



# Increasing cattle prices; the signs of good things to come

Wagga Wagga, 14 August 2015



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# Food & Agribusiness Research's global footprint



- Over 80 research professionals across 20 offices globally
- Entire F&A value chain from farm inputs and primary production to processors and consumers covered
- Focus areas:
  - Animal Protein
  - Seafood
  - Beverages
  - Dairy
  - Farm Inputs
  - Food Retail & Consumer Behaviour
  - Fruits & Vegetables
  - Grains
  - Oilseeds
  - Sugar & Sweeteners





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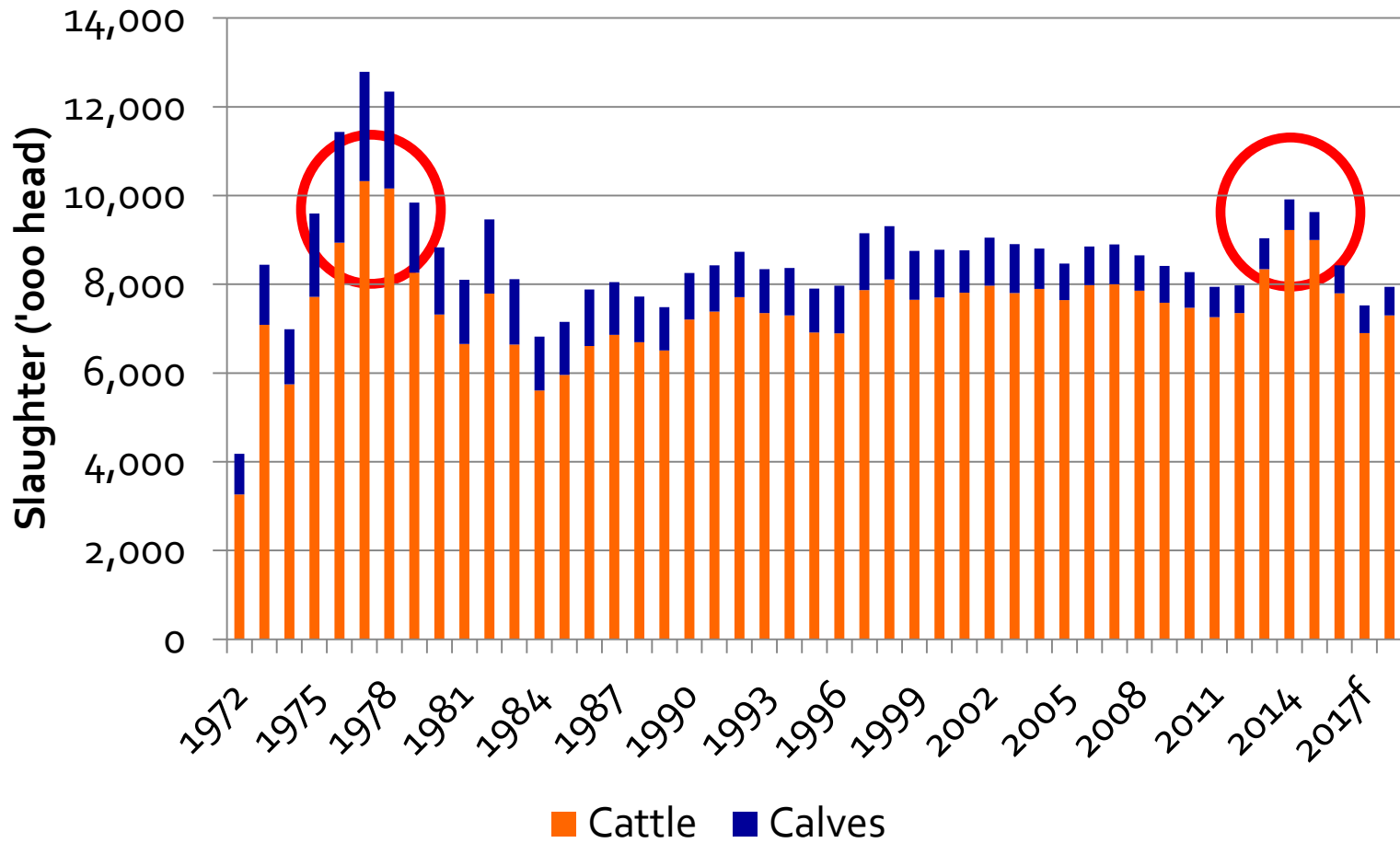


# ECONOMICS 101

Not for the over-educated

[motifake.com](http://motifake.com)

