

MEDIA RELEASE

QUARTERLY FEEDLOT SURVEY



18 May 2020

Cattle on feed back whilst new records set

Cattle on feed for the January to March 2020 quarter decreased 12% from the record high December 2019 result to 1,087,594 head according to the results of the latest Australian Lot Feeders' Association (ALFA) and Meat & Livestock Australia (MLA) survey.

Changes in numbers on feed across states were mixed. Queensland and New South Wales both experienced notable declines in cattle on feed. Queensland decreased by 113,422 head, or 16%, to 606,633 head, while New South Wales decreased by 45,584, or 13%, to 304,110 head.

Victoria, Western Australia and South Australia all recorded modest increases in numbers on feed with Victoria increasing by 2,988 head, Western Australia by 3,399 head and South Australia by 649 head.

ALFA President, Bryce Camm, said the declines in cattle on feed were not unexpected given the seasonal change and resulting higher feeder cattle and grain prices over the period.

"It has been a solid start to the year and very pleasing to see much needed rain in a number of cattle growing regions off the back of very challenging years of drought," Mr Camm said.

"Resulting confidence in the restocker market has driven stiff competition for feeder cattle, impacting price and limiting cattle availability whilst grain prices have also remained persistently high culminating in feedlot utilisation dropping 12% to 78%," Mr Camm said.

"Whilst the full extent of COVID-19 isn't reflected in these quarterly results we do expect to see subdued numbers of cattle on feed over the coming months given the level of uncertainty moving forward," Mr Camm said.

"Despite cattle numbers falling, national feedlot capacity reached new heights increasing 1% on the December 2019 quarter to land at 1,397,470 head; reinforcing investment confidence in the feedlot production system over the long term," Mr Camm said.

Adam Cheetham, MLA's Senior Market Analyst, reported that records had also been set for grain fed cattle turnoff and prices during the quarter.

"With cattle on feed reaching an all-time high of 1,239,563 head in the December 2019 quarter, it was not surprising to see turnoff increase 21% to a record 863,403 head during this past quarter," Mr Cheetham said.

Continued demand for high quality Australian Beef from export markets and a limited supply pool resulted in strong demand for finished cattle which also drove price during the period.

"The Queensland 100 day grain fed steer over-the-hook (OTH) indicator broke new ground in the March quarter, reaching a peak of 649¢/kg carcass weight (cwt) and averaging 613¢/kg cwt for

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the quarter, up 1% from the December 2019 quarter and 11% higher than year-ago levels,” Mr Cheetham said.

“On the export front, volumes to China eased 18% to 19,602 tonnes swt, as restrictions due to COVID-19 created logistical issues at ports in China from early January to the end of March; however these volumes were still 10% above year-ago levels,” Mr Cheetham said.

“Despite uncertainty surrounding COVID-19, exports to Japan increased 2% from the December 2019 quarter to 34,169 tonnes swt, however this was offset somewhat with volumes to Korea easing 11% from the previous quarter to 12,571 tonnes swt,” Mr Cheetham said.

