Sheep industry turn-off update

Summary of 2024

A quarterly newsletter outlining changes in WA slaughter, live exports and interstate transfers and impacts this may have on the WA sheep flock.

Domestic slaughter

- In 2024 total sheep slaughter was 7% higher than 2023, an already elevated year.
- Adult sheep slaughter totalled 2.1 million (M) head, a year-on-year (YOY) increase of 12%. This is likely due to producers choosing to reduce stock numbers in response to lower prices, poor seasonal conditions early in 2024 and uncertainty due to the Commonwealth Governments announcement of the phase out of live export of sheep by sea.
- Lamb slaughter reached 3.1M head, a YOY increase of 4% and the highest on record.

Table 1 Number of sheep and lambs slaughtered (thousand head) in WA (Based on Australian Bureau of Statistics (ABS) data, DPIRD analysis)

	2022	2023	2024	YOY change
Sheep	1,180.9	1,906.6	2,134.6	12%
Lambs	2,574.7	2,973.7	3,103.8	4%
Total	**3,755.6**	**4,880.3**	**5,238.4**	**7%**

- Sheep slaughter has been elevated for the last two calendar years as seen in Figure 1. This was the highest slaughter since the mid-2000's when the state flock was significantly larger and is likely indicative of widespread destocking.

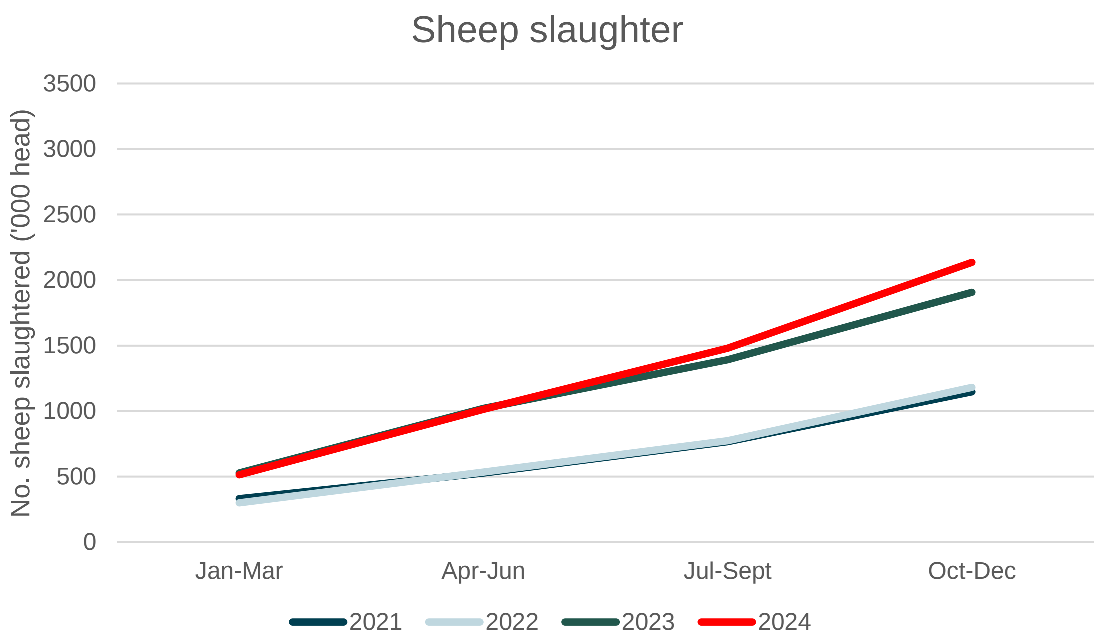

Figure 1 Cumulative WA sheep slaughter (Based on ABS data DPIRD analysis)

- Lamb slaughter reached record highs in 2024 totalling 3.1M. This follows high levels of slaughter in 2023 which may indicate a reduced availability of replacement ewes in the coming years.

