

MLA and AWI Wool and Sheepmeat Survey Report - Sheepmeat

April, 2021

Prepared by Kynetec

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Executive Summary – Lamb Production

Number of breeding ewes on hand

41,292,960 total breeding ewes on hand
31,381,188 Merino breeding ewe flock, 76% of total breeding flock
9,911,772 total Non-Merino breeding ewes on hand, 24% of total breeding flock
Within the Merino flock, 70% for Merino lamb production and 30% for other lamb production

Ewe flock intentions for next 12 months

38% increase
55% maintain
6% decrease

Intended method for achieving ewe flock increase

46% Retain more older ewes than normal
59% Retain more replacement ewes than normal
30% Purchase more additional ewes than normal

Number of lambs on hand

20,055,016 total lambs on hand
13,267,993 total Pure bred Merino lambs, 66% of total lamb flock
6,787,023 total Non-Merino lambs, 34% of total lamb flock

Expected lamb sales in the next four months (1 March 2021 – 30 June 2021)

8,005,144 total lamb sales in the next four months
3,278,863 total Merino sales (41% of total lamb sales)
1,997,881 total Pure meat sales (25% of total lamb sales)
1,536,528 total First cross sales (19% of total lamb sales)
1,191,872 total for All other breeds sales (15% of total lamb sales)

Number of lambs marked in the past four months (1 Nov 2020 – 28 Feb 2021)

3,599,397 total lambs marked in the past four months
2,530,404 total Merino lambs marked (70% of total markings)
1,068,993 total Non-Merino lambs marked (30% of total markings)

Number of ewes joined to produce those lambs

4,311,851 total number of ewes joined to produce those lambs
3,044,464 total Merino lambs joined (71%)
1,267,387 total non-Merino lambs joined (29%)

Marking rates

83% National Merino marking rate
84% National non-Merino marking rate

Background and Purpose

Survey Background

The Wool and Sheepmeat survey has been running in various formats for the past 18 years. The survey has been running in its current format since June 2010, following discussions with MLA's Lamb Forecasting Advisory Committee (LFAC), where MLA decided that they needed to use a more vigorous methodology going forward.

Due to the success of the survey, a management agreement between MLA and AWI was negotiated and AWI signed on for the next wave in October 2010.

Since October 2010, MLA, AWI and the LFAC have worked closely to further develop the model, sample and breed code frame for the now combined Wool and Sheepmeat survey.

Kynetec took over from Axiom in October 2016 and have been working closely with MLA and AWI to increase the number of respondents and the amount of data collected by streamlining the online and mail-out surveys.

Purpose of the research

The project provides MLA and AWI with an accurate representation of flock population, demographics, sheep meat and wool supply information and producer production intentions during key production periods throughout the year.

The survey enables MLA and AWI to provide the Lamb Forecasting Advisory Committee (LFAC) and the Australian Wool Production Forecasting Committee (AWPFC), with solid forward looking information to assist industry projections.

Although information gathered has been extremely useful in flock and production forecasts, MLA and AWI are continuing looking to add further value to the study by better aligning the sample collected with industry production structure and making better use of the results in various internal and external publications.

Methodology [1/3]

Sampling

The MLA and AWI Wool and Sheepmeat survey for February 2021 was built around the collection of an industry representative sample of sheep producers across all sheep growing regions of Australia. In order to achieve a representative sample, sheep producers were sampled with strong representation within each MLA defined sheep production region. A total number of 1,848 survey responses were achieved in February 2021, above the response level from October 2020 at 1,678 surveys however down from 1,937 surveys achieved in February 2020. Given many large producers have multiple properties in different regions and states and their possible impact on weighting, we reported the results based on number of properties rather than respondents. As a result, 2,529 properties were included in the survey.

Data Collection

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

1. **Online web based survey:** This methodology was presented to potential respondents using two different communication tools (email survey links and website survey links).
 - I. **Website survey links:** Two survey links were given to MLA and AWI to place on their website and to include in selected external communications with producer stakeholders e.g. Friday Feedback and Feedback magazine. Copies of these links were also sent to members of the Lamb Forecasting Advisory Committee (LFAC) to include in their email signatures and place on their websites during February. A total of 109 respondents completed the survey via this method (6% of the total sample).
 - II. **Email survey links:** A link to the survey was created for email purposes so Kynetec could track the number of completes and partial completes throughout the survey period (1 to 28 February 2021) and send reminder emails accordingly. A total of 17,088 emails were sent to MLA and AWI members via the email addresses provided by MLA and AWI databases. Of those 3,104 emails bounced, giving a total emails delivered of 13,984. A total of five reminder emails were sent to non-respondents with a significant number of completes achieved after each reminder. The email survey link returned a total of 1,144 completed responses (62% of the sample).
2. **Mail-out survey:** A hard copy questionnaire and a reply paid envelope was sent to a random sample of 5,000 producers from the FARM database (Fairfax Agricultural Research and Marketing). This methodology was supported by CATI reminder calls to producers in specific regions (Tasmania, Murrumbidgee and western NSW) in order to boost response rates. A total of 595 producers responded by this methodology (32% of total sample).
3. **Telephone surveys:** In an attempt to boost the sample of very large sheepmeat and wool producers for the study, approximately 100 calls were made to MLA's top 50 sheep levy payers in order to do the survey over the phone. As a result of telephone calls and the online survey, a total of 20 very large producers were included in the survey (Ewe flock size >20,000 head).

Methodology [2/3]

Weighting

Breeding ewe and lamb estimates were developed by weighting the number of respondents by both state and flock size to the number of farm businesses with breeding ewes. Wether estimates were developed by weighting the number of respondents by state to the number of total farm businesses with sheep and lambs.

As with all Wool and Sheepmeat surveys since February 2018, the ABS population of producers used for weighting the survey data is regularly adjusted to account for the significant number of smaller producers (flock sizes of less than 250 head) that were excluded from the ABS census and surveys due to the \$40,000 EVAO cutoff. A comparison of the adjusted producer populations used for breeding ewe and lamb estimates for the last five Wool and Sheepmeat surveys is below.

The producer populations will be updated again for the June 2021 survey based on the latest release of 2019/2020 ABS data expected to be available in May 2021.

State	Breeding Ewe Producers used for Feb, June & Oct 2018	Breeding Ewe Producers used for Feb, June & Oct 2019	Breeding Ewe Producers used for Feb & June 2020	Breeding Ewe Producers used for Oct 2020 & Feb 2021
Australia	35,947	37,238	37,668	37,121
New South Wales/ACT	13,725	14,075	14,088	13,800
Victoria	9,173	9,473	10,010	9,815
Queensland	1,410	1,497	1,523	1,625
South Australia	5,414	5,827	6,073	5,724
Western Australia	4,906	5,000	4,710	4,807
Tasmania	1,318	1,387	1,264	1,349

Methodology [3/3]

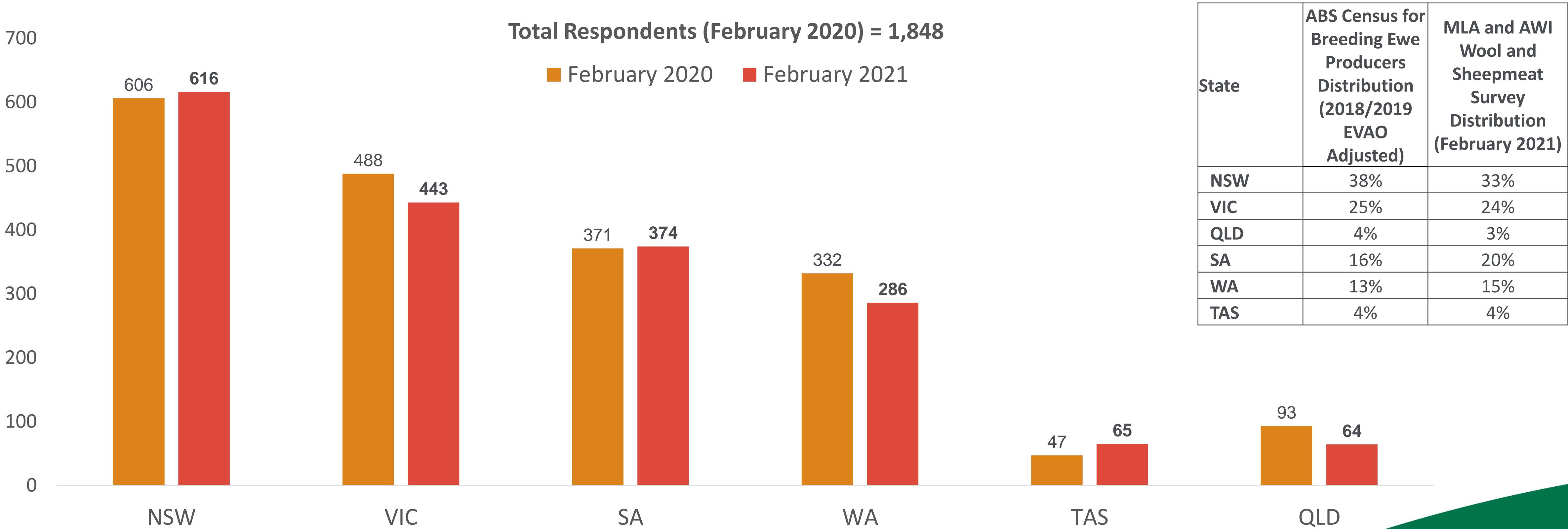
Statistical significance

The total research sample of 1,848 will give the results of this study a margin of error of $\pm 2.23\%$ at a 95% confidence level based on 37,121 breeding ewe producers in Australia (ABS 2018-19 Survey adjusted for \$40,000 EVOA cutoff). This is basically saying that if you conducted the same survey 100 times, 95 out of the 100 sheep producers should yield results within $\pm 2.23\%$ of the published number or percentage. However, the % of error increases as the sample size decreases (e.g. at the state and regional level).

- New South Wales $\pm 3.87\%$
- Victoria $\pm 4.56\%$
- Queensland $\pm 12.04\%$
- South Australia $\pm 4.91\%$
- Western Australia $\pm 5.63\%$
- Tasmania $\pm 11.91\%$

Survey Respondents [1/4]: By State

The total number of respondents (n=1,848) represented national industry distribution of breeding sheep producers (29,303 as reported in the ABS Survey 2018-19 with an adjustment to 37,121 for the new EVAO cutoff of \$40,000), with the proportion of respondents in each state being similar to that of the ABS Survey producer distribution. The ABS perform a substantial yearly survey of 35,000 agricultural businesses between Census years in order to continually track agricultural production and producer population. Although it is a survey, it is still indicative of the industry structure and sheep producer distribution and will be used to update state sampling structures in future surveys.



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

Merino and
non merino
flock count
by Postcode

MLA Reporting Regions

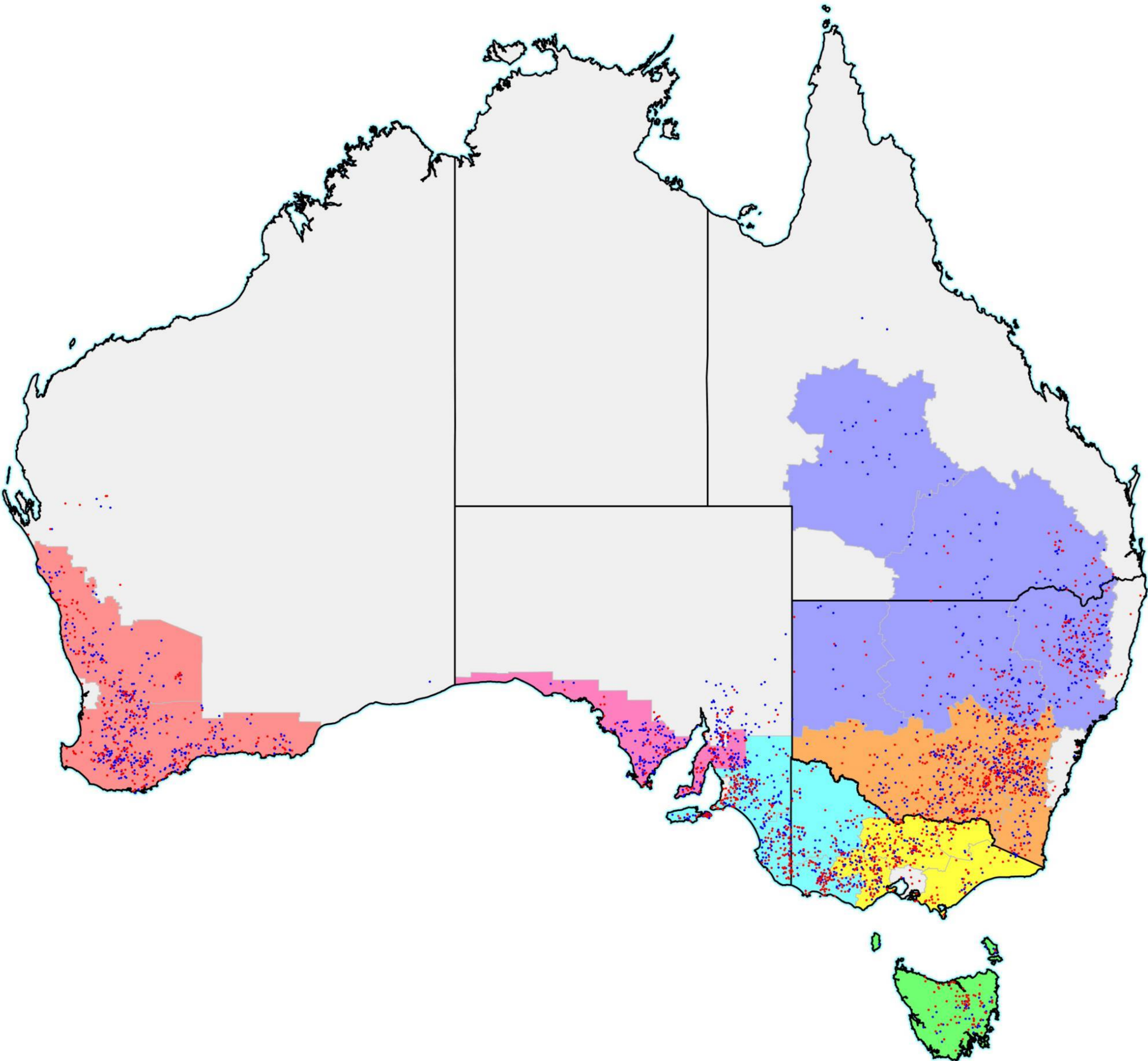
- Central NSW
- East Vic
- Northern NSW/Qld
- SA Peninsula
- Tasmania
- Western Australia
- Wimmera Mallee Murray

Merino flock count
by Postcode

1 Dot = 1

Non merino flock count
by Postcode

1 Dot = 1



Total flocks: n = 2,529
Merino: n = 2,090
Non Merino: n = 836

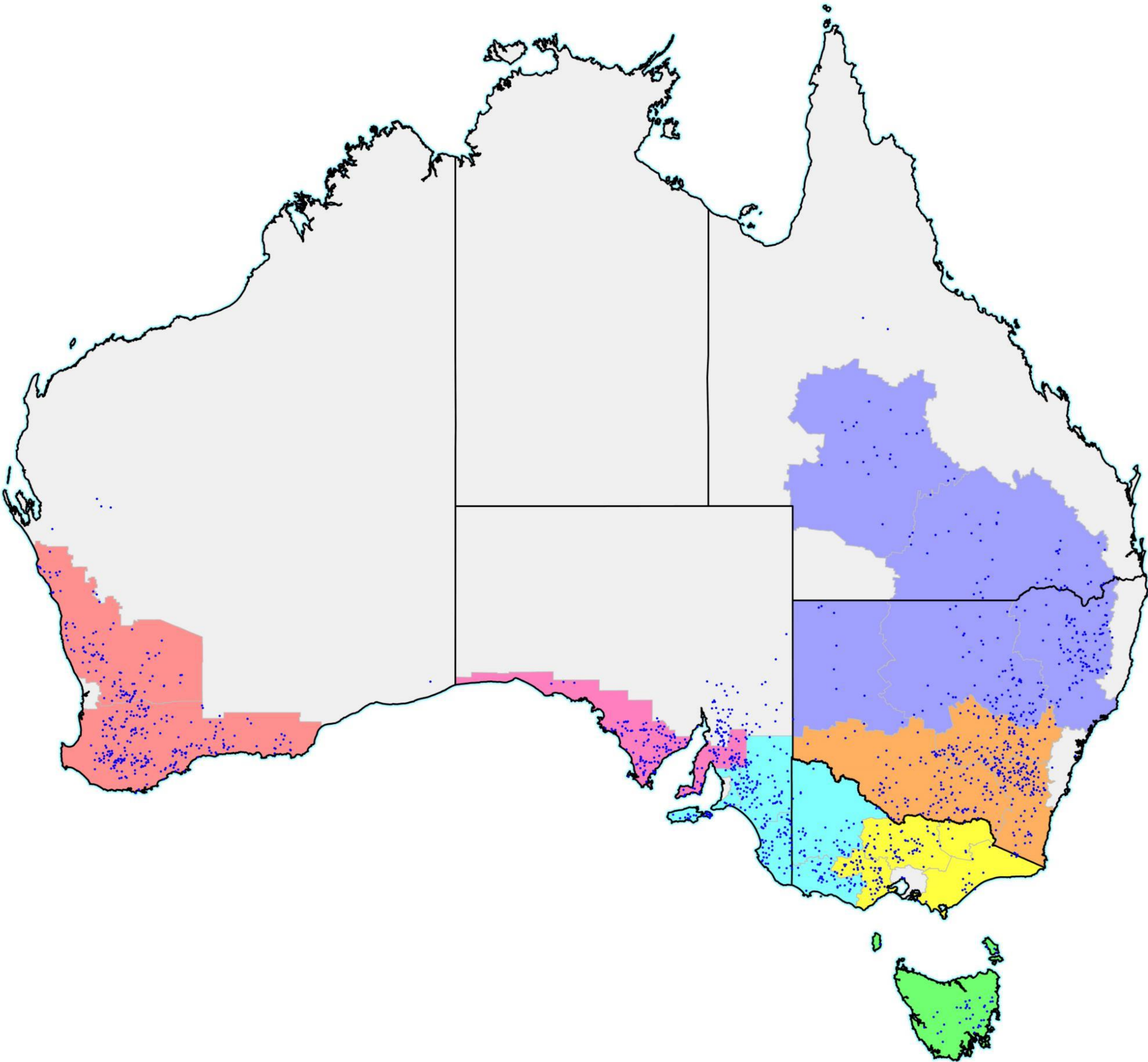
Survey Respondents [3/4]: Merino Flock Counts

Merino
flock count
by Postcode

- MLA Reporting Regions
- Central NSW
 - East Vic
 - Northern NSW/Qld
 - SA Peninsula
 - Tasmania
 - Western Australia
 - Wimmera Mallee Murray

Merino flock count

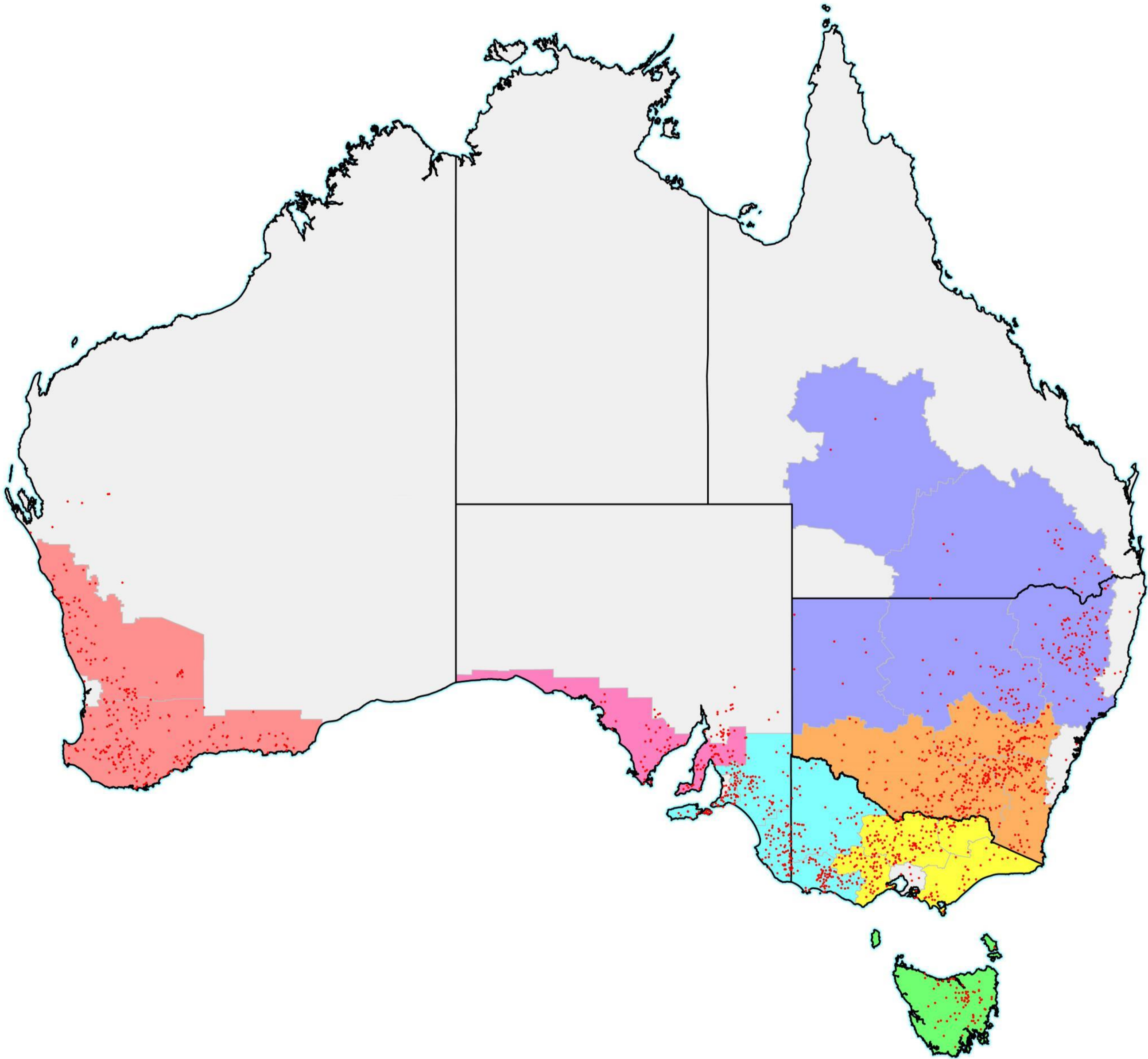
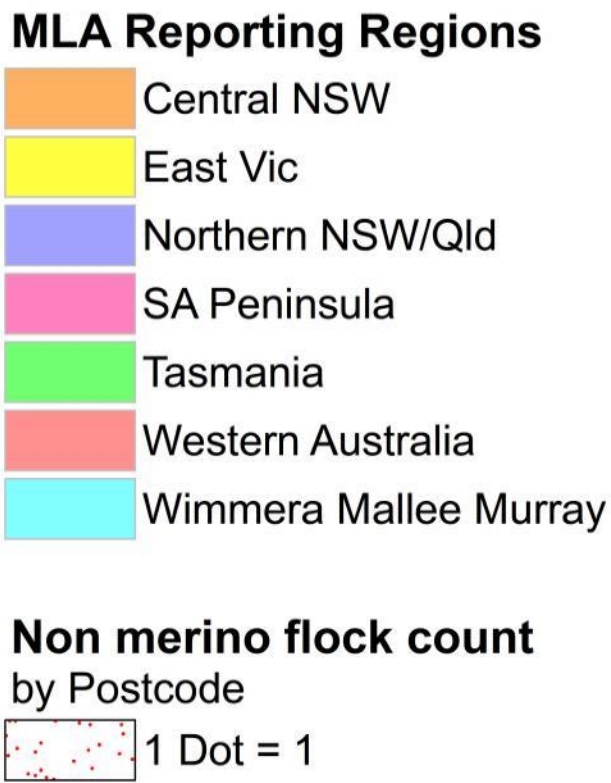
1 Dot = 1



Merino properties: n = 2,090

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

Non merino
flock count
by Postcode

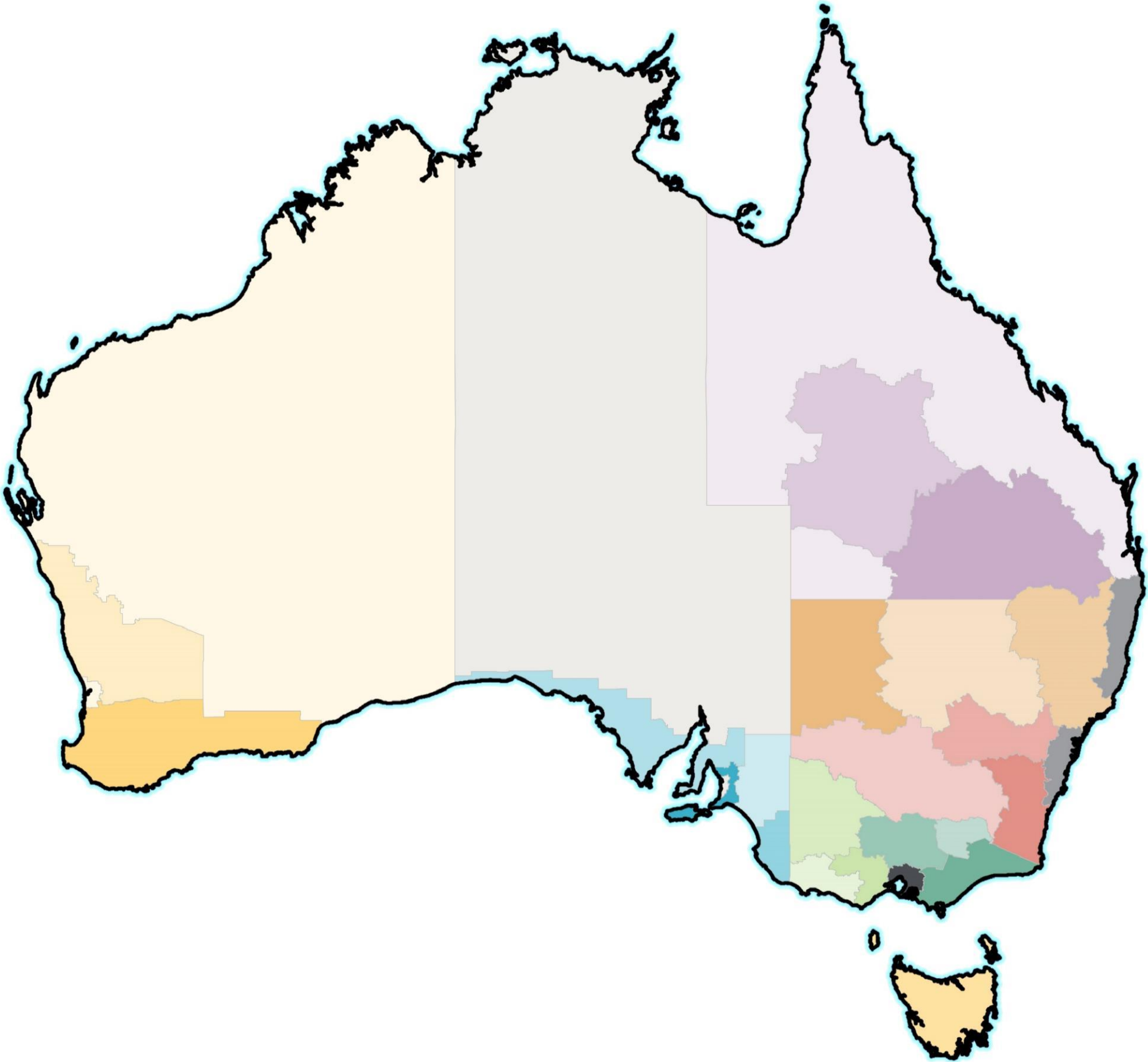


All other properties: n = 836

MLA Sheep Producing Regions

MLA Regions

- MLA Regions**
- Barwon & Central Highlands
 - Central Midlands
 - Central Midlands Extra
 - Central Qld
 - Central Qld Extra
 - Central West
 - Eyre Yorke and North
 - Eyre Yorke and North Extra
 - Gippsland
 - Hunter and Northern
 - Hunter and Northern Extra
 - Loddon and Goulburn
 - Murray and Murrumbidgee
 - Murray Lands
 - North Western
 - Outer Adelaide
 - Ovens Murray
 - South East
 - South Eastern
 - South Eastern Extra
 - Southern Qld
 - Tasmania
 - WA South
 - Western District
 - Western Division
 - Wimmera and Mallee



