Media Release

20th February 2012

Grain fed cattle numbers rebound slightly as trading environment remains tough

Results from the latest ALFA/ MLA December quarter survey showed an 11% increase in grain fed cattle numbers on feed as lower feed grain prices and a slightly lower dollar helped offset continued high feeder cattle prices and ongoing difficult international trading conditions.

Australian Lot Feeders' Association (ALFA) Vice President Warren Barnett commented that whilst numbers were up, the trading environment still remained extremely tough.

"Feeder cattle prices (9% higher year on year) reflected the ongoing good seasonal conditions (and hence re-stocker demand for young cattle) with feeder steers hitting 229¢/kg lwt – the highest quarterly price since records began in 2003."

"Fortunately however, several other factors provided sufficient impetus to encourage lot feeders to increase cattle numbers over the quarter."

"The Australian dollar compared to the third quarter was down 3.6% against the US Greenback and 4% against the Yen, whilst feed grain prices declined by 9-29% year on year depending on the grain type and area delivered."

"The northern abattoir demand for finished cattle following annual Christmas closures also helped drive numbers, particularly for larger vertically integrated feedlot operations."

"The diversion of live export cattle to feedlots following the suspension of the Indonesian trade additionally had an impact."

"All states experienced increases in cattle numbers except South Australia."

Meat & Livestock Australia's Manager for Market Information and Analysis, Tim McRae stated that "grain fed exports to our major markets for the quarter were down with a 13% year on year decline to Japan and a 11% fall in Korea."

"Grainfed beef exports totalled 44,508 tonnes swt in the December quarter, a 12% fall year-on-year."

"With many of the factors that have fuelled the record run of the $A in recent years unlikely to subside in the short term, Australian lot feeders will again be looking for a rise in global beef prices to improve returns."

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ALFA / MLA FEEDLOT SURVEY
Oct – Dec 2011

Cattle numbers on feed, capacity and capacity utilisation

Capacity	NSW	VIC	QLD	SA	WA	Total
Dec-11	416,002	127,746	623,384	29,100	88,184	**1,284,416**
Sep-11	409,392	103,104	614,819	30,840	94,139	**1,252,294**
Dec-10	431,360	82,613	653,660	32,290	103,165	**1,303,088**

Numbers on Feed	NSW	VIC	QLD	SA	WA	Total
Dec-11	240,154	54,869	463,521	22,748	9,683	**790,975**
Sep-11	233,678	45,625	407,958	23,316	3,151	**713,728**
Dec-10	218,650	48,835	424,554	20,956	24,434	**737,429**

Utilisation	NSW	VIC	QLD	SA	WA	Total
Dec-11	58%	43%	74%	78%	11%	**62%**
Sep-11	57%	44%	66%	76%	3%	**57%**
Dec-10	51%	59%	65%	65%	24%	**57%**

Total Cattle Turnoff

Total Turnoff (year ending)	NSW	VIC	QLD	SA	WA	Total
Dec-11	665278	220082	1459625	101822	55033	**2501840**
Dec-10	634526	207305	1468631	110831	112318	**2533611**
Dec-09	587444	161614	1374959	77281	130601	**2331899**
Dec-08	570099	150271	1212738	76910	124485	**2134503**
Dec-07	717243	197930	1261965	79036	148021	**2404195**
Dec-06	702085	208248	1495867	70054	149847	**2626101**
Dec-05	755550	220123	1494793	54673	131161	**2609194**

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Dec-11	158478	49878	395679	26307	1192	**631534**
Sep-11	170450	64665	378823	25021	8009	**646968**
Dec-10	145382	39277	387744	23593	7710	**603706**

