

AN INITIATIVE OF
Making More From Sheep



Its EWETIME

Dr Alex Ball

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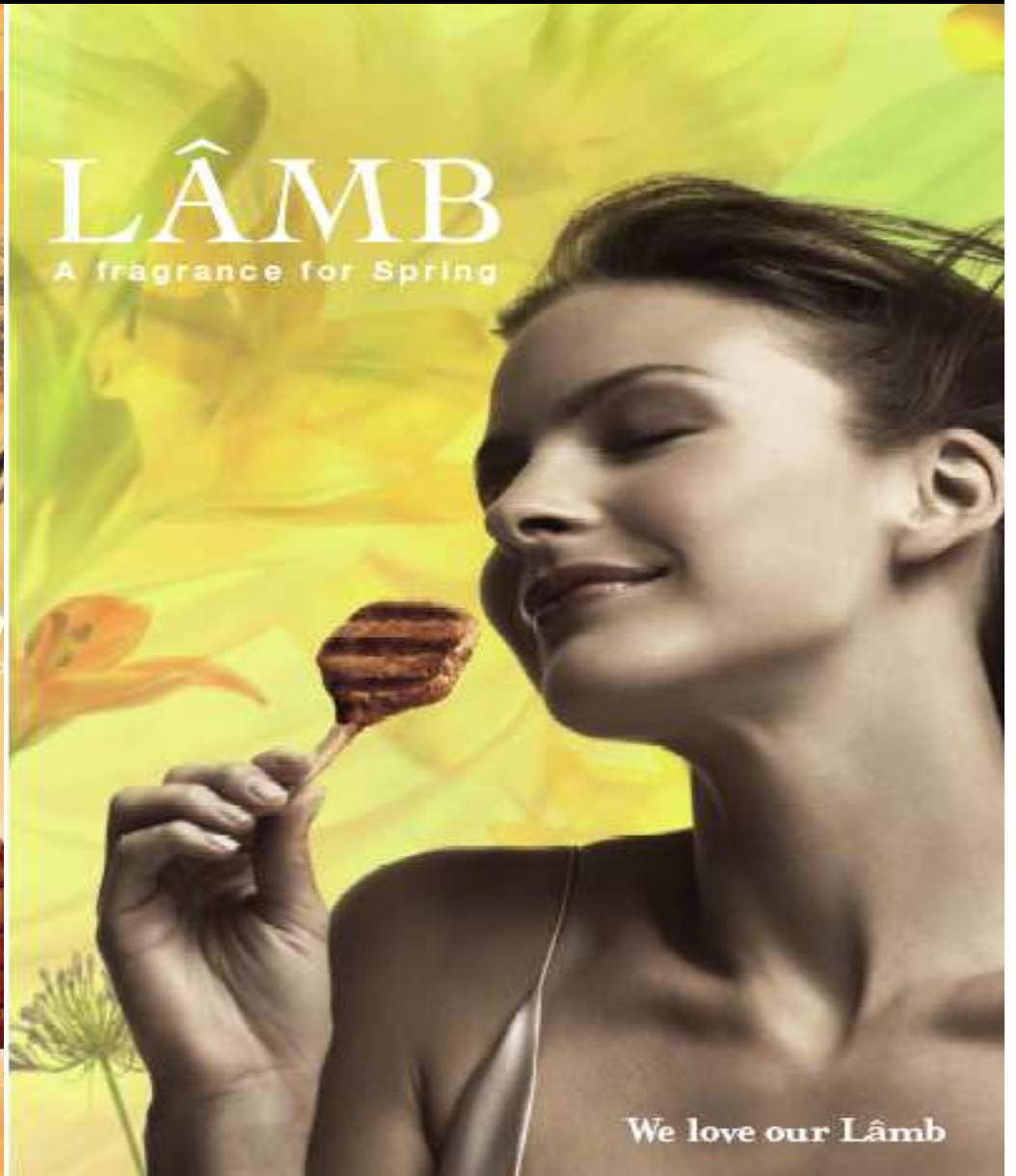


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LÂMB
A fragrance for



We love our



LÂMB
A fragrance for Spring

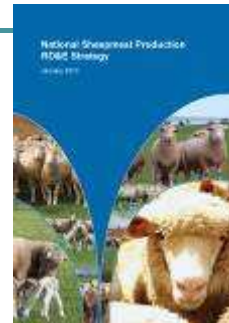
We love our Lâmb

Key themes for this presentation

- State of the lamb and sheep industries
 - Some thoughts for good sheep production
 - A view to the future
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Food for thought...

- We are all in the food industry

The Australian lamb industry

- currently produces
1.3 billion meals a year
- needs to produce
2.2 billion meals a year
by 2015



Where are we now?

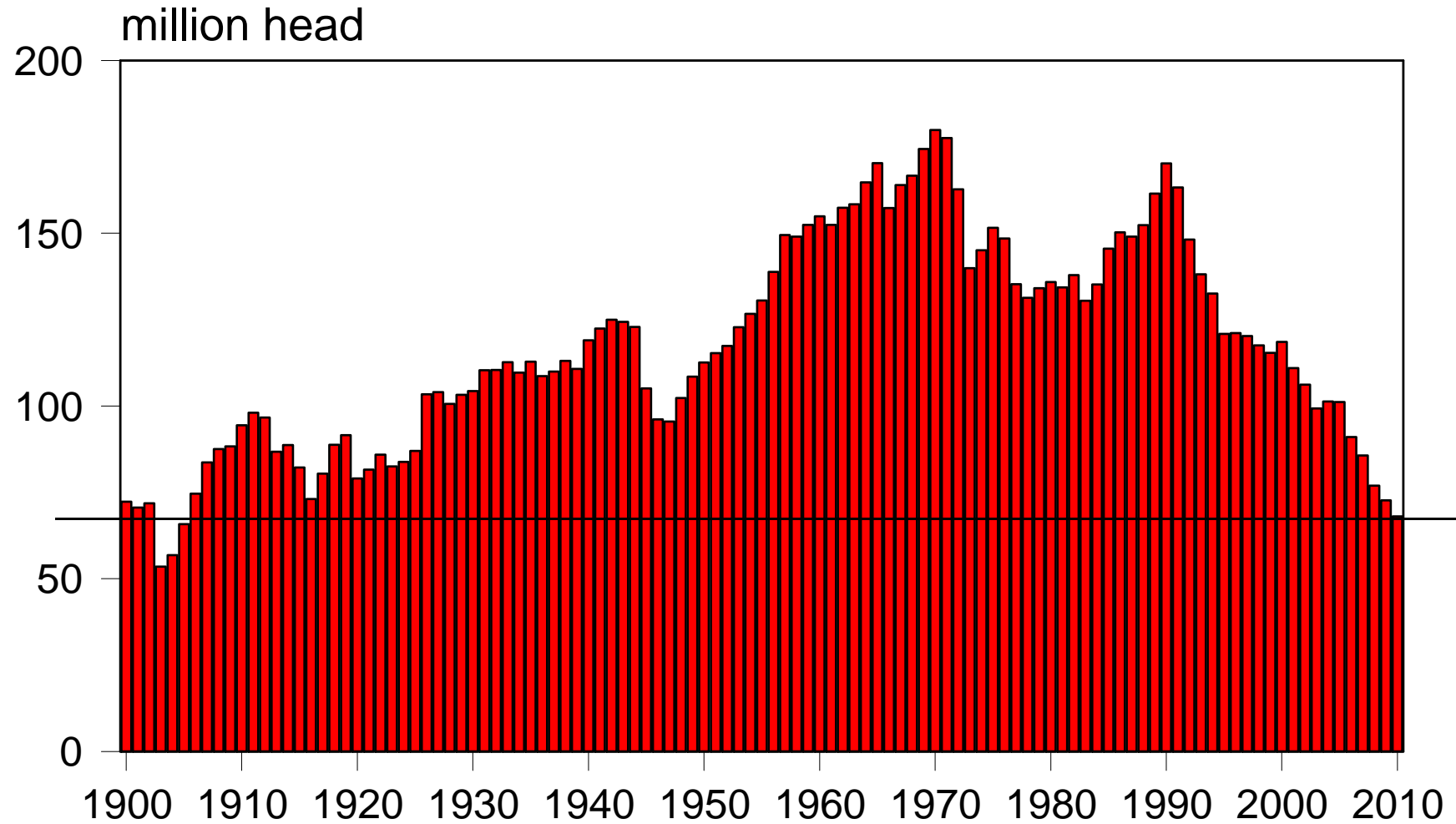
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- Welcome season in east, enabling modest rebuilding intentions to come to fruition
- A\$ at record levels against US\$
- Sheep flock at 100-year low
- National lamb and sheep slaughter behind last year
- Lamb prices well above 2010 and historical levels although dropping suddenly due to season
- Wool prices are good
- Sheep prices remaining strong

