

MLA and AWI Wool and Sheepmeat Survey Report - Sheepmeat

November, 2020

Prepared by Kynetec

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Executive Summary – Lamb Production

Number of breeding ewes on hand

40,718,587 total breeding ewes on hand
30,449,794 Merino breeding ewe flock, 75% of total breeding flock
10,268,793 total non-Merino breeding ewes on hand, 25% of total breeding flock
Within the Merino flock, 73% for purebred Merino lamb production and 27% for other lamb production

Ewe flock intentions for next 12 months

42% increase
52% maintain
7% decrease

Intended method for achieving ewe flock increase

44% Retain more older ewes than normal
56% Retain more replacement ewes than normal
34% Purchase more additional ewes than normal

Number of lambs on hand

25,859,078 total lambs on hand
14,496,621 total Pure bred Merino lambs, 56% of total lamb flock
11,362,457 total non-Merino lambs, 44% of total lamb flock

Expected lamb sales in the next four months (1 Nov – 28 Feb)

10,187,862 total lamb sales in the next four months
3,015,526 total Pure meat sales (30% of total lamb sales)
2,551,783 total First cross sales (25% of total lamb sales)
2,456,806 total Merino sales (24% of total lamb sales)
2,163,747 total other breed sales (21% of total lamb sales)

Number of lambs marked in the past four months (1 Jul – 31 Oct)

21,861,458 total lambs marked in the past four months
12,324,631 total Merino lambs marked (56% of total markings)
9,536,827 total non-Merino lambs marked (44% of total markings)

Number of ewes joined to produce those lambs

22,127,620 total number of ewes joined to produce those lambs
13,382,299 total Merino lambs joined (60%)
8,745,321 total non-Merino lambs joined (40%)

Marking rates

92% National Merino marking rate
109% 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 October 2020 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 1,678 survey responses were achieved in October 2020, a similar response level to that achieved in June 2020 at 1,697 surveys. Final samples in both surveys were less than the typical level of around 2,000 completes. The smaller sample in June 2020 was largely due to fewer mail surveys (down from a typical 701 in June 2019 to only 312 in June 2020). Australia Post was experiencing severe delays in their letters and parcel deliveries over the June / July survey period due to Covid-19 with less domestic flights, increased deliveries for online orders and staff safety procedures. Similar postal delays were expected in the October 2020 survey so a change from mail to phone methodology was undertaken to ensure that a robust sample of at least 1,700 surveys could be achieved in a timely manner (further details below).

Given many large producers have multiple properties in different regions and states and their possible impact on weighting, results are reported based on number of properties rather than respondents. As a result, 2,495 properties were included in the survey.

Data Collection

Two 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 October. A total of 7 respondents completed the survey via this method (0.4% 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 (13 to 31 October 2020) and send reminder emails accordingly. A total of 17,141 emails were sent to MLA and AWI members via the email addresses provided by MLA and AWI databases. Of those 2,939 emails bounced, giving a total emails delivered of 14,202. A total of four 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 1,178 completed responses (70% of the sample).
2. **Mail-out survey / Telephone Survey:** A mail survey not undertaken in October 2020. Rather, mail respondents to the last four surveys were contacted by telephone and were offered the opportunity to complete the survey over the phone. The mail budget was used to fund this telephone survey of mail respondents so there was no impact on the project's overall budget. A total of 493 producers responded by this methodology (29% of total sample). In addition, in order to boost the sample of very large sheepmeat and wool producers, approximately 100 calls were made to MLA's top 50 sheep levy payers to do the survey over the phone (as is standard practice each survey). As a result of telephone calls and the online survey, a total of 9 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 three years of Wool and Sheepmeat surveys is below.

The producer populations will be updated again when the 2019/2020 ABS data becomes 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
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 1,678 will give the results of this study a margin of error of $\pm 2.34\%$ 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 $\pm 2.34\%$ of the published number or percentage. However, the % of error increases as the sample size decreases (e.g. at the state and regional level).

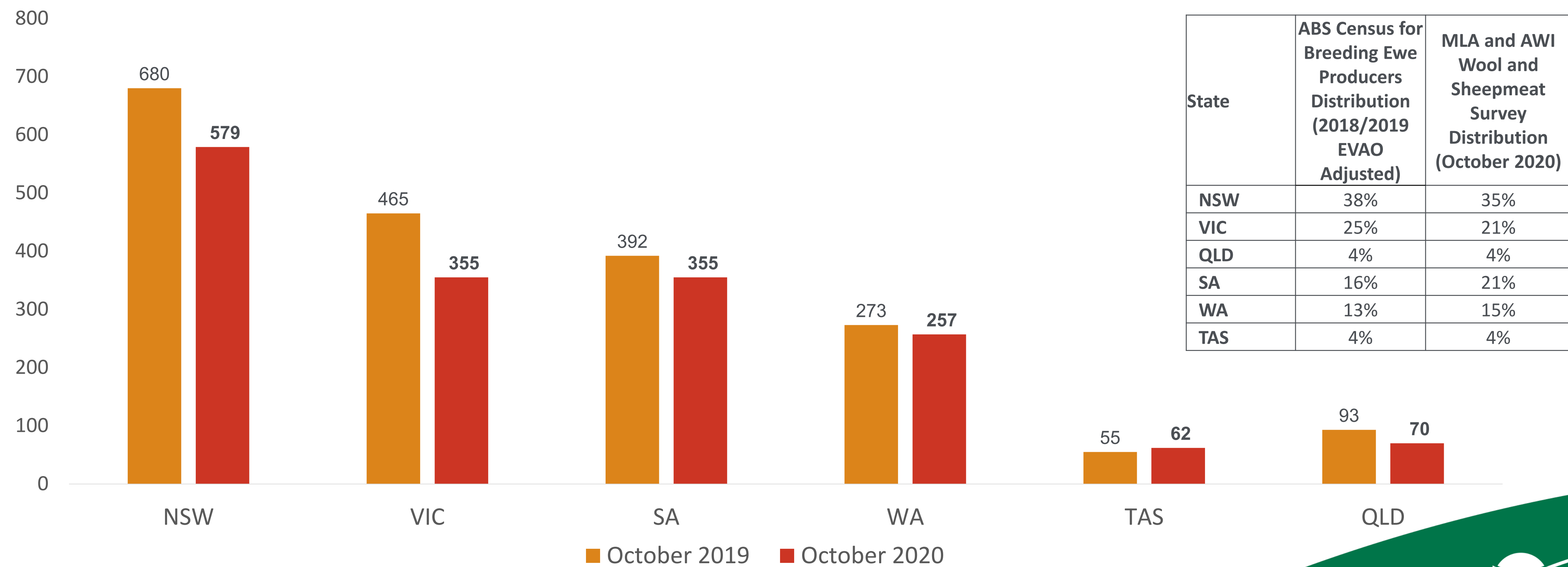
- New South Wales $\pm 4.00\%$
- Victoria $\pm 5.11\%$
- Queensland $\pm 11.49\%$
- South Australia $\pm 5.05\%$
- Western Australia $\pm 5.96\%$
- Tasmania $\pm 12.2\%$

Survey Respondents [1/4]: By State

The total number of respondents (n=1,678) 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.

Lower response rates in the October 2020 survey was evident across most states and can attributed to a number of factors including no mail component, fewer completes obtained from the MLA and AWI website, a reduced MLA and AWI email database and an element of survey fatigue. Kynetec will have discussions with MLA and AWI to put strategies in place to increase response rates in the February 2021 survey.

Total Respondents (October 2020) = 1,978

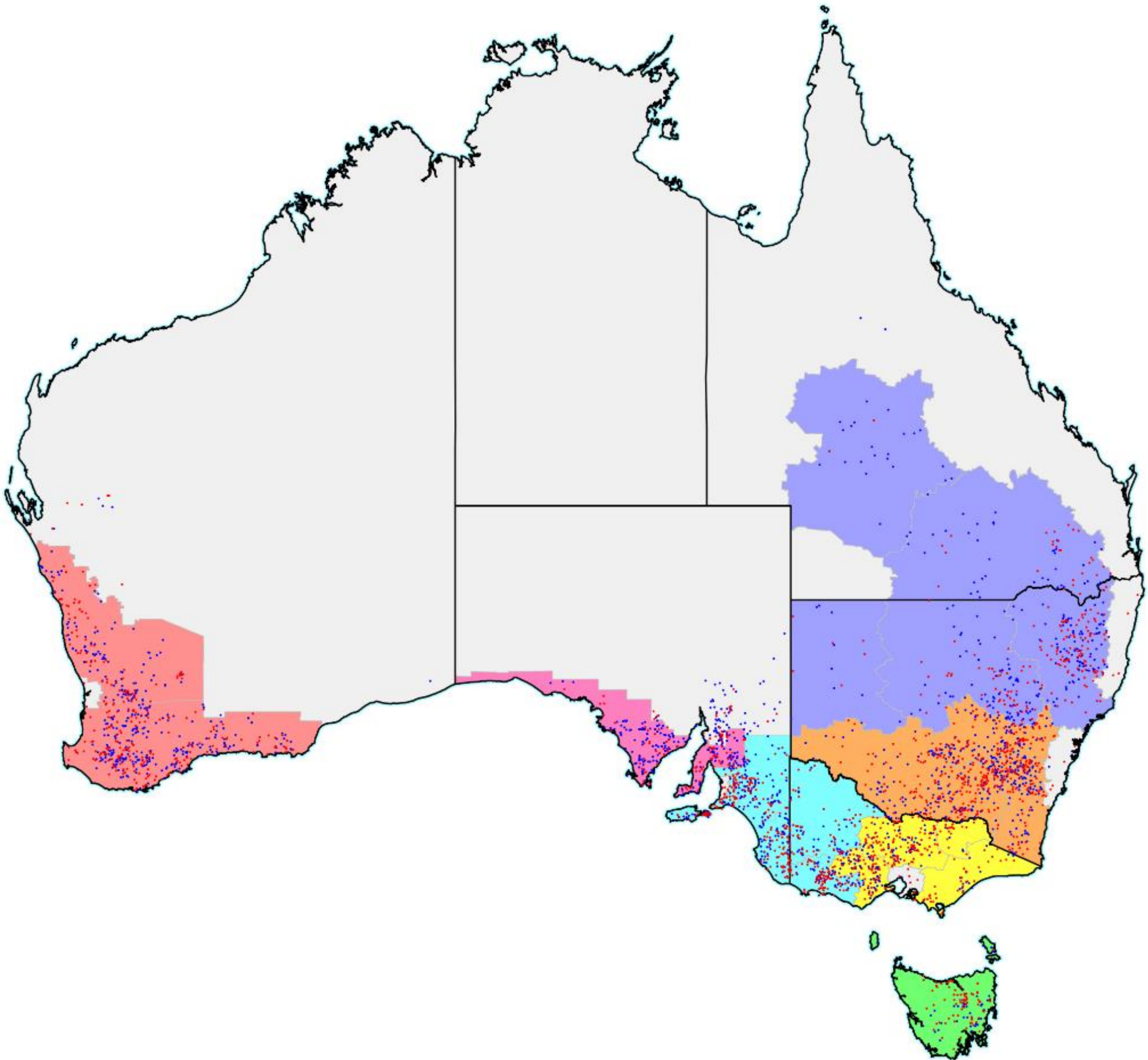


Survey Respondents [2/4]: Total Flock Counts (Merino & Non-Merino)

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 properties: n = 2,495
Merino: n = 1,623
All other: n = 1,674

Survey Respondents [3/4]: Merino Flock Counts

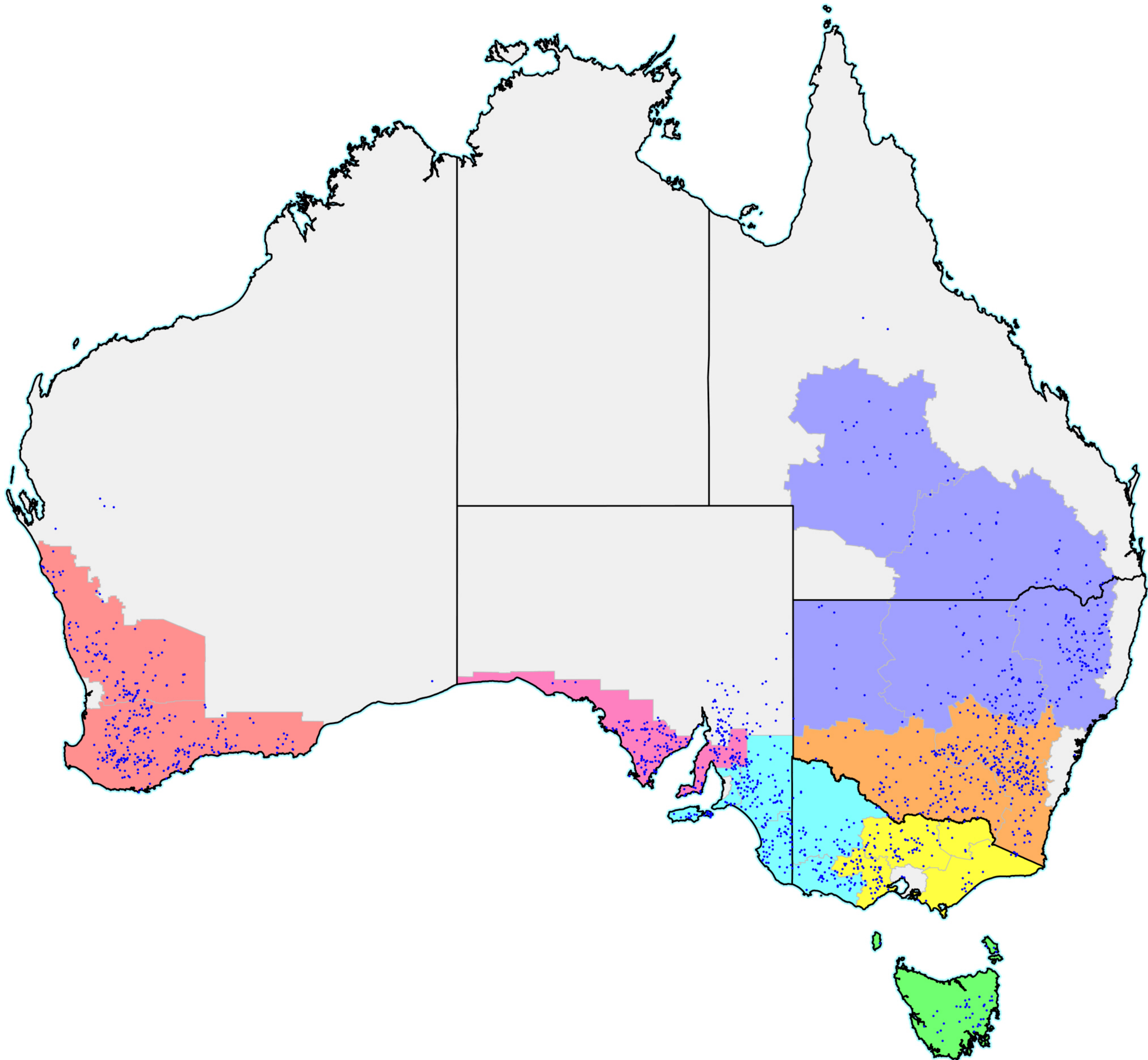
Merino
flock count
by Postcode

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 = 1,623

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

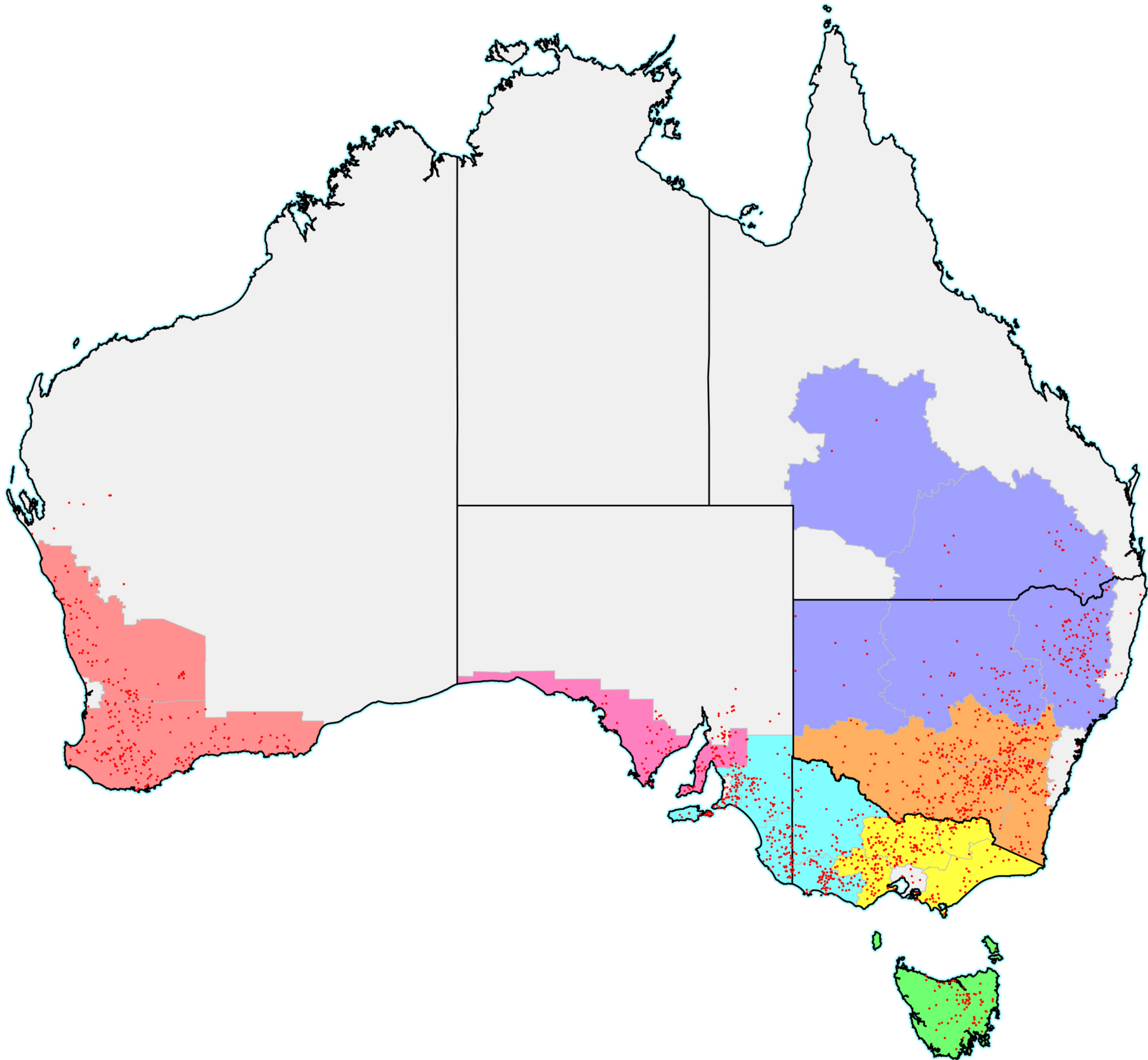
Non merino
flock count
by Postcode

MLA Reporting Regions

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

Non merino flock count
by Postcode

1 Dot = 1

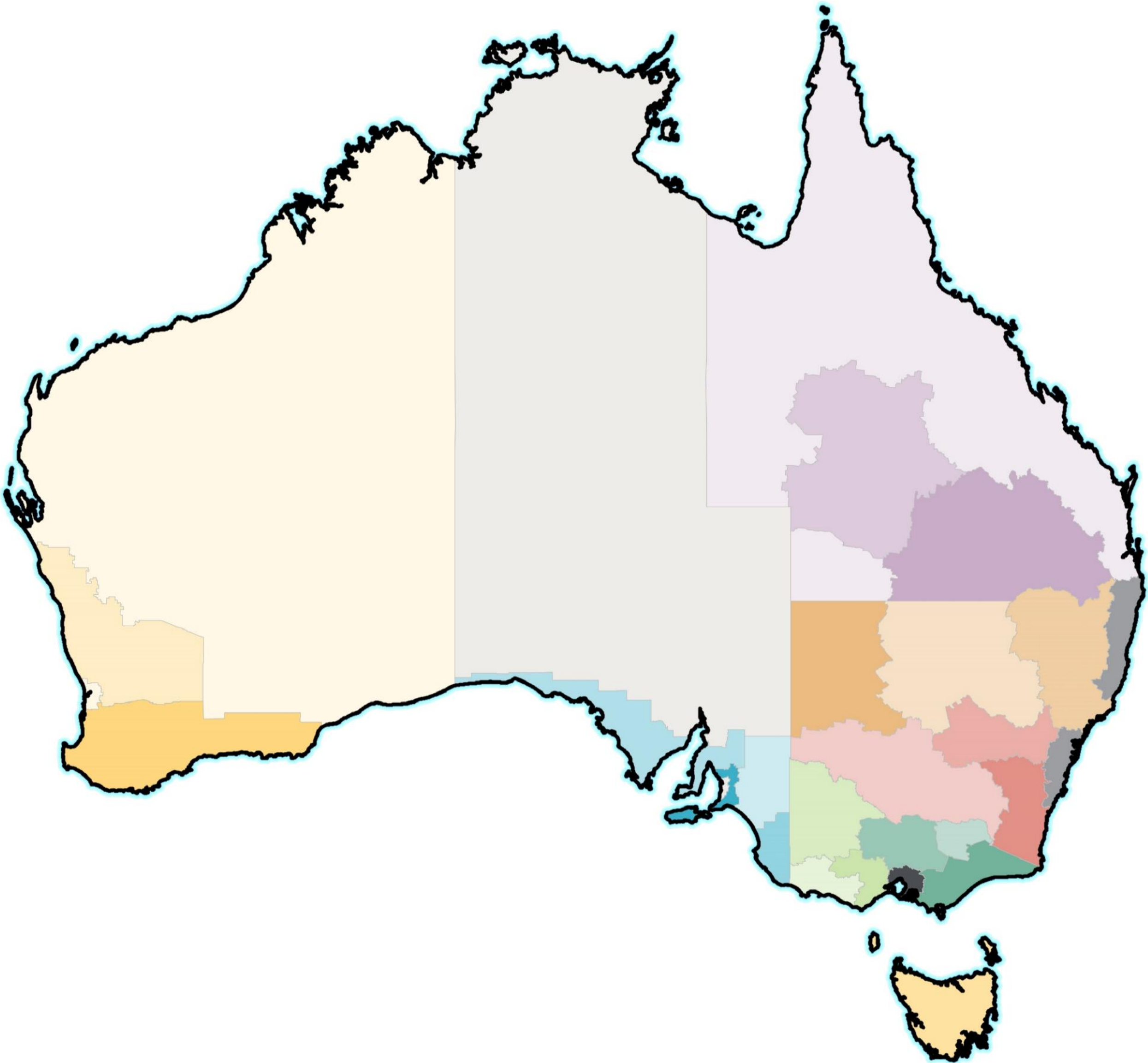


All other properties: n = 1,674

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.

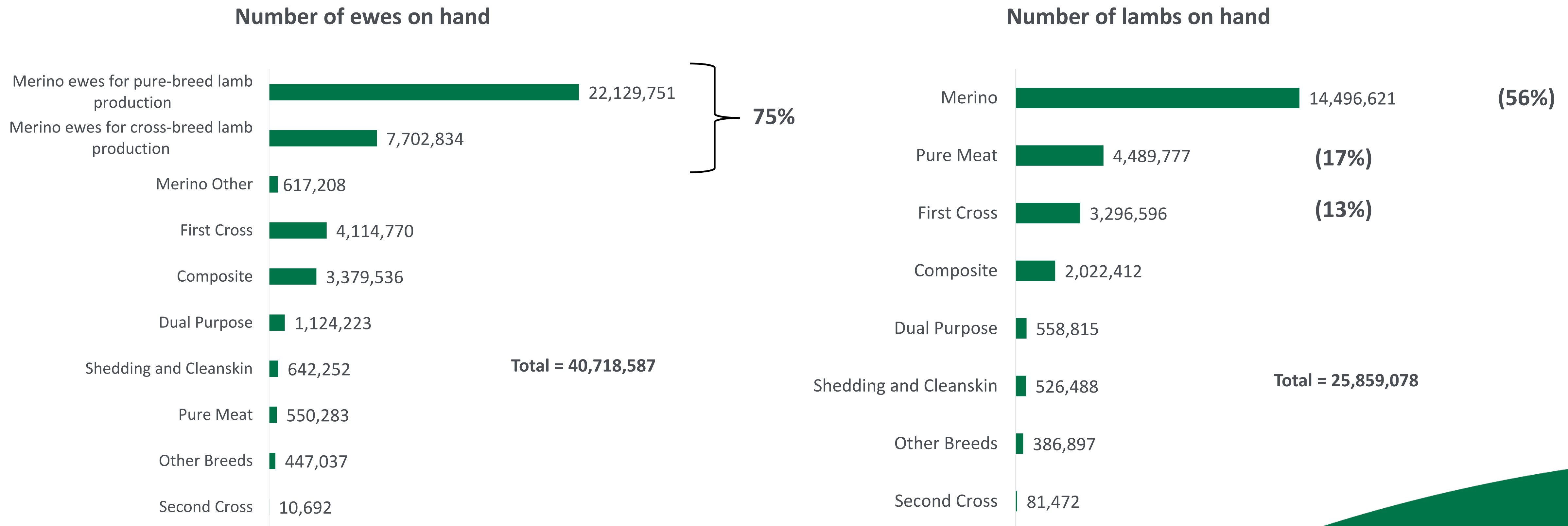
Of the 26 sheep producing regions, 7 are located in NSW, 7 in Victoria, 5 in SA, 3 in WA, 3 in Queensland and 1 in Tasmania. These producing regions are likely to change as the flock distribution changes.

National Results

Ewes on hand and Lambs on hand - Australia

Merinos accounted for 75% of the total breeding ewe flock at 40.7 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 73%, 25% and 2% of the merino flock, respectively.

There were **25.9 million** lambs on hand at 31st October 2020. Merinos made up 56% of the total lamb flock, at **14.5 million head**, followed by Pure meat and First cross lambs (accounting for 17% and 13% of the national lamb flock respectively).

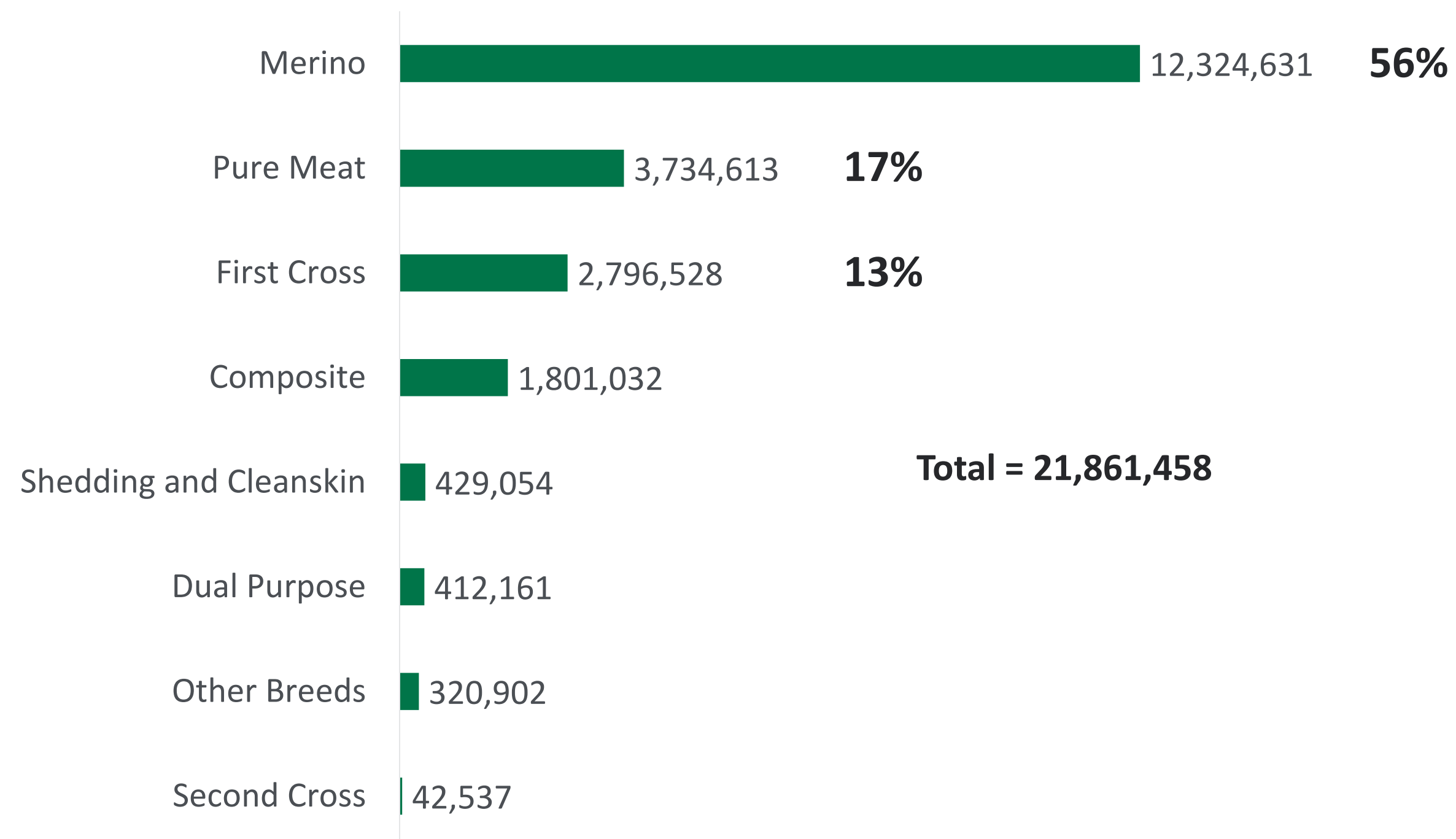


Lambs marked in the past four months (1 Jul – 31 Oct 2020) and Ewes joined to produce those lambs - Australia

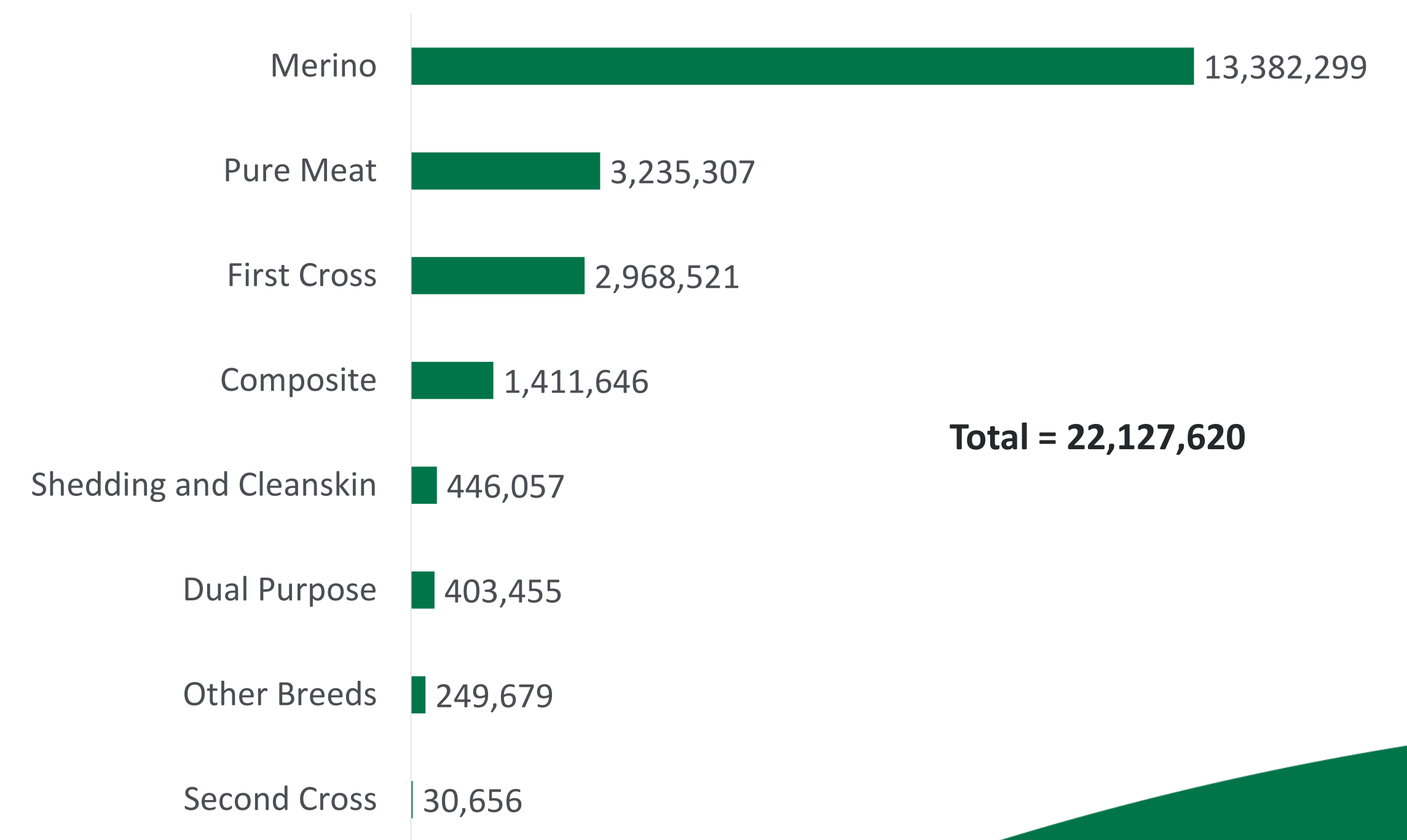
There were a total of 21.9 million lambs marked in the four months (from 1 July to 31 October 2020). Merinos accounted for the largest proportion of lambs marked in the past four months at **56%**, with Pure Meat and First cross breeds accounting for **17%** and **13%**, respectively.

