



Lot feeding brief

Results for the March quarter 2023 feedlot survey

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Summary

- The March 2023 quarter saw numbers on feed recover slightly across all states except Queensland, with numbers lifting 1.1% to 1,158,240 head.
- Utilisation rates remained stubbornly low at 74%, as a further lift in capacity was offset by no major improvements in numbers on feed due to the fall registered in Queensland.
- Margin pressure due to cattle price buy-ins is continuing for lot feeders, dependent on program length. This theme is expected to continue in the short term.

From the previous quarter:

- In Q1 2023, all states experienced strong increases in numbers on feed except Queensland, which meant national numbers remained relatively firm quarter-on-quarter.
- Strong improvements in numbers on feed in Victoria, NSW and WA were the highlights, rising by 29%, 23% and 10% respectively.
- Queensland's large fall of 4.6% or 31,096 head on feed offset the strong gains seen in other states. Feeding program differences and access to cattle seem to have contributed to lower numbers in Queensland.

Figure 1: Cattle on feed

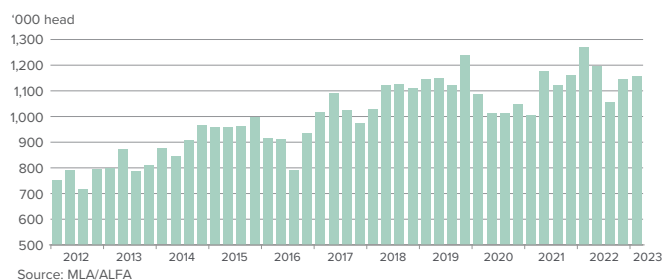


Figure 2: Quarterly grainfed beef exports

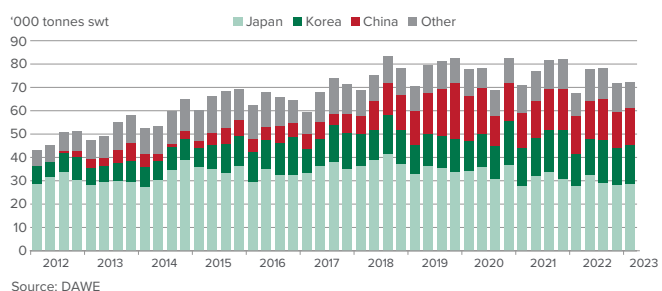


Table 1: MLA/ALFA Survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Mar-23	Dec-22	Mar-22	Mar-23	Dec-22	Mar-22	Mar-23	Dec-22	Mar-22
NSW	456,368	452,117	429,543	342,256	318,905	340,295	75	71	79
Vic	83,717	82,892	78,892	63,933	49,404	62,575	76	60	79
Qld	868,227	849,462	825,738	644,776	675,872	748,135	74	80	91
SA	64,440	63,594	58,914	42,428	41,812	45,498	66	66	77
WA	82,753	84,751	92,627	64,847	59,235	73,424	78	70	79
Australia	1,555,505	1,532,816	1,485,714	1,158,240	1,145,228	1,269,927	74	75	85

Source: MLA/ALFA

- National capacity grew a further 22,689 head or 1.5% throughout Q1 and now totals 1.55 million head.

Grainfed exports

- Q1 grainfed exports remained firm quarter-on-quarter but lifted by 6% or 4,313 tonnes shipped weight (swt) when compared with Q1 2022.
- All major export countries saw modest improvements in quarterly volumes, although all other markets experienced an 11% downturn in volume, as cost-of-living pressure impacts demand.
- Comparing year-on-year performance, Q1 2023 saw South Korean grainfed export volumes increase by 23% or 3,201 tonnes swt. All grainfed export markets saw improvements, reflecting the strong first quarter for grainfed exports.

Domestic feeder cattle price, supply and weights

- Supply of feeder steers offered for sale via the saleyards declined by 36% or 22,718 head in Q1, with major reductions seen in NSW and Queensland. These key states accounted for 90% of the total national fall. Despite lower supply, the feeder steer price fell by 98¢ or 20% to average 389¢/kg liveweight (lwt) in Q1.
- Compared to Q1 2022, supply was softer by 41% or 28,000 head and equally, the average price fell by 30% or 168¢/kg lwt.
- Feeder steer weights lifted 2% or 8kg/head quarter on quarter to average 425kg/head. This figure represents the heaviest average weight of feeder steers sold via the saleyards on record.

Figure 3: Grainfed cattle turn-off

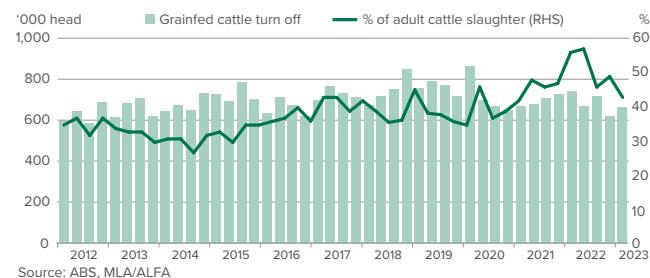
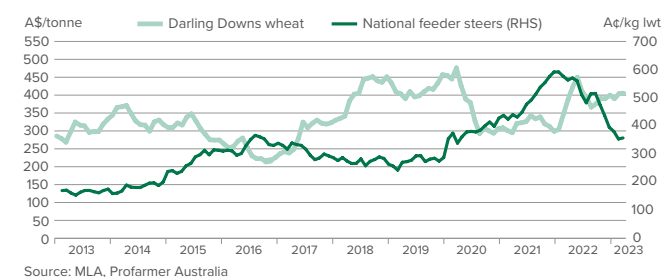


Figure 4: Feed grain and feeder steer prices



Grain prices

- Wheat prices for the Darling Downs strengthened in Q1, when compared with both Q4 2022 and year-on-year for Q1 2022. Quarter-on-quarter, prices were higher by 4.2% or \$16 and averaged \$400/tonne.
- Compared with Q1 2022 prices were higher by 27% or \$85, averaging \$315/tonne.
- The continuation of historically elevated grain prices coupled with high cattle prices will pressure lot feeders' profitability and margins.

Table 2: Numbers on feed by feedlot size

Feedlot size (head)	Mar-23	Dec-22	Mar-22
< 500	10,943	6,747	7,517
500-1,000	32,984	31,017	34,283
1,000-10,000	362,106	324,307	397,756
>10,000	752,207	783,157	830,371
Total	1,158,240	1,145,228	1,269,927

Source: MLA/ALFA

Table 3: Quarterly cattle feedlot turn-off

	Mar-23	Dec-22	Mar-22
	Head		
NSW	173,156	166,093	189,886
Vic	35,677	32,797	44,350
Qld	391,005	374,708	442,307
SA	21,420	24,896	28,932
WA	41,486	20,017	36,848
Australia	662,744	618,511	742,323

Source: MLA/ALFA

Table 4: Feedlot turn-off

	FY2022	FY2021	FY2021
	Head		
NSW	887,015	718,248	824,689
Vic	220,648	167,839	263,881
Qld	2,124,886	1,542,780	1,816,789
SA	121,480	105,457	136,647
WA	165,578	122,577	76,360
Australia	3,519,607	2,656,901	3,118,366

Source: MLA/ALFA