

NUMBERS ON FEED REMAIN STRONG DESPITE MARGIN SQUEEZE

Cattle on feed for the January to March 2021 quarter remained over the million head mark, despite decreasing 43,271 head from December to 1,005,035 head, according to the latest results of the Australian Lot Feeders' Association (ALFA) and Meat & Livestock Australia (MLA) survey.

Queensland, New South Wales and South Australia all recorded reductions in cattle numbers on feed. Queensland decreased by 46,516 head, or 7.9% to 542,176 head, New South Wales decreased by 2,324 head, or 0.7% to 311,957 head and South Australia decreased by 5,690 head, or 13.5% to 36,526 head.

Western Australia increased by 10,480, or 22.6%, to 56,782 head and Victoria increased by 778 head, or 1.4%, to 57,594 head.

ALFA President, Bryce Camm, said the decline suggests the pressure on feedlot margins driven by herd rebuilding activities and sticky commodity prices are having an impact.

"On the input side, ferociously strong competition for feeder cattle lifted the national feeder steer indicator up 7% on the previous quarter and 27% up year-on-year levels, reaching a 446¢/kg live weight (lwt) average."

"Commodity prices remained sticky with wheat ex-Darling Downs prices holding firm, up 1% from the previous quarter to average \$305/tonne. Barley averaged \$272/tonne and was up 4% on the previous quarter," Mr Camm said.

"There was some relief on the sell side, with the Queensland 100-day grain fed steer over-the-hook (OTH) indicator reaching a record quarterly average of 677¢/kg carcase weight (cwt)."

"The overall pressure on feedlot margins is reflected in national feedlot utilisation which declined to 69% for the March quarter, well below the 5-year March quarter average of 80%".

"Despite the current challenges, confidence in the long-term outlook remains high with national feedlot capacity increasing to a record level 1,450,482 head this quarter."

"With cattle numbers on feed remaining over the million head mark, it continues to demonstrate the importance of grain fed beef production to the wider red meat supply chain's ability to deliver consistent quality and quantity beef to market," Mr Camm said.

Steve Bignell, MLA Market Information Manager, said that as the national herd rebuild gains momentum grain-fed cattle are making up an increasing proportion of turn-off and beef production. "The grain-fed sector has been critical in underpinning continued supply of Australian beef during a period where producers are retaining more cattle," he said.

NUMBERS ON FEED

Quarter	NSW	VIC	QLD	SA	WA	Total
Mar-21	311,957	57,594	542,176	36,526	56,782	1,005,035
Dec-20	314,281	56,816	588,692	42,216	46,302	1,048,306
Mar-20	304,110	70,243	606,633	47,016	59,592	1,087,594

TURNOFF

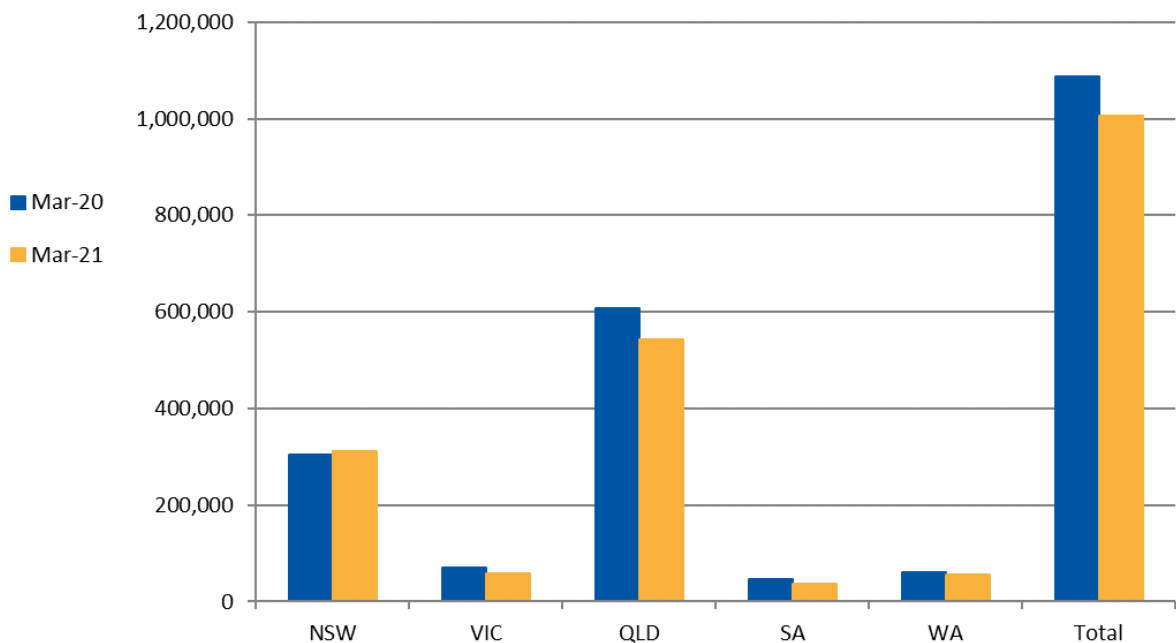
Quarter	NSW	VIC	QLD	SA	WA	Total
Mar-21	219,087	47,089	321,600	26,256	51,504	665,536
Dec-20	175,172	33,084	409,843	22,588	8,554	649,240
Mar-20	214,120	58,407	500,790	35,564	54,522	863,403

