

Industry projections 2024

Australian sheep





MLA's Market Intelligence – insights@mla.com.au

KEY POINTS

- The sheep flock is expected to reduce, driven by lamb slaughter and elevated sheep turnoff.
- 2024 lamb slaughter is projected to beat 2023 record, climbing to 26.1 million head.
- Sheep slaughter to remain high, driven by sustained turnoff of breeding stock.



KEY 2024 NUMBERS

-  **Flock:** 76.5 million head
-  **Lamb slaughter:** 26.1 million head
-  **Lamb production:** 621,000 tonnes cwt
-  **Sheep slaughter:** 10.1 million head

*Graphic illustrates year-on-year change

Summary

After three years of consistent growth, the national sheep flock is expected to decrease by 2.9% to 76.5 million head in 2024. During the 2020–22 rebuild phase, producer focus on productivity and genetics led to impressive marking rates across the sheep flock. The following shift to average conditions in 2023 led to elevated turnoff of unproductive breeding stock, resulting in a 46.7% lift to sheep slaughter last year.

In 2024, the lamb cohort is expected to remain solid, though slightly smaller than previous years. Sheep turnoff was mostly older unproductive breeding ewes. This type of turnoff has resulted in a relatively strong and efficient breeding flock. The current resilience of the sheep flock means that high lamb slaughter will have a less intense impact on the national flock size than in previous maintenance periods.

Slaughter and production are projected to peak in 2024, causing record supply of Australian sheepmeat into the global market. As the largest exporter of sheepmeat, high Australian production will increase globally traded sheepmeat volumes, though solid consumer demand in key markets and lower supplies of other proteins should keep demand relatively stable.

Exports from New Zealand, the world's second largest sheepmeat exporter, are expected to rise slightly in 2024. However, increased production in the longer term is unlikely as structural changes continue to affect New Zealand sheep producers.

Overall, 2024 will be resilient. Producer sentiment took a hit over the last 12 months as markets reacted to inflated supply and changing weather forecasts. However, confidence in the industry should recover as flock and slaughter dynamics return to normality.

Looking beyond 2024, slaughter, production and flock size movements are forecast to steady out under the assumption that weather events will stabilise.

Table 1: Situation and outlook for the Australian sheep industry

	2018	2019	2020	2021	2022	2023	% change 2023 on 2022	2024 ^f	2025 ^f	2026 ^f	% change 2026 ^f on 2023
Sheep and lamb numbers ('000 head)*											
As at 30 June	70,607	65,755	64,000	70,885	76,024	78,751	4%	76,500	74,000	74,500	-5%
Percentage change	-2.1%	-6.9%	-2.7%	10.8%	7.2%	3.6%		-2.9%	-3.3%	0.7%	
Slaughterings ('000 head)											
sheep	9,521	9,344	6,142	5,804	6,632	9,728	47%	10,117	9,325	8,001	-18%
lamb	22,725	21,624	20,421	20,790	21,404	24,910	16%	26,103	24,891	24,467	-2%
Total	32,246	30,968	26,563	26,594	28,036	34,638	24%	36,220	34,216	32,468	-6%
Avg carcase weight (kg)											
sheep	23.7	24.2	25.5	25.6	26.0	25.3	-3%	25.1	24.6	25.8	2%
lamb	22.5	23.3	24.7	24.7	25.0	24.1	-4%	23.8	23.6	24.8	3%
Production ('000 tonnes carcase weight)											
mutton	225	228	152	154	172	246	48%	254	229	207	-16%
lamb	511	504	487	502	535	599	13%	621	587	606	1%
Total production	736	732	639	630	708	845	22%	875	816	812	-4%
Live exports ('000 head)											
	1,176	1,118	811	575	502	612	19%	670	700	650	6%
Sheep exports** ('000 tonnes)											
mutton shipped weight	180	184	140	141	144	210	47%	211	191	172	-18%
carcase weight	196	200	154	154	159	231	47%	235	212	191	-17%
lamb shipped weight	267	282	264	265	284	326	16%	335	301	342	5%
carcase weight	294	308	291	295	316	358	14%	372	334	380	6%
Domestic utilisation ('000 tonnes c/c weight)***											
Total Carcase Weight	207	183	188	168	177	192	9%	230	235	210	9%
kg/head***	8.3	7.2	7.3	6.5	6.7	7.2	8%	7.9	8.2	7.7	7%

Source: ABS, DAFF, MLA forecasts

^f = forecast

* From 2017 is an MLA estimate based on ABS Data - Figures as of 30th June. Please note, the flock estimates are based off the new EVAO cut off used by the ABS. Previously this was \$5,000 EVAO, but was changed upwards to \$40,000 EVAO. For more information, please visit www.abs.gov.au

** excl. canned/misc, shipped weight

*** Domestic meat consumption is measured by removing the portion of exports (DAFF data) from total production (ABS data) and assuming the difference is consumed (or at least disappears) domestically. Imports are also added to domestic consumption when present. Per capita consumption is calculated by dividing domestic consumption by ABS population data. Please note that domestic per capita consumption is entirely a supply statistic and does not take account of waste or non-food uses of livestock meat products.

