

meat & livestock **weekly**

Friday, 21 June 2013

A$ keeps heading in right direction

After hovering around 95US¢ for the past two weeks, the A$ dropped sharply in the past few days, trading below 93US¢ for the first time since September 2010, as news out of both the US and China drove the A$ lower. While still far too early for the lower A$ to impact livestock markets, it has been the wet start to winter in southern Australia that has made markets edge higher, with the EYCI this week reaching 317.5¢/kg cwt, as heavy lambs averaged 499¢/kg cwt.

Given the negative impact that the historically high A$ has had upon the Australian red meat export sector in previous years, the recent sharp decline in the A$ will largely be greeted with welcome optimism. However, previous periods of sharp depreciations in the A$ should also serve as a reminder about the short term disruptions that can be caused to trading activity from volatile movements in currencies – as both importers and exporters take to the sidelines waiting for some stability to return. Since the start of April, the A$ has depreciated 12% against the US dollar, 8% against the Japanese Yen and 14% against the Euro.

After the record volumes shipped in May, both beef and lamb shipments at the half way stage of June look to have slowed, with monthly totals likely to be close to June 2012.

The upward momentum in lamb and mutton prices continued this week, with Merino lambs finishing the week at 402¢/kg cwt, up 11¢ on last week, while light and trade lambs averaged 415¢/kg cwt and 486¢/kg cwt, respectively. In the cattle markets, medium cows averaged 231¢/kg cwt nationally, up 20¢, while heavy steers finished the week at 328¢/kg cwt.

Key developments:

EYCI jumps on the back of restocker interest – page 2

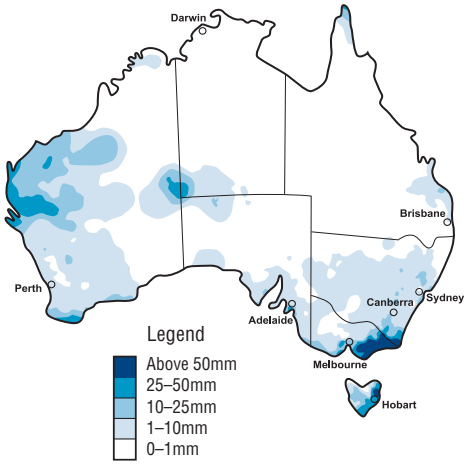
Positive rainfall outlook for most of the country – page 4

Cattle prices to decline, production to rise – ABARES – page 7

Winter crop production forecast to rise – ABARES – page 8

Weather watch...

Rainfall analysis –
week ending 20 June 2013



Source: Bureau of Meteorology

Rainfall limited to the south

Good falls of up to 50mm were recorded along the central coast of WA this week, with showers also spreading across some key wheat producing areas. The NT, Queensland and SA all recorded minimal rainfall, with some isolated pockets recording from 5–10mm. Heavy rainfall was confined to southeastern Victoria, while most of western Victoria and NSW recorded from 5–10mm. The southeastern half of Tasmania also had reasonable falls.

National saleyard indicators

MLA's NLRS

Cattle	Weight	Muscle/Fat		TW	LW	LY
Trade steer	330-400kg	C3	(¢/kg lwt)	191	177	187
			(¢/kg cwt)	350	325	357
Medium steer	400-500kg	C3	(¢/kg lwt)	156	156	177
			(¢/kg cwt)	288	288	331
Heavy steer	500-600kg	C4	(¢/kg lwt)	180	171	182
			(¢/kg cwt)	328	308	330
Medium cow	400-520kg	D3	(¢/kg lwt)	111	103	132
			(¢/kg cwt)	231	211	272
Feeder steer	330-400kg	C2	(¢/kg lwt)	174	168	199
Sheep and lambs						
Restocker/feeder lamb	0-18kg	1-2	($/head)	63	63	62
Merino lamb	16-22kg	2-3	(¢/kg cwt)	402	413	332
Light lamb*	12-18kg	2-3	(¢/kg cwt)	415	413	386
Trade lamb#	18-22kg	2-4	(¢/kg cwt)	486	446	402
Heavy lamb#	22kg +	2-4	(¢/kg cwt)	499	481	374
Mutton	18-24kg	2-3	(¢/kg cwt)	285	266	282

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

National over the hooks indicators

MLA's NLRS

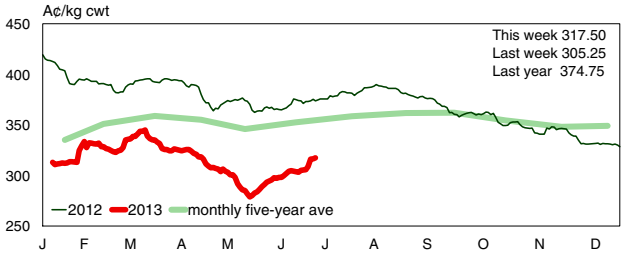
Cattle (¢/kg cwt)	Weight	Muscle	Fat	TW	LW	LY
Trade steer	220-260kg	A-C	3-12	311	311	328
Medium steer	260-300kg	A-C	7-22	304	303	327
Heavy steer	300-420kg	A-C	7-22	306	305	331
Medium cow	240-280kg	A-E	3-22	232	230	273
Sheep and lambs (¢/kg cwt)						
Medium trade lamb	18-20kg		2-4	465	450	441
Heavy trade lamb	20-22kg		2-4	465	450	440
Heavy lamb	22kg +		2-4	462	448	433
Mutton	18-24kg		2-4	217	211	262

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

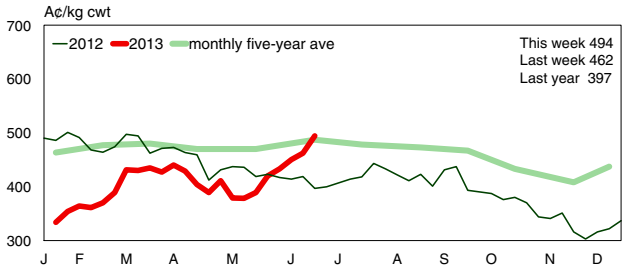
Livestock prices

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



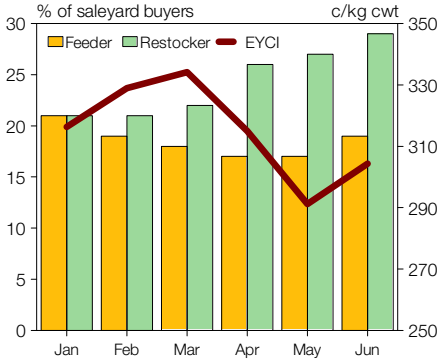
EYCI jumps on the back of restocker interest

The steady increase in the Eastern Young Cattle Indicator (EYCI) in recent weeks has been a culmination of rainfall across key areas and a resurgence of restocker interest.

Restockers so far in June have secured around 29% of saleyard throughput, according to MLA's NLRS, up 8 percentage points since January. Additionally, feeder weight cattle supply is reportedly tightening, contributing to price improvements, as feedlots look to secure stock for the back end of winter, when supply typically dwindles. Producers will no doubt be assessing their feed levels and deciding to either re-enter the market at current price levels, or hold their remaining stock in anticipation of a mild winter and hopeful of price improvements.

