Lot feeding brief

Results for the December quarter 2024 feedlot survey

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February 2025

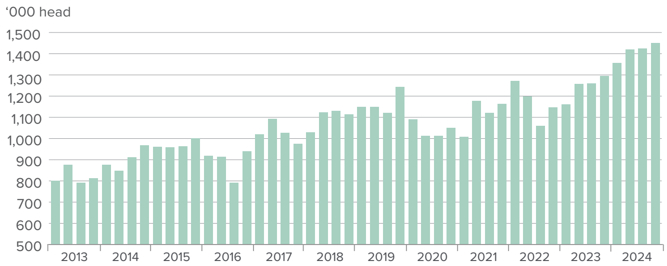
National summary

- The Australian feedlot sector followed an upward trend in the December 2024 quarter. Due to dry conditions, the need for grain finishing has increased investment in the sector, with reported capacity growing slightly to 1,657,760 head.
- The numbers on feed rose 1.8% to 1,450,481, and national utilisation rose to 87.5%–6% points above year-ago levels.
- The fourth quarter of 2024 saw a dip in turn-off from the near record in Q3 to 784,450. Despite this 9% dip, the numbers remained elevated, up 17% from year-ago levels.
- Four quarters of strong feedlot turn-off made 3,140,026 head over the calendar year. This is the largest calendar year turn-off on record and only the second time the annual turn-off hit over three million. Records in SA and Queensland drove this national peak.

From the previous quarter:

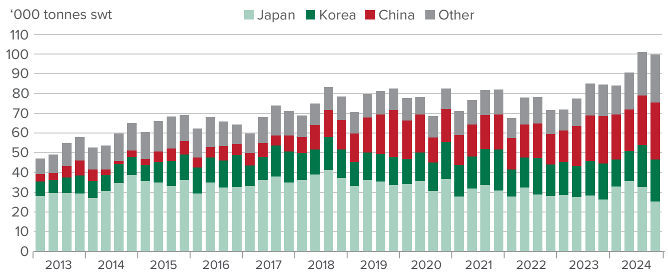
- Queensland remained relatively flat across all reported measures. Total capacity tipped back 0.4% to 915,504 head, though it is still elevated on year-ago levels. The number of cattle on feed lifted slightly to 839,397 head, though turn-off eased 3% to 482,793, meaning pens were fuller at 92% utilisation. The state operates at a higher utilisation than other states due to the stable nature of the sector.

Figure 1: Cattle on feed



Source: MLA/ALFA

Figure 2: Quarterly grainfed beef exports



Source: DAWE

Table 1: Meat & Livestock Australia (MLA)/Australian Lot Feeders' Association (ALFA) survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Dec-24	Sep-24	Dec-23	**Dec-24**	Sep-24	Dec-23	**Dec-24**	Sep-24	Dec-23
NSW	**491,299**	471,340	467,574	**415,793**	397,342	372,708	**85**	84	80
Vic	**84,575**	84,575	83,250	**66,924**	59,762	54,513	**79**	71	65
Qld	**915,504**	918,874	887,763	**839,397**	829,198	750,246	**92**	90	85
SA	**77,618**	79,215	65,215	**70,665**	75,697	58,502	**91**	96	90
WA	**88,764**	89,614	90,763	**57,702**	62,393	58,562	**65**	70	65
Australia	**1,657,760**	1,643,618	1,594,565	**1,450,481**	1,424,392	1,294,531	**87**	87	81

Source: MLA/ALFA

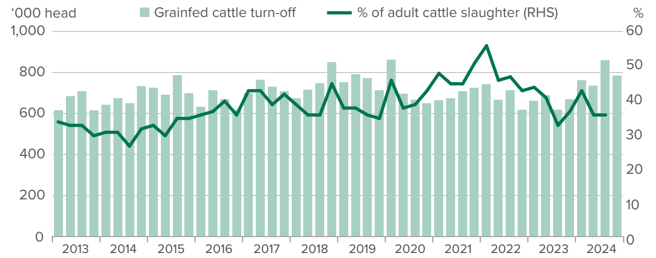
From the previous quarter: continued...

