

## Shoppers paying high meat prices as farmers say sheep not worth sending to market

ABC Rural / By Fiona Broom

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An oversupply of sheep and lambs is sending livestock prices tumbling. (ABC Rural: Fiona Broom)

Farmers are shooting sheep rather than taking them to market because the price they are being paid for lamb is not enough to cover their costs.

Retail prices for meat remain high and food relief charities say they are supporting record numbers of families struggling with the cost of living.

The national lamb supply is up almost 40 per cent on last year — that's an extra 640,000 head — and this glut is driving down prices for farmers, according to the producer-owned Meat and Livestock Australia (MLA).

Retail meat prices over the past 24 months have increased up to 15 per cent for some products, [according to data](#) from Deakin University, with family favourite beef mince up 6 per cent.

### Key points:

- Meat prices remain high for consumers, while farmers are struggling to break even
- The national lamb supply is up almost 40 per cent on last year, creating a glut and sending prices tumbling for farmers
- Butchers are urging consumers to shop around, and say meat prices

## 'Not viable to sell'

WoolProducers Australia president Steve Harrison said farmers were hurting across Victoria, northern New South Wales, and Western Australia.

are expected to gradually come down

"Even in our district here we've got people shooting sheep, they're not commercially viable to even sell, particularly in the ram section," said Mr Harrison, who runs a merino stud with his wife and daughters in Gippsland.

"It doesn't matter if they're merino [wool] or prime lamb rams, we're shooting them.

"Someone is making a dollar, certainly. At a time when we could be clothing and feeding the world, here we are just throwing skins into the tip and shooting sheep."



Steve Harrison and daughter Brooke Harrison run a merino stud in Gippsland. (ABC Rural: Fiona Broom)

## Producers missing profits

In November, livestock producers were fetching an average \$8.40 per kilo for lambs that are now getting around \$4.50 per kilo at the saleyards.

Farmers are a pragmatic bunch, and they knew livestock prices could not stay at last year's record highs.

"We had to come back a fair bit, but I think it's come a bit too far, especially the way costs have gone up," said Gordon Moon, a sheep and cattle farmer from Wulgulmerang in eastern Victoria.

"Prices are way down, for cattle it's a bit less than half of what it was last year.

"It reminds me of the 1970s, [when] the cattle were down below the cost of production and sheep were pretty cheap as well.

"We were shooting sheep and a lot of people shot cattle as well; it was a pretty tough time in the grazing industry."



Irene Harris, from Fernbank, and Gordon Moon, from Wulgulmerang. (ABC Rural: Fiona Broom)

Irene Harris also farmed through the 1970s.

"The cost of transport to yards, and what you got back — it was senseless in sending stock if you had to end up paying," Ms Harris said.

"Lots of pits were dug and stock were put down.

"Hopefully it does not get that way again, but we'll just have to wait and see."

## 'Shocking' food waste

Such a waste of food and fibre was "unconscionable", said Ronni Kahn, founder of the food rescue charity OzHarvest.

"What is so shocking is we produce enough food for 75 million people every year, which would be enough to feed our population three times," she said.

"And yet in Australia, 2 million people suffer severe food insecurity and there are probably 3 million more who, at some point in the year, need support with food."

Ms Kahn said there was currently a level of need that she had not seen in 19 years, and many people seeking support were a new demographic of people in employment who could not afford to feed themselves.

"Today I'm out on the road rescuing food and delivering it to the charities that we service and they're all telling us there's a 30 per cent uplift — at least — in demand and that they need more food to service the people who are coming to them," she said.

## Supply and demand

MLA information and insights manager Scott Cameron said meat prices were starting to come down for consumers, but the oversupply would continue to dampen the prices paid to producers as the glut was expected to continue for up to six months.



meat prices are down below \$5 per kilo at the Bairnsdale saleyards. (ABC Rural: Fiona Broom)

Meat processing costs and margins, added to retail costs, were determining prices at the checkout, Mr Cameron said.

"Meat prices are still relatively elevated at retail [because] some retailers purchase on forward contracts, so when saleyard prices decline it sometimes takes time to flow through to the retail level," Mr Cameron said.

"It is a very expensive item on the shopping list."

## Price pain relief

With [supermarkets making profits](#) of up to 5 per cent over the past year, independent butchers say they can offer consumers the best deals on meat.



Butcher Braden Ranford says consumers can get good deals on meat if they shop locally. (ABC Rural: Fiona Broom)

Braden Ranford runs Ranford's Family Butcher in Sale, eastern Victoria.

"If you educate yourself to have a look at kilo prices and shop around, butcher shops are cheaper — they are definitely cheaper," Mr Ranford said.

He said he had been passing livestock price cuts on to customers, but he said insurance and wage increases were keeping prices higher.

Mr Cameron said there was good news on the way for consumers.

"It's taken quite a while for this to happen, but we're actually starting to see prices at supermarkets and at retail come down now and, in particular, in the past 12 weeks we've seen some significant price discounting and price promotion activity," he said.



of mince in this butcher was \$17/kg, and \$19/kg at a nearby supermarket. (ABC Rural: Fiona Broom)

Farmers may have to wait a little longer for their silver lining though.

Australia's agricultural economics and science bureau, ABARES, predicts the value of livestock production and related products will fall by 2 per cent to \$34.6 billion in 2023–24.

ABARES said prices for livestock and most livestock products were also forecast to fall from recent records, but would remain high.

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