

## Sheep and Lamb

### Summary

Of the 26.4 million sheep in Victoria, approximately 21% are in North East Victoria. The sheep industry is the 6<sup>th</sup> largest in the AlpValleys region. Over one third of the industry (based on GVP) is based in Wangaratta Rural City. Towong and Indigo Shires contain a further 47 per cent of the industry. As is similar to the beef industry, the sheep industry has significant indirect employment benefits through meat processors, wool buyers and sellers, brokers and buyers, livestock agents, grain providers and transport service providers.

North East Region	1996 – 97 AG Census	2000 – 01 AG Census	2008 ABS
Gross value of production	\$6,538,348	\$10,142,883	\$15,419,000
Production volume (kg)	378,002	452,725	
Total area of production	1,665.2	1,329	
Contribution to Victorian GVP of commodity	1.69%	2.03%	2%
Contribution to Australian GVP of commodity	0.31%	0.41%	
Estimated number of farms	551	513	499

Source: ABS Agricultural Census – 1997 and 2001, Agricultural Survey 2002 and 2003

### Sheep industry overview

Detail	Comments
Product description	Fresh meat for local and export market, live sheep for export, offal and associated products
Main season	The majority of survey respondents stated the main season as being over spring and summer.
Industry associations	VFF, North East Sheep Breeders, Landcare.
Domestic market information	Prices received for lamb ranged from \$60 to \$110 per lamb. These lamb are sold at stockyards within the North East Region or freighted directly to the major city markets of Melbourne and Sydney
Export market information	A number of survey respondents stated their lamb was exported to countries such as the USA, Japan and China by brokers like Elders, Casticombs, Rodwells and Wesfarmers.

Source: AVAAF Survey 2004

### Location of the sheep industry within North East Victoria

2001 ABS	Production (number)		No. of farms	
Alpine Shire	3,023		30	
Indigo Shire	101,389		151	
Towong Shire	67,363		104	
Wangaratta (RC)	130,569		192	
Wodonga (RC)	20,121		22	

Source: ABS Agricultural Census – 2008a

### Projected sheep industry growth

Source	Indicator	Comments
(ABS) AG Census and survey data	Growth in production volume 1997 to 2001	Stock of sheep and lambs was 378,002 in 1997 and grew by 16.5% to 452,725 in 2001 for the North East region
Surveys	Current profitability	Responses ranged evenly between very low, low, satisfactory and high.
	5 year business plans	Most reported no change in plans with the rest holding plans to increase stocking rate of lambs.
	5 year business outlook	The majority of respondents reported a satisfactory business outlook, followed by a poor outlook and a small porportion stated having a good or very good 5 year outlook.
	Business planning / budgeting	50% of respondents stated they conducted a formal business plan or budget that ranged evenly between 1 year plans and 2-3 year plans. A couple stated they undertook 5+ year formal plans.
	Age of producers	The majority surveyed fell within the older age brackets of 50 to 59 years and 60 years plus. Around 16% were aged between 30 and 39 years and 16% aged between 40 and 49 years.

### Sheep industry labour requirements

Detail	Comments
Areas of indirect employment	Meat processors / abattoirs and manufacturers, brokers / buyers, stockyards / sale yards, livestock agents, suppliers, transport service providers.
Labour market issues	Seasonal casual labour is the main type of labour required by producers, with the main seasons being spring, summer and autumn depending on the producer. Some farmers stated difficulty in finding experienced casual labour at peak times.

### Sheep industry marketing activities

Detail	Comments
Marketing undertaken	Mailouts, sales trips, trade shows and market information management.
Value adding activities	Were only conducted by a couple of respondents, with one stating they were involved in an integrated business for lamb producing and finishing.
Labels and brands	None stated.

### Taxes, rates and charges paid

Taxes, rate and charges
Council rates, yard fees, AG advisory Service, broker charges, livestock levies .

### **Sheep industry strategic advantages and opportunities**

- The central location of the North East allows for accessibility and proximity to key major markets in Melbourne and Sydney – and for product to be shipped overseas.
- Versatility of land use, moderate climate, reasonable rainfall, and a strong farming infrastructure base such as transport networks and local stock markets.
- Green and clean image of the region- provided water supplies remain healthy.
- Prime lamb has further growth potential
- More intensive production through feed lotting
- Contracting of lifestyle properties
- Sheep milking

### **Sheep industry strategic disadvantages and impediments to growth**

- The huge variation in market prices throughout the year, especially where seasonal conditions are adverse. The possible over supply / market saturation within the lamb industry.
- Drought, input costs, council rates, capital costs, interest rates, fluctuating exchange rate and government regulations.
- Lack of land and adequate capital / machinery as well as personal time constraints.
- Lack of suitable casual or seasonal labour for peak periods.
- Peri urban development
- Animal rights pressures