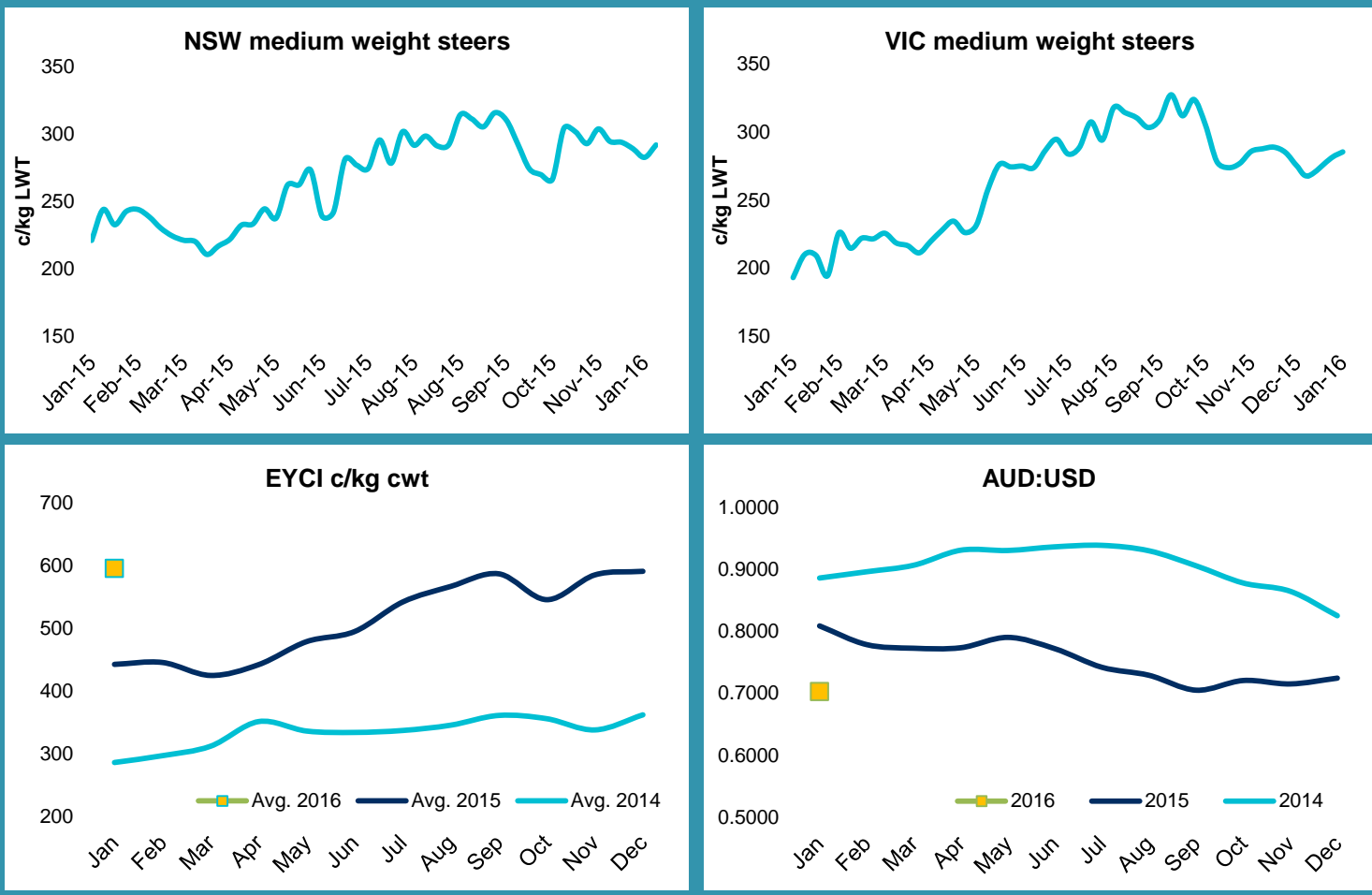


SOUTHERN BEEF SPECIAL



- In 2015 cattle prices regularly set new record highs. NSW medium weight steers were up 20% in 2015, finishing the year at 294 c/kg lwt. VIC medium weight steers were 31% higher, finishing at 275 c/kg lwt. The Eastern Young Cattle Indicator has started 2016 strongly, reaching 600c/kg cwt for the first time in mid-January.
- Slaughter rates trended lower during 2015 in both NSW and VIC, while demand remained high for Australian beef. In the twelve month period from October 2014 to November 2015, NSW and VIC beef exports combined were valued at over \$3 billion.
- The Bureau of Meteorology recently reported that the strong El Niño is persisting, however climate models suggest that the El Niño will decay over the coming months. Models also suggest that neutral and La Niña conditions are equally likely for the second half of 2016, with a repeat El Niño the least likely scenario.

