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## AUSTRALIA'S FAT LAMB INDUSTRY.

ALISON KINGSLAND, B.Sc.Agr.

*(Economics Branch.)*

The fat lamb industry has been gaining increasing importance in Australia during recent years. Expansion of production has been encouraged by favourable prices relative to wool, by the extended application of diversified farming methods and by the preference of our chief customer, the United Kingdom, for lamb rather than mutton. The gradual increase in the proportion of crossbreds to merinos over recent years is an indication of the rising interest being shown in fat lamb raising. The proportion of crossbred wool grown in New South Wales alone increased from 9 per cent. to 17 per cent. of the total clip during the war.

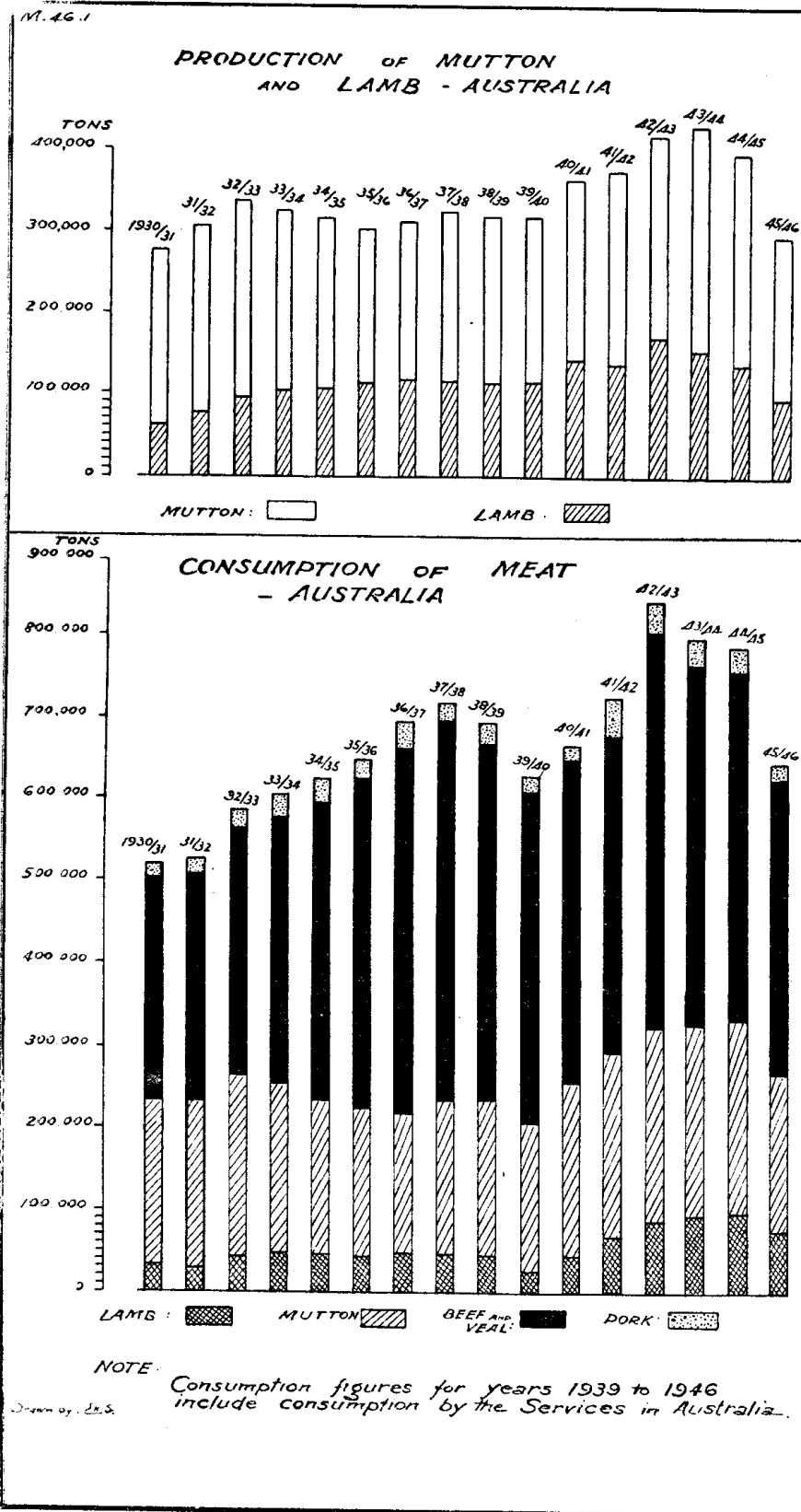
### **Production.**

The upward trend in the output of mutton and lamb before the war was due mainly to the rise in lamb production, mutton production remaining fairly stable. During the war production of both mutton and lamb expanded considerably, reaching a peak in 1942-43. (See Fig. 1.) During that year the number of lambs



