

# final report

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## **Collection of key performance indicator data for the lamb and sheepmeat industry**

Meat & Livestock Australia acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this publication.

## ABSTRACT

SCSB.016 "Collection of Key Performance Indicator data for the lamb and sheepmeat industry – Victoria" provided a tool to monitor industry compliance against pre-defined key performance indicators (KPIs). This enables measurement and assessment of industry change, and assists in evaluating the effectiveness of a number of MLA projects

The project found that between June 2002 and June 2004;

- There has been an increase in lamb slaughter numbers, with a high of 88,685 lambs per week (lpw) in January to June 2004 compared with only 67,000 a year earlier.
- The number of lambs sourced Over The Hooks (OTH) declined slightly, however the number of lambs sourced on farm has increased. OTH and on farm purchases were positively correlated to lamb slaughter.
- There was a decline in the percentage of lambs in the <18kg and the 18 to 22kg categories, offset by an increase in the percentage of lambs in the 22 to 24kg and the >24kg categories.
- There was a small increase in the percentage of fat score three lambs processed in Victoria, with a decline in the percentage of fat score 1, 4 and 5 lambs.
- While the percentage of fat score 3 lambs has increased to around 40% of total lambs slaughtered, more than half of lambs still do not meet the desired market specifications for fat cover.
- About 25% of lambs were sourced through alliances regardless of total lamb slaughter.
- Most sheep slaughtered were <18kg fat score 1. An increase in weight and fact score could significantly boost the value of the mutton trade.

## EXECUTIVE SUMMARY

SCSB.016 "Collection of Key Performance Indicator Data for the lamb and sheepmeat industry – Victoria" operated from July 2002 to September 2004, with survey data compiled and reported on a six monthly basis.

Staff employed within the project were Nick Linden (Rutherglen) and Stuart Warner (Benalla).

To provide an overview of industry performance, slaughter details of lambs and sheep was monitored via processor surveys of slaughter data, including method of purchase, weekly throughput and percentage of lambs and sheep fitting different weight and fat scores.

### *Slaughter numbers and purchase method*

The highest lamb slaughter was 88,685 lambs per week (lpw) in January to June 2004 compared with only 67,000 a year earlier. The increase in lamb slaughter is due to a number of factors including;

- An increase in sheep sales with an easing of drought conditions
- High market prices leading to many Merino ewes mated to terminal sires
- Industry initiatives such as the MLA "Primetime" campaign encouraging farmers to produce more lambs

While lamb slaughter numbers in Victoria have increased, the high returns for lamb compared to wool and reliable environmental conditions compared to other parts of Australia means that there is still potential for major increases in lamb production.

The sheep slaughter (hoggets and older), peaked in January - June 2003 (the period with the lowest weekly lamb slaughter) at 27,710 sheep per week. This would indicate that to maintain a critical mass of stock being processed, processors have increased their sheep slaughter when lambs have been hard to source.

The number of lambs sourced Over The Hooks (OTH) declined slightly, from 36% in January - June 2003, to 29% in January - June 2004. At the same time, the percentage of lambs sourced on farm increased from 9% to 13%. Both OTH and on farm purchases were positively correlated to lamb slaughter levels. Overall, the number of lambs traded directly between farmers and processors remained relatively stable at around 42-45%.

It appears that fewer processors offered forward contracts between January and June 2004 to procure lambs on an OTH basis. Anecdotal evidence suggests that having identified suppliers of quality lambs through OTH trading, processors are now dealing directly with these people and have shifted towards purchasing lambs directly.

The percentage of sheep sourced OTH was less than 1% of sheep slaughtered. On-farm purchases make up a large percentage of the sheep slaughter, up to 25% in July - December 2003.

*Compliance to specification*

Between 2002 and 2004, 18 to 22kg lambs occupied the largest percentage of the Victorian lamb slaughter, reaching 50% in January - June 2003. However, there was a decline in the percentage of lambs in the <18kg and the 18 to 22kg categories, offset by an increase in the percentage of lambs in the 22 to 24kg and the >24kg categories. This increase in slaughter weights is likely to be due to;

- Improved seasonal conditions allowing farmers to turn off lambs at higher weights
- Farmers altering their pasture and animal management strategies to turnoff lambs to meet market specifications.
- More lambs being finished in intensive systems.

Between 2002 – 2004 there was a small increase in the percentage of fat score three lambs processed (from 36% to 42%), with a decline in the percentage of fat score 1, 4 and 5 lambs. This suggests that producers are aware of the importance of market specifications. However, with less than half of the lambs produced meeting the ideal fat score targets, there is still a major need to develop and promote management strategies to enable a higher percentage of lambs to grown in Victoria to fit the target specification of fat score three.

For all reporting periods, the greatest percentage of sheep slaughtered were <18kg, while the lowest percentage of sheep slaughtered were those >24kg. This represents an area for possible value adding for the Victorian sheep industry. MLA figures (Ian Ross, 2004) indicate that a 20kg fat score 2 sheep returns \$25 more wholesale value than a 17kg fat score 1 sheep. If half of the <18kg sheep slaughtered in Victoria were taken through to 20-22kg carcass weights this would correspond to an increase in wholesale value of around \$160,000 per week. Additional benefits of heavier carcass weights with higher percentages of boneless meat are that the processing costs per kg of boneless meat are reduced in the order of 20%.

*Use of alliances*

The proportion of lambs sourced through alliances peaked at 31% in July to December 2003, contrasted by a low of 24% in January to June 2003.

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# 1. WEEKLY SLAUGHTER LEVELS AND METHOD OF PURCHASE

## 1.1 Lambs

The average weekly lamb slaughter in Victoria, between July 2002 and June 2004 is shown in Table 1.

Slaughter numbers increased from 67,749 lpw in January – June 2003, to 88,685 lpw in January – June 2004 (Table 1).

Table 1. Average weekly lamb slaughter levels and purchase method for Victoria, July 2002 until June 2004.

	Over the hooks		On farm		Total
	No.	%	No.	%	
Peak:trough ratio*	1.1		1.6		1.3
July – Dec 2002	25,526	32	7,209	9	80,065
Jan – Jun 2003	24,067	36	6,285	9	67,749
July – Dec 2003	24,133	32	8,968	12	76,020
Jan – Jun 2004	26,075	29	11,410	13	88,685
* Peak:trough ratio = maximum reporting period value/minimum reporting period value					

Whilst there are insufficient data points to be conclusive, a general trend can be observed where, as supply decreases, price increases and vice versa (Figure 1). The final six months provide an anomaly to this trend, where there were increasing prices, coupled with increasing slaughter numbers.

