MLA and AWI Wool and Sheepmeat Survey Report - Sheepmeat

June, 2022

Prepared by Kynetec

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Executive Summary – Lamb Production

Number of breeding ewes on hand

42,481,491 total breeding ewes on hand
30,688,823 Merino breeding ewe flock, 72% of total breeding flock
11,792,669 total non-Merino breeding ewes on hand, 28% of total breeding flock
Within the Merino flock, 71% for Purebred Merino lamb production and 29% for other lamb production

Ewe flock intentions for next 12 months

27% increase
60% maintain
12% decrease

Intended method for achieving ewe flock increase

30% Retain more older ewes than normal
60% Retain more replacement ewes than normal
35% Purchase more additional ewes than normal

Number of lambs on hand

22,032,655 total lambs on hand
12,007,895 total Pure bred Merino lambs, 55% of total lamb flock
10,024,760 total non-Merino lambs, 45% of total lamb flock

Expected lamb sales in the next four months (1 July – 31 October 2022)

7,596,612 total lamb sales in the next four months
2,709,552 total Merino sales (36% of total lamb sales)
1,752,810 total Pure meat sales (23% of total lamb sales)
2,197,406 total First cross sales (30% of total lamb sales)
936,843 total of all other breeds sales (12% of total lamb sales)

Number of lambs marked in the past four months (1 March 22 – 30 June 22)

7,348,239 total lambs marked in the past four months
3,483,949 total Merino lambs marked (47% of total markings)
3,864,290 total non-Merino lambs marked (53% of total markings)

Number of ewes joined to produce those lambs

7,573,176 total number of ewes joined to produce those lambs
3,759,788 total Merino ewes joined (50%)
3,813,389 total non-Merino ewes joined (50%)

Marking rates

93% National Merino marking rate
101% National non-Merino marking rate

Background and Purpose

Survey Background

The Wool and Sheepmeat survey has been running in various formats for the over 20 years. The survey has been running in its current format since June 2010, following discussions with MLA's Lamb Forecasting Advisory Committee (LFAC), where MLA decided that they needed to use a more vigorous methodology going forward.
Due to the success of the survey, a management agreement between MLA and AWI was negotiated and AWI signed on for the next wave in October 2010.
Since October 2010, MLA, AWI and the LFAC have worked closely to further develop the model, sample and breed code frame for the now combined Wool and Sheepmeat survey.
Kynetec took over from Axiom in October 2016 and have been working closely with MLA and AWI to increase the number of respondents and the amount of data collected by streamlining the online and mail-out surveys.

Purpose of the research

The project provides MLA and AWI with an accurate representation of flock population, demographics, sheep meat and wool supply information and producer production intentions during key production periods throughout the year.
The survey enables MLA and AWI to provide the Lamb Forecasting Advisory Committee (LFAC) and the Australian Wool Production Forecasting Committee (AWPFC), with solid forward-looking information to assist industry projections.
Although information gathered has been extremely useful in flock and production forecasts, MLA and AWI are continuing looking to add further value to the study by better aligning the sample collected with industry production structure and making better use of the results in various internal and external publications.

Methodology [1/3]

Sampling

The MLA and AWI Wool and Sheepmeat survey for June 2022 was built around the collection of an industry representative sample of sheep producers across all sheep growing regions of Australia. In order to achieve a representative sample, sheep producers were sampled with strong representation within each MLA defined sheep production region. A total number of 1,581 survey responses were achieved in June 2022, above the response levels achieved in February 2022 at 1,424 surveys achieved.

Data Collection

Three survey methodologies were adopted in order to collect the target sample:

1. **Online web based survey:** This methodology was presented to potential respondents using two different communication tools (email survey links and website survey links).
   I. *Website survey links:* Two survey links were given to MLA and AWI to place on their website and to include in selected external communications with producer stakeholders e.g. Friday Feedback and Feedback magazine. Copies of these links were also sent to members of the Lamb Forecasting Advisory Committee (LFAC) to include in their email signatures and place on their websites during February. A total of 19 respondents completed the survey via this method (1% of the total sample).
   II. *Email survey links:* A link to the survey was created for email purposes so Kynetec could track the number of completes and partial completes throughout the survey period (1 to 30 June 2022) and send reminder emails accordingly. A total of 15,932 emails were sent to MLA and AWI members via the email addresses provided by MLA and AWI databases. Of those 3,305 emails bounced, giving a total emails delivered of 12,087. A total of nine reminder emails were sent to non-respondents with a number of completes achieved after each reminder. In addition to the MLA and AWI databases, an email survey link was sent to an external database of sheep producers not on the MLA and AWI list. The email survey link returned a total of 1,060 completed responses in total (67% of the sample). 823 of these were from the MLA / AWI lists and 237 were from the external database.

2. **Mail-out survey / Telephone Survey:** A mail survey was not undertaken in June 2022. Rather, mail respondents from surveys in previous years were contacted by telephone and were offered the opportunity to complete the survey over the phone. The mail budget was used to fund this telephone survey of mail respondents so there was no impact on the project's overall budget. A total of 503 producers responded by this methodology (32% of total sample). The telephone survey was also used to target very large sheep producers to increase completion by this group. Telephone calls, in combination with the online survey, yielded a total 32 very large sheep producers in the survey (flock size >20,000 head).

Methodology [2/3]

Weighting

Consistent with previous surveys, breeding ewe and lamb estimates were initially developed by weighting the number of respondents by both state and flock size to the number of farm businesses with breeding ewes. Wether estimates were developed by weighting the number of respondents by state to the number of total farm businesses with sheep and lambs. In the June 2022 survey, using this methodology, survey estimates of breeding ewes were consistent with industry expectations however lamb estimates, which indicated a decline in a number lamb variables, did not align with industry expectations. A revised methodology by weighting lamb data to the number of total farm businesses with sheep and lambs was therefore used, rather than farm businesses with breeding ewes.

As with all Wool and Sheepmeat surveys since 2017, the ABS population of producers used for weighting the survey data is regularly adjusted to account for the significant number of smaller producers (flock sizes of less than 250 head) that were excluded from the ABS census and surveys due to the $40,000 EVAO cutoff. Note that although ABS has released new producer population numbers for 2019/2020, these were not used for weighting the June 2022 survey results as the ABS data was already 12 months old at the time of release and indicated a decline in the producer population in 2020. Weighting 2022 results to the lower producer population of 2020 was not considered appropriate so ABS's higher 2018/2019 producer populations (below) were used instead.

State	Breeding Ewe Producers used for June 2022
Australia	37,121
New South Wales/ACT	13,800
Victoria	9,815
Queensland	1,625
South Australia	5,724
Western Australia	4,807
Tasmania	1,349

Methodology [3/3]

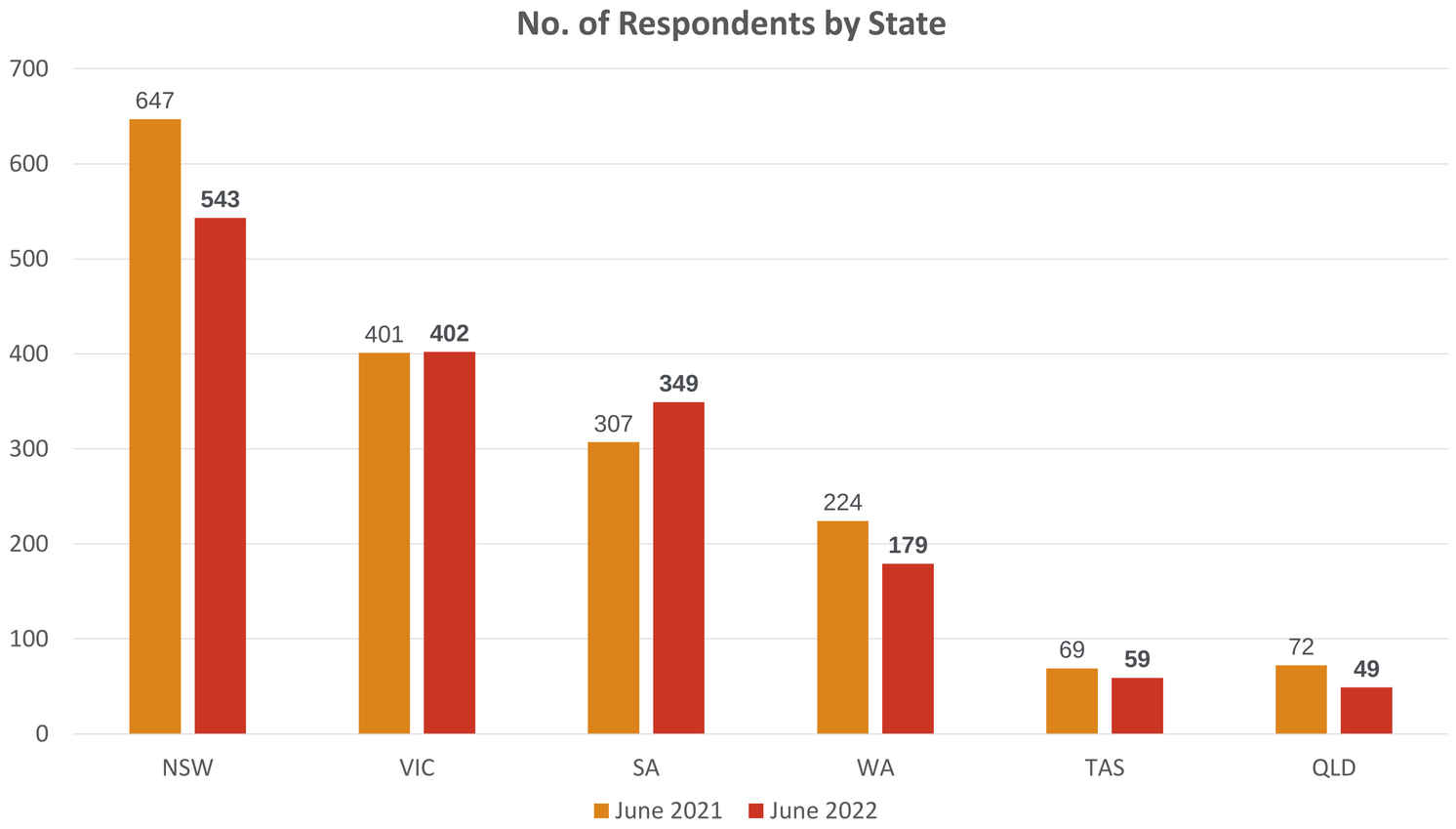
Statistical significance

The total research sample of 1,581 will give the results of this study a margin of error of ±2.4% at a 95% confidence level based on 37,121 breeding ewe producers in Australia (ABS 2018-19 Survey adjusted for $40,000 EVOA cutoff). This is basically saying that if you conducted the same survey 100 times, 95 out of the 100 sheep producers should yield results within ± 2.4% of the published number or percentage. However, the % of error increases as the sample size decreases (e.g. at the state and regional level).

- New South Wales ± 4.10%
- Victoria ± 4.80%
- Queensland ± 13.80%
- South Australia ± 5.10%
- Western Australia ± 7.20%
- Tasmania ± 12.50%

Survey Respondents [1/4]: By State

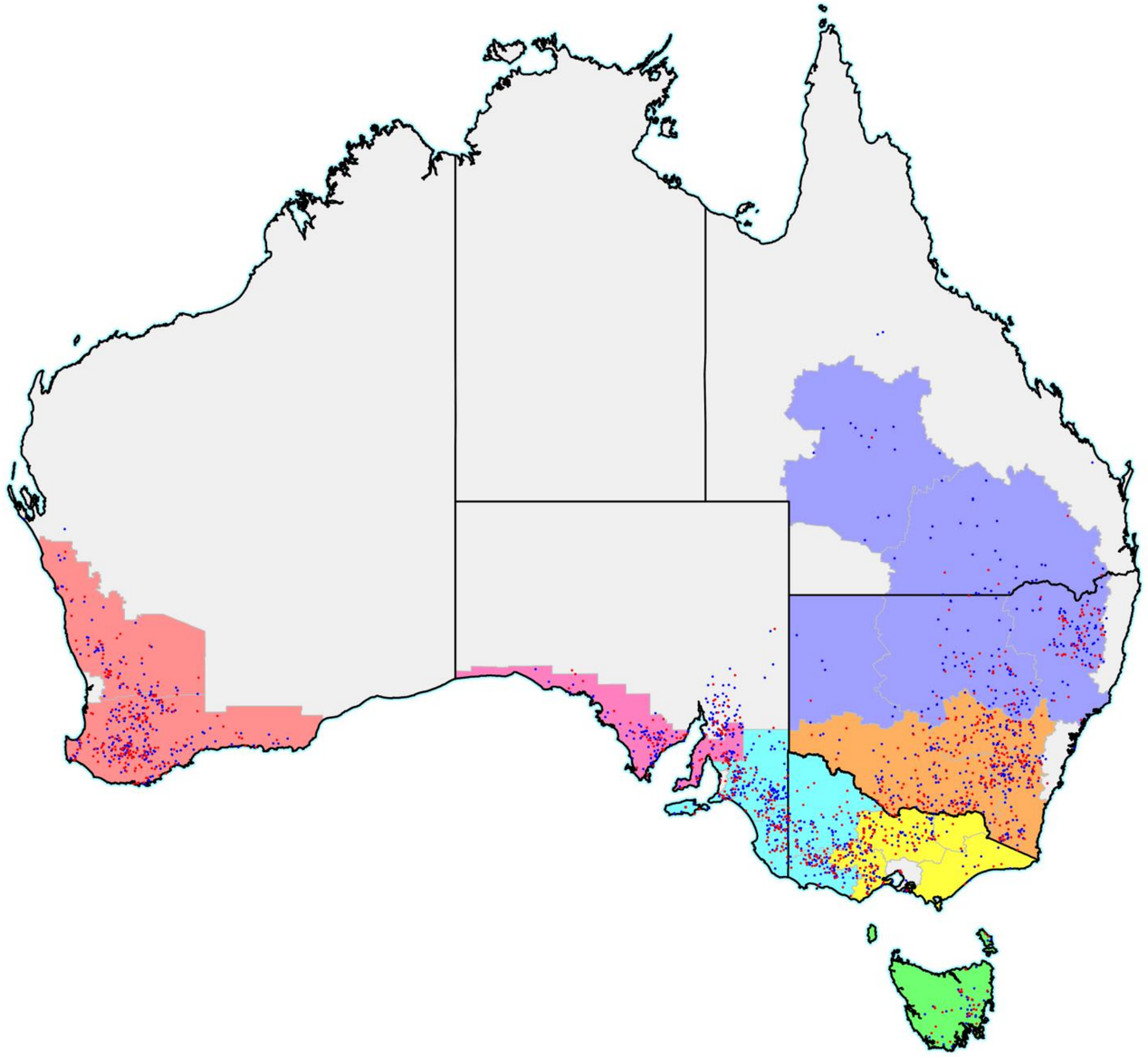
The proportion of the total number of respondents (n=1,581) surveyed in each state was closely aligned with the ABS Survey producer distribution by state (see table below). The ABS perform a substantial yearly survey of 35,000 agricultural businesses between Census years in order to continually track agricultural production and producer population. Although it is a survey, it is still indicative of the industry structure and sheep producer distribution and will be used to update state sampling structures in future surveys.



State	ABS Survey for Breeding Ewe Producers Distribution (2018/19 EVAO Adjusted)	MLA and AWI Wool and Sheepmeat Survey Distribution (June 2022)
NSW	37%	34%
VIC	27%	25%
QLD	4%	3%
SA	16%	22%
WA	13%	11%
TAS	3%	4%

Survey Respondents [2/4]: Total Flock Counts (Merino & Non-Merino)

