

Lamb – Domestic Outlook

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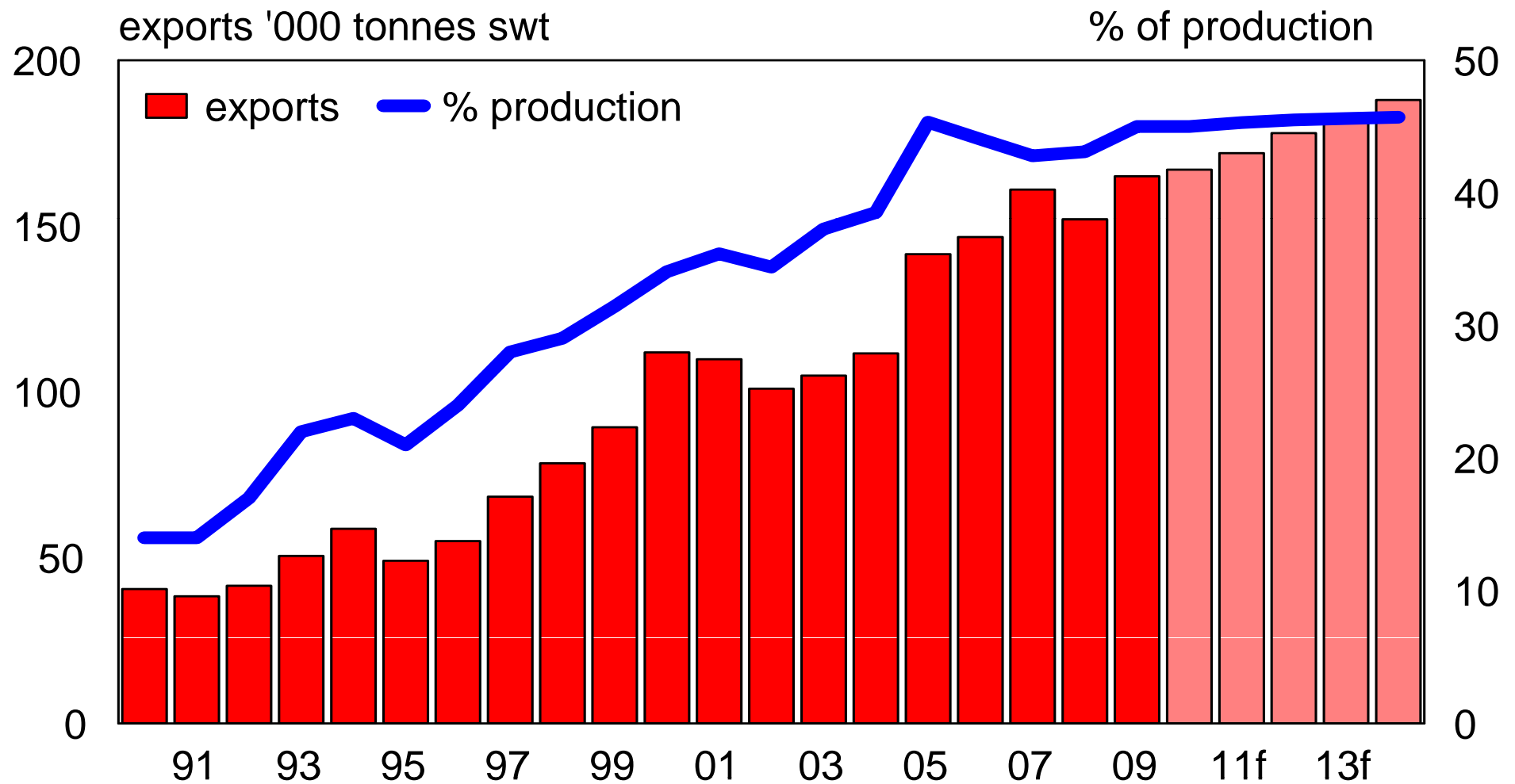
Australian Lamb Industry

- Australia is one of the world's leading lamb producers and the second largest exporter of lamb.
- In 2007 Australia produced 440kt of lamb with N.S.W and Vic. accounting for around 2 thirds of this.
- Australia exported 45% of lamb produced in 2007 valued in excess of \$800 million.
- The domestic market, however, remains the most important sector of the lamb industry utilising approx 55% of all lamb produced. Most (89%) is sold through retail outlets and 11% is sold through the food service sector.
- Compare this to NZ which only retains approx 10% of all lambs produced for domestic consumption

Australian Lamb Industry

- The average weight of lambs has increased from 17kg in 1985 to 20.7kg in 2007 (hscw)
- Sheep numbers have declined from approx 175 million in 1994 to approx 70 million 2009. This is due to ongoing droughts, changing farm utilisation and strong demand for Australian Sheepmeats in export markets.
- There has been a concerted effort to improve the eating quality of lamb sold domestically and a Meat Standards Australia scheme for sheep meat has been introduced
- MLA figures show Australians increased their annual lamb consumption to 11kg / hd last year, up from 10.2kg in 2006.

