



Media Release

8th Aug, 2011

Grain fed cattle numbers resilient

Results from the latest ALFA/ MLA June quarter survey indicated a 2% increase in cattle numbers on feed over the previous quarter and similar results with those seen this time last year.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore stated that "the result indicated the ongoing importance and resilience of the grain fed sector during what continues to be very difficult trading conditions".

"Year on year increases in both feeder cattle and grain prices in conjunction with a strong Australian dollar (averaging 108US¢ over the quarter) thwarted any chance for improvement in lot feeder margins".

"Feeder cattle averaged 16% higher than this time last year as good seasonal conditions maintained the strong restocker demand for such cattle".

"Feed grain prices were higher across all categories in the June quarter, with sorghum and wheat averaging 19% and 16% higher year-on-year in the Darling Downs, while feed barley and wheat from the Riverina averaged 23% and 19% higher over the same period".

"The increase in cattle numbers on feed in Queensland reflected increased retention rates of cattle as processors reduced weekly kills of grain fed cattle in the wake of subdued demand in particularly Japan and Korea".

"In the south, more competitive grain prices towards the end of the quarter and resilient domestic beef demand encouraged lot feeders to increase cattle numbers".

"Continued poor seasonal conditions and high ration prices in Western Australia accounted for their reduction in cattle numbers on feed".

"Increased cattle turnoff over the quarter reflected lot feeder's transition from longer fed export cattle to quicker turnover domestic and yearling cattle in Victoria, Queensland and NSW".

Meat & Livestock Australia's Manager for Market Information and Analysis, Tim McRae stated that "despite the strong Australian dollar, grainfed beef exports totalled 53,431 tonnes swt in the June quarter, a rise of 8% year-on-year and 5% on the previous quarter".

"Grain fed beef exports in our main markets, Japan and Korea were up year on year 5% and 19% respectively, although the US in comparison increased 50% and 44% over the same period".

"Unfortunately, the increase in exports also reflected lower prices, with indicative chilled beef returns for Australian beef exports to Japan declining 8-19% in A\$ terms since April.

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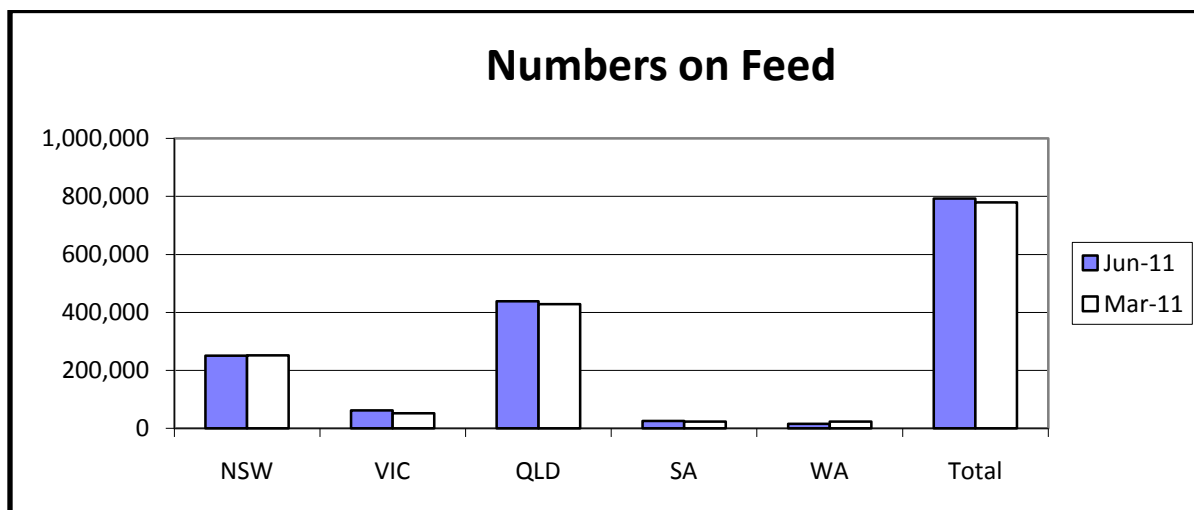
ALFA / MLA FEEDLOT SURVEY
Apr – Jun 2011

Cattle numbers on feed, capacity and capacity utilisation

Numbers on Feed	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Jun-11	250,716	61,702	438,777	25,882	15,369	792,446
Mar-11	251,430	51,697	428,402	23,952	23,413	778,894
Jun-10	223,197	57,555	455,307	26,274	28,439	790,772