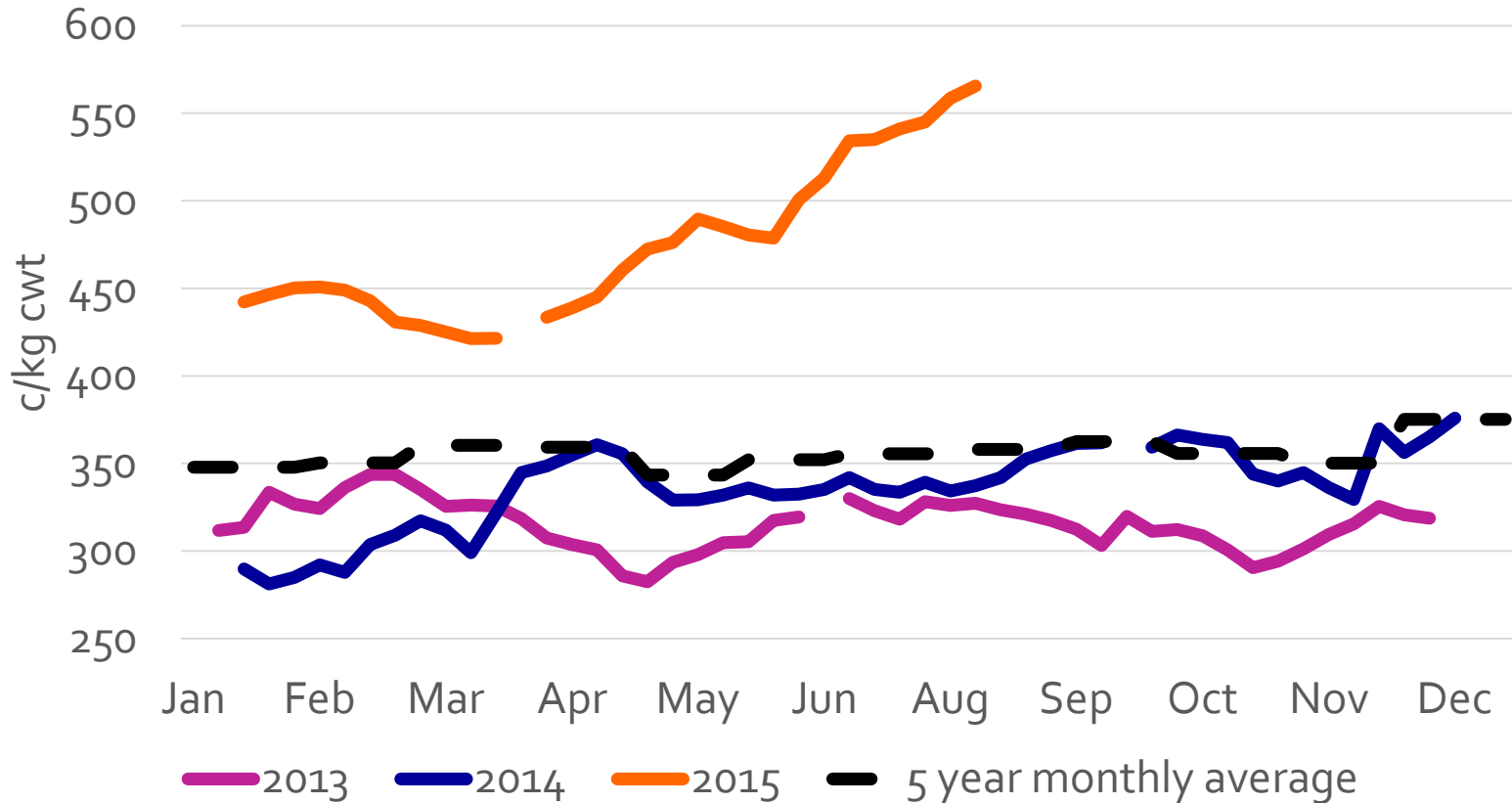
# Record supply of cattle on the market



# 2015; records are meant to be broken



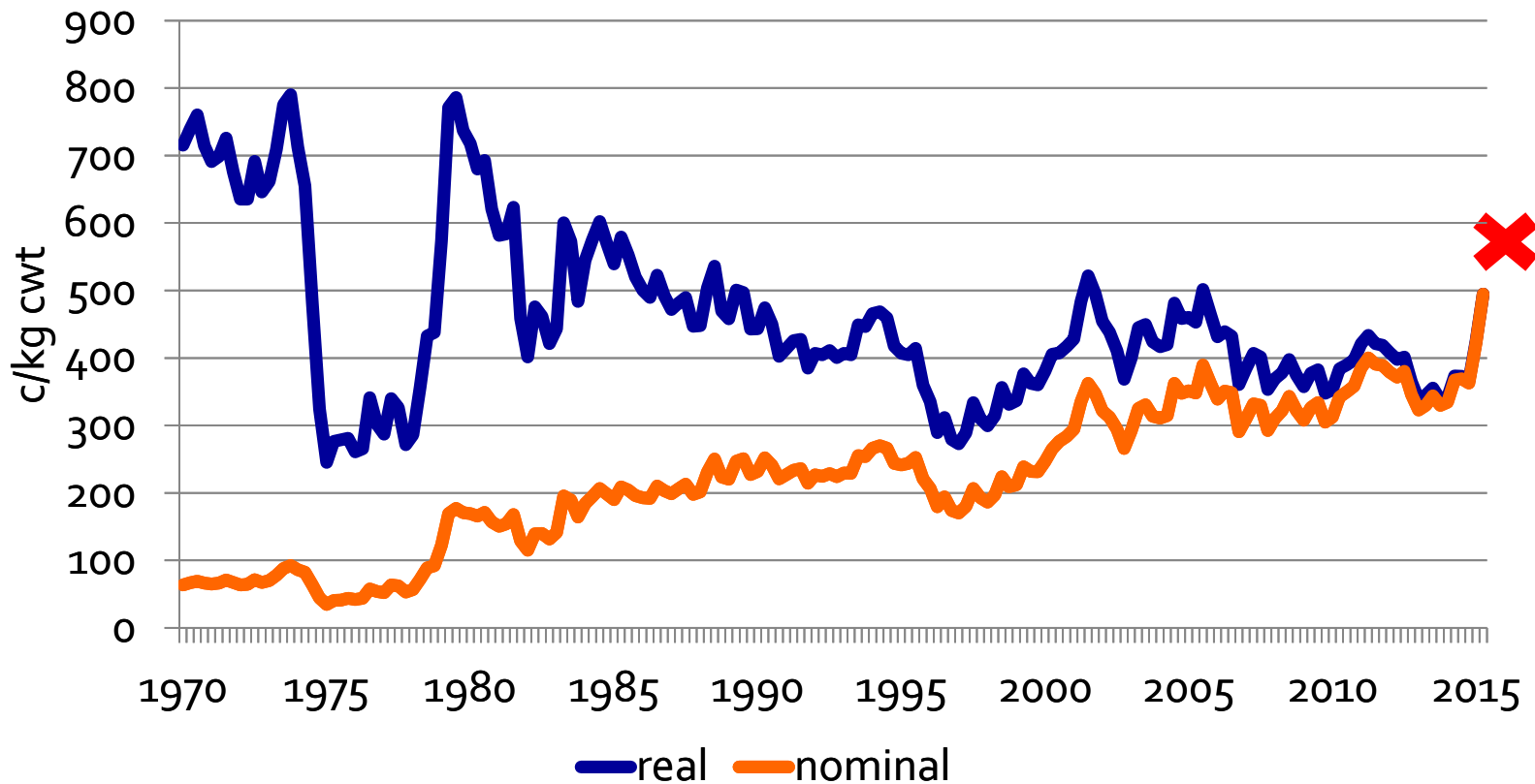
## Eastern Young Cattle Indicator



# But