

AN INITIATIVE OF  
*Making More From Sheep*



## Its EWETIME

Sam Gill

EVENT  
PARTNERS:



EVENT  
SUPPORTERS:



STATE  
PRIMARY  
INDUSTRY  
AGENCIES

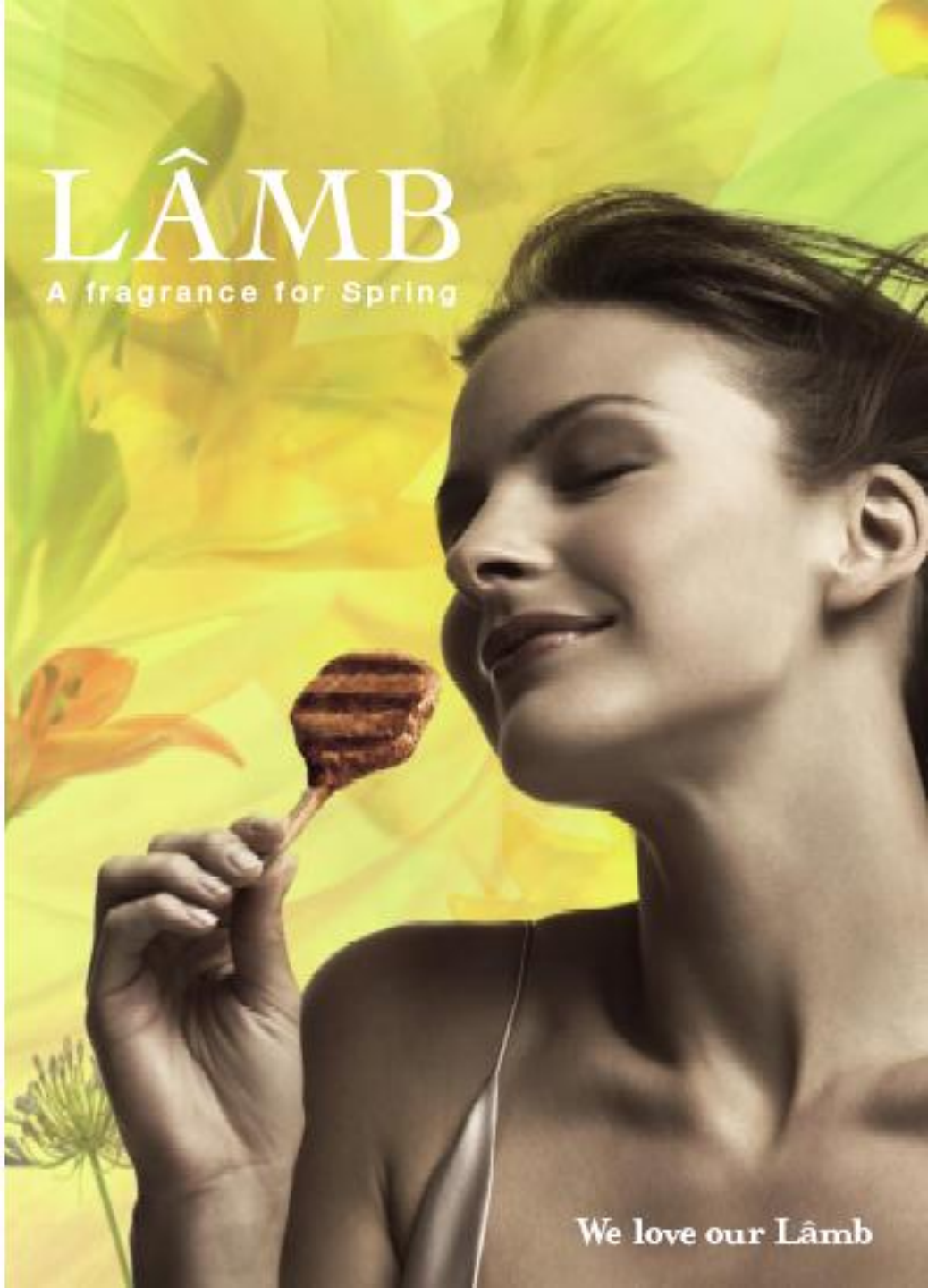


L  
A



LÂMB  
A fragrance for

We love our



LÂMB  
A fragrance for Spring

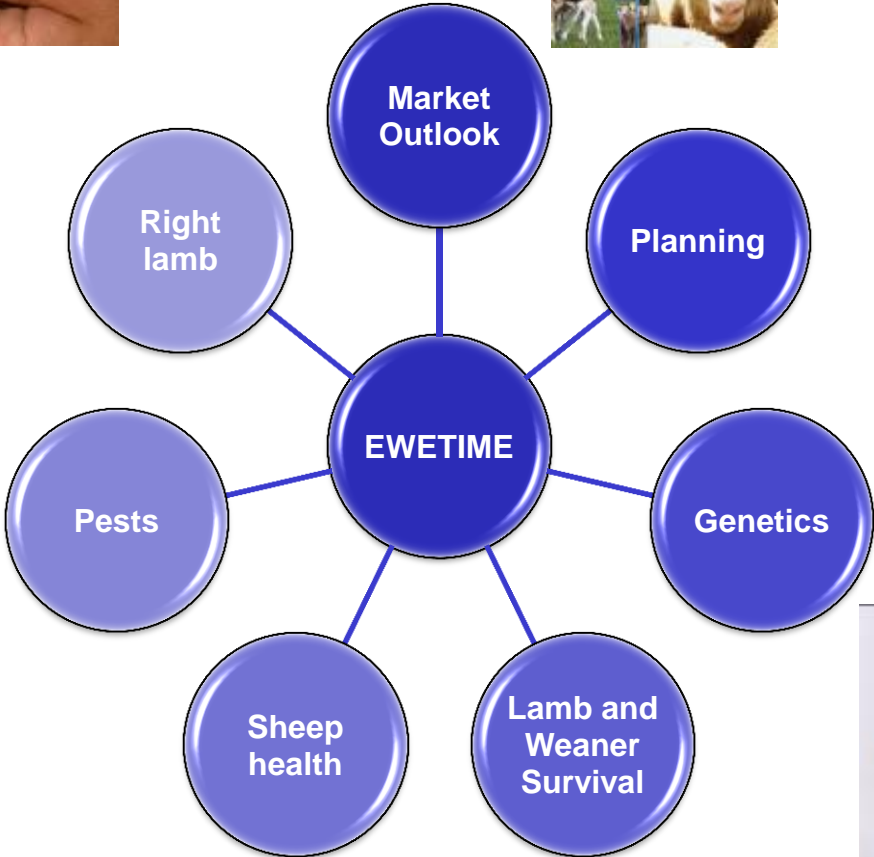
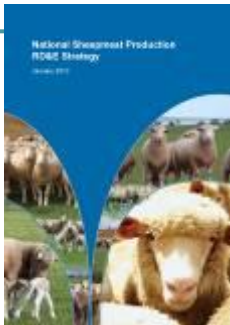
We love our Lâmb

