

Comparativa internacional – Granjas ovino carne

Isam Almadani



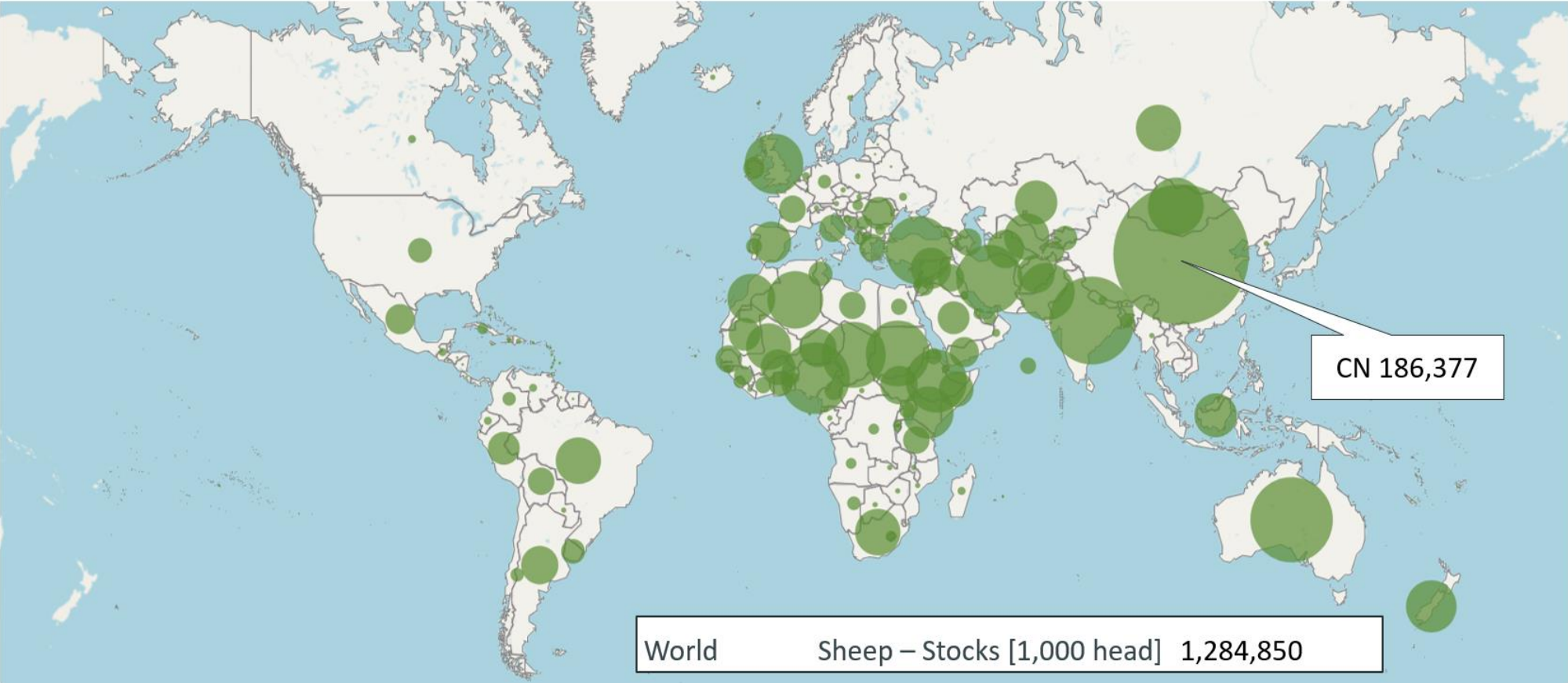
Pamplona
24.10.2023

PANEL NACIONAL DE OVINO DE CARNE

Contents

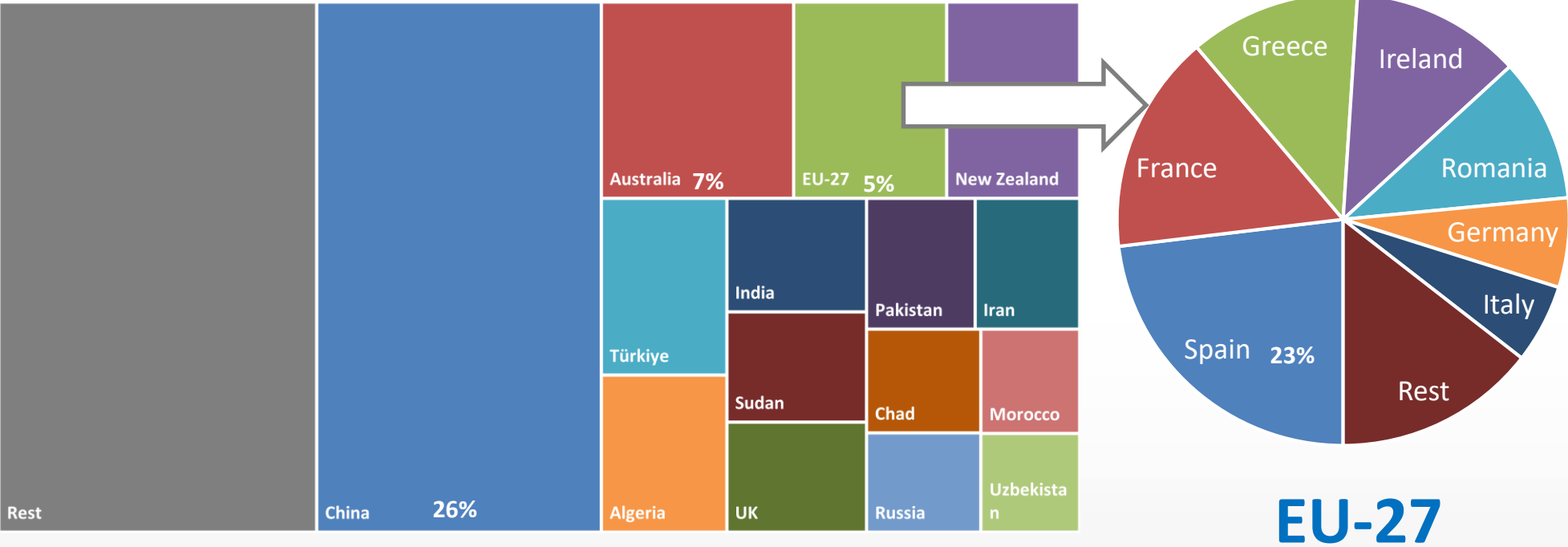
- **Global overview: sheep meat production, trade and prices**
- **Latest issues in selected key export and import countries**
- **Key sheep industry issues 2022**
- **International comparison**

Sheep stocks 2021, million head



Source: FAOStat 03/2023

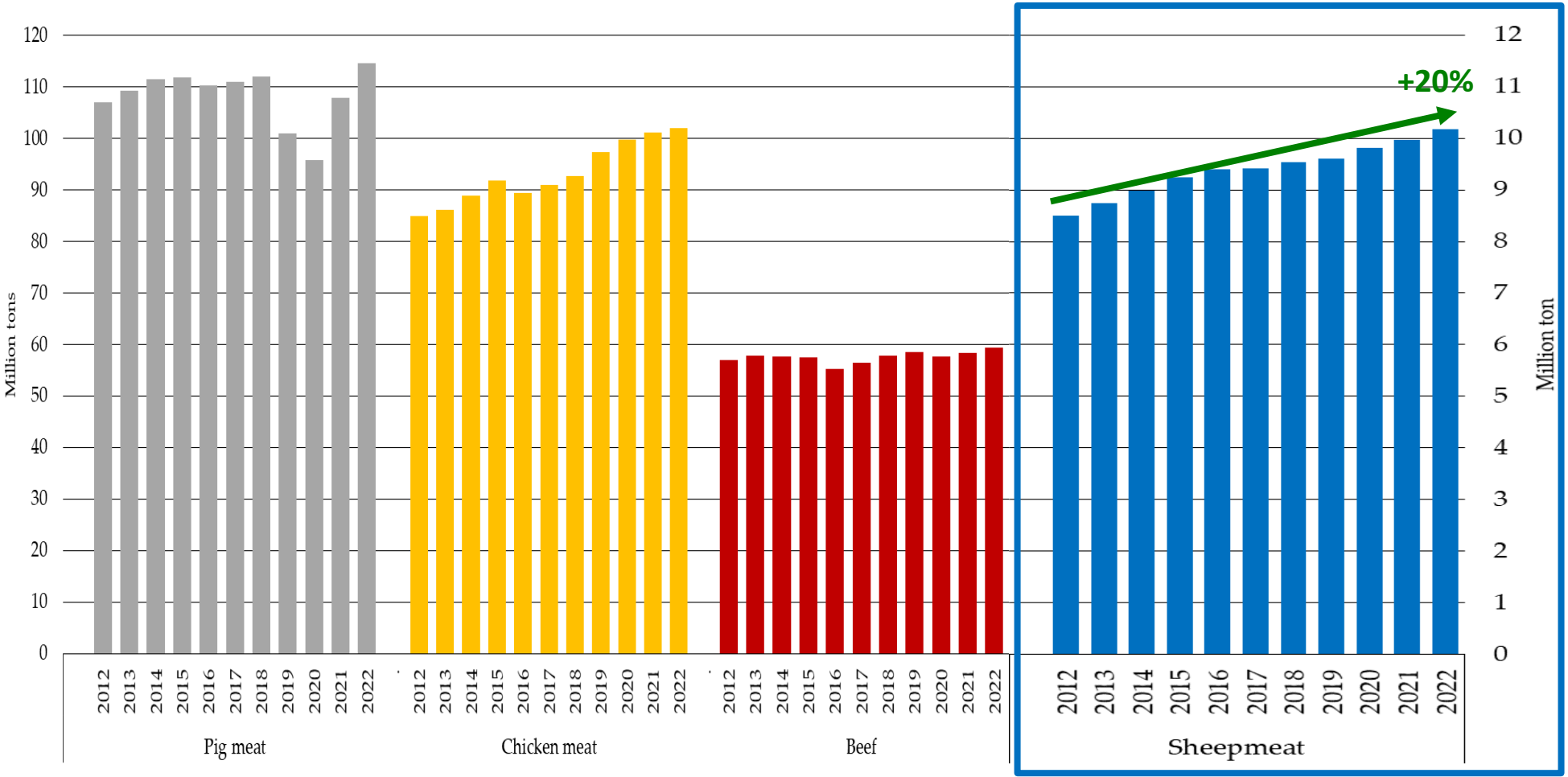
Top sheep meat producers 2021, tons



Source: PSD/FAS/USDA 09/2023

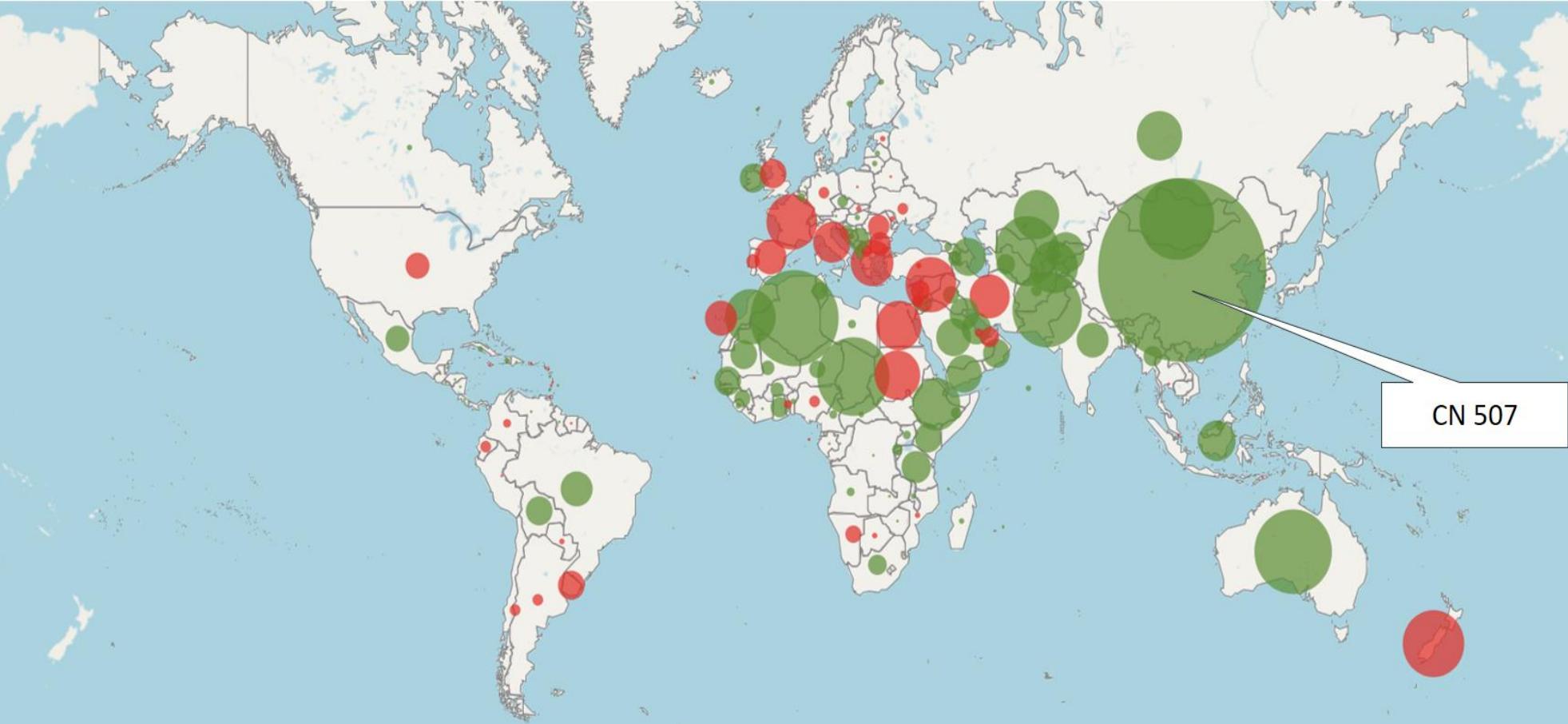
World meat production 2012 – 2022

Stable growth in sheep meat production



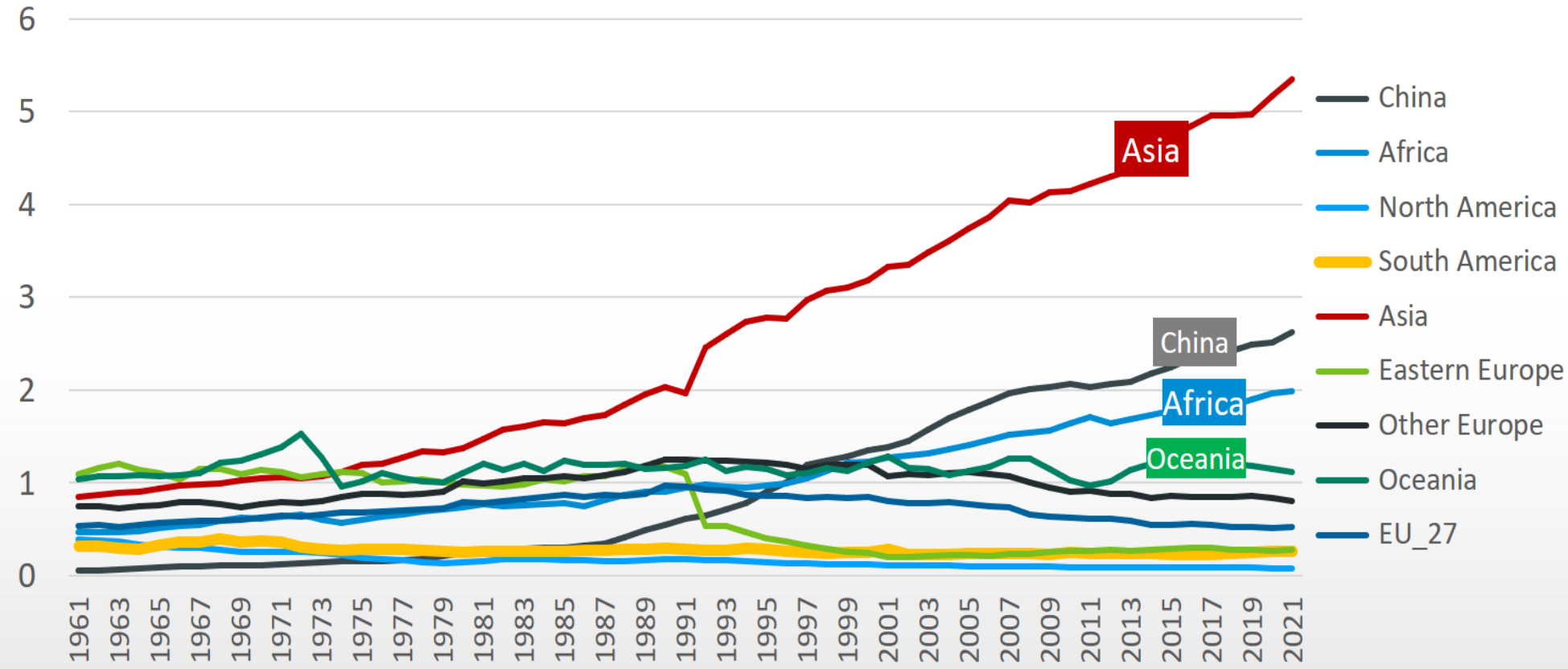
Source: PSD/FAS/USDA 06/2023

Absolute change in sheep meat production 2019 – 2021 vs. 2009 – 2011 ('000 ton)



