Sheep Producers Intentions Survey MAY 2024

MEAT & LIVESTOCK AUSTRALIA

Australian Wool Innovation Limited

June 2024

intuitive rural

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About the research

The survey, undertaken by MLA and AWI, is used to help industry determine wool and lamb production forecasts and to understand the breed composition of the Australian flock on a national, state and regional basis. It is used by processors for budgeting purposes and allows import markets to ascertain short-term supply estimates.

The research has three primary objectives, namely to:

- ✓ Measure and report on flock population, demographics, sheepmeat and wool supply information and producer production intentions.
- ✓ Ensure estimates are reliable and based on sufficiently large sample sizes to ensure the robustness and accuracy of estimates. The sample should be representative or weighted to be representative of the producer population structure.
- ✓ Provide capacity to explore and investigate results at a smaller area and segment level. This will include – among other things – across states and MLA reporting regions.

The following report provides an overview of results for the MAY 2024 survey.

The May 2024 survey

Feedback was sought from producers over the period 1st May – 3rd June 2024. Producers were initially invited to complete an online survey with the final sample complemented with a number of phone interviews.

A total of 2,362 producers from across Australia respond to the survey invitation. The feedback was then weighted, using the latest available ABS data, to produce industry estimates.

A full breakdown of the sample make up, plus a description of the ABS data used and the weighting approach is included as an attachment to this report.

Please note that the May 2024, like the May 2023 survey, was a significant departure from surveys before October 2022 in terms of design and questions asked. Care should be taken in comparing the results from this survey to surveys undertaken before October 2022.

An overview of the research design

Three separate but integrated surveys will be conducted across the calendar year. Each survey will have a specific focus and purpose and provide the required flock and producer intention estimates required.

October	February	May
FULL SURVEY Provides an estimate of the total flock size, a profile of the lamb flock and measures of producer intentions for lambs and breeding ewes.	*PULSE SURVEY Provides a quick update on producers' actual lamb sales to date and forecasts for future sales.*	*FULL SURVEY Provides an estimate of the total flock size, a profile of the breeding ewes flock and measures of producer intentions for breeding ewes and wethers.*

More detail on the research design is included in the Attachments to this report.

State of play: an overview of the industry analysis

State of play…

Many of the factors identified in the May 2023 Sheep Producer Intentions Survey (SPIS) remain relevant in the current market. Pressures on producers including increasing on-farm costs (input costs), challenges around workforce shortages as well as supply chain and market pressures (domestic and global) remain. Prices for both sheepmeat and wool have been volatile over the last 12 months making planning more challenging for producers.

There is increasing discussion of a drier period for Southern Australia. It is likely businesses across the supply chain will be considering this impact into their planning. Domestically, rising interest rates, inflation and movements in consumer demand are adding further complexity for producers planning and intentions.

The uncertainty over the Government decision on live sheep exports was resolved with the announcement on Friday 10th May 2024. This occurred during the data collection period for the May 2024 SPIS.

The content opposite provides a brief overview of the wool and sheepmeat sectors by the agribusiness units within Rabobank and ANZ Agribusiness.

The background provides a useful context for interpreting the results in the May 2024 Sheep Producers Intentions Survey (SPIS).

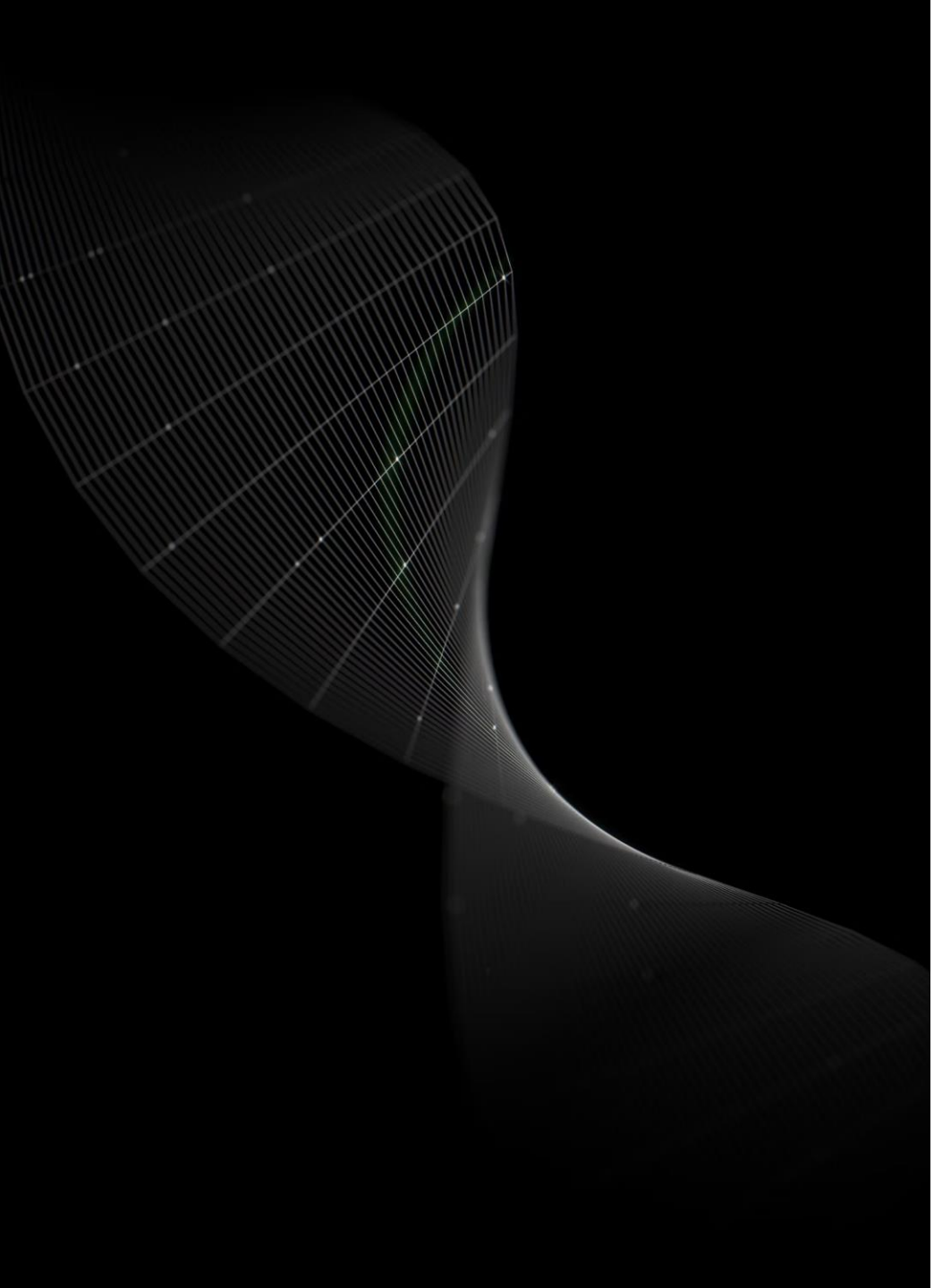
RABOBANK Commentary

- ✓ Sheepmeat: Finished lamb trade and heavy lamb prices are seeing a gradual trend upwards which is in line with a more traditional trend. We think this should continue as lamb volumes decline but dry conditions in southern Australia may see some restocking, merino and mutton prices slip over the coming months.
- ✓ Wool: Wool prices are expected to remain steady and EOFY and the winter recess may cause some fluctuations in the market over the coming months..

ANZ Agribusiness Commentary:

- ✓ While it's been a tough first half of the year for lamb producers, there are some silver linings. Despite historically high slaughter and production, prices have found a stronger level than at other times with similarly high production – suggesting stronger underlying demand
- ✓ It has been a tough autumn for many sheep producers across the country as a dry autumn for many areas were combined with historic high supply – pushing prices down despite producers need to turnoff.
- ✓ High slaughter and production rates for 2023 and 2024 are expected to flow on to some tightening of supply in the second half of the year
- ✓ After many years of divergence between sheep and cattle prices, the past year has seen them come back into line with each other
- ✓ In terms of final demand for lamb, exports remain the key driver of growth, however the recent reduction in retail lamb prices, growing retail discount compared with beef and the slowly increasing pork price will hopefully underpin a strong and growing domestic market for lamb. However continuing concerns of the cost-of-living crisis may either help or hinder – as people move to lamb in preference to beef, or conversely away from red meat altogether due to its perception of being more expensive.

Source of Rabobank commentary: Downloads/Rabobank_AU-Agribusiness-Monthly_June_2024.pdf
Source of ANZ Agribusiness commentary: https://www.anz.com.au/content/dam/anzcomau/commodity-insights-winter-2024.pdf



Observations and insights

Sheep Producers Intentions Survey

May 2024

We spoke to 2,362 producers about their industry sentiment and the profile and intentions for their flock...

Sentiment

Nett Sentiment
(% positive - % negative)

-24 Wool industry

Down 37 points on May-23

+4 Sheepmeat industry

Down 23 points on May-23

Breeding Ewe Flock Profile

47.97 million Estimate of total breeding ewes (68% of total flock size)

Dominant breeds on hand in the breeding ewe flock estimate:

- **61%** Merino
- **15%** Prime lamb
- **12%** First cross

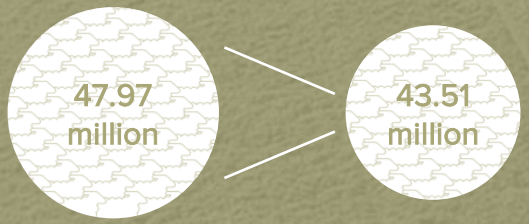
Wether Flock Profile

8.57 million Estimate of total wethers (12% of total flock size)

Dominant breeds on hand in the wether flock estimate:

- **87%** Merino
- **5%** Shedding
- **3%** Prime lamb

Breeding Ewe Flock Intentions

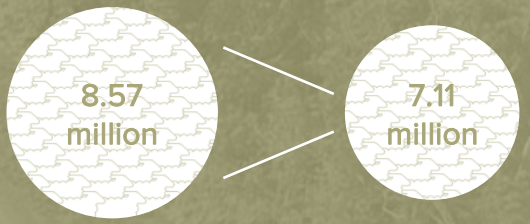


Reported breeding ewe flock size for 2024

Forecast breeding ewe flock size for 2025

- 9% Forecasted change in total breeding ewe flock

Wether Flock Intentions



Reported wether flock size for 2024

Forecast wether flock size for 2025

- 17% Forecasted change in total wether flock

Observations and insights

While the purpose of the research did not include the presentation of an interpretation of the survey results, we provide some initial observations and insights on the feedback and estimates from the May 2024 SPIS.

Producer sentiment

SPIS measures producers outlook over the upcoming 12 months of the wool and sheepmeat sectors.

The outlook for wool

The May 2024 results reflect a more pessimistic outlook from producers about the future of the wool sector (nett sentiment: -24, down 9 points since October 2023 and 37 points since May 2023).

The predominant negative outlook is consistent across all states (WA more negative with -38) and across farms of all sizes.

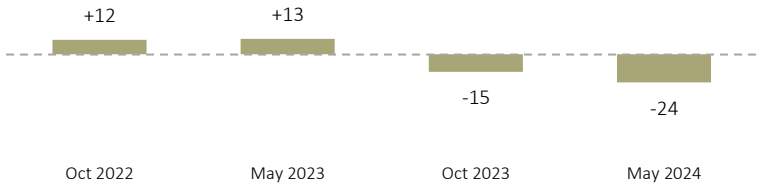
The outlook for sheepmeat

Producers' negative outlook for the sheepmeat sector reported in the May 2024 SPIS appears to have moderated (nett sentiment: +4, up 46 points), a result likely attributable to improved commodity prices.

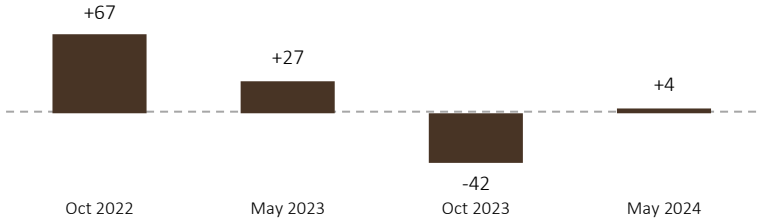
That said, we note that the outlook in May 2024 remains well below that reported by producers in May 2023 (+27). The volatility of prices, operating conditions and the live export issues are all likely contributing to producer's somewhat volatile outlook. Year-on-year, all states have reported a more negative outlook with not surprisingly WA producers the most negative (down 16 points to -64).

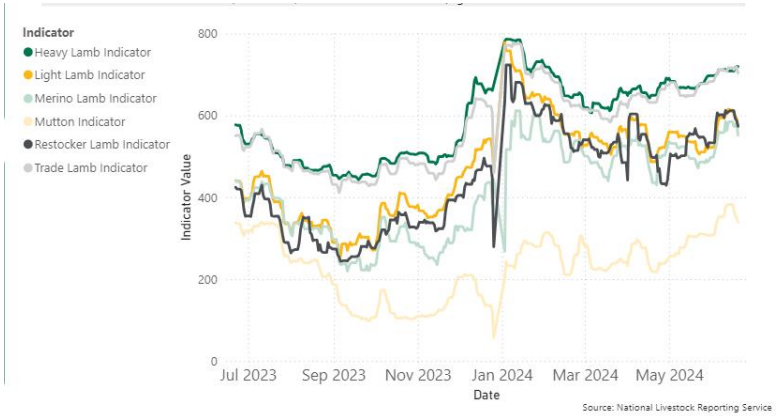
It is evident from the feedback provided and analysis undertaken that the pressures on producers described earlier, together with the confirmation of the phasing out of live sheep exports have all contributed to a less positive outlook for wool and a modest outlook for sheepmeat.

Trend of Nett Sentiment of the wool industry



Trend of Nett Sentiment of the sheepmeat industry





Source: National Livestock Reporting Service, https://www.mla.com.au/prices-markets/dailysummary/?species=Sheep

Observations and insights:
Breeding ewes

A profile of the breeding ewes flock

The May 2024 survey had a specific focus on understanding the profile of Australia's breeding ewes and wether flocks. Of the estimated 47M+ breeding ewes on hand:

- Merinos (61% of total breeding ewe flock), prime lambs (15%) and first cross (12%) are the dominant breed types on hand (accounting for 88% of the total breeding ewe flock).
- The breed mix varies across farm businesses with different flock sizes with the larger farms typically having a greater proportion of Merinos in their flock. Producers in NSW, SA, and WA also have a larger proportion of Merinos, with Tasmania and Victoria reporting lower proportions.

