

11 November 2016

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## WEATHER OUTLOOK

Although October is the last month of the dry season for northern Australia, rainfall for the month was 'above-average' in many areas – including the **Pilbara** and **Kimberley** regions of **WA**, the **Top End** in the **NT**, along with areas south and west of the **Gulf of Carpentaria**.

Highlighted in BOM's latest three month climate outlook, November to January rainfall is likely to be 'above average' across large parts of **WA** – particularly the northernmost regions of the state. The remainder of northern Australia has a roughly equal chance of a wetter or drier three months to January.

## LIVE EXPORTS

In October, negotiations continued around import permit allocations for the next trimester and, as a result, quotes across all categories were lightly reported. So far in November, **feeder steers** delivered to **Darwin** have been quoted around 365¢/kg lwt but represent light trading.

In the first week of November, reports suggest that clarification around the new 'dual purpose' decree is still being sought after by Indonesian importers. It is expected that T3 imports (October – December) could amount to around 130,000 feeder cattle – however an official figure is yet to be confirmed.

For the January to October period, **total live feeder and slaughter cattle exports** were down 23% on the same time last year, at 802,370 head (ABS, DAWR), with exports to **Indonesia** making up 458, 711 head.

## SALEYARD INDICATORS

In the physical market, the seasonal lift in cattle supplies across major producing regions resulted in all categories trending lower in October. Following access restrictions across a number of areas in September, due to heavy rainfall, October saw availability of lighter weights improve and restocker buyers were active as a result.

In October, the **restocker** and **light steer** indicators were down 6¢ and 19¢ from the previous month, to 364¢ and 328¢/kg lwt, respectively. The **medium steer** and **medium cow** indicators were down 9¢ and 5¢ month-on-month, averaging 313¢ and 236¢/kg lwt for the month, respectively.

## OVER-THE-HOOK INDICATORS AND SLAUGHTER

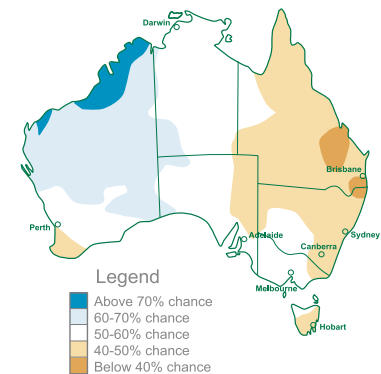
In October, **north Queensland average weekly cattle slaughter** was 16% lower than the corresponding period the year prior – at 18,566 head.

In line with the seasonal trend, slaughter cattle availability lifted throughout October, which saw **north Queensland over-the-hook** indicators lower across all categories. This week (7th November), all major indicators eased on the week prior – with the **trade steer** and **medium cow** indicators averaging 527¢ and 457¢/kg cwt, down 5¢ and 7¢/kg cwt, respectively. The **heavy steer** indicator also trended lower, averaging 537¢, back 5¢/kg cwt.

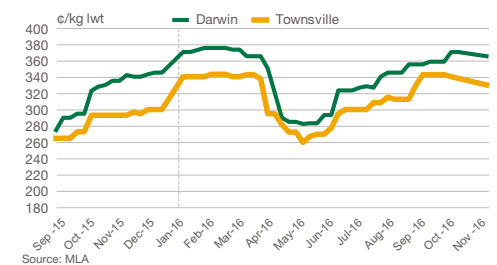
In the first week of November, the **US imported 90CL** beef indicator averaged 199US¢/lb CIF (575A¢/kg CIF) – up 0.5US¢ on the week prior. The US imported beef market has pushed higher in recent weeks, driven by a lift in demand from importers trying to cover existing orders, rising prices for domestic grinding beef, and thin overseas supplies on the spot market. However, Australian cattle slaughter has increased over the past few weeks and New Zealand kill levels are anticipated to build towards the end of the year, in line with the seasonal trend.

### Weather outlook

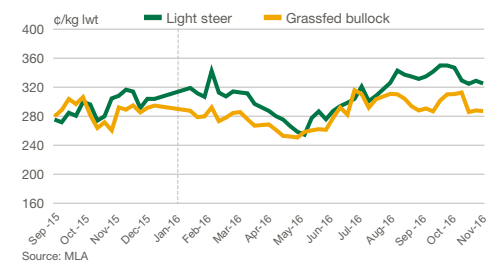
Chance of exceeding the median rainfall Nov 2016 – Jan 2017



