



Lot feeding brief

Results for the March quarter 2024 feedlot survey

Erin Lukey – Senior Market Information Analyst – insights@mla.com.au

May 2024

Summary

- After a sixth consecutive lift, numbers on feed tipped 1.3 million head for the first time on record. Rising by 4.7% or 60,000 head to 1,355,000 head in the 2024 March quarter. Lifts were seen across all states bar NSW.
- Feedlot capacity remained unchanged at 1.6 million head, which tipped utilisation to an above-average 85%, the highest quarterly utilisation in two years.
- Turn-off lifted once again, with 762,000 head over the quarter, 14% above last quarter, and 15% above last year's numbers.

From the previous quarter:

- Numbers on feed rose across most states. Supporting the national record, both QLD and SA lifted 7.0% and 11.3% to their individual highest number on feed. VIC and WA lifted by 14.4% and 1.7% respectively, to levels well above 5-year averages.
- NSW was the only state where numbers eased, falling by 2%. However, this was largely due to a levelling after the peak numbers seen last quarter.

Figure 1: Cattle on feed

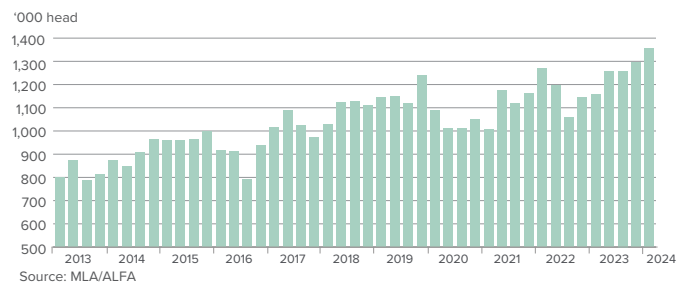


Figure 2: Quarterly grainfed beef exports

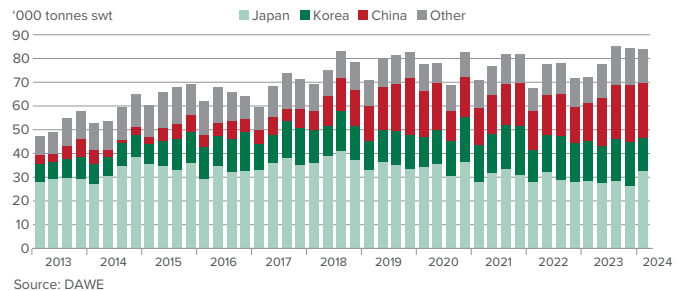


Table 1: MLA/ALFA Survey of feedlot activity

	Feedlot capacity			Numbers on feed			Utilisation %		
	Mar-24	Dec-23	Mar-23	Mar-24	Dec-23	Mar-23	Mar-24	Dec-23	Mar-23
NSW	463,150	467,574	456,368	365,268	372,708	342,256	79	80	75
Vic	84,575	83,250	83,717	62,358	54,513	63,933	74	65	76
Qld	888,865	887,763	868,227	802,451	750,246	644,776	90	85	74
SA	67,507	65,215	64,440	65,102	58,502	42,428	96	90	66
WA	89,814	90,763	82,753	59,568	58,562	64,847	66	65	78
Australia	1,593,911	1,594,565	1,555,505	1,354,747	1,294,531	1,158,240	85	81	74

Source: MLA/ALFA

From the previous quarter: continued...

- The promising turn-off this quarter was driven by lifts in every state. As cattle on feed reach program maturity, feedlots will continue to see positive turn-off.
- Queensland and NSW turn-off lifted by 5.1% and 10.3%, smaller than the 42.1% and 44.6% in VIC and SA. WA turn-off lifted by over 166% as the state enters its seasonal high period over the March and June quarters.