Producer intentions

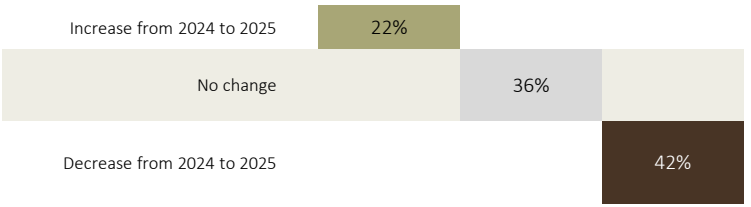
Analysis of the feedback provided shows that:

- At the producer level (that is considering each producer equal), there is a more conservative planning posture than in previous surveys with:
  - 22% indicating they would increase their breeding ewe flock size;
  - 36% indicating it would remain unchanged; and
  - 42% indicating they would decrease their breeding ewe flock size.

  The intention to reduce their ewe flock was stronger among producers in WA and SA.
- Analysis of the forecast intentions suggests a decrease of approximately 4.46M breeding ewes (9% fall) over the estimated 2024 flock size. This result highlights the importance of considering the reported changes in flock size rather than just producers' disposition to change.

  Details on the forecast change estimate – showing the impact from producers who have reported an increase as well as producers who were forecasting a decrease in their breeding ewe flock – is shown opposite.

  Consistent with the result above, WA producers are again this year reporting a strong forecast decrease in breeding ewe flock numbers in the next 12 months (forecast to fall 27%), a result which may have ongoing impacts for the national flock. Most other states are reporting relatively modest declines, highlighting the significant impact WA producers are having.



2025 BREEDING EWE FLOCK FORECAST	
Total reported flock size for 2024:	47,972,388
Total expected flock size for 2025:	43,514,842
Difference of:	- 4,457,546
% forecast change on 2024:	- 9%

Observations and insights:
Wethers

A profile of the wether flock

The May 2024 survey has estimated there are 8.57M wethers on hand, with Merinos (87% of total flock) being the dominant breed type on hand.

Producer intentions

Analysis of the feedback provided shows that:

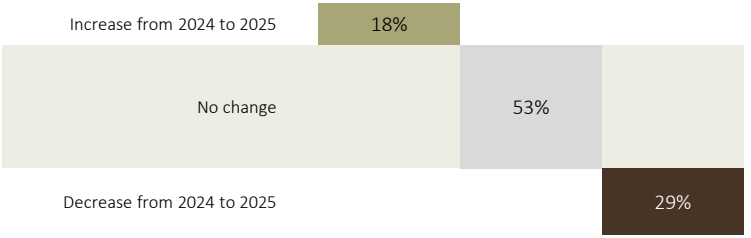
- At the producer level (that is considering each producer equal), there is a net intention to decrease their wether flocks in the next 12 months:
  - 18% indicating they would increase their wether flock size;
  - 53% indicating it would remain unchanged; and
  - 29% indicating they would decrease their wether flock size.

  Once again, WA producers were more likely to forecast a decrease over the next 12 months (51% forecast a decrease). Producers from all farm sizes were more likely to report an intention to decrease their wether flocks in the upcoming 12 months.

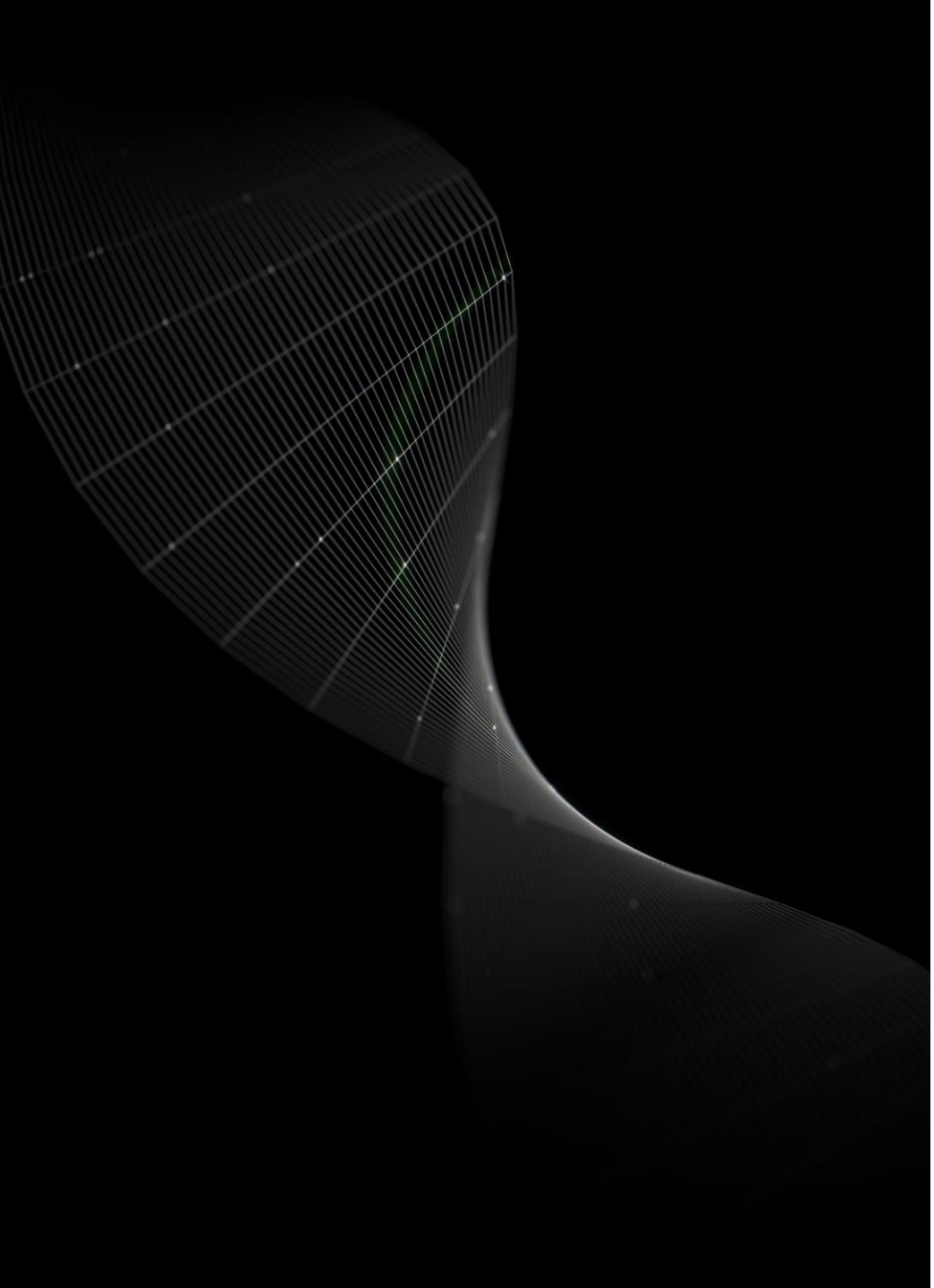
- Analysis of the forecast intentions suggests a decrease of approximately 1.46M wethers (17% decrease) over the estimated 2024 flock size. This result highlights the importance of considering the reported changes in flock size rather than just producers' disposition to change.

  Details on the forecast change estimate – showing the impact from producers who have reported an increase as well as producers who were forecasting a decrease in their wether flock – is shown opposite.

  WA producers are reporting a strong forecast fall in wether flock numbers in the next 12 months (forecast to fall 49%). Producers in SA (down 18%) and Victoria (down 19%) are also reporting notable forecast decreases.



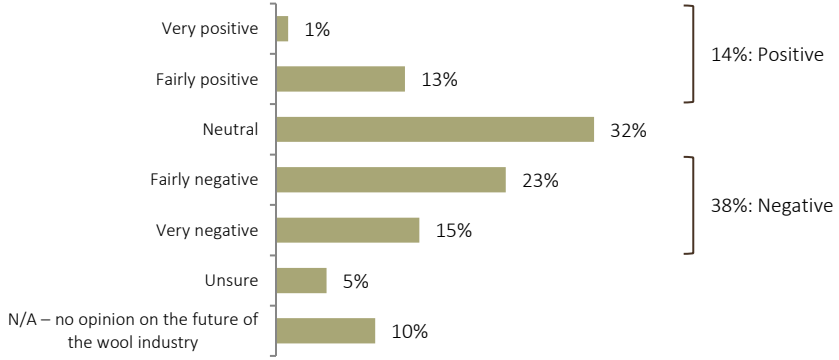
2025 WETHER FLOCK FORECAST	
Total reported flock size for 2024:	8,569,000
Total expected flock size for 2025:	7,110,213
Difference of:	- 1,458,788
% forecast change on 2024:	- 17%



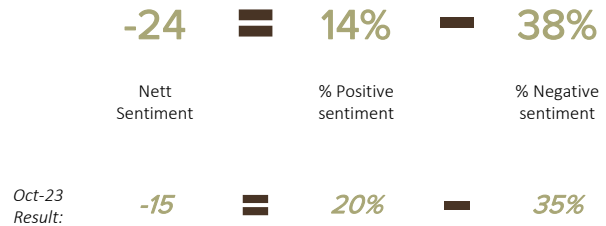
Producer sentiment

Sentiment: outlook for the wool sector

Q1. Firstly, how do you feel about the future of the wool industry over the next 12 months? Would you say you feel…?
Base: All respondents, n = 2,362



Nett Sentiment
(scale of -100 to +100)



	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Nett Sentiment	-20	+2	-19	-37	-27	-38	-14	-32	-33	-33	-33	-36	-23	-42
Change from October 2023	*↓ 8*	*↑ 9*	*↓ 14*	*↑ 27*	*↓ 13*	*↓ 8*	*↓ 2*	*↓ 23*	*↓ 16*	*↓ 5*	*↓ 12*	*↓ 13*	*↓ 4*	*↓ 23*

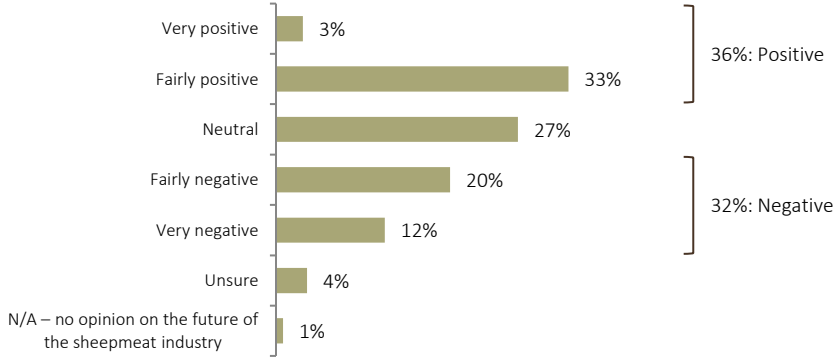
The comparative Rabobank measure. . . . .

March 2023 Quarter: 'Confidence among sheep producers was shown to have slumped this quarter, with 45 per cent of producers expecting conditions will worsen and only eight per cent looking to an improvement. Dry conditions in WA, SA and Tasmania contributed to this decline in confidence, paired with the impact of rising input costs and threats to the live export market. "The extended dry in some regions meant sheep producers who had been containment feeding faced higher-than-expected feed bills,.This, paired with a sheep market which hasn't really picked up this year, has impacted profit margins.." .'

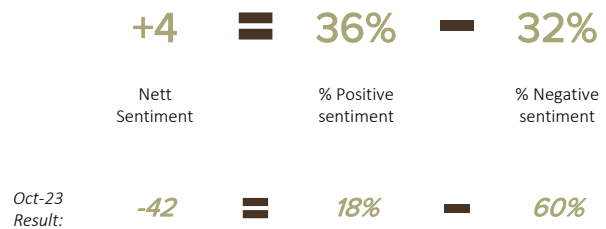
Source of Rabobank commentary: Rabobank-rural-confidence-survey-june-24-media-release-national.pdf

Sentiment: outlook for the sheepmeat sector

Q2. And how do you feel about the future of the sheepmeat industry over the next 12 months? Would you say you feel…?
Base: All respondents, n = 2,362



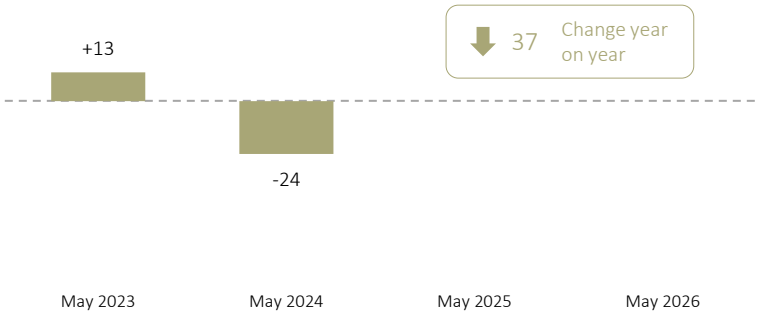
Nett Sentiment
(scale of -100 to +100)



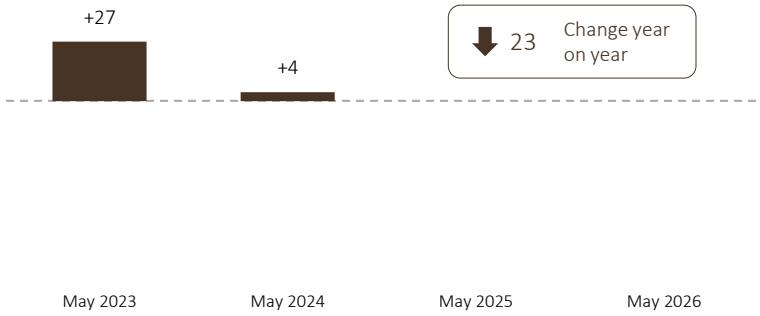
	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Nett Sentiment	+21	+33	-1	-5	+12	-64	+9	+6	+2	-9	+5	-13	+1	+16
Change from October 2023	*↑ 64*	*↑ 11*	*↑ 54*	*↑ 37*	*↑ 42*	*↑ 7*	*↑ 40*	*↑ 53*	*↑ 55*	*↑ 43*	*↑ 54*	*↑ 36*	*↑ 64*	*↑ 58*