Assumptions

Weather and climate events

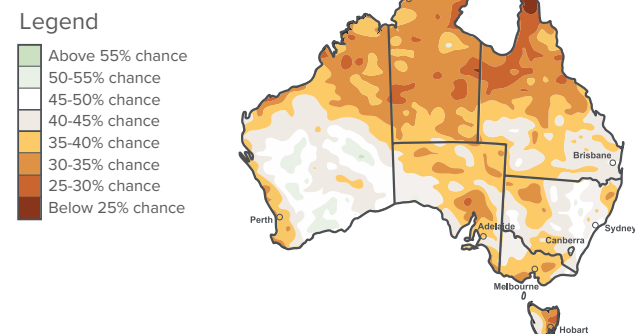
In 2024, the Bureau of Meteorology's (BOM) data has indicated that the Positive Indian Ocean Dipole (IOD) has returned to neutral, but El Niño will most likely continue into autumn.

The BOM long-range forecast from March-May notes that rainfall will be below average in parts of Northern Australia, including Northern Queensland. BOM forecasts Australia will experience warmer days and nights on average. BOM are forecasting parts of Southern Australia to have above-average rainfall, particularly in Victoria where flash flooding in 2023 impacted key sheep-producing regions from Gippsland to Swan Hill.

2024 temperature forecasts suggest eastern Victoria and southeast New South Wales will have a lower chance of experiencing above-median maximum temperatures. In the three months from March, northern Australia and western Tasmania are forecast three times more likely to experience unusually high temperatures. The southern half of Australia, excluding central to eastern Victoria, south-western South Australia and south-western Western Australia, are two times more likely to experience unusually high temperatures. This is likely to impact ground water stores and soil moisture.

Figure 1: Australian rainfall outlook – March to May 2024

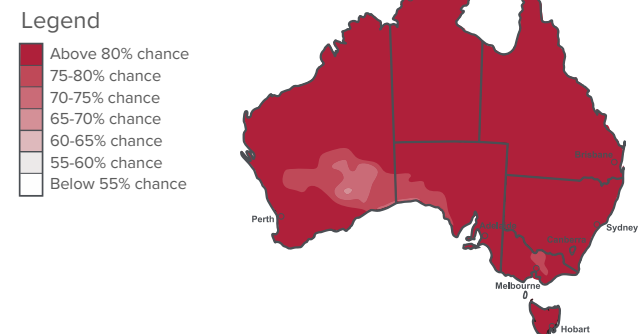
Chance of exceeding the median rainfall



Source: Bureau of Meteorology

Figure 2: Australian temperature outlook – March to May 2024

Chance of exceeding the median max temperature



Source: Bureau of Meteorology

Wool

The main wool indicator - the Eastern Market Indicator (EMI) – has eased by 17% since February 2023 when it sat at 1,374¢/kg. Currently, the EMI sits at 1,155¢/kg.

The February 2024 price is the lowest it has been since January 2021. Australian wool prices made a slight recovery in December 2023, but 2024 prices never returned to those levels.

Finances

Interest rates

As of February 2024, the Reserve Bank of Australia (RBA) has set the cash rate at 4.35. High interest rates are evidence of tightening monetary policy aimed at slowing the domestic currency from inflation, which remains between the RBAs target range of 2–3%. Higher interest rates increase the cost of debt financing putting financial pressure on highly leveraged businesses, underscoring the importance of ample liquidity during financial downturns.

The bank forecasts for the end of 2024 are outlined below:

- **CBA:** Next cut September 2024, cash rate falling to 3.60% by December 2024.
- **Westpac:** Next cut in September 2024, cash rate falling to 3.85% by December 2024.
- **NAB:** Next cut by December 2024, cash rate falling to 4.10% by December 2024.

Inflation

According to the RBA, inflation was estimated to be 4.1% in December 2023. The RBA forecasts suggest inflation will return to the target range of 2–3% in 2025 and reach 2.5% by 2026.

The continued easing of inflation over the past year indicates that monetary tightening is working. Given the forecast, buying power is likely to increase in the coming years to prevent the economy from uncontrolled economic growth.

Exchange rate

The Australian exchange rate, compared to the USD, sits at 0.65 cents as of 16 February 2024. The exchange rate has depreciated by 4¢ or 6% year on year. A weaker exchange rate will improve the international competitiveness of Australian meat exports but will increase import costs. International competitiveness is key given Australia exports approximately 60% of the lamb we produce, and up to 100% of mutton production.

