

## Cattle prices ease, as heavy lambs push higher

With no respite to the dry conditions and no marked improvement in export demand, cattle prices continued to slide lower this week, with the rising A\$ also weighing on the market. In contrast to cattle, heavy lamb and mutton prices surged higher again this week, as numbers tightened, especially across southern markets.

Despite lower yardings across the southern states, the steady flow of young cattle continued to drive the EYCI lower, falling 3¢ on last week to 308.5¢/kg cwt. A return to a full week of sales saw the Queensland market back across most categories, with significant falls for trade and feeder cattle, as buyer demand waned.

A sharp fall in lamb yardings in Victoria and SA, back 26% and 25%, respectively, contributed to an 11% national decline in numbers, despite NSW offerings increasing 8%. The heavier categories benefited the most from the reduced numbers, with the ever tightening supply of heavy lambs helping prices increase 8¢ on last week, to 463¢/kg cwt – 114¢ above the same time last year.

Mutton prices continue to push into uncharted territory, up 5¢ this week, to a record 253¢/kg cwt, with concern rising about numbers going forward.

### Key developments:

The national mutton indicator reached its highest level on record this week – page 3

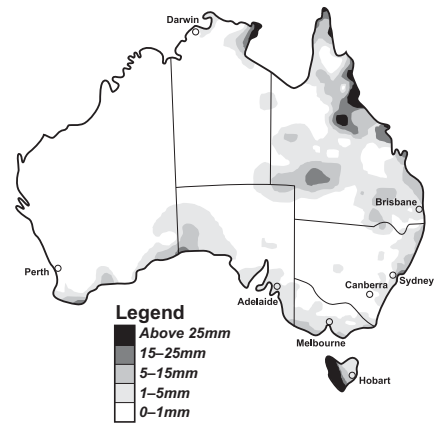
Tighter supplies saw New Zealand lamb exports fall in April to all major markets, except the US – page 6

Australia lamb exports rose 2% in April, with higher shipments to the Middle East outweighing lower volumes to most other major markets – page 8

Live cattle exports from Australia reached a record high for the month of March, following extensive flooding in the north in the early months – page 8

### Weather watch...

#### Rainfall analysis – week ending 14 May 2009



### Another dry week

It was another very dry week across Australia, with the only significant falls limited to the west coast of Tasmania and north Queensland. Southern producers are becoming increasingly concerned about feed and water supplies, with many already having reduced stock numbers in preparation for winter.

The forecast for the week ahead indicates the possibility of falls across southern SA and Victoria, along with southern Queensland and northern NSW.

### National saleyard indicators

MLA's NLRS

Cattle	Weight	Muscle/Fat		TW	LW	LY
Trade steer	330-400kg	C3	(¢/kg lwt)	172	176	170
			(¢/kg cwt)	322	323	320
Medium steer	400-500kg	C3	(¢/kg lwt)	156	163	156
			(¢/kg cwt)	292	305	291
Japan ox	500-600kg	C4	(¢/kg lwt)	163	162	163
			(¢/kg cwt)	296	295	298
US cow	400-520kg	D3	(¢/kg lwt)	119	122	118
			(¢/kg cwt)	249	255	246
Feeder steer	330-400kg	C2	(¢/kg lwt)	164	168	163

#### Sheep and lambs

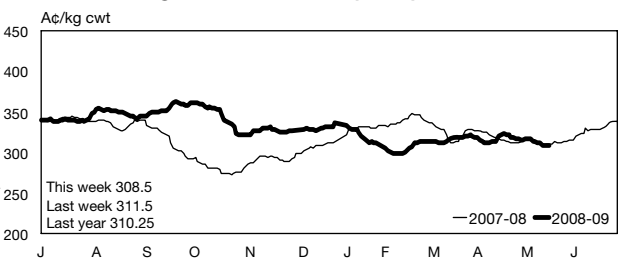
Restocker/feeder lamb	0-18kg	1-2	(\$/head)	67	63	50
Merino lamb	16-22kg	2-3	(¢/kg cwt)	375	381	285
Light lamb*	12-18kg	2-3	(¢/kg cwt)	384	390	299
Trade lamb <sup>#</sup>	18-22kg	2-4	(¢/kg cwt)	458	459	358
Heavy lamb <sup>#</sup>	22+kg	2-4	(¢/kg cwt)	463	455	349
Mutton	18-24kg	2-3	(¢/kg cwt)	253	248	190

\*1<sup>st</sup> & 2<sup>nd</sup> cross & Merino, <sup>#</sup>1<sup>st</sup> & 2<sup>nd</sup> cross

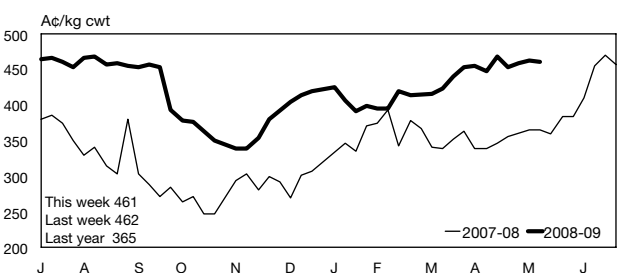
### Livestock prices

MLA's NLRS

#### Eastern Young Cattle Indicator (EYCI)



#### Eastern States Trade Lamb Indicator



### National over the hooks indicators

MLA's NLRS

Cattle (¢/kg cwt)	Weight	Muscle	Fat	TW	LW	LY
Trade steer **	220-260kg	A-C	3-12	312	310	323
Medium steer	260-300kg	A-C	7-22	285	285	296
Japan ox	300-420kg	A-C	7-22	281	281	294
US cow	200-240kg	A-D	3-22	233	231	234

Sheep and lambs (¢/kg cwt)	Weight	Muscle	Fat	TW	LW	LY
Light trade lamb	18-20kg	2-4		442	436	340
Heavy trade lamb	20-22kg	2-4		441	438	341
Heavy lamb	22-24kg	2-4		444	441	333
Mutton	18-24kg	2-4		207	204	170

TW = This week, LW = Last week, LY = Last year

\*\* New OTH weight changes on trade steers (see note on page S1)

## Deteriorating prices diminish supplies

Following last week's larger than normal cattle yardings, numbers across MLA's NLRS reported saleyards declined 9%, with most states contributing to the fall. The cooler temperatures and deteriorating season continues to force producers to offload cattle across various regions and markets, while the lack of demand and weaker competition restricted throughput at centres where holding onto unfinished stock remains an option.

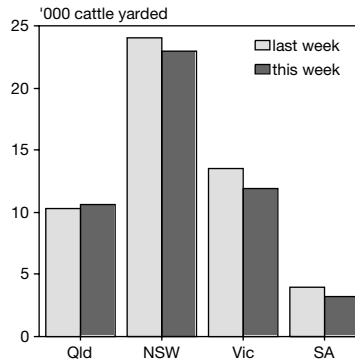
Queensland yardings lifted 3% this week with the return of all markets following last Monday's public holiday. The increased supply was largely due to a 40% rise in cattle offered at Warwick. However, there were fewer cattle sourced from pastoral districts this week, with offerings at Dalby and Longreach back 25% and 60%, respectively.

NSW throughput declined 5% this week and Victoria by 9%, with the lower offerings heavily influenced by a 29% fall at Gunnedah (NSW) and a 27% decline at Pakenham (Victoria).

The various store sales being held across northern NSW in past weeks may have attributed to the reduced numbers at prime markets, with a notable decline in the number of plain conditioned vealers entering the prime sales in north west NSW and the Hunter Valley. Larger runs of young cattle being available at weaner sales, along with the season deteriorating and winter approaching, has resulted in weaker restocker activity at prime markets, contributing to prices falling for young cattle. The rise in the A\$ has also reduced feeder and slaughter activity, with the cheaper trend encouraging producers to hold on where possible, reducing supplies in physical markets.

