

April / May 2019

MEAT

Market developments according to the Australian Lamb Co., Bindaree Beef, BE Campbell, Finco Trading, and Wilpak Meats:

BEEF

- Beef market supply is high due to drought conditions causing a huge liquidation of stock
- The Eastern Coast kill has been above 150,000 head for the past few weeks, which is the highest in years
- Pricing on higher end product, such as grain fed, is currently stable with lower end beef, 'A', 'C' and 'PR/S' very cheap but poor quality
- With the pending large rainfall, beef supply will become very tight
- There are predictions that supply will be at a 5 or 10 year low after the rainfall. This will have a huge effect on the price and availability of all grades of beef

LAMB

- Lamb exports in February rose to just over 25,000 tonnes shipped weight, an increase of 14% year-on-year
- The United States drove increased demand in February which is typical for this time of year
- The United States remains Australia's largest lamb market, recording a 37% year-on-year increase to 7,000 tonnes shipped weight

- The National Trade Lamb Indicator (18–22kg cwt) increased 5¢ week-on-week to 646¢ per kg cwt
- Nationally, trade weight lambs are trading at a 14¢ premium to the heavy weight category (22–30kg cwt) through saleyards, while there is less competition for re-stocker lambs (0–18kg cwt) which were trading at 624¢/kg cwt) in March
- While prices have not moved significantly, lamb yardings increased across most states at the end of March
- The greatest concern for lamb is not the ability of Australia's producers to re-establish their breeding flocks, but on the weather
- Unfortunately, present challenges including rapidly declining feedstock and water shortages cannot be alleviated with one good fall of rain. It will take a sustained period of significantly improved conditions
- While the potential timing of the autumn break is always cause for much speculation, interest this year has peaked due to the harshness of the season. The Bureau of Meteorology's three month outlook (April – June) shows no strong indication of either wetter or drier conditions for the majority of Australia



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PORK

- Extreme summer weather conditions are slowing summer pig production productivity
- There is unprecedented high grain costs. Feed costs are expected to have no relief until November
- All producers are feeling financial pressure due to the extreme cost of pig production
- Market pig prices remained firm in February and are predicted to lift if supply shortages begin to appear from March onwards
- Livestock forecasted slaughter volumes for 2019

are predicted to be down on last year's actuals based on 2018 industry-wide sow slaughter volumes and producer based forecast

POULTRY

- The poultry market is currently stable, although it is difficult to ascertain the pricing movements due to the drought and flood conditions that have occurred recently
- Poultry producers have indicated there may be an increase in the cost of boning birds, which will result in price movements

