



# Lot feeding brief

## Results for the March quarter 2020 feedlot survey

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May 2020

■ Cattle on feed numbers declined by 12% to 1,087,594 head in the March 2020 quarter, the lowest level seen since March 2018.

■ National feedlot capacity set a new record, increasing 1% on the December 2019 quarter to 1,397,470 head, an indication that the lot feeding sector will continue to support national beef production in the future, despite short-term pressures.

■ Western Australia numbers on feed increased by 6% from the December 2019 quarter, while Victoria saw a lift of 4% and South Australia remained stable. These improvements were outweighed by a significant decline in numbers of feed in Queensland and New South Wales, back 16% and 13% respectively.

■ National feedlot utilisation saw a significant decline in the March quarter, back 12% to 78%. Feeder buyers faced increased competition from restockers, which pushed feedlot suitable cattle to record levels. Queensland and New South Wales utilisation declined by 17% and 11%, respectively from the December quarter, while Western Australia saw increased utilisation by 5% and Victoria and South Australia both reported 2% increases.

Figure 1: Cattle on feed

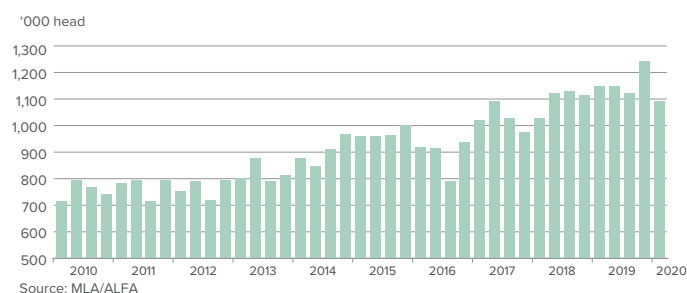


Figure 2: Quarterly grainfed beef exports

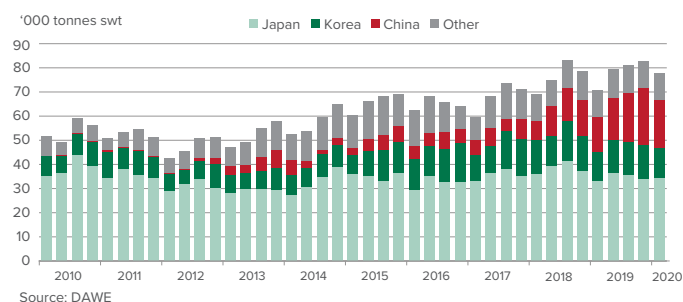


Table 1: MLA/ALFA Survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Mar-20	Dec-19	Mar-19	Mar-20	Dec-19	Mar-19	Mar-20	Dec-19	Mar-19
NSW	<b>389,038</b>	395,038	400,291	<b>304,110</b>	349,694	318,941	<b>78</b>	89	80
Vic	<b>77,792</b>	76,692	76,151	<b>70,243</b>	67,255	70,572	<b>90</b>	88	93
Qld	<b>803,549</b>	780,839	763,393	<b>606,633</b>	720,055	653,528	<b>75</b>	92	86
SA	<b>53,614</b>	53,614	51,734	<b>47,016</b>	46,367	50,166	<b>88</b>	86	97
WA	<b>73,477</b>	73,477	71,477	<b>59,592</b>	56,193	52,355	<b>81</b>	76	73
Australia	<b>1,397,470</b>	1,379,660	1,363,046	<b>1,087,594</b>	1,239,563	1,145,563	<b>78</b>	90	84

Source: MLA/ALFA, AUS-MEAT

■ Grainfed turnoff reported a 21% increase from the December 2019 quarter to a record 863,403 head. As a percentage of total adult cattle slaughter, grainfed cattle accounted for a record 45% in the March quarter. All states reported increased turnoff from the previous quarter, with Western Australia turnoff more than doubling, while South Australia and Victoria increased 24% and 17%, respectively. Queensland turnoff increased by 16% and New South Wales reported a 15% increase.

■ The national saleyard feeder steer indicator averaged 353¢/kg live weight (lwt) in the March quarter, an increase of 23% from the previous quarter and up 35% year-on-year. Widespread rainfall earlier in the year sparked optimism in the market, boosting competition between feeder and restocker buyers.

