

Sheep

May Monthly Update



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Key Watchpoints – May

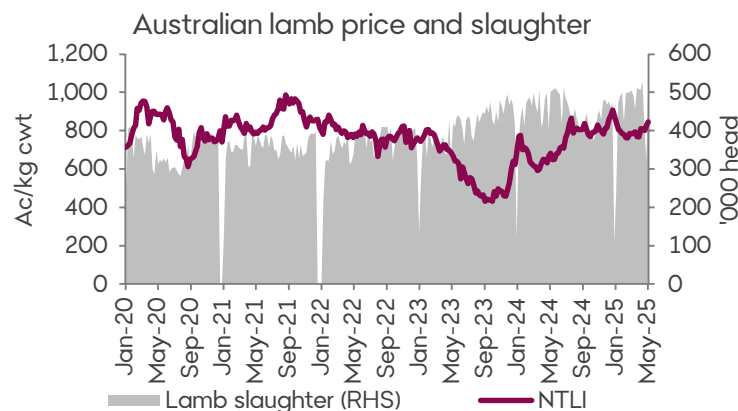
- Lamb markets have lifted over the past few weeks as processors look to maintain throughput and China increases Australia's access.
- Dry conditions continue to impact growers in southeast Australia, with many still waiting for a decent autumn break.
- Mutton prices have strengthened to their highest level since June 2022, how high can they go?

Lamb prices lift in April on improved access to China

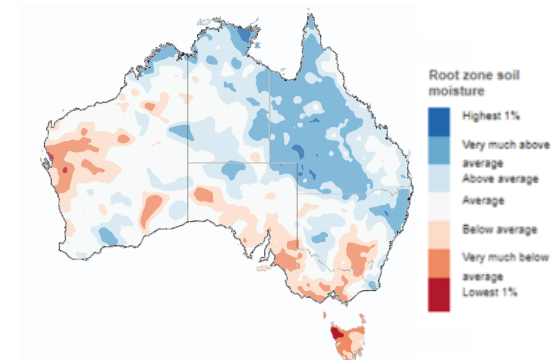
Australian lamb markets have gained ground over the past month, in what has been a disrupted period with the Easter and ANZAC day public holidays. The National Trade Lamb Indicator has lifted 19 cents over the past month to 829c/kg, marking a 161 cent (+24.2 per cent) increase year-on-year. Prices have found support from increased access to the Chinese market, as well as processors having to work harder to maintain processing rates with tightening mutton supply. However, dry conditions continue to promote higher turn-off and reduced re-stocker demand through parts of southeast Australia, with many still looking for decent rainfall.

Lamb processing rates have continued at an elevated level either side of the weeks interrupted by public holidays. Weekly lamb slaughter has consistently exceeded 500 thousand head on the full operating weeks, while comparatively, mutton slaughter appears to be slowing. Lamb slaughter is forecast to remain elevated throughout May but then supply is forecast to slow.

Prices are projected to continue higher through May, as the tightening supply of mutton will see increased buying interest for lambs so that processors can maintain throughput. The dry conditions through South Australia and parts of New South Wales and Victoria are concerning, but a decent autumn break would go a long way towards reducing turn-off. But it is a long way back for some of these seasons, with low stock water availability in some areas also adding to the pressure on growers.



Source: MLA



Source: BOM

China in focus

There has been a lot of talk regarding sheepmeat exports to China over the past few weeks following the announcement to allow new access for ten Australian export establishments and increased access for an additional seven. This confirmation, as well as generally tighter supply, has seen lamb and mutton prices move higher over the past few weeks, and is generally positive news for the industry as markets adjust to the changing trade environment.

It is speculated that the announcement from China is in part driven by the escalating trade tensions with the US. The US is a major supplier of beef into China, and this move will assist China in meeting their domestic protein demands with the tariffs making US beef imports unviable. China is also yet to renew the export licences for 300 US abattoirs – providing an opportunity for Australian red meat exports to increase.

China is the largest individual export market for Australian sheepmeat, taking 37 per cent of the mutton and 24 per cent of the lamb Australia exported in 2024. Year-to-date exports to China of both mutton and lamb have also both increased in 2025.

