The premier publication for meat and livestock market information

Friday, 7 May 2010

Livestock markets strong for May

Cattle markets continue to show unusual resilience for this time of the year. Current cattle indicator values have only been visited once before in May – in 2006.

A combination of pre-winter culling and drop in cattle quality and restocker interest often causes a price low in May/June, particularly for young cattle and cows. However, this year improving export demand is maintaining firm to stronger prices. Values rose for Japan ox, medium steers and cows this week, reflecting continued rises in export prices to the US and Japan and a fall in the A$.

The global beef price recovery is being largely driven by low global beef stocks and falling competition from the US and South America, which also explains why the main rise has been for manufacturing grade beef and cheaper cuts into Russia, Japan and the US.

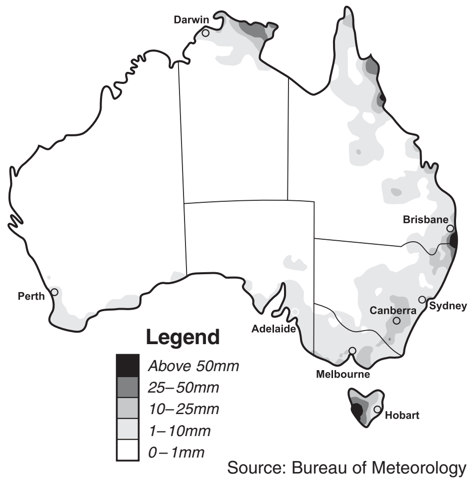
Lamb values remain at record levels for May, and 30-50% above the five-year average. Markets also lifted this week, led by finished categories, as total lamb numbers remained below year ago, and export and local demand is strong.

Similarly, sheep prices are at record levels and 50% above last year, with a further 10¢ lift this week, to 370¢/kg cwt. The key factor is the extraordinary low numbers, down 55% on last year at MLA's NLRS reported saleyards, and renewed restocker demand.

Key developments:

Weather watch...

Rainfall analysis – rainfall analysis week ending 6 May 2010



Source: Bureau of Meteorology

South-east rains

Heavier falls this week were limited to the far north coast of NSW and the west coast of Tasmania, where Lake Margaret recorded 165mm. The rest of Australia remained largely dry, experiencing unseasonably warm May weather, with some regional areas again starting to look critical. A series of low pressure systems will bring rain and strong winds to south-eastern Australia this weekend, while the rest of Australia is expected to remain dry.

National saleyard indicators

MLA's NLRS

Cattle	Weight	Muscle/Fat		**TW**	**LW**	**LY**
Trade steer	330-400kg	C3	(¢/kg lwt)	180	181	176
			(¢/kg cwt)	338	346	323
Medium steer	400-500kg	C3	(¢/kg lwt)	174	170	163
			(¢/kg cwt)	328	322	305
Japan ox	500-600kg	C4	(¢/kg lwt)	176	170	162
			(¢/kg cwt)	327	313	295
US cow	400-520kg	D3	(¢/kg lwt)	131	130	122
			(¢/kg cwt)	269	267	255
Feeder steer	330-400kg	C2	(¢/kg lwt)	180	180	168
Sheep and lambs						
Restocker/feeder lamb	0-18kg	1-2	($/head)	81	82	63
Merino lamb	16-22kg	2-3	(¢/kg cwt)	434	433	381
Light lamb*	12-18kg	2-3	(¢/kg cwt)	457	452	390
Trade lamb#	18-22kg	2-4	(¢/kg cwt)	497	489	459
Heavy lamb#	22+kg	2-4	(¢/kg cwt)	480	470	455
Mutton	18-24kg	2-3	(¢/kg cwt)	370	360	248

*1st & 2nd cross & Merino, #1st & 2nd cross

National over the hooks indicators

MLA's NLRS

Cattle (¢/kg cwt)	Weight	Muscle	Fat	**TW**	**LW**	**LY**
Trade steer **	220-260kg	A-C	3-12	313	313	310
Medium steer	260-300kg	A-C	7-22	299	299	285
Japan ox	300-420kg	A-C	7-22	303	304	281
US cow	200-240kg	A-D	3-22	247	248	231
Sheep and lambs (¢/kg cwt)						
Light trade lamb	18-20kg		2-4	463	460	436
Heavy trade lamb	20-22kg		2-4	466	463	438
Heavy lamb	22-24kg		2-4	464	461	441
Mutton	18-24kg		2-4	340	340	204

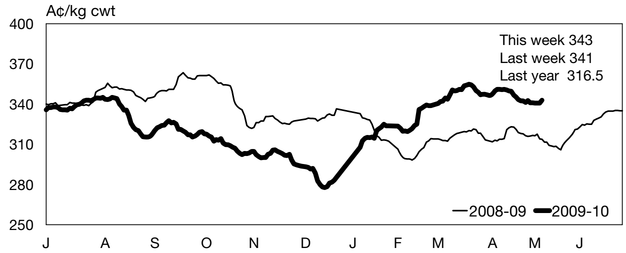
TW = This week, LW = Last week, LY = Last year

** New OTH weight changes on trade steers (see note on page S1)

Livestock prices

MLA's NLRS

Eastern Young Cattle Indicator (EYCI)



Eastern States Trade Lamb Indicator

mla market INFORMATION

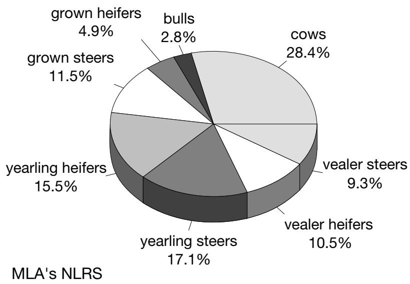
cattlemarkets
meat & livestock weekly
Friday, 7 May 2010

National cattle supply increases

National cattle throughput increased by 20% at MLA's NLRS reported physical sales on last week, with the resumption of Monday markets in most states. Queensland, however, again had no Toowoomba sales, with another long weekend impacting Monday's markets.

Queensland was the only state to record a fall in supply, with most markets across the state registering reduced yardings. Dalby numbers fell 18% and at the Roma store sale supply dropped 27%, resulting in state throughput slipping by 13%. Yearlings made up the majority of Queensland's supply, most of the steer portion going to lotfeeders and restockers, while the heifer portion was split – around 30% was purchased by trade buyers and 44% sent back to the paddock.

National yarding breakdown



MLA's NLRS

NSW had the largest increase in numbers, with an additional 8,000 head cattle yarded. The boost in numbers was predominately caused by the resumption of the Forbes, Tamworth and Wagga markets. Although total yardings were up, most saleyards recorded reduced throughput compared with last week. Casino fell by almost 1,000 head, with good rainfall early in the week restricting the movement of cattle. In the north of the state conditions continue to deteriorate, with many cattle displaying a wintery coat.

MLA's NLRS

First sale held at Muchea

The new Muchea livestock centre in WA held its first sale on Monday. Around 1,300 head cattle were offered which was well below the 3,400 head that can be accommodated, with numbers restricted due to the official opening and presentations. The yarding consisted a large offering of yearling steers, while heavyweight trade cattle and cows were in limited supply.

The light and medium weight yearling steers were mostly purchased by live exporters, with most selling between 185¢ and 190¢/kg lwt. Some better quality certified grain fed consignments met good competition from processors, with heavyweight yearling steers making between 178¢ and 203¢, to average 193¢/kg. Yearling heifers mostly sold to restockers to average around 140¢/kg. D2 cows selling to processors made between 102¢ and 130¢, to average 119¢/kg.