At the close of Thursday's markets, the EYCI closed on 317.5¢/kg cwt up 1¢/kg cwt on last week and up a further 39¢/kg cwt on the low recorded in May. The increased competition from restockers has no doubt assisted the recent price improvements, however processor buyers in recent months have reportedly been reluctant to enter the market, with direct-to-works supplies sufficient. Looking ahead, slaughter grade cattle tend to taper off through winter, as the cold weather affects quality, which usually sees processor interest increase for finished cattle.

Saleyard buyer breakdown



Source:MLA's NLRS

MLA's NLRS

Direct-to-works cow prices flatten

Over-the-hooks cow prices have continued to decline since January, with medium weights (240-280kg) back 23¢/kg cwt and heavy cows (320+kg) back 24¢/kg cwt. The sharp decline from March to May is the direct result of oversupply, as the dry conditions pressured producers to turn off large numbers of cows. Rates have since levelled out through June as the supply of medium and heavy weight cows has eased. The cold weather has started to affect the quality of most stock with the supply likely to further tighten through the winter.

MLA's NLRS

Cattle movements

MLA's NLRS

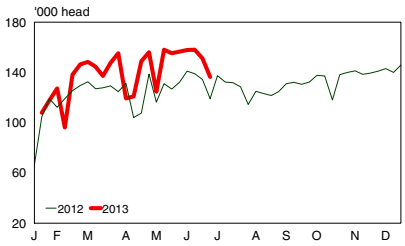
Slaughter statistics - for week ending 14/06/13

		TW	LW	LY
Qld	Cattle	71,460	77,831	64,568
	Calves	253	443	1,264
NSW	Cattle	33,776	36,043	27,193
	Calves	3,688	4,709	3,239
Vic	Cattle	19,712	24,072	17,070
	Calves	6,630	7,503	6,068
SA	Cattle	7,454	8,584	6,302
	Calves	57	57	56
Tas	Cattle	3,879	4,766	3,830
	Calves	256	276	234

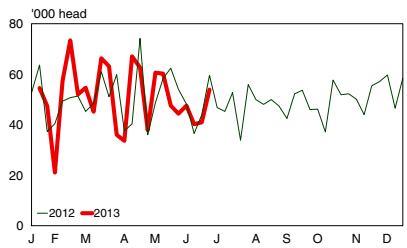
Saleyard throughput - for week ending 20/06/13
At NLRS reported centres

	TW	LW	LY
Qld	20,355	20,761	20,977
NSW	18,948	9,001	21,390
Vic	10,514	8,491	12,121
SA	2,217	480	2,655
WA	1,703	2,037	2,245
Tas	160	125	160

Cattle slaughter



Cattle throughput



Cattle price data is contained on page 9 market statistics.

Cattle indicators continue to improve

The majority of the eastern states cattle indicators, as collected by MLA's NLRS, lifted week-on-week, despite throughput increasing by around 34%. Restocker and feeder interest has assisted recent price increases for yearling cattle, while plain conditioned cows also received stronger bidding in recent weeks from both processor and restocker buyers.

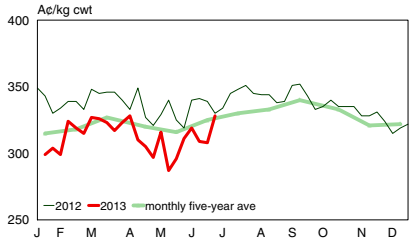
The trade steer indicator this week recorded the largest increase, up 26¢/kg cwt, averaging 351¢/kg cwt, assisted by increased producer interest. Medium steers declined a further 12¢/kg cwt from last week, settling on 289¢/kg cwt, while heavy steers were well sought after, lifting 17¢, to average 326¢/kg cwt. The medium cow indicator has continued to improve with increased processor interest assisting a price increase of 15¢/kg cwt, to average 230¢/kg cwt. Feeder steers also lifted by 6¢/kg cwt, to average close to 173¢/kg lwt.

MLA's NLRS

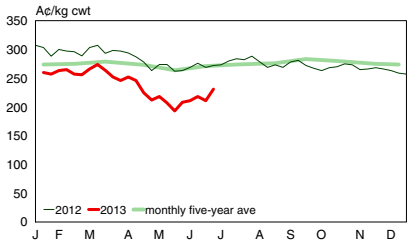
National indicators

MLA's NLRS

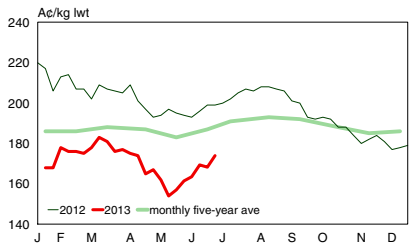
Heavy steer



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



Prices jump at Narromine store sale

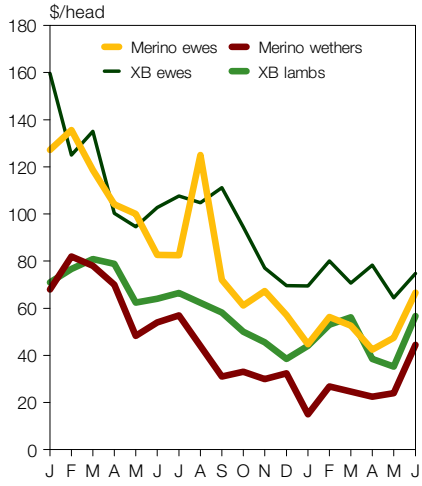
Yardings at the monthly Narromine store sale, as reported by MLA's National Livestock Reporting service, lifted slightly from last month's levels. It was a mixed quality yarding with a reasonable selection of mixed age and older Merino ewes, mostly Scanned-In-Lamb (SIL).

Crossbred ewe quality was fair, however there were some good pens of store lambs. There was reasonable buyer attendance, with most attending from Condobolin, Lake Cargelligo, Forbes, Parkes, Cowra, Blayney, Boorowa, Trangie, Coonamble, and Gulargambone, while there was also good support from local buyers.

The cross bred ewe market was reasonably solid, particularly for the quality of the yarding. The best were a line of August/September 2011 drops, October shorn and SIL to Poll Dorsets, which sold for $142/head. A line of rising 1-year-olds, off shears and Non-Station-Mated (NSM), sold for $120/head. A consignment of fair quality 2 and 3-year-olds, SIL to White Suffolks sold from $51 to $92/head. The 3, 4 and 5-year-olds from the same consignment sold from $45 to $63/head. Store lambs sold well, ranging in price from $33 to $78/head.