Capacity	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Jun-11	418,432	102,824	644,975	32,540	106,345	1,305,116
Mar-11	429,361	93,724	648,167	33,030	103,165	1,307,447
Jun-10	424,934	80,419	645,870	31,835	99,765	1,282,823

Utilisation	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Jun-11	60%	60%	68%	80%	14%	61%
Mar-11	59%	55%	66%	73%	23%	60%
Jun-10	53%	72%	70%	83%	29%	62%

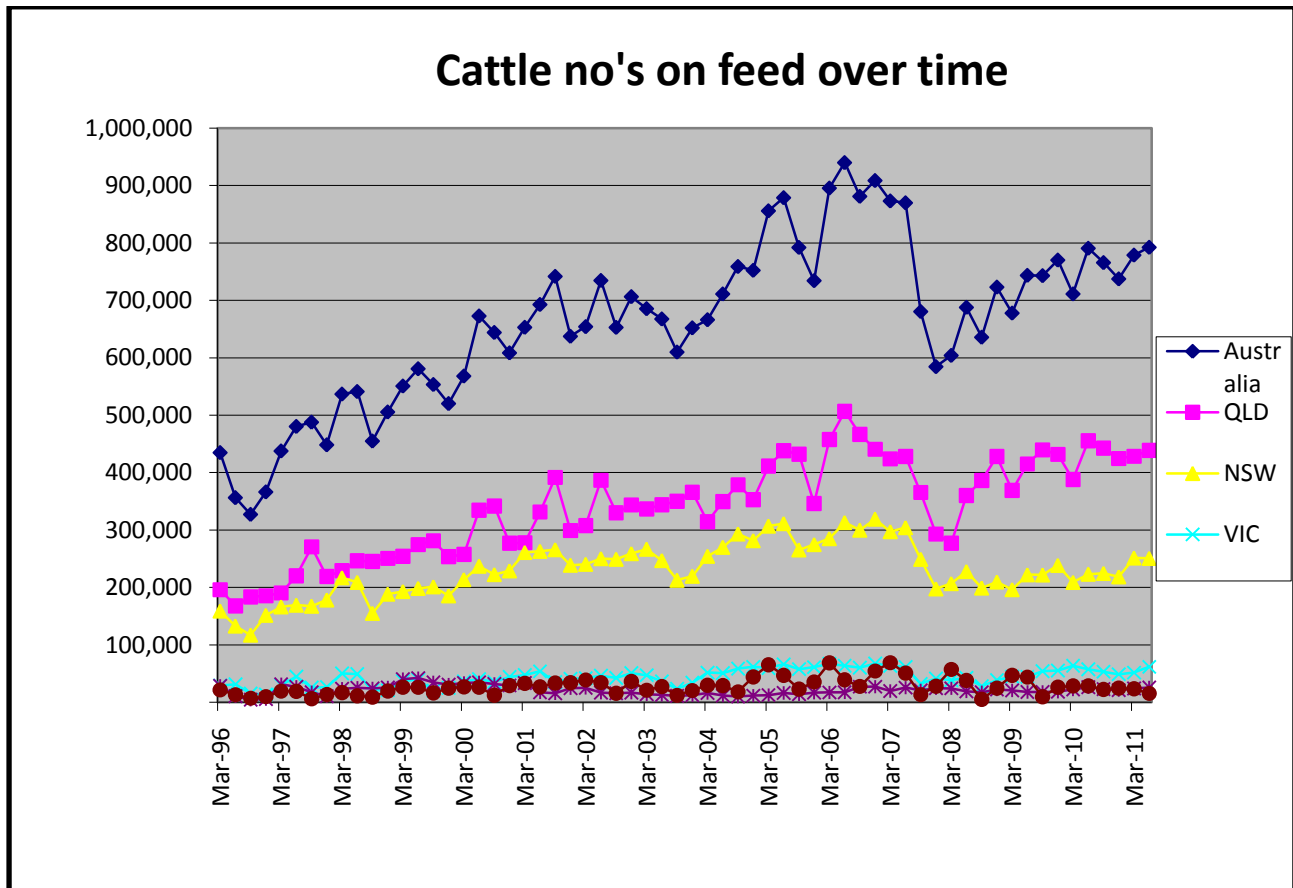
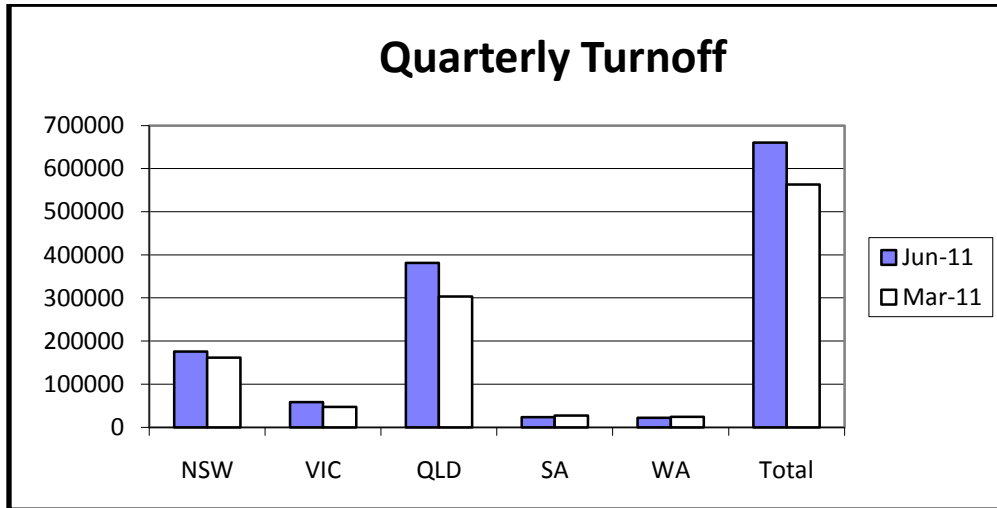


