North of the Tropic Beef Report

16 May 2016

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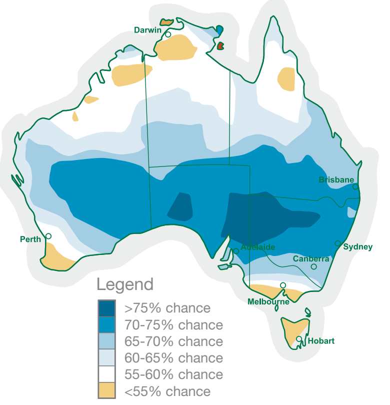
WEATHER OUTLOOK

The last week of April marked the **end of the northern wet season**, and rainfall throughout **Queensland** and the **Northern Territory** was sparse. Many parts of northern Australia recorded '**below-average**' conditions throughout the wet season. The northernmost regions of the country, such as the **Top End**, far **northern WA** and the **Cape York Peninsula**, experienced '**very much below average**' rainfall during the October to April period.

The latest **three month rainfall outlook** from the Bureau of Meteorology (BOM) forecasts a **60-75% chance of exceeding the average rainfall** across mainland Australia. For large parts of northern Australia, however, the outlook points to an **equal chance of a drier or wetter than average** May to July period. It should be noted that the historical accuracy of the rainfall outlook for the tropical northern regions during May to July is less accurate than eastern Australia and WA. **Warmer than average temperatures** are expected in northern Australia over the outlook period.

Weather outlook

Chance of exceeding the median rainfall May – July 2016

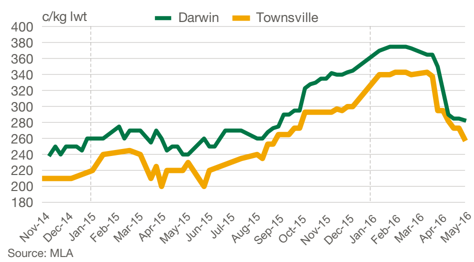


LIVE EXPORTS

With the northern wet season coming to a close and an increase in the number of cattle becoming available, live export prices continued a downward trend over the past month. **Delivered to Townsville**, export feeder steers are currently receiving close to 260¢/kg lwt – 20¢ lower than the April average, but still 50¢/kg lwt above the same time last year. **Feeder steers delivered to Darwin** followed a similar trend, with most recent quotes down 7¢ on the April average to around 280¢, although remaining more than 30¢/kg lwt higher than this time last year.

For the January to April period, **live feeder and slaughter cattle exports** were down 11% on the corresponding period last year, at 371,218 head (ABS, DAWR). More recently, technical recommendations by the Indonesian Ministry of Agriculture have been put forward, requesting approval for an unchanged allocation in the T2 period (May-August) of 250,000 head (feeder cattle), with **import permits officially issued by the Indonesian Ministry of Trade in early May**. In April, feeder and slaughter cattle exports to **Vietnam** reportedly reached 21,359 head, down 9% year-on-year.

Live export feeder steer indicators



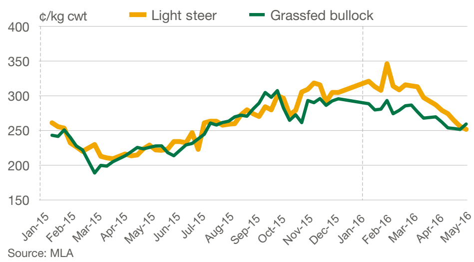
Source: MLA

SALEYARD PRICES

Reflective of dry seasonal conditions, throughput continued to increase across most of the northern saleyard markets in April. **Emerald** was the exception for the month, while average weekly consignments at **CQLX (Gracemere)** increased over 480 head on the previous month and numbers at **Charters Towers** (now operating weekly) almost doubled. As was the case in March, live export presence fluctuated across all sales during April. The reopening of one plant in the later stages of the month resulted in increased processor competition, at **CQLX** in particular.

A cheaper trend underlined saleyard indicators in April, with all major categories averaging 30¢/kg lwt lower month-on-month. The **restocker steer indicator** eased 40¢, at 300¢/kg lwt, while the **medium cow indicator** averaged 199¢ in April, back 21¢/kg lwt.

North Queensland saleyard indicators



Source: MLA

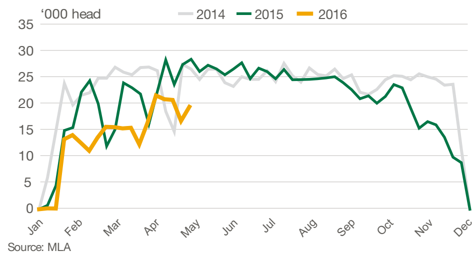
OVER-THE-HOOK INDICATORS AND SLAUGHTER

North Queensland weekly cattle slaughter averaged 20,124 head during April, decreasing 12% year-on-year, with the female kill continuing to account for the most significant decline. The reopening of a plant in late March saw a surge in overall kill numbers for the first week in April, before finishing at 16,874 head in the final week of the month.

The **north Queensland over-the-hook** indicators were lower across all categories in April, compared to the previous month. The **heavy steer indicator** started May at 474¢, while the **medium cow indicator** averaged 403¢/kg cwt. The **trade and medium steer indicators** averaged 465¢ and 464¢/kg cwt, respectively.

