

meat & livestock **weekly**

Friday, 3 May 2013

Livestock producers only sell for two reasons...

Given the very dry start to 2013 across the majority of Australia, an old adage has returned to the fore, that "livestock producers only sell for two reasons…no grass, or no money". The failed wet season in the north, scorching summer and very dry start to autumn has undeniably seen the lack of grass as the main driver behind the surge in supplies and subsequent falling prices in recent months. Indeed, financial concerns would not be far behind.

However, given cattle prices at the moment, it would be very unlikely that producers would be selling such large numbers if not under pressure from the deteriorating season. With an emphasis on northern Australian cattle markets, prices this week took another big step back, amid reports of very low prices for large lines of cattle, which were reportedly undesirable for almost all buyers. Overall, the Queensland trade steer prices averaged 305¢/kg cwt this week, while the EYCI reached 300.75¢/kg cwt, the lowest level since 2009.

Given the current large size of the Australian cattle herd, reduced access to live export markets and the corrosive impact of the high A$ on beef returns, there seems to be few positives on the horizon for northern Australian producers. At the same time, southern producers are waiting anxiously for an autumn break, with rain the most likely factor to turn around the current price trend.

With the surge in cattle to saleyards and processors so far in 2013, the additional beef being produced is heading overseas, with beef shipments for both April and the first four months of 2013 up significantly. China and the Middle East continue to take record volumes of Australian beef, while unfavourable currency movements and sluggish consumer demand continue to constrain exports to Japan.

Key developments:

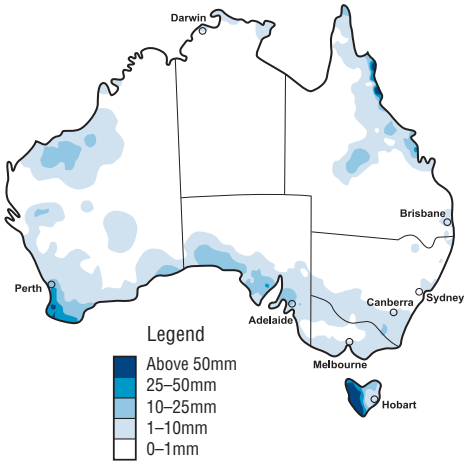
Monthly cattle throughput increases as dry conditions prevail – page 2

Brazilian meat production to expand further in 2013 – page 6

Influx of cattle drives record start to 2013 for beef exports – page 8

Weather watch...

Rainfall analysis – week ending 2 May 2013



Source: Bureau of Meteorology

Dry autumn continues

The very dry autumn conditions continued to frustrate producers this week, with many regions registering an extremely dry April, with little rainfall forecast for the week ahead. While the formation of a cyclone in North Queensland gained some attention, it will reportedly have little influence for producers. Some light showers were recorded in various coastal regions, especially in southern WA, with the best falls in western Tasmania.

National saleyard indicators

MLA's NLRS

Cattle	Weight	Muscle/Fat		TW	LW	LY
Trade steer	330-400kg	C3	(¢/kg lwt)	176	177	197
			(¢/kg cwt)	323	325	369
Medium steer	400-500kg	C3	(¢/kg lwt)	155	146	177
			(¢/kg cwt)	285	267	331
Heavy steer	500-600kg	C4	(¢/kg lwt)	174	164	182
			(¢/kg cwt)	316	297	329
Medium cow	400-520kg	D3	(¢/kg lwt)	104	102	132
			(¢/kg cwt)	218	212	274
Feeder steer	330-400kg	C2	(¢/kg lwt)	162	167	194
Sheep and lambs						
Restocker/feeder lamb	0-18kg	1-2	($/head)	53	50	67
Merino lamb	16-22kg	2-3	(¢/kg cwt)	304	353	398
Light lamb*	12-18kg	2-3	(¢/kg cwt)	331	363	438
Trade lamb#	18-22kg	2-4	(¢/kg cwt)	374	413	435
Heavy lamb#	22kg +	2-4	(¢/kg cwt)	393	427	414
Mutton	18-24kg	2-3	(¢/kg cwt)	151	167	271

*1st & 2nd cross & Merino, #1st & 2nd cross

National over the hooks indicators

MLA's NLRS

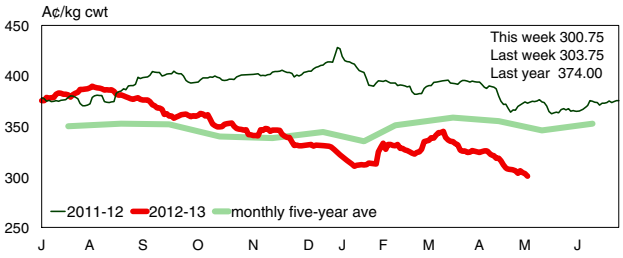
Cattle (¢/kg cwt)	Weight	Muscle	Fat	TW	LW	LY
Trade steer	220-260kg	A-C	3-12	316	315	324
Medium steer	260-300kg	A-C	7-22	308	308	319
Heavy steer	300-420kg	A-C	7-22	307	307	320
Medium cow	240-280kg	A-E	3-22	238	239	275
Sheep and lambs (¢/kg cwt)						
Medium trade lamb	18-20kg		2-4	424	424	444
Heavy trade lamb	20-22kg		2-4	424	424	442
Heavy lamb	22kg +		2-4	423	423	436
Mutton	18-24kg		2-4	159	160	254

TW = This week, LW = Last week, LY = Last year

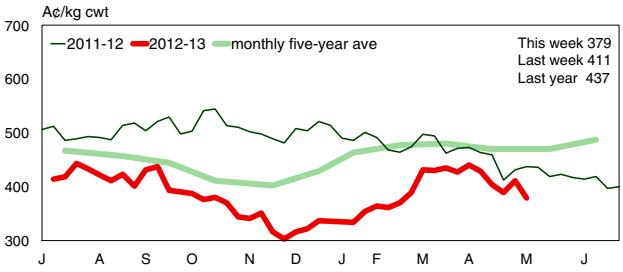
Livestock prices

MLA's NLRS

Eastern Young Cattle Indicator (EYCI)



Eastern States Trade Lamb Indicator



For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION



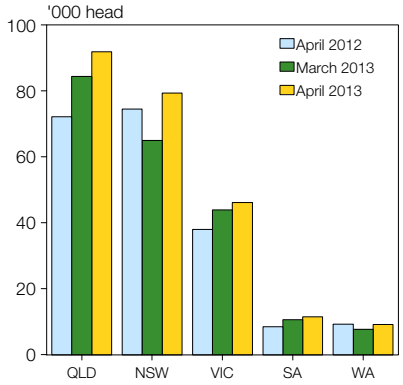
Monthly cattle throughput increases as dry conditions prevail

Total national cattle saleyard throughput during April increased 13% compared to March, with significant increases reported in Queensland and NSW. The continual supply of secondary lines from the northwest regions into Queensland's southern saleyards has sustained downward pressure on prices. Large offerings of light weight yearlings, which were unsuitable for feedlot orders, received significant discounts at the majority of markets reported by MLA's National Livestock Reporting Service.

The continued deteriorating seasonal conditions have progressively limited feed volumes for most producers, resulting in a lack of demand from restocker buyers. The usual flow of cattle from Queensland into NSW and Victoria has also been subdued, due to the poor season and insufficient rainfall in the south.

Total consignments at Roma's weekly store sale lifted 20% compared to last month, while Dalby yarded 23% more cattle month-on-month. April last year saw 21% less cattle flow through Queensland markets, as producers had a favourable summer allowing them to more comfortably carry stock through the winter months.