MLA's NLRS

National saleyard throughput at MLA's NLRS reported markets



Source: MLA's NLRS

## NSW cow quality slips

The quality of cows offered through MLA's NLRS reported saleyards in NSW during April declined significantly, as seasonal conditions deteriorated and producers looked to lighten numbers heading towards winter.

The season throughout April deteriorated quickly, following a reasonable start to the year across central and northern NSW regions. This, combined with the cooler weather as winter approaches, has had a significant impact on the quality and condition of cows being offered. Producers annually offload unfinished cattle in the lead up to winter in order to secure feed supplies for remaining quality lines.

In response to the increasingly difficult season, the proportion of lean one score cows offered to the market during April lifted 4%, to 12% of the total cows yarded. While there was 1% more two score cows offered during April than in the previous month, three scores remained unchanged, making up 36% of yardings. However, there were 4% less four scores offered in April, comprising only 22% of the market.

MLA's NLRS

## Young cattle struggle in eastern states

At the conclusion of Thursday markets, the Eastern Young Cattle Indicator (EYCI) had fallen 3¢ from the previous week, to 308.50¢/kg cwt – the lowest level since mid-February.

With young cattle dominating the markets and several store sales, supplies have been generally good. The deteriorating season and cooler weather have seen the quality of cattle offered decline, with weaker restocker activity reducing overall demand and competition. The rise in the A\$ over recent weeks has also restricted slaughter activity, along with feedlot competition.

MLA's NLRS

### Cattle movements

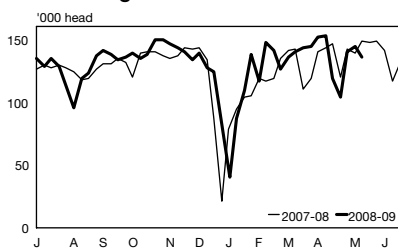
Slaughter statistics - for week ending 08/05/09

		TW	LW	LY
Qld	Cattle	60,877	74,368	66,382
	Calves	1,349	1,511	804
NSW	Cattle	40,557	36,552	39,215
	Calves	2,395	2,840	3,639
Vic	Cattle	22,741	22,638	26,747
	Calves	6,542	6,860	8,895
SA	Cattle	6,581	6,463	6,015
	Calves	136	171	106
Tas	Cattle	4,276	3,894	nq
	Calves	353	578	nq

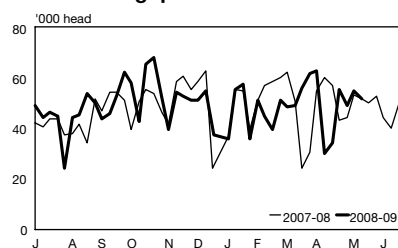
At NLRS reported centres

	TW	LW	LY
Qld	10,567	10,305	13,043
NSW	22,998	24,086	20,517
Vic	11,869	13,550	11,942
SA	3,210	3,886	3,452
WA	3,025	3,055	2,361
Tas	166	115	140

Cattle slaughter\*



Cattle throughput\*

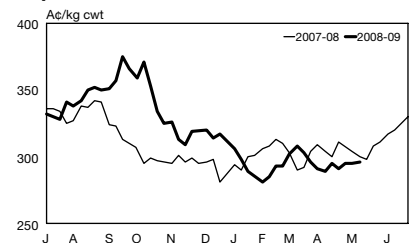


\*figure includes Tasmania as of March 2009

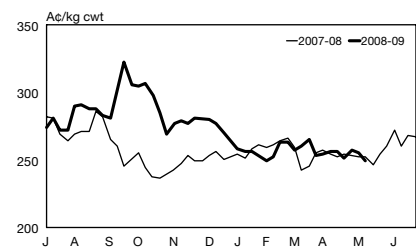
### National indicators

MLA's NLRS

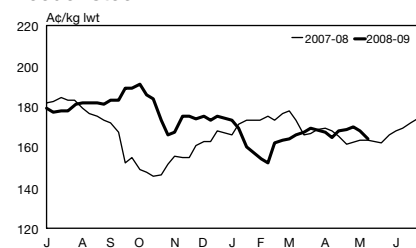
#### Japan ox



#### US cow



#### Feeder steer



Cattle price data is contained on page 1 of the statistics section.

## Mutton indicator charges forward

The national mutton indicator price continued its dearer run this week, gaining a further 5¢ on last week, to reach 253¢/kg cwt by the close of MLA's NLRS reported markets on Thursday. This is the highest weekly mutton indicator price on record, and the first time the mutton price has exceeded 250¢/kg cwt.

In past years, the annual price peaks for mutton have occurred in late June or early July, with prices reaching highs of 208¢ in 2008, 219¢ in 2007, 202¢ in 2006 and 223¢/kg cwt in 2005. With prices this year already at record highs during mid-May, they could be expected to remain at historically high levels throughout winter, especially if seasonal conditions improve and supplies become even tighter. The A\$ will also play a significant role in determining sheep prices in coming months, along with demand from processors, who are likely to reduce processing days through the winter months, especially if prices remain high and supplies tight.

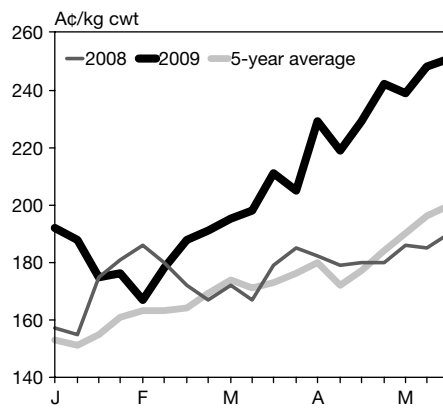
Southern markets were the main driver behind the increase in prices this week, with the Victoria mutton indicator price climbing to 274¢, while the SA indicator remained at 260¢/kg cwt.

With the southern lambing season moving into full swing, sheep numbers have retreated over the past few weeks. Sheep supplies were lower at both Victoria and SA markets, falling by 35% and 28%, respectively. In contrast, NSW and WA numbers increased slightly. In NSW, declines across the southern selling centres were offset by higher numbers across northern markets.

In WA, supplies of ewe mutton increased this week, although the majority were in lightweight condition, with a very limited number of heavyweight ewes offered. There was a reasonable supply of wethers and rams yarded, although there were few well finished drafts. Live export demand was more conservative on these grades, although store wether demand was again very strong from exporters, feeders and restockers. The WA indicator finished the week at 208¢/kg cwt.

MLA's NLRS

National mutton indicator



Source: MLA's NLRS

## Lamb supply tightens

Seasonally, Australian lamb throughput declines to a low point in the middle of winter, as spring drop lamb supplies from the previous year tighten. Over the past week at MLA's NLRS reported saleyards, lamb numbers have dropped 11%, with NSW, Victoria, SA and WA all having lower volumes.

With Victorian supplies tightening, the largest selling centres this week were the NSW central west markets of Dubbo and Forbes. At Dubbo, there was an increased percentage of plainer pens yarded compared to the previous market, with trade weights making up the bulk of the yarding. At Forbes, numbers lifted and quality was reportedly good, with a large percentage of medium and heavy trades penned. Heavy lambs were also well supplied, and light lambs which were suitable for restocking were limited to a handful of pens.