A total number of 22.1 million ewes were joined to produce the lambs that were marked in the past four months. National Merino marking rates were well below that of non-merino breeds at 92% and 109% respectively.

Lambs marked in the past 4 months (1 Jul to 31 Oct)



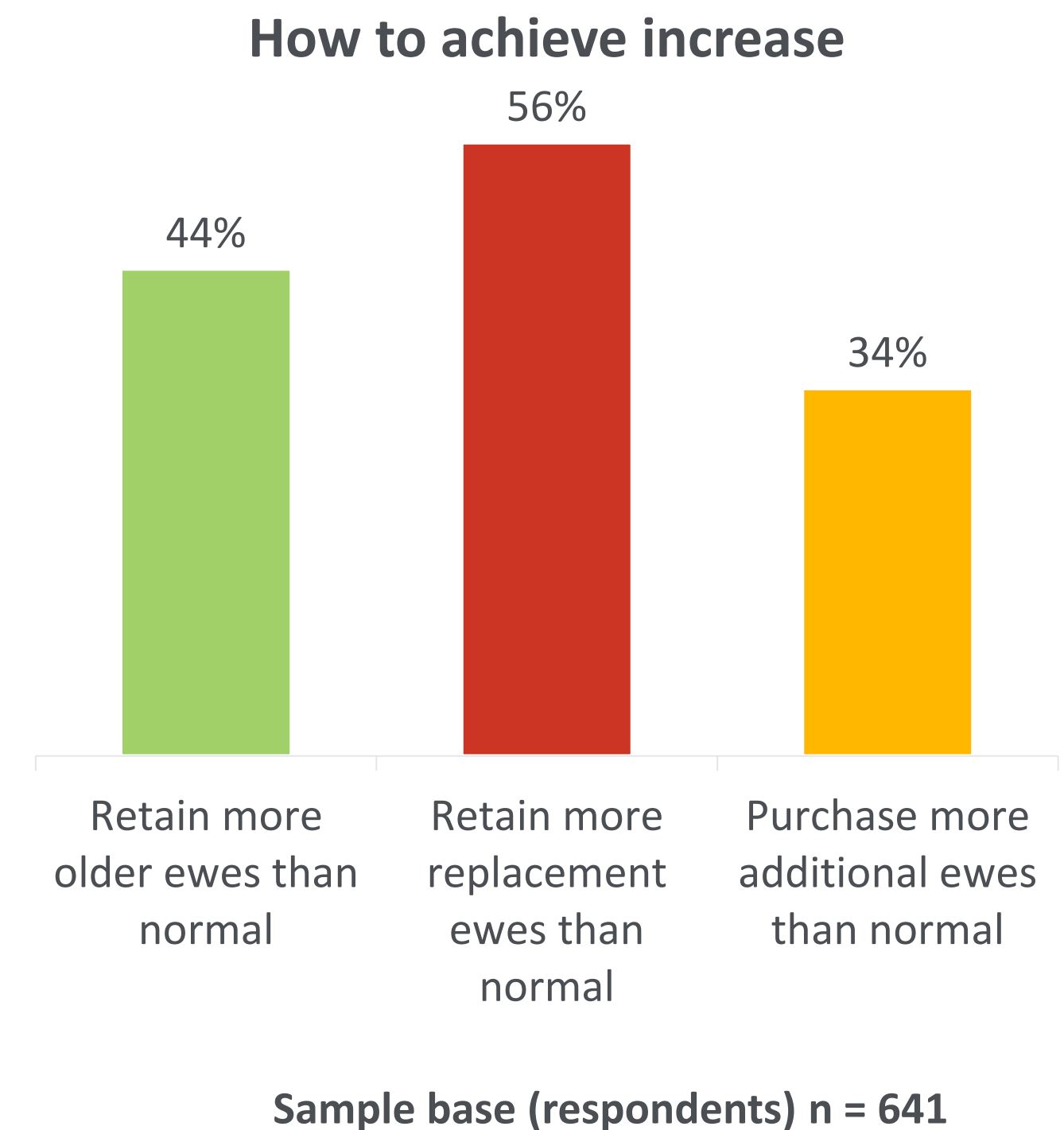
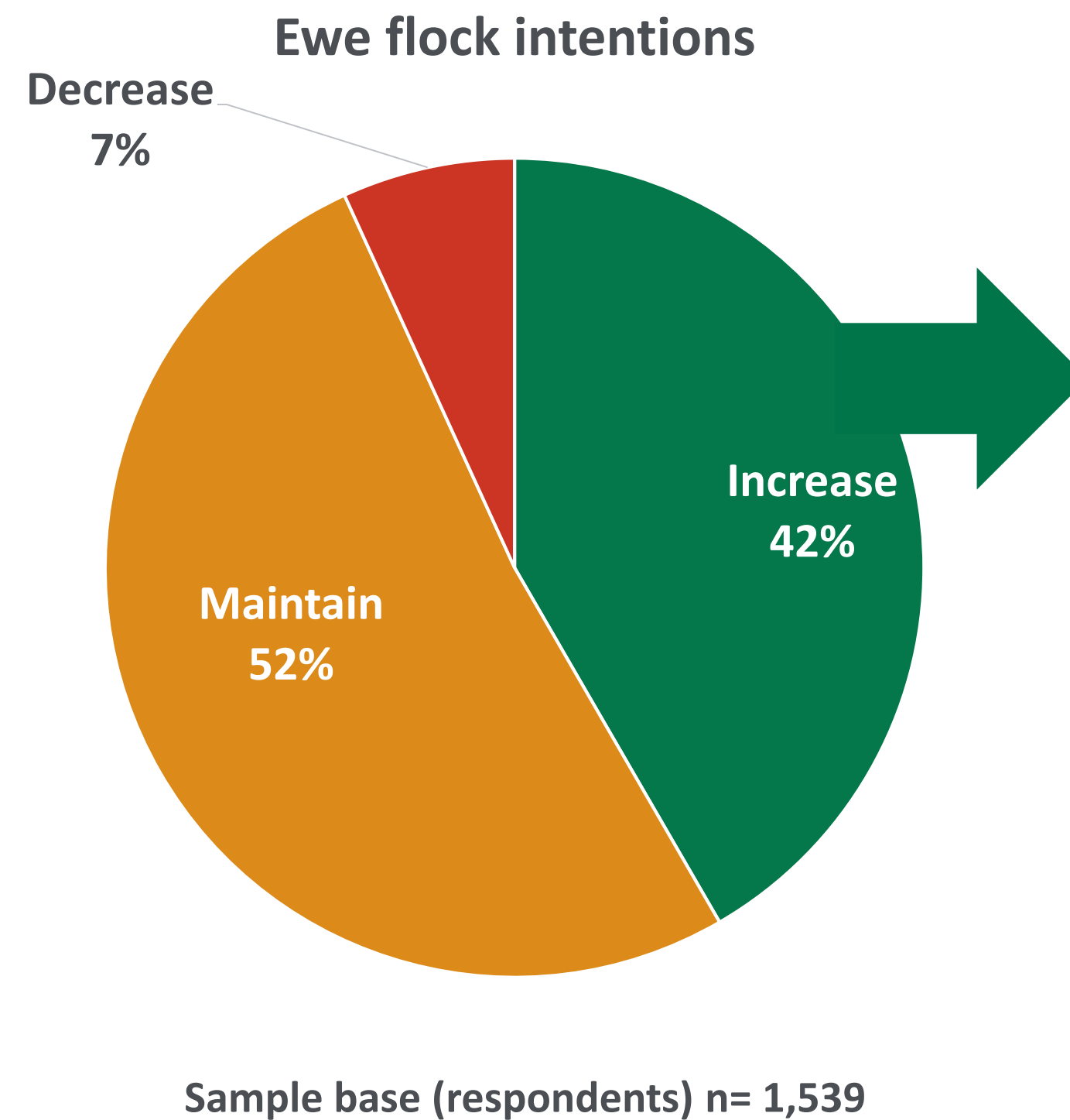
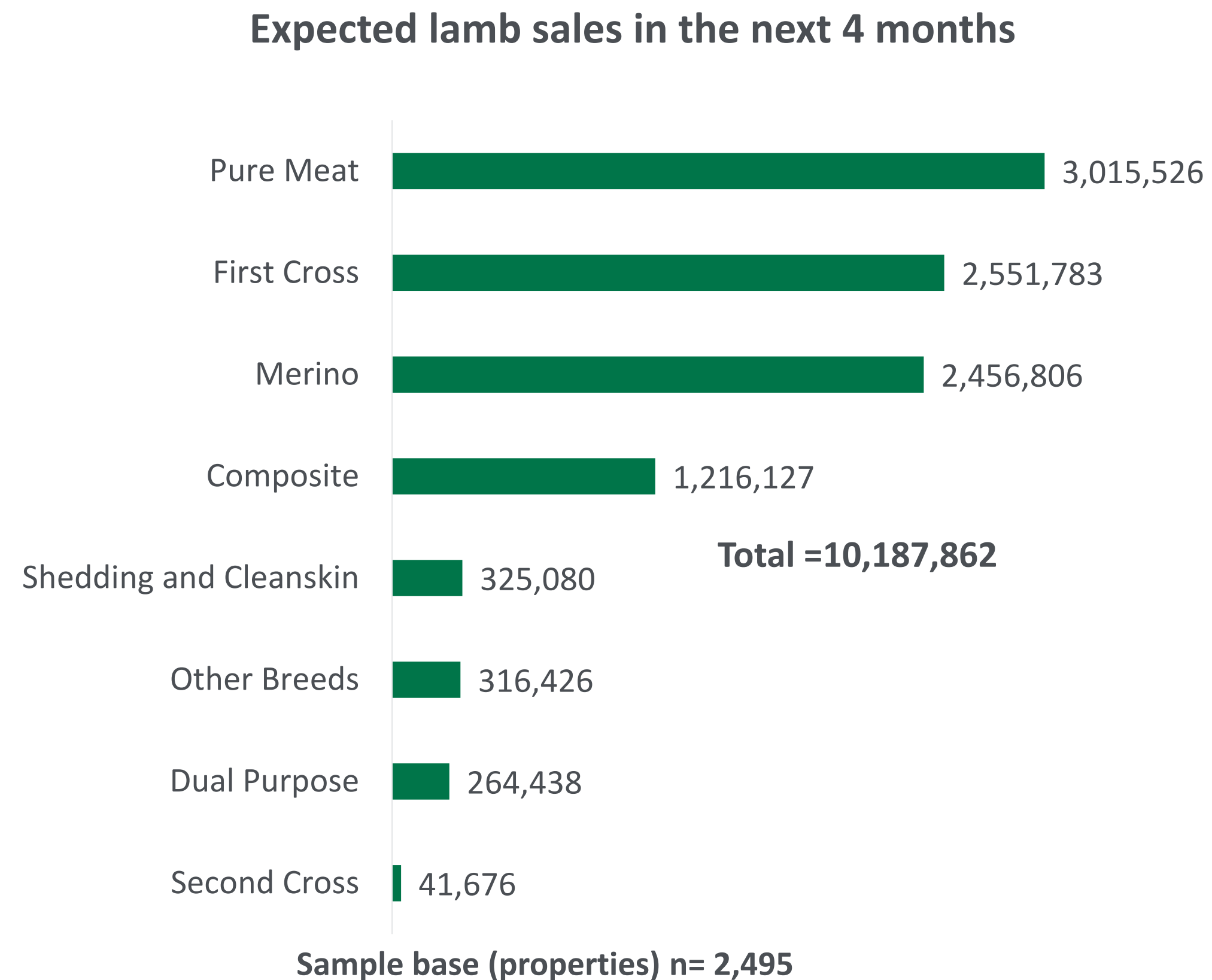
Ewes joined to produce marked lambs (1 Jul to 31 Oct)



Expected lamb sales in the next 4 months - Australia

A total number of **10.2 million lambs** are expected to be sold in the next four months (1 Nov 2020 to 28 Feb 2021), approximately 39% of the total number of lambs on hand (25.9 million). Of these: Pure Meat, First Cross and Merino breeds are expected to account for 30%, 25% and 24% of lamb sales respectively.

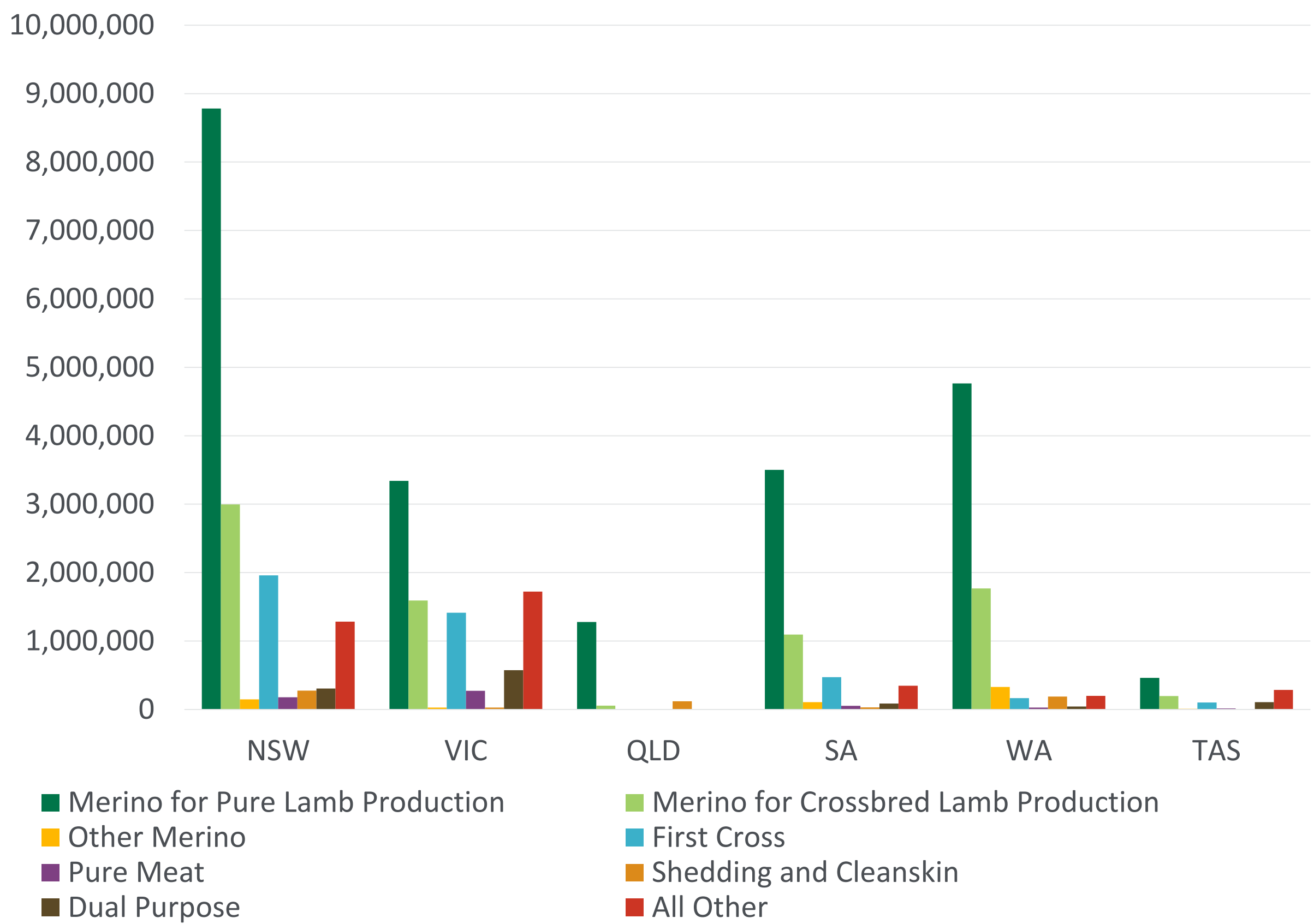
42% of producers are looking to increase their ewe flocks, largely through retaining more replacement ewes than normal (56%) or retaining more older ewes (44%).



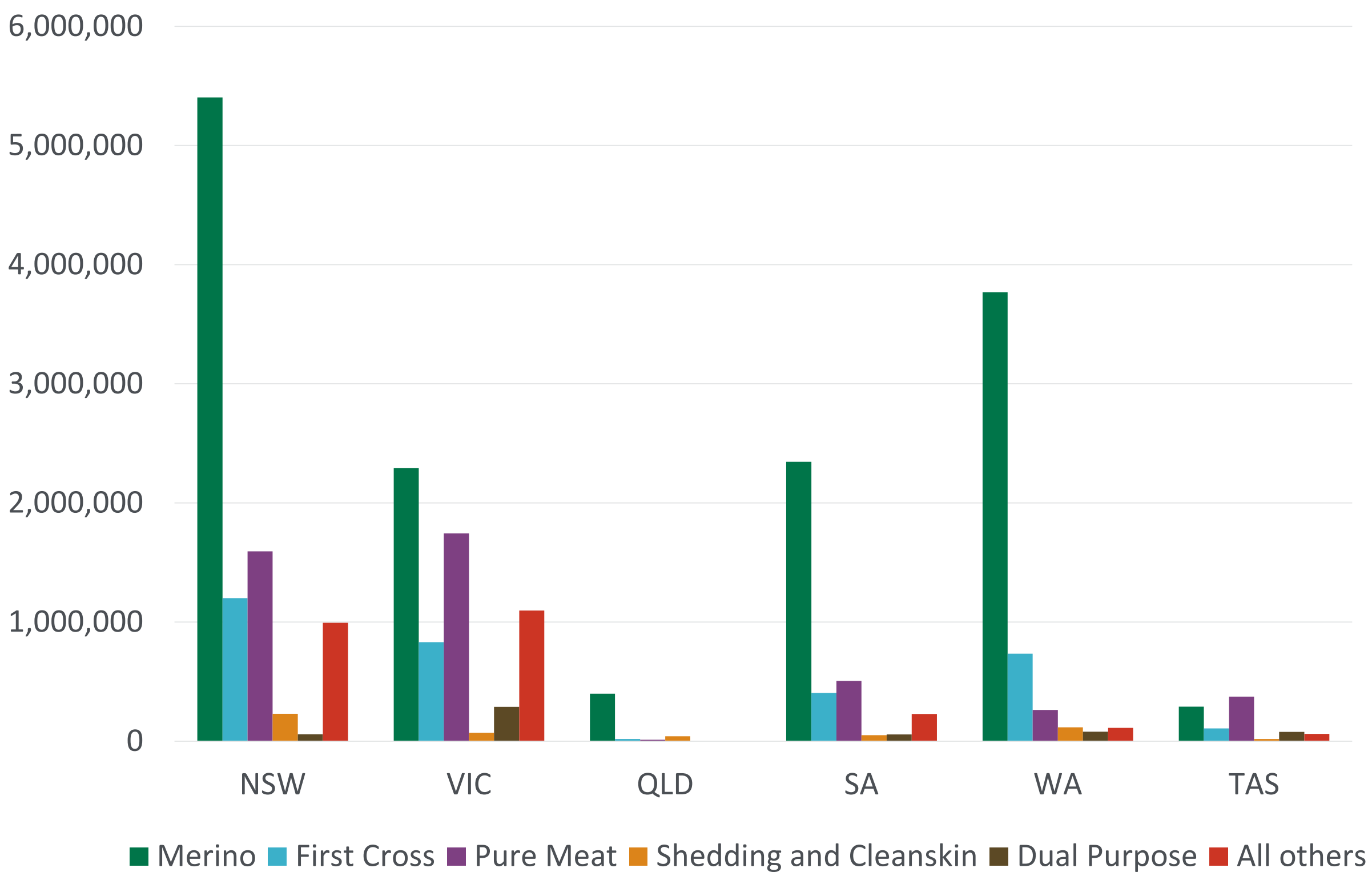
Results by State

Ewes on hand and Lambs on hand - State

Ewes on hand

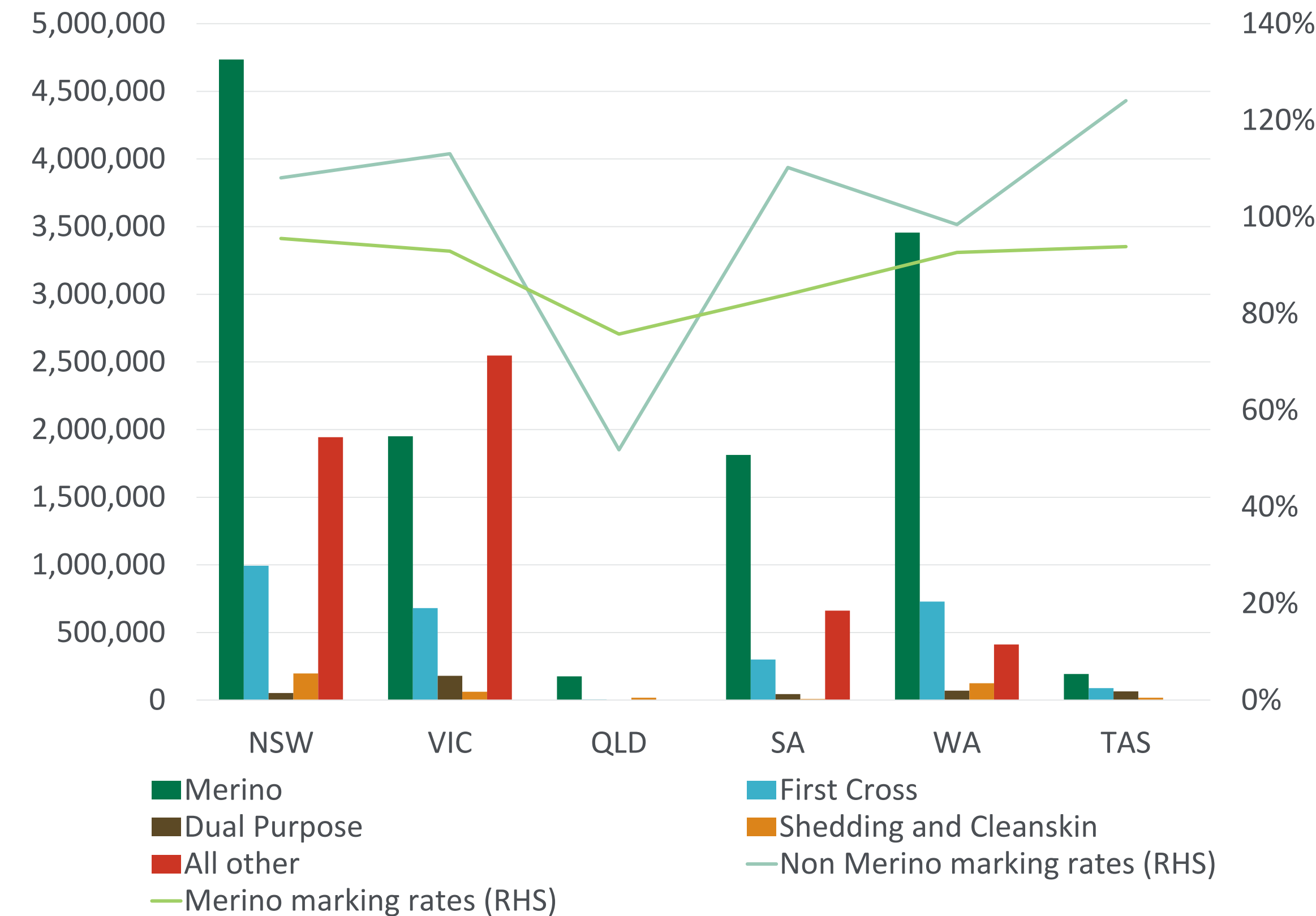


Lambs on hand

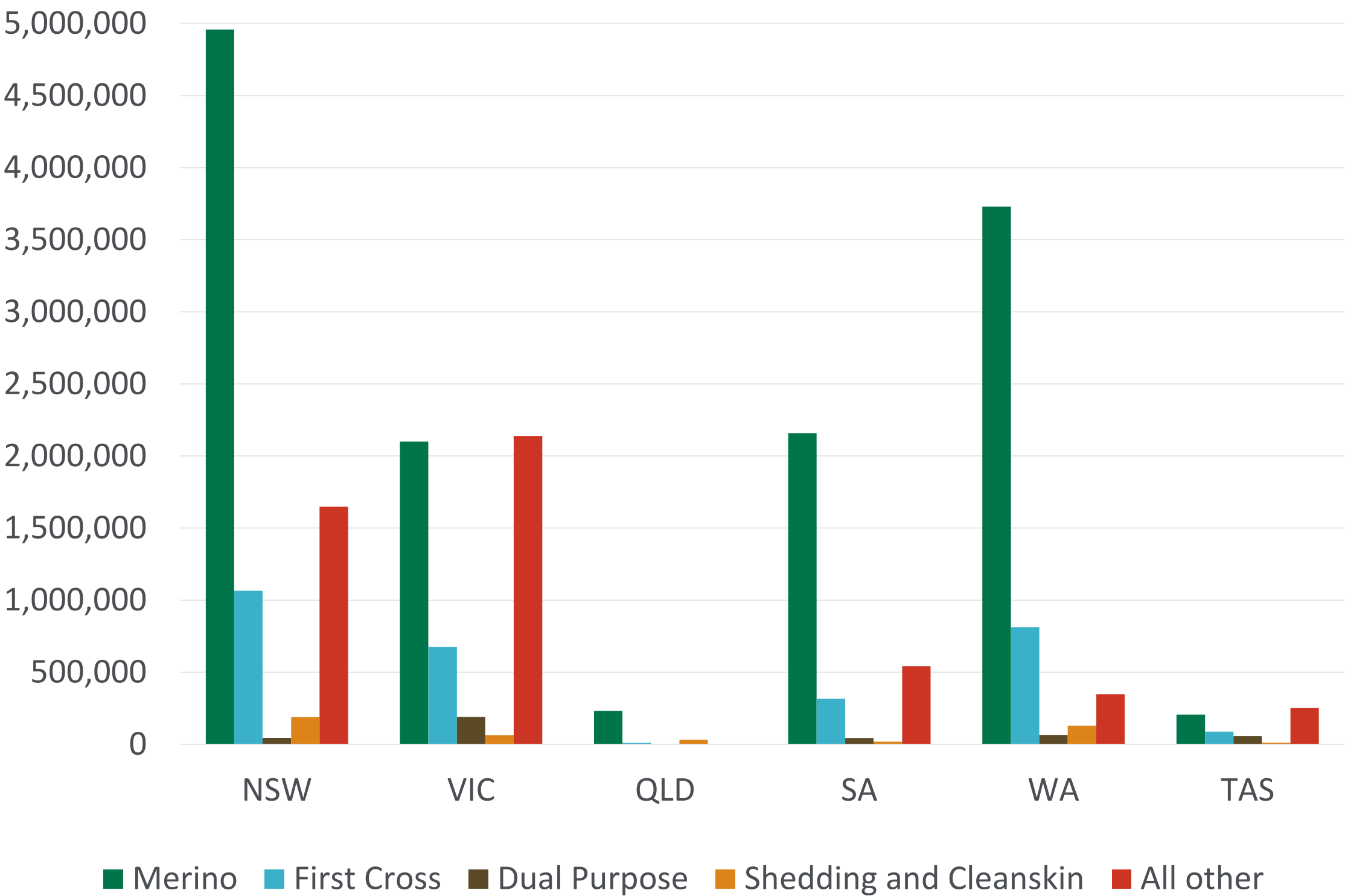


Lambs marked in the past four months and Ewes joined to produce those lambs - State