# Key themes for this presentation

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

# Its EWETIME

Making More From Sheep



# Breeding ewes and national flock

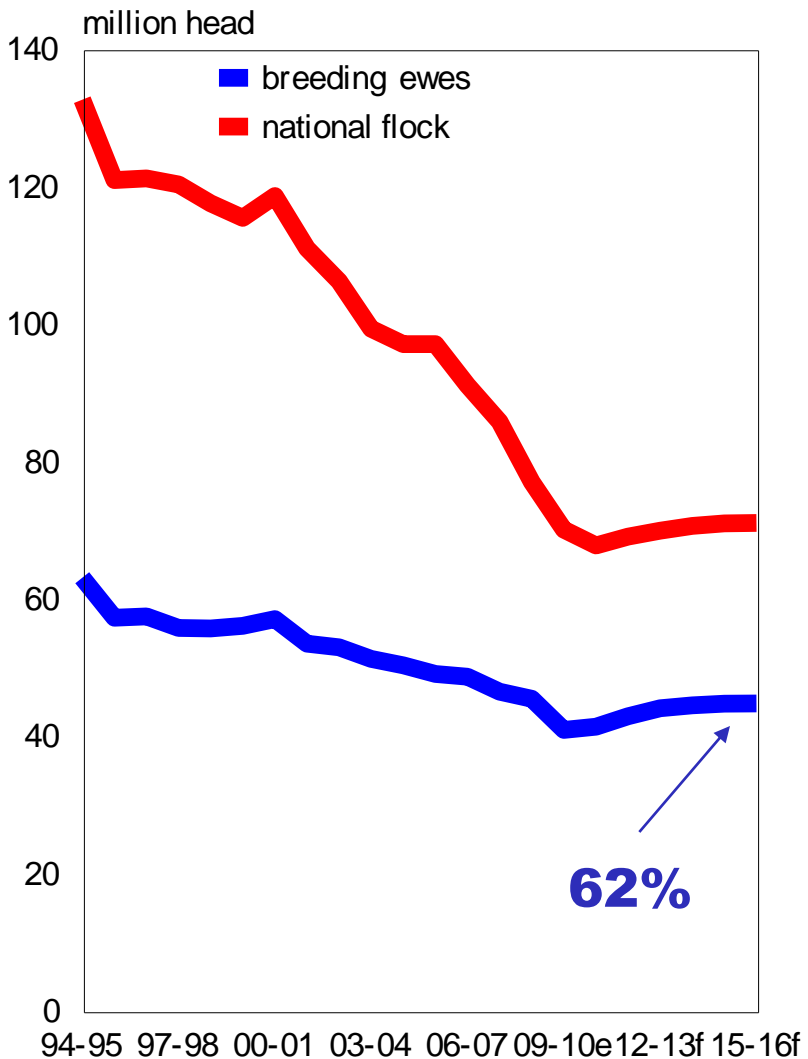
Making More From Sheep



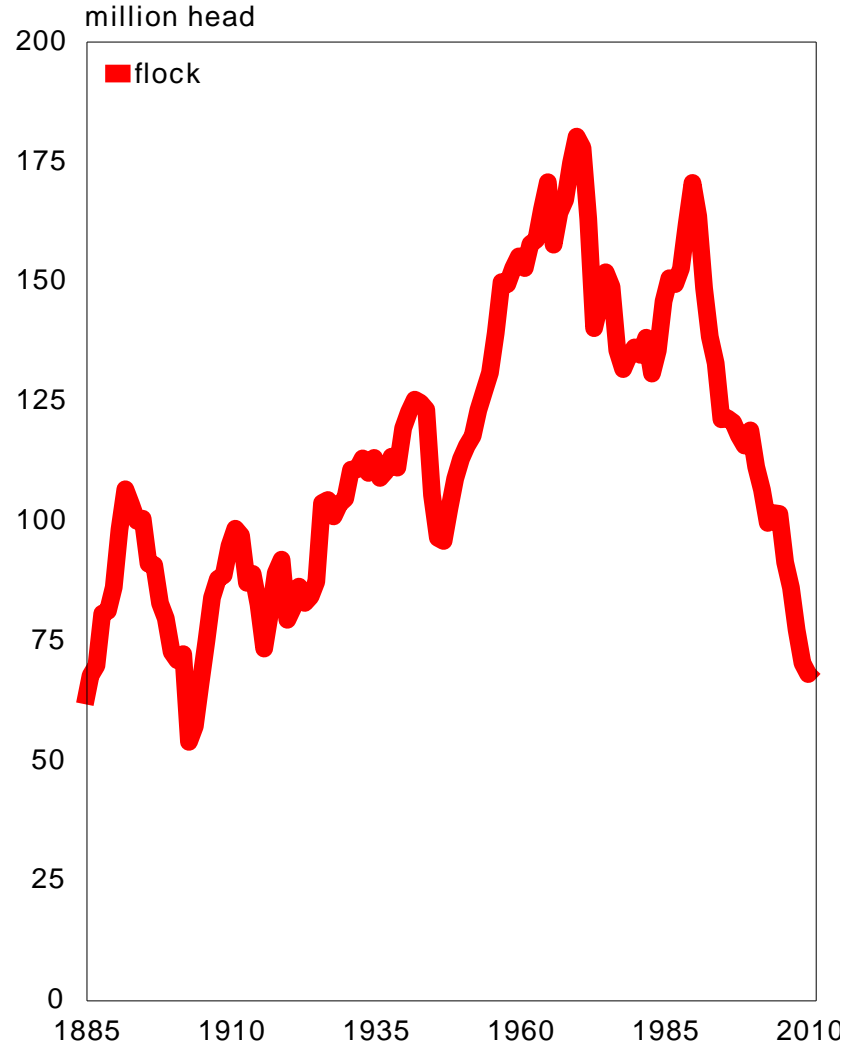
Australian Wool Innovation Limited



MEAT & LIVESTOCK AUSTRALIA

