

15 July 2016

Tim Ryan and Jack O'Connor – Livestock and Meat Market Analysts – [tryan@mla.com.au](mailto:tryan@mla.com.au), [jocconnor@mla.com.au](mailto:jocconnor@mla.com.au)

## WEATHER OUTLOOK

Most of the country experienced a notably wet start to winter, with **Central Queensland** receiving 'above average' rainfall in June, and some regions recording the 'highest on record' – providing support for the cattle markets during the month. Regions across **Western Queensland**, the **Barkly** and **Central Australia**, received mostly 'above average' falls or better. The **Kimberley**, **Victorian River District** and the **northernmost regions of the NT** were the exception, however, with just a scattering of showers across the month.

Highlighted in the latest **three month outlook** by the Bureau of Meteorology (BOM), most locations are expected to receive 'above average' rainfall throughout the July to September period. Furthermore, widespread rainfall is forecast across **northern Australia** in the third week of July – quite a rare event for the time of year.

## LIVE EXPORTS

Live export prices have strengthened incrementally throughout June, with northern cattle availability remaining seasonally tight. In addition, live export buyer activity has reportedly been persistent throughout the physical markets.

Delivered to **Darwin**, **feeder steers** averaged 324¢ in June, close to 40¢ higher on the month prior, and prices have continued to increase throughout the start of July – reportedly reaching as high as 340¢/kg lwt. **Feeder steers** delivered to **Townsville** reached 300¢ in June, over 30¢/kg lwt dearer than the average price recorded the month prior.

For the January to June period, **live feeder and slaughter cattle exports** were down 15% year-on-year, at 580,879 head (ABS,DAWR). With the Ramadan period finishing in the first week of July, Jakarta wet market prices have remained stable (IDR 110,000-125,000/kg) – although reports suggest prices are anticipated to lift in the short term, as demand for beef increases.

## SALEYARD INDICATORS

In June, northern saleyard indicators recorded significant growth on the month prior, with widespread showers tightening supply further and pushing some categories to record highs. Average weekly yardings at **CQLX Gracemere** eased month-on-month, with throughput at **Emerald** (although not operating in the last week of June) lifting and **Charters Towers** mostly unchanged overall.

The **restocker steer** indicator in June averaged 33¢ higher month-on-month, at 325¢, while their female counterparts edged a further 34¢ dearer, averaging 285¢/kg lwt. The **medium cow** indicator was up 39¢, at 236¢, while the **medium steer** indicator recorded the most significant improvement, averaging 302¢, up 42¢/kg lwt overall.

Rain fuelled restocker confidence saw lighter yearling categories strengthen, with **live export** and **processor** buyers stimulating extra competition for heavier, better conditioned types. Although, due to increased yardings across northern markets and a substantial weaner sale at Emerald, the first weeks of July have seen indicators ease across most categories.

## OVER-THE-HOOK INDICATORS AND SLAUGHTER

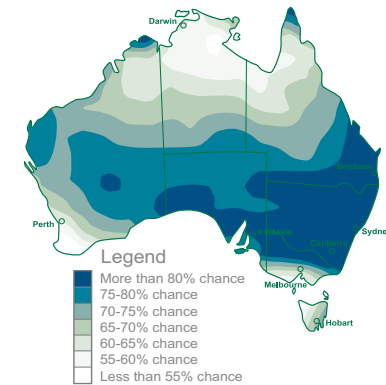
In June, **North Queensland weekly cattle slaughter** tracked 26% lower than the same time last year, averaging 19,416 head. Increased processor activity in the physical market has seen bidding continue to intensify in recent weeks, as buyers look to secure suitable types, resulting in all categories recording the largest increase so far this year.

The **north Queensland over-the-hook** indicators continued to lift in the first week of July, with the latest indicators up 19¢/kg cwt on the June average. This week, the **trade steer** indicator averaged 534¢ while the **heavy steer** indicator was 544¢/kg cwt. The **medium cow** indicator also recorded a significant improvement, reaching 473¢/kg cwt.

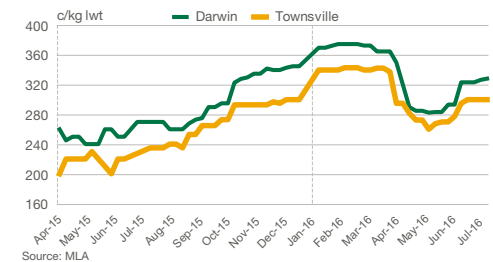
In the first week of July, the **90CL imported US** cow beef indicator finished at 205.06US¢ (602.16A¢/kg CIF), increasing marginally on the week prior. With grilling season underway, US demand for imported beef is expected to increase over the coming months – and export prices may follow a similar trend. However, increasing US beef production may subdue further upward movement in the longer term.