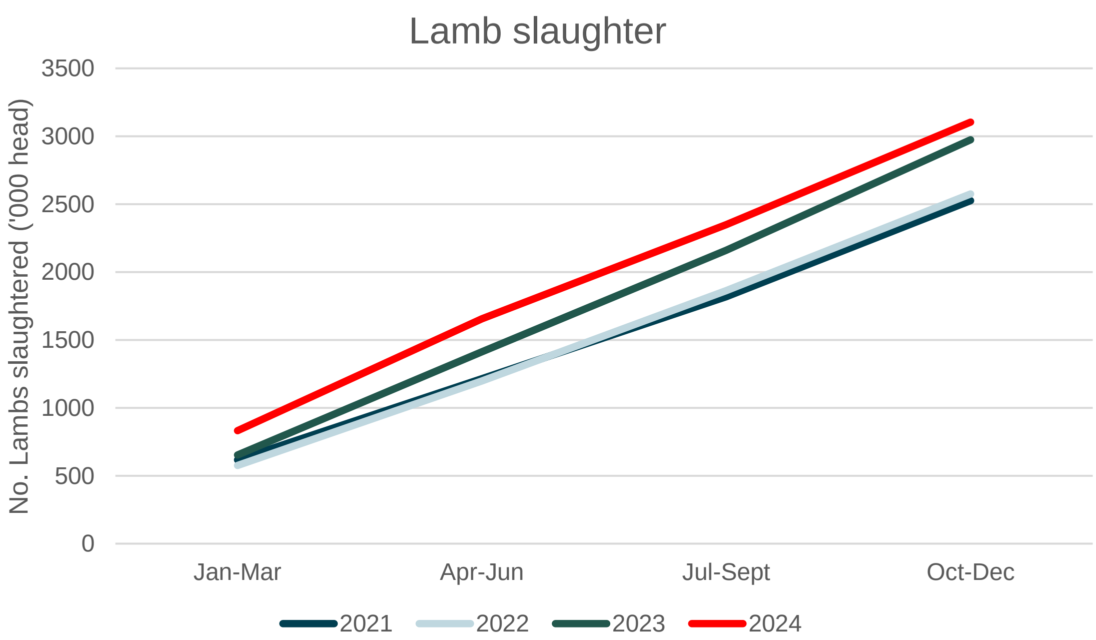

Figure 2 Cumulative WA lamb slaughter (Based on ABS data, DPIRD analysis)

Live export (by sea and air)

- In 2024 WA live sheep exports totalled 423,300, down 37% compared to 2023.
- This has been due to reduced numbers heading to Kuwait and Israel, however Saudi Arabia re-entered the market, totalling 122,500 in 2024.
- There was also strong growth in the Jordanian market, increasing 248% YOY from 36,500 in 2023 to 127,000 in 2024.

Table 2 Number of sheep exported live (million head) from WA (Based on ABS data, DPIRD analysis)

	2022	2023	2024	YOY change
Sheep	0.52	0.67	0.42	-37%

- After a relatively strong 1st quarter in 2024, live exports slowed until the summer trading prohibition period beginning in June. Trade resumed in September to reach 423,300 by year end.

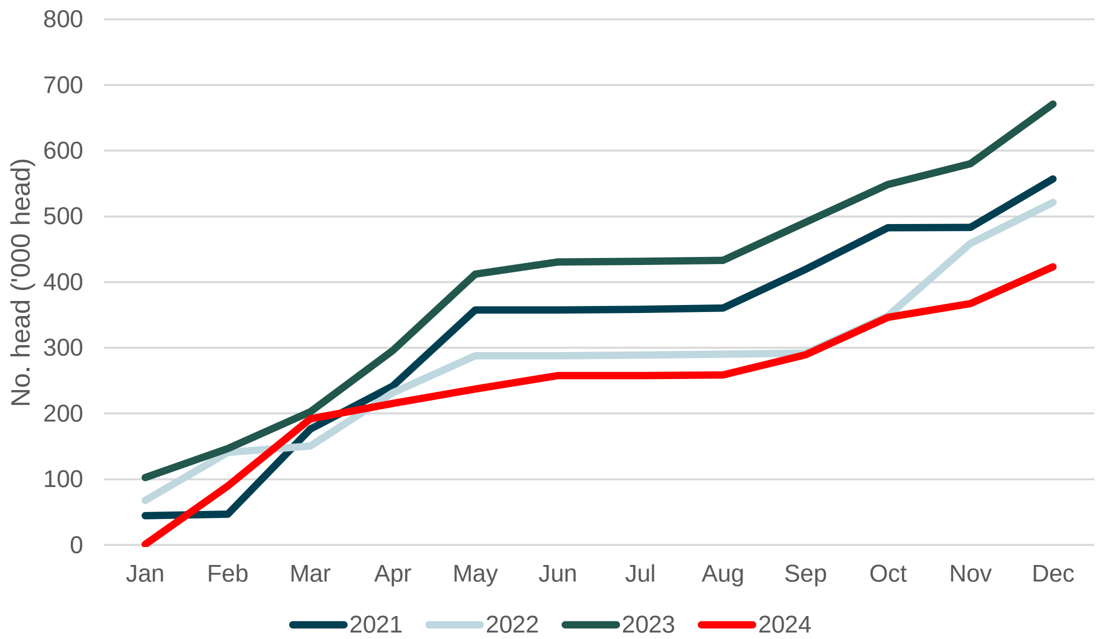

Figure 3 Cumulative live sheep exports from WA by sea and air (Based on ABS data, DPIRD analysis)