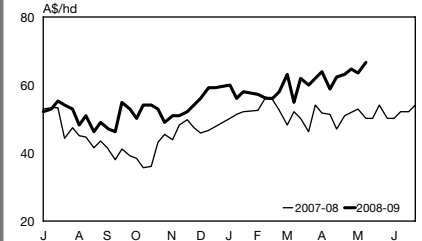
At the completion of Thursday markets, the national trade lamb indicator slipped back 1¢, to 458¢/kg cwt, while the heavy lamb indicator rose 8¢, to settle at 463¢/kg cwt.

MLA's NLRS

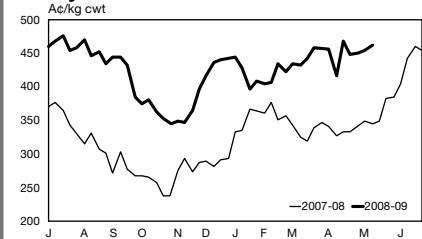
## National sheep and lamb indicators

MLA's NLRS

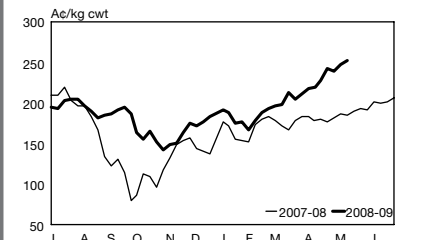
### Restocker feeder lamb



### Heavy lamb



### Mutton



## Sheep and lamb movements

MLA's NLRS

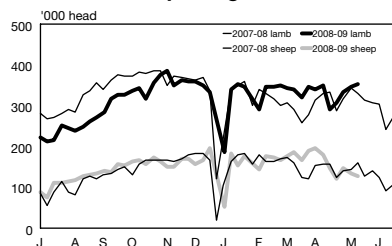
### Slaughter statistics - for week ending 08/05/09

		TW	LW	LY
Vic	Lambs	161,722	161,710	173,007
	Sheep	39,083	44,453	50,750
NSW	Lambs	98,268	94,521	93,474
	Sheep	51,522	48,305	53,797
SA	Lambs	79,559	78,655	73,610
	Sheep	23,151	23,162	23,894
Qld	Lambs	4,895	4,886	4,529
	Sheep	14,015	14,741	15,186
Tas	Lambs	8217	8695	nq
	Sheep	2114	3065	nq

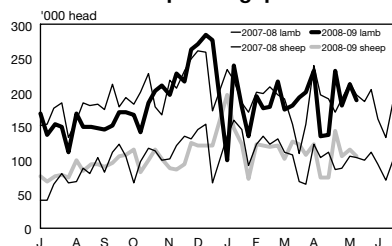
### Saleyard throughput - for week ending 14/05/09 At NLRS reported centres

		TW	LW	LY
Vic	Lambs	42,026	56,620	42,111
	Sheep	15,178	23,316	18,370
NSW	Lambs	110,335	101,989	100,965
	Sheep	38,336	36,952	39,910
SA	Lambs	20,392	27,367	25,949
	Sheep	9,110	12,673	12,067
WA	Lambs	15,000	25,000	14,000
	Sheep	42,414	41,726	29,305
Tas	Lambs	750	700	700
	Sheep	500	900	700

### Lamb and sheep slaughter\*



### Lamb and sheep throughput\*



\*figure includes Tasmania as of March 2009

Sheep and lamb price data is contained on page 1 of the statistics section.

## Beef and lamb wholesale prices stable

There was good general interest for beef at the Sydney wholesale market this week, with acceptable clearances achieved most days. This has been a fairly typical trend since February this year. With the onset of the cooler weather, the beef trade has slowly picked up. So far this year, quality for light and medium weight yearlings has been good, which has helped keep prices up. Prices have remained stable over the last three weeks for light to medium weight young carcasses, averaging 420¢/kg cwt – 30¢/kg higher than February.

Recently, the quality of heavyweight steers has been mixed. Heavyweight carcasses have been on a weaker yet fluctuating trend, averaging from 370¢ to 385¢/kg cwt, with a top price of 395¢/kg. Broken sales and all cartons held firm, although it is likely that forequarter cuts will become dearer as the cooler weather sets in – a trend that has slowly been evolving since the end of summer.

Lamb quality in the Sydney wholesale market was very mixed this week, with reduced supplies of finished medium weights selling from 480¢ to 580¢/kg cwt. Trade weight carcasses have remained stable over the past three weeks at 525¢, 85¢ dearer than February's price. Demand was only just sufficient to clear the rails. The onset of the cooler weather should help clear the rails a lot faster, as people choose more of the winter cuts, such as legs and stewing items. Forequarters this week sold from 400¢ to 450¢, to average 425¢/kg cwt. Short legs sold from 650¢ to 700¢, to average 675¢/kg cwt. Broken sales have held firm but are under pressure to decline as carcasses take up more of the market.

Volumes of pork items fell this week at the Sydney wholesale market in an effort to combat the current poor demand. However, prices for carcasses and boxed pork continued to fall – a trend that has been evident since February.

MLA's NLRS

### Heavy hide values rise

Green hide prices gained some ground in Victoria this week, despite the rising A\$, with reduced slaughter levels and steady competition for the remaining supplies. Prices in NSW were slightly higher.

Tanners continue to report difficulties in selling low quality hides to Europe; however, top grades are receiving solid demand. For Asia, sellers hope that demand will pick up coming into the traditionally busy months starting at the end of July.

Overall, it is anticipated that demand for automotive leather will dictate the market direction moving forward.

MLA's NLRS

### Skin values unchanged

The tight supply of both sheep and lambs is enabling skin prices to remain unchanged, helping to offset the impact of the rising A\$ and sluggish demand.

The quality of skins has been mixed, with some skins from northern and drier areas offered with seed and burr infestations. Most of the skins are reflecting the dry seasonal conditions, with some open, dry and discoloured skins.

Interestingly, some Chinese tanneries have ceased production due to pollution concerns from the government, with anticipation that this will impact contracts for skins in the coming months.

MLA's NLRS

### Hide indicator (\$/hide)

MLA's NLRS

	Green hides					
	141-180kg cwt			221-280kg cwt		
Qld	TW	LW	LY	TW	LW	LY
NSW	6.21	5.04	21.35	10.08	8.88	36.55
Vic & SA - cow	6.98	6.21	17.61	12.41	11.36	39.17
Vic & SA - ylg, ox, hfr	9.21	9.11	26.14	16.36	16.43	41.93
Weight	Tick free			Ticky		
	TW	LW	LY	TW	LW	LY
20+kg/hide	13.25	13.25	48.33	9.00	9.00	39.17
26+kg/hide	18.50	18.50	60.50	12.50	12.50	53.33
Brine cured hides (Qld)						
23-27kg/hide	40.25	41.00	66.29	25.00	25.00	55.26
27-31kg/hide	46.90	47.85	75.46	33.00	33.00	66.10
Wet blue hides (NSW, Vic & Qld)						
23-27kg/hide	40.25	41.00	66.29	25.00	25.00	55.26
27-31kg/hide	46.90	47.85	75.46	33.00	33.00	66.10

## Goat prices up

Contributors increased goat rates this week, with an extra competitor active in the market.

The record mutton rates have also encouraged the improvement in prices, despite the higher A\$. With cooler temperatures and slower pasture growth, the supply of goats has been relatively stable, with quality remaining good.

Goat prices increased 6¢ on last week, with most categories averaging between 164¢ and 168¢/kg cwt. These prices are similar to higher on the same time last year.