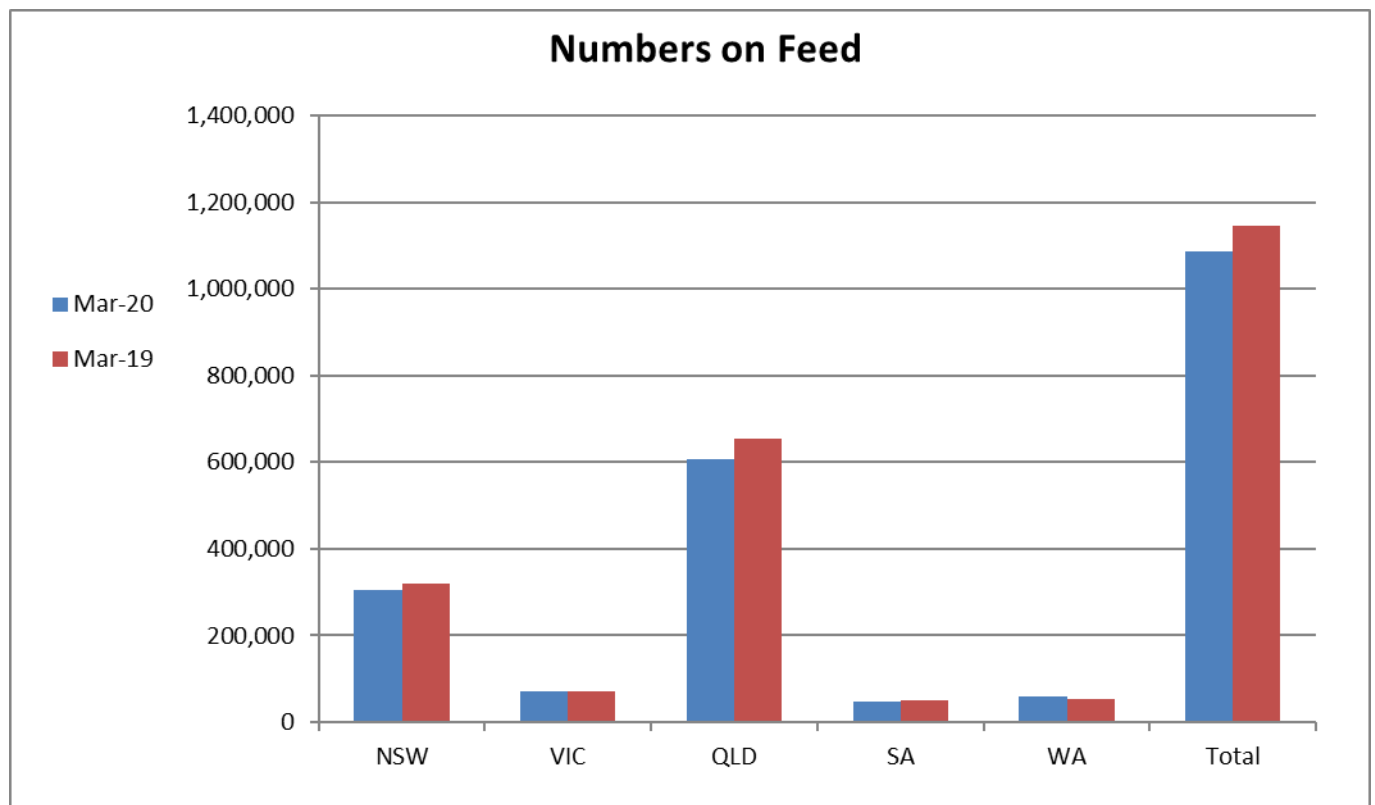
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Cattle Numbers on Feed

Numbers on Feed	NSW	VIC	QLD	SA	WA	Total
Mar-20	304,110	70,243	606,633	47,016	59,592	1,087,594
Dec-19	349,694	67,255	720,055	46,367	56,193	1,239,563
Mar-19	318,941	70,572	653,528	50,166	52,355	1,145,563



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

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Total Cattle Turnoff

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Mar-20	214,120	58,407	500,790	35,564	54,522	863,403
Dec-19	186,757	49,989	431,375	28,783	16,601	713,505
Mar-19	199,843	55,507	428,618	29,182	39,602	752,752