Sentiment trend of the wool and sheepmeat sectors

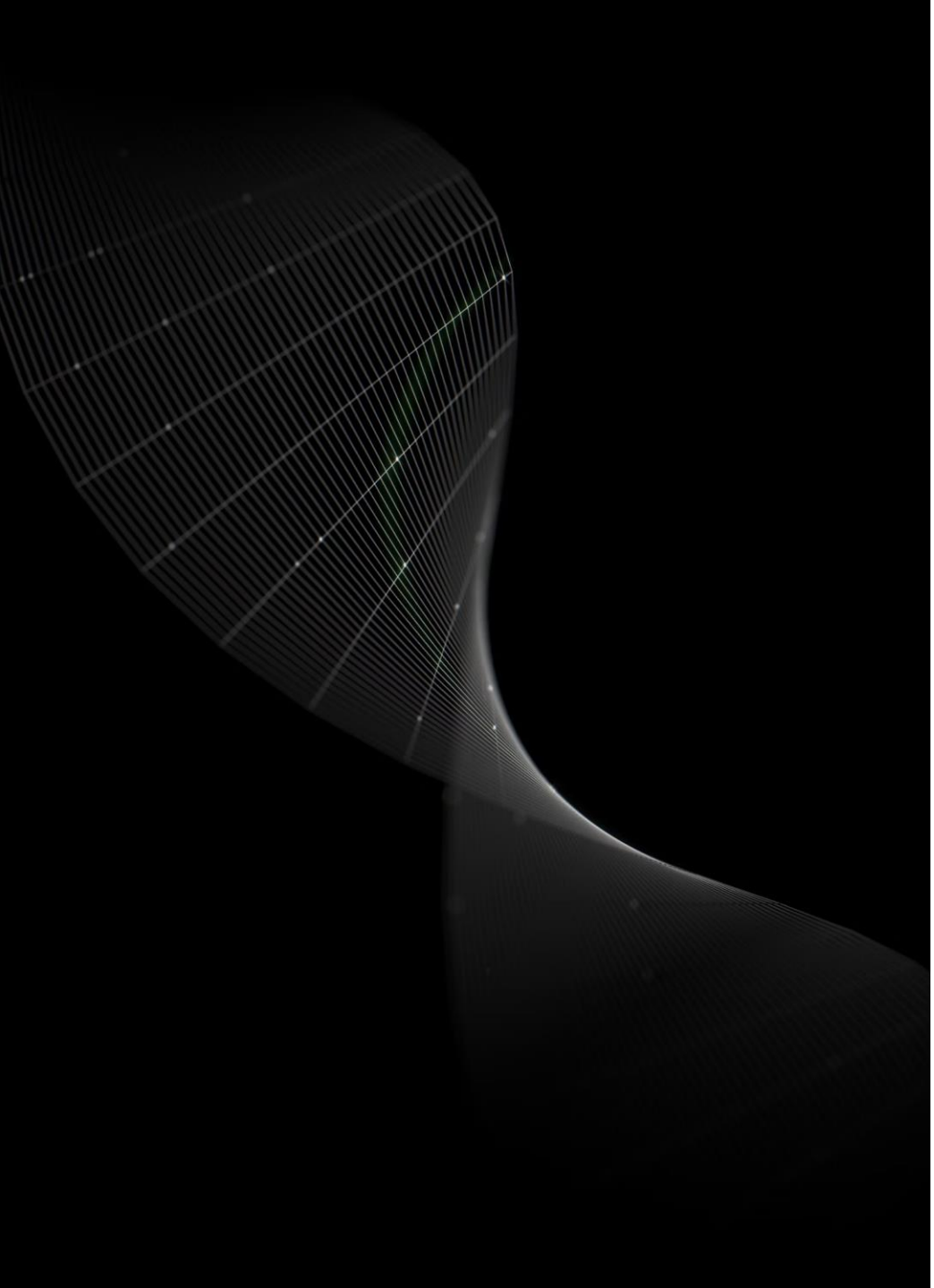
Trend of Nett Sentiment of the wool industry



Trend of Nett Sentiment of the sheepmeat industry



	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Nett Sentiment – Wool – May 2023	+18	+23	+15	+9	+9	+1	+17	+8	+9	+19	+1	+7	+8	+28
Nett Sentiment – Wool – May 2024	-20	+2	-19	-37	-27	-38	-14	-32	-33	-33	-33	-36	-23	-42
Change	↓ 38	↓ 21	↓ 34	↓ 46	↓ 36	↓ 39	↓ 31	↓ 40	↓ 42	↓ 52	↓ 34	↓ 43	↓ 31	↓ 70
Nett Sentiment – Sheepmeat – May 2023	+36	+50	+29	+47	+40	-48	+17	+8	+9	+19	+1	+7	+8	+28
Nett Sentiment – Sheepmeat – May 2024	+21	+33	-1	-5	+12	-64	+9	+6	+2	-9	+5	-13	+1	+16
Change	↓ 15	↓ 17	↓ 30	↓ 52	↓ 28	↓ 16	↓ 8	↓ 2	↓ 7	↓ 28	↑ 4	↓ 20	↓ 7	↓ 12



Estimates of the total flock size

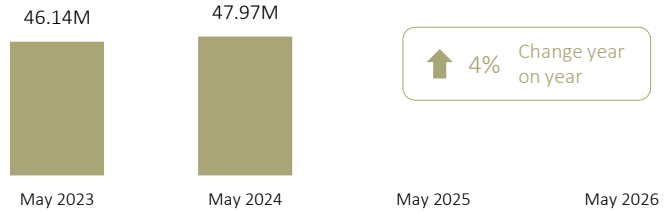
Estimates of the total flock size
(breeding ewes + wethers + lambs)

Q3-Q5. What were the total number of breeding ewes (including ewe lambs and hoggets intended for breeding), wethers, and lambs (not including ewe lambs and hoggets intended for breeding) you had on hand at 30 April 2024?

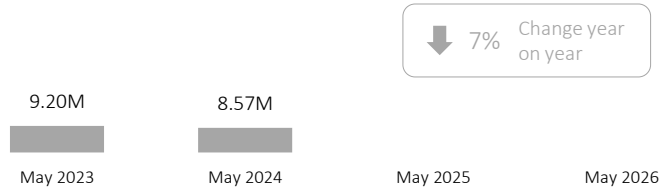
Base: All respondents, n = 2,362

		% of producers with type of flock
Breeding ewes (including ewe lambs and hoggets intended for breeding) on hand at 30 April 2024:	47,972,388	96%
Wethers on hand at 30 April 2024:	8,569,000	59%
Lambs (not including ewe lambs and hoggets intended for breeding) on hand at 30 April 2024:	13,863,441	73%

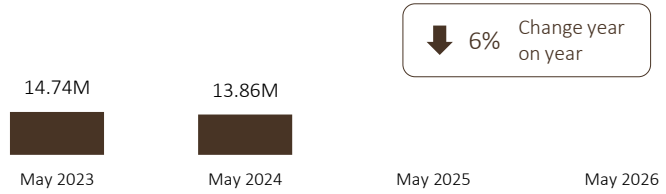
Trend of breeding ewe flock size estimates



Trend of wether flock size estimates

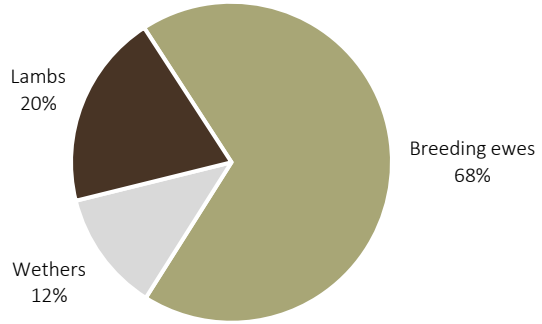


Trend lamb flock size estimates



Estimates of the total flock size
(breeding ewes + wethers + lambs)

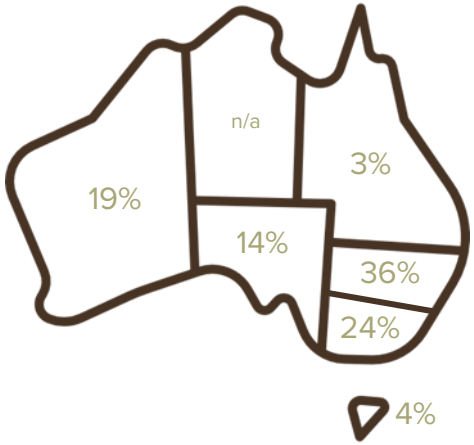
Proportion of breeding ewe, wether and lamb flock sizes



	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
% of total flock size														
Breeding ewes	64%	60%	74%	62%	72%	69%	67%	68%	69%	69%	69%	67%	66%	74%
Wethers	14%	21%	9%	10%	11%	12%	13%	11%	10%	12%	11%	14%	14%	10%
Lambs	22%	19%	17%	28%	17%	19%	20%	20%	21%	19%	20%	19%	20%	16%

Estimates of the total flock size
(breeding ewes + wethers + lambs)

Proportion of total flock size across states



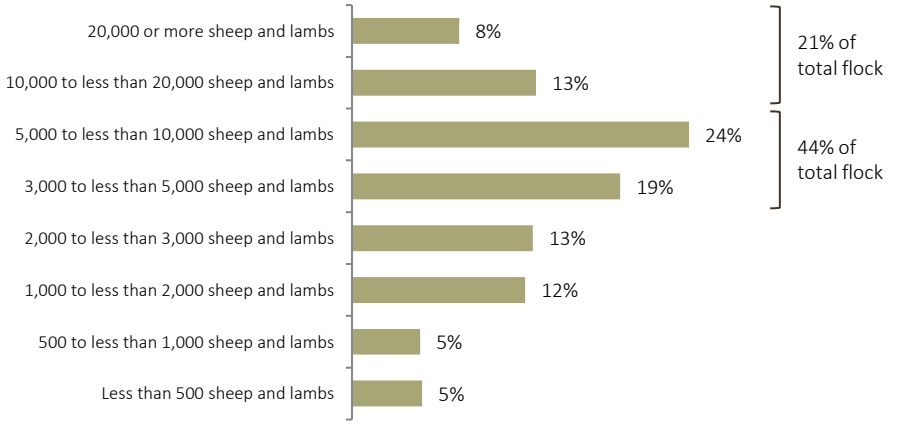
NSW and VIC account for an estimated 61% of the total flock size.

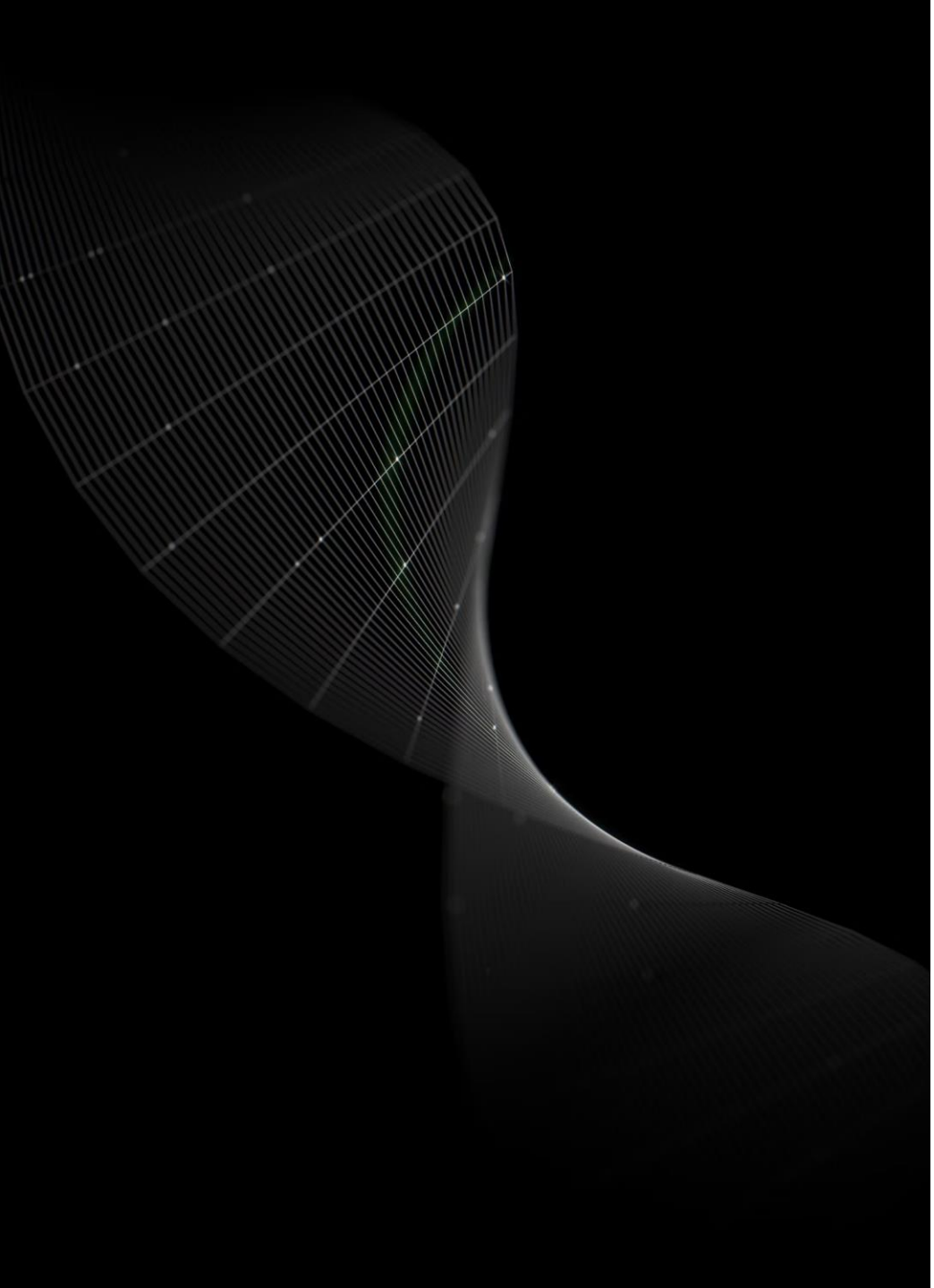
SA and WA account for 33% with QLD, TAS and the territories estimated to account for just a small proportion of the total national flock.

While there are many smaller producers (for example 35% of producers have less than 3,000 sheep), it is the larger producers which have a greater proportion of the national sheep flock (65% of the total flocks held by producers with 3,000 or more sheep and 21% with producers who have 10,000 or more sheep).

It will inevitably be then the decisions made by these larger producer cohorts that will shape and influence national trends.

Proportion of total flock size across total flock size categories





A focus on: Breeding ewes

This section of the report includes estimates of:

1. Breeding ewe flock profiles, a profile of the breeds on hand, a summary of the Merinos for lamb production and an estimate of the breeding ewes joining rate.

2. Producer intentions over the next 12 months: breeding ewe flock increases or decreases and the number of breeding ewes forecast for 2025.