recognising historical context



## Historical national yearling price



So what is driving these prices



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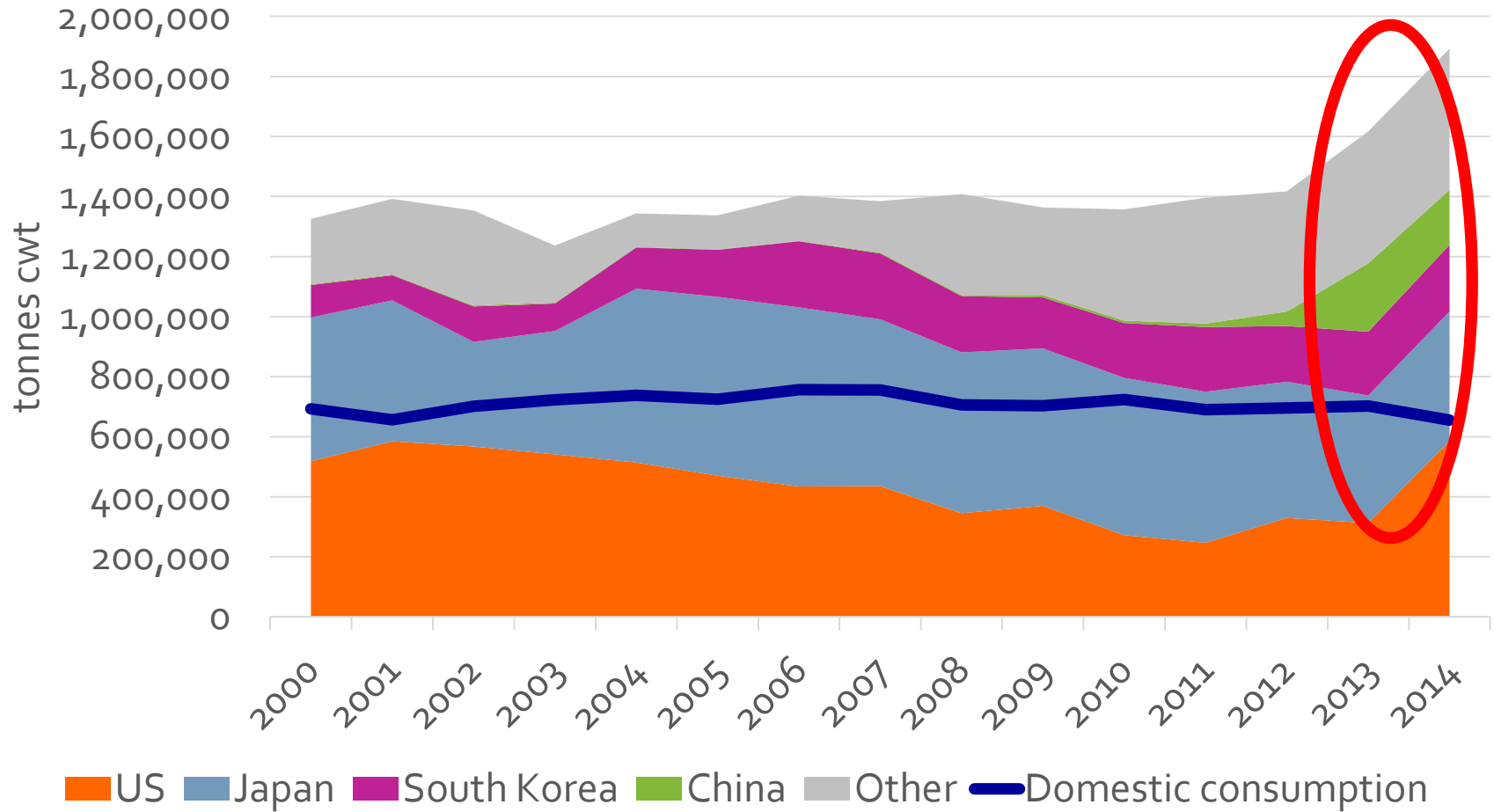