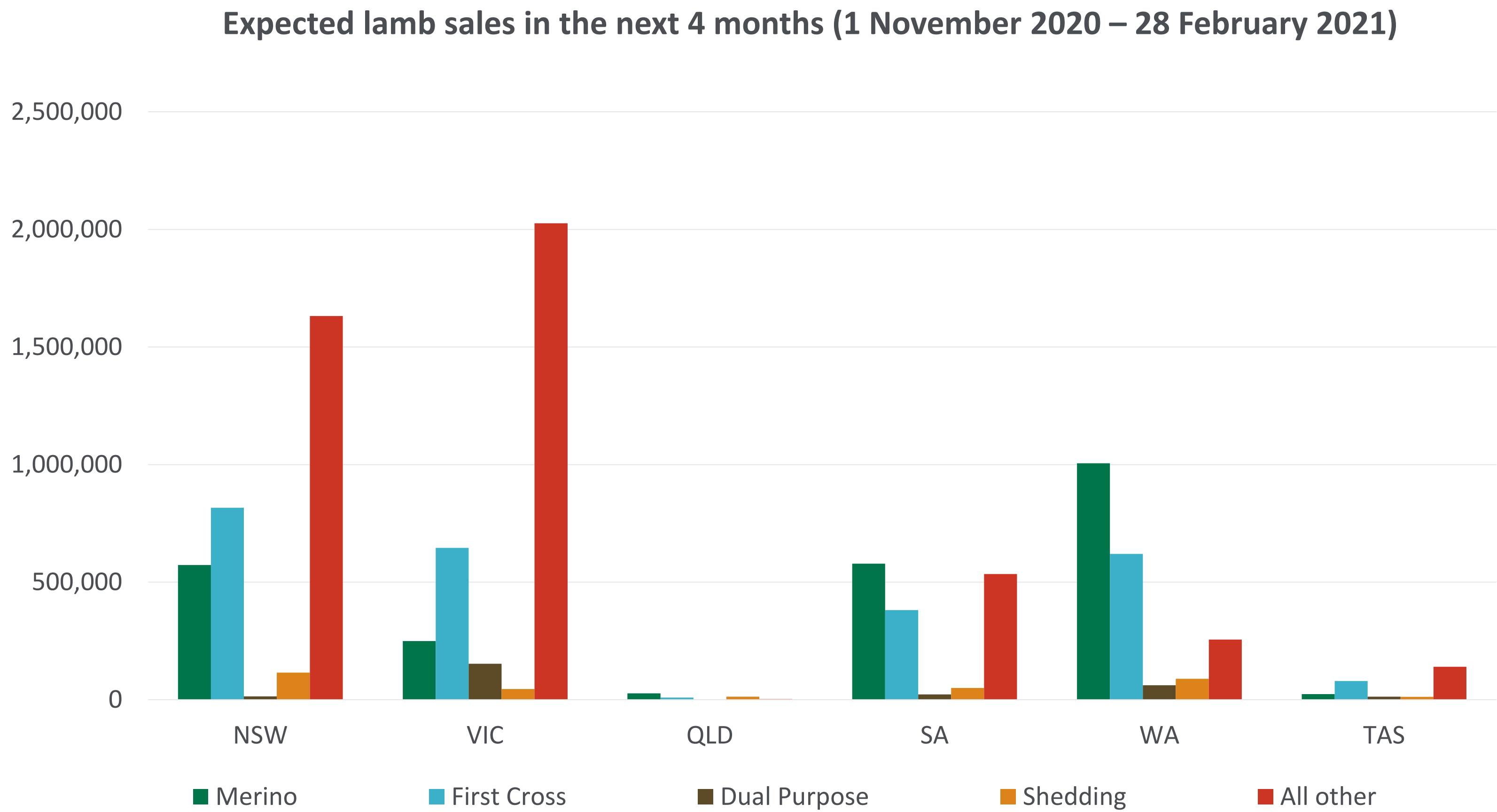
Lambs marked in the past 4 months
(1 July 2020 – 31 October 2020)



Ewes joined to produce those lambs in the past 4 months
(1 July 2020 – 31 October 2020)



Expected lamb sales in the next four months – by State

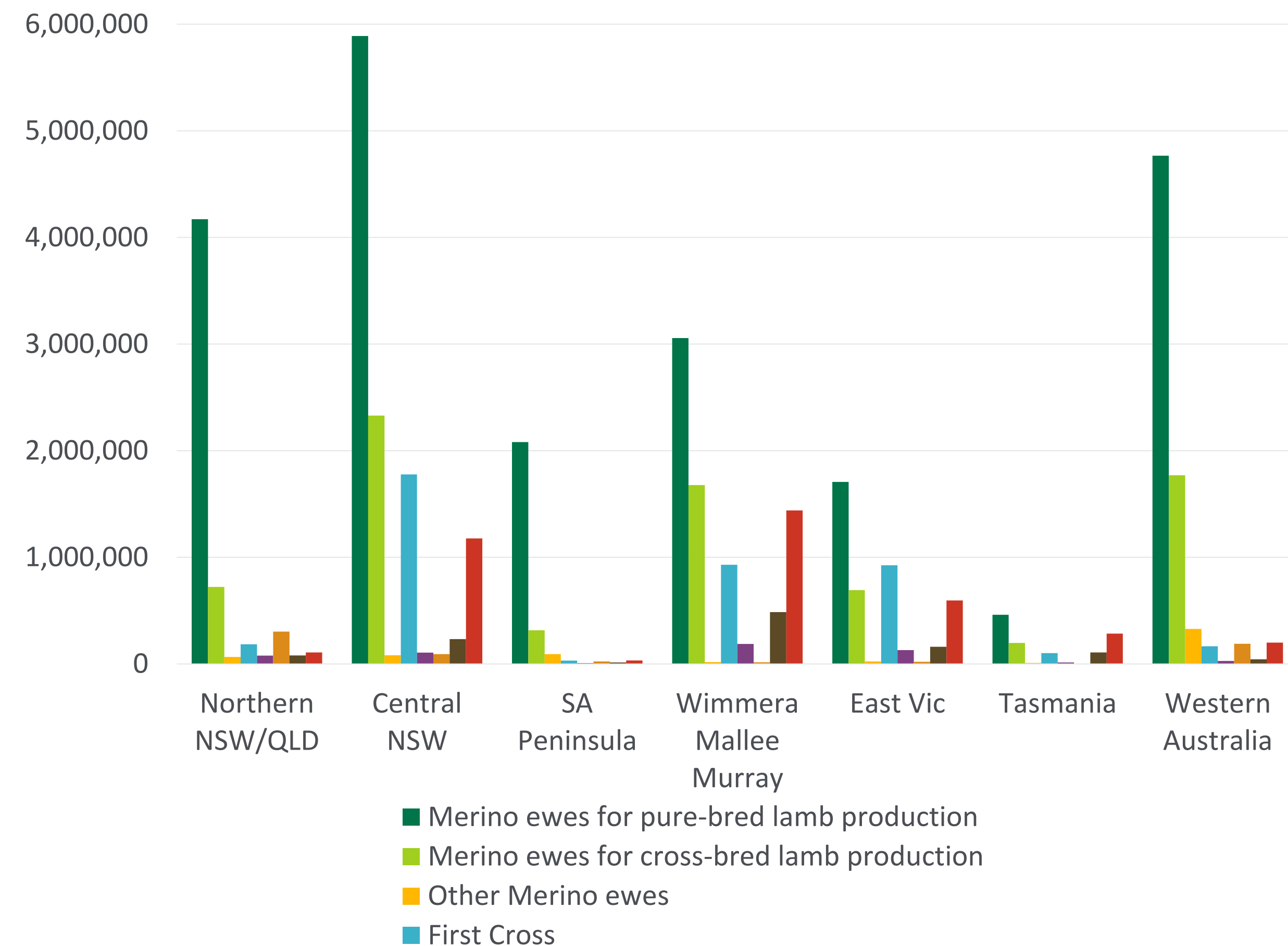


Results by MLA Reporting Region

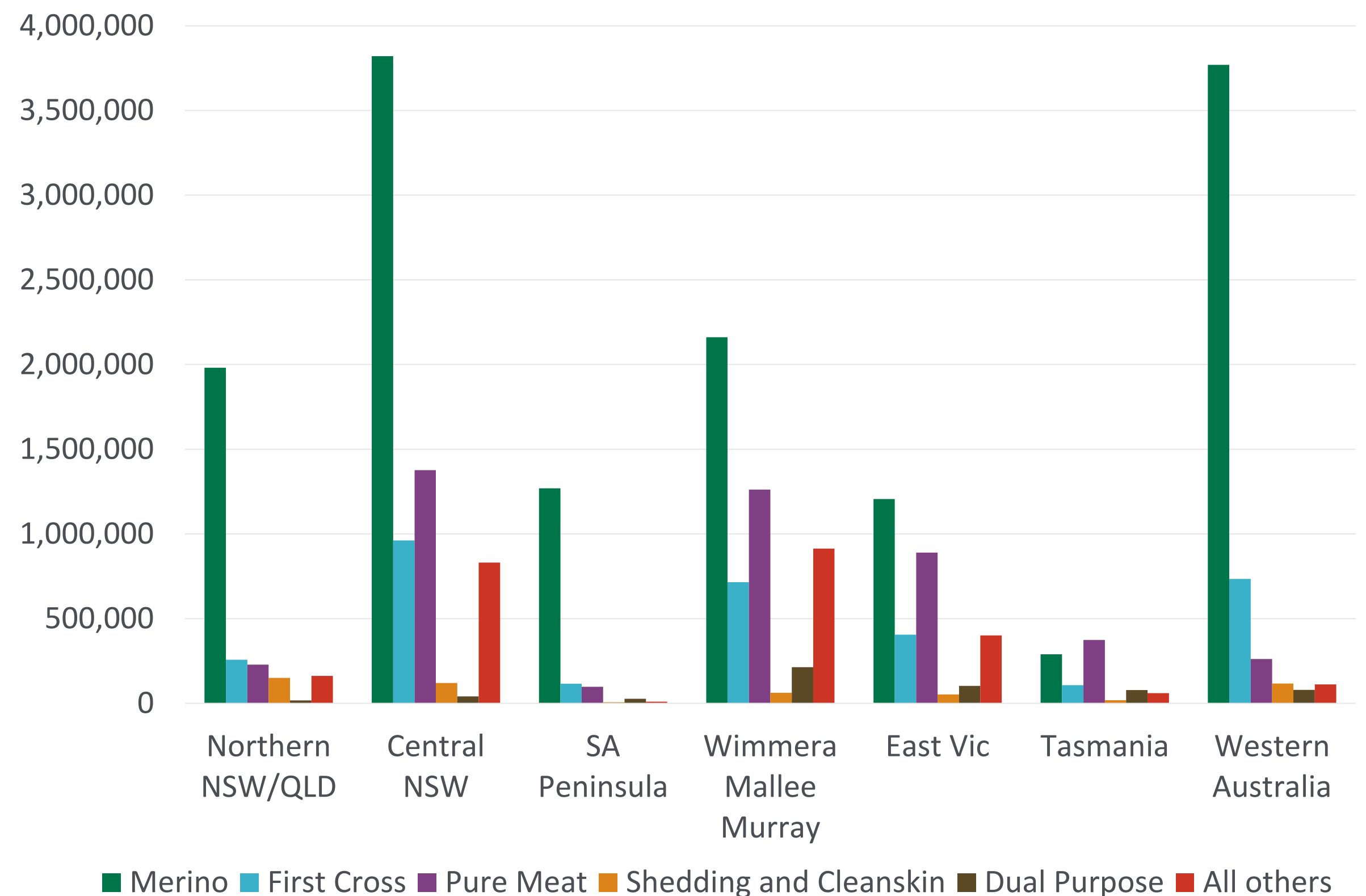
Ewes on hand and lambs on hand 31 October 2020

- by MLA reporting regions

Ewes on hand

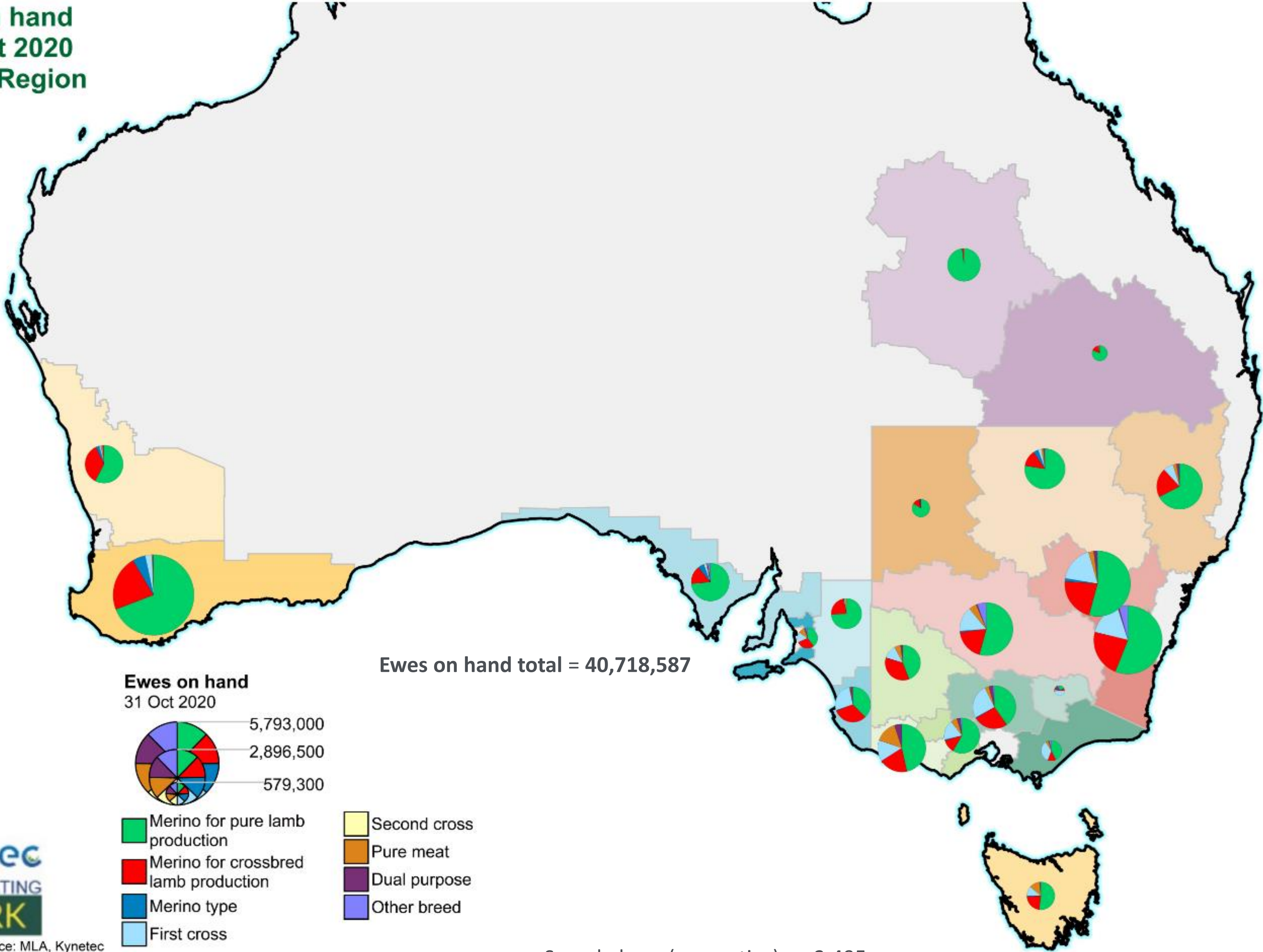


Lambs on hand



Ewes on hand – MLA reporting regions

Ewes on hand
at 31 Oct 2020
by MLA Region



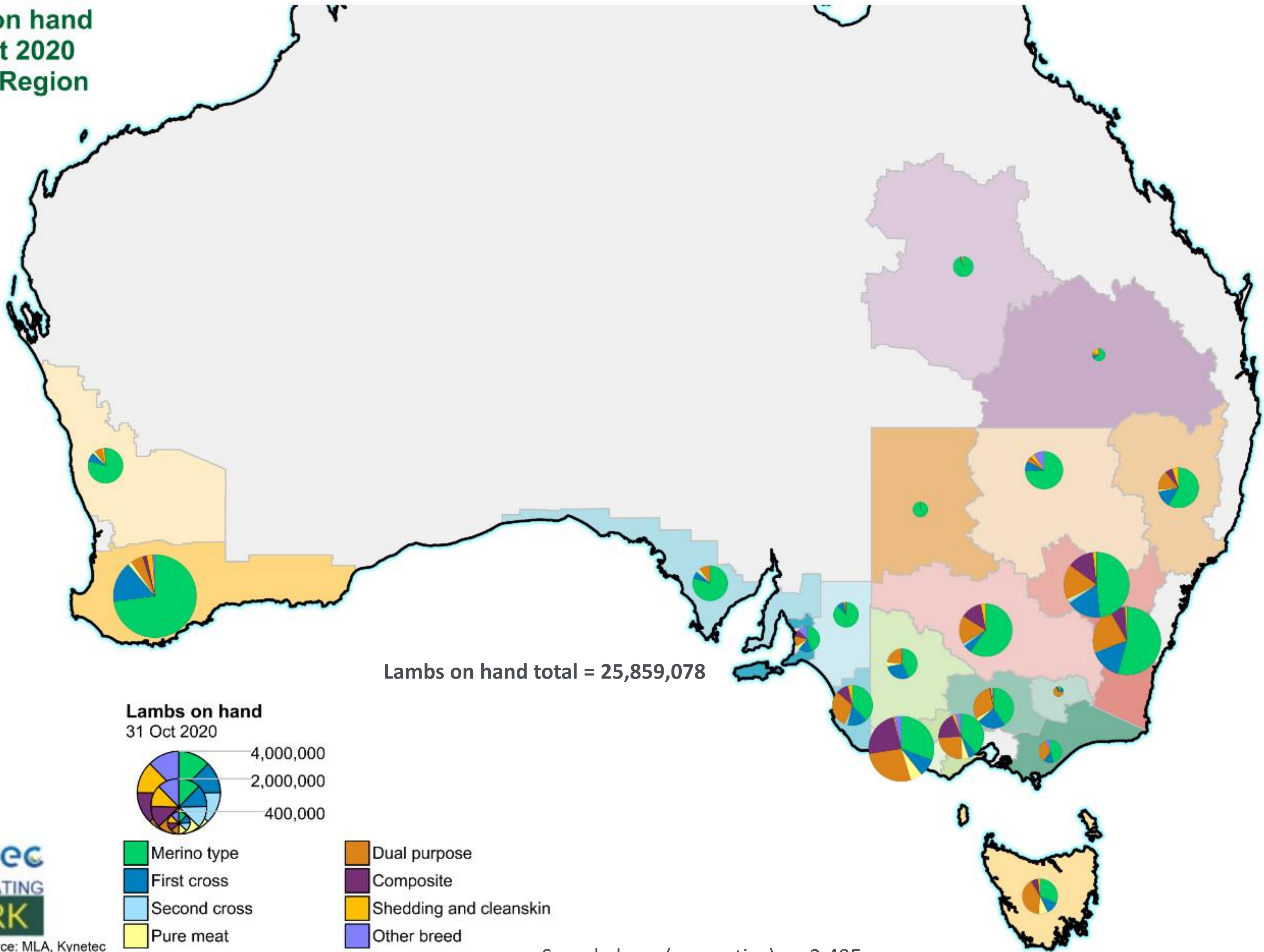
The breeding ewe population was largest in WA South (5.8 m), South Eastern NSW (4.3 m) and Central West region NSW (4.2 m).

Eyre Yorke and North Extra (98%), Murray Lands (97%) and Central QLD (96%) had the highest percentage of merinos in their flock followed by Eyre Yorke and North (94%) and Central Midlands (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 (74%), Western District (55%) and Barwon and Central Highlands (46%).

Lambs on hand – by MLA reporting regions

Lambs on hand
at 31 Oct 2020
by MLA Region



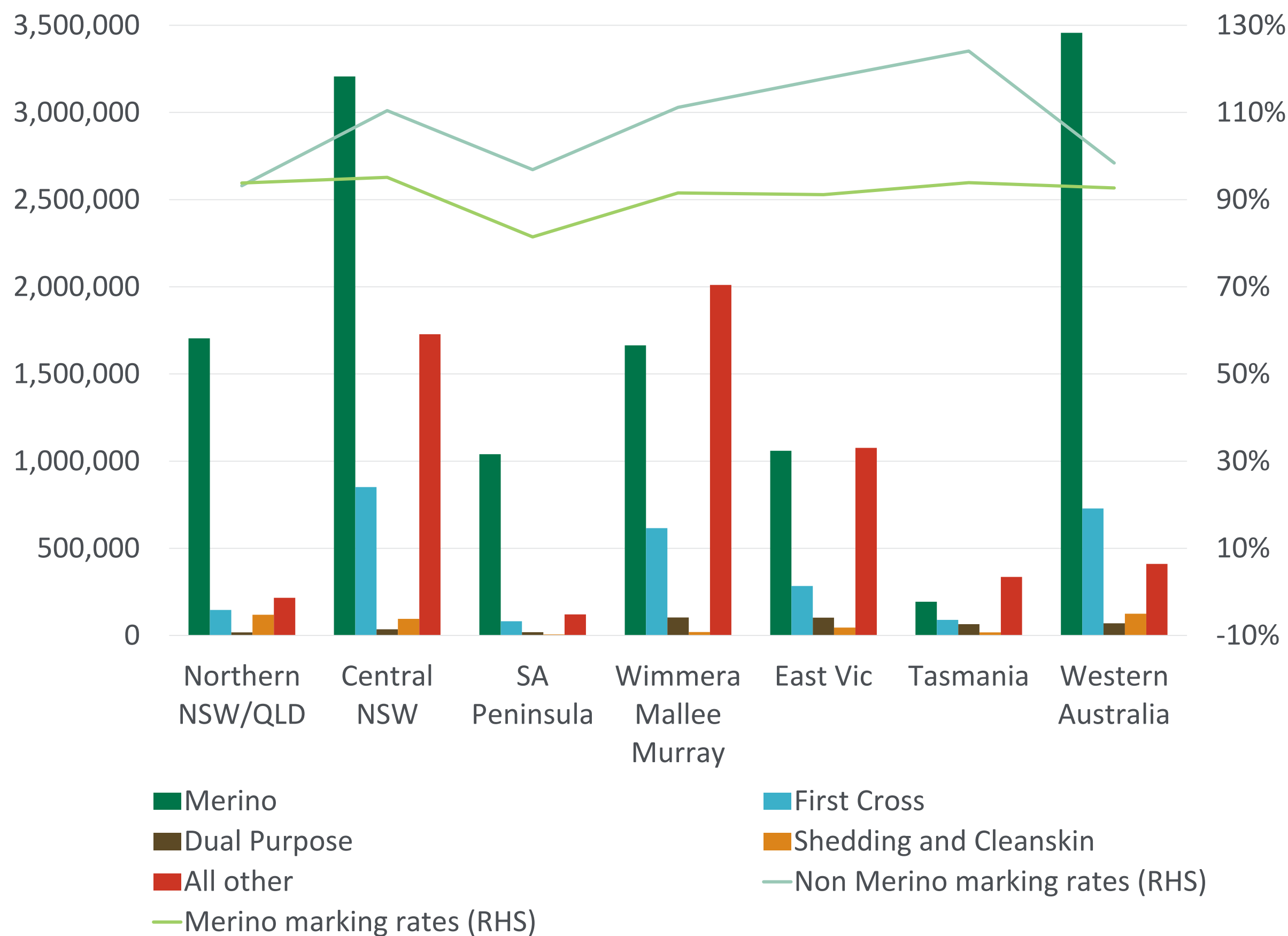
In line with the ewe flock population, the number of lambs on hand at 31 October was greatest in WA South at 4.0 million head. This was followed by South Eastern region, recording around 2.8 million head.

Although Merinos tended to be the most dominant breed of lamb across almost all regions, a large proportion of flocks in some regions were made up of first cross and pure meat breeds. First cross lambs comprised 29% of the total lamb flock in the Wimmera and Mallee while in North Western 23% of the flock was composed of First cross lambs. Pure meat in Ovens Murray and Gippsland comprised of 63% and 33% of the total lamb flocks, respectively.

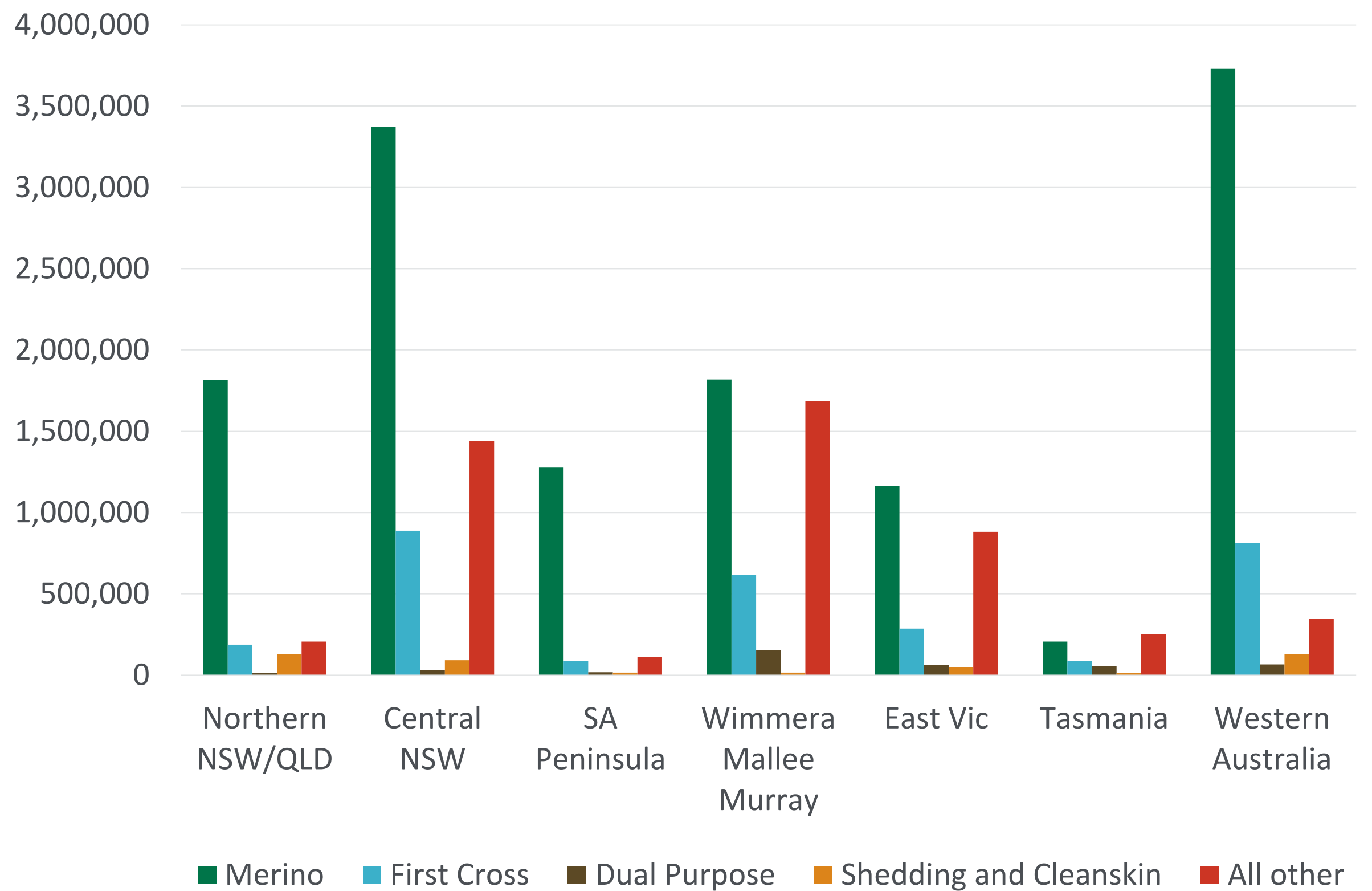
NSW had the largest Merino lamb flock at around 5.4 million head, accounting for 57% of the 9.5 m total NSW lamb flock. In WA however, Merinos accounted for 74% of the total lamb flock (3.8 m of 5.0 m head).

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 July – 31 October 2020

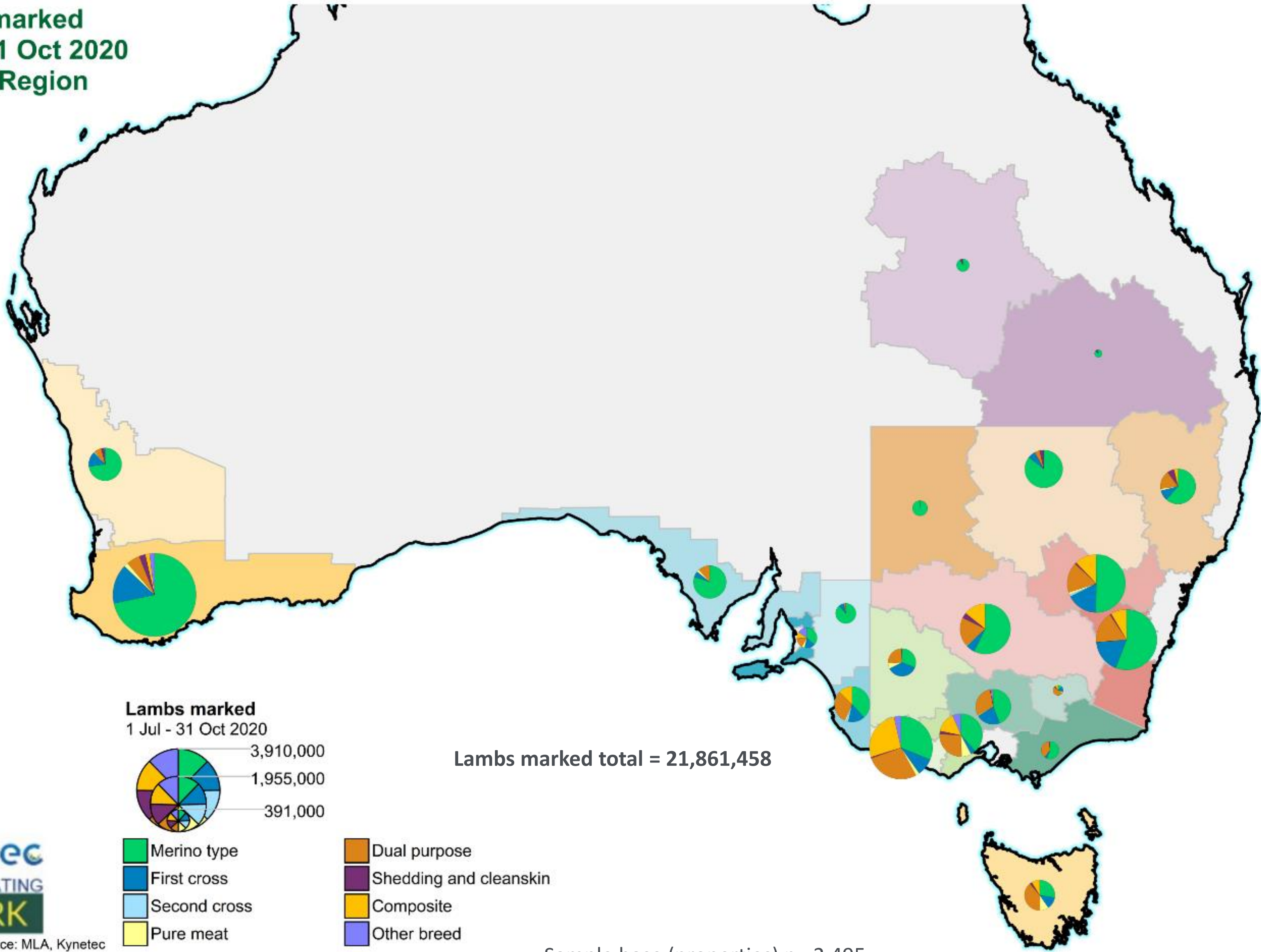


Ewes joined to produce those lambs



Lambs marked in the past four months

Lambs marked
1 Jul - 31 Oct 2020
by MLA Region

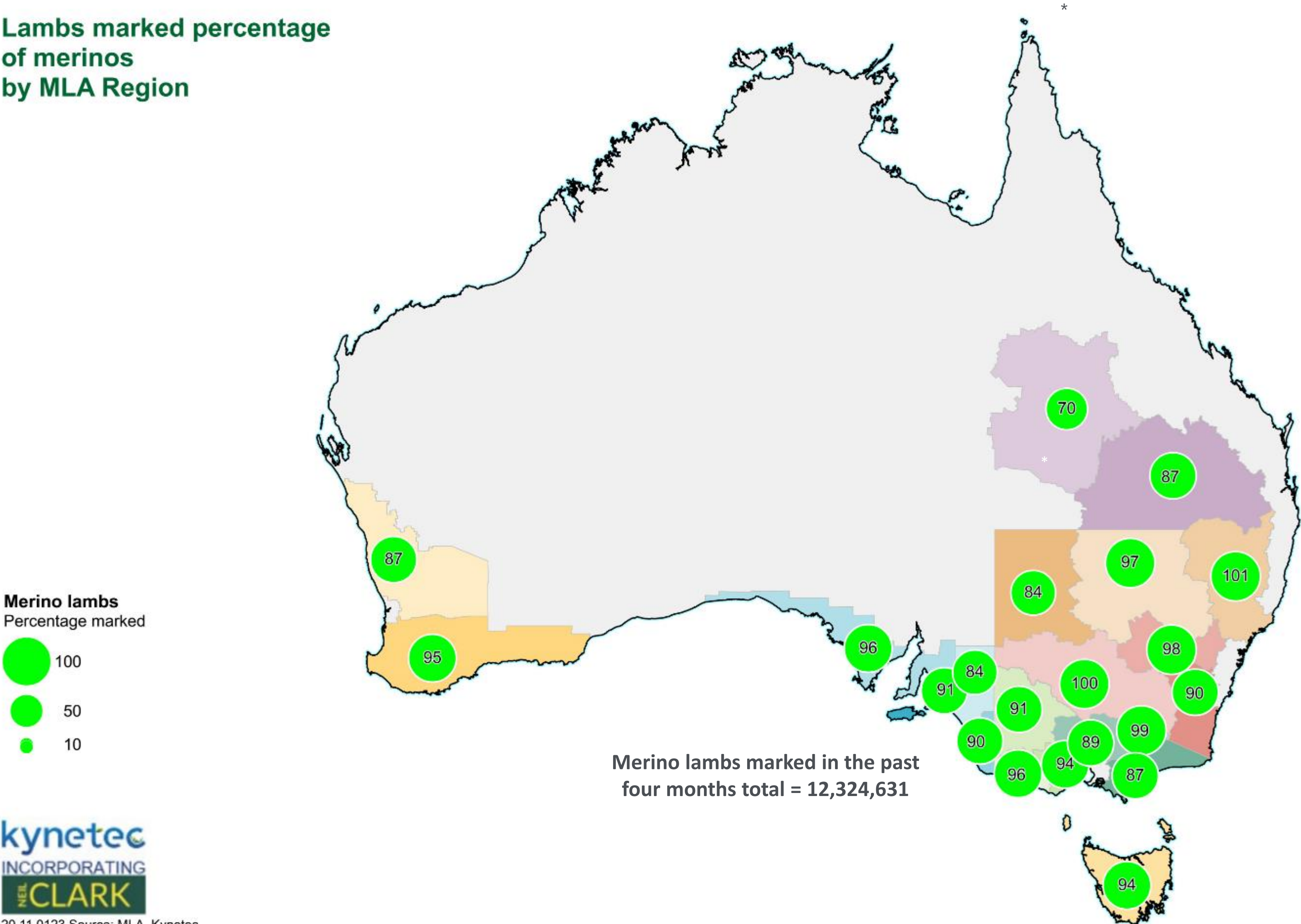


Around 21.9 million lambs were marked over the past four months.