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

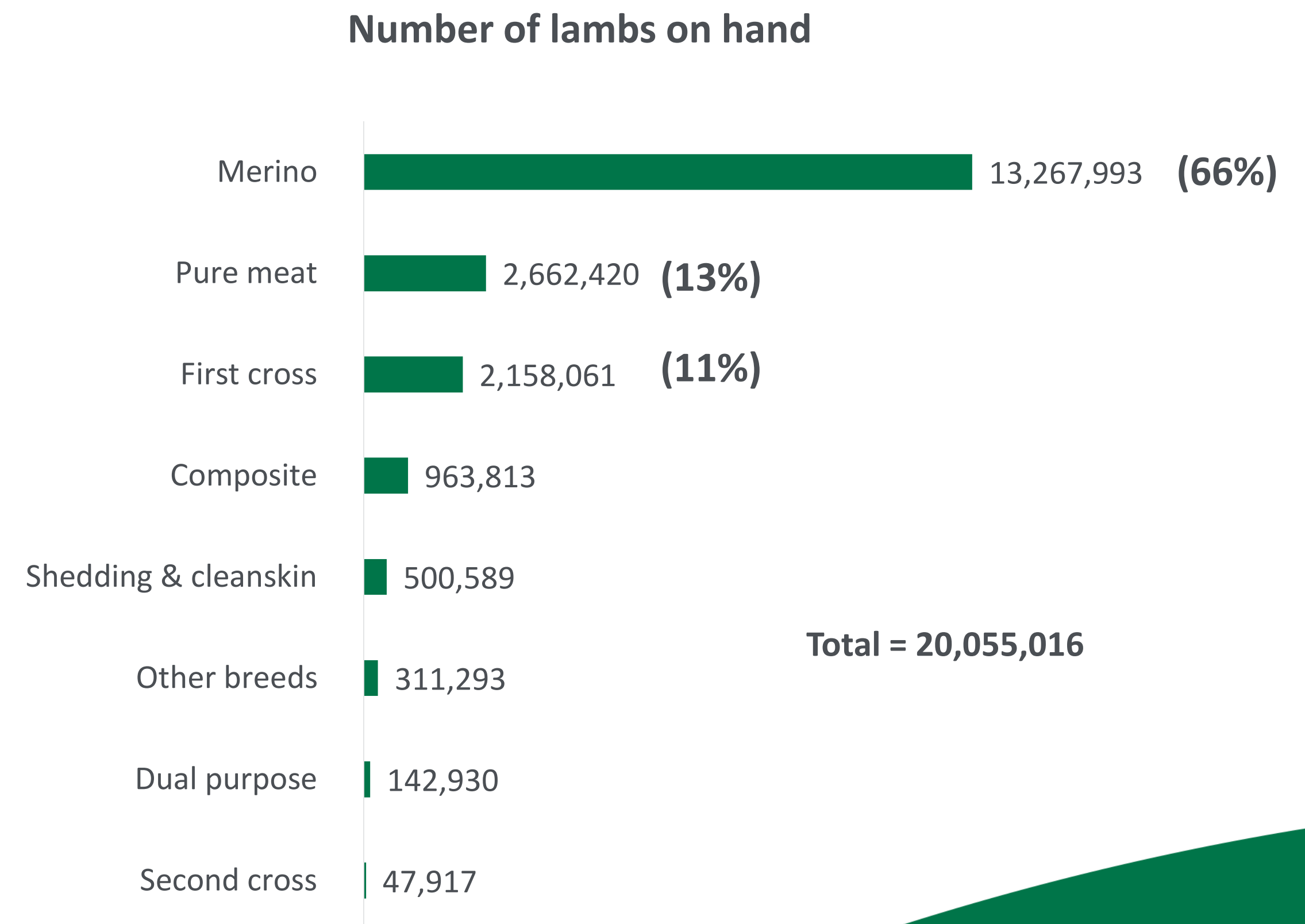
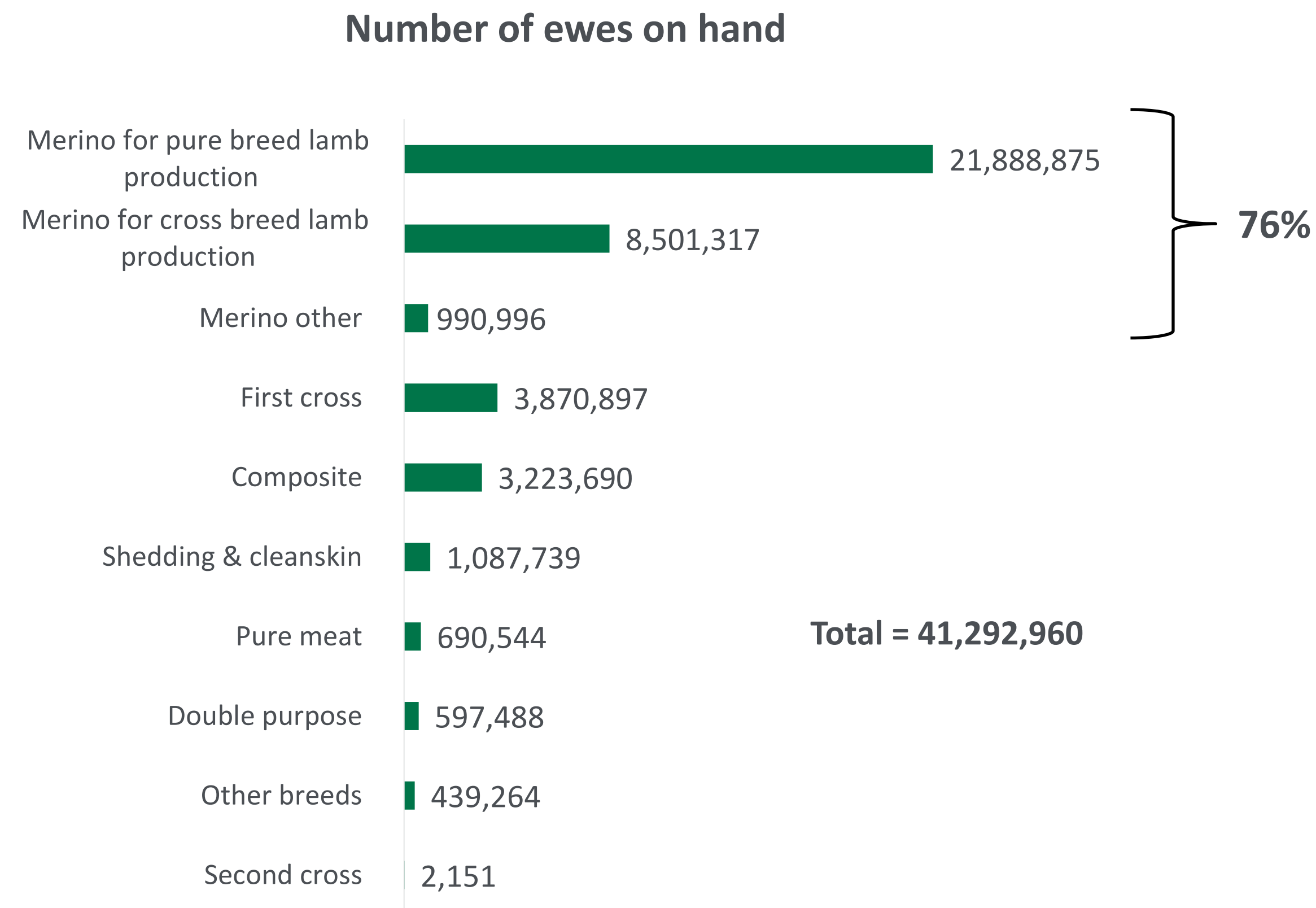
Of the 26 sheep producing regions, 7 are located in NSW, 7 in Victoria, 5 in SA, 3 in WA, 3 in Queensland and 1 in Tasmania. These producing regions are likely to change as the flock distribution changes.

National Results

Ewes on hand and Lambs on hand - Australia

Merinos accounted for 76% of the total breeding ewe flock at **41.3 million head**. Merino breeding ewes were further divided into Merino ewes for pure bred Merino production and Merino ewes for crossbred production and 'other' Merinos, accounting for 70%, 27% and 3% of the merino flock, respectively.

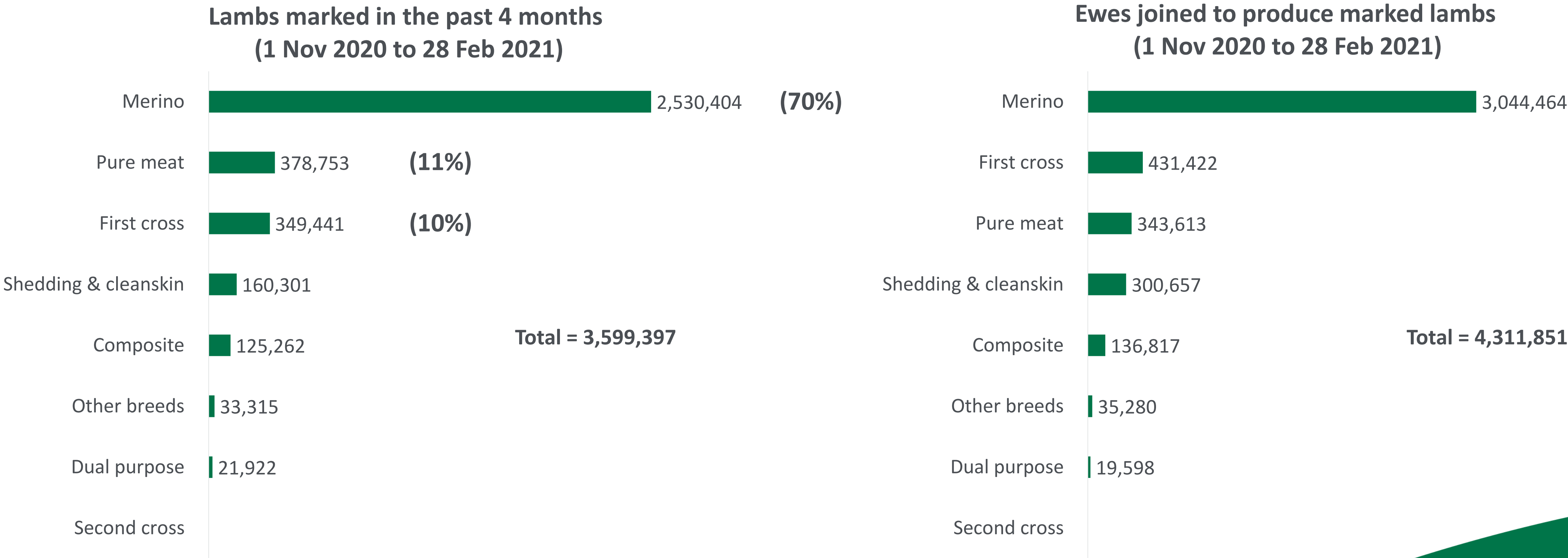
There were **20.1 million** lambs on hand at 28th February 2021. Merinos made up 66% of the total lamb flock, at **13.3 million head**, followed by Pure meat and First cross lambs (accounting for 13% and 11% of the national lamb flock respectively).



Lambs marked in the past four months (1 Nov 2020 – 28 Feb 2021) and Ewes joined to produce those lambs - Australia

There were a total of 3.6 million lambs marked in the four months (from 1 November 2020 to 28 February 2021). Merinos accounted for the largest proportion of lambs marked in the past four months at **70%**, with Pure Meat and First cross breeds accounting for **11%** and **10%**, respectively.

A total number of 4.3 million ewes were joined to produce the lambs that were marked in the past four months. National merino marking rates were equal with that of non-merino breeds at 83% and 84% respectively.

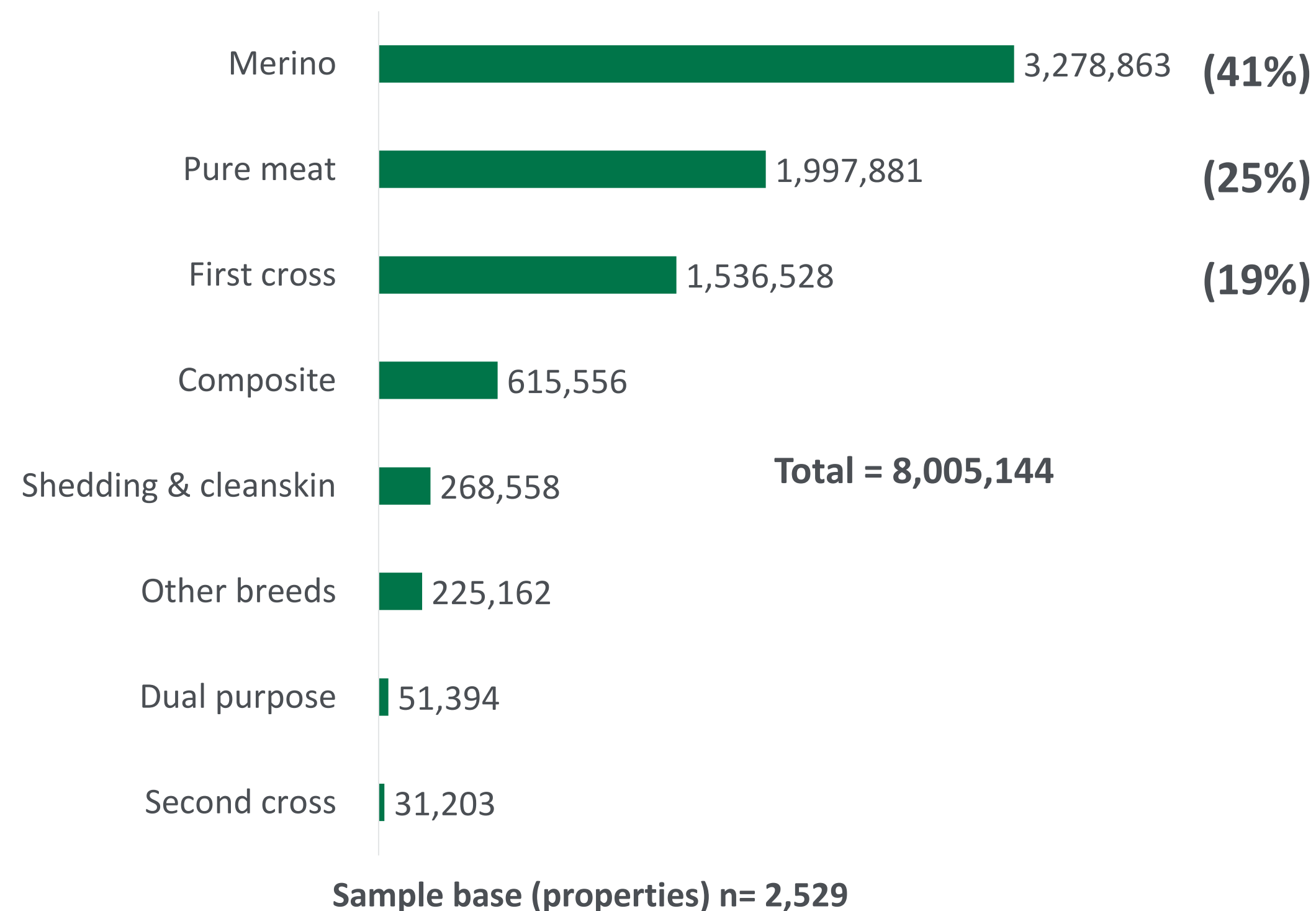


Expected lamb sales in the next 4 months - Australia

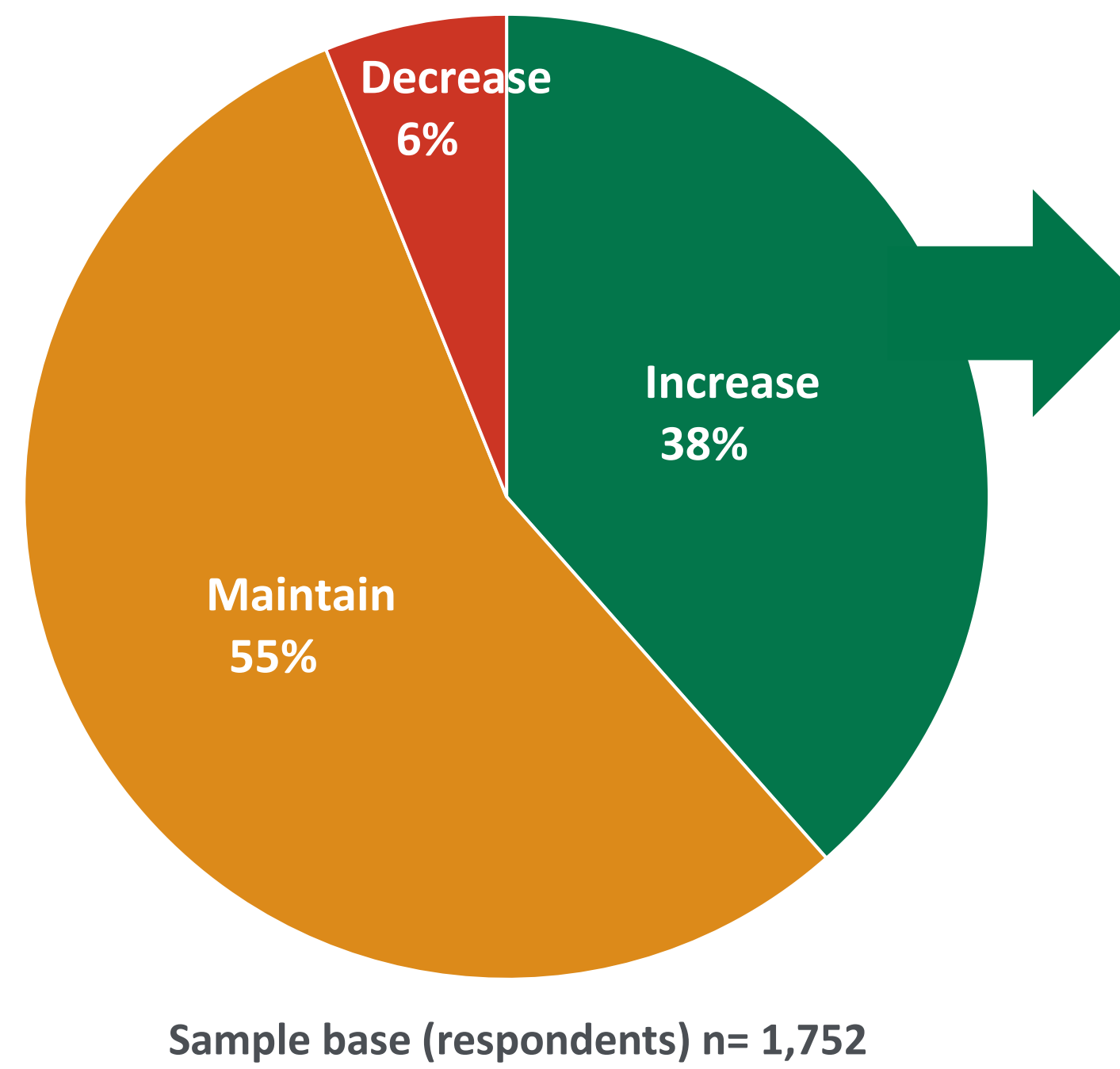
A total number of **8.0 million lambs** are expected to be sold in the next four months (1 March 2021 to 30 June 2021), approximately 40% of the total number of lambs on hand (20.0 million). Of these, Merino, Pure Meat and First Cross breeds are expected to account for 41%, 25% and 19% of lamb sales respectively.

Regarding ewe flock intentions for the next 12 months, **38%** of producers are looking to increase their ewe flocks and of these 59% are expected to retain more replacement ewes than normal.

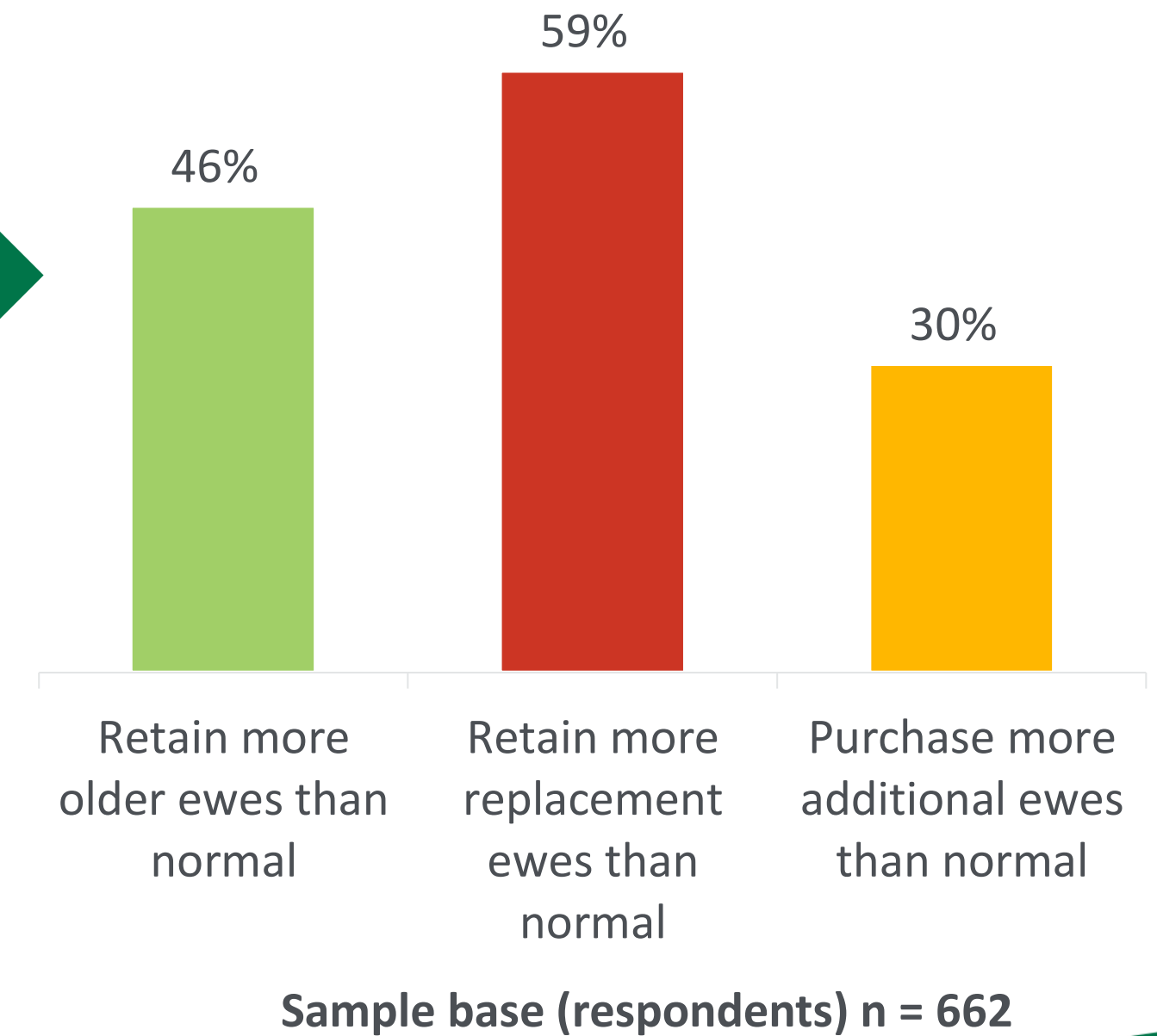
Expected lamb sales in the next 4 months