MLA's NLRS

### Goats OTH prices (¢/cwt)

MLA's NLRS

Category	TW	LF*	LY
0-8kg	150	150	140
8.1-10kg	167	163	157
10.1-12kg	164	159	175
12.1-16kg	168	162	168
16.1-20kg	166	160	158
20.1kg+	167	163	156

\* LF = Last fortnight

### Grain feed prices (\$/tonne)

Daring Downs	TW	LW	LY
Wheat	230	230	420
Barley	210	210	340
Sorghum	185	185	248
Riverina			
Wheat	250	250	410
Barley	220	220	365
Sorghum*	260	257	325

\*includes freight Source: ProFarmer Australia

### Eastern Market Wool Indicator (¢/kg)

AWEX E.M.I	TW	LW	LY
	834	830	890

Source: Australian Wool Exchange Ltd. [www.awex.com.au](http://www.awex.com.au)

### Skin indicator (¢/skin)

MLA's NLRS

w/e 8/5/09			
Lambs	TW	LW	LY
2"+			
16.1 - 20kg	700	700	1050
20.1 - 24kg	800	800	1100
24.1kg +	800	800	1300
1"-2"			
16.1 - 20kg	700	700	1050
20.1 - 24kg	750	750	1250
24.1kg +	800	800	1400
0.5"-1"			
16.1 - 20kg	500	500	950
20.1 - 24kg	550	550	1100
24.1kg +	600	600	1300
New season			
16.1 - 20kg	600	600	750
20.1 - 24kg	650	650	800
24.1kg +	700	700	ng
Merino sheep (average 25 micron)			
1.5"-2"			
16.1 - 20kg	625	625	900
20.1 - 24kg	750	750	1100
24.1kg +	850	850	1200

## Butcher sales rebound in April

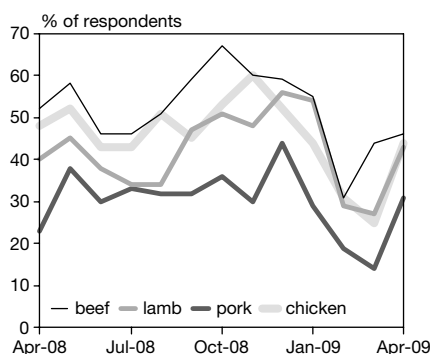
Butcher sales during April improved on levels in March, though values were mixed compared with a year ago (MLA's butcher survey carried out by Millward Brown). A shift by consumers from dining out to cooking more at home may have assisted the increase in meat sales. Also, improved consumer sentiment over the first half of April, possibly due to the government's economic stimulus measures, may have assisted in boosting sales.

In April, 46% of respondents reported 'very good to excellent' beef sales, up from 44% in March, but below responses in April 2008 (52%). For lamb, 43% of butchers surveyed noted that sales were 'very good to excellent', higher than the 27% of respondents in March and 40% in April 2008.

About 31% butchers reported 'very good to excellent' pork sales during April compared with 14% in March and 23% in April 2008. During the same period, around 44% of respondents noted 'very good to excellent' sales of chicken, up from 25% on the previous month, although below the 48% registered in April last year.

Price information provided by 100 butchers during April indicated mixed beef prices, while lamb prices remained relatively strong on the same period last year.

Butchers' rating of 'very good to excellent' sales



Source: Millward Brown National Field Services

## Steady interest from Japan

Australian exporters noted consistent beef demand from Japan this week, despite the A\$ creeping higher.

The Japanese wholesale market also reported relatively firm interest in imported beef, even after Golden Week (a series of public holidays from 29 April to 6 May). US barbeque items were in good demand, with chilled steak ready (striploin) prices lifting 5% from the previous week to 1,850 yen/kg for Choice grade. Australian chilled striploins traded at around 1,450 yen/kg for shortfed (down 3%) and 2,250 yen/kg for middle fed (up 13%).

## US imported beef prices rise

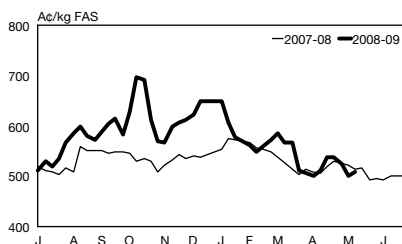
Trading activity in the US imported beef market was boosted this week by US end users looking to fill orders before next weekend's Memorial Day holiday (a period viewed as the busiest weekend of the year for beef demand). Imported 90CL cow beef prices jumped 2% this week in both US\$ and A\$ terms.

Market participants are now focused on cow meat supplies over coming months, as the Cooperatives Working Together group announced it has accepted 103,000 dairy cows in its dairy herd retirement program.

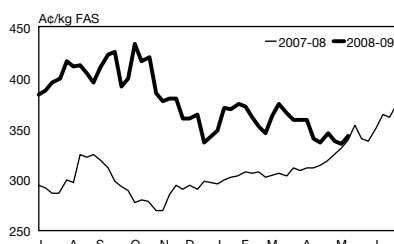
### Export price watch

Source: Australian trade, US trade

Japan grassfed fullset price



90CL cow price to US



## A\$ puts pressure on Korean importers

Australian beef exporters expressed confidence in the Korean market, noting a lift in interest with the majority reporting steady trade. Despite the optimism, early beef export data (1-11 May) indicates Australian shipments to Korea have been subdued.

Reasons for subdued exports over the last two weeks include cut backs in weekly shifts by major processors, and a rapidly appreciating A\$ against the US\$. Since most Korean traders conduct business in US\$, the 6¢ increase in the A\$ against the US\$ over the last two weeks has strongly impacted available Korean funds for Australian beef. Australian beef stock levels remain low, but due to flat consumer demand, companies have not been urged to increase their volumes.

Wholesalers in the Korean beef market did not show much activity this week, resulting in steady prices for Australian beef. US beef prices in the Korean wholesale market were also unchanged.

US beef shipments for the last four months (17,186 tonnes swt) were more than half those during the same period in 2008 (32,109 tonnes swt) due to lingering consumer concerns.

### Major demand indicators (A\$/kg FAS)

Japan	TW	LW	LY
Grassfed f/set	509	499	516
Shortfed f/set	604	593	661
Fore/hind blended	352	356	339
<b>US</b>			
Cow 90CL	343	335	353
Trim 85CL	315	307	338
Knuckles - steer	380	379	445

Source: Trade

### US lamb market

	w/e 14/5/09	TW	LW	LY
HRI leg (US\$/lb)	403	403	408	
HRI rack (US\$/lb)	628	650	743	
US lambs 55-65lb (US\$/lb dw)*	nq	236	nq	
US sheep and lamb slaughter ('000 head)	*w/e 8/5/09	42	42	43

Source: HRI Buyers Guide, USDA

### Exchange rate

Major currencies against the A\$	around 9am 14/5/09		
	TW	LW	LY
US dollar	0.753	0.752	0.931
Japanese yen	71.94	74.04	97.66
Korean won	954	950	977
UK pound	0.497	0.497	0.478
Euro	0.555	0.566	0.602
NZ dollar	1.272	1.278	1.230
Indonesia rupiah	7846	7794	8668

Source: Infoscian

TW = This week, LW = Last week, LY = Last year

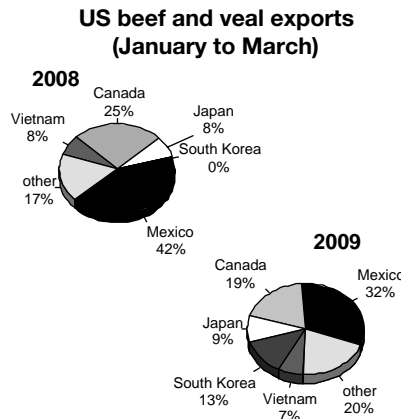
## US beef continues to move abroad

US beef exports during March increased 5% on year ago levels, and the value of these shipments rose by 4%.

