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Live export contribution quantified

A report has been commissioned to examine the value of the live sheep trade to the Australian wool industry and Western Australia in particular. The report follows a request by the Australian Wool Innovation's Industry Consultative Committee (ICC) and builds on previous work conducted for Livecorp in 2011.

The Centre for International Economics found the live export industry contributes to the wool industry by underpinning the saleyard prices and therefore woolgrower profitability in WA as well as providing additional markets and higher returns for eastern states woolgrowers.

If live exports were to cease, the report concluded that WA saleyard prices would be expected to fall by \$32.14/head for lambs and \$36 for sheep (\$1.24 and \$5.96 in eastern Australia). This translates to a 4.5% drop nationally in saleyard prices.

WA woolgrowers with breeding enterprises would be the hardest hit with the gross margin falling by \$41/ewe or 44.8% due to the enterprises dependence on livestock sales and the lack of scope to reduce variable costs.

Nationally the live export industry, if removed, would reduce the national wool clip by two per cent and 12 per cent in Western Australia as the live export industry accounts for 25.9% of total dispersals of lambs and 57% of older sheep in WA (0.9% and 6.9% for eastern Australia).

Without live exports, the Gross Value of Production of WA woolgrowers would fall by \$302.4 million or 6.5% lower.

Having commissioned the report at the request of industry, specifically AWI's ICC, Australian Wool Innovation will not be commenting or discussing the report. Contact details of the ICC are below.

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