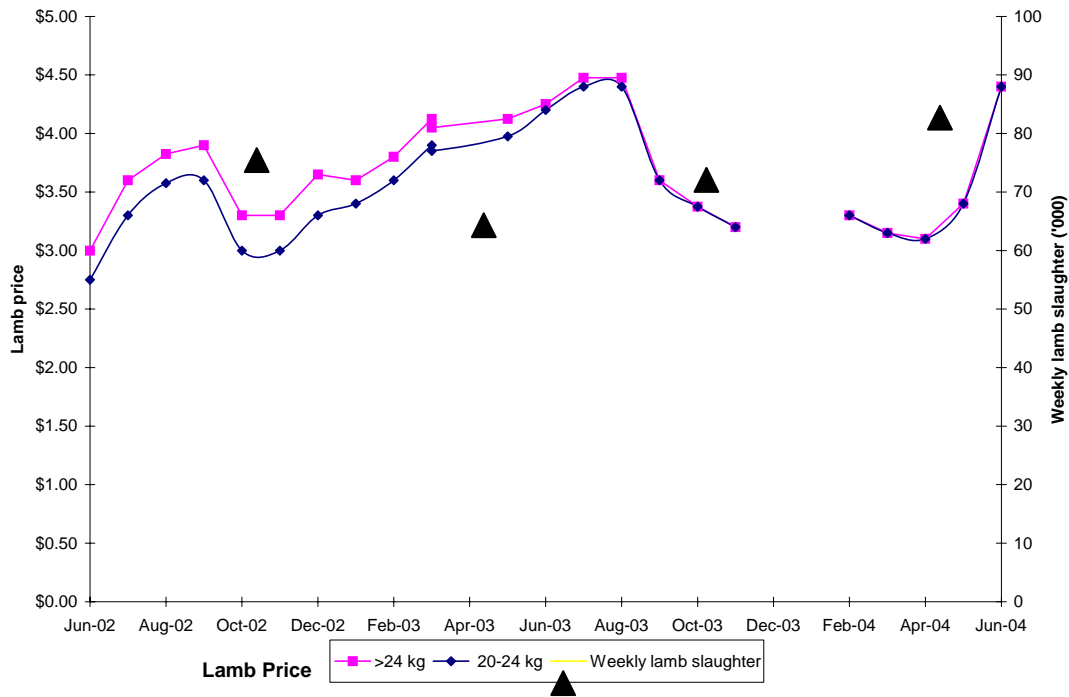


Figure 1. Average weekly lamb slaughter versus average price received, July 2002 until June 2004.

Despite having the highest lamb slaughter, January - June 2004 corresponded to the lowest percentage (29%) of lambs being sourced OTH. The highest percentage of lambs sourced OTH (36%) occurred in the period with the lowest lamb slaughter, January - June 2003 (Table 1). January - June 2003 with the lowest lamb slaughter, corresponded with the highest sheep slaughter (Table 2).

The low percentage of lambs sourced OTH in January - June 2004 was mirrored by the lowest percentage of processors (63%) using OTH as a means of sourcing slaughter stock. Similarly, the high OTH purchases of January - June 2003 was matched by a high of 81% of processors sourcing lambs OTH.

As the number of lambs sourced on an OTH basis has declined over the project, the number of lambs sourced on farm has increased (from 9% in July 2002 until June 2003 to 13% for January - June 2003).

The number of lambs sourced OTH was more consistent than lambs sourced on farm, with a peak to trough ratio of 1.1 for OTH purchases and 1.6 for on farm purchases (Table 1). Slaughtered lambs that have not been sourced either OTH or on farm are assumed to be procured through the saleyards.

## 1.2 Sheep

Sheep slaughter showed more variation than lamb slaughter numbers. The high sheep slaughter of 27,710 (January - June 2003) relative to the low of 18,410 (July - December 2002) gives a peak to trough ratio of 1.5, compared to a peak to trough ratio of 1.3 for lambs.

The peak sheep slaughter that occurred in January - June 2003 corresponded with the lowest lamb slaughter.

Table 2. Average weekly sheep slaughter levels and purchase method for Victoria, July 2002 - June 2004.

	Over the hooks		On farm		Saleyards		Total
	No.	%	No.	%	No.	%	
July – Dec 2002	485	2.5	3,570	19	14,360	78	18,410
Jan – Jun 2003	100	<1	6,273	23	21,337	77	27,710
July – Dec 2003	95	<1	6,005	25	18,300	75	24,400
Jan – Jun 2004	116	<1	5,050	21	19,434	79	24,600

Use of OTH as a means of securing sheep for slaughter is limited, and was generally confined to a single processor, representing 10% of the respondents that processed sheep meat. From January 2003 until June 2004, the number of sheep sourced OTH was less than 1% of total sheep slaughter (Table 2). In contrast, on farm purchases are widely used. A high of 50% of processors purchased sheep on farm in both July - December 2003 and January - June 2004.

On farm purchases accounted for a low of 19% of the weekly sheep slaughter in July - December 2002, and a high of 25% in July - December 2003 (Table 2).

The dominant means of sourcing slaughter sheep is through the saleyards varying from 79% in January - June 2004, to 75% in July - December (Table 2).

## 2. WEIGHT AND FAT DETAILS OF SLAUGHTERED STOCK

### 2.1 Lambs

Over time there was a decrease in the percentage of lambs in the <18kg and the 18 to 22kg categories. This was offset by an increase in the percentage of lambs in the 22 to 24kg and the >24kg categories.



The greatest percentage of lambs in the <18kg category (21.3%) occurred in July - December 2002, with the lowest percentage (15.6%) occurring in January - June 2003. While having the greatest percentage of <18kg lambs, July - December 2002 also had the lowest percentage of >24kg lambs (8.9%) (Table 3).

The percentage of >24kg lambs continually increased, reaching a maximum 17.8% in January - June 2004 (Table 3).

*Table 3. Percentage of lambs, by weight category, slaughtered per week in Victoria, July 2002 until June 2004.*

	< 18 kg	18 to 22kg	22 to 24kg	>24kg
July – Dec 2002	21.3	42.4	27.3	8.9
Jan – Jun 2003	15.6	49.7	25.5	9.2
July – Dec 2003	16.5	46.3	22.9	14.3
Jan – Jun 2004	17.7	34.8	29.8	17.8
Corresponding numbers of lambs (as opposed to percentages) are listed in Appendix A.				