National flock

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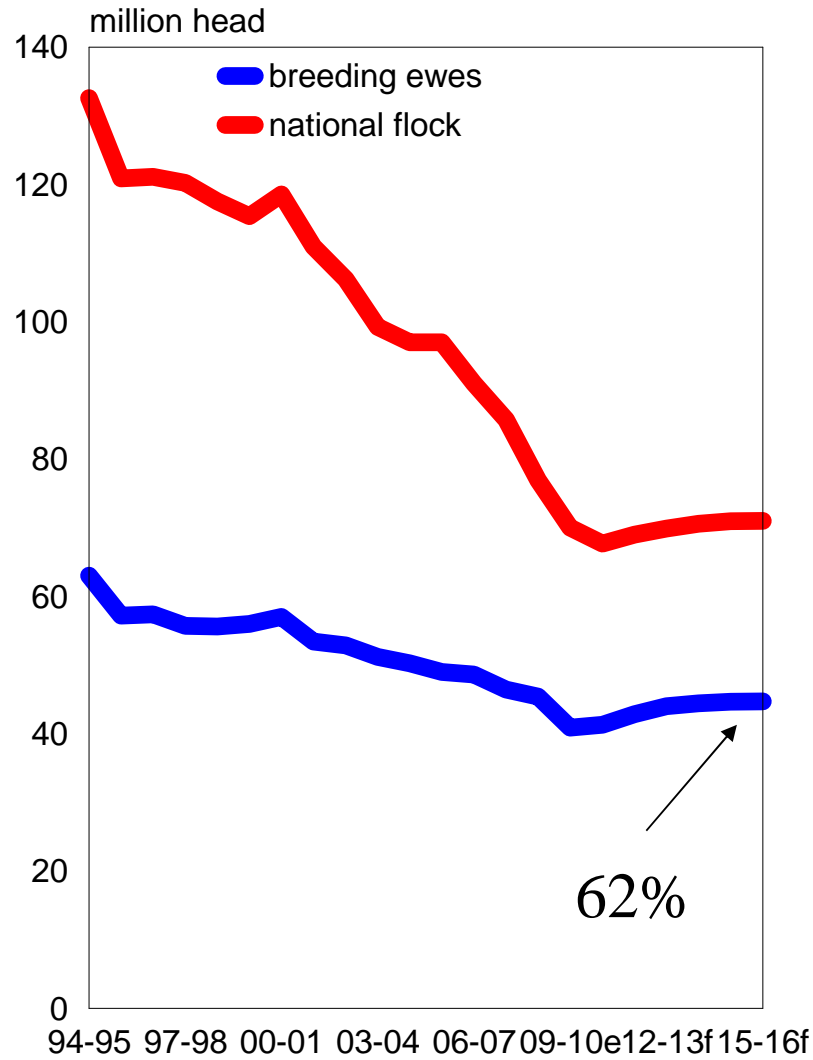


