

Cattle

October Monthly Update

Bendigo Bank
Agribusiness



Joe Boyle
Agricultural Analyst

Key Watchpoints – October

- Cattle prices were relatively steady throughout September on the back of strong export demand and firm processor throughput.
- Prices are expected to continue to find support, although dry conditions across some regions remain a concern.
- MLA has released their latest industry projections, tipping a decline in the national herd and production in 2026.

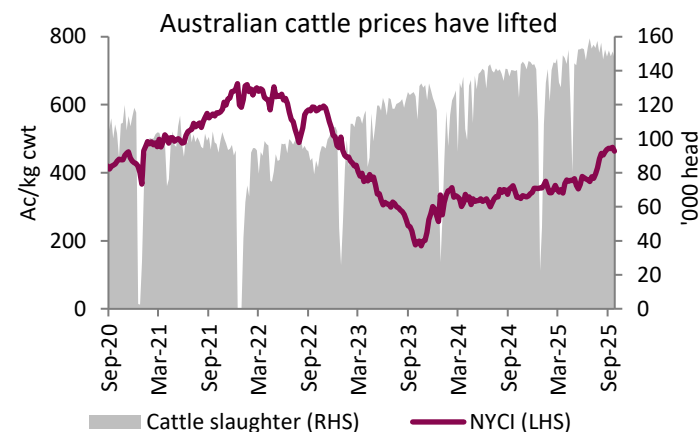
Australian cattle prices continue to move higher

Australian cattle prices showed relative stability throughout September. The National Young Cattle Indicator lost -2.0 per cent throughout September to now sit around 460 c/kg, while the National Heavy Steer Indicator gained +3.0 per cent.

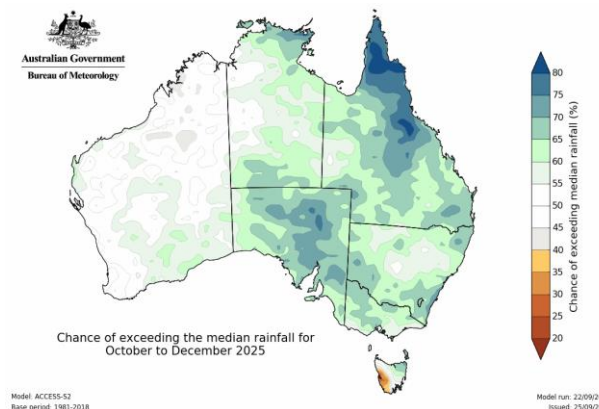
Prices continue to be supported by strong export demand, as well as high processor capacity as indicated in the graph on the right. Cattle slaughter averaged 149.6 thousand head per week in September, up 14.4 per cent compared to September last year and relatively in line with August. While export demand, primarily from the US, continues to provide underlying support for beef prices.

Comparatively favourable seasonal conditions across the northern growing regions continue to provide some support, although drier conditions more recently and across the south are limiting restocker activity. Should the favourable conditions forecast in the BOM's three-month outlook eventuate, an increase in restocker activity will continue to support prices.

Prices are expected to continue to track sideways over the next few weeks, although if dry conditions persist throughout October, we may see markets soften.