Ewe flock intentions



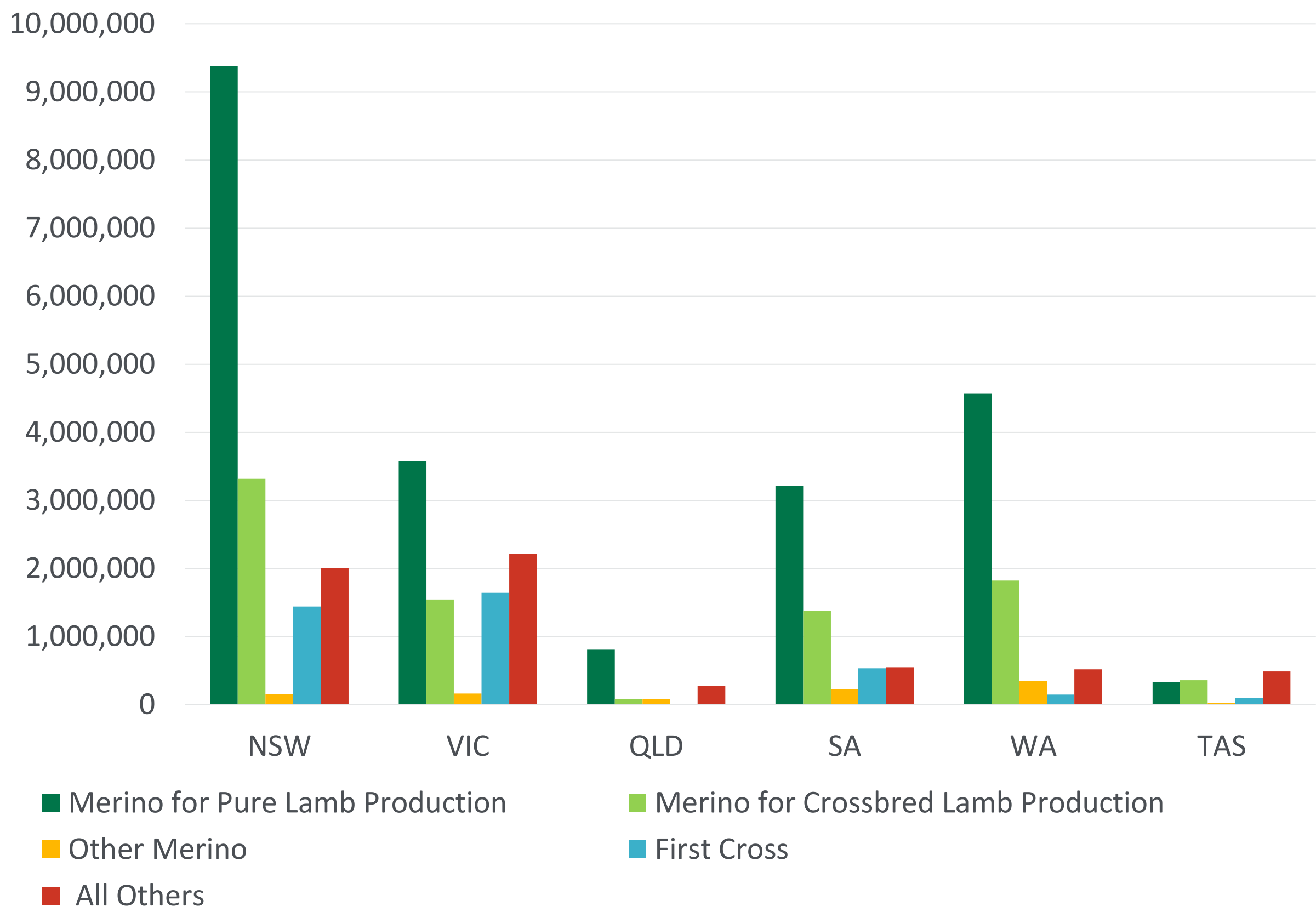
How to achieve increase



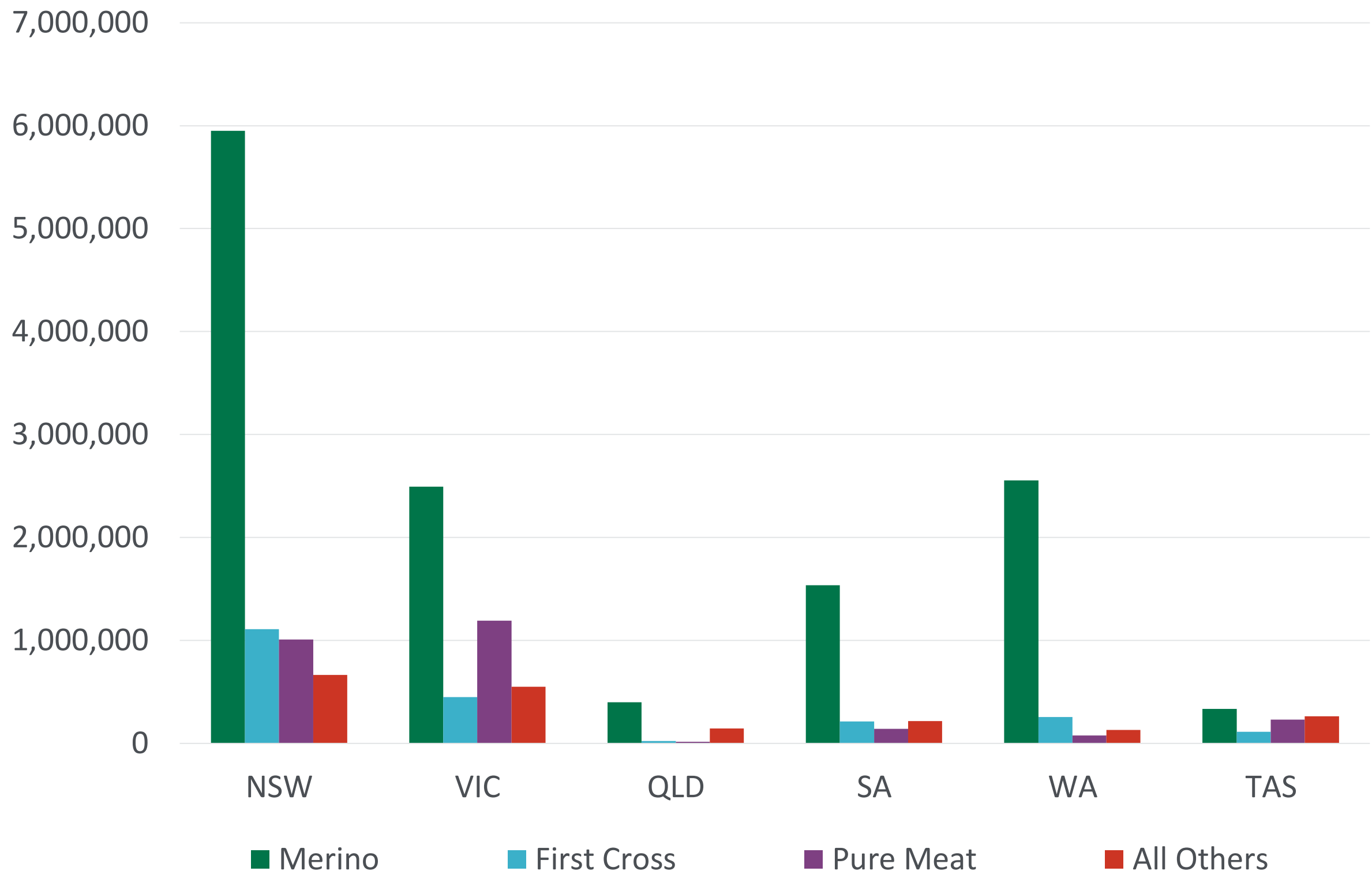
Results by State

Ewes on hand and Lambs on hand - State

Ewes on hand

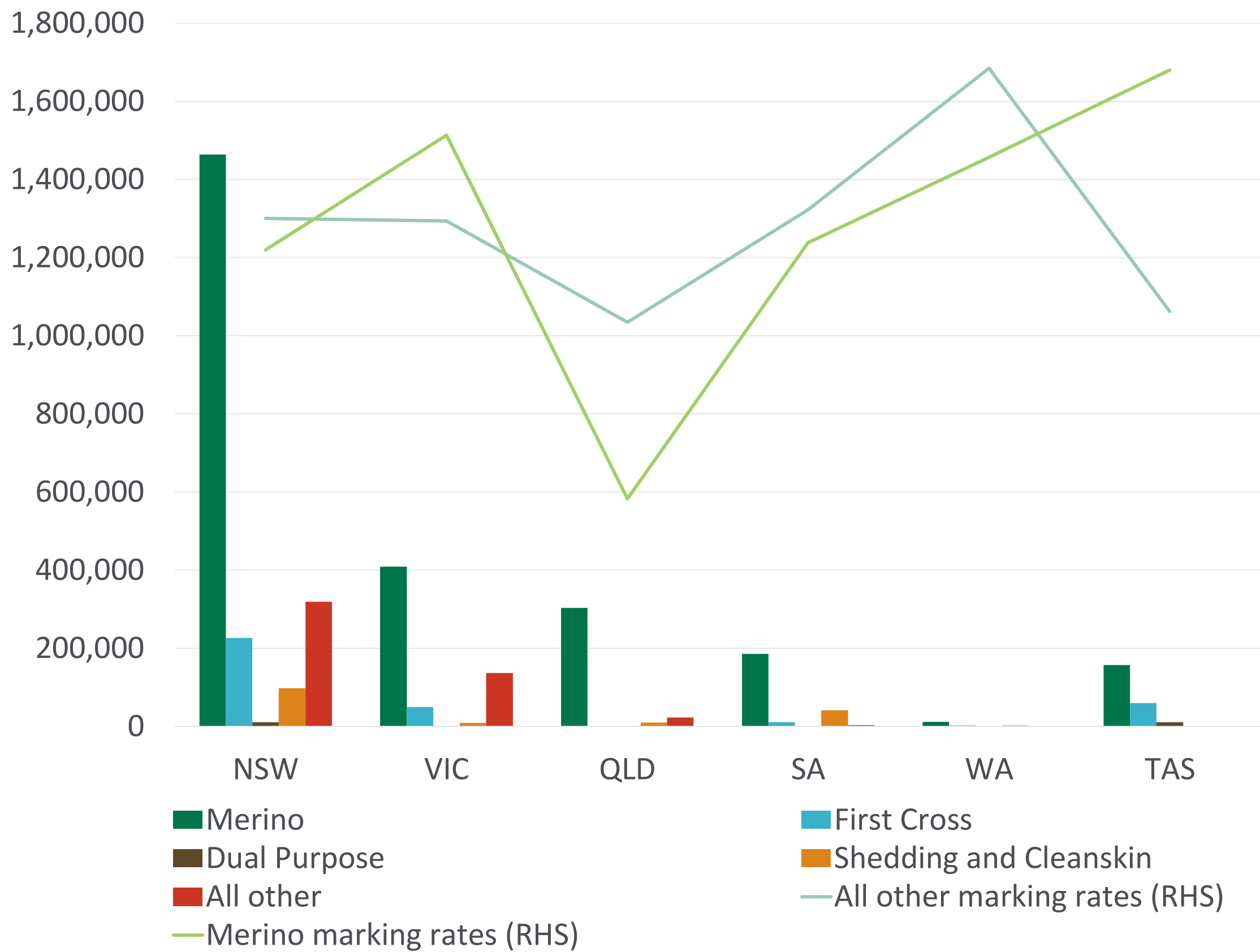


Lambs on hand

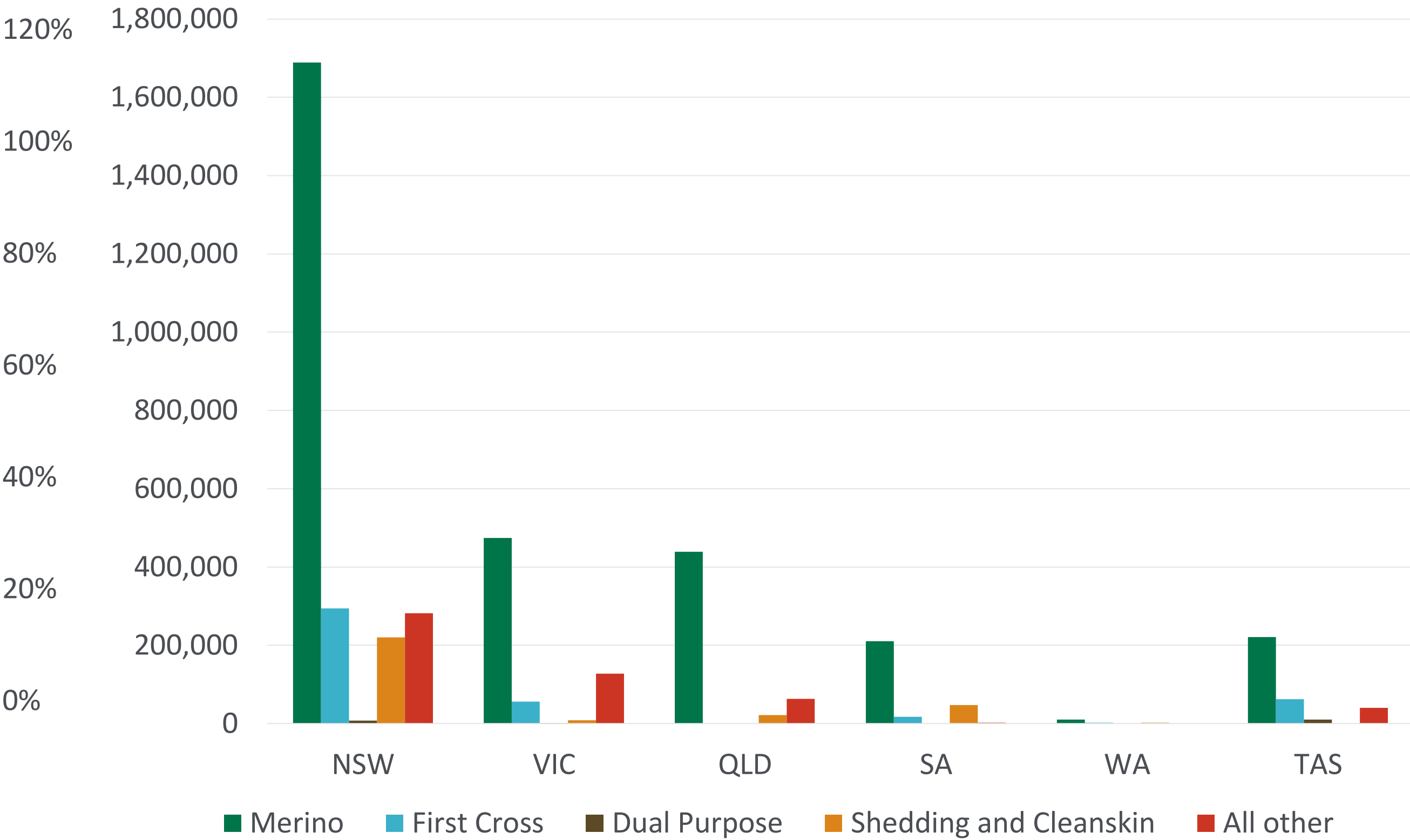


Lambs marked in the past four months and Ewes joined to produce those lambs - State

Lambs marked in the past 4 months
(1 Nov 2020 to 28 Feb 2021)

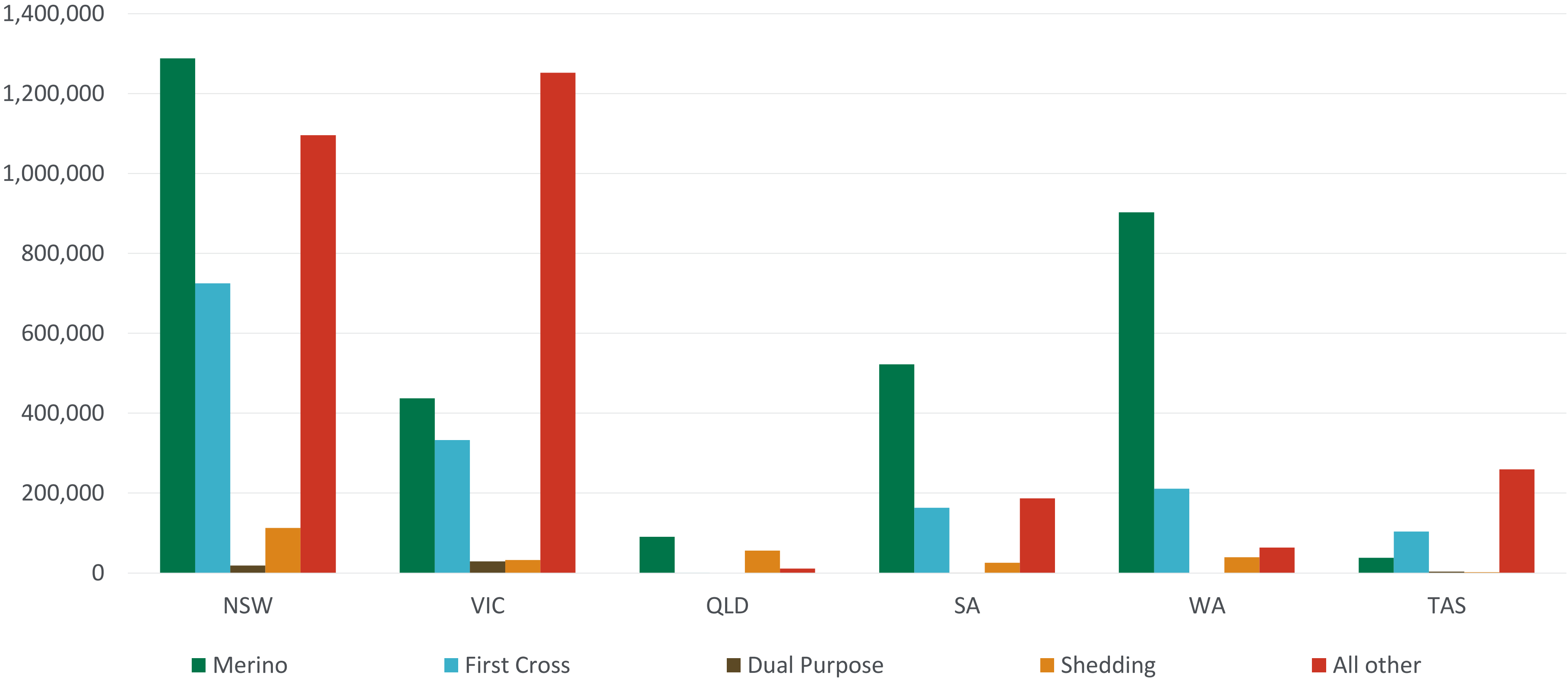


Ewes joined to produce those lambs in the past 4 months
(1 Nov 2020 to 28 Feb 2021)



Expected lamb sales in the next four months – by State

Expected lamb sales in the next 4 months (1 March 2021 – 30 June 2021)

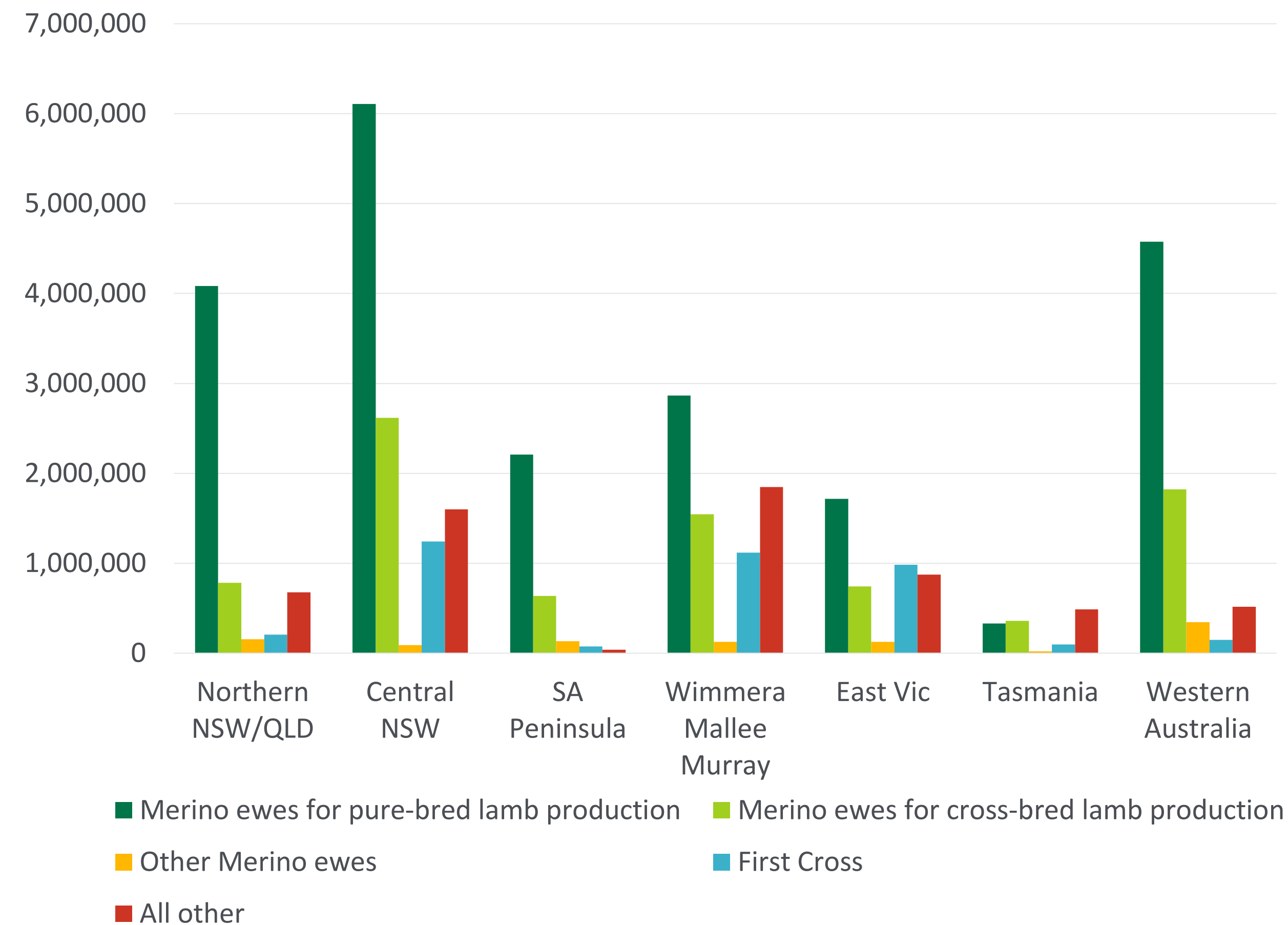


Results by MLA Reporting Region

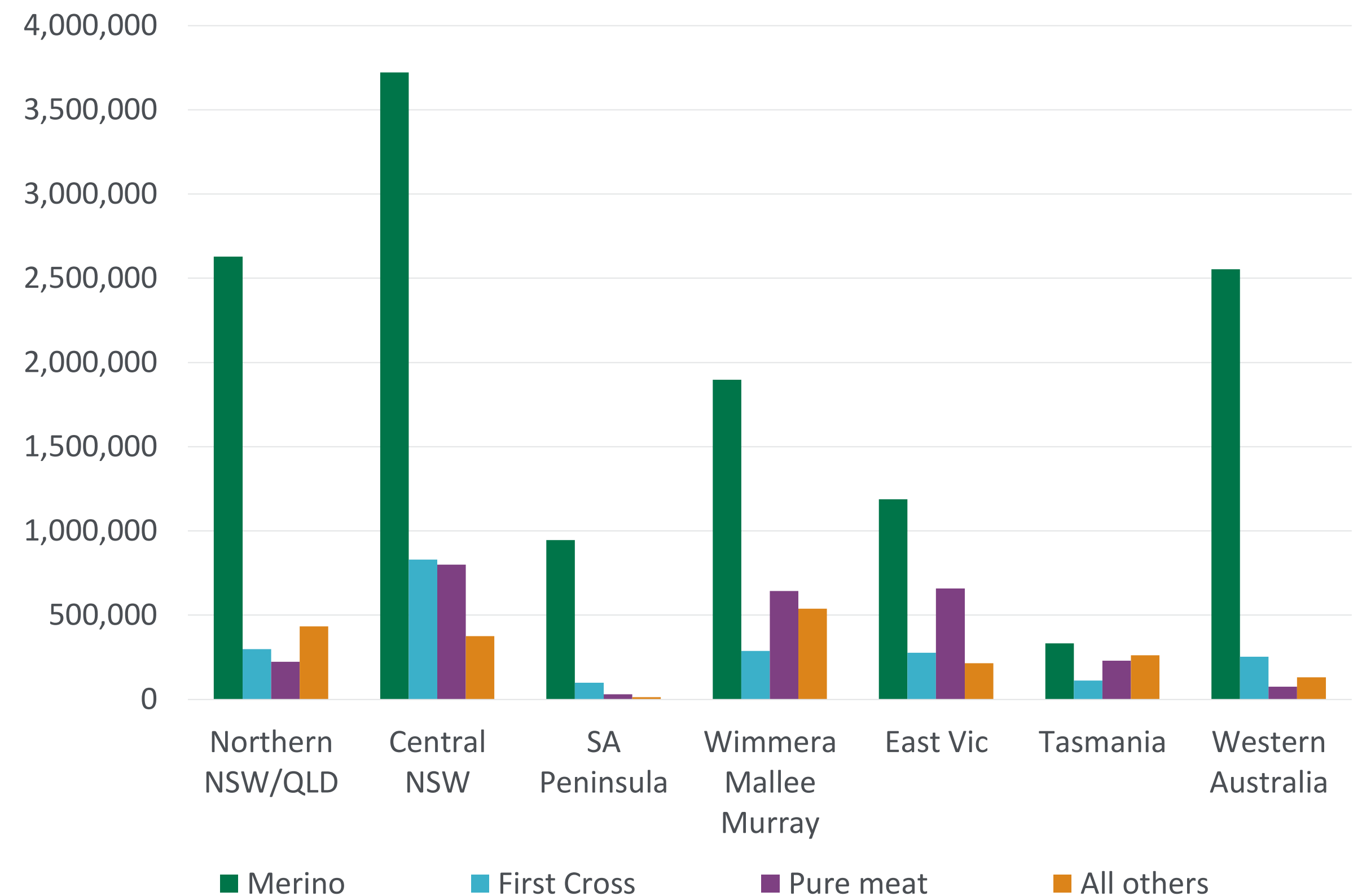
Ewes on hand and lambs on hand 28 February 2021

- by MLA reporting regions

Ewes on hand

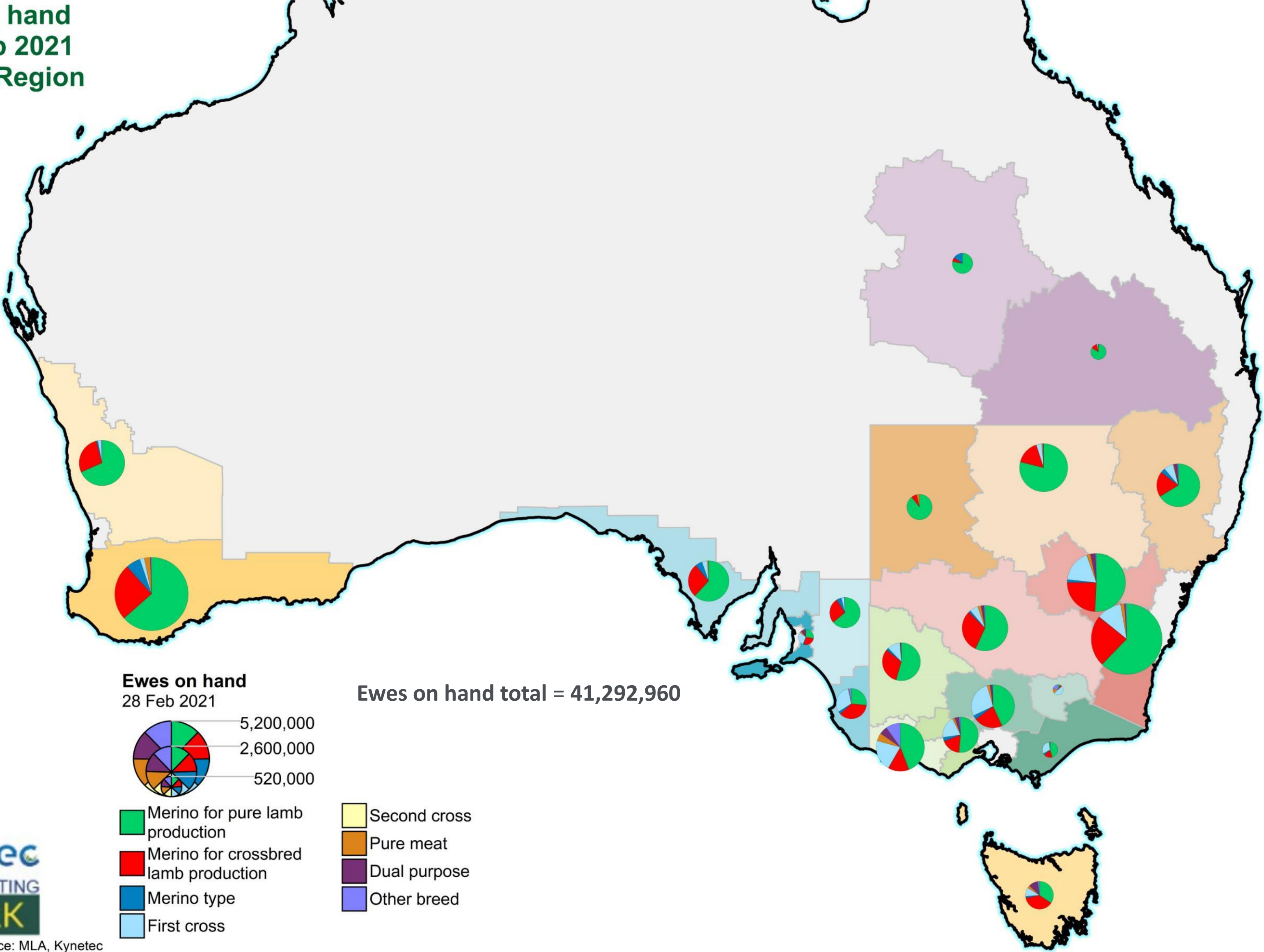


Lambs on hand



Ewes on hand – MLA reporting regions

Ewes on hand
at 28 Feb 2021
by MLA Region



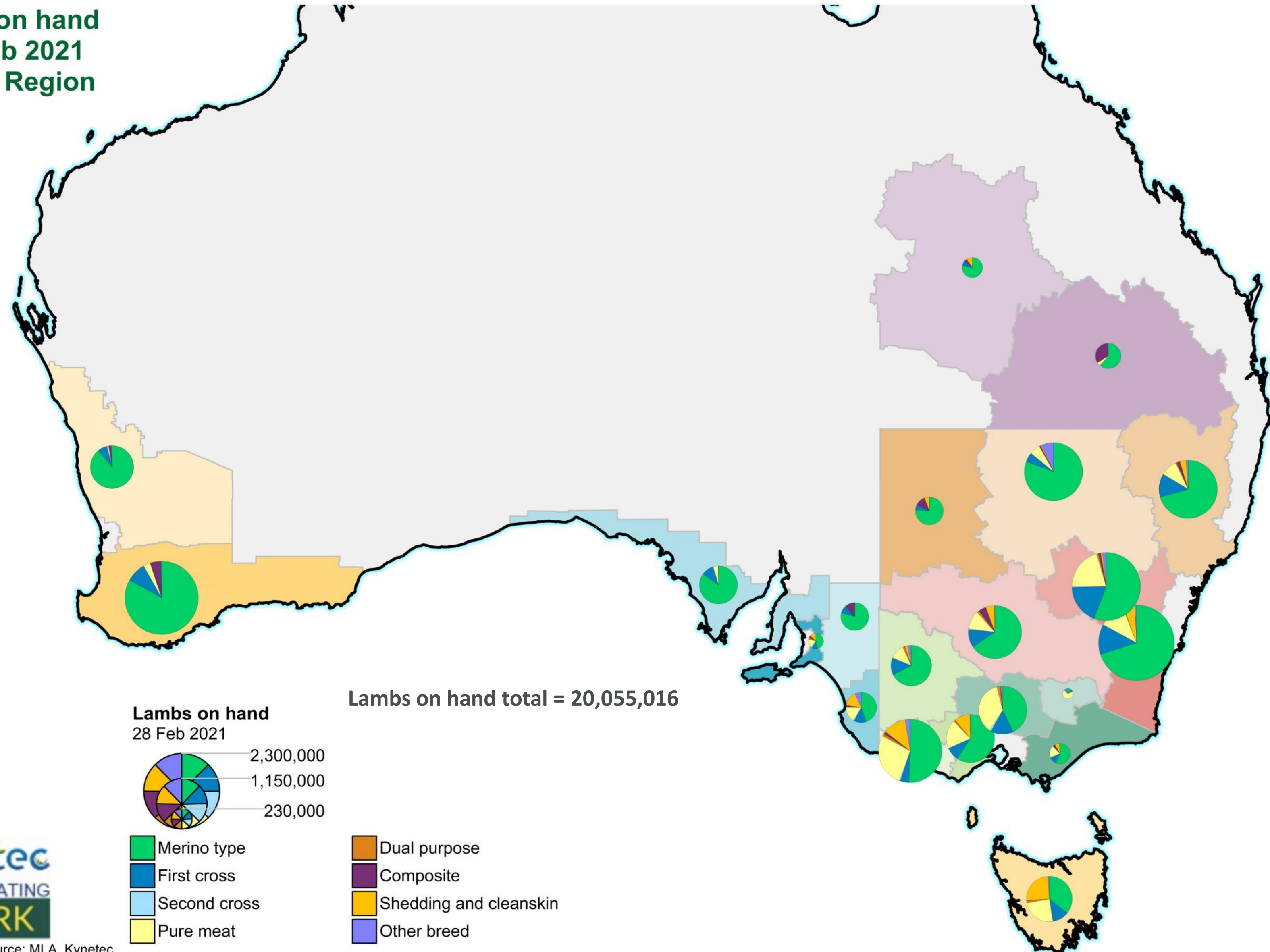
The breeding ewe population was largest in WA South (5.1 m), South Eastern (5.1 m) and Central West (3.4 m).

Eyre Yorke and North Extra(99%), Central QLD Extra (97%) and Eyre Yorke and North (95%) had the highest percentage of merinos in their flock followed by Central Midlands (94%) and North Western (93%) (Merino for Pure lamb, Merino for cross lamb production and Merino other).

Conversely, when considering regions with over 40,000 non merinos, the largest percentage of non-merino ewes was in Ovens Murray (87%), Western District (57%) and Outer Adelaide (56%).

Lambs on hand – by MLA reporting regions

Lambs on hand
at 28 Feb 2021
by MLA Region



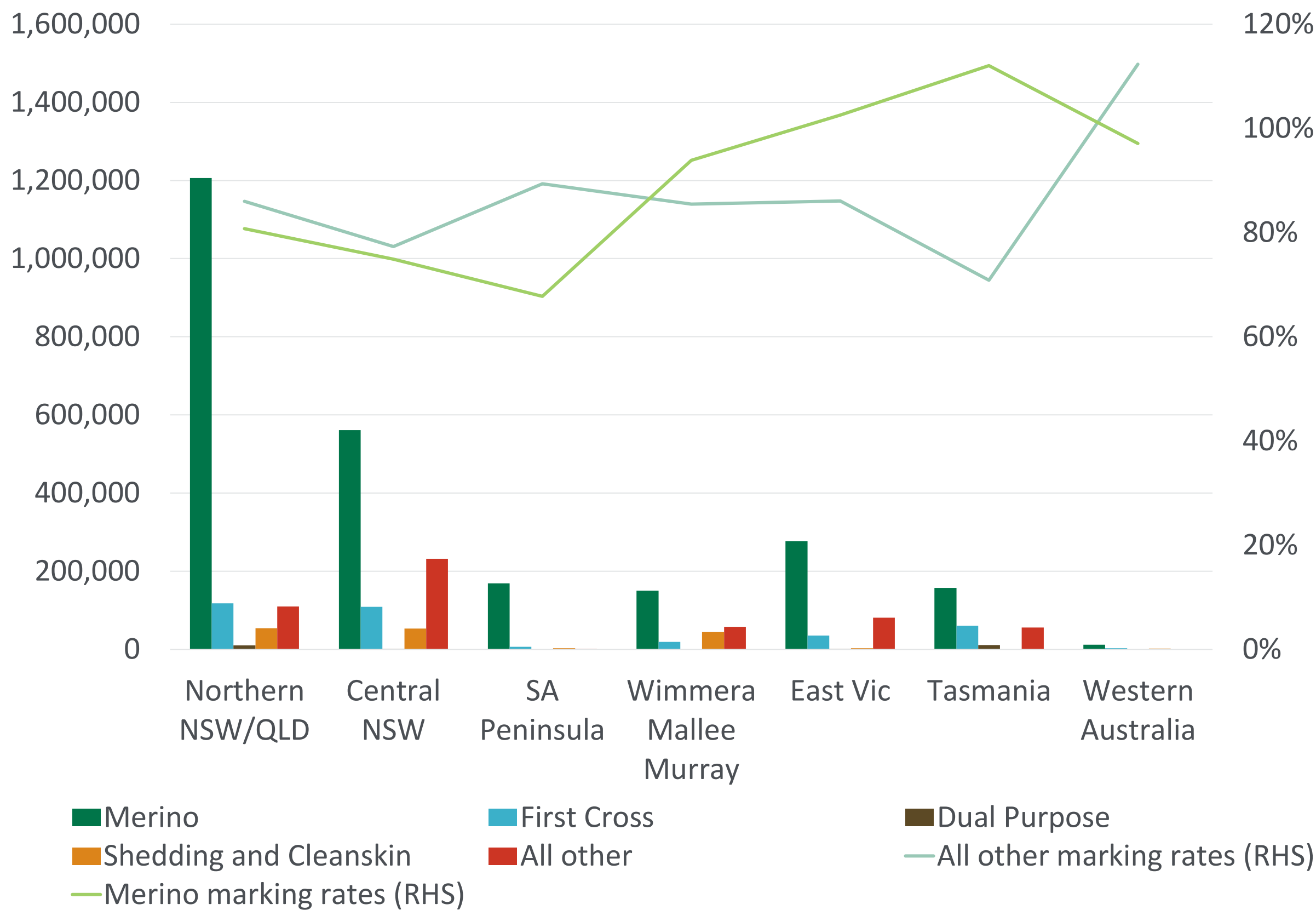
In line with a larger ewe flock population, the number of lambs on hand at 28 February was greatest in South Eastern at 2.3 million head. This was followed by the WA South region, recording around 2.1 million head.

NSW had the largest Merino lamb flock at around 6.0 million head, accounting for 68% of the 8.7 m total NSW lamb flock. In WA however, Merinos accounted for 85% of the total lamb flock (2.5 m of 3.0 m head).