MLA's NLRS

Cattle movements

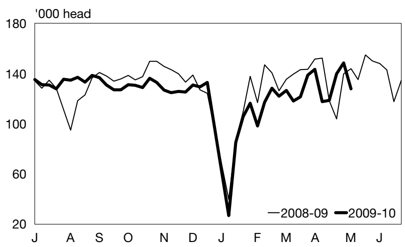
Slaughter statistics - for week ending 30/04/10

		TW	LW	LY
Qld	Cattle	67,066	76,757	74,368
	Calves	1,388	1,732	1,511
NSW	Cattle	33,386	39,099	36,552
	Calves	2,684	3,156	2,840
Vic	Cattle	18,903	21,714	22,638
	Calves	6,196	6,321	6,860
SA	Cattle	4,006	6,325	6,463
	Calves	36	43	171
Tas	Cattle	4,376	4,431	3,894
	Calves	660	775	578

Saleyard throughput - for week ending 06/05/10
At NLRS reported centres

	TW	LW	LY
Qld	18,772	21,525	10,305
NSW	26,612	18,270	24,086
Vic	12,055	9,184	13,550
SA	3,882	1,720	3,886
WA	3,276	3,265	3,055
Tas	172	180	115

Cattle slaughter*



Cattle throughput*

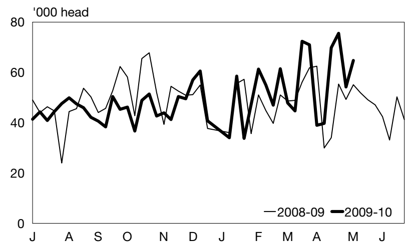


*figure includes Tasmania as of March 2009

Cattle price data is contained on page 1 of the statistics section.

Varied price trend for cattle

With the onset of cooler weather and lack of rainfall in many areas there has been a mixed price trend at MLA's NLRS reported markets this week.

At the close of Thursday's markets, the Eastern states indicators exhibited mixed trends on last week. A general slip in quality and limited numbers of prime finished cattle has caused the trade steer indicator to finish 6¢ lower than last Thursday at 182¢/kg lwt. Despite good numbers suitable to feed continuing to come forward, the feeder steer indicator improved 1¢ to settle at 180¢/kg lwt. After a couple of days remaining unchanged, the Eastern Young cattle Indicator (EYCI) finished Thursday 2¢ higher than last week at 343¢/kg cwt.

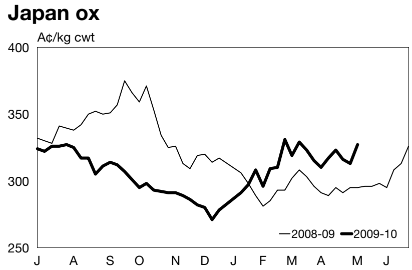
Grown steers were strongly contested and recorded a dearer trend, the Japan ox indicator finished at 176¢ to be 4¢/kg lwt dearer than last week. US cows were 1¢ stronger at 131¢/kg lwt on the back of growing demand for grinding beef.

MLA's NLRS

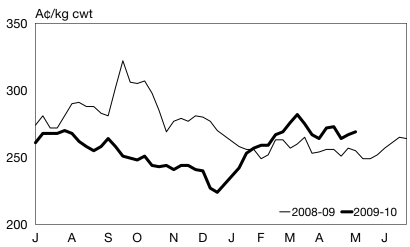
National indicators

MLA's NLRS

Japan ox



US cow



Feeder steer

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Sheep slaughter tightens

Eastern states sheep and lamb slaughter has started to decline, a typical seasonal trend heading into the winter months. Both sheep and lamb slaughter usually decline between now and mid-July (late June and early July over the past five years). Current sheep slaughter levels are at the lowest point year-on-year for the past five years; however, lamb slaughter has been on a par with previous years.

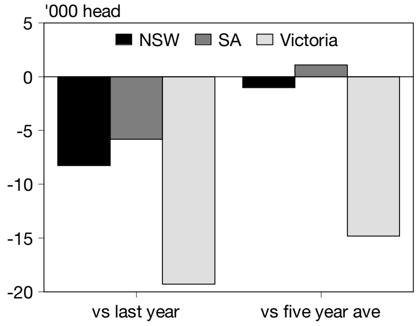
During April, sheep slaughter declined 46% year-on-year and half the five year average. On a state basis, NSW accounted for the largest decline in the number of sheep slaughtered. Queensland, although small in number compared to other states, contributed to the decline, with less than 40% of sheep slaughtered compared with the five year average and last year. The improved northern season and better wool prices in central NSW, northern NSW and Queensland has resulted in a maintenance of adult sheep and generally less sheep available. Additional factors include the high turnoff in numbers during the first few months of 2009 and November 2009 when prices were good and the season was drying out.

In Victoria, sheep slaughter in April was 46% lower than last year and 39% below the five year average. A similar picture transpired in SA, with sheep slaughter down by a half on last year and 46% below the five year average.

In contrast, eastern states lamb slaughter numbers were down 11% on last year and 5% higher than the five year average. SA slaughter during July was 2% above the five year average and 8% below last year, with NSW on par with the five year average and 9% below last year. Victoria was back 10% on last April and had the largest decrease by number of head.

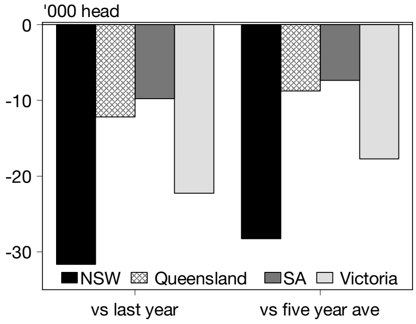
MLA's NLRS

Change in April weekly lamb slaughter numbers



Source: MLA's NLRS

Change in April weekly sheep slaughter numbers



Source: MLA's NLRS

Sheep and lamb movements

MLA's NLRS

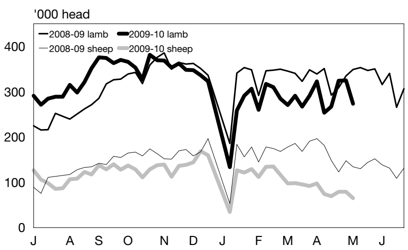
Slaughter statistics - for week ending 30/04/10

		TW	LW	LY
Vic	Lambs	125,452	144,388	161,710
	Sheep	22,882	34,115	44,453
NSW	Lambs	73,980	89,413	94,521
	Sheep	23,430	27,112	48,305
SA	Lambs	63,160	76,968	78,655
	Sheep	9,825	13,633	23,162
Qld	Lambs	2,135	6,438	4,886
	Sheep	7,140	1,331	14,741
Tas	Lambs	8,466	7,789	8,695
	Sheep	1,748	2,496	3,065

Saleyard throughput - for week ending 06/05/10
At NLRS reported centres

		TW	LW	LY
Vic	Lambs	48,869	32,962	56,620
	Sheep	12,317	7,453	23,316
NSW	Lambs	83,414	54,326	101,989
	Sheep	17,101	10,979	36,952
SA	Lambs	19,838	20,292	27,367
	Sheep	5,247	4,129	12,673
WA	Lambs	32,212	16,625	25,000
	Sheep	16,782	22,661	41,726
Tas	Lambs	450	950	700
	Sheep	50	100	900

Lamb and sheep slaughter*



Lamb and sheep throughput*

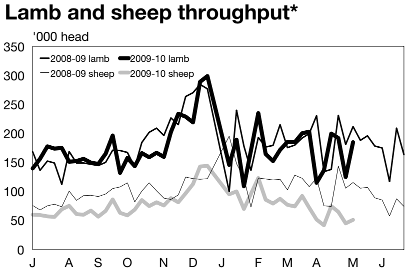


*figure includes Tasmania as of March 2009

Sheep and lamb price data is contained on page 1 of the statistics section.