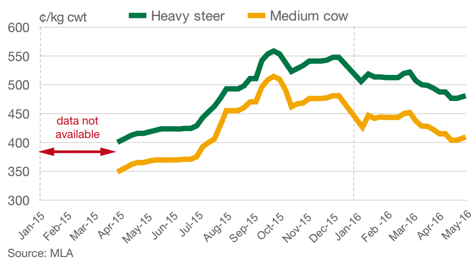
The **90CL imported US beef indicator** lifted 3.5US¢ in the final week in April, to 199US¢/lb CIF, (up 13.5A¢, to 573A¢/kg CIF), largely due to tighter supplies from Australia and New Zealand, although it still remains 14% lower than the same time last year.

North Queensland weekly adult cattle slaughter



Source: MLA

North Queensland over-the-hook indicators



Source: MLA

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Live export indicators

Cattle (¢/kg lwt)	Darwin			Townsville			Broome*		
	Apr-16	Mar-16	Apr-15	Apr-16	Mar-16	Apr-15	Apr-16	Mar-16	Apr-15
Feeder steer	**303**	365	251	**283**	340	210	**365**	NQ	240
Feeder heifer	**280**	345	230	**261**	308	188	**350**	NQ	220
Slaughter steer	**280**	290	240	**267**	288	218	**300**	NQ	NQ
Slaughter heifer	**260**	NQ	220	**242**	245	180	**NQ**	NQ	NQ

All live export cattle quotes are for cattle destined for Indonesia and Vietnam. *Broome is lightly reported.

Source: MLA

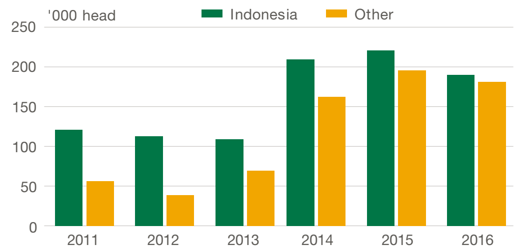
Australian feeder and slaughter cattle exports
(January – April)

Head exported	All ports		
	2016	2015	2014
Indonesia	**189,312**	221,361	209,687
Vietnam, China & Japan**	**100,853**	121,980	61,646
other	**81,053**	74,690	100,441
TOTAL	**371,218**	418,031	371,774

**Please note, ABS did not provide individual country data for Vietnam, China and Japan from October 2015 on but the majority of cattle in this group were destined for Vietnam. April totals comes from DAWR. Click here to read the latest edition of LiveLink.

Source: ABS, DAWR

Australian feeder and slaughter cattle exports
(January – April)



Source: ABS, DAWR

North Queensland over-the-hook indicators

Cattle (¢/kg cwt)	Dentition	Weight	Muscle	Fat	Apr-16	Mar-16	Apr-15
Trade steer	0-2 (YG)	240-260kg	A-C	5-22	**474**	494	401
Medium steer	0-4 (YP)	260-280kg	A-C	5-23	**474**	494	402
Heavy steer	0-4 (YP)	300-400kg	A-C	5-24	**484**	504	412
Medium cow	0-8 (C)	260-280kg	A-E	0-32	**413**	435	362
Average weekly slaughter (head)				**Male**	**9,470**	7,152	10,239
				Female	**10,654**	7,629	12,524
				TOTAL	**20,124**	14,781	22,762

Source: MLA

Young Cattle Indicators

¢/kg cwt	Apr-16	Mar-16	Apr-15
EYCI	**557**	589	442
Roma Store (EYCI cattle)	**557**	613	450

Source: MLA

North Queensland is approximately defined as north of and including Rockhampton.

North Queensland saleyard indicators

Cattle (¢/kg lwt)	Category	Live weight	Muscle/ Fat	CQLX Gracemere			Emerald			Charters Towers			Average		
				Apr-16	Mar-16	Apr-15	Apr-16	Mar-16	Apr-15	Apr-16	Mar-16	Apr-15	Apr-16	Mar-16	Apr-15
Restocker steer	Vealer & yearling	200-330kg	D2	**311**	337	212	**291**	339	225	**272**	336	NQ	**300**	340	218
Restocker heifer	Vealer & yearling	200-330kg	D2	**261**	284	181	**269**	305	192	**235**	273	NQ	**260**	293	184
Light steer	Yearling steer	330-400kg	D2	**276**	307	217	**266**	299	209	**259**	NQ	NQ	**271**	307	214
Medium steer	Grown steer	400-500kg	D2	**270**	272	213	**235**	289	202	**232**	250	NQ	**255**	284	208
Grassfed bullock	Grown steer	500-750kg	C-D4	**253**	274	219	**252**	277	217	**NQ**	NQ	NQ	**257**	276	218
Medium cow	Cow	400-520kg	D3	**204**	221	173	**193**	215	175	**196**	253	NQ	**199**	220	174
Average weekly saleyard throughput (head)				**3,248**	2,762	3,716	**1,784**	2,814	2,131	**1,341**	768	NQ	**6,372**	6,088	4,966

Source: MLA