



AUSTRALIAN LOT FEEDERS ASSOCIATION



Media Release

21st October, 2008

Feedlot cattle numbers decline but conditions improving

Despite more favourable trading conditions for the feedlot sector, the overall July to September quarter ALFA/ MLA survey showed a 9% decline in cattle numbers on feed from the previous quarter.

Australian Lot Feeders' Association (ALFA) President Jim Cudmore stated that "whilst the decline in both feed grain prices and the Australian dollar has improved lot feeder returns, the seasonal reduction in cattle numbers on feed in southern states was the overriding factor in the result".

"Seasonal conditions in Western Australia and parts of Victoria and South Australia (allowing more cattle to be finished on grass) led to reductions of 86%, 35% and 10% respectively".

"With northern NSW and southern and central Queensland also experiencing improved seasonal conditions, the stronger buyer demand for store cattle led to national feeder cattle prices increasing by an average 8-13% over the previous quarter".

"This tempered any increase in cattle numbers on feed. Overall grain fed cattle numbers declined from 685,756 to 622,689 at the end of the quarter, while capacity utilisation levels also declined from 60% to 55%".

"However trading conditions are in general improving, due to the average 1-4% reduction in feed grain prices and the more recent decline in the Australian currency against our major trading partners".

"The future looks brighter for the industry, provided that domestic and international economic conditions don't precipitate a reduction in grain fed beef demand".

Chief Market Analyst at Meat & Livestock Australia, Peter Weeks, stated that "grain fed exports were again down year-on-year in Japan and Korea (6% and 26%), due to continuing slow economic conditions and an increase in US exports".

"However, the 20% and 3% decline in the Australian dollar against the Japanese yen and Korean won over the quarter (with further reductions during October) has seen export returns improve".

"Mr Cudmore continued, "lot feeders remain buoyant regarding the future of the industry irrespective of the fragility of financial markets and the global economic outlook".

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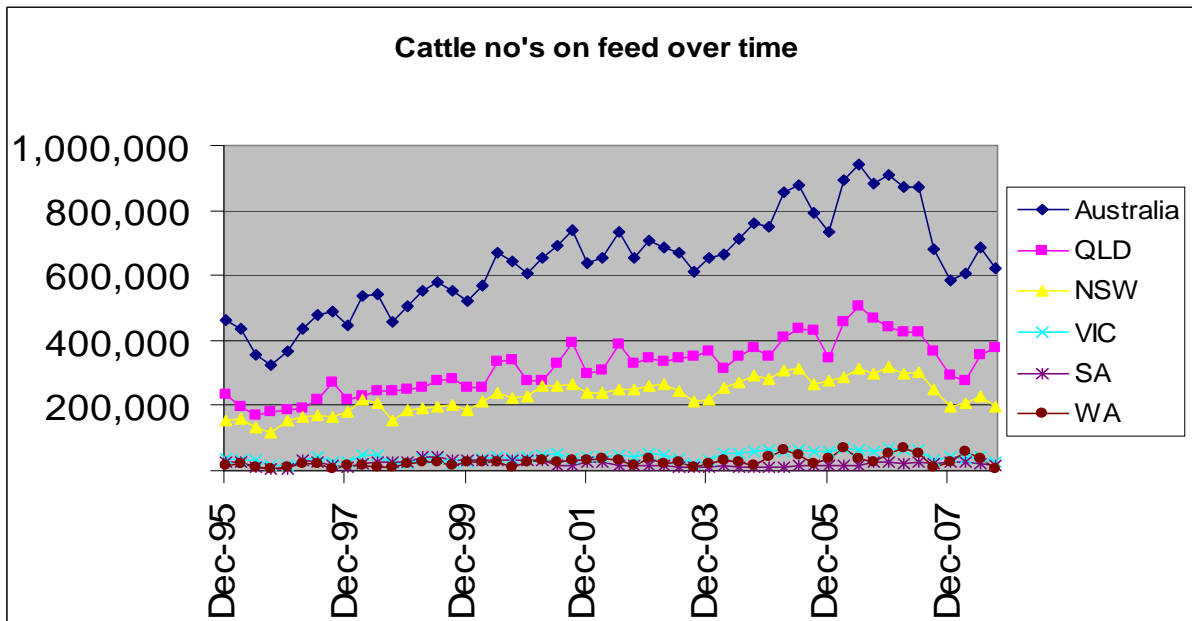
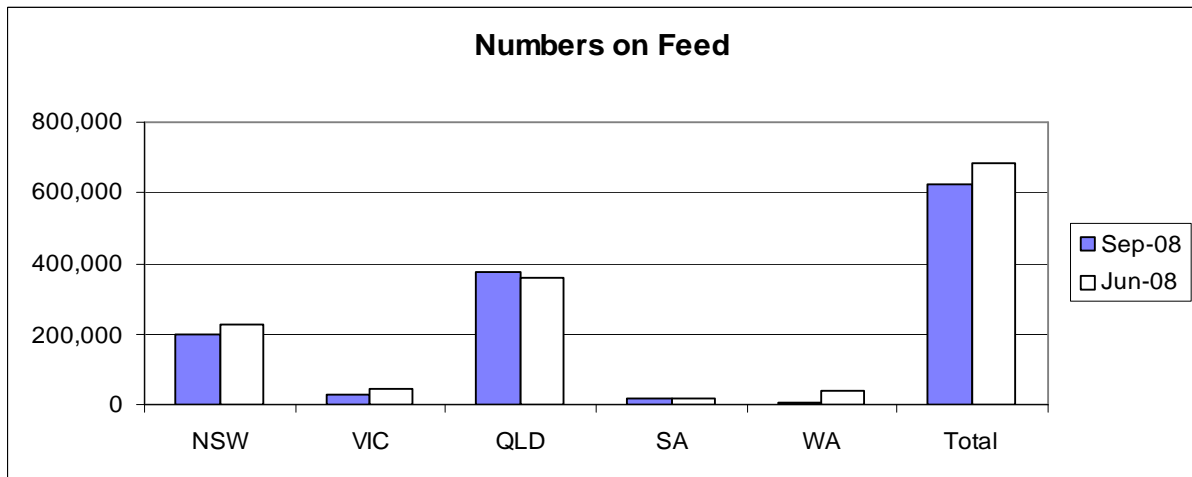
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ALFA / MLA FEEDLOT SURVEY July – September 2008