Yardings up and prices follow

The return to the full working week and with all markets reported by MLA's NLRS being held, total lamb throughput increased 45%, while sheep numbers lifted 14% this week, despite a number of markets early in the week having slightly reduced numbers.

Quality generally remains mixed, and has noticeably fallen in recent weeks due to the onset of cooler weather. Trade and heavy lambs dominated numbers, with competition strong from the full field of buyers.

National prices regained some of their recent losses, with restocker lambs increasing 9¢ to 514¢, while light lambs registered a 2¢ rise to 457¢/kg cwt. Trade and heavy lambs gained 9¢ and 12¢, to finish at 497¢ and 480¢kg cwt, respectively.

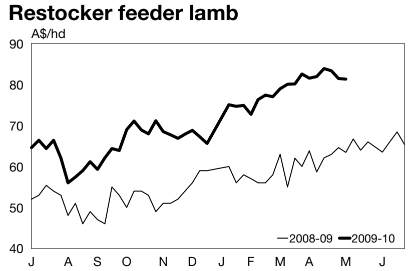
Mutton has continued to be in demand for the overall small numbers that are available. The national mutton indicator lifted 10¢ to 370¢/kg cwt.

MLA's NLRS

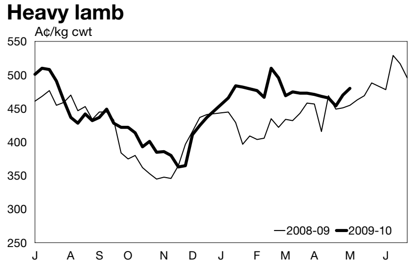
National sheep and lamb indicators

MLA's NLRS

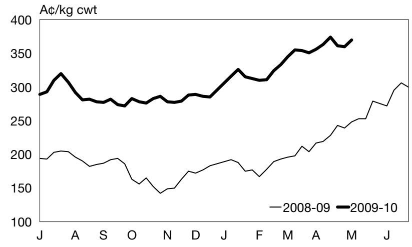
Restocker feeder lamb



Heavy lamb



Mutton



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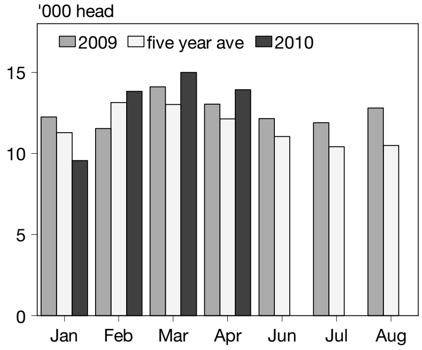
EYCI wrap

The last six months saw a period of fluctuation for MLA's Eastern Young Cattle Indicator (EYCI) – which experienced a sharp, sustained, weather driven rally since bottoming out in December last year. Currently, the EYCI sits at 343¢/kg cwt – 8% higher than a year earlier and well above the five year average.

The EYCI – a seven-day rolling average of C2 and C3 vealer and yearling steer and heifer prices across a range of MLA's NLRS reported saleyards in Victoria, NSW and Queensland – reached its lowest point since 2007 in December at 277.75¢/kg cwt. At the time, daily EYCI yardings averaged 13,656 head – 18% higher than a year earlier, as increasingly widespread drought lead to large numbers of cattle entering the market, subduing demand and subsequently lowering prices, as many producers struggled to feed (and in some cases water) their cattle.

Average daily head in EYCI



Source: MLA's NLRS

January saw a complete reversal, as good soaking rain brought an immediate halt to the liquidation of cattle and ignited restocker demand, regenerating pastures across swathes of eastern Australia. With producers able to hold onto stock, and in some cases restricted from moving them (with many roads underwater and widespread restrictions on transport), turnoff dropped sharply. As a result, total EYCI yardings in January were 22% below the previous year, at 124,380 head.

With reduced supplies and strong competition for cattle, prices lifted accordingly, bringing the EYCI to 354.75¢/kg cwt in late March – 28% above the December low and well clear of the five year average. Rising young cattle prices were led by Queensland over this period, averaging 182¢/kg, above NSW (179¢/kg) and Victoria (172¢/kg), where supply remained extremely tight.

Responding to higher prices, supply returned to the market, aided by receding flood waters across northern regions. Currently, average year-to-date EYCI yardings are 4% higher than a year earlier, with daily EYCI yardings in March and April topping 18,000 head for the first time on record.

Hide tanner margins tight

The market tended towards a softer price overall, although price changes were mixed and some contributors made no alterations. Overseas tanner margins are tight and a rise in leather price (or decline in raw material costs) is being looked for to maintain orders.

Skins cheaper

Lambskins rates were marginally cheaper, driven by softer demand from international buyers. Going forward, prices are expected to continue falling, due to quality slipping and ongoing buyer resistance. Skin quality is mixed, as more open wool types are emerging.

Hide indicator ($/hide)

MLA's NLRS

Green hides						w/e 30/4/10
	141-180kg cwt			221-280kg cwt		
	TW	LW	LY	TW	LW	LY
Qld	20.67	20.67	2.85	31.17	31.33	5.00
NSW	21.00	21.00	5.04	31.25	31.00	8.88
Vic & SA - cow	19.00	19.33	6.21	31.67	32.00	11.36
Vic & SA - ylg, ox, hfr	21.67	21.67	9.11	35.00	35.00	16.43
	Tick free			Ticky		
	TW	LW	LY	TW	LW	LY
Weight	Brine cured hides (Qld)					
23-32kg/hide	44.00	44.00	13.25	27.00	27.00	9.00
32kg+/hide	53.50	53.50	18.50	40.00	40.00	12.50
	Wet blue hides (NSW,Vic & Qld)					
23-27kg/hide	64.67	64.63	41.00	45.25	45.50	25.00
27-31kg/hide	73.93	73.67	47.85	55.75	56.50	33.00

Goat prices up

Goat prices lifted slightly as some regions are still finding it difficult to supply stock due to the recent damage to roads caused by the floods.

Supply is of good quality, with plenty of weight and condition evident in most lines.

Solid interest has been fielded by international customers, which has been reflected in stable trading levels, despite the high A$. The skin on season has begun with positive enquiry from Asia.

Across the Eastern states last week there were 31,130 head of goats slaughtered.