Total monthly cattle throughput



Source: MLA's NLRS

NSW followed a similar trend to Queensland, with total throughput up 22% on last month and 6% year-on-year. Despite good falls in recent months in coastal regions, restocker and feeder buyers are still reluctant to enter the market. CTLX recorded the largest increase, up 68% compared to April last year, while consignments at Gunnedah increased 53% year-on-year.

Victorian cattle supply increased 5% compared to last month, despite several shortened weeks due to public holidays. The dry conditions experienced through the majority of the state are uncanny for this time of year, when autumn rainfall usually allows widespread winter cropping. Reports suggest some producers still wait in anticipation for a turnaround in growing conditions. SA and WA's numbers increased 8% and 19% respectively, year-on-year.

MLA's NLRS

Cattle movements

MLA's NLRS

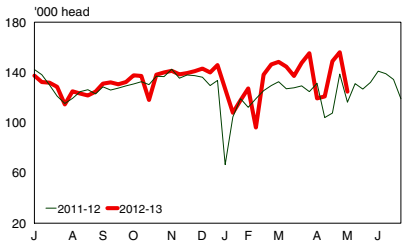
Slaughter statistics - for week ending 26/04/13

		TW	LW	LY
Qld	Cattle	65,849	81,501	61,863
	Calves	312	349	1,161
NSW	Cattle	28,154	37,432	28,349
	Calves	3,533	4,826	3,570
Vic	Cattle	20,011	23,785	16,571
	Calves	6,153	6,418	5,403
SA	Cattle	6,763	8,577	5,700
	Calves	69	127	82
Tas	Cattle	3,862	4,640	3,861
	Calves	939	1,051	519

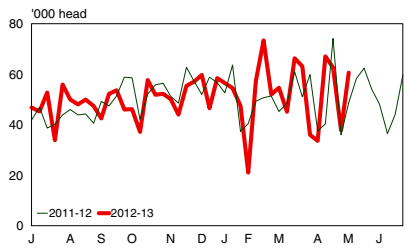
Saleyard throughput - for week ending 02/05/13
At NLRS reported centres

	TW	LW	LY
Qld	24,742	19,592	16,653
NSW	22,137	10,746	17,063
Vic	8,913	5,308	9,892
SA	2,049	846	2,453
WA	2,717	1,207	2,413
Tas	85	135	235

Cattle slaughter



Cattle throughput



Cattle price data is contained on page 9 market statistics.

Eastern states cattle indicators retreat

Eastern states cattle indicators, as reported by MLA's National Livestock Reporting Service, have been on a downward slide in recent weeks, due to the increased offerings of plain cattle, along with the prolonged dry conditions across the major supply areas. Consequently, the indicative Eastern Young Cattle Indicator (EYCI) at the conclusion of Thursday's markets finished on 300.75¢/kg cwt. Reports suggest that buyers are only tentatively purchasing stock, with restockers short on feed, while feeder and processor buyers are fully booked weeks in advance.

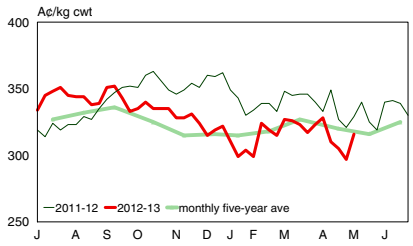
Trade steers averaged 322¢/kg cwt this week with limited support coming from restocker and feeder buyers, while medium steers finished on 293¢/kg cwt. The heavy weight steer indicator averaged 313¢/kg cwt, while medium cows again struggled to regain any ground, finishing on 217¢/kg cwt. Feeder steers averaged close to 160¢/kg lwt.

MLA's NLRS

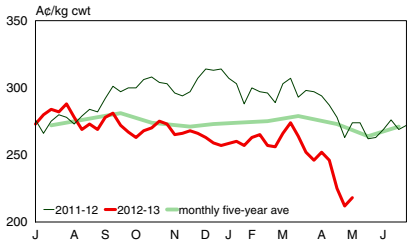
National indicators

MLA's NLRS

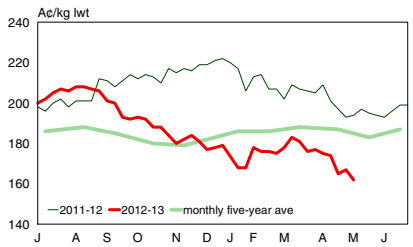
Heavy steer



Medium cow



Feeder steer



For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION



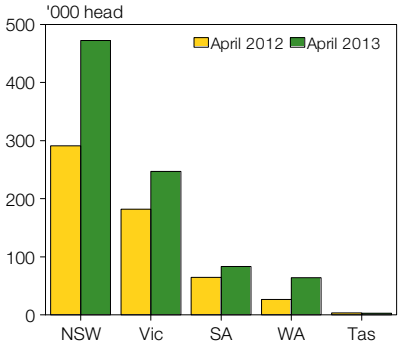
National supply ramps up in April

National lamb yardings in April, as reported by MLA's NLRS, significantly increased when compared to March, and were 53% higher than the corresponding period last year. A disruptive month due to Easter and the ANZAC Day public holiday saw supply fluctuate from week-to-week, while the lack of autumn rainfall also contributed to higher supply.

NSW lamb throughput for April lifted 62% when compared to last year, while SA supply was 29% higher year-on-year. Victorian lamb yardings increased 36%, while WA supply more than doubled year-on-year. Higher yardings, coupled with solid bookings direct-to-works, illustrate the lack of confidence many producers have, due to the dry season.

National sheep supply also increased 79% year-on-year, with all states yarding higher consignments, as many producers are lacking feed going into winter. Reports of low scanning rates are also seeing producers opting to turn off ewes earlier.

April lamb yardings



Source: MLA's NLRS

MLA's NLRS

Over-the-hook lamb rates fluctuate

Eastern states over-the-hook lamb rates fluctuated this week, with a number of contributors choosing to take a wait-and-see approach in the wake of the public holiday last week. Dry conditions and large supplies this week drove prices down in physical markets, and may flow on to affect rates in the weeks to come. Despite finished lambs being harder to source in most districts, slaughter remains high with some processors fully booked throughout May.

Over-the-hook rates for light weights lambs (16-18kg cwt) in Victoria were 3¢ higher to average 417¢/kg cwt, while NSW prices decreased 7¢ to settle on 400¢/kg cwt. Trade weight lambs (18-22kg cwt) in NSW were 4¢ cheaper on 421¢/kg cwt, while in Victoria they pushed 2¢ to 3¢ higher on 437¢/kg cwt. Heavy lamb rates in Victoria were dearer, while in NSW they were slightly cheaper. Over-the-hook rates for all lamb categories in SA remained unchanged.