WA South, Western District and South Eastern accounted for a large number of new lambs, with markings of 3.9m, 2.3m and 2.3m 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 Hunter and Northern (101%) and Murray and Murrumbidgee (100%). Conversely, the lowest marking rates were recorded in Eyre Yorke and North Extra at 67% Central QLD at 70%.

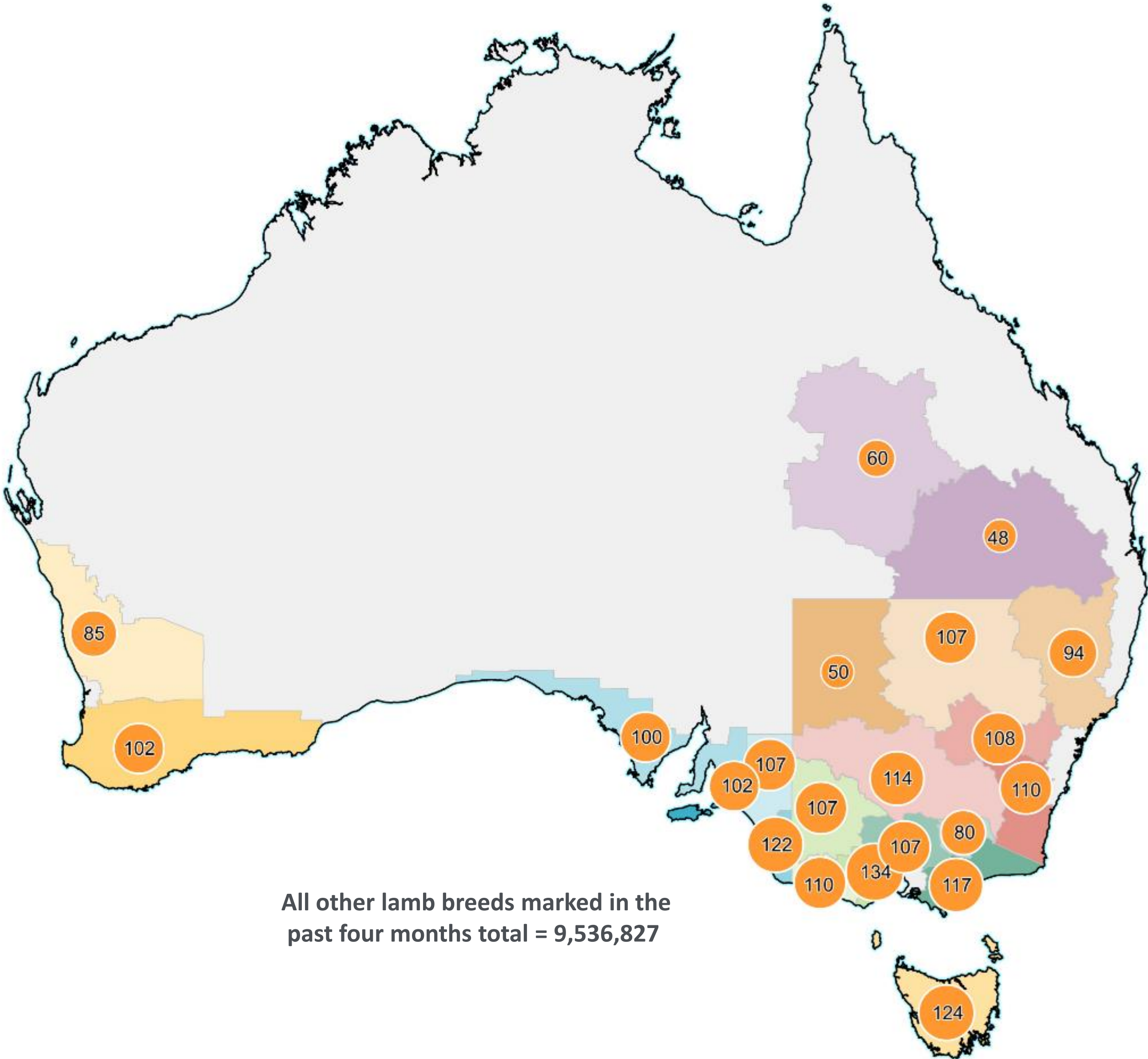
Nationally the Merino marking rate was 92% and on a state basis, Queensland and SA had the lowest marking rate at 76% and 84% respectively, while NSW and TAS recorded the highest Merino marking rates of 96% and 94% respectively.

Note: These marking rates are for the period between 1 July to 31 October 2020.

All other breed lamb marking rates—by MLA reporting regions

Lambs marked
percentage
of non merinos
by MLA Region

Non merino lambs
Percentage marked



Barwon and Central Highlands, Tasmania and South East recorded the highest marking rates for non-Merino lambs at 134%, 124% and 122% respectively.

On a state basis, Tasmania and Victoria recorded the highest non-merino marking rates at 124% and 113% respectively, above QLD at 52% and WA at 98% which both had the lowest non merino marking rates across the states.

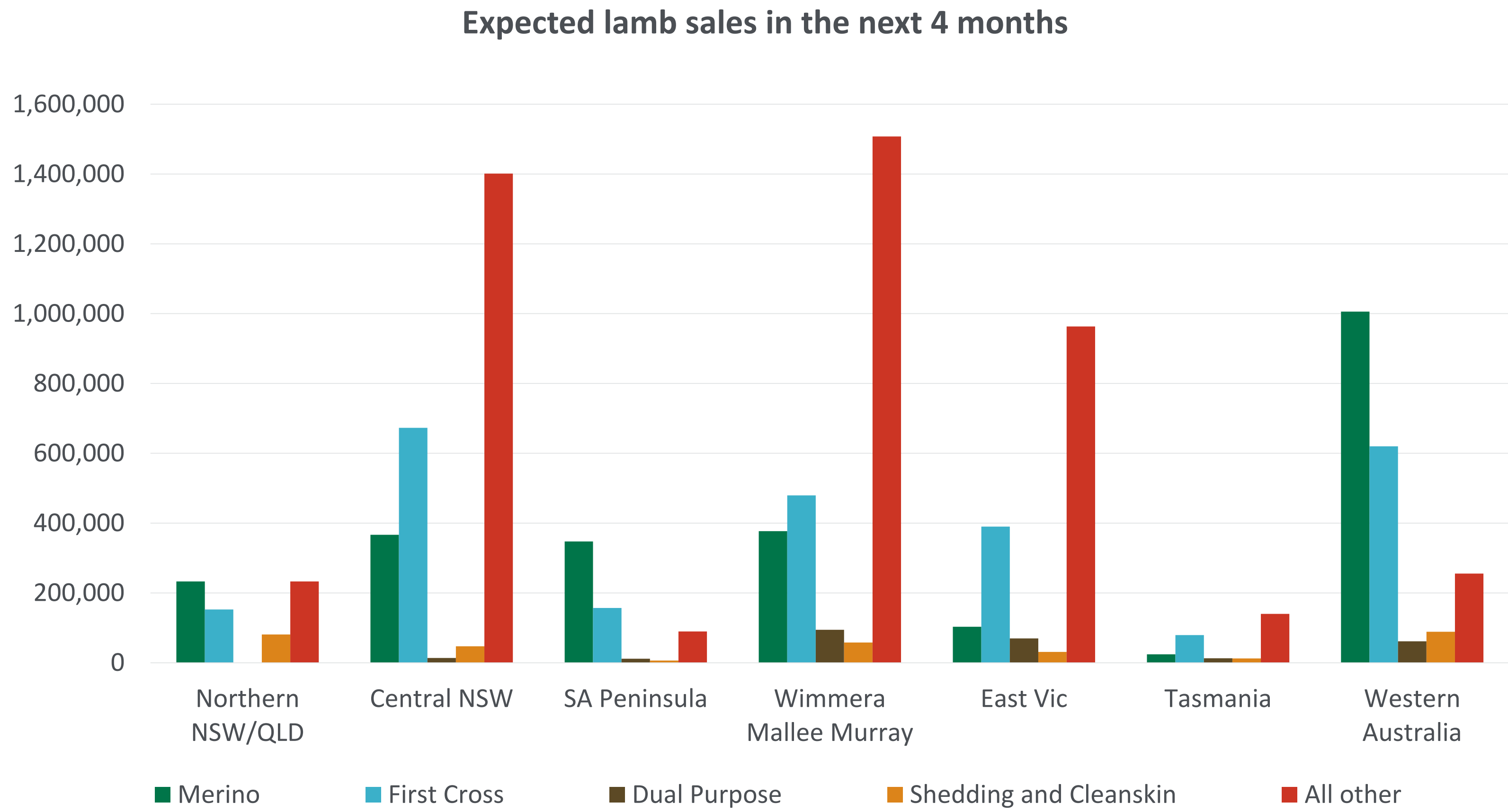
Note

- These marking rates are for the period between 1 July and 31 October 2020.
- Some marking rates vary due to small sample size and should be treated with caution e.g. Southern and Central QLD and Western Division NSW

All other lamb breeds marked in the
past four months total = 9,536,827

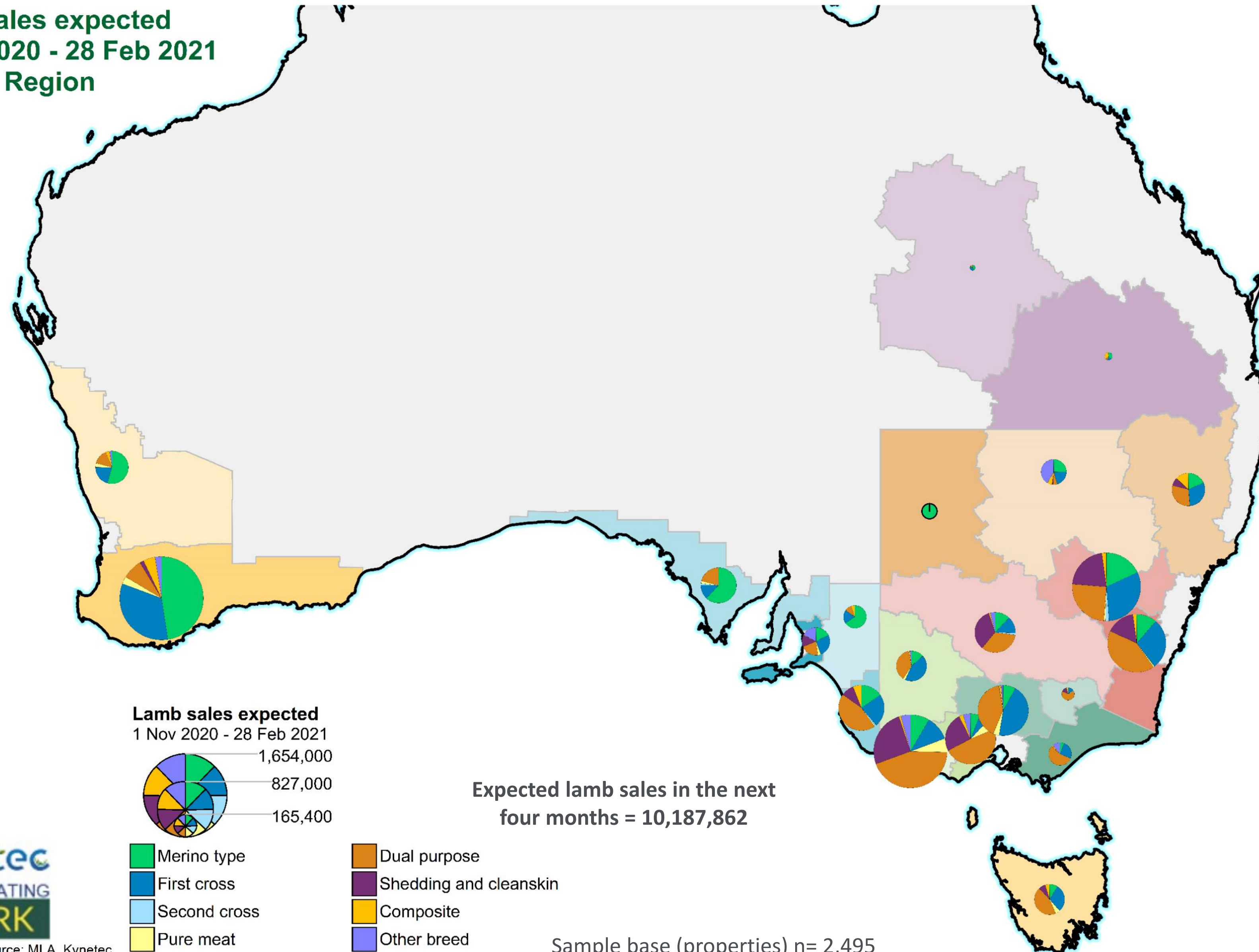
Sample base (properties) n= 1,674

Expected lamb sales in next four months (1 November 2020 - 28 February 2021) – by MLA reporting regions



Expected lamb sales in next four months

Lamb sales expected
1 Nov 2020 - 28 Feb 2021
by MLA Region



Over the next four months (1 November 2020 to 28 February 2021), most lamb sales are expected to occur in WA South (1.7m), Western District (1.3m) and Central West(1.2m).

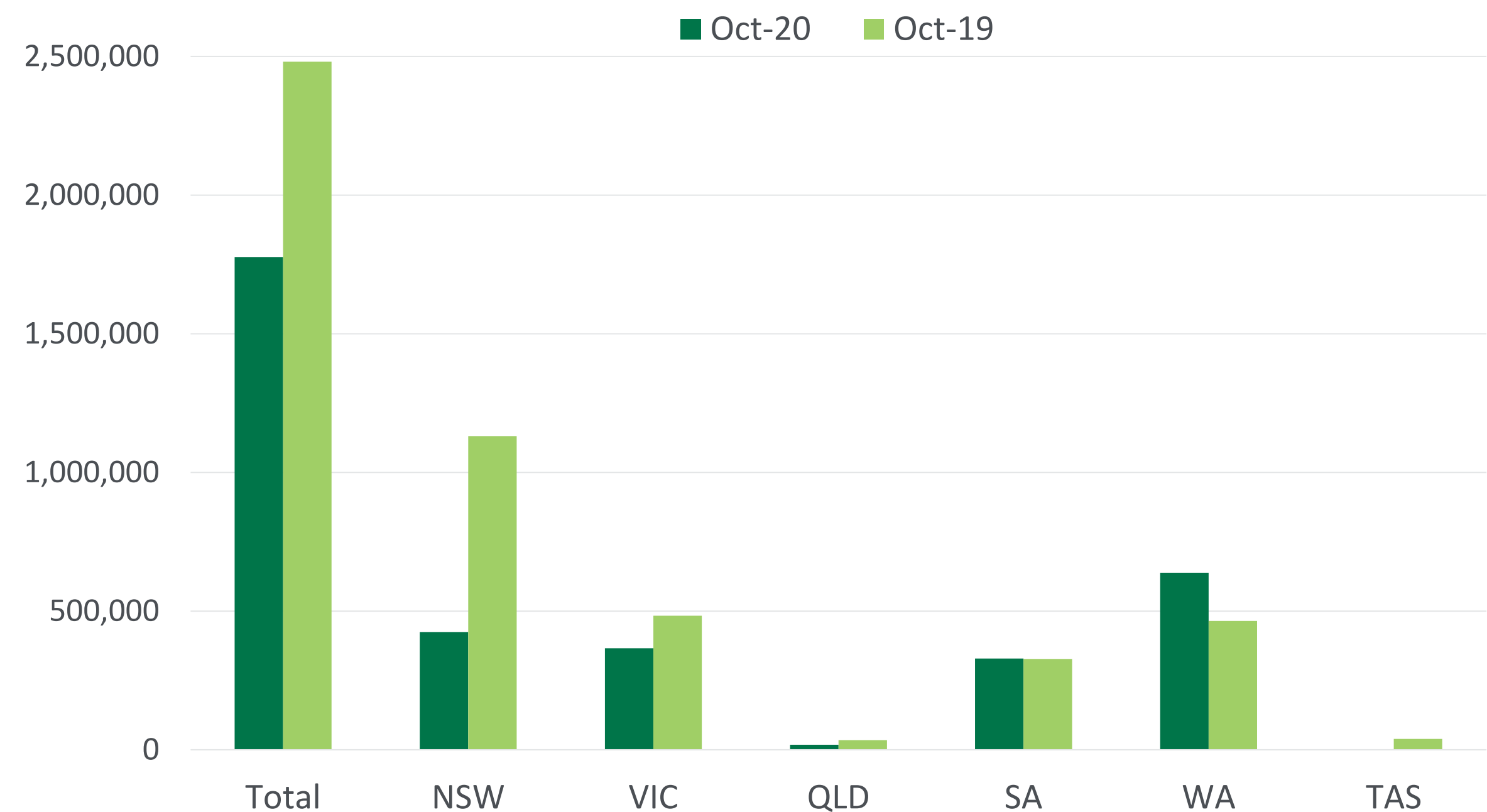
Merino's are expected to account for 24% of national lamb sales, with the proportion higher in QLD and WA (52% and 50% respectively). First cross, pure meat and other breeds will account for 76% of lamb sales, being highest in Victoria (92%) and Tasmania (91%).

NSW is expected to account for 31% of total lamb sales over the next four months, with around 3.2 million lambs expected to be on offer. This is followed by Victoria and WA at 31% and 20% of total lamb sales, respectively.

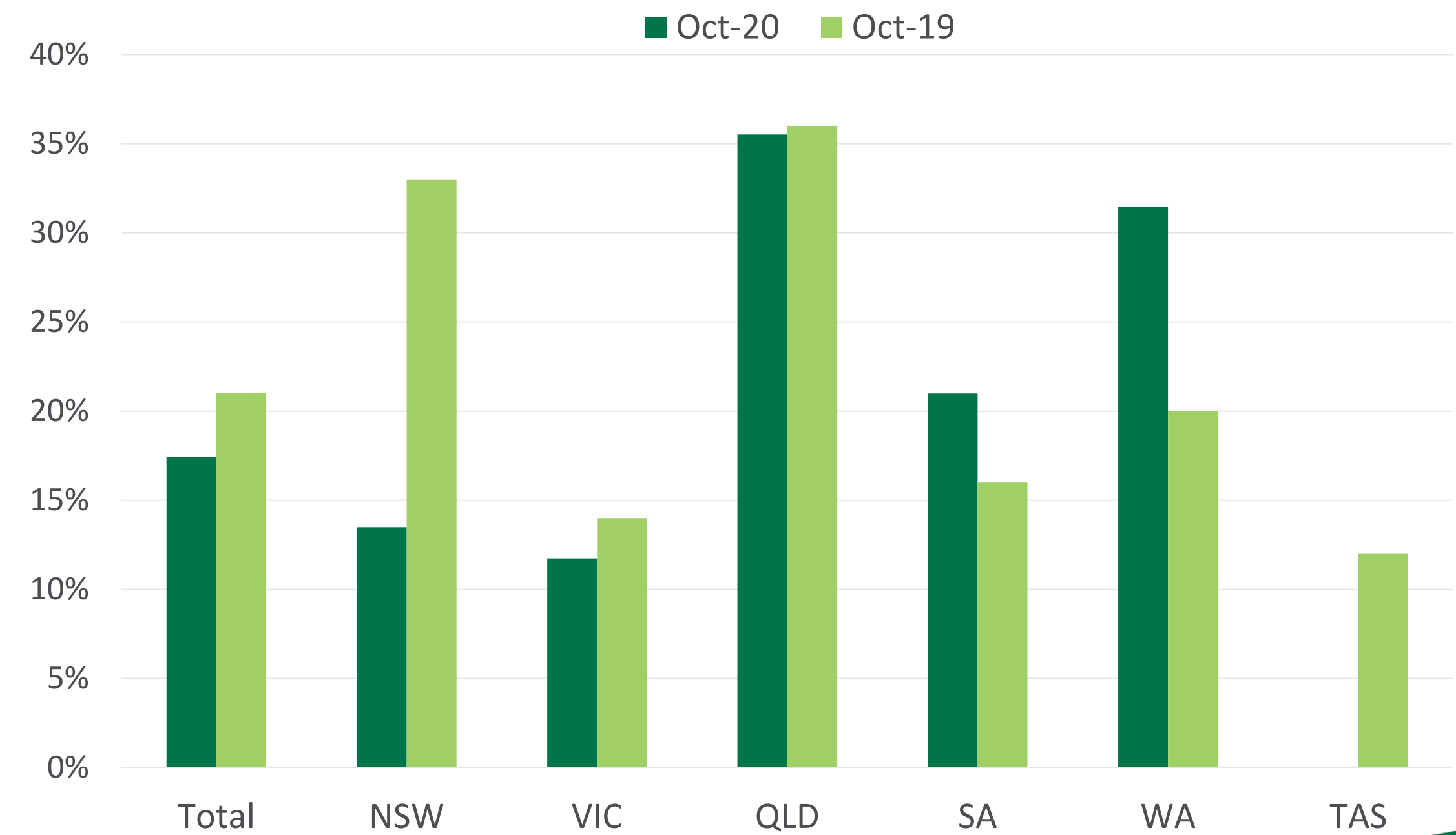
New Question in October 2020: Grain Fed Lambs

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

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



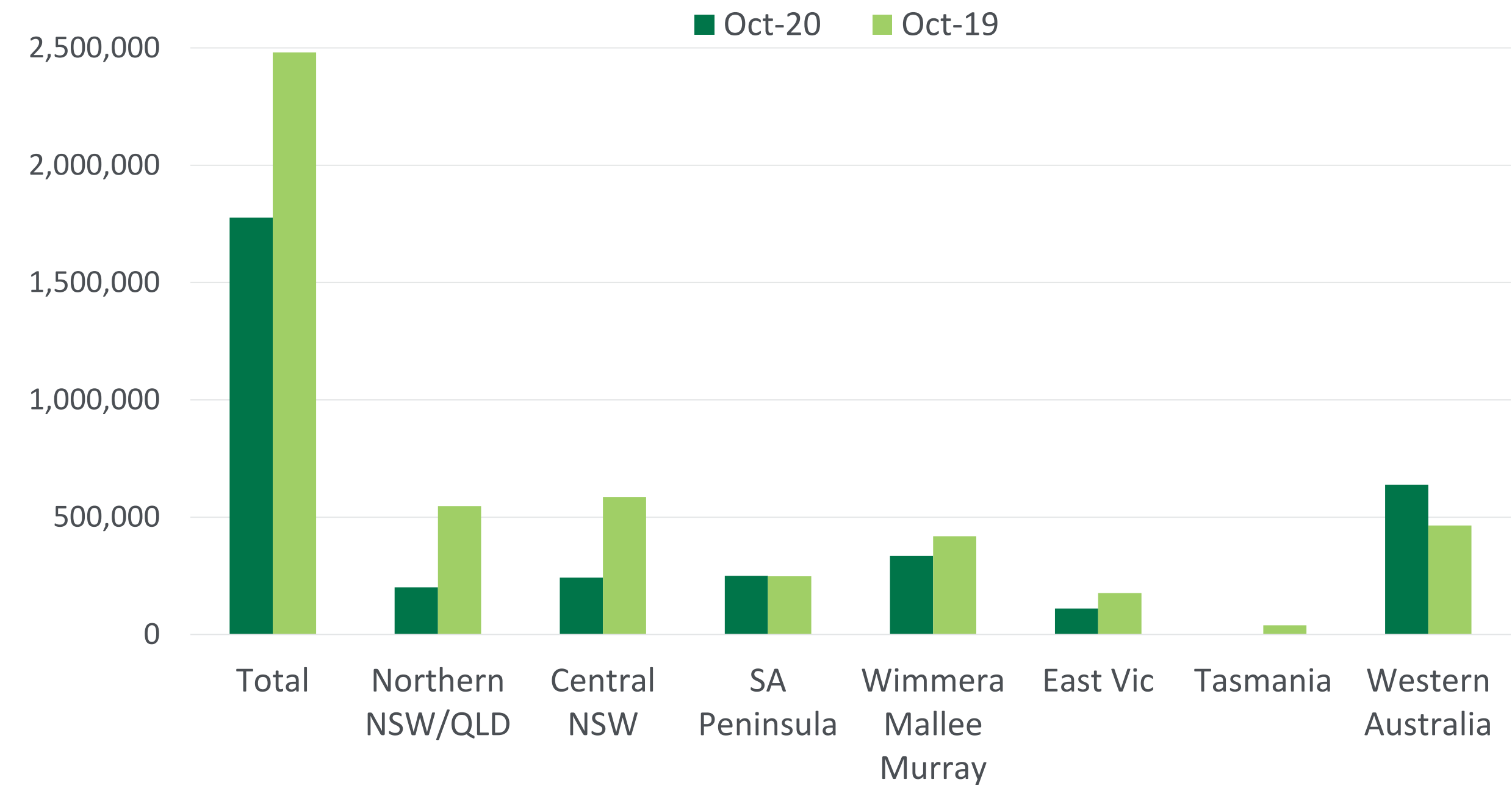
The percentage of grainfed lambs to total expected lambs sales in the next 4 months



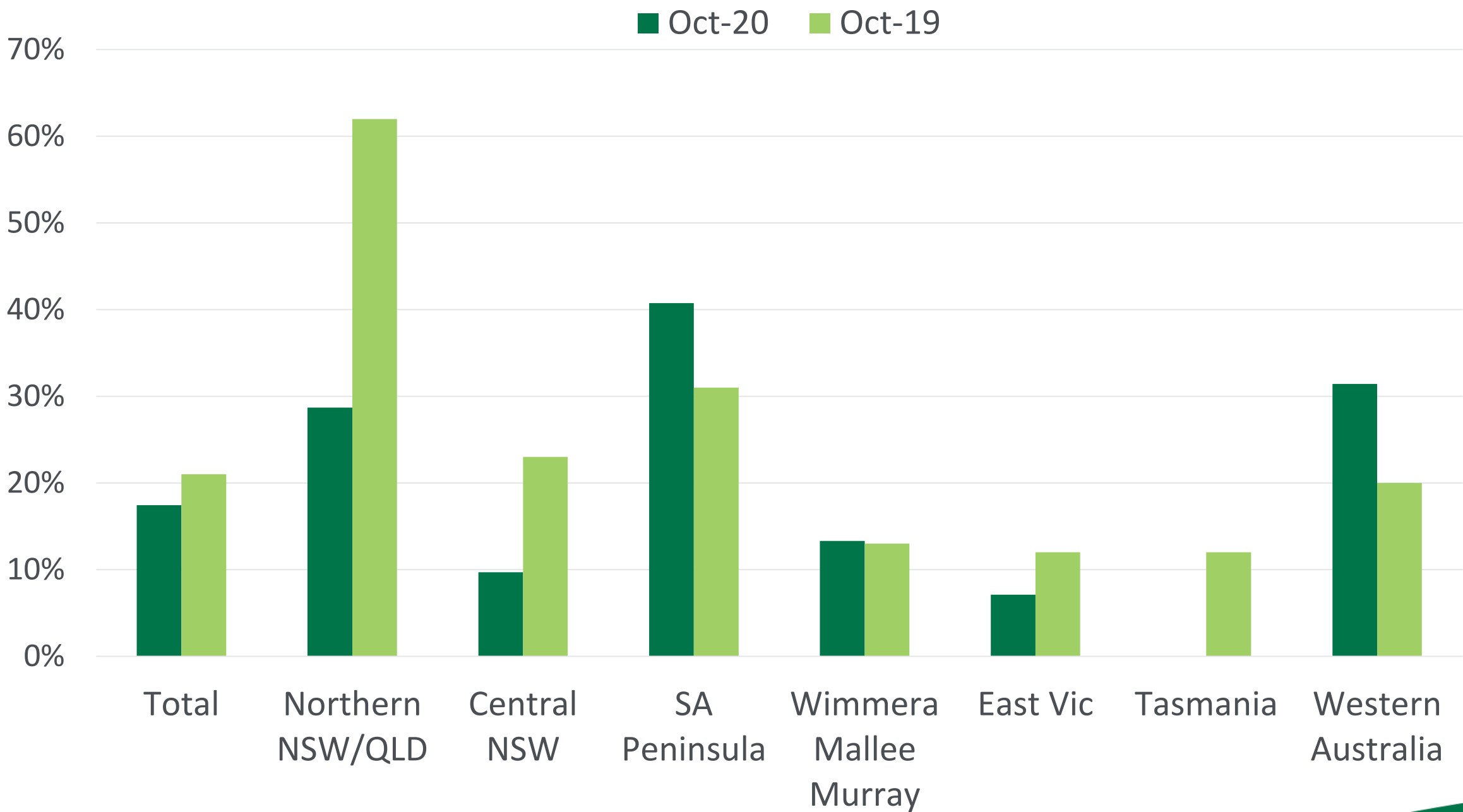
*NB the percentage of grainfed lambs to total lambs sales is calculated dividing the number of grain fed lambs expected to be sold in the next 4 months by the total expected lamb sales in the next 4 months

