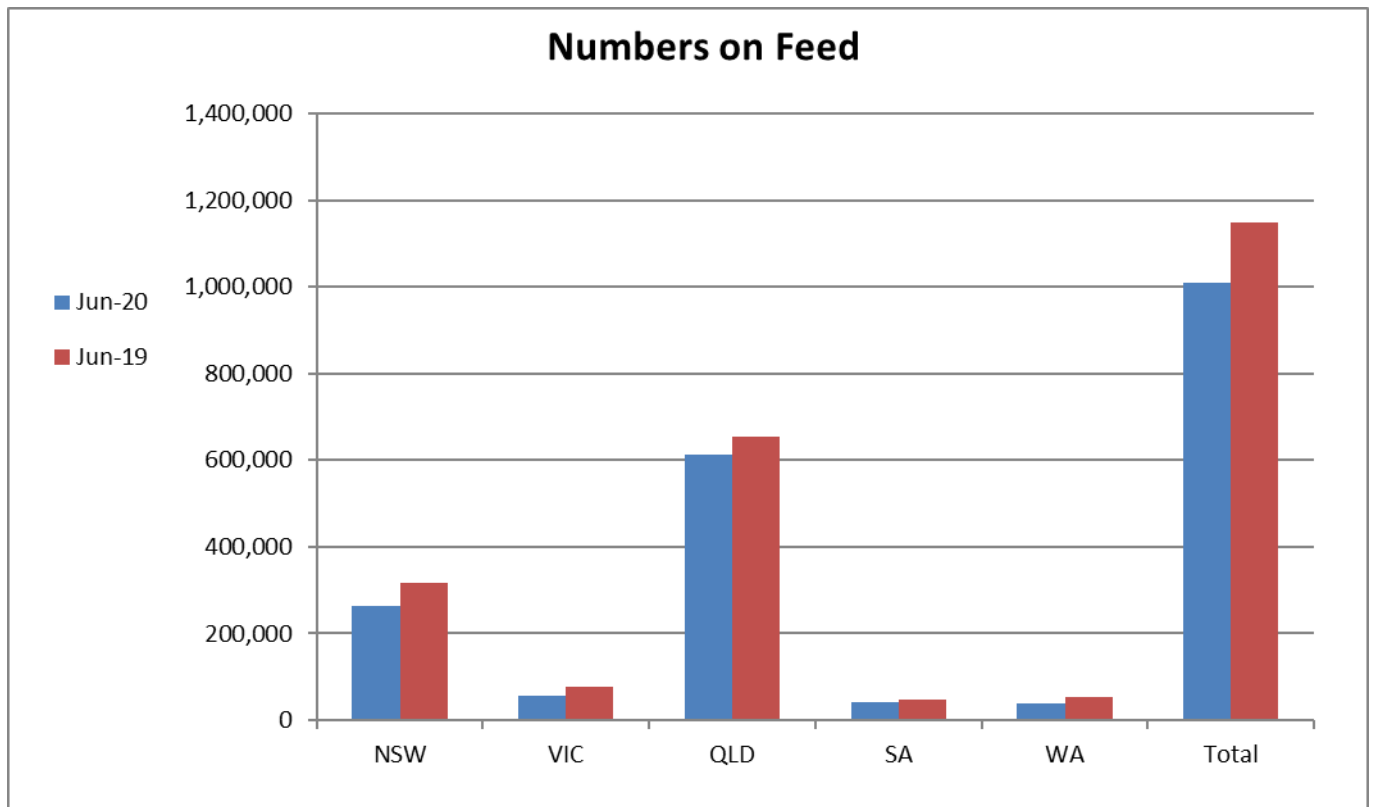
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**Cattle Numbers on Feed**

<b>Numbers on Feed</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>WA</b>	<b>Total</b>
Jun-20	263,489	57,211	611,683	40,714	37,096	<b>1,010,192</b>
Mar-20	304,110	70,243	606,633	47,016	59,592	<b>1,087,594</b>
Jun-19	316,812	76,552	652,829	47,747	53,454	<b>1,147,393</b>



**ALFA / MLA FEEDLOT SURVEY**  
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**Total Cattle Turnoff**

<b>Total Turnoff (quarterly)</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>WA</b>	<b>Total</b>
Jun-20	181,050	48,011	379,635	29,126	58,432	<b>696,253</b>
Mar-20	214,120	58,407	500,790	35,564	54,522	<b>863,403</b>
Jun-19	196,255	58,526	457,474	37,584	41,159	<b>790,996</b>