Merino and non merino flock count by Postcode

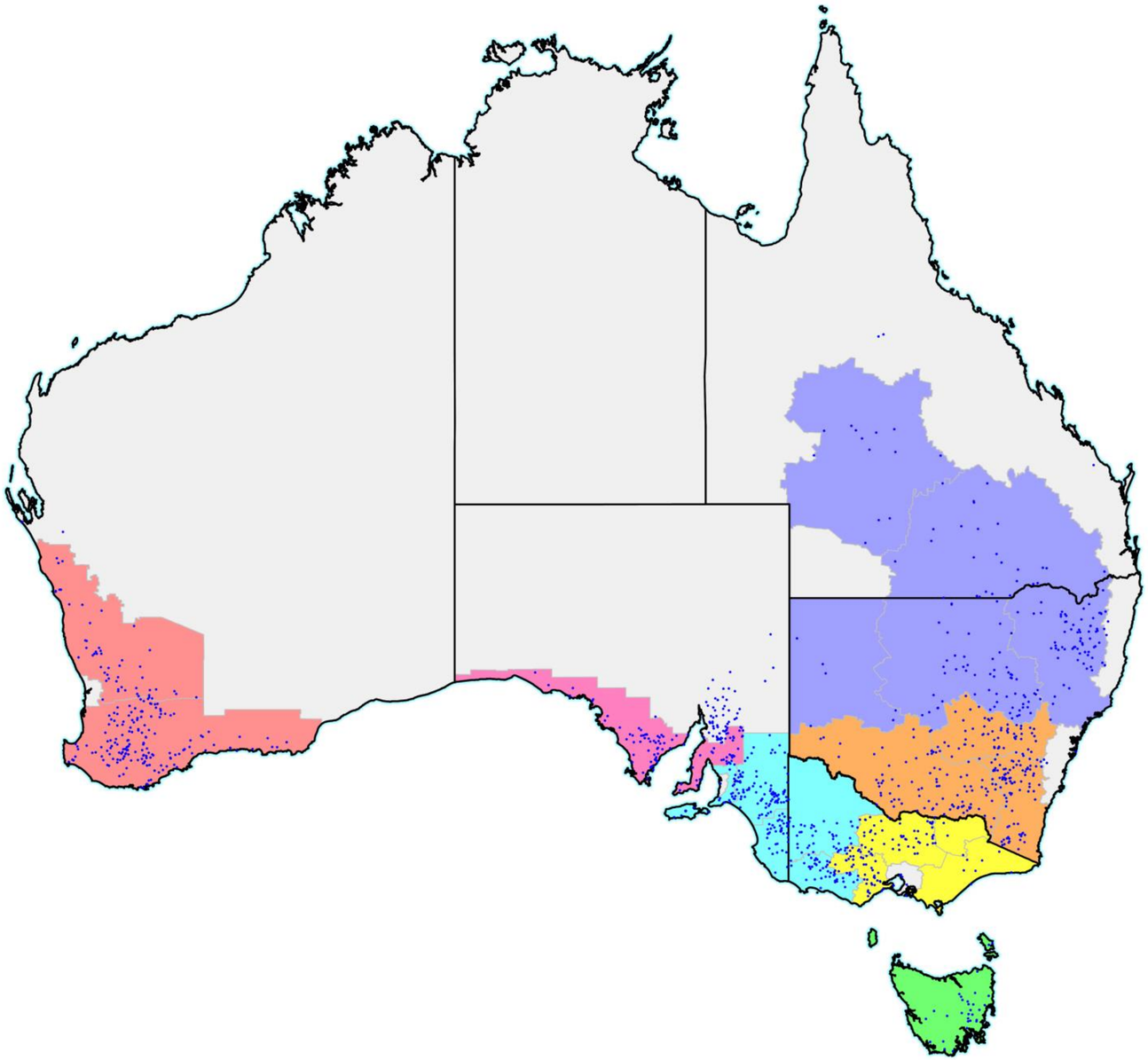


Total flocks: n: 3,056
Merino: n: 1,815
Non Merino: n: 1,241

22.07.0015 Source: MLA, Kynetec

Survey Respondents [3/4]: **Merino** Flock Counts

Merino flock count by Postcode

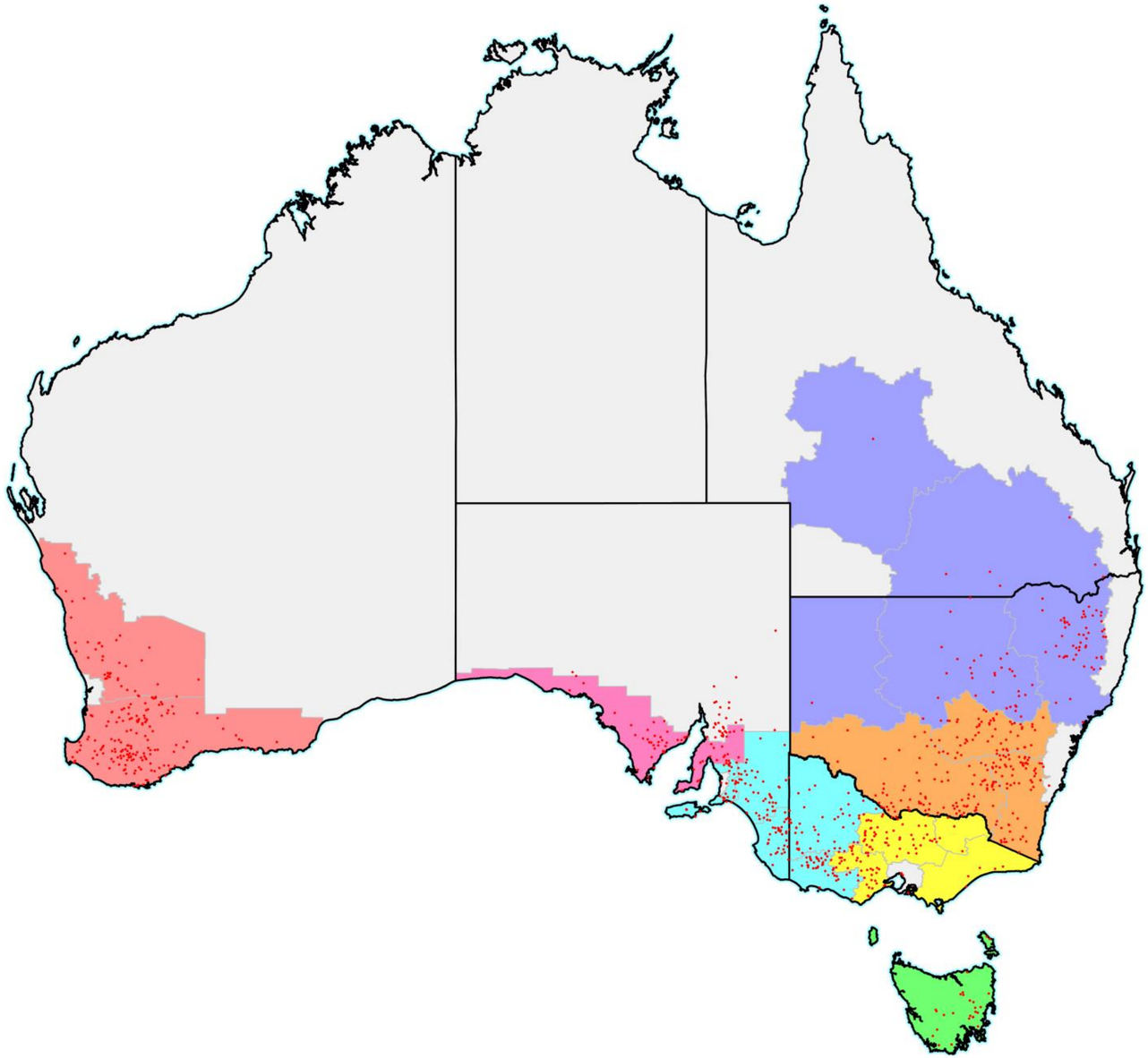


Merino properties: n= 1,815

22.07.0015 Source: MLA, Kynetec

Survey Respondents [4/4]: **Non-Merino** Flock Counts

Non merino flock count by Postcode

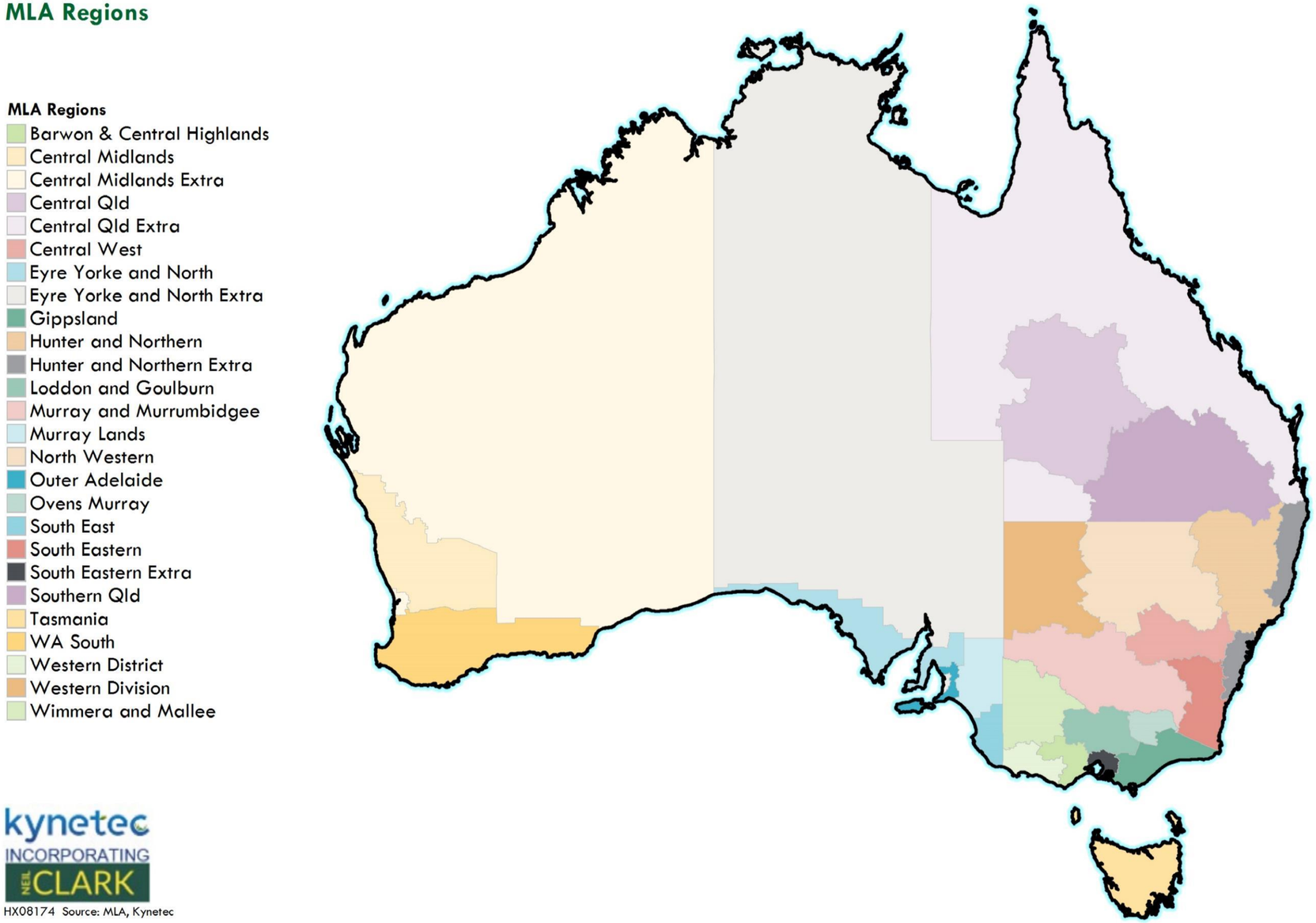


All other properties: n: 1,241

22.07.0015 Source: MLA, Kynetec

MLA Sheep Producing Regions

MLA Regions



HX08174 Source: MLA, Kynetec

Due to seasonal and growing condition variability throughout Australia and even within states, Australia was divided into 26 sheep producing regions so that sheep numbers and flock demographics could be reported at a regional level.

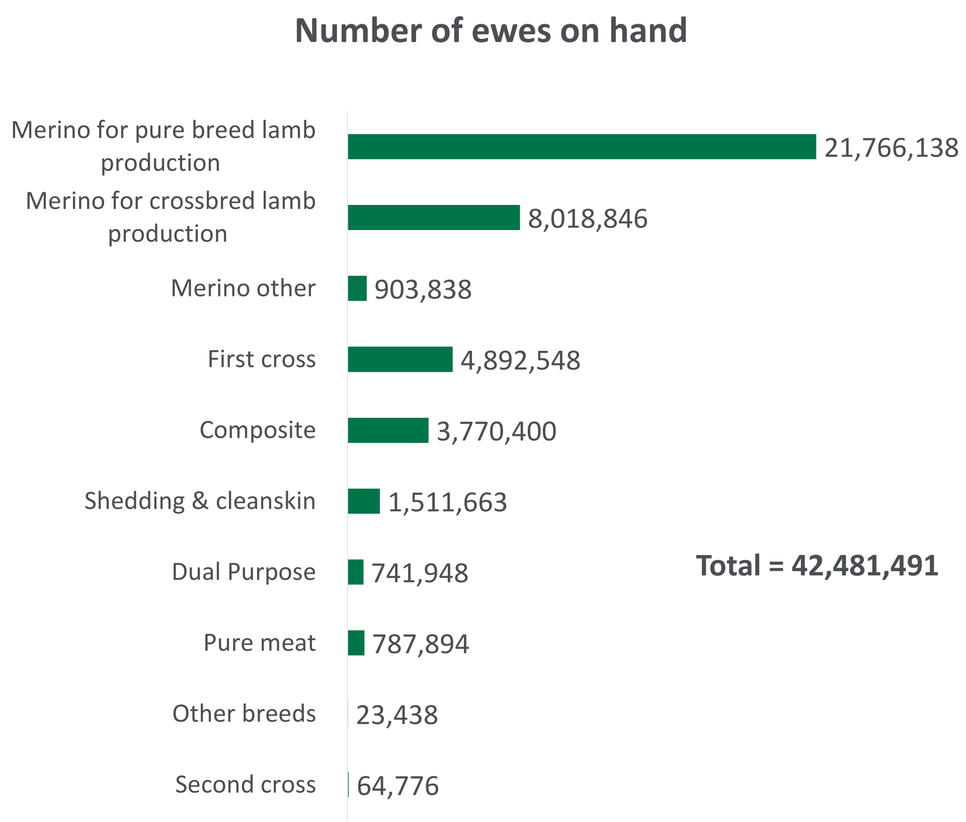
Of the 26 sheep producing regions, 7 are located in NSW, 7 in Victoria, 5 in SA, 3 in WA, 3 in Queensland and 1 in Tasmania. These producing regions are likely to change as the flock distribution changes.

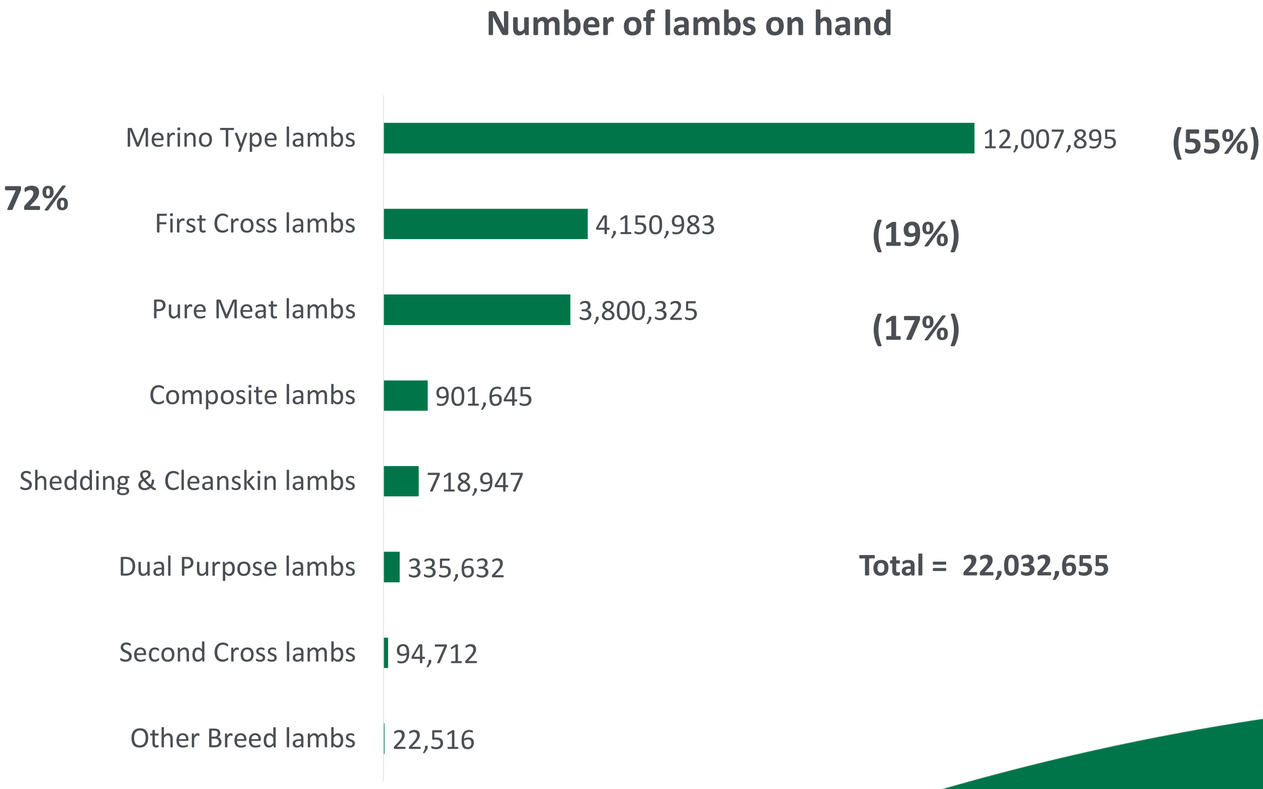
National Results

Ewes on hand and Lambs on hand - Australia

Merinos accounted for **52%** of the total breeding ewe flock of **42.5 million head**. Merino breeding ewes were further divided into Merino ewes for pure bred Merino production and Merino ewes for crossbred production and 'other' Merinos, accounting for 51%, 19%, and 2% of the merino flock, respectively.

There were **22.0 million** lambs on hand at 30 June 2022. Merinos made up 55% of the total lamb flock, at **12.0 million head**, followed by First Cross and Pure Meat lambs (accounting for 19% and 17% of the national lamb flock respectively).





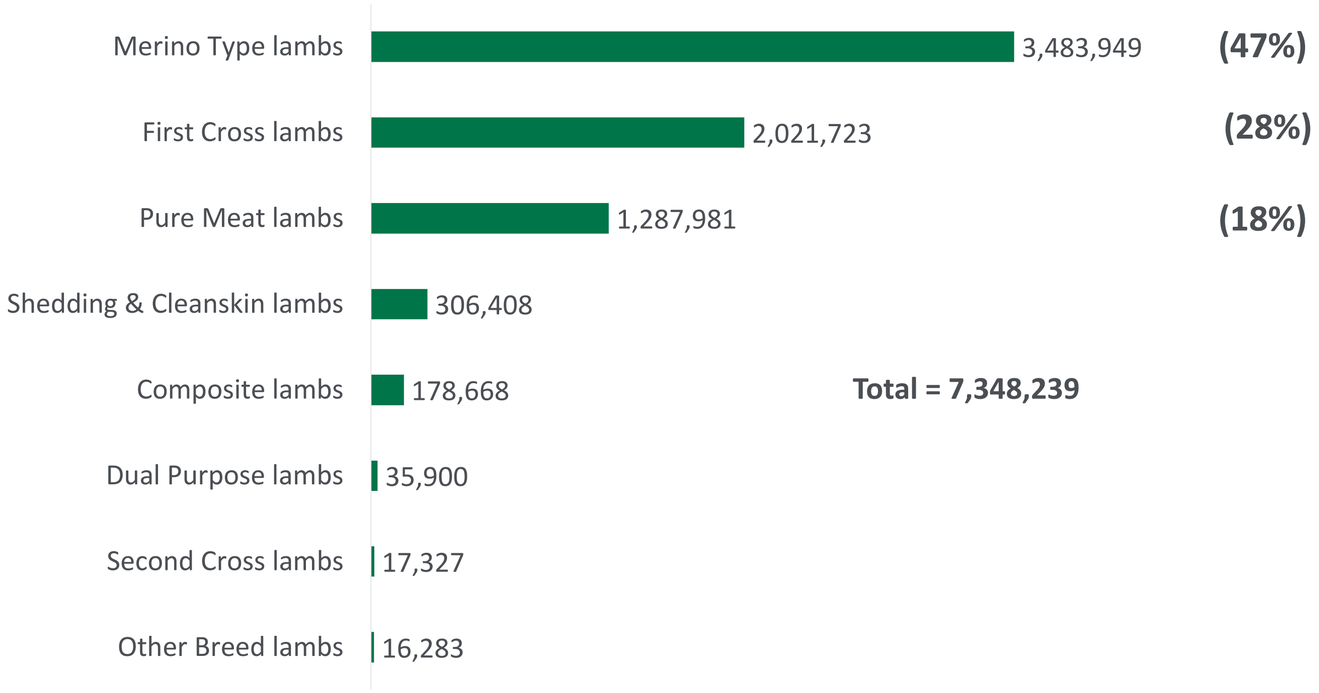
Sample base n=1,581

Lambs marked in the past four months (1 March 22 – 30 June 2022) and Ewes joined to produce lambs - Australia

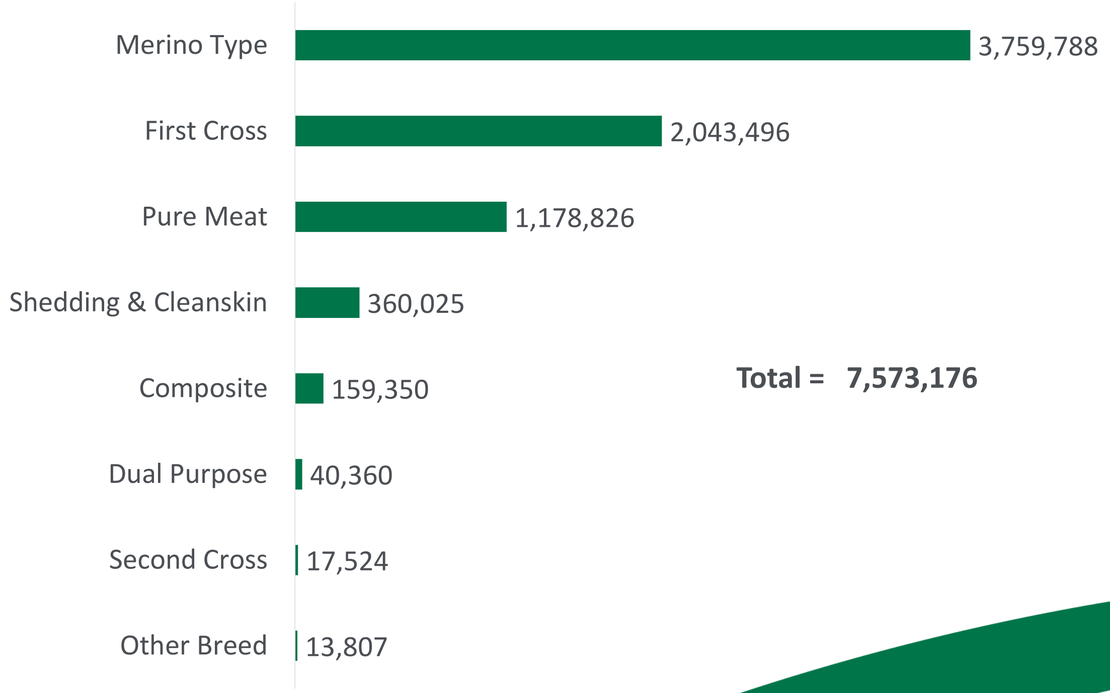
There were a total of **7.3 million** lambs marked in the four months (from 1 March 2022 to 30 June 2022). Merinos accounted for the largest proportion of lambs marked in the past four months at 47%. First cross breeds and Pure meat accounting for 28% and 18%, respectively.

