

Australian sheep

Industry projections 2016



Australian sheep industry projections 2016

Authors: Ben Thomas and Rebecca Matthews

For more information call MLA on 02 9463 9372

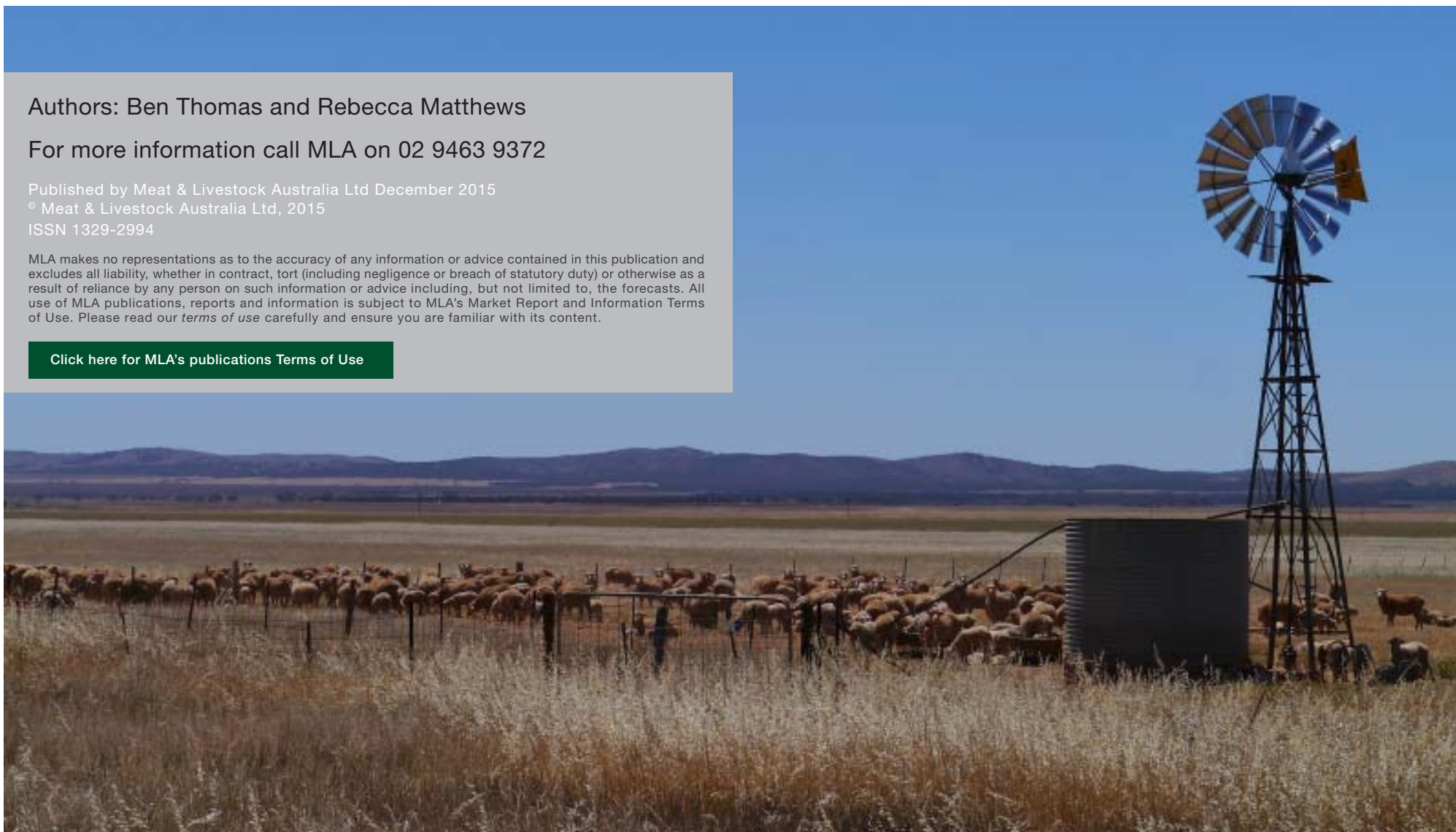
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Summary

The 2016 sheep and lamb projections highlight the ongoing productivity improvements in the Australian sheepmeat industry.

The national sheep flock appears to have stabilised at approximately 70 million head, with a breeding base of 40 million ewes. From these ewes, the number of lambs slaughtered each year has been increasing, and through improved lifetime management, average carcase weights continue to rise. This was particularly evident in 2015, when, despite many of the large sheep producing regions enduring 'below average' rainfall for the majority of the year, average carcase weights increased across the country.

The post-drought decline in national lamb slaughter in 2016 is only expected to be small (down 3.4% year-on-year to 21.5 million head), and the fall in lamb production even more modest (down 2.2% year-on-year), to 482,000 tonnes carcase weight (cwt) due to further increases in average lamb carcase weights.

Improvements in lamb marking rates and small gains in average carcase weights are expected to drive lamb production from 2017 onwards – reaching 552,000 tonnes cwt in 2019.

The demand for Australian lamb in 2016 will continue to be heavily influenced by international customers, with the A\$ tipped to hover below the US70¢ mark, which will assist trade and Australian lamb prices considerably. That is not to

discredit the domestic market, where per capita consumption is forecast to hold steady at 9kg and remain the largest lamb market on both a value and volume basis.

The US and Middle East are likely to remain the most influential export markets in 2016, where trade is expected to build further on the 2015 levels – albeit only slightly. In contrast, as a result of slightly lower production, the anticipated trend to all other markets is steady to lower, year-on-year.

Live exports are expected to remain subdued, with the smaller WA sheep flock limiting available numbers and some resistance expected at the current high price levels.

Nationally, the past three years have seen a small reduction in the volatility of Australian lamb prices, with the most noticeable improvement being the typical October/November low, which has been finding a higher level each year since 2012 – the national trade lamb indicator has ranged between 500-600¢/kg cwt for the majority of 2015, rather than 400-600¢/kg cwt which occurred in the two years prior. Considering the forecast lower New Zealand lamb production and exports, combined with the anticipated lower A\$, the higher 2015 trade lamb price trend may occur again next year.

Meat & Livestock Australia's Market Information

MLA produces a wide range of market information publications, which can be accessed for the latest news, analysis and statistics for the Australian red meat and livestock industry. From MLA Livestock Market Officers at saleyards each day, through to triannual forecasts, the provision of timely, accurate and continuous market information is a key service provided to MLA members and stakeholders.

All of MLA's market information publications, including the Australian sheep Industry Projections 2016, are available at www.mla.com.au, or through a direct email service. If you would like to contact MLA's Market Information Service, please email marketinfo@mla.com.au, or call (02) 9463 9372.



Key assumptions

As part of MLA's annual sheep and lamb industry projections, a series of "key assumptions" must be outlined.

- 'Average' conditions have been assumed for the majority of Australia's lamb and sheep producing regions for the 2016 to 2019 projections. The southern sheep producing regions of Australia had 'average' to 'very much below average' rainfall during 2015. The Bureau of Meteorology (BOM) reports that El Niño indicators are forecast to peak by the end of 2015, before gradually easing in the first quarter of 2016. The latest BOM three month rainfall outlook indicates 'average' to 'above average' rainfall over much of the country for the December to February period. South-east Queensland, north-east NSW and southern WA is forecast an above average chance of exceeding median rainfall, while the outlook for SA, Victoria and most of NSW is fairly neutral.

- According to the International Monetary Fund (IMF), global economic growth for 2015 is projected at 3.1%, down 0.3% on 2014. Global activity is forecast to pick up slightly in 2016, with a modest recovery expected in advanced economies. Growth in emerging markets and developing economies (including Brazil, Russia, and some countries in Latin America and the Middle East) is projected to improve – more than offsetting the forecast decline in China.

- The A\$ has averaged 76US¢ in 2015-to-date (as of 23 November) – 14¢ lower than the 2014 average. The dollar is assumed to trade a little below US70¢ in 2016, in line with forecasts from three of Australia's major banks (Westpac, Commonwealth Bank, and NAB) of around 66-69US¢. The Reserve Bank of Australia report that the A\$ is adjusting to much lower commodity prices, compared to last year, and that, globally, monetary policy is expected to be more accommodative in the near term.

Figure 1 Australian rainfall
1 September 2015 - 30 November 2015

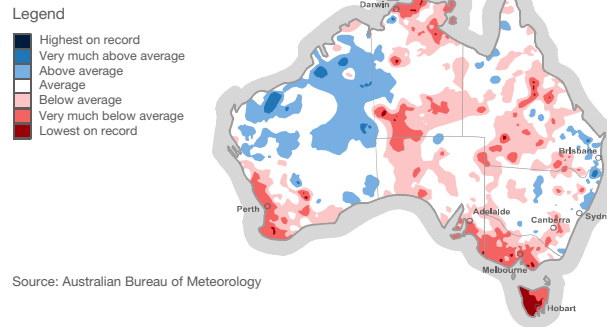


Figure 2 Australian rainfall outlook
December 2015 to February 2016
Chance of exceeding the median rainfall

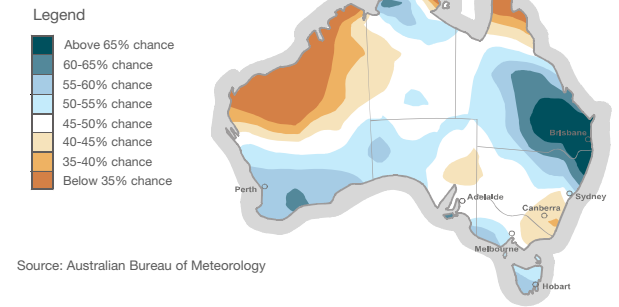


Figure 3 A\$ against US\$



The A\$ has averaged 76US¢ in 2015-to-date (as of 23 November) – 14¢ lower than the 2014 average.