31 March until 1999, 30 June from 2000

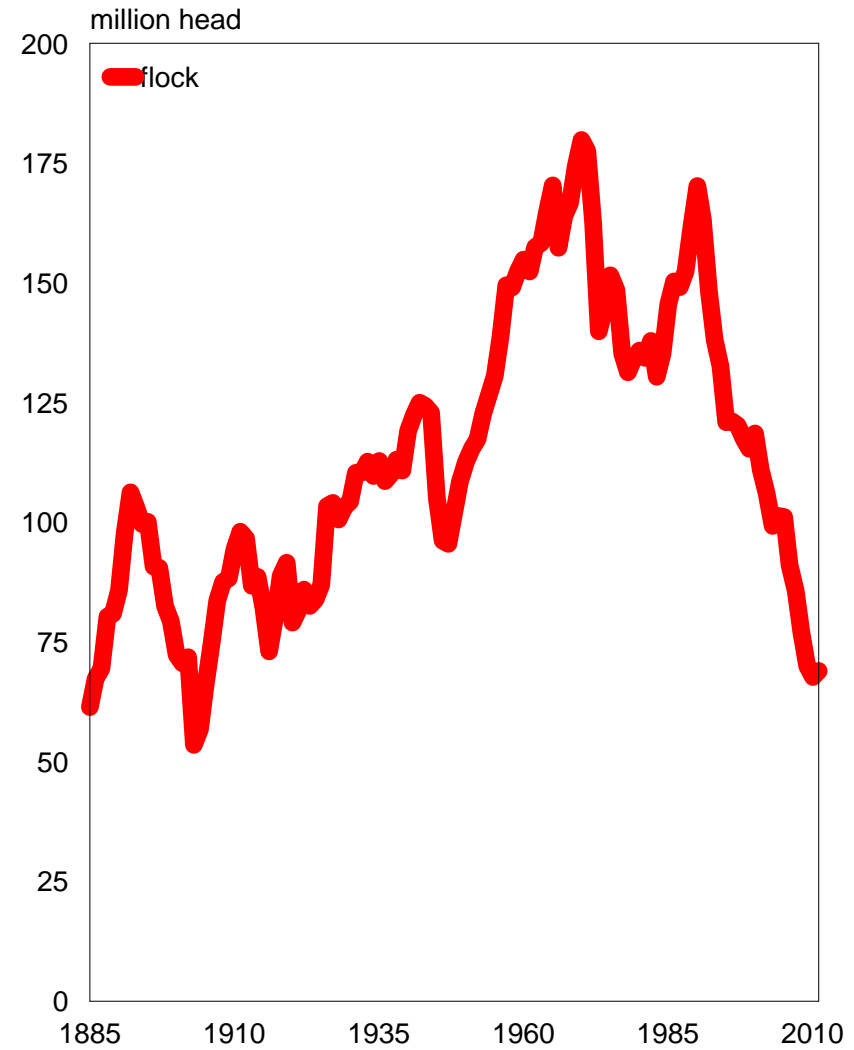
Source: ABS

Breeding ewes and national flock

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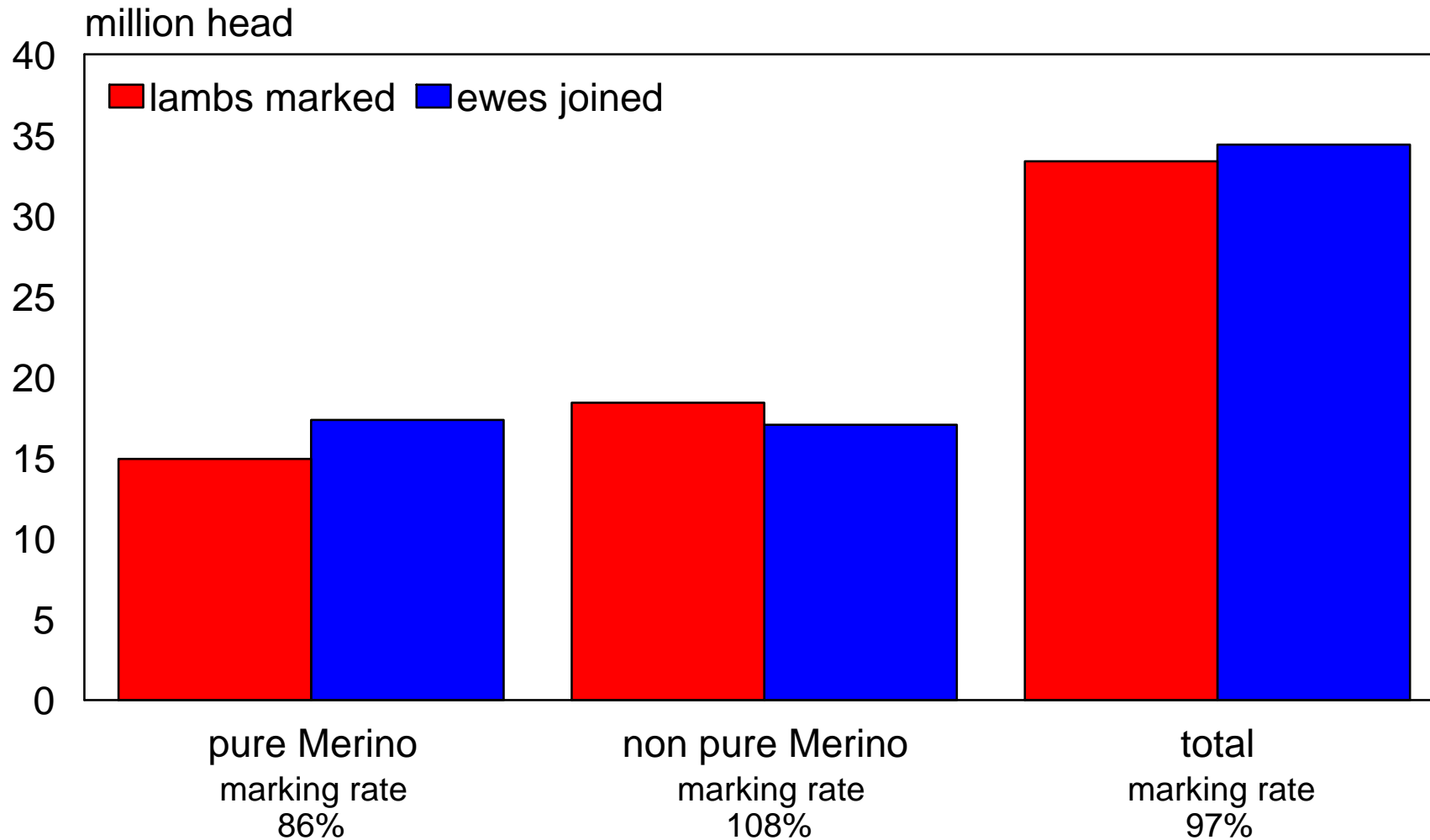


Source: ABS, MLA forecasts



Recent marking rates

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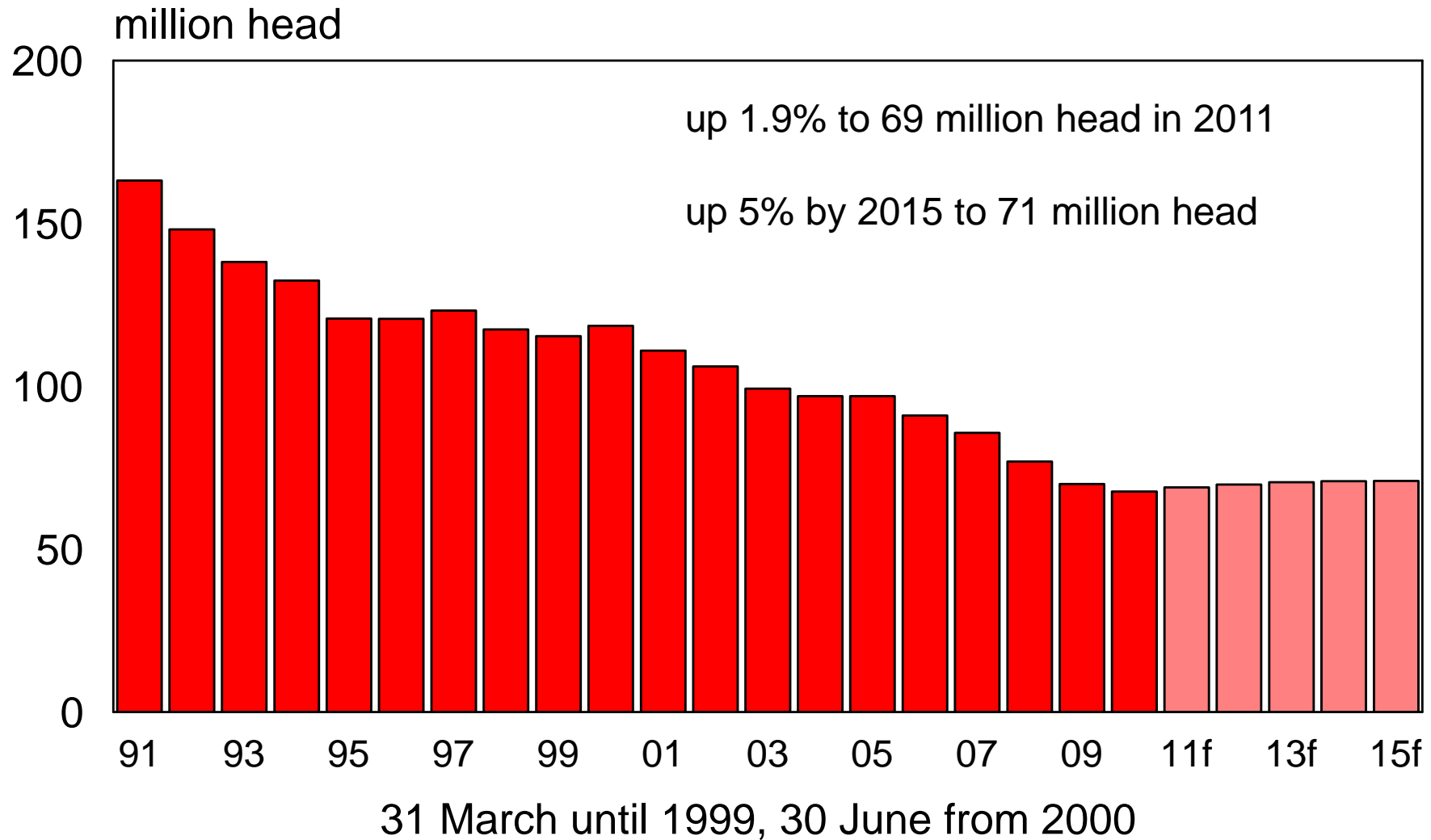