A total number of **7.6 million** ewes were joined to produce the lambs that were marked in the past four months. National Merino marking rates were below that of non-merino breeds at 93% and 101% respectively.

Lambs marked in the past 4 months (1 March 22 to 30 June 22)



Ewes joined to produce marked lambs (1 March 22 to 30 June 22)



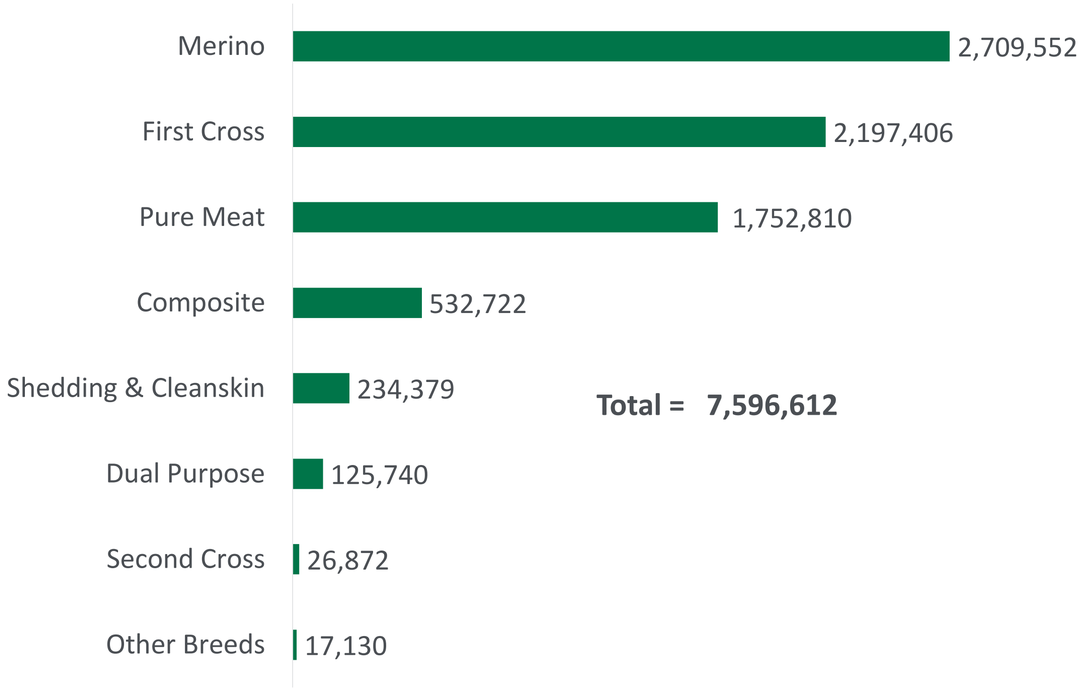
Sample base n=1,581

Expected lamb sales in the next 4 months - Australia

A total number of **7.6 million lambs** are expected to be sold in the next four months (1 July to 31 October 2022), approximately 34% of the total number of lambs on hand (22.0 million). Of these: Merino, First cross breeds and Pure Meat are expected to account for 36%, 29% and 23% of lamb sales respectively.

These results are consistent with producer ewe flock intentions for the next 12 months and method of achievement, with 27% of producers are looking to increase their ewe flocks, largely through retaining more replacement ewes than normal (60%) or purchasing more ewes than normal (35%).

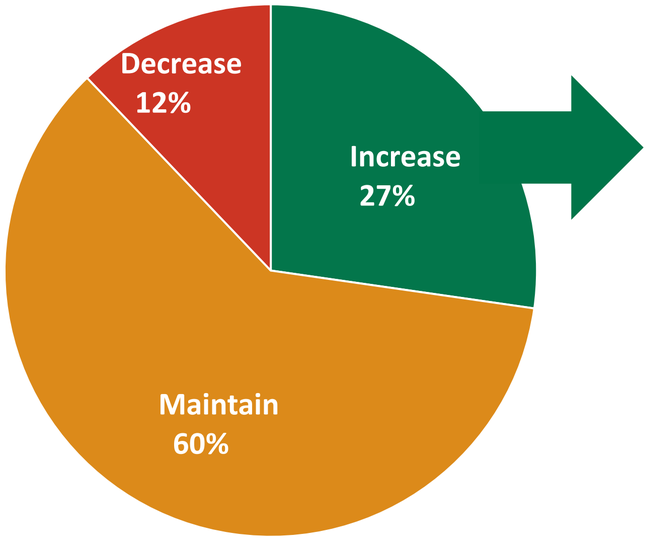
Expected lamb sales in the next 4 months



Total = 7,596,612

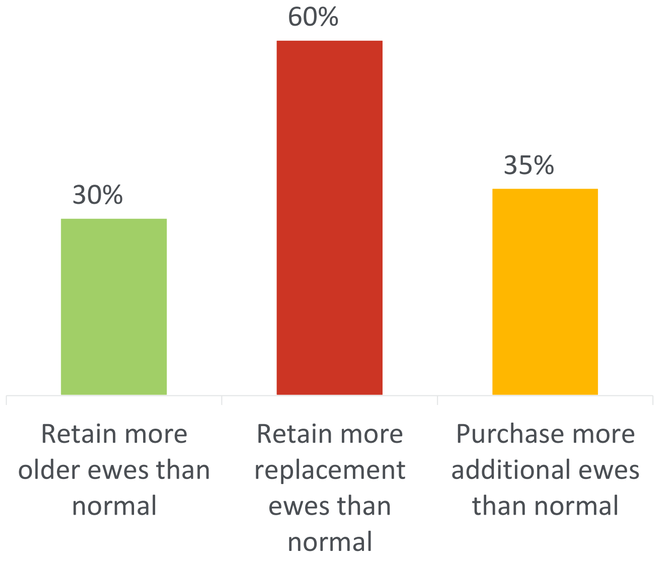
Sample base (properties) n=1,581

Ewe flock intentions



Sample base (respondents) n=1,581

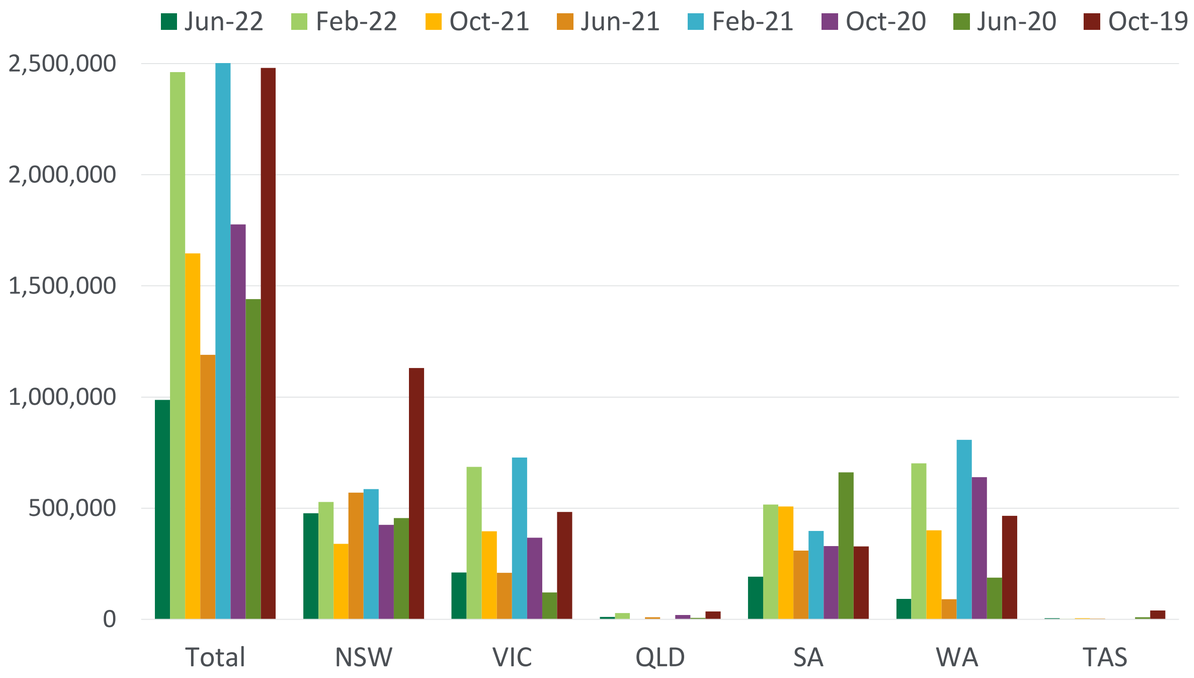
How to achieve increase



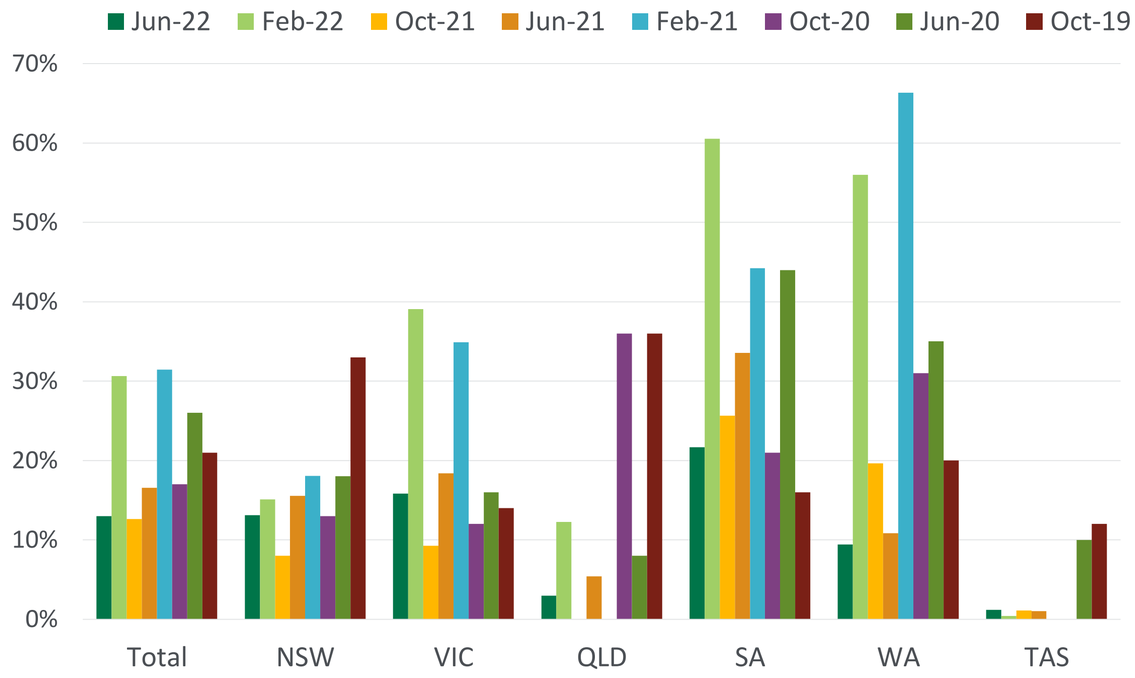
Sample base (respondents) n=401

Number of lambs expected to be sold that spent 35 days with grain as their primary food source

Of expected lamb sales in the next 4 months, how many will have spent 35 days with grain as their primary food source



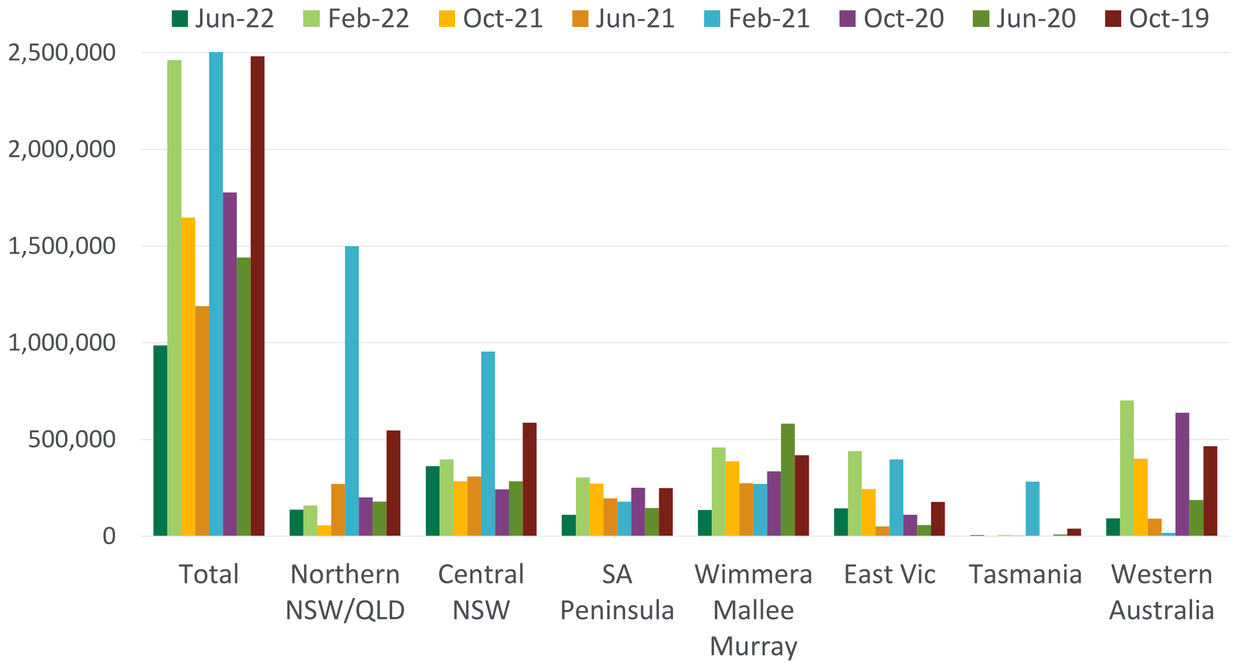
The percentage of grainfed lambs to total expected lambs sales in the next 4 months



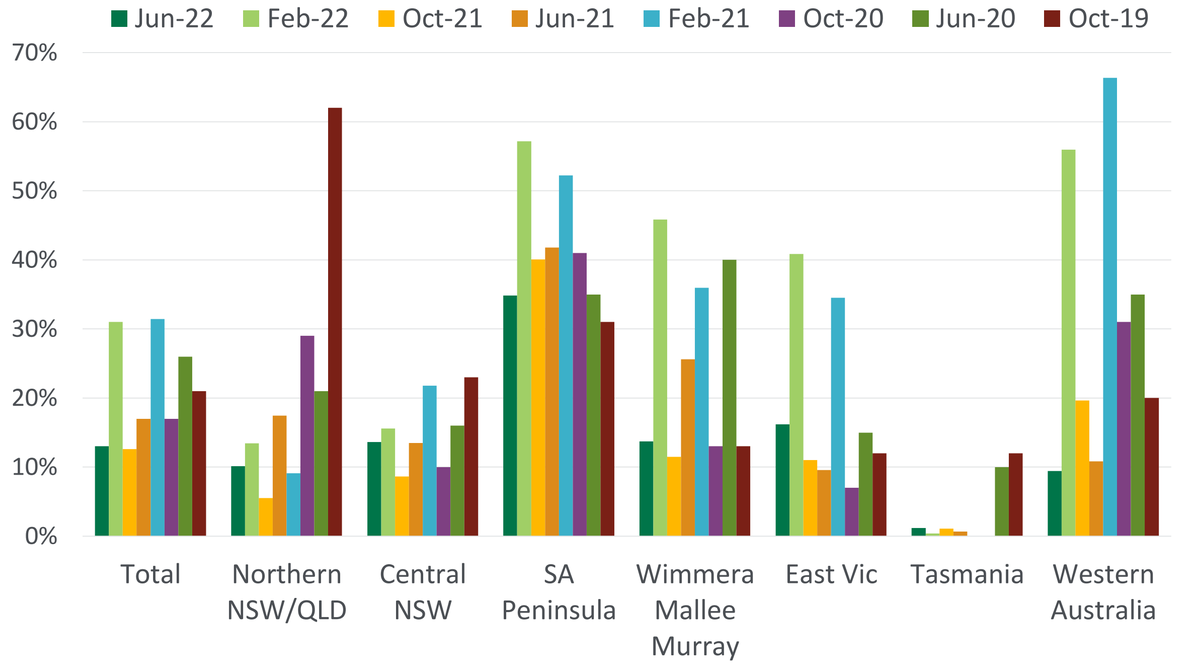
*NB the percentage of grainfed lambs to total lambs sales is calculated dividing the number of grain fed lambs expected to be sold in the next 4 months by the total expected lamb sales in the next 4 months

Number of lambs expected to be sold that spent 35 days with grain as their primary food source – by MLA reporting region

Of expected lamb sales in the next 4 months, how many will have spent 35 days with grain as their primary food source



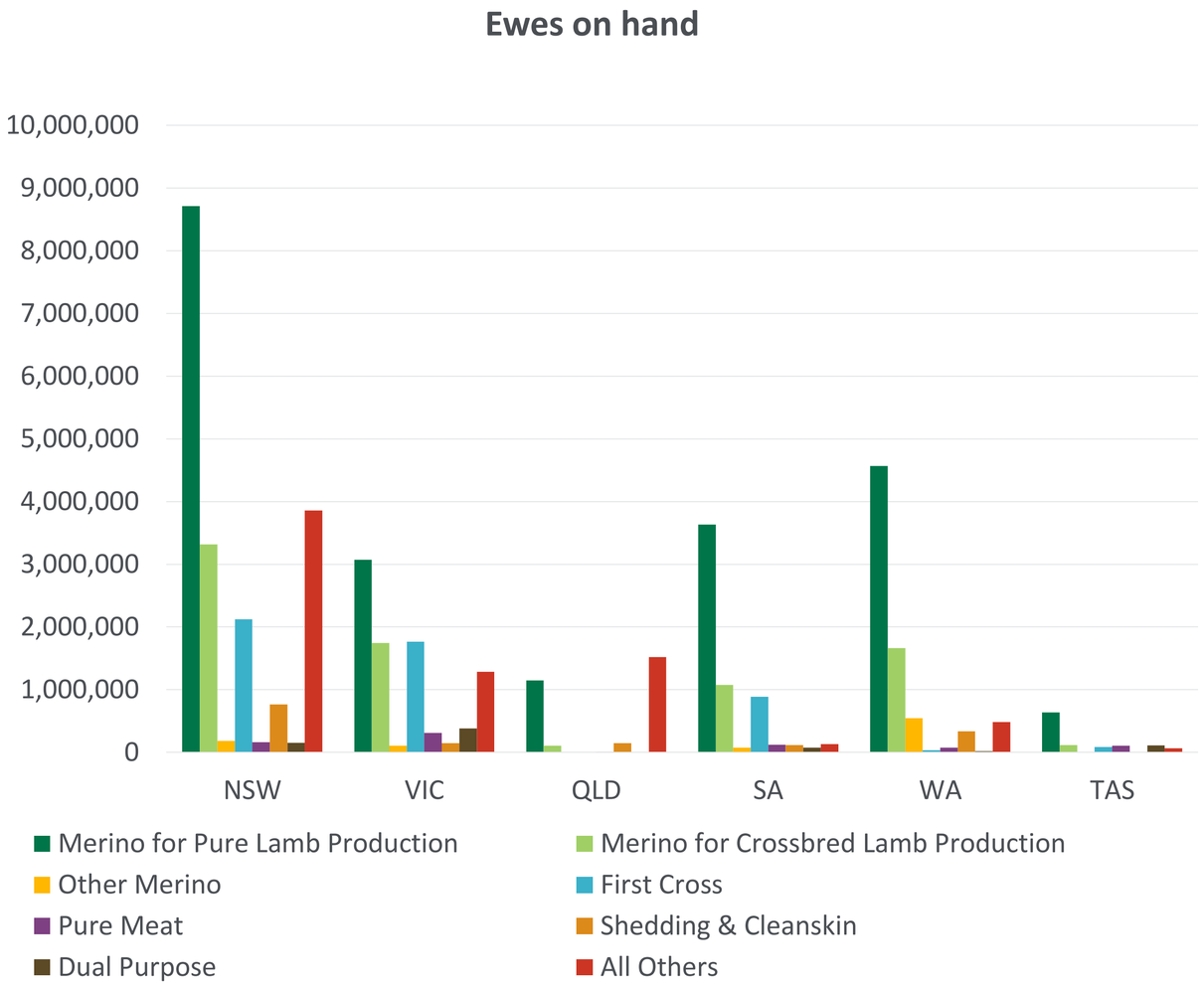
The percentage of grainfed lambs to total expected lambs sales in the next 4 months