**Cattle Numbers on Feed**

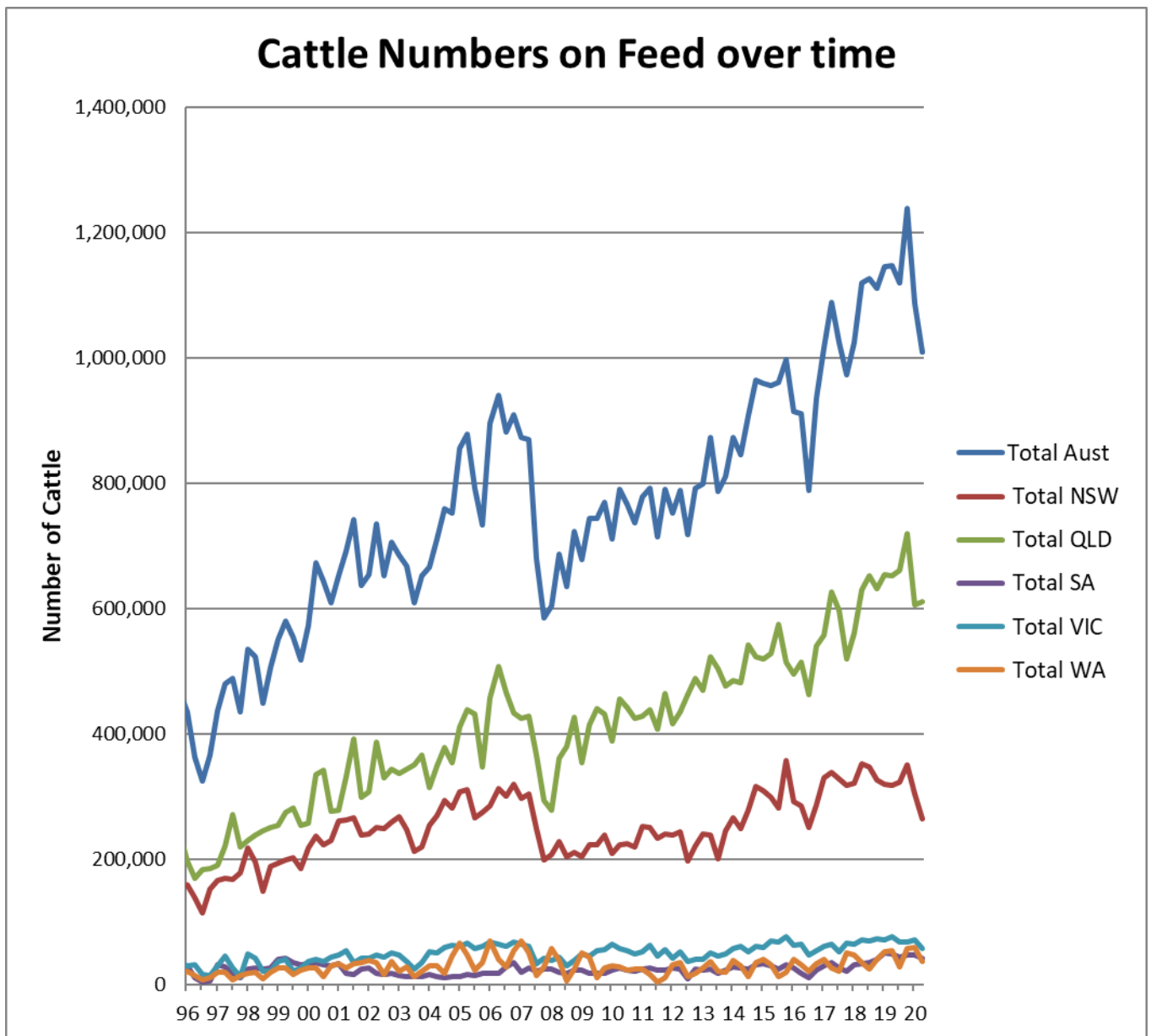
	<b>Numbers on Feed Jun 20</b>	<b>Numbers on Feed Mar 20</b>	<b>Numbers on Feed Jun 19</b>
<b>New South Wales</b>			
Less than 500 head	618	1,156	693
500 -1000 head	5,541	9,904	5,235
1001 – 10,000 head	99,303	102,950	106,415
over 10,000 head	158,027	190,100	204,469
<b>State Total</b>	<b>263,489</b>	<b>304,110</b>	<b>316,812</b>
<b>Queensland</b>			
Less than 500 head	5,894	6,594	7,103
500 -1000 head	16,977	13,067	20,938
1001 – 10,000 head	156,663	142,044	200,900
over 10,000 head	432,149	444,929	423,888
<b>State Total</b>	<b>611,683</b>	<b>606,633</b>	<b>652,829</b>
<b>Victoria</b>			
500 -1000 head	4,265	3,730	3,395
1001 – 10,000 head	25,713	25,809	26,989
over 10,000 head	27,232	40,704	46,168
<b>State Total</b>	<b>57,211</b>	<b>70,243</b>	<b>76,552</b>
<b>South Australia</b>			
Less than 500 head	960	630	1,072
500 -1000 head	1,892	4,073	3,142
1001 – 10,000 head	22,262	24,812	27,730
over 10,000 head	15,600	17,500	15,802
<b>State Total</b>	<b>40,714</b>	<b>47,016</b>	<b>47,747</b>
<b>Western Australia</b>			
Less than 500 head	1,871	3,658	1,209
500 -1000 head	2,999	6,956	4,664
1001 – 10,000 head	32,226	48,978	47,581
<b>State Total</b>	<b>37,096</b>	<b>59,592</b>	<b>53,454</b>
<b>Australia</b>			
Less than 500 head	9,343	12,039	10,078
500 -1000 head	31,674	37,730	37,374
1001 – 10,000 head	336,167	344,593	409,615
over 10,000 head	633,008	693,232	690,326
<b>Total</b>	<b>1,010,192</b>	<b>1,087,594</b>	<b>1,147,393</b>

**ALFA / MLA FEEDLOT SURVEY**  
**Apr - Jun 2020**

**Total Feedlot Capacity**

<b>Capacity</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>WA</b>	<b>Total</b>
Jun-20	411,538	79,392	814,968	53,614	73,477	<b>1,432,989</b>
Mar-20	389,038	77,792	803,549	53,614	73,477	<b>1,397,470</b>
Jun-19	402,641	76,792	779,797	51,734	71,477	<b>1,382,441</b>

*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.*



Source: ALFA / MLA, June 2020, National Accredited Feedlot Survey