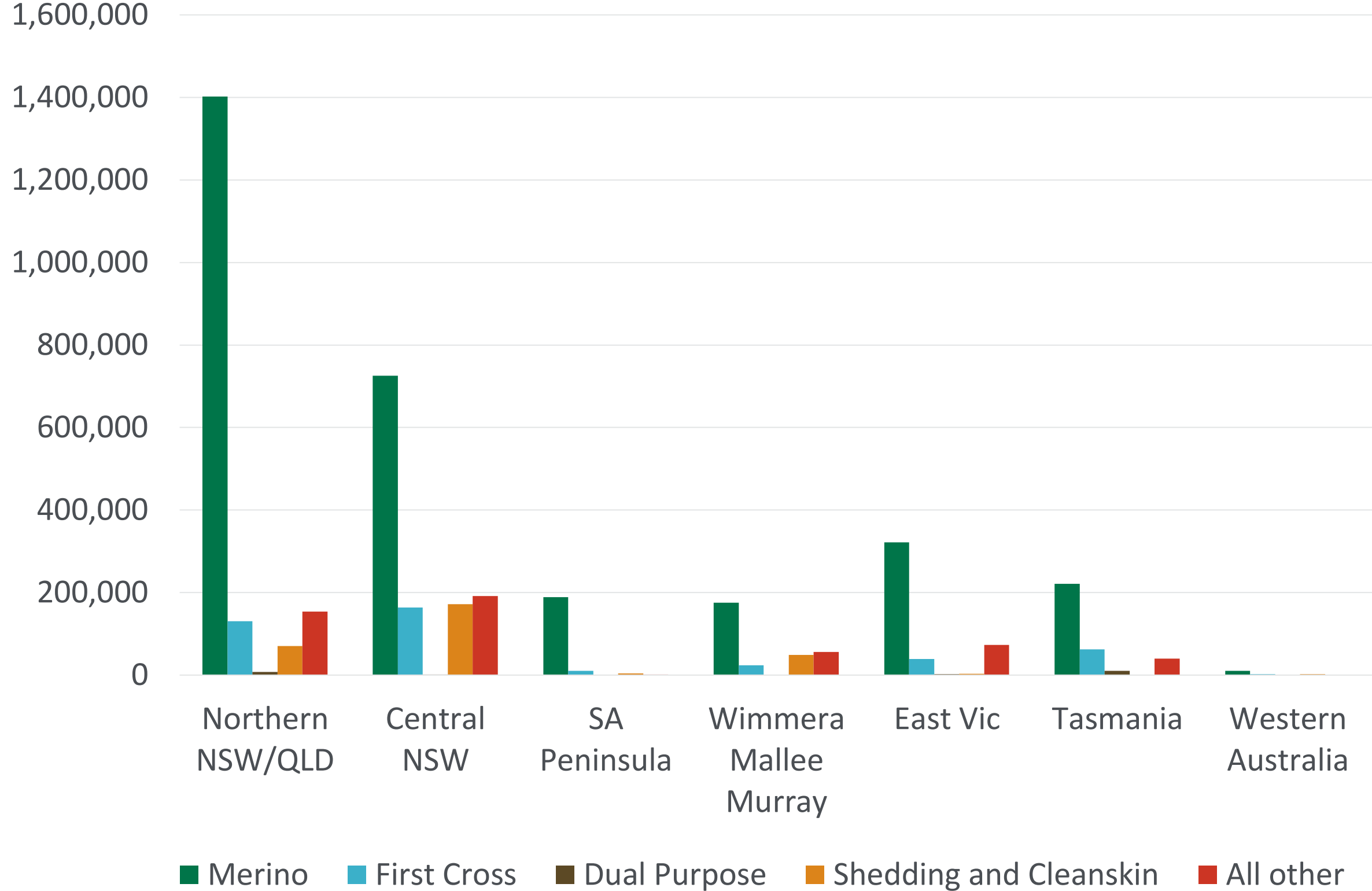
When considering regions with over 40,000 non merino, the largest percentage of non-merino lambs was in Ovens Murray (87%), Tasmania (64%) and Loddon and Goulburn (57%).

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

Lambs marked in the past 4 months
1 Nov 2020 – 28 Feb 2021

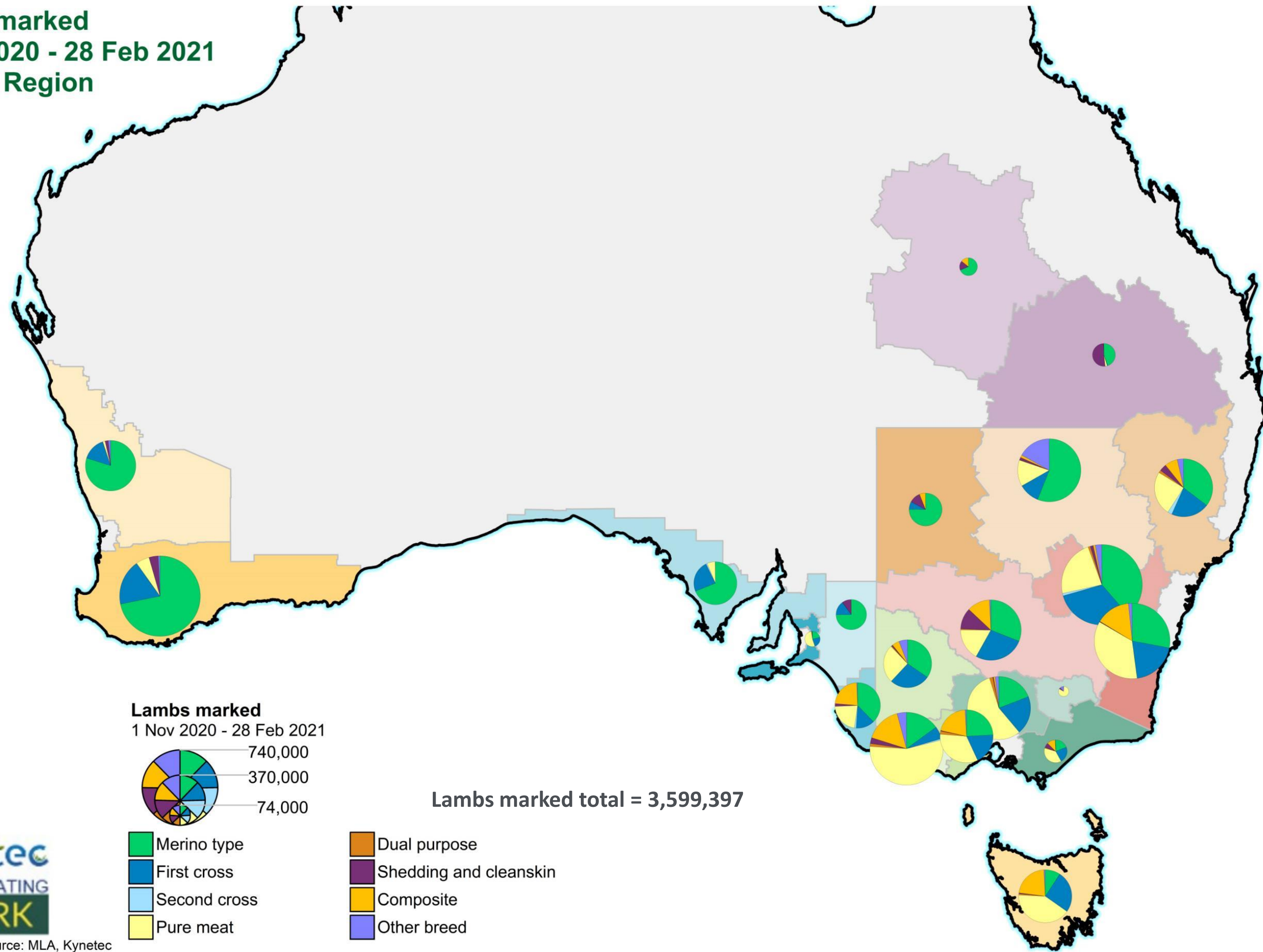


Ewes joined to produce those lambs in the past 4 months
1 Nov 2020 – 28 Feb 2021



Lambs marked in the past four months

Lambs marked
1 Nov 2020 - 28 Feb 2021
by MLA Region

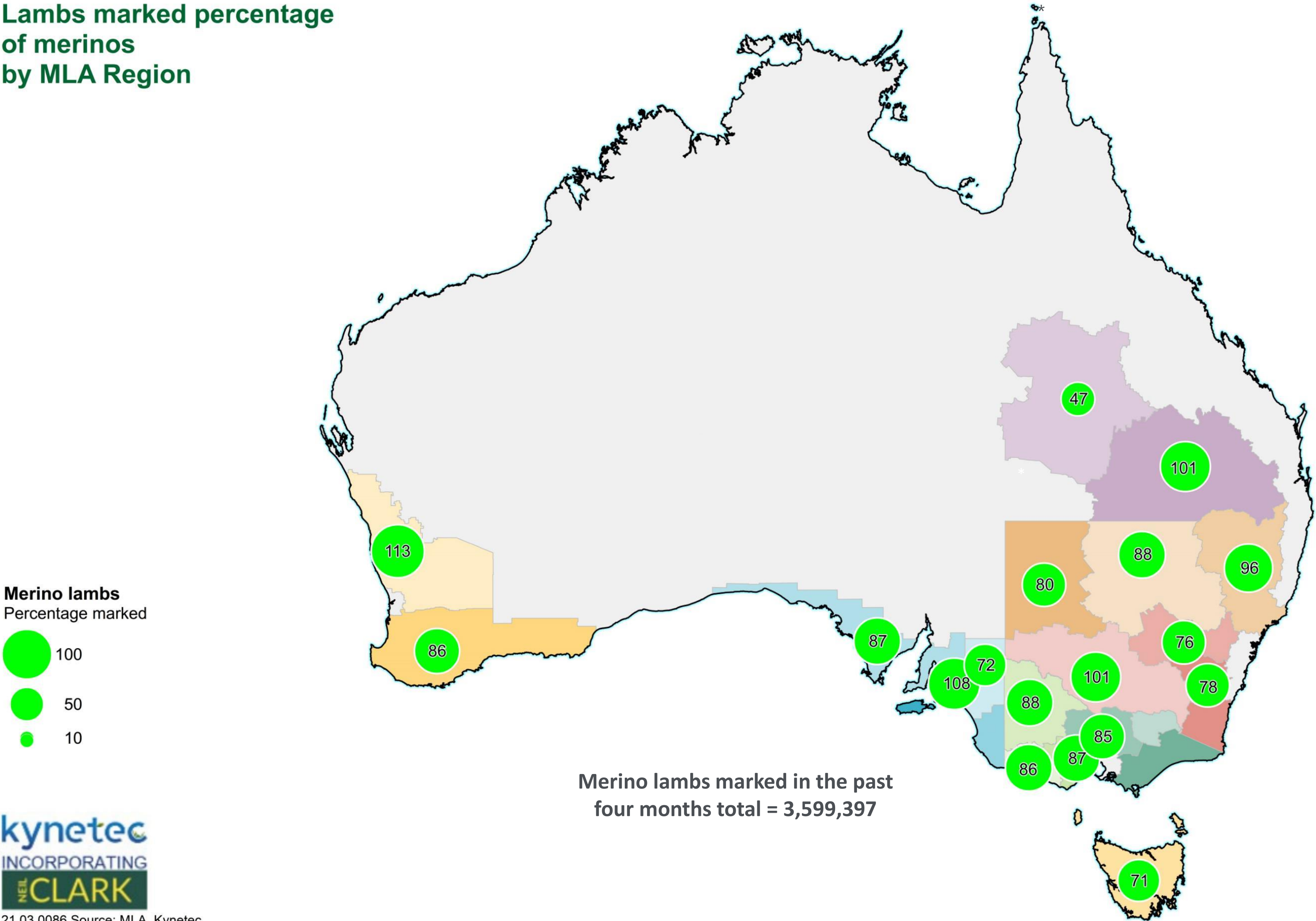


Around 3.6 million lambs were marked over the past four months.

Hunter and Northern, South Eastern and North Western accounted for a large number of new lambs, with markings of 740, 395 and 390 thousand head respectively.

Merino lamb marking rates – by MLA reporting regions

Lambs marked percentage of merinos by MLA Region



The highest Merino marking rates were recorded in Central Midlands (113%) and Outer Adelaide (108%). Conversely, the lowest marking rates in regions with greater than 30,000 merino lambs marked were recorded in Central QLD at 47% and Tasmania at 71%.

Nationally the Merino marking rate was 83% and on a state basis QLD and TAS had the lowest marking rate at 69% and 71% respectively, while WA and NSW recorded the highest Merino marking rates of 112% and 87% respectively.

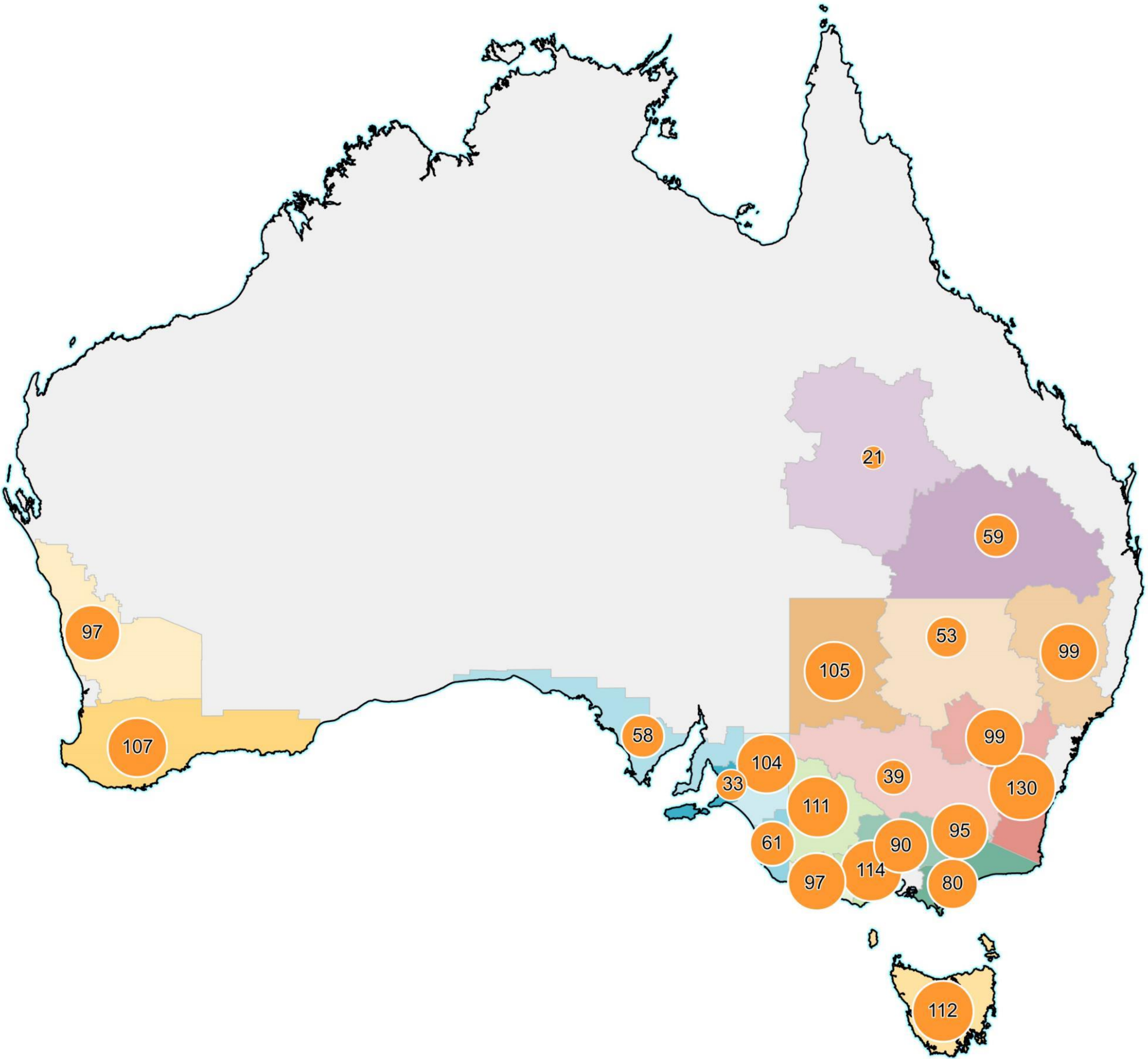
Note: These marking rates are for the period between 1 November 2020 to 28 February 2021.

All other breed lamb marking rates—by MLA reporting regions

Lambs marked
percentage
of non merinos
by MLA Region

Non merino lambs
Percentage marked

100
50
10

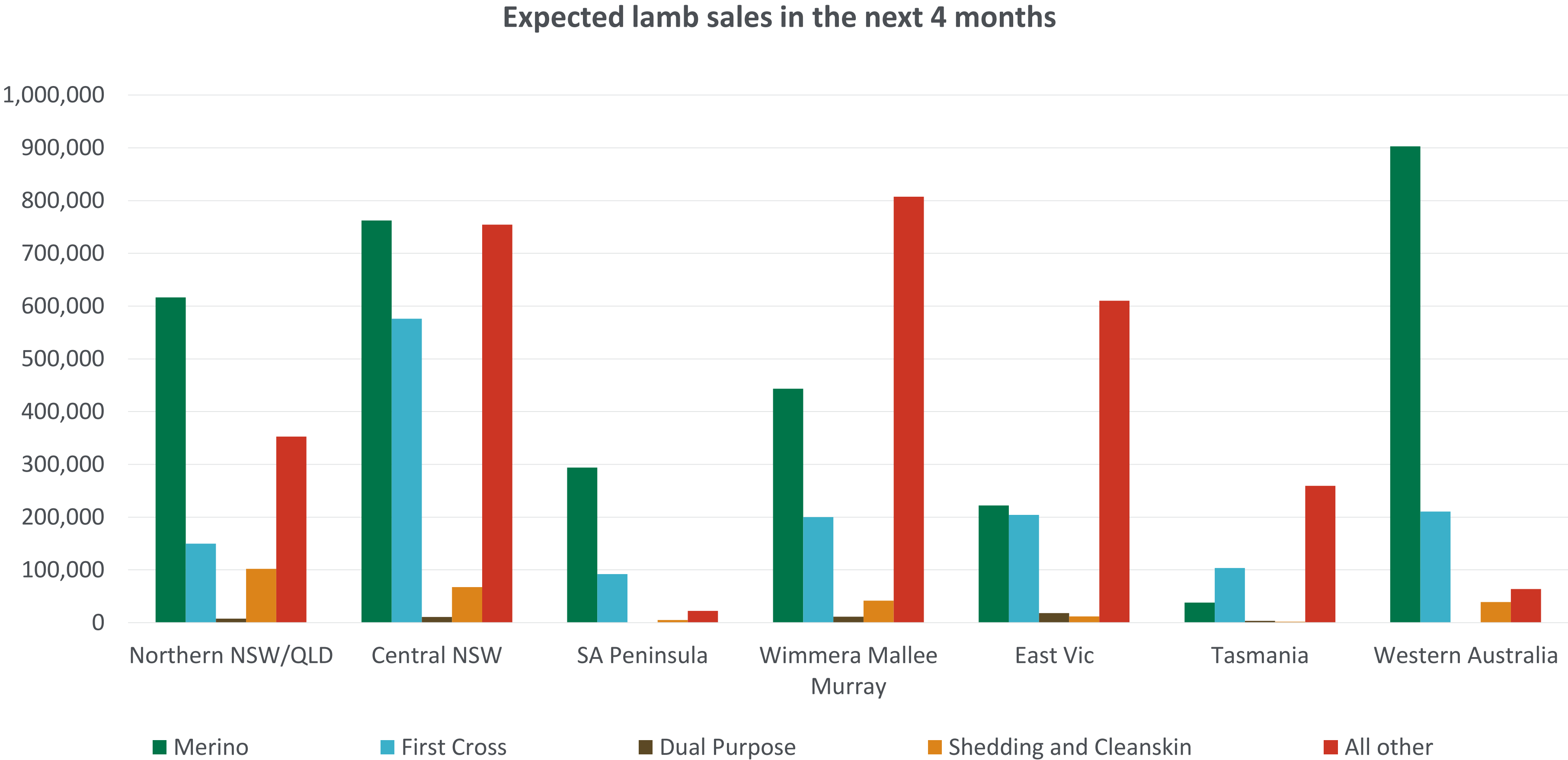


Of those regions that marked more than 10,000 non merino lambs Barwon and Central Highlands and Tasmania recorded the highest marking rates for non-Merino lambs at 114% and 112% respectively.

On a state basis TAS and VIC recorded the highest non-merino marking rates at 112% and 101% respectively, above QLD at 69% and NSW at 81%.

Note: These marking rates are for the period between 1 November 2020 to 28 February 2021.

Expected lamb sales in next four months (1 March 2021 – 30 June 2021) – by MLA reporting regions



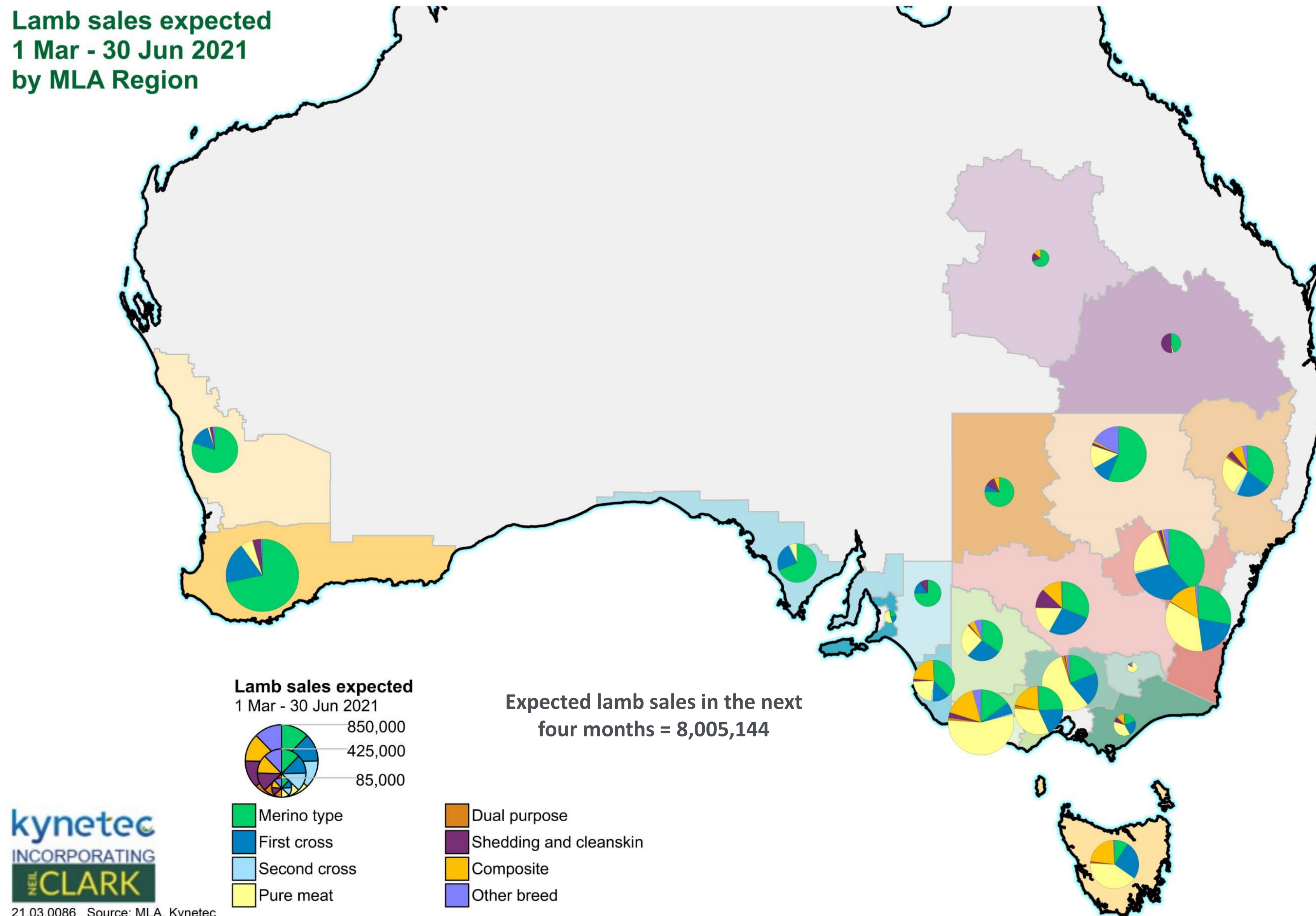
Expected lamb sales in next four months

Lamb sales expected
1 Mar - 30 Jun 2021
by MLA Region

Over the next four months (1 March to 30 June 2021), most lamb sales are expected to occur in WA South 843, Central West 823 and South Eastern 720 thousand head respectively.

Merino's are expected to account for 41% of national lamb sales, with the proportion higher in WA and SA (74% and 58% respectively). Non merino breeds will account for 59% of lamb sales, being highest in TAS (91%) and VIC (79%).