Throughout the monitoring period, 18 to 22kg lambs occupied the largest percentage of the Victorian lamb slaughter, reaching a peak of 49.7% in January - June 2003. The lowest percent (34.8%) of 18 to 22kg lambs occurred in January - June 2004 (Table 3). 22 to 24kg lambs were the second largest group of lambs processed in Victoria.

There has been an increase in the percentage of fat score 3 lambs being processed in Victoria. At the same time, there has been a decline in the percentage of fat score 1, 4 and 5 lambs processed in Victoria (Table 4).

*Table 4. Percentage of lambs, by fat score, slaughtered per week in Victoria, July 2002 until June 2004.*

	FS 1	FS 2	FS 3	FS 4	FS 5
July – Dec 2002	5.4	29.1	36.1	23.0	6.3
Jan – Jun 2003	5.8	35.7	35.5	18.5	4.6
July – Dec 2003	4.8	35.6	36.5	18.5	4.7
Jan – Jun 2004	3.4	29.5	41.6	20.3	5.2
Corresponding numbers of lambs (as opposed to percentages) are listed in Appendix A.					

At all times the greatest percentage of lambs processed were fat score 3. The percentage of fat score 3 lambs increased from 35.5% in January - June 2003, to 41.6% in January - June 2004 (Table 4).

The percentage of fat score 1 lambs decreased from 5.8% in January - June 2003, to 3.4% in January - June 2004. The percentage of fat score 5 lambs has also decreased slightly from 6.3% to 5.2% (Table 4).

On a weight and fat score basis, the greatest percentage of lambs in July - December 2002 (16.9%) and January - June 2004 (16.4%) were 18 to 22kg, fat score 3. In January - June 2003 and July - December 2003 the greatest percentage of lambs, 22.7% and 21% respectively, were 18 to 22kg, fat score 2.

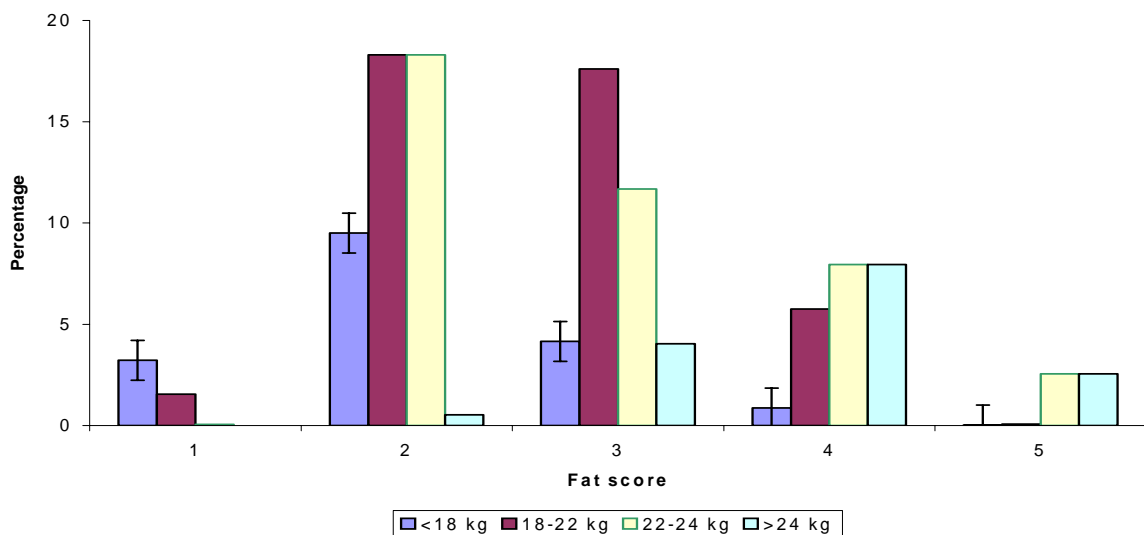


Figure 2. Percentage of all lambs for weight and fat score, July 2002 until June 2004.

Weight and fat interactions were highly significant ( $P < 0.001$ ) with heavier weight categories having higher percentages of fatter lambs. The majority of lambs processed in Victoria from July 2002 until June 2004 were 18-22 kg, and 22-24 kg fat score 2 and 3 (Figure 2).

## 2.2 Sheep

The greatest percentage of sheep slaughtered in Victoria were <18kg, while the lowest percentage of sheep slaughtered were those >24kg (Table 5).

The percentage of sheep <18kg increased from 41% in July - December 2002 to 52.6% in January - June 2004. Slightly heavier 18 to 20Kg sheep made up around 20% of sheep slaughtered throughout the project (Table 5).

Table 5. Number and percentage of sheep by weight category, slaughtered per week in Victoria, July 2002 until June 2004.

Weight (HSCW)	<18 kg		18 – 20 kg		20 – 22 kg		22 – 24 kg		>24 kg		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
July – Dec 2002	7,550	41	3,792	21	4043	22	2273	12	752	4	18,410
Jan – Jun 2003	13,413	48.4	5,955	21.5	4962	17.9	2,925	10.6	455	1.6	27,710
July – Dec 2003	12,980	53	5,286	22	3630	15	2,085	9	419	2	24,400
Jan – Jun 2004	12,950	52.6	4,845	19.7	3380	13.7	2,500	10.2	925	3.8	24,600

## 3. NUMBER OF LAMBS PURCHASED THROUGH SUPPLY CHAINS

The number of lambs sold through alliances peaked at 31% in July - December 2003. This was contrasted by a low of 24% in January - June 2003. The period of lowest supply of lambs through alliances occurred at the same time as the lowest weekly lamb slaughter (Table 6).

Table 6 Estimated alliance throughput in Victoria, July 2002 until June 2004.

	Estimated alliance throughput (lambs per week)		Total number of lambs slaughtered per week in Victoria
	No.	%	
July – Dec 2002	20,086	25	80,065
Jan – Jun 2003	16,426	24	67,749
July – Dec 2003	23,758	31	76,020
Jan – Jun 2004	22,125	25	88,685
Peak to trough ratio	1.3		1.3

The number of lambs sold through alliances had the same variation as the total number of lambs slaughtered in Victoria, both with peak to trough ratios of 1.3 (Table 6).