Situation and outlook 2016-2019

Table 1 Situation and outlook for the Australian sheepmeat industry

	2011	2012	2013	2014	2015 ^e	% change on 2014 ^e	2016 ^f	% change on 2015 ^f	2017 ^f	2018 ^f	2019 ^f	% change on 2015 ^f	
Sheep & lamb numbers ('000 head)													
at June 30	73,099	74,722	75,548	72,612	69,800		70,000		71,000	72,000	73,000	4.6%	
percentage change	-5.8%	2.2%	-0.9%	-3.2%	-3.9%		0.3%		1.4%	1.4%	2.8%		
Slaughterings ('000 head)													
sheep	4,933	6,063	9,614	10,086	8,500	-15.7%	7,500	-11.8%	7,500	7,750	8,500	0.0%	
lamb	17,793	20,009	21,886	22,251	22,250	0.0%	21,500	-3.4%	22,000	23,000	24,000	7.9%	
Avg carcase weight (kg)													
sheep	23.2	23.0	22.5	23.2	23.4	0.9%	23.0	-1.7%	23.1	23.2	23.4	0.0%	
lamb	22.1	22.2	21.5	21.9	22.2	1.5%	22.4	0.9%	22.6	22.8	23.0	3.6%	
Production ('000 tonnes carcase weight)													
mutton	114	140	217	234	199	-15.0%	173	-13.1%	173	180	198	-0.5%	
lamb	393	443	470	487	493	1.2%	482	-2.2%	497	524	552	12.0%	
Sheep exports ('000 head)													
	2458	2,279	1,973	2,300	2,000	-13.0%	2,100	5.0%	2,100	2,100	2,100	5.0%	
Exports ('000 tonnes)*													
mutton	shipped weight	82	107	172	186	145	-22.0%	127	-12.4%	126	131	145	0.0%
	carcase weight	108	134	206	223	189	-15.2%	165	-12.7%	164	170	189	0.0%
lamb	shipped weight	160	189	214	237	235	-0.8%	230	-2.1%	240	259	280	19.1%
	carcase weight	193	222	250	280	274	-2.1%	268	-2.2%	280	302	326	19.0%
Domestic utilisation ('000 tonnes carcase weight)													
mutton		6	5	10	11	10	-8.3%	7	-26.0%	9	9	10	1.0%
	kg/capita	0.3	0.2	0.5	0.5	0.4	-20.0%	0.3	-25.0%	0.4	0.4	0.4	0.0%
lamb		200	222	220	207	220	6.3%	214	-2.7%	218	223	226	2.7%
	kg/capita	8.9	9.8	9.5	8.8	9.0	2.3%	9.0	0.0%	9.0	9.0	9.0	0.0%

Source: ABS, DA, MLA forecasts

e = estimate, f = forecast (in italics)

* excl. canned/miscellaneous

Australian sheep flock

- As at June 2016, the Australian sheep flock is forecast to lift marginally (0.3%), to 70 million head.
- The flock has been contracting since 2013, attributed to very high lamb and sheep slaughter driven by drought conditions across large swathes of the country's major sheep producing regions.
- There is a slight recovery in the flock expected in 2016, and continuing out to 2019. The flock is projected to move towards 73 million head over the next few years – encouraged by high sheep and lamb returns and assuming a return to more average seasonal conditions from autumn 2016.
- Producer feedback and results from the MLA and AWI wool and sheepmeat survey indicate that, despite tough seasonal conditions in southern Australia in the latter half of 2015, it has been a very good year for lamb survival. Lamb marking rates have continued to improve, largely attributed to genetic advances and producer adoption of ewe management programs, which are reportedly having a positive impact on productivity and reproductive performance.
- As a result, even with a stable to slightly declining breeding ewe flock projected over the next few years, increasing numbers of lambs on the ground will see the Australian sheep flock gradually edge higher.
- MLA and AWI wool and sheepmeat survey results indicate that, as at 31 October 2015, the Australian breeding ewe flock was slightly higher (up 178,500 head) year-on-year, at 40.9 million head.

- The total number of lambs on hand in October was 1%, or 460,000 head, higher than year-ago levels, at 33.1 million head. The overall increase was attributed to a 9% lift in 'other' breeds (pure meat, composite, second cross), to 8.9 million head, and a 7% lift in dual-purpose breeds, at 1.4 million head. The number of Merino lambs on hand was similar year-on-year, at 16.3 million head, while first cross lambs (5.4 million head) and shedding breeds (1.2 million head) declined 4% and 14%, respectively.
- The results indicate the national Merino marking rate for the October survey period (July to October) was 94% (up from 90% in October 2014), while for all other breeds the marking rate averaged 112% (up from 109% in October 2014).



Figure 4 Australian sheep flock

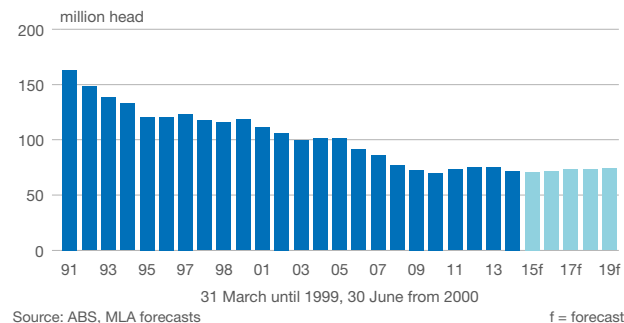
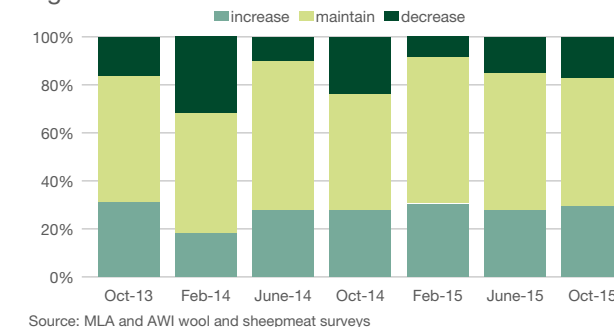


Figure 5 Ewe flock size intentions



Lamb and mutton slaughter

- Lamb survival and marking rates have reportedly been very good throughout 2015, with a relatively mild winter and sound ewe management programs in place. Hence, lamb slaughter is estimated to reach 22.25 million head for the year, very similar to 2014 levels.
- Reports suggest that many producers have been turning off new season lambs around a month earlier than usual this year, with concerns of not enough water and feed to carry them through the summer months, as dry conditions continue.
- As a result of the earlier turnoff in late 2015, supplies are expected to be tighter next year. Australian lamb slaughter in 2016 is forecast to decline 3.4% year-on-year, to 21.5 million head.
- While pure-bred Merinos comprise the majority of the Australian sheep flock, there is an increasing intent of producers to join Merino ewes to non-Merino sires for meat production, which will likely see annual lamb slaughter above 20 million head for the forecast period.
- Following sustained high sheep kills in 2014, Australian sheep slaughter is projected to be 15.7% lower in 2015, at 8.5 million head. Lower sheep availability is expected to flow on through 2016, with the total kill for the year forecast to be 11.8% lower again, at 7.5 million head.

Figure 6 Australian lamb slaughter

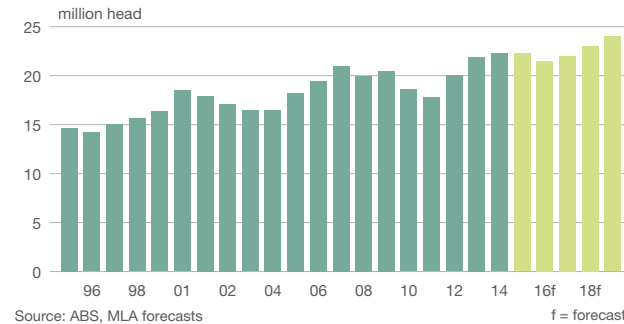


Figure 7 Quarterly lamb slaughter and saleyard price

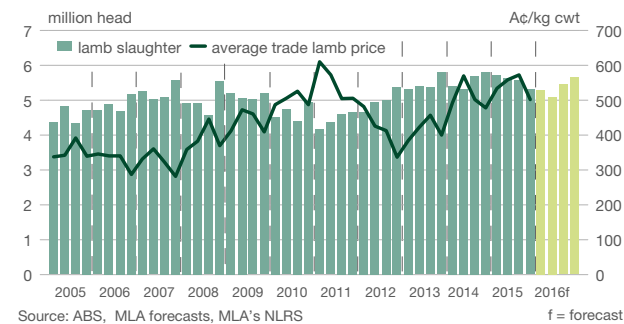


Figure 8 Australian sheep slaughter

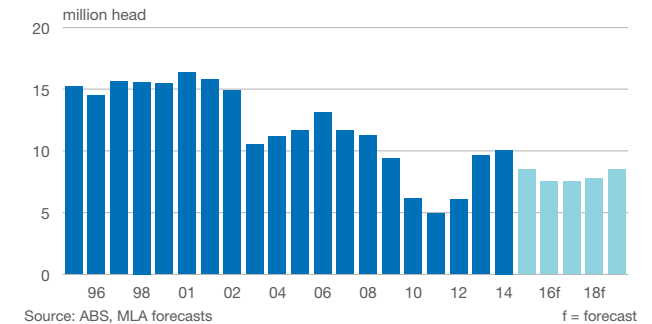
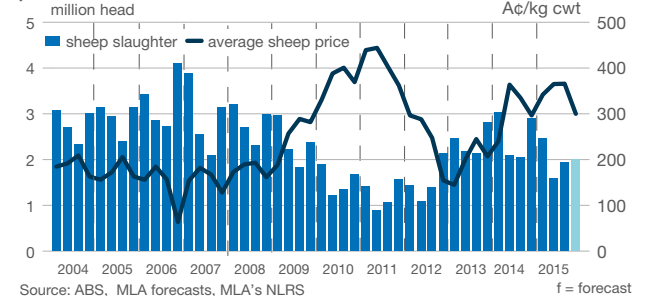


Figure 9 Quarterly sheep slaughter and saleyard prices



As a result of the earlier turnoff in late 2015, lamb supplies are expected to be tighter in 2016.



Lamb and mutton production

- Despite Australian lamb slaughter in 2015 remaining fairly steady on year-ago levels, the average lamb carcass weight has been gradually increasing, and as a result, total lamb production for the year is expected to be 1.2% higher year-on-year, at 493,000 tonnes cwt.
- For 2016, Australian lamb production is forecast to decline, although to a lesser extent than slaughter, to 482,000 tonnes cwt – back 2.2% year-on-year.
- The national average lamb carcass weight has been increasing over the past 15 years, due to a range of factors including genetic advances, a shift towards meat producing breeds, and evolving end-user specifications. The average lamb carcass weight is forecast to lift 1.5% year-on-year in 2015, to 22.2kg/head, and up slightly (0.9%) again in 2016, to 22.4kg/head. As the Australian lamb industry becomes more export orientated, different market and sector preferences are influencing processor carcass weight specifications.

- As a result, with the yield per animal increasing, combined with a forecast recovery in the total flock, Australian lamb production is projected to rise towards 552,000 tonnes cwt out to 2019.
- On the back of lower Australian sheep slaughter in 2015, mutton production for the year is expected to be 15% lower than the previous year, at 199,000 tonnes cwt. This trend is projected to continue in 2016, with total mutton production down 13.1%, to 173,000 tonnes cwt. Out to 2019, with an expansion of the Australian sheep flock, mutton production is expected to partially recover to 198,000 tonnes cwt.
- The average national sheep carcass weight in 2016 is projected to be 1.7% lower than year-ago levels, at 23.0kg/head. Sheep carcass weights are expected to increase slightly each year to 2019, to 23.4kg/head.