Total Cattle Turnoff

Total Turnoff (year ending)	NSW	VIC	QLD	SA	WA	Total
Dec-10	634526	207305	1468631	110831	112318	2533611
Dec-09	587444	161614	1374959	77281	130601	2331899
Dec-08	570099	150271	1212738	76910	124485	2134503

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Jun-11	175222	58245	381518	23258	21854	660097
Mar-11	161128	47294	303605	27236	23978	563241
Jun-10	149382	52378	287129	33376	36564	558829

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State Breakdown by Feedlot Size

	Capacity Jun 11	Capacity Mar 11	Capacity Jun 10	Numbers on Feed Jun 11	Numbers on Feed Mar 11	Numbers on Feed Jun 10
<i>New South Wales</i>						
Less than 500 head	7,459	7,459	7,459	1,979	651	3,787
500 -1000 head	20,253	20,253	22,202	5,310	4,303	5,558
1000 - 10000 head	119,147	116,076	109,700	63,064	45,684	49,394
over 10000 head	271,573	285,573	285,573	180,363	200,792	164,458
<i>State Total</i>	418,432	429,361	424,934	250,716	251,430	223,197
<i>Queensland</i>						
Less than 500 head	42,748	43,431	44,558	8,763	3,960	6,742
500 -1000 head	47,589	48,588	48,264	20,319	14,519	18,314
1000 - 10000 head	232,232	233,742	230,642	170,151	173,831	172,199
over 10000 head	322,406	322,406	322,406	239,544	236,092	258,052
<i>State Total</i>	644,975	648,167	645,870	438,777	428,402	455,307
<i>Victoria</i>						
Less than 500 head	1,225	1,225	420	427	532	0
500 -1000 head	6,100	6,500	1,000	5,600	6,500	0
1000 - 10000 head	31,499	29,999	18,756	15,953	14,293	13,967
over 10000 head	64,000	56,000	60,243	39,722	30,372	43,588
<i>State Total</i>	102,824	93,724	80,419	61,702	51,697	57,555
<i>South Australia</i>						
Less than 500 head	2,900	3,390	3,290	892	1,763	1,176
500 -1000 head	7,475	7,475	7,975	3,760	4,316	5,665
1000 - 10000 head	22,165	22,165	20,570	21,230	17,873	19,433
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	32,540	33,030	31,835	25,882	23,952	26,274
<i>Western Australia</i>						
Less than 500 head	10,585	10,405	16,265	937	1,433	2,668
500 -1000 head	11,660	11,660	5,800	174	990	0
1000 - 10000 head	74,100	71,100	77,700	14,258	20,990	25,771
over 10000 head	10,000	10,000	0	0	0	0
<i>State Total</i>	106,345	103,165	99,765	15,369	23,413	28,439
<i>Australia</i>						
Less than 500 head	64,917	65,910	71,992	12,998	8,339	14,373
500 -1000 head	93,077	94,476	85,241	35,163	30,628	29,537
1000 - 10000 head	479,143	473,082	457,368	284,656	272,671	280,764
over 10000 head	667,979	673,979	668,222	459,629	467,256	466,098
<i>Total</i>	1,305,116	1,307,447	1,282,823	792,446	778,894	790,772