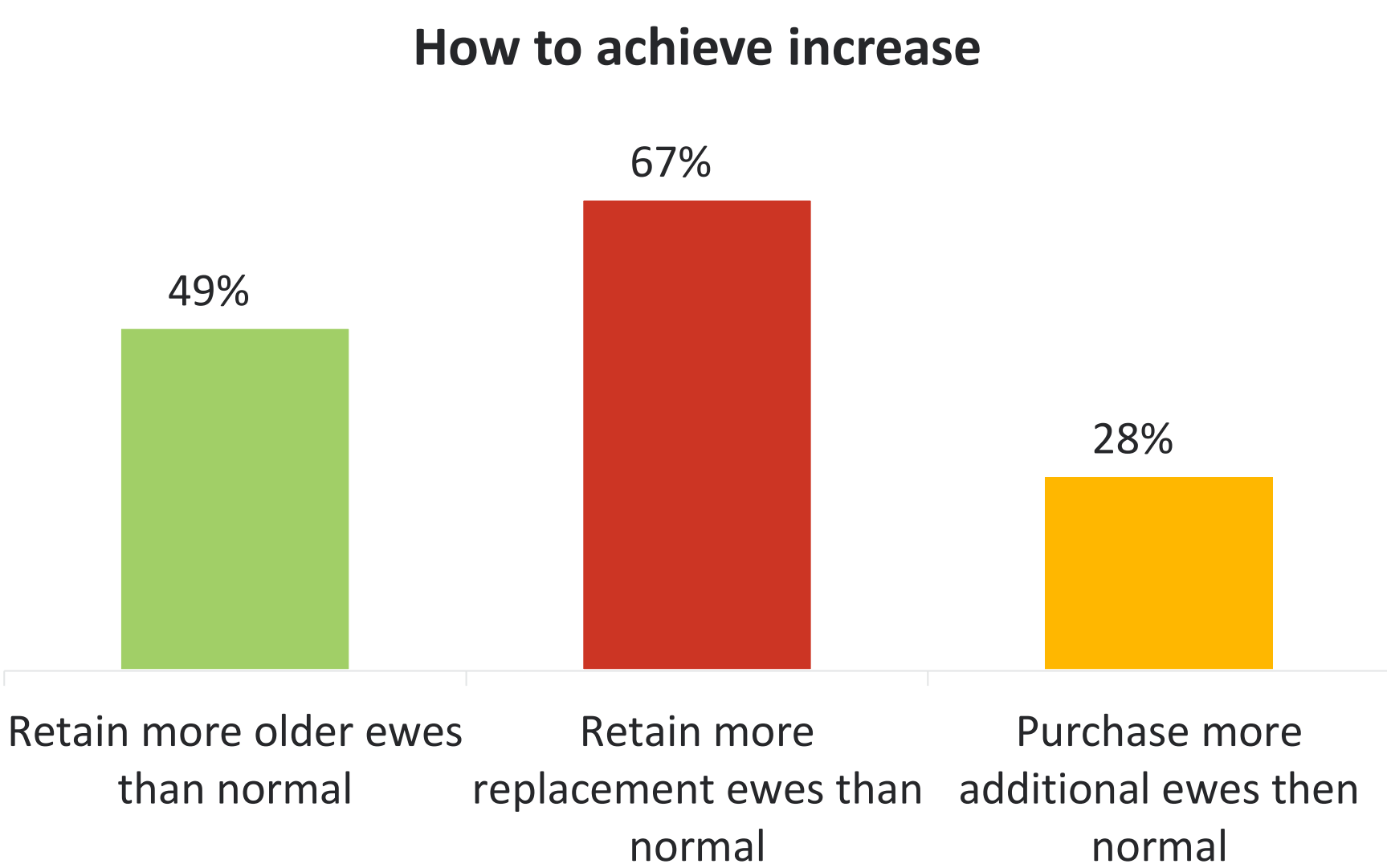
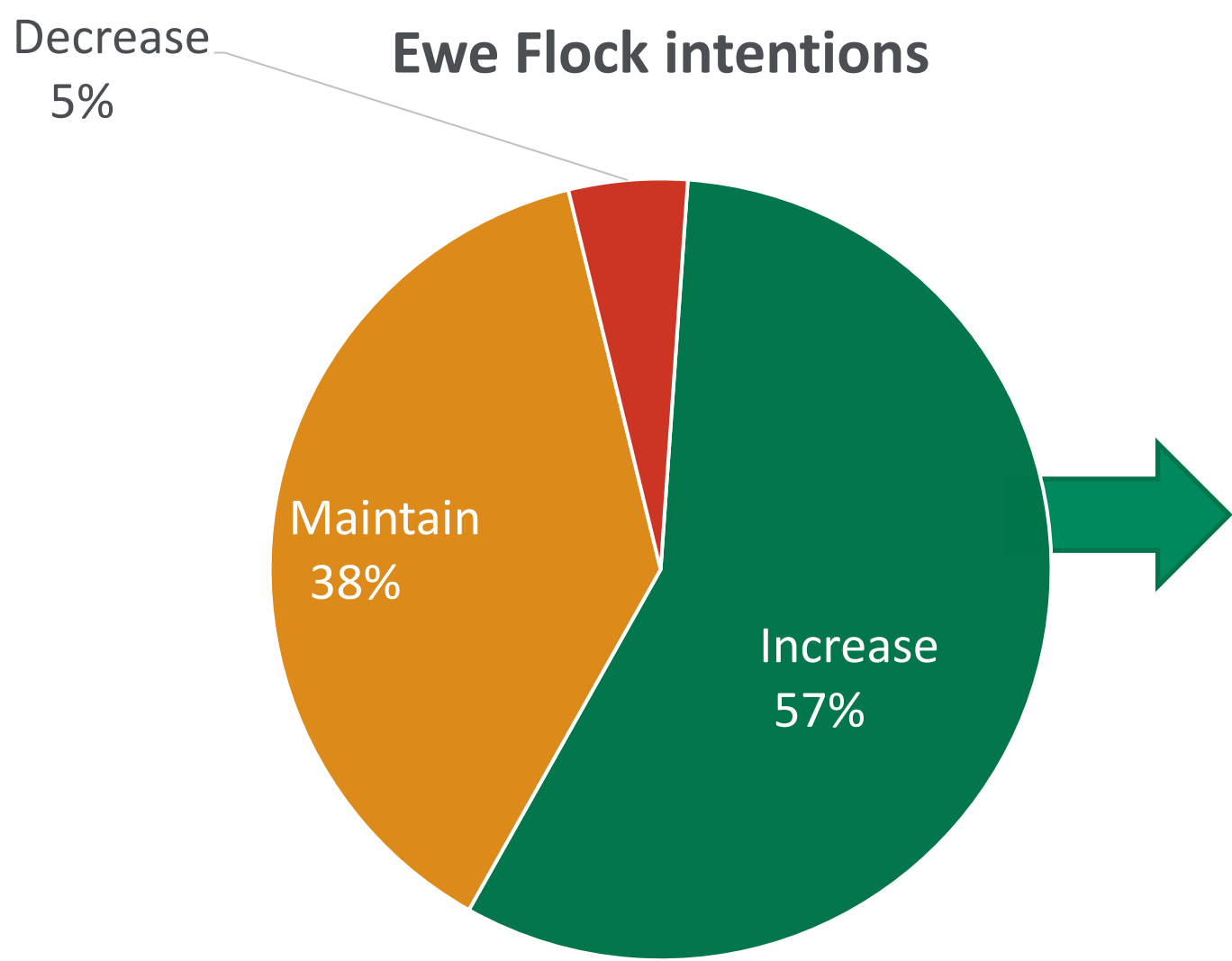
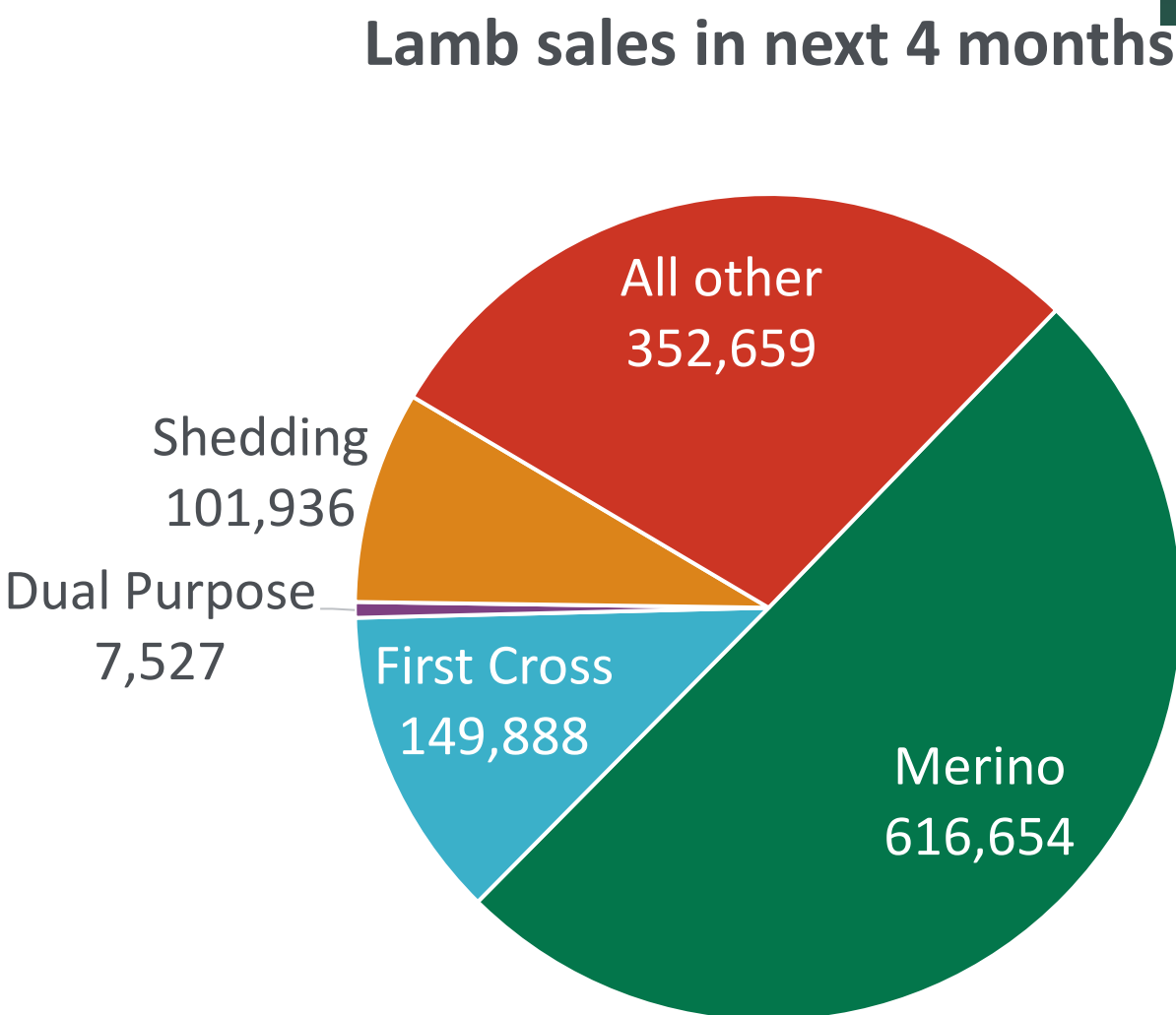
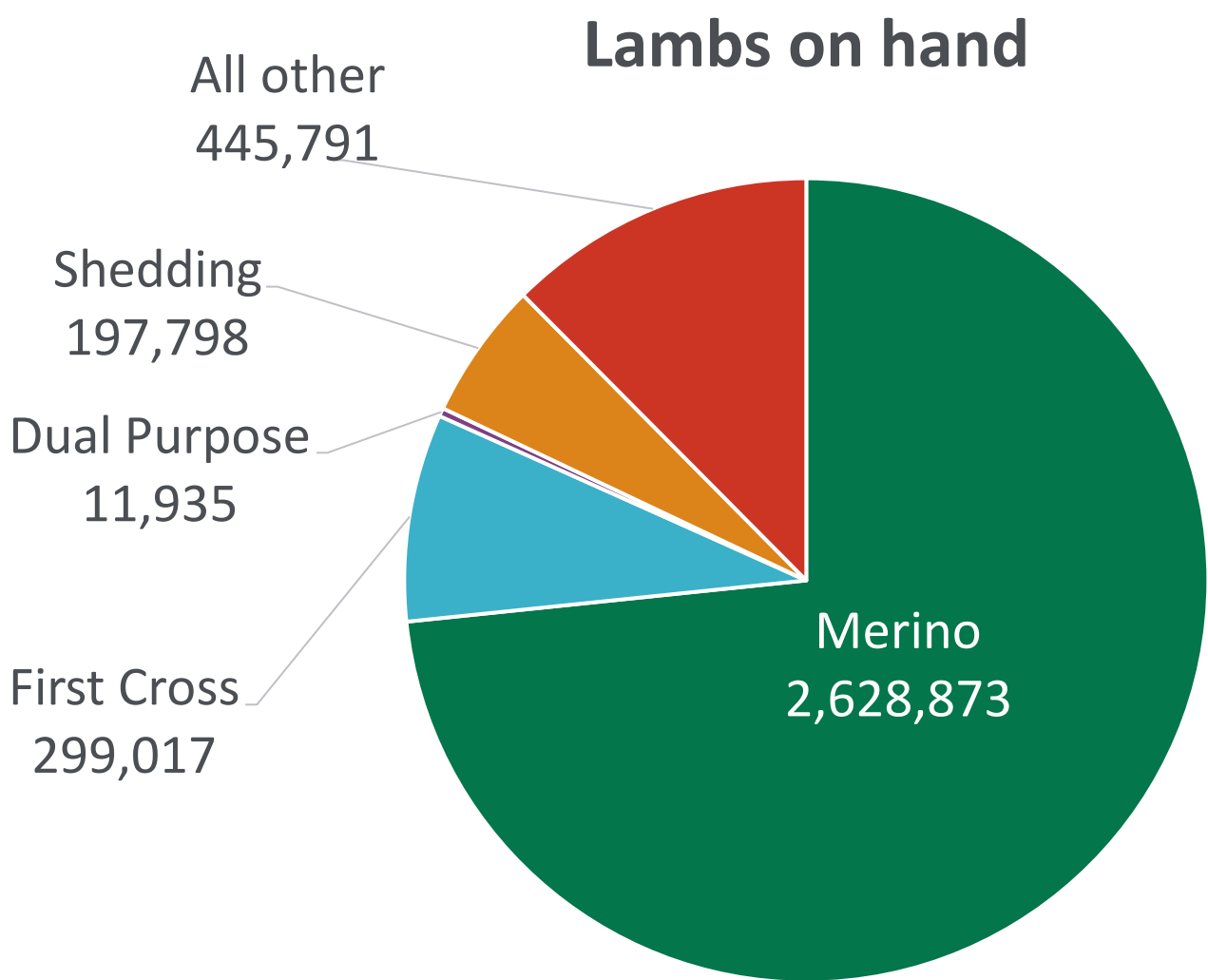
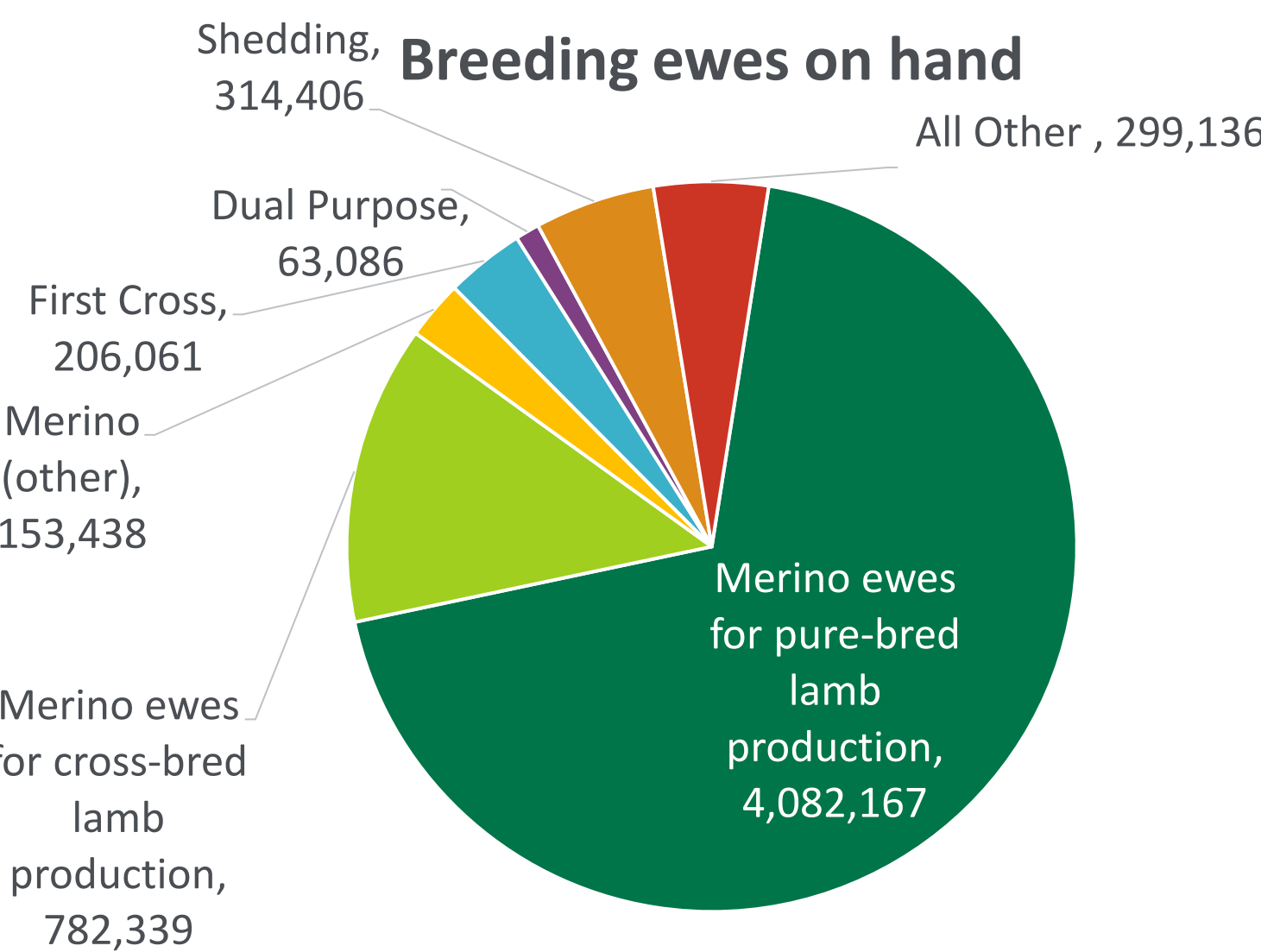
NSW is expected to account for 40% of total lamb sales over the next four months, with around 3.2 million lambs expected to be on offer. This is followed by VIC and WA at 26% and 15% of total lamb sales, respectively.



Sample base (properties) n= 2,529

Regional Snapshots

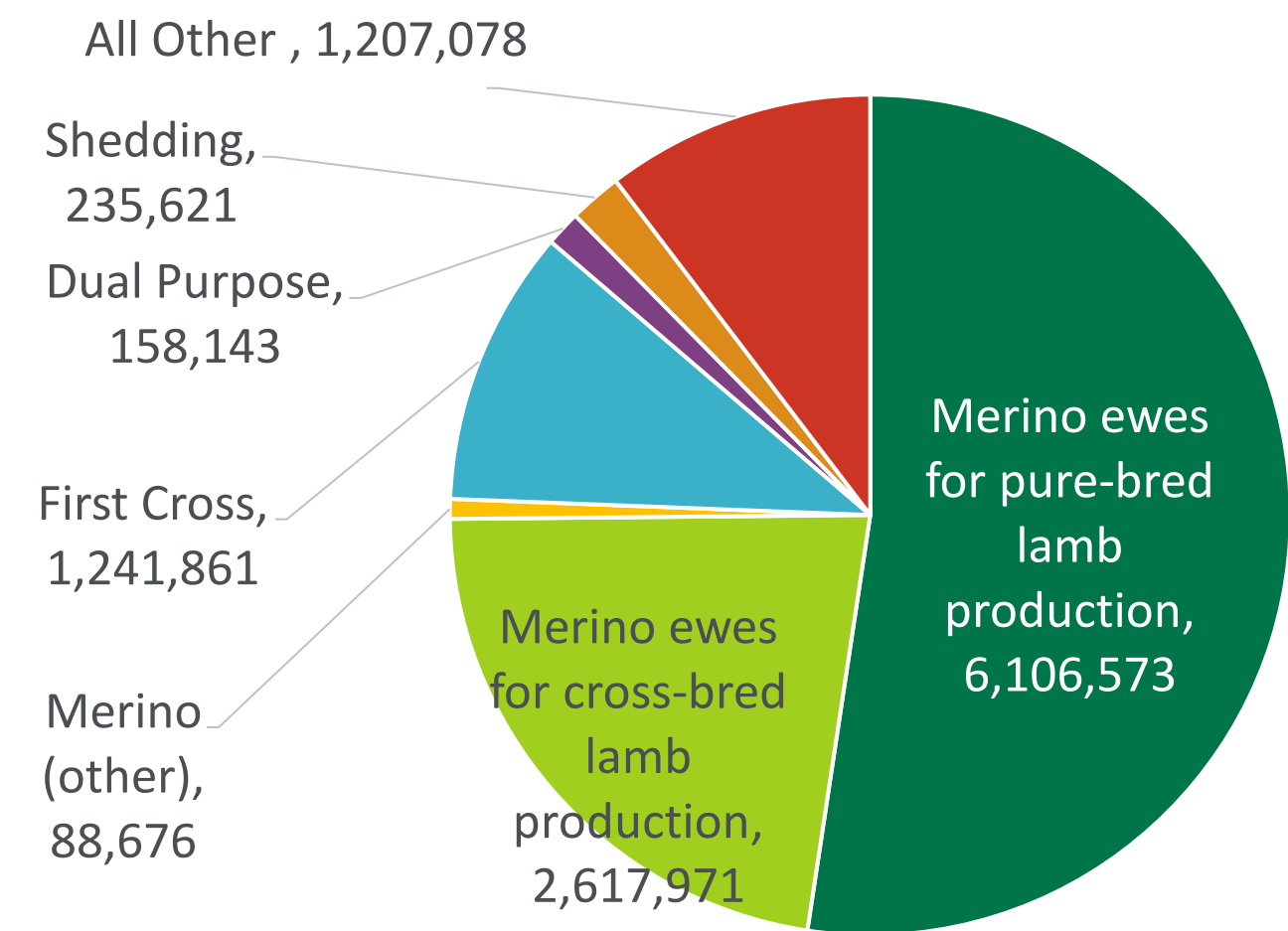
Northern NSW/QLD



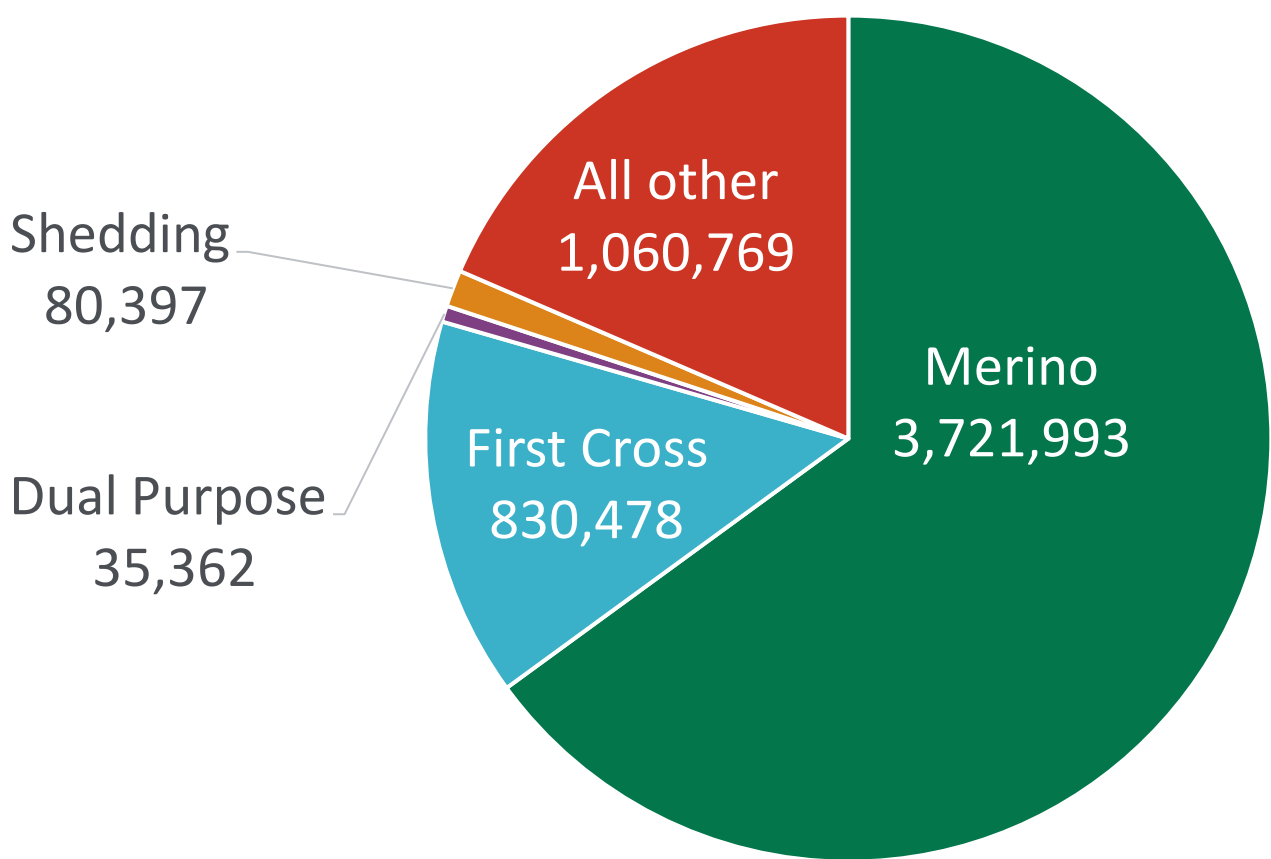
Totals	
Breeding ewes on hand	5,900,633
Lambs on hand	3,583,414
Expected lamb sales in the next 4 months	1,228,664
Lambs marked in the past 4 months (1 Nov – 28 Feb)	1,498,986
Number of ewes joined to produce marked lambs	1,764,618

Central NSW

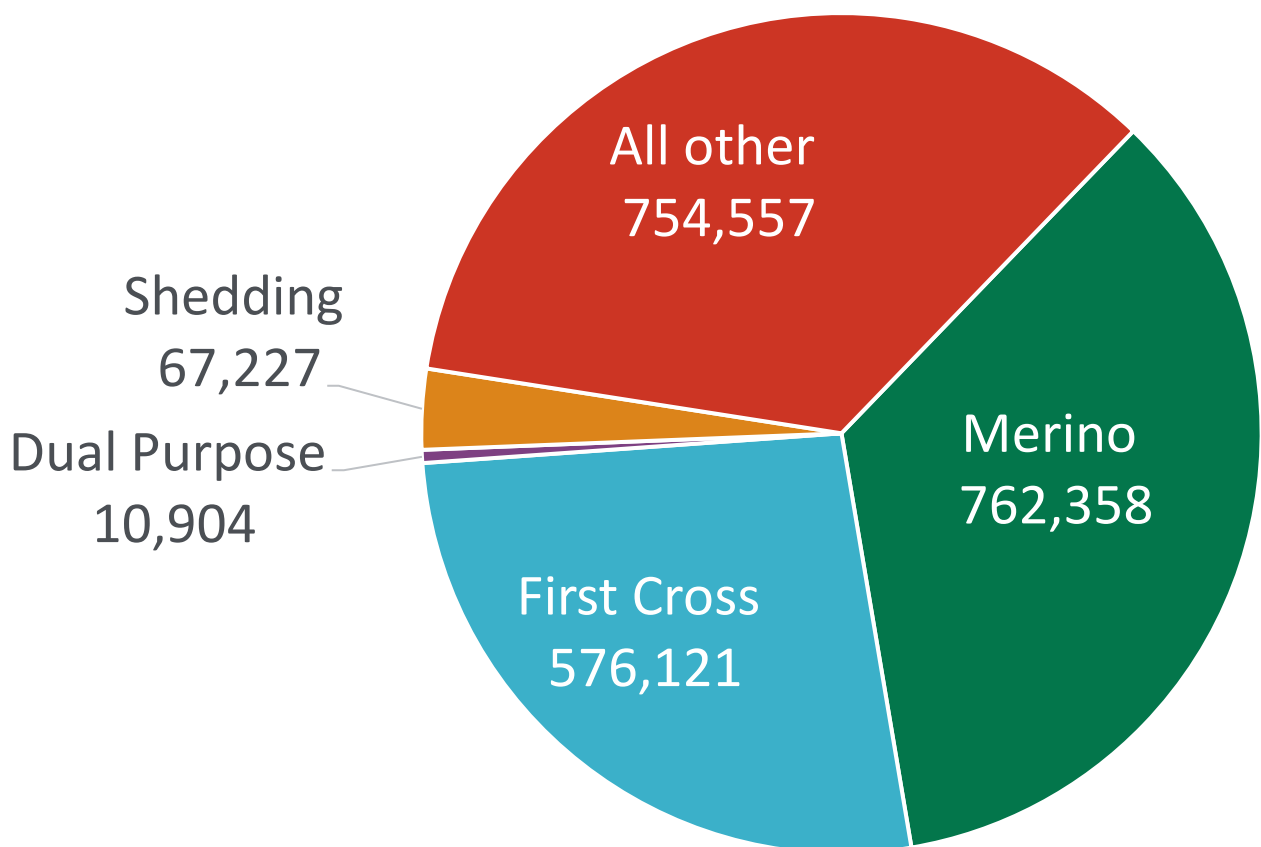
Breeding ewes on hand



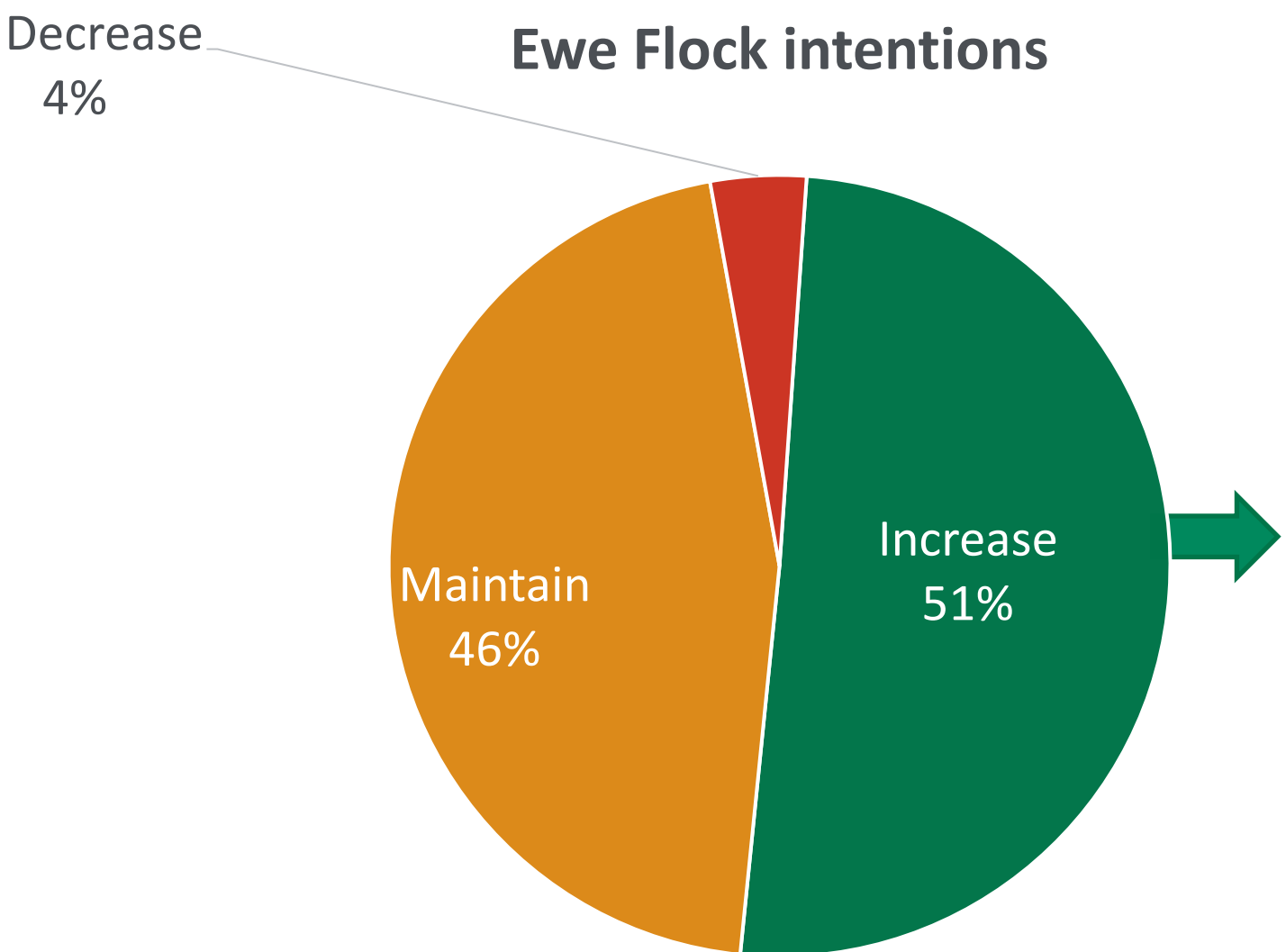
Lambs on hand



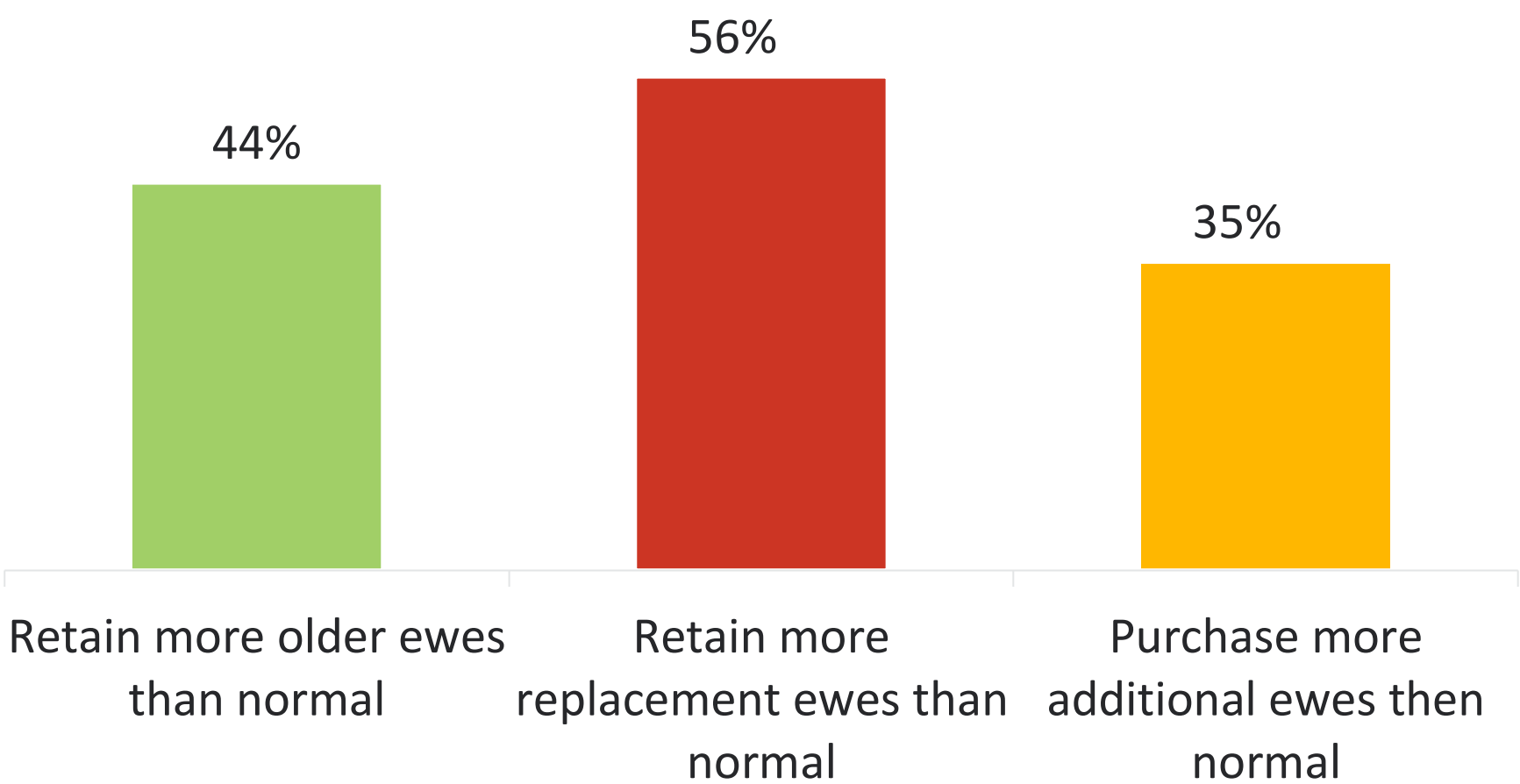
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