Figure 10 Lamb production and carcass weight

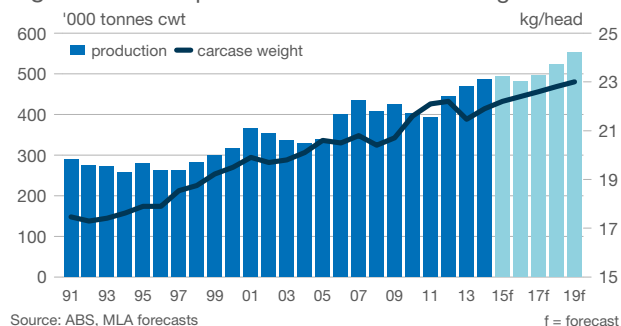


Figure 11 Mutton production and carcass weight

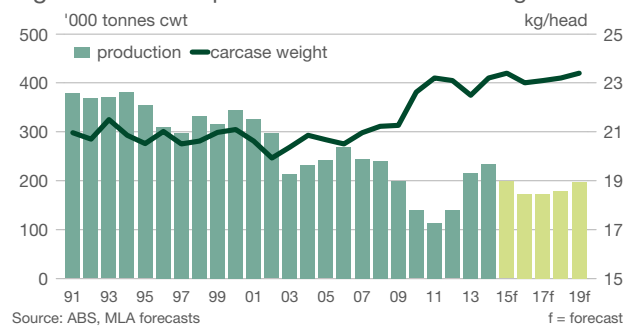
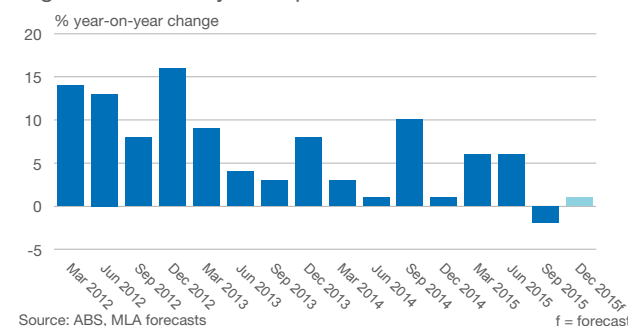


Figure 12 Quarterly lamb production



Lamb farm income

■ The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) produce an annual report, commissioned by MLA, to assess the financial performance of typical slaughter lamb producing farms across Australia.

[The full report can be found here.](#)

■ Nationally, average slaughter lamb producer farm cash income is estimated to have declined 8% year-on-year in real terms, to \$166,000 per farm, in 2014-15. The decline was driven by reduced grain production and crop receipts, particularly impacting the bottom line of producers in Victoria and WA.

■ Increased livestock receipts, as a result of improved prices, did go some way to offsetting reduced crop income. For all slaughter lamb producing farms, lamb sale receipts increased 8%, to \$108,000 per farm, while adult sheep sales declined 4%, to \$32,000 per farm, as a result of reduced numbers of sheep sold. Specialist lamb producer (those more reliant on sheep and lamb sales) farm cash income increased 5% year-on-year in real terms, to \$98,300 per farm.

■ Slaughter lamb farm cash costs have steadily increased in real terms over the long-term, as producers expand scale, but in 2014-15 total cash costs declined 5%, to \$399,000 per farm. The decline was primarily a result of reduced harvest and grain marketing costs associated with the smaller crop.

■ ABARES also investigated the impact of farm scale on the lamb producer bottom line. With the range of farm scales exposed to varying degrees of crop income, trends were mixed. Medium and large scale farm cash income declined, small scale producers were unchanged, while very large scale producers recorded an increase in farm cash income.

■ Around 6% of lamb producers finished lamb on grain. These producers achieved higher lamb carcass weights, received higher average lamb prices, turned-off greater volumes of lambs and overall recorded a higher farm cash income per hectare operated.

■ The overall financial position of slaughter lamb producing farms is generally strong and in line with the long-term average. Average debt of slaughter lamb producing farms declined just over 1%, to \$641,400 per farm in 2014-15, and the cost of servicing existing debt accounted for 7% of farm receipts.

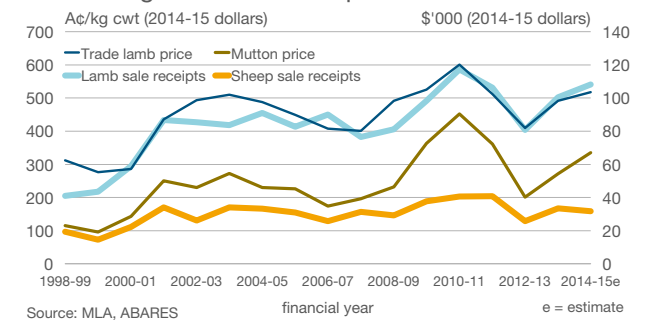
2014-15 average slaughter lamb farm cash incomes:

- **NSW – up 6% to \$162,000 per farm**
- **Victoria – down 25% to \$104,000 per farm**
- **SA – up 9% to \$212,000 per farm**
- **WA – down 25% to \$255,000 per farm**
- **Tasmania – up 45% to \$179,000 per farm**

Figure 13 Australian slaughter lamb farm income



Figure 14 National sheep and lamb saleyard prices and average farm sale receipts



2016 demand outlook

- Australian lamb exports in 2016 are forecast to reach 230,000 tonnes shipped weight (swt), down slightly (2%) from the estimated 2015 level. This is the result of lower production levels, not waning overseas demand for Australian lamb.
- The A\$ is forecast by most banks to drift below 70US¢ in 2016, and stay in that region for the duration of the year. This factor, combined with the significantly lower New Zealand lamb production and export forecasts (Beef + Lamb New Zealand) will place Australian product in an extremely favourable position, and should ultimately assist Australian lamb prices at the farm gate.
- The primary markets for Australian lamb in 2016 will again be the Middle East and the US, where a small year-on-year increase in export volumes is likely, while most other markets will either hold steady or see a small decline – due to the lower overall volumes available.
- By 2019, lamb exports are forecast to be 280,000 tonnes swt, up 19% from 2015 levels, the result of increased Australian production and growing global demand.

- The domestic market will remain the largest market on a volume and value basis, with 2016 utilisation forecast to be 214,000 tonnes cwt (back 2.7% year-on-year). Assisted by population growth, this is projected to rise to 226,000 tonnes cwt in 2019. Average per capita consumption is projected to remain steady at around 9kg for the duration of the projection period.
- For mutton, exports will continue to account for 95% of production from 2016 onwards, with Greater China, the Middle East and the US remaining the primary markets. In 2016, exports will drop as a result of lower production – an estimated decline of 12% year-on-year, to 127,000 tonnes swt, before eventually recovering to 145,000 tonnes swt by 2019. The demand factors assisting the Australian lamb market will also be influential for mutton over the coming years.

- China remains a major source of uncertainty over the projection period, as it has the capability of attracting substantial additional imports of lamb and mutton from both Australia and New Zealand depending on developments in the local supply/demand balance and import policies.



Figure 15 Australian lamb exports

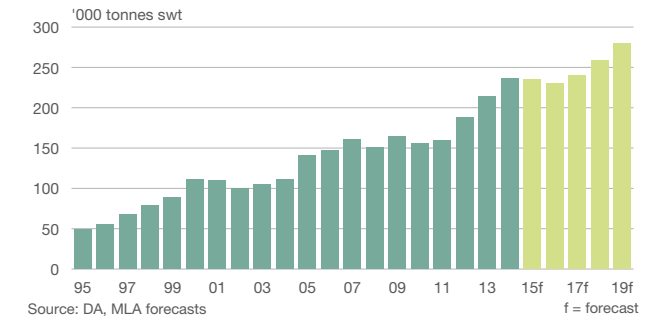
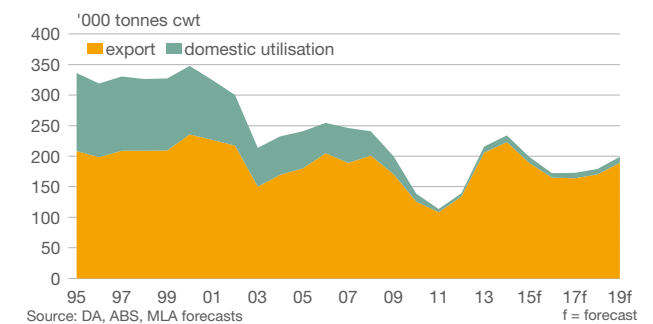


Figure 16 Mutton exports and domestic utilisation



Lamb exports

Table 2 Australian exports of lamb ('000 tonnes shipped weight)

	2011	2012	2013	2014	% change	2014 Jan-Nov	2015 Jan-Nov	% change
To:								
North America	39.4	42.1	45.6	53.5	17%	49.5	52.6	6%
US	34.3	36.7	39.2	46.2	18%	42.8	45.1	5%
- Canada	3.9	4.7	5.6	6.2	11%	5.8	6.5	12%
- Mexico	1.2	0.8	0.8	1.0	26%	0.9	1.1	22%
Middle East	34.9	51.8	59.8	64.2	7%	58.4	63.3	8%
Greater China	29.6	34.6	48.9	53.0	8%	49.1	33.2	-32%
- China	21.2	29.5	39.5	38.8	-2%	36.6	28.6	-22%
- Hong Kong	6.2	3.5	7.5	10.6	41%	9.2	1.6	-83%
- Taiwan	2.1	1.6	1.8	3.6	94%	3.3	3.0	-9%
South East Asia	8.9	8.7	9.7	11.5	18%	10.4	12.4	19%
Japan	7.4	7.7	7.7	10.1	32%	9.2	7.3	-21%
South Korea	2.7	3.0	3.2	4.8	52%	4.3	5.5	28%
EU	13.0	12.1	11.7	14.0	20%	12.2	9.8	-20%
Other Europe	2.2	1.9	1.6	2.1	31%	1.9	1.6	-16%
Pacific	10.9	14.0	13.3	10.7	-19%	9.2	18.3	99%
South Africa	3.2	2.0	1.8	1.4	-22%	1.2	2.6	117%
Other Africa/Mauritius	3.4	5.7	4.4	4.8	10%	4.4	3.9	-12%
Other	4.5	5.0	6.0	6.7	11%	6.5	4.1	-37%
Total	160.0	188.6	213.7	236.9	11%	216.3	214.6	-1%



Source: DA

Pacific = PNG, New Zealand & Pacific Islands

Other Europe = Eastern Europe and Western Europe other than EU

South East Asia = Indonesia, Singapore, Philippines, Malaysia and Thailand

Mutton exports

Table 3 Australian exports of mutton ('000 tonnes shipped weight)

