

WA Producer Intentions if Live Sheep Export is Phased Out

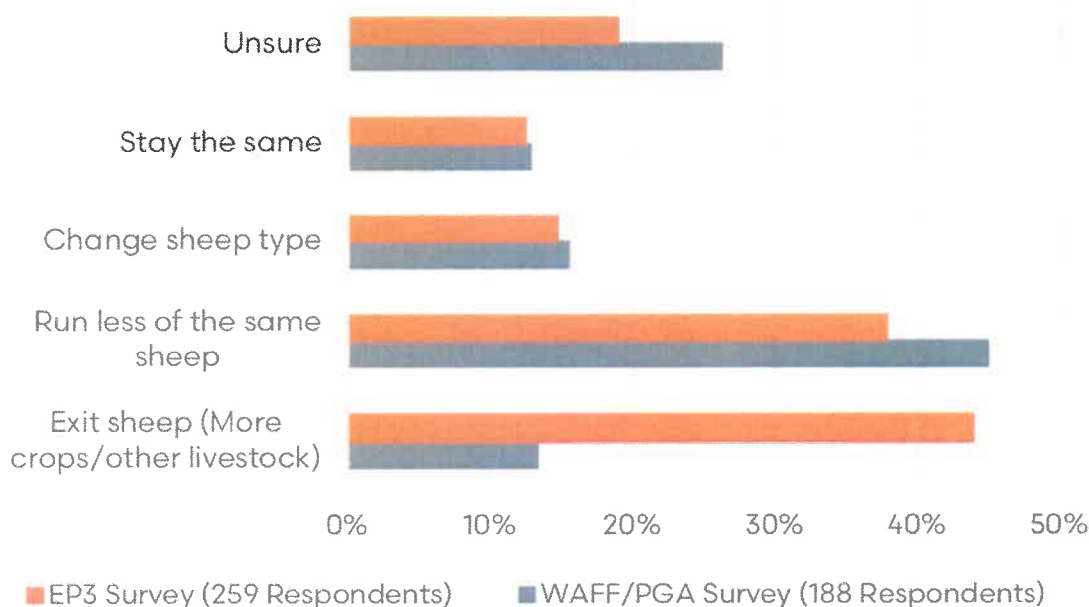


Figure 39 WA Sheep Producer Intentions, Sources: EP3

A comparison of survey results²¹ for the WA producer intentions for the Episode 3 (EP3) survey versus the WAFF/PGA survey demonstrated similar outcomes for most options. There were between 19% to 26% of producers that were still unsure of their decision, nearly 13% were likely to stay the same and around 15% were opting to change sheep type. Between 38% to 45% of producers were intending to run less of the same sheep variety (most likely this would mean less Merino sheep).

Meanwhile, the largest variance in outcomes between the two surveys was regarding the option to exit sheep entirely. The EP3 survey discovered that 44% of sheep producers were intending to exit sheep in favour of cropping or another livestock mix. The WAFF/PGA survey suggested the option to exit was favoured by nearly 14% of respondents.

Additional to these two surveys, but also highlighting the developing negative sentiment for WA sheepmeat and wool producers was the May 2023 MLA - AWI producer intentions survey²². Overall the national sentiment indicator for wool sector producers sat at a score of +13. However, in WA this sentiment was the lowest of all states at just +1.

Negative sentiment within the sheep meat sector in WA was even more pronounced with a score of -48. All other states recorded positive sentiment scores for their respective sheep meat producers, and this boosted the national overall to a sentiment score of +27.

In terms of breeding intentions, WA producers scored the lowest forecasted change to breeding ewe and whether flock size. WA producers have signalled an 18% drop in the breeding ewe flock compared to a 0% to 5% fall across all other states. Similarly, the WA wether flock was forecast to drop by 33% compared to a range of +3% to -15% for the remaining states.

²¹ Survey results for each outcome do not sum to 100% as the producer had the option of choosing more than one decision, i.e. They could choose to run less of the same sheep and also choose to change sheep type.

²² <https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/sheepmeat-survey/spis---03-may-2023---final-report.pdf>

Table 12 MLA-AWI Sheep Producer Intentions, Sources: MLA, AWI

	State						
	OVERALL	NSW	QLD	SA	TAS	VIC	WA
Base:	1,958	646	68	291	77	470	405
SENTIMENT							
Nett sentiment – wool industry	+13	+18	+23	+15	+9	+9	+1
Nett sentiment – sheepmeat industry	+27	+36	+50	+29	+47	+40	-48
BREEDING EWE flock profile							
Estimate of total breeding ewe flock	46.14M	16.39M	1.23M	7.44M	1.56M	10.60M	8.91M
Dominant breeds on hand:							
Merino	64%	65%	72%	66%	44%	47%	85%
First cross	14%	16%	<1%	12%	5%	25%	2%
Prime lamb	12%	8%	4%	10%	45%	21%	3%
BREEDING EWE producer intentions							
Reported breeding ewe flock size for 2023	46.14M	16.39M	1.23M	7.44M	1.56M	10.60M	8.91M
Forecast breeding ewe flock size for 2024	43.48M	16.03M	1.17M	7.19M	1.57M	10.23M	7.30M
Forecasted change in total breeding ewe flock	- 6%	- 2%	- 5%	- 3%	0%	- 3%	- 18%
Producer-level intentions (ignoring size):							
Increase from 2023 to 2024	30%	33%	55%	27%	31%	27%	19%
No change	38%	38%	22%	40%	50%	41%	35%
Decrease from 2023 to 2024	32%	29%	24%	34%	19%	32%	46%
WETHER flock profile							
Estimate of total wether flock	9.20M	3.50M	0.46M	1.04M	0.32M	2.11M	1.76M
Dominant breeds on hand:							
Merino	87%	83%	79%	87%	96%	89%	91%
First cross	4%	5%	<1%	3%	<1%	5%	1%
Prime lamb	3%	4%	<1%	3%	3%	4%	2%
WETHER producer intentions							
Reported wether flock size for 2023	9.20M	3.50M	0.46M	1.04M	0.32M	2.11M	1.76M
Forecast wether flock size for 2024	7.92M	3.22M	0.47M	0.89M	0.30M	1.87M	1.18M
Forecasted change in total wether flock	- 14%	- 8%	+ 3%	- 15%	- 8%	- 12%	- 33%
Producer-level intentions (ignoring size):							
Increase from 2023 to 2024	19%	27%	31%	11%	11%	14%	19%
No change	53%	49%	55%	58%	64%	61%	36%
Decrease from 2023 to 2024	28%	25%	14%	32%	24%	24%	45%

There were 46% of WA producers that reported they intended to reduce their breeding ewe flock and 45% of WA producers that intended to reduce their wether flock during the 2023 to 2024 season.

The MLA-AWI survey reported that in WA the breeding ewe flock was expected to reduce by 1.6 million head and the WA wether flock by nearly 600,000 head by 2024. The MLA-AWI report specifically noted that the decision to phase out the live sheep trade was having a detrimental impact upon WA producer sentiment and flock intentions.

“Producers in WA are having a clear dampening impact on the national results.... The impending decision on the live export trade for sheepmeat is weighing heavily on these producers.”²³

In terms of expectations for industry assistance implemented as part of the transition to a phase out of the live sheep trade, WA sheep producers demonstrated a similar view to the outcome noted above for all survey participants combined. (see Figure 37 above.)

²³ <https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/sheepmeat-survey/spis---03-may-2023---final-report.pdf>, Page 7.