

Australian Cattle Industry Overview

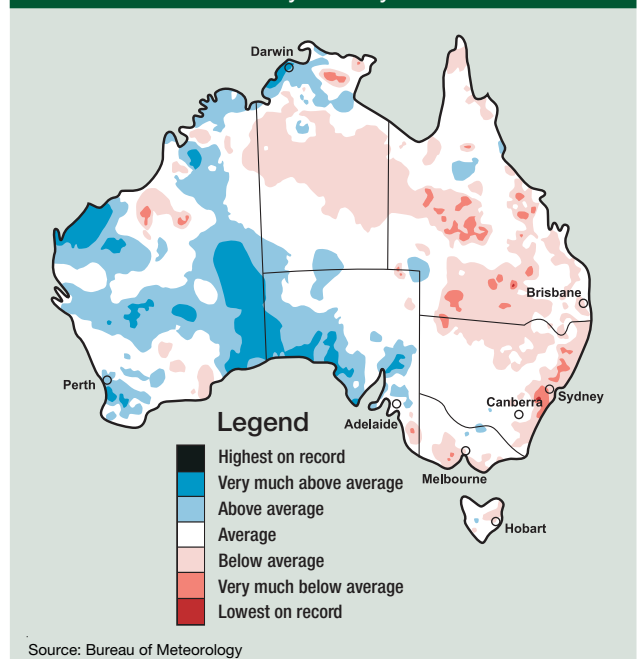
June 2014

MLA's Market Information Service 02 9463 9163

Key cattle drivers

- Throughout May, the majority of the eastern states and the NT experienced 'average' to 'below average' rainfall, while areas of SA and WA recorded 'above average' falls.
- Dearer prices were recorded across all cattle categories in May, despite anticipated rain not coming to fruition. Trade steers were 16% dearer than a year ago, averaging 366¢/kg cwt, while heavy steers increased 14% over the same period, to 349¢/kg cwt. Medium cows showed the most improvement in price, averaging 256¢/kg cwt for the month, up 23% year-on-year.
- Average eastern states weekly slaughter in May increased 23% on the previous month and 7% on the corresponding period last year, to 168,320 head per week.
- During May, the A\$ remained steady with April against the US\$, at 93US¢, and was lower than the same time in 2013, back 6%. Similarly, against the Japanese yen, the A\$ trended 1% lower than April, at 95¥, and was back 5% compared with the corresponding month in 2013.
- May saw Australian beef and veal exports reach a record monthly volume of 108,126 tonnes swt – up 5% on last year and 22% on the five-year average, as there was higher cattle slaughter and increased demand across most export markets compared to a year ago.
- The US was again the largest market for Australian beef exports, taking 31,054 tonnes swt, up 58% year-on-year, while Japan was the second largest market, despite declining 14% on last year, to 26,245 tonnes swt.
- During May, beef shipments to Korea reached 12,547 tonnes swt, up 1% on last year, while consignments to the Middle East also increased 1%, totalling 6,298 tonnes swt. In contrast, volumes to China declined 27% on May 2013, to 8,427 tonnes swt, with concerns around import protocols in China regarding the use of HGP.

Figure 1
Australian rainfall analysis May 2014



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Key cattle and beef statistics