Australian Price Production Indices (PPI)

The Australian Price Production Indices (PPI) measure a range of producer price indexes in the Australian economy. The agriculture PPI has dropped 16% year on year to 141.2 in Q4 2023. Sheep, beef cattle, and grain farming PPI fell 32% year –on year to 126.7 index points driven by the livestock prices in 2023.

Farm Management Deposits (FMD's)

As of December 2023, there were \$353.2 million being held in FMDs by 3,282 sheep farms, with an additional \$1.176 billion held in 8,624 grain-sheep/beef farms.

FMDs ensure that sheep producers have the funds available during deteriorating seasonal and market conditions. Compared to December 2022, figures have seen a decline of \$ 34.5 million or 9.7% in FMDs accounts, indicating producers are utilising their FMDs accounts to supplement their income.

Cost of Inputs

Fuel

The increasing cost of fuel, in particular diesel, is having a significant impact on the cost of production. The industry's reliance on diesel for transportation of livestock and feed, as well as business operations on farm is substantial. According to the Australia Bureau of Statistics (ABS) Consumer Price Index (CPI) data, automotive fuel costs in 2023 increased by 3.5 points to 135.4 when compared to 2022. In December 2023, there was a 0.3-point reduction compared to the last quarter.

Electricity

Electricity is a major input for all businesses across the supply chain, especially processors and retailers, and has a large impact on business profitability. In the RBA economic outlook, there is uncertainty regarding electricity prices over the 12 months following August 2023. However, the ABS CPI data has indicated the December 2023 quarter electricity costs have increased by 2.1 points.

Employment

Australia's Department of Home Affairs 2023-24 migration program plans to provide 137,100 places for skilled workers. This is a reduction to last year's program, including a reduction of 1,700 places for regional skilled visas. Despite this, the program is well above pre-2022 levels. The labour market in regional Australia relies heavily on skilled workers particularly processors which are concentrated in those communities to sustain their workforce.

Supply

Flock

In 2024, the Australian sheep flock is forecast to fall by 2.9% or 2.25 million head, reaching 76.5 million head by 30 June. In 2025, the flock is forecast to shrink by a further 2.5 million to 74 million head, before lifting slightly in 2026 to 74.5 million head.

Despite the constriction over the next few years, the flock is not expected to enter a substantial destocking phase and will remain above the ten-year average for the forecast period.

After a period of intensive restocking between 2020 and 2022, the flock reached a 16-year high in 2023 at 78.8 million head. Larger than normal numbers of ewes were retained on-farm during this period. As a result of dryer conditions in 2023, sheep turnoff over the year was elevated. This higher-than-normal turnoff, alongside a slightly smaller lamb crop in 2024, will lead to a slight decline in the flock overall.

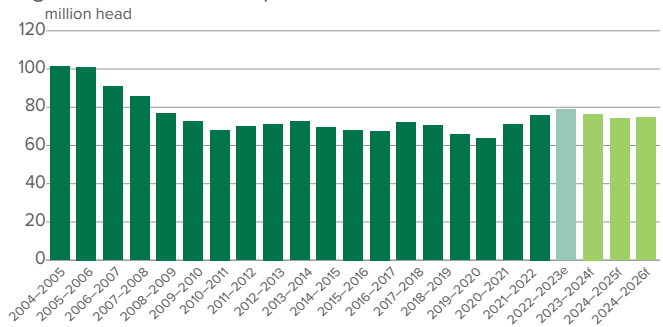
Slaughter

Lamb slaughter is forecast to reach 26.1 million in 2024, a jump of 4.8% or 1.2 million head from 2023, making 2024 the largest slaughter year on record.

Despite a slightly smaller lamb crop in 2024, more lambs from the 2023 cohort are still to be sold in 2024. Moving forward, lamb slaughter will fall slightly but remain at historically high levels as the productivity improvements seen during the rebuild and a large flock ensure that lamb supply remains strong over the forecast period.

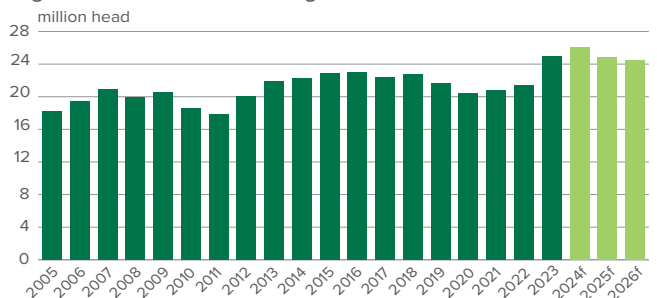
Sheep slaughter is forecast to rise by 4% in 2024 to 10.1 million head – 388,800 head more than 2023. Ongoing turnoff of the now older breeding ewes that drove the rebuild is expected to drive higher sheep slaughter through the year, before falling back in 2025 and 2026 as flock demographics stabilise. In 2025, sheep slaughter is forecast to fall 7.8% to 9.3 million head and fall again by 14.2% in 2026 to 8 million head.

