



MEDIA RELEASE
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Live export prices for sheep resist the dip

Live export prices for sheep are trading at rates not usually seen until the chill of winter dries up supply, and Wellard Rural Exports Managing Director Steve Meerwald is predicting the current prices will remain on offer well into the future.

Traditionally the spring turn-off forces livestock prices lower in spring and summer, but the lack of sheep suitable for the live export trade and consistent demand has ensured a sustained higher price throughout 2008 and early 2009.

“Demand from the Middle East is continuing unabated, due to a growing population and cultural and religious desires driving the demand for fresh meat,” Mr Meerwald said. “And, the numbers they are importing are nowhere near the levels they once were.

“Combine that with a shrinking sheep flock and the principles of supply and demand dictate that prices will remain at these higher levels well into the future.”

The opportunity that exists now for sheep and mixed farmers to maximise their returns is to supply a product the Middle East importers would pay a premium for, Mr Meerwald said.

“We are sending them 38kg lambs whereas they want the heavier Singapore-type wethers (65kg+) so we need to meet somewhere in the middle to maximise our opportunity and price, and to sustain the trade into the future,” Mr Meerwald said.

Wellard Rural Exports is currently developing a scheme to provide clearer pricing signals to live export suppliers which provides appropriate rewards and incentives for hitting liveweight targets.

“We are absolutely committed to this,” Mr Meerwald said. “It is just a matter of timing.”

Wellard Rural Exports is a regular exporter of sheep to the Middle East and supplies a variety of customers, including a feedlot the company part-owns in Saudi Arabia – the only majority foreign-owned livestock enterprise in the Saudi kingdom.

The company is currently seeking to employ a manager with requisite sheep or feedlot management experience to manage the operations of its Saudi Arabian feedlot.

“This is a crucial appointment for the company, as we seek to promote our Australian animal welfare and best practice ethos throughout the Middle Eastern livestock industry,” he said.

Mr Meerwald said the price outlook for rangeland goats was less certain than for sheep.

Over time, the cattle industry had refined its genetics and herd management to achieve a more marketable and suitable product for the live export trade, he said. To ensure goat producers didn't risk the live export trade and export markets, that section of the industry had to move from the trapping and exporting of feral goats to a more managed and refined system.

“There is international demand for goats, but the management of rangeland goats in transit needs careful consideration and despite every effort it is still impossible to achieve the optimum outcome. Those that want to continue to produce goats for the export market need to invest in breeding animals that the markets want and that are able to handle the intensive phase of the export process comfortably.

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Background – Wellard Rural Exports

Wellard Rural Exports is Australia's largest cattle exporter. It has supplied quality Australian dairy and beef cattle and sheep and goats to the world for 30 years. Based in Fremantle, the company's operations cover every aspect of the export chain, including feed and high fibre milling, road transport, feedlot facilities and modern shipping.

Wellard has priority access to the most modern fleet of livestock carriers on the ocean through its association with Siba Ships. The company's flagship carrier, the MV Becrux, is a purpose-built livestock carrier capable of carrying 75,000 sheep or 18,000 cattle from Australia to major markets around the globe. She was commissioned in 2002.

Two new vessels, the MV Stella Castor and the MV Stella Pollux, are due for launch in mid and late 2009 respectively. In August 2008 Wellard and Siba Ships announced a US\$250 million contract to build two new livestock vessels which will be able to carry 17,000 cattle or 70,000 sheep or a combination of the two.

For more information visit: www.wellardgroup.com.au