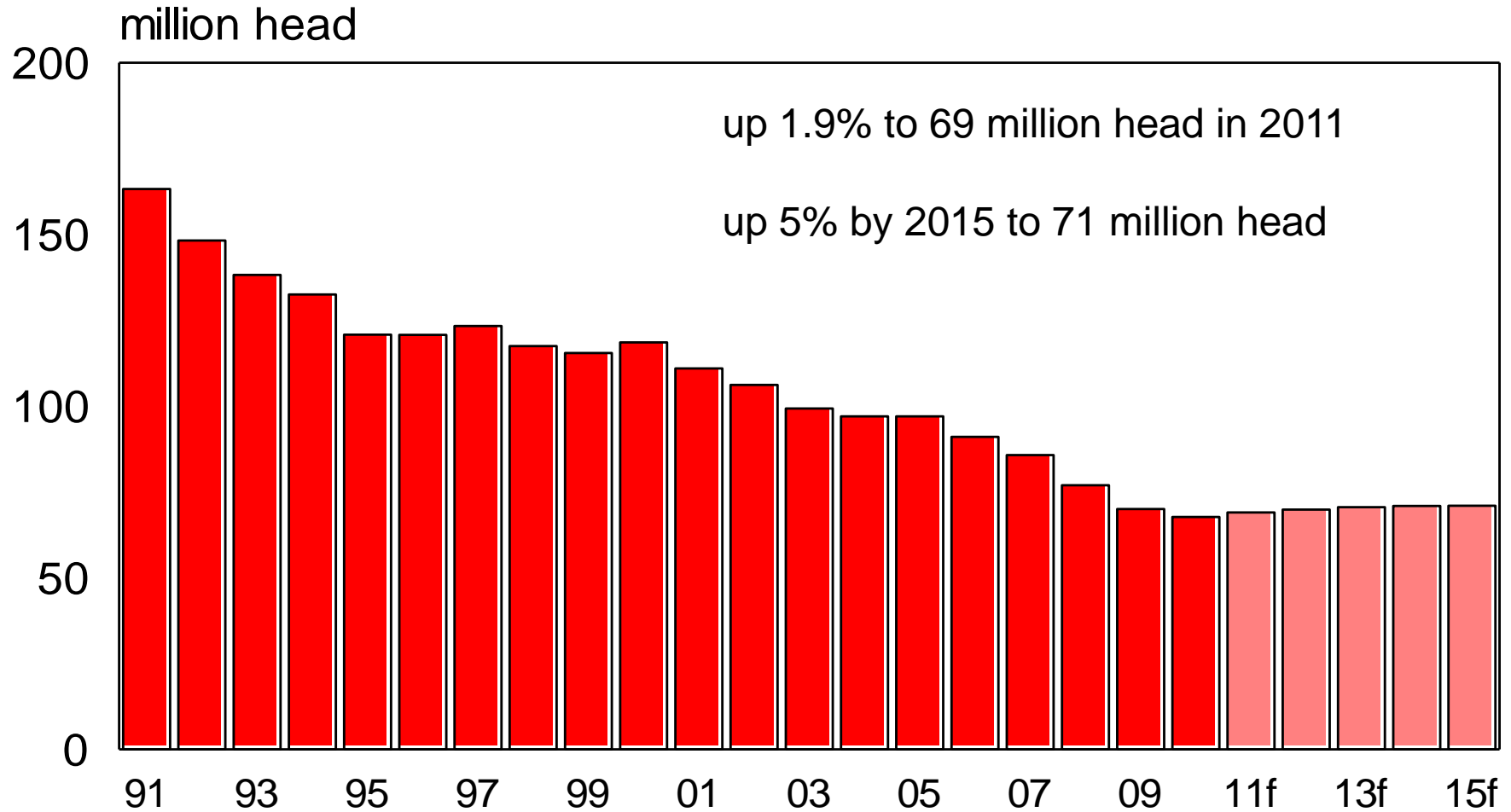


Source: ABS, MLA forecasts



# National flock to turn around in 2011

Making More From Sheep



31 March until 1999, 30 June from 2000

Source: ABS, MLA forecasts

f = forecast

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

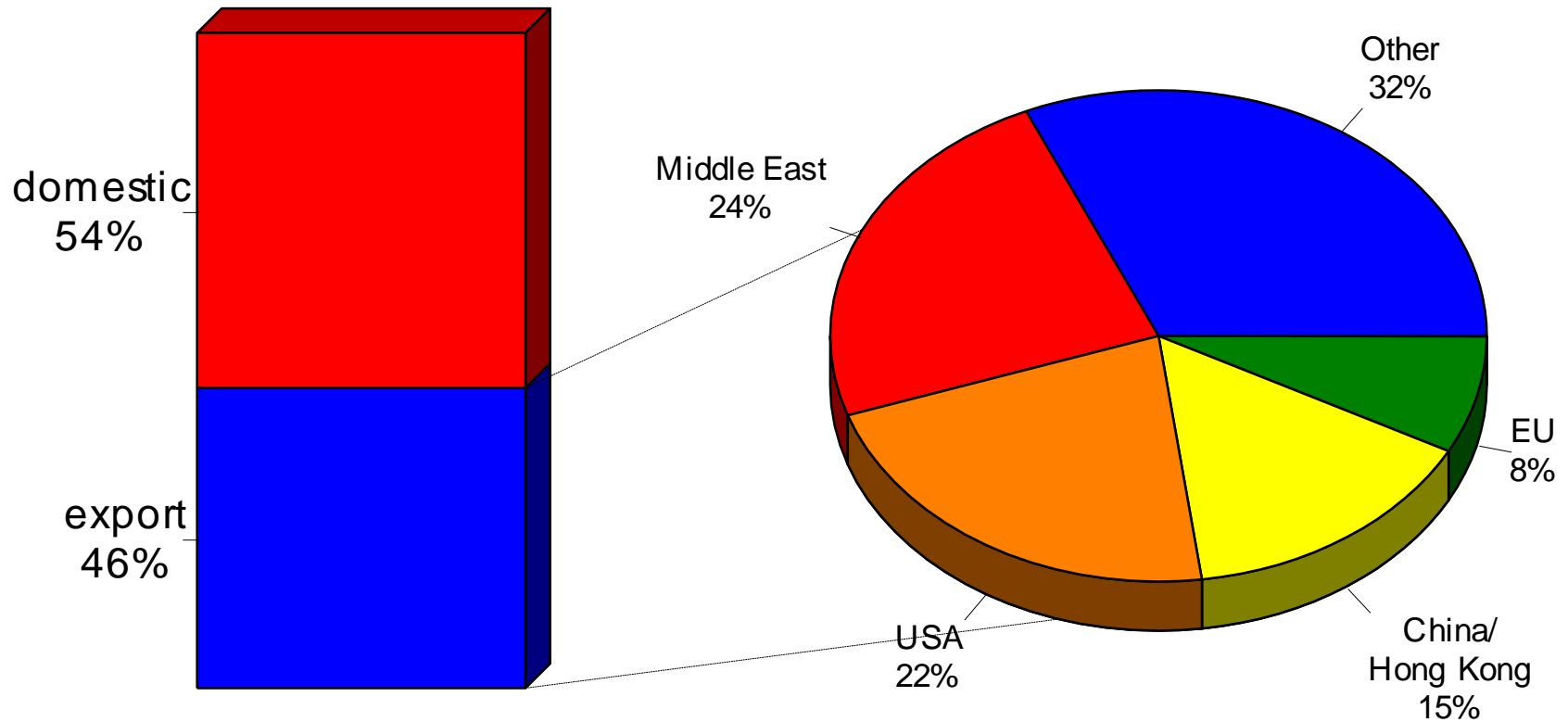
Total \$987 million in sheepmeat exports