Source: FAO, 2023

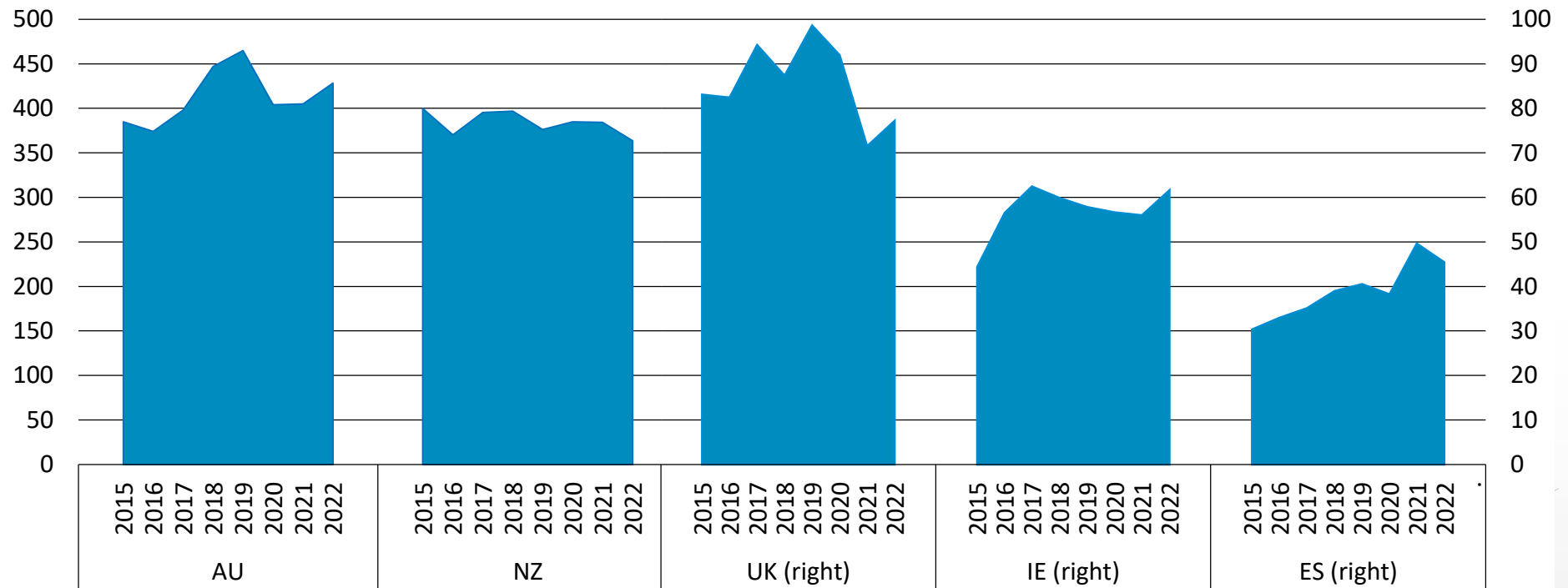
Development of sheep meat production: Asia takes off, followed by Africa, rest steady or declining (million tons)



Source: FAO Stat 2023

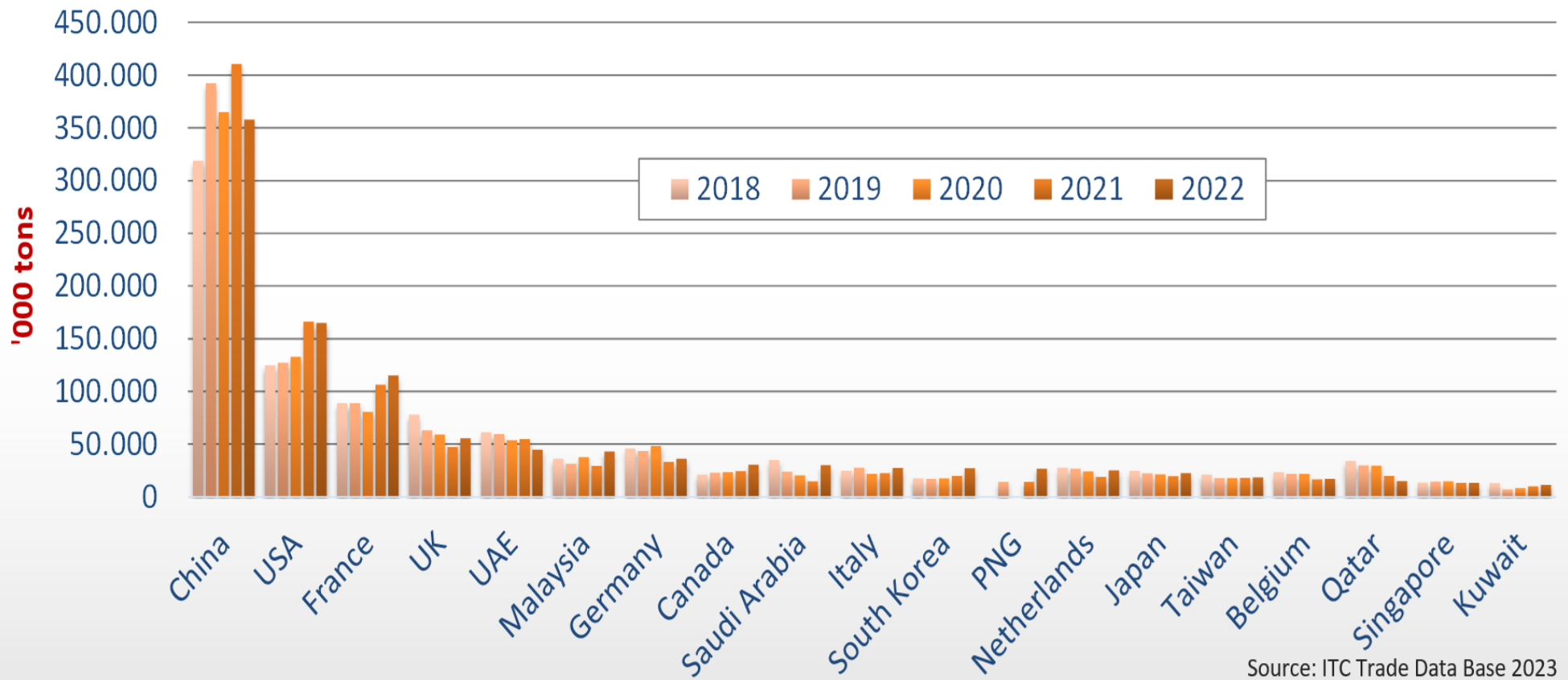
Stability in global sheep meat exports (+0.98% in 2022)

Sheep meat exports from 5 key exporters, 2015 – 2022 ('000 ton)



Source: agri benchmark Beef and Sheep Network 2023

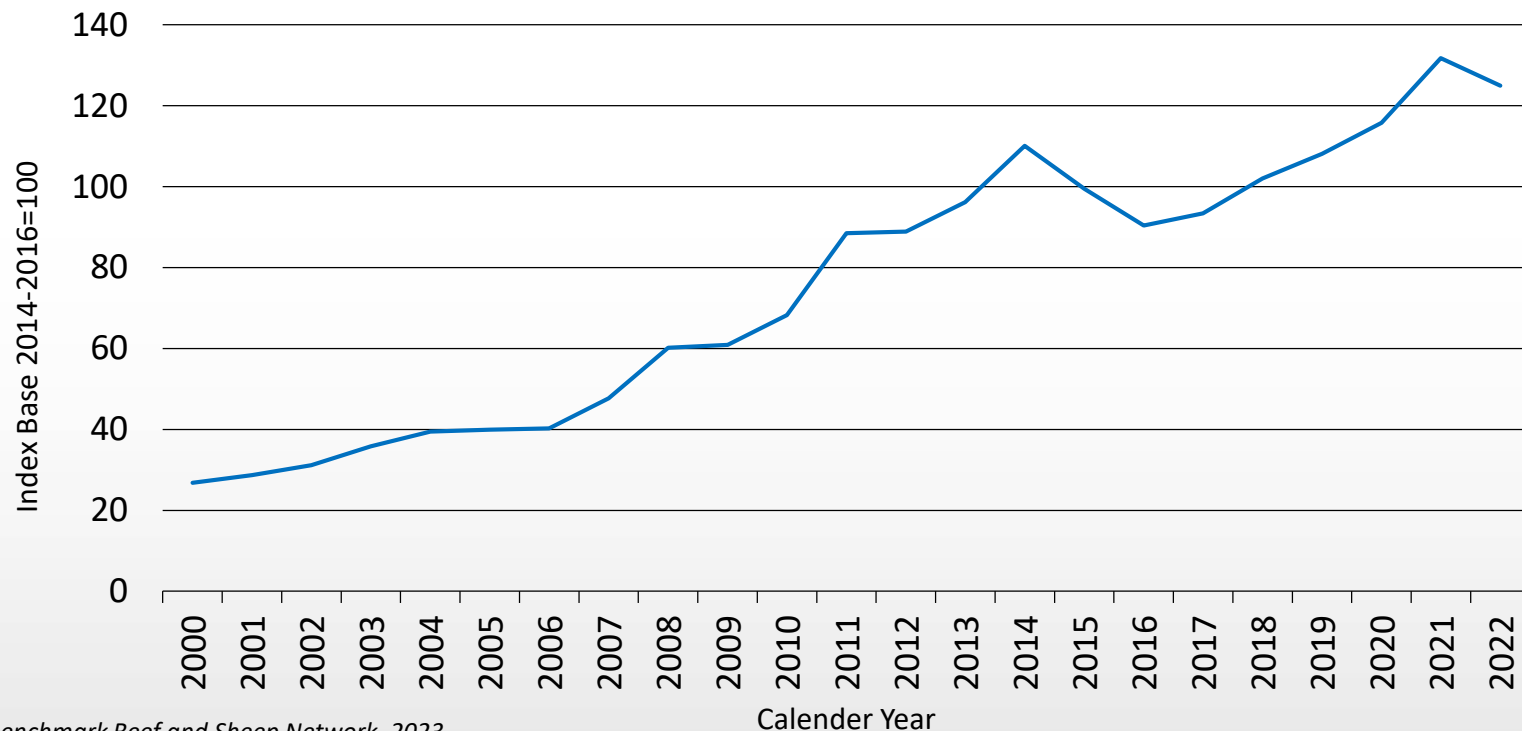
Major sheep meat importer 2018- 2022, ton



agri benchmark Lambs Producer Price Index

Reflects producer prices all major producers

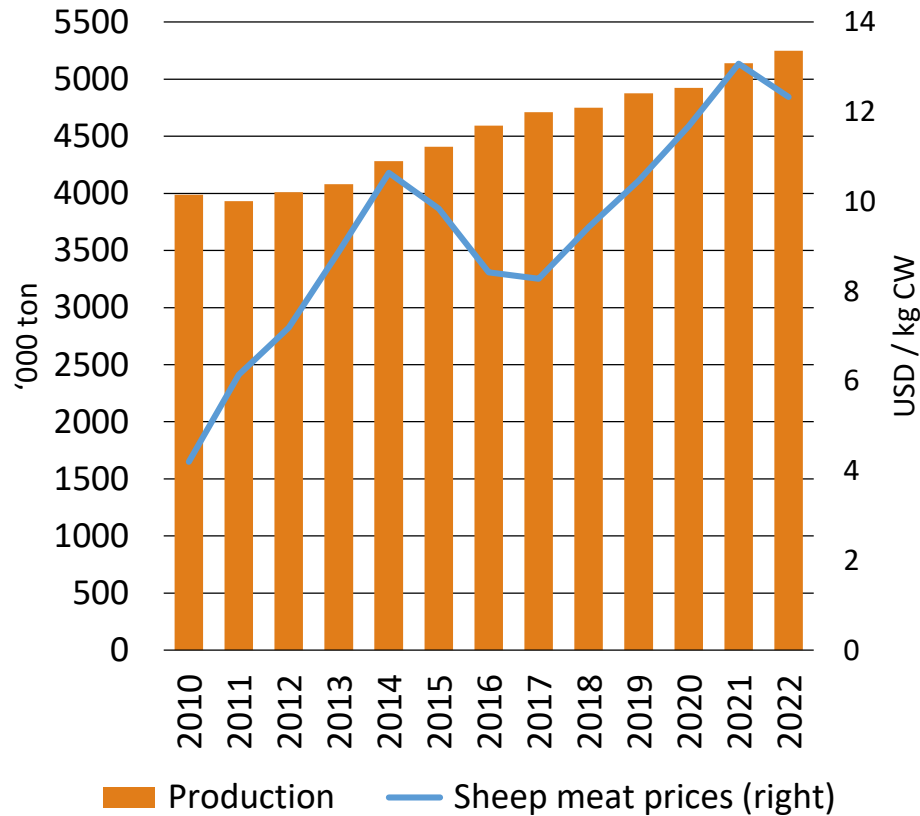
- Continued rise over 2017-2021,
- Historic high in 2021,
- 5% down in 2022 year-on-year



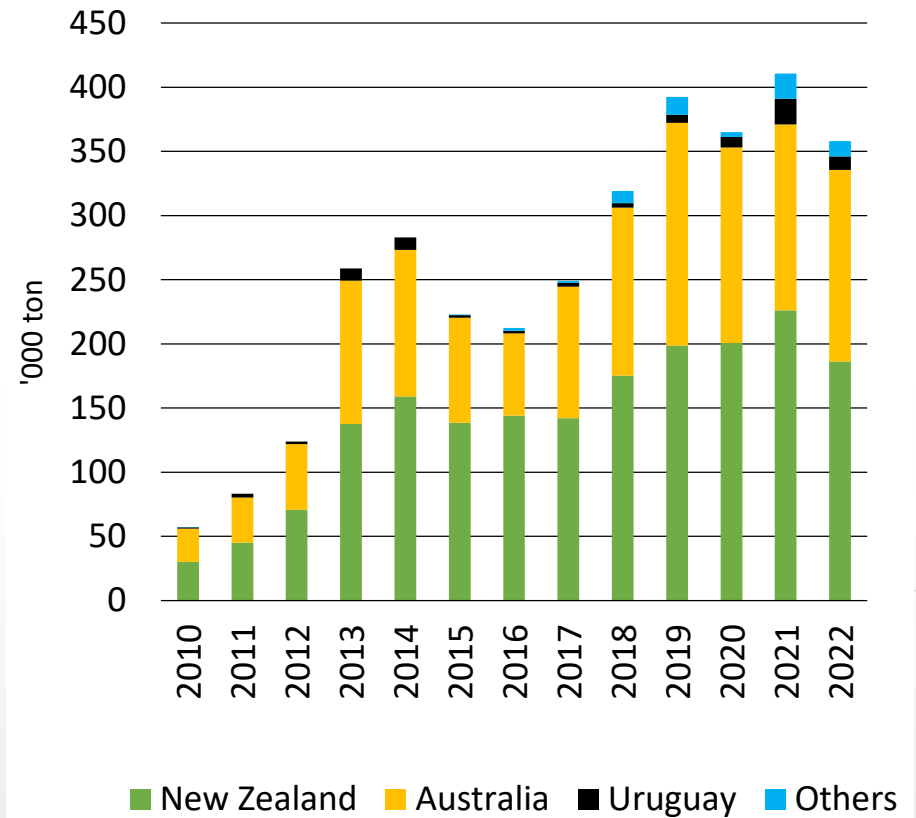
Source: agri benchmark Beef and Sheep Network, 2023

China – Local production fails to keep up with the growing demand → China prices to be one of the highest in the world