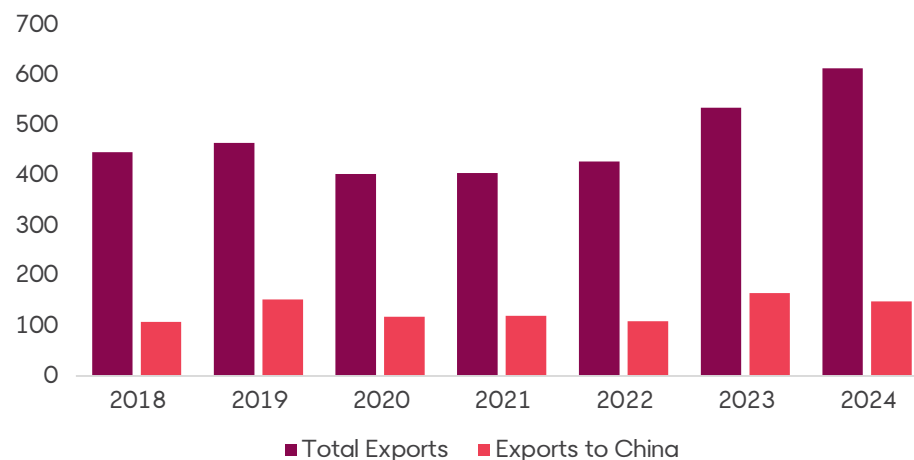
Mutton prices jump as supply tightens and China increases access

Australian mutton markets have lifted sharply over the past few weeks, driven by the improvement in access to the Chinese market and tightening supply. The National Mutton Indicator (NMI) has jumped as high as 625 c/kg, its highest point since June 2022 but has now edged back to below the 600 c/kg mark. Despite the recent decline, prices have still more than doubled since this time last year.

Mutton supply has continued to tighten following a prolonged period of high turn-off. Average weekly slaughter was lower in April, although this has also been skewed by multiple shortened processing weeks due to the public holidays. While sheep yardings have also generally been tighter compared to January and February.

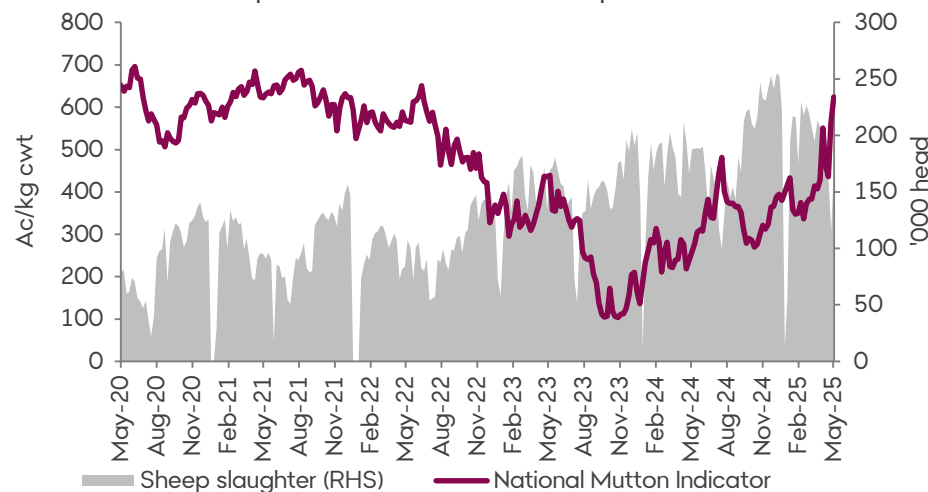
Mutton exports declined in April, again influenced by the shorter processing weeks. Australian mutton exports totalled 17,748 tonnes in April, with year-to-date exports still four per cent ahead of this time last year. China remains the largest individual market accounting for 34.6 per cent of the total volume exported so far in 2025.

Australian sheepmeat exports ('000 tonnes)



Source: GTA

Mutton prices have lifted over the past two months



Source: MLA

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