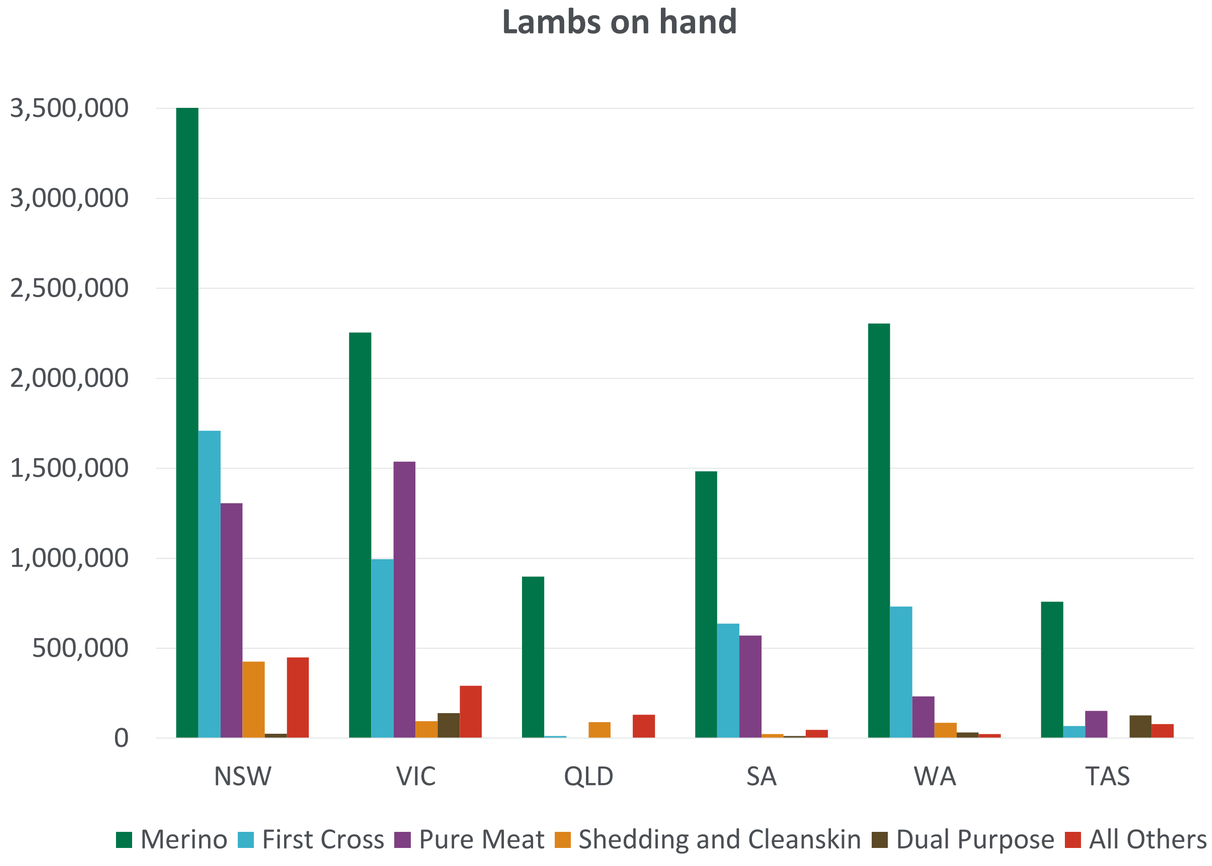


*NB the percentage of grainfed lambs to total lambs sales is calculated dividing the number of grain fed lambs expected to be sold in the next 4 months by the total expected lamb sales in the next 4 months

Results by State

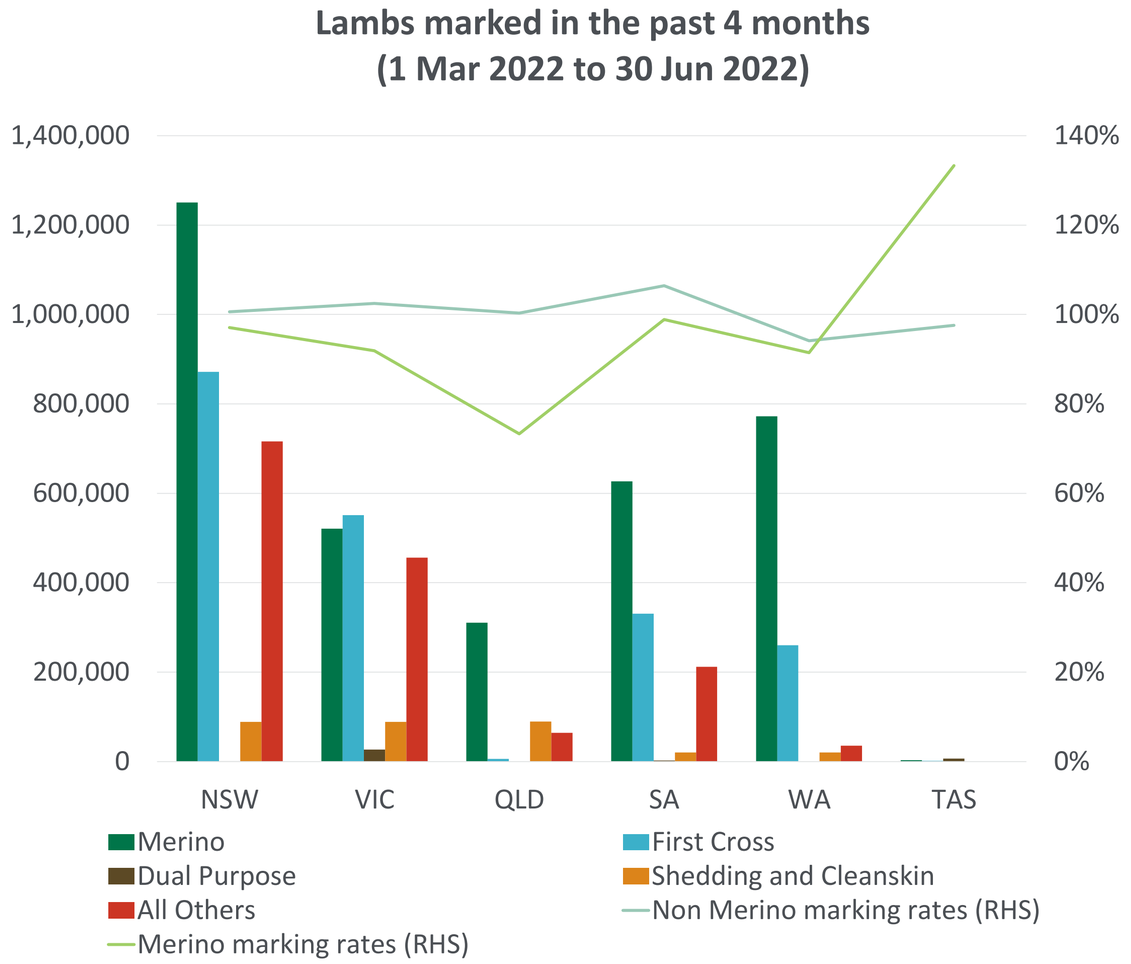
Ewes on hand and Lambs on hand - State

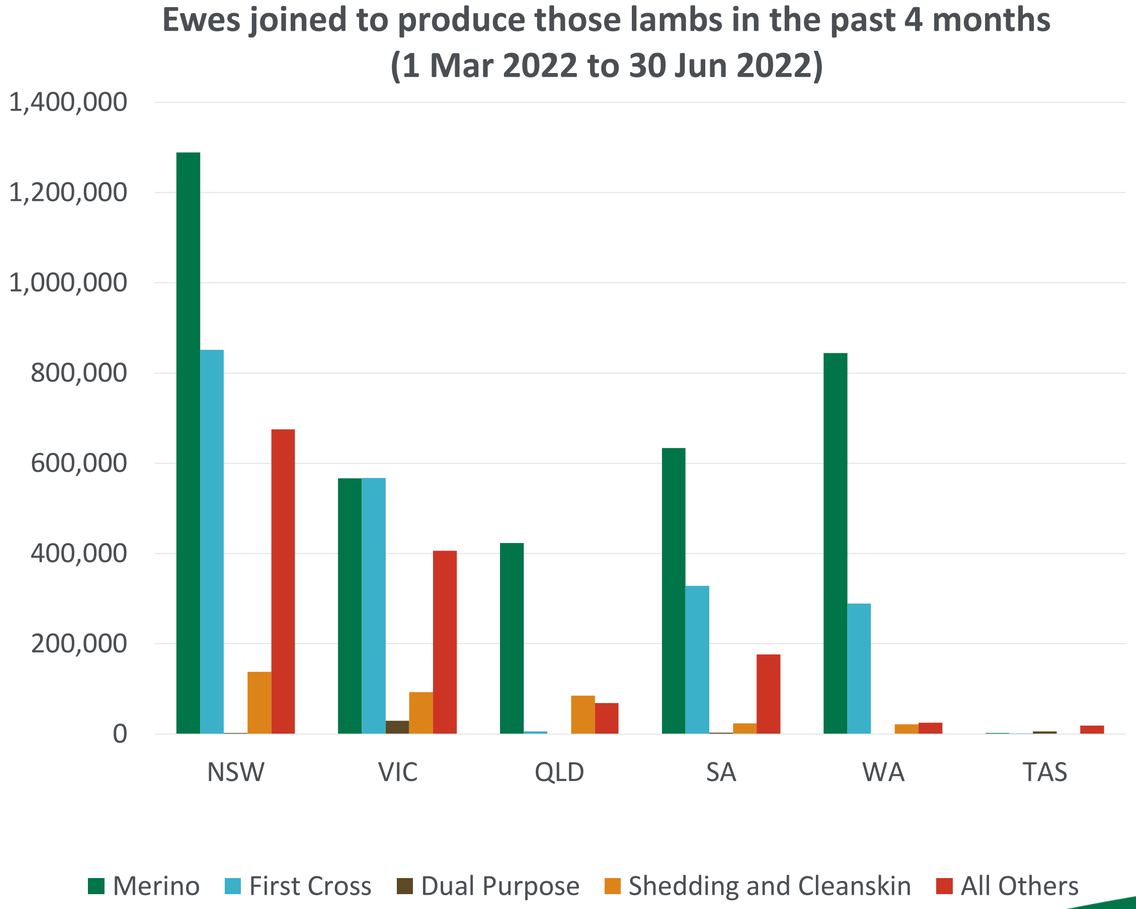




Sample base n=1,581

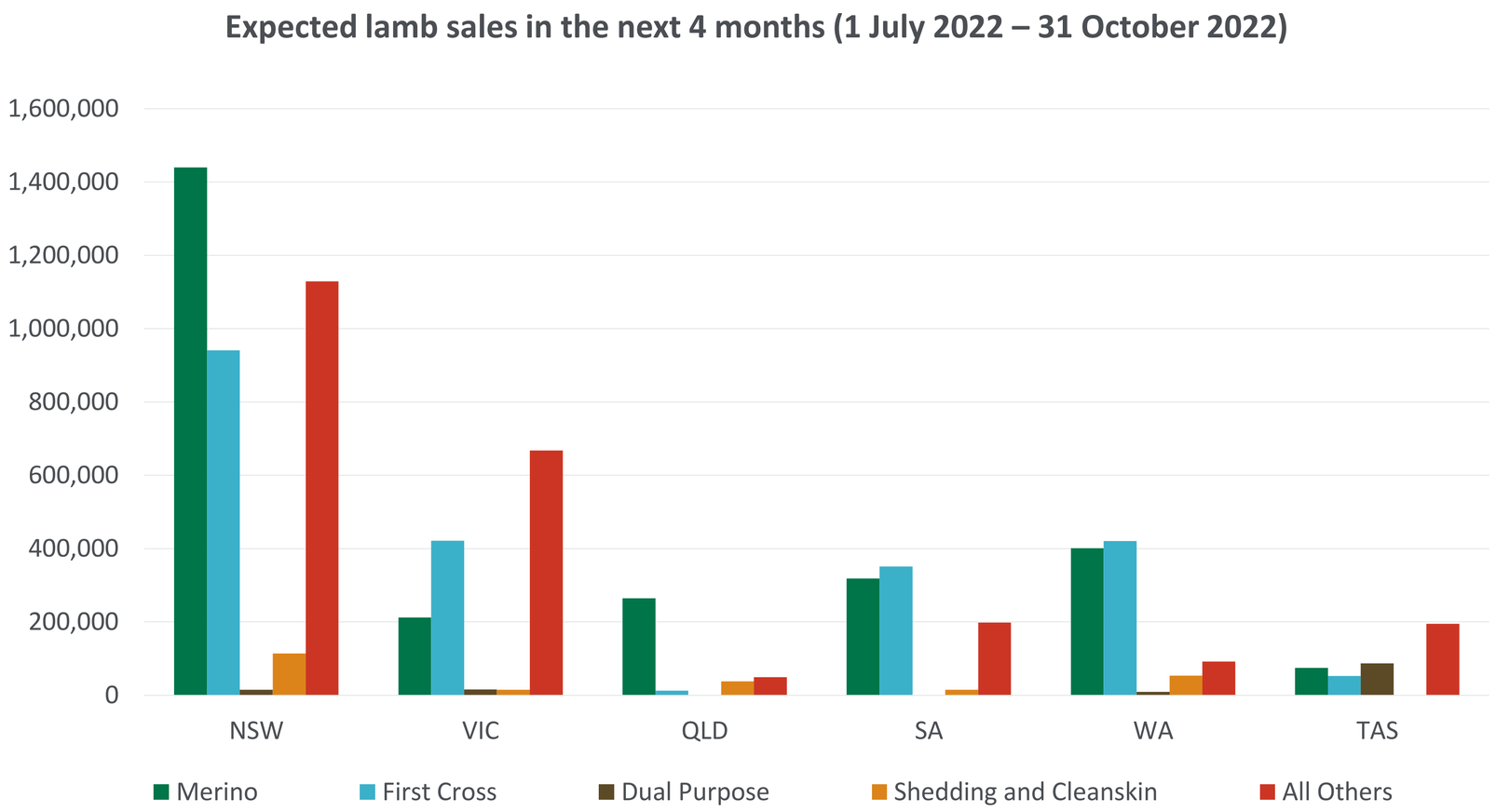
Lambs marked in the past four months and ewes joined to produce those lambs - State





Sample base n=1,581

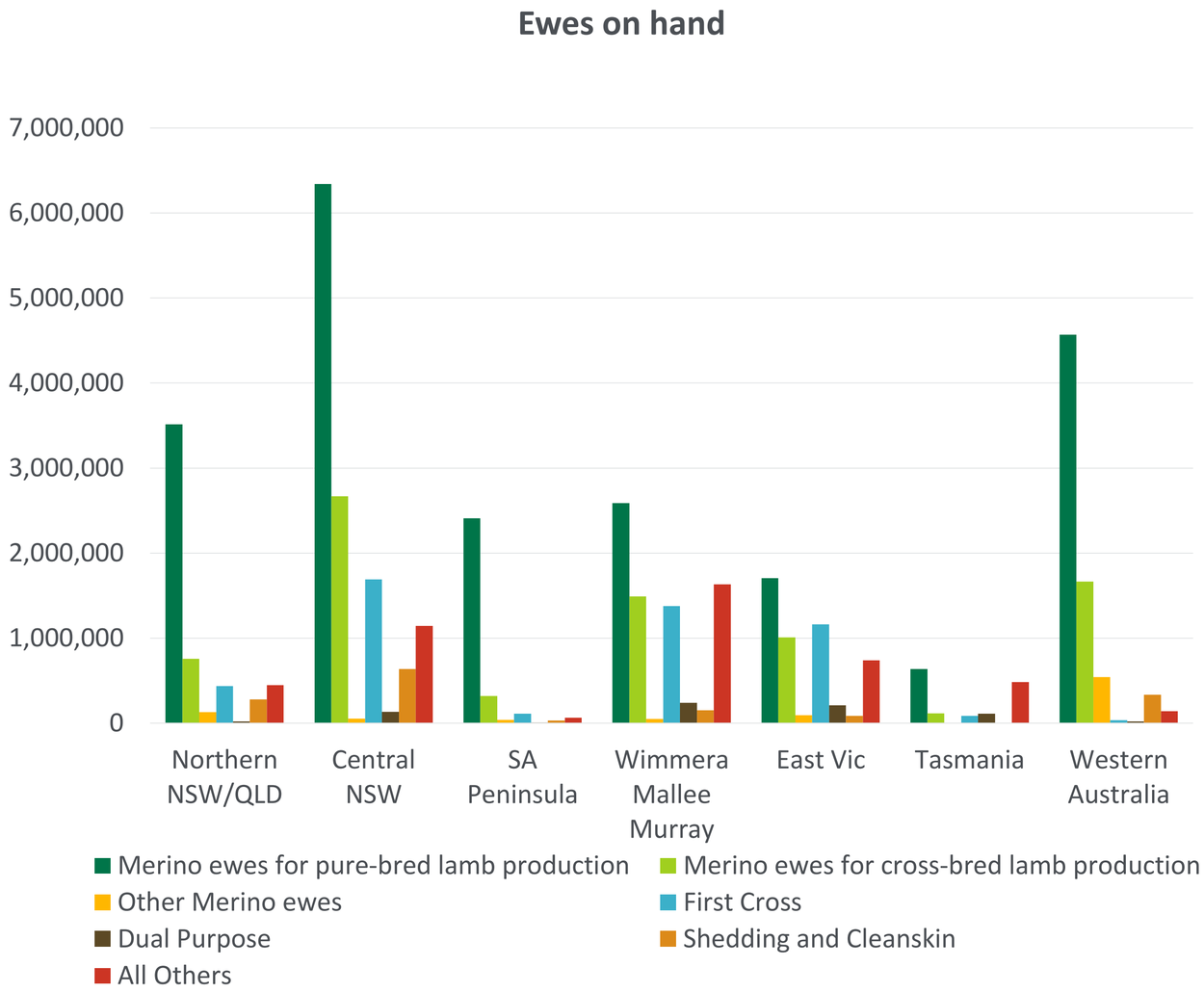
Expected lamb sales in the next four months – by State

