



Sheep Producers Intentions Survey
OCTOBER 2023

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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 **OCTOBER 2023** survey.

The October 2023 survey

Feedback was sought from producers over the period 29th September – 8th November 2023. Producers were initially invited to complete an online survey with the final sample complemented with a smaller number of phone interviews.

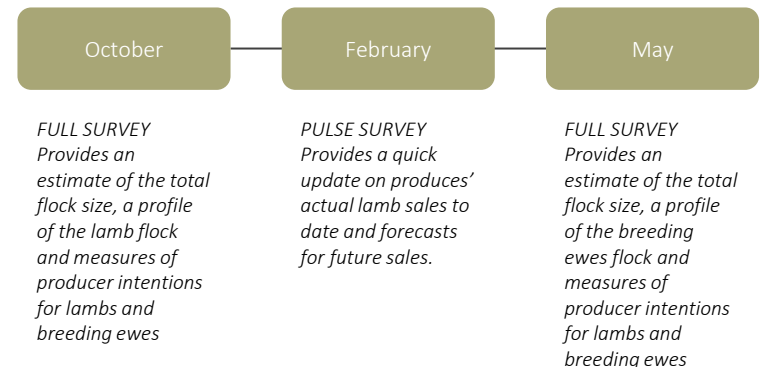
A total of 1,709 producers from across Australia respond to the survey invitation. The feedback was then weighted, using the latest available ABS data, to produce industry estimates.

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 October 2023, like the October 2022 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.



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

State of play...

The Australian wool and sheepmeat sectors remain under considerable pressure. Significant declines in wool and sheepmeat prices have been compounded by ongoing high on-farm costs (input costs), challenges around workforce shortages as well as supply chain and market pressures (domestic and global).

The now forecast El Nino weather patterns are likely to lead to drier and hotter conditions. In addition, there are signals of a significant bush fire season.

The upcoming decision from Government regarding the live export trade is also front and centre for many producers, particularly those in WA.

While there has been some moderation in producers concerns about interest rates, inflation and movements in consumer demand they remain present in producer considerations and are likely to contribute to producers planning and intentions.

It is a particularly challenging time for wool and sheepmeat producers.

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

The discussion provides a useful context for interpreting the results in the October 2023 Sheep Producers Intentions Survey (SPIS).

RABOBANK Commentary

- ✓ Sheepmeat: Huge volumes of lamb and high volumes of sheep continue to dominate the Australian sheepmeat market, causing prices to stay low. Seasonal conditions are adding to this, but there are some green shoots of improvement in consumer markets.
- ✓ Wool: A backdrop of bearish demand settings continue to influence wool markets. Wool prices across the range of microns were a mixed bag during September and are expected to remain range-bound in the near-term.

ANZ Agribusiness Commentary:

Sheepmeat

- ✓ The industry continues to see a downward trend with two particularly sharp drops in prices seen over winter, once in June, and following a slight recovery, another in July. All classes of stock were impacted.
- ✓ Going forward through spring, conditions for the current lamb drop have been positive in many sheep producing zones in the southern part of the country, suggesting a large crop of sucker lambs may soon present to market.
- ✓ Producers are conscious of the BOM outlook for the remainder of the year, which when combined with global economic uncertainty, does little to support any vast improvement in prices from current levels in the short term.
- ✓ It will therefore be a watch and wait on how producers in these parts fair in terms of the weather, and what decisions start to play out in terms of the economics of feeding, should the need arise on a large scale.
- ✓ This begs the question of what a sustainable and price resilient Australian sheep flock may look like. At around 78 million head, some may argue that the high prices experienced through the combination of drought, global Covid recovery and exceptional pasture production, may have encouraged the flock to levels above ideal for global consumption in the current environment.
- ✓ With 60 percent of Australia's breeding ewe flock located in NSW and VIC, the conditions experienced this Spring in these states are likely to have a major impact on supply and prices.

Wool

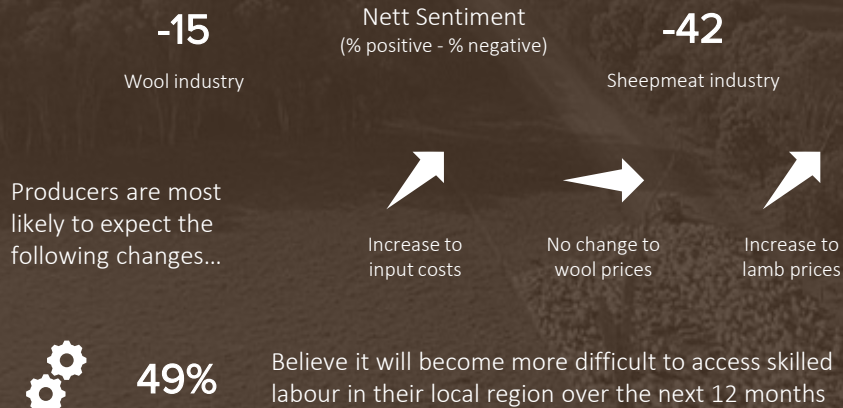
- ✓ Sluggish importer demand and buyer activity appears to be the major source of pressure on wool prices
- ✓ Wool prices found some support leading into the recent winter recess however the trend did not continue upon the re-opening of trade
- ✓ Signs of a slowing Chinese economy are not welcome news for wool prices with at least 50 percent of Australian wool processed in China, remaining in that Country for the domestic consumer
- ✓ Wool prices are not out of step with other global fibre markets, which are also experiencing downward trends.



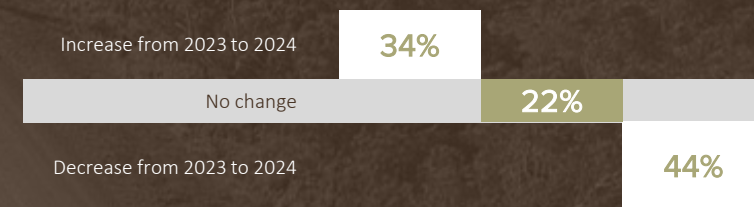
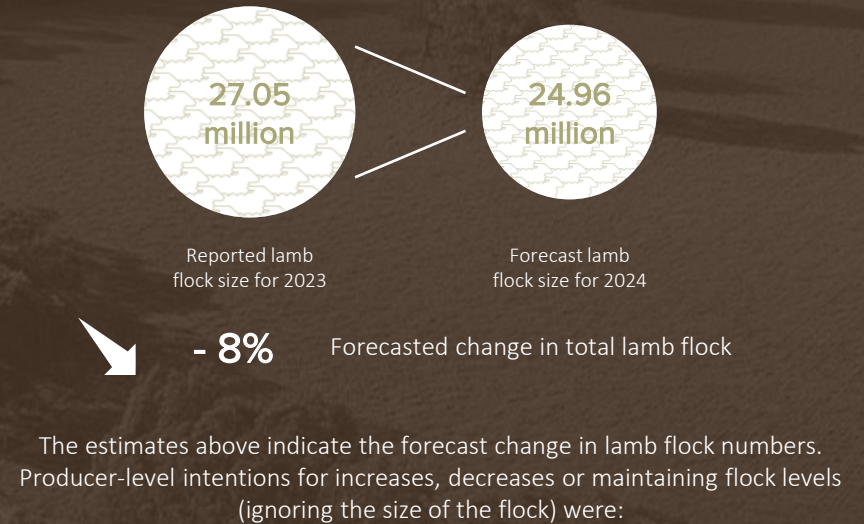
observations and insights

We spoke to 1,709 producers about their industry sentiment and the profile and intentions for their lamb flock...

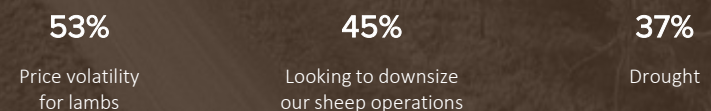
Sentiment



Lamb Flock Intentions



Producers who forecast an decline in their lamb flock report three major factors influencing their plans for the next 12 months:



Lamb Flock Profile

27.05 million Estimate of total lambs after lambing but before sales (38% of total flock size)

Dominant breeds on hand in the total lamb flock estimate:

38%	37%	13%
Prime lamb	Merino	First cross

Actual sales already made this spring: **13%**

Expected sales to be made in the remaining spring flush (up to 31 December 2023): **37%**

Expected sales of lambs in the first half of 2024 (January to June): **49%**

While the purpose of the research did not include an interpretation of the survey results, we provide some initial observations and insights in the following discussion.

Producer sentiment

The results suggest there has been a sharp decline in producer sentiment.

Producers outlook for the *wool sector* fell sharply over the last 12 months (down 27 points to a Nett Sentiment of -15). There are now almost twice as many producers with a negative outlook than a positive outlook (35% c.f. 20%).

The outlook for the *sheepmeat sector* has collapsed over the last 12 months (down 109 points on Nett Sentiment from +67 to -42). Less than one in five producers (18%) reported a positive outlook with just 1% being very positive. By comparison, six in ten producers (60%) reported a negative outlook.

Producers have already seen the falling sheepmeat prices, supply issues and depressed demand. That they are looking forward with little optimism arguably reflects a hugely uncertain time for many producers.