**Good Type of Crossbred Lambs.**

slaughtered represented an increase of 159 per cent. over the number slaughtered in 1929-30. Over the same period, the number of sheep slaughtered increased by 38 per cent. Moreover, the rise in total meat production during the war was almost wholly attributable to the increase in lamb and mutton. As an average of the five years preceding the war, lamb constituted 13 per cent. of the total meat produced. This figure rose to as high as 17 per cent. in 1942-43. The increase in demand which brought about this expansion of production was a reflection of the higher purchasing power of the civilian population and of the large quantities of food required by the Services.



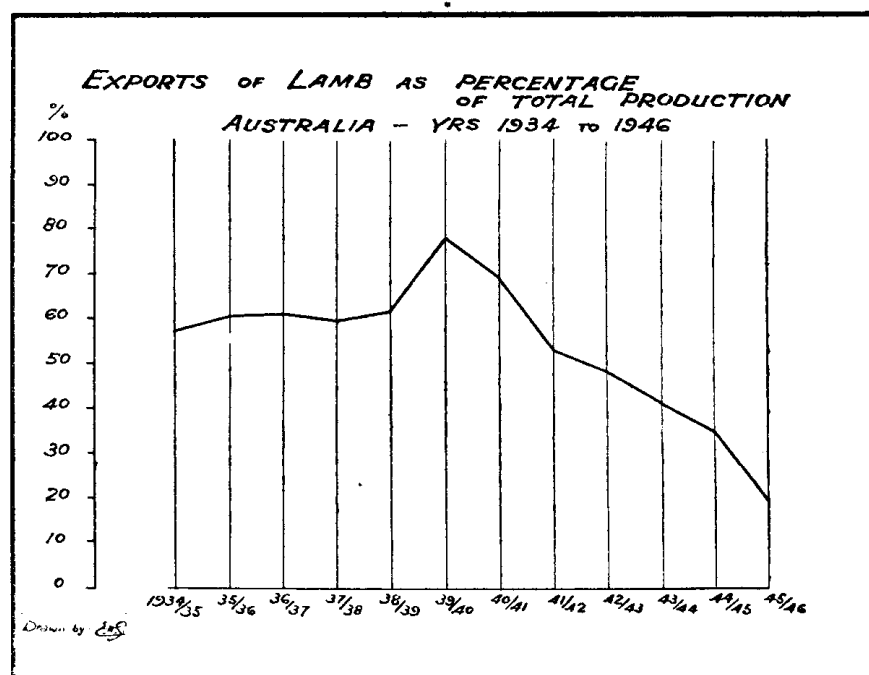
In the 1940-41 season, shipping difficulties limited exports of meat, creating a surplus. It was, however, temporary, as the demand by the Services increased with the entry of Japan into the war. Moreover, by 1943 the United Kingdom was willing to take as much meat as could be made available.

### Home Consumption.

Up to the introduction of rationing in 1943, consumption of meat had been increasing fairly rapidly. The increase before the war, however, was due directly to the increased popularity of beef, consumption of mutton and lamb remaining steady. (See Fig. 2.) During the war years before rationing there was an upward trend in consumption of mutton and lamb per head of population. The latter was due largely to the increased purchasing power of the population. The temporary reduction in exports in 1941-42 also had some influence. After the introduction of rationing in 1943, consumption per head of mutton and lamb continued at a high level, although per capita consumption of all meat declined to below the pre-war level.

### Exports.

Australian exports of mutton and lamb were increasing steadily up to 1939-40. Before 1923-24 exports of mutton predominated but subsequently exports of lamb exceeded those of mutton. During the ten year period before the war, annual exports of mutton fluctuated considerably, the highest level reached being 28,000



tons in 1934-35. On the other hand, exports of lamb continued to expand up till 1940-41 when 98,194 tons were shipped overseas. This amount represented an increase in exports of 566 per cent. over the eighteen-year period between 1923-24 and 1940-41. A high level of exports was maintained during the next two years,

although the percentage of exports to total production began to decline with the rise in home consumption. (See Fig. 3.) A rapid decline in exports since 1942-43 resulted from the inadequacy of supplies to meet all demands. Total consumption in Australia was more than doubled during the war and, when total production was so severely reduced by drought in 1944-45, exports were necessarily reduced. By 1945-46, exports of lamb had declined to 17,879 tons, the lowest level for many years.