Grainfed exports

- Total grainfed exports remained firm this quarter with 83,949 tonnes of Australian grainfed beef exported, a change of less than 1% on last year. 30% of all beef exports in Q1 were a grainfed product. This is up 2% on last quarter.
- The Japan market remained strong as Australia's top grainfed beef export market, with export volumes up 24% on the last quarter and the largest volume since Q3 2021. Japan's total share of the market rose by 8 percent points, and now makes up 39% of all Australian grain-fed exports.
- Grainfed beef exports to China eased slightly by 5%, levelling after the record export volume seen last quarter. As the second largest grainfed export market, China makes up 27% of exports. Exports to Korea eased by 24%, with the country now making up only 16% of total grainfed export volumes.
- Exports in other markets eased by 7%, largely due to jump in exports to Japan.

Figure 3: Grainfed cattle turn-off

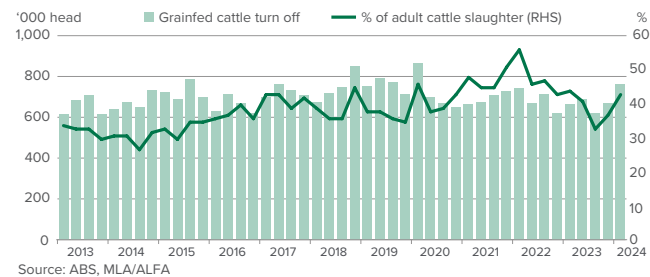
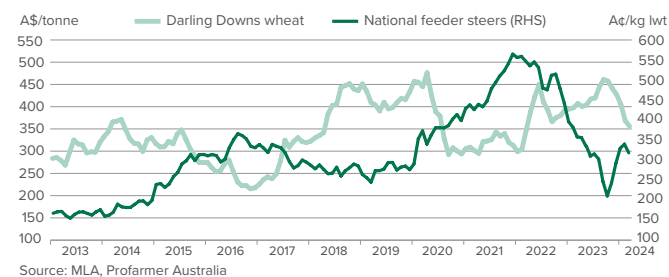


Figure 4: Feed grain and feeder steer prices



Domestic feeder cattle prices

- Supply of feeder steer cattle through MLA's reported saleyards lifted 13% on last quarter to 88,751 head, the largest throughput since March 2018. Individually, most states experienced lifts, with only WA reducing throughput.
- Feeder steer prices lifted this quarter after the long-term lows of last year. Prices lifted 32%, or 81 cents nationally to 331 cents/kg lwt and lifted across all states. 1% in WA, and between 28% and 36% in QLD, NSW and VIC.
- Average feeder steer weights through reported saleyards lifted to 423kg, similar to throughput weights Q1 2023.

Grain prices

- Darling Downs wheat prices softened a further 15% in Q1 to an average of \$375/tonnes, a \$67/tonne fall on Q4 rates.
- Cost of feed grain easing, paired with steer prices remaining low have supported more desirable margins for lot feeders.

Table 2: Numbers on feed by feedlot size

Feedlot size (head)	Mar-24	Dec-23	Mar-23
< 500	11,505	10,885	10,943
500-1,000	40,721	35,233	32,984
1,000-10,000	390,101	393,254	362,106
>10,000	912,420	855,159	752,207
Total	1,354,747	1,294,531	1,158,240

Source: MLA/ALFA

Table 3: Quarterly cattle feedlot turn-off

	Mar-24	Dec-23	Mar-23
Head			
NSW	184,041	166,821	173,156
Vic	45,571	32,068	35,677
Qld	448,653	426,857	391,005
SA	36,714	25,397	21,420
WA	46,571	17,470	41,486
Australia	761,550	668,613	662,744

Source: MLA/ALFA

Table 4: Feedlot turn-off

	FY2023	FY2022	FY2012
Head			
NSW	845,027	715,403	644,736
Vic	170,811	174,048	136,031
Qld	1,958,091	1,727,457	1,593,951
SA	127,827	92,768	89,377
WA	150,254	134,629	103,366
Australia	3,252,010	2,844,305	2,567,461

Source: MLA/ALFA