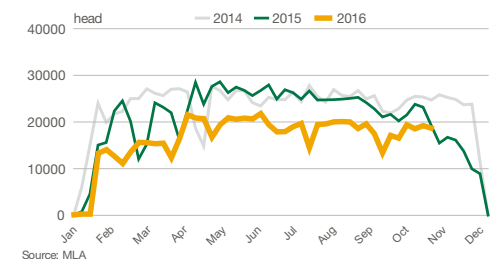
### Live export feeder steer indicators



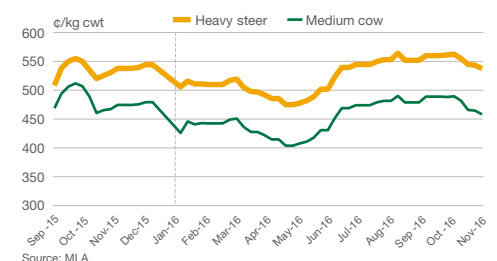
### North Queensland saleyard indicators



### 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*		
	Oct-16	Sep-16	Oct-15	Oct-16	Sep-16	Oct-15	Oct-16	Sep-16	Oct-15
Feeder steer	NQ	361	329	NQ	342	293	NQ	NQ	NQ
Feeder heifer	NQ	333	305	NQ	314	253	NQ	NQ	NQ
Slaughter steer	NQ	NQ	294	NQ	296	291	NQ	NQ	NQ
Slaughter heifer	NQ	NQ	NQ	NQ	NQ	250	NQ	NQ	NQ

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

Source: MLA

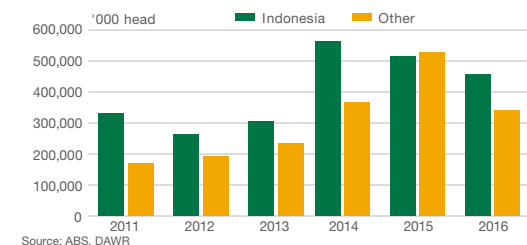
## Australian feeder and slaughter cattle exports (January – October)

Head exported	All ports		
	2016	2015	2014
Indonesia	458,711	516,598	562,237
Vietnam, China & Japan**	179,656	320,601	160,096
other	164,003	208,222	204,590
<b>TOTAL</b>	<b>802,370</b>	<b>1,045,421</b>	<b>926,923</b>

\*\*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. October totals comes from DAWR. [Click here to read the latest edition of LiveLink.](#)

Source: ABS, DAWR

## Australian feeder and slaughter cattle exports (January – October)



## North Queensland over-the-hook indicators

Cattle (¢/kg cwt)	Dentition	Weight	Muscle	Fat	Oct-16	Sep-16	Oct-15
Trade steer	0-2 (YG)	240-260kg	A-C	5-22	545	546	522
Medium steer	0-4 (YP)	260-280kg	A-C	5-23	545	546	522
Heavy steer	0-4 (YP)	300-400kg	A-C	5-24	555	556	532
Medium cow	0-8 (C)	260-280kg	A-E	0-32	480	484	480
<b>Average weekly slaughter (head)</b>			<b>Male</b>		<b>9,752</b>	8,326	12,543
			<b>Female</b>		<b>8,815</b>	8,705	9,642
			<b>TOTAL</b>		<b>18,566</b>	17,030	22,184

Source: MLA

## Young Cattle Indicators

¢/kg cwt	Oct-16	Sep-16	Oct-15
EYCI	687	714	543
Roma Store (EYCI cattle)	704	724	555

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		
				Oct-16	Sep-16	Oct-15	Oct-16	Sep-16	Oct-15	Oct-16	Sep-16	Oct-15	Oct-16	Sep-16	Oct-15
Restocker steer	Vealer & yearling	200-330kg	D2	367	381	275	365	374	267	352	361	238	364	274	271
Restocker heifer	Vealer & yearling	200-330kg	D2	323	327	231	337	341	240	313	323	253	327	333	241
Light steer	Yearling steer	330-400kg	D2	335	336	272	332	354	286	319	347	230	328	349	287
Medium steer	Grown steer	400-500kg	D2	312	306	264	318	318	274	331	316	207	313	320	281
Grassfed bullock	Grown steer	500-750kg	C-D4	292	303	277	290	295	262	NQ	NQ	NQ	293	302	269
Medium cow	Cow	400-520kg	D3	237	243	211	237	244	215	235	241	208	236	242	216
<b>Average weekly saleyard throughput (head)</b>				<b>1,731</b>	<b>1,608</b>	<b>2,209</b>	<b>2,948</b>	<b>2,471</b>	<b>2,725</b>	<b>2,193</b>	<b>2,616</b>	<b>1,211</b>	<b>6,871</b>	<b>6,694</b>	<b>5,290</b>

Source: MLA