



Media Release

25 January, 2010

Cattle numbers increase but tough times persist

The December quarter ALFA/ MLA survey has indicated that whilst cattle numbers on feed increased slightly to 770,000 head, market conditions remained extremely tough for lot feeders.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore stated that "the increase in cattle numbers for the quarter was driven by the deterioration of pastures in southern Australia (particular in WA) and a decline in grain and cattle prices in NSW, Vic and SA".

"Significantly, sluggish export demand as a result of the strong Australian dollar and the on-going global financial crisis were the overriding influences upon returns and profitability".

"In contrast to other states, Qld experienced a decline in cattle numbers on feed as a result of grain price volatility (due to the uncertainty surrounding the sorghum crop) and lack lustre export demand".

"On average, feed grain prices were 6% lower compared to the previous quarter though average sorghum futures prices for northern NSW and Qld lot feeders increased by 6% over the quarter. Sale yard feeder cattle prices were on average 10% cheaper than the September quarter".

Meat & Livestock Australia's Chief Economist, Peter Weeks stated that "export demand remained lacklustre for the December quarter with the Australian dollar strengthening against both the Japanese Yen and Korean Won by 26% and 16% respectively compared to the previous year".

"However, the calendar year results for grain fed chilled beef product were heartening with a 10% increase from the low levels experienced in 2008".

"This was mainly driven by a 4% rise for grain fed exports into Japan - Australia's largest beef market, though the Korean market partly offset this result with a 14% decline".

Mr Cudmore concluded, "whilst the domestic market has been extremely resilient, it is difficult to foresee that cattle numbers on feed will significantly increase in the short term until 'hand to mouth' strategies are set aside and a stronger degree of export market certainty is provided".

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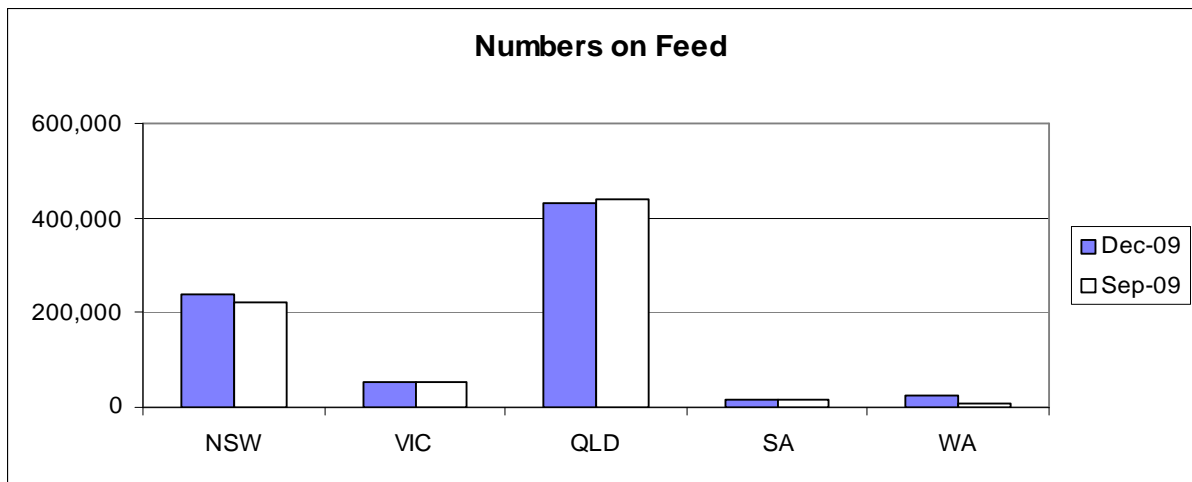
**ALFA / MLA FEEDLOT SURVEY
October – December 2009**

Cattle numbers on feed, capacity and capacity utilisation

Numbers on Feed	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Dec-09	238,579	55,300	431,695	18,217	26,432	770,223
Sep-09	221,883	54,022	439,621	17,862	9,664	743,052
Dec-08	209,654	38,395	428,271	22,247	24,541	723,108

Capacity	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Dec-09	426,374	80,419	625,317	29,288	103,265	1,264,663
Sep-09	425,375	84,197	627,204	29,288	104,265	1,270,329
Dec-08	412,964	79,523	635,260	31,921	103,016	1,262,684