MLA's NLRS

Sheep and lamb movements

MLA's NLRS

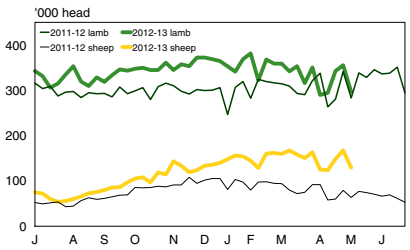
Slaughter statistics - for week ending 26/04/13

		TW	LW	LY
Vic	Lambs	149,937	176,923	132,694
	Sheep	46,042	62,328	26,254
NSW	Lambs	74,328	88,466	75,319
	Sheep	43,353	55,612	18,065
SA	Lambs	58,739	72,610	63,021
	Sheep	26,481	31,533	10,494
Qld	Lambs	3,778	5,217	3,183
	Sheep	6,492	9,401	4,584
Tas	Lambs	9,783	11,892	8,652
	Sheep	6,511	8,284	3,876

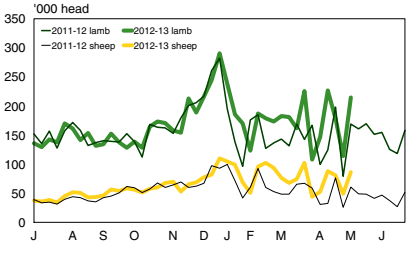
Saleyard throughput - for week ending 02/05/13
At NLRS reported centres

		TW	LW	LY
Vic	Lambs	65,184	35,225	52,407
	Sheep	21,220	13,970	15,155
NSW	Lambs	120,065	54,425	82,289
	Sheep	37,641	19,950	20,374
SA	Lambs	15,564	9,365	20,703
	Sheep	3,919	3,547	5,398
WA	Lambs	13,331	14,348	13,016
	Sheep	23,221	10,848	19,267
Tas	Lambs	380	650	465
	Sheep	470	750	240

Lamb and sheep slaughter



Lamb and sheep throughput



Sheep and lamb price data is contained on page 9 market statistics.

High supply places pressure on lamb prices

After last week's ANZAC Day public holiday interrupted sales, more lambs were offloaded this week across all of the eastern states, with supply almost doubling.

Prolonged dry conditions and a lack of feed are the major constraints producers are facing leading into winter, as restocker demand is very weak.

At the conclusion of Thursday's markets reported by MLA's National Livestock Reporting Service, the eastern states restocker lamb indicator was on 339¢/kg cwt. Merino lambs settled on 311¢/kg cwt, while the light lamb indicator sat at 332¢/kg cwt. Trade lambs lost ground to settle on 379¢/kg cwt, while heavy lambs fell below 400¢ for the first time since February, to 398¢/kg cwt.

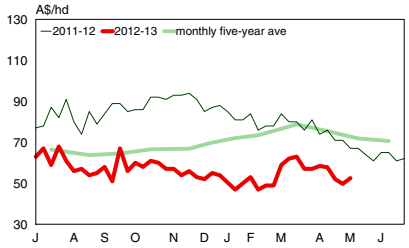
The eastern states mutton indicator fell to 150¢/kg cwt, also on the back of increased supply and limited demand.

MLA's NLRS

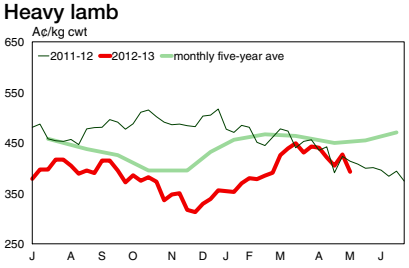
National indicators

MLA's NLRS

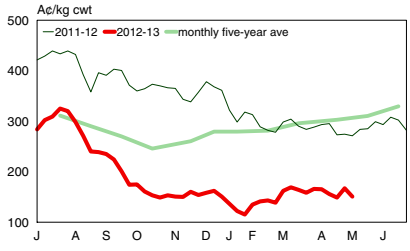
Restocker feeder lamb



Heavy lamb



Mutton



© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION

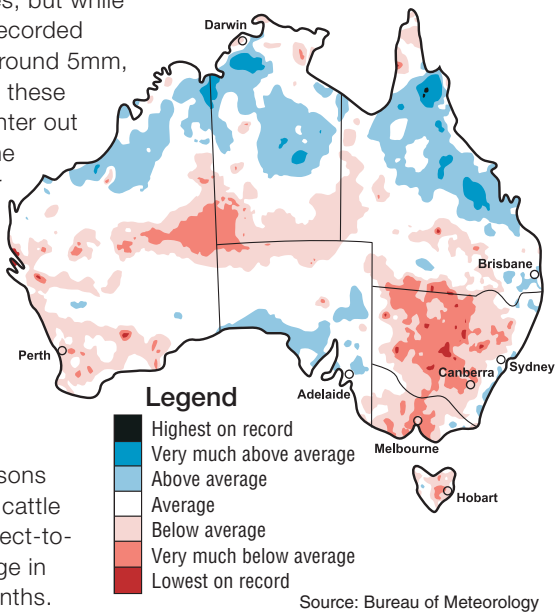
Southern Australia very dry through April – BOM

Most agricultural regions in southern Australia recorded below average to very much below average rainfall during April, with some small areas even recording the lowest on record. While this alone is disappointing, following a very dry spring and summer, prospects for crops and pastures are concerning before winter even starts.

Central and western NSW were the worst-affected regions, in relation to historic averages, but while western Victoria and south-east SA recorded average rainfall, this was only up to around 5mm, with April traditionally a dry period for these regions. Both cattle and sheep slaughter out of these regions have surged since the beginning of 2013, as feed and water shortages force producers to destock.

North-east Queensland and parts of the NT received some welcome rain from cyclonic activity through the month, but this did not extend to the Channel country and south-west Queensland, which had already experienced one of its driest wet seasons in recent years. The continual flow of cattle from the west into store sales and direct-to-works, is evidence of the sharp change in carrying capacity over the last six months.

Australian rainfall analysis – April 2013



Source: Bureau of Meteorology

MLA's NLRS

NSW wholesale prices hold firm

Prices remained unchanged on almost all NSW wholesale prices this week, including beef, lamb and pork carcases. Small lambs were the only grade to see a price hike, increasing by $1.50 to $2.00/kg cwt. This increase can be partly attributed to the upcoming Greek Easter weekend, with large numbers having been purchased by butchers to fill orders. Trade weight pigs were in good supply, keeping the butcher trade happy. A good consistent supply of top-end trade weight grass fed cattle was also registered this week.

MLA's NLRS

Skin rates hold

Lamb skin rates remained firm this week, as the supply of lamb remains high. Better quality, fine wool skins are selling better, but quality is generally plain. There is still a lack of demand coming from overseas markets, accentuated by the recent fluctuations in the A$.

MLA's NLRS

Hide indicator ($/hide)

MLA's NLRS

	Green hides					w/e 26/4/13
	141-180kg cwt			221-280kg cwt		
	TW	LW	LY	TW	LW	LY
Qld	nq	nq	20.10	nq	nq	31.30
NSW	nq	nq	19.67	nq	nq	31.92
Vic & SA - cow	nq	nq	22.67	nq	nq	36.17
Vic & SA - ylg, ox, hfr	nq	nq	26.67	nq	nq	39.83
	Tick free			Ticky		
	TW	LW	LY	TW	LW	LY
Weight			Brine cured hides (Qld)			
23-32kg/hide	nq	nq	41.50	nq	nq	27.25
32kg+/hide	nq	nq	49.63	nq	nq	40.50
			Wet blue hides (NSW,Vic & Qld)			
23-27kg/hide	nq	nq	56.50	nq	nq	40.00
27-31kg/hide	nq	nq	61.67	nq	nq	50.00

Goat rates slide

Eastern states over-the-hook goat rates, as reported by MLA's National Livestock Reporting Service, decreased this week with most contributors easing prices by 10¢/kg cwt.

The continual dry conditions experienced throughout western regions have seen an increase in supply, placing downward pressure on prices.