There appears to be a strong trend that irrespective of the total lamb slaughter numbers, alliances will provide approximately 25% of total lamb throughput. Main alliances were Casmark, Coles and Pacific ALC.

## 4. APPENDICES

### 4.1 Appendix A. Percentage and number of lambs, by weight and fat score, processed in Victoria, July 2002 until June 2004.

Table 7. Number of lambs, by weight and fat score, processed in Victoria, July 2002 - June 2004.

Weight and fat score	Fat score 1			
	Jul – Dec 2002	Jan – Jun 2003	July – Dec 2003	Jan – Jun 2004
<18 kg	2,664	2,692	2,231	2,364
18 to 22kg	1,631	1,157	1,385	652
22 to 24kg	105	54	0	0
>24kg	0	0	0	0
Total	4,400	3,903	3,626	3,016
	Fat score 2			
<18 kg	7,331	5,998	7,469	8,998
18 to 22kg	12,245	15,409	15,958	12,625
22 to 24kg	3,513	2,518	2,778	4,302
>24kg	185	254	879	222
Total	23,274	24,179	27,083	26,148
	Fat score 3			
<18 kg	5,347	1,471	2,250	4,133
18 to 22kg	13,548	12,899	13,782	14,506
22 to 24kg	7,822	8,357	7,971	12,533
>24kg	2,173	1,352	3,707	5,728
Total	28,890	24,079	27,710	36,900

	<b>Fat score 4</b>			
<18 kg	1,626	315	610	180
18 to 22kg	6,291	4,264	4,074	3,026
22 to 24kg	7,291	4,714	4,980	8,089
>24kg	3,240	3,224	4,401	6,679
Total	18,448	12,517	14,064	17,975
	<b>Fat score 5</b>			
<18 kg	111	0	0	0
18 to 22kg	246	0	0	17
22 to 24kg	3,145	1,610	1,649	1,480
>24kg	1,551	1,461	1,887	3,151
Total	5,053	3,071	3,536	4,648
	<b>All fat scores</b>			
<18 kg	17,079	10,476	12,560	15,675
18 to 22kg	33,961	33,729	35,199	30,826
22 to 24kg	21,876	17,253	17,387	26,404
>24kg	7,149	6,291	10,874	15,780
Total	80,065	67,749	76,020	88,685

Table 8. Percentage of lambs, by weight and fat score, processed in Victoria, July 2002 - June 2004.

Weight and fat score	Fat score 1			
	Jul – Dec 2002	Jan – Jun 2003	Jul – Dec 2003	Jan – Jun 2004
<18 kg	3.3	4.0	2.9	2.7
18 to 22kg	2	1.7	1.8	0.7
22 to 24kg	0.1	0.1	0	0
>24kg	0	0	0	0
Total	5.4	5.8	4.8	3.4
	Fat score 2			
<18 kg	9.2	8.9	9.8	10.1
18 to 22kg	15.3	22.7	21	14.2
22 to 24kg	4.4	3.7	3.7	4.9
>24kg	0.2	0.4	1.2	0.3
Total	29.1	35.7	35.6	29.5
	Fat score 3			
<18 kg	6.7	2.2	3.0	4.7
18 to 22kg	16.9	19.0	18.1	16.4
22 to 24kg	9.8	12.3	10.5	14.1
>24kg	2.7	2.0	4.9	6.5
Total	36.1	35.5	36.5	41.6
	Fat score 4			
<18 kg	2.0	0.5	0.8	0.2
18 to 22kg	7.9	6.3	5.4	3.4
22 to 24kg	9.1	7.0	6.6	9.1
>24kg	4.0	4.7	5.8	7.5
Total	23.0	18.5	18.5	20.3

	<b>Fat score 5</b>			
<18 kg	0.1	0	0	0
18 to 22kg	0.3	0	0	0
22 to 24kg	3.9	2.4	2.2	1.7
>24kg	1.9	2.2	2.5	3.6
Total	6.3	4.6	4.7	5.2
	<b>All fat scores</b>			
<18 kg	21.3	15.6	16.5	17.7
18 to 22kg	42.4	49.7	46.3	34.8
22 to 24kg	27.3	25.5	22.9	29.8
>24kg	8.9	9.2	14.3	17.8



## 4.2 Appendix B. DPI Processor survey

Victorian Lamb and Sheepmeat Consistency Program

Company Questionnaire for period 1<sup>st</sup> January 2004 to 30<sup>st</sup> June 2004.

Please return to Nick Linden, Product Development Officer, Lamb

**FAX 02 6030 4600**

Company name : \_\_\_\_\_

What number of lambs and sheep did you purchase and by what method ?

Purchase Method	Number of lambs/week (or %)	Number of sheep/week (or %)
Over The Hooks (inc. CALM)		
On contract OTH's.		
On farm/in paddock sales.		
Saleyards		
<b>NUMBER PURCHASED/WEEK</b>		

What was the % of lambs meeting the following weight and fat specifications ?

% by weight only	Weight kg's (HSCW)	% by Weight and Fat Score				
		1	2	3	4	5
	Less than 18 kg's					
	18 to 22 kg's					
	22 to 24 kg's					
	24+ kg's					

What was the % of sheep meeting the following weight specifications ?

% Weight				
Less than 18kg's	18-20 kg's	20-22 kg's	22-24 kg's	24+ kg's

### 4.3 Appendix C. Six monthly reports (July 2002 until December 2003).

SCSB.016 "Collection of Key Performance Indicator Data for the Lamb and Sheepmeat Industry - Victoria"

Half yearly report: Six months to 31/12/03

Nominated persons	Nick Linden	Stuart Warner
Location	Rutherglen RMB 1145 Rutherglen Vic, 3685	Werribee PO Box 124 600 Sneydes Rd Vic, 3030
Telephone	02 6030 4500	03 9742 0444
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Rutherglen



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## 1. Summary

Abattoir data has been collected via a mail survey, with follow up phone calls to individual processors. Where possible, abattoirs have been visited by Product Development Officers (PDO) to facilitate the exchange of information.

### Compliance to specification

In Victoria 76,020 lambs were identified as being processed per week between July and December 2003. The majority (21%) were fat score 2 in weight range 18-22 kg. No fat score 1, > 24kg lambs and no fat score 5 lambs < 22kg were identified over the same period.