Source: MLA lamb survey October 2010

n = 691
weighted lamb markings = 33.4 million

National flock to turn around in 2011

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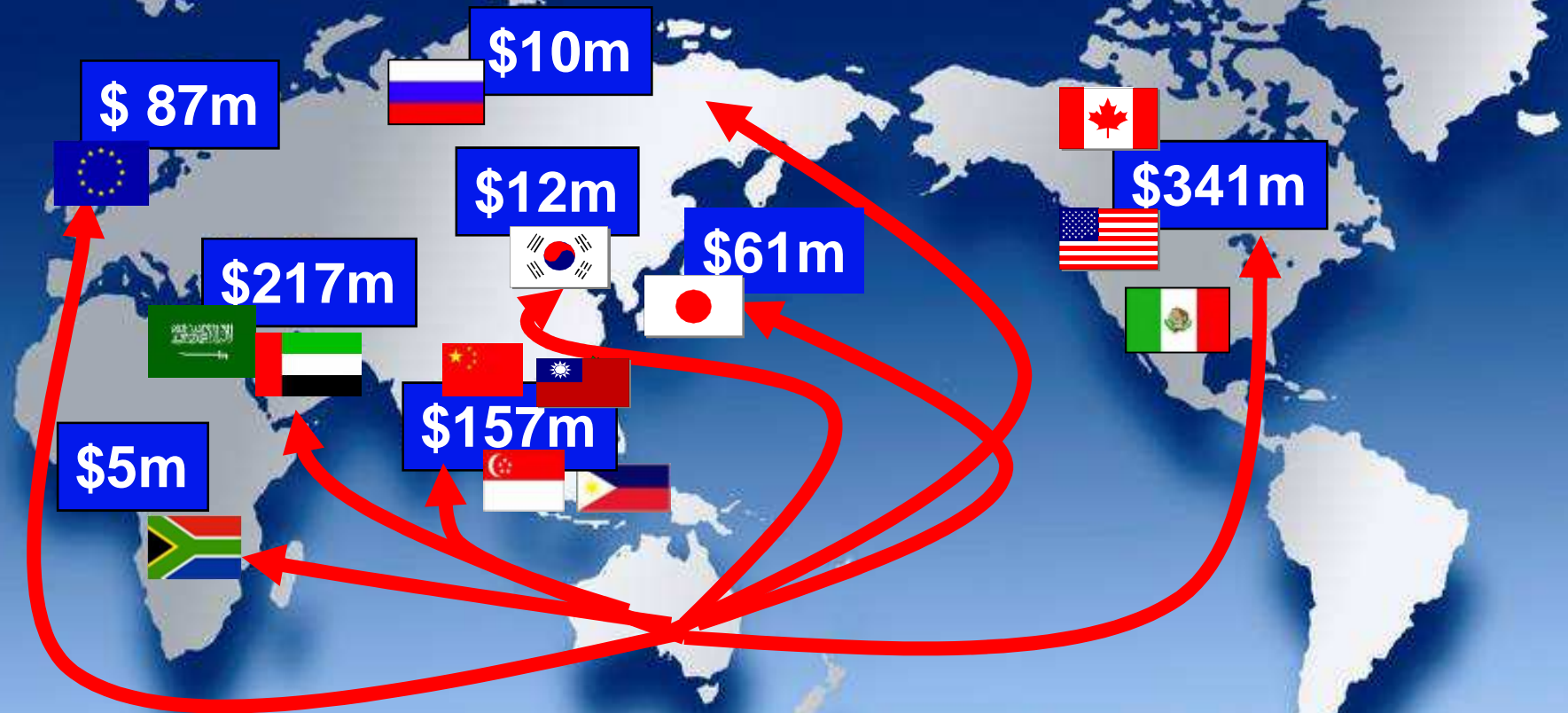


Source: ABS, MLA forecasts

f = forecast

Australian sheepmeat (lamb and mutton) exports to the world 2010

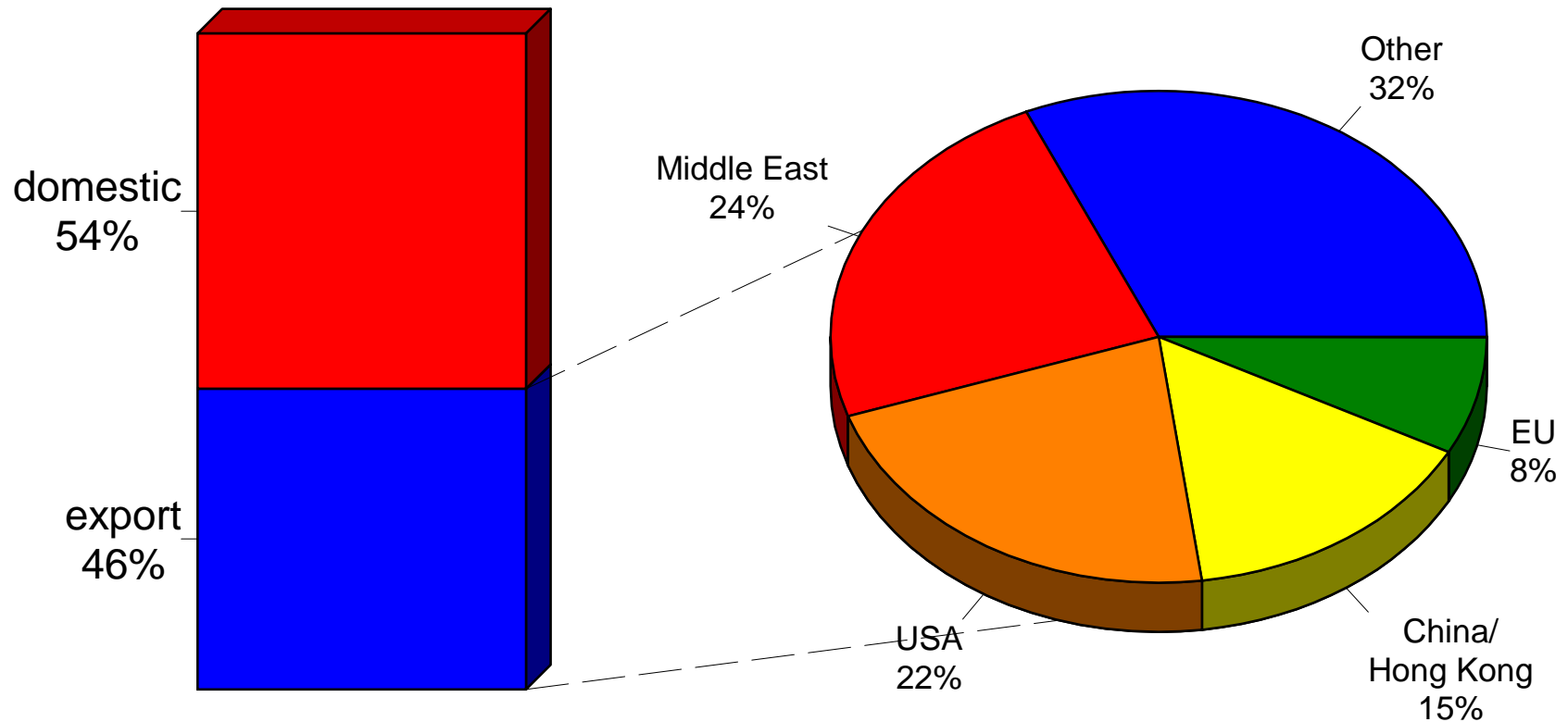
Total \$987 million in sheepmeat exports