US beef consignments to Japan continued to gather pace, increasing by 42% in March. Reports are attributing this rise to the increased availability of US cattle under 20 months of age. It is expected that the supply of eligible US cattle will continue to be higher through to mid-year.

While shipments to Korea during March were significantly higher on last year, exports from month to month have slowed since the start of the year.

In the first quarter of 2009, US exports were 7% higher on 2008, with much of the increase reflecting the re-opening of the North Asian markets, as shipments to the US' s largest export volume markets, Mexico and Canada, fell. The decline was due to their slumping currencies and a fall in live cattle imports from Canada and Mexico, which has pressured their own domestic beef supplies higher. US beef exports to Vietnam have more than doubled this year.



Source: USDA

## US and EU reach provisional agreement in beef dispute

The US and EU have reached a tentative deal, subject to approval of EU member states, which will provide the US with additional high quality beef (hormone free) quota access. The new quota will reportedly have a 0% in-quota duty and will comprise 20,000 tonnes in its first three years and expand to 45,000 tonnes beginning in the fourth year. This is in addition to the current yearly 11,500 tonne High Quality Beef quota (with a 20% in-quota duty) granted (jointly) to the US and Canada (*Agra Europe Weekly*).

The agreement comes in response to the long standing dispute over hormone treated beef, but does not eliminate the current ban the EU holds on imports of beef produced from growth hormone treated cattle.

In addition to the duty free quota, both parties agree to refrain from further litigation at the World Trade Organization (WTO) with respect to hormone treated beef access for at least 18 months. The US would also refrain from imposing rotating retaliatory sanctions on certain products imported from the EU.

In response to the above, the Brazilian ambassador to the WTO has stated that Brazil will closely monitor how the quota is defined and administered in order to ensure there is no discrimination. According to WTO rules, what is offered to one trading partner has to be similarly offered to others. A spokesperson for the EU commented that the new quota will be available to all other partners, as long as they fulfil all the requisites that will be published before year end (*Valor Econômico*).

## NZ's focus changes amid lamb shortages

New Zealand lamb exports totalled 30,363 tonnes swt in April, 13% lower than the previous year, as tighter supplies vastly reduced the amount of product available for export. Exports declined 6% to China (2,481 tonnes), 9% to the EU (16,328 tonnes) and were flat to the Middle East region (3,819 tonnes).

Exports also fell 12% to the UK (8,096 tonnes) – traditionally one of the highest earning markets for NZ lamb. The profitability of the UK market has decreased due to a combination of exchange rate movements (the NZ\$ has risen 7% over the October-April year against the GBP£) and declining consumption of red meat, in response to higher retail prices and the recession.

NZ lamb volumes to the US rose 9% in April to 1,585 tonnes, driven mainly by exchange rate movements – the NZ\$ in April was 29% lower than the US\$ year-on-year and 8% down compared to October. NZ lamb in US\$ terms is now cheaper than at any time in the past 12 months (NZ Agrifax).

### US beef price indicators (US¢/lb)

	TW	LW	LY
90CL fresh	149.8	148.5	166.3
Chucks	130.0	126.5	144.5
Choice beef cutout	146.0	145.7	155.2
5 mkt fed steer (lwt)	84.1	85.6	93.8
CME feeder cattle (lwt)	99.1	99.5	106.6
Cutter cow carcass (lwt)	84.0	84.0	88.0

Source: Umer Barry, USDA

### Cattle slaughter ('000 head)

	TW	LW	LY
w/e 2/5/09			
<b>US - total</b>	666	650	701
year to date	11,058	10,392	10,841
US - cows	111	109.7	116
year to date	2,109	1,998	1,944
w/e 9/5/09			
<b>Uruguay - total</b>	54	47	64
year to date	800	747	902

Source: USDA, World Beef Report

### NZ livestock prices (A¢/kg)

	TW	LW	LY
w/e 8/5/09			
Bulls 296-320kg	252	243	255
Cows 170-195kg	162	171	176
Steers 295-320kg	260	261	277

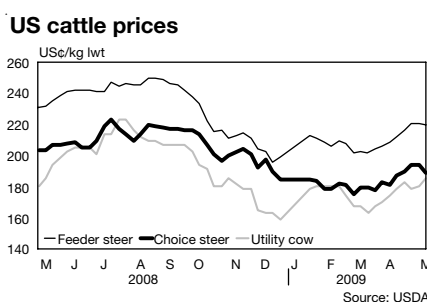
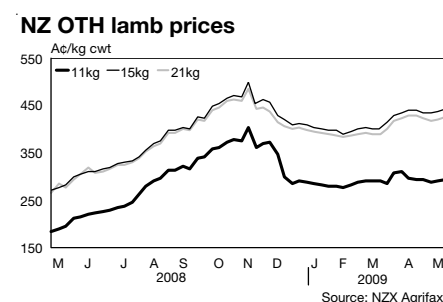
Source: Agri-Fax

### NZ export lamb market

	TW	LW	LY
A¢/kg			
w/e 8/5/09			
NZ chilled export leg to EU (FAS)	819	805	837
SI lamb 15kg dw	435	428	295

Source: Agri-Fax, AgBrief

### Competitor prices



## EU assessing Brazilian beef access

The EU is considering adapting its traceability requirements for Brazilian beef. The EU Animal Health Directorate has stated it will consider the Brazilian beef industry's demand for increased flexibility in farm certification.

The Directorate will assess increasing flexibility with different members of the EU Commission after analysing the report on the last EU's veterinary mission in Brazil, taking into account possible guarantees granted by the Brazilian beef industry.

Despite minor problems being found during the mission, the Directorate affirms these were not key failures.

### Basis analysis

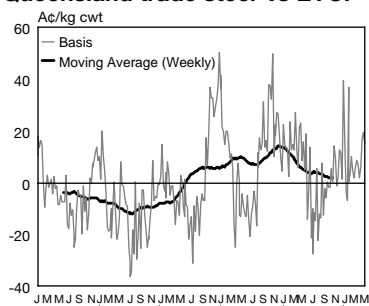
#### Queensland trade steer vs. EYCI

Basis (the difference between the cattle cash price and the EYCI) for the Queensland trade steer started 2009 fairly volatile, ranging from -7¢ to 36.75¢ within a five week period.

More recently, the basis has unseasonally started to strengthen over the past four weeks (basis usually starts to weaken heading into the winter months). The stronger basis is largely attributed to the weaker EYCI, as higher trade steer prices have been similar to five-year average levels. Pressuring the EYCI below five-year average levels has been reduced buying competition and higher young cattle numbers yarded across the eastern states. Reports have also indicated producers are turning off plainer quality animals and retaining better conditioned animals to carry over winter.

Basis also strengthened this time last year, although come mid-May, basis quickly weakened.

#### Queensland trade steer vs EYCI



Source: MLA's NLRs

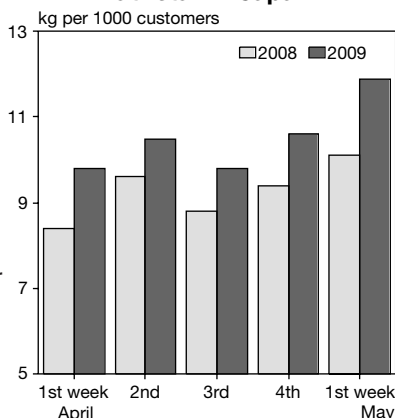
## Golden Week lifts sales of Aussie beef

In spite of the country's recessionary climate, the Japanese trade reported 'reasonably strong sales' of imported beef during Golden Week (a series of public holidays from 29 April to 6 May), particularly for Australian product.

