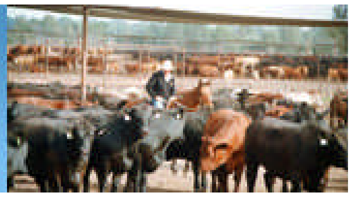
ALFA

AUSTRALIAN LOT FEEDERS ASSOCIATION



Media Release

20th April, 2009

Global financial crisis weakens feedlot beef demand

The latest ALFA/ MLA survey has revealed a 10% decrease in cattle numbers on feed over the March quarter as the global financial crisis continued to dampen beef demand, particularly in export markets.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore stated that "the decline in total cattle numbers on feed from 719,379 to 650,026, and capacity utilisation from 59% to 52%, was not a surprising outcome given the prevailing market conditions".

"The global financial crisis in particular continued to create uncertainty in the export market place, with buyers unwilling to commit to forward purchases and grain fed beef export prices falling".

"Cattle numbers on feed decreased mainly in New South Wales and Queensland, with the smaller lot feeding states of Victoria and Western Australia showing increases in line with normal seasonal patterns".

"The results reinforced widespread industry sentiment that the December quarter results were an aberration that mainly reflected the turnoff of drought affected cattle from northern regions of Australia, and the opportunity feeding of new season grain to cattle in late 2008".

"These northern cattle have now exited the feedlot system and have not been replaced".

"Notably, there were positive influences for the sector over the last quarter with national saleyard feeder cattle and feed grain prices averaging 4% and 5% lower than the December quarter respectively, while the Australian dollar was lower against most trading partner currencies".

Meat & Livestock Australia's Chief Market Analyst, Peter Weeks stated that "financial and currency market volatility, a run-down in stocks and an increasing US presence continued to stagnate Japanese and Korean beef export demand, with grain fed beef exports to Korea, in particular, declining 25% in the March quarter".

"However, there are grounds for optimism. Stocks of Australian beef in these markets are now depleted and along with reductions in the Australian dollar, and resultant low import and wholesale prices, the potential to compete strongly in these markets is improving".

"The domestic market also remains one of the best markets for grain fed product, with the number of cattle destined for domestic consumption rising 18% since the last survey".

Mr Cudmore concluded, "with costs of production more favourable compared to 2008, and with significantly underutilised capacity in the industry, the lot feeding sector is in a good position to rapidly respond when grain fed beef demand improves, both overseas and domestically".

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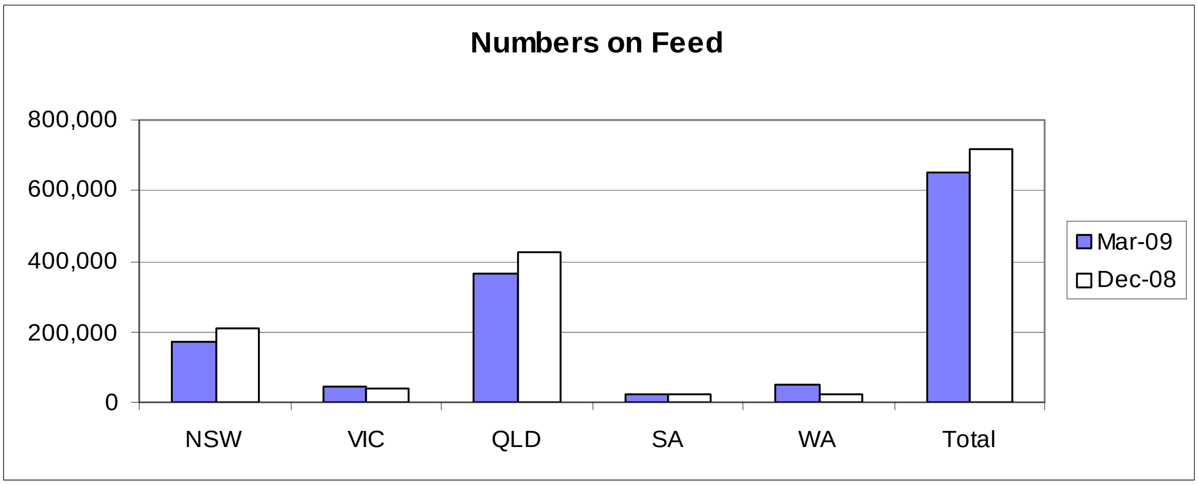
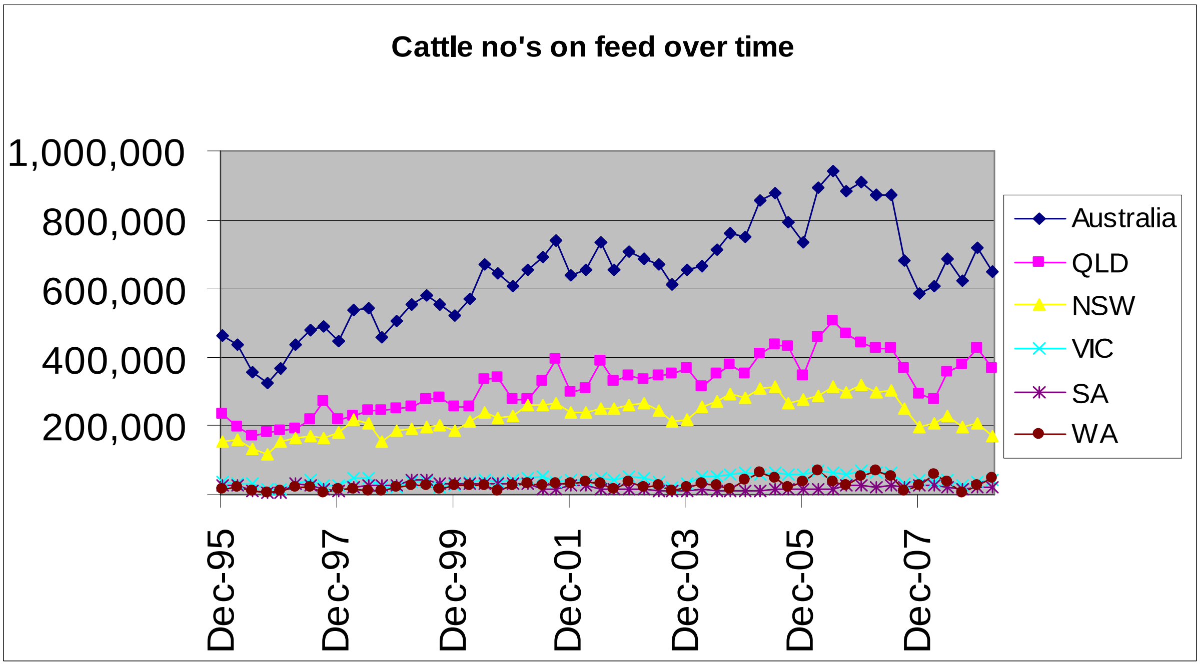
ALFA / MLA FEEDLOT SURVEY
January – March 2009