	2011	2012	2013	2014	% change	2014 Jan-Nov	2015 Jan-Nov	% change
To:								
Middle East	39.5	46.7	40.9	52.8	29%	47.8	44.6	-7%
Greater China	9.2	22.1	71.2	60.5	-15%	53.5	31.6	-41%
- China	5.1	16.4	57.9	50.1	-14%	44.0	25.6	-42%
- Hong Kong	0.5	0.9	6.6	2.4	-64%	2.2	0.2	-91%
- Taiwan	3.6	4.9	6.6	8.1	22%	7.2	5.8	-19%
South East Asia	9.0	11.7	19.0	25.7	35%	23.0	23.4	2%
Japan	4.5	3.2	3.8	5.1	35%	4.4	3.3	-25%
South Korea	1.0	1.0	1.0	1.3	29%	1.2	1.4	17%
North America	6.1	8.1	12.2	17.9	47%	16.0	15.4	-4%
- US	4.5	7.5	8.7	13.3	52%	11.7	11.2	-4%
- Mexico	0.2	0.4	2.9	3.7	28%	3.5	3.3	-6%
- Other North America	1.3	1.3	0.6	1.0	71%	2.2	2.9	32%
EU	3.5	3.7	5.0	4.7	-5%	3.8	5.1	34%
Other Europe	3.2	4.5	4.7	3.8	-20%	3.7	1.4	-62%
Pacific	2.0	1.0	2.5	3.3	34%	3.1	2.3	-26%
South Africa	1.9	1.3	1.2	0.9	-27%	0.7	1.1	57%
Other Africa/Mauritius	1.6	1.6	4.8	2.2	-54%	5.3	3.4	-36%
Other	0.7	1.9	2.6	7.7	195%	3.2	2.9	-9%
Total	82.2	106.7	172.0	186.0	8%	165.7	135.9	-18%



Source: DA

Pacific = PNG, New Zealand & Pacific Islands

Other North America = Canada and the Caribbean

Other Europe = CIS, Eastern Europe and Western Europe other than EU

South East Asia = Indonesia, Singapore, Philippines, Malaysia and Thailand

Australian market

Trend



Strengths

- Despite the expansion of lamb exports in recent years, the domestic market remains the mainstay of the Australian lamb industry. Lamb consumed in Australia is almost exclusively produced domestically ensuring the freshness desired by Australian consumers, which is considered the most important attribute when purchasing meat.
- Over the calendar year-to-September, total fresh lamb retail value increased 8% year-on-year, with volume also up 4% (Nielsen - HomeScan). Lamb accounted for 12% of total meat volume purchased over this period.
- Average annual GDP growth is expected to be 3% between 2015 and 2019, up from 2.7% between 2010 and 2014 (IMF).
- Per capita expenditure on lamb increased 28% in 2014-15, averaging \$70.90 – indicating a strong local demand base, despite the rise in retail price in recent years.



Weaknesses

- Strong competition for available product from the US and Middle East and emergence of markets in Asia, assisted of late by a lower A\$.
- According to Food Industry Foresight (FIF), available income per head (real net disposable income per capita) has diminished in Australia in the past few years, which is likely to have an impact on discretionary spending – particularly eating out.



Opportunities

- The Australian population grew 1.4% during the year ended 31 March 2015, to 23.7 million people (ABS).
- According to Roy Morgan Research, consumer confidence in 2015 was slightly above 2014 levels, averaging 111.8 points for the January to November period.
- The foodservice sector is expected to improve in 2016, with the commercial sector forecast to rise by 1.1% and the institutional sector by 1.8%. Amongst other factors, the rise will be driven by an expected increase in foreign visitors and Australians holidaying at home rather than overseas.
- By 2019, domestic lamb consumption is expected to rise by 3% on the 2016 estimates, to 225,800 tonnes cwt. However, due to population growth, per capita consumption will remain steady, at 8.87kg/year.



Threats

- Retail lamb prices averaged \$13.53/kg during the first three quarters of 2015, up 3.7% on the previous year, due to higher lamb prices throughout the year

Figure 17 Domestic lamb utilisation

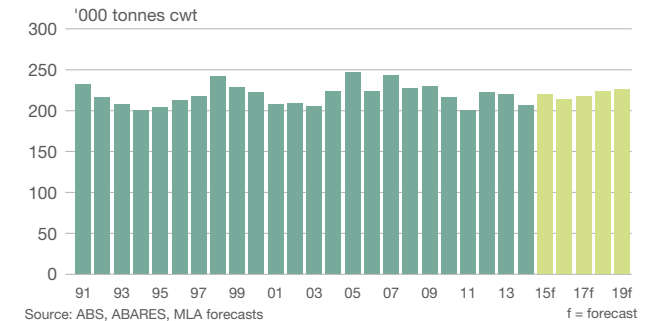
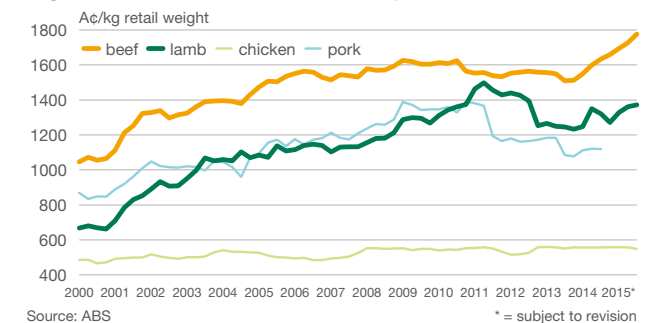


Figure 18 Australian retail meat prices*



The Bottom Line

- Lamb consumed in the Australian market is expected to fall 3% year-on-year in 2015, to 214,000 tonnes cwt. Despite lamb's strong niche position in the Australian market, the major challenges in 2016 are the expected decline in supply and continued strong demand from exports markets – forecast to take 44% of total production – and consequent continued high lamb retail prices.

- The Middle East is Australia's largest export market for lamb, with a diverse range of cultures and economic wealth creating continued opportunities for a diverse range of protein products. For the January to November period in 2015, Australia exported 63,288 tonnes shipped weight (swt) to the Middle East, with the value of shipments for the January to September period up 20% year-on-year at \$358.6 million FOB.
- In 2016, Australia's lamb exports to the Middle East are forecast to again increase. The increase is expected due to continued consumer demand and population growth, a sharp decline in the availability of Australian mutton for export, some of which will be substituted by lamb, and lower New Zealand exports. Forecast increases will be limited by a projected decrease in the total Australian lamb supply and continued high prices and the recent removal by the Bahrain government of subsidies on sheepmeat purchases (24% of lamb shipments to the Middle East in 2014, but only 12% in 2015-to-November).
- Australia's main markets for lamb in the Middle East are the UAE, Jordan, Qatar, Bahrain, Saudi Arabia and Kuwait. The most commonly exported lamb product is chilled lamb carcase, which tends to be airfreighted from southern Australia. Most of these carcasses are from light lambs, which are preferable to most markets in the region.

- Australia's mutton exports to the Middle East for the year-to-November were 44,567 tonnes swt, 7% lower than last year – mainly due to a reduction in sheep slaughter and overall mutton production. In 2016, Australia's mutton production is forecast to fall further – so mutton shipments to the Middle East (and indeed the whole world) will be constrained.



Strengths

- Lamb (and mutton) has been a part of traditional cuisine across the region for centuries, and domestically-produced sheepmeat is supplemented by imported product.
- Agricultural production is limited across the region, creating opportunities for food imports to grow further over time.
- There are markets for all parts of the carcase across the Middle East, whether that is in the form of chilled airfreight whole carcasses, or in different cuts, chilled or frozen to different parts of the foodservice and retail sectors.
- The foodservice sector in the Middle East has matured quickly over the past few years, and is one of the key markets for Australian lamb. The retail sector is also continuing to grow and modernise across the region.
- The large construction boom that is expected over the next few years will increase the size of the labour force, which is a large consumer of Australian (and other) mutton.

Figure 19 Lamb exports to the Middle East

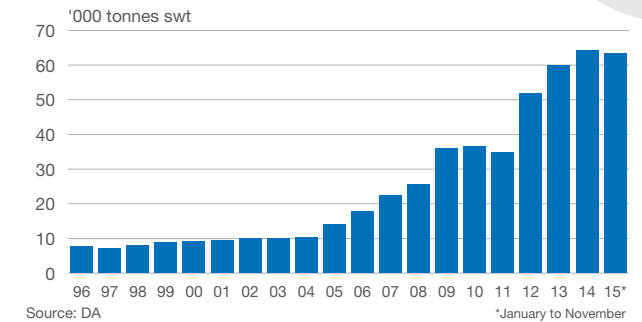
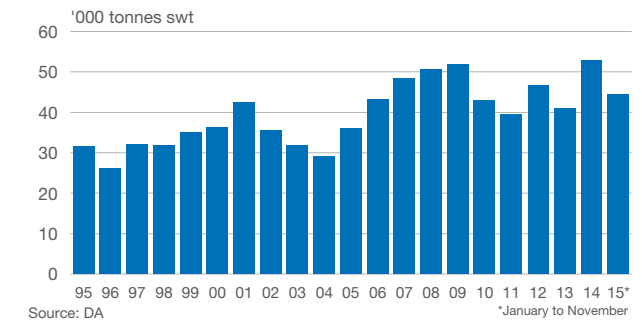


Figure 20 Mutton exports to the Middle East



Australia's main markets for lamb in the Middle East are the UAE, Jordan, Qatar, Bahrain, Saudi Arabia and Kuwait

Middle East and North Africa (MENA) continued...



Weaknesses

- There is often a preference for local sheepmeat, due to a perception of freshness and, in some cases, for meeting Halal requirements. The taste of local lamb can also be different, and is preferred by some consumers.
- A number of markets have a strong dependence on oil and related products for revenue. With the current lower oil prices, Governments and consumers have reduced spending. For example, the Bahrain Government has recently stopped its subsidy for sheepmeat, which has increased prices in-market, and drastically reduced consumption in a short time. This will need to be monitored to see what impact this has in the long-term.