Cattle Numbers on Feed

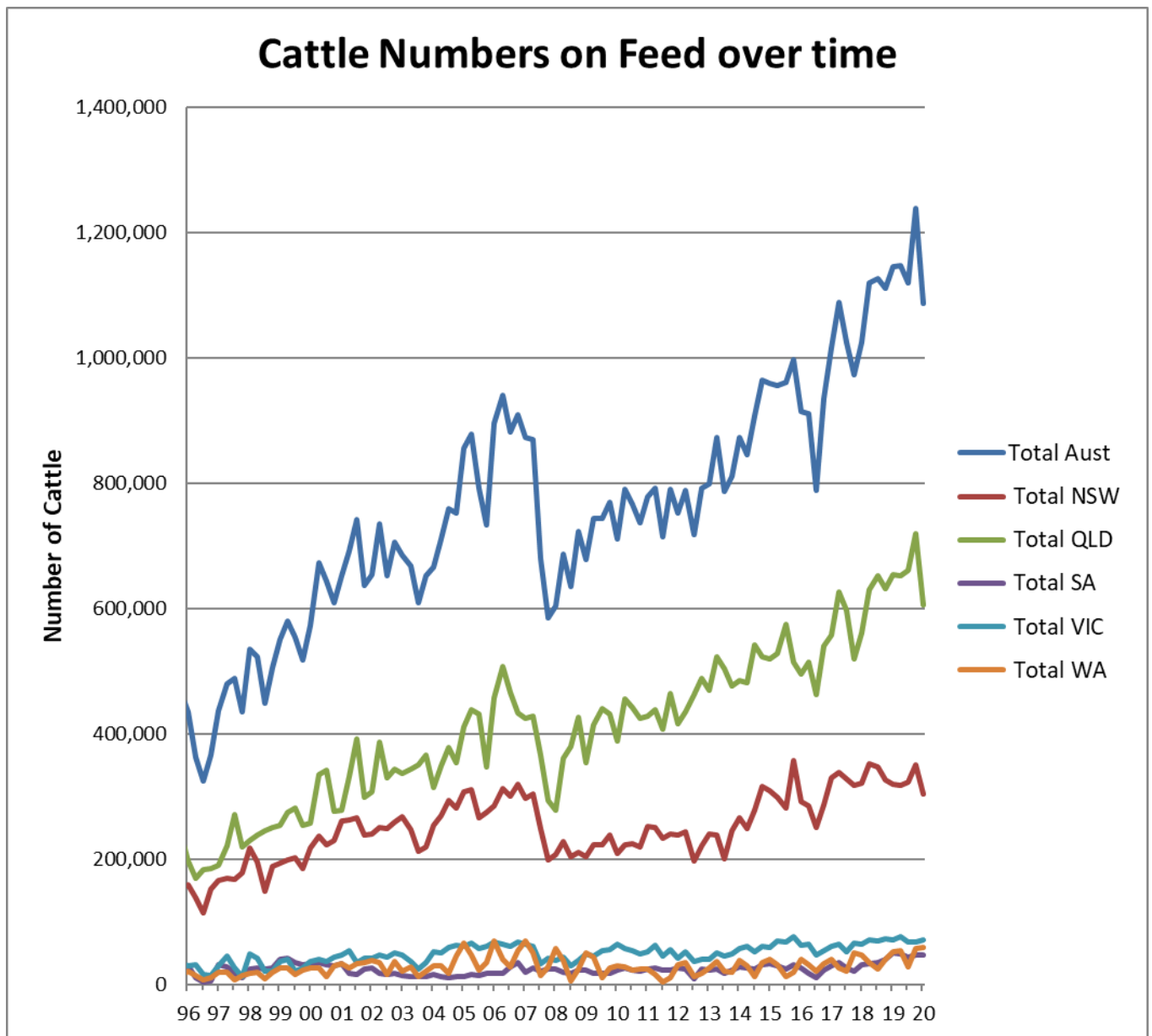
	Numbers on Feed Mar 20	Numbers on Feed Dec 19	Numbers on Feed Mar 19
<i>New South Wales</i>			
Less than 500 head	1,156	1,356	936
500 -1000 head	9,904	20,178	3,041
1001 – 10,000 head	102,950	118,720	102,801
over 10,000 head	190,100	209,440	212,163
State Total	304,110	349,694	318,941
<i>Queensland</i>			
Less than 500 head	6,594	9,043	8,456
500 -1000 head	13,067	24,749	19,141
1001 – 10,000 head	142,044	209,615	216,925
over 10,000 head	444,929	476,648	409,006
State Total	606,633	720,055	653,528
<i>Victoria</i>			
500 -1000 head	3,730	3,712	4,455
1001 – 10,000 head	25,809	22,368	26,117
over 10,000 head	40,704	41,175	40,000
State Total	70,243	67,255	70,572
<i>South Australia</i>			
Less than 500 head	630	0	1,174
500 -1000 head	4,073	1,992	1,943
1001 – 10,000 head	24,812	26,875	31,214
over 10,000 head	17,500	17,500	15,836
State Total	47,016	46,367	50,166
<i>Western Australia</i>			
Less than 500 head	3,658	2,333	3,785
500 -1000 head	6,956	5,436	6,392
1001 – 10,000 head	48,978	48,423	42,178
State Total	59,592	56,193	52,355
<i>Australia</i>			
Less than 500 head	12,039	12,733	14,351
500 -1000 head	37,730	56,067	34,971
1001 – 10,000 head	344,593	426,001	419,236
over 10,000 head	693,232	744,763	677,004
Total	1,087,594	1,239,563	1,145,563

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Total Feedlot Capacity

Capacity	NSW	VIC	QLD	SA	WA	Total
Mar-20	389,038	77,792	803,549	53,614	73,477	1,397,470
Dec-19	395,038	76,692	780,839	53,614	73,477	1,379,660
Mar-19	400,291	76,151	763,393	51,734	71,477	1,363,046

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, March 2020, National Accredited Feedlot Survey