Numbers on Feed		NSW	VIC	QLD	SA	WA	Total
Sep-08		196,219	27,923	376,126	17,311	5,110	622,689
Jun-08		227,150	42,814	358,704	19,151	37,937	685,756
Sep-07		249,164	32,212	365,372	20,548	13,223	680,519
Capacity		NSW	VIC	QLD	SA	WA	Total
Sep-08		385,632	80,405	543,844	32,391	90,230	1,132,502
Jun-08		391,509	76,293	527,927	31,494	110,924	1,138,147
Sep-07		388,901	65,255	564,647	32,594	100,399	1,151,796

Utilisation		NSW	VIC	QLD	SA	WA	Total
Sep-08		51%	35%	69%	53%	6%	55%
Jun-08		58%	56%	68%	61%	34%	60%
Sep-07		64%	49%	65%	63%	13%	59%



ALFA / MLA FEEDLOT SURVEY
July – September 2008

Market and feedlot size analyses

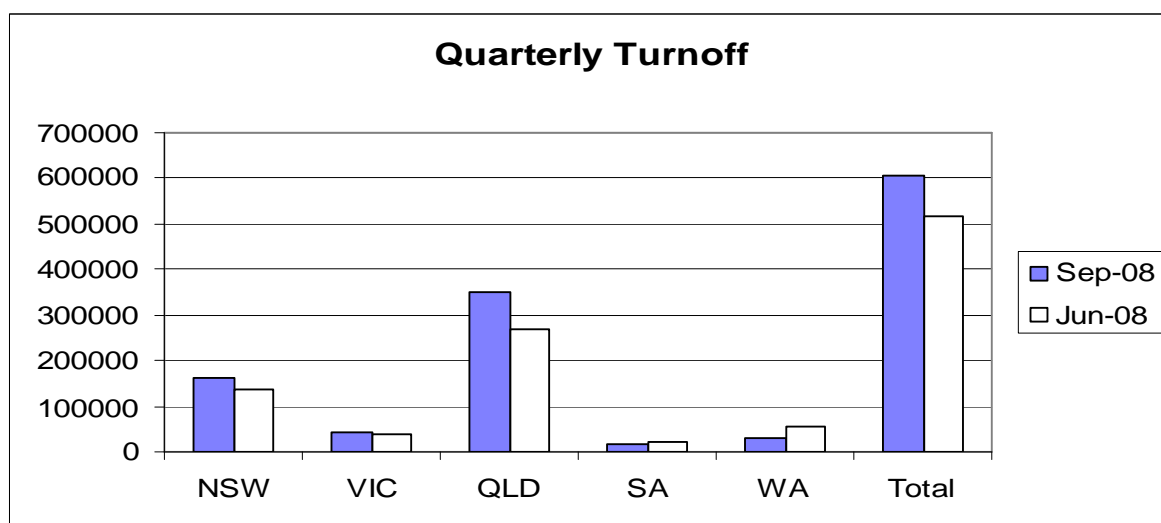
Market Destination	Sep-08		Jun-08		Sep-07	
	Numbers	%	Numbers	%	Numbers	%
Export	458318	73.6%	500993	72.8%	461719	67.8%
Domestic	159241	25.6%	175146	25.5%	205785	30.2%
Unknown	5130	0.8%	11640	1.7%	13015	1.9%
Total	622,689	100.0%	687,779	100.0%	680,519	100.0%