Figure 21 Lamb exports to the Middle East by cut - 2015*

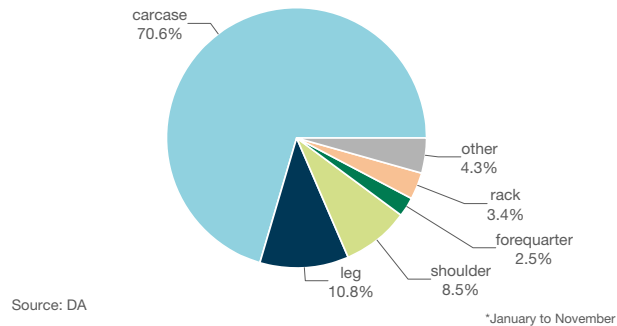
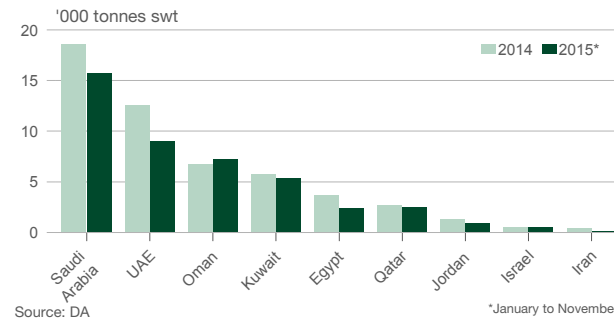
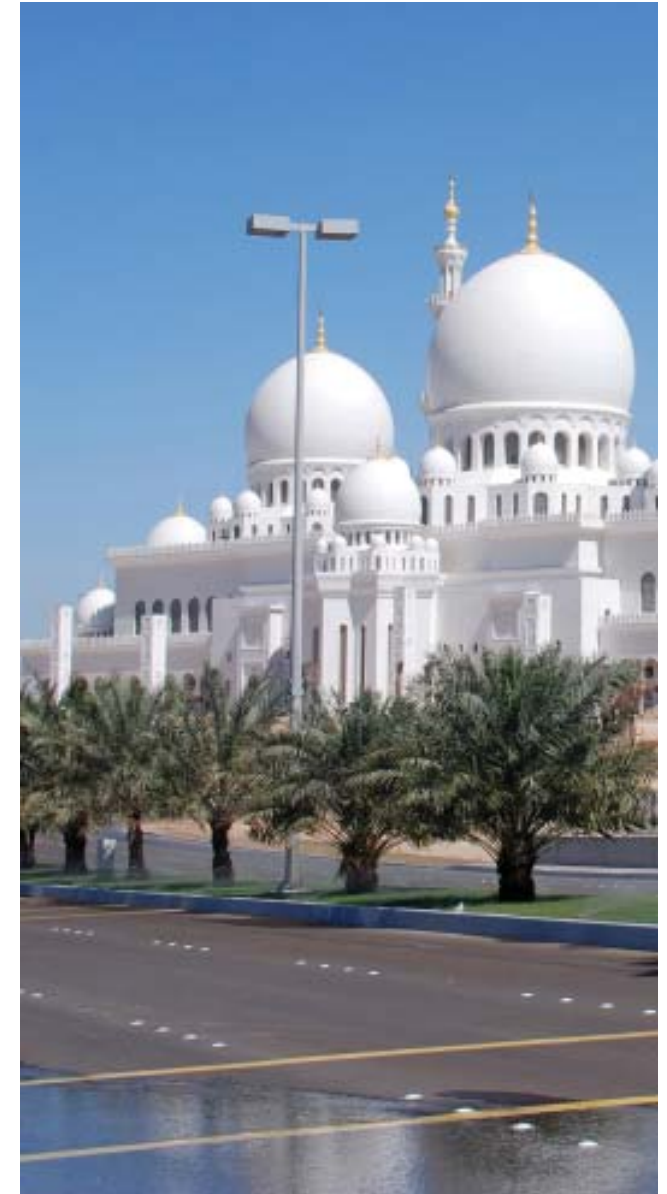


Figure 22 Mutton exports to the Middle East by market



The Bottom Line

- Lamb exports from Australia to the Middle East are forecast to increase in 2016, but will be limited by the availability of supply. The effect of the removal of Government subsidies for lamb purchases in Bahrain is uncertain in the medium-to-long term, but has had a dramatic impact on Australian exports in the short-term.
- Australia's mutton exports to the Middle East will be substantially lower in 2016 as a result of lower sheep slaughter. The main competitive market for mutton, China, is expected to have slightly higher domestic production, which may reduce the impact on trade to the Middle East.



- In 2015, the US was again Australia's largest lamb export market, with shipments for the January to November period of 45,080 shipped weight (swt). This is a 5% increase on 2014, and after December, 2015 is likely to be the largest year on record for exports into this market. In addition, the US is, by an even larger margin, the most valuable export market for Australian lamb. For the January to September period, Australian lamb exports to the US were worth \$418.8 million FOB – up 33% year-on-year.
- In 2016, Australia's lamb exports to the US are forecast to remain fairly steady on 2015 levels, with slightly stronger upside potential. With total Australian lamb exports expected to fall, the US is likely to remain Australia's strongest export market.
- Australia's lamb exports to the US are dominated by a relatively small selection of cuts, notably leg, rack, shank, shoulder and shortloin. Other cuts are also exported, but these tend to be much smaller in volume.
- Lamb consumption in the US tends to be far lower than in Australia, on average, with annual per capita consumption estimated at around 0.5kg, compared with around 9kg in Australia. There are regions in the US that have a higher concentration of lamb consumption, most notably in the north-east, south-east (especially in Florida), and California.



Strengths

- Long-term relationships between Australian exporters and the US trade, which has allowed for the development of strong supply chains for Australian lamb.
- Fast growing Muslim, Indian (and broader Indian sub-continent), Hispanic, and other immigrant populations, who traditionally use lamb in their cooking, are expanding the potential buying group for lamb in the US.
- Younger consumers (millennials) showing a willingness to experiment with different international cuisine styles, and the growth of new fast casual restaurant concepts, which can create opportunities for lamb.



Weaknesses

- Lamb tends to be much more expensive than the main competitive meats consumed in the US, including beef, pork, and poultry.
- Generally reliant on small sections of the country – however; these sections have tended to be the better performing regions, economically, which assists with consumption on this relatively expensive protein.
- Growing the market can be difficult, as around a third of US consumers do not buy lamb or have never tried it.

Figure 23 Lamb exports to the US

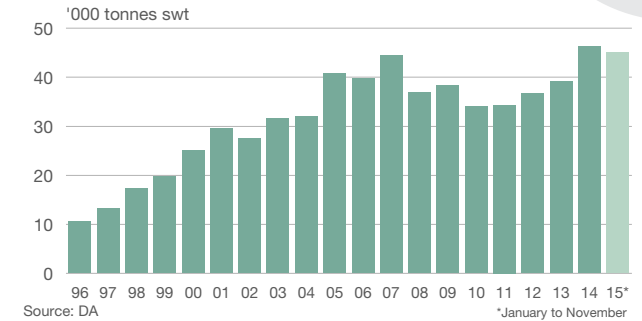


Figure 24 Lamb exports to the US by cut - 2015*

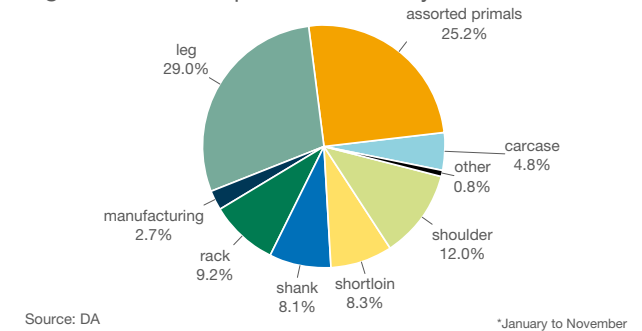
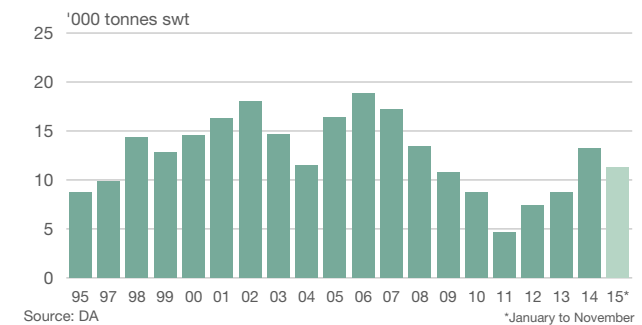


Figure 25 Mutton exports to the US



The Bottom Line

- The US will maintain its position as the largest export market for Australian lamb in 2016, but further growth will be constrained by the expected decline in Australian lamb production. A small increase is a likely outcome, which should be accentuated in value terms by the lower A\$.



Strengths

- The Chinese urban middle class who can afford imported Australian sheepmeat continue to increase in number and wealth. These consumers have strong awareness of, and high regard for, Australian sheepmeat (MLA Global Survey 2015). It is considered to offer advantages over domestic product on dimensions such as taste, food safety, consistent quality standards, environmental sustainability and better animal welfare standards.

Figure 26 Lamb exports to China

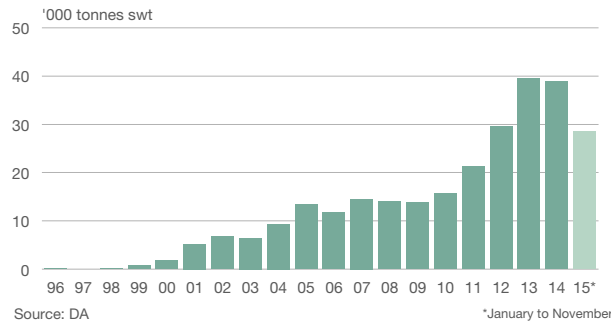
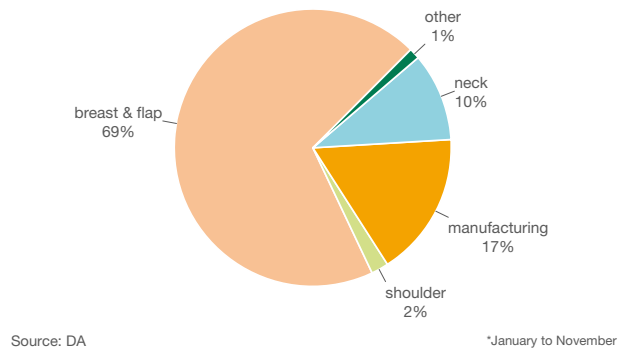


Figure 27 Lamb exports to China by cut - 2015*



Weaknesses

- China's local sheep slaughter was high during 2015, due to high inventories and disease outbreaks, leading to falling prices over the year.
- Australia's frozen lamb exports to China for the January to November period in 2015 were back 22% year-on-year, to 28,593 tonnes swt. Australia's higher average lamb export unit price made it less competitive than New Zealand lamb.
- Similarly, Australian frozen mutton exports to China fell 42% for the calendar year-to-November, to 25,595 tonnes swt. Australia's market share, however, remains fairly steady at 35%. Australia's competitive average mutton export unit price has helped maintain market share but has led to a fall in value.
- Chinese sheepmeat offers advantages over Australian product when it comes to freshness, reportedly the most important factor when buying meat, as well as lower price.
- Currently, Australia does not have access to China for chilled sheepmeat.