Source: MLA



Source: BOM



MLA is forecasting Australia's cattle herd to remain relatively steady in 2026

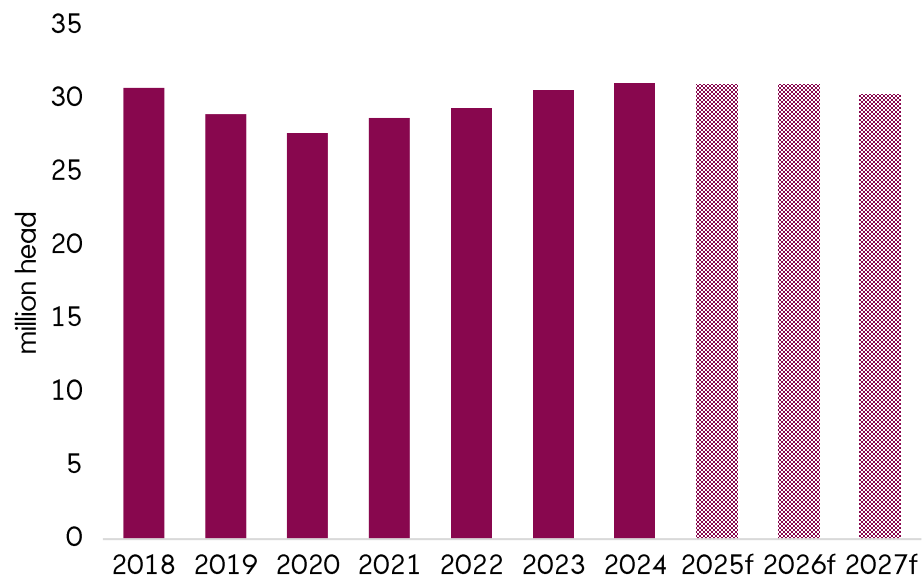
Meat and Livestock Australia (MLA) released their latest beef industry projections last month, forecasting that the national herd will be relatively steady into 2026, while production will soften. This comes on the back of favourable conditions in the northern regions, while sentiment is slowly starting to improve across the southern parts of the country following dry conditions over the past 18 months. However, growers in the south will require continued improvement in seasonal conditions to allow the rebuild to commence properly.

The national herd is tipped to decline slightly into 2026 to just over 31 million head, before declining further in 2027 to 30.3 million head. This follows growth of +12.2 per cent between 2020 and 2024 during the rebuild following drought conditions in 2018 and 2019.

Beef production is forecast to decline in 2026 and 2027 despite an increase in average carcass weights for both cattle and calves. Total slaughter is expected to peak in 2025 at 9.4 million head before declining to 8.7 million head over the following two years.

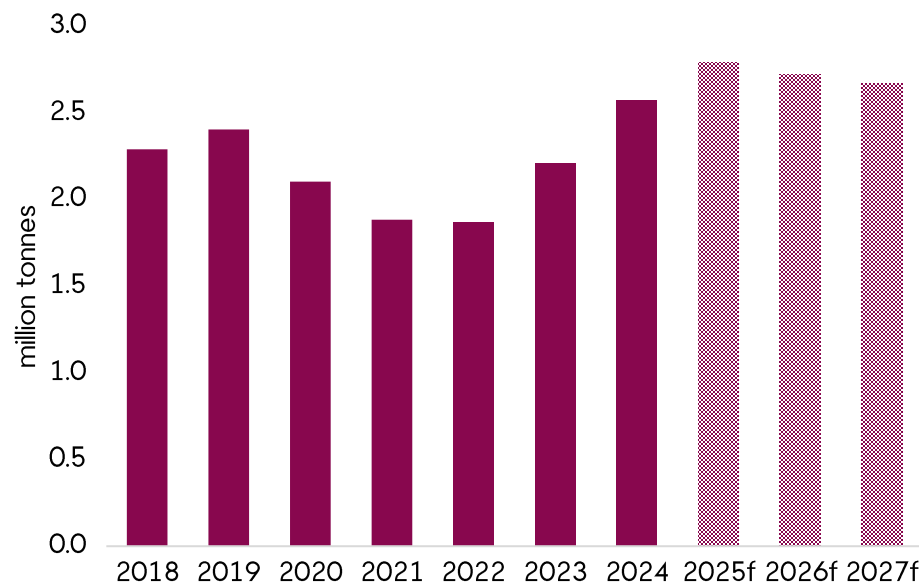
Export volumes are expected to edge lower on the back of declines in production, although the overall tight supply of beef globally and strong demand from the US is expected to limit downside.

Australian cattle herd



Source: MLA

Australian beef production



Source: MLA

This report has been created by Bendigo Bank Agribusiness Insights. It is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). The information herein is believed to be reliable and includes information obtained from official or other sources considered reliable. Bendigo and Adelaide Bank makes no representation as to or accepts any responsibility for the accuracy or completeness of information contained in this report. Any opinions, estimates and projections in this report do not necessarily reflect the opinions of Bendigo and Adelaide Bank and are subject to change without notice. Bendigo and Adelaide Bank has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth therein, changes or subsequently becomes inaccurate. Information contained in this report does not take into account your personal circumstances and should not be relied upon without consulting your legal, financial, tax or other appropriate professional. Bendigo Bank Agribusiness is a division of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879