For the same period and location 24,400 sheep were identified as being processed per week, the majority (53%) were < 18kg, with only 2% of processed sheep > 24kg.

### Purchase method

The use of Over The Hooks (OTH) and on-farm purchases as a means of sourcing slaughter stock is considerably higher for lamb than for other sheepmeats. 72% of lamb processors utilised OTH trading, which accounted for 32% of all lambs processed. Comparatively, only one processor of sheep used OTH to source stock. This accounted for less than 1% of the known weekly slaughter.

Whilst there is little variation in the use of OTH in the sheepmeat industry (maximum use was 5% by one respondent) there is considerable variation in numbers of stock sourced on-farm. 50% of respondents purchased sheep on-farm, with one processor sourcing 40% of their weekly sheep requirements directly on-farm.

### Use of alliances

31% of identified lambs were traded through one of five existing alliances. One processor was identified as using forward contracts to secure a supply of sheepmeat.

## 2. Weekly slaughter levels and method of purchase

### 2.1 Lambs

For the known lamb slaughter of 76,020 lambs per week (lpw), 24,133 lpw have been traded on an OTH basis from July to December 2003, representing 32% of processed lambs (Table 1). A further 8,968 lpw (12%) have been purchased on-farm.

There is considerable variation between processors use of OTH as a means of sourcing lambs for slaughter (Table 1). The greatest percentage of lambs traded OTH was 70%, with a minimum of 0. On-farm purchases shows less variation with a peak of 25% and a low of 0.

Most processors (72%) traded some lambs on an OTH basis, with 61% of them purchasing lambs directly on-farm.

Table 1 Lamb slaughter numbers and purchase method, July to December 2003.

Company	Weekly kill	OTH %	OTH No.	On-Farm %	On-Farm No.
1	4,500	5%	225	10%	450
2	5,000	10%	500	5%	250
3	2,500*	65%*	1,625	5%*	125
4	3,000*	45%*	1,350	15%*	450
5	1,900	10%	190	25%	475
6	1,300	10%	130	20%	260
7	4,000	20%	800	8%	320
8	12,500*	50%*	6,250	25%*	3,125
9	13,000	70%	9,100	0	0
10	2,500	50%	1,250	20%	500
11	300	0	0	0	0
12	8,000	8%	640	8%	640
13	1,400	0	0	0	0
14	120*	70%*	84	0*	0
15	3,000	15%	450	15%	450
16	13,000	0	1,539	0	1,923
<b>Total known</b>	<b>76,020</b>	<b>32%</b>	<b>24,133</b>	<b>12%</b>	<b>8,968</b>
* Figures estimated from previous interviews.					

## 2.2 Sheep

Most (63%) respondents processed sheepmeat as well as lamb, there were no respondents processing 100% sheepmeat and no lamb.

Use of OTH and on-farm purchasing was lower for sheepmeat than for lamb. Of the 24,400 sheep slaughtered per week, < 1% of sheep were sourced OTH. Only one processor (10% of respondents) used OTH as a means of sourcing sheepmeat (Table 2).

Table 2 Sheep slaughter numbers and purchase method, July to December 2003.

Company	Weekly kill	OTH %	OTH No.	On-Farm %	On-Farm No.	Saleyards %	Saleyards No.
1	500	0	0	0	0	100%	500
2	1,000	0	0	0	0	100%	1,000
3	0	n.a	n.a	n.a	n.a	n.a	n.a
4	0	n.a	n.a	n.a	n.a	n.a	n.a
5	0	n.a	n.a	n.a	n.a	n.a	n.a
6	500	0	0	20%	100	80%	400
7	800	5%	40	0	0	95%	760
8	1,700*	0*	0	15%*	255	85%*	1,445
9	0	n.a	n.a	n.a	n.a	n.a	n.a
10	0	n.a	n.a	n.a	n.a	n.a	n.a
11	13,000*	0	0	40%*	5,200	60%*	7,800
12	2,500	0	0	10%	250	90%	2,250
13	3,000	0	0	0	0	100%	3,000
14	0	n.a	n.a	n.a	n.a	n.a	n.a
15	700*	0*	0	0*	0	100%*	700
16	700	0	0	30%	200	70%	500
Total known	24,400	0	40	25%	6,005	75%	18,355
* Figures estimated from previous interviews.							

Considerably more sheep are purchased on-farm than OTH. On-farm purchases accounted for 25% of the identified weekly sheep slaughter. There is substantial variation in the extent to which processors sourced sheep on-farm. Whilst 50% of processors used on-farm purchasing to source slaughter stock, one processor sourced 40% of slaughter stock on-farm (Table 2).

### 3. Weight and fat details of slaughtered stock

#### 3.1 Lambs

Lambs with a fat score of 2, weighing 18 to 22 kg accounted for the greatest number (15,958) of lpw slaughtered in Victoria, between July and December 2003 (Table 3). This represented 21% of the weekly Victorian lamb slaughter. For the same period there were no fat score 1, > 24kg lambs identified, and no fat score 5 lambs < 22kg.

Table 3 Percentage of lambs by weight and fat score, slaughtered per week in Victoria, July to December 2003.

Weight (HSCW)	Fat score					Total
	1	2	3	4	5	
< 18 kg	2.9%	9.8%	3%	0.8%	0%	<b>16.5%</b>
18 to 22 kg	1.8%	21%	18.1%	5.4%	0%	<b>46.3%</b>
22 to 24 kg	0%	3.7%	10.5%	6.6%	2.2%	<b>22.9%</b>
> 24 kg	0%	1.2%	4.9%	5.8%	2.5%	<b>14.3%</b>
<b>Total</b>	<b>4.8%</b>	<b>35.6%</b>	<b>36.5%</b>	<b>18.5%</b>	<b>4.7%</b>	<b>100%</b>

For all weight grades, fat score 3 lambs formed the majority (36.5%, 27,710 lpw) of slaughtered lambs (Table 3), whilst fat score 5 lambs were the minority (4.7%, 3,536 lpw). The most prevalent weight grade was 18 to 22 kg (46.3%, 35,199 lpw), while 14.3% of slaughtered lambs (10,874 lpw) were greater than 24 kg (Table 4).

Table 4 Number of lambs by weight and fat score, slaughtered per week in Victoria, July to December 2003.