Breeding ewe flock profile

Breeding ewe flock profiles

Q3. What were the total number of breeding ewes (including ewe lambs and hoggets intended for breeding) you had on hand at 30 April 2024?
Base: All respondents, n = 2,362

Breeding ewes (including ewe lambs and hoggets intended for breeding): 47,972,388

% of total flock size: 68%

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Breeding ewe flock size	16,462,961	1,280,448	7,289,986	1,643,177	12,217,908	9,073,189	2,388,683	2,367,103	6,025,591	6,315,528	9,372,430	11,360,258	6,133,637	4,009,157
% of total flock size	64%	60%	74%	62%	72%	69%	67%	68%	69%	69%	69%	67%	66%	74%

Breeding ewe flock – breeds on hand

Q7 and Q8. Of these [Q3 ANSWER] breeding ewes you mentioned earlier, please tell us which of the following types of breeding ewe breeds you have across your properties:
Base: All respondents with breeding ewes, n = 2,288

Total breeding ewe flock size reported: 47,972,388

		% of total breeding ewe flock	*May 2023*	% of producers with breed			*Definitions of breeds presented to producers:*
Merino	29,394,961	61%	*64%*	48%	---------	Merino	Main breed of sheep for wool production.
Prime lamb	7,050,532	15%	*12%*	19%	---------	Prime lamb	Animal entirely focused on meat (lamb) production e.g. Composite, Terminal, Suffolk or Dorset.
First cross	5,582,640	12%	*14%*	24%	---------	First cross	Merino crossed with a long-haired sheep of a different breed.
Shedding	3,352,161	7%	*4%*	23%	---------	Shedding	Breeds of sheep that shed their wool without shearing e.g. Australian White or Dorper. Could also be referred to as hair sheep.
Dual purpose	2,125,685	4%	*5%*	8%	---------	Dual purpose	Animal with no more than 50% Merino content geared towards both meat and wool production equally.
Other	466,409	1%	*1%*	3%	---------	Other	Any breeds that do not fit into the definitions above.

Breeding ewe flock – breeds on hand

Q7 and Q8. Of these [Q3 ANSWER] breeding ewes you mentioned earlier, please tell us which of the following types of breeding ewe breeds you have across your properties:
Base: All respondents with breeding ewes, n = 2,288

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*647*	*71*	*379*	*78*	*522*	*588*	*690*	*318*	*403*	*263*	*301*	*219*	*78*	*16*
Total breeding ewe flock size	**16,462,961**	**1,280,448**	**7,289,986**	**1,643,177**	**12,217,908**	**9,073,189**	**2,388,683**	**2,367,103**	**6,025,591**	**6,315,528**	**9,372,430**	**11,360,258**	**6,133,637**	**4,009,157**
% of total breeding ewe flock														
Merino	66%	58%	70%	45%	38%	80%	28%	45%	56%	63%	65%	68%	75%	47%
Prime lamb	7%	3%	11%	42%	33%	3%	16%	14%	13%	9%	12%	11%	10%	51%
First cross	14%	1%	8%	7%	20%	2%	20%	21%	18%	17%	10%	9%	6%	3%
Shedding	9%	32%	6%	2%	3%	6%	28%	14%	6%	7%	6%	6%	4%	0%
Dual purpose	3%	3%	4%	4%	5%	7%	5%	5%	5%	4%	6%	5%	4%	0%
Other	1%	4%	1%	1%	1%	<1%	2%	2%	2%	1%	1%	1%	1%	0%

Breeding ewe flock – Merinos for lamb production

Q9. Of the [Q8 ANSWER] Merino breeding ewes on hand, how many were for pure bred Merino lamb production and how many were for crossbred lamb production?
Base: All respondents with Merino breeding ewes, n = 1,323

		% of Merino breeding ewe flock	*May 2023*
Total Merino breeding ewe flock size:	29,394,961		
Merino ewes for pure bred Merino lamb production	20,374,496	69%	*70%*
Merino ewes for crossbred lamb production	7,857,948	27%	*26%*
Merino ewes - other	1,162,516	4%	*4%*

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*647*	*71*	*379*	*78*	*522*	*588*	*690*	*318*	*403*	*263*	*301*	*219*	*78*	*16*
Total Merino breeding ewe flock size	10,884,344	739,852	5,099,136	733,673	4,660,579	7,272,658	673,568	1,056,127	3,372,826	3,952,814	6,100,651	7,753,678	4,609,474	1,875,824
% of total Merino breeding ewe flock														
Merino ewes for pure bred Merino lamb production	72%	91%	72%	74%	62%	65%	41%	55%	64%	67%	70%	71%	73%	82%
Merino ewes for crossbred lamb production	25%	4%	27%	23%	34%	28%	57%	42%	31%	29%	27%	25%	22%	16%
Merino ewes - other	3%	4%	1%	3%	3%	7%	2%	2%	5%	4%	3%	4%	5%	1%

Breeding ewe flock – breeding ewes expected to join

Q10. Of the [Q3 ANSWER] total breeding ewes, how many do you expect to join to produce lambs for the upcoming season? Please tell us the breakdown by the following type of breeding ewe breeds across your properties:

Base: All respondents with breeding ewes, n = 2,288

		Expected joining rate	*May 2023*
Total breeding ewes expected to join:	41,027,890		
Merino ewes for pure bred Merino lamb production expected to join	17,349,723	85%	*89%*
Merino ewes for crossbred lamb production expected to join	7,495,510	95%	*96%*
Non-Merino ewes for lamb production expected to join	16,182,658	87%	*86%*

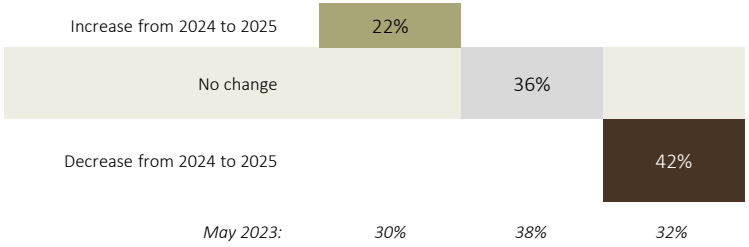
Calculation of joining rate (example: Merino ewes for pure bred Merino lamb production):

Estimate of total number of breeding ewes expected to join:	17,349,723
	÷
Estimated total number of breeding ewes:	20,374,496
	=
Expected joining rate:	85%

Producer intentions: breeding ewe flock

Producer intentions over the next 12 months: breeding ewe flock

Q12. And how many breeding ewes are you expecting to have on hand at the same time next year, in 2025 (30 April 2025)?
Base: All respondents, n = 2,362



Producers provided an indication of their intention for their breeding ewe flock over the next 12 months.

Among the producers responding to the May 2024 survey, just over four in ten producers (42%) reported they intended to downsize their breeding ewe flock over the upcoming 12 months. One in five (22%) were intending to increase their ewe flock and about one in three (36%) were reporting no expected change.

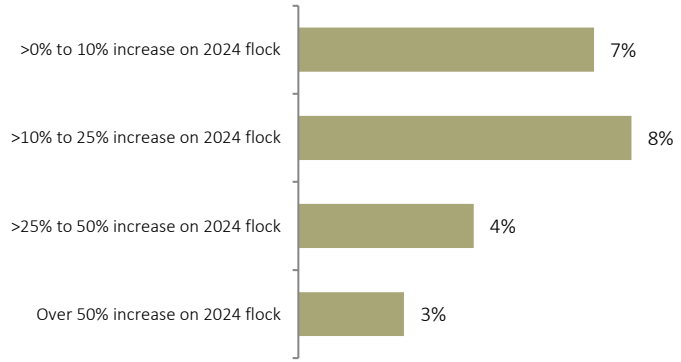
This provides a useful producer sentiment, with the following analysis exploring the impact of this stated intention on the forecast breeding ewe flock sizes (remembering producers have different flock sizes).

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Increase from 2024 to 2025	28%	24%	17%	21%	23%	9%	24%	21%	22%	17%	22%	22%	21%	57%
No change	38%	48%	34%	43%	38%	24%	40%	33%	34%	32%	33%	30%	38%	14%
Decrease from 2024 to 2025	35%	27%	49%	36%	39%	67%	37%	46%	44%	51%	45%	49%	41%	30%

How the forecast increase translates to breeding ewe flock numbers

22% of producers reported they are likely to have MORE breeding ewes next year

We asked these producers what they forecast the increase in breeding ewe flock numbers would be…



Of those who forecast an **increase** in breeding ewes…

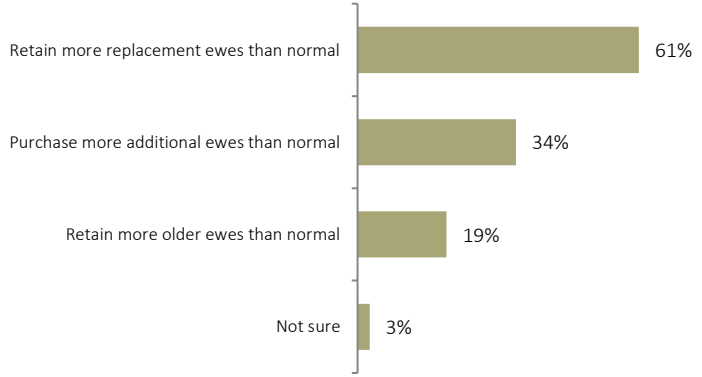
Total reported flock size for 2024:	11,984,160
Total forecast flock size for 2025:	13,769,842
Difference of:	+ 1,785,682

How producers intend to achieve this expected increase in breeding ewes in 2025

22% of producers reported they are likely to have MORE breeding ewes next year

We asked these producers how they intend to achieve this expected increase in their breeding ewe flock numbers…

Q13. You mentioned that you expect to have more breeding ewes on hand as of 30 April 2025. How do you intend to achieve this change?
Base: All respondents who expect an increase in breeding ewe flock size in 2025, n = 467

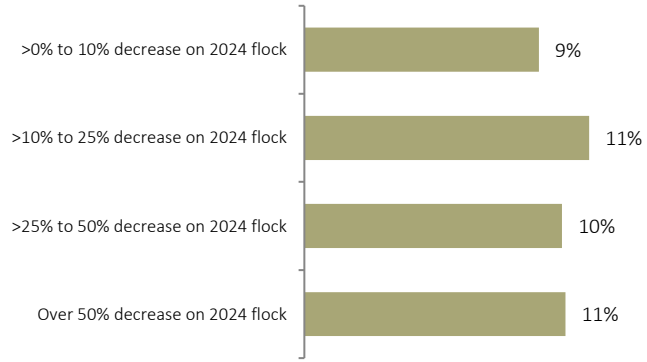


	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*186*	*21*	*66*	*18*	*124*	*50*	*163*	*61*	*75*	*41*	*60*	*44*	*16*	*7*
Retain more replacement ewes	63%	55%	70%	55%	54%	63%	58%	62%	47%	73%	71%	73%	75%	90%
Purchase more additional ewes	32%	36%	27%	22%	42%	25%	35%	40%	38%	28%	23%	31%	24%	40%
Retain more older ewes	21%	11%	14%	38%	16%	29%	15%	18%	22%	18%	37%	25%	25%	10%

How the forecast decrease translates to breeding ewe flock numbers

42% of producers reported they are likely to have FEWER breeding ewes next year

We asked these producers what they forecast the decrease in breeding ewe flock numbers would be…



Of those who forecast a **decrease** in breeding ewes…

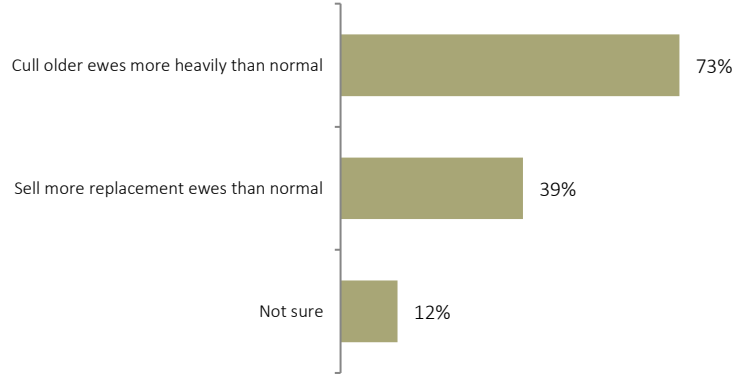
Total reported flock size for 2024:	21,705,387
Total forecast flock size for 2025:	15,462,158
Difference of:	- 6,243,229

How producers intend to achieve this expected decrease in breeding ewes in 2025

Q14. You mentioned that you expect to have less breeding ewes on hand as of 30 April 2025. How do you intend to achieve this change?
Base: All respondents who expect a decrease in breeding ewe flock size in 2025, n = 1,118

42% of producers reported they are likely to have FEWER breeding ewes next year

We asked these producers how they intend to achieve this expected decrease in their breeding ewe flock numbers…



