



Lot feeding brief

Results for the December quarter 2021 feedlot survey

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Summary

- Cattle on feed numbers increased in the December quarter, being reported at 1,159,991 head – an increase of 3.7% or 40,898 head on the September quarter.
- National feedlot capacity rose to reach a new record of 1,453,580 in the December quarter of 2021. This new record occurred whilst national utilisation reached 80%, demonstrating the continued confidence in the sector.
- Most states' capacity decreased slightly in the December quarter. Victoria remained firm whilst NSW grew its capacity rising by 1.8%, thus driving the overall national growth.

From the previous quarter:

- NSW numbers on feed rose by 9.2% to 330,977 in the December quarter. QLD numbers remained firm in this period.
- SA and WA experienced growth of 2.2% and 4.3% respectively. Victorian turnoff softened by 15%.
- National feedlot utilisation rose 3% to 80%. Overall, this is a 7% improvement on year ago levels for the December quarter of 2020. SA and WA experienced the largest increases in utilisation quarter on quarter, rising by 15% and 16% respectively.

Figure 1: Cattle on feed

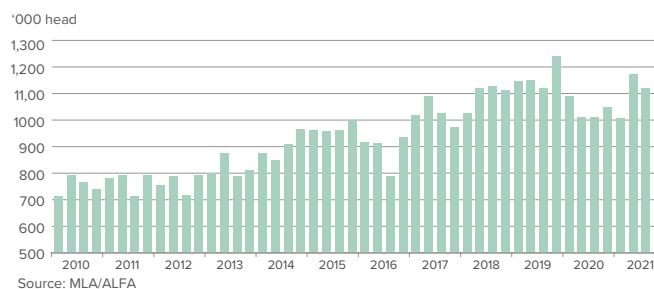


Figure 2: Quarterly grainfed beef exports

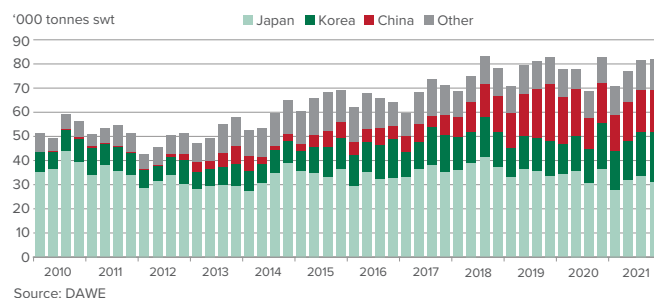


Table 1: MLA/ALFA Survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Dec-21	Sep-21	Dec-20	Dec-21	Sep-21	Dec-20	Dec-21	Sep-21	Dec-20
NSW	421,863	414,263	408,277	330,977	302,369	314,281	78	73	77
Vic	78,892	78,892	79,392	55,326	61,334	56,816	70	78	72
Qld	826,284	827,270	830,376	689,399	690,229	588,692	83	83	71
SA	53,414	53,814	53,614	44,096	36,327	42,216	83	68	79
WA	73,127	73,477	73,477	40,193	28,834	46,302	55	39	63
Australia	1,453,580	1,447,716	1,445,136	1,159,991	1,119,093	1,048,307	80	77	73

Source: MLA/ALFA

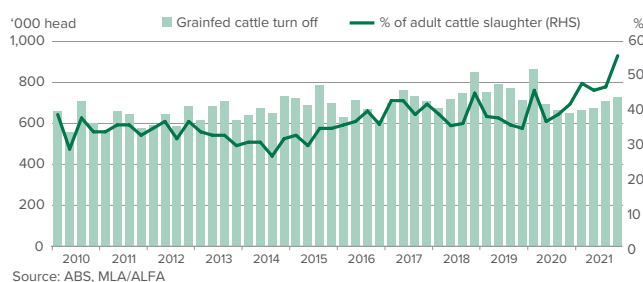
Currency

- In the December quarter the Australian dollar (A\$) averaged 72.9 US cents, lower by 1% on year ago levels but firm on quarter three performance.
- Against the Japanese yen, the A\$ has increased 9% on year ago levels for the December 2020 quarter to average 82.9¥ during the December quarter of 2021.
- The Australian dollar's performance against the Korean won has risen marginally by 1.2% on September quarter levels to average 862.32₩.

