



Media Release

19 February 2018

Cattle on feed numbers ease slightly

Cattle on feed for the October – December 2017 quarter decreased 51,572 head, or 5% from the September quarter according to the results of the latest Australian Lot Feeders' Association (ALFA) and Meat and Livestock Australia (MLA) survey.

The easing in numbers brings cattle on feed to a total of 973,176 for the first time in three consecutive quarters of record breaking levels above the 1 million head mark.

Changes in the numbers on feed across states were mixed. Declines were seen in New South Wales (down by 11,170) and South Australia (5,259) with Queensland seeing a reduction of 78,490 head. Victoria and Western Australia both reported increases, with Victoria lifting by 13,990 and Western Australia by 29,357 head.

ALFA President, Tess Herbert said that the easing in cattle numbers on feed in the December quarter was expected given the change in trading conditions for both grain availability and demand for cattle.

"Despite cyclical pressure on feedlot input costs driving a reduction in numbers on feed we continued to see strong demand for high quality grain fed beef right up to the end of 2017," Ms Herbert said.

"2017 was a record year for Australia's grain fed beef exports lifting 5% from the previous year and resulting in 272,682 tonnes delivered to global customers. The year ended strongly with grain fed beef exports up 11% from the same quarter last year," Ms Herbert said.

"Demand from Japan – our biggest export destination for grain fed beef – resulted in a 7% year-on-year increase for the December period; whilst China lifted 44% from year-ago levels. Exports to Korea reported a slight reduction of 4% year-on-year albeit compared to a record high quarter the year prior," Ms Herbert said.

"Feedlot capacity figures have risen again during the quarter and total 1,293,623 head as more capital works came online reflecting further investor confidence and solid demand signals for Australian high quality grain fed beef," Ms Herbert said.

Scott Tolmie, MLA's Manager of Market Intelligence, said that the major indicators for feedlot input costs - the price of cattle and the price of feed grain – had been unfavourable for lot feeders in the last quarter which translated to lower numbers on feed.

"Good rainfall across NSW and Queensland during October encouraged stronger competition amongst restockers resulting in higher cattle prices. The national saleyard feeder steer indicator closed 2017 at 307¢/kg lwt, representing a 37¢ (or 14%) increase from where it finished in the September quarter," Mr Tolmie said.

"The effects of the poor 2017-18 winter harvest due to well below average winter rainfall resulted in wheat ex-Darling Downs averaging \$323/tonne, while barley averaged \$317 for the December period, an increase of 48% and 68% year-on-year, respectively," Mr Tolmie said.

Mr Tolmie said that despite pressure on the input side the price received for finished cattle held up well with the Queensland 100-day grain fed steer over-the-hook indicator declining just 2% year-on-year (or 10¢) in the December quarter to average 507¢/kg cwt.

"Diverging cattle and over-the-hook prices, combined with a rise in feed grain prices during the quarter, will have put pressure on feedlot margins over the period which is reflected in the lower numbers on feed," Mr Tolmie said.

MORE INFORMATION:

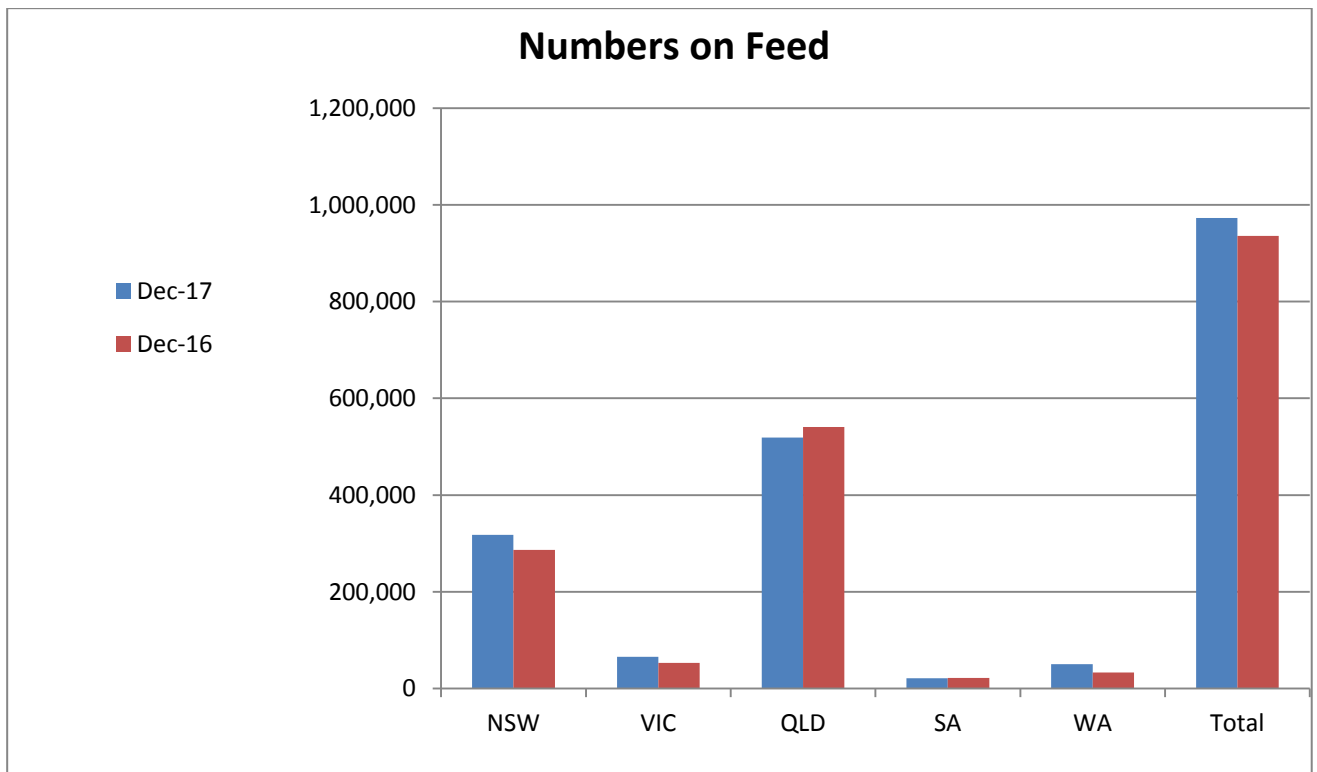
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**ALFA / MLA FEEDLOT SURVEY
Oct - Dec 2017**

Cattle Numbers on Feed

Numbers on Feed	NSW	VIC	QLD	SA	WA	Total
Dec-17	317,414	65,761	518,749	20,959	50,293	973,176
Sep-17	328,584	51,771	597,239	26,218	20,936	1,024,748
Dec-16	286,561	53,290	540,875	21,747	33,315	935,788



Total Cattle Turnoff

Total Turnoff (year ending)	NSW	VIC	QLD	SA	WA	Total
Dec-17	809,201	179,603	1,701,244	64,638	139,343	2,894,030
Dec-16	819,969	174,263	1,455,593	67,405	115,413	2,632,642
Dec-15	846,299	216,859	1,672,053	85,854	79,424	2,900,489
Dec-14	783,132	183,510	1,577,009	85,406	66,938	2,695,995
Dec-13	675,353	161,378	1,581,591	87,291	117,377	2,622,990
Dec-12	610,687	156,573	1,566,232	104,681	67,077	2,505,250