MLA's NLRS

Goats OTH prices (¢/kg cwt)

MLA's NLRS

Category	TW	LF*	LY
0-8kg	nq	nq	nq
8.1-10kg	181	186	204
10.1-12kg	182	188	212
12.1-16kg	182	188	213
16.1-20kg	182	188	213
20.1kg+	182	188	213

* LF = Last fortnight

Tallow ($/t, delivered in store)

	TW	LW	LY
Prime - Melbourne	860	nq	1010
Prime - Brisbane	860	nq	1010
Bleachable fancy	820	nq	950

Grain feed prices ($/tonne)

Darling Downs	TW	LW	LY
Wheat	270	276	205
Barley	271	282	189
Sorghum	245	259	172
Riverina			
Wheat	258	258	172
Barley	248	236	164
Sorghum*	nq	nq	168

*includes freight

Source: Profarmer

Eastern Market Wool Indicator (¢/kg)

	TW	LW	LY
AWEX E.M.I	966	995	1170

Source: Australian Wool Exchange Ltd. www.awex.com.au

Skin indicator (¢/skin)

MLA's NLRS

w/e 26/4/13

Lambs		TW	LW	LY
2"+	16.1 - 20kg	838	838	800
	20.1 - 24kg	1000	1000	919
	24.1kg +	1075	1075	819
1"-2"	16.1 - 20kg	850	850	950
	20.1 - 24kg	1075	1075	975
	24.1kg +	1100	1100	1200
0.5"-1"	16.1 - 20kg	700	700	825
	20.1 - 24kg	875	875	850
	24.1kg +	1050	1050	925
New season	16.1 - 20kg	nq	nq	875
	20.1 - 24kg	nq	nq	925
	24.1kg +	nq	nq	1175
Merino sheep (average 25 micron)				
1.5"-2"	16.1 - 20kg	900	900	1100
	20.1 - 24kg	1075	1075	1325
	24.1kg +	1225	1225	1425

For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

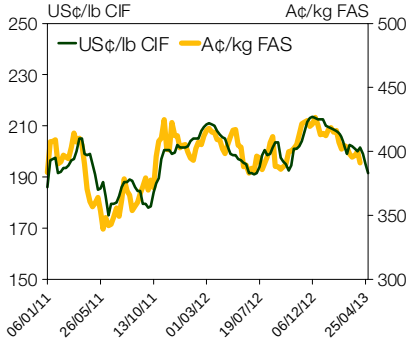
mla market INFORMATION

Grinding beef getting cheaper in the US

Prices for lean grinding beef slipped further this week in the US for both domestic and imported product.

The decline was reported led by high weekly US cow and bull slaughter, which is currently around 20% above last year's levels. Domestic 90CL boneless beef was trading at around 210US¢/lb at the top end, 9¢ below last week and 22¢ below the same time last year. 85CL beef followed a similar pattern, but fattier product, such as 50CL, was dearer than last year.

US imported 90CL beef



Source: Steiner Consulting Group, MLA

Demand for imported lean beef has been fairly weak in recent weeks, relative to available supply, with inventories reportedly well stocked and sales being quite slow through early spring. Imported 90CL beef was around 3.5US¢/lb cheaper this week, at 191.5US¢/lb CIF (down 4.7A¢/kg, to 386.3A¢/kg FOB).

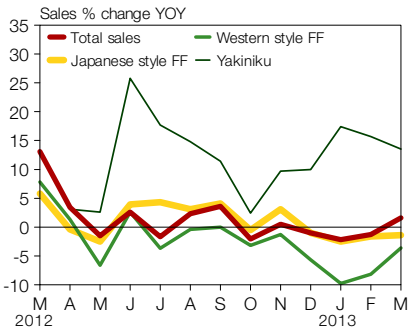
There are expectations in the US that prices will start to head up in the next few weeks as a result of slowing US cow and bull slaughter, and a seasonal decline in NZ beef production. For the year-to-date, production in both the US and NZ has been higher than expected at the start of the year – a major contributing factor to prices falling in the last two months when there were expectations for record lean beef prices. This has also contributed to a diversion of Australian beef exports from the US to other markets, like China.

Japanese foodservice sales pick up in March

The Japanese foodservice sector reported improved sales during March, thanks to increased numbers of customers and the warmer weather (Japan Foodservice Association).

Total sales during the month were up 1.6% year-on-year, with the family restaurant category registering a 4.7% growth - largely thanks to a significant recovery of the yakiniku (Japanese/Korean style barbecue) operations (up 13.5%).

Japan foodservice sales



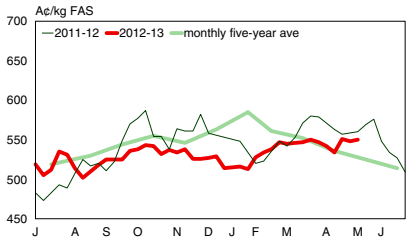
Source: Japan Foodservice Association, *Shokuniku Sokuho*

Fast food sales were steady with the previous year, supported by an increase in customer numbers (up 3.5%) despite a decline in customer spend (down 3.3%). Key users of Australian beef – the Japanese (gyudon beef bowl) and western (mostly hamburgers) style outlets – had another tough month, with both recording sales below last year.

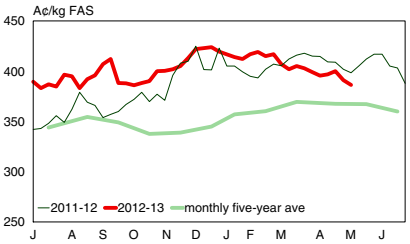
Export price watch

Source: Australian trade, US trade

Japan grassfed fullset price



90CL cow price to US



Korean wholesale prices steady

Interest for imported beef from Korean traders was reportedly limited this week, largely due to the sluggish economy and reportedly rising imported beef prices in the Korean market, along with a short trading week (1 May was a public holiday in Korea).

Korean weekly wholesale prices for imported beef remained firm, with the exception of US short rib, decreasing 2% from last week, at KRW 13,000/kg.

Wholesale Hanwoo carcase prices this week were down another 7% from last week and 22% on the same week last year, to KRW 10,839/kg, with beef cattle carcase prices falling 8% on last week, to KRW 7,694/kg. In contrast, pig carcase prices rose 5% from last week but were still 10% lower than the same week last year, at KRW 3,929/kg.

According to *Chosun Ilbo*, pork prices at restaurants in Korea have risen in recent months due to pork belly oriented consumption patterns. In response to the trend, the Korean Pork Board recently held a consumer event, with the aim of changing the consumption pattern and stabilising pork prices (*Nongmin Shinmun*).

Major demand indicators (A¢/kg FAS)

Japan	TW	LW	LY
Grassfed f/set	550	548	nq
Shortfed f/set	nq	nq	nq
CF 85CL	382	374	nq
US			
Cow 90CL	386	391	398
Trim 85CL	368	378	nq
Knuckles - steer	496	492	nq

Source: Trade

US lamb market

w/e 3/5/13	TW	LW	LY
HRI leg (US¢/lb)	458	458	605
HRI rack (US¢/lb)	650	650	885
US lambs 55-65lb (US¢/lb dw)*	288	288	364
US sheep and lamb slaughter ('000 head)**	38	36	45

*w/e 26/4/13 **w/e 13/4/13

Source: HRI Buyers Guide, USDA

Exchange rate

Major currencies	around 4pm 2/5/13		
	TW	LW	LY
US dollar	1.024	1.031	1.030
Japanese yen	99.49	102.38	82.62
Korean won	1125	1146	1163
UK pound	0.658	0.673	0.636
Euro	0.777	0.790	0.784
NZ dollar	1.205	1.208	1.277
Indonesia rupiah	9951	10015	9472

Source: Infoscan

TW = This week, LW = Last week, LY = Last year

For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION

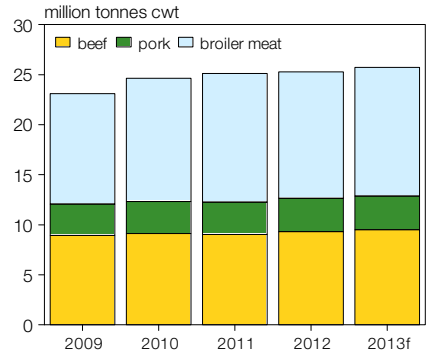
Brazilian meat production to expand in 2013

According to the latest revision by the United States Department of Agriculture (USDA), Brazilian beef production and exports for 2013 have been revised up, while pork exports are forecast to decline despite higher production. In contrast to pork, broiler meat production has been revised lower, with exports expected to increase as a result of stronger international demand.