Merino ewes sold reasonably well, with a number of lines going to processors. The 2 year-olds, May shorn and SIL to Border Leicesters sold for $108, while the balance of the young unjoined Merino ewes sold from $66 to $105/head. A top quality line of 5 and 6-year-old ewes, April shorn and SIL to White Suffolks, sold for $101, while the balance of the mixed age and older ewes, SIL to terminal sires sold from $50 to $87/head. A line of 6-year-olds, February shorn and SIL to Merino rams sold for $50/head. Unjoined or scanned not-in-lamb older ewes sold from $38 to $54/head. Unshorn wether lambs sold for $38 and $51.50, while two pens of 1½ year old wethers, May shorn, sold to restockers for $39.50 and $46.50/head.

Narromine store sale average prices



Source: MLA's NLRS

MLA's NLRS

Sheep and lamb movements

MLA's NLRS

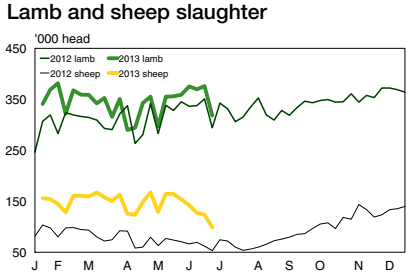
Slaughter statistics - for week ending 14/06/13

		TW	LW	LY
Vic	Lambs	148,887	183,466	132,978
	Sheep	37,150	44,553	24,121
NSW	Lambs	90,749	92,641	81,036
	Sheep	29,451	36,764	11,897
SA	Lambs	62,362	77,937	66,170
	Sheep	19,376	25,255	9,610
Qld	Lambs	4,820	5,946	4,297
	Sheep	8,639	12,270	6,326
Tas	Lambs	11,163	15,541	9,644
	Sheep	4,036	4,431	1,066

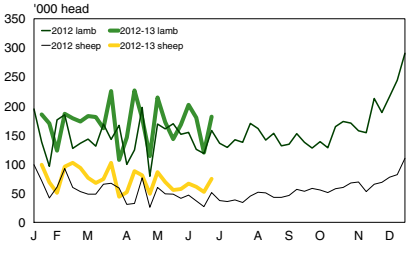
Saleyard throughput - for week ending 20/06/13
At NLRS reported centres

		TW	LW	LY
Vic	Lambs	44,019	28,746	45,443
	Sheep	19,238	15,349	14,087
NSW	Lambs	110,719	59,425	85,080
	Sheep	37,346	17,425	20,620
SA	Lambs	12,861	11,178	17,240
	Sheep	3,148	2,115	5,323
WA	Lambs	13,160	20,025	9,645
	Sheep	14,881	16,916	11,049
Tas	Lambs	950	1,050	750
	Sheep	600	550	550

Lamb and sheep slaughter



Lamb and sheep throughput



Eastern lamb prices gain ground

Eastern states lamb supply increased significantly, up 69% week-on-week, following a short trading week. With higher prices recently, many centres have also noticeably lifted throughput, with Wagga supply the largest winter yarding recorded, as prices proved tempting. The improved seasonal conditions throughout most of the eastern states have also done little to restrain producers from offloading, and instead taking advantage of the good prices.

Despite being under the weight of increased supply, prices generally improved at the conclusion of Thursday's markets. The restocker lamb indicator was 14¢ lower week-on-week on 419¢/kg cwt, while Merino lambs lost 18¢, to 405¢/kg cwt. The light lamb indicator was 4¢ higher this week on 419¢/kg cwt. The eastern states trade lamb indicator gained 32¢ to 494¢/kg cwt, while heavy lambs increased 26¢, to average 507¢/kg cwt.

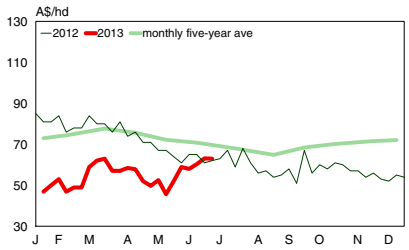
Sheep supply was 71% higher week-on-week with the eastern states mutton indicator lifting 21¢, hitting 300¢/kg cwt.

MLA's NLRS

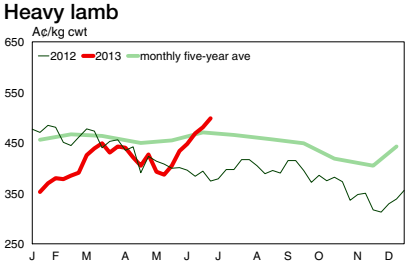
National indicators

MLA's NLRS

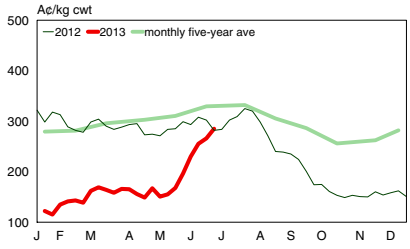
Restocker feeder lamb



Heavy lamb



Mutton



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

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

Positive rainfall outlook for most of the country

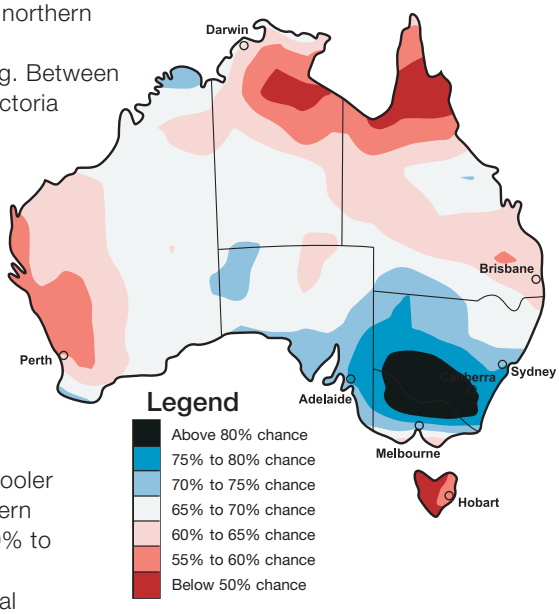
The seasonal outlook for the next three months is forecast to be wetter than normal, according to the Australian Bureau of Meteorology (BOM), with above average rainfall predicted for most of the country. There is in excess of a 60% chance of above median rainfall levels anticipated across most of Australia, giving livestock producers a boost of confidence heading further into the winter months, particularly in the south-east regions.

Across some parts of the NT and northern Queensland, the BOM has projected a relatively average chance (55% chance to exceed the median) to be wetter than normal. Furthermore, northern Australian regions are typically dry during this time of year, with even a small amount of rain more than likely to be higher than the median. Tasmania also has a relatively neutral outlook, with a 55% chance of exceeding the median rainfall.

Subsequent to dry seasonal conditions for the past few months, most producers would welcome a positive rainfall outlook for areas across NSW, south-eastern SA and northern Victoria, which will hopefully bring a reasonable moisture profile for spring. Between March and May, parts of northern Victoria received below average rainfall, with Shepparton recording only 46mm, considerably below its mean of 95.9mm for the three months. Interestingly, since the start of June, Shepparton has already received 42mm.

Warmer temperatures during the nights are expected across most of southern Australia, providing some relief from extreme winter frosts. In contrast, there is a high chance of cooler than normal days for the south-eastern mainland, while chances of up to 80% to exceed maximum temperatures are predicted for Tasmania, some tropical regions and WA's south-east coastline.

