



AUSTRALIAN LOT FEEDERS ASSOCIATION



Media Release

17th July, 2008

Feedlot cattle numbers improve though conditions remain tough

The April to June quarter ALFA/ MLA survey has shown a 13% increase in cattle numbers on feed over the previous quarter amid warnings that the result should not be seen as a vast improvement in feedlot trading conditions.

Australian Lot Feeders' Association (ALFA) President Malcolm Foster stated that "while cattle numbers on feed increased, a soaring Australian dollar, along with higher feed barley and heavy feeder steer prices ensured that feedlot margins remained low".

"Feed barley prices increased 11% and heavier feeder steer cattle 6-8% over the quarter while sorghum prices (whilst slightly lower) were still 6% above this time last year".

"These continued high prices were indicative of the 2007/08 year, with feed wheat, barley and sorghum up 49%, 18% and 27% respectively compared to the previous fiscal year".

"However, access to cheaper drought affected cattle from northern Australia and relatively cheaper sorghum enabled Qld and NSW feedlots to deliver the majority of the increase in cattle numbers over the quarter".

"Cattle numbers declined or remained stagnant in the southern states of SA, WA and Vic due to normal seasonal conditions whereby larger cattle numbers could be finished on grass".

"The proportion of cattle numbers with respect to feedlot capacity increased from 51% to 60% over the quarter as compared to 77% this time last year".

Manager for Market Information and Analysis at Meat & Livestock Australia (MLA), Peter Weeks, stated that "the high Australian dollar and cost of grain continued to negatively impact upon the competitiveness of grain fed exports, with 53%, 11% and 4% year on year declines in the US, Japan and Korea".

"This factor, along with weakening economic conditions in Japan, Korea and the US, has constrained the ability of exporters to pass on higher production costs for grainfed beef".

Mr Foster continued, "analysts indicate that grain and food prices will remain at record levels for some time unless Governments around the world acknowledge their mistakes and reverse their support for grain derived ethanol production".

"With the World Bank recently indicating that Government biofuels policies are responsible for 75% of the world food price increases between 2000 and 2008, we strongly urge Australian Governments to discontinue their support for the grain derived ethanol sector".

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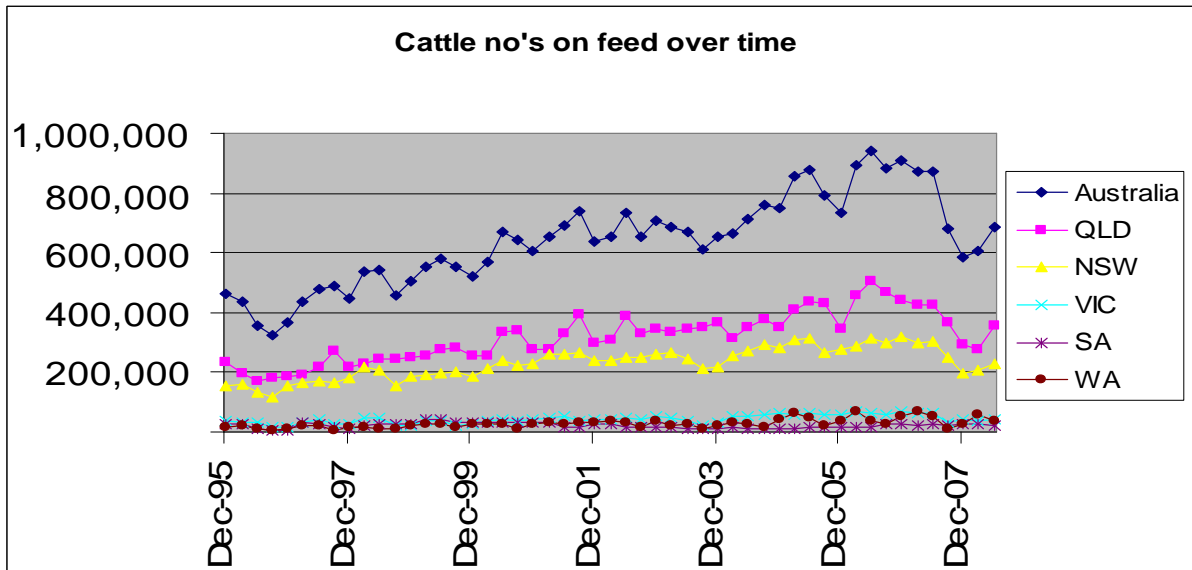
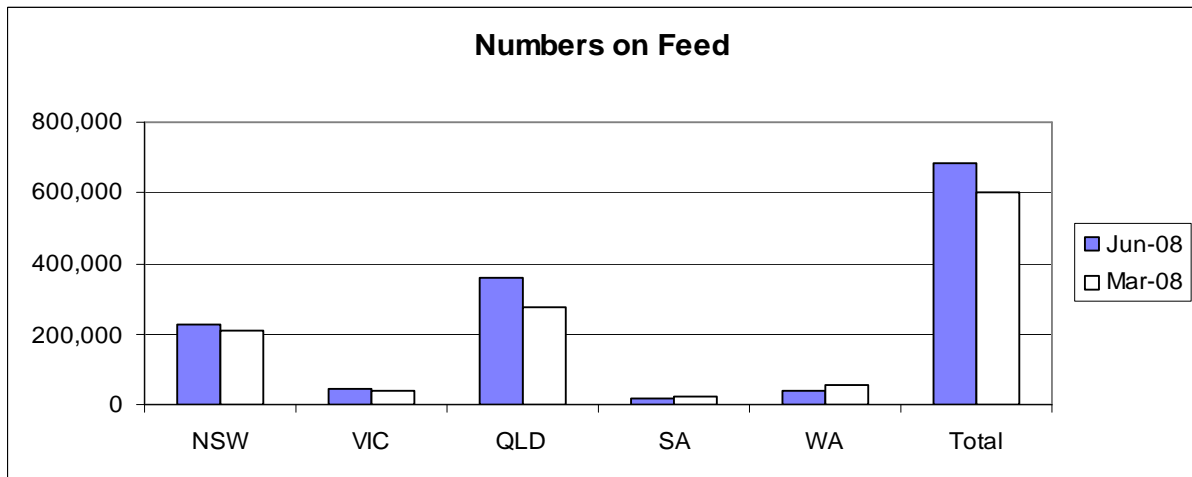
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ALFA / MLA FEEDLOT SURVEY April – June 2008

