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## **AMENDMENTS TO THE EASTERN YOUNG CATTLE INDICATOR**

### **Change to the Eastern Young Cattle Indicator**

SFE has been notified of a pending change to the Eastern Young Cattle Indicator (herein Indicator) used as the basis of the MLA SFE Cattle Futures contract.

Currently the Indicator is based on a seven 'Business Day' rolling weighted average of 24 separate trade cattle categories from 26 saleyards in QLD, NSW and Victoria (herein 'Business Day Indicator').

The Meat & Livestock Australia (MLA) have advised that effective Wednesday 18 September, the Indicator will be calculated on the basis of the last seven 'Calendar days' (herein 'Calendar Day Indicator'). Historical data for both Indicators preceding this date will be available on request from the NLRs. The change has been made to ensure that the saleyard results on any given Business Day are not disproportionately represented in the Indicator.

SFE has been advised that the difference between the Business Day Indicator and the Calendar Day Indicator is minor. The average difference since January 2002 is 1.66¢ (0.57%) and the average difference since 13 August 2002 is -0.11¢ (-0.05%).

For the purpose of settling the September 2002 MLA SFE Cattle Futures contract the NLRs will publish and provide the SFE with the Business Day Indicator on Tuesday 17 September. All subsequent expiries of the MLA SFE Cattle Futures contract will be settled using the Calendar Day Indicator.

### **Clarification of the Eastern Young Cattle Indicator Categories**

For completeness the categories used to construct the indicator are detailed in the following Schedule. Please note that all cattle bought for restocking or slaughter within these categories in the 26 sales covered

are included in the Indicator. This updates the previously notified Schedule and does not affect the calculation of the Indicator in any way.

The table below outlines the full 24 vealer and yearling categories in the Indicator, with the eight categories previously omitted from information packs highlighted in bold.

**NLRS categories included in the calculation of the EYCI**

<b>Classification</b>	<b>Muscle &amp; Fat Score</b>	<b>Weight (liveweight)</b>
Vealer Steers	C2 & C3	200.1 - 280kg
	C2 & C3	280.1 - 330kg
	<b>C2 &amp; C3</b>	<b>330.1kg+</b>
Vealer Heifers	C2 & C3	200.1 - 280kg
	C2 & C3	280.1 - 330kg
	<b>C2 &amp; C3</b>	<b>330.1kg+</b>
Yearling Steers	<b>C2 &amp; C3</b>	<b>200.1 - 330kg</b>
	C2 & C3	330.1 - 400kg
	C2 & C3	400.1kg+
Yearling Heifers	<b>C2 &amp; C3</b>	<b>200.1 - 330kg</b>
	C2 & C3	330.1 - 400kg
	C2 & C3	400.1kg+

The MLA and NLRS apologise in respect of any inconvenience the above matters may have caused.

The MLA's current stock-pile of promotional and information material, and the [www.cattlefutures.com.au](http://www.cattlefutures.com.au) web-site have been updated.

The methodology and underlying data needed for market participants to calculate the EYCI themselves is now available from the NLRS.

For further information regarding the EYCI and the MLA SFE Cattle Futures contract please contact Jenianne Hall at the MLA on 02 9463 9367 or [jhall@mla.com.au](mailto:jhall@mla.com.au).

Should you have any queries regarding the content of this SFE Bulletin please contact Anthony Collins on 9256-0664 or [acollins@sfe.com.au](mailto:acollins@sfe.com.au).



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