



Lot feeding brief

Results for the September quarter 2020 feedlot survey

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■ Cattle on feed numbers remained stable in the September 2020 quarter, reported at 1,010,320 head, a 10% decline on year-ago levels.

■ Despite numbers easing throughout 2020, numbers on feed remain in line with the five-year average for the September quarter.

■ National feedlot capacity reached a new record, increasing slightly from the June quarter to 1,449,200 head, demonstrating the continued industry confidence in the lot feeding sector.

■ New South Wales cattle on feed increased 12% from the previous quarter to 295,752 head with Western Australia numbers increasing 2% to 37,938 head.

■ Cattle on feed in Queensland eased by 3% in the September quarter to 591,664 head, with numbers in Victoria and South Australia declining by 18% and 7% to 46,963 and 38,003 head, respectively.

■ National feedlot utilisation remained steady in the September quarter at 70%, however this was below year-ago levels. New South Wales and Western Australia were the only two states to report increased utilisation, up 8% and 2%, respectively. Victoria reported the largest decline in feedlot utilisation, back 13% on the June quarter, while Queensland and South Australia declined 5% and 4%, respectively.

Figure 1: Cattle on feed

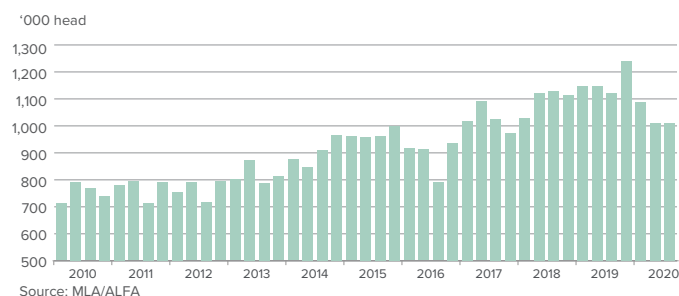


Figure 2: Quarterly grainfed beef exports

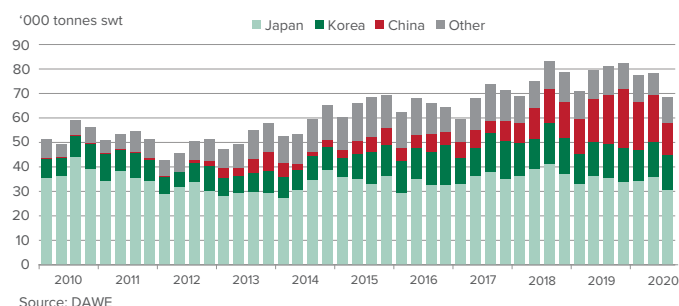


Table 1: MLA/ALFA Survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Sep-20	Jun-20	Sep-19	Sep-20	Jun-20	Sep-19	Sep-20	Jun-20	Sep-19
NSW	411,538	411,538	391,037	295,752	263,489	321,951	72	64	82
Vic	79,392	79,392	76,692	46,963	57,211	67,051	59	72	87
Qld	831,179	814,968	774,290	591,664	611,683	660,269	71	75	85
SA	53,614	53,614	50,124	38,003	40,714	42,588	71	76	85
WA	73,477	73,477	72,977	37,938	37,096	27,470	52	50	38
Australia	1,449,200	1,432,989	1,365,120	1,010,320	1,010,192	1,119,329	70	70	82

Source: MLA/ALFA, AUS-MEAT

■ Australian grainfed exports declined 12% in the September quarter to 68,590 tonnes shipped weight (swt), a decline of 16% on year-ago levels.

■ Japan continued to be Australia's largest export market for grainfed beef, however volumes eased 15% from the June quarter to 30,438 tonnes swt, 14% below September 2019 levels.

■ Korea surpassed China in volume of grainfed exports in the September quarter, increasing 1% on the previous quarter to 14,467 tonnes swt, 4% higher year-on-year. Exports to China reported a significant decline in the September quarter, back 35% to 12,717 tonnes swt, sitting 36% below year-ago levels.

■ The Queensland 100 day grainfed steer over-the-hook (OTH) indicator continued to trade at elevated levels, averaging 649¢/kg carcass weight (cwt) in the September quarter, 6% higher than the June quarter and 10% above year-ago levels. Despite increased store competition from restocker buyers as producer intentions shift towards a herd rebuild, continued demand for finished cattle supported prices through the quarter.