Prices



	Current price (Jan 21 st)	This time last year	5 year average	80 th percentile	20 th percentile
Medium steers NSW (c/kg lwt)	299	244	197	217	170
Medium steers VIC (c/kg lwt)	257	210	199	210	174
EYCI (c/kg cwt)	589	366	384	417	325
Feed barley VIC (\$/tonne)	243	280	245	270	236
AUD/USD	0.69	0.82	0.92	1.03	0.78

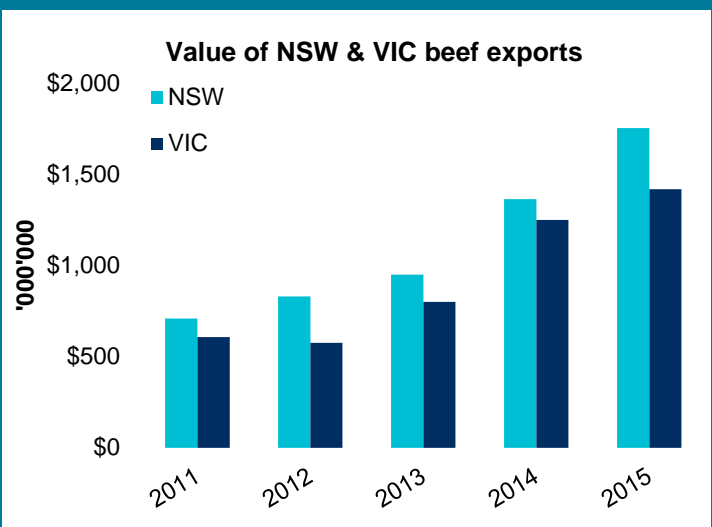
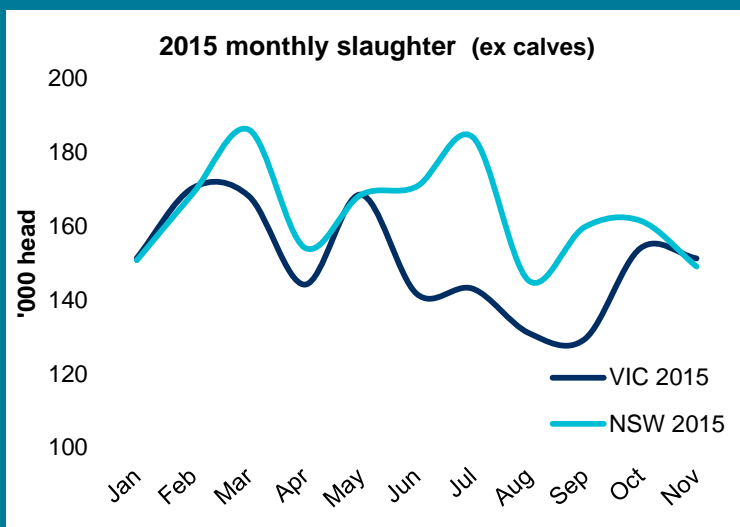
Data source: MLA & RBA



SOUTHERN BEEF SPECIAL

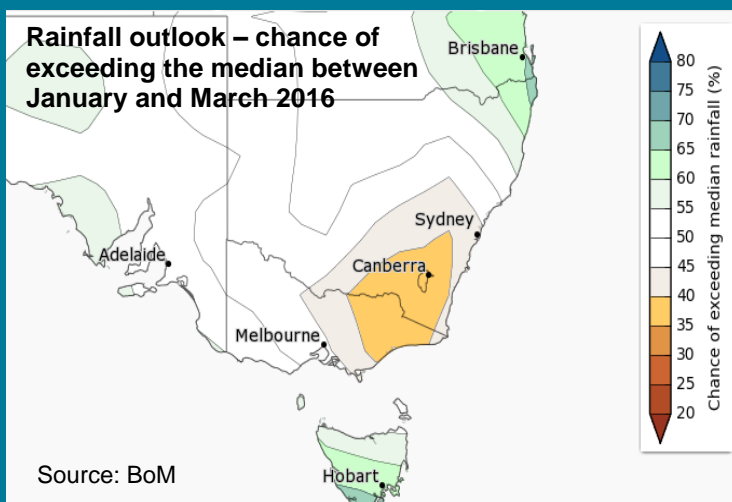


Supply/Demand



Data: ABS, GTIS

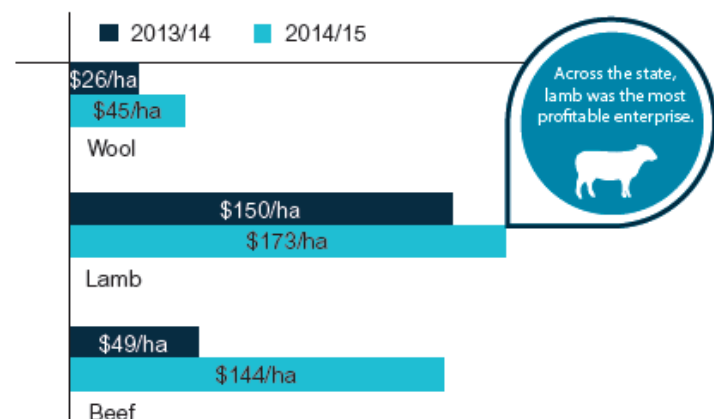
Weather



- Rainfall for December was average to below average across most of eastern and southern Australia.
- Looking out over the months ahead, the chances of a wetter or drier period to March are roughly equal in western Victoria and New South Wales. East of the Great Dividing Range a drier than normal period is expected (see map).
- The Bureau's ENSO tracker remains locked on an El Niño setting.

Livestock Farm Monitor - VIC

Enterprise profitability - EBIT



The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Rural Finance makes no representation as to the accuracy or completeness of such information. Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of Rural Finance and are subject to change without notice. Rural Finance 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 herein, changes or subsequently becomes inaccurate. This report is provided for informational purposes only and should not be relied upon without consulting your legal and/or tax professional.

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