Sheep meat production and prices



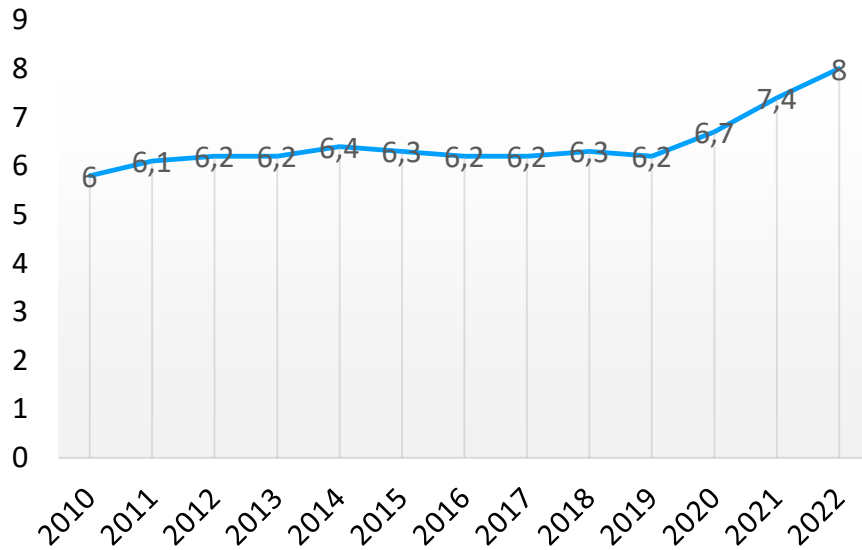
Sheep meat imports



Source: agri benchmark Beef and Sheep Network, 2023

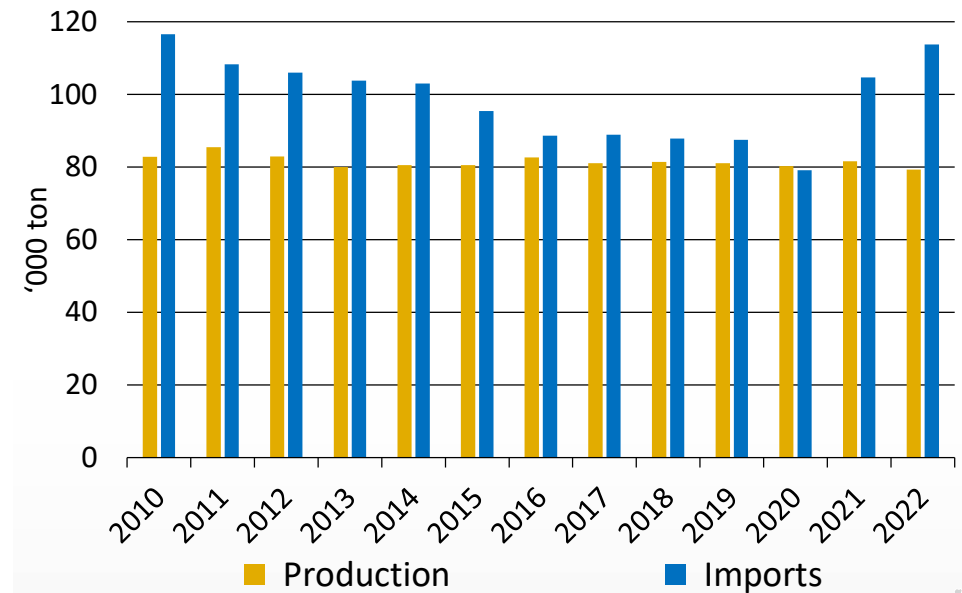
France – Strong domestic demand, stable production, increased inputs prices

Sheep meat prices (lambs), €/kg CW



Source: agri benchmark Beef and Sheep Network, 2023

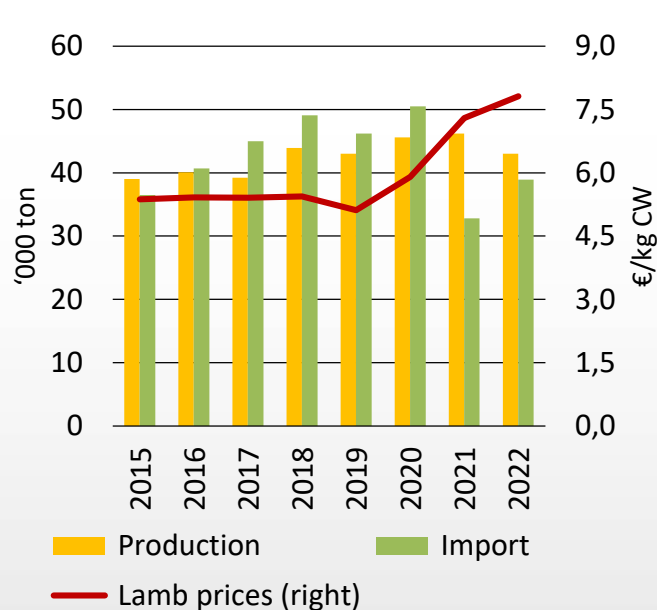
Sheep meat production and imports



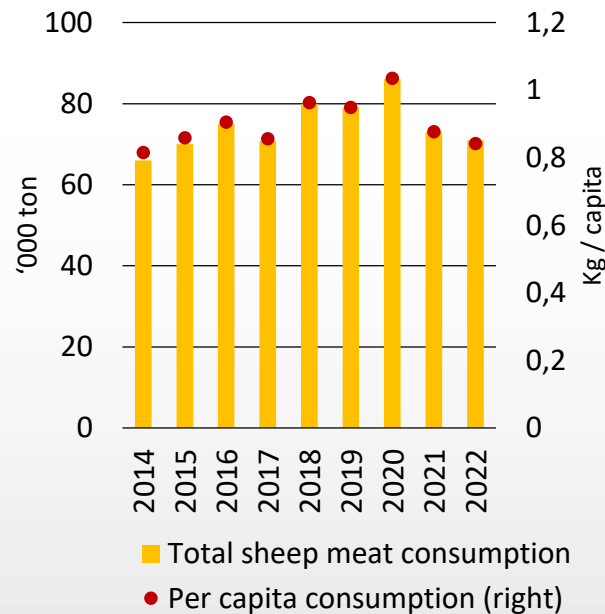
Germany – Prices at high levels economic hardships → declined domestic consumption

- Lamb prices remained at record levels & high inputs' prices
- Inflation & increased household costs → lowest per capita consumption since 2014
- Stable sheep meat supply & declined live sheep imports (-18%)

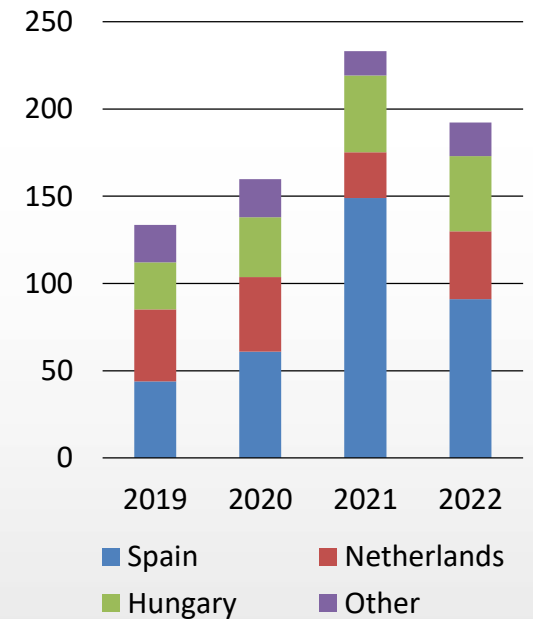
Sheep meat supply & lamb prices



Sheep meat consumption



Live sheep imports, '000 head

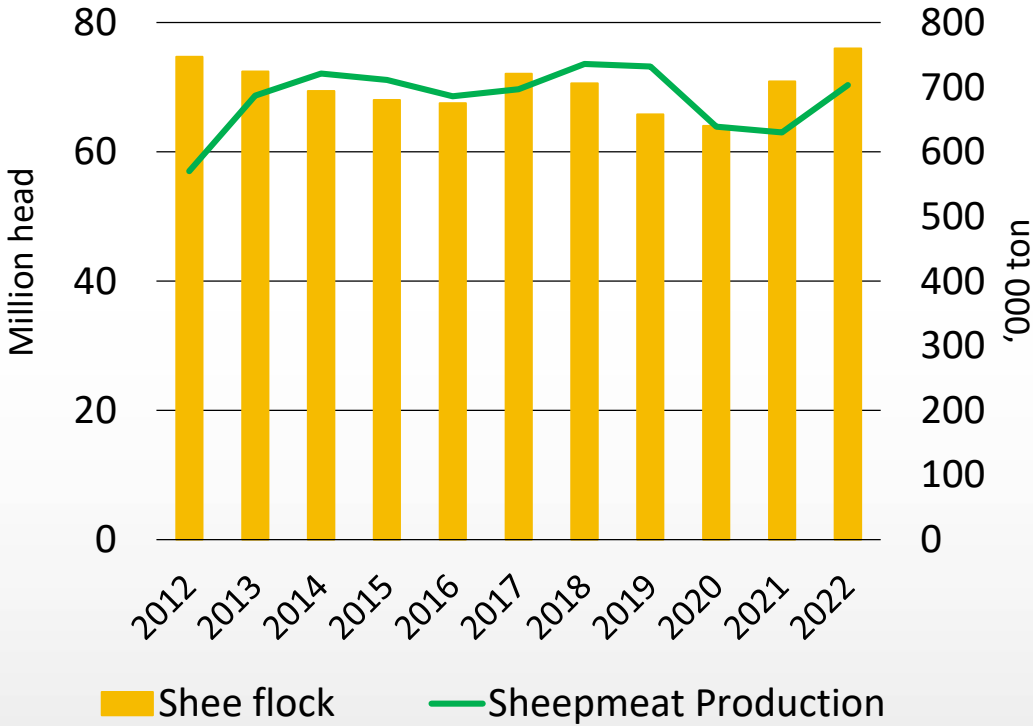


Source: agri benchmark Beef and Sheep Network, 2023

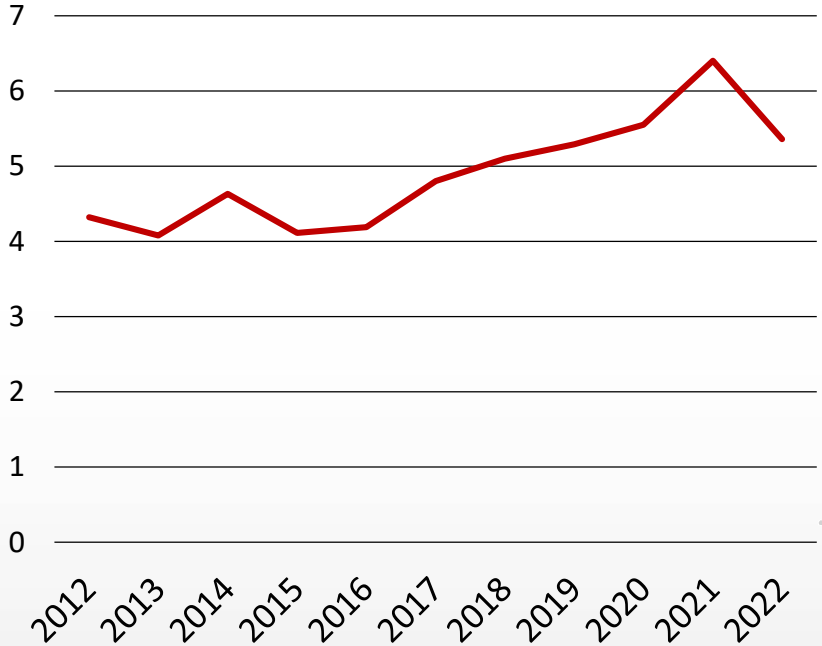
Australia – The fastest sheep flock buildup in 100 years

Quick recovery of sheep meat supply in 2022

Sheep flock and sheep meat production



Lamb prices US\$/kg Carcass weight

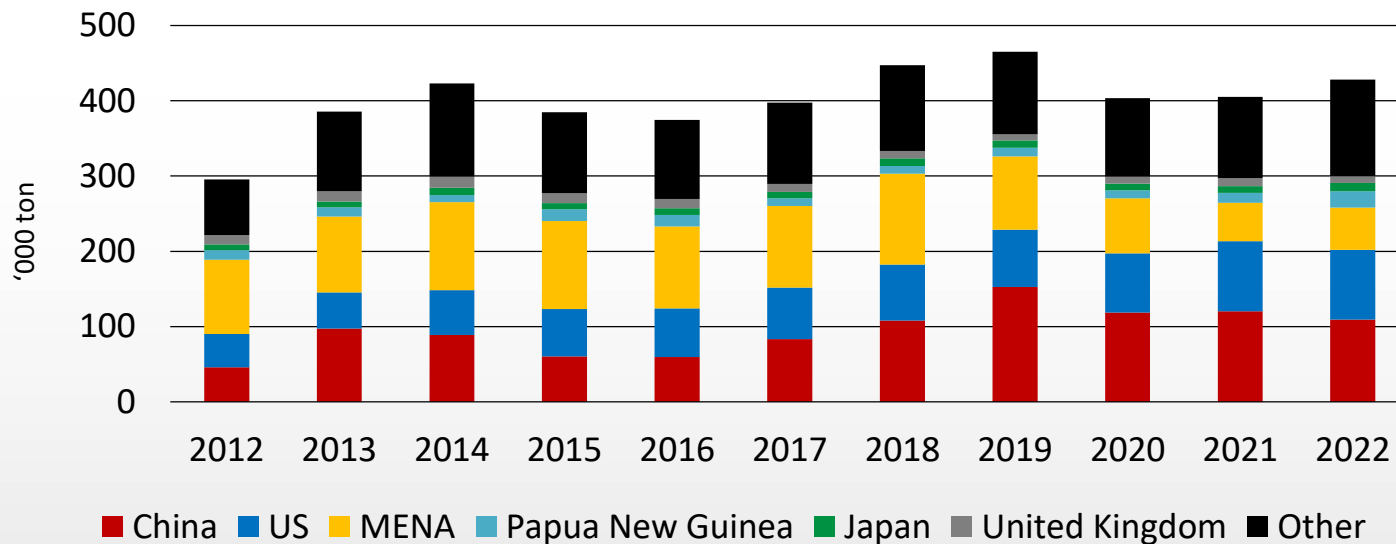


Source: agri benchmark Beef and Sheep Network, 2023

Australia sheep meat exports: China & the US dominant

- China: 40% of AU mutton exports & 18% of AU lamb exports
- Economic hardships and COVID outbreaks in 2022 Shrinking demand from China
- US demand remains strong
- Middle East hit by economic problems and low purchasing power

Leading export markets for Australian sheepmeat, 2012 – 2022

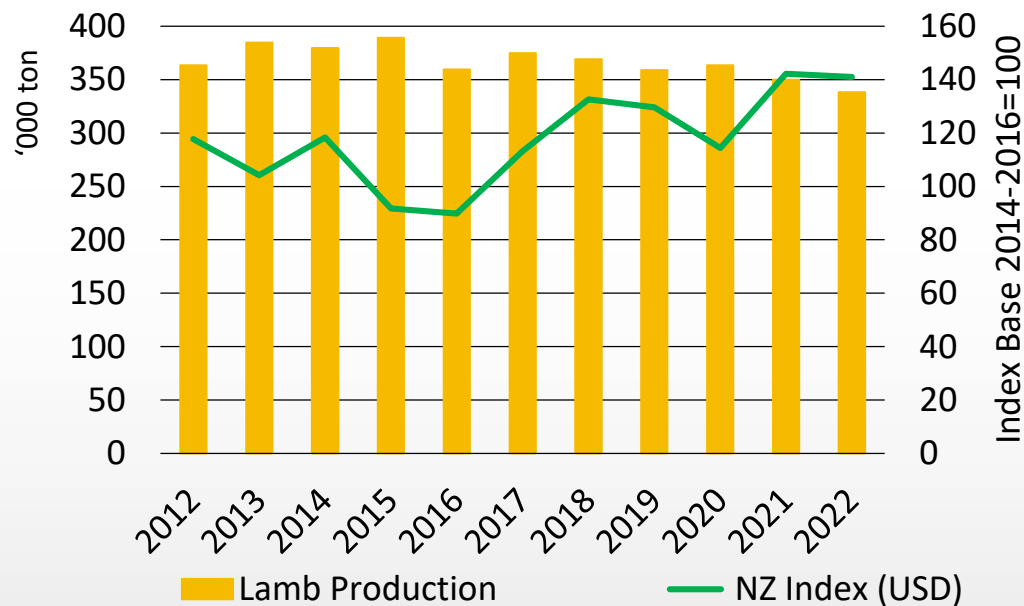


Source: MLASt atistics Database, 2023

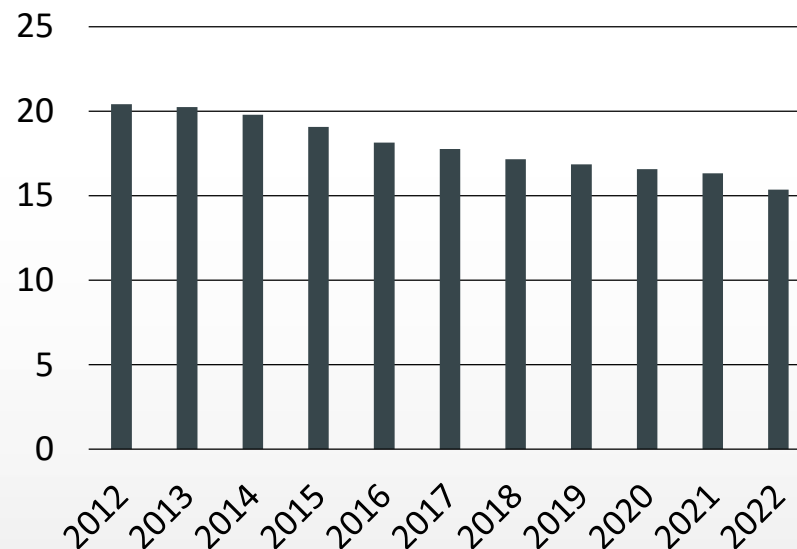
New Zealand – declined ewes flock, tight lamb supply Reinvigorated foodservice markets worldwide