Chance of exceeding the median rainfall – July to Sept 2013



Source: Bureau of Meteorology

MLA's NLRS

Want access to the daily livestock market summaries.
Check out the National Livestock Reporting Service daily livestock summaries at www.mla.com.au/marketnews

Hide indicator ($/hide)

MLA's NLRS

Green hides w/e 14/6/13

	141-180kg cwt			221-280kg cwt		
	TW	LW	LY	TW	LW	LY
Qld	nq	nq	20.80	nq	nq	31.90
NSW	nq	nq	20.50	nq	nq	33.17
Vic & SA - cow	nq	nq	23.00	nq	nq	36.00
Vic & SA - ylg, ox, hfr	nq	nq	27.17	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	56.33	nq	nq	40.00
27-31kg/hide	nq	nq	61.50	nq	nq	50.00

Mixed trends for feeder rates

Rates were mixed across most feeder steer categories this week, as prices in the south improved 5¢/kg lwt, largely in response to supply starting to tighten. While quality cattle are still available, they are expected to get tighter as winter progresses, especially if the recent wet conditions continue.

MLA's NLRS

Skin rates hold

Skin rates were unchanged from all contributors this week. While the supply of skins remains steady, the quality offered has been very mixed, with poorer quality types still discounted. Demand from overseas markets continues to vary, with many traders reportedly waiting for the A$ to stabilise.

Tallow ($/t, delivered in store)

	TW	LW	LY
Prime - Melbourne	nq	nq	780
Prime - Brisbane	nq	nq	780
Bleachable fancy	nq	nq	730

Grain feed prices ($/tonne)

Darling Downs	TW	LW	LY
Wheat	322	323	230
Barley	315	315	217
Sorghum	322	315	188
Riverina			
Wheat	286	278	207
Barley	261	265	196
Sorghum*	nq	nq	202

*includes freight Source: Profarmer

Eastern Market Wool Indicator (¢/kg)

	TW	LW	LY
AWEX E.M.I	1066	1070	1069

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

Skin indicator (¢/skin)

MLA's NLRS

w/e 14/6/13

Lambs		TW	LW	LY
2"+	16.1 - 20kg	813	813	600
	20.1 - 24kg	950	950	706
	24.1kg +	1075	1075	769
1"-2"	16.1 - 20kg	850	850	625
	20.1 - 24kg	1100	1100	875
	24.1kg +	1125	1125	925
0.5"-1"	16.1 - 20kg	675	675	450
	20.1 - 24kg	875	875	675
	24.1kg +	1050	1050	775
New season	16.1 - 20kg	750	750	575
	20.1 - 24kg	850	850	750
	24.1kg +	nq	nq	800
Merino sheep (average 25 micron)				
1.5"-2"	16.1 - 20kg	900	900	800
	20.1 - 24kg	1000	1000	1025
	24.1kg +	1100	1100	1125

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

Korean government implements new legislation on foodservice and retail

While the beef trade in Korea was reportedly slow this week, demand for Australian short ribs remained high, mainly due to the combination of low stock levels, Korean traders' speculation of rising prices and lower supplies from the US and NZ.

On the back of high interest for Australian short ribs, wholesale prices have continued to increase since mid-May, with this week's prices up another 2% from last week, at KRW 11,300/kg. US short rib prices also lifted 1% week-on-week and 41% above the same week last year, at KRW 14,700/kg, with a 45% year-on-year increase in NZ short rib prices, at KRW 10,000/kg.

The new Korean government continues to implement regulations on retail and foodservice sectors. With consumers' rising concerns over food safety, the inclusion of the country of origin on menus will be mandatory for all foodservice outlets across the country from 28 June 2013, along with the restriction that large foodservice companies are only allowed to open their new franchise outlets in buildings sized smaller than 20,000m^2 *(JoongAng Ilbo, Money Today)*.

According to *Yonhap News*, sales at Super Supermarkets (SSMs) have started to feel the impact of the new legislation. Abiding by new regulations, Korean large discount stores must close for two days (at weekends) every month. Reportedly, a year-on-year fall in sales at both Lotte Super and Home Plus Express was registered since January this year.

Assisted by continued promotion for Hanwoo beef and domestic pork, Hanwoo wholesale carcase prices remained firm this week, at KRW 12,133/kg, with pork carcase prices up 2% week-on-week, at KRW 4,827/kg.

Chinese beef imports maintain cracking pace

Chinese beef imports during April reached their highest level on record, with another 18% rise from the past month, to 25,606 tonnes swt – up from only 1,374 tonnes swt in April 2012 (Global Trade Atlas, China Customs). Imports of Australian beef during the month remained strong, at 11,499 tonnes swt (compared to 492 tonnes swt in April last year), with China's imports of Australian chilled beef accounting for 95% of its total chilled beef imports, at 1,227 tonnes swt. China imported 3,518 tonnes swt of chilled beef from Australia during the first four months of 2013, up from only 75 tonnes swt on the corresponding period last year.

Japan cautious despite lower A$

While the lower A$ has been positive news for the Australian beef trade with Japan, overall interest from buyers remained cautious this week, on the back of slow demand for higher value items and the anticipation for further appreciation of the yen.

In the Japanese wholesale market, import clearance volumes of frozen beef have been carefully managed by the trade to avoid the triggering of the tariff safeguard system (that would increase the beef tariff). That said, the *Chikusan Nippo* noted that end-users are not feeling pressure, as beef demand generally remains soft.

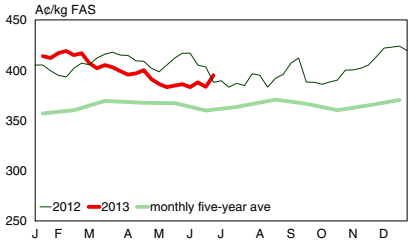
Export price watch

Source: Australian trade, US trade

Japan grassfed fullset price



90CL cow price to US



US buyers more active with supply slowing

There was a slight improvement in the 90CL imported cow beef indicator into the US this week, up 1US¢, to 177.5US¢/lb CIF (394.8A¢/kg FAS), with more end users reportedly taking a position and looking to start increasing stocks. There was also more activity at the fattier end of the trade, with 65CL and 75CL prices quoted for the first time in a number of weeks.

New Zealand cow and bull slaughter has started its seasonal decline, and in the US, cow and bull slaughter has been slowing gradually over the last six to seven weeks - currently at levels similar to the same time last year.

There is still no real push on beef prices from the demand side, which is not expected to become a force until at least late July, besides a potential small lift around July 4.

Preliminary estimates for cattle on feed, as at the beginning of June, are at 10.69 million head, 390,000 head (3.5%) below last year. This implies the year-on-year difference has narrowed significantly over the last two months, after 2013 began with around 670,000 head (5.6%) fewer cattle on feed.