We again note that there is some variation across states and flock size, but the negative outlook is consistent across most producer segments

Most producers are forecasting input prices to remain high and continue to increase over the next 12 months. There are, however, some very mixed views about the of future wool and lamb prices. The mixed responses are likely contributing to uncertainty across the sector.

Profile of the lamb flock

The October 2023 survey had a specific focus on understanding the profile of Australia's lamb flocks. Of the estimated 27M+ lambs on hand:

- Merinos (37% of total lamb flock) and prime lambs (38%) remain the dominant breed types on hand (accounting for 75% of the total lamb flock). The feedback from producers suggests that there are slightly more producers holding prime lambs (41%) than there are holding Merinos (estimated at 36%).
- The survey has estimated that
 - An estimated 50% of the lambs to be sold are forecast to be sold in the 2023 calendar year, with an estimate 13% of this forecast volume already sold. This is a slightly more conservative approach this year with slightly more lambs being held back until 2024.
 - Producers have reported most of the lambs scheduled to be sold in 2023 will be sold through saleyard auctions (50%, down 8% from 2022) and over the hooks (29%, up 6% from 2022). Not surprisingly, smaller producers are more likely to use just a single sales channel with the larger producers using more than one. For the larger producers, forward price contracts and online auctions are used more often than other segments.
- Based on the feedback provided by producers, it is estimated that approximately 84% of Merino lambs had been marked up to the time of the October 2023 survey.

Intentions – lamb flock

Analysis of the feedback provided shows that:

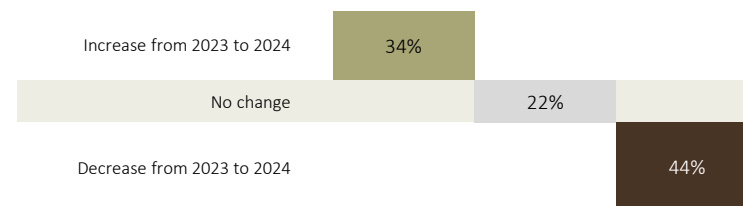
- At the producer level (that is considering each producer equal), there is a net intention to decrease lamb flocks in the next 12 months:
 - 34% (down from 46% in 2022) indicating they would increase their lamb flock size;
 - 22% (down from 28%) indicating it would remain unchanged; and
 - 44% (up from 26%) indicating they would decrease their lamb flock size.

The reduction posture was consistent across most segments – across most states and across small and large producers. There were small differences between producer segments, but the overall pattern of intentions was consistent.

- Analysis of the reported change in the number of lambs suggests a forecast reduction of approximately 2.1M lambs over the estimated 2023 flock size (equating to a forecast decrease of 8% on 2023). 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 lamb flock – is shown opposite.

While the proportion of producers in WA reporting an intention to reduce their lamb flock is consistent with other states, the size of their forecast decrease was substantially larger (forecast decline of 22% off 2023 numbers). The feedback also indicates that Tasmanian producers reported an intention to reduce their lamb flocks by an estimated 15%.



2024 LAMB FLOCK FORECAST	
Total reported flock size for 2023:	27,050,232
Total expected flock size for 2024:	24,960,190
<hr style="border-top: 1px dashed #ccc;"/>	
Difference of:	- 2,090,042
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% forecast change on 2023:	- 8%

The detailed results from the October 2023 Sheep Producers Intentions Survey now follow.



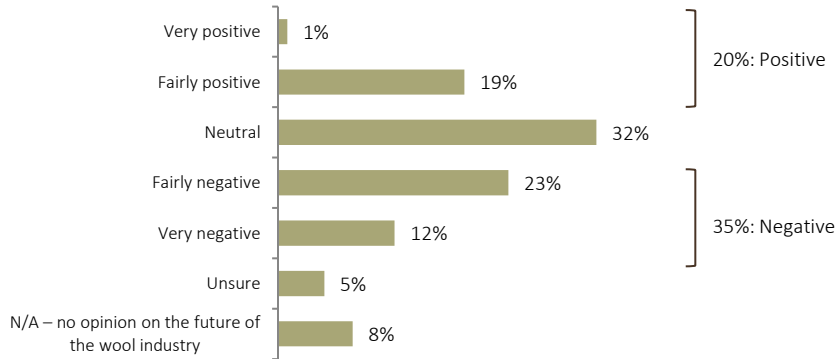
producer sentiment

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 = 1,709

Nett Sentiment
(scale of -100 to +100)



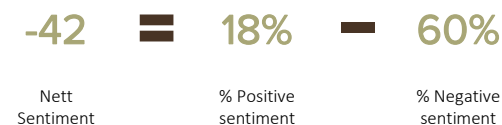
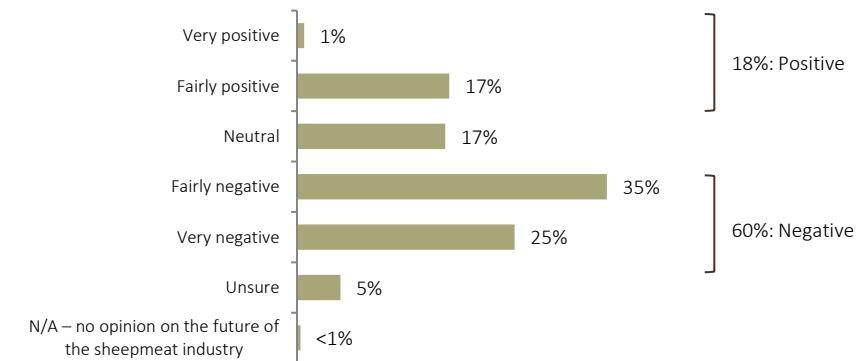
	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Base:	572	56	272	45	384	379	245	197	302	256	297	266	106	40
Nett Sentiment	-12	-7	-5	-64	-14	-30	-12	-9	-17	-28	-21	-23	-19	-19

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 = 1,709

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:	572	56	272	45	384	379	245	197	302	256	297	266	106	40
Nett Sentiment	-43	+22	-55	-42	-30	-71	-31	-47	-53	-52	-49	-49	-63	-42

The comparative Rabobank measure. . . .

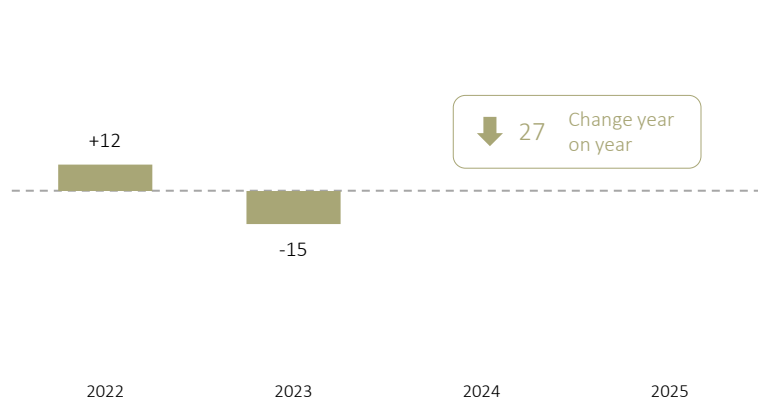
“Sheepmeat producers were found to have the lowest levels of sentiment of all the individual commodity sectors. More sheep producers expect the agricultural economy to worsen (61 per cent, up from 40 per cent last quarter), driven by increased concern about falling commodity prices (71 per cent, up from 57 per cent) and drought (21 per cent, up from eight per cent). “

“In the sheep industry, softening commodity prices have been compounded by the federal government’s planned phase-out of the live export industry, which is weighing on the minds of producers especially, but not only, in WA,”

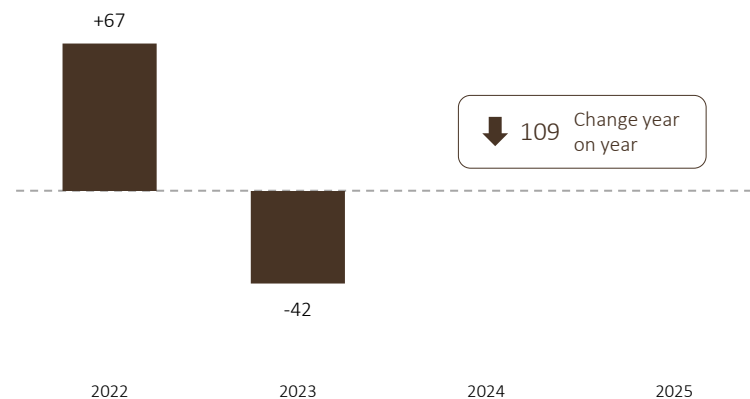
Source of Rabobank commentary: [Rabobank Rural Confidence Survey](#)