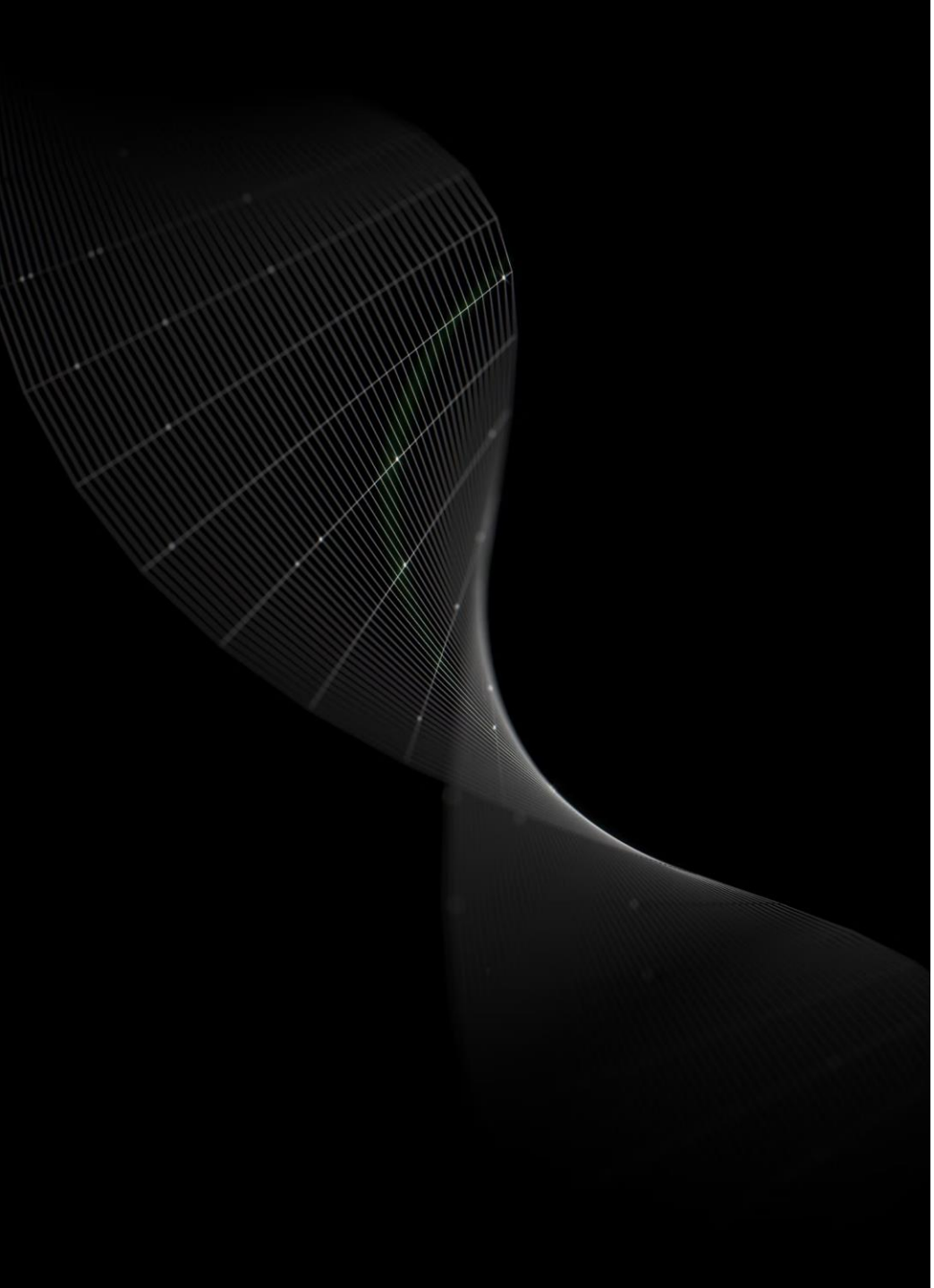
	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*245*	*25*	*192*	*29*	*206*	*420*	*291*	*170*	*203*	*150*	*152*	*114*	*32*	*6*
Cull older ewes more heavily	77%	83%	82%	78%	67%	65%	69%	75%	74%	76%	76%	79%	71%	83%
Sell more replacement ewes	37%	37%	40%	27%	34%	51%	31%	39%	46%	50%	44%	48%	59%	44%

Breeding ewes forecast for 2025

Taking into account the forecast size of the breeding ewe flock for those producers who indicated they would be increasing their flock size as well as those producers who indicated they would decrease their flock size, an estimation of the forecast breeding ewe flock for 2025 is shown below…

	2025 BREEDING EWE FLOCK FORECAST		Of those who expect an increase in breeding ewes		Of those who expect no change in breeding ewes		Of those who expect a decrease in breeding ewes
Total reported flock size for 2024:	47,972,388	=	11,984,160	+	14,282,841	+	21,705,387
Total expected flock size for 2025:	43,514,842	=	13,769,842	+	14,282,841	+	15,462,158
Difference of:	- 4,457,546	=	+ 1,785,682	+	0	+	- 6,243,229
% forecast change on 2024:	- 9%						

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	672	76	389	80	536	606	737	330	410	269	303	219	78	16
Total reported flock size for 2024:	16,462,961	1,280,448	7,289,986	1,643,177	12,217,908	9,073,189	2,388,683	2,367,103	6,025,591	6,315,528	9,372,430	11,360,258	6,133,637	4,009,157
Total expected flock size for 2025:	15,592,702	1,237,096	6,534,649	1,565,496	11,943,954	6,636,731	2,159,718	2,118,057	5,248,764	5,471,041	8,379,926	10,270,230	5,618,793	4,248,314
Difference of:	- 870,259	- 43,352	- 755,337	- 77,682	- 273,954	- 2,436,458	- 228,965	- 249,046	- 776,827	- 844,488	- 992,504	- 1,090,029	- 514,844	+ 239,156
% forecast change on 2024:	- 5%	- 3%	- 10%	- 5%	- 2%	- 27%	- 10%	- 11%	- 13%	- 13%	- 11%	- 10%	- 8%	+ 6%



A focus on: Wethers

This section of the report includes estimates of:

1. Wether flock profiles and a profile of the breeds on hand.

2. Producer intentions over the next 12 months: wether flock increases or decreases and the number of wethers forecast for 2025.

Wether flock profile

Wether flock profiles

Q4. What were the total number of wethers you had on hand at 30 April 2024?
Base: All respondents, n = 2,362

Wethers: 8,569,000

% of total flock size: 12%

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Wether flock size	3,469,027	459,153	876,460	279,400	1,938,001	1,544,202	450,801	384,275	899,654	1,118,575	1,488,979	2,417,256	1,281,387	528,074
% of total flock size	14%	21%	9%	10%	11%	12%	13%	11%	10%	12%	11%	14%	14%	10%

Wether flock – breeds on hand

Q15 and Q16. Of these [Q4 ANSWER] wethers you mentioned earlier, please tell us which of the following types of wether breeds you have across your properties:
Base: All respondents with wethers, n = 1,457

Total wether flock size reported: 8,569,000

		% of total wether flock	*May 2023*	% of producers with breed			*Definitions of breeds presented to producers:*
Merino	7,442,952	87%	*87%*	55%	---------	Merino	Main breed of sheep for wool production.
Shedding	402,704	5%	*3%*	23%	---------	Shedding	Breeds of sheep that shed their wool without shearing e.g. Australian White or Dorper. Could also be referred to as hair sheep.
Prime lamb	278,953	3%	*3%*	15%	---------	Prime lamb	Animal entirely focused on meat (lamb) production e.g. Composite, Terminal, Suffolk or Dorset.
Dual purpose	227,899	3%	*3%*	6%	---------	Dual purpose	Animal with no more than 50% Merino content geared towards both meat and wool production equally.
First cross	153,047	2%	*4%*	8%	---------	First cross	Merino crossed with a long-haired sheep of a different breed.
Other	63,446	1%	*<1%*	2%	---------	Other	Any breeds that do not fit into the definitions above.

Wether flock – breeds on hand

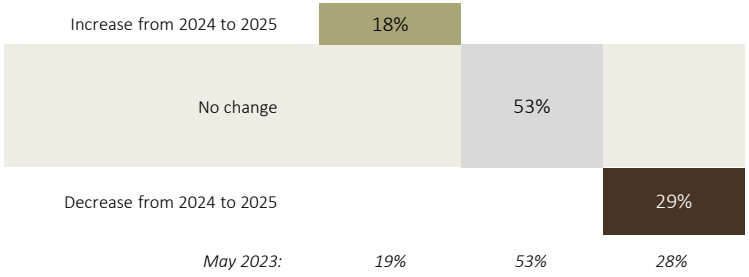
Q15 and Q16. Of these [Q4 ANSWER] wethers you mentioned earlier, please tell us which of the following types of wether breeds you have across your properties:
Base: All respondents with wethers, n = 1,457

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*420*	*57*	*223*	*47*	*288*	*420*	*434*	*165*	*232*	*172*	*211*	*164*	*66*	*13*
Total wether flock size	3,469,027	459,153	876,460	279,400	1,938,001	1,544,202	450,801	384,275	899,654	1,118,575	1,488,979	2,417,256	1,281,387	528,074
% of total wether flock														
Merino	85%	84%	87%	92%	91%	87%	53%	71%	81%	86%	89%	93%	91%	94%
Shedding	5%	15%	4%	2%	2%	4%	26%	13%	4%	4%	4%	3%	2%	0%
Prime lamb	4%	1%	3%	4%	4%	1%	10%	7%	7%	3%	2%	<1%	3%	6%
Dual purpose	2%	0%	2%	1%	2%	6%	4%	4%	3%	3%	3%	3%	<1%	0%
First cross	3%	0%	1%	1%	1%	1%	6%	4%	2%	4%	1%	1%	1%	0%
Other	1%	<1%	2%	0%	<1%	<1%	1%	1%	2%	0%	<1%	0%	2%	0%

Producer intentions: wether flock

Producer intentions over the next 12 months: wether flock

Q18. And how many wethers are you expecting to have on hand at the same time next year, in 2025 (30 April 2025)?
Base: All respondents, n = 2,362



Producers provided an indication of their intention for their wether flock over the next 12 months.

Among the producers responding to the May 2024 survey, around half (53%) expect no changed to the size of their wether flock in 2025, with a further 18% expecting more wethers and 29% expecting fewer wethers in 2025.

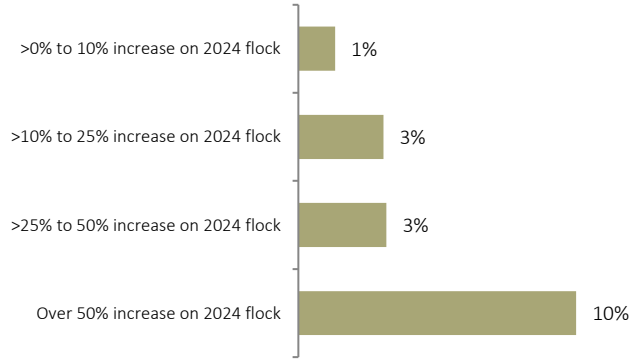
This provides a useful producer sentiment, with the following analysis exploring the impact of this stated intention on the forecast wether flock sizes (remembering producers have different flock sizes).

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Increase from 2024 to 2025	23%	29%	12%	13%	16%	11%	20%	13%	15%	16%	21%	14%	24%	23%
No change	53%	55%	56%	61%	59%	38%	56%	60%	56%	48%	43%	44%	33%	42%
Decrease from 2024 to 2025	24%	16%	33%	26%	25%	51%	24%	26%	28%	36%	37%	43%	43%	35%

How the forecast increase translates to wether flock numbers

18% of producers reported they are likely to have MORE wethers next year

We asked these producers what they forecast the increase in wether flock numbers would be...



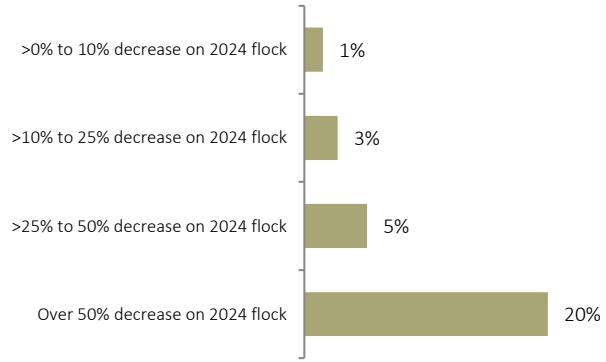
Of those who forecast an **increase** in wethers...

Total reported flock size for 2024:	2,124,825
Total forecast flock size for 2025:	3,207,899
Difference of:	+ 1,083,075

How the forecast decrease translates to wether flock numbers

29% of producers reported they are likely to have FEWER wethers next year

We asked these producers what they forecast the decrease in wether flock numbers would be...



Of those who forecast a **decrease** in wethers...

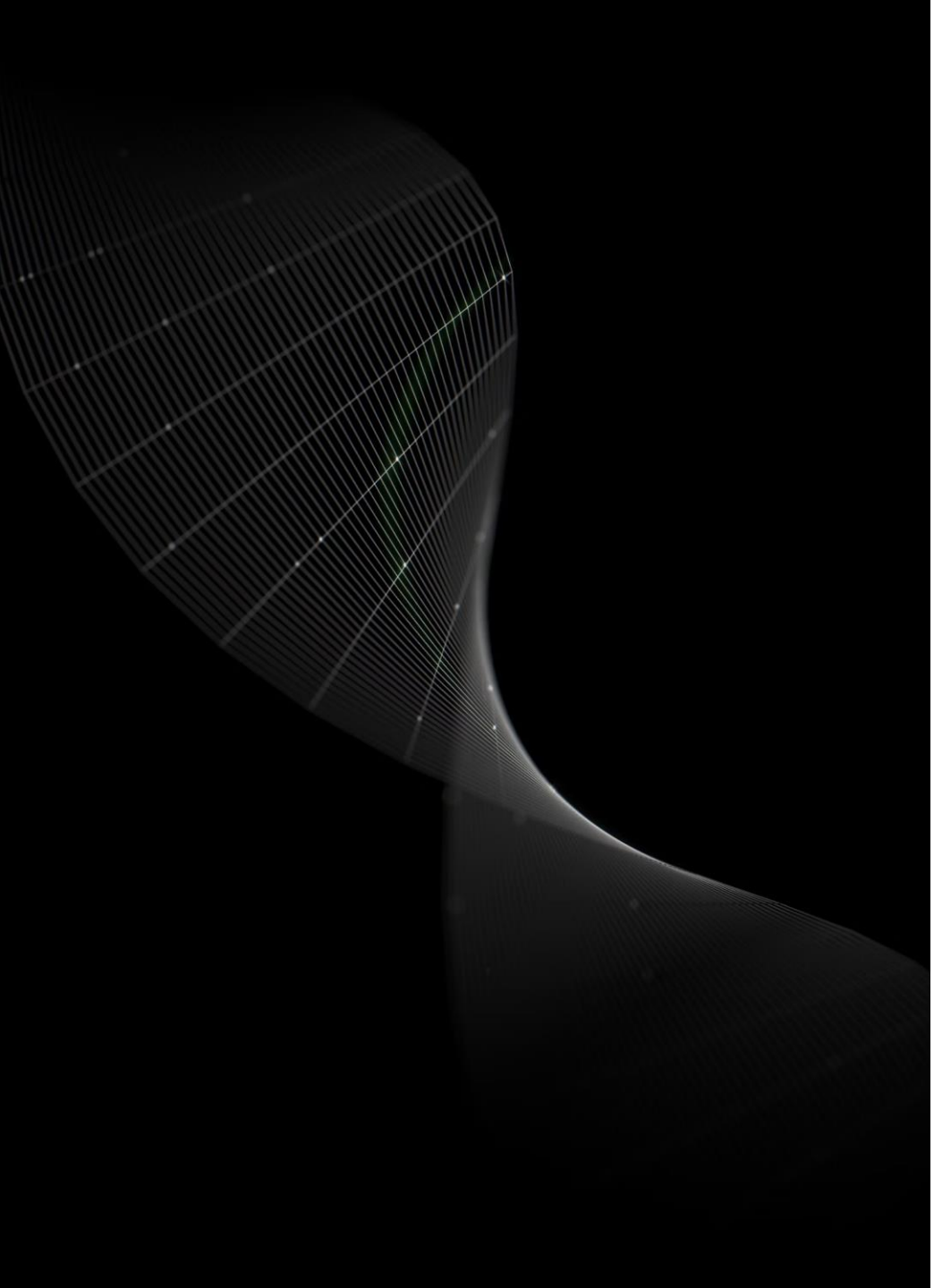
Total reported flock size for 2024:	4,533,250
Total forecast flock size for 2025:	1,991,388
Difference of:	- 2,541,862

