

North of the tropic beef report

16 February 2017

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Weather outlook

As highlighted in the Bureau of Meteorology's (BOM) latest three month weather outlook, rainfall is likely to exceed average levels in large parts of northern NT and northwest WA, while conditions in southern Queensland and central Australia are forecast to be drier than average for the February to April period.

Across the Top End, regions surrounding **Katherine** have a 75% chance of exceeding average rainfall for the outlook period – with a similar scenario expected in western regions spanning from **Broome** to **Newman**.

Newcastle Waters has close to a 70% chance of receiving above-average showers, while the outlook for **Charters Towers** and **Georgetown** is roughly neutral.

Live exports

With the northern wet season continuing to have a tightening effect on supplies throughout December and into January, most indicators started the new year dearer when compared to the same time last year. In the first week of February, **feeder steers** delivered to **Darwin** were firm, averaging 378¢, while increased availability in eastern areas resulted in those delivered to **Townsville** easing to 353¢/kg.

In the first week of February, as a result of the continued judicial review surrounding animal health and zonal imports, the Indonesian government have delayed reviews relating to current ruminant importation restrictions – with no official revisions being made in the short term. Currently, wet market fresh beef prices in the **Greater Jakarta** region are stable at IDR 110,000-120,000/kg, while buffalo meat is reported to range between IDR 75,000-100,000/kg – with demand anticipated to rise over the upcoming Ramadhan period.

At the conclusion of 2016, calendar year **total Australian live feeder and cattle exports** declined 16% on the year prior, at 1.02 million head shipped – with exports to **Indonesia** back 3% to just over 600,700 head (ABS).

Saleyard indicators

Availability throughout northern markets has remained seasonally restrained so far this year, as extreme weather conditions have contributed to fluctuating supply levels and buyer uncertainty in a number of key producing regions.

Northern Queensland average weekly yardings declined 40% on what was recorded the year prior – with lighter offerings at both **Emerald** and **CQLX Gracemere** contributing to the decline. In January, all major **North Queensland saleyard indicators** strengthened year-on-year – with some categories trending as much as 50¢/kg lwt dearer. The **restocker** and **medium** steer indicators lifted 34¢ and 26¢, to 354¢ and 307¢/kg lwt, respectively.

Over-the-hook indicators and slaughter

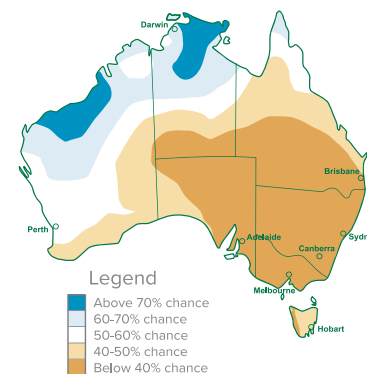
In January, **north Queensland average weekly cattle slaughter** declined 25% year-on-year, to 5,251 head – as extreme weather conditions prolonged plant closures into February, with tighter availability and higher average prices also having an effect.

Despite easing marginally this week (17th February) and with some contributors only recently returning to quote, **north Queensland over-the-hook indicators** continued to trend dearer when compared to the same time last year – with all major categories up more than 20¢/kg cwt. In the second week of February, **trade** and **heavy steer** indicators averaged 536¢ and 546¢, respectively, while the **medium cow** indicator settled at 468¢/kg cwt.

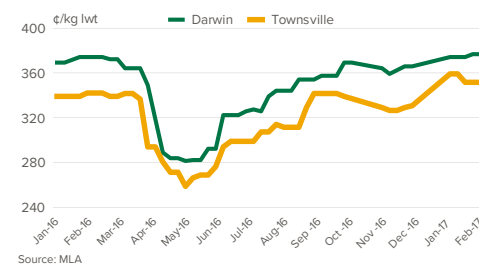
Last week (9th February), the **US imported 90CL beef** indicator averaged 203US¢/lb CIF (586A¢/kg) – up 1US¢ on what was recorded the week prior, and 9US¢/lb dearer year-on-year. Reports suggest that imported beef prices remain notably firm on limited spot supplies at present – with higher offering prices from overseas packers.