Major demand indicators (A¢/kg FAS)

Japan	TW	LW	LY
Grassfed f/set	542	537	509
Shortfed f/set	nq	nq	nq
CF 85CL	388	384	nq
US			
Cow 90CL	395	383	388
Trim 85CL	378	379	370
Knuckles - steer	538	529	484

Source: Trade

US lamb market

w/e 14/6/13	TW	LW	LY
HRI leg (US¢/lb)	453	453	570
HRI rack (US¢/lb)	633	633	845
US lambs 55-65lb (US¢/lb dw)	280	287	350
US sheep and lamb slaughter ('000 head)*	36	42	36

*w/e 1/6/13

Source: HRI Buyers Guide, USDA

Exchange rate

Major currencies	around 4pm 20/6/13		
	TW	LW	LY
US dollar	0.924	0.946	1.016
Japanese yen	89.50	89.47	80.83
Korean won	1058	1074	1169
UK pound	0.598	0.603	0.648
Euro	0.697	0.708	0.801
NZ dollar	1.177	1.193	1.273
Indonesia rupiah	9175	9341	9604

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

US chicken prices at all-time highs

After trading between a range of US$70–90/cwt (hundredweight) for most of 2008–2012, whole US chicken prices have shot up in the first half of 2013, breaking through US$110/cwt in recent weeks.

Analysts suggest that a major contributing factor to the surging chicken prices was the expectation late last year that ground beef would continue to trade at historically high levels in 2013, and even continue to increase. This encouraged retailers and some foodservice operators to promote chicken heavily, in the belief it would be a cost-effective alternative. With so many promotions, however, prices ended up reversing, with chicken (driven by breast meat) increasing in price and ground beef falling.

Even with a much faster turnover from hatching to slaughter than for cattle, high feed costs have reportedly discouraged poultry producers from increasing the number of chickens they feed. Instead, chickens have been finished to heavier weights, with more meat relative to carcase size.

The relatively lower beef prices could potentially open the way for more ground beef promotions in coming months, but the US beef industry will need to be careful to remain competitive to price-conscious consumers.

Paraguayan beef exports on the rise

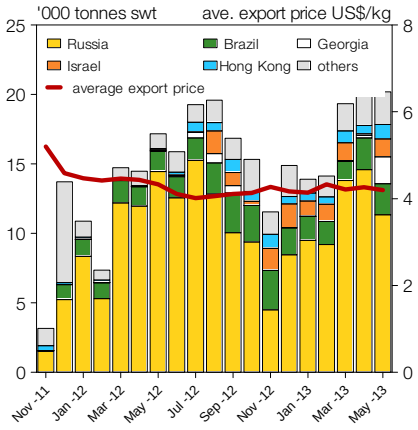
Paraguayan beef exports for the first five month of 2013 have increased 37% year-on-year, to 88,328 tonnes swt – exceeding volumes registered prior to the Foot and Mouth Disease (FMD) outbreak in September 2011. The boost in shipments was driven by record volumes in April, at 20,754 tonnes swt, while May exports were only slightly lower, at 20,198 tonnes.

Underpinning the increase in shipments has been record slaughter levels during the first months of 2013, up 54% year-on-year, to 644,575 head. With the additional production, lower average export prices have also bolstered Paraguay's price competitiveness in several markets.

Since November 2011, Russia had become the major destination for Paraguayan beef, accounting for 62% of total exports for the first five months of 2013. Shipments to Brazil also rose 36% for the period, to 9,271 tonnes swt, while significant growth was registered to Hong Kong, with volumes up five-fold, to 3,605 tonnes swt. Chile re-opened their market to Paraguayan beef in December 2012, but trade remains very low.

With the end of the FMD vaccination campaign, the supply of slaughter ready cattle jumped in early June, pushing cattle lower, with steer price averaging 290US¢/kg cwt.

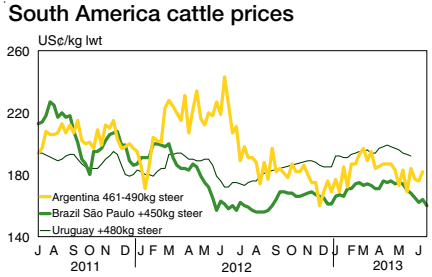
Paraguayan beef exports



Source: GTA

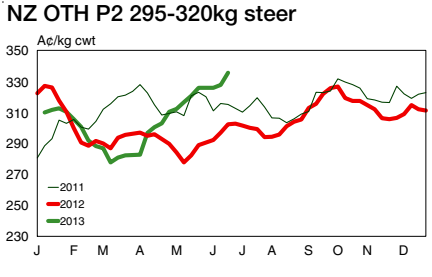
Competitor prices

South America cattle prices



Source: Mercado de Liniers, Cepea/ESALQ, INAC

NZ OTH P2 295-320kg steer



Source: NZX Agrifax

Mexico cattle market update

While Mexico is not a top-tier export market for Australian red meat, nor necessarily a large direct competitor into other markets, it does have the ability to impact returns for Australian meat to North American through its influence upon US cattle supplies and production.

Probably the most influential sector is the feeder cattle trade from Mexico into the US. While a lot has been made of the declining US cattle herd in recent years, the availability of young Mexican cattle has helped to offset this somewhat. The large number of cattle moving north from Mexico relieves some price pressure on feedlot buyers and those further along the supply chain. Over the past four years (2009-2012), the proportion of cattle placements in California, Arizona, New Mexico, Texas and Oklahoma that were imported from Mexico rose from 9% to 22% - as the supply of suitable US cattle diminished. While this has declined into early 2013, it was still around 16% during March and April.

US beef price indicators (US¢/lb)

	TW	LW	LY
90CL fresh	198.8	192.5	221.0
Chucks	212.5	212.5	219.0
Choice beef cutout	199.6	200.3	198.3
5 mkt fed steer (lwt)	121.0	123.0	119.7
CME feeder cattle (lwt)	136.6	135.8	153.2
Cutter cow carcase (lwt)	112.0	114.0	122.0

Source: Urner Barry, USDA

Cattle slaughter ('000 head)

	TW	LW	LY
w/e	1/6/13		
US - total	595	653	660
year to date	13,326	12,731	14,116
US - cows	109	126	122
year to date	2,709	2,599	2,737
w/e	14/6/13		
Uruguay - total	26	34	39
year to date	1,062	1,037	976

Source: USDA, World Beef Report

NZ livestock prices (A¢/kg)

		TW	LW	LY
		w/e 21/6/13		
Bulls	296-320k	327	323	302
Cows	170-195kg	240	233	223
Steers	295-320kg	336	328	302

Source: NZX Agrifax

NZ export lamb market

		TW	LW	LY
A¢/kg	w/e	14/6/13		
NZ chilled export leg to EU		671	674	643
NZ lamb 17.5kg cwt		406	399	430

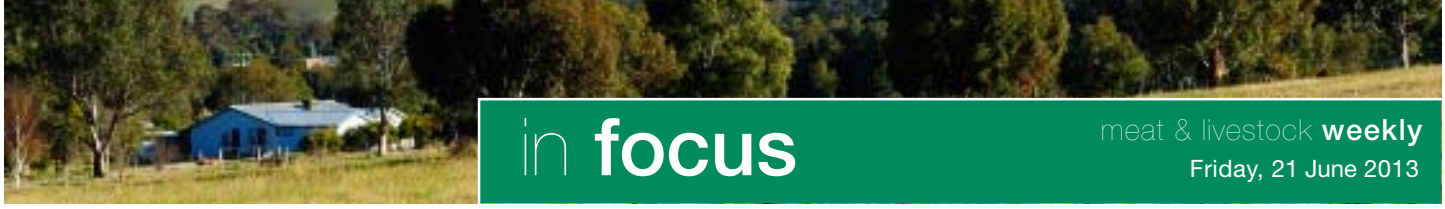
Source: NZX Agrifax

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



Indian beef exports revised down significantly – OECD - FAO

Indian beef exports for 2013 have been revised down significantly in the recently released OECD-FAO *Agricultural Outlook 2013 – 2022*, with exports estimated at 1.42 million tonnes cwe (carcase weight equivalent).

