

Lot feeding brief



RESULTS FOR THE JUNE QUARTER 2016 FEEDLOT SURVEY

- The latest ALFA/MLA feedlot survey results indicate that, at the end of the June quarter, 910,967 head of cattle were on feed nationally, down marginally from the previous quarter and 5% lower year-on-year. Compared to the March quarter, declines of 2% in NSW (285,128 head), 32% in SA (16,990 head) and 24% in WA (30,393 head) were offset by a greater number of cattle on feed in Queensland (up 4%, to 515,088 head) and Victoria (up 1%, to 63,368 head).
- The A\$ traded at an average of 75US¢ for the June quarter – 4% lower than year-ago levels. Against the Yen, the A\$ was also weaker, with the quarterly average falling 15% year-on-year to 80.57¥. Against the Korean Won, however, the A\$ lifted 2% from the same time last year, averaging 867.73₩.
- Australian grainfed beef exports for the June quarter 2016 were up 5% (2,975 tonnes swt) from the corresponding period last year, to 68,928 tonnes swt following a 3% year-on-year increase in grainfed cattle turnoff (712,504 head).
- Grainfed shipments to Japan increased 1% year-on-year, to 35,316 tonnes swt - with increased volumes of brisket (up 23%) enough to offset declines in manufacturing beef, fullset and chuck roll, as competitive pressure from US product increases. Volumes to Korea lifted 23% from year-ago levels, to 12,799 tonnes swt for the June quarter, consisting mostly of blade and brisket.

Figure 1 Cattle on feed

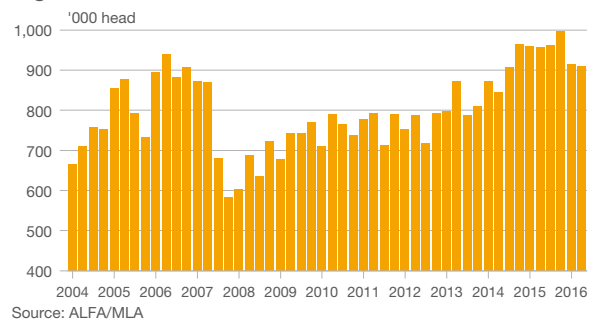


Figure 2 Quarterly grainfed beef exports

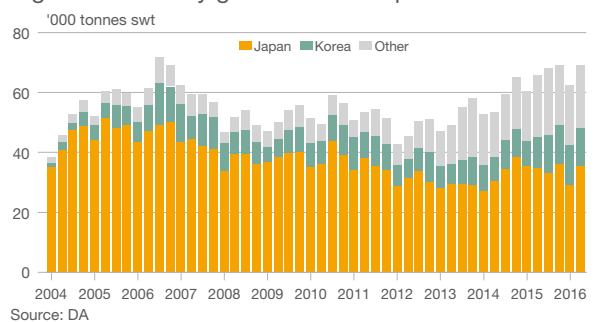


Table 1 MLA/ALFA Survey of feedlot activity

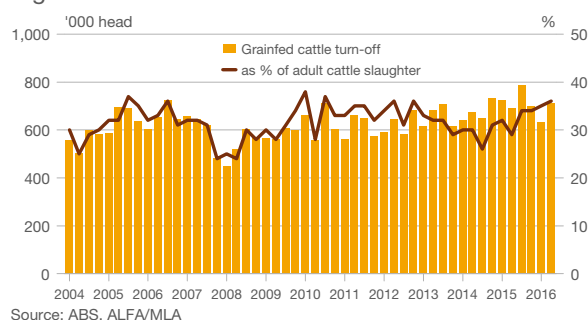
	Feedlot capacity			Numbers on feed			Utilisation %		
	Jun-15	Mar-16	Jun-16	Jun-15	Mar-16	Jun-16	Jun-15	Mar-16	Jun-16
NSW	390,753	352,274	378,297	299,505	291,312	285,128	77	83	75
Vic	84,793	115,791	103,275	69,371	62,888	63,368	82	54	61
Qld	606,460	662,243	642,089	528,164	495,578	515,088	87	75	80
SA	35,667	28,382	33,614	29,466	25,147	16,990	83	89	51
WA	53,752	60,824	56,749	30,422	39,976	30,393	57	66	54
Australia	1,171,425	1,219,513	1,214,024	956,928	914,902	910,967	82	75	75

Source: MLA/ALFA

Results for the 2016 feedlot survey – June quarter

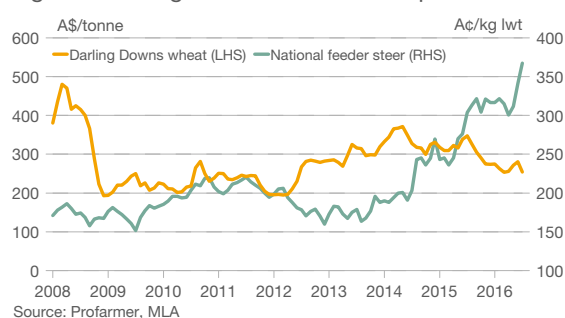
- Grainfed exports to China reached 5,546 tonnes swt, up 6% from the June quarter 2015, while shipments to the EU lifted 15%, to 4,897 tonnes swt. In contrast, exports to the Middle East (1,578 tonnes swt) and the US (3,392 tonnes swt) for the quarter declined 41% and 22% year-on-year, respectively.
- For the April to June period, the eastern states feeder cattle indicator averaged 311¢/kg lwt, up 56¢/kg lwt year-on-year, largely driven by strong restocker competition following widespread rain and an above average seasonal outlook.
- Somewhat offsetting the higher cattle prices for lot feeders were lower feed grain and fodder prices during the quarter, largely due to high global grain availability and recent widespread rain. Barley ex-Darling Downs declined 22% year-on-year, to \$248/tonne, sorghum was 26% lower, averaging \$225/tonne, and wheat averaged \$268/tonne for the quarter, down 17% from the corresponding period last year.

Figure 3 Grainfed cattle turn-off



Source: ABS, ALFA/MLA

Figure 4 Feed grain and feeder steer prices



Source: Profarmer, MLA

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



Source: MLA

Table 2 Activity by feedlot size

Feedlot size (head)	Feedlot capacity			Numbers on feed		
	Jun-15	Mar-16	Jun-16	Jun-15	Mar-16	Jun-16
< 500	34,313	32,327	33,314	18,623	12,219	22,902
500-1,000	110,565	157,730	87,118	46,934	46,877	32,475
1,000-10,000	416,295	454,358	455,223	338,563	340,534	329,826
>10,000	610,252	575,099	638,370	552,808	515,271	525,764
Total	1,171,425	1,219,513	1,214,025	956,928	914,902	910,967

Source: MLA/ALFA

Table 3 Quarterly cattle feedlot turn-off

	Jun-15 head	Mar-16 head	Jun-16 head
NSW	208,904	206,195	231,453
Vic	65,401	43,549	58,383
Qld	360,597	329,172	350,577
SA	23,098	19,845	28,031
WA	32,630	32,965	44,060
Australia	690,630	631,726	712,504

Source: MLA/ALFA

Table 4 Feedlot turn-off

	FY2007	FY2015	FY2016
NSW	746,350	832,500	860,094
Vic	223,617	200,157	215,902
Qld	1,448,374	1,583,644	1,571,212
SA	83,903	98,605	78,106
WA	166,566	81,084	103,564
Australia	2,668,810	2,795,989	2,828,877

Source: MLA/ALFA

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