MARKET INFORMATION

Lot feeding brief

Results for the March quarter 2022 feedlot survey

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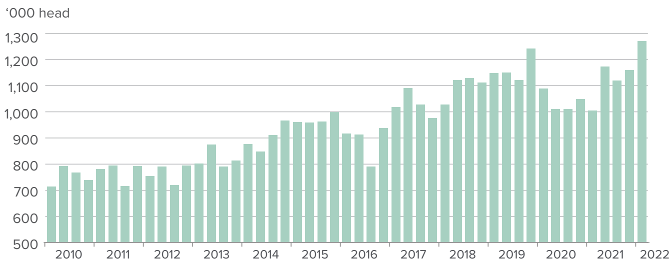
Summary

- Numbers on feed increased by 109,936 or 9.5% to reach a new high of 1.269m head compared with Q4 2021 volumes. This was the highest this figure has been since the 2019 December quarter.
- Year on year, numbers on feed have risen by 26% or 263,000 head.
- National feedlot capacity continued its upwards trajectory, beating the December quarter record by 2% to hit a new high of 1,485,814 head. The continued growth of feedlot capacity supported by a 5% increase in national utilisation underpins the strong medium term confidence in the sector.

From the previous quarter:

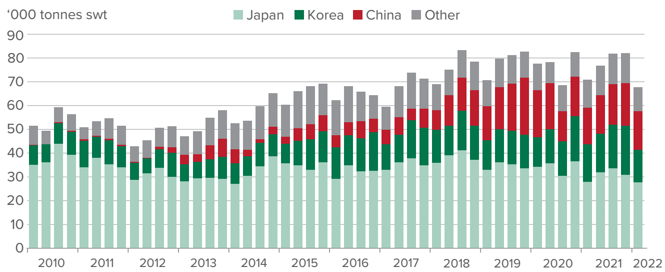
- Most states experienced strong quarter on quarter numbers on feed growth, with QLD and WA most pronounced. Queensland saw an 8.5% or 58,736 head rise in numbers on feed whilst WA through the inclusion of a key lot feeder, saw figures lift by 82.7% or 33,231 head.
- NSW and SA experienced modest growth of 2.8% and 3.2% respectively.

Figure 1: Cattle on feed



Source: MLA/ALFA

Figure 2: Quarterly grainfed beef exports



Source: DAWE

Table 1: MLA/ALFA Survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Mar-22	Dec-21	Mar-21	**Mar-22**	Dec-21	Mar-21	**Mar-22**	Dec-21	Mar-21
NSW	**429,543**	421,863	411,274	**340,295**	330,977	311,957	**79**	78	76
Vic	**78,892**	78,892	79,392	**62,575**	55,326	57,594	**79**	70	73
Qld	**825,738**	826,284	832,725	**748,135**	689,399	542,176	**91**	83	65
SA	**58,914**	53,414	53,614	**45,498**	44,096	36,526	**77**	83	68
WA	**92,627**	73,127	73,477	**73,424**	40,193	56,782	**79**	55	77
Australia	**1,485,714**	1,453,580	1,450,482	**1,269,927**	1,159,991	1,005,035	**85**	80	69

Source: MLA/ALFA

- After a fall of 15% in the December quarter, Victoria experienced strong growth of 8.6% or a 7,249 head for March.
- National feedlot utilisation rose 5% to 85%. Overall, this is a 16% increase on year ago levels for the March quarter of 2021. Queensland experienced an increase of 8%, whilst WA rose exponentially by 24%.

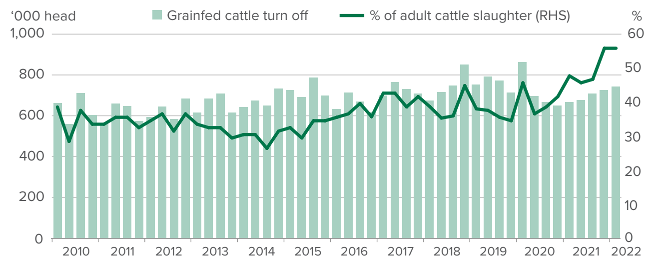
Currency

- To begin 2022, the March quarter, the Australian dollar (A$) averaged 72.9¢ US cents, firm on the December 2021 quarter performance. Compared with year ago levels, the current Australian dollar is operating 6% softer than Q1 2021 levels.
- The A$ has continued its quarter on quarter appreciation against the Japanese yen, rising by 2% to average 84.3¥. Compared with year ago levels, the A$ is higher by 2.8%.
- In the March quarter, the A$ against the Korean won remained relatively firm, rising by 1% to average 873.8₩.