Opportunities

- China remains a market with significant growth potential, due essentially to rapidly growing middle income consumer demand, and the likelihood that at any time the demand/supply balance could tip to necessitate substantial sheepmeat imports.
- In the longer-term, as rapid urbanisation continues, meat consumption (including sheepmeat) is expected to continue gradually increasing. Although China's sheepmeat production is expected to increase slightly (2-2.5%) every year up to 2020, this will not keep up with demand, which is expected to grow 3.4% p.a.
- ChAFTA is expected to come into force in December 2015. Under the FTA, tariffs currently levied on sheepmeat (now 12-23%) will be eliminated within 8 years, with two tariff reductions expected to occur soon after entering into force – in December 2015 and January 2016.
- The fall in sheepmeat prices in China over 2015 has led Chinese producers to reduce their flock sizes, and as a result, more sheep have been put on the market, putting further pressure on prices. However, as domestic producers have been culling their breeding ewes, this should result in tighter supplies in the medium-term, potentially increasing import demand. The high inventories of domestic sheepmeat in China, which have lowered import demand during 2015, are expected to be significantly cleared by May 2016 (spring) after Chinese New Year – after another winter season of consumption.

China continued...

Threats

- The New Zealand-China FTA will allow New Zealand sheepmeat to enter China tariff free from January 2016, ensuring that it will remain a major competitor for Australian sheepmeat. However, supply will be a limiting factor, as total NZ lamb exports are forecast to fall 6.3% for their 2015-16 season.
- Due to lack of access to accurate information on domestic flock numbers, slaughter rates and inventories, the China market poses a high degree of uncertainty. Chinese demand for sheepmeat is likely to exceed growth in supply at some point in the next 3 to 5 years, but it is difficult to predict with accuracy when this will occur. When it does, it will likely have a significant impact on Australian sheepmeat exports.



Figure 28 Mutton exports to China

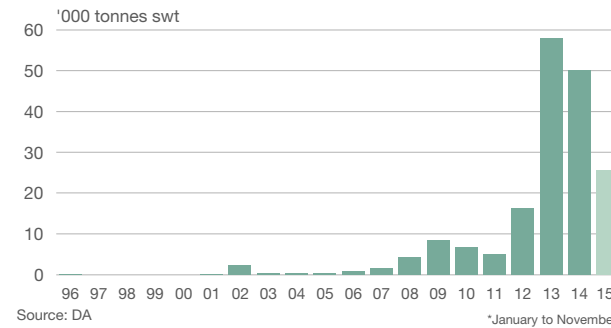
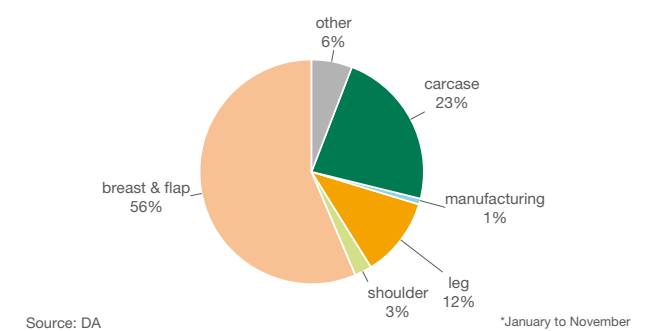


Figure 29 Mutton exports to China by cut - 2015*



The Bottom Line

- LAMB: The volume of Australian frozen lamb exported to China is expected to fall slightly due to softer demand, comparatively higher unit prices, and continued strong competition from New Zealand product, which will be tariff free from January 2016.
- MUTTON: Smaller volumes of Australian frozen mutton are expected to be exported to China due to softer demand and lower Australian production in 2016. New Zealand competition is expected to be more subdued due to a forecast 15% decline in mutton production in the year to September 2016.

Taiwan and Hong Kong



Strengths

- In 2015 (January to August), Australia continued to supply virtually all (99%) of Taiwan's chilled sheepmeat imports as NZ's small share fell further.



Weaknesses

- "Grey channel" crackdowns by Chinese authorities in January and April 2015 have had a significant impact on some sheepmeat import volumes to Hong Kong during the year. Australian frozen lamb exports to Hong Kong for the January to November period in 2015 fell 86% year-on-year, to 1,294 tonnes swt. Similarly, frozen mutton exports to Hong Kong declined 89% over the same period, to 241 tonnes swt.
- Given that China's new Food Safety Law came into effect in October 2015, the Chinese government is expected to implement crackdowns more frequently and for longer periods of time in future.
- Foodservice demand for Australian sheepmeat in Hong Kong is expected to soften as Chinese tourist numbers are expected to continue to decline.
- Although overall consumption growth in Taiwan is expected to drop to 1.5-2.0% for 2016, protein consumption, including sheepmeat, is generally expected to remain steady.

Figure 30 Lamb exports to Greater China

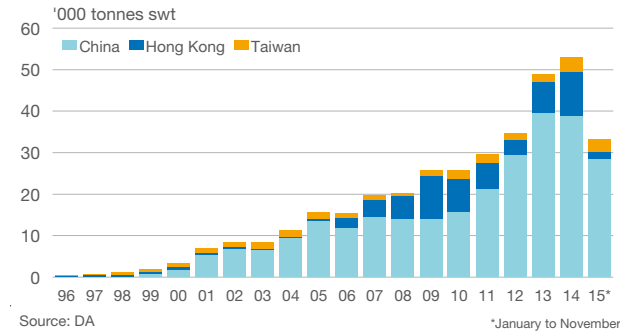
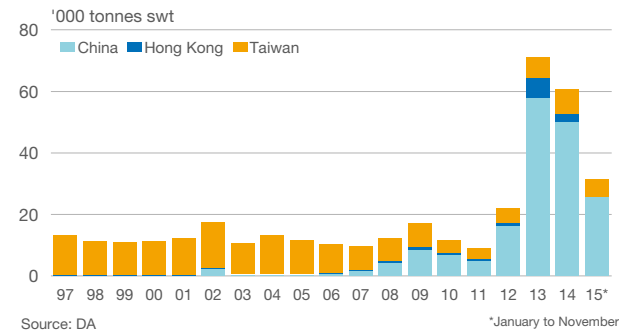


Figure 31 Mutton exports to Greater China





Opportunities

- As a comparatively mature grocery market, Hong Kong's foodservice sector is strong due to space- and time-poor consumers. In addition, a trend has seen people increasingly turning to processed foods with perceived health benefits, hence there may be opportunities for Australian sheepmeat in the area of healthy prepared meals.
- In Taiwan, more foodservice and retail brands are learning about Australian sheepmeat quality and receive education about different cut usages.
- Australian chilled sheepmeat export volumes to Taiwan may see a small increase as a major chilled lamb carrier, which only supplies Australian lamb, is expected to open another 1 to 2 outlets in 2016.

Hong Kong is expected to become increasingly integrated with the mainland. Hence, Chinese sheepmeat is expected to become a growing competitor for Australia.



Threats

- In 2015 (January to September), Australia lost market share for frozen mutton to Hong Kong (from 49% in 2014 to 27% in 2015), to both NZ and China.
- NZ began supplying chilled lamb to Hong Kong in August this year.
- Hong Kong is expected to become increasingly integrated with the mainland. Hence, Chinese sheepmeat is expected to become a growing competitor for Australia.
- 2013 trade agreements between NZ and Taiwan (ANZTEC & ECA) will eliminate tariffs on NZ sheepmeat in four years (including co-products).
- In 2015, Australia lost significant market share of Taiwan's frozen sheepmeat imports (61% for the year-to-August 2014 to 52% in 2015), as NZ gained share, in part due to cost competitiveness resulting from ANZTEC.
- Taiwanese importers increased their inventories of sheepmeat over the past two years, with concerns price hikes would continue. However, as a result of China's grey channel crackdowns, large volumes of sheepmeat (particularly frozen) became available to countries like Taiwan, causing prices to fall.



The Bottom Line

- Hong Kong: Lamb and mutton exports are forecast to remain constrained into 2016, compared to pre-2015 levels. Import volumes will also be impacted by the status of the grey channel, which adds some unpredictability to the market.
- Taiwan: Australian sheepmeat exports to Taiwan are expected to continue to soften due to competition from NZ and high inventories, although overall demand should remain steady.



Strengths

- Australia's EU sheepmeat quota usage, as at November 27, was 18,893 tonnes cwe, or 98% of the total quota allocation for the year (Department of Agriculture).
- Australia is the only country that has filled its EU sheepmeat allocated quota for the past few years. Meanwhile, NZ quota usage has fallen short (despite receiving the dominant share of the quota), fulfilling 70%, on average, of its allocated quota in the past three years.
- The A\$ weakened significantly against the British pound throughout 2015, assisting the price competitiveness of Australian product, as the UK remains Australia's main export destination in the EU region (accounting for around 70% of total exports).



Weaknesses

- Australian sheepmeat exports to the EU are limited by a 19,176 tonne carcass weight equivalent (cwe) Tariff Rate Quota (TRQ). In-quota shipments do not incur any duty, while out of quota shipments incur a 12.8% and 902-3,118€/tonne duty (depending on the product). The sheepmeat TRQ includes lamb, mutton and goatmeat.



Opportunities

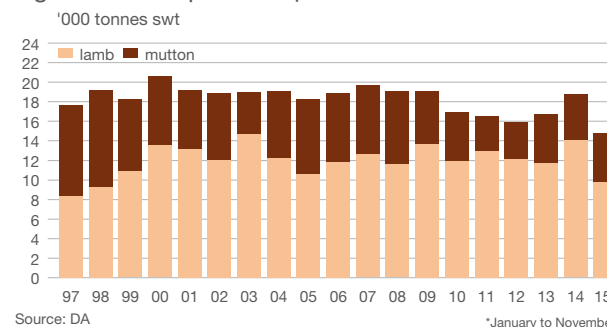
- NZ lamb slaughter and production is anticipated to be lower year-on-year in 2016.
- The EU economy is expected to continue to grow, with real GDP growth in the euro area expected to pick up from 0.9% last year to 1.5% in 2015 and 1.9% in 2016.



Threats

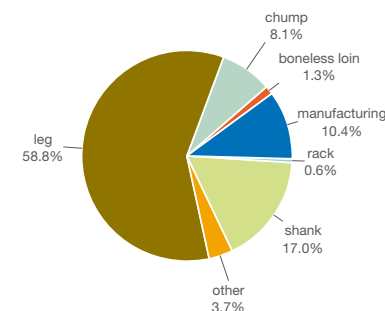
- Despite the decline in NZ lamb production expected for 2016, NZ has a distinct advantage within the EU market, dominating the Tariff Rate Quota (TRQ) allocation, with 228,254 tonnes cwe (80% of the total).
- UK sheepmeat production is forecast to increase in 2016, to 313,200 tonnes cwt, supported by a larger breeding flock. The rise in production is likely to impact on overall UK sheepmeat imports next year.