Plus \$323 million in live sheep exports

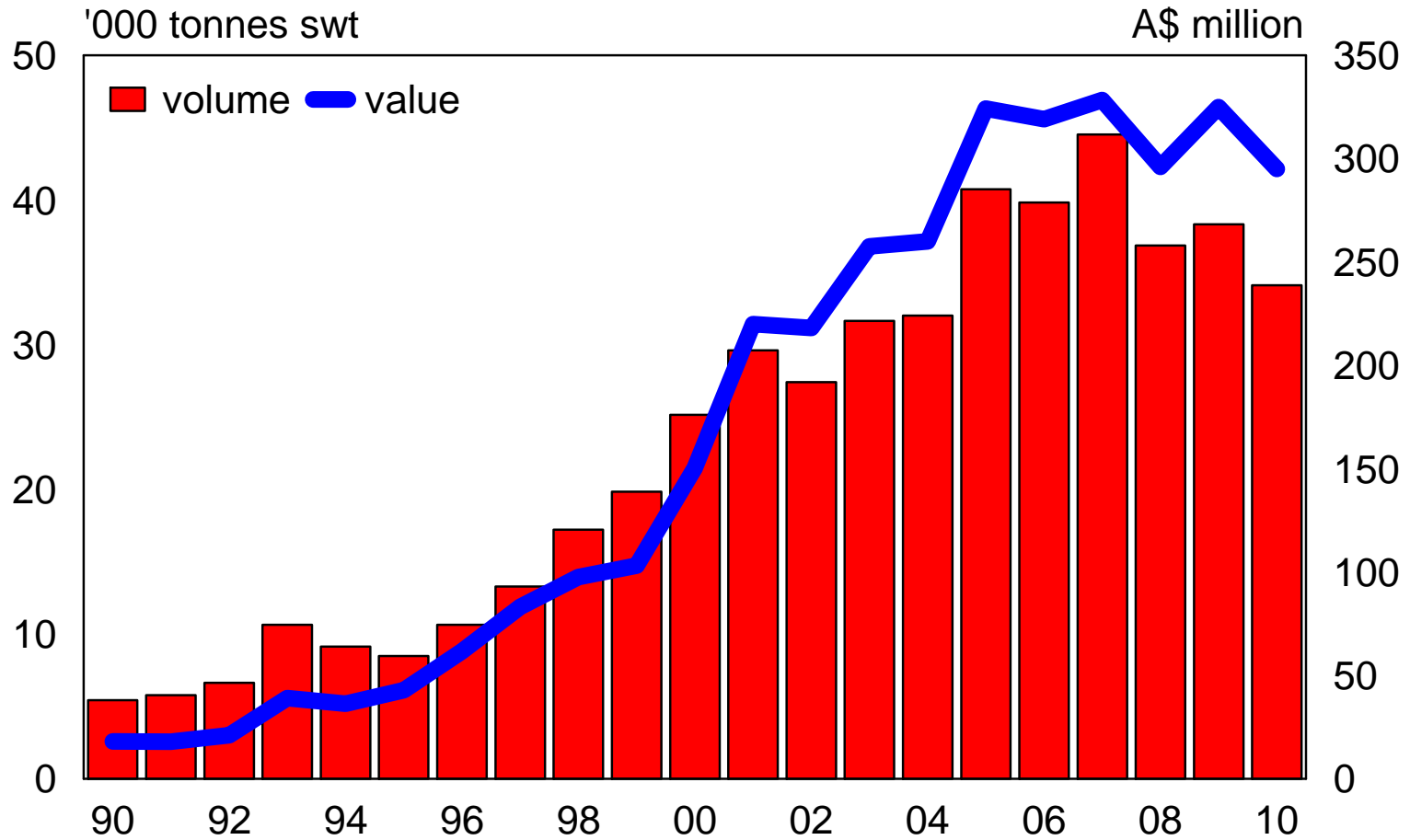
Australian lamb production and exports

2010 lamb production = 401,863 tonnes cwt



Source: DAFF, ABS, MLA

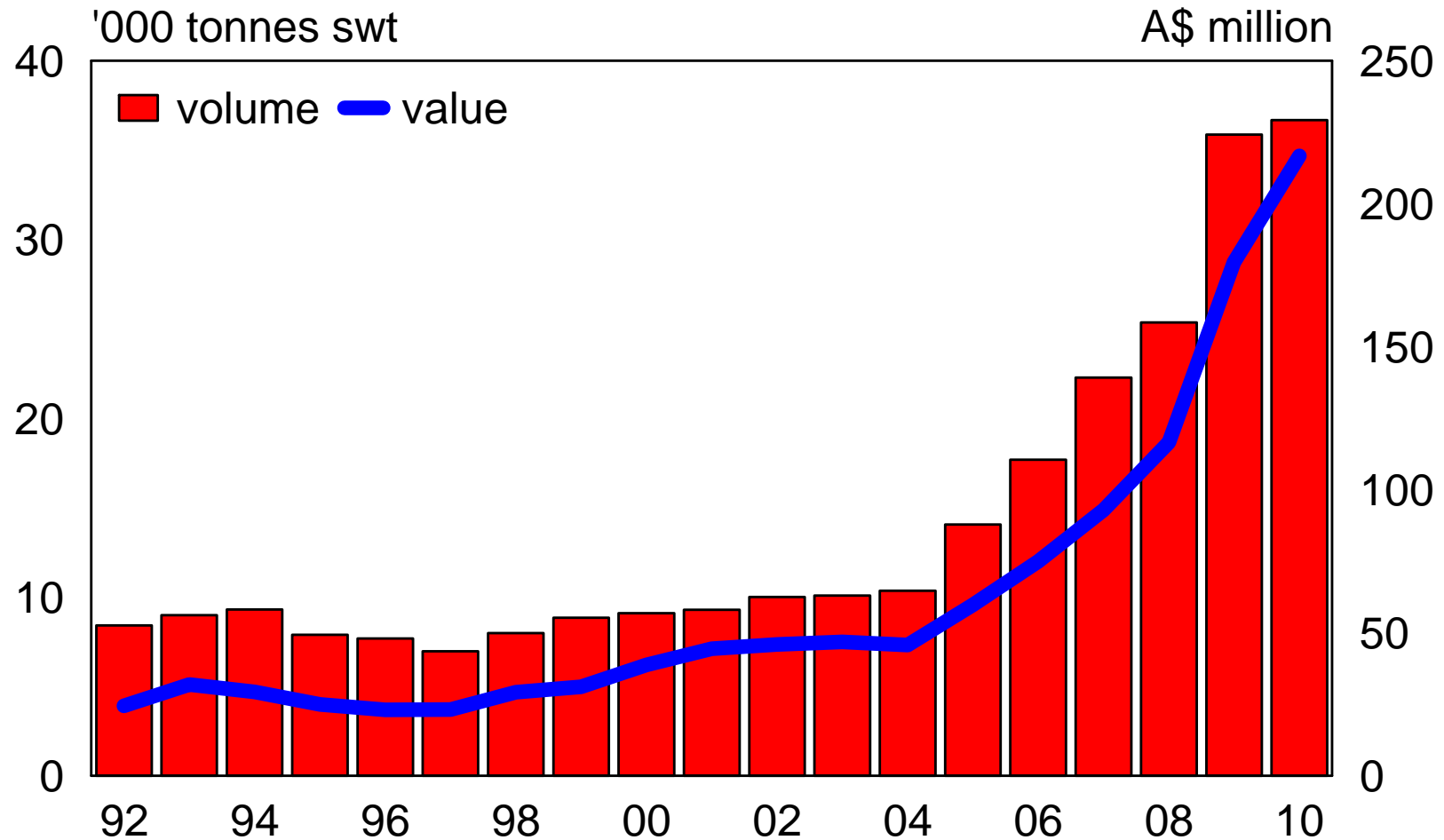