- Dry conditions in some regions early 2022
- Continued shift of land to dairy and forestry
→ Continued decline in breeding ewe flock

Lambs Production and Price Index



Breeding ewes flock, million head

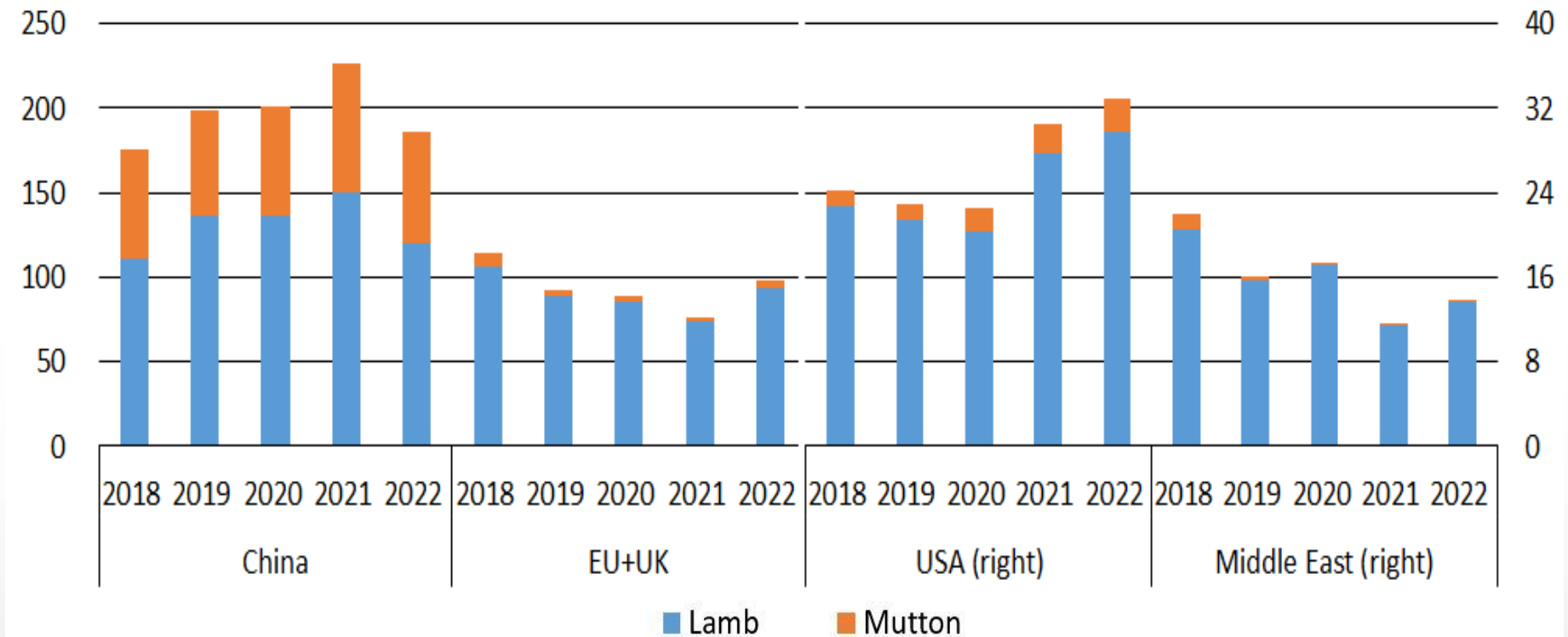


Source: agri benchmark Beef and Sheep Network, 2023

NZ - Declined demand from CN

raised exports of high-value lamb to EU, US and MENA

NZ lamb and mutton exports to 4 key export markets, 2018 – 2022 ('000 ton)

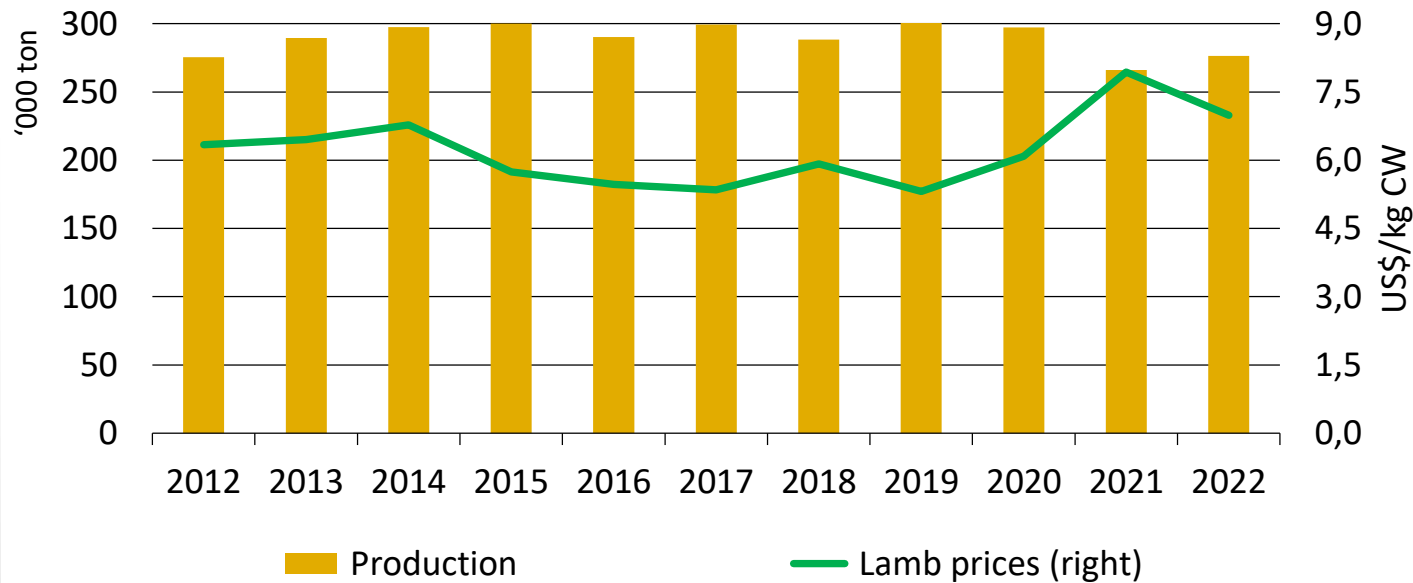


Source: B+NLZ, 2023: <https://beeflambnz.com/data-tools/meat-export-tool>

UK – producer prices fell by ~ US\$ 1 /kg CW in 2022

- Slight recovery in lamb production (+4% in 2022 vs. 2021)
- Consumers are looking for cheaper alternatives (minced beef) → lamb demand fell by 16% vs 2021
- High production input prices (drought and energy costs)
→ carcass weights lightened through summer and into autumn

Sheep meat production and Lamb prices

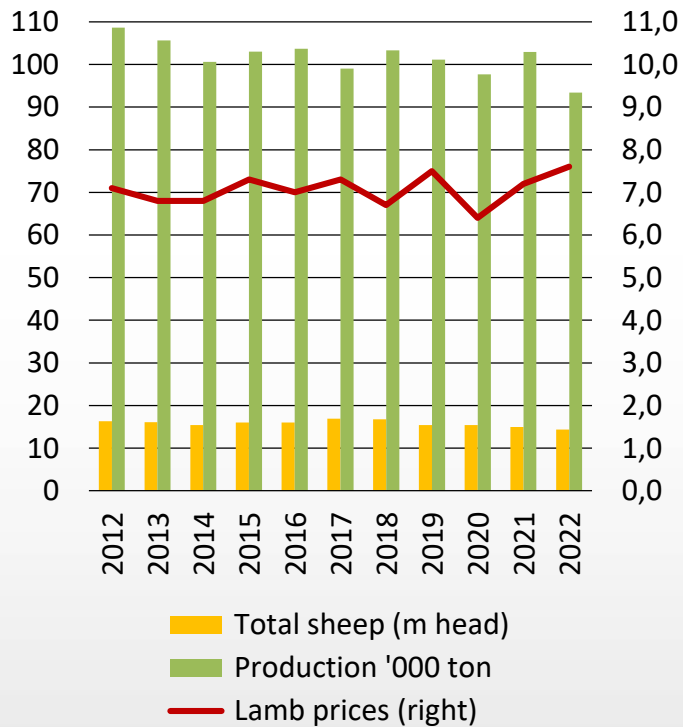


Source: agri benchmark Beef and Sheep Network, 2023

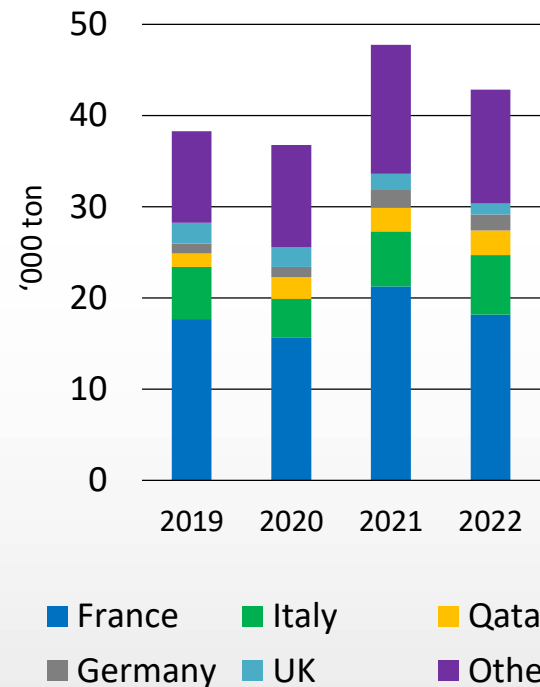
Spain – Sheep flock and lamb production at lowest level ever

- Lowest sheep flock and lamb production ever
- Exports at highest levels & continued declined domestic consumption
- High production costs

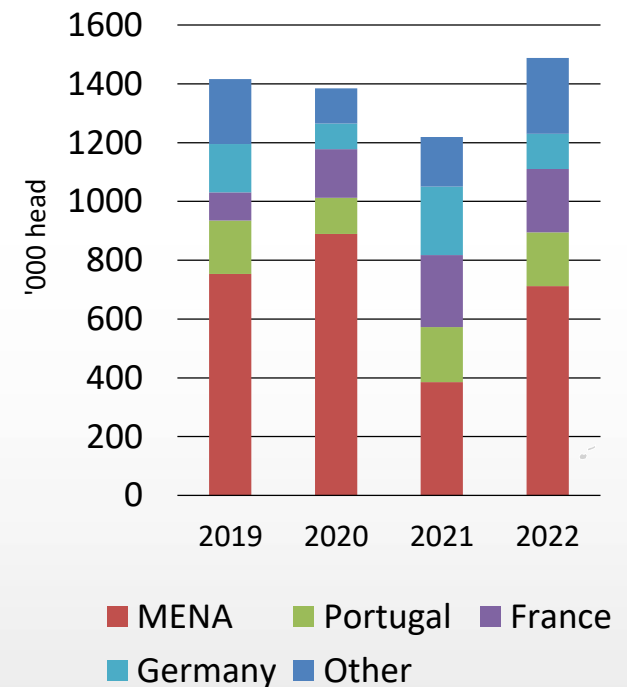
Sheep flock, production & prices



Sheep meat exports 2019-2022



Live sheep exports 2019-2022

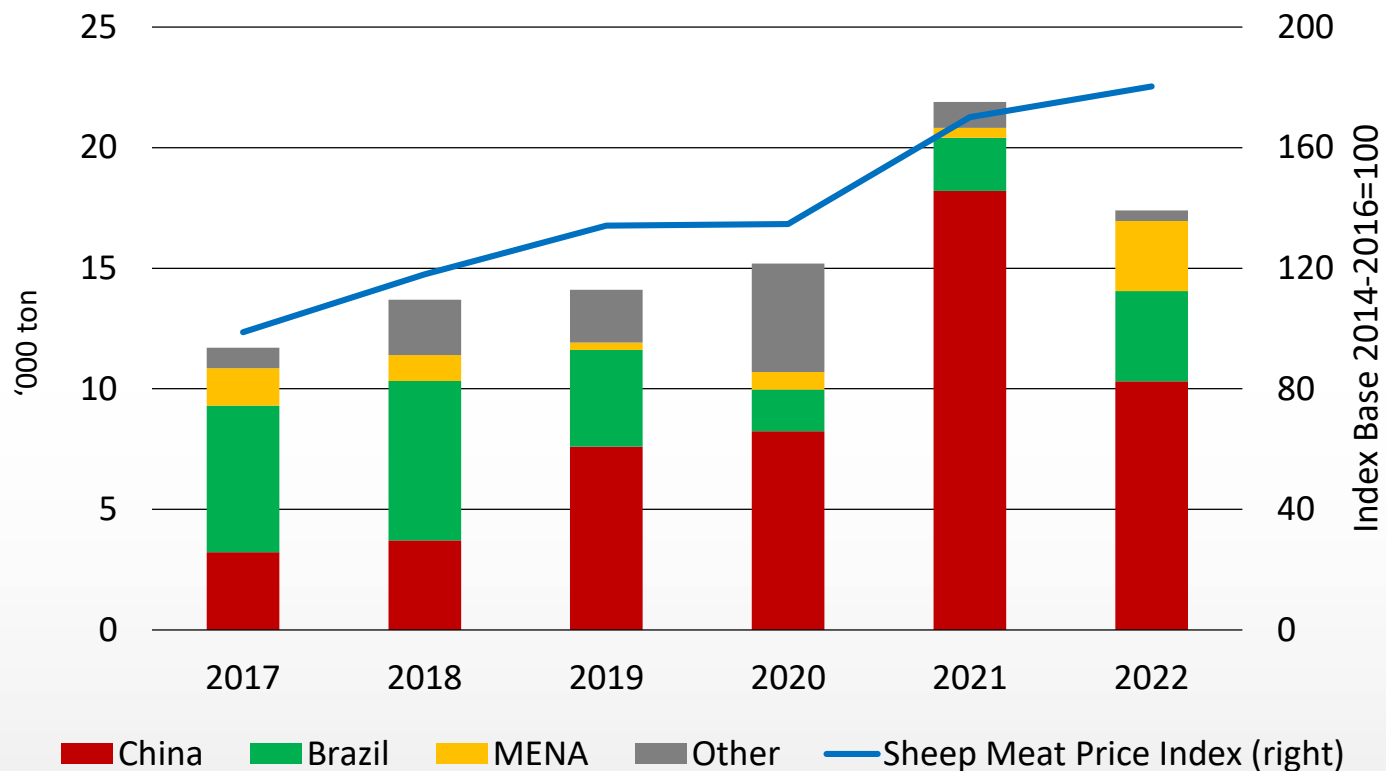


Source: agri benchmark Beef and Sheep Network 2023

Source: UN Comtrade, 2023

Uruguay – Take advantage of high demand from China

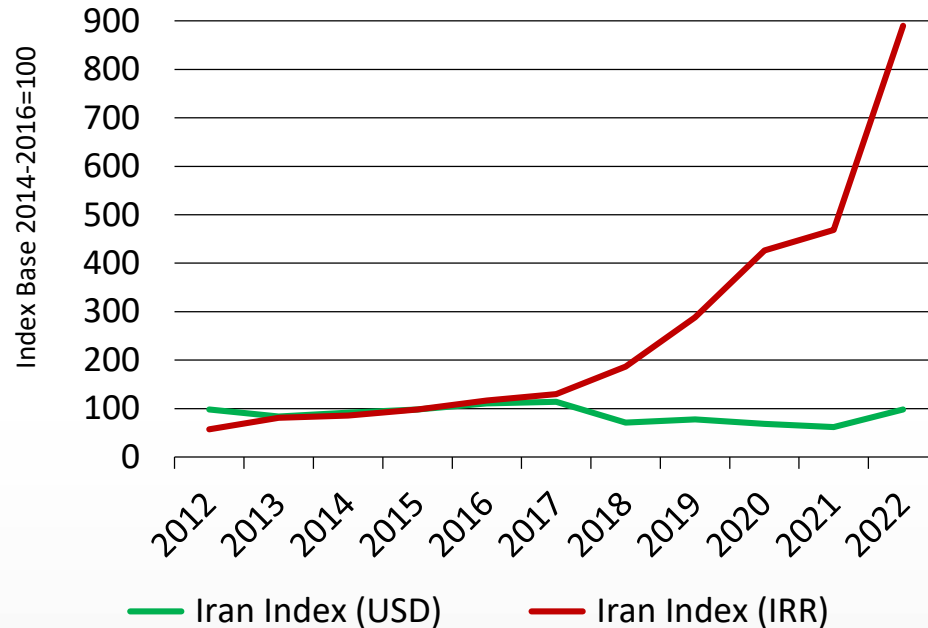
Sheep meat exports and Sheep Meat Price Index in Uruguay, 2017 – 2022