Weight (HSCW)	Fat score					Total
	1	2	3	4	5	
< 18 kg	2,231	7,469	2,250	610	0	12,560
18 to 22 kg	1,385	15,958	13,782	4,074	0	35,199
22 to 24 kg	0	2,778	7,971	4,980	1,649	17,387
> 24 kg	0	879	3,707	4,401	1,887	10,874
Total	3,626	27,083	27,710	14,064	3,536	76,020

### 3.2 Sheep

The majority (53%) of sheep slaughtered in Victoria per week between July and December 2003 were < 18kg (Table 5), only 2% of identified sheep slaughtered in the same period were > 24kg.

Table 5 Number and percentage of sheep by weight category, slaughtered per week in Victoria, July to December 2003.

Weight (HSCW)	< 18 kg		18 to 20 kg		20 to 22 kg		22 to 24 kg		> 24 kg		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
	12,980	53	5,286	22	3,630	15	2,085	9	419	2	24,400

### 4. Number of lambs purchased through supply chains

The 23,758 lambs sold through alliances (Table 6) represents 31% of known slaughtered lambs. This was a 6% increase (from 25%) for the six months from January to June 2003 as identified in the previous reporting period.



Table 6 *Estimated alliance throughput, July to December 2003.*

<b>Alliance</b>	<b>Estimated alliance throughput (lambs per week)</b>
Casmark	9,375
Wannon River	108
Coles	9,100
Pacific, ALC, Hills	5,175
Ararat ( <i>Sheepmeat</i> )	350
<b>Total lambs</b>	<b>23,758</b>
<b>Total all stock</b>	<b>24,108</b>

SCSB.016 "Collection of Key Performance Indicator Data for the Lamb and Sheepmeat Industry - Victoria"


Half yearly report: Six months to 30/6/03

Nominated persons	Nick Linden	Stuart Warner
Location	Rutherglen RMB 1145 Rutherglen Vic, 3685	Benalla PO Box 124 57 Bridge St West Vic, 3672
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Project Leader: Martin Dunstan Warrnambool



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## 1. Summary

Abattoir data has been collected via a mail survey, with follow up phone calls to individual processors. Where possible, abattoirs have been visited by Product Development Officers (PDO) to facilitate the exchange of information.

### *Compliance to specification*

In Victoria 67,749 lambs were identified as being processed per week between January and June 2003. The majority (22.7%) were fat score 2 in weight range 18 - 22 kg's. There were no fat score 1, >24 kg, or fat score 5 <22 kg lambs identified over the same period.

In Victoria 27,710 sheep were processed per week between January and June 2003, the majority (48.4%) were <18kg's, with only 1.6% of processed sheep >24 kg's.

### *Purchase method*

The use of Over The Hooks (OTH) and on-farm purchases as a means of sourcing slaughter stock is considerably higher for lamb than for other sheepmeats. 81% of lamb processors utilised OTH trading, which accounted for 36% of all lambs processed. Comparatively, 17% of respondents who processed sheep sourced stock OTH. This accounted for less than 1% of the known weekly slaughter. Whilst there is generally little use of OTH in the sheepmeat industry, it is interesting to note that one processor was sourcing 40% of sheep requirements on an OTH basis.

There is considerably more sheep sourced on farm than OTH with 40% of processors procuring sheep in this manner. Maximum processor use of on-farm purchases for sheep was the same as for OTH at 40%, with on farm purchases accounting for 23% of sheep processed per week.

### *Use of alliances*

24% of identified lambs were traded through one of five existing alliances. One processor was identified as using forward contracts to secure a supply of sheepmeat.

## 2. Weekly slaughter levels and method of purchase

### 2.1 Lambs

For the known lamb slaughter of 67,749 lambs per week (lpw), 24,067 lpw have been traded on an OTH basis from January to July 2003, representing 36% of processed lambs (Table 1). A further 6,285 lpw (9%) have been purchased on-farm.

There is considerable variation between processors use of OTH as a means of sourcing lambs for slaughter (Table 1). The greatest percentage of lambs traded OTH was 80%, with a minimum of 0. On-farm purchases shows less variation with a peak of 30% and a low of 0.

Most processors (81%) traded some lambs on an OTH basis, with 69% of processors purchasing lambs directly on-farm.

Table 1 Lamb slaughter numbers and purchase method, January to June 2003.

Company	Weekly kill	OTH %	OTH No.	On-Farm %	On-Farm No.
1	3,200	-	0	15%	480
2	5,500	10%	550	10%	550
3	2,000	70%	1,400	5%	100
4	35,000	20%	700	15%	525
5	1,800	10%	180	10%	180
6	1,200	20%	240	20%	240
7	3,500	20%	700	5%	175
8	13,500	60%	8,100	20%	2,700
9	12,900	80%	10,320	-	0
10	2,500	40%	1,000	30%	750
11	200	-	0	30%	60
12	7,000	8%	525*	8%	525
13	1,200*	-	0	-	0
14	90*	80%	72*	-	0
15	150	60%	90	-	0
16	9,509	2%	190	-	0
<b>Total known</b>	<b>67,749</b>	<b>36%</b>	<b>24,067</b>	<b>9%</b>	<b>6,285</b>
* Figures estimated from previous interviews.					

## 2.2 Sheep

Most (75%) respondents processed sheepmeat as well as lamb. There were no respondents processing 100% sheepmeat and no lamb.

Use of OTH and on-farm purchasing was lower for sheepmeat than for lamb. Of the 27,710 sheep slaughtered per week, less than 1% of sheep were sourced OTH. Only 17% of processors used OTH as a means of sourcing sheepmeat (Table 2).

Table 2 Sheep slaughter numbers and purchase method, January to June 2003.

Company	Weekly kill	OTH %	OTH No.	On-Farm %	On-Farm No.	Saleyards %	Saleyards No.
1	150	-	0	15%	23	85%	128
2	900	-	0	-	0	100%	900
3	0	-	0	-	0	-	0
4	0	-	0	-	0	-	0
5	60	40%	24	-	0	60%	36
6	400	-	0	-	0	100%	400
7	500	5%	25	10%	50	85	425
8	3,000*	-	0	20%	600	80	2,400
9	0	-	0	-	0	-	0
10	0	-	0	-	0	-	0
11	13,500	-	0	40%	5,400	60	8,100
12	2,000	-	0	10%	200	90	1,800
13	4,200	-	0	-	0	100	4,200
14	200*	-	0	-	0	100	200
15	300	-	0	-	0	100	300
16	2,500*	-	0	-	0	100	2,500
<b>Total known</b>	<b>27,710</b>	<b>&lt;1%</b>	<b>49</b>	<b>23%</b>	<b>6,273</b>	<b>77%</b>	<b>21,389</b>
* Figures estimated from previous interviews.							