# The great global consumption of beef

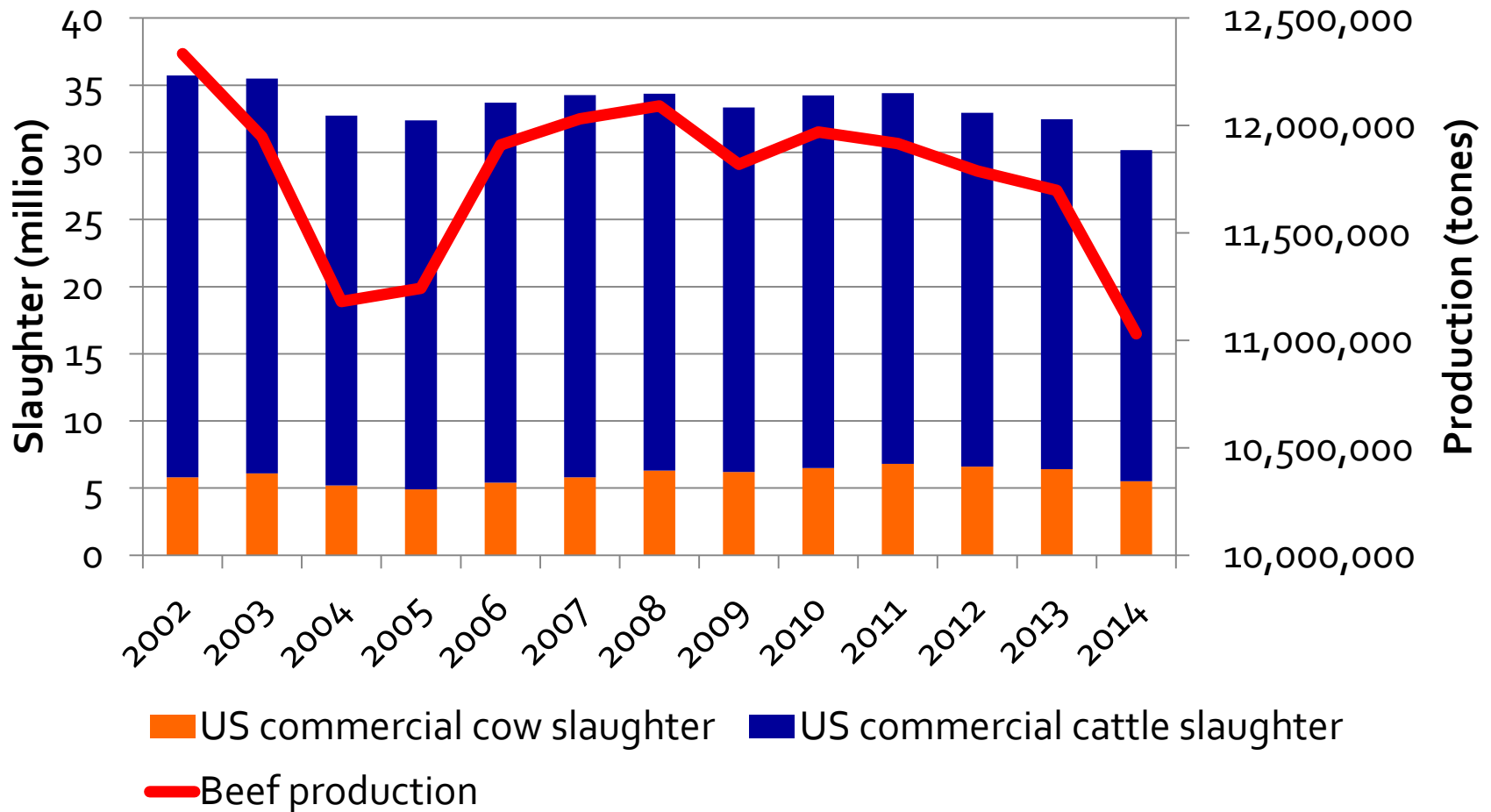




# Strong export markets



# US production