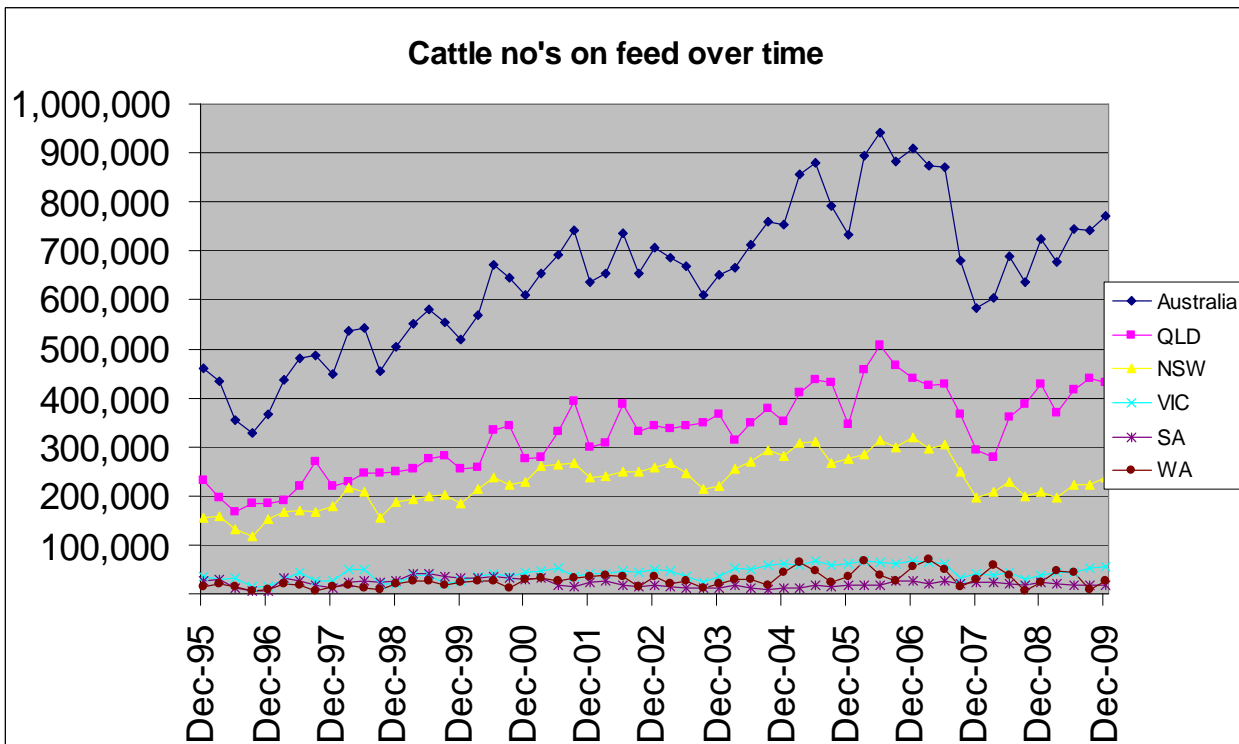
Utilisation	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>SA</i>	<i>WA</i>	Total
Dec-09	56%	69%	69%	62%	26%	61%
Sep-09	52%	64%	70%	61%	9%	58%
Dec-08	51%	48%	67%	70%	24%	57%



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Market Destination

	Dec-09		Sep-09		Dec-08	
	Numbers	%	Numbers	%	Numbers	%
Export	506187	65.7%	513958	69.2%	533430	73.8%
Domestic	234475	30.4%	227223	30.6%	188790	26.1%
Unknown	29561	3.8%	1871	0.3%	888	0.1%
Total	770,223	100.0%	743,052	100.0%	723,108	100.0%