Sentiment trend of the wool and sheepmeat sectors

Trend of Nett Sentiment of the wool industry



Trend of Nett Sentiment of the sheepmeat industry

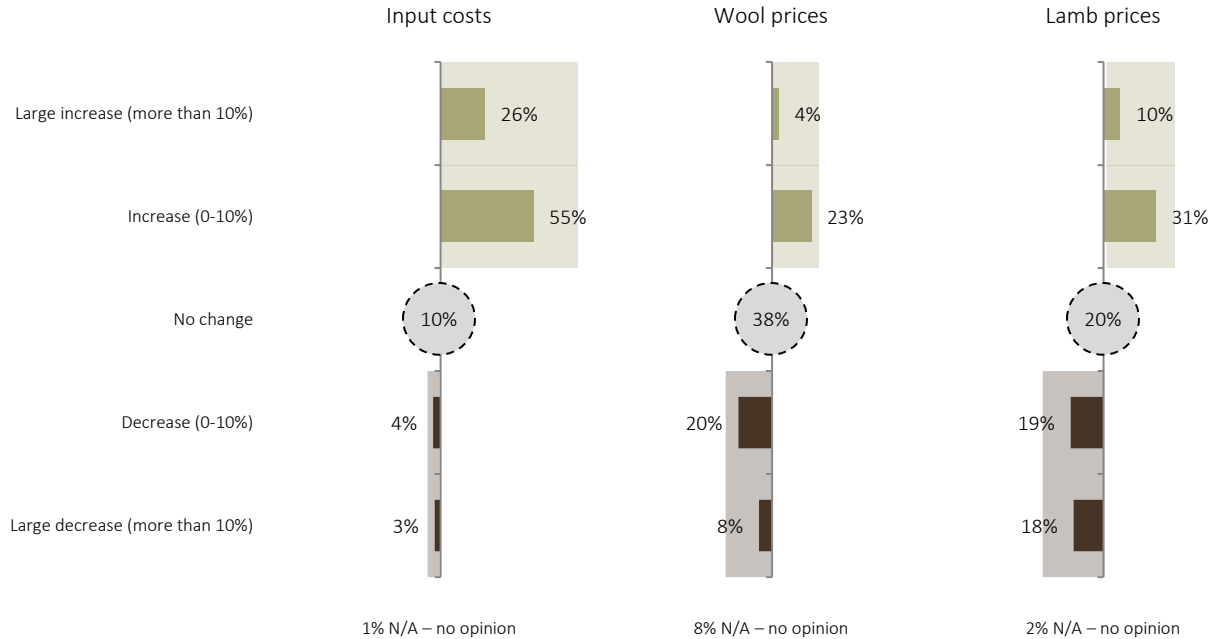


	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
Nett Sentiment – Wool – 2022	+14	+38	+11	-3	+11	+6	+23	+7	+3	0	+1	0	-5	+1
Nett Sentiment – Wool – 2023	-12	-7	-5	-64	-14	-30	-12	-9	-17	-28	-21	-23	-19	-19
Change	Down 26	Down 45	Down 16	Down 61	Down 25	Down 36	Down 35	Down 16	Down 20	Down 28	Down 22	Down 23	Down 14	Down 20
Nett Sentiment – Sheepmeat – 2022	+68	+75	+69	+60	+77	+42	+75	+59	+65	+58	+57	+60	+59	+75
Nett Sentiment – Sheepmeat – 2023	-43	+22	-55	-42	-30	-71	-31	-47	-53	-52	-49	-49	-63	-42
Change	Down 111	Down 53	Down 124	Down 102	Down 107	Down 113	Down 106	Down 106	Down 118	Down 110	Down 106	Down 109	Down 122	Down 117

Expected changes in costs and prices

Q3. In your opinion, what changes do you expect to occur across input costs, wool prices and lamb prices over the next 12 months?

Base: All respondents, n = 1,709



Most producers continue to report that **input costs** are likely to **increase** over the next 12 months. The views have remained unchanged over the last 12 months. This view is consistent across states and farm businesses of various flock sizes.

As noted in 2022, there is a more **mixed response** to wool and lamb prices.

On wool prices, producers continue to hold different views on whether prices will increase, decrease or remain around the same level.

On lamb prices there is still a range of views held but an increase in the proportion of producers expecting a further large decrease (18% compared to 4% last year).

Expected changes in costs and prices

Q3. In your opinion, what changes do you expect to occur across input costs, wool prices and lamb prices over the next 12 months?

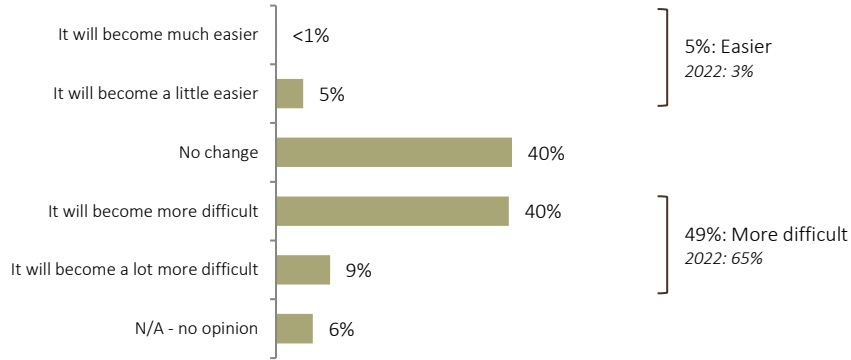
Base: All respondents, n = 1,709

	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
<i>Base:</i>	572	56	272	45	384	379	245	197	302	256	297	266	106	40
INPUT COSTS														
Increase	81%	81%	86%	96%	80%	75%	83%	77%	78%	82%	83%	82%	75%	80%
No change	10%	16%	7%	1%	10%	12%	8%	9%	14%	11%	13%	15%	19%	6%
Decrease	7%	2%	5%	3%	9%	12%	8%	14%	8%	6%	4%	3%	4%	14%
WOOL PRICES														
Increase	26%	32%	25%	10%	31%	28%	25%	26%	31%	29%	31%	28%	22%	24%
No change	37%	46%	41%	32%	37%	33%	35%	38%	37%	42%	41%	42%	42%	57%
Decrease	24%	14%	30%	37%	28%	34%	26%	31%	29%	26%	27%	29%	34%	19%
LAMB PRICES														
Increase	42%	49%	34%	33%	48%	28%	41%	33%	42%	45%	47%	42%	31%	45%
No change	22%	9%	22%	13%	21%	21%	18%	30%	20%	22%	19%	23%	23%	27%
Decrease	35%	32%	41%	55%	30%	48%	39%	35%	37%	30%	32%	35%	43%	28%

Expected changes on accessing skilled labour

Q4. Over the next 12 months, how easy will it be to access skilled labour in your local region?

Base: All respondents, n = 1,709



Accessing skilled labour is still viewed as being more than likely to get more difficult in the next 12 months.

There has been a slight moderation but for most producers it is viewed to continue as a problem.

This will continue to have a significant impact on those focusing on wool production.

	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:	572	56	272	45	384	379	245	197	302	256	297	266	106	40
% more difficult + % a lot more difficult	48%	35%	54%	39%	47%	55%	48%	48%	52%	50%	48%	49%	49%	31%



lamb flock profiles

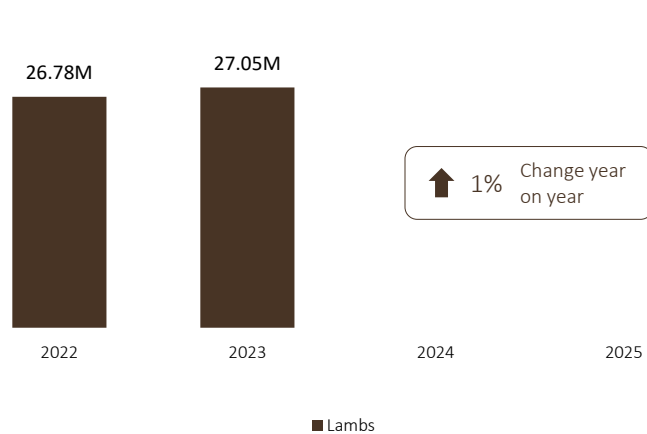
Estimates of the lamb and breeding ewe flock sizes

Q5-Q7. What were the total number of breeding ewes you had on hand at 30 September 2023 and lambs you had after lambing but before sales (not including ewe lambs and hoggets intended for breeding)?