Wethers forecast for 2025

Taking into account the forecast size of the wether flock for those producers who indicated they would be increasing their flock size as well as those producers who indicated they would decrease their flock size, an estimation of the forecast wether flock for 2025 is shown below…

	2025 WETHER FLOCK FORECAST		Of those who expect an increase in wethers		Of those who expect no change in wethers		Of those who expect a decrease in wethers
Total reported flock size for 2024:	8,569,000	=	2,124,825	+	1,910,926	+	4,533,250
Total expected flock size for 2025:	7,110,213	=	3,207,899	+	1,910,926	+	1,991,388
Difference of:	- 1,458,788	=	+ 1,083,075	+	0	+	- 2,541,862
% forecast change on 2024:	- 17%						

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Total reported flock size for 2024:	3,469,027	459,153	876,460	279,400	1,938,001	1,544,202	450,801	384,275	899,654	1,118,575	1,488,979	2,417,256	1,281,387	528,074
Total expected flock size for 2025:	3,289,857	487,593	721,390	260,898	1,560,125	787,388	443,030	272,866	792,739	956,059	1,346,644	1,837,596	1,062,568	398,711
Difference of:	- 179,170	+ 28,440	- 155,070	- 18,503	- 377,876	- 756,814	- 7,771	- 111,409	- 106,915	- 162,516	- 142,335	- 579,660	- 218,819	- 129,363
% forecast change on 2024:	- 5%	+ 6%	- 18%	- 7%	- 19%	- 49%	- 2%	- 29%	- 12%	- 15%	- 10%	- 24%	- 17%	- 24%



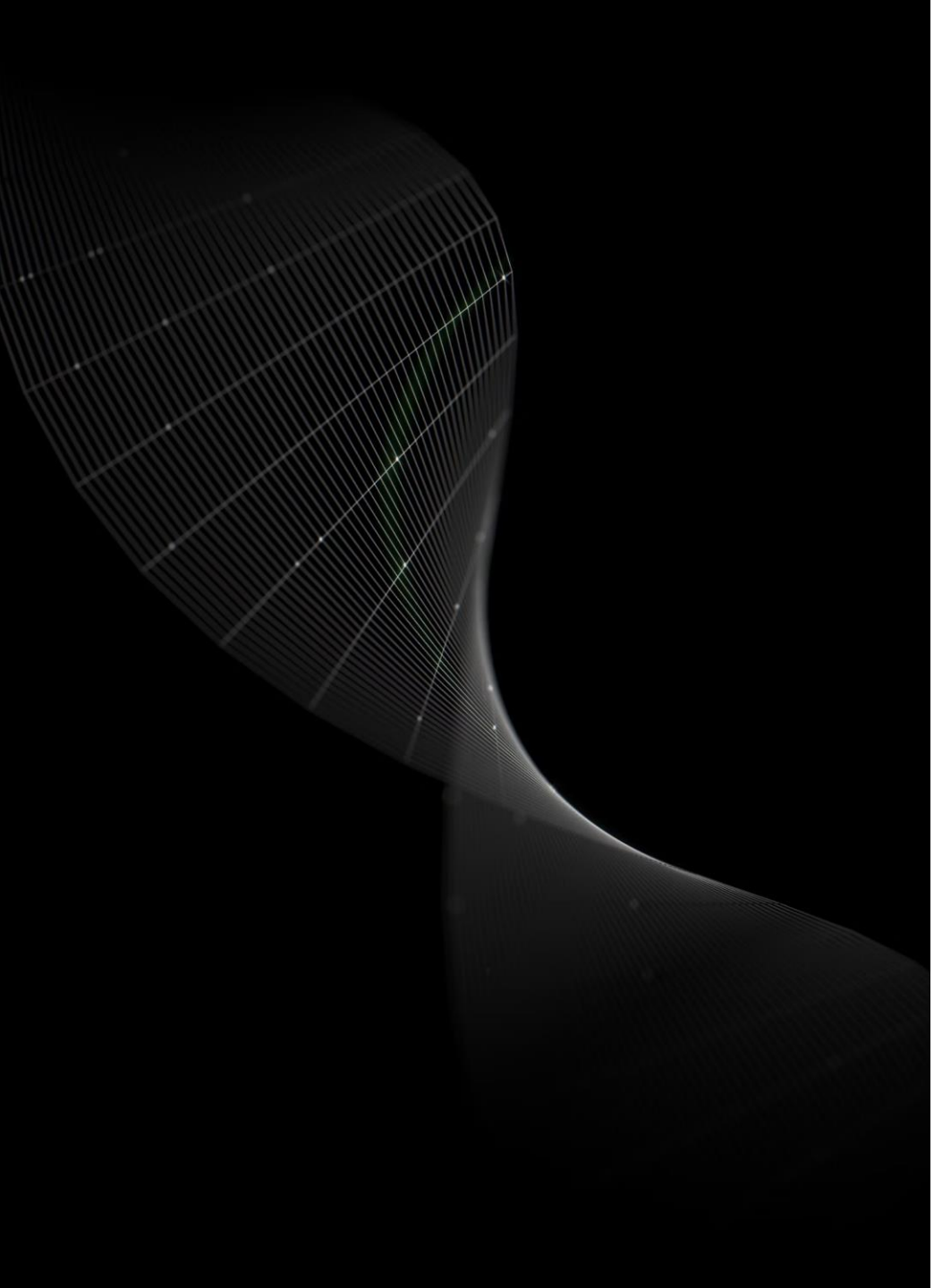
Summary of results: state & flock size

Summary of results by state

	OVERALL	State					
		NSW	QLD	SA	TAS	VIC	WA
Base:	***2,362***	*672*	*76*	*389*	*80*	*536*	*606*
SENTIMENT							
Nett sentiment – wool industry	**-24**	-20	+2	-19	-37	-27	-38
Nett sentiment – sheepmeat industry	**+4**	+21	+33	-1	-5	+12	-64
BREEDING EWE flock profile							
Estimate of total breeding ewe flock	**47.97M**	16.46M	1.28M	7.29M	1.64M	12.22M	9.07M
Dominant breeds on hand:							
Merino	**61%**	66%	58%	70%	45%	38%	80%
Prime lamb	**15%**	7%	3%	11%	42%	33%	3%
First cross	**12%**	14%	1%	8%	7%	20%	2%
BREEDING EWE producer intentions							
Reported breeding ewe flock size for 2024	**47.97M**	16.46M	1.28M	7.29M	1.64M	12.22M	9.07M
Forecast breeding ewe flock size for 2025	**43.51M**	15.59M	1.24M	6.53M	1.57M	11.94M	6.64M
Forecast change in total breeding ewe flock	**- 9%**	- 5%	- 3%	- 10%	- 5%	- 2%	- 27%
Producer-level intentions (ignoring size):							
Increase from 2024 to 2025	**22%**	28%	24%	17%	21%	23%	9%
No change	**36%**	38%	48%	34%	43%	38%	24%
Decrease from 2024 to 2025	**42%**	35%	27%	49%	36%	39%	67%
WETHER flock profile							
Estimate of total wether flock	**8.57M**	3.47M	0.46M	0.88M	0.28M	1.94M	1.54M
Dominant breeds on hand:							
Merino	**87%**	85%	84%	87%	92%	91%	87%
Shedding	**5%**	5%	15%	4%	2%	2%	4%
Prime lamb	**3%**	4%	1%	3%	4%	4%	1%
WETHER producer intentions							
Reported wether flock size for 2024	**8.57M**	3.47M	0.46M	0.88M	0.28M	1.94M	1.54M
Forecast wether flock size for 2025	**7.11M**	3.29M	0.49M	0.72M	0.26M	1.56M	0.79M
Forecast change in total wether flock	**- 17%**	- 5%	+ 6%	- 18%	- 7%	- 19%	- 49%
Producer-level intentions (ignoring size):							
Increase from 2024 to 2025	**18%**	23%	29%	12%	13%	16%	11%
No change	**53%**	53%	55%	56%	61%	59%	38%
Decrease from 2024 to 2025	**29%**	24%	16%	33%	26%	25%	51%

Summary of results by total flock size

	OVERALL	Total Flock Size (sheep and lambs)							
		Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	**2,362**	737	330	410	269	303	219	78	16
SENTIMENT									
Nett sentiment – wool industry	**-24**	-14	-32	-33	-33	-33	-36	-23	-42
Nett sentiment – sheepmeat industry	**+4**	+9	+6	+2	-9	+5	-13	+1	+16
BREEDING EWE flock profile									
Estimate of total breeding ewe flock	**47.97M**	2.39M	2.37M	6.03M	6.32M	9.37M	11.36M	6.13M	4.01M
Dominant breeds on hand:									
Merino	**61%**	28%	45%	56%	63%	65%	68%	75%	47%
Prime lamb	**15%**	16%	14%	13%	9%	12%	11%	10%	51%
First cross	**12%**	20%	21%	18%	17%	10%	9%	6%	3%
BREEDING EWE producer intentions									
Reported breeding ewe flock size for 2024	**47.97M**	2.39M	2.37M	6.03M	6.32M	9.37M	11.36M	6.13M	4.01M
Forecast breeding ewe flock size for 2025	**43.51M**	2.16M	2.12M	5.25M	5.47M	8.38M	10.27M	5.62M	4.25M
Forecast change in total breeding ewe flock	**- 9%**	- 10%	- 11%	- 13%	- 13%	- 11%	- 10%	- 8%	+ 6%
Producer-level intentions (ignoring size):									
Increase from 2024 to 2025	**22%**	24%	21%	22%	17%	22%	22%	21%	57%
No change	**36%**	40%	33%	34%	32%	33%	30%	38%	14%
Decrease from 2024 to 2025	**42%**	37%	46%	44%	51%	45%	49%	41%	30%
WETHER flock profile									
Estimate of total wether flock	**8.57M**	0.45M	0.38M	0.90M	1.12M	1.49M	2.42M	1.28M	0.53M
Dominant breeds on hand:									
Merino	**87%**	53%	71%	81%	86%	89%	93%	91%	94%
Shedding	**5%**	26%	13%	4%	4%	4%	3%	2%	0%
Prime lamb	**3%**	10%	7%	7%	3%	2%	<1%	3%	6%
WETHER producer intentions									
Reported wether flock size for 2024	**8.57M**	0.45M	0.38M	0.90M	1.12M	1.49M	2.42M	1.28M	0.53M
Forecast wether flock size for 2025	**7.11M**	0.44M	0.27M	0.79M	0.96M	1.35M	1.84M	1.06M	0.40M
Forecast change in total wether flock	**- 17%**	- 2%	- 29%	- 12%	- 15%	- 10%	- 24%	- 17%	- 24%
Producer-level intentions (ignoring size):									
Increase from 2024 to 2025	**18%**	20%	13%	15%	16%	21%	14%	24%	23%
No change	**53%**	56%	60%	56%	48%	43%	44%	33%	42%
Decrease from 2024 to 2025	**29%**	24%	26%	28%	36%	37%	43%	43%	35%



Additional analysis

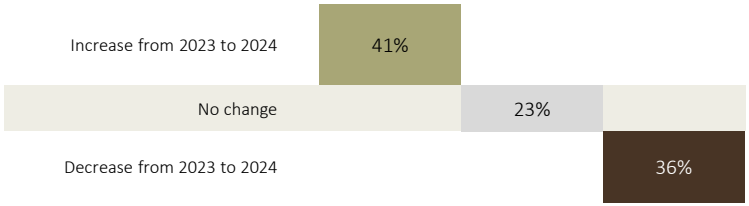
Breeding ewe flock size: a 3-year perspective

As part of the May 2024 Sheep Producers Intentions Survey, producers were asked to look back and estimate what their breeding ewe flock was in 2023 as well as to look forward and forecast their breeding ewe flock size for 2025. This then provided 3 points in time – the 2023 flock size, the current 2024 flock size and the forecast flock size for 2025. An analysis of this data is shown below.

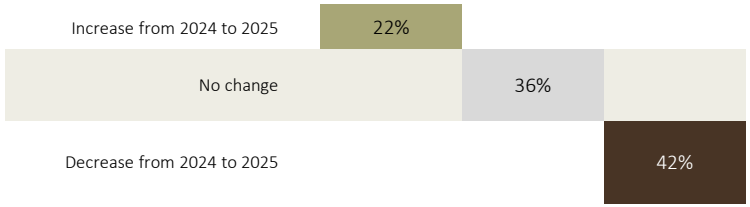
We asked producers to look back and estimate what their breeding ewe flock was in 2023

MAY 2024
Reported number of breeding ewes on hand

We asked producers to look forward and forecast their breeding ewe flock in 2025



These diagrams represent the change from 2024 breeding ewe flock – looking back and then forecasting forward



Breeding ewe flock size: a 3-year perspective

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Increase from 2024 to 2025	**28%**	**24%**	**17%**	**21%**	**23%**	**9%**	**24%**	**21%**	**22%**	**17%**	**22%**	**22%**	**21%**	**57%**
2023 -> Increase 2024 -> Increase 2025	15%	9%	9%	7%	12%	4%	11%	11%	12%	8%	11%	13%	19%	45%
2023 -> Same 2024 -> Increase 2025	3%	6%	3%	2%	3%	<1%	3%	3%	3%	2%	3%	3%	1%	0%
2023 -> Decrease 2024 -> Increase 2025	10%	9%	6%	12%	8%	4%	10%	7%	7%	7%	7%	5%	1%	12%
No change	**38%**	**48%**	**34%**	**43%**	**38%**	**24%**	**40%**	**33%**	**34%**	**32%**	**33%**	**30%**	**38%**	**14%**
2023 -> Increase 2024 -> Same 2025	13%	17%	9%	14%	11%	6%	11%	10%	12%	11%	14%	10%	15%	5%
2023 -> Same 2024 -> Same 2025	16%	19%	15%	13%	15%	8%	15%	13%	13%	16%	12%	16%	16%	5%
2023 -> Decrease 2024 -> Same 2025	9%	13%	11%	15%	12%	10%	14%	10%	9%	4%	7%	4%	7%	4%
Decrease from 2024 to 2025	**35%**	**27%**	**49%**	**36%**	**39%**	**67%**	**37%**	**46%**	**44%**	**51%**	**45%**	**49%**	**41%**	**30%**
2023 -> Increase 2024 -> Decrease 2025	16%	19%	24%	15%	16%	23%	15%	16%	19%	24%	27%	25%	14%	17%
2023 -> Same 2024 -> Decrease 2025	6%	5%	5%	1%	5%	13%	5%	8%	6%	7%	6%	10%	14%	9%
2023 -> Decrease 2024 -> Decrease 2025	12%	3%	20%	20%	18%	32%	16%	22%	20%	20%	13%	14%	13%	4%

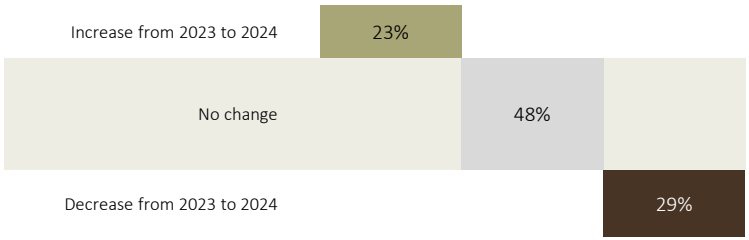
Wether flock size: a 3-year perspective

As part of the May 2024 Sheep Producers Intentions Survey, producers were asked to look back and estimate what their wether flock was in 2023 as well as to look forward and forecast their wether flock size for 2025. This then provided 3 points in time – the 2023 flock size, the current 2024 flock size and the forecast flock size for 2025. An analysis of this data is shown below.