Figure 3: National sheep flock



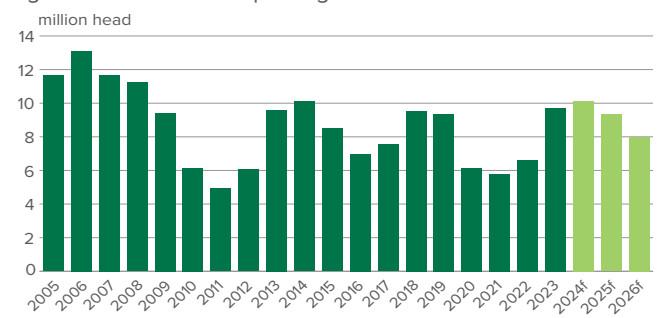
Source: ABS, MLA forecasts

Figure 4: National lamb slaughter



Source: ABS, MLA forecasts

Figure 5: National sheep slaughter



Source: ABS, MLA forecasts

▶ [Click here to access the MLA's NLRs Weekly Slaughter Report](#)

Sheep and lamb market 2023: the year in review

The sheep and lamb industry faced unprecedented challenges during 2023 and market confidence was shaken at various points, creating substantial movements in indicator pricing throughout the year.

▶ [To read the 2023 Year in review click here](#)

Carcase Weight

Long-term genetic improvements continue to provide productivity gains to the national flock. However, carcase weights will ease in the short term as forecasted weather may lead to producers becoming inclined to turn off a larger number of younger lambs and less finished sheep stock. Carcase weights have remained close to the desired 24kg cwt for domestic production.

In 2024, lamb carcase weights are expected to shrink by 0.3kg to 23.8kg and then to 23.6kg in 2025.

Sheep carcase weights are estimated to ease lightly to 25.1kg in 2024 and continue to ease to 24.6kg in 2025 as slaughter volumes lift, meeting the sustained turnoff of older breeding ewes.

In 2026, lamb and sheep carcase weight will lift to 24.8kg and 25.8kg respectively given strong genetic improvements and lower forecasted slaughter volume.

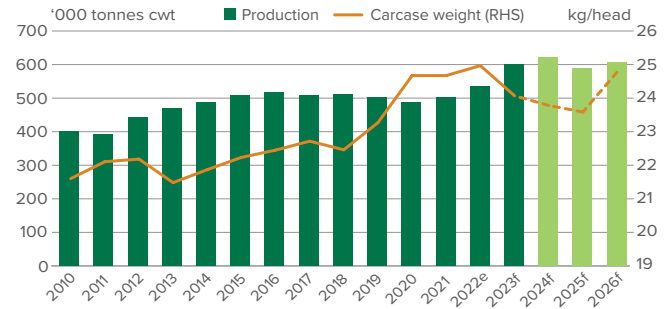
Production

Lamb production is set to break a new record in 2024, beating the record recently reached in 2023. This will be achieved with record slaughter and strong carcase weights. Lamb production will reach 621,000 tonnes in 2024, a 3.6% or 21,500 tonne increase compared to 2023 figures. If this eventuates, it will be 20.3% or 105,200 tonnes above the 10-year average.

In 2025, the lamb production forecast is set to ease to 587,000 tonnes and then rise again in 2026 to 606,000 tonnes with improved carcase weights.

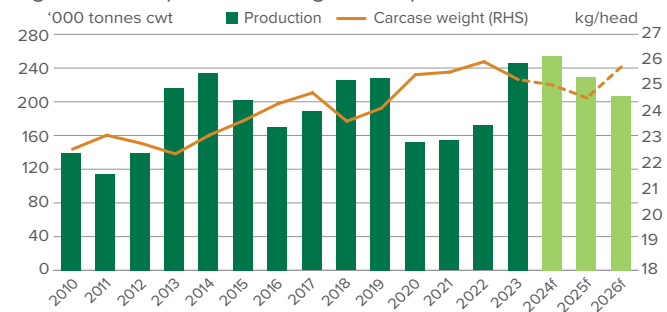
In 2024, mutton production will be the largest since 2006, set to produce 254,000 tonnes in 2024 up by 3.3% on 2023 volumes. Moving into 2025, fewer breeding ewes will be turned off making the 2025 and 2026 forecast 229,000 and 207,000 tonnes respectively. The industry is moving towards a transitional period where production will stabilise as the industry enters an average season.

Figure 6: Lamb carcase weights and production



Source: ABS, MLA forecasts

Figure 7: Sheep carcase weights and production



Source: ABS, MLA forecasts

Live export

The forecast for 2024 Australian live sheep exports builds upon the trends observed in 2023 but with a note of increased uncertainty stemming from conflict and tensions in the Middle East, which could potentially impact the trade.

