

Sheep

June Monthly Update



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Key Watchpoints – June

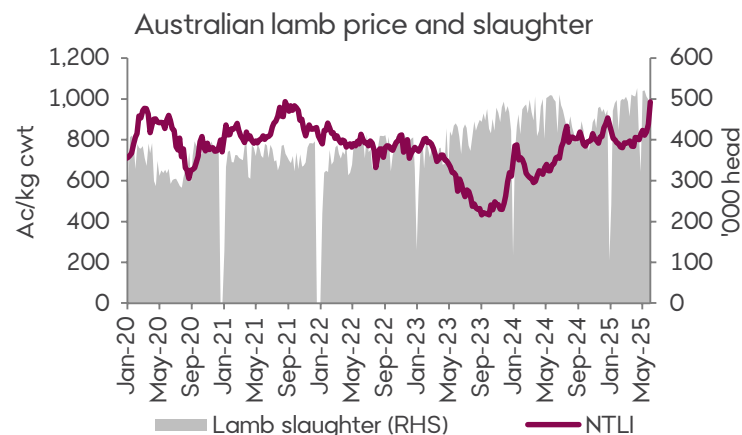
- Lamb markets have firmed on the back of supply disruptions and growing concerns regarding supply shortages throughout the quieter winter months.
- The Australian lamb price record was broken three times in the final week of May, with the new record of \$410/head achieved in Warracknabeal.
- Mutton prices eased in the first half of May before tightening supply pushed prices higher.

Lamb prices reach new heights in May

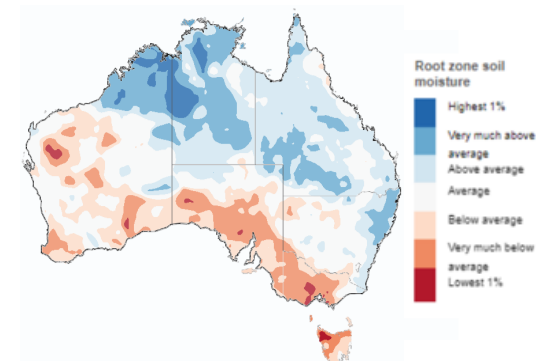
Australian lamb prices edged higher throughout the first half of May, before lifting sharply over the final two weeks of the month. The National Trade Lamb Indicator finished May at 985 c/kg, marking a 16.2 per cent increase month-on-month and is 30.9 per cent above the five-year average. The National Heavy Lamb Indicator lifted above \$10/kg; the first time an Australian lamb indicator has exceeded this barrier - more on this on page two.

Lamb slaughter rates have remained elevated, as weekly lamb slaughter averaged almost 502 thousand head per week in May, down only 0.7 per cent compared to the record rates seen this time last year. Processing rates generally slow down throughout winter as the market awaits the arrival of new season lambs, which should see slaughter rates start to ease over the coming months.

Lamb prices are expected to remain firm throughout June, maybe not at the record levels seen in the last week of May, but still well-above the five-year average. Supply is expected to slow over the next few weeks which will offer support, while the ongoing dry conditions continue to encourage lamb and mutton turn-off which is keeping processing rates up.



Source: MLA



Source: BOM

Lamb record topped 3 times in a week!

The Australian heavy lamb price record was rolled in the last week of May, with previous record exceeded three times in two days. The previous record of \$399.20/head, which was achieved in Wagga Wagga in October 2021, was topped initially in Ballarat on the Tuesday where a pen made \$400/head. Then the following day in Horsham a pen made \$403/head, before later the same day a pen in Warracknabeal made \$410/head. The National Heavy Lamb Indicator climbed to just over 1,000 c/kg, a 100 c/kg lift from the start of the week.

Prices strengthened as ships transporting lambs from Tasmania were not able to sail due to rough seas, while there are also concerns regarding supply shortages as we approach the quieter winter months before new season lambs arrive in spring. The ongoing dry conditions across large areas of southern Australia are expected to reduce production this season, while the high processing rates of both lamb and mutton over the past 12-18 months are also expected to reduce supply.

Mutton markets show volatility in May

The National Mutton Indicator (NMI) has had an interesting May, starting at 625 c/kg, its highest point since June 2022, before falling 120 c/kg to the middle of the month. The NMI then regained almost all the losses over the following two weeks, climbing back to 620 c/kg. At this level, the NMI is up 101.5 per cent year-on-year and 36.3 per cent above the five-year average.

Sheep processing rates have eased in May, with average weekly slaughter totalling 182 thousand head, down 11.1 per cent compared to March and down 18.3 per cent from February levels. Sheep yardings also slowed throughout May, falling from over 140 thousand head in the second selling week to 97 thousand head in the final week of the month.

Prices are expected to remain firm throughout June as supply should continue to tighten for both lamb and mutton, resulting in processors having to compete harder to maintain throughput. Dry conditions throughout South Australia and Victoria will continue to encourage turn-off in the short term, but when conditions improve supply will tighten further.

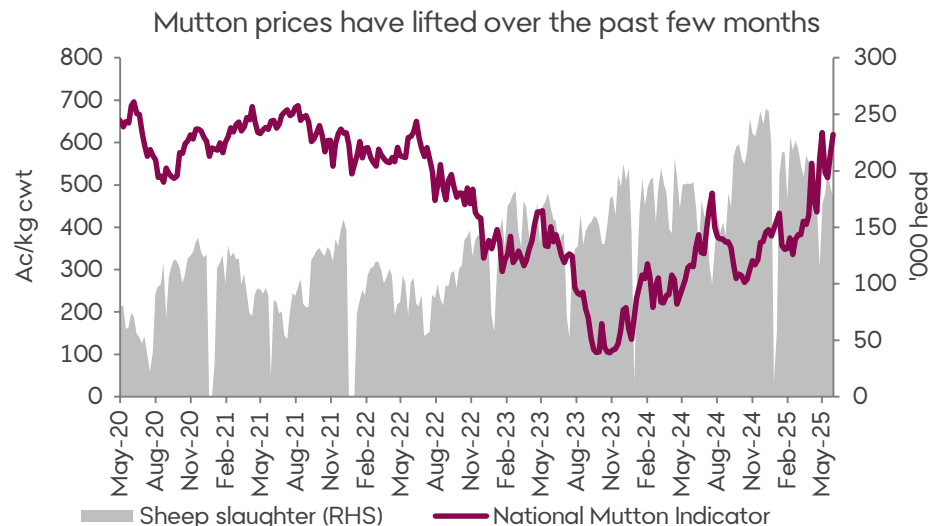
28th May 2025 Warracknabeal \$410 / head

28th May 2025 Horsham \$403 / head

27th May 2025 Ballarat \$400 / head

7th October 2021 Wagga Wagga \$399.20 / head

Source: MLA



Source: MLA

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