Goats OTH prices (¢/cwt)

MLA's NLRS

Category	TW	LF*	LY
0-8kg	200	200	150
8.1-10kg	255	251	163
10.1-12kg	258	252	159
12.1-16kg	261	257	162
16.1-20kg	261	261	160
20.1kg+	261	261	163

* LF = Last fortnight

Grain feed prices ($/tonne)

Darling Downs	TW	LW	LY
Wheat	195	195	230
Barley	200	200	210
Sorghum	175	175	185
Riverina			
Wheat	190	192	250
Barley	160	160	220
Sorghum*	225	225	257

*includes freight

Source: Profarmer

Eastern Market Wool Indicator (¢/kg)

	TW	LW	LY
AWEX E.M.I	875	876	830

Source: Australian Wool Exchange Ltd.
www.awex.com.au

Skin indicator (¢/skin)

MLA's NLRS

w/e 30/4/10

Lambs		TW	LW	LY
2"+	16.1 - 20kg	906	969	525
	20.1 - 24kg	1019	1075	625
	24.1kg +	1156	1213	675
1"-2"	16.1 - 20kg	1025	1050	525
	20.1 - 24kg	1138	1150	625
	24.1kg +	1213	1250	725
0.5"-1"	16.1 - 20kg	813	838	350
	20.1 - 24kg	900	963	450
	24.1kg +	988	1050	525
New season	16.1 - 20kg	nq	nq	550
	20.1 - 24kg	1350	1350	625
	24.1kg +	nq	nq	675
Merino sheep (average 25 micron)				
1.5"-2"	16.1 - 20kg	800	925	513
	20.1 - 24kg	1038	1125	625
	24.1kg +	1175	1275	775

Australian beef exporters optimistic about Korea

Australian beef exporters expressed optimism regarding the Korean beef market this week as general enquiries increased. In April, Australia exported 26% more beef than the same month last year and 13% more year to date compared with 2009 (*DAFF*).

While prices for most imported beef cuts remained steady this week, US and Australian short rib prices lifted an average KRW300 (A$0.29) and KRW500 (A$0.49), respectively, on last week. Australia exported 5% less short ribs to Korea in the four months to April this year compared with the same period last year (*DAFF*).

According to Korean news source MBN, Korea's battle with foot-and-mouth disease has resulted in increased chicken consumption, with large discount stores (E-Mart, Lotte Mart) reporting a 12-30% rise in chicken sales from 8 April to 2 May this year.

US market trimming the fat

The US imported manufacturing beef market this week dropped slightly, as US end users increasingly find it difficult to source fattier trimmings to grind with lean manufacturing beef. Alongside tight fat trimming supply, end users are also becoming cautious, committing to product at the high prices, with much market uncertainty still circulating.

The US wholesale fresh beef 50CL trimmings indicator is currently 36% higher than year ago levels and 8% above last week, at 116US¢/lb.

US fed beef supply (a source for fattier trimmings) looks to tighten even further over coming months, as US cattle on feed numbers for the past five months have declined progressively year-on-year. Whether prices will continue to rise through to the July period is another question, as after the peak Memorial Day demand period at the end of May, demand starts to wane. One bullish factor toward higher fatty trimmings prices through to July is the lower forward commitments to date by end users.

Deflation challenges Japan foodservice

Total foodservice sector sales in Japan declined 2% year-on-year in March, but customer numbers were maintained (up 1%) on last year, according to the Japan Foodservice Association.

The results indicate ongoing economizing by consumers and the deflationary climate in Japan, despite the government's view that the economy is "steadily recovering" (monthly economic report by Japan's Cabinet Office).

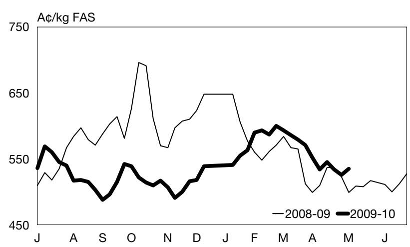
Among the fast food sector, Japanese style (namely gyudon or beef rice bowl) restaurant sales were down 8% year-on-year during March, while western style (hamburgers) sales also declined 2%. Both are volume users of Australian beef in Japan.

The cold weather in March, however, seems to have assisted sales of warm noodles, outperforming the previous year's sales by 13%.

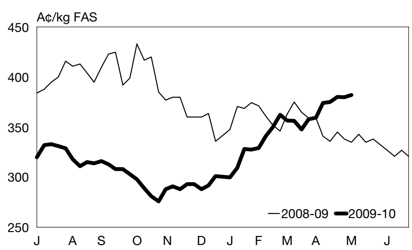
Export price watch

Source: Australian trade, US trade

Japan grassfed fullset price



90CL cow price to US



End of holiday season in Japan

Beef trading with Japan resumed on Thursday this week after Japan's Golden Week (series of public holidays from 29 April to 5 May), but inquiry was limited as buyers wait for sales assessment during the holiday season. Export prices improved slightly this week, due to a small depreciation in the A$ against the US$.

Japan continued to implement rigid quarantine measures against the foot-and-mouth disease (FMD) outbreak, but the number of FMD cases has now risen to 35 as at 7 May, all confined in the Miyazaki prefecture (located in the southern region of Japan).

In the meantime, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) resumed issuing beef export certificates for Hong Kong. The MAFF halted all beef exports following the discovery of FMD on 20 April, and was notified late last week by the Hong Kong authority that it will permit imports of Japanese beef produced outside the disease affected and movement/carry-out restriction areas.

Hong Kong was the second largest export market for Japanese beef (namely high quality Wagyu products) in 2009, valued at 655 million yen (A$8.9 million).

Major demand indicators (A¢/kg FAS)

Japan	TW	LW	LY
Grassfed f/set	535	526	499
Shortfed f/set	624	598	593
Fore/hind blended	366	357	356
US			
Cow 90CL	382	380	335
Trim 85CL	365	360	307
Knuckles - steer	450	441	379

Source: Trade

US lamb market

w/e 6/5/10	TW	LW	LY
HRI leg (US¢/lb)	500	500	403
HRI rack (US¢/lb)	715	698	650
US lambs 55-65lb (US¢/lb dw)*	nq	254	nq
US sheep and lamb slaughter ('000 head)*	40	38	42

*w/e 30/4/10

Source: HRI Buyers Guide, USDA

Exchange rate

around 9am 6/5/10

Major currencies against the A$	TW	LW	LY
US dollar	0.905	0.925	0.752
Japanese yen	84.93	86.81	74.04
Korean won	1032	1031	950
UK pound	0.599	0.609	0.497
Euro	0.706	0.699	0.566
NZ dollar	1.246	1.289	1.278
Indonesia rupiah	8347	8344	7794

Source: Infoscan

TW = This week, LW = Last week, LY = Last year

mla market INFORMATION

competitorwatch
meat & livestock weekly
Friday, 7 May 2010

Argentinean meatpackers negotiate exports

The Argentinean Secretary for Domestic Trade continues to maintain tight restrictions on beef exports, at the same time as seeking agreements with the industry to increase domestic beef supply. Low supplies and high beef prices continue to be a major contributor to Argentina's high consumer price inflation.

Last Friday (during weekly meetings with industry representatives) the Secretary announced the imposition of a "domestic beef quota" (unspecified) which meatpackers will need to fill in order to be granted approval for export certificates (*Infocampo*).

Moreover, the Secretary this week announced an agreement with a group of meatpackers to allow 25,000 tonnes cwt of beef exports each month. According to the deal, processors consented to sell 13 highly demanded cuts on the domestic market, at low prices set by the Secretary (*Clarín*). Other export companies may join this arrangement, as long as they sell the products at the suggested prices. The agreed export volume is around half the average monthly beef exports last year.