Figure 3: Grainfed cattle turn-off

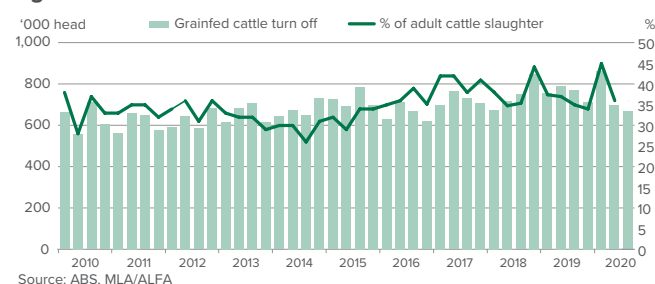


Figure 4: Feed grain and feeder steer prices

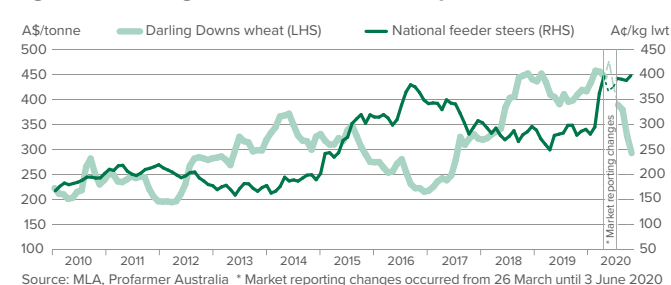
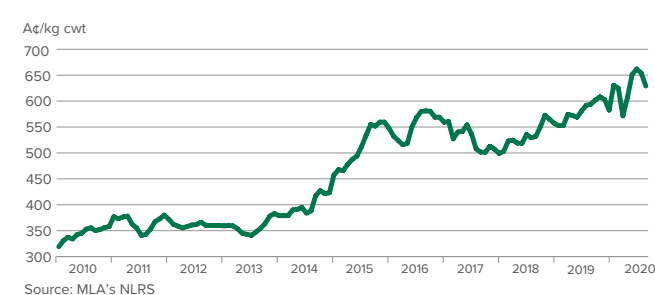


Figure 5: Queensland 100-day grainfed steer over-the-hook indicator



■ The national feeder steer indicator averaged 395¢/kg live weight (lwt) in the September quarter, an increase of 4% on the previous quarter. The indicator declined in the first half of the quarter as a result of strong restocker competition, before feeder buyers gained momentum during August, increasing to close the quarter 5¢ above where it opened, at 406¢/kg lwt.

■ Wheat ex-Darling Downs eased 21% from the June quarter to average \$338/tonne in the September quarter, sitting 16% below September 2019 levels, while barley averaged \$298/tonne, a decline of 18% on the previous quarter and 25% below year-ago levels.

■ The significant dip in grain prices has helped maintain margins across the lot feeding sector, despite an increase in feeder prices.

Table 2: Numbers on feed by feedlot size

Feedlot size (head)	Sep-20	Jun-20	Sep-19
< 500	9,903	9,343	9,751
500-1,000	31,918	31,674	41,071
1,000-10,000	335,335	336,167	386,550
>10,000	633,164	633,008	681,957
Total	1,010,320	1,010,192	1,119,329

Source: MLA/ALFA

Table 3: Quarterly cattle feedlot turn-off

	Sep-20	Jun-20	Sep-19
Head			
NSW	152,377	181,050	212,310
Vic	41,066	48,011	59,185
Qld	413,908	379,635	446,772
SA	27,901	29,126	28,039
WA	31,570	58,432	24,667
Australia	666,822	696,253	770,973

Source: MLA/ALFA

Table 4: Feedlot turn-off

	FY2010	FY2019	FY2020
Head			
NSW	636,347	791,526	794,237
Vic	210,209	200,875	215,592
Qld	1,377,701	1,920,116	1,758,572
SA	93,191	110,853	121,512
WA	108,493	117,958	154,221
Australia	2,425,941	3,141,328	3,044,134

Source: MLA/ALFA