Assisting the higher Brazilian beef exports for 2013 will be a 3% larger cattle herd, at an estimated 203.3 million head. The growth is reinforced by government support, genetic improvements, sustained cattle prices and strong international beef demand. With competitive prices and ample supplies helping boost shipments, beef exports are forecast to reach 1.6 million tonnes cwt in 2013. Despite the restrictions by Saudi Arabia, Japan, South Africa, South Korea, China and Taiwan (due to the atypical BSE case reported last December) exports will be offset by strong demand from other markets, namely Russia. Interestingly, Hong Kong has become the second largest destination for Brazilian fresh beef so far in 2013.

Brazilian pork meat production has been revised higher for 2013, totalling 3.4 million tonnes cwt – with the 1.2% year-on-year increase attributed to stable feed costs from record soybean and corn crops, combined with an improvement in hog prices. In contrast, pork exports for 2013 are forecast to decrease 6.2% year-on-year, mainly due to the Ukraine's restriction on imports from Brazil. Shipments are likely to be re-directed to others markets like Russia, Angola, Georgia and Moldova. Total domestic consumption is also expected to increase 3% year-on-year, helping to absorb the higher pork production.

Brazilian meat production



Source: USDA

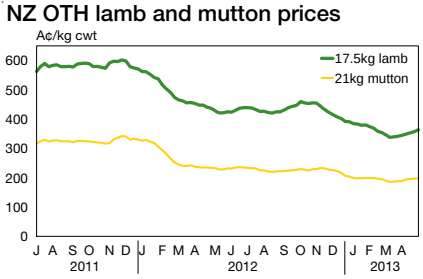
Brazilian broiler meat production has been revised down to 12.8 million tonnes cwt in 2013, but still up 1.5% year-on-year. Brazil is a major broiler meat exporter, with shipments forecast to reach 3.6 million tonnes cwt in 2013, largely due to robust demand from East Asia and the Middle East.

Rain in NZ ignites store lamb demand

Schedule prices from North Island processors have remained firm despite tightening supply, according to the weekly NZX *Agrifax market report*. In contrast, a recent surge of lambs were reported in lower North Island saleyards on the back of rainfall and news that lamb processing is slowing, bolstering buyer confidence at saleyards ahead of potentially higher winter schedule prices. This has commanded higher store lamb prices, resulting in lambs being transported from surrounding, drier regions, to take advantage of improved demand. According to *Agrifax* reports, so far this season 13.7 million lambs have been processed, leaving an estimated 6.5 to 6.8 million lambs for slaughter before the season closes in September.

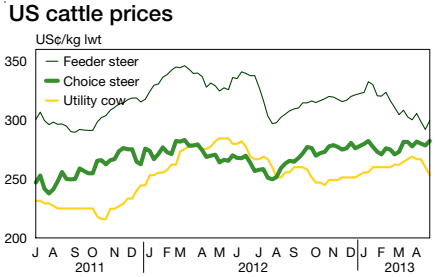
Competitor prices

NZ OTH lamb and mutton prices



Source: NZX Agrifax

US cattle prices



Source: USDA

Higher supplies push South American cattle prices down

After recent growth in cattle prices, an increase in supplies due to seasonal factors has contributed to South American steer prices falling during the past week, averaging 330US¢/kg cwt (World Beef Report).

An increased number of cattle available for slaughter, combined with lower domestic demand (typical for the end of the month) pushed the Brazilian steer price down, averaging 332US¢/kg cwt in Sao Paulo state. Brazilian cattle supplies are expected to increase in the coming weeks, putting further pressure on prices.

With increased supplies of cattle available for slaughter in some markets, the Uruguayan steer price fell last week, averaging 375US¢/kg cwt - but continues to average above other South American countries.

The Paraguayan steer price averaged 300US¢/kg cwt during last week, with the market still pressed by drought conditions, while Argentinean trade steer averaged 347US¢/kg cwt, for the same period.

US beef price indicators (US¢/lb)

	TW	LW	LY
90CL fresh	202.0	205.5	228.3
Chucks	225.0	225.0	208.0
Choice beef cutout	193.4	191.2	190.2
5 mkt fed steer (lwt)	128.1	126.4	119.8
CME feeder cattle (lwt)	136.0	132.5	147.3
Cutter cow carcase (lwt)	115.0	118.0	129.0

Source: Urner Barry, USDA

Cattle slaughter ('000 head)

	TW	LW	LY
w/e	13/4/13		
US - total	607	597	599
year to date	8,932	8,325	9,691
US - cows	127	123	115
year to date	1,847	1,720	1,942
w/e	26/4/13		
Uruguay - total	49	50	45
year to date	778	729	663

Source: USDA, World Beef Report

NZ livestock prices (A¢/kg)

		TW	LW	LY
	w/e	3/5/13		
Bulls	296-320kg	305	294	294
Cows	170-195kg	211	205	206
Steers	295-320kg	310	303	290

Source: NZX Agrifax

NZ export lamb market

		TW	LW	LY
Ac/kg	w/e	26/4/13		
NZ chilled export leg to EU		608	612	715
NZ lamb 17.5kg cwt		357	353	440

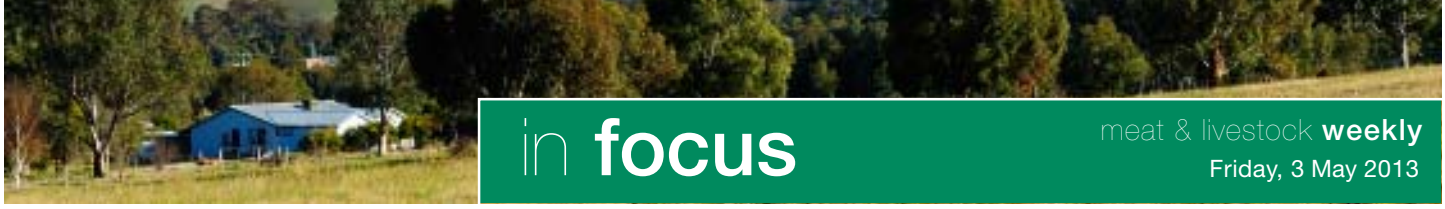
Source: NZX Agrifax

TW = This week, LW = Last week, LY = Last year

For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION



Japan increases frozen beef imports in March

Japan imported 40,394 tonnes swt of beef during March, 8% higher than last year and 2% above the five-year March average (data by the Ministry of Finance, Japan). The lift was primarily due to an increased clearance of frozen beef (up 16% year-on-year to 22,896 tonnes swt), compared with a steady volume of chilled beef (almost identical to 2012 at 17,498 tonnes swt).

Frozen beef imports were subdued during the first two months of the year, largely impacted by slower sales in the foodservice sector. While gyudon beef bowl and hamburger businesses continued to face tough conditions during March, the increase in the frozen beef intake may also suggest importers' caution to avoid triggering the safeguard during the first quarter (April to June) of the Japanese fiscal year (JFY).