Weather outlook

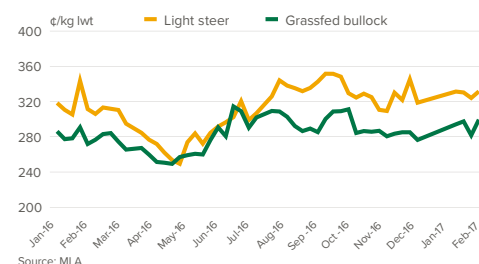
Chance of exceeding the median rainfall Feb – Apr 2017



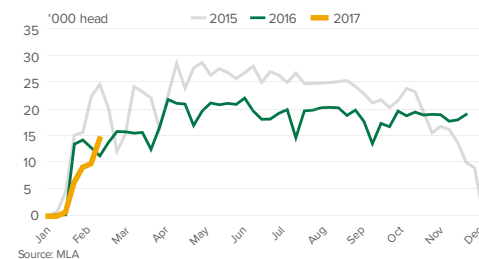
Live export feeder steer indicators



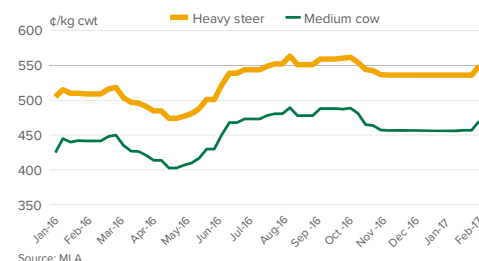
North Queensland saleyard indicators



North Queensland weekly adult cattle slaughter



North Queensland over-the-hook indicators



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Live export indicators

Cattle (¢/kg lwt)	Darwin			Townsville			Broome*		
	Jan-17	Dec-16	Jan-16	Jan-17	Dec-16	Jan-16	Jan-17	Dec-16	Jan-16
Feeder steer	376	NQ	373	356	NQ	340	NQ	NQ	NQ
Feeder heifer	356	NQ	355	318	NQ	310	NQ	NQ	NQ
Slaughter steer	NQ	NQ	NQ	313	NQ	310	NQ	NQ	NQ
Slaughter heifer	NQ	NQ	NQ	285	NQ	290	NQ	NQ	NQ

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

Source: MLA

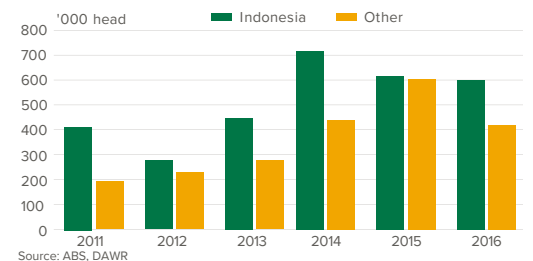
Calendar year feeder and slaughter cattle exports

Head exported	All ports		
	2016	2015	2014
Indonesia	600,703	616,342	715,806
Vietnam, China & Japan**	199,528	369,252	188,766
other	219,501	234,702	250,459
TOTAL	1,019,732	1,220,296	1,155,031

**Please note, ABS did not provide individual country data for Vietnam, China and Japan from October 2015 to March 2016 but the majority of cattle in this group were destined for Vietnam.
[Click here to read the latest edition of LiveLink.](#)

Source: ABS, DAWR

Australian feeder and slaughter cattle exports



North Queensland over-the-hook indicators

Cattle (¢/kg cwt)	Dentition	Weight	Muscle	Fat	Jan-17	Dec-16	Jan-16
Trade steer	0-2 (YG)	240-260kg	A-C	5-22	526	NQ	500
Medium steer	0-4 (YP)	260-280kg	A-C	5-23	526	NQ	500
Heavy steer	0-4 (YP)	300-400kg	A-C	5-24	536	NQ	510
Medium cow	0-8 (C)	260-280kg	A-E	0-32	457	NQ	437
Average weekly slaughter (head)			Male		2,173	NQ	3,135
			Female		3,077	NQ	3,851
			TOTAL		5,251	NQ	6,986

Source: MLA

Young Cattle Indicators

¢/kg cwt	Jan-17	Dec-16	Jan-16
EYCI	646	632	588
Roma Store (EYCI cattle)	668	670	639

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	Emerald			CQLX Gracemere			Charters Towers			Average		
				Jan-17	Dec-16	Jan-16	Jan-17	Dec-16	Jan-16	Jan-17	Dec-16	Jan-16	Jan-17	Dec-16	Jan-16
Restocker steer	Vealer & yearling	200-330kg	D2	339	NQ	320	358	NQ	318	NQ	NQ	NQ	354	364	320
Restocker heifer	Vealer & yearling	200-330kg	D2	319	NQ	282	333	NQ	277	NQ	NQ	NQ	332	NQ	281
Light steer	Yearling steer	330-400kg	D2	330	NQ	308	330	NQ	314	NQ	NQ	NQ	330	NQ	312
Medium steer	Grown steer	400-500kg	D2	254	NQ	282	313	NQ	278	NQ	NQ	NQ	307	NQ	281
Grassfed bullock	Grown steer	500-750kg	C-D4	301	NQ	285	286	NQ	275	NQ	NQ	NQ	292	NQ	282
Medium cow	Cow	400-520kg	D3	242	NQ	220	238	NQ	222	NQ	NQ	NQ	238	NQ	221
Average weekly saleyard throughput (head)				674	NQ	1,370	2,203	NQ	3,137	NQ	NQ	NQ	2,697	NQ	4,506

Source: MLA