

# Cattle



## May Monthly Update



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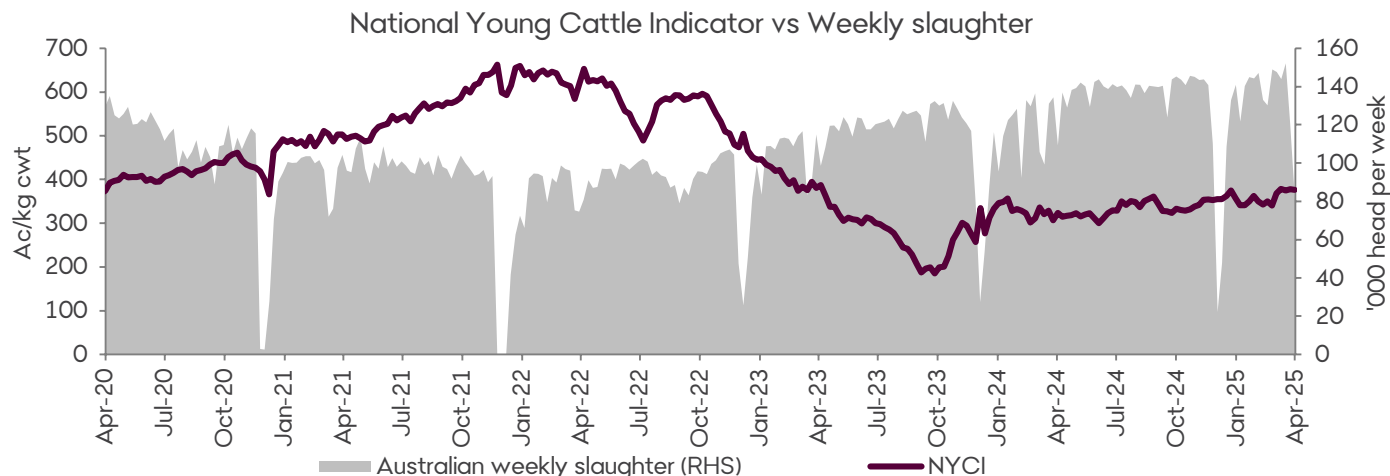
### Key Watchpoints – May

- With more days available for processing centres to work and high export demand – could we see that October monthly export record broken?
- Cattle prices remained mostly stable in April, but they could rise now thanks to more processing capacity.

### Cattle prices ticked marginally higher in April along with processing rates

Australian cattle prices recorded a marginal uptick in April, spurred on by intense competition for stock between processing centres who were eager to load up for exports. Export demand for Australian beef remains extremely high. The National Young Cattle Indicator currently sits at 379c/kg, up 20 per cent from a year ago. However, what could be a limiting factor over the next month is the significantly higher volume of cattle on the market in northern and southern states. The majority of those processing centres are now reported to be satisfied with their stock levels and booked out until at least June – with some until the end of June. This reduced buying from processors could in turn could spill over into prices and lead to a slight downwards shift.

The abundance of cattle on the market has come from strong volumes in particular from Northern Territory, and where those that couldn't be sold have moved into southern states. Ultimately, cattle prices may still see upside depending on how quickly processing centres can get through their current stock and get back into market. It's unlikely re-stocker demand will be very strong in the southern regions but the northern regions have seen favourable seasonal conditions so some more appetite may emerge there over the coming month.