Indian beef and veal exports are expected to increase steadily over the next decade, with an anticipated 1.64 million tonnes cwe forecast for 2022 – which still remains comfortably below previous forecasts.

Indian beef production has been forecast to increase from 3.43 million tonnes cwe in 2013, to 4.16 million tonnes cwe in 2022, up 21% over the ten year period.

All of the major beef exporting nations are anticipated to increase both production and exports over the 2013 to 2022 period, with production in Australia forecast to increase 8%, to 2.4 million tonnes cwe, while exports are expected to increase 6%, to 1.59 million tonnes cwe.

Production in the US is projected to increase 9% from 2013 to 2022, to 11.52 million tonnes cwe, with exports anticipated to reach 1.57 million tonnes cwe, up 23% from the drought depleted 2013 herd supply availability.

Brazilian beef production is anticipated to reach 11 million tonnes cwe in 2022, and exports are forecast to reach 1.88 million tonnes cwe, up 11% and 29%, respectively, from 2013 estimates.

Interestingly, OECD-FAO forecast beef production for the developed countries, collectively, is forecast to increase to 30.88 million tonnes cwe, and exports to 5 million tonnes cwe, each up 8% over the period. The developing countries, however, are forecast to increase production 19%, to 46 million tonnes cwe, with exports almost reaching 6 million tonnes cwe, up 20% over the ten year period.

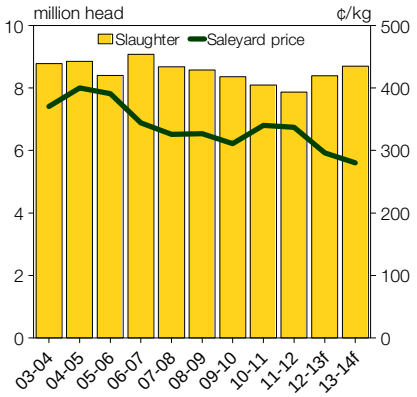
For all these stories and the latest news online, log on to *www.mla.com.au/marketnews*

Cattle prices to decline, production to rise – ABARES

According to the recently released Australian Bureau of Agricultural Resources Economics and Sciences (ABARES) *Agricultural commodities: June quarter 2013* outlook, the Australian weighted average saleyard price for cattle is forecast to fall 5% in 2013-14, to 280¢/kg cwt.

According to ABARES, average weighted Australian cattle prices are estimated to have declined 10% in 2012-13, to 296¢/kg cwt, which is the lowest annual average, in real terms, since 1998-99. ABARES have attributed the heavy pressure on prices to the failed wet season in the north and no autumn break for most regions, resulting in increased cattle throughput and slaughter. Adding further pressure to markets was that fewer producers were in a position to restock, resulting in lower demand for younger cattle and potential breeding stock.

Cattle slaughter and weighted average saleyard price



Source: ABARES

ABARES has also forecast the national cattle herd to contract, with the current national herd estimated to have declined 1% in 2012-13, to 28.1 million head. Due to the poor seasonal conditions in eastern and northern Australia since early 2013, many producers lacked sufficient feed to sustain their herd numbers. As a result, producers were offloading greater numbers of older cattle and purchasing fewer replacements. ABARES is predicting the cattle herd to contract a further 1% in 2013-14, to 27.9 million head, as producers continue to destock.

Australian cattle slaughter in 2012-13 is anticipated to rise 7%, to 8.4 million head – the first increase in six years - underpinned by the herd liquidation. The increased slaughter is likely to be made up from an estimated 13% increase in female slaughter and 3% increase in male slaughter.

In response to the likely increased slaughter, ABARES anticipate beef production in 2012-13 to increase 5%, to a record 2.2 million tonnes cwt. The growth in production is forecast lower than that of slaughter, as average carcase weights are estimated to be lighter than in previous years, underpinned by a greater percentage of lighter female cattle slaughtered.

ABARES predicts 2013-14 total cattle and calf slaughter to increase a further 4%, to 8.7 million head, with the proportion of female cattle slaughtered expected to rise, as producers continue to destock. Higher slaughter will underpin an anticipated 3% increase in production, to 2.3 million tonnes cwt.

High lamb turnoff as carcase weights impact production

National lamb slaughter during April, as reported by the Australian Bureau of Statistics (ABS), increased 15% year-on-year and 8% on the five-year average, to 1,717,600 head. This was predominantly driven by a surge in Victoria, which jumped 19% year-on-year, to 766,000 head. Queensland and WA also recorded year-on-year increases of 64% and 42%, to 31,000 and 198,600 head, respectively.

Similarly, national lamb production was up year-on-year, at 37,167 tonnes cwt, a 10% increase on April last year. However, due to the dry seasonal conditions, a higher proportion of lighter lambs were slaughtered, resulting in a 4% reduction in national average carcase weights, compared to April last year. Lambs in SA and Victoria yielded 6% and 3% lighter carcases, respectively, and in SA, production in fact decreased year-on-year, despite the increased slaughter, on the back of the large reduction in average carcase weights.

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

Australian Cattle Trade Rules recently revised

In 2007, MLA, in conjunction with industry, developed and launched the Australian Cattle Trade Rules (ACTR), to provide standard industry terms and conditions that assist in the contracting of cattle. The rules underpin cattle contracts, forming the basis for trade and as such, they guide the actions of the buyer and seller for the life of the contract.

The rules have recently been reviewed and updated by a committee consisting of members from the peak industry councils.

The Australian Cattle Trade Rules provide:

·• Consistency in contract terms and conditions

• Transparency in the contracting process

• Clarity in business arrangements, thereby reducing risk dispute

• Robust dispute resolution in the event of default

The Australian Cattle Trade Rules outline:

• The obligations of both the buyer and the seller

• What actions may be taken when these obligations aren't met

• The process of dispute resolution

The ACTR are endorsed by the Cattle Council of Australia, Australian Lot Feeders Association, the Australian Dairy Federation, Australian Livestock and Property Agents, Grain Trade Australia and Meat and Livestock Australia.

For a cattle contract pro forma, a contracting guide, or any further information, please contact Ben Thomas at bthomas@mla.com.au, or (02) 9463 9333, or visit the MLA website at http://www.mla.com.au/Prices-and-markets/Price-risk-management.