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

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



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

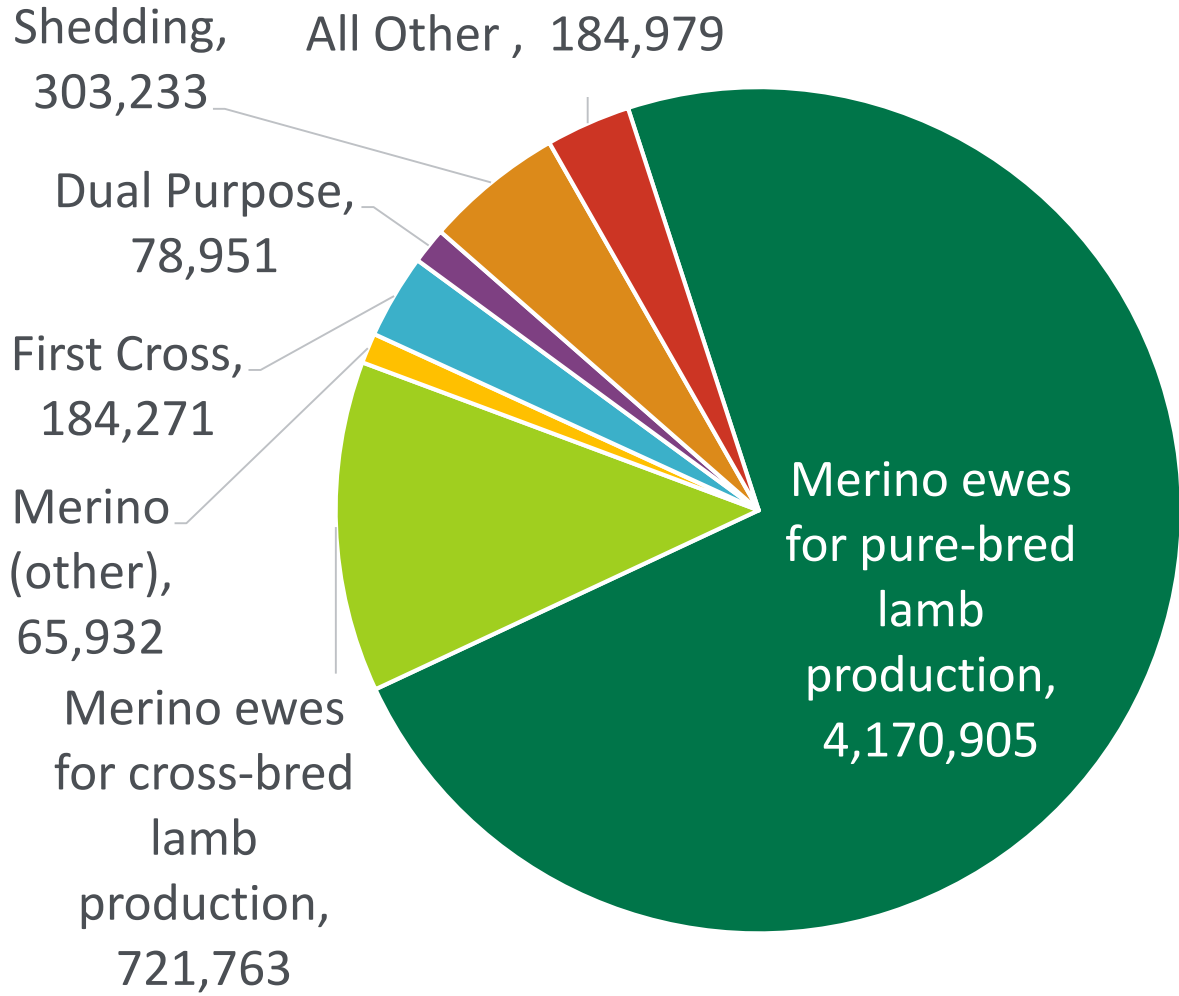


*NB the percentage of grainfed lambs to total lambs sales is calculated dividing the number of grain fed lambs expected to be sold in the next 4 months by the total expected lamb sales in the next for months

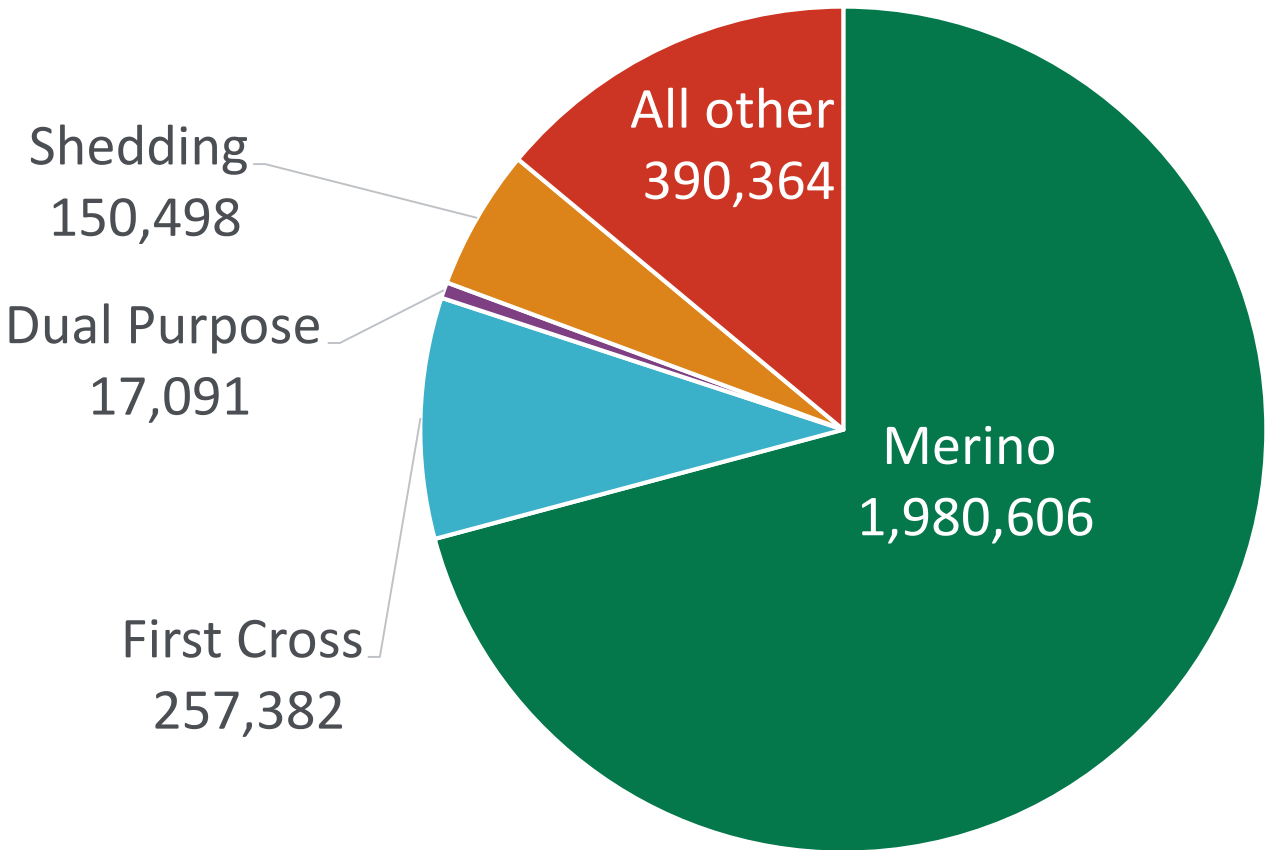
Regional Snapshots

Northern NSW/QLD

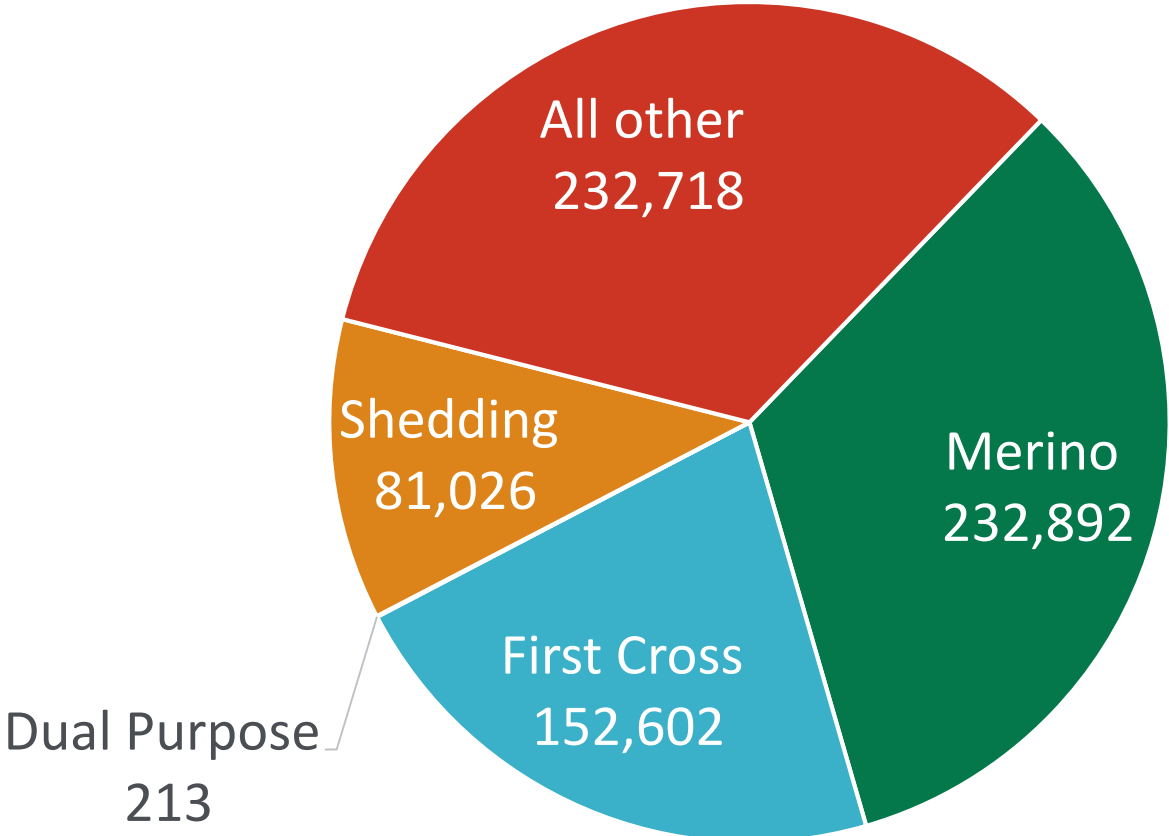
Breeding ewes on hand



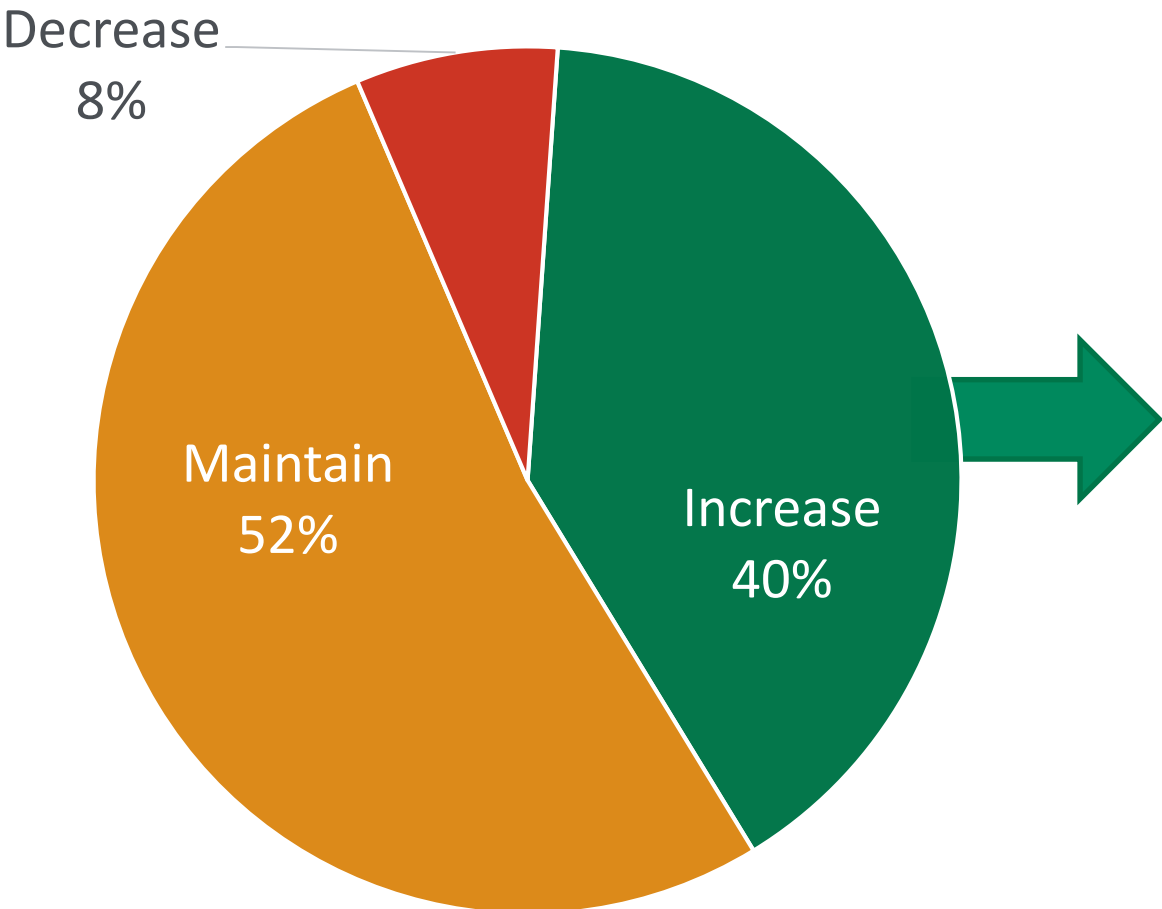
Lambs on hand



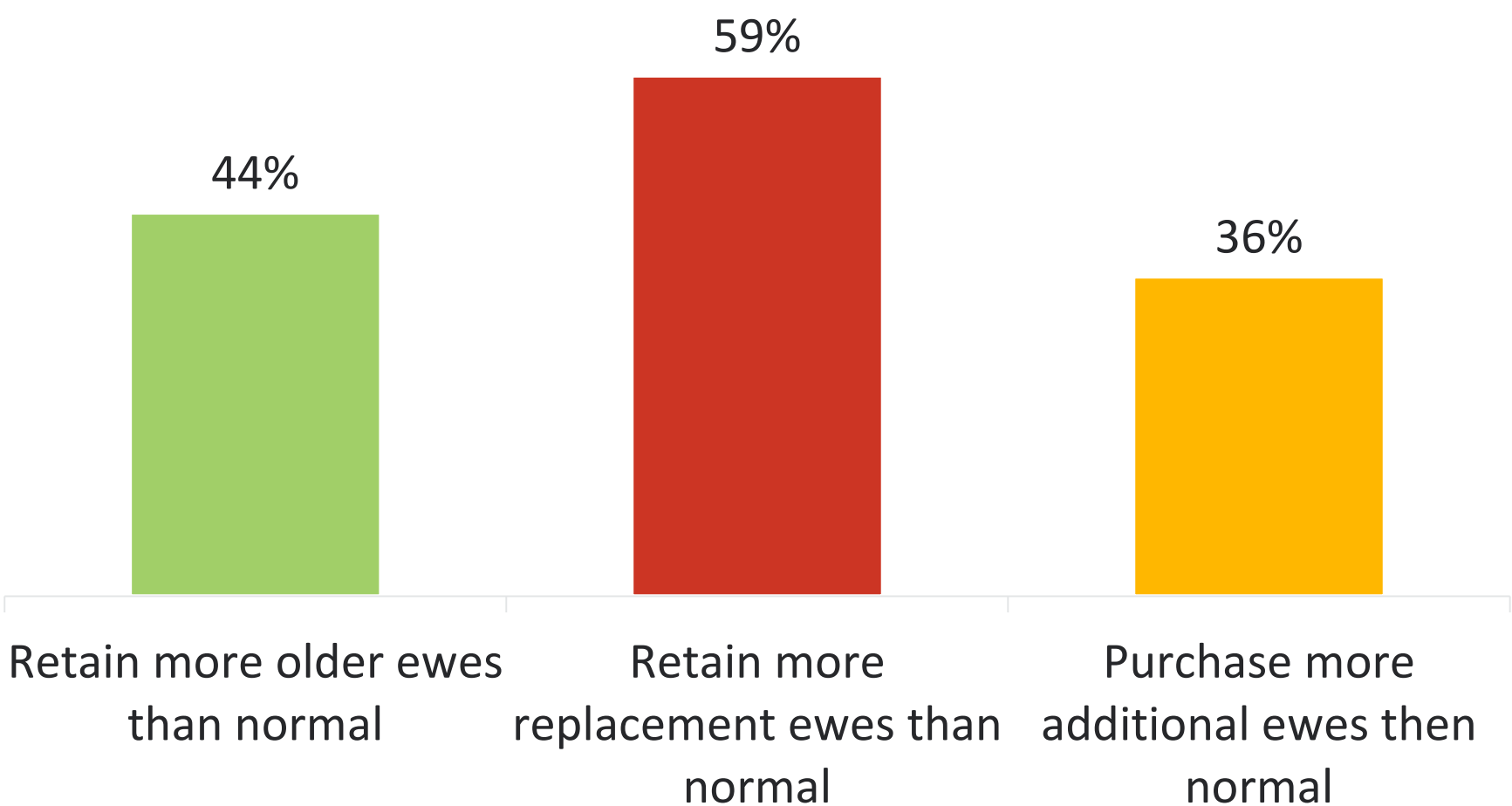
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

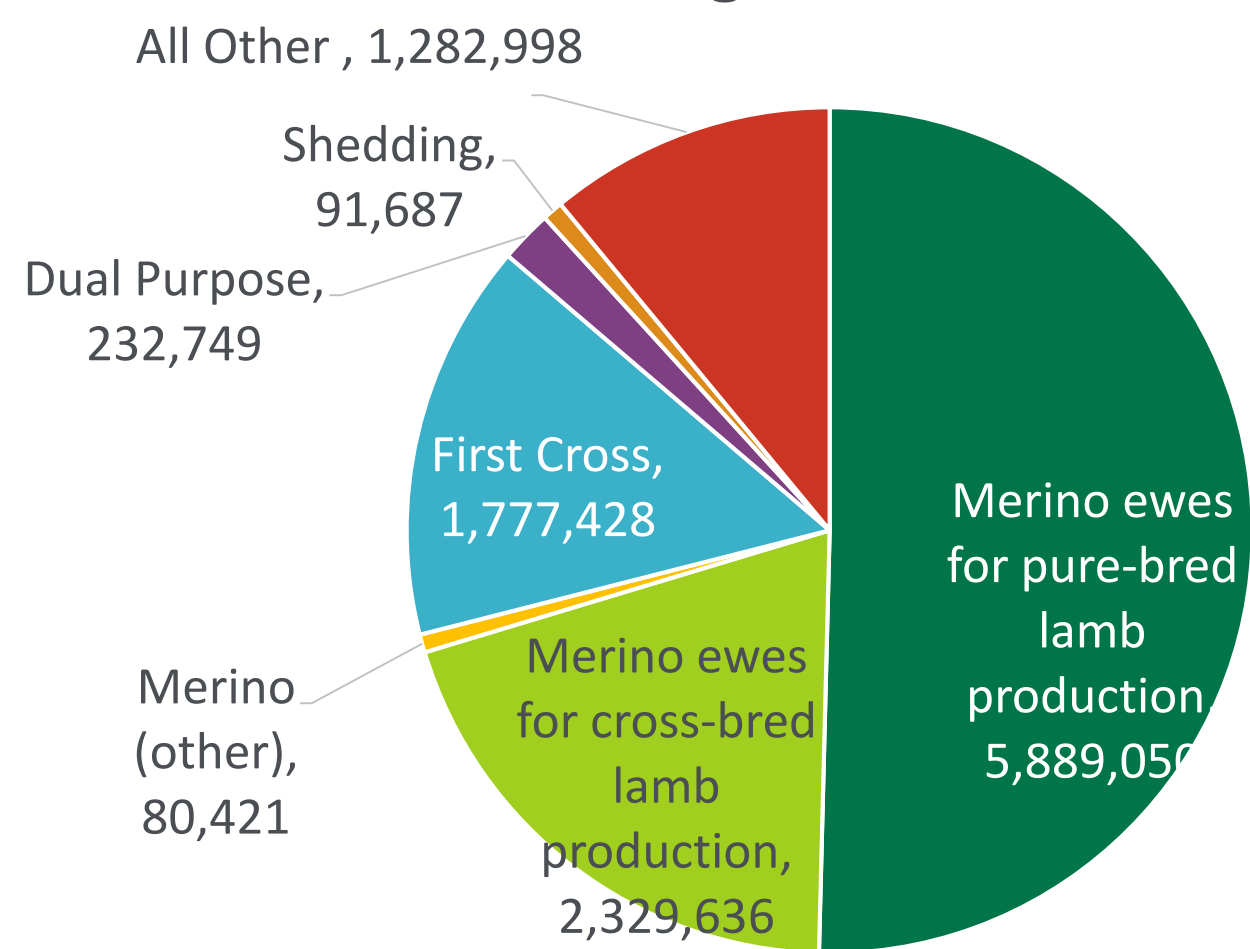


Totals

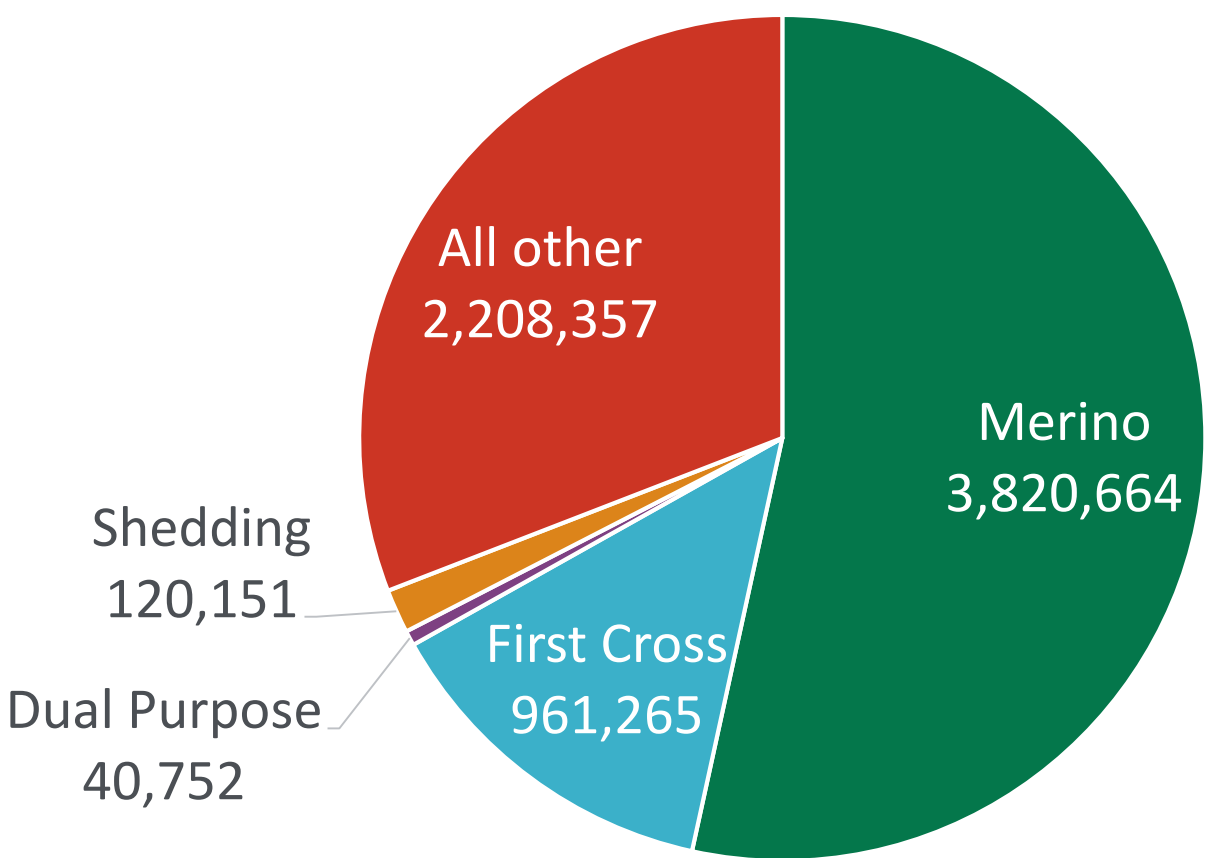
Breeding ewes on hand	5,710,033
Lambs on hand	2,795,941
Expected lamb sales in the next 4 months	699,450
Lambs marked in the past 4 months (1 Jul – 31 Oct)	2,203,578
Number of ewes joined to produce marked lambs	2,352,579