drops to low levels

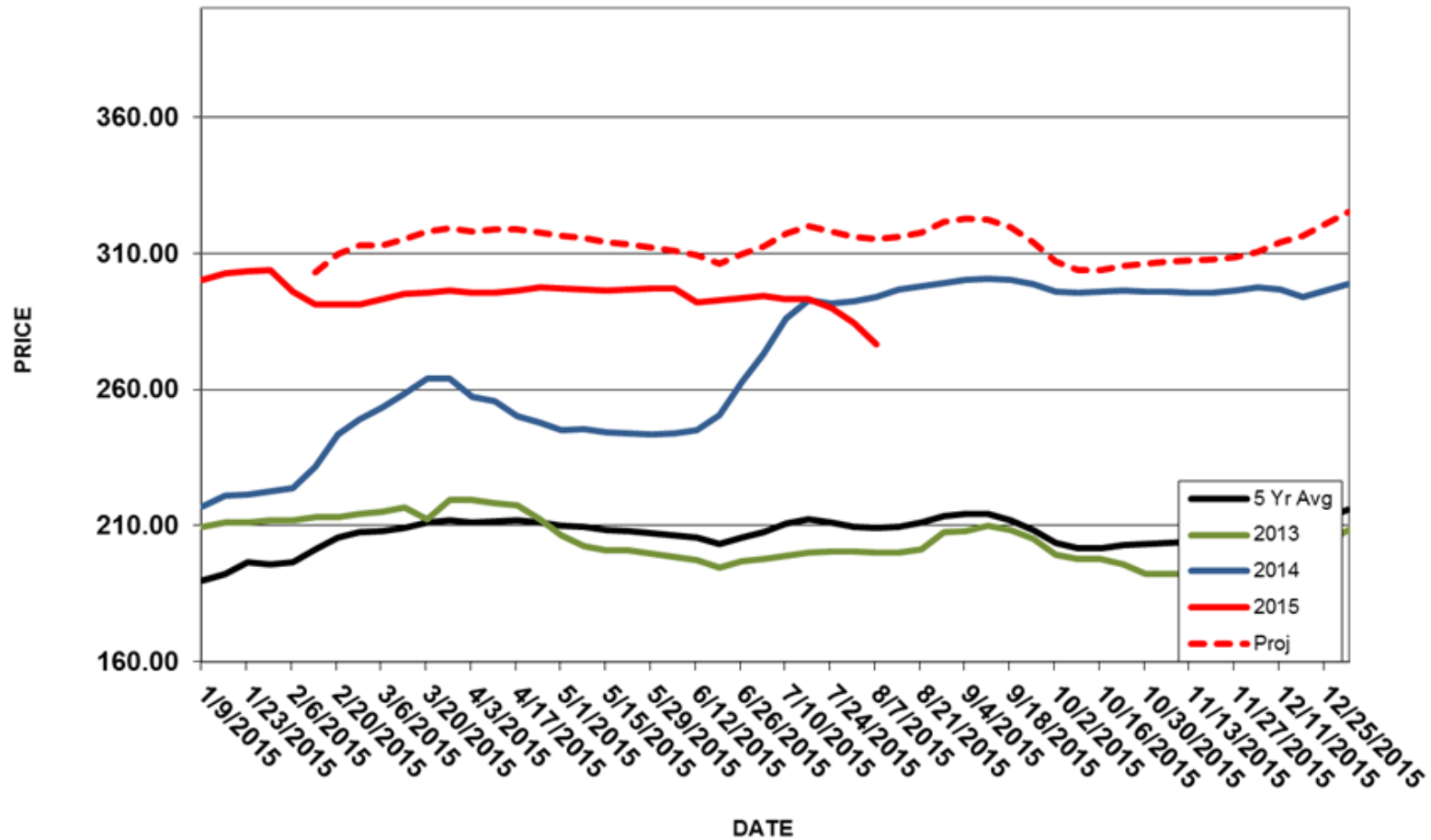


# US beef prices rise

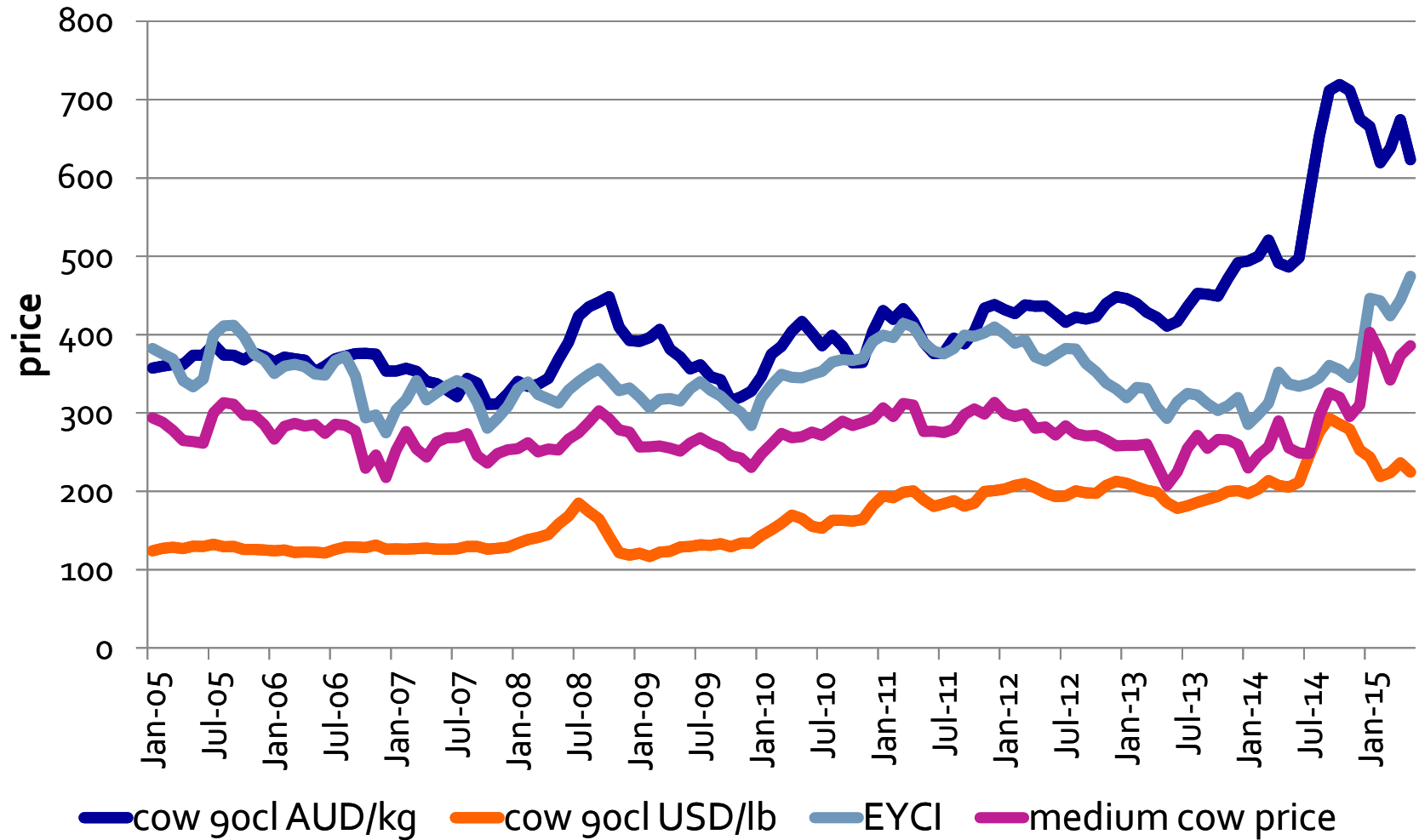