Mutton export values on the rise

The value of Australian mutton exports in March reached $51.7 million – up 58% on the corresponding month last year. Traditionally dominating the mutton trade, the Middle East comprised the largest proportion (31%) of the market share, with an export value of $16.1 million in March.

Interestingly, despite the large increase in value, the Middle East's share has contracted since the same period last year, and is back 5% on the five-year average. China's share, on the other hand, grew from 16% in March 2012 to 29% this year.

Winter crop production forecast to rise – ABARES

With the harvesting of the 2012-13 summer crop now largely complete, according to the Australian Bureau of Agricultural and Resource Economics and Science (ABARES) – *Australian crop report* (June 2013), total summer crop production (excluding cotton lint) is estimated to have fallen by 9%, to 5 million tonnes. This is largely reflective of estimated 23% and 17% falls in grain sorghum and cotton seed production, to around 1.7 million tonnes and 1.4 million tonnes, respectively.

ABARES' forecast for the total area planted to winter crops in 2013-14 dropped by 1%, to around 22.4 million hectares, with a forecast 2.5 million hectares planted to canola, a decline of 17% on 2012-13. This is generally due to a combination of insufficient rainfall during the prime planting window, with canola's inability to tolerate dry conditions as well as most cereal crops, encouraging many producers to consider other options.

In contrast, the area planted to wheat and barley is forecast to rise 3% and 2% to 13.7 million hectares and 3.8 million hectares, respectively. Timely rainfall in the eastern states for wheat and barley planting, coupled with a very positive three-month rainfall outlook for most of Australia from the Bureau of Meteorology (July to September), is forecast to see total winter crop production in 2013-14 rise by 10%, to 40 million tonnes. Yields in WA are projected to see the largest increase, while it is assumed the favourable seasonal outlook will result in above average harvests in major cropping regions across Australia.

Winter crop production ('000 tonnes), Australia

	NSW	Victoria	Queensland	SA	WA	Australia
2009-10	7,789	5,893	1,618	7,036	12,944	35,352
2010-11	14,786	7,629	1,822	9,317	8,045	41,681
2011-12	11,955	7,348	2,330	7,368	16,599	45,666
2012-13 **s**	10,939	5,601	2,221	6,569	10,877	36,281
2013-14 **f**	10,892	5,991	2,287	7,076	13,648	39,959

Winter crop area ('000 ha), Australia

	NSW	Victoria	Queensland	SA	WA	Australia
2009-10	6,108	3,491	1,176	3,783	8,272	22,853
2010-11	6,159	3,460	1,220	3,821	7,716	22,401
2011-12	5,968	3,408	1,208	3,840	8,251	22,693
2012-13 **s**	6,196	3,490	1,256	3,922	7,611	22,497
2013-14 **f**	6,009	3,363	1,279	3,904	7,799	22,372

Source: ABARES s = ABARES estimate f = forecast

Foodservice industry in Japan valued at A$282 billion

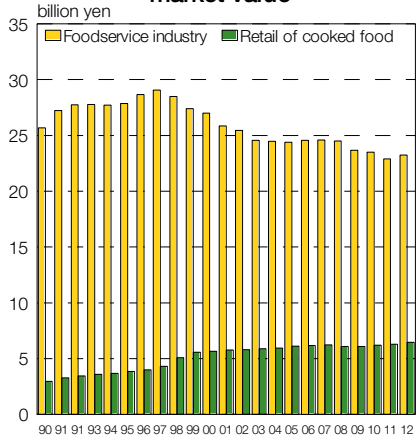
The estimated market value of the Japanese foodservice industry increased in 2012 for the first time in five years, to 23.2 trillion yen (A$ 281.8 billion), up 1.5% on the previous year.

Data released by the Foodservice Research Institute of Japan confirmed the industry's gradual recovery from the 11 March, 2011 disaster. This was largely led by improved demand for, and subsequent increase in market size of mid-priced outlets, such as family restaurants, as well as individual and franchised casual dining operations.

'Other' restaurant categories (largely quick meal type operations) registered declines in value, with the trade paper *Gaishoku Nippo* noting subdued sales of McDonald's outlets as one of the major reasons behind the fall.

Retail cooked meals, which is not considered as a part of the dining out industry, and hence not included in the foodservice industry market value, also expanded its market size by 2.7% year-on-year, valued at 6.46 trillion yen (A$78.4 billion). The increase was supported by a growing number of consumers opting for the 'eat-at-home' trend - purchasing take-away products at supermarkets, convenience stores and Nakashoku (take away and delicatessen meals) specialised outlets.

Japan foodservice industry - market value



Source: Foodservice Research Institute

© 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



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	303	303	321	325	325	345	310	310	330	nq	nq	nq
Medium steer	280	283	313	296	294	318	333	330	340	nq	nq	nq	305	305	335
Heavy steer	290	293	322	304	302	330	323	320	335	nq	nq	nq	305	305	335
Medium cow	233	243	284	227	224	277	231	227	264	225	215	258	242	242	283
EU steer	nq	nq	nq	330	330	345	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)	156	165	172	194	180	206	194	190	196	182	184	202	nq	nq	184
(¢/kg cwt)	284	303	341	357	331	384	356	347	361	331	332	365	nq	nq	347
Medium steer (¢/kg lwt)	146	140	164	164	159	184	164	168	180	190	nq	175	nq	nq	190
(¢/kg cwt)	265	265	313	305	293	342	308	301	333	339	nq	313	nq	nq	339
Heavy steer (¢/kg lwt)	162	160	175	187	181	186	185	179	187	150	nq	nq	nq	nq	nq
(¢/kg cwt)	289	286	314	342	326	338	339	326	343	275	nq	nq	nq	nq	nq
Medium cow (¢/kg lwt)	105	102	128	109	96	132	120	114	132	108	nq	135	99	nq	130
(¢/kg cwt)	214	207	260	230	203	279	247	232	276	225	nq	282	205	nq	282
Feeder steer (¢/kg lwt)	174	166	202	176	167	199	166	166	193	167	nq	195	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	491	470	439	491	460	450	500	480	435	410	405	471	435	435	410	nq	nq	nq
Heavy trade lamb	490	469	431	490	460	454	500	480	435	410	405	471	435	435	410	nq	nq	nq
Heavy lamb	494	474	434	480	449	438	500	480	435	403	403	458	435	435	400	nq	nq	nq
Mutton	248	237	295	241	223	283	250	250	260	187	187	230	160	160	240	nq	nq	nq

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)	60	64	55	69	68	64	66	74	62	52	57	65	55	73	68
Merino lamb	(¢/kg cwt)	391	419	349	406	433	321	404	396	351	363	352	391	nq	nq	nq
Light lamb	(¢/kg cwt)	420	412	395	421	424	380	405	415	364	367	380	428	314	404	409
Trade lamb	(¢/kg cwt)	499	449	432	490	476	381	475	458	404	382	362	452	418	412	411
Heavy lamb	(¢/kg cwt)	511	472	398	504	490	365	482	455	367	398	376	422	458	423	410
Mutton	(¢/kg cwt)	299	266	288	301	294	272	287	212	260	228	243	306	271	259	281