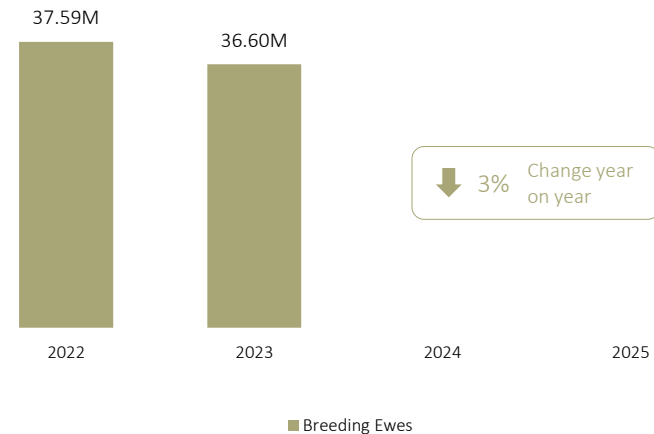
Base: All respondents, n = 1,709

		% of producers with type
Breeding ewes (including ewe lambs and hoggets intended for breeding) on hand at 30 September 2023:	36,604,914	96%
Lambs after lambing but before sales (not including ewe lambs and hoggets intended for breeding):	27,050,232	91%

Trend of lamb flock size estimates

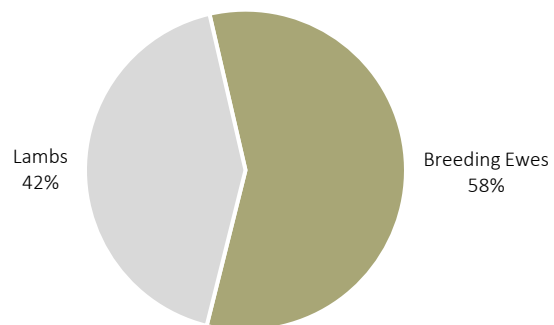


Trend of breeding ewe flock size estimates



Estimates of the lamb and breeding ewe flock sizes

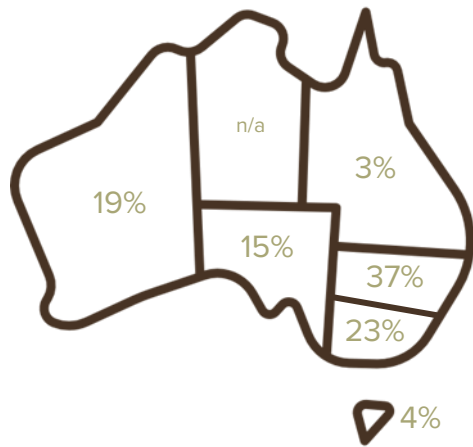
Proportion of breeding ewe and lamb flock sizes



	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
<i>Base:</i>	572	56	272	45	384	379	245	197	302	256	297	266	106	40
% of total flock size														
Breeding ewes	58%	68%	58%	54%	55%	58%	57%	59%	58%	58%	58%	57%	57%	55%
Lambs	42%	32%	42%	46%	45%	42%	43%	41%	42%	42%	42%	43%	43%	45%

Estimates of the lamb and breeding ewe flock sizes

Proportion of total flock size across states



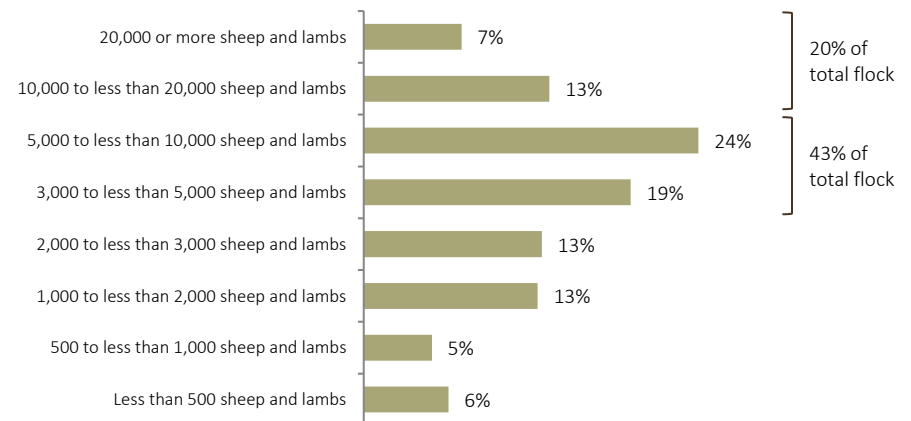
NSW and VIC account for an estimated 60% of the total flock size.

SA and WA account for 34% 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 37% of producers have less than 3,000 sheep) it is the larger producers which have a greater proportion of the national sheep flock (63% of the total flocks held by producers with 3,000 or more sheep and 20% 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



Q7. What were the total number of lambs you had after lambing but before sales (not including ewe lambs and hoggets intended for breeding)?

Base: All respondents, n = 1,709

Lambs after lambing but before sales
(not including ewe lambs and hoggets intended for breeding):

27,050,232

% of total flock size:

38%

	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:	572	56	272	45	384	379	245	197	302	256	297	266	106	40
Lamb flock size	9,634,296	520,533	4,069,020	1,094,302	6,672,533	5,056,466	1,609,480	1,244,674	3,337,660	3,425,116	5,122,155	6,588,289	3,658,198	2,064,660
% of total flock size	37%	22%	39%	42%	40%	38%	37%	35%	37%	37%	37%	38%	38%	41%

Lamb flock – breeds on hand

Q11 and Q12. Of these [Q7 ANSWER] lambs you mentioned earlier, please tell us which of the following types of lamb breeds you have across your properties (after lambing but before sales, not including ewe lambs and hoggets intended for breeding).

Base: All respondents with lambs, n = 1,609

Total lamb flock size reported: **27,050,232**

		% of total lamb flock	% of producers with breed			<i>Definitions of breeds presented to producers:</i>
Prime lamb	10,342,716	38%	41%	-----	Prime lamb	Animal entirely focused on meat (lamb) production e.g. Composite, Terminal, Suffolk or Dorset.
Merino	10,004,507	37%	36%	-----	Merino	Main breed of sheep for wool production.
First cross	3,619,536	13%	24%	-----	First cross	Merino crossed with a long-haired sheep of a different breed.
Shedding	1,362,883	5%	17%	-----	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	1,359,202	5%	9%	-----	Dual purpose	Animal with no more than 50% Merino content geared towards both meat and wool production equally.
Other	361,388	1%	4%	-----	Other	Any breeds that do not fit into the definitions above.

Lamb flock – breeds on hand

Q11 and Q12. Of these [Q7 ANSWER] lambs you mentioned earlier, please tell us which of the following types of lamb breeds you have across your properties (after lambing but before sales, not including ewe lambs and hoggets intended for breeding).

Base: All respondents with lambs, n = 1,609

	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:	530	47	259	43	366	363	210	178	285	243	289	261	104	39
Total lamb flock size	9,634,296	520,533	4,069,020	1,094,302	6,672,533	5,056,466	1,609,480	1,244,674	3,337,660	3,425,116	5,122,155	6,588,289	3,658,198	2,064,660
% of total lamb flock														
Prime lamb	34%	12%	39%	62%	53%	23%	37%	46%	36%	39%	37%	41%	29%	48%
Merino	37%	62%	40%	24%	21%	56%	13%	20%	35%	33%	41%	41%	51%	29% *
First cross	15%	4%	11%	11%	16%	10%	19%	16%	16%	16%	12%	10%	16%	9%
Shedding	7%	20%	4%	1%	3%	3%	18%	8%	5%	5%	3%	4%	3%	7%
Dual purpose	6%	1%	6%	2%	3%	7%	7%	9%	8%	6%	6%	3%	0%	5%
Other	1%	2%	<1%	0%	3%	<1%	5%	1%	<1%	2%	1%	1%	1%	1%

* Please note all estimates in this survey are subject to sampling variability. This is particularly the case for this large producer segment where there are only a small number of very large producers who can impact the overall survey estimate. The estimate of 29% reported above has a 95% confidence interval of +/- 12.39%, meaning that there is a 95% chance that the true result lies between 17% and 42%. We recommend some caution when interpreting this particular result.

Lamb flock – lambs marked

Q13. Of these [Q7 ANSWER] lambs across each breed type, how many have been marked up to this point?

Base: All respondents with lambs, n = 1,609

Total lambs marked: **24,204,368**

		% of lamb breed marked
Prime lamb	9,550,122	92%
Merino	8,689,605	87%
First cross	3,255,279	90%
Shedding	1,208,087	89%
Dual purpose	1,176,349	87%
Other	324,925	90%

Calculation of % of lamb breed marked (example: Merino):

Estimated total number of marked up breed:	8,689,605
	÷
Estimate of total number of breed in flock:	10,004,507
	=
% of lamb breed marked:	87%

Lamb flock – breeding ewes joined and marking rates

Q14. Of the [Q12 BREED ANSWER] lambs that have been marked to this point, how many breeding ewes were joined to produce these lambs?

Base: All respondents with lambs and breeding ewes joined to produce lambs, n = 1,500

Total breeding ewes joined to produce lambs:	24,887,044	
		Marking rate
Prime lamb	8,490,154	112%
Merino	10,197,766	84%
First cross	3,386,038	96%
Shedding	1,299,642	93%
Dual purpose	1,201,024	97%
Other	312,420	104%

Calculation of marking rate (example: Merino):

Please note: This analysis has been undertaken only on respondents who could provide an answer to both Q13 (number of lambs marked) and Q14 (number of breeding ewes joined to produce marked lambs)

Estimated total number of marked up breed:	8,525,878
	÷
Estimate of total number of breeding ewes joined to produce these lambs:	10,197,766
	=
Marking rate:	84%

Q15. Now we would like you to think about the lamb sales already made and those expected to be made. Could you please provide the number of lamb sales across the following time periods, both actual and expected:

Base: All respondents with lambs, n = 1,604 (n = 4 could not provide an answer)

Total actual and expected sales

21,020,959

2022: 22,005,735

2,817,498

7,843,554

10,359,908

Actual sales already made this spring

Expected sales to be made in the remaining spring flush and the period up to 31 December 2023

Expected sales of lambs in the first half of 2024 (January to June)

% of total sales

13%

2022: 13%

37%

2022: 41%

49%

2022: 46%

	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:	528	46	258	42	366	363	206	177	285	243	289	261	104	39
Total actual and expected sales	7,379,541	328,353	3,387,207	845,255	5,381,873	3,697,328	1,511,938	1,242,642	2,772,993	2,810,259	3,809,133	4,790,846	2,388,065	1,695,083
% of total sales														
Actual sales already made	17%	30%	15%	6%	8%	12%	21%	17%	16%	15%	16%	11%	7%	6%
Expected sales to be made up to Dec-23	32%	17%	44%	23%	45%	34%	35%	33%	37%	34%	36%	37%	44%	44%
Expected sales from Jan-24 to Jun-24	50%	52%	41%	71%	46%	54%	44%	50%	47%	51%	48%	52%	49%	50%

Lamb flock – expected sales with 35 days of grain

Q16. Of the expected sales to be made in 2023, what proportion will have spent at least 35 days with grain as their primary food source (continual access to supplement grain, excluding trail feeding or grazing on stubble)?