Interstate transfers

- The interstate sale of sheep in 2024 was the 3rd highest on record behind 2010 and 2020.
- A total of 884,000 sheep and lambs were trucked east over the course of the calendar year, a sizeable increase on the 249,000 in 2023.
- In 2024 more sheep were sold interstate than via live exports, which has only occurred twice previously- in 2020 and 2021.

Table 3 Number of sheep and lambs sold interstate (thousand head) from WA (Based on Primary Industries and Regions South Australia (PIRSA) data, DPIRD analysis)

	2022	2023	2024	YOY change
Sheep	121	88	408	362%
Lambs	247	161	476	196%
Total	**368**	**249**	**884**	**255%**

- Interstate sales started the year very strongly. In the 1st five months of 2024 a total of 674,000 sheep and lambs were trucked east from WA. Numbers plateaued during the middle of the year before lifting again in spring to close the year out at 884,000 head.
- This was largely driven by a strong price difference between the eastern states and WA, with WA at a sizeable discount for a portion of the year.

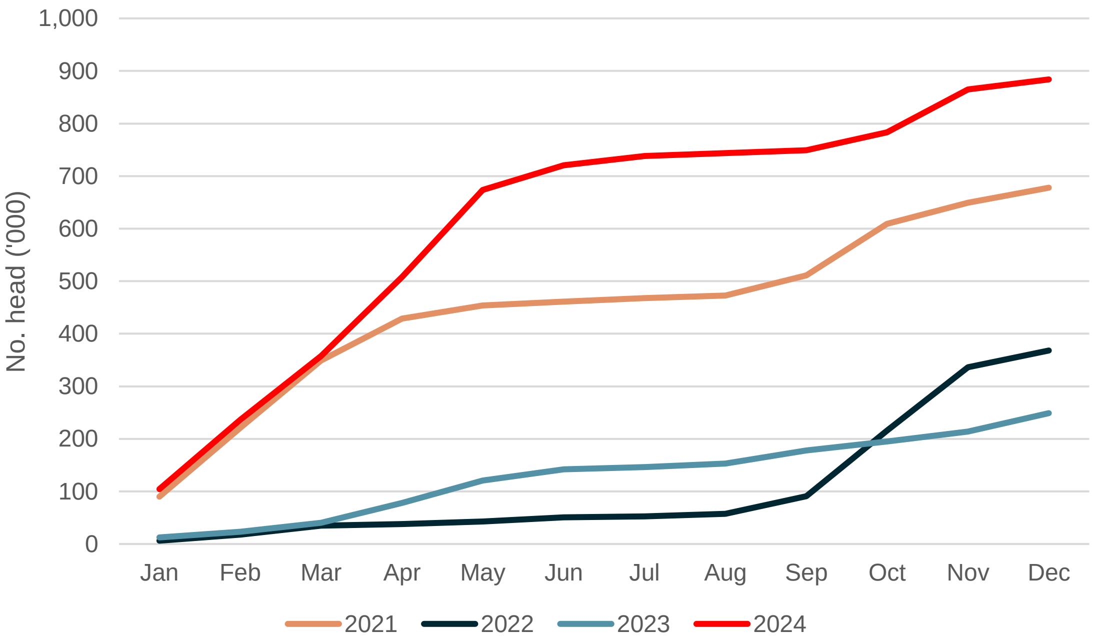

Figure 4 Cumulative number of sheep and lambs sold interstate (Based on PIRSA data, DPIRD analysis)

Total sheep turn-off

- In 2023 total sheep turn-off reached 5.80 M, up 25% YOY from 4.65 million in 2022. This increased a further 13% in 2024 reaching 6.55 M, just slightly behind the 6.63 million in 2020.