The safeguard is a system which gives Japan the option to increase the beef tariff from 38.5% to 50%, for the remainder of the JFY, once the trigger level is exceeded.

Imports from Australia during the month were up 9% year-on-year to 25,737 tonnes swt, with frozen 'other' (namely manufacturing) category surging 41% to 10,172 tonnes swt, but chilled volumes eased 5% to 10,272 tonnes swt. Conversely, a 13% increase in US chilled consignments to 6,364 tonnes swt, was offset by a decline in frozen items (down 21% to 2,876 tonnes swt).

Wool production estimate revised up for 2012-13

The Australian Wool Production Forecasting Committee recently increased its estimate for 2012-13 shorn wool production to 350 million kg greasy, a 2.3% increase on 2011-12 production of 342 million kg.

A 3.3% increase in the expected number of sheep shorn during the year more than offset an estimated 1% decline in average fleece weights, while Australian Wool Testing Authority pre-sale wool test data for July–March was up 3% on the same period last year. Increases in production are expected to be recorded in NSW, SA and WA, offsetting declines in Victoria, Queensland and Tasmania.

2013 world herd rankings – USDA

According to the *April 2013 Livestock and Poultry: World Markets and Trade* report released by the United States Department of Agriculture (USDA), India will continue to comfortably hold the mantle of the world's largest bovine herd in 2013, with an estimated 327.1 million head (this includes both cattle and buffalo), up 1% year-on-year.

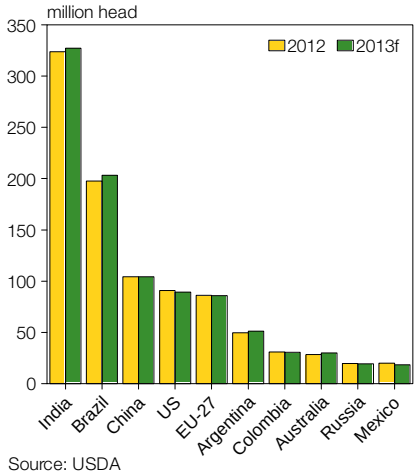
Brazil remains securely in second position, with the 2013 herd forecast to increase 3% on 2012, to 203.3 million head, underpinned by genetic improvements, better pasture management and sustained cattle prices.

China's 104.2 million head prediction for 2013 is steady with 2012, while the persistent drought gripping the US is likely to drive further liquidation, with the US herd forecast to decline 2% year-on-year, to 89.3 million head.

According to the USDA, the countries (or regions) rounding out the top ten are the EU-27 (85.7 million head), Argentina (51.2 million head), Colombia (30.6 million head), Australia (29.9 million head), Russia (19.5 million head) and Mexico (18.5 million head).

Interestingly, the size of the calf crop in some of the countries with the largest herds are extremely low, with the Indian calf crop, for example, forecast to be only 20% of the total herd, at 64.3 million head. Similarly, Brazil's calf crop is forecast at 25% of the total, 50.2 million head.

2013 bovine herd forecasts



Source: USDA

In contrast, while the US calf crop is predicted to be down 1% year-on-year, at 33.8 million head, calves are likely to contribute to 38% of the total herd, while the number of calves born in China is forecast to increase to 41.6 million head in 2013, making 40% of the total. The Australian calf estimate for 2013 is 33% of overall numbers, at 9.8 million head.

Review of BSE testing protocols in Japan

Japan's Ministry of Health, Labour and Welfare (MHLW) requested all municipal governments to review their current BSE testing protocols, following its decision to change the inspection age of domestic cattle to older than 48 months.

The request was made on the back of local authorities continuing to test all cattle for BSE, despite previous announcements by the Ministry. Japan's requirement for BSE testing had been changed from all cattle to cattle over 21 months in 2008, then to over 31 months in April this year, and is scheduled to be modified again to cattle older than 48 months from 1 July.

The Prion Expert Investigation Committee of Japan also endorsed the use of meat and bone meal derived from domestic cattle as fertiliser, with conditions that it must not contain specified risk materials (SRMs) and should not be used as animal feed.

Red Meat Market Report hot off the press

MLA Market Information published two *Red Meat Market Reports* this week covering the **Russian Federation** and the **Japanese cattle industry**.

If you'd like to receive this report and future *Red Meat Market Reports*, please phone (02) 9463 9163 or email marketinfo@mla.com.au (please include your name).

For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION

Russian economy to remain strong

Economic growth across the CIS region is likely to pick up in 2013, according to the latest World Economic Outlook (WEO) released by the *International Monetary Fund (IMF).* Growth in the CIS is forecast to be 3.5% in 2013, before increasing to around 4% in 2014, as the global economy gradually picks up and commodity prices stabilize at higher levels. Russia, the largest country in the CIS and Australia's largest red meat export market in the region, is tipped to grow at 3.4% throughout 2013, steady on 2012 growth levels.

The Russian economy has performed well following the Global Financial Crisis (GFC), with growth averaging 4.1% since 2010, as high commodity prices, particularly high oil prices, have fuelled growth. On the surface the economy appears strong, with a large trade surplus in 2012, low public debt (less than 10% of GDP, average public debt in advanced economies is above 110%), record low unemployment and reduced poverty; the number of poor people declined to 16.4 million, almost two million less than in 2011 *(World Bank).*

Yet a reliance on oil prices, although benefiting the economy in recent years, is a structural weakness that could adversely impact the economy if oil prices were to drop for a sustained length of time. Oil prices feed back into the economy through numerous channels, including high export receipts, increased government revenues and a resulting increase in public wages and transfers.

Australian beef exports to Russia have slowed in 2013, despite the strong economic climate in Russia, with first quarter beef exports back 52% year-on-year. This slowdown has impacted on frozen shipments, which compete closely with cheaper product from South America.

Interestingly, chilled exports have reached record levels in early 2013, with first quarter shipments at 504 tonnes swt, a more than two fold increase on 2012 exports. The strong growth in chilled shipments is partly the result of a ban on US beef and strong economic growth driving demand for high quality beef.

Influx of cattle drives record start to 2013 for beef exports

The significant increase in the number of cattle slaughtered so far in 2013 has been matched by a record volume of Australian beef shipments, with exports for the first four months of 2013 totalling 308,755 tonnes swt – up 10% on last year and 8,000 tonnes swt ahead of the previous January to April record, set back in 2007 (DAFF). Assisting the record start to 2013 was a 19% year-on-year increase in exports for April, at 85,332 tonnes swt – the highest April volume since 2008.

The persistent widespread dry conditions, combined with the build-up in the national herd over the past three years, have combined to cause the indicative eastern states adult slaughter for the first four months of the year to total 172,000 head more than the corresponding period in 2012.While the increased supply has flowed through to exports, the lower Australian cattle prices have been the primary avenue offsetting the impact of the strong A$, thus helping to keep Australian beef prices competitive in most overseas markets.

During April, shipments to Japan were back 6% year-on-year, at 23,115 tonnes swt, with the weaker yen and increased competition from the US continuing to challenge trade. The year-on-year decline for April largely mirrors the overall decline to Japan for the first four months of 2013, down 5% on last year, to 85,452 tonnes swt.

Attractive prices and record volumes to China, along with strong competition from NZ, contributed to Australian beef shipments to the US for April declining 7% year-on-year, to 17,722 tonnes swt. After a sluggish start to the year, exporter optimism towards the US reportedly remains, albeit assisted by an expected seasonal slowdown in shipments from NZ and forecasts for tighter US beef production. However, it should be noted that Australian volumes for the first four months of 2013 to the US are well below initial expectations, back 20% year-on-year, totalling 64,796 tonnes swt.