Australian lamb exports to the US



Source: DAFF, ABS

Australian lamb exports to the Middle East

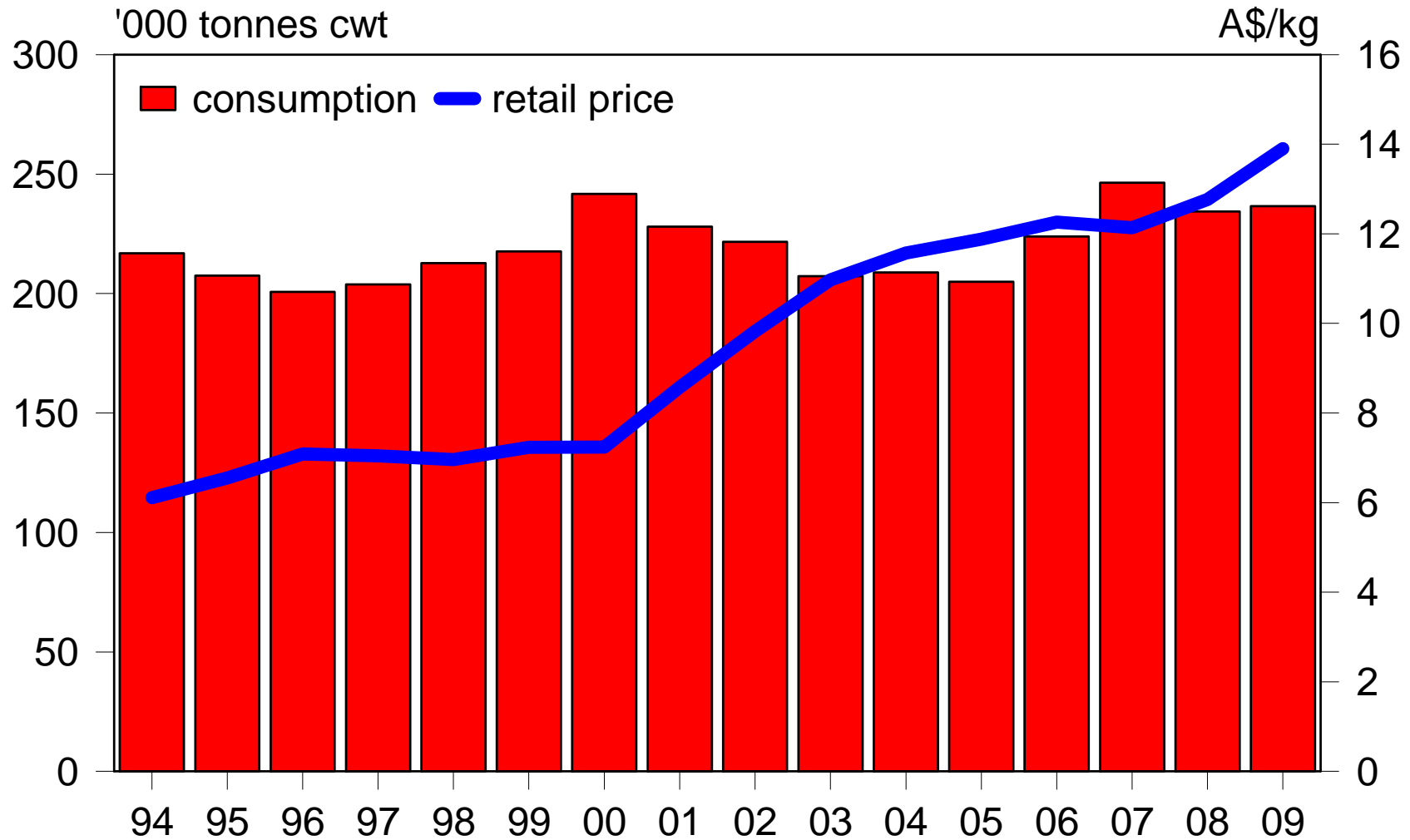
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Source: DAFF, ABS