These latest arrangements and discussions between the Secretary and the industry have not been formalised into government regulations and, in the past, these pacts have rarely been fulfilled. In addition, procedures to bring effect to the current and previous agreements remain unclear and bureaucratic.

Since December, Argentinean cattle and beef prices have soared, as supplies slumped due to the liquidation experienced since 2006, exacerbated by a severe drought in 2008-09. As a result, the government nearly halted export certificate approvals, aiming to increase supplies on the domestic market. These severe restrictions on Argentine exports have been one of the contributing factors in the lift in demand for Australian beef in Russia over the past month, and in the strong lift in global manufacturing beef prices.

Japan continues to receive more US beef

US beef exports to Japan continue to grow, with a 41% jump in February on the same time last year, to 8,516 tonnes cwt (United States Department of Agriculture). This is despite the limitation that all US beef products be derived from cattle less than 21 months of age.

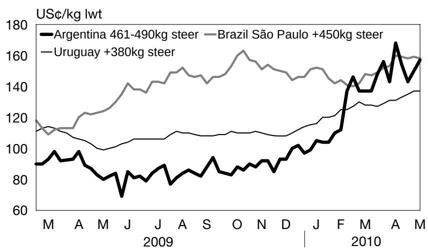
A likely premise for higher beef exports to Japan was a lift in US cattle on feed numbers on year ago levels, between September and November 2009. This lift in fed cattle numbers saw a boost in US beef production during November and December on the same time in 2008, increasing fed beef supply eligible for the Japanese market for the beginning of this year.

The outlook though is for US beef supply to tighten over coming months, as US cattle on feed numbers for the past five months (December 09' through to April 10') have declined progressively year-on-year. This will limit the availability of product for export and possibly domestic use – prices have already increased significantly due to supply shortages.

In other global markets, US beef exports to Mexico continue to remain lower on year ago volumes, down 2% during February, to 17,980 tonnes cwt. Economic conditions in Mexico are yet to recover, with the depressed Mexican Peso against the US$ affecting the affordability of US beef. US beef exports to Canada increased 21% in February on the same time last year, to 11,207 tonnes cwt, as the Canadian dollar strengthened against the US$.

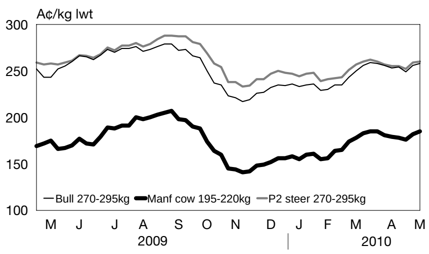
Competitor prices

South America cattle prices



Source: Mercado de Liniers, AgraFNP, INAC

NZ OTH cattle prices



Source: NZX Agrifax

March quarter NZ meat exports

New Zealand sheepmeat and beef exports were greater in the first quarter of 2010 than the same time in 2009, according to Statistics NZ, however, the value of these exports fell over the period.

Exports of sheepmeat for the quarter increased 4% year on year, to 127,852 tonnes, while the value received fell by 6%, to NZ$946 million. Sheepmeat exports rose considerably to Hong Kong (up 164% to 5,602 tonnes), and also increased to the US (up 33%% to 7,752 tonnes) and the Middle East (up 23% to 12,998 tonnes). Exports to the EU were back 6% year-on-year to 61,594 tonnes. While lamb prices overseas, especially in the EU, are higher than the same time last year, the strong NZ$ means the price in NZ$ terms is actually down.

Beef exports for the quarter remained steady at 105,086 tonnes, although the value dropped by 9% to NZ$515 million. In a similar vein to the situation for lamb, high overseas beef prices, particularly in the US, were more than offset by the exchange rate.

US beef price indicators (US¢/lb)

	TW	LW	LY
90CL fresh	172.3	171.8	148.5
Chucks	176.5	176.5	126.5
Choice beef cutout	170.0	169.0	145.7
5 mkt fed steer (lwt)	99.4	98.9	85.6
CME feeder cattle (lwt)	112.9	113.4	99.5
Cutter cow carcase (lwt)	94.0	93.0	84.0

Source: Urner Barry, USDA

Cattle slaughter ('000 head)

	TW	LW	LY
w/e	24/4/10		
US - total	647	643	650
year to date	10,665	10,018	10,392
US - cows	122.8	125.4	110
year to date	2,074	1,951	1,998
w/e	1/5/10		
Uruguay - total	55	59	47
year to date	851	796	747

Source: USDA, World Beef Report

NZ livestock prices (A¢/kg)

		TW	LW	LY
	w/e	30/4/10		
Bulls	296-320kg	258	252	243
Cows	170-195kg	182	176	171
Steers	295-320kg	262	257	261

Source: Agri-Fax

NZ export lamb market

A¢/kg	TW	LW	LY
w/e	30/4/10		
NZ chilled export leg to EU (FAS)	691	695	805
SI lamb 15kg dw	345	332	428

Source:Agri-Fax, AgBrief

TW = This week, LW = Last week, LY = Last year

mla market INFORMATION

Despite tighter supply, offal prices fall in April

Edible beef offal prices were generally lower in April, falling on both the previous month and a year earlier, with prices subdued despite tighter supplies. The high A$ – averaging 92US¢ in April – continues to keep a lid on prices, and beef offal exports fell 4% over the month, totalling 10,130 tonnes swt.

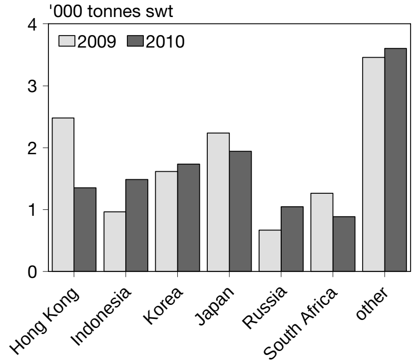
Despite the beginning of the Japanese Golden Week holidays in May – which in previous years have seen offal prices spike as importers scrambled to build-up stocks – Japanese offal prices were weaker in April. Swiss-cut tongues averaged 13% lower year-on-year at $9.94/kg, while rumen pillars fell 21% to $4.54 (500-700grams). Offal exports to Japan fell 13% year-on-year to 1,940 tonnes.

In contrast, demand from Korea was strong, with volumes lifting 7% on a year earlier to 1,734 tonnes for the month. This helped boost prices, with headmeat rising 7% to average $2.78/kg and tail prices rising 18% to $4.69/kg. Thick and thin-skirt prices were maintained at $3.80 and $3.75/kg, respectively, level with the previous year.

Despite very strong demand from Indonesia, where offal exports rose 55% to 1,488 tonnes swt for the month, prices followed the general market down. Hearts ($1.55/kg) and kidneys ($0.93/kg) both averaged cheaper over the month.

Liver prices benefited from strong Russian demand – with shipments rising 57% year-on-year to 1,046 tonnes swt, lifting average prices 33% to an average $1.36/kg in April. However, both hearts ($1.53/kg) and kidneys ($0.86/kg) averaged cheaper, falling 8% and 12%, respectively. Tripe prices also fell, averaging $2.08/kg, back 13% on the previous year, due to much weaker buying from Hong Kong, which took 45% less offal than a year earlier at 1,353 tonnes swt.