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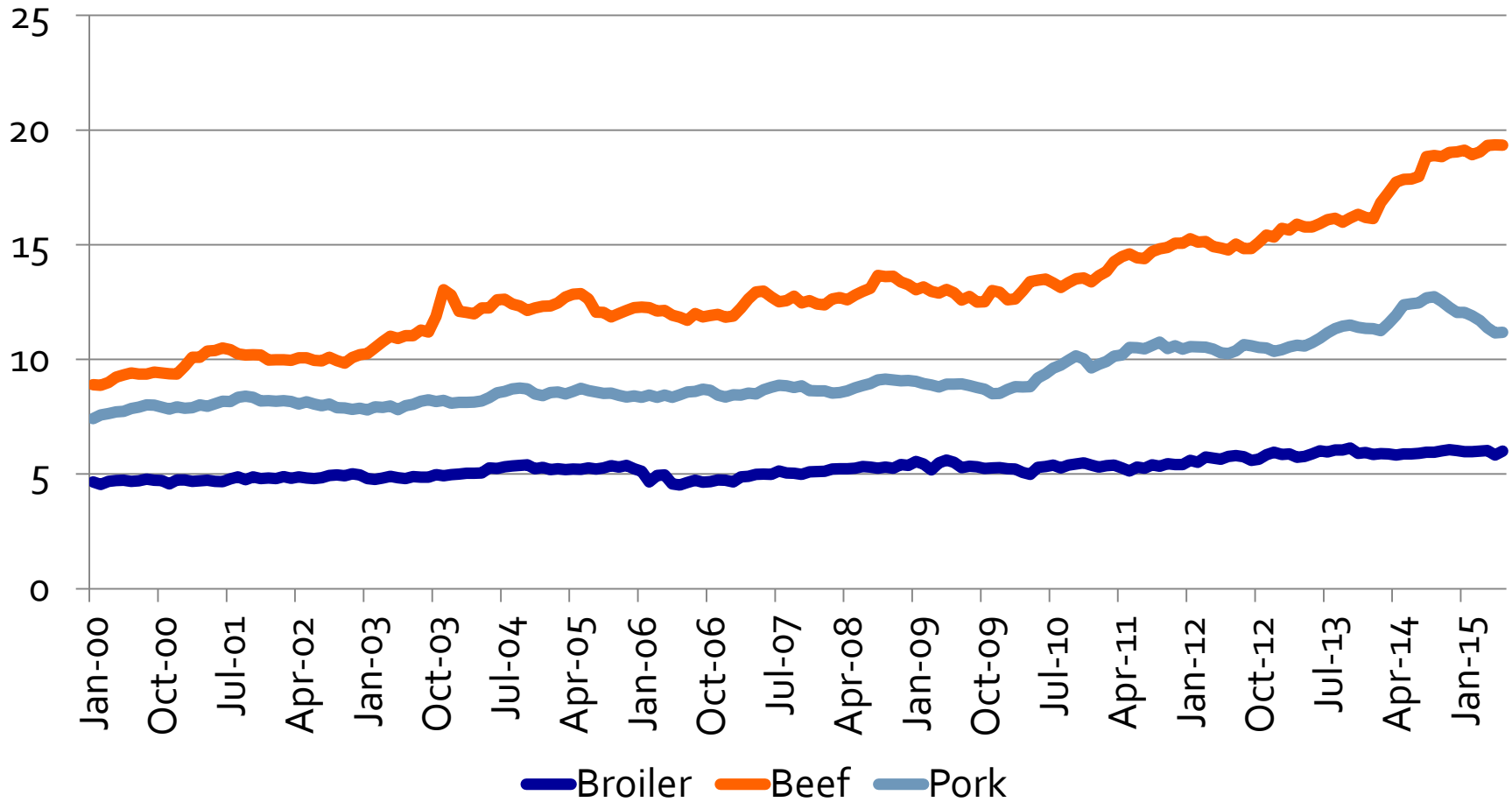
## 90% CL Trimmings