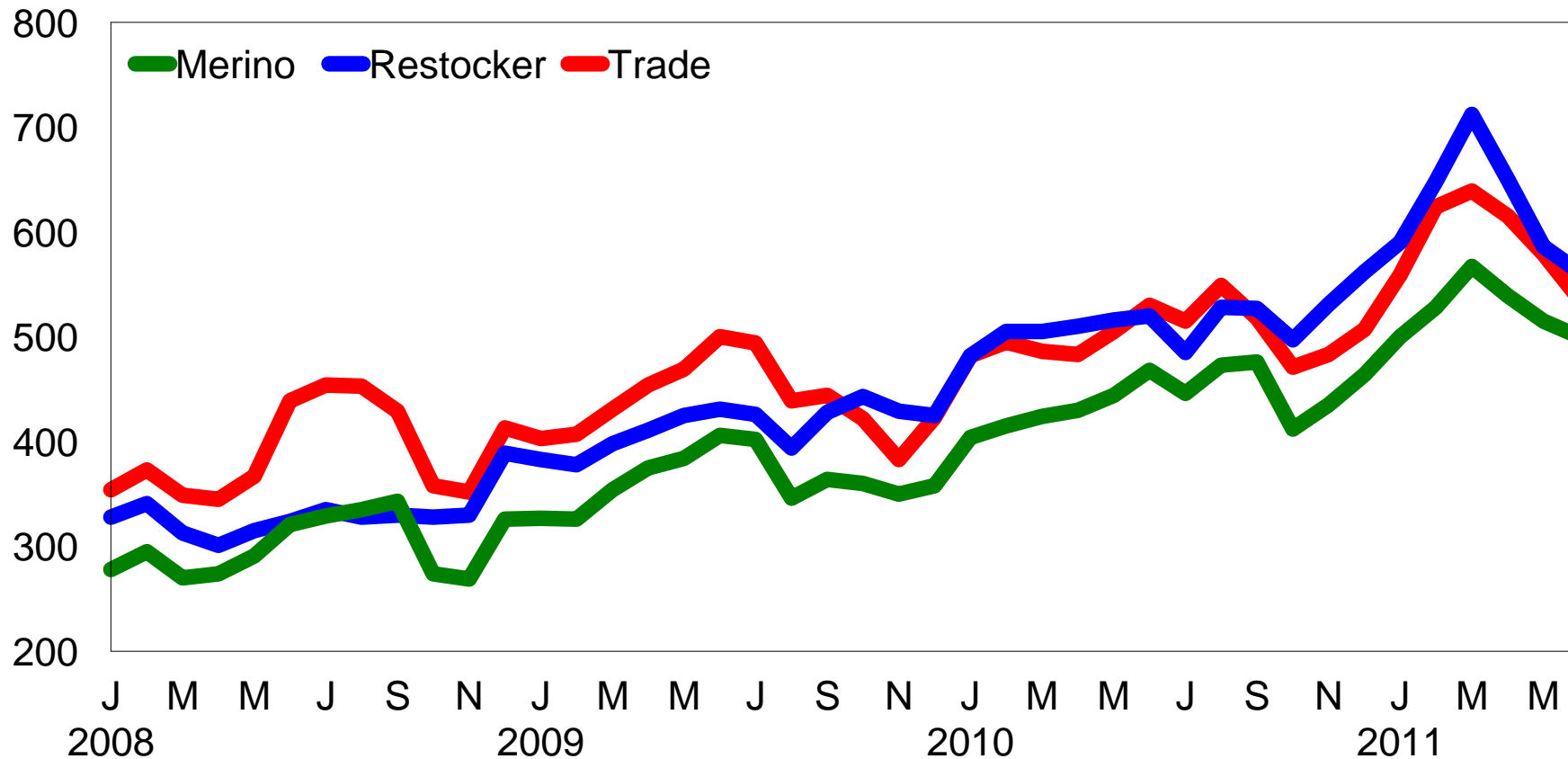
Australian lamb consumption and retail price

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Source: MLA from ABS, ABARE and DAFF data

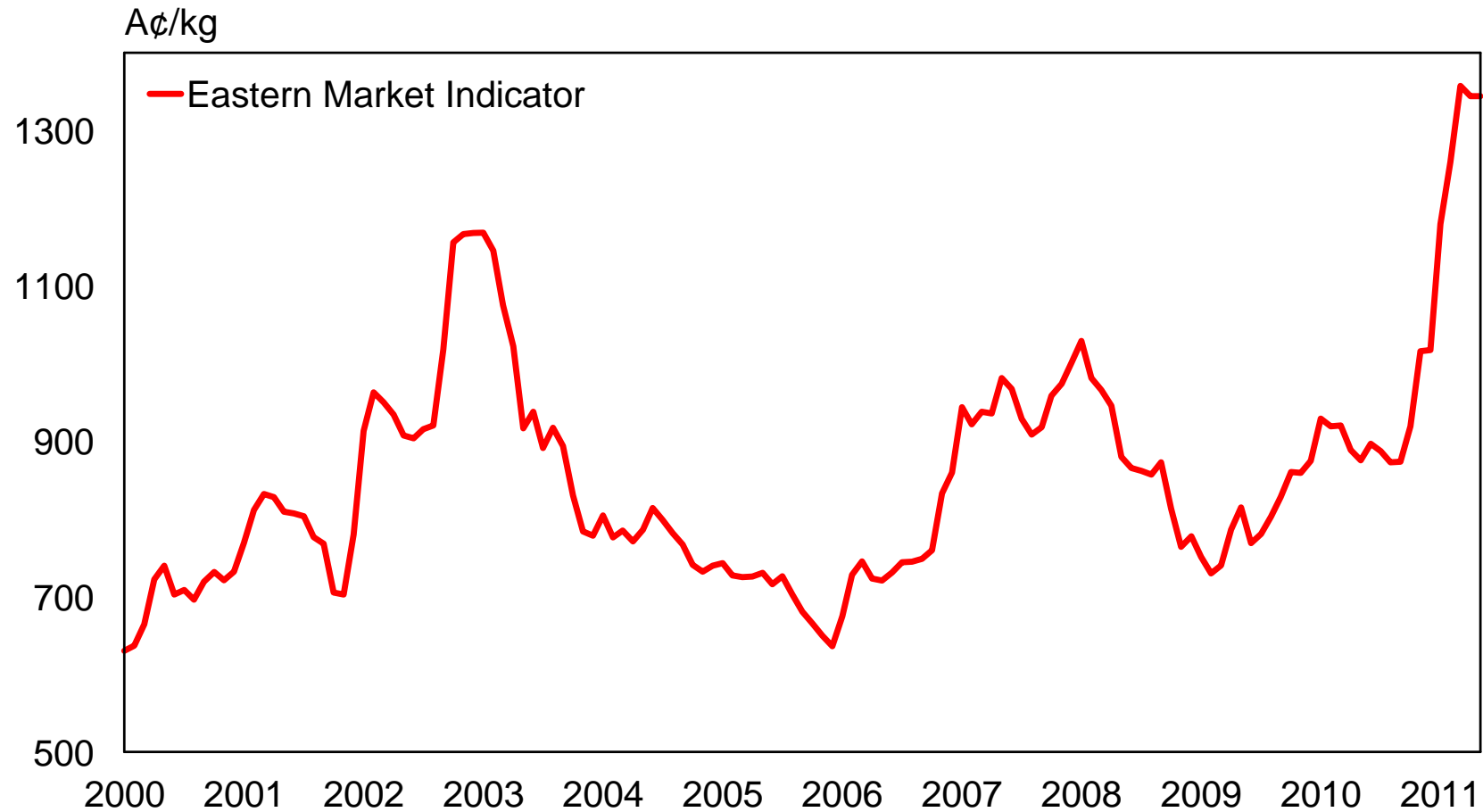
National average saleyard lamb prices



Source: MLA's NLRS

Wool showing signs of a recovery

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Source: Australian Wool Exchange

Expectations for second half of year?