Base: All respondents with lambs sold or expected to sell in 2023, n = 1,107



84%

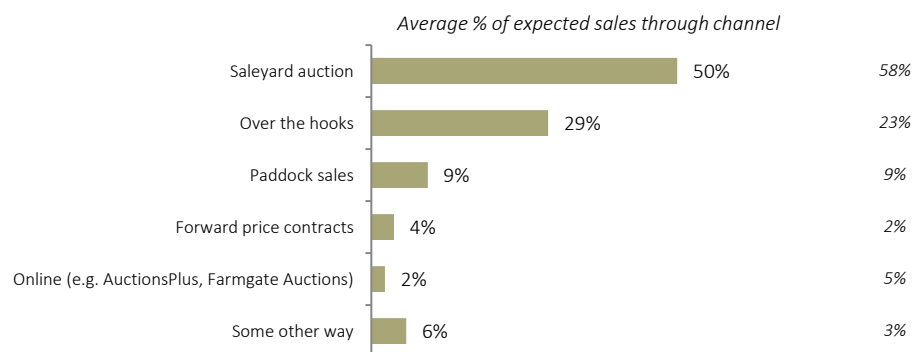
Proportion of producers with 0% expected sales in 2023 with 35+ days with grain as primary food source

	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:	365	18	194	30	267	233	127	116	196	176	206	182	74	30
Proportion of producers with 0% expected sales in 2023 with 35+ days with grain as primary food source	82%	62%	87%	99%	90%	77%	88%	82%	83%	81%	80%	81%	82%	82%

Q17. Of the expected sales to be made in 2023, what proportion will be made through the following sales channels?

Base: All respondents with lambs sold or expected to sell in 2023, n = 1,103 (n = 4 did not answer)

1.3 - Mean number of channels used by each producer



Producers responding to the October 2023 survey have indicated saleyard auctions and over the hook sales will be the two primary channels for lamb sales this year.

Year on year there appears to have been a slight shift to over the hooks (up 6%) from saleyards (down 8%) as the expected sales channel.

Smaller businesses are more likely to use a single sales channel with the larger producers likely to use more than a single channel.

	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:	363	18	193	30	266	233	127	115	195	176	205	181	74	30	
Mean number of channels used	1.3	1.3	1.4	1.2	1.2	1.3	1.2	1.2	1.4	1.3	1.4	1.6	1.5	1.5	
<i>Average % of expected sales through channel...</i>															
Saleyard auction	63%	47%	32%	11%	61%	25%	62%	56%	48%	42%	38%	22%	13%	11%	
Over the hooks	18%	24%	39%	49%	27%	48%	17%	30%	33%	38%	43%	49%	44%	48%	
Paddock sales	8%	14%	15%	6%	4%	18%	9%	4%	11%	7%	10%	13%	27%	18%	
Forward price contracts	2%	0%	5%	32%	2%	3%	3%	1%	2%	8%	4%	7%	8%	11%	
Online	4%	1%	3%	2%	1%	0%	0%	3%	3%	3%	4%	6%	3%	12%	
Some other way	5%	14%	6%	2%	6%	7%	9%	6%	3%	2%	1%	4%	5%	0%	



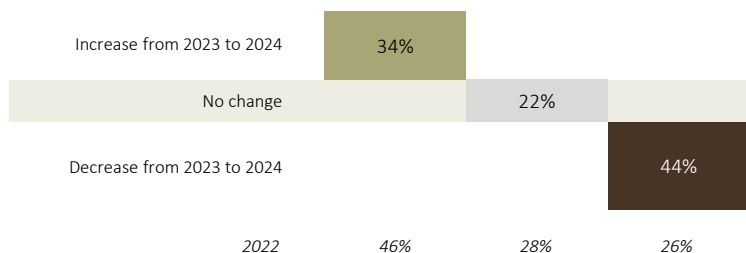
producer intentions

Producer intentions over the next 12 months

Lamb flock

Q19. And how many lambs (as defined earlier) are you expecting to have at the same time next year, in 2024 (30 September 2024)?

Base: All respondents, n = 1,709



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

Among the producers responding to the October 2023 survey, one in three (34%, down from 46% in 2022) reported they would be increasing their flock, with 44% (up from 26% in 2022) indicating some level of downsizing of their flock.

This provides a useful producer sentiment, with the following analysis exploring the impact of this stated intention on the forecast lamb 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:	572	56	272	45	384	379	245	197	302	256	297	266	106	40
Increase from 2023 to 2024	37%	33%	33%	26%	38%	21%	36%	36%	33%	32%	32%	30%	29%	31%
No change	23%	13%	21%	16%	20%	27%	20%	25%	23%	25%	22%	22%	27%	26%
Decrease from 2023 to 2024	40%	54%	45%	58%	42%	52%	45%	40%	44%	43%	46%	48%	44%	43%

Lamb flock size intentions by producer outlook

↑ Of those who expect an increase in lambs
 Of those who expect no change in lambs
 Of those who expect a decrease in lambs ↓

	↑		↓
Q1. Firstly, how do you feel about the future of the wool industry over the next 12 months? Would you say you feel...?			
Base:	547	385	777
Nett Sentiment	-4	-10	-27
Q2. And how do you feel about the future of the sheepmeat industry over the next 12 months? Would you say you feel...?			
Base:	547	385	777
Nett Sentiment	-32	-39	-51
Input costs – Q3. In your opinion, what changes do you expect to occur across input costs, wool prices and lamb prices over the next 12 months?			
Base:	547	385	777
Increase	82%	80%	81%
No change	10%	8%	11%
Decrease	7%	8%	8%
Wool prices – Q3. In your opinion, what changes do you expect to occur across input costs, wool prices and lamb prices over the next 12 months?			
Base:	547	385	777
Increase	29%	29%	25%
No change	38%	39%	37%
Decrease	26%	27%	29%
Lamb prices – Q3. In your opinion, what changes do you expect to occur across input costs, wool prices and lamb prices over the next 12 months?			
Base:	547	385	777
Increase	47%	40%	37%
No change	21%	21%	20%
Decrease	30%	36%	42%
Q4. Over the next 12 months, how easy will it be to access skilled labour in your local region?			
Base:	547	385	777
Easier	4%	5%	5%
No change	43%	42%	37%
More difficult	47%	48%	50%

Perhaps not surprisingly, producers' stated intentions are correlated with their overall outlook for the sector.

Input costs are front of mind for most producers, but this does not appear to be a significant influence on their decisions about the lamb flock over the next 12 months.

Perhaps not surprisingly, producer forecasts for prices (for wool and sheepmeat) appear be different for those with a growth posture versus other producers.

While access to skilled labour is an important issue, the results don't indicate this to be a major obstacle to the plans for the lamb flock over the next 12 months.

How the forecast increase translates to lamb flock numbers

34% of producers reported they are likely to have MORE lambs next year

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

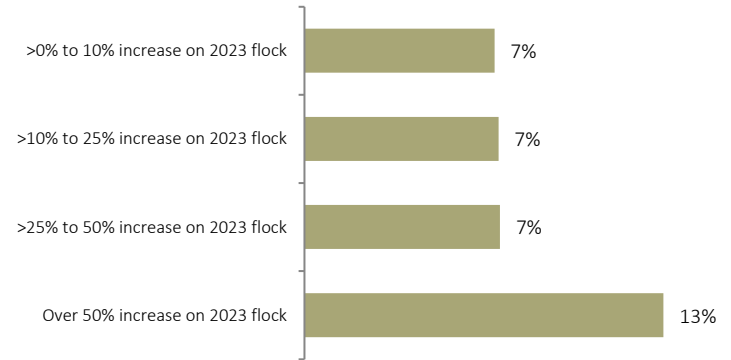


Of those who forecast an **increase** in lambs...