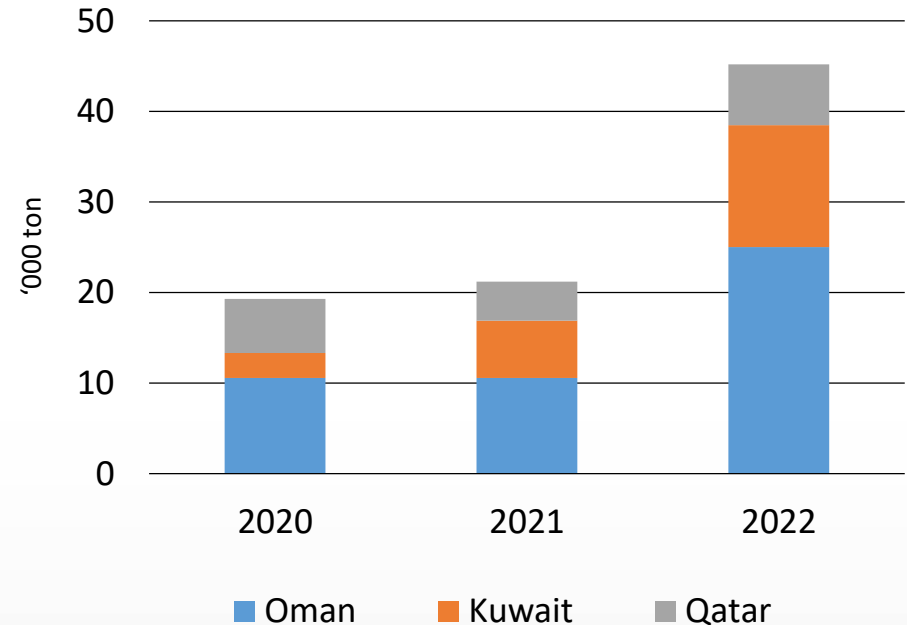
Source: agri benchmark Beef and Sheep Network, 2023

MENA: Iran – Macro-economic conditions, input prices rallied in 2022, poor domestic demand

Lambs Price Index

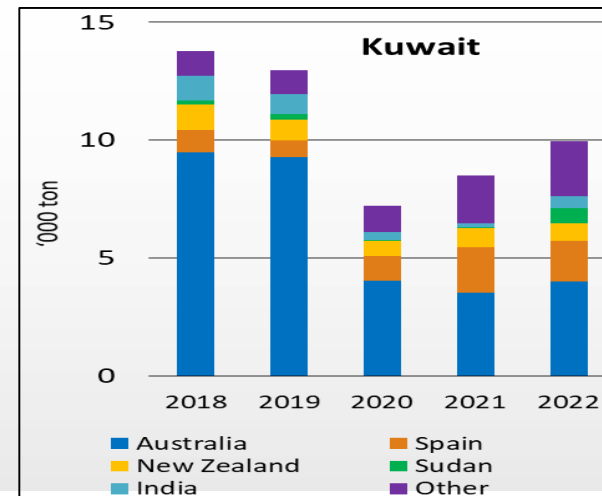
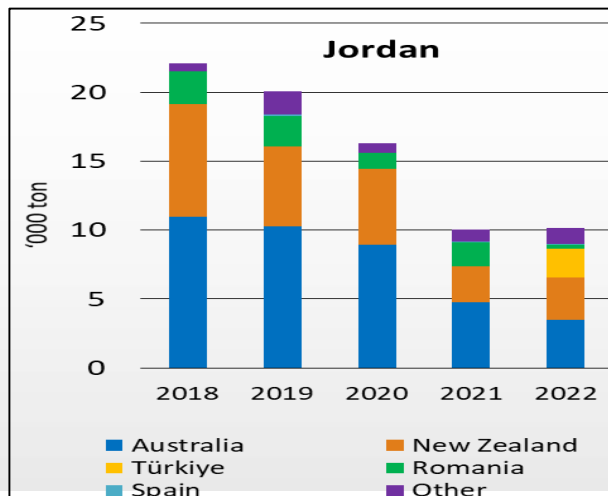
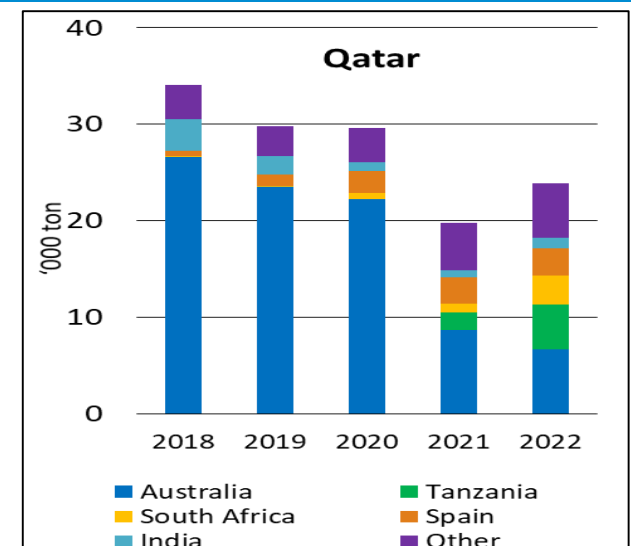
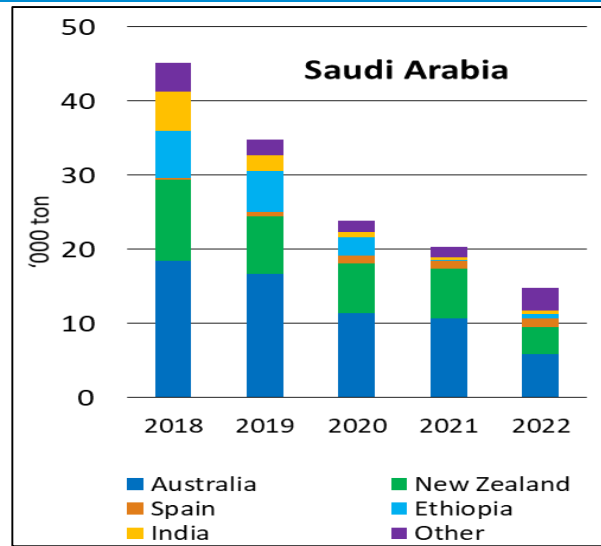
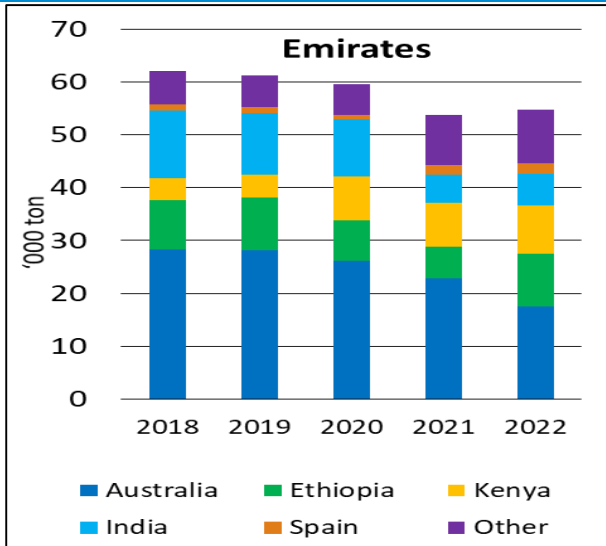


Live sheep exports



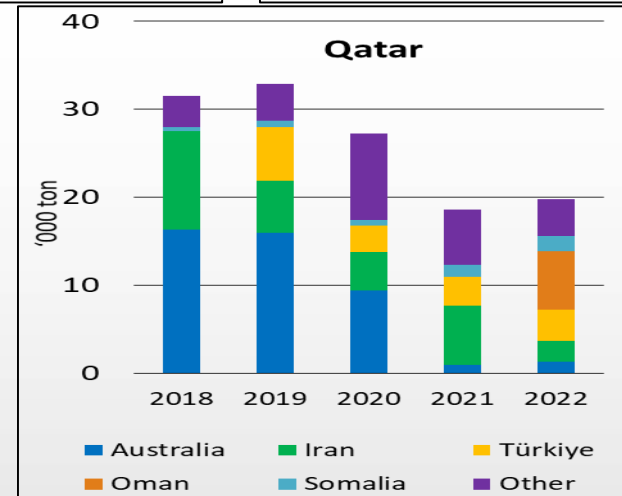
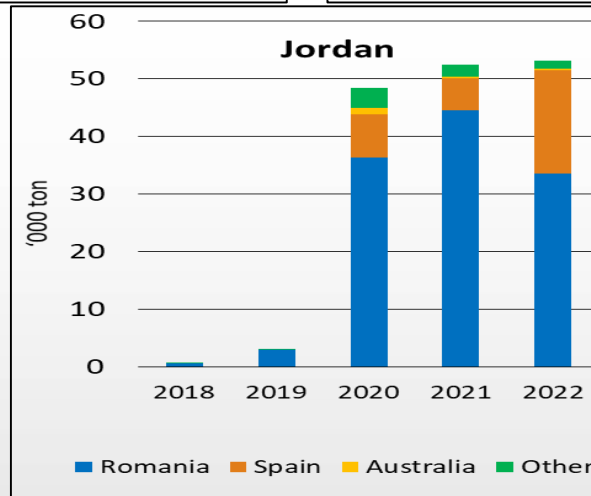
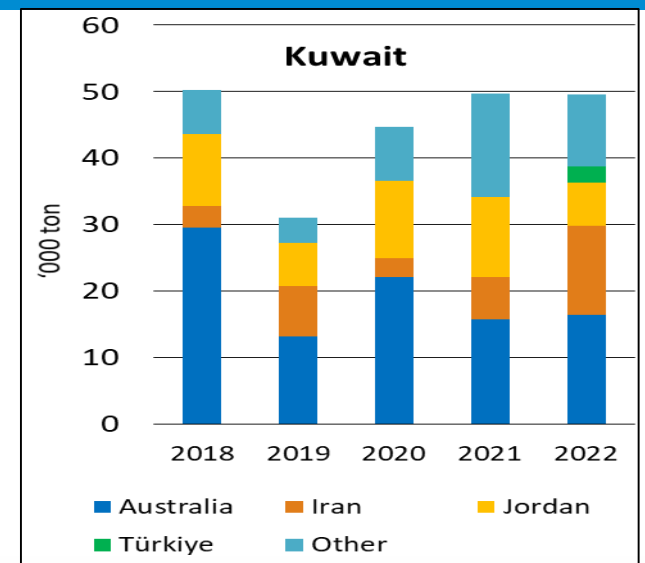
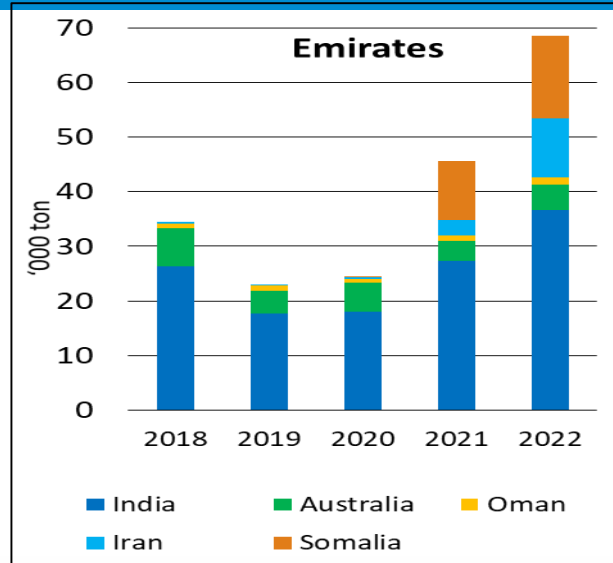
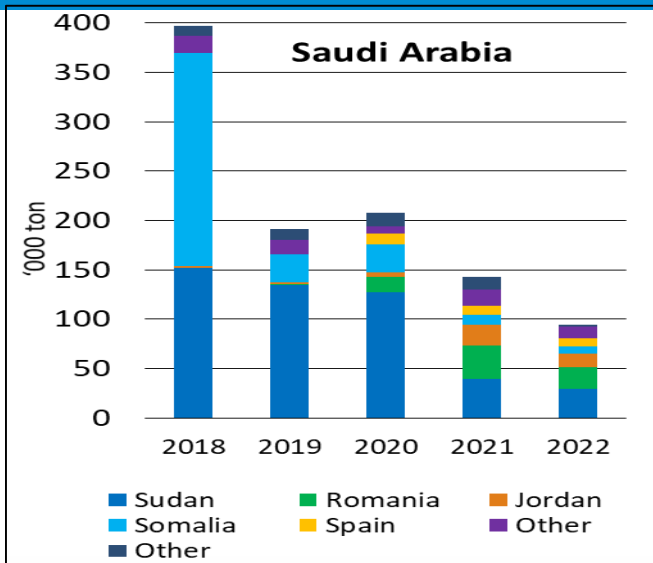
- 2022: Inflation (46.5%) & currency devaluation (20%) → Input prices more than doubled in 2022, mainly imported feed
- Record domestic prices → consumers have shunned sheep meat
- Avoid finishing costs → export live sheep to Gulf countries (large black market to Iraq)

MENA: Sheep meat supply heavily depends on imports, Sensitive to any supply shifts from Australia



Source: UN Comtrade, 2023

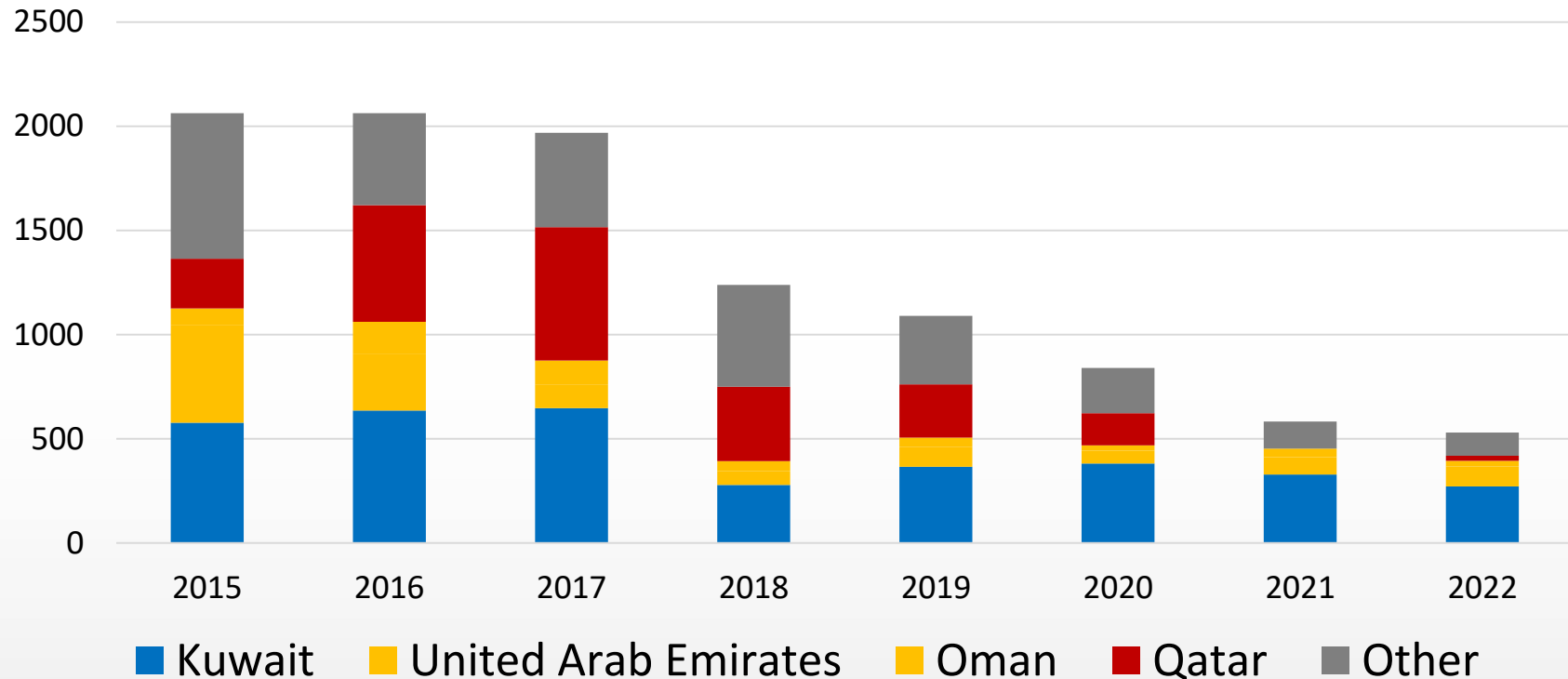
MENA: Live sheep demand is as important as sheep meat



Source: UN Comtrade, 2023

Potential ban on Australian live sheep shipments to MENA is expected!!!