The international market has demonstrated high interest in Australian sheep, with increasing availability and attractive prices since 2023 bolstering the live export trade. These factors are expected to continue to underpin the volume growth anticipated in 2024.

Middle East/North Africa (MENA) countries represented 97% of total Australian live sheep exports in 2023, and demand for sheepmeat protein in the region is expected to continue to be strong. For instance, Australia's single largest market, Kuwait is looking to increase the number of shipments to be able to distribute a more constant sheepmeat supply during the year.

Israel, the second-largest market in 2023, continues to exhibit strong fundamentals supporting high demand. This market seeks reliable and consistent partners to fulfil its growing sheepmeat requirements, with Australian feeder sheep being one of the preferred choices due to their high quality and consistency.

Additionally, the opening of new markets could boost demand in the medium term. At the end of 2023, the Saudi Arabian trade was reactivated with the first live sheep shipment since 2012. Considered a success by commercial entities and governments, this venture lays the groundwork for expanding into the lucrative Saudi market in 2024. Nevertheless, further supply chain development and approvals are essential to compete with established suppliers who face fewer animal welfare-related restrictions.

Various other markets, including Iraq, Morocco, and Iran, have shown commercial interest in Australian livestock, potentially further diversifying and expanding Australian trade. However, opening new markets requires compliance with Australian regulations, which can take time.

Against the backdrop of Australia's periodic low volumes and high prices, European and African suppliers have been strengthening their supply, increasing competition in the region. However, Australian sheep possess the volume, quality, and consistency the MENA markets seek to meet their protein needs. While the current competitive pricing of Australian sheep is expected to drive market share growth, the industry is likely to face volatility due to regional conflict and market reactions to the Australian government's intention to phase out trade by sea. Navigating these challenges will be paramount for the live sheep export industry in the coming year and beyond.

[Click here to visit MLA's LiveLink interactive Dashboard for export statistics](#)

Key issues

MLA, with the national wool sector service producer Australian Wool Innovation (AWI), conduct a joint Sheep Producer Intention Survey (SPIS) three times a year to gather insight into producer sentiment, their production intentions for lambs and breeding ewes, and a national flock makeup. Insights gathered from this survey have supported the commentary below.

Market volatility impacting producer sentiment

The market volatility of 2023 had a significant impact on producer confidence and sentiment. When comparing the sheepmeat sector to other commodities within the red meat industry, trade lamb prices follow a general trend across the 12-month cycle, peaking during spring. The intensity of the market peaks and troughs depends on the weather, consumer confidence, and general macroeconomic factors. The trade lamb market experienced an unprecedented 44% or 354 cents/kg carcass weight (cwt) fall in monthly prices from February–September 2023. The most significant price fall on record.

These prices were influenced by the unique environment the Australian sheep industry experienced in 2023. The flock reached 78.75 million head, the largest it had been since 2007, following a strong production-focused rebuild period. Coming into 2023, forecasts were showing an unfavourable season, possibly causing producers to sell sheep and lambs earlier than anticipated. Producers were concerned around feed capacity and their ability to feed high numbers of stock if a drought was to eventuate in the El Niño forecast season.

Producer sentiment was at the forefront of price impacts. As markets eased in 2023, sentiment in the sheepmeat industry fell 109 points over the 12 months, from +67 in October 2022 to -42 in October 2023. Sentiment for the wool industry also dropped, but to a lesser degree. The wool industry sentiment dropped 27 points, from +12 in 2022 to -15 points in 2023.

Coming into 2024, sentiment is expected to rise as the market normalises. Following the September 2023 market floor, prices bounced back by 55% or 240¢/kg cwt in February 2024. More positive long-term weather forecasts may continue to reassure industry moving forward as producers, processors and exporters continue to manage supply.

Cost of production and labour access

Inflation pressures continue to impact producer decision making as the inflation rate remains elevated at 4.1%. Service price inflation remains high, placing pressure on labour intensive industries such as the sheepmeat and wool sectors. Shearing cost and access continue to be a pain point for producers, with 49% of producers responding to the SPIS expecting increased difficulties in getting access to skilled labour over the 12 months from October 2023.