Plus \$323 million in live sheep exports

# Australian lamb production and exports

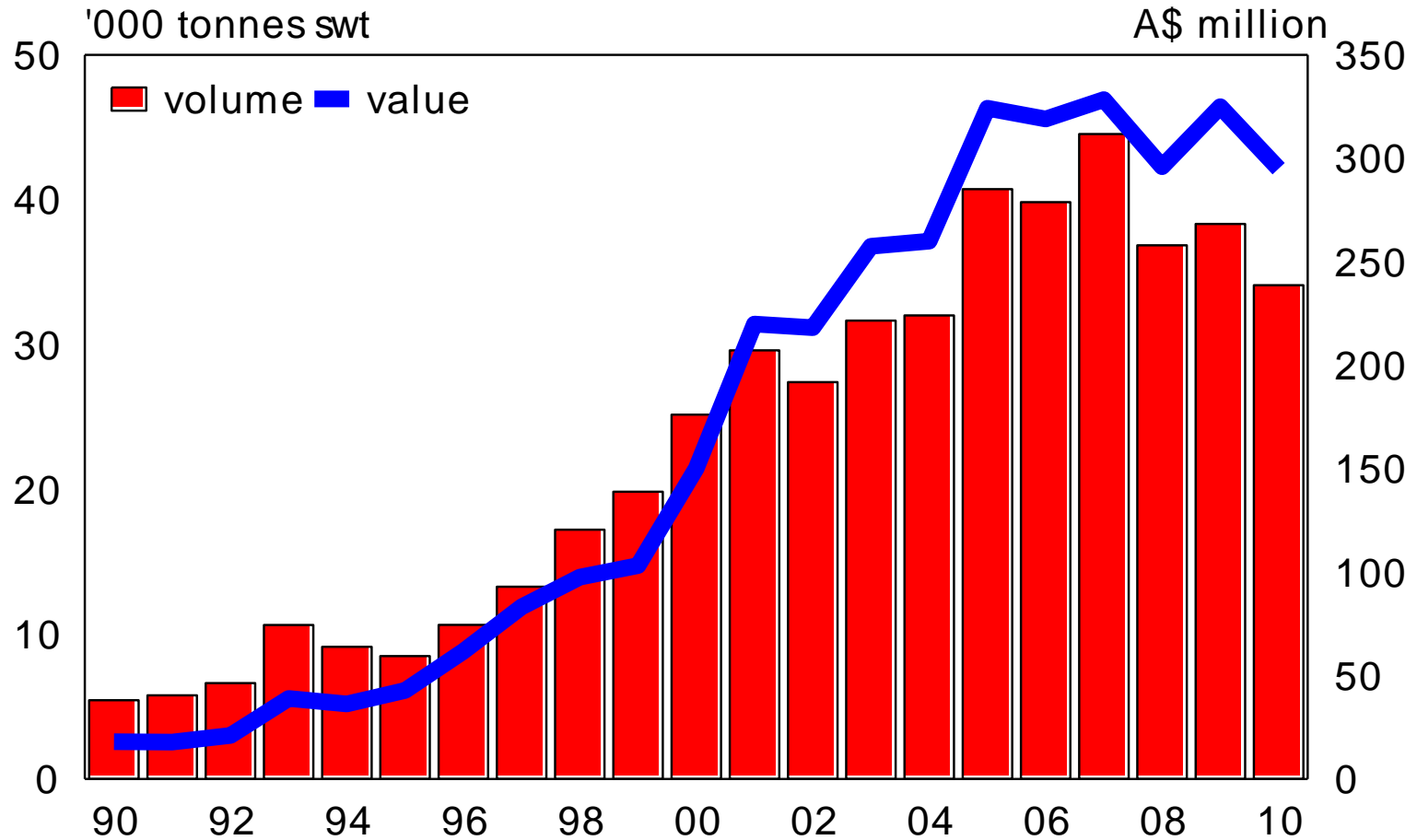
2010 lamb production = 401,863 tonnes cwt