CAPACITY

Quarter	NSW	VIC	QLD	SA	WA	Total
Mar-21	411,274	79,392	832,725	53,614	73,477	1,450,482
Dec-20	408,277	79,392	830,376	53,614	73,477	1,445,136
Mar-20	389,038	77,792	803,549	53,614	73,477	1,397,470

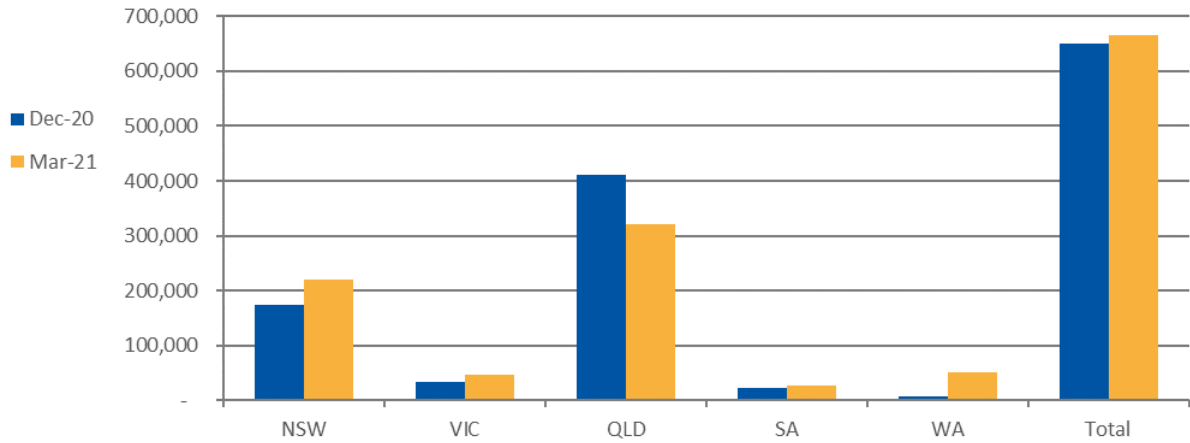
Source: Feedlot Capacity figures are provided by AUS-MEAT Limited (AUS-MEAT). AUS-MEAT owns and administers the National Feedlot Accreditation Scheme (NFAS) on behalf of ALFA and the feedlot sector. Actual Feedlot Capacity figures are reported under the NFAS.

