

Australian Cattle Industry Overview

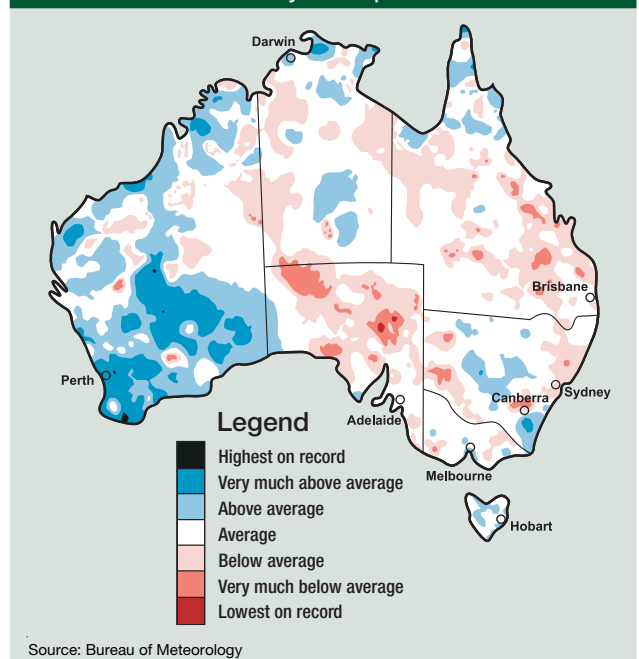
October 2013

MLA's Market Information Service 02 9463 9163

Key cattle drivers

- While WA received 'average' to 'above average' rainfall throughout September, the majority of the eastern states had 'average' to 'below average' falls.
- Under the seasonal conditions and limited restocker demand, cattle prices continued to feel the pressure of surging supplies. The Eastern Young Cattle Indicator (EYCI) averaged 312¢/kg cwt in September, back 3% on August and 14% year-on-year, with interest for young cattle subdued.
- Losing the least ground across all categories were heavy steers, which averaged 327¢/kg cwt for September, back 4% on the corresponding month last year, indicating limited supplies of finished cattle. The medium cow indicator also weakened throughout September, to average 255¢/kg cwt, back 5% year-on-year.
- Average eastern states cattle slaughter for September was 152,185 head per week, up 3% on August and 13% year-on-year. Highlighting the steady influx of cattle throughout 2013, average weekly slaughter for the nine months has been 13% higher year-on-year, at 140,972 head.
- Keeping pace with slaughter, Australian beef and veal exports for September were 94,923 tonnes swt, up 19% year-on-year, and taking the year-to-September total to 799,262 tonnes swt, up 15% on the corresponding period last year.
- While average chilled grassfed fullset prices (552A¢/kg FOB) to Japan improved 4% year-on-year in September, exports declined 4% over the same period, to 21,766 tonnes swt, largely due to competition from the US and more product being exported to other markets.
- After a sluggish start to the year, shipments to the US increased 10% year-on-year, at 19,560 tonnes swt, assisted by 90CL manufacturing beef prices averaging 421A¢/kg FOB, up 7% over the period.
- Korea took 12,671 tonnes swt of Australian beef during September, up 8% year-on-year, while China continued to surge, with shipments up 258% over the same period, at 14,522 tonnes swt. Exports to the Middle East also increased substantially for the month, up 93% year-on-year, at 5,339 tonnes swt, and taking the year-to-September total to 49,166 tonnes swt – more than double the volume for the same period in 2012.