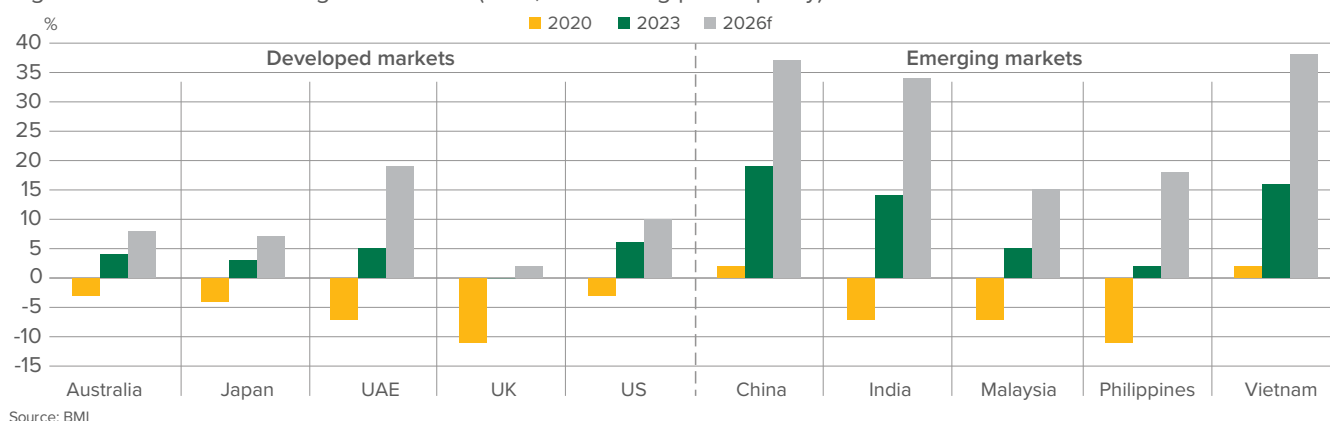
October SPIS results found that the Australian sheep flock was proportionally more prime lamb (38%) than merino (37%) for the first time, indicating an overall shift towards sheepmeat. With unreliable access to labour, volatile input and livestock prices, alongside the ability for producers to utilise mixed enterprise business structures, it is likely that industry will continue to see regular shifts towards and away from combinations of wool, sheep meat and mixed systems.

Global supply and forecasts

Consumer sentiment

Despite improvements in the global economy since the beginning of 2023, with generally lower inflation and strong unemployment figures in most major economies, consumer sentiment generally remains below trend. This is important for Australian lamb exports, as consumer sentiment has a strong impact on purchasing decisions, especially around relatively niche discretionary purchases.

Figure 8: Real income change since 2019 (USD, Purchasing power parity)



Source: BMI

In real terms, incomes have largely recovered from the declines seen during the period of widespread COVID-19 driven disruption. Accounting for inflation, average incomes have risen around the world since 2019, and are forecast to continue lifting through to at least 2026.

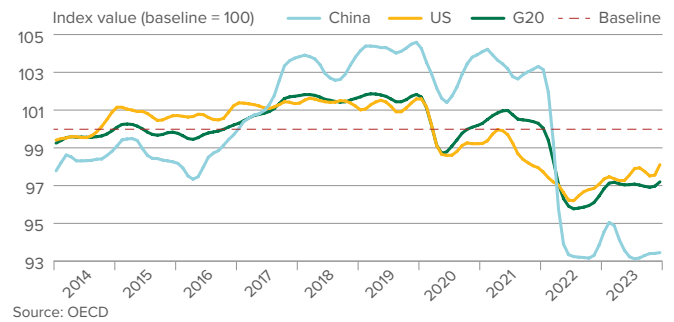
At the same time, interest rate rises among most central banks have been mostly effective at reducing inflation. In the United States, year-on-year inflation for 2022 was 6.5%, while in 2023 it was estimated to be 3.4% – closer to the Federal Reserves ‘flexible target’ of 2%. This has been replicated in most major economies. In 2022, inflation peaked as post-COVID supply shocks and the effects of the Russian invasion of Ukraine reverberated around the economy, but increases to interest rates were able to tamp down demand sufficiently to meaningfully reduce the rate of inflation.

Additionally, due to the cost of debt generally being excluded from consumer price indexing (i.e. the inflation rate), households with large debt burdens likely experienced their real income shrinking substantially as interest rates rose around the world.

Given this, consumer confidence remains well below trend across all advanced economies, as well as many developing ones.

China is an outlier in economic performance over the past several years. China did not see an inflationary spike over 2021–22 but has been recently grappling with deflation as concerns around the housing market have caused consumer spending to drop. The demographic profile of the country has also begun to age, causing further concern on the country’s economic trajectory. As such, changes to consumer confidence in China are not especially dependent on interest rates.

Figure 9: OECD Consumer confidence index 2014 – 2023



Australian lamb tends to be a higher value niche protein in global markets, which makes it relatively more price elastic and more exposed to consumer sentiment than other proteins. While not certain, there are positive signs that consumer sentiment and spending have the capacity to improve over 2024 and into the future.

New Zealand

Flock and supply dynamics

Overall sheep numbers were estimated at 25.5 million head on 30 June 2023 by Beef and Lamb New Zealand, a slight increase from the 170-year low of 25.3 million in 2022 and the first increase in the flock since 2012.