Considerably more sheep are purchased on-farm than OTH. On-farm purchases accounted for 23% of the identified weekly sheep slaughter. There is substantial variation in the extent to which processors sourced sheep on-farm. Whilst 42% of processors used on-farm purchasing to source slaughter stock, one processor sourced 40% of slaughter stock on-farm (Table 2).

### 3. Weight and fat details of slaughtered stock

#### 3.1 Lambs

Lambs with a fat score of 2, weighing 18 to 22 kg's accounted for the greatest number (15,409) of lambs per week slaughtered in Victoria, between January and July 2003 (Table 3). This represented 22.7% of the weekly Victorian lamb slaughter. For the same period there were no fat score 1, >24 kg's lambs identified, and no fat score 5 lambs <22 kg's.

Table 3 Percentage of lambs by weight and fat score, slaughtered per week in Victoria, January to June 2003.

Weight (HSCW)	Fat score					Total
	1	2	3	4	5	
<18 kg's	4.0%	8.9%	2.2%	0.5%	0%	15.6%
18 to 22 kg's	1.7%	22.7%	19.0%	6.3%	0%	49.7%
22 to 24 kg's	0.1%	3.7%	12.3%	7.0%	2.4%	25.5%
>24 kg's	0%	0.4%	2.0%	4.7%	2.2%	9.2%
<b>Total</b>	<b>5.8%</b>	<b>35.7%</b>	<b>35.5%</b>	<b>18.5%</b>	<b>4.6%</b>	<b>100%</b>

For all weight grades, fat score 2 lambs formed the majority (35.7%, 24,179 lpw) of slaughtered lambs (Table 3), whilst fat score 5 lambs were the minority (4.6%, 3,071 lpw). The most prevalent weight grade was 18 to 22 kg's (49.7%, 33,729 lpw), while 9.2% of slaughtered lambs (6,291 lpw) were >24 kg's (Table 4).

Table 4 Number of lambs by weight and fat score, slaughtered per week in Victoria, January to June 2003.

Weight (HSCW)	Fat score					Total
	1	2	3	4	5	
<18 kg's	2,692	5,998	1,471	315	0	10,476
18 to 22 kg's	1,157	15,409	12,899	4,264	0	33,729
22 to 24 kg's	54	2,518	8,357	4,714	1,610	17,253
>24 kg's	0	254	1,352	3,224	1,461	6,291
<b>Total</b>	<b>3,903</b>	<b>24,179</b>	<b>24,079</b>	<b>12,517</b>	<b>3,071</b>	<b>67,749</b>

### 3.2 Sheep

The majority (48.4%) of sheep slaughtered in Victoria per week between January and June 2003 were <18kg's (Table 5). Comparatively, only 1.6% of identified sheep slaughtered in the same period were >24 kg's.

Table 5 Number and percentage of sheep by weight category, slaughtered per week in Victoria, January to June 2003.

Weight (HSCW)	< 18 kg's	18 - 20 kg's	20 - 22 kg's	22 - 24 kg's	> 24 kg's	Total
No. sheep	13,413	5,955	4,962	2,925	455	27,710
% sheep	48.4%	21.5%	17.9%	10.6%	1.6%	100%

### 4. Number of lambs purchased through supply chains

The 16,426 lambs sold through alliances (Table 6) represents 24% of known slaughtered lambs. This was a 1% decline (from 25%) for the previous reporting period from July to December 2002.

In addition to the five alliances trading lambs, one export sheepmeat processor was identified as using contracts to secure a regular supply of stock.

Table 6 Estimated alliance throughput, January to June 2003.

Alliance	Estimated alliance throughput (lambs per week)
Casmark	5,670
Wannon River	90
Rutherglen Premium Lamb	10
Coles	8,256
Pacific, ALC	2,400
Ararat (Sheepmeat)	540
<b>Total lambs</b>	<b>16,426</b>
<b>Total all stock</b>	<b>16,966</b>



SCSB.016 "Collection of Key Performance Indicator Data for the Lamb and Sheepmeat Industry - Victoria"

Half yearly report: Six months to 31/12/02

Nominated persons	Nick Linden	Stuart Warner
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## 1. Summary

Abattoir data has been collected via a mail survey, with follow up phone calls to individual processors. Where possible, abattoirs have been visited by Product Development Officers (PDO) to facilitate the exchange of information.

### *Compliance to specification*

In Victoria 80,065 lambs were identified as being processed per week between July and December 2002. The majority (17%) were fat score 3 in weight range 18-22 kg's. No fat score 1, >24 kg lambs were identified over the same period.

In Victoria 18,410 sheep were processed per week between July and December 2002, the majority (41%) were <18kg's, with only 4% of processed sheep >24 kg's.

### *Purchase method*

The use of Over The Hooks (OTH) and on-farm purchases as a means of sourcing slaughter stock is considerably higher for lamb than for other sheepmeats. 86% of lamb processors utilised OTH trading, which accounted for 32% of all lambs processed. Comparatively, 20% of respondents who process sheep used OTH to source stock. This accounted for only 3% of the known weekly slaughter.

Whilst there is little variation in the use of OTH in the sheepmeat industry (maximum use was 10%) there is considerable variation in numbers of stock sourced on-farm. 40% of respondents purchased sheep on-farm, with two processors sourcing 50% and 70% of their weekly sheep requirements directly on-farm.

### *Use of alliances*

25% of identified lambs were traded through one of six existing alliances. One processor was identified as using forward contracts to secure a supply of sheepmeat.

## 2. Weekly slaughter levels and method of purchase

### 2.1 Lambs

For the known lamb slaughter of 80,065 lambs per week (lpw), 25,286 lpw been traded on an OTH basis from July to December 2002, representing 32% of processed lambs (Table 1). A further 7,209 lpw (9%) have been purchased on-farm.

There is considerable variation between processors use of OTH as a means of sourcing lambs for slaughter (Table 1). The greatest percentage of lambs traded OTH was 80%, with a minimum of 0. On-farm purchases shows less variation with a peak of 20% and a low of 0.

Most processors (86%) traded some lambs on an OTH basis, with 64% of them purchasing lambs directly on-farm.