Numbers on Feed	*NSW*	*VIC*	*QLD*	*SA*	*WA*	**Total**
Mar-09	171,438	44,816	365,583	20,699	47,490	**650,026**
Dec-08	208,174	38,395	426,022	22,247	24,541	**719,379**
Mar-08	206,900	38,398	277,159	24,291	57,278	**604,026**
Capacity	NSW	VIC	QLD	SA	WA	**Total**
Mar-09	397,538	79,532	633,062	31,921	102,016	**1,244,069**
Dec-08	408,374	79,523	600,370	31,921	103,016	**1,223,204**
Mar-08	398,522	77,468	565,010	32,594	113,372	**1,186,966**

Utilisation	*NSW*	*VIC*	*QLD*	*SA*	*WA*	**Total**
Mar-09	43%	56%	58%	65%	47%	**52%**
Dec-08	51%	48%	71%	70%	24%	**59%**
Mar-08	52%	50%	49%	75%	51%	**51%**





Source: ALFA / MLA, March 2009, National Accredited Feedlot Survey

ALFA / MLA FEEDLOT SURVEY
January – March 2009

Market and feedlot size analyses

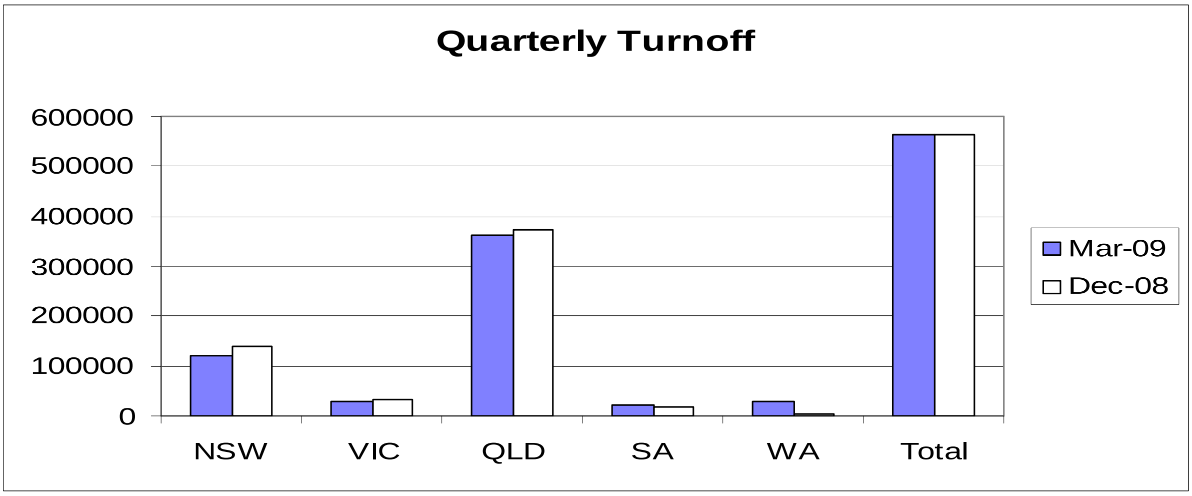
Market Destination	Mar-09		Dec-08		Mar-08	
	Numbers	%	Numbers	%	Numbers	%
Export	430150	66.2%	531180	73.8%	416860	69.0%
Domestic	217684	33.5%	187390	26.1%	184367	30.5%
Unknown	2192	0.3%	809	0.1%	2799	0.5%
Total	650,026	100.0%	719,379	100.0%	604,026	100.0%