# Why is the US so relevant



# US retail prices



# Australia getting a part of the US fast food industry



**Carl's Jr.** ALL-NATURAL BURGERS  
CHARBROILED BURGERS



Where's The Beef, Chipotle?

**EAT FOR CHANGE**



ONE RESPONSIBLY RAISED BURRITO AT A TIME

*"Even though our loyalty to American ranchers is strong... we decided to take this opportunity to start sourcing more truly grass-fed steak"*  
(from Australia)  
- Steve Ells, Chipotle Founder

Created by Dr. Jude L. Capper, 2014; Quote from: "Conventional vs. Grassfed Beef", Huffington Post, May 28th, 2014. Photos from: <http://imgur.com/5as3ack>, <http://imgur.com/7032932>, <http://imgur.com/5as3ack>

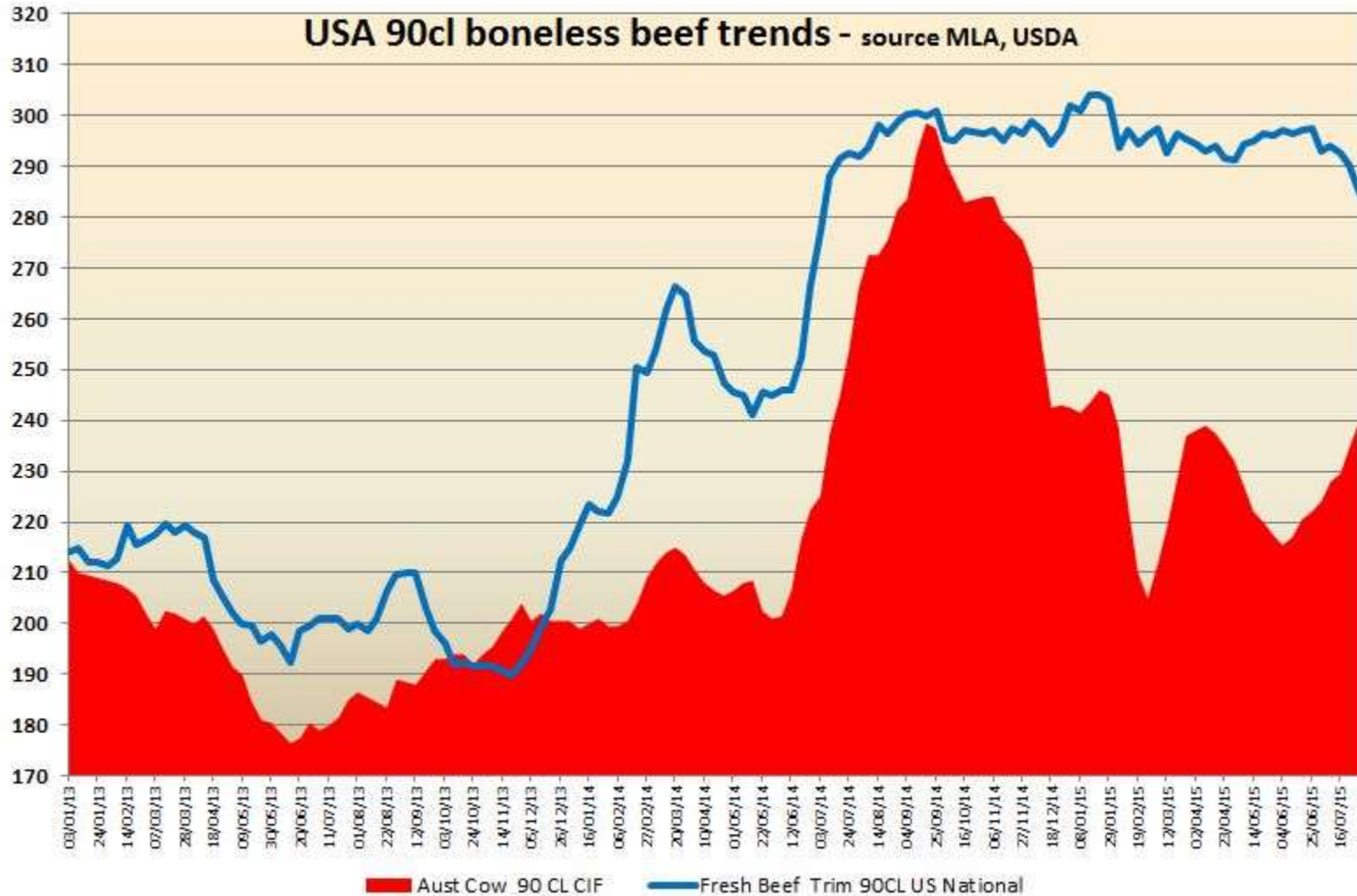
**ROUND**  
PREMIUM BURGERS

FRESH BURGERS AND HAND CUT

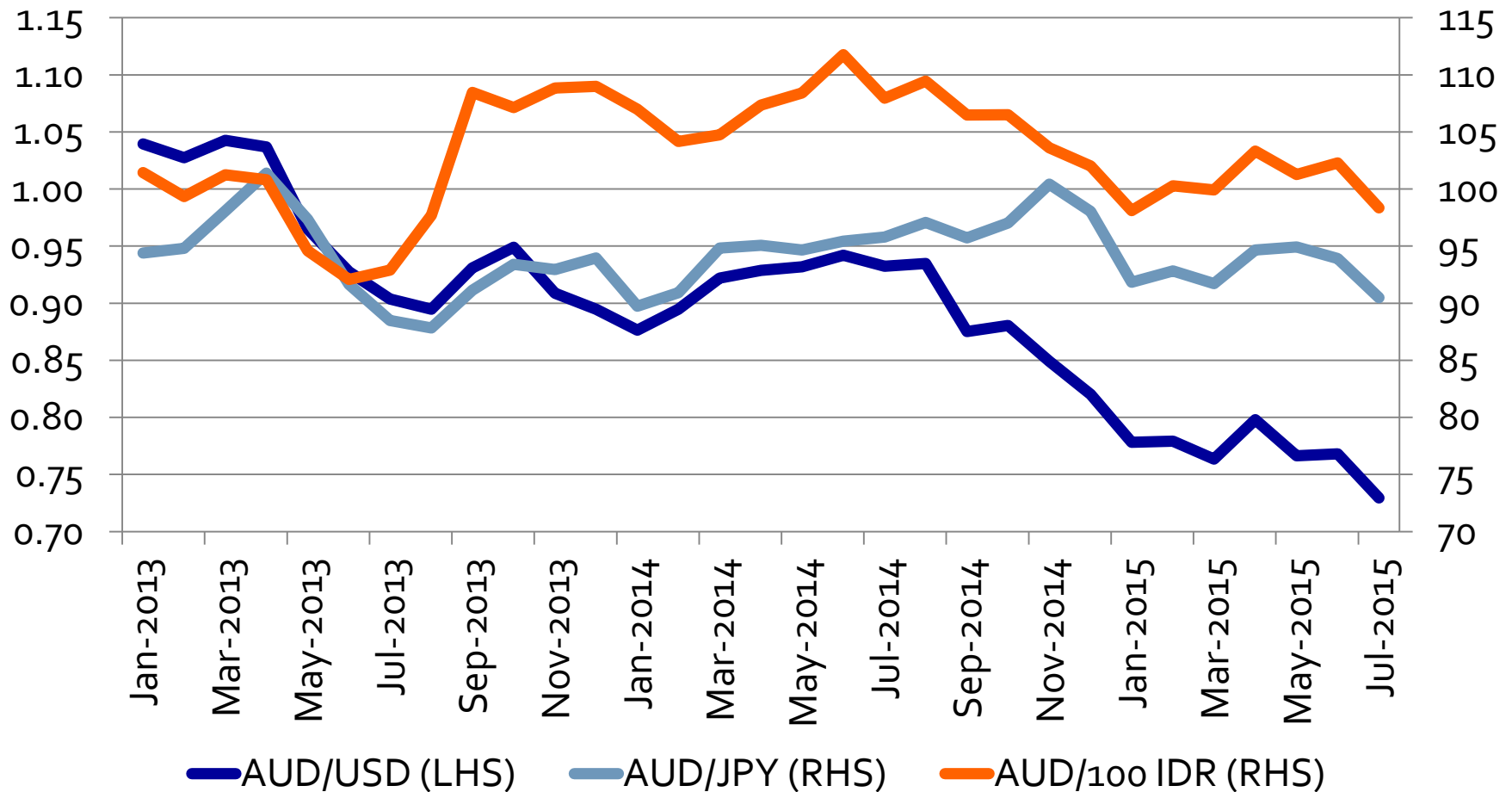
**DAVE & TONY'S**  
PREMIUM BURGER JOINT