Figure 1
Australian rainfall analysis September 2013



Key cattle and beef statistics

Table 1 Cattle and beef statistical summary

				Calendar year to September comparisons				
	Sep-13	% change Aug-13	% change Sept-12	2013	2012	% change	Aug-13	Sep-12
Livestock indicator prices (c/kg cwt) (MLA's NLRS)								
Eastern Young Cattle Indicator	312	-3%	-14%	317	382	-17%	323	363
Heavy steer	327	-1%	-4%	317	339	-6%	330	340
Medium steer	312	-4%	-5%	303	336	-10%	324	330
Trade steer	346	-2%	-6%	337	377	-11%	352	370
Medium cow	255	-6%	-5%	248	282	-12%	271	269
Domestic feeder steer (c/kg lwt)	185	-2%	-11%	187	214	-13%	188	207
Export indicator prices (trade)								
Child grassfed f/sets (Ac/kg FOB)	552	-1%	4%	545	541	1%	558	533
Child cube roll (Ac/kg FOB)	1,060	8%	-5%	1,063	1,157	-8%	979	1,120
90CL manufacturing beef (Ac/kg FAS) (Steiner)	421	-1%	7%	406	401	1%	424	394
Exchange rates (RBA)								
A\$/US\$	0.93	3%	-11%	1.00	1.00	0%	0.90	1.04
US\$/¥	99	1%	28%	95	82	15%	98	78
A\$/¥	92	5%	14%	95	82	15%	88	81
Average weekly eastern states slaughter - head (MLA's NLRS)								
Cattle	152,185	3%	13%	140,972	124,869	13%	148,116	134,461
Australian beef and veal exports (tonnes swt)	94,923	-4%	19%	799,262	693,363	15%	98,402	79,936
Japan	21,766	-12%	-4%	219,399	233,000	-6%	24,761	22,648
US	19,560	8%	10%	155,851	169,854	-8%	18,046	17,853
Korea	12,671	1%	8%	99,488	82,202	21%	12,563	11,751
China	14,522	-10%	258%	108,200	9,746	1010%	16,192	4,060
Taiwan	2,682	-20%	-20%	26,592	28,232	-6%	3,337	3,335
Middle East	5,339	-15%	93%	49,166	22,469	119%	6,310	2,762
Other	18,383	7%	5%	140,566	147,861	-5%	17,193	17,527

Source: DAFF, ABS, MLA's NLRS, RBA

Table 2 Australian live cattle exports (head)*

				Calendar year to August comparisons				
	Aug-13	% change July-13	% change Aug-12	2013	2012	% change	Jul-13	Aug-12
Indonesia	30,973	7%	139%	236,254	221,799	7%	29,038	12,973
Israel	17,000	-	479%	59,490	37,287	60%	0	2,934
Vietnam	11,788	125%	-	30,068	496	5962%	5,234	0
Malaysia	9,962	55%	83%	35,503	24,250	46%	6,430	5,457
Other	9,346	68%	-68%	112,811	156,065	-28%	5,550	28,842
Total	79,069	71%	57%	474,126	439,897	8%	46,252	50,206

Source: ABS

Table 3 Annual and quarterly forecasts

	2012	Q1	Q2	Q3	Q4	2013	2014
Australian adult cattle slaughter ('000 head)	7,352	1,867	2,150	1,860	1,848	7,725	7,500
Australian beef exports ('000 tonnes cwt)	1,417	330	408	370	362	1,470	1,455
Australian live cattle exports ('000 head)	641	130	216	130	100	575	600
US beef and veal production ('000 tonnes cwt)	11,756	2,800	2,956	3,012	2,844	11,612	10,954
US beef and veal exports ('000 tonnes cwt)	1,113	253	286	295	259	1,092	1,043
US beef and veal imports ('000 tonnes cwt)	1,007	268	285	249	240	1,042	1,197

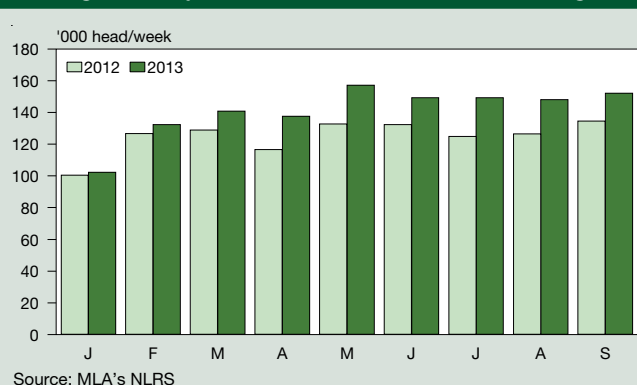
Source: USDA, DAFF, ABS, MLA Forecasts

italics indicate forecasts

Figure 2 Eastern Young Cattle Indicator (EYCI)



Figure 3 Average weekly eastern states adult cattle slaughter



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