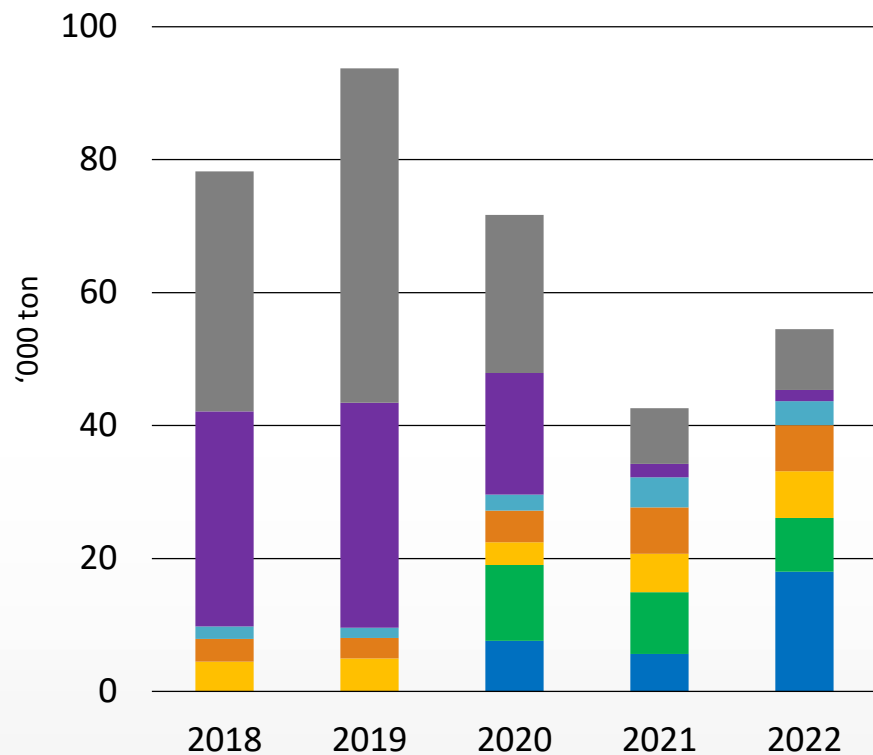
Live sheep exports from Australia, '000 Head



Source: UN Comtrade, 2023

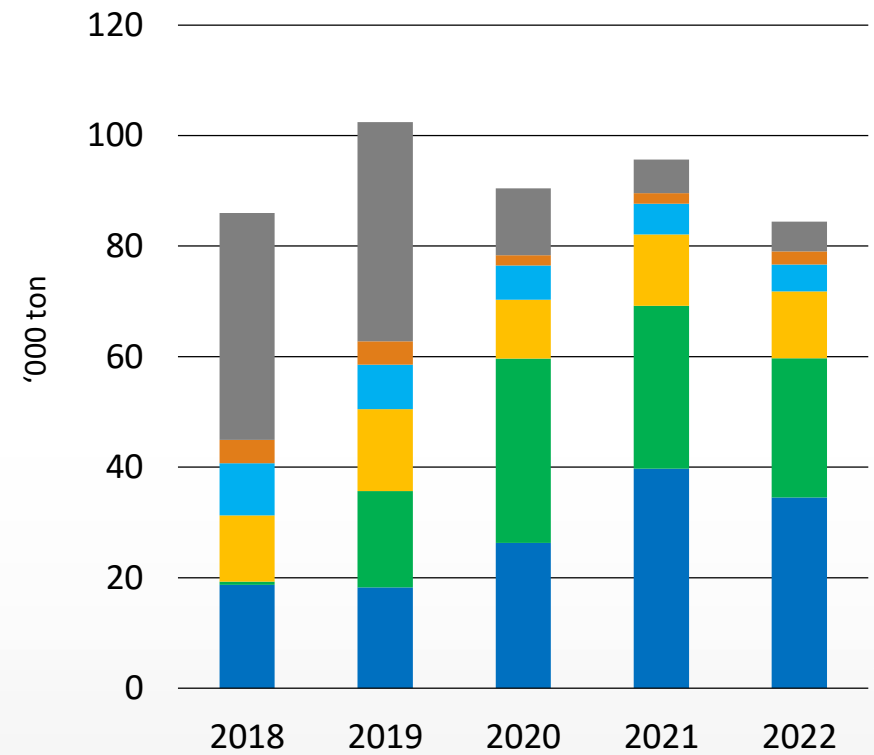
New market opportunities for Spain and Romania?

Live sheep exports from Spain



■ Jordan ■ Saudi Arabia ■ Portugal
■ France ■ Germany ■ Libya
■ Other

Live sheep exports from Romania



■ Jordan ■ Saudi Arabia ■ Greece
■ Italy ■ Bulgaria ■ Other

Source: UN Comtrade, 2023

Common sheep industry issues 2022

Production:

- **Flock recovery in AU, UK, IE and NA** → Slight increase in sheepmeat production

Consumption:

- Lamb is the most exposed to changes in consumer behaviour,
- Growing doubts associated with cost-of-living in key import markets
 - Inflation expected to fall from 8.8% in 2022 to 6.6 % in 2023 and 4.3% in 2024
- Global lamb and sheepmeat prices are very sensitive to any **demand shifts in CN**

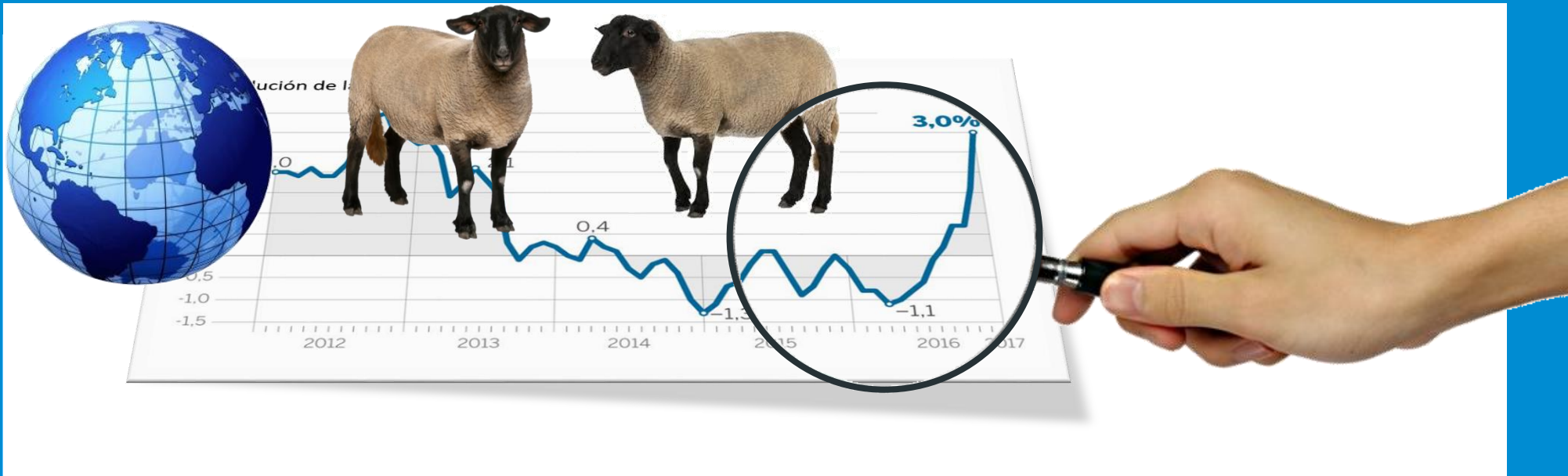
Big farm cost increases

- Feed, fuel, energy, labour and land

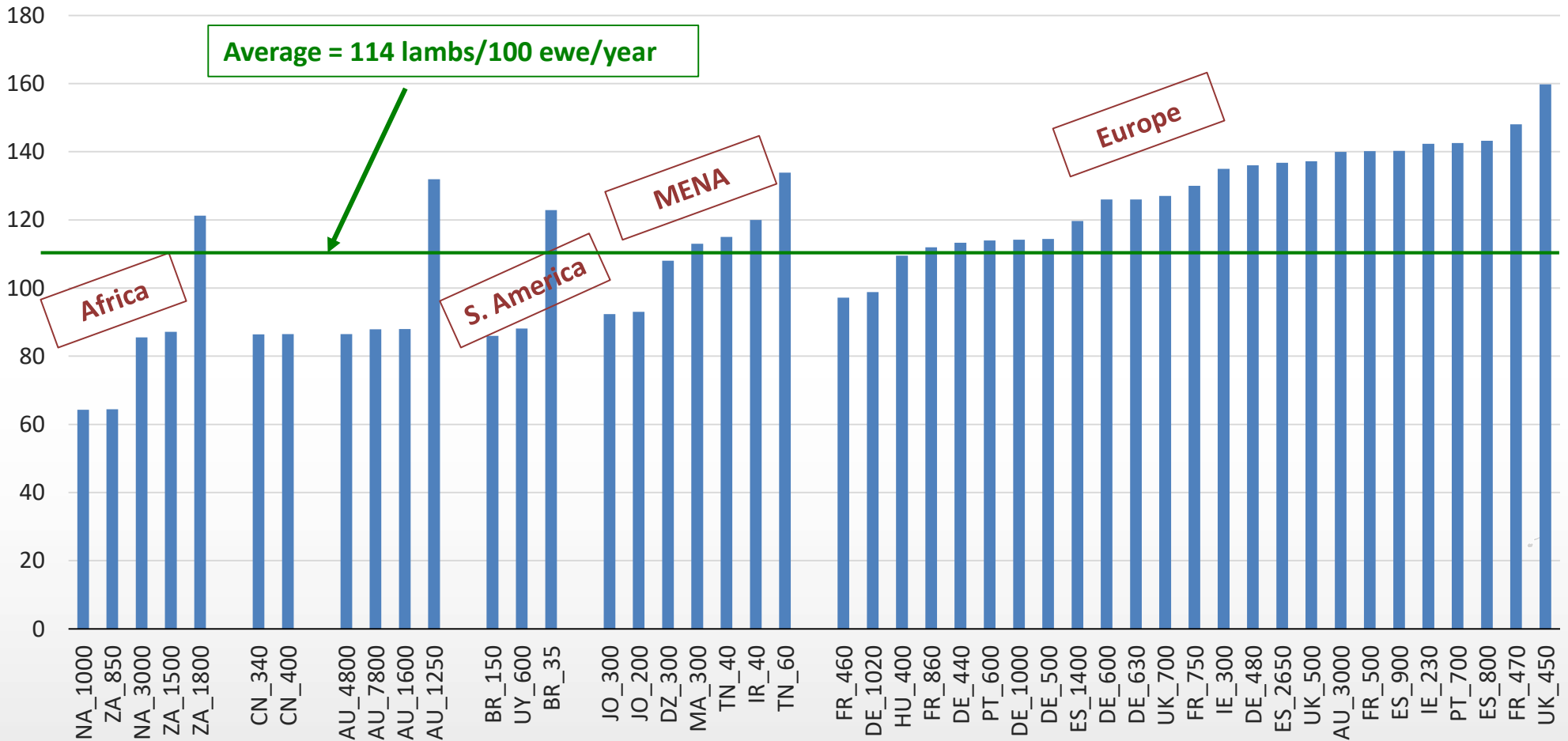
Further price decline in 2023?

- Increase supply from AU, economic hardships?
- Further demand downturn in CN?