Source: DAFF, ABS, MLA



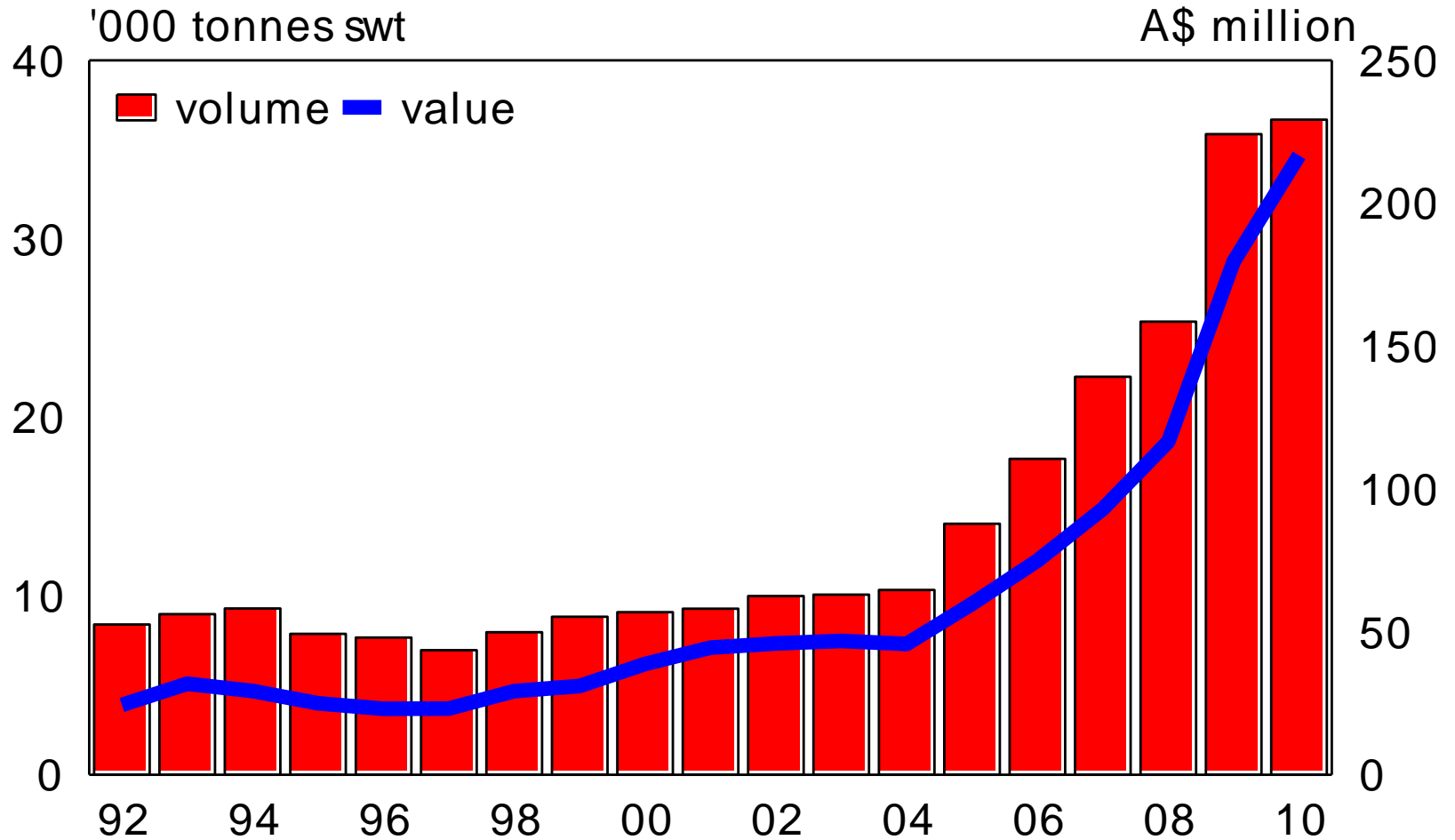
# Australian lamb exports to the US



Source: DAFF, ABS

# Australian lamb exports to the Middle East

Making More From Sheep



Source: DAFF, ABS

# Australian lamb consumption and retail price

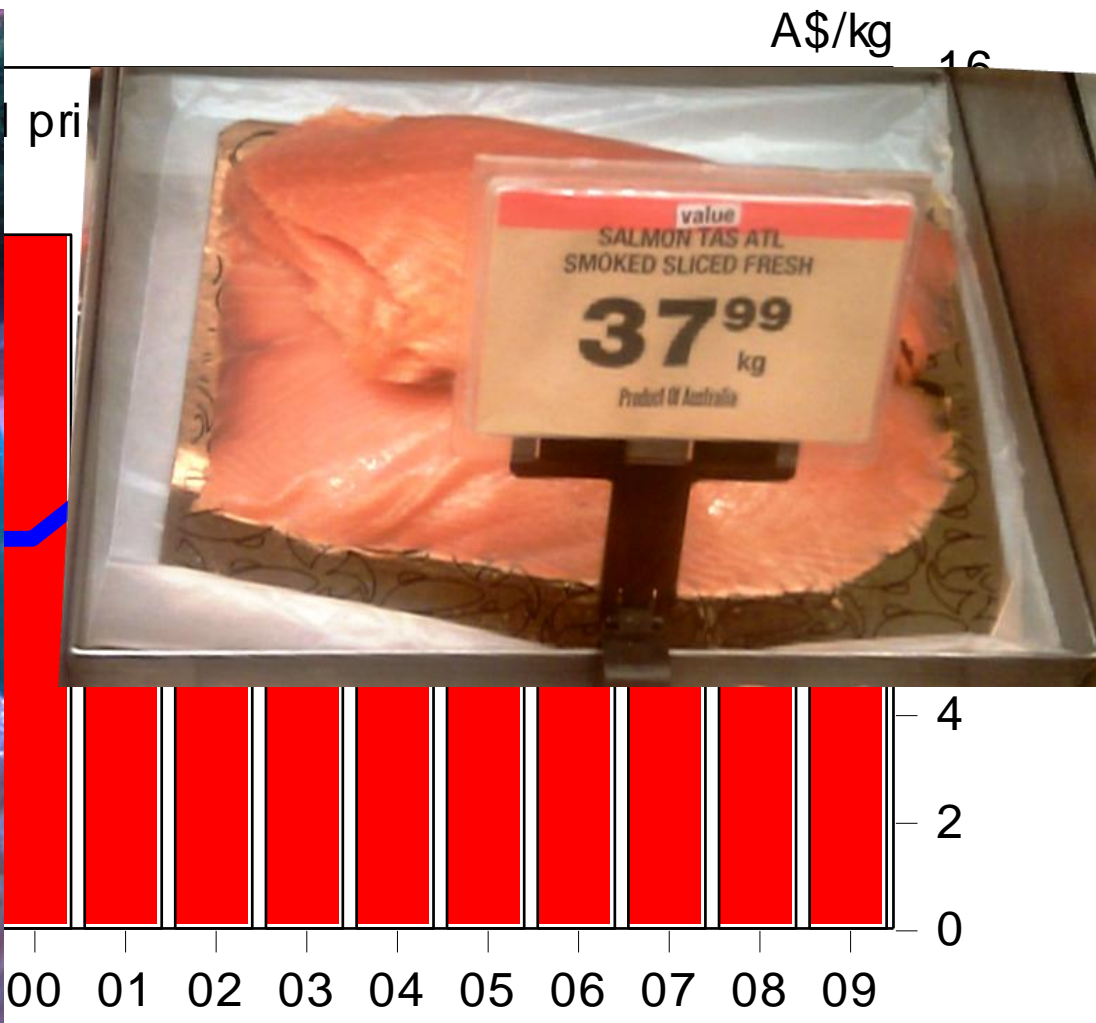
Making More From Sheep



Australian Wool Innovation Limited



MEAT & LIVESTOCK AUSTRALIA

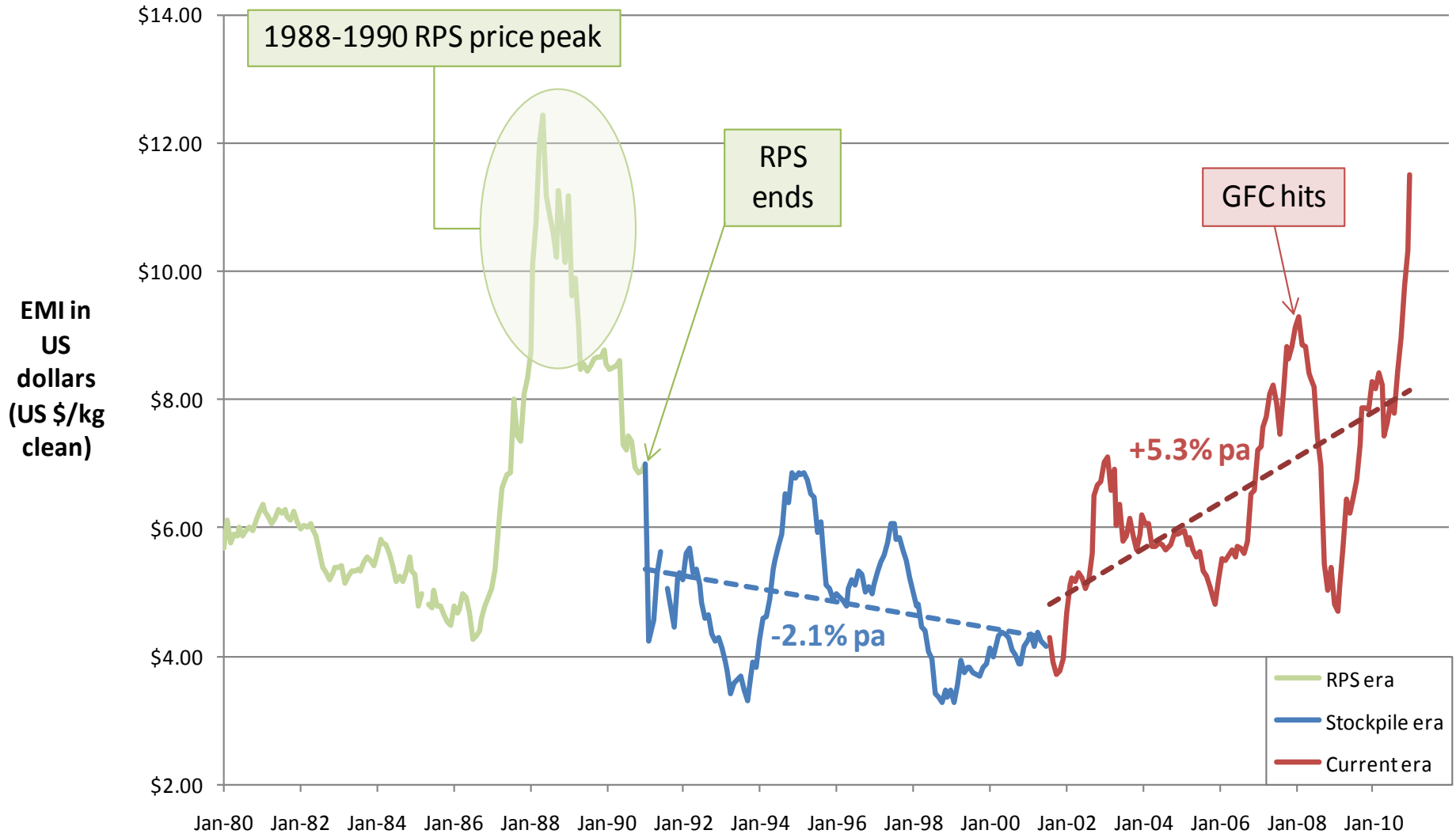


and DAFF data

- Lamb slaughter in spring and second half of the year should be above that in 2010.
  - excellent season
  - retention of ewe lambs
- This should relieve some on the pressure on the domestic market
  - Seasonal price drop
- Export growth to continue to be a challenge
  - Impact of New Zealand?
- Prices to remain strong

