



# Lot feeding brief

## Results for the June quarter 2020 feedlot survey

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■ Cattle on feed numbers reported a 7% decline in the June 2020 quarter to 1,010,192 head. Despite sustained demand for high-quality grainfed product in overseas and domestic markets, the impact of improved seasonal conditions and subsequent restocker demand has pressured the lot feeding industry.

■ Numbers on feed have fallen to their lowest point since December 2017, sitting 3% below the five-year average for the June quarter.

■ National feedlot capacity continued to expand, increasing 2.5% from the March quarter to a record 1,432,989 head, demonstrating confidence in the future of the lot feeding sector remains strong.

■ Queensland was the only state to report an increase in cattle on feed from the March quarter, up 1% to 611,683 head.

■ Cattle on feed in New South Wales and South Australia both declined by 13% to 263,489 and 40,714 head respectively, while numbers in Victoria eased 19% to 57,211 head. The seasonal nature of the Western Australian lot feeding industry saw the state report a 38% decline in numbers on feed from the March quarter to 37,096 head.

Figure 1: Cattle on feed

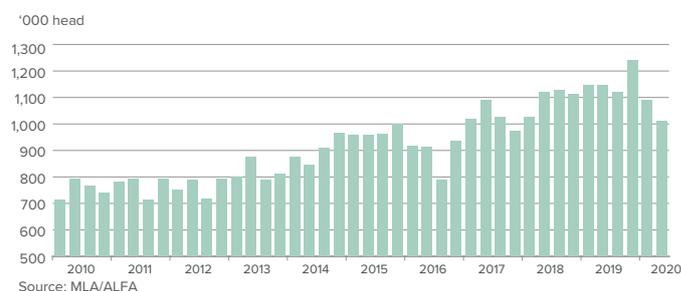


Figure 2: Quarterly grainfed beef exports

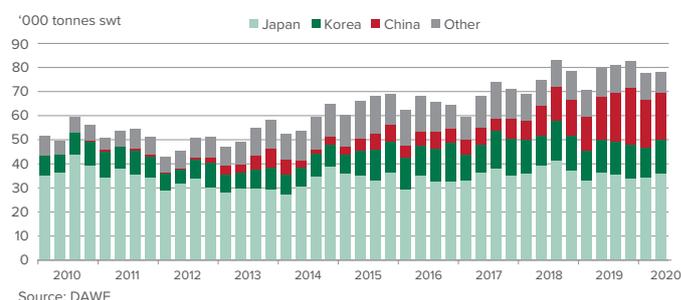


Table 1: MLA/ALFA Survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Jun-20	Mar-20	Jun-19	Jun-20	Mar-20	Jun-19	Jun-20	Mar-20	Jun-19
NSW	<b>411,538</b>	389,038	402,641	<b>263,489</b>	304,110	316,812	<b>64</b>	78	79
Vic	<b>79,392</b>	77,792	76,792	<b>57,211</b>	70,243	76,552	<b>72</b>	90	100
Qld	<b>814,968</b>	803,549	779,797	<b>611,683</b>	606,633	652,829	<b>75</b>	75	84
SA	<b>53,614</b>	53,614	51,734	<b>40,714</b>	47,016	47,747	<b>76</b>	88	92
WA	<b>73,477</b>	73,477	71,477	<b>37,096</b>	59,592	53,454	<b>50</b>	81	75
Australia	<b>1,432,989</b>	1,397,470	1,382,441	<b>1,010,192</b>	1,087,594	1,147,393	<b>70</b>	78	83

Source: MLA/ALFA, AUS-MEAT

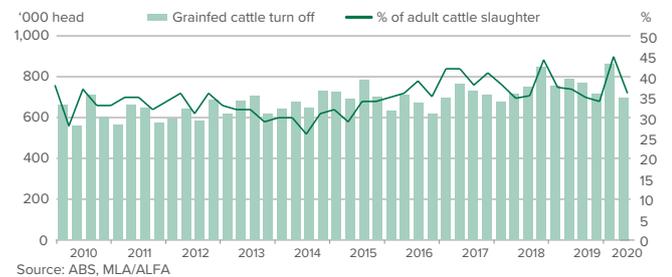
■ In line with reduced cattle on feed, national feedlot utilisation eased 8% in the June quarter to 70%, with all states recording strong declines with the exception of Queensland which remained stable with the previous quarter. Utilisation in Western Australia was back 31% in the June quarter, while Victoria and New South Wales declined by 18% and 14%, respectively. South Australia feedlot utilisation was back 12% on the March quarter.