International comparison

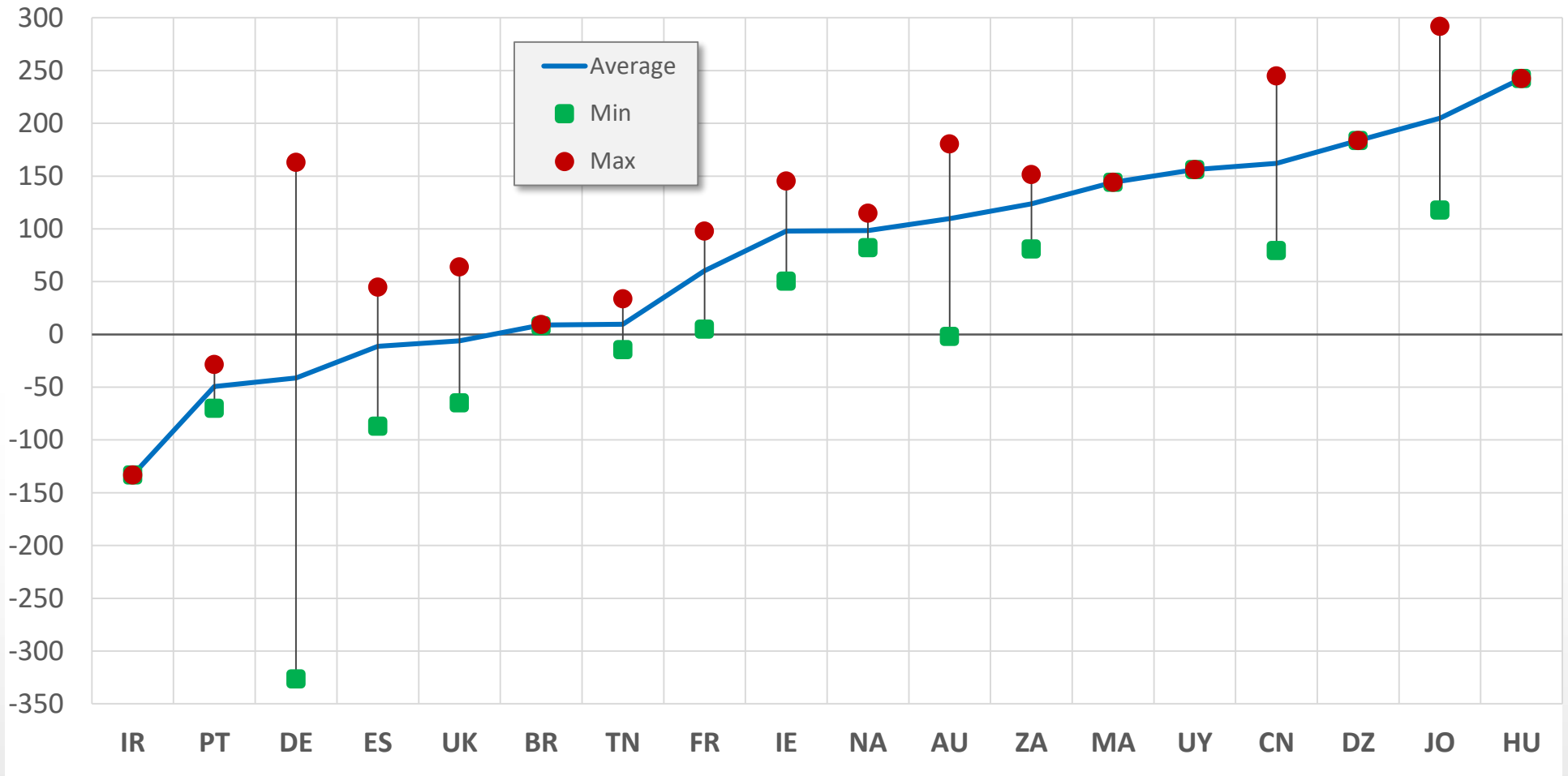


Weaned lambs per 100 ewes and year

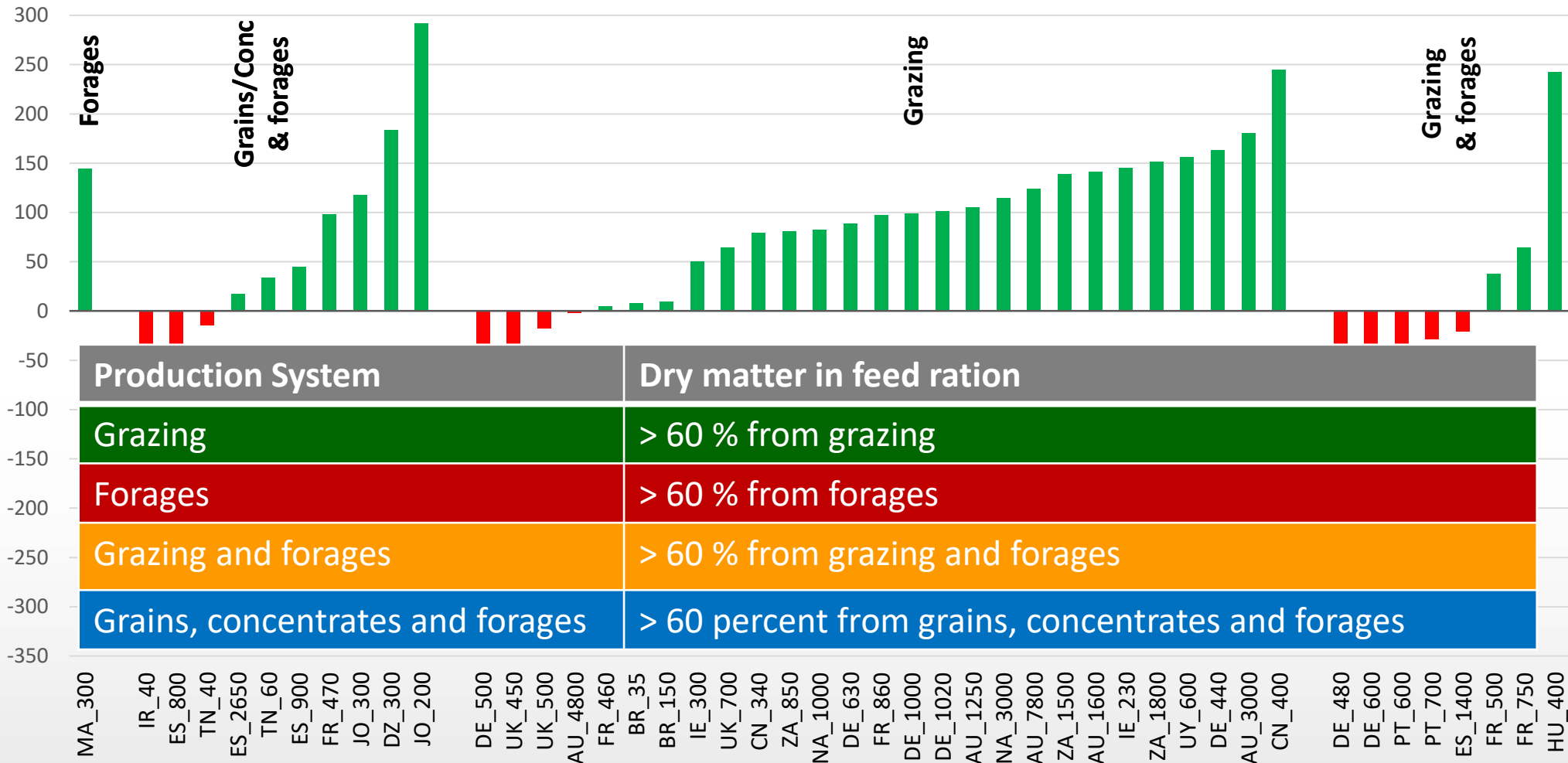


Medium-term profitability, 2022

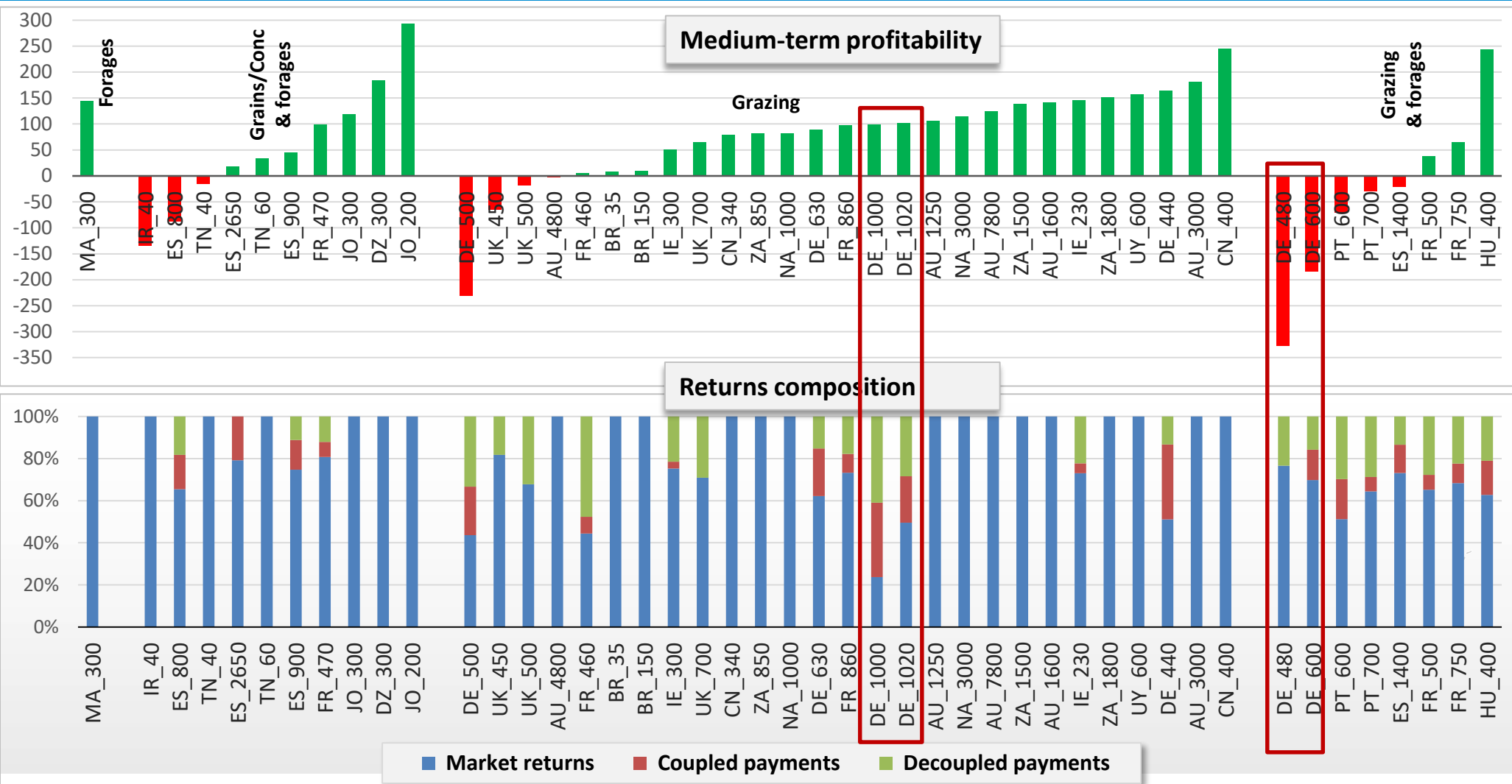
USD per 100 kg LW



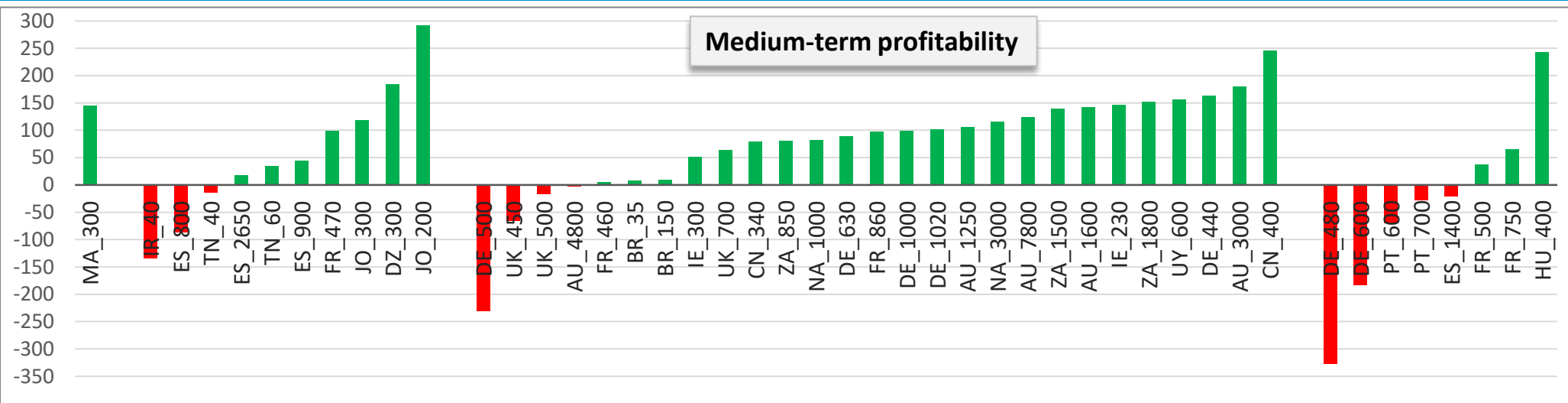
Medium-term profitability by production system, 2022 (USD per 100 kg LW)



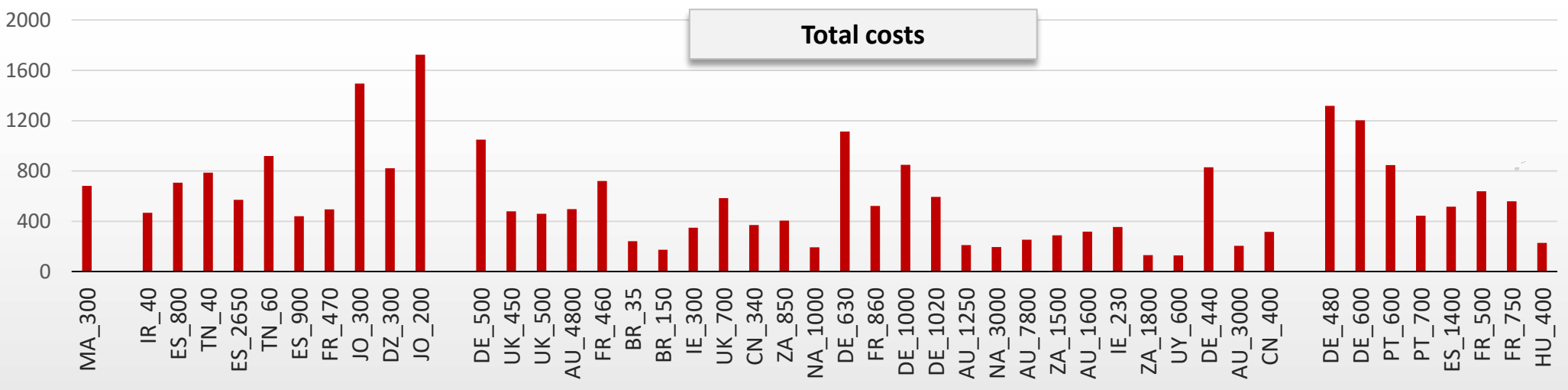
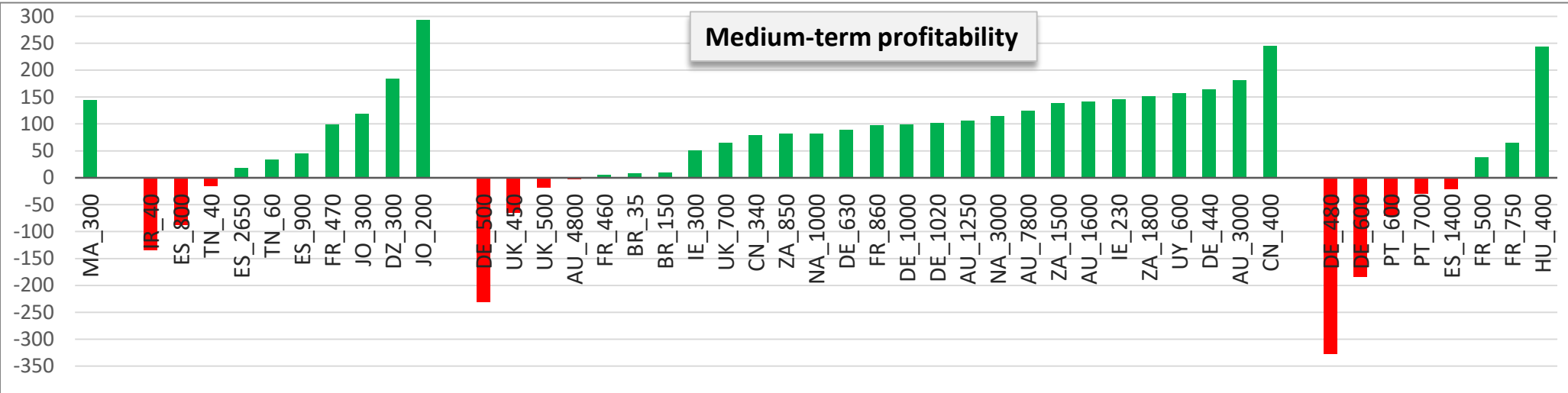
Medium-term profitability (USD per 100 kg LW) and return structure (percentage composition)



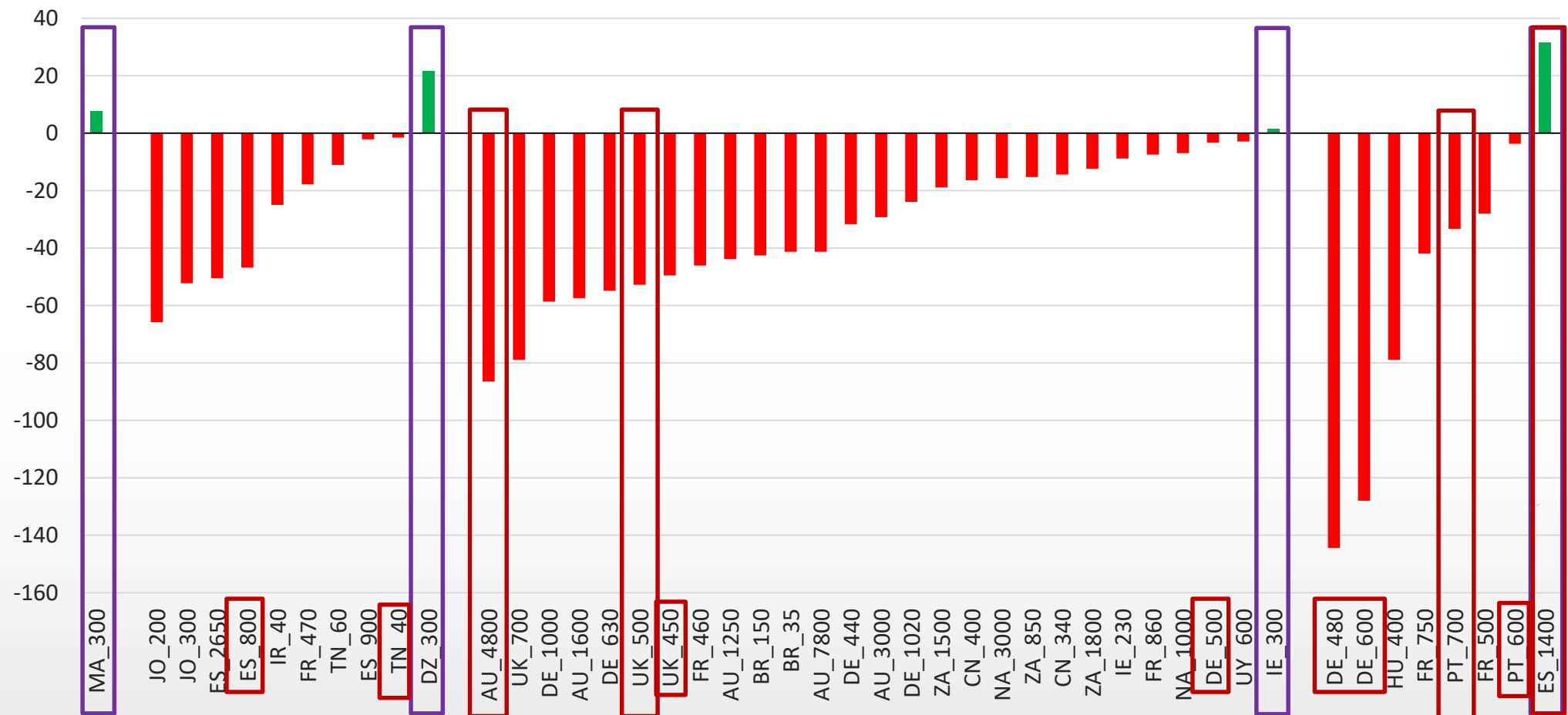
Medium-term profitability and total returns (USD per 100 kg LW)