Point of sales data at Japanese retail recorded a consistent increase in Australian beef purchase volumes since early April, with an 18% lift year-on-year during the first week of May (Agriculture and Livestock Industries Corporation of Japan). In contrast, pork sales dwindled in the same week, and chicken slightly reduced.

In the Japanese wholesale market, demand for Australian beef was intact, with prices gradually increasing towards Golden Week. Prices of popular items, such as chilled shortfed navel-end brisket, lifted 12% to 775 yen/kg by the end of April compared with a month earlier, while chilled shortfed striploin and tenderloin prices also rose, up 5% to 1,500 yen/kg and 10% to 1,925 yen/kg, respectively.

### Australian beef purchase volumes at retail in Japan



Source: ALIC POS data, average purchase volume

Historically, beef wholesale prices decline significantly after Golden Week. This year, however, the trade expects prices to remain firm due to limited imports from Australia, and subsequently tighter stocks in the market.

## US corn prices face upswing in 2009/10

The USDA has released its first forecasts for 2009/10 US corn production and usage in its latest *World Agricultural Supply and Demand Estimates* report. It reveals that US corn production is forecast to fall on 2008/09 volumes, to 12.09 billion bushels (a decline of 11 million bushels). Lower plantings are expected to more than offset higher yields.

Currently, wet conditions across the eastern cornbelt in Illinois, Indiana, Ohio and Michigan are delaying corn plantings, with reports indicating only 18% of corn acres have been planted across this area (these states last year accounted for over 30% of the US corn crop in 2008). Overall, though, reports indicate US corn planting progress is running on par to year ago levels.

Contrary to the expected fall in production, 9% more corn is expected to be used for ethanol production, at 4.1 billion bushels. This reflects the rising biofuels mandate and improved blending incentives.

US corn exports are also forecast to rise by 9%, placing pressure on ending stocks for 2009/10, which are expected to decline 28%.

With corn supply forecast to fall and usage expected to rise, season-average corn prices for 2009/10 are projected at US\$3.70 to US\$4.50/bushel. This compares with the record US\$4.20/bushel in 2007/08 and US\$4.10 to US\$4.30/bushel estimated for 2008/09.

## May 09 contract expiry drawing near

The cattle futures market remained in a subdued state, with no contracts traded for the second consecutive week. With only a couple of days until expiry, the May 09 contract shed 5.5¢/kg, settling on Thursday at 307.5¢/kg cwt – a 1¢ discount to the EYCI.

Open interest currently stands at 49 contracts, and it looks likely that upon the May 09 contract expiry next Tuesday, open interest will drop to only 12 contracts.

### MLA/SFE Cattle Futures (¢/kg cwt)

week ending	High	Low	Volume	Settle	Open Interest
14/05/09					
May-09	nq	nq	0	307.50	37
Jul-09	nq	nq	0	317.50	12
Sep-09	nq	nq	0	325.00	0
Nov-09	nq	nq	0	309.00	0
Jan-10	nq	nq	0	309.50	0
Mar-10	nq	nq	0	309.50	0
May-10	nq	nq	0	309.50	0
Jul-10	nq	nq	0	309.50	0
Sep-10	nq	nq	0	309.50	0

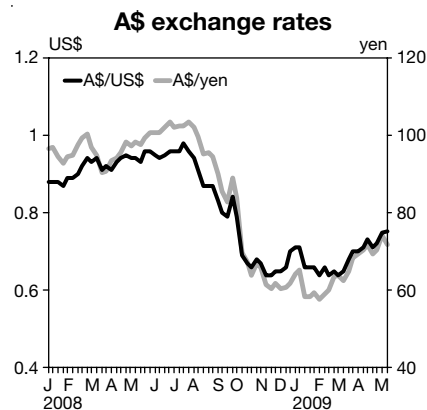
EYCI: 308.5

Source: MLA/SFE

## A\$ moving higher

The A\$ has moved higher in recent weeks, as demand for the A\$ improved, largely on the back of speculation of improved commodity prices and relatively high interest rates compared to most other major economies, at 3%. After reaching a high of 76.9US¢ this week, the A\$ finished Thursday at 75.2US¢, up 19% since the low point so far in 2009 of 63.2US¢ in early February.

As recession conditions continue to grip almost all major advanced economies across the world, and a recovery not expected until well into next year, expectations about the future direction of the A\$ are mixed. Through to the end of the September quarter, some of the major Australian financial institutions are forecasting the A\$ to range from 68–75US¢. These forecasts widen through to the end of 2009, ranging between 65–77US¢ and continue to diverge into 2010.



Source: Reserve Bank of Australia

## Live sheep exports decline

Australian live sheep exports declined during March, as the availability of sheep for live shipment continued to tighten. Exports in March declined 26% year-on-year, to 273,527 head, taking numbers for the first quarter of 2009 to 854,896 head, 14% below the corresponding period last year.

Shipments to Kuwait were back 47% year-on-year, to 29,412 head, while volumes to Saudi Arabia declined 5%, to 62,000 head. Exports also decreased to Oman (36,000 head), Qatar (25,000 head) and Jordan (63,671 head).

In contrast, exports to Bahrain posted strong growth in March, up 55% on the same month last year, to 55,000 head. For the first quarter of 2009, exports to Bahrain were at a record high, increasing 21% on 2008, to 179,000 head.

## Record March live cattle exports

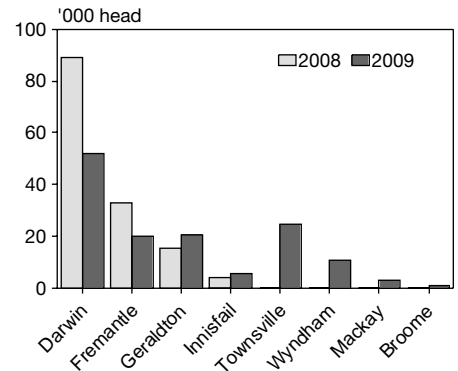
After a slow start to 2009, Australian live cattle exports rebounded during March, as cattle started moving again after the extensive flooding in January and February. Cattle exports for the month reach 83,735 head – a record high for March and 13% above the same time last year (Australian Bureau of Statistics).

Cattle shipped to Indonesia in March increased 6% year-on-year, to 65,221 head – the highest monthly volume since September last year. Contributing to the jump in March shipments was the reduced shipments sent during January (37,710 head) and February (34,256 head), with numbers back 10% for the first two months of the year.

Reflecting the disruption to cattle movements from the extensive flooding across northern Australia, the number of cattle loaded out of Darwin for Indonesia fell 41% during the first three months of 2009, to 52,132 head. With total exports to Indonesia only back 3% for January to March (at 137,187 head), the decline in cattle out of Darwin was largely offset by increased cattle loaded out of Townsville, Geraldton, Wyndham, Innisfail, Mackay and Broome.

While exports for March were dominated by Indonesia, accounting for 78% of shipments (compared to 75% in March 2008), 12,274 head were exported to the Middle East, while Malaysia (2,495 head), Japan (1,890 head) and China (1,848 head) also received shipments.

Cattle exports to Indonesia by port of loading: January - March



Source: ABS

## Australian lamb heads to the Middle East

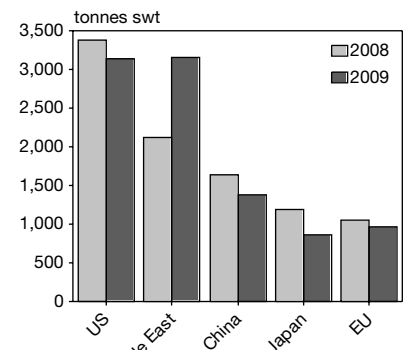
Australian exports of lamb rose 2% in April (year-on-year) to 14,025 tonnes swt, despite lower volumes recorded to most major markets. Total exports were helped by increased supplies, with production in March 19% higher year-on-year to 38,049 tonnes cwt.