# Wool market fundamentals have changed....

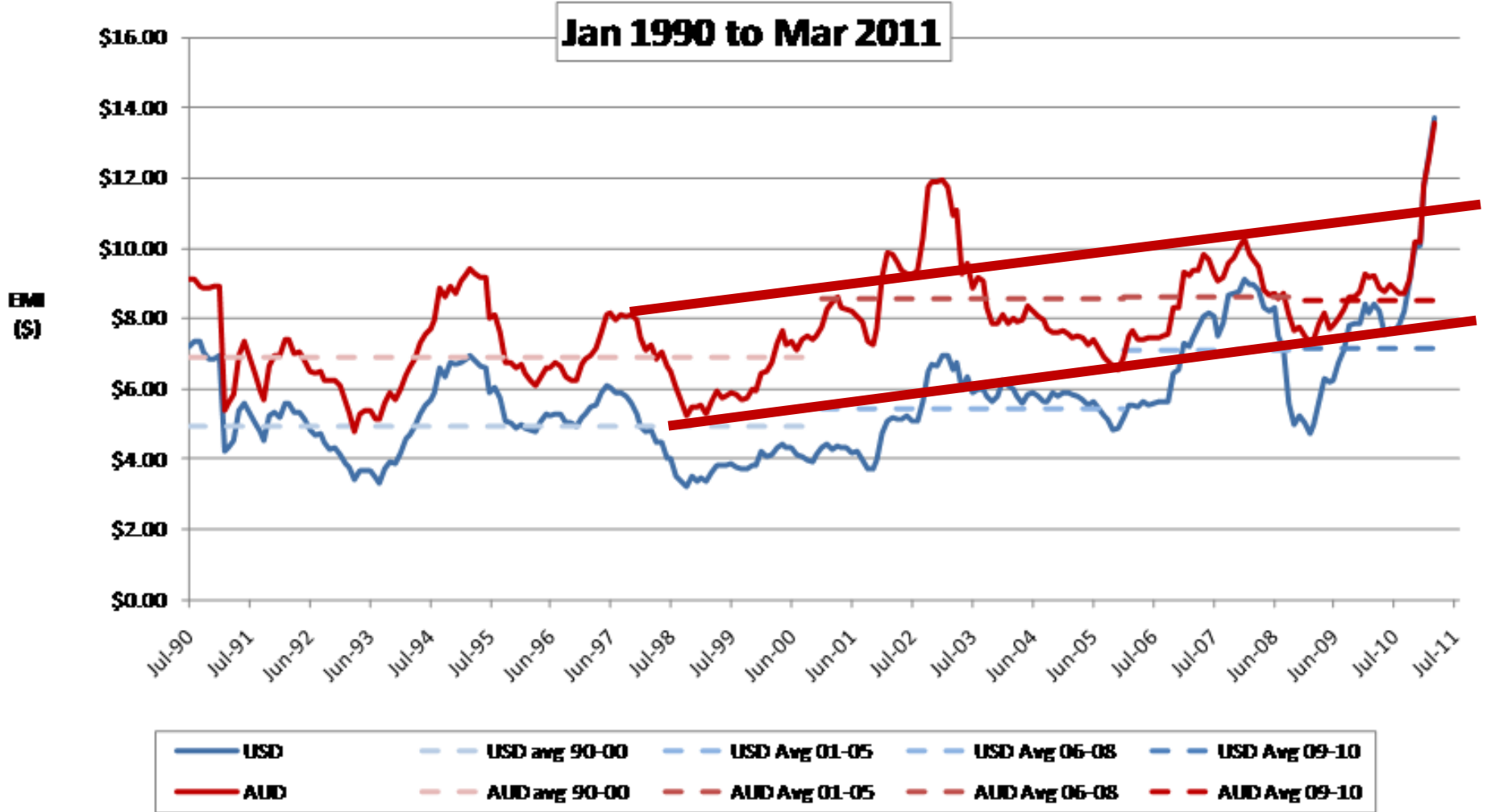
Making More From Sheep



Data sources: AWEX, Reserve Bank of Australia (FX rates)

# Eastern Market Indicator

Making More From Sheep



# What's driving price?

Making More From Sheep



## Supply

LOHAS  
consumer

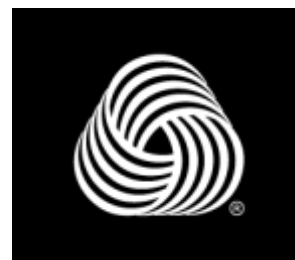
Fashion

Chinese  
affluence

Campaign  
For Wool

No Finer  
Feeling

Gold  
Woolmark



LOOK FOR MOTHERCARE,  
FIND MERINO WOOL.



There is wool, there is fine wool, and there is merino.  
Nothing else feels like it, nothing else looks like it,  
nothing else wears like it.

And no man-made fibre could hope to emulate its  
suite of natural attributes.

How it keeps you warm in winter and also keeps you  
cool in summer. How it is both flame resistant and  
water repellent.

The way it both moves moisture away from your skin  
and at the same time allows your skin to breathe.

The elasticity of each individual fibre which makes a  
merino garment so resilient to creasing and distortion.

The protective sheath around that fibre, which helps  
a merino garment shrug off stains so easily.

These extraordinary physical properties are all the  
more extraordinary when you consider that merino is  
an entirely sustainable and renewable natural resource.

Which means that as long as there is grass and water  
and sunshine in the world, great designers will always  
consider it an essential part of their palette.

An ingredient for which, if you are serious about  
creating beautiful, durable clothing, there really is no  
acceptable alternative.

From haute couture to high performance, from business  
suits to sportswear, there is no superior fibre.

**NO FINER FEELING**

[merino.com](http://merino.com)



 NO FINER FEELING

For information or direct care visit [www.merino.com/infocare](http://www.merino.com/infocare)



Making More From Sheep



LOOK FOR SUSTAINABLE, FIND MERINO.