Throughout these years over 98 per cent. of the total exports have gone to the United Kingdom annually. Concessions obtained as a result of the Ottawa Conference in 1932 were responsible for the expansion of Australia's total meat exports at a time when the world market was contracting. Although the United Kingdom placed Empire meat imports on a quota basis two years later, the effect on Australia's trade was negligible. In 1938, however, mutton and lamb supplies in the British market were brought under the control of the International Meat Conference, through which imports of beef had been controlled since 1935.

During the first few years of war fixed quantities of meat were contracted for but later the British Government agreed to take all exportable surpluses. In 1944 a long-term contract for the purchase of meat, covering the four-year period up to 1948, was entered into by the Governments of Britain and Australia. In October, 1946, the purchase rates were revised. Although comparison with the previous contract prices is difficult, revised prices represent a marked increase on those in force during the first contract year 1939.

Of the other countries which imported Australian lamb, British Malaya was the most important. In 1938-39, exports of lamb to that country totalled 446 tons. In the same year Canada took 166 tons, the Philippine Islands 100 tons and the Pacific Islands 72 tons. Exports to Ceylon, Hong Kong, Egypt, South Africa, India and France were on a small scale only. Small quantities were exported to the United States at one time but trade was discontinued after 1936-37.

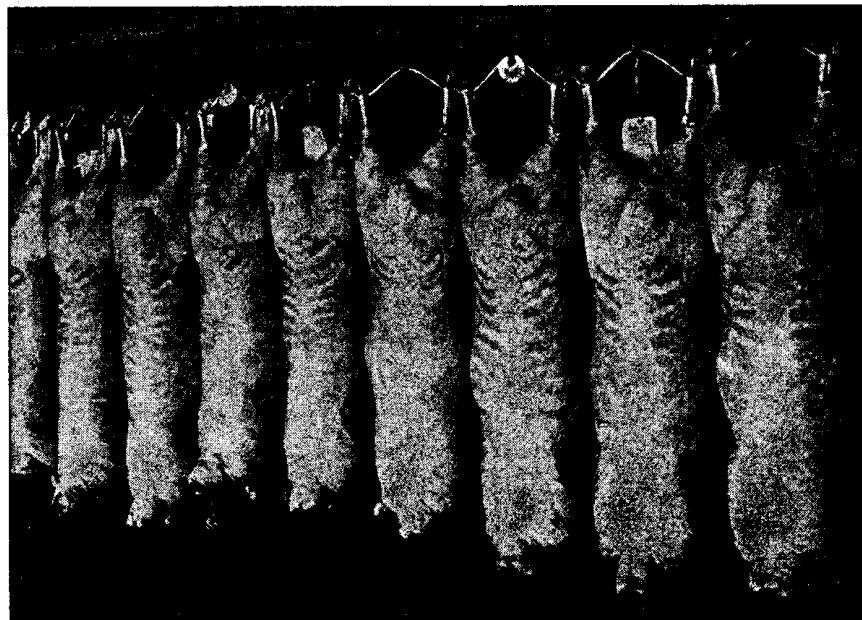
### **Future Markets.**

When endeavouring to assess future trends in the industry it is necessary to consider market prospects at home and abroad, profitability relative to alternative enterprises and competition for markets from other sources.

Markets for all meat are assured for the next few years, as it seems that the present almost world-wide shortage of protein foods will continue for some time yet. Britain is taking our exportable surplus of meat until 1948, so that until then, at least, there will be no difficulty in disposing of production at its present level. The recent trend towards fat lamb raising has been a reflection of the higher profitability of fat lamb production in relation to wheat and wool. During the war, restricted market outlets for wheat, together with shortage of manpower, contributed considerably to the swing from wheat to lamb production.

The high prices for wool received at the recent Sydney wool sales suggest that this swing towards lamb raising may be arrested to some extent.

Expansion of production in the long run, however, will depend on the relative market prospects for wool, wheat and lamb. Since more than half of the total production of lamb was exported before the war and over 98 per cent. of the exports went to the United Kingdom, the possibilities of extending our market in that country suggest investigation. Although imports of Australian lamb into the United Kingdom had been increasing steadily for some years before the war, a move was made by the United Kingdom in 1938 to regulate imports of mutton and lamb as well as beef. It seems, therefore, that in the long run, prospects for



**Ideal Export Lambs.**

expanded markets in this direction are not promising. Moreover, international trade policy may have a far-reaching effect on future trade. If Imperial Preference is modified, Australia may even lose some of her present markets.