Australian beef exports to China for April totalled 11,654 tonnes swt - exceeding shipments to Korea for the third consecutive month. For the first four months of 2013 exports to China have exceeded 40,000 tonnes swt – an increase of 38,000 tonnes swt on the same period last year and helping to explain the slower than anticipated volumes to traditional markets of the US and Japan. While the longer term outlook for Australian beef to China is still somewhat uncertain, every month that passes by increases confidence for the future of the trade, with Australian shipments for 2013 now estimated to exceed 80,000 tonnes swt.

Exports to Korea for April were up 27% year-on-year, at 9,606 tonnes swt, although this is compared against a very low 2012, when demand from Korea was particularly weak during the first half of the year. Reflecting the improved demand so far in 2013 has been a 20% increase in exports for the first four months of 2013, at 38,012 tonnes swt – just behind the volume to China.

Like China, Australian beef exports to the Middle East in early 2013 have exceeded all expectations, with shipments for April falling just three tonnes short of the previous record high set two months earlier, totalling 5,460 tonnes swt – up 142% year-on-year. For January to April 2013, exports totalled 19,105 tonnes swt – 111%, or 10,056 tonnes swt above the corresponding period last year, with Saudi Arabia taking over 3,000 tonnes in April alone.

Increased volumes were also registered to the EU for the past month, up 13% year-on-year, at 1,620 tonnes swt, as additional volumes of chilled beef continue to enter the market.

Other markets to register increased year-on-year volumes during April included a number of South East Asia destinations, including Malaysia (up 52%, at 1,443 tonnes swt), Indonesia (up 101%, at 2,800 tonnes swt), the Philippines (up 197%, at 2,400 tonnes swt) and Singapore (up 26%, at 944 tonnes swt). However, declines were registered to Taiwan (down 16%, at 2,903 tonnes swt) and Hong Kong (down 39%, at 367 tonnes swt).

For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION



Domestic Indicators

TW = This week, LW = Last week, LY = Last year

Category definitions are as per tables on front page.

Over the hooks cattle indicators (¢/kg cwt)

MLA's NLRS

NOTE: WA over the hooks cattle indicator now as per table on bottom of this page.

	Qld*			NSW			Vic			SA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Trade steer	305	305	315	318	318	318	330	325	339	310	310	nq	nq	nq	nq
Medium steer	288	288	303	308	308	306	330	330	340	nq	nq	nq	305	305	325
Heavy steer	295	295	313	314	314	317	315	315	325	nq	nq	nq	305	305	325
Medium cow	270	270	284	242	244	274	222	225	270	215	215	260	242	242	287
EU steer	nq	nq	nq	350	350	335	nq	nq	nq	nq	nq	nq	nq	nq	nq

* Qld quotes are for Southern Queensland only

Saleyard cattle indicators

MLA's NLRS

NOTE: WA saleyard cattle indicator now as per table on bottom of this page.

	Qld			NSW			Vic			SA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Trade steer (¢/kg lwt)	163	157	187	184	178	198	181	206	206	168	163	191	nq	nq	nq
(¢/kg cwt)	296	286	359	341	332	370	337	375	380	305	296	348	nq	nq	nq
Medium steer (¢/kg lwt)	151	144	169	155	142	178	178	189	186	nq	nq	185	nq	nq	166
(¢/kg cwt)	275	262	322	288	265	330	327	343	347	nq	nq	336	nq	nq	296
Heavy steer (¢/kg lwt)	152	153	174	176	178	192	190	174	190	nq	nq	nq	nq	nq	nq
(¢/kg cwt)	273	274	314	323	324	344	344	320	350	nq	nq	nq	nq	nq	nq
Medium cow (¢/kg lwt)	105	113	129	99	95	132	118	110	136	104	100	135	111	113	nq
(¢/kg cwt)	214	230	261	212	200	279	251	226	284	212	202	281	247	232	nq
Feeder steer (¢/kg lwt)	159	168	193	161	167	192	154	166	189	155	160	182	nq	nq	nq

Over the hooks sheep and lamb indicators (¢/kg cwt)

MLA's NLRS

	Vic			NSW			SA			WA			Tas			Qld		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Medium trade lamb	438	435	448	421	425	437	435	435	445	392	392	479	435	435	430	nq	nq	425
Heavy trade lamb	436	433	439	421	425	435	435	435	445	392	392	479	435	435	430	nq	nq	425
Heavy lamb	434	433	440	420	423	429	435	435	445	390	390	474	435	435	410	nq	nq	420
Mutton	158	161	262	158	162	260	130	130	260	187	187	240	160	160	230	nq	nq	270

Saleyard sheep and lamb indicators

MLA's NLRS

		Vic			NSW			SA			WA			Tas		
		TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Restocker/feeder	($/head)	56	52	66	53	56	64	54	60	66	43	42	70	54	68	78
Merino lamb	(¢/kg cwt)	335	364	409	294	349	398	332	361	396	326	331	nq	nq	nq	nq
Light lamb	(¢/kg cwt)	370	396	439	300	325	443	354	352	423	368	353	418	405	356	457
Trade lamb	(¢/kg cwt)	400	444	444	360	404	430	409	429	430	363	360	426	428	375	447
Heavy lamb	(¢/kg cwt)	409	439	420	382	423	413	405	426	416	372	370	386	429	385	419
Mutton	(¢/kg cwt)	159	166	292	146	167	277	146	153	232	158	169	248	151	167	226

Over the hooks pig indicators (¢/kg cwt)

MLA's NLRS

	NSW			Qld			Vic			SA			WA		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Pork DF 45 - 60kg	nq	nq	356	nq	nq	313	nq	nq	275	nq	nq	325	nq	nq	nq
Bacon GI 60 - 75kg	nq	nq	299	nq	nq	272	nq	nq	273	nq	nq	277	nq	nq	nq
Backfatter sows 90kg+	nq	nq	130	nq	nq	103	nq	nq	133	nq	nq	133	nq	nq	nq

Live export price quotes (¢/kg lwt)

			TW	LW	LY
Light steers	(260 - 360 kg)	Darwin	nq	nq	175
	(260 - 360 kg)	Broome	160	160	nq
Light heifers	(260 - 360 kg)	Darwin	nq	nq	160
	(260 - 360 kg)	Broome	140	140	nq
Export wethers	(A$/head)	Muchea	nq	70	118

Source: MLA's NLRS, Landmark

Feeder cattle indicators (A¢/kg lwt)

w/e 26/4/13

	Paddock sales	TW	LW	LY
Domestic	Steers 280-350kg	187	189	207
	Heifers 280-350kg	169	171	195
Export	Shortfed 100-120 DOF	171	172	188
	Mediumfed 120-220 DOF	192	195	200
	Longfed 220+ DOF	200	200	221

NOTE: Feeder cattle prices are for cattle purchased for direct entry into feedlots.

WA Over the hooks cattle indicators (¢/kg cwt)

MLA's NLRS

	MIN	MAX	AVG
Grassfed yearling	nq	nq	nq
Grainfed yearling	320	410	365
MSA yearling	320	410	365
Medium cow	210	225	218

WA Saleyard cattle indicators (¢/kg lwt)

MLA's NLRS

	TW	LW	LY
Pastoral cow	111	85	111
Heavy cow	136	124	151
Heavy yearling	202	202	180
Feeder yearling	190	169	211

NOTE: Tallow price table has moved to page 4.