NO FINER FEELING

merino.com



There's no such thing as green neoprene

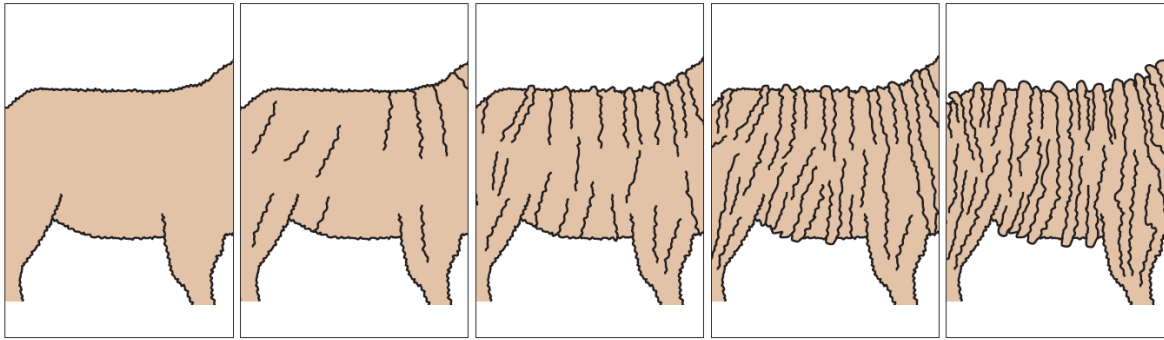
But there is a more responsible wetsuit. That's why we continue testing substitutes for the most environmentally harmful wetsuit component and at the meantime, have chosen a high-quality Japanese neoprene with a recycled/pol-ester felt, backed by a recycled polyester/lycra-free merino wool grid lining. Our patented fabric construction creates more insulative dead-air space, allowing us to use less neoprene, without sacrificing warmth and performance. It also allows us to stay true to the environmental mission we've lived by for over 25 years.



To find out more about our wetsuits go to [patagonia.com/wetsuits](http://patagonia.com/wetsuits). [Subinfo.Patagonia@aggr.com](mailto:Subinfo.Patagonia@aggr.com) or view your local retailer of an outdoor gear. Australia Visit our new Australia retail store - 116 Barkwood Hwy, Torquay, VIC 3247 0421 8221. Photo: David Peterson © 2008 Patagonia, Inc.

patagonia

## Body wrinkle



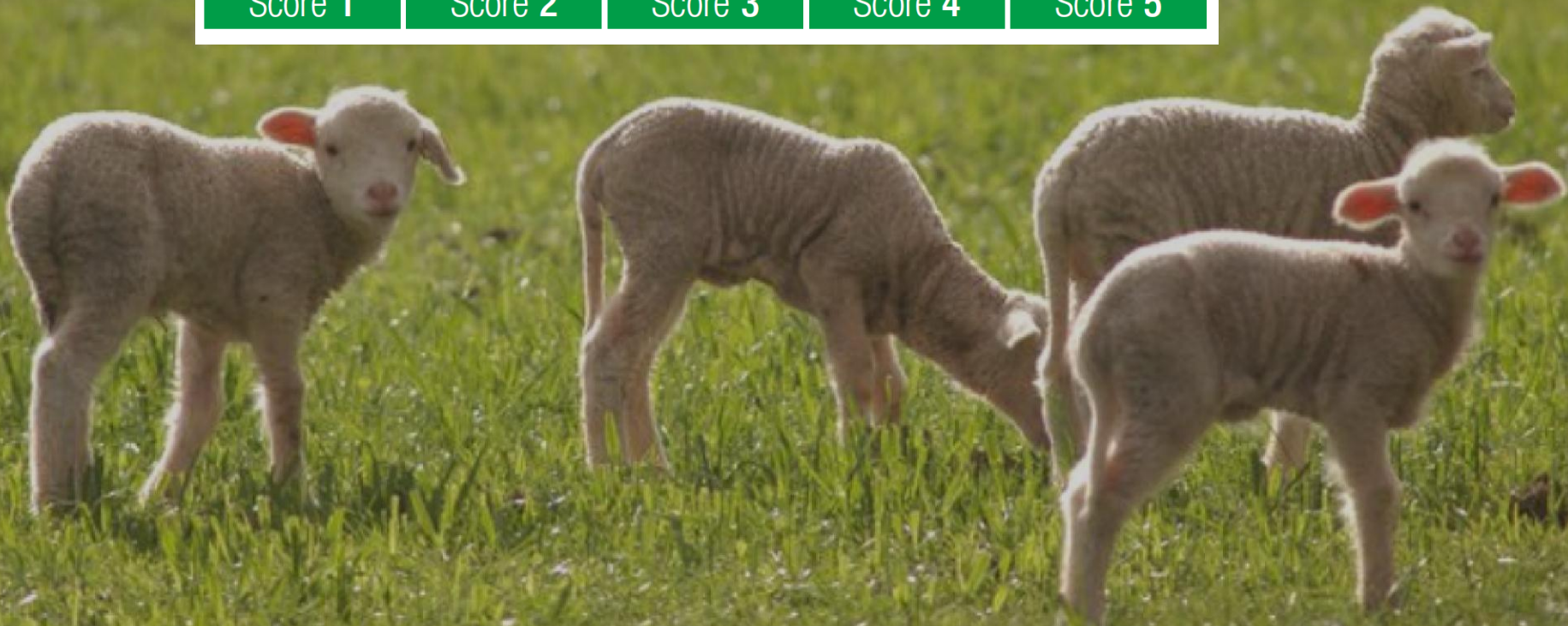
Score 1

Score 2

Score 3

Score 4

Score 5



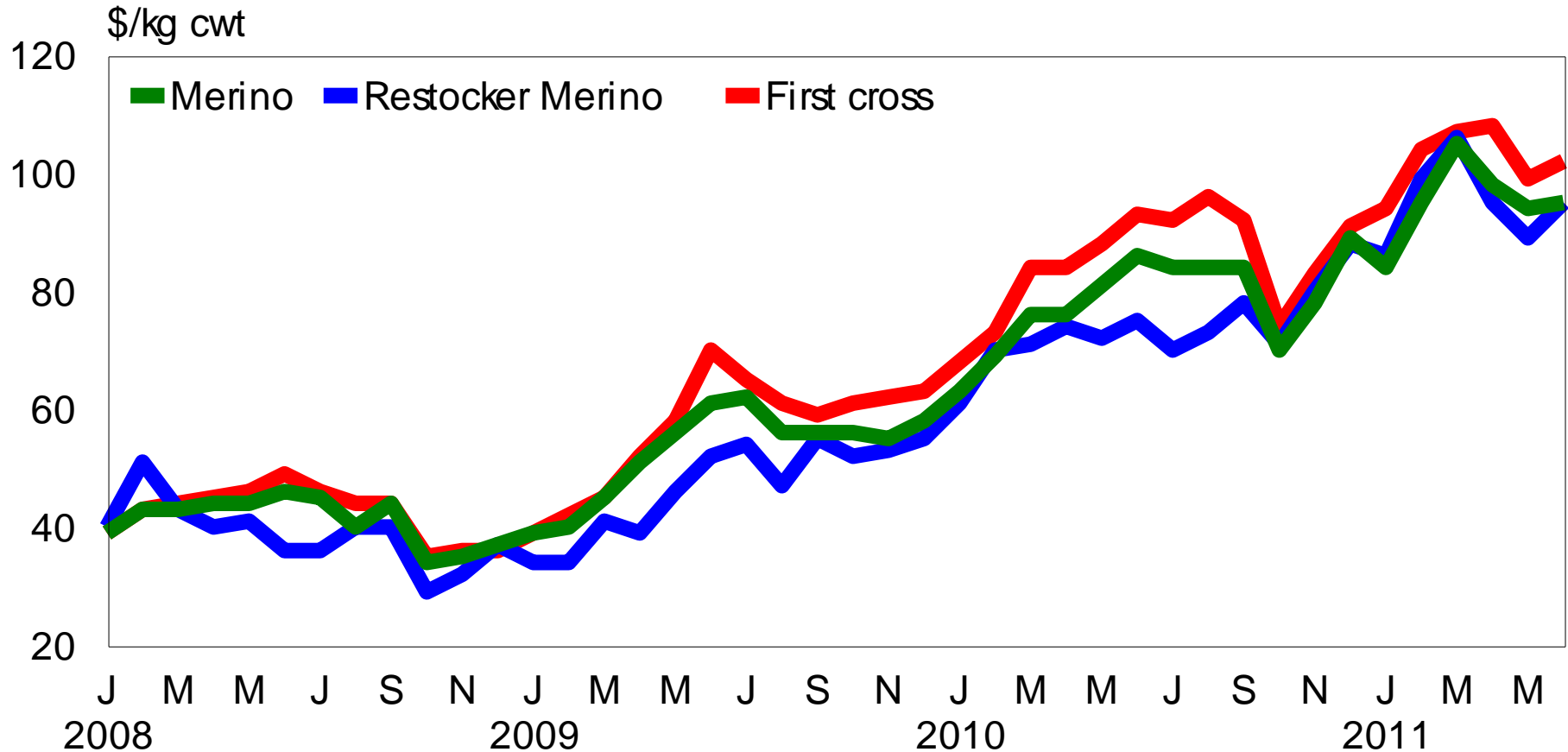
## What can we do.....