Table 1 Lamb slaughter numbers and purchase method, June to December 2002.

Company	Weekly kill	OTH %	OTH No.	On-Farm %	On-Farm No.
1	8,000	5%	400	15%	1,200
2	3,000	20%	600	20%	600
3	90	80%	72	0	0
4	1,500	0	0	0	0
5	1,700	0	0	15%	255
6	4,000	5%	200	5%	800
7	2,400	40%	960	20%	480
8	2,500	30%	750	0	0
9	8,000	7.5%	600	7.5%	600
10	13,675	1%	154	1.3%	174
11	*10,000	70%	7,000	0	0
12	*7,000	50%	3,500	20%	1,400
13	*17,000	65%	11,050	10%	1,700
14	1,200	20%	240	0	0
15	Nil	-	-	-	-
<b>Total known</b>	<b>80,065</b>		<b>25,526</b>		<b>7,209</b>
* Figures estimated from previous interviews.					

## 2.2 Sheep

Most (70%) respondents processed sheepmeat as well as lamb, with only one respondent processing 100% sheepmeat and no lamb.

Use of OTH and on-farm purchasing was lower for sheepmeat than for lamb. Of the 18,410 sheep slaughtered per week, only 3% of sheep were sourced OTH. One-fifth of processors used OTH as a means of sourcing sheepmeat (Table 2).

Table 2 Sheep slaughter numbers and purchase method, June to December 2002.

Company	Weekly kill	OTH %	OTH No.	On-Farm %	On-Farm No.	Saleyards %	Saleyards No.
1	1,000	0	0	0	0	100%	1,000
2	400	0	0	0	0	100%	400
3	100	0	0	0	0	100%	100
4	5,500	0	0	0	0	100%	5,500
5	10	0	0	50%	5	50%	5
6	1,500	1%	15	5%	75	96%	1,440
7	Nil	-	-	-	-	-	-
8	Nil	-	-	-	-	-	-
9	2,000	0	0	0	0	100%	2,000
10	1,200	0	0	0	0	100%	1,200
11	2,000	0	0	10%	200	90%	1,800
12	*Nil	-	-	-	-	-	-
13	*Nil	-	-	-	-	-	-
14	Nil	-	-	-	-	-	-
15	4,700	10%	470	70%	3,290	20%	940
<b>Total known</b>	<b>18,410</b>		<b>485</b>		<b>3,570</b>		<b>14,385</b>
* Figures estimated from previous interviews.							

Considerably more sheep are purchased on-farm than OTH. On-farm purchases accounted for 19% of the identified weekly sheep slaughter. There is substantial variation in the extent to which processors sourced sheep on-farm. Whilst 40% of processors used on-farm purchasing to source slaughter stock, one processor sourced 70% of slaughter stock on-farm (Table 2).

### 3. Weight and fat details of slaughtered stock

#### 3.1 Lambs

Lambs with a fat score of 3, weighing 18 to 22 kg's accounted for the greatest number (13,548) of lambs per week slaughtered in Victoria, between July and December 2002 (Table 3). This represented 16.9% of the weekly Victorian lamb slaughter. For the same period there were no fat score 1, >24kg's lambs identified.

Table 3 Percentage of lambs by weight and fat score, slaughtered per week in Victoria, July to December 2002.

Weight (HSCW)	Fat score					Total
	1	2	3	4	5	
< 18 kg's	3.3%	9.2%	6.7%	2.0%	0.1%	<b>21.3%</b>
18 to 22 kg's	2.0%	15.3%	16.9%	7.9%	0.3%	<b>42.4%</b>
22 to 24 kg's	0.1%	4.4%	9.8%	9.1%	3.9%	<b>27.3%</b>
> 24 kg's	-	0.2%	2.7%	4.0%	1.9%	<b>8.9%</b>
<b>Total</b>	<b>5.4%</b>	<b>29.1%</b>	<b>36.1%</b>	<b>23.0%</b>	<b>63%</b>	<b>100%</b>

For all weight grades, fat score 3 lambs formed the majority (36.1%, 28,890 lpw) of slaughtered lambs (Table 3), whilst fat score 1 lambs were the minority (5.5%, 4,400 lpw). The most prevalent weight grade was 18 to 22 kg's (42.4%, 33,961 lpw), while only 8.9% of slaughtered lambs (7,140 lpw) were greater than 24kg's (Table 4).

Table 4 Number of lambs by weight and fat score, slaughtered per week in Victoria, July to December 2002.

Weight (HSCW)	Fat score					Total
	1	2	3	4	5	
< 18 kg's	2,664	7,331	5,347	1,626	111	<b>17,079</b>
18 to 22 kg's	1,631	12,245	13,548	6,291	246	<b>33,961</b>
22 to 24 kg's	105	3,513	7,822	7,291	3,145	<b>21,876</b>
> 24 kg's	0	185	2,173	3,240	1,551	<b>7,149</b>
<b>Total</b>	<b>4,400</b>	<b>23,274</b>	<b>28,890</b>	<b>18,448</b>	<b>5,053</b>	<b>80,065</b>

### 3.2 Sheep

The majority (41%) of sheep slaughtered in Victoria per week between July and December 2002 were <18kg's (Table 5). Comparatively, only 4% of identified sheep slaughtered in the same period were >24kg's.

Table 5. Number and percentage of sheep by weight category, slaughtered per week in Victoria, July to December 2002.

Weight (HSCW)	< 18 kg's		18 to 20 kg's		20 to 22 kg's		22 to 24 kg's		> 24 kg's		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
	7,550	41%	3,792	21%	4,043	22%	2,273	12%	752	4%	18,410

### 4. Number of lambs purchased through supply chains

The 20,086 lambs sold through alliances (Table 6) represents 25% of known slaughtered lambs. This was a 2% decline (from 27%) for the six months from January to June 2002 as identified in VBSC005.

In addition to the six alliances trading lambs, one export sheepmeat processor was identified as using contracts to secure a regular supply of stock.

Table 6 Estimated alliance throughput, July to December 2002.

Alliance	Estimated alliance throughput (lambs per week)
Casmark	7,000
Wannon River	72
Riverside	150
Rutherglen Premium Lamb	10
Coles	8,840
Pacific, ALC	4,014
Ararat (Sheepmeat)	235
<b>Total lambs</b>	<b>20,086</b>
<b>Total all stock</b>	<b>20,321</b>