April offal exports



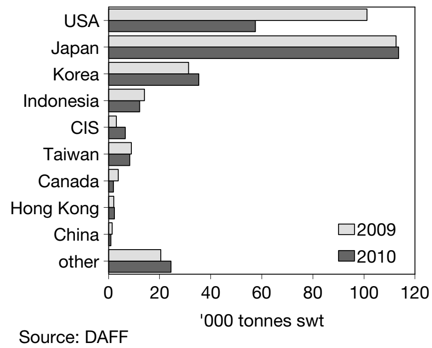
Source: DAFF

Beef exports back 7% in April

Australian beef and veal exports continue to track below year-ago levels, with April shipments contracting 7% year-on-year, the eighth consecutive monthly year-on-year decline, as the reduced supply of cattle continues to limit beef production. Exports for the month totalled 74,753 tonnes swt, taking total shipments for the first four months of 2010 to 263,121 tonnes swt – 12% below the corresponding period last year and the slowest start to a year since 2004.

Despite the lower exports for April and continued high A$, overall demand signals strengthened throughout the month, most notably with increased buying from Russia, along with steadily rising beef prices in the US.

Australian beef exports Jan - April



Source: DAFF

With the Russian market recovering from a very tough 2009 and facing restricted beef supplies out of South America, primarily from Argentina, interest for Australian beef has been rejuvenated. In April, Australian exports to Russia reached 4,107 tonnes swt, up 141% year-on-year, and the largest monthly volume since September 2008. Russia has the potential to take very large volumes of beef (as witnessed in 2008 when they imported 72,000 tonnes swt of Australian beef), and boost buyer competition between the major markets for Australian product.

With the US market facing reduced beef supplies, including manufacturing beef, prices have increased significantly so far in 2010. Since the start of 2010, Australian beef export prices to the US have jumped 27% for 90CL product, averaging 12% higher throughout April year-on-year, even with the A$ trading at 92US¢, compared with 71US¢ in April 2009.

However, despite the higher prices on offer, Australian beef exports to the US continue to track well below year-ago levels, with shipments in April back 36%, at only 16,605 tonnes swt. Contributing to the lower shipments has been tighter cow beef supplies, as producers withhold cows on the back of the excellent start to 2010.

After the largest monthly exports to Japan since November 2005 in March, at 39,283 tonne swt, Australian shipments in April were somewhat tempered, albeit still only 1% below the same period last year, at 29,825 tonnes swt.

Australian exports to Korea increased 26% year-on-year during April, to 10,745 tonnes swt. Despite the increased presence of the US in 2010, demand for Australian beef has remained relatively strong, with shipments for the first four months up 13% year-on-year.

Exports to other markets throughout April were mixed, including a 17% year-on-year increased to Indonesia (2,808 tonnes swt).

Looking into the second half of 2010, the production of Australian beef is expected to increase, as producers start to turnoff more finished cattle, underpinned by the excellent start to the season and the withholding of cattle to capitalise on ample feed supplies. The improved beef supplies should help increase Australian beef exports, especially if the forecast improved global economic outlook in key export markets and better beef demand signals prove accurate.

Singapore's economy grows

Singapore's economy expanded 13.1% during the first quarter of 2010 after registering sluggish growth in 2009 because of the Global Financial Crisis. According to Singapore Ministry of Trade and Industry's (MTI) latest release, the service sector also expanded, registering a year-on-year growth of 8.4%.

Expansion in the service sector was largely driven by increased wholesale trade, growth in transport and storage, hotels and restaurants as well as financial and business services. MTI expects Singapore's economy to grow by between 7% and 9% in 2010, amid a forecast inflation of between 2.5% and 3.5%.

Supply restricts Australian beef exports to Indonesia

Australian beef exports to Indonesia during April decreased 17% from the previous month to 2,808 tonnes swt, although remained 17% above volumes sent in April 2009.

Beef shipments to the market during the first four months of 2010 decreased 14% compared with the same period in 2009, to 12,163 tonnes swt, due entirely to a fall in frozen volumes. In contrast, the chilled beef trade to the market remained firm, up 1% to 1,246 tonnes swt.

While reduced beef production following limited cattle supply restricted beef exports from Australia during the four months to April, beef demand in Indonesia remained resilient. Indonesia has sourced more beef from New Zealand, with exports from New Zealand during January to March jumping 45% year-on-year to 9,688 tonnes swt, despite the appreciation of the NZ$ against the Indonesian rupiah.

Australian beef offal shipments to Indonesia during January to April soared 39% compared with the same period in 2009, to 4,940 tonnes swt. New Zealand also exported 44% more beef offal to the market during the March quarter, to 4,034 tonnes swt.

“Sheepmeat Day” for Japanese consumers

In order to raise the awareness and encourage consumption of Australian lamb in Japan, MLA has launched the “Sheepmeat Day (29 April)” campaign.

The campaign activities include outdoor cooking seminars in Hokkaido (the northern region of Japan, home of Genghis Khan or Mongolian style sheepmeat barbeque), in-store sampling at 700 outlets nationwide, and promotional support at retail in co-operation with Japan’s Genghis Khan Promotion Committee.

This year, strong prices from Australia, combined with slow consumption in Japan have subdued Australian lamb exports to this market (January to April 2010). Shipments totalled 2,630 tonnes during the period, 27% lower year-on-year (73% of shipments sent to Japan in the corresponding period in 2009).

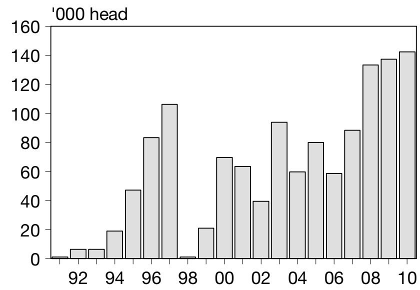
In April, Australia exported 772 tonnes swt of lamb to Japan, down 11% from the same time last year. The decline was more significant in chilled shipments, reducing 17% year-on-year to 541 tonnes.

Cattle exports to Indonesia slow following record first quarter

Despite record cattle numbers exported to Indonesia in the first quarter of 2010, there are ongoing concerns around the issuing of Indonesian import permits and an oversupply of cattle in the market.

Australia live cattle exports to Indonesia

January to March



Source: ABS

Australian live cattle exports to Indonesia during the first quarter of 2010 reached record levels, at 142,000 head, as total exports to all markets increased 25% year-on-year, to 220,000 head (Australian Bureau if Statistics). Along with Indonesia, other shipments for the first three months of 2010 also increased with the reopening of Egypt (taking 16,000 head).

However, while the record shipments to Indonesia during the first quarter of 2010 were largely anticipated, several issues emerged throughout the period which could impact the trade into the middle of the year. The most significant concern continues to be the uncertainty surrounding the allocation of import permits by the Indonesian government, which are not being issued as freely as in previous years. Most importers are receiving permits as required, however, often at reduced volumes.

Despite the increased imports, sales of cattle from feedlots have slowed, leading to some accumulation of animals in feedlots causing oversupply concerns – the result of an increase in boxed beef and offal imports over the period. However, the ongoing impact of this is expected to be short term, live cattle demand is expected to strengthen (assuming import permits are available), as the peak buying period of Ramadan is expected to commence in May.

Additionally, the relatively poor wet season across the Kimberley region has reportedly seen many producers keen to relocate stock, conscious that feed supplies will not be adequate to carry numbers throughout the dry season. In contrast, the excellent wet season across northern Queensland and eastern NT is expected to keep supplies tight.