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

**Success in one environment may not work elsewhere**



# National average saleyard ewe prices



Source: MLA's NLRS

# The sleeping cost (ewe depreciation)

	Merino	Mer x Ter	Extreme	Beef cows
<b>Weaning %</b>	85%	100%	140%	85%
<b>Buy In Price</b>	\$100	\$120	\$250	\$1,200
<b>CFA price</b>	\$75	\$70	\$100	\$700
<i>Cost</i>	\$25	\$50	\$150	\$500
<i>Years in use</i>	4	4	4	8
<b>Depreciation cost / year</b>	\$6.25	\$12.50	\$37.50	\$62.50
<i>Lifetime progeny weaned</i>	3.4	4.0	5.6	6.8
<b>Cost / progeny</b>	\$7.35	\$12.50	\$26.79	\$73.53
<i>Carcase weight</i>	20	22	22	255
<b>Cost / kg carcass sold</b>	\$0.37	\$0.57	\$1.22	\$0.29
<i>Wool weight</i>	5.5	5.0		
<b>Cost / kg wool sold</b>	\$1.14	\$2.50		

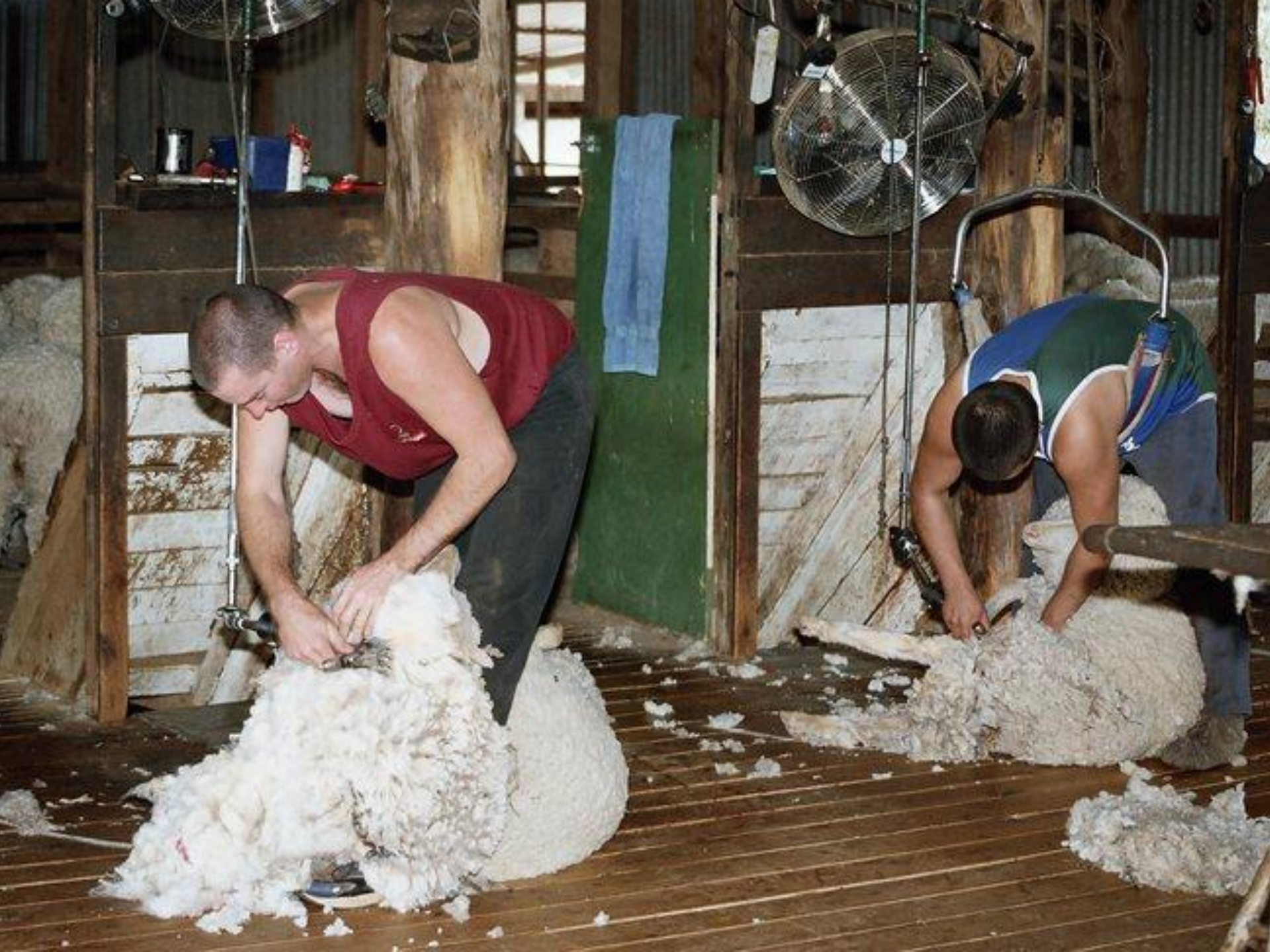
## Changing the Sheep by 2015

- Breeds will be less well defined and performance will be more sort after
  - Ideally 120% lambing and growth of 400 grams per day
- Keeping them alive!
- 80% of breeding will be for traits that we can't see or measure on farm
  - Weaning percentage
  - Carcase traits
  - Parasite resistance

## Changing the people and practices by 2015

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





## 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



NO FINER FEELING

NO FINER FEELING MERINO.COM



MERINO.COM



# Questions...

Making More From Sheep