Breakdown by Feedlot Size	**Capacity Mar 09**	**Capacity Dec 08**	**Capacity Mar 08**	**Numbers on Feed Mar 09**	**Numbers on Feed Dec 08**	**Numbers on Feed Mar 08**
Australia						
Less than 500 head	84,786	44,806	78,306	21,574	11,589	15,407
500 -1000 head	83,491	82,597	80,293	25,985	23,160	25,005
1000 - 10000 head	458,588	472,002	421,053	205,154	238,859	210,673
over 10000 head	617,205	623,800	607,314	397,313	445,771	352,941
Total	1,244,069	1,223,204	1,186,966	650,026	719,379	604,026

Total Cattle Turnoff

Total Turnoff (year ending)	**NSW**	**VIC**	**QLD**	**SA**	**WA**	**Total**
Dec-08	570099	150271	1212738	76910	124485	**2134503**
Dec-07	717243	197930	1261965	79036	148021	**2404195**
Dec-06	702085	208248	1495867	70054	149847	**2626101**

Total Turnoff (quarterly)	**NSW**	**VIC**	**QLD**	**SA**	**WA**	**Total**
Mar-09	120913	28590	363647	22080	29085	**564315**
Dec-08	137554	33840	371981	16553	5022	**564950**
Mar-08	134378	34803	222240	21955	32772	**446148**



Source: ALFA / MLA, March 2009, National Accredited Feedlot Survey

ALFA / MLA FEEDLOT SURVEY
January – March 2009

State Breakdown by Feedlot Size

	Capacity Mar 09	Capacity Dec 08	Capacity Mar 08	Numbers on Feed Mar 09	Numbers on Feed Dec 08	Numbers on Feed Mar 08
New South Wales						
Less than 500 head	8,529	4,039	7,398	2,470	1,469	2,758
500 -1000 head	19,203	19,203	20,610	6,432	5,753	6,674
1000 - 10000 head	115,474	116,800	109,672	8,500	36,232	25,723
over 10000 head	254,333	268,333	260,842	154,036	164,720	171,745
State Total	*397,538*	*408,374*	*398,522*	*171,438*	*208,174*	*206,900*
Queensland						
Less than 500 head	50,375	14,998	43,502	9,875	5,620	5,877
500 -1000 head	49,125	47,127	45,586	9,245	12,091	9,954
1000 - 10000 head	226,156	230,839	186,688	135,503	150,122	106,898
over 10000 head	307,406	307,406	289,234	210,960	258,189	154,430
State Total	*633,062*	*600,370*	*565,010*	*365,583*	*426,022*	*277,159*
Victoria						
Less than 500 head	1,538	1,225	1,023	1,118	400	0
500 -1000 head	3,995	4,299	3,695	1,996	1,800	2,586
1000 - 10000 head	18,533	25,938	15,512	9,385	13,333	9,046
over 10000 head	55,466	48,061	57,238	32,317	22,862	26,766
State Total	*79,532*	*79,523*	*77,468*	*44,816*	*38,395*	*38,398*
South Australia						
Less than 500 head	4,128	4,128	4,347	1,695	1,485	2,342
500 -1000 head	7,368	7,368	8,902	4,512	3,516	5,791
1000 - 10000 head	20,425	20,425	19,345	14,492	17,246	16,158
over 10000 head	0	0	0	0	0	0
State Total	*31,921*	*31,921*	*32,594*	*20,699*	*22,247*	*24,291*
Western Australia						
Less than 500 head	20,216	20,416	22,036	6,416	2,615	4,430
500 -1000 head	3,800	4,600	1,500	3,800	0	0
1000 - 10000 head	78,000	78,000	89,836	37,274	21,926	52,848
over 10000 head	0	0	0	0	0	0
State Total	*102,016*	*103,016*	*113,372*	*47,490*	*24,541*	*57,278*
Australia						
Less than 500 head	84,786	44,806	78,306	21,574	11,589	15,407
500 -1000 head	83,491	82,597	80,293	25,985	23,160	25,005
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