**THE COUNTER**  
CUSTOM BUILT BURGERS

# US domestic imported differential



# Exchange rates have also been onside

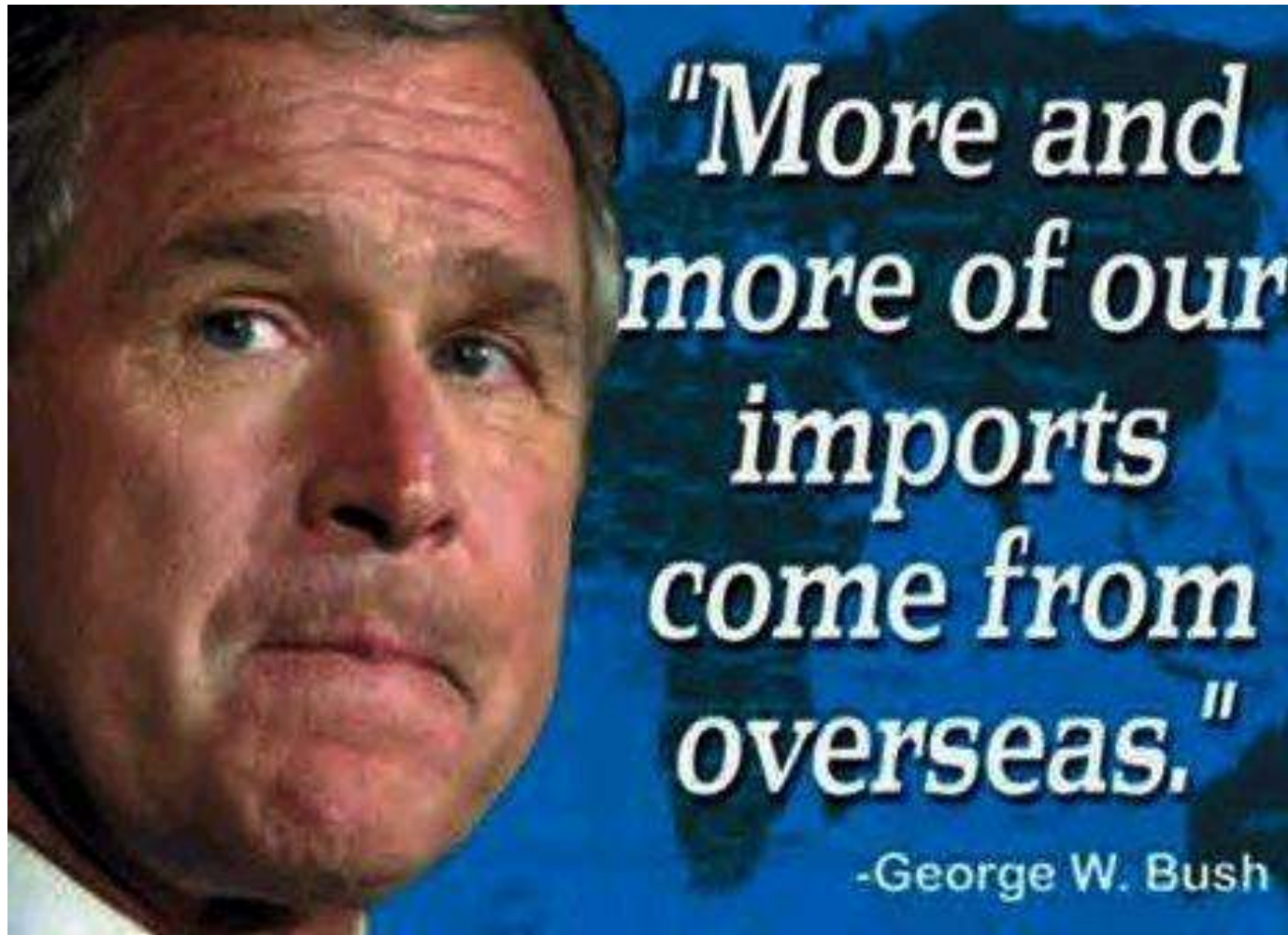




It is not all about the US



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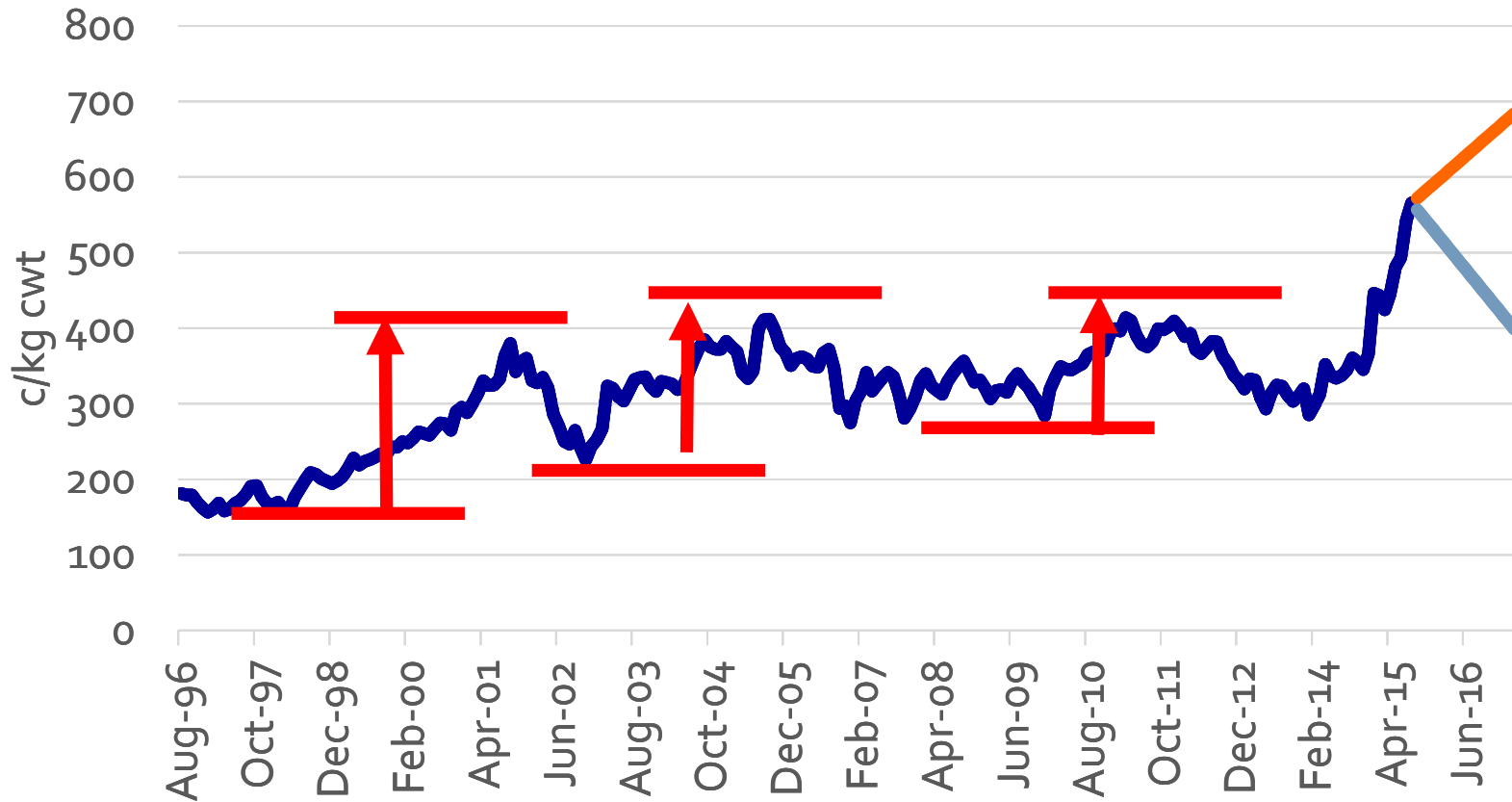
# Other markets are strong



# Where to for prices



## Eastern Young Cattle Indicator



# 2015 shaping up for a big year



# Thank you



## Meet the FAR Australia & New Zealand research team...

**Luke Chandler**, General Manager

**Hayley Moynihan**, Senior Analyst (Dairy)

**Michael Harvey**, Senior Analyst (Dairy/Farm Inputs)

**Marc Soccio**, Senior Analyst (Wine, Horticulture & Rural Economics)

**Graydon Chong**, Senior Analyst (Grains & Oilseeds)

**Angus Gidley-Baird** Senior Analyst (Animal Protein)

**Matt Costello**, Analyst (Animal Proteins)

**Georgia Twomey**, Analyst (Wool, cotton, sugar)



*A global team of 80 analysts dedicated to delivering insights into the world's major F&A regions*