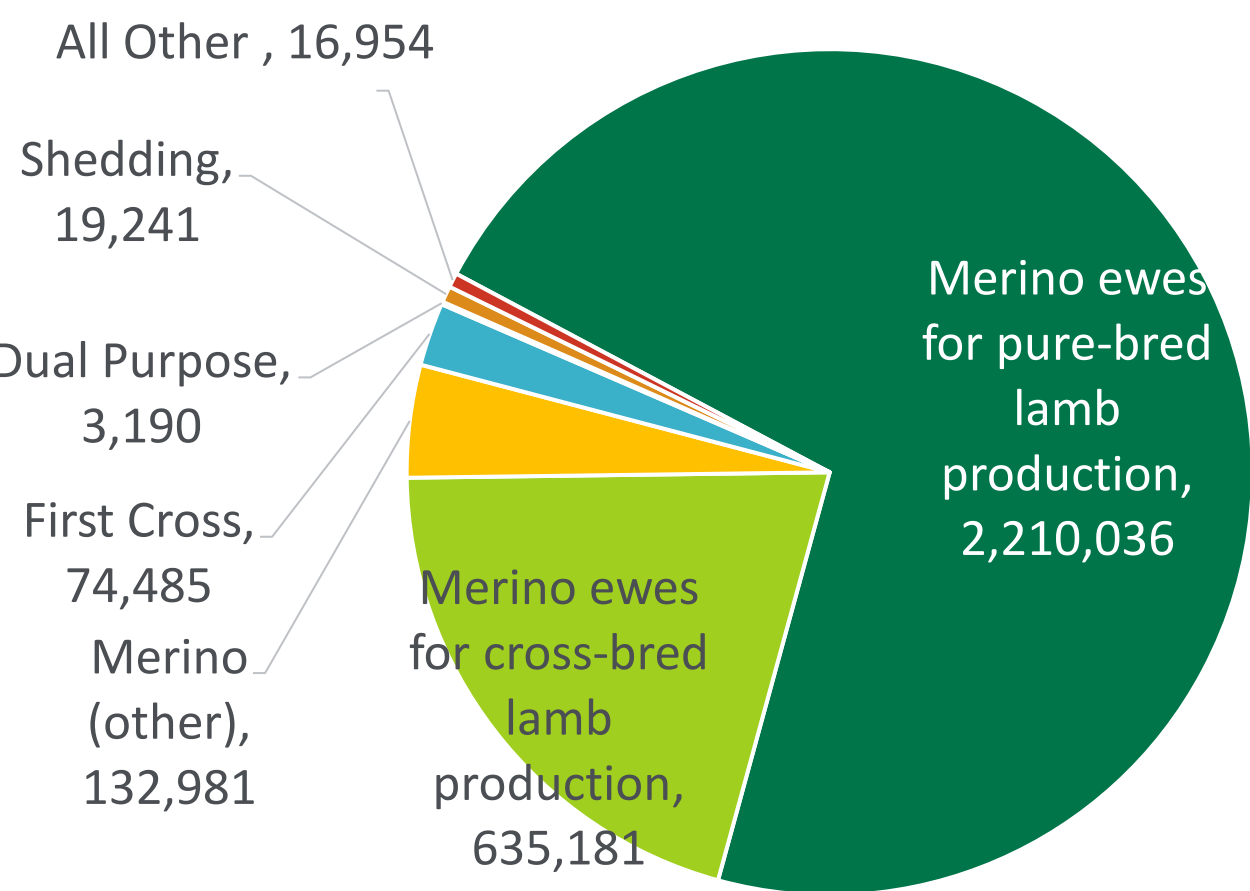


Totals

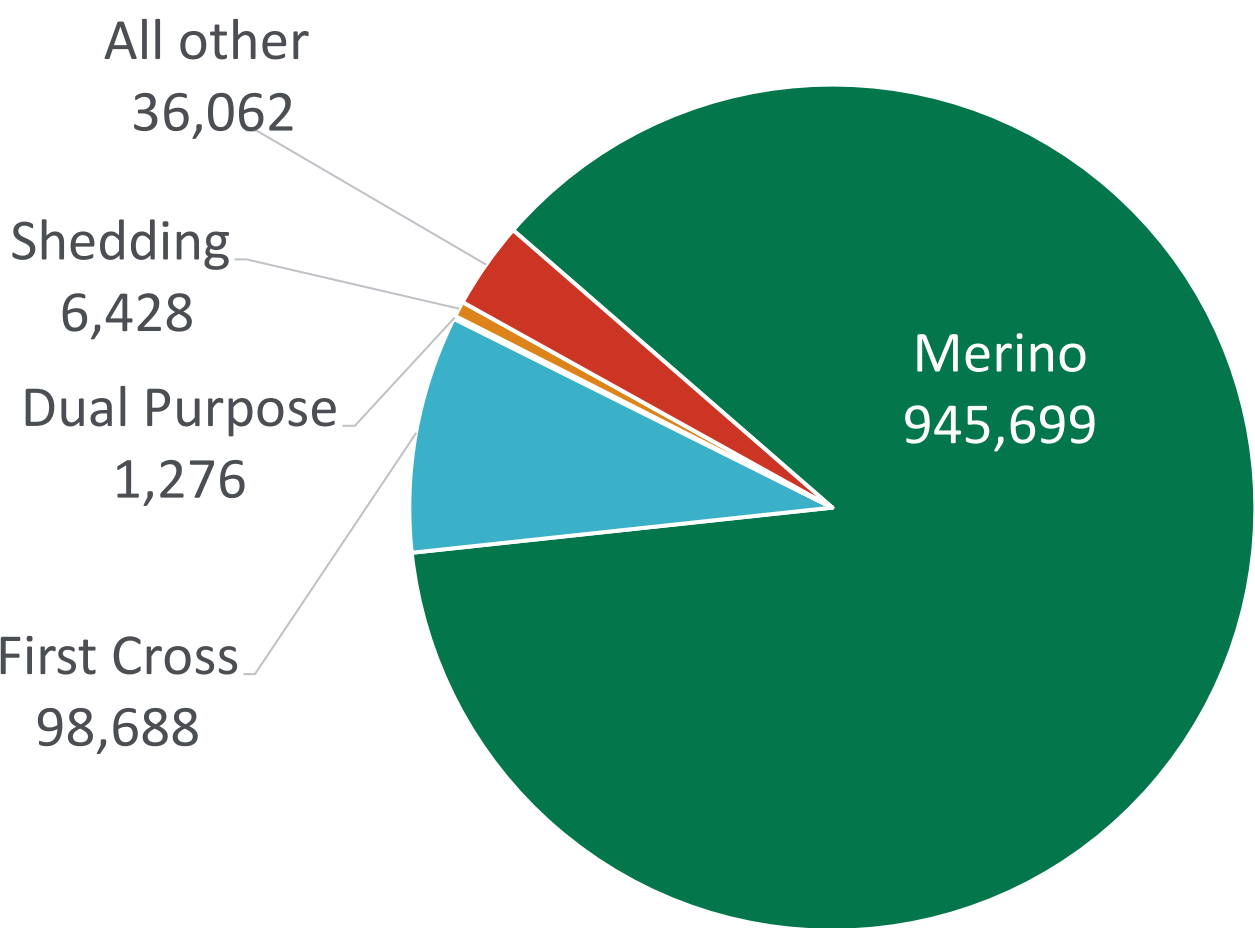
Breeding ewes on hand	11,655,923
Lambs on hand	5,728,998
Expected lamb sales in the next 4 months	2,171,168
Lambs marked in the past 4 months (1 Nov – 28 Feb)	955,248
Number of ewes joined to produce marked lambs	1,252,040

SA Peninsula

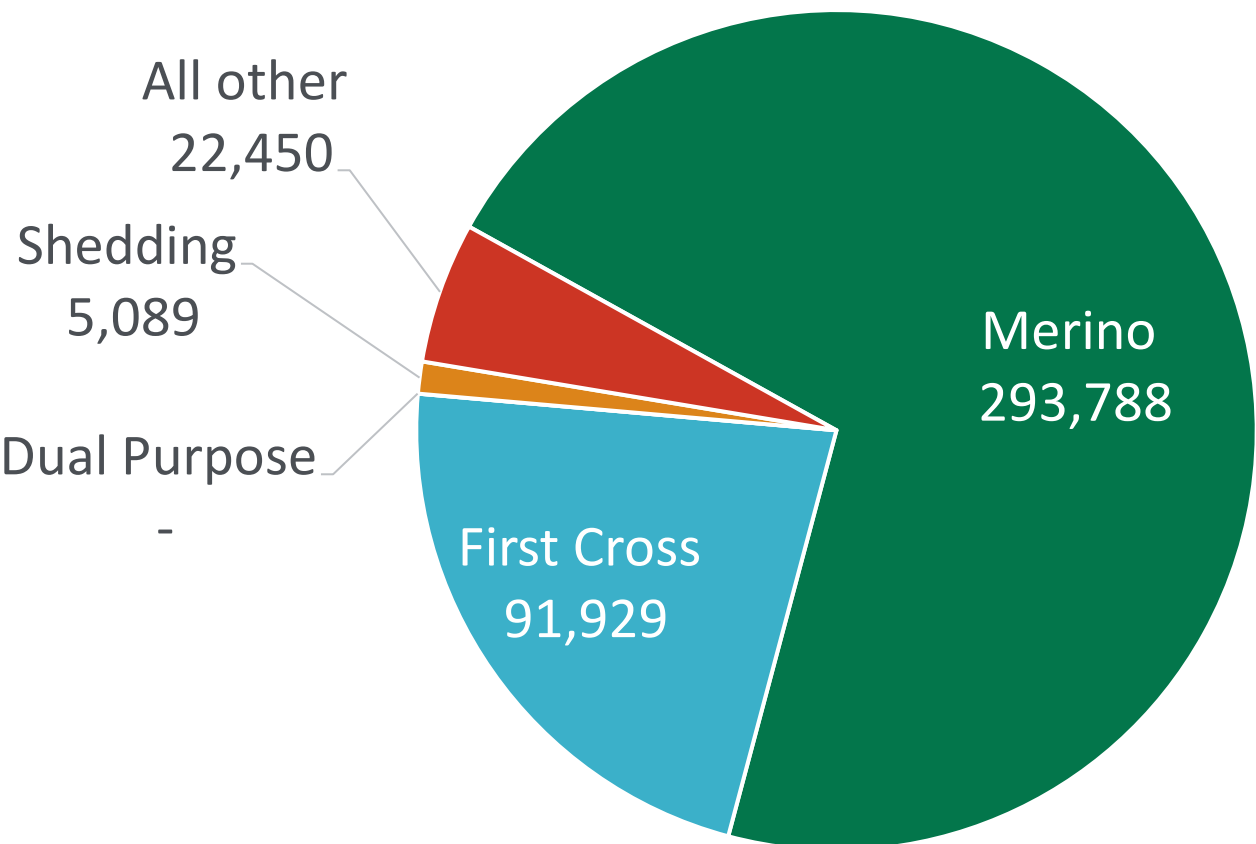
Breeding ewes on hand



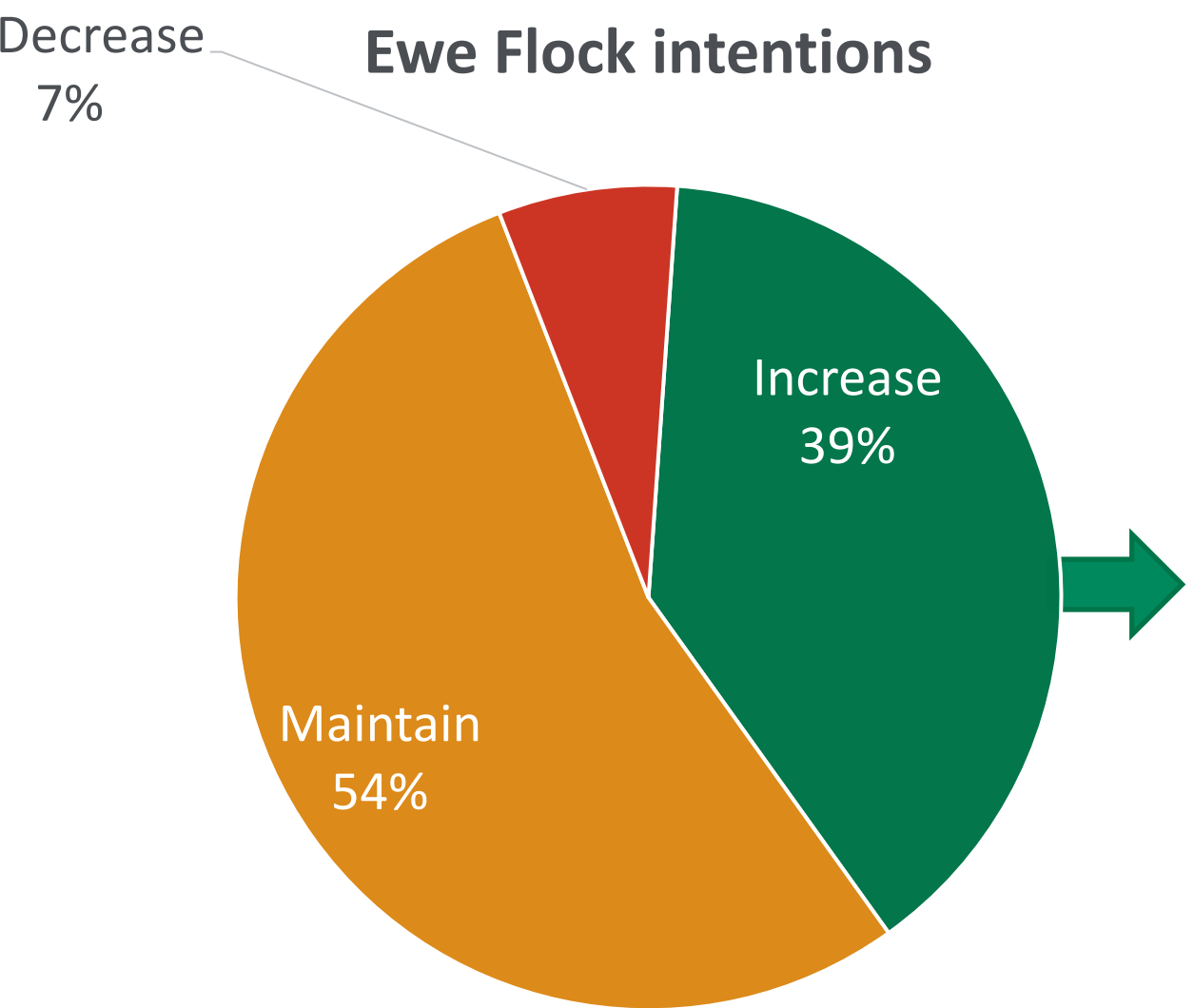
Lambs on hand



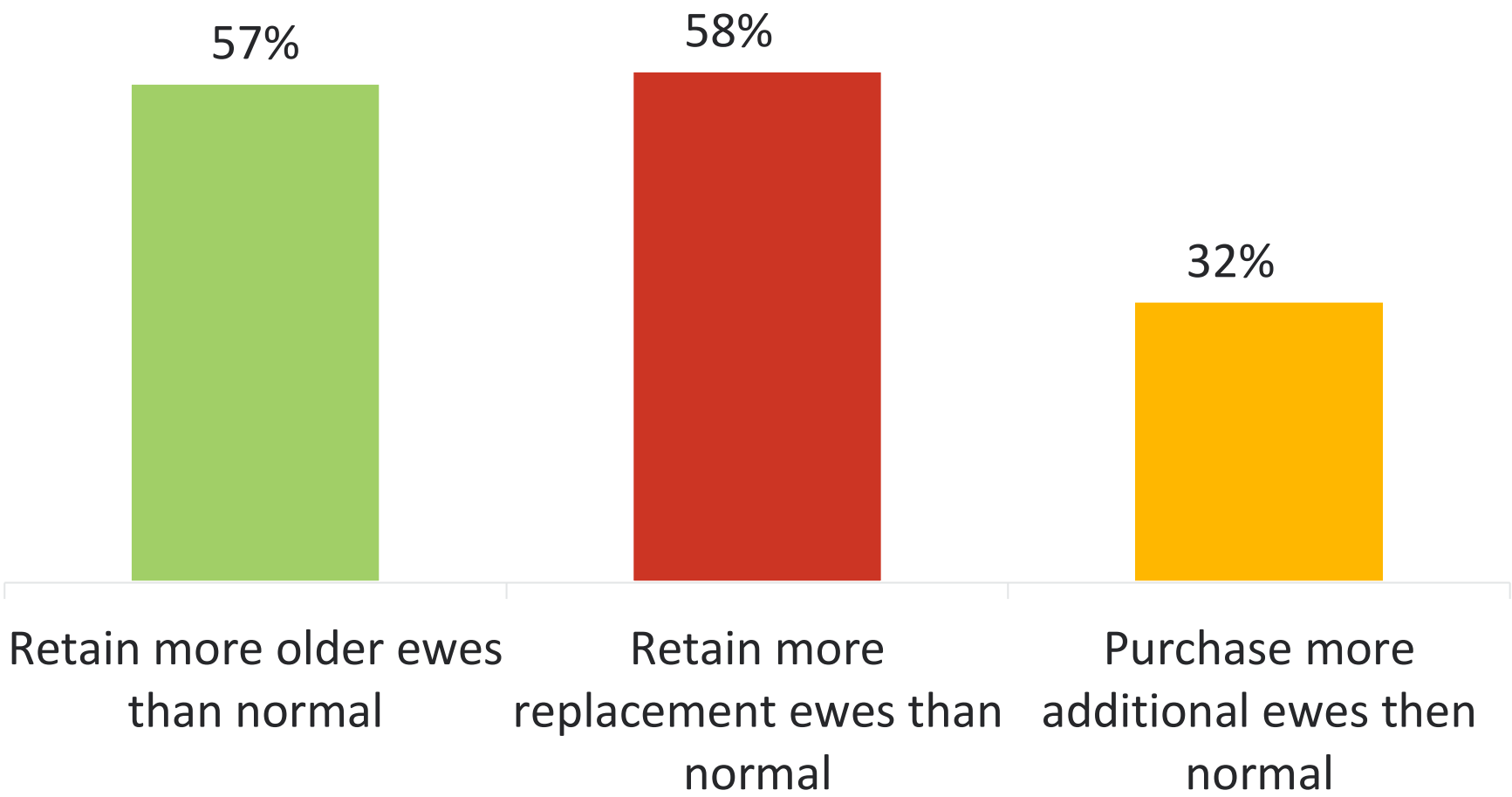
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

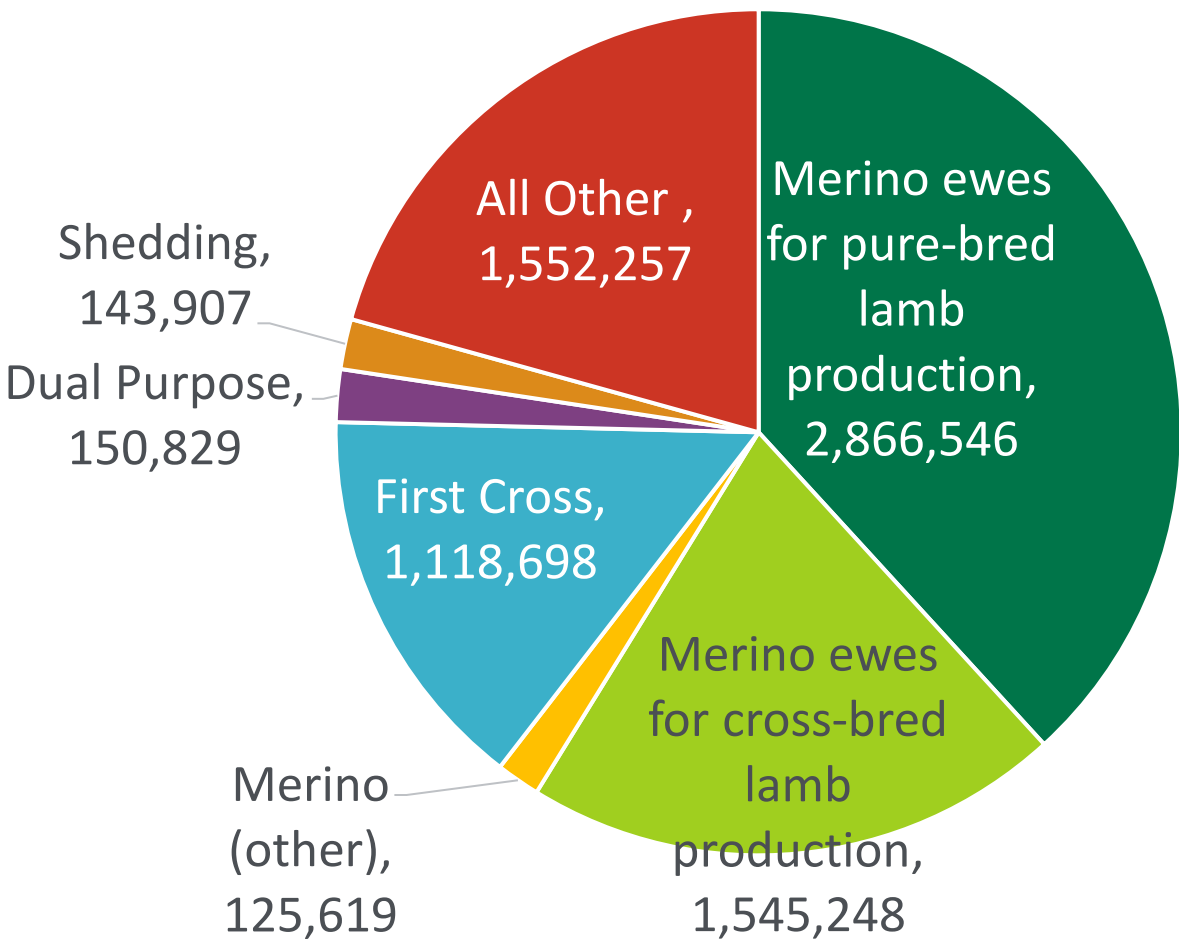


Totals

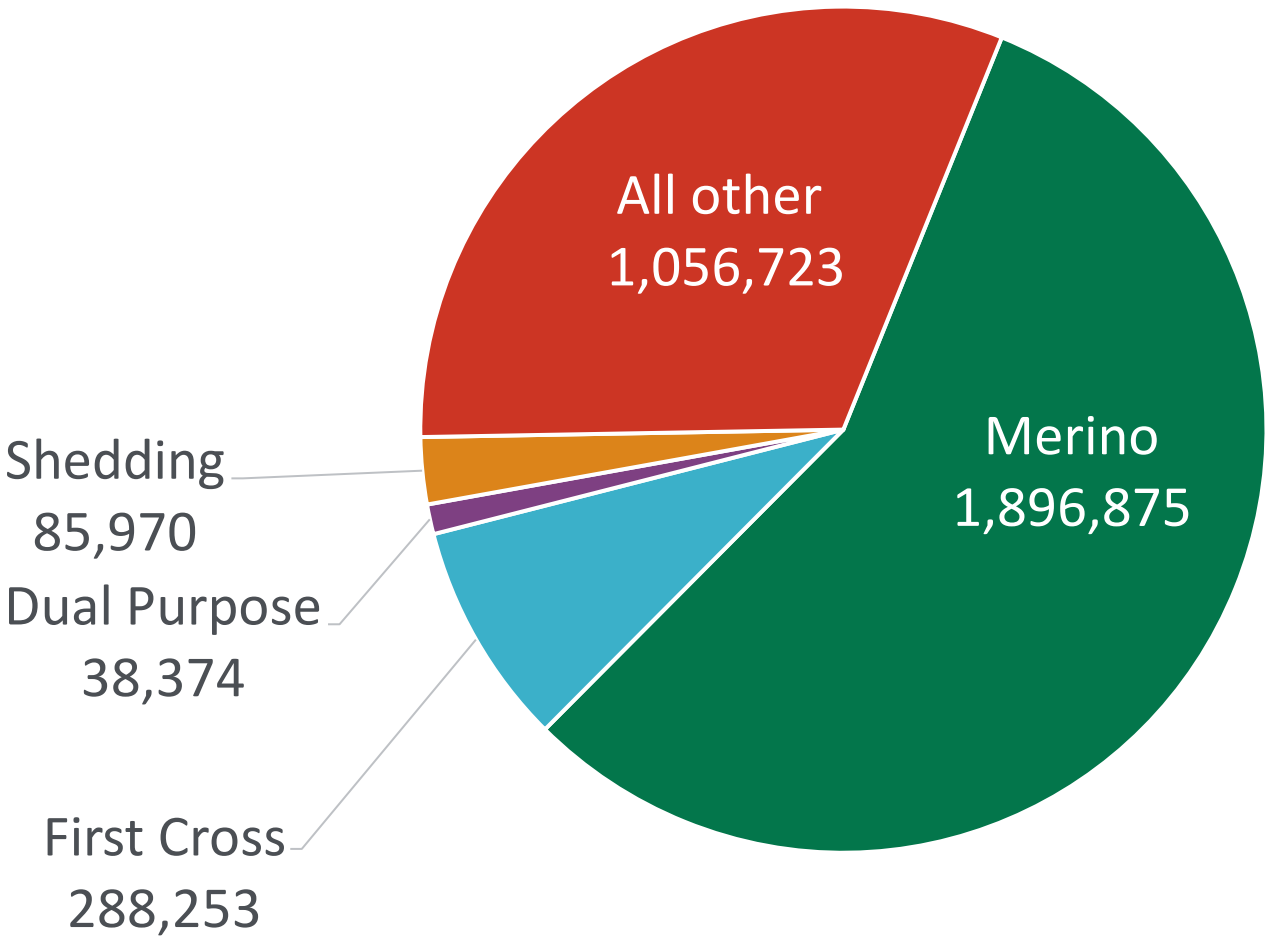
Breeding ewes on hand	3,092,068
Lambs on hand	1,088,152
Expected lamb sales in the next 4 months	413,256
Lambs marked in the past 4 months (1 Nov – 28 Feb)	178,855
Number of ewes joined to produce marked lambs	203,846