Shipments of Australian lamb during April were lower to the US (down 7% to 3,132 tonnes), China (back 16% to 1,380 tonnes), EU (down 7% to 965 tonnes) and Japan (27% lower to 864 tonnes). Currency movements have been one factor behind the lower exports to these destinations, as the A\$ appreciated 6% against the US\$ in April, 6% against the Euro and 8% against the yen, while lamb livestock prices remained high.

Countering this, exports of Australian lamb to the Middle East rose 49% year-on-year in April to 3,154 tonnes swt, as stockpiles of product remained low in the market.

Mutton exports declined during April, falling 17% year-on-year to 12,507 tonnes swt. Shipments declined to the US (44% to 767 tonnes), Middle East (10% to 5,035 tonnes), Russia (77% to 309 tonnes) and South Africa (8% to 645 tonnes). Mutton exports for the 08/09 fiscal year to April were 7% below the previous year, at 125,223 tonnes swt.

Australian lamb exports in April



Source: DAFF

## Domestic Indicators

TW = This week, LW = Last week, LY = Last year

Category definitions are as per tables on front page.

### Over the hooks cattle indicators (¢/kg cwt) MLA's NLRS

	Qld*			NSW			Vic			SA			WA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Trade steer**	280	284	306	291	293	306	351	346	340	nq	nq	nq	316	316	366	320	310	295
Medium steer	275	281	299	282	282	300	315	315	310	nq	nq	nq	259	259	285	295	287	287
Japan ox	280	288	301	285	286	305	285	285	300	nq	nq	nq	259	259	275	295	287	287
US cow	226	235	225	236	236	239	240	240	248	220	220	240	nq	nq	nq	245	225	220
EU steers	290	300	330	325	325	350	nq	nq	nq	nq	nq	nq	258	258	270	nq	nq	nq

\* Qld quotes are for Southern Queensland only

\*\* New OTH weight changes on trade steers (see note below)

### Saleyard cattle indicators MLA's NLRS

	Qld			NSW			Vic			SA			WA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Trade steer (¢/kg lwt)	158	172	161	173	175	171	182	173	175	182	184	175	nq	nq	163	164	173	160
(¢/kg cwt)	313	327	315	321	323	319	337	323	325	336	323	325	nq	nq	299	306	318	296
Medium steer (¢/kg lwt)	162	168	156	153	156	152	159	163	164	174	nq	165	nq	nq	144	nq	nq	nq
(¢/kg cwt)	302	314	291	286	292	284	297	301	306	325	nq	324	nq	nq	262	nq	nq	nq
Japan ox (¢/kg lwt)	161	160	164	164	160	161	163	169	168	162	164	165	nq	nq	155	150	156	160
(¢/kg cwt)	294	286	296	296	295	292	300	309	311	303	304	311	nq	nq	282	273	282	297
US cow (¢/kg lwt)	121	124	116	118	120	116	123	127	129	127	125	129	117	115	119	106	102	108
(¢/kg cwt)	245	252	234	247	254	245	252	260	269	274	271	279	233	229	237	225	215	235
Feeder steer (¢/kg lwt)	159	168	161	162	165	164	169	171	157	175	171	162	164	166	171	nq	nq	nq

### Over the hooks sheep and lamb indicators (¢/kg cwt) MLA's NLRS

	Vic			NSW			SA			WA			Tas			Qld		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Light trade lamb	458	455	353	463	460	353	460	445	347	413	413	321	440	425	345	420	420	320
Heavy trade lamb	459	461	348	453	452	343	460	455	347	419	419	337	440	425	345	415	415	325
Heavy lamb	458	458	331	455	454	338	460	455	327	421	421	337	445	430	340	425	425	325
Mutton	237	239	181	234	223	191	200	200	160	154	154	110	195	190	180	220	220	200

### Saleyard sheep and lamb indicators (¢/kg cwt) MLA's NLRS

	Vic			NSW			SA			WA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Restocker/feeder (\$/head)	68	66	50	68	64	55	67	60	59	56	53	39	70	70	48
Merino lamb (¢/kg cwt)	382	377	282	368	375	291	399	377	279	325	407	250	nq	nq	nq
Light lamb (¢/kg cwt)	417	407	315	374	391	290	390	368	293	310	338	268	432	433	340
Trade lamb (¢/kg cwt)	478	453	363	454	465	361	455	453	359	406	410	287	413	428	327
Heavy lamb (¢/kg cwt)	478	460	356	462	459	350	460	460	333	401	382	298	397	409	329
Mutton (¢/kg cwt)	274	264	211	256	256	200	260	265	208	208	195	135	178	209	182

### Over the hooks pig indicators (¢/kg cwt) MLA's NLRS

	NSW			Qld			Vic			SA			WA			Tas		
	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY	TW	LW	LY
Pork DF 45 - 60kg	386	394	280	388	390	256	389	392	267	390	398	272	302	302	302	nq	nq	nq
Bacon GI 60 - 75kg	361	367	248	345	350	231	360	362	247	349	356	238	271	271	249	nq	nq	nq
Backfatter sows 90kg+	181	181	86	159	159	105	202	202	111	223	223	132	79	79	79	nq	nq	nq

### Feeder cattle indicators (A¢/kg lwt)

Paddock sales <small>w/e 8/5/09</small>			
Domestic	TW	LW	LY
Steers 280-350kg	174	174	170
Heifers 280-350kg	161	159	159
Export			
Shortfed 100-120 DOF	170	171	172
Mediumfed 120-220 DOF	173	173	175
Longfed 220+ DOF	182	182	185

NOTE: Feeder cattle prices are for cattle purchased for direct entry into feedlots.

### Live export price quotes (¢/kg lwt)

		TW	LW	LY
Light steers (280 - 400 kg)	Darwin	170	170	175
(280 - 400 kg)	Fremantle	nq	nq	nq
Heavy steers (400+ kg)	Darwin	160	160	160
(400+ kg)	Fremantle	nq	nq	nq
Export wethers (A\$/head)	Midland	87	91	54

Source: MLA's NLRS, Landmark

### Tallow (\$/t, delivered in store)

	TW	LW	LY
Prime - Melbourne	930	920	900
Prime - Brisbane	930	900	900
Bleachable fancy	900	870	840

Source: Trade

NOTE: OTH weight changes on yearlings The over-the-hooks (OTH) weight ranges for both yearling steers and heifers, have changed. The previous weight ranges were 170kg to 230kg and over 230kg cwt. The new weight ranges are now 180kg to 220kg, 220kg to 260kg and 260kg to 280kg cwt, for both steers and heifers. As a result, the indicator weight range used by MLA for OTH yearlings has changed to 220kg to 260kg for all states.