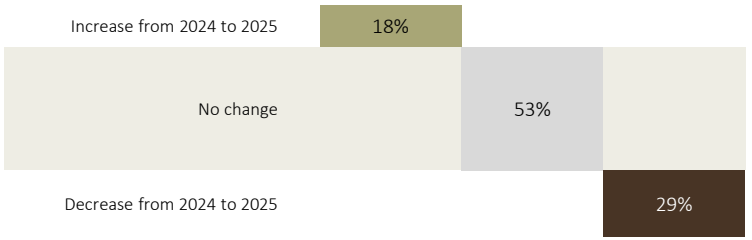
We asked producers to look back and estimate what their wether flock was in 2023

MAY 2024
Reported number of wethers on hand

We asked producers to look forward and forecast their wether flock in 2025

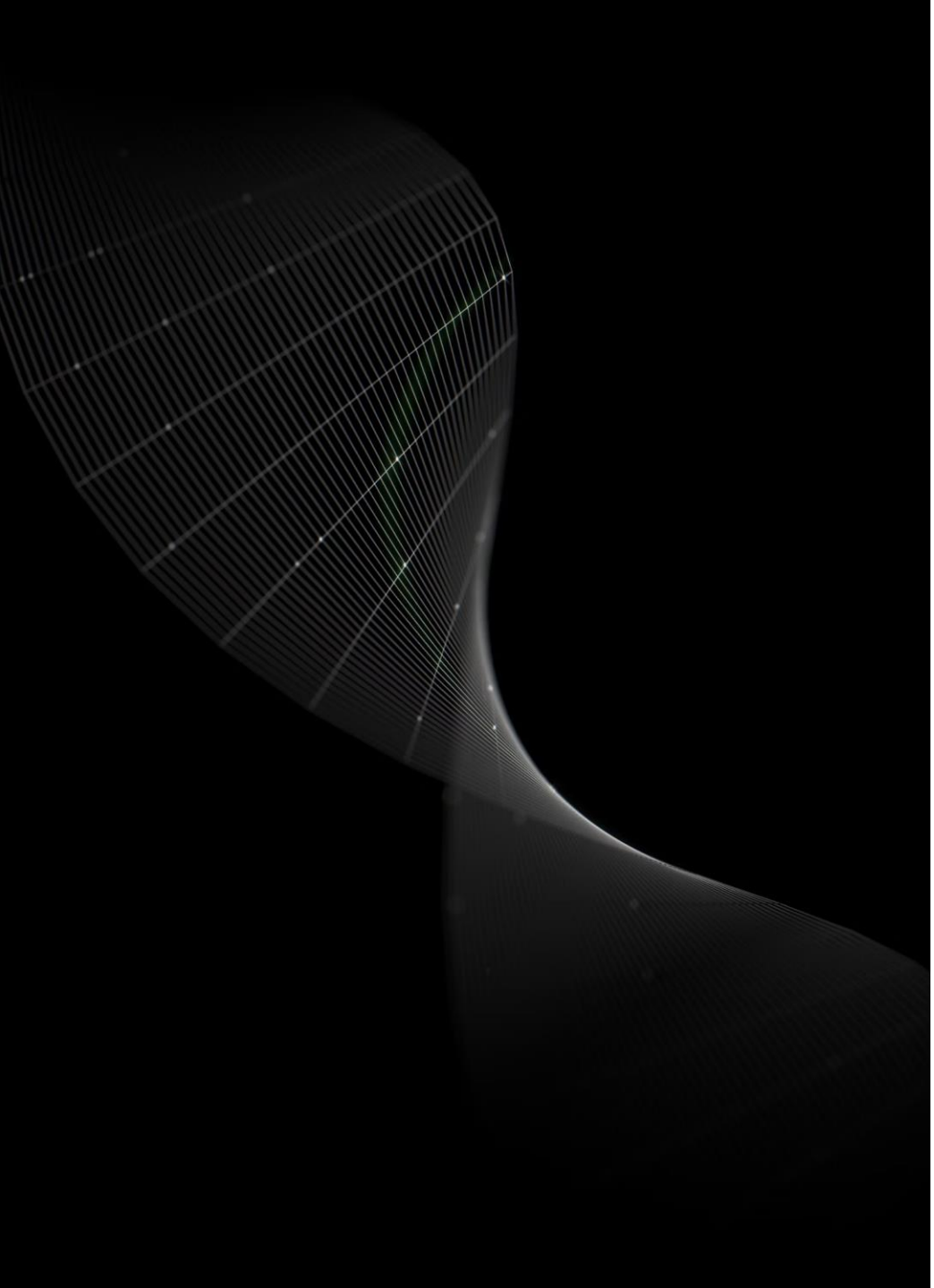


These diagrams represent the change from 2024 wether flock – looking back and then forecasting forward



Wether flock size: a 3-year perspective

	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	*672*	*76*	*389*	*80*	*536*	*606*	*737*	*330*	*410*	*269*	*303*	*219*	*78*	*16*
Increase from 2024 to 2025	**23%**	**29%**	**12%**	**13%**	**16%**	**11%**	**20%**	**13%**	**15%**	**16%**	**21%**	**14%**	**24%**	**23%**
2023 -> Increase 2024 -> Increase 2025	7%	6%	2%	2%	5%	2%	4%	3%	5%	6%	8%	5%	8%	12%
2023 -> Same 2024 -> Increase 2025	3%	4%	1%	2%	1%	1%	3%	2%	1%	1%	2%	1%	3%	0%
2023 -> Decrease 2024 -> Increase 2025	13%	19%	8%	9%	10%	8%	13%	8%	9%	9%	11%	7%	13%	12%
No change	**53%**	**55%**	**56%**	**61%**	**59%**	**38%**	**56%**	**60%**	**56%**	**48%**	**43%**	**44%**	**33%**	**42%**
2023 -> Increase 2024 -> Same 2025	5%	10%	3%	9%	3%	2%	5%	4%	4%	2%	3%	6%	5%	0%
2023 -> Same 2024 -> Same 2025	42%	38%	46%	48%	48%	29%	43%	52%	47%	39%	38%	32%	21%	38%
2023 -> Decrease 2024 -> Same 2025	5%	8%	7%	5%	7%	7%	8%	4%	5%	7%	2%	6%	8%	4%
Decrease from 2024 to 2025	**24%**	**16%**	**33%**	**26%**	**25%**	**51%**	**24%**	**26%**	**28%**	**36%**	**37%**	**43%**	**43%**	**35%**
2023 -> Increase 2024 -> Decrease 2025	11%	7%	17%	11%	13%	23%	9%	13%	13%	22%	22%	22%	23%	27%
2023 -> Same 2024 -> Decrease 2025	3%	1%	4%	4%	4%	7%	3%	6%	3%	2%	5%	5%	7%	5%
2023 -> Decrease 2024 -> Decrease 2025	10%	7%	12%	11%	9%	21%	12%	8%	12%	12%	11%	15%	13%	4%



Focus area: factors impacting on-farm decision making

Factors impacting on-farm decision making: an overview of the feedback

A special focus topic included in the May Sheep Producer Intentions Survey were two open ended questions asking producers to identify and describe the factors that would impact their on-farm decisions.

The survey sought to understand two different factors sets – firstly the off farm external factors and secondly the on-farm factors (see actual questions opposite). A summary of these two questions follows.

From the feedback we would note that:

Q22. What off-farm external factors, other than prices (for wool, lambs and sheep meat), are likely to have the most impact on your on-farm decision making over the next 6 months?
Base: All respondents who provided a response, n = 2,070

Q23. What on-farm factors are likely to have the most impact on your on-farm decision making over the next 6 months?
Base: All respondents who provided a response, n = 2,137

We note that there was no single off-farm external factor that dominated the response from producers. The range and diversity of feedback form producers suggests that there are likely to be a range of off-farm external influences that will shape the decision making on-farm. This is likely to vary by region and by farm size.

That said, there were five off-farm external factors that producers identified as likely to have a significant influence on their on-farm decisions:

- *Weather – articulated in various forms including too much or too little rainfall, the potential change in seasons (early, later and nature), the possibilities of natural events influencing their decision making (fires, droughts and floods).*
- *Regulation – the impact of government decisions and specific mention of the announcement of the live export ban. The feedback around this issue had a significantly more direct and harsher tone than that seen with other comments.*
- *Input costs – of fertiliser, feed, production and importantly the day-to-day expenses like fuel and maintenance supplies (i.e. fencing).*
- *Personal circumstances – there was a recognition from some producers that their age, health, ambition to achieve more balance, family factors and decisions on the future of the farm were all active influences on their forward planning.*
- *Business factors – including the impact of rising interest rates.*

Factors impacting on-farm decision making: an overview of the feedback

Regarding on-farm factors, again we note that there was no single factor that dominated the response from producers.

That said, there were five on-farm factors that producers identified as likely to have a significant influence on their on-farm decisions:

- *Weather – interestingly producers identified weather as both off-farm and on-farm factors. It clearly signals the top of mind focus on weather (in its various reportable categories).*
- *Feed – some producers identified the supply of and access to feed for the immediate future was likely to present a key influence on their decision making.*
- *Sales and prices – for some producers, the price and ease of selling available stock, together with concerns about the volatility of prices were seen as key influences on their planning and decision making.*
- *Personal circumstances – there was a recognition from some producers that their age, health, ambition to achieve more balance, family factors and decisions on the future of the farm were all active influences on their forward planning.*
- *Input costs – of fertiliser, feed, production and importantly the day-to-day expenses like fuel and maintenance supplies (i.e. fencing).*

Off-farm external factors impacting on-farm decision making

Q22. What off-farm external factors, other than prices (for wool, lambs and sheep meat), are likely to have the most impact on your on-farm decision making over the next 6 months?
Base: All respondents who provided a response, n = 2,070

37% - Weather / seasonal conditions
- 17% - Weather (NFI)
- 14% - Amount of rainfall
- 4% - Seasonal conditions (NFI)
- 2% - Drought
- 2% - Climate / climate change (NFI)

21% - Other factors
- 12% - Live export trade/ban
- 7% - Govt policy/intervention (NFI)
- 3% - Space at abattoirs / other abattoir issues
- 1% - Feral animals

16% - Input costs
- 9% - Input costs (NFI)
- 4% - Feed costs
- 2% - Fertiliser costs
- 2% - Cost of production

9% - Personal circumstances
- 2% - Age
- 2% - Health
- 2% - Workload
- 1% - Family factors
- 1% - Change in direction
- 1% - Sale of farm
- 1% - Scaling back

8% - Business factors
- 6% - Interest rates
- 1% - Access to more land / land prices
- 1% - Cash flow

8% - Sheep sales & prices
- 2% - Sheep prices
- 2% - Ability to sell sheep
- 1% - Lamb prices
- 1% - Wool prices
- 1% - Demand (domestic and global)
- 1% - Beef prices

6% - Labour
- 3% - Shortage of / access to / availability of labour
- 2% - Shortage / availability of shearers
- 1% - Cost of shearers

4% - Markets
- 2% - Markets (NFI)
- 1% - Global instability/war

3% - Feed
- 2% - Amount of feed available
- 1% - Feed production

Results shown if mentioned by at least 1% of respondents.
Results are provided unweighted and are a subjective coding of the open-ended questions.

On-farm factors impacting on-farm decision making

Q23. What on-farm factors are likely to have the most impact on your on-farm decision making over the next 6 months?