Other outlets such as British Malaya, the Philippine Islands, the Pacific Islands and India seem to offer only limited possibilities, at least for some time to come. Expanded markets in these areas will depend on a general rise in their living standards. Even if this were achieved, mutton is likely to be favoured rather than lamb, owing to its comparative cheapness.

The possibility of a large export trade with the United States has been suggested. Before 1929 Australia and New Zealand exported small amounts of mutton and lamb to the United States. During that year, however, the tariff rate was increased to 7 cents

per pound for lamb and to 5 cents per pound for mutton. The result was a rapid decline and eventual cessation of exports of lamb and mutton from both Australia and New Zealand to the United States. If Imperial Preference is modified it is possible that a reduction of tariff rates may be agreed upon. Such a reduction may lead to a renewal of our trade in lamb with the United States. The extent to which this trade could be developed is dependent on the degree to which the United States has developed her own fat lamb industry while under protection and to the development of the American consumer's taste for lamb.

Possibilities of extended consumption of lamb in Australia beyond levels reached during the war are limited. Pre-war consumption was maintained at a steady rate, any increase being a reflection of a rise in beef consumption. Increased purchasing power during the war years before rationing effected a rise in consumption of lamb, although it is difficult to assess the amount as statistics include that consumed by the Services. Any further expansion of consumption will result from increased population.

In maintaining present markets and establishing new ones, keen competition from such countries as New Zealand and Argentina will be met. New Zealand, the main fat lamb producer in the world, supplies a product which is extremely popular on the British market. Produced under conditions similar to those prevailing in the United Kingdom, New Zealand lamb has the mild flavour of the British product. Southdown crosses predominate, high quality being emphasised in all exports. Over the last decade, fat lamb raising has been particularly profitable and present indications point to a promising future. An agreement covering exports up to 1950 was recently made with Britain.

Argentina is next in importance to Australia as an exporter of lamb. Here again the greater part of the exports has gone to the United Kingdom. However, Argentina's share in the market has been considerably smaller than that enjoyed by Australia. Over the five-year period before the war, lamb exports to the United Kingdom averaged 39,241 tons, not much more than half the volume of Australian exports of lamb. As a result of the introduction of Empire Preference and an agreement for the reduction of Argentine exports of meat to the United Kingdom, exports of lamb from that country declined considerably after 1932. Modification of Imperial Preference may result in increased competition from Argentina on the British market. Moreover, if the United States market expands to any extent it is certain that Argentina would endeavour to capture a large share in it. Competition on the world market from sources other than New Zealand and Argentina will be negligible.

**Conclusions.**

It seems then that further expansion of fat lamb raising in Australia will depend largely on the relative returns from alternative enterprises such as wool and wheat. If the fat lamb industry remains as profitable as it has been during the war, production will continue to expand. That it shall remain as profitable will depend on the demand both at home and abroad for our lamb. Some increase in demand in Australia will result if there is a rise in population. However, expansion of markets overseas would be the means of providing a stable basis for a larger fat lamb industry in Australia.

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**AUSTRALIAN EGG INDUSTRY CONFERENCE.****HELD IN SYDNEY ON 12th-14th NOVEMBER.**

The Commonwealth-wide conference on post-war stabilisation of the Australian egg industry, convened by Dr. H. J. Hynes, was held in the conference room of the Department of Agriculture, Sydney, on 12th-14th November. The following were present:—

Messrs. H. Souter, R. C. Blake and C. W. Sayers (Commonwealth Egg Controller's Office).

Mr. J. Richardson (Commonwealth Department of Commerce and Agriculture).

Dr. H. J. Hynes and Mr. E. Hadlington (N.S.W. Department of Agriculture).

Messrs. A. A. Tegel, N. D. Carter, R. Harrison, G. L. C. Brocklehurst, E. F. Whitbread and W. R. Whiting (N.S.W. Egg Marketing Board).

Mr. P. Ryan (Victorian Department of Agriculture).

Messrs. H. Cotton, R. E. Huggins, C. A. Hurst, C. Sleight, S. A. Outerbridge (Victorian Egg and Egg Pulp Marketing Board).

Mr. H. K. Lewcock (Queensland Department of Agriculture and Stock and Queensland Egg Marketing Board).

Messrs. C. J. Nielsen and O. M. Dart (Queensland Egg Marketing Board).

Mr. C. F. Anderson (South Australian Department of Agriculture and South Australian Egg Board).

Mr. G. K. Baron Hay (Western Australian Department of Agriculture and Western Australian Egg Marketing Board).

Mr. W. L. Hoops (Western Australian Egg Marketing Board).

Mr. F. W. Hicks (Tasmanian Department of Agriculture).

Mr. T. M. Young (representing the Tasmanian poultry producers).