### Weather outlook

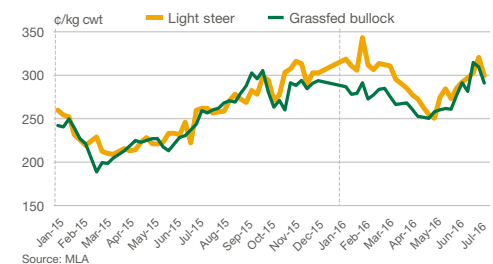
Chance of exceeding the median rainfall July – Sept 2016



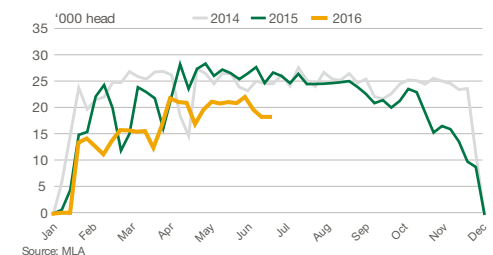
### Live export feeder steer indicators



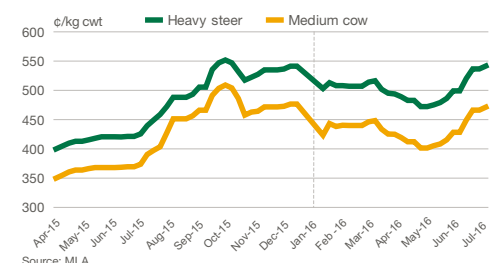
### North Queensland saleyard indicators



### North Queensland weekly adult cattle slaughter



### North Queensland over-the-hook indicators



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## Live export indicators

Cattle (¢/kg lwt)	Darwin			Townsville			Broome*		
	Jun-16	May-16	Jun-15	Jun-16	May-16	Jun-15	Jun-16	May-16	Jun-15
Feeder steer	324	286	258	299	268	220	310	365	260
Feeder heifer	310	267	240	285	248	180	280	350	220
Slaughter steer	NQ	280	235	294	261	230	NQ	NQ	NQ
Slaughter heifer	NQ	260	215	285	241	190	NQ	NQ	NQ

All live export cattle quotes are for cattle destined for Indonesia and Vietnam. \*Broome is lightly reported.

Source: MLA

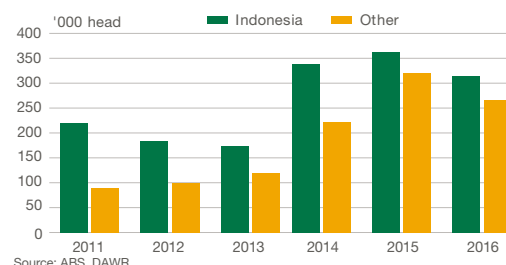
## Australian feeder and slaughter cattle exports (January – June)

Head exported	All ports		
	2016	2015	2014
Indonesia	313,529	363,482	338,637
Vietnam, China & Japan**	121,178	201,371	76,679
other	141,769	119,060	114,592
<b>TOTAL</b>	<b>580,476</b>	<b>683,913</b>	<b>559,908</b>

\*\*Please note, ABS did not provide individual country data for Vietnam, China and Japan from October 2015 on but the majority of cattle in this group were destined for Vietnam. June totals comes from DAWR. [Click here to read the latest edition of LiveLink.](#)

Source: ABS, DAWR

## Australian feeder and slaughter cattle exports (January – June)



## North Queensland over-the-hook indicators

Cattle (¢/kg cwt)	Dentition	Weight	Muscle	Fat	Jun-16	May16	Jun-15
Trade steer	0-2 (YG)	240-260kg	A-C	5-22	515	475	412
Medium steer	0-4 (YP)	260-280kg	A-C	5-23	515	474	413
Heavy steer	0-4 (YP)	300-400kg	A-C	5-24	525	484	423
Medium cow	0-8 (C)	260-280kg	A-E	0-32	454	413	370
<b>Average weekly slaughter (head)</b>				<b>Male</b>	<b>9,204</b>	9,787	11,481
				<b>Female</b>	<b>10,812</b>	10,812	14,833
				<b>TOTAL</b>	<b>19,416</b>	20,599	26,314

Source: MLA

## Young Cattle Indicators

¢/kg cwt	Jun-16	May-16	Jun-15
EYCI	618	568	495
Roma Store (EYCI cattle)	634	575	483

Source: MLA

North Queensland is approximately defined as north of and including Rockhampton.

## North Queensland saleyard indicators

Cattle (¢/kg lwt)	Category	Live weight	Muscle/Fat	CQLX Gracemere			Emerald			Charters Towers			Average		
				Jun-16	May-16	Jun-15	Jun-16	May-16	Jun-15	Jun-16	May-16	Jun-15	Jun-16	May-16	Jun-15
Restocker steer	Vealer & yearling	200-330kg	D2	334	229	229	323	270	234	293	289	NQ	325	292	232
Restocker heifer	Vealer & yearling	200-330kg	D2	286	251	196	286	224	203	263	263	NQ	285	252	198
Light steer	Yearling steer	330-400kg	D2	306	278	229	300	263	233	266	300	NQ	304	271	236
Medium steer	Grown steer	400-500kg	D2	300	271	204	311	238	198	NQ	250	NQ	302	259	204
Grassfed bullock	Grown steer	500-750kg	C-D4	298	260	226	296	260	220	NQ	NQ	NQ	300	260	223
Medium cow	Cow	400-520kg	D3	233	201	173	232	202	171	237	198	NQ	236	197	173
<b>Average weekly saleyard throughput (head)</b>				<b>2,768</b>	<b>3,257</b>	<b>3,508</b>	<b>1,308</b>	<b>984</b>	<b>2,595</b>	<b>1,551</b>	<b>1,552</b>	<b>NQ</b>	<b>5,300</b>	<b>4,591</b>	<b>6,103</b>

Source: MLA