Base: All respondents who provided a response, n = 2,137

46% - Weather / seasonal conditions
- 21% - Amount of rainfall
- 14% - Weather (NFI)
- 7% - Seasonal conditions (NFI)
- 4% - Drought
- 1% - Climate / climate change (NFI)

23% - Feed
- 10% - Access/availability of feed
- 4% - Amount of feed / production
- 4% - Pasture growth
- 3% - Feed (NFI)
- 2% - Availability of water
- 1% - Cropping success

9% - Sheep sales & prices
- 3% - Price (NFI)
- 2% - Wool prices
- 2% - Sheep prices
- 2% - Lamb prices
- 1% - Commodity prices
- 1% - Ability to sell sheep

8% - Personal circumstances
- 2% - Workload / scaling back
- 2% - Age
- 2% - Health
- 1% - Change in direction
- 1% - Time
- 1% - Family factors
- 1% - Sale of farm

7% - Input costs
- 4% - Input costs (NFI)
- 1% - Feed costs
- 1% - Cost of production
- 1% - Fertiliser costs

6% - Labour
- 2% - Shortage of / access to / availability of labour
- 2% - Labour (NFI)
- 1% - Cost of shearers
- 1% - Labour costs
- 1% - Shortage / availability of shearers

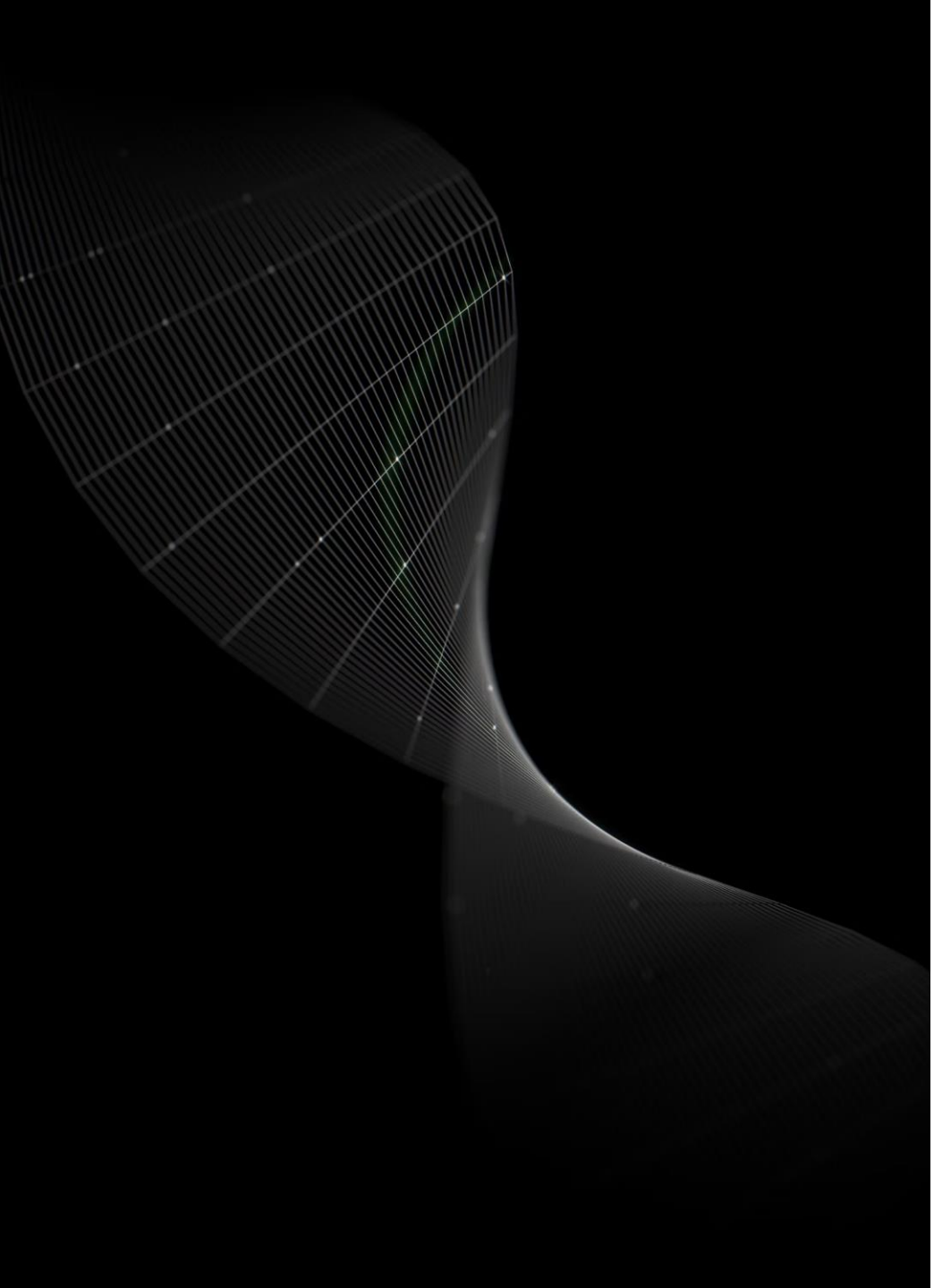
5% - Business factors
- 3% - Margins / profitability
- 1% - Access to more land / land prices
- 1% - Cash flow

4% - Other factors
- 1% - Feral animals
- 1% - Insects / pests / parasites
- 1% - Live export trade/ban
- 1% - Parasites / worms

2% - Fertility
- 1% - Lambing %
- 1% - Herd health

1% - Markets

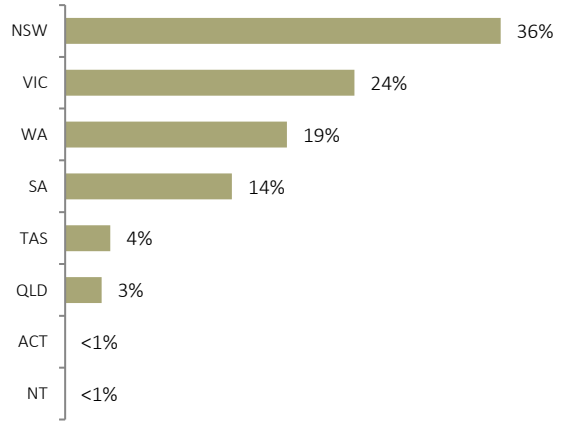
Results shown if mentioned by at least 1% of respondents.
Results are provided unweighted and are a subjective coding of the open-ended questions.



Attachments

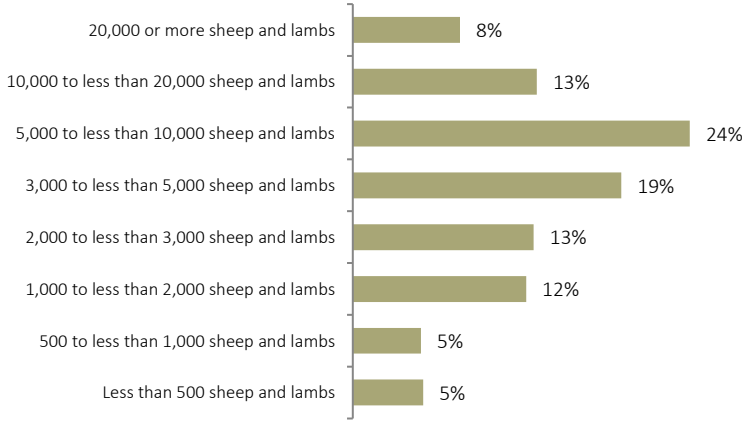
Estimates of total flock size

Proportion of total flock size across states and territories
(Producer-reported estimates)



	ABS 2020-21 estimated % of total flock size *	ABS 2020-21 estimated % of producers *
NSW	36%	37%
VIC	23%	28%
WA	19%	12%
SA	16%	15%
TAS	4%	4%
QLD	3%	5%
ACT	<1%	<1%
NT	<1%	<1%

Proportion of total flock size across total flock size categories
(Producer-reported estimates)



	ABS 2020-21 estimated % of total flock size *	ABS 2020-21 estimated % of producers *
20,000 or more sheep and lambs	7%	<1%
10,000 to less than 20,000 sheep and lambs	13%	2%
5,000 to less than 10,000 sheep and lambs	24%	6%
3,000 to less than 5,000 sheep and lambs	19%	9%
2,000 to less than 3,000 sheep and lambs	13%	9%
1,000 to less than 2,000 sheep and lambs	13%	15%
500 to less than 1,000 sheep and lambs	5%	12%
Less than 500 sheep and lambs	7%	47%

* Includes adjustment for very small producers due to ABS data not collected for those with Estimated Value of Agricultural Operations (EVAO) under $40,000.

Survey definitions

There were several definitions and specifications provided to producers in the survey. An outline of the key definitions used in the survey are provided below.

Flock Categories

Breeding ewes	Breeding ewes (including ewe lambs and hoggets intended for breeding).
Lambs	Lambs (not including ewe lambs and hoggets intended for breeding).

Sheep Breeds (breeding ewes and wethers)

Merino	Main breed of sheep for wool production.
First cross	Merino crossed with a long-haired sheep of a different breed.
Shedding	Breeds of sheep that shed their wool without shearing e.g. Australian White or Dorper. Could also be referred to as hair sheep.
Prime lamb	Animal entirely focused on meat (lamb) production e.g. Composite, Terminal, Suffolk or Dorset.
Dual purpose	Animal with no more than 50% Merino content geared towards both meat and wool production equally.
Other	Any breeds that do not fit into the definitions above.

Sheep Breeds (rams)

Merino	Main breed of sheep for wool production. Mainly used to provide pure-bred Merino lambs.
Poll Dorset	Short wool, meat producing sheep and is Australia's No.1 terminal sire in the prime lamb industry.
Maternal composite	Examples are Prime Line maternals, White Suffolk, East Friesian, etc.
Shedding	Examples are Dorpers, Ultrawhites, Aussie Whites and other derivatives of shedding type breeds.
Other	Any breeds that do not fit into the definitions above.

Research design

Survey Program

The Sheep Producers Intentions Survey, undertaken by MLA and AWI, is used to help industry determine wool and lamb production forecasts, and to understand the breed composition of the Australian flock on a national, state and regional basis. The results are used by processors for budgeting purposes and allows import markets to ascertain short-term supply estimates.

Methodology

The May 2024 survey used a mixed-method approach. Producers with email contact details were provided with the opportunity to respond to an online survey invitation. Up to three invitations (one initial and two reminders) were sent to producers.

Sample lists

Approval was sought and received to use the MLA Levy Payer Register as the sample. This data was cleaned for any duplicates by email and phone number before use in the research.

Questionnaire

A 10-minute questionnaire was used to collected the required information. The survey questionnaire covered, amongst others, the following topic areas:

- Producer sentiment – on the wool sector and on the sheepmeat sector;
- Flock size estimates (flock estimates included breeding ewes, wethers and lambs)
- Breeding ewe, wether and ram flock profiles
- Producer intentions (for their breeding ewe flock and wether flock)

Sample size

A total of n = 2,362 responses were provided by producers as follows:

	Overall	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
# of surveys	**n = 2,362**	n = 3	n = 672	n = 0	n = 76	n = 389	n = 80	n = 536	n = 606

Timing

The interviewing was undertaken between the 1st May – 3rd June 2024.

Weighting

The survey results were weighted. A description of the weighting process used for the May 2024 Sheep Producers Intentions Survey follows next.

Weighting of survey data

Survey data is often weighted to ensure estimates provide a representative match of the population being estimated and the estimates deliver statistical reliable measures.

For the Sheep Producers Intentions Survey, data has been weighted to ensure the sample provides a strong representation of the population of producers as possible. For this survey, it was considered important to weight the survey data to ensure we have:

- Coverage across the various regions as producers will have different operating conditions. For our purposes, a region is a state – so we need to weight so that our final sample is representative of the distribution of producers across states.
- Coverage across farm businesses of different sizes – obviously, the larger businesses have larger flocks so ensuring we have an appropriate mix of small, medium, large and very large producers is vital for the estimation process.

There may be other variables that help describe the possible differences across producers, but these two variables (state and flock size) will more than likely account for the likely differences that exist in the population of all producers.

For this survey, ABS data was used as the population structure that guided the weighting approach. Data at a state and flock size segment was requested from the ABS. This data and its source are shown opposite. The weighting approach involved:

- Using the estimate of the total number of agricultural businesses with sheep and lambs produced by the ABS as the population estimates.
- Adjust this number to reflect that the ABS survey does not include estimates of producers with an EVAO (Estimated Value of Agricultural Operations) of less than $40,000. This adjustment is made using the proportional difference between estimates provided by the ABS in 2014-15 of businesses with an EVAO of $40,000 and above (The current standard for the Agricultural Census), and businesses with an EVAO of $5,000 and above (the standard before the 2014-15 Agricultural Census). This proportional difference is applied to the lowest flock size category (less than 500 sheep and lambs) at the state level.

This final weighting matrix was then used to weight the May 2024 Sheep Producers Intentions survey data.

Total number of agricultural businesses with sheep and lambs (ABS 2020-21) *

	ALL FLOCK SIZES	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
AUSTRALIA	**40,949**	**19,200**	**4,813**	**6,197**	**3,787**	**3,573**	**2,513**	**709**	**157**
NSW	**14,981**	6,768	1,876	2,414	1,431	1,341	851	239	61
VIC	**11,445**	6,067	1,390	1,561	963	766	539	127	30
QLD	**1,881**	1,350	93	124	85	97	96	29	7
SA	**5,980**	2,305	829	1,192	627	556	346	102	24
WA	**5,107**	1,736	473	770	611	735	590	171	20
TAS	**1,522**	950	148	135	70	76	90	40	15
NT	**1**	1	0	0	0	0	0	0	0
ACT	**32**	23	4	1	0	1	1	1	0

* Based on Australian Bureau of Statistics data (ABS, Customised report, 2022)

Confidence intervals for survey estimates

Reliability of the estimates

The estimates in this report are based on information obtained from a sample survey. Any data collection may encounter factors, known as non-sampling error, which can impact on the reliability of the resulting statistics. In addition, the reliability of estimates based on sample surveys are also subject to sampling variability. That is, the estimates may differ from those that would have been produced had all persons in the population been included in the survey.

Non-sampling error

Non-sampling error may occur in any collection, whether it is based on a sample or a full count such as a census. Sources of non-sampling error include non-response, errors in reporting by respondents or recording of answers by interviewers and errors in coding and processing data. Every effort is made to reduce non-sampling error by careful design of survey questionnaires and quality control procedures at all stages of data processing.

Sampling error

One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of persons was included. There are about two chances in three (67%) that a sample estimate will differ by less than one SE from the number that would have been obtained if all persons had been surveyed, and about 19 chances in 20 (95%) that the difference will be less than two SEs.

Calculation of confidence interval

If 50% of all the people in a population of 20,000 people drink coffee in the morning, and if you were repeat the survey of 377 people ("Did you drink coffee this morning?") many times, then 95% of the time, your survey would find that between 45% and 55% of the people in your sample answered "Yes".

The remaining 5% of the time, or for 1 in 20 survey questions, you would expect the survey response to more than the margin of error away from the true answer.

When you survey a sample of the population, you don't know that you've found the correct answer, but you do know that there's a 95% chance that you're within the margin of error of the correct answer.

In terms of the numbers selected above, the margin of error *MoE* is given by:

$$MoE = z * \sqrt{\frac{\hat{p}(1-\hat{p})}{n}}$$

where n is the sample size, $\hat{p}$ is the fraction of responses that you are interested in, and z is the critical value for the 95% confidence level (in this case, 1.96).

This calculation is based on the Normal distribution and assumes you have more than about 30 samples.

Margin of Error for a given sample size and survey estimate	Sample SIze
Survey Estimate	2,362 (total surveys completed)
10%	± 1.17%
20%	± 1.57%
30%	± 1.79%
40%	± 1.92%
50%	± 1.96%
60%	± 1.92%
70%	± 1.79%
80%	± 1.57%
90%	± 1.17%

	Estimated Population	Sample Size	Margin of Error (assuming max survey estimate of 50%)
Australia	**40,949**	**2,362**	**± 1.96%**
NSW	14,981	672	± 3.78%
VIC	11,445	536	± 4.23%
QLD	1,881	76	± 11.24%
SA	5,980	389	± 4.80%
WA	5,107	606	± 3.74%
TAS	1,522	80	± 10.67%
NT	1	0	n/a
ACT	32	3	n/a

Note. Margin of Errors are provided at the 95% confidence level on the assumption of a large population size (non-finite) and normally distributed.
Results labelled "n/a" are due to the assumption of the normal distribution not being upheld ($n\hat{p} < 10$ or $n(1-\hat{p}) < 10$).<

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This research was conducted by Intuitive Solutions on behalf of MLA and AWI. For more information, please contact:

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