- Investments in NSW feedlots have driven a 4% lift to capacity to 491,299 head. Conditions across southern states have lifted reliance on NSW to finish stock. Numbers on feed lifted to a third consecutive record of 415,793 head. Longer fed programs are becoming more popular as turn-off eased 7% to 210,996, with pens fuller at 85% utilisation.
- Over the past two years, investment and utilisation of the lot feeding sector in SA have been considerable. SA's reliance on feedlots has led to a record calendar year turn-off. Despite easing 15% in the final quarter, a 39,919 head turn-off remained well above averages. Capacity remained flat at 77,618, while numbers on feed eased 7% to just above 70,000 – nearly double the 10-year average.
- There has been a delayed lift in utilisation in Victoria. Capacity remained stable, while numbers on feed were up 12% to 66,924 for 79% utilisation. Longer fed programs are being favoured as turn-off, down 9% to 36,305, has not kept up with entrances to feedlots.
- After unseasonal growth in Q3, all WA measures were down in the final quarter. Turn-off eased 68% to 14,437 head, though it was in line with year-ago levels, while numbers on feed reduced 7.5% to 57,702. Capacity was flat at 88,764, and utilisation dipped to 65%.

Grainfed exports

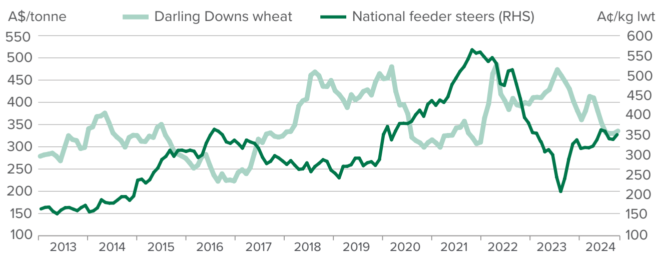
- The December quarter saw 99,757 tonnes of grainfed beef exported, down just 1% from the previous quarter. Strong supply out to the end of the year led to a record 375,195 tonnes. The top three markets remained the same: China, Japan, and Korea; however, changing demand has led to a shift in the market share.
- In the December quarter, China became Australia's largest market for grainfed beef for the first time on record. China imported 28,624 tonnes, up 14% quarterly and 19% last year, making up 29% of the grainfed trade.

Figure 3: Grainfed cattle turn-off



Source: ABS, MLA/ALFA

Figure 4: Feed grain and feeder steer prices



Source: MLA, Profarmer Australia

- A 22% reduction to 25,249 tonnes of grainfed exports to Japan was unexpected. Despite this quarterly reduction, Japan remained the largest market in calendar year terms with 126,081 tonnes.
- Japanese imports of grainfed beef have been steadily declining long term and market share has reduced as other markets have lifted demand.
- Korea remained stable, with a subtle lift in volumes to 24,498 tonnes, remaining at 21% market share. As a predominantly frozen market, an elevated beef supply has enabled stability in Korea, even with significant growth in other frozen markets such as China.

Domestic feeder cattle price, supply and weights

- The National Livestock Reporting Service (NLRS) Feeder Steer Indicator throughput stayed relatively flat into the December quarter, down just 1% to 620,511 throughput. Calendar year total throughput lifted 25% to 2,486,876 head. Queensland was the only state to decrease throughput, down 20% on the previous quarter due to a correction from the record throughput in quarter three.
- Feeder prices are down across most states, primarily due to the cattle supply. National prices eased 3% to 347¢/kg carcase weight, though they remain nearly 40% above year-ago levels. As expected, Queensland was the only state that saw a lift in prices.
- Darling Downs wheat prices decreased in the December quarter, easing 6% to $332/tonne, which is nearly 25% below year-ago levels. Despite feeder price increases, margins still seem to be relatively stable for lot feeders.

Table 2: Numbers on feed by feedlot size

Feedlot size (head)	Dec-24	Sep-24	Dec-23
< 500	**7,896**	9,902	10,885
500-1,000	**29,376**	38,748	35,233
1,000-10,000	**417,882**	417,321	393,254
>10,000	**995,327**	958,421	855,159
Total	**1,450,481**	1,424,392	1,294,531

Source: MLA/ALFA

Table 3: Quarterly cattle feedlot turn-off

	Dec-24	Sep-24	Dec-23
		Head	
NSW	**210,996**	227,883	166,821
Vic	**36,305**	39,869	32,068
Qld	**482,793**	499,834	426,857
SA	**39,919**	46,690	25,397
WA	**14,437**	45,654	17,470
Australia	**784,450**	859,930	668,613

Source: MLA/ALFA