This increase in numbers came from a 1.5% estimated increase in the South Island to 13.2 million head, as sheep numbers on the North Island fell a further 0.4% to 12.3 million head – a new low. Despite relatively strong lambing conditions and good feed availability, several factors impacted flock numbers.

Firstly, although changes in land use (either to forestry or suburban housing) have reportedly slowed, it is still occurring, and the amount of land used for sheep farming is continually shrinking.

Secondly, weaker exchange rates have increased the cost of most on-farm inputs, higher interest rates have increased the cost of capital, and lower export prices have reduced farmgate returns for producers. Combined, this has reduced farm profitability and made investment relatively less likely.

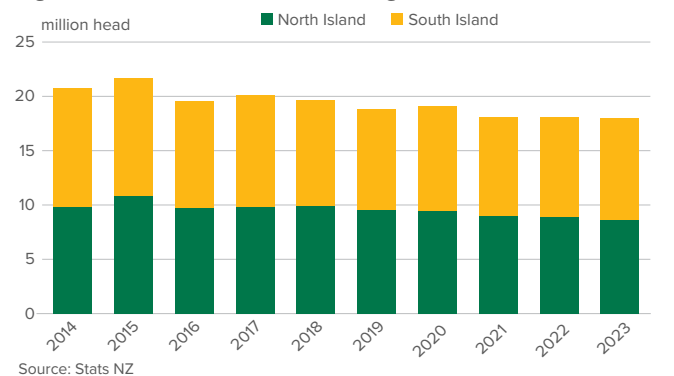
Finally, Cyclone Gabrielle damaged large amounts of on-farm infrastructure on the East Coast, which made lambing difficult and represented a significant financial outlay for many producers.

Despite this, the increase in flock numbers on the South Island suggests that lamb and mutton production over 2024 is likely to be slightly higher than 2023.

Total sheep slaughter declined slightly to 21.5 million head in 2023. This was largely driven by a 3% decline in lamb slaughter on the North Island to 8.6 million head, a figure 10% below the long-run average. Carcase weights inched up slightly, with lamb carcase weights rising from 19.2kg to 19.5kg and adult sheep carcase weights rising from 25.7kg to 26.2kg. This meant that overall production lifted by 1% to 442,000 tonnes cwt despite the fall in slaughter.

Sheepmeat exports typically make up between 85-95% of production, and the domestic market is considerably smaller, so New Zealand lamb and mutton production is even more exposed to global headwinds than Australia.

Figure 10: New Zealand lamb slaughter 2014 – 2023



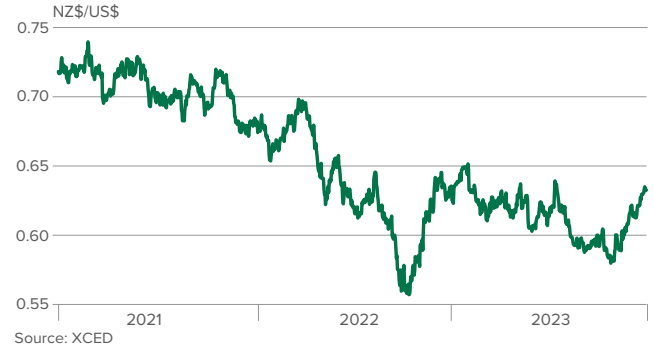
Higher lamb and mutton exports from Australia increased total global supply and impacted New Zealand exports in 2023. This was evident in China, New Zealand’s largest sheepmeat market, where total export value slipped 9% to A\$1.3 billion, despite export volumes lifting 10% to 216,000 tonnes swt. Australia’s substantial rise in sheepmeat export volumes to China reduced demand for New Zealand product and diluted market share. Overall, export values fell by 13% to A\$3.4b, while export volumes rose 3% to 384,000 tonnes swt.

Favourable exchange rates have been a bright spot for exporters. Although the weaker New Zealand dollar increased the cost of imported inputs, it also made New Zealand sheepmeat relatively more competitive on the global market and assisted in maintaining export values. The 2023 exchange rate of 62 cents/US\$ was 3% weaker than 2022 and 13% weaker than 2021, which allowed higher export volumes into price-sensitive markets at relatively higher prices than would have been otherwise possible.

Outlook

Given the prospects of slightly higher lamb slaughter over 2024 alongside robust carcass weights, it is likely that production in 2024 will rise slightly from 2023 levels. In the longer term, structural changes to New Zealand’s primary production sector are likely to continue impacting lamb and mutton production, and production is likely to continue to either fall over time or remain relatively constant as higher carcass weights compensate for lower production levels.

Figure 11: New Zealand exchange rates 2021– 2023



Price

Price forecasts – MLA Indicators

MLA sheep projections collate price forecasts from five industry analysts (excl. MLA) for the June 2024 National Trade Lamb and National Heavy Lamb Indicator in its latest Sheep Projections.