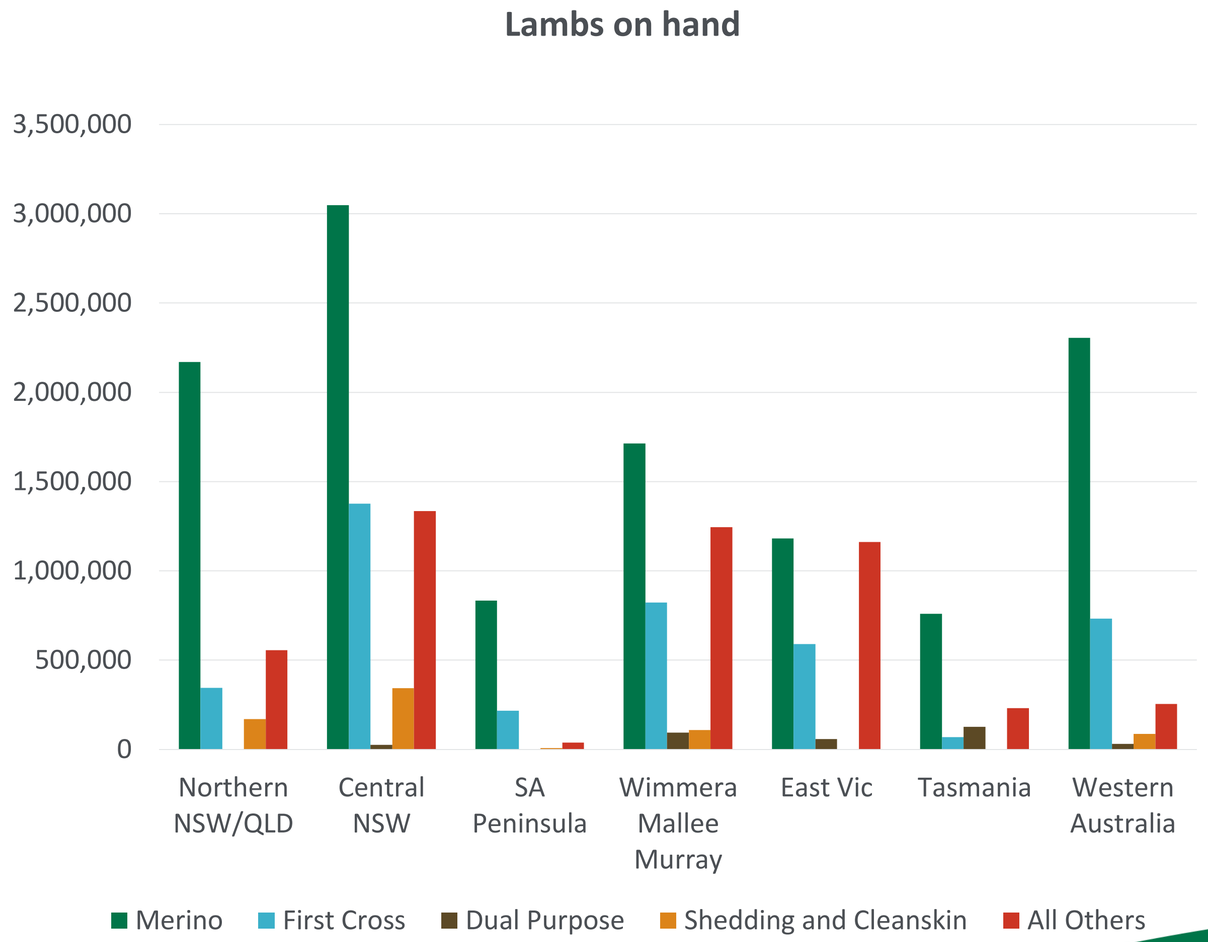


Sample base n=1,581

Results by MLA Reporting Region

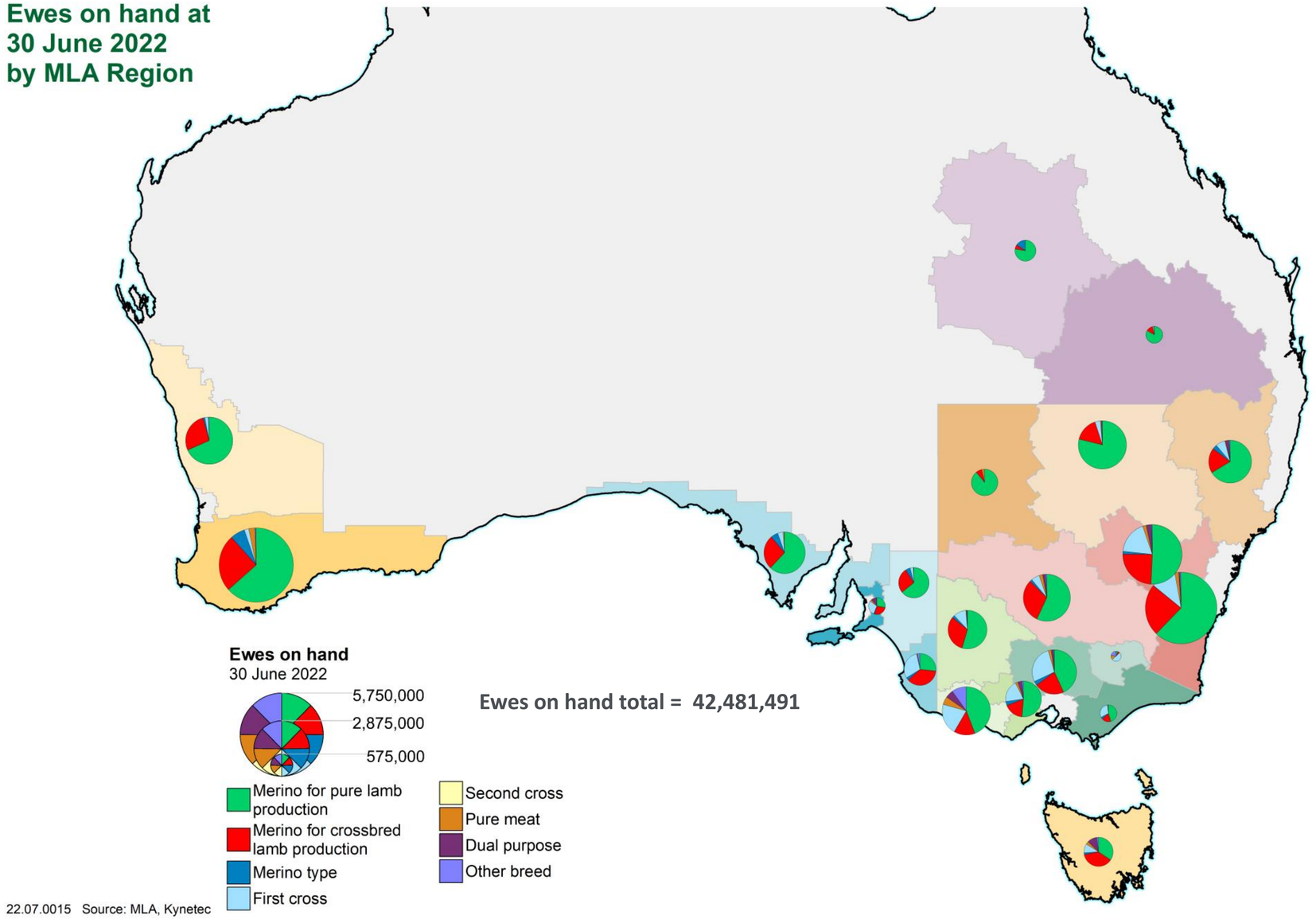
Ewes on hand and lambs on hand 30 June 2022 - by MLA reporting regions





Sample base n=1,581

Ewes on hand – MLA reporting regions



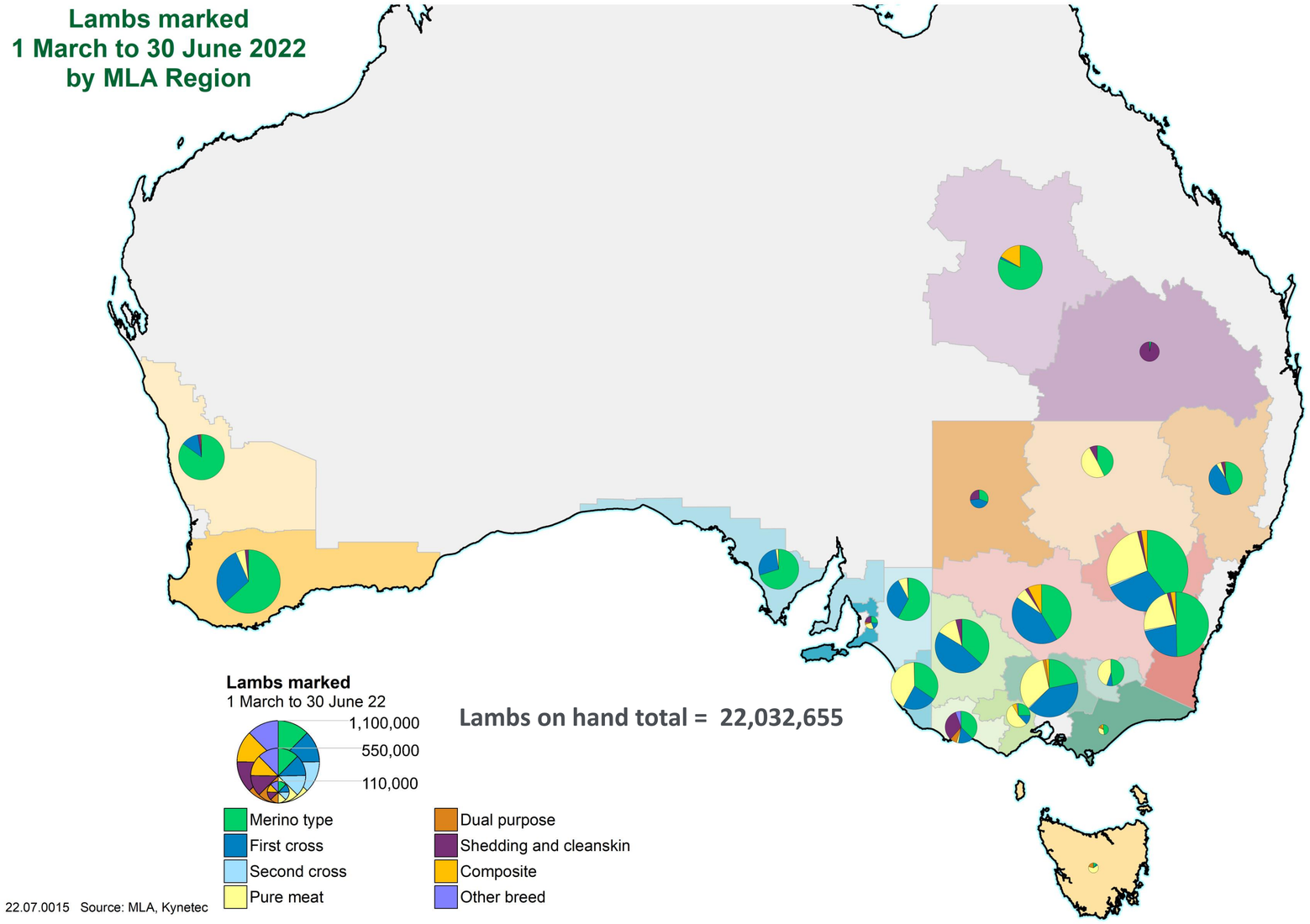
The breeding ewe population was largest in WA South (5.6 m), Central West (5.0 m) and South Eastern (4.8 m).

When considering regions with over 40,000 ewes Eyre Yorke and North Extra (98%) and Hunter and Northern Extra (96%) had the highest percentage of merinos in their flock followed by Murray Lands and Central Qld Extra (both 95%), WA South (93%) and Central Midlands (92%) (Merino for Pure lamb, Merino for cross lamb production and Merino other).

Conversely, when considering regions with over 40,000 non merinos, the largest percentage of non-merino ewes was in Gippsland (63%), South East and Western District (both 58%), and Outer Adelaide (52%).

Sample base n=1,581

Lambs on hand – by MLA reporting regions



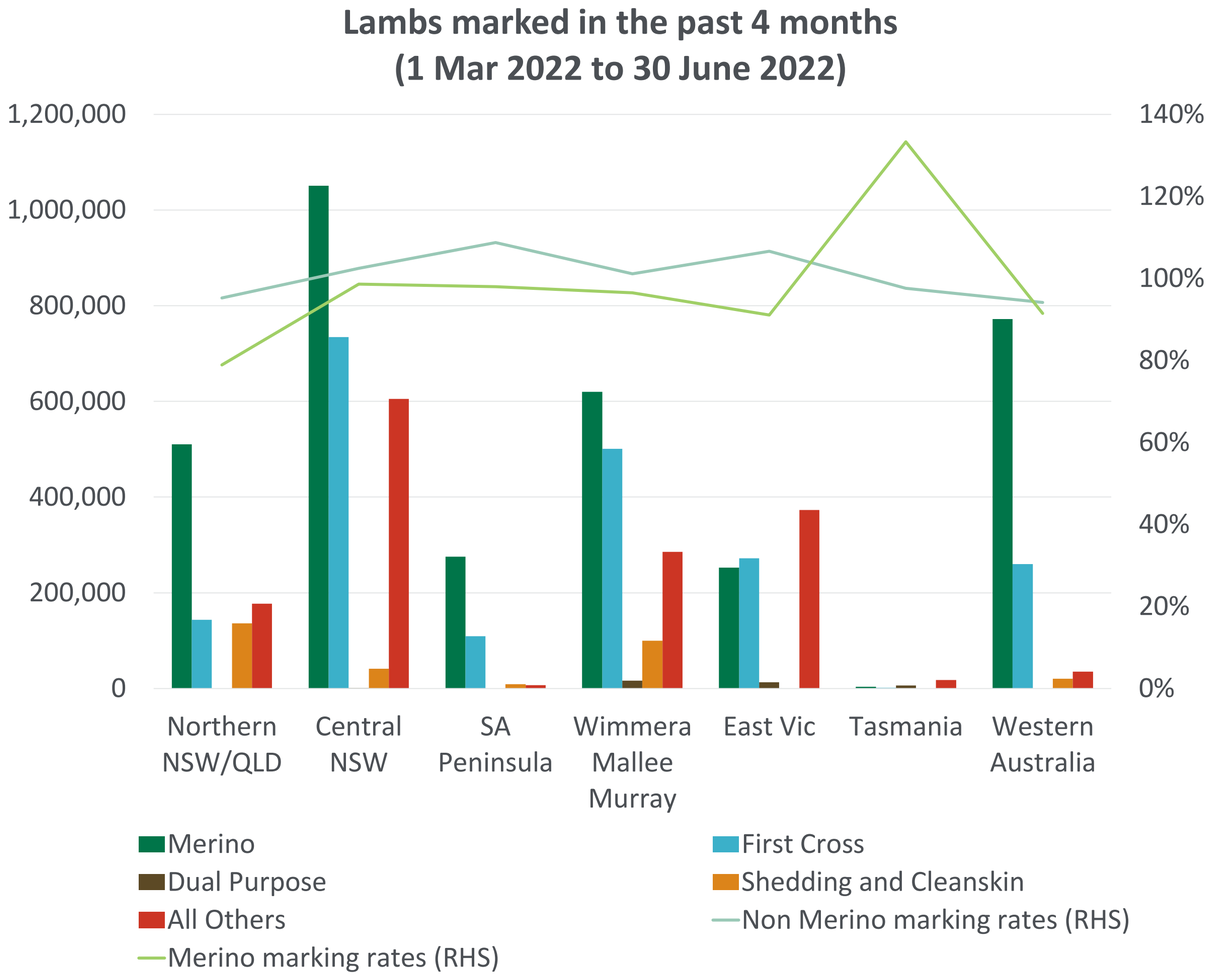
The number of lambs on hand at 30 June was greatest in the Central West at 3.1 million. This was followed by WA South, recording around 2.7 million head.

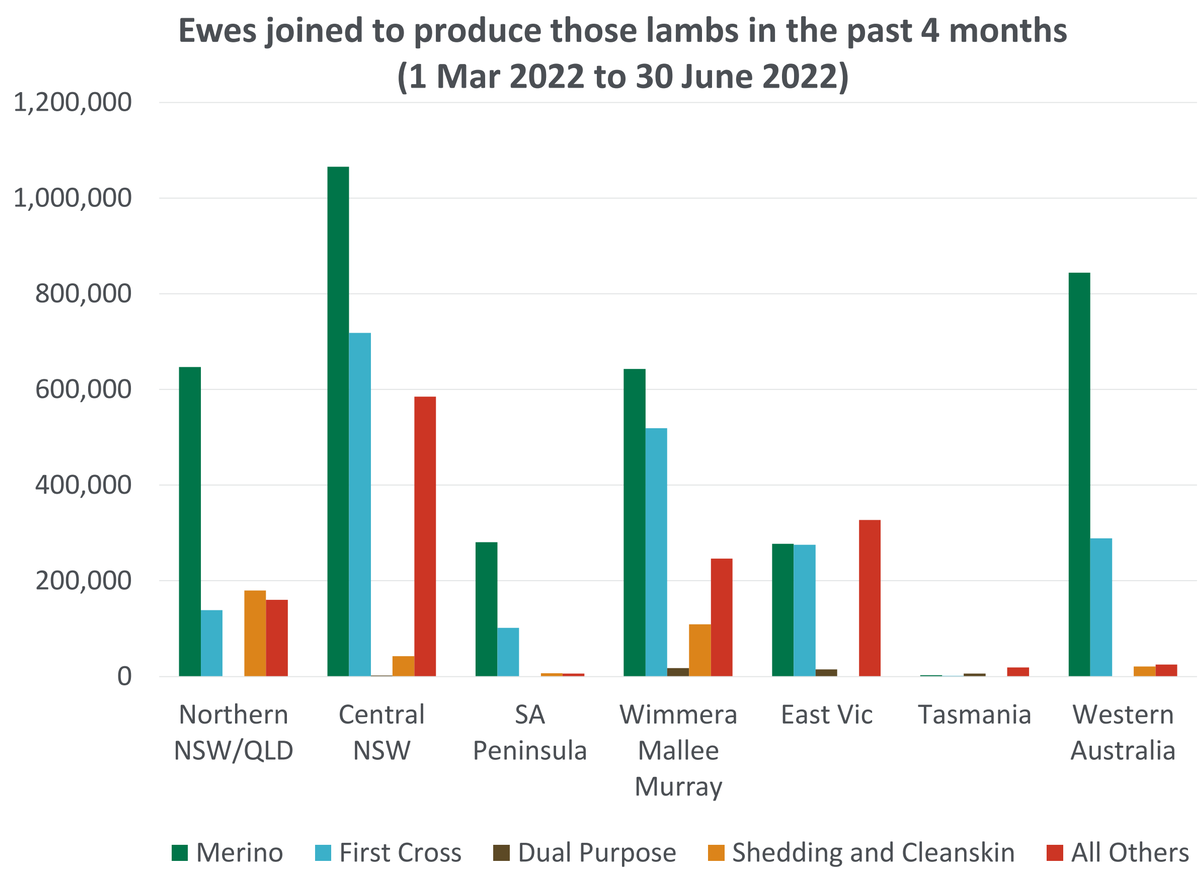
Although Merinos tended to be the most dominant breed of lamb across most regions, a large proportion of flocks in some regions were made up of first cross and pure meat breeds. In some regions, first cross lambs comprised a significant portion of the lamb flock; the Wimmera and Mallee (33%), Murray Lands (27%) and Outer Adelaide (27%). Pure meat lambs in the South East and the Ovens Murray comprised 51% and 48% of the total lamb flocks, respectively.

WA South had the largest Merino lamb flock at around 1.8 million head, accounting for 66% of the 2.7 m total WA South lamb flock. In the Central West region, Merinos accounted for 54% of the total lamb flock (1.7 m of 3.1 m head).

