

Cattle



March Monthly Update



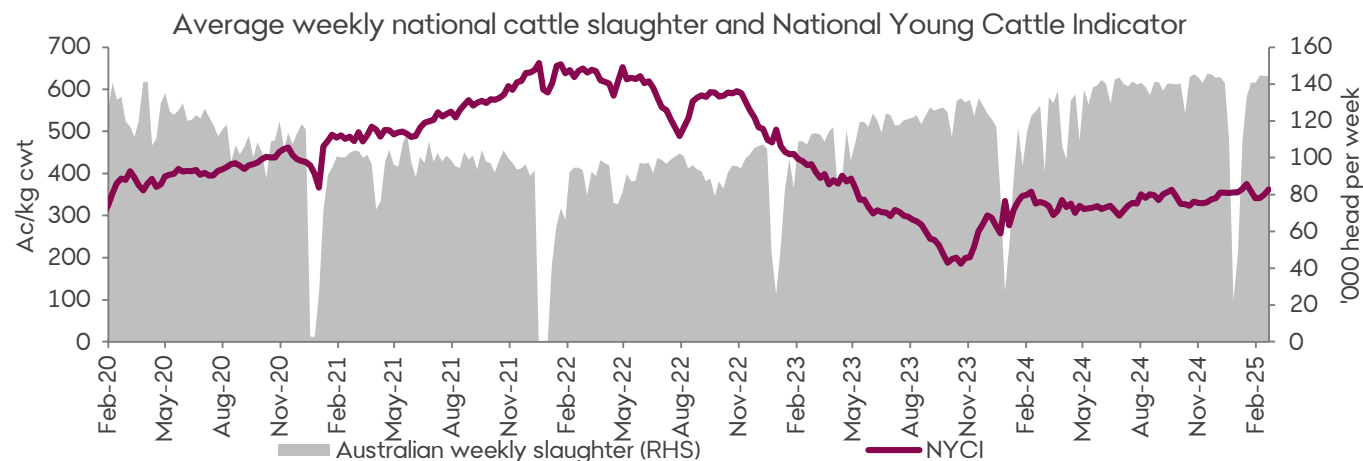
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Key Watchpoints – March

- Beef exports are in for a very interesting month – demand remains high for Australian beef, but will unsavoury weather conditions cause supply chain issues?
- The latest ABARES forecast has placed live exports for the 2024-25 marketing year at a five-year high – should this eventuate, we will see strong growth to Indonesia in the coming months.

Export demand likely to keep prices strong in March

Australian cattle prices posted moderate increases throughout February, the National Young Cattle Indicator climbed to a peak of 362c/kg in the third week of the month, before marginally softening to 352c/kg in early March. The main pillar of support for prices continues to be export demand. The ongoing tale of high export volume particularly to the United States has dominated cattle industry news for the past year and continues to be prevalent as we hit early 2025. Weather conditions in northern areas of Australia may hinder strong price rises throughout March, as should the forecast eventuate, logistical and supply chain issues may become an issue and limit transport. Several ports have chosen to shut down already in Brisbane and other northern areas, preparing for Cyclone Alfred. Processing centres continued to have another strong month. National average weekly slaughter rates averaged just over 143,000 head in February. Year-to-date slaughter is presently sitting 16 per cent up from 2024 and 47 per cent up from 2023. Processing centres continue to be booking well ahead of time with reports of extra Saturday shifts being needed in some cases to manage the high stock numbers. Barring any issues from the weather conditions, slaughter rates would be forecast to remain mostly stable, but that could be optimistic given the weather forecast. Longer term, the improved soil moisture may provide some support for prices in the northeast moving into late March.





Live exports to hit five year high in 2024-25 and continue to rise in 2025-26

The latest ABARES data has hit the market. They have announced that beef live exports are likely to come in around 817,000 head for 2024-25, placing at a five-year high. The 23 per cent increase year-on-year comes on the back of increased cattle available to be exported in northern Australia where export prices for feeder and slaughter cattle are lower than the ten-year average. This is incentivising firm demand from Indonesia. The key element of this will also be the import permits on Indonesia's end ensuring all transported stock may enter the country.