Table 4 WA turn-off comparison 2022 - 2024 (million head) (Based on data from ABS & PIRSA, DPIRD analysis)

	2022	2023	2024	YOY change
Lamb slaughter	2.57	2.97	3.10	4%
Sheep slaughter	1.18	1.91	2.13	12%
Live export	0.52	0.67	0.42	-37%
Interstate transfer	0.37	0.25	0.88	255%
Total	**4.65**	**5.80**	**6.55**	**13%**

- 47% (3.1 M) was made up of lamb slaughter, the highest on record.
- Sheep slaughter reached 2.13 M and accounted for 33% of turn-off. This was the highest since 2008.
- Live export was 0.42 M or 6%.
- Interstate transfers totalled 0.88 M, 14% of turn-off.

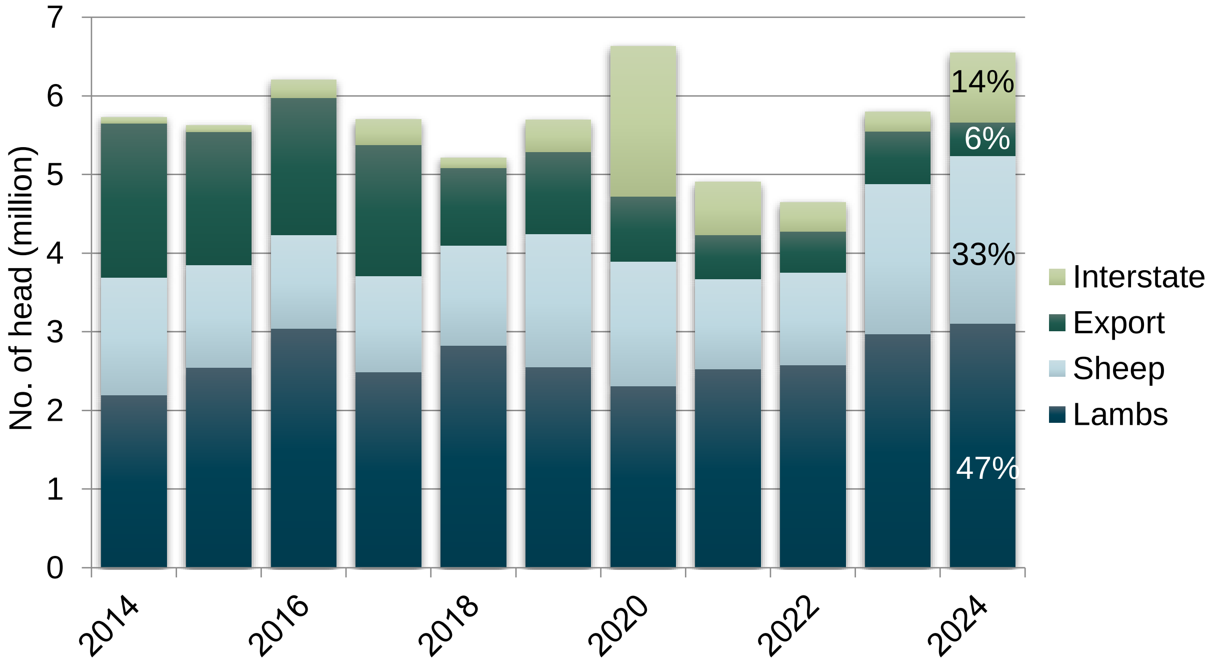

Figure 5 Total WA sheep turn-off including sheep and lamb slaughter, live export and interstate transfers per calendar year (Based on data from ABS, PIRSA, DPIRD analysis)

Impact on the WA sheep flock

- The WA sheep flock numbered 12.4 M as of July 2022 (ABS)
- Industry confidence during 2024 was low due to poor seasonal conditions, low prices, and uncertainty due the Commonwealth Governments announcement of the phase out of the live export of sheep by sea.
- This led to very high rates of turn-off as producers reduced the size of their sheep enterprise.
- This has likely resulted in significant flock decline between 2022 and 2024 and will likely continue into 2025 unless the rate of sales slows significantly and seasonal conditions are favourable in 2025.
- Via DPIRD modelling, it is estimated that the total WA flock size may have been approximately 9.5 M as of July 2024.
- If 2024 levels of turn-off are sustained for the remainder of 2024-25 the flock may decline further to between 8 and 8.5M. This will be further reduced if 2025 ewe joining rates and lamb marking are lower than normal. Future editions will shed more light on the situation as more data becomes available.

Contact

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