Total reported flock size for 2023: 7,951,369

Total forecast flock size for 2024: 10,451,130

Difference of: + 2,499,761



Factors influencing the expected increase in lambs in 2024

34% of producers reported they are likely to have MORE lambs next year

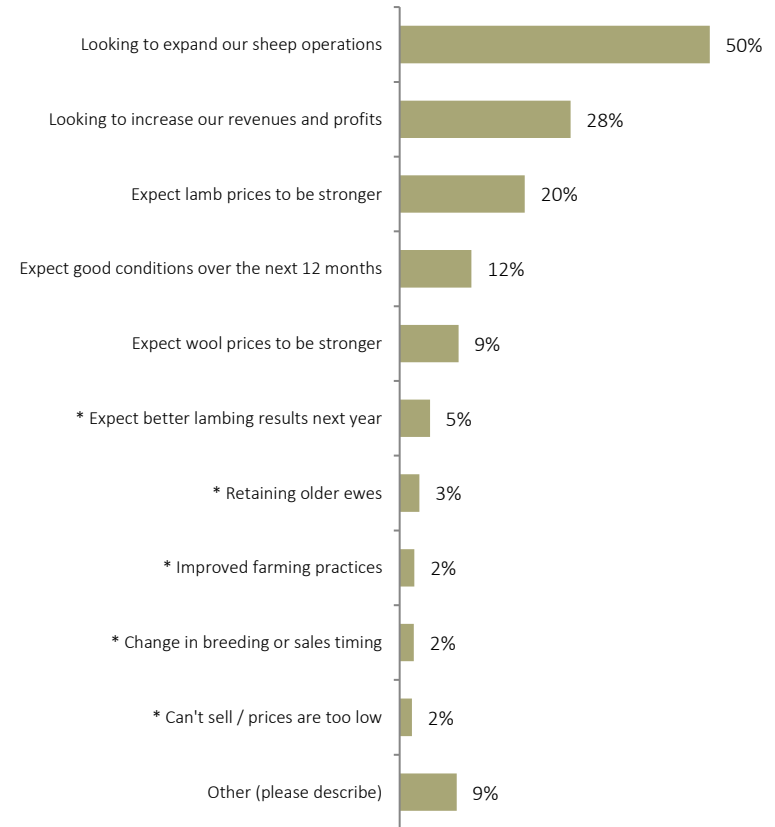
We asked these producers what factors were influencing their plans to increase the number of lambs...



Q20. You've indicated that you are likely to have more lambs next year compared to this year. What factors are influencing your plans for the next 12 months?

Please select all the factors that are influencing your plans.

Base: All respondents who expect an increase in lamb flock size in 2023, n = 547

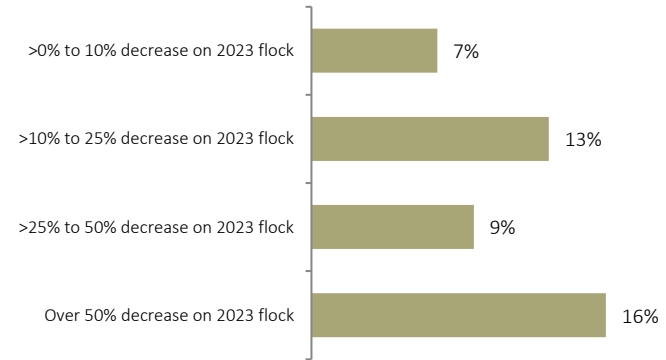


* Response has been coded from open-ended feedback via "Other (please describe)".

How the forecast decrease translates to lamb flock numbers

44% of producers reported they are likely to have FEWER lambs next year

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



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

Total reported flock size for 2023: 13,586,001

Total forecast flock size for 2024: 8,996,208

Difference of: - 4,589,803

Factors influencing the expected decrease in lambs in 2024

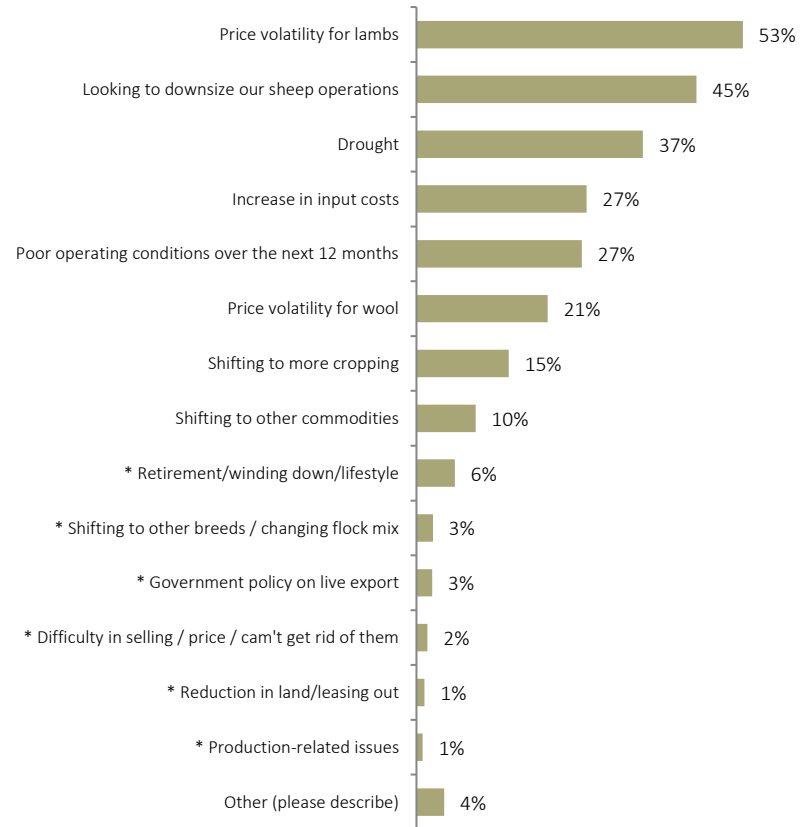
44% of producers reported they are likely to have FEWER lambs next year

We asked these producers what factors were influencing their plans to decrease the number of lambs...



Q21. You've indicated that you are likely to have fewer lambs next year compared to this year. What factors are influencing your plans for the next 12 months? Please select all the factors that are influencing your plans.

Base: All respondents who expect a decrease in lamb flock size in 2023, n = 777



* Response has been coded from open-ended feedback via "Other (please describe)".

Taking into account the forecast size of the lamb 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 lamb flock for 2024 is shown below. . .

	2024 LAMB FLOCK FORECAST		Of those who expect an increase in lambs		Of those who expect no change in lambs		Of those who expect a decrease in lambs
Total reported flock size for 2023:	27,050,232	=	7,951,369	+	5,512,852	+	13,586,011
Total expected flock size for 2024:	24,960,190	=	10,451,130	+	5,512,852	+	8,996,208
Difference of:	- 2,090,042	=	+ 2,499,761	+	0	+	- 4,589,803
% forecast change on 2023:	- 8%						

	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:	572	56	272	45	384	379	245	197	302	256	297	266	106	40
Total reported flock size for 2023:	9,634,296	520,533	4,069,020	1,094,302	6,672,533	5,056,466	1,609,480	1,244,674	3,337,660	3,425,116	5,122,155	6,588,289	3,658,198	2,064,660
Total expected flock size for 2024:	9,195,846	526,536	3,919,668	929,058	6,459,935	3,925,925	1,490,578	1,214,398	3,100,039	3,077,162	4,702,078	5,839,537	3,516,888	2,019,510
Difference of:	-438,450	6,003	-149,352	-165,244	-212,598	-1,130,541	-118,902	-30,276	-237,622	-347,953	-420,076	-748,752	-141,310	-45,150
% forecast change on 2023:	- 5%	+ 1%	- 4%	- 15%	- 3%	- 22%	- 7%	- 2%	- 7%	- 10%	- 8%	- 11%	- 4%	- 2%



summary of results:
state & flock size

Summary of results by state

	OVERALL	State					
		NSW	QLD	SA	TAS	VIC	WA
<i>Base:</i>	1,709	572	56	272	45	384	379
SENTIMENT							
Nett sentiment – wool industry	- 15	- 12	- 7	- 5	- 64	- 14	- 30
Nett sentiment – sheepmeat industry	- 42	- 43	+ 22	- 55	- 42	- 30	- 71
Producers most likely to expect change:							
Input costs	Increase	Increase	Increase	Increase	Increase	Increase	Increase
Wool prices	No change	No change	No change	No change	Decrease	No change	Decrease
Lamb prices	Increase	Increase	Increase	Decrease	Decrease	Increase	Decrease
% more difficult to access skilled labour	49%	48%	35%	54%	39%	47%	55%
LAMB FLOCK PROFILE							
Estimate of total lamb flock	27.05M	9.63M	0.52M	4.07M	1.09M	6.67M	5.06M
Dominant breeds on hand:							
Prime lamb	38%	34%	12%	39%	62%	53%	23%
Merino	37%	37%	62%	40%	24%	21%	56%
First cross	13%	15%	4%	11%	11%	16%	10%
Proportion of lamb sales:							
Actual sales already made this spring	13%	17%	30%	15%	6%	8%	12%
Expected sales – spring flush to 31 Dec	37%	32%	17%	44%	23%	45%	34%
Expected sales – Jan-Jun 2024	49%	50%	52%	41%	71%	46%	54%
LAMB FLOCK INTENTIONS							
Reported lamb flock size for 2023	27.05M	9.63M	0.52M	4.07M	1.09M	6.67M	5.06M
Forecast lamb flock size for 2024	24.96M	9.20M	0.53M	3.92M	0.93M	6.46M	3.93M
Forecasted change in total lamb flock	- 8%	- 5%	+ 1%	- 4%	- 15%	- 3%	- 22%
Producer-level intentions (ignoring size):							
Increase from 2023 to 2024	34%	37%	33%	33%	26%	38%	21%
No change	22%	23%	13%	21%	16%	20%	27%
Decrease from 2023 to 2024	44%	40%	54%	45%	58%	42%	52%
Major factors influencing decline in 2024:							
Price volatility for lambs	53%	55%	67%	48%	18%	44%	73%
Looking to downsize our sheep operations	45%	41%	32%	46%	77%	42%	54%
Drought	37%	61%	72%	24%	11%	20%	18%

