

# Cattle



## February Monthly Update



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### Key Watchpoints – February

- National beef exports broke the January volume record – will this record-breaking trend continue through February?
- Cattle prices recorded a decline in January, but as the industry recovers from horrific weather events will prices also recover?

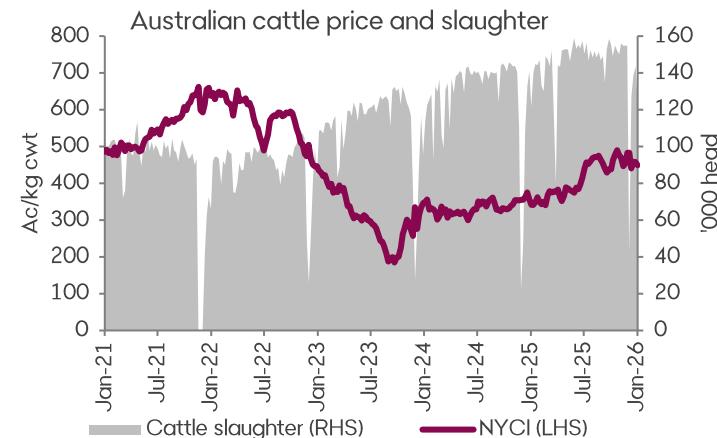
### Cattle prices decline to begin 2026

Australian cattle prices have begun 2026 with a notable decline, falling from the recent highs seen in the back end of 2025. The National Young Cattle Indicator currently sits at 447 c/kg, which is a fall of 7.5 per cent since the first week of the year. Despite this decline, when compared to historical averages, the National Young Cattle Indicator is 2.5 per cent above the five-year average and 19 per cent above the ten-year average.

The decline in cattle prices was driven by an abundance of supply following recent weather events. As a result of these recent severe weather events, many producers have been looking to sell stock. This influx of cattle without the accompanying lift in demand from processing centres and restockers has left prices waning over the last few weeks. Processing centres are reportedly booked out until the last week of February, and those who are filling in the gaps are offering lower prices at saleyards. Cattle prices are now expected to continue softening throughout February even as supply and demand begin to normalise. Longer term, improved pasture growth in northern areas could drive improved restocker demand and add some support to markets.



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Agribusiness



Cattle areas across the country suffered severely throughout the recent weather events across both northern and southern states. Saleyards were closed, roads were destroyed and livestock losses are still being counted. Despite the severe disruption to transportation for processing centres by these weather events, the national weekly slaughter rates sat at 133,500 head on average. This is about 8,000 above this time last year and reflects the strong supply and demand for stock being traded at the present time. Market expectations are that stock will remain plentiful at saleyards throughout February as less disruptions will allow slaughter rates to rise. Most processing centres, especially northern companies, say that they are booked out until late February and will be managing the backlog of stock that couldn't be transported due to weather events.

Source: MLA



## Australian beef exports sail to record volumes for January

National beef export volumes sailed to a new January record, finishing the month at 84,343 tonnes. This is four per cent higher than the extraordinary volume seen last year, it is also 20 per cent above the five-year average for January. Australian beef is in high demand on the international markets with several major buyers of Aussie beef seeing solid rises when compared to a year ago.

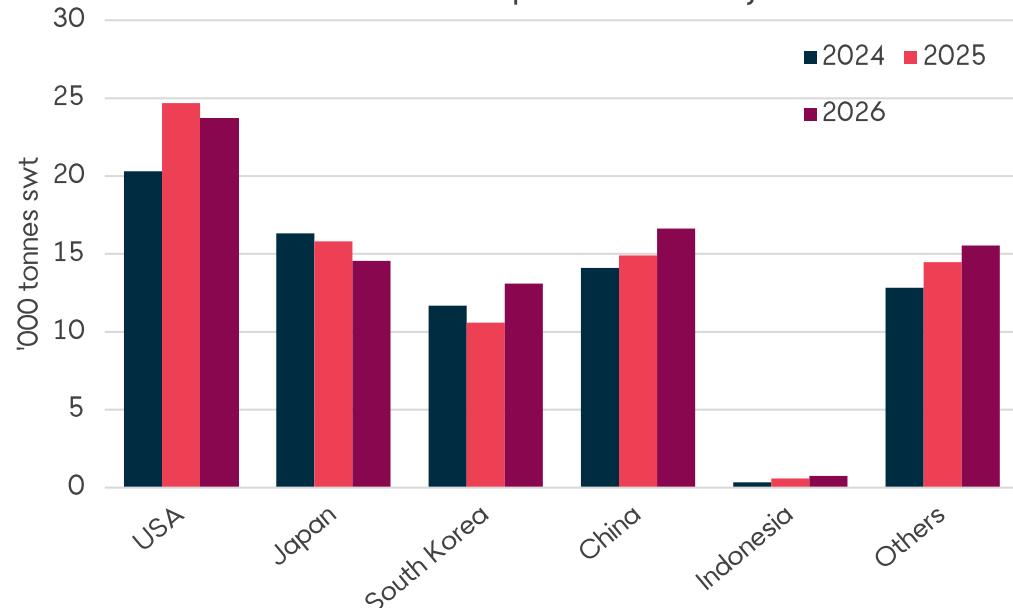
The United States has continued to be Australia's largest export partner to commence 2026. Export volume to the United States was 23,746 tonnes, accounting for 43 per cent of exports. This was followed by China. Australia's continuing beef trade with the United States has been remarkable and it is expected to continue throughout the remainder of this year as they continue to be in a beef deficit. However, despite remaining this far in front of other export markets, January's volume was four per cent lower than a year ago.

The confirmation from Chinese officials than an import quota of 205,000 tonnes was being implemented on Australian beef in 2026 captured market attentions at the start in January. For context 270,000 tonnes of Australian beef were exported to China last year amidst their trade spat with the US. Exports to China totalled 16,636 tonnes in January, which was the second highest volume after the United States but not enough to break their January record. Exports to China are forecast to remain very strong throughout the first half of 2026 or until this quota is reached and the 55 per cent tariff is implemented.

Australian beef exports to South Korea were strong in January with a volume of 13,100 tonnes. This is up 24 per cent from 2025 and this growth is expected now to continue over the next few months. South Korea typically imports large volumes of beef from the United States and with reduced supply available from that source, expectations are that South Koreans will be purchasing more Australian beef in the near term. In addition to this, the safeguard tariff has also been restarted in 2026 - so volumes are likely to rise until that threshold of 196,500 tonnes.

Australian beef exports to Japan began 2026 with 14,653 tonnes transported. Volumes to Japan have shown a gradual decline recently, this month was eight per cent lower than a year ago. However, with big local events due over the next few months such as the Golden Week holiday, demand is expected to pick up.

National beef exports for January



Source DAFF

## Indonesia imposes new allocations favouring Brazil over Australian beef

Australia is set to face fresh competition with Brazil for trade with Indonesia. Indonesia has announced this month that the proportion of import allocations for Brazilian beef has increased significantly. The recent removal of bans on 14 Brazilian processing centres has further supported this motion as Indonesia looks for a cheaper source of beef. Brazilian beef offers them a cheaper source and recently the Indonesian government passed laws to put a ceiling on what the maximum price of beef can be sold at from feedlots until the end of the Ramadan period. This swift manoeuvre is expected to hit Australian beef exports to Indonesia over the next few months and will see their imports of Brazilian beef increase, whilst making local beef cheaper to afford.

# Monthly Commodity Insights



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