NUMBERS ON FEED YoY

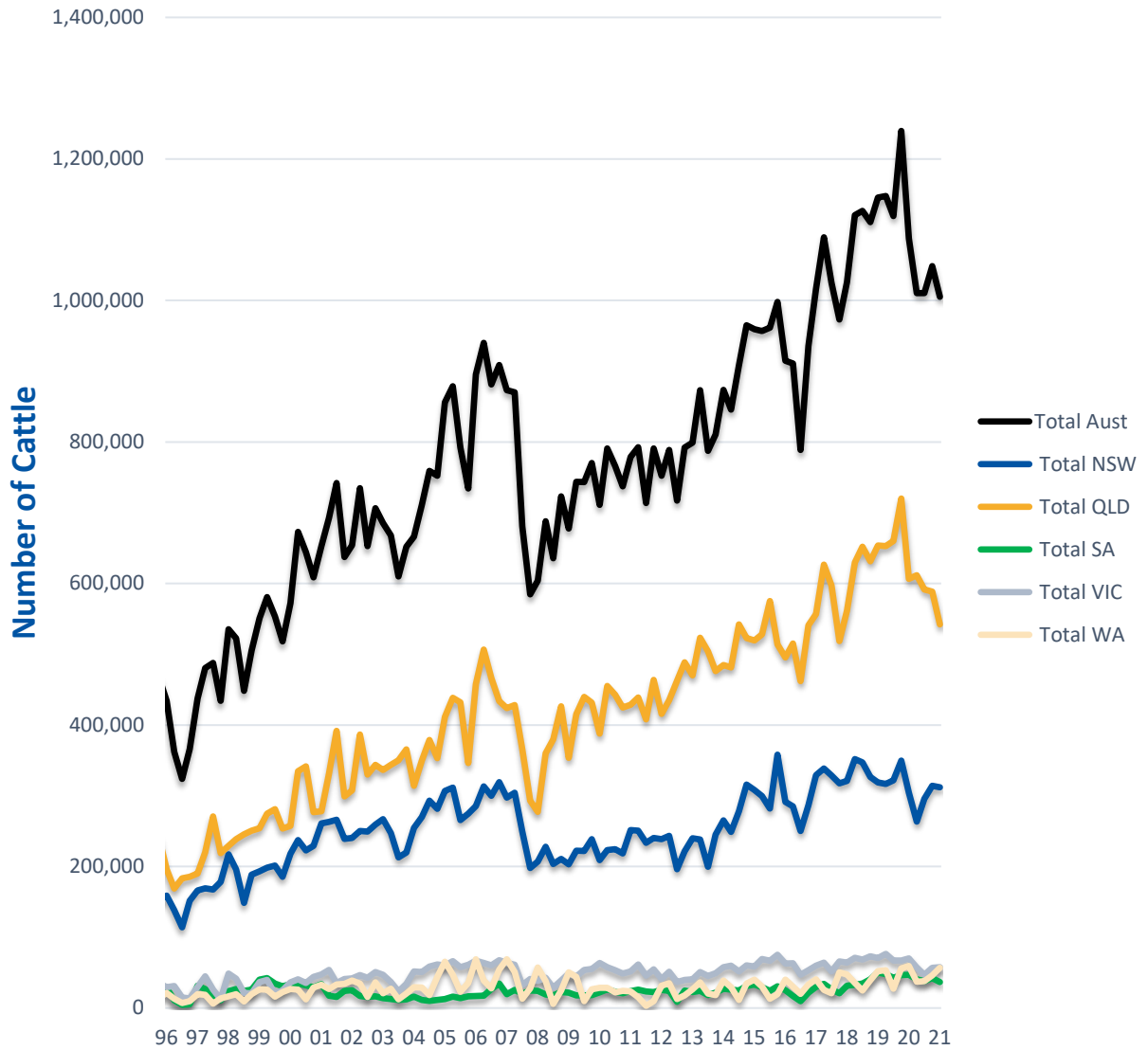


Source: ALFA / MLA, March 2021, National Accredited Feedlot Survey

QUARTERLY TURNOFF



CATTLE NUMBERS ON FEED - HISTORIC



	Numbers on Feed Mar 21	Numbers on Feed Dec 20	Numbers on Feed Mar 20
New South Wales			
Less than 500 head	680	520	1,156
500 -1000 head	11,112	4,421	9,904
1001 - 10,000 head	91,788	108,561	102,950
over 10,000 head	208,377	200,778	190,100
State Total	311,957	314,281	304,110
Queensland			
Less than 500 head	4,744	4,136	6,594
500 -1000 head	15,742	16,497	13,067
1001 - 10,000 head	150,201	141,254	142,044
over 10,000 head	371,489	426,804	444,929
State Total	542,176	588,692	606,633
Victoria			
Less than 500 head	0	0	0
500 -1000 head	4,582	3,271	3,730
1001 - 10,000 head	21,755	21,178	25,809
over 10,000 head	31,257	32,368	40,704
State Total	57,594	56,816	70,243
South Australia			
Less than 500 head	960	960	630
500 -1000 head	3,495	3,161	4,073
1001 - 10,000 head	14,702	20,595	24,812
over 10,000 head	17,369	17,500	17,500
State Total	36,526	42,216	47,016
Western Australia			
Less than 500 head	2,379	2,380	3,658
500 -1000 head	4,798	4,040	6,956
1001 - 10,000 head	49,605	39,882	48,978
over 10,000 head	0	0	0
State Total	56,782	46,302	59,592
Australia			
Less than 500 head	8,763	7,995	12,039
500 -1000 head	39,729	31,390	37,730
1001 - 10,000 head	328,051	331,470	344,593
over 10,000 head	628,492	677,450	693,232
Total	1,005,035	1,048,306	1,087,594

Note: Due to rounding, numbers presented throughout this document may not add up to the totals.