Numbers on Feed	NSW	VIC	QLD	SA	WA	Total
Jun-08	227,150	42,814	358,704	19,151	37,937	685,756
Mar-08	206,900	38,398	277,159	24,291	57,278	604,026
Jun-07	304,301	61,353	427,933	25,523	50,915	870,025
Capacity	NSW	VIC	QLD	SA	WA	Total
Jun-08	391,509	76,293	527,927	31,494	110,924	1,138,147
Mar-08	398,522	77,468	565,010	32,594	113,372	1,186,966
Jun-07	396,341	85,405	513,512	31,244	97,565	1,124,067

Utilisation	NSW	VIC	QLD	SA	WA	Total
Jun-08	58%	56%	68%	61%	34%	60%
Mar-08	52%	50%	49%	75%	51%	51%
Jun-07	77%	72%	83%	82%	52%	77%



ALFA / MLA FEEDLOT SURVEY April – June 2008

Market and feedlot size analyses

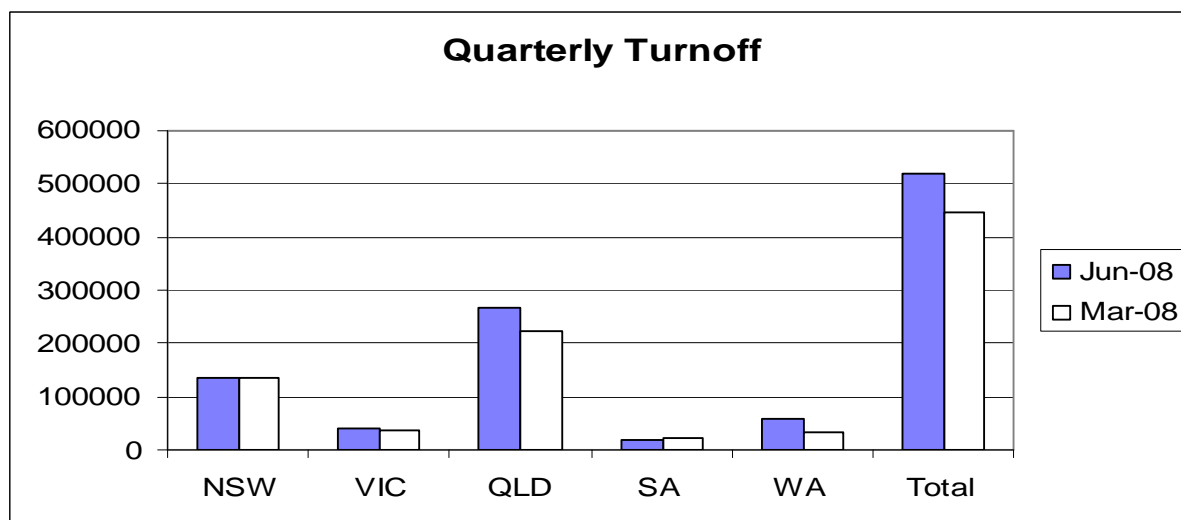
Market Destination	Jun-08		Mar-08		Jun-07	
	Numbers	%	Numbers	%	Numbers	%
Export	500993	72.8%	416860	69.0%	588623	67.7%
Domestic	175146	25.5%	184367	30.5%	267664	30.8%
Unknown	11640	1.7%	2797	0.5%	13738	1.6%
Total	687,779	100.0%	604,024	100.0%	870,025	100.0%