Table 1 Cattle and beef statistical summary

				Fiscal year to May comparisons				
	May-14	% change Apr-14	% change May-13	2014	2013	% change	Apr-14	May-13
Livestock indicator prices (c/kg cwt) (MLA's NLRS)								
Eastern Young Cattle Indicator	336	-4%	15%	316	340	-7%	351	291
Heavy steer	349	-2%	14%	330	325	2%	357	306
Medium steer	318	-6%	13%	315	314	0%	337	281
Trade steer	366	-2%	16%	350	347	1%	375	315
Medium cow	256	-12%	23%	259	258	0%	290	207
Domestic feeder steer (c/kg lwt)	196	0%	10%	186	197	-6%	196	179
Export indicator prices (trade)								
Child grassfed f/sets (A¢/kg FOB)	606	-1%	9%	602	532	13%	614	557
Frozen full brisket (A¢/kg FOB)	435	-1%	14%	430	379	13%	438	381
90CL manufacturing beef (A¢/kg FAS) (Steiner)	457	-1%	19%	448	402	12%	462	385
Exchange rates (RBA)								
A\$/US\$	0.93	0%	-6%	0.92	1.04	-12%	0.93	0.99
US\$/¥	102	-1%	2%	101	87	17%	103	100
A\$/¥	95	-1%	-5%	93	90	3%	96	100
Average weekly eastern states slaughter - head (MLA's NLRS)								
Cattle	168,320	23%	7%	148,907	130,697	14%	136,355	157,093
Australian beef and veal exports (tonnes swt)	108,126	11%	5%	1,081,178	926,090	17%	97,477	103,208
US	31,054	24%	58%	235,733	190,468	24%	24,982	19,681
Japan	26,245	27%	-14%	254,876	273,499	-7%	20,747	30,374
Korea	12,547	4%	1%	142,825	126,633	13%	12,066	12,423
China	8,427	-39%	-27%	152,035	81,622	86%	13,859	11,486
Middle East	6,298	7%	1%	57,216	42,666	34%	5,908	6,226
EU	2,104	9%	5%	20,356	15,467	32%	1,939	1,996
Other	21,451	19%	2%	218,137	195,735	11%	17,976	21,022

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

Table 2 Australian live cattle exports (head)*

				Fiscal year to April comparisons				
	Apr-14	% change Mar-14	% change Apr-13	2014	2013	% change	Mar-14	Apr-13
Indonesia	80,428	3%	45%	493,874	206,118	140%	77,954	55,605
Russia	29,647	-	-	47,735	19,832	141%	-	-
China	18,355	192%	-	72,583	43,846	66%	6,282	-
Israel	17,200	-	116%	96,691	43,184	124%	-	7,950
Other	24,805	-10%	234%	210,390	175,351	20%	27,417	7,429
Total	170,435	53%	140%	921,273	488,331	89%	111,653	70,984

Source: ABS

Table 3 Annual and quarterly forecasts

	2013	Q1	Q2	Q3	Q4	2014	2015
Australian adult cattle slaughter ('000 head)	8,344	2,173	2,075	1,925	1,827	8,000	7,450
Australian beef exports ('000 tonnes cwt)	1,611	403	397	365	346	1,578	1,470
Australian live cattle exports ('000 head)	850	249	na	na	na	900	920
US beef and veal production ('000 tonnes cwt)	11,666	2,662	2,864	2,862	2,753	11,142	11,029
US beef and veal exports ('000 tonnes cwt)	1,172	264	286	299	288	1,138	1,100
US beef and veal imports ('000 tonnes cwt)	1,021	270	299	270	247	1,087	1,109

Source: USDA, DA, ABS, MLA Forecasts

italics indicate forecasts

Figure 2 Eastern Young Cattle Indicator (EYCI)

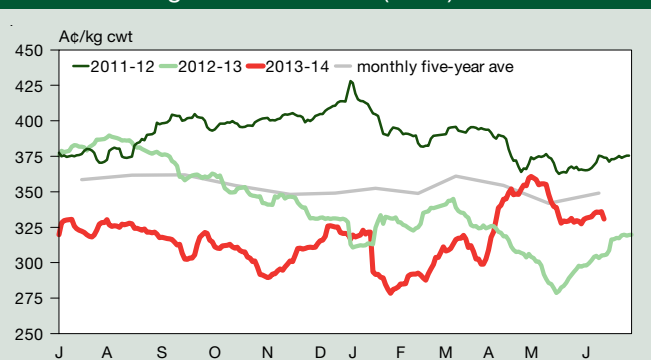
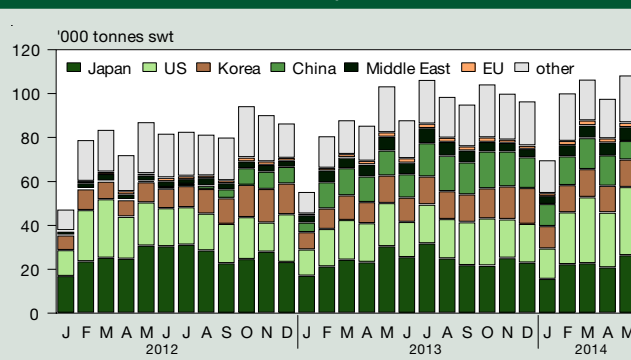


Figure 3 Australian beef and veal exports



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