Summary of results by total flock size

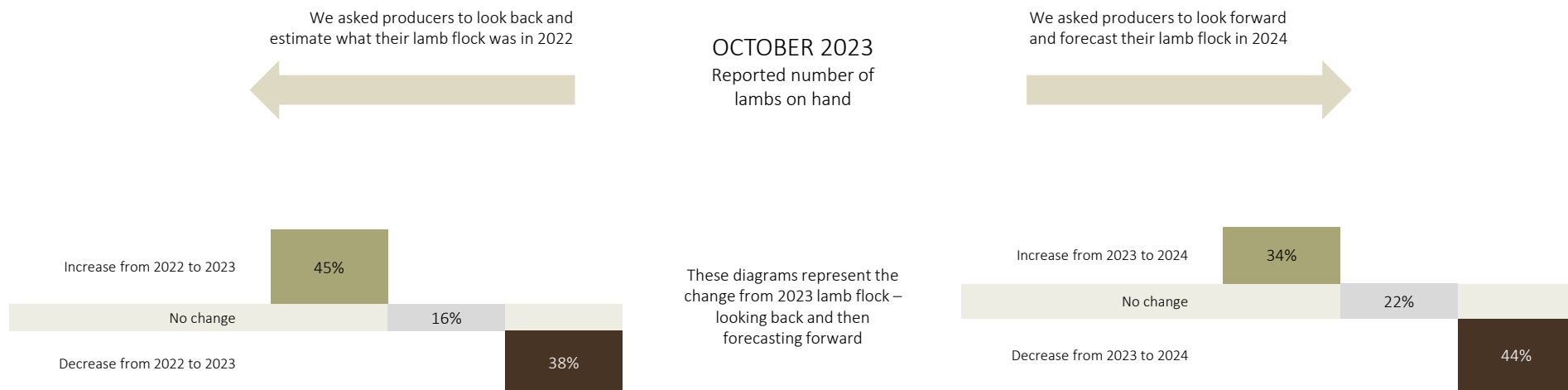
	OVERALL	Total Flock Size (sheep and lambs)							
		Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
<i>Base:</i>	1,709	245	197	302	256	297	266	106	40
SENTIMENT									
Nett sentiment – wool industry	- 15	- 12	- 9	- 17	- 28	- 21	- 23	- 19	- 19
Nett sentiment – sheepmeat industry	- 42	- 31	- 47	- 53	- 52	- 49	- 49	- 63	- 42
Producers most likely to expect change:									
Input costs	Increase	Increase	Increase	Increase	Increase	Increase	Increase	Increase	Increase
Wool prices	No change	No change	No change	No change	No change	No change	No change	No change	No change
Lamb prices	Increase	Increase	Decrease	Increase	Increase	Increase	Increase	Decrease	Increase
% more difficult to access skilled labour	49%	48%	48%	52%	50%	48%	49%	49%	31%
LAMB FLOCK PROFILE									
Estimate of total lamb flock	27.05M	1.61M	1.24M	3.34M	3.43M	5.12M	6.59M	3.66M	2.06M
Dominant breeds on hand:									
Merino	38%	37%	46%	36%	39%	37%	41%	29%	48%
Prime lamb	37%	13%	20%	35%	33%	41%	41%	51%	29%
First cross	13%	19%	16%	16%	16%	12%	10%	16%	9%
Proportion of lamb sales:									
Actual sales already made this spring	13%	21%	17%	16%	15%	16%	11%	7%	6%
Expected sales – spring flush to 30 Dec	37%	35%	33%	37%	34%	36%	37%	44%	44%
Expected sales – Jan-Jun 2024	49%	44%	50%	47%	51%	48%	52%	49%	50%
LAMB FLOCK INTENTIONS									
Reported lamb flock size for 2023	27.05M	1.61M	1.24M	3.34M	3.43M	5.12M	6.59M	3.66M	2.06M
Forecast lamb flock size for 2024	24.96M	1.49M	1.21M	3.10M	3.08M	4.70M	5.84M	3.52M	2.02M
Forecasted change in total lamb flock	- 8%	- 7%	- 2%	- 7%	- 10%	- 8%	- 11%	- 4%	- 2%
Producer-level intentions (ignoring size):									
Increase from 2023 to 2024	34%	36%	36%	33%	32%	32%	30%	29%	31%
No change	22%	20%	25%	23%	25%	22%	22%	27%	26%
Decrease from 2023 to 2024	44%	45%	40%	44%	43%	46%	48%	44%	43%
Major factors influencing increase in 2024:									
Looking to expand our sheep operation	53%	42%	51%	61%	71%	64%	67%	71%	91%
Expect good conditions next 12 months	45%	45%	48%	47%	44%	47%	40%	52%	35%
Looking to increase revenues/profits	37%	35%	30%	44%	35%	39%	39%	44%	63%



additional analysis

Lamb flock size: a 3-year perspective

As part of the October 2023 Sheep Producers Intentions Survey, producers were asked to look back and estimate what their lamb flock was in 2022 as well as to look forward and forecast their lamb flock size for 2024. This then provided 3 points in time – the 2022 flock size, the current 2023 flock size and the forecast flock size for 2024. An analysis of this data is shown below.



Lamb 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
<i>Base:</i>	572	56	272	45	384	379	245	197	302	256	297	266	106	40
Increase from 2023 to 2024	37%	33%	33%	26%	38%	21%	36%	36%	33%	32%	32%	30%	29%	31%
2022 -> Increase 2023 -> Increase 2024	14%	28%	15%	2%	19%	10%	15%	15%	14%	13%	15%	19%	16%	31%
2022 -> Same 2023 -> Increase 2024	5%	1%	5%	0%	5%	3%	5%	3%	4%	4%	4%	3%	1%	0%
2022 -> Decrease 2023 -> Increase 2024	18%	5%	14%	25%	15%	8%	15%	17%	16%	14%	14%	9%	13%	0%
No change	23%	13%	21%	16%	20%	27%	20%	25%	23%	25%	22%	22%	27%	26%
2022 -> Increase 2023 -> Same 2024	8%	0%	9%	6%	6%	7%	6%	6%	7%	7%	6%	10%	13%	16%
2022 -> Same 2023 -> Same 2024	9%	5%	6%	5%	8%	14%	7%	12%	7%	14%	9%	8%	9%	5%
2022 -> Decrease 2023 -> Same 2024	6%	8%	7%	5%	5%	7%	6%	7%	9%	4%	6%	4%	5%	5%
Decrease from 2023 to 2024	40%	54%	45%	58%	42%	52%	45%	40%	44%	43%	46%	48%	44%	43%
2022 -> Increase 2023 -> Decrease 2024	24%	27%	20%	51%	19%	26%	24%	21%	22%	20%	22%	31%	25%	26%
2022 -> Same 2023 -> Decrease 2024	3%	2%	6%	2%	3%	5%	2%	2%	4%	6%	8%	5%	4%	5%
2022 -> Decrease 2023 -> Decrease 2024	13%	25%	19%	6%	21%	21%	19%	16%	17%	18%	16%	12%	15%	12%

Producers provided

- In the 2022 survey: an estimate of their lamb flock size as of October 31, 2022, plus a forecast of what their lamb flock size might be at the same time in 2023;
- In the 2023 survey: an estimate of their lamb flock size as of October 31, 2023.

2022 lamb flock size estimate provided by producers: **26,775,446**

2023 forecast provided by producers in the 2022 survey: **28,493,226**

2023 lamb flock size estimate provided by producers: **27,050,232**

Difference (actual – forecast): **-1,442,994**
- 5%

When comparing the 2022 forecast and the 2023 actuals reported, we note that the actuals reported this year were 5% below what producers forecast in November 2022.

Clearly personal, operating, market and environmental factors will intervene between a producers forecast in November 2022 and what occurs over the next 12 months. That said, the forecasts made in November 2022 were not significantly different other than:

- It appears that producers in QLD had a somewhat inflated view last year of their intentions (down 46% on what they had forecasted), while Tasmanian producers produced more lambs than they had forecast (up 24% on the forecast). It is important to note both these markets are relatively minor compared to other states.
- SA producers also reported fewer lambs than producers had forecast in November 2022.

	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
Reported lamb flock size for 2022:	9,200,649	583,294	4,518,671	840,680	6,476,439	5,154,612	1,405,906	1,300,536	3,225,927	3,573,933	4,989,611	6,526,556	3,606,595	2,146,380
Expected flock size for 2023 (2022 survey)	10,038,093	962,670	4,693,228	884,722	6,664,237	5,249,962	1,841,364	1,495,308	3,348,449	3,814,593	5,078,760	6,837,473	3,851,096	2,226,183
Reported lamb flock size for 2023	9,634,296	520,533	4,069,020	1,094,302	6,672,533	5,056,466	1,609,480	1,244,674	3,337,660	3,425,116	5,122,155	6,588,289	3,658,198	2,064,660
Difference (actual – forecast)	-403,797 -4%	-442,137 -46%	-624,208 -13%	+209,580 +24%	+8,296 0%	-193,496 -4%	-231,884 -13%	-250,634 -17%	-10,789 0%	-389,477 -10%	+43,395 +1%	-249,184 -4%	-192,898 -5%	-161,523 -7%

Breeding ewe flock size: a 3-year perspective

As part of the October 2023 Sheep Producers Intentions Survey, producers were asked to look back and estimate what their breeding ewe flock was in 2022 as well as to look forward and forecast their breeding ewe flock size for 2024. This then provided 3 points in time – the 2022 flock size, the current 2023 flock size and the forecast flock size for 2024. An analysis of this data is shown below.