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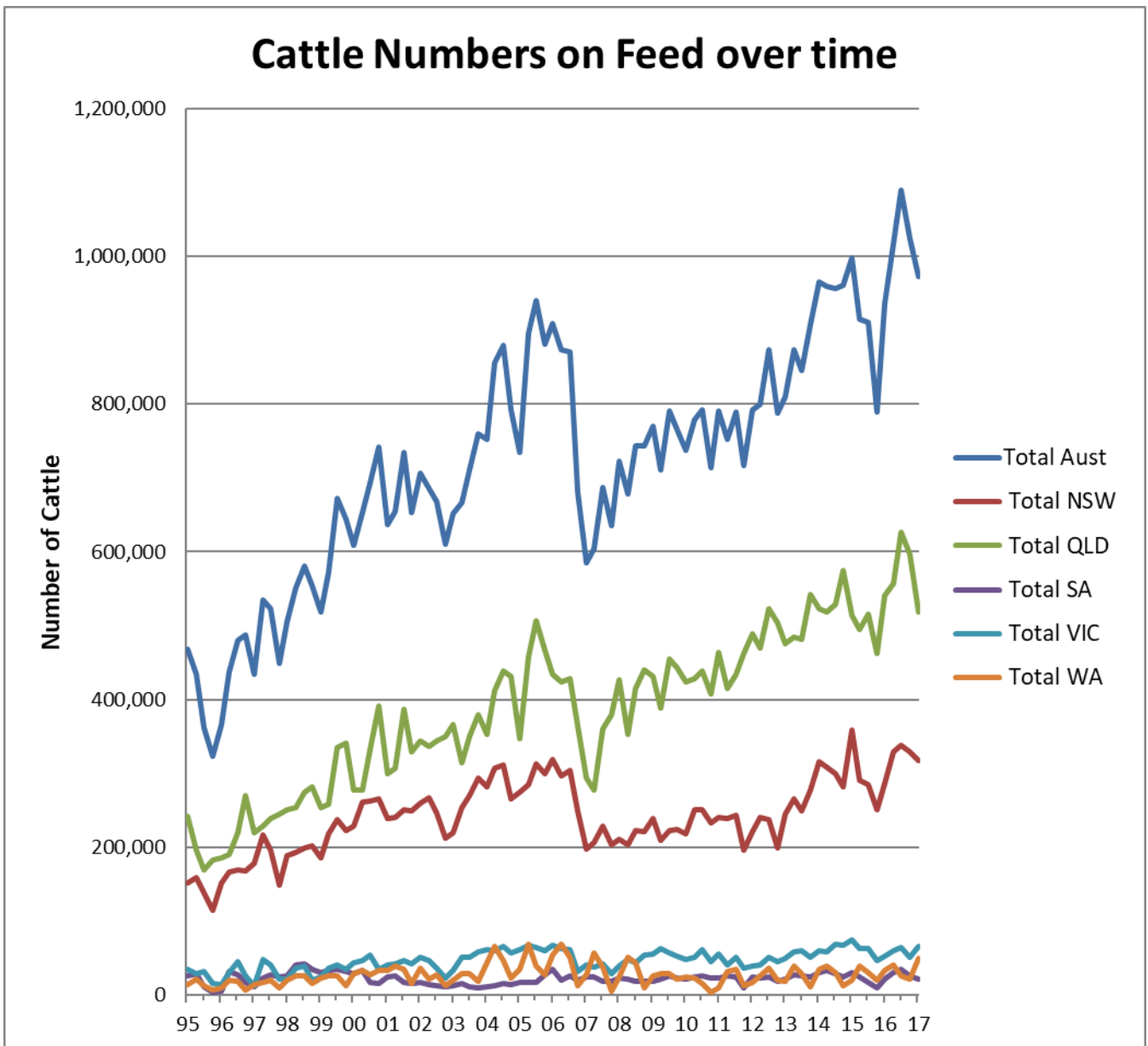
Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Dec-17	203,024	42,012	401,886	14,169	47,743	708,834
Sep-17	192,131	49,871	437,949	25,003	25,827	730,781
Dec-16	155,492	31,980	408,315	11,411	11,108	618,307

	Numbers on Feed Dec 17	Numbers on Feed Sep 17	Numbers on Feed Dec 16
New South Wales			
Less than 500 head	1,333	916	958
500 -1000 head	34,244	22,430	9,647
1000 - 10000 head	82,502	93,047	78,349
over 10000 head	199,335	212,191	197,607
State Total	317,414	328,584	286,561
Queensland			
Less than 500 head	3,298	10,949	6,817
500 -1000 head	10,923	19,813	8,701
1000 - 10000 head	149,894	175,838	177,806
over 10000 head	354,635	390,639	347,551
State Total	518,749	597,239	540,875
Victoria			
500 -1000 head	4,316	4,522	4,458
1000 - 10000 head	21,024	7,834	21,587
over 10000 head	40,421	39,415	27,245
State Total	65,761	51,771	53,290
South Australia			
Less than 500 head	1,163	0	0
500 -1000 head	0	0	0
1000 - 10000 head	7,296	12,718	21,747
over 10000 head	12,500	13,500	0
State Total	20,959	26,218	21,747
Western Australia			
Less than 500 head	2,181	200	2,868
500 -1000 head	11,797	2,448	0
1000 - 10000 head	36,316	18,288	30,447
State Total	50,293	20,936	33,315
Australia			
Less than 500 head	7,975	12,065	10,643
500 -1000 head	61,279	49,212	22,806
1000 - 10000 head	297,031	307,726	329,936
over 10000 head	606,890	655,745	572,404
Total	973,176	1,024,748	935,788

**ALFA / MLA FEEDLOT SURVEY
Oct - Dec 2017**

Total Capacity	NSW	VIC	QLD	SA	WA	Total
Dec-17	394,863	73,552	709,999	40,937	74,272	1,293,623
Sep-17	389,263	73,552	701,955	40,637	72,777	1,278,184
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.



Source: ALFA / MLA, December 2017, National Accredited Feedlot Survey