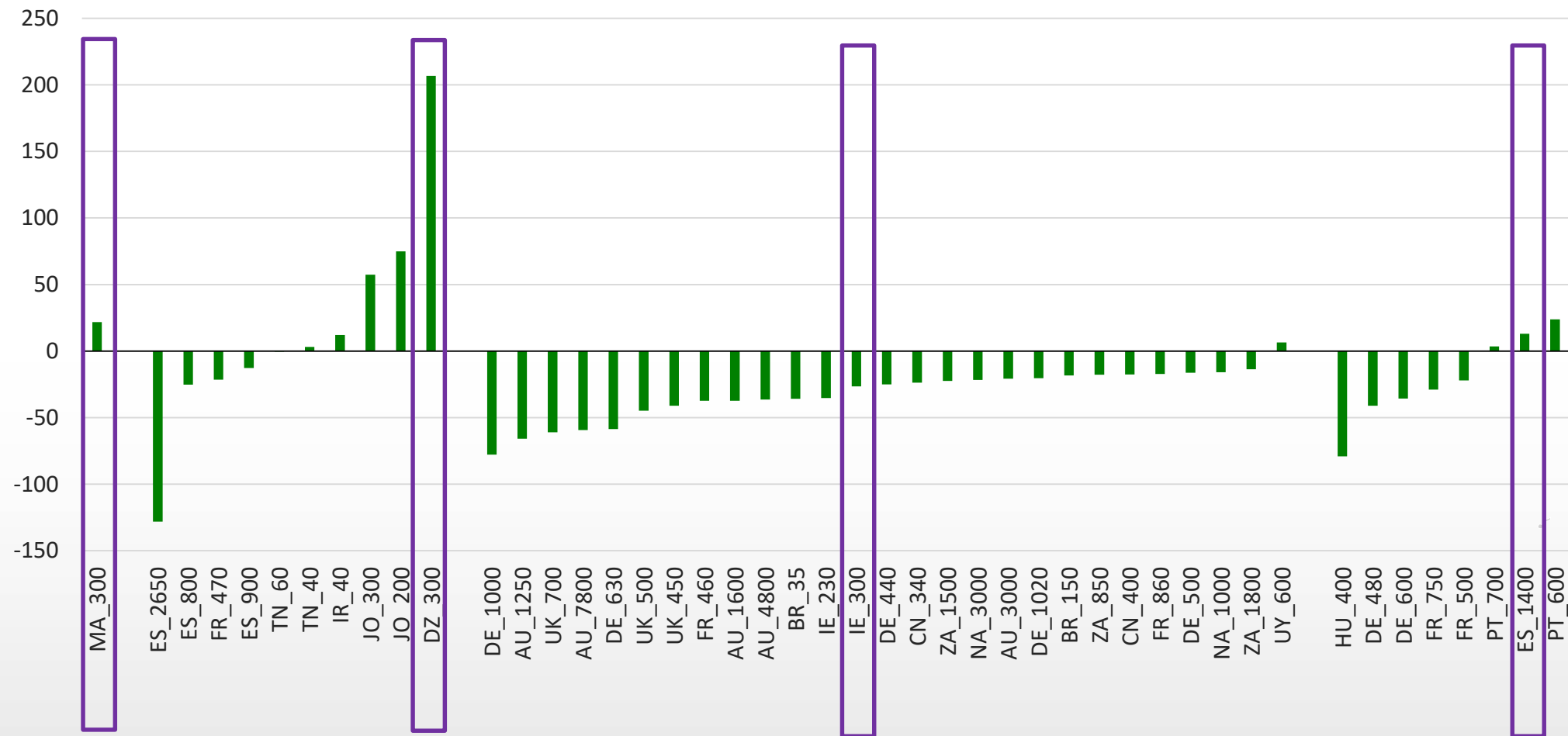
Medium-term profitability and total costs (USD per 100 kg LW)



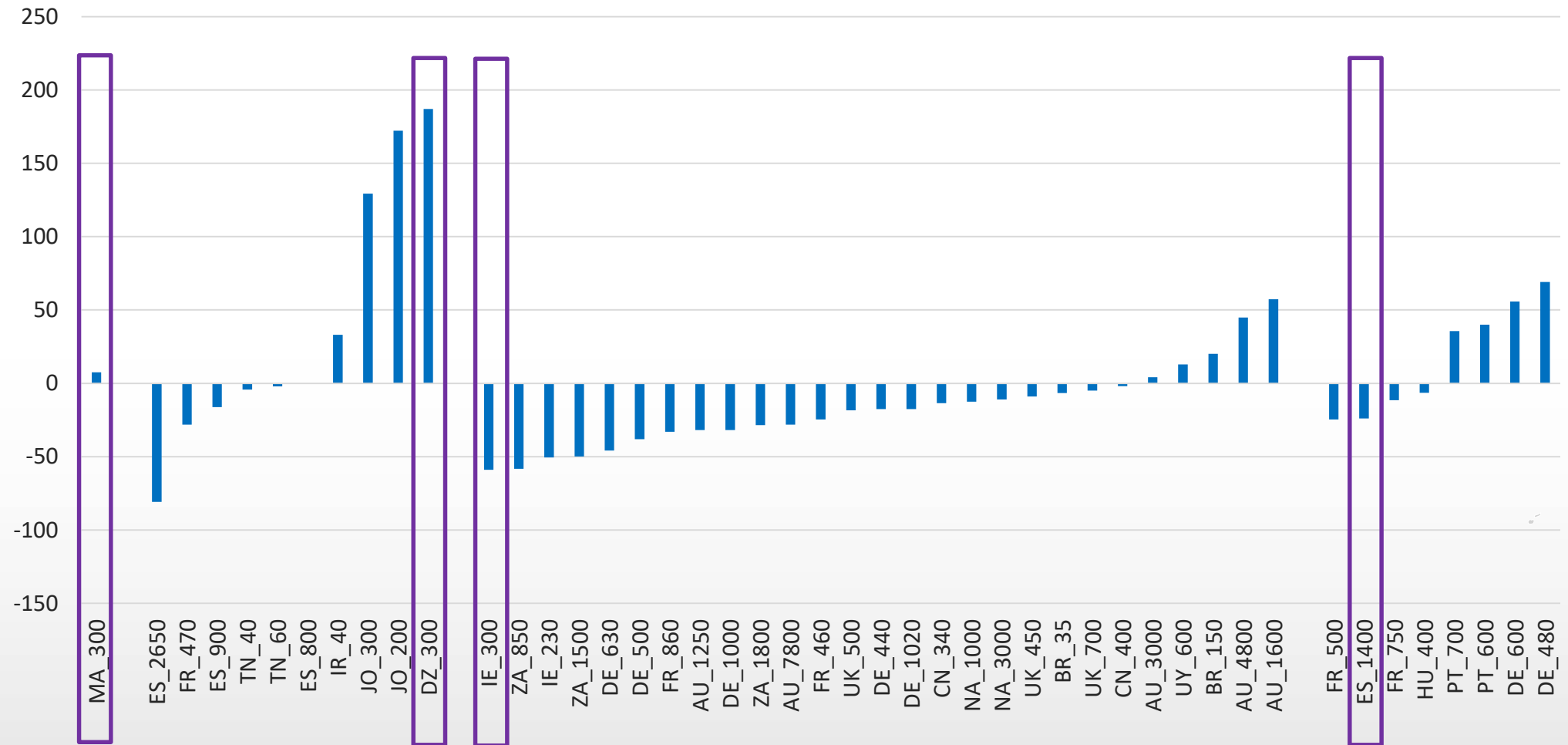
Changes in medium-term profitability 2022 vs. 2021 (USD per 100 kg LW)



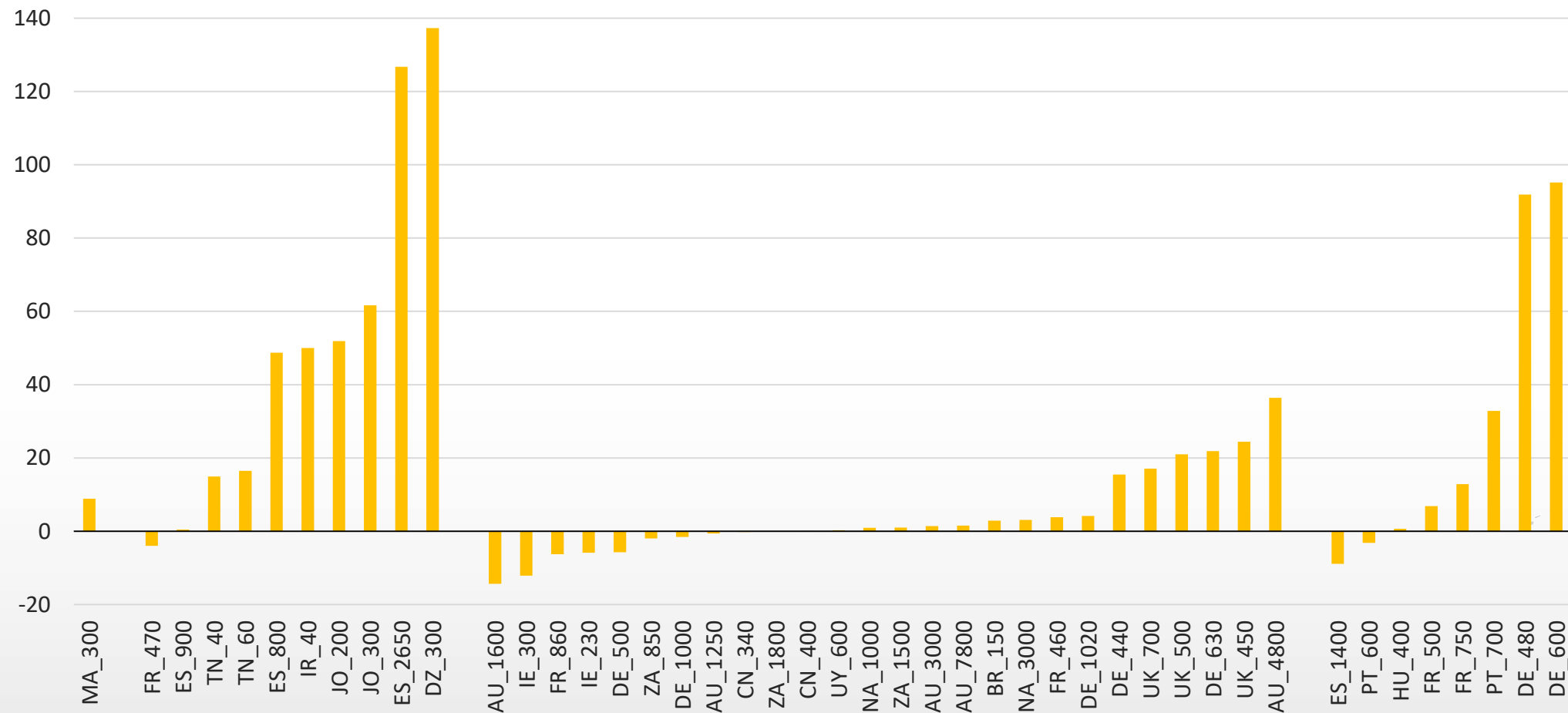
Changes in total returns 2022 vs. 2021 (USD per 100 kg LW)



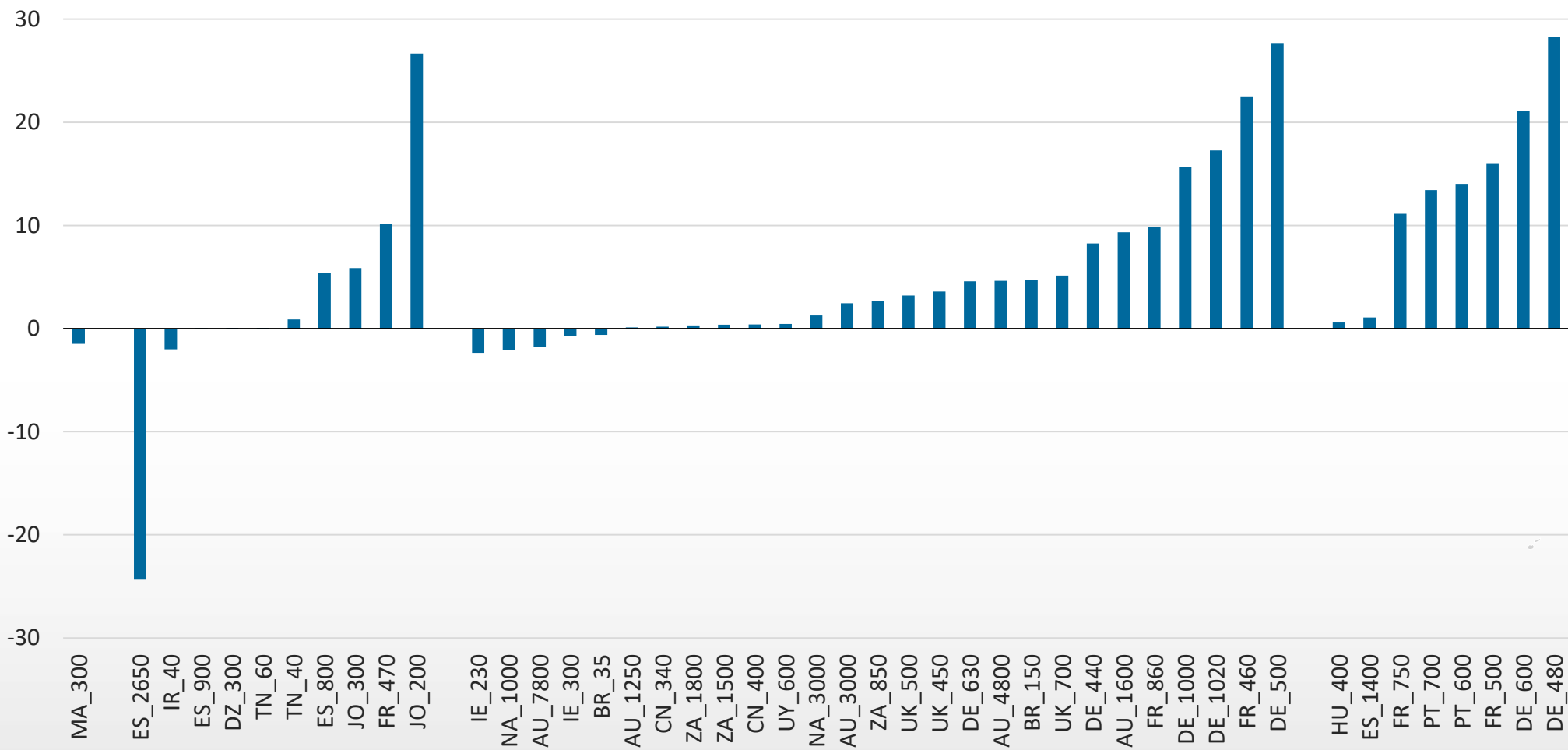
Changes in total costs 2022 vs. 2021 (USD per 100 kg LW)



Changes in feed costs 2022 vs. 2021 (USD per 100 kg LW)



Changes in energy costs 2022 vs. 2021 (USD per 100 kg LW)



Comparativa internacional – Granjas ovino carne

muchas gracias

Isam Almadani

Pamplona
24.10.2023

PANEL NACIONAL DE OVINO DE CARNE