Source: MLA

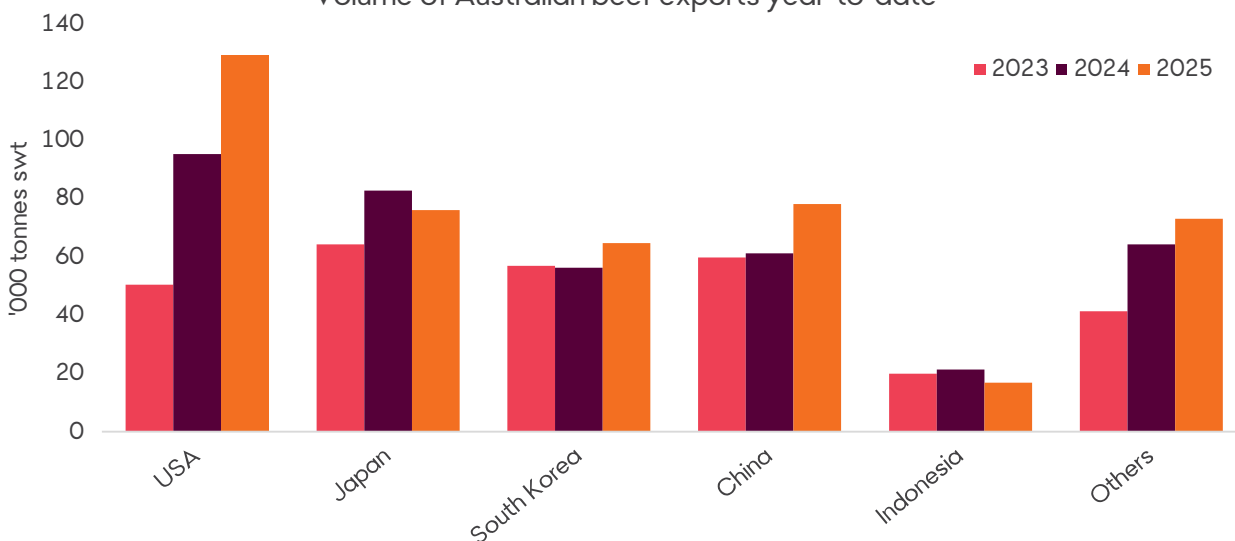


## Cattle yardings rise in late April

The number of cattle coming to market rose significantly throughout the second half of April. Meat and Livestock Australia's Eastern Young Cattle Indicator showed just under 23,000 head were used in the indicator's calculation on the 30<sup>th</sup> of April whilst in the first week it was around 10,000-11,000 head. This can be attributed to the stock arriving from Northern Territory, and Queensland producers looking to sell. Should this high volume continue throughout May, prices to ease with most processing centres already having purchased enough stock to last the month.

The Eastern Young Cattle Indicator has already begun to soften throughout the first week of May, falling from 716c/kg to 695c/kg. The first week of May has seen the head count situate at over 24,000 head daily, so this will be a very intriguing watch for the industry as we move into the middle and second half of May.

Volume of Australian beef exports year-to-date



Source: ABS

## Australia's beef export volume sails to near record monthly highs in April

Australia's beef export volume surpassed 127,000 tonnes in April, reaching the fourth highest monthly total on record. The record still sits with October 2024 which saw over 130,000 tonnes exported, mostly to the US due to their drought conditions. Once again, the US was the strongest market, taking in 37,213 tonnes, which is up 15 per cent from last month and 37 per cent from a year ago. This could be a calculated move by US importers, stocking up on Australian beef before the mooted 10% tariff comes into force and their own domestic supply remains at low levels (leaving them with little option but to import). For Australian beef loaded for shipment prior to April 10<sup>th</sup>, product can still clear US customs up until May 23<sup>rd</sup> without a tariff; as a result, the current export data does not reflect the impact of the 10 per cent tariff yet. It is expected that once the tariffs kick into gear over the coming month that these volumes may decline marginally though still sit elevated compared to long term averages. It is also now moving into BBQ season as summer draws closer in the US, which means domestic demand for beef increases.

Our other key markets including China, Japan and South Korea, are generally seeing export volumes continue to grow at a steady pace with all sitting higher year-to-date except Japan which have seen export volumes sit marginally lower. Canada is a growing market for Australia, sitting 20 per cent higher year-to-date and 47 per cent higher than last April with their herd currently near three-decade lows. The total volume is only 3,322 tonnes, but with drought conditions in Canada they may look to purchase more Australian beef throughout this year.

So where do beef exports go over the remainder of the month? Most likely in late May we will see stable to slightly lower export volumes, as tariffs on shipments formally begin in US customs on the 23<sup>rd</sup> of May, leaving that last week most likely lower than the first three weeks of the month.

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