Given the seasonality in live export prices, the end of the wet season has seen indicative prices fall back to around 160-170¢/kg lwt for light steers ex. Darwin, which is back in-line with slaughter cattle prices. Since the start of 2010, indicative live cattle prices have fallen 19%, while in contrast, the “grass-market” throughout Queensland had seen trade steer prices jump by over 20% to the end of April.

Sheepmeat exports down again

A combination of lack of supply, the strong A$ and high prices has resulted in Australian exports of lamb and mutton falling year-on-year in April (DAFF).

Lamb exports were back 11% on last April, at 12,430 tonnes swt, the fifth consecutive month of lower year-on-year exports. Most key lamb export destinations reflected the overall trend, with lamb exports down to the US (6% to 2,957 tonnes), the Middle East (13% to 2,745 tonnes) and the EU (52% to 462 tonnes). Australian lamb exports to South East Asia and Greater China were the exception, increasing 6% during April compared with the previous month and 13% higher compared with April 2009, to 2,992 tonnes swt. The rise was attributed to the resilient demand in Greater China and increased shipments to Malaysia, despite the high lamb prices and the strong A$ during April.

Year-on-year mutton exports fell for the 16th consecutive month in April, down 39%, to 7,642 tonnes swt. Exports to Australia’s largest mutton market, the Middle East, dropped by one third year-on-year, to 3,370 tonnes due to the high prices and limited supply, with some buyers reportedly purchasing beef and veal as a substitute (up 48% to 1,701 tonnes). Malaysia and the EU were the only key markets to record an increase, up 4% to 774 tonnes and 15% to 528 tonnes, respectively.

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mla market INFORMATION

weekly market analysis
meat & livestock weekly
Friday, 7 May 2010

Domestic Indicators

TW = This week, LW = Last week, LY = Last year

Category definitions are as per tables on front page.

Over the hooks cattle indicators (¢/kg cwt) MLA's NLRS

	Qld*			NSW			Vic			SA			WA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Trade steer**	302	305	284	307	304	293	323	321	346	310	310	nq	311	311	316	325	325	310
Medium steer	303	305	281	300	300	282	325	325	315	nq	nq	nq	259	259	259	307	307	287
Japan ox	313	316	288	309	309	286	327	327	285	nq	nq	nq	259	259	259	307	307	287
US cow	240	243	235	237	237	236	261	263	240	250	250	220	nq	nq	nq	245	245	225
EU steers	323	323	300	340	340	325	nq	nq	nq	nq	nq	nq	259	259	258	nq	nq	nq

* Qld quotes are for Southern Queensland only

** New OTH weight changes on trade steers (see note below)

Saleyard cattle indicators MLA's NLRS

	Qld			NSW			Vic			SA			WA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Trade steer (¢/kg lwt)	171	172	172	182	188	175	183	191	173	178	186	184	nq	195	nq	nq	173	173
(¢/kg cwt)	331	343	327	338	343	323	344	355	323	326	341	323	nq	355	nq	nq	326	318
Medium steer (¢/kg lwt)	175	171	168	171	169	156	172	170	163	184	174	nq	174	nq	nq	179	nq	nq
(¢/kg cwt)	330	323	314	320	317	292	328	329	301	347	333	nq	316	nq	nq	319	nq	nq
Japan ox (¢/kg lwt)	168	168	160	175	164	160	180	179	169	180	nq	164	nq	nq	nq	172	162	156
(¢/kg cwt)	317	307	286	321	302	295	333	332	309	333	nq	304	nq	nq	nq	312	296	282
US cow (¢/kg lwt)	126	125	124	129	129	120	140	140	127	144	141	125	131	nq	115	120	nq	102
(¢/kg cwt)	255	252	252	268	270	254	293	288	260	308	311	271	261	nq	229	261	nq	215
Feeder steer (¢/kg lwt)	181	181	168	180	180	165	175	178	171	184	177	171	nq	nq	166	nq	nq	nq

Over the hooks sheep and lamb indicators (¢/kg cwt) MLA's NLRS

	Vic			NSW			SA			WA			Tas			Qld		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Light trade lamb	471	467	455	473	463	460	460	460	445	460	460	413	445	455	425	470	453	420
Heavy trade lamb	474	470	461	471	463	452	475	475	455	460	460	419	445	455	425	470	453	415
Heavy lamb	474	470	458	467	460	454	475	475	455	455	455	421	445	455	430	465	450	425
Mutton	366	364	239	346	346	223	365	365	200	303	303	154	320	320	190	340	340	220

Saleyard sheep and lamb indicators (¢/kg cwt) MLA's NLRS

		Vic			NSW			SA			WA			Tas		
		TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Restocker/feeder	($/head)	85	94	66	85	84	64	76	75	60	73	69	53	85	86	70
Merino lamb	(¢/kg cwt)	431	431	377	433	437	375	433	412	377	463	467	407	nq	nq	nq
Light lamb	(¢/kg cwt)	451	475	407	454	450	391	451	430	368	516	487	338	499	525	433
Trade lamb	(¢/kg cwt)	504	501	453	492	485	465	502	482	453	491	479	410	460	463	428
Heavy lamb	(¢/kg cwt)	477	470	460	481	471	459	482	465	460	471	470	382	449	440	409
Mutton	(¢/kg cwt)	401	397	264	384	363	256	355	337	265	326	332	195	nq	nq	209

Over the hooks pig indicators (¢/kg cwt) MLA's NLRS

	NSW			Qld			Vic			SA			WA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Pork DF 45 - 60kg	347	349	394	330	333	390	295	296	392	333	343	398	308	308	302	nq	nq	nq
Bacon GI 60 - 75kg	293	302	367	267	272	350	252	256	362	260	269	356	293	293	271	nq	nq	nq
Backfatter sows 90kg+	121	131	181	98	98	159	124	138	202	116	135	223	79	79	79	nq	nq	nq

Live export price quotes (¢/kg lwt)

			TW	LW	LY
Light steers	(280 - 400 kg)	Darwin	170	170	170
	(280 - 400 kg)	Fremantle	nq	nq	nq
Heavy steers	(400+ kg)	Darwin	160	160	160
	(400+ kg)	Fremantle	nq	nq	nq
Export wethers	(A$/head)	Muchea*	99	92	91

Source: MLA's NLRS, Landmark

Tallow ($/t, delivered in store)

	TW	LW	LY
Prime - Melbourne	750	750	920
Prime - Brisbane	750	750	900
Bleachable fancy	690	690	870

Source: Trade

Feeder cattle indicators (A¢/kg lwt)

w/e 30/4/10

	Paddock sales	TW	LW	LY
Domestic	Steers 280-350kg	188	189	174
	Heifers 280-350kg	178	179	159
Export	Shortfed 100-120 DOF	183	184	171
	Mediumfed 120-220 DOF	191	193	173
	Longfed 220+ DOF	200	200	182

NOTE: Feeder cattle prices are for cattle purchased for direct entry into feedlots.

