

Media Release



FUTURE FARM
INDUSTRIES CRC

PROFITABLE PERENNIALS™ FOR AUSTRALIAN LANDSCAPES

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Research review on why Australia no longer rides on the sheep's back

A significant decline in the national sheep flock has got the Future Farm Industries CRC asking what lies ahead for the Australian sheep industry and its implication for future research and development.

The Centre's Board recently convened a series of presentations to consider different perspectives from public and private sector experts on this pressing issue with an eye on realigning research and development efforts if necessary.

Dr Kimbal Curtis, an acknowledged expert on Australia's sheep flock structure, said the national flock is currently estimated to be 71.6 million – the lowest for more than 100 years. He explained that numbers would continue to fall unless there is a decrease in the numbers going to market or an increase in reproduction rates.

Future Farm Industries CRC Research Director Dr Mike Ewing said a combination of factors, such as low wool prices at a time of high grain, meat and sheep exports prices coupled with drought were behind the decline.

“Despite the decline in numbers, sheep remained important for high and sustained profits and risk minimisation – particularly on mixed crop-livestock farms. There is evidence that some factors contributing to the decline have diminished and a more stable phase could now be expected. However, meat production will continue to grow in relative importance to wool,” Dr Ewing said.

“If producers over commit in any one part of their enterprise, it makes it difficult to shift back when the outlook changes. Therefore, having a mixed enterprise is essential to farmers who want to become more resilient and flexible to market conditions.”

Farm Business Consultant Sandy McEachern made it clear during his presentation that a client study showed a core of profitable wool producers would be at the centre of any industry resurgence to revived profitability.

“What the industry needs to get their minds around is that replacing wool with sheep meat does not help increase flock numbers,” Sandy explained.

Through its research programs, Future Farm Industries CRC aims to provide the tools producers need to respond creatively to the current economic climate, but in turn producers need to remember their key business strength lie in their flexibility and diversification.

The Centre's Board will now consider the potential impact of a declining national flock on the organisation's R&D investment port-folio, in particular the areas of meat productivity and wool sustainability.

An in depth article that provides an analysis on the national flock decline and insights into how farmers can best manage short term commodity fluctuations can be found in the December edition of *Future Farm* magazine. Copies can be downloaded from: www.futurefarmcrc.com.au.

Media Enquiries: Greg Lawrence, T: 0429101 675 E: greg.lawrence@futurefarmcrc.com.au
Further information: www.futurefarmcrc.com.au

Future Farm Industries Cooperative Research Centre aims to transform Australian agriculture and rural landscapes by developing and applying Profitable Perennials™ technologies to innovative farming systems and new regional industries.