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	340	nq	nq	308	nq	nq	274	nq	nq	323	nq	nq	nq
Bacon GI 60 - 75kg	nq	nq	291	nq	nq	268	nq	nq	269	nq	nq	275	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	150	175
	(260 - 360 kg)	Broome	nq	nq	nq
Light heifers	(260 - 360 kg)	Darwin	nq	nq	160
	(260 - 360 kg)	Broome	nq	nq	nq
Export wethers	(A$/head)	Muchea	79	nq	103

Source: MLA's NLRS, Landmark

Feeder cattle indicators (A¢/kg lwt)

w/e 14/6/13

	Paddock sales	TW	LW	LY
Domestic	Steers 280-350kg	177	179	206
	Heifers 280-350kg	159	163	193
Export	Shortfed 100-120 DOF	166	164	192
	Mediumfed 120-220 DOF	179	177	203
	Longfed 220+ DOF	178	176	213

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	118	114	134
Heavy cow	131	129	150
Heavy yearling	199	193	212
Feeder yearling	172	167	219

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



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	865	865	745
fullset	US¢/lb	274	281	286
shortfed	¥/kg	980	980	940
fullset	US¢/lb	312	319	364
midfed	¥/kg	1155	1155	1090
fullset	US¢/lb	369	378	424
longfed	¥/kg	nq	nq	nq
fullset	US¢/lb	nq	nq	nq
grassfed navel	¥/kg	660	660	610
end brisket	US¢/lb	207	212	232
grassfed	¥/kg	765	765	630
chuck roll	US¢/lb	241	247	240
shortfed navel	¥/kg	690	690	805
end brisket	US¢/lb	217	222	310
shortfed	¥/kg	815	815	775
chuck roll	US¢/lb	258	264	298
Frozen				
brisket	¥/kg	665	665	565
	US¢/lb	212	217	218
chuck/blade	¥/kg	705	705	635
	US¢/lb	226	231	246
cow meat	¥/kg	660	660	530
(85CL)	US¢/lb	211	216	204
From US chilled				
chuck rib	¥/kg	1650	1650	1300
	US¢/lb	532	545	508
short rib	¥/kg	2350	2350	2100
	US¢/lb	762	781	828
steak ready	¥/kg	2150	2150	1850
	US¢/lb	697	713	728
Frozen				
chuck roll	¥/kg	nq	nq	nq
	US¢/lb	nq	nq	nq
short plate	¥/kg	680	680	1050
	US¢/lb	217	223	413

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	1300	1250	1150
(swiss cut)	US¢/lb	516	507	554
thick skirt	¥/kg	645	635	525
	US¢/lb	252	253	247
thin skirt	¥/kg	645	640	575
	US¢/lb	252	256	272
mountain	¥/kg	1575	1575	1350
chain tripe	US¢/lb	707	724	736
From NZ frozen				
tongue	¥/kg	1025	950	925
(swiss cut)	US¢/lb	405	384	444
From Mexico frozen				
tongue	¥/kg	1250	1250	1150
(swiss cut)	US¢/lb	496	507	554
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	244	248	253
	A¢/kg	542	537	509
shortfed fullset	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
Frozen				
chuck/blade	US¢/lb	nq	nq	205
	A¢/kg	nq	nq	415
thick flank	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
CF 85CL	US¢/lb	175	178	nq
	A¢/kg	388	384	nq
topside	US¢/lb	233	nq	235
	A¢/kg	525	nq	480
silverside	US¢/lb	nq	210	209
	A¢/kg	nq	460	424
brisket	US¢/lb	185	183	200
	A¢/kg	411	395	404

Source: Australian beef trade

Domestic beef carcase prices – Tokyo

Steer ¥/kg	TW	LW	LY
Wagyu (A5)	2110	2153	2029
Dairy (B3)	nq	nq	nq
F1 (B3)	1188	1196	1083
Dairy (B2)	736	754	756
F1 (B2)	1056	1112	950

Source: Shokuniku Sokuho

Korea market

Korean wholesale prices

won/kg	TW	LW	LY
Korean domestic wholesale*			
Hanwoo carcase	12133	12085	13181
beef cattle carcase	6941	7331	9316
pig carcase	4827	4722	4718
Australian wholesale			
brisket deckle off	7300	7300	6900
rump	8400	8300	nq
chuck roll	8200	8200	7500
short rib	11300	11100	nq
US wholesale			
grainfed chuck roll	8000	8200	7200
grainfed short rib	14700	14500	10400

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	194.8	197.3	206.3
	A¢/kg	435.9	431.6	419.9
Cow 90CL	US¢/lb	177.5	176.5	191.5
	A¢/kg	394.8	383.4	388.0
CC/CF 85CL	US¢/lb	173.5	nq	183.5
	A¢/kg	385.3	nq	370.7
Shank 90CL	US¢/lb	nq	nq	189.0
	A¢/kg	nq	nq	382.6
Trim 85CL	US¢/lb	170.5	174.5	183.0
	A¢/kg	378.2	378.7	369.6
Trim 80CL	US¢/lb	167.0	167.5	160.0
	A¢/kg	369.9	362.5	319.8
Trim 75CL	US¢/lb	150.0	nq	135.0
	A¢/kg	329.4	nq	265.7
Trim 65CL	US¢/lb	121.5	nq	115.5
	A¢/kg	261.6	nq	223.5
Chucks 85CL	US¢/lb	nq	nq	nq
	A¢/kg	nq	nq	nq
Outside flats	US¢/lb	nq	nq	nq
- steer	A¢/kg	nq	nq	nq
Knuckles	US¢/lb	237.5	239.0	236.0
- steer	A¢/kg	537.6	528.7	484.3
Inside cap off	US¢/lb	246.5	242.5	252.5
	A¢/kg	559.0	536.8	520.0

Source: Steiner Consulting Group

US cattle futures

US¢/lb lwt	Contract	TW	LW
Live cattle	Feb-14	127.35	126.90
	Apr-14	128.63	128.45
	Jun-13	120.48	120.15
	Aug-13	120.40	119.53
	Oct-13	124.03	123.13
	Dec-13	126.28	125.58
Feeder cattle	Jan-14	150.20	151.93
	Mar-14	151.50	152.25
	Apr-14	152.25	152.00
	May-14	153.25	153.25
	Aug-13	144.65	145.93
	Sep-13	147.00	147.93
	Oct-13	148.93	149.75
	Nov-13	150.35	151.53

Source: CME

US domestic prices

Boneless beef US¢/lb - Fresh	TW	LW	LY
90CL	198.8	192.5	221.0
85CL	189.5	185.0	204.0
75CL	165.0	165.0	161.0
50CL	96.0	90.5	52.5
2pc b/less chuck	212.5	212.5	219.0
insides	255.0	255.0	260.0
outsides	199.5	192.5	188.0
knuckles	220.0	225.0	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