Sample base n=1,581

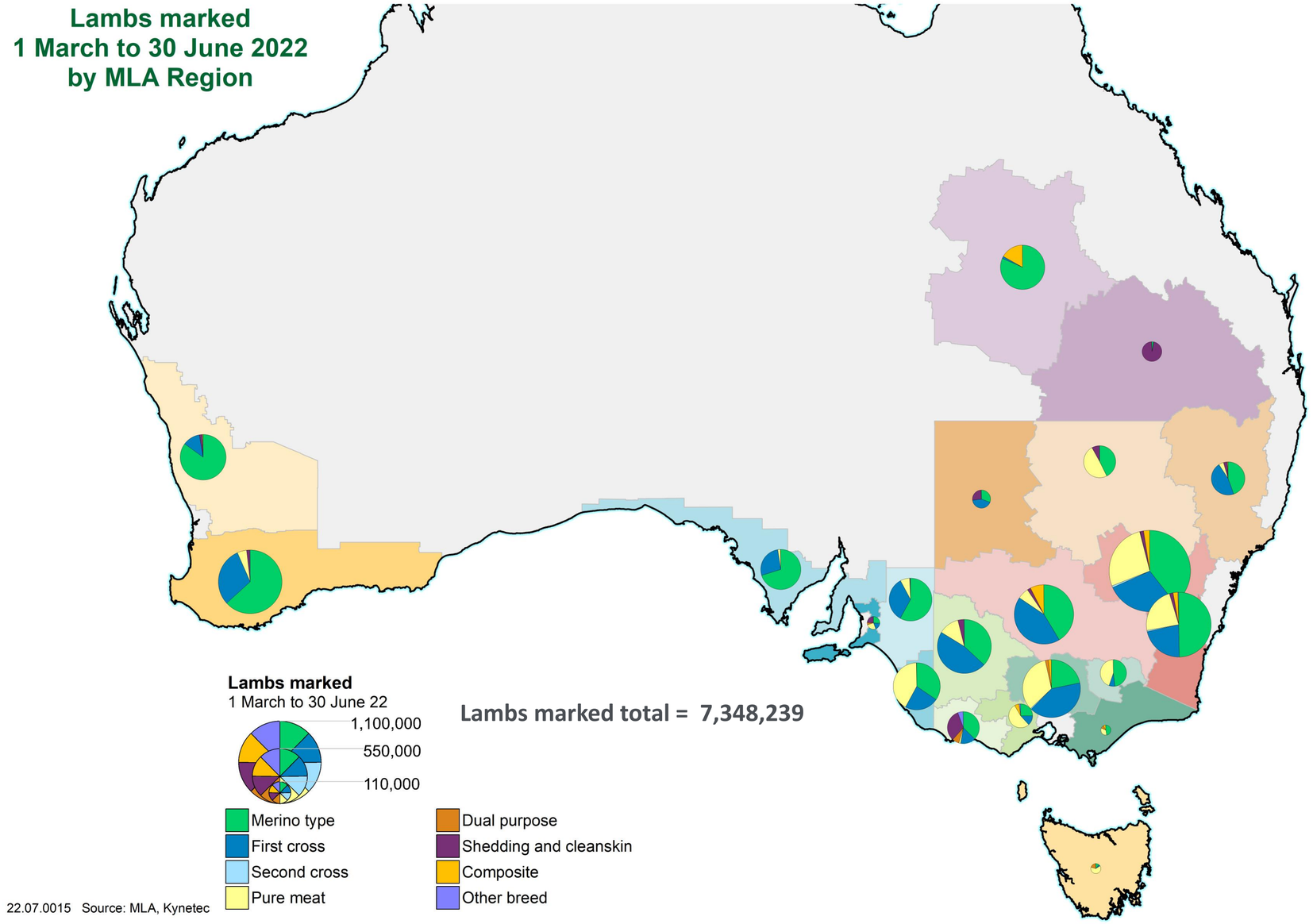
Lambs marked in the past 4 months and Ewes joined to produce those lambs – by MLA reporting regions





Sample base n=1,581

Lambs marked in the past four months



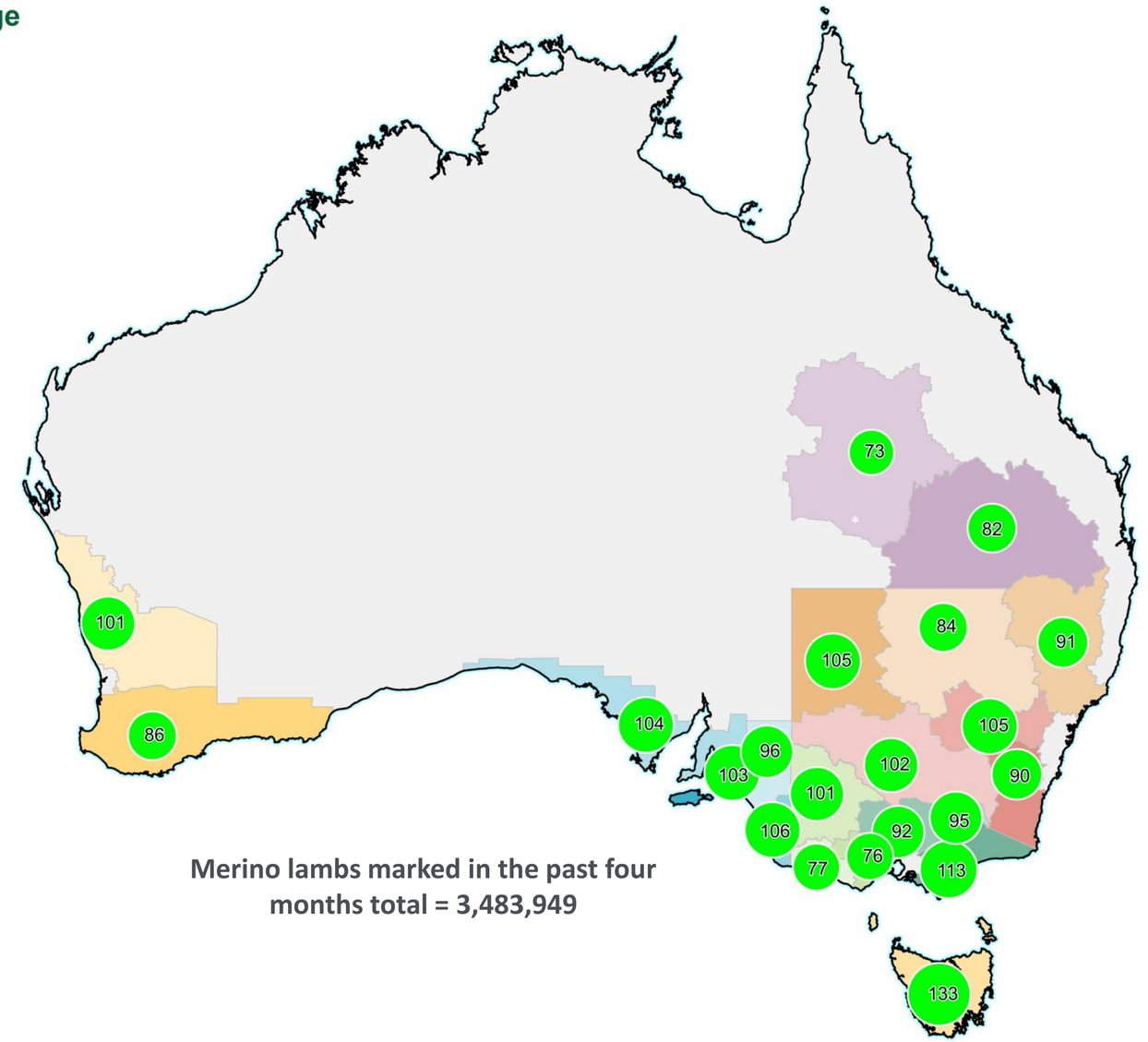
Around 7.3 million lambs were marked over the past four months.

Central West, South Eastern and WA South accounted for a large number of new lambs, with markings of 1.1 m, 722 k and 695 k head respectively.

Sample base n=1,581

Merino lamb marking rates – by MLA regions

Lambs marked percentage of merinos by MLA Region



Merino lambs
Percentage marked

100
50
10

Merino lambs marked in the past four months total = 3,483,949

22.07.0015 Source: MLA, Kynetec

Sample base n=1,581

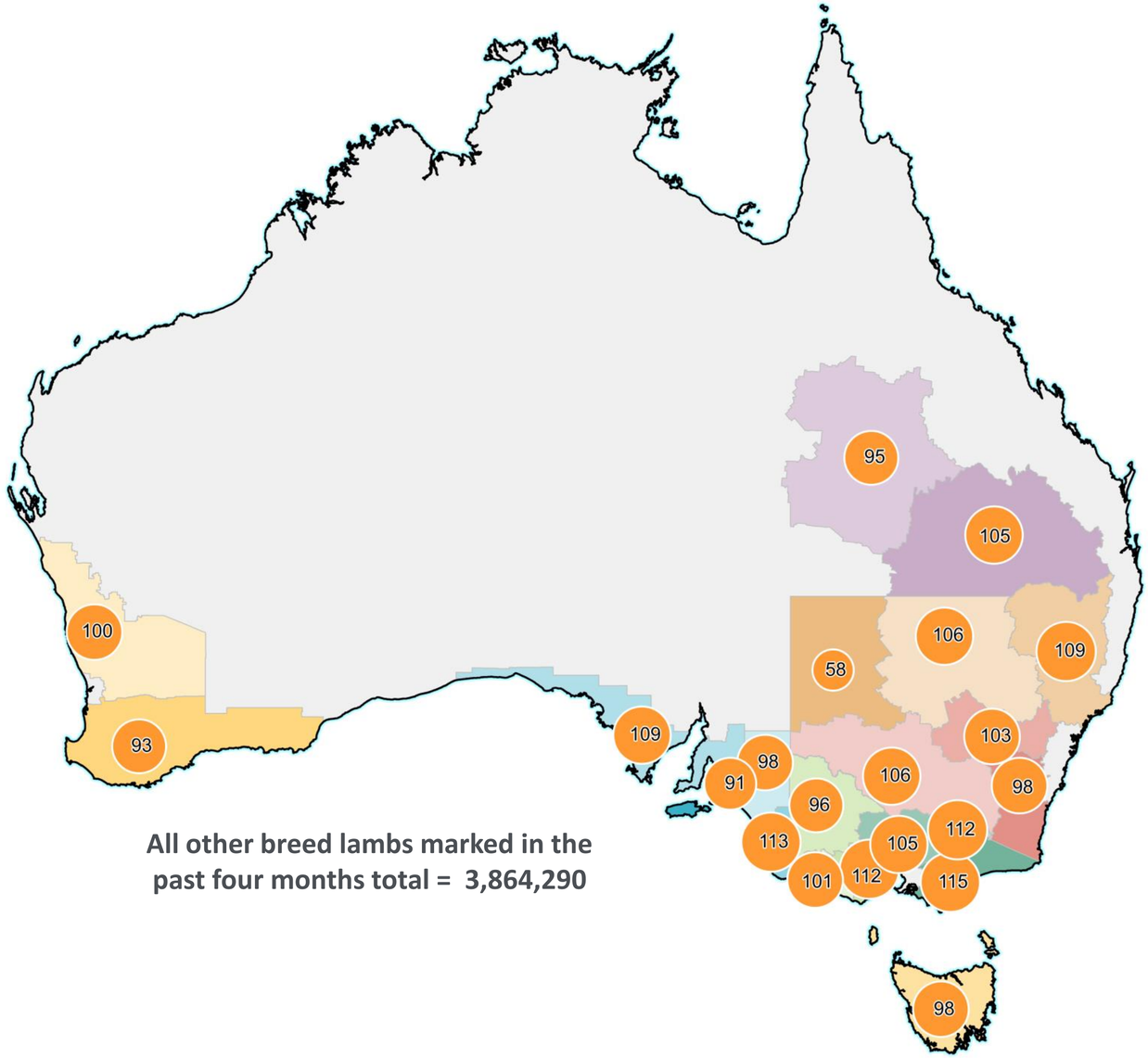
The highest Merino marking rates were recorded in Gippsland (113%) and South East (106%).
Conversely, the lowest marking rates were recorded in Eyre Yorke and North Extra at 79%.

Nationally, the Merino marking rate was 93% and on a state basis, Queensland had the lowest marking rate at 73%, while Tasmania and SA recorded the highest Merino marking rates of 133% and 99% respectively.

Note: These marking rates are for the period between 1 March 2022 to 30 June 2022 and are not an accurate representation of annual marking rates.

All other breed lamb marking rates – by MLA regions

Lambs marked percentage of non merinos by MLA Region



All other breed lambs marked in the past four months total = 3,864,290

22.07.0015 Source: MLA, Kynetec

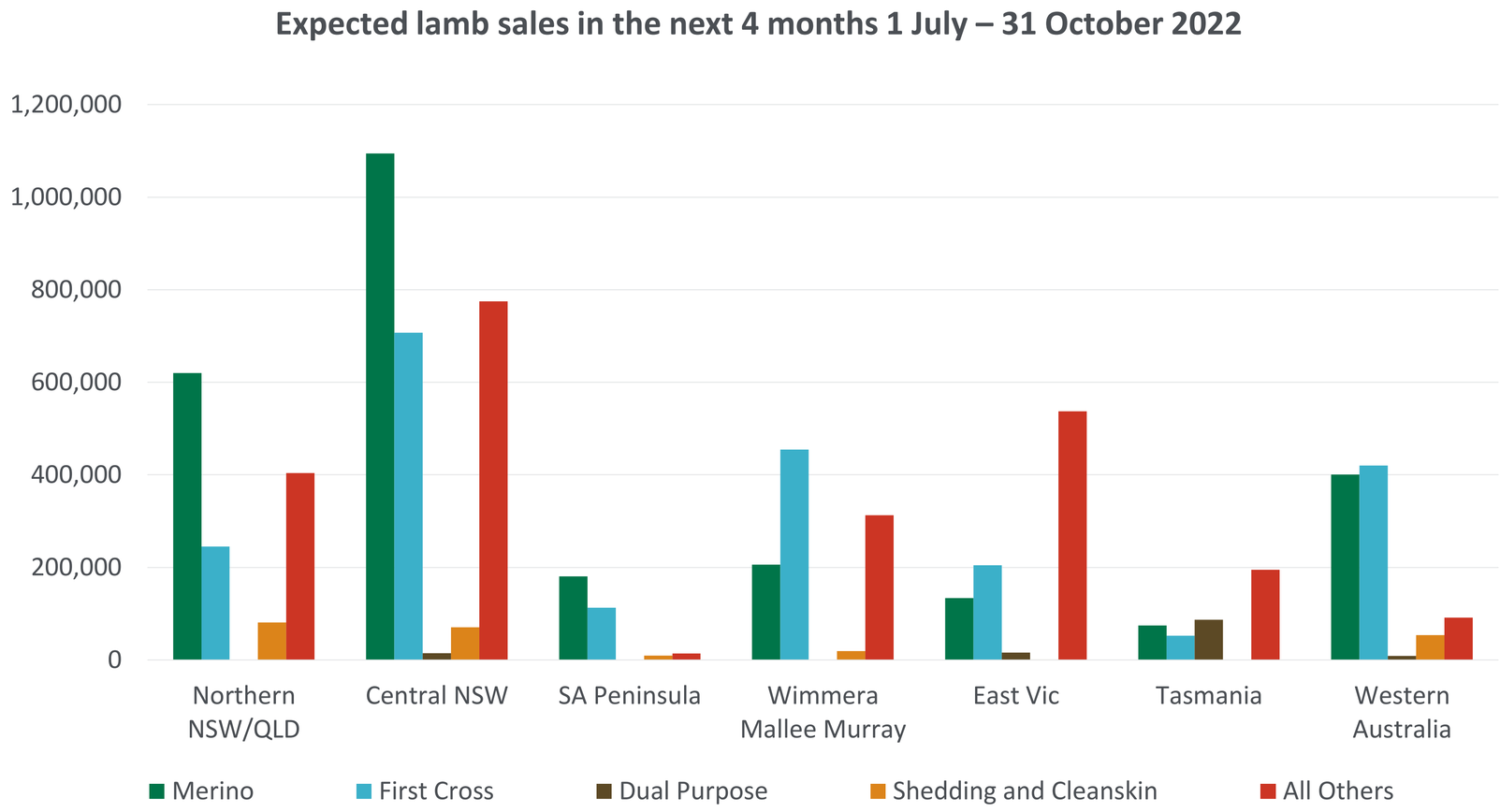
Of the regions with greater than 40 thousand head of non-merino lambs South East, Barwon and Central Highlands and Ovens Murray recorded the highest marking rates for non-Merino lambs at 113%, 112% and 112% respectively.

On a state basis SA (106%) and VIC (102%) recorded the highest non-merino market rates. In contrast, the lowest non-merino marking rates was seen in WA (94%).

Note: These marking rates are for the period between 1 March 2022 to 30 June 2022, these are not representative of the average annual marking rates.

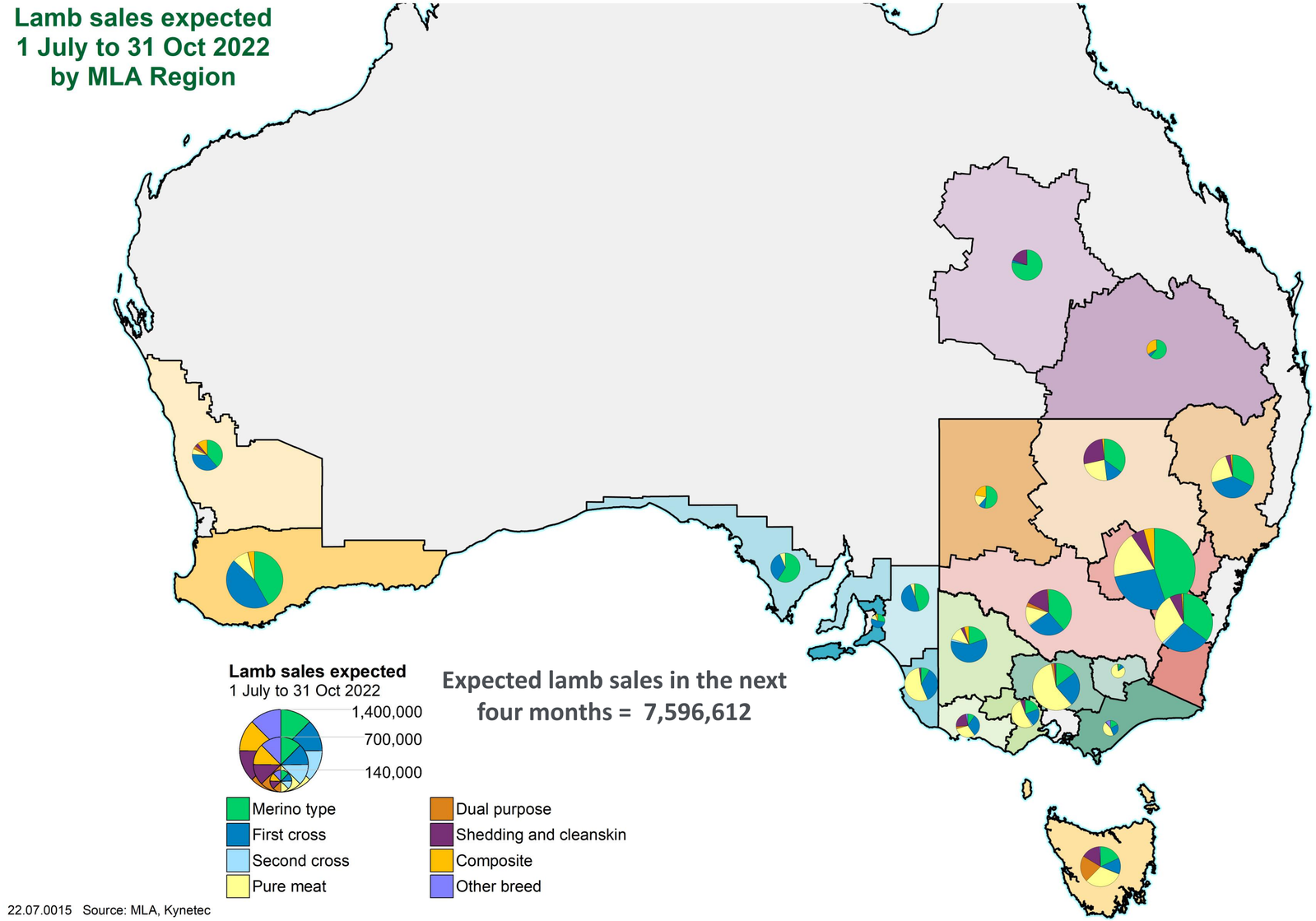
Sample base n=1,581

Expected lamb sales in next four months (1 July - 31 October 2022) – by MLA reporting regions



Sample base n=1,581

Expected lamb sales in next four months



Over the next four months (1st July to 31st October 2022), most lamb sales are expected to occur in Central West (1.4 m) and South Eastern (763 k).