Breeding ewe flock size: a 3-year perspective

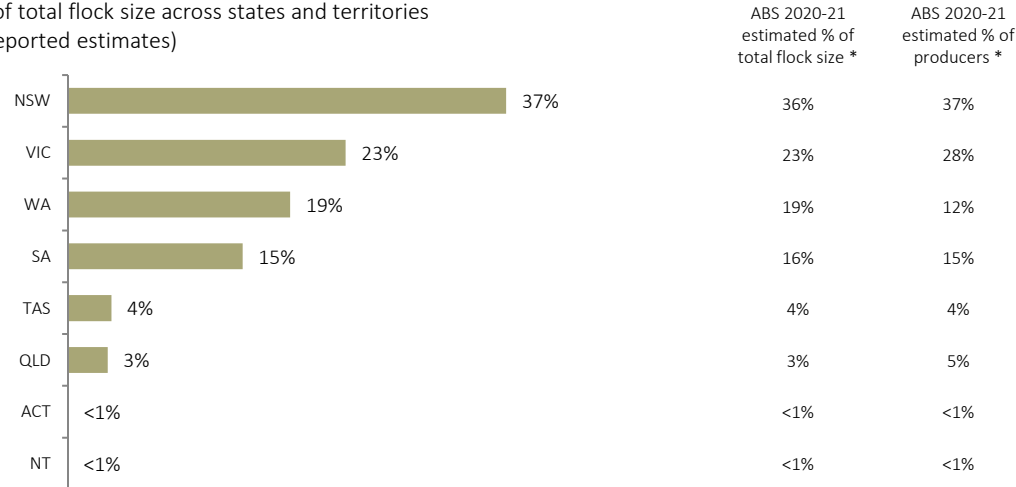
	State						Total Flock Size (sheep and lambs)							
	NSW	QLD	SA	TAS	VIC	WA	Less than 500	500 – < 1,000	1,000 – < 2,000	2,000 – < 3,000	3,000 – < 5,000	5,000 – < 10,000	10,000 – < 20,000	20,000 or more
<i>Base:</i>	572	56	272	45	384	379	245	197	302	256	297	266	106	40
Increase from 2023 to 2024	22%	35%	18%	48%	22%	14%	24%	20%	20%	23%	16%	19%	16%	21%
2022 -> Increase 2023 -> Increase 2024	13%	18%	12%	24%	9%	6%	14%	7%	9%	10%	9%	13%	11%	14%
2022 -> Same 2023 -> Increase 2024	3%	2%	3%	0%	3%	2%	2%	2%	2%	4%	2%	3%	1%	5%
2022 -> Decrease 2023 -> Increase 2024	6%	15%	3%	24%	10%	6%	8%	10%	9%	8%	5%	3%	4%	2%
No change	30%	16%	32%	30%	34%	31%	34%	32%	23%	29%	29%	23%	29%	17%
2022 -> Increase 2023 -> Same 2024	11%	2%	11%	21%	10%	9%	11%	10%	9%	8%	15%	12%	13%	5%
2022 -> Same 2023 -> Same 2024	12%	14%	12%	5%	15%	13%	14%	15%	10%	16%	11%	10%	13%	11%
2022 -> Decrease 2023 -> Same 2024	6%	0%	9%	4%	8%	9%	10%	8%	5%	4%	4%	1%	3%	1%
Decrease from 2023 to 2024	49%	49%	51%	21%	44%	55%	41%	48%	57%	49%	55%	57%	56%	62%
2022 -> Increase 2023 -> Decrease 2024	27%	16%	29%	9%	17%	21%	18%	24%	28%	22%	26%	33%	33%	36%
2022 -> Same 2023 -> Decrease 2024	6%	9%	7%	4%	9%	11%	7%	7%	9%	8%	10%	9%	12%	15%
2022 -> Decrease 2023 -> Decrease 2024	16%	24%	15%	9%	18%	23%	17%	17%	20%	18%	18%	15%	11%	12%



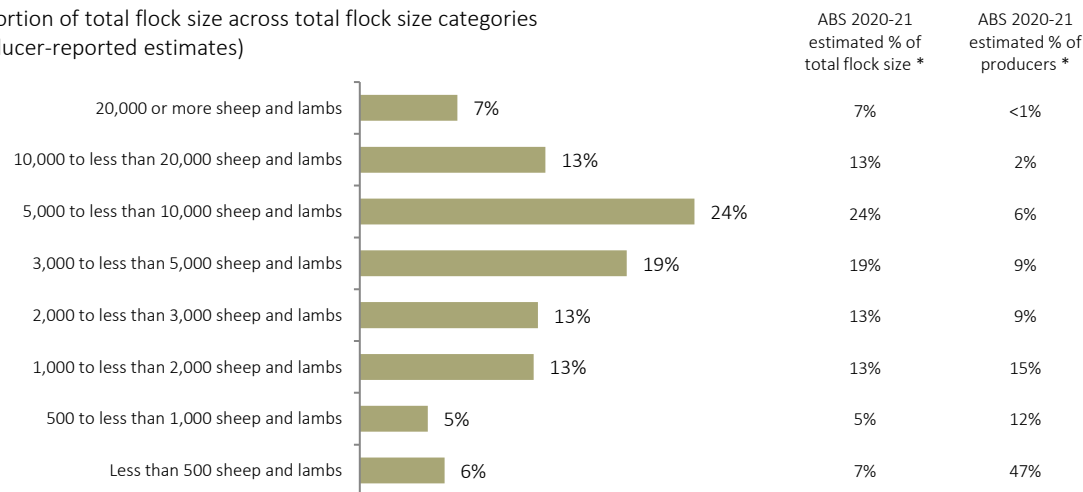
attachments

Estimates of total flock size

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



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



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

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

Flock Categories

Breeding ewes	Breeding ewes (including ewe lambs and hoggets intended for breeding).
Lambs	Lambs producers had after lambing but before sales (not including ewe lambs and hoggets intended for breeding).

Sheep Breeds

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.

Lamb Sales Periods

Sales completed	Actual sales made by producers this spring up to the point of interview.
EOY Sales	Expected sales to be made in the remaining spring flush and the period up to 31 December 2022.
Sales next year	Expected sales of lambs in the first half of 2023.

Sales Channels

Saleyard auction
Paddock sales
Over the hooks
Forward price contracts
Online (e.g. AuctionsPlus, Farmgate Auctions)
Some other way

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 October 2023 survey used a mixed-method approach. Producers with email contact details were provided with the opportunity to respond to an online survey invitation. After 3 reminders, phone surveys were used as the method to ‘top up’ the final sample of respondents.

Sample lists A list of producers was provided by MLA and AWI separately, These lists were merged, de-duped and producers who had requested not to be contacted for market research removed.

Questionnaire A 15-minute questionnaire was used to collect the required information. The survey questionnaire covered the following topic areas:

- Producer sentiment and outlook – on the wool sector, on the sheepmeat sector, on input prices, wool prices, lamb prices and access to skilled labour;
- Flock size estimates (flock estimates included breeding ewes and lambs)
- Lamb flock profiles
- Producer intentions (for their lamb flock and breeding ewe flock)

Sample size A total of n = 1,709 responses were provided by producers as follows:

	Overall	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
# of surveys	n = 1,709	n = 1	n = 572	n = 0	n = 56	n = 272	n = 45	n = 384	n = 379

Timing The interviewing was undertaken between the 29th September – 8th November 2023.

Weighting The survey results were weighted. A description of the weighting process used for the October 2023 Sheep Producers Intentions Survey follows next.

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 final weighting matrix was then used to weight the October 2023 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)

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.

Survey Estimate	Margin of Error for a given sample size and survey estimate	Sample Size
		1,709 (total surveys completed)
10%		± 1.42%
20%		± 1.90%
30%		± 2.17%
40%		± 2.32%
50%		± 2.37%
60%		± 2.32%
70%		± 2.17%
80%		± 1.90%
90%		± 1.42%

	Estimated Population	Sample Size	Margin of Error (assuming max survey estimate of 50%)
Australia	40,949	1,709	± 2.37%
NSW	14,981	572	± 4.10%
VIC	11,445	384	± 5.00%
QLD	1,881	56	± 13.10%
SA	5,980	272	± 5.94%
WA	5,107	379	± 4.84%
TAS	1,522	45	± 14.61%
NT	1	0	n/a
ACT	32	1	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 $n(1-\hat{p}) < 10$).



Sheep Producers Intentions Survey OCTOBER 2023

Sheep Producers Intentions Survey October 2023

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



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