Grainfed exports

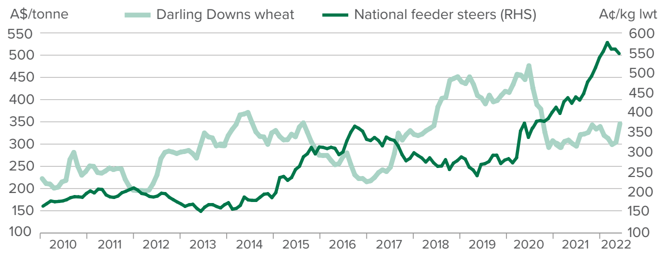
- The March quarter grainfed exports compared with Q4 2021 volumes were down by 14,356 tonnes or 18 % as flooding, port closures, COVID-19 and labour challenges constricted processor capacity.
- Japan exports were firm on year ago levels, yet the country continues to dominate export volumes of grainfed product, demonstrating its sustained interest and demand for Australian grainfed beef.

Figure 3: Grainfed cattle turn-off



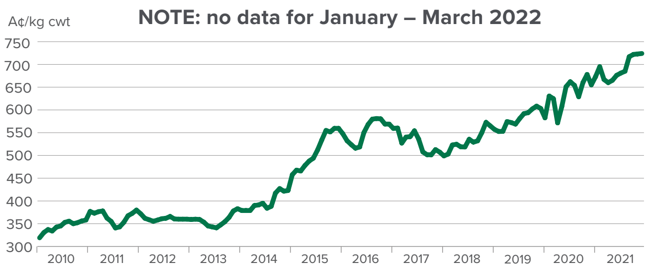
Source: ABS, MLA/ALFA

Figure 4: Feed grain and feeder steer prices



Source: MLA, Profarmer Australia

Figure 5: Queensland 100-day Grainfed Steer OTH Indicator



Source: MLA's NLRS

- South Korean volumes fell following their strong 2021 performance, by 14% compared to March 2021 quarter volumes.
- China's performance improved, shipping 6% more product in the 2022 March quarter compared with year ago levels.

Domestic feeder cattle prices

- The national feeder steer indicator averaged 558¢ in the March quarter, a rise of 3% or 15¢/kg lwt compared with December 2021 prices. In comparison to year ago levels, the March 2022 feeder price operated 22% or 97¢/kg lwt stronger than the 2021 march quarter.
- Due to reporting constraints, Over-The-Hooks data was not reported for the March quarter in 2022 and therefore analysis cannot be conducted to compare OTH prices.

Grain prices

- For the March quarter, following global disruption and harvest, wheat ex Darling Downs averaged $10/tonne softer than Q4 2021 to sit at $315/tonne for the quarter. Year on year, the the market is operating $10/tonne stronger than Q1 2021.
- Barley ex Darling Downs, when compared with the December quarter was higher by $3/tonne or 1.3% to average $291/tonne for the March 2022 quarter.

Table 2: Numbers on feed by feedlot size

Feedlot size (head)	Mar-22	Dec-21	Mar-21
< 500	**7,517**	5,655	8,763
500-1,000	**34,283**	33,301	39,729
1,000-10,000	**397,756**	330,206	328,051
>10,000	**830,371**	790,826	628,492
Total	**1,269,927**	1,159,988	1,005,035

Source: MLA/ALFA

Table 3: Quarterly cattle feedlot turn-off

	Mar-22	Dec-21	Mar-21
		Head	
NSW	**189,886**	175,266	219,087
Vic	**44,350**	38,153	47,089
Qld	**442,307**	475,175	321,600
SA	**28,932**	18,970	26,256
WA	**36,848**	18,505	51,504
Australia	**742,323**	726,069	665,536

Source: MLA/ALFA

Table 4: Feedlot turn-off

	FY2021	FY2020	FY2010
		Head	
NSW	**718,248**	794,237	636,347
Vic	**167,839**	215,592	210,209
Qld	**1,542,780**	1,758,572	1,377,701
SA	**105,457**	121,512	93,191
WA	**122,577**	154,221	108,493
Australia	**2,656,901**	3,044,134	2,425,941

Source: MLA/ALFA

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