Merinos are expected to account for 36% of national lamb sales, with the proportion higher in QLD, WA and NSW (73%, 41% and 40% respectively). Pure Meat and First cross breeds will account for 23% and 29% of lamb sales nationally.

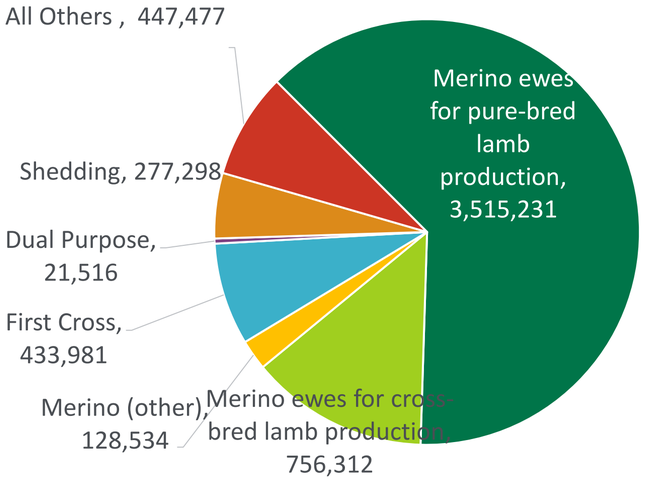
NSW and VIC are expected to account for 48% and 18% of total lamb sales over the next four months, with around 5.0 million lambs expected to be on offer in both states. This is followed by WA and SA at 13% and 12% of total lamb sales, respectively.

Sample base n=1,581

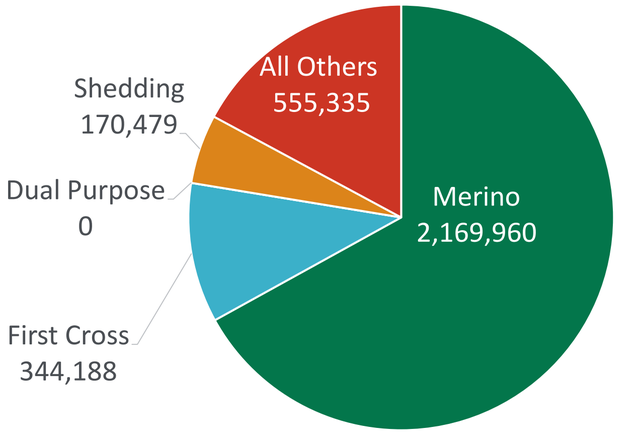
Regional Snapshots

Northern NSW/QLD

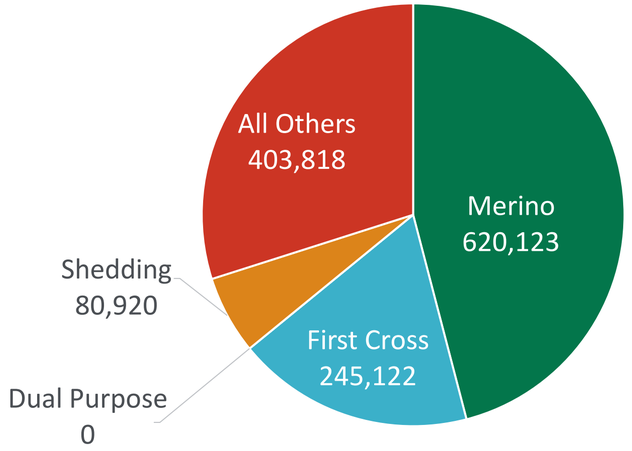
Breeding ewes on hand



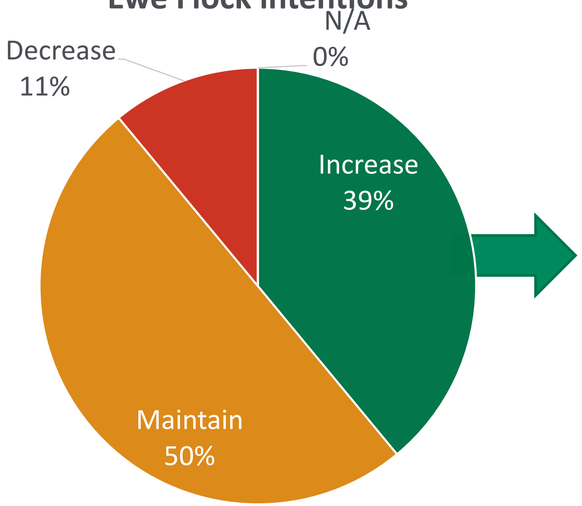
Lambs on hand



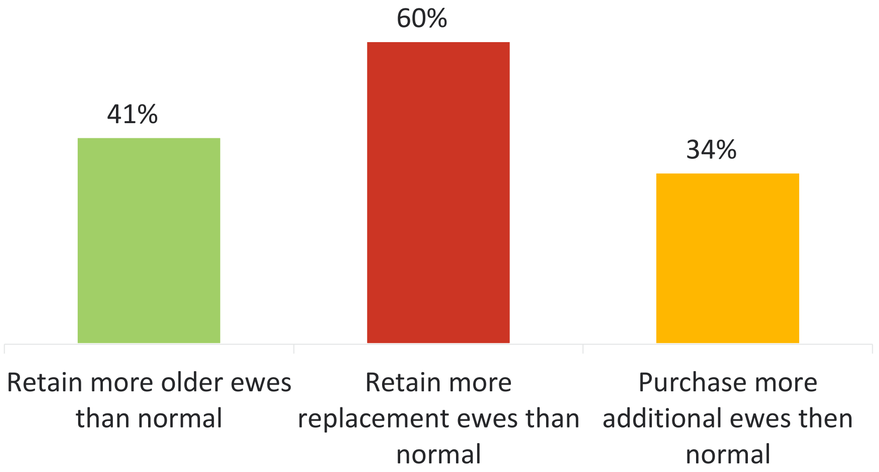
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

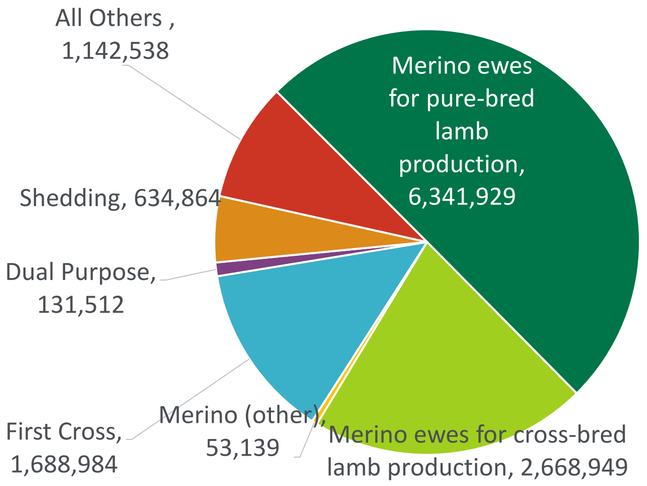


Totals

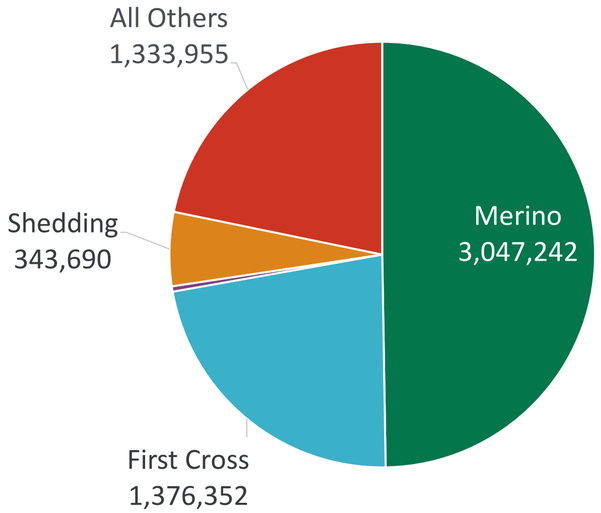
Breeding ewes on hand	5,580,349
Lambs on hand	3,239,963
Expected lamb sales in the next 4 months	1,349,984
Lambs marked in the past 4 months (1 Mar 22 – 30 June 22)	966,764
Number of ewes joined to produce marked lambs	1,125,944

Central NSW

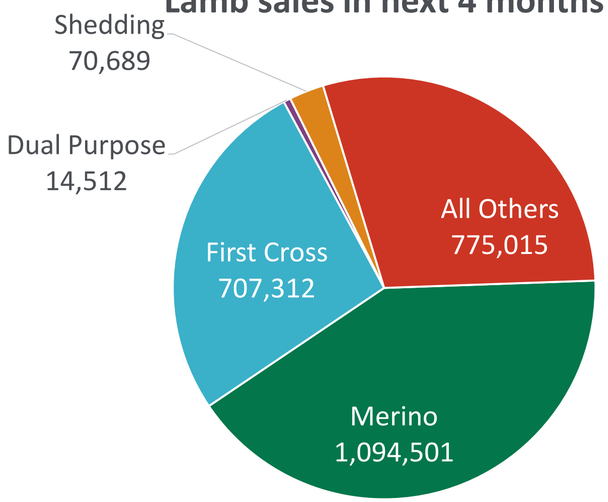
Breeding ewes on hand



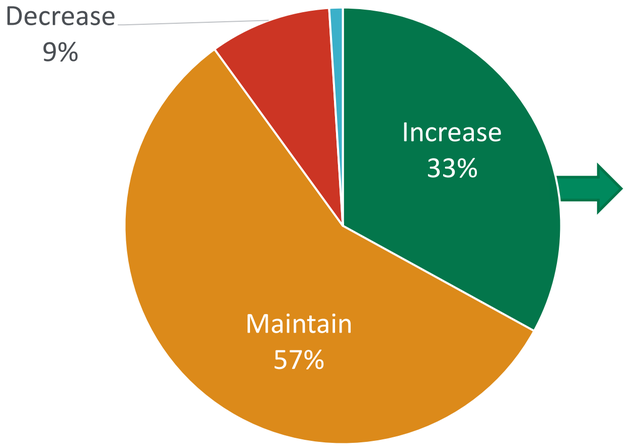
Lambs on hand



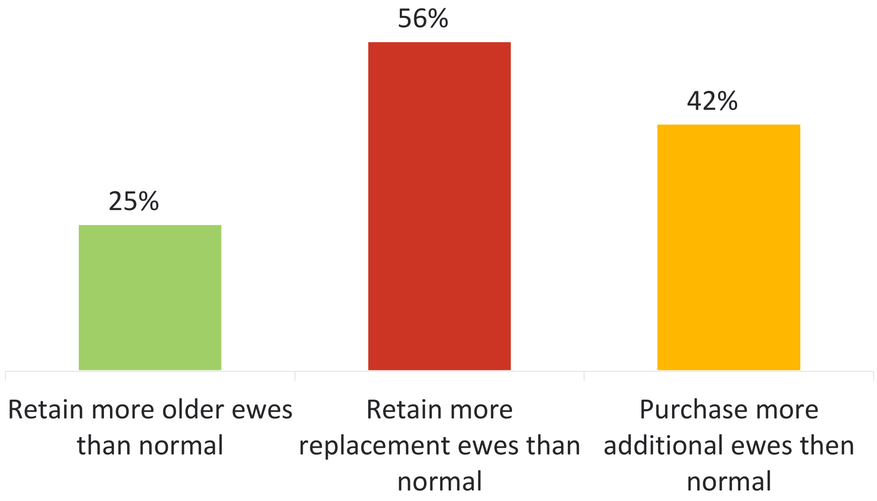
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

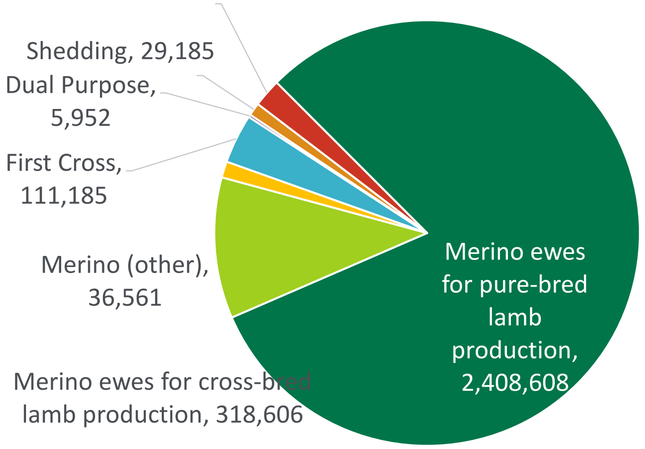


Totals

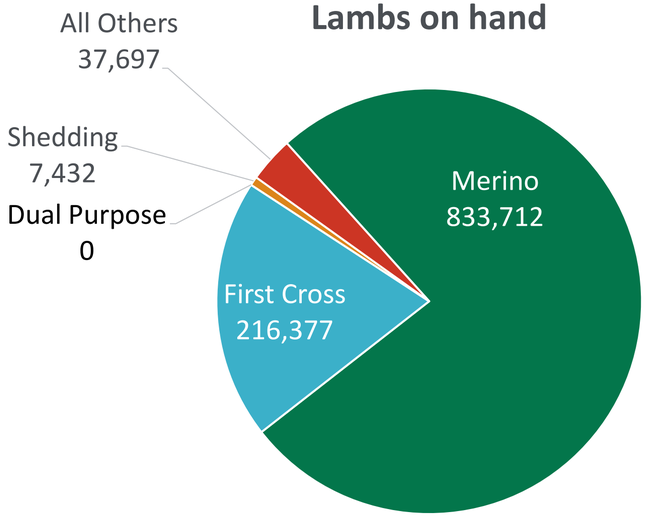
Breeding ewes on hand	12,661,915
Lambs on hand	6,126,031
Expected lamb sales in the next 4 months	2,662,029
Lambs marked in the past 4 months (1 Mar 22 – 30 Jun 22)	2,432,677
Number of ewes joined to produce marked lambs	2,414,273

SA Peninsula

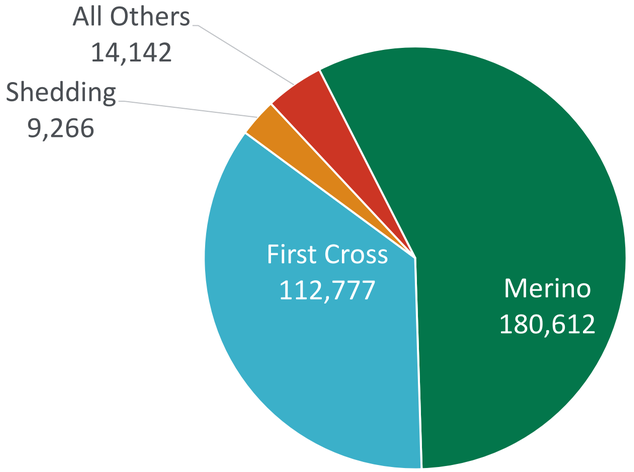
Breeding ewes on hand



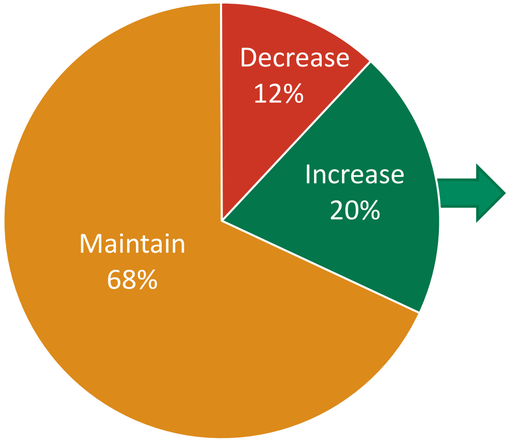
Lambs on hand



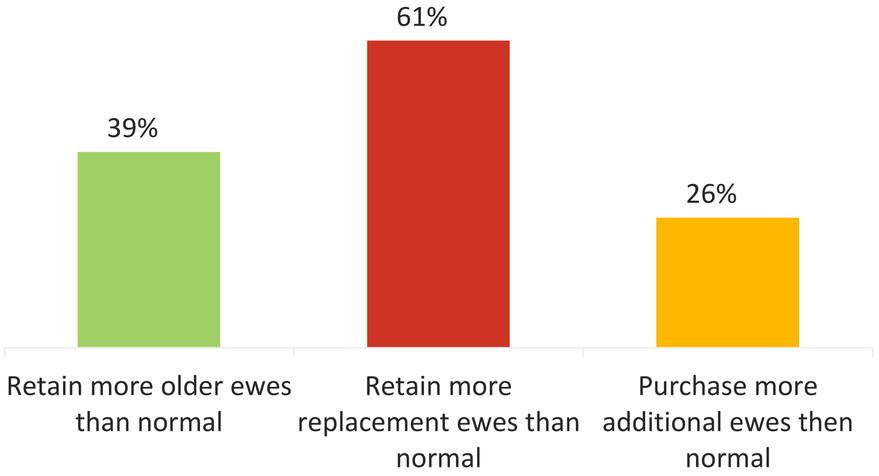
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

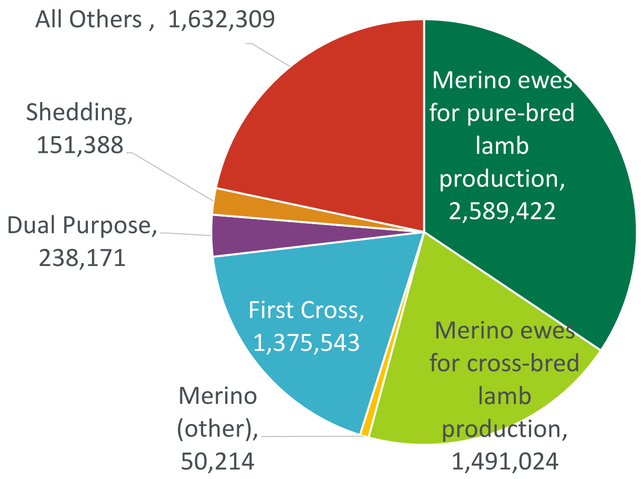


Totals

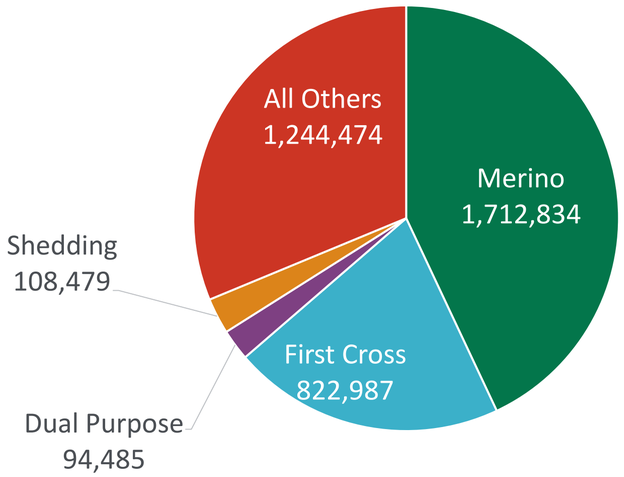
Breeding ewes on hand	2,973,557
Lambs on hand	1,095,218
Expected lamb sales in the next 4 months	316,797
Lambs marked in the past 4 months (1 Nov 21 – 28 Feb 22)	399,846
Number of ewes joined to produce marked lambs	395,496