Wimmera Mallee Murray

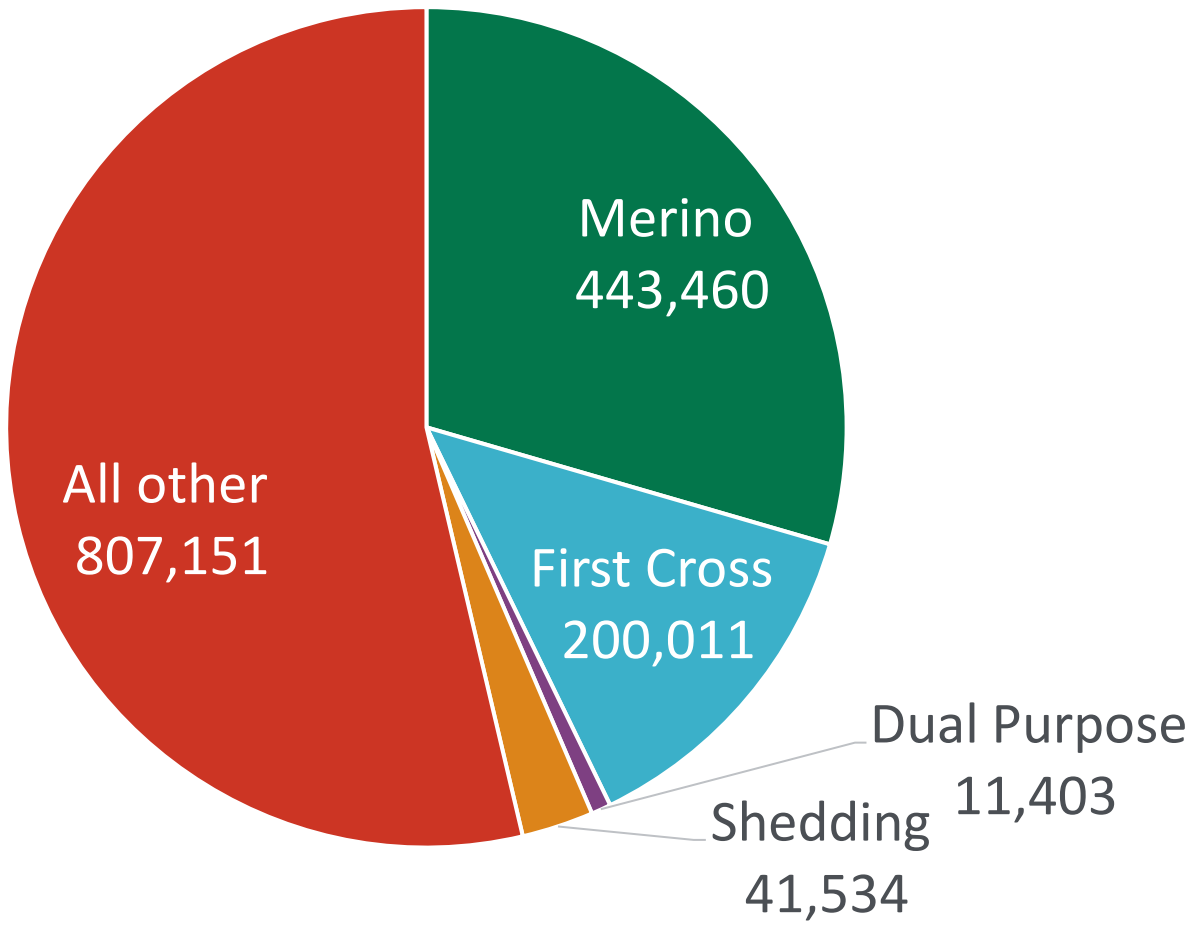
Breeding ewes on hand



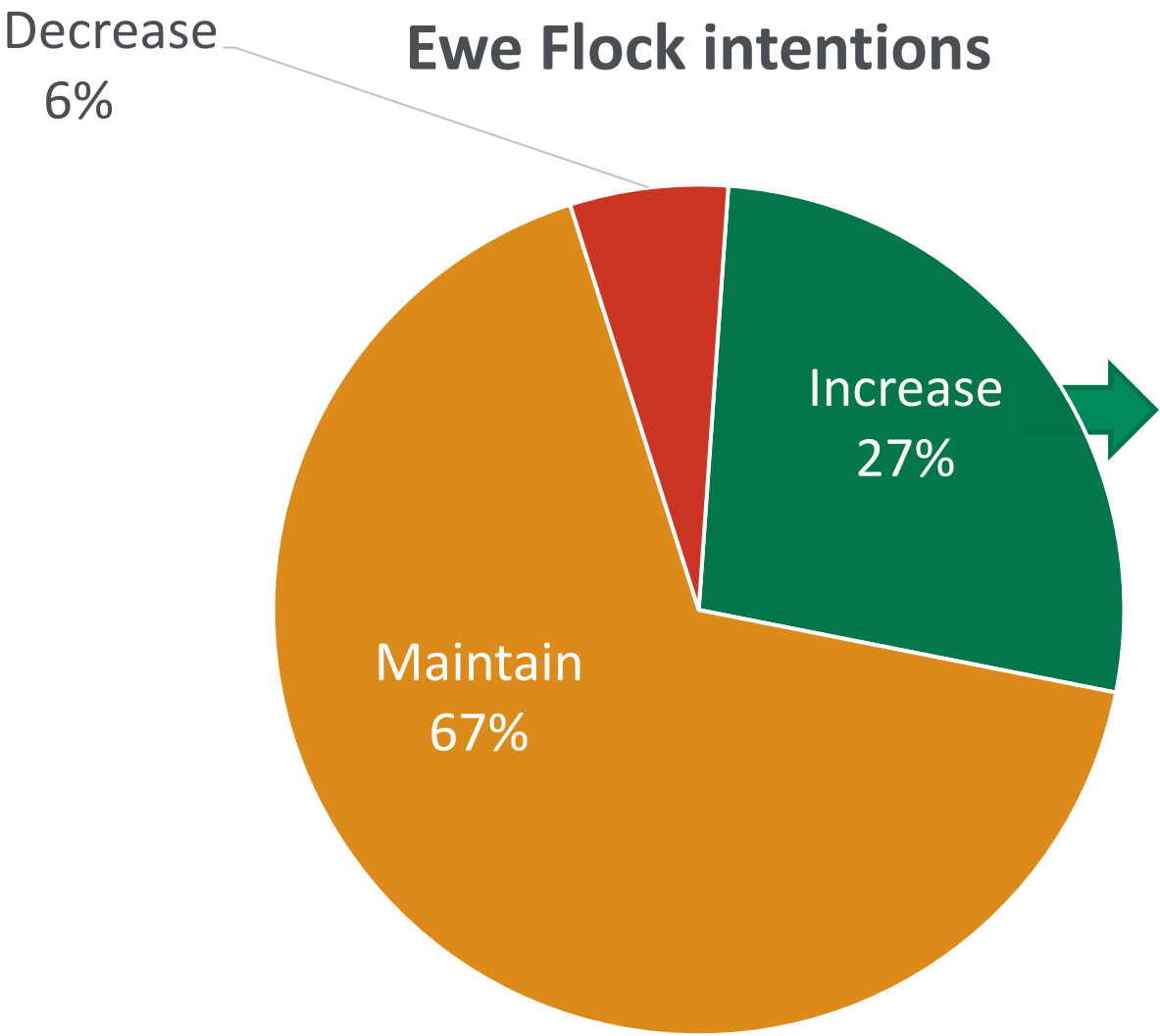
Lambs on hand



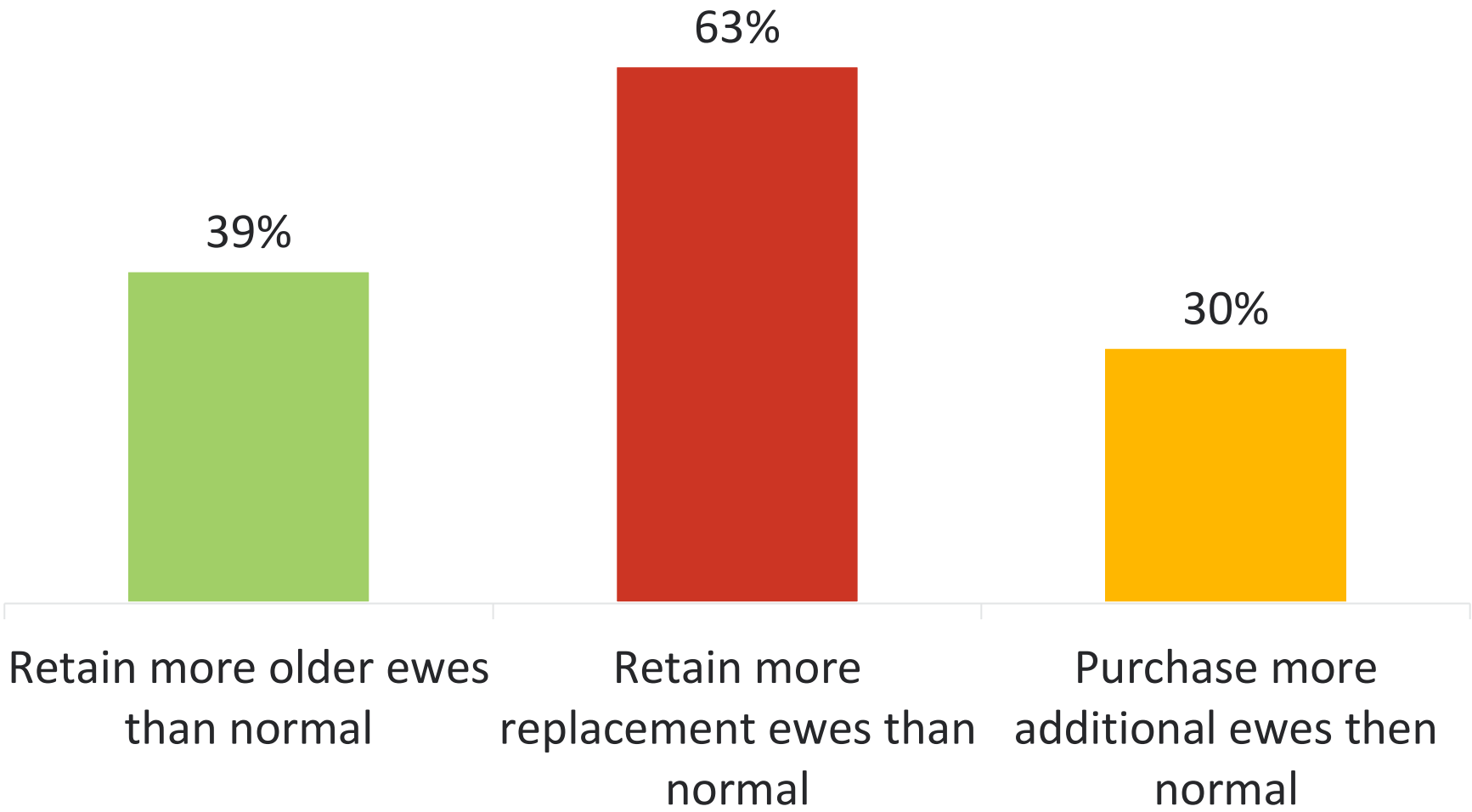
Lamb sales in next 4 months



Ewe Flock intentions



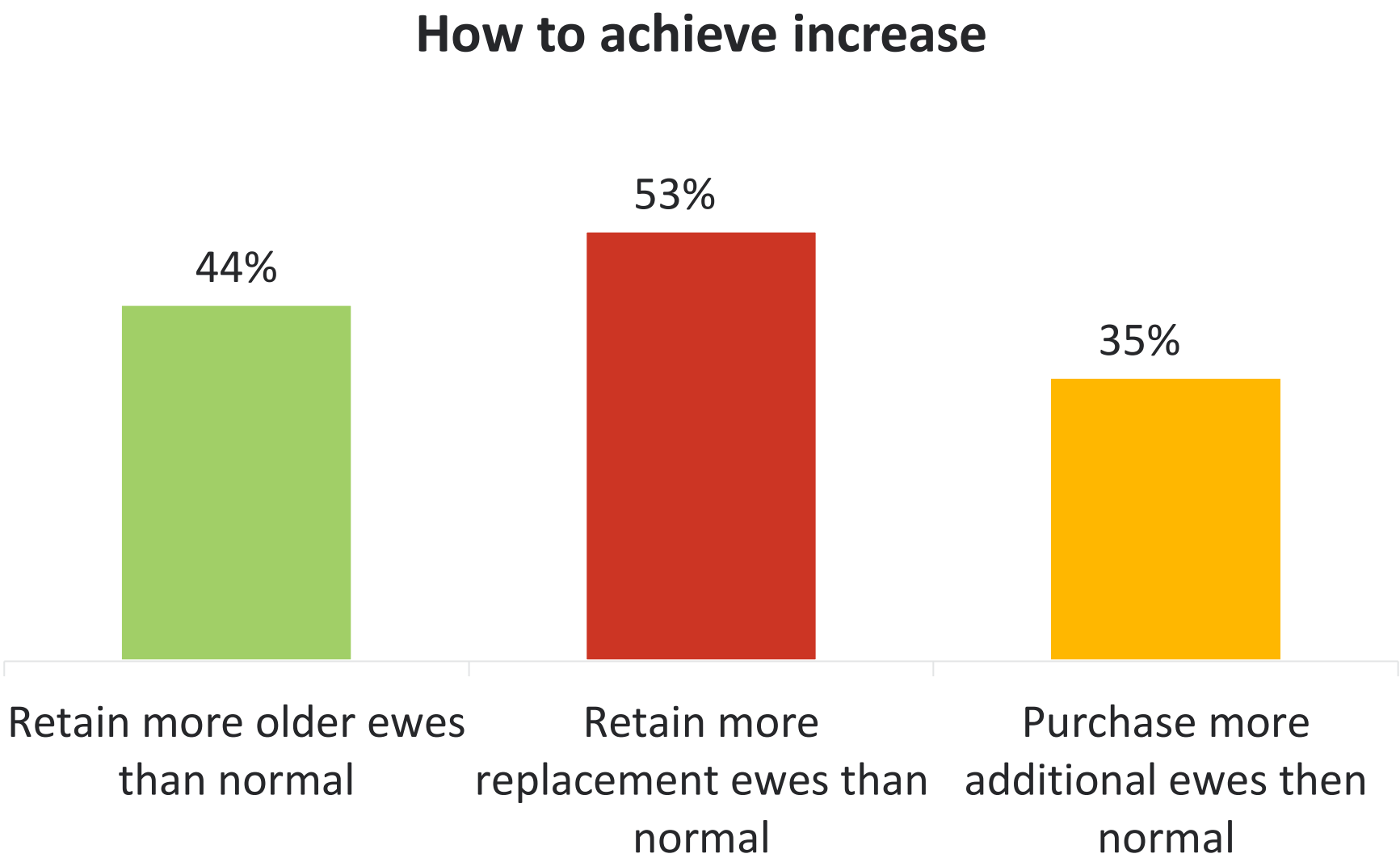
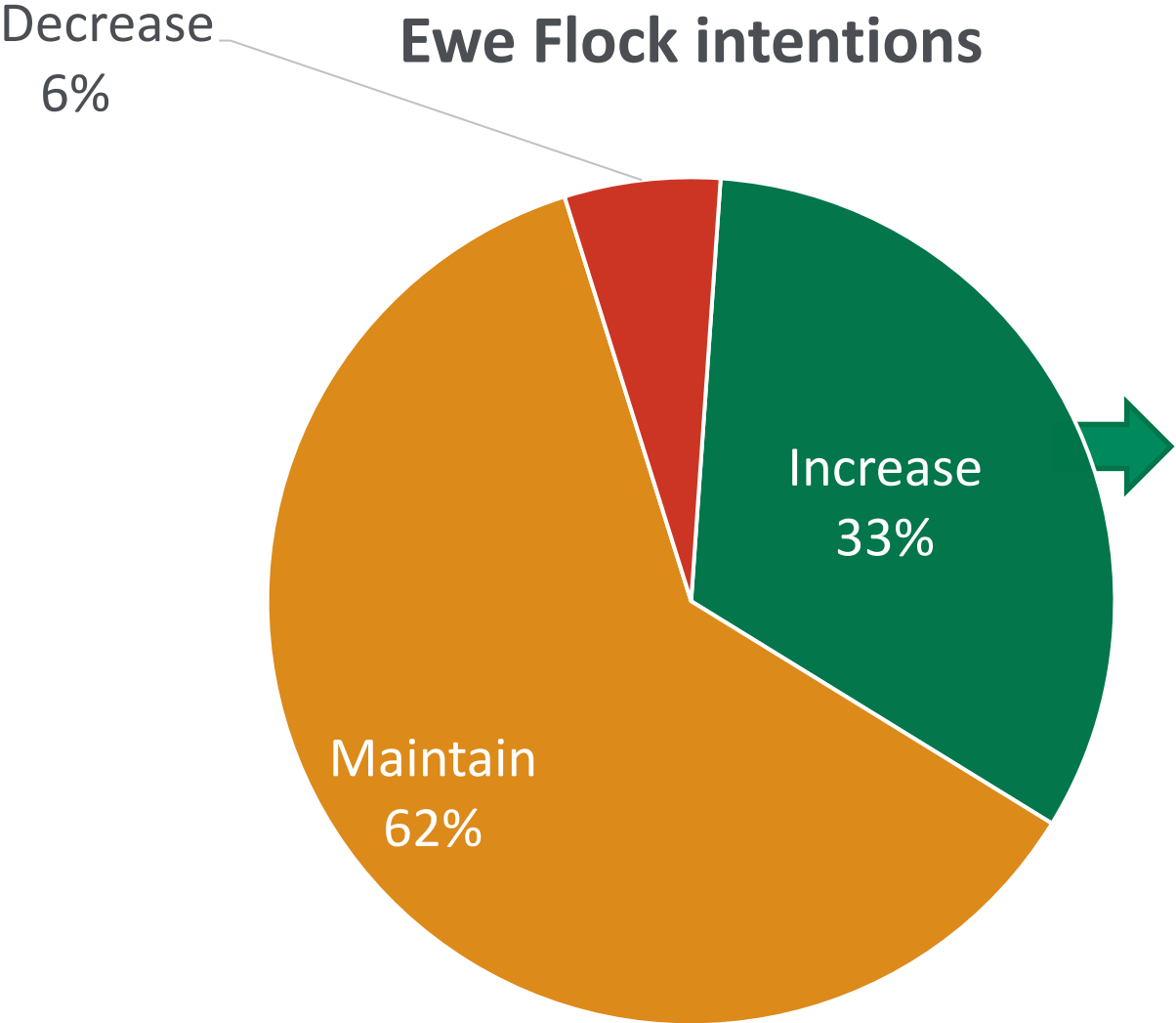
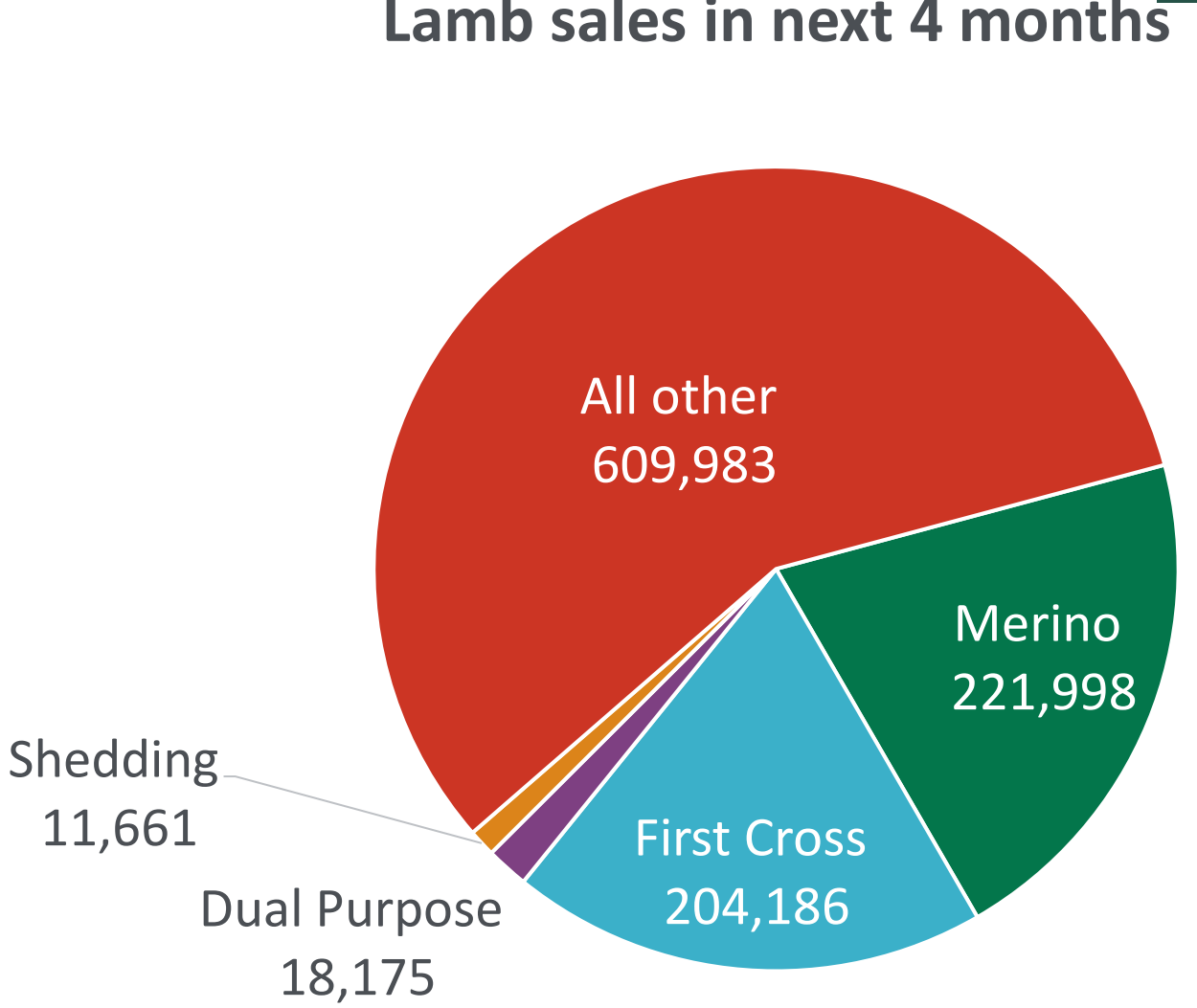
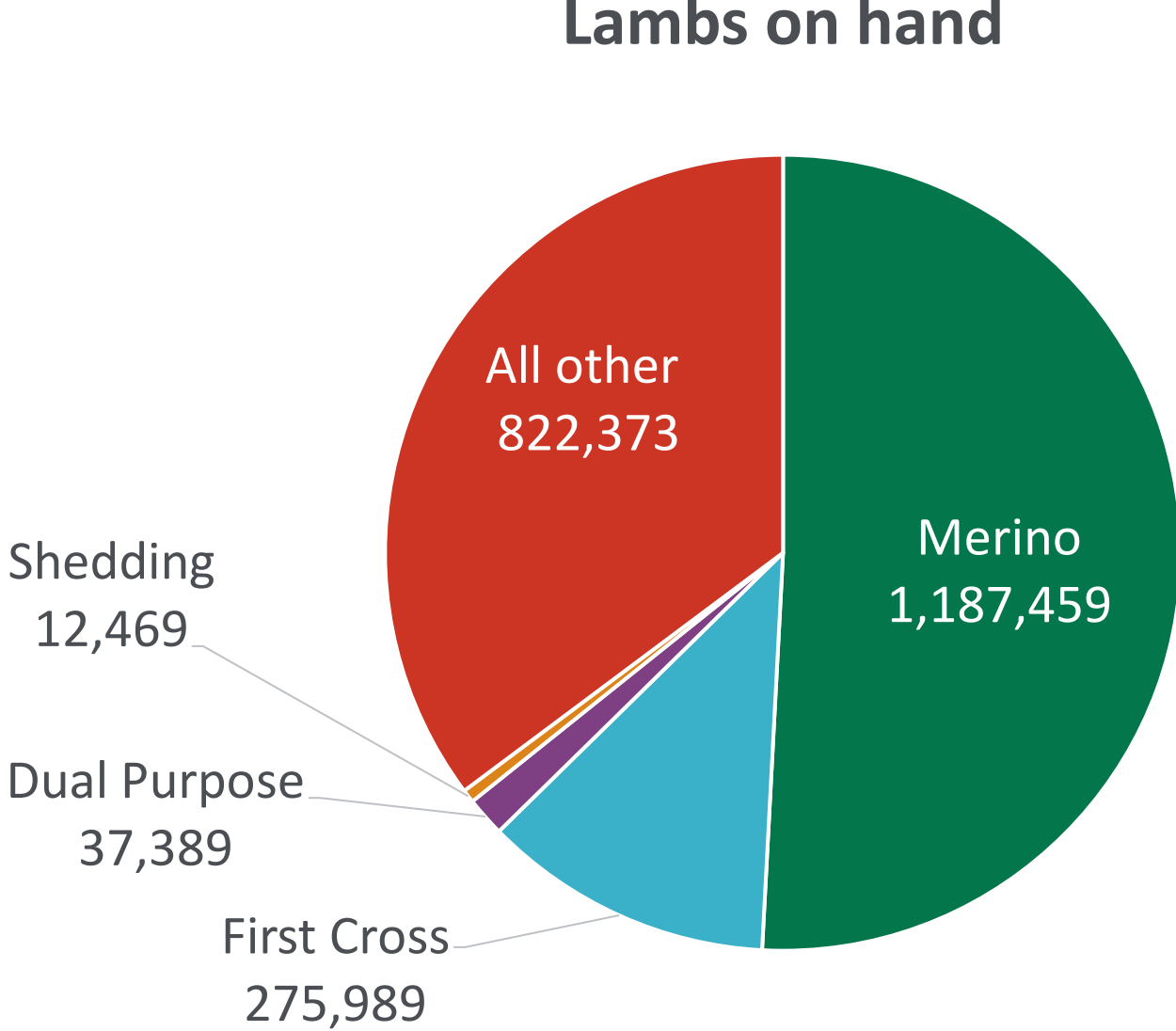
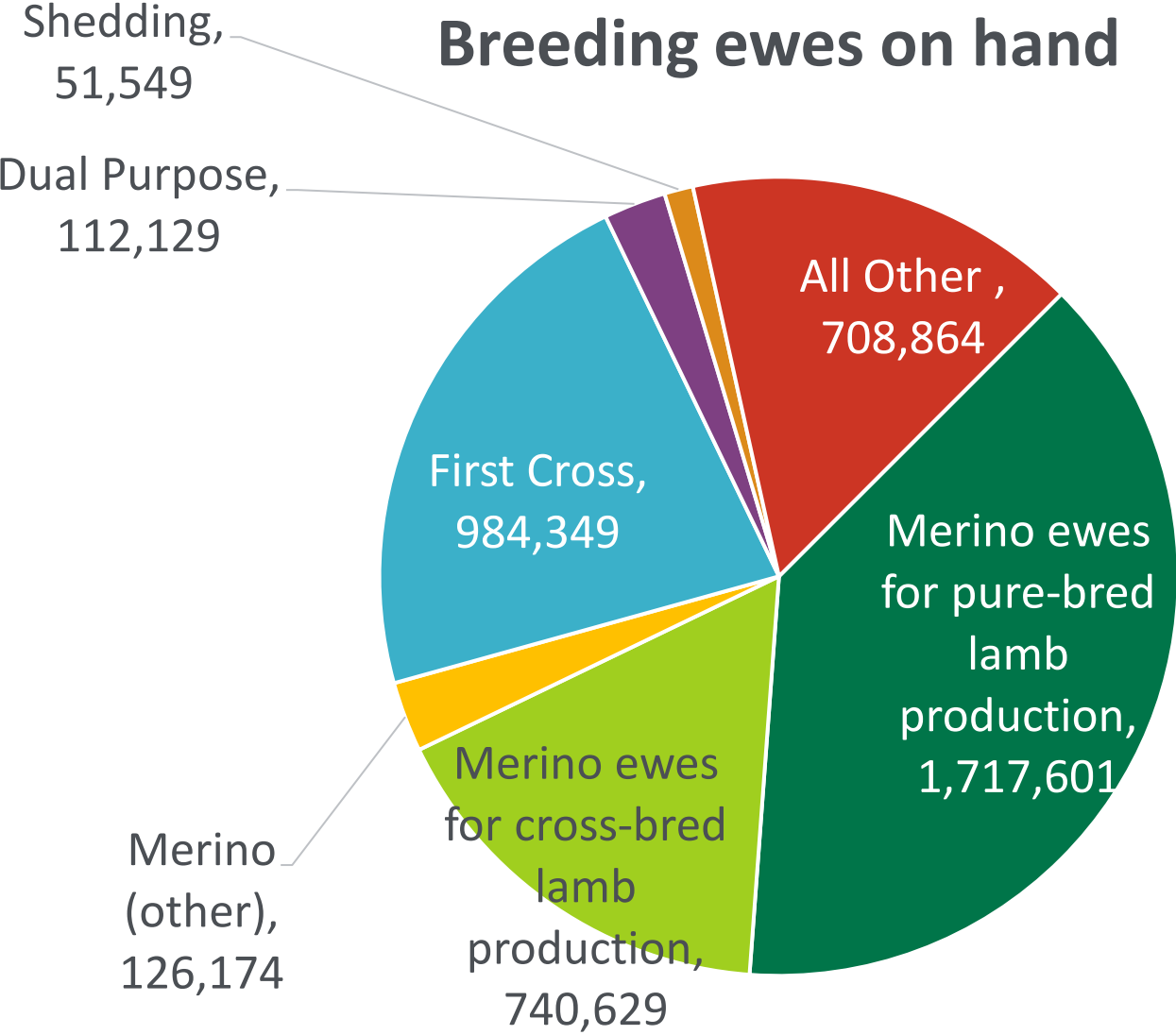
How to achieve increase



Totals

Breeding ewes on hand	7,503,105
Lambs on hand	3,366,195
Expected lamb sales in the next 4 months	1,503,558
Lambs marked in the past 4 months (1 Nov – 28 Feb)	270,773
Number of ewes joined to produce marked lambs	304,196

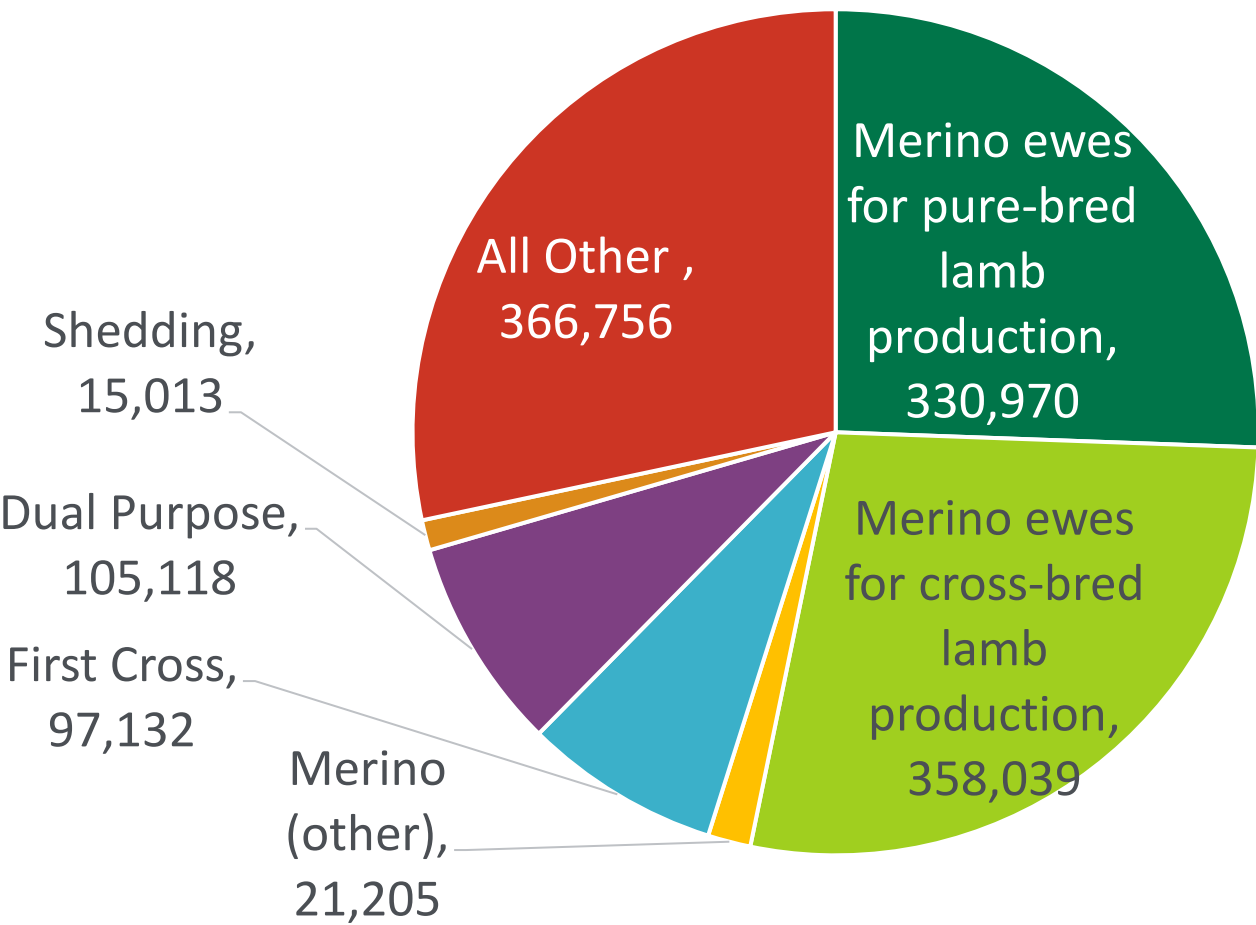
East Victoria



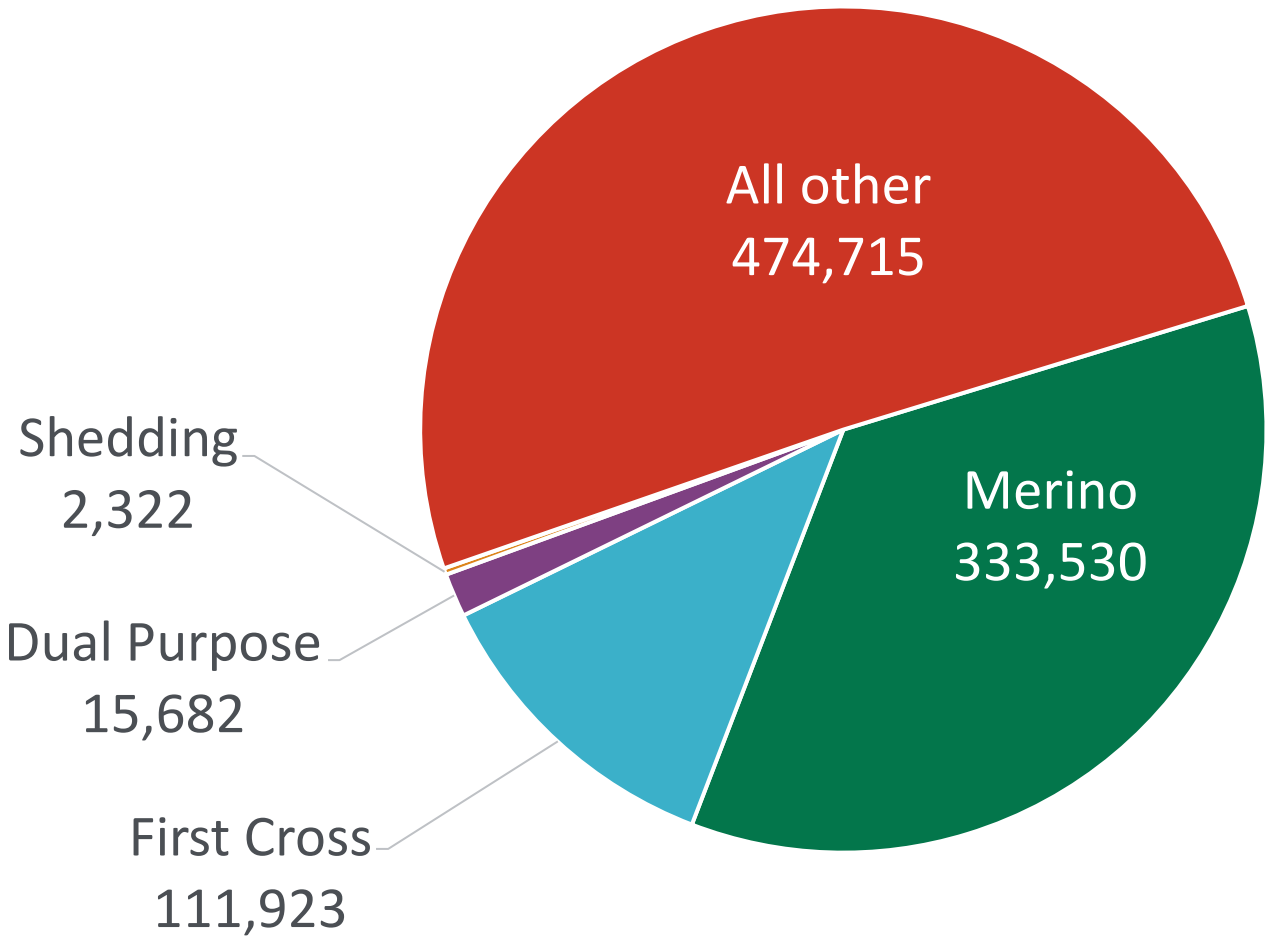
Totals	
Breeding ewes on hand	4,441,295
Lambs on hand	2,335,680
Expected lamb sales in the next 4 months	1,066,002
Lambs marked in the past 4 months (1 Nov – 28 Feb)	396,584
Number of ewes joined to produce marked lambs	438,284