ALFA / MLA FEEDLOT SURVEY
Oct – Dec 2011

Numbers on Feed

Cattle no's on feed over time
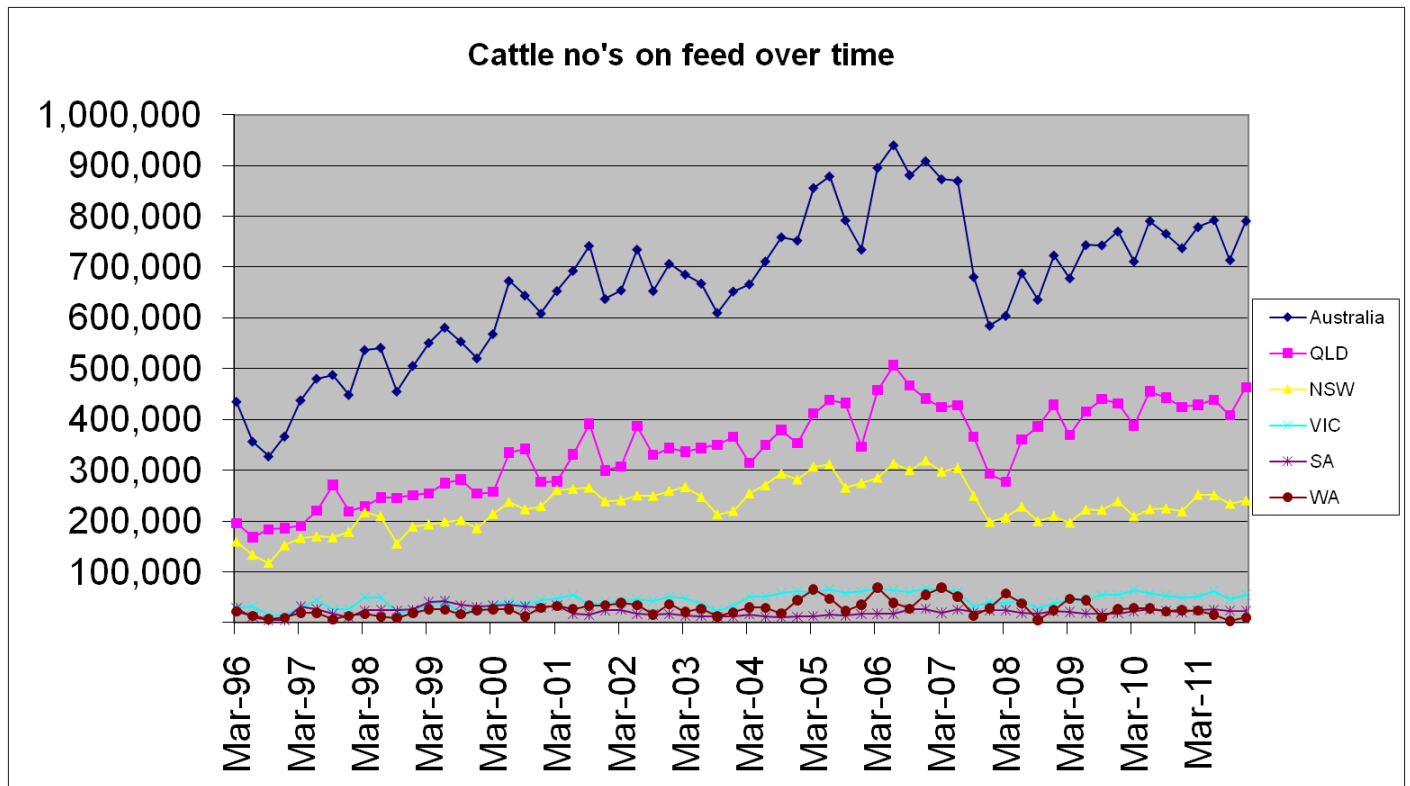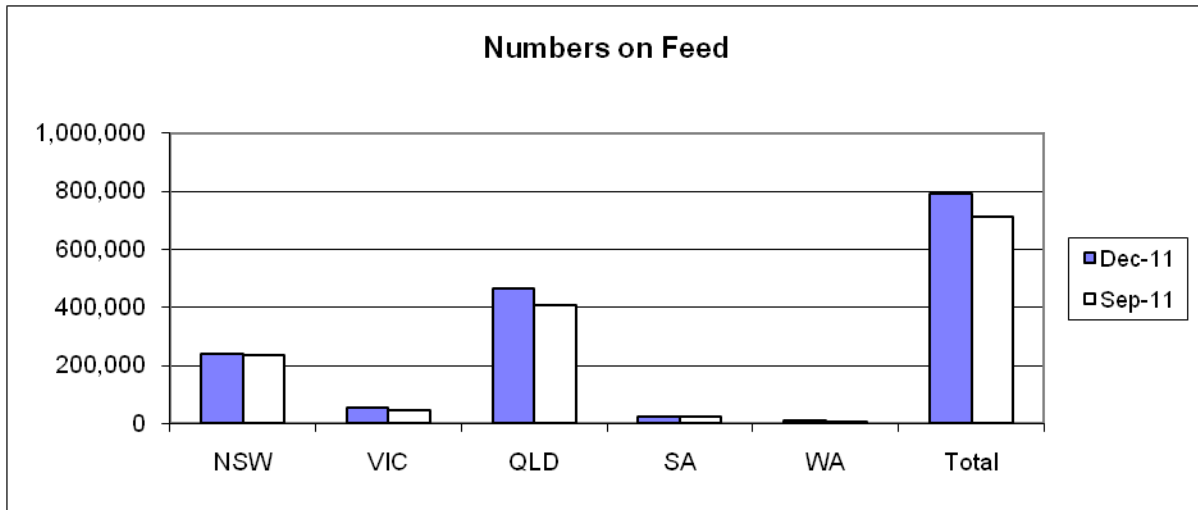
ALFA / MLA FEEDLOT SURVEY
Oct – Dec 2011