mla market INFORMATION

Japan market

TW = This week, LW = Last week, LY = Last year

Imported beef price in Kanto wholesale market

¥/kg spot, US¢/lb C&F*		TW	LW	LY
From Australia chilled				
grassfed	¥/kg	nq	770	nq
fullset	US¢/lb	nq	251	nq
shortfed	¥/kg	nq	855	nq
fullset	US¢/lb	nq	280	nq
midfed	¥/kg	nq	1025	nq
fullset	US¢/lb	nq	337	nq
longfed	¥/kg	nq	1255	nq
fullset	US¢/lb	nq	415	nq
grassfed navel	¥/kg	nq	635	nq
end brisket	US¢/lb	nq	205	nq
grassfed	¥/kg	nq	650	nq
chuck roll	US¢/lb	nq	210	nq
shortfed navel	¥/kg	nq	690	nq
end brisket	US¢/lb	nq	224	nq
shortfed	¥/kg	nq	775	nq
chuck roll	US¢/lb	nq	252	nq
Frozen				
brisket	¥/kg	nq	550	nq
	US¢/lb	nq	180	nq
chuck/blade	¥/kg	nq	580	nq
	US¢/lb	nq	190	nq
cow meat	¥/kg	nq	510	nq
(85CL)	US¢/lb	nq	166	nq
From US chilled				
chuck rib	¥/kg	nq	1275	nq
	US¢/lb	nq	422	nq
short rib	¥/kg	nq	2225	nq
	US¢/lb	nq	744	nq
steak ready	¥/kg	nq	1725	nq
	US¢/lb	nq	575	nq
Frozen				
chuck roll	¥/kg	nq	nq	nq
	US¢/lb	nq	nq	nq
short plate	¥/kg	nq	675	nq
	US¢/lb	nq	223	nq

Source: Chikusan Nippo

Beef export prices to Japan

A¢/kg FAS, US¢/lb C&F#		TW	LW	LY
Chilled				
grassfed fullset	US¢/lb	236	238	184
	A¢/kg	535	526	499
shortfed fullset	US¢/lb	273	268	216
	A¢/kg	624	598	593
Frozen				
chuck/blade	US¢/lb	178	180	141
	A¢/kg	403	399	382
thick flank	US¢/lb	205	208	160
	A¢/kg	470	465	439
fore/hind	US¢/lb	163	163	132
blended	A¢/kg	366	357	356
topside	US¢/lb	213	213	165
	A¢/kg	488	477	454
silverside	US¢/lb	200	200	145
	A¢/kg	457	447	394
brisket	US¢/lb	165	165	155
	A¢/kg	372	363	424

Source: Australian trade

Domestic beef carcase prices – Tokyo

Steer	¥/kg	TW	LW	LY
Wagyu (A5)		nq	2077	nq
Dairy (B3)		nq	nq	nq
F1 (B3)		nq	1231	nq
Dairy (B2)		nq	nq	nq
F1 (B2)		nq	1095	nq

Source: Shokuniku Sokuho

Imported offal prices in Kansai wholesale offal market

¥/kg spot, US¢/lb C&F*		TW	LW	LY
From Australia frozen				
tongue	¥/kg	nq	1200	nq
(swiss cut)	US¢/lb	nq	491	nq
thick skirt	¥/kg	nq	465	nq
	US¢/lb	nq	185	nq
thin skirt	¥/kg	nq	490	nq
	US¢/lb	nq	195	nq
mountain	¥/kg	nq	575	nq
chain tripe	US¢/lb	nq	260	nq
From Chile frozen				
tongue	¥/kg	nq	nq	nq
(swiss cut)	US¢/lb	nq	nq	nq
From Mexico frozen				
tongue	¥/kg	nq	1000	nq
(swiss cut)	US¢/lb	nq	407	nq
From US frozen				
mountain	¥/kg	nq	nq	nq
chain tripe	US¢/lb	nq	nq	nq

Source: Shokuniku Sokuho

Prices are indicator only

Korea market

Korean wholesale prices

won/kg	TW	LW	LY
Korean domestic wholesale*			
Hanwoo carcase	16629	16936	13929
dairy steer	10586	10586	6821
pig carcase	4502	4218	3926
Australian wholesale			
brisket deckle off	6100	6100	6300
rump	7000	6900	7000
chuck roll	7100	7100	6200
short rib	9000	8500	6000
US wholesale			
grainfed chuck roll	7200	7200	6800
grainfed short rib	13000	12700	8800

* w/e 1/5/10

Source: Korean trade press, Korean trade

US domestic/export markets

Beef export prices to the US

US¢/lb CIF, A¢/kg FAS		TW	LW	LY
Frozen				
Bull 95CL	US¢/lb	178.8	181.0	134.8
	A¢/kg	404.9	401.4	360.4
Cow 90CL	US¢/lb	169.5	172.0	126.0
	A¢/kg	382.4	380.0	334.8
CC/CF 85CL	US¢/lb	163.5	164.5	117.5
	A¢/kg	367.8	362.2	310.0
Shank 90CL	US¢/lb	167.5	167.5	124.5
	A¢/kg	377.5	369.3	330.4
Trim 85CL	US¢/lb	162.5	163.5	116.5
	A¢/kg	365.4	359.8	307.0
Trim 80CL	US¢/lb	152.5	151.0	107.5
	A¢/kg	341.1	330.1	280.7
Trim 75CL	US¢/lb	141.0	141.0	98.5
	A¢/kg	313.1	306.3	254.4
Trim 65CL	US¢/lb	124.0	122.5	84.5
	A¢/kg	271.8	262.3	213.5
Chucks 85CL	US¢/lb	nq	166.0	nq
	A¢/kg	nq	365.7	nq
Outside flats	US¢/lb	nq	nq	136.0
- steer	A¢/kg	nq	nq	364.0
Knuckles	US¢/lb	197.5	197.5	141.0
- steer	A¢/kg	450.4	440.6	378.7
Inside cap off	US¢/lb	237.5	237.5	172.5
	A¢/kg	547.6	535.7	470.7

Source: Steiner Consulting Group

US cattle futures

US¢/lb lwt	Contract	TW	LW
Live cattle	Feb-11	98.20	98.00
	Apr-11	98.50	nq
	Jun-10	95.88	93.88
	Aug-10	94.35	93.33
	Oct-10	95.75	95.45
	Dec-10	97.00	96.85
Feeder cattle	Jan-11	112.70	112.40
	Mar-11	111.95	111.10
	Apr-11	112.00	nq
	May-10	113.25	112.53
	Aug-10	115.55	115.83
	Sep-10	115.50	115.38
	Oct-10	115.15	114.90
	Nov-10	114.98	114.85

Source: CME

US domestic prices

Boneless beef US¢/lb - Fresh	TW	LW	LY
90CL	172.3	171.8	148.5
85CL	165.5	161.0	137.5
75CL	nq	131.0	112.0
50CL	116.0	107.5	85.0
2pc b/less chuck	176.5	176.5	126.5
insides	225.0	220.0	180.0
outsides	163.0	163.0	135.5
knuckles	190.0	190.0	160.0

Source: Urner Barry

* Export price equivalent (C&F) after removing from the wholesale price import tariffs, indicative landing charges, marine insurance and other import costs (converted into US¢/lb).

#Australian export prices to Japan are converted from US¢/lb C&F to A¢/kg FAS terms using the $A/$US exchange rate, converting from lbs to kgs and calculating the average freight rate to Tokyo Port (chilled = A¢40/kg; frozen = A¢30/kg). Values are market indicator only based on MLA survey with Australian trade.

Australian export prices to the US are converted from CIF to FAS terms by calculating an average shipping rate to the Port of Philadelphia (freight plus surcharges for a 20ft reefer), insurance, the A$/US$ exchange rate and the conversion from lbs to kgs.

CL = Chemical Lean – lean meat as a % of total meat.

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