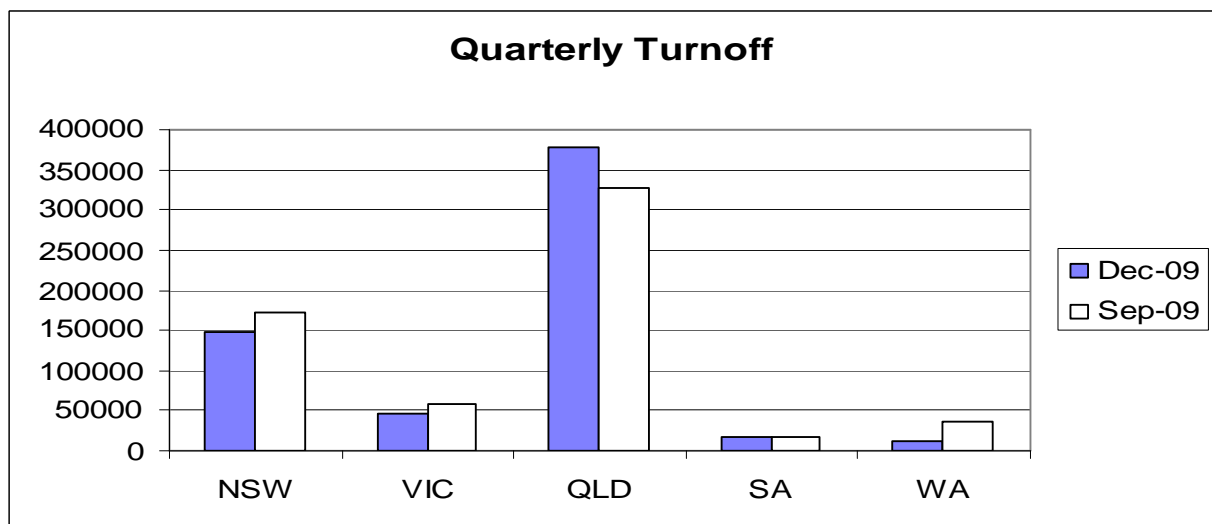


ALFA / MLA FEEDLOT SURVEY
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Total Cattle Turnoff

<i>Total Turnoff (year ending)</i>						
	NSW	VIC	QLD	SA	WA	Total
Dec-09	587444	161614	1374959	77281	130601	2331899
Dec-08	570099	150271	1212738	76910	124485	2134503
Dec-07	717243	197930	1261965	79036	148021	2404195

<i>Total Turnoff (quarterly)</i>	NSW	VIC	QLD	SA	WA	Total
Dec-09	147215	45413	377437	17479	11559	599103
Sep-09	171006	57046	326652	16035	36361	607100
Dec-08	137554	33840	371981	16553	5022	564950



ALFA / MLA FEEDLOT SURVEY
October – December 2009

State Breakdown by Feedlot Size

	Capacity Dec 09	Capacity Sep 09	Capacity Dec 08	Numbers on Feed Dec 09	Numbers on Feed Sep 09	Numbers on Feed Dec 08
New South Wales						
Less than 500 head	7,499	7,499	8,629	2,039	3,317	2,949
500 - 1000 head	21,602	20,603	19,203	7,956	3,054	5,753
1000 - 10000 head	111,700	111,700	116,800	51,136	40,440	36,232
over 10000 head	285,573	285,573	268,333	177,448	175,072	164,720
<i>State Total</i>	<i>426,374</i>	<i>425,375</i>	<i>412,964</i>	<i>238,579</i>	<i>221,883</i>	<i>209,654</i>
Queensland						
Less than 500 head	46,419	46,419	49,888	10,643	18,680	7,869
500 - 1000 head	47,126	47,126	47,127	16,758	22,588	12,091
1000 - 10000 head	224,366	219,520	230,839	175,068	161,680	150,122
over 10000 head	307,406	314,139	307,406	229,226	236,673	258,189
<i>State Total</i>	<i>625,317</i>	<i>627,204</i>	<i>635,260</i>	<i>431,695</i>	<i>439,621</i>	<i>428,271</i>
Victoria						
Less than 500 head	420	1,225	1,225	0	405	400
500 - 1000 head	1,000	3,973	4,299	0	593	1,800
1000 - 10000 head	24,494	26,999	25,938	19,426	22,927	13,333
over 10000 head	54,505	52,000	48,061	35,874	30,097	22,862
<i>State Total</i>	<i>80,419</i>	<i>84,197</i>	<i>79,523</i>	<i>55,300</i>	<i>54,022</i>	<i>38,395</i>
South Australia						
Less than 500 head	3,978	3,978	4,128	1,997	934	1,485
500 - 1000 head	7,385	7,385	7,368	3,616	3,315	3,516
1000 - 10000 head	17,925	17,925	20,425	12,604	13,613	17,246
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>29,288</i>	<i>29,288</i>	<i>31,921</i>	<i>18,217</i>	<i>17,862</i>	<i>22,247</i>
Western Australia						
Less than 500 head	19,065	11,705	20,416	1,493	0	2,615
500 - 1000 head	4,300	11,660	4,600	0	0	0
1000 - 10000 head	79,900	60,900	78,000	24,939	6,027	21,926
over 10000 head	0	20,000	0	0	3,637	0
<i>State Total</i>	<i>103,265</i>	<i>104,265</i>	<i>103,016</i>	<i>26,432</i>	<i>9,664</i>	<i>24,541</i>
Australia						
Less than 500 head	77,381	70,826	84,286	16,172	23,336	15,318
500 - 1000 head	81,413	90,747	82,597	28,330	29,550	23,160
1000 - 10000 head	458,385	437,044	472,002	283,173	244,687	238,859
over 10000 head	647,484	671,712	623,800	442,548	445,479	445,771
<i>Total</i>	<i>1,264,663</i>	<i>1,270,329</i>	<i>1,262,684</i>	<i>770,223</i>	<i>743,052</i>	<i>723,108</i>