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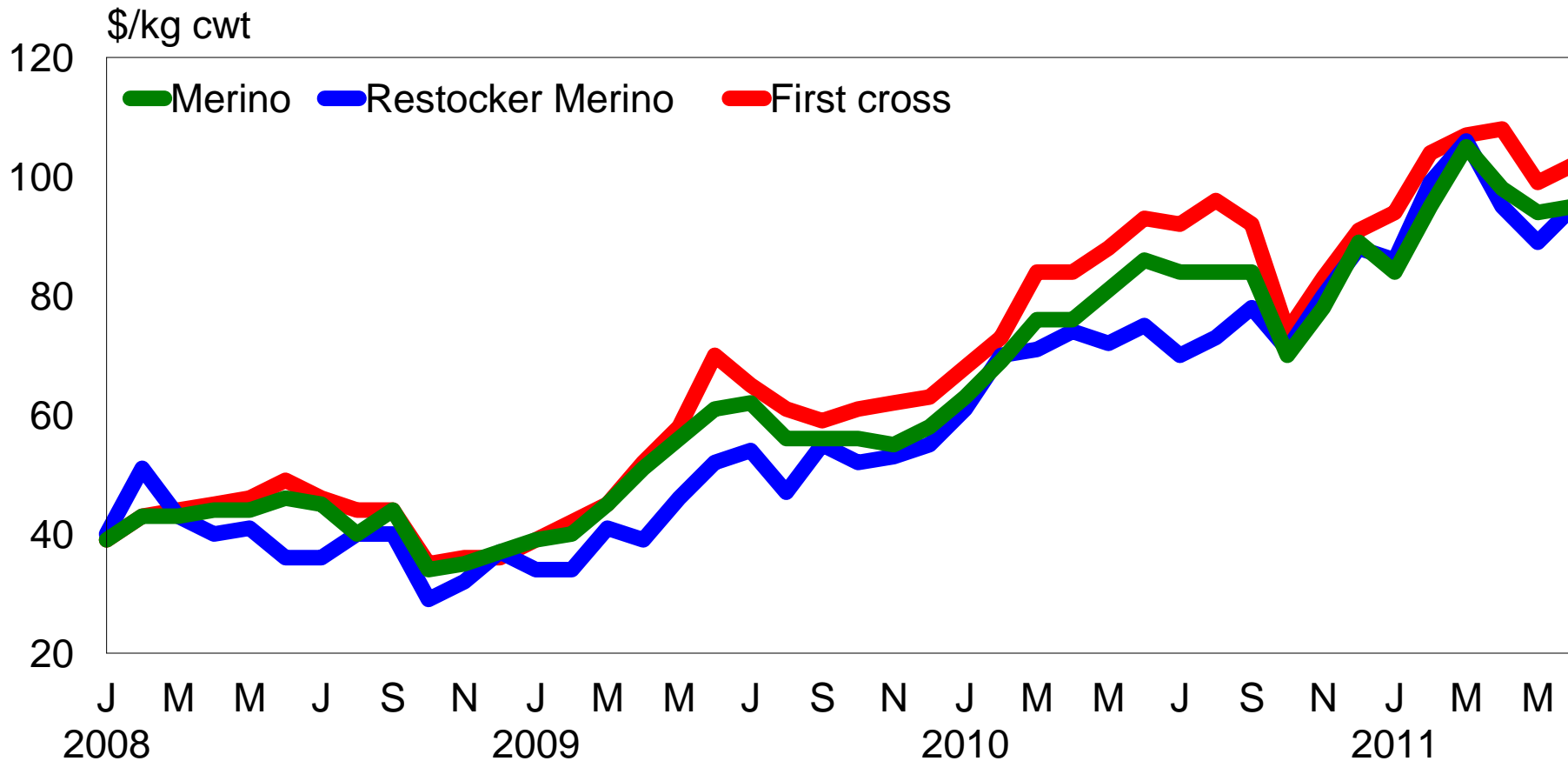


- Given the excellent season and retention of ewe lambs, it is still expected that lamb slaughter in spring and second half of the year should be above that in 2010.
- This should relieve some on the pressure on the domestic market
- Export growth to continue to be a challenge
- Prices to remain strong

What can we do.....

- Concentrate on management ~ which means know your business and production
- Concentrate on genetics for both meat and wool
- Focus on the consumer and what they require

National average saleyard ewe prices



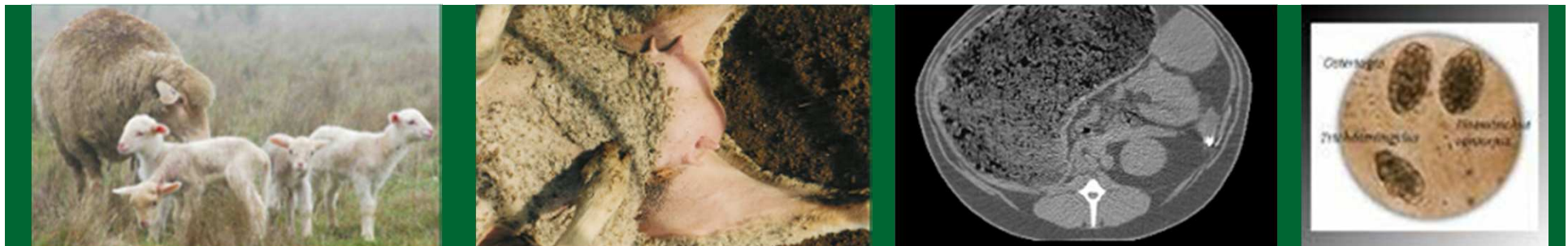
Source: MLA's NLRS

The sleeping cost (Ewe depreciation)

	Merino	Mer x Term	2nd Cross	Ewe lamb	Extreme	Extreme + Fert (190)	Beef cows
Buy In Price	\$100	\$120	\$175	\$135	\$250	\$250	\$1,200
CFA price	\$75	\$70	\$90	\$90	\$100	\$100	\$700
Depreciation cost per year	\$6.25	\$12.50	\$21.25	\$9.00	\$37.50	\$37.50	\$62.50
No of progeny weaned Lifetime	3.4	4.0	5.2	6.3	5.6	7.6	6.8
Cost per progeny	\$7.35	\$12.50	\$16.35	\$7.14	\$26.79	\$19.74	\$73.53
Cost per kg carcass weight	\$0.37	\$0.57	\$0.74	\$0.32	\$1.22	\$0.90	\$0.29
Cost per kg wool	\$1.14	\$2.50					

Things you can't see are often the most important in sheep

- Reproductive rates
- Maternal performance
- Fat and muscle and staple strength
- Internal parasite resistance (worms)



Changing the Sheep by 2015

- Breeds will be less well defined and performance will be more sort after
- 120% lambing will be essential
- Growth rates of 400 grams per day
- WEC will be -50 (minimum)
- 80% of breeding will be for traits that we can't see or measure on farm

Changing the management by 2015

- Much more focus on pastures and pasture utilisation
- Kg of water per kg of dry matter (adjusted to 10 MJ ME and 12% CP)
- Will have to lift kg ha / %p / mm by 25%
- 90% of farming decisions will be based on information

Changing the people and practices by 2015

- Successful producers will be the ones that manage information
 - We all will have to embrace technology
 - We will probably be linked to effectively branded products
 - We will have to manage larger numbers of sheep with more mechanisation not more labour
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Conclusions

- If you are not excited about sheep then you should be...
 - Markets for lamb, sheep and wool are very good
 - It is time to make those investments for the long term
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Questions...

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