Tasmania

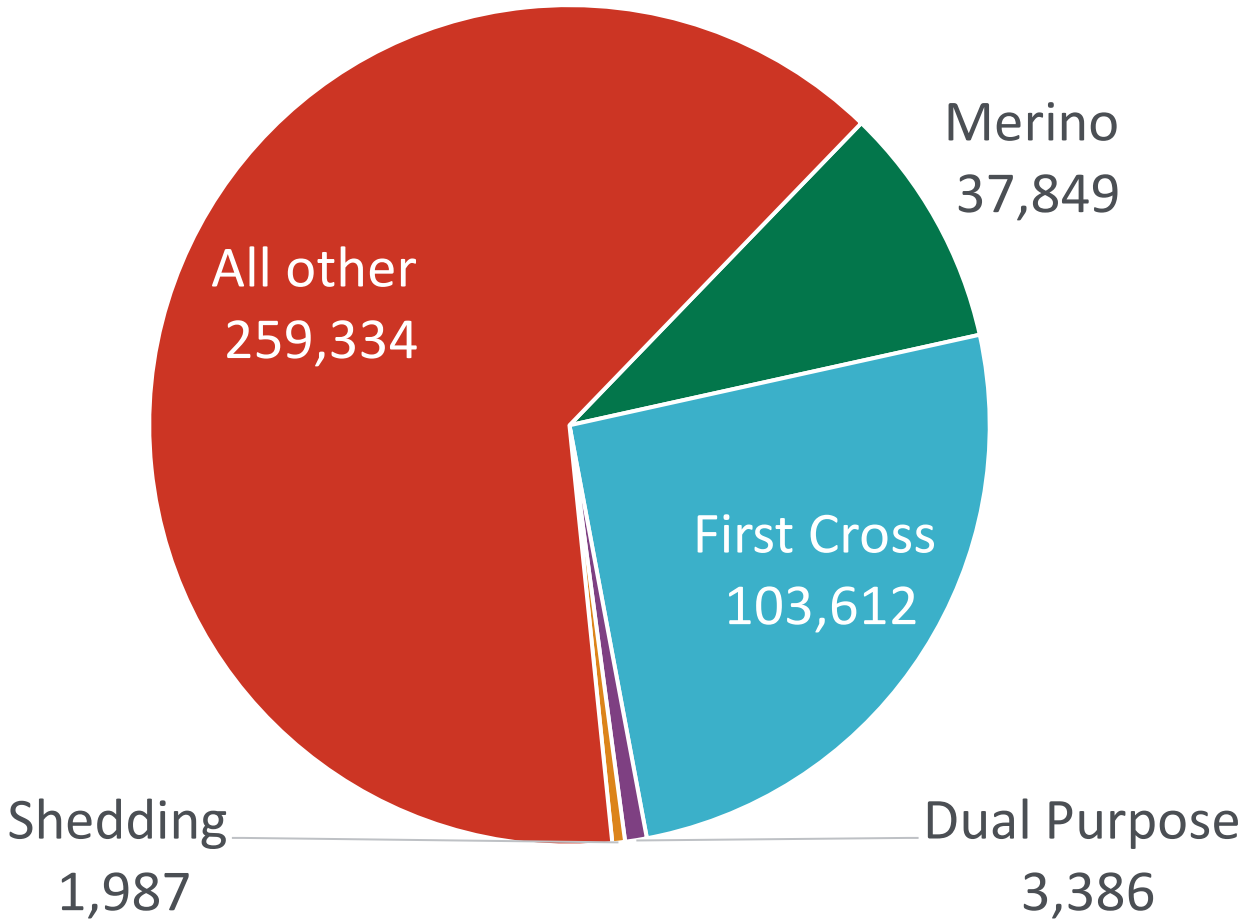
Breeding ewes on hand



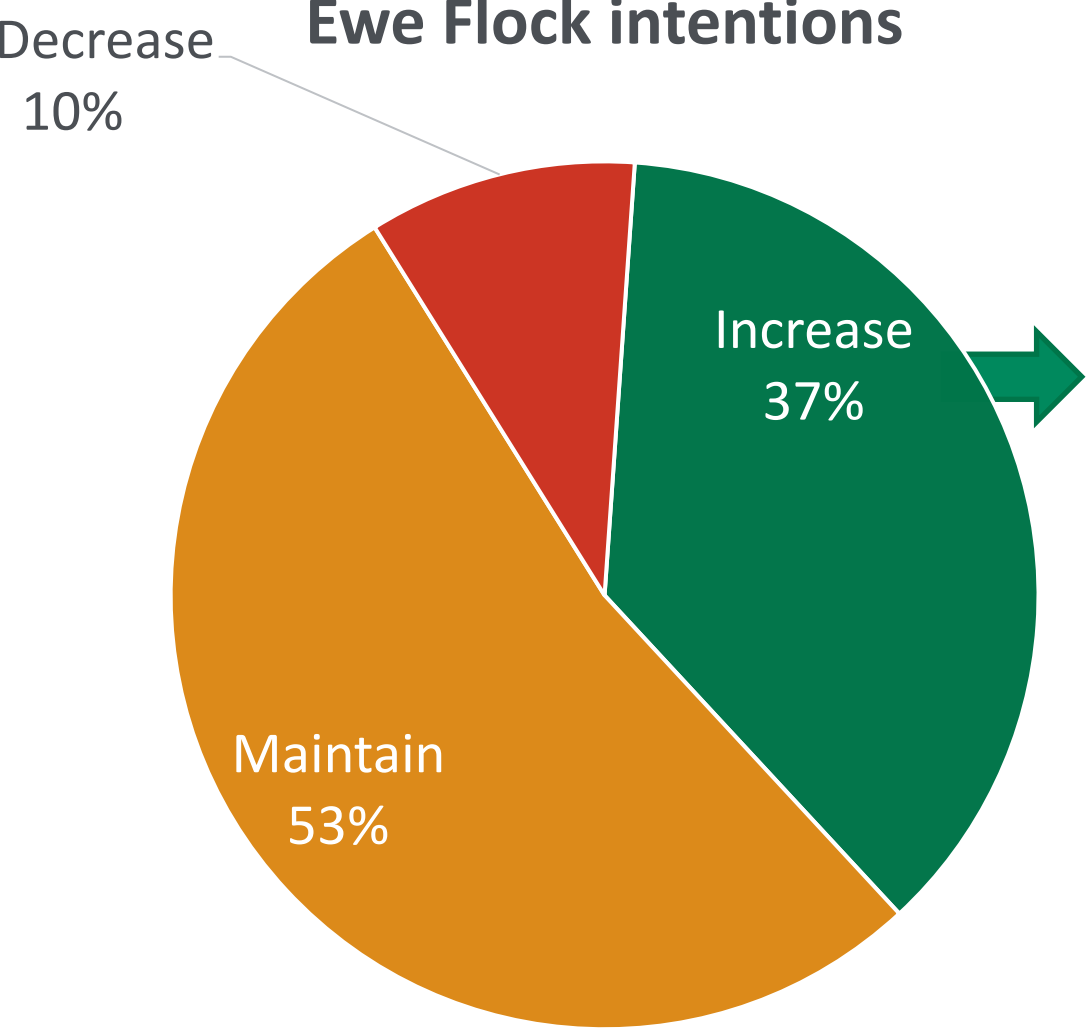
Lambs on hand



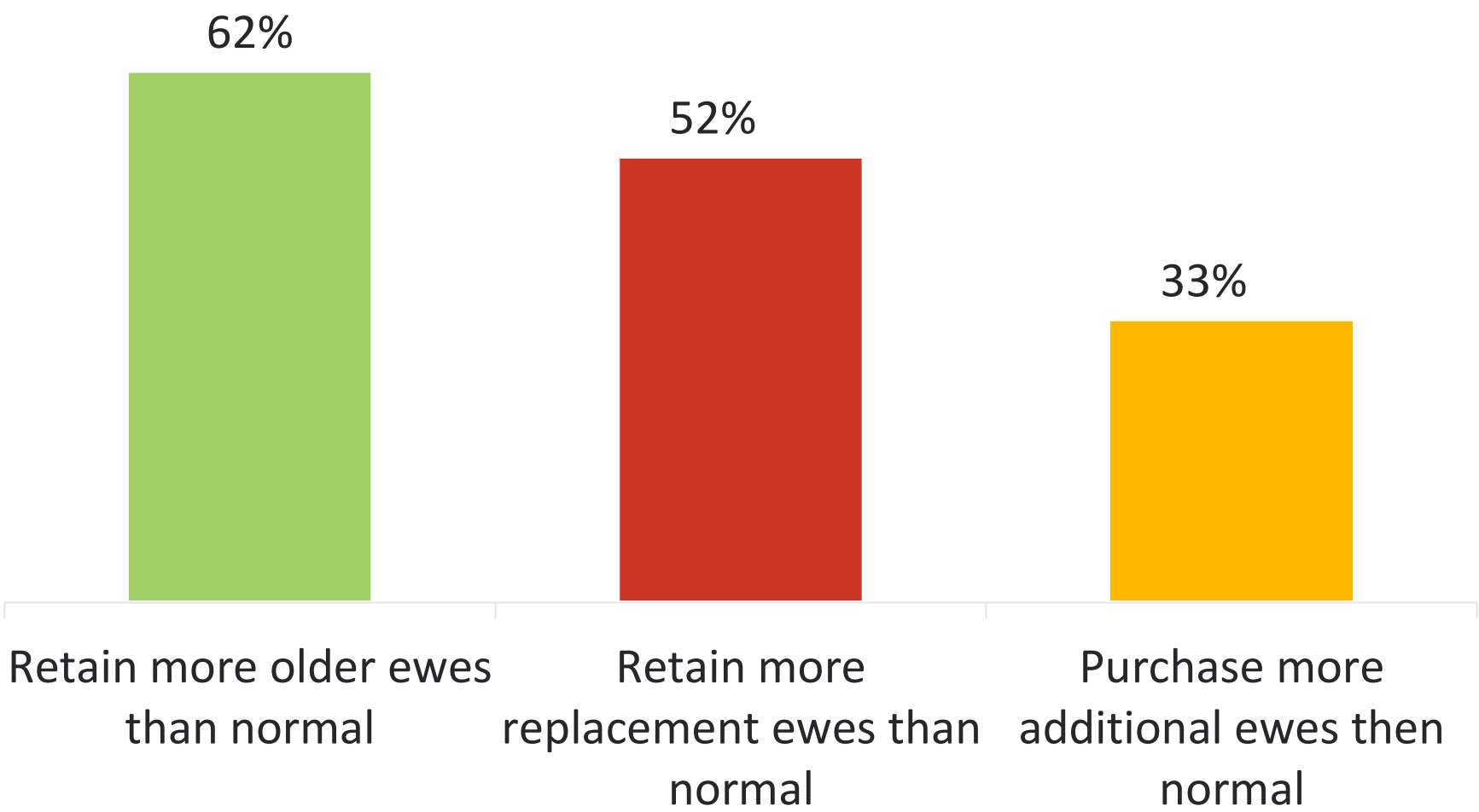
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

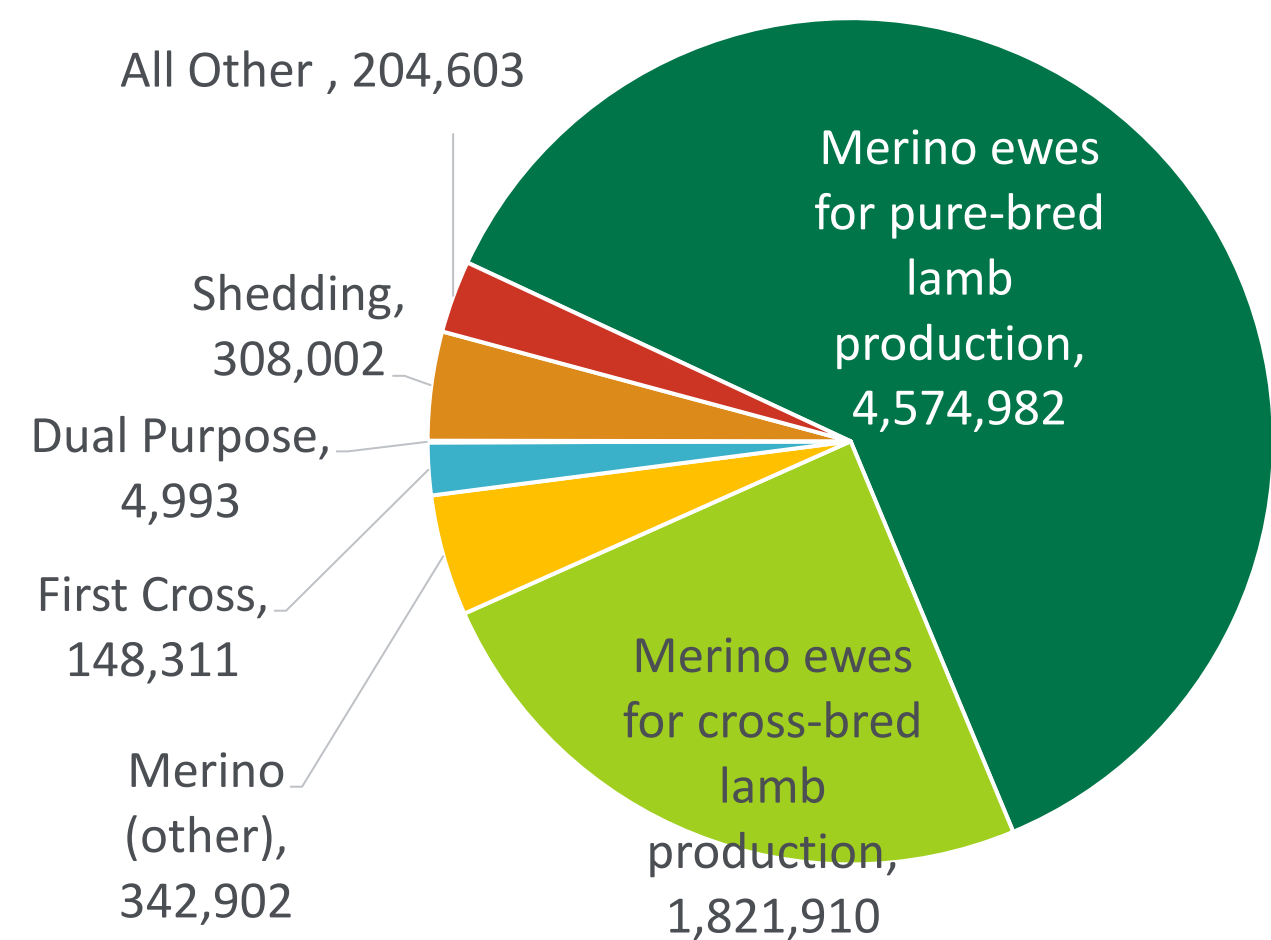


Totals

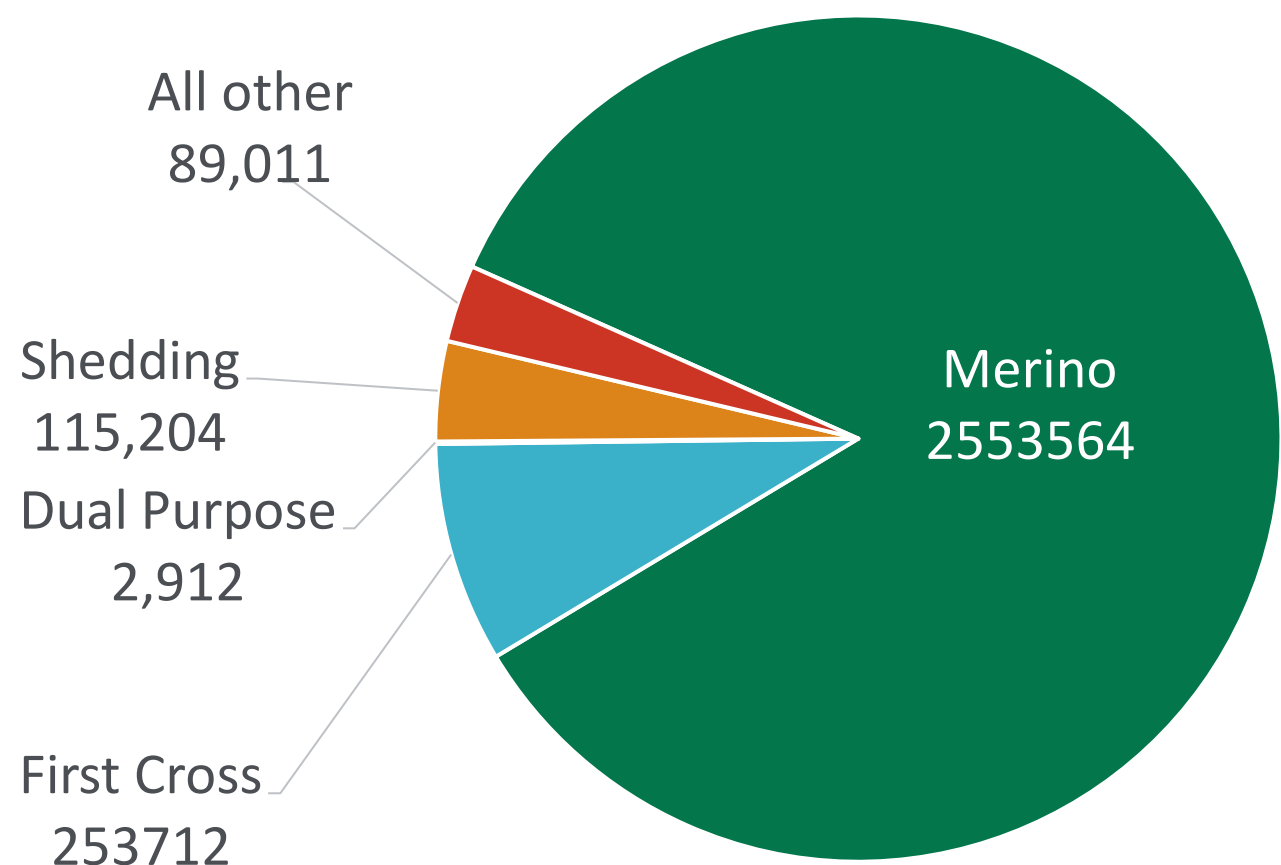
Breeding ewes on hand	1,294,233
Lambs on hand	938,172
Expected lamb sales in the next 4 months	406,168
Lambs marked in the past 4 months (1 Nov – 28 Feb)	282,502
Number of ewes joined to produce marked lambs	333,558

Western Australia

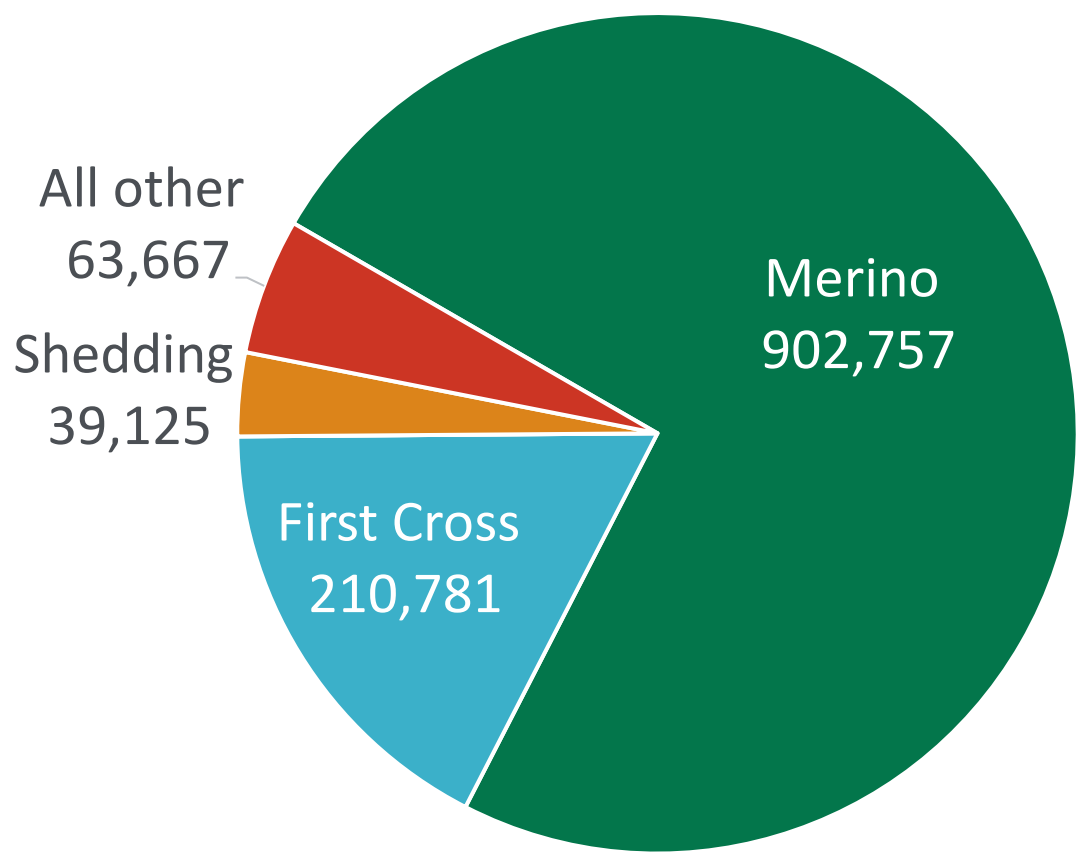
Breeding ewes on hand



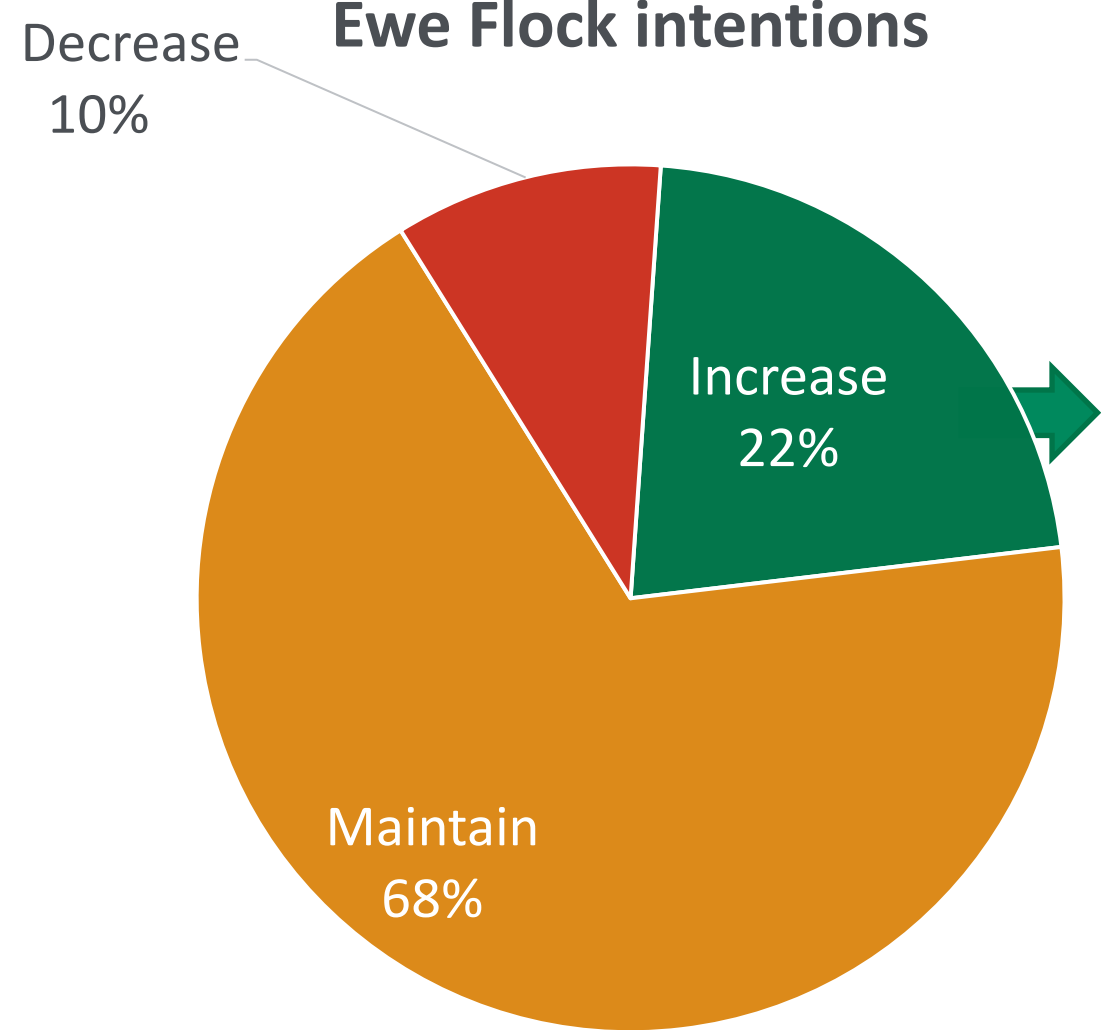
Lambs on hand



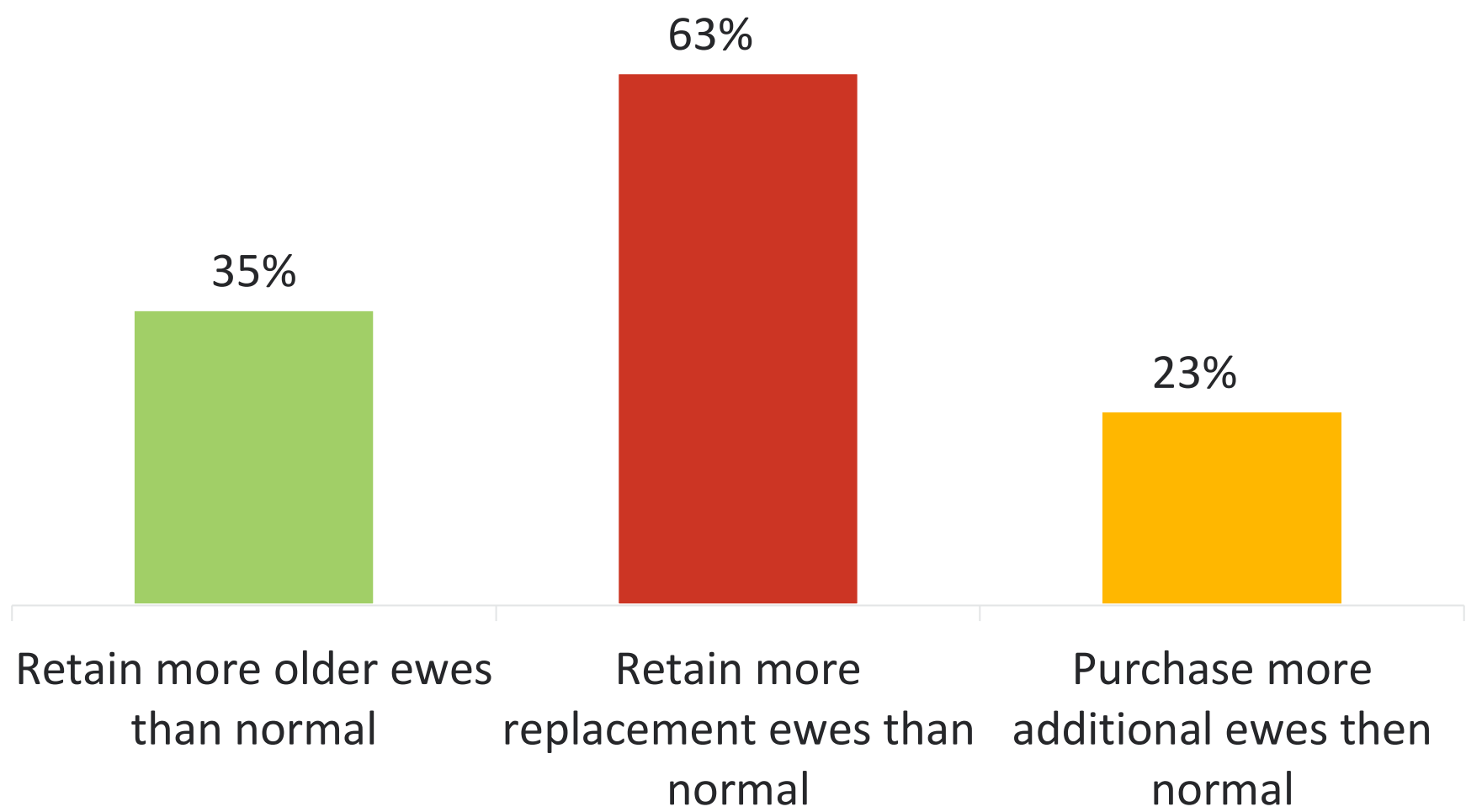
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase



Totals

Breeding ewes on hand	7,405,703
Lambs on hand	3,014,404
Expected lamb sales in the next 4 months	1,216,330
Lambs marked in the past 4 months (1 Nov – 28 Feb)	16,450
Number of ewes joined to produce marked lambs	15,308

Disclaimer

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

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