Figure 32 Sheepmeat exports to EU



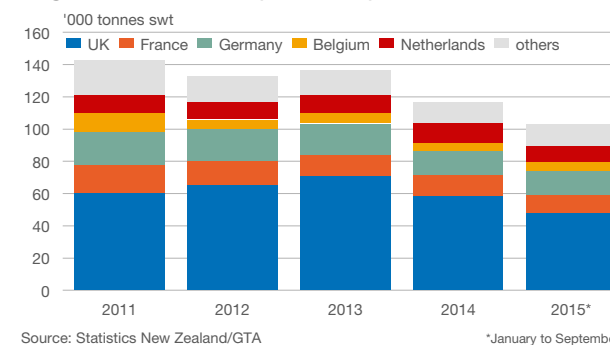
Source: DA *January to November

Figure 33 Lamb exports to EU by cut - 2015*



Source: DA *January to November

Figure 34 - NZ sheepmeat exports to the EU



Source: Statistics New Zealand/GTA *January to September

The Bottom Line

- Australian lamb and mutton exports to the EU are expected to remain steady in 2016, with its allocated quota forecast to be filled. The quota restrictions will prevent any growth, with the tight Australian and New Zealand supply forecast for 2016 helping to at least maintain prices, despite the increase expected in UK lamb production.



Strengths

- Steady market with established users (largely Genghis Khan sheepmeat barbecue restaurants), with a high proportion of chilled lamb shipments.
- Strong increase in international tourism in Japan including in Hokkaido (major sheepmeat consumption region in Japan).
- Recovering Japanese economy (albeit slow and still fragile) and consumer spending.
- Average export values (in A\$/kg) to Japan are significantly higher than the global average, proving the market's ability to keep up with increasing world red meat prices.
- Lack of domestic sheepmeat industry – almost non-existent domestic production (national slaughter is reportedly less than 3,000 head per year) means any growth in demand needs to be met with increased imports.



Weaknesses

- Uncertain economic prospects into the future – low GDP growth anticipated, if not negative.
- Aging and declining population – by 2024, almost one in three people will be over 65 years old, with the total population declining 4% from 2014, to 121 million.
- Sheepmeat is not considered as a major protein in Japan, and its per capita consumption volume is still limited at around 200 grams per person per year (in comparison with 6kg of beef, and 12kg of pork and chicken).



Opportunities

- Continuing commitment from the Japanese government to promote tourism, as the market moves towards the 2020 Tokyo Olympics. International tourists - particularly from China and South East Asia - are major customers of Genghis Khan restaurants in Hokkaido, along with locals and Japanese tourists.
- Interest by both Japanese trade and chefs to expand lamb menus in non-Genghis Khan outlets, including Chinese restaurants, steakhouses, bistros and Halal specialised operators.
- Anticipated tightening of beef supplies may send meat trade to seek alternative proteins.



Threats

- New Zealand - while supplies are anticipated to decline in 2016, Japan continues to be one of the most important and reliable markets for NZ exporters.
- Combination of tight Australian supplies and ongoing demand from other international markets, especially the US and China, are likely to reinforce competition for Japanese importers in 2016. The lower Japanese Yen could also limit Japanese ability to place strong bids.

The Bottom Line

■ Australian lamb export volumes to Japan during 2016 are likely to remain steady with 2015.

Figure 35 Australian lamb exports to Japan

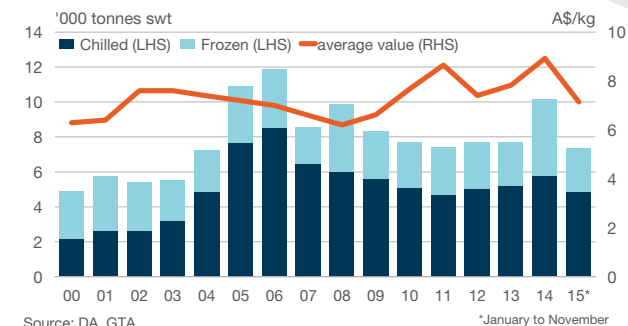


Figure 36 Australian mutton exports to Japan

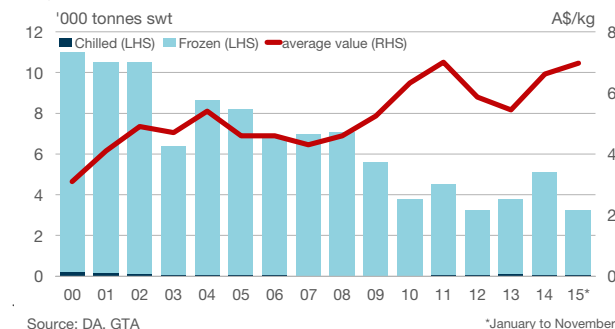
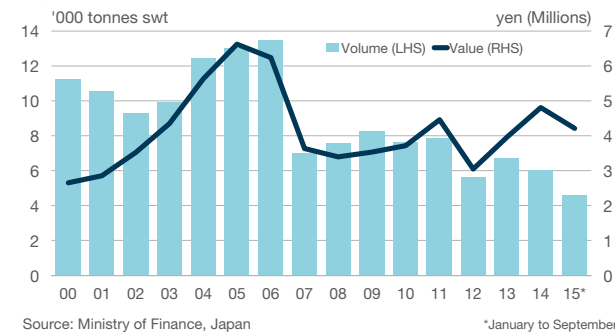


Figure 37 Japan imports of NZ sheepmeat

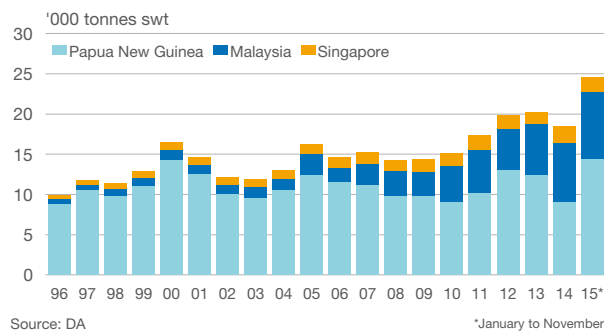


Other

Malaysia

- Malaysia was a significant sheepmeat market for Australia in 2015, with 8,293 tonnes swt of lamb and 13,709 tonnes swt of mutton exported there over the year-to-November period – a trade which was worth \$93 million (year-to-September total). Malaysia has recorded considerable growth in recent years, with the market typically receiving just 1,000-5,000 tonnes swt of lamb and 4,000-6,000 tonnes swt of mutton per year during the decade prior to 2013.
- Lamb exports to Malaysia increased 23% year-on-year in 2015, primarily driven by greater shoulder shipments (5,974 tonnes swt), while whole carcase (988 tonnes swt) and leg (491 tonnes swt) exports remained significant. The trade consisted of almost entirely frozen shipments.
- Mutton exports to Malaysia decreased 3% year-on-year, but were offset by the increased lamb shipments. The trade was entirely frozen product, with the majority (59%) made up of whole carcasses (8,155 tonnes swt).

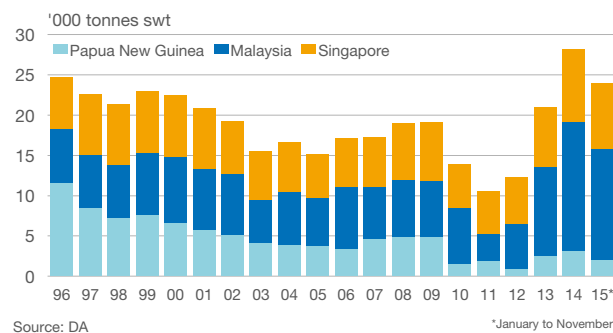
Figure 38 Lamb exports to other markets



Papua New Guinea

- Year-to-November lamb exports to Papua New Guinea (PNG) lifted 84% year-on-year, to 14,410 tonnes swt, offsetting the 27% decline in mutton exports to the market, which totalled 2,088 tonnes swt over the same period. Entirely frozen product, the sheepmeat trade to PNG was worth \$38 million over the year-to-September period.
- Lamb breast and flap exports to PNG more than doubled, to 11,943 tonnes swt. Neck exports (1,119 tonnes swt) increased 43% while shoulder shipments (891 tonnes swt) declined 8% year-on-year.
- Year-to-November mutton exports were primarily frozen breast and flap (1,753 tonnes swt).
- PNG was also an important sheep offal market for Australia, with 2,092 tonnes swt (primarily hearts) exported over the year-to-November period.

Figure 39 Mutton exports to other markets



Singapore

- Sheepmeat exports to Singapore were down slightly year-on-year but were still historically high, with the trade worth \$49 million over the year-to-September period. Year-to-November mutton exports were 8,157 tonnes swt, back 1%, while lamb exports totalled 1,609 tonnes swt over the same period, back 11%.
- Year-to-November leg exports (600 tonnes swt) were the largest lamb category, followed by carcasses (333 tonnes swt) and shoulder (242 tonnes swt).
- While total mutton exports declined year-on-year, carcase exports (4,270 tonnes swt) recorded 9% year-on-year growth. Leg (2,546 tonnes swt) and manufacturing (839 tonnes swt) mutton exports declined 10% and 32% year-on-year, respectively.



Live exports

- Driven by shipments out of Western Australia (WA), live sheep exported during the first nine months of 2015 totalled just over 1.48 million head (a trade valued at \$190 million FOB).
- With total live sheep exports in 2015 estimated to be 2.0 million head, exports are well below the peak in the early 2000s. Portland (Victoria), which exported in excess of 1.2 million head in 2000 and 2001, recorded just under 42,000 head in the first nine months of 2015. Port Adelaide (South Australia) has recorded a similar trend, exporting 148,500 head so far this year, well below the 1.2 million and 1.33 million head recorded in 2000 and 2001, respectively.
- The decline in live sheep exports from Victoria and South Australia reflects the transition to fewer wethers within the flock composition, increased competition from the processing sector and dearer sheep prices.
- While shipments out of WA are well below what they once were, Fremantle has continued to ship in excess of 1 million head annually. WA sheep exports have primarily been driven by demand from the Middle East, with the UAE, Bahrain and Kuwait amongst the largest export destinations in 2015.

- Demand has flowed through to sheep prices, with live export buyers competing strongly with the processing sector to fill orders. The WA saleyard live export wether indicator (18-24kg estimated carcass weight, 2-3 fat score) has averaged \$94/head for the year-to-date, up 15% year-on-year, but still below the \$110/head average price in 2011.
- Forecasting out to the end of the projected period, live sheep exports are expected to increase to 2.1 million head in 2016 and remain steady throughout the remainder of the decade. However, live sheep exports will continue to be dependent upon market access and government policy in the Middle East. In particular, Bahrain, as of October this year, has ceased its longstanding subsidised live sheep import program and will be a market to monitor over the next year.
- So far this year (January to September), 96% of live sheep exports have been destined for the Middle East, assisted by additional exports out of Port Adelaide.