Breakdown by Feedlot Size	Capacity Jun 08	Capacity Mar 08	Capacity Jun 07	Numbers on Feed Jun 08	Numbers on Feed Mar 08	Numbers on Feed Jun 07
Less than 500 head	51,685	78,307	75,705	12,460	15,407	35,667
500 -1000 head	81,120	80,293	88,884	40,131	25,005	53,022
1000 - 10000 head	395,981	421,053	381,855	220,217	210,673	298,259
over 10000 head	609,362	607,314	577,623	412,948	352,941	483,077
Total	1,138,147	1,186,966	1,124,067	685,756	604,026	870,025

Total Cattle Turnoff

Total Turnoff (year ending)	NSW	VIC	QLD	SA	WA	Total
Dec-07	717243	197930	1261965	79036	148021	2404195
Dec-06	702085	208248	1495867	70054	149847	2626101
Dec-05	755550	220123	1494793	54673	131161	2609194

Total Turnoff (quarterly)	NSW	VIC	QLD	SA	WA	Total
Jun-08	134875	38982	267141	19903	57593	518494
Mar-08	134378	34803	222240	21955	32772	446148
Jun-07	189412	62970	312570	22893	56042	643887



ALFA / MLA FEEDLOT SURVEY
April – June 2008

State Breakdown by Feedlot Size

	Capacity Jun 08	Capacity Mar 08	Capacity Jun 07	Numbers on Feed Jun 08	Numbers on Feed Mar 08	Numbers on Feed Jun 07
New South Wales						
Less than 500 head	2,938	7,399	7,798	1,469	2,758	4,875
500 -1000 head	22,109	20,610	21,110	9,869	6,674	7,939
1000 - 10000 head	105,544	109,672	100,100	37,412	25,723	64,234
over 10000 head	260,919	260,842	267,333	178,400	171,745	227,253
<i>State Total</i>	<i>391,509</i>	<i>398,522</i>	<i>396,341</i>	<i>227,150</i>	<i>206,900</i>	<i>304,301</i>
Queensland						
Less than 500 head	11,240	43,502	46,764	5,620	5,877	23,767
500 -1000 head	43,447	45,586	44,447	20,409	9,954	28,859
1000 - 10000 head	174,797	186,688	172,011	121,624	106,898	160,582
over 10000 head	298,443	289,234	250,290	211,051	154,430	214,725
<i>State Total</i>	<i>527,927</i>	<i>565,010</i>	<i>513,512</i>	<i>358,704</i>	<i>277,159</i>	<i>427,933</i>
Victoria						
Less than 500 head	0	1,023	4,905	0	0	3,917
500 -1000 head	4,262	3,695	500	2,842	2,586	0
1000 - 10000 head	22,031	15,512	20,000	16,475	9,046	16,337
over 10000 head	50,000	57,238	60,000	23,497	26,766	41,099
<i>State Total</i>	<i>76,293</i>	<i>77,468</i>	<i>85,405</i>	<i>42,814</i>	<i>38,398</i>	<i>61,353</i>
South Australia						
Less than 500 head	4,347	4,347	4,347	1,970	2,342	1,752
500 -1000 head	9,802	8,902	9,552	7,011	5,791	10,433
1000 - 10000 head	17,345	19,345	17,345	10,170	16,158	13,338
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>31,494</i>	<i>32,594</i>	<i>31,244</i>	<i>19,151</i>	<i>24,291</i>	<i>25,523</i>
Western Australia						
Less than 500 head	33,160	22,036	11,891	3,401	4,430	1,356
500 -1000 head	1,500	1,500	13,275	0	0	5,791
1000 - 10000 head	76,264	89,836	72,399	34,536	52,848	43,768
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	<i>110,924</i>	<i>113,372</i>	<i>97,565</i>	<i>37,937</i>	<i>57,278</i>	<i>50,915</i>
Australia						
Less than 500 head	51,685	78,307	75,705	12,460	15,407	35,667
500 -1000 head	81,120	80,293	88,884	40,131	25,005	53,022
1000 - 10000 head	395,981	421,053	381,855	220,217	210,673	298,259
over 10000 head	609,362	607,314	577,623	412,948	352,941	483,077
<i>Total</i>	<i>1,138,147</i>	<i>1,186,966</i>	<i>1,124,067</i>	<i>685,756</i>	<i>604,026</i>	<i>870,025</i>