Breakdown by Feedlot Size	Capacity Sep 08	Capacity Jun 08	Capacity Sep 07	Numbers on Feed Sep 08	Numbers on Feed Jun 08	Numbers on Feed Sep 07
Australia						
Less than 500 head	34,436	51,685	78,318	8,589	12,460	11,101
500 -1000 head	70,868	81,120	80,298	14,980	40,131	34,205
1000 - 10000 head	423,421	395,981	391,533	194,200	220,217	222,540
over 10000 head	603,778	609,362	601,647	404,920	412,948	412,673

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
Sep-08	163292	42646	351376	18499	29098	604911
Jun-08	134875	38982	267141	19903	57593	518494
Sep-07	177100	45755	344868	19949	32498	620170



ALFA / MLA FEEDLOT SURVEY
July – September 2008

State Breakdown by Feedlot Size

	Capacity Sep 08	Capacity Jun 08	Capacity Sep 07	Numbers on Feed Sep 08	Numbers on Feed Jun 08	Numbers on Feed Sep 07
New South Wales						
Less than 500 head	2,938	2,938	7,798	1,469	1,469	2,872
500 -1000 head	19,702	22,109	20,610	5,104	9,869	9,206
1000 - 10000 head	108,660	105,544	101,160	27,365	37,412	50,228
over 10000 head	254,333	260,919	259,333	162,281	178,400	186,858
<i>State Total</i>	385,632	391,509	388,901	196,219	227,150	249,164
Queensland						
Less than 500 head	11,240	11,240	43,502	5,620	5,620	6,142
500 -1000 head	39,622	43,447	45,586	5,856	20,409	18,453
1000 - 10000 head	205,576	174,797	173,245	141,751	121,624	130,810
over 10000 head	287,406	298,443	302,314	222,899	211,051	209,967
<i>State Total</i>	543,844	527,927	564,647	376,126	358,704	365,372
Victoria						
Less than 500 head	0	0	805	0	0	470
500 -1000 head	2,406	4,262	3,700	1,906	2,842	1,667
1000 - 10000 head	15,960	22,031	20,750	6,277	16,475	14,227
over 10000 head	62,039	50,000	40,000	19,740	23,497	15,848
<i>State Total</i>	80,405	76,293	65,255	27,923	42,814	32,212
South Australia						
Less than 500 head	4,328	4,347	4,347	1,500	1,970	1,451
500 -1000 head	7,638	9,802	8,902	2,114	7,011	4,879
1000 - 10000 head	20,425	17,345	19,345	13,697	10,170	14,218
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	32,391	31,494	32,594	17,311	19,151	20,548
Western Australia						
Less than 500 head	15,930	33,160	21,866	0	3,401	166
500 -1000 head	1,500	1,500	1,500	0	0	0
1000 - 10000 head	72,800	76,264	77,033	5,110	34,536	13,057
over 10000 head	0	0	0	0	0	0
<i>State Total</i>	90,230	110,924	100,399	5,110	37,937	13,223
Australia						
Less than 500 head	34,436	51,685	78,318	8,589	12,460	11,101
500 -1000 head	70,868	81,120	80,298	14,980	40,131	34,205
1000 - 10000 head	423,421	395,981	391,533	194,200	220,217	222,540
over 10000 head	603,778	609,362	601,647	404,920	412,948	412,673
<i>Total</i>	1,132,502	1,138,147	1,151,796	622,689	685,756	680,519