Wimmera Mallee Murray

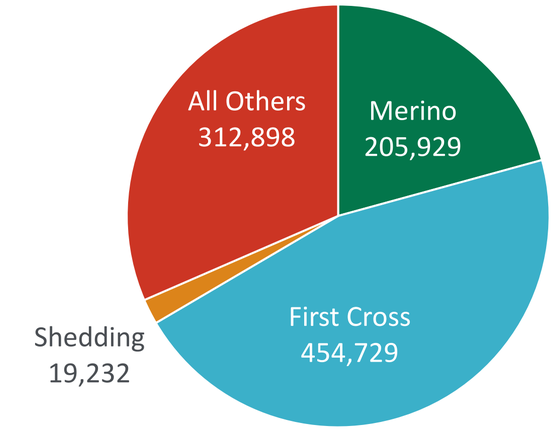
Breeding ewes on hand



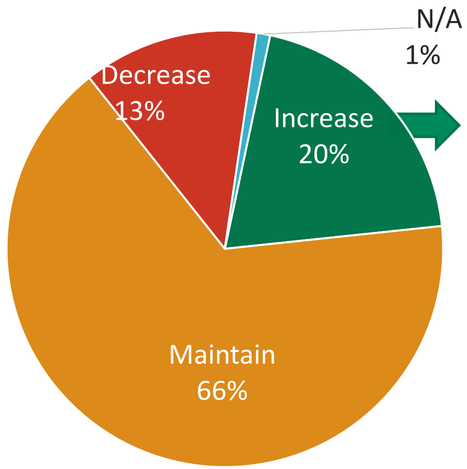
Lambs on hand



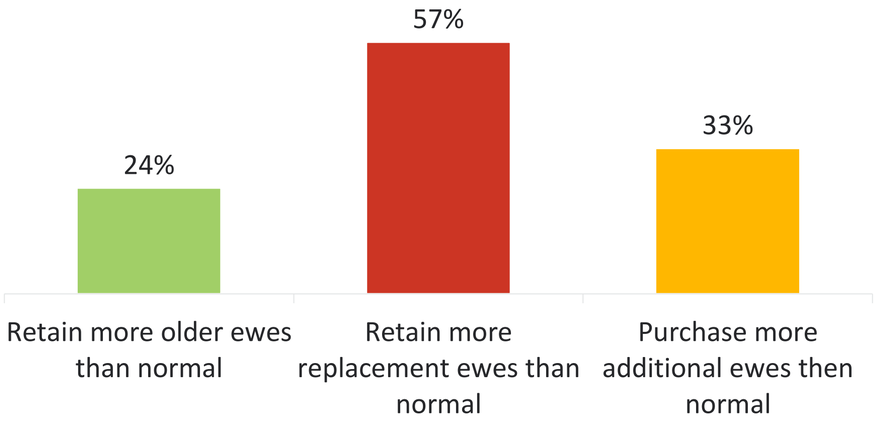
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

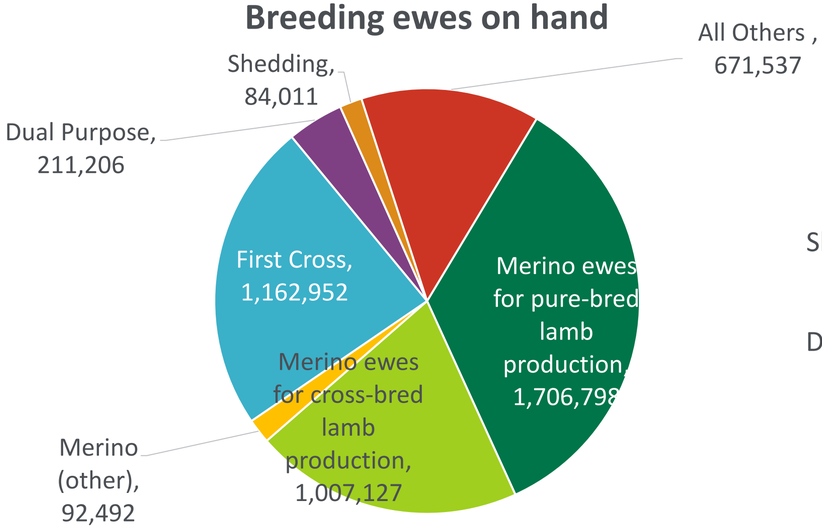


Totals

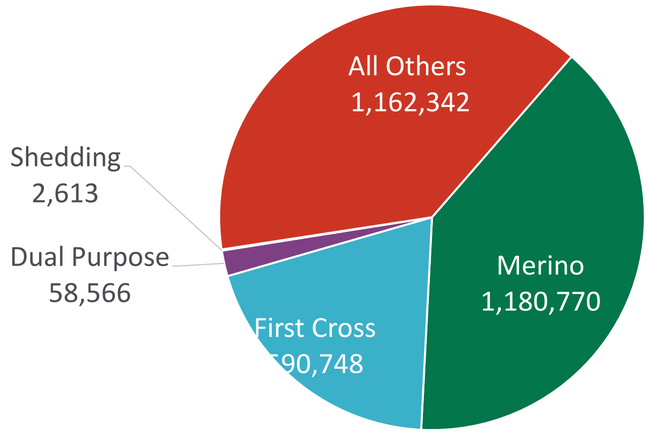
Breeding ewes on hand	7,528,071
Lambs on hand	3,983,258
Expected lamb sales in the next 4 months	992,788
Lambs marked in the past 4 months (1 Mar 22 – 30 Jun 22)	1,522,098
Number of ewes joined to produce marked lambs	1,534,962

East Victoria

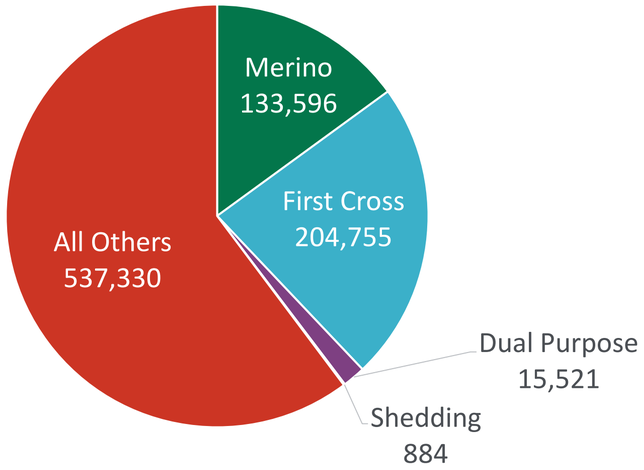
Breeding ewes on hand



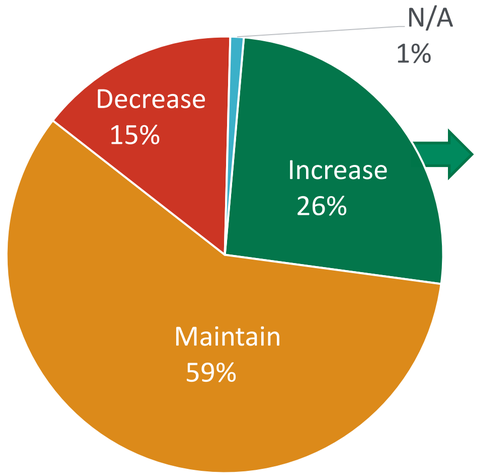
Lambs on hand



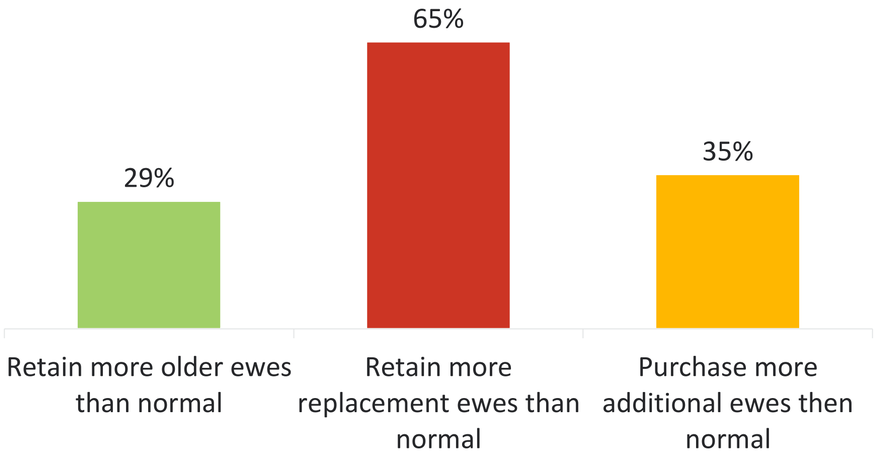
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

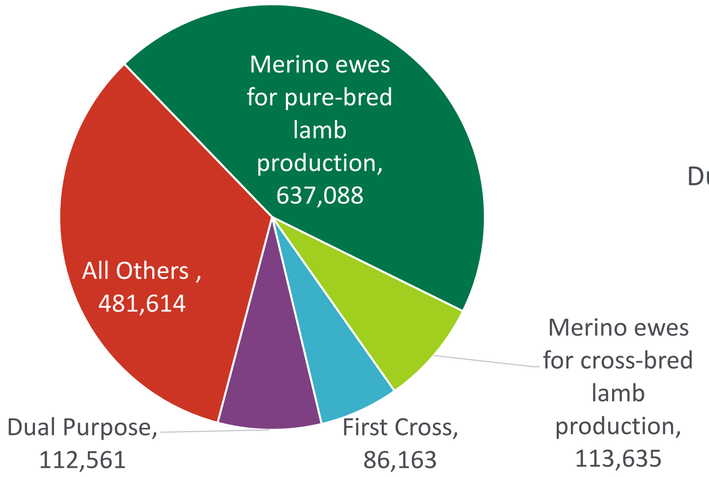


Totals

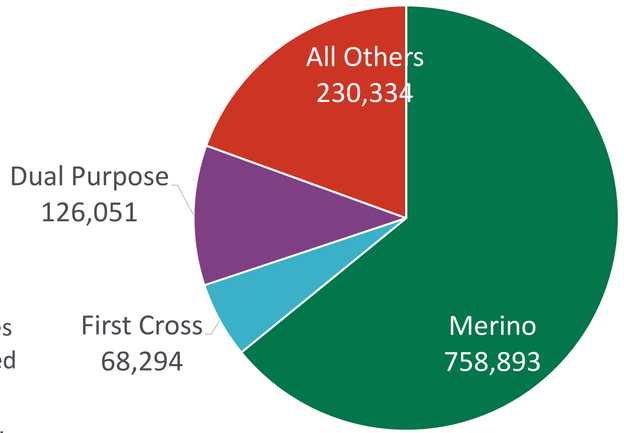
Breeding ewes on hand	1,706,798
Lambs on hand	2,995,039
Expected lamb sales in the next 4 months	892,085
Lambs marked in the past 4 months (1 Mar 22– 30 June22)	910,357
Number of ewes joined to produce marked lambs	894,345

Tasmania

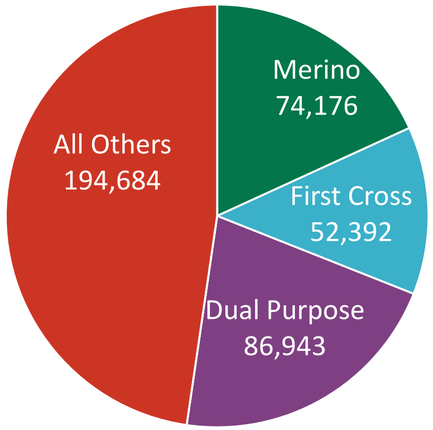
Breeding ewes on hand



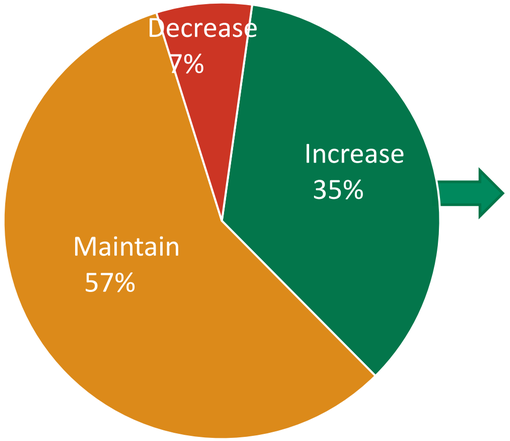
Lambs on hand



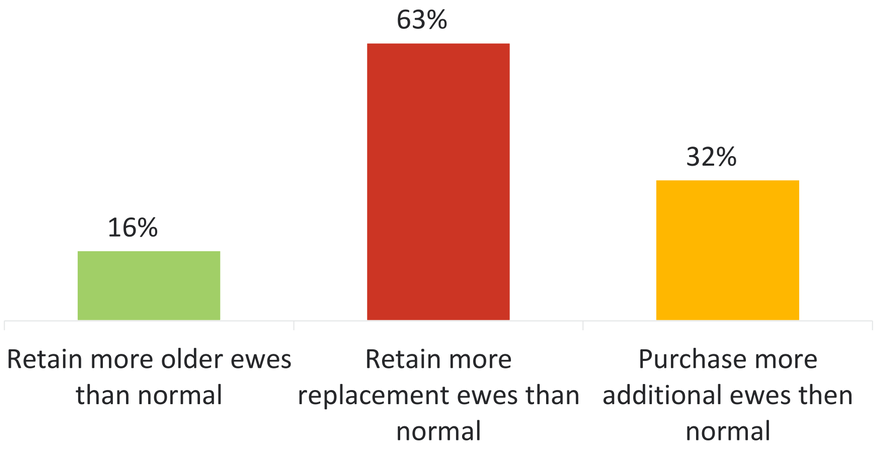
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

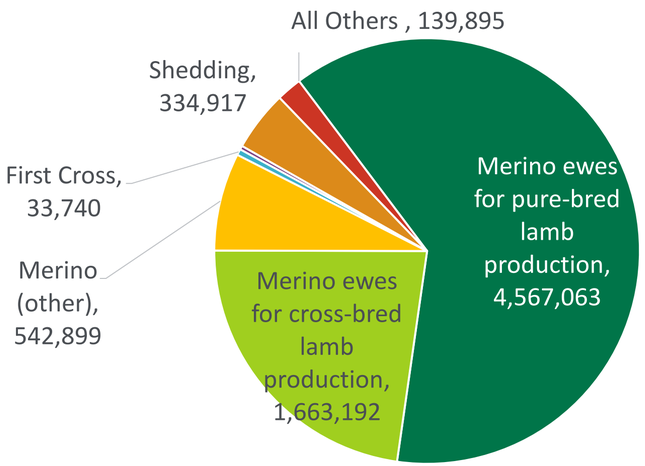


Totals

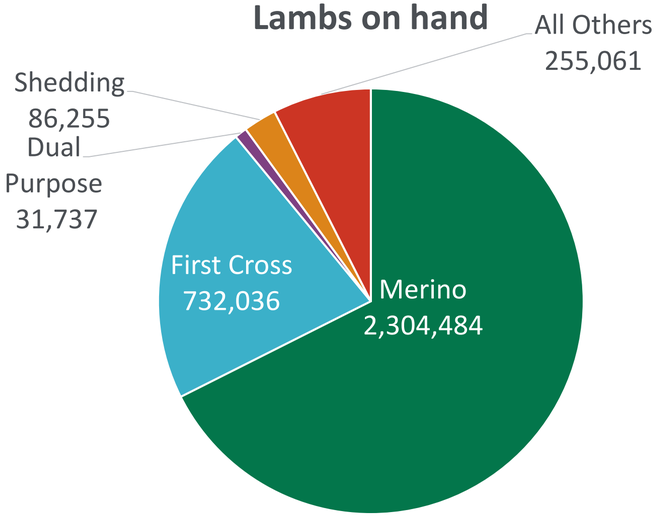
Breeding ewes on hand	1,431,061
Lambs on hand	1,183,572
Expected lamb sales in the next 4 months	408,196
Lambs marked in the past 4 months (1 Mar 22 – 30 June 22)	28,572
Number of ewes joined to produce marked lambs	28,394

Western Australia

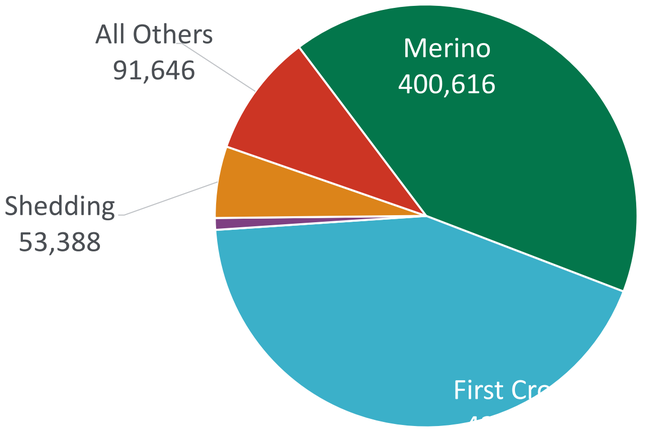
Breeding ewes on hand



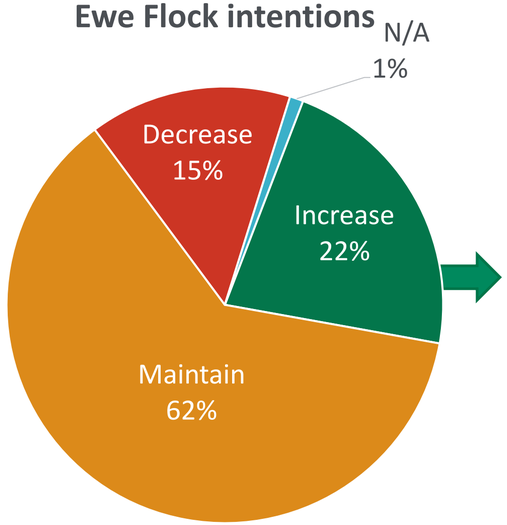
Lambs on hand



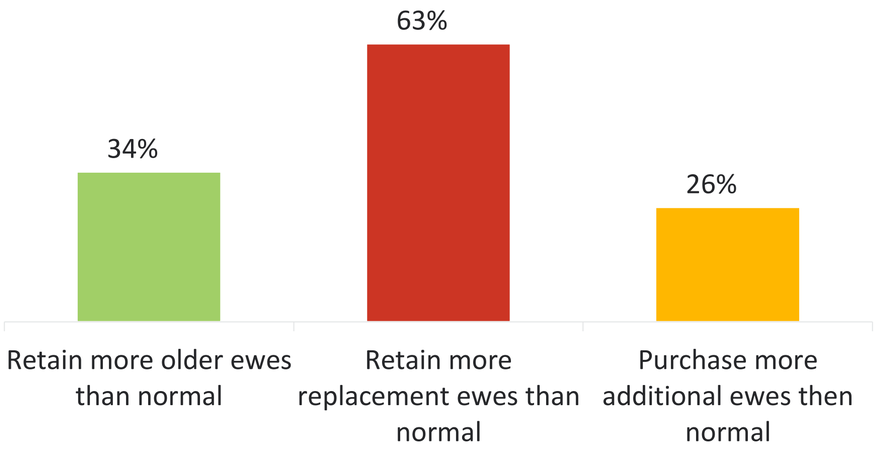
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase



Totals

Breeding ewes on hand	7,302,736
Lambs on hand	3,409,573
Expected lamb sales in the next 4 months	974,732
Lambs marked in the past 4 months (1 Mar 22 – 30 Jun 22)	1,087,925
Number of ewes joined to produce marked lambs	1,179,762

Disclaimer

Information contained in this publication is obtained from a variety of third party sources. To the best of MLA's knowledge the information accurately depicts existing and likely future market demand. However, MLA has not verified all third party information, and forecasts and projections are imprecise and subject to a high degree of uncertainty.

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