Grainfed exports

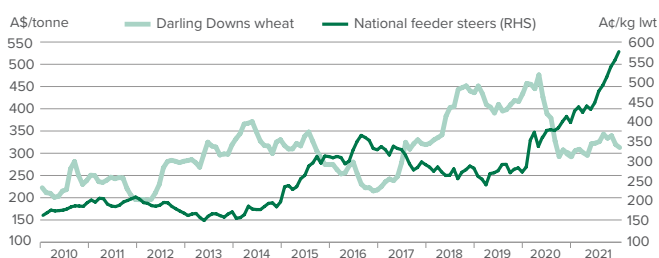
- Grain fed exports were down marginally in the December quarter compared to year ago levels, softening by 0.6%.
- Of the three key grainfed export markets, Japan was the only market to register a decline in exports, falling by 15% year-on-year for the same quarter in 2020.
- Although Japanese grainfed exports softened in the December quarter, overall, in 2021, the nation continued to demonstrate its dominance as Australia's key export market, Japan accounts for 40% of total grainfed exports in the calendar year 2021.
- The continued demand and strength of the grainfed exports to South Korea remained strong, rising by 10% year-on-year. Meanwhile, China grew 6.8% and all other nations grew by 20.5%.

Figure 3: Grainfed cattle turn-off



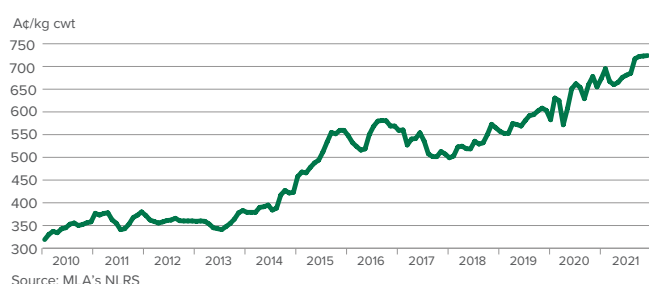
Source: ABS, MLA/ALFA

Figure 4: Feed grain and feeder steer prices



Source: MLA, Profarmer Australia

Figure 5: Queensland 100-day Grainfed Steer OTH Indicator



Source: MLA's NLRS

Domestic feeder cattle prices

- The Queensland 100-day grainfed OTH price continued to operate at record levels in the December quarter, averaging 723¢ – 29¢/kg cwt or 4.2% higher than the September quarter. Compared to year ago levels, the December quarter OTH average was higher by 8% or 56¢/kg cwt.
- The national feeder steer indicator averaged 560¢ in the December quarter, a 9.3% or 48¢/kg lwt improvement on the September result. Compared to the 2020 December quarter, the national feeder steer price average is higher by 35% or 145¢/kg lwt.

Grain prices

- In the December quarter, wheat ex Darling Downs averaged \$9/tonne lower than the September average to be \$325/tonne for the quarter. Compared to the December quarter of 2020, prices were up year on year by 8% or \$24/tonne.
- Barley ex Darling Downs, when compared with the September quarter, was softer by 2% or \$5/tonne, averaging \$288/tonne for the December quarter.

Table 2: Numbers on feed by feedlot size

Feedlot size (head)	Dec-21	Sep-21	Dec-20
< 500	5,655	5,506	7,995
500-1,000	33,301	35,481	31,390
1,000-10,000	330,206	325,524	331,470
>10,000	790,826	752,582	677,450
Total	1,159,988	1,119,093	1,048,305

Source: MLA/ALFA

Table 3: Quarterly cattle feedlot turn-off

	Dec-21	Sep-21	Dec-20
	Head		
NSW	175,266	185,405	175,172
Vic	38,153	44,960	33,084
Qld	475,175	410,750	409,843
SA	18,970	26,974	22,588
WA	18,505	40,282	8,554
Australia	726,069	708,371	649,241

Source: MLA/ALFA

Table 4: Feedlot turn-off

	FY2021	FY2020	FY2010
	Head		
NSW	718,248	794,237	636,347
Vic	167,839	215,592	210,209
Qld	1,542,780	1,758,572	1,377,701
SA	105,457	121,512	93,191
WA	122,577	154,221	108,493
Australia	2,656,901	3,044,134	2,425,941

Source: MLA/ALFA