State Breakdown by Feedlot Size

		Capacity Dec 11	Capacity Sep 11	Capacity Dec 10	Numbers on Feed Dec 11	Numbers on Feed Sep 11	Numbers on Feed Dec 10
New South Wales							
Less than 500 head		7,059	6,489	7,459	2,555	3,340	2,164
500 -1000 head		19,217	18,754	21,252	2,994	3,039	2,726
1000 - 10000 head		118,153	112,576	117,076	60,505	56,480	32,384
over 10000 head		271,573	271,573	285,573	174,100	170,819	181,376
State Total		*416,002*	*409,392*	*431,360*	*240,154*	*233,678*	*218,650*
Queensland							
Less than 500 head		37,181	39,491	46,926	4,869	10,766	4,660
500 -1000 head		44,368	44,690	50,586	16,116	14,767	15,540
1000 - 10000 head		252,224	228,232	233,742	166,293	157,423	140,264
over 10000 head		289,611	302,406	322,406	276,243	225,002	264,090
State Total		*623,384*	*614,819*	*653,660*	*463,521*	*407,958*	*424,554*
Victoria							
Less than 500 head		16,246	805	1,814	12,845	120	714
500 -1000 head		1,000	6,800	800	0	6,800	0
1000 - 10000 head		23,500	31,499	29,657	15,367	19,859	15,041
over 10000 head		87,000	64,000	50,342	26,657	18,846	33,080
State Total		*127,746*	*103,104*	*82,613*	*54,869*	*45,625*	*48,835*
South Australia							
Less than 500 head		7,735	2,900	3,390	4,038	530	1,025
500 -1000 head		1,700	5,775	7,475	0	3,790	2,489
1000 - 10000 head		19,665	22,165	21,425	18,710	18,996	17,442
over 10000 head		0	0	0	0	0	0
State Total		*29,100*	*30,840*	*32,290*	*22,748*	*23,316*	*20,956*
Western Australia							
Less than 500 head		9,165	6,879	15,265	107	61	2,550
500 -1000 head		9,960	8,360	6,800	1,790	0	0
1000 - 10000 head		69,059	68,900	71,100	7,786	3,090	21,884
over 10000 head		0	10,000	10,000	0	0	0
State Total		*88,184*	*94,139*	*103,165*	*9,683*	*3,151*	*24,434*
Australia							
Less than 500 head		77,386	56,564	74,854	24,414	14,817	11,113
500 -1000 head		76,245	84,379	86,913	20,900	28,396	20,755
1000 - 10000 head		482,601	463,372	473,000	268,661	255,848	227,015
over 10000 head		648,184	647,979	668,321	477,000	414,667	478,546
Total		1,284,416	1,252,294	1,303,088	790,975	713,728	737,429