■ The Queensland 100 day grainfed steer over-the-hook (OTH) indicator broke new records in the March quarter, reaching a peak of 649¢/kg carcass weight (cwt) and averaging 613¢/kg cwt for the quarter, up 1% from the December 2019 quarter and 11% higher than year-ago levels. Demand for finished cattle remains strong and processor competition for a limited supply pool has increased, albeit trade headwinds are present.

Figure 3: Grainfed cattle turn-off

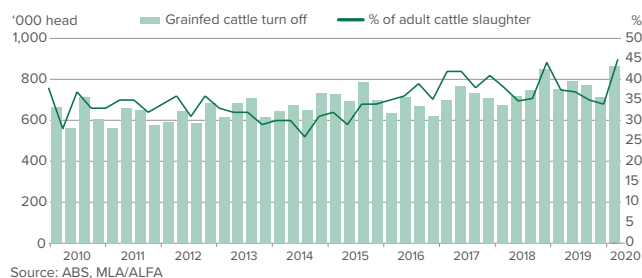


Figure 4: Feed grain and feeder steer prices

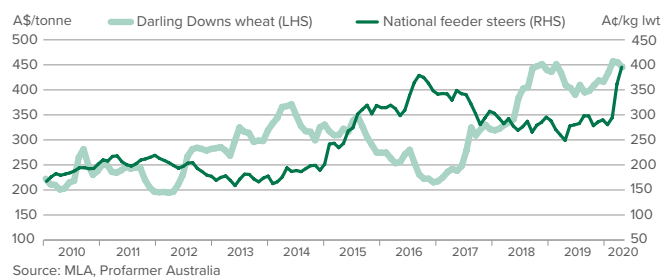
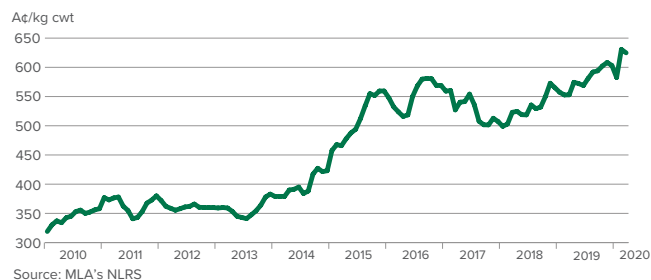


Figure 5: Queensland 100-day grainfed steer over-the-hook indicator



■ Australian grainfed exports eased 6% from the previous quarter to total 77,634 tonnes shipped weight (swt) in the March 2020 quarter, 10% higher year-on-year.

■ Volumes to China eased 18% to 19,602 tonnes swt, as restrictions due to COVID-19 created a backlog at ports in China from early January until the end of March. Although subdued from the December 2019 quarter, grainfed exports to China remained 10% above year-ago levels.

■ Despite uncertainty surrounding the impact of COVID-19 on demand, exports to Japan increased 2% from the December 2019 quarter to 34,169 tonnes swt. However, volumes to Korea eased 11% from the previous quarter to 12,571 tonnes swt.

■ Wheat ex-Darling Downs averaged \$453/tonne in the March quarter, an increase of 5% year-on-year, while barley eased 1% from the March 2019 quarter to average \$388/tonne.

Table 2: Numbers on feed by feedlot size

Feedlot size (head)	Mar-20	Dec-19	Mar-19
< 500	12,039	12,733	14,351
500-1,000	37,730	56,067	34,971
1,000-10,000	344,593	426,001	419,236
>10,000	693,232	744,763	677,004
<b>Total</b>	<b>1,087,594</b>	<b>1,239,563</b>	<b>1,145,563</b>

Source: MLA/ALFA

Table 3: Quarterly cattle feedlot turn-off

	Mar-20	Dec-19	Mar-19
<b>Head</b>			
NSW	214,120	186,757	199,843
Vic	58,407	49,989	55,507
Qld	500,790	431,375	428,618
SA	35,564	28,783	29,182
WA	54,522	16,601	39,602
<b>Australia</b>	<b>863,403</b>	<b>713,505</b>	<b>752,752</b>

Source: MLA/ALFA

Table 4: Feedlot turn-off

	FY2009	FY2018	FY2019
<b>Head</b>			
NSW	570,069	777,622	791,526
Vic	135,641	178,776	200,875
Qld	1,394,227	1,651,735	1,920,116
SA	78,819	78,929	110,853
WA	116,801	143,266	117,958
<b>Australia</b>	<b>2,295,557</b>	<b>2,830,329</b>	<b>3,141,328</b>

Source: MLA/ALFA