For subscriptions and information please phone 1800 023 100
or visit www.mla.com.au/marketinformation or www.mla.com.au/nlrs

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

mla market INFORMATION



market statistics

Japan market

TW = This week, LW = Last week, LY = Last year

Imported beef price in Kanto wholesale market

¥/kg spot, US¢/lb C&F*		TW	LW	LY
From Australia chilled				
grassfed	¥/kg	nq	940	nq
fullset	US¢/lb	nq	292	nq
shortfed	¥/kg	nq	1025	nq
fullset	US¢/lb	nq	319	nq
midfed	¥/kg	nq	1145	nq
fullset	US¢/lb	nq	357	nq
longfed	¥/kg	nq	nq	nq
fullset	US¢/lb	nq	nq	nq
grassfed navel	¥/kg	nq	630	nq
end brisket	US¢/lb	nq	192	nq
grassfed	¥/kg	nq	805	nq
chuck roll	US¢/lb	nq	248	nq
shortfed navel	¥/kg	nq	655	nq
end brisket	US¢/lb	nq	200	nq
shortfed	¥/kg	nq	880	nq
chuck roll	US¢/lb	nq	272	nq
Frozen				
brisket	¥/kg	655	655	nq
	US¢/lb	208	204	nq
chuck/blade	¥/kg	695	695	nq
	US¢/lb	222	217	nq
cow meat	¥/kg	670	670	nq
(85CL)	US¢/lb	213	209	nq
From US chilled				
chuck rib	¥/kg	nq	1550	nq
	US¢/lb	nq	487	nq
short rib	¥/kg	nq	2350	nq
	US¢/lb	nq	744	nq
steak ready	¥/kg	nq	2050	nq
	US¢/lb	nq	648	nq
Frozen				
chuck roll	¥/kg	nq	nq	nq
	US¢/lb	nq	nq	nq
short plate	¥/kg	720	720	nq
	US¢/lb	230	225	nq

Source: Chikusan Nippo

Imported offal prices in Kansai wholesale offal market

¥/kg spot, US¢/lb C&F*		TW	LW	LY
From Australia frozen				
tongue	¥/kg	nq	975	nq
(swiss cut)	US¢/lb	nq	375	nq
thick skirt	¥/kg	nq	605	nq
	US¢/lb	nq	230	nq
thin skirt	¥/kg	nq	605	nq
	US¢/lb	nq	230	nq
mountain	¥/kg	nq	1525	nq
chain tripe	US¢/lb	nq	667	nq
From NZ frozen				
tongue	¥/kg	nq	925	nq
(swiss cut)	US¢/lb	nq	356	nq
From Mexico frozen				
tongue	¥/kg	nq	1250	nq
(swiss cut)	US¢/lb	nq	483	nq
From US frozen				
mountain	¥/kg	nq	nq	nq
chain tripe	US¢/lb	nq	nq	nq

Source: Shokuniku Sokuho

Prices are indicator only

Beef export prices to Japan

A¢/kg FAS, US¢/lb C&F#		TW	LW	LY
Chilled				
grassfed fullset	US¢/lb	274	275	nq
	A¢/kg	550	548	nq
shortfed fullset	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
Frozen				
chuck/blade	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
thick flank	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
CF 85CL	US¢/lb	192	189	nq
	A¢/kg	382	374	nq
topside	US¢/lb	240	238	nq
	A¢/kg	487	478	nq
silverside	US¢/lb	215	nq	nq
	A¢/kg	433	nq	nq
brisket	US¢/lb	188	189	nq
	A¢/kg	374	374	nq

Source: Australian beef trade

Domestic beef carcase prices – Tokyo

Steer ¥/kg	TW	LW	LY
Wagyu (A5)	2119	2096	nq
Dairy (B3)	nq	nq	nq
F1 (B3)	1210	1180	nq
Dairy (B2)	nq	753	nq
F1 (B2)	1124	1069	nq

Source: Shokuniku Sokuho

Korea market

Korean wholesale prices

won/kg	TW	LW	LY
Korean domestic wholesale*			
Hanwoo carcase	10839	11651	13894
beef cattle carcase	7694	8346	9172
pig carcase	3929	3758	4375
Australian wholesale			
brisket deckle off	7000	7000	nq
rump	8400	8400	nq
chuck roll	8300	8300	nq
short rib	nq	nq	nq
US wholesale			
grainfed chuck roll	8300	8300	nq
grainfed short rib	13000	13300	nq

Source: Korean trade, HKJM

US domestic/export markets

Beef export prices to the US†

US¢/lb CIF, A¢/kg FAS		TW	LW	LY
Frozen				
Bull 95CL	US¢/lb	213.0	213.8	218.5
	A¢/kg	432.5	430.9	440.0
Cow 90CL	US¢/lb	191.5	195.0	199.0
	A¢/kg	386.3	391.0	398.4
CC/CF 85CL	US¢/lb	183.5	190.0	nq
	A¢/kg	369.1	380.3	nq
Shank 90CL	US¢/lb	nq	nq	190.5
	A¢/kg	nq	nq	380.2
Trim 85CL	US¢/lb	183.0	189.0	nq
	A¢/kg	368.1	378.2	nq
Trim 80CL	US¢/lb	176.0	177.5	169.0
	A¢/kg	353.0	353.6	334.4
Trim 75CL	US¢/lb	156.0	nq	147.5
	A¢/kg	310.1	nq	288.5
Trim 65CL	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
Chucks 85CL	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
Outside flats	US¢/lb	202.5	nq	nq
- steer	A¢/kg	409.9	nq	nq
Knuckles	US¢/lb	242.5	242.5	nq
- steer	A¢/kg	495.8	492.2	nq
Inside cap off	US¢/lb	247.5	247.5	267.5
	A¢/kg	506.6	502.9	544.5

Source: Steiner Consulting Group

US cattle futures

US¢/lb lwt	Contract	TW	LW
Live cattle	Feb-14	129.25	128.40
	Apr-14	129.80	nq
	Jun-13	122.48	122.08
	Aug-13	123.10	122.90
	Oct-13	126.53	126.38
	Dec-13	127.83	127.48
Feeder cattle	Jan-14	152.25	153.50
	Mar-14	153.00	152.50
	Apr-14	152.90	nq
	May-13	139.50	141.10
	Aug-13	148.73	150.63
	Sep-13	150.75	152.68
	Oct-13	152.45	154.40
	Nov-13	153.50	154.98

Source: CME

US domestic prices

Boneless beef US¢/lb - Fresh	TW	LW	LY
90CL	202.0	205.5	228.3
85CL	188.5	193.3	213.0
75CL	nq	160.0	166.0
50CL	93.8	98.5	86.0
2pc b/less chuck	225.0	225.0	208.0
insides	255.0	255.0	260.0
outsides	203.5	196.0	202.5
knuckles	230.0	235.0	235.0

Source: Urner Barry

* Export price equivalent (C&F) after removing from the wholesale price import tariffs, indicative landing charges, marine insurance and other import costs (converted into US¢/lb).

† Indicative price average of Australian and New Zealand products.

#Australian export prices to Japan are converted from US¢/lb C&F to A¢/kg FAS terms using the $A/$US exchange rate, converting from lbs to kgs and calculating the average freight rate to Tokyo Port (chilled = A¢40/kg; frozen = A¢30/kg). Values are market indicator only based on MLA survey with Australian trade.

Australian export prices to the US are converted from CIF to FAS terms by calculating an average shipping rate to the Port of Philadelphia (freight plus surcharges for a 20ft reefer), insurance, the A$/US$ exchange rate and the conversion from lbs to kgs.

CL = Chemical Lean – lean meat as a % of total meat.

© Meat & Livestock Australia, 2013. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387