Central NSW

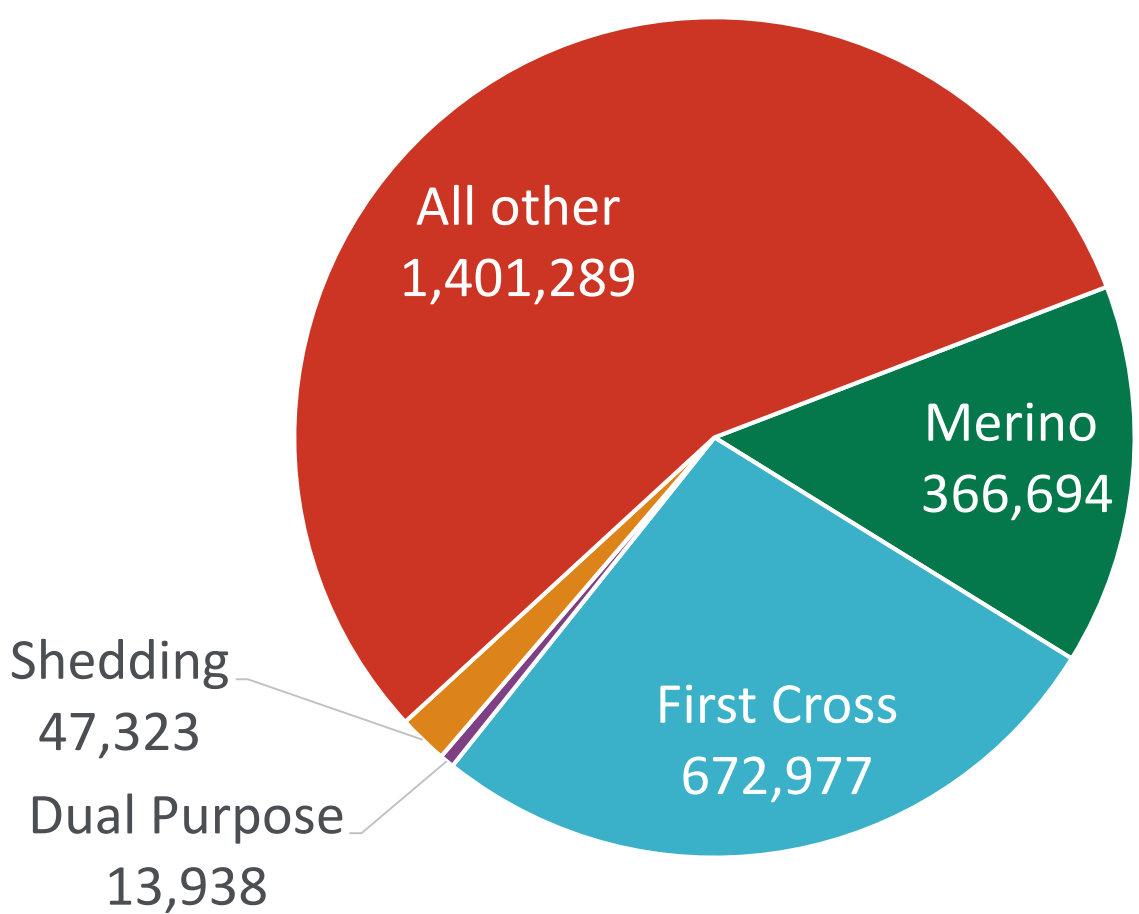
Breeding ewes on hand



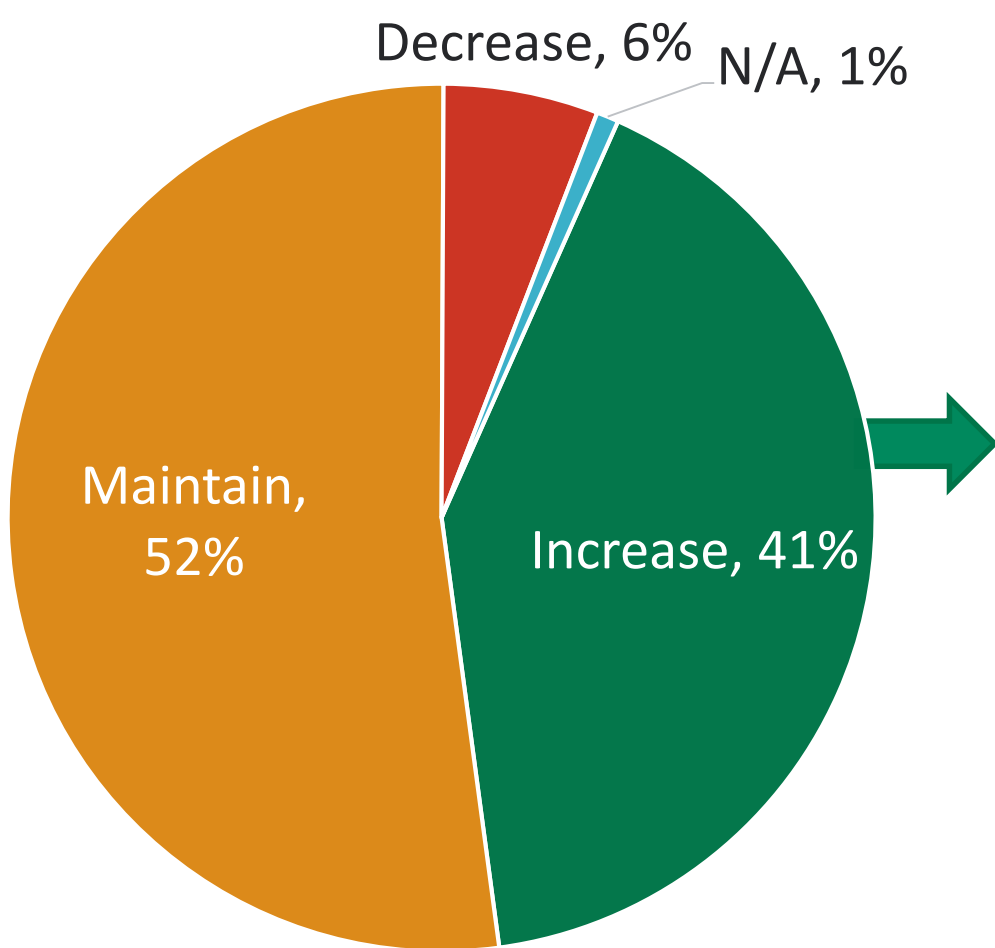
Lambs on hand



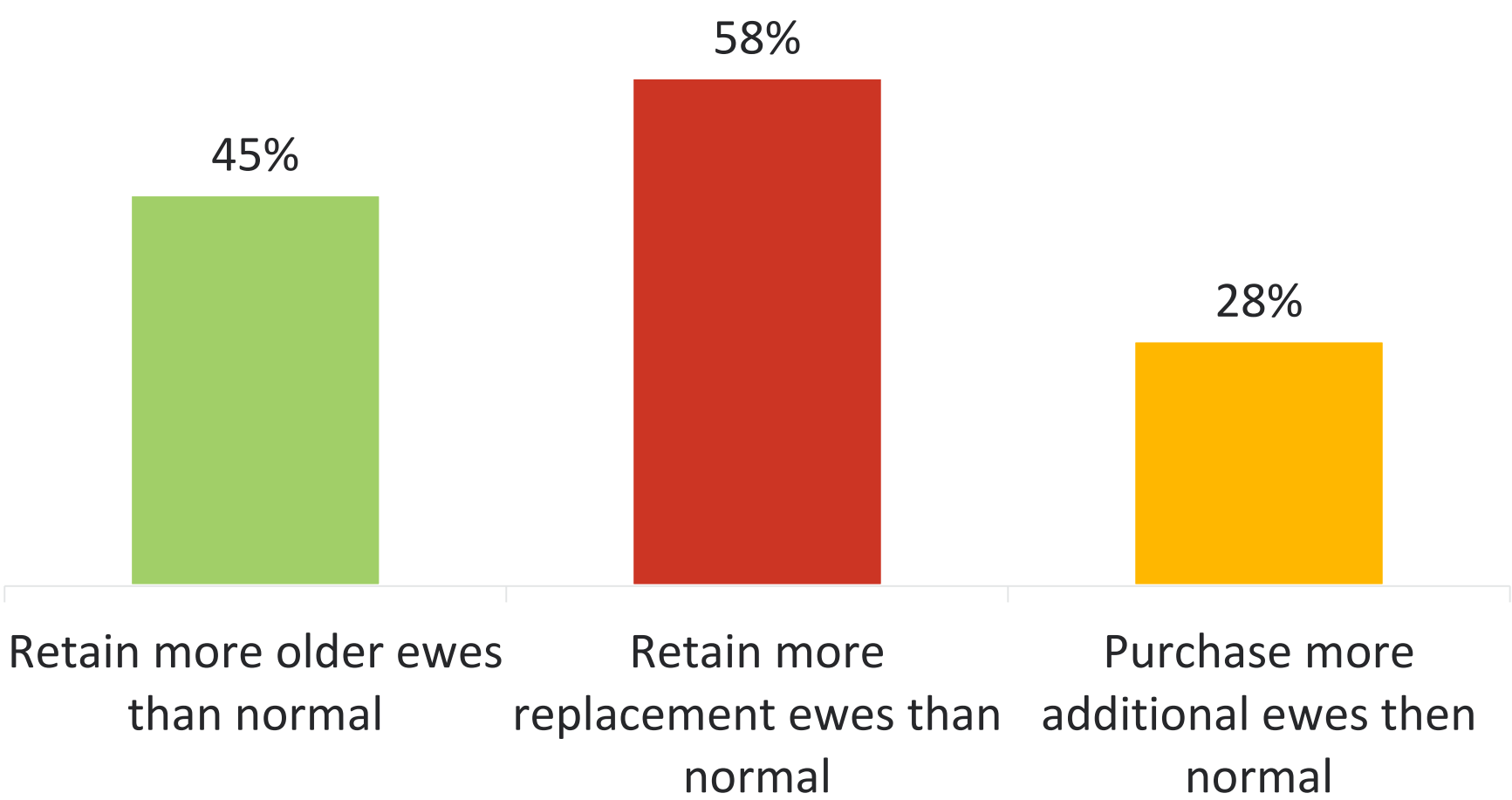
Lamb sales in next 4 months



Ewe Flock intentions



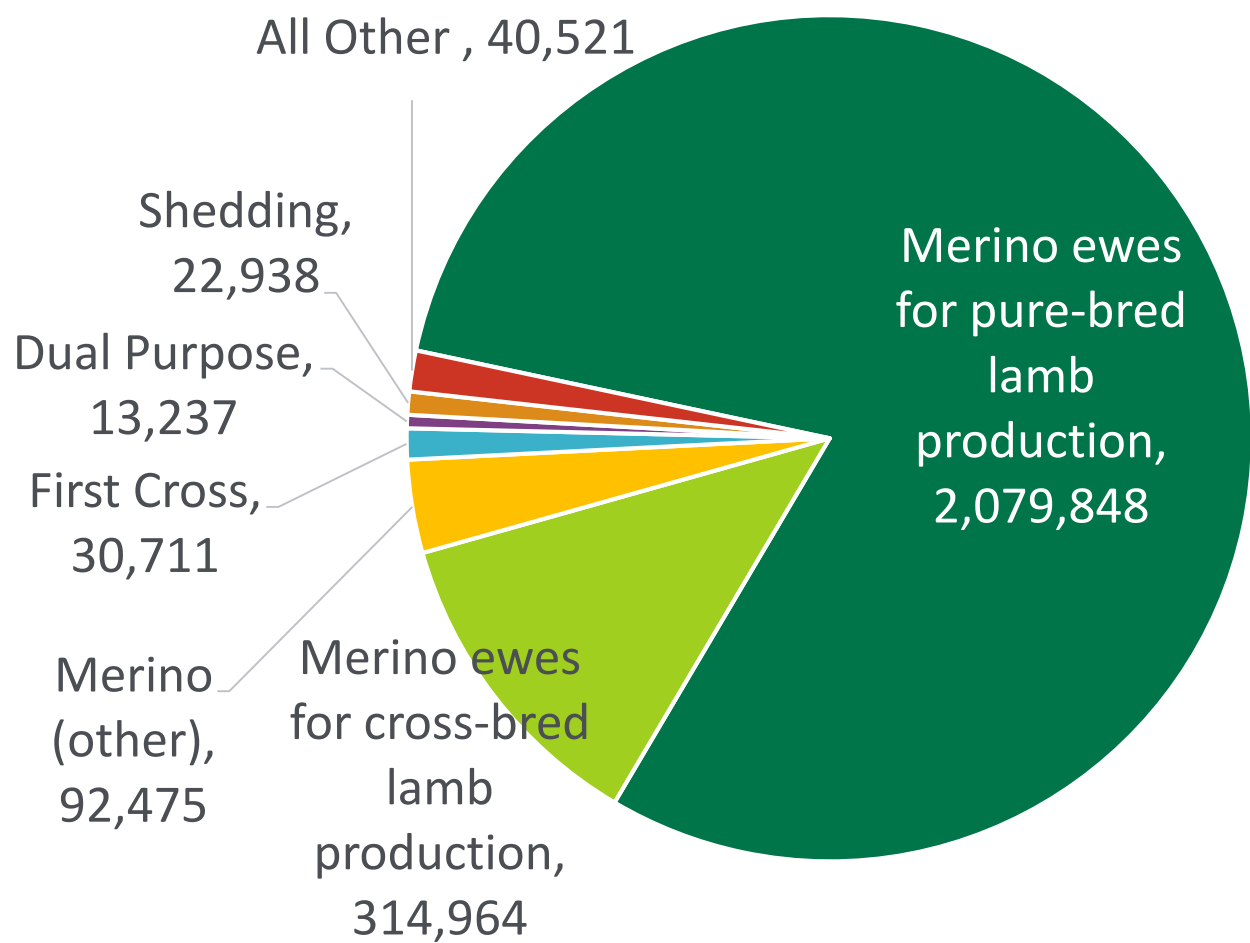
How to achieve increase



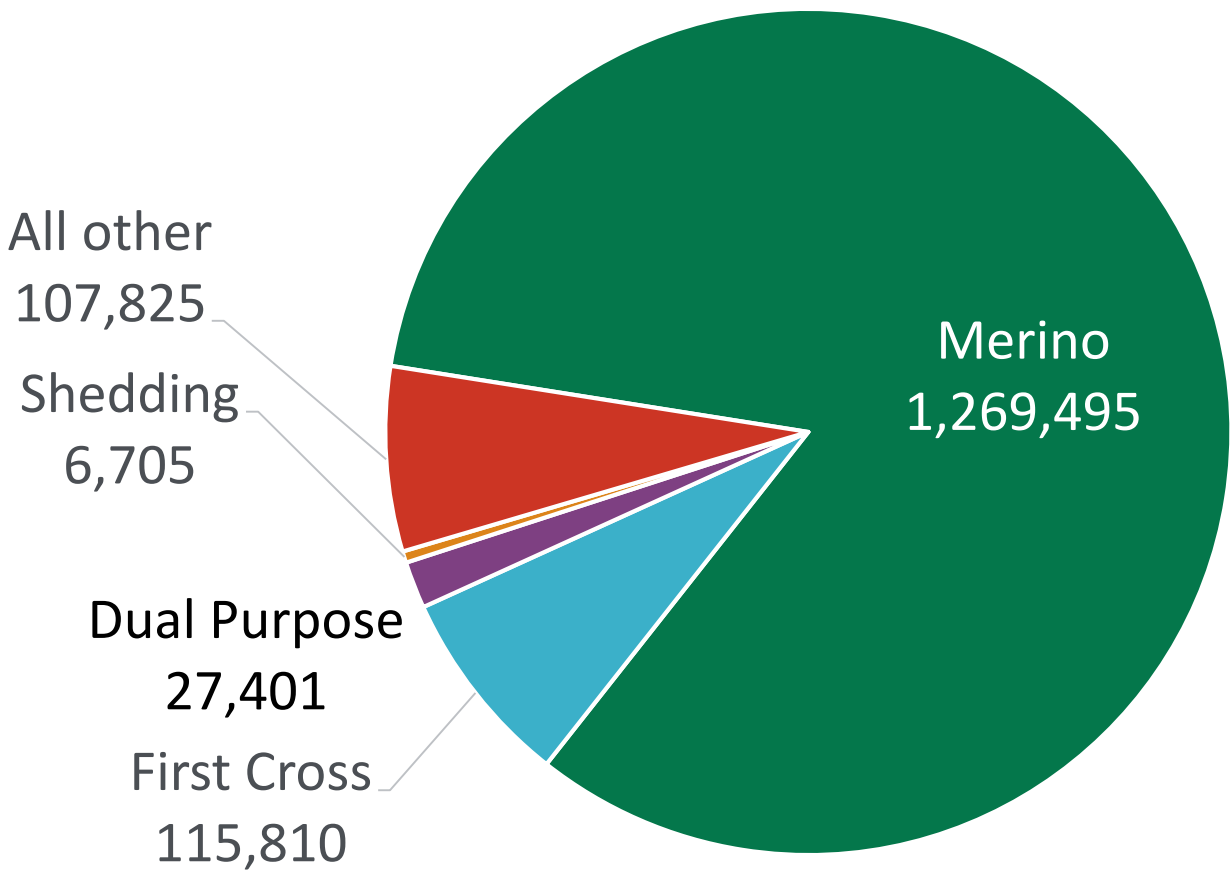
Totals

Breeding ewes on hand	11,683,968
Lambs on hand	7,151,189
Expected lamb sales in the next 4 months	2,502,221
Lambs marked in the past 4 months (1 Jul – 31 Oct)	5,916,429
Number of ewes joined to produce marked lambs	5,826,211

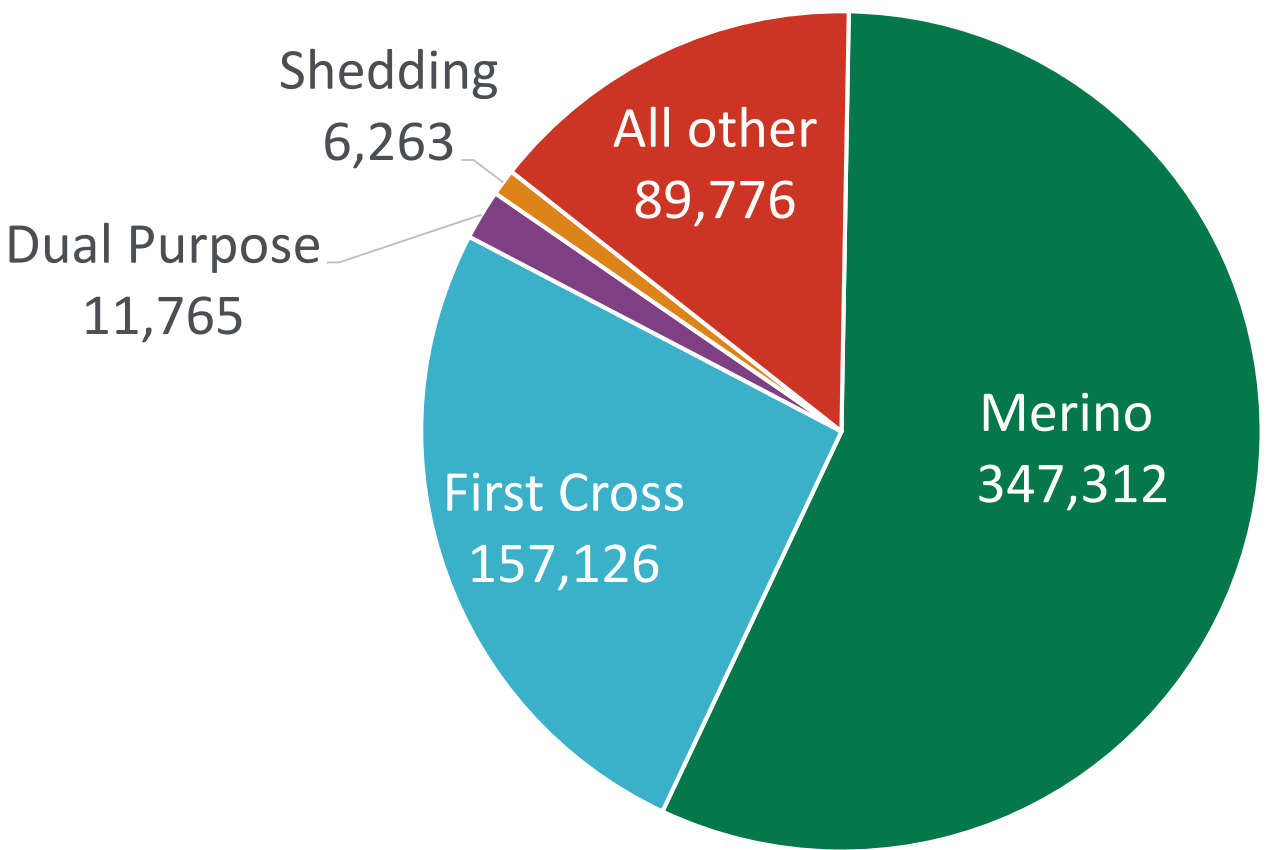
Breeding ewes on hand



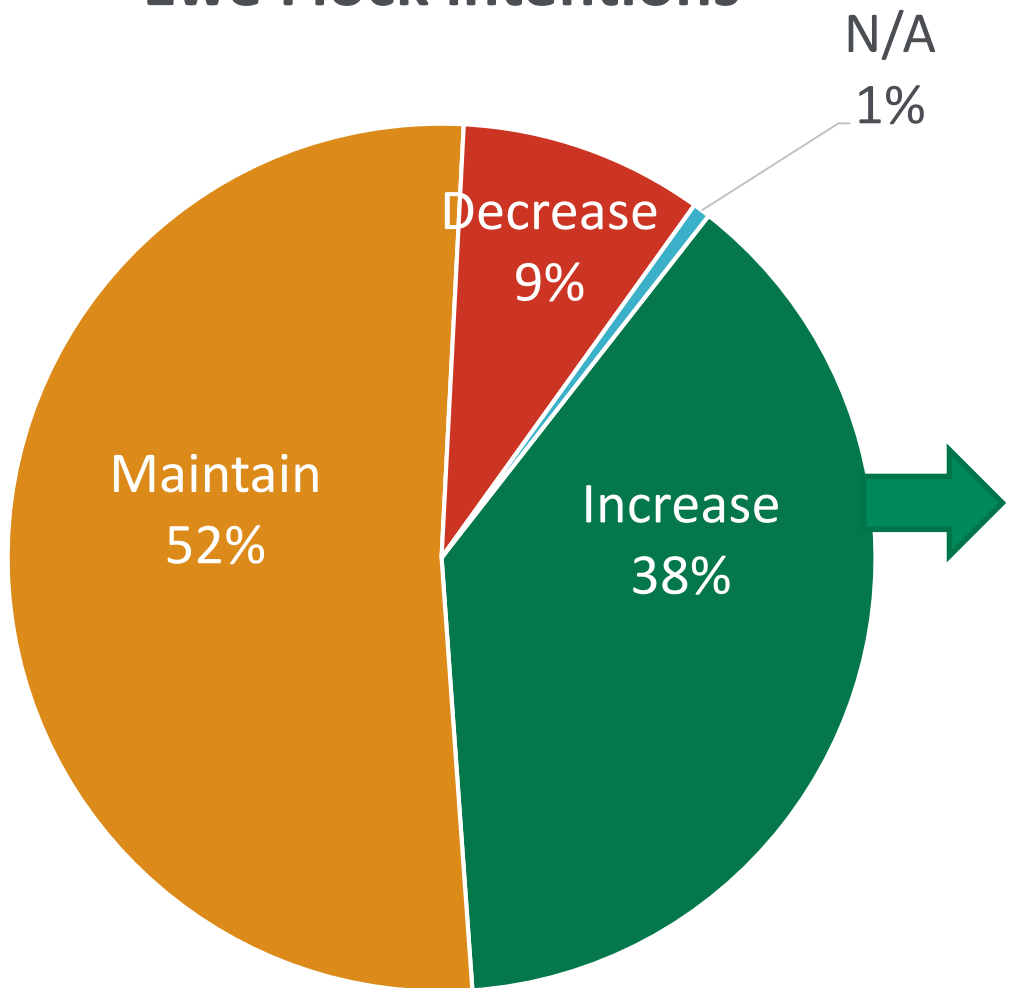
Lambs on hand



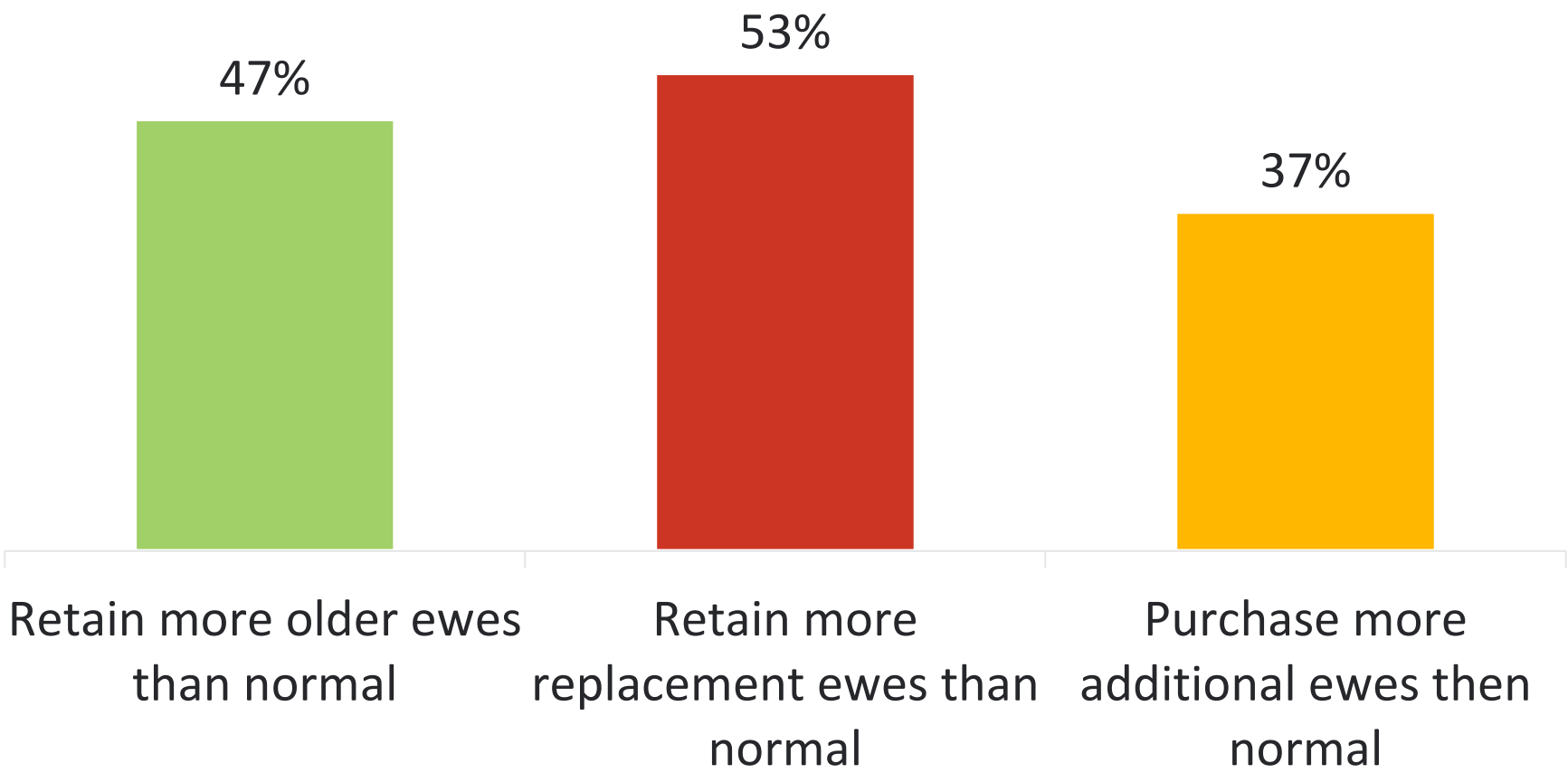
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

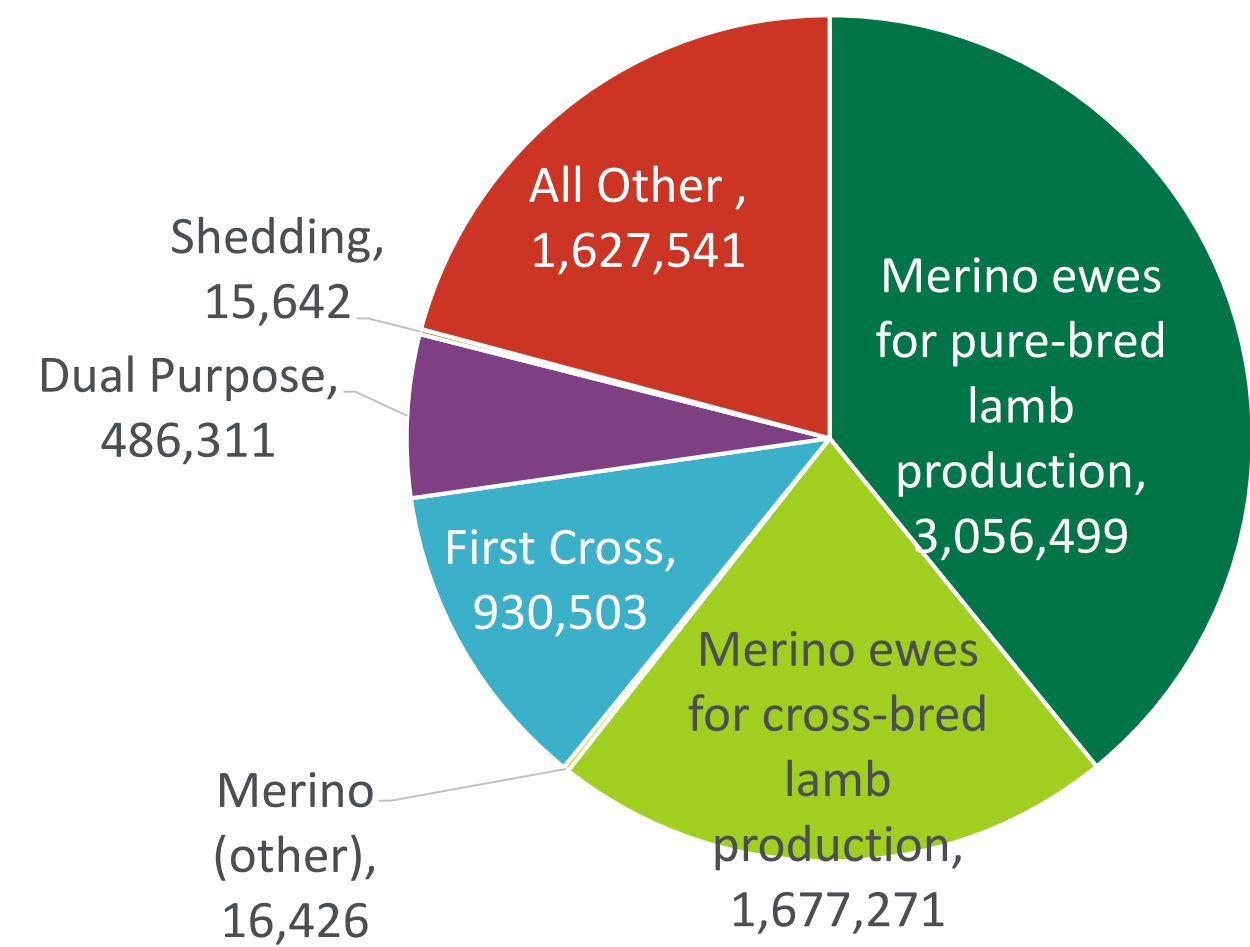


Totals

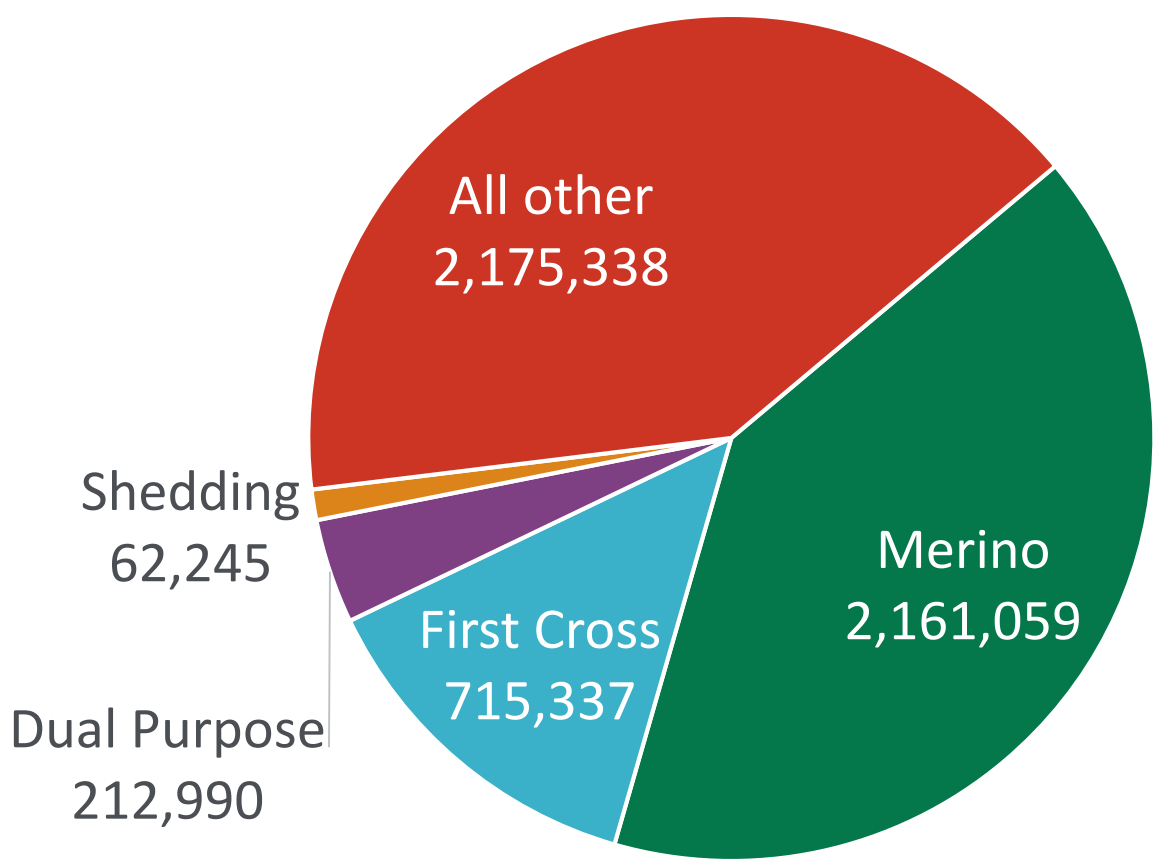
Breeding ewes on hand	2,594,694
Lambs on hand	1,527,235
Expected lamb sales in the next 4 months	612,242
Lambs marked in the past 4 months (1 Jul – 31 Oct)	1,268,566
Number of ewes joined to produce marked lambs	1,513,134