## Japan market

TW = This week, LW = Last week, LY = Last year

### Imported beef price in Kanto wholesale market

¥/kg spot, US¢/lb C&F*	TW	LW	LY	
<b>From Australia chilled</b>				
grassfed	¥/kg	655	nq	804
fullset	US¢/lb	208	nq	235
shortfed	¥/kg	770	nq	1044
fullset	US¢/lb	246	nq	307
midfed	¥/kg	1045	nq	1219
fullset	US¢/lb	338	nq	361
longfed	¥/kg	1335	nq	1473
fullset	US¢/lb	435	nq	438
grassfed navel	¥/kg	675	nq	615
end brisket	US¢/lb	215	nq	177
grassfed	¥/kg	570	nq	640
chuck roll	US¢/lb	180	nq	185
shortfed navel	¥/kg	810	nq	910
end brisket	US¢/lb	260	nq	267
shortfed	¥/kg	725	nq	955
chuck roll	US¢/lb	231	nq	280
<b>Frozen</b>				
brisket	¥/kg	495	nq	600
	US¢/lb	159	nq	176
chuck/blade	¥/kg	nq	nq	nq
	US¢/lb	nq	nq	nq
cow meat (85CL)	¥/kg	440	nq	555
	US¢/lb	140	nq	163
<b>From US chilled</b>				
chuck rib	¥/kg	1500	nq	1650
	US¢/lb	490	nq	491
short rib	¥/kg	2400	nq	2550
	US¢/lb	790	nq	765
steak ready	¥/kg	1850	nq	2315
	US¢/lb	606	nq	693
<b>Frozen</b>				
chuck roll	¥/kg	nq	nq	nq
	US¢/lb	nq	nq	nq
short plate	¥/kg	895	nq	835
	US¢/lb	292	nq	248

Source: Chikusan Nippo

### Imported offal prices in Kansai wholesale offal market

¥/kg spot, US¢/lb C&F*	TW	LW	LY	
<b>From Australia frozen</b>				
tongue	¥/kg	nq	nq	nq
(swiss cut)	US¢/lb	nq	nq	nq
thick skirt	¥/kg	nq	nq	nq
	US¢/lb	nq	nq	nq
thin skirt	¥/kg	nq	nq	nq
	US¢/lb	nq	nq	nq
mountain	¥/kg	nq	nq	nq
chain tripe	US¢/lb	nq	nq	nq
<b>From Chile frozen</b>				
tongue	¥/kg	nq	nq	nq
(swiss cut)	US¢/lb	nq	nq	nq
<b>From Mexico frozen</b>				
tongue	¥/kg	nq	nq	nq
(swiss cut)	US¢/lb	nq	nq	nq
<b>From US frozen</b>				
mountain	¥/kg	nq	nq	nq
chain tripe	US¢/lb	nq	nq	nq

Source: Shokuniku Sokuho

Prices are indicator only

\* Export price equivalent (C&F) after removing from the wholesale price import tariffs, indicative landing charges, marine insurance and other import costs (converted into US¢/lb).

# Australian export prices to Japan are converted from US¢/lb C&F to Ac/kg FAS terms using the \$A/\$US exchange rate, converting from lbs to kgs and calculating the average freight rate to Tokyo Port (chilled = Ac40/kg; frozen = Ac30/kg). An average of northern and southern export processor prices.

For subscriptions and information please phone 1800 023 100 or visit [www.mla.com.au/marketinformation](http://www.mla.com.au/marketinformation) or [www.mla.com.au/nlrs](http://www.mla.com.au/nlrs)

© Meat & Livestock Australia, 2008. ABN 39 081 678 364. MLA makes no representations as to the accuracy of any information or advice contained in *Meat & Livestock Weekly* and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice. ISSN 1448-0387

### Beef export prices to Japan

Ac/kg FAS, US¢/lb C&F#	TW	LW	LY	
<b>Chilled</b>				
grassfed fullset	US¢/lb	188	184	235
	Ac/kg	509	499	516
shortfed fullset	US¢/lb	220	216	296
	Ac/kg	604	593	661
<b>Frozen</b>				
chuck/blade	US¢/lb	140	141	168
	Ac/kg	380	382	367
thick flank	US¢/lb	160	160	198
	Ac/kg	438	439	438
fore/hind	US¢/lb	131	132	156
blended	Ac/kg	352	356	339
topside	US¢/lb	166	165	208
	Ac/kg	456	454	461
silverside	US¢/lb	143	145	193
	Ac/kg	387	394	426
brisket	US¢/lb	153	155	169
	Ac/kg	416	424	369

Source: Australian trade

### Domestic beef carcass prices – Tokyo

Steer	¥/kg	TW	LW	LY
Wagyu (A5)		2243	nq	2475
Dairy (B3)		nq	nq	849
F1 (B3)		1228	nq	1320
Dairy (B2)		nq	nq	801
F1 (B2)		1068	nq	1162

Source: Shokuniku Sokuho

## Korea market

### Korean wholesale prices

won/kg	TW	LW	LY
<b>Korean domestic wholesale*</b>			
Hanwoo carcass	14042	13929	13187
dairy steer	8540	6821	7238
pig carcass	4753	3926	4329
<b>Australian wholesale</b>			
brisket deckle off	6300	6300	4600
rump	7000	7000	5300
chuck roll	6200	6200	5600
short rib	6200	6000	10500
<b>US wholesale</b>			
grainfed chuck roll	6800	6800	nq
grainfed short rib	8800	8800	nq

\* w/e 9/5/09

Source: Korean trade press, Korean trade

## US domestic/export markets

### Beef export prices to the US

US¢/lb CIF, Ac/kg FAS	TW	LW	LY	
<b>Frozen</b>				
Bull 95CL	US¢/lb	137.3	134.8	168.0
	Ac/kg	367.1	360.4	369.1
Cow 90CL	US¢/lb	129.0	126.0	161.0
	Ac/kg	343.1	334.8	352.6
CC/CF 85CL	US¢/lb	120.5	117.5	156.0
	Ac/kg	318.3	310.0	340.8
Shank 90CL	US¢/lb	128.0	124.5	161.0
	Ac/kg	340.2	330.4	352.6
Trim 85CL	US¢/lb	119.5	116.5	155.0
	Ac/kg	315.3	307.0	338.4
Trim 80CL	US¢/lb	109.5	107.5	155.0
	Ac/kg	286.2	280.7	338.4
Trim 75CL	US¢/lb	101.5	98.5	145.0
	Ac/kg	262.8	254.4	314.8
Trim 65CL	US¢/lb	86.5	84.5	nq
	Ac/kg	219.0	213.5	nq
Chucks 85CL	US¢/lb	nq	nq	158.0
	Ac/kg	nq	nq	345.5
Outside flats	US¢/lb	137.0	136.0	174.0
- steer	Ac/kg	366.4	364.0	383.3
Knuckles	US¢/lb	141.5	141.0	200.0
- steer	Ac/kg	379.6	378.7	444.6
Inside cap off	US¢/lb	176.5	172.5	227.5
	Ac/kg	481.7	470.7	509.6

Source: Steiner Consulting Group

### US cattle futures

US¢/lb lwt	Contract	TW	LW
Live cattle	Feb-10	92.15	90.80
	Apr-10	92.60	91.25
	Jun-09	82.80	82.05
	Aug-09	82.85	82.55
	Sep-09	nq	nq
	Oct-09	88.25	87.15
	Nov-09	nq	nq
	Dec-09	90.90	89.20
	Feeder cattle	Jan-10	101.10
Mar-10		100.40	97.80
Apr-09		99.70	98.10
May-09		99.25	98.20
Aug-09		101.65	99.10
Sep-09		102.00	99.23
Oct-09		102.18	99.40
Nov-09		102.70	99.50

Source: CME

### US domestic prices

Boneless beef	TW	LW	LY
US¢/lb - Fresh			
90CL	149.8	148.5	166.3
85CL	138.5	137.5	152.0
75CL	nq	112.0	nq
50CL	81.5	85.0	87.0
2pc b/less chuck	130.0	126.5	144.5
insides	180.0	180.0	215.0
outsides	142.5	135.5	148.5
knuckles	160.0	160.0	180.0

Source: Umer Barry

Australian export prices to the US are converted from CIF to FAS terms by calculating an average shipping rate to the Port of Philadelphia (freight plus surcharges for a 20ft reefer), insurance, the A\$/US\$ exchange rate and the conversion from lbs to kgs.

CL = Chemical Lean – lean meat as a % of total meat.