Based on the current market prices, analysts believe that prices will rise between now and June 2024.

Analysts forecast the National Heavy Lamb Indicator (NHLI) to rise to 763¢/kg cwt by June 2024. With the upper aggregation estimates reaching 877¢/kg cwt.

The National Trade Lamb Indicator (NTLI) is also forecast to increase to 751¢/kg cwt. The upper limit is 854¢/kg cwt.

If both prices eventuate, prices will remain below the five-year average for June. The main drivers behind these movements are better seasonal forecasts and processing capacity.

Figure 12: Aggregated industry average heavy lamb price forecast

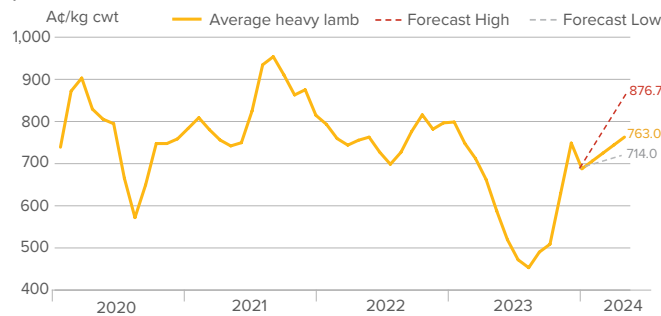
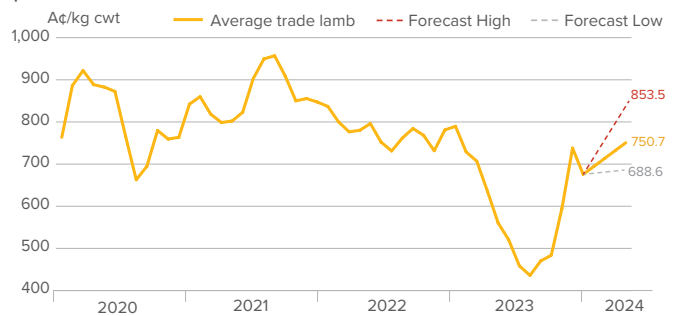


Figure 13: Aggregated industry average trade lamb price forecast



2023 State of the industry report

▶

Click here to read the 2022 State of the industry report:
The Australian red meat and livestock industry

Looking ahead

The Australian sheep industry is on track for the largest sheepmeat production on record in 2024, as high slaughter volumes for both lamb and mutton lead to solid supply into global markets.

Over the next 12 months, we will see ample sheepmeat production and we will likely see variation in the mutton and lamb production split. Processor prioritisation of sheep versus lambs will drive the differing production values, allowed due to high supply of both processor ready sheep and lamb forecasted for 2024.

High production will lead to export volumes in 2024 overtaking the record volumes experienced in 2023. Economic resilience in the USA and emerging markets will drive demand for lamb, despite the outlook for consumer demand in China remaining uncertain. Regardless, a shortage of competitor proteins will encourage imports of sheepmeat in high protein consumption markets.

Confidence at the producer level is expected to recover and sustained global demand for Australian sheepmeat will drive recovery.

Market Snapshots

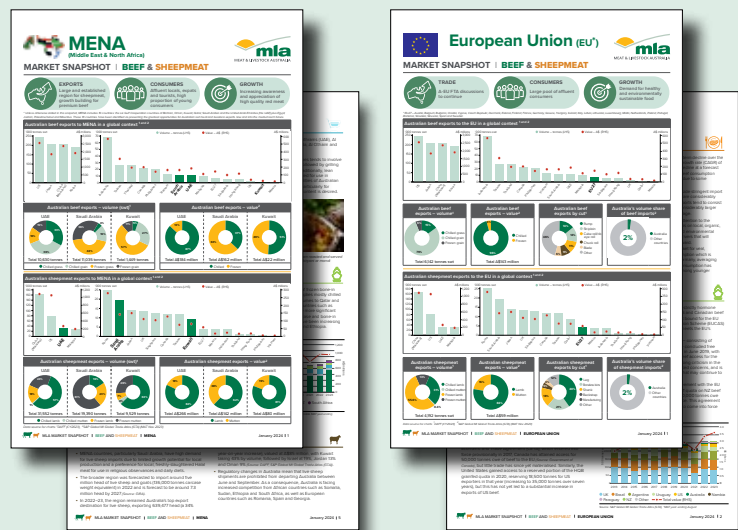
MLA's market snapshots aim to give a better understanding of Australia's main red meat markets along with insights into what's driving consumer demand.

Covering 14 markets the snapshots provide industry stakeholders access to topline insights on:

- consumer demographics, perceptions, habits and trends
- Australian export data and analysis
- foodservice and retail sector trends
- trade access and competitive landscape



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