Wimmera Mallee Murray

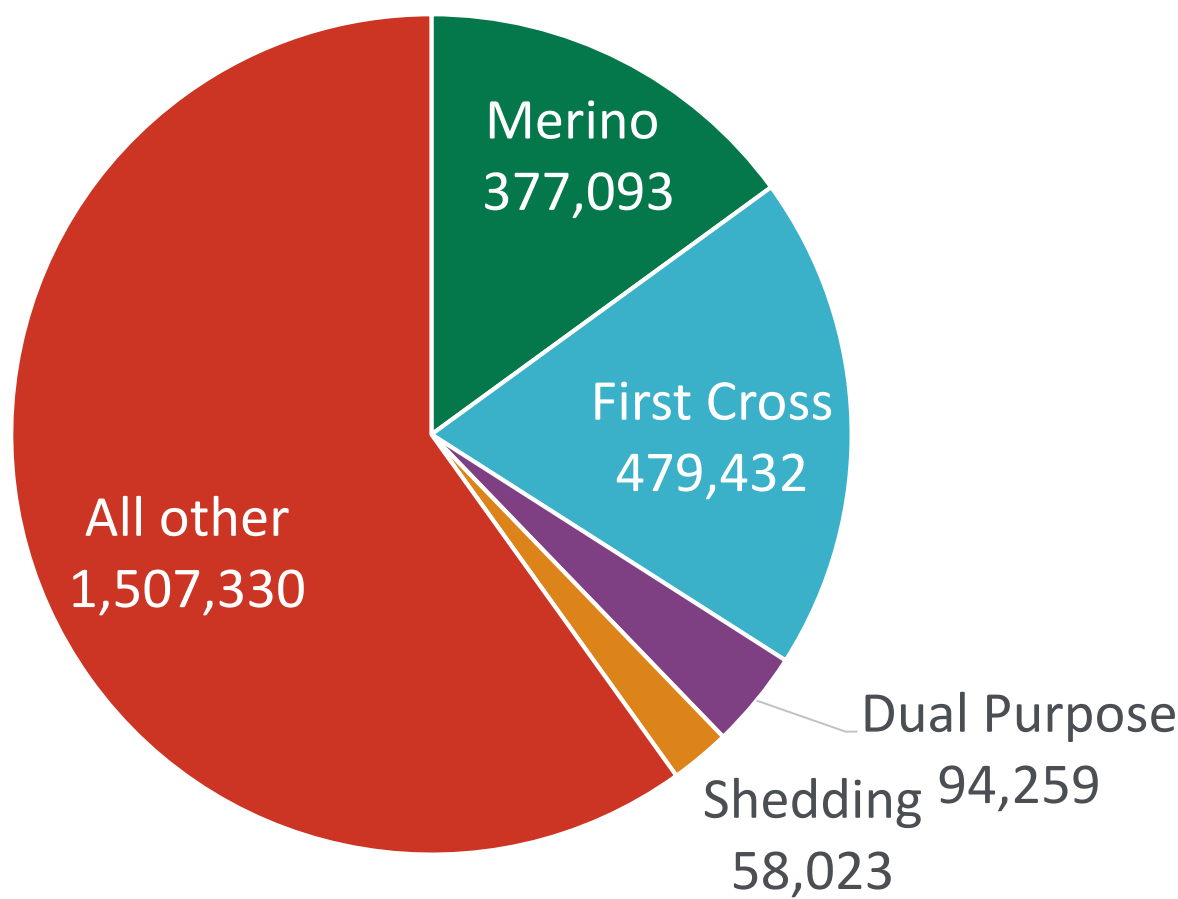
Breeding ewes on hand



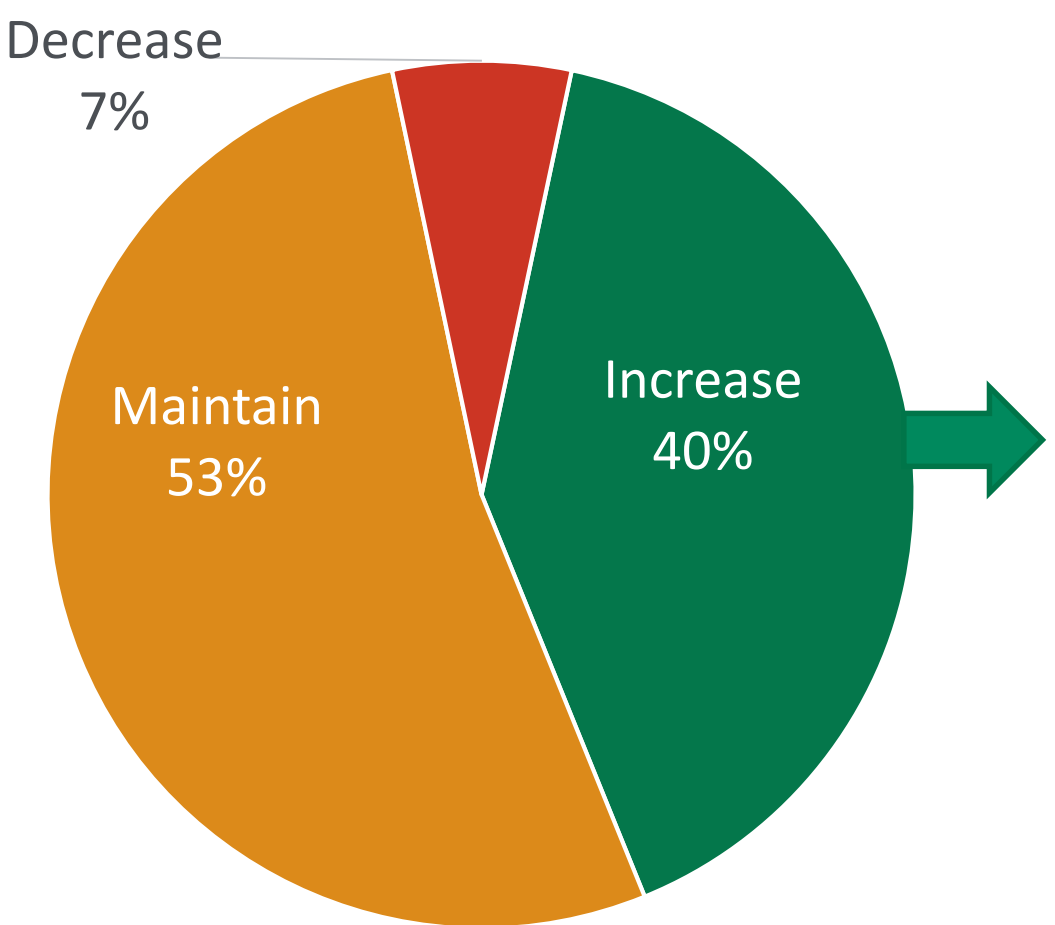
Lambs on hand



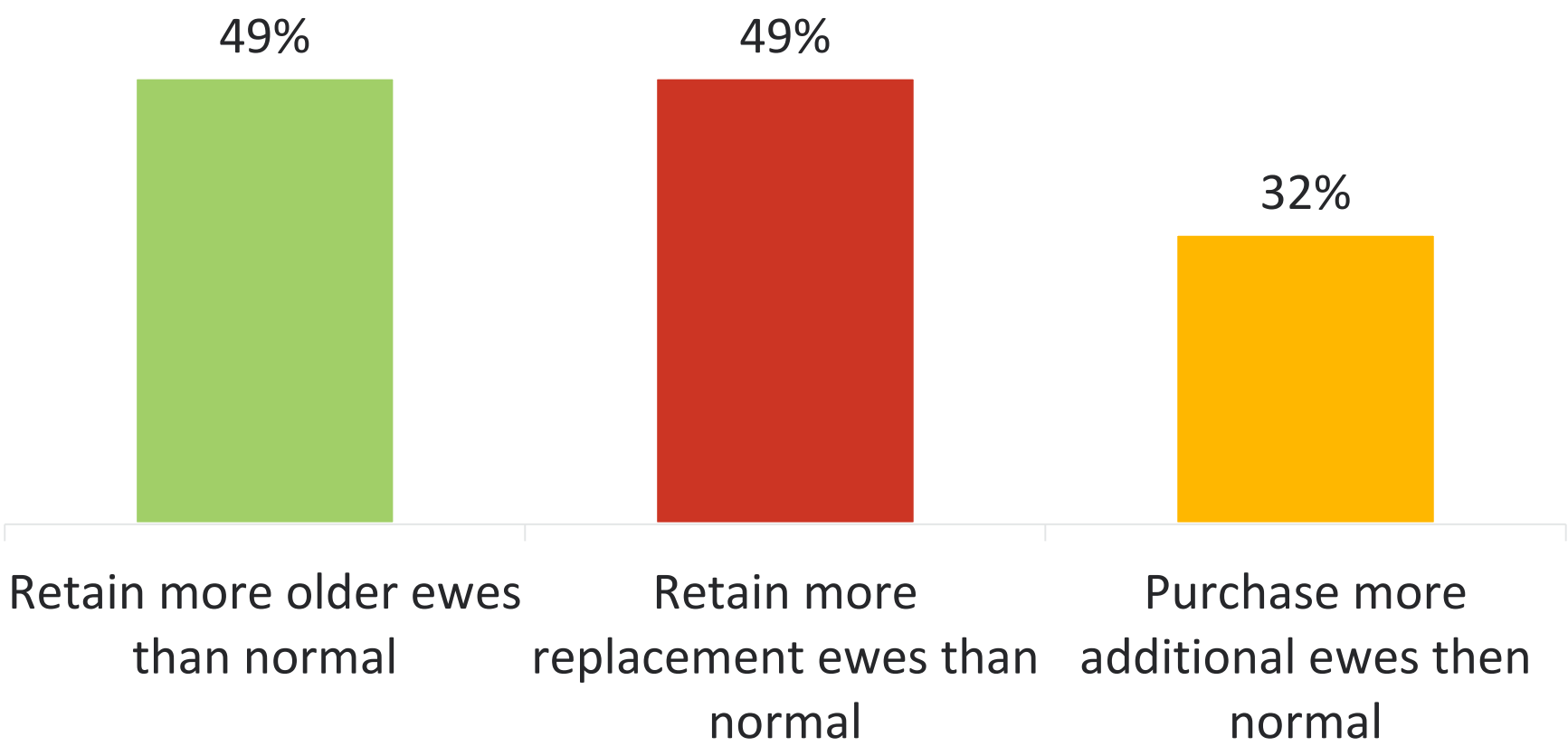
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

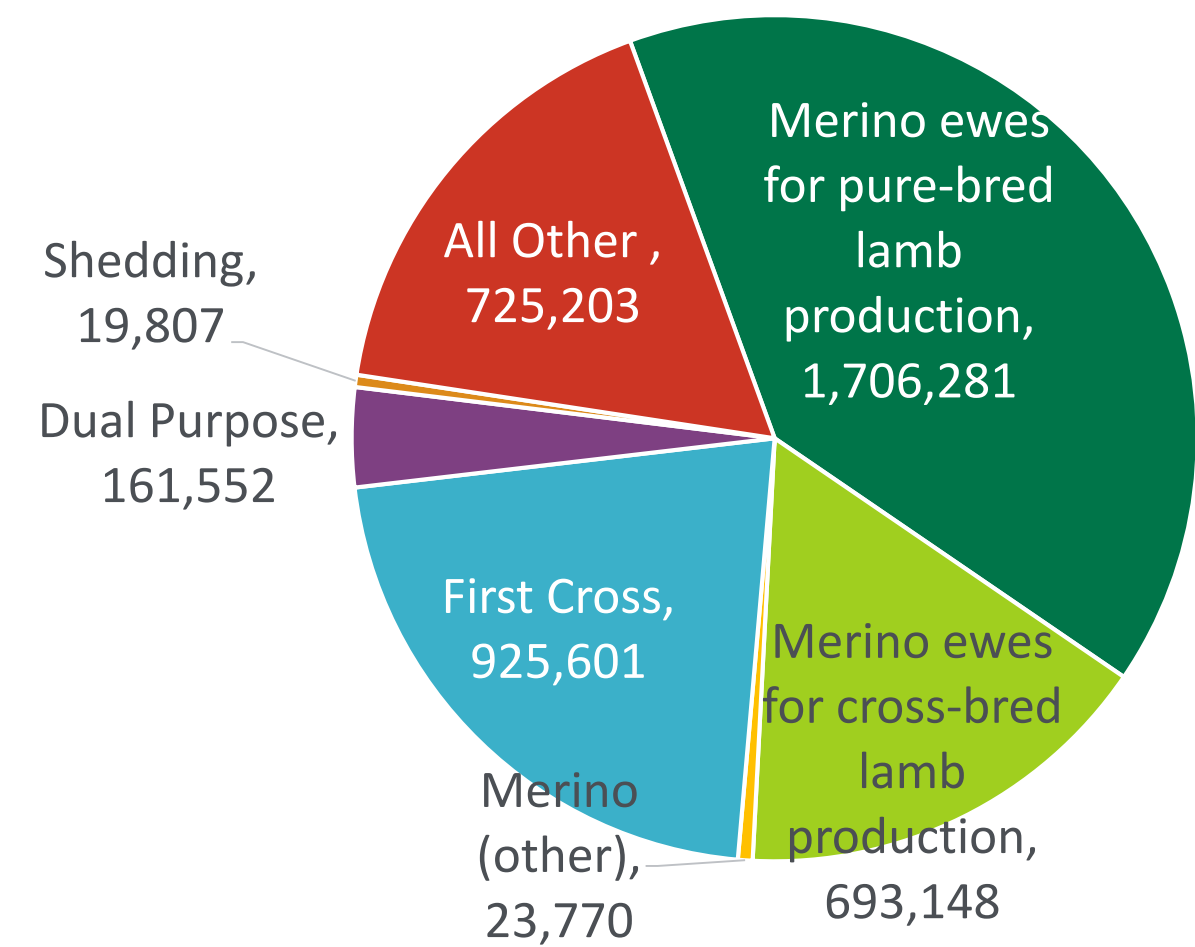


Totals

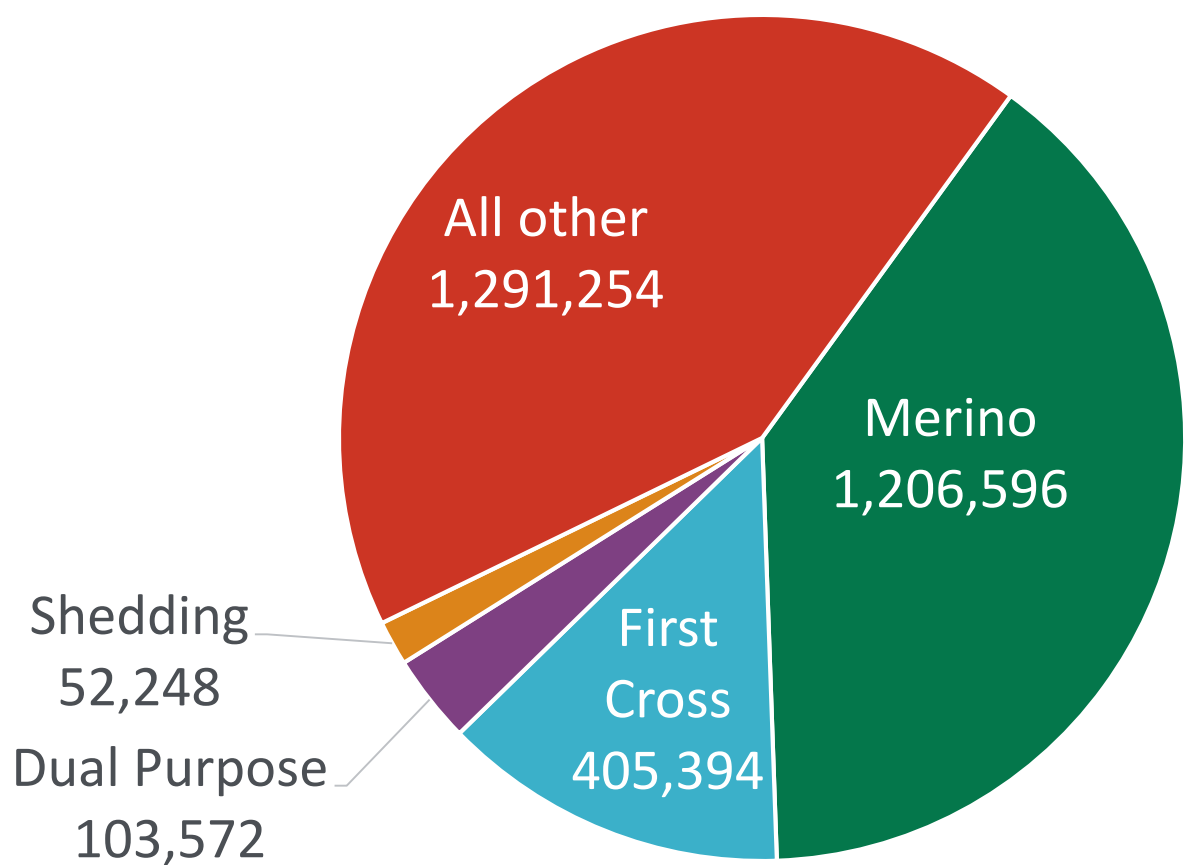
Breeding ewes on hand	7,810,194
Lambs on hand	5,326,969
Expected lamb sales in the next 4 months	2,516,137
Lambs marked in the past 4 months (1 Jul – 31 Oct)	4,413,571
Number of ewes joined to produce marked lambs	4,291,866

East Victoria

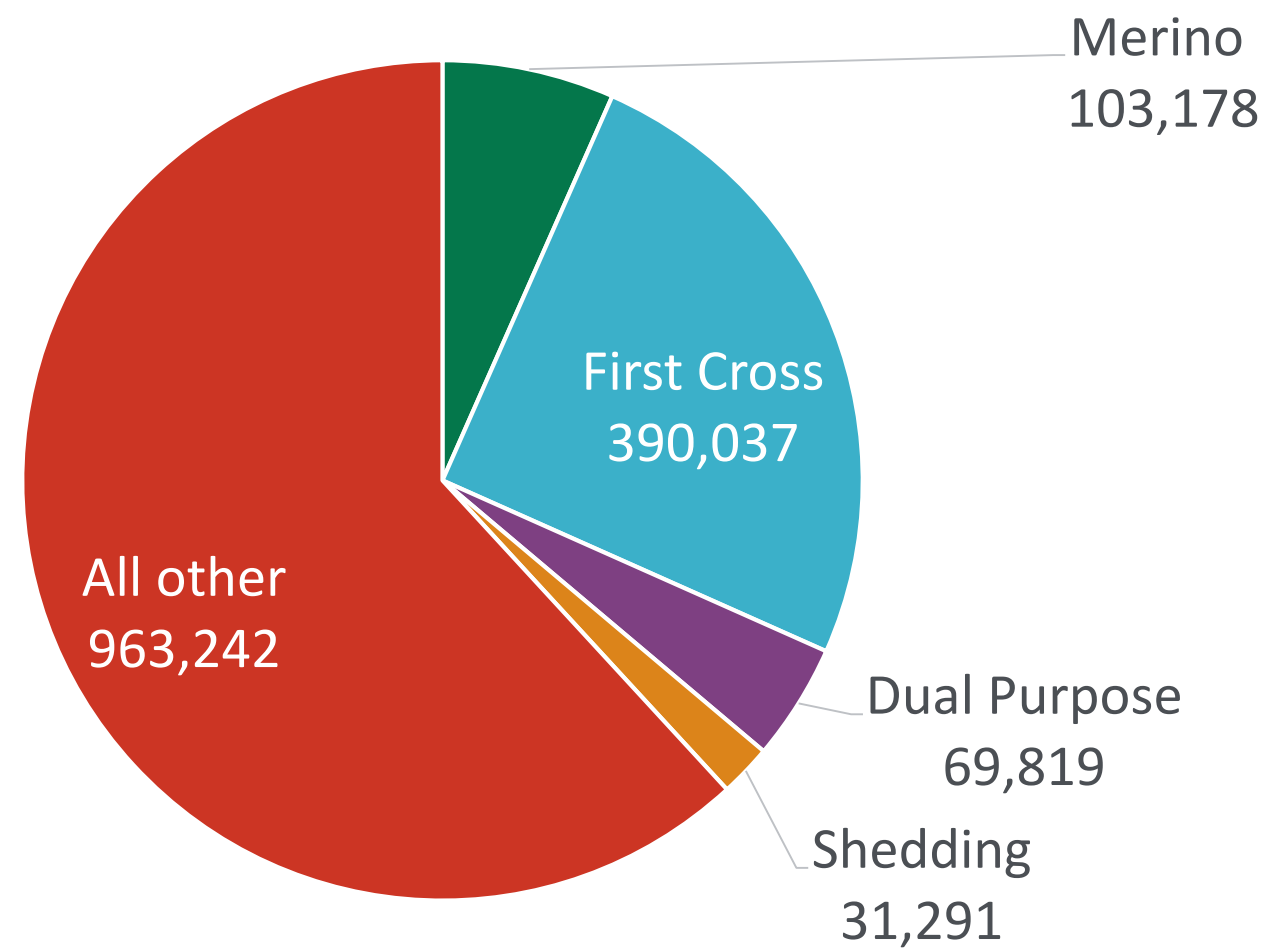
Breeding ewes on hand



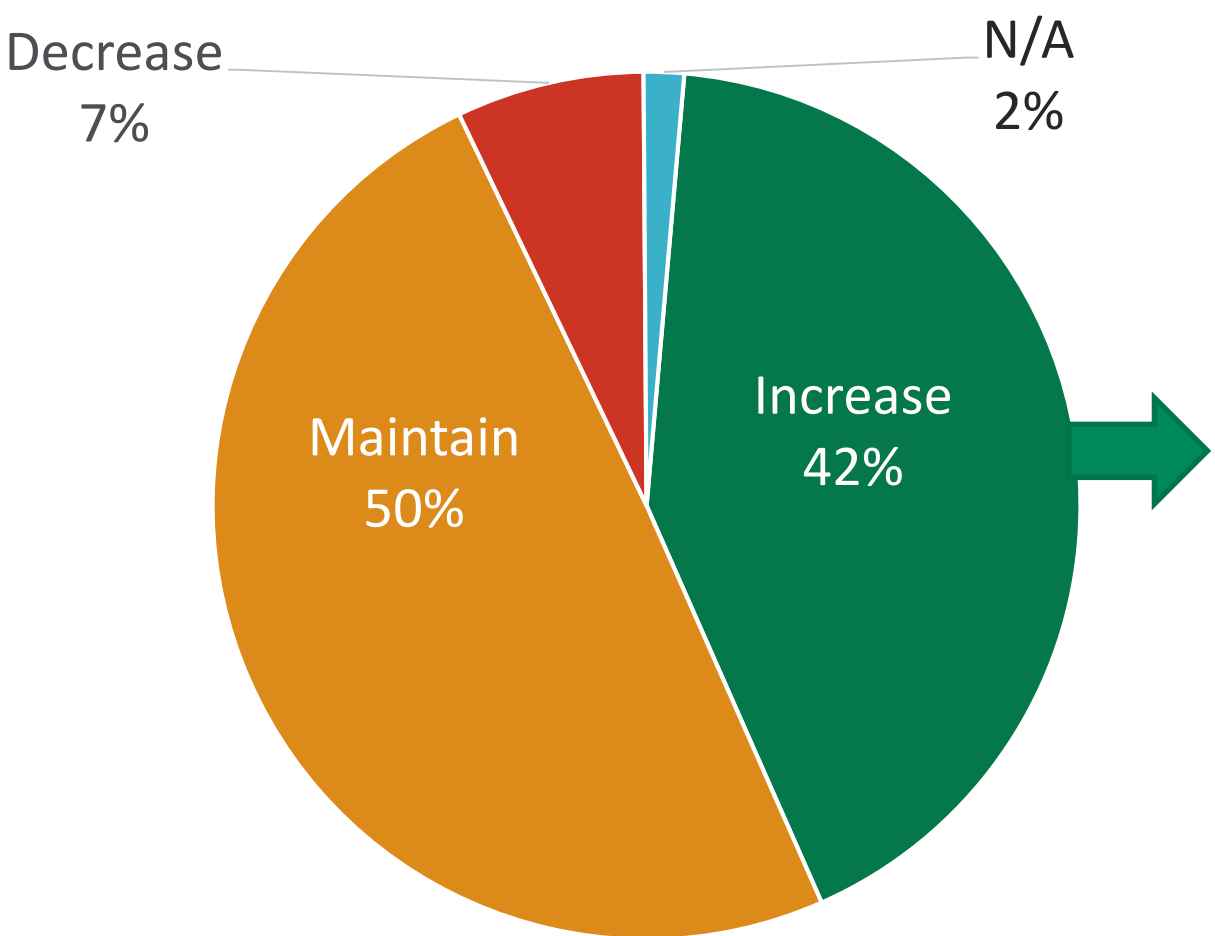
Lambs on hand



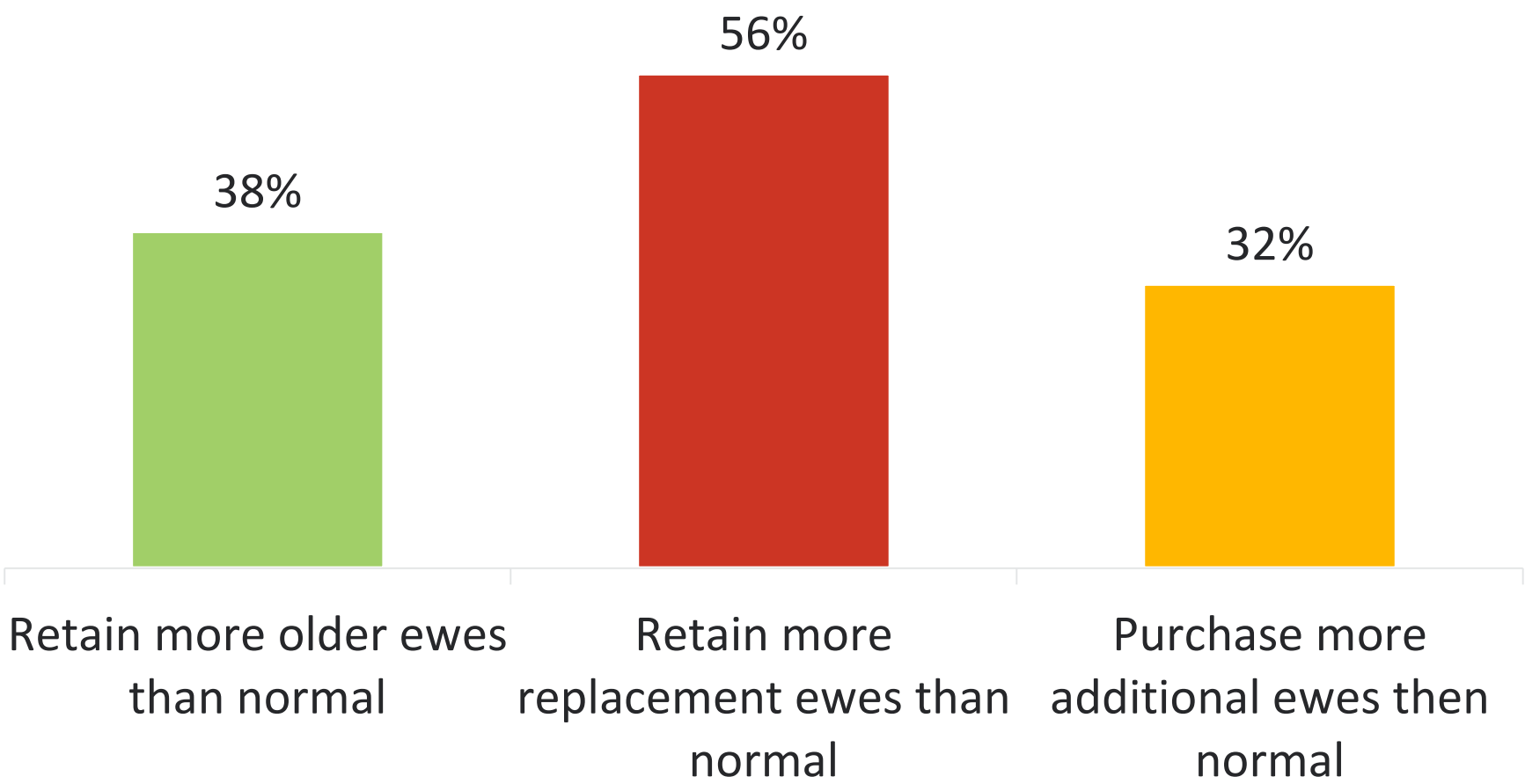
Lamb sales in next 4 months



Ewe Flock intentions



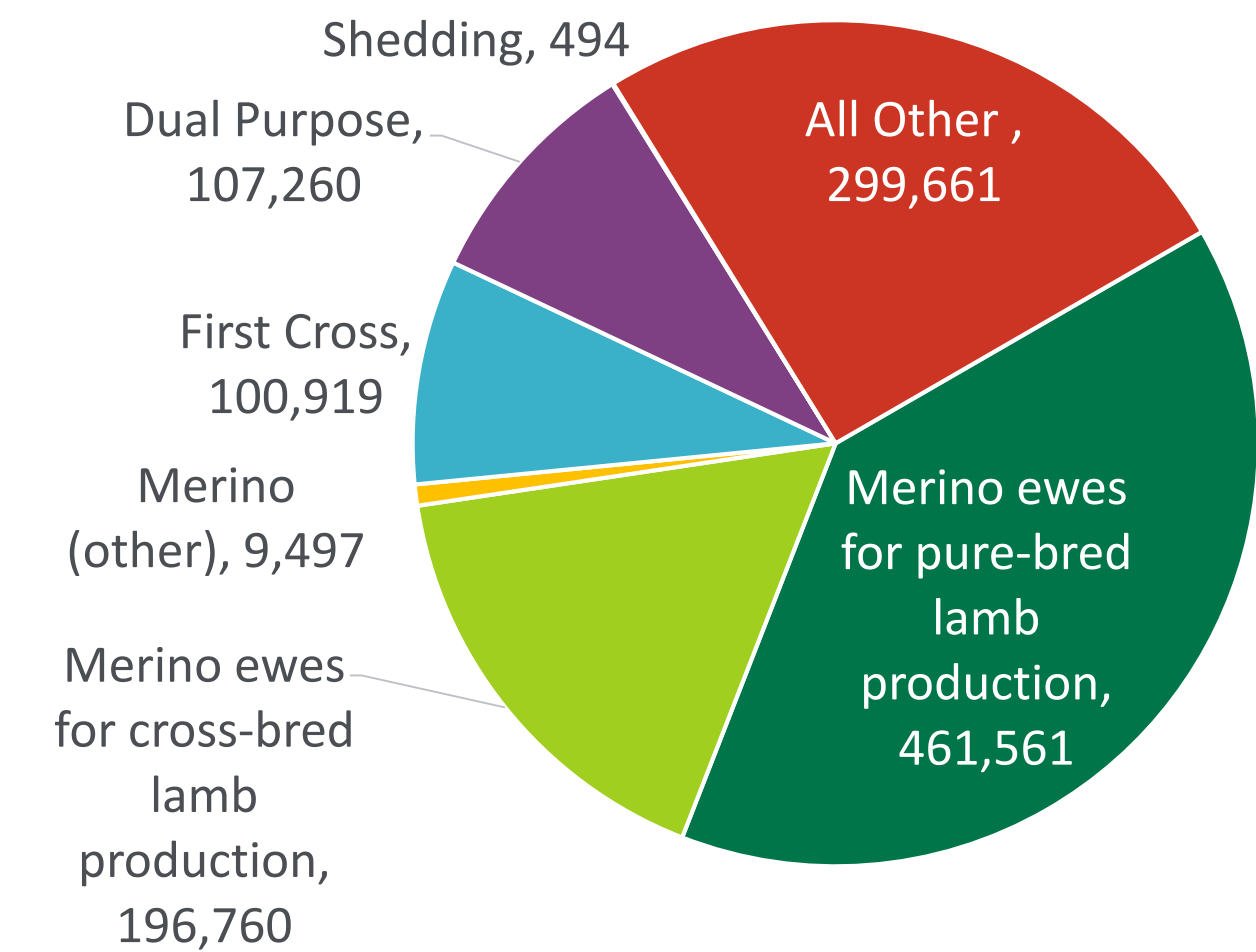
How to achieve increase



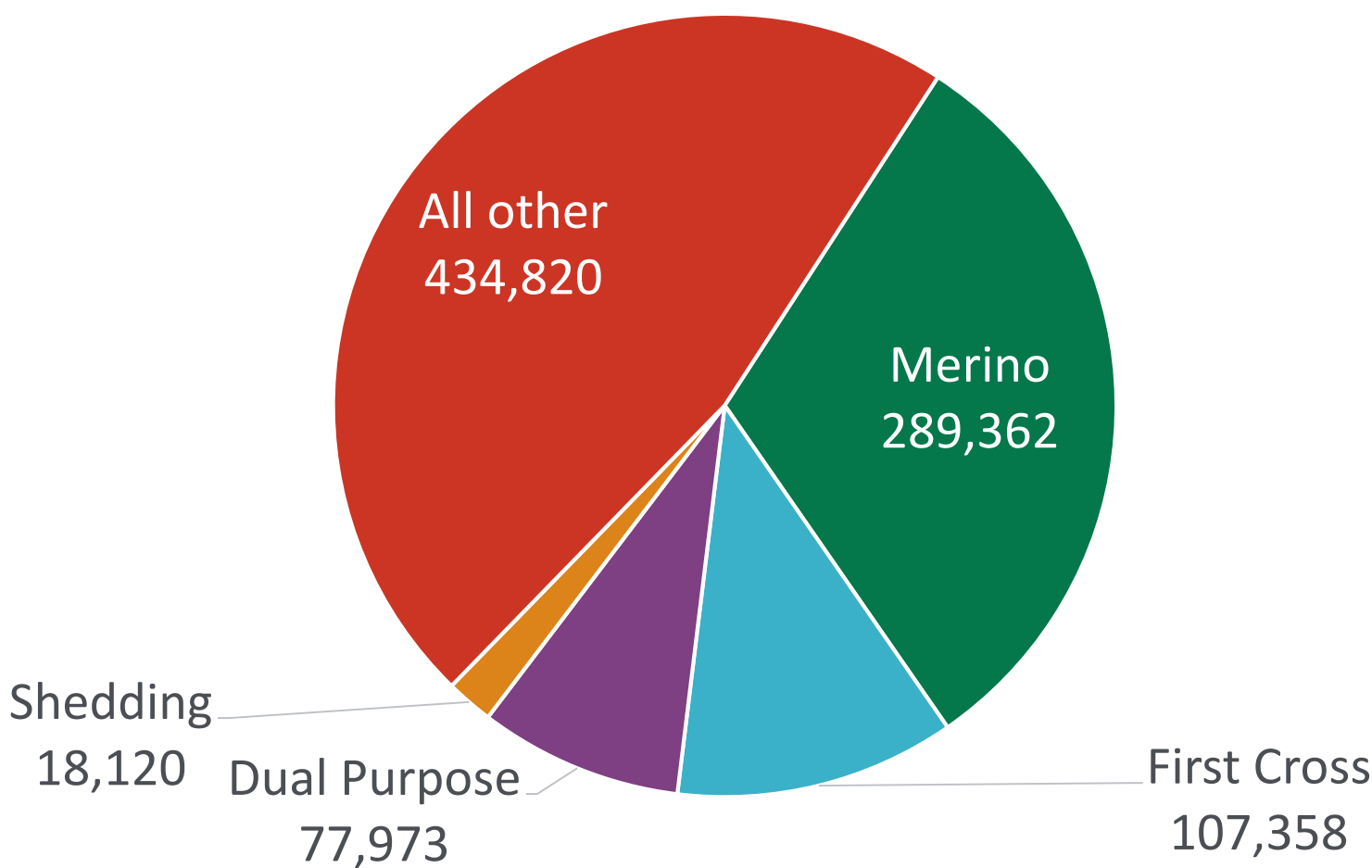
Totals

Breeding ewes on hand	4,255,363
Lambs on hand	3,059,064
Expected lamb sales in the next 4 months	1,557,567
Lambs marked in the past 4 months (1 Jul – 31 Oct)	2,567,253
Number of ewes joined to produce marked lambs	2,443,077