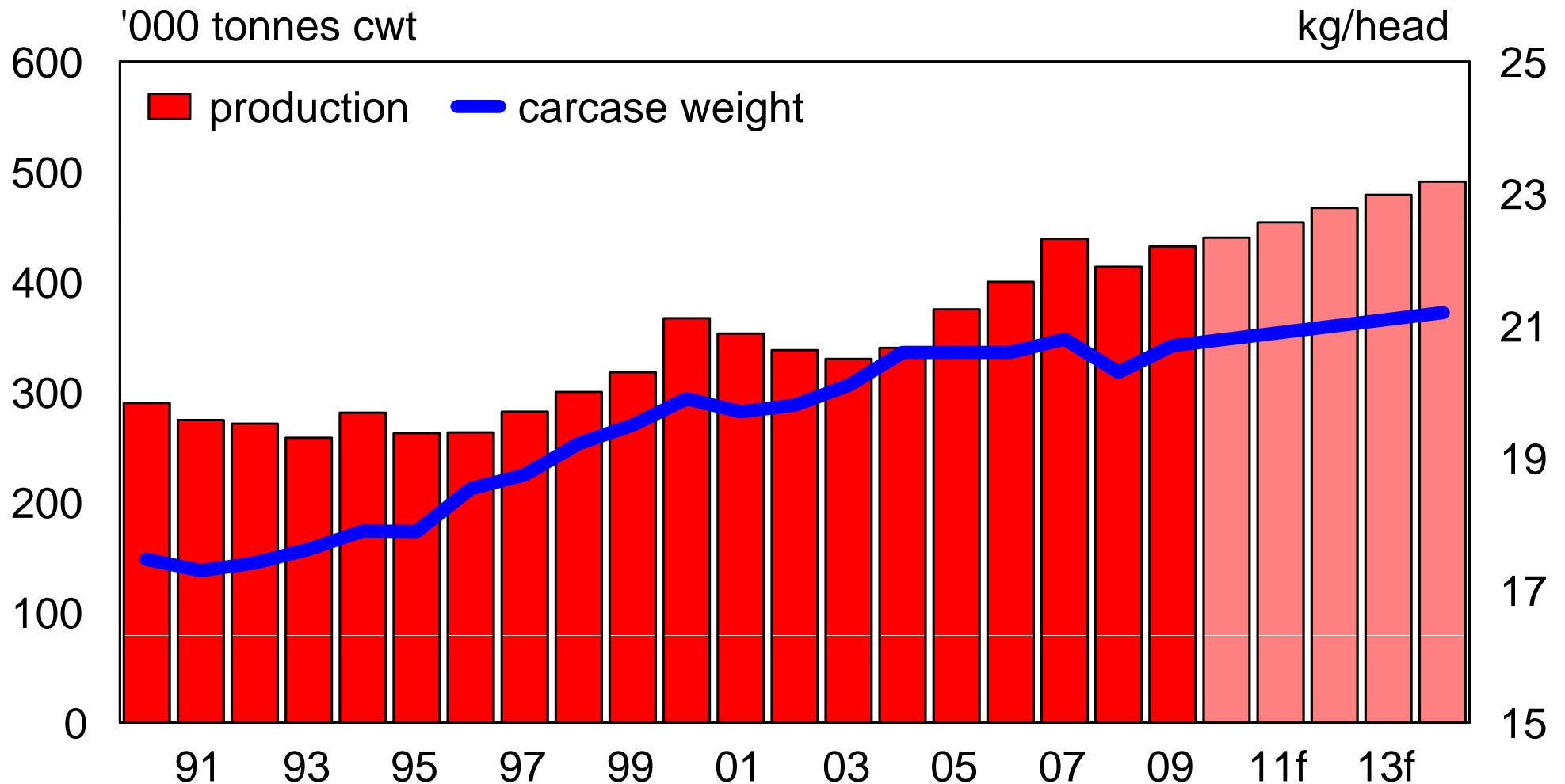
Australian lamb exports



Source: DAFF volumes, ABS values, MLA forecasts

f = forecast

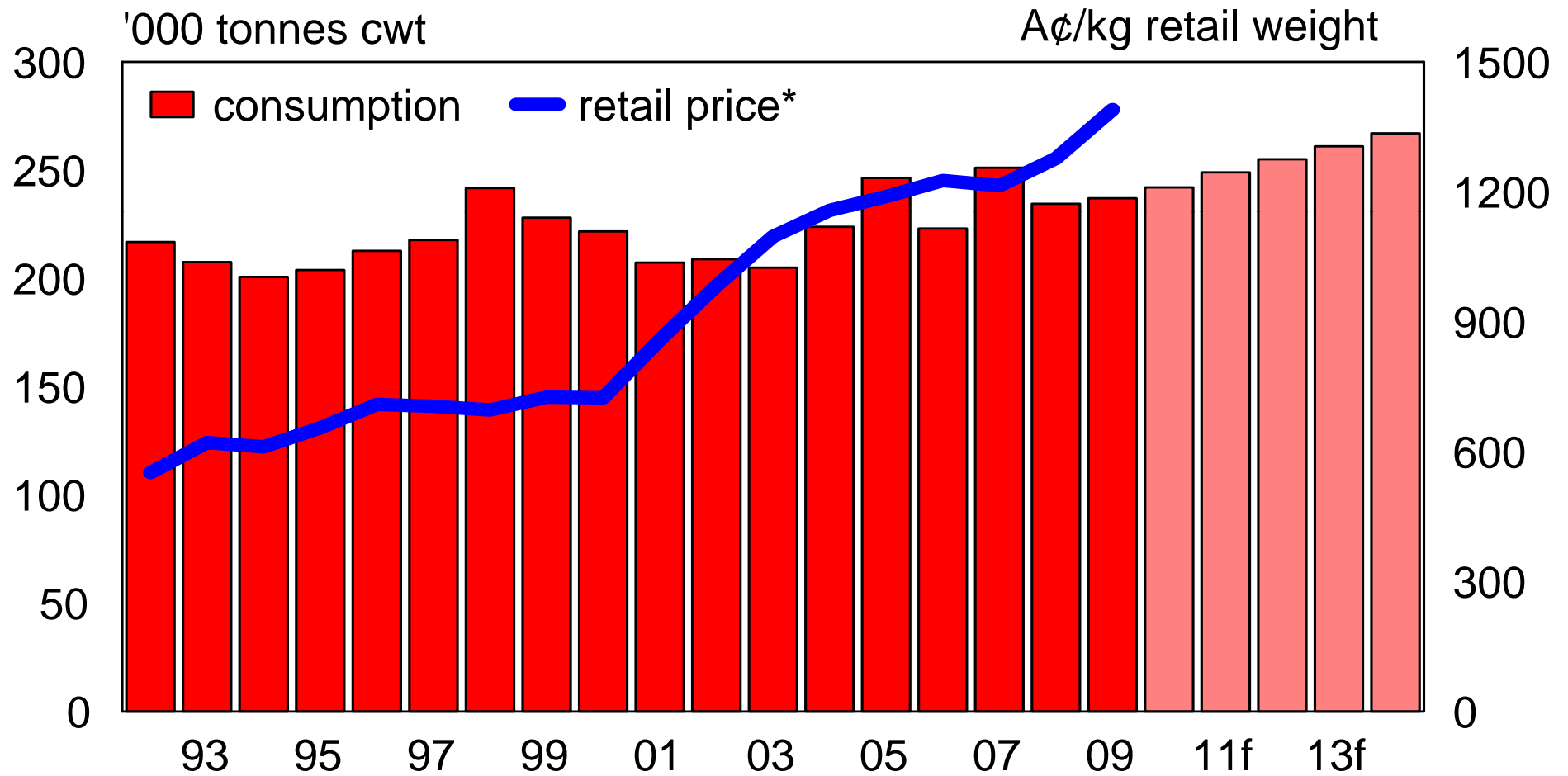
Lamb production and carcass weight



Source: ABS, MLA forecasts

f = forecast

Lamb consumption and retail price



Source: ABS, ABARE, MLA forecasts

f = forecast

Picture represents loin chops from 2 separate lambs both weighing the same cscw.

The loin chops on the left are valued at \$0.91 more (over the 4 chops) at current retail prices.

Current sales of loin chops within our business would represent approx \$100K per week increase with chops on left of picture.