■ Australian grainfed exports remained stable with the March quarter, totalling 78,076 tonnes shipped weight (swt) for the June quarter, back 2% from year-ago levels.

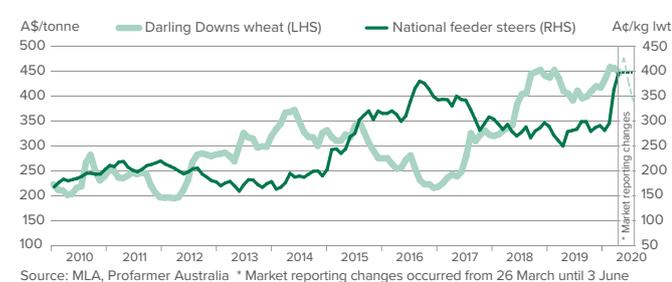
■ Volumes to Japan, Australia’s largest export market for grainfed beef, reported a 5% increase from the previous quarter to 35,708 tonnes swt, 1% below June 2019 levels.

■ Exports to Korea totalled 14,289 tonnes swt, a 14% increase from the March quarter and 4% higher than year-ago levels. Volumes to China reported a modest decline from the previous quarter, totalling 19,426 tonnes swt, however remaining 9% above year-ago levels.

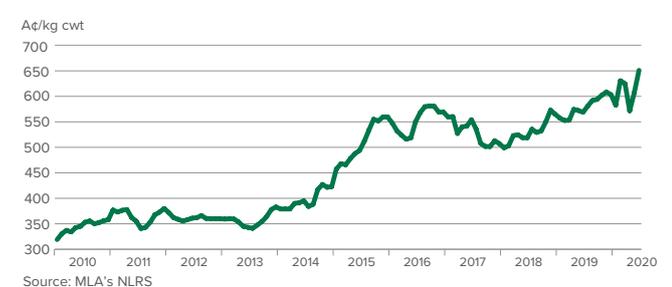
**Figure 3: Grainfed cattle turn-off**



**Figure 4: Feed grain and feeder steer prices**



**Figure 5: Queensland 100-day grainfed steer over-the-hook indicator**



■ The Queensland 100 day grainfed steer over-the-hook (OTH) indicator reached a record high at 670¢/kg carcase weight (cwt) in the last week of June, averaging 613¢/kg cwt for the quarter, in line with the March quarter and 7% above year-ago levels. Demand for finished cattle has continued to sustain competition from feeder buyers, however improved seasonal conditions throughout 2020 has seen strong competition from restocker buyers in the store market.

■ The CV-19 national feeder steer indicator averaged 371¢/kg live weight (lwt) in the June 2020 quarter, 7% higher than the previous quarter.

■ Wheat ex-Darling Downs eased 5% from the March quarter to average \$430/tonne in the June quarter, sitting 7% above year-ago levels, while barley averaged \$364/tonne, back 6% from the previous quarter and 8% below June 2019 levels.

**Table 2: Numbers on feed by feedlot size**

Feedlot size (head)	Jun-20	Mar-20	Jun-19
< 500	<b>9,343</b>	12,039	10,078
500-1,000	<b>31,674</b>	37,730	37,374
1,000-10,000	<b>336,167</b>	344,593	409,615
>10,000	<b>633,008</b>	693,232	690,326
<b>Total</b>	<b>1,010,192</b>	1,087,594	1,147,393

Source: MLA/ALFA

**Table 3: Quarterly cattle feedlot turn-off**

	Jun-20	Mar-20	Jun-19
	<b>Head</b>		
NSW	<b>181,050</b>	214,120	196,255
Vic	<b>48,011</b>	58,407	58,526
Qld	<b>379,635</b>	500,790	457,474
SA	<b>29,126</b>	35,564	37,584
WA	<b>58,432</b>	54,522	41,159
<b>Australia</b>	<b>696,253</b>	863,403	790,996

Source: MLA/ALFA

**Table 4: Feedlot turn-off**

	FY2010	FY2019	FY2020
	<b>Head</b>		
NSW	636,347	791,526	<b>794,237</b>
Vic	210,209	200,875	<b>215,592</b>
Qld	1,377,701	1,920,116	<b>1,758,572</b>
SA	93,191	110,853	<b>121,512</b>
WA	108,493	117,958	<b>154,221</b>
<b>Australia</b>	<b>2,425,941</b>	3,141,328	<b>3,044,134</b>

Source: MLA/ALFA