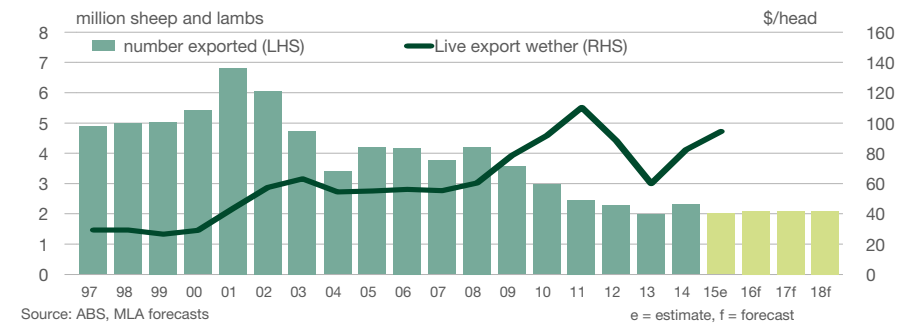
Table 4 Australian live sheep exports (head)

	2011	2012	2013	2014	2014 Jan-Sep	2015* Jan-Sep	% change
To:							
UAE	37,385	33,211	99,795	118,043	105,043	SR*	-
Bahrain	354,450	249,741	0	274,865	204,865	315,000*	54%
Kuwait	956,642	706,644	876,004	744,671	514,379	311,571*	-39%
Jordan	217,067	327,960	287,792	294,095	205,095	154,500*	-25%
Qatar	395,752	531,894	560,762	539,250	394,250	SR*	-
Oman	41,025	19,892	58,476	61,646	56,646	74,804*	32%
Israel	56,600	64,007	54,164	137,625	95,125	43,500*	-54%
Malaysia	15,903	18,864	27,969	40,427	31,804	38,141*	20%
Saudi Arabia	24,000	69,000	0	0	0	0	-
Turkey	352,352	245,147	120	0	0	0	-
Other	6,772	12,256	8,291	87,833	85,558	28,301*	-67%
Total	2,457,948	2,278,616	1,973,373	2,298,455	1,692,765	1,481,993*	-12%

Source: ABS

*SR = Subject to revision

Figure 40 Australian live sheep exports



Competitor summary - New Zealand

■ For the year to 30 June 2015, the New Zealand (NZ) sheep flock decreased 4.1% from the previous year, to 28.6 million head. Both breeding ewe and hogget numbers were lower, driven by land use change towards dairy and drought conditions in the North and South Islands. As a result of fewer breeding ewes, as well as an estimated decline in the average lambing percentage, the total lamb crop for the 2015-16 season (year ending September 2016) is projected to total 23.8 million head – back 7.2%, or 1.8 million head, on the year before. Beef + Lamb NZ report that scanning results indicate the average lambing percentage will fall by 2.6 percentage points in 2015-16, although conditions during spring lambing will be a large determinant of the lamb crop.

■ For the year ending September 2016, Beef + Lamb NZ forecast lamb slaughter to be 7.4%, or 1.6 million head, lower year-on-year, at 19.4 million head. This reflects higher than expected production during the previous season, a reduced lamb crop, and greater hogget retention with a slight flock recovery projected for the year ending June 2016.

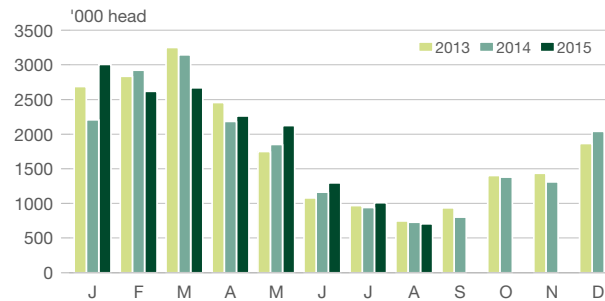
■ With the assumption of a return to normal climatic conditions during 2015-16, the average lamb carcase weight is expected to increase to 18.2kg. This rise will slightly offset the fall in lamb slaughter, with production forecast to reach 354,600 tonnes carcase weight (cwt) for the coming season – back 6.3% year-on-year.

■ Beef + Lamb NZ report that lamb exports during the 2014-15 season (year ending September 2015) provisionally increased 1.9% year-on-year to 313,000 tonnes shipped weight (swt) – underpinned by a rise in

production in the latter half of the season. The value of lamb shipments is estimated to be 2.7% higher over the same period, to NZ\$2.88 billion FOB, supported by the depreciating NZ dollar. Looking ahead, Beef + Lamb NZ estimate lamb exports will be 293,000 tonnes swt in 2015-16 – down 6.3% on the previous year.

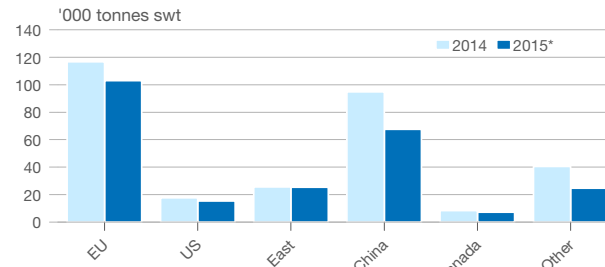
■ NZ mutton production is forecast to fall 14% year-on-year in 2015-16, to 87,100 tonnes cwt. Reflecting lower production, mutton exports are estimated to decline 14%, to 77,000 tonnes swt for 2015-16.

Figure 41 NZ monthly lamb slaughter



Source: Statistics NZ

Figure 42 NZ lamb exports



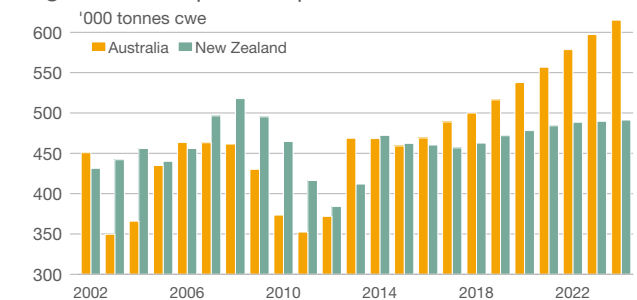
Source: Beef + Lamb New Zealand

* January to September

■ Beef + Lamb NZ expect China to remain NZ's largest sheepmeat (lamb and mutton) market in 2015-16, although volumes will be lower than the highs of 2013-14. The report suggests that Chinese sheepmeat production is increasing at 2.5% per annum, while consumption growth is estimated at 3.4% – a scenario resulting in higher prices which has incentivised Chinese producers to lift domestic production. Local Chinese production is quite competitive with imported products, so demand for sheepmeat from China is significantly impacted by the availability of domestic supplies. As such, domestic inventories in China have reportedly been quite high over the past year, which has seen NZ (and Australian) shipments much lower than year-ago levels.

■ Similarly, sheepmeat production in the EU has recovered, mainly driven by increased production in the UK with the expansion of the breeding flock. This has resulted in lower NZ lamb shipments to the UK (NZ's largest lamb export market) during 2014-15, although lamb exports to smaller European markets, such as Germany, the Netherlands and Belgium have registered growth.

Figure 43 Sheepmeat export volume Aus v NZ



Source: FAO-OECD

Sources and acknowledgements

This document was produced and compiled by Meat & Livestock Australia (MLA), with the help of industry participants in the Lamb Forecasting Advisory Committee.

Baseline forecasts were also provided by the Centre for International Economics' Global Meat Industries (GMI) model.

The sources listed below are also duly acknowledged for the provision of statistical, analytical and forecast information used in this document.

Advantage Shopper Tracker

Agriculture and Livestock Industry Corporation (ALIC), Japan

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)

Australian Bureau of Meteorology (BOM)

Australian Bureau of Statistics (ABS)
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Australian Wool Exchange (AWEX)

Australian Wool Innovation (AWI)

Australian Wool Production Forecasting Committee (AWPFC)

Beef + Lamb New Zealand
(formerly Meat & Wool New Zealand)

Business Monitor International (BMI)

Centre for International Economics (CIE)

Chicago Mercantile Exchange

China Customs Bureau

Department of Agriculture (DA), Australia

EU Commission

Eurostat

Food and Agriculture Organisation (FAO) – United Nations

Food Industry Foresight (FIF)

Frost and Sullivan

Global Trade Atlas (Australia)

Hong Kong Customs and Statistics Department

IMA Asia

Infoscan NZ

International Monetary Fund (IMF)

Japan's Nissei Research Institute

Japan Foodservice Association

Japan Chain Stores Association



Millward Brown

Ministry of Agriculture, Fisheries and Forestry (MAFF), Japan

Ministry of Finance, Japan

Nielsen Homescan

NZ Ministry of Foreign Affairs and Trade

Reserve Bank of Australia (RBA)

Roy Morgan

Statistics NZ

Steiner Consulting Group, USA

The Economic Service – Beef + Lamb New Zealand

United States Department of Agriculture (USDA)

United States Department of Commerce

Weeks Consulting Services

World Bank

Acronyms

AANZFTA	– ASEAN-Australia-New Zealand FTA	GTA	– Global Trade Atlas
ABARES	– Australian Bureau of Agricultural and Resource Economics and Sciences	IMF	– International Monetary Fund
ABS	– Australian Bureau of Statistics	JAEPA	– Japan-Australia Economic Partnership Agreement
ASEAN	– Association of South East Asian Nations	JFY	– Japanese fiscal year (April to March)
AWPFC	– Australian Wool Production Forecasting Committee	lwt	– Liveweight
BMI	– Business Monitor International	MENA	– Middle East North Africa
ChAFTA	– China-Australia Free Trade Agreement	MLA	– Meat & Livestock Australia
CIE	– Centre for International Economics	NLRS	– National Livestock Reporting Service (Meat & Livestock Australia)
CIF	– Cost insurance and freight (export price at destination)	NZ	– New Zealand
CIS	– Commonwealth of Independent States	PNG	– Papua New Guinea
CME	– Chicago Mercantile Exchange	RBA	– Reserve Bank of Australia
cwt	– Carcase weight	SEA	– South East Asia
DA	– Department of Agriculture, Australia	swt	– Shipped weight
DFAT	– Department of Foreign Affairs and Trade	TPP	– Trans Pacific Partnership
EMI	– Eastern Market Indicator (wool price)	TRQ	– Tariff Rate Quota
EPA	– Economic Partnership Agreement	UAE	– United Arab Emirates
ESCAS	– Exporter Supply Chain Assurance System	UK	– United Kingdom
EU	– European Union	US	– United States
FAS	– Free alongside ship (export price before departure)	USDA	– United States Department of Agriculture
FAO	– Food and Agriculture Organisation (United Nations)	WTO	– World Trade Organization
FOB	– Free on board ship (export price loaded on ship before departure)		
FTA	– Free Trade Agreement		



Meat & Livestock Australia
Level 1, 40 Mount St
North Sydney NSW 2060
Phone: 02 9463 9333
Fax: 02 9463 9393
Free call: 1800 023 100 (Australia only)
Email: info@mla.com.au
www.mla.com.au