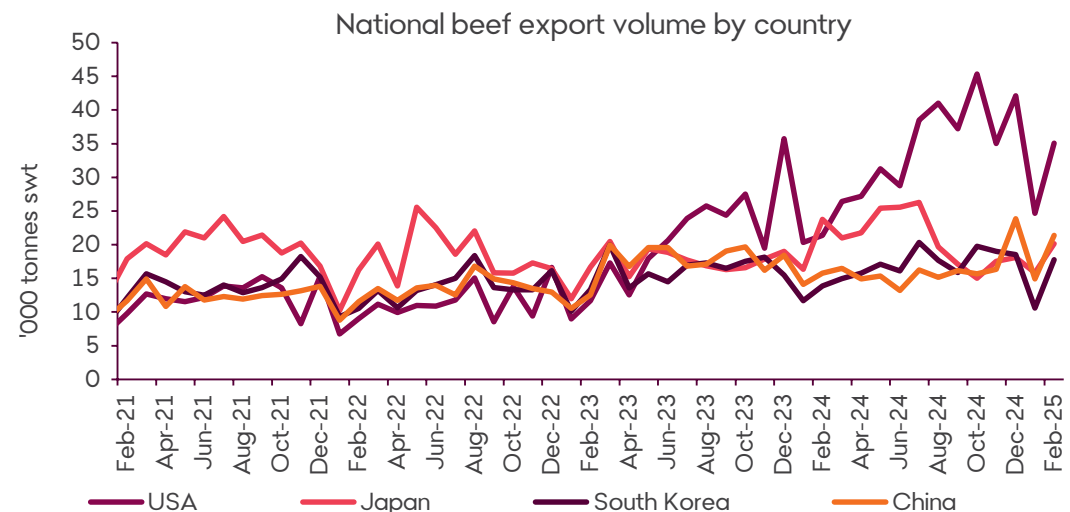
The story of US tariffs continues to make headlines in February

With official confirmation of the tariff's structure, global beef markets are preparing for a trade shift. A 25 per cent tariff on agricultural imports from Canada and Mexico is now locked in. Any potential tariff impact on Australia is still unknown at the present time but will continue to be a huge 'watch this space' for the industry going forward. Exports to the United States have remained at extremely high levels, but producers should be watching the market to see what happens in the ongoing saga. Canada and Mexico are large import markets for the United States, with Canada finishing just below Australia by the end of 2024 as the second largest market.

Beef exports boom in February

Australian beef exports have capitalised on the strong start to the year which was seen in January. National export volume sat at just over 117,500 tonnes (up 45 per cent from Jan) for the month. In a familiar tale, the United States continues to be the major export market, taking in just over 35,000 tonnes. Australia's ongoing high volumes to the United States is expected to continue throughout March. However, the potential impact on ports and processing centres from Cyclone Alfred may be a limiting factor in just how much can be transported. Some ports have already shut up shop temporarily in Queensland, waiting to see how conditions are before returning. Demand is expected to remain strong, with key competitors in Canada and Mexico seeing US import tariff come into effect, volume may very well rise again barring interference from weather conditions.

Looking at the other big three markets, China showed firm month-on-month growth of 42 per cent which is expected at this time of year, but of more note is a 36 per cent increase when compared to a year ago. With the tariff situation and robust appetite for beef, exports to China are also forecast to lift in March, barring the weather conditions in northern states. South Korea continues to be a strong market for Australian beef, now 11 per cent higher year-to-date and 28 per cent greater than a year ago. Exports to Japan have been an intriguing story, whilst volume was higher than January, they are lower when compared to a year ago and year-to-date.



Source: Global Trade Atlas

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