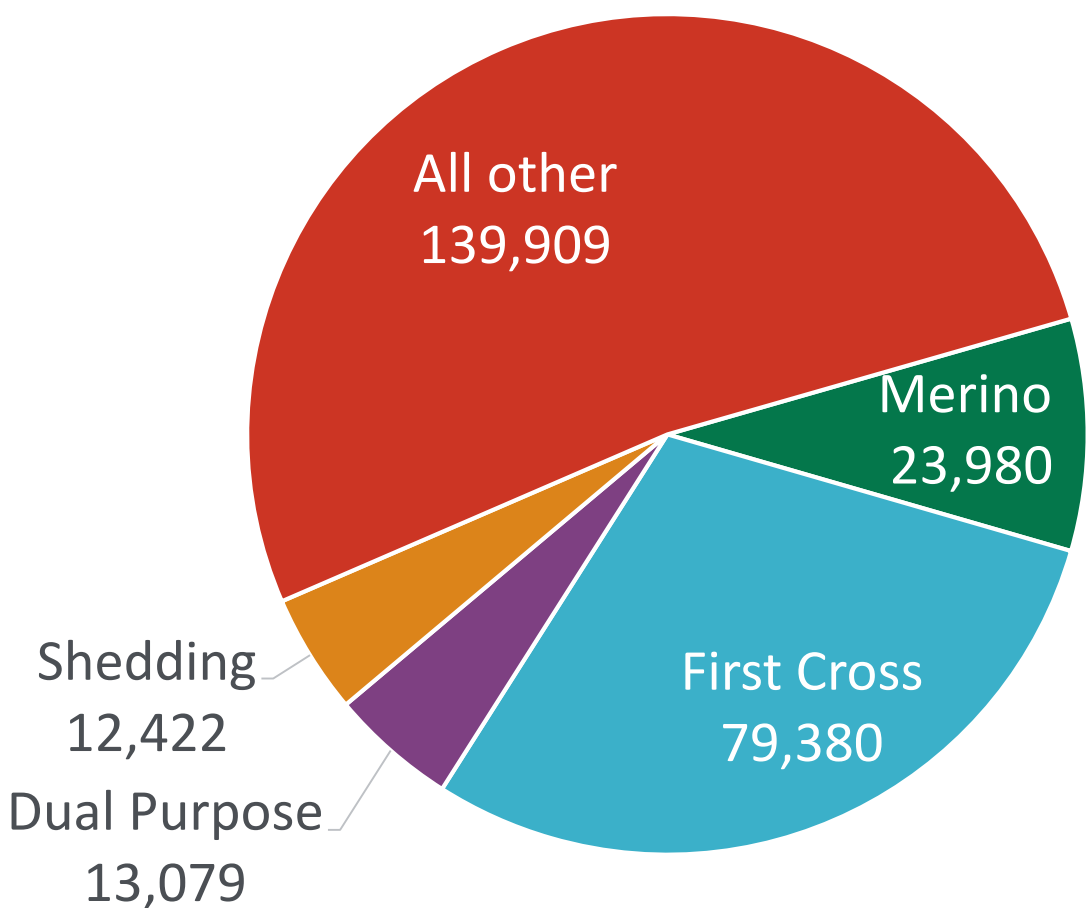
Breeding ewes on hand



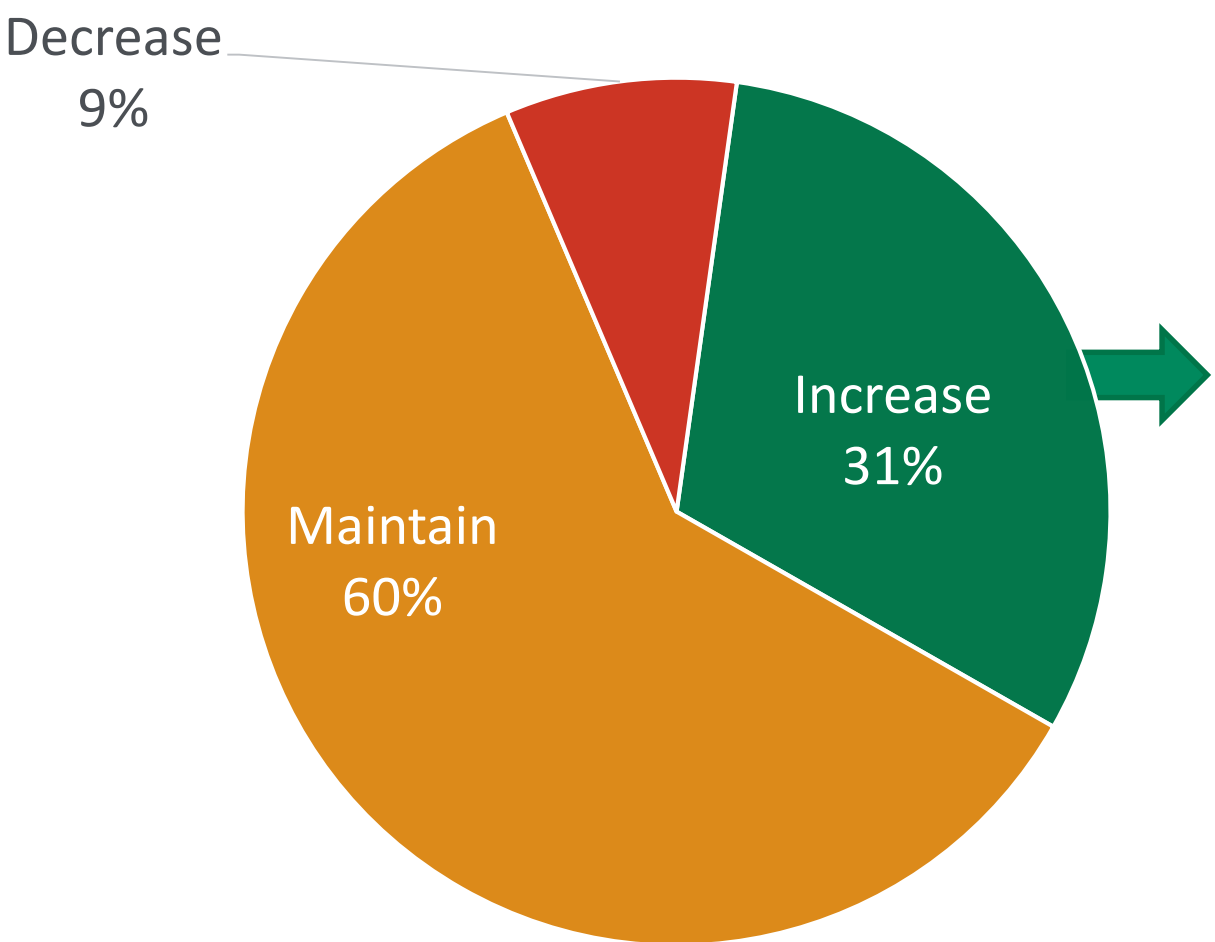
Lambs on hand



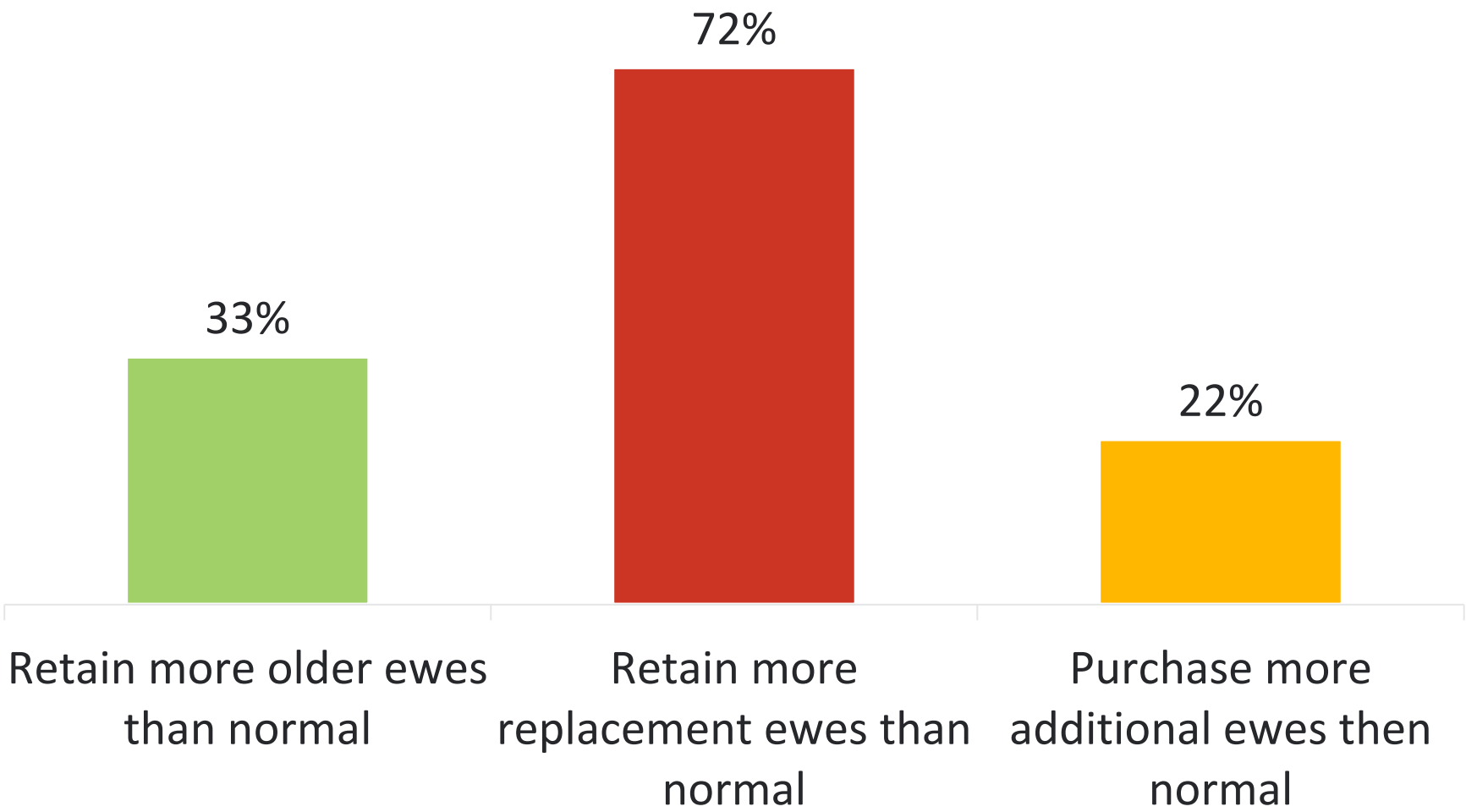
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase

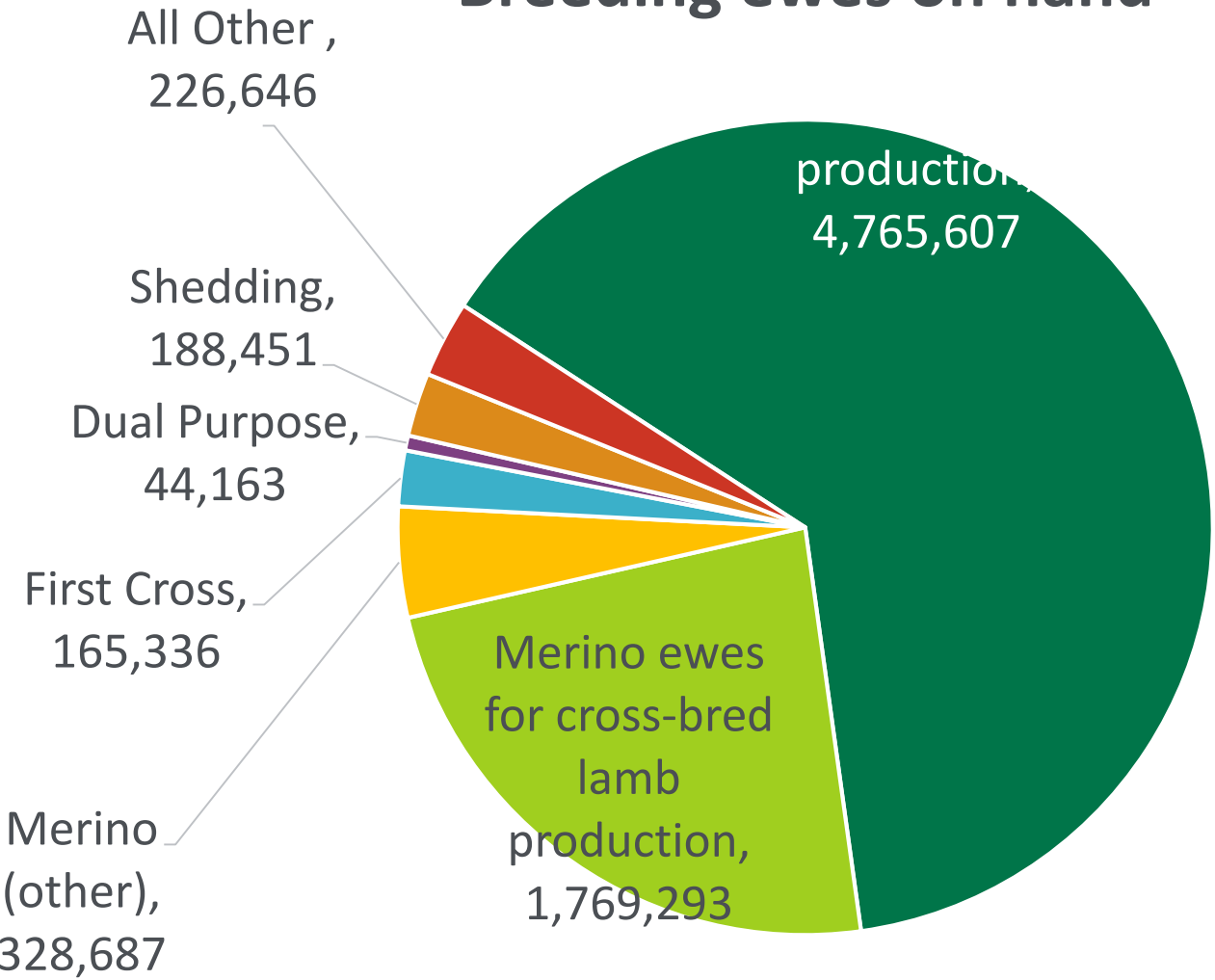


Totals

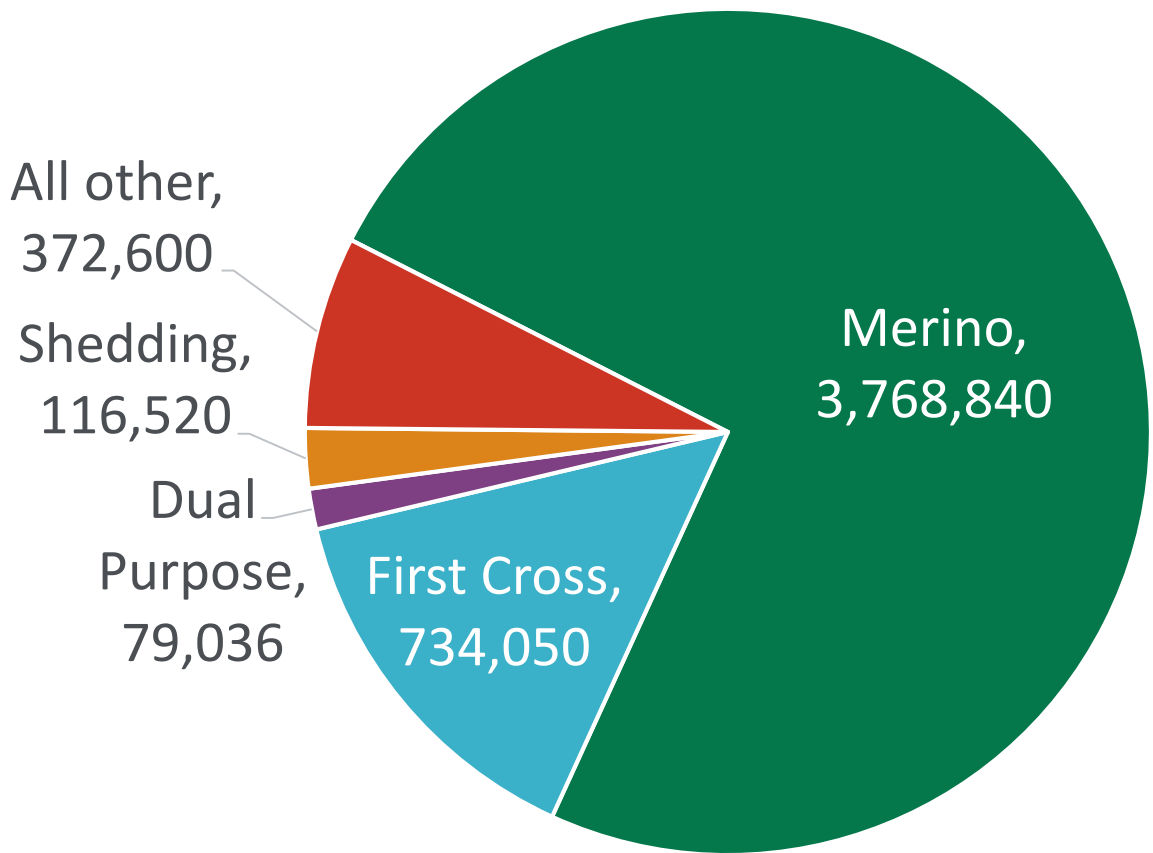
Breeding ewes on hand	1,176,151
Lambs on hand	927,633
Expected lamb sales in the next 4 months	268,771
Lambs marked in the past 4 months (1 Jul – 31 Oct)	701,873
Number of ewes joined to produce marked lambs	615,928

Western Australia

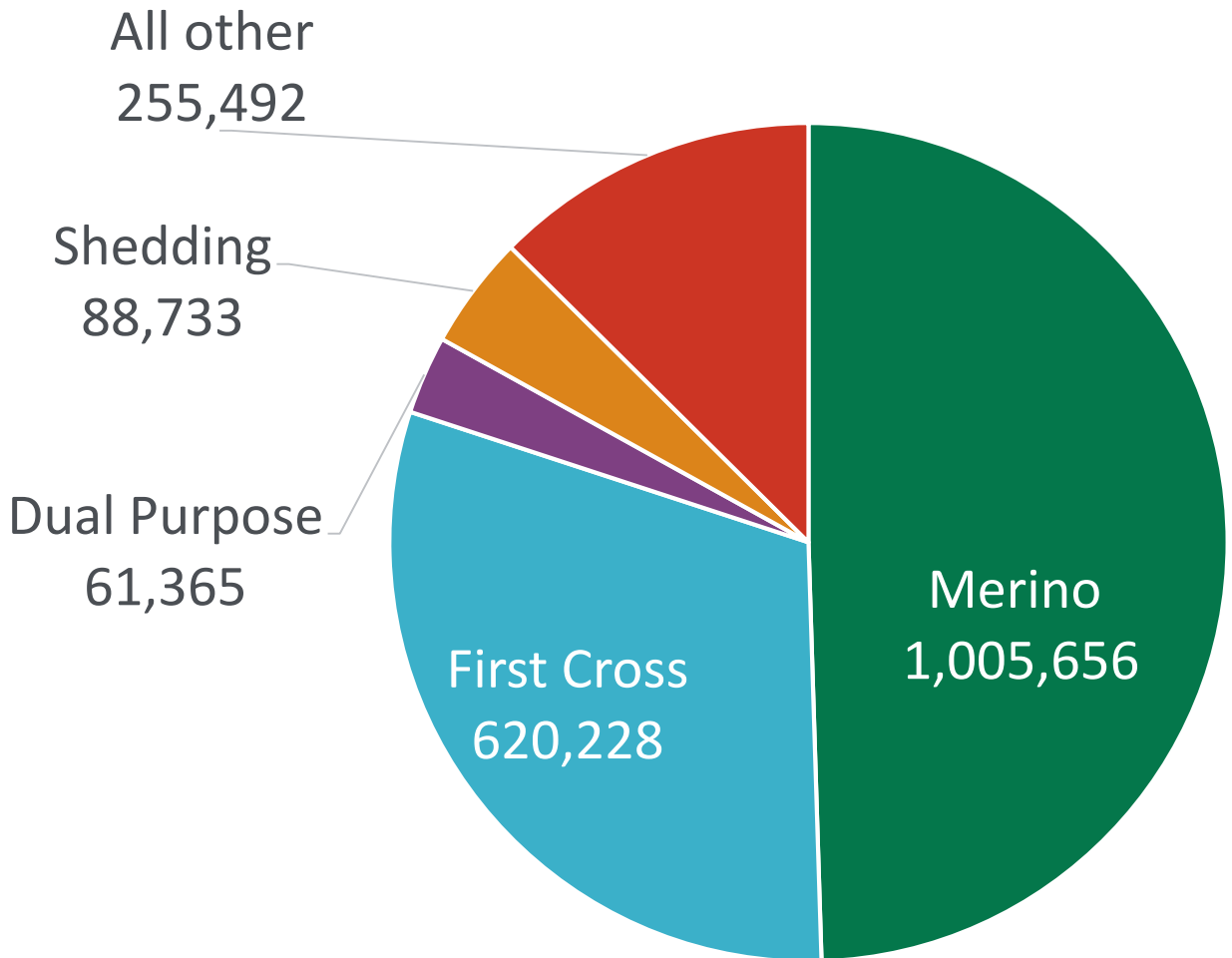
Breeding ewes on hand



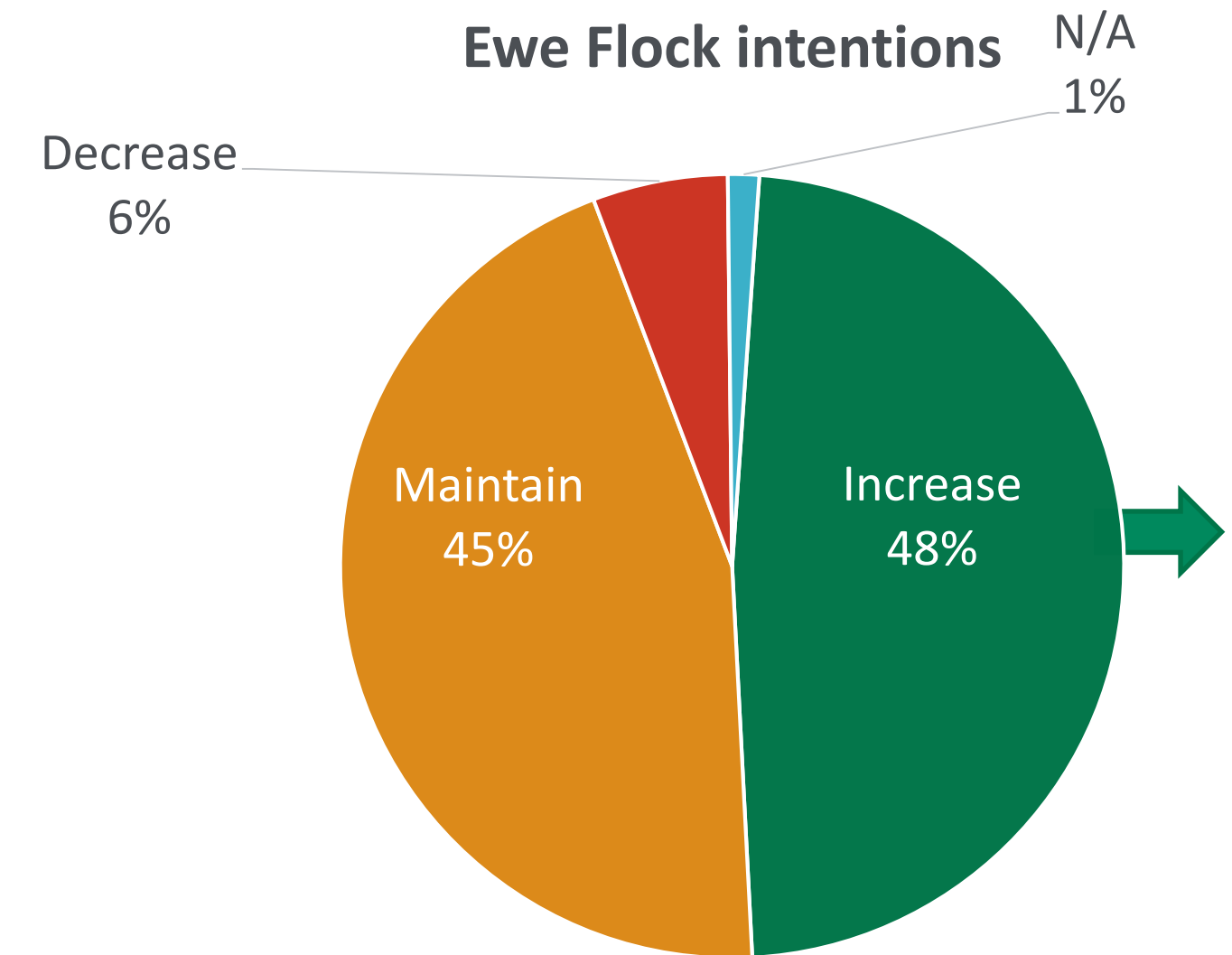
Lambs on hand



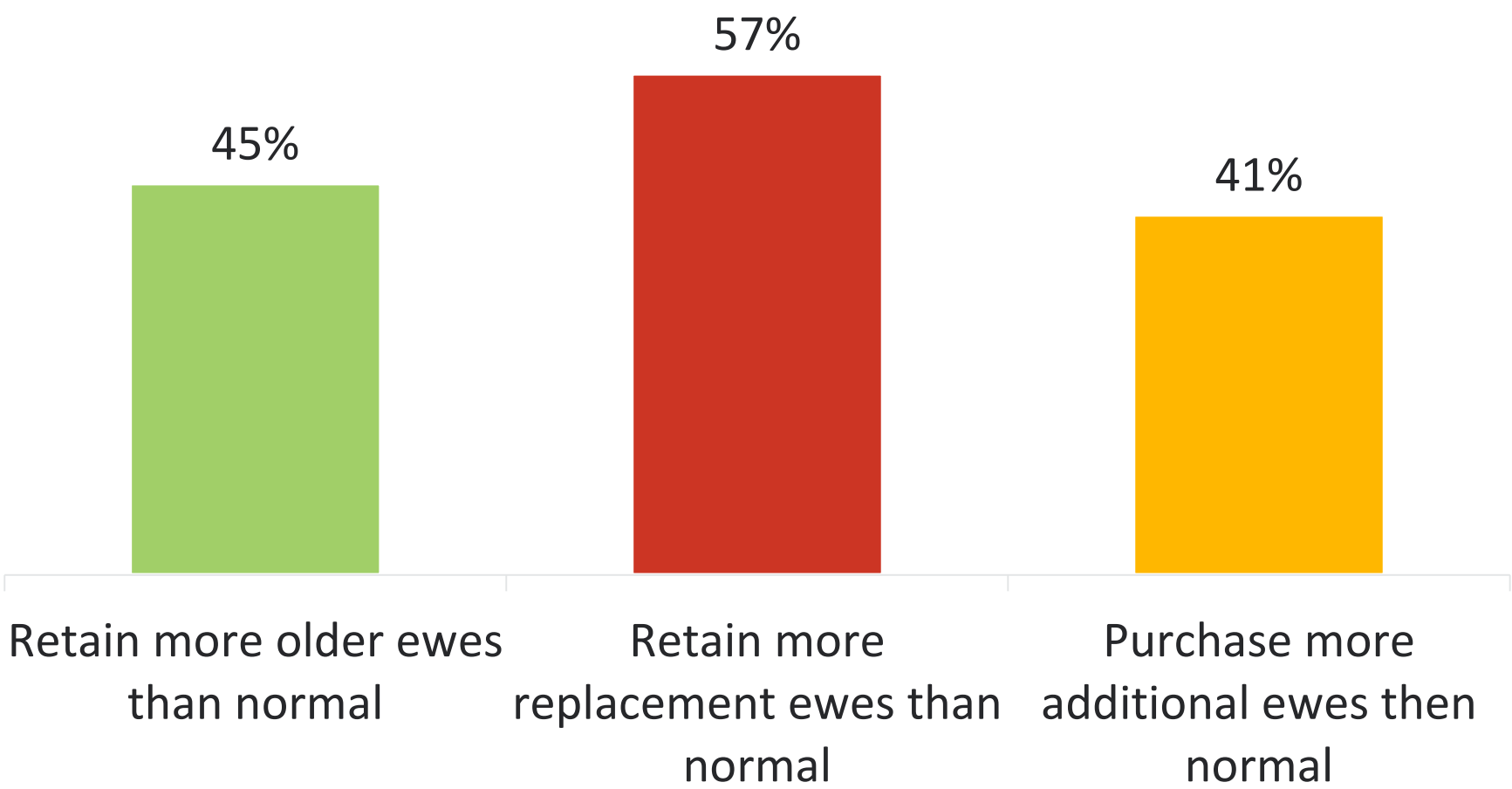
Lamb sales in next 4 months



Ewe Flock intentions



How to achieve increase



Totals

Breeding ewes on hand	7,488,183
Lambs on hand	5,071,046
Expected lamb sales in the next 4 months	2,031,473
Lambs marked in the past 4 